

INSIGHT | INVESTING STRATEGIES

Renovation Rockstar: Malibu Mansion

 (<https://Thinkreality.Com/Author/Thinkreality/>) Think Realty (<https://Thinkreality.Com/Author/Thinkreality/>) | 8 Jan 2019



The key to the success of the project is the design.

Featured investor: Lin He

Project Notes:**Size:** 3,600 sq ft**Location:** Malibu, CA**Purchase Price:** \$985,000**Rehab Budget:** \$300,000**Sale Price:** \$1,970,000**Carrying Costs & Commission:** \$285,000**Profit:** \$400,000

When it comes to Lin He's philosophy behind real estate investing, he'll shoot you straight.

“Once in a while we get lucky, but generally speaking we make money by solving other people’s problems. We are willing and able to do the things that other people are not willing or able to do,” Lin said.

“Willing and able” is an understatement when it comes to Lin’s vast experience in real estate investing. Since starting in 2008, he has flipped hundreds of homes in the Southern California area, acting as the agent, general contractor and design lead for all his projects.

“Flipping properties can be really, really challenging for newbies,” Lin said. “Even for more experienced investors, it can still be challenging if they don’t have the design and construction know-how. It takes years to build upon.”

Thankfully, he’d already been in the game for almost a decade when a friend approached him about a non-performing note opportunity on a Malibu home with an ocean-view. The project turned out to be one of the most complicated deals Lin has executed.

“What happened is that my friend knows the manager of a hedge fund in New York who buys non-performing notes and was liquidating their assets. This Malibu property was one of the last assets they had. So, they tried to get this guy living in the house out of the house. They couldn’t, so they foreclosed on him. And then he still wouldn’t move. So, it became an REO. And then they hired an REO agent to list it, but the guy still wouldn’t move. So it was on the market at \$1.37 million or something. They couldn’t sell it because nobody could have access to it.”

“What we did was negotiate directly with the seller, which is the hedge fund. And we negotiated the deal down to \$985,000.”

Lin bought out his friend’s ownership in the home and eventually launched the eviction process to remove the non-paying tenant. It ended up taking eight months to remove the previous owner, who fought throughout the process.

“It was not easy to say the least,” Lin said.

Finally with access to the property, Lin began the remodel.

“The remodel actually wasn’t that bad itself,” he said. “I had to redesign and clean up the whole thing.”

He also had to fix the leaks that showed up after a big rain.

“I didn’t know the roof was leaking until it started raining,” he said. “Then I found out there were leaks everywhere — in the deck, the roof, the windows, everywhere.”

Other than managing the leaks, the majority of the remodel project focused on cosmetic updates to the home, which was built in the 1980s and featured a suitable floor plan. Lin sought out to re-imagine and re-design the space to bring it to the current aesthetics. Given it’s in a prestigious Malibu neighborhood, he gave it a soft, modern coastal makeover.

“The key to the success of the project is the design,” Lin recounted.

When entering the Malibu house, guests are immediately greeted by a dramatic staircase, which Lin decided to lighten up by replacing the railings and painting all the walls white.

“Everybody loves the stairs,” he noted. The ocean view closely follows the stairs as the favorite aspect of the house. Lin used the ocean’s essence in his design decisions throughout the house.

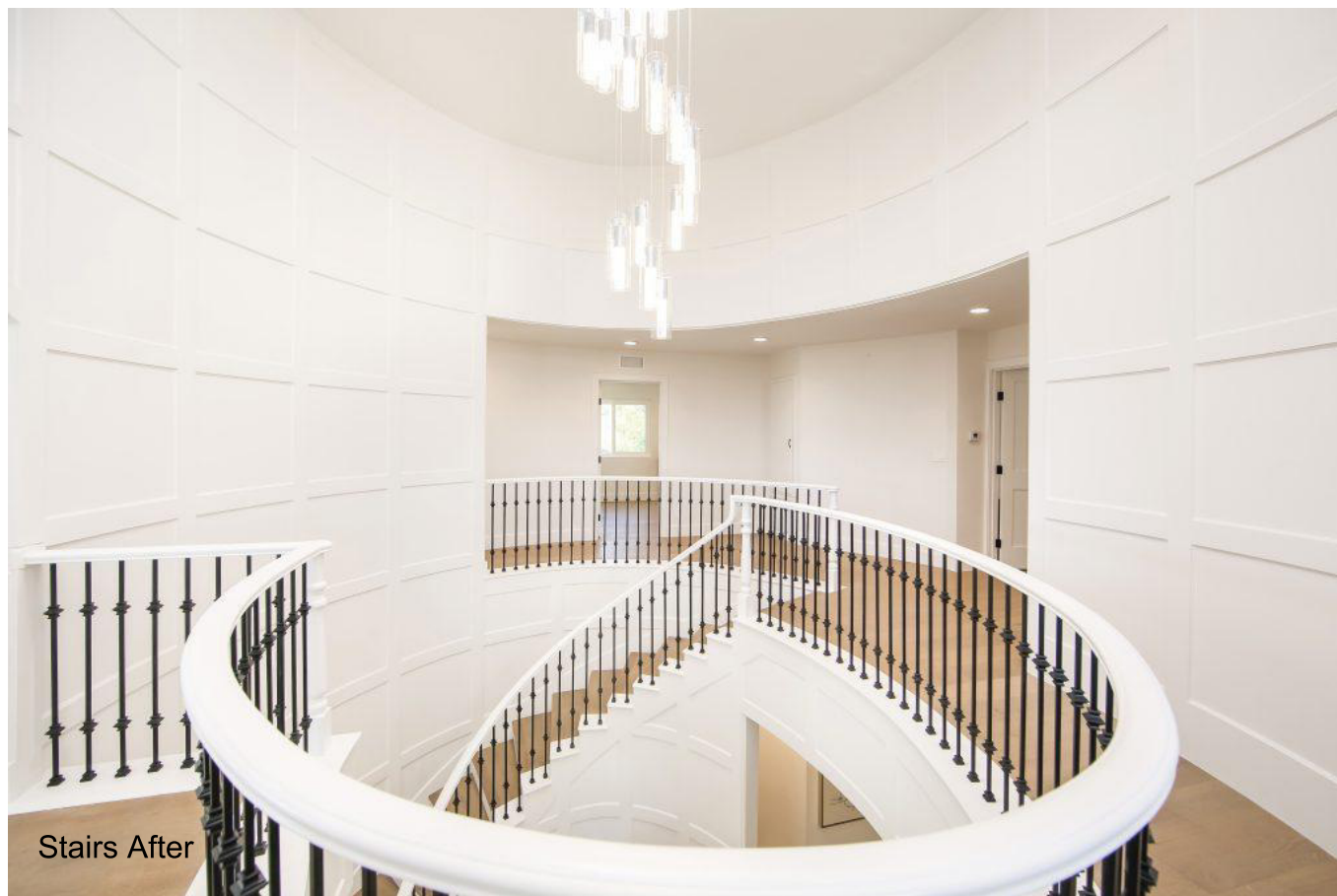
“The design is white, it’s bright, it’s calm, it’s luxurious. It’s a lot of details and high quality,” he noted. “[People who tour it] pretty much love everything about it, seriously.”

