

Find, Fund, Fix & Flip LLC

ACQUIRING PROPERTIES
(Find Below Market Houses)



Find, Fund, Fix & Flip

Create Passive Income, Buying And Holding Multi Unit Properties & Find, Fund, Fix and Flip Houses

How to Find Properties

- Public notices - Notice of Sale Description in the newspapers and City, County, State Court Houses, Libraries, Sheriffs offices, and other city, state and county offices.
- Below are some of the due diligence buyers should be prepared to do.
- Current and overdue Water and Sewer Bills.
- Past Codes Violations.
- Current Year Tax Bill (will be pro-rated at closing)
- Check county for all past due or delinquent taxes.
- Zoning and Planning Allowed uses after closing.
- Prior use does not guarantee future zoning.

ACQUIRING PROPERTIES (Find Below Market Houses)



HUD.GOV/HUDHomes
U.S. Department of Housing and Urban Development

Home NAID Application Find a Broker/Agent Find a Closing Agent Property Contacts Bid Results Help

HUD began using electronic signatures for the Sales Package starting May 1st. Please see the "New E-Signature procedure for HUD Sales Contracts and Addendums" under [HUD Contracting Help](#). This help topic includes the new bid information that's required as well as videos and guides of the new process.

HUD Homes

Search for a HUD home to purchase by doing one of the following:

- Click a state on the map to the right
- Click one of the HUD Special Program links below
- Enter more detailed criteria in the Search Properties area below and click Search.

Click on one of the links below to see available properties for HUD Special Programs:

- Good Neighbor Next Door
- Nonprofits
- \$1 Homes Government Sales

Properties for Purchase: Available Not

Search Properties

State	County	City	Zip Code	Street	Price From	To	Bedrooms	Baths
Select							Any	Any

Buyer Type: All Status: All Property Case #



Fannie Mae REO H...

HomePath.com

Search for thousands of foreclosed homes, instantly.



Xome Retail | Real ...

Buy and Sell with Confidence



OfferSubmission

AGENTS, SUBMIT YOUR OFFER HERE. PROPERTY ID #

ABOUT IN THE NEWS SUPPORT REACH OUT

LOG IN

Your REO department could use some new tools

OfferSubmission reduces risk, speeds change and ensures that every property gets the full market value every time.



Auction.com: Real ...

VIEW YOUR NEW LISTING BY HOME TYPE

THE INDUSTRY'S LEADING ONLINE REAL ESTATE AUCTION PLATFORM

PROPERTY SERVICES

-
-
-

BANK OWNED PROPERTY WEBSITES

- Local ENYR MLS
- Hudhomestore.com
- Homepath.com
- Auction.com
- Xhome.com
- Hubzu.com
- Reo.wellsfargo.com
- offersubmission.com
- Res.Net
- A-1Reo
- Craigslist.com

This is just a few that exist. There are many to choose from.

Albany County Court Auction

20 BUCHMAN DR
LOUDONVILLE, New York 12211

1567 Views [Print](#) [Share](#) [Saved](#)



Investment Opportunity

Est. Resale Value ⓘ **Not Available**

Est. Credit Bid ⓘ **Not Disclosed**

Property Details

Beds	4	Baths	1
Square Footage	1,224	Lot Size (Acres)	0.2
Property Type	Single Family	Year Built	1959
Property ID	2768299	Event ID	E12483A-34500
Case/File No	9636-0735	APN	-

In-Person Auction

Property Saved!

[Why save?](#)

Date **Wednesday, May 08, 2019**
[Add to calendar](#)

Auction Start Time **10:00 am**

Location

Albany County Courts
16 Eagle St., Albany, NY 12207

[Prepare for the auction](#)

WHAT IS A BANK OWNED PROPERTY?

- A **bank-owned** or real estate **owned** (REO) **property**:
 - Individual loses title possession through foreclosure process.
 - Bank regains title possession.
 - Promissory note is the legal instrument lost by owner through completion of foreclosure process.
 - Property is publicly auctioned at the county or listed by the bank on the MLS.
 - This process could take up to 3 years or more.

We will be referencing my personal experience with this from my project at 6 McelWain Ave in Cohoes, N.Y.

WHAT IS A BANK OWNED PROPERTY?

Either sells or fails to sell in a foreclosure auction, due to bank or county .

Property reverted, to the mortgage lender after the property fails to sell at auction.

Bank owns the property, handles eviction, pay 's off tax liens, may be some repairs.

Bank will contract with local agent to list the property on the market.

Bank Foreclosure

892 6th Ave,
Lansingburgh

4 Bedroom 2 full bath
bungalow 2,000 square feet.

This property was bid on during
the last **Find, Fund, Fix, And
Flip** class on 10/04/2018.

First initial bid was **\$25,000**

With a \$2,500 credit card
deposit submitted online, at
Auction.com.

