

DESIGN FOR SUCCESS

Flipping and Staging Go Hand in Hand

FLIPPING HOUSES is a proven way to make fortunes in real estate, only if you know what you are doing. More people trust their instincts as opposed to seeking professionals. According to Jeannette Fischer, writer of *A Beginner's Guide to Flipping Houses*, "There's no other business that can make you as much money, with as little start-up cost, in as short a time, as investing in real estate. In fact, more millionaires made their fortunes in real estate than in any other business." Just ask Donald Trump or Oprah how they did it.

Whether you are just starting to flip houses or well underway, keep in mind that flipping a house goes beyond the renovation work. It is about curb appeal and house appeal. How do you make the home appealing to a potential buyer? A goal as an investor is to minimize cost and maximize profits.

20 TIPS FOR FLIPPING AND STAGING A PROPERTY:

- 1 Use the Internet to your advantage and do not be afraid to ask questions. Learn from others. Try reading the great article, "How a First Time House Flip Went Bad". <http://ezinearticles.com/?How-a-First-Time-House-Flip-Went-Bad&id=80052>
- 2 Seek private investors and research various loan programs for financing.
- 3 Hire a staging and design professional specially trained in this area for the renovations. This person can prevent costly mistakes, minimizing costs and maximizing profits. They can locate quality and reliable contractors who are licensed and bonded (electrician, painter, flooring installer, etc.).
- 4 Understand the business side of real estate to be a successful investor. Be able to make an informed decision. Know the tax implications.
- 5 Plan for renovations that include landscaping. The goal is to make the house desirable and a "must buy." The plan is not to break the bank. Know what investments will help sell the house. Areas of high importance include bathrooms, kitchen, and the master bedroom. Do not neglect the public areas including the living, dining and family rooms. These rooms will add cash value and appeal to prospective homeowners.
- 6 Define and know your target buyer, what they expect, how long a house has been on the market in the area you are planning to make a purchase and what the current market is like.
- 7 Make friends with a great realtor, lawyer, banker, appraiser, and accountant/financial advisor. Each will play a major role in the process and help achieve success.
- 8 On average, builders sell a neighborhood faster with model homes that are staged. Why? Average consumers make decisions based upon how the house makes them feel. If it feels like home then they are more likely to buy it. Follow the lead from builders and stage your investment property before you try to sell it.
- 9 Appeal sales a home. So, spend the extra cash to make the house more appealing. According to the 2006 National Association of Realtors Staging Statistics:
 - Staged homes sell 50 percent faster than un-staged homes.
 - Staged homes sells for an average of 6.9 percent to 10 percent higher over listing price.
- 10 A "fixer upper" that is ugly, dirty and smells can be a great opportunity.
- 11 Newer homes may not require paint, but may only need to power wash the exterior.
- 12 Never hire a contractor who is not licensed or bonded even if it is your brother or sister.



- 13 Never hire a contractor without a contract. Require a start and finish date with penalties for project delays caused by the contractor.
- 14 Create a budget of renovation expenses; then compare all expenses (renovations, cost to carry the house before it sells, and unexpected surprises) to expected profits.
- 15 Obtain estimates for all work before you purchase the property and aim high. A good rule of thumb is to triple the amount of the estimate to prepare for delays and surprises.
- 16 Paint with color and eliminate “builder beige” paint. Choose a neutral color that is appealing and intimate. Add colors throughout the house that are soothing such as greens and blues. You do not want to frighten the potential buyer, but to instead make them feel at home. Color is everywhere, bring it into the home and do not forget to paint the outside. Appearance and appeal sends the message that the owner cares. Lack of curb appeal alone can prevent a buyer from going inside.
- 17 Photos on the Internet are critical; so what does your property say about you? Perception is more powerful than reality. Remember it is about the buyer’s perception, not yours.
- 18 Details matter not only in the décor and appeal to prospective buyers. Extra touches make a difference and can be the final touch to a sale. Try fresh baked cookies or bread and bottled water. This keeps the potential buyer in the house a little longer.
- 19 Make money off foreclosures. Check with a realtor to obtain the foreclosure list on a regular basis. A highly rated book on the subject is *“How to Make Money on Foreclosures”* by Denise Evans.
- 20 Never stop learning. Be a student, then a master craftsman.!