

60 Second Financial Audit Checklist for Real Estate Investors and Professionals

	YES	NO
Do I have clear, written and quantifiable criteria for selecting investment real estate?	<input type="checkbox"/>	<input type="checkbox"/>
Do I understand what type of real estate properties are best suited for my specific investment objectives and time lines (e.g. cash flow, appreciation, tax-advantaged)?	<input type="checkbox"/>	<input type="checkbox"/>
Do I have a comprehensive checklist to evaluate a property to help minimize SURPRISES?	<input type="checkbox"/>	<input type="checkbox"/>
Do I understand the potential pitfalls of owning investment property in a Tenants-in-common or other type of group?	<input type="checkbox"/>	<input type="checkbox"/>
Does my real estate performance model include the impact of depreciation, vacancies, evictions, tax credits, reserves, appreciation, cash flow, etc?	<input type="checkbox"/>	<input type="checkbox"/>
Have I quantified the specific role I want the real estate investment to play in my financial plan, and can I visually see its projected impact at my financial independence (e.g. support financial independence, generate a certain amount of cash flow, tax shelter, diversification)?	<input type="checkbox"/>	<input type="checkbox"/>
Am I clear on the use of debt and how and when to use positive, neutral, and negative leverage?	<input type="checkbox"/>	<input type="checkbox"/>
In selling or exchanging property and minimizing capital gains tax, do you know when charitable remainder trust or other strategies are better strategies than 1031 exchanges or private annuity trusts?	<input type="checkbox"/>	<input type="checkbox"/>
Am I taking full advantage on how to structure the real estate investment to minimize income tax, capital gains tax, and estate taxes?	<input type="checkbox"/>	<input type="checkbox"/>
Am I familiar with methods to own real estate without having to directly manage the properties?	<input type="checkbox"/>	<input type="checkbox"/>
Have I effectively evaluated the comparative advantages of owning a piece of many properties rather than 100% of one?	<input type="checkbox"/>	<input type="checkbox"/>
Do I have an experience, independent advisor who is not tied to sales commissions to provide guidance on my real estate decisions?	<input type="checkbox"/>	<input type="checkbox"/>

*If you answered YES to all questions... **Congratulations!** If not, consider meeting with a financial professional to address these potential issues. For over 20 years, Cornerstone Wealth Management has helped real estate investors with effective strategies and options that help them achieve their goals. For a review of your questions and goals, call or email (925) 824-2880 or info@cornerstonewmi.com.*



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