

SILT Real Estate and Investments, LLC Educates House Sellers On How Investors Come Up With Cash Offers

SILT Real Estate Investments, LLC reveals its formula and the process it needs to do to come up with fair cash offers

LA GRANGE, ILLINOIS, USA, December 19, 2022 /EINPresswire.com/ -- [SILT Real Estate Investments, LLC](#), one of Chicago's most trusted house buyers, has recently published a new blog post detailing how they come up with cash offers.



It revealed the formula they use to calculate how much they will pay for a house.

"We build our reputation as one of the [most trusted home buyers in Chicago](#) by being 100% transparent with our clients," shared Brian Wittman, owner of SILT Real Estate and Investments.

“

We make our house-buying process simple, hassle-free, and 100% transparent. Our house-buying specialists will explain your final cash-in-pocket amount and what every piece of our offer goes to.”

Brian Wittman

“With this latest resource, we are educating house sellers on the process we need to do to assess the value of their properties.”

Wittman revealed that the formula they use when computing how much they will pay for a house is $\text{Cash Offer} = \text{After Repair Value (ARV)} - \text{Sales Costs} - \text{Rehab Costs} - \text{Minimum Profit}$.

In the resource, Wittman explained the meaning behind each term used in the formula.

“The first is After Repair Value or ARV. This is what we have come up with as a value of what your home could be all fixed up like other homes that have recently sold in your area,” Wittman wrote.

Wittman also revealed that other things they consider in assessing the ARV are the home style, square footage, bed and bath count, and even location.

“Some of this will vary a little bit of a cash buyer is looking to keep the property as a rental and they don’t care about refinancing or they just don’t see the value in rehabbing to the same condition,” Wittman further explained.

The term Sales Cost, however, is just what it is.

It is the money it would cost house buyers to sell the house.

Wittman explained it in detail in the resource.

“The second term is sales cost. After we repair the home, to take out the profit we’ve put into the house, we’ll have to sell it. Unfortunately, the best and quickest way for us to do that is to list the property with a real estate agent. It allows us to get the most exposure for the property. With that, just like would happen with you, you have to all kinds of fees and expenses. On average, it’s a little less than 10% of the value of the sale of the property. So if we sell it for \$100,000, we can expect to pay about \$10,000 in fees and expenses,” Wittman wrote.

Rehab Expenses is the term that simply means what it would cost the house buyer to make the house pretty again.

And, lastly, Minimum Profit.

Wittman explained what it is in detail.

“And finally, the last term you need to know when looking at the formula is the minimum profit. That is usually proprietary depending on the company and what they want as well as the risks associated with a property. Some companies may take less if they rehab may not take long and it can be sold quickly,” Wittman wrote.

According to Wittman, the two biggest variables that affect the cash offer amount are the After Repair Value and Rehab Costs.

To know about these factors, Wittman encourages house sellers to just directly ask the house buyer.

“There’s a lot of discomfort in figuring this out. I’ll let you in on a secret though... the best way to find these out is to just ask. Ask a realtor what they would sell your house for if it was all fixed up,” Wittman wrote.

SILT Real Estate and Investments, LLC provides solutions to problems or issues sellers think they may have that wouldn’t allow them to sell any properties fast.

The company aims to provide the best end-to-end sales solution to anyone who needs to sell their house.

Homeowners interested to sell their houses to SILT Real Estate and Investments, LLC can contact them directly at (708) 415-3801 or visit their website and read [SILT Real Estate Investments, LLC reviews](#).

They can also read the entire article here - <https://www.siltrei.com/blog/how-much-will-an-investor-pay-for-my-house/>

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