Final bid price was **\$55,499**

Total purchase price was
\$58,273.95

Contracts signed on 10/10/18

EMD **\$2,913.00**

Total closing cost **\$3,092.00**



Auction.com Contracts

DocuSign Envelope ID: 3EB583C2-8198-4802-8AAA-057367C607A5



1 MAUCHLY - IRVINE - CA 92618
CUSTOMER SERVICE - (800)-793-6107

Auction Event ID O-1208L Auction Date 10-10-2018

IMPORTANT CONTACT INFORMATION

Auction Item No.	<u>AT63756</u>	Loan No. (REQ ID)	<u>1428675</u>
Property Address	<u>892 6TH AVENUE TROY NY 12182</u>		
AUCTION.COM Contact:	<u>Customer Service</u>	Tel:	<u>800-793-6107</u>
Property Managing Agent	<u>Todd REQ-C Drake</u>		
Agent Telephone:	<u>518-857-9755</u>	Agent's Email	<u>tdrake@empirerealestatemgt.com</u>
Owner Occupied?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Are you a licensed Agent:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Subject To Confirmation?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Cash or Financed Sale?	<input checked="" type="checkbox"/> CASH <input type="checkbox"/> FINANCE
Winning Bid Amount	<u>\$ 55,488.00</u>	Total EMD Required	<u>\$ 2,913.70</u>
Buyer's Premium	<u>\$ 2,774.95</u>	Closing Date :	<u>11/16/2018</u>
TOTAL Purchase Price	<u>\$ 58,273.95</u>		
Buyer's Name	<u>Rich Carr</u>		
Co-Buyer Name	<u></u>		
Buyer's Mailing Address	<u>79 Blue Jay Way Rexford, New York, 12148</u>		
Buyer's Telephone	<u>518-488-2434</u>	Buyer's Email:	<u>Richc1976@gmail.com</u>
Buyer's Broker/Agent:	<u>Richard Carr</u>		
Agent's Broker Company	<u>Carr Real Estate Group LLC</u>		
Agent Telephone	<u>518-488-2434</u>	Agent Email:	<u>richc1976@gmail.com</u>
Escrow/Closing Agent	<u>PETER L ELLIOT ESQ</u>		
Escrow/Closing Agent	<u>ELIZABETH HAWKINS</u>	Email:	<u>LIZ@PELLIOTTLAW.COM</u>
Office Telephone	<u>315-422-3030</u>	Secondary Contact:	<u></u>
Lender Institution	<u>Line of Credit - Key Bank</u>	Tel:	<u>518 371-3360</u>
Lending Officer	<u>Eric Grassl</u>	Lender Email	<u>eric_grassl@keybank.com</u>

PROPERTY SOLD AT AUCTION

- CASH.** The seller executed purchase documentation shall be sent to you as soon as available. If you are able to close early, please contact the Escrow/Closing Agent to make arrangements. Obtain from the Escrow/Closing Agent and be prepared to wire the balance due for closing the transaction to the Escrow/Closing Agent as soon as possible. Documents not provided on auction day, for transactions entered into by a legal entity (anything other than a natural person) must be provided to the Escrow/Closing Agent as soon as possible and prior to closing of the transaction.
- FINANCING.*** The seller executed purchase documentation shall be sent to you as soon as available. Contact your lender for details to arrange for your financing and provide all the necessary supporting documents (Proof of Income and Assets – W2, pay stubs, etc). Contact the Escrow/Closing agent to confirm the closing date and confirm receipt of all necessary documents required for closing. Maintain constant contact with your Escrow/Closing Agent and lender; advise Escrow/Closing Agent, lender and auctioneer of any details that would prevent a timely closing and provide your best contact number. **PROMPTLY COMPLY WITH ALL OF THE INSTRUCTIONS FROM YOUR LENDER OR CLOSER. *FINANCING IS NOT A CONTINGENCY TO YOUR OBLIGATION TO CLOSE.**

PROPERTY SOLD "SUBJECT TO CONFIRMATION" - The Escrow/Closing Agent or Auctioneer shall notify you of the acceptance of your winning bid. If accepted, the procedure set forth in the Addendum "Subject To" shall be sent to the address that was provided in the Purchase Agreement with Joint Escrow Instructions.

- ACCEPTED BIDS** - see above "Property Sold at Auction" for the next steps. You should call the Escrow/Closing Agent and confirm the closing date.
- REJECTED BIDS** - Please see the Addendum "Subject To."

892 6th Ave

Lansingburgh

After placing a bid on this property, I scheduled a showing. I also did a market analysis to determine ARV. I drove around the area and determined location was **marketable**.

While at the showing I measured the property square footage and began to determine the repair cost.

Repairs consist of New roof, new furnace, all plumbing replaced, New carpeting upstairs, windows, refinishing Hardwood floors downstairs, New painting all throughout, vanity's, toilets, kitchen counters, appliances, upgraded electrical panel, new electrical wiring on the first floor. Sheetrock replacement, sheetrock repairs, new doors, new vinyl flooring.

All repairs estimated to be \$35,000

- Purchase price \$60,000
- Repair cost \$35,000
- Holding cost \$3,500
- Utilities +/- \$950.00
- **ARV Market price**
- **\$179,000**
- **Estimated net profits**
- **\$80,500**
- **Minus buyer agent 2.5%**
- **Of the sale price**

County Tax Lien Auctions

Albany County Auctions & Capital Region

- Town of Colonie, City of Cohoes, City of Watervliet, City of Albany.
- If the properties on the list remain unpaid after 4 years of collection efforts Albany County is now proceeding with foreclosure and will take title to any that remain unpaid. Once taken, County-owned parcels are transferred per the conditions set forth in the County Disposition Plan.
- Albany, Rensselaer, Schenectady, and Saratoga Counties are very similar when it comes to handling tax lien collection.

Auctioned properties & Tax Liens

- Most liens are removed after a foreclosure property sale, but certain liens may remain.

