

Making Money in Real Estate Series



A Fortune In Fixer-Uppers

**How-To Find It-Fix It-Sell It
Property For *Profit***

By J. Patrick Hughes

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Introduction

My name is J. Patrick Hughes and in this money making opportunity Manual “**Fortune in Fix-Ups**” you will learn how to locate, fix and sell properties for enormous profits.

I know as a fact that infinite fortunes can be made in purchasing fix-up houses at below market values, repairing and selling them at striking profits.

Investing in 'fixer-uppers' offered me and many others the golden opportunity to set up a financially independent and secured future.

At one time I, like perhaps you, dreamed of walking up to the boss and shouting *"Take this job and shove it!"* at the top of our lungs.

If you feel trapped in a deadended job and really want to do something about it. I am of the belief that unless we create our own future, someone else will create it for us, and it probably won't be very gratifying.

Investing in real estate rehab projects offers just about anyone the opportunity to create a wealthy future for themselves and their families.

The buy low, fix and quick turnaround investment method is a proven and time-tested moneymaker that repeatedly generates a substantial stream of income regardless of real estate cycles and economic conditions.

The same purchase low, fix-up and profitable resell formula works for virtually any type of property. The idea is to beat the normal economic sequence by getting in and out as fast as possible.

Your initial investment requirement is minimal. Sometimes you can purchase with no money down and oftentimes all you need is just a few thousand dollars. The purchase and fix-up can often be financed without requiring any out-of-pocket cash from the investor.

This manual of proven techniques and down-to-earth strategies specifically designed to make you the most qualified person in your area that knows where to find the bargain properties first and how to act upon that excellent opportunity that will bring you economic freedom.

Concerning the money required to buy and fix up properties, be assured that this is one business can be conducted with little or no money of your own.

The basic concept that I stress in this course is, find the good deals and the money will come.

Certainly, all the money you will ever need to do the deals is out there and available, if you learn how-to get good at finding the great deals, and we will show you how to find these good deals and how to attract money like a magnet!

I am sure you are wondering about the time and skills that will be needed to get all the rehab work done? You will need a little of both, but keep in mind that the work will be done by skilled professionals.

Learn to become a knowledgeable project manager. Your reward for planning the progress, not for doing the actual work. Even if you are a talented handyman, you will learn that doing it yourself could be a losing proposition.

Your time is much better spent working on the business, not in the business. Real estate rehab is not a get-rich-quick scheme. It is a solid investment opportunity that requires knowledge and hard work, like any other worthwhile endeavor.

This book will give you the basics needed for success, what you must do is hone them and develop a successful repeatable format.

Good Fortune:

J. Patrick Hughes ADGG



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Comparing Real Estate Investment Strategies

The Fix-and-Sell Strategy

The fundamental nature of this investment strategy is to rapidly-buy a fixer-upper property at a bargain price, quickly rehab, and then quickly sell the property.

Find it, fix it up, and sell it is a simple yet very profitable and safe strategy, regardless of external conditions. Using this system, profits are set when you buy at a bargain price, increased as a result of the restoration course of action, and converted to cash when the property is closed.

The significant advantage of this strategy is that you are in control of every facet of the transaction from beginning to end. At no time are you dependent on price inflation or any other outside factors to make profits. You will know going into a deal what it will cost you to fix up the property and know how much the property will sell for at the end.

The best part of this is you will know exactly what your profit will be going in because you will have included it in your buying decision. Uncertainties, and therefore risks, are controlled and thereby reduced considerably.

The formula is **Knowledge + Hard work + System for doing business = Profits**.

The Traditional Investment Strategy

Contrasting the rehab-and-sell technique, is the traditional buy-and-hold strategy. Let's take a good look at this investment logic and investigate the pros and cons to see how they compare.

There are many deviations of the buy-and-hold strategy, but usually it requires buying a house or small apartment building with a small down payment and renting out the units. The holding period is at the discretion of the owner. In the meantime, the owner is making payments on the underlying mortgage or mortgages.

During the holding period, profits are derived from a positive cash flow (if any) and any tax advantages. The real profits of a buy-and-hold strategy are reliant on price inflation, that is, the extent to which the value of the property increases over time. Logically the more highly leveraged the property is, the higher the return on investment.

However, what comes about where the market stays flat, or worse yet, if the market goes down? This then is a situation known as being "upside-down."

The point to remember is local real estate prices commonly move up and down over time. While the long-term trend may in general be increasing, the short-term trend may be mind-bogglingly down.

Also, you must wonder where in the cycle did you buy and where in the cycle did you sell? To a large extent, this will determine your profit outlook in using the buy-and-hold strategy.

Today it's clear that successful investors specialize in fixer-upper properties.

The Fix-up Strategy

Most home buyers desire a property that is in a ready-to-move-in condition. These homes are in highest demand.

