




# Kent & Flippers - House Flipping


Where Dreams Come Home

# Business Plan 2021

## Prepared By

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# 1.

## Executive Summary

Mission Statement

Vision Statement

Products and Services

Management Team

Success Factors

Financial Summary



#### REMEMBER

Before you think about how to start a house flipping service, you must create a detailed house flipping business plan. It will not only guide you in the initial phases of your startup but will also help you later on.

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#### TIP

Kent & Flippers LLC is a licensed & registered real estate startup based in New York, NY 10024, USA. Our aim of starting this house flipping business is to work in conjunction with the government of the United States of America to deliver affordable homes and properties to all classes of people in the United States of America.

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## Mission Statement



#### TIP

Our mission and values are to help people, businesses and property owners and clients in the United States of America and throughout the world realize their dreams of owning properties or renting properties in the United States of America.

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## Vision Statement



#### TIP

Our vision is to become one of the top 15 house flipping companies in the United States of America with the first 10 years of starting Kent & Flippers LLC.

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## Products and Services



**TIP**

Kent & Flippers LLC will be able to provide the following services:

- Personalize house designs (both interior and exterior)
- Property restoration or renovation

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## Management Team



**TIP**

Kent & Flippers LLC's most valuable asset is the expertise and experience of its founder, John Moore. Mr. John has been a licensed real estate broker for over the past 20 years. He has spent much of his career working in different real estate agencies where he specialized in rentals for 5 years before moving to specialize in house flipping sales for the next 10 years.

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## Success Factors



**TIP**

Kent & Flippers LLC is uniquely qualified to succeed due to the following reasons:

- Kent & Flippers LLC will fill a specific market niche in the growing community we are entering.

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# Financial Summary

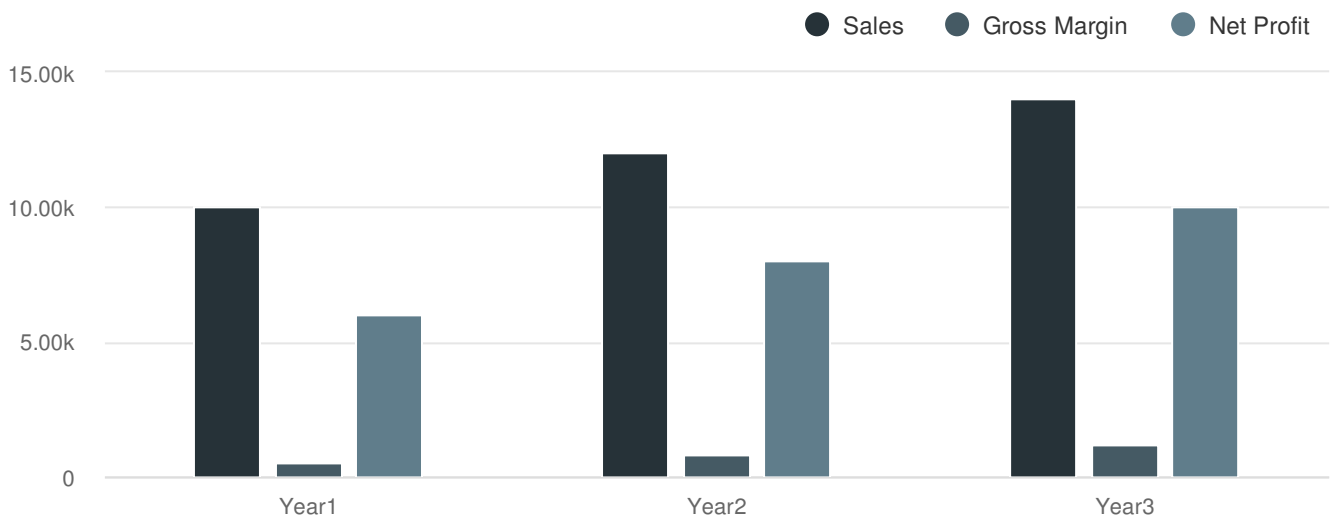


Kent & Flippers LLC is seeking total funding of \$1,000,000 of debt capital to expand its office. The capital will be used for funding capital expenditures and location build-out, hiring initial employees, marketing expenses, and working capital.