Here are some examples:

- Any lien recorded on title prior in time to the foreclosing mortgage.
- First Mortgage (if the foreclosing mortgage is a second or third mortgage)
- HOA or COA assessment liens (in certain states)
- Mechanic's Liens (in some states)
- Government liens such as state and federal tax liens, city or county liens, US Government liens.
- IRS liens (IRS may buy the property within 120 days after sale at the price paid at foreclosure sale)
- Code Enforcement Liens, Environmental Liens, and Utility Liens
- Child Support Liens, Etc..
- **I always recommend owner's title insurance policy, based on ARV.**

Off The Market Homes

1 Overidge Rd Latham

Another way to purchase property is by buying from an owner that does NOT have a mortgage. The seller may have a property that needs extensive repairs before it could be sold. You can acquire these property sometimes by the owner holding paper (promissory note). This is an option when the property is not well marketable. When the owner holds paper meaning the promissory note. The owner now acts as the bank, you gain title to the property, and the deed is filed and recorded in your name with terms and conditions you and the owner set forth. All property payments are made directly to the owner, all taxes are paid by you, (the new owner) directly to the municipality, according to the local tax map. In some cases this may be a less expensive way to acquire property. Once the property is repaired, you can now borrow against the property and payoff the owner.



1 Overidge Rd, Latham



Purchase Price-

\$150,000

Property & School Taxes-

\$4,015

Insurance (Hazard)-

\$850

Water & Sewer Bill (Quarterly)

\$285

National Grid Monthly Utilities

\$110

Owned Property for 6 months.

Repairs include, Replaced furnace & A/C, Rehabbed bathroom

Replaced all plumbing, New granite in kitchen, refinished

hardwood floors & kitchen cabinets, New windows, new

electrical panel, meter can and weather head.

1 Overidge Rd, Latham

- This property was purchased off the market for **\$150,000**, extensive repairs made over 6 months totaling **\$28k**. Total holding cost (**\$3,200**, taxes, utilities, insurance). Buyer agent commission **\$5,850** on the sale. Sold for **\$234,000**, Net profits proceeds **\$46,000**.
- This property would have made a great **wholesale** opportunity, I could have sold this property within 24 hrs. for **\$175,000** without repairing anything.

1 Overridge Rd Latham



1 Overidge Rd Before & After

Kitchen before



Kitchen After



Deal Information

Find, Fund, Fix, & Flip Real Estate



PROPERTY DETAILS		PROJECT DETAILS	
Property Address:	1 Overidge Rd Latham, NY 12110	Date:	Thursday, May 9, 2019
Bed:	3	Occupied:	N
Bath:	1	Evaluator:	Carr Real Estate Group
Total Sqft:	1,200	Closing Date:	June 1, 2019
Number of Units:	1	Exit Strategy:	Traditional Sale

PROPERTY DESCRIPTION

This is a 3 bed house located in a great area of the North Colonie School District. Perfect for the first time home buyer. Needs some minor renovations with a majority of the work in the kitchen.

DEAL FACTORS		FINANCING COSTS		BUYING COSTS	
After Repair Value:	\$234,000	First Mortgage / Lien Amount	75%	Title Insurance / Search Costs	0.25%
"As Is" Value:	\$150,000	First Mortgage Points	0	Miscellaneous Buying Costs	\$0.00
Purchase Price:	\$150,000	First Mortgage Interest	6.18%	Escrow / Attorney Fees	\$600.00
Estimated Repair Costs:	\$31,500	Second Mortgage / Lien Amount	0%	SELLING COSTS	
Hold Time (months):	4	Second Mortgage Points	0	Realtor Fees	2.5%
Property Taxes (annually):	\$4,116	Second Mortgage Interest	0.00%	Transfer & Conveyance Fees	0.12%
Insurance (annually):	\$950	Misc. Mortgage / Lien Amount	0%	Miscellaneous Selling Costs	\$0.00
HOA & Condo Fees (monthly):	\$0	Misc. Mortgage Points	0	Staging Costs	\$0.00
Gas (monthly):	\$80	Misc. Mortgage Interest	0.00%	Escrow / Attorney Fees	\$500.00
Water (monthly):	\$25	Miscellaneous Financing Costs	\$5,300.00	Selling Recording Fees	\$350.00
Electricity (monthly):	\$75			Home Warranty	
Other Utilities (monthly):	\$0			Marketing Costs	\$500.00
Miscellaneous Holding Costs:	\$0				

How to use the Deal Analyzer

To use the Deal Analyzer, enter all your numbers into this "Deal Information" tab. Formulas will auto-populate and automatically calculate your results on the "Deal Analyzer for Flips" tab. White cells are editable cells. Light Gray cells are locked formulas. Dark Gray are labels. **Find, Fund, Fix, & Flip**

Deal Analyzer



PROPERTY VALUES & PRICING	
After Repair Value	\$234,000
Current "As Is" Value	\$150,000
Estimated Repair Costs	\$31,500
Purchase Price	\$150,000
Estimated Hold Time (months)	4
Total Purchase & Repair Cost	
\$181,500	

HOLDING COSTS	Annually	Monthly
Property Taxes	\$4,116	\$343
HOA & Condo Fees	\$0	\$0
Insurance Costs	\$950	\$79
Utility Costs		\$180
Miscellaneous Holding Costs		\$0
Total Monthly Holding Costs		
\$602		

Click to Select How to Calculate Your Loan -->>

Purchase Price

FINANCING COSTS		
First Mortgage / Line Amount	75%	\$112,500
First Mortgage Points	0	\$0
First Mortgage Interest	6%	\$2,318
First Mortgage Monthly Interest Only Payment		\$579
Second Mortgage / Line Amount	0%	\$0
Second Mortgage Points	0	\$0
Second Mortgage Interest	0%	\$0
Second Mortgage Monthly Interest Only Payment		\$0
Misc. Mortgage / Line Amount	0%	\$0
Misc. Mortgage Points	0	\$0
Misc. Mortgage Interest	0%	\$0
Misc. Mortgage Monthly Interest Only Payment		\$0
Miscellaneous Financing Costs		\$5,300
Total Financing Costs		
\$7,618		

