

Real Estate Investing: Just Saying No to REOs

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Is it time to “Just say no to REOs” and find a better source of distressed properties?

RIP for REOs?

In any other industry manipulating inventory and fixing prices would result in major public outcry, high profile investigations and massive lawsuits. There is no question that banks and mortgage holders are doing this with all of the shadow inventory being held back and the bidding wars which are ensuing.

These institutions have already been found guilty of incredible amounts of foreclosure fraud and in many cases foreclosure auction rigging too and have essentially gotten away without being penalized. SO why wouldn't they do it with REOs?

Of course if the numbers still work for real estate investing and profit can be made then there is no reason not to buy these homes except for snubbing these lenders. However, this does not mean investors should go as far as over paying or buying on speculation alone.

Some REOs may still be good deals, other not so much. Either way it is still obvious that real estate investors ought to be fishing for deals in new directions.

2 Easy Solutions for Finding Deals with Less Competition

1. Look to New Areas

If your local market is way too hot like Sacramento or Miami or Phoenix then way not look a little further afield for real estate investing deals?

Perhaps even 100 miles away there are great destinations ripe for the picking. One example of this is Bonita Springs in Southwest Florida, a little over 100 miles from Miami, just south of the sizzling Cape Coral market and bordering one of the wealthiest cities in the world, Naples to the south. The area is financial stable, has great potential for growth, yet often floats under the radar and there are off market homes and some which have been sitting on the market. Investors will find single family homes here from \$70,000 to just over \$100k a few blocks from the ocean and \$10 million mansions. Other similar markets could be Mobile, AL and pockets of CA.

2. Streamlining Mass Direct Marketing

There are still a huge number of motivated sellers out there but so far it has been extremely challenging for solo investors and small real estate investing companies to reach them due to time constraints. However, by using auto dialers and bulk SMS investors can slash labor and connect with live leads all day long, while covering a much larger share of the market.

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