

**Profitable Properties Boston**

INVESTMENT REAL ESTATE BROKERAGE

A PROFITABLE PROPERTIES PLAYBOOK

# The Profitable Properties *Playbook*

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*Your path from Day One of wanting to buy to the day you get the keys –  
and everything to do after.*

Getting Ready · Finding & Winning the Deal

Closing Day · The First 90 Days · Beyond

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**JARRETT LAU**

PROFITABLE PROPERTIES BOSTON

**THE PROFITABLE PROPERTIES**

**PLAYBOOK**  
*TO SUCCESS*

*A stage-by-stage walk from deciding to buy, to holding the keys, to running the thing well – for the Boston investor who wants to know what happens next, not just what things mean.*

**JARRETT LAU**

Profitable Properties Boston

## The Profitable Properties Playbook

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This is the companion volume to *The Boston Real Estate Investor's Field Guide*. The Field Guide teaches the concepts – the four returns, the math, the tax code. This Playbook is the walk-through: what actually happens, in what order, and what you need to do at each stage, from the day you decide you want to buy to the day you hold the keys and beyond. Read them together.

This book is for general educational purposes only. It is not investment, tax, legal, lending, or accounting advice, and it is not a recommendation to buy or sell any specific property or security. Reading it does not create a client, brokerage, or advisory relationship.

Every deal is different, and Massachusetts rules, lender requirements, and municipal ordinances change. Before you act on anything in this book, talk to professionals who know your situation – a real estate attorney, a CPA who knows real estate, a lender, and a licensed agent. Where the stakes are high, get the advice in writing.

**A note on who we are.** Profitable Properties Boston is a licensed Massachusetts real estate brokerage and part of a vertically integrated group of companies that also includes Green Ocean Property Management (management) and Pro Services Boston (an in-house licensed general contractor). When we help you buy a property, we may also offer to manage or renovate it through these affiliated companies. Those are related businesses with a financial interest in the work, and we will always disclose that relationship. You are free to use any manager, contractor, lender, inspector, or attorney you choose, and on bigger jobs you should still gather independent bids and opinions.

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## INTRODUCTION

# How to Use This Playbook

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The Field Guide taught you how to think about a deal – the four returns, the five numbers, the tax code, what to check before you buy. Smart readers finish it knowing a good deal from a bad one on paper. Then they call me and ask the same question: *"Okay, so what do I actually do Monday morning?"*

That's what this book is for. It's not organized by topic – it's organized by **time**. Eleven stages, in the order they actually happen, from the day you first think "I want to buy an investment property" to the day you're a year into owning one and thinking about the next.

Each stage tells you three things: what's happening, what you need to do, and what we do for you if you're working with our group. Some of it is Massachusetts-specific – this state has its own quirks in how offers, closings, and landlord law work, and out-of-state advice will get you in trouble here.

Keep the Field Guide's Deal Analyzer (Appendix A there) next to this book. You'll use it in Stage 4. Everything else here is new.

– Jarrett Lau

## STAGE 1

# Know Your Number — Personal Readiness Before You Shop

*Before you look at a single listing, look at yourself. Most first-time investors start by browsing Zillow. The ones who actually close start here instead: figuring out what they can honestly afford, and what they're trying to get out of this.*

## The four numbers to know about yourself

- **Cash available** – everything you could put toward a down payment, closing costs, and initial repairs, without draining your emergency fund. Don't count money you might get someday. Count what's actually sitting in an account.
- **Credit and income picture** – your approximate credit score and your debt-to-income ratio (how much of your monthly income already goes to debt payments). These drive both whether you qualify and what rate you get.
- **Reserves after closing** – money left over after the purchase to cover a few months of expenses on the new property, plus your own life. If buying the property empties your accounts, you're not ready yet, no matter how good the deal looks.
- **Your target return and your "why"** – cash flow now, or wealth later? Are you trying to replace income, build a retirement asset, or house-hack your way to a cheaper mortgage? This shapes everything downstream, starting with the strategy you picked in Field Guide Chapter 2.

