

What is Website Flipping?

Written by Administrator

Website flipping is the art of buying, improving and selling websites. The term comes from the property industry where investors will buy a property, renovate it to add value, and then sell it at a higher price. Website flipping is essentially the same process online. An investor, or investment group, buys an established website, adds value to it and then sells the site at a higher price. With the cost of entry into domain flipping increasing, following the sharply increasing valuations of domain names, website flipping has become more financially accessible to the average investor compared to domain name investment.

Why is Website Flipping a growing trend for Investors?

A useful analogy to understand this trend is that of the choice that home owners make when deciding whether to build a new home versus buying an existing home. Most people looking to live somewhere buy an established home in the location that they want to be instead of buying some bricks and building materials and building themselves a house. The quicker option is to buy an established website (existing home) in the location that you want to be (in the centre of a city for homes or at the top of Google for websites) instead of buying all the tools that they need to build a website and then getting it into the location that they want to be themselves.

The Steps involved in Website Flipping:

1. **Buying** - You must find a suitable website to buy. Do not be fooled, whilst this sounds easy, it is the most important step and also the one that most people do incorrectly. For tips on finding a suitable site to buy, get in touch for some advice.
2. **Enhancement** - You must add value to the site. Generally you must make changes that increase traffic or income. Increasing either or both of these factors, significantly will almost guarantee a profit (if you paid the right price originally).
3. **Selling** - You must now sell the website. Generally it would be best to sell the site at the same place you bought it as the market value that determined the price there will be the same. So any value added to the site, in theory should create a higher market price and deliver you a profit. If you have an established website that you would like to sell, we can offer advice on how to get started finding buyers.

Benefits of Website Flipping

There are two main benefits that website flipping has over other industries.

- A low capital investment in comparison to property or domain investment. This allows the average internet entrepreneur to actually enter the market.
- Income possibilities whilst “enhancing”. Although other investments are usually stagnant, not making any money until the investment is sold a website is completely different. When buying a site with a consistent income you can profit while you are enhancing it and then sell it

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off for more than you bought it for.

There are 3 different types of Website Flipping

1. **Beginner's Flipping**

Whilst not necessarily “flipping” it is still a valuable business model that should be discussed. Essentially this is to build a website from scratch, do some promoting and then sell the site once it has traffic. This method takes more time but gives greater control on choosing the direction, setup and interest area of the website.

2. **Standard Flipping** (Medium Term Investment)

This is the most common flipping business model. Essentially you buy a fixer upper website with some potential, enhance it as quick as possible and sell it at a higher price. The choice of website is the most important element here.

3. **Long Term Investment Flipping**

Many people buy a website for its proven monthly recurring income and then develop that website as a long-term investment. This type of investor will hold onto the site for years whilst profiting from its income capacity and then selling the website once the it reaches a market threshold for an increased price. This requires more money and requires plenty of patience and skill.

The Market

From all the information I have seen, website flipping will be one of the fastest growing online markets in the coming years. Essentially the market always existed but was just overshadowed by its compatriot domain name flipping. As it becomes harder and more expensive to enter the domain name flipping industry, website flipping is poised to become the next big thing.