

9 THINGS YOU NEED TO KNOW BEFORE FLIPPING YOUR FIRST HOUSE

The idea of fix and flip is awesome, right? Find an awesome deal, spend a little bit of time and effort to fix it up (you like projects, anyway) and Whammo! Then 3 months later you're sitting pretty with an extra \$25k in the bank ready to do it all over again.

There's the tv portrayal and then there's actually getting started. There's something to getting started knowing what you're doing. There are ways to avoid LOSING money or even (in some cases) SPENDING money to complete your first fix and flip project.



Here are the Top 9 Things You Need To Know Before You Flip Your First House.

9. Knowledge and Confidence Go a Long Way

Know what you are doing. Do not jump into flipping houses blindly. Do you need real estate experience to flip houses? Absolutely not. However, you do need to make sure that the time and money you are investing (whether the money is yours or a lenders) is well spent and maximized.

Fix and flip education teaches you:

- How to find funding

- How to find, negotiate and close a great deal

- Which materials are trending

- Which high price items are worth the investment

- Which materials can be low-cost

- How to hire contractors for the lowest cost

- How to manage contractors to meet timeliness

- How to market your property

- Yield the highest profit

Essentially, fix and flip education minimizes your risk and maximizes your profit potential. You'll go into the industry confident and knowing.

8. Learn How To Analyze the Deal

When determining how much to offer to yield at least a \$20k profit, do you account for everything? Do you look at all the taxes? Can you adequately estimate repair costs, contractor cost, and understand how much you should put down versus borrow? **One of the BIGGEST mistake people make in fixing and flipping houses is made during the deal analysis.** It's not such an easy task to make your investment more sound, as you learn when doing your first deal. If you feel you need help with this [click here](#) to order a full report of the property in question.

7. Don't Fudge Repair Costs

It's easy to be optimistic, emotional and of course, unknowing when doing your first

real estate rehab deal. Even with a complete inspection on the get-go, you always need a buffer in your costs as you never know what might surface (there are hundreds of investors who know this tale all too well). You're projected repair costs are rarely ever to high.

" When you learn to assess repair costs rationally and in a businesslike manner, your first flip will bring you less surprises."

Which leads us too!

6. Don't Get Emotionally Connected

You are spending too much to be attached to a deal that doesn't make sense, the flooring YOU like best or the landscaping as YOU would have it. Real estate investing isn't about extravagance, but profit. Spending your money ONLY on the deals that make sense, and not the ones that have somehow pulled on your heart strings.

Real estate investing should be data driven and going into your first deal with this thorough understanding is absolutely necessary.

5. Stick to Your Original ARV

You have no room for rationalization. You may think adding a swimming pool or marble countertops can boost your ARV and maximize your profit. Do NOT give into this temptation. You cannot count on the market consistently appreciating. If the market shifts, ignoring your original ARV can completely eliminate your room for profit.

4. Time Is Money

The faster you flip, the faster you pay back your loan, earn your profit and can move onto your next real estate rehab. The most time consuming elements of the process can range from hiring contractors, getting contractors to complete the project on, time, and even selling your home. You really have to know how to manage the project from start to finish. Your comfort level with negotiating and project management will ensure you the profit you expect.

3. Know The Area

What sells in that stucco subdivision you grew up in may not sell in your up and coming neighborhood across the county. You need to know what the other homes are like in the area, what people expect in those homes and what's trending. You can do this by attending a few open houses, doing some slow neighborhood tours (drive bys?) and becoming best friends with Zillow.

2. Supervise And Regularly Check On Contractors

The market is currently so hot it's scalding. Contractors are using this opportunity to boost their prices on unsuspecting real estate rehabbers. Do you know what costs you should expect to pay? You need too. (See number 1.)

Contractors can also belabor the process, not only extending the time it takes for you to receive your paycheck, but decreasing the size of your paycheck (i.e. more interest paid, increased time between flips). You must learn how to supervise and manage contractors so they are working on your time line and you aren't working on theirs.

1. Understand You Don't Need to Be An Expert

No matter how much education you have, this is still your first fix and flip. You will be a mix of nerves, stress, excitement, passion. No matter how much you know, you will still not have the experience until you complete your first project start to finish. You cannot let your first fix and flip keep you from getting started. You won't be an expert, but hopefully you can feel comfortable and confident enough in your knowledge to know you can make even your first deal an incredible success.

Plus, if you still want more guarantees through the process, you can absolutely get a one-on-one in-person coach or have an accountability coach who can make sure you're not missing anything (And doing the right things) via phone.

Conclusion

Flipping houses can absolutely change your life. You have to give it the chance.

You're uncomfortable with your limited knowledge base? **Do something about it.** You don't know how to get funding? **Do something about it.** You're worried about negotiating your first deal? **Do something about it.**

When you have the opportunity to make \$20k on every deal (the minimum profit amount that we advise), why wait? And why let your lack of knowledge stop you? Whether you do 2 deals a year or 20, you can not only have access to the extra cash via fixing and flipping, but you can rest assured you're making the most out of every deal when you have the right education.