

Josh Buys Homes LLC Due Diligence Checklist

Property Address: _____
Address City State Zip

Property Tax ID #: _____

Listing Agent's (LA) Name: _____ LA Cell #: _____

LA Email: _____ MLS#: _____

Buyer/Selling Agent's (BA/SA) Name: _____ BA/SA Cell #: _____

BA/SA Email: _____

B2B: Yes ☐ No ☐

Asking Price: _____ Market Value: _____ Potential Offer Price: _____

Previous Purchase Price: _____

Number of Units: _____ Status of Occupancy: Vacant Owner Tenants Squatter Family Member

Unit 1: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 2: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 3: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 4: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 5: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 6: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 7: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 8: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 9: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Unit 10: # of Beds: _____ # Baths (F/H): _____ Square Feet: _____ Currently leased? Y N
Monthly Rent roll (actual): _____ Monthly Rent roll (projected): _____

Inspections:

Are the following surveys necessary?

Home Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Structural Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Septic Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Oil Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Well Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Water Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Mold Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Termite Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Radon Inspection	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Property Condition:

Heat Working?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
A/C Working?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Gas on and working?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Electric on and working?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Water on and working?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Generic Notes:

(Questions to get the agent talking):

- Tell me about the property
- How did you come to your valuation of the property?
- What are some of the best and worst features of the property?
- Tell me about the utilities

Generic Notes (Continued):

Town Hall and Other Tasks	Notes	Date	Initials
<p>Town Hall: (Assessor's Office, Tax Collector, and Building Department)</p> <p>Property Card (Assessor's Office) <input type="checkbox"/></p> <p>Confirm taxes (Tax Collector's Office) <input type="checkbox"/></p> <p>C of O (Building Department) <input type="checkbox"/></p> <p>Parcel History (Building Department) <input type="checkbox"/></p> <p>Survey (Building Department) <input type="checkbox"/></p> <p>Metes and Bounds Description (generally on deed, Building Department) <input type="checkbox"/></p> <p>Section, Block, Lot <input type="checkbox"/></p> <p>Deeds <input type="checkbox"/></p> <p>Mortgages <input type="checkbox"/></p>			
<p>Ownership Tasks</p> <p>Title Search</p> <p> Schedule A <input type="checkbox"/></p> <p> Schedule B <input type="checkbox"/></p> <p>Title Insurance <input type="checkbox"/></p> <p>Check Liens <input type="checkbox"/></p> <p>Check Encumbrances <input type="checkbox"/></p> <p>Check Easements <input type="checkbox"/></p> <p>Check Encroachments <input type="checkbox"/></p> <p>Check assessments against the property <input type="checkbox"/></p>			
<p>Property Research Tasks</p> <p>Property Shark <input type="checkbox"/></p> <p>Listing <input type="checkbox"/></p> <p>Rental Comps <input type="checkbox"/></p>			

<p>Sales Comps</p> <p>Small Map (15-20 Comps) <input type="checkbox"/></p> <p>Medium Map (30-40 Comps) <input type="checkbox"/></p> <p>3 Comps: Full Listing and Tax Record <input type="checkbox"/></p> <p>Property History (from MLS) <input type="checkbox"/></p> <p>Tax Record from MLS <input type="checkbox"/></p> <p>Photos of Property (at least 100, saved to Dropbox Folder) <input type="checkbox"/></p> <p>Proformas</p> <p>All Cash <input type="checkbox"/></p> <p>All Cash with refinance <input type="checkbox"/></p> <p>25% down OPM <input type="checkbox"/></p> <p>25% down my money <input type="checkbox"/></p>			
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Westchester County	Notes	Date	Initials
<p>DO these tasks <i>before</i> signing a contract. (George Oros is main contact)</p> <p>Is bond financing an option? <input type="checkbox"/></p> <p>Can I get a mortgage tax exemption? <input type="checkbox"/></p> <p>Can I hire someone for 20k (rather than 40k)? They have incentives for this. <input type="checkbox"/></p> <p>Can I become sales tax exempt? <input type="checkbox"/></p> <p>REMEMBER: 10% has to be affordable. Less than 20% needs to be retail. Must pass the “but for” test, which means I need to prove that I can’t make this economic activity happen for Westchester “but for” the assistance from the Department of Economic Development.</p>			

Secondary (Second Phase) Research Phase Checklist (Property Specific)	Notes	Date	Initials
<p>What type of sale is this?</p> <p> Standard Transaction Foreclosure REO FSBO Short Sale Other_____ </p>			
<p>Land</p> <p>Town/Description in Town: _____</p> <p>Topography: _____</p> <p>Street Width: _____</p> <p>Alleyways: _____</p> <p>Corner Lots: _____</p> <p>Drainage: _____</p> <p>Soil Conditions: _____</p> <p>Size and shape of lot: _____</p> <p>Filled ground? _____</p>			
<p>Services</p> <p>Paving: _____</p> <p>Sidewalks: _____</p> <p>Street Lights: _____</p> <p>Phone Service: _____</p> <p>Cable TV Service: _____</p> <p>Internet Access: _____</p> <p>Fire Department: _____</p> <p>Distance to property: _____</p> <p>Police Protection: _____</p> <p>Distance to property: _____</p>			

<p>Facilities</p> <p>Churches nearby: _____</p> <p>Neighborhood Shopping (Grocery stores, strip malls, restaurants, etc...), describe:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Regional Shopping (Grocery stores, strip malls, restaurants, etc...), describe:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>			
<p>Transportation:</p> <p>Describe the types of mass transportation nearby and their distances:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>			

<p>Schools:</p> <p>What is the school district?</p> <p>_____</p> <p>Elementary School(s):</p> <p>_____</p> <p>Distance of ES to property: _____</p> <p>Greatschools Rating: _____</p> <p>Middle School(s): _____</p> <p>Distance of MS to property: _____</p> <p>Greatschools Rating: _____</p> <p>High School(s): _____</p> <p>Distance of HS to property:</p> <p>_____</p> <p>Greatschools Rating: _____</p>			
<p><u>Property Conditions</u></p> <p>What is the legal zoning of this property?</p> <p>Zoning Code: _____</p> <p>Definition/allowable uses: _____</p> <p>Are all structures on this property legal?</p> <p>Describe.</p> <p> YES or NO</p> <p>Percent of subject property that is developed?</p> <p>(Current FAR ratio goes here, if known): _____</p> <p>How much is <u>allowed</u> to be developed?</p> <p>(Allowable FAR ratio goes here): _____</p> <p>Type of structure: _____</p> <p>Appearance: _____</p> <p>Present use: _____</p> <p>Highest and best use: _____</p> <p>Deed Restrictions: _____</p> <p>Assessed Value: _____</p>			

Easements: _____

Encroachments: _____

Is it a corner lot? YES or NO

Is the lot standard-sized for the area?