For that reason they often sell quickly and for more than the asking price. Average buyers regularly avoid listings that need a repair work. That is because to the average buyer, the mere thought of managing contractors to get repairs and improvement work done is troublesome.

Also, they buy what appears to satisfy their current wishes. It is extremely difficult for average buyers to envision rehabilitating a distressed property into a home that matches their present desire.

This is where you come in! Your enthusiasm and imagination can be rewarded with a great opportunity to make money. But only if you can; Purchase the house at below its market value, Know how much it will cost to rehab the property, and more importantly at what price you can sell it for. Then, and only then can you safely estimate your **profit margin**.

The "Fixer-Upper Investment Strategy," buy low, fix-up and resell formula works with virtually any type of fix-up property.

It's a reality that only a few hundred dollars spent painting the exterior and interior of a house can often add several thousand dollars in market value to a property.

In addition, new wallpaper, new wall-to-wall carpets, fresh lawn landscaping, new kitchen appliances, new light fixtures and new kitchen cabinet facings also can greatly enhance the value of a property.

The vast majority of fixer-upper investors specialize in single-family houses because virtually everyone wants to live and own a house. This high demand creates huge market of buyers. This is one of the most lucrative markets of all time. Nowhere else can you find investment opportunities that are a win-win for everyone involved.

You simply begin by searching for medium priced single-family houses that could be in distress but that also do not require major renovations and that are low enough in price to allow a significant amount of profit margin on quick resale and after an aesthetic rehab.

You should take a hard look at homes that have been on the market for a much longer period. Before you buy discover out why these homes did not sell immediately when they were first listed.

Homes that haven't sold quickly, especially in an active real estate market, are often homes that have a minor to serious problem. Your hunt should be for a home that may not be selling simply because it has; a peeling exterior paint job, a dated décor, or lacks 'curb appeal.'

You should focus your attention on the four most important features of the house. If your efforts are creatively applied in these four areas you will be handsomely rewarded.

Curb appeal, in real estate jargon, means how a property looks from the street.

The Kitchen, is without a doubt the most important room in the house.

The Bathroom, Next to the Kitchen comes the bathroom.

Overall Attractiveness, As the old sales saying goes, "It's the sizzle that sells, not the steak."

Money Making Renovations

Who says "You Can't Make A Silk Purse Out Of A...(You know the rest)"

At least that's your goal in the rehab business. Your basic challenge in making renovations is to decide what improvements to make and therefore, how much money to spend.

If you fall short being a cheapskate with the the bare-bones minimum improvements, you are only hurting yourself. An under improvement simply converts the house from a 'Junker' into an average run-of-the-mill house.

Although you may think you saved a lot of money fixing it up, you can never expect to amplify your profit on resale. In fact, with an under improved property, you run the real risk of not being able to sell the property within a reasonable time period.

Your task is to make the house stand out from the crowd by creating excitement and desire in the marketplace. That is, when people see your finished product you want them to say, "This is the one. I want it, and I want it now!"

To bring about this goal, you must plan on spending money.

Your Basic Renovation Strategy

You need to develop a talent at selecting the right mix of improvements that will produce the maximum retail value for the neighborhood. Then you need to encompass features that create excitement and demand in the marketplace.

Consequently, your two harmonizing goals are to create value and create marketability. One without the other will not be acceptable within the framework of your overall business strategy.

For example, if you renovate a house just enough to sell at maximum retail value for the neighborhood, you could easily find yourself sitting on a house that doesn't sell for months.

It may be a nice house, but because it has only mediocre market appeal, it may not sell for quite some time. This does not fit in well with the strategy of getting in and getting out with your profits quickly.

You cannot overlook the marketability or sizzle factor that must be incorporated into each and every of your projects. Only through fashioning both value and marketability into the house can you consistently meet your investment objectives.

Keep In Mind Who Your Possible Buyer Is.

In front of your putting on the first coat of paint or you need to stop and think about what you are doing. Your task is creating a product that you hope to sell quickly and more importantly at a profit.

In any business search, success comes only to those who have a clear understanding of who their target market is and what product they want to buy. Violate this principle and you are asking for trouble.

First of all, you need to know in general who your target market will consist of. Say your activity will be with the lower price range of houses, then it is logical to conclude that your prospective buyers will most likely be in the low-to-moderate income bracket. In addition, they will more than likely be first-time home buyers.

Studies have confirmed what we knew from common sense that a woman makes the house-buying decision 85 percent of the time. That is something you must never forget.

If you can sell her, you can sell the house! First and foremost, your refurbished creation must appeal to the woman as the ultimate consumer of your product. Understand this, and you know who your target customer is.

Obviously The Rooms That Really Count Are The Kitchen and Bath

This raises the question, what exactly is the woman interested in when she is looking at houses? Once again, market research has conclusively shown that she is interested primarily in two rooms in the house: first, the kitchen and second, the bathrooms.

