INVESTOR FIELD GUIDES / BOOK 07

Wholesaling Without Guesswork

Work backward from an end buyer's numbers and communicate clearly

Real Estate Nate

Free Investor Academy

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Examples are hypothetical and are not Nate's actual transactions. Contract, marketing, assignment, disclosure and licensing rules vary; obtain qualified local advice before acting.

A fee is not the starting point

I want a wholesale opportunity to make sense for the end buyer after the buyer's costs, work and risk are considered. A seller's asking price, an attractive projected resale value and a desired assignment fee do not by themselves create a deal.

Start with the property and the potential exit. Support the finished value, investigate the repairs, and calculate what a buyer could reasonably pay while meeting that buyer's requirements. Then account for your proposed fee and transaction costs. If the seller's number is above the amount the deal supports, explain what you can and be willing to walk away.

1. Understand the parties and your role

A wholesale transaction can be structured in different ways. In an assignment, a party may seek to transfer contractual rights under terms that permit it. Other structures can involve separate purchases and sales. Each has different costs, contractual obligations and legal implications. Do not assume a contract is assignable, that marketing a contract is treated the same way everywhere, or that a particular transaction avoids licensing or disclosure requirements. Discuss the actual structure with a qualified local attorney and closing professional.

Be clear with the seller and prospective buyer about your role and what you know. Do not describe uncertain repairs as confirmed or an estimated value as an appraisal. A

professional relationship lasts longer than the pressure of one contract.

2. Begin with the end buyer's project

Consider a hypothetical house that could sell for $200,000 after a defined renovation. A potential buyer estimates $35,000 of repairs, a $5,000 repair contingency, $25,000 of acquisition, financing, holding and sale costs, and $25,000 required pre-income-tax profit. With those illustrative costs fixed, the buyer's maximum total acquisition cost is $110,000.

If the buyer is also testing a 5% lower resale price of $190,000, the comparable ceiling falls to $100,000. At a 10% lower resale price of $180,000, it falls to $90,000. Costs that change with price, loan amount or time must be recalculated. A repair contingency and a 5-10% exit stress test address different risks; keep them separate.

These are not universal buyer formulas. A specific buyer's financing, scope, costs, risk tolerance and required profit may be different. Ask how the buyer evaluates a property and verify the assumptions rather than advertising a theoretical spread as guaranteed profit.

3. Work backward to the seller price

Assume a particular buyer's maximum total acquisition cost is $100,000, including a proposed $8,000 assignment fee. If there are no other assignment-related costs in this simplified example, the preliminary seller contract ceiling is $92,000. If the transaction has additional costs, deduct the correct party's share before determining the ceiling.

If the seller requires $105,000, you have not found an $8,000 fee by adding it to a number the end buyer will not pay. You have found a gap. Verify whether the value and repair

assumptions are supported, discuss a possible lower price honestly and explore whether a different legitimate structure actually works for everyone. If not, pass.

The buyer's limit may itself change after inspection or financing review. Do not present a preliminary ceiling as a binding offer from a buyer who has not agreed to one.

4. Verify the facts buyers need

Gather property condition, occupancy, access arrangements, known liens or title questions, utilities, repair evidence, comparable sales and the seller's timeline. Distinguish information the seller provided from documents you have reviewed and items you have personally verified. An unknown roof age should stay unknown until there is evidence.

Obtain the right to access or share information before arranging inspections or marketing materials. Respect existing residents and coordinate through authorized parties. Keep sensitive information and private circumstances out of promotional materials unless there is a clear, appropriate basis to share them.

5. The seller conversation

Imagine a seller believes the house is worth $200,000 because a renovated house nearby sold for that amount. Your current estimate includes $35,000 in repairs and significant holding and transaction costs. The seller wants $105,000; your preliminary ceiling is $92,000.

You can say: 'I understand why you are looking at that sale. The home we are discussing needs work, and a buyer has to account for the cost and time to complete it. Based on the information I have today, my preliminary number is lower. I

would want to verify the repairs and closing details before making a final commitment.'

Listen to the seller's objectives and timeline. Do not promise a closing you cannot perform, hide your role, or pressure someone to accept an offer. The seller may prefer another option. A respectful no is a better outcome than a contract that cannot be responsibly completed.

6. Present the opportunity without selling certainty

Give a potential buyer the facts and the basis for estimates: location, property details, condition, access instructions, proposed transaction terms, comparable sales, known costs, unknowns and the timeline. Make it easy for the buyer to run independent numbers and inspect when appropriate. If an issue is not verified, say so.

