**The Flippin Reality Show 7 Step Guide To,**

**Makin’ Flippin Your Reality**

**Step 1 - Don’t Jump in Blind!!**- - Open Your Eyes to What’s Around You

Don’t get me wrong with what I’m going to be saying here in a few minutes, when the time is right you will “Jump in” with both feet, ok. Just like “There’s no crying in Baseball” though, thank you Tom Hanks. “There’s no tip toeing in house flipping!”

Tip toeing in house flippin’ will cost you time, and time equals flippin money! – Money comin’ out of your profits!

Now there’s one thing that has to be addressed before we jump into all this. So before I go any further I want make one thing perfectly clear, so please attention to this.

This “Guide” is NOT the be all end all, the everything you need to know, the A-Z, the no stone left unturned, or the this is exactly how you go make millions of dollars flippin houses ok!

You understand what I just said right? If not go read the Flippin’ Reality Show No BS Disclaimer and it should become perfectly clear to you ok. Great!

This guide is designed, and is nothing more than a general overview, a birds eye view, a quick reference to gaining an understanding of what it’s going to take, and a view of flippin’ that can help you decide if flippin’ sounds like your thing, or if you might want to explore the “Eye Poppin, Wide World of Real Estate Investing Possibilities” – Special Report so you can see how many other possible ways there are to earn money through real estate investments of a different color, things other than just the ever so popular Flippin’ Houses.

Because honestly flippin’ houses is Not for Everyone!

But listen to me here, “It’s perfectly OK if house flippin’ ain’t your thing” because even though you will hear me time and time again say that everyone Needs RE Investing, what type of investing suits you, suits your personality and your skills best, is something you’re gonna want to go check out the Eye Poppin” Special Report to find out about.

So we all clear on all this? Don’t ever try to tell anyone that you failed in house flippin’ , or, you didn’t go out and make flippin your reality, or you didn’t amek a million bucks because this flippin’ guide mislead you. It’s not designed or meant to lead you, but just to clue you in!

Great! Now let’s move on to the Meat ‘n Potatoes, or maybe the Eggplant ‘n Greens for you vegans/vegitarians or whatever you might be calling yourself today.

Me I’m Carnegan, love my vegies, with some meats!

So just don’t ever forget, this more of a getting started overview, than it is a how to!

Now that you understand that you’re not going to go jump right into the deep end from reading this guide, understand that we are definitely going to get you stomping around in the shallow end! Cuz the last you want to do start off with that tip toeing stuff. By stompin’ around you can get yourself “prepared”, so later you can get out of the shallow end of the pool, walk around to the deep end, and now, when you are ready, fully armed with the knowledge, resources, and people you will need to have in place, so that you can give yourself the best chance find real success, you can jump in with both feet!

Whew!

Now that all that’s out of the way, let’s get to stompin’ around and splashin’ around for a while. Whadaya say, you ready to get stompin’?

Excellent!

Going back to where we started, what do I mean by “Don’t jump in blind?”

Simply that the first thing you want to do is start learning about your local market, or whatever market you are going to be working in, it doesn’t have to be local. Just one of the many perks about flippin’, you can do it anywhere, from anywhere!

* Start out by looking a properties on free websites like Zillow, Realtor.com, Redfin, or any others you can find. You’ll want to be looking at both the houses for sale as well as the houses that have sold. Or the mobile homes, townhomes, condos, or whatever else you may be interested in getting started with.
  + You can look at pictures and prices to start getting a feel for what sells below market value and what kind of upgrades are going into these properties to bring top dollar prices.
    - This will give you an idea of what houses in your area are worth.
    - It will also start giving you an idea of what different areas are worth
* After you’ve looked around online go drive around
  + Get a feel for the neighborhoods – if you plan on flippin locally.
  + You want get a feel for the areas within the price ranges you intend on working in.
* Next go sit down with a realtor
  + Talk about what you want to do
  + Get their perspective on the market and the areas you’re looking at
  + Share the data you have compiled to get some validation of what you have come to believe.
* Basically you just want get yourself familiarized with what’s going on in your town, city, zip code, county, or whatever areas of interest you have.
* This will take the blindfold off for you!

**Step 2 – Get Yourself Set Up for Success**

You’re gonna need a deal, otherwise you ain’t flippin Jack, Jack! Two things you want to have in place in order to get yourself going are

* Your Deal Flow
* Your Money

1. Your Deal Flow - - Where and how are you going to be getting your deals?

* Off the MLS from your Realtor
* From Wholesalers
* At the Auction
* Sourcing Yourself

Whichever method(s) you choose you are going to want to get them set up right away so that potential deals start coming to you.

