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Watching an Industry Grow Up:
39 Years of Notes and Innovation

Real Estate Agents Are Generating
'AI Slop' Videos of Homes Filled
with Bizarre Errors

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Of The Time Value of Money" —
Not Quite True.

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in Note Buying

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Promissory Note Scam



The Paper Source
The Voice of the Note Business

Watching an Industry Grow Up: 39 Years of Notes and Innovation

By *W.J. Mencarow*

This is the 459th issue of **THE PAPER SOURCE JOURNAL**.

We have published approximately 7,000 pages of information (and a few jokes) since our first issue.

Alison and I learned about buying notes by reading Jimmy Napier's book *Invest In Debt*. We decided to start a newsletter about notes because there wasn't one.

We used our guest bedroom as the office and spent less than \$500 for supplies and a used computer. This was before hard drives, Windows, and the internet.

Only a few hundred people in the country had even heard of buying paper. I didn't know anyone who was a full-time note broker. The business consisted of individual investors who would occasionally broker a note to a handful of companies.

Privately held mortgages were the only kind of paper we knew about. There were no infomercials, home study courses, telemarketing, or get-rich-quick hype.

You'd tell people you bought private mortgages and get blank stares (well, that hasn't changed).

Among the teachers we learned from were Mike Meeker, Pete Fortunato, Jimmy Napier, and, for real estate, John Schaub and Jack Miller, and, for taxes and finance, John Groom.

Mike Meeker was the first to teach note brokering — thus he is the Founding Father of the industry.

It has, of course, grown and matured since we started.

More institutional investors appeared.

We began holding annual conventions — over 400 people came from all over the nation to the first one.

We've seen good times and bad in the note industry, but it has always rebounded stronger than ever.

One attribute that distinguishes successful note investors and brokers is innovation; the ability to change with the times.

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W.J. "Bill" Mencarow

President, *The Paper Source*

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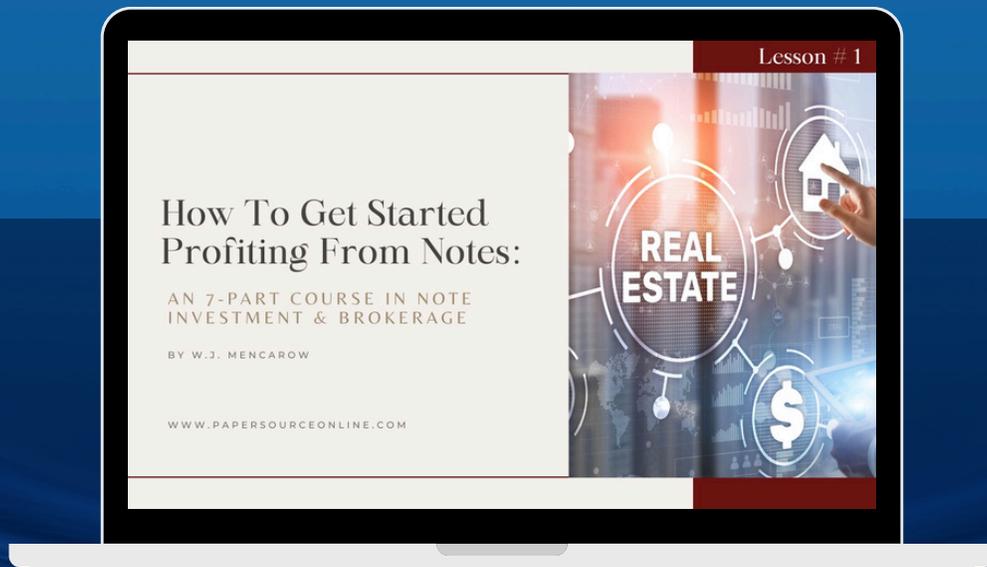
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— Bill Peeler

“Notes Are Discounted Because Of The Time Value of Money” — Not Quite True.



By Tom Henderson

Whenever a note holder asks, “Why is my note being discounted?” the standard reply most “gurus” give is “**because of the time value of money.**” They then try to explain their reasoning by giving an example like, “Which would you rather have, \$100 today or \$100 a year from now?” Wow. Who can argue with this, right?

There are several flaws in this logic. The first flaw is that the interest factor is not taken into account. A more realistic question would be, “would you rather have \$100 now or \$8.79 a month for the next year?” If you put this data into your calculator, by choosing the \$8.79 monthly payments, you would enjoy a 10% yield. Puts things in a different perspective, doesn’t it?

