CRE Due Diligence Checklist

161 items across financial, lease, legal, physical, tenant and market diligence, plus office, retail and industrial add-ons.

Property: _____ **Deal team:** _____ **PSA date:** _____ **Diligence deadline:** _____

How to use: assign each item to the person named in the Responsible column (change it as needed), set a due date, tick the box when the item is reviewed and note any finding. Work the categories in parallel. This is a working checklist, not legal, tax or engineering advice; item scope and timing vary by deal and jurisdiction. A fillable data room request list is available as an Excel file at morainecre.com.

Category	Items
Financial Due Diligence	28
Lease Due Diligence	23
Legal Due Diligence	28
Physical Due Diligence	27
Tenant Due Diligence	12
Market Due Diligence	12
Asset-Class Add-Ons: Office, Retail and Industrial	31
Total	**161**

FINANCIAL DUE DILIGENCE

Income Verification

	Item	Responsible	Due date	Notes / findings
☐	**Rent roll**: Current rent roll with tenant names, suite numbers, SF, lease dates, base rent, and escalations	Analyst		
☐	**Rent roll vs. lease comparison**: Verify rent roll figures match actual lease terms	Analyst		
☐	**Gross potential rent**: Calculate total rental income at full occupancy and market rates	Analyst		
☐	**Vacancy and credit loss**: Current vacancy rate and historical collection loss	Analyst		
☐	**Other income**: Parking, storage, antenna, signage, late fees, and other miscellaneous income	Analyst		
☐	**Percentage rent**: Verify breakpoints and tenant sales reporting (retail properties)	Analyst		
☐	**Straight-line rent adjustments**: Calculate GAAP straight-line rent for financial reporting	Analyst		
☐	**Trailing monthly rent rolls**: Month-end rent rolls for the last 12 months, to show occupancy and in-place rent drift	Analyst		
☐	**Rent roll tie-out chain**: Tie the rent roll to estoppels, the estoppels to bank deposits, and the deposits to the T-12	Analyst		

Operating Expenses

	Item	Responsible	Due date	Notes / findings
☐	**Trailing 12-month (T-12) operating statements**: Obtain and review the most recent T-12	Analyst		
☐	**Multi-year operating statements**: Collect 3–5 years of operating history for trend analysis	Analyst		
☐	**Expense reconciliations**: CAM, tax, and insurance reconciliation statements	Analyst		
☐	**Real estate tax bills**: Current and historical tax bills; check for pending reassessment	Analyst		
☐	**Insurance policies and premiums**: Current coverage, claims history, premium trends	Analyst		
☐	**Utility costs**: Verify utility expense allocation and any submetering	Analyst		
☐	**Management fees**: Current management contract terms and fee structure	Analyst		
☐	**Capital expenditure history**: CapEx spending over the past 3–5 years	Analyst		

	Item	Responsible	Due date	Notes / findings
☐	**Budget vs. actual**: Reconcile each year's budget to actuals and get an explanation for every material variance	Analyst		
☐	**Utility bills**: 24 months of bills by meter, tied to the utility expense line	Analyst		
☐	**Insurance loss runs**: Five years of carrier loss runs, plus premium history	Analyst		
☐	**Tax appeal analysis**: Compare the assessment to comparable properties, check pending or recent appeals, and model the post-sale reassessment	Analyst		

Underwriting Analysis

	Item	Responsible	Due date	Notes / findings
☐	**Cap rate analysis**: Calculate going-in cap rate based on verified NOI	Analyst		
☐	**NOI reconciliation**: Reconcile seller's NOI with your independently verified figures	Analyst		
☐	**Debt service coverage**: Calculate DSCR based on proposed financing terms	Analyst		
☐	**Cash-on-cash return**: Project year-one returns based on equity investment	Analyst		
☐	**IRR projections**: Model internal rate of return over hold period	Analyst		
☐	**Sensitivity analysis**: Stress-test assumptions for vacancy, rent growth, and expense escalation	Analyst		
☐	**Comparable sales**: Recent comparable transactions for valuation benchmarking	Analyst		

