

One Dollar Home Deals Prove The Market Is Changing

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New Jersey has announced it will start selling off homes for as little as \$1. Along with states like Ohio and New York, which are again working to get ahead of blight in the form of abandoned homes, it seems more distressed real estate is coming down the pipe for investors.

While many of these house deals require substantial repairs and may be reserved for retail home buyers, investors can expect more inventory to become available this year.

Distressed Debt And Real Estate Deals Are Building Up

It's no secret that credit card, auto loan, and other debt has been deteriorating in performance, with a mountain of nonperforming debt that has been growing for several years.

As consumers run out of money, savings, credit lines, and find it harder to get new jobs, this will almost inevitably turn into more nonperforming debt sales, and REOs.

In fact, one economist has predicted there will soon be \$1T in defaulting real estate debt to contend with.

Buyers have become more cautious, and as the Fed still hasn't begun cutting rates, they are unlikely to swarm the market or be eager to pay recent market rates.

Get Smart

Many real estate investors in the current market do not have experience with the types of transactions that were popular in the last great recession. It's a smart time to educate yourself about these types of deals, so that you can embrace them.

This includes REOs, short sales, and various forms of alternative and creative financing. Including using transactional funding to wholesale real estate.

You should know who the parties involved are, what their processes and timelines are, and start building the right relationships now.

Making Successful Real Estate Purchase Offers

What does it take to get offers accepted in this environment?

Fast closings are critical to sellers. Many are under a lot of pressure, and will lose their properties if they don't sell on a tight timeframe.

Simplicity is key. Buyers can't afford to be tied up in lots of contingencies. They don't want long inspection periods, appraisal contingencies, and the like.

Finally, they will prioritize offers from qualified buyers with proof of funds, and who they can be

confident in to close.

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