

Rehabbing (Fix and Flip)

Are fixer-upper houses a good idea in bad areas?

It depends. Distressed properties or fixer-uppers can be found anywhere, even in wealthier neighborhoods. Such properties are poorly maintained and have a lower market value than other houses in the neighborhood.

Many experts recommend that before you make such an investment, first find the least desirable house in the best neighborhood. Then do the math to see if what it would cost to bring up the value of that property to its full potential market value is within your budget. If you are a novice buyer, it may be wiser to look for properties that only need cosmetic fixes rather than run-down houses that need major structural repairs.

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