

# Top Tips For Flipping a Luxury Estate in California

When it comes to flipping a [luxury home in California](#), the old adage of you must spend money to make money is going to apply. Investing in a luxury estate can be a touchy business venture. While it may be easy to find a small family home on the market, finding a great **luxury estate** is not always as simple.

Sure, you may luck into the perfect luxury estate from time to time, but those times are few and far between. To acquire an ideal luxury home, you're going to have to take a different route. It's different than simply searching for an easy to flip duplex or single-family home.

On average nationwide, a real estate agent earns around \$50,000 annually. When it comes to luxury estate flipping, you can earn that amount or even more with just one property. Imagine if you could do this with several properties each year. Your income would skyrocket!

One of the biggest things you're going to need to do when taking steps toward the luxury estate market is know how to sell yourself. Plus you're also going to need some sound advice on steps to take to ensure your deals are secure.

For luxury estate property, you'll need to keep in mind that every facet of acquiring the home. From the beginning offer to be able to close the deal is going to be novel to you. But harder if you have worked solely with smaller, family homes, condos or other properties.

The [luxury real estate market in California](#) includes beautiful homes on the water, vacation property and high-end luxury homes that are not always listed on the market. Often you will only hear about these properties through word of mouth. To do that, you're going to need to know the right people and have

the right connections in the market.

Whether you've been working in the real estate industry for many years, or you're just starting out, be careful. You'll want to tackle flipping luxury estates in California with caution. But here are some of the top tips to making sure your luxury estate flipping is successful.

### **Qualification**

Before jumping ahead of yourself, make sure you are pre-qualified for the right amount. Therefore, a lender will not work with you if you're not a qualified buyer. Since luxury homes are considered a very high loan, the path to approval often takes longer than loans for smaller properties. As a result, be prepared to wait for approval and if you have anything negative in your credit. But don't expect to be approved upfront. High end loan approval is extremely detailed, and you need to work hard to show the lender you are worth their time.

### **Be Prepared to Spend Money**

A luxury estate is definitely not cheap. You already know you're going to need to spend money to purchase the home. If you are fortunate, a luxury home that you purchase for just over \$1 million may rake in up to \$50,000 or more on commission for you. To earn this however, you're going to need to invest money to make repairs, market and flip the house as quickly as possible.

According to [SheltonRoofing.com](http://SheltonRoofing.com) of Santa Cruz, California, the average investor will spend just over \$10,000 to \$20,000 on repairs including roofing repairs, updates to living space and even landscaping. So make sure your newly acquired luxury estate earns the most commission. As a result, be financially prepared to make sure it is in the condition buyers expect and that you not only market the property, but you must market yourself as well.

## **Network with Luxury Realtors**

Make your presence known by networking with others in the industry and always put the best of you out to the public. Hence, a great image takes time to build, but with hard work and perseverance, you can do this. Luxury estate sellers need to know they can trust the person they are selling to, and you must show them you have the experience, even if you may not have as much as you need them to believe you have. Building relationships with luxury estate realtors can help boost your image as well as help you learn more about the market you need to know the most about.

A good way to do this is to socialize at those places where others in the industry, especially luxury home buyers, socialize. This might be at the golf course, country club or even at church depending on the area you're in. Learn the market you want to invest in, and then take your time to work your way into things.

## **Buy Leads**

This is going to be another investment to make, but one that can really garner you the overall exposure you need. Buying leads from websites such as Realtor.com can give you access to those buyers and sellers who want or own the luxury properties you need in order to earn the most financially.

You will have to be great at marketing yourself even when you have leads, so let's make no mistakes about that. The leads may get you in the door, but once inside, you're going to have to prove you can be trusted to close the deal.

## **Have a Savings Built Up**

It's great to think about buying a luxury estate in California, fixing it up a little and then flipping it to earn tens of thousands of dollars, isn't it? Of course, it is! It is also an expensive process to undertake. Not only will you need to be qualified to take out the loan to buy the property, unless you just happen to have \$1 million or more sitting in a

bank vault at your disposal, but you are also going to need money for other things related to the purchase and sell of the property.