No note buyer would ask the note seller if he/she would rather continue receiving payments to enjoy a 10% yield or accept a discount on their note because of the time value of money. Yet is this not what we are trying to convince our note sellers to accept when we tell them there is a discount because of the time value of money? Under this logic, if a note were paying 12% yield, and the market yield were 12%, would that mean the note buyer would pay full price for the note?

Moreover, many note sellers instinctively question the explanation “there is a discount because the payments are made over a period of time,” even though their interest rate is above average. At this point, a debate or argument usually ensues. Take it from experience; you seldom win an argument with a note holder, especially when you are arguing from the false

You cannot win an argument with a note seller; especially when they are right.

premise that notes are discounted because of the time value of money.

Since the time value of money is NOT the reason for discounting notes, why then are notes discounted? In my Advanced Notes class, I point out that notes are discounted because of the different risks note buyers incur when purchasing notes. These risks are not only applicable to note buying, but also to all investments.

Types of Risk:

1. Interest Rate Risk:

Possibility that a fixed-rate debt instrument will decline in value as a result of a rise in interest rates (similar to inflation risk).

2. Collateral Deterioration and Devaluation Risk:

Possibility that the collateral of a debt will deteriorate or be devalued in price.

3. Repayment Risk (Credit Risk):

Possibility that the borrower will not pay the obligation as promised. Slow pay or no pay.

4. Liquidity Risk:

Possibility that you will need immediate cash **and not be able to sell your note for at least the price you paid for it.** Affected by interest rate risk, devaluation risk, and credit risk.

5. Risk-Adjusted Discount Rate:

The rate necessary to determine **PRESENT VALUE of an uncertain stream of income**. “Risk Free” rate (Treasury Bill or CDs) plus the premium adjustment accounts for the risk involved (THIS IS SUBJECTIVE).

There are solutions to these risks, which I teach in my Advanced Class; however, the issue here is why notes are discounted in the first place. In a nutshell, the **Interest Rate Risk and Risk-Adjusted Discount Rate encompass the time value of money**. As you can see, **there are other risks to take into consideration** that have nothing to do with the time value of money; especially in today’s market.

In the pre-subprime meltdown, many institutional funders **were not concerned with collateral deterioration/devaluation**, nor credit risk, because real estate was “always going to go up in value.” Notes were being purchased at 90% of face value at closing because there was no fear that real estate prices would decline; therefore, foreclosure was not an issue.

When the real estate bubble burst, real estate prices started taking a nosedive, and at the same time many borrowers started defaulting on their loans. The **mass foreclosures added to the collateral devaluation and triggered the liquidity factor** as lenders tried to unload their toxic loans. Note funders were now holding non-performing notes in a declining real estate market. All five market risk possibilities were happening at the same time.

The end result is the market we experience today, where institutional funders are taking into account ALL risk factors. No longer is 5% down with a 600-credit score considered acceptable. Because of collateral devaluation risks in a declining real estate market, funders are requiring more down and/or discounting more. Add to this the higher credit score requirements, along with required seasoning, and it means that institutional funders are adding more weight to the repayment risk than they were before the subprime meltdown. As you can plainly see, none of this has anything to do with the time value of money but rather the risks involved in purchasing a note.

Is it any wonder institutional funders are making partial purchase offers more and more? Why? In order to minimize their exposure to the collateral devaluation risk in a declining real estate market, as well as the credit risk in today’s chaotic real estate market. Partial purchases also minimize inflation and liquidity risks.

There is **one more reason that affects the discounting of notes** that has nothing to do with risks, nor the time value of money, but more to do with economics. In the last 7 years, three of the iconic institutional note funders either went belly up or closed their doors to purchasing owner-financed notes. The note-buying business now addresses a supply and demand issue. With three of the major institutional purchasers out of the market, **the demand for owner-financed notes declined tremendously**. Of course, when **demand for owner-financed notes falls, so does the price**. As a result, the institutional funders who are still around are either paying less, being more conservative, or both. Those of us who have been around a while know this is the reality of today’s note-buying market.

So, when a note holder asks you, “Why is there a discount?”, instead of coming up with the false standard reply, “because of the time value of money,” why not introduce the note holder to reality, and answer, **“Your note will be discounted according to the risks the note investor has to take**. The less the risk, the less the discount. Tell me about your note.”

While giving a realistic answer as to why notes are discounted will go a long way to getting your note seller on the right track, there are still other barriers you must bring down to get the note holder’s confidence. From the start you must be able to **dispel the four myths many note holders believe in all sincerity**. This will be the topic of my next article.

