



# The Beginner's Guide to Home Renovation

*Property Management Resource by Marketplace Homes*

# Welcome Aboard!

Investing in real estate is an exciting journey. Having the right tools to successfully invest can set you on the right path from day one, too.

A big part of making a good return on your investment (ROI) is to acquire real estate that future buyers would want. On top of that, it's important to follow the key principle of buying low and selling high. Therefore, it's common for investors to buy distressed properties at a discount to later sell or rent for a profit.

However, discounted properties typically aren't in perfect condition. You can fully expect there to be some problems with a home if you purchase it below market value. Therefore, before you can put it on the market to sell, you need to property inspect and make strategic repairs.

It's also wise to identify homes that are not likely to offer a decent ROI and back out of a deal to avoid losing money. Prevention is the best protection!

## How *Everyday Investors* Can Successfully Renovate Homes:

While big box investors have crews of contractors and subcontractors at the ready, what do everyday folks do when they want to fix and flip a home or two?

The answer is simple -- you recruit the help of a real estate firm that has years of experience in the investment space. Namely, you can count on Marketplace Homes and our Investment Management Team, which comes with a full Renovations Team.

With good investment management counsel, you can confidently make renovation and home purchase decisions regardless of your experience level. Give us a call today at 800-331- 0646 and we can take care of your house flipping needs — from A to Z!



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**MARKETPLACE  
HOMES**



# Marketplace Homes: Your go-to Source for Every Professional Renovation & Inspection



**Marketplace Homes is a highly versatile brokerage with a wide range of capabilities. We're experienced in helping everyone from large-scale institutional investors, to everyday people who inherit properties and need guidance on how to market and manage them.**

As an expert in the property management space, we have specialized teams that can handle the full cycle of any real estate investor's needs. Among our skillsets is renovating homes to sell or rent on the open market. This is the specialty of our Renovations Team, which plays a critical role in our investor clients' success.

## **Introducing the Marketplace Homes Renovations Team!**



Marketplace Homes is a national brokerage and full-service property management firm with a complete home Renovations Team. Our internal Renovations Team belongs to our Property Management Department along with Acquisitions, Dispositions, and Marketing Concierge. Their main goal is to inspect homes, submit a list of recommended repairs to the homeowner, and then send trades to the home to conduct the approved repairs.

**This guide will break down our renovations process so that you can be familiar with our renovation methodology, and be able to make empowered decisions about your investment properties.**

# Why Expert Renovations Matter for Every Investor:

When an investor acquires a property that's in less than perfect condition, or if they need to spruce up a property they already own to prep for sale, renovations are in order. This requires a specialized team of experts who can thoroughly evaluate the property and give an honest assessment of repair needs. Striking the “Goldilocks zone” of cost versus return on investment is crucial for the investors’ bottom line.

It takes experience and practice to achieve this happy medium, so having a team solely dedicated to renovations is a critical part of the asset management cycle.

For small portfolio investors, the performance of each investment is especially crucial. We understand those needs and work diligently to ensure that we meet the goals of our clients.

## We're here for you from start to finish!

Marketplace Homes has more than two decades of experience helping everyday folks make important real estate decisions. As experts in the investment space, we know how important it is to make the right renovations that matter. Every decision you make affects your chance of turning a home into a profitable flip or rental - or not - and we are here to advise you on making the smartest decisions possible.

If you're interested in how we renovate homes and help our clients be fully aware of the process, even if they are miles away, this is the resource for you. We will break everything down and explain our methods in the pages to come. But if you have any other question, do not hesitate to give us a call at 800- 331-0646.



# The Marketplace Homes Renovations Teams Process

Fixing a home for sale or rent is a basic need for an investor, whether they need to flip a home or maintain a portfolio of rentals. Our dedicated Renovations Team uses industry best practices to maximize your property's value.

How does our process work? In this resource, we offer a detailed overview of the steps we take to ensure your property gets the makeover it needs to get top dollar. *Note: The process depends on your starting point.*

## There are two starting points for renovating real estate properties.

1. Buy the property and bring it to us to inspect and fix.
2. Buy the property with our representation, complete with due diligence/price negotiations, and then renovate it with us.

Marketplace Homes can help get your property to its best possible condition within your renovation budget. The more involved we are with the process, the more we can assist you with getting the best return on your investment.

## Insight from Marketplace Homes Renovations Team:

Our Renovations Team is well-versed in helping all kinds of investors flip homes. Whether you have ten years of experience or if it is your first day as an investor, our full-service Property Management Team will assist you with the entire process, which includes renovations.



