Buying Criteria Worksheet

Use the following worksheet to clarify your real estate investing buying criteria.

Describe Your Criteria (ex. SFHs in Fort Collins, Loveland for my next Nomad™ or NoCo Cash Flowing Rental Properties)

# Types of Properties MLS Searchable

* Single Family Homes - Detached
* Condos and Townhomes - Attached
* Duplexes
* Triplexes
* Fourplexes
* Commercial Residential (5+ Units)
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Geographical Location MLS Searchable

* Fort Collins
* Loveland
* Greeley
* Windsor
* Severance
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Desired Financing MLS Searchable Not MLS Searchable

* Conventional Owner-Occupant (3%, 5%, 10%, 20%, 25%, etc)
* FHA Owner-Occupant (3.5%, SFH/duplexes/triplexes/fourplexes OK)
* USDA Owner-Occupant (0%, requires USDA qualified rural property)
* VA Owner-Occupant (0%, requires buyer has Veteran Benefits, SFH/duplexes/triplexes/fourplexes OK)
* Conventional Investor (15% with PMI, 20%, 25%, etc)
* Owner Financing
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Interest Only OK
* Balloons OK
* Adjustable Rate Mortgages OK

# Price MLS Searchable

* Max price: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Min price: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (used infrequently)
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Discount Not MLS Searchable

* Looking for good value at fair price; discount acceptable but no discount ***required***
* Must buy at least \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ below current Fair Market Value

# Insurability Not MLS Searchable

* Uninsurable OK
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Rent Not MLS Searchable

* Must be able to determine reasonable rent comps
* Currently under-rented OK
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Return on Investment Not MLS Searchable

Usually just pick one of these:

* Minimum *Cash on Cash Return on Investment*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Minimum *Cap Rate*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (less common)
* Minimum *Cash Flow (in Dollars)*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (less common)
* Minimum *Gross Rent Multiplier*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (less common)
* Minimum *Monthly Rent as % of Percent of Purchase Price (X% Rule)*: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (less common)
* Positive cash flow with professional property management
* Positive cash flow self-managed
* Positive cash flow with Cash Flow from Depreciation™
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Often just pick one of these (typically either Return on Investment Quadrant™ or Return on Equity Quadrant™):

* Minimum Overall *Return on Investment* in Year 1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Minimum Overall *Return on Investment* in Year \_\_\_\_\_: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Minimum Overall *Return on Equity* in Year 1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Minimum Overall *Return on Equity* in Year \_\_\_\_\_: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Return Boosters Not MLS Searchable

Which of these return boosters would you consider acceptable?

* Lease-Option exit OK
  + Option fee counts as cash flow
  + Option fee counts as reduced initial investment
* Buy down interest rate OK
* Pre-pay Private Mortgage Insurance (PMI) OK
* Monthly PMI OK
* Lender-paid PMI OK

# Property Characteristics MLS Searchable Not MLS Searchable

* Beds: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Baths: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Square Footage: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Effective Year Built: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* School District: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Separate entrance (common for house hackers but maybe hard to search for in MLS)
* Located in Floodplain OK (not usually recommended)

# Miscellaneous Not MLS Searchable

* Max Rent Ready Cost: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Is this a property I would keep in my portfolio for: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ years?
* Passes my “Blink” (Malcom Gladwell book reference)
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
* Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
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