

28 Questions to Ask a Broker When Investigating Out-of-State Markets

1. What is the job growth?
2. What is the population/household growth?
3. How many new units have been built over the past three years?
4. How many construction permits have been issued?
5. Are properties listed on the MLS or is it a broker-driven market?
6. How many listings do you currently have, and what have you recently sold?
7. What is the typical size of a deal in your market?
8. Who are the major employers?
9. Are there any barriers to entry in your market?
10. Who is currently investing in the market?
11. How are these deals being financed?
12. Where are the B and C properties located?
13. Can you identify the path of progress in your market?
14. What is the per-unit cost of an apartment?
15. What is the vacancy rate in the market?
16. What has the rent increase or decrease been over the past three years?
17. What are the cap rates for specific asset classes in the market?
18. Is the market a cash flowing market or poised for capital appreciation?
19. What is the average age of the properties?
20. Does the market employ RUBS (ratio utility billing)?
21. What are current rents for various unit mixes (studio, 1-bed, 2-bed, 3-bed)?
22. Can you recommend a management company?
23. What are the fees charged by a management company to manage a property?
24. What is the affordability of homes in the market?
25. Can you recommend an insurance company?
26. Can you recommend a mortgage broker and a bank?
27. Do you have any deals I can analyze?
28. Where are we going to lunch?