



FLIPPING HOUSES: 6 Ingredients For Success



What you don't know when [flipping houses](#) can hurt you. Learn what is necessary to succeed and not lose your shirt in the process.



Flipping Houses: Limiting Your Risk



Rolling the dice concept for business risk, chance, good luck or gambling

There is much to know if you first go into [flipping houses](#) for income. But I might have disappointing news for you. Only having a one-weekend lesson doesn't allow you to know how to go about doing it successfully. Despite what you may think the flipping house gurus could say, it's not easy to transform a piece of real estate.

Nonetheless, you certainly have the potential to excel as a flipper and flipping houses, and the perfect way of learning is to make mistakes on your own and to improve on them. However, it is also essential to have a process in place that limits your downside risk. However, there are ways where you can reduce the level of difficulty, prevent significant losses, and make a handsome profit still.



Learn On The Job With Flipping Houses



20% of something is better than 100% of nothing

You first need to consider the implications of your financial situation. You have to decide how much funds you need to raise by yourself and whether to find sponsors. One brilliant way to start flipping houses when you do not have the capital to do it all by yourself is to find a partner that has the money to invest.

Dividing your first property flip earnings with the other collaborators is a fantastic place to begin, gain momentum, and make the first attempt. Indeed, you must share the income, but fifty percent of anything is much better than 100 percent of nothing. You should treat the first opportunity as a learning on



the job scenario and not being awarded a medal for flipping houses all by yourself.

Flipping Houses Is A Team Sport



Be in the team, be in the game

The next thing is to start developing your property flipping team when you formalize your financial position. This team helps you to locate, improve, and sell the houses identified. The team's experience and [skills](#) will help you get so much further on your house targets than you could ever do on your own. You certainly won't be able to do it all alone, regardless of your level of expertise.

Your team should have critical roles incorporated, such as real estate agents, engineers, designers, insurance professionals, accountants, and money lenders. All these experts could help you navigate towards quicker financial gains and be more efficient at flipping houses than you ever be by yourself.



Scouting Is Important



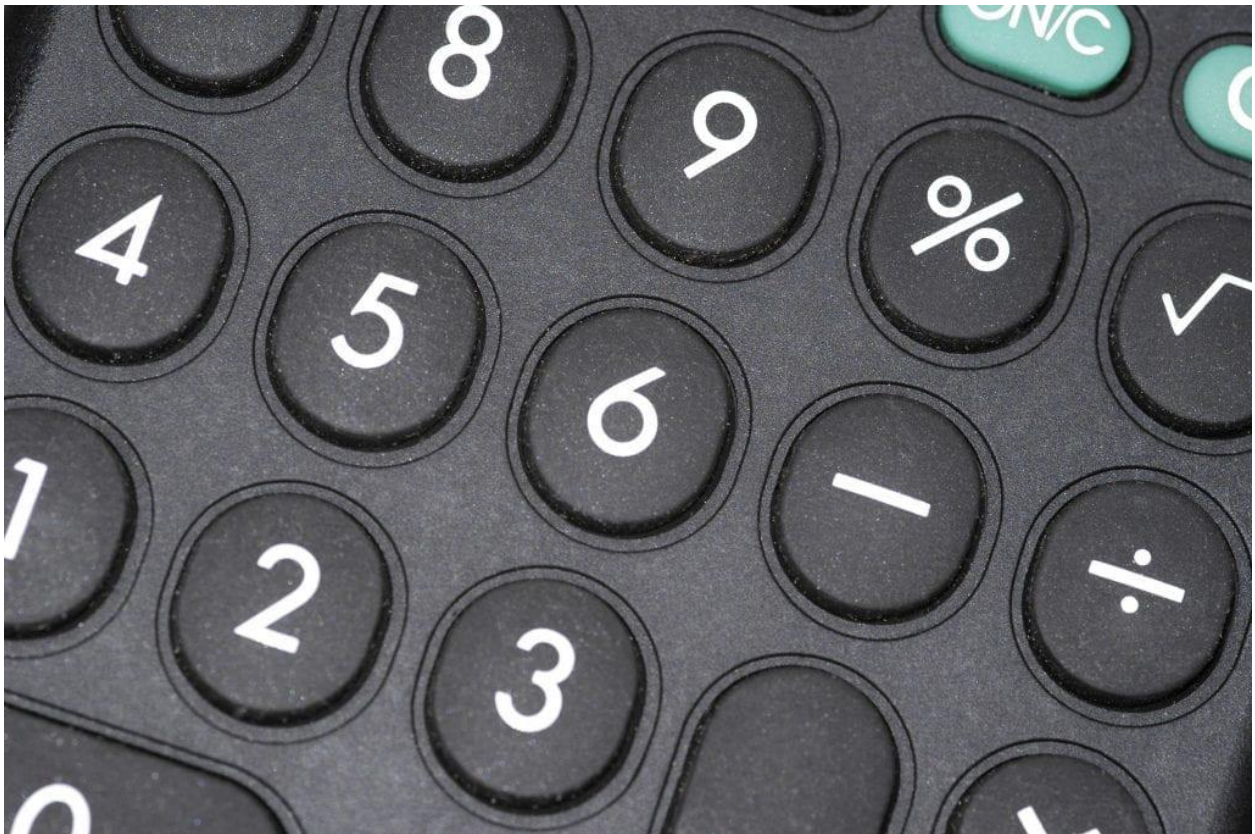
Read, explore and get information about the area

