**BUYING AN OCCUPIED PROPERTY**

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An occupied property may be a factor in your decision-making process when searching for investment properties at auction but a home with tenants is not a deal breaker.

By choosing an occupied property, you often find foreclosure or bank-owned properties for much less. And with a little TLC, you can build equity and earn a return on your investment. Think about the upside: If the home is occupied by responsible or long-term tenants, then this is your big opportunity to become a landlord and [generate cash flow](https://www.auction.com/blog/the-benefits-of-purchasing-an-occupied-rental-property/).

Regarding your potential tenants, any lease that’s in place before you buy the home remains in effect after the purchase, so you cannot raise the rent or kick a tenant out before the end of the lease (if they have a lease).

**THINGS TO KNOW WHEN BUYING A HOME WITH TENANTS**

If you want to flip the property with tenants in it – or if the home is occupied by former owners who refuse to leave – **then you may need to hire a real estate attorney. The situation is slightly more** complicated but manageable with the [proper tools](https://www.auction.com/blog/what-is-foreclosure-interact/) and resources.

To that end, eviction laws vary by state and violating them can be costly, so it pays to [do your research](https://www.auction.com/blog/first-time-home-buyers-guide-what-is-due-diligence/) on state regulations. (In California, for instance, the eviction process can take 90 days or longer.)

[**A step-by-step guide to the eviction process\***](http://www.landlord.com/eviction-notice-termination-law-guide.htm) **IN MA: you need to follow section 11 and 12**

**Section 12: Notice to determine estate at will**

Section 12. Estates at will may be determined by either party by three months' notice in writing for that purpose given to the other party; and, if the rent reserved is payable at periods of less than three months, the time of such notice shall be sufficient if it is equal to the interval between the days of payment or thirty days, whichever is longer. Such written notice may include an offer to establish a new tenancy for the same premises on terms different from that of the tenancy being terminated and the validity of such written notice shall not be affected by the inclusion of such offer. In case of neglect or refusal to pay the rent due from a tenant at will, fourteen days' notice to quit, given in writing by the landlord to the tenant, shall be sufficient to determine the tenancy; provided, that the tenancy of a tenant who has not received a similar notice from the landlord within the twelve months next preceding the receipt of such notice shall not be determined if the tenant, within ten days after the receipt thereof, pays or tenders to the landlord, the landlord's attorney, or the person to whom the tenant customarily pays rent, the full amount of any rent due. Every notice to determine an estate at will for nonpayment of rent shall contain the following notification to the tenant: ''If you have not received a notice to quit for nonpayment of rent within the last twelve months, you have a right to prevent termination of your tenancy by paying or tendering to your landlord, your landlord's attorney or the person to whom you customarily pay your rent the full amount of rent due within ten days after your receipt of this notice.'' If any notice to determine an estate at will for nonpayment of rent shall fail to contain such notification, the time within which the tenant receiving the notice would be entitled to pay or tender rent pursuant to this section shall be extended to the day the answer is due in any action by the landlord to recover possession of the premises. Failure to include such notice shall not otherwise affect the validity of the said notice. If the neglect or refusal to pay the rent due was caused by a failure or delay of the federal government, the commonwealth or any municipality, or any departments, agencies or authorities thereof, in the mailing or delivery of any subsistence or rental payment, check or voucher other than a salary payment to either the tenant or the landlord, the court in any action for possession shall continue the hearing not less than seven days in order to furnish notice of such action to the appropriate agency and shall, if all rent due with interest and costs of suit has been tendered to the landlord within such time, treat the tenancy as not having been terminated.

**Section 11:** Determination of lease for nonpayment of rent

Section 11. Upon the neglect or refusal to pay the rent due under a written lease, fourteen days' notice to quit, given in writing by the landlord to the tenant, shall be sufficient to determine the lease, unless the tenant, on or before the day the answer is due, in an action by the landlord to recover possession of the premises, pays or tenders to the landlord or to his attorney all rent then due, with interest and costs of suit. If the neglect or refusal to pay the rent due was caused by a failure or delay of the federal government, the commonwealth or any municipality, or any departments, agencies or authorities thereof, in the mailing or delivery of any subsistence or rental payment, check or voucher other than a salary payment to either the tenant or the landlord, the court in any such action shall continue the hearing not less than seven days in order to furnish notice of such action to the appropriate agency and shall, if all rent due with interest and costs of suit has been tendered to the landlord within such time, treat the tenancy as not having been terminated.

Keep in mind, you cannot legally enter a foreclosure property if it’s occupied, though you can park nearby and check out the outside, the yard, the architecture, retail stores and local schools. Also, do your research about the surrounding neighborhood, especially if you plan to buy and keep the property.

Purchasing [an occupied property](https://www.auction.com/blog/six-secrets-for-buying-an-occupied-property/) may be just one factor in your decision-making process as you search for investments and it is not a deal-breaker to the savvy investor.