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## 3 Year profit forecast



Financial Summary	Year 1	Year 2	Year 3
Revenue	\$965,742	\$1,878,611	\$2,718,300

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# 2.

## Company Summary

History

Products and Services

Funding Required





TIP

Kent & Flippers LLC will be owned majorly by Mrs. John Moore and her family. John is a property guru that has worked with top Real Estate Companies in the United States of America for many years prior to starting her own business.

Other investors with the same investment ideology whose name can [Read More](#)

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## History



TIP

In Jan 2021, Kent & Flippers LLC launched its first project in New York. It started off with a small house in one of the City's most popular towns and has now sold over 30 flipped houses in a span of 2 years.

Since incorporation, the Company has achieved the following miles [Read More](#)

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## Products and Services



TIP

Kent & Flippers LLC is set to run a standard and thriving house flipping business within the scope of the real estate industry in the United States of America. Our intention of starting a house flipping business is to make profits from the industry and we will do all that is permitted by the law in the US to achieve our aim and ambition.

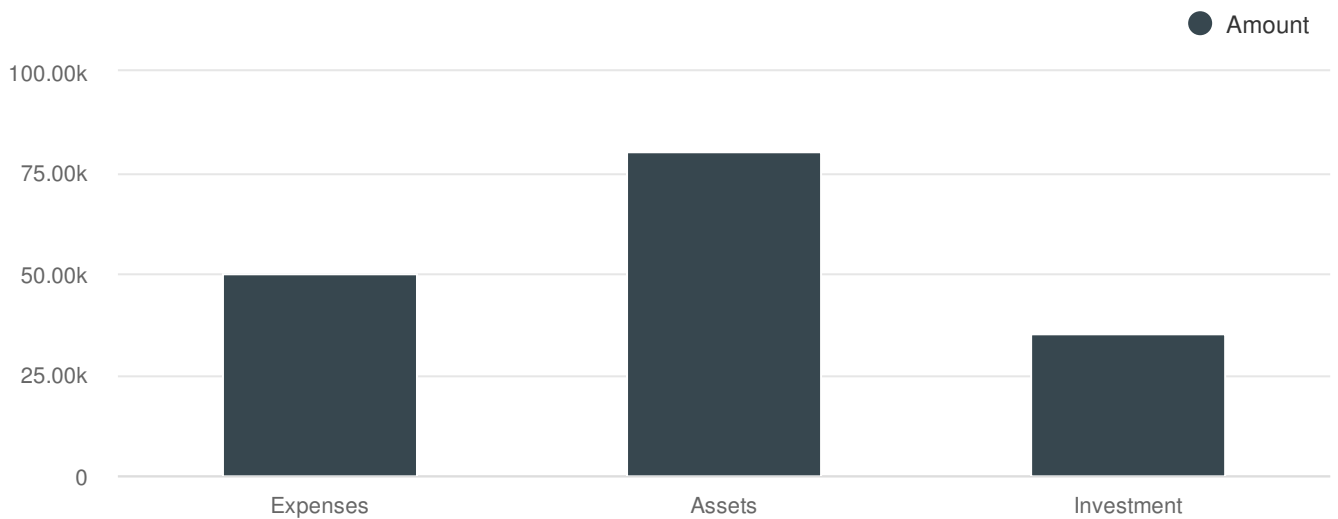
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## Funding Required

The detailed startup requirements and expenses are given in the table below.

## Startup cost



### Cost distribution

### Amount

<b>Expenses</b>	50000
<b>Assets</b>	80000
<b>Investment</b>	35000

Start-up Expenses	Amount
Legal	\$75,500
Consultants	\$0
Insurance	\$62,750
Rent	\$22,500
Research and Development	\$42,750
Expensed Equipment	\$42,750
Signs	\$1,250
<b>TOTAL START-UP EXPENSES</b>	<b>\$247,500</b>
Start-up Assets	\$0
Cash Required	\$322,500
Start-up Inventory	\$52,625
Other Current Assets	\$222,500
Long-term Assets	\$125,000

