



Your Top Real Estate Questions Answered, Part 2

[In part one of this three-part series](#), we discussed the pros and cons of buying a home without a realtor.

Today, we are going to talk about the pros and cons of buying a *foreclosure*.

Foreclosures are rather common. They happen when the homeowner does not pay their mortgage, and the bank reclaims the property and puts it up for sale.

When people lose their jobs, become ill, or there is a recession, foreclosures are a big risk.

Although this is an unfortunate time for the old homeowners, who will need to promptly move out, it can be a great investment or a good way of buying a home for a great price.

[San Benito Realty](#) wants to answer your questions regarding purchasing a foreclosure.

What Are The Pros And Cons Of Buying Foreclosure Homes For Sale?

Con: You May Not Be Able To See The Property Beforehand

Although this is not always the case, sometimes you will not be able to view the property beforehand. At times you may not even be able to have it inspected. This is a deal-breaker for some buyers, as it can be hard to commit to purchasing a home without seeing it in person.

It is case by case though, so if this was a deal-breaker for you, don't rule out all foreclosures. Some do allow you to see the property and/or have it inspected beforehand.

Con: The Property May Need Repairs

The number of repairs that some foreclosure homes for sale need outweigh the reduced price. However, this is not always the case. At times there are just minor repairs that need to be made.

[The Balance says.](#)

“Foreclosures often need serious work, either due to long periods of vacancy, the previous homeowner’s failure to maintain the home or even damage by the last occupant.”

Not knowing just how much is going to be needed for repairs is one of the biggest cons of purchasing a home on foreclosure. You need to be prepared with money to handle the repairs if you're going to buy a foreclosed home.

Many investors and real estate agencies do well with foreclosure homes for sale. Despite the cons, for right people, foreclosure investments are truly worth it!

Pro: There Is A Big Chance You Can Save Money

When you purchase a foreclosure home for sale, you will most likely get it at a substantially reduced price. Banks sell these homes for lower prices so that they can at least get some money back from them, and so they don't have to maintain them.

Investors, real estate agencies, and others are often happy to jump on these great sale prices. Many times these homes are bought at a low price, then upgraded and sold for a much higher price. Some people have even made careers out of flipping houses.

Foreclosure homes for sale can save the buyer a lot of money.

Pro: You Can Capitalize On Seller Concessions

Not only are these houses often sold at a reduced price, but you can often bargain with the bank and have them cover the closing costs.

[Million Acres says.](#)

“Buyers often incur closing costs when they purchase a property. When you buy a foreclosed home, you can sometimes get the lender to cover your closing costs or make other financing concessions that make the property more affordable.”

Closing costs can be an expensive part of the sale. Having the bank cover them is another great way to save money.

Pro: You May Be Able To Save Time In the Sale Process

The buying process for a typical home can be long and grueling. taking weeks, if not months to complete.

When a home is in foreclosure, the sale is processed much more quickly, often taking half the time that the typical closing process takes. This saved time is a great benefit of buying a home that is foreclosed.

However, it is important to keep in mind that during COVID-19 the courts and banks, in some areas, may not be running at their usual speed.

So the closing process for all homes (including foreclosure) may take longer than usual.

Great real estate agencies can make all of the difference in the success of your buying process. [For help in your real estate ventures, click here to contact San Benito Realty today.](#)



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