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Buying Foreclosed Homes Tips & Myths

Buying Foreclosed Homes Tips

***Budget for the unseen.**

-Repairs, new appliances, inspections, etc. all cost money. Be prepared to pay for them out of pocket because the banks won't.

***Never buy sight unseen.**

-Even if you don't live in the same state, hire someone you can trust to look at the property and pass information on to you. We know of a case where a buyer ended up with a vacant lot.

***Check out the neighborhood.**

-Is it where you want to live? Look it over during different parts of the day, especially at night.

-Are there a lot of other foreclosures or is there high crime?

***How long has it been vacant?**

-Is anyone keeping up the foreclosure? Even homes in the best condition will deteriorate when left vacant. Bug, vines, roots, mold... there are lots of invasive conditions left unattended in vacant property.

***Has the landscaping and exterior been kept up?**

-Over-run landscaping can bring vermin, snakes and insects not commonly found on the property.

-Un-kept exteriors can lead to roof and siding damage that can affect the interior and cost more than expected to repair.

***Pay for an up-to-date inspection.**

-Expect to pay between \$300-\$500 for one but if you are spending the time, effort and money on purchasing a home (foreclosed or not), spend the money on an inspection paid for by you. Your Realtor can refer to you a reputable home inspection company.

-Buy a HUD home or one backed by a similar program (like Freddie Mac's HomeSteps) because the properties are better protected and looked after.

***Do not expect a quick profit.**

-Unless you put in the time, money and energy to fix up a foreclosure, do not expect to make a profit on a quick resale.

Buying Foreclosed Homes Myths

***Foreclosed homes sell for pennies on the dollar.**

-Expect to see an average of 0-5% below market value here in the Tri Valley with no more than 10% below in most cases. Banks have investors they answer to; so low-balling offers generally won't get you the home. They won't even get looked at. Don't waste your time or your Realtor's.

***Most are heavily damaged or stripped bare.**

-In reality, most foreclosed homes are in the same condition as other homes in that area provided someone regularly maintains the property. There are always some home that get stripped, and the selling price accounts for that so you can't figure that into your offer.

***It's too risky.**

-While buying through an auction can be pretty dicey, bank-owned homes have usually been cleared of debts, liens and other hidden costs. Closing costs associated with bank-owned homes are also in line with non-foreclosure home purchases. Your Realtor will obtain a Preliminary Title Report for you to see exactly what is on record.

***Accelerated Depreciation**

-There is no reason to assume a foreclosed home will depreciate faster than if you bought a non-foreclosed home.

***Foreclosures are Cash-Only Purchases**

-When bought through a bank, foreclosed homes close similar to their non-foreclosure counterparts. You can still get a conventional loan on the property provided you meet your lender's criteria for credit, income and the like. Also the home might have to meet lender criteria as well. There are also loans available to fix up a foreclosure home that has been abused, like the FHA 203k loan, where you can finance the fix up repair costs right into the purchase loan.

Your Next Step

We hope these tips and Myths are helpful. Please feel free to ask us about any other concerns you may have about buying foreclosure property in the Tri Valley. We have sold dozens and dozens of them and our experiences cost you nothing and could save you a bundle. Email us at : FastInfo@TeamAdvantageHomes.com or call **888.503.5585**

Now let's see all the foreclosures currently available in the Tri Valley:

TriValleyForeclosureList.com

www.TriValleyRealEstateSales.com

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