



Why Real Estate Deals Collapse

Preventing Common Pitfalls in FSBO Contracts

Why Deals Fall Apart Under Contract

The most common reasons FSBO contracts fail and how to prevent them

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Why Deals Fall Apart Under Contract

The most common reasons FSBO contracts fail and how to prevent them!

PAGE 2 – WHY DEALS FAIL

Why Contracts Fail After Acceptance

The journey from an accepted offer to a finalized sale is fraught with potential pitfalls. Many sellers, especially those managing a For Sale By Owner (FSBO) transaction, underestimate the complexities involved after both parties agree on terms. While an accepted offer might seem like the finish line, it actually marks the beginning of the riskiest phase of the sale.

Understanding the common reasons why contracts fall apart can help sellers anticipate issues and take proactive measures to ensure a smooth transition from offer acceptance to closing.

“An accepted offer is the beginning of the riskiest phase of the sale.”

PAGE 3 – COMMON BREAKDOWN POINTS

Common Breakdown Points

Navigating a real estate transaction from offer to closing involves various stages, each with its own potential for complications. Here are the most common breakdown points:

- **Weak Buyer Financing:** One of the most common reasons for a deal falling through is the buyer's inability to secure the necessary financing. Pre-approval is not a guarantee of final approval, and any changes in the buyer's financial situation can jeopardize the deal.
- **Inspection Surprises:** Home inspections can reveal unforeseen issues that may cause the buyer to withdraw or demand costly repairs. Being prepared for negotiations following an inspection is crucial.
- **Appraisal Issues:** If the appraisal comes in lower than the agreed sale price, buyers may struggle to secure financing, or they may attempt to renegotiate the price. Ensuring the property is priced correctly can mitigate this risk.
- **Missed Deadlines:** Real estate transactions are bound by strict timelines. Missing key deadlines can lead to contract breaches, giving either party a reason to back out of the deal.
- **Emotion-Driven Decisions:** Buying or selling a home is an emotional process. Decisions based on emotion rather than logic can lead to regrettable outcomes, including the collapse of the deal.

PAGE 4 – PROTECTING THE DEAL

How to Protect the Deal

The key to a successful FSBO transaction lies in preparation and vigilance. Here are some practical steps to safeguard your deal:

- **Pre-qualify Buyers:** Before accepting an offer, ensure that potential buyers are pre-qualified. This step reduces the risk of financing issues derailing the process.
- **Prepare for Inspections:** Conduct a pre-listing inspection to identify and address potential issues before putting your home on the market. This proactive approach can prevent surprises during the buyer's inspection.
- **Price Your Home Accurately:** Enlist a professional appraiser or real estate agent to help set a competitive and realistic price, minimizing the likelihood of appraisal discrepancies.
- **Stay Organized:** Keep track of all deadlines and requirements. Consider using a checklist or calendar to ensure every step of the process is completed on time.
- **Maintain Professionalism:** Keep emotions in check and focus on the facts. Being open to negotiations and maintaining a calm demeanor can go a long way in preventing deals from falling apart.

“Clean process equals stronger outcomes.”

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