Review the contract and closing process before representing what can be transferred or marketed. Consider the buyer's timeline, earnest money, title requirements and financing. Do not use another party's name, private records or photographs without the necessary authorization.

7. When to renegotiate or pass

Suppose a walkthrough reveals an additional $15,000 structural repair that neither you nor the buyer included. A prior $92,000 seller ceiling may no longer work. Obtain an appropriate professional estimate and rerun the deal. If the repair is confirmed and all else truly remains equal, the simplified maximum would decline by $15,000; check for additional time, financing and contingency effects as well.

You may need to discuss a new price or follow the contract's terms for ending the transaction. Do not assume you have a

right to renegotiate, cancel or recover a deposit without reviewing the agreement and applicable law. If the seller and end buyer cannot reach terms that work, the responsible decision may be to pass.

Your wholesale review

1. What is the supported exit value and what condition must the buyer deliver?

2. Which costs, repair contingency, holding time and target profit did the buyer include?

3. What happens at a 5% and 10% lower exit?

4. Is your fee included inside the buyer's total acquisition cost?

5. What is verified, estimated or still unknown?

6. Does the contract and intended marketing comply with the local rules and the actual agreement?

7. Can you explain your role and the numbers clearly to both parties?

Use the academy's wholesaling course and complete deal worksheet to practice the analysis. Consult qualified local professionals about the actual contract and transaction.

Keep a buyer’s opinion out of the fact column

A prospective buyer says they would pay around $100,000 if the basement is dry. That is useful feedback, but it is not a commitment. Put their condition beside the figure. If a second buyer offers less without that assumption, compare the timing, terms and evidence rather than treating the higher figure as your floor. Tell the seller what you can support based on your role and the actual agreement. Before presenting an assignment or other structure, have the relevant local professionals review the contract and the required disclosures.

Field exercise: When the buyer changes the scope

The facts you have

A buyer’s preliminary maximum all-in acquisition number is $98,000 based on a $25,000 renovation. You modeled a $7,000 assignment fee and no other assignment costs. A qualified inspection later identifies $9,000 of additional work.

How I would work it

The preliminary seller-contract ceiling is $91,000. If the buyer keeps all other assumptions and desired margin unchanged, the revised acquisition ceiling drops to $89,000 and the illustrative seller ceiling becomes $82,000 at the same fee. Neither ceiling is a binding offer. Confirm whether the buyer’s assumptions actually changed, what the documents permit and what disclosure or review is required before communicating revised terms.

Work the next decision

If the seller will not move below $86,000, what fee remains under the simplified $89,000 acquisition ceiling before other costs? $3,000. Explain why that answer alone does not resolve authority, obligations or whether the deal still makes sense.

Keep the three prices separate

People say, “I have the property for $90,000,” and sometimes no one in the room knows what that means. It could be the seller’s number, the end buyer’s total acquisition price, or the investor’s total purchase and rehab budget. Those are three different numbers. Put the label next to the number every time you use it.

In a simple assignment illustration, start with the end buyer’s maximum acquisition budget. Then take out the assignment fee and any separate acquisition charges you have not already allowed for. What remains is the seller contract ceiling under those assumptions. When I say ceiling, I mean a boundary, not the amount I must offer. The exact decision also depends on what has been verified, how much uncertainty remains, and whether the seller is comfortable with the actual terms.

I also want to see seller proceeds independently. The seller contract price is not necessarily what the seller receives at closing. Payoffs, taxes, other charges and agreed credits may affect the final distribution. I’m not going to guess at what a seller owes or suggest that the difference between a public loan record and an asking price belongs to me. If the seller needs a particular net amount, a qualified closing professional can prepare or review an estimate using authorized information. An estimated net is still subject to the actual closing documents and updated figures.

Now look at the fee from your side. A proposed $6,000 gross fee isn’t automatically $6,000 in your pocket. If you incur

$600 in inspection or information costs and $400 in agreed costs you are responsible for, your simplified contribution is $5,000 before business overhead and taxes. If a second closing is proposed instead, you may take on a separate set of costs and risks. Compare the actual documents and settlement figures. Don’t treat a double closing as an assignment with a different name.

My rule is simple: if you can’t explain who pays which amount, go back to the numbers. Draw one line for the seller, one for the buyer and one for your proposed compensation. Add the names of the parties responsible for the other costs. If you see the same charge on two lines, find out whether the charge is genuinely duplicated or you counted it twice by mistake.

