

House Buyers of America

In The News

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INSIDE BUSINESS

House Buyers of America buys to sell

29-year-old builds \$50 million company

by Peter Hull

Three years ago, Nick Ron bought a three-bedroom house on Kilpatrick Place in Dumfries in Northern Virginia.

As a computer software salesman for a multinational technology firm, Ron thought that he'd learned a thing or two from his real estate clients. He was so certain he'd hit on a winning idea he formed a company – House Buyers of America – to buy the property, renovate it and sell it on.

Almost three years to the day since that first purchase, 29-year-old Ron opened his first satellite office last week, in Virginia Beach, as the company builds on successful forays into the Washington, D.C., and Montgomery County, Md., real estate markets.

"I realized early on – within my first five properties – if I can buy five properties, just me, I could develop a corporation to do this," Ron said in a telephone interview from his office in Chantilly, where House Buyers is based.

"What's the difference between buying one property a month or a thousand properties a month?" he asked himself.

About \$50 million is the answer.

At the end of its first year in business, Ron's company posted sales of almost \$2 million. By the end of 2003, House Buyer's annual sales jumped an incredible 2,600 percent, to just over \$54 million. And if it stays on target for this year, sales could top \$200 million, Ron said.

"I saw the big picture real early on," he said. "I think that's what led to this amazing growth."

House Buyers of America is a residential real estate investment and relocation services company that, the company says, is reinventing the real estate industry by offering sellers a hassle-free, guaranteed sale without the 6 percent real estate commission.

Home sellers who call House Buyers receive a competitive bid within 48 hours if the company opts to buy the property. If the company's offer is accepted, the property is sold as is. House Buyers then renovates the home itself, if necessary, rather than leave the renovations to the seller.

Within 14 days the home is available for sale – through House Buyers – and the new owner receives a free home warranty and a free home inspection report, as well as a \$500 credit with one of House Buyers' preferred lenders.

Ron graduated from George Washington University in 1997 with a business degree in technology and started House Buyers in 2001 as a side business from the basement of his home. Since then, the company has sold more than 400 homes and now buys about 50 to 60 properties a month, with as many as 80 homes for sale on its Web site at any one time.

Ron started off appraising and inspecting all the properties himself as he dealt with his customers on a daily basis, so he learned what their needs were.

"I learned from the ground up," he said. "I think that gave me a huge advantage in having a real close contact with the customer – I'd taken away all their headaches. I knew what their pain points were."

Ron said his company's success stems from a strong need in the marketplace for a hassle-free way to buy and sell a home, without taking six months or longer to complete.

"Over the past 30 years, the process of buying and selling real estate hasn't changed much," Ron said. "You call a realtor, you sign an agreement, they list your house, you do the repairs and they sell it."

"It takes too long and is very time-consuming."

Ron quickly found customers who didn't want to deal with those hassles, particularly people who move frequently, or need to move quickly, like military families, he said – one of the reasons House Buyers was attracted to the Hampton Roads area.

"Our process is real simple: you pick up the phone, within a week you get an offer on your house – it's a done deal," he said. "We buy the property from you. There's no middleman."

"I think that's been the key – we're the alternative to the traditional real estate market."

House Buyers, which employs about 40 people, will bring 20 new jobs to Virginia Beach once the office is up to full



A home on South Street Portsmouth was recently acquired by House Buyers of America, which is opening an office in Virginia Beach. Properties for sale on the company's Web site range from \$180,000 for a three-bedroom townhouse in Woodbridge to \$570,000 for a four-bedroom family home in Springfield.

strength. The positions, which are mostly already filled, are for real estate consultants who buy and sell properties, valuation experts and construction personnel – project managers who oversee the workmanship and ensure the work is completed on time.

In addition, the company will use about 100 local building contractors and laborers to complete the renovations. All contractors will be approved by the company of the standard of their work and will be required to complete the renovations within the company's strict 14-day time frame.

"We're managing millions of dollars at any one time, so the turnaround time is very important to us," Ron said. "We know what we need to do, when and how."

Ron said his customers like House Buyers' "hassle-free solution" to buying and selling homes. They want the piece of mind that they can pick up the phone and within one week have an offer on their house, and sellers don't have to worry about selling their home before they buy another, he said.

But Ron doesn't drive around neighborhoods looking for rundown property or large houses that can be converted into apartments. His concept is that of a one-stop-shop – the hassle-free, guaranteed sale – where people can quickly and easily buy

and sell a home.

The company buys houses from \$50,000 all the way up to \$600,000, with all sorts of demographics mixed in between, Ron said.

"If we were looking for only fixer-uppers we'd be doing maybe one house a month, just like the rest of the guys," he said. "The reason we've been able to do over 400 homes so far is because we go after the broad market, mass appeal."

"This is bigger than buying a few houses a month."

Ron plans to take the House Buyers concept nationwide and he sees the opening of his first satellite office as a significant step to that end. So serious are his plans for the company that he recently hired a COO with experience running a national organization.

And when House Buyers decided to test the market in Virginia Beach ahead of committing to an office here, it found it so good it bought 25 homes straight away.

"I can't wait to see what happens when we do some serious marketing," Ron said. "It's going to be a huge market for us – one of the best we've ever been to."