

INVESTOR CHECKLIST

FROM MIKE EBERT

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Investor Checklist

- Contact Mike when you start working with an investor and introduce as a professional property manager just as you would a mortgage banker or insurance referral.
- Send us properties that meet your investor's criteria and we will run lease market reports, provide rent price opinions and run cash flow estimates based on your investor's terms.
- Negotiate lease marketing with sellers after the option period when possible. Negotiate the use of photos from sale.
- Prepare the investor for accurate budgeting and expense forecasts based on the individual investment. Remember, real estate is a depreciating asset

Property Checklist

- No Pools
- Average Size (1,400-2,200 sq ft) homes preferred. Higher \$/sq ft, lower make ready cost, lower rehab costs, faster lease times. Schools matter but are not deal breakers always.
- Consider local tax rates when comparing properties
- Search for properties that meet the investment criteria, not specific areas.
- Plan for costs: landscaping, trees, wood fencing, wood decking and age of appliances
- Consider diversifying with lower cost properties instead of higher end
- Home Warranties are not good for rentals. It removes control of the repair process which is essential for investment homes.
- Wow factors/upgrades are important and renters are willing to pay for it

Additional Items for Investors

- Insurance- will need “Landlord Policy”, preferably with coverage for lost rent in the event of a casualty claim at the property. The policy should cover the property management company as “additional insured”, and include general liability coverage for at least \$500,000. Mike has additional options if they cannot get the proper coverage.
- Home Owner’s association. This is often overlooked for investors. They need to register with the HOA as any home owner would, and they need to change the mailing address to our PO Box so that we will receive any HOA notices or statements. Change of address form included with ALPS management packet.
- Utilities: The utilities should be on during marketing including gas. Make sure to transfer utilities immediately as soon as you can legally do so, and set the billing address as the ALPS PO BOX.
- Home Warranties- Don’t get one for the rental home. The vendors the warranty companies use are not good and it hurts your relationship with your renters. Instead, budget 5% of gross rents for repairs (on average, over time).
- Review expected startup costs. Be aware that most investment homes do not see full cash flow until the 2nd or usually the 3rd month after leasing.