

Robert Tweed: 6 Mistakes to Avoid When Flipping Houses

SAN MARINO, CA, UNITED STATES, September 10, 2021 /EINPresswire.com/ -- There's a fine line between "flip" and "flop."

Unfortunately, you can't always identify this difference until it's too late. Experience helps in navigating these challenges.

Since purchasing his first rental at 22 years old, [Robert Tweed has seen](#) his share of real estate transactions. The seasoned broker and entrepreneur cautions against these six common mistakes when conducting a flip.

Lacking a financial plan

Don't work for free. Unless you are only interested in finding a new hobby, money should drive every decision. Before beginning, establish a financial plan.

Set a budget. In addition to acquisition and construction costs, allocate funds for any unexpected expenses that will likely pop up. Keep in mind that this investment will be tied up until you're finished. Include any costs related to holding the property.

Ignoring the market

Your flip isn't in a vacuum. A project's location and market should also influence how you invest.

Perform a market analysis to get a better understanding of any potential risks involved. This will also help determine an ideal time to jump in. Consider neighboring homes as well. As Robert Tweed points out, this knowledge is necessary in setting an appropriate value for your project.

Completing unneeded work

Over-rehabbing hurts your budget most. This common error can cripple any flip.

While the goal is to attract buyers, fight the urge to over-fix. Any renovation should reflect comparable properties in the neighborhood. Luxury finishes may look nice, but sticking to the

budget trumps all. [Robert Tweed advocates](#) disciplined spending. Most importantly, know when to walk away if a rehab is over budget.

Running out of time

While you've set aside enough money, time is even more limited.

Flipping a property demands more time than any other real estate development. Walkthroughs, meetings, renovations, inspections, listings, showings, and closings all require time. Before you realize it, the hours in a day quickly fill up. Time management and scheduling are at a premium. But even the best plans change. Delays will always occur. Be prepared to adapt.

Overvaluing skills and ability

You might be handy around the house, but a professional flip is not the right time to try DIY.

Developers often cut labor expenses first. Yet this is costly in the long run. Without the right knowledge and skills, you can get in over your head fast. An awareness of your own strengths and weaknesses is key. Surround yourself with contractors who can help.

Neglecting the exit strategy

Until you can put a "sold" sign in the front yard, your project isn't done.

Setting an exit strategy needs to happen prior to even beginning the project. Ask yourself, "How will I monetize my work?" Whether it's through leasing, renting, or selling, make a plan to get out. [Robert Tweed always](#) develops a couple of strategies at the beginning in case one falls through later.

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