



## Is a distressed property the right deal for you?



For many buyers, the term "foreclosure" brings up images of run-down homes with no heat and

rotting wood. While this is still the case for some homes, it's no longer the standard. In fact, buyers are snatching up distressed deals in decent condition for great prices.

By definition, a distressed property is one that was purchased with a loan and the homeowner is no longer able to make their mortgage payment resulting in foreclosure – or if they're lucky, a short sale – meaning they owe more on the home than it's currently worth. With a 20% increase in foreclosures from 2009, distressed properties still remain a large portion of home sales and are going to continue well into 2010 as homeowners continue to feel the effects of an economy on the mend.

If you're in the market for a home and are prepared for a unique transaction, a distressed property could be a great option. As always, due diligence is key. Here are a few things to remember before you decide to buy distressed:

1. **Get pre-approved.** Whether you're buying a distressed property or a traditional home, knowing how much house you can afford is the first step. In the case of a distressed property there could be multiple offers on the table. Remember, banks want to get these properties off their hands quickly and typically don't take buyer contingencies – such as needing to sell your home before you buy – into account. The buyer who can act fast will usually get the home.
2. **Stay focused.** If you're prepared to buy a distressed property it's critical you understand that the process of purchasing the home could be very fast or very slow. There are many aspects of the transaction that are in the hands of banks and lenders. There is always a lot of paperwork, and there aren't always definitive answers. While a professional will do everything they can to simplify the process, know that it can get complicated.
3. **Be decisive.** If you are specifically in the market for a great deal then distressed properties are your best bet. However, if the right property hits the market at the right price it's critical to act fast and decisively. Buyers who gamble by waiting for another price drop or take too long to make a decision could miss a good buy.
4. **Be prepared. For anything.** Not all distressed properties are falling apart. But some are. And as a serious buyer, you must be prepared to see the worst.
5. **Due Diligence.** It doesn't hurt to say it again, and again: protect your investment. Have an inspector look at the property before you buy so that you know how much money you may have to put into fixing the home. Remember, because banks are already losing money, they don't include allowances for costly repairs when selling the home. Also have an appraiser determine the home's worth in case you decide to sell the home down the road.

Your best ally when purchasing a distressed property is an expert. Always have a professional REALTOR® by your side to help you make informed decisions.



## Wishing you a happy May and Memorial Day!



April showers bring May flowers. May is also the month America pays tribute to those who laid down their lives while serving in the United States Military.

While we all enjoy this very special day off filled with family, flags, food and fun, may we also remember and honor the men and women in uniform whose heroic efforts helped to preserve our country's freedom.

### Finding the right neighborhood

#### Location, location, location.

Buying a home involves many nuances: kitchen size, bedroom count, backyard space, etc ... One factor that can trump even the *perfect* home is the neighborhood.

Finding the right combination of home and neighborhood hospitality that fits your unique needs can be difficult if you're not entirely sure what you want, or if you're new to town. It's critical to do your research before deciding to buy, and often your REALTOR® can help you find the neighborhood that's right for your lifestyle and that fits your budget. Here are a few ways to get started:

1. **Jot down a list of your daily activities.** For example, you might write down work, church, coffee, grocery stores or the dry cleaners. How far would you have to travel to each destination from your home? Do you mind the commute? As you begin to look at neighborhoods, keep the location of these frequent errands in mind.
2. **Research the school district.** The school or the city's education department should be able to provide you with class size, test scores, special enrichment programs, extracurricular activities and the percentage of students that go on to college. No kids yet? It's still a good idea to consider school districts. When the time comes to sell your home, schools could be an important factor to potential buyers.
3. **Economic Stability.** Is the neighborhood new or old? Are home prices rising, falling or are they stable? Check for vacant homes and apartment complexes as these could potentially affect the value of homes in your area. Remember, your REALTOR® is a good source for this kind of information.
4. **Check crime.** You'll want to be sure crime levels aren't high in your new neighborhood. Check with the local police department for crime rates. Be sure to ask about regular criminal activity. If burglaries are high on the list – you might consider looking elsewhere.
5. **Take a tour.** The best way to get to know a potential neighborhood is to walk or drive around. Talk with people at local businesses or ask folks in the neighborhood. Test out local restaurants and get to know the environment.

### May Celebrations

#### Mothers Day



The earliest Mothers' Day celebrations can actually be traced back to ancient Greece, during which they honored Rhea, Mother of the Gods.

After all, mothers have been sharing their love and wisdom with us since the beginning of time. It's only natural that the recipients of all that love and affection would want to say thanks.

So, to all the extraordinary women out there who have ever been called "Mom"; know that you have had a hand in what is the very best of all of us .

***Thanks for all that you do and Happy Mother's Day.***

#### Cinco de Mayo

Cinco de Mayo ("The Fifth of May" in Spanish) is a national holiday in Mexico which is also widely celebrated in the United States.



It commemorates the victory of Mexican forces over the French occupational forces in the Battle of Puebla on May 5, 1862. The Battle of Puebla is seen as a symbolic cultural link to those who had to overcome insurmountable odds while facing adversity.

In neighborhoods such as East Los Angeles, the Mission District of San Francisco, East San Jose and throughout the Southwest, Cinco de Mayo is a day of celebration to honor a culture that fuses Mexican heritage and American life experience. from

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