* This will help you in step 3 also

1. Your Money - - How are you going to be funding both your purchases and your rehabs?

* Your Own Money
* Hard Money
* Private Money
* Equity Partners

Again whichever method(s) you are going to utilize you are going to want to have them set up and at the ready so you can pull the trigger once you do find that great deal. So get out there and start talking to people.

* Call, or email money lenders and have them send you info on their product lines. This will help you to understand the kinds of offerings that are available, and help you understand what kind of additional money is going to be required.
* Start inserting house flippin’ into your conversations around work, and with family and friends – Just to gauge peoples interest at first so you will have an idea of who to approach about secondary, or primary funding

**Step 3 – Know Your Numbers** - - Do NOT Love the House, LOVE the Numbers!

You’re going to need to know what it cost to rehab a property. You’re gonna want to know what the materials cost, what the labor cost, How long things take = Labor Cost, places where you can buy the same thing for less. Stuff like this to be able to evaluate your repair budgets.

First thing to do, become Home Depot Junkie! Familiarizing yourself with prices here will give you a good baseline from which to base your price findings elsewhere. Talk to contractors while you’re there too.

You can also look up contractor supply houses – these are places where you cannot buy anything, only licensed contractors can buy at these places. Show up early in the morning with a box of donuts and talk with contractors as they come in to buy their supplies.

One thing you can do if you own your home, is to use it as a guinea pig and do a rehab on it so you can not only raise the value of it - - may come in handy later as a funding source - - and for you to get a real time opportunity to learn a lot more than just pricing, on a lot of things.

Now that you are familiar with rehab costs – at least for your basic cosmetic rehab – I would recommend you start looking for just that, a basic cosmetic rehab.

What I mean by a basic rehab is none of the major components need repair or replacement, no roof, no heating/ AC, no foundational issues, no major plumbing, or no major electrical items. The biggest thing you might replace is the hot water heater, some doors, and maybe windows. Obviously a Roof, Heating, and AC are things which could very easily come into play on any rehab project, including your basic cosmetic rehab where you get half way through it and the no apparent reason the AC gives out - hey stuff like this happens and you will get used to ‘em as you progress.

**Flippin Reality Alert** - - The biggest surprise items can come out of Plumbing, Electrical, and Foundation items - - which we’ll cover more in the next step.

After you are familiar with rehab costs, in order to even start making offers, the other key number you need to start getting familiar with, is called…

**ARV = After Repair Value**. In other words what can the property sell for “After” you make all your repairs and upgrades.

**Flippin Reality Alert** - - This is a subjective number that only you can make the absolute final decision on.

Now you can get as much advice as you possibly can from realtors, or other investors to help you validate your determinations, but ultimately what you base your pricing, your costs, and your entire project on as the ARV is your sole decision - -

\*\*\*Just like we say in the Flippin Reality Show No BS Disclaimer, ***There is no one to blame but yourself!*** If you get it wrong and make little or no money on your project. Hopefully you do not ever end up taking a loss, but even if you do, take full responsibility for your own actions, use it as a lesson to learn from, correct your mistakes, and continue on to the next project armed with a deeper knowledge of how to land a good deal and make real money on your flips.

That’s just life, and learning, and we’ve all been through it!

So how do you determine ARV?

I’m sure you’ve heard the term “Comps” bantered around before. Well that is how you determine ARV by researching the Comps.

So what are Comps?

Comps are “Comparable Properties”, that’s all, “Comparables” = “Comps”.

What you are going to do is look at similar properties that have recently sold in the area. Similar in size, similar numbers of beds and baths, similar features like garages or pools, similar lot sizes, similar years built, and similar everything. Now will you find a plethora of the exact same house as yours to compare to? Sorry, but NO!

This is where a realtor can really help you in determining the variances between a 3 bed and 4 bed, or a carport vs a garage, a pool vs no pool, or 1.5 baths to 2 baths, etc. There’s formulas and calculations you can run to value the square footage prices, and semi set deductions or additions you add or subtract for the absence of certain amenities, but again ultimately this is going to be your decision, and a decision where you trusting your gut is going to play sizeable roll, so go with it!

As crazy as this might sound, If it Feels Right, It Probably Is Right.

