THE DEVROU FIELD GUIDE™

LESSON 4

# INVESTORS: WHAT IS YOUR BUY BOX?

*Stop Chasing Deals. Start Recognizing Them.*

PAMELA DEVROU

REAL ESTATE • INVESTMENTS • CONSULTING

PamelaDeVrou.com

THE DEVROU FIELD GUIDE™ • LESSON 4

# Investors: What Is Your Buy Box?

Stop Chasing Deals. Start Recognizing Them.

## Welcome

A buy box is not simply a zip code, a price range, and a property type. It is a disciplined definition of the opportunities that fit your goals, capital, experience, team, and appetite for risk.

> **The Big Idea:** *A buy box is not about finding good deals. It is about defining your deals.*

This guide will help you identify the standards that belong in your buy box, stress-test a property before emotion takes over, and create a repeatable way to recognize the right opportunity when it appears.

## Begin Here

What do you want this investment to accomplish?

______________________________________________________________________

What risk, cash requirement, or project complexity would keep you from sleeping well?

______________________________________________________________________

LESSON 4

# Three Properties. Three Opportunities. One Buy Box.

This week, Pamela looked at several properties: one near $750,000, another over $400,000, and a complete gut job listed under $200,000. Each property could be an opportunity for someone. They were not all the right opportunity for Pamela.

> *They were all opportunities. But they were not all MY opportunities.*

## A Buy Box Eliminates Distraction

Without clear criteria, investors can spend their time chasing listings, defending emotional decisions, and trying to make numbers work after falling in love with the potential. A useful buy box gives you permission to say no quickly so your attention is available when the right property appears.

## A Strong Buy Box Defines

- The neighborhood signals you require.
- The property profile your team can execute well.
- The maximum price and cash exposure you can support.
- The conservative resale or rental outcome you will use.
- The rehab risks you will accept—and the ones that make you walk.
- The profit, backup exit, and personal peace required to move forward.

DECISION FRAMEWORK

# The DeVrou Buy Box Test™

Use these seven questions every time you evaluate a property. A deal should become stronger as you answer them—not more dependent on hope.

1. **Does the neighborhood support my goal?** Look for buyer or renter demand, visible investment, access, and relevant renovated comparables.
2. **Does the math still work conservatively?** Use realistic costs and a resale or rental outcome that does not depend on everything going perfectly.
3. **Can I create value without overspending?** Match the improvement plan to the neighborhood, buyer, property, and exit strategy.
4. **What is the biggest hidden risk?** Inspect systems and structure before focusing on finishes.
5. **Can I fund it comfortably?** Include purchase cash, financing costs, rehab, contingency, holding costs, and time.
6. **Do I have a backup exit?** Know what happens if the sale, refinance, rent, or timeline changes.
7. **If someone else owned this house today, would I still want to buy it?** Remove the emotion of winning the deal and evaluate the asset itself.

> *My buy box does not eliminate risk. It eliminates distraction.*

BUY BOX ELEMENT 1

# Neighborhood + Property Profile

## Is Money Already Flowing Into the Neighborhood?

Do not rely on a broad label such as "up-and-coming." Look for evidence: renovation activity, buyer demand, improving streets, access to employment and amenities, realistic renovated comps, and the distance buyers are actually willing to travel for alternatives.

> **Pamela's Filter:** *If I have to search three miles for a renovated comparable, it may not be my neighborhood.*

## Property Profile

| Criterion | Your Buy Box |
|---|---|
| **Target areas / ZIP codes** | ______________________________ |
| **Property type** | ______________________________ |
| **Bedrooms / bathrooms** | ______________________________ |
| **Square footage** | ______________________________ |
| **Age / character** | ______________________________ |
| **Lot or outdoor space** | ______________________________ |
| **Complexity to avoid** | ______________________________ |

BUY BOX ELEMENTS 2 + 3

# Purchase Price + Conservative ARV

> *Do not ask only, "What is the asking price?" Ask, "What can I safely pay?"*

## Purchase Price

Your maximum allowable offer should come from the outcome backward. Begin with a conservative resale or stabilized value. Subtract the full rehab, contingency, financing, holding, selling, and closing costs. Then subtract the profit required for the risk you are taking.

## Conservative ARV

Do not use the highest renovated sale simply because it makes the deal work. Ask what the property could reasonably sell for if everything goes right—but nothing goes perfectly.

## Planning Snapshot

| Input | Conservative Estimate |
|---|---|
| Conservative ARV | $ ________________________________ |
| Rehab + contingency | $ ________________________________ |
| Financing + points | $ ________________________________ |
| Holding costs | $ ________________________________ |
| Selling + closing costs | $ ________________________________ |
| Required projected profit | $ ________________________________ |
| Maximum purchase price | $ ________________________________ |

BUY BOX ELEMENTS 4 + 5

# Rehab Risk + Emotional Potential

## What Could Blow the Budget?

Countertops rarely destroy a rehab budget. Hidden system and structural issues can. Evaluate the difficult, expensive, and permit-sensitive work before becoming distracted by cosmetic possibilities.

- Electrical service and wiring
- Plumbing and sewer
- Foundation or structural movement
- Roof and water intrusion
- HVAC and mechanical systems
- Unpermitted additions or layout changes
- Environmental or site conditions

## How Will the Finished Home Feel?

Pamela’s competitive advantage is not generic gray finishes. It is creating a warm, timeless home that preserves character, improves curb appeal, strengthens outdoor living, and helps a buyer emotionally connect.

