

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 not only has to assess the market value of the property, but also the

hardship of the seller. The lender needs to know that they are not being cheated by a seller who could in fact "bring money to the table," and lenders are so overwhelmed with such requests that it can literally take months to get approval. Introduce a second lender and it really gets difficult.

In just the past few months, I had two listings which required short sale approval, and in both cases the buyers lost their patience and terminated because they needed 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.

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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.



\$285,000

Tour This Home Online at:
171WashingtonAve.com

Brick Ranch-Style Home Near S. Golden Road



\$360,000

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.

Tour This Home Online at:
www.412GrandCt.com