

Thinking about selling your investment property? Selling for MAXIMUM profit takes preparation and a strategy. Preparing 12-24 months in advance makes sure you don't leave the results up to chance. To maximize the sale price of your property, you should follow these key steps:

### **1. Optimize Financial Performance**

**"If I knew the value of my property was effected by the income, I would have been charging more!"** I got this response from an owner when discussing the value of an investment property before a sale.

Raise Rents Strategically: Review market comps and adjust rents if below market value. Below market rents often equate to below market purchase price!

Increase Occupancy: Aim for 95%+ occupancy to showcase stability.

Reduce Expenses: Negotiate better contracts for utilities, landscaping, and maintenance.

Minimize Delinquencies: Tighten tenant screening and collection policies. Get rid of nonpaying tenants!

### **2. Improve Property Condition & Curb Appeal**

**Buyers and Tenants both want a property that looks nice! Cleaning and small, inexpensive repairs can help give your property a facelift before listing.**

Exterior Enhancements: Fresh paint, landscaping, signage, and parking lot repairs.

Common Area Upgrades: Hallways, lighting, laundry rooms, and amenities.

Unit Upgrades: If feasible, modernize kitchens, bathrooms, and flooring to justify higher rents. **This may need to start more than 12 months out.** You'll need time to fill these units with higher paying tenants.

Deferred Maintenance: Address roof, HVAC, plumbing, and electrical issues.

### **3. Prepare Financial Documents and Due Diligence Items**

**Buyers, lenders and appraisers all want to see financial records. Actuals... not just Proformas!**

Profit & Loss Statements: A T12 report showing the trailing 12-month income and expenses are KEY! Ensure clean records for at least the past 2-3 years.

Rent Roll: Keep an updated rent roll showing occupancy, lease terms, and rent amounts.

Be ready for Due Diligence by organizing Lease Agreements. Ensure all leases are signed and properly filed. Have a detailed record of CapEx expenditures. Document recent upgrades and maintenance to reassure buyers. Doing this is also a good way to make sure some CapEx items did not end up listed as repairs or maintenance items.

#### **4. Hire Key Professionals**

We talk over and over again about how real estate investing is a team sport. Make sure you have your team in place. Here are a few of the main players for preparing to sell a property:

**Commercial Real Estate Broker:** A strong broker with multifamily experience can help maximize exposure.

**Real Estate Attorney and Settlement Company:** Ensure contracts, leases, abstract, title opinion and other legal documents are in order.

**Accountant:** Tax planning can optimize your net proceeds.

**Qualified Intermediary:** If you are planning to do a 1031 exchange, coordinating with a QI ahead of time can help avoid mistakes during the process.

#### **5. Prepare a Marketing Plan**

**Professional Photography & Video:** High-quality visuals attract serious buyers. Drone photography and aerial videos are perfect for large properties with multiple buildings.

**Market Research:** Compare similar sales in the area to set a competitive yet premium price

**Investor Outreach:** Your broker should market to local and national buyers.

**Online Listings:** Use LoopNet, CoStar, Crexi, and even the MLS to reach a wide audience.

**Off-Market Buyers:** An off-market promotion can motivate potential buyers to move quickly and possibly pay a premium.