

# The Ultimate House Flipping Checklist



## Define Your Space

- Decide what type of real estate transactions you are going to focus on. For the purposes of this checklist, we are going to be assuming you are purchasing houses to fix and flip for a profit.

## Research

- Take some time to study up on your local real estate market if you are not already an agent yourself.
- Understand the nuances of each neighborhood.
- Pull comparable properties **repeatedly** to get an idea of what your product needs to look like to sell.

## Understand Your Budget

- Get Access to Capital
  - Cash (Money should be available as you start to make offers, and not in an illiquid state like stocks)
  - Self-Directed IRA
  - HELOC
  - 401k
  - Credit Cards
  - Private Investors
  - Equity Partners
  - Cross Collateral
- Improve your credit score to decrease your rate/cash to close/prepaid interest needed with your future lender.

## Build Your Investment Dream Team

- Real Estate Attorney:
  - They should be proficient in preparing and reviewing contracts, leases, and legal documents that are above and beyond you and your Agent's paygrade.
  - They should assist in forming your business entities at the recommendation of a Real Estate Friendly Accountant.
  - They should handle evictions for rentals, review any possibly unclear or questionably marketable title, protect your assets, and help with estate

planning. Remember that sometimes different attorneys are needed for different parts of your real estate journey.

- Real Estate Friendly Accountant:
  - They should advise on how to set up your business entities for tax purposes. They should understand tax laws and prepare your personal and business taxes while maximizing any rental property deductions.
- Real Estate Agent:
  - They should help with marketing and lead generation, provide another opinion as to as is and as repaired valuations and understand how to work with a home inspector and future buyer's agents.
  - They should be a part of your team, looking to capitalize on the **volume** of deals that you plan to do as an investor.
- Insurance Agent:
  - Need to find an insurance agent that is **responsive** and able to provide a Builder's Risk Policy
- Investor Friendly Title Company:
  - They should understand wholesale contracts and how to work with wholesalers and be flexible.
  - They need to understand the investment space.
- Hard Money Lender**
- Traditional Lender
- Wholesalers:
  - Once you buy from them once, they should start sending you deals.
  - Always know if you are going to be paying buyer/seller closing costs, if you will have access to the property once your EMD is placed and review the underlying contract between the seller and the wholesaler/assignor so that you can check for any hidden fees.
- Contractors:
  - They should be a **working** contractor that comes licensed/bonded with a track record of comparable **flips** and **references** from other investors.
  - They should understand their payment schedule and timeline as discussed with your Hard Money Lender and should always be obtaining permits for their work.
- Permit Expeditor (if applicable for certain projects in certain areas)
- Home Inspectors
- Property Manager
- Architect/Engineers/Designers
- Handymen
- Stagers
- Others:
  - As you grow and look to cut cost, you can find specific professional services and hire them directly. These people include painters, pest control, plumbers, electricians, landscapers.

## Start Analyzing Deals

- Understand what type and price of deals you can afford and get qualified with a Hard Money Lender
- Create a Pro Forma
- Create a Construction Budget
- Walk Properties
  - Always bring your GC if you are serious. You don't know if you will need to make an offer on the spot or if you won't be granted access again in the future.
- Inspect For Major Concerns
  - Mold
  - Termite Damage
  - Structural Damage
  - Water Damage
  - Roof
  - Decks/Porches/Patios
  - Do you need to relocate/create new bathrooms and rooms to hit your comps? Do you need to move your kitchen? What are the electrical/HVAC/plumbing and permitting/architectural design implications of this on your budget and your timeline?

## Put a Deal Under Contract

- Due Diligence - don't get caught in a bad deal!
  - Look at listing history. Has it been on market in the past at the same/lower price? What are you missing?
  - Google the Property Address.
  - Google the Seller/Wholesaler.
  - Are neighboring homes blighted/condemned?
  - Is your property technically rural? Is your lender going to give you the full loan you had discussed?
  - When did the property last trade? If it was recently, why?
  - Does the seller want you to use a specific title company? Why?
  - Check the zoning.
    - Is it in a historic area?
  - Is there ground rent?
  - Are there any TOPA issues you need to be aware of?
  - Is there going to be anybody living in the property when you purchase it? If so, what will happen to them once you purchase the property?
  - Well and Septic
- Have any documents that your lender will require ready to go.
- Register your LLC for business in the state that you are purchasing the project.
- Get any additional bids you may need.

- Get a home inspector into the property to confirm that your contractor hasn't missed something that will need to be improved/replaced.

## Flip The House

- Once given the clear to close (or before closing, if you are comfortable doing so):
  - Order dumpsters, materials, portable toilets where applicable
  - Apply for permits
  - Have architects finish drawings
- Turn on all utilities ASAP (where applicable) and put them on autopay.
- Forward mail to a different address/PO Box so you don't miss anything.
- Take **before** Pics
- Schedule draw inspections with your lender in advance.
- Schedule permit inspections in advance.
- Get your Listing Agent Involved
- Punch List Items** before your final inspection:
  - Appliances work and function correctly
  - Cabinet doors/drawers are opening and closing smoothly
  - Doors open/close properly
  - Floors don't have construction damage
  - Hardware work fluently
  - HVAC system works
  - Lights and receptacles are fully functioning
  - Paint touch ups are done
  - Dust/debris/trash is removed from the site
  - Plumbing is free of issue
  - Locks are installed correctly and work
  - Windows open and close smoothly

## Sell The House

- Stage the home.
- Make sure that you use professional photos.
- Price it correctly.
- Install a lockbox.
- Choose your buyer based on best fit, not highest price.
- Review settlement statement **before** the closing date.

## Ready to Get Started?

Washington Capital Partners is here to guide you through your first or next flip. [Contact Us](#) today to speak with a Loan Officer who will make your success as an investor their priority.