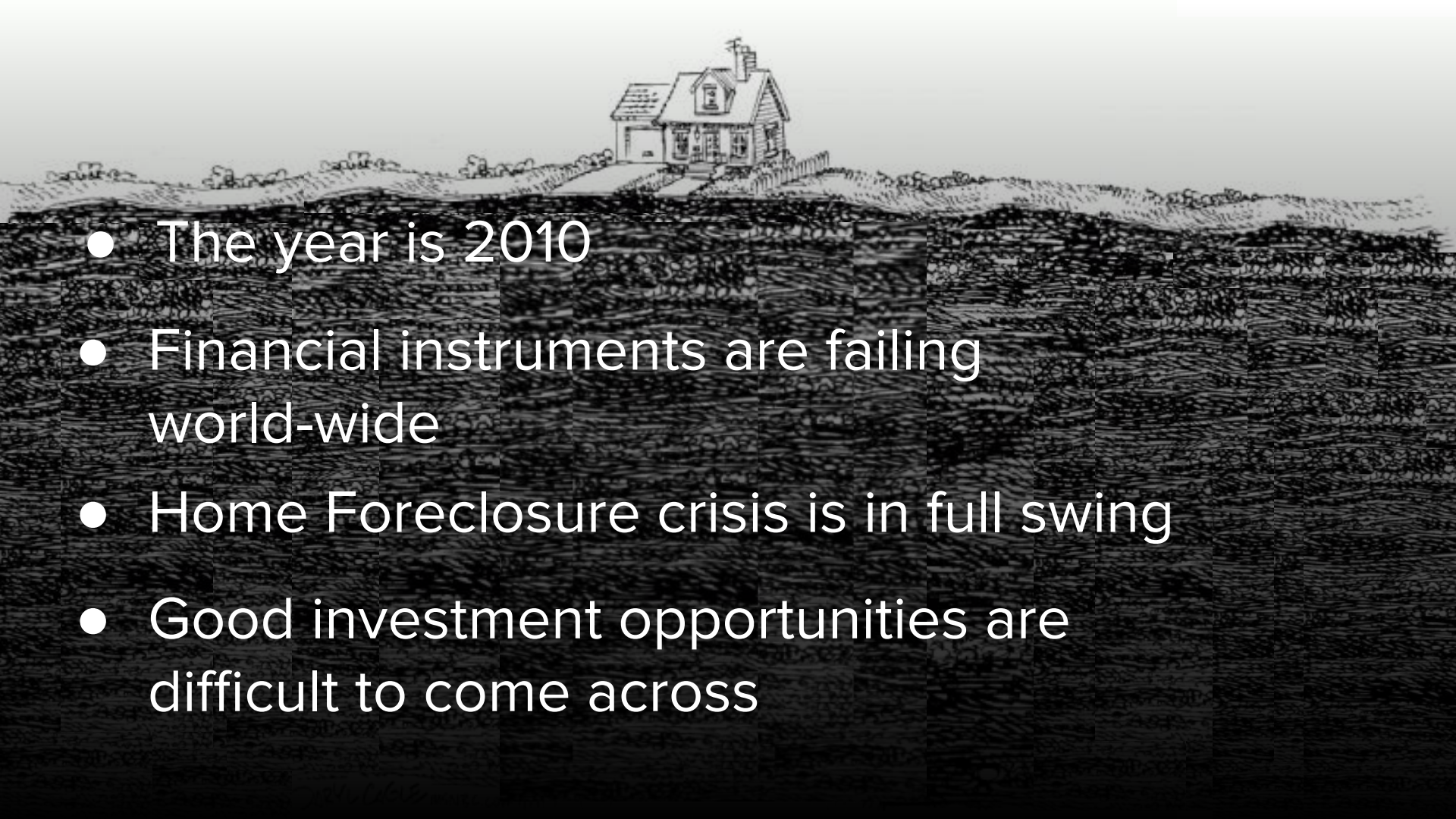


Flipping Easy



Gene Woodstock, Data Scientist
Real Estate Investing in Ames, Iowa



- The year is 2010
- Financial instruments are failing world-wide
- Home Foreclosure crisis is in full swing
- Good investment opportunities are difficult to come across



**Where some see trouble,
we see opportunity!**

FORECLOSURES

Welcome, investors!
We are Flipping Easy

What we do

Flip distressed and low quality* properties in 90 days or less.