YES or NO

Can the property be subdivided? Describe.

Projecting the specific site's growth potential

Local Population Trends: _____

Average family income level and its projected growth or decline: _____

Local and regional economic trends: _____

Comps: (General info here, specific comps pulled in property file under "comps": _____

Past real estate appreciation rates: _____

City redevelopment plans: _____

Applicable zoning ordinances: _____

Local street-widening and public works projects: _____

<p>Utility improvement plans: _____</p> <p>_____</p> <p>School enrollment projections: _____</p> <p>_____</p> <p>Plans for new civic and/or commercial developments that will enhance the community, such as regional shopping centers, parks, schools, and recreation centers: _____</p> <p>_____</p> <p>_____</p> <p>Plans for city or county annexations: _____</p> <p>_____</p> <p>Plans to expand residential subdivisions: _____</p> <p>_____</p> <p>Other relevant building, redevelopment, and real estate-related information that the city and county planners can provide: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Section, Block, and Lot Number:</p> <p>_____</p> <p>What is the average per square foot price of this type of property in this area?</p> <p>_____</p> <p>_____</p> <p>_____</p>			
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Property Visit Questions/Listing Agent Questions/Due Diligence Checklist	Comments	Date (mm/dd/yy)	Initials
<u>Is the property rent-controlled?</u> <u>YES</u> <u>NO</u>			
<u>HOA</u> Is there an HOA? <u>YES</u> <u>NO</u> (If “no”, skip the rest of the “HOA” section). If so, is the delinquency rate lower than 15%? <u>YES</u> <u>NO</u> Does the HOA have an adequate reserve? <u>YES</u> <u>NO</u> Are there any special assessments coming? <u>YES</u> <u>NO</u>			
<u>Oil Tank</u> Is there an underground oil tank? <u>YES</u> <u>NO</u>			

<p>Is there documentation to show it has been removed or not?</p> <p><u>YES</u> <u>NO</u></p> <p>Is there an above ground oil tank?</p> <p><u>YES</u> <u>NO</u></p> <p>How large are the oil tanks?</p> <p>_____</p> <p>How many oil tanks are there?</p> <p>_____</p>			
<p>Hazards</p> <p>Is there lead based paint?</p> <p><u>YES</u> <u>NO</u></p> <p>Is there radon?</p> <p><u>YES</u> <u>NO</u></p> <p>Is there any known mold?</p> <p><u>YES</u> <u>NO</u></p> <p>Is there any known water damage on this property?</p> <p><u>YES</u> <u>NO</u></p> <p>Is there any known insect damage?</p> <p><u>YES</u> <u>NO</u></p>			
<p><u>Appliances</u></p> <p>Circle the following appliances that are currently in the units, and indicate which unit. And <u>who owns the appliances?</u></p> <p>Garbage Disposal: YES or NO</p> <p>In which unit(s): _____</p>			

<p>Washer: YES or NO In which unit(s): _____</p> <p>Dryer: YES or NO In which unit(s): _____</p> <p>If there is no washer/dryer, are there at least hookups for them? YES or NO In which unit(s): _____</p> <p>Stove/Oven: YES or NO In which unit(s): _____ Is it GAS or ELECTRIC?</p> <p>Dishwasher: YES or NO In which unit(s): _____</p> <p>Microwave: YES or NO In which unit(s): _____</p> <p>Are any appliances not allowed due to zoning or other restrictions? Describe.</p> <p>_____</p> <p>_____</p>			
<p><u>Kitchen</u></p> <p>Is there a full kitchen in each unit?</p> <p><u>YES</u> <u>NO</u></p> <p>Are any units considered to just have kitchenettes?</p> <p><u>YES</u> <u>NO</u></p> <p>Are there any restrictions on the number of kitchens vs. the number of units? Describe.</p> <p><u>YES</u> <u>NO</u></p> <p>_____</p> <p>_____</p>			

Roof

What style of roof is on this property?

What type of roof is on this property?

How old is the roof?

When will the roof likely need to be replaced?

Are there currently any issues with the roof?

Is there a guarantee or warranty with the roof?
What kind?

Who put on the roof?

Estimated # of squares (10 X 10): _____

Water Stains in attic roof: Yes/No

Water stains on any attic ceilings: Yes/No

Condition:

Good

Curled

Patched

Clawed

Lifting/Buckling

Uneven/Wavy

Repairs Needed:

New Roof

Patch

Replace Sheathing

<p><u>Siding</u></p> <p>Estimated # of squares (10 X 10): _____</p> <p>Type: Wood Brick Vinyl Brick Front Aluminum Asbestos</p> <p>Repairs Needed: Powerwash Patch Replace</p>			
<p><u>Windows</u></p> <p>Window Type (material): Wood Vinyl Aluminum</p> <p>Window type (hung): Double Hung Single Hung</p> <p>Replace windows: Yes/No If so, how many?</p>			
<p><u>Drainage</u></p> <p>Gutters on site: Yes/No Gutters need to be added: Yes/No French Drains: Yes/No</p>			
<p>Is there currently a property manager?</p> <p><u>YES</u> <u>NO</u></p> <p>Who is the current property manager?</p> <p>_____</p> <p>What are their rates?</p>			

<p>Monthly: _____ Annually: _____</p> <p>What services do they provide? (Write in notes)</p>			
<p><u>Tenants</u></p> <p>Who are the tenants? Tell me about them.</p> <p>_____</p> <p>_____</p> <p>Do they have a history of paying on time?</p> <p>_____</p> <p>_____</p> <p>What is the method of payment for rent? Check? ACH? Venmo? Cash? Tell me how it works.</p> <p>_____</p> <p>_____</p> <p>Are any of the tenants receiving Section 8 subsidies?</p> <p><u>YES</u> <u>NO</u></p> <p>If yes, describe who and how much.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Are there currently leases in place?</p> <p><u>YES</u> <u>NO</u></p> <p>If so, describe the terms of the leases. (Length, responsibilities of the tenant and the landlord, special clauses, etc...)</p> <p>_____</p>			

Do you currently hold security deposits for the tenants? If so, how much?

