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# Tonight's Topic

- Show you what we are doing
- Get you some information to get going
- Break it down to manageable steps
- Write things down – don't try to remember
- If it is in writing both you and contractor will be able to refer back to something
- Answer any question you may have?

# Work flow chart we use to keep track of properties

A	B	C	D	E	F	G	H
	Stone Canyon	B St	Norstrom	Caspian	6th Ave	N St	Maison
David							
Gordie							
Kevin							
John							
<b>Hot Lead - 24 hrs</b>							
Rerun CMAs (K/G)						✓	
Discuss deal & exit strategies (K & G)						✓	
Physically inspect property (K/G)						✓	
Does rehab cost fit budget? (K/G)						✓	
Decide yes/no (K & G)						✓	
Notify John & David (G)						✓	✓
Add to this spreadsheet (J)						✓	✓
<b>5-Day Due Diligence</b>							
Send EMD check (K)						N/A	N/A
Order pest report (D)						✓	
Distribute pest report (D)				✓	✓		
review pest report (G)							
refine rehab estimates (G)						N/A	N/A
Take pictures (to compare @ closing) (D)						N/A	N/A
Decision to move forward (3of4)						N/A	N/A
release contingencies (K)						N/A	N/A
get fully executed contract						✓	✓
wait a week - make sure bank's going to close						N/A	N/A
<b>Committed to Buy</b>							
Prepare rehab statement of work (G)				✓	✓		
Add contractor lockbox (G)					✓	✓	
Solicit contractor bids (warn we don't own) (K/G)				✓	have 1		
Create property file (J)							
Report estimated closing date (K)				✓	repair est delay	N/A	
Prepare funds for closing (J)				✓	1/5/2010	✓	
Verify property condition against photos (D)				✓	✓!	N/A	
Sign closing docs (Kim)				✓		✓ - at steps	
Notify David & John soon after closing (Kim)				✓		✓	
Wholesale vflyer (Kim)				N/A	N/A		
Wholesale Marketing (D)				N/A	N/A		

# Committed to Buy

- Go to the property and decide what kind of work you are going to do?
- Make sure that you are keeping to your original repair estimate
- Prepare rehab statement of work so your contractors will know what to bid on
- Solicit contractor bids

# Repairs Estimate

## Repair and Notes Worksheet

Property Address: \_\_\_\_\_

### Major Repair Items:

Check if Required	Major Item	Dollar Estimate	Description
_____	Roof	_____	_____
_____	Landscaping	_____	_____
_____	Exterior Concrete	_____	_____
_____	Dry Rot	_____	_____
_____	HVAC	_____	_____
_____	Tree Removal	_____	_____
_____	Other	_____	_____