LEASE DUE DILIGENCE

Lease Document Collection

	Item	Responsible	Due date	Notes / findings
☐	**All executed leases**: Collect original leases for every tenant	Asset manager		
☐	**All amendments**: Every amendment, modification, and extension in chronological order	Asset manager		
☐	**Side letters**: Any supplemental agreements outside the primary lease	Asset manager		
☐	**Guaranty agreements**: Personal or corporate guarantees	Asset manager		
☐	**Commencement date agreements**: Confirmed commencement and rent start dates	Asset manager		
☐	**Estoppel certificates**: Request and review tenant estoppels (see estoppel certificate guide)	Asset manager		
☐	**SNDAs**: Subordination, non-disturbance, and attornment agreements	Asset manager		

	Item	Responsible	Due date	Notes / findings
☐	**Ground lease estoppel**: If the site is ground leased, request an estoppel from the fee owner	Asset manager		

Lease Abstract Review

	Item	Responsible	Due date	Notes / findings
☐	**Lease abstracts for all tenants**: Completed abstracts covering all material terms (see our lease abstract template)	Asset manager / counsel		
☐	**Rent schedules**: Base rent, escalations, free rent, percentage rent for each tenant	Asset manager / counsel		
☐	**Lease expiration schedule**: Rollover profile by year showing SF and revenue at risk	Asset manager / counsel		
☐	**Renewal options**: Track all renewal options, notice deadlines, and rent reset mechanisms	Asset manager / counsel		
☐	**Termination rights**: Identify any kick-out clauses, co-tenancy termination rights, or go-dark provisions	Asset manager / counsel		
☐	**Expansion options**: ROFR, ROFO, and expansion option commitments	Asset manager / counsel		
☐	**Assignment and subletting provisions**: Restrictions and consent requirements	Asset manager / counsel		
☐	**Exclusive use clauses**: Exclusivity provisions that restrict future leasing	Asset manager / counsel		
☐	**Operating expense recovery**: Verify NNN, base year, or modified gross structures for each tenant	Asset manager / counsel		
☐	**Pro-rata share and CAM treatment**: Confirm each tenant's pro-rata share or fixed CAM, and the denominator used	Asset manager / counsel		
☐	**CAM audit rights and open claims**: Identify tenant audit rights and any open audit claims or disputed reconciliations	Asset manager / counsel		

Critical Date Analysis

	Item	Responsible	Due date	Notes / findings
☐	**Near-term expirations**: Leases expiring within 12–24 months	Asset manager		
☐	**Option exercise deadlines**: Upcoming notice periods for renewal, termination, or expansion	Asset manager		
☐	**Free rent burn-off dates**: When abatement periods end	Asset manager		
☐	**Rent escalation dates**: Upcoming bumps and reset dates	Asset manager		

LEGAL DUE DILIGENCE

Title and Survey

	Item	Responsible	Due date	Notes / findings
☐	**Title commitment**: Review the title commitment for exceptions, encumbrances, and requirements	Counsel / title company		
☐	**Title exceptions**: Examine each exception (easements, restrictions, encroachments) for material impact	Counsel / title company		
☐	**Survey**: Obtain or update ALTA/NSPS survey; compare to title exceptions	Counsel / title company		
☐	**Encroachments**: Identify any encroachments onto or from the property	Counsel / title company		
☐	**Access and easements**: Confirm legal access to public roads; review utility and access easements	Counsel / title company		
☐	**Deed restrictions**: Review any use restrictions, CC&Rs, or development limitations	Counsel / title company		
☐	**Title policy endorsements**: List the endorsements to request (access, survey, zoning, restrictions, and any that cure specific survey issues)	Counsel / title company		
☐	**Chain of title**: Review the chain of title as far back as the exception schedule indicates	Counsel / title company		

