

landlord

PROPERTY MANAGEMENT

Welcome to Landlord Property Management!

We are excited that you have chosen the premier residential rental property management company to manage your rental property. Our goal is to manage your property so that it can achieve the highest return while being compliant with all governing rules, laws, and regulations. This manual has been prepared to help you answer the most common questions encountered when starting your relationship with Landlord Property Management



How our Offices are Organized

Our office is organized to address the different needs of your property throughout the life-cycle of vacancies and rentals. All of our team is cross-trained: anyone can either answer your question on the spot or provide the resource who can answer your question.

Leasing

Our Leasing Department is completely focused on filling vacancies. Our team helps determine the rent amount, coordinates the advertising, conducts showings, qualifies prospective residents, and completes the lease signing.

Maintenance

Maintenance begins with a cosmetic assessment and performs on-going periodic inspections thereafter. Our inspections are designed to discover pre-existing or emerging problems, and to help ensure resident safety. We will also coordinate all property repair and maintenance needs.

Accounting

The Accounting Department is responsible for the financial management of your property including rent collection and financial statements.

See Your Property Status Online at Any Time: The Owner Portal

The best method to monitor your rental property is via our online portal. The Owner Portal allows you to see financial statements, documents, reports, maintenance, invoices, lease agreements and owner contributions.



Access

Your email is your user id process in which you received an automated email containing that password, but you can also easily reset your password.

What's Inside?

All your monthly statements along with repair receipts and scanned documents regarding your property are easily accessed. To reduce the use of paper and to enhance efficiency, paper invoices are not mailed from our office. Instead, your monthly statement serves as your invoice for management fees and any work performed and this can be downloaded from the portal at your convenience.

Vacancies

After choosing a property management company, filling a vacancy can be an owner's next largest cause for concern. Landlord Property Management takes vacancies very seriously and focuses on rapidly filling the with qualified residents.

Marketing/Advertising

How much rent to charge?

One of the first steps in filling a vacancy is to determine a rental amount that the market will support. Landlord Property Management uses real time data and previous area rentals to conduct market comparisons. We then provide a recommended rental range to the owner so that the owner can make an informed decision on the rental amount to be used in advertising. We can educate you to the trade-offs of holding out for a high rent versus accepting a resident quickly for a rent that is close to your target price.

Pets

Statistics state that 40% of renters have pets. You will need to decide whether to allow pets in your rental. The upside of allowing pets is that you open your rental to a larger pool of potential residents. The downside is that pets can inevitably increase rental wear and tear. It is legal to refuse to rent to residents with animals except for pets prescribed by a physician to address a medical condition or pets that serve as service animals. In fact, service animals are not defined as "pets" and are generally exempt from all pet rules or regulations. It is also legal to define the maximum size or type of pet that is acceptable in your rental. For example, you may limit dogs to those weighing fewer than 20 pounds.

Where is the advertising?

Landlord's Property Management experience has shown that a mix of traditional and online advertising yields the best response. While different types of advertising can vary depending on the location of your rental, online advertising across multiple sites is generally the best method of advertising accompanied by cross marketing and a sign (broker discretion).

Showings

Showing calls taken by our rental hot line are from prospects interested in information or viewing

a rental. The agent conducts a brief phone interview to ensure that there is a general match between the prospect's requirements and the rental attributes. If there is a match, the agent schedules an appointment. If the prospects are interested in the rental, they are then invited to complete an application. Unfortunately, NAR guidelines prohibit us from offering compensation through MLS platforms.



Qualifying Residents

Landlord Property Management uses a national credit, criminal, and eviction reporting provider to obtain a prospect's background profile. Landlord Property Management also electronically verifies income, facial recognition utilizing a powerful new method offered by Aptly ensuring a fraud proof accurate assessment of financial worthiness. References may also be checked in certain situations. Credit reports cannot be shared with owners due to the Fair Credit Reporting Act.

Lease Signing

Landlord Property Management uses a template lease written by the Texas Association of Realtors. These forms are vetted by attorneys and developed by Property management professionals, our Broker, Adona Lowery being one of those professionals.



