

Nov 1, 2020 Find Deal Assignment One--- Team Two

--- Yihua Mu

第一周作业:

1. 确定选房标准，如邮编，城市，几室，几卫，面积，楼龄，等等。。。
2. 在Redfin根据Search Criteria设置自动Email。或请中介在MLS上根据Search Criteria设置自动Email。

1. 确定选房标准，如邮编，城市，几室，几卫，面积，楼龄，等等。。。

Search Goal:

I am looking for a single house which has 3 bedroom, 1 or 2 bathroom, around 1000 sf, 1960 and up, School rating >5 and match 1% cash return rule---rental income / purchase price >=1%.

Search Area: OSSEO, Minnesota 55311, 55416

Setup and saved Search at Redfin website

Edit Saved Search ×

Name Your Search *

55311 - 3+ beds, 1+ baths, <\$250K

3+ beds, 1+ baths, <\$250K, >1000 sq. ft.,
Lot Size: >4500 sq. ft., Built: >1960

Email Me

Instantly ▼

Update

Delete This Search

Deal – Homework 1

Jane Sun

11/3/2020

1. Search criteria

I am interested in purchasing real estate properties that meet the following criteria

Zip code: 60173, 60193

Bedrooms: 1-3 condo/townhouse

Bathrooms: 1-2

Sq Ft: 500-1500 sq ft

Price Range: \$80-200K

Age: 1980+

My goal is to look for rental properties. The reason I used the above criteria is because I used to live closed by and am very familiar with this area. It has good schools, location is ideal (closed to shopping mall, restaurants, and highways) and rent is reasonable (meets 1% criteria). I mainly target for 1-3 bedroom condo/townhouse because they are easier to rent out, compared to single family houses. In addition, the price is relatively affordable. I would like to pick newer properties because the HOA is lower and the property may not need large up-front costs.

2. Email alerts on Redfin

4:47

Filters

Reset

Get alerts based on these filters

Save Search

Price

No min

to

\$200,000

Beds

-

1+

+

Baths

-

No min

+

Property Type

House

Condo

Townhouse

Multi-family

Land

Other types

Property Facts

Square Feet

500

to

1,500

Lot Size

No min

to

No max

Year Built

1980

to

No max

Max HOA Fees

No max

Show More

60193, 60173

<\$200k

1+ bed

and 5 more filters

App Notification

Email Notification

Instantly

Daily

See 83 Homes

See 26 Homes

Done



Saved

Looking for deals Homework 1

Tong Zhang 11/3/2020

1. Searching criteria

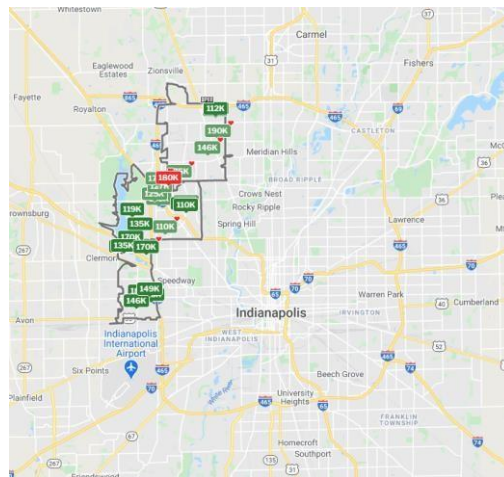
I found the following areas fit my criteria:

Zipcode: 46268, 46254, 46214

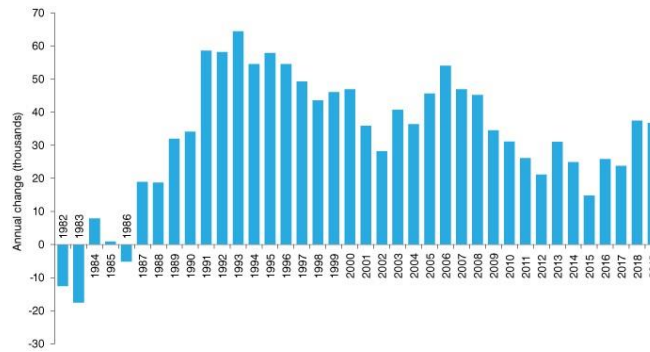
Bedroom: 3+; Bathroom: 1.5+

Price range: 10k~20k;

