



## K-NOTES

# Pitfalls of Standardized Real Estate Contracts

Working with the right parties, the right lawyer, title service, and lenders, with a standardized contract – that’s how a client could truly feel protected.

## Red Flags in Real Estate Form Contracts

### Serving Real Estate Clients with Standardized Contracts

It’s been a seller’s market in real estate, and stories abound of buyers waiving inspection rights and paying hundreds of thousands of dollars over asking. Unfortunately, this context means that the purchase and sale agreement runs the risk of being dismissed as an unnecessary formality. Of course, a good lawyer knows that this contract is fundamental to ensuring all parties are protected and have access to their basic legal rights and obligations.



## Key Takeaways

### ➔ Pay Attention

If you’re a buyer, these are things that you might never think about. Say you’re buying it from an investor. Say you’re buying a church from a church. Guess what? In New York, you must seek approval from the attorney general’s office.

### ➔ Handling Delays in Real Estate

The title is often overlooked, just because it’s boring. If someone didn’t pay a tax lien 40 years ago, or if you owe someone child support from 18 years ago, and now we have to find that person. However, it is crucial.

### ➔ Standardized Contracts

Internal conflict is common in real estate because we use a standardized five-page document and a very standardized process. But there is—everything in real estate is unique. There are no two transactions that are exactly the same.

### ➔ Inspect to Protect

A wise buyer will always request inspections. Just as you can close on a house without purchasing title insurance, you can do a variety of other things. It’s simply not recommended, especially with the inspection. It’s best not to waive inspection, and if you waive the inspection—you can always waive it later—don’t waive it in the contract.



## Di MA

### Real Estate Attorney

“Watch out for the little things that may delay the process or just burden the transaction.”