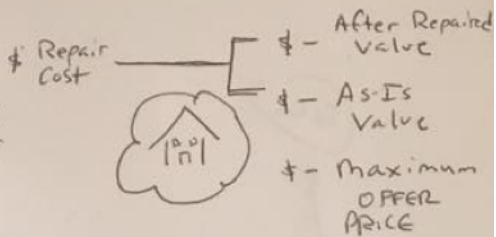


A) When fixed-up?

1. Value ← Comparable (fix & flip - short), sales (houses in area)
2. Income ← rental comps (buy & hold - long)



B) How much fix-up?

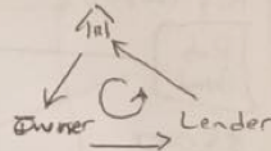
3 bedroom, 1 bath

$\$100,000$ - ARV
 $\$20,000$ - fix

 $\$80,000$ - AIS

Condition
 Fixed-up ← Total Rench
 Livable, Clean
 Not Livable
 Total Rench

$\$$ wholesale Price



- 1) short-term investments | Value Fix & Flip → Buy Cheap
- 2) long-term investments | Income Buy & Hold

Buy & Hold → 12-15% Annually

$\$700/m$ Gross Rent
 $\times 30\%$ Taxes
 $\$210/m$ Insurance, vacancy, Repairs
 $\$490/m$ Net Management
 $\times 12m$
 $\$5880$ /yr
 $\$17,640$ - $\$29,400$

All in CASH: $\$29,400$ Fix-up
 $15,000$ CC buy
 $1,000$

 $\$13,400$ Max Buy Price
 $\$6,000$ wholesale fee → $\$7,400$

~~$\$70,000$~~
 $\times 12\%$
 $\$71,000$
 $\times 12\%$
 $\$79,35/m$
 6 months
 $\$4350$

Fix & Flip

$\$100,000$ - ARV
 $- 9,000$ cos
 $\times - 20,000$ fix
 $\times - 1,500$ CC buy
 $- 20,000$ Profit

 $\times \$49,500$ Buy (Money cost)
 $- 4350$

 $\$45,150$ Max Buy Price
 $\$65$ - \updownarrow
 $\$39,000$ wholesale