<b>Start-up Expenses</b>	<b>Amount</b>
TOTAL ASSETS	\$121,875
Total Requirements	\$245,000
START-UP FUNDING	\$0
START-UP FUNDING	\$273,125
Start-up Expenses to Fund	\$121,875
Start-up Assets to Fund	\$195,000
TOTAL FUNDING REQUIRED	\$0
Assets	\$203,125
Non-cash Assets from Start-up	\$118,750
Cash Requirements from Start-up	\$0
Additional Cash Raised	\$118,750
Cash Balance on Starting Date	\$121,875
TOTAL ASSETS	\$0
Liabilities and Capital	\$0
Liabilities	\$0
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
TOTAL LIABILITIES	\$0
Capital	\$0
Planned Investment	\$0
Investor 1	\$312,500
Investor 2	\$0
Other	\$0
Additional Investment Requirement	\$0
TOTAL PLANNED INVESTMENT	\$695,000
Loss at Start-up (Start-up Expenses)	\$313,125
TOTAL CAPITAL	\$221,875

Start-up Expenses	Amount
TOTAL CAPITAL AND LIABILITIES	\$221,875
Total Funding	\$265,000

# 3.

## Market Analysis

Industry Analysis

Market Trends

Target Market



#### REMEMBER

The most important component of an effective house flipping business plan is its accurate marketing analysis. If you are starting on a smaller scale, you can do marketing analysis yourself by taking help from this house flipping business plan sample or other house flipping business plans available online.

[Read More](#)

## Industry Analysis



#### TIP

Last year saw the largest increase in house flipping in 8 years. Over 200,000 single-family homes and condos in the United States were flipped, up 2 percent from the previous year and the highest in over 10 years.

The number of homes flipped represented over 5% percent of all h [Read More](#)

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## Market Trends



#### TIP

The market trend in the real estate industry or within house flippers is that there are no fixed profits projections when engaging in a house flipping deal.

The profit you stand to gain as a house flipper depends on loads of factors amongst which are your attention to details, ability to turn a slum o [Read More](#)

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## Target Market



#### TIP

Our target market cuts across people of different classes and people from all walks of life. We are coming into the real estate industry with a business concept that will enable us to work with the highly placed people in the country and at the same with the lowly placed people who are only interested in putting a roof under their head at an affordable price.

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# 4.

## Strategy & Implementations

Sales Strategy

Advertising Strategy

Pricing Strategy

Sales Forecast



#### REMEMBER

After identifying the market demand, market trends, and the potential customers of the startup, the next step is to define an effective strategy for attracting those customers. Like marketing analysis, sales strategy is also an important component of a house flipping business startup and must be properly planned before you think about starting your own house flipping business.

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## Sales Strategy



#### TIP

To advertise our services:

- We'll run a campaign through social media (Facebook & Instagram).
- We'll promote our startup through Google Local ads and local...

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## Advertising Strategy



#### TIP

In order to help promote and publicize their newly flipped homes, Kent & Flippers LLC will build great relationships with local real estate agents. Creating a network of agents that are the first to know when a new property hits the market will be key in selling our homes.

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## Industry Networking

*Start writing here..*



#### TIP

The company will market its newly renovated homes with beautiful marketing pieces that are sent to local residents and real estate agents.

[Read More](#)

## Direct Mail

*Start writing here..*





**TIP**

The company will host creative and appealing open house events to attract top real estate brokers and potential home buyers. Events will be entertaining and include food and drink.

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## Open House Events

*Start writing here..*



**TIP**

SMS marketing can be extremely cost-effective and multi-purposed for both locating motivated sellers and flipping houses quickly. Mass text messages can be sent to lead lists of defaulting homeowners who need to sell as well for announcing new homes we are selling to potential buyers.

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## SMS Marketing

*Start writing here..*



**TIP**

Kent & Flippers LLC will list its properties for sale in key local publications, including newspapers, area magazines.

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## Publications

*Start writing here..*



**TIP**

Kent & Flippers LLC will list its properties for sale in key local publications, including newspapers, area magazines.