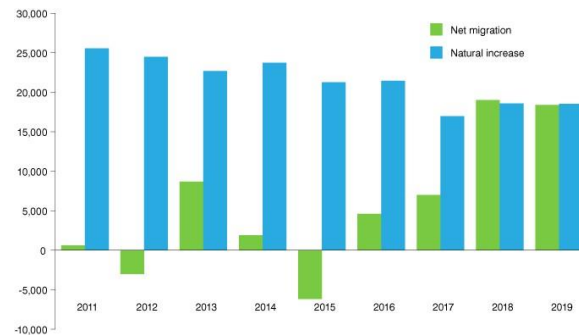
Ages: 1950 and later



I choose Indianapolis as I live around this area and this is a good mid-west cash flow market (in the last couple of years, it becomes hybrid market because of the soaring prices). I decide not to invest remotely also because Indianapolis happens to enjoy some consistent population growth in the last couple of decades (about 1%), as can be seen from the chart below.



A lot of recent policies attract businesses and there's somewhat good trend for out of state people to immigrate to Indianapolis.

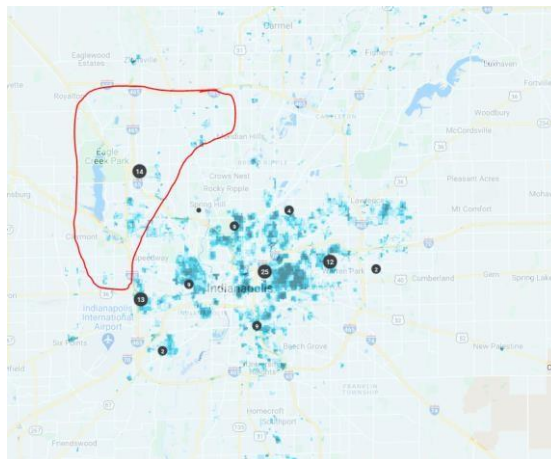


My choice for rental properties are B or B+ neighborhood, within 40-minute commute distance, in a low crime area, cash on cash return between 5% and 12%. Because of the soaring house prices and currently being in a seller's market, I am also searching for houses that may need some tender-loving-care. The house should be 1950 and later, so that I don't run into too many surprises when fixing it up and I don't like too many repair calls from my tenants.

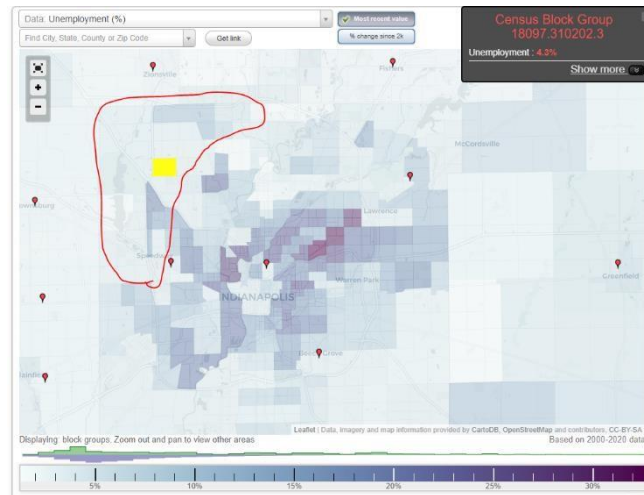
Population growth: I want these areas to be around but not within the most population growth counties. Boone, Hamilton, and Hendricks counties have the highest population growth, but those areas are mostly A neighborhood. The house prices in those A neighborhoods have already reached to a point where rent to price ratio is too low to make sense for renting out a unit. But the B neighborhoods I chose (in red circle) are very close to those counties, and I can see a very organic trend of population growth. I believe that a neighborhood just next to neighborhoods that have already had some recently strong price growths will see a price growth too. So I am leaning towards buying in these not-yet expensive areas that have some potential to see price growth.