## A rough budget, before you fall in love with anything

You don't need an exact number yet – that comes from your lender in Stage 3. But walk in with a realistic range: what price point keeps your reserves intact and your debt-to-income ratio comfortable. Nothing wastes more time, yours and everyone else's, than touring properties \$200,000 above what you can actually close on.

### IF YOU'RE HOUSE HACKING

Your "number" looks different: you're mostly qualifying on your own income for an owner-occupant loan, and the down payment can be much smaller (Field Guide Chapter 5). Confirm this path with a lender before you shop – it changes which properties even make sense to look at.

### THE BOTTOM LINE

Know your **cash, your credit, your reserves, and your "why"** before you look at a single property. The strategy and the budget you settle on here decide which buildings are even worth touring. Skip this step and you'll waste months chasing properties you were never going to be able to close on.

## STAGE 2

# Build Your Team Early

*Most first-timers assemble their team under pressure – scrambling for a lender the week they find "the one," or googling an attorney the day before closing. The investors who move fast when it counts built their team before they needed it.*

## Who's on the team, and when you actually need them

- **An investment-focused agent** – from day one. A good one runs numbers with you before you even look, and brings you off-market deals (Field Guide Chapter 3).
- **A lender or mortgage broker** – before you shop, so you can get pre-approved (Stage 3). Waiting until you find a property means starting the clock late.
- **A real estate attorney** – engage one before you're under agreement, not after. In Massachusetts, your attorney drafts and negotiates the Purchase and Sale Agreement (Stage 5) – you want a relationship in place, not a rushed referral.
- **A licensed home inspector** – you won't book them until you have an accepted offer, but ask your agent for two or three names now so you're not searching under a deadline.
- **A real estate CPA** – ideally before you close, so decisions about how you title the property and what you elect on your first return are made on purpose, not after the fact (Field Guide Chapter 6).
- **A property manager and a contractor** – you may not need them on day one, but know who they'd be (Field Guide Chapter 8).

### A FAIR DISCLOSURE

Our group includes an affiliated manager (Green Ocean Property Management) and an in-house licensed general contractor (Pro Services Boston). We can introduce you to lenders, attorneys, and CPAs we trust in our network as well. Those are convenience referrals, not requirements – you're free to use anyone you choose, and you should still compare.

### THE BOTTOM LINE

Assemble your team **before you need them under a deadline.** An agent and a lender come first – you can't shop seriously without them. An attorney, inspector, and CPA come next, lined up before you're under agreement so the clock never catches you flat-footed.

# Get Pre-Approved, Not Just Pre-Qualified

*"Pre-qualified" and "pre-approved" get used like they're the same thing. They're not, and the difference decides whether sellers take your offer seriously.*

## Pre-qualification vs. pre-approval

**Pre-qualification** is a quick, informal estimate based on what you tell a lender – no documents, no verification. It's useful for a rough sense of your range and nothing more. **Pre-approval** means a lender has actually pulled your credit and reviewed real documents, and is willing to put a conditional number in writing. In a competitive market, a pre-approval letter is close to a requirement to get an offer taken seriously; a pre-qualification often isn't.

## What a lender will actually ask for

- Two years of tax returns (personal, and business returns if you're self-employed or buying through an entity).
- Recent pay stubs or, if self-employed, profit-and-loss statements.
- Two to three months of bank and investment statements, to verify your down payment and reserves.
- A credit pull, and if you're buying through a DSCR loan (Field Guide Chapter 5), the property's projected rent instead of your personal income.

## Shop more than one lender

Rates, fees, and how comfortably a lender handles investor loans, DSCR loans, or LLC purchases vary more than people expect. Get at least two quotes. Ask each lender directly how they handle investment property, not owner-occupant purchases – some are much better at this than others.

### WHY THIS MATTERS BEFORE YOU EVEN SEE A PROPERTY

A pre-approval letter tells you your real price range (Stage 1's guess, confirmed), tells a seller you're a serious buyer, and tells your agent what to actually show you. Walking into Stage 4 without one means touring properties you may not be able to close on.

**Get pre-approved, in writing, before you seriously shop.** It's the difference between a real number and a guess, and between an offer sellers take seriously and one they skip past. Shop at least two lenders – the terms on investor loans vary more than most people expect.