**Step 4 - Pulling the Trigger -** - Time to Man Up! Or Woman Up if that fits better!

This is where something called “The Inspection Period” can be your best friend.

Now remember a couple of things here. If you’re buying at the auction there really ain’t no inspection period, and if you’re buying from a wholesaler, your inspection period ENDS once you sign an “Assignment” Agreement. So in both cases you knowing your numbers is going to play a huge roll in your ability to determine a good deal and your confidence to “Pull the Trigger” on it.

In other scenarios however, like working either with a realtor or directly with the seller, you will definitely have at least the usual 10 day inspection period, and I highly suggest you take full advantage of it.

Bring in your Contractors.

Bring in your Inspectors.

Bring in your Money Lenders.

Bring in your Designers.

Bring in your Mom and your dog Spot if you have to, but bring in everyone you need to who can help you validate your numbers and solidify your confidence, that this is indeed a good deal, so that you can, “Pull the Trigger” and sign on the dotted line!

You’ll want to bring in at least two or three contractors to evaluate the scope of work and give you estimates.

You’ll want to bring in inspectors for the all the major components we mentioned earlier

Roof

Heating and AC

Plumbing\*

Electrical

Foundation

**Flippin Reality Alert** - - Make sure you get a “Plumbing Scope” done.

This is the #1 potentially dangerous, you cannot see with the naked eye issue that could absolutely Kill your deal if you find out sometime during the project you have some major issue like collapsed pipes and now you need to jack hammer up a slab floor or dig a trench all the way out to the street, incurring costs you did not plan for.

You’ll also want to get a general inspection done which could help expose some other kinds of hidden issues that may not have been seen, like mold or termites. Get this one done first as often times this inspection will tip you off to the need of any of the other major inspections. But again always, and I mean ALWAYS, get the plumbing scope done, along side your general inspection.

Now are you going to be able to do all of this when buying from a wholesaler or at the auction? No. This is where your knowledge will come into play, certain signs which may be visible, the age and or location of the property and again your knowledge of the area. Bottom line in these situations is you will have to trust yourself and or either bring your negotiations skills to the table in order to build in enough of a safety buffer that you can justify the purchase, buy yourself some time for additional inspections, or simply just say no and walk away, and move on to the next potential deal.

**Flippin Reality Alert** - -Start getting used to loving the word NO! No Deal is 100 times better than a Bad Deal!

But once you are confident and comfortable with your numbers and the deal, Let the Fun Begin, and PULL The TRIGGER!

**Step 5 – Project Time** - - Demo to Details

Bust out the Sledge Hammers and let the FUN Begin!!

Once closing day arrives, you’ve signed all the papers, and you now become the proud owner of your first fix and flip, Whew!!! Don’t Panic! Relax! And let’s get on to the project!

Now it depends on how you have set up your project to run, whether it be one General Contractor who will be setting up all the Sub Contractors and running your project for you, or whether you are going to play the roll of GC and set up all the subs and run your own job, either way the best thing you can do, which may not always be possible, but if you can call in all your contractors to the jobsite at once, including your designer and realtor if possible, to go over the entire scope of work, set up the scheduling, and get your contracts signed.

Now you may have already worked out all your numbers and done all the contract work while waiting for the closing and that is fine, but having everyone there to talk about when they can start, how long their part will take, and when the next guy can begin and creating a schedule around all that will go a long way in helping you to keep up with your budget and now if you are actually on schedule.

**Flippin Reality Alert** - - Remember Time is Money – And in rehab project extra time is money that comes out of your profit margin!

If this is your very first flip project, you may want to bite the bullet on a bit of profit and hire a GC to run your project for you. What I would suggest however, is that you become your General Contractors worst nightmare, lol.

What I mean by this that you should be extremely hands on with every step of the project. If you can, be on the job site every morning (One to see if people are even showing up) but to stay in touch with the progress and to ask a million and one questions about everything.

What are we doing today?

How are we going to do it?

Why are we going to do it that way?

What if we did it this way?

Is there a work around?

Can it be done cheaper?

Etc and so on.

Now don’t just show up and be a regular pain the ass to your contractor! Let your contractor know right from the get go that this is a major learning experience for you, and that you will want know all the nuances of every detail of what will be happening on this project, so you can both learn about each others expectations and so you can learn how to get out his way on the next project! He’ll appreciate that!!! And be much more willing to put up with you, on this one.

Demo to Details you want to be as much a part of every little piece that you can, only letting go of pieces as you build the trust of those doing the work.

