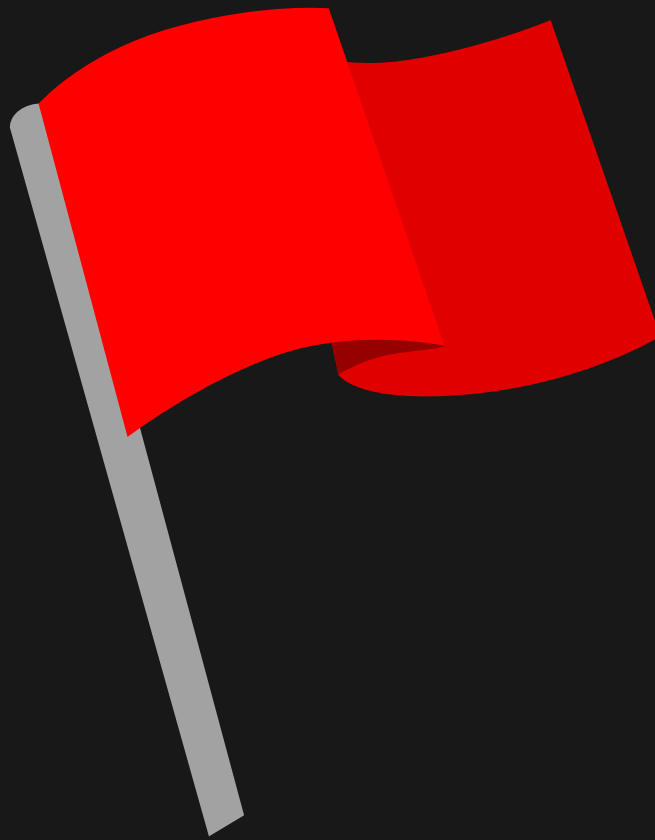


# SUCCESS IN FSBO BUYER RED FLAGS



**CLEAR PATH CONSULTING**

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HOW TO SPOT SERIOUS BUYERS  
VS. TIME-WASTERS

# BUYER RED FLAGS

(CLEAR PATH CONSULTING — FOR EDUCATIONAL USE ONLY)

When selling your home FSBO, different buyers bring different levels of readiness and clarity. Some are well-prepared and transparent. Others may create confusion or slow the process. The items below reflect common patterns sellers often notice during showings and inquiries. These are not rules, predictions, or judgments; simply general observations to help you stay aware as you manage communication.

## 1. FINANCIAL READINESS

Patterns Often Seen in Strong Buyers:

- A buyer voluntarily shares proof of funds or a pre-approval letter.
- The buyer is clear about how they intend to purchase the home.

Common Uncertain Signs:

- A buyer is unclear about their financing.
- They mention being “early in the process” or “still getting pre-approved.”
- They avoid answering basic questions about readiness.

Financial clarity often helps transactions move more smoothly.

## 2. MOTIVATION & TIMELINE

Possible Green Flags:

- Buyer knows when they want to move.
- They express clear timing or flexibility.

Possible Red Flags:

- Their purchase depends on another sale that has not begun.
- They have difficulty explaining their timeline.
- They say they’re “just looking” without clear next steps.

## 3. BEHAVIOR & COMMUNICATION

Positive Patterns Sellers Often Observe:

- Buyer asks practical questions (utilities, layout, condition).
- Brings decision-makers to the showing.
- Takes notes or measures spaces.

Potentially Concerning Patterns:

- Provides inconsistent answers or changes their story.
- Only focuses on negatives without asking real questions.
- Avoids basic communication or follow-up.

## **4. OFFER TERMS (GENERAL OBSERVATIONS ONLY)**

Sellers often notice certain offer patterns during FSBO transactions.

Positive Patterns:

- Buyer includes a standard earnest deposit.
- Inspection period is neither unusually long nor rushed.
- Contingencies are clearly stated and understandable.

Uncertain Patterns:

- Very small or no earnest deposit.
- Inspection timelines that feel unusually long.
- Many contingencies that may affect the timeline.