# How We Renovate Investments at Marketplace Homes

## 1) We combine the Home Inspection and General Contractor report.

Depending on if you own the home or are in the process of buying one, your options for knowing the property's defects will be slightly different:

**Option 1-** You already own the property. We will send a General Contractor (GC) out to the property to assess functional and cosmetic needs. Please provide the home inspection report so we can fully line item all potential repair needs in combination with our GC's report.

**Option 2-** You purchase the property with Marketplace Homes to get more comprehensive service.

During the homebuying process, we can send a GC at the same time as our private home inspector to the property you want to buy. Therefore, we will get both a home inspection report and contractor's notes to line item everything wrong with the house.

These needs can be both practical and cosmetic, unlike with just a home inspection that mainly states functional needs. This enables us to negotiate the most seller concessions to knock repair costs off the total price of the home.

The biggest advantage of using us from the start is that you can decide to back out if our GC and inspector note problems that often result in low ROI, such as foundation problems or excessive water damage.



## Company Cam: Your Personal Window to *Transparency*

For either option, our General Contractor (GC) will send pictures through an app called Company Cam, which presents photographic evidence of all repair needs.

- **Note:** If you hire us just for renovations, we can still help, but there may be surprises that the home inspector didn't notice that may increase your renovation total.



# How We Renovate Investments at Marketplace Homes

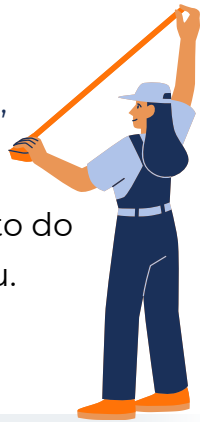
## 2) The Renovations Team itemizes **everything** needing repairs or adjustments, and assigns quotes to each project.

Whether you already own the home or are in the process of buying it, we can present you with a list of everything needed to be repaired or renovated.



If you already own the home, we'll just combine our contractor's sightings with your existing home inspection report and assign quotes to each project.

If you're in the process of buying the home, we'll collate the contractor's report with the home inspection report. We will use these figures to negotiate price reductions and seller concessions, hopefully leading to a successful closing.



When you know everything that's wrong with the house, you can then decide what to do next. You can fix everything, some things, or walk away from the sale. It's all up to you.

***For maximum benefits, use Marketplace Homes real estate services to buy a property. This way, we can get you the most write-offs during due diligence.***

## 3) You decide **what** to fix and how much to spend.

Now that you own the property, you can check the repairs list and decide what you would like to fix to achieve a desirable ROI. If you have any questions about what projects would make the biggest impact, just ask us. Everything, from functional to cosmetic, is listed, even if it seems small, so you can prioritize exactly what you want to do.



## 4) Our contractors get to **work!**

When you finalize the list of repairs you want for your investment, whether it's on your own or with our expert guidance, our local GCs will start the renovations as soon as possible. They will send progress photos regularly through the Company Cam app to keep you fully informed about what's happening.

Note: Marketplace Homes sticks to a \$1,000 a day rule of thumb. Essentially, \$1,000 of work should be completed each day. Therefore, a \$10,000 job should take about 10 days on average. A \$30,000 job should take about a month. The exception is if there are delays in material shipments. If this happens, we will keep you informed.



# How We Renovate Investments at Marketplace Homes

## 5) We conduct the **final** walkthrough.

When the renovations are complete, our General Contractors send final photos and do a walkthrough with one of our local employees, or through video chat. If anything still requires adjustments, we allocate another 48 hours to make it right.

## Insights from Marketplace Homes Renovations Team

Our Renovations Team is well versed in helping all kinds of investors flip homes. Whether you have 10 years of experience or if it's your first day as an investor, our full-service Property Management Team will assist you with the entire process, including renovations.

Here are some expert tips from our Renovations Team.

### **Tip #1 Don't forget the small things that can end up holding you back!**

While figuring out the big tasks like what to fix and how much to spend is essential, small details like knowing where the keys will be after closing, utility set up and transfers into the new owner's name, and wire transfer information for funds can hold back progress more than anticipated.

Thankfully, when you work with Marketplace Homes, we will keep you on top of these minutiae, so you're not held back by any small task.

### **Tip #2: Don't work too hard looking for homes. Ask Marketplace Homes for off-market opportunities.**



You don't need to shop for investment properties alone! New investors should take advantage of our strong network of investors who are often in the process of selling homes they no longer need.