First, you will need money to live on while the estate is being repaired and marketed. Money is needed to make the repairs and cost will add up quickly. There will be cleaning costs to make sure the home is clean. Be sure to know that marketing costs including printing signs and networking can be expensive when you are marketing a luxury property.

If you cannot afford to jump in all at once, take your time. Please build your way up to the luxury estates by working slowly through the smaller market and lower end homes first. Or, seek out a partner who has the financial backing and experience to work with you. Next, form a relationship to flip the estate together and split the earnings when the property sells.

### **Build Experience**

This will take time, most often it will take many years, but building the necessary experience is going to be necessary to not only build your contacts, but also to build your knowledge of the market. The more experience you have working with luxury properties, the more comfortable you will be with the work you are doing and when you are comfortable, your confidence will show to those you need to network with.

### **Dress to Impress**

What if you walked into a high-end restaurant and the manager walked up to you dressed in an old discount store t-shirt and a pair of jeans. How about five-day old razor stubble on his face? Would you most likely be less than impressed with his appearance? Or possibly change your mind about dining in his establishment?

You need to be fully prepared at all times to meet with high-end clients and sellers and your appearance can make or break

a real estate deal. This means that whether you are meeting a client for a business lunch or you are walking into the movie theater on a Saturday night with your ten-year old daughter, you need to dress to impress! No jeans or rugged clothing unless you're out in the wilderness taking a hike or camping for a couple weeks. No matter where you go, you could potentially run into a client. They will judge you based on the way you are dressed and how you carry yourself.

### **Know Your Market**

Take time to learn everything you can about your local real estate market. If the homes you are focused on the most are in a specific area, then learn everything about the area. Take time to study flood maps to make sure properties are not in flood zones and check out the typical weather patterns throughout the year as well. Buyers will often ask how the weather is during particular times of the year, and you should know what to tell them.

You should also know where the best coffee shops, restaurants, shopping venues and other places people enjoy visiting are located. Take time to also get to know the local community members if possible. Sure, in a luxury community, you certainly won't be able to just walk up to a random neighborhood door and knock to say hello. But try to gain membership to local clubs where those in the community socialize. Then start working your way into their world as much as possible.

You will need to fully infiltrate your life into the luxury community. Take time to learn the things that are most important in this world including tech gadgets, spa treatments, art and even wine. Being able to live the luxury lifestyle, at least to some degree, will better help you understand what people want. Realize how to make sure they have what they want when you are working to buy and sale your luxury estate.

Taking time to know how the community works will give you time to build your presence and start networking within the local community. If you want to make the most possible on a flip, you must know your local market inside and out.

### **Work Open Houses in Luxury Neighborhoods**

If you have real estate friends or business connections, take time to ask them to let you work their open houses. Even if the house is not your own and you have nothing invested in it at all, simply being there will open the door to meeting potential buyers and building a repertoire with them for the future. Working hard to close a deal at an open house is a great way to get started with your own luxury estate flipping.

□

### **Hard Work Paves the Way**

It does not matter how much money you have to invest or how much experience you have. When starting out but working hard will pave the way to closing the deals you want to close. Whether you have a physical office downtown or even in your spare bedroom, you need to be a mover and shaker. Start working out of the local coffee shop, school field day or local community events. Meet and greet people who may be in the market for the properties you plan to invest in.

Work hard every day to learn as much as possible about the local luxury estate market. Therefore over time, you'll become an expert in the field that others can trust. This takes time, so don't expect to decide one day to buy a luxury home and be able to flip it the next. Because it is not going to happen that way. This is something that will take time. But with due diligence and plenty of sweat hours, it's possible. So build your image and your knowledge of the market. You'll soon find you can make those great investments and start working to flip those luxury estates in California one after the other.

**Have you dreamed of owning a luxury estate? We hope the information we shared has helped you better make a decision. Please stop by soon to follow our luxury blog. Keep up on the latest luxury real estate market news.**