



Smart Moves for Getting a Great Deal on a House

Here are three tips for turning the housing downturn to your advantage:

Know the market. The best way to snag a great deal on a house is to come armed with a boatload of data showing that you've done your homework and know what the place is worth. Thankfully, [information](#) on everything—from what comparable houses have sold for to what exactly has been remodeled, and when—is pretty much at your fingertips, when you employ an Accredited Buyers Representative (ABR). Such data are especially useful when making an offer on a foreclosed home that's been repossessed by a bank, where you won't have to deal with touchy issues like a seller's sentimental attachments to his home. All banks want is to get a fair price and get out. Don't try to low-ball the bank. But if you come in with all the statistics and can make your case that yours is a fair price, they're more likely to take it.

Don't expect "found money." With sellers increasingly desperate and the number of "distress" sales and auctions skyrocketing, there are certainly plenty of deals around. But experts say the number of situations in which you can literally buy a house one day and sell it for more the next are exceedingly rare. "Most sellers that resort to the auction block have already exhausted every other avenue," says real estate broker Ralph Roberts, author of *Foreclosure Investing for Dummies*. With such houses already picked over by other investors, anyone who buys one—even at a discount—has to see substantial value in the house that others buyers can't. For example, will a well-placed \$10,000 in improvements yield twice the value? Or is that new company moving 5,000 people into the area next year likely to increase demand for houses in the neighborhood? The bottom line: While it's always worthwhile to keep your eyes out for that needle-in-a-haystack deal, better to focus your efforts on a house that stands a good chance of building equity over time.

Location, location, location...well, you know this one. The old mantra is as true as ever: No matter how inexpensive a property might seem, it's no deal if it's down the street from an oil refinery or in a city suffering from chronic unemployment. While houses near great schools or within a few blocks of public transportation almost always sell at a premium to the overall market, they tend to hold their value in down markets and rise more quickly in good ones. Indeed, while it may seem that it's the house you're investing in, it's actually the land underneath it that appreciates. That's why some of the best deals to be had may be the worst houses on the best streets.