Please tell me about the tenants. How long have they been living here? What are they like?

Can you please send me a copy of the leases?

YES **NO**

May I please review all tenant files and correspondence?

YES **NO**

If I receive the leases, begin working on the next section...

My Own Research as I look over the lease(s):

1. Is there a cancellation/termination provision?
YES **NO**
2. Buyout provision? **YES** **NO**
3. Reduction of space provision?

<div> <div>YES</div> <div>NO</div> </div>			
<div> <div>4. What other issues could impact the value of the lease(s)?</div> <div></div> <div></div> </div>			
<div> <div>5. Are there any rental concessions? (Free rent; beneficial occupancy)</div> <div>6. Are rental abatements included as base rent or operating expense adjustments?</div> <div>7. Is there any “unused tenant improvement allowance(s) that they can apply as a rental credit?</div> <div>8. Tenant Improvement Dollars owed to tenant or landlord</div> <div>9. Renewal and/or expansion and/or contraction options (make note of any option terms in the lease abstract)</div> <div>10. Caps on Operating Expense pass-throughs</div> <div>11. Fixed Option(s) to renew rental rates</div> <div>12. Property Tax Increase protection</div> <div>13. Are there any operating expense exclusions?</div> <div>14. Early termination or cancellation provisions</div> <div>15. Refurbishment allowances</div> <div>16. Special allowances for after hours HVAC or electrical usage at no charge to tenant</div> <div>17. Building hours (outside of the norm)</div> <div>18. Special computer room A/C requirements</div> <div>19. Security requirements</div> <div>20. Any other landlord expense that may be incurred</div> <div>21. If the lease requires a “Lease Commencement Letter”, be sure there is one executed by the tenant to verify commencement date; expiration date and rental increase rates.</div> <div>22. Confirm all the amendments are accounts for and that all changes to original lease are understood and verified</div> <div>23. Verify all security deposits and/or letters of credit (and make sure they are transferred at the time of closing with proper signatures)</div> </div>			

<p><u>Waterfront</u></p> <p>Is this a waterfront property? <u>YES</u> <u>NO</u> (If no, skip to next section)</p> <p>If yes, what type?</p> <p>Bay Canal Creek Deep Water</p> <p>Deep Water Access Lake Marsh Ocean</p> <p>Pond Boat Lift River Stream Tidal</p> <p>Waterfront Restrict. Bulkhead Dock</p> <p>Boathouse</p>			
<p><u>Service Contracts</u></p> <p>Are there any service contracts currently in effect in the building?</p> <p><u>YES</u> <u>NO</u></p> <p>If so, please provide me with a copy of all of the current and previous service contracts, including but not limited to:</p> <p>Elevator Maintenance Contract Roof Maintenance Contract HVAC Maintenance Contract Interior Plant Maintenance Contract Landscape Maintenance Piped in Music Service Agreement Janitorial Service Contract Parking Company Contract Trash Removal Contract Property Mangement Contract Pest Control Service Agreement Hazardous Waste Removal Service Security Service Contract Metal & Stone Maintenance Service Contract Property Taxes Appeal/Property Tax Consultant Utilities Contract Union Contract</p> <p>Once we received confirm the following:</p> <ol style="list-style-type: none"> 1. That they are all cancelable within 30 to 60 days notice 2. Make note of self-renewing for long terms 			

contracts (1 year or more)			
<p><u>List of Inventories</u></p> <p>Please provide me with a list of inventories*, including but not limited to:</p> <p>Lighting Janitorial Supplies Office Furniture Equipment and Supplies Tools Spare Parts Motors Building Plans Desktop and Laptop Computers</p> <p>*This list must be included in the purchase and sale agreement. Photos must also be taken of these items to confirm nothing has been taken out prior to the close of escrow.</p>			
<p><u>Mechanical System Permits</u></p> <p>Please provide copies of the mechanical system permits for the operation of the property, including but not limited to:</p> <p>Elevators (annual and five year load test) Fire Panel Fire/life safety Boiler Emergency Generator</p> <p>Is everything up to date? Do any violations exist?</p>			
<p><u>Phase I and Phase II Environmental Reports</u></p> <p>Please provide me with these documents.</p>			
<p><u>Property Condition Assessment Report</u></p> <p>Do you have a property condition assessment report? Can you please provide me with a copy?</p>			

(Possibly use EBI Consulting for a thorough due diligence of their own of potential properties)			
<u>Seismic/PML (Probable Maximum Loss Report)</u> Please provide me with this document.			
<u>Other Reports</u> Please provide me with any other reports you have regarding the property, including but not limited to: Structural Elevators Roof Air Conditioning ADA Compliance Mold Assessment Geological <i>Internal Use:</i> Order any other reports that are necessary at this point. Make sure the vendors are approved by the lender before using them, or else their reports won't be valid when getting the loan!			
<u>Books and Reports</u> -Can you please provide me with "as-built" building plans? (If the seller is unaware of their location, they can ask the city building department if the set of permit drawings are on file, and get a copy). -Can you please provide me with the project's property manual? (Will include elevator speeds, chiller tonnage, live and dead load floor loading, etc...). -Can you please provide me with operating and maintenance manuals for the property? -Can you please provide me with your operating expense history/reports for the past three years, including the current year to date? -Also, please provide copies of all the utility bills for at least the past two years. -Please provide me with a copy of the most recent Aging Report. Please provide me with copies of all existing			

