

Real Estate Ain't Dead ~ It's a Live and
Kicking! Make A Small Fortune
Flipping Houses...2014



"How Not to Lose Your Shirt In the
Flipping Game...Deals, That Puts the
Cash In Your Hands".

by Terry Clark

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#1. Can You Handle Flipping a House?

Some people say flipping a house is easy and everyone should do it; others warn you to be careful, so what is the truth? Probably both. Everything is easy once you know how, so those who tell you it's easy are probably those who have experience and been successful. Perhaps those who warn you to be careful are those who've failed, or if not failed, they've been caught doing something that cost them money.

To flip a house you need to get money and if you don't get the right deal, it may cost you your profit. Supposing you get the right loan and you get the house, then what could go wrong? It may be that you buy the wrong house. It could need repairs that you were not aware of and they are going to cost you more than you bargained for.

It could be that the renovators you were depending on couldn't come and held the whole project up. Or that there was bad weather that prevented your repairs from going ahead. Then selling took a lot longer than you anticipated for some reason. Meanwhile your nerves were getting shot to pieces because your deadline for selling had come and gone.

You might have ended up having nightmares about going into debt and becoming bankrupt. Welcome to the real world. The real world is where things do go wrong and need you to step in and make some tough decisions. The real world is not perfect. You happily got into debt and now you wonder if you really will ever be able to get out of it again.

Flipping a house is not for the faint-hearted. Another reason that could cause you to worry is that you intended doing all the renovations yourself to save money, but didn't realize how hard it was or how much time it would take. You are still working your day job and by the time you've knocked off in the evening, you truly don't want to start another job. Especially one that is so physical as painting and decorating.

Or maybe you got sick and just weren't up to the task. In fact, you've bitten off more than you can chew and now you are choking on the remains! Or maybe in the time it took you to get it fixed up, the real estate market started to crash. All these things need to be taken into account before you start flipping houses. You need to have strong nerves

and you need to not panic the moment something seems to be going wrong.

Do you consider life to be a worry or a challenge? Do you enjoy sorting out tangles or would you rather your life had no tangles. If you want a free-from-worry existence then maybe flipping houses is not for you. But if you enjoy a challenge, then maybe this is just what your need to keep life interesting.

#2. Successful Flipping Strategy

To create a successful flipping strategy the first thing you need is money. It need not be your own of course, and most likely won't be. But you need to get the right credit and have it available quickly. Only when you can offer to close in ten days will you have the most success.

People who want out of their stressful situation such as divorce or the death of a loved one usually want to move quickly. And they need to be assured that they will get their money. If they can be sure of getting it quickly, then they are more likely to agree to a price reduction.

When its time to sell the property, make sure the buyer meets all the mortgage requirements. A qualified loan officer will be able to check this out for you. Be sure to keep everything legal and above board or you'll soon get caught.

You need to learn how to find the right property to flip. While it will often look ugly, there shouldn't be a great deal of expensive renovation needed to improve it. Cosmetic improvements are the thing to look for; you don't want structural problems.

Many houses suitable for flipping may not need anything done to them at all. The only reason they are for sale is through illness or divorce. In this case the person is willing to sell for less due to emotional trauma. You can offer to help by buying the house and giving them the money quickly.

Tact and understanding is needed in dealing with those under stress and emotional trauma. You don't just barge in and offer to buy the house. And you need to make sure the purchase contract is in your favor. A good closing agent will be necessary to help you close the deal.

Once you have the property, you need to move quickly to do what's needed and get it back on the market. You may have to work twice as hard as usual and miss out on those leisure time activities to get it done. So what? Just think what you are achieving.

If the house needs fixing and you cannot do it yourself, be sure to line up your helpers to come in when you want them. If painters are coming, make sure they are finished before the carpet layer starts. When fixing a house, chose modern décor that will really help your home sell. Find out

what sells well and make your house look like that.

Marketing your property to a target market is much better than just listing it in a generic manner. If the home would be ideal for a young couple, then make sure you advertise where young couples are likely to see it. If it has aspects that would interest a retiree, then see that your advertising gets into the right market.

What Your Flipping Goals Should Look Like:



#3. How to Build a Great Team

If you are serious in your intentions of flipping houses, then surrounding yourself with a great team becomes essential. No one person has all the skills necessary to do all that is involved and do it quickly and efficiently. It's not only the work of renovations that you need help with; that is only a small part of flipping.

First you need the right lender; a mortgage broker could be the right person to work out the best type of mortgage for you - and where to get it. Getting the right kind of finance is all-important, so your lender is an important part of your team.

An agent is also important. While you can probably learn to find good houses to flip by yourself, if you have not had much experience, then the services of an agent will help you. Your agent can also help you to sell when the time comes. You need to have an agent that is pro-active in the selling process. One who simply lists your property and waits for the phone to ring is not the sort of agent you want. Remember that selling quickly is paramount to success.

An attorney will make sure that everything you do is legal and he will know exactly what you need for protection. An appraiser on your team will ensure that the house you buy will be worth what you need to get for it after you've fixed it up. If you are going to flip without fixing - not all houses need fixing - then an appraiser will give you a good estimate of the value of your property.

Contractors are the people who will make your house look like new again and you'll want to know that you can trust them to come and work for you as soon as you contact them. Once you get someone who is reliable, then be sure to treat them like gold. In other words, respect them and their skills and pay them fairly and promptly. To find reliable and prompt contractors, ask around. Talking to people is a great way to find out the reputation of any company, be it a one-man show or a big consortium.

Decide what you have the time and skills to do yourself, and what you will need help with. While painting is relatively easy, doing it professionally might be a little harder. Carpet-laying may be do-able if you can get the carpet shop to do the cutting, but if you are hopeless at taking measurements, then let the pros do it instead. Plumbing and electrical work will need the experts touch.

If you have a day job, then you may not have the time to attend to the landscaping, so a handyman will be another part of your team. But don't get caught up in doing extensive gardening. In the average family these days, both are working, and they may not want to spend all their spare time maintaining a garden.

#4. Getting Financing for Your Flip

You cannot do a flip without the necessary finance and where you get it from is important because some mortgages cost a great deal in fees and closing costs. This will take a huge chunk out of your profit, so it makes sense to reduce it where possible. Many lenders charge a great deal more if they know that the loan is for an investment property.

If you own - or are buying - the house you live in then you may be happy to get an equity line of credit. This allows you to borrow what your house is worth, minus what you still owe on it. The costs are often very small compare to other mortgage fees, but the interest rates are usually variable, which means that they could work out higher on average than other types of loans. But there is an upper limit cap to protect you.

However the good news is that often the lender will offer a discounted interest rate for the first say, six months of the loan, so if you flip your house before that time is up, you'll end up paying a lot less interest. Some lenders charge quite a bit for set-up fees, while others waive these fees altogether, so it will pay you to shop around for the best deal.

Many investors find it easier to get that 100% loan - no money down - if they buy 'owner occupied' homes. This means in fact that they are meant to be living in the home. For those people who buy the home as an investment, this could pose an ethical problem. But wait! If you are not going to rent the house out, then can't it be considered as 'owner-occupied'? After all, you'll be in and out while the renovations are being done, won't you? Many people own two homes and only spend a few months in one, i.e. a holiday home. Therefore, taking advantage of the owner-occupied status is good sense.

If you don't have any home equity that you can take advantage of to get your finance, then consider a hard money loan. This is typically private money especially allocated for real estate. While the interest rates are high, the money is provided promptly and enables you to get that fast cash when you need it. Hard Money lenders are easy to find online.

If you have a good credit score, then you may also consider using an unsecured line of business credit. While this type of loan may also attract a higher interest rate, you may be able to get an introductory rate of 0%. Then if you flip your house in the planned time, you won't have to pay any interest at all. Whatever plan you get, always read all the fine print and make sure you understand it before signing.

#5. How to Determine What Amount of Profit You Could Make

Determining the amount of profit you will make on your real estate investment is the most important part of the process. This is what you do before anything - apart from looking for a bargain. When working out your Return over Investment (ROI), you have to start from the end and work backwards.

Find out what the surrounding homes are selling for - and what the prognosis is for the next few months. Consider whether the home is in need of fixing up, and if so how much you will spend on that. Find out what your costs and fees are going to be and then add them all up, including the purchase price of the house. Then subtract the total from the price you realistically think you should get for it when you sell.

To find out the market price use your appraiser if you have one. If not, then look at the surrounding homes and see if they compare to the one you have your eye on. Do they have the same floor space, the same number of bedrooms and similar backyard space? If so, go and see what prices they are selling at. The place to ask is the local real estate office.

It is important to compare apples with apples. If surrounding homes are not the same, then you won't get an idea of what yours will sell for, unless you plan to upgrade it to the same standard. This could take quite a bit of cash and time, so be wary.

If the sum doesn't come out in your favor, then don't go ahead with it, no matter how attracted you are to the house. You may be able to cut costs, of course. You could always offer the seller less for the home in return for a quick sale and see what the response is.

An example: Suppose a house you might buy to flip costs \$400,000. You allow 10% of that price for renovations and 10% for holding costs (that is, mortgage fees, closing costs and interest). That is \$80,000. Add that to the selling price of \$400,000 and you get \$480,000. If you want to make 10% on your investment, calculate 10% of \$480,000, that is 48,000 and add it to the selling price to find out what you will have to sell your house for. The price would be \$528,000. But if your market research tells you that the home will only bring \$500,000 when renovated then you need to purchase it for \$28,000 less. If you can't do this, then don't buy it at all.

Don't live in a dream world of hope and optimism. Stick to cold hard facts and make the numbers count. Of course, only you know the figures that it will cost you for holding and renovation. It could be less than 10% and so you could still make a profit. But don't forget that you need to get a decent profit to make it worthwhile, and sometimes contractors' estimations blow out. The thing is for you to do the sum using conservative figures, and then your investment is more likely to be safe.

