MARKET TRENDS

- Properties across the nation selling 8% faster than the same time last year.
- Median listing price in the U.S. (hovering around $275,000) showed a 10% increase year over year.
- The most recent projections from the census have the population of the United States growing from 319 million in 2014 to 417 million by 2060. This will require 38 million additional housing units. Demographic growth is expected to be relatively faster in the short run, increasing by 2.68 million people a year between 2014 and 2020, when the US population is projected to reach 334 million (Colby and Osmann).
- Millennials are finally entering the housing market
- Nashville has been consistently recognized as one of the most desirable and fastest growing cities in the country
- PricewaterhouseCoopers (PwC) projected 20,000 people in annual net migration to Nashville over the next five years.

FINANCING

FIX & FLIP LOANS:
- Quick closing times, few construction restrictions and shorter terms.
- Movement from offer through closing in as little as a week, versus traditional mortgages which can take a month or more to get through the process.
- Extended based on the purchase price, renovations, and potential resale.
- Despite higher interest rates (7-12%), they oftentimes do not penalize borrowers for early repayment like many traditional mortgages do.

FHA LOANS:
- These mortgages are backed by the Federal Housing Administration (FHA) and often have the lowest mortgage rates on the market (3.20% for a 30-year fixed rate).
- FHA mortgages include minimal down payment as well as low credit score requirements.
- Do not have prepay penalties, making them suitable options for residential flips.

PROJECT TYPES:

Type I:
- Structural remodeling projects where large structural changes are necessary, significant exterior work or the entire home needs gutted and rebuilt.

Type II:
-These projects involve non-structural renovations not exceeding 30% of the purchase price of the home and will focus mostly on cosmetic changes to the property. Examples of such changes include: painting, interior & exterior, lighting, flooring, landscaping, hardware updates, new windows, etc.

Type III:
-These projects will be those with renovation cost less than 60% of the purchase price of the home and include structural remaining changes. Renovating activities include moving and updating plumbing and electrical, removing walls, building structural additions, etc. Type I & Type II project renovations often require permits, licensed professionals, and longer timelines.

REFRENCES