Work a deal when some costs move with the sale price

The quick examples in this guide hold costs constant so you can see how a price change moves through the deal. Real costs don’t always behave that way. A sale cost expressed as a percentage goes up or down with the selling price. Financing may change when the loan amount, duration or draw pattern changes. If a buyer tells me their ceiling comes from a fixed percentage of after-repair value, I ask to see enough detail to understand what is already in the shortcut.

Consider a hypothetical resale supported at $240,000. The end buyer budgets $42,000 for repairs, $6,000 for repair contingency, $5,000 for acquisition costs other than the seller price and assignment fee, $12,000 for finance and holding costs, and $30,000 target profit. In addition, budget sale costs at a hypothetical 7% of the final sale price. The fixed non-price deductions in this exercise total $95,000. Here, “acquisition ceiling” means the amount available for the seller

contract plus the assignment fee after the other acquisition charges have been deducted.

Scenario	Resale	Selling costs at 7%	Buyer ceiling for seller price plus fee	Seller ceiling at $7,500 fee
Base	$240,000	$16,800	$128,200	$120,700
Exit down 5%	$228,000	$15,960	$117,040	$109,540
Exit down 10%	$216,000	$15,120	$105,880	$98,380

A seller asking $115,000 falls under the base ceiling but above both stressed ceilings. You can't say, "There is room for a fee," without identifying the case you mean. If the buyer actually wants the $30,000 target profit at the 5% lower exit, a $115,000 seller price leaves at most $2,040 for a fee before any separate charges. At the 10% lower exit, the buyer's $105,880 ceiling does not cover the $115,000 seller price at all. Waiving your fee does not solve a gap that already exists before compensation.

Now add a six-week delay with $3,000 of extra finance and holding costs. For the 5% lower exit, the buyer's ceiling becomes $114,040. At $115,000 to the seller the deal no longer meets the buyer's required profit, even with no assignment fee. That is why I stress price, scope and time as separate items first. It shows me which change matters. After that, I combine the assumptions I think could realistically happen together.

Put it to work

Start from the 5% lower exit before the delay. The seller indicates they may consider $106,000. An assignment-specific charge of $1,250, not already included in the other acquisition costs, is the buyer's responsibility. What remains for the fee? What happens if the $3,000 delay also occurs?

Answer: The difference is $117,040 less $106,000 less $1,250, or $9,790. With the delay the remaining amount is $6,790. A proposed $7,500 fee would fit the first arithmetic case but miss the second by $710. Decide which case must work and check the actual party responsible for the charge before you communicate numbers. The fee ceiling is a modeled limit, not a promise that anybody will accept it.

What counts as a useful comp?

I want to know what the end buyer can reasonably sell after doing the scope they actually plan to complete. One renovated property with a great kitchen doesn't tell me that. Start with relevant closed sales and look for reasons a buyer would see the properties differently. Check location, building style, usable size, bed and bath count, lot, parking, condition and what the photographs actually show. Confirm the date and terms when the information is available. A sold price is evidence; knowing why it's comparable makes it useful.

Separate the comparable set from the wish list. Active listings can show competition, price reductions or the kind of finish buyers are being offered. They don't show what a buyer paid. An automated value estimate may point you toward more research, but I wouldn't build a seller offer around it. And a listing's use of "updated" does not establish that the roof, mechanical systems or wiring were replaced. Ask what work was actually completed and use photos and documentation appropriately.

Imagine three closed sales around the subject. The first is $222,000 and similar in size, finish and parking. The second is $248,000 but has an extra bathroom and a finished basement the subject's proposed budget does not include. The third is $215,000 and similar except for a less functional layout. I'm much more interested in what the $222,000 and $215,000 sales tell me than in an average that gives the upgraded $248,000 sale the same weight. I may keep that higher sale in the file as a description of a different product. I wouldn't use it to justify an exit the buyer's scope can't deliver.

Write two sentences for each important comp. Sentence one explains why it belongs. Sentence two explains what could make it misleading. "This property closed recently, has comparable usable space and the photos show a similar renovation. It has an attached garage the subject lacks, so I don't assume equal value." That short note is more useful than dropping a list of addresses into a buyer package and letting the highest sale do all the talking.

