



SHANNON GOLDSMITH

LOS ANGELES | REAL ESTATE

Invest your way to freedom.

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Global Investor Agent Team



June 15, 2020

Dear Dr. [Insert Name],

If you're like most doctors and many of my other clients—you're fed up with the stock market, and financial advisors telling you to "just hang in there." But your money isn't growing fast enough and you're afraid of being stuck behind the chair longer than you want to be.

Perhaps you considered investing in real estate but thought it too time consuming.

I am here to tell you—it doesn't have to be.

You can successfully invest in real estate even though you're extremely busy.

I can show you how to do it, step-by-step.

And it's easier than you might think.

If you're new to real estate investing—great. I love helping doctors and professionals, like you, go from novice to expert in no time. I have a clear, easy-to-implement, 10-step plan to get you there.

Already have investing experience? Great.

I can help you reach your investment goals faster. Whether you're a Buy and Hold investor, or into Fix and Flips, I can point you to the property types and neighborhoods currently performing the best in Los Angeles.

And if you're ready to sell, I'll make sure you exit profitably.

So... are you ready to put your hard-earned money to good use?

All it takes is a 10-minute call with me to get started.

Here's my cell: (310) 779-4679.

Let's chat soon,



Shannon Goldsmith

eXp Realty

Global Investor Agent Team

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Time is short. Why read this?

- * To get a taste of what's possible for you by seeing what others have been doing.
- * To gain access to some great resources which will give you an easy intro into the world of real estate investing.
- * Make your foray into RE investing easier by getting the right help from the start. Learn how I can help you grow your money faster, while keeping your risks in check.

Basic Terms and Concepts

Fix and Flip Properties

An investment strategy that involves buying rundown or out-of-date properties with the intention of rehabbing quickly and selling for profit.

Rehabs can range from minor cosmetic to full-blown renovation.

Advantages of the Fix and Flip Strategy

- ◆ A lucrative revenue stream whether the market is up or down
- ◆ Quicker returns than many other investment vehicles
- ◆ Bigger profits

Basic Formulas and Concepts for Analyzing Fix and Flip Opportunities

After repair value (ARV): The value of a property after the rehab is complete

Maximum Allowable Offer (MAO): The maximum amount you can pay for a property in order to get the return you want. The MAO is also designed to build in a margin of safety to minimize your risks going into the deal.

MAO is typically calculated using the following formula:

$$70\% \text{ of ARV} - \text{repair costs} = \text{MAO}$$

Pro tip: Good deals can be accessed through a Realtor's MLS ("multiple listing service") system. But often, many incredible deals are found "off-market" through distressed sellers or inherited property. I can help you find both.



Recent Fix and Flip Successes

In Los Angeles County

"If you build it, they will come."

- Field of Dreams

14004 Chandler Boulevard, Sherman Oaks

Reimagined 1968 traditional.



14004 Chandler Boulevard

Property Profile & Rehab Highlights

Purchase Price: \$ 1,055,000

Sold Price: \$ 1,699,000

Gross Proceeds: \$ 644,000

Holding Period: 7 months

Rehab Highlights:

This is an excellent example of a creative value-add opportunity. The investor transformed this 1968 traditional into a refreshing modern escape with high-end finishes but didn't stop there.

He added an income producing asset by converting the garage into a high-end ADU with its own separate entrance.

ADU stands for Accessory Dwelling Unit; also called a "granny flat" or in-law suite.

These units can be rented year-round and therefore, add a significant bump in value to a single-family home. Not to mention, a nice monthly income.

Other enhancements include:

- * Knocked down several interior walls to create the much desired open floorplan with seamless flow
- * Replaced sliding doors with pocket doors, offering the highly sought-after indoor/outdoor experience to which many LA buyers are willing to pay a premium
- * Installed wide-beamed hardwood floors in a light finish throughout (the use of one floor type in the home, with the exception of tile in the bathrooms, makes the home feel larger)
- * Fireplace addition in the living area with modern wood façade, flanked by eye-catching shelving and storage
- * Chef's kitchen complete with high-end finishes, massive island and large built-in refrigerator give the home a truly luxe feel

Kitchen converted to open concept with modern finishes.