These are not recommendations or standards, simply patterns sellers commonly see. The strongest buyers are typically those who communicate clearly and provide transparent information. However, only you can decide what feels appropriate for your situation. This guide does not evaluate buyers or suggest what decisions you should make; it only helps you recognize patterns during the selling process.

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# CASH BUYERS & INVESTORS:

## ***HOW TO PROTECT YOUR POSITION***

When selling your home FSBO, not all buyers are traditional homeowners. Some buyers operate as investors or use investment-based strategies, which can differ from a standard purchase. These approaches are a normal part of the real estate market, but they often follow different patterns in pricing, communication, and contract structure. Understanding these differences can help you evaluate offers more clearly and avoid confusion during the process.

One common strategy sellers may encounter is known as **wholesaling**. In simple terms, a wholesaler typically does not intend to purchase the home long-term. Instead, their goal is to secure a property under contract at one price and then assign or transfer that contract to another buyer (often an investor) at a higher price. The difference between those two prices is how they generate profit. Because of this structure, wholesalers are generally focused on creating enough margin between what a seller accepts and what an end buyer is willing to pay.

This does not make the approach right or wrong. It simply means the transaction may be structured differently than a traditional home sale. Being aware of how this model works can help you better understand the intent behind certain offers, timelines, and communication styles.

## ***COMMON PATTERNS SELLERS OFTEN NOTICE***

### 1. Pricing & Offer Structure

- Offers significantly below estimated market value
  - Wholesalers general rule of thumb:  $70\% \text{ ARV (After Repairs Value) - repair cost} = \text{Offer Price}$
- Emphasis on “speed” or “convenience” to justify pricing
- Focus on potential repairs or risk
- Offer without seeing the property
  - Relying on inspection periods to pull out if needed

### 2. Contract Language & Terms

- Mentions of “assignment” or “assignable contract”
- Broad or flexible terms that allow changes
- Limited clarity on who the final buyer will be

### 3. Financial Commitment

- Low or unclear earnest money deposit
  - Real estate industry average is 1-3% EMD (earnest money deposit)
- Delayed deposit timelines
- Vague explanation of funding

#### 4. Communication & Urgency

- Pressure to make quick decisions
- Limited willingness to explain details
- Emphasis on “off-market” or “quiet” transactions

### **QUESTIONS YOU CAN ASK FOR CLARITY**

When interacting with any buyer, asking clear, simple questions can help you better understand how the transaction may unfold. These questions are not meant to challenge the buyer, but to create transparency and reduce uncertainty as you evaluate different offers.

Common questions sellers may ask include:

- “Do you intend to purchase the property yourself, or assign the contract to another buyer?”
- “How do you plan to fund the purchase?”
- “What is your expected timeline to close?”
- “When would the earnest money deposit be made, and in what amount?”
- “Are there any contingencies or conditions included in your offer?”
- “Who will be the final buyer on the agreement?”

Clear, direct answers to these types of questions often help sellers better understand a buyer’s level of readiness, structure, and intent. If answers feel unclear or inconsistent, it may simply indicate that additional clarification is needed before moving forward.

These questions are not requirements, but tools to help you stay informed and confident as you navigate conversations with different types of buyers.

### **COMMON TRAITS OF STRONG BUYERS:**

- Clear and transparent about their intent and process
- Provides proof of funds or a pre-approval without hesitation
- Communicates consistently and answers questions directly
- Uses straightforward, easy-to-understand contract terms
- Includes a meaningful earnest money deposit
- Has a defined timeline with minimal uncertainty

Strong buyers are typically easy to understand, easy to communicate with, and clear about how the transaction will move forward.

Investor buyers, including those using wholesaling strategies, are a normal part of the real estate market. Some may offer speed and flexibility, while others may structure transactions differently than traditional buyers. The goal is not to avoid any specific type of buyer, but to understand how different approaches work so you can evaluate each opportunity with clarity and confidence. Every transaction is unique, and it is up to you to decide what aligns best with your goals.



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