

Real Estate Report:

Searching For a Home To Buy? How To Find Hidden Bargains!

By Thomas Lee

Get your offer in before others arrive. The old adage that the “early bird gets the worm” applies here. Your agent is in constant contact with other agents who just got a listing, but haven’t put the home in the MLS yet. Talk to your agent. Most know of one or two under priced properties at any given time. Otherwise, if you wait for the property to come onto the MLS before you submit your offer, other investors will be ready with their offers as well.

Consider “as is” homes. Occasionally in a hot market you can get a good deal out of sellers who have a problem property. Because the seller’s don’t want to fix the problem, they have to lower their price. Often, these homes sell for substantially less than the neighboring property, providing you with a rear opportunity to get in lower. Sometimes, they don’t want to bother because they are elderly. Or they are forced into a quick sale – corporate relocation, divorce, need cash, etc.

Most buyers won’t touch as is homes. They won’t see beyond clutter or dirty carpets. Many times, there is nothing wrong with the property. The buyer’s just don’t see beyond the cosmetics. Use this to your advantage – look beyond cosmetic flaws and imagine the property after you clean it up.

Look For Fixer-Uppers

Usually, they are trashed and run down. A typical fixer upper may have heavily soiled and worn carpeting, broken windows, dirty walls, and broken appliances. May have cracked slab foundation, weathered and worn window frames, or some simply have poor paint.

See beyond the home's bedraggled appearance. Use some vision. Many of these fixer uppers can be made appealing with a minimal amount of cosmetic work. Others may require minimal structural repairs.

When you buy a fixer upper, always calculate exactly how much it will cost to put the property back into shape.

Also, always low-ball fixer uppers. Sometimes you can get the property at discounts as much as 30% or more, depending on the owner's circumstances.

Where do you find them? Your agent knows.

Look at "out of favor" homes

Sometimes, houses are out of favor because of a particular style. For example, a bungalow in a neighborhood of colonials may sit. Nothing wrong with it. You can get these properties at a discount, and still will appreciate in price with the rest of the neighborhood.

FSBOs

When the market is sizzling hot, there tends to be more FSBOs. However, many buyers do not like to deal with FSBOs. As a buyer, when you're dealing directly with the owner of the property, there are problems from the outset. First, FSBOs hover over prospective buyers. Secondly, buyers don't want to confide in FSBOs. Thirdly, FSBOs get defensive quickly, because they are emotionally tied to the house. All of these factors make buyers steer clear of FSBOs. As a result, FSBOs tend to languish on the market, and eventually hire an agent. Then the property sells within days.

Use this to your advantage. Step in and buy the FSBO before it is listed with an agent. Low-ball.

Find Sellers who are highly motivated

Your agent is in constant contact with other agents, and knows the circumstances and motivations of a lot of sellers. They can find out if there are any owners who are under strong pressure to sell quickly. Use your agent's "inside" knowledge to your advantage. This is how you can find very good deals.

Look for REOs and foreclosures

People are always losing their properties to foreclosures. Sometimes it's because of a job loss, divorce, etc. These are most plentiful when the market is bad. Your agent can help navigate the risks and rewards of buying foreclosures. You can get foreclosures at greatly reduced prices to help sellers get out of the property and preserve their credit.

REOs are bank-owned properties. They are not easy to find, since most lending institutions do not want to advertise the fact that they had to take properties back. Your agent is often aware of these, and can help you locate them. You can find very good deals.

I hope this informational report was informative. As your local real estate professional, I am constantly aware of “good deals” on the market, and can help you determine what type of house and location is “right” for you. You can call me at any time for advice, and please remember that you are under no obligation or pressure of any kind. I would very much like to help you.

Best Regards,

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