We can show you deals before they're on market. First-time investors can use financing and eliminate the need to pay all cash. Our connections with institutional investors with large portfolios, may allow for opportunities in your desired market. Talk to us!

## Tip #3: The typical repairs buyers expect in a move-in ready home make a bigger impact than other fixes.

We also recommend repairs based on your end game. If you are looking to flip a house and sell, we always highlight a fresh coat of paint, new flooring, kitchens, and bathrooms.

This is because the two main areas of the home are the kitchen and bathrooms, while paint and flooring make up the biggest cosmetic needs in a typical house. On top of that, professional cleaning is recommended. These details are what homebuyers are likely to notice, so let's make them all look nice and pretty!

If you plan on renting the home out, we will provide a different plan based on the home's long-term functionality. For instance, buyers won't care much about a dripping showerhead that they can replace for \$35. However, a tenant will take note of it, so it's best to replace these fixtures to prevent future maintenance calls.

## Tip #4: When flipping to sell, due diligence negotiations are essential to lower the house's price to your benefit.

To win on the buy, you need to get all the information possible, so you have zero surprises after closing. You can get the most money off the house's sale price during the 7-10-day contingency "due diligence" period where we send a GC and inspector over to line-item all functional and cosmetic defects.

Knowing all the problems upfront and negotiating price cuts and credits is one of the surest ways to get the house at a purchase price that allows you to make more profit. During this time, you can ask for more money off the house upfront.

If you find out that the house has expensive repairs and the seller isn't willing to lower the price enough, it's better to lose the EMD than to lose \$20k dealing with a foundation problem that the seller won't deduct from the sale price.



## Fix and Flip Your Home with Marketplace Homes Renovations

Marketplace Homes specializes in assisting investors through the full cycle of asset management, from acquisition to disposition. If you need to find new investment opportunities or would like us to inspect a home you purchased with our comprehensive Renovations Team, contact us today.

Much of this guide includes expert insights from **Jon Wilson**, *Vice President of Property Management*. Without his support, much of this guide would not be possible, so the author would like to extend the deepest thanks for his time and expertise.



# Real Examples of Marketplace Homes Renovations

Now for the fun part. Everyone likes a good transformation story, and nothing is more exciting for investors than seeing some incredible before and after photos and stats of fixer uppers.

We help all sorts of people, from investors who need to spruce up a new rental to a homeowner who needs to fix their home before putting it on the market. Need help with a fixer upper? Our Renovations team can help everyone get their home the way it needs to be to meet their real estate goals and budget.

In this section, we will share four examples of home renovations that we have done for our clients at Marketplace Homes.

**Hot Tip:** When we assist in the buying process, we send a General Contractor with a home inspector to spot all the imperfections so that you can request more money off the home before purchase. This enables you to spend more on repairs to get the home in the right condition and not go over budget.



**5067 Vernon:**  
A head to toe Cosmetic Rehab!



**723 Fulton:**  
A massive Flip with major work!



**13312 N Clio Road:**  
Incredible transformation of an unmaintained home!



**902 Marble Creek:**  
A BIG Investor renovation with foundation repair!

# Real Examples of Marketplace Homes Renovations

## 5067 Vernon Street, Birmingham, Alabama: A Cosmetic Interior Rehab!

When clients come to us and need to repair a home to sell or rent, we can do jobs big and small. In the case of 5067 Vernon, we did over \$9,000 of work in the house, updating the paint, flooring, and kitchen: the top elements buyers notice in a home listed for sale.



**Before**



**After**



### Approved Repairs

- Vinyl Flooring: \$2,140.97
- New Carpet: \$1,189.16
- Siding Repair: \$120
- Professional Cleaning: \$334
- HVAC Work: \$71.30
- Drywall, Prep and Repaint: \$4,347.69
- Debris / Trash: \$750
- Electrical Work \$250
- Gutter Work \$200
- Plumbing: \$75
- Doors / Trim: \$375

**Total: \$9,844.18**

While this home did not have serious defects, its interior was outdated and needed a strong cosmetic refresh to be marketable to today's buyers. New drywall, a fresh coat of paint, updated flooring, and some TLC with siding, gutter work, minor electric and plumbing fixes got this house move-in ready for future occupants.

# Real Examples of Marketplace Homes Renovations

**Before**



**After**



Previously, the house was very brown. The dark paint absorbed light, making the home look smaller. The new eggshell paint on the walls plus modern LVP flooring gave this home a luminous refresh that brought it right into 2024's interior design aesthetics. Now, Vernon's marketing photos look splendidly bright and welcoming!

