

THE BORING DUPLEX

How Working Professionals in Kansas City Can Build Wealth One Side-by-Side at a Time

DESMOND AFOLABI

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INTRODUCTION

Why I Stopped Teaching Economics to Start Selling Math

The Kitchen Table at 10 PM

It's ten at night. The dishes are done, and you have a laptop open to Zillow in one tab and LoopNet in another. A podcast host from somewhere with an ocean is explaining that anyone can build an empire with enough doors and enough leverage. You work hard at a real job, you've saved up a down payment, and you can't tell whether any of what you're hearing applies to a side by side in Raytown or a fourplex in KCK.

Nothing you're listening to was built for the Midwest, and it shows. The advice assumes markets that don't look like ours. It assumes a risk tolerance you may not have, and a spare weekend every week to chase contractors. Meanwhile, the fear underneath is specific: hidden repairs, a tenant who stops paying, and a financing process that seems designed to confuse you.

I've been the person at that table. I've also spent years sitting across from people who are at that table right now. This book is for you, and its main job is to get you out of that chair with a clearer head than you sat down with.

Why a Teacher Ended Up Selling Real Estate

For nine years I taught high school economics, and for those same nine years I coached JV and varsity basketball on the Missouri side of the line. I was good at explaining things, and I loved the moment a sleepy sophomore finally understood how an amortization schedule works. I'd walk them through supply and demand, yield, and opportunity cost as if I were describing the Federal Reserve to a room that would rather be anywhere else.

The trouble was that I was standing in front of a whiteboard teaching kids how wealth gets built, and my own paycheck was spent before the month was over. That gap bothered me more each year. I knew the theory cold, and I wasn't using it.

So I bought a beat-up duplex in Waldo with an FHA loan. I moved into the ground-floor unit and spent my summer vacation getting the upper unit into shape. When a tenant moved in upstairs, that rent came to around $1,100 a month and went most of the way toward my mortgage. For the first time, the lesson I'd been teaching was working for me.

Word travels fast in a teachers' lounge. Three of my colleagues wanted to know how I'd pulled it off, and I walked them through it. Two of them ended up in places of their own because of those conversations. I did all of that before it occurred to me that anyone might pay me to do it, and that's the honest origin of my career. I didn't set out to become a salesperson. A few teachers kept showing up with the same questions, and I kept answering them.

I've now been full-time in real estate for seven or eight years, working across the Kansas City metro in both Missouri and Kansas, from Midtown and Waldo to North Kansas City, Merriam, Liberty, Gladstone, and Overland Park. The teacher never left, though. I still walk into every property thinking like someone who has to show his work.

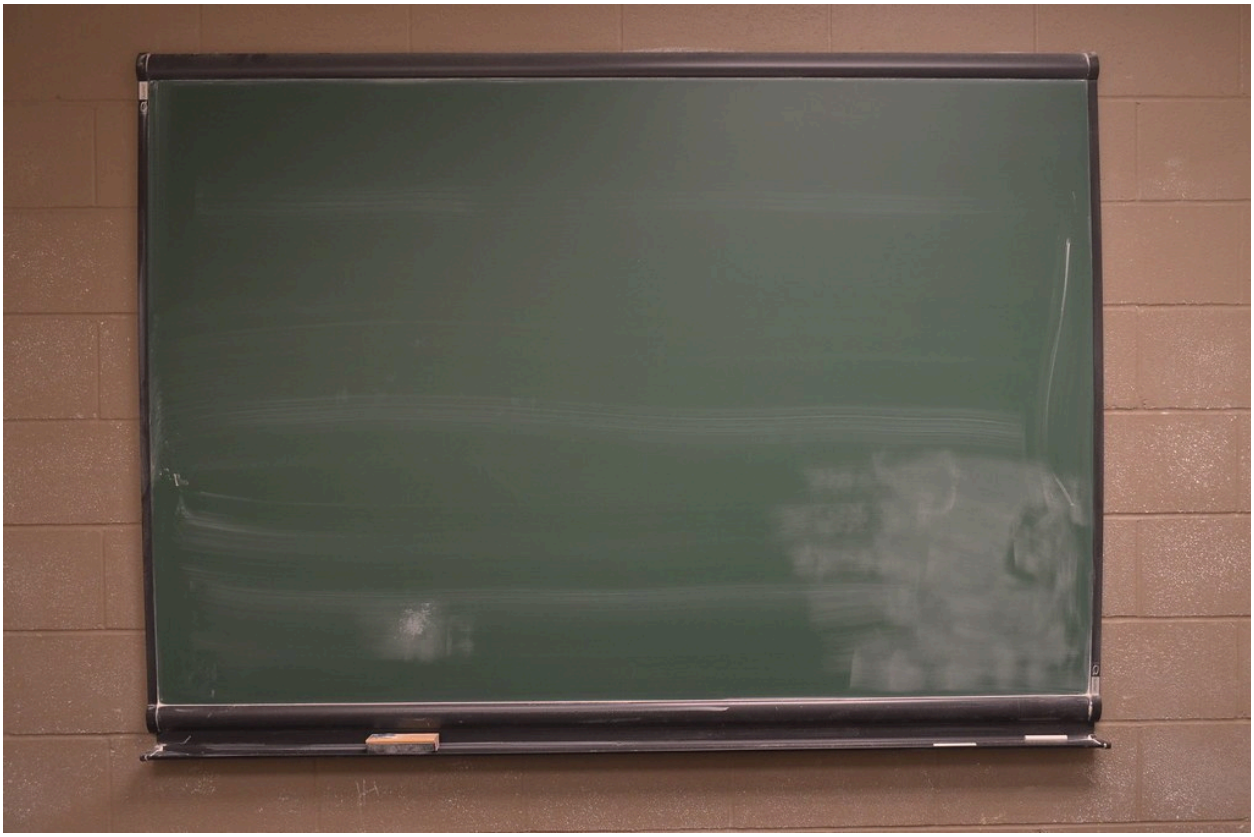
Real Estate Is a Math Problem

My economics background changed how I look at a building. When most people walk through a house, they picture their furniture and the Sunday morning light in the kitchen. I get that, and it's a human thing to do. But I look at a duplex the way I used to look at a problem set: what comes in, what goes out, what can go wrong, and what's left over.

That's the reason this book is called *The Boring Duplex*. Television has trained a lot of people to expect that real estate is a story with a dramatic reveal, a gut-renovation montage, and a big check at the end. Real estate in the real world rarely looks like that. A side-by-side duplex with solid bones, a sensible price, and separate utilities is not exciting. It sits there and does its job month after month. If you run the numbers correctly, that quiet reliability is exactly the point.

My whole philosophy fits in one line: real estate isn't a get-rich-quick ticket, it's a slow, boring way to buy your freedom one door at a time. I'd also add that I'm not interested in bragging about how many doors anyone owns. One property that pays you and lets you sleep is worth more than a pile of properties that keeps you up at night.

Math also has a useful quality in that it doesn't get nervous. When you're emotional about a house, every flaw feels like a verdict on your whole future. When you put the same house on a spreadsheet, the flaw becomes a line item with a price, and you can decide what to do about it. The math doesn't care about your feelings, and for a first-time buyer, that turns out to be a relief.



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What Coaching Taught Me About Buyers

The other half of my background matters just as much. Coaching basketball taught me how to manage people when the clock is running down and everyone's pulse is up.

Imagine a first-time investor opening an inspection report for the first time. They can look a lot like a point guard who has just turned the ball over in the fourth quarter. The report is long, the language is alarming, and the buyer's mind has already jumped to the worst possible outcome. Half of my job in those moments is to call a timeout. We sit down, we slow everything down, and we draw up the next play on the clipboard. Some of what's in a report is serious, and some of it is noise. Sorting one from the other is a skill, and you can learn it.

I'll also tell you who I'm not. I'm not the slick salesman in a leased BMW who needs a deal to close this month. I drive a paid-off pickup, and I still go to high school games on Friday nights. I care a lot more about whether you're sleeping well two years after closing than whether I get paid this month. If a property doesn't make sense on paper, I'll say so quietly, with the spreadsheet open between us, and I'll keep saying so until the numbers change or we find a different property.

Why I Wrote This Down

There's a practical reason this book exists. I kept finding myself at Messenger Coffee, three times a week, giving the same forty-five-minute lecture to people who were smart, careful, and scared. Most agents treat a duplex like an oversized house, or they treat a first-time investor like a hedge fund manager. Neither approach helps a nurse, an engineer, or an electrician who has saved a down payment and wants to put it to work without losing sleep.

What those people actually need is the unglamorous material: how to read a Schedule E, why separate water meters matter so much in Kansas City, and how to screen a tenant without running afoul of fair housing rules. I put all of it into a three-ring binder I call the Playbook and hand it to my clients. This book is the Playbook in a form that anyone can pick up before we ever meet.

Here is what I promise you. By the time you finish, you'll know how to spot a money pit in ten minutes, and you'll know how to run the real numbers on a Kansas City duplex before you ever write an offer. I mean the real numbers, with the ugly line items included.

How to Use This Book

Think of the chapters ahead as game film. We'll look at why Kansas City changes block by block, so a zip code alone tells you very little. We'll talk about the structural problems that hide behind a nice paint job, and about the utility setups that quietly drain cash flow. Then we'll run the numbers, look honestly at reserves, and talk through financing, negotiation, and the question of whether to manage your own tenants or hire it out. You don't need any background in real estate or finance to follow along. You only need patience, and a willingness to let a spreadsheet tell you the truth.

I'd suggest reading with a pencil and a notepad nearby. Most of the best work in this book happens when you stop and write a number down. If you're comfortable doing that, you're already ahead of most people scrolling listings at ten at night.

You've probably heard plenty of noise already, so I'll keep this simple. We're going to play defense first, protecting your downside so one bad surprise can't sink you, and then we'll talk about offense. The wealth you're after will come from slow, patient, repeatable decisions. Let's get started.

CHAPTER 1

The Myth of Passive Income

If you think buying a duplex means handing over your down payment and then waiting for checks to show up, I'd like you to drop that idea by the end of this chapter.

The most common misconception I run into is the belief that a duplex will be completely hands-off from the first day. I understand why. The idea gets sold with a lifestyle attached: closing day, then checks arrive, then you sit by a pool. Nobody selling that picture mentions an 80-year-old building in the Midwest, and nothing about owning one is passive. Those buildings have been through decades of freezing and thawing, and the ground and the plumbing have both been working against them the whole time.

A side-by-side duplex can be a very good investment. It is a small business, though, and it needs someone minding the store.

What "Passive" Hides

Hands-off would mean you could sit on the bench while the money shows up anyway. A duplex doesn't let you sit. You're on the floor for the whole game. Someone has to decide

which repairs get done and when. Someone has to find and screen tenants, collect rent, and answer when a tenant calls. Someone has to keep a cushion of cash so a bad month doesn't turn into debt. That someone is you, whether you do the work yourself or pay a person to do it.

Paying a manager doesn't make the income passive either. It makes you the owner who supervises a manager, which is still a job, just a different one. I'll get into that choice in Chapter 10. For now, the point is that the work doesn't disappear. It only changes hands, and you still carry the responsibility.

I learned this in my own building. When I bought my first duplex, I was teaching all day and coaching in the afternoon, and I spent my summer break getting the upper unit ready to rent. That was real labor, done on top of a full-time job. The rent was worth every hour, but nobody could call those hours passive. The money came because I put in the effort, and the effort kept coming after the rent did.