*low quality is equivalent to 4 or below on a scale of 1-10

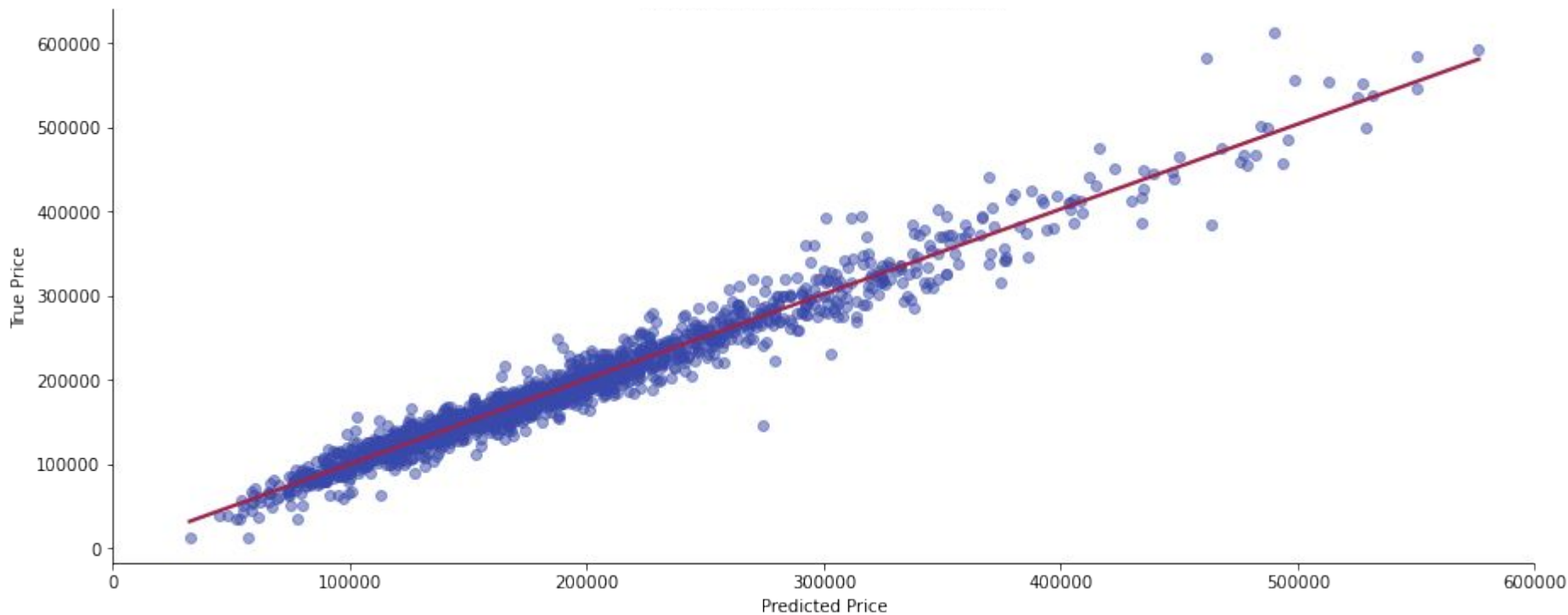
How we do it

1. Utilize advanced modeling technology.
2. Predict home values.
3. Optimize the renovation budget.

**Modeling to
predict home values**

Model Performance

Utilizes over 50 data points per property for exceptionally accurate predictions.



Value Equation

$$\text{Home Value} = \text{Location} + \text{Property Size} + \text{Quality Score}$$

(constant) (constant) (variable)

(mostly)

Quality Score*

It ranges from 1 to 10 and is affected by the renovation level of the property.

Specific Renovatable Features

- Basement
- Kitchen
- Fireplace
- Heating / AC
- Electrical

*some subjectivity to the score

Optimizing the renovation budget

Finding The Sweet Spot

Improve quality score without overspending on renovations.