# The Search — Finding and Vetting Properties

*This is the longest stage for most buyers, and the one where discipline pays off most. Field Guide Chapter 3 told you what makes a good rental and where deals actually come from. Here's how that plays out week to week.*

## What the search actually looks like

Expect to look at far more properties than you make offers on, and to make more than one offer before you win one — that's normal, not a sign anything is wrong. Your agent should be sending you both public listings and off-market opportunities: tired landlords, estates, and buildings that show badly but are mechanically sound.

## Your screening funnel

1. **Quick screen** — the 1% rule and GRM on every listing that crosses your desk (Field Guide Chapter 4). Seconds per property. Most get cut here.
2. **The drive-by and the showing** — location, condition, and a first pass with the Property Walk-Through Checklist (Field Guide Appendix C).
3. **The real math** — for anything that survives the first two steps, fill out the full One-Page Deal Analyzer (Field Guide Appendix A) using real numbers, not the seller's marketing.
4. **The go/no-go** — does it survive the gut check at the bottom of the Analyzer? If yes, you're ready to write an offer. If no, let it go and keep looking.

### VERIFY BEFORE YOU OFFER, NOT JUST BEFORE YOU CLOSE

Ask for the actual rent roll, tax bill, and utility costs before you write an offer, not after. You can still walk away for free before you're under agreement. Once you're in contract, walking away gets more expensive (Stage 6).

### THE BOTTOM LINE

Look at many, seriously analyze a few, and expect to lose a bid or two before you win one. Run the quick screens on everything and the full Deal Analyzer on anything serious. **The property that survives the gut check honestly is the one worth an offer** — nothing else is.

# Making the Offer, the Massachusetts Way

*Massachusetts doesn't go straight from offer to closing table like some states. It's a two-step contract, and knowing the sequence keeps you from being surprised by either step.*

## Step one: the Offer to Purchase

This is a short, standard-form document – often just a page or two – that gets you and the seller to a meeting of the minds on price, deposit, and key dates. It typically comes with a modest earnest money deposit (commonly in the low thousands of dollars). It's binding once signed, but it's meant to be quick, not the full contract.

## Step two: the Purchase and Sale Agreement (P&S)

About five to ten days after the Offer is accepted, your attorney and the seller's attorney negotiate the real contract – the P&S. This is the document that actually governs the deal: contingencies, timelines, what's included in the sale, and what happens if something goes wrong. A second, larger deposit is typically due at this signing (often around 5% of the price). **This is exactly why Stage 2's advice to line up an attorney early matters** – you have days, not weeks, to get this reviewed and signed.

## Offer strategy in a competitive market

- A strong pre-approval letter (Stage 3) and a clean offer, fewer contingencies, a deposit that signals seriousness, matters more than people expect.
- An escalation clause, an offer that automatically outbids competing offers up to a cap, can help in a bidding war, but understand exactly what it commits you to before you use one.
- Don't waive your inspection or financing contingency to win a bidding war unless you genuinely understand and accept the risk. Field Guide Chapter 7 and Stage 6 explain why they exist.

### TWO DOCUMENTS, TWO CLOCKS

Track the Offer to Purchase and the P&S as separate events with separate deadlines. Missing the window to sign the P&S, or missing a contingency deadline inside it, can put your deposit at risk. Your attorney and agent should be actively managing this calendar with you.

### THE BOTTOM LINE

In Massachusetts, an accepted offer isn't the real contract – the **Purchase and Sale Agreement, signed days later by your attorney**, is. Know both deposits are coming, have your attorney ready before you need them, and don't waive contingencies you don't fully understand just to win a bidding war.

# Under Agreement — the Contingency Period

*You're under contract. This is the window where Field Guide Chapter 7's due diligence actually happens, on the clock, with real deadlines your P&S spells out.*

## Run down the contingency clock

- **Inspection contingency** – book your inspector immediately; these deadlines are often just a week or two out. Use the Property Walk-Through Checklist (Field Guide Appendix C) alongside the inspector's report.
- **Financing contingency** – your lender moves from pre-approval to a full underwritten loan commitment. Respond to every document request fast; delays here can blow the deadline.
- **Condo or landlord document review** – if it's a condo, this is when your attorney reviews the master deed, bylaws, budget, and reserve fund. If there are existing tenants, this is when you review the actual leases and security deposit records (Field Guide Chapter 7).