I'm not telling you this to scare you off. A reader who expects a hands-off check is the reader most likely to get blindsided, and a reader who expects a small business can prepare for one. That preparation is most of the difference between an owner who sleeps fine and one who dreads the phone.

The Midnight Call

When I ask people what worries them about buying a rental, the answers sound alike. One is a call in the middle of the night about a flooded basement. The other is a tenant who

stops paying and leaves the place wrecked. Those fears are reasonable, and I don't try to talk anyone out of them. I'd rather you take them seriously, because they describe what ownership really includes.

Basements flood, and old boilers quit when it's cold. Tenants sometimes fall behind. Over enough years, almost every owner gets some version of that call. The question isn't whether you'll ever get one. The question is what the call costs you when it comes.

Two owners can get the same call and have very different nights. Suppose an owner bought with every dollar of savings going into the down payment and no cushion left. A flooded basement for that person is a crisis, because the repair bill has nowhere to come from except a credit card or a panicked loan. Now suppose a second hypothetical owner bought a building whose mechanicals had been looked at carefully before the offer, and kept cash set aside. The same flood is an annoying, expensive Tuesday. Same water, completely different outcome, and the difference was decided long before the phone rang.

That's why I keep saying you can't eliminate the call, but you can decide in advance how much damage it does. Nearly all of that deciding happens before you own the building.

Defense Before Offense

I use basketball comparisons constantly, and one of them applies directly here. A team that can't stop the other side doesn't get to run its offense for long. Buyers tend to reverse this. They spend their energy on offense: how much rent the place might bring in a few years, how the neighborhood might improve, what the building might be worth later. Those are pleasant things to think about, and none of them can be counted on.

Defense is the dull part. It means protecting your downside on the inspection, and it means holding cash reserves before you let yourself dream about rent appreciation. The inspection tells you what the building might cost you. The reserves tell you whether you can survive finding out. If both are solid, a bad surprise becomes a line item in your budget. If either is weak, the same surprise can sink a first-time owner.

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Notice that nothing about defense is exciting. Nobody posts a photo of a good inspection. But I've watched enough buyers get hurt by ignoring it that I'm not willing to treat it as optional. The rest of this book spends a lot of time on exactly this, from the structural issues you can't see to the costs that quietly eat cash flow to the reserves question. I'd rather you buy the building you can defend than the one that looks best on paper.

Evelyn Wasn't Playing Monopoly

One client taught me more about this than any seminar did. Evelyn was a retired nurse. She wasn't trying to build an empire, and she wasn't trying to quit her job at 30. She wanted two doors in Overland Park or Mission that were brick, single-level, and easy to maintain, so that she'd have an extra thousand dollars a month to spoil her grandkids.

Evelyn had never heard anyone call her approach "defense," but that's exactly what she was doing. She picked a building type that held up well and gave her fewer ways to be surprised. She wasn't chasing the biggest return. She was choosing the property she could carry comfortably, and her definition of success was a steady thousand dollars and a quiet life.

She taught me that not every investor wants to play Monopoly; some just want a safe place to park their life savings. Before Evelyn, I'd have measured a good outcome by how much a client acquired. She showed me that a good outcome is a purchase that matches what the person actually needs from it. For her, a safe, boring pair of doors was the whole point.

Her story also works as a test for you. Evelyn knew what she was buying the building to do, and that clarity protected her. Plenty of buyers can't say what job their duplex is supposed to do. Maybe it covers most of a mortgage so you can live more freely. Maybe it adds a modest monthly cushion. Maybe it's the first step toward owning more. All of those are fine, but each one calls for a different building and a different level of risk. A buyer who doesn't know which one they want tends to take whatever looks exciting.

What You're Actually Signing Up For

As I described in the introduction, my colleagues in the teachers' lounge weren't asking about a miracle, because what they were looking at was a small business I was running

next to my teaching job.

So before we go further, here is the shift I'm asking you to make. You are not buying an income stream. You're becoming the owner of a small business whose product is housing, and a few questions follow from that:

- Who answers the phone when something breaks, and what happens if it's you?
- If a tenant stops paying, how many months could you carry the building without panic?
- Do you know what job this duplex is supposed to do for you, the way Evelyn did?
- Are you looking at the building's age and mechanicals before you imagine the rent?

If you can answer those honestly, you're thinking like an owner. If some of them stump you, that's fine, because that's what the next ten chapters are for. Write the gaps down and treat them as your homework.

One more thing before we move on. Everything in this chapter is true of an old building almost anywhere in the Midwest, but the Kansas City metro adds its own wrinkle. Two duplexes that look identical on a listing can be completely different investments depending on which side of a street they sit on. That's where we're going next.

CHAPTER 2

KC Is Block-by-Block: Why Zip Codes Lie

Why the map makes everything look cheap

Zoom out on a map of Kansas City and everything looks like a bargain. Prices sit well below what people see back home in California or Texas, and a spreadsheet built from those prices says you'll earn 12 or 14 percent returns everywhere. I've heard buyers say numbers like that, and I understand why. If you only compared sticker prices, the conclusion would be reasonable.

The trouble is that Kansas City doesn't behave like one market. It's a block-by-block city, and a zip code is a mailing convention, not an investment thesis. The same listing price can sit on a street where rents are steady and repairs are predictable, or on one where neither is true. A city-wide average blends those two streets together and hands you a number that describes neither.

In my old classroom I'd have called this the problem of averages. Put one hand in a bucket of ice water and the other on a hot stove, and on average you're comfortable. Nobody has ever bought a duplex "on average."

Three blocks, four hundred dollars

Here is what block-by-block means in dollars. In certain pockets of KCMO, you can cross Troost or simply move three blocks east, and the rent drops by about $400 a month. The same move can triple your turnover cost. Turnover means everything it takes to get a unit ready for the next tenant, plus the time it sits empty while you do it.

Do the arithmetic, because arithmetic is the whole point. Four hundred dollars a month is $4,800 a year on a single door. Now imagine that gap sitting on top of turnover bills that arrive three times as heavy. You're collecting less rent and spending more to replace the person paying it. Both numbers move against you at once, and neither one shows up in a city-wide statistic.

That's why I don't trust an online estimate of what a duplex "should" rent for, or what a neighborhood "usually" costs to keep running. Those figures were never built for one side of one street. The math doesn't care that two properties look alike on the screen. If the block has different rents and different turnover, you're looking at two different investments.

An out-of-state buyer can't see this from a distance, which is why they get burned most often. The property photographs fine, the price looks low, and the assumption underneath the numbers was borrowed from a market a thousand miles away. By the time the real

rent and the real turnover cost show up, the loan is already closed.

Hundred-year-old brick versus 1970s splits

Block-by-block also means building-by-building, because neighborhoods in this metro were built in different eras and age differently.

Around Hyde Park and Valentine, you'll find historic brick up-and-down duplexes. They have real character and plenty of buyers fall for them, which is part of the danger. You're also dealing with 100-year-old plumbing and plaster. Those are the systems that decide whether your year goes smoothly, and they're the ones a fresh coat of paint can't tell you anything about. I'll spend more time on how to read an older building in the next chapter, but the point for now is that this kind of duplex asks more of its owner.

Now look at the 1970s side-by-side splits up north in Gladstone and Liberty, or out south in Raytown and Overland Park. In those pockets the rents are super steady and the maintenance is way more predictable. Nobody puts them on a magazine cover. Predictable is precisely what a working professional with a full-time job should be shopping for, and the dull one is the one that tends to pay you.

I'm not telling you the brick is a bad buy and the split is a good one. Some people take on old brick with open eyes, a proper reserve and the stomach for it. What I'm saying is that these

are different jobs. Know which one you're signing up for before you fall in love with a staircase.

If it helps, here's a short list of what changes from pocket to pocket. I'm giving you the factors, not a ranking. You weigh them against your own situation:

- What rent the block actually supports, and how fast it drops when you move a few blocks over
- What a turnover costs on that block, and how long a unit sits empty
- The age of the plumbing and other systems, such as plaster and old pipes versus 1970s construction
- Which side of the state line the property sits on
- The rental rules of the specific municipality
- How the property is metered for water

The state line is a bigger border than it looks

You can stand in one spot in this metro and look at two completely different sets of rules. Missouri and Kansas have totally different tax structures, landlord-tenant laws and eviction timelines. The one that gets people's attention is speed. If you're stuck with a non-paying tenant, Missouri is much faster, usually a few weeks versus months on the Kansas side. Think about what that does to a cash flow projection. A few weeks of lost rent is a bad month. Several months is a hole you have to fill from reserves.

The rules also vary by city, which is where rookies get caught. In KCMO, the Healthy Homes Rental Inspection program catches a lot of new landlords off guard. KCMO also has a 1 percent earnings

tax if you live or work inside the city limits. That one matters especially for working professionals, since your job might put you inside those limits whether or not your duplex is there. Ask a tax professional how it applies to your situation before you decide your numbers work.

Across the line, certain municipalities in Wyandotte County and parts of Johnson County have very strict rental licensing and occupancy limits. In some of them an inspector comes out every year before you can renew a lease. That's a yearly cost in time and repairs, and it's a rule you'd never see on a listing sheet.

None of this makes one side better. A slower eviction timeline might be a fair trade for a neighborhood you love, and a faster one might not make up for weaker rents. I just want you to price those differences in before closing. Ask what the specific city requires of a landlord, and ask early.

Last year's tax bill is a work of fiction

One more piece of local knowledge sits on top of all this: property taxes. Out-of-state buyers and rookies tend to assume they're stable. They aren't. On both sides of the state line, and especially in Jackson County right now, assessments have jumped like crazy over the last couple of years.

The mistake I see is simple. A buyer takes the previous owner's tax bill, sometimes one that's five years old, and drops it into the spreadsheet as if it were a fact about the future. The numbers look great. Then the new assessment lands, the

lender adjusts the escrow, and the monthly payment goes up by $300 or $400. On a duplex whose margin was never fat to begin with, that increase can erase the whole reason you bought it.

The old owner's bill tells you what that owner paid. It doesn't tell you what you will pay, because buying the property can reset the picture. Treat the seller's figure as a starting clue, then run your own numbers with the expectation that the bill may come in higher, and ask your lender what your escrow could look like. When we get to running the full tape later in the book, this is one of the lines I'll want you to keep conservative. For now, remember that a tax number from the past is nearly worthless here.

Draw your own map

All of this points to one change in habit. Stop looking at city-wide averages. They aren't wrong so much as useless for the decision you're making. A first duplex will sit on one block, under one city's rules, with one assessor and one set of pipes.

So narrow your search to specific pockets where the rents have been steady and maintenance has been predictable, and learn those pockets the way a coach learns an opponent's film: street by street, not by the team's season record. When a listing catches your eye, treat it as a question about its block first and its granite second. What does a unit rent for here compared with three blocks over? What does a turnover cost here? What does this city expect of a landlord? What will the taxes probably look like once the assessor catches up?

A good local agent can answer most of those, and a stranger with a dashboard can't. That gap in knowledge is where most of the money gets lost in this metro, and it's the cheapest one to close before you write an offer. Once you've picked your block, the next question is what's physically under the building, because Kansas City has plenty to say about that too.

CHAPTER 3

The Clay Soil Trap: Structural Risks You Can’t See

What Your Eyes Do in a Freshly Flipped Duplex

Walk into a freshly renovated duplex and notice where your eyes go. Most people look up and out: the countertops, the light fixtures, the paint colors, the staging. That's by design. Someone spent money to make sure you'd look there.

