From Listing to Offer

The 8-step underwriting checklist

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Underwriting isn't about finding reasons to buy. **It's about finding the number at which you would.** Work the steps in order.

1 Gather

What do I actually know, and what is just marketing?

- ☐ Before you model: listing / OM, rent roll, T-12, photos (basement and mechanicals too)
- ☐ Same day: request leases, 12 to 24 months of utility bills, the current tax bill
- ☐ Start a new sheet and a deal folder now; note each number's source as you go. Base case on the T-12

BLIND SPOT #1 **The listing is a sales document**

2 Rents

What does it earn, and what could it earn?

- ☐ Tie the rent roll to leases and bank deposits; flag month-to-month and fresh renewals
- ☐ 5 to 8 comps: 0.25 to 0.5 mi in the city, last 90 days, same bed / bath, similar size and condition
- ☐ Matching comps first; adjust for heat, laundry and baths only when data is light. Underwrite the middle of the range

BLIND SPOT #2 **Rents the market won't support**

3 Expenses

What does it really cost to run?

- ☐ Vacancy from your census tract (ACS), not a reflexive 5%
- ☐ Every line on the back, including management (8% to 10%) even if you self-manage
- ☐ 2 to 3 real insurance quotes; sanity-check the total at 35% to 50% of income

BLIND SPOT #3 **The missing lines**

4 Verify

Does the public record match the listing?

- ☐ Assessor, treasurer, recorder, building department, zoning map (every source and URL on page 3)
- ☐ Match units, bedrooms and square feet to the listing
- ☐ Note exemptions, prior sale price, liens, permits vs the listing's claims, open violations and building court; model taxes at YOUR price

BLIND SPOT #4 **The seller's tax bill**

BLIND SPOT #5 **Units that aren't legal**

5 Inspect

What will it cost me that nobody mentioned?

- ☐ Confirm who pays heat, water, electric and trash (leases, meters, bills)
- ☐ Age the roof, boiler, water heaters, windows, sewer line
- ☐ Price CapEx as now / 1 to 2 years / reserve; run the DD list (back) before your money is at risk

BLIND SPOT #6 **Who pays the heat and water**

BLIND SPOT #7 **Deferred CapEx priced at zero**

6 Measure

Does it hit my buy box, and does it survive a bad year?

- ☐ Current and stabilized columns, always
- ☐ NOI, cap rate, cash-on-cash, DSCR against your buy box
- ☐ Stress it: rate +1 pt, vacancy +5 pts, expenses +10%, then all three together

BEST PRACTICE **Never trust one number**

7 Upside

Where can I create income, and what is it worth?

- ☐ Signals: below-market rents, long-tenured tenants, owner-paid utilities, unused space, dated interiors
- ☐ Size it: units × monthly lift × 12, divided by the cap rate = value created
- ☐ Cost it with real bids, vacancy during work, notice rules, 10% to 15% contingency

BLIND SPOT #8 **Paying the seller for your upside**

8 Offer

What should I pay, and how much leverage do I have?

- ☐ Back-solve your walk-away price (back); never go above it
- ☐ Leverage is evidence: motivation, market, condition
- ☐ Set three numbers: opening, target, walk-away. Price inspection findings as a credit

WATCH FOR **Anchoring on the asking price**

My buy box: Cash-on-cash ≥ ________ DSCR ≥ ________ Cap rate ≥ ________ Max $ / unit ________ Units ________

Cook County, in plain English

No reset at closing, but don't use the seller's bill. The seller's exemptions (homeowner $10,000 of EAV, senior $8,000, senior freeze) leave with the seller on day one, and your price becomes the evidence at the next reassessment (City of Chicago: tax year 2027). Deal A: $5,981 on the seller's 2025 bill, about $14,120 on day one, about $17,650 after 2027 at asking.

Bill = (market value × 10% × 3.0300 equalizer − exemptions) × your tax code's rate (~6.9%). On market value, that's about **2.1%** a year.

Chicago costs people miss: the titleholder is liable for water and sewer; city trash covers 4 units or fewer (5+ need a private scavenger); the Heat Ordinance requires 68°F by day, 66°F at night, Sept 15 to June 1.

