



# **DISTRESSED PROPERTY HELP**

**THERE IS HELP AVAILABLE!**

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# Distressed Property Help

## You Are Not Alone

First, take a deep breath and get your thoughts together.

You have most likely found yourself in a position of turmoil with your real estate assets if you are reading this.

Understand that being in a distressed situation can be very stressful if you let it, most likely very time consuming and often overwhelming if you have not gone through the process before. Hopefully you have not.

Coming through the recent Great Recession and the near global financial collapse taught me one thing – you are not alone. Millions of people have gone through foreclosure, short sale, bankruptcy, divorce, loss of a job or unfavorable medical diagnosis as well as all sorts of other problems.

All these issues can be a distressed situation and put you in panic mode.

Being in panic mode or in denial can often cost you a ton of money, time, credit and possibly your primary home. The truth is – many times this never needs to happen.

Do not panic or worse ignore the situation - get your head right.

## Get Your Head Right

Do not put your head in the sand. The problem will not go away until it is taken of by you one way or another.

There are several ways you can most likely work on the problem at hand but none of them have a chance of success without you having your head in the game and a clear understanding of your possible options.

There are professionals around the country that can provide counsel and workout solutions for your situation but they cannot help you until you agree to help yourself!

You must figure out the exact problem at hand!

You must have a clear understanding of your exact physical, financial and emotional standing!

You must want to work on the problem causing the distress. At first, no one can talk to debtors or agencies on your behalf without them first talking to you. Your debtors most likely will also want written permission to work with your appointed agent.

You will need to swallow your pride and ask for help.

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You must have an open mind to the current reality and potential for needed change. If you keep doing what you have done you will keep getting what you have gotten. Something must change.

You must get a handle on the possible options available.

## Time to Start

First off, you need someone to talk to.

Is there anyone in your sphere of family, friends, neighbors, co-workers or anyone you can talk to and get some advice. Getting things off your chest has a great impact on your emotional state. Talk to someone as soon as possible even if it is a community outreach center or counseling center. If they cannot help they most likely can refer you in the right direction.

You have real property involved. Call an appraiser and talk about the real estate! Order a private appraisal. The walk through and conversation will help a great deal.

I have personally been in real estate since the mid 1980's and I have heard every sad story from losing the property to foreclosure, terminal illness diagnosis, divorce and one lady's husband passed away and owned several investment properties. The tenants were now taking advantage of her, not paying rent and asking for tons of repairs and destroying the properties. There is nothing you can tell a true professional that will phase them. They can help you put a plan together to get you from point a to b.

Appraisers do what appraisers do. I personally have the background where I am an agent as well as an appraiser. Not everyone thinks both sides of the issue like I do. If I cannot help you then I will find someone that can but I cannot do that until you call.

Do not attempt to hide any of your cards or dark secrets. Put it out there and deal with it with your team. It is probably only a big thing in your head and it can most likely be dealt with.

At some point very soon you will need a handle on what the property is worth and how to get it to the highest value with the least stress and effort. Start that process today.

## Legal Counsel

Most likely, if you can afford legal counsel you should do that immediately. If you cannot afford legal counsel it still may be worth a phone call. They may be able to get a fee when a property is sold or some other arrangement. Just because you do not have thousands of dollars sitting in the bank does not mean you cannot afford an attorney. They may save your property or much more than you will spend on their services in the long run.

With one phone call and a sit down meeting you can have much of your situation put into perspective and a plan of action put in place. Make the call!

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## Property Protection

Obviously, you need to protect the property from fire, flood or vandals. Take whatever means necessary to secure the property until your situation can be resolved.

If you reside there, fine – business as usual. If it is vacant you need to change locks and make secure. Notify the police to keep an eye out during their rotations. If it is a difficult tenant you need to get the police involved. Again, legal counsel will most likely help quite a bit here.

There could be a million reasons you could be in a distressed situation and I cannot begin to run them all down. All I can do is tell you to get the appropriate help and protect the property.

## Build Your Team

- Attorney: I have already told you that one of your first phone calls is to find an attorney familiar with your type of situation.
- Appraiser: The appraiser is a neutral and non-combative professional who can give you a realistic valuation and report on the current property at hand. They are licensed and professional and can hand you a written report to let you know where you stand. Remember they are not an advocate. They cannot and will not provide a higher or lower value just because that is what you need. They do the best they can concerning the property, the recent sold data and the current market conditions. It is what it is!
- Real Estate Professional: Again, a top notch real estate professional will have a contact list of buyers, sellers, cash investors, property management companies, locksmiths, landscapers and so on. They should be able to give you an unbiased valuation and reporting on your property but take note that many of the top agents are diversified and partnered with developers, flippers and they are out to make a buck so keep an eye out for anything out of the norm.
- Accountant: If you do not currently have an accountant in your life, you may want to inquire about one. Things like a foreclosure, bankruptcy and short sale may have credit or tax implications and can mess you up for several years to come. They can advise of those immediate and long term potential issues.

With your team now assembled you can get to work.

## Recap

You should have someone in your life to bounce things off and get feedback. The four players above are an awesome place to start, they know the market and most likely have dealt with your issue before.

Always have legal counsel when possible. Check that – make it possible!

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Get an unbiased outside professional opinion. There are plenty of cash buyers just waiting to take the property off your hands at massive discounts. Sometimes that is the only road to go but often you could have done much better financially.