Nobody stages a basement. That's where the building tells the truth about itself, and it's the part first-time buyers want to hurry past on the way back upstairs to the kitchen. I get it. A kitchen is easy to imagine yourself in. A foundation wall is not.

But granite doesn't hold up a building. This chapter is about the stuff underneath, and I'll give you the short version of where I come down on it. If a horizontal crack in a basement wall scares you, or the idea of paying for steel piers does, you can't buy in Kansas City. I mean that literally, not as a scare tactic. The sooner you're comfortable with that, the sooner you can buy well.

Why Basements Move Here

Clay soil and foundation movement are huge in this metro. Our summers run hot and dry, and then the heavy rains come. The ground around and under a basement doesn't stay put through that kind of swing, year after year, and the walls get pushed and pulled along with it. Stone basements and poured concrete basements both shift, and they shift all the time. A building that has stood for decades has been through a lot of those cycles.

So I don't ask whether a foundation has moved. In this part of the country, assume it has. What I want to know is how much, whether it's still moving, and what it will cost to deal with. A repair like steel piers can run eight or ten thousand dollars. That's a number you can plan for, and it's why I want it in your head before you fall in love with anything. A $9,000 line item on a spreadsheet is a business decision. A $9,000 surprise after closing is the kind of thing that sends first-time owners back to renting.

A few practical points follow from that:

- Horizontal cracks deserve more of your attention than hairline vertical ones. A wall that's being pushed sideways by the soil is telling you something.
- If a basement raises a real question, bring in a structural engineer. I tell my buyers to budget for one the same way they budget for the inspection itself.

- Look at how the ground meets the building outside, too. The soil and the foundation are in a conversation, and you can often see the argument from the yard.
- Put structural repairs in your numbers as a line you expect to spend on eventually, not as a disaster you hope to skip.

I'm not trying to talk you out of older brick or stone buildings. Plenty of them make good, steady rentals. I'm telling you that the question isn't whether you can find a building without a past. It's whether you can read the past and price it.

The Glidden Paint Warning

Here is the clearest case I've seen of how this plays out.

I once had buyers looking at a gorgeous-looking flip of a duplex in Westport. Everything upstairs was done, and it showed well. Then I went down to the basement, and the first thing I noticed was the smell. It smelled like fresh Glidden down there.

The foundation walls had been painted with thick gray waterproofing paint. Fresh paint in a living room is normal. Fresh paint, applied thickly, on the foundation walls of a building sitting in clay soil is a different thing, and my gut said what it was for. I thought the flippers were hiding horizontal cracks from the soil shifting. Paint can't fix a wall that's moving. It can only keep you from seeing it.

We walked. I'm saying that plainly because walking away is the hardest thing I ask a

client to do, especially when the rest of the place looks like a magazine. The man who bought it ended up having to pier the whole west wall six months later.

Notice what I went on: a smell and a gut feeling about what the paint was hiding. What I knew was that the money had been spent in a pattern. Everything the buyer would see in a showing was polished, and the one place that could cost real money had been coated over. A renovation that covers the structure but never repairs it isn't a renovation. It's a sales pitch.

You don't have to have my nose to use that lesson. Treat a basement with a freshly painted foundation as a question, not a finish. Ask what the paint is covering. Ask what the owner's records show. Then hire someone who can answer it with something sturdier than a smell.

> **It's where I bought my own first duplex and where I've worked for years.**
>
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Sewer Lines: The Problem You Can't Photograph

The other big structural risk is invisible in a different way. A lot of the older housing stock around here has cast iron sewer lines, and tree roots crush them. The roots go where the water is, and old pipes under old trees are in the way. You can walk through a whole duplex, flush every toilet, run every faucet, and see nothing wrong, because the failure is out in the yard, underground.

That's why I say it in three words: never skip a sewer scope. A scope puts a camera into the line so someone can look at what you can't. It costs a small fraction of what a failed line costs, and it tells you what you're really buying. I treat it as a standard line in a buyer's budget, right next to the structural engineer, not as an optional extra for nervous people.

I'd rather you scope a line that turns out fine than skip one that doesn't. A clean scope buys peace of mind. A bad one gives you information, and information is something you can use. You can ask the seller to deal with it, you can adjust what you're willing to pay, or you can walk. All three of those options disappear after closing, which is exactly when a crushed line tends to introduce itself.

Where Your Attention Belongs in an Inspection

With foundations and sewers in mind, here's how I run an inspection with buyers. I tell them not to sweat the small cosmetic stuff: sticking doors, a cracked window pane, ugly carpet. All of those are real, and none of them is the thing that will hurt you. A cracked pane is an afternoon. Ugly carpet is a weekend. Neither of them will empty your savings.

We focus strictly on the big-ticket killers:

- Roof
- Foundation
- Sewer line
- HVAC
- Electrical panel
- Plumbing

Those six are where a first rental can go from a business to a burden. You'll notice that none of them is a thing a tenant will ever compliment, and all of them are things a tenant will call you about at a bad hour.

I have to be clear about priorities, though. In a basement like the one in Westport, the foundation can matter more than everything else on that list combined. There are other buildings

where the roof or the electrical panel is the headline. I'm not handing you a ranking. I'm handing you the places where the money hides, and you weigh them for the building in front of you.

A basement is also a good place to look at the electrical panel, and I'd encourage you to look at it yourself. You don't need to be an electrician to notice whether it looks like it's been cared for or patched together. An inspector will tell you what's inside. Your eyes can tell you how the previous owner treated the building.

If a report comes back long and you feel your pulse picking up, stop the clock. Reports are written to protect the inspector, so they list everything. Sort what you read into the big-ticket pile and the everything-else pile, and let the second pile stay small.

Hypothetical: Two Buyers, Same Duplex

Imagine a buyer who tours a duplex and falls for the updated kitchens. She has a sharp eye, and she can picture her tenants loving the place. The basement is dark and she doesn't stay long. She skips the sewer scope to save a little money and moves the budget toward new fixtures.

Now imagine a second hypothetical buyer, who walks the same duplex and goes straight to the basement. He looks at the foundation walls, the panel, and the ground outside. He orders the scope and sets money aside for an engineer. The kitchens bore him.

In this scenario, the first buyer owns a prettier duplex on closing day. The second owns an understood one. If the soil or the roots deliver bad news to both, the second buyer has already put it into the numbers, and the first has to find the money in a hurry. The two buyers simply looked at different things.

What to Take With You

Nothing in this chapter is meant to make Kansas City sound like a place to avoid. It's where I bought my own first duplex and where I've worked for years. It's a place where you can build real stability, provided you look where the problems live.

So the working rules are short. Put the sewer scope in your budget every time. Budget for a structural engineer, and keep room in your numbers for foundation work, including steel piers if they're needed. Walk the basement, the outside grade and the panel with your own eyes. And when a place looks too finished for its age, remember the gray paint in Westport and ask what it's covering.

Once you know the building won't swallow your savings through the walls and the pipes, the next question is whether the building's operating costs will do it a little at a time. Utilities, and who pays for them, can quietly erase a rent check, and that's where we're headed.

CHAPTER 4

The Water Meter Rule: Hidden Cash Flow Killers

Twice a month, give or take, a client sits across from me and I talk them out of buying. I talk people out of buying at least twice a month, and the property is usually the same kind. It has shared utilities: one furnace, one water meter, two families.

The listing photos look fine and the rents are reasonable. Then I open the spreadsheet, and the numbers only work if the tenants don't run the AC at 64 degrees all summer.

That's an uncomfortable thing to build a purchase on. Most first-time buyers never think to check, because utilities feel like a rounding error. This chapter is about why they aren't, and about the one rule I treat as a hard filter.

One Meter, Two Families, Zero Accountability

Start with the water. The water department in KCMO is notorious. If a duplex has a single meter and you're paying water for two families, a leaky toilet will eat your whole cash flow for the quarter.

Consider who notices a running toilet in a rental. The tenant living with it doesn't see the bill, so the problem is invisible to the one person standing next to it. Whether it's a slow leak in a bathroom or a flapper that never quite seats, it keeps running day and night, and the meter keeps counting. You find out when the bill arrives, and by then the leak has been running for a full billing cycle. The bill also doesn't tell you which unit it came from. You're left guessing across two apartments, with one account and one very unhappy number.

Billing problems are part of the same reputation. When a utility has a history of surprises, a shared account magnifies each one, because every surprise lands on a single owner. With separate meters, a leak or a billing error stays in one unit, usually with the tenant who is paying for it and who has a reason to call you quickly. With one meter, the damage to your cash flow is the whole building's, and you're the only one with a reason to care.

Basement and sewer risk, which we covered in the last chapter, hits you once, in a lump. Water on a shared meter works differently. It can quietly take a bite every month, or one very large bite in a quarter, and your spreadsheet won't show it unless you put it there on purpose.

The Furnace and the 64-Degree Problem

Water isn't the only shared utility. One furnace and one set of controls means that whatever one household decides about the thermostat, the building lives with. People set their

comfort levels wherever they like when they aren't the ones paying, and that's human nature, not villainy.

That is why the 64-degree line matters to me. When I look at a property with shared utilities, I'm not asking whether an average tenant will run an average bill. I'm asking whether the deal survives a tenant who treats the building like a hotel. If the answer is that the numbers only work when everyone is frugal, then you haven't bought a duplex. You've bought a bet on strangers' habits, and you've given them no reason to win it for you.

I'd rather stand on the side of the table where tenant behavior is a line item that someone else controls. In a building with separate meters, the person who wants the house at 64 degrees is the person who pays for 64 degrees. The incentive lines up by itself, and I don't have to hope.

Pricing the Worst Case

Here is the rule, stated plainly: I only recommend buying a duplex with separate utilities, unless the rent is high enough to cover a $250 monthly water bill.

Read that second half carefully, because it's the part people skip. It isn't a loophole for shared buildings you happen to like. It's a test. The question is whether the rent can absorb the worst case, not the average one. Run it as a stress test and let the spreadsheet answer.

A $250 monthly water bill is $3,000 over twelve months. Look at what that does to a thin deal.

Imagine a duplex whose numbers leave $300 a month in cash flow after everything else is paid. On paper that's a respectable first rental. Now put a $250 water bill on the shared account. Most of the monthly cash flow disappears, and the building you bought to pay you is now barely paying for itself. Any other repair that month turns the number negative.

Now imagine the same building with a cushion wide enough that the $250 bill still leaves real money after every other expense. That building passes the test. It can carry a shared water meter, and the cost is already priced in, so a bad quarter is an annoyance and not a crisis.

The difference between those two buildings isn't the water. It's the spread, meaning how much room the rent leaves above the costs you

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can predict. A wide spread can survive a utility you don't control. A thin spread can't, and a thin spread is exactly what most first-time buyers are stretching toward, because they've saved a limited down payment and need the deal to work.

So the rule has two parts. Separate meters are non-negotiable as a default. If you're looking at a shared setup anyway, the building has to clear the worst-case water bill and still leave something for you. If it only clears with everything going right, that's my cue to ask the client to step to the sideline for a minute.

Putting It in Your Underwriting

If you do consider a shared-utility building, treat each shared utility as its own line, and let the numbers carry the argument, not your feelings about the layout or the kitchen. Here's what to put on the page:

- **Water:** one meter, two households. Underwrite it at the worst case, not

the average month.

