FREE HAMPTON ROADS INVESTMENT GUIDE

Hampton Roads Investment Readiness Guide

7

DECISION PHASES

from defining strategy through operations

A disciplined framework for defining your strategy, testing the numbers, verifying the property, and deciding whether an opportunity fits.

Real estate investing begins before the property search. A strong plan defines the goal, available capital, financing, decision criteria, operating responsibilities, and exit options before an address creates urgency. This guide is designed to help investors organize those decisions and identify where qualified legal, tax, lending, insurance, inspection, construction, and property management advice is needed.

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YOUR INVESTMENT FRAMEWORK

Let the strategy lead the search

Work through the seven phases in order. The underwriting, property file, and decision gate tools at the end help keep every opportunity grounded in the same process.

01 Define the strategy

Name the purpose of the investment and the result you are trying to create before comparing properties.

02 Verify readiness and reserves

Understand the capital, financing, documentation, and decision authority available before pursuing an opportunity.

03 Build the buy box

Translate the strategy into criteria that can be applied consistently across real opportunities.

04 Underwrite the whole property

Evaluate income, expenses, financing, condition, time, and uncertainty together rather than focusing on one attractive number.

05 Verify the address and rules

Confirm the jurisdiction, records, permitted use, rental requirements, and property risks for the exact address.

06 Protect due diligence

Use the contract and investigation period to replace assumptions with property specific facts.

07 Operate and review

Plan the first year of ownership before closing, then compare actual performance with the original assumptions.

PHASE 1 OF 7

Define the strategy

01

Name the purpose of the investment and the result you are trying to create before comparing properties.

WHAT TO DEFINE AND VERIFY

- Identify whether the primary goal is income, long term ownership, renovation and resale, owner occupancy with rental income, development, or another clearly defined use.
- Set the intended ownership period and describe what would make the investment successful for you without assuming appreciation, rent growth, or a future refinance.
- Decide how active you can realistically be in acquisition, renovation, leasing, maintenance, bookkeeping, and oversight.
- Write the major reasons you would exit, hold, refinance, or change the operating plan.
- Confirm that the strategy fits your broader financial position, time capacity, and tolerance for uncertainty with the appropriate qualified professionals.

INVESTMENT PRINCIPLE

The property should serve the strategy. The strategy should not be invented to justify the property.

PHASE 2 OF 7

Verify readiness and reserves

Understand the capital, financing, documentation, and decision authority available before pursuing an opportunity.

WHAT TO DEFINE AND VERIFY

- Confirm available funds for acquisition, deposits, inspections, appraisal, closing, renovation, carrying costs, operations, and reserves.
- Obtain financing guidance or proof of funds that matches the property type, condition, occupancy plan, ownership structure, and timeline.
- Separate money required to close from reserves needed after closing. Do not treat every available dollar as acquisition capital.
- Identify all decision makers, partners, guarantors, lenders, advisers, and approval steps before an offer deadline.
- Organize entity, banking, tax, insurance, and professional records without assuming a particular ownership structure is right for every investor.

INVESTMENT PRINCIPLE

Readiness is not only the ability to buy. It is the ability to carry, operate, and respond after the purchase.

PHASE 3 OF 7

Build the buy box

03

Translate the strategy into criteria that can be applied consistently across real opportunities.

WHAT TO DEFINE AND VERIFY

- Set the geography, property type, price or total project range, condition, occupancy, unit count, and timeline that fit the plan.
- Define required and preferred features separately, including utilities, parking, access, lot characteristics, layout, zoning, and management demands.
- State the maximum renovation scope, carrying period, and operational complexity you are prepared to manage.
- Choose the minimum information needed before touring, offering, or spending money on deeper analysis.
- Write clear rejection criteria so a property can be declined quickly when it does not fit.

INVESTMENT PRINCIPLE

A useful buy box helps you say no efficiently, not only search more broadly.

PHASE 4 OF 7

Underwrite the whole property

Evaluate income, expenses, financing, condition, time, and uncertainty together rather than focusing on one attractive number.

WHAT TO DEFINE AND VERIFY

- Verify every income assumption and distinguish current documented performance from projected or market based estimates.
- Include taxes, insurance, utilities, association costs, management, vacancy, repairs, maintenance, capital reserves, licensing, and other property specific expenses.
- Model acquisition, renovation, financing, carrying, leasing, resale, and closing costs that apply to the chosen strategy.
- Use more than one scenario, including a conservative case with lower income, higher costs, delays, or unexpected work.
- Document the source and date of each major assumption so the analysis can be updated when facts change.

INVESTMENT PRINCIPLE

A return estimate is only as useful as the assumptions, omissions, and uncertainty behind it.

Verify the address and rules

05

Confirm the jurisdiction, records, permitted use, rental requirements, and property risks for the exact address.

WHAT TO DEFINE AND VERIFY

- Use official locality records to verify ownership, assessment, zoning, permits, code information, utilities, and other available property data.
- Confirm whether the intended use is permitted and whether registration, inspection, licensing, occupancy, parking, or short term rental rules apply.
- Review flood information, access, drainage, insurance availability, association restrictions, easements, and other property specific conditions.
- For occupied property, review the leases, deposits, payment history, notices, maintenance records, and applicable landlord tenant requirements with qualified counsel when needed.
- Evaluate the immediate area using objective property, access, service, and demand criteria rather than protected class information or subjective neighborhood labels.

