

# U.S. HOME FLIPPING INCREASES 16 PERCENT IN 2013 AND AVERAGE GROSS PROFIT ON FLIPS RISES TO MORE THAN \$62,000 IN Q4

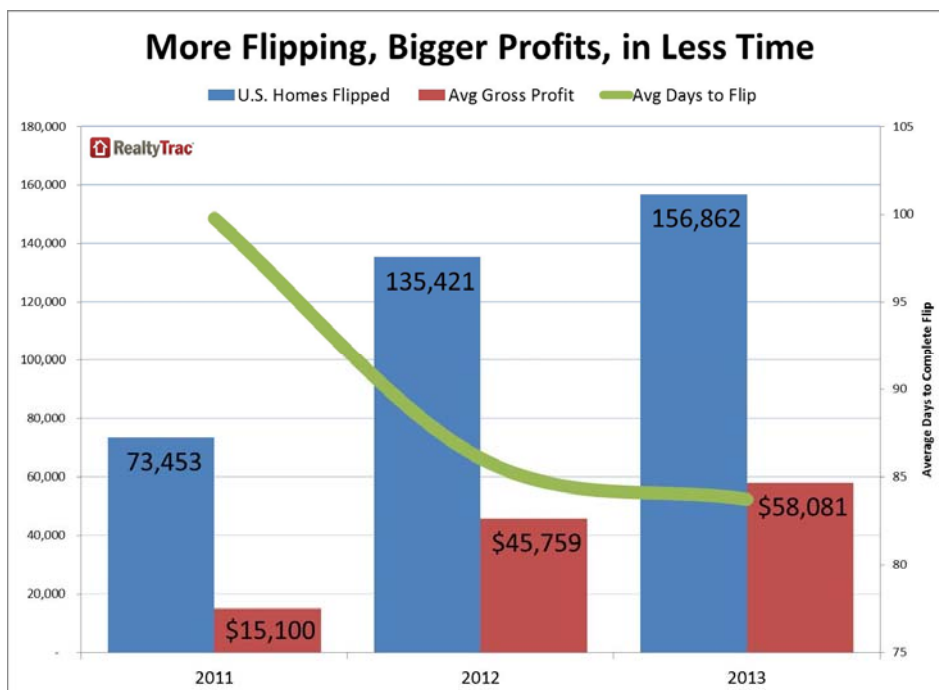
January 28, 2014 By RealtyTrac Staff Text Size [A](#) [A](#) [A](#)

*Average Gross Profit on Flips in Q4 2013 at \$62,761, Up From \$52,746 in Q4 2012  
21 Percent of Flipped Homes Purchased as Foreclosures, Down From Previous Years*

**IRVINE, Calif. – Jan. 30, 2014** — RealtyTrac® ([www.realtytrac.com](http://www.realtytrac.com)), the nation’s leading source for comprehensive housing data, today released its Year-End and Q4 2013 Home Flipping Report, which shows 156,862 single family home flips — where a home is purchased and subsequently sold again within six months — in 2013, up 16 percent from 2012 and up 114 percent from 2011.

Homes flipped in 2013 accounted for 4.6 percent of all U.S. single family home sales during the year, up from 4.2 percent in 2012 and up from 2.6 percent in 2011. Flips accounted for 3.8 percent of all sales in the fourth quarter, down slightly from 3.9 percent of all sales in the third quarter and down from 7.1 percent of all sales in the fourth quarter of 2012 — the highest percentage of sales represented by flips in a single quarter since RealtyTrac began tracking flipping data in the first quarter of 2011.

The average gross profit for a home flip — the difference between the flipped price and the price the flipper purchased the property for — was \$58,081 for all U.S. homes flipped in 2013, up from an average gross profit of \$45,759 in 2012. The average gross profit for homes flipped in the fourth quarter was \$62,761, up from \$52,746 in the fourth quarter of 2012.



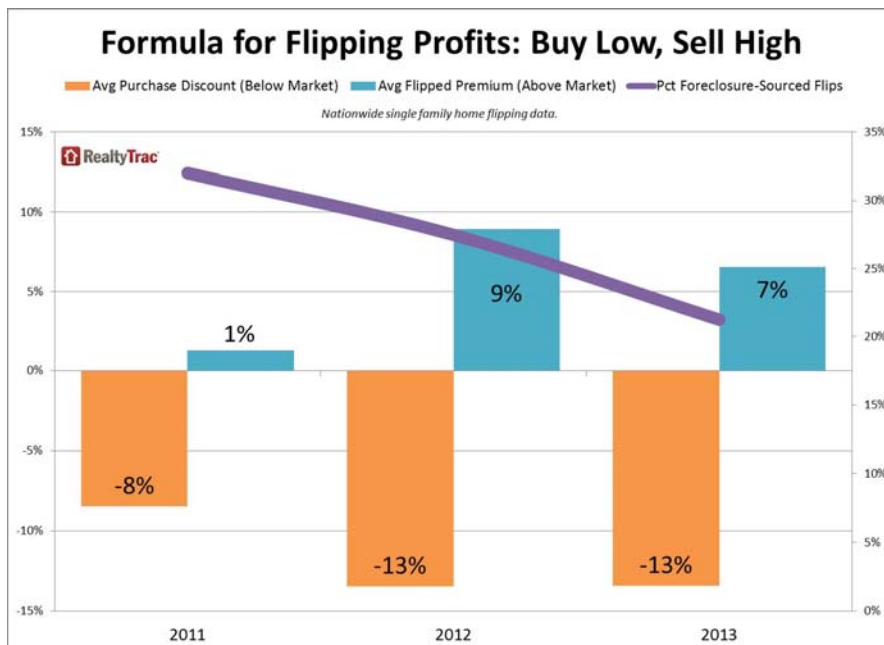
The report also shows the biggest increases in flipping nationwide occurred on homes with a flipped price of \$400,000 or more. Although flipping increased across all price ranges, flips on homes with a flipped sale price above \$400,000 increased 36 percent from 2012, while flips on homes with a flipped sale price at or below \$400,000 increased 17 percent from 2012.

