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Purchase a Short Sale Home in Florida by William Hauselberg

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Now may be a great time to consider investing in Florida real estate. You may want a nice place to retire or you may just want a vacation home where you can spend a few months and get away from the snow and cold winter weather. Some people are not ready to move to Florida but are looking for a good investment where they can rent out a property and earn a steady stream of income.

Whatever your reason may be for wanting to acquire property in Florida, you probably want to get the best deal possible. With so many distressed properties selling at substantial discounts to similar non-distressed properties, it makes perfect sense to look into a Florida short sale. Please note in the context mentioned above, the word distressed does not refer to the physical condition of the property, but rather, the financial distress facing the seller.

What Are Short Sales?

A short sale can be defined as the sale of any piece of property for a price that is less than the amount owed to a lender or mortgage holder. The vast majority of short sales are done for one of two reasons. Either the homeowner is behind on his or her payments and facing foreclosure or the homeowner is severely underwater (owes more on the mortgage than the current market price of the property) and makes an economic decision to just get rid of the ball and chain hanging over their financial life.

Short sales must be agreed upon by the bank or lender or you, as the seller, will be held responsible at the closing for any deficit between the amount of the sale and the amount you still owe on the mortgage. Even though it usually costs a bank more money to foreclose on a property than agree to a Florida short sale, they have been slow to agree to these discounted sales.

Near Term Trends Look Encouraging for Short Sales

That trend seems to be turning around in Florida as well as the rest of the nation as the number of pre-foreclosure (short sales) has been increasing. According to a very recently released report from RealtyTrac.com, in the month of January, 2012, Florida had 5014 pre-foreclosure sales which represented 13.88% of total sales in the state. There were more short sales than real estate owned (REO) sales. REO sales are sales of foreclosed properties that have already been completed and which the bank has title. Compared to comparable sales of similar non-distressed properties, Florida short sales sold at a statewide average discount of 24% in January 2012.

Short Sales in Select Metro Areas of Florida â€“ January 2012

- In the Miami-Fort Lauderdale-Pompano metro area of South Florida, there were 2000 short sales completed with an average discount of 29%.

- In the Orlando-Kissimmee metro area of Central Florida, there were 542 short sales completed with an average discount of 15%

- In the Jacksonville metro area of Northeast Florida, there were 337 short sales completed with an average discount of 22%.

With more and more short sales expected to be approved by the banks that hold these mortgages, the discounts are expected to be even better than they were in January. Buyers who are ready to invest in Florida real estate should act soon to take advantage of these once in a lifetime sales.

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

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