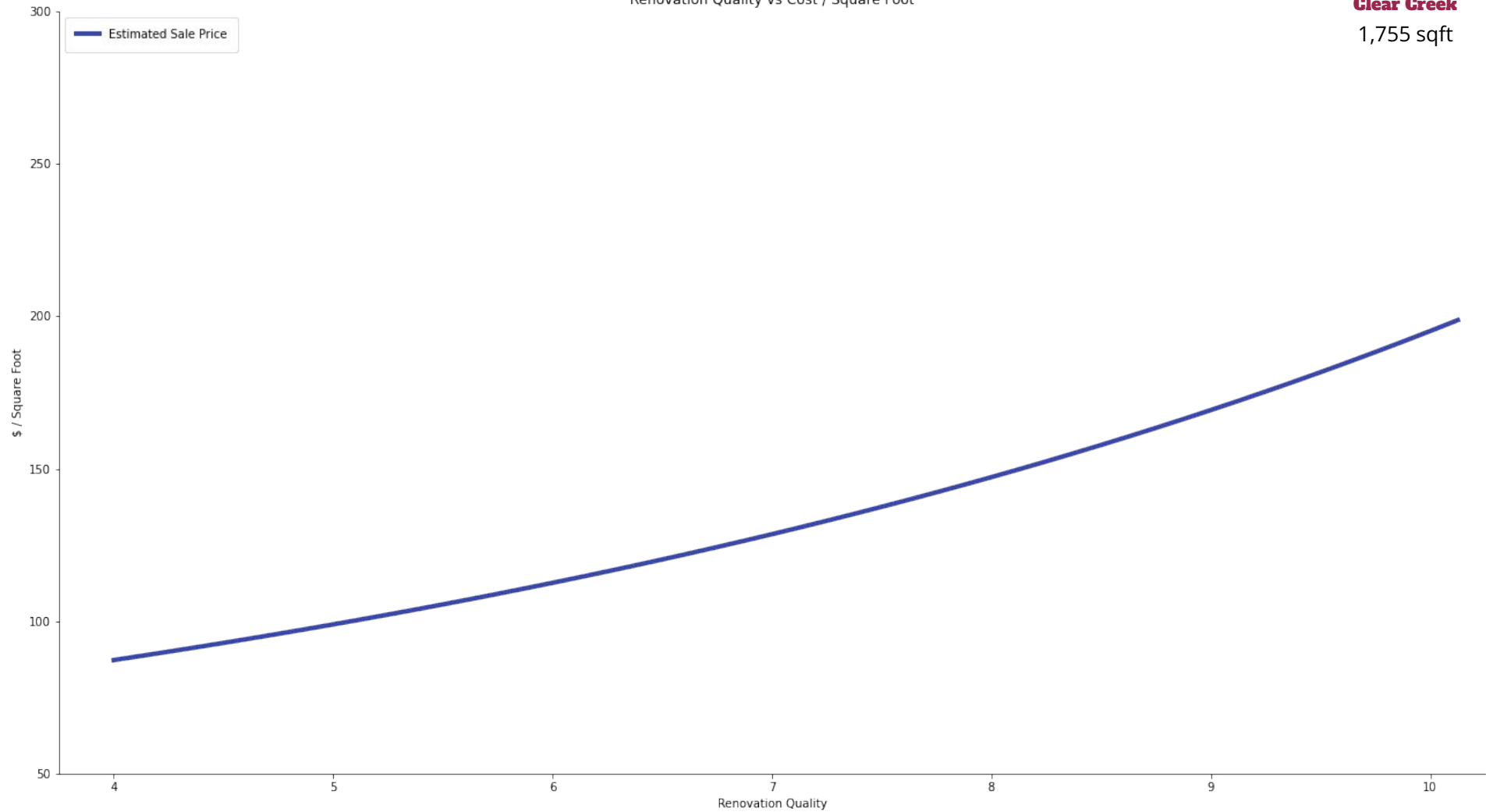
- Spend too much, profit diminishes
- Spend too little, leave profit on the table