## Three things to start now, even though they feel early

- **Order your landlord insurance quote.** You need a binder in place at closing – not something to start shopping for the week before. A landlord (dwelling-fire) policy is different from a standard homeowner's policy; make sure your agent knows it's an investment property.
- **Schedule the smoke and carbon monoxide detector inspection.** Most Massachusetts residential sales require a local fire department inspection and certificate confirming the detectors are up to current code before the deed can be recorded. Book this early, it's a scheduling bottleneck more often than a compliance problem.
- **If the property was built before 1978, ask about lead paint.** Massachusetts has strict lead paint disclosure and deleading rules, especially if you plan to rent to families with young children. This can affect budget and timeline; loop in your attorney now, not at closing.

### THE BOSTON REALITY CHECK

Old housing stock means old systems, and the contingency period is your last free look. If the inspection turns up a five-figure surprise, this is when you renegotiate, ask the seller to fix it, or credit you, or walk away with your deposit intact. Once you close, it's entirely yours.

### THE BOTTOM LINE

The contingency period is where due diligence turns into action, on a real clock. Move fast on inspection and financing, and **start insurance, the smoke/CO certificate, and any lead paint questions early** – they're often the quiet bottlenecks that delay a closing, not the big dramatic problems.

# Closing Day

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*Closing day is oddly anticlimactic if you've prepared right, and stressful if you haven't. Here's what actually happens, and the two warnings that matter most.*

## **Massachusetts closes with attorneys, not just title companies**

Unlike many states where an escrow or title company runs the closing, Massachusetts closings are traditionally conducted by attorneys, often the lender's closing attorney, with your own attorney representing your interests. Don't be surprised that a lawyer, not a neutral third party, is running the room.

## **Review the Closing Disclosure before you show up**

If you're using a conventional or owner-occupant loan, federal law (TRID) generally gives you a mandatory three-business-day window to review your final Closing Disclosure before signing. Business-purpose loans, DSCR loans made to an LLC, are often structured differently and may not carry the same disclosure timeline; ask your lender directly which applies to you, and don't assume.

## **The wire fraud warning, seriously**

Wire fraud targeting real estate closings is common and expensive. Never wire funds based on emailed instructions alone, always call your attorney's office at a phone number you already know, not one from the email, to verbally confirm wiring instructions before you send anything.

## **What you'll actually sign, and when you get the keys**

Expect to sign loan documents, the deed, and closing affidavits. Your attorney or lender records the deed with the registry of deeds, sometimes same-day, sometimes the next business day. Keys typically change hands right at the closing table, once funds have been confirmed, unless your P&S specifies a different occupancy date (common if the seller is staying briefly, or if tenants are in place).

Expect an attorney-run closing, confirm which disclosure timeline applies to your loan, and **never wire money without calling to verbally confirm instructions first**. Once the deed is signed and recorded, the building is yours, and so is everything in Stage 8.

# The First 30 Days — Taking the Keys

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*The deal is done, but the punch list isn't. This is the least glamorous chapter in the book and the one that quietly prevents the most expensive early mistakes.*

## The immediate to-do list

- **Confirm your insurance is active** the moment you close, don't assume the binder you ordered in Stage 6 auto-activates without a follow-up call.
- **Transfer or set up utilities** in your name, or confirm which units are separately metered and billed to tenants.
- **Change the locks.** You don't know how many keys are floating around from past tenants, contractors, or agents.
- **If there are existing tenants, the seller must transfer their security deposits to you**, with accrued interest, under Massachusetts law. Confirm this happened and get it in writing; don't let it get lost in the closing paperwork. You're now legally responsible for holding those deposits correctly.
- **Send existing tenants written notice of the ownership change**, including where rent should now be paid and who to call for repairs.
- **Set up a dedicated bank account and simple bookkeeping** for the property, before the first rent check or repair bill arrives. Keeping this separate from day one saves your CPA, and you, real money later (Field Guide Chapter 6).