To summarize, notes are discounted not because of the time value of money, but rather for the risks a note buyer assumes when purchasing a note. Knowing these risks and being able to explain them to a potential note seller will go a long way toward gaining their confidence and evading useless debates and

arguments. Remember, you cannot win an argument with a note seller; especially when they are right.

Tom Henderson earned a BBA degree in Finance and Economics. He entered the field of real estate in 1980 during times of turmoil and crisis, much like we are experiencing today. During these troubled times, Tom mastered the skill of acquiring and disposing of real estate using owner financing and notes, as well as buying and selling notes to achieve astronomical yields.

Tom's "tell it like it is" approach has earned him the respect of his students and peers alike. He is a much sought-after speaker, author, and instructor for real estate groups and publications nationwide. Tom has been called "the best-kept secret" among instructors in the nation. Tom is president of H&P Capital Investments, LLC, which buys, sells, and trades owner-financed notes.

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Advanced Lead Architecture: Rethinking Lead Categorization in Note Buying

A Structural Rethink That Changes Everything in Note Lead Management

By Michael Crump

Disclaimer

First of all, I reserve the right to be wrong. What follows reflects how I currently organize and think about lead data in my own note-buying operations. In my experience, this approach represents a meaningful improvement over traditional methods I have encountered, though other practitioners may differ.

I. Introduction: The Hidden Cost of Traditional Lead Categorization

From nearly all seller-financed note buying operations I have spoken with or observed, leads have traditionally been categorized and pursued at the document level—based on the deed of trust or mortgage information gathered.

Buyers purchase lists, pull county records, or acquire data feeds where each deed of trust or mortgage represents a distinct opportunity. Marketing is then organized around that individual instrument: one note, one lead, one outreach sequence.

This approach makes sense when lead lists are smaller, data sets were limited, skip tracing was not actively used, and most sellers held only a single note. In those environments, organizing leads around individual deeds of trust worked well enough. The operational friction was manageable, and inefficiencies were easy to overlook.

However, as lead lists grow, lead volumes scale, or a note buyer begins chasing an originator with multiple notes or opportunities, this model starts to show its limitations.

The same address appears repeatedly. Variations of names multiply. The same controlling person uses multiple LLCs or trusts to originate or hold notes. Communication histories fragment.

What once felt manageable becomes increasingly difficult to maintain, and redundancies begin to creep in.

The core issue is not marketing frequency or messaging—it is categorization.

The real point of contact in note buying is not the debt instrument itself, but the controlling person behind that paper or the address at which we contact the person.

When multiple notes are controlled by the same individual or decision-making group, treating each document as an independent lead obscures reality and introduces unnecessary complexity.

This article is not about improving marketing copy or outreach cadence. It is about rethinking lead architecture—the foundational way note buyers organize, track, and understand the people behind their data.

This is a small, simple tweak that can make a very large difference.

In fact, this entire article can be summarized in one sentence:

Follow the controller, not the instrument.

II. The Fragmentation Problem in Note Lead Databases

A common scenario illustrates the problem clearly.

A single physical address appears in county records multiple times, tied to different ownership names. One deed of trust is held by an individual. Another is in the name of a spouse. A third is owned by an LLC. A fourth sits inside a related entity or trust.

On paper, these appear to be four distinct leads.

In practice, they are not.

They are controlled by the same decision-maker, or closely aligned decision-makers, operating from the same address. Yet most lead databases treat them as unrelated records.

This fragmentation creates a series of operational blind spots:

- Mailings are duplicated.
- Outreach histories diverge.
- Phone numbers and email addresses are logged in different places.
- One record shows prior contact, while another appears untouched.
- Returned mail corrections happen in one record but not others.

Over time, it becomes increasingly difficult to know how often a person has actually been contacted.

This leads to what can be called **false diversity in a lead pool**.

Four deeds of trust give the illusion of four opportunities, when in reality there is one controlling party.

As addresses change or entities evolve, updating records becomes exponentially harder. Instead of correcting one record, the buyer must hunt down and revise several.

Additionally, once a relationship is established with the decision-maker, the remaining leads may still be mailed with introductory marketing material rather than relationship-appropriate messaging.

The result is wasted effort, inconsistent communication, and a growing disconnect between how leads are stored and how decisions are actually made.



III. Why Notes Are the Wrong Primary Unit of Organization

The root of the problem lies in the choice of organizing unit.

When individual notes are treated as the primary unit of pursuit, each one becomes its own marketing target. Communication logs live at the note level. Outreach decisions are made in isolation. There is no centralized record of the person or group controlling multiple assets.