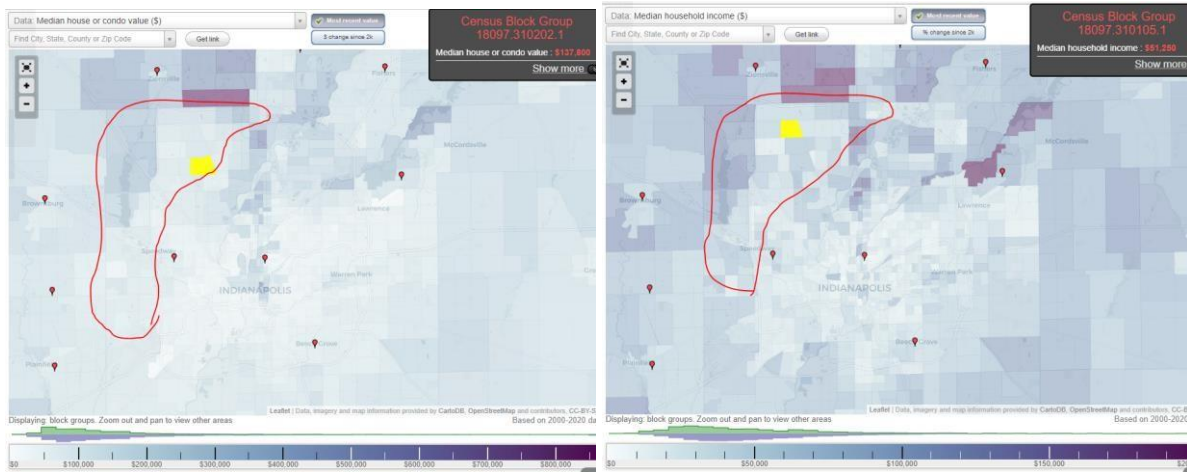
Crime rates are low in those areas (the darker the worse)



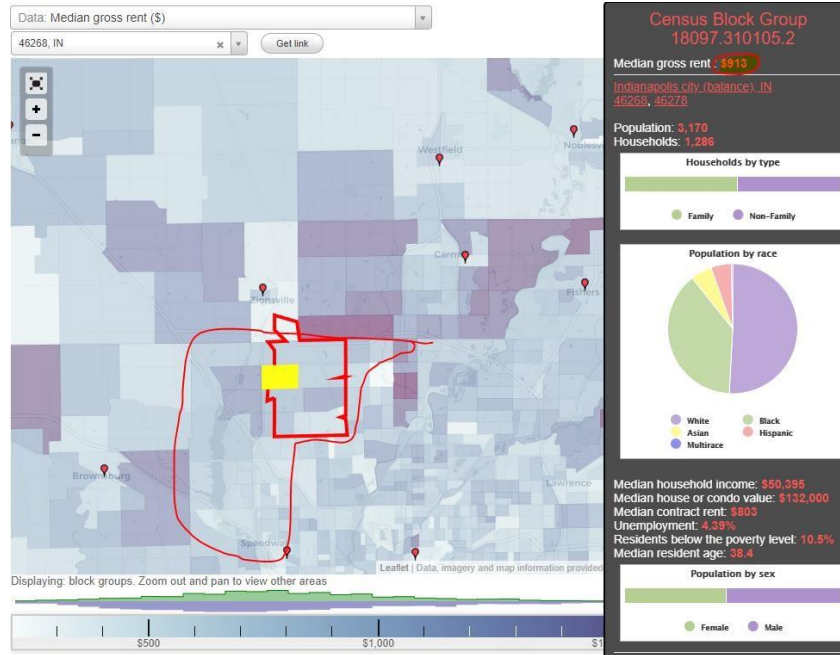
Unemployment rate is less than 5%:



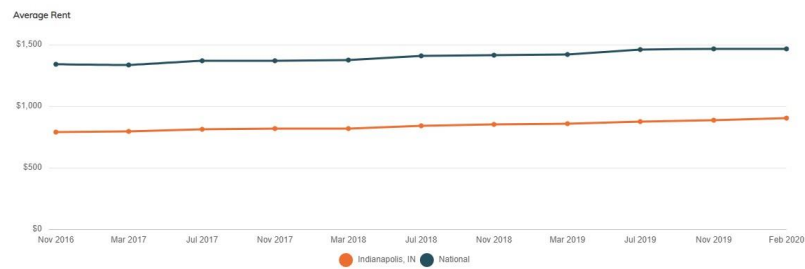
Median house value is around \$125,000, and median household income is around \$50,000, ratio is about 2.5, very close to the 2.6 I want (affordable).



Median rent is \$1000ish, but for 3 bedrooms 1.5+ bathrooms houses, based on my observation, rent is very steady at \$1400. Whole Indianapolis rent trend is growing steadily, at about the same pace of national average, about 5% from year to year (inflation rate).



Indianapolis, IN Rent Trends



2. Redfin auto email setup and MLS auto email:

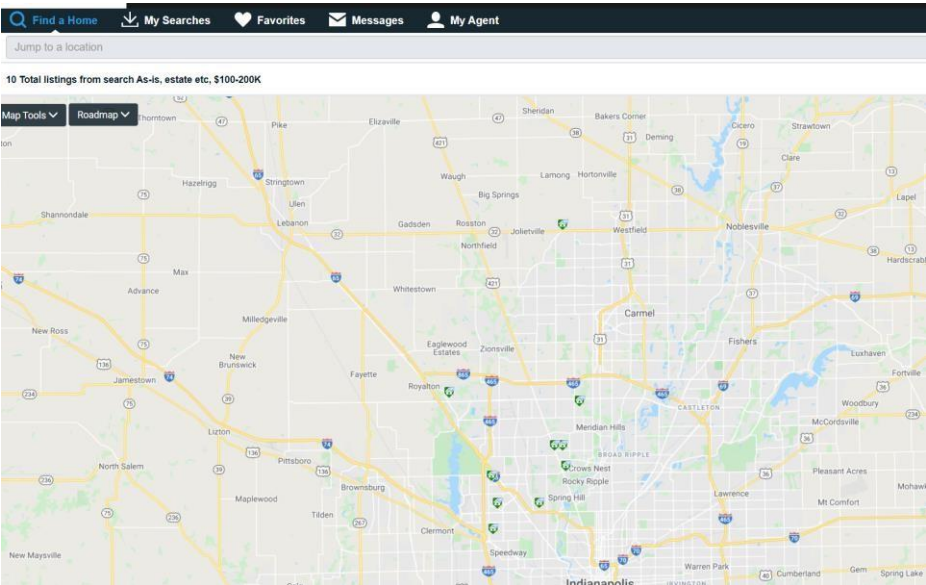
Redfin:

Saved Searches

♥ Searching with someone? Share your favorite homes with your spouse or agent.		Invite your co-buyer ✕	
		Email Me	
Westfield - \$100K-\$200K \$100K-\$200K		Never	▼
around home - 3+ beds, 125+ baths, \$75K-\$200K 2 3+ beds, 125+ baths, \$75K-\$200K		Daily	▼
Westfield - \$100K-\$200K \$100K-\$200K		Daily	▼
Brownsburg - 2+ beds, 2+ baths, \$100K-\$200K 2+ beds, 2+ baths, \$100K-\$200K, Built: >1990		Never	▼

MLS (also check as-is homes in my areas)

As-is homes in MLS



Less than \$185k, 3+bd in MLS

11 Total listings from search under \$185k, North West side, 3+bd, 1200sqft+