#6. What Legal and Tax Issues Will You Need to Know

Before you start flipping properties, you should sort out the legal and tax issues. This is where a good attorney will be needed. Tax is a sore point with many people, but it must be paid or you'll face the consequences. That's not to say you cannot reduce it - legally - if you know how.

Once the IRS sees that you are a business then you will be taxed accordingly. That means state income tax, federal tax and self-employment tax. The last two are 35% and 13.5% respectively, while the state income tax will probably depend on what state you are in. All this adds up to a big bite out of your profit cherry.

But if you hold onto the house for a year or more, your federal tax can be reduced from 35% to 15%. The only trouble is, flipping only one house a year won't keep you, unless it's a million dollar or more mansion.

Another option is the 1031 plan that allows you to roll over your capital gains into another, similar property. You must still live in the first property for one year and the second one cannot be lived in as a permanent residence. There are also time limits for finding and closing the sale that must be adhered to.

Living in the house for two years will get you out of paying capital gains tax on up to \$250,000 for a single person and \$500,000 for a couple, since that sale is deemed to be your permanent residence. But if you intend to flip houses often,

you will be doing it for a business and so you may as well act like one.

Doing one or two a year is fine for supplementing an income derived from some other source. But if you want to do it as a business, then you will have to be treated like a business by the Uncle Sam. Once you consult an attorney and an accountant, you may find that you are far better off to simply buy and sell as many as you can, make a profit and pay the necessary tax. After all, remember that the 13.55% self-employment tax does benefit your retirement.

To protect yourself and your finances, it is advised that you set up a Limited Liability Corporation (LLC). A good attorney is essential to make sure you do everything legally. Even if you do have to pay the full tax, at least you'll sleep easy at night.

#7. Keys for Spotting a Potential Flip

The property that you buy for an investment - particularly a flip - needs to be priced lower than market value. While you may find one by depending on real estate agents, it's much better to find one on your own. Real estate agents often invest in property themselves, so they will keep the best deals for themselves.

The best thing to do is drive, cycle or even walk around your chosen area. This area will be a reasonably good one, not somewhere that you may be in danger of getting bumped off! So what do you look for?

Look for an ugly house. Its ugliness could be due to the color of the paint or even the condition, such as peeling and fading. A house that is not maintained tells you that the owner cannot afford to look after it, or has lost interest due to ill health, age or emotional problems.

An ugly house may have a roof that needs replacing, overhangs and guttering that are falling down and rusty, or it might just be terribly out-dated.

A house could be ugly on the inside, with dirt and trash scattered about, or just badly maintained and with fixtures old-fashioned or worn.

Look for an unkempt lawn. If the weeds are knee-high and all the flowers dead, it will tell you the residents may be finding upkeep beyond their strength.

A house with no front windows. Windows are the eyes of a house. If there are none, prospective buyers will be turned off. They may not even know why, but that is psychology. Adding windows is a quick and simple renovation.

Look for a house that is empty. The windows will be boarded up, or blinds always pulled down

Of course looking around the neighborhood can consume a lot of time, so if you haven't got much of that commodity, then you can look through the newspaper. In fact you need to do that as well, whether you've time or not. Real estate ads will declare 'good home for first home buyers', 'for sale by owner', or 'handyman's dream.' These are your flippers.

Now look in the back of the newspaper at the foreclosure notices or the files for bankruptcy. In some cases, check the local courthouse for these details, plus 'lis pendance' that is simply a notice of foreclosure. These will denote that people need or want to sell up their houses and want to do this more quickly than the average seller.

If someone cannot keep up his repayments, but wants to maintain his credit rating, then selling quickly before foreclosure is the only way to do it. Flippers are easy to find once you know what to look for.

#8. What to Look for on Inspection of a Flip

Once you've found a house you think might make a good flip, it's time to inspect it all a little more closely. One of the most important things people want these days in a house is space. Simply knocking down a few walls will give an illusion of space and could enhance buyer appeal.

Another means of adding floor space is by finding it in the basement or attic. Many houses have under-utilized space in these areas. The thing to be careful of is how much headroom there is. Make sure any renovations adhere to the standard. Homes built around the time of WW2 have basements that are too low for living space, but others can be converted easily to make another room.

The biggest problem with converting basements is flooding, but an expert can often fix this for less than you would expect considering the return. The attic - if it runs the entire length of the house, can often be converted to the

master bedroom which will free the present one up to be used as a family room.

If you are not into such major renovations, simply look at what you see when you first enter the front door. If the first room feels poky, can a wall be knocked down to give better flow? This would not be too an expensive an undertaking - so long as that wall does not contain the main bearer. In some cases, the kitchen is a small room. If you knocked out the wall that divided it from the dining room and use counter tops as the division, then that will create an illusion of space that will enhance the looks of a house.

Buyers who are not investors don't want the expense of costly repairs added to the purchase price of their home. While flippers don't want the expense of costly repairs either, it's still worthwhile getting an estimate of the price needed for repair, because it is often less than expected.

You should also inspect a house to make sure it is structurally sound. You don't want to find that your repair bill will be so big that you get no profit. Foundations need to be solid with no termite activity in them or in the rest of the house. Interior walls need to be solid sounding when you bump them - unless you decide to tear them down. Roofs really need to be waterproof, or you may find a lot of interior damage. If there is any evidence of damp or mold, as that could spell expensive trouble.

#9. Negotiating the Buying Price

The buying price of the house you intend to flip is an important element of the profit equation. If you cannot buy for the right price, then you should not buy at all. While this may seem tough, it's the only way to approach flipping without losing money. However, most people are just ordinary people trying to make a living. They don't act tough because they are not tough. They don't act smooth and slick because they are not that way. And they don't have to be like that to negotiate a good price.

Think of it from the seller's point of view. If you were trying (or having) to sell your house, with whom would you sooner deal; a slick tough guy who beat you down, or someone who seemed to empathize with you and understand your pain? And moreover, someone who listened to what you had to say?

That's not to say you give in and pay more just because they say they need the extra money. This is a business deal. You need to know what you can afford to pay and stick to it. Don't just hope that's what you'll get it for. Do all your homework before you go to negotiate and stick with what you worked out. But do it nicely. One way to do this is to sell yourself rather than your deal. How?

Listen to what the seller is telling you. While you may feel that you need to talk a lot to convince the seller to sell at your price, really the best way of doing this is to stop talking and listen to him or her. Keep them talking so you can find out exactly what they need and why they need it. Ask questions that show you have heard what they said and can address their need.

If the person gives you a long list of why they need to sell and how they can't afford the repairs and repayments, never condemn or criticize, simply assure them that you are there

to take their problem off their hands. Comments such as, "So you really need me to take that problem off your hands, right?" will show you have understood their need. Adding 'right?' at the end will force them to acknowledge that dealing with you will fix their problem and alleviate their suffering.

It doesn't hurt to go over what this will mean to them. E.g., "If I take this house off your hands just the way it is, then you'll be free of debt and can get on with your life."

When the seller tells you that they need more than you can pay, simply reiterate the advantages to them of dealing with you. You are the person who is going to solve all their problems. You will take the responsibility of the house off them and not insist that all those repairs be made first. Be kind, but be firm in knowing what the numbers need to be to make your profit.

#10. Dealing with Foreclosure Properties

Foreclosure happens when a property owner falls behind on his mortgage payments. This may be due to job loss, inability to work due to illness, or other factors. In some cases, an investor can buy foreclosure property at quite a bit less than market value, but care must be taken. Since the seller cannot pay off his mortgage, he may also owe money on utilities, which the buyer must then pay.

Mostly it's the first mortgage that is in default, but sometimes the owner may have defaulted on his second mortgage, in which case the first one is still in operation.

It is the investor who then has to pay the first one off - mostly straight away.

The owner may not have been able to properly maintain the house either, so there could be extensive repairs to do before there is any chance of selling at market value. And very often the distressed owner will not allow any inspection of his home, so you won't know about them until it is too late.

Another problem may occur if the irate owner refuses to leave the property and you will need to serve an eviction notice. This is a costly process and the owners may trash the house before they leave. In one case an angry owner left pigs locked in the house.

Bidding at the auction can pose problems. Sometimes the homeowner will bid - and may even win - at the auction even though he has no money. This causes a huge delay, since another auction must be arranged - and he can stay in the house until then.

The investor can buy from the homeowner before the foreclosure, at the auction or from the lender who wins the auction. But the safest way for a novice to move into the foreclosure market is to buy from the lender or bank. At least you'll be able to inspect the house and there will be no title worries, as the bank has seen to that. To find bank-owned properties, go to their websites and see what is listed.

Keep away from those homes that are in good condition and are listed at close to market value. There's not much profit in them. You need to look for the ones that have no

likelihood of selling for market value due to their mediocre condition or ugly looks. These are the ones that banks may be more than willing to sell at 20% to 30% below market value.

Foreclosure laws may differ in each state, so if you are interested in paddling in the foreclosure puddle, it would be wise to learn all you can and work with someone who has had a lot of experience in this area.

#11. Steps for Prioritizing the Work on Your Flip

Once you've purchased your investment property, you'll want to get the renovations done quickly, so that you can put it back on the market and sell it for a profit. The amount of renovations you do will depend on the condition of the flip of course. It is necessary to have a budget and stick to it. The more you spend on renovations, the less your profit will be, but only up to a point. Your renovations are what will enable you to get your asking price.

If you have the knowledge and time, then you can do a lot of the work yourself. Otherwise, it will be necessary to call in the professionals. Seek out people you can trust to do a good job when you want it done. For small jobs, local companies may be the way to go. Big corporations often won't look at smaller jobs and frequently are unwilling to travel too far to their work.

