LISA STEPP STR ADVISORY

20-Point Short-Term Rental Investment Checklist

What to review before you make an offer

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REVIEW THIS WITH YOUR REAL ESTATE AGENT BEFORE YOU OFFER

Your agent/Realtor can help you evaluate seller disclosures, local market conditions, property-specific risks, due-diligence deadlines, inspection strategy, and offer contingencies. Do not waive protections or rely on this checklist alone.

How to use the checklist

- **[ ] GREEN:** Verified and acceptable. You have supporting documents or professional confirmation.
- **[ ] REVIEW:** More information is needed before you are comfortable proceeding.
- **[ ] STOP:** An unresolved issue could change the value, financing, legality, insurability, or offer strategy.

Your decision rule

Do not treat projected revenue as proof that the deal works. Verify permission to operate, physical condition, insurance, complete expenses, financing, and offer protections with the appropriate professionals.

Property or listing: ____

Purchase price: ________________ **Agent/Realtor:** ____________________________

SECTION 1

Permission, Rules & Offer Protection

Confirm that the property can be operated as intended and that your offer preserves the right to investigate.

1 Legal STR use for the exact property

Have the city, county, zoning authority, or other governing body confirmed that short-term rental use is permitted for this exact parcel and intended occupancy?

Review with your real estate agent/Realtor: real estate agent, local planning/zoning office, and attorney when needed

Keep written confirmation, permit records, or applicable code references.

[ ] GREEN
[ ] REVIEW
[ ] STOP

2 Permit and license requirements

Are permits available, transferable, renewable, and subject to caps, waiting lists, inspections, spacing rules, or owner-occupancy requirements?

Review with your real estate agent/Realtor: real estate agent and local licensing authority

Confirm what must be completed before advertising or accepting guests.

[ ] GREEN
[ ] REVIEW
[ ] STOP

3 HOA, condo, deed, and community restrictions

Have you reviewed recorded restrictions, bylaws, rules, meeting minutes, pending assessments, rental minimums, and the association's enforcement history?

Review with your real estate agent/Realtor: real estate agent, title/closing professional, HOA/association, and attorney when needed

A city permit does not override private restrictions.

[ ] GREEN
[ ] REVIEW
[ ] STOP

4 Occupancy and operating rules

Do occupancy, parking, noise, trash, fire-safety, signage, pool, hot-tub, and local-contact requirements support your intended guest capacity and operating plan?

Review with your real estate agent/Realtor: real estate agent, local authority, property manager, and insurance agent

Compare legal guest capacity with the revenue projection.

[ ] GREEN
[ ] REVIEW
[ ] STOP

5 Seller disclosures and property history

Have you reviewed disclosures, permits, insurance claims, repairs, additions, code issues, rental history, complaints, and known defects?

Review with your real estate agent/Realtor: real estate agent and inspector; attorney or specialist when appropriate

Ask your agent what additional documents or seller questions are appropriate.

[ ] GREEN
[ ] REVIEW
[ ] STOP

SECTION 2

Property Condition, Access & Insurance

A high-revenue projection cannot overcome an uninsurable, inaccessible, unsafe, or expensive-to-repair property.

#	Item	Status
6	**General and specialty inspections** Have you scheduled a general inspection and any needed roof, HVAC, structural, chimney, pest, radon, pool/spa, sewer-scope, mold, or other specialist inspections? **Review with your real estate agent/Realtor:** real estate agent and qualified inspectors *Review inspection deadlines and repair/termination rights with your agent.*	[ ] GREEN [ ] REVIEW [ ] STOP
7	**Well, septic, water, and wastewater capacity** If applicable, have you verified water quality, well flow, septic location, permit, bedroom capacity, maintenance history, and inspection results? **Review with your real estate agent/Realtor:** real estate agent, qualified well/septic professionals, local health department, and lender *Guest capacity may exceed the system's permitted design capacity.*	[ ] GREEN [ ] REVIEW [ ] STOP
8	**Insurance and catastrophe risk** Do you have a property-specific quote that permits short-term rental use and accounts for flood, wind, hurricane, wildfire, elevation, freeze, liability, pool, hot tub, and loss-of-income exposure? **Review with your real estate agent/Realtor:** insurance agent, real estate agent, and lender *Check FEMA flood information and market-specific hazard exclusions.*	[ ] GREEN [ ] REVIEW [ ] STOP
9	**Title, access, survey, and easements** Are legal access, driveway rights, shared roads, utilities, encroachments, easements, boundaries, parking, and maintenance responsibilities acceptable? **Review with your real estate agent/Realtor:** real estate agent, title/closing professional, surveyor, and attorney when needed *Mountain, rural, waterfront, and shared-access properties deserve extra review.*	[ ] GREEN [ ] REVIEW [ ] STOP
10	**Property eligibility for financing** Could condo status, acreage, mixed use, manufactured construction, additions, non-permitted space, unique design, deferred maintenance, or commercial features affect the appraisal or loan program? **Review with your real estate agent/Realtor:** Lisa/lender, appraiser when available, and real estate agent *Send the listing and property details to the lender before the offer when possible.*	[ ] GREEN [ ] REVIEW [ ] STOP

SECTION 3

Revenue, Expenses & Operations

Build the analysis from verified assumptions and include the costs that gross-revenue screenshots leave out.

11 Revenue projection from more than one source

Have you compared seller history, property-manager projections, market data, comparable listings, and the property's actual bedroom count, amenities, view, access, and condition?