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Deposits

Rental security deposits are managed in accordance with federal real estate laws and regulations. In addition, most states have legislation that mandates how deposits are to be handled and how they are to be held; Landlord Property Management is in full compliance with these regulations. Typically, security deposits are \$25.00 less than the rental amount. An additional tool we utilize is a "zero" deposit alternative. An outside company vets the application after we approve, the tenants make payments directly to that company, which guarantees payment to us at the appropriate time.

Security Deposit

The security deposit belongs to the residents while they are a renting your property, or until forfeited in accordance with the law. The security deposit is held in an escrow or trust account by the Landlord Property Management office in compliance with the law and remains in this account until the final inspection is completed after the resident vacates the rental. This is one way we prevent potential future legal issues for the property owner as we ensure compliance with local laws regarding proper deposit deductions and the timing of refunds.

Residents

Residents are the cornerstone of the success of your rental. Our business model depends on stable, paying residents

Resident Already in Unit

If you come to Landlord Property Management with a resident already in place, we have a simple initial communication with them. We provide them with a Resident's Manual, explain the rent payment process, and review how to contact our office to address repair or maintenance needs. Our office will also review

the existing lease to determine whether any adjustments may be required. We DO NOT handle evictions of existing tenants, that we did not place.

Communications

Some property owners want to communicate directly with their residents: that is a contract violation and prohibited. We want to do all we can to ease your mind from the concerns that arise from being a landlord. However, we cannot effectively do the job that you have hired us to do if you are communicating directly with the resident. The residents may interpret your communication(s) as further contractual obligations that may cause you to incur legal liability. By keeping the lines of communication clean between Landlord Property Management and the resident, the potential for ambiguity can be eliminated. We are happy to work with you to relay information to the residents if necessary..



Rent Disbursements

This is the most common area of concern after a tenant is placed: you will want to know “Where’s my money?” Disbursements to owners are labeled “Owner Disbursement” on your monthly statement. To receive your monthly disbursements, you must complete the W9 & ACH form via the link located on our website

When the Owner Draw is Disbursed?

The resident’s rental payment is typically posted on the same business day as it is received. Landlord then determines if the payment clears; Owner Draws are processed between the **6th and 8th** of each month, or the following business day if the disbursement date lands on a weekend or holiday. Your Owner Draw will be sent to you by Automated Clearing House (ACH). ACH disbursements can take two-to-three business days to clear through the banking system. A

Owner Disbursements

Please understand that you will probably not be able to use the resident’s rent payment to make your mortgage payment in the same month that the resident’s payment is received. The rent disbursement cycle is too tight to meet most mortgages due date requirements. It is recommended, therefore, that you have two (2) months of mortgage payments in reserve in case the current month’s rent payment is not disbursed to you in time for you to pay that month’s mortgage payment.

statement will be sent to you the day the funds are sent to your bank. If the tenant pays late, uploads are the following Friday.

How the Owner Draw is Calculated

The calculation for the Owner Draw is fairly simple: Monthly rent received minus management fee, minus maintenance expenses (if incurred), minus other expenses, minus portfolio minimum balance equals Owner Draw. Examples of “other expenses” may include, but not limited to, utility bills, maintenance costs.

What If the Rent Is NOT Received?

The residents are aware that their rent payments are due no later than the 4th of each month. While most residents pay on time, there are some who pay late. This can be due to a one-time event or can be a recurring problem. The steps that we take to resolve late or non-payments are consistent, but can be stopped when payment is received. These steps include:



1. Email/Text or call to resident – this is usually all that is required to find out why the rent is late and to establish a commitment as to when it will be paid.
2. Letter to resident – a written letter/text from Landlord is the first step in formally documenting the lateness of the rent.
3. Pay or Quit Eviction Notice – if the late payment of rent is a recurring problem or if the rent is severely late, it may be appropriate to start the first step in the legal eviction process by initiating a Pay or Quit Eviction

Notice in accordance with state law. Our office utilizes a standardized form provided to us by the "Texas Association of Realtors".