In any case, get your team together and make sure you prioritize the work in correct order. Painting must be done before flooring - and the first task of all is often cleaning

out the trash, including the old flooring. If there is much, you'll need to get the council to deliver a bulk bin for this. Keep it there for other renovation waste such as old fixtures and timber.

If you are going to knock down walls or do any internal building, then this will be the first step. Electrical and plumbing chores need to be incorporated during this time. Your builder may see to this, otherwise you'll have to do it. Painting the walls and ceiling must be done before any new carpet or flooring is laid, otherwise paint splatters will ruin it. If you are going to leave the flooring as is but still need to paint, be sure to cover carpet adequately to protect it.

Flooring - especially carpet - should be the last to go in. You don't want workmen in their dirty working boots trampling all over new carpets. Nor do you want sawdust ground into the fibers. Even drapes can go up before carpets. Once the major renovations are done and the floor cleaned up, then lay the carpet or whatever flooring you choose.

If you plan on doing landscaping, it should not be started until last, as external painting means tramping around the outside of the house - not good for new plants. If you need to mow, then be sure to use a grass-catcher to prevent all that grass being tramped inside. There'll be enough to clean up without adding to it.

#12. Key Areas to Focus Your Time and Money

Experts tell us that the most return for your renovation dollar comes from either the bathroom or the kitchen. People these days want their bathroom/s to be light, airy and spacious. If you cannot increase the size of the bathroom, then you can often give an illusion of size with light-colored paint, a large mirror, or using a pedestal hand-basin instead of one set into a cupboard. In this case, open shelving on the wall may be used for storage of towels and other products. Attractive baskets can be used for small product storage.

In any case, new white bath and toilet suite will add appeal and fixtures should be in brushed nickel for a look of timeless elegance. The upgrade should be in keeping with the rest of the neighborhood. If you go overboard with fancy and expensive stuff when no other homes have the same, then you will not get a good return on your money. In fact, you may not get any return on it.

The same applies to the number of bathrooms. If all other houses have two bathrooms and your flip only has one, then the buyers will choose the home with two bathrooms over yours. In this case, see where you can fit another bathroom. If there is no small nook than can be converted, there may be enough space for an en-suite in the master bedroom.

Kitchens are the next most important room to upgrade. In many homes both the kitchen and dining rooms are totally enclosed and each one is small and poky. To open up the home and give an illusion of space, knock out the dividing wall. In many cases, replacing that wall with a breakfast bar/counter is a popular upgrade since it adds more seating room.

Kitchen appliances all need to match in color. If they are

the same color, then they blend and may or may not be noticed. But if one is a different color it stands out like a sore toe and takes the focus off other things people should notice, like your new sink or great counter tops.

If both kitchen and bathroom are in fairly good shape, then you might get a better return on your investment dollar by adding a deck. However, you may be content with a new paint job, more modern light fixtures, superficial bathroom and kitchen work, new carpets or flooring, appliances and window/door work. Most houses do need attention in these areas.

Many houses don't have enough cupboard space, so keep your eyes opened for that odd nook or awkward corner that could be converted to storage.

#13. How to Make Impact on a Budget

When you flip houses your most important goal should be to make a profit. To make a profit you need to have a budget - and stick to it. But what happens if your budget must be a small one? Can you still make the kind of impact that will get you that all-important buyer? Yes, if you use your money in the right places.

When you first walk into the house, decide what you notice most. Is it the ghastly color on the walls, dirty carpets, or that worn-out kitchen sink? Ask a few other people what impacts them most - and fix that first.

Very often a good scrub is all that the walls will need. New carpets or other flooring also add lots of impact on prospective buyers. If they can see the place is clean and tidy, then they often don't mind what the wall color is, because many like to change it to suit their own taste.

Of course, you have to get the buyer inside before there is any chance of selling, so the curb appeal is important. Mowing the grass, mulching any garden and adding new flowers and greenery will go a long way to making the place attractive enough that buyers will walk in the door. New pot plants near the front door will also make people feel welcome.

Be sure and do those things that are really necessary before the ones that are not. For instance, installing an overhead fan in the bedroom is not nearly as important as replacing a shabby hand-basin in the bathroom. In fact, the fan could be eliminated altogether, because not everyone likes them.

Cosmetic fixes are often the most fun to do and give the most visual impact. They are the things that give the 'wow factor'. While a new water heater is necessary if the old one leaks, people expect that in a home but they cannot see it, so they won't be impressed. What will impress them is the look of things.

What you choose to do will depend on the house, but in a house empty of personal belongings it's the walls and flooring that are most obvious. Still, your renovation dollars might be better used to install a window in a small room than change the flooring.

Always do the most important things first, and then those

that are of secondary importance can be left undone if your budget runs out. You'll still have achieved a reasonable impact!!

#14. How to Create Curb Appeal

Curb appeal is a very important element in your selling process. In fact, unless you create curb appeal you may not get a buyer in through the door. It's true that many buyers drive past a place before they get in touch with the realtor. If they don't like what they see, then they won't bother calling the realtor at all.

Creating curb appeal is relatively simple. Think clean and tidy; think welcome; think no clutter.

A wash down with a pressure hose may be all the house needs to freshen it up and get rid of that dirty look. If that doesn't do the trick try simply painting the overhangs, the shutters and the door. But don't forget a new front gate.

You may even need to repair the front fence. Everything that can be seen from a car driving past needs to be taken into consideration. Stand out the front yourself and look at the place with the eyes of a buyer. You might be surprised at the disparity between what you see - and what you'd like to see.

Painting the front fence will make a good start to creating curb appeal. Paint the gate too and oil those squeaky hinges, scrape weeds out of the cracks in the path, scrub the front steps and paint the front porch. Then add a couple of delightful flowerpots filled with pretty flowers or

greenery on either side of the front door.

You may need to paint that door and replace the old knob. A wireless door chime would be a nice touch, too. If the windows have shutters, make sure they are hanging straight and are freshly painted, too. If there are none, it might make the front look really good to put some up. Window glass should never be left broken or cracked and the blinds from inside can be pulled down just halfway to make it look like someone is home.

The lawn should be kept neat and trim, with informal flowerbeds freshly mulched and a few new shrubs to fill up the bare spots. If you have no time for a garden, feature a beautiful shrub in the center of the lawn. It should be just starting to come into flower for the longest-lasting curb appeal. Make a feature of it by surrounding it with an edging and filling in with pebbles or mulch.

A new, smart mailbox will set off the whole and before you know it, buyers will be lining up to get in. Make sure the inside welcomes them as much as the outside has done and you'll be soon holding a signed contract.

#15. Common Home Flipping Mistakes and How to Avoid Them

The best way to avoid making mistakes in flipping homes is to find out what these mistakes usually are and so avoid them. One of the most common mistakes is to buy without having a qualified inspection. Hope should play as little part in your profit equation as possible. Never just buy in the 'hope' that there are no costly repairs needed.

Eventually you'll be caught out and the results could cost all your profits or more. Getting someone who is qualified to do an inspection and tell you for sure what's needed will eliminate this 'hope'.

Do the equation before you buy and work out exactly what your purchase price needs to be to make a profit. Never buy for more than this price in the 'hope' that you'll get more when you sell. Make sure you get the right kind of loan. Hoping that everything will work out all right while being too lazy to read the fine print is a recipe for disaster.

Another mistake is to 'hope' that you are not spending too much on renovations. Work out your budget and stick to it. Renovations have a habit of blowing out, so go over your expenditure daily to make sure you are still on track. Also, be sure you do include the renovation budget when you apply for the loan.

Renovation mistakes can be costly to fix so don't make the mistake of thinking you can do something that you've had no experience with. It will take you longer, even if you don't make a mess of it. That's not to say you shouldn't keep dabbling and practicing until you can do lots of things. It will save you a lot of money once you can do it properly. But remember the time and energy factor if you have a full time job elsewhere. No one can work night and day for weeks on end.

Remember the buck stops with you. It's your money, your job and your investment property. When things go wrong, you will work out how to fix it and foot the bill. Therefore you should have the say as to what is done and not done with the renovations. Listen to advice from trained professionals, but make your decision based on the numbers

and stick with it.

Always keep all bills and receipts and keep everything up-to-date - especially payments. Account for every trip to Home Depot. If you buy a tool that's not right or not needed, take it back and get a refund. Doing even small things to save money will add up in the long run. Sticking to a plan will reduce risks and give you a better chance of success.

#16. Marketing Your Flipped Home

Once you have completed whatever renovations are necessary, its time to do the marketing side of things. Getting help from a pro-active realtor is important as they have more contacts. When people want to buy a home they usually contact a realtor first. Make sure you know what the realtor is doing to sell the house. Sticking one photo up in the window of the office is not enough.

Never sign up one realtor with a long-term contract for selling your house. 90 days will put a bit of pressure on for them to get that house sold, or they risk missing out on the commission.

Why not start up your own website? Taking photos and uploading them to a website is easy these days. Every room should be photographed from several different angles, and then you can choose the ones that look the best. External photos should have street stuff like poles scanned out. Make sure there are no cars parked in front to detract from the scene. Don't forget the landscaping. Make sure everything

is ship-shape in the garden before you start clicking.

Flyers can display photos of the house and be distributed to businesses throughout the district. If you have a tourism office, send some to them. The local caravan park or motels in the area may be happy to give some out, or leave them on the counters for guests to take. If you know that visitors flock to your area from a certain other part of the country, be sure to send your flyers there.

You can list your flip online without having your own website by listing it with www.fsboamerica.org. This is free for the first month and \$25 per month after that if it doesn't sell. Since so 70% of people now go to the Internet as their first move when looking to buy a house, this is an excellent way of selling. You will need photos of course, to move the house lots faster. It's only natural for people to want to see what a house looks like before they go to the trouble of looking at it in person, especially if they live a long way away.