- **Heat and cooling:** one furnace means the building's habits are shared. Ask what happens to the deal if the tenants are comfortable and the thermostat is low.
- **The cushion:** after those costs, is there still cash flow, or does it only work when nothing goes wrong?

If it helps, ask the seller for a stretch of the building's actual water and utility bills before you finalize your numbers. A real bill shows you more than a guess does. A single month proves little, though, so don't let one quiet bill talk you out of the worst-case line. Whether and how you can pass utility costs along to tenants depends on the lease and on the rules where the property sits, so that's a conversation for an attorney, not for me or for the listing agent.

Plenty of other buyers will happily skip all of this. They'll see two doors and a rent roll, and they'll be excited. That's your edge. You'll look at the same building and see one meter and a risk the seller has been absorbing quietly, or passing along to the next owner. A buyer who checks the meters before falling in love with the building is the one who gets to keep the rent.

What the Rule Is Really For

I don't love rules for their own sake. This one earns its place because it filters before you've spent any money. You don't need a loan approval, an inspection report or an engineer to find out how many meters a building has. It costs you a phone call and

a few minutes, and it can save you from a recurring cost that no inspector will flag, because a leaky toilet and a cold thermostat aren't structural defects.

So make the meter count part of your first screen. Separate meters keep a tenant's problem inside that tenant's unit. A shared meter makes it yours, and you pay for it every month the building stands.

That covers the physical risks and the utility risks. What's left is the part most readers have been dreading since page one: the spreadsheet itself. You now know which numbers belong on it and which ones belong in the worst-case column. Next, we sit down and run the tape.

CHAPTER 5

Run the Tape: The Math Doesn’t Care About Your Feelings

The flyer says ten percent. It sits beside a photo of a freshly painted living room, and under the photo is a rent figure for each side. The arithmetic looks easy enough that you start picturing the money before you've asked where the number came from.

I'd like you to get suspicious of that number, and I'd like you to be able to do it without feeling like you need a finance degree. A yield claim like that usually counts the rent and leaves the bills off. Once you can see which bills are missing, the flyer stops working on you.

Marcus, Dana, and the Hood of a Honda

It was probably my fourth deal. I was working with a young couple, Marcus and Dana, who were looking at a side by side in North Kansas City. Another agent had told them it was a goldmine, because both sides were rented for around $1,200 a month. The flyer promised a 10 percent return.

Twelve hundred times two sides times twelve months is $28,800 a year. That's real money, and it's a real rent roll. But it's the top line, and nobody lives on the top line.

So I pulled out a yellow legal pad right there on the hood of my Honda. I wrote the rent at the top, then started subtracting what the landlord actually pays. The first item was water, which the landlord covered in that building. Then I turned to property taxes. Across the river in Jackson County, a reassessment was about to hit. North Kansas City sits in Clay County, so that exact jump wasn't headed for this address, but the principle was the same. I wrote down a tax number that reflected that, and kept subtracting.

I showed them the net was more like 4 or 5 percent, not the 10 percent the listing flyer claimed.

Marcus looked at me and said, "Mr. Afolabi, you sound just like my 11th grade econ teacher."

Which, of course, I used to be. That's when I realized teaching the math is the whole job. Finding the property is the easy part, and so is writing the offer. The service I'm really providing is getting the person across the table to see their own deal clearly, with a pen and a pad, before they're emotionally committed to it.

Three Numbers on a Napkin

When something is complicated, I boil it down to three numbers on a napkin first. If a client wants the full spreadsheet after that, we open the laptop. Most of the time, they find the napkin

was enough to tell them what they needed to know. Here is what goes on it.

The first number is the net. That's the rent coming in, minus everything it costs to operate the building: taxes, insurance, water if you pay it, repairs, and the money you set aside for the months a unit sits empty. It doesn't include your loan payment. Think of it as what the building earns on its own, before you and the bank get involved.

The second number is the cap rate. Take that net and divide it by the price of the property. It tells you how hard the building works for its price, regardless of how you pay for it. I like it for one job in particular, which is comparing two duplexes on equal footing. It's also the number flyers love to inflate, because the easiest way to make a cap rate look good is to shrink the net by leaving expenses out.

The third number is cash-on-cash. Take what's left each year after you make the loan payments and divide it by the cash you actually put in: your down payment, your closing costs, and whatever you spend getting the place rentable. This is the one that answers your question. A cap rate asks how good the building is. Cash-on-cash asks what your $30,000 or $40,000 is doing.

Cap rate and cash-on-cash can tell different stories. A building can look fine on one and thin on the other, depending on the loan and the cash it took to get in the door. That's one reason the napkin has more than one number on it. I'm not asking

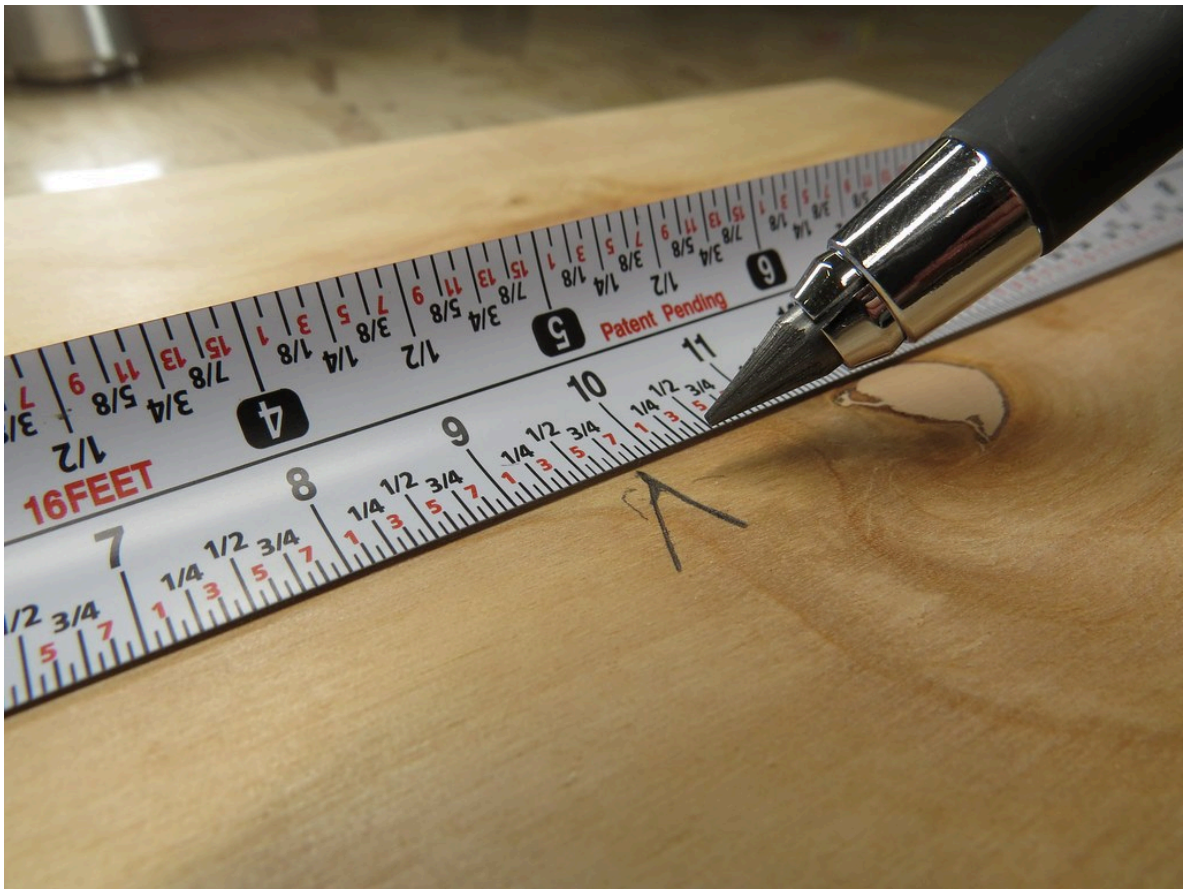
you to memorize formulas. I'm asking you to see that each of those numbers is a division problem, and that the top half of each one, the net, is where the mischief happens.

If it helps, write those three labels at the top of your own napkin before you look at any listing, and fill them in honestly, one property at a time.

What the Seller's Paperwork Can Tell You

Marcus and Dana were handed a rent figure. A rent figure is a claim, and claims need verification. Don't trust a seller's rent roll until you've checked it against something harder than the seller's word. Ask for the leases. Ask what each tenant actually pays and when it arrives. Ask whether the person living in a unit is the person on the lease. A rent roll tells you what the building is supposed to bring in. Your job is to find out what it did.

The other half of the picture is what the owner actually spent, and this is where I teach my clients to read a Schedule E. That's the form where a rental's income and expenses get laid out line by line for a year. If the seller owns the building as a rental, it's the closest thing to the building's report card. You can see what the owner paid for insurance, for repairs, for taxes, and for the other costs that never make it onto a flyer. A good lender or a good tax professional can walk you through the details for your own situation, and you should lean on them. I'm not here to give tax advice. I'm here to tell you to look at the page, because the lines on it are the bills your napkin needs.



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Two warnings. First, a seller's Schedule E tells you about the seller's year. Your costs may differ, especially for taxes, and the tax number is the one most likely to move. I covered why in the chapter on block-by-block differences. Second, if an owner's expense lines look suspiciously small, that doesn't mean the building is cheap to run. It may mean the owner skipped things the building needed. A repair bill that was never paid doesn't disappear. It gets handed to the next owner at closing.

Budgeting for the Boring Years

There is a question I wish more clients asked me: what does the maintenance budget look like in year three, when the excitement wears off?

Year one is the honeymoon. You're inspecting, painting, texting your friends about the place, and checking the rent deposit like a scoreboard. Year three is a Tuesday. A unit turns over. Something old needs replacing. Nothing is going wrong exactly, but the building keeps asking for money in small and large amounts. If your napkin assumed the building would be a full house, running perfectly, forever, then the napkin was a hope.

Two line items protect you from that, and flyers leave out both.

The first is vacancy. A tenant leaves, and the unit sits empty while you clean, repair, list and screen. During that stretch the rent is zero and the taxes, insurance and loan payment are not. Your net has to carry that cost in every year, not just the unlucky ones. Build it in as an expense, since it's one.

The second is capital expenditures, the big replacements: roofs, water heaters, furnaces, and the other large mechanical items I had you looking at earlier in this book. These don't show up monthly, which is exactly why they tempt people to ignore them. The money has to come from somewhere, so the honest move is to set some aside from the rent each month, in a line on your napkin, before you call anything profit.

I won't give you a one-size-fits-all number here, because the right figure depends on the age of the roof, the age of the furnace, and the block. Brick that's a century old and a split built in the 1970s ask for different budgets. What I will say is that a number of zero is wrong. If a yield claim has no room for vacancy and no room for big replacements, it's measuring a building that doesn't exist.

Take the three or four biggest mechanical items in a building and ask yourself what happens to your cash flow in the year one of them quits. Then ask what happens in the year two do. The answer tells you whether your net is a number or a wish.

What to Take With You

Back on that hood, the arithmetic wasn't hard. Everyone there could have done it. The harder part was that nobody had done it before the flyer showed up, because the flyer's number felt good and the pad's number felt like work.

