

Rental and BRRRR Purchase Checklist

This checklist outlines the major steps you should take when buying a rental property or BRRRR (buy, rehab, rent, refinance, repeat). Run through it to make sure you've covered all of the important things.

☐ Select a Market

- Once you've figured out your real estate goals and understand your investment criteria, work on finding a market that best fits them
 - Focus especially on picking an area with a growing housing market and a strong economy. You want a market with solid job growth, inflow of new residents and that is landlord friendly
- ☐ Review your market selection criteria and prioritize it based on what's more important to you
- ☐ Start with a list of major metropolitan areas around the country and use your criteria to narrow down your market selection to 1-2 cities

☐ Build Your Local Team

- It is important to network and find reputable local professionals to work with before you start looking for properties to purchase
- At the very least, you should find a good real estate agent, property manager and a general contractor (if you'll be doing extensive rehab work)
- You can find real estate professionals via online search or by networking with other investors. Conduct a thorough phone interview with each candidate and pick the one that you like best

- ☐ Find 2-3 potential real estate agents and pick the one you want to work with after interviewing them
- ☐ Find 2-3 potential property managers and pick the one you want to work with after interviewing them
- ☐ If you'll be doing extensive rehab work (like with BRRRR's), you will likely need a general contractor to oversee it. Find 2-3 potential contractors and pick the one you want to work with after interviewing them

☐ **Get Pre-Approved for a Loan**

- If you're going to use financing, you need to find a good lender and get pre-approved for a loan before looking at potential properties
- Instead of working with a direct lender, you can opt to work with a mortgage broker, who has access to multiple loan programs and can help you find the best one
- ☐ Use online search or ask for referrals from your agent or other investors to find an investor-friendly lender in your target market
- ☐ Interview the lender and ask about their loan programs, interest rates and underwriting fees
- ☐ Submit all required documents to the lender and get pre-approved for a new loan

☐ **Find a Property to Purchase**

- Once you've selected a market, built your local team and obtained a loan pre-approval, you can start looking at neighborhoods and available properties
- Remember that information presented in property listings, especially cash flow projections, may be inaccurate. Always do your own due diligence, verify everything and perform your own cash flow analysis
- ☐ Look up important home facts about each property, including its price, location, year built, layout and floodplain boundaries

- ☐ Conduct a thorough cash flow analysis and calculate the property's net operating income (NOI), monthly cash flow, cap rate and cash on cash return (COC). [DealCheck.io](#) can help you with this
- ☐ Meet with your agent for a walkthrough inspection of the property and note any rehab work that will be required to make it rent-ready

☐ **Put the Property Under Contract**

- When you've found a property that you like and that fits your criteria, it's time to put it under contract and start the escrow process
- ☐ Work with your agent and the seller's agent to negotiate a purchase price that both parties agree on
- ☐ Put the property under contract by signing a Purchase Agreement with the seller. Your agent should prepare this for you
- ☐ Send your "earnest money" deposit to the escrow company or closing attorney, usually via wire transfer

☐ **Complete the Purchase Process**

- While in escrow, you will have time to finish your due diligence, get rehab estimates from your contractor and get approved for a loan
- If using financing, the escrow process typically lasts at least 30 days. It can be just 1-2 weeks if you're buying with cash
- ☐ Order a complete home inspection. Review the inspection report and work with the seller to correct any discrepancies or get a cash credit
- ☐ Get a detailed rehab scope of work and cost estimate from your contractor. This is especially important for BRRRR's, which typically require more substantial rehab work
- ☐ Set up a property insurance policy to bind on the closing date. Make sure to obtain a "landlord" policy with adequate liability protection

- ☐ Review the title report prepared by the escrow company for any legal issues that need to be resolved prior to closing
- ☐ Get approved for a loan. Work with your loan officer to finalize and underwrite your loan. Note that you may be required to pay for an appraisal at this time and submit additional documents

☐ **Close on the Property**

- Once your loan has been approved and you've finished all due diligence, you can sign the final closing documents and become the property owner
- Signing the closing package usually requires a Notary Public and has to be done in-person on or before the closing date
- ☐ Review the entire closing package ahead of signing for any errors or omissions
- ☐ Sign the closing package in the presence of a Notary Public and return it to the escrow company or closing attorney
- ☐ Send a wire transfer with the required funds to close escrow after you sign the closing package

☐ **Make the Property Rent-Ready**

- After closing, you will receive the recorded deed for the property within the next few weeks. Save it, as it certifies your ownership of this property
- You can now perform any required rehab work and then work with your property manager to rent the property (if it's not already rented)
- ☐ Get the property keys from the seller and turn them over to your property manager, or place in a lockbox for the rehab crew
- ☐ Either you, or your property manager, should set up utilities at the property to turn on electricity, gas and water
- ☐ Work with your contractor and rehab crew to begin any required rehab work to make the property rent-ready

- ☐ Sign a Property Management Agreement with your property manager
- ☐ Make sure your property manager has your contact details, as well as your bank information for rent deposits

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