

Title:

5 Things You Should Know Before You Flip A Property

Word Count:

787

Summary:

Money is made at the buy, not the sell of your flip. When flipping a house your money is made at the purchase not at the sell of the house. So, many times people buy a house with the intentions of making a huge profit only to find out that they could not make any money after all the renovations because the purchased price of the house was too high.

Keywords:

foreclosure, foreclosure list, pre-foreclosure, Property Flipping, flipping, house flipping, home flipping, house flip, flip this house, real estate

Article Body:

1. Money is made at the buy, not the sell of your flip. When flipping a house your money is made at the purchase not at the sell of the house. So, many times people buy a house with the intentions of making a huge profit only to find out that they could not make any money after all the renovations because the purchased price of the house was too high. When you purchase your property you need to be sure that you buy the house with enough money to make renovations, have carrying cost, and add about 5 \$6,000. Now, cost is at \$147,000, and that is if everything goes as planned. Profit is under 10,000 dollars. The mistake was made at the purchase at the home, not the sell.

2. Get an inspection on the home - Get a complete inspection done on your property. By spending a few hundred dollars on this expense you can save thousands in problems that you cannot see. Foundation, Pest, Wood Rot, Etc... By getting a full inspection you can rest assured that you know every thing that is wrong with the property before its too late. In the contract for the house you need to make sure that you have 7 days to have a inspection performed, and if the inspection finds problems that are going to cost more money that you are willing to spend you can get out of the contract with no penalties.

3. Don't do the work yourself: - Get a contractor or several sub-contractors and have the work done quickly. You need to have you house flipped ASAP, so that you can get it on the market and get it sold. When I started flipping my brother and me did a house together, and we did all the construction. I had a construction background and figured it would save thousands, but it took us over 4 months to get the work done that a contractor could have had the work done in a month. But, we trying to save money on our flip did all the work on our time off and after work,

and it just took too long. On our 2'nd flip we used contractors for almost everything and had the house completely flipped with a new roof, new air conditioning, new hardwood, and much more in only 3 weeks. We did not have to spend all our time working on the property and were able to spend that time looking for the next deal. This is how you get rich in real estate.

4. Place the property 1 to 2 percent below market value: If you are wanting to flip real estate and make money the object is to buy and sell the property as quickly as possible, so that you can move on to the next house. If you purchase a house and try to sell it at top dollar to make an extra couple of thousand dollars on your flip, and end up holding it for 6 months you are losing money. Get the house on the market at a price that is going to blow the competition away, and you will sell it no matter what the market conditions. On our second house the market for selling house went down due to the housing market as a whole, and the tightening of the loans across America. We were told that you could not sell a property in this market, but we went ahead anyway and flipped our house. After 3 weeks on the market we had 3 people wanting to buy the house. Why, because we offered it at such a great deal that people wanted to jump on it. That is what you have to do especially if the market is slow.

5. Use a real estate agent - Do not try to sell your house on your own. Harness the power of a real estate agent and the power of the MLS system. When you do a FSBO you are depending on people driving by your house and seeing you sign, with a real estate agent you have someone actively marketing your house to get it sold. Once again this will free up more time for you to look for more great deals. If you want to help the process I have found that Craigslist and listing your house in Google AdWords help to, but I use these tools with the help of an agent to make sure I have all my bases covered.

I hope this article has been helpful with the basic needs of flipping a house. If you will study and learn you will make money. But, do your homework before you purchase a house, and make sure that you can pull a profit on your deal. Then, make it happen!