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## Va. residential real estate firm turns its investment eye to D.C.



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**NICK RON**  
CEO  
House Buyers  
of America

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Chantilly-based House Buyers of America, a real estate investment company, is dipping its toe into the District, after spending two years operating solely in Northern Virginia.

"It could go either way," CEO Nick Ron says of entering a new market. "We're expecting it to go great guns, but we understand that it's a different demographic."

House Buyers buys homes in the \$200,000 to \$400,000 range that need a little fixing up at less than market value. The company spruces them up—everything from painting to replacing the roof—then sells them at a profit, usually within 90 days, typically to first- or second-time homebuyers. In the process, buyers avoid Realtor fees, which can add up to 6 percent to the sale price.

Ron hopes the combination of D.C.'s transient citizens and out-of-town landlords looking to unload properties will keep House Buyer's property portfolio fluid. And he expects that smaller D.C. homes will demand less repair, helping House Buyers to put them back on the market quicker than is possible for the larger homes in Northern Virginia.

The company will target properties in Northwest and Northeast D.C. to start.

Growth is what is pushing House Buyers to do business beyond Northern Virginia.

The company started in 2001,

with about \$1.9 million in revenue. Last year, it made \$14.5 million in revenue and it's looking to close 2003 with about \$50 million in revenue. The company sold 250 homes this year, compared with 150 in 2002.

One thing that threatens to impede the booming residential real estate market and House Buyer's growth are rising mortgage rates.

The Mortgage Bankers Association ([www.mbaa.org](http://www.mbaa.org)) predicts mortgage rates, which typically follow the yield of 10-year Treasury bonds, will climb through next year and into 2005, which may dissuade some would-be buyers from looking for their first homes.

"When 10-year Treasuries bounced up from their lows this summer, it put a damper on the [mortgage] boom," says bank consultant Bert Ely of Alexandria-based Ely & Co ([www.ely-co.com](http://www.ely-co.com)).

"But now, it's tough to tell where Treasuries are going and how fast."

House Buyers has about 50 homes in its inventory this winter, historically a slow season for home sales. During the height of its selling cycle in July, the company could have up to 150 homes.

"As [interest rates] go up, it's tougher to sell the houses," Ron says.

"But it's so low right now. We'll keep with our due diligence and make sure we have a pretty even distribution" of sales to purchases.

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