Making the Offer Checklist

Making a successful offer on an investment property involves many components and it is important to be organized and plan in advance to ensure your offer negotiation, conditional period, and closing go exactly as planned. Please review the following checklists to assist you through this process.

Note – These checklists are guidelines only and are not a substitute for seeking advice from trained professionals. All information should be reviewed and amended to suit your personal investing situation.

Before Making the Offer

Before you begin making offers on investment properties ensure you have:

- [x] Check the following as you complete each
- [ ] Formed a relationship with an investor-savvy mortgage broker or lender
- [ ] Obtained a mortgage preapproval and know your budget for purchasing a property
- [ ] Spoken with an investor-savvy accountant/lawyer to determine best ownership structure for your personal situation
- [ ] Determined your primary real estate market based on your investing goals
- [ ] Spoken with Joint Venture partners to confirm budget, timeline, and market (if applicable)
- [ ] Decided what type of investment property aligns with your goals (Rehab, Underperforming, Turnkey)
- [ ] Decided what property group aligns with your goals (student rental, single family, multifamily, etc.)
- [ ] Formed a relationship with an investor-savvy realtor in your chosen market
- [ ] Formed a relationship with an home inspector in your chosen market
- [ ] Formed a relationship with a property manager and handyperson in your chosen market (if you do not plan to manage or maintain the property personally)
- [ ] Are familiar evaluating properties by entering them into the Keyspire Investor Software
- [ ] An understanding of important investor calculations to determine the 4 Ways to Win and the ROI on a property
- [ ] Determined the minimum ROI and cash flow you would like to obtain from an investment property
- [ ] An understanding of how to determine Average Market Rent (AMR) and Income/Expenses on a property
- [ ] Become familiar with offer documents including Purchase Agreement, Buyers Representation document, etc.
- [ ] Started an email property listing search with your realtor according to your desired property criteria

- [ ] Spoken with your realtor, reviewed listings online and have become familiar with the market to understand comparable property values for your chosen property type and group

When you are Making an Offer, Before Waiving Conditions

Once you find a property that aligns with your investing goals it is important to move quickly and efficiently.

When you make an offer on a property ensure you complete the following *prior* to waiving all conditions.

Please note this information is general and should be amended to suit your chosen property and market in consultation with your investor-savvy realtor.

- [x] Check the following as you complete each
- [ ] Download your Keyspire Investor Software
- [ ] Enter the property into your Keyspire Investor Software under Potential Properties and run an initial evaluation of the property numbers (to be amended as you get more specific information)
- [ ] Speak to your realtor to express interest in the property, gain an understanding of days on market, any previous price reductions, comparable properties in the area, etc.
- [ ] Arrange for a property viewing with your realtor (if applicable to your investing strategy)
- [ ] Request Income and Expenses from the Seller's agent.
- [ ] Speak to lawyer and mortgage broker/lender about their required timelines for mortgage approval and closing dates (especially important during busy times of month/year)
- [ ] Speak with potential Joint Venture partner(s) to confirm they are prepared to move forward as per previous Joint Venture discussions (if applicable)
- [ ] Include "in Trust" or "an/or Assigns" in the Purchaser line of your Purchase Agreement to give you the option to assign to a partner/corporation or wholesale the contract if necessary.
- [ ] Include financing clause
- [ ] Include property inspection clause
- [ ] Include insurance clause
- [ ] All conditional clauses include "at Buyer's sole and absolute discretion" in wording
- [ ] Include request for copy of all current lease agreements and rent rolls for current tenants
- [ ] If tenants are month to month or do not have written lease agreements, request a signed rental acknowledgement from each tenant specifying current rental rate, date rent is due monthly, and total length of time residing in property.
- [ ] Include request for copy of recent utility bills (if rents are inclusive)
- [ ] Include request for copy of all recent fire inspections, ESA certificates, and rental licences (if applicable for your chosen market)
- [ ] Check with local municipality to confirm property's zoning and status as current, legal rental property (if applicable)

- [ ] Send listing to investor-savvy insurance broker and obtain quote for insurance
- [ ] Obtain quote from property manager (if applicable)
- [ ] Post phantom ad to confirm Average Market Rent and market demand for rental units in property's location. Start creating a potential tenant list through this process
- [ ] Schedule and complete property inspection with a licensed property inspector
- [ ] Carefully review all documents provided by the Seller for inaccuracies or "red flags" including income/expenses, current lease agreements, rent rolls, utility bills, etc.
- [ ] Confirm financing approval from lender/mortgage broker and/or Joint Venture partner's participation
- [ ] Confirm if lender requires a property appraisal and ensure appraisal is complete (if required) prior to waiving financing condition
- [ ] If renovations are planned, confirm zoning and building permit requirements

Once you have completed your due diligence, if the property still aligns with your goals and investor profile you are ready to waive conditions and purchase your next investment property! Leverage the experience of your realtor, lawyer, and mortgage broker as you proceed to the closing date.