How to Acquire REAL Income Properties™

The Investor Checklist

Available income properties are low in supply across the nation, and sell very quickly. You need to be able to move quickly if you hope to acquire rentals. However, you also don’t want to make a mistake in your haste!

Here is a checklist of absolute must-do’s before making any purchase:

01 Know your strategy and goals before purchasing property. Meet with your RWN investment counselor for strategic planning and market feedback.

02 After your strategy session, review the Best Markets pages on RWN’s website to better understand which team and metro meets your strategy.

03 If financing, get pre-approved by an RWN preferred lender before speaking with one of the property providers (ask your investment counselor for the lender list.)

04 If performing a 1031 exchange, do your market research far in advance as you will have only 45 days to identify replacement property. The property providers need plenty of advanced notice due to low housing inventory.

05 Once you are ready to buy with a strategy in place and pre-approval letter in hand, contact one of RWN’s preferred turnkey providers to see available property. Please direct any general investing questions to RWN, as the property teams need to focus on finding property.

06 Due to low inventory, you may be looking at newly built homes. We do not recommend investing in subdivisions that are largely rental - UNLESS all units are under one management company (much like a horizontal apartment.) Otherwise, if multiple owners/property managers are involved in managing rentals in one subdivision, we recommend that only 30% of the properties be rentals.

07 Consider visiting the market for a property tour once you’ve decided to buy. You can go on an RWN tour or book one independently.

08 Speak with the property management before purchase to make sure you understand rents, management fees and their company structure.

09 Once you choose a property and sign a contract, always ask for contingencies for a 3rd party appraisal and inspection.

10 ALWAYS get those appraisals and inspections! If you are financing, the lender will order the appraisal and you order the inspection.

11 Compare the inspection report to RWN’s R.E.A.L. turnkey standards. If repairs are needed after viewing the report, be sure to send the inspector back to verify that the work has been completed before closing.

12 Get quotes for homeowners insurance and make sure the policy is in place before you close.

13 Let your property manager know the close date so he or she can start marketing for tenants.

14 You will need to notarize your closing documents on the closing date. You can consider flying to the market for a final walk-through and sign there, or you can have the closing documents sent to a notary where you live.

15 Once you close, review your property management statements each month and verify that rents have hit your bank account.

16 Please let RWN know of any concerns or questions along the way. We are not brokers in these states, and cannot give advice on the individual property, but we can give you general investing tips that may save you lots of time and effort.

17 If the property providers on our referral list present opportunities outside of single family rentals, please let your RWN investment counselor know right away. This way, we can take a look and help ensure that it’s not too far out of their wheelhouse of expertise.

Remember, Real Wealth Network exists to help you succeed. Please reach out to us with questions along the way. We are here for you!