To renovate or not?

• Location
## Condition

**S.A.L.E.**

**Property Information**
- Permanent Parcel Number: 373-07-002
- Property Address: 6397 Hoppstown Rd, Fairview Park, OH 44126
- Style of Property: Ranch
- No Bathrooms: 2
- No Bedrooms: 1
- Year Built/Square Footage: 1957 / 1,000 sq ft

**Rehab Costs**
- Water Proof/Basement: $5,475
- Structure: $-
- Systems: $6,000
- Dwelling/Garage: $6,875
- Exterior of Home: $3,050
- Kitchen: $6,875
- Living Room/Dining Room: $4,794
- Bathrooms: $1,673
- Stairs/Hallways: $260

**Minimum Rehab Investment: $20,201**

**Internal List Only CLUE Value**
- Current List Price for Sale: $70,000
- Other Recent Values: $100,000
- Potential List Price: $120,000
- Zillow: $64,10
- Rehabilitation Cost: $45,250
- Cost: $70,000
- Purchase Costs (M\&A): $40,000
- Other Costs: $9,000

<table>
<thead>
<tr>
<th>Anticipated Renovation Type</th>
<th>Detached-Floor</th>
<th>Detached-In</th>
<th>Semi-Detached</th>
<th>Townhouse</th>
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**Recommendation:**
- Acquire

**Supervisor Reviewed Signature**

**Date:** 7/26/2013

**Source:** HUD
Strategic Value
Deciding *who* receives priority?

- Stabilize Community
- Overlapping Missions
- Overlapping Missions
- More Money

- Owner Occupiers: Less Money
- CDCs: Less Money /Quality Control
- Non Profits: Capacity Issue
- Investors: Moral Dilemma
Eligibility Criteria

- The EYE
  - What is it?
  - What are we looking for?
    - Delinquent Property Taxes
    - Foreclosures
    - Condemnation
    - Housing Code Violations
    - Pattern of flipping
    - Secretary of State – different entities
How are Properties Disposed?

• **Deed-in-Escrow**
  – Pro: Maximize profit
  – Con: Property off tax duplicate during 4 month renovation
  – Con: Risk buyer will not complete renovation

• **In-House Rehabilitation**
  – Pro: Highest quality of work
  – Con: Most expensive
  – Con: Limited capacity
  – Con: Poor housing market, low returns

• **Special Programs** (Non-Profit Organizations, CDCs, Others)
  – Pro: Good “deed”
  – Con: ROI challenging
  – Con: Organizational capacity
Deed-in-Escrow Program

• What is it?
  • Deed/Escrow – house as leverage point
  • Structured renovation plan
  • 120 Days

• Role of Technology
  • Automated “showing” requests & progress inspections
  • HDP - Percentage complete
  • Follow up letters
  • Overall Importance of PPS

• Result
  • 671 Properties completely renovated or underway
  • Total revenue = $4,858,754
  • Approximately 35% sold to owner occupants
In-House Renovations

- 48 Internally Renovated Properties
- Total Revenue = $2,795,000
- 9 Properties Currently Being Renovated
Special Programs

• HomeFront Veterans Homeownership Program (5)
• B.R.A.I.N. (2)
• International Services Center (5)
• Workforce (5)
Special Programs (continued)

- Other Non-Profits
- CDCs

<table>
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<tr>
<th>Organization</th>
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<td><strong>Total</strong></td>
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Questions?

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