

## Wholesale School Week 2 Homework

The intention of this week's homework is to:

- Test your understanding of how to find the values of properties
- Make sure you have the resources you need to comp properties
- Have you PRACTICE finding the values of properties on paper in in real life
- Make sure you have access to public records you'll need in future weeks

When your homework is complete, log in to REGoddess.com with the username and password provided to you in your welcome email. Then go to the Members Q&A section, and...

- Ask a Question
- Category (select Wholesaling)
- Title (WSS beta homework)
- Description (copy and paste homework, or insert it as a jpeg)
- Select only visible to admin and moderator
- Click "Submit Question"

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### Things to DO This Week:

Complete the "Appraisal Problem" in Chapter 3, starting on page 3.20.

Answer these questions:

Which comparable sales did you ELIMINATE because they were too dissimilar/not arm's length/not in after-repaired condition (list the property addresses):

Why are there different properties that came up as comps on MLS vs. from the comparable sale aggregator?

What is the ARV of the subject property, and why?

Pick the subscription service or free service you'll use for then next 2 months to find comparable sales. Last week, you identified one or more that serves your area.

If you can afford it, subscribe to it. If not, you'll have to use Zillow, which can't search by radius or square footage but which WILL show you all the comparable sales in an area. It will take you longer to comp properties with this system because you'll have to manually figure out which are in the right radius, the same size, and so on, but it is what it is and you can subscribe to a service after you've made your first deal. In fact, plan on that.

Remember the 50 property addresses you got "driving for dollars" last week? Use your selected comping service to determine the value of 5 of them, as best you can. List any issues you have with that HERE:

**Also, comp your own house.** You know roughly what it's worth; what do the comps say it's worth?

What about the Zestimate? \_\_\_\_\_

The Trulia estimate? \_\_\_\_\_ -

Realtor.com? \_\_\_\_\_

Redfin? \_\_\_\_\_

The tax rolls? \_\_\_\_\_

Are you convinced that these estimates are not reliable, and do you swear not to use them to

### **Week 1 Quiz:**

Why do we look for after-repaired value as a starting point instead of current market value?

If you've carefully comped a property and determined that it's worth \$150,000, but your seller thinks it's worth \$170,000 and your buyer thinks it's worth \$130,000, who's right? Why?

Give 3 examples of "non arms-length transactions"

- 1.
- 2.
- 3.

How will you know if a property was in good condition at the time of sale?

Why are you going to go ahead and make an offer despite the fact that you're not 1000% sure that you got the ARV exactly correct?

Which of these characteristics would cause you to DISCARD a comparable sale—ie not take it into account?

- |  |  |
|--|--|
| <input type="checkbox"/> It's 50 square feet larger than your subject property | <input type="checkbox"/> It's brick, yours is frame              |
| <input type="checkbox"/> It's in a different school system than yours          | <input type="checkbox"/> It has a porch, yours doesn't           |
| <input type="checkbox"/> It has central air, yours doesn't                     | <input type="checkbox"/> It's an active listing                  |
| <input type="checkbox"/> It was a bank-owned property                          | <input type="checkbox"/> It transferred via a quit-claim deed    |
| <input type="checkbox"/> It's a full 2 story, yours is a 1.5 story cape cod    | <input type="checkbox"/> It has aluminum siding, yours has vinyl |

What are your 4 options for circling in on value when you can't find enough "real comps"?

- 1.
- 2.
- 3.
- 4.