Marketing your house yourself will save you a great deal of money in agents' fees. If you do it a lot, you may need to register as an agent yourself, but this will still be cheaper than paying commission to an agent. An agent usually charges 6% of the selling price. On a \$300,000 home, this is \$18,000. You can pocket that money, or use it to create a quicker sale by dropping the price of your house by that much - or even by half of it. Either way, you win.

While you may feel nervous about using the right contract, relax. It's all done by forms. In any case, you can use a real estate attorney to draw up the contracts. His fee won't be nearly as high as that of the realtors.

#17. Successful Staging: How to Get the Best Offers

Staging is presenting your finished flip for public inspection. Having an open day to show your house will bring possible buyers if it is well advertised. If care is taken in your staging, then the outcome will be a successful sale. The idea of staging is to create a lived in look that will welcome buyers and make them want to buy. Most sales are based on emotion, so you need to create the right emotion, which are feelings of safety, relaxation and well-being.

Many people rent furniture for showing the house, because a lot of buyers cannot visualize their furniture in place. If you rent or borrow furniture for your flip, don't get too much. Crowding it in will make the place seem small and poky; less will make it seem more spacious. Glass topped tables give the illusion of space. A welcome mat at the front door is also a good idea.

To make the house look lived in and give it a warm feeling, use flowers and candles in the various rooms - and a bowl of fruit in the kitchen will give a nice touch. Soft music playing in the background will enhance your prospective buyers experience too, and create a relaxing mood.

Small touches like bright cushions or a throw rug over a sofa can give a feeling of comfort and warmth. A fire burning in the grate, with a few logs beside it will do wonders on a cold day. If it's really hot, turn on the air conditioner. Then your home will be perceived as a welcome haven.

Some flippers use color psychology as an aid in selling.

They believe buyers are susceptible to certain colors like pale, sunny yellow exteriors with a two-color trim. Whatever color you decide to paint, make sure it stands out from, but doesn't clash with the surrounding houses.

These days, it is usual to paint the internal walls a neutral beige-type color. For open floor plans, this is a good idea as it enhances the flow from one section to another. Accents are created with cushions and furnishings. Even pictures on the wall can pick up a color accent.

But if you are selling your house as a country cottage, it should have more wall color than that. Each room could be a different color, with food type colors of cream and greens in the kitchen, while bedrooms can be in peach and blues.

When showing the house, allow the buyer to enter first and be sure to remain at the door of small rooms like the bathroom. Too many people in it will cause a traffic jam and make it seem even smaller.

#18. How to Flip in a Slow Market

Real estate can still be profitable in a slow market. In fact, a slow market is when there are more good deals to choose from. Lots of investors try to get out fast in a slow market, so there are more deals to choose from and less competition.

You must still work your numbers out and be sure not to pay too much for the property to start with. This should be

easier to do in the slow market than it is when the market is booming. While it is easy to sell in a fast market, it is not so easy to purchase at the right price. Remember that it is when you purchase the property that you make your profit. This means that unless you purchase for the correct price, you won't make a profit when you sell.

So it is easy to get a good deal when purchasing in a slow market, but what about selling? A slow market means that not as many people are buying, or they don't want to pay an exorbitant price for what they purchase. But since you have bought at a reasonable price, you can now sell at a reasonable price.

To make your deal better than others in the same neighborhood, offer something that the others don't, or consider adding something to your house that the other houses don't have. It may be better landscaping, a deck or some piece of furniture, a picture on the wall or an appliance that would normally not be included. At the same time, be sure you don't over-improve the property because you may never get your money back.

An example of over-improving would be to install four bathrooms when all the other homes in the area only have two. Or putting in a swimming pool in an area where there are no others.

Point out the new features of the house that are not obvious such as the fact that you just installed new water heating (but only if you really did). Point out that this means it should be trouble free for x number of years, where the others will wear out in half that time. All these small differences will make your buyer feel that they are getting the best bargain.

You could also consider leasing or renting your flip out instead of selling. This will bring in a steady income over many months or years. If you do decide to sell, you could offer to knock down the selling price a few thousand lower than the surrounding homes. While this would eat into your profits, not selling quickly will do that too, so it could be a better option.

Some people have decided to move into their flip and sell the family home instead. This could be a viable option if the homes in your area are selling at a better rate.

#19. The Secret to Flipping on a Tight Deadline

Flipping houses should be done quickly if you want to make a business of it. The more houses you flip per year, then the more money you can make. But how do you make sure that it will all happen quickly? One way is to pay attention to the contracts you sign with the builders/renovators.

Builders are notorious for taking longer than expected to complete a job. Sometimes this is because they take on too much work and to keep their customers happy, they do a week's work for one, and then move onto another one for a few weeks before coming back.

To avoid this happening, make sure your contractors sign the right kind of contract. It should have a firm date stated for completion of all work to set standard and a penalty clause for late finishing. To avoid the penalty clause the builder will make every effort to finish on time.

Before you even get to that stage though, you need to know what work should be done on the flip. This decision should be made before you even buy it. Inspections will alert you to what needs doing, and then you can tee up all the relevant workers to come as soon as you take possession. Don't spend two or three weeks trying to decide just what renovations you should do. Never take time wondering if you can do it yourself either. If you have to wonder, you can't and should find a contractor smartly. The longer you take, the longer it will be before your flip is ready to be sold.

The work you will do should be decided before purchasing the house. Once the contract is signed, contact your builder, electricians, plumbers and painters and make sure each one can come on the specified day. Get at least three quotes for each job; you can save hundreds of dollars in this way.

If there seems to be a problem with any of the contractors, tackle it right away. Don't let the days slip by while nothing gets done. Days quickly turn into weeks and months. If someone needs to be fired, do it fast. Make sure your contract has no penalty clause against you for this contingency.

Don't list with the realtor too early. Instead, have it FSBO right from the start. You may save a bomb and lots of time by doing it this way. When it is ready for sale, then you can hire a realtor to help you sell if necessary. If the house does not sell, don't drop the price too quickly, instead change the way you market it. Be more aggressive in getting it out to where the public can see it. Use flyers, the Internet and word of mouth. Advertise in national newspapers - not just those in your hometown.

So basically, making quick, firm decisions right from the word go will save you time. Getting the right contracts with the right renovators will save you time. Marketing aggressively right from the start will save you time. And the bottom line; time is money.

#20. How to Get Sellers to Find You Fast

The whole idea of flipping is to buy and sell quickly, but you can't do that without finding the right homes to flip in the first place. You can drive around and look for places that are vacant, ugly or rundown and see if you can contact the owners, but this takes up a lot of time.

You can also scan the newspapers, keeping your eye out for those for sale by owner homes, or notice of foreclosures that will alert you to a possible good flip. The Internet is another good place to search for a bargain, but what do all these ways of finding your flip have in common? You are the one who has to do it.

Wouldn't it be better if you had sellers contacting you with a house they wanted to sell, without any effort from you? Just imagine the saving in time and energy. Is it possible for this to happen? Yes it is, if you know how.

One way to get sellers to contact you is to advertise in the newspapers or online. But many people would simply contact a realtor when they decided to sell up; why should they contact you instead? You need to tell them this in the advertisement. A realtor will try and sell their house to

a third party. You will buy the house yourself. Selling through a realtor takes time. You will offer quick closure. Make sure these benefits to the seller are clear, without making it all sound dodgy.

Another good way to get sellers to contact you is by offering a fee to those sorts of people who get around the neighborhood a lot. These can be people who mow lawns, students, paperboys or cleaners. They can be the ordinary man or woman on the street. It's like asking people to ask other people to contact you if they have a house for sale. Only you pay the first person in the line a finder's fee to do it, so they will be strongly motivated. These people are called bird-dogs because they point the way. You need to have business cards ready to pass out.

People tell other people about their problems and plans. "Oh, you're getting a divorce and everything is in a mess? You need to sell your house quickly? Do you know Ms Smith buys run-down houses? She can close the deal in ten days. Why not give her a call?" And then they pass over your business card. Before long you get a call. Once the deal is done, your bird-dog is happy to get \$500. And you are happy to pay it because you saved a lot of time and money in finding the house.

#21. Who Are Private Flippers Competing Against

Traditionally, flipping has been a popular way to make money. Private flippers must compete against the pros that have been doing flips for years and know everything there is to know about it.

These pros are often real estate agents themselves, who are in the ideal position to find out about great property bargains. They can usually afford to build up a team of professionals to help them, so they are not going it alone. A real estate agent has all the contacts and he knows about the right kinds of contracts, too.

While you can get a real estate agent to help you find a bargain and buy it, remember that if they happen to be working for the seller, then they are obligated to get as good a price as they can for it. Only if they are working for you can you be sure they'll get the best price for you.

Other people who are your competition may be small construction companies. They too are in the housing world and they pick up a great deal of information along the course of their day. They are used to contracts and they are the ideal people to fix up their purchase before flipping it. Every time there is a slump in their work, they can turn all their efforts into profit with a flipper.

Of course, private flippers compete against other private flippers. There are many other ordinary people out there who decide they can make a little bit extra by flipping a house. They may have some extra money they want to invest and see flipping as the ideal way to do it.

They may even be retired builders or renovators who still have an ear to the ground when it comes to real estate. Or they may be young people who are intent on making money by working for themselves. They can be middle-aged housewives, retired schoolteachers or farmers. These days almost anyone can become a flipper.

Then there are professional flippers who do nothing else but buy and sell real estate for a living. These are not realtors, thought they could be retired realtors. Professional flippers could be anyone with a nose for a bargains and a good head for figures. They have typically built up their own business from scratch and have much experience, usually gained the hard way - by making mistakes and learning how to deal with them.

Don't worry about the competition. There are always plenty of houses out there to buy and sell. The population is always growing and people always need housing.

