

Buy a Bargain! Consider a Foreclosure.

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Looking to buy a bigger home for your family? Considering taking the leap into rental properties? I suggest checking into foreclosures with you local realtor. Many people have had great success buying properties under their market value. For those brave of heart buyers willing to roll up their sleeves and fix the common problems found with foreclosures buying property with measurable equity is possible.

You can't escape it! There is always a new statistic being pushed out of some government department or official agency regarding economic facts and figures. Take for example: national foreclosure statistics. This figure has been thrown around for years. Foreclosure rates are up nearly 17 percent compared to the same period from the previous year ending in June of 2005. (According to RealtyTrac U.S. Market Foreclosure Report and Forclosure.com). This statistic obviously carries certain gravity, especially for the people losing their homes. But if you look at this statistic compared to other data it seems only natural. Homeownership rates have been on the rise steadily for the last 20 years. Total loan production, fueled by historically low mortgage interest rates has seen astronomical gains in the last four years. Put this together with reality and it makes perfect sense that there are more foreclosures out there. Remember when you are looking for a bargain to keep it simple. Don't try and re-invent the wheel; the statistic is what it is.

Housing data and other meticulous trending information does factor into the way all of us borrow money, but don't freak out. Try and value your sanity and subscribe to the KISS method (Keep It Simple Stupid). In a variety of ways you can learn about foreclosures before they happen, but I say don't bother. Only pay attention to what is in inventory and available for purchase now. There are plenty of homes owned by plenty of mortgage companies and banks. They all have one thing in common; Banks and Mortgage companies are not in the business to own real estate. It may come as no surprise, but discounting foreclosures is an everyday task for lenders. The logic is very simple: Lenders like to turn their money. The more they lend the same dollar, the more opportunity they have to generate fees and interest. Therefore, when a lender portfolio's a defunct real estate loan, the lender has no ability to use those funds to actively generate revenue.

Foreclosures are a great place to look when buying investment property and in certain situations they are conduits for finding owner occupied housing. Common sense for all of you who seek to purchase discounted housing is to buy it from who will sell it the cheapest. Granted it may be discounted due to the condition of the actual property, but watch your local foreclosure sources, and as you really put together your own ideas you will soon discover common trends in discounting for condition and appeal. The best way to start finding foreclosed property is to find a realtor who will look for you on a regular basis. Subscribe to a recurring foreclosure e-mail list, or check in with bank and lender

websites under their REO (Real Estate Owned) section. This will help you identify your local opportunities, as well as provide a sense for the discount available.

Remember this is a numbers game. You are looking to make offers which the bank is willing to part with the property for. Some lenders are proud of what they own and they have been moving real estate out of their portfolios for ages so they will price properties in good areas at top of the market prices. Discounts happen for all types of reasons; the condition of the property is the first reason. The current market condition is another. Here is one simple truth: **You don't get what you don't ask for!** Don't be afraid to hear no. Remember it is only a bargain because you buy it for a discount; make sure you actually buy it at a discount. Anyone can pay market price for houses, but savvy buyers will learn buying foreclosures is rewarding and profitable.

Here are a few suggested links and local foreclosure resources.

www.foreclosure.com

www.heartrealestate.com

www.realtytrac.com

www.blackandcompanyrealestate.com