<p>warranties on the property. Confirm they are transferable.</p> <p>-Please provide me with the current year's operating budget, as well as next year's operating budget.</p> <p>-CAM (Common Area Maintenance): Make sure I analyze this correctly. I need at least two year's of CAM reconciliation reports.</p> <p>-Make sure I'm receiving proper CAM credit upon the close of escrow.</p> <p>-Confirm that parking adequately meets the parking ratios and handicap parking spaces needed. Verify there are enough parking spaces for the leased and unleased square footage of the building.</p> <p>-Is there a ground lease on this building?</p> <p>-Do you have a property tax appeal consultant you use? I'll need their contact info and recent tax appeal information.</p>			
<p><u>Other Critical Issues</u></p> <p>Is the building ADA compliant?</p> <p>Are all building and fire code violations corrected?</p> <p>Are all permits closed?</p> <p>Are there encroachments onto my property?</p> <p>Are there encroachments from my property onto another?</p> <p>Has the building been professionally measured to confirm the SF?</p> <p>Is the actual load factor of the building accurate?</p> <p>Have I walked every single unit to confirm they are all accurate?</p>			
<p><u>EMS (Energy Management System)</u></p> <p>Is there an Energy Management system installed?</p> <p>What does it regulate?</p> <p>How old is the system?</p> <p>Is there vendor support available for this EMS? Or is it too old or obsolete?</p> <p>Is there currently a maintenance agreement in place?</p> <p>Can the system be expanded?</p>			

<p>Will the license for the EMS system stay with the building?</p> <p>Who locally can provide repair and train my employees?</p> <p>Can the system be accessed by website?</p> <p>I will need the password to this system at the close of escrow</p>			
<p><u>Mechanical/Physical Property Inspections</u></p> <p><u>Domestic Water Pumps</u></p> <p>Are they running smoothly and quietly?</p> <p>Is there any rust on the piping equipment, platform, or visible piping? (Indicates leaking and eventual decay of the system)</p> <p><u>Emergency Generator</u></p> <ul style="list-style-type: none"> -Is the area clean? -Look at maintenance logs to confirm it's being cleaned and maintained on a regular basis. It should also be started at least twice a month. -Check the log on the ATS (Automatic Transfer Switch) to determine that it is functional and being tested regularly. <p><u>Elevators</u></p> <ul style="list-style-type: none"> -Have the elevator's mechanicals been modernized? (Solid state vs. relay switches) -Are there checked regularly (once a week)? -Are there recurring problems as noted on maintenance logs? -Is cabling stretched, frayed, or digging into the drum? -Is there excessive carbon in and around the elevator? -Is the ride rough or jerky? -Is it leveling (stopping at each floor)? -Ask to be provided with the one and five year reports. (This is required by local building codes). <p><u>Roof</u></p> <ul style="list-style-type: none"> -Visually inspect for soft spots, stains, and areas where the membrane has pulled away from the roof surface. -Check to see if the flashing has pulled away. 			

<p>-Check ceiling tiles and/or hard lid ceilings to check for roof stains and/or wet spots.</p> <p>-Ask the top floor tenant(s) if they have experienced any leaks.</p> <p><u>Curtain Wall</u></p> <p>-Have they been resealed? If so, when and where? Have there been any leaks?</p> <p><u>Window System</u></p> <p>-Have there been any window leaks?</p> <p>-Check for new tiles near the windows, as it might indicate a water migration problem.</p> <p>-Are the corners of each window tight or is there a void due to shrinkage?</p> <p>-Are there stains near the window indicating water penetration?</p> <p>-See if the color of the window system is the same all the way around from the outside. If it's different in certain places, it can indicate failure of window coating.</p> <p>-Has the seller had a window wet-seal completed recently? Why?</p> <p>-Is there still a warranty on the windows? Can it be transferred to the new owner?</p> <p>-Is the sheet glass still in production? Can it be delivered within a reasonable time frame?</p> <p><u>Water Heaters</u></p> <p>-What is the age?</p> <p>-What condition is it in?</p> <p>-Is there any rust, corrosion, or leakage?</p> <p><u>Fire Life/Safety Panel</u></p> <p>-How old is the system?</p> <p>-Are parts readily available?</p> <p>-Is it up to code?</p> <p>-When was the last inspection? (Get a copy of the report)</p> <p><u>Fiber Optics</u></p> <p>-Does this building have fiber optics?</p> <p>-If so, are they owned by the building? Or an outside company? (Tenants love buildings that have fiber optic cables).</p> <p><u>Fire Sprinkler System</u></p> <p>-Does this building have sprinklers?</p> <p>-Are they on recall? If so, are they scheduled to be</p>			
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<p>replaced? -(If the building does NOT have sprinklers, check to see if there are any ordinances requiring the installation of fire sprinklers by the local fire code. I must also find out if there are any pending code changes coming up in the near future that would impact me in the requiring of sprinklers in my building).</p> <p><u>Electrical Panel Thermoscan</u> -When was the last scan done? May I please see the report?</p> <p><u>Restaurant Space</u> -Does this building have any space(s) that is used as a restaurant, café, deli, etc...? -Inspect for cleanliness -Inspect the grease trap for regular maintenance, cleanliness, and no leakage. -Check for proper ventilation to avoid foul odors that can cause tenant grievances.</p> <p><u>Building Entry Doors</u> -Do all doors operate smoothly? -Do they all lock and unlock?</p>			
<p><u>Industrial Properties</u> (overlaps to other property types)</p> <ul style="list-style-type: none"> -Capacity of utilities (electrical, water, gas, etc...) -Minimum/maximum floor loads/thicknesses -Confirmation of interior clear heights beneath the sprinkler and structural components -Adequate ingress/egress from the site -Loading/unloading doors/dock high or ground level -Potential issues with current neighbors -Zoning classification -Municipal restrictions -Local and state political climate -Ground water contamination present or close proximity to the site -Site erosion and drainage adequacy/compliance -Adequate maneuvering clearance for trucks on the site -Asphalt and concrete condition -Adequate water pressure and coverage for most users -Dock levelers 			

