

PURCHASING A MULTI-FAMILY PROPERTY



Ethan B. McNaughton, Esq.
30 Main Street, Suite 1 / P.O. Box 860
Springfield, VT 05156
(802) 885-2240 / 885-4536 fax
emcnaughton@gwlpc.com

WHEN SHOULD I GET AN ATTORNEY?

The contracts you enter dictate the obligations, rights, and liabilities you have.

What does my attorney do?

- Drafts, counter drafts and reviews LOI and/or P&S
- Negotiates on your behalf
- Advises throughout
- Performs the title search
- Provides Lender required certifications in multi-family purchases
- Creates LLC

Inspection Contingency

TYPES OF INSPECTIONS

- Fire and Safety
- Lead Paint (EMP- Essential Maintenance practices)
- Certificate of Occupance (where required)
- Building inspection (Well? Septic?)
- Environmental Phase 1?
- Survey?
- RADON

FINANCE CONTINGENCY

-Overview

-STRATEGIES

-TIME LINES

-SELLER FINANCING?

APPRAISAL

- Do I need one?
- Strategies

SALE OF PROPERTY CONTINGENCY

- 1031 EXCHANGE?
- PROCEEDS NEEDED FROM ANOTHER SALE?

WHAT ABOUT THE TENANTS!?

- Is the building occupied?
- Advantages and Disadvantages
- Practically speaking, is there much choice?

Due Diligence Regarding Existing Tenants

- Leases (when first occupy?)
- Ledgers
- Estoppel Certificates
- What is included in rent?

CLOSING PRO-RATIONS & PREPAIDS

- HOW DO I HANDLE SECURITY DEPOSITS AT CLOSING?
- ESCROWS FOR INSURANCE AND TAXES?
- TAX PRO-RATION
- TRANSFER TAX

TIPS

- Does it matter when I purchase?
- Maintenance Company?

LEASING TIPS

- SCREEN! SCREEN! SCREEN!
- DO I NEED A WRITTEN LEASE?
- DURATION OF LEASE?
- WHAT DO I INCLUDE?
- KEY TERMS

EVICTIION PROCESS

- NOTICE OF TERMINATION
- COMPLAINT
- PAYMENT OF RENT INTO COURT?
- WRIT OF POSSESSION
- RETALIATORY EVICTION?