

# Understanding Foreclosures & Short Sales

Everybody likes a deal. When it comes to house hunting, one immediately thinks "foreclosures." But what *is* a foreclosure and how do you find and buy one?

By "foreclosure," I mean a home that *was* in foreclosure but is now bank owned following the trustee's auction. These are not to be confused with homes that are *in* foreclosure. Those homes are typically short sales, something that must be disclosed by the listing agent. It's a required field on the MLS because most people would rather *avoid* looking at short sales. You can waste a lot of time waiting for bank approval on a short sale, only to have it go to auction. At that point the bank takes ownership, your offer is dead, and the listing is terminated. It will take at least a month for the bank to put the property back on the market with their own listing

agent. Meanwhile there's no one to talk to about it.

The good news is that it will likely be listed for less than what you offered when it was a short sale. But that also means you'll have competition for it and need to pay more than the listed price.

There are websites devoted to listing foreclosures, but don't fall for them. Typically, every foreclosed property is listed on the same MLS as non-foreclosures, and only the MLS listings are up to date. Those foreclosure websites can have old data on them, and their operators frankly don't care if the data is old. That's because their goal is to capture you as a lead and sell you to an agent who pays them for leads in that ZIP Code.

*"Sorry, that house has already been sold, but let me show you*

*some others,"* is the line you'll get.

If you're looking for a deal, you need look no further than [realtor.com](http://realtor.com) or any of the other consumer websites (such as [www.GoldenRealEstate.com](http://www.GoldenRealEstate.com)), which get listings from the MLS that are updated daily.

**Note:** In a neighborhood where distressed properties are common, the non-distressed listings are forced to compete with them, so you might get your best deal on a *non*-foreclosed home. This is not the case in much of Jeffco, where foreclosures haven't been numerous enough to impact the market.

An MLS member, like myself, can search the MLS for foreclosures, but why do so? I suggest searching by **price per square foot** ("PSF") instead of by listing price. You'll find your deal, and it may or may not be a foreclosure. (You can't search by PSF on consumer websites, but an agent like myself can do so on the MLS.)

## REAL ESTATE TODAY



By **JIM SMITH, Realtor®**

## This Week's Featured New Listing:

### Affordable Ranch-Style Home in Golden

Here's another home you will want to see if you like single-story living in a quiet Golden neighborhood. This is **150 White Ash Dr.**, in the Village at Mountain Ridge. It will be open this Saturday 1-4 p.m., and I hope you'll check it out. It has two main-floor bedrooms (3 if you count the study with a closet), each with their own private bathroom. The lot is special. You literally cannot see the homes behind it because of the dense foliage! Just painted, it has many new components including windows and water heater. Visit the website, come to the open house, or call me for a showing!



**NOTABLE PRICE REDUCTIONS:** 1617 Ulysses St., to \$325,000; 800 Meadow Run, to \$489,000; 16990 W. 63rd Pl., to \$475,000; 16311 W. 54th Ave., to \$449,000; 187 Washington Ave., to \$275,000; 2120 Bonvue Dr., to \$449,000; 6273 Yank Ct., to \$265,000; 1415 Washington Ave. to \$265,000. You can take a narrated video tour of ALL Golden Real Estate listings by visiting [www.GreatGoldenHomes.com](http://www.GreatGoldenHomes.com). Tell your friends!



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