Estimate every expense line

LINE	HOW TO ESTIMATE IT	RULE OF THUMB
Property taxes	Your price through the local formula; seller's exemptions removed	Never the seller's bill
Insurance	2 to 3 real quotes from agents	Premiums up ~75% since 2019
Owner-paid utilities	12 to 24 months of actual bills	$500 to $1,000 per unit per year swing
Repairs and maintenance	Per unit per year; higher for older buildings	About $1,100 per unit (NAA)
Turnover / make-ready	Cost per turn × turns per year	Paint, clean, repair, lease-up
Management	% of effective income	8% to 10%, even if you self-manage
CapEx reserve	Per unit per year, on top of the big items	$250 to $500+ per unit
Everything else	Trash, snow, pest, legal, admin, licenses	Small lines add up
Other income	Line by line, with a source	Count what the T-12 proves; "potential" is upside
Vacancy and credit loss	Your census tract, ACS tables B25004 and B25003	U.S. rental vacancy 7.3% (Q2 2026)

The numbers, in plain English

METRIC	FORMULA	WHAT IT TELLS YOU
NOI	Income − operating expenses (before the mortgage)	What the property earns. Creative financing never changes it
Cap rate	NOI ÷ price	Yield as if you paid cash; comparable across listings
Yield on cost	NOI ÷ (price + closing + CapEx now)	What your money earns after the urgent work
Cash-on-cash	Annual cash flow ÷ cash you put in	Your yield with your financing
DSCR	NOI ÷ annual debt payments	Lenders want 1.20x to 1.25x or more
Break-even occupancy	(Expenses + debt) ÷ gross potential income	85% or lower is comfortable

Back-solve your walk-away price

Lender test (DSCR): the most debt the NOI can carry sets the loan, and the loan sets the price.

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max payment = NOI ÷ min DSCR → max loan → price
= loan ÷ LTV
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Your test (cash-on-cash): the price where cash flow ÷ cash in = your target.

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(NOI − payment) ÷ (down + closing + CapEx now)
= target
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Walk-away = the lower of the two. Remember that taxes rise with your price; the template solves for that.

Deal A, 6335 N Claremont, asking $849,900, 7%, 25% down: DSCR test $723k, cash-on-cash test $663k. Walk-away: $663k, 22% under asking.

Stress it, then read the leverage

Stress test: rate +1 pt, vacancy +5 pts, expenses +10%, one at a time and then all together. If DSCR drops below 1.0x in the bad year, you are underwriting hope.

MOTIVATION

- Days on market vs median
- Price cuts, relists
- Absentee, long-time owner
- Rents far below market

MARKET

- Sale-to-list ratio
- Months of supply
- Share of listings cutting price

CONDITION

- Findings priced by contractors
- Ask for a credit, not a vague discount

Before your money is at risk

LEGAL

- Legal unit count and zoning
- Permits vs photos and the listing's claims; violations, building court
- Title, liens, delinquent taxes
- Service contracts and licenses

FINANCIAL

- Every lease and addendum
- Tenant estoppels
- T-12 vs bank deposit statements
- Security deposits and where they're held
- Utility bills, insurance quote and loss runs

PHYSICAL

- Walk every unit
- Roof, electrical, boiler / HVAC, water heaters
- Sewer scope (about $1,000)
- Porches, masonry, foundation
- Lead paint (pre-1978)

AI reads. The spreadsheet calculates. You verify the sources.

Use it to pull a rent roll out of an OM, turn an inspection into a priced repair list, draft your DD list, and critique your assumptions against the T-12.

Watch out: it can't pull the county record, recorded documents, permits and violations, census vacancy or live comps; "approximately right" math is worthless to a lender; and it only checks what you thought to ask.

Get the free Excel template (blank and ready for your deal: all 8 steps, max offer and stress test built in): **relea.ai/ccia**

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Pull the public record

Step 4: does the record match the listing? Free, by address.