### General Interior Condition:

Condition	Cost/SF
Excellent	\$10
Good	\$12
Fair	\$15
Fair to Poor	\$20
Poor	\$25

### Repair Estimate:

Sum of Major Items	_____
Cost/SF*Prop SF	_____
<b>Total</b>	_____

### Property Notes

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**\$15,000**

\_\_\_\_\_

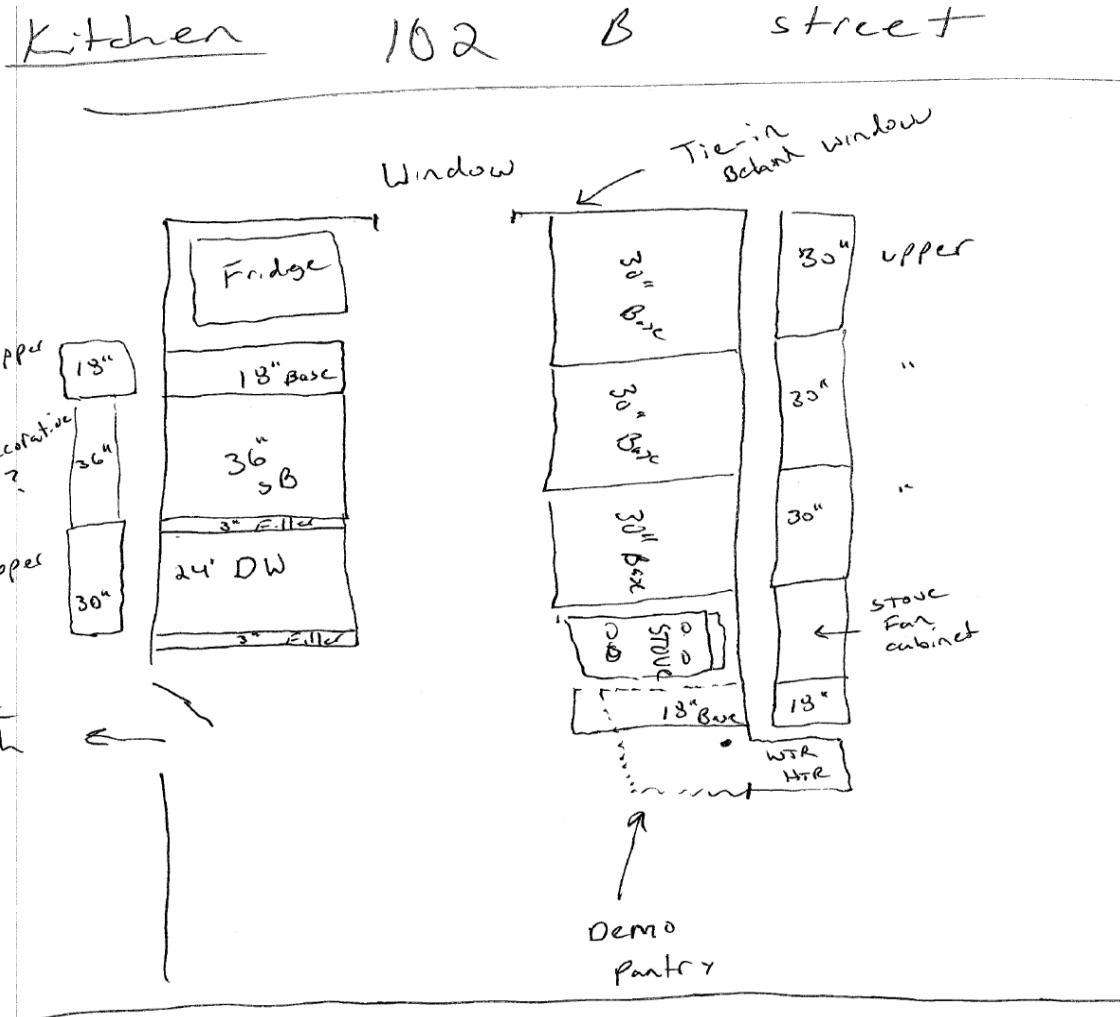
# Offer Price on house

- ARV - \$175,000
- Formula – ARV x .7
- \$175k x .7 = \$122,000
  
- Repairs - \$ 15,000
- \$122,000 - \$15,000 = \$107,000
- Our circle price is **\$107,000**

