CALIFORNIA REAL ESTATE LAW

What is a FSBO (For Sale By Owner) Transaction?

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When selling real estate, one of the first decisions a property owner must make is how they want to structure their transaction. One option is a “For Sale By Owner” (FSBO) transaction, where the seller takes a more direct role in managing the sale. While FSBO transactions may offer potential cost savings, they may also shift significant legal responsibilities onto the seller personally. Importantly, FSBO does not mean navigating the process alone—many sellers retain a real estate attorney to manage the legal aspects of the transaction. Understanding how FSBO works and where legal guidance fits in is critical to making an informed decision.

What Is FSBO?

A For Sale By Owner (FSBO) transaction occurs when a property owner sells their property without hiring a real estate agent to represent them.

However, FSBO does not preclude professional involvement. Sellers can retain a real estate attorney to draft and review contracts, ensure compliance with disclosure laws, and guide the transaction through closing. This approach allows sellers to maintain control over the process while still receiving legal protection—often times with the seller saving money (i.e., they do not need to pay an agent's commission).

FSBO with Legal Counsel: A Strategic Approach

For many sellers, FSBO is not about handling everything alone—it is about being selective with professional support. Engaging a real estate attorney in an FSBO transaction provides critical legal oversight.

In this model, the seller typically handles marketing and communication with potential buyers, while the attorney focuses on legal documentation, contract negotiation support, compliance with state-specific requirements, and closing coordination. This division of responsibilities can help streamline the process while reducing legal risk.

Understanding the Legal Responsibilities

FSBO transactions require careful attention to legal detail. Sellers must ensure that all required disclosures are properly completed, deadlines are met, and contracts accurately reflect the terms of the agreement. Errors or omissions in these areas can lead to disputes, delays, or even liability after the transaction closes.

A real estate attorney helps mitigate these risks by ensuring that all documents are properly prepared, deadlines are tracked, and the transaction complies with applicable laws and regulations.

Final Thoughts

FSBO does not have to mean going it alone. With the support of a qualified real estate attorney, sellers can navigate the transaction with greater confidence, ensuring that legal requirements are met and risks are minimized. By understanding the structure and responsibilities involved, sellers can approach FSBO transactions in a more informed and strategic way.

About the Author

Ari Tuchman is a Los Angeles transactional attorney and founder of Tuchman Law, APC. He focuses on real estate transactions, business acquisitions, and general counsel services for companies and investors throughout California.

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