This is not to say that she will ignore the other features, or lack thereof. What it simply means is that these two rooms individually are a priority and that you'd better do an outstanding job making these two rooms as attractive as possible, with your plan.

In developing the rehab plan for any house, you need to always put emphasis on the kitchen and bathrooms as your first priority. Dollars spent on these two rooms will always meet the two basic investment criteria: to increase in value and increase in marketability.

Curb Appeal

If a property lacks curb appeal might have one or more of these common problems.

- Windows are broken or cracked.
- The exterior paint is chipped and faded
- Roughly no front landscaping.
- The stucco walls are cracked or the siding is falling apart.
- The doors or screen doors are in bad need replacements.
- The roof shingles are arched or missing.
- Driveways and walkways are in poor condition.

The good news is all of these problems are easily correctable. Therefore, you can easily recognize the profit potential, but most buyers are so turned off by a run down condition that they don't even bother to take a look inside to see what the home has to offer.

It's a good idea also to research listings that may have expired after a three to six month term.

By delving into the listing history of the current sellers and any price reductions that has been made, you can target the properties with highly motivated sellers.

Often you can find an expired listing that hasn't been re-listed with another real estate broker's office, then you are free to make direct contact with the seller who may be more motivated now.

Your basic strategy should be to purchase a distressed residential property at below market price, then upgrade your property and then sell it for top dollar.

Of course, only houses that can be purchased at below market value should be considered.

Curb appeal must be your first priority because unless the house looks attractive when a prospective buyer drives up they will never get out of the car to look inside.

Bear in mind the old adage, you never get a second chance to make a good first impression. Your goal is to make the house so appealing from the curb that the buyer instantly falls in love with the house and wants to buy it!

The Kitchen

It's obvious that the kitchen is the most important room in the house, at least from the point of view of the female buyer. The kitchen tends to be a crucial point for most families, and not for meal preparation alone.

Family meetings, gatherings, and discussions are often held in this area part of the house. So naturally, the kitchen needs to be a primary target of emphasis in any project.

But let's face it: rehabbing the kitchen can become a bottomless pit, thus swallowing up huge amounts of cash.

People have spent as much as \$40,000 remodeling their kitchen! But, that was theirs, you could possibly do an adequate job for less than \$2,000 by selecting inexpensive materials and have them installed by a skilled handyman, not by a kitchen remodeling contractor.

You must begin with a wide-ranging concept of what your goals are for the kitchen. In descriptive terms, your final product needs to be bright with plenty of natural lighting, clean, fresh and functional.

Using this standard criteria, everything needs to look new or be new, however you are not trying to create a gourmet kitchen with all the latest gadgets merely a good-looking, functional gathering place.

Various normal defects that must be rectified include; Chipped, stained, or outdated countertops . Outdated or broken cabinets, Dark, dreary lighting, Cracked, ripped, faded vinyl flooring, Scratched, chipped, or stained sink, Ugly, outdated, or inoperable appliances, Grease-splattered walls, etc..

The presence of any of these are offensive and must be corrected. Every now and then, all of them are present and must start from scratch. However, you can still get it done cheaply if you shop carefully and be in command of your material and labor costs.

In most instances a total remove-and-replace will not be necessary. For example, several alternatives are available for the big-ticket item-cabinets.

If you've got older cabinets that are essentially in good shape just have them sprayed with a fresh coat of paint and install new, good-quality handles. This simple treatment can result in an outstanding transformation that looks great.

Another strategy is to just replace the cabinet doors and drawer fronts so long as they match. Otherwise, you can either paint the old cabinets or cover them with a matching peel-and-stick hardwood veneer or vinyl laminate. Unless you are very talented and experienced, stay away from the unfinished cabinets.

My suggestion on appliances says that if the existing ones are old and worn get rid of them right away! White or almond are the only acceptable colors these days.

I will normally replace the stove if necessary, with a good-quality used one. If a dishwasher is already installed but needs to go, replace it. If not, do not go to the expense of putting one in because of the plumbing and electrical hassles.

As to refrigerators, I suggest you do not install a replacement refrigerator unless it's negotiated when you sell the house to make the deal.

Microwaves are a different story. I almost always buy a little microwave they are relatively inexpensive, and often unexpected in most of the lower-priced homes.



Thanks for reading these brief few pages, of one of the most successful and original career course manuals available on building your own home-based ***Fixer-Upper Real Estate Business***. Learning from an established professional is the best way to starting your own profitable home business.

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Note: To read another *sample edition* of our famous home study courses follow this link... [Learn](#)

Whatever, your decision may I talk this opportunity to wish you the best of good fortune, and remember, don't leave your future to *the whim of others*.

Your friend;

Joe Myna