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Checklist: What Makes a Great Long Term Rental Investors' Property?

Location & Neighborhood

- ☐ Is the property in a stable or growing employment area?
- ☐ Are essential amenities (groceries, schools, transit) within reasonable reach?
- ☐ Is the neighborhood experiencing low vacancy and strong rental demand?
- ☐ Are crime rates acceptable and trending downward or stable?

Property Type & Size Fit for Renters

- ☐ Does the property type (single-family, multi-unit, condo) match local rental preferences?
- ☐ Is the bedroom/bath count desirable for target renters?
- ☐ Are floor plans attractive and functional for long-term tenants?

Purchase Price & Initial Cost Metrics

- ☐ Is the purchase price in line with comparable rental properties in the area?
- ☐ Are closing costs, rehab / repair budgets realistic?
- ☐ Does the projected rent cover expenses (purchase cost, taxes, insurance, maintenance)?

Projected Rental Income & Cash Flow

- ☐ Has realistic market rent been determined (based on recent comparables)?
- ☐ Will rent cover operating expenses + debt service + leave a cushion?
- ☐ Is there potential rental growth over time?

Operating Expenses & Reserves

- ☐ Have you itemized ALL ongoing expenses (taxes, insurance, HOA, utilities if applicable, property management, maintenance)?
- ☐ Is there a reserve fund budgeted for vacancies and major repairs?
- ☐ Is property management cost built into cash flow analysis?

Financing Terms & Impact

- ☐ Are interest rate, loan term, down payment realistic and favorable?
- ☐ Can the cash-on-cash return meet your target given financing?
- ☐ Is there flexibility to refinance or pay down principal if necessary?

Condition of Property & Rehab Needs

- ☐ Is a thorough inspection done (roof, HVAC, plumbing, electrical, foundation)?
- ☐ Are needed repairs or upgrades clearly estimated and budgeted?
- ☐ Does the property require minimal rehab / turnkey to minimize upfront cost and time?

Tenant Demand & Exit Strategy

- ☐ Is there evidence of strong long-term tenant demand in the area?
- ☐ Do you understand the tenant profile and what features they prioritize?
- ☐ Is the property still viable if you need to sell or refinance within your investment horizon?

Legal, Zoning & Rental Restrictions

- ☐ Is zoning compliant with long-term rental use?
- ☐ Are there HOA or local restrictions that limit leasing or raise costs?
- ☐ Are licenses/permits for rental required and in hand?

Market Trends & Risk Analysis

- ☐ Are local market trends (job growth, population growth, rental vacancy) favorable?
- ☐ Have you identified key risks (market downturn, major nearby projects, oversupply)?
- ☐ Is there a safety margin in your numbers to absorb unforeseen events (higher vacancies, bigger repairs)?

Sustainability & Future-Proof Features

- ☐ Does the property include or allow for upgrades that reduce ongoing costs (energy efficiency, smart home tech)?
- ☐ Will the property remain attractive to tenants for years (layout, amenities, location stability)?
- ☐ Is there potential to raise rents or reposition the property in future?

Clear Investment Goals & Monitoring Plan

- ☐ Have you defined your target returns (cash-flow target, appreciation target, hold timeframe)?
- ☐ Is there a plan for tracking performance (rent roll, expenses, market comparisons) annually?
- ☐ Are you prepared to adjust strategy if under-performing (refinance, raise rents, improve property, exit)?

How to Use This Checklist:

- ☐ Use it before a purchase to ensure you're covering all key bases.
- ☐ Revisit it annually to monitor your property's performance and potential upgrades.

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