Many times it is a struggle to find the right property to flip. In particular, this is necessarily the case if you have chosen to canvas a narrow geographic area that is in your interest. Optimally, you would be able to purchase the property at a minimal cost, so you can redevelop it quickly and reasonably inexpensive and offer it back to the market for a higher price.



You can be assisted by a successful [real estate agent](#) to locate properties that fit your criteria. You might also want to concentrate on assets that do not need costly repairs, focusing on cosmetic fixes only. Optionally, you can focus on houses that require even more [renovations](#), but the risk introduced by more extensive repairs increases. To find all kinds of buildings, both real estate agents and land wholesalers will help you.

Flipping Houses Is As Easy As 1-2-3



Calculations are easy, if you know what you are doing

You can do some “[general number crunching](#),” whether the house is a success when you’re doing your first home flipping research. What you first have to do, when everything is set, is to calculate the financial cost of the



property. That's what is called after repair value (ARV). Then subtract the purchase price, [maintenance](#), and all your monthly transportation costs. This is the profit you have remaining. If all of this preliminary math suggests a nice gain, you might have an incredible house to move on, and you may want to buy it.

Housing Contractors Can Get You In Trouble



Keep an eye on everyone



When you buy the property, do not just depend on the [contractor](#) to make all of the improvements, and monitor them. Ensure that you handle the monitoring aspect of the real estate renovation. Better still, employ a skilled reconstruction contractor, mainly if rehabilitation is extensive. Monitor the adjustments to confirm they are carried out adequately and on target. You might ask why? It is simple. Your income depends primarily upon what you originally paid for the property, but it is equally necessary, if not more, to ensure that cost of maintenance remains within your budget. A property that is profitable on paper can lose its gain by letting someone go over budget or stretch out the timeline on reconstruction.

Similarly, going too far to do more than your budget gives you to rehabilitate or take a look off your mark. Stick to the plan, don't gamble with future profit when making improvements to the property. Go with market-tested improvements that consumers will pay for.

Time Is Not On Your Side



Time is money, it will stay always true



Time is crucial when houses are flipped for a profit. The more time the rehab takes, or the longer it takes to sell, the fewer dollars go into your pocket. It is a sprint against time. Hard expenditures, such as [loan servicing](#), insurance premiums, local taxes, services, and all other costs to be paid at regular intervals, will add up and minimize your income.

Many beginning real estate investors don't realize that the longer they keep the property financed with a lender, the less money they make. It is vitally important to make the property change quickly. In the end, you can go far in flipping houses if you ensure that the contractors do the project on time and under budget and employ strong real estate agents to help you value the finished product so that it sells fast.

About the Author:

RobertJennyDesign.com

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