

FAQ



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Q1. What is HaystackHouses proprietary algorithm?

A1. It's a secret. However, its also common sense, and is the same common sense advice anyone would get from: a) a great Realtor, b) watching too much HGTV, c) trial and error. Basically it's the Realtors proverbial mantra "location, location, location" taken a bit further to ask if it's also (in no particular order):

- good bones but outdated?
 - good house type?
 - good neighbourhood?
 - quiet street?
 - recreation and greenspace close by?
 - services and amenities close by but not a nextdoor neighbour?
 - well priced compared to similar housing inventory?
 - priced in the average to above-average households housing budgets?
 - higher fix & flip potential profit?
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Q2. How can a house with a medium or high fix & flip potential profit rank ALSO be a red or yellow flagged house?

A2. A house can have a lot of weightier inherent positive characteristics such as a classic example of an estate house backing onto a golf course or lake. These variables will obviously influence market demand for premium properties – so these same merits are also influencing the HaystackHouses algorithm rankings. However, houses are flagged red or yellow because they indicate that there is no (red) or low (yellow) fix & flip potential profit. The most common example of a high ranking red house is a RENOVATED estate house backing onto a golf course or lake – so zero fix & flip potential profit in this case. Also, while a premium million dollar un-renovated house may have plenty of fix & flip potential profit – its also likely going to take more days on market (DOM) to eventually sell because there's fewer buyers in the million dollar housing bracket then in the average or above-average priced housing bracket. HaystackHouses algorithm is geared for fixing & flipping liquid housing inventory that will resale after renovations in 15-45 DOM, and is widely appealing to a wide bracket of buyers. HaystackHouses algorithm is not presently geared for \$1,000,000+ houses.

Q3. Can't my Realtor find me the same or better houses from their MLS portal?

A3. Of course! However, you might be waiting awhile for a houses list of a substantial sample size with a fix & flip potential profit rank per house. To be fair, Realtors are in the business of selling houses (preferably their own listings), whereas HaystackHouses is in the business of analyzing houses data for fix & flip potential profitability. For this reason, after HaystackHouses identifies its own needles in the haystack it then uses third party Realtors too to transact the sales.

Q4. What's a ballpark renovation budget for houses with medium or high fix & flip potential profit ranks for 'clear' flagged houses on the list?

A4. Anticipate \$100/sf for houses priced \$500,000 – \$1,000,000, in these South half of Calgary neighbourhoods, to generate meaningful profit at resale. This assumes whole house full

renovation. A smaller reno budget will proportionately reduce fix & flip potential profit accordingly.

Q5. How much optimal potential profit is in houses with medium or high fix & flip potential profit ranks for 'clear' flagged houses on the list?

A5. Anticipate \$20,000 – \$40,000 net optimal potential profit per house, ***IF*** done right. The '***IF***' assumes: right renovations, right house, right financing, right market conditions, right turnover speed (under half a year). This profitability uses the \$100/sf ballpark reno budget for houses priced \$500,000 – \$1,000,000, in these South half of Calgary neighbourhoods. This is precisely where your great Realtor will either sink or swim in their custom tailored advice to you regarding what each specific house requires for optimal resale fix & flip potential profit. To hedge your bets, it also wouldn't hurt to be an industry insider yourself or be partnering up in deals with an insider like an experienced: Realtor, Mortgage Broker, General Contractor, Real Estate Investor, etc.