



## **OWNER HANDBOOK**

This handbook is designed to communicate our policies, practices and procedures regarding management of your property. It is intended to enhance communication, provide a layer of transparency and address questions you may have. As new federal and local laws are added or the economic environment changes, this handbook will be updated – however it should not be considered inclusive of all our policies, practices and procedures – and is subject to change without notice.

### **Your Basic Responsibilities**

A successful business relationship works both ways. In order for our team to understand your property, one of our licensed property managers will do an initial walk-through.

- 1) Major deficiencies of the property must be corrected at your expense before we can list the property or take over management. You should complete our Property Features Checklist as thoroughly as possible.
- 2) You must have a valid W9 Tax Form on file with our office.
- 3) You are required to obtain and maintain landlord hazard insurance and must list Atlanta Area Property Management as “additional insured “ or “interested party” on the policy.
- 4) If the property is located within a Home Owner’s Association, you must provide us with a soft copy of the current HOA’s covenants, declarations, by-laws, rules and regulations. You must provide the HOA with a written notice of approval to include us in any HOA communication directed to the Owner and tenant. If HOA dues are mandatory, you will be responsible for payments. You need to provide access for the tenant to all facilities included as part of the HOA.
- 5) You should notify us of any ownership change or eminent owner change
- 6) Supply us with accurate information so we can service the management account properly.
- 7) Notify us of any discrepancies found on statements as soon as possible.
- 8) Adhere to Fair Housing Laws and guidelines
- 9) Don’t cut corners; make all necessary maintenance and repairs.
- 10) If you drive by the property, please do not disturb tenants.
- 11) Do not contact the tenant. Should a tenant contact you, we ask that you not answer any questions but refer them back to us immediately. Maintain separation from the tenant to reduce legal liability.

### **Re-keying Your Locks**

***We re-key all locks before a new tenant takes possession.*** After managing rentals for 10 years, we are very sensitive about reducing risks for our owners. Re-keying the property, before turning it over to a tenant, is a huge step in reducing your exposure to litigation.

### **Your Duties for the Property**

- 1) There must be working smoke/carbon dioxide detectors throughout the home to meet county code requirements.
- 2) Written documentation regarding the property’s propensity for flooding must be provided. “Propensity for flooding” is defined as any portion of the property’s living space that has been damaged three times during the

preceding five-year period. "Flooding" is defined as water that enters the unit from a river, stream, drainage ditch, or rainwater. All documented repairs made to address flooding must be given to us for our records and may be made available to prospective Tenants. You must be prepared to handle flooding issues and pay for damages caused by flooding.

- 3) If your rental was built on or before 1978, you will need to sign a Lead Based Paint Disclosure and provide any and all information on lead-based paint and paint hazards on the property that you may have in your possession.
- 4) You need to maintain all utilities while the property is vacant during the initial turnover. You must maintain services until the Lease start date and not cut them off prior to a tenant moving in. After the first tenant, we will handle all utilities.

## Our Basic Duties

- 1) First and foremost, our duty is to you, the property owner.
- 2) We will perform an initial inspection of your property. All cosmetic, maintenance and safety issues will be notated and we will make you aware which issues must be addressed prior to leasing. If the initial inspection reveals a safety issue on the property, the item must be corrected before we can write a lease.
- 3) We have a team of contractors that help prepare your property for the rental market to ensure it is in the best possible condition for the highest possible rent. If repairs are not made which could negatively affect your rental or the tenant, we have the right to terminate the property management agreement.
- 4) We will market the property using a variety of sources including internet websites, multiple listing service, notices to current and prospective Tenants, and various marketing campaigns. Rental details will be provided on a timely basis when requested by prospective Tenants.
- 5) We screen prospective Tenants using our criteria, which may change as economic conditions change.
- 6) We prepare and execute the lease once the tenant is approved.
- 7) We collect rent payments, late fees, and any other charges and fees owed by the tenant. We will account for all rents and deposits collected, including pet deposits, pet fees, and security deposits.
- 8) We ensure appropriate and reasonable maintenance and repair as requested made by the tenant or owner.
- 9) We provide written notices to tenants.
- 10) We evict nonpaying tenants through legal means as dictated by each county.
- 11) We perform regular, periodic checks of vacant properties for vandalism, broken pipes, or other damage.
- 12) We reserve the right to perform inspections of your property to ensure the tenant is maintaining the home properly.
- 13) We will not exaggerate, misrepresent, misinform, or conceal pertinent facts relating to the advertising, leasing, or management of the property.
- 14) We replace batteries in smoke detectors prior to leasing the home. Tenants will be responsible, thereafter, for the maintenance of smoke detectors according to their lease.
- 15) We will replace / re-key exterior door locks between tenants.

