

## A Lenders Tips for Successful Flips

Having provided close to 200 Private Money Loans to Real Estate Investors and House Flippers gives us a perspective and experience on best practices for House Flippers. We have worked with Flippers who have exceeded their income goals and others that have lost money on the flip. What are the secrets to successful flipping from a Lenders Perspective? Here are 8 Best Practices:



- 1. Set Goals and Objectives:** Decide how many flips this year and how much you want to make per flip and then develop the strategy and tactics to support those goals.
- 2. Develop an Acquisition Plan:** Successful Flippers know where and how they buy. Whether you decide on purchasing homes from realtor lead generators, short sales, foreclosure tracking, farming a residential area with mailers or post-it notes, marketing via Title Searches, Live Auctions, Online Auctions, Probate or Trustee Sales, the key is to become an expert at one of these methods and exploit that method. Become better than the competition at your preferred acquisition method and you will succeed at getting inventory. It's ok to try one of these approaches and switch to the next if it is not working. Learning what works and the nuances involved in your approach is part of the learning process to make profitable flips.
- 3. Develop a Systems Approach:** You should keep tabs and metrics on all aspects of the business. Use or develop a lead generation or contact management system. Make Excel your best friend relating to finances, expenses, projections and analysis.
- 4. Same Recipe on Every House:** Successful Flippers use economies of scale to their advantage. They buy in bulk and get better pricing on fixtures and equipment. Profitable Flippers apply the same discipline to every house. Typically this recipe includes: Opening up the Kitchen to the living area and replacing Kitchen with Granite counters and stainless steel appliances, canned lighting, paint, carpet and landscaping.
- 5. Don't Over Improve but don't Skimp:** Listen to Your Head – Think business transaction and making money, don't get carried away on the rehab. We worked with one Flipper in Los Angeles and the house was beautiful when finished. The problem was they had spent too much on the rehab and broke even on the transaction.
- 6. Time is of the Essence:** Whether you have a Private Money Loan or not, time is of the essence. Delays raise market risk and hurt yields.
- 7. Develop a Virtual Team:** Realtors for acquisition and disposition, Title and Escrow Company's, Contractors, Sub-Contractors, Private Money Lenders, Staging Company, Landscaper, Handymen, bookkeepers, bird-dogs and Business Coaches are all critical elements to a successful virtual team.
- 8. Take Action:** Even when the system is not complete, get going on your first deal and learn. Accept mistakes and do better the next time. You will improve and get better and can apply your own best practices, recipes, systems and approaches to your own business.

Mortgage Vintage, Inc. provides Fix and Flip and Fix and Rent Hard Money Loans. Our Real Estate Investor clients enjoy fast and professional service and execution that facilitates their own profits and success. How do you make successful flips? We would like to know. Please submit a post on our [Mortgage Vintage, Inc. Facebook Page](#) or our [LinkedIn Company page](#). If you enjoy discussions like this, please sign up for our [Linked in Group](#) called Southern California Trust Deed Investment Group.