## Registrations to check, not skip

Depending on where the property sits, you may need to register the rental with the local municipality, Boston, for example, requires rental registration for most non-owner-occupied 1-6 unit properties. If you bought with a short-term rental strategy in mind (Field Guide Chapter 2), Massachusetts requires state registration and collection of the room occupancy excise tax, and many cities, including Boston, layer on much stricter local ordinances. Confirm this before you list a single night, not after.

## If you're planning to hold title in an LLC

Many investors close in their personal name and deed the property into an LLC afterward. This is common, but it isn't automatic or risk-free: retitling can technically trigger a due-on-sale clause

with some lenders, and it has real tax and liability implications. Do this deliberately, with your attorney and CPA, not as an afterthought.

#### THE BOTTOM LINE

The first 30 days are administrative, not exciting, and that's exactly why people skip steps here. **Insurance, locks, security deposit transfer, tenant notice, books, and registration** – handle all six before you let the property fade into the background of your life.

## STAGE 9

# Getting It Rented, If It's Vacant

*If you bought a fully-tenanted building, skip ahead. If any unit is vacant, this is the stage that turns a mortgage payment into cash flow.*

## Marketing and pricing the unit

Price it against real comps, not wishful thinking, and get it listed everywhere your target renter actually looks. A vacant unit is a cost every single day it sits empty; price it right the first time rather than chasing the market down over months.

## Screening, the legal way

Massachusetts law is specific and unforgiving here. Use a consistent, written screening standard for every applicant, run a proper credit and CORI (background) check through a compliant process, and apply Fair Housing law to every decision, don't make exceptions that could look like discrimination, even unintentionally. There are also limits on what you can charge an applicant in fees. This is one area where a property manager's experience earns its fee fast, and where a DIY mistake gets expensive.

## The lease and the move-in

- Use a lease that reflects current Massachusetts landlord-tenant law, not a generic template pulled off the internet.
- Collect and hold the security deposit exactly as the law requires, in a separate, interest-bearing account, with the required paperwork.
- Complete a written move-in condition statement with photos, before the tenant moves anything in. This is your protection at move-out.

### A FAIR DISCLOSURE

Green Ocean Property Management, our affiliated manager, handles exactly this process daily and can take it off your plate entirely. That's a related business with a financial interest, which we'll always tell you plainly, and you're free to self-manage or hire anyone you choose.

### THE BOTTOM LINE

Price it honestly, screen every applicant the same legal way every time, and document the move-in condition before day one. **A vacant unit costs you every day it sits empty** – but a bad tenant placed in a hurry costs far more than the vacancy did.

# The First 90 Days — Finding Your Rhythm

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*By now the fires are out. This stage is about building the habits that make ownership boring in the best way, predictable, on schedule, and not something that runs you.*

## The rhythm to build

- **Monthly:** reconcile rent collected against what's owed, review any maintenance requests, and skim your bank account, don't let it drift for months.
- **Quarterly:** walk the property if you're self-managing, check on the big systems from your walk-through checklist, and confirm insurance and any local registrations are still current.
- **Annually:** sit down with your CPA before, not during, tax season, revisit whether depreciation strategy needs adjusting, and reassess whether self-managing still makes sense as your life or portfolio changes (Field Guide Chapter 8).

## Decide, deliberately, who's running it

The honest self-manage-vs-manager conversation from Field Guide Chapter 8 isn't a one-time decision made at closing, it's worth revisiting here, once you've actually felt what owning this specific property is like day to day. If the 11 p.m. maintenance calls are wearing on you, or you're realizing your time is worth more than the management fee, this is the natural point to make the switch.

### THE BOTTOM LINE

The first 90 days are about turning a stressful new asset into a predictable one. **Build the monthly, quarterly, and annual rhythm now**, and revisit the self-manage-or-hire decision honestly once you know what this property actually demands of you.