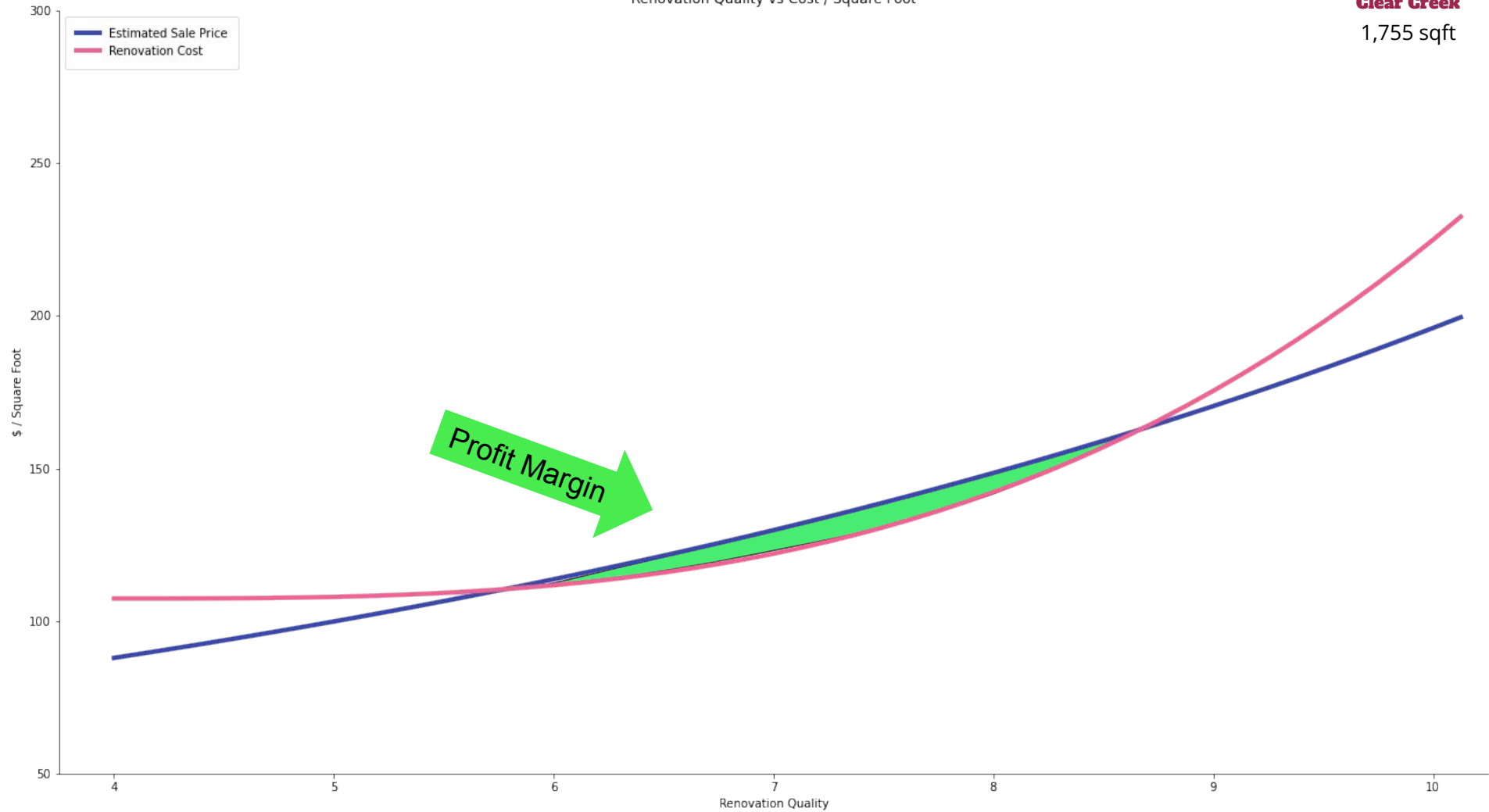
Clear Creek Project

Renovation Quality vs Cost / Square Foot

Clear Creek

1,755 sqft

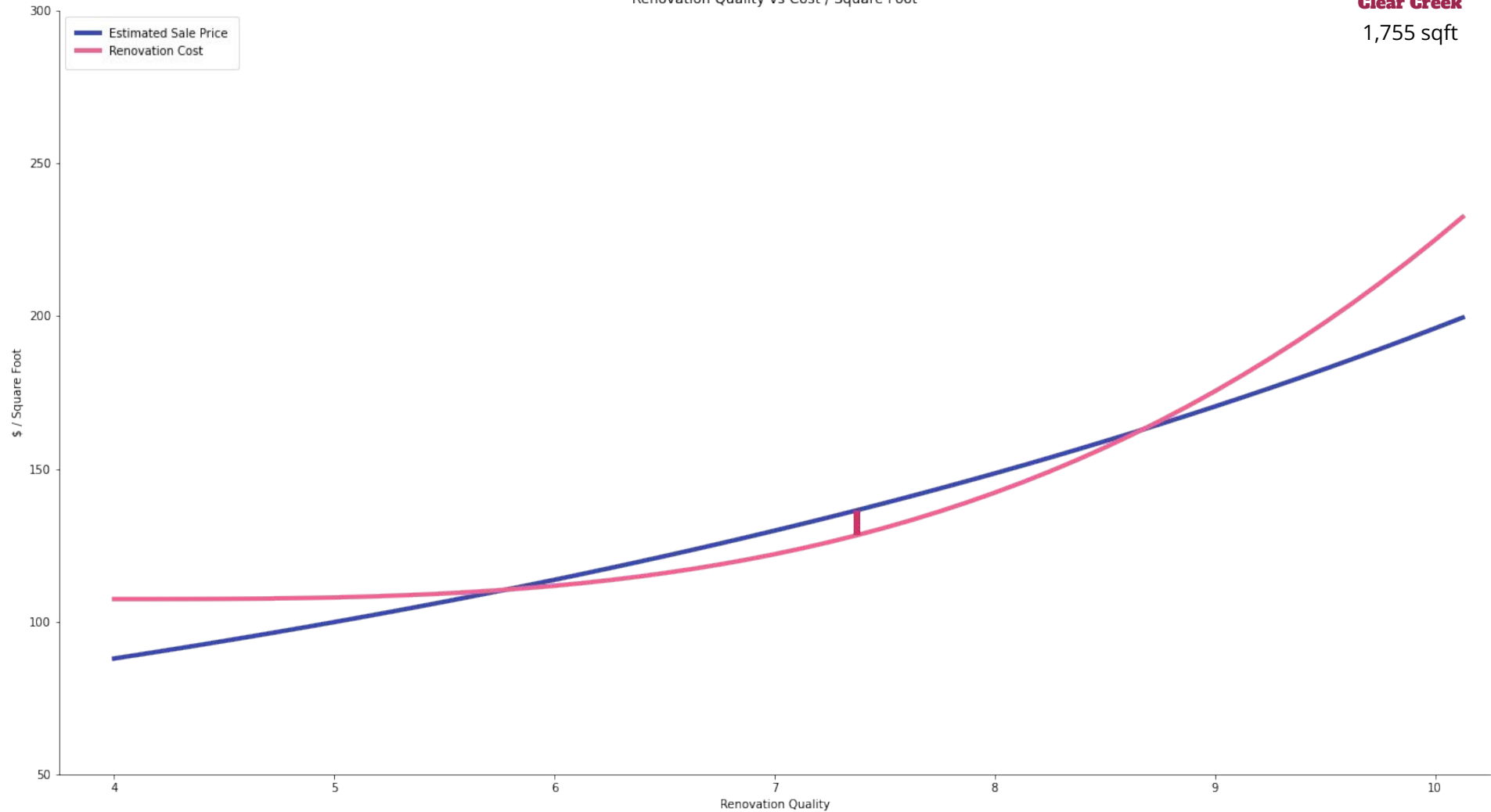




Renovation Quality vs Cost / Square Foot

Clear Creek