# Statement of work

<b><u>102 B street - front unit</u></b>					<u>Door Code:</u>	1290
						on left side fence
<b><u>EXTERIOR:</u></b>						
REMOVE APPLIANCE AND TRASH IN YARD					<b><u>BEDROOM # 1</u></b>	
MATCHING LOCKS ON DOORS AND SCREEN DOOR -					NEW BLADES ON FAN	
NEW LOCK ON BACKSLIDING GLASS DOOR					DOOR TO BATHROOM ?	
					<b><u>BEDROOM #2:</u></b>	
SECTION 1 PEST REPORT - WHEN AVAILABLE					MOVE OUT WALL BETWEEN BATH PER/SKE	
					CLOSET DOOR?	
					BOX IN SEWER PIPE IN CLOSET WITH WOO	
<b><u>INTERIOR - WHOLE HOUSE</u></b>						
GOOD CLEANING AND REMOVE DEBRIS					<b><u>FRONT BATHROOM:</u></b>	PER/SKETCH
FIX ANY BROKEN ELECTRICAL OUTLETS AND SMOKE ALARMS					EXPAND TOILET AREA TO 30" PER/SKETCH	
TOUCH UP PAINT					NEW TOILET AND CENTER IN NEW AREA.	
<b><u>BASEMENT-</u></b>					NEW VANITY, SINK TOP, FAUCET, MIRROR	
DIG OUT DIRT CAVE IN AREA - SUPPORT POSTS					TILE WALLS IN TUB AREA	
OPTIONS FOR SUPPORTING DIRT WALLS					FLOORING - LINOLEUM OR TILE ?	
SPRAY WATER TREATMENT PAINT?					FAN	
GENERAL CLEAN UP, SEAL OPENINGS WITH SCREENS						
<b><u>PLUMBING AND ELECTRICAL:</u></b>					<b><u>LAUNDRY:</u></b>	PER/SKETCH