Zoning and Entitlements

	Item	Responsible	Due date	Notes / findings
☐	**Zoning confirmation**: Verify current zoning designation and permitted uses	Counsel / zoning consultant		
☐	**Non-conforming use**: Determine if any existing uses are legally non-conforming	Counsel / zoning consultant		
☐	**Zoning compliance letter**: Obtain from municipality if available	Counsel / zoning consultant		
☐	**Conditional use permits**: Review any CUPs, variances, or special exceptions	Counsel / zoning consultant		
☐	**Building permits**: Verify permits for all improvements and tenant build-outs	Counsel / zoning consultant		
☐	**Certificate of occupancy**: Confirm current CO for the building and each tenant space	Counsel / zoning consultant		
☐	**Future development restrictions**: Identify any overlay districts, historic designations, or pending zoning changes	Counsel / zoning consultant		

Litigation and Liens

	Item	Responsible	Due date	Notes / findings
☐	**Pending litigation**: Search for any lawsuits involving the property or owner entity	Counsel		
☐	**Mechanic's liens**: Check for any contractor or vendor liens	Counsel		
☐	**Tax liens**: Verify no delinquent tax obligations	Counsel		
☐	**UCC filings**: Review any personal property security interests	Counsel		

	Item	Responsible	Due date	Notes / findings
☐	**Judgments**: Search for judgments against the property owner	Counsel		
☐	**Regulatory violations**: Check for any open code violations or compliance orders	Counsel		

Contracts and Agreements

	Item	Responsible	Due date	Notes / findings
☐	**Service contracts**: Review all property management, maintenance, and vendor contracts	Counsel		
☐	**Ground lease**: If applicable, review ground lease terms, rent, and expiration	Counsel		
☐	**HOA/POA agreements**: Homeowner or property owner association documents and assessments	Counsel		
☐	**License agreements**: Antenna, signage, or other license agreements affecting the property	Counsel		
☐	**Commission agreements**: Outstanding leasing commission obligations	Counsel		
☐	**Licenses and permits**: Business licenses, signage permits and any operating licenses that must transfer or be reissued	Counsel		
☐	**Existing loan compliance**: If assuming a loan, confirm compliance with the loan documents and the assumption conditions	Counsel		

PHYSICAL DUE DILIGENCE

Environmental

	Item	Responsible	Due date	Notes / findings
☐	**Phase I ESA**: Environmental Site Assessment per ASTM E1527-21	Environmental consultant		
☐	**Phase II ESA**: If Phase I identifies RECs, conduct soil and groundwater testing	Environmental consultant		
☐	**Asbestos survey**: Asbestos-containing material inspection report	Environmental consultant		
☐	**Lead-based paint**: Testing for pre-1978 buildings	Environmental consultant		
☐	**Mold assessment**: Indoor air quality and mold inspection	Environmental consultant		
☐	**Radon testing**: Especially for ground-floor or basement spaces	Environmental consultant		
☐	**Underground storage tanks**: UST records and removal documentation	Environmental consultant		
☐	**Environmental compliance**: Verify compliance with federal, state, and local environmental regulations	Environmental consultant		
☐	**Flood zone determination**: FEMA flood zone classification and insurance requirements	Environmental consultant		

	Item	Responsible	Due date	Notes / findings
☐	**Phase I timing**: Confirm the Phase I's time-sensitive components fall within 180 days before closing	Environmental consultant		
☐	**Prior use history**: Historical Sanborn maps, aerial photographs and a regulatory database review	Environmental consultant		
☐	**Wetlands**: Wetlands screening or delineation where the site or surroundings suggest it	Environmental consultant		

