

# — TURNKEY MARKET QUESTIONS

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BUY REAL ESTATE AND WAIT.

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## THE MARKET

1. How landlord friendly is the market?
2. Who are the main employers in the area and are they expanding?
3. What neighborhoods or areas are your favorite to work in? Are they renter occupied centric or what is the ratio of owners to renters?
4. Are there any areas you could use additional inventory?
5. Are there any unique local/state laws or regulations that we should be aware of in this market? (Example, are there any transfer taxes on purchase and sale of properties?)

## THE PROPERTIES

1. What warranties do you offer on the properties you sell?
2. For repairs, what is the threshold amount for contacting the owner before proceeding (non-emergencies)?
3. Are you the actual owner of the property or are you marketing it for someone else?
4. What do property taxes average as a percentage and do any of your turnkeys have unpaid assessment balances or upcoming assessments?
5. Have you ever lost any of your properties to foreclosure?



## THE MANAGEMENT

1. How long have you been a full time turnkey investment provider and are you personally an investor yourself?
2. What are your management fees and what is all included?
3. Do you charge lease up and renewal fees?
4. What is your minimum property management agreement term and are their advantages to signing a longer one?
5. What is all included in your management agreement and can we get a blank copy to review?
6. Are your management team members and contractors in house or outsource? What is your relationship with them?
7. When a major repair is needed, do you provide documentation such as video/photos from before and after?



## THE RETURNS

1. What do you see for property appreciation rates and rental agreement escalators?
2. Are your advertised rents at, above or below market rents and how do you determine those?
3. Are all your properties currently occupied when sold for a minimum of a one-year lease?
4. Are there any areas you could use additional inventory?
5. Are there any unique local/state laws or regulations that we should be aware of in this market?

## THE TENANTS

1. What are your minimum lease terms for the tenants and what are the renewal options? Do you encourage longer lease terms and how so?
2. What are your average vacancy rates and length of stays?
3. What do eviction fees usually run and do you offer help or facilitate the eviction process?
4. What are your application processes and standards and are there any fees charged to the owner or tenant?
5. When the tenant goes to renew the lease, are the background and credit checks rerun? Why or why not?
6. Do you require and ask that proof of renter's insurance
7. What are your pet policies?
8. What are the responsibilities for the tenants in terms of upkeep and/or dollar amounts (i.e. lightbulbs, air filters, etc)



## THE HARD QUESTIONS

1. Who is your biggest competitor and why?
2. Tell me about one instance that a customer (owner) was unhappy, why they were unhappy and how you resolved it.
3. Who are the owners of the company and what is your “Plan B” if the owner(s) choose to sell the company, retire or passes away?
4. Do you live in the area and if so, how long have you lived here?
5. What is the longest vacancy on your books? Why?
6. Are any of your properties in flood zones?



## YOUR QUESTIONS?

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