

**Go**  
**FLIP**  
**Yourself**

**The guide to TRUTH, not SUCCESS!!!**

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## **Intro –**

Know Thy Self – Start with shit and you end with shit said my Introduction to Design Engineering Professor freshman year at University of Minnesota. This is the truest motto you'll ever hear and it's carried with me since the day he said it.

I've been blessed enough over the years to have "SEEN IT ALL". Making it through the foreclosure crisis was probably like making it through the stock market crash of the early 1920's and the failure of the S&Ls (Savings & Loans) in the early 1980's. It was the wrong time to be in real estate sales BUT the right time to be buying real estate. I was so focused on helping homeowners through the foreclosure process that I could not even attempt to take full advantage of the chaos and crap that surrounded me. It was the wild wild west throughout the entire United States. It was basically Marine Bootcamp for Real Estate Warriors. I would say that 50% of real estate professionals probably folded up shop and went home with their tails between their legs. It was an UGLY time for this industry and for real estate professionals.

Fast forward 10 years and the 4,500 puzzle piece picture is slowly being put back together. The crooks made out like bandits, sellers got screwed, many loan officers and real estate professionals went to jail, bankers and CEO's got paid giant Golden Parachutes plus billions in bail out money. Now the aftermath is here of all that crap. Prices have rebounded to a steady annual increase and most sellers are making a decent profit off their homes from when they bought them in 2007 – 2012. Some homeowners still owe more than their house is worth, but that can be a good thing to keep the market in check & balance.

Now, we have a micro economy within our real estate profession and I am calling it "The Flipper Revolution". Thanks to HGTV people actually believe in 30 minutes you can flip a house.....it's hilarious and scary at the same time. Because of this, many flippers are trying to copy what you see on TV and bring it to real life for the average buyer. Problem is, it's not that easy and it's not HGTV in real life. Hence, we are here, I am here, I am now writing this quick guide to bring truth to many Americans based off my personal experience and all of the consultations I've done for many entry level real estate investors.

In this guide to TRUTH, not SUCCESS, I am going to attempt to explain in plain detail how an entry level real estate investor that wants to RENOVATE a home FOR PROFIT, (not FLIP, FLIPPING is illegal), would go about making a valid attempt in doing so. Keep in mind, only 1 out of 10 real estate investors turns out to be successful. Why you ASK??? Because they either do it for the wrong reasons, they don't know what they are doing OR they failed before they even began.

Any jack wad with a pulse, some income, decent credit and a hammer and screw driver can buy a shitbox, tell everyone they are now "flipping a house". The truth is, you must be a conditional strategist that has the exit strategy planned before you even wake up the very first morning to go look at shitboxes. If you don't have at least semi decent credit, you should just stop reading right now or continue reading to the part where I talk about credit repair or restoration.....which I won't.

## **Find a Real Estate Professional –**

I don't care how you do it, but you need to find an experienced real estate professional that knows some stuff. I would highly recommend that you deal with a Real Estate Broker and not a Real Estate Agent, but again, totally your call and totally my opinion as I'm the one writing this book. The main difference is the Broker you are dealing with would be the owner of the real estate firm....and that should be your goal. You want to deal direct with people, not through somebody. A real estate agent works for the brokerage and would have to get expressed permission to cut costs, eliminate fees and reduce commissions as they have to pay up to the top of the castle. Working with a non-franchised independent real estate firm will allow you to control the entire transaction, cut some costs and deal independently with the broker to pre-arrange pricing, commissions, rates, fees, etc. **\*\*REMEMBER...**this is your business and you have to protect it.

## **Get The Money –**

Next, go find a banker. I don't recommend a retail banks that own stadiums, ball parks and sky scrapers for the simple fact that you'll be just another customer to them. They also don't have access to the types of loan you'll need and want if your aspiring Renovate For Profit career takes off. I would also suggest a local bank, preferably one that also deal with commercial financing and business loans and is familiar with construction loans.