Building Condition

	Item	Responsible	Due date	Notes / findings
☐	**Property Condition Assessment (PCA)**: Comprehensive PCA per ASTM E2018	Engineer (PCA)		
☐	**Roof inspection**: Age, condition, remaining useful life, warranty status	Engineer (PCA)		
☐	**HVAC assessment**: Age, capacity, condition, maintenance records for all units	Engineer (PCA)		
☐	**Electrical systems**: Service capacity, panel condition, code compliance	Engineer (PCA)		
☐	**Plumbing**: Piping material, condition, known issues	Engineer (PCA)		
☐	**Structural assessment**: Foundation, framing, load-bearing elements	Engineer (PCA)		
☐	**Elevator inspection**: Maintenance records, modernization needs, code compliance	Engineer (PCA)		
☐	**Fire protection**: Sprinkler system, fire alarm, suppression, inspection records	Engineer (PCA)		
☐	**Parking structure**: Concrete condition, waterproofing, joint sealant status	Engineer (PCA)		
☐	**ADA compliance**: Accessibility assessment for common areas and tenant spaces	Engineer (PCA)		

Capital Expenditure Planning

	Item	Responsible	Due date	Notes / findings
☐	**CapEx reserve estimate**: Immediate repairs and replacement reserve projections	Engineer / analyst		
☐	**Deferred maintenance**: Items requiring near-term attention (0–12 months)	Engineer / analyst		
☐	**Replacement schedule**: Major systems replacement timeline (roof, HVAC, elevators, parking)	Engineer / analyst		
☐	**Tenant improvement needs**: Anticipated TI costs for upcoming lease renewals or new leasing	Engineer / analyst		
☐	**Energy efficiency opportunities**: LED lighting, HVAC upgrades, building envelope improvements	Engineer / analyst		

TENANT DUE DILIGENCE

Tenant Credit Analysis

	Item	Responsible	Due date	Notes / findings
☐	**Financial statements**: Request and review tenant financials (public or privately provided)	Analyst		
☐	**Credit reports**: Business credit reports for each material tenant	Analyst		
☐	**Credit ratings**: Moody's, S&P, or Fitch ratings for rated tenants	Analyst		
☐	**Default probability**: Calculate or obtain tenant default probability scores (see tenant credit scoring)	Analyst		
☐	**Payment history**: Obtain aging reports showing rent payment timeliness	Analyst		
☐	**Security deposits and LOCs**: Verify all security deposits and letters of credit on hand	Analyst		

Tenant Concentration and Risk

	Item	Responsible	Due date	Notes / findings
☐	**Revenue concentration**: Identify tenants representing >10% of gross revenue	Analyst		
☐	**Industry concentration**: Assess tenant mix by industry sector	Analyst		
☐	**Tenant financial health trends**: Revenue growth, profitability, and leverage trends	Analyst		
☐	**Guarantor analysis**: Assess financial strength of guarantors	Analyst		
☐	**Bankruptcy risk**: Flag any tenants with public financial distress indicators	Analyst		
☐	**Tenant retention probability**: Assess likelihood of renewal based on lease terms, market conditions, and tenant operations	Analyst		

MARKET DUE DILIGENCE

Submarket Analysis

	Item	Responsible	Due date	Notes / findings
☐	**Market rent comps**: Current asking and effective rents for comparable properties	Analyst / broker		
☐	**Occupancy trends**: Submarket occupancy rates and historical trends	Analyst / broker		
☐	**Absorption data**: Net absorption trends in the submarket	Analyst / broker		
☐	**New supply pipeline**: Properties under construction or planned that will compete	Analyst / broker		
☐	**Rent growth projections**: Broker forecasts and historical rent growth trends	Analyst / broker		

Comparable Analysis

	Item	Responsible	Due date	Notes / findings
☐	**Sales comps**: Recent comparable sales with cap rates, price per SF, and deal terms	Analyst / broker		
☐	**Lease comps**: Recent comparable leases supporting underwriting assumptions	Analyst / broker		
☐	**Operating expense comps**: Benchmark property expenses against comparable buildings	Analyst / broker		

Location and Demographics

	Item	Responsible	Due date	Notes / findings
☐	**Transportation access**: Proximity to highways, transit, airports	Analyst / broker		
☐	**Employment drivers**: Major employers and employment trends in the area	Analyst / broker		
☐	**Population and income trends**: Demographic data supporting tenant demand	Analyst / broker		
☐	**Infrastructure projects**: Planned public or private development that could impact the property	Analyst / broker		

