21 HILL REAL ESTATE

INVESTORS DUE DILIGENCE GUIDE

Below is the checklist we use to ensure that our clients have all the necessary information on a property. We recommend that investors should have all of this information before you close on a property. You would ideally like to have all of this information before you put a property under-contact. However, in competitive environments or landlords not releasing or having access to some or of the items below, you may need to make your offer contingent upon receiving some or all of these items.

- [ ] **Receive copies of all active leases**

  - Read the leases closely and confirm that the rents, lease terms and who is responsible for utilities are all the same as what the property is being marketed as.

- [ ] **Receive a copy of a profit & Loss or Schedule E**

  This is applicable if you are buying a property that is tenant occupied. A profit and loss or schedule E will give you an overview of how the property is financially doing. You will see items like how much the landlord has spent on repairs and maintenance, what the vacancies have been and any other expenses or income that property is incurring/producing.

- [ ] **Proof of rent coming in**

  - This is ideally screenshots of bank statements that show the rent coming in for the past 4 to 8 months or if the landlord has a property management software a screenshot of rent coming in through that system. This protects you from buying a property where the current tenants are not paying.

- [ ] **Any utilities that the owner is responsible for, request a copy of the past two months of utility statements.**

  - This will most likely only be water and sewer but sometimes the landlord are responsible for utiiltes in common area spaces

- [ ] **Know the date & condition of all mechanicals**

  - Roof
  - Furnace or boiler
  - Water heater
  - Electrical boxes
  - Windows

- [ ] **Copy of property disclosure forms**

- [ ] **Copy of lead based paint disclosure form**