This is a document-centric model. It assumes the paper is the best way to understand the opportunity.

A person-centric model, by contrast, recognizes that notes are instruments controlled by people. Decisions are made by individuals, couples, families, or small groups operating through various legal structures.

Organizing data around those people aligns the database with reality.

The key shift is simple but consequential:



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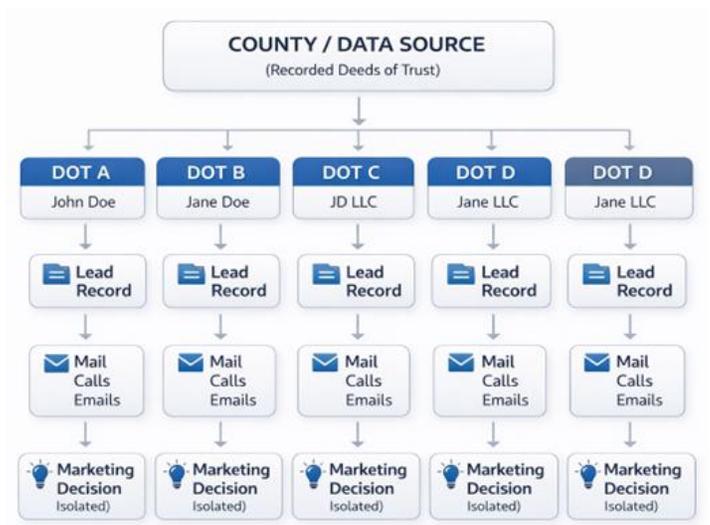
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Notes should be treated as children of a controlling entity—the parent—not as standalone leads.

This is not a feature request for a CRM system. It is a foundational data architecture decision that shapes everything downstream.



IV. Introducing the Parent–Child Lead Architecture Model

A parent–child lead architecture reframes how note buyers structure their data.

At the top sits the parent entity, representing the real-world decision-maker. For purposes of this article, that parent record is referred to as the AddressID.

The AddressID is not merely a mailing address; it is the centralized representation of the controlling party.

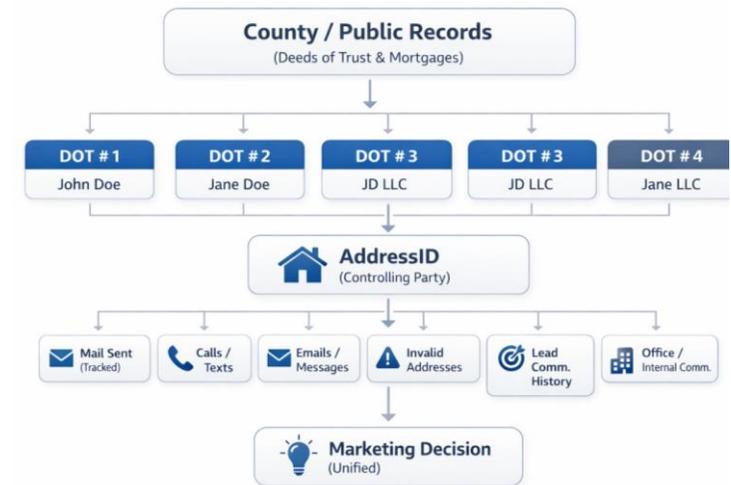
Beneath the parent sit child records—individual deeds of trust or mortgages.

Each note remains its own lead, but it is explicitly tied to the same controlling entity.

This structure allows multiple ownership forms to roll up cleanly into one parent.

Individual names, spouses, LLCs, related entities, and trusts may all appear as leads, but they are understood as expressions of a single control group.

Ownership names may differ. Control does not. By explicitly modeling this relationship, the database reflects how sellers actually operate rather than how county records are formatted.



V. The AddressID Concept: Centralizing the Controlling Party

The AddressID (the parent record) serves as the authoritative record for the controlling party behind one or more notes.

At a practical level, it becomes the single destination for key information, including:

- Mailing address
- Invalid address history
- Phone numbers
- Email addresses
- Complete communication history

Direct mail sent, emails delivered, phone calls logged, text messages exchanged, and internal office notes all live at the parent level.

This distinction matters.

Communication history belongs to the person, not the instrument being chased.

Address-first tracking is particularly powerful because physical addresses tend to change less frequently than entity names.

LLCs are formed and dissolved. Naming conventions shift. Trust titles vary.

But the controlling party's address is often the most stable anchor point, and this method makes it easier to follow the controlling person as their life and structure evolve.

