



QUESTIONS TO ASK THE OWNER WHEN CONSIDERING THE PURCHASE OF AN APARTMENT BUILDING: —————

1. How long have you owned the property?
2. What is the breakdown of rental spaces? One bedroom Two bedrooms Three bedrooms Efficiency Apartments Garages Storage Units
3. Are utilities available? Separately metered? Who pays?
4. Who pays for the water bill reading-fee (if separately metered)?
5. Who owns the trash dumpsters? Who pays for trash removal?
6. Which appliances are available in each apartment? Range Refrigerator Dishwasher Microwave Washer/Dryer Smoke Detectors
7. Are any appliances owned by the resident?
8. Is there air conditioning? Central Sleeve None
9. What are the resident's criteria? Income qualification? Credit reports? Criminal reports? Is any current resident under eviction?
10. Security deposits: Regular amount? Pet deposits? Non-refundable deposits?
11. Leases: Length? Month to month? Late fees? Do you allow pets? Do you charge extra rent for pets? How many tenants have pets currently?
12. Concessions: Have any future concessions been promised to the resident? Have any services been given to the residents? Are any other "freebies" given to the resident?
13. Improvements made within the last two years: Roof? HVAC? Carpeting? Parking lot? Other?
14. What is the current number of vacancies?
15. How many residents have "given notice" that they'll be moving out?
16. Service contracts: Are there any agreements that will survive a transfer of ownership?
17. How long have the residents lived at the property?
18. Are the apartments condominiums? If so, how much are the condo fees?
19. Management: Who currently manages the property? How do they charge you? What percent of collected income do they charge you?
20. Is the seller doing a 1031 like kind exchange into a replacement property?
21. Who is the current lender? Is the loan assumable? Is seller-financing available?
22. Do the residents rent any furniture or appliances from you?
23. Do you lease anything that is used in the management of property?
24. Do you maintain a model apartment?
25. Is model furniture, pool equipment, desks, computers, etc. included in the sale?
26. Are you the sole owner?
27. Please supply me with the following information: Income/expense statements for the last two years. Current rent roll. Recent tax bill. Copies of all leases.
28. Is there an existing survey for the property?
29. Is there an existing environmental report for the property?
30. Are there certificates of occupancy for the property?
31. Are there any existing building plans for the property?
32. Have historical maintenance records been kept for the property?