



CNN Money

Buy foreclosures now –before it's too late

Buyers in many areas are finding that real-estate owned (REO) properties—homes that have been repossessed by lenders and put back on the market—often are selling in one day, sometimes faster. According to the founder of Foreclosure.com, offers on REOs are coming in immediately after the listing comes on the market, and some homes have been put into contract in less than 90 minutes.

KEEP THIS IN MIND

- On average, inventories of California homes priced less than \$300,000—the most-popular price point for foreclosure buyers—have shrunk from a nearly 10-month supply a year ago, to less than a three and a half-month supply in July, according to the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.)
- Because inventory levels of homes priced in the lower end of the market are low, some buyers are finding that sellers are not willing to negotiate on the price. In many instances, sellers expect the first offer to be the best and highest possible for the buyer.
- Instead of holding onto REOs for the best prices—and paying the property taxes and maintenance and heating costs—many banks are selling the homes as quickly as possible, according to Foreclosure.com. “In this market, if they can liquidate them fast, it makes more sense to get them off the books,” said the company’s founder.
- Despite efforts by lenders and the government to prevent foreclosures, many economists and housing analysts predict there will be another wave of foreclosures by year’s end, and many of those properties will be offered for sale. According to the U.S. Comptroller of the Currency, 53 percent of loans that were modified in the first half of 2008 fell back into arrears.

To read the full story, please click here:

http://money.cnn.com/2009/08/05/real_estate/buy_foreclosures_now/index.htm?postversion=2009080609