When updates are required—address changes, skip tracing results, contact verification—they occur once, at the parent level.

All associated notes automatically inherit the updated information.

This eliminates duplication and reduces the risk of stale data lingering across multiple records.

The result is a cleaner, more accurate understanding of who is being contacted, how often, and by what method.

VI. Marketing and Communication Benefits of Parent-Level Tracking

Once communication is tracked at the parent level, important questions become easy to answer:

- How many times has this person been mailed?
- When was the last phone contact?
- Has this controlling party already declined to sell?
- Has a quote already been provided?

Just as importantly, the note buyer can determine whether a lead is truly cold.

A note that appears untouched at the document level may belong to a controlling party who has already been contacted multiple times.

In that case, the messaging should change. The outreach should evolve.

This is no longer a cold lead, even if the specific note has never been referenced.

Parent-level tracking prevents redundant outreach.

Multiple letters no longer land in the same mailbox for the same person under different entity names.

Decision-makers are not over-contacted simply because their assets are fragmented across records or because they own numerous notes.

All communication is logged once, not four times.

Calls, emails, texts, and notes accumulate under a single referenced AddressID.

This consistency improves professionalism and reduces friction on both sides of the transaction.

VII. Operational Advantages for Scaled Note Buyers

Beyond marketing efficiency, a parent-child architecture offers significant operational benefits.

Lead maintenance becomes simpler. One update replaces many.

Address corrections, contact updates, and verification efforts are centralized.

Analytics improve as well. Touch counts reflect reality, not record duplication.

Response tracking occurs at the decision-maker level, allowing buyers to evaluate what actually works.

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Compliance and record-keeping are cleaner. Communication timelines are easier to reconstruct. Internal notes are easier to follow.

Over time, the database becomes healthier—less duplication, better integrity, and fewer surprises.

These advantages compound as portfolios grow.

What feels like a modest structural change early on becomes a critical safeguard at scale.

VIII. Practical Implementation Considerations

This model can be implemented across a range of systems.

Custom databases, traditional CRMs, and even disciplined spreadsheet workflows can support a parent–child structure if designed intentionally.

The key principles are consistent regardless of platform:

- The parent record must exist before child records are attached—or be established at the same time.
- Communication logs belong to the parent.
- Updates occur once, at the top level.

Establishing the parent–child relationship does take more time and effort.

It requires thought, discipline, and occasional rework of existing data.

In practice, the time investment is well worth the trouble.

IX. Strategic Implications for the Future of Note Buying

As note portfolios grow larger and more complex, lead architecture becomes a competitive differentiator.

Institutional buyers already think this way, even if they do not explicitly label it as such.

They track relationships, not just assets. Independent buyers who adopt similar thinking gain efficiency, clarity, and credibility.

The cost savings alone are meaningful.

Skip tracing the parent instead of every individual note reduces expenses immediately.

Validating whether a lead is still active often requires checking only one note instead of four. Time savings can compound quickly.

More broadly, this approach signals professionalism to sellers and brokers.

It reflects an understanding of how people operate, not just how records are stored.

Most importantly, it marks a shift from lead chasing to relationship intelligence.

X. Conclusion: Track People, Not Paper

The central thesis is simple.

The value in note buying lies in understanding the controlling party, not just the paper they hold.

A parent–child lead architecture aligns data with reality.

It reduces mistakes, improves the seller experience, and increases response efficiency.

Over time, it creates a cleaner, more durable foundation for note-buying operations that intend to scale.