BUYING TRANSACTION COSTS		
Escrow / Attorney Fees		\$600
Title Insurance / Search Costs	0.25%	\$375
Miscellaneous Buying Costs		\$0
Total Buying Transaction Cost		
\$1,475		

SELLING TRANSACTION COSTS		
Escrow / Attorney Fees		\$500
Selling Brokerage Fees		\$350
Realtor Fees	2.50%	\$5,250
Transfer & Conveyance Fees	0.12%	\$281
Home Warranty		\$0
Slating Costs		\$0
Marketing Costs		\$500
Miscellaneous Selling Costs		\$0
Total Selling Transaction Cost		
\$7,481		

ESTIMATED NET PROFIT & ROI SNAPSHOT

ESTIMATED NET PROFIT
\$33,518

TOTAL COSTS RETURN ON INVESTMENT (ROI)
16.72%

PURCHASE & DEAL ANALYSIS	
After Repair Value	\$234,000
Purchase Price	\$150,000
Estimated Repair Costs	\$31,500
Total Financing Costs	\$7,618
Total Holding Costs	\$2,409
Total Buying Transaction Costs	\$1,475
Total Selling Transaction Costs	\$7,481

POTENTIAL RETURN & PROFIT ANALYSIS	
Assume Sale is as is before	\$767,209
Purchase - Repair Estimate Cost Per Sq. Ft	\$151.25
Down Payment Required at Closing	\$38,975
Hq Committed Capital	\$73,384
Hq Realized Cash as Cash Return	137.03%
Total Realized Cash as Cash Return	50.16%
Purchase - Rehab Return as Interest (ROI)	18.47%

\$\$ Funding Your Flip \$\$

Types of lending available

- FHA 203k Rehab Loan, Finance the property and cost of repairs. Rules do apply.
- Conventional mortgage, can sometimes be utilized if the property needs TLC. Conv. Mortgage will not qualify if the property is a rehab.
- Line of credit, on residential primary, or income property, Commercial, and some SBA loans
- Utilizing lines of credit to purchase homes is one of the best ways, you are consider a cash buyer.
- Off the market real estate purchases?
- Holding paper on the real estate purchase?

Search Properties MLS

Take 45 min

Find, Evaluate, Determine ARV, Market Analysis report. Compare current sale price to ARV market price.

Research property taxes.

<https://egov.basgov.com>

<http://tax.neric.org/Search.aspx?district=412402>

<http://www.infotaxonline.com/>

<https://www.taxlookup.net/>

<https://publicrecords.netronline.com/state/NY/county/albany/>

<https://pacer.login.uscourts.gov/csologin/login.jsf?appurl=pcl.uscourts.gov/search>

Break up in groups of 3 people.

Find, Fund, Fix, & Flip

The Scope Of Work

- Determine your order of repairs, (very crucial).
 - Repairs have to be made in a timely fashion, so one thing does not get ahead of the other.
 - *Example (re-sheet rocking a interior wall before you decide if there will be plumbing or electricity running through, deciding on floor plan and bath, and kitchen layout yearly in the planning stage is crucial.*
- Determining a timeline and expected completion date, is absolutely a MUST.
- Market analysis to see what the value would be once property is rehabbed. Also called ARV (after repair value).

Doing your homework

Prep Work Of Purchasing Bank Owned Property.

- Check all taxes to make sure their paid and current, title search, purchase (home owners title policy)
- Check for any liens.
- Check local code enforcement for violations.
- Walk through property to:
 - Determine repair cost.
 - Figure out what will be replaced, fixed and rehabbed.
- Remember to always **estimate repair cost higher**, on average 20% higher. *Don't discount other peoples labor and time, like you would for yourself.*

DOING YOUR HOMEWORK ON A PROPERTY

Once You Find A Property You Would Like To Invest In (Fix & Flip)

- Compare the neighborhood location
 - All real estate is about location, location, LOCATION!
- You want to look for the worst house on the street
 - Ideally there is only one on the street that needs rehab
 - If there is more than one property that needs repair, that falls in the category of possibly a BAD LOCATION.
- Pick your location wisely or you might find it difficult to sell once all the repairs are completed.
- Your ARV (After Repair Value) MUST be determined before you purchase any property.

AFTER REPAIR VALUE (ARV)

- ARV on 6 McelWain Ave Cohoes was **\$150,000**.
 - That was my opinion of the property value once all the work was completed.
 - You figure this out by the comparable sales of the houses in the area / neighborhood.
- Once you know the ARV, you can begin to calculate cost of repair, as well as holding cost.
 - Take purchase price, repair cost, holding cost, Minus ARV and that net figure must be attractive enough to take all the risk. Every flip is unique.



