

Guide to Getting Started House Flipping



A SIMPLE STEP-BY-STEP GUIDE TO LEARN
HOW TO FLIP A HOUSE BY FOLLOWING A
3-STEP FOUNDATION

House Flipping Guide

When I was learning about house flipping I was overwhelmed by all the information. I had to know if I could do it...I had to know if I could flip just 1 house. That's why I created this guide. It's your resource to the steps to successfully flip houses.

HOUSE FLIPPING DEFINED

- The basics of house flipping are pretty simple. You buy a house at a discounted price, make renovations or improvements to the house over a short period of time and then sell the house for a profit.

HOUSE FLIPPING BASICS

- House flipping is about making good decisions to maximize your return. To begin you want to find a property that is discounted. It may be a property that needs work or it may be that the seller is simply motivated to sell the property quickly. You then need to make improvements that not only add value but also appeal to buyers.

HOW TO USE THIS GUIDE

- Read through each of the areas so you know the plan.
- Schedule time each week to focus on the area of interest.
- Develop a plan and a timeline for your progress to measure your activity.

Amber Miller

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THE THREE PART FOUNDATION TO FLIP

This guide has the foundations of flipping which include finances, finding a flip property, and fixing the property. Once you have a plan in place for each of these areas you are that much closer to that flip purchase.

1. FINANCES (AKA "THE MONEY")

Preparing to buy a house to flip

- Know your personal financial situation. This includes your credit score. Keep current on any payments and establish a savings fund. This can serve a dual purpose as a reserve account or potentially a future down payment. If you don't have this, you can get it. And it's not a deal breaker if you don't. Just know that the better you are prepared the more options you may have.
- Established investors may pay cash for properties but when you are just getting started, that's not likely an option. Fortunately, getting a mortgage on an investment property is just one of several ways you can fund a flip. Keep in mind that there may be qualifications that are different than if you were buying a residence you would occupy as your home. Check with a variety of lenders and programs to best understand the eligibility and guidelines around each.
- When I purchased my first flip I used a combination of a cash advance from a credit card and a loan from a 401(k). Not a strategy I would recommend but you may need to get creative when you are getting started.

KEY TIP - People look for a house to flip before they get the funding lined up. In order to submit an offer for purchase you need to have proof of funds.

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2. FINDING THE HOUSE

Once you've figured out how to fund your flip you are ready to move on to scouting a house. Since you are going to be looking for houses that are discounted and or may be distressed, you are going to need to find a professional who can access homes.

- Connect with a real estate agent, particularly one with experience working with investors who flip houses.
- Research local agents in your market and ask for recommendations, especially if you know of anyone who is also investing in real estate.
- Check with local real estate investment groups and see if they have agents who are members. .

Discuss your criteria and budget and set up alerts through the MLS (Multiple Listing Service) with your agent. These searches will alert you when new listings are posted or when changes are made to existing listings. You can review them and schedule showings on properties that you're interested in. Once you walk through and if everything looks good your agent will run comparable sales data and make recommendations for your purchase price and resale price. If the numbers work, it's time to submit an offer.

KEY TIP - Open houses can be great for research but are likely not your best candidate for a flip. They are usually tailored for a retail buyer. The last thing you want to see in a house you are looking to flip is fresh paint and carpet.

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3. FIXING THE HOUSE

Next up is to figure out who is going to be actually doing the renovation work. There is a pretty big difference between taking on the renovations yourself and hiring a contractor to do it. Some people believe that your profit is larger if you do the work yourself, but that's not always the case. If you have a full-time job, if you're not a professional tradesman, or if you are not handy, then you should hire someone. Put simply, this is one situation where it's easy to get in over your head.

Here's some questions to ask yourself to determine which route is best:

- What's the scope of the work?
- Have you gone DIY before?
- Do you enjoy being handy?

The bottom line here is if you don't enjoy it, don't do it. Flipping a house is too big of a commitment of time and money. Buyers are more knowledgeable about finishes and quality of work than ever before. Even if the DIY may be "good enough" it may keep your flip from selling or draw lower than expected offers. The cost to redo the work and the additional time and lost buyer interest is sure to have cost more than any savings you may have had by choosing to DIY.

KEY TIP - Start to build a list of contractors before you need them. Once you have a house on your radar you don't want to be scrambling to get someone to check out the house and get you an estimate. Referrals from friends and family are a great place to start.

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ESSENTIAL STEPS TO FLIPPING A HOUSE

- Assemble your team
- Figure out your funding
- Find the right house
- Buy the house
- Complete the renovations
- Sell the home for profit

FINAL STEPS

There's no denying that flipping a house is a huge undertaking. However, with the right planning and preparation, it can also be an incredibly rewarding way to make a profit. If you're at the beginning of your house-flipping journey, use this guide as a blueprint on how to successfully flip a house. Using these tips and following sound numbers will help to ensure your house flip is a success.

Amber Miller

About Amber

Hi-If we haven't already met...Welcome! For the past 15 years I have been buying, renovating and selling houses...otherwise known as "house flipping."

What started as a part-time "let's see how it goes" became a full-time business in 2013, with more than 200+ completed projects.

After answering questions and speaking to new and experienced investors for the past several years, I decided to create tools and resources for others to get started or build their own house flipping businesses. I hope that this information will serve to help you on your own journey.



Want to Learn More?

For more information on building a house flipping business check out the following:

www.ambermiller.com

Facebook: Amber Miller Real Estate +
Renovate

Instagram: @ambermillerhomes