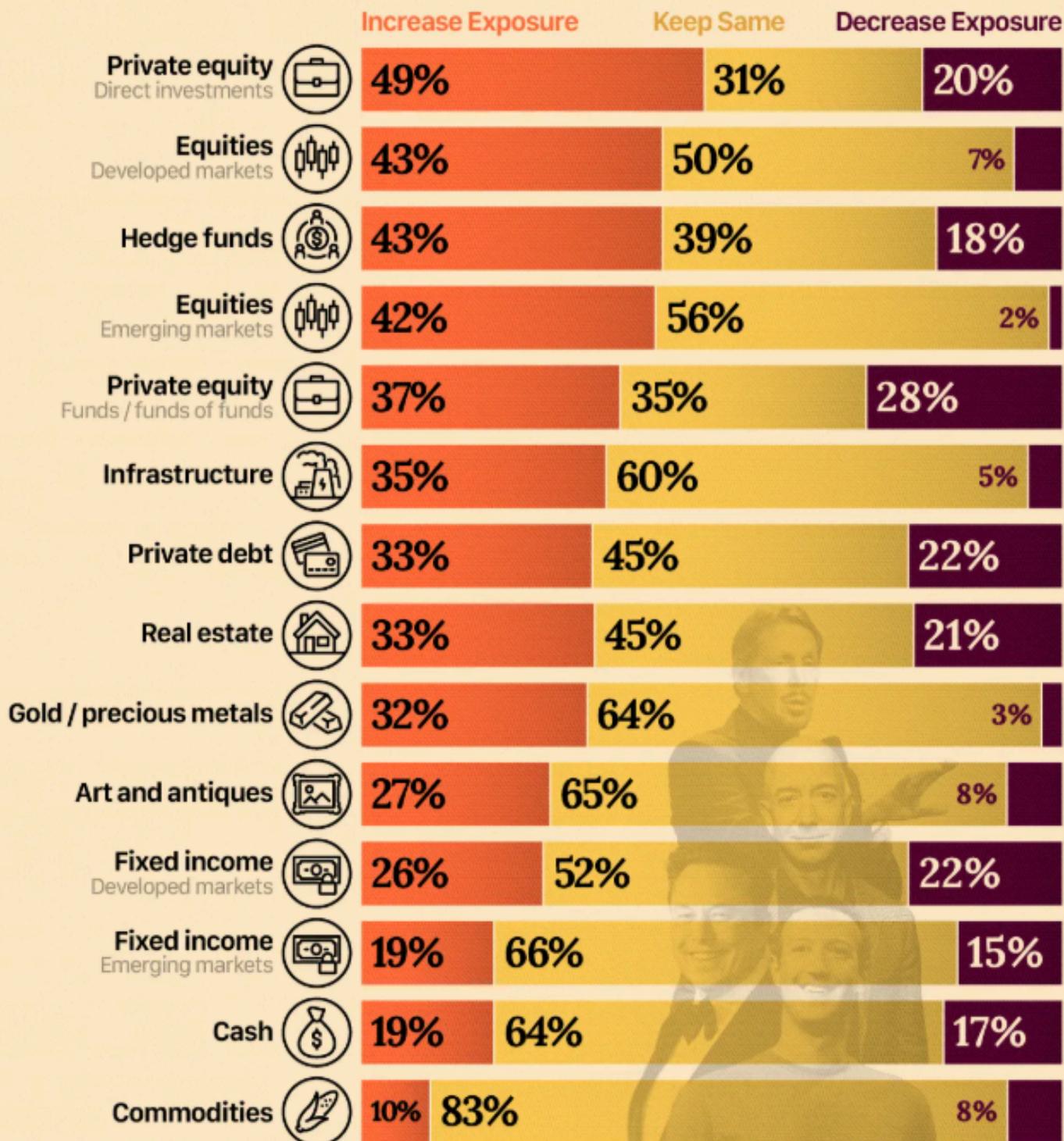
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Web: www.TCFLubbock.com

How Billionaires Plan to Invest in 2026



Real Estate Agents Are Generating ‘AI Slop’ Videos of Homes Filled with Bizarre Errors

Published by *Breitbart.com*

The real estate industry is embracing AI to change how we buy and sell houses. Agents are increasingly generating the type of “AI slop” that fills social media to show off homes, but the videos typically misrepresent properties by showing off amenities that don’t exist or presenting nonsensical room dimensions.

Wired reports that the real estate industry is no stranger to technological advancements, but the rise of AI is taking the sector by storm. From AI-generated property videos and virtual staging to chatbots and predictive analytics, the industry is undergoing a significant shift in how properties are marketed and transactions are conducted.

One of the most notable applications of AI in real estate is the creation of virtual property tours. Companies like AutoReel are enabling real estate agents to generate AI-powered video walk-throughs of properties, complete with realistic furniture and decor, even when the actual spaces are empty. This technology not only saves time and money for agents but also provides potential buyers with a more immersive experience, allowing them to visualize themselves in their future homes.

However, the use of AI in real estate listings has also raised concerns about transparency and accuracy. Some consumers have reported coming across AI-generated images that misrepresent properties, such as the addition of nonexistent features or the alteration of room sizes. While virtual staging has been a common practice in the industry for years, the ease and speed with which AI can generate these images have led to an increase in potentially misleading listings.

