The Investor "Buy Box"

30 Key Questions to Ask BEFORE You Purchase a Property

*When it comes to investing in real estate, the most successful investors know their criteria before they ever look at a property. They don’t waste time chasing deals that don’t fit their long-term goals. Instead, they focus on properties that align with their personal objectives, risk tolerance, and financial plan.*

*This clear set of investment criteria is often called a “Buy Box.” It’s essentially your checklist for what makes a property worth pursuing. By answering these questions in advance, you save time, avoid distractions, and make confident investment decisions. At Meridian Pacific Properties, we use this 30-question framework to guide investors through the decision-making process.*

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## 📋 Investment Criteria Questions

Below are 30 key questions to help you build your own Buy Box. As you work through them, mark a star ⭐ next to your non-negotiables — the criteria that matter most to you and that you aren’t willing to compromise on.

### Goals

1. Am I prioritizing cash flow, appreciation, risk aversion, or a balance?
2. Do I want to diversify my portfolio across geographies or asset types?
3. How important are tax benefits (depreciation, write-offs, 1031 exchange)?
4. Am I looking for short-term returns or long-term wealth creation?
5. What’s my target return profile (cash-on-cash, IRR)?
6. Do I want to be hands-on (direct involvement, self-management) or hands-off (passive, hire a third party)?

### Location

1. What are the federal, state, and local landlord–tenant laws?
2. Are there rent control or tenant/landlord protection policies in this area?
3. What are current and projected cap rates?
4. What is the property management fee structure and level of service?
5. What are the neighborhood dynamics (crime rates, schools, amenities, development, strength of local economy)?
6. How is the local real estate market? Specifically, what are average rent-to-price ratios in this submarket?
7. What evidence is there this market will appreciate in value?

### Risk

1. What is the quality of the tenant base in this market?
2. How likely are late payments, property damage, or evictions?
3. How strong are my tenant screening practices?
4. If I outsource management, am I comfortable relying on their performance?
5. How landlord-friendly or risky is this market from a legislation or regulation perspective?
6. What’s the condition of the home (roof, HVAC, plumbing, foundation)?
7. What are the natural disaster risks (flood, wildfire, hurricane, earthquake)?
8. Do I have adequate reserves for unexpected repairs or vacancies?

### Deal-Specific

1. Does the property meet my target price range?
2. Does it generate acceptable cash flow/cap rate after expenses?
3. Is it in a location that aligns with my goals and risk tolerance?
4. Does the property type fit my management strategy (SFH, townhouse, duplex)?
5. What’s my exit strategy (hold, refinance, sell)?

### Personal Readiness

1. Do I have the time, knowledge, and systems to manage this property myself?
2. Do I have a financial cushion for emergencies?
3. Am I mentally prepared for challenges (tenant issues, costs, laws)?
4. Does this investment align with my long-term life goals?

### Use Your Buy Box to Evaluate Meridian Pacific Properties

Here’s Meridian Pacific Properties responses to the key Buy Box questions. Compare our approach directly to your own responses. How do we line up?

### Goals

1. **Am I prioritizing cash flow, appreciation, risk aversion, or a balance?**
   * Our portfolio is designed to deliver a balance of cash flow and appreciation. While most markets or asset types lean toward one or the other, we provide some of the best risk-adjusted returns available by combining both.
2. **Do I want to diversify my portfolio across geographies or asset types?**
   * While we focus solely on the Memphis metro area, we offer diversification within the market by providing homes across multiple communities and submarkets. This reduces risk while keeping investors in an environment with strong property rights.
3. **How important are tax benefits (depreciation, write-offs, 1031 exchange eligibility)?**
   * The majority of our investors take advantage of these benefits. While we are not tax advisors, we have a strong understanding of how depreciation, expense write-offs, and 1031 exchanges work. [Memphis offers some of the strongest tax advantages available](https://meridianpacificproperties.com/new-tax-law-brings-major-wins-for-real-estate-investors/), and we help investors position themselves to maximize those benefits.
4. **Am I looking for short-term returns or long-term wealth creation?**
   * We support both. Investors seeking short-term returns often buy all-cash to maximize immediate income. Those focused on long-term wealth tend to finance purchases to build equity over time. Age of asset, cap rate, and interest rates also shape which path is best.
5. **What’s my target return profile (cash-on-cash, IRR)?**
   * This varies by investor. We encourage each investor to define their target metrics before buying so we can help align the right property and financing structure to meet those objectives. Financial advisors are a tremendous resource for shaping a well rounded portfolio.
6. **Do I want to be hands-on (direct involvement) or hands-off (passive)?**
   * Most investors prefer passive ownership. Our model allows them to “fire and forget,” receiving consistent mailbox money while we handle management, tenants, and property care.

