Flip Version

Working out your offer (Stage 1)

Done Up Value
£ ______________________

Start with the Done Up Value (DUV). This is what the property would be worth when the refurb is completed.

Your profit
-£ ______________________

Take off your desired profit level for a flip. Make sure that you're not simply reducing your profit to 'make the deal work'.

Refurb
-£ ______________________

Take off the cost of the refurb. This can be a ballpark while you're working on becoming an expert on your numbers. Remember to consider appliances and a higher spec of finish if required.

Fees
-£ ______________________

Take off solicitor fees (2x£750) for purchase and sale. If using a broker for bridging take off 1x£500.

Insurance
-£ ______________________

Empty building insurance is more expensive than standard occupied insurance. Allow for at least £500 depending on the value of the property.

Survey/Home Report
-£ ______________________

You'll either want to conduct a survey when buying in England and Wales, or a Home Report if selling in Scotland.

Utilities
-£ ______________________

Allow for holding and heating utilities. This includes Council Tax (you may be eligible for a discount) water, gas & electricity. Allow for 12 months.

Staging
-£ ______________________

Speak to a staging agent to get a rough idea of furnishing costs.

Agent Fee
-£ ______________________

Your sales agent is likely to charge around 1-1.5% of DUV

Provisional Number:
= £ ______________________

Working out your Offer (Stage 2)

Provisional Offer £____________________

Copy your provisional offer from page 1.

Stamp Duty –£____________________

Now calculate your stamp duty based off your provisional offer. It's not going to be perfect (as it's a cyclical calculation!) but it'll give you a pretty close idea. Remember if you are in Scotland or Wales it is higher!

Cost of Money –£____________________

Take off an approximate cost of borrowing for the deal. You can use a rough guide of ~6% of the provisional offer, but if you know your borrowing costs then you can reflect this more accurately. Allow 12 months of borrowing costs.

Offer = £____________________

This is your final offer based on your costs above!

Return on Capital Employed (ROCE)

ROCE is a simple way to compare one deal to another. It's not a direct formula to decide how much profit to make, but if you're comparing multiple deals or analysing areas it can help to review opportunities. The calculation follows the formula: (Profit / Capital Employed)x100.

Profit	Capital Employed	Percentage
Take this from the number you applied on page 1	Add together all your costs and purchase price (do not include your profit.	Your calculated return.

£____________________ / £____________________ x100 = __________________ %