Now that you have found a real estate professional, you have met with a local banker and figured out if you like them and can stand them and trust them, it's time to talk about the MONEY. When you buy a home to Renovate For Profit (no flipping here), it is not like buying a home as your primary residence. It's considered an investment property purchase. Most banks will require different types of credit, down payments, and payback rules (that would be your promissory note or promise to repay). Here are the different types of renovation financing available when you choose to Renovate For Profit –

1. **CASH** – If you have it, keep it. Congrats, you're rich and can pay for a house with cash. Nobody really cares. The Golden Rule is – O.P.M (other people's money). Always use other people's money when you renovate for profit, and again, this is my opinion and I'm writing the book. Cash can save a few \$\$\$'s but ultimately extends your risk into the transaction to 100%. If you make it far enough in life and your Renovation For Profit career takes off, then you can explore the options of paying CASH for properties. You can always refinance the property or take out a line of credit if extra cash is needed. You might run into trouble as the property will be in full demo mode or half completed and that may present a high risk to any bank or lender.
2. **HARD MONEY** - If you watch a ton of HGTV you might hear or see this term. Hard money is just money that comes at extremely high interest rates with usually unfavorable terms to you the consumer. Typical interest rates are 8 – 12% depending on who the hard money lender is – private guy/gal you know, uncle/aunt, friend or relative, or some Hard Money Bank or group of investors that decided to lend their hard-earned money into the real estate market. I strongly advise against this method and would only use this as a last resort and **ONLY** if you are an experienced Renovation For Profit Professional.
3. **FINANCING** – this can get quite tedious when you think of all the things you have to deal with, especially if you have bought a home before and know the banks go up your ass with a microscope and ask you for everything and even your blood type by the time you're done. Well, that won't be the case here. It's much easier.
  - A. **Conventional Financing** – most banks will require 20 – 25% for a down payment on investment property purchases. This will allow the loan to be streamlined and pass through their underwriting

guidelines so they can either hold the loan themselves or sell it to FannieMae or FreddieMac or another CDO (collateral debt obligation) buyer. That means you finance 75 – 80% of the loan amount.

- B. Construction loans/Business Loans – They are sort of interchangeable and mean the same thing for the basic premise of this book. Most banks will want Conventional financing with 25% down. That’s all fine and dandy but what if you want the cost of the renovation included into the purchase of the property??? That is where the Construction Loan or Business Loan comes into play.
- They typically require 20 – 25% down payment and then you would do construction draws for the renovation work you will need to do. The bank would then issue draws on the money to the title company after you submit your scope of work projections and bid analysis. They will grant money up to what an appraiser says the home would appraise for in after renovation condition. Example - \$100,000 purchase price = \$25,000 down payment. Appraised value after renovations is \$190,000. The bank would then issue up to 20% of the future renovated appraised value or \$52,000 in renovation draws. Those funds would be issued to you through the title company after you submit the bid analysis or construction draw form after each completed project. Again, you don’t have to use the full \$52,000 to do the renovation but it’s nice knowing you have access to it if needed. You would also know the future renovated value as you would have the appraisers report completed by the bank. This will allow you to reverse engineer your results based off this number. You would also have this renovated value prior to even buying the property because you are working with a damn fine real estate professional that would tell you this number so it wouldn’t be a shock when the appraisal comes back. Make sense.....it should.

## **LLC vs. S-Corp –**

I receive sooooooooooooo many questions about this question. The answer is “It’s up to you” but most successful Renovators For Profit start out with an LLC that owns the property and then probably have an S-Corp that pays their employees, contractors, sub-contractors, etc. If you have business partners in the future or shareholders having an S-Corp can be more beneficial.

