

Unconventional means to agent vetting, plus flipping and market value | Home & Living

Q. *We're relocating to Virginia Beach from Maryland in a few months and will purchase a home. To see agents in action before settling on one, I want to do something a little unconventional. We're thinking of coming into town for a weekend and visiting a few open houses in neighborhoods we've identified that we like through recommendations from family. We'd pick with the agent who is the most professional and knowledgeable from the houses we visit to represent us. They wouldn't know we are looking not only for a house but also an agent. I like the idea; my husband thinks it's sneaky. Does it fly?*

A. What a fabulous idea. To understand my excitement for your adventure in finding a Realtor while viewing open houses, I'd like to briefly explore what an open house is. An open house is conducted at a listed property for a listing agent. More often than not, the listing agent is *not* the one holding the open house. The listing agent may hold open houses, of course, but can you envision an agent holding all of their listings open every weekend? By others holding open houses to ensure that the property is in the public's eye as much as possible, it expands the sphere of influence. My sphere will be different from another agent's sphere. This is good.

So, what are the benefits of finding a real estate agent through an open house? Here is my list:

- n The agents are often “hungry” and new to the industry.
- n It gives you an opportunity to meet many brokerages through these agents in one day.
- n It allows you the freedom to “connect” (or not) with the agent inside.
- n It is just a good move to see how they operate under pressure.

While vetting a potential agent, don't forget to get recommendations from family and friends in the area, and use HRRA's “Find a Realtor” option at www.hrra.com/find/find-a-realtor.html to locate Realtors based on designations and certifications, languages spoken, location and more. Good luck. – **Linda Harrison** is chair of the Hampton Roads Realtors Association's Realtor/Lawyer Committee and a Realtor with Rose & Womble Realty's Lynnhaven Road office in Virginia Beach

Q. *I'm thinking about investing in real estate as either a flipper or landlord or both, but am leaning more to flipping. Do you have any general guidelines about what I should look for in a flip home, a good budget and timeline, ROI, getting the financing, and whether this a good time and market for flipping, plus any other advice you think I should know? Thanks for your help.*

A. Interestingly, this is one of the most frequently asked questions I get, which I credit to the overabundance of programs depicting a perceived simplicity in flipping properties to make mounds of money. Because every person's desire is different when asking the question about flipping, it is critical to establish some foundational truths essential for

beneficial answers.

It is said that property ownership and wealth creation is the “American dream.” Now, let’s couple the dream with the 2008 economic avalanche, the recovery of the past several years, and toss in a plethora of property renovation programs. The result is people like you and me showing up in droves to hear self-proclaimed property-flipping experts give the “secrets” to successful flipping while walking away with nothing unless they invest in pricey programs offered by the presenters or their affiliates. Now that the foundation has been laid, let’s talk about the real world of real estate.

If one is serious about delving into flipping real estate, it must be understood that there is a vast difference between the intricacies involved in such projects versus the simplicity portrayed in these seriously edited 20-minute programs packed with 10 minutes of perfected sales pitches.

Before taking the property-flipping plunge, ask yourself the following questions, which must be answered honestly for best results:

- n Do I have the time to spend on this project?
- n Do I have the finances required for property acquisition?
- n Do I have the resources to cover the renovation expenses?
- n Do I have the expertise required to successfully execute this project?
- n Do I have required licenses to perform tasks many flips require?
- n Do I have contractors to provide quality yet affordable work products for the flip?
- n Am I a patient person?
- n Can I afford a financial loss if the project becomes more costly than anticipated?
- n Do I have knowledge that will result in a “sold” flip?
- n Can I handle being told, “No, you can’t do it that way”?

If you answered “no” to any of these questions, it may not be advisable that you engage in flipping.

The average flip is typically a major undertaking of no less than two to six months, contingent upon the magnitude of renovations, modifications and upgrades necessary to achieve a sellable property, all of which must meet municipal code requirements and be approved by at least one inspector. When investigating possible acquisitions, be sure your financials are accurate, as a 5 percent error in several areas of the project could be detrimental. The bottom line in flipping is your return, with most successful flippers having no interest in projects offering less than a 15 percent return on investment.

A good property is defined by “location, location, location,” married with structural integrity and major home systems in good, working order. The location and condition of a property should be at the forefront of every real estate buyer’s mind. I advise every buyer to incur the expense of a property inspection, as it can be a life-saver when a

property looks good on the surface while the unseen, major home system components are sub-par and unacceptable.

Financing real estate comes with countless options, but it takes an intense Q&A session to determine if one qualifies for a loan, and, if so, to determine which loan product works best for the borrower's situation.

The second most-asked question of Realtors is, "How's the market?" Although you did not word craft it this way in your inquiry, I will say that there is always a buyer for every piece of available real estate, provided effective negotiations net terms and conditions resulting in a meeting of the minds between property sellers and buyers. – **JP Morgan** is chair of the Hampton Roads Realtors Association's Resale Council and a Realtor with RE/MAX Central Realty in Virginia Beach

Q. *Why is housing so much more expensive here in the Hampton Roads area than in other parts of the country where I've lived? I can get a lot more for my money in North Carolina, Georgia and South Carolina.*

A. This is an excellent question and one we hear often. Hampton Roads has so much to offer – with not one, not two, but seven cities that make up our community both Southside and on the Peninsula. There is something here for everyone: gorgeous natural areas, bustling commerce, military and civilian jobs, universities, tourism and more. You might find the same or similar features in other cities from state to state. When an area has as many highlights as Hampton Roads, people are drawn to it. The more people who want to live in one city, the higher the demand becomes for housing there. Demand boosts home prices.

This doesn't mean that prices aren't variable between Hampton Roads' seven cities. For example, you won't likely find a three-bedroom house in Virginia Beach for the same price as a similar home in Portsmouth. The highest concentration of the Hampton Roads population is in Virginia Beach, so the demand is higher here.

You will also notice that home values may even differ between neighborhoods within the same city. Popular neighborhoods reflect their desirability in their home prices. In Virginia Beach, for instance, a home with a coveted view of the ocean will be more expensive than a similar home a few streets away from the water.

Homes are less costly just outside of most cities. If you look at homes right outside of Hampton Roads, you will find that you can get more house for your money. Then again, you may decide that you need to be closer to your place of employment or certain amenities. It's all about location, location, location! Your Realtor is invaluable when it comes to finding the right home for you. He or she can show you what homes in your price range may look like in different cities and neighborhoods. – **Jessica Riegel** is a member of the Hampton Roads Realtors Association and a Realtor with Keller Williams Elite Town Center in Virginia Beach

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