We can update your home's interior with our trusted local contractors. Whether you want an update for your own home or to spruce up an investment property, we can do it all!

**Before**



**After**



# Real Examples of Marketplace Homes Renovations

## 723 Fulton Avenue: A Massive Investor Flip!



We frequently help investors flip homes to sell on the market for full potential value. Repairs make it possible to offer move-in ready homes. Our General Contractors go into the house after the investor approves a list of recommended repairs. In the case of this home, it needed significant cosmetic updates, new windows, carpentry work, and plenty of TLC. This client took a home that was damaged and gutted out and gave it new life for new residents!

### Before



### After



### Approved Repairs

Plumbing Leak Repair: \$682.00  
Remove and Replace Flooring: \$6,270.00  
Landscape Clean Up Work: \$591.25  
Fence, Gate Repair, and Powerwash: \$1,073.33  
New Windows + Blinds: \$13,333.65  
HVAC Work: \$39.74  
Trash/Debris Removal: \$1,100.00  
Drywall, Caulk, Paint, Cabinets: \$6,632.69  
Appliances + Installation: \$2,942.23  
Doors, Trim, Carpenter work on Cabinets: \$1,902.86  
Deep Cleaning: \$794.75  
Electrical Work: \$228.36

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**Total: \$35,590.86**

723 Fulton is now a move-in ready rental home that was listed for rent at \$1,350 per month in early 2024. This results in 16,200 in potential rental income per year. Our client has added a new home to their portfolio that we can manage and collect rent on their behalf so that they don't have to lift a finger to manage it, while they go and get more homes.

# Real Examples of Marketplace Homes Renovations

## 723 Fulton Avenue: A Massive Investor Flip!

Before



After





# Real Examples of Marketplace Homes Renovations

## 902 Marble Creek Drive, Wylie, Texas

This flip for an investor required over \$60k of work, This included repair to the foundation, a concrete slab. Also, the home needed substantial improvements to the flooring, its electrical system, and kitchen.

This is an example of a high-cost flip involving more complicated repairs than the typical project. Still, this shows we can do this for you as well.



### Before



### After



### Approved Repairs

- HVAC Work: \$647.01
- New SS Fridge+Installation: \$1,872.75
- New Garage Opener: \$506.00
- Electrical, Outlets, Switches, and Light Fixtures: \$4,092.01
- Carpentry, Door, Trim, Cabinets, Hardware: \$2,640.01
- Demo/Trash: \$2,352.98
- Minor bathroom remodel: \$1,993.69
- Caulk, drywall, repainting, kitchen cabinets: \$11,770.77
- Plumbing work: \$2,736.53
- Window repairs and screens: \$2,242.86
- Roof and gutter repairs: \$976.23
- Clean up after renovation: \$925.51
- Vinyl and Tile replacement: \$16,551.60
- Add carpet to stairs: \$118.25
- Exterminator spray: \$206.19
- Landscape clean up/pool repair/new fence: \$11,435.18

**Total: \$61,067.57**

**Tip:** We normally avoid advising anyone to buy a home that needs substantial foundation repairs. However, if you purchase a home with us, we can do our best to negotiate the cost of these repairs before you buy it. In this way, you can walk away from a deal that won't turn into a profitable flip, or you can get enough written off the sale price to enable you to profit even after foundation repairs.

# Real Examples of Marketplace Homes Renovations

## 902 Marble Creek Drive



**Before**

**After**



# Real Examples of Marketplace Homes Renovations

## 13312 N Clio Road, Clio, Michigan: A Home Flip



This was a house left unmaintained by their owners with many cosmetic and functional needs. Our team went in and made everything right. This is now a beautiful home ready for new residents.

We can do it all, just ask us and we can help you get any home back to its former glory- as best as we can with your budget!

### Before



### After



### Approved Repairs

Full Flooring Replacement: \$11,240.86  
New Stainless Steel Fridge and Range: \$1,883  
Yard clean up: \$300  
Painting: \$12,650  
Demo/Cleaning: \$2,345  
General Repairs (including hardware, fixtures, bathroom remodeling, pressure washing, weatherstripping, exterior landscaping): \$9,805.20

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**Total: \$38,224.06**

Sometimes there is an opportunity containing an overwhelming number of cosmetic needs. In this case, the house was in dire need of head-to-toe cosmetic work. This worn-down home needed a lot of love, with fresh paint, new fixtures, updated flooring, a couple bathroom remodels, carpentry work, and extensive exterior maintenance. Our team was able to do it for our client, and we can do it for you, too!

