



# Top Contingencies in Real Estate Contracts: Negotiation and Waiver Strategies

In the competitive real estate market, understanding how to navigate contingencies in purchase and sales contracts can make or break a deal. This presentation explores the top contingencies often negotiated or waived, providing insights into how buyers and sellers can strategically approach these crucial elements of real estate transactions.



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# Home Inspection and Financing Contingencies

## Home Inspection

Buyers may negotiate to limit repair requests or waive minor issues. In competitive markets, some buyers waive this contingency entirely, accepting the property "as-is."

## Financing

Buyers might shorten the financing contingency period to demonstrate financial strength. Cash buyers or those with strong pre-approvals sometimes waive this contingency to make their offer more appealing.



# Appraisal and Earnest Money Contingencies

## Appraisal

Buyers may agree to cover a shortfall if the home appraises below the offer price, up to a certain amount. Some buyers waive this contingency in hot markets, risking out-of-pocket expenses if the appraisal is low.

## Earnest Money

Buyers might agree to make earnest money "non-refundable" after certain milestones or upfront to signal strong commitment. This can be negotiated or waived depending on market conditions.

# Seller Disclosure and Title Contingencies

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## Seller Disclosure

Buyers may limit the scope of objections based on the disclosure form. In highly competitive offers, some buyers waive the right to cancel based on seller disclosures.

2

## Title

Buyers might accept minor title exceptions if they don't pose major issues. While rarely waived entirely, some buyers rely on title insurance for peace of mind instead of a full contingency review.







# HOA and Well/Septic System Contingencies



## HOA Document Review

Buyers may limit the timeframe for review or focus on specific HOA rules. Some might waive this in competitive scenarios, despite risks regarding fees and restrictions.



## Well and Septic System

Buyers might agree to limit testing or accept shared repair costs. Waiving this is rare but possible, especially with recent inspection reports.

# Key Takeaways: Balancing Competitiveness and Risk



## Strategic Negotiations

Carefully negotiate contingencies to make offers more attractive while protecting interests.



## Market Awareness

Understand local market conditions to determine which contingencies to negotiate or waive.



## Risk Assessment

Weigh the risks carefully with a real estate agent before waiving any contingencies.



## Competitive Edge

Strategic contingency management can significantly improve offer competitiveness.

