

FSBO TOOL

NEGOTIATION SCENARIO PLANNER

How to Handle Common Negotiation Situations

Why This Matters

Negotiating without an agent means you're on your own. But that doesn't mean you have to wing it. This guide walks you through the most common negotiation scenarios you'll face, with specific strategies and sample responses. Study these BEFORE you receive an offer, so you're prepared when the moment comes.

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Scenario 1: Lowball Offer (20%+ Below Asking)

THE SITUATION

You receive an offer significantly below your asking price, often with language like “as-is” or “cash offer” to justify the low price.

WHAT THEY WANT

To get your property at a steep discount, hoping you're desperate or uninformed.

YOUR OPTIONS:

Option A – Reject Outright

If the offer is insulting and far from market value, you can simply reject it. This sends a message that you're serious about your price.

Option B – Counter at Asking

Counter at or very close to asking price. Shows you're firm but willing to negotiate on other terms.

Option C – Counter at Midpoint

Only do this if you're actually willing to accept that price. Never counter just to “keep them interested” if you won't take it.

SAMPLE RESPONSE:

“Thank you for your offer. We appreciate your interest in the property. However, the offered price is significantly below market value for comparable homes in the area. We've priced the home competitively based on recent sales data. We're happy to provide you with the comparable sales information that informed our pricing. If you'd like to submit a revised offer closer to asking price, we'd be glad to consider it.”

RED FLAGS TO WATCH FOR

- If they get hostile when you counter
- If they claim “nobody else will offer more”
- If they pressure you to decide immediately

Scenario 2: Inspection Issues & Repair Requests

THE SITUATION

After the home inspection, the buyer requests repairs, credits, or a price reduction based on the inspection report.

WHAT THEY WANT

To negotiate the price down after you've already taken the property off market and invested time in the deal.

YOUR OPTIONS:

Option A – Agree to Major Safety Items Only

Fix or credit only items that affect safety or habitability (roof leaks, electrical hazards, etc.).

Option B – Offer a Credit Instead

Give a credit at closing instead of making repairs yourself. Faster and gives buyer control.

Option C – Hold Firm

If inspection reveals only minor cosmetic items and property was priced accordingly, you can decline all requests.

Option D – Get Multiple Quotes

If you agree to make repairs, get 3 quotes and choose mid-range option. Share quotes with buyer.

SAMPLE RESPONSE:

"We've reviewed the inspection report. We're willing to address the following items that affect the safety and functionality of the home: [list specific items]. For cosmetic items like [examples], these were reflected in our pricing and we've priced the home competitively with these factors in mind. We're happy to provide a \$X credit at closing for [major items] rather than making repairs ourselves, which gives you flexibility to choose your own contractors."

RED FLAGS TO WATCH FOR

- Requests to fix every minor cosmetic item
- No priority given to what's actually important
- Threatening to walk away over minor issues
- Requesting repairs that weren't in inspection report

Scenario 3: Appraisal Comes in Low

THE SITUATION

The property appraises for less than the agreed-upon purchase price. Buyer's lender won't finance the full amount.

WHAT THEY WANT

You to lower the price to match the appraisal, or they walk away.

YOUR OPTIONS:

Option A – Meet in the Middle

Buyer brings more cash, you reduce price slightly, and you meet at a midpoint.

Option B – Hold Your Price

Buyer needs to make up the difference in cash. This works if the market supports your price and you have other interested buyers.

Option C – Reduce to Appraisal

If the appraisal is actually fair and your price was optimistic, accept it and move forward.

Option D – Challenge the Appraisal

Provide comps that support your price and ask for a reappraisal. This can work but takes time.

SAMPLE RESPONSE:

"I understand the appraisal came in at \$X. However, we have strong comparable sales that support our price: [list 2-3 recent comps]. We'd like to submit these to the lender for a reconsideration of value. If the appraisal stands, we'd be willing to meet halfway – reducing our price by \$Y if you can bring an additional \$Z in cash to close the gap. This keeps the deal moving forward for both of us."

RED FLAGS TO WATCH FOR

- Appraisal is from an out-of-area appraiser who doesn't know the market
- Buyer refuses to bring any additional cash
- Buyer seems relieved about the low appraisal (may have buyer's remorse)
- They want you to pay for a new appraisal

Scenario 4: Buyer Gets Cold Feet / Wants Out

THE SITUATION

Days before closing, the buyer starts creating problems, looking for excuses to back out, or stops communicating.

WHAT THEY WANT

To exit the contract and get their earnest money back, usually because they found another property or have buyer's remorse.

YOUR OPTIONS:

Option A – Enforce the Contract

If they're trying to back out without a valid contingency, you may be entitled to keep the earnest money. Consult your attorney immediately.

Option B – Accommodate Minor Requests

If they have legitimate concerns that can be easily addressed, and you want the deal to close, be flexible on small items.

