



# RealEstateJournal

THE WALL STREET JOURNAL *Guide to Property*

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## How to Track Down Foreclosure Properties

By **JAMES R. HAGERTY**  
Special to RealEstateJournal

**Question:** I want to invest in foreclosure property. Where do I get up-to-date information?

-- Tony, Chicago

**Tony:** Steve Berges, a seasoned renovator of distressed homes and author of real-estate investing guides including "The Complete Guide to Flipping Properties" (John Wiley & Sons, 2003), suggests that novices interested in buying foreclosed houses find a good local agent specializing in that area. He says many real-estate brokerages have agents who are experts on foreclosed properties. Some of them advertise that skill in local real-estate publications. Agents who work regularly with banks in finding buyers for foreclosed homes should be able to let you know what's available and guide you through what can be a complicated process. Try to find someone experienced in your market who can recommend an agent.

Another real-estate author, William Bronchick, whose books include "Flipping Properties: Generate Instant Cash Profits in Real Estate" (Dearborn Trade, 2001), suggests finding a local information provider to e-mail you regular reports on notices of default. He pays about \$40 a month for one such service covering six counties. There also are national companies that provide such information, but sometimes their information is dated, Mr. Bronchick warns.

A good source of data on repossessed homes being sold by the U.S. government is the Web site of the Department of Housing and Urban Development ([www.hud.gov](http://www.hud.gov)). Information on available homes is updated weekly, HUD says.

Both authors warn that the pursuit of foreclosed properties is highly competitive in some markets and no sure ticket to riches. Mr. Berges says he invests in houses only if he is confident he can make at least a 15% to 20% return on his money. He wants a wide margin for error because the costs of rehabilitating and selling a house can be hard to predict. That furnace that seemed sound could conk out before you sell the house. Aside from the cost of buying and fixing the house, you need to tot up the likely cost of financing, insurance, taxes and any brokerage commission on your eventual sale of the property, Mr. Berges says. "It's not as cut-and-dried as you might be led to believe," he says, but it can be very profitable if you get it right.

-- Mr. Hagerty is a staff reporter for The Wall Street Journal. His "House Talk" column appears most Fridays on RealEstateJournal.com. [E-mail him](#) your questions about the residential real-estate market. Please include your first name and city and state. If your question is answered and posted, we will show your first name and city. Due to volume of mail received, we regret that we cannot answer every question.

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