What’s the benefit of having an LLC when buying a property for Renovation For Profit? Go ask a business lawyer or attorney that deals with business set up. I know the difference but can’t give legal advice or tax advice. I will say, that over my years of selling homes to investors and Renovating Homes For Profit most people have an LLC and most buy the home in their personal name and Quit Claim the property into your business name after the close of escrow, if your lender will allow this. If you pay cash for the property you can also close escrow in the name of the LLC or S-Corp without asking anyone permission. They then have all bills and invoices sent and paid for through the LLC to keep track of everything. They will also file their year-end taxes in the LLC name for tax benefits and then pay themselves a salary or personal gain at year end via a 1099C. Again, if you have legal questions or tax questions, we **STRONGLY** suggest speaking with a qualified tax accountant or business lawyer.

The way most people start out (which I also recommend) is setting up an LLC with some fancy cool name. I will also let you know that once you form an LLC you can usually set up business account with a bank of your choice and obtain a small business credit card. This will allow you to stockpile points and rewards to your benefit or use the line of credit to offset some ancillary costs and fees with getting started OR have a “shit hit the fan fund”.

## **Progress Check –**

So now we know some stuff...right? We have a real estate professional picked out that we want to work with and seems competent and trustworthy. We have a bank or lender picked out that we think we can work with and also seems competent. We also have a company set up, if we chose to set one up, and we know if it's and LLC or an S-Corp. We have a general understanding of the down payments and credit liabilities needed to proceed forward once we find a property. I call this the Financial Empowerment and Be Informed - Be Accountable stage of Renovation For Profit. So what's next on the list?

## **Gather Your Materials –**

This is probably and more than likely the most single and overlooked step in the Renovation For Profit business. This is where the successful investor and losers are separated. It's OK to be a loser too; just make sure you know it before getting into this business and then you'll be a WINNER for not losing.

Here is my suggestion and opinion – Get to Menards, Lowes, Home Depot, local floor center etc. #PRO-TIP. When you are Renovating For Profit it is important to understand what you are doing and why you are doing it. The most successful investors I see have a Product they are selling with a brand or name attached to it. You must know your business before you can sell your business or product. This is where we get down to business. It is important that you know all the costs for 90% of the material you will be using (trim, flooring, cabinets, roofing, siding, fixtures, paint, tile, etc). I will explain why this is important NOW and not later once we get to the Choosing a Property section. There will obviously be variances on many things, but you need to have rough numbers in place before you even walk into a property you are thinking about buying so you can run a rough cost estimate before making an offer to purchase. With the advancement in mobile technology I strongly suggest using or building a template in an Xcel program so that you can quickly and efficiently plug numbers, costs, sq/ft'g and labor into the program. This will also help you build a game plan for the next step.

## **Compile Your List –**

There are many ways to find good labor nowadays in America. Some of the preferred search sites are: Angies List, Google, Facebook, Twin City Market Place and my overall favorite, Craigslist. You will need the following –

1. Contractor – You will need a licensed, bonded, insured and hardworking contractor that can pull permits and do major renovations. It is extremely important you make sure they are licensed, bonded and insured before hiring them (ask for copies of their business insurance, bond card etc). Most contractors will bid for HOURLY WORK or they will bid a SCOPE OF WORK. It is important to ask a contractor how they prefer to do business. I will tell you that most great contractors will do both as there will be unknowns when you start moving walls, opening the flooring up and exposing the internal workings of the home. Most great contractors will also have 10% built into a bid for this exact reason as they will know they will have unknowns to deal with and setbacks. Most good contractors will charge around \$45 - \$55/hour for their services.
2. Handyman – Always have a few handymen you can call on to do things that are more fortes or learned traits such as: Tile – Flooring – Painting – Trim – Finishing Work – Putting things together, etc. The average handyman charges \$22 - \$30/ hour for good work and can work twice as fast at a contractor because it's their specialty or forte.

3. You + Friends - Everybody knows somebody that knows somebody who does something. Feel free to use them if necessary. Many investors starting out learn what they can and cannot do. I personally can't paint worth a damn, give up, hate it, suck at it, but I can tile like a Roman King, lay brick/stone and landscape. Don't ask me why but I can do it and I'm damn good too (not for hire in case you're wondering). Just remember if you are Renovating For Profit, make sure you do a damn good job and not a half assed job as it'll come back to bite ya when you do the final PUNCH LIST. If you're going to practice a forte to get good at it, start with your own home first and not on a property that is an investment where you're supposed to make money, not lose time AND money.

