Residential Due Diligence Checklist

Before you buy a residential investment property, you should be aware of a range of issues that may affect that property and impose restrictions or obligations on you, if you buy it. This checklist aims to help you identify whether any of these issues will affect you.

Note – This checklist is a guide only and should not be considered a substitute for consulting with experienced legal, financial, tax, and real estate professionals. This list is representative, but not exhaustive.

Property Address: ______________________________

Asking Price: ______________________________

Property Type: ______________________________

Income & Expense Due Diligence

- [x] Check the following as you complete each
- [ ] Income & Expense Breakdown from Seller (confirm if numbers are actual or proforma)
- [ ] Confirmed expenses with local utilities
- [ ] Confirmed deposit amounts required by local utilities to change service at closing
- [ ] Quote for insurance
- [ ] Quote for property management or review of current property management contract (if applicable)
- [ ] Copy of current leases
- [ ] Copy of written rental acknowledgements if current tenants are month to month or do not have written leases including signed acknowledgement of tenant names, rental amount, date payable monthly, and length of time residing at property
- [ ] Rent roll from seller recording all rents received, outstanding, partial payments, vacancy (min. last 12 months)
- [ ] Rental equipment expenses (ex. hot water tank rental)

Financing & Lawyer Due Diligence

- [ ] Financing approval confirmed
- [ ] Complete list of documentation required for purchase obtained from mortgage broker
- [ ] Discussion with mortgage broker regarding chosen term, rate, amortization, and conditions of financing complete

- [ ] Appraisal scheduled
- [ ] Lawyer availability confirmed (check timeline for closing)

Property Due Diligence

- [ ] City Zoning (check for compliance)
- [ ] Rental Licence (if applicable)
- [ ] Property Taxes
- [ ] Property Inspection
- [ ] Recent Land Survey
- [ ] Checked for outstanding building permits with City
- [ ] Recent Fire Inspection Certificate (if applicable)
- [ ] Recent Electrical Safety Authority Certificate (if applicable)
- [ ] Quote(s) for planned renovations (if applicable)

General Offer Clauses

- [ ] Have “and/or assigns” in the Purchaser Line
- [ ] Requested Vender Take Back Financing
- [ ] Financing, insurance, property inspection clauses (as applicable – consult with investor-savvy realtor)
- [ ] All conditional clauses include “at Buyers sole and absolute discretion”
- [ ] Clause stating all chattels are in good working order
- [ ] Clause requesting property to be left in broom swept condition (if vacant)
- [ ] Clause requesting the seller to acknowledge no illegal activity has occurred at the property during their ownership

Additional Notes

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