



JS MultiCapital
CORPORATION

MULTIFAMILY FINANCING - TODAY'S INTEREST POINT

Helping Apartment Investors and Managers Find The Right Financing Solutions
For Their Multifamily Properties in Cleveland, Columbus, Detroit, and Pittsburgh

Before Buying An

Create a folder with the following items:

- ___ Copy of current personal financial statements from all guarantors with > 25% ownership.
- ___ Copy of current residential, multifamily, and retail/commercial schedule of real estate investments owned or an ownership resume from all guarantors.
- ___ Copy of management company resume.
- ___ Sources of down payment from all guarantors.

Absolute MUST-DO due diligence:

- ___ Walk EVERY suite.
- ___ Review EVERY lease against the rent roll.
- ___ Review last 6 months of bank deposits.
- ___ Hire an independent property inspector (*preferably an architect or engineer*).
- ___ Understand how the real estate taxes may change once the property transfers to a new owner.
- ___ Talk to your accountant to assist you in maximizing your tax and income potential.
- ___ BUYER BEWARE – evaluate the asset from a physical & mechanical perspective as well as from an income-producing valuation... *the most successful apartment investors know it is more than debt coverage and terms.*

Apartment Property...

Gather an **Acquisition Deal Team**.

Call **JS MultiCapital at 1-888-576-2646**.

- ___ Discuss obtaining acquisition financing from Fannie Mae, HUD, Insurance Companies, Conduits, or Commercial and Wholesale Lenders with a qualified multifamily mortgage broker.
- ___ Understand how apartment lenders underwrite; ask for a preliminary underwriting on a current and stabilized value; and know what expenses might affect your desired loan amount.
- ___ Determine if the desired loan, interest rate, term, and amortization allows for flexibility on your planned exit strategy.
- ___ Write in realistic mortgage financing contingency and closing dates into purchase agreements.

Call a **commercial real estate broker**

- ___ Work with someone who really knows the local community, understands apartments, and is experienced in closing this type of transaction.
- ___ Consider buyer representation on your first couple of apartment deals.

Call a **real estate attorney**

- ___ Discuss legal ownership options – fee simple ownership versus ownership entity purchase (LLC transfer) – and determine which activities you can work on now to avoid any closing delay.

Before Selling An

Create a folder with the following items:

- ___ Current rent roll and copy of all tenant leases.
- ___ Three years income and expense statements.
- ___ Recent tax and utility bills.
- ___ Copy of management and laundry lease.
- ___ List of capital improvements made within the last three years of ownership.
- ___ Copy of existing mortgage/payoff requirements.

Apartment Property...

Call **JS MultiCapital at 1-888-576-2646**.

- ___ Discuss whether it makes sense to sell or refinance based on the current estimated value.
- ___ Discuss whether it makes sense to present seller financing to interested buyers.
- ___ Obtain a **PRE-QUALIFIED mortgage financing loan proposal** to hand to potential buyers.

Call your Acquisition Deal Team for leads on qualified buyers.