The same principle applies to rent if your buyer is a landlord. Identify the evidence supporting the rent and be clear about whether it is a current lease, an advertised asking rent or a verified comparable lease. Account for the condition in which the unit will actually be delivered and identify expenses before claiming cash flow. A flip exit and a rental exit answer different questions. A buyer may reasonably want to see both, but you shouldn't switch to whichever one produces the prettier number after the facts arrive.

Build an inspection handoff the buyer can trust

Your initial look is a screen. Don’t turn a picture of a stain into a statement that the leak is repaired, or an old invoice into a guarantee of the current condition. A buyer needs the issue and the evidence side by side. “A ceiling stain is visible in the rear bedroom; cause and current moisture not verified” is more useful than “roof needs attention.” It tells the buyer where to look and what you do not know.

Break the file into three groups. First, list the evidence you have: dated photographs taken and shared with authorization, documents actually received, and quotes tied to a written scope. Second, list reported information: the seller’s account of a prior repair, an estimated age, or comments from a buyer’s informal visit. Third, list questions that can change the decision: whether a second bath is permitted, whether the structure can support the planned work, whether access is limited, or whether a utility can be restored on the buyer’s timeline.

A quote should show what it includes, who supplied it, how long it is expected to remain usable, and what is excluded. If a contractor quotes $22,000 for finishes but leaves out a $7,000 roof estimate and $3,000 for disposal and cleanup, a package advertising “$22,000 rehab” is incomplete. A simple reconciliation shows $32,000 before the buyer’s own contingencies and any other missing scope. Ask whether any work is already included so you don’t charge the same item twice.

When I coordinate access, I want a clear appointment and the agreement of whoever actually needs to provide access. An occupied home is someone’s home. Don’t show up unannounced, post photographs containing personal

belongings or identifiers without appropriate authorization, or circulate lockbox information freely. If access can't be arranged, label the buyer's analysis preliminary and reset expectations on the timing. A rushed walkthrough that violates someone's privacy is a poor trade for a slightly faster decision.

After the inspection, update the buyer packet instead of letting older screenshots carry the deal forward. Date the update, describe what changed, and explain which assumptions or prices the change affects. If an earlier estimate is no longer sound, say so plainly. A buyer should never have to guess whether the version they saw before the walkthrough is still the version you're relying on.

Pick the buyer based on the project

I'd rather know what three buyers actually do than send a property to fifty names and hope somebody replies. Ask what each buyer is prepared to own, what work they can manage, how they finance, what areas they know, and how quickly they can review a package. A buyer who can close a cosmetic project in ten days isn't necessarily ready for a vacant building with major systems work. Listen to the condition attached to the number, not just the number.

Imagine two responses. Buyer A says "$110,000 if my lender funds and the roof is sound," and can visit on Friday. Buyer B says "$105,000 subject to reviewing the written scope," and is prepared to share evidence of funds through an appropriate channel. Buyer A's number is higher, but both are preliminary, with different dependencies. Compare actual written terms, verification, the seller's timing, and how much can be resolved before a deadline. Never tell the seller you have secured a buyer just because someone expressed interest.

I want to hear the investor explain their own assumptions. Ask, “What repairs are you including that I may have missed?” and “If the exit is lower or the project takes another month, does your number still work?” A thoughtful answer is evidence of preparation, not proof of performance. Where evidence of funds or financing is relevant, request only what is reasonably needed and handle it appropriately. Keep financial documents away from general marketing materials and have the appropriate professional verify the details when needed.

If a buyer changes their mind, record why. A buyer who passes after seeing a substantial foundation issue is giving you useful information about the property, not necessarily failing to follow through. On the other hand, a buyer who repeatedly makes strong verbal offers and withdraws after very little review may be a poor fit for a seller with a firm deadline. Look for patterns while still checking the facts of each transaction.

Buyer comparison practice

You have four business days before a seller update you promised. A high-interest buyer can visit in six days. A lower-interest buyer can visit tomorrow and respond after seeing a written scope. You have an unconfirmed issue with the sewer. What can you responsibly say at the update?

Answer: Share the status of the actual visits and the sewer question, and explain the next steps without identifying a buyer as committed. Ask whether the seller can accommodate the proposed timetable through the appropriate channel and subject to the agreement. If timing cannot move, review available options with the appropriate professionals. Do not call the late buyer’s verbal number a fallback simply to make the report sound better.

