

Investors Point of View: Template

This template will help you look at all your deals from your Investors Point of View. To complete the proper deal analysis and make a reasonable MARKET BASED decision on the property that you are looking to double close or assign to an end-buyer you will need the following template of questions you need to discover to determine DEAL OR NO DEAL.

Sellers Name:

Phone Number:

Address:

Asking Price:

Estimated Rehab:

Estimated ARV:

Total Investment:

Closing Costs:

Financials and Incidentals:

Investor Pays:

Last 12 Months SOLD COMPS:

Need:

New Total Investments:

Investors Profit (Contract Price):

New Cash Offer:

To complete some of these questions I use the following resources and tools:

1. Estimated Rehab Costs; Deal Machine (Round Up to \$25K, \$50K, \$100K)
2. Closing Costs; Typically, 3% of the Purchase Price
3. Financials and Incidentals; Based on Loan Requirements for Fix and Flip Rates
4. SOLD COMPS; Pull from filters used on Zillow or CMA report.

5. Total Investment; Asking or Purchase Price + Rehab Costs
6. ARV; This information can be pulled from Investorlift (Type in Address Simple)
7. Investors Profit; Determined by ARV – Investors Profit (Market Preference \$45-\$60K)
8. New Total Investment; Formula (ARV + Investors Profit = New Total Investment)
9. Contract Price; Formula (Total Investment – Rehab Costs = Contract Price)
10. New Cash Offer; Formula (New Total Investment – Assignment Fee = Cash Offer)

To complete the new Total Investment is based on what your Investor wants to make per fix and flip and that's usually \$45K-\$65K depending on your Investors market average.

Example: Formula for New Total Investment

$$\text{ARV} - \text{Total Investment} = \text{Buyers Profit}$$

This formula demonstrates how to make a quick assumption and see how much the buyer will make on this deal.

$$\text{Total Investment} - \text{Investors Profit} = \text{Contract Price}$$

This formula demonstrates how to find out what you will offering to the end-buyer when you assign the contract to them.

$$\text{Contract Price} - \text{Assignment} = \text{Sellers Offer}$$

This formula demonstrates how to find exactly what you will offer the seller for their property. This offer can change depending on level of REHAB COSTS, schedule a walk through for pictures or get an estimate from a licensed. Contractor.

Combining all these formulas will help you determine a NEW CASH OFFER if the asking price is too high and you find out that the property is PRICED TOO HIGH and property is OUTDATED. The ideal is to see if the seller will accept your new cash offer or find the property that DOES NEED REHAB. Do Not Chase BAD DEALS. Only go after fix and flip properties that require \$25K, \$50K and \$100K+ or more work for it to be an ideal assignment deal.