Rebuilding Riches

Design Brief (Underline Key Points)

Imagine you have just been given a golden opportunity to dive into the exciting world of real estate investment. Have you ever watched those captivating TV shows where people purchase houses, transform them, and sell them for a profit? Well, get ready to step into the shoes of a real estate investor as we embark on a thrilling house flipping adventure!

In this project, you will have the chance to make critical decisions and strategize to "flip" a house successfully. But what exactly does flipping a house mean? It involves purchasing a property, making improvements to increase its value, and then selling it for a profit. Now, it's your turn to become a House Flipper and make those smart choices that will lead to financial success!

Picture this: You will have a list of options to choose from as you create the perfect house for resale. But here's the catch – *you must stay within your budget, both for the initial purchase of the house and for the renovation.* Every choice you make counts, so read everything carefully and take your time to consider your options. Your ultimate goal is to maximize your profits while staying within your budget.

Remember, *there are no "correct" answers in this project.* Just like in real life, you need to make choices that make sense for you. The key is to think strategically, evaluate your budget, and make the best decisions that will yield the highest possible profit.

Get ready to embark on this thrilling journey of house flipping and experience the challenges and rewards of the real estate industry firsthand. Are you ready to take on the challenge and become a successful House Flipper? Let's dive in and start making those strategic choices that will lead to big profits!

Expectations and Hints for Success

1. You have a total budget of $400,000 to purchase the house, do any repairs/remodeling, pay real estate fees and closing costs, etc. So, your house and all your choices should total $400,000 or less (you do not have to spend all your money).

2. You will choose ONE house from the four choices and then as many of the options from the list as you would like (that fit in your budget). List your choices on the worksheet provided.

3. You must pay closing costs for your sale which is 5% of your total selling price.

4. Make sure to read the house description so you know what things you need to improve in the house. This will make a difference in what you can sell your house for in later assignments.

5. The closer you can get your house to "move in ready" (meaning that the buyer does not need to do anything else to the house for it to be "perfect"), the more you can charge for the house.

(Individual) Step 1. Identify the Problem, Opportunity, or Goal: Restate the problem or challenge you will be facing in this house flipping project. -

(Individual) Step 2: List Criteria and Constraints for the solution

Criteria (the requirements)	Constraints (the restrictions)
1. 2. 3. 4. 5.	1. 2. 3. 4. 5.

Spend 15 minutes researching concepts that are important for you to know about to be successful for this challenge. What do you need to learn to be successful in this challenge? (Examples: Real Estate, Housing Market, Renovation, Mortgage, Property Value, Profit Margin, Budgeting, Market Analysis, Legal Considerations, Sustainability.)

Notes

STOP - NEEDS TEACHERS SIGNATURE TO CONTINUE: _______________ 1 2 3 4 Number of Checks_____

Exit Ticket:

What Knowledge do you already have about flipping? Do you watch any shows?

STOP - NEEDS TEACHERS SIGNATURE TO CONTINUE: ________________1 2 3 4 Number of Checks_____

Individual Step 3

Let's say I expect a house to be worth $435,000 after I fix it up and I think I will need to put in $120,000 to fix it up, what is the maximum amount I should pay for the house

Maximum Offer Price = After Repair Value * 70% – Repair Costs

(Teams) Step 4 There are 4 houses, eliminate one immediately and research the other three

Step 4 Select your Choice

Evaluate the 3 ideas you generated. It is important to select what appears to be the best idea that solves the problem. Use the decision matrix below to evaluate your 3 ideas. Rank each design based on the design factors listed below. Rank your ideas 1 being the worst and 3 being the best.

Design Factor	Idea 1	Idea 2	Idea 3
In a good location?			
Has some good features?			
Would it be good for a family?			
Has enough space, would not need to add on, it is expensive?			
Has amenities like a garage, shed, porch?			

1. CIRCLE the idea that appears to be the best based on the results (highest number)
2. Do you agree that this idea is best? Yes or No, Why or Why Not?

STOP - NEEDS TEACHERS SIGNATURE TO CONTINUE: _______________1 2 3 4 Number of Checks_____

STEP 5

You will analyze the property and complete the Flip House Budget Sheet - Force a copy for them

- Here is a quick overview of Google Sheets with the House Budget Sheet
  - If you have never used google sheets, we recommend you spend some time with it.
    - 13 minute tutorial - Go to TAB 4 and Practice
    - More in depth 1 hours

What Did I find out about my house

Name of our house - ___________________________

Closing Costs (5%)	$ -
Selling Price	$ -
Closing Costs	$ -
Investment	$ -
Total Profit	$ _____________

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STEP 6: Marketing Your Home

** You are a little short with your advertising budget, so you have decided to create a facebook post about your property. Use the template to create your post.

We are doing this as a class today and here is your time frame

Divide and Conquer, assign Teammates to different parts

- Cover Page - 10 Minutes
- House Description and Features - 10 Minutes
- Add 6 photos with a Title - 10 Minutes

Create a Community page - Sell the Schools, Parks and things to do - You will have 20 minutes tomorrow to complete this page and polish your first three.

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Student Reflections

1. What were the key challenges you faced in Rebuilding Riches

2. How did the criteria and constraints shape your decision-making process in selecting the final meal?

3. What did you learn from the process of flipping a home, do you feel you will ever flip a house?

4. Reflecting on the entire project, what new insights did you gain about problem-solving and innovation, and how might these insights be applicable to real-world scenarios you may experience in the future?

STOP - NEEDS TEACHERS SIGNATURE TO CONTINUE: _______________ 1 2 3 4 Number of Checks_____