Keep the promises and the paperwork in the same place

Before I put a date in a seller conversation, I want to see the actual source of that date. Is it a preferred closing date the seller mentioned, a date in the signed agreement, an attorney's estimate, or a buyer's guess? Those are all useful, but they are not interchangeable. Separate legal deadlines from the reminders you set for yourself. Review contractual dates with a qualified local professional, particularly if they affect money at risk or rights under the agreement.

A helpful transaction sheet has a row for each material event: signed agreement received, deposit due and confirmed, authorized inspection, disclosure review, title review, buyer terms received and closing coordination. Next to each event, record the deadline, responsible party, evidence of completion and the consequence if it slips. The sheet is there so you don't miss a promise. It doesn't extend a deadline or tell you what the agreement means.

Suppose a closing contact says the title review has raised a question about the authority of a person who plans to sign. Your first response should be to get the right people involved and clarify what is needed, not to put the seller on the spot in front of a buyer. Keep sensitive information in the appropriate channel. Tell the buyer as much as they are authorized to receive about the open issue and the likely effect on timing. Don't diagnose the legal question yourself or advertise the property as ready to close while it's unresolved.

Watch for the language that creates false certainty. "Title has been opened" doesn't mean the title review is complete. "The buyer sent paperwork" doesn't mean all conditions are satisfied. "The seller is ready" may describe their preference, not authority to sign. I use short status notes: "Title review

underway; closing date not yet confirmed; closing professional to advise on the outstanding document." It's harder to misunderstand and easier to follow up.

If a date is threatened, tell the appropriate people promptly and review the actual options. Any changes to the agreement should be addressed through the proper process. Don't assume you can cancel, keep a deposit, compel a closing or collect a fee because something seems fair. This guide is about organizing the decision. The contract and qualified advice govern the real transaction.

Work through a seller who is still choosing

A seller tells you they would like the house sold in three weeks but won't consider less than $130,000. Based on your current evidence, the wholesale structure you're evaluating supports $112,000, and inspection could still reduce it. You know an agent may take a different view of the potential price and timeline. You haven't established that a buyer can perform in three weeks.

Here's how I'd handle it. First, I'd confirm which goal matters and ask what "sold in three weeks" means. Does the seller need a written agreement, funds at closing, or simply a decision by then? That can change what a workable next step looks like. Second, I'd make the status of the number clear. "My current analysis is below your price. It's based on the work and the buyer's costs, and there are still items to verify. I can't promise your timeline today." Third, I'd let the seller decide whether it's worth continuing the conversation. The seller may prefer to speak with an agent or pursue another option. I don't need to argue them out of it.

If the seller asks what another buyer would pay, explain what you know and what you don't. "I can tell you how I reached my estimate. I'm not giving you an appraisal or a guarantee of what someone else would offer." If the seller has professional representation, coordinate through the appropriate person. If you are being paid or expect to profit in a particular way, describe your actual role accurately and obtain qualified guidance on any required disclosures.

Some deals end politely at that point. That's fine. If the seller later asks for another look, verify the status and run the current numbers. Don't repeat an old offer automatically when the market, repair evidence or available buyer has changed. Don't use persistent follow-up after someone has asked you to stop. Long-term trust matters more than pulling one address back into the pipeline.

Practice the difference between urgency and pressure

Draft a response to this statement: "My family wants me to make a decision tonight. Can you tell me whether you're definitely closing?" Write it so the seller can tell exactly what is and isn't confirmed.

One useful answer: "I understand why you want a clear answer. I haven't confirmed the inspection or closing arrangements, so I can't promise a closing date tonight. I can explain what is outstanding and when I expect an update. If your decision needs to be made sooner, I understand if you choose another option." In a real transaction the terms and deadlines may affect what happens next; check the agreement and use the appropriate professional channels.

Decide whether the opportunity belongs in a hold, flip or pass file

When an end buyer intends to hold the property, asking what it might sell for after repair is only one piece of the decision. The buyer also needs a supportable rent, recurring expenses, debt payments, liquidity, and the amount of work needed before a tenant can move in. Cash spent on initial repairs is not the same as a recurring maintenance allowance. One gets the property ready. The other helps model ownership after that work is done.

Suppose the property may rent for $1,550 a month after work. Use illustrative allowances of $124 for management, $155 for vacancy and routine repairs combined, $85 for reserves for larger replacements, and $245 for taxes, insurance and other recurring owner-paid costs. That leaves $941 per month before principal and interest. If principal and interest would be $765, the ownership coverage is about 1.23, with an estimated $176 monthly surplus before income taxes and any omitted costs. This does not pass my 1.30 expense-adjusted test even though the modeled cash flow is positive. If the assumptions hold, the principal-and-interest payment would need to be about $724 or below. That number is a payment limit, not a suggested acquisition price. The buyer must translate it into price using their actual financing, down payment and costs.