**Flippin Reality Alert** - - Don’t be a woosie! Make sure you hold everyone accountable to what they said they would do – why it’s so important to establish things up front – and to doing up to Your Standards, not theirs! If you don’t they run all over you! If you do they will come to know what you expect and will just step into delivering it every time! Why? Because they don’t want to be held accountable for not doing the first time!

**Step 6 – Get This Baby Sold!** - - Show Me The Money!

Having your designer and your realtor be a part of your project right from the beginning can go a long way in helping you get your project sold, and Quickly!!

Why quickly? I think you should know the answer to that by now. The Time Thing! Money! Your Profit Margin! Yea! Quick is good when it comes to selling your project!

When these two players are involved from the beginning, especially your realtor, they can start marketing your property even before it is finished. There’s nothing better than to have your property go listed as “Pending”! Or you can place your own For Sale By Owner sign out front once you reach a certain point in your project.

You want to be careful with this however as you don’t really want to be getting a buyer too early on where they now want to become part of your project, and start making design changes on you. This could run into major time delays and major cost infractions to your budget. On the other hand giving them a limited ability to choose a paint color or something like that can also go along way in landing that buyer who can close within days or weeks, opposed to a month and a half after, you finish up with the project. These are techniques you will have to experiment with as you do more projects.

If you’re not pre marketing for buyers, or if you just don’t land one before you are finished with your project, a couple of things that can make a big difference to the sale of your project are: the Pictures for the listing, the write up in the listing, and Staging your property.

In todays hi tech world 80% of all property purchases, begin online! And that number is climbing! So what does a buyer have to go on when they are searching online? Pictures, the Write Up/ Property Description, and Staging! That’s it! I mean other than the particulars of size, location, and amenities, which if your property doesn’t meet their criteria there, well there’s nothing you can do to change that! But if it does meet those criteria factors then you’re going to want your listing to stand out, and I mean stand Out-standing, above all the rest of the potential properties they have to look at. This is where Professional Pictures, Extraordinary Property Descriptions, and Professional Staging can be all the difference between selling fast and sitting on the market suffering through price reduction after price reduction!

Now there’s one final thing I’m going to add here, which is my own personal opinion that I’m sure you can easily find opposition to, but the yard! C’mon! Who want’s to buy a dust bowl?

The Curb Appeal, the Landscaping in General, and especially the Back Yard, I feel can really make a huge difference in the speed of sale for your project. Now be cognicent of the area you are working in. I mean you’re not going build a gorgeous pergola over a paving stone patio with built in BBQ and a fire pit for 175k most likely going to become a rental fix and flip project! Duh!

But even just a small patch of grass, and or some fresh rock for nice desert scape, and a new plant or three can go a long way in helping a potential buyer to fall in love with your flippin project!

**And Finally Step 7 – PAY DAY!** - - **Celebration Time!**

After a while you’re just going to have the mobile notary come to you at your office, work, home, next project, or hotel you happen to be vacationing at this month to sign all the docs, fill out the wiring instructions – pay the $30-$50 bucks for the wiring fee – and just wait to see your bank account jump.

But on at least your 1st deal, I strongly suggest you take in the entire experience of coming to the closing table down at the title company, if for no other reason than to get to know your closing agents – they’re usually pretty cool people. This way again, you can ask all the questions you want in order to help you get better acquainted with the closing process and all the documentation so will have a better idea of what you are looking at once you reach that stage of just having the mobile notary bring everything to you and letting today’s technology automate the closing process for you.

The next thing I strongly suggest, and this I very strongly suggest, is that you adopt as a ritual for every closing from number 1 till the day you stop closing on real estate transactions – which should be NEVER!

But I strongly suggest you establish a routine for CELEBRATING Your Success!!

Whether that means to you! Maybe you get to treat yourself to your favorite but not so good for you burrito at your local taco shop, buying yourself and or your significant other something special, taking a weekend trip to Vegas, or maybe just treating yourself to one full day off from everything for alone time with the family, whatever satisfies your soul!!!

**Flippin Reality Alert** - - Celebrating every success is a habit you should start building all the way back at step one! Treating yourself to special things for every little success will prevent you from having an inti-climatic celebration if you wait until it all over with to enjoy it. In fact if you do not celebrate the small victories along the way by the time you get to the opportunity for the big celebration it just might feel so stupid to do that just don’t, and if ends up being not worthy of celebration, then what the heck was it all for anyway!

**Create a Routine for Celebration, Because YOU Deserve It!!**