



REAL ESTATE INVESTMENT NETWORK™  
*A division of Cutting Edge Research Inc.*

# Property Goldmine Score Card™

Property Address: \_\_\_\_\_

Town: \_\_\_\_\_ Prov: \_\_\_\_\_

Source: \_\_\_\_\_ Tel: \_\_\_\_\_

**Create One For  
Every Town,  
Neighbourhood  
and Property!**

There are **fundamental keys** that affect the value, both current and future, of every piece of real estate. Some are passive factors, while others can be influenced by you. An astute investor analyzes each of these keys for every town, neighbourhood and property BEFORE they buy in to identify a property with great future potential.

This Scorecard is a **REIN™ exclusive** tool designed to give you a simple and easy checklist to follow. It will help you uncover property goldmines, by eliminating emotions and opinions, while ensuring you analyze the **current and future profit potential** of a property before you take action. To use this effectively, make sure you understand all the **fundamental keys** as detailed in the **REIN™ ACRE™ System Home Study Program**.

**The more checkmarks you uncover for a property, the better chance it has of having profit potential.**

Your sources for the answers to these critical economic questions will come from many sources. The best place to begin is the Economic Development web-site and the Economic Development Office for the region you will be looking at, as they should have a statistics package available for you. After getting as many answers from them as you can, then progress to Federal, Provincial and local government statistics sites. Then, for the remainder of the questions, talk with the locals... drive to the region, speak with local investors and realtors. Sometimes you will need to be creative to get the answers, however these questions are all critical in assisting you in assessing the risk of the property investment... be diligent in your pursuit of answers.

Create a **Property Goldmine Scorecard™** for each property you're considering. If you've already completed a current Scorecard for the region, you can easily transfer that info onto your next Scorecard if the property is located in the same region. Then you can complete the property specific questions. Keep these completed cards in your property file and make it a part of your Sophisticated Investor Binder.

This Scorecard is just one step in analyzing the property's potential; once you've completed this first analysis, make sure that you follow all of the steps in your **ACRE™ Due Diligence** system. This will include answering all of the critical Due Diligence questions and completing the **Property Analyzer Form™** before you invest.

# Town or Region

Potential additional info sources, other than **Economic Development or City Planning Offices**, are listed below each question. You will only need to do this regional analysis once per year if you are buying multiple properties in the same area. However, always transfer previous analysis onto a new card for each property.

Analysis Begun on: \_\_\_\_\_, 20\_\_\_\_

## Passive Economic Influences

= YES

Is the area's **average income increasing** faster than provincial average?  
\_\_\_\_\_ %

Is the area's population **growing faster** than the provincial average? \_\_\_\_\_ %

Is the area **creating jobs** faster than the provincial average?

Does the area have **more than one** major employer?

(Above questions: Statistics Canada, Provincial Government Economic Web-sites, Local economic research firms)

Is the area's **Affordability Index** in the Hot Zone (between 25% & 39%)?  
\_\_\_\_\_ %

(RBC Economics for larger regions. Equation: Proportion of median pre-tax income required to service mortgage payments (P&I), property taxes and utilities for a median priced bungalow)

Is it in an area that is going to benefit from a **Boom's Ripple Effect**?  
(Visit surrounding towns and regions. Is the real estate boom occurring in the surrounding region more than where you're looking? If yes, this is a sign of potential boom in your target area.)

Has the **political leadership** created a 'growth atmosphere'?  
(On-line or city hall. Read the minutes of council meetings, speak with mayor or councillors to see whether the leadership is focused on bringing new jobs and growth to the area.)

Is the **Economic Development Office** helpful?  
(This is a key question. If the E.D.O. is difficult to deal with for you, you can often assume that they will be the same for potential employers looking to move into the region.)

Is the area's **infrastructure** being built to handle the expected growth?  
(local town planning department. Look for expansion of water treatment, sewers, commercial and industrial space, etc.)

Is there a major **transportation improvement** occurring nearby?  
(Local town planning department. Trains, planes and automobiles. Will the region become substantially more accessible with the transportation improvements? Make sure the improvement has begun – don't say YES until you see building.)

Is the area attractive to '**Baby Boomers**'?  
(Does it provide lifestyle options: parks/water/recreation, family infrastructure?)

Is a **short term perceived problem** occurring that will disappear?  
(Negative media stories, short term layoffs, etc.)

Are **Mortgage Interest Rates** lower than the 10 year average?  
(Your Mortgage Broker or banker)

Is there a noted **increase in labour and materials cost** in the area?  
(This will drive up the value of new construction, thus lifting the value of existing homes.)

# Neighbourhood

Many neighbourhood specific answers will require an on-site visit to get a real feel. Never just believe the person who is selling you a property to answer these important questions. Dig Deep.

## Passive Economic Influences

= YES

**Is the neighbourhood **an area of renewal or gentrification?****

(City Planning Department – Area Redevelopment Plan. Articles in media about ‘taking back the neighbourhood’, increased pride of ownership)

**Is the Zoning of the neighbourhood poised to change?**

(City Planning Department – Area Redevelopment Plan)

**Will the property value benefit from a new development nearby?**

(Visit surrounding neighbourhoods, look for new or re-development.)

**Is there a lot of **speculative investment** in the area?**

(Has a major announcement driven values upwards, is there an increased amount of investment money pouring in?)

**Are there amenities in the region that would attract your ‘exit’ target buyer?**

(Before you buy, always think of who you will be selling to make sure the property will attract that person)

What are your general observations of the neighbourhood and tenant profile? Keep these notes as they will provide information for your final ‘instinct check.’ Remember, you don’t have to live there, your target tenant does.

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## Real Estate Market

**Are there currently **sales over list price** in the area?**

(mls.ca or your buyer’s agent realtor)

**Is the property located in a Buyer’s Market?**

**Are there more active listings than the 5 year average?**

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**Do you have a quality realtor who understands the investment real estate market in the region?**

**Do you have someone to **Impeccably Manage** the property?**

Who? \_\_\_\_\_

# Key Facts & Figures

As you complete your **Property Goldmine Scorecard™**, you will often uncover key facts and figures. Keep these for future use on your Property Analyzer Form and when completing your Due Diligence.

- Average rents for similar properties: \_\_\_\_\_
- Tenant profile: \_\_\_\_\_
- Does the potential Tenant Profile fit my target market?  Yes  No
- What percentage of the listing price does the annual rent total:  
\_\_\_\_\_ % ([monthly rent \* 12]/ listing price \*100 = %)
- Can you increase the annual income? How? (increase rents, add legal suite, rent garage etc.) \_\_\_\_\_
- At what purchase price does the property make sense vs. the income it generates?  
\$ \_\_\_\_\_
- Do you believe you can get an offer accepted at the price you need to make it work? \_\_\_\_\_

## Conclusion

Now that you have done a lot of the preliminary due diligence on the region, the neighbourhood and the property, you must make a decision on whether to move forward with the rest of your due diligence or abandon the property.

You're looking for a region, and property that has as many "YES" checkmarks as possible. The more checkmarks you have the stronger the fundamentals are for that property's future.

Remember, the **Property Goldmine Scorecard** is just the beginning of your due diligence. It is designed to give you a very good overview of the property's potential. It is critical that you complete the remainder of your ACRE™ System Due Diligence BEFORE you remove all your conditions on the purchase of an investment property. Never skip a step and always do the extra 10% others aren't willing to do.

My Intention with this property is

- Hold it for \_\_\_\_\_ years, then sell it
- Short Term Buy & Hold
- Renovate and Sell
- Other: \_\_\_\_\_