## Funds Management

- 1) Tenant security and pet deposits will be held in our escrow/deposit account held at SunTrust Bank. These deposits belong to the tenant unless and until the tenant defaults in accordance with the terms of the tenant's lease.
- 2) Tenant rent payments will be held in our rent account held at SunTrust Bank. Rent payments belong to you in accordance with your signed Property Management Agreement.

- 3) You will receive electronic direct deposits on or before the 15<sup>th</sup> of each month minus the property management fee and outstanding invoices.
  - a. Should the tenant's rent be insufficient, we will notify you and rent shall not be paid to you until we are able to collect rent from the tenant.
  - b. You may request to have your funds deposited by the 5<sup>th</sup> of the month as an "early disbursement". In order to ensure that the ledger balance does not go below zero, you will be required to have a reserve in the amount of one month's rent and shall pay a \$10 "early distribution" fee for each early draw.
- 4) If dispossession action is taken against the tenant, rents and late fees collected from the tenant minus the property management fee, shall be paid to you through electronic means within 15 days of receipt from the tenant.
- 5) You will be notified of major repairs that need to be performed for approval. You will have the option to handle the repair directly or have us handle it.
- 6) If you handle the repair directly, you will be responsible for full payment of the repair.
- 7) Any payments made by us will be paid from your Repair Reserves. Should repairs exceed your Reserves, you will be required to reimburse us immediately upon receipt of our invoice. Should you fail to reimburse us, we reserve the right to withhold rent payments and use rent payments plus 10% and replenish your Reserve Fund.
- 8) If you require a 1099's, we will process it before January 31. There is a \$75 fee that covers the 1099 and full year-end statement mailed to your address.

## Methods of Communication

These are our acceptable methods of communicating. However, when we need something in writing, it will be through the use of email or a written letter:

- Email
- Texting
- Written Correspondence by First Class Mail
- Telephone

## Owner Vacation Notice

If you take any time away where we are unable to reach you, please ensure that you provide us with an alternative method of communicating or provide use a contact that can make decisions on your behalf. This policy is so we can act in the event of an emergency repair or major problem concerning your property and/or tenant.

## Renting Your Property

*Preparing to rent your property:* When prospective tenants view your rental, we want it to look its best and compete with area rentals. We will prepare and share a rental market analysis and discuss repairs needed to make your rental competitive.

*Setting the rent:* Supply and demand along with seasonal factors will determine rent. If there are multiple rentals available in the same area of your property, we will price it in the same price range with little variance, depending on the upgrades. Renting property is quicker during the spring and summer when people are looking to move.

As markets change, we will advise you on the current rents. We utilize many sources to determine current market rates including research on Zillow, Craigslist, the Multiple Listing Services, and a variety of other sources which compares actual rents from like-kind properties within a close distance from your property.

We maximize the return on your investment by advertising at the highest end of the spectrum; however, if a low response is experienced, we will adjust the asking rent accordingly or offer a special to attract attention. Our management fees are percentage based and therefore, we are incented to get the highest amount of rent that the market will bear.

*How long will the property be vacant?* A very common question but there is no way to predict. We work diligently to rent the property as quickly as possible but keep the goal of a quality tenant in the forefront of our activities. We could easily rent properties “quickly” if we don’t maintain qualification standards but bad tenants only create more expense and unwanted vacancies. We believe that waiting for the best tenant is worth the additional time it can take to rent your property.

*Internet marketing:* Our main method of advertising that includes the Multiple Listing Services, Zillow, Trulia, Zumper, Apartments.com, and a host of rental websites. Our vast marketing programs get huge exposure for your rental.

*Showings:* All tenants are accompanied by licensed agents. We do not offer self-showing lockboxes. In addition, we conduct open houses on the weekends.

*Applications:* Prospective tenants complete applications on-line and upload required pay stubs and id. Processing begins when the applications are complete. We perform a careful review of their credit, income, criminal, sex offender, bankruptcy, evictions, and tenant history or ownership. In addition, we check online media such as Facebook for hints of personal conduct. All applicants must submit verifiable information on their income to show they can support the property. Rental history or previous home ownership is carefully checked. Cross-referencing all four areas – credit, tenant history, criminal, and income - provides the answers to qualify or disqualify prospective applicants.