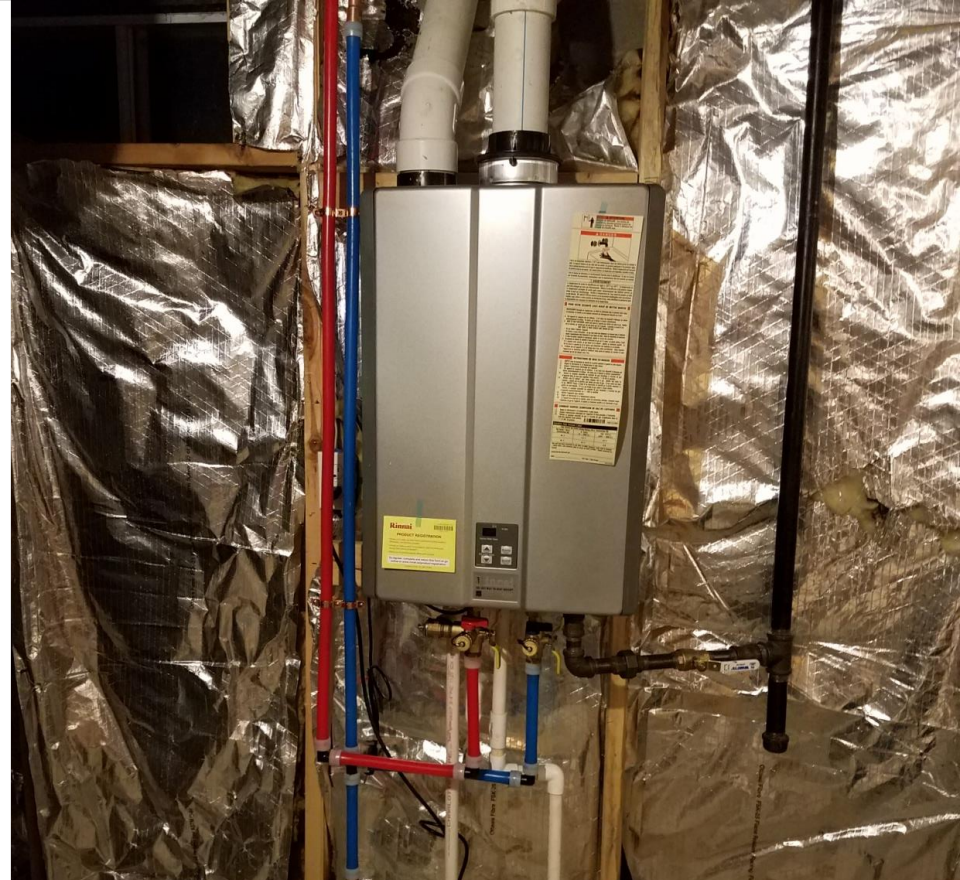
6
MCELWAIN
AVE
COHOES

KITCHEN (IN PROGRESS)





KITCHEN (AFTER)



Tankless Water heater install



Garage & Basement Finished

6 MCELWAIN AVE COHOES

- Purchased Property for **\$80,000** (homepath)
- Repair cost **\$8,500**
- School and Property taxes prorated 3 months were **\$1,400** , Additional holding cost **\$300.00**
- Remodeled Kitchen, bathrooms, basement, electrical, garage, landscaping, and plumbing.
- Listed the property for **\$149,000**
- Sold multiple offers **\$153,000**
- **Minus buyer agent commission 2.5% \$3,825**
- Net proceeds **\$58,675**

CLOSING CHECKS

EQUITABLE 1 SETTLEMENT SERVICES, INC.
21 EXECUTIVE PARK DRIVE
CLIFTON PARK, NY 12065
(518) 579-2046

KEY BANK
50-7044/2223

32823
ZALUD4346

—Sixty Nine Thousand One Hundred Thirteen and 55/100—

DATE August 9, 2017

AMOUNT Dollars \$ ****69,113.55

PAY TO THE ORDER OF Richard Carr

AUTHORIZED SIGNATURE *Scott Zalud*

Security Feature: Details on back.

⑈032823⑈ ⑆222370440⑆007900189486⑈

EQUITABLE 1 SETTLEMENT SERVICES, INC. 32823

Buyer/Borrower: Scott Zalud
Seller: Richard Carr
Lender: Santander Bank, NA 0826991918
Property: 6 McElwain Avenue / Cohoes
Settlement Date: August 9, 2017
Disbursement Date: August 9, 2017
Check Amount: \$ 69,113.55 (ZALUD4346.PFD/ZALUD4346/1)
Pay To: Richard Carr
For:

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

OFFICIAL CHECK

219 - Wolf Road
Colonie, New York

Remitter SCOTT ZALUD

Date 027822427 62-20
08/08/2017 311

Pay To The Order Of RICHARD CARR \$ 76,929.48 ***

Pay: SEVENTY SIX THOUSAND NINE HUNDRED TWENTY NINE DOLLARS AND 48 CENTS

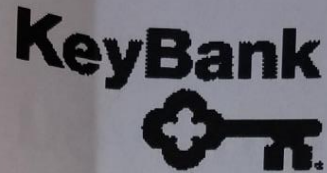
Drawer: KeyBank
AUTHORIZED SIGNATURE *Dennis A. Devine*

Issued by: Citibank N.A., One Penn's Way, New Castle, DE 19720
For information about this instrument, call: 1-888-556-5142

Memo: 6 MCELWAIN AVE

⑈027822427⑈ ⑆031100209⑆ 38774212⑈

KEY BANK RECEIPT



1532 Route 9
Clifton Park, NY 12065
Tel: 1-800-KEY2YOU

08/09/2017 11:44 AM CC #0023932
Teller: BACCHAZ Seq #00093

Deposit-Checking/Money Market
Acct # ***** 2694 \$ 146,043.03
Checks on deposit \$ 146,043.03

Paid To Client \$ 0.00

The transaction for which this receipt is issued is subject to the rules, regulations and practices of KeyCorp in force at the time of this transaction. Retain this receipt until verified with your statement of account.

