



# PURCHASE AND DUE DILIGENCE WORKSHEET FOR BUYING PROPERTY

ACQUISITION COSTS	ACQUISITION COSTS OCCUR ONLY ONCE PER PROPERTY PURCHASE
Appraisal Fee	The property is inspected and assessed by an appraiser to determine its market value. There is a fee for this appraisal.
Purchase Price	The actual price paid to purchase a property.
Title Search and Title Commitment	<p>The word title refers to the legal right to own and control property.</p> <p>A <b>title search</b> is an investigation to determine who legally owns the property and whether there are any unpaid liens, taxes or claims to a property that “cloud” the title.</p> <p>A <b>title commitment</b> is a promise by an insurance company to insure the property for a certain price based upon the results of a title search.</p>
Title insurance	Title insurance is a promise from the insurance company to pay for any claims related to disputes over ownership of the property.
Eliminating Liens	It may be necessary to pay-off or extinguish any liens on a property to gain full title. These liens may include federal or state tax liens and utility, demolition or mortgage liens among others.
Clear Title Action	A clear title action is a legal suit to rid a property of past liens, debts, or judgments against a property.
Land Survey	A land survey is a detailed inspection of a property that determines property boundaries, assets, and land condition.
Environmental Assessment	An environmental assessment provides an environmental history of a particular site that can uncover any past uses, including the presence of lead, asbestos, or other pollutants.



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Environmental Remediation	If there is a history of environmental contamination or pollution on a property, local, state and federal law require that these conditions are cleaned up (remediated) based on risk factors and how property will be used.
Attorney Fees	Attorney assistance is recommended for many key steps in the process of buying property, including resolving title issues, negotiating a purchase contract and other complex legal steps.
Site Improvements	Site improvements may include the installation of alleyways, drains and other types of infrastructure.
Inspection and Other Fees	Many municipalities require an inspection by the local building department. There is a fee for this inspection.
<b>COSTS OF OWNING PROPERTY</b>	<b>THE OVERALL COSTS OF OWNING OR HOLDING PROPERTY REPEAT FOR EVERY YEAR THAT YOU OWN THE PROPERTY</b>
Securing the Property	Property owners must make sure that the property is secure to protect any structures and to fulfill their responsibility to neighbors to maintain their property. Security measures can include fencing around a property, boarding vacant property or installing and maintaining a security alarm system.
Utilities	Basic utilities should be kept on even when a property is vacant to prevent property damage. Utilities include water, heat and electricity.
Maintaining Property	Regular mowing and maintenance is the responsibility of the property owner.
Property Taxes	Property taxes must be paid annually or the property may fall into tax foreclosure.



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Insurance, Property	Property insurance must be maintained on the land and any assets (structures) on the land to protect the owner's investment and the stability of the neighborhood.
Insurance, Liability	Liability insurance is crucial for a property owner to protect themselves against any injuries or accidents that might occur on the property.

<b>ACQUISITION COSTS TO PURCHASE PROPERTY</b>	
Appraisal Fee	+
Purchase Price	+
Survey	+
Title Search and Title Insurance	+
Extinguishing Liens (federal tax, utilities, demo)	+
Clear Title Action	+
Environmental Assessment	+
Environmental Remediation	+
Attorney Fees	+
Site Improvements	+
Fees, Miscellaneous	+
<b>Acquisition Costs Sub-Total</b>	<b>=</b>
Subsidies, Grants	-
<b>Total Acquisition Costs</b>	<b>=</b>



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<b>ANNUAL COSTS TO OWN PROPERTY</b>	<b>MONTHLY</b>	<b>ANNUAL</b>	<b># OF YEARS</b>
Securing the Property (fencing, boarding, etc.)	+	x 12 =	x ____ =
Alarm System / Security System	+	x 12 =	x ____ =
Utilities (Water, Heat, Electricity)	+	x 12 =	x ____ =
Maintaining the Property (mowing, re-boarding)	+	x 12 =	x ____ =
Property Taxes	+	x 12 =	x ____ =
Insurance, Property	+	x 12 =	x ____ =
Insurance, Liability	+	x 12 =	x ____ =
Other, Miscellaneous	+	x 12 =	x ____ =
<b>Holding Costs Sub-Total</b>	=	x 12 =	x ____ =
Tax Abatements	-	x 12 =	x ____ =
<b>Total Holding Costs</b>	=	x 12 =	x ____ =

<b>TOTAL COSTS FOR FIRST YEAR</b>	
Total Acquisition Costs	+
Total Holding Costs	+
<b>Total Costs</b>	=

*DISCLAIMER: This material should be used as a reference only. It is not a substitute for legal advice. The law changes frequently. The information provided may not apply to your specific set of facts or circumstances. If you require legal advice, please consult your attorney.*