### **Identify Types of Property –**

Now that we have everything in order and a plan in place it's time to start looking at properties that meet the requirements for what your intentions are and will be. There are soooooo many ways to find different types of properties that meet the need and requirements on your list. Here is a breakdown of each type –

Condemned – You can find these on city website or by inquiring in person at the City Hall. I don't recommend buying these unless you have previous experience or professional experience and most come with a condemnation fee to the city for the up keep and taxes owed.

Tax Forfeited – These homes go up auction or county sale when a homeowner becomes delinquent on their county property taxes.

Short Sale – These can be awesome deals if you have enough time and patience to wait for the banks decision and jump through all the hoops. Many times, you can do your due diligence while you wait for the final decision 60 – 120 days. These are generally hope, wait and see deals.

Pre-Foreclosure – You can buy these properties within the equitable redemption period or statutory redemption period and generally bought under fair market value. Most transactions are negotiated directly with the property owner.

Sheriff Sale – These properties can be bought right at the courthouse or sheriff station for the amount owed to the lender plus a sheriff sale certificate. Most come at a significant discount. Be aware of your after purchase legalities when looking at buying a property that is in the pre-foreclosure process.

HBO – (Human Being Owned) these properties can be bought directly from a seller. We call them real sellers in our business.

REO – (Real Estate Owned) These properties are owned by corporations and sold to the general public. Most are sold As/Is and with no warranties but can be awesome deals.

Probate – These properties can be bought directly from the estate. There are many ways to buy these properties, but most are negotiated directly with the executor of the estate or power of attorney holder.

Bank Owned - These properties are exactly what they say they are. The bank forecloses, goes through the court process to obtain clean title and then sell the homes at a discounted value to meet the property condition.

FannieMae/FreddieMac - These are direct to consumer properties that are listed with REO specialists. There are many caveats to buying these properties, but they can come at an amazing discount, especially with work that is needed.

Auctions - With the future forespaces coming this way everything going digital it is no surprise how many online auction sites are popping up. This is where you can bid from your couch on properties and pay for your

online auction fee with your credit card. I strongly advise against this as you don't know who is on the other end of these sites. Most properties are sold AS/IS and come without the ability to investigate or view inside. You will also be dinged for another 5% auction fee plus their "technology fee". There are of course the live auctions that many people can still go to and this does include the Sheriff Sale Auctions on the "courthouse steps" which generally means inside the Sheriff's Department building and generally in the lobby. Many of these auctions will be published in your local paper and give further details. Auction properties do not allow for financing of a property and must be purchased with CASH ONLY or Certified Funds.

\*\*\*Anytime you buy a property that is not an H.B.O you better be working with a qualified distressed property expert or foreclosure specialist. That is where you must do your up-front work as step #1 of FINDING A REAL ESTATE PROFESSIONAL and making sure they are well versed in buying and selling all types of real estate. As a consumer of real estate, you have to make damn sure your rights, entitlements and interests are being protected and you understand the contracts and the fine print many of the banks, cities, counties, courts, and attorneys use. Most of the fine print is put in place to protect the seller and screw the buyer....this is fact. It's completely 1-sided....that's the truth. You also need to make sure your rights are protected. As always, if you have questions you are entitled to legal advice from lawyers and attorneys to protect yourself. \*\*You won't always have time to consult with an attorney if you end up in a bidding war and a time crunch for contract submissions when you're swimming with the sharks.\*\*

### **Single Family vs. Townhome/Condo –**

When you're starting out with your first renovation, you'll have several options to choose from. There are single family homes, condos, townhomes, and maybe even a commercial property (5 or more units). I don't know what your level or risk is, and I don't want to assume anything. What I can tell you is that you should start SMALL and then go BIGGER and BIGGER.....if that is even possible for you.

