

How often do closings fall through?

Closing on a new home is an exciting time, but it can also be stressful, especially if there is a possibility that the closing might fall through. Unfortunately, there are many reasons why a closing might not go as planned, and it can be difficult to predict when and why it might happen.

A common reason for a closing to fall through is because of a problem with the property

This can include issues with the title, zoning, or a lack of necessary permits. Even something as simple as a lack of proper documentation can lead to a closing falling through. This is why, before buying a property, it's important to have a thorough home inspection and title search done, to ensure that there are no major issues that can cause delays or complications during the closing process.

Another reason for a closing to fall through is because of a problem with the financing

This can happen when the buyers are not able to obtain the necessary financing to purchase the property. This can be due to a lack of credit, a change in interest rates, or a problem with the buyer's income or employment status. It is important to work with a lender early in the process to ensure that you are aware of any potential issues that could arise during the closing process.

Another common reason why closings fall through is because of a change in the buyer's circumstances

This can happen when the buyer's employment changes, they get a better job offer, they change their mind about the property, or they experience a change in their personal circumstances, such as a divorce or the birth of a child.

Another reason for a fall through is when the parties are unable to agree to terms on the purchase contract

This can happen when the seller and the buyer disagree on certain terms or conditions of the sale, such as the closing date, the purchase price, or the contingencies included in the contract. It's important to have a good real estate agent who can help facilitate a smooth negotiation process that can prevent this kind of scenario

The good news is that, despite these potential obstacles, the majority of closings do not fall through.

On average, most experts estimate that about 5-10% of closings fall through due to various factors.

However, these numbers can vary depending on the market conditions, the region, and the specific circumstances of the sale.

To prevent a closing from falling through, it is essential to work with a qualified and experienced real estate agent, lender, and attorney, who can help you navigate the process and identify any potential issues that may arise. It is also important to be transparent and communicate clearly with all parties involved in the transaction, including the seller and the lender. By doing so, you can increase the chances of a smooth closing process.

In conclusion, while closings can fall through due to a variety of reasons, it is not as common as people might think. However, it

is essential to be prepared for any potential obstacles and work with the right professionals to ensure that the closing process goes as smoothly as possible. Good communication and transparency can also help prevent closing falling through. By following these guidelines, you can feel more confident and secure in your home buying process, and increase the chances of a successful closing.