[Read More](#)

## Seminars

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# Pricing Strategy



**TIP**

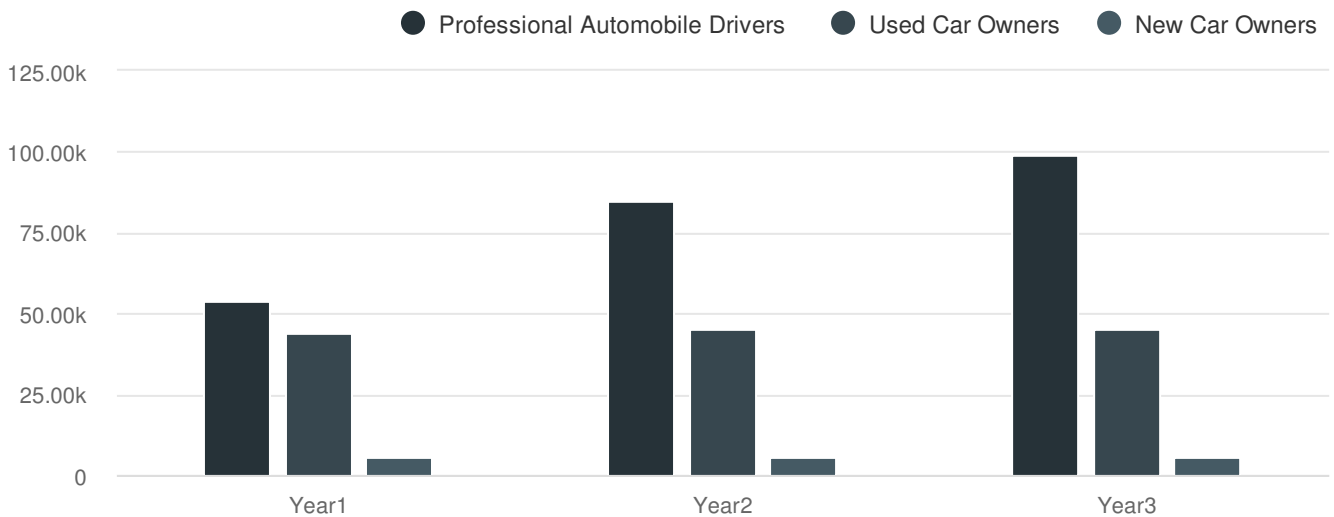
Part of the business strategy is to ensure that we work within the budget of our potential clients to sell excellent properties/houses to them. It is the practice in most parts of the world for properties to be valued by professionals based on the area the facility is located, the type of facility, and other factors.

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## Sales Forecast

### Sales



Financial Year	Professional Automob...	Used Car Owners	New Car Owners
<b>Year1</b>	53625	44245	5280
<b>Year2</b>	85000	45000	5760
<b>Year3</b>	99050	45000	5760

# 5.

## Operations

Personnel plan

Company Staff

Average Salary of Employees

Milestones

## Personnel plan



TIP

The real estate flipping business is mainly related to time management and negotiations. Therefore, the success of this business largely depends on your employees. Your employees must have adequate skills to judge the property value, negotiate contracts with property sellers, and explore potential buyers.

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## Company Staff



TIP

George will supervise all the business operations and deals himself. However, he'll hire the following people for his help:

- 1 Co-Manager to help in the management

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## Average Salary of Employees



TIP

Personnel Plan	Year1	Year2	Year3
Co-Manager	\$14,000	\$15,400	\$16,940

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## Milestones



**TIP**

Kent & Flippers LLC's long-term goal is to become the dominant provider of house flipping services in the city area. We seek to the standard by which other providers are judged.

The following are a series of steps that lead to our vision of long-te

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# 6.

## Financial Plan

Important Assumptions

Brake-even Analysis

Projected Profit and Loss

Projected Cash Flow

Projected Balance Sheet

Business Ratios



### REMEMBER

The last component of a house flipping business plan is an in-depth financial plan. The financial plan crafts a detailed map of all the expenses needed for the startup and how these expenses will be met by the earned profits. It is recommended that you use [our financial planning tool](#) for guiding you through all financial aspects needed to be considered for starting a real estate business. [Read More](#) ⌵



### TIP

The company will be financed by John himself and he will control the direction of the business to make sure that it is expanding at the forecasted rate. As for the real estate flipping business start-up, no equity funding or outside loans will be required. With the help of financial experts, John has developed the following financial plan for his start-up business, which outlines the financial strategy. [Read More](#) ⌵

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## Important Assumptions

The financial projections of the company are forecast on the basis of the following assumptions. These assumptions are quite conservative and are expected to show deviation but to a limited level such that the company's major financial strategy will not be affected.

