

# “QUICK” TEN QUESTION OPPORTUNITY CHECKLIST

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In a world filled with possible opportunities, having a screen that will narrow the field is a very useful tool. The following is such a checklist. Think of this as wetting your finger to take a general wind direction. This is not the final and accurate say on the matter, rather the first round audition to see if the possibility is still in the running for being the next great opportunity. Once this checklist is in your mind, you can narrow the field quickly and with confidence that you have made a good “elimination” decision. As you work your way down the list, be sure to not fill in an assumed conclusion.

Each question should be given a point score of either a One, Two, or Three. With ten questions, a total score of 30 would be a “Perfect” opportunity. Any candidate whose score is at or above “22” should be seriously considered. A score of “21” or under does not make it to the next round of evaluations.

## QUESTION ONE:

***Is the opportunity in a general location that is in demand?***

(3:yes, 2:sort of, 1:no)

- Is the vacancy rate low in this area?
- Is it in close proximity to employment, schools, shopping, and transportation?
- When properties come on the market in this area, is there abundant interest?

QUESTION TWO:

***Are there obvious property issues?*** (3:no issues, 2 sort of, 1: definite issues)

- Is the property on a steep slope?
- Are there any environmental concerns....wetlands, streams, erosion, etc.
- Are neighboring homes / buildings in good appearance and repair?
- Is the property on a major street or disturbed by a public nuisance like a dump?

QUESTION THREE:

***Is the seller willing to engage in discussions?*** (3 yes, 2 sort of, 1 no contact with seller)

- Are the sellers motivated to have an open creative discussion?
- Is there a real estate agent that is blocking access to the seller?

QUESTION FOUR:

***Is there at least 50% equity in the property?*** (3 yes, 2 maybe, 1 no way)

QUESTION FIVE:

***With 10% down, is it possible to structure an offer that will cash flow that is “reasonable” ?*** (3 no problem, 2 its possible, 1 no way)

QUESTION SIX:

***Is the property undervalued, poorly managed, under rented, or otherwise not being run to its potential?*** (3 oh yeah, 2 in some ways, 1 no...running like a sewing machine)

QUESTION SEVEN:

***Rate the “bones” of the structure.*** (3 great bones, 2 a bit fragile, 1 ready to fall down)

- Solid foundation and straight framing?
- Good roof, siding, windows?
- Plumbing and electrical in good working order?

QUESTION EIGHT:

***Are there any on site environmental concerns?*** (3 no concerns, 2 a few minor issues, 1 a toxic waste site)

- Asbestos?
- Mold?
- Underground tanks?
- Urea-formaldehyde insulation?

QUESTION NINE:

***Does the zoning allow for additional units or a change to a higher and better use?*** (3 serious expandability, 2 maybe some, 1 no bigger picture)

QUESTION TEN:

***Is there potential to buy more properties from this particular seller / property owner?*** (3 many more for sure, 2 maybe but not now, 1 no other properties)