Living room with fireplace addition and a fresh modern look.



16226 Huston Street, Encino

Dated midcentury gets a sleek, modern makeover.



16226 Huston Street

Property Profile & Rehab Highlights

Purchase Price: \$ 1,122,000

Sold Price: \$ 1,850,000

Gross Proceeds: \$ 728,000

Holding Period: 4 months

Rehab Highlights:

LA buyers love midcentury homes, especially when they've undergone a full gut renovation like this Encino masterpiece.

To increase value beyond just the remodel, the investor added 400 square feet of living space, an additional bedroom and transformed the existing carport to a 2-car garage.

Curb appeal is so vital today, more than ever before. The simple, yet elegant landscape and hardscape on this rehab proves that even low-cost landscaping can make a big impact and add tremendous value.

Other enhancements include:

- * Stunning exterior façade rehab with new stucco, wood siding and a striking garage door
- * Totally reconfigured floorplan; partitioned rooms were cleared out to create the “open concept” that buyers are loving today
- * Ceilings opened up, creating height, volume and space
- * Kitchen and bathrooms complete with sleek finishes, counters, cabinetry, fixtures and appliances
- * Wood beamed ceilings and columns, hardwood floors and solid wood doors elevate the vibe from average to modern luxury
- * Updated backyard finished with a simple, yet modern pool—a perfect match for the clean landscape design

Total kitchen transformation.



Old bathrooms turned into spa-like retreats.



9882 Portola Drive, Beverly Hills

Dreary bungalow gets a bright, fresh new look.



9882 Portola Drive

Property Profile & Rehab Highlights

Purchase Price: \$ 681,000

Sold Price: \$ 1,010,000

Gross Proceeds: \$ 329,775

Holding Period: 9 months

Rehab Highlights:

This is an excellent example of the power of paint. Simple additions of bright pops of color, a clean white stucco exterior accented with dark trim—and at a relatively low cost—this modest bungalow has been turned into a hip and trendy hideaway in the coveted 90210 zip code.

This was a simple, cosmetic rehab with smartly chosen finishes that cater to the tastes of today's buyers. No major rehab required. A great starter project for a new investor.

Warning: This is also an example of what not to do. Notice the longer holding period of 9 months? This home sat on the market for 120 days longer than it should have because it was priced too high.

This cost the investor an extra 4 months of holding costs—profit that could have been in his pocket had the property been priced correctly from Day 1.

Other enhancements include:

- * New hardwood floor and doors in a light stain give an open airy feel (note the change in direction of the floorboards which create better flow and the illusion of more space)
- * New kitchen counters, cabinetry, stove, backsplash (note the dramatic improvement of the kitchen accomplished simply by enclosing the refrigerator in cabinetry)
- * Interior paint, updated bathrooms with wood and brass accents (small but inexpensive accents that are “on trend” boost emotional appeal and increase buyer demand)
- * Refreshed backyard space with simple additions of a few plants, smart use of paint and a new deck (a great value-add improvement)

A dark living space now beams with light.



Simple paint, string lights, some plants and a deck can make you \$\$\$.



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Fix And Flip: What It Is And How You Can Make The Most Of One



Noah Brocious Forbes Councils Member

Forbes Finance Council COUNCIL POST | Paid Program

Money

POST WRITTEN BY

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House flipping has become mainstream with the help of HGTV's plethora of reality shows about people fixing and flipping properties, but what exactly is a "fix and flip," which types are the most common and how can you make the most of one?

A house "flip" is when an investor buys a home with the intent to resell it a short time later at a higher price. For many real estate lenders across the country, including my own hard-money lending company, that "short time" refers to any property bought and sold within a 12-month period. If your project requires more than 12 months to complete, though, don't despair; many lenders can still offer financing for projects or situations that might require a longer loan term.

