**Properties to Purchase All-Cash Guidelines**

We are in the market to purchase buy-fix-flip properties with an ARV of no more than $600K. We will consider receiving and viewing all the properties you submit to us, and we will only submitting a purchase contract/s if the profit margins will net a minimum 25% of ARV profit, with $40,000 being the minimum acceptable profit amount. ARV is based on the comps you provide to us (see below\*).

Once property is under contract it is imperative that we get a **10-day inspection clause**. We reserve the right to order an inspection and/or appraisal to verify condition or value of the property as a contingency to buy the property. If, for whatever reason we do not accept the “as-is” condition after the 10-day inspection we can exercise the inspection clause, back out of the deal, and our earnest money deposit will be fully refundable to us.

The purchase contract should allow **30 days to close** from time of completed inspection period, and the purchase price will be paid on an all-cash basis.

\*After Repair Value (ARV) Analysis: Comparables that we need from you to determine ARV:

a. Distance:

 i. Rural properties need to be less then 1 -2 miles from subject property.

 ii. Residential properties need to be less then ½ - 1 mile from subject property.

b. Time: Sold comps must NOT be older than 90 days..

c. Similar Features: Square footage should be no more than 500 sq ft variance from subject property. Number of beds and baths must be similar, garage and basements must be similar to subject property.

d. Number of Comps: We must see at least 5 sold comps, 3 pending comps and 3 active comps that meet the above criteria. This is very important. Insufficient number of qualified Comps is the number one reason for rejection of purchase contract submission.

e. Photos/Videos: In order for us to determine the condition of the property and renovation costs, we need enough photos to be able to get a clear picture of every room as well as outside, including street and neighborhood scenes, of the property you are submitting. The more photos the better! We will also need to see a video of these same areas. Photos and videos must be uploaded to our online Dropbox cloud account for us to view them.

Determining Rehab Budget: Since we are renovating these properties to be re- sold, we must budget for the rehab accordingly, by using our own licensed professional contractor, or one that you may recommend to do this work.

**Submit all information to Bill Herrera at** **bill@herrerarealty.com**[**www.herrerarealty.com**](http://www.herrerarealty.com)