

What is an iBuyer?

Definition: An iBuyer is a company that has significant venture capital investment (100 mm +) to position itself to purchase (and subsequently sell) property directly from and to the consumer. These companies are strategically positioned to work with real estate agents, but greatly prefer to act as a direct middle-entity between the home seller and the home buyer.

The major differences between iBuyers and traditional home flippers are access to capital and acceptable margin/return on investment (ROI). The iBuyers have the ability to purchase and sell property at the same price and still earn an acceptable ROI on an annualized basis.

What is an iBuyer?

Home Flipper

- Focused on distressed properties
- Usually local small company or individuals.
- Often use Realtors or sell using local means very little technology
- **Need a significant margin to make the transaction worthy while (buy 300k, fix 50k, sell 400k = 33/16% margins)**

iBuyer

- Avoids distressed properties, looks for average homes (cosmetic only)
- 100's of millions in Venture Capital
- State of the art technology platforms to facilitate the transaction & avoid Realtors
- **Can buy & sell for ANY margin and earn ROI of acceptable levels (500k x 7.5% / 60-90 days)**