

Home-flipping in 2015 tops pre-crisis peak

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It's ba-ack!

Home flipping is again in fashion across the US, topping peak levels reached in pre-crisis 2005 in 12 metro areas, a report has revealed.

There were 179,778 single-family homes and condos flipped in 2015, or 5.5 percent of all sales of the housing stock during the year, the report found.

That's up from 5.3 percent in 2014 — marking the first uptick after four straight years of declines.

The average house flipped earned the flipper \$55,000, or a return of 45.8 percent, the report found.

The high number of homes flipped — that is, bought and sold within 12 months — can signal a housing bubble, especially if it attracts underfunded investors in search of a quick buck.

“More inexperienced home flippers with a smaller financial cushion could be a sign of an over-speculative market,” said Daren Blomquist, a senior VP at RealtyTrac, which issued the report.

“Homes flipped in 2015 were on average purchased at a 26 percent discount below estimated market value and re-sold by the flipper at a 5 percent premium above estimated market value,” Blomquist said.

The hottest areas for flipping were Pittsburgh (19 percent above 2005 levels), Memphis (18 percent), Buffalo (12 percent), San Diego (4 percent), and Seattle (4 percent).

The 10,658 homes flipped in Miami last year was the most in any metro area and represented 8.6 percent of that market's single family homes and condos.

“We continue to see distressed properties funnel through the pipeline in South Florida, which makes it ripe for investors to profit in a strong selling market,” said Mike Pappas, CEO of the Keyes Company Realtors in South Florida.

Manhattan was less active than much of the country — with only 41 properties flipped. That was 1 percent of all sales, well below 2005's level.

Douglas Elliman agent Darren Sukenik attributed the low number of flipped properties to a real-estate market that's posting “healthy gains of 8-to-10 percent a year — not the 10-to-15 percent New Yorkers need to see for flipping to escalate.”

One Manhattan property that was flipped — 23 E. 22nd St., — earned the flipper a gross profit of \$1.6 million in six months, according to RealtyTrac. On the flip side, a unit at 8 E. 12th St., stuck its seller with a loss of \$1.4 million inside of a year.