

SmartZip pinpoints hot homes in US foreclosure market

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A foreclosed home is up for sale in Altadena, California. SmartZip has built a free online tool for prospective home buyers and real estate investors eager to mine gems from the rubble of the US foreclosure avalanche.

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Engineers at newly-launched SmartZip.com crafted software to rate the appreciation potential of homes by analyzing job trends, population

growth, crime statistics, school districts, real estate price patterns and more.

The result is a simple scoring system people can rely on when trying to figure out which homes in the foreclosure market are shrewd buys and which are long-term duds, SmartZip chief executive Tom Glassanos told AFP.

"What we do is boil all the complex information down into a single number we call the 'SmartZip Score'," Glassanos said.

"Our goal here is to help people make intelligent, fast decisions so they can ultimately be competitive in taking advantage of opportunities."

SmartZip rated all 15 million homes in foreclosure in California and Florida, giving each a score from 1 to 100.

Properties scoring 65 or higher are expected to outperform the overall housing market while those scoring 35 or less will likely underperform, according to SmartZip.

Properties rated in the mid-range should roughly track the overall housing market.

A Florida foreclosure priced at 57,040 dollars (US) was listed on Tuesday as the bargain at SmartZip.com, which calculated that the 3-bedroom house could yield a 909 percent return-on-investment during the next 10 years.

"It is starting to feel like a bottom there and the elements of a good market," Glassanos said.

"We are seeing syndicated groups of professionals, investment groups,

systematically going at this market."

SmartZip launched in a beta, or test, form in June to provide people with tools to compete against professional real estate investors.

The service started with California and Florida because of foreclosure frenzies in those states but plans to expand nationwide next year.

"If you are a classic real estate agent you may not see this as the greatest of times," Glassanos said. "If you are where we are, an internet firm trying to stimulate the turn-around, this is the most exciting time it could be."

Florida real estate broker Jeffrey Rubin became a believer in SmartZip after they rated his turf in the community of Port St. Lucie among the Top 10 places to find hot deals on homes in foreclosure.

"That is the same area I have been preaching to investors about and that I have been farming for short sales since November," Rubin said. "They had credibility with me instantly."

Rubin works with Rescue [Florida](#) Realty specializing in short sales, real estate deals negotiated at prices less than amounts owed on mortgages.

Glassanos said SmartZip is seeing homes priced less than what it would take to build them from the ground up, a strong sign value will bounce back with the economy.

"Our rating system takes in the fundamentals of the market to give a true picture of the intrinsic value," said SmartZip vice president of research and marketing Avi Gupta.

"Homeowners once thought home is where you live, where the heart is.

Now more home owners look at it as an investment and are a lot more careful about where they buy."

Glassanos sees SmartZip as using the Internet to level the intimidating world of real estate in the way it helps small investors compete with institutions in stock and bond markets.

"Some people think that [real estate](#) in the next 10 to 20 years is the secure path to stable footing," he said. "The numbers show it is still location, location, location. Where you buy makes a big difference."

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