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The listing is what the seller wants you to see. The record is what the county and the city already know. **Search the address once to get the PIN; the PIN opens everything else.**

Address → **Assessor: PIN, units, exemptions** → **Tax portal: real bill** → **Recordings: price paid, loan** → **City: permits, violations** → **Zoning** → **Court** → **Census vacancy**

SOURCE	WHERE	WHAT YOU WILL FIND	WHY IT MATTERS
Cook County Assessor	cookcountyassessoril.gov	The 14-digit PIN; class (2-11 is 2 to 6 apartments, 3-xx is 7+); number of apartments, sq ft, age, basement; value history, exemptions, appeals, next reassessment	The legal unit count and class drive your loan, insurance and taxes. Exemptions on the seller's bill tell you how far it understates yours
Treasurer / Property Tax Portal	cookcountypropertyinfo.com cookcountytreasurer.com	Bills issued and paid, exemptions applied, installment due dates, delinquent taxes, tax sales, and a note when a lender escrows the taxes	The real bill, not the listing's. Unpaid taxes must clear at closing, and a lender escrow note means a live mortgage
Clerk: Recordings	crs.cookcountyclerkil.gov	Deeds (the consideration is the price paid), mortgages (amount, lender, date), releases, liens, lis pendens	What the seller paid and still owes. A mortgage with no release is still open; a lis pendens means litigation or foreclosure. This sets the seller's floor
Clerk: Tax rates	cookcountyclerkil.gov Property Taxes › Tax Rates	The tax rate for the property's tax code, and the state equalizer	Lets you compute the bill at YOUR price: market value × 10% × equalizer × rate, about 2.1% of price in Chicago
City of Chicago building records	webapps1.chicago.gov/buildingrecords	Permits issued, inspections passed and failed, open violations, code enforcement cases, building court hearings	Tests the listing's claims (new roof, rebuilt porch). Violations and cases travel with the building and can block leasing, insurance or a refinance
Chicago zoning map	gisapps.chicago.gov/ZoningMapWeb	Zoning district, how many units the lot allows, overlays	Whether an extra unit is legal or can be made legal, before you pay for it
Clerk of the Circuit Court	cookcountyclerkofcourt.org Online case search	Building (housing) court, foreclosure and eviction cases, judgments, and each case's disposition	The certified disposition to ask for before contingencies come off. A pending foreclosure is a motivated seller
Census tract vacancy	geocoding.geo.census.gov data.census.gov	The address's census tract, then ACS 5-year tables B25004 (vacancy status) and B25003 (tenure)	Replaces the default 5% with the rental vacancy of the block you are actually buying on

What it found on tonight's deals

Deal A, 6335 N Claremont (PIN 14-06-101-011-0000). Listing: four units. Assessor: **three**. Seller's exemptions leave, so a $6K bill becomes about $14K on day one and $18K after 2027. Recordings: a $655K mortgage from Sept 2025, so the seller cannot take our $663K.

Deal C, 1264 S Saint Louis. Listing: new roof, rebuilt porch. City: a Feb 2024 order to replace the three-story porch, no permit since 2018, 17 failed inspections, 12 enforcement cases. About $124K at closing; walk-away falls from $743K to $648K.

Red flags to write down

- Unit count or class differs from the listing
- Homeowner or senior exemptions on the seller's bill
- Delinquent taxes or a tax sale
- A mortgage with no release; a lis pendens
- Claimed work with no permit behind it
- Open violations or a building court case
- Zoning allows fewer units than advertised
- A recent purchase at a high loan-to-value

Save as you go: print each page to PDF into the deal's folder, and note the source and date next to the number in your sheet.

Where the leverage signals come from

MOTIVATION

Redfin or Zillow price history: cuts, relists, a pending that fell through. The county: years owned, an out-of-state mailing address, the seller's loan

MARKET

Redfin Data Center: sale-to-list, months of supply, by zip. Realtor.com research: price cuts. Your agent's MLS report for 2 to 4 units

CONDITION

Your inspection plus the city record, priced by contractors, asked for as a specific credit

Outside Cook County? Every county has the same four offices under other names: the **assessor**, the **treasurer or tax collector**, the **recorder or register of deeds**, and the **building department**. Search "[county] assessor property search" to start.

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Sites and page layouts change; if a link moves, search the office name. The Assessor search uses a reCAPTCHA.

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