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**DUE DILIGENCE PACK**

**BRRR**

PROPERTY DETAILS (Step 1)

|  |  |
| --- | --- |
| **Property Address**  **URL to the property**  **Comparable 1**  **Comparable 2**  **Comparable 3**  **Property Type**  **Number of bedrooms**  **Property Size in m2**  **Agreed Purchase Price**  **Refurbishment costs**  **Estimated GDV**  **Type of Tenure**  **Occupancy**  **Estate or Lettings Agent**  **Local amenities**  **Does it feel safe at night?** | [insert address]  [insert link to video tour/brochure]  [insert url]  [insert url]  [insert url]  [insert type e.g. house, flat, etc.]  [number of bedrooms]  [insert m2]  [agreed price]  [refurbishment costs]  [estimated Gross Development Value]  [Freehold or Leasehold]  [Vacant Possession or Tenanted]  [Insert agent’s details]  [insert distance, where applicable, from schools, hospitals, universities, public transport, city centre, cinema, pubs and restaurants, etc.]  [yes or no] |

PURPOSE OF THE DEAL (Step 2)

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| **DELETE AS APPROPRIATE:** | * I am selling the deal via deal connect * I am selling the deal myself * I am not selling the deal |

DEAL VIABILITY (Step 3)

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| 1. **TOTAL COST = LESS THAN 75% END VALUE** | **Evidence that the purchase price (inc. all costs) plus the refurb price equal 75% or less of the estimated end value**   |  |  | | --- | --- | | Purchase Price | £ | | Refurb costs | £ | | TOTAL COSTS | £ | | End value | £ | | % costs v end value | % |   **.** |

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| 1. **TOTAL COST = 75-80% END VALUE** | **Evidence that the purchase price (including all costs) plus the refurb price are equal to 75-80% of end value**   |  |  | | --- | --- | | Purchase Price | £ | | Refurb costs | £ | | TOTAL COSTS | £ | | End value | £ | | % costs v end value | % |   **.** |

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| 1. **TOTAL COST = 80-90% END VALUE** | **Evidence that the purchase price (including all costs) plus the refurb price are equal to 80-90% of end value**  (e.g. your calculations)   |  |  | | --- | --- | | Purchase Price | £ | | Refurb costs | £ | | TOTAL COSTS | £ | | End value | £ | | % costs v end value | % |   **.** |

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| 1. **TOTAL COST = OVER 90% END VALUE** | **Evidence that the purchase price (including all costs) plus the refurb price are equal to more than 90% of end value** (e.g. your calculations)   |  |  | | --- | --- | | Purchase Price | £ | | Refurb costs | £ | | TOTAL COSTS | £ | | End value | £ | | % costs v end value | % |   **.** |

DUE DILIGENCE (Step 4)

Question 1 – Property Viewing

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| **Answer 1** | **Evidence that a professional has viewed the property on your behalf**  (e.g. screenshot of email or message)  **[INSERT EVIDENCE HERE]** |

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| **Answer 1 c** | **Evidence that you viewed the property yourself**  (e.g. photo, video or proof of appointment)  **[INSERT EVIDENCE HERE]** |

Question 2 – Listed Building

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| **Answer 2 b** | **Evidence that you have factored in the cost of renovating a listed building**  (e.g. builder’s quote)  **[INSERT EVIDENCE HERE** |

Question 3 – Planning Permission

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| **Answer 3c** | **Evidence that you are likely to get planning permission**  (e.g. report from Planning Consultant)  **[INSERT EVIDENCE HERE]** |

Question 4 – Permitted Development Rights

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| **Answer 4 b** | **Evidence that you will be able to use Permitted Development Rights**  (e.g. report from Planning Consultant)  **[INSERT EVIDENCE HERE]** |

Question 5 – Comparables

|  |  |
| --- | --- |
| **Answers 5a, 5b and 5c** | **Gross Development Value: £…………….**  **Evidence of comparable properties**  (e.g. screenshots of comparables)  **[INSERT URLs HERE]** |

Question 6 – Standard Construction

|  |  |
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| **Answer 6 b** | **Confirmation from Mortgage Broker that you will be able to obtain finance on this property**  (e.g. email or message from broker)  **[INSERT EVIDENCE HERE]** |

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| **Answer 6 c** | **Evidence that this property is of standard construction**  (e.g. estate agent brochure or Title Deeds)  **[INSERT EVIDENCE HERE]** |

Question 7 – Refurbishment & Builders’ Quotes

|  |  |
| --- | --- |
| **Answers 7 a** | **PART 1: Explain the extent of the refurbishment (e.g. converting house into flats, adding bedrooms, structural changes or light refurb or cosmetic changes only).**  **REFURB EXTENT:**  **PART 2: Evidence of multiple builders’ quotes for the refurbishment**  **[INSERT EVIDENCE HERE]** |

|  |  |
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| **Answers 7 b** | **PART 1: Explain the extent of the refurbishment (e.g. converting house into flats, adding bedrooms, structural changes or light refurb or cosmetic changes only).**  **REFURB EXTENT:**  **PART 2: Evidence of your own builder’s refurbishment quote as you are a builder**  **[INSERT EVIDENCE HERE]** |

|  |  |
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| **Answers 7 c** | **PART 1: Explain the extent of the refurbishment (e.g. converting house into flats, adding bedrooms, structural changes or light refurb or cosmetic changes only).**  **REFURB EXTENT:**  **PART 2: Evidence of one builder’s quote for the refurbishment**  **[INSERT EVIDENCE HERE]** |

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| **Answer 7 d** | **PART 1: Explain the extent of the refurbishment (e.g. converting house into flats, adding bedrooms, structural changes or light refurb or cosmetic changes only).**  **REFURB EXTENT:**  **PART 2: Quote My Refurb**  (e.g. screenshot or report)  **[INSERT EVIDENCE HERE]** |

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| **Answer 7 e** | **PART 1: Explain the extent of the refurbishment (e.g. converting house into flats, adding bedrooms, structural changes or light refurb or cosmetic changes only).**  **REFURB EXTENT:**  **PART 2: Evidence of your own detailed quote for this refurbishment, as you have experience of refurbishments**  **[INSERT EVIDENCE HERE]** |

Question 8 – No answer required

Question 9 – Article 4 (SA)

|  |  |
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| **Answer 9b** | **Evidence that this is an Article 4 area and that you will have factored in obtaining planning permission**  (e.g. costs and timescale to obtain permission)  **[INSERT EVIDENCE HERE]** |

Question 10 – Head Lease Restrictions (SA)

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| **Answer 10 a** | **Evidence that you have seen the Head Lease and there are no restrictions** (e.g. copy of the Head Lease)  **[INSERT EVIDENCE HERE]** |

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| **Answer 10 b** | **Evidence that the Head Lease has no restrictions from the landlord or agent** (e.g. email from landlord or agent)  **[INSERT EVIDENCE HERE]** |

Question 11 – Comparables (SA)

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| **Answer 11 a, b and c** | **Evidence of comparables showing nightly rates and occupancy rates**  (e.g.urls of comparables from propertymarketintel.com or similar)  **[INSERT EVIDENCE HERE]** |

Question 12 – Property Classification (HMO)

|  |  |
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| **Answer 12 a, b or c** | **Evidence of the property classification (C,3, C4 or Sui Generis)**  (e.g. screenshot from local authority or estate agent)  **[INSERT EVIDENCE HERE]** |

Question 13 – Room Sizes (HMO)

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| **Answer 13 a** | **Evidence that you measured the room sizes yourself**  (e.g. your own measurements)  **[INSERT EVIDENCE HERE]** |

Question 14 – Article 4 (HMO)

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| **Answer 14 a** | **Evidence that the property is not in an Article 4 area**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

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| **Answer 14 b** | **Evidence that the property has grandfather rights and certificate of lawfulness**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

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| **Answer 14 c** | **Evidence that the property is not in an Article 4 area but it may be coming soon**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

Question 15 – HMO Licence (HMO)

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| **Answer 15b** | **Evidence that you require permissions to run an HMO at the property but have calculated these costs and the time-scale to obtain these permissions**  (e.g. costs and time estimate to obtain permission)  **INSERT EVIDENCE HERE]** |

Question 16 – HMO Licence (HMO)

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| **Answer 18 a** | **Evidence of HMO licence**  (e.g. screenshot and link from local authority register of licensed HMOs for the property’s address)  **[INSERT EVIDENCE HERE]** |

Question 17 – Demand (HMO)

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| **Answers 17 a, b, c and d** | **Evidence of demand**  (e.g. screenshots from HMO managers in writing, or links to spareroom.co.uk, propertymarketintel.co.uk, etc)  **[INSERT EVIDENCE HERE]** |

Question 18 – Estimations of Rental (HMO)

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| **Answers 18 a** | **Estimation of rental – exact address**  (e.g. HMO Managers estimate of rental value for that specific address)  **[INSERT EVIDENCE HERE]** |

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| **Answers 18 b** | **Estimation of rental – very comparable property**  (e.g. links spareroom.co.uk, propertymarketintel.co.uk, etc of VERY comparable property renting at that price)  **[INSERT EVIDENCE HERE]** |

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| **Answers 18 c** | **Estimation of rental – almost comparable property**  (e.g. links to spareroom.co.uk, propertymarketintel.co.uk, etc of an ALMOST comparable property renting at that price)  **[INSERT EVIDENCE HERE]** |

Question 19 – Estimations of Rental (BTL)

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| **Answers 19 a** | **Estimation of rental – exact property**  (e.g. screenshots from letting or estate agent in writing)  **[INSERT EVIDENCE HERE]** |

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| **Answers 19 b** | **Estimation of rental – very comparable property**  (e.g. screenshots from fromspareroom.co.uk, propertymarketintel.co.uk, etc)  **[INSERT EVIDENCE HERE]** |

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| **Answers 19 c** | Evidence of Demand **– almost comparable property**  (e.g. screenshots from fromspareroom.co.uk, propertymarketintel.co.uk, etc)  **[INSERT EVIDENCE HERE]** |

Question 20 – Mortgage

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| **Answer 20 a** | **Evidence of mortgage quote or online mortgage calculator for a 75% BTL interest-only mortgage for the finished value** (e.g. email from broker or screenshot of mortgage calculator)  **[INSERT EVIDENCE HERE]** |

Question 21 – Mortgage Stress Test

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| **Answer 21 a** | **Evidence that the monthly rental is the same or less than the mortgage**  (e.g. show the two figures separately and the percentage difference between them)  **[INSERT EVIDENCE HERE]** |

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| **Answer 21 b** | **Evidence that the monthly rental is 1-25% more than the monthly mortgage payment**  (e.g. show the two figures separately and the percentage difference between them)  **[INSERT EVIDENCE HERE]** |

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| **Answer 21 c** | **Evidence that the monthly rental is 25%+ more than the monthly mortgage payment**  (e.g. show the two figures separately and the percentage difference between them)  **[INSERT EVIDENCE HERE]** |

Question 22 – Freehold Property

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| **Answer 22 b** | **Evidence that the property is freehold**  (e.g. Estate Agent’s brochure or Title Deeds)  **[INSERT EVIDENCE HERE]** |

Question 23 – Leasehold Property

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| **Answer 23 a** | **Evidence that the property is leasehold**  (e.g. Estate Agent’s brochure or Title Deeds)  **[INSERT EVIDENCE HERE]** |

Question 24 – Length of Lease

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| **Answer 24 a** | **Evidence that Lease is over 100 years**  (e.g. Estate Agent’s brochure or Title Deeds)  **[INSERT EVIDENCE HERE]** |

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| **Answer 24 b** | **Evidence that Lease is under 100 years and evidence of quote to extend the lease**  (e.g. Estate Agent’s brochure or Title Deeds and quote to extend – email or screenshot)  **[INSERT EVIDENCE HERE]** |

Question 25 – Vacant Possession

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| **Answer 25 a** | **Evidence that the property is acquired with vacant possession**  (e.g. Estate Agent or landlord’s email )  **[INSERT EVIDENCE HERE]** |

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| **Answer 25 b** | **Evidence that the property is tenanted**  (e.g. Estate Agent’s email or Tenancy Agreement)  **[INSERT EVIDENCE HERE]** |

Question 26 – EPC Rating

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| **Answers 26 a, b and c** | **Evidence of EPC Rating**  (e.g. Estate Agent’s brochure or screenshot)  **[INSERT EVIDENCE HERE]** |

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| **Answer 26 d** | **Evidence of EPC Rating and costs to upgrade**  (e.g. Estate Agent’s brochure and quote to upgrade)  **[INSERT EVIDENCE HERE]** |

Question 28 does not require evidence

Question 29 – Auction Fees

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| **Answer 30 a** | **Please provide evidence that you have included Auction fees in your calculations** (e.g. your calculations)  **[INSERT EVIDENCE HERE]** |

Question 30 – Legal Pack (Auctions only)

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| **Answer 32 a** | **Evidence that solicitor has read the legal pack and approved the purchase of the property**  (e.g. solicitor’s email or letter)  **[INSERT EVIDENCE HERE]** |

Question 31 – Survey (Auctions only)

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| **Answers 33 a** | **Evidence of independent building survey**  (e.g. independent surveyor’s report)  **[INSERT EVIDENCE HERE]** |