

# 6 reasons your client should walk away from buying a house

As a buyer's agent, it's your responsibility to represent your client's best interests. If one of these scenarios presents itself, you should advise your client to rethink the sale

BY [VANCE KELLOGG](#)

Buying a home can be one of the most exciting moments for your client. The ability to grow equity, customize and renovate, and build a future with their family are all great reasons for wanting to own a home.

The current real estate market is seeing homes being scooped up in mere hours after being listed on the MLS. This has pressured many homebuyers to buy homes sight unseen or through [virtual tours](#). Even so, it's easy for homebuyers to get attached to a home — which can lead to rash decisions.

As a buyer's agent, it's your responsibility to represent your client's best interests. This might entail advising your client to back out of a deal. If one of these six scenarios presents itself, it's time for your client to walk away from the deal.

## **1. Home inspection comes back with major problems**

We always recommend homebuyers to complete [an inspection](#) before moving forward. You should be able to provide your client a list of reputable inspectors in your area. The inspection report can provide invaluable information for you and your client.

Once completed, sit down with your client to go over the findings. Filter out the major repair issues from the simple fixes so your client knows what to ask for when countering.

The five biggest concerns we've seen are: foundation, water intrusion, electrical, plumbing and roofing issues. Even if these issues come up on the report, it doesn't mean you need to immediately walk away. It's the inspector's job to write up anything they come across. The exact wording for each issue will determine the severity of the problem.

If in doubt, you should be able to work with your inspector to provide clarity and recommend next steps.

## **2.The home quality is questionable**

Coming right off the coattails of home inspections is the build quality of a home. While some newer homes come with home warranties or guarantees from the contractor, there can be trade-offs.

[Newer construction](#) can result in corners being cut. Misaligned trim work, uneven surfaces and sloppy painting can all be red flags. When considering a newly constructed home, protect your client by asking for a home warranty.

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Older homes have amazing charm and character but can also be susceptible to costly repairs. Sellers who have recently remodeled a

bathroom or kitchen may have done it themselves instead of involving a licensed professional.

In this case, the inspection report should call out anything of concern. You will also want to be aware of any added construction that may have been completed without a permit. Your client could be on the hook for removing the work or be forced to bring it up to code.

### **3.The neighborhood isn't a good fit**

The average homeowner will [live in their home for 13 years](#). When buying a home, they're not just buying a property. They're also buying into the neighborhood and their future neighbors.

Once your clients have found their dream home, encourage them to take a walk around the neighborhood. It may seem strange, but this can help them determine if the neighborhood is a good fit for them and their family. While they're out and about, have them introduce themselves to neighbors. This will give them a pulse on who is living next door, and it'll also give them an opportunity to ask questions. If something doesn't feel right or if they're the only family with children, it might be a good idea for them to think about the long-term implications of moving in.

### **4.The price is too good to be true**

If a home is priced well below market value or other comparable homes in the neighborhood, it might be for good reason.

Recently, the real estate market has seen a huge uptick in home sales and average sales prices. An unscrupulous seller might try to price their home below market or appraised value to cause a bidding war

that ultimately drives prices higher than they otherwise would be — causing your client to pay more.

They also might use this time to push a deal through without a proper inspection. As we mentioned before, a home inspection is crucial to evaluating the true price of a home. Don't feel pressured to continue negotiations if the seller is trying to persuade you or your client to move forward without an inspection. There could be significant damages or repairs that a lower sales price won't be able to balance out.

## **5. Sellers become disinterested or aggressive**

Since your client won't be communicating with the homeowners or the seller's agent directly, you'll need to keep your client in the loop. You should be able to tell if the sellers are serious about selling their home during initial talks.

Sellers that become hostile or unwilling to compromise are cause for concern. Negotiations are meant to find middle ground. If the sellers keep going back and forth, it may be time for your client to move on.

Remember: in this market, homes are being listed all the time. There's a good chance another home that your buyer will love even more will pop up. Lastly, if communication from the seller or the seller's agent stops or becomes vague, you'll want to work with your client on how they would like to proceed.

## **6. Things fall apart before closing**

Most real estate transactions go smoothly, but there are tons of moving pieces that can cause closing to be delayed or halted entirely. These issues are rarely the fault of the buyer, and tend to be simple fixes, but there are situations that could run the [closing process](#) afoul. The first is with the title itself. Title companies are responsible for researching and ensuring a title is clear and ready to be transferred into your client's name. During this process, they may find an illegal title or heirs to the property that would prohibit a title from being issued.

Reputable title companies require title insurance to be purchased to protect both parties from fraud. If you are dealing with a title company that is hesitant to provide title insurance, beware. No legitimate title company will ever tell a client they do not offer title insurance.

You may also want to have your client check with their insurance company. Some older homes with outdated electrical or plumbing components may be too risky for the insurer. Prior claim history and the location of a property can also have an effect on the insurability of a home. Even if an insurance company will cover a home, it might come at a cost: higher premiums. These are all things to consider before your client signs on the dotted line.

In a perfect world, your client will never have to worry about walking away from a deal. An experienced and knowledgeable Realtor like yourself, who can guide your client through the entire process, will make all the difference. Now that you are aware of the six reasons your client should walk away from buying a house, you can help better serve your client.

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