

Learning how to flip a house can be a daunting task. But if you're really looking to add value to your real estate investments, then house flipping might just be for you.

There seems to be a mystique about house flipping when in reality, it's just a form of basic capitalism—buy a property for a low price and then sell it for more than you paid for it.



The idea of house flipping does infer that the transaction happens quickly, but there is no rule that prescribes a set time frame for this [real estate investment](#).

It is also assumed that the act of house flipping requires the purchase of a [fixer-upper](#), doing repairs and then reselling the unit, but in theory, if you had some powerful information—like [Amazon](#) headquarters planning to locate in a certain area—you could try and purchase properties before the news broke and quickly flip the homes without doing any repairs at all.

This, of course, would be the best of all worlds, and if you are thinking of learning how to flip a house, you are going to have to buy low, do repairs and find a buyer that will pay you enough to make a profit.

Let's now look at seven things the most successful home flippers do:

How to Flip a House: They Find a Deal

This may sound simple, but it takes research and a true understanding of local markets.



Image courtesy of [The Duplex Doctors](#)

Pick an area and know something about every house in it. You can either wait for properties to go on the market, or you can pro-actively offer to buy homes in the area for cash before they are listed.

If you are diligent and lucky, you could find a seller before they even decide to list their home.

Everything Is Done with The Final Price in Mind

Seasoned flippers that know how to flip a house can look at a home, visualize the repairs that it needs, such as [lawn care upgrades](#), and calculate a final sale price that will work in the specific market.



Image courtesy of the [Washington Post](#)

They don't [blindly buy properties](#) with the idea that they will merely add their [remodeling costs](#) to the purchase price and then mark it up a certain percentage to ensure a profit.

That might seem logical, but just because you spend \$50,000 repairing a \$100,000 home doesn't mean that you can automatically get your money out of it without considering what the neighborhood will bear. Please, just be mindful of [renovation budgets](#).

They Have an Idea of Who the Buyer Might Be

When fixing up a home, people that know how to flip a house have an idea of who is going to be the end buyer.

If millennials are the target market, for example, smart home features are a necessity. If baby boomers are the likely buyers, a well-landscaped yard might be very important.

If your property is going to be purchased by a person that wants to turn it into a short-term rental unit, you may want to make sure that all furnishings are secure, for example.

They Want Everyone to Win

Successful flippers take the neighborhood into account when they purchase a property to repair and sell. They want the end result to fit in with the surrounding homes and they also want to see everyone's property values increase.

They Strive to Understand the Big Picture

Those that know how to flip a home totally understand the basics of flipping that transcend individual projects.

They try to meet certain profit percentage margins, and if a house is not going to fit into their business plan, they will reject it. Yes, there are variances and differences in every project, but a basic understanding of the global process is key.

They Try for Speed



Even if you buy your first flip with cash, the meter is running daily. You will owe dollars for utilities, taxes and insurance, and these will keep accruing until you finish the home and sell it.

If you buy with hard money for example, you could be paying up to 15 percent interest, and mounting expenses are the enemy of good deals.

They Find Where It's Happening

Finally, good house flippers scour their areas or even the nation to find the best markets — they don't just find a [real estate flyer](#) and sign on for a flip. Lots of fixer-uppers in gentrifying areas are one place to look but do try to exhaust your local area before looking nationwide.

All of those HGTV shows have some basis in fact, and what they do, you can do.

One method we really like is to live in the home you are fixing up. You immerse yourself in that project only, make the home a palace while you are living there, and then sell it and find a new project.

If you can live in a demolition and reconstruction area, you can save a lot of money on personal housing costs.

At any rate, learning how to flip a house is not impossible, but you should take some time to understand exactly the mechanisms of this process.