If the resident hasn't cured the Pay or Quit Eviction Notice, then the eviction process continues, which in all will involve an attorney. Please see the section on Evictions.

How are Late Fees Handled?

Late fees are incurred by residents in accordance with the lease agreement and state law when they do not pay their rent on time. When the rent is finally paid, it is applied to the resident's account in the following order:

1. All past due balances prior to the current month (if applicable)
2. Late fees for the current month
3. The remaining payment is applied to the current month's rent

Late fees are administered in accordance with your Management Agreement with our office.

Maintenance

Landlord Property Management's rental strategy is that a well-maintained rental with curb appeal rents faster, yields the highest rent, attracts the best residents, and presents fewer problems.

Once a resident moves in, the resident is renting a home, not just property.

One way you can keep residents happy and paying on time is to ensure that your rental is in good working order, to keep the rental habitable in accordance with the law, and to respond

quickly to repair requests when our office calls you for approval. By signing a rental agreement, a warranty of habitability is implied and required by law.

This means that we are promising that your rental home is suitable to live in.

Periodic reviews and visits to the rental as well as routine maintenance are an essential part of this strategy. Vendors are also vigilant when repairs are needed.

Budgeting for Maintenance



There are many ways to budget for maintenance. Some owners use multiple of monthly rent (1.5X – 2X is common). Therefore, if the rent is \$1,000 per month, you should consider keeping 1.5X to 2X of \$1,000 or \$1,500-\$2,000 in reserve to pay for potential emergency repairs that are required by state law for one year of tenancy. Alternately, some owners use a percentage of the property value such as 2%-3%. If you adopt this strategy, and if your rental value is \$100,000.00, you should consider keeping \$2,000-\$3,000 in reserve for a year. Whatever strategy you adopt, it is important that you have a Maintenance & Repair Budget in place. This budget is an element of being in the business of owning rental property

Risk = Potential for Financial Loss

One of the reasons owners like you have chosen Landlord Property Management is to help protect them from financial risk. Maintenance is one of the most common areas of risk exposure. One maintenance risk area is compliance with applicable laws, rules, and regulations. Through our efforts to respond intelligently to resident maintenance requests, Landlord stays current on all residential rental real estate and housing laws at the federal, state, county, and municipal level. We do the homework, so you do not have to.

It is Landlord Property Management's policy that all legal violations (cited or not yet cited) must be corrected – no exceptions. An owner may face legal (including criminal) liability if certain repairs are not made. You may choose to initiate repairs using your own *licensed and insured* contractor(s) to make repairs provided that the repairs can be completed in a timely and competent manner. Alternately, Landlord Property Management can provide vendors at your expense if you prefer.

All Repairs must be funded prior to authorization and work beginning. Repairs will NOT be started without the necessary funds in order to comply with contract obligations.

Landlord Property Management only uses

contractors that are licensed when required, certified as necessary, and who carry the proper insurance. Additionally, we give preference to vendors who have a history of being timely, providing quality repairs, being safe on the job, as well as offering preferred pricing to our clients.

Assessments

Initial Assessment An initial cosmetic assessment is performed after the Management Agreement is signed. The purpose of this is to ensure that there are no visible issues that

represent a hazard to the resident or that MAY develop into a hazard in the future. Any discrepancies found are shared with you and a plan is established to correct them. Priority is given to habitability and legal concerns.

Periodic Assessment

In addition to an assessment that occurs when a resident initially occupies the rental and vacates the rental, periodic assessments are conducted throughout the year, if elected. This is being conducted to ensure that the rental remains in good order. This service is optional and is an additional charge.



Evictions

Evictions are a reality in the residential rental industry. Although you may never have to have a resident evicted, it's possible that you may have to experience this process. The best defense against having to evict a resident is to have a quality selection process, a strong maintenance program, and a responsive property management office. Landlord Property Management provides you with all three of these resources in order to mitigate the possibility of eviction. The eviction process can vary by the state and situation with your resident. You can depend on Landlord Property Management to have the expertise and legal professionals to make the process as humane and expedient as possible. Every eviction is different. Our office will oversee the process with you if you are confronted with the possibility of having to evict a resident.

Fees Incurred

There are three general categories of fees you can expect to encounter in an eviction. Although the timelines and specific processes may vary, and the actual costs will differ based on legal requirements, you can expect the following fees:

Legal Fees

We are not Attorney's, to make sure all laws and filing requirements are met all evictions are handled by attorney's. Regardless, of the reason for the eviction attorneys are utilized. Tenants now have access to free legal advice and representation at the local precincts. One missed step or incorrect filing and the entire case can be re set, allowing for the tenant to remain on the property.

Moreover, we have already identified professional, competent, and reasonably priced legal counsel should that need arise. Alternately, you can use your own legal counsel if you prefer. Legal fees generally begin with the attorney drafting an Eviction Notice and continue through final judgment by the Judge. We also employ a company that offers numerous safeguards to offset the risk of a renter.



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Initial Filing & Writ of Possession Fees

These include the cost of the initial process server to serve

the summons and complaint, and the Constable or Sheriff's Deputy to possibly remove the tenant from the premises

Ready to Rent Expenses

Generally, an evicted resident will leave the property in a condition that requires additional cleaning, maintenance, or repairs. Although the evicted resident is ultimately responsible for such repairs, we cannot depend on the resident to pay these fees immediately. Provisions should be made to set aside funds when it is initially identified that an eviction process is going to be necessary.

How long does it take?

The short answer is that it depends on several factors. Some common factors include state or local laws, the resident avoiding service of the summons, and the resident contesting the eviction. Rest assured that our office is well versed in executing the eviction process in conjunction with local attorneys. In general, the process requires the service of a Pay or Quit Eviction Notice that informs the resident that he or she violated the lease and needs to pay the balance due and correct any violations, or surrender possession and return the keys. If the resident does not comply, then the case is filed with the appropriate court and a hearing date may be set. Following the initial legal proceedings, the resident is generally provided with time to move prior to a set out. All things considered; the process can average anywhere from three (3) to eight (8) weeks on average.

Management Fee

The management fee is deducted from the rent received in accordance with your Management Agreement.



Maintenance Expenses

Maintenance expenses are itemized and deducted from the rent received in accordance with your Management Agreement.

Owner Disbursement

The Owner Disbursement is the amount paid to you after expenses are deducted.

Tenant Paid Fee's

Fee's that are paid the tenant and retained by management are: late fees, NSF fees, application fees and administrative fees.

Year-End 1099

An IRS Form 1099 is sent to you within 30 days of the end of the calendar year. This form is for your tax records and is used to help complete your tax filing for the previous year. You will also receive a statement encompassing the entire year. Current owners statements are provided in your portal along with the 1099. Former owners will receive a 1099 in the mail at the most recent address.

Complaints

We are in a service-oriented business, and we strive to provide you the best customer service possible. If you have any issues that you would like to discuss with us, please call. We honestly believe that hearing from you is the only way that we can resolve issues, and work to make the systemic changes to prevent the issue from reoccurring. We are in a service-oriented business, and we strive to provide you the best customer service possible. If you have any issues that you would like to discuss with us, please call. We honestly believe that hearing from you is the only way that we can resolve issues, and work to make the systemic changes to prevent the issue from reoccurring.



How they are handled

Please call/email your Landlord Property Management office with any concern. Your feedback is used to improve our communications, customer service, and processes. If your concern is a complaint, here is how we'll handle it:

1. We will ensure that we clearly understand the situation from your perspective.
2. We may need some time to investigate the issue. If that is the case, we will commit to you that we will respond within an amount of time that is reasonably acceptable.
3. When we respond, we will (1) clarify the issue to your satisfaction, or (2) ask what you would like for us to do to resolve the issue, or (3) provide options as to how the issue can be resolved.
4. We will then agree upon a plan of action that will resolve the issue.



We are committed to working together honestly and reasonably toward our mutual goal of delivering a great owner experience.

Your Management Agreement will ultimately govern our relationship. Please utilize this manual for reference purposes only.