
risks of buying foreclosed properties

Posted by great1 - 2008/04/16 13:27

I'm considering buying a foreclosed property. What should I be looking out for or what risks do i have when buying a foreclosed home? Title company will be issuing an abstract, but what else should I be doing?

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Re:risks of buying foreclosed properties

Posted by manny_mandy - 2008/04/16 15:43

Buying foreclosure properties is pretty much complicated. It entails much risk than the usual home buying. Here is the big pitfall: Hidden liens can be a big problem.

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Re:risks of buying foreclosed properties

Posted by clan_law - 2008/04/16 16:51

Buying a foreclosure can present rewards and risks. In choosing this avenue do your homework before you buy. Get the latest information on the foreclosed property, especially the hidden liens. Know the property's fair market value

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Re:risks of buying foreclosed properties

Posted by lex_advoc - 2008/04/16 16:58

Buying foreclosed property offers potential risks. The biggest risk with a foreclosure is poor physical condition of the property. The second, the legal dangers are very serious. The catch: You need to confer with adeptly knowledgeable real estate attorney to mitigate the risks.

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Re:risks of buying foreclosed properties

Posted by Sumo - 2008/04/16 17:52

Don't the same disclosures apply to a foreclosed home: water damage, mold, foundation, roof problems, etc.?

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Re:risks of buying foreclosed properties

Posted by manny_mandy - 2008/04/21 20:00

All pertinent information shall be disclosed with the likes as what you have stated.

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Re:risks of buying foreclosed properties

Posted by lex_advoc - 2008/04/21 20:12

The disclosure applies to all material and relevant informations that has bearing with the property.

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Re:risks of buying foreclosed properties

Posted by Sumo - 2008/04/22 14:04

Should buyers be cautious about addendums that are later produced? And does anyone know what are the typical addendums that a bank would produced with regards to a foreclosed property?

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Re:risks of buying foreclosed properties

Posted by manny_mandy - 2008/04/23 17:35

Yes. Let the buyer beware. You must be aware and cautious about the principal undertaking as well as the addendum.

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Re:risks of buying foreclosed properties

Posted by clan_law - 2008/04/23 17:41

I agree, the buyer shall be on guard always.
Typical addendum relate to warranties as to the kind of nature and condition of the subject property, manifestations and warnings.

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Re:risks of buying foreclosed properties

Posted by lex_advoc - 2008/04/23 17:50

I agree with the rest. It is a Basic thing.
Addendum likes: Seller's closing costs and the like and several other

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Re:risks of buying foreclosed properties

Posted by norton - 2008/04/24 14:18

How early in the process are the addendums produced?

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Re:risks of buying foreclosed properties

Posted by Docket - 2008/05/29 21:26

Keep in mind that often times foreclosed homes are sold "AS IS."

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Re:risks of buying foreclosed properties

Posted by Samantha - 2008/06/21 11:50

Ideally, a couple of weeks prior to closing so there's ample time to review. Unfortunately, it's not uncommon to receive it the day before or the day of closing. That's why closings sometimes last hours..... to argue over the things they spring on you at the last minute.

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Re:risks of buying foreclosed properties

Posted by D.Vanicora - 2008/06/21 12:10

We're covered much of this in recent college classes. Foreclosed, whether bank or tax, need LOTS of work. It's a myth that buying foreclosed is a deal. Obviously people facing foreclosure neglect maintenance and even damage fixtures or remove appliances on their way out.

ACNN article wrote: "Never buy an REO property without an inspection, and be sure to factor repair and remodeling work into your offering price. According to a recent survey by Remodeling Online, replacing a bathroom alone costs nearly \$16,000, on average."

Re:risks of buying foreclosed properties

Posted by Jackie - 2008/07/02 13:41

I believe it. Foreclosures are not the deals you're expecting.

Re:risks of buying foreclosed properties

Posted by smarx08 - 2008/07/13 09:26

i'm looking to put an offer on a bank owned home and the bank who owns the property will only allow 7 day inspection. I need to get an inspection and an appraiser.

Not sure why they limit the time you have to inspect the property. Maybe its that they dont want you to discover all the problems with the property.

Re:risks of buying foreclosed properties

Posted by Sumo - 2008/07/14 07:57

Most of these transactions are "as-is" sales, the bank has to give you some time to see what you are getting into, but they mostly do it as a curtesy more so than anything else. They want to dump the property and the best price possible as soon as possible, and do not want to drag the process out any longer than they have to.

Re:risks of buying foreclosed properties

Posted by smarx08 - 2008/07/17 09:29

I look at the house and had an inspector there the next day. The findings of the inspector led me to veto t e house. If i didnt have the inspector tell me what was wrong and estimate the repair costs I might have gotten stuck with the house.

I think the banks are just trying to dump crappy homes on the market and people think they are getting a good deal b/c its a foreclosure. Lesson learned for me.

My rule of thumb is to offer 20% - 30% less than the asking price to ensure you have money for the repairs.

Re:risks of buying foreclosed properties

Posted by Sumo - 2008/07/18 07:58

Buying a foreclosed home is a risk, no doubt. A lot of waht you are buying is the deal. Especially these days. I find that if you look long enough you can balane a good deal without a whole lot of fixing up, relatively. It takes time more than anything else, but it is the trade off for getting a good deal on house. I am looking right now, and I find that I can buy more house than I originally thought I could afford, but, most of the homes I am looking at do need work. Just a part of the bargain.

