



Deal Review Instructions & Worksheet

Before you submit a prospective home to be reviewed for the Deal Review call, you must do your research in advance. We want to provide you with the most accurate information possible to set you up for success – and that means doing the work.

Follow the instructions below and complete this worksheet. Then after you have all the answers and gathered all the information, complete the Deal Review Form online in the back office with the information below to submit your deal to be reviewed on the call. Incomplete forms will not be considered for Deal Review.

Submitted forms for Prospective Deals will be reviewed and selected at LuxHomePro's discretion based on how many deals were submitted and how beneficial the teaching will be to the entire group.

Step	Area Research
1	Identify and list your Target Geography or General Area (Miami, San Diego, etc.):
2	To determine market viability, go onto www.AirBNB.com or www.VRBO.com and do a search in your target geographic area with the following criteria: at least 12 guests, minimum \$700/day . Indicate how many properties fit this criteria here:
Step	Property Manager Research
3	Gather Research with preferably 2-3 small (Mom & Pop) Property Management Companies in your target geography. Google Search for "Short Term Rental Property Manager in (your area)" Skip over big companies like Vacasa, iTrip, Turnkey or Evolve. You are looking for someone who is local and has intimate knowledge of your target area.
4	(For each small property management company) When you call if you get voice mail, leave short message. "Hi my name is (you) and I have some questions regarding short term rental investment properties. Please give me a call (your contact info)."

Note: Certain hot markets will attract other investors like us, including other LuxHomePro members. If a property manager says something like, "Hey you're the third person who's called me this week. What's going on?" Here's how you might want to respond, that's great news for you as your property manager, as that could mean a windfall of business to your company. I have identified your company on Google as someone that I could potentially work with to help identify good luxury vacation rental and/or possibly help manage it. Do you have a few minutes?

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The purpose of the deal review is to educate members on how to evaluate homes to determine if a deal is worth pursuing to take the next step and reach out to homeowners. Many variables will be discovered further along in the process so we make no guarantees or income claims. Deal Review Calls are for educational and informational purposes only

5	When you reach them by phone open with, "Hi (their name), my name is (your name) and I'm looking to get into the short term rental space in your area and I'm hoping you could help. I'm focused more on the high end luxury homes that rent for \$700-\$2000/day. Do you manage any properties like that? If not, can you recommend who might?"
6	When you are connected with a property manager who can help you, ask and document answers to the following:
7	What is the average occupancy rate? (40/50/60%?)
8	What's the average daily rental rate? (If prop. mgr. replies 'it depends on house, location, etc.' clarify with "I don't want to be the most expensive place in town but I do want to focus on the high end homes. What would be the average daily rental rate for that or the range of rates for something like that?")
9	What are the legalities I need to know? What areas do you suggest I need to stay away from?
10	What are the best areas would you suggest? (If prop mgr asks "What do you want to spend?" Reply: "Well, price is irrelevant, it depends on the income I can generate. If the focus is only on ROI and if money were no object, where would you invest?) Looking to identify specific neighborhoods or more narrow target area.
11	<p>Next: I'm trying to get a ballpark understanding of monthly expenses. For the type of home I'm looking to invest what might be:</p> <p>Monthly Electric Cost (get annual average if varies by season):</p> <p>Monthly Water Cost (get annual average if varies by season):</p> <p>Monthly Landscaping:</p>
12	What is the Average RENTAL Cost per Square Foot? (Long Term)

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Step	Specific Property/Home Research
13	<p>After you've identified a more narrow Target Neighborhood – evaluate if the area is good, better or best based on the daily rental rate. Do another search on AirBNB or VRBO in this target neighborhood (12 guests, min \$700/day) and indicate below based on daily rental rate:</p> <p>Good (\$600-\$800/night)</p> <p>Better (\$900-\$1500/night)</p> <p>Best (\$1,600+/night)</p>
14	<p>Home Search - Go to www.realtor.com – zoom in to your target neighborhood. Search for a home that is a minimum 5 Bedrooms, 3 Baths with vacation friendly amenities appropriate to the area. (Ex: a pool in Arizona, a hot tub in Colorado, near beach in Southern California, etc. Tennis court, gym, near golf course, mountain/lake/ocean views. Amenities need to be vacation hooks – wow factors. The more wows the better. For Prospective Deal Review property list wow factor(s) below:</p>
15	Is the home for purchase or rent?
16	Property Address:
17	Total number of people that can sleep there:
18	Current listed Sales/Rental price:
19	Number of days on market (if for sale):
20	Estimate Monthly Insurance (use default calculation \$300/month per \$1 Million property value. If property is rental, check Trulio, Zillow, Appraisal, etc. for home value):
21	Home Square Footage:
22	Log into back office, complete Deal Review Form with information above and submit your prospective property for the Deal Review Call.