

美西二组淘金小队 第三周作业

做完一个房产的调研过程，详细阐述小组成员是如何做调研的，设定出最高出价，说明设定该价格的原则。如果拿到标的，计划如何退出。

同学们这一周做调研的热情很高，而且没有局限于我们原来选择的州。所以我们组做了多个房产的调研。请房博士抽时间点评，谢谢！

[Angela - 美西二组]

选中房产基本概况：

Parcel ID: 00171-08-010-00

Property Address: 16000 E 55TH AVE, DENVER, CO,

Property Type: SINGLE FAMILY RESIDENTIAL (4B2B)

Year: 2006

Size: Lot 6304/Building 2387

Face Value: 1032.7

Total Assessed Value: 28,880

Total Market Value: 404,000

Owner Address: 1129 Madera Ln Vista, CA 92084 (外州业主)

Partial Tax Payment:

Tax Installment 1: paid in full

Tax Installment 2: unpaid

No other City/County Lien

调研过程：

查询 Auction 网站上此房产直接 link 到的 County 的 Property Taxation and Assessment System 页面，里面有详细房产信息，GIS Map，房产评估价值，交税欠税记录，其他 Lien 记录，Title Chain。随后查询 Google Map 及街景。

中选理由：

1. 房屋修建时间 2006 年，房屋状况较好，新建小区环境。评估价值以及市场价值均可观，足以 cover 预期风险。
2. 风险评估：没有其他市政和郡的 Lien。Title Chain 清晰，属于新房入手。
3. 最高出价：3%（Denver CO 拍卖规则是出价仅限溢价部分），出价理由：CO 的利息今年为 9%，选择出让 3% 左右溢价给 County。因为不是机构或者大量资金进场，因此出价不宜疯狂，无需非他不可。
4. 退出策略：利息收入。Partial Tax Payment 说明屋主有意愿保留房产但由于未知原因欠税，有极大可能赎回房产。但由于是外州业主投资房不便管理又存在屋主继续欠第二年房产税的可能性，这样存在一定机会可以更好平衡拍卖时可能出现的高溢价带来的损失。由于房屋状况良好，且估值不低，房产止赎机会不大。当然如果有机会止赎，自然再好不过。整体退出策略基本无风险。

[Alick - 美西二组]

Property Selected:

1. Parcel #: 0182504213010
2. Address: 6900 FERN DR., DENVER CO 80221-2507
3. Face Amount: \$1,567.49
4. Actual Value for Property Tax Assessment: \$331,401

Bidding Limit:

1. This year's annual interest rate is 9.25%, and monthly interest rate is 0.77%

- The worst case scenario is that the owner redeems the property in one month, and we don't want to lose in this case. Thus the maximum premium would be $1567.49 \times 0.77\% = \12.08 , and bidding amount shall not exceed $\$12.08 + \$1567.49 = \$1,579.57$

Research Process:

- Since we're looking for a return on tax lien, primary residence will have a higher chance to be redeemed. This property is likely to be the case, as owner's address is the same as the property address.
- Neighborhood looks decent (Google Street View is [here](#)). Looking at comparables nearby, the [estimated value](#) is consistent with actual value for property tax assessment value. Therefore, the "debt-to-value ratio" is roughly 0.47%, which is quite attractive.
- Even if we have to foreclose the property after 3 years, assuming the property owner does not pay taxes on time during this period, we will pay roughly $\$3000 \times 3 = \9000 on behalf of the owner. This is roughly 2.7% of the property value, and it seems to be a deal.
- After foreclosure, if we want to keep this property and rent it out, the estimated rent will be \$2100, and rent-to-value ratio is 0.6%; if we want to sell this property, this will be quite profitable as well.
- The deed transfer history is clear. Prior to 2008, all deeds are warranty deeds; In 2008, an owner named Aguayo Vivian, suffered from a foreclosure, and the property was purchased by the current owner using a special warranty deed. Although less comprehensive compared to general warranty deed, special warranty deed still ensures that the property is free and clear of all liens and that there are no outstanding claims on the property from any creditor using it as collateral.

Sale Date	Sale Price	Deed Type	Reception Number	Book	Page	Grantor	Grantee
11/30/1995	\$87,000.00	WD	55085	4642	153		
06/25/1999	\$148,000.00	WD	C0563003	5810	629	PICKERING KELLY AND	EYMAN THOMAS A
02/24/2004	\$201,900.00	WD	2004000054300	2004	0303	EYMAN THOMAS A	AGUAYO VIVIAN I
05/22/2008	\$0	PTD	2008000041542	2008		AGUAYO VIVIAN I	SECRETARY OF HOUSING AND URBAN DEV C/O MICHAELSON
08/12/2008	\$132,000.00	SWD	2008000065872	2008		SECRETARY OF HOUSING AND URBAN DEV C/O MICHAELSON CONNER/ATTN SINGLE FAMILY	MORENO MARTIN AND MORENO AN

- Searched owner names in [Adams County Court database](#). No cases found related to the current owner.
- Searched owner names in [Adams County Recorder database](#). No outstanding liens found related to the current owner.

