

## Celebs Get Flip With Housing

Daily Real Estate News | Wednesday, November 20, 2013

Real estate agents in California say Hollywood stars -- including Diane Keaton, Jane Seymour, and Corbin Bernsen -- are getting in on the action when it comes to flipping houses for a fast profit.

While flipping entails buying a home and reselling it quickly after making repairs or renovations; industry analyst Jan Brzeski of Arixa Capital Advisors notes that turnaround time in the upper tiers of the market could take 12 months or longer.

The profit for a luxury home flip, she estimates, is about 12 percent to as much as 20 percent. According to DataQuick, a real estate research firm, 5.3 percent of homes worth at least \$1 million were flipped in the first half of this year -- up from 3.4 percent in the first six months of 2012.

*Source: "Buy, Apply Elbow Grease, Sell: Celebrities House Flip, Too," United Press International (08/24/13)*

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## Investors Embrace Risk in High-End Flipping

Daily Real Estate News | Sunday, August 11, 2013

High-end and luxury house flipping is on the rise nationwide. According to RealtyTrac, the number of flipped homes valued at \$1 million or more has risen nearly 40 percent across the country since 2011. RealtyTrac defines a home that has been both purchased and sold within six months as a flip.

In some markets, high-end flipping is becoming particularly big business. For example, between 2011 and 2012 alone, luxury house flipping rose a whopping 867 percent in Orlando and was up 456 percent in Phoenix, according to RealtyTrac.

"Flippers are getting more confident that the market is really recovering, and therefore are more willing to go high-end, even though it's more risky," says Daren Blomquist, RealtyTrac's vice president. He says that refurbished mansions often sell fast via all-cash offers.

For the past few years, investors have been targeting low- to mid-market homes, buying them at bargain prices and turning them into rentals. But with foreclosures falling, that market has nearly “dried up,” says Jan Brzeski, a private money lender running an investment firm in Los Angeles that provides loans to house flippers. As such, more investors are eyeing the high-end market for profits.

However, with more money involved in the purchases, more money is at risk. But for some, it’s been worth it. Brzeski says he purchased a West Hollywood home in 2011 for \$1.425 million and poured another \$1.175 million in remodeling costs into it. The home fetched multiple, all-cash offers and eventually sold for \$3.5 million.

“This was an incredibly profitable project,” Brzeski says. “This really opened my eyes.”

*Source: “Flip that mansion: Investors see riches in luxury U.S. homes,” Reuters (Aug. 11, 2013)*

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## Home Flipping Goes High-end

Daily Real Estate News | Wednesday, November 28, 2012

Where are today's home flippers? It turns out they're cavorting among the rich and famous.

The practice of flipping took a hit as the economy soured over the last few years, experts say, but as the market improves, home flippers are spotting opportunities at the highest end of the housing market.

The *Chicago Tribune* reports that high-end home flips "may involve foreclosures, or outdated or damaged homes." It cites the examples of Judy Garland's childhood home, bought for \$5.2 million last year and recently resold for \$6.77 million; Dennis Quaid's former home, resold for \$11.2 million in September after he sold in 2011 for \$9.2 million; and Rihanna's \$4.5 million home, which was recently put back onto the market at \$9.95 million.

The article notes that a tight inventory, particularly in California where many of the top-end homes are located, is helping flippers score top dollar. For homes priced at over \$1 million, the inventory stands at 5.8 months, down from 10.7 months a year ago.

And buyers are looking for over-the-top features in flipped homes, the *Tribune* reports. "Elevators are in high demand in big houses, as are land, privacy, and views. Must-have amenities include dual bathrooms off the master bedroom, spa tubs and showers with rain heads and multiple body sprays." Flippers must create a house that buyers are "blown away with," the *Tribune* quotes Paul Esajian, the owner and chief financial officer of San Diego-based FortuneBuilders which flips homes and educates and coaches investors.

*Source: "House flipping gets an expensive twist," Chicago Tribune (11/26/2012)*