	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10,00%	11,00%	12,00%
Long-term Interest Rate	10,00%	10,00%	10,00%
Tax Rate	26,42%	27,76%	28,12%
Other	0	0	0

## Brake-even Analysis

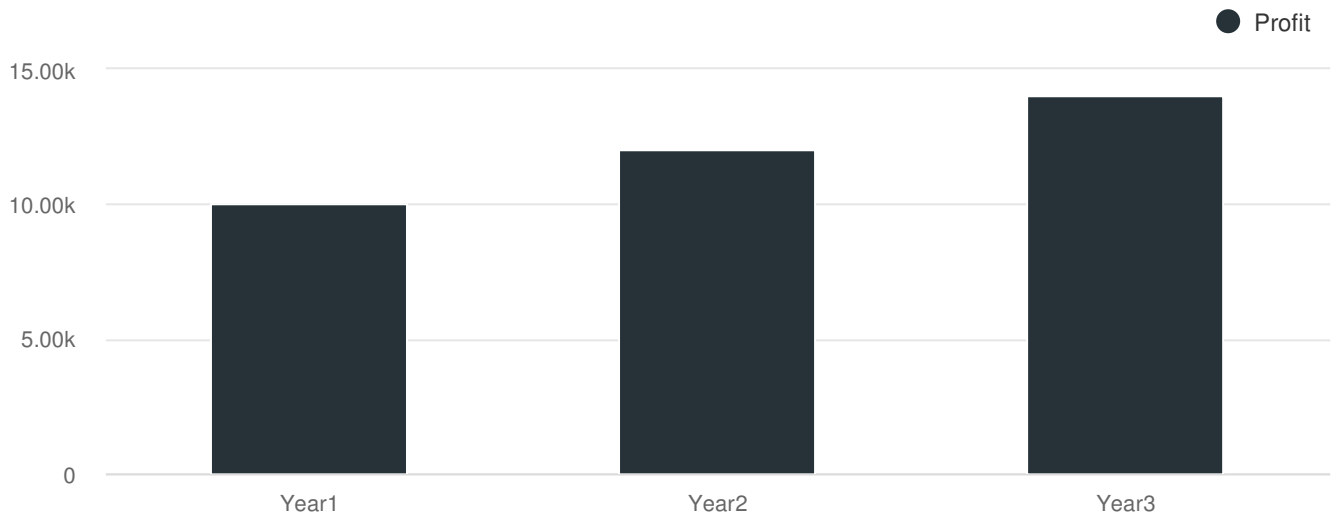
Monthly Units Break-even	5530
Monthly Revenue Break-even	\$159 740
<b>Assumptions:</b>	
Average Per-Unit Revenue	\$260,87
Average Per-Unit Variable Cost	\$0,89
Estimated Monthly Fixed Cost	\$196 410

## Projected Profit and Loss

	Year 1	Year 2	Year 3
<b>Sales</b>	\$309 069	\$385 934	\$462 799
Direct Cost of Sales	\$15 100	\$19 153	\$23 206
Other	\$0	\$0	\$0
<b>TOTAL COST OF SALES</b>	\$15 100	\$19 153	\$23 206
Gross Margin	\$293 969	\$366 781	\$439 593
Gross Margin %	94,98%	94,72%	94,46%
<b>Expenses</b>			
Payroll	\$138 036	\$162 898	\$187 760
Sales and Marketing and Other Expenses	\$1 850	\$2 000	\$2 150
Depreciation	\$2 070	\$2 070	\$2 070
Leased Equipment	\$0	\$0	\$0
Utilities	\$4 000	\$4 250	\$4 500
Insurance	\$1 800	\$1 800	\$1 800
Rent	\$6 500	\$7 000	\$7 500
Payroll Taxes	\$34 510	\$40 726	\$46 942
Other	\$0	\$0	\$0
Total Operating Expenses	\$188 766	\$220 744	\$252 722
Profit Before Interest and Taxes	\$105 205	\$146 040	\$186 875
<b>EBITDA</b>	\$107 275	\$148 110	\$188 945
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$26 838	\$37 315	\$47 792
Net Profit	\$78 367	\$108 725	\$139 083
<b>Net Profit/Sales</b>	30,00%	39,32%	48,64%

