

House Flipping Checklist

This checklist outlines the major steps you should take when buying and flipping a property. Run through it to make sure you've covered all of the important things.

Select a Market and Build Your Team

- While most flippers operate in their local area, some have built successful flipping operations out-of-state
 - Once you've narrowed down your market, you'll need to find a good general contractor or rehab crew and an agent to help you with the flipping process
- Review current MLS listings and recent sales to understand the current price trends and types of properties being sold locally
 - Spend some time researching and figuring out which local neighborhoods and areas are most attractive to home buyers
 - Use online or offline networking to find a reputable general contractor, rehab crew and a real estate agent

Get Pre-Approved for a Loan

- If you're going to use financing to purchase and rehab properties, you need to find a good lender and get pre-approved for a loan, or at least get a confirmation that the lender will finance the types of projects you'll be working on
- Use online search or ask for referrals from your agent or other investors to find an investor-friendly lender in your target market

- Interview the lender and ask about their loan programs, LTC/LTV requirements, typical interest rates and underwriting fees
- Submit all required documents to the lender and get pre-approved for a new loan, or get a written confirmation on the types of projects they will be willing to finance

Find a Property to Flip

- Once you've selected a market, built your local team obtained a loan pre-approval, you can start looking at neighborhoods and available properties
- Focusing on tax delinquent owners, foreclosures and out-of-state owners can often help you find motivated sellers and distressed homes
- Create a lead generation campaign through direct mail, social media marketing, email outreach, or local "bandit" signs to start building your property lead pipeline
- Set up a toll-free phone number or a dedicated email inbox to qualify and screen incoming property leads. You may need to hire 1-2 assistants to help you manage this
- When you find a potential property to flip, perform a thorough profit analysis and lookup recently sold comps to estimate the property's ARV. [DealCheck.io](https://dealcheck.io) can help you with this
- Meet with your agent and contractor for a walkthrough inspection of the property and note the amount of rehab work that will be required

Put the Property Under Contract

- When you've found a property that you like and that fits your criteria, it's time to put it under contract and start the escrow process
- Put the property under contract by signing the Purchase Agreement with the seller. Your agent should prepare this for you
- Send your "earnest money" deposit to the escrow company or closing attorney, usually via wire transfer

Complete the Purchase Process

- While in escrow, you will have time to finish your due diligence, get rehab estimates from your contractor and get approved for a loan
 - If using financing, the escrow process typically lasts at least 30 days. It can be just 1-2 weeks if you're not using financing
- Order a complete home inspection. Review the inspection report and decide whether any uncovered issues are a deal-breaker
 - Get a detailed rehab scope of work and cost estimate from your contractor. Check this against your profit projections to make sure this flip will be profitable
 - Set up a property insurance policy to bind on the closing date. Make sure to obtain a "dwelling" and "builder" policies with adequate liability protection
 - Review the title report prepared by the escrow company for any legal issues that need to be resolved prior to closing
 - Get approved for a loan. Work with your loan officer to finalize and underwrite your loan. Note that you may be required to pay for an appraisal at this time and submit additional documents

Close on the Property

- Once your loan has been approved and you've finished all due diligence, you can sign the final closing documents and proceed with the rehab work
 - Signing the closing package usually requires a Notary Public and has to be done in-person on or before the closing date
- Review the entire closing package ahead of signing for any errors or omissions
 - Sign the closing package in the presence of a Notary Public and return it to the escrow company or closing attorney
 - Send a wire transfer with the required funds to close escrow after you sign the closing package

Prepare for the Rehab Work

- After closing, you will receive the recorded deed for the property within the next few weeks. Save it, as it certifies your ownership of this property
- Get the property keys from the seller and place them in a lockbox for your rehab crew
- Set up utilities at the property to turn on electricity, gas and water
- Make sure either you, or your contractor, start working on obtaining any necessary permits for the upcoming rehab work

Begin the Rehab Work

- Staying up-to-date on the rehab progress and resolving any issues as they can come up will help you save time and money
- Arrange for delivery of a dumpster and portable toilets to the property
- Work with your general contractor to begin the required rehab work as per the scope of work you agreed on earlier
- Make sure to get progress reports from your general contractor and resolve any issues as they come up

Complete the Rehab Work

- Don't forget to thoroughly inspect the work done by your rehab crew and correct any problems now, before listing the property for sale
- Schedule a final inspection and walkthrough with your contractor to make sure all rehab work was performed as planned
- Create a list of any final items that need to be repaired or corrected before listing the property for sale
- Get the property professionally cleaned and staged with furniture for showings (if this is something you'd like to do)

- Purchase a home warranty on the property

List the Property for Sale

- Work with your agent to create a professional listing for the property and show it to potential buyers
- Contact your real estate agent and let them know the property can be listed for sale at the agreed-upon price
- Provide your agent with high-quality photos and a list of all upgrades and repairs that were performed during the rehab
- Once an interested buyer is found and the price is negotiated, sign a Purchase Agreement with them

Sell the Property

- No rehab is perfect, and it's common for buyers to identify some issues with the property during their inspection. Be courteous and work on finding a solution both of you are ok with
- If the home buyer orders a property inspection and it finds issues with the property, negotiate with the buyer about getting them fixed. Alternatively, you may agree to give them a cash credit instead
- Review the entire closing package ahead of signing for any errors or omissions
- Sign the closing package in the presence of a Notary Public and return it to the escrow company or closing attorney
- Make sure you receive the wire transfer from the escrow company after closing is completed with your funds
- Turn over the property keys and any documents (such as warranties or manuals) to the buyer after closing

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