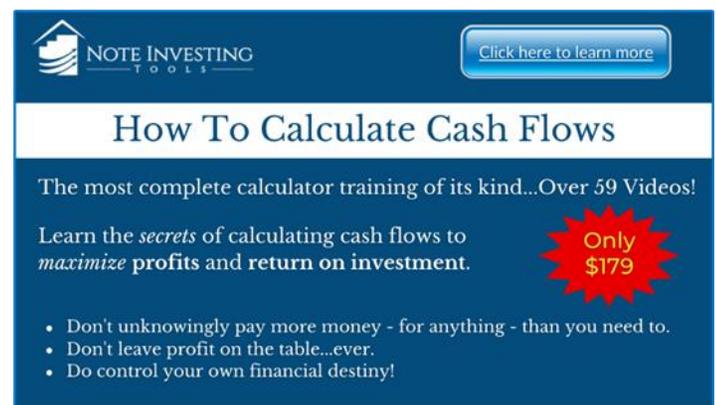
Wired showcases one woman’s experience in reviewing AI-generated listings:

“And then, as I was scrolling through the photos, I noticed that some things just weren’t making sense. There were stairways leading to nowhere,” Elizabeth says. “In general, it just looked cartoonified.”

Her suspicions were confirmed when she came across a second listing for the same property and saw the original images that had been transformed. In the edited versions, kitchen cabinets were missing, backyard pavement was replaced by grass, and windows were dramatically resized. Elizabeth posted the two sets of images on Reddit in the popular “mildly infuriating” subreddit, and more than 1,200 people commented.

“This is misleading. It’s distorting the features of the house,” she continued. She says real estate listings often use a fisheye lens to make rooms look bigger, but with AI, “we’ve entered a whole new realm.”

Industry leaders are urging real estate professionals to exercise caution and maintain transparency when using AI tools. The National Association of Realtors has advised its members that the legal implications of using AI-generated images are still unclear and that agents must disclose the use of these technologies to avoid deceptive practices.



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Former CEO Charged in \$62.5M Promissory Note Scam

An Orange County man who was the founder and CEO of a private equity fund has been charged with defrauding hundreds of investors out of approximately \$62.5 million via a promissory note scam involving real estate, Broadway shows, and cryptocurrency, the Justice Department announced today.

Marco Giovanni Santarelli, 56, of Laguna Niguel, is charged with one count of wire fraud. He is scheduled to make his initial appearance on October 20 in United States District Court in Santa Ana.

According to information filed Monday, Santarelli founded and was the CEO of Norada Capital Management (NCM), a Laguna Niguel-based private equity fund. From June 2020 to June 2024, Santarelli solicited hundreds of investors nationwide to invest in unsecured promissory notes ranging from \$25,000 to \$500,000. He promised via marketing a high-yield monthly interest rate – approximately 12% to 15% – over three to seven years.

Santarelli told investors they would receive monthly interest payments from income generated from five categories of businesses in which NCM would invest their money, including e-commerce, real estate, Broadway shows, and cryptocurrency.

Via webinars, Santarelli promised that the notes were backed by diversified assets under management and offered steady, predictable monthly returns. He further promised that NCM was to be a “hands-off passive investment,” perfect for retirement funds, according to the information.

Santarelli also provided balance sheets to investors listing the status of the assets, liabilities, and equity of NCM to the note holders, which listed the total asset value between \$143.3 million and \$224 million.

In fact, NCM did not pay the promised returns and interest payments. Instead, the fund invested in risky assets that did not provide the promised safety and security, was unprofitable, had very little return on

investment, and a large amount of debt. The balance sheets sent to investors hid more than \$90 million in debt and included inflated assets. In Ponzi-scheme fashion, Santarelli made interest payments to investors using other investors’ money.

In total, Santarelli caused more than 500 investors to lose approximately \$62.5 million.

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If convicted, Santarelli would face a statutory maximum sentence of 20 years in federal prison.

Homeland Security Investigations and the FBI are investigating this matter with assistance from the United States Securities and Exchange Commission. Federal

law enforcement has seized more than \$5 million in proceeds connected to this scheme and continues to look for additional assets.

Chief Assistant United States Attorney Jennifer L. Waier is prosecuting this case.

Source: [Justice.gov](https://www.justice.gov)

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The Most Powerful Financial Tool Available to Entrepreneurs

by Robert McMahon

“A factor is an intermediary agent that provides cash or financing to companies by purchasing their accounts receivable. In short, a factor is a funding source; the factor agrees to pay the company the value of an invoice—less a discount for commission and fees.” — *Investopedia.com*

Factoring dominates the area of alternative commercial finance, which also includes asset-based lending, purchase order finance, merchant cash advances, and a host of other ready sources of trade finance accessible to small, early-stage business owners when traditional bank loans are unobtainable.