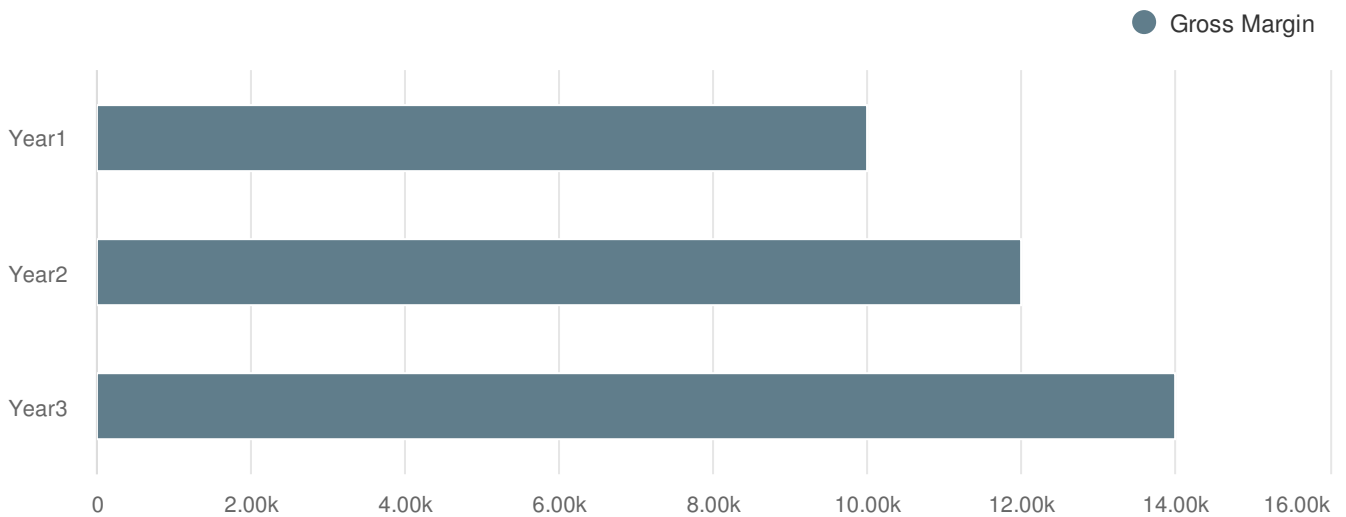


## Profit Yearly



Financial Year	Profit
Year1	10000
Year2	12000
Year3	14000

## Gross Margin Yearly



Financial Year	Gross Margin
Year1	10000
Year2	12000
Year3	14000

## Projected Cash Flow

Cash Received	Year 1	Year 2	Year 3
<b>Cash from Operations</b>			
Cash Sales	\$40 124	\$45 046	\$50 068
Cash from Receivables	\$7 023	\$8 610	\$9 297
<b>SUBTOTAL CASH FROM OPERATIONS</b>	<b>\$47 143</b>	<b>\$53 651</b>	<b>\$59 359</b>
<b>Additional Cash Received</b>			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
<b>SUBTOTAL CASH RECEIVED</b>	<b>\$47 143</b>	<b>\$53 651</b>	<b>\$55 359</b>
<b>Expenditures from Operations</b>			
Cash Spending	\$21 647	\$24 204	\$26 951
Bill Payments	\$13 539	\$15 385	\$170 631
<b>SUBTOTAL SPENT ON OPERATIONS</b>	<b>\$35 296</b>	<b>\$39 549</b>	<b>\$43 582</b>
<b>Additional Cash Spent</b>			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
<b>SUBTOTAL CASH SPENT</b>	<b>\$35 296</b>	<b>\$35 489</b>	<b>\$43 882</b>
<b>Net Cash Flow</b>	<b>\$11 551</b>	<b>\$13 167</b>	<b>\$15 683</b>
<b>Cash Balance</b>	<b>\$21 823</b>	<b>\$22 381</b>	<b>\$28 239</b>

