



REIN's Property Goldmine Scorecard

REIN's Property Goldmine Scorecard is a REIN exclusive methodology and tool designed to give you a simple and easy checklist to follow. It is adapted from the books: *"Real Estate Investing in Canada"* and *"Secrets of the Canadian Real Estate Cycle"* and from REIN's Long-Term Real Estate Success Formula. To be most effective, make sure you understand all the **key drivers and market influencers** as detailed in the books.

For examples, check out REIN's Economic Fundamentals Reports.

Create a **REIN 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 information onto your next **REIN Property Goldmine Scorecard** if the property is located in the same area. 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.

Property Address: _____
City/Town: _____ **Prov:** _____
Neighbourhood: _____
Date of Analysis: _____
Completed by: _____

Disclaimer: This is a sample form for personal use only. If this form is filled out, by hand or electronically, it is not necessarily approved by the Real Estate Investment Network.

Key Drivers

Key drivers are market factors that propel the real estate market through the real estate cycle. They directly affect supply and demand.

Gross Domestic Product (GDP)	Yes	No	Notes:
Is the area's GDP growing faster than the provincial/national average?			
Employment	Yes	No	Notes:
Is the area creating jobs faster than the provincial/national average?			
Is the area's average income increasing faster than provincial/national average?			
Does the area have more than one major employer?			
Does the area have more than one major industry?			
Population	Yes	No	Notes:
Is the area's population growing faster than the provincial/national average?			
Is the area's population younger (median age) than the provincial/national average?			
Are there more first-time home buyers than the provincial/national average?			
Housing Market	Yes	No	Notes:
Are real estate prices increasing?			
Are real estate listings decreasing?			
Are real estate sales volumes increasing?			
Is the number of days to sell real estate trending downward?			
Are the area's average rents higher than the provincial/national averages?			
Is the area's vacancy rate lower than the provincial/national average?			
Is the area's Affordability Index in the Hot Zone?			
Is the housing construction start number lower than the historic average?			
Is the area's gross Return on Investment (ROI) higher than the provincial/national average?			

Market Influencers

Market influencers are factors that affect the perception of an impending change in the real estate cycle. They have a temporary impact on the market, so it is necessary to be aware of them, but not necessary to add them into your calculations.

Macro	Yes	No	Notes:
Is financing readily available?			
What is the current mortgage interest rate?			
What is the inflation rate?			
Are foreign investors influencing the real estate market?			
Are alternative investments giving poorer returns than the real estate investment markets?			
Is public confidence in the real estate market favourable?			
Micro	Yes	No	Notes:
Is the area's infrastructure being built to handle the expected growth? <small>(Local town planning department. Look for expansion of water treatment, sewers, commercial and industrial space, hospitals, and schools)</small>			
Is there a major transportation improvement occurring nearby? <small>(Local town planning department, trains, planes and automobiles. Will the region become substantially more accessible with the transportation improvements? Don't say YES until you see construction beginning)</small>			
Has the political leadership created a growth atmosphere? <small>(On-line or city hall. Read the minutes of council meetings; speak with mayor or councilors to see whether the leadership is focused on bringing new jobs and growth to the area)</small>			
Is the area's Economic Development Office helpful? <small>(This is a key question. If the E.D.O. is difficult for you to deal with, you can often assume that they will be the same for potential employers looking to move into the region)</small>			
Are property taxes lower than the provincial/national average?			
Is the licensing of rental properties pro-investor?			
Are there rent controls?			
Is it an area of revitalization or gentrification? <small>(City Planning Department – Area Redevelopment Plan. Articles in media about taking back the neighbourhood, and increased pride of ownership)</small>			
Is it in an area that is going to benefit from a Boom's Ripple Effect? <small>(Visit surrounding towns and regions. Is a real estate boom occurring in the surrounding region outside where you're looking? If yes, this is a sign of a potential boom in your target area)</small>			

Neighbourhood Specific Information

Finding the answers to neighbourhood specific questions will often require an on-site visit. Never simply believe the person who is selling you a property to answer these important questions. Dig Deep.

	Yes	No	Notes:
Is the zoning of the neighbourhood poised to change? <small>(City Planning Department – Area Redevelopment Plan)</small>			
Will the property value benefit from a new development nearby? <small>(Visit surrounding neighbourhoods. Look for new or re-development projects)</small>			
Is there a lot of speculative investment in the area? <small>(Has a major announcement driven values upwards, is there an increased amount of investment money pouring in?)</small>			
Are there amenities in the region that would attract your exit target buyer? <small>(Before you buy, always think of who you will be selling to, to make sure the property will attract that person)</small>			
Are there currently sales over list price in the area? <small>(mls.ca or your realtor)</small>			
Is the area experiencing a buyer's market?			
Are there more active listings than the five-year average?			
What is the tenant profile?			
General observations of the neighbourhood and tenant profile. <small>(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)</small>			

Conclusion

Remember, REIN's Property Goldmine Scorecard is just the beginning of your market research and 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 REIN's ACRE system, REIN's Property Ladder, REIN's Property Analyzer, and REIN's Diligence Checklist 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.