# Beyond Year One — Building Toward the Next Deal

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*One property, run well for a year, is when the real question shows up: was this a one-time project, or the first move in a system? Field Guide Chapter 9 covers the mechanics of growing a portfolio. Here's when to actually start thinking about it.*

## Signs you're ready to look at property two

- Your reserves have rebuilt since closing, you're not stretched thin.
- You understand, from lived experience now, what owning this asset actually demands, and you still want more of it.
- Your equity has grown enough that a cash-out refinance or a BRRRR-style pull could fund a real down payment (Field Guide Chapter 9).
- Your books are clean enough that a lender or a 1031 exchange qualified intermediary can move quickly when you need them to.

## Revisit your exit, on purpose

Circle back to the question from Field Guide Chapter 9: is this property a forever-hold, a future 1031 candidate, or something you'll eventually pass to heirs? You don't need a final answer a year in, but having a direction shapes every decision from here, how much you improve it, how you finance the next one, and when you'd consider selling.

### THE BOTTOM LINE

The first property teaches you what the books can't. If reserves are healthy, equity is building, and you still want to do this, **you're not done, you're just getting started** — and Stage 1 of this Playbook runs again, a little faster and a lot more confidently, the second time.

# The Day-1-to-Keys Timeline, At a Glance

A one-page view of the whole path. Timeframes are typical, not guaranteed, every deal moves at its own pace.

Stage	Typical timing	What's happening
<b>1 • Know your number</b>	Before you shop	Budget, credit, reserves, and strategy set.
<b>2 • Build your team</b>	Before you shop	Agent, lender, attorney, CPA identified.
<b>3 • Pre-approval</b>	1–2 weeks	Lender verifies documents, issues a written letter.
<b>4 • The search</b>	Weeks to months	Screen, tour, analyze; expect more than one offer.
<b>5 • The offer</b>	Offer, then +5–10 days	Offer to Purchase, then attorneys negotiate the P&S.
<b>6 • Under agreement</b>	~3–6 weeks	Inspection, financing, condo/lease review, insurance, smoke/CO cert.
<b>7 • Closing day</b>	1 day	Sign, fund, record the deed, get the keys.
<b>8 • First 30 days</b>	Weeks 1–4 post-closing	Locks, utilities, deposits, tenant notice, books, registrations.
<b>9 • Getting it rented</b>	As needed	Price, screen legally, lease, document move-in.
<b>10 • First 90 days</b>	Months 1–3	Monthly/quarterly rhythm established; manage-or-hire revisited.
<b>11 • Beyond year one</b>	Ongoing	Reserves rebuilt, equity assessed, next deal considered.

# The Closing-Day Checklist

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Bring this to the closing table, or review it the morning of.

- Government-issued photo ID** for every person on the deed.
- Final Closing Disclosure reviewed** against your loan estimate, ask about any number that changed.
- Insurance binder confirmed active** as of the closing date, in hand or emailed to the closing attorney.
- Smoke/CO detector certificate** confirmed complete and provided by the seller.
- Wiring instructions verbally confirmed** by phone, using a number you already have, not one from an email.
- Final walk-through completed** shortly before closing, confirming the property's condition and that anything the seller agreed to fix or leave behind is actually done or there.
- Tenant estoppel or lease confirmations in hand**, if the property is tenanted, and confirmation the security deposit is being transferred.
- Cashier's check or confirmed wire** for any funds due at closing beyond your loan.

# The First-90-Days Checklist

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Work through this in the order it's written; the first few items are the ones that cost real money if skipped.

- Confirm insurance is active** and you have a copy of the policy.
- Change all locks** and confirm who holds keys going forward.
- Transfer or set up utilities** in your name where applicable.
- Confirm existing tenant security deposits were transferred**, with interest, and are held correctly.
- Send tenants written notice** of the ownership change, new payment instructions, and repair contact.
- Open a dedicated bank account** and start simple bookkeeping for the property.
- Check local rental registration requirements** and register if required.
- If pursuing a short-term rental strategy**, confirm state registration and local ordinance compliance before listing.
- Discuss LLC titling timing** with your attorney and CPA, if that's part of your plan.
- Market and screen for any vacant unit**, using a consistent, legal process.
- Set a calendar reminder for your first quarterly walk-through.**
- Book time with your CPA** well before next tax season, not during it.

# Massachusetts Compliance Quick-Reference

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Not a substitute for legal advice, a map of what to ask your attorney about, and when.