Factoring is strictly B2B finance where a finance company (known as the factor) purchases invoices each week from a business (known as the client) for immediate cash.

While simple in nature, factoring is literally the most powerful financial tool available to small business entrepreneurs. It allows them to grant 30, 45, even 60-day payment terms to customers for services performed or goods delivered, yet they receive immediate cash to meet their weekly working capital needs, pay suppliers on a timely basis and especially to meet their own payroll obligations.

The growth of factoring continues to be dynamic in today's economy. As more and more people start their own businesses, factoring is one of the few sources of finance available to such startups.



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Profit Margin on Flipping Homes At 17-Year Low

It pays less and less to buy and flip a home these days.

From April through June, the typical home flipped by an investor resulted in a 25.1% return on investment, before expenses. That's the lowest profit margin for such transactions since 2008, according to an analysis by Attom, a real estate data company.

Gross profits — the difference between what an investor paid for a property and what it sold for — fell 13.6% in the second quarter from a year earlier to \$65,300, the firm said. Attom's analysis defines a flipped home as a property that sells within 12 months of the last time it sold.

Home flippers buy a home, typically with cash, then pay for any repairs or upgrades needed to spruce up the property before putting it back on the market.

The shrinking profitability for home flipping is largely due to home prices, which continue to climb nationally, albeit at a slower pace, driving up acquisition costs for investors.

"We're seeing very low profit margins from home flipping because of the historically high cost of homes," said Rob Barber, Attom's CEO. "The initial buy-in for properties that are ideal for flipping, often lower-priced homes that may need some work, keeps going up."

The median price of a home flipped in the second quarter was bought by an investor for \$259,700, a record high according to data going back to 2000, according to Attom.

The median sales price of flipped homes was \$325,000, unchanged from the first quarter, the firm said.

A chronic shortage of homes on the market and heightened competition for lower-priced properties are also helping drive up investors' acquisition costs.

Home flipping profits have declined for more than a decade as home prices rose along with the housing

market's recovery from the housing crash in the late 2000s.

Consider, in the fall of 2012, the typical flipped home netted a 62.9% return on investment before expenses, Attom said.

Even as home flipping has become less profitable, such transactions remain widespread.

Some 78,621 single-family homes and condos were flipped in the April-June quarter, accounting for 7.4% of all home sales during the quarter — a slight decline from both the first quarter and the second quarter of 2024, according to Attom.



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The U.S. housing market has been in a sales slump since early 2022, when mortgage rates began to climb from pandemic-era lows. Sales of previously occupied U.S. homes sank last year to their lowest level in nearly 30 years. Sales have remained sluggish this year as mortgage rates, until recently, remained elevated.

As home sales have slowed, properties are taking longer to sell. That's led to a sharply higher inventory of homes on the market, benefiting investors and other home shoppers who can afford to bypass current mortgage rates by paying in cash or tapping home equity gains.

With many aspiring homeowners priced out of the market, real estate investors — whether those looking to buy and rent or home flippers — are taking up a bigger share of U.S. home sales overall.

Some 33% of all homes sold in the second quarter were bought by investors — the highest share in at least five years, according to a report by real estate data provider BatchData.

Between 2020 and 2023, the share of homes bought by investors averaged 18.5%.

All told, investors bought 345,752 homes in the April-June quarter, an increase of 15% from the first quarter, but a 12% decline from the same period last year, the firm said.

Even so, investor-owned homes account for roughly 20% of the nation's 86 million single-family homes, the firm said.



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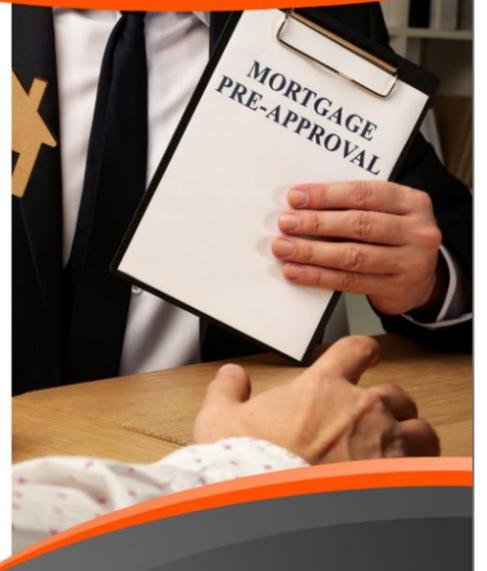
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