APPENDIX A

Rehab due diligence *checklist.*

Built for small developers rehabbing one- to four-unit residential properties. Use one per property, drive-by to close.

PRE-OFFER

- [ ] Drive-by and walk the surrounding block. Note nuisance properties, traffic, sight lines.
- [ ] Confirm zoning permits your intended use.
- [ ] Pull tax history and special assessments from the county treasurer.
- [ ] Pull three to six comparable closed sales within the last 6 months. Identify ARV.
- [ ] Check rental licensing rules if you plan to lease.
- [ ] Search for open code violations or unsafe-structure orders.

OFFER & CONTRACT

- [ ] Inspection contingency with buyer's sole satisfaction language.
- [ ] Earnest money held by neutral third party.
- [ ] Seller disclosure form reviewed for known defects.
- [ ] Financing contingency aligned with lender's appraisal/underwriting timeline.
- [ ] Right to access for additional inspections.

PROPERTY CONDITION

- [ ] Full home inspection by licensed inspector.
- [ ] Chimney Level 2 inspection if flue will be reused.
- [ ] Radon test.
- [ ] Lead-based paint disclosure and risk assessment on pre-1978 homes.
- [ ] Termite and wood-destroying insect inspection.
- [ ] Sewer line scope on homes with lines older than 30 years.
- [ ] Well and septic inspection on rural properties.
- [ ] Mold assessment if signs of moisture damage.
- [ ] Asbestos inspection on pre-1980 homes (popcorn ceilings, vinyl flooring, pipe wrap).
- [ ] Roof remaining useful life estimate.

APPENDIX A · CONTINUED

Due diligence, continued.

TITLE & LEGAL

- ☐ Title commitment ordered.
- ☐ Easements, deed restrictions, recorded covenants reviewed.
- ☐ Special assessment search at city and county.
- ☐ Judgment, lien, and bankruptcy search on seller.
- ☐ Tax status confirmed: current, delinquencies, PRE status.

ZONING & USE

- ☐ Written confirmation of permitted use from zoning administrator.
- ☐ Historic district overlay review.
- ☐ ADU permissibility, setback rules, lot coverage limits.
- ☐ Short-term rental rules if applicable.

ENVIRONMENTAL

- ☐ FEMA flood map review and flood determination if near water.
- ☐ Baseline Environmental Assessment (BEA) review if needed.
- ☐ Phase I Environmental Site Assessment for prior commercial/industrial use.

FINANCIAL CONFIRMATION

- ☐ Firm ARV from three closed comps.
- ☐ Soft cost reserve calculated (see Appendix H).
- ☐ Holding cost projection across estimated rehab months.
- ☐ Three written contractor bids on major scope items.
- ☐ Contingency: 10% minimum, 20% on pre-1950 homes or full guts.

UTILITIES, INSURANCE, PERMITS & CLOSEOUT

- ☐ Water, sewer, gas, electric, broadband confirmed available.
- ☐ General liability insurance quoted.
- ☐ Inspection touchpoints mapped (see Appendix G).
- ☐ Lien waivers collected before final draw.
- ☐ Builders risk insurance quoted with vacancy clause.
- ☐ All required permits listed; who pulls each confirmed.
- ☐ Final walkthrough, utility transfer, insurance binders, keys/codes managed at close.