

# Fix & Flip

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# Increasing Value

## Features

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Clean Property

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Decorate

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Create Usable Space

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Create a View

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Eliminate a Negative View

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Reduce Noise

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# Increasing Value

## Updates

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Plumbing

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Electrical

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Heating & Cooling

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Windows

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Appliances

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Walls & Ceilings

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Doors & Locks

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Landscaping

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Roof

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Modernize – Kitchen & Bathrooms

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# Budgeting for Resale Profits

## **Success = Correct Estimate of:**

- Sale Price of the Property
- Amounts Invested (Holding Costs & Rehab)



# Working with Contractors

- Ask for referrals – other investors, REIAs, agents and property managers.
- Ask for references – better if bonded, licensed & insured. If not, put a clause on their contract stating that workers shall not hold you or your company liable for any claims arising from the job.
- Pay by the job, not the hour.
- Labor only – supplies separate.
- Pay only when the work is complete.

# Budgeting for Resale Profits

## **Estimate Sale Price:**

- Worst Case Scenario – break even at 20% below highest-priced property in the area

## **Estimate Costs:**

- Due Diligence
- Over Estimate
- Comply with local laws and requirements

## **Profit Goal:**

- 10% of Final Sale Price

# Budgeting for Resale Profits

<b>Final Sale Price</b>	<b>\$200,000</b>
<i>Less</i>	
Rehab Costs	\$ 30,000
Holding Costs	\$ 2,000
Financing Costs	\$ 10,000
Selling Closing Costs	\$ 1,500
Acquisition Closing Costs	\$ 1,000
Commissions (6%)	\$ 12,000
Profit Goal (10%)	\$ 20,000
<i>Equals</i>	
<b>Maximum Acquisition Price</b>	<b>\$123,500</b>