**What To Look For When Buying A Foreclosure**

**INTRO**

In today’s real estate marketing, foreclosures can be a great deal. However there are things that you need to watch for. This report will educate you on what to look for.

**REPORT**

Foreclosures can be a great deal if you a looking for a home. Many are below market value, and can really save you some money. However they can also turn into a nightmare if you don’t know what you are looking for. Many foreclosures are unfortunately not in the best conditions and if you don’t know what you are looking for there could be a very unpleasant surprise. Here are some important things to consider before you purchase a foreclosure.

**Work With A Professional**– It is important work with someone who knows foreclosures and not go at it alone. As you’ll see in this report there will be many things you want to look for, and working with a professional who has your best interests in mind will only make sure you make the right decision. We have experience and the relationships to make sure you make the most informed decision possible.

**Get A Full Inspection**– With most foreclosed properties being sold “as is”, is it vital you get a professional inspection before you purchase one. When someone realizes they are about to lose their home to foreclosure, it's not uncommon for them to stop caring about the home. So if something breaks or malfunctions they are not going to fix it. Don’t be surprised if the owner sells items from the home like appliances, cabinets, etc. Also if you are dealing with a really bitter owner they might intentionally damage the house.

**Non-Owner Occupied Homes**– If the owner is being foreclosed on, that doesn’t mean they live at that property. There are often times that the home is rented out or there might even be squatters. Often times if you purchase the foreclosure you are responsible evicting the occupants. This can sometimes turn messy where the occupants don’t want to leave and it can turn into a legal battle. If you aren’t familiar with the eviction process you should hire a lawyer. If this is too much for you, then make sure the foreclosure you are looking at is not a non-owner occupied home.

**Physical Condition Of Property**– Just because a foreclosed home does have some damage doesn’t mean it’s not a good deal. Because foreclosed homes are often times below market value, investing in the improvements can bring the home back to life and still be a great deal. That’s why is so important to get a professional inspection to know exactly what you have in front of you. Once you know what needs are to be improved you then can calculate whether or not the asking price is reasonable considering the possible repair expenses. This way, you will not find yourself paying more than what the property is worth.

**Secondary Liens and Claims**– When purchasing a foreclosed property it is very important to check for any adverse claims and liens on the property. Especially for homes that are in pre-foreclosure. Sometimes, an owner fails to make full disclosure and you could end up with creditors on your back. Be sure to verify the title or deed and check it for encumbrances. You don’t want to be stuck paying for them.

**Get Your “Right” Price**– Just because a property is a foreclosure and the home is below marketing value doesn’t means the price is set in stone. Don’t be afraid to negotiate, if you think the asking price is too high then put a bid in for what you think that property is worth to you. Also if you are looking to purchase a foreclosure in an auction don’t get caught up in emotion or competitive bidding. Set a price in your head and don’t go over it.

**What Is The Real Total Price**– Keep in mind the total price of a foreclosed property is more then what the asking price is. As you saw in this report there are many factors to watch out for. Make sure all liens, claims, back taxes are accounted for. Get a full inspection and see what if anything needs to be repaired. Add all that to the final price and then at point if everything makes sense financially then you know if you’ve got a great deal or not.

Foreclosures can be a great opportunity for anyone from a 1st time home buyer to an experienced investor; you just have to know what you are looking for. An uneducated buyer can get trapped in something they never saw coming. If you have any questions please contact us, we’ll be more then happy to help answer any questions and help you make a wise decision if you are going to purchase a foreclosed property.
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