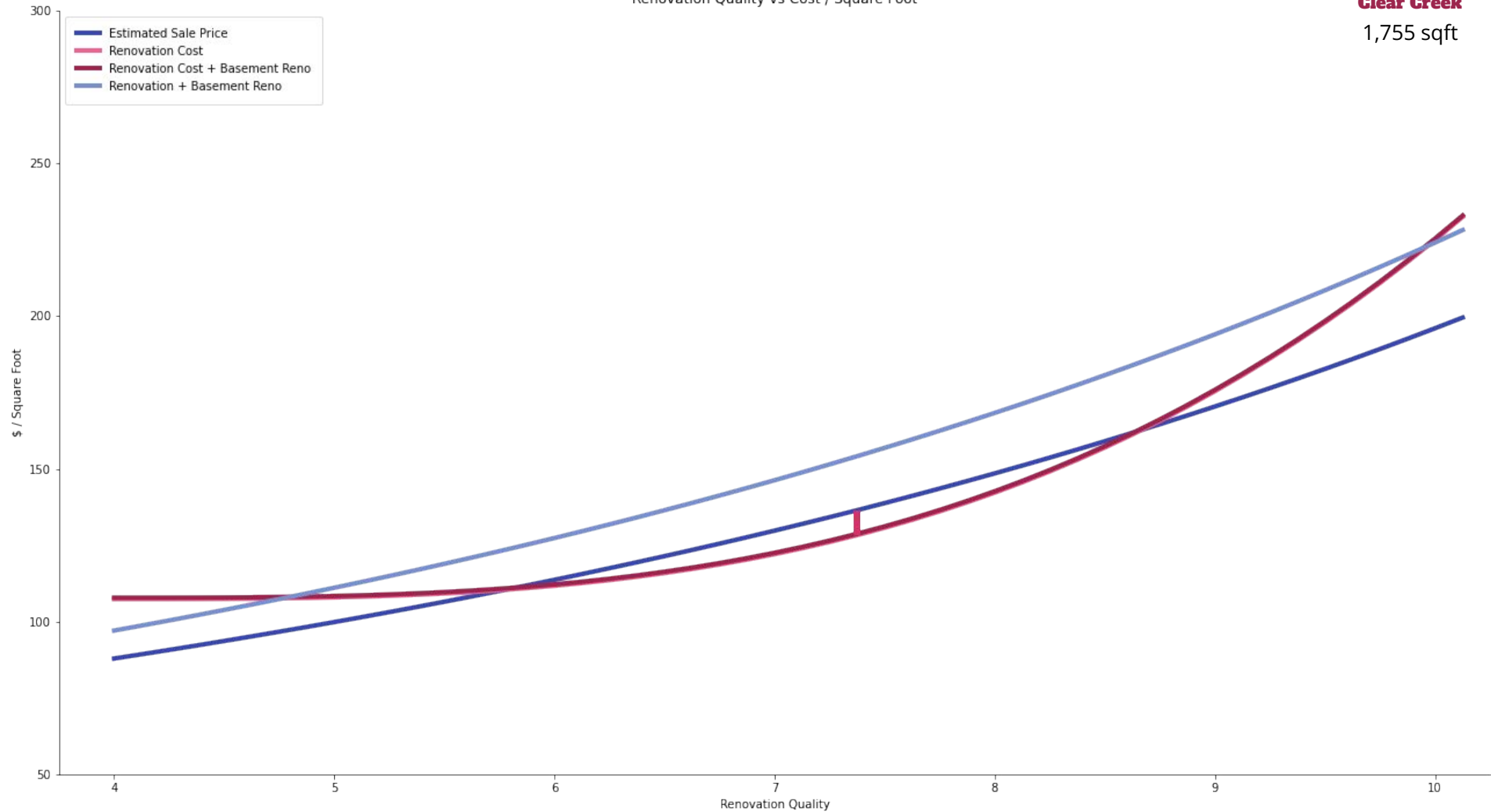
1,755 sqft



Renovation Quality vs Cost / Square Foot

Clear Creek

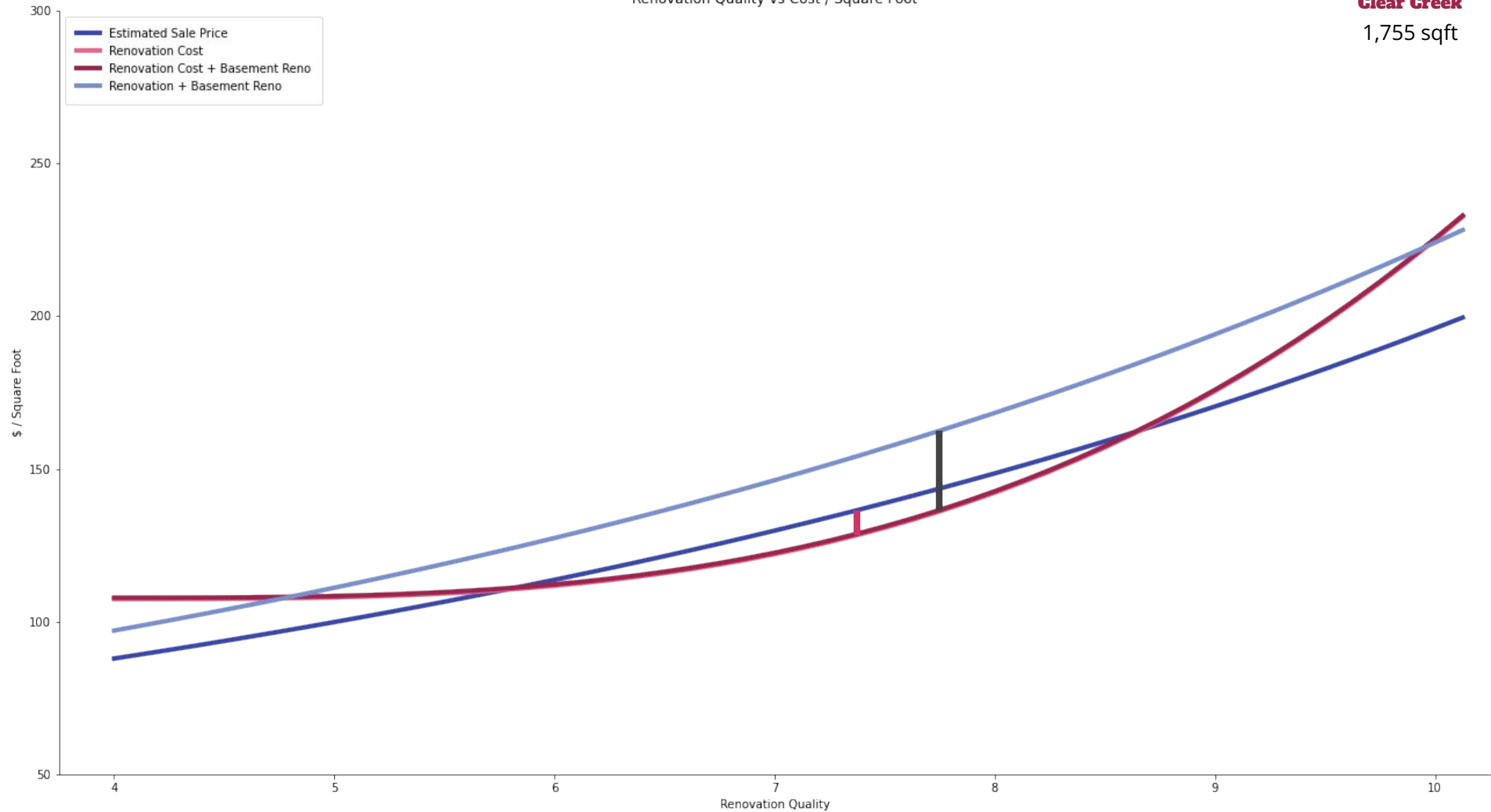
1,755 sqft



Renovation Quality vs Cost / Square Foot

Clear Creek

1,755 sqft



Decision Breakdown

No Basement Renovation

Total Expenses	\$230,000
Sales Price	\$242,000
Profit	\$12,000

With Basement Renovation

Total Expenses	\$245,000
Est. Sales Price	\$286,500
Optimized Profit	\$41,500

Takeaways



Model

Flipping Easy modeling techniques lead to exceptionally accurate home value predictions.

Decision Making

Optimized renovation budgets minimize project costs.

Profit

\$\$\$

Thank you.

Questions?