ASSET-CLASS ADD-ONS: OFFICE, RETAIL AND INDUSTRIAL

Office

	Item	Responsible	Due date	Notes / findings
☐	**Concentration**: Largest tenant, and top five tenants, as a share of NOI	Asset manager		
☐	**WALT and rollover**: Weighted average lease term and rollover by year	Asset manager		
☐	**Unfunded TI**: Tenant improvement obligations across all leases, and what is funded as of closing	Asset manager		
☐	**Unfunded leasing commissions**: Outstanding LC schedule by lease	Asset manager		
☐	**Landlord vs. tenant capex**: Which capital items each lease puts on the landlord	Asset manager		
☐	**Building-standard vs. above-standard TI**: What each tenant has and what it costs to replace	Asset manager		
☐	**Sublease analysis**: Share of the building that is subleased, and at what spread to the direct rent	Asset manager		
☐	**Floor efficiency**: Rentable-to-usable ratio and load factor, verified against measurement	Asset manager		
☐	**Parking ratio**: Actual vs. code-required vs. competitive set	Asset manager		
☐	**Common areas and amenities**: Lobby, restrooms, elevators, fitness and conference space against the competitive set	Asset manager		

Retail

	Item	Responsible	Due date	Notes / findings
☐	**Co-tenancy matrix**: Every opening and operating co-tenancy clause, and the modeled effect if a named co-tenant goes dark	Asset manager / counsel		
☐	**Exclusives matrix**: A complete list of exclusive-use rights so new leasing does not trigger a violation	Asset manager / counsel		
☐	**Radius restrictions**: Any tenant restricted from opening near the property, or the landlord restricted from leasing nearby	Asset manager / counsel		
☐	**Operating covenants**: Which tenants must stay open and which can go dark without breach	Asset manager / counsel		
☐	**Kick-out rights**: Sales thresholds, measurement periods and cure periods	Asset manager / counsel		
☐	**Recapture rights**: The landlord's ability to recapture dark space	Asset manager / counsel		
☐	**Sales reporting**: Tenant sales, sales per SF trends and breakpoints for percentage-rent tenants	Asset manager / counsel		
☐	**Signage rights**: Pylon and monument panel assignments by lease	Asset manager / counsel		
☐	**REA / OEA**: Cross-easements, cost sharing and approval rights in multi-parcel centers	Asset manager / counsel		
☐	**Parking field**: Striping, lighting, curbing and ADA condition	Asset manager / counsel		

Industrial

	Item	Responsible	Due date	Notes / findings
☐	**Clear height**: Measured at multiple points, noting where it drops	Engineer / asset manager		
☐	**Column spacing and clear span**: Column-free loading bays and bay depth	Engineer / asset manager		
☐	**Dock doors**: Count, type (dock-high or drive-in), levelers, seals and shelters	Engineer / asset manager		
☐	**Truck court and trailer parking**: Depth, stall count and paving condition, checked against target tenant requirements	Engineer / asset manager		
☐	**Rail access**: Active siding, switch rights and railroad easements, if any	Engineer / asset manager		
☐	**Power capacity**: Amps, volts, phase and the upgrade path	Engineer / asset manager		
☐	**Sprinkler design**: ESFR or other design density and the rack heights it supports	Engineer / asset manager		
☐	**Floor load and flatness**: Slab thickness, load rating and FF/FL numbers where operations need them	Engineer / asset manager		
☐	**Building conditioning**: Heated only, partly conditioned or cold storage, and the office-to-warehouse ratio	Engineer / asset manager		

	Item	Responsible	Due date	Notes / findings
☐	**Truck routes and outside storage**: Designated truck routes, weight restrictions, and whether outside storage is permitted	Engineer / asset manager		
☐	**Stormwater and environmental history**: Stormwater permits, retention maintenance, prior industrial use, tank history and any enforcement	Engineer / asset manager		