

Buyer Red Flags Spotter Guide

How to Identify Unqualified or Problematic Buyers

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Why This Matters

As a FSBO seller, you're vulnerable. Without an agent screening buyers for you, it's on you to know what to look for. This guide will help you identify red flags early, saving you time, money, and potential legal headaches. Remember: not every interested buyer is a qualified buyer, and not every qualified buyer is a good buyer.

Financial Red Flags

No Pre-Approval Letter

They say they'll "get one soon" or they're "working on it." A serious buyer gets pre-approved BEFORE house hunting.

What to do: Politely decline to show until they have a pre-approval. No exceptions.

Pre-Qualification Instead of Pre-Approval

Pre-qualification is just an estimate based on what the buyer told the lender. Pre-approval means the lender verified their finances.

What to do: Ask for full pre-approval with verification of income and assets.

Sketchy Lender or No Lender Contact Info

Pre-approval from "Bob's Discount Mortgages" or no way to verify the lender's legitimacy.

What to do: Call the lender directly to verify. If they won't let you, walk away.

Down Payment Below 3-5%

Very low down payments often mean the buyer has no financial cushion for repairs or closing costs.

What to do: Proceed with extra caution. These deals fall through more often.

Asking You to Hold Financing

They want you to act as the bank. This is risky and complicated.

What to do: Unless you're sophisticated and want to, decline. Consult your attorney if considering.

Requesting Unusual Payment Structures

Lease-to-own, rent-to-buy, or other creative arrangements that delay closing.

What to do: These rarely close. If you're open to it, get legal advice first.

Behavioral Red Flags

Won't Provide Full Name or Contact Info

They want to remain anonymous or only give a first name and burner phone.

What to do: No information = no showing. Period.

Pushy or Aggressive Behavior

They demand immediate showings, try to pressure you into decisions, or get angry when you set boundaries.

What to do: Trust your gut. Difficult before the offer means nightmare during the transaction.

Too Good to Be True

They love everything, have no questions, and want to make an offer immediately after a 5-minute showing.

What to do: Slow down. This could be a scammer, a flipper lowballing you later, or someone who'll back out.

Avoiding Direct Questions

You ask about their timeline, financing, or situation and they dodge or change the subject.

What to do: Use the buyer qualification script. If they won't answer basic questions, move on.

Bringing an Army to Showings

Shows up with 6-8 people including "advisors," "contractors," and extended family on first showing.

What to do: This can be normal, but watch for people taking extensive photos/videos or measuring without permission.

Asking to Come Back Multiple Times

Wants to see the property 4+ times before making an offer, bringing different people each time.

What to do: After 2-3 showings, require a serious offer or deposit to continue access.

Offer Red Flags

Lowball Offers with Investor Tactics

Offer is 20-30% below asking with language like “as-is,” “cash,” “quick close” but they want massive concessions.

What to do: Counter if you want, but don’t get emotionally invested. They’re testing you.

Excessive Contingencies

Sale contingent on selling their home, getting an inheritance, a business deal closing, etc.

What to do: These offers rarely close. If you accept, don’t take your property off the market.

No Earnest Money or Tiny Deposit

They want to tie up your property with \$100 earnest money.

What to do: Require at least 1-2% earnest money. Small deposit means not serious.

Unrealistic Timeline Demands

Want to close in 10 days (impossible with financing) or want a 90-day free rent-back.

What to do: Evaluate if their timeline works for you. Rushed deals often fall apart.

Handwritten Offers with Typos

Amateur contract clearly written by the buyer, not reviewed by anyone professional.

What to do: Insist they work with an attorney or agent before you’ll consider their offer.

Asking for Keys or Access Before Closing

Want to measure, do work, or move things in before they own the property.

What to do: Never allow this. Liability nightmare. Only after closing.

Screening Questions

Before showing your property to anyone, ask these questions. Legitimate buyers will have no problem answering:

- Are you currently working with a real estate agent?
- Have you been pre-approved for a mortgage? Can you provide the letter?
- Who is your lender? (Get name and contact info to verify)
- What is your timeline for purchasing?
- Have you seen other homes? What happened with those?
- Are you selling a current home? If yes, is it under contract?
- What is your target price range?
- Will you need any concessions or help with closing costs?
- How many properties do you plan to view before making a decision?
- Is there anything that would prevent you from closing if you made an offer?

The Bottom Line

If something feels off, it probably is. As a FSBO seller, you don't have an agent's experience to spot problems, so you need to be extra cautious. Remember these principles:

- A good buyer will be transparent, responsive, and reasonable
- A good buyer will respect your time and property
- A good buyer will have their finances in order BEFORE looking
- A good buyer will work professionally even if you're not using agents

If you encounter multiple red flags, don't be afraid to decline the showing or reject the offer. One bad buyer can cost you weeks of time, thousands in opportunity cost, and massive stress. Protect yourself by being selective.

Not sure about a buyer? Run it by me.

I'm happy to give you a quick read on the situation.

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