

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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