If another buyer will flip it, run their budget as a separate model. Do not use the landlord’s rent to justify a flip margin, or a strong projected resale to claim the landlord will collect more rent. The seller’s asking price might fit one exit and not the other. Keep an offer based on a particular exit tied to that exit’s evidence. If the buyer’s plan changes materially, reevaluate.

For a pass, write the reason in one sentence. “Estimated acquisition cost leaves the buyer below target at the supported stress price,” or “The rental does not reach the ownership coverage screen under verified expenses.” That note helps you learn from the opportunity and decide whether a later fact warrants a fresh look. It is better than marking a property “bad” without recording why.

Assemble a final file someone else could understand

Before I hand a file to the people helping close the deal, I want it to answer five questions. What is being proposed? Who has agreed to what? Which facts are documented? What could still stop the deal? Who acts next and when? The file can be concise. It needs to be accurate.

Start with a short property summary and the evidence of condition and exit value that you have authority to share. Put the date of each important source next to it. Include a clear calculation of the proposed seller price, buyer outlay and fee or separate resale terms. Leave out private data that does not belong in the material. Identify where sensitive documents can be reviewed appropriately rather than attaching them to every email.

Next, list the remaining uncertainties. “Window quote excludes the rear addition.” “Buyer’s proof of funds has not been verified.” “Closing professional reviewing one seller authority question.” Plain descriptions beat green check marks that create a false sense of completion. Identify which uncertainties have a deadline and which would change the financial analysis if resolved unfavorably.

Finally, have your own version control. Put the date on the budget and note the previous assumption if you revise it. An end buyer seeing a $105,000 ceiling in one sheet and $98,000

in another should be able to see why. If there's no documented reason, resolve the difference before sending the file. The people who trust your material will judge you by how you handle new facts, especially inconvenient ones.

End-of-guide review: can you make a defensible recommendation?

Use this hypothetical case to connect the math and the conversations. A seller asks $102,000 and prefers a 25-day closing. A reasonable preliminary resale value is $205,000 after a defined renovation. Repairs are $36,000, repair contingency $6,000, other project costs $22,000 and the end buyer's required profit $25,000. For this exercise hold all costs fixed when resale changes. Your proposed fee is $7,000. A buyer has expressed interest but has not made an offer. A vacant property visit is expected next week, subject to authorization. The seller reports that roof work was done but has no invoice yet.

1. Calculate the buyer's acquisition ceiling at base, a 5% lower sale price, and a 10% lower sale price.

2. Calculate the corresponding seller ceilings at the proposed fee.

3. Identify the best seller update you can make today.

4. Identify two items to verify before relying on the buyer's timeline.

5. Assume an inspection confirms $8,000 of additional roof work and the scope did not include it. Recalculate the 5% lower exit ceiling and decide what you would do next.

Answer: The fixed deductions total $89,000. The buyer ceilings are $116,000, $105,750 and $95,500. At the proposed fee the seller ceilings are $109,000, $98,750 and $88,500. At

the asking price there is $3,750 available for a fee in the 5% lower case before any separate acquisition charges, below the proposed $7,000. The buyer's expression of interest isn't a commitment; communicate the current status of the property visit, the roof question and the unconfirmed timing. Check the buyer's written terms and ability to perform, and review the actual timeline with the appropriate closing professional. Under the extra $8,000 of work, holding everything else constant, the 5% lower case buyer ceiling becomes $97,750 and the seller ceiling at the proposed fee becomes $90,750. The $102,000 asking price is above the buyer ceiling before a fee. Verify the scope, consider whether the seller wishes to discuss a price that the numbers support and review the options under any existing agreement. If it can't be made to work, pass without misrepresenting the reason.

Where I would verify local requirements

Check the current rules for the location and structure before entering or marketing an actual transaction. For example, the Kentucky Real Estate Commission's regulations and statutes page is a starting point for Kentucky. It is not a substitute for advice on an individual contract. Have qualified local counsel review your role, advertising, disclosures, assignment or separate closing documents, and any obligations triggered by the particular situation. Use the proper closing professionals to confirm the timetable, deposits and settlement amounts.