So here's the habit I'd like you to leave with. When you see a high yield claim, find the rent, then go looking for the bills: water if the landlord pays it, a tax figure that reflects what's coming rather than what was, insurance, repairs, the empty months, and the replacements nobody has priced yet. Write them down. Subtract them. See what's left, and then put that number over the price and over your cash.

If the answer is still strong, you've found a property worth the effort. If it comes out at 4 or 5 percent, you haven't lost anything. You've learned what the building actually is before

you paid for the lesson. That's a good trade, and it costs a legal pad.

Now you can run the numbers on a building. The next question is whether you can run them on your own finances, and whether the money in your account is enough to carry a duplex through the boring years.

CHAPTER 6

Do You Actually Have the Reserves?

Last fall I turned down a commission of around nine thousand dollars, and I did it at a Panera.

The clients were a nurse and a firefighter, a young couple, and they were dead set on a side-by-side duplex near Shawnee. After multiple offers we had it under contract, and I think we ended up at 328,000. They had done the hard part. They had won.

Then the inspections came back. The main sewer line had collapsed under the driveway, and both furnaces dated to 1994. We asked the seller for help, and he offered a $1,500 credit and not a dollar more. He had backup offers from out-of-state investors who were willing to waive inspections, and he knew it. He didn't need to negotiate with us.

My clients' answer was to drain their entire emergency savings, fix the sewer, and keep the deal alive. I understood the impulse. They had already picked out which side they'd live on, in their heads at least, and they'd already told people they were buying. Walking away felt like losing, and spending every dollar they had felt like fighting.

What I Showed Them at the Table

I didn't argue. I called a timeout, sat them down at a Panera, and opened the numbers.

The sewer repair would take what they had saved. After that, the building would still have two furnaces older than some of the tenants who might rent it. The math came down to two ordinary events. One tenant loses a job and the rent stops. Or a furnace dies in January, which is when furnaces choose to die. With the savings gone, the repair goes on a credit card at 22 percent interest. A building that is already thin on cash flow is now paying a card company for the privilege of being owned.

Nothing in that picture is exotic. A tenant losing a job and a furnace giving out are the two most boring events in landlording, and a buyer with no cushion can't survive either one.

I told them to walk away. We killed the deal, and I made zero dollars that month. Four months later we found them a much cleaner place in North KC.

I'm not telling you this to show you what a good guy I am. I'm telling you because of what the other bidders were doing. The buyers who waived inspections were playing a different game than my clients, with a different tolerance for being wrong. A seller who has backup offers doesn't care whether you can afford the surprise. In a hot bidding round, a first-time buyer on a thin cushion will be tempted to copy people who are playing a different sport. The inspections told us the truth.

What the couple needed was enough money to hear it and still say no.

The Number I Take More Seriously Than Any Other

If you ask what I take more seriously than most people around me, my answer is cash reserves. If you don't have six months of mortgage payments sitting in a boring savings account after closing, you have no business being a landlord.

That sentence comes out harsher than I mean it, so let me explain the parts.

After closing is the phrase that matters. The money you bring to the table doesn't count. Your down payment is gone the moment you sign, and so is whatever you spend to close. Reserves are what's left once the keys are in your hand. A lot of people look at their savings and feel ready, because the number is bigger than any they've had before. But they're counting the money that's about to leave.

Boring savings account is the other part. Reserves aren't invested in something that might be down when the furnace dies. They aren't tied up in a retirement account, and they aren't a credit line you plan to open later. They are cash you can reach on a Tuesday afternoon without a phone call to anyone.

I also give people a second yardstick, because it's the one I'd put on a timing question: the best time to buy a duplex is when you have your down payment plus 10 to 15 grand in

reserves and the property math works on day one. Notice that *and*. You need the cushion, and you need a building whose numbers hold up without any heroics from you. Chapters 4 and 5 were about that second half. This chapter is about the first.

For anyone who wants to see the six-month figure on paper, here's an illustration. Suppose the monthly mortgage payment on a duplex is $2,000. Six months of that is $12,000, and it has to be sitting in the account after the closing costs are paid and the down payment is wired. If your balance is below that figure, your savings aren't a reserve yet.

One more point, and it's the one most buyers resist. A reserve can't do two jobs. Your own emergency fund is there for your life: a layoff at the hospital, a transmission, a bad month. The reserve I'm describing is for the building. If you spend one pile to close and call the other pile "reserves," you've counted the same dollars twice, and the building will find out.

The Cost of Being Wrong Versus the Cost of Waiting

Everybody is afraid of waiting. The podcasts say you're losing ground every month you stay on the sidelines, and that fear makes sense. I taught economics for nine years, and I'm not going to pretend that time in the market costs nothing. Opportunity cost is real, and I used to draw it on the whiteboard.



ILLUSTRATION · unknown, CC0 (rawpixel)

But economics also teaches you to compare two costs, and most buyers only price one of them.

Waiting costs you a few months, maybe more. During that time you keep saving, your account grows, and the next property that comes along gets a buyer who can survive it. Your job doesn't change, and your rent is what it was.

Being wrong costs more, and it keeps charging you. When the cushion is gone, every repair goes on a card. The balance grows while the building underperforms, and the building underperforms precisely because money is going to the card. You start answering a tenant's call about heat with a pit in

your stomach and not a plan. That's the picture that scares people about landlording, and it comes from skipping the savings step, not from the property itself.

The Man Who Had the Money but Not the Hours

Reserves aren't only cash. I learned that from a different client, one I lost.

He wanted to buy a gut-rehab shell in Historic Northeast as his very first investment property. The purchase price was under a hundred grand, and to him that settled the question. He worked 60 hours a week in logistics. He had never hung drywall in his life.

I told him, flat out, on the sidewalk, that the holding costs and contractor headaches would eat him alive. The low price was the least of it. A shell that costs little to buy still costs money every month you own it, and it costs time you may not have if you're already working 60 hours. Add the contractors, who don't keep your schedule, and a person who has never done the work can't tell a good estimate from a hopeful one.

He got mad. He fired me. He bought it with another agent, and a year later he sold it half-finished to a wholesaler at a loss.

He ran out of something. Whether it was money, time, patience, or skill, the project needed a reserve of it, and he didn't have one. The price made the deal look cheap. The cost of finishing it was the real price, and he never ran that tape.

I think about him when a first-time buyer tells me a project is the smart way in, because the price is low and they'll make up the difference with effort. Effort is a real asset, but it comes from a person who also has a job and a family and a body that gets tired. Count it like cash. If it isn't there when the deal needs it, you've overdrawn the account.

Audit Your Own Numbers

Here is the audit, and it's short. Do it with a pen, not in your head.

- Write down what's in your savings today, in accounts you can reach without selling anything.
- Subtract the down payment and what you'll bring to the closing table, and see what's left. That remainder is the only number that counts as a reserve.
- Hold the remainder against the two yardsticks: six months of mortgage payments, and 10 to 15 grand on top of the down payment.
- Keep your personal emergency fund out of this exercise. It's already spoken for.
- If you're considering a project, ask what you'd be spending in hours as well as dollars, and whether you have them.

Then be honest about what you see. I do talk people out of buying regularly, mostly over shared utilities, as you saw in the water meter chapter. But the sentence I say more than any

other is the one that has nothing to do with the property. *Your numbers don't work, and you don't have enough cash reserves to buy this place right now.*

Notice the last word. I don't say "never." I say *right now*.

If the Answer Is Not Yet

If your account comes up short, the plan is simple and nobody will put it on a poster: do nothing and keep saving. Don't stretch and hope the first year is kind. Don't look for a creative structure that gets you into the building with less behind you. The building doesn't care how you got in.

I know that's a hard thing to read in the middle of a book about buying duplexes. Some of you will go home after this chapter and find that you're ready, with a cushion that has real weight behind it. Some of you will find you're a few months and a few thousand dollars away. The second group is in a better position than the people who bought last month and don't know yet.

The firefighter and the nurse kept saving. They bought a cleaner place four months later, and it wasn't a rescue. They bought it because the first deal didn't get them.

If your account passes, the next question is how you'll pay for the building and what kind of loan fits a first duplex. That's where we go from here.

CHAPTER 7

Financing the First Deal: FHA, Conventional, and House-Hacking

You've counted your reserves and the account passed. Now the loan conversation starts, and everybody has an opinion. A coworker says FHA. A cousin says conventional. A guy on your phone says you can do it with nothing down if you're clever enough. Meanwhile you just want to know which kind of mortgage lets a nurse, an electrician or a middle school science teacher buy a side-by-side without betting the farm.

I'll give you my answer first and spend the rest of the chapter earning it. For a first duplex, the best terms usually go to the person who lives in the building. Living in one unit is the most useful financial tool a beginner has, and it takes more discipline than people expect.

Why the Owner-Occupant Gets the Better Deal

Lenders sort borrowers into two groups: people who will live in the property and people who are buying it purely as an investment. The first group generally gets friendlier terms, including a smaller down payment and a better rate. The logic is easy to follow. Someone who sleeps in the building has a lot

riding on keeping the loan current and the roof sound. A buyer who owns the place from a distance has a lot less skin in the game.

That's the whole reason house-hacking works for people with $30,000 to $40,000 saved. You buy the duplex, live on one side, and rent the other. Your tenant's rent goes toward your payment, and you get financing built for a home buyer on a property that earns money. I did exactly this in Waldo when I was still teaching. The upstairs rent carried a large part of my payment, and that arrangement is what let a classroom teacher own real estate at all.

I won't quote you specific down payment minimums or rate differences here. Those change, and they depend on your credit, your income and the property. A licensed lender can put today's real numbers in front of you. What I can tell you is the shape of the choice: the owner-occupant path and the pure investor path are different products with different price tags.

What You Are Actually Promising

Here's where the discipline comes in. An owner-occupant loan carries an obligation. You're telling the lender you'll live there, and that promise has terms. Ask your lender exactly what you're agreeing to and for how long, and get it in plain words before you sign anything. If your plans might change soon, say so up front. That's a conversation for the lender and, if you want a second set of eyes, an attorney. It's not something to work out afterward.

Then there's the daily reality. Living in one half of a duplex means your tenant knows where you park. The furnace on the other side that quits in January is your furnace, and the knock on your door happens at dinner.

The second discipline is about the payment itself. It's tempting to let the other side's rent talk you into a bigger loan than your own paycheck can carry. Rent can vanish for a month between tenants. So I want my buyers to be able to pay the mortgage on what they earn, with the rent as a cushion and not the foundation. As I argued in Chapter 5, a deal that only works with every unit full and nothing breaking is a hope, not a plan.

FHA or Conventional: Make Them Compete

People want me to declare a winner between FHA and conventional, and I understand why. I used FHA on my own duplex. But it was the right fit for my situation, not a rule. For you, the better loan depends on your credit, your savings, the property and what you need the monthly payment to look like.

So I don't hand out a winner. I tell buyers to make the two loans compete on the same property. Ask your lender to run both side by side for the duplex you're seriously considering, and then compare the factors that matter:

- The monthly payment, with every piece of it included.
- The cash you'll need to bring to closing.
- What each loan requires of you as a borrower.

- What each loan requires of the property itself, because an older building can behave differently under different loan rules.
- What each option leaves in your bank account afterward.

That last line is the one I'd circle. A loan that gets you to the closing table but leaves you short of the reserves we talked about last chapter isn't the cheaper loan. It's the more expensive one, and the bill arrives later.

