

The considered investor's guide

Start with your bigger picture.

Define your budget, time horizon, liquidity needs, and preferred involvement.

Compare a property with your goals, not with a headline return.

Keep a reserve after closing for vacancy and repairs.

Evaluate the home and the market

Know what you are buying.

Review recent comparable rents and local demand.

Order an independent inspection and understand the repair scope.

Review title, insurance, taxes, neighborhood fees, and lease documents.

Build the complete budget

Gross rent is not cash flow.

Allow for vacancy, management, maintenance, tax, insurance, and reserves.

Deduct financing payments to estimate monthly cash flow.

Include closing costs in your initial cash investment.

Test lower rent and higher costs, not just the expected scenario.

Prepare for ongoing ownership

The purchase is the beginning.

Read the management agreement and approval limits.

Understand rent collection, repair handling, and resident communication.

Keep statements, invoices, warranties, and tax records organized.

Review actual performance regularly with your advisers.