<ul style="list-style-type: none"> -Dock cushions or shelters -Safety locks and lights -Trailer lights -Truck well drainage -Column spacing for equipment layout and warehouse racking <p><u>Retail (again, overlaps to other property types)</u></p> <ul style="list-style-type: none"> -Demographics for the site location -Ease of ingress/egress -Street exposure -Signage visibility and restrictions -Adequate parking available? -Are there any tenants such as a nail, fitness facility, or beauty salon with will negatively impact customer parking? -Where do the tenants/employees park? -Bay depths -Window mullion spacing -Maximum ceiling heights -HVAC package units – size, age, condition and tonnage -Tenant mix -Common area maintenance expenses -Any restrictions of tenants for the location? -Exclusivity provisions in the leases? -Any percentage rent provisions in the any of the leases? -Do any of the tenants have multiple locations nearby? -Historical occupancy -Turnover rate -Financial viability of the tenants -Municipal code violations pending -Any current tenants who have a detrimental use to the center? -Is there a tenant association and common marketing fund? <p><u>Multi-family residential</u></p> <ul style="list-style-type: none"> -General vacancy of similar age, condition properties in the area -Tenant mix (studio, 1 bedroom, 2 bed, etc...) -Overall condition of the property -Rent controlled? -Eviction rules, timing, procedure -In-place rents vs market rents -Operating expenses compared to competitive 			
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<p>properties</p> <ul style="list-style-type: none"> -Lengths of leases -Parking and guest parking adequate? -Any street parking restrictions? -Crime stats -Security issues on the property or surrounding properties. -Age and condition of cars parked in the garage or parking areas -Retail amenities in the area -Municipal parks in the area and their proximity to the property -Access to public transportation -Access to highways, main roads, and freeways -Laundry facilities on site -Other amenities? Workout room, etc... -Pets allowed? (If they are, can often indicate a high turnover rate) -Utilities and/or cable tv included? Who pays? -Concessions being offered? (Free rent, anything else?) -Major employers in the area 			
<p><u>Final Documents</u></p> <ul style="list-style-type: none"> -Estoppel certificate(s) -SNDA's (Subordination & Non-disturbance agreements) -Lender required property appraisal -Closing statement -Has a lease abstract been created? 			
<p><u>Financial Analysis Information</u></p> <ul style="list-style-type: none"> -What is the current in-place NOI? What does the NOI trend look like? (Look over trailing 12 months and forward 12 months. If something changes dramatically, ask why). -What is the expected sale price? -What is the current occupancy? What is the historical occupancy for the past three years? -How does the average rental rate compare to the market? Above? Below? -What is the rollover (leases expiring) for the current rent roll? Is the rollover rent stated above or below market? -Are there any termination options in the current leases? -Are the expenses higher or lower to similar buildings in the area? What are the expense trends 			

<p>for the last three years?</p> <ul style="list-style-type: none"> -Are pass-throughs of operating expenses going to continue, or will they drop if expenses are lowered? -What are the conditions of the tenant improvements in rollover tenants? Will another tenant be able to move right in? Or is it too tenant-specific, that it will involve a "gut and redo"? -What is the market leasing commission being paid for new leases and renewals? -What is the average tenant improvement allowance in the market for new and renewal leases? -What are the current leases comparables for the area? -What kinds of rental concessions are being offered? -Are broker incentives being offered by the competition? What are they and for which buildings? -Are common area upgrades needed? -Do any major systems (roof, mechanical, electrical, plumbing, elevators, etc...) need updating or replacing? -Does the building need to be brought up to current code: ADA, elevators, fire sprinklers, fire/life safety, OSHA compliant window cleaning roof supports, etc... I need to contact local municipalities to make sure there are no existing code violations or pending requirements that need to happen. -Is my DSCR high enough? (Generally 1.25 or higher). -Do the operating expenses in the offering memorandum match the books/reports provided by the seller? Where are the discrepancies? -Are there association fees or dues? -Are there any services required by an existing tenant, such as security or parking attendants? -Are there additional HVAC hours provided at the building at the owner's expense to any of the existing tenants? -Will the lender require any holdbacks of funds or reserves for upcoming building improvements or re-leasing and/or lease renewals? If so, how much? -How will the parking income be affected upon expiration or termination of leases? -Is the cap rate reasonable for my purchase and my sale? -Can I add amenities to add value? (Common conference room, workout facility, bike racks, 			
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smoking and/or seating areas, etc...)			
<p>Is there a current and valid certificate of occupancy?</p> <p><u>YES</u> <u>NO</u></p> <p>Is there a CO for each building? Or just one CO for all of the buildings? Describe the CO.</p> <p>_____</p> <p>_____</p>			
<p>Are there any liens on the property?</p> <p><u>YES</u> <u>NO</u></p> <p>If so, what are they? (Write in notes)</p>			
<p>What type of foundation does this building have?</p> <p>_____</p> <p>Are there any known issues with the foundation? If so, describe.</p> <p><u>YES</u> <u>NO</u></p> <p>Possible foundation issues: Visible Cracking Dry Rot Crumbling Termites Present</p>			
<p>Termites/Mold</p> <p>Evidence of Mold? Evidence of Termites?</p>			
<p><u>Ceiling</u></p> <p>Are any ceilings pitches?</p>			

<p><u>YES</u> <u>NO</u></p> <p>Describe:</p> <p>_____</p> <p>_____</p> <p><u>Ceiling Heights</u> (ft' in")</p> <p>Basement _____</p> <p>Main Level _____</p> <p>Upper 1 _____</p> <p>Upper 2 _____</p>			
<p>Is this a level lot?</p> <p><u>YES</u> <u>NO</u></p> <p>If "no", will the lot detract from the value of the property? Describe.</p> <p>_____</p>			
<p>Are all of the structures on the property legal?</p> <p><u>YES</u> <u>NO</u></p> <p>Are all of the units on the property legal?</p> <p><u>YES</u> <u>NO</u></p> <p>If "no", please describe in the notes.</p>			
<p><u>Parking</u></p> <p>Is there off-street parking?</p> <p><u>YES</u> <u>NO</u></p> <p>If so, how many spots?</p> <p>_____</p> <p>What is the type of driveway?</p> <p>Concrete Brick Asphalt Gravel</p> <p>Crushed Stone Pavers Surface Basalt</p> <p>Grass Cobblestone Tar and Chip</p>			

Will concrete or gravel need to be added to the driveway? Yes/No

Do tenants pay extra for parking?

YES

NO

If so, how much?

Is there a garage?

YES

NO

How many garages?

How many spots in each garage?

Is the garage heated?

YES

NO

Does the garage have remotes?

YES

NO

Who gets to park in each garage?

Do you charge extra for garage parking?

Does the garage have any sort of loft or extra usable space?

How old is the garage?