> *I do not compete on granite. I compete on how a house feels.*

What character should be preserved? ______________________________________________

What emotional value can be created without overspending? _______________________

BUY BOX ELEMENTS 6 + 7

# Financing + Profit

## Can I Fund It Comfortably?

A profitable project can still be the wrong project if the required cash, uncertainty, or payment pressure is beyond your comfort. Verify lender terms, points, closing costs, draws, reserves, timeline, and contingency before you commit.

## Does the Return Match the Risk?

Profit is not only a number. It is compensation for capital, time, execution, uncertainty, and opportunity cost. Your target may change with experience, but the decision should remain conservative and intentional.

| Question | Target | Deal Estimate |
|---|---|---|
| Cash required | ____________________ | ____________________ |
| Projected net profit | ____________________ | ____________________ |
| Profit margin | ____________________ | ____________________ |
| Contingency reserve | ____________________ | ____________________ |
| Maximum hold time | ____________________ | ____________________ |
| Backup exit | ____________________ | ____________________ |

**Peace Test:** *A deal should let you move with clarity—not force you to depend on perfect conditions.*

PERSONAL EXAMPLE

# Pamela’s Actual Investor Buy Box

This is Pamela’s current working buy box for the first phase of her flip strategy. Yours should be built around your market, capital, team, experience, and goals.

| Category | Pamela’s Working Criteria |
|---|---|
| **Goal** | Profitable flips that preserve capital, build documented experience, and increase lender and investor confidence. |
| **Market** | Charlotte Metro—especially 28208, 28217, 28216, and selected emerging neighborhoods within 15–20 minutes of Uptown. |
| **Property** | Single-family; 3 bed / 2 bath preferred; 1,100–1,800 sq. ft.; older homes with character; larger lots are a bonus. |
| **Avoid** | Luxury flips, major additions, and overly complex structural projects. |
| **Rehab** | $40,000–$70,000 target; $80,000 preferred maximum. Identify electrical, plumbing, foundation, and water risk early. |
| **Value Creation** | Warm, timeless design; preserve character; improve curb appeal and outdoor living; avoid generic gray renovations. |
| **Financing** | Ideal cash required under $30,000; verify lender terms, points, closing costs, draws, and contingency. |
| **Profit** | Long-term minimum margin: 20%. For the first 1–2 flips, $40,000+ projected net profit may be acceptable when downside is limited and the project builds credibility. |
| **Signature Test** | If someone else owned this house today, would I still want to buy it? |

WORKSHEET

# Build Your Investor Buy Box

Complete this before evaluating the next listing. Specific numbers can be refined later; clarity comes first.

| Buy Box Element | Your Criteria |
|---|---|
| **Investment goal** | |
| **Target market / ZIPs** | |
| **Neighborhood signals** | |
| **Property type / size** | |
| **Maximum purchase price** | |
| **Conservative ARV method** | |
| **Target rehab** | |
| **Maximum rehab** | |
| **Value-creation advantage** | |
| **Maximum cash required** | |
| **Required profit / margin** | |
| **Backup exit** | |
| **Automatic walk-away rules** | |

PROPERTY SCORECARD

# Evaluate the Opportunity

Score each category from 1 (weak) to 5 (strong). A high score does not replace due diligence, but it makes tradeoffs visible.

| Criterion | Score | Evidence | Concern / Next Step |
|---|---|---|---|
| Neighborhood demand | ___ / 5 | ______________ | __________________ |
| Renovated comps | ___ / 5 | ______________ | __________________ |
| Purchase price | ___ / 5 | ______________ | __________________ |
| Conservative ARV | ___ / 5 | ______________ | __________________ |
| Rehab fit | ___ / 5 | ______________ | __________________ |
| Hidden-system risk | ___ / 5 | ______________ | __________________ |
| Team capacity | ___ / 5 | ______________ | __________________ |
| Cash comfort | ___ / 5 | ______________ | __________________ |
| Projected profit | ___ / 5 | ______________ | __________________ |
| Backup exit | ___ / 5 | ______________ | __________________ |

## Walk-Away Rules

- Major structural or system risk exceeds the plan.
- Rehab exceeds your comfort or team capacity.
- The conservative numbers no longer work.
- The purchase price removes the margin.
- The project requires hope instead of evidence.

COMPLETE THE LESSON

# The Right Deal Fits the Strategy

> *I do not want every deal. I want the right deals.*

## Key Takeaways

- A good opportunity is not automatically your opportunity.
- Start with conservative math and work backward to the purchase price.
- Investigate systems and structure before finishes.
- Define the cash exposure and risk level that allow you to operate with clarity.
- Use a backup exit and written walk-away rules before emotion enters the decision.
- Your buy box should evolve as your capital, team, experience, and goals change.

## Continue Your Learning

Watch Coffee Talk Week 4: Build Your Investor Buy Box

https://youtu.be/Cg0tLbD8m_s

Explore more Coffee Talks, field guides, articles, worksheets, and strategic real-estate resources at PamelaDeVrou.com.

*Thank you for learning with me. I look forward to helping you build assets through informed real-estate decisions.*