He recounted how a fellow investor, who owns 12 hotels, drove two and a half hours just to see this house and told Lin, “I own a lot of real estate. I don’t have any emotional attachment to houses. But this one is special.”

If that’s not enough to prove the success of this renovation, Lin sold the property after only three weeks on the market for \$1,970,000.

That’s right, he sold it for double his acquisition price.

All in all, the full process from acquisition to final closing date took more than a year, required a lot of hard work, and caused a lot of stress. But, Lin’s real estate investing experience, aptitude for problem-solving, and ability to handle the full scope of a deal on his own shines through all of that. “I know what it takes to be successful and it’s hard,” he said, “Once in a while we can get lucky, sure, but generally speaking you’re going to do hard work. And it’s not an easy business. A lot of people watch the TV show flipping this, flipping that and thinking they can make easy money. But, not really.”



CATEGORY: [Insight \(/category/insight/\)](/category/insight/), [Investing Strategies \(/category/insight/investing-strategies/\)](/category/insight/investing-strategies/)

TAGS: [January/February 2019 \(/tag/january-february-2019/\)](/tag/january-february-2019/), [Lin He \(/tag/lin-he/\)](/tag/lin-he/), [renovation rockstar \(/tag/renovation-rockstar/\)](/tag/renovation-rockstar/), [Think Realty Magazine \(/tag/think-realty-magazine/\)](/tag/think-realty-magazine/)

RECENT ARTICLES

[All Articles \(/articles/\)](/articles/)



[\(/spring-into-early-success-this-season-with-these-six-maintenance-steps/\)](/spring-into-early-success-this-season-with-these-six-maintenance-steps/)

Spring into Early Success this Season with these Six Maintenance Steps (/spring-into-early-success-this-season-with-these-six-maintenance-steps/)

4 Mar 2019



[\(/flipping-flop-fix-flip-deals-decline-rates-returns/\)](#)

Flipping Flop? Fix-and-Flip Deals Decline in Rates, Returns ([/flipping-flop-fix-flip-deals-decline-rates-returns/](#))

4 Mar 2019



[\(/millennials-flexing-buying-power-boosting-homeownership-rates-two-years/\)](#)

Millennials Flexing Buying Power, Boosting Homeownership Rates for Two Years [\(/millennials-flexing-buying-power-boosting-homeownership-rates-two-years/\)](#)

4 Mar 2019

in [\(https://www.linkedin.com/company/wethinkrealty.\)](https://www.linkedin.com/company/wethinkrealty/) **f**

[\(https://www.facebook.com/wethinkrealty.\)](https://www.facebook.com/wethinkrealty/) **🐦** [\(https://twitter.com/wethinkrealty.\)](https://twitter.com/wethinkrealty/)

📷 [\(https://www.instagram.com/wethinkrealty/\)](https://www.instagram.com/wethinkrealty/)

Need To Talk? Call 816-398-4130 (tel:816.398.4130)

**ABOUT US MAGAZINE SUBSCRIPTION ADVERTISE CONTACT US PRIVACY POLICY TERMS & CONDITIONS
DISCLAIMER AFFILIATE PROGRAM**

© 2019 Affinity Worldwide. All rights reserved.

Developed by Rivet (<http://www.wearerivet.com>)