Most of my first-time investors start out with a townhome or condo. This is just the way to get your feet wet, limit your risk for improvements and cuts costs down dramatically. Typically, there isn't roofing, siding or windows to deal with as they are managed and covered by the Master Home Owner Association or allow for cheaper repairs and inserts. Many times, the windows may need to be replaced or fixed but that comes with asking the Association for permission to fix them, replace them or they fix/replace them. Most of the work in a townhome is going to be interior work otherwise know as "cosmetic work". The only set back that can be a time killer is the hours that you are able to perform work as in most townhome and condo projects you have neighbors surrounding you. The hours that you can perform construction work can always be found by calling the Master Association.

Single Family homes as an investment can be quite cumbersome for first timers to the Renovation For Profit business. You must deal with the city for permitting. You must deal with larger ticket items such as siding, roofing, windows, concrete work, landscaping, etc. If you do not budget appropriately for these items and the risk involved, they can be what I call "ALLIGATORS" and eat you and all your profit. This is why it's important to have your Xcel program built and sampled prior to even looking at renovation projects.

## **Real Estate Contracts –**

You've found the perfect piece of crap property and you've identified it as a possible target to make yourself rich off the work you'll do to the home. NOW WHAT????????? It's contract time....yippee!!!!!!!

Here's what you need to know about contracts. It's very very simple – now that you know contracts for the selling side are put in place to screw you, you have put a contract in place to screw the seller and protect your rights, entitlements and interests. This is where contract contingencies come into play. And, of course, depending on the level of interest in the property you will be forced to adapt your contract contingencies to make a more favorable contract to have accepted by the sellers.....common sense right...not always.

Obviously, your goal is to get the property, but you need to buy yourself some “THINKING TIME” to weigh your options and make sure this is the right property. If it's your first home, you'll probably freak out a bit and get scared, but just battle through it. It's just real estate!!!!

Here's my common-sense approach to locking up a property for my investors step by step. You can use this sure-fire method or adapt your own.

1. I always make sure my side of the transaction “OWNS THE BALL”. This starts with a strong offer of what we know will make the sellers consider our offer. This starts with the financing. We put strong earnest money/deposit into the contract. The kind of money you won't walk away from and the kind of money the sellers will think about keeping if you screw them over and walk away. This is also the first thing they see in the contract...after your name of course. A good earnest money deposit is usually 5% of the purchase price (\$100,000 purchase price = \$5,000 earnest money). Keep in mind the goal is to lock the property up so we can start the home inspection period... if you're doing one. Typically, this is 3 – 7 days and this buys you a few days to get your material list together and even get contractors into the home to get you bids and estimates, or it also buys you time to think about things and walk away for any reason and even the day ends in Y.
2. The next step is the financing. You better know your #s before you put pen to paper. After reading the financing portion of this you should know your options. You better have it all locked up and able to close to in 3 weeks or less. That's right, 3 weeks or less, not 4 weeks, not 5 weeks, 3 weeks because we want to WIN the property. Nothing takes 4 weeks anymore, unless it's a crappy lender or bank but that won't happen because I told you what you need to do.
3. Inspection time - depending on what type of investor you are will dictate what type of inspection you will have, if any at all. If you're a seasoned pro it won't matter if you have an inspection or not because you'll know the cost to fix and repair just about anything. But, starting out, you will have concerns and want to price everything out. You'll be nitpicky and more than likely try to convince yourself about all the reasons not to buy a property instead of all the reasons to buy the property. Depending on the condition of the home, will depend on what type of inspection you'll do. You will have the right to bring in contractors or a real home inspector. Keep in mind, property inspections can make or break a deal if you get into a multiple offer scenario against other buyers or investors. I would always ask your seasoned Real Estate Professional their thoughts as well. Some properties must have a Truth in Sale Inspection or Point of Sale Inspection required by the city. Some cities even require the seller to fix the hazardous items prior to selling and some cities even make sellers (like HUD, exempt from doing city required inspections). Some cities don't require this, so again, get your ducks in a row.  
Many bank owned properties don't have the utilities on either and you're not allowed to turn them on for inspection since the property is being sold As/Is, Where/Is. This can be very dangerous, so you want to make sure that if you're doing a home inspection you do pressure testing and surge testing on wiring and plumbing.

