THE 3 MOST IMPORTANT DUE DILIGENCE ITEMS WHEN BUYING TURNKEY RENTALS!

- **Property Inspections**
  - Make sure you inspect the property before closing on the deal.
  - Hire an inspector to do see the house for potential problems.
  - Ask questions; cover your bases before closing.
  - Any repairs that are needed before the close of the house will be covered by the turnkey seller. All responsibility is yours once the deal is closed.
  - Make sure everything is up to date before closing the deal. (Fix)

- **Property Manager Interview**
  - Interview other PM companies, ask the big questions when you have a contract in place. PM is bad at communicating with you.
  - You are not required to use the PM company that comes with the turnkey.

- **Tenant Review/Eviction Insurance**
  - You as the buyer should confirm how legit the tenant seems. Ask to see their info.
  - You can ask to be the one to give the final approval before any tenant is placed.
  - Try to get eviction insurance in your budget, to avoid problems with rude tenant.
4 Steps to Ensure You're Not Getting Duped by A Turnkey Provider

- Check out the quality/reputation of a turnkey provider.
  - Working with a solid turnkey provider will literally change your whole buying experience for the positive.
  - Make sure to vet your pm company. Otherwise your asset will not run 100%.

- Determine the quality of the rehab.
  - Hire a good property inspector to check each and every property you buy.
  - Ali Beoie might judge you if you don't hire a professional to inspect your investment, which is good. :)
  - Doing an inspection saves you money down the road, so don't forget.

- Fully gauge the location
  - Make sure you are sure you know the fundamental associated with the market you are looking in.
  - Make sure the market is good to get more tenants
  - Call 3rd party companies to get unbiased answers.
  - Ask about their experience with such neighborhoods/area

- Run the numbers.
  - Make sure the numbers work, an investment is not an investment without the darn numbers
  - Never, ever take someone's word for numbers.
  - The most important numbers are: rental income and expenses.
  - It never hurts to ask for recommendations
1. **Income**

   Rental Income =
   - Laundry
   - Storage
   - Misc

   Total Monthly Income =

2. **Expenses**

   - Property tax
   - Insurance
   - Flood insurance
   - Utilities:
     - Electricity
     - Water
     - Sewer
     - Garbage
     - Gas
   - HoA
   - Lawn care
   - Snow Removal
   - Vacancy
   - Repairs
   - CapEX
   - Property Management
   - Mortgage

3. **Cash Flow**

   Income Expenses =

4. **Cash on Cash ROI**

   - Down Payment:
   - Closing Cost:
   - Rehab Budget:
   - Misc Other:

   Total Investment:

   Annual cash Flow =

   Total Investment