<p><u>Utilities</u></p> <p><u>Utility Costs for owner:</u></p> <p>Trash Removal: _____</p> <p>Snow Removal Expenses: _____</p> <p>Fuel Expenses: _____</p> <p>Insurance Expenses: _____</p> <p>Water Expenses: _____</p> <p>Maintenance Expenses: _____</p> <p>Landscaping Expenses: _____</p> <p>Other Expenses: _____</p> <p>Can you please provide me with the names and contact information of all of your service providers?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p><u>Heating:</u> What <u>type of heat</u> is used here? (Circle one)</p> <p>Forced Air (Furnace) Hot Water Boiler (Radiators)</p> <p>Hot Water Boiler (Baseboard) Radiant Floor <u>Heat</u></p> <p>Steam Boiler (Radiators) Heat Pump</p> <p>Combined Heat and Power (CHP) Space Heaters</p> <p>Electric Baseboard Heat Pump(s) Wall Units</p> <p>Zoned Wood Burning Stove</p>			

<p>Other _____</p> <p>What is the <u>fuel source</u> for the heating? (Circle one)</p> <p>Oil Natural Gas Natural Gas Available</p> <p> Propane Gas Wood</p> <p>Electricity Coal Pellets Kerosene</p> <p>Bottled Gas Solar Wood Burning Stove</p> <p>Other _____</p> <p>Who pays for the heat?</p> <p>_____</p> <p>Who controls the thermostats in the apartments?</p> <p>_____</p> <p>How much does the heat cost?</p> <p>Monthly: _____ Annually: _____</p> <p>How old is the heating system(s)?</p> <p>_____</p> <p>_____</p> <p>How many heating units are there? Describe their location. Explain.</p> <p>_____</p> <p>_____</p> <p>Who services each boiler? How much does it cost annually? How many service contracts do you have for the boilers?</p> <p>_____</p> <p>_____</p> <p>_____</p>			
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Are there hot water tanks? Or are they built into the boiler?

How insulated are the units? What R-Value?

How many heating zones are there? _____

Is the heat functioning properly? (Must be turned on for a least 30 minutes, and EVERY vent must be checked to make sure it is functioning properly):
Yes/No

Cooling: What type of cooling is used here?
(Circle one)

Window Units Central A/C Evaporative Cooler

Wall Units Attic Fan None

Other _____

What is the fuel source for the cooling?
(Circle one)

Natural Gas Electric Bottled Gas Geo-thermal

None Other _____

Who pays for the cooling?

How much does the cooling cost?

Monthly: _____ Annually: _____

How old is the cooling system(s)?

<div><div></div><div></div><p>How many cooling units are there? Describe their location. Explain.</p><div></div><div></div><p>How many zones are there? _____</p><p>If using window units, do you use 110 volt or 220 volt outlets for the window AC units?</p><div></div><p>If window units, who actually owns them? Who pays when they break? Will they be left with the property?</p><div></div><div></div><p>Is the cooling functioning properly? (Must be turned on for a least 30 minutes, and EVERY vent must be checked to make sure it is functioning properly): Yes/No</p><p><u>Electricity</u></p><p>Who is the service provider?</p><div></div><p>How many amps are there for the electricity in each unit/building?</p><div></div><p>What type of electricity does the home have? (Solar, town, etc...)</p></div> <div></div> <div></div> <div></div>

<div>_____</div> <div>How many electric meters are there? How are they connected/subdivided/etc...</div> <div>_____</div> <div>_____</div> <div>Who put in the electric?</div> <div>_____</div> <div>_____</div> <div>When did they put it in?</div> <div>_____</div> <div>_____</div> <div>Panel Box Type: Fuses or Breakers</div> <div>Number of Panel Boxes: _____</div> <div>Volts: _____</div> <div>Amps: _____</div> <div>Wiring Type:</div> <div>Updated 3-Wire (Romex)</div> <div>BX Cable (metallic tubing)</div> <div>Knob and Tube</div> <div>Aluminum</div> <div>Other</div> <div>Service Type:</div> <div>Overhead</div> <div>Underground</div> <div><u>Water</u></div> <div>What is the source of water for this home?</div> <div>Public/Municipal Well Stream Pond</div> <div>How many water units are there? Describe their location. Explain.</div>			
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<div><div></div><p>If wells are used for the water, how many wells are there? Also, how many feeds from the well? Whose meter(s) are they hooked up to? Where is the electric hooked up for the well? How is the water treated? How does the whole system work?</p><div></div><div></div><div></div><p>When were the pumps last replaced?</p><div></div><p>Are there any extra water storage tanks in case of a drought or other situation?</p><div></div><p>How many water meters are there? How are they connected/subdivided/etc...</p><div></div><div></div><p><u>Internet/Cable/TV/Phone</u></p><p>Who is the internet/cable/TV/phone provider?</p><div></div><p>Who pays for the internet/cable/TV/phone?</p><div></div><p>How much does the internet/cable/TV/phone cost?</p><p>Monthly: _____ Annually: _____</p><p>Are there are known issues with the internet/cable/TV/phone? Will they have to be replaced soon? Describe.</p></div> <td></td> <td></td> <td></td>			
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<p><u>Plumbing:</u></p> <p>Water Supply: Public: City Private: Well Onsite County Offsite</p> <p>Supply Lines: Polyvinyl Chloride Pipes – PVC (Plastic)Copper Galvanized Polybutylene Cast Iron ABS Chlorinated Polyvinyl Chloride Pipes – CPVC (Plastic) Cross-Linked Polyethylene – PEX (Plastic) Other</p> <p>Waste Lines: Supply Lines: Polyvinyl Chloride Pipes – PVC (Plastic)Copper Galvanized Polybutylene Cast Iron ABS Chlorinated Polyvinyl Chloride Pipes – CPVC (Plastic) Cross-Linked Polyethylene – PEX (Plastic) Other</p> <p>Sewer: Public Private-Type</p> <p>Plumbing Condition: Entire system new within 5 years Good Fair, some leaks, but not bad Poor Needs Complete Replacement</p> <p>How old are the pipes?</p> <hr/> <p>Have they ever been renovated? If so, when?</p>			
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<hr/> <p>If PVC, is PVC legal here?</p> <hr/> <hr/> <p>Plumbing Needed: Add _____ # of full baths Add _____ # of half baths Needs complete replacement</p>			
<p><u>Sewage:</u></p> <p>What type of sewage is used for this building? Septic? Municipal?</p> <hr/> <p>If sewage, when was the last time it was cleaned?</p> <hr/> <p>How often does it have to be cleaned?</p> <hr/> <p>How do you treat your septic system?</p> <hr/> <p>What company do you use?</p> <p>What is the annual charge for the septic?</p>			
<p><u>Snow Removal</u></p> <p>Who does the snow removal?</p> <hr/> <p>How much does it cost?</p> <hr/> <p>Who has the plow and other snow removal equipment?</p>			