4. The automatic defaults on the contract for contingencies for both parties are – clean title, final acceptance dates, and no liens or encumbrances. That is what a title company gets paid to do. ALWAYS buy title insurance from your title company when you buy a property for investment. That is my professional advice.
5. Once the contract is submitted and you feel you've done all that you can to submit an offer that favors you and your rights, entitlements and interests, you present the offers to the seller. Congratulations.
6. Wait.....it's not over yet. Just because you submitted the contract doesn't mean you can't go back into the property and gain an extra day or even 2 days while you wait for the seller decision. These are FREE days to do measurements, get bids, look at things a bit closer and start creating an EXIT STRATEGY.

### **Exit Strategy -**

The exit strategy is the key to success in the Renovation For Profit business. You really must have your finger on the pulse since we live in an On-Demand world. Seasons used to dictate the real estate market, but now it's news, media, rates, apps, links, sites, etc. The only thing that doesn't stop any great Renovator For Profit is 1 thing – selling a good product. Even in the crash of 2007 – 2012 the good product was selling for normal value because some people just don't really give a damn and want what they want. They just want good product and they'll pay for it. They'll pay over asking price if necessary.

While you are waiting on the sellers decision on your offer you must be doing your due diligence with your Real Estate Professional. That starts with the following -

1. Reviewing local comps – make sure you know the High – Medium – Low values in the local area. That means a 1-mile radius if necessary.
2. Decide your budget for renovations. You need to know what level 1 – 10 the property must be in to make the required ROI (return on investment) that you are hoping for. This is where your agent can run the #'s, look at comps, call appraisers, ask questions, look through tax records for private sales, etc. A competent Real Estate Professional will know these numbers within a few hours of offer submission. If you need to see finished product, they can get you pictures and details.
3. Decide WHO you are renovating for? – Know your market - 55+ buyers, Millennial buyers, another investor for buying and holding, a friend of yours, a friend of mine, etc. This will dictate the overall finishes of the property, the floor plan of the home, and ultimately the targeted buyer of the property. I will tell you right now most buyers ages 30 - 40 have the most purchasing strength and flexibility based off all our sales and statistics.

### **Holding Costs –**

Congratulations. Your offer is accepted. Now what????????? Now we plan to fail. Unless you paid cash for the property and closed within 10 days, you should have roughly 21 days to closing. Again, this is a time to plan for your failure. Success is the goal, but you will always fail more then you succeed when you Renovate For Profit. You need to get your monthly costs in order –

1. Monthly mortgage payments if you're using a bank, monthly hard money costs if you're using an investors money, etc.
2. Monthly Association Dues – Townhomes, Condos, homes that are in an Association.

3. Monthly utility costs - Water, Gas, Electric, Sewer, Trash, etc. With all those contractors on site and all those tools constantly running, you'll have some higher than normal monthly utility costs. Trust that and figure that into your overall expense.

You don't have to be exact when it comes to these costs but you should be within a \$100. Depending on the time of year and location you're in will dictate what your monthly costs should be. Weather also plays a big part in your monthly holding costs when it comes to gas/electric use.

### **Consult / Consult / Consult –**

Take advantage of and abuse the hell out of your Real Estate Professional. That's their JOB. Whenever you have questions about anything at all, within their scope of knowledge of course, ASK THEM. If you're thinking of building walls, removing walls, putting in more bedrooms or bathrooms, or even what products to use, ASK THEM. They are out in the real estate world daily and know what the consumer wants over what they don't want. Also, don't think that putting granite counter tops in a low end house will make it sell for more....but again, ask your Real Estate Professional what their thoughts and opinions are. Ultimately, if you like them, they are going to be selling your product in the end so get them involved. They can also monitor the local comps as they sell to make sure pricing stays on track and budget stays on track.

