

Annual Real Estate Financial Review

Once a year. One hour. Fill in what you know; do not forecast what you don't.

	Last year	This year	Change
Net worth			
Cash reserves			
Liquid investments			
Mortgage balance(s)			
Consumer debt			
Required monthly debt service			
Property value (reasonable estimate)			
Rental performance, if applicable			
Income			
Share of net worth in real estate			

Track the last three rows deliberately. A household can increase net worth while becoming more leveraged and less liquid, and only those rows will show it.

Five questions

1. What assumption was most wrong?

2. What behavior did we actually follow — not intend to follow?

3. Has our liquidity requirement changed?

4. Does any mortgage or property now deserve a new Total Cost Analysis?

5. What, if anything, should we do differently over the next twelve months?

A successful review does not need to produce a transaction. "The plan is working, keep doing it" is one of the best possible outcomes.