<hr/> <p>Will they be left with the property?</p> <hr/>			
<p>What are the “community centers” near the property? (Circle multiple)</p> <p>Hospitals Community Centers Universities</p> <p>Nightlife Shopping Cultural Sights</p> <p>Is there anything up and coming or recently added?</p> <hr/> <p>Other: <hr/></p>			
<p><u>Trash/Garbage</u></p> <p>Who removes your trash? The town? A private company?</p> <hr/> <p>Is it the same company for recycling?</p> <hr/> <p>What types of items will they pick up?</p> <hr/> <p>When do they pick them up?</p> <hr/> <p>What is the cost for this service? What pays it?</p> <hr/>			
<p><u>Common Areas</u></p> <p>Are there any common areas on the property?</p> <p><u>YES</u> <u>NO</u></p>			

<p>If so, are there maintenance costs associated with these common areas?</p> <p><u>YES</u> <u>NO</u></p> <p>If so, who pays for them?</p> <p><u>YES</u> <u>NO</u></p> <p>Are there outdoor lights that the owner currently pays for?</p> <p><u>YES</u> <u>NO</u></p> <p>How much? _____</p> <p>What other "common area" type fees does the owner pay for?</p> <p>_____</p> <p>_____</p> <p>How many people use the yard? Tell me about them.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>			
<p><u>School</u></p> <p>Where does the school bus stop to pick up and drop off students?</p> <p>_____</p>			
<p><u>Maintenance</u></p> <p>Other than the <u>property management fee</u>, what are the maintenance costs for the home?</p> <p>_____</p>			

<hr/>			
<p>Does this property have a chimney or fireplace?</p> <p><u>YES</u> <u>NO</u></p> <p>When was the last time the chimney was cleaned?</p> <hr/> <p>Is there any sort of wood burning stove? Describe it's use.</p> <p><u>YES</u> <u>NO</u></p> <p>Types of Chimney:</p> <p>None Brick Collapsing Cracking Crumbling</p> <p>Does the chimney need to have any new liners replaced?</p>			
<p><u>Deck(s)</u></p> <p>How many?</p> <hr/> <p>When were they built?</p> <hr/> <p>What type of material?</p> <hr/> <p>Have they been waterproofed?</p> <hr/> <p>What is the maintenance on them?</p> <hr/>			

The Grounds

Who does the lawn care for the property? (Lawn mowing, trimming bushes, edging, etc...)

How much of the property needs to be maintained, and how much is natural?

What is the cost?

Who has access to the grounds? What parts?

The Owner

Is the property owned in the owner's name? Or a corporation? Who is the official owner?

Does the owner have a mortgage on the property?

How long has the owner owned the property?

Did the owner play any role in the construction?

Does the owner have any special skills that can be

<p>helpful in this negotiation? What is his/her career?</p> <p>_____</p> <p>If you could have this exactly as you want it, how would this transaction happen? What would this transaction look like in a perfect scenario.</p> <p>_____</p> <p>_____</p> <p>(If I'm doing seller financing, I need to explain the long term capital gains benefits to the seller to make sure they understand. I also need to understand that they'll actually be paid more in the long run because of the interest they receive.)</p>			
<p><u>Furnishings/Fixtures (Sale)</u></p> <p>Does the owner have a preference about leaving or taking certain furnishings?</p> <p>_____</p> <p>_____</p> <p>What fixtures will the owner be leaving?</p> <p>_____</p> <p>_____</p> <p>What furnishings will the owner be leaving?</p> <p>_____</p> <p>_____</p>			
<p><u>Furnishings/Fixtures (Rentals)</u></p> <p>Does the owner currently furnish the apartments for the tenants? Or do the tenants furnish the units themselves? (If the owner is currently furnishing the apartments, and it stays like this, I will have to be in charge of fixing every little chair, table, couch, etc... and that can be annoying and expensive).</p>			

<hr/> <hr/> <hr/> <hr/> Will the owner be selling the home furnished or unfurnished? <hr/> <hr/> <hr/> <hr/>			
Cleaning What is the policy regarding cleaning at move-out? Who does the cleaning? What are the expectations of the cleaning? <hr/> <hr/> <hr/> <hr/> Who cleans the hallways? What exactly are the tenants responsible for when they move out? <hr/> <hr/> <hr/> <hr/> Who provides the cleaning materials?			

<hr/> <hr/>			
<p><u>Insurance</u></p> <p>How much does the owner currently pay for homeowner's insurance?</p> <hr/> <p>Is the insurance on the property commercial or residential?</p> <hr/> <p>Is the current insurance general liability? Does it include fixtures and furnishings?</p> <hr/> <p>What are the current limits on the insurance?</p> <hr/> <hr/>			
<p><u>Fencing/Landscape</u></p> <p>Landscape Overall Condition: Well Kept Overgrown with Grass or Bushes Debris (lawnmower(s), auto(s), barrels, etc...) Leaning Tree(s)</p> <p>Is there fencing on the property?</p> <p><u>YES</u> <u>NO</u></p> <p>If so, how much of the property is fenced in?</p> <hr/> <p>What type of fence is on the property?</p> <hr/> <p>Why is there a fence on the property? What are they keeping in or keeping out?</p>			

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<u>Pets</u> Does the current owner allow pets? <u>YES</u> <u>NO</u> What is the pet policy? <hr/> <hr/> Do any tenants currently have pets? <u>YES</u> <u>NO</u> Which tenants? What kind of pets? <hr/> <hr/> What is the current fee for having pets? <hr/> <hr/> What are their responsibilities regarding pets when they move out? <hr/> <hr/>			
<u>Natural Environment</u> What kind of wildlife is in the area? <hr/> <hr/> Do you have lots of bug or pest problems? Mosquitoes?			