Thank You for Choosing KeyBank
Visit key.com/rewards for Details on
KeyBank Relationship Rewards

Trusted Vendors

Wholesale

- Kamco Supply Corp. - Drywall & supply, molding's
- Bryant Northeast - Tankless water heaters, HVAC
- Prosource of Albany - Flooring, kitchen cabinets
- Ral-Supply - HVAC equipment
- Alside Albany - Windows, siding
- ABC Supply - Siding, roofing
- City Electric - Electrical supplies
- Appliance Giant - Appliances

908 24TH STREET

- Purchased property for **\$52,000**
- Totally gutted property down to studs
- Total rehab cost **\$32,000**
- Total cost to hold property for 14 months **\$5,400**, Including taxes, insurance, utilities.
- Entire inside of building brand new
- Sold property For **\$130,000**
- **No commission**
- Net proceeds **\$40,600**



908 24TH
STREET,
WATERVLIET

A-1Reo.com
(Selling broker)

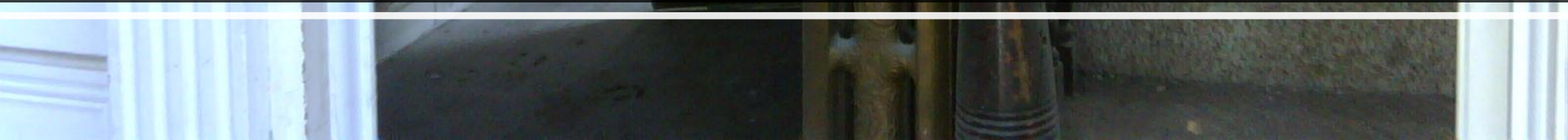
09.21.2010 15:...

UPSTAIRS
HALL WAY
GUTTED





Stair Way /Foyer





Kitchen (before)

Kitchen
(after)

09.21.2010 15:36

REPAIRS

- Before you start any fix & flip project:
 - Walk through property multiple times.
 - Figure out what you can save from the materials and features that already exist in the house.
- Try to save kitchens, bathrooms, doors, and moldings on most projects.
 - Very costly to replace.
 - These items can be fixed or enhanced in some way to make them look better than they once appeared.
 - Saving these items can mean staying within budget.

Roof
(before)





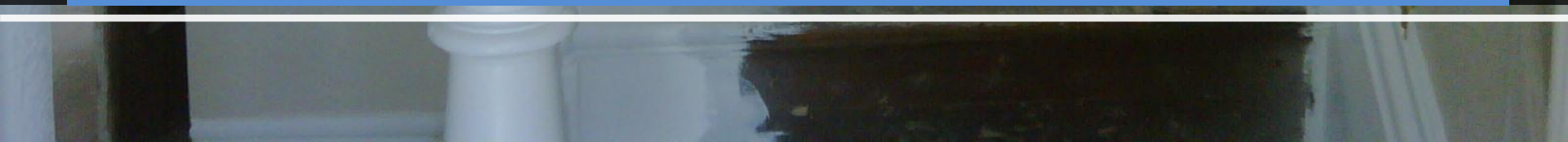
Roof (after)

Stair way
(before)





Stairway (after)



POOL FILLED IN (AFTER)





Albany County Clerk
16 Eagle St. Rm 128
Albany, NY 12207

908 24TH
STREET
DEED

Return to:
BOX 3

Instrument: Deed

Document Number: 11109394 Book: 3028 Page: 865

Grantor
CARR, RICHARD

Grantee
SHARPE, J NEIL

Number of Pages: 3

Amount: \$130000.00

Transfer Tax Receipt
Albany County Clerk Received:
Trans Tax # 3583
.....\$520.00

Recorded Date/Time: 03/14/2012 at 9:36 AM

Receipt Number: 690666

Note: **DO NOT REMOVE - THIS PAGE IS PART OF THE DOCUMENT **
THIS PAGE CONSTITUTES THE CLERK'S ENDORSEMENT, REQUIRED BY SECTION 316-a(5) &
319 OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK.

Thomas G. Clingan, County Clerk

1410 1ST
AVE
WATERVLIET
(BEFORE)



1410 1st
Ave (After)



1410 1ST AVE WATERVLIET

- Purchased property for **\$37,000 (2 offers)**
- Total all repairs cost **\$ 45,000**
- Rehabbed 90% of entire 4 store building
- Additional holding cost for 13 months **\$4,500**
- Taxes & utilities
- Sold property for **\$159,000**
- **Minus \$3,975 Buyer agent commission**
- Net proceeds **\$60,525**

SCOPE OF WORK

1410 1st Ave

- Needed extensive brick foundation work, over 2 months full time with a mason.
- I found a mason on craigslist, He (Tony) was laid off from his union job, and he worked for me for \$12.00 per hour, as a misc. 1099 employee.
- When you are buying and selling properties you must try and find quality cheap labor (It does exist)! Tony ended up working for me for an additional 8 months until he went back to his previous job.

OLD KITCHEN

Actual
kitchen



NEW KITCHEN



3rd FLOOR
OFFICE
(BEFORE)



3rd floor
office
(After)



1410 1ST AVE DEED

LIBER 3031 PAGE 495



Albany County Clerk
16 Eagle St. Rm 128
Albany, NY 12207

Return to:

BOX 7

Instrument: Deed

Document Number: 11132645 Book: 3031 Page: 495

Grantor

CARR, RICHARD

Grantee

GAURILOFF, JEROLD E
GAURILOFF, JANICEM

Number of Pages: 3

Amount: \$159000.00

Transfer Tax Receipt
Albany County Clerk Received:
Trans Tax # 4097
.....\$636.00

Recorded Date/Time: 04/18/2012 at 1:46 PM

Receipt Number: 696989

Note: ****DO NOT REMOVE - THIS PAGE IS PART OF THE DOCUMENT****
THIS PAGE CONSTITUTES THE CLERK'S ENDORSEMENT, REQUIRED BY SECTION 316-a(5) &
319 OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK.

