

ANALYZING A PROPERTY

Thinking about How to Think



Your Guiding Statement





YOUR GUIDING STATEMENT

Every month/year (circle one), I'm going to save towards buying a rental property.
I'm going to buy rental properties that are:
single family homes multifamily I'm open to either option
I'm looking for properties that cost less than in total. If it's a multifamily, I'm ideally looking for per unit, or per bedroom.
I do/do not (circle one) want to buy properties that need a significant amount of upfront repairs to become rent-ready for the first tenant. I define "significant" as
I will not buy a property until I have a minimum of set aside as cash reserves for this property. While that is my personal minimum reserve requirement, I would ideally like to set aside before buying this property.
My objective is to buy properties per year / per every two years / per every three years / per every four-five years or longer. (Circle one).
I will only buy properties that have a minimum cap rate of in the estimated middle-case scenario.
I will only buy properties that have a gross rent multiplier of or lower.

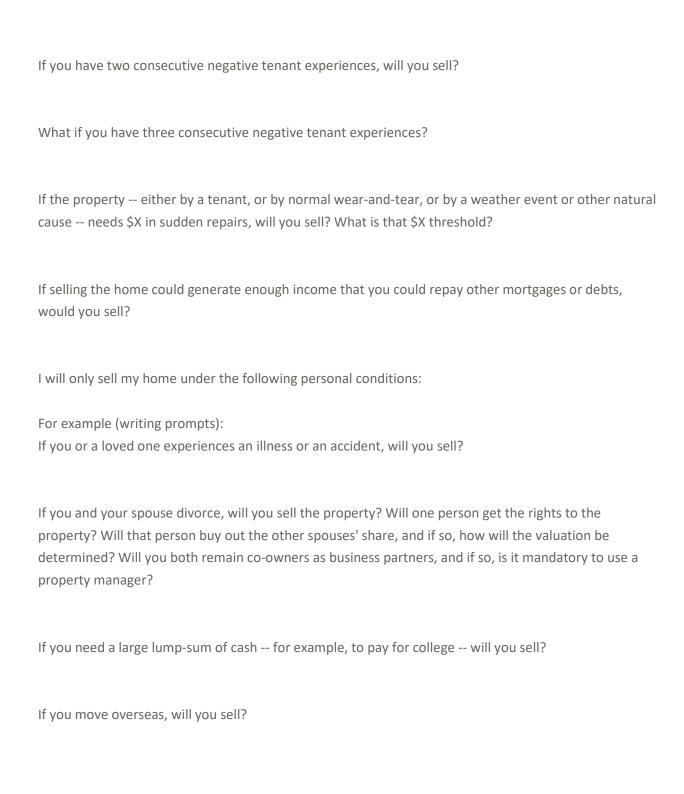


The following characteristics are "dealbreakers" that would cause me to NOT buy a property:
1
2
3
The following characteristics are "red flags" that would cause me to hesitate about buying a property:
1
2
3
The following characteristics are ideal that would get me excited about a particular property:
1
2
3
I will require my tenants to meet the following criteria:
1. Credit score?
2. Income?
3. Number of years with the same employer?
I will be flexible about the above tenant-screening criteria under the following conditions:
(For example: if a tenant has no credit score, will I rent to them?)
I will/will not allow pets. (Circle one)
If I do allow pets, I will only allow the following types of animals



If I do allow pets, the maximum number of pets I will allow in the home will be
If I do allow dogs, the maximum weight limit and the restricted breeds, if applicable, is
 This is how I will handle the positive cash flow from my properties: I will maintain a minimum cash reserve of I will maintain an ideal cash reserve of If I spend my cash reserve as a result of repairs, Capex or vacancies, I will prioritize replenishing my cash reserves above all other goals until my reserves reach a minimum of I will use the cash flow from my rental properties for the following (circle all that apply):
 saving for a downpayment on another rental property making extra payments towards the principle balance on the mortgage other:
I will only sell my home under the following economic conditions:
For example (writing prompts): If there's a market decline and the home value drops 50 percent, will you sell?
If the home value stagnates, but does not increase, will you sell?
If the rental income stays flat, but does not increase, will you sell?
If neighborhood rents decrease, will you sell? How much will the area rents need to decrease (e.g. what cap rate would you need to experience) before this triggers a "sell" signal?







How will you determine if	you are satisfied v	with this rental	property?
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How often will you revise and update this guiding statement?