The average time to complete a flip nationwide was 84 days in 2013, down from 86 days in 2012 and down from 100 days in 2011.

“Strong home price appreciation in many markets boosted profits for flippers in 2013 despite a shrinking inventory of lower-priced foreclosure homes to purchase,” said Daren Blomquist, vice president of RealtyTrac. “For the year 21 percent of all properties flipped were purchased out of foreclosure, but that is down from 27 percent in 2012 and 32 percent in 2011. Meanwhile flipped homes were still purchased at an average discount of 13 percent below market value in 2013, the same average discount as 2012, indicating that investors are finding discounted buying opportunities outside of the public foreclosure process — particularly in those markets with the biggest increases in flipping for the year.”

Major metro areas with big increases in home flipping in 2013 compared to 2012 included Virginia Beach (up 141 percent), Jacksonville, Fla., (up 92 percent), Baltimore, Md. (up 88 percent), Atlanta (up 79 percent), Richmond, Va., (up 57 percent), Washington, D.C. (up 52 percent) and Detroit (up 51 percent).

Major markets with big decreases in home flipping in 2013 compared to 2012 included Philadelphia (down 43 percent), Phoenix (down 32 percent), Tampa (down 17 percent), Houston (down 17 percent), Denver (down 15 percent), Minneapolis (down 9 percent), and Sacramento (down 5 percent).



## Broker perspectives

“Investors have not lost interest in purchasing and flipping homes. In fact, now that we are seeing home price appreciation they are more interested than ever,” said Sheldon Detrick, CEO of [Prudential Detrick/Alliance Realty](#), covering the **Oklahoma City and Tulsa, Okla.**, markets. “The challenge for many would-be flippers in our markets is a shortage of available inventory to flip, as evidenced by the decrease in the number of homes flipped in both Tulsa and Oklahoma City in 2013 compared to 2012.”

“New Hampshire home prices did not depreciate as much as other sections of the country, so we never experienced a tremendous amount of distressed inventory, which makes it difficult for people to find inexpensive properties they can flip. So it follows that gross flipping profits have fallen in our market compared to a year ago,” said Steve McGuire, vice president of business development at [Berkshire Hathaway HomeServices Verani Realty](#), covering the **Manchester, N.H.**, market. “When considering whether or not to flip a home it’s also important to note that house flipping is not for the faint of heart, because there are so many variables that could affect the sales transaction, price and profit.”

“The Denver housing market is still experiencing record-low inventory levels, which causes the best potential flip properties to be few and far between,” said Chad Ochsner, owner of [RE/MAX Alliance](#) covering the **Denver and Boulder, Colo.**, markets. “We have seen a resurgence of opportunities for fix-and-flips in the Boulder market due to a strong increase in home price appreciation, but the distressed home market has dropped by about half making it a challenge to find the right property.”

“February and March can be a great time to buy a fix and flip home to realize the spike in homes values that usually occurs during the spring and early summer buying season,” he added.

## Report methodology

RealtyTrac analyzed sales deed data and automated valuation data for this report. A single family home flip was any transaction that occurred in the third quarter where a previous sale on the same property had occurred within the last six months. To determine the top 15 markets for profitable flipping, RealtyTrac narrowed the metro list to only those with at least 100 flips in the third quarter and where flipping had increased from the previous year sorted by total gross profit, in descending order.

## Data Licensing and Custom Report Order

Investors, businesses and government institutions can contact RealtyTrac to license bulk foreclosure and neighborhood data or purchase customized reports. For more information contact our Data Licensing Department at 800.462.5193 or [datasales@realtytrac.com](mailto:datasales@realtytrac.com).

**About RealtyTrac Inc.**

RealtyTrac ([www.realtytrac.com](http://www.realtytrac.com)) is the nation's leading source of comprehensive housing data, with more than 1.5 million active default, [foreclosure](#) auction and [bank-owned](#) properties, and more than 1 million active for-sale listings on its website, which also provides essential housing information for more than 100 million homes nationwide. This information includes property characteristics, tax assessor records, bankruptcy status and sales history, along with 20 categories of key housing-related facts provided by RealtyTrac's wholly-owned subsidiary, [Homefacts®](#). RealtyTrac's [foreclosure reports](#) and other housing data are relied on by the Federal Reserve, U.S. Treasury Department, HUD, numerous state housing and banking departments, investment funds as well as millions of real estate professionals and consumers, to help evaluate housing trends and make informed decisions about real estate.

**Media Contacts:**

Jennifer von Pohlmann

949.502.8300, ext. 139

[jennifer.vonpohlmann@realtytrac.com](mailto:jennifer.vonpohlmann@realtytrac.com)

Brittney Marin

949.502.8300, ext. 107

[brittney.marin@realtytrac.com](mailto:brittney.marin@realtytrac.com)

**Data and Report Licensing:**

800.462.5193

[datasales@realtytrac.com](mailto:datasales@realtytrac.com)