



**We Wish You  
A Great  
Happy Holiday Season**

American Classic Homes  
3016 Benson Road S.  
Renton, WA 98055

**Team Runge**

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**BUY OR SELL WITH ME...**

**AND USE  
THIS MOVING  
TRUCK FOR**



**FREE!!**

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*A Note from Team Runge...*

Hi everyone!

As real estate agents, people ask us to help make sense of the housing market. Sellers are asking if the market value of their home is decreasing. Buyers want to know if they should wait for further price reductions. Homeowners not in the market to buy or sell want to understand the impact on their equity, which may affect decisions like plans for renovations. Investors are asking about short-term impact -- is it a good time to buy, renovate, and re-sell for a profit? And long-term impact -- is quality real estate now available at lower prices? First-time buyers want to know how much they need for a down payment, whether they can afford the monthly mortgage payment, and if they can get financing in these uncertain times. **There are no easy answers.**

First, you need to assess your individual situations. Identifying the "bottom" of a market is difficult, given that certain variables must

remain low and that perfect house must remain available at an acceptable price.

Most of us sell a home and buy a home within the same market; while we may be selling at a lower price, we're also buying within that lower-priced market.

Deciding to buy or sell a home should be a milestone moment based on your financial and personal circumstances, and the market conditions within your neighborhood of choice.

**For those whose finances allow it, there are excellent opportunities in today's housing market. This is a good market for long-term investors.**

**Call us, we will be more than happy to help you assess your situation and find you a place to call home!**

**We wish you  
and your family  
a wonderful and  
Happy Holiday season.**

*Ryan & Andrea*

remain constant to attain real savings; for example, interest rates must



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## Tips on Flipping Houses

You come home from a long day at work and while channel surfing, you come across a show in which guys are buying run-down houses, fixing them up and reselling them for huge profits before the first mortgage payment is due. Wow! What's more, they claim they make as much money on this one house as you have in the last year.

They don't look or sound any smarter than you are and they're raking in the cash. You start crunching numbers and before you know it, you're thinking about a career change. Before you quit your day job, can we talk?

It's not as easy as it looks on TV. There is a boatload of competition out there, which means that the obvious deals are gone in a heartbeat. The pros will tell you that they make their money on the front end by buying properties for at least 30% below market value. Finding those houses takes time and once you find them, you'll need to move fast. And no matter what the late-night gurus say about doing this with no money down, it hardly ever works that way. That means you'll need access to cash to do the deal, not to mention the rehab.

Forget no-money down and other late-night TV fantasies. In the real world, flipping requires deep pockets -- and plenty of hard work.

If you're unfamiliar with the term, flipping a house simply means buying and then selling a home quickly for profit. There are different ways to do this, but in this article we will focus on buying a home under market value, rehabbing it, and then selling it for a profit within a short time frame, usually a couple of months or so. And here are the top four tips for making money when you flip houses.

1. The first and most important point to keep in mind is to thoroughly know the houses that you buy. Instead of looking for potential houses to buy all over town, try to focus on one particular area and get to know real estate values in that area extremely well. Find out what kind of houses seem to sell quicker than others, and what features seem to be most important to buyers in that area. Get to know the average costs for homes in that area.

2. Especially when you are first starting out trying to flip houses profitably, you need to stay focused on those that mainly have cosmetic problems, or ugly houses, in order to make the most profit. Look for



houses that have old, faded, chipping paint. Also look for those where the outside yard and landscaping is a mess and need serious attention. These curb appeal problems can be fixed very easily and relatively inexpensively while greatly increasing the value of the home. On the inside, don't be afraid to buy houses that smell bad, have holes in the wall, lots of stains in the carpet, and so on. All of these are cosmetic blemishes that can be remedied easily and quickly and make a huge difference in the eye appeal of the home.

3. It's also important for newer home flippers to avoid major structural and remodeling problems. For instance, having to replace an entire roof is going to be expensive and fairly difficult. You also want to avoid problems involving the foundation, and most heavy-duty plumbing and electrical issues as well. When you get more experienced flipping houses, these types of issues can be profitably handled. But at this point, try not to tackle something that may be way over your head as you gain experience in this field.

4. Keeping your personal credit score high and without blemish is important when flipping houses, in order to help you get the best financing possible for each project. Of course, real estate investment properties can be bought with poor credit, but you'll pay dearly for it in higher fees and interest rates which eat steadily into your profit margins. So keep your credit in good shape, and keep your credit score as high as possible in order to qualify for the best loan rates and terms possible.

5- You need to have adequate savings in place to pay the bills while money is flying out the door for cabinetry, plumbers and plants. In today's market, what if your house doesn't sale within the first 30 days of being listed? Then you need more cash to carry the house, the insurance, the utilities and the maintenance. Main thing is that forget about no-money down and other late-night TV fantasies. In the real world, flipping requires deep pockets -- and plenty of hard work!



6- One other point to consider: As far as the IRS is concerned, buying and selling real estate as an investment strategy and doing it as a business are two very different things. If you buy a house, fix it up and resell it while you're working another full-time job that provides the bulk of your income, that's an investment and the proceeds will be taxed as short-term capital gains (if you own it for a year or less) or long-term capital gains (if you own it for more than a year). A short-term capital gain is taxed at the same rate as your ordinary income. A long-term capital gain currently is taxed at 15% of the gain.