#22. How to Save Money on a Flip by Doing It Yourself

There's no doubt about it, you can save a ton of money by doing your own renovations on that flip. Of course, there are some things that you cannot touch yourself, unless you have the professional qualifications. These are the plumbing and electricity, but could include other things, depending on your state laws.

However, if you truly want to save money by doing all the work yourself, then you'll need to establish that you are able to what is required, before you buy the house. That means there should be no structural repairs needed - unless of course, you are a competent handyman.

Painting is one of those things that most people find quite easy to pick up. By following the instructions on the tin, you shouldn't get into any strife. If there are some things you are not sure of, then advice is free at your local Home

Depot store. Don't forget to start with the ceiling and work down, and then you won't be splattering new work.

Laying vinyl flooring or even carpet is not terrible hard, either. The main thing to remember is to measure it exactly. Much vinyl is loose lay - that means you don't have to glue it down. Carpets need to be tacked around the edges, but even that chore is not hard to learn.

Copying something you like out of a decorating book can beautify a room. Simply buy those furnishings that are in the picture and arrange it all the same.

Landscaping is simple as far as skills go. It doesn't take much know-how to dig a hole for a shrub and pop it in. The nursery will give you free advice if you need it. And most people can mow a lawn. The hardest aspect for all these chores is the physical one. You do need to be fairly strong and fit to accomplish them.

But there is more to the do-it-yourself of a flip than the renovations. There is the buy and sell aspect. In many cases, you can do at least some of this work yourself and save a great deal of money. Simply using a closing attorney rather than a realtor will save you the 6% fee. This can be quite a slug when you stop to work it out.

Selling your own flip will save you money too. You can advertise it for free in some places like an fsbo website. You could also advertise it on your own website or free blog. There are many ways to save money and the more of them you learn, the more profit will be found in your flip.

#23. How to Make Decorating Choices that Appeal to Buyers

Generally, renovations refer to structural work while decorating refers more to cosmetic looks. When flipping a home it makes sense to only make those decorating choices that appeal to buyers. The buyers are important; if they don't like the home, then they won't buy it. And it is usually the woman rather than the man who cares what a house looks like. Most men couldn't care less what color the walls are or whether the kitchen is poky. They don't worry if the carpet is the color of vomit or the bathtub is old-fashioned. But the woman does.

If the woman cannot see potential in a home, then she won't buy it. If it appeals to her, then she will buy it if the price is right. In some cases people intend to repaint before they move in, but often they don't want any additional expense. They've just forked out thousands for the house, why would they want to fork out even more for decorating? So if you can get it right, you'll have a sale.

But decorating unwisely can eat into your profit like nothing else, so be sure what you do is tasteful and modern. Don't rush in and paint the walls hot pink with bright orange trim. Some colors welcome us and create a feeling of restful harmony, while other colors cause a feeling of restlessness.

Likewise with patterns; large swirling patterns compete with us for the space in a room. Smaller patterns are easier on the eyes, but too much makes it all feel busy. Lots of plain areas create a restful feeling.

Copy Mother Nature and use earth colors for a restful feeling. Create different textures rather than having numerous patterns. Vary small with large and plain with fancy, but never clash colors, patterns or textures. Keep those loud, cheerful colors for the flowers lining the front path and by the front door. Leave out thorny, spiked plants, especially near the walkways and doors.

Don't forget to please all the senses, not just the eyes. Wind chimes near an open door or window will tinkle softly in the breeze. A water fountain in the cool greenery could be more pleasing than anything.

Honeysuckle or other scented flowers are sure to please the sense of smell outdoors, while the aroma of freshly baked cookies or bread indoors will certainly make anyone feel welcome. A fresh lemony scent can be enjoyed just as much and is easy to obtain by using lemon-scented cleaning products.

#24. Managing Your Home Flip

Project managing your home flip will ensure that all things are done in a timely manner, thus avoiding certain problems that can crop up. Everyone wants to enjoy smooth sailing, but unless you plan properly, there won't be much of that happening. While most people tend to groan at the thought of paperwork, it is a necessary evil and if you have it all in place before you start, then that will be a major factor in plain sailing.

For renovations of any great extent, you'll be sure to need

permits from your local building inspection division. If you don't get a permit, you'll get a fine. You'll also need insurance. Accidents always happen to those who are not prepared. Insurance is one good preparation. If your renovations are not extensive, but you are not going to do them yourself, then you'll need to draw up a plan of what you want done before you can get a proper quote.

If they are extensive, then a detailed blueprint will be required. Give copies to all the trades you'll be using such as plumber, builders and electricians, as they can only give a reasonable estimate of costs if they see the plan.

If the power has been disconnected, you'll need to have a temporary pole set up, to provide power for the workmen. Once the house has been gutted, you'll also need to provide a portable bathroom. A dumpster is the next step. Make sure it is not placed somewhere that will interfere with access to your own or the neighbor's place. While the dumpster is there it can be used for garden waste too, so get stuck into pruning those overgrown branches.

Make sure the demolition crew - even if it is family and friends - have gloves and masks at the very least. Sturdy footwear should also be used. Goggles will save eye irritation. Long-sleeves and trousers will protect skin from scratches and irritation from the dust and dirt.

Once the demolition is finished, then it's time for framing. The framing inspector must come and view the site before and after. Firstly to tell you what's needed and after to confirm the job is done right. Windows and doors go in next and the electrical and plumbing contractors must get to work.

After that, it's insulation and finish time. Apply primer to the new walls before any cabinetry takes place. Make sure that all your trades have their work properly inspected at the right times. Once the cabinets and trim are done, you can paint the walls. Tinting the primer to match the topcoat will make the job look more professional.

Flooring goes in last, and then it's time to do the outside of the home. Landscaping should be left until last. Now you need to take some great photos and load them onto your website.

#25. Is Flipping Real Estate Still a Good Investment

Flipping houses has gained popularity during the past decade as a profitable and exciting endeavor. But the recent drop in the real estate market may pose some additional obstacles.

Using real estate as a financial investment has been considered a wise choice for ages. During a boom, one has the opportunity to purchase a property and then sell it within a year for a considerable profit. Even larger sums can be made when the investor decides to "flip" a house, sending the property value of a home skyrocketing.

Flipping houses has also been around for ages but has gained popularity over the past several years due to a variety of reality shows including Bravo's "Flipping Out."

To flip a house is to buy a particular piece of real estate

for a very low price, renovate it to raise the value a great deal and then sell it to make a profit. Typical value raisers include adding bedrooms or bathrooms, adding another story and replacing old, outdated kitchen and bathroom fixtures. Flipping houses can be especially profitable for people who are either able to perform their own construction labor or know a close friend who will do it cheaply. Hiring contractors to come out and do all the work will significantly reduce your net earnings because your costs will be much higher.

But with the undeniable drop in the real estate market during the past few years, is it still a sound investment?

In some ways, the down market has provided a wealth of opportunity to those looking to flip houses. The commonality of foreclosures these days lets house hunters take their pick of fixer-uppers, usually at an extremely low price on the market. Many foreclosed houses go up for auction by the banks that repossessed them, sometimes at unbelievably low prices. The other option for buying a house at a very low cost would be to buy a "fixer-upper," a house that is cheap because it is in need of a lot of work before it can be considered inhabitable or desirable.

To buy a nice, previously foreclosed house is typically the better option because there will be far fewer repairs needed and you can focus on adding features to make the house better rather than just making it decent.

With the buying and repairs out of the way, now comes the difficult part: selling it. As stated before, the value of a home can shoot up quickly when the market is booming. When the market cools off, the opposite happens. This means that people stop considering real estate the sound investment

it once was. With the market being so unreliable, people do not know whether their purchase will increase much in value.

Because of this, the asking price for a house has to be considerably lower than what you desire. Even if you are lucky enough to sell the house in such a low-demand market, you will not be able to sell it for as much as you would have in 2002.

The most important factor to look for in this scenario is a qualified, experienced real estate agent with a record for selling property quickly and for a good profit.

#26. The Power of Educating Yourself in Real Estate

Getting ahead is a goal that any businessman wants to do while completing a venture. If you want to get your business going and make sure your capital will yield results, it is important to educate yourself. This is not just applicable in business, but can also be applicable to every part of your life.

Go Get It Yourself:

Education is a lifelong process as they say, and it does not stop. When it does, that is when you stop growing as a businessman, as an individual. Learning in school, learning the ropes of how things work in an office, and knowing how things work before getting yourself into something is important. But when you are already doing it,

does the learning stop? No, it should not. As a matter of fact, you should learn as much as you can and learn more than you already have. Getting out of the classroom means the whole world is out there to be explored. If you want to learn something, go get it yourself. It shouldn't be spoon-fed; you got to find it.

Learn from People:

Apart from the actual hands-on training and the information that you get from books and on the internet, you can also learn from the people around you. What are the things that these people do? Analyze why they do things and what results it brings them. Talk to different people everyday and learn about their story. There are stories to be heard and lessons to be learned through other experiences. Experience in itself may teach somebody about their mistakes, but that does not mean it has to be committed when the result is already known based on somebody else's mishap. If you find yourself in the same situation as they have been, the same situation can be avoided.

Watch and Learn:

Observe the happenings around you. Being analytical and inquisitive of your environment will push you to learn so many things every single day, even from the most mundane occurrences. Asking why things happen and getting out of your comfort zone to find the answers help increase your knowledge. These are the kind of knowledge that not everybody would spend time finding. If you are really interested in working towards your goal, learn things that would put you ahead of the game. This will add a different perspective to an already monotonous way of looking at things.

Always ask:

Why? - That one question that should keep you finding for answers. Sometimes there are questions that run through your mind that you want to be answered, but you tend not to ask them because you are afraid that you might look uneducated or plainly ignorant. One philosopher said: "You start to know when you do not know." This means that once you admit your ignorance that is the only time it can be filled with knowledge. Admitting that something is not too familiar to somebody may push them to further learn about it and familiarize themselves with the unknown. As ironic as it may seem, that is the truth.