### **Permits / Waivers / Warranties –**

Consult with your local building department for everything you're doing. They will be a great source for helping you through the permitting process, unless you're using a General Contractor to pull permits for you. You will have to figure all this out as you go and depending on the changes you are planning to do. Just remember, you will need all OPEN permits to become CLOSED permits before you sell and transfer the property. You will also need copies of all Lien Waivers and Receipts and Warranties for all appliances and work performed on the property. These will be requested and delivered to the buyer side title company.

### **New Appraisal –**

I want you to be cognizant of this fact – no matter how much you think the property is worth, a bank will only give a loan to a new buyer for what the home appraises at. This isn't HGTV, this is real life. Make sure the property will appraise for the new buyer, otherwise you will have screwed yourself.....again. This can also be the responsibility of the Real Estate Professional that is representing you throughout the process. If somebody wants to pay all CASH for a home, then no appraisal is necessary. Also, with new and changing lending laws for different loan programs many times there are holding restrictions. Current example is for FHA financing. A property cannot be sold to an FHA buyer unless it's 90+ days after the original buyers purchase date. That means a seller must HOLD the property for 90 days before they can market the home as FHA financeable.

### **Property Pre – Marketing –**

When you're within 2 weeks of the final countdown to celebration we start the pre-marketing phase. This can include the coming soon listing, pre-photography, neighborhood mailings, Social media updates, word of mouth, etc. This will give you 2 weeks for pre-market exposure so that when everything is finally completed you could take your closing time from 4 weeks to 2-3 weeks. This cuts 2 – 3 weeks off the holding time too

and as stated above, could play into making a home FHA approved vs. only cash or conventional financing approved.

### **Punch List –**

Pow – Pow – Bang – Bang. You're finally here....maybe. Now get back to work. The punch list can become quite tedious. This is the nitpick stage and you better get it all out of the way now before it drags out and buyers pick you apart during a home inspection or final walk-thru. Be prepared for at least an extra week to get all the small things completed and installed. Work with your Real Estate Professional to go over everything with a fine-tooth comb. If anything is left behind and not fixed or repaired correctly it can come back to bite you in the ass. How you ask? Well what if the buyer does their final walk-thru and discovers something else broken or not repaired correctly and refuses to close the morning of closing. Think of the predicament this will give you as an investor and the extra cost to your loan, your note, your money people OR the buyers could just up and walk away. TRUST WHAT I'M TELLING YOU and spend the extra time to make sure things are done correctly and to proper code.

### **Title & Escrow –**

A good title company will walk you through all the steps of updating title, releasing liens and issuing clean title to the new buyer. If you bought it as a bank owned property, the title company will make sure it goes from a Limited Warranty Deed or Sheriff Sale Deed (this doesn't protect you as the buyer and you better have bought an Owners Title Insurance Policy) and transfers it to a Warranty Deed to the new buyer. If you require more information regarding this, I would be happy to explain this in detail or put you in touch with those that are smarter than I am.

### **Taxes, Taxes & More Taxes –**

This part is the easiest part of this book. SEEK out a QUALIFIED TAX PROFESSIONAL or buy some books and start reading. Depending on how you take title, how you operate your business and what tax bracket you are in, can all create different outcomes.

### **The END –**

You've made it!!!!!!! Congratulations. Hopefully you now have a plan in place, a process in your mind and maybe you are actually thinking about taking on your first FLIP....Renovation For Profit. Remember, the key to success in this industry is planning for all your failures and making those failures into your successes in life and business. Also, don't forget to be nice to people when the money starts pouring in.

Best of luck to you and wishing you all the success in your endeavors and failures.