## Projected Balance Sheet

Assets	Year 1	Year 2	Year 3
<b>Current Assets</b>			
Cash	\$184 666	\$218 525	\$252 384
Accounts Receivable	\$12 613	\$14 493	\$16 373
Inventory	\$2 980	\$3 450	\$3 920
Other Current Assets	\$1 000	\$1 000	\$1 000
<b>TOTAL CURRENT ASSETS</b>	<b>\$201 259</b>	<b>\$237 468</b>	<b>\$273 677</b>
<b>Long-term Assets</b>			
Long-term Assets	\$10 000	\$10 000	\$10 000
Accumulated Depreciation	\$12 420	\$14 490	\$16 560
<b>TOTAL LONG-TERM ASSETS</b>	<b>\$980</b>	<b>\$610</b>	<b>\$240</b>
<b>TOTAL ASSETS</b>	<b>\$198 839</b>	<b>\$232 978</b>	<b>\$267 117</b>
<b>Current Liabilities</b>			
Accounts Payable	\$9 482	\$10 792	\$12 102
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0
<b>SUBTOTAL CURRENT LIABILITIES</b>	<b>\$9 482</b>	<b>\$10 792</b>	<b>\$12 102</b>
<b>Long-term Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL LIABILITIES</b>	<b>\$9 482</b>	<b>\$10 792</b>	<b>\$12 102</b>
Paid-in Capital	\$30 000	\$30 000	\$30 000
Retained Earnings	\$48 651	\$72 636	\$96 621
Earnings	\$100 709	\$119 555	\$138 401
<b>TOTAL CAPITAL</b>	<b>\$189 360</b>	<b>\$222 190</b>	<b>\$255 020</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$198 839</b>	<b>\$232 978</b>	<b>\$267 117</b>
<b>Net Worth</b>	<b>\$182 060</b>	<b>\$226 240</b>	<b>\$270 420</b>

## Business Ratios

	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	4,35%	30,82%	63,29%	4,00%
<b>Percent of Total Assets</b>				
Accounts Receivable	5,61%	4,71%	3,81%	9,70%
Inventory	1,85%	1,82%	1,79%	9,80%
Other Current Assets	1,75%	2,02%	2,29%	27,40%
Total Current Assets	138,53%	150,99%	163,45%	54,60%
Long-term Assets	-9,47%	-21,01%	-32,55%	58,40%
TOTAL ASSETS	100,00%	100,00%	100,00%	100,00%
Current Liabilities	4,68%	3,04%	2,76%	27,30%
Long-term Liabilities	0,00%	0,00%	0,00%	25,80%
Total Liabilities	4,68%	3,04%	2,76%	54,10%
NET WORTH	99,32%	101,04%	102,76%	44,90%
<b>Percent of Sales</b>				
Sales	100,00%	100,00%	100,00%	100,00%
Gross Margin	94,18%	93,85%	93,52%	0,00%
Selling, General & Administrative Expenses	74,29%	71,83%	69,37%	65,20%
Advertising Expenses	2,06%	1,11%	0,28%	1,40%
Profit Before Interest and Taxes	26,47%	29,30%	32,13%	2,86%
<b>Main Ratios</b>				
Current	25,86	29,39	32,92	1,63
Quick	25,4	28,88	32,36	0,84
Total Debt to Total Assets	2,68%	1,04%	0,76%	67,10%
Pre-tax Return on Net Worth	66,83%	71,26%	75,69%	4,40%
Pre-tax Return on Assets	64,88%	69,75%	74,62%	9,00%
<b>Additional Ratios</b>				
Net Profit Margin	19,20%	21,16%	23,12%	N.A.
Return on Equity	47,79%	50,53%	53,27%	N.A.
<b>Activity Ratios</b>				

	Year 1	Year 2	Year 3	Industry Profile
Accounts Receivable Turnover	4,56	4,56	4,56	N.A.
Collection Days	92	99	106	N.A.
Inventory Turnover	19,7	22,55	25,4	N.A.
Accounts Payable Turnover	14,17	14,67	15,17	N.A.
Payment Days	27	27	27	N.A.
Total Asset Turnover	1,84	1,55	1,26	N.A.
<b>Debt Ratios</b>				
Debt to Net Worth	0	-0,02	-0,04	N.A.
Current Liab. to Liab.	1	1	1	N.A.
<b>Liquidity Ratios</b>				
Net Working Capital	\$120 943	\$140 664	\$160 385	N.A.
Interest Coverage	0	0	0	N.A.
<b>Additional Ratios</b>				
Assets to Sales	0,45	0,48	0,51	N.A.
Current Debt/Total Assets	4%	3%	2%	N.A.
Acid Test	23,66	27,01	30,36	N.A.
Sales/Net Worth	1,68	1,29	0,9	N.A.
Dividend Payout	0	0	0	N.A.