When I'm working with a buyer's offer, I pay attention to which type of financing is behind it, alongside the lender and the earnest money. The loan type shapes the paperwork and what the property will have to get through before closing. That's part of the picture, and I'll come back to how it plays in negotiation when we get to offers. For now, just know the choice isn't a footnote.

> **Even if you could structure a deal with nothing down, I wouldn't want my clients near it.**
>
> DESMOND AFOLABI

> “
>
> **I'll give you my answer first and spend the rest of the chapter earning it.**
>
> DESMOND AFOLABI

Your Lender Is Part of the Deal

When I look at an offer, I look at more than the price. I want to know whether the lender is local and reliable. Plenty of buyers think of the lender as a faceless pipe the money flows through. In practice, a lender is a person who has to answer a phone, move a file and solve a problem two days before closing, and a deal can live or die on that.

A local lender has a reputation to protect with the agents and sellers in the same market where you're buying. A lender who's far away, hard to reach and unfamiliar with how Kansas City properties get appraised and inspected gives you very little protection. They may quote you a lovely rate, but if the file stalls the week before closing, you could be the one holding the bag. The cheapest quote isn't the whole story. What matters is whether the person behind the quote will still be picking up when you need them.

You can test this yourself in about a week. Talk to a few lenders, preferably ones who work on this side of the state line and in the neighborhoods you're considering. Ask how they handle a duplex and how they communicate when something goes sideways. Notice who calls you back. A lender who's slow when you're a prospect will not get faster when you're a closing.

What Pre-Approval Actually Shows

When I'm trying to figure out whether a buyer is serious, I don't listen to how much they say they want the property. I watch what they've already done. Have they talked to a lender? Have they opened a separate bank account for the down payment and reserves? Do they show up on time with a notebook?

I picked those signals because they're hard to fake. Anyone can say they're ready. It takes real effort to sit with a lender, open an account and keep your savings out of your daily spending. A buyer who's done those things is already acting like an owner. A pre-approval letter is part of that picture, and it matters, but the habits behind it matter just as much.

If it helps, here's a short preparation list pulled from what I watch for:

- A conversation with a lender, ideally a local one, before you start touring.
- A separate account that holds only your down payment and reserves.

- A notebook, and the habit of using it to write down what the lender tells you.
- Showing up on time, because deals run on deadlines and the first deadline is the one you set for yourself.

The notebook may sound like a teacher's trick. It is. But after nine years in a classroom I can tell you the student who writes it down is usually the one who passes the test.

The Zero-Down Fantasy

The client who tests my patience most is the know-it-all who watched three TikTok videos about "real estate hacks" and now believes he can buy a fourplex with zero dollars in his bank account. I like the enthusiasm, and I mean that. But the confidence runs well ahead of the arithmetic.

Leverage works like a basketball press. Used by a team that has practiced, it creates opportunities. Used by a team that hasn't, it produces turnovers. Borrowing nearly everything on a building leaves you with the least room for error just when old buildings are most likely to need money.

Suppose a buyer closes on a duplex with almost nothing left in savings. One side sits empty for a month, and the same winter a furnace quits. The mortgage is due either way.

In this scenario, nothing about the buyer's character changed and nothing about the building was unusual. The only thing missing was cash on hand, and that gap turned an ordinary

repair into a crisis. The buyer now has to choose between borrowing on a card to fix the furnace and letting a tenant sit in the cold. Both choices are bad, and both were avoidable.

Even if you could structure a deal with nothing down, I wouldn't want my clients near it. The people selling "zero down" are usually selling the beginning of the story. Nobody tells you about month eleven.

What to Take With You

Get pre-approved with a local lender who answers the phone. Ask to see FHA and conventional run side by side on the same property, and ask what you're promising if you take an owner-occupant loan. Keep your down payment and reserves in their own account. Tell yourself the truth about the difference between living in the building and owning it from a distance, because those are two different products with two different sets of risks.

With the financing question settled, you can begin looking at actual properties, and that's where we go next.

CHAPTER 8

The Playbook: Evaluating Properties Like a Pro

A staged living room is built to be photographed. Nobody stages the basement stairs.

That is the first thing to understand about walking through a listing. The throw pillows, the neutral paint and the bowl of lemons on the counter were chosen by someone whose job is to make you feel something. The building's bones weren't chosen by anyone. They're just there, and they're the part you'll be paying for when the staging goes back to the warehouse.

If you're overwhelmed by listings and unsure what to ask when you finally get inside one, the fix isn't a longer list of questions. It's a different idea of what a showing is.

Why My Showings Feel Like a Field Trip

My clients figure out quickly that I run a showing like a field trip, and we go look at the ugly stuff in the basement first. A field trip also has a purpose. Nobody leaves a museum thinking the gift shop was the exhibit.

Buyers do the opposite. They come through the front door, stand in the nicest room, and spend ten minutes picturing a couch. By the time they reach the basement, they've already half-bought the place, and the furnace gets judged by a buyer who is emotionally invested. That's a bad referee.

Looking at the ugly stuff early flips the order. You meet the building at its least flattering before you've fallen for it, and if it's still standing after that, the nice kitchen is a bonus. Think of the walk-through as game film. You're watching how the building plays, not how it looks in the team photo.

What follows is how I run it. I keep these in the Playbook binder I hand my clients, and I'll lay them out here so you can use them on your own.

Before the Tour

My very first duplex buyer bought an up-down conversion near 39th Street. The seller's disclosure described it as a legal non-conforming two-family, and I trusted that. I didn't check the zoning history closely enough.

The city had cited the previous owner for an illegal basement kitchen. My client had to spend something like eight or nine thousand dollars getting permits and redoing the egress window, just so he could legally rent the bottom unit. Nothing about the building had changed since the day he made his offer. We just hadn't looked at the record, and the seller's paperwork had told us a tidier story than the city's did.

That one stung, and I've thought about it ever since. A disclosure is a document written by the person who wants to sell you the building. It may be honest, and it may be a little hopeful, but either way it isn't independent. The city's records are the independent source, and they cost nothing to read.

So now I pull up the city parcel viewer and the permit history before we even unlock the front door. I'm checking whether what the seller says the building *is* matches what the city says it is. A two-family is only a two-family if the city agrees, and that matters most for a duplex buyer, because the second unit's rent is half the reason you're buying.

The practical points:

- Look up the parcel and read the permit history before you tour, not after you've picked a favorite.
- Compare the seller's description of the unit setup, especially any conversion, against what the city has on file.
- Treat any gap as a question to answer on paper before you spend money on an inspection.
- If the second unit has to be legalized, price that in before you make an offer, not after you close.

This is also a good habit for your budget. Eight or nine thousand dollars is a real hit when you've saved $30,000 to $40,000. It's the kind of number that turns a first rental into a first regret.

The Walk Around the Outside

When I evaluate a property for the first time, I look at three things: the grading around the foundation, the roof line, and the electrical boxes on the back of the building.

None of these is glamorous. The grading is the ground around the foundation, and you're looking at how the lot meets the building. The roof line is the shape of the roof from the street and from the side, and you're looking for anything that sags, waves or looks tired. The electrical boxes on the back are the part nobody photographs for the listing, and they say a lot about how the building's electrical system has been looked after.

Notice what these have in common. None of them is cosmetic, and none of them is something a seller can fix in a weekend. A seller can repaint a room in a day. Nobody re-grades a lot or rebuilds a roof line to impress a buyer at an open house, so what you see outside is the building as it actually is.

I don't need to diagnose anything from the sidewalk. The point of this walk is to decide where to point the inspector and what to put on the list of questions. Chapter 3 covered what the bones can cost when they fail. Here you're just learning where to look so you can spot a problem before you spend money on the inspection.

You also don't need to be an expert to do it. You need to be willing to stand in a backyard for a few minutes, looking at the least attractive

side of a building, while the listing agent checks his phone.



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Thirty Seconds Inside: The Stairs and the Filter

Once I'm inside, the living room can wait. Here's the instinct I've built over the years, and I trust it: you can tell how a landlord maintained the invisible stuff (plumbing, roof, electrical) by looking at the basement stairs and the furnace filter within 30 seconds of walking in.

The reasoning is simple, and you can test it yourself. A furnace filter is about the cheapest, easiest maintenance task in a building. An owner who couldn't be bothered to change it, or who let the basement stairs go loose and neglected, probably

wasn't doing the harder things either. The pipes, the roof and the wiring are the maintenance you can't see, and the owner's habits show up in the maintenance you can.

I'm not saying a dirty filter proves a building is a money pit. It tells you what kind of owner you're buying from, and it tells you how hard to push on everything else. A building where the small things were handled gives you more reason to believe the large things were too. A building where the small things were ignored deserves questions.

It's also worth noticing which direction you walk. Most buyers head toward the kitchen. I head toward the basement. When you go the wrong direction on purpose, you see the building before the building has had a chance to sell you anything.

While you're down there, check the meters. As we covered in Chapter 4, the meter count is a deal filter, and it's cheaper to learn the answer before you've started imagining the paint colors.

Why the Rent Roll Needs Paper

The last piece of the playbook is the rent roll.

Never take a seller's word on security deposits or rent payment history without seeing bank statements or ledgers. On my second deal ever, the seller swore both tenants paid like clockwork on the first of the month. My buyer closed. It turned out the upstairs guy hadn't paid in three months, and the seller just wanted him to be somebody else's problem.

Nobody had to lie out loud for that to happen. The seller had a story, I had a hunch that it sounded fine, and my buyer had no paper. The tenant's payment history wasn't a fact until someone showed me a statement. The first time my buyer learned what it was, he was already the owner.

The same question applies here: who is telling me this, and what do they get if I believe it? A seller who needs a sale has a reason to describe the tenants generously. That doesn't make every seller dishonest. It means "trust me" is not a verification method.

So here is what I ask for, and what I'd encourage you to ask for:

- Bank statements or ledgers that show rent actually arriving, not just a rent roll that says it should.
- Documentation of the security deposits, so you know what you're inheriting and what you'll owe.
- A close look at how the payment history matches what the seller told you at the showing.

If a seller resists, that's information too. A building with clean records is easy to prove. When the paper takes weeks to appear, or never shows up, you've learned something without spending a dime.

The Checklist for Your Binder

Here's the whole playbook on one page. It's grouped by where you are. If it helps, print it and bring it with you to each showing.

Before the visit - Pull the parcel and permit history on the city's viewer. - Match the seller's description of the units against the city's record.

Outside - Grading around the foundation. - Roof line. - Electrical boxes on the back of the building.

Inside - Basement stairs. - Furnace filter. - Meter count.

On paper - Bank statements or ledgers for rent payments. - Records of security deposits.

That's fewer than a dozen items. You can run through them in the time it takes a seller's agent to finish his coffee, and none of them requires special tools or an engineering degree. They require a willingness to start with the unattractive parts and the discipline to ask for paper.

If you do all of it and the building still looks good, you've earned the right to admire the kitchen. At that point it's worth more, because you know what's under it.

You'll also leave each showing holding something you can use: a list of things you saw, things you checked, and things the seller said that you still need to confirm. That list is what you'll bring to the table when it's time to make an offer.

CHAPTER 9

Negotiation Isn't War: Cooperation Over Domination

Most buyers think the closing table is where the negotiation ends. With a duplex, it only moves to a different room.

When you buy a single-family home, the seller hands over the keys and disappears. With a duplex, the seller is also holding the leases, the history with each tenant, and the paperwork that confirms what each household pays and what their agreement says. You will need some of that after you own the building, and you will need it from a person you have just spent a month negotiating against.