If you need help with finding a local real estate agent or a local appraiser to help with your specific property you can let us know at [HubAppraisal.com](http://HubAppraisal.com) and fill out the referral form on the front page, we would love to help.

## Advanced Team Members

Again, I do not know the details of your distress situation but you can build an even bigger team of professionals on a secondary level.

Talk with your primary team of legal counsel, appraiser and real estate agent about other needed professionals as needed

- Home Inspectors: Do you need a home inspection to document the current condition of the property. Damage from a spouse, vandal, storm or tenant?
- Private Well: When was the last time the water was tested for quality and quantity? When was the last time any of the components were updated? Having everything working will usually generate a maximum return for the property.
- Septic System: Many states have private sewer certifications that are triggered at property transfer. How about in your location? The local agents and attorney can tell you your obligations and responsibility.
- Lead Paint, Hazardous Waste and other such professionals should be in the back of your head. You need to get out of the property but how much does it need in repairs? How much will those repairs return on sale?
- Lender: Is there a possibility to refinance, get an equity loan or generate some relief from the lending world. There are different lenders that have different levels of assistance from a traditional local credit union or bank, sub-prime mortgage potential or even private hard money if need be. Look at your options – research with an open mind and do what works for you.

## Condition of the Property

You now have had your discussions with legal counsel. You have had conversations with your appraiser and your real estate agent.

The condition of the property has a lot to do with the potential value and marketability of it.

The condition of the property has a lot to do with the potential buyer for it.

Example: If you have a single-family property and have abandoned it for one reason or another. It is probably failing in condition and maybe the town has boarded it up for

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neighborhood security reasons. That type of condition has a major impact on marketability and sale price.

- Buyer: Who is the most likely buyer for such a property? Most likely a cash buyer who will want it for a deep discount. A first-time buyer may not have the credit or down payment for a project property. Retiree? Downsizer?
- Your Finance: Do you currently have a loan on the property? They will want their full mortgage immediately but the current property condition may not allow for maximum sale price or cover the mortgage owed. Will repairs help get you more? Can you negotiate with the mortgage company for some form of discount? Can you get into a short sale program? Hard Money? Short term equity Partner? There are options if you are willing to work.
- Buyer Finance: Where will a buyer be able to finance their purchase? If the property is boarded up and needs work, can they get typical and conventional financing packages? Maybe the buyer can get some form of construction or rehab type loan but again those are tougher to qualify for and usually not a typical buyer. Maybe the property does not need too much work to get it up to standard condition for financing.

Having a larger pool of buyers will obviously help you move the property faster and for a higher sale price than a small pool of buyers.

## Conclusion

Vacant property, abandoned and abused property, under water and owe more than it is potentially worth, pending divorce, offsite landlord and tired of the problems – or any similar situation, the first thing to do is call an appraiser or real estate professional. If you own it free and clear with no money owed on it – definitely call us today and not a cash buyer – you most likely will leave money on the table.

I hope you found some information that helps you in your time of need. It can sometimes be a daunting and emotional task to deal with a stressful situation.

Surround yourself with family, friends and a team of professionals as discussed. Do not be afraid to lean on them for support and assistance. You do not have to go it alone.

If you need any further services from us such as a referral of an local appraiser or real estate professional please let us know here at [HubAppraisal.com](http://HubAppraisal.com), we would love to help you.

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## Disclosures

I am a Licensed Real Estate broker as well as Certified Residential Appraiser in the State of Massachusetts only. No advice or specific information is intended for any other State.

I am not licensed nor certified to perform Veterans Administration (VA) appraisals and therefore have no information or input concerning their processes.

No specific advice is being given – this is for informational, educational and entertainment purposes only.

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## About the Author



Steven Boucher is a second-generation real estate guy who followed his mother into the business back in the mid 1980's. He continues to serve the public as a traditional listing agent, a buyer agent, a residential certified appraiser and through the years has served on various REALTOR® committees at the local and State levels.

Steve has been involved in various levels of public service through the years from Little League coach to their local Board of Directors. Steve has served on many committees within his local Board of REALTORS® chapter, Condominium Board Trustee and a limited few small-Town committees.

Steve was one of the founding committee members and representatives overseeing the merger of a statewide Multiple Listing Service database conversion. This MLS is now known as Multiple Listing Service - Property Information Network (MLSPIN), which currently has grown to have major accounts in several states across the country. He is a past President of the local chapter Board of REALTORS®, local REALTOR® of The Year winner and two-time recipient of the local North Central Massachusetts Association of REALTORS® Presidents Award and a two time REMAX® President's Award winner.

Through the years, Steve has been involved and quoted in several publications, guest speaker on local radio shows and other media outlets. He enjoys every moment possible with his wife and two boys, travel & vacations, an occasional round of golf, fresh water fishing, walking his golden retrievers Bailey and Granger or camping with family and friends.

His latest hobby has been writing various books specifically to provide information to the real estate public. His intent is to tell the public what the government has put in place for regulations either directly or as a byproduct and how it impacts buyers, sellers and real estate agents when it comes time to buy, sell or refinance.

He currently enjoys working on his blog and website [HubAppraisal.com](http://HubAppraisal.com) as much as possible. Let me know if you have any ideas or topics you may want to see covered at **stevedirect @hubappraisal.com**.