Thomas A. Cligan

17 Idlewild Park Watervliet - 3 Unit



17 Idlewild Park 3 Family (Actual Class code 220)

- I bought this property on HUBZU in 6/2016 For \$29,559
- Seller was Wells Fargo mortgage company, Ocwen Loan Servicing.
- This property was bid on 3 times before the bank accepted my offer. First offer started at \$70,000, then final offer \$28,000
- All repair cost were \$55,000
- Holding cost for 3 years were \$12,800 (Taxes, Utilities, Water & Sewer)
- Sold property 12/2019 for \$218,900

17 Idlewild Park- 3 Family Investment

1st Floor apt. 2 bedroom 1 bath estimated monthly rent \$1,250

2nd Floor apt. 2 bedroom 1 bath estimated monthly rent \$1,400

1st Floor rear studio apt. 450 sq. ft estimated monthly rent \$650

Total rent roll \$3,300 per month.

Estimated market value \$214,900.

Estimated mortgage \$180,000 FHA or Conventional.

Estimated mortgage payment \$1,280.00 Escrowed.

Estimate water & sewer bill \$980.00 per year.

Total estimate net income per-month \$1,950.

17 Idlewild Park

Before and After photo's



17 Idlewild park SOS

Seller: Richard Carr
Purchaser: Paul T. Cruise

STATEMENT OF SALE

17 Idlewild Park
Watervliet, New York 12189

Purchase Price		\$218,600.00
Deed Stamps Credit for Sellers Concession		\$24.00
Town/County Tax Credit (1637.24/365*27)		\$121.11
School Tax Credit (2147.76/366*209)		\$1,226.45
CREDIT TO SELLER		
TOTAL DUE SELLER		\$219,971.56
CREDIT TO PURCHASER		
Water/Sewer Credit	\$10.00	
Deposit	\$2,500.00	
Structual Credit	\$3,000.00	
Seller Concession	\$6,000.00	
TOTAL CREDITS TO PURCHASER	\$11,510.00	
TOTAL DUE SELLER		\$208,461.56
SELLERS EXPENSES		
Watervliet CSD	\$2,190.75	
Tebano & Associates, PLLC (attorney fee)	\$600.00	
Keller Williams	\$5,315.00	
Carr Real Estate	\$8,450.00	
Rensselaer County Clerk's Office	\$879.40	
	RP-5217 (\$5.00)	
	Deed Stamps (\$874.40)	
TOTAL SELLER EXPENSES	\$17,435.15	
TOTAL DUE SELLER		\$191,026.41

Class exercise

Investment properties **Versus** 401K plans or the stock market

- **Stocks, mutual fund, IRA's, or 401K's investment plans have the ability to compound the interest of an investment, where on the investment properties do NOT compound the net income or the interest. Both forms of investments have their share of pro's and con's.**
- **Compound interest** is the addition of **interest** to the principal sum of a loan or deposit, or in other words, **interest on interest**. It is the result of reinvesting **interest**, rather than paying it out, so that **interest** in the next period is then earned on the principal sum plus previously accumulated **interest**.

Stock Market –**Versus**- Real Estate Investment properties

- Like I mentioned in the previous slide stocks or **401K** plans have the ability to compound the interest in any individual stock or **401K** plan can generate.
- **Example**
- In the previous slide I mentioned, 17 Idlewild Park, 3 family in Watervliet, nets **\$1,950** per month in income, with that income you could invest in **401K** plan or solo **401K** plan. You will still have positive cash flow, but, now you will create another source for investing.
- This property can generate enough income per month to live and pay bills on, and also offer to invest some of the proceeds in the stock market or other investment options.



Stocks – Versus investment properties

This calculator shows that investing \$5,000 per year, which is around \$450.00 per month out of the net income from any investment property that you purchase, this is what we call diversified assets.

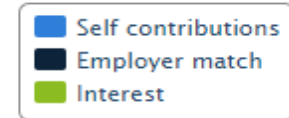
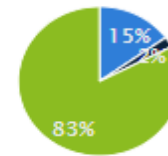
At the retirement age of 65, the 401(k) balance will be **\$1,438,020**, which is equivalent to **\$440,835** in purchasing power today.

Withdrawal

If withdrawing monthly, **\$10,302** per month can be withdrawn in retirement until 85. At 65, this is equivalent to **\$3,158** in purchasing power today, and at 85, is equivalent to **\$1,749**.

If withdrawing annually, **\$125,373** per year can be withdrawn in retirement until 85. At 65, this is equivalent to **\$38,434** in purchasing power today, and at 85, is equivalent to **\$21,280**.

Total contributions:	\$433,557
Employee contributions:	\$377,006
Employer match:	\$56,551
Total interest:	\$2,068,906
Total payouts:	\$2,507,463



[+ Show Schedule](#)

Basic Info		Projections	
Current Age	<input type="text" value="25"/>	Expected Retirement Age	<input type="text" value="65"/>
Current Annual Salary	<input type="text" value="\$ 50000"/>	Life Expectancy	<input type="text" value="85"/>
Current 401(k) Balance	<input type="text" value="\$ 5000"/>	Expected Salary Increase	<input type="text" value="3%"/> per year
Contribution (% of Salary)	<input type="text" value="10%"/>	Expected Annual Return	<input type="text" value="6%"/> per year
Employer Match	<input type="text" value="50%"/>	Expected Inflation Rate	<input type="text" value="3%"/> per year
Employer Match Limit	<input type="text" value="3%"/>		

Calculate

<https://www.calculator.net/401k-calculator.html?age=25&income=50000&balance=5000&contribution=10&ematch=50&ematchend=3&retirementage=65&lifeexpectancy=85&incomeincrease=3&rate=6&inflation=3&hideirslimit=0&type=1&x=63&y=20#top>

MUNICIPALITIES PERMITS

Permits are needed on all major changes that are made to the property. Individual permits are needed for:

- Major construction floor plan change
- Insulation (new walls)
- All electrical
- Water heaters
- HVACs
- All roofing
- All siding
- All foundation work

These permits are necessary at all stages of completion. Without permits it would be very difficult to obtain a COC, (Certificate of Occupancy).