That changes what a good negotiation looks like. It is not the one where you extracted the last dollar. It is the one where the deal closes cleanly and the seller still picks up the phone afterward.

The seller still holds half your paperwork

Here is the belief I hold that a lot of agents would argue with: you do not need to win every point, and you do not need to beat the other side into submission. Where tenants are

involved, if you tick off the seller, they stop cooperating on tenant estoppels and lease transfers. Then your life gets miserable after closing.

Think about what that means in practice. You are new to the building. You are trying to learn how the tenants really pay, what each lease says, and how the handoff of those leases will work. All of that depends on a seller who has no legal reason to be generous and no financial reason to hurry. The sale is done for them. The money has moved. If they left the table feeling insulted or squeezed, the incentive to be helpful is gone, and they were the only person who could supply those answers.

I'm not suggesting you pay full price to keep everyone happy. The point is that a buyer who treats the seller like an opponent is spending something he can't see on the spreadsheet. A buyer who treats the seller like a counterparty with a job to finish gets a smoother handoff. That smoothness shows up in the first few months, when you are least equipped to fix problems on your own.

I teach economics, so I'll put it in those terms. Negotiation here is a repeated game in miniature. The deal has a second phase, and the other player controls part of it.

Negotiate the roof, not the carpet

Once the inspection report lands, the temptation is to treat it like a scoreboard. Every finding is a point, and you want to win as many as you can. I have watched

buyers hand a seller a long list of complaints, thinking volume equals leverage.

It does the opposite. A long list of small grievances tells the seller you are going to be difficult about everything. It also buries the findings that matter. I tell my buyers to let the small cosmetic annoyances go: a door that sticks, a cracked pane, carpet nobody would choose. Those are cheap to fix and don't change whether the deal works. I keep our attention on the big-ticket systems that can break the math: the roof, the foundation, the sewer line, the heating and cooling, the electrical panel, and the plumbing. Here the question is what to do with them once you've found them.

What you do is put them on the table as facts. A twenty-year-old boiler is a fact. Cast iron drain stacks that are rusting out are a fact. Neither is an insult to the seller, and neither depends on how you feel about the building. They are items with a replacement cost, and a seller who is being reasonable can see that. You are asking the seller to share the cost of something real, which is a different conversation from asking them to apologize for owning an old building.

This is also where I do the work I was doing with students and players long before I did it with buyers. A first-time buyer holding an inspection report is often hyperventilating. The report is written in a tone that makes every finding sound urgent, and a person who is frightened tends to negotiate badly, either by demanding everything or by panicking and demanding nothing. So I call a timeout. We sit down, sort the

findings into the ones that change the numbers and the ones that don't, and only then draw up what we're going to ask for. Whatever you send the seller should be something you could defend with a repair estimate, not something you could only defend with a feeling.

The lowball and the three other offers

Some buyers come to me with a plan they picked up online. They have seen someone offer thirty thousand dollars under asking, and they want to do the same, on the theory that the seller will counter and everyone will land somewhere in the middle.

I have to remind them that the seller in Waldo or Independence may have three other offers from out-of-state LLCs. A seller in that position does not have to answer a lowball at all. You are not starting a negotiation. You are volunteering to be the easiest offer to set aside.

There is a second cost, and it connects back to the closing table. Even if a low offer somehow got a response, you would have opened the relationship by insulting the person whose cooperation you will need later. In a competitive situation, you can lose the property and make an enemy in the same move.

What I want buyers to understand is that a duplex is not a single-family home, and you don't get to fall in love with the crown molding. You are buying an income stream and a roof. When you think of it that way, the price conversation gets more disciplined. You already ran the numbers. You know the

price at which the deal works, and you know what the building needs. If an inspection turns up a real problem, you negotiate on that problem, with evidence, at the point in the process where it belongs. You do not try to claw back thirty thousand dollars from the seller on day one just to feel like you won.



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If the numbers only work at an insulting price, the answer is not a bolder offer. The answer is that this building is not your building, and you move on to the next one.

Reading an offer the way the seller does

It helps to see an offer from the other side of the table, because it shows you what makes yours strong without making it expensive.

When a seller is weighing several offers, I build a side-by-side net sheet for them. It lays out the price, the quality of the lender, the earnest money, the inspection terms, and whether the buyer actually understands older Kansas City properties. Price is on that sheet, but it is only one line. A slightly higher number from a buyer with a shaky lender can be worth less to a seller than a slightly lower number from a buyer with a strong local lender, real earnest money, and reasonable inspection terms. The seller is not just choosing a price. They are choosing how likely the deal is to actually close.

Suppose a seller has two offers in front of them. Offer A is the higher price, but the buyer has never seen a building this age and hasn't put much behind the contract. Offer B is a little lower, from a buyer who has a lender known for finishing what it starts, who put real money down, and who has plainly looked at the basement. A seller reading that net sheet might reasonably prefer Offer B, and I wouldn't blame them.

Treat your own offer as something a seller has to read quickly and trust. Get a lender who communicates well, which is one more reason the lender choice from the financing chapter matters so much. Put down earnest money that shows you mean it. Keep your inspection terms reasonable. And let it show that you understand what you are buying. That last item

is not something you can fake, but you will have earned it if you've worked through this book. You can make an offer attractive without paying a premium for it.

On the other side, there are offers I teach sellers to be wary of. The pattern is a sight-unseen offer from an out-of-state wholesaler, with a tiny earnest money deposit and a long inspection period of fifteen days. Wholesalers who send an offer like that are often tying up the property so they can try to re-trade the price later, for around thirty thousand dollars less. The contract costs them almost nothing to sign and almost nothing to walk away from, so the seller carries all the risk while the buyer holds all the options.

I mention this for buyers as well, because it shows what a seller is trying to protect against. If you are competing with offers like that, the way to stand out is to be the opposite of them. Be a real buyer with real money, a real lender, and real eyes on the property. That does more for you than a few thousand dollars of extra price.

What to take with you

Negotiating a duplex comes down to a few habits you can practice.

- Decide before you write the offer what the numbers allow, so price is a decision you made with a spreadsheet and not in the heat of the moment.
- When you've found a problem in the inspection, bring it to the seller as a documented item with a cost attached, and keep

the list to the things that move the math.

- Let the cosmetics go. A seller will notice that you can tell the difference.
- Make your offer easy for the seller to trust: a sound lender, meaningful earnest money, sensible inspection terms.
- Remember that the seller is the person you'll be calling about tenant paperwork after you own the building.

None of this makes you soft. It makes you the buyer who gets the keys, gets the leases transferred, and gets the answers when you ask for them. That is worth more than a victory over somebody you will need again in a month.

Once the papers are signed and the seller has handed over the file, the negotiating is mostly done, and the part of ownership that tests you begins. The tenants are real people with real expectations, and you are now the person they call.

CHAPTER 10

Landlording 101: To Manage or Not to Manage?

Forty Lawnmowers in a Two-Car Garage

Three days before closing on a brick two-family in Raytown, I did a walkthrough and found lawnmowers. They were everywhere, along with gas cans and everything else that goes with a repair operation.

On paper, that deal was clean. Both tenants were paying around $950 a month, leases were in place, and the inspection had come back clean. Then we walked the property and learned that the upstairs tenant had subleased the detached two-car garage to a man running an unlicensed small-engine repair shop. I made the seller clear out forty lawnmowers and remediate the oil stains in the driveway, and closing slipped two weeks while that happened. I tell this story at every investor meetup, partly because people laugh, and partly because it is the best argument I have for the question this chapter is about.

A clean inspection tells you about the building. It says nothing about what people are doing in it. A lease in a file tells you what was agreed, and it says nothing about what is

happening behind the house. That gap closed on me before closing, when it was the seller's problem. After closing, the garage, the driveway and the stains would have been mine.

So when clients ask whether they should hire a property manager, they are really asking who will be looking at the building, and how often.

Why I Tell You to Manage the First Year Yourself

My honest advice to most first-time buyers is to manage your first duplex yourself for the first year. The alternative is giving 10 percent off the top to a manager who doesn't care about your building like you do. A good manager is a professional, and I'm not knocking the trade. But a manager has a portfolio, and you have one building and a down payment's worth of reasons to learn it.

Nobody can teach you a particular duplex but the duplex. During that first year you find out which tenant reports small problems early and which one waits until the small problem is large. You learn how the furnace sounds when it's healthy, which side of the basement stays damp, and what a plumber actually charges on a Saturday. A manager collects that knowledge for you, but it stays in the manager's head and in the manager's invoices.

That knowledge also pays off in your numbers. A projected maintenance budget is only a guess until you've lived with the building. Your own first twelve months give you the real

number: real repair costs, real response times, and a record of what broke and why. Owners who skip that year often build their budget from guesses and a manager's reassurance.

Then there is the fear of the phone ringing at midnight. I won't tell you that calls never come, because they do. What I will tell you is that the dread is usually bigger than the job. A single call is just a problem with a cause, a cost and a plumber to call. Your reserves from Chapter 6 are there to handle it. After a handful of those, the phone loses much of its power over you.

When the Math Says Hire Someone

I used to believe that managing your own property was the only way to make the numbers work on a first duplex. I've changed my mind, and it's one of the bigger shifts in how I advise people.

If you work 50 hours a week at your day job, paying a good local manager 8 or 9 percent is sometimes the smartest money you'll ever spend, because the alternative is burning out in year one. That belongs in your analysis as a real line. A building that costs you your evenings, your weekends and your patience with your tenants is a bad investment even if the spreadsheet looks fine. The first-year rule and this exception don't conflict. Both aim at keeping you in the game long enough to own the building for years.

If you are already running hot at work, pay attention to how that feels. The trouble comes when a plumbing call lands on the same week as a deadline at your day job. A tired owner makes slow, expensive decisions, and sometimes stops answering the phone at all.



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If you do hire, the fee comes off the top of the rent before repairs and before any vacancy. On a thin deal that matters, so run the tape twice, once with the fee and once without, and see whether the building still pays you. If it only works with you doing the work for free, that's worth knowing before you buy.

One piece of the job is where professional help often earns its keep: screening applicants within fair housing rules. I won't re-teach screening here. Whoever does it, you or a manager, has to know those rules and apply the same standards to every applicant. If you hire out, ask the manager how they do it. If you do it yourself, get comfortable with it before the first vacancy, not during one.

A Lease Is Only as Good as Whoever Reads It

Back in Raytown, the leases were in place and the problem still happened. A lease protects you only if somebody checks it against what's happening on the property and acts when the two don't match.

Enforcement works best when it is boring and consistent. You treat every term the same way for every tenant. You walk the property, including the parts you can't see from the street, such as a detached

> **I've changed my mind, and it's one of the bigger shifts in how I advise people.**
>
> DESMOND AFOLABI

garage, a basement, or a side yard. And you address a small violation before it turns into a business. A tenant who learns early that the terms are real tends to stay inside them.

This applies whether you manage the building or someone else does. A manager who never walks the property isn't doing the job you hired them for, so ask how often they do and what they do about what they find.

> **A manager who never walks the property isn't doing the job you hired them for, so ask how often they do and what they do about what they find.**
>
> DESMOND AFOLABI

A Decision Matrix You Can Fill In

Think of this as one page for the front of your Playbook binder. I'm not handing you scores or a formula, because weighing the factors is your job, and the weights differ from one owner to the next. For each factor below, mark the line that sounds more like you, and write your numbers next to it.

