

# HOME-FLIPPING RATES INCREASE



More than 53,000 single-family homes and condominiums were flipped in the second quarter, according to ATTOM Data Solutions 2020 U.S. Home Flipping Report.

The 53,621 home flips during the second quarter represented 6.7 percent of all home sales in the second quarter of 2020, or one in 15 transactions, down from 7.5 percent of all home sales the prior quarter but up from 6.1 percent one year ago.

According to the report, the gross profit on the typical home flip nationwide increased in the second quarter to \$67,902, up from \$63,000 in the first quarter of 2020 and from \$61,900 in the second quarter of last year.

The gross flipping return on investment (41.3 percent) was up from 38.9 percent in the first quarter of 2020 and 40.4 percent a year earlier.

“Home flipping was a study in contrasts in the second quarter of 2020, as the flipping rate went one way and profits went the other,” ATTOM Chief Product Officer Todd Teta said. “Far fewer house hunters were out in the market looking for homes, which probably cut into the pool of potential buyers that investors could tap.”

“But at the same time, home flippers who were able to close deals did better than they had done in a year and a half,” he said. “That likely flowed in large part from extremely low interest rates that enticed buyers who remained employed and were willing to house-hunt within social distancing requirements.”

ATTOM said home flips as a portion of all home sales decreased from the first quarter to the second quarter of 2020 in 75.5 percent of the metropolitan statistical areas it analyzed.

The report found the largest quarterly decreases in the home flipping rate were in Durham, N.C. (down 40.7 percent); Provo, Utah (down 36.6 percent); Boston (down 35.1 percent); Denver (down 33.7 percent) and Salt Lake City (down 32 percent).

The biggest increases in home-flipping rates were in Salisbury, Md. (up 45.8 percent); Fort Myers, Fla. (up 20.2 percent); Tallahassee, Fla. (up 16.8 percent); Corpus Christi, Texas (up 14.1 percent); and Kennewick, Wash. (up 12.6 percent).

ATTOM said homes flipped in the second quarter of 2020 were sold for a median price of \$232,402. Home flippers who sold homes in the second quarter of 2020 took an average of 183 days to complete the transactions.

The highest second-quarter profits were in San Jose, Calif. (gross profit of \$305,000); Honolulu, Hawaii (\$173,500); San Francisco (\$173,500); New York (\$156,550) and San Diego (\$149,500).