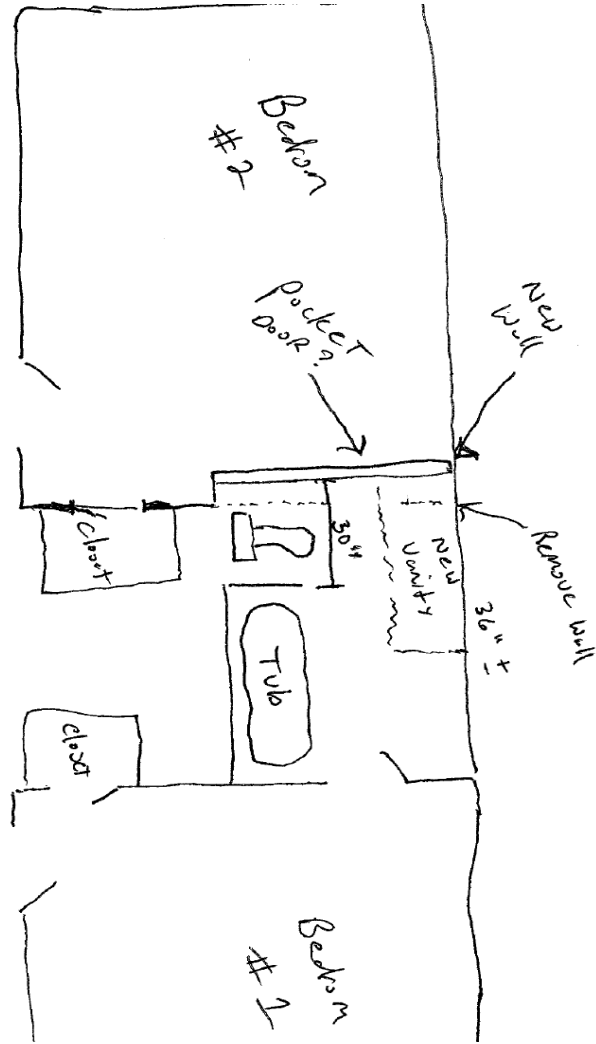
# Kitchen Sketch



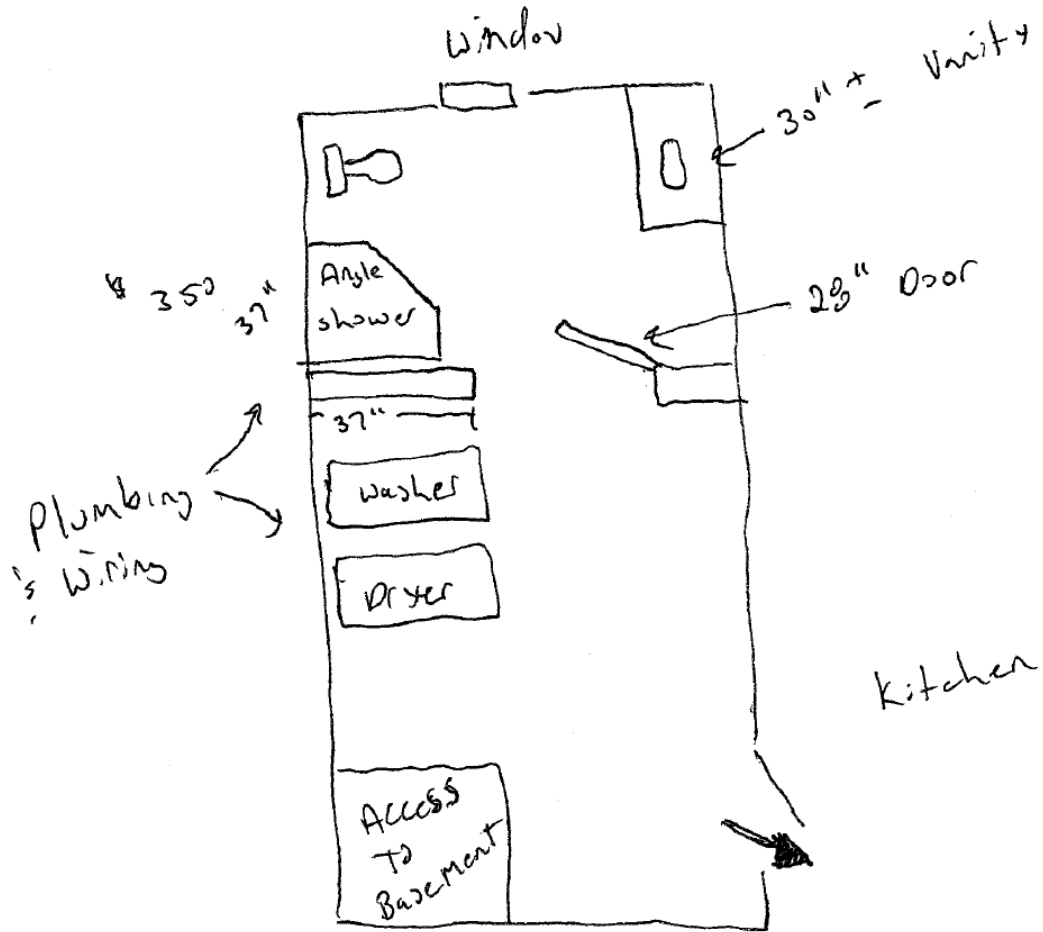
NOTE! OK - moving stove to middle



# Front Bathroom

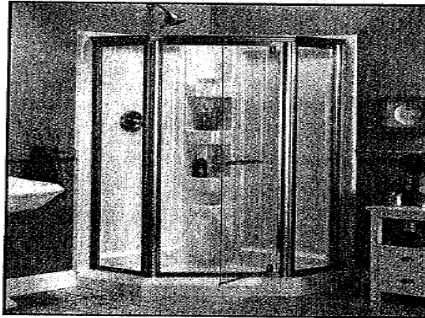


# Back Bathroom

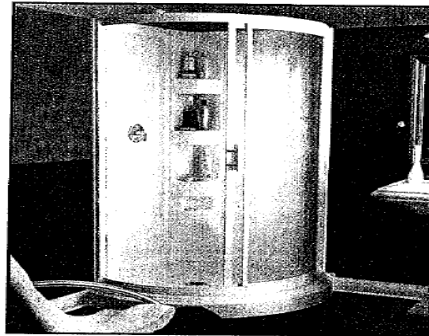


What unit we wanted to use in back bathroom – at Home Depot

## Corner Shower Product Guide



Neo-Angle Shower  
3-Piece Shower Set



Round Shower  
3-Piece Shower Set

AQUA GLASS®

# First contractors bid

Code	Description	Qty/Hours	Rate	Amount
Exterior	Supply and install 1 lock kit on 2 doors. Dump runs with all trash and appliance on site, slider lock, ext touch up paint and minor dryrot replacement.	1.00		
Interior	Clean whole house, supply and install smoke detectors, repair all broken outlets (if not too excessive) and supply and install 4-2 light domes @ c. fans, minor touch up paint	1.00		
Basement	Digout, dry, flatten and compact dirt under house, brace 1 missing joist, spray masonry primer/mildew treatment, supply & install missing screens @ basement, demo old furnace & cap gas	1.00		
Front	Remove brick & pergo in dining area, demo A/C unit & fix siding	1.00		
Kit / Din	Supply and install new kitchen cabinets to agreed plan(\$1800), supply and install Tan Brown granite in kitchen (\$500), supply and install new kit sink (\$150), faucet(\$150), disposal (\$150) with needed parts, Install client supplied stove, dishwasher and ventless hood,demo pantry and supply and install a new vented solid prehung door at water heater (\$200), supply and install a new skinny water heater (\$400) and pr.sh.device (\$100) and move gas and water lines into new cabinet, add 2 new outlets.	1.00		
Tile	Supply and install 1/4" hardibacker and 16" x16" ceramic tile in dining room, kitchen, 2 baths and laundry(\$1/sq ft), grout and caulk.	1.00		
Bed 2	Fill in bathroom door & box in closet sewer pipes	1.00		
Fr Bath	Move toilet to new location & supply and install a new one (\$100), demo old shower walls & supply and install hardibacker and 12" x 12" tiles above tub, grout and caulk, paint old tub, install shelves in old toilet hole (linen closet) & at vanity, supply and install a new medicine cabinet (\$50) and move tub wall end back 3".	1.00		