#27. Flipping HUD Foreclosures

How do you make money flipping HUD foreclosures? Not by buying at half-price.

Those who want to invest in real estate often get excited by HUD foreclosures, thinking that they are going to buy a house for half of what it's worth. Real estate investors know that this isn't too likely. However, there are opportunities for flipping these houses for a profit, so lets see where.

HUD foreclosures are homes that had loans on them guaranteed by the Department of Housing and Urban Development. When owners default, they lose the house. HUD pays off the bank and takes possession of the home, which they try to sell for market value.

In most markets today, they probably do sell close to market value. Government bureaucracies may be inefficient and they certainly make mistakes at times, but then it isn't some bureaucrat putting the price on the houses. Normally HUD's foreclosure houses are sold by real estate agents, and they should have some idea of what a property is worth when they recommend a listing price.

Also, HUD takes bids first from owner-occupant purchasers first. Only after this initial offering period are investors allowed to buy the home. In other words, if there is a truly underpriced home, an investor may never have a chance to buy it anyhow. But there is some good news.

HUD Foreclosures - The Opportunity

Fortunately, there are some opportunities here for the real estate investors who want to do some work. You can sometimes flip a HUD house for a good profit if you're willing to run the numbers and do a little work. Why? Because HUD foreclosures are sold "as is," and often have enough problems to scare away most home buyers.

They may sell near "market value," but a beat-up house will often have a market value that leaves room for a good profit after fixing it up. The market for such a house is mostly investors, after all, not owner occupants. Real estate investors will pay only what works for making a decent profit.

In other words, the initial offering period that is open only to owner-occupants is not a problem. Think of it as

a free service to you. The buyers are screening out the homes that wouldn't sell cheap enough to fix and flip for a profit anyhow. Anything that doesn't scare them away doesn't have much potential, so you are left with the ones that CAN be profitable.

To invest in HUD foreclosures, find a real estate agent that handles them in your area. Look for properties that have problems, but problems for which you can estimate the cost of correction. Get advice from an agent on what the finished home will sell for, subtract from that every last possible cost to fix it up - and subtract your profit. Now you have the highest price you can offer.

#28. The Do's and Don'ts of Selecting a Tenant

Now that you have renovated your property and it is in livable condition, the next step is to find yourself a good tenant!

Listed below are some Do's and Don't of selecting a tenant.

The Dos:

- DO review the potential tenant's application carefully. Make sure that all of the necessary and required information has been filled out correctly. An incomplete application or omission of information is a sign that the tenant may not want you to know something about his/her past rental history.
- DO obtain a credit check. This is one of the most important things when beginning to evaluate whether or

not a tenant will be a potential renter for your property. In most cases, if the tenant has a bad rental history, they are not going to spare you any less drama. Do yourself a favor and run a credit check. This will save you the time and money that it will take to evict this person for non-payment of rent.

- DO verify the potential tenant's employment history. Make sure that this person has been able to hold a steady job and can pay the rent. Ask for a significant number of check stubs. This will let you know if the person is legitimately working and able to pay. Also, don't be afraid to call and verify their employment. In this business, it's always better to be safe than sorry.
- DO obtain a copy of the potential tenant's Driver License or State ID and social security card. This is a must when selecting a tenant. You want to make sure that this person is legitimate and that they are who they say they are. Also, in the event something happens, you will be able to track the tenant down.
- DO obtain a security deposit on the rental unit. Most landlords ask for security deposits to be held in case the tenant causes damage to the property during the time the unit is rented.

The Don'ts:

- Don't allow the tenant to move in without signing the lease. Even if you know the tenant and have selected them to move into your property, have them sign the lease first before you give them keys.
- Don't select a tenant who has lied on their application. The tenant needs to be as truthful as possible and provide you with correct and accurate information.

- Don't select a tenant that doesn't have good landlord references. If they have broken previous leases and caused damages to other rental properties, then you can save yourself time and money and find a more fitting tenant for your property.
- Don't select friends and family as tenants unless you know that they are clean, reliable and able to pay their rent. It is very easy to have sympathy for a loved one that is down on their luck and for whatever reason, doesn't have housing. From a business standpoint, this would not be in your best interest. Unfortunately, some family members can and will take advantage of you and your sympathy.
- Don't be afraid to ask your tenants questions in the selection process. You don't want to be discriminatory; you just want to make sure you have all the facts about your potential tenant before you render a decision. Being thorough in your selection will save you time and money.

#29. WHAT ARE YOU AFRAID OF

Have you been speaking to your friends lately and they've been telling you about all the nice homes on the market for dirt cheap prices? Have they been trying to convince you to take your savings and invest in Real Estate? Well... Everybody's doing it! Why not you?! Don't deny yourself that chunk of financial happiness that you've been looking for. Don't tell yourself that you can retire at 55 (25 years from now) and collect social security or a pension! Don't fall into the trap of working a miserable job everyday from sun up to sun down without knowing if you'll be able to retire someday. Our economy has proven that social security, pensions and 401k may not be around

for us in the future. The automotive industry crisis has proven that building cars isn't the backbone of our society anymore. Real Estate is taking over the business world. People are coming from as far as China, buying houses in large quantities and selling them off, giving them a hefty profit from each one. That can be you! Everybody's doing it! Why not you?!

Don't wait! Don't sit around! Don't stand by and watch your friends take advantage of good housing deals! Being an entrepreneur is the best move you can make right now. Being your own boss will give you a sense of freedom. Real Estate has so much to offer any American so why not take advantage. The knowledge is at your fingertips. Think about how much time the average person spends on the computer, googling, emailing or facebooking. Use that time to do research. Take a look at the homes for sale in your area. There are a host of websites that list hundreds of foreclosed homes at record breaking prices. With every click, you can feel the excitement of home ownership and financial wealth right at your fingertips. Don't be nervous if you are an amateur and just starting out in this business. Everybody's doing it! Why not you?!

As adults, sometimes we are faced with the hard decisions in life. How will I pay the mortgage? How will I pay the car note? How can I afford to send my teenager to college? If you want an answer, tap into what's already in front of your eyes. Becoming a Real Estate investor has wonderful benefits. It takes determination, discipline and a willingness to change your financial situation. Don't wait around! Everybody's doing it! Why not you?!

#30. Flipping FSBO Homes

Flipping FSBO homes can be profitable if done right.

What are FSBO homes, and can you really make money flipping them? First some definitions. "Flipping" refers to buying and selling real estate for a profit over a short period of time. Some "flippers" are looking only to make money from buying low and reselling quickly, while others repair and improve or otherwise add value to the property before selling it - an important distinction we'll get back to in a moment.

FSBO, pronounced "fizbo" means "for sale by owner." Owners try to sell on their own primarily to save the cost of a real estate broker's commission. This is often a mistake, for many reasons we won't get into. The bottom line is that these houses statistically sell for less on average than those sold through an agent, negating any savings.

One reason this is true is that buyers know the seller is saving the commission, and are inclined to offer less as a result. Sellers are open to this because they think something like, "If the commission would have been \$8,000 and I sell for \$4,000 less, I still save \$4,000." For this reason, and because owners often don't know how to properly price a house, many new real estate investors think that they are going to get some great deals with FSBOs.

The opportunities to simply buy cheap FSBOs and resell them for profit are just plain rare. It's true that FSBO homes often do sell for less, especially after sellers get frustrated with their poor marketing skills and tired of waiting month after month for a buyer. But even if you

buy a house for 15% under market value, the transaction costs of buying and selling it can run 10% of the final sale's price, and holding onto the property while waiting to sell can eat up the other 5%.

So where is the potential for flipping FSBO homes? It is in fixer-uppers. A 10% discount from market value may leave you breaking even on a straight flip, but with a fixer-upper it just means that much more profit. Let's look at an example.

Flipping Fixer-Upper FSBO Homes

Suppose you are looking at a fixer-upper. The ARV, or "after repair value" will be around \$180,000, after about \$25,000 in expenses for buying it, repairing it, holding it and selling it. Of course no one deals with a problem house for fun, so the market for such a house is mostly investors, who expect to make \$20,000 for the risk and work involved. That puts the market value at about \$135,000 (\$180,000 minus the costs and profit expected).

This might be a typical fixer-upper in your area. But if the house happens to be for sale by the owner, you might do even better. Let's start with the assumption that the home is ugly, is already priced at \$135,000, and due to the owners poor sale's skills (common), it has been on the market for six months. The seller is frustrated, and when you talk to him, he mentions that he is considering listing the property with a real estate agent.

You point out that if he gets \$133,000 - close to his asking price - a 6% commission will cost him about \$8,000. Furthermore, buyers might ask that he pay \$2,000 of their

closing costs, and in three months he'll spend another \$2,000 holding onto the property. He'll clear \$121,000 - or he can sell to you now for \$122,000, close in a week, and avoid the trouble.

Suppose he eventually agrees to \$125,000. The other numbers didn't change. The house will still sell for \$180,000 when ready. In other words, you just made yourself an extra \$10,000 on what was already a potentially profitable fixer upper. This is how flipping FSBO homes can be made to work.

#31. The Pros and Cons of Becoming a Landlord

Becoming a Landlord definitely has its advantages and disadvantages. With any business, there is an upside and a down side. If you are considering the real estate business and becoming a landlord, here are a few things to think about.

Rent- One of the advantages is being able to receive your rent money month after month especially if you have a Section 8 tenant (Section 8 tenants are individuals who receive government assistance to pay a majority of the individual's rent) or you have someone renting from you that pays his or her rent. Many investors start out with one or two properties and after awhile, they began to expand and purchase more properties and rent them out. This creates a monthly cash flow for you to continue investing.