[Lynn Huang 美西二组]

Property Selected :

- Parcel #** 370301-443233-0000
- Address:** 140 polo park dr # b, Bellingham , wa 98229
- County :** whatcom county, WA
- Face amount :** minimum bid is \$2,188 and bid increment is \$100. The action will start on Nov 29 and close on Nov 30.
- Deposit required :** \$2,035 (\$ 2 k deposit and \$35 is a non- refundable fee to participate)

6. **This is a tax deed auction for foreclosed property. This property can use for vacation home, or Airbnb (if allowed by HOA, I need to call HOA to confirm if they allow or not). The house is located in a good location close to a lot of visiting spots.**
7. **Actual value based on Redfin estimate : \$522 k 3 room, 3 bath , 2,236 sqf .** Build in 1991 , via the google map and real estate website. The outside condition is fair. The rent estimate for this area or surrounding house is \$2200- 2500. And the trend shows for 3 rooms in whatcom county can rent for \$3200. And the house value went up 12% last year. Seems like in a growing area
8. **The assessed value :** the owner bought the house in Jan ,2011. The assessed house value for year 2020 is \$312.5 k
9. **Ownership :** solo owners by “ Tyler Vankatwijk “ he is staying in same state but in other property. This is his inheritance assets . He only owe total \$2100 tax and most from year 2018. But he also owe HOA liens \$400 and commercial lien \$37 k. Owe materials fees from a supplier company for his craftsman business
10. **Picture :**
11. **County website information regards this property :** it includes the owner Infor, tax due details , yearly access history and property picture etc in very detail
https://property.whatcomcounty.us/propertyaccess/Property.aspx?cid=0&year=2020&prop_id=20900
12. **Title information:** this is a 76 page report. Please use the link to access. He owes HOA lien and company lien as well according to the report.
<https://www.whatcomcounty.us/DocumentCenter/View/59619/Item-05>
13. **Buyer premium:** 5%
14. **Process of doing the due diligence research**
 - a. **Pick the property.** I have zero experience with tax deed sales. I pick this property not because it is an area I am familiar with. It is just that I figured the auction will start soon and whatcom county has very detailed information for me to do research. The outside of the property itself is in a fair condition and the age is not too old , the rent price is decent, and the owner does not owe a lot of taxes. I have the concern that there could be a lot of competitors and the price could end up higher than we expected. I would need to set a budget cap in this case if I attend the auction. However, for homework purposes. I think this property is easy for me to practice my due diligence research.
 - b. **Go to GIS and google map and airbnb:** unfortunately, google map not able to show the street view of this address. I saw a lot of greens and it is more like a suburban area for retreats/ family trips. Area amenities: 18-hole golf course, marina, health club, Lake Whatcom access, trails for hiking, fishing, swimming pool, tennis courts, beaches, 24/7 security, plus much more. House infor from selling ads : Well maintained 4 bedroom, 2.75 bath home with extra large garage perfect for shop area. Main floor master bedroom which opens to deck and wooded view. Vaulted ceilings throughout the main floor, 2 decks and beautiful wood siding. Large bedroom downstairs could be used as a family room. It could be a future vacation home for Airbnb. I search on Airbnb websites. There are

tons of Airbnb in this city - Bellingham. For this size, if HOA allowed , easily \$300 per night since the location is close to everything,a few remodeled Airbnb with similar size rent for \$450 per night for 8 guests staying. If HOA is not allowed, it could rent to retired senior citizens . Based on google and GIS, the city of Bellingham is one of the safest and best cities to live. Criminal rate is 6.489%. The house itself is located close to all amenities. Location Wise I have no big concern. And if we can turn it into Airbnb. It would be very profitable.

- c. **Lot map and use realtor website to identify the value :** redfin 522 k, compare with recently sold houses nearby, those all sold 500 k plus . Assume this is A fair condition house and it should be 400k plus.



Whatcom Land Title Company, Inc.

2011 Young Street
Bellingham, Washington 98225
Phone (360) 676-8484 Toll Free 1-800-334-6314
Fax (360) 671-0982
Website www.whatcomtitle.com

W-178422-5

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- d. **Flood factor :1/10 (low risk); fire risk (middle risk)** : it has a lot of green in this area. I assume the fire hazard insurance would be expensive. I went to the city of Bellingham fire department website. The latest fire news was back in the year 2019. So it seems like fire is not something that happens frequently here.
- e. **Deed transfer history** : based on Chicago title Corp. this is a warranty deed. I saw it as an inheritance. The current owner was recorded as a single unmarried man who 100% owns the house.

Whatcom County, WA
Total: \$77.00 Pgs: 5
DEED
Request of: CHICAGO TITLE INSURANCE
2017-0502940
05/24/2017 03:02 PM

00078473201706029400060062

When recorded return to:
Tyler VanKatwijk
6128 Snowden Ave.
Ferndale, WA 98248

Filed for record at the request of:



CHICAGO TITLE
COMPANY OF WASHINGTON

1835 Barkley Boulevard, Suite 105
Bellingham, WA 98226

Escrow No.: 245391615

STATUTORY WARRANTY DEED

THE GRANTOR(S) Edward J. Tinney, individually as his separate property and as sole heir of the Estate of Cara T. Sugihara, deceased

for and in consideration of Ten And No/100 Dollars (\$10.00) and other good and valuable consideration
in hand paid, conveys, and warrants to Tyler VanKatwijk, an unmarried man

the following described real estate, situated in the County of Whatcom, State of Washington:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Abbreviated Legal: (Required if full legal not inserted above.)

