Real Estate Plan

Crystal Clear Criteria (CCC)

My goal: I am seeking to acquire a small multifamily property to serve as a foundational asset. This property will reduce my living expenses through house hacking, provide me with hands-on experience as a landlord, and familiarize me with the tax benefits and financial advantages of real estate. It will also allow me to begin building connections within the industry. Ultimately, this property is a strategic step toward establishing myself as a knowledgeable, successful investor with the skills to scale my portfolio over the long term.

Property and Condition Criteria

Property Type:

- Residential multifamily with 1-4 units (e.g., duplex, triplex, or fourplex).
- At least one unit must be available for me to live in while renting out the others.

Unit Requirements:

- Each unit should ideally have at least ***1 bedroom, 1 bathroom, a kitchen, and a living area*** (no studio-type units).
- This layout will help attract a stable tenant pool and ensure each unit is functional for long-term tenants.

Condition:

- Open to ***light rehab properties***, provided they meet ***VA loan standards***. Allowing to add value (force equity) while staying within loan requirements.
- If a small rehab is necessary, I will consider covering it out-of-pocket or through other means, without relying on VA loan funds. (Or include rehab with the VA)

Utilities and Expenses:

- Preference for **properties with separate utilities** (water, power, etc.) for each unit, or those with the potential for separate metering.

Compliance:

- **Zoning, permits, and tax liens** need to be resolved before purchase. Ensuring no legal or financial issues with the property will help you avoid unexpected hurdles.

Location and Market Analysis

Data Requirements:

- Key Metrics: I like to see data on **job growth rates, rental demand, vacancy rates, and recent property appreciation** in the properties that I am considering.
- Market Analysis: I want to utilize my core team (agent and property manager) to validate insights or provide secondary opinions on market trends.

Neighborhood Preferences:

- Neighborhood Class: Focus on Class A, B, or C areas, where there's established demand and relative stability.
- Safety and Education: Low-crime neighborhoods with reputable school ratings.
- Accessibility: Proximity to highways, grocery stores, public transportation, and community attractions.

Specific Location:

- I need to be no more than a 45 minute drive from this location: 8990 SW 40th Street Suite 105, Miami, FL 33155
- This is the marine recruiting station at south dade where I will be working.
- Areas of interest
    - Homestead
    - North of the Recruiting station driving south (avoiding traffic)

VA Loan and Financing Strategy

VA Loan Limit Clarifications:

- Entitlement Inquiry: Need to confirm my maximum loan entitlement with a lender experienced in VA loans, specifically for multifamily properties. To ensure I am aware of any limits and how much property I can afford with zero to minimal down payment.
- I will receive Basic Housing Allowance (BAH) once I check into my new duty station.

Broker/Lender Requirements:

- **VA Loan Expertise**: Lenders should have extensive experience with VA loans and be familiar with the nuances of multifamily investments.

Communication Preferences

Primary Communication Method:

- **Email**: Regular updates via email for documentation and easy reference. Specifically for updates on new listings, market conditions, or ongoing transactions at a set frequency (e.g., weekly).

Notification for Exceptional Deals:

- **Phone Alerts for Key Opportunities**: Agent or lender should call or text directly for exceptional opportunities, especially if they are time-sensitive or significantly below market value.

Clear Property Criteria:

- **Automated Updates**: Alerts for properties matching my criteria. This helps filter out properties that don't meet your requirements, saving time.
- **Core Criteria Focus**: Properties should meet your specified criteria (e.g., separate utilities, location, neighborhood class) to avoid unnecessary reviews.

Team Building and Trust

Introductory Meetings:

- Arrange initial meetings to discuss long-term goals and get to know each other's work styles. Show that you're in this for the long term, to encourage their commitment and reliability.
- **Transparency in Goals**: Share your long-term investment plans to ensure your Core 4 team understands your growth goals and is aligned with your vision.

Value Addition:

- **Offering Referrals**: Let your team know you're willing to bring more business their way or refer others to them. This mutual benefit can help you build a lasting, collaborative relationship.
- **Seeking Expertise and Advice**: Actively ask for input on specific decisions to show respect for their expertise and deepen the partnership.
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Mortgage Approach:

- **30-Year Mortgage with 15-Year Payment Goal**: 30-year loan to keep monthly payments manageable but planning to pay it down as if it were a 15-year mortgage to save on interest. Ensure the lender is aware of this strategy and supports it.

Conservative Calculations:

- **Safety Margins**: Run numbers assuming conservative conditions, such as a 10-15% vacancy rate and an added 10% for unexpected repairs or expenses. Having your core team work with these figures will provide a financial buffer in case of market shifts.
- **Minimum Cash Flow**: Define a minimum acceptable cash flow per unit (e.g., $100-$200/month) after all expenses, including conservative repair estimates.
- Apply 4 square method and use the rules of thumb

- 40 thousand or less per unit = needs to make 100$ pure cashflow
- 40-75 thousand per unit = needs to make 150$ pure cashflow

- 75-100 thousand per unit = needs to make 200$ pure cashflow
- 100 thousand + per unit = needs to make 300$ + pure cashflow

——-——-Break—---------

Who do I need to make this happen ? I need a team of rock stars!! Core 4

1. Real Estate agent
2. Lender
3. Contractor
4. Property Manager

Prep documentation
Previous two years' W-2s from current and past employers
Previous two months of pay stubs
Previous two years of tax returns
Any 1099s you've received in the past two years

• Proof of alimony or child support
• Bank statements from all substantial bank accounts for the previous two months
• Retirement or investment account statements for the previous two months The lender will probably have their own list that includes the above items and more, so gather this information, keep it well organized, and get all documents to the lender fast.

- **Underwriter who can make you a lender. Smooth process.**
- **You are not really winning because you need to pay the fee.**
- **B and C areas are what you are going to find on florida.**
- **You need to do a lot of phone calls for contractors google and quotes**
- **She offers comparables not any other data. Decision of offer. Where to look for taxes and anything else.**
- **Text is easier than email.**
- **Pay by the seller commission. 3% we can look**