EASY STREET CAPITAL

REAL ESTATE INVESTOR

FIX & FLIP DEAL ANALYZER

EVALUATING FIX & FLIP DEALS

Successful real estate investors rely on a consistent process to evaluate deals quickly and confidently.

Rather than analyzing every possible variable, experienced investors focus on a handful of key factors that determine whether a project is likely to be profitable.

At its core, a fix and flip analysis answers a few important questions: what the property could be worth after renovations, how much it will cost to acquire and improve the property, and whether the potential profit justifies the risk involved. By understanding these fundamentals early, investors can quickly identify which opportunities are worth pursuing.

Using a structured approach also allows investors to move faster in competitive markets. When you already know the numbers you need to evaluate, you can review deals efficiently and make informed decisions without overcomplicating the process.

This guide outlines a simple five-step framework investors commonly use when evaluating potential fix and flip opportunities. By focusing on these core components, investors can gain a clearer understanding of a deal's potential and determine whether it aligns with their investment strategy.

The following sections walk through each step of the analysis process and highlight the key numbers investors typically consider before moving forward with a project.

STEP 1: DETERMINE THE AFTER REPAIR VALUE

The After Repair Value (ARV) is the estimated market value of a property after all planned renovations are completed. This number serves as the foundation for most fix and flip deal analyses because it establishes the potential resale value of the property.

Investors typically estimate ARV by reviewing comparable properties, often referred to as “comps,” that have recently sold in the same neighborhood. These comparable sales provide insight into what buyers are currently willing to pay for similar homes.

When analyzing comparable properties, investors generally look for homes that:

- Sold within the past 3–6 months
- Are located near the subject property
- Have similar square footage, bedroom and bathroom counts
- Reflect a similar level of renovation or condition

The goal is to identify properties that represent what the home could realistically sell for once renovations are complete. The more accurate the ARV estimate, the more reliable the rest of the deal analysis will be.

Because ARV plays such a critical role in determining potential profit, investors often take time to verify their assumptions and review multiple comparable sales before moving forward with a deal.

STEP 2: ESTIMATE RENOVATION COSTS

After estimating the potential After Repair Value, the next step is determining how much it will cost to renovate the property. Renovation costs can vary widely depending on the condition of the home and the scope of work required.

Many investors begin by identifying whether the project will involve cosmetic updates or more extensive structural improvements.

Cosmetic renovations often include updates such as:

- Interior paint
- Flooring replacement
- Light fixtures and hardware
- Landscaping or curb appeal improvements
- Minor kitchen or bathroom updates

Major renovations may involve more significant improvements such as:

- Roof replacement
- Electrical or plumbing work
- HVAC systems
- Structural repairs
- Full kitchen or bathroom remodels

Accurate renovation estimates are important when evaluating a deal. Creating a realistic budget helps investors better understand the overall scope of the project before moving forward.

STEP 3: CALCULATE TOTAL PROJECT COST

Once the purchase price and renovation budget have been estimated, the next step is calculating the total cost of the project. Many new investors focus only on the purchase price and rehab budget, but a successful deal analysis requires accounting for all costs associated with the project.

In addition to the purchase price and renovation expenses, investors should consider several additional costs that may occur throughout the life of the project.

Common costs to include in a deal analysis include:

- Purchase price of the property
- Renovation budget
- Closing costs
- Financing costs
- Holding costs such as property taxes, insurance, and utilities

These expenses make up the total investment required to complete the project. Understanding the full project cost helps investors determine whether the deal has enough margin to remain profitable.

Carefully accounting for these costs early in the process can help investors avoid surprises and make more informed decisions before committing to a deal.

STEP 4: ESTIMATE POTENTIAL PROFIT

Once the After Repair Value and total project costs have been estimated, investors can begin evaluating the potential profitability of the deal. This step helps determine whether the opportunity meets the investor's financial goals and risk tolerance.

A common way investors estimate profit is by subtracting the total project cost from the expected resale value of the property.

Basic Fix & Flip Profit Formula

Estimated ARV
– Purchase Price
– Renovation Costs
– Financing Costs
– Holding Costs
= Estimated Profit

Because unexpected expenses or delays can occur during renovation projects, many investors look for deals that provide a comfortable margin between the total investment and the projected resale price.

Evaluating potential profit early in the process allows investors to quickly determine whether a deal is worth pursuing before committing time and resources to the project.

STEP 5: SUBMIT THE DEAL FOR FINANCING

Once a deal has been evaluated and meets your investment criteria, the next step is securing financing so you can move forward quickly. Having financing in place allows investors to act confidently when opportunities arise.

Easy Street Capital's **EasyFix** loan program is designed to help real estate investors finance both the acquisition and renovation of investment properties. By providing capital for the purchase and the rehab, investors can focus on executing their project while keeping their own capital available for future deals.

When submitting a deal for financing, investors are typically prepared to provide a few key pieces of information, including:

- Property address
- Purchase price
- Estimated After Repair Value (ARV)
- Renovation budget
- Investor experience level

With the right preparation and a reliable financing partner, investors can evaluate opportunities quickly and move forward with confidence on their next project.

Click apply now to get started on your next EasyFix project!

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