Lot(s): 55, 60 and 61 Sudden Valley Div. 9

Tax Parcel Number(s): 20888, 370301 435236 0000, 20900, 370301 443233 0000, 20910, 370301 451234 0000

Subject to:

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

- f. **Other holding cost** : HOA\$ 64 a month, property tax will be \$3,200 a year. insurance \$1500-2000 a year for highest estimate .Maintenance assume

\$200 -300 a month. The move in repair assumed \$50k. rent on the lowest end can be \$2200 a month. High end is \$3200. Airbnb can be \$300-400 per night

- g. Owner record research :** the current owner is a craftsman focused on buildings with 19 years experience. He inherited this current house and no mortgage seems like. He only owe 2k tax. But iwe \$400 HOA and \$37 k fee to a supplier company. **My question is shall we need to pay his other two liens , especially the 37 k company lien if we eventually get the house ?** I don't see him having bankruptcy or criminal history. He owns an LLC , and the company has been owned by the property 's deceased owner since 2011. The current owner is a craftsman or contractor.
- h. The price I am willing to bid :** I am conservative and new . Given the fact that we might need to pay off his total 40 k debt (\$2 k tax lien + \$400 HOA lien + \$37 k supplier lien) and \$ 50 k for remodel in the worst case. I would not bid for more than 20 k for his \$2 k tax lien. So if we win the bid. We can flip it and sell for 500 k, aim to gain around 100 k profit. Or keep for rent / Airbnb for cash flow. I am not sure if this number is too conservative or not. I am not sure how to get his mortgage information. Seems like he does not owe any mortgage. If yes. I think we can bid more. **Where can I find / confirm the mortgage information?**

[Raina - 美西二组]

Property selected:

1. Parcel Number: 0171929422011
2. Property Address: 8035 BRYANT ST, WESTMINSTER, CO 80031
3. County Name : Adams County
4. Owner Namer: VON JAROLIM VLASTA AND SANFIORENZO FRANK
5. Owner Address: Same as property address
6. Property Type: Single house
7. Assessed Value: \$25,220
8. Actual Value: \$352,691
9. Face Amount: \$1,399.66 (owner paid 1st installment of tax)

Bidding Process:

1. Internet tax sale portal <https://adams.coloradotaxsale.com/>
2. Registration begins at 8:00 AM MT on 11/05/2021 and ends at 2:00 PM MT on 11/12/2021.
3. Tax liens will be grouped into batches and sold in 60 minutes increments starting on 11/19/2021 at 9:00 AM MT and concluding on 11/19/2021 at 2:00 PM MT.
4. Bid increments shall be one dollar (\$1.00)
5. Method: Premium (or Bonus) Bids.
- 6. Interest rates of 9% annual. Premiums paid are not returned.**

Information on property:

1. [Zillow](#) link
2. No case found on [Adams County Court](#) under the owner's name.
3. No additional lien found on [Adams County Records](#) under the owner's name.
4. Deed history clear, all warranty deed transfer.
5. The [streets](#) look clean and neat. Decent neighborhood.
6. Primary residential property.

Amount willing to pay: \$1,441.65 (face amount \$1,399.66 + 3% premium). The owner is most likely to redeem the property back. If he/she is redeemed within 4 month, I will lose money.

If he/she continues to be delinquent on property tax for the next 3 years, my cost will be \$2,589 x 3 = \$7,767. Debt to value is 2.25%.

Tax deed attorney fee: \$2,000.

Renovation: estimation 10%-15% of property value, \$35,000 - \$52,000

Exit Strategy after foreclosure of the property with Tax Deed on hand:

1. Flip
2. Rent, estimation \$2,200. Rent to value 0.6%, great passive income
3. Airbnb, estimation \$120 per night, great passive income

[Ellen - 美西二组] TAX DEED

Property Address: 927 Colby Ave, Everett, WA 98201

County Name: Snohomish County, State of Washington

Parcel No: 00385417601300

Owner occupied

2021 Assessed Value: \$410,300 (Land: \$257,500, Improvement \$152,800)

Redfin Estimate: \$514,105 <https://www.redfin.com/WA/Everett/927-Colby-Ave-98201/home/2660219>

Rental Estimate: \$1813-2106/mo

Minimum Bid: \$23,042

选中地产原因：

1. Everett 在 [西雅图](#) 北约 40 公里处, 10 多万人口, 是 [波音公司](#) 最大的生产中心所在地。
2. 地产占地 5663 平方尺, 可以重建 3000 平方尺左右的物业, 周边物业市值在 60 万以上。

3. 地产毗邻各类学校 (中小学、社区学院等)、商业中心、高尔夫球场，所在街道宽敞，离海边只有不到十个街区。

Maximum Bid: 70% of assessed land value: \$180,250

退出策略：出租或重建新房出售