Time- Becoming a Landlord is a full time job without the

time clock and desk. Because you work for yourself and you are not in an office full-time, this allows you to do other things and accomplish other goals. Of course, being a good landlord is key to the success of your business and this takes a great deal of work but the pleasure is that you don't necessarily have to be in an office setting for 8 hours a day. Being able to set up your own office hours and coordinate your own schedule is the greatest part of being an entrepreneur.

Tax Advantage- Becoming a landlord has some considerable tax advantages. There are generous tax breaks offered to landlord who rent out their properties. If you're a landlord, you can deduct mortgage interest and real estate taxes on rental properties. You can also write off all other operating expenses such as repairs and maintenance, utilities, landscaping etc.

On the Flip side, there are some disadvantages of becoming a landlord. Such as,

Responsible for the upkeep of the rental units- As a landlord, you will be responsible for the upkeep on all of the units that you are renting out. If you have a tenant that has plumbing problems, landscaping issues and other things that will need taken care of, you have to make yourself accessible and get things fixed right away. You want to be timely and professional in handling any maintenance issues on the property.

Not getting paid on time-Landlords depend on the rent to pay the mortgage and pay for other costs that come along with owning a rental property. If they don't receive their rent on time, if at all, this could put the landlord in a bad position. Cold calling, stopping by the rental

property and court drama are just a few of the things that can happen when your tenant doesn't pay their rent. Becoming a landlord can mean becoming a debt collector!

Responsible for the safety of the tenants-As a landlord you will be responsible if something happens to your tenant due to your negligence. It is very important that you do all things by the book with promptness and professionalism.

These are just a few of the pros and cons to becoming a landlord. It is important that you do your research and receive the proper training so that you are able to reap the wonderful benefits of being a landlord!

#32. Why Have Section 8 Tenants For Your Rental Properties

One of the best ways to ensure that your unit is always occupied although in a low budget is by having Section 8 Tenants. If your unit has been lying around for a while and has not had a tenant, you may opt to have your apartment or house listed into the Section 8 listing. This gives it more visibility and increases the chances of getting tenants in the future. You can also be sure that you will surely get paid as this is funded by the government.

What is Section 8?

Also called the Housing Voucher Program, Section 8 is an assistance program for certified U.S. citizens or immigrants with very low incomes. This housing project is funded by the U.S. Department of Housing and Urban

Development (HUD), with allocations administered by Public Housing Authorities (PHA).

How Does it Affect A Landlord?

Because this program is funded by the government, you can be sure that the payment will be made every month. Although the rental amount for the tenant should not be more than the 50% of their total income, the amount to be paid by the government is limited to ensuring that the leasing rate remains competitive to those within the area and to tenants who are not in the program. There is a security deposit paid by the tenants but it should not be greater than the security deposited by other unassisted tenants.

You may enlist your apartment or home in the Section 8 listing to make it available for viewing. This increases the chances of tenants in the future, as even those who are not in the program may also see a listing of the houses or units for rent.

What are my Restrictions as a Landlord?

Just like any other tenants, those under the program should be treated and provided the same priveleges as non-participants from screening process even up to eviction. The same laws and regulations should be abided by the landlord and tenant while within the program. You may reject a Section 8 tenant's family to lease a unit and a landlord is not required to rent units to people under Section 8.

In a gist, having Section 8 tenants does not change so much of the rules and regulations within your property. You are also given the same authority in keeping the same regulations within the area of vicinity. There are no special treatments made for Section 8 tenants, except for the fact that the government subsidizes a part of their monthly rent.

The government agencies are only responsible for the eligibility of the tenants for the program. They also require the tenants and the landlord to complete forms and/or contracts regarding the project. Any other process is in the discretion of the landlord who is given much more benefit and less of a hassle in receiving payments.

#33. Flipping Luxurious Homes

Flipping a home is not a new practice nor is it limited to only homes in desperate need of renovation. Though television has helped cast and establish this stereotype upon those in the industry, there are a large number of investors who buy up a variety of different types of homes and turn them around for a quick profit. In fact homes that require less renovation or repair often turn a much larger profit than do homes that require extensive care. In fact there are even groups of people who target only those homes that require little to no renovation as to maximize turn around time as well as profit.

Prime examples of this are the people who aim their sites only on the most opulent of neighborhoods. Areas that offer such a high standard of living attract home buyers looking for the best of the best and those who are willing to pay for it. For this reason alone it is easy to

understand why some people look only to luxury homes for profits. Boca Raton real estate is a good example of a community that caters to those with a high income and is an area that flippers after high priced homes often flock to first. As the homes in this area are already lavish they carry with them an almost automatic profit that a flipper may increase by adding amenities to an already plush home.

Flipping houses with such splendor is not limited to communities within Florida however, as many high profile states such as New York, New Jersey, and even California play host to some of the most sumptuous neighborhoods in the United States. Homes in various neighborhoods throughout these states have been built with the elite in mind so naturally those who look to flip houses for the wealthy gravitate to these areas as they do in places such as Boca Raton. In some cases the homes in these states are turned for higher profits than they are in any other area. If the home being flipped is located in a high profile business community the profit can be even larger and the individual responsible for the flip may have little to do as far as additions or modifications go. In areas such as this the home and city will sell itself, making for a nearly effortless flip in some scenarios.

It used to be that an investor would buy a home and hold onto the dwelling for several years before reselling it only after appreciation had worked its magic on the residence. Currently there has been a shift in what a real estate investor does and how they work. Those who flip homes do so to turn a quick profit and rarely take up residence in any of the homes they purchase. Thanks in part to a numerous television programs flipping has become an extremely popular type of investing though those that are in the business recommend the layperson to educate themselves before beginning such a business

as it does require a vast knowledge of real estate and the laws surrounding that industry. When handled with experience and care flipping is a very profitable business. However, if handled haphazardly it can cost a person more money than it will ever generate.

#34. House Flipping With Your Plumber Skills

If you're considering investing in a house in today's market to make a profit, you will need some skills as a plumber to help you see a profit.

As the home market prices begin to slowly inch their way back up to pre-recession day prices, more investors are once again taking the plunge into home ownership. But they aren't buying those first homes to live in, as much as they are buying them for investment flips. In the hey day when a house could be bought, reinvaded and flipped within weeks if not months, home flippers were making money hand over fist on their investments. Today, that flip may not happen as quickly but there is still a great deal of potential to be explored in this market.

If you're considering becoming a home flipper you will need to have some realistic skills in home repair to make any kind of profit margin. The best two specialty skills you can possess in this regard are electrical and plumbing.

If you are able to be your own plumber on your investment house you can take care of the small things like leaky faucets and annoying drips and you can take care of more

major projects like changing out shower stalls, sinks, and toilets. These are usually necessary components to any successful flip since kitchens and baths take the hardest hits by former tenants.

Your skills as a plumber can also help you if you need to do some massive repairs from damage caused by the home sitting neglected over time. In the haste to foreclose on many homeowners, the banks often failed to maintain their newly acquired properties and as a result, more than few suffered ruptured pipes from cold snaps.

It will take the skills of a plumber in most cases to repair damaged piping and ensure the remainder of the home is stable plumbing wise at least.

You may have to be prepared to sit on your home flip once your reinvention is complete but you may be able to at least start making your mortgage by becoming a landlord and renting the home out. This is another area where your skills as a plumber will pay for themselves since the most common call landlords report getting is usually about plumbing. You can't even consider yourself a proper landlord until you have at least one flooded bathroom and a kitchen sink that leaks nonstop on a holiday weekend.

If you feel you have the plumbing skills, the investment money and you are prepared to wait out the market, this could be considered a good time to buy a home to flip while home prices are still low to the ground and interest rates are below five percent.

Talk to a real estate agent and you will probably find you have your choice of flip able homes, all ready and

waiting for some TLC in the form of new plumbing fixtures and minor plumbing repairs.

The market is inching its way back up so consider your investment a way to help push things back up over the hump, while helping your own financial future at the same time.

#35. Which Types Of Real Estate To Invest In

You want to invest in which types of real estate? Land, apartment buildings, rentals houses - They each have their advantages.

There are different types of real estate, and different ways to invest in them. Which way is best is for you to decide, according to your particular needs. Here are a few ways to consider, with their advantages and disadvantages.

1. Rental houses. Advantages: One of the easier ways to get started, and good long term return on investment. Disadvantages: Being a landlord isn't much fun, and you typically wait a long time for the big pay-off.

2. Rent-to-own houses. Advantages: When you buy, then sell on a rent-to-own arrangement, you get higher rent, and the buyer is usually responsible for maintenance. Disadvantages: The bookkeeping is tricky, and most tenants don't complete the purchase (this can be an advantage too, but it does mean more work for you).

3. Low income rentals. Advantages: The same as with any rentals, but with higher cash flow. Disadvantages: The same as with other rentals, but with more repairs and tenant problems.

4. Fixer-uppers. Advantages: A quick return on your investment, and it can be more creative work. Disadvantages: Higher risk (many unpredictables) and you get taxed heavily on the gain.

5. Buy for cash, sell for terms. Advantages: You get a high rate of return by paying cash to get a good price, and selling on easy terms to get a high price AND high interest. Disadvantages: You tie up your capital for a long time.

6. Buy land, split it and sell it. Advantages: It is simpler than most real estate investments, with the possibility of great profits. Disadvantages: It can take a long time, and you have expenses, but no cash flow while you wait.

7. Boarding houses. Advantages: You can get a lot more cash flow renting a house by the room, especially in a college town. Disadvantages: You can get a lot more headaches renting a house by the room, especially in a college town.

8. Commercial real estate. Advantages: Long term triple-net leases mean little management and high returns. Disadvantages: Tough market to break into, and you can lose income on vacant storefronts for a year at a time.

