

Passive Investor Checklist

Tactical Steps You Should Take Before Investing



Education & Clarity

- ☐ **Clarify Your Investment Goals** - Define what success looks like (e.g., monthly income, long-term equity, tax savings).
- ☐ **Study LP Fundamentals** - Learn how real estate syndications work, including deal structures, returns, and risks.
- ☐ **Create Your Investment Criteria** - Document your deal breakers, preferred asset classes, markets, and return thresholds.

Legal & Financial Setup

- ☐ **Set Up an LLC (Optional but Recommended)** - Many LPs invest through an LLC for asset protection and tax flexibility.
- ☐ **Open a Business Bank Account** - Keep your investing funds and income separate from personal finances.
- ☐ **Track Capital Availability** - Know how much you're ready to invest and where it's coming from (cash, IRA, HELOC, etc.).
- ☐ **Connect with a CPA** - Ideally one who understands real estate and can advise on passive income and tax strategy.

Deal Flow & Sponsor Vetting

- ☐ **Start Building a List of Sponsors** - Attend webinars, join investor groups, and ask for referrals.
- ☐ **Schedule Intro Calls with Operators** - Ask about track record, communication style, and current offerings.
- ☐ **Review Sample Deals** - Practice analyzing real investment summaries to get comfortable with the terms and numbers.
- ☐ **Prepare a Sponsor Vetting Checklist** - Include questions on experience, fees, market selection, and exit strategy.

Readiness to Invest

- ☐ **Decide on Entity Name & Signature Format** - If investing through an LLC or trust, be consistent with how you sign PPMs.
- ☐ **Understand How to Wire Funds Safely** - Know your bank's wiring process and best practices to avoid fraud.
- ☐ **Have a Storage System for Docs** - Use a cloud folder to organize PPMs, K-1s, and deal communications.
- ☐ **Join a Community for Support & Due Diligence** - Communities can provide shared learning and build confidence.