### Location

1. **What are the federal, state, and local landlord–tenant laws?**
   * [Markets like California, where this business was originally founded, are highly regulated with federal, state, and municipal landlord–tenant laws](https://meridianpacificproperties.com/california-landlords-at-risk-for-new-violations-important-legislation-for-2025/) that often disadvantage property owners. While well-intentioned, these rules can create significant risk for investors. Memphis was chosen because it is one of the most landlord-friendly markets in the country, with strong property rights, efficient eviction processes if tenants default, and minimal restrictions that reduce owner returns.
2. **Are there rent control or tenant/landlord protection policies in this area?**
   * No. Neither Memphis nor the surrounding communities where we build and manage homes impose rent control or tenant protection policies that limit rental increases.
3. **What are current and projected cap rates?**
   * Our stabilized first-year cap rates generally fall between 5.5% and 6.0% after accounting for operating expenses such as taxes, insurance, HOA dues, property management, maintenance, and vacancy. The cap rate tends to increase over time as the rental income tends to grow at a higher rate than expenses.
4. **What is the property management fee structure and level of service?**
   * Our management fees are 8%, 9%, or 10% depending on the number of homes under management. While some property managers may advertise lower percentages, they often add numerous hidden fees that drive up the true cost. At Meridian, we provide a premium, full-service experience with no hidden charges. We are glad to provide any prospective investor with a copy of our Property Management Agreement to review and compare side-by-side with other companies.
5. **What are the neighborhood dynamics (crime rates, schools, amenities, development, strength of local economy)?**
   * We build exclusively in Class A neighborhoods with strong schools, proximity to jobs, family-friendly amenities, and clear growth stories while endeavoring to stay away from more crime ridden areas. Each community is carefully chosen to ensure lasting demand and quality of life for residents.
6. **How is the local real estate market? Specifically, what are average rent-to-price ratios in this submarket?**
   * [The Memphis market is stable and growing.](https://meridianpacificproperties.com/new-data-memphis-among-top-u-s-markets-for-rental-growth-and-yield-in-2025/) Rent-to-price ratios typically range from 0.55% to 0.7% for our new construction, Class A properties. While some markets (even Memphis!) advertise higher ratios (closer to 1%), those properties often attract lower-quality tenants, leading to more maintenance, higher turnover, and weaker long-term results. We focus on the sweet spot where rental yield, tenant quality, asset appreciation, and stability align.
7. **What evidence is there this market will appreciate in value?**
   * We evaluated more than 360 of the nation’s largest Metropolitan Statistical Areas, and Memphis ranked among the strongest for long-term appreciation potential. The submarkets we focus on show steady growth, supported by a [business-friendly environment that attracts major employers such as Amazon, Ford, FedEx, and Nike](https://meridianpacificproperties.com/memphis-a-hub-for-big-business-and-thriving-opportunities-for-real-estate-investors/). This ongoing corporate investment drives job creation, population growth, and tenant demand — key factors that fuel both appreciation and consistent rental income for investors.