Laundry	Add new water supply and drain line to W&D, add outlet and dryer vent, supply and install new attic ladder (\$135), build new basement door in tile floor	1.00		
Back Bath	Relocate toilet to new location & supply (\$100) and install a new one, supply and install a new light (\$35), fart fan (\$75), 30" vanity (\$200) with piping relocation , faucet (\$25), a new neo angle prefabbed shower enclosure (\$400) as well as relocating water supply and adding a new drain, build 2 new walls to enclose bathroom with a 28" door(\$50).	1.00		
Carpet	Supply and install midgrade carpet to family room and 2 bedrooms leaving pergo under carpet-will nail down (N/C)	1.00		
Panel	Supply and install a new 125 amp electric panel with extra breakers for HVAC as well as a new subpanel to a/c compressor. This is an estimate from my electrician and will be sure priced before contract - \$1000 not included	1.00		

Code	Description	Qty/Hours	Rate	Amount
HVAC	Supply gas and 110v as well as a platform with service lights to a new hole in attic and patch hole.	1.00		
Landscape	Clear all weeds from property and mow grass, trim trees off house, redirect gutter downspouts into drains away from house, test sprinklers and plant some drout resistant plants around property. Cost is not included -\$1200	1.00		
	All ( ) are allowances and are only increasable by client. As soon as we can agree on a contract, we will get over there and start drying basement and redirecting gutter run off (RAIN STARTING SUNDAY) as well as rest of project.	1.00		

\* Indicates non-taxable item

Subtotal  
Tax (7.25%)  
Total

# Second contractors bid

- Exterior: \$360.00
- Interior whole house: \$950.00
- Plumbing: \$2000.00
- Basement including concrete retaining wall: \$3300.00
- Kitchen: \$5100.00
- A/C power and gas: \$600.00
- Bedroom #1: \$250.00
- Bedroom#2: \$950.00
- Laundry: \$1850.00
- Front bathroom: \$1250.00
- Back bathroom: \$1150.00
- Front room: \$450.00
- Our price for performing this work is \$18,160.00.

# **AWARD CONTRACT**

**Get to work!**

# Questions?

- This is a lot of work
- When working on an old house things are going to come up. Use common sense.
- If something comes up that was not discussed be fair to your contractor – don't put everything on them.