THE INVESTOR PLAYBOOK

A property needs a plan.

Start with the goal, then test the property against it. An attractive listing is the beginning of the work, not the investment decision.

01 / Choose the strategy

Long-term rental, owner-occupied multi-unit, renovation and resale, or another approach? Each creates different financing, operating and exit questions. State your intended use before searching.

02 / Define your limits

Separate purchase funds, closing costs, initial work and operating reserves. Ask a lender to confirm financing terms for the actual occupancy and property type. Do not assume owner-occupied terms apply to an investment.

03 / Build the right review team

Anthony helps organize the property search, comparable evidence and transaction questions. Use a qualified lender, inspector, attorney, insurance professional and tax adviser for their respective decisions.

Strategy / target property type

Funds available / reserve target / financing questions

Timeline / time available for management

Lake, McHenry and Cook Counties, Illinois. Kenosha, Racine and Walworth Counties, Wisconsin. Somewhere else? Ask me.

Run the ordinary month.

Use documented inputs. A rent advertisement is an asking price, not proof of collected rent. Every unverified number stays an assumption.

A simple planning worksheet

Scheduled rent - vacancy and collection allowance = effective rental income.
Effective rental income - operating expenses = net operating income (NOI).
NOI - debt service - capital reserve contribution = planning cash flow before income taxes. Reserve contributions are shown separately here, not included in NOI.

Fictional monthly example

Rent $2,000 - vacancy allowance $100 = $1,900 effective income.
Operating expenses $750 = $1,150 NOI.
Debt service $900 and capital reserve contribution $150 leave $100 planning cash flow. These are invented figures, not market estimates or a return promise.

What belongs in the expense review?

Property taxes, insurance, owner-paid utilities, association charges, routine maintenance, management, licensing and other operating costs. Keep major replacements, financing costs and tax treatment distinct. Verify which expenses actually apply.

Stress-test the comfortable scenario

In the example, one month without rent reduces annual cash flow by $2,000 before any added turnover costs. A $3,000 unexpected repair also exceeds the $1,200 annual base-case cash flow. Model reserves and downside scenarios before relying on the base case.

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Verify before committing.

Use the contract and professional advice to determine review rights, dates and responsibilities. This checklist creates questions, not a legal opinion.

Property and permitted use

Confirm unit count, zoning, rental licensing, association restrictions and intended use with the appropriate authority. Verify parking, access and utility arrangements. Do not infer short-term-rental permission from neighboring properties.

Condition and cost of work

Arrange qualified inspections. Gather scoped bids, permits and realistic timelines. Separate visible observations from a diagnosis. Confirm insurance availability and obtain current quotes.

Occupancy and records

Request leases, amendments, rent roll, payment records, deposits, notices and service contracts through authorized channels. Have counsel review obligations, transfer handling and occupancy issues. A sale does not by itself prove a property will be vacant.

Exit and decision

Compare more than one supported scenario. Consider resale costs, refinancing uncertainty, holding time and a delayed exit. Write down the evidence that would make you renegotiate, investigate further or walk away.

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Bring the deal to the table.

Bring a property you?re considering and the evidence you have so far. Keep sensitive records in secure approved systems.

Bring the property and your intended use

Identify the property, the investment strategy and any use you still need to verify.

Share the evidence behind the numbers

Bring dated rent evidence, operating costs, quotes, and a starting reserve plan.

Identify questions for the right professional

Make a list of unresolved financing, property, tax or legal questions for your advisers.

Agree on the next decision

Decide what evidence is needed next and who will verify it.

Start the conversation

Call or text 815.388.3355. We can define your search, identify missing evidence and build a practical next step. No particular result, financing approval or property availability is promised.

Further reading: IRS Publication 527, Residential Rental Property:
irs.gov/publications/p527

Tax rules depend on the facts; consult your tax adviser. Prepared November 3, 2026. Educational planning guide, not investment, tax or legal advice. Equal Housing Opportunity.

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