REAL ESTATE TODAY

Short Sales and Lender Owned Listings Present Different Challenges for Buyers

By Jim Smith, Realtor®

You can’t be a buyer’s agent nowadays without learning about short sales and lender owned properties. I have been on the buyer’s side of both a couple times and on the seller’s side of short sales, and both kinds of transactions can be difficult to consummate for very different reasons.

Given a choice between a lender owned property and a short sale, I’d pick the former any day of the week, and here are some reasons why.

The lender owned property has a motivated seller. The house has been priced below market value based on two or more broker price opinions, and the lender is prepared to take a loss on the transaction. With a short sale, in which a lender must accept less than full payoff in order for the sale to take place, the lender can take months to agree to do so, because it needs to move by a particular date and they couldn’t trust the bank to come through in time.

At least with a lender-owned property, the bank has already said what it will accept when the property is listed, and although you’re buying a “pig in a poke” in terms of property condition, you are usually getting enough of a deal to make it worthwhile.

Just this week, I helped a buyer get under contract for a home in Commerce City where all the homes — less than 10 years old — are selling for under $100 per square foot, compared to similar homes selling for up to $200 per foot in Jeffco. That leaves plenty of room for investing in improvements — and plenty of room for appreciation down the road.

What’s your experience with such transactions? Let me know.

This Week’s Featured New Listings:

Walk to Downtown Golden from This Home

A professor from the Colorado School of Mines and his family have enjoyed living in this home, and you can see why. Not only is it a short walk or bike ride to the campus and to downtown Golden, but it is also quite spacious inside, with a master suite that faces North Table Mountain and two guest bedrooms facing the foothills. In between, an oversized loft makes for a great home office. The oversized two-car garage is accessed from the alley, where there is additional space for guests to park. It has central air conditioning.

Brick Ranch-Style Home Near S. Golden Road

This home has some wonderful features in addition to its great location at the end of a quiet cul-de-sac: an updated kitchen with granite counters and stainless steel appliances, great hardwood floors on both levels, an awesome master bath with jetted tub, and a great backyard with large covered patio.