Bottom line, when you begin flipping houses, you will learn from every single project as you go. And each one that sells for profit will help you gain more confidence in your abilities, and in the support team that you develop in the construction and real estate fields. Hopefully, some of the suggestions given above can help you get off to a great start as you start flipping houses for profit.

## What Buyers Want—Featured House



In today's market, buyers have a lot of homes to choose from. So what sets one house apart from others; apart from a gorgeous place on a great street, that is? Here's what's getting the attention from potential buyers these days. Let's start with energy efficiency; with fuel prices headed skyward, buyers now want homes that will save them money on energy bills every day. Buyers also expect multiple bathrooms with luxurious features. Lastly but not the least, buyers want specialty rooms. The living room is practically passé, but mention a well-outfitted media room/home theatre and buyers' wallets start to pop open. Exercise rooms are also a trendy feature, especially a yoga/meditation space; it could seal the deal.

With that said, look no further... Team Runge has a current listing in a well established neighborhood in Renton – Renton Hill, that offers all the above mentioned and more. This featured home, located on S 9<sup>th</sup> St in Renton, was once an ugly house that needed a lot of loving and tender care; a lot! With planning and hard work, this home went through an amazing transformation; turning something ugly into a beautiful house. The challenges faced were no task for an inexperienced flipper. From top to bottom, interior to exterior, everything has been touched, moved, and/or replaced. The end result is simply astonishing.

The remodel is rich, luxurious and very pleasant. It is a well designed open floor plan with quality and simplicity and fits any life style. Cosmetically, it has everything buyer's want and more: expensive granite countertops and stainless steel appliances, beautiful American cherry cabinetry, flawless red birch hardwoods, multiple deluxe bathrooms; it even has radiant heat floors in the master bath, lots of storage and plenty of room (6 bedrooms) to accommodate everyone's personal needs.

More importantly, the house has been rebuilt to be an energy saver and it accommodates today's newest technology with cat 5 wiring throughout the house, including data and communication panel and there's cable in every room.

Adding its personal touch, this house has 2 gas fireplaces; a wet bar area already plumbed, and 2 Trex decks; the lower lever deck is surrounded by benches. The landscape has been designed for low maintenance which makes it even more appealing, especially with the views of endless territorial scenery.

Bottom line, this home has it all... it is truly an unveiling silhouette of quality. Turning something that people shy away from because of its appearance and dirtiness to something as gorgeous as this end result is phenomenal. It's a true masterpiece!

It is now for sell at \$599,950. Call us to see it – Make an offer!

## FEATURED PROPERTIES



**\$259,950 | MLS#28161425**  
**16318 SE 263rd PL, Kent 98042**

Perfect starter home with 4bed/2ba, hardwoods, SS appliances, new kitchen and extensive use of marble and tile. Walk to Kentwood High! Enjoy its huge fenced flat backyard; can even park your RV/boat!



**\$575,000 | MLS # 28126841**  
**3718 S 191st Pl, SeaTac, 98188**

Built in 2007, it has the formality of living/dining room and a luxurious & practical kitchen leading to family room, plus 5 oversized bedroom w/ a den (or 6th bed).



**\$249,950 | MLS # 281**  
**11234 171st St SE, Puyallup, 98374**

Practical home in everyday! It has 2 living rooms, 2 fireplaces, 3bed/2.5bath, 2 car garage, convenient to every retail store possible... located on a cul-de sac and in a high school district rated top 5 in the nation.



**\$235,000 | MLS # 28187628**  
**10918 NE 37th Pl Unit 109, Bellevue, 98004**

Priced to sell FAST— This lavishing remodeled 2bed/1.25ba condo with an extensive remodeled kitchen is located on an end unit with stair overlooking a private greenbelt. It has 2 parking spaces and a clubhouse with exterior pool.



**\$329,000 | MLS # 28137151**  
**5004 S 233rd Pl, Kent, 98032**

A perfection in Marina Pointe, gated community at The Lakes. This 3bed/2.5ba home w/den screams chic, chic, chic! It's truly an immaculate home and best of all, the master bedroom is on the main floor.



**\$329,950 | MLS # 28185919**  
**620 S 27th Ct, Renton, 98055**

Located in prestigious Victoria Park, this 3bed/2ba home was completely rebuilt in 2006—in & out! It also comes with an 80" projector screen; ready for a projector and it has an enclosed parking space for an RV.



**\$212,500 | MLS # 28141681**  
**10824 SE 170th St, Renton, 98055**

Remodeled 3bed/2full bath condo with custom made maple cabinetry, granite countertops, hardwoods & marble tile floors, and THREE parking spaces!



**\$469,950 | MLS # 28192466**  
**16919 150th Ave SE, Renton, 98058**

Beautiful remodel home situated on the Fairwood Greens golf course. It has 4 bed, 2.5bath with stunning golf views from most of the rooms, 2 patio, hot tub and large back yard.