# Real Examples of Marketplace Homes Renovations

## 13312 N Clio Road: A Home Flip

**Before**



**After**

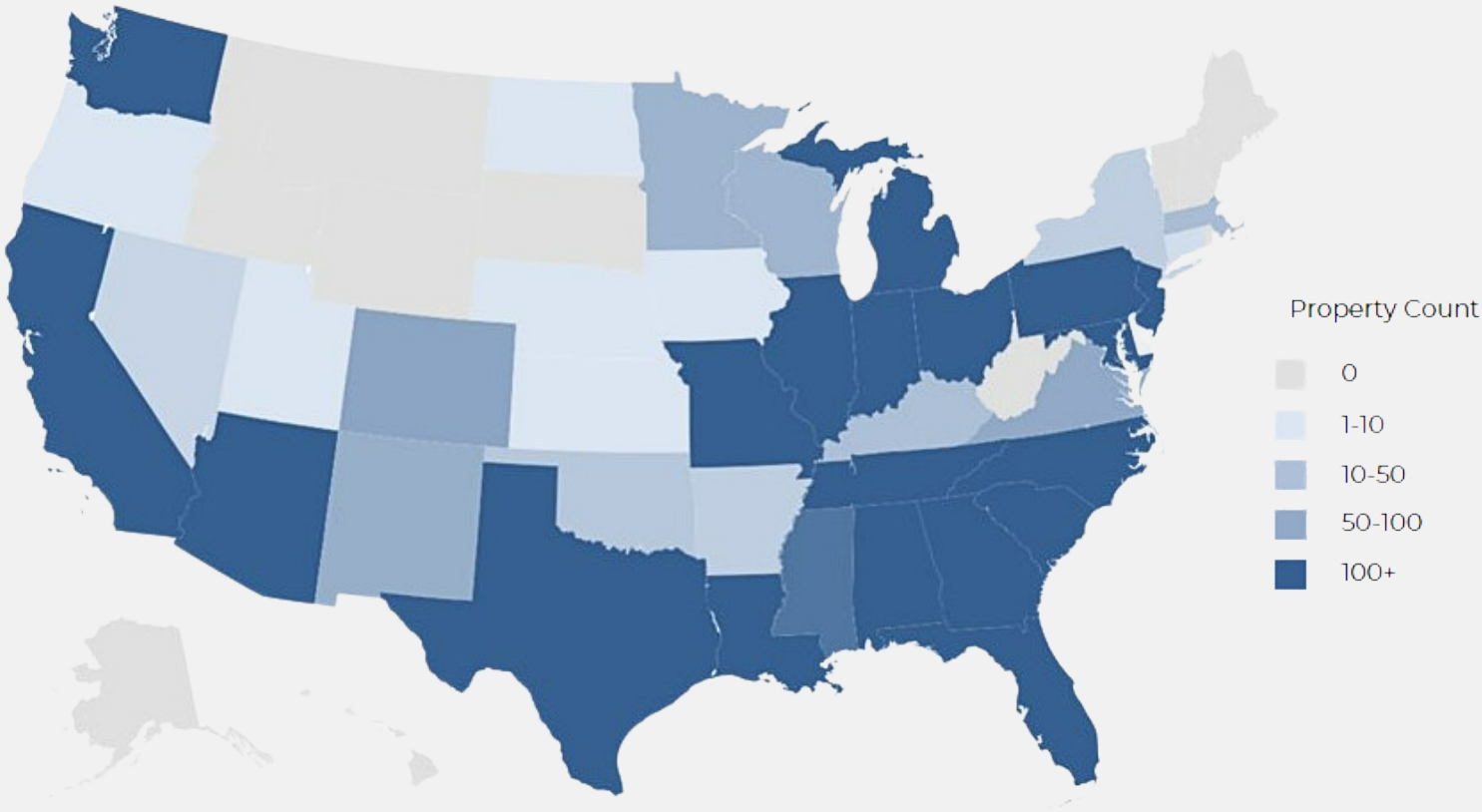


# Start the Renovations Process with Marketplace Homes



By offering the **full cycle of needs** for today's real estate investor of any scale, Marketplace Homes' Property Management streamlines the process of sourcing, fixing, marketing, and selling homes.

Are you interested in renovating your investments with Marketplace Homes? We can fix up your properties or help you find new investment properties, assisting with due diligence to get you the best possible seller concessions before closing.



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