Option C – Let Them Walk

If you have backup offers or sense this buyer will be a nightmare to work with, sometimes it's better to let them go.

Option D – Extend the Closing

If they need more time (financing delays, etc.), consider a short extension rather than starting over.

SAMPLE RESPONSE:

"I'm concerned about the issues you've raised at this late stage. We've met all of our obligations under the contract, and we're ready to close as agreed. If you have specific concerns that are covered under the contract contingencies, let's discuss how to address them. If you're looking to exit the contract outside of the agreed contingencies, please know that under the terms of our agreement, that would result in forfeiture of your earnest money. I'd prefer we work together to close this transaction, so please let me know what specific concerns I can help resolve."

RED FLAGS TO WATCH FOR

- Suddenly unresponsive to calls/emails
- Creating new problems that weren't issues before
- Asking for unreasonable concessions at the last minute
- Their agent is being evasive about what's really going on

Scenario 5: Multiple Offers (Best Problem to Have!)

THE SITUATION

You receive more than one offer at the same time and need to choose the best one.

WHAT THEY WANT

All buyers want you to accept their offer, often using different strengths (higher price vs. fewer contingencies vs. faster close).

YOUR OPTIONS:

Option A – Accept the Highest Price

If all else is equal, go with the money. But consider the full picture.

Option B – Accept the Strongest Offer

Sometimes a slightly lower offer with pre-approval, no contingencies, and fast close is better than highest price with lots of contingencies.

Option C – Create a Bidding War

Let all parties know you have multiple offers (don't share details) and invite "highest and best" by a deadline.

Option D – Accept with Escalation Backup

Accept one offer but keep second offer on standby in case first falls through.

SAMPLE RESPONSE:

"Thank you for your offer. We've received multiple offers on the property and are reviewing all of them carefully. We will be asking all interested parties to submit their highest and best offer by [date/time]. Please note that we're evaluating based on price, terms, contingencies, and certainty of closing - not just price alone. We'll make our decision by [date] and notify all parties at that time."

RED FLAGS TO WATCH FOR

- Offers that are "contingent on viewing other properties"
- Buyers trying to pressure you into accepting before you review all offers
- Offers with way too many contingencies even if price is highest
- Agents being pushy or disrespectful

Scenario 6: Buyer Wants Extended Possession

THE SITUATION

Buyer asks to move in before closing (pre-possession) or wants you to stay after closing (post-possession/rent-back).

WHAT THEY WANT

Flexibility on timing, but this creates serious liability issues for you.

YOUR OPTIONS:

Option A – Decline Pre-Possession

Never let buyers move in or do work before closing. If the deal falls apart, you have a nightmare eviction situation.

Option B – Short Rent-Back (1–7 days)

If you need a few days after closing, this can work with a proper agreement. Charge rent and keep security deposit.

Option C – Longer Rent-Back

Only if absolutely necessary. Get attorney to draft proper agreement with rent, security deposit, and clear move-out date.

Option D – Counter with Moving Incentive

Instead of rent-back, ask for credit toward moving costs if you can vacate on time.

SAMPLE RESPONSE:

"I understand you'd like to move in before closing / stay after closing. Unfortunately, that creates significant liability concerns for both of us. If the deal were to fall through after you've moved in, we'd have a very complicated legal situation. I'm happy to work with you on the closing date to accommodate your timing needs, but possession will transfer at closing as is standard practice. If you need flexibility, perhaps we can adjust the closing date itself rather than having a separate possession arrangement."

RED FLAGS TO WATCH FOR

- They want to move items in "just to store them"
- They want to do renovations before closing
- They're vague about why they need extended possession
- They're unwilling to pay market rent for rent-back

General Negotiation Principles

Never Negotiate Against Yourself

Don't lower your price or offer concessions without a corresponding counteroffer from them. Wait for their response.

Everything Is Negotiable

Price, closing date, repairs, inclusions, possession – it all can be adjusted. Don't get stuck thinking only about price.

Time Is Your Enemy

The longer a deal drags on, the more likely it falls apart. Move decisively but not desperately.

Emotion Is Their Weapon

Buyers may try to make you feel guilty, rushed, or unreasonable. Stick to data and contract terms.

Get Everything in Writing

Verbal agreements mean nothing. Every change to the contract must be in writing and signed by both parties.

Know Your Walk-Away Point

Before negotiating, decide your absolute minimum acceptable terms. If they won't meet it, walk.

Your Attorney Is Your Best Friend

Run every significant decision by your real estate attorney. That's what you're paying them for.

Silence Is Powerful

After you make a counteroffer, shut up. Let them respond. Don't fill the silence with justifications.

Need Help With a Negotiation?

Call or text Matt Warbet for a free, no-pressure consultation.

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