

Bargain Hunting



Tips To Great Values

Everyone wants a bargain when buying a home. But one buyer's bargain can be another buyer's money pit. If "bargain" means only below-market price, then not everyone can get one. The secret is value. If you hunt for value — in addition to price—you are guaranteed to get a bargain when it's time to buy your next home.

Not all bargains are distressed properties or fixer-uppers. Bargains can be had in the mainstream marketplace as well. Although you may pay the same price as your neighbor, your home may have upgrades and special features that make it a real value. You can also get a bargain in terms of how you buy the home — perhaps through "creative" financing with the seller's help. Included in this report are nine strategies you should know before beginning your search for a bargain property.

There are as many ways to locate bargain homes as there are buyers. Foreclosures, estate sales, corporate relocations, and distress sales are only some of the reasons below-market properties come on the market. Here are nine ways you can find a bargain home — and a great value.

1 Your first step is to hire a real estate professional who keeps a finger on the daily pulse of these specialty markets. Call us to find out how to get started finding your bargain home. We can help you avoid the pitfalls of bargain shopping and ease the process at every step.

2 Foreclosure sales involve homes where a homeowner has defaulted on the loan. If the loan was a conventional mortgage, you can begin by reading about these homes. They are often listed in the classified section of your local newspaper under "Trustee Sales." The trustees of the mortgage have confiscated the property and are now selling it "on the courthouse steps." You'll need deposit money in hand, as well as pre-approved financing to purchase a home at a foreclosure auction.

3 Government-owned properties include houses that had loans backed by the federal government, through agencies such as the Department of Veterans Affairs (VA) and the Department of Housing and Urban Development (HUD). Once these loans are in default, the lender takes over the property. When the federal government pays off the loan, it then takes possession of the property from the lender. These homes are generally listed in the newspaper or on the paper's or agency's website.

The bidding process is through real estate agents who have taken the government's training program. The contract that brings the highest net profit to the government is usually the one accepted.

Although the homes are sold "as is," HUD may escrow part of the sales price to bring a property up to its standards to qualify for a Federal Housing Administration (FHA) loan.

4 REO properties are Real Estate Owned by institutions such as lenders and corporations. The properties typically are listed with real estate agents

in the area. Lenders' properties are likely to be foreclosures as a result of default on a loan, so the condition of these houses may be less than perfect.

Corporate REOs, on the other hand, usually result from a company purchasing the home of an employee who has transferred before the property could be sold. These executive properties tend to be in pretty good shape and priced to sell.

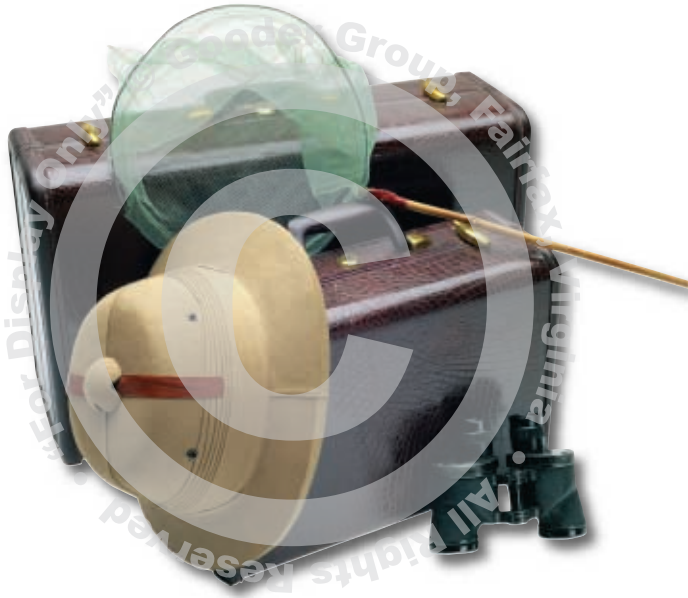
5 Fixer-upper properties generally are in disrepair and sold "as is" — the discounted price reflects their condition. Ask us how to qualify for a loan that includes extra fix-up cash through the FHA 203(k) program.

6 More below-market properties are available through brokers, including estate sales, builder close-outs, auctions, and divorce sales. In general, bargain houses sold through brokers tend to be in better condition than foreclosures and distress sales. We specialize in finding bargain properties for our clients, both in price and value. Give us a call for more information.

7 The least-expensive home in the nicest neighborhood you can afford is often a great value. This type of home puts you in the best position to benefit from improvements and price appreciation.

8 Financing with low money down or no money down can get you into the home of your dreams, maximizing the return on your original cash outlay.

9 New homes being sold either out of the site trailer or when the builder is closing out the development are often a good deal. When a builder is starting sales in a new community, pre-construction prices offered out of the trailer are sometimes lower than when the homes start going up. Later, when the builder wants to close out the community and move on to another development, there may be special discounts and incentives for buying the last of the inventory. A savvy home buyer can pick up a bargain this way.



To Purchase Call (703) 698-7750