<hr/> <hr/>			
<p><u>Attic(s)</u></p> <p>Does the building(s) have an attic?</p> <p style="text-align: center;"><u>YES</u> <u>NO</u></p> <p>What type of attic is it? Describe it.</p> <hr/> <hr/> <hr/> <p>Is it finished? Can it be finished?</p> <hr/> <p>Is it usable as an extra room for something practical?</p> <hr/> <p>How do you get into the attic? How do you get out?</p> <hr/>			
<p><u>Basement(s)</u></p> <p>What type of basement(s) are on the property? Tell me about them.</p> <p>Full Partial Craw Space Cellar</p> <p>Type of basement: Fully finished Partially finished Unfinished</p>			

<p>Water Intrusion: Yes/No Walls Wet: Yes/No Walls Water Stained: Yes/No Sump Pump Existing: Yes/No Replace? Yes/No Drain Tile/Waterproofing Needed: Yes/No Major Wall Cracks: Yes/No Bowed Walls: Yes/No Leaning Walls: Yes/No Rough-In New Sump: Yes/No</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Is there a sub-basement?</p> <p> <u>YES</u> <u>NO</u></p> <p>Is there a crawl-space?</p> <p> <u>YES</u> <u>NO</u></p> <p>Is there known/visible water damage?</p> <p> <u>YES</u> <u>NO</u></p> <p>Is there a sump pump?</p> <p> <u>YES</u> <u>NO</u></p> <p>What is the water level like under the basement?</p> <p>_____</p> <p>_____</p> <p>Is there stone under the foundation?</p> <p>_____</p> <p>_____</p>			
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<p><u>Renovations</u> Are renovations needed?</p> <p style="text-align: center;"><u>YES</u> <u>NO</u></p> <p>If “yes”, describe the nature of the renovations required and estimated costs if known.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>			
<p><u>Framing</u></p> <p>Framing Needed: Add Bedroom Add Full Bath Add Powder Room/Half Bath: Reorganize Kitchen Major Floor Plan Changes: Add/Replace Beams/Supports</p> <p>Overall Framing Needed: None Minor Major Complete Interior Complete Interior/Exterior</p>			
<p><u>Questions for real estate broker/agent:</u></p> <p>Can you show me why this property works? Show me how the numbers work and why you’re selling at the price you’re selling.</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Why do you think the property hasn’t sold yet?</p>			

<div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <p>What do you think the owner is looking for? What does the owner want?</p> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <p>Figure out their commission situation:</p> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <p>As a licensed real estate agent in New York, I am entitled to the buyer's commission. Let's please make sure this is clear up front.</p> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div> <div style="border-bottom: 1px solid black; height: 15px; margin-bottom: 10px;"></div>			
<u>Leases</u>			

Property Valuation Analysis (Fill out the pertinent values for the subject property)	Date	Initials
Whole Property Replacement cost value: _____ Replacement value: _____ Physical value: _____ Summation value: _____ Comparison sales value: _____ Fair market value: _____ Condemnation value: _____ Income value: _____ Cash value: _____ Mortgage loan value: _____ Forced sale value: _____ Inheritance value: _____ Historic cost: _____ Assessed Value: _____		
Construction Only Replacement cost: _____ Replacement insurable value: _____ Replacement value: _____ Sound value: _____ Sound insurable value: _____ Book value: _____ Salvage value: _____		
Land only Vacant: _____ Improved: _____		
Other Values to Consider Catastrophe value: _____ Going concern value: _____ Goodwill value: _____ Improvement value: _____ Leasehold value: _____ Charity value: _____ Use value: _____ Sentimental value: _____ Liquidation value: _____ Nuisance value: _____ Plottage value: _____ Rental value: _____ Leased fee value: _____		

- Use "Roomscan Pro" to get a very accurate layout of the room.
- On my floor plan (or survey), include a diagram for the location of all the emergency cutoffs.

Financing (Creative and Otherwise)

- Seller financing (maybe no interest also?) (Maybe have the interest go towards the principal?)
- If using an ARM, make sure there is a cap in order to avoid big losses in the future
- Interest only
- Balloon payment
- Wraparound
- Assumable loans
- Sale-leasebacks
- Land contracts
- Tandem/Piggyback mortgage
- Reverse annuity mortgage
- COMBINING any of these?
- Brokers might take their commission in the form of a trust deed/mortgage

Crunching the Numbers

- Seller financing?
- Include a clause allowing for the mortgage to be paid off at current fair market value of the note. (Can save lots of \$\$\$ if interest rates rise)
- Maximum write-off potential
- FINDING fair market value by using the three approaches
 - 1. Cost approach.
 - Property is divided into segments (land and construction_ and each is valued separately)
 - 2. Market approach
 - Analysis of comparative sales of whole properties
 - 3. Income approach
 - Analysis of net income, proper cap rate, and method of processing income

Types of Insurance

- Replacement
- Depreciated Replacement cost
- Reproduction cost
- Fire insurance (and fire insurance appraisal)

- Flood insurance
- Other insurance?

Property MANAGEMENT

- Fire extinguishers, hoses, and smoke detectors (what are the specific NY laws on this?)
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GOOD WEBSITES

Homescout.com

Rentometer.com (for comps)

Other notes

- When there isn't a lot of room to expand in an area, and the people in that area have good jobs, you can be assured that property values will rise.
- First-time buyers should look at property in fringe areas because they are usually older and they are likely to become more valuable. Areas that have a history of growth tend to get better, not worse.
- Buying property in an already established area is better. Don't be a trailblazer on open plots of land.
- Always be thinking about what the property will be worth in 20 years! Not today! It should still cash flow, but think long term, even if you won't be holding long term.
- Telephone poles often estimate boundaries
- The size of down-payment and terms of sale are far more important than the purchase price (especially in areas that are going to appreciate).
- All notes *must* have some interest rate attached to them. If not, the IRS will assume it's the going rate
- Find sellers who are motivated! They will be the ones where I can put little down.
- Balloon payments are "debt bombs". Put a clause in there that says "If the buyer is not able to pay off the loan in full when due, the loan will be extended for a period of time at a higher interest rate".
- I need carbon monoxide (CO) detectors in my property.

Edit in checklist:

Use "City data" and "sperlings best places" and "neighborhood scout" for first section of ultimate checklist

- Add to "Check out old rents. They could have been increased over time, so the current rent looks more valuable. They also could have 'bought' higher rents at the beginning of the lease term by offering fit-up money.

- Create a somewhat permanent “at closing” checklist that includes:
 - 4 Keys from owner
 - 2 combo boxes installed (different code for front and rear)
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