MUNICIPALITIES PERMITS

Certificate of Occupancy

- CO is needed to sell the home once it is completed.
- CO, states to the consumer (home owner) the property is free and clear of defects and is safe and up to code to occupy.
- Most buyers will get a home inspection as well, its up to the home owner (buyer) to complete their due diligence.
- Check with you local municipality to determine what permits are necessary for you to obtain and at what stages to apply.

1 Mates Way (Before)



Mates Way (After)



Mates Way (Before)



Mates Way (After)



Mates Way Purchase Price

- Purchased property for **\$232,000**
- Holding cost include All taxes per month **\$590**
- Utilities per month **\$80.00**
- Closing cost **\$2,400**
- Rehab cost **\$52,000**
- Replaced, Roof, Furnace & A/C, Water heater, Bay windows, Entire kitchen, appliances, All flooring, All vanity's, all toilets, entire inside painted, All plumbing fixtures & plumbing, All lighting fixtures, garage doors, All door hinges and locks.

Mates Way

- Joint venture with another locale brokerage company.
- AVR (After Repair Value) \$305,000-\$325,000
- Actual sale price \$287,500 SOLD
- Acquired property \$232,000
- All holding cost \$2,800
- Repaired cost \$52,000
- Total \$286,800
- Approx. NET \$-700.00
- Minus 2.5% buyer agent
- This flip was in the Red, * WE over PAID*

County Court Auction

PERSONAL Owner Occupied FIX AND HOLD

Blue Jay Way- 2,800 Sq. Ft 4 Bed 3 Bath, 3 car garage colonial.

- Intended to be a Fix and Flip project.
- Purchased 12/03/2015 at Saratoga County Court House.
- I was the only bidder, Bidding started at \$328,000 – previous owner owed \$472,850
 - The attorney conducting the auction excepted my bid of \$329,000.
 - I also negotiated to finance the property with her and the bank right at the same location. They accepted.
- Normally all auctions are paid in cash within 30 days of Auction being completed. Or you forfeit your 10% deposit.
After showing the property to my wife two days later we decided to make the property our personal home instead of flipping.

BLUE JAY WAY

REPAIR COST

- New hardwood floors entire first floor \$5,400
- Granite counters Kitchen and Bathroom \$5,100
- Kitchen back splash Tile \$2,000
- Custom paint job entire inside materials \$1,500
- All appliances \$6,500
- Pool liner and repair \$4,500
- Landscaping \$2,000
- New deck \$7,200
- New driveway \$5,200
- Sauna
- All Repairs cost ***\$39,400***

BLUE JAY WAY

- Acquired property for **\$329,000**
- All repairs cost **\$39,400**
- After Repair value **\$425,000**
- If property sold, estimated Net return **\$56,600**
- All repairs took 2 months to complete part time.

Estimated Net Return **\$56,600**



BLUE JAY WAY





FAMILY ROOM INTO KITCHEN

AFTER





KITCHEN









NO DIVING



IRS Tax on Capital Gains

- Be mindful of your tax liability, and factor in your tax liability on all flips. Your rate will be determined by whether you occupied the property for at least 2 years or more within a 5 year period, **or** if you held the property for 1 year or more.
- In 2018 and **2019** the **capital gains tax rates** are either 0%, 15% or 20% for most assets held for more than a year. **Capital gains tax rates** on most assets held for less than a year correspond to ordinary **income tax** brackets (10%, 12%, 22%, 24%, 32%, 35% or 37%).

SUMMARY

- Bank Owned (REO) Properties
 - Check all taxes and liens.
- Determine Repair Cost
 - Figure out what will be replaced, fixed and rehabbed.
 - Remember to always estimate repair cost higher.
- Determine the Scope Of Work
 - Determine your order of repairs.
 - Determine timeline and expected completion date.
- Your ARV (After Repair Value) **MUST** be Determined **Before** You Purchase Any Property
- Determine your tax liability, (capital gains tax)

SUMMARY

- Once You Find A Property You Would Like To Invest In (Fix & Flip)
 - Compare the neighborhood location.
 - Pick your location wisely.
 - Once you know the ARV, you can begin to calculate cost of repair, as well as holding cost.
- Before You Start Any Fix & Flip Project
 - Figure out what you can save from the materials and features that already exist in the house.
 - You must try and find quality inexpensive labor.

SUMMARY

- Permits are needed on all major changes that are made to the property
- Certificate Of Occupancy (CO) is needed to sell the home once it is completed
 - Most homeowners will want an inspection as well.
 - It's the buyer / home owners job to complete their due diligence.
- Auctions
 - Normally all auctions are paid in cash within 30 days of Auction being completed. Or you forfeit your 10% deposit.

Find, Fund, Fix, & Flip

Thank you for participating in today's class!

Find FREE downloads at

www.CarrRealEstateGroupllc.com

