

The CRE Due Diligence Guide

A 7-Step Playbook for Investment Managers

Follow these key steps for a systematic, straightforward due diligence process.

1

Preliminary Analysis

- Sign Confidentiality/Non-Disclosure Agreement
- Prepare Investment Committee package
- Obtain Investment Committee Approval
- Review and sign the Purchase Agreement
- Send the Earnest Money deposit
- Create a timeline and critical dates schedule

2

Legal & Title Due Diligence

- Request title commitment
- Obtain an ALTA/NSPS land title survey
- Confirm public access
- Validate legal description of owned/leased parcels

3

Financial Due Diligence

- Review historical operating statements (3-5 years)
- Review rent rolls
- Confirm real estate taxes and utility bills
- Evaluate existing insurance coverage
- Confirm existing service contracts

4

Tenant & Lease Due Diligence

- Collect lease abstracts (terms, expirations, options, escalations, termination)
- Review estoppel certificates
- Evaluate Subordination, Non-Disturbance and Attornment (SNDA) agreements

5

Property Condition & Environmental Due Diligence

- Order Property Condition Assessment (PCA) report
- Order Phase I Environmental Site Assessment (ESA) report
- Evaluate physical inspection findings
- Review building code compliance certificates
- Assess Americans with Disabilities Act (ADA) compliance documentation

6

Market & Location Due Diligence

- Find market studies (sale and lease comps, occupancy rates, supply/demand)
- Analyze demographic and economic indicators
- Evaluate updated zoning regulations and future restrictions

7

Documentation & Final Approvals (Financing & Closing)

- Prepare closing documents
- Finalize the settlement statement
- Execute the property management agreement
- Send tenant notification letters
- Coordinate closing wire



Transform your due diligence process with Yardi Acquisition Manager

Centralize documents in a secure database, monitor checklist progress in real time and access property insights powered by Yardi research data, all in one platform.

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