*Co-signers:* We accept co-signers who live in and earn money in the State of Georgia. Sometimes there are conditions that warrant taking a co-signer on a property. In the event the tenant terminates owing money, we will pursue all responsible parties.

*Pets:* Statistics show that more than 75% of all tenants have pets. By excluding pets from your property, you will substantially reduce the available number of tenants which can prolong vacancy. Studies have proven that tenants who are allowed to have pets will stay in a property much longer and are often happier. As such, we encourage you to allow pets. Our standards for pets includes a maximum size of 25lbs and no vicious breeds. We require pets to be screened and must include photos as well as medical documents. If we allow a pet, we cover your rental with a pet damage guarantee.

*Service animals:* “Service animals” for handicapped/disabled persons are NOT pets by Federal law, therefore you cannot discriminate against handicapped/disabled persons having a service animal. Fair Housing legislation does NOT allow owners or property managers to collect deposits or pet rent of any kind for service animals. However, we can still process applicants who are handicapped or disabled on the same criteria as other applicants: income, credit, criminal, and tenant history. If they fail to qualify in these areas, we can still deny the application, handicapped or not.

## **Tenant Move-in**

We never accept personal checks at move in; only certified funds or money orders are accepted. We also do not permit “payments” on security deposits; we require all funds to be paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting. Once approved, applicants must pay in full, the first month’s full rent and a security deposit equal to one month’s rent in certified funds or money orders.

*Rental agreement:* Once we receive funds the tenant is required to electronically sign the 15 page rental agreement and associated documents., then the home is removed from the market and held until the tenant moves in. Our rental agreement terms are generally between 18 to 24 months and automatically renew annually with a 3% rent increase.

## **Working with Your Tenants**

*Collecting rent:* Rents are due on the first day of the month and late if not received on the 2<sup>nd</sup> of the month. No excuses are accepted and to encourage timely payments, we provide an online portal with a variety of ways to pay, ie. all major credit cards, ACH, etc.

*Late payments:* If we do not receive rent by the 5<sup>th</sup> day of the month, we prepare and deliver a 3 day eviction notice to pay or quit, as the law allows. We make every effort to mail and post notices properly should legal action be required. If we determine the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, we file for an eviction. This is necessary to remove the tenant from the property as quickly as the law allows before the tenant ends up owing thousands of dollars in past due rent that can never be repaid. Our policy is to remove non-paying tenants quickly and place good tenants into the property to maintain a positive cash flow for you.

*Other notices:* There may be other notices that we serve to tenants, such as HOA violations or county code violations, perhaps a notice regarding an illegal pet or unauthorized tenants, etc. These notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, we will enforce the warning with fines and possible evictions.

*Tenant problems:* We have years of experience handling the myriad of tenant difficulties that can occur. Our policy is to obtain good tenants eliminating many tenant problems. However, even good tenants have problems and we treat each problem with a common sense approach while following the landlord/tenant law and using the appropriate documentation. If the situation is serious, we contact you and work to find a solution that suits all parties. Our company policy is to take a “what if” approach and look for compromise to resolve the situation.

*Legal action – Eviction Protection Program:* Life changes constantly. No matter how well a tenant is screened, an eviction can happen due to job loss, divorce, illness and even death. When a tenant’s circumstances change and all of a sudden they cannot afford to pay the rent, they frequently find it difficult and costly to move, too, forcing us to file dispossessory action.

With limited options, we offer protection to our clients from the high costs of an eviction. You may have the option of signing up for our Eviction Protection plan that will save you the expense of court filings and the cost of court representation/appearance. Contact us about this plan and see if it works for you. Generally, before we go through the eviction, we will negotiate with the tenant to cancel the eviction so it doesn’t appear on their credit in exchange for possession of the home and in clean condition.

## **Maintenance**

*Preventative maintenance:* To help preserve the value of your rental property, periodically, we will recommend “preventative maintenance,” such as gutter cleaning or eaves repairs.

*Tenant responsibility:* We look to the tenant to help us keep your property in good repair, so we “train” them from the beginning of their tenancy to contact us whenever they notice anything that may be of concern. We even ask tenant to report minor issues such as missing doorstops, broken stove burners, doors that won’t close, windows that don’t lock, and caulking tubs and sink area. Many small