START HERE

Passive Investor Readiness Checklist

A self-assessment to help you decide what to learn next.

Passive apartment investing involves more than understanding projected returns. Before evaluating individual opportunities, it can be helpful to know which concepts already feel familiar - and which ones deserve more attention.

HOW TO USE THIS CHECKLIST

Mark the statements you feel comfortable explaining in your own words today. Leave anything you are unsure about unchecked - those items become your personallearning list. There is no score. This is not an investment qualification, accreditation test, suitability assessment, or recommendation to invest.

Choose a Learning Area

01 PASSIVE INVESTING BASICS

The investor's role, potential returns and economic structure.

- [ ] I understand the basic difference between investing passively in an apartment property and owning or managing rental property myself.
- [ ] I understand the general responsibilities of the passive investor, sponsor/operator, property manager, and lender.
- [ ] I understand that passive investors typically rely on the sponsor or operator to make most day-to-day operating and investment decisions.
- [ ] I understand, at a high level, how investors may own an interest in an entity that owns the apartment property rather than owning an individual apartment unit.
- [ ] I understand that potential investment returns may come from operating cash flow, property appreciation, debt pay down, refinancing, and an eventual sale.
- [ ] I understand that projected returns and distributions are estimates and are not guaranteed.
- [ ] I understand that the timing and amount of distributions may change based on actual property performance.
- [ ] I understand that sponsors and operators may receive fees and a share of investment profits, and that the economic structure should be reviewed as part of evaluating an opportunity.

Timing and liquidity.

- [ ] I understand that private apartment investments are generally illiquid and may not provide an easy way to sell my investment before the property is sold or refinanced.
- [ ] I understand that an estimated hold period is a business-plan assumption rather than a guaranteed exit date.
- [ ] I understand that changing market, financing, or property conditions can affect when an investment is refinanced or sold.

If several of these concepts are unfamiliar: Your best starting point is Passive Investing Basics in the Learning Hub.

02 APARTMENT DEAL FUNDAMENTALS

How a property, financing, business plan and sponsor are evaluated.

- [ ] I understand the basic relationship between a property's revenue, operating expenses, and Net Operating Income (NOI).
- [ ] I understand, at a high level, how NOI and market capitalization rates can affect property value.
- [ ] I understand why debt and leverage can increase potential returns but can also increase risk.
- [ ] I understand that apartment investments can have different business plans, such as stabilized, light value-add, value-add, redevelopment, or distressed strategies.
- [ ] I understand that a property's projected business plan should be evaluated along with the assumptions required to execute it.
- [ ] I understand why evaluating the sponsor or operator is an important part of evaluating the investment itself.
- [ ] I understand that due diligence includes more than reviewing projected financial returns and can involve financial, physical, market, legal, insurance, financing, and operational considerations.

If several of these concepts are unfamiliar: Spend time in Apartment Deal Fundamentals.

03 MARKET STUDIES

How market conditions influence apartment performance.

- [ ] I understand why the same apartment investment strategy can perform differently in different markets.
- [ ] I understand why employment, economic diversity, population and household growth can influence apartment demand.
- [ ] I understand why new apartment supply, construction pipelines, occupancy, rent growth, and absorption should be considered together.
- [ ] I understand that taxes, insurance costs, regulation, and other local operating conditions can materially affect property performance.
- [ ] I understand that market research represents conditions at a point in time and should not be treated as a prediction of future performance.

If these topics are new to you: Explore Market Studies and see how different markets and risk factors are evaluated.

START HERE

Passive Investor Readiness Checklist

A self-assessment to help you decide what to learn next.

Passive apartment investing involves more than understanding projected returns. Before evaluating individual opportunities, it can be helpful to know which concepts already feel familiar - and which ones deserve more attention.

- [ ] **PASSIVE INVESTING BASICS**
  I want to better understand my role, investment structure, potential returns, fees, liquidity, and risk.

- [ ] **APARTMENT DEAL FUNDAMENTALS**
  I want a better high-level understanding of tax considerations and how apartment investing may fit into long-term financial planning.

- [ ] **MARKET STUDIES**
  I want a better high-level understanding of tax considerations and how apartment investing may fit into long-term financial planning.

- [ ] **TAX & WEALTH STRATEGY**
  I want a better high-level understanding of tax considerations and how apartment investing may fit into long-term financial planning.

Questions I Want to Answer

The concept I most want to understand better is:

One question I have after completing this checklist is:

The Learning Hub area I plan to explore next is:

REMEMBER
You do not need to understand every term before continuing through the Learning Hub. Learn at your own pace, return to topics as needed, and use Ask Robert whenyou want clarification or additional context.