

PRINTABLE CHECKLIST

The Real Estate Investor's Pre-Purchase Checklist

Use this checklist to walk through every property before you make an offer. If you can't answer most of these confidently — keep looking. There's always another deal.

Market & Submarket

- Population trend over past 5 years (growing? declining?)

Source: census.gov or local economic dev report

- Job growth and diversity of employers

Single-employer towns carry concentration risk

- Rent-to-price ratio in the submarket

Aim for 0.8%+ in cash-flow markets

- School ratings (matters even for rentals)

GreatSchools, SchoolDigger

- Crime trends — block-by-block, not city-wide

- Days on market for rentals (vacancy proxy)

Under 30 days = healthy

- Comparable rents (3+ active listings within 1 mile)

Property Condition

- Age of roof and remaining useful life

Replacing a roof = \$10K–\$30K

- HVAC age and condition

10–15 year typical lifespan

- Plumbing — material and age (galv/cast iron = red flag)

- Electrical — panel size, knob & tube?

- Foundation visible cracks, settling, drainage

- Windows — original vs. replacement, double-pane?

Pest history (termite, rodent)

Order a separate pest inspection

Permits on file vs. visible improvements

Unpermitted work = future headache

Environmental — lead paint pre-1978, asbestos pre-1980, mold

The Numbers

- Purchase price under ARV or comps?

What's the equity day-one?

- Down payment + closing costs in hand (verified)
- Pre-approval letter from lender
- Interest rate and points quoted
- Property tax estimate (current owner basis or post-reassessment)
- Insurance quote in hand

Wildfire/flood/coastal can be 3-5x standard

- HOA dues, special assessments pending
- Cash flow positive at conservative inputs

Run with vacancy 7-10%, capex 8-10%

- Cap rate vs. market cap rate range
- Cash-on-cash return meets threshold

Personal target: 7%+ typical

- Stress test — rates +1%, vacancy +5%, rent flat 3 years

Legal & Title

- Preliminary title report reviewed (liens, easements, CC&Rs;)
 - Zoning verified for intended use (STR allowed? ADU possible?)
 - Pending litigation or HOA disputes
 - Local rent control / just-cause eviction laws
- Especially in CA — AB 1482
- Lead-based paint disclosure (pre-1978 properties)
 - Natural hazard disclosure report (CA)

Strategy & Exit

- Primary strategy is clear (rental/BRRRR/flip/STR)
- Backup strategy if primary fails

- Exit options modeled (sell, refi, hold)
- Property manager identified (or self-management plan)
- Reserves for 6 months PITI + capex

If you ticked 80%+ confidently — submit the offer. If you're under 50% — pass and move on.