The Three Categories of Flips

There are three main types of flips: wholesaling, “wholetailing” and the best known, fixing and flipping.

1. Wholesaling a property can be accomplished one of three ways. You can assign the purchase contract (to the next seller). You can sell via a double escrow (one escrow for the investor’s purchase and one for the sale to the second investor or end user. These are open concurrently but will close in the order of sale.). Or, you can purchase and quickly resell without remodeling the property.
2. Wholetailing a property is accomplished by purchasing a property, doing a quick cleanup of the property, then putting it back on a multiple listing service (MLS) to sell to an investor or an end user.
3. Fixing and flipping is when an investor purchases a property, remodels the property to add value and then (typically) lists it on an MLS to sell to an end user.

Maximizing These Opportunities

So how can you make the most of these opportunities? And what happens to your money if the property takes too long to sell?

To maximize your success at wholetailing, which is becoming more popular—especially in markets with low levels of inventory on their MLS—you’ll want to “buy right.” Buying right means purchasing at a price that will allow you to re-sell at or below market value and still make a profit.

Success with the fix-and-flip method is also dependent upon buying right, as well as setting a realistic budget for the remodel and sticking to that budget.

A third key point to keep in mind when planning a successful real estate investment strategy is pricing the property correctly so that it sells in a timely manner.

If a fix-and-flip property takes too long to sell, it can cost investors in one of three ways:

1. **Interest carry:** This is the monthly cost of money borrowed for the project. This assumes the investor has a loan on the property.
2. **Opportunity cost:** This is the cost of not being able to take your money and invest it in another project. For example, if a property is priced too high and sits on the market and doesn’t sell, the investor might miss out on a great opportunity to purchase another investment property.

3. **Cost of capital:** This is the “cost” an investor should charge themselves for the money invested in the project. This amount should be based on what type of return the real estate investor would be able to get if they had their money invested elsewhere. (This can also be considered opportunity cost.)

Opportunities Remain

Since 2008, the market has continued to improve. Although margins have compressed, there’s still the potential for healthy profits to be made with all three types of flipping. When ATTOM Data Solutions release its 2018 Year-End Home Flipping report this month, it noted that in zip codes with at least 10 homes flipped last year and more than 5,000 residents, the highest home-flipping rate was in a Memphis zip code where flips accounted for 29.5% of total home sales. Other areas with high home-flipping rates last year included zip codes in Miami, Florida and Washington, D.C., among others.

The percentage of flipped homes purchased with financing was just over 36% in 2017, which was the highest percentage since 2008. Hard money loans can be a helpful option for real estate investors who don’t have all the capital needed for a project but still want to participate in fix and flips, as well as for more well-capitalized investors looking to leverage their equity to do multiple projects at once.

If you are a real estate investor looking to take advantage of the opportunities that exist with flipping, there are a few things to keep in mind. It is important to make sure you “buy right” no matter what strategy you take. As with all real estate investing, you make your money when you buy. It’s also important to know your numbers on a deal, both when it comes to values that are determined by comparable properties and sales, as well as what costs are going to be associated with buying, holding and selling the property. Opportunities are plentiful today, and I believe they will exist for the foreseeable future. I think this is especially true as people continue to want to live in more established urban areas, because most of these don’t have available land for new housing.

So if someone wants a “new” home in one of these areas, they most likely will have to buy an investor fix and flip. So even though all those “reality” shows aren’t complete reality, there are still opportunities for those looking to flip properties.

The information provided here is not investment, tax or financial advice. You should consult with a licensed professional for advice concerning your specific situation.

Suggested Reading

There's a simple formula to successful real estate investing:

$$\text{Education} + \text{Information} + \text{Action} = \text{Success}$$

I can help you take the right action, in the right order. But, there's a few basics you'll need to learn first. Things like:

- * How to do a thorough property analysis, and;
- * The benefits of conducting a neighborhood analysis

Understanding these, among other concepts, will reduce your risk and increase your odds of success big time. So I'm providing an excellent (and free) resource to get you started.

