

## 5 Things Investors should know BEFORE purchasing a Property

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### 1. **What is the projected cap rate of the property?**

The cap rate is the net income (rent less expenses) divided by the sales price. The cap rate will tell the investor what percentage return he can expect on his principle investment on an annual basis. It does not take appreciation into account.

Risk return is real when considering commercial v. residential and market conditions dictate decisions. We perform the analysis for free so that you can maximize your return on investment.

Don't leave your portfolio to an amateur. We're in it for the long haul. We identify the property for the investor and then take it into management. Our best performers are our picks! Our retention rate of 98% demonstrates a track record of successful property picks and portfolio management.

### 2. **Is the property located in a rental friendly area?**

Areas where there is high crime or high traffic can be less appealing for some people and may reduce your target market.

Let our experts educate you on areas that rent for higher prices and rent more consistently than others. We are experts in the area. Expertise in the area can be the deciding factor between a successful investment and a blood sucker.

### 3. **Is there deferred maintenance on the property?**

Deferred maintenance can be more expensive than you originally think. How will you assess the cost? We perform this analysis for free for our investors.

### 4. **Are there HOA covenants or city restrictions that would limit the property use? If a multi unit, does each unit have a certificate of occupancy required by the city?**

All HOA covenants should be reviewed as some are very restrictive.

Not checking this may cost you serious dollars.

### 5. **Is the layout functional for long term habitation?**

Make sure the bedrooms can fit a queen size bed and dresser. The property should allow plenty of natural light. A minimum of 2 bathrooms ensures standard convenience. Is there a yard if my target is a family? If an old home, will the insulation and windows support the cold weather?