### Risk

1. **What is the quality of the tenant base in this market?**
   * We typically attract middle-class families, many of whom are mid-level managers in logistics and e-commerce. These households are stable, reliable, and looking for safe communities to raise their families.
2. **How likely are late payments, property damage, or or evictions?**
   * Our underwriting and property management practices minimize these risks. By carefully selecting tenants and focusing on Class A neighborhoods, we reduce the likelihood of late payments, damage, or extended vacancies compared to market averages. [Here are the latest statistics showing our exceptional occupancy, renewal and collection rates](https://meridianpacificproperties.com/about/#statistics).
3. **How strong are my tenant screening practices?**
   * We screen more rigorously than the industry average. While most Memphis landlords approve around 75% of applicants, Meridian Pacific Properties approves fewer than 50%, ensuring residents can comfortably afford rent and lowering risk for investors.
4. **If I outsource management, am I comfortable relying on their performance?**
   * We are a family-run business deeply committed to relationships. Investors are welcome to visit Memphis, meet our team, and see firsthand the professionalism and systems we have in place to protect their investment. [We will even pay for your trip.](https://meridianpacificproperties.com/investor-exploration-program/)
5. **How landlord-friendly or risky is this market from a legislation or regulation perspective?**
   * Memphis is among the most landlord-friendly markets in the country, with clear laws that support property owners’ rights.
6. **What’s the condition of the home (roof, HVAC, plumbing, foundation)?**
   * All homes we sell are new construction, delivered brand new and covered by builder warranties for added peace of mind.
7. **What are the natural disaster risks (flood, wildfire, hurricane, earthquake)?**
   * Insurance companies assign markets a “risk score” from 1–10, with 1 being the lowest risk. Memphis scores a 1. While tornadoes have occurred, they are rare and fully insurable. Memphis is not prone to floods, wildfires, or hurricanes.
8. **Do I have adequate reserves for unexpected repairs or vacancies?**
   * We always recommend [investors maintain financial reserves.](https://meridianpacificproperties.com/smart-real-estate-investors-plan-for-vacancies-and-repairs/) While our homes are new construction and carry fewer maintenance risks, all real estate investments should be supported by proper cash reserves.

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### Deal-Specific

1. **Does the property meet my target price range?**
   * We no longer offer lower-priced homes because they tended to attract higher-risk tenants and required more maintenance. Our current range of $340K–$410K balances quality of tenant, appreciation potential, and consistent returns.
2. **Does it generate acceptable cash flow/cap rate after expenses?**
   * While results vary by investor, our homes consistently deliver some of the strongest yields in the country for new construction, Class A rental properties. We provide full financial data upfront and can [calculate projected cash flow for any property](https://meridianpacificproperties.com/investor-calculator/), helping investors clearly see expected performance before making a decision.
3. **Is it in a location that aligns with my goals and risk tolerance?**
   * We focus on strong, family-friendly submarkets within the Memphis metro. [Investors are encouraged to visit and see the communities firsthand](https://meridianpacificproperties.com/investor-exploration-program/). We avoid higher-crime areas and only build in neighborhoods with long-term appeal.
4. **Does the property type fit my management strategy (SFH, townhouse, duplex)?**
   * Duplexes and multifamily are uncommon in Memphis, where single-family homes are more affordable compared to national averages. Our single-family rentals consistently deliver yields equal to or better than duplexes in other markets, while offering greater stability and stronger long-term tenant demand. Single-family homes can also be easier to manage. Each property functions independently, so performance isn’t influenced by shared walls, common areas, or neighboring tenants — issues that often affect multifamily properties. This independence reduces maintenance complexity, minimizes tenant disputes, and makes leasing more straightforward.
5. **What’s my exit strategy (hold, refinance, sell)?**
   * This depends on your goals. Most investors hold for the long term, leveraging refinancing to pull out equity tax-free at strategic points. Selling is usually done through a 1031 exchange to defer taxes. We recommend real estate primarily as a long-term wealth vehicle.

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### Personal Readiness

1. **Do I have the time, knowledge, and systems to manage this property myself?**
   * Our turnkey model is designed to make investing as passive as possible. We handle everything we can on the investor’s behalf, providing a hands-off experience and consistent mailbox money.
2. **Do I have a financial cushion for emergencies?**
   * Yes—reserves are always recommended for any real estate investment. While our new construction homes reduce the likelihood of surprise expenses, investors should still maintain a financial cushion for unexpected events.
3. **Am I mentally prepared for challenges (tenant issues, costs, laws)?**
   * All investments carry risk. Single-family rentals are among the most stable asset classes, but maintenance and vacancies do occur. Setting realistic expectations and preparing for occasional challenges is key. Our team provides guidance to help investors navigate these situations.
4. **Does this investment align with my long-term life goals?**
   * This is the most important question an investor can ask. Real estate should support your personal and financial goals. We encourage investors to use this questionnaire to clarify their objectives, and we are always here to help translate those goals into the right investment strategy.

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## Is it time to talk to an Investment Advisor?

The final question to ask yourself is simple: Is it time to talk with an investment advisor? Research can only take you so far — at some point, it helps to have a direct conversation. If you’re curious about real estate investing, we offer no-pressure, straightforward consultations to answer your questions and explore your options.

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