Flipping for Profit Without the Risk eBook

You will learn how to:

- ⇒ Find the right town for the best profit
- ⇒ Avoid growing pains
- ⇒ Make offers that stick
- ⇒ Pick the right exit strategy so you can maximize profit with minimum pain

To access your free copy:

Send an email to
sg@shannongoldsmith.com.

Let me know you'd like the
Flipping for Profits eBook, and
I will send it right over.

This book was written by my mentor and mega-investor, Gary Wilson. An all-around awesome guy (with the experience and the right intentions), who's all about the facts (no B.S.). Which I appreciate and I know you will too. Enjoy!

7 Reasons to Work with Shannon

1. **Finding deals will never be faster, or easier.** Shannon is one of less than 2% of real estate agents nationwide who is specifically trained and certified to work with real estate investors. Your time is precious. She won't waste it by making you look at deals that just don't make sense.
2. **Be the smartest investor on the block.** Know within seconds, on any given day, which of the 488 neighborhoods in Los Angeles are hot for flips using Shannon's proprietary School Report.*
3. **Attract your future buyers and renters like a magnet with your rehabs.** Using Shannon's highly specific demographic and psychographic data, you will know how your buyers and renters live, sleep and breath.* That's not creepy—that's smart investing.
4. **Beat other investors to the best deals.** Shannon spends tremendous time and marketing dollars targeting off-market deals just for you, in the areas that make the most sense for rentals and flips. Get your shot at them before anyone else.*
5. **Keep your risks in check.** Most agents wing it when valuing property. Shannon is one of the few Realtors® who has completed over 150 hours of appraiser training. When it comes to calculating ARV, Shannon provides you with numbers you can trust.
6. **Capture a premium for your properties when it's time to sell.** Shannon's marketing plan combined with her pricing expertise makes properties go viral from Day One. Shannon knows how to send the right signals to the right buyers, so you can sell your properties quicker for the highest possible price.
7. **A buying and selling process that gets you to your investment goals faster.** Most investors use a shotgun approach to finding deals and writing offers—wasting a ton of time in the process. Shannon's approach is laser targeted. Freeing you to spend your days doing what you love, instead of being stuck behind a desk hunting for deals.

*Shannon's proprietary data is only made available to clients working with Shannon under an Exclusive Buyer Agency Agreement.

What Others Are Saying About Shannon

“Shannon: Thank you so very much for the kindness and patience that you showed to my wife and myself. You are amazing. You made what matters that could otherwise have been difficult and challenging unfold easily and seamlessly. Your calm and professional demeanor are both recognized and applauded.” - [Bruce Singer](#)

“Shannon is the smartest real estate agent I have ever met.” - [Barak Maimon](#)

“This is the best data I have ever seen. Shannon, you are sitting on a gold mine.” - [Gary Wilson](#)

“Shannon you are awesome! Thank you for everything you do for me.” - [Billy Baldwin](#)

“There’s just no words to describe how thankful we really are for you! I hope you share your knowledge and never hold it back. You presented the information so thoroughly and professionally, and left me with hope for Alex and myself for a much better life. It’s all because of you, Shannon..... we LOVE you!” - [Karen and Alex Alongi](#)

“I am totally impressed! I have never had anyone put forth this much effort. You are an absolute rockstar and you made my day! Thank you Miss Shannon Goldsmith!!” - [John Carpenter](#)

About Shannon

Shannon Goldsmith is a 3rd generation Angeleno, Elton John-obsessed Los Angeles Realtor®.

She believes that real estate investing is life’s greatest vehicle to personal freedom.

She loves helping seasoned, or soon-to-be seasoned, real estate investors make their money smarter and grow faster by helping them target the right properties in the right areas at the right time.