Hours at your day job.

- Points toward hiring: you regularly work 50 hours a week, and burnout in year one is a real risk. This one

can outweigh the others, and the fee may be the best money you spend.
- Points toward self-managing: your work hours leave you room to take the calls and walk the property.

What you know about this particular building.
- Points toward self-managing: you haven't yet watched it through a season of repairs and tenant calls, and a manager can't give you that education.
- Points toward hiring: you've already learned its systems and its tenants.

What the fee does to the tape.
- Run the numbers both ways. If the building still pays you after an 8 or 9 percent fee, hiring is on the table.
- If the deal only works when you do the work yourself, that's a finding to act on before you buy, not after.

Your comfort with screening.
- Points toward self-managing: you know the fair housing rules and can apply the same standards to every applicant.
- Points toward hiring: the rules make you nervous, so get help or get trained first.

Who will walk the property.
- Points toward self-managing: you will walk it regularly, including the garage, the basement and the side yard.
- Points toward hiring: you'll be relying on a manager, so ask how often they walk it and what they do about what they find. If the answer is "nobody regularly," you have an enforcement gap, which is how forty lawnmowers end up in a garage.

Read down the list and notice where you hesitate. If most of your answers point to learning the building and your work hours are manageable, run it yourself for the first year and keep careful notes. If the hours question jumps out at you, interview managers before you close, not after the first bad night.

Whichever way you go, the building has to be watched. Someone with a stake in it has to look at the garage, the basement and the paperwork, and the choice between you and a hired manager is just a choice about who does the looking.

CHAPTER 11

The Long Game: Building Freedom One Door at a Time

A Deck With a View

From the back deck of a duplex in Strawberry Hill, on the KCK side, you can look across at the downtown Kansas City, Missouri skyline. I still think about that building, and the view is only part of the reason.

My client Trevor bought it back when rates were low. He lived in the tiny one-bedroom unit downstairs and rented the three-bedroom upstairs to a family. That family stayed for five years. Nothing about the arrangement was dramatic. There were no bidding wars on the deck, no flip, no windfall. A man lived small, a family stayed put, and the building quietly did its job until Trevor's student loans were gone.

I want you to sit with that, because the reader I wrote this book for is usually wondering whether the slow route is worth it. You've heard the pitch for the fast route: the big swing, the one deal that changes everything. I coached basketball for nine years, and I never watched a team win a game on a single heave from half court. Teams win with possessions, one after another, and most of them look boring from the

bleachers. A duplex bought carefully works the same way. The building doesn't need to be exciting. It needs to be there every month, with a family upstairs who aren't looking to leave.

The Number I Remembered Wrong

There's a footnote to Trevor's story that I like better than the headline.

Years later, we were talking about refinancing that same Strawberry Hill place. I pulled up my notes to get the details straight, and I realized I'd been telling the story wrong. In my head, Trevor bought it for $215,000. The notes said we actually closed at $230,000, once we rolled in the seller credits and the roof adjustment.

That's the number I'd been carrying around for a long time, and it was off by fifteen thousand dollars. I'm not telling you this to be modest. I'm telling you because memory rounds toward the version of a deal that feels best, and paper doesn't. A teacher who's written the same lesson plan nine times knows this: the version in your head is always cleaner than the version on the page. When you own a building for years, you'll be tempted to remember the purchase price, the rent and the repair bills in whatever shape flatters you.

Keep your notes. The loans were paid off by a real building with a real price, and the price was written down.

The Text on the First of the Month

Some of my favorite messages have nothing to do with a closing. One came on the 1st of a month: a

screenshot of a client's bank account, showing his first Zelle rent payment from a tenant. Underneath it he'd written, "Coach, it actually worked."

I've been called Coach by a lot of people, and I answer to it. But that text stuck with me for a different reason. Look at what he was surprised by. He wasn't surprised that the property closed, or that the inspection went fine. He was surprised that a tenant he'd never met moved into a building he owned and a payment showed up in his account on the day it was due. He had done the reading and run the numbers, and some part of him still half expected it to be a trick.

I think most of you will feel the same way when your first rent check lands. The fear that got you to pick up this book is the fear that this is the sort of thing that works for other people. Then the first of the month comes, and a screenshot proves that it works for people who teach, nurse, wire buildings and fix furnaces for a living. After that, the second duplex is just another good possession.

Ambition, Redefined

I used to measure ambition the way a lot of agents do, by volume: more clients, more closings, more of everything. I don't think that way anymore. Now I just want 15 to 20 solid clients a year who actually listen, plus enough free time to buy one more duplex for my own portfolio every couple of years.

That's a small ambition, and I chose it. Fifteen or twenty clients a year means I can sit down with each of them at a kitchen table and do the actual teaching. And a duplex every couple of years leaves me time to be a person. I'm not keeping a door count for bragging rights. Counting doors tells you nothing about how well the buildings are doing.



ILLUSTRATION · unknown, CC0 (rawpixel)

I think that same pace can work for you. One good duplex every few years doesn't make a dramatic story, but it changes a life. Each building you buy carefully gets a little easier to carry. Each lesson from the first one makes the second one cleaner, and your work, your savings and your evenings stay yours throughout. You don't have to burn out to build something. You have to keep making sound purchases over a long stretch of time, and then not wreck them.

The One Thing to Keep

If you forget everything else in these pages, and I won't be offended, here's what I'd want you to remember. Buy the building where the numbers still work even if the rent drops by a hundred bucks and the water heater blows up in month two.

That sentence holds up every chapter before this one. It says to assume something will go wrong, because something will. It says your first deal should survive a bad month, and a bad month followed by another. When the deal passes that test, you can sleep, call your tenants back calmly, and wait for the next good building without feeling you have to force it.

The deals that go wrong are rarely the ones with a single obvious flaw. They're the ones where everything had to go right for the math to work. Trevor's building had a tenant who stayed five years, a seller credit and a roof adjustment already folded into the price, and a buyer who knew exactly what he'd paid. Those are small, unexciting details, and they're why his loans got paid off.

Let's Look at Three Listings

When people finish a book like this, they usually want to do something with it, and the best thing I can suggest is also the simplest. Call me to grab coffee and look at three real listings together on my laptop.

Bring your numbers, even if they're rough, and bring your questions. I'll bring the habit of asking what happens when the rent drops or the water heater quits, and we'll go through each listing the

way I'd go through it with a client. We'll see together which of them, if any, deserves a closer look.

You don't need to be ready to buy next month. You need to be a person who knows how to look at a building and read the paper, and by now you are. The rest is one good duplex at a time, bought with care and held for a long time.

CONCLUSION

Your Move

The Slowest Way to Do Something Worthwhile

You came to this book with a laptop open, a down payment saved and a lot of noise in your head. If I've done my job, the noise is quieter now. What's left is something plainer and, I think, more useful: a way of looking at a building that doesn't depend on your mood that day.

I'll say the thesis one last time, in the way I'd say it to a student who'd been half-listening all semester. A boring duplex, the kind of unglamorous side-by-side that nobody posts a victory lap about, is the most dependable route I know for people with real jobs to buy their way toward freedom. The route is slow, and I think it's honest. It doesn't ask you to be a genius, and it doesn't ask you to be brave in the way a gambler is brave. It asks you to be careful, patient and a little bit stubborn about arithmetic.

Notice what that trade looks like. You give up the thrill of the big swing. In return you get a building that pays you, a lease you understand, and a Sunday evening that doesn't end in a knot in your stomach. I've watched people make that trade,

and I haven't met one who regretted the quiet. The ones who regret things are the ones who chased the thrill and paid for it in repairs.

Defense Is Still the Whole Plan

Basketball taught me that the scoreboard flatters offense. Everybody remembers the shot; hardly anybody remembers the possession where somebody stayed in front of their man and forced a bad look. Yet a team that can't guard anyone loses by the same margin as a team that can't score.

Owning rental property works the same way. Rent growth and appreciation are the shots people like to talk about. What decides whether you're still standing in a few years is what you protected before you ever dreamed about them: the condition of the structure, the cash sitting in the bank after closing, and the honesty of the numbers you used to justify the purchase. That is the thread running under every chapter of this book, and I'd rather you carry it than any single rule I've handed you.

Here is the promise I made at the start, kept in a sentence: you can now look at a Kansas City duplex, tell within about ten minutes whether it's a money pit, and run real numbers on it before you ever put an offer on paper.

One more thing about defense. It doesn't make you timid. People sometimes hear "protect your downside" and picture someone who never buys anything. The opposite is true. When you know what the worst case costs and you've already

confirmed you can absorb it, you can move on a good building quickly and without agonizing. The careful buyer is often the one who acts fastest, because the questions that freeze other people were answered weeks ago.

What You're Allowed to Skip

Plenty of what the internet tells you to do, you're allowed to ignore. You don't need to collect doors so you can announce a number. You don't need to treat a duplex like a trophy, and you don't need to learn a vocabulary built for markets that look nothing like Midtown, Raytown or Gladstone. You need one good building, bought where the math works, and then enough time to learn what it's like to own it.

The first one is the hard one. The second is easier because by then you've seen a furnace die and a tenant move out, and you've found that neither ended your life. If you

> **You don't have to hire me, and if the right answer after an hour is that you should keep saving, I'll say so and mean it.**
>
> DESMOND AFOLABI

want a second or a third, you'll buy it with a calmer head than you bought the first.

Why There's a Coffee Cup in This Book

I'll tell you plainly why this book exists. I was giving the same forty-five-minute lecture at Messenger Coffee about three times a week, walking people through how duplex math works in this city. I'm happy to give it, but it eats the time I'd rather spend on the part where we look at actual properties. If you've read this far, you've already heard the lecture, and we can skip it.

So here's the invitation, and I mean it as low-pressure as an invitation can be. If you'd like to sit down and go through a few real listings together, the way I laid out in Chapter 11, I'd enjoy that. Bring your rough numbers and your doubts. You don't have to be ready to buy. You don't have to hire me, and if

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the right answer after an hour is that you should keep saving, I'll say so and mean it.

You should know who you'd be sitting across from. I care far more about whether you can sleep two years after closing than about getting a deal across the line this month. A closing is one afternoon. A building is something you live with.

The Last Thing

If you keep only one test from this whole book, keep the one from Chapter 11: buy the building that still works when something goes wrong early. Everything else I've shown you is a way of finding that building or avoiding the other kind.

When that building is yours, the payoff won't look dramatic. It will look like a Tuesday where the rent arrived, nothing leaked, and you spent the evening doing something that had nothing to do with real estate. That's the whole point of doing it slowly. You're not buying excitement. You're buying the ability to put your head on the pillow and sleep, knowing the numbers work.

The page that closes this book, "How to Connect With Me," has the ways to reach me. Use it whenever you're ready, or don't. Either way, you know how to read a building and read the paper, and the next move is yours.

CONNECT

How to Connect With Me

If you've read this far, you're probably weighing a first duplex, and maybe a few numbers are still bouncing around in your head. That's normal. Before you write an offer, it helps to call a timeout and look at the deal on paper, with the mechanicals first and the feelings second. If you'd like a second set of eyes, get in touch for a first conversation. We can run the tape on what you're looking at, talk through where you are, and draw up the next play together. No pressure and no pitch. The math doesn't care about your feelings, but I do care how this goes for you.

Stop chasing hype and start buying the boring, cash-flowing duplex that actually pays you.

Get in touch

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