## **Offer to Purchase → Purchase and Sale Agreement**

Massachusetts uses a two-step contract. The Offer is quick and thin; the attorney-drafted P&S, signed days later, is the binding contract that actually governs the deal.

## **Attorney-run closings**

Massachusetts closings are traditionally conducted by attorneys rather than an independent title or escrow company. Your attorney represents your interests at the table.

## **Smoke and CO detector certificate**

Most residential sales require a local fire department inspection and certificate confirming smoke and carbon monoxide detectors meet current code before the deed can be recorded. Book this early in Stage 6.

## **Lead paint disclosure and deleading**

Properties built before 1978 carry disclosure obligations, and stricter deleading requirements apply if children under six will live there. Flag this in Stage 6, not at closing.

## **Security deposit transfer at sale**

When a tenanted property sells, the law requires the seller to transfer tenant security deposits, with accrued interest, to the new owner. Confirm this happened in writing (Stage 8).

## **Security deposit holding rules**

Deposits must be held in a separate, interest-bearing account, with specific paperwork given to the tenant. This trips up self-managing landlords more than almost anything else.

## **Local rental registration**

Many municipalities, Boston included, require registration of non-owner-occupied rental units with a local department before you can legally rent them out.

## **Short-term rental registration and excise tax**

Massachusetts requires state registration and collection of the room occupancy excise tax for short-term rentals, and cities often layer on much stricter local ordinances, some effectively barring the strategy outright. Confirm before you buy for this reason, not after (Field Guide Chapter 2).

**TRID / Closing Disclosure review period**

A federally mandated review window applies to most consumer-purpose mortgage loans before signing. Many investment-property loans made to an LLC are structured as business-purpose loans with different rules, ask your lender which applies.

# Playbook Glossary — Terms the Field Guide Doesn't Cover

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## **Offer to Purchase**

The first, short-form contract in a Massachusetts purchase, establishing price and key terms ahead of the fuller Purchase and Sale Agreement.

## **Purchase and Sale Agreement (P&S)**

The binding, attorney-negotiated contract that actually governs a Massachusetts real estate purchase, signed days after the Offer to Purchase.

## **Earnest money deposit (EMD)**

The good-faith deposit paid when signing an offer or contract, held toward the purchase price, and at risk if you back out without a valid contingency.

## **Escalation clause**

A clause that automatically raises your offer above a competing bid, up to a stated cap, used in competitive bidding situations.

## **Closing Disclosure (CD)**

The final, itemized statement of your loan terms and closing costs, provided before signing.

## **TRID**

The federal rule (TILA-RESPA Integrated Disclosure) that governs mortgage disclosure timing, including the review period before closing on many loans.

## **Recording (the deed)**

The official filing of the deed with the local registry of deeds, the step that makes your ownership a matter of public record.

## **Estoppel (tenant estoppel)**

A signed statement from an existing tenant confirming the lease terms, rent, and deposit amount, used to verify what you're inheriting when you buy a tenanted property.

## **DP-3 policy**

A dwelling-fire landlord insurance policy, the standard coverage type for a non-owner-occupied rental, distinct from a typical homeowner's policy.

## **CORI**

Criminal Offender Record Information, a background check used in Massachusetts tenant screening, subject to specific legal handling rules.

**Move-in condition statement**

A written, dated, photographed record of a unit's condition at move-in, used to fairly resolve any dispute over damage at move-out.

**Due-on-sale clause**

A mortgage clause allowing a lender to call the full loan due if title transfers, relevant if you later deed a financed property into an LLC.

THE NEXT STEP

# Tell us where you are on the path. *We'll meet you there.*

Whether you're still figuring out your number in Stage 1 or sitting under agreement wondering what happens next, this is the exact process we run our own clients through, every day, in Greater Boston.

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**Your free path review** – tell us what stage you're at, and in about 20 minutes we'll show you:

- exactly what happens next, and what to prepare for it
- an intro to a lender or attorney in our network, if you need one
- how this specific property, or the one you're eyeing, actually pencils out
- and, because we manage and renovate in-house, what running it would really look like

**Book it: [calendly.com/jarrettlau](https://calendly.com/jarrettlau)**

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