9. Buy, live in it, and sell. Advantages: The new tax law means you can fix it up, and sell for a big tax-free profit after two years, then start the process again. Disadvantages: You have to move a lot.

10. Speculation. Advantages: Buying in the path of growth and holding until values rise can yield large profits, especially if you buy low to start. Disadvantages: Prices aren't that predictable, you have expenses with no income while you're waiting, and transaction costs can eat much of the profits.

#36. Why Young Real Estate Investors Love To Flip Houses

In recent years, the number of successful real estate investors belonging to Generations X and Y is climbing steadily. News about a twenty-something-year-old investor making five to six figures a month is so commonplace that most people are no longer amazed by it. This only proves that a person's age is not a hindrance in making huge money in real estate.

One of the best ways to make quick cash in the real estate market is to flip houses. Like flipping a deck of cards, the business of flipping houses appeals to the younger generation of real estate investors because it is easy. Unlike in other industries, you don't need an MBA or even a college degree to earn the salary of the CEO of a huge business corporation.

Think about it. If you drop out of school because you're

not good with your academic studies, a bright future is still waiting for you in the real estate investing industry. As long as you work hard and have the drive to keep on going despite various adversaries, you can still earn the amount of money that a Harvard graduate is making.

Sound impossible? You better believe it because lots of successful real estate investors in the country today are college or high school dropouts who were able to turn their life around by buying and selling investment properties. In fact, some of them are driving shiny sports cars and living in expensive apartments all because they flip houses for a living.

Another reason why young real estate investors love to flip houses is because it is fun and enjoyable. The business of fixing and flipping real estate is a great stress reliever because you can get to earn money without confining yourself to a cramped office space. And if you happen to enjoy interior decorating, carpentry, or simply fixing broken things up, you can unleash your inner handyman and "play" with power tools. This is something that you can't do with your boring office job.

For those who don't belong in Generation X or Y, meanwhile, don't be disheartened. You can still make tons of cash by flipping real estate despite your advanced age. In fact, many investors who flip houses in recent years are pops and moms preparing for their retirement. So don't be discouraged by the gray hairs in your hair because real estate investing is for people of all ages.

#37. Myths and Facts of Flipping Houses

To make money, you must have the right money mind-set. Here are the common myths about flipping houses - and the facts.

Myth: I can't buy houses with bad credit.

Fact: Lenders lend to people who flip houses. They look at the deal, not the borrow.

Myth: There are no good deals in my area.

Fact: There has never been a better time to find great deals than now. There are always great deals if you know where to look.

Myth: I have no business experience.

Fact: Most people who run successful businesses started with no business experience. You can overcome the lack of experience with education.

Myth: I have failed so often, I feel destined to fail.

Fact: Because you failed so many times, you're one step closer to success.

Myth: I have no construction experience.

Fact: Construction is not rocket science. What you need is a good subcontractor agreement, budget sheets and a way to control your projects. Once you educate yourself on how to budget for a property and have subcontractor agreements in place, you know 80 percent of how to run a construction part of a flip.

Myth: I have no time.

Fact: With a proven system, you do not have to spend all your time flipping houses. The system works for you so that you don't have to spend all your time doing it.

If one person can do it, anyone can!!

The more you focus on the facts, the more power you will have flipping houses. The more you have the right money mind-set, the more you will attract money in your life.

#38. How to Deal with Foreign Buyers

According to real estate insiders, one of the fastest emerging trends in the business today is flipping houses to international buyers. In fact, the government is even reportedly encouraging foreigners to buy homes in the country to help spur the local housing market. So if you want to give your real estate investing business a boost, you've got to try selling houses to foreign buyers.

Investing in real estate with international buyers, however, can be quite a handful for some investors, especially the beginners. Because not all real estate entrepreneurs are comfortable with talking to local buyers, many of them will feel that dealing with international buyers can be extra challenging.

However, experts believe that dealing with local buyers

is not too different from doing business with international buyers. To give you an idea, here are some pointers that you should consider when pursuing a real estate deal with a foreign buyer.

1. Don't let the language barrier stop you from making money in real estate with a foreign buyer. In most cases, foreign buyers have already set up a local team that would help them make real estate investments. This team will serve as a bridge between you and the buyer. That being said, you shouldn't be afraid to do business with a person just because you can't understand what he's saying.

2. Show international buyers the same level of courtesy as you would to local buyers. Return phone calls and emails on time. Just like their local counterparts, international buyers would love to work with real estate investors who show a healthy dose of professionalism.

3. Always remember that trust is important in the business of flipping houses, or any other real estate investing niche for that matter. For this reason, you should always be honest with your clients because people, regardless of their country origin, don't like to work with dishonest real estate investors.

4. Always perform due diligence. This will help you show your buyers how serious you are when it comes to doing your work as a real estate investor. Not only you will impress your clients, you can also ensure that everything will go according to plan.

With many foreign buyers showing interest in U.S. properties, flipping houses to this people can indeed

give you the opportunity to generate bigger profits.

#39. Stolen Copper

When you are in the property flipping business, your list of things to watch for just keeps growing. If you miss a key item that needs repaired, it can cut in to your profit margin, or even cause you to lose money.

One of the items that can cost quite a bit to replace is stolen copper pipes. It is important when you are doing your pre-purchase inspections to ensure that copper thieves have not made off with the plumbing from the house that you are looking to flip. Copper theft has become very common, especially in houses with basements. Be sure to find the water meter where the water comes in to the house. Trace this back to other areas of the house that use water, such as kitchens or bathrooms. Also take a look at the hot water heater, and follow the water lines up from there.

Copper theft is more prevalent in lower income areas, but no neighborhood is excluded. I have been in some very nice houses in the suburbs, went to take a look in the basement, and noticed that all the pipes had been cut off and stolen.

Finding a house with the copper missing is defiantly not a deal breaker, as long as the numbers still work. Be sure to price it into the repair costs, and remember that re-doing the plumbing in a house will require permits. You will need to hire a properly licensed plumber to handle those repairs. Remember, it is usually cheaper in

the long run to have the work done right in the first place.

#40. Thinking About Flipping A House With Mold

When you are purchasing a house to flip it and earn a return on your investment, you need to do a few things before sealing the deal.

One of the first things that you need to do is make sure that the property has no structural problems, especially if you are on a tight budget. Sometimes structural problems can be fixed fairly easily and buildings brought up to code by simply adding an extra support beam to a ceiling, but this is usually not the case.

One of the worst problems that you can run across when you are playing the house flipping game is mold growth anywhere in the house. Have the home tested for mold or moisture issues before you purchase it and if these problems arise, ask yourself just how much of your budget can you allocate to getting rid of this problem.

You may want to pass if the mold remediation will take too big of a chunk out of your budget and move onto the next property. A number of factors will determine if the problem is worth it.

What is the house worth and how much do you expect to earn when you sell it? A \$550,000 house you purchased for \$400,000 with a \$5,000 mold problem is not such a bad

thing, but if it is all over the house and you have to tear down all the walls and replace them, you may be looking at much more work than will be worth it in the end.

Is the mold growth isolated to one part of the house? Is it dead? If the mold is dead and you can remove the affected drywall or wood fairly easily, it might be worth it.

You need to look around for water damage in the molded area, though, and determine if there is still a water damage issue that needs to be repaired. The most important thing is to make sure that there are no plumbing leaks in the house.

Know what you are getting yourself into when you make the decision to purchase a home contaminated with mold. If it is only in one room and there do not appear to be any expensive water damage issues to deal with, it might be worth it.

If you think you will make significantly more than the remediation will cost you, go for it. But, if the mold is all over the house and you're on a budget, stay away.

#41. House Flipping With Relatives; the Good, the Bad and the Ugly

It is very common for people to consider starting a house flipping or real estate investment business with their

friends or relatives. Because as individuals we all have different skill sets and interests, it is sometimes a wonderful thing to merge your skills with a friend or relative's, and together create a solid business. However, sometimes things can go very wrong and relationships can suffer, or even end, over a failed house flipping business venture. To help avoid that from happening there are a few things which you should always keep in mind.

Tips for Flipping Houses with Friends or Relatives as Business Partners

The first tip in forming a partnership for flipping houses for profit with one or more partners is to decide how close you want to be with the person you are considering going into a partnership with. If the person is a good friend, or a loved relative, you need to make sure that you will be able to work with them through the good and the bad times during the house flipping process.

The second tip in forming a partnership flipping houses for profit with a relative or friend is to first create a document which outlines everyone's responsibilities and expectations - before you ever start buying any property or doing any work. For instance, if you will be flipping houses for profit with your brother, then you need to sit down and decide who will be performing which tasks and what the compensation for each of you will be. It is also good to have some contingency plans since flipping houses for profit and financing flipping houses can be wrought with issues.

While legal documentation is helpful if a lawsuit ever comes to pass, the more important part of the

documentation process for house flipping is simply getting everyone to agree to a roadmap for the project, in writing, before purchasing property and starting work. The legal agreement for your project should not be viewed as an "incase I need to sue you someday" document, but rather something everyone can refer to if things go wrong and questions are ever raised. In other words, it lays out all the expectations and then you can manage the project by those expectations without someone having to play the bad guy.

By choosing your partners carefully and laying out all the expectations at the beginning, you can have a very successful business flipping houses for profit in any state in the United States today.

My Flipping Houses Resource Recommendations:

Note: Click or Copy & Paste the Link Into Your Browser.

"Bird Dog Bot" - Real Estate Deal Finding Software For Investors ~ The Only Software of It's Kind. Your Job Just Got Easier (Very Recommended)

Go to: <http://tinyurl.com/las17uv>

House Flipping Secrets-what The Gurus Don't Teach You: (worth it's weight in gold - loads of information)

Go to: <http://tinyurl.com/muxusx6>

Don't let fear hold you back, get going today...you could be financially set for life!

Thank You,

Terry Clark