Review with your real estate agent/Realtor: real estate agent, property manager, STR data provider, and lender

Treat projections as estimates; document the assumptions behind them.

[ ] GREEN
[ ] REVIEW
[ ] STOP

12 Seasonality, occupancy, and nightly rate

Does the forecast reflect slow months, weekday/weekend differences, event periods, minimum stays, discounting, cancellations, and realistic ramp-up time?

Review with your real estate agent/Realtor: property manager, real estate agent, and experienced local operator

Stress-test a weaker year, not only the best-case year.

[ ] GREEN
[ ] REVIEW
[ ] STOP

13 Complete operating-expense budget

Have you included management, cleaning gaps, utilities, internet, platform and merchant fees, supplies, repairs, lawn/pool/pest, permits, accounting, HOA, snow/road costs, and replacement reserves?

Review with: property manager, CPA, insurance agent, and local vendors

Use actual quotes where possible instead of generic percentages.

[ ] GREEN
[ ] REVIEW
[ ] STOP

14 Cash flow and debt-service stress test

After complete expenses and financing, does the property still meet your required cash flow, cap rate, debt coverage, and break-even occupancy under conservative assumptions?

Review with: Lisa/lender, CPA or financial professional, and property manager

Run higher-rate, lower-revenue, and higher-expense scenarios.

[ ] GREEN
[ ] REVIEW
[ ] STOP

15 Taxes and recordkeeping

Have you confirmed property taxes, reassessment risk, lodging/occupancy/sales taxes, platform collection rules, filing duties, and the tax treatment of personal use and rental expenses?

Review with your real estate agent/Realtor: CPA/tax professional, local tax authority, real estate agent, and property manager

Do not assume the platform handles every tax or filing obligation.

[ ] GREEN
[ ] REVIEW
[ ] STOP

SECTION 4

Financing, Cash & Offer Strategy

Match the property, borrower, and offer terms to a realistic financing plan before deadlines start running.

16 Financing strategy and income treatment

Have you compared DSCR, conventional investment-property, second-home, jumbo, portfolio, or other available strategies and confirmed how the selected lender may evaluate rental income?

Review with your real estate agent/Realtor: Lisa/lender and real estate agent

Preliminary guidance is not final approval; lender and property review still apply.

[ ] GREEN
[ ] REVIEW
[ ] STOP

17 Total cash needed

Have you budgeted down payment, closing costs, prepaid taxes/insurance, lender reserves, renovation, furnishings, startup supplies, permits, and an operating cushion?

Review with your real estate agent/Realtor: Lisa/lender, real estate agent, title/closing professional, and contractor/vendors

Do not use every available dollar to reach the closing table.

[ ] GREEN
[ ] REVIEW
[ ] STOP

18 Appraisal and value risk

Could the contract price, upgrades, furniture allocation, unusual design, limited comparable sales, income expectations, or market volatility create appraisal or valuation risk?

Review with your real estate agent/Realtor: real estate agent and Lisa/lender

Discuss appraisal gaps and contract protections before offering above supportable value.

[ ] GREEN
[ ] REVIEW
[ ] STOP

19 Offer contingencies and due-diligence deadlines

Does the offer provide enough time and protection for financing, appraisal, inspection, title, insurance, HOA, permit, rental-history, and other property-specific review?

Review with your real estate agent/Realtor: real estate agent and attorney where appropriate

Review every deadline and the consequences of waiving or missing it.

[ ] GREEN
[ ] REVIEW
[ ] STOP

20 Operating plan and exit strategy

Do you have a manager/cleaning/maintenance plan, startup timeline, emergency coverage, and a viable backup use or exit if STR rules, revenue, insurance, or financing changes?

Review with your real estate agent/Realtor: real estate agent, property manager, Lisa/lender, CPA, and attorney when needed

Consider long-term or mid-term rental feasibility and resale demand.

[ ] GREEN
[ ] REVIEW
[ ] STOP

FINAL REVIEW

Before You Make or Revise the Offer

Resolve the red flags, document the assumptions, and align your professional team.

Decision area	Green	Review	Stop
Legal use & restrictions	[ ]	[ ]	[ ]
Property, insurance & access	[ ]	[ ]	[ ]
Revenue, financing & offer	[ ]	[ ]	[ ]

Required conversation with your real estate agent

[ ] What disclosures, restrictions, permits, or market-specific issues should we investigate further?

[ ] Which contingencies and deadlines protect my ability to complete inspections, financing, appraisal, title, insurance, and STR-use review?

[ ] What documents or seller questions should be requested before I waive any contingency or due-diligence right?

[ ] Does the offer price and strategy reflect comparable sales, property condition, STR limitations, and resale demand?

Team sign-off notes

Real estate agent/Realtor: ____

Financing advisor: ____

Insurance agent: ____

Inspector / specialist: ____

CPA / tax professional: ____

Attorney / title professional (when needed): ____

Official reference starting points

- CFPB - Home inspection and appraisal guidance
- CFPB - Title insurance and closing services
- FEMA - Official flood-map products and tools
- EPA - New homebuyer guidance for septic systems
- IRS - Rental income and expenses

Important disclaimer: This checklist is educational and does not replace advice from a real estate agent, attorney, inspector, insurance professional, CPA, property manager, appraiser, local authority, or lender. It is not an appraisal, investment recommendation, legal or tax advice, commitment to lend, underwriting decision, or guarantee of rental income, property eligibility, loan approval, or future performance. Rules, insurance, taxes, market conditions, loan programs, and lender guidelines can change. Verify all information for the specific property before making a decision.