

Small Building Financing Milestones

Keep this milestone list close by and use it as a quick reference to keep your project on track and on time.

PRIMER

- Calculate your small building's projected NOI.

PROJECT FEASIBILITY & PREDEVELOPMENT

- Engage with potential lenders.
- Determine your own skills and financial strength, and who you might need to add to your team.
- Identify sources of information regarding which small properties are available to acquire in the municipality you're interested in.
- Research market characteristics, including demand, demographics and comps.
- Research the zoning, building code and community development requirements or plans in the municipality that interests you.
- If your project requires construction or rehabilitation, create a scope of work.
- Create pro forma I&E and construction or rehabilitation budget (as needed).
- Calculate your small building's supportable loan amount to determine project feasibility. (Use a lender's LTV and DCR requirements if relevant and accessible.)
- If your project has a financing gap, speak to your lender about subsidy or other options.

CLOSING

- Review your commitment letter with your lawyer. Make sure you fully understand this legally binding document.
- Create a checklist of the documentation you must provide and of the requirements you must meet before you can close your loan.
- Confirm with your lender what you will need to bring with you to your scheduled closing.

CONSTRUCTION & REHABILITATION

- If your project involves construction, create a requisition schedule with your general contractor and architect.
- Familiarize yourself with AIA change order forms in case you need to submit one as your project progresses.
- Create a checklist of the documentation you must provide and of the requirements you must meet before you can convert your loan.

PROPERTY MANAGEMENT

- Prepare a marketing plan for your units and create a standard lease.
- Identify and hire, if needed, a property manager or management company.
- If you are managing your property yourself, determine regular property maintenance requirements, including landscaping, plowing and basic repairs, and identify any vendors you will need to support your building.