INVESTMENT PRINCIPLE

The city name does not determine the rules. Verify the exact address, use, and property file.

PHASE 6 OF 7

Protect due diligence

Use the contract and investigation period to replace assumptions with property specific facts.

WHAT TO DEFINE AND VERIFY

- Understand representation, compensation, deposits, contingencies, deadlines, default provisions, and the consequences of waiving protections before signing.
- Select inspections and specialists that match the property, age, condition, systems, intended use, and renovation plan.
- Review title, survey, association, lease, permit, zoning, insurance, utility, appraisal, environmental, and contractor information that applies.
- Rebuild the analysis using verified findings, written estimates, current financing, and the actual contract terms.
- Preserve the ability and discipline to renegotiate, revise the plan, or walk away when the verified facts no longer support the decision.

INVESTMENT PRINCIPLE

Due diligence is not a formality. It is where the investment thesis is tested against the property.

PHASE 7 OF 7

Operate and review

07

Plan the first year of ownership before closing, then compare actual performance with the original assumptions.

WHAT TO DEFINE AND VERIFY

- Assign responsibility for utilities, insurance, security, renovation, leasing, maintenance, bookkeeping, compliance, and emergency response.
- Build a dated first 30, 60, and 90 day operating plan with vendors, documents, reserves, and decision checkpoints.
- Track actual income, expenses, vacancies, repairs, capital work, and time against the acquisition analysis.
- Maintain complete property, tenant, tax, insurance, improvement, and contractor records using professional guidance where appropriate.
- Review the hold, improve, refinance, sell, or acquire again decision using current facts rather than the original expectations alone.

INVESTMENT PRINCIPLE

Closing completes the acquisition. It begins the work of operating and measuring the investment.

UNDERWRITING DISCIPLINE

Count the whole property

A purchase price and projected rent do not describe the complete investment. Build a property specific model and preserve the source of every major assumption.

- Current and supportable income, plus vacancy or collection assumptions
- Taxes, insurance, utilities, association costs, licensing, and management
- Routine repairs, ongoing maintenance, capital replacements, and reserves
- Financing costs, debt service, appraisal, inspections, and closing expenses
- Renovation scope, permits, contractor pricing, contingency, and carrying time
- Leasing, turnover, compliance, bookkeeping, legal, and professional costs
- Sale, refinance, or other exit costs without assuming a future value

CONSERVATIVE CASE

Test lower income, higher costs, delays, vacancy, and unexpected work before the property creates urgency.

Keep the decision traceable

Preserve the records, sources, findings, estimates, and revisions used to decide whether the property fits.

- Official property, assessment, ownership, zoning, permit, and code records
- Purchase contract, addenda, title, survey, association, and disclosure documents
- Current leases, deposits, payment history, notices, and maintenance records
- Inspection reports, specialist evaluations, written scopes, estimates, and permits
- Insurance quotes, flood information, utility records, and service details
- Financing terms, appraisal, proof of funds, cash requirement, and reserve plan
- The dated underwriting model, sources, assumptions, revisions, and final decision record

BEFORE PURSUING THE ADDRESS

- What result is this investment intended to create, and over what period?
- How much capital is available for acquisition, closing, work, carrying costs, and reserves?
- Which property types, conditions, locations, and operating demands fit the plan?

DECISION SEQUENCE

Four gates before commitment

The timing varies by property and strategy. The sequence keeps analysis and protection ahead of urgency.

01

Before searching

- Define the strategy and ownership period
- Confirm capital, financing, and reserves
- Build the buy box and rejection criteria
- Organize advisers, partners, and decision authority

02

Before offering

- Verify the address, use, records, and rules
- Underwrite current facts and conservative scenarios
- Identify the required contract protections
- Confirm the cash, timeline, and approval process

03

During due diligence

- Complete property specific inspections and reviews
- Replace estimates with written findings and costs
- Update financing, insurance, title, and cash needs
- Renegotiate, revise, or exit when the facts require it

04

Before and after closing

- Activate the operating and renovation plan
- Protect reserves, records, deadlines, and compliance
- Track actual performance against assumptions
- Review the next decision using current facts

OFFICIAL RESOURCES

Verify the source before you decide

Rules, costs, property records, tax guidance, and requirements change. Use official sources and qualified professionals for the decision in front of you.

01 Hampton Roads Planning District Commission, Locality Profiles
https://www.hrpdcva.gov/270/Locality-Profiles

02 Virginia SCC, New Business Resources
https://www.scc.virginia.gov/businesses/new-business-resources/

03 IRS Publication 527, Residential Rental Property
https://www.irs.gov/forms-pubs/about-publication-527

04 Virginia DHCD, Landlord and Tenant Resources
https://www.dhcd.virginia.gov/landlord-tenant-resources

05 HUD, Fair Housing Act Overview
https://www.hud.gov/helping-americans/fair-housing-act-overview

06 FEMA Flood Map Service Center
https://msc.fema.gov/

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