

Seasoned Investors (Buyers • Calgary)

Quick start

- Underwrite to your “walk-away” price using conservative rent, vacancy, and CapEx assumptions.
- Verify income with documents (leases + bank deposits), not seller statements.
- Treat suite legality, permits, and zoning as binary until verified through records.

A. Investment thesis and fit

- Confirm asset strategy: cashflow, value-add, development upside, or capital preservation.
- Define minimum metrics: cap rate, cash-on-cash, DSCR, IRR, equity multiple, hold period.
- Confirm tolerance for complexity: multi-tenant, older building systems, non-conforming suites.
- Confirm exit: retail resale, refinance, portfolio hold, redevelopment, condo conversion (if applicable).

B. Underwriting and model inputs

- Use a realistic market rent range; apply downside case (5–10% below target).
- Apply vacancy/credit loss (don't assume 0% even if currently “full”).
- Use a repair/CapEx schedule (roof, windows, furnace/HWT, parking, envelope) with timing.
- Include management fee (even if self-managing), leasing costs, and admin.
- Include utilities (common power, water, waste), snow/landscape, pest control, fire systems servicing.
- Stress test interest rate, insurance increases, and property tax changes.

C. Income verification

- Obtain current rent roll with unit-by-unit: rent, deposits, lease dates, utilities, parking, incentives.
- Collect leases for every unit (including amendments, renewals, and side agreements).
- Match rents to bank deposits (last 3–6 months) and flag gaps/arrears.
- Confirm security deposits held and transfer process.
- Verify any other income: laundry, storage, parking, pet fees—proof and sustainability.



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D. Expense verification (the “T12 reality check”)

- Review trailing 12-month actuals (not pro forma): taxes, insurance, utilities, repairs, contracts.
- Confirm property tax amount and any arrears or local improvement charges.
- Validate insurance quotes for your intended use (suite, vacancy, older wiring, short-term rental).
- Confirm service contracts: HVAC, fire panel, sprinklers, elevators (if applicable).
- Identify deferred maintenance masked by low historical repair spend.

E. Physical due diligence (investor lens)

- Foundation/movement: cracks, sloping, bowing, water staining, sump history.
- Roof/envelope: remaining life, flashing, drainage, window condition, balcony details (condos).
- Mechanical: furnace/boiler age, zoning, distribution, ventilation, combustion safety.
- Plumbing: supply/drain material, pressure, leaks, sewer backup risk (consider sewer scope).
- Electrical: service/panel capacity, aluminum/legacy wiring signals, unsafe DIY.
- Moisture/mould risk: basements, bathrooms, under sinks, attics, poorly vented areas.
- Environmental: asbestos/lead potential in older buildings; budget testing when indicated.
- Life safety: smoke/CO coverage, egress, handrails, guards, exit lighting (as applicable).

F. Legal, title, and compliance

- Title search: easements, restrictive covenants, encroachments, liens, builder's liens.
- Confirm RPR (if available) and compliance; address encroachments early.
- Verify permits for additions/structural work/secondary suites (don't assume).
- Confirm zoning and allowable use (number of dwellings, suite rules, parking requirements).
- If operating as a suite/income property, confirm "legal vs. non-conforming vs. illegal" status through records.

G. Tenancy and operational risk

- Review tenant profile: arrears history, chronic complaints, turnover, problematic units.
- Confirm utility responsibility (sub-metering, shared meters, bill-back arrangements).
- Review maintenance history and outstanding work orders.
- Confirm property management feasibility: fees, scope, leasing process, reporting quality.
- Confirm building access control, keys, security systems, and incident history.

H. Condo / townhouse-specific (if applicable)

- Review condo docs: bylaws, reserve fund study, AGM minutes, special assessment history.
- Confirm rental restrictions, pet limits, short-term rental rules, renovation policies.
- Confirm current condo fee breakdown and what's included (utilities, insurance, reserve).
- Identify upcoming capital projects (envelope, elevators, parkade membrane) and risk of assessments.

I. Offer structure (protect the downside)

- Use conditions aligned to your risks: financing, inspection, condo docs, title review, permits.
- Add representations you actually need (rent roll accuracy, deposits, no undisclosed side deals).
- Require delivery of documents within strict timelines (leases, T12, invoices, permits).
- Plan possession and tenant notices realistically; avoid assuming "easy vacancy."

Disclaimer

This checklist is for general information only and is not legal, tax, permitting, or professional building advice. Requirements and risks vary by property and use; verify all material facts through records, inspections, and qualified professionals. No responsibility is accepted for reliance on this checklist.