



Where To Get HUD Home Deals

For the first 10 days, HUD only allows owner occupants, government programs or non profits to bid on their properties. These properties are generally in need of repairs, they have eliminated at least 90% of the buyers for their properties. Additionally they have eliminated buyers who are willing and capable of making fast decisions. Because they have opened a door for finding a great deal. These properties are generally listed on a Friday. If you view the property over the first weekend and discover that it is listed at a pretty good price, you need to make a quick decision.

You must make an offer prior to Tuesday to have the greatest chance at getting a good deal. In almost every state, HUD will automatically take a bid that nets them 87% of the list price. If you put the offer in on the first available day (which is 5 days from the day it is listed) and you put the offer in that nets greater than 87% of list price, and if you are the only person who puts the offer in, you will be the winning bidder. Please consider that this strategy will not work every time because others bid more. Typically, I have to do this two to three times for each property that I buy or help somebody else buy using this strategy.

One way to get outstanding deals is to buy a HUD home that you intend to live in. Because you are committing to moving into the property, do not use this strategy if you do not intend to actually live in the property. It is illegal, and you are very likely to get caught. Other investors hate when properties are bought owner occupied, and they will spy on the property over the next few months. If they discover that it was bought by an investor, they will be quick to report you. At least that is what happens in my market. You can often find fabulous deals to move into because HUD makes these homes available to owner occupants and non profits. This means that if you can move quickly, you can sometimes get huge discounts with a very low chance of being outbid.

Another opportunity to get good deals on HUD homes is to track them over time for price reductions. If you can make a bid the day after a price reduction, you may be able to get the property at a price less than others had offered the day before, simply because you are doing so the day after a price reduction.

A third opportunity to get good deals on HUD homes is to discover homes that fell through that are re-listed. If a property goes under contract, then falls through, it can be listed on any day of the week. Because it fell through, it will have a list date that is further down the list on HUD's website; most other investors will not notice that it has been re-listed until it is too late. If you happen to notice the first day that the property is back on the list, you have a great chance at getting the property. Rarely will a property that was a great deal fall through.

Because if it were a great deal, the investor would have found a way to get it closed. However, having a good list price does not mean that it was under contract for a good price. Many of the properties go for over list price because an investor might want to make sure that they get it for a great price. It takes consistency, patience, and practice.

Brad Zitzner is a real estate investor, coach, and realtor. Brad has bought or sold over 150 properties. His web based Property Management System "ZZZ Real Estate" helps real estate investors remove the chaos and paperwork from their real estate business. To get Brad's FREE real Estate ebook go to www.zzzinvestors.com