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Start Your Real Estate Investment Portfolio in Florida by Purchasing a Foreclosure by William Hauselberg

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Purchasing a home to renovate and resell is a great way to turn a profit and add to your real estate portfolio. As you begin your journey in real estate investment Florida is an excellent location, and one of the best ways to get started is to consider purchasing a home in foreclosure.

Real Estate Owned Property

There are a few different avenues you can take to acquire a Florida foreclosure investment property. Arguably the best way to begin your foreclosure investment is to purchase the property from the lender itself after the foreclosure sale. This type of property is known as an REO (real estate-owned), Repo (repossessed property), lender owned or even corporation owned properties. The process of purchasing an REO is still quite similar to purchasing a regular home, but with a few differences. For example, when purchasing an REO, you will likely not receive a sellerâ€™s disclosure statement, so you may not be privy to potential damage or other flaws within the home.

Pre Foreclosure Properties

The next option is to purchase a home in pre-foreclosure. This means the home is in the very early stages of being repossessed by the bank. At this point in the real estate game, the current homeowner may be able to sell the home before it goes to auction and use the net sale proceeds to cover outstanding mortgage debt. Because sellers want to be free of their mortgage debt and avoid repossession and auctioning of their home, this can prove to be advantageous for buyers looking to purchase a home at a low price point for real estate investment purposes. There are, of course, risks involved when purchasing a pre-foreclosure. If the seller is desperate to get rid of their home, they may neglect to inform you of problems or damage in the home. As a real estate investor, the choice is yours to make.

On the Auction Block

The final option for purchasing a home in foreclosure is at the auction itself. This method presents the most risk, as you will have no real estate agent, no escrow, no inspections, and so on. You are essentially buying the property blind without knowing what you are getting. You are also often expected to pay in cash. You are, however, going to find homes for extremely low prices at an auction, which can mean a big investment return in the end.

As with all foreclosure purchases, it often comes down to a matter of risk versus reward, and for many who are building their real estate portfolio, the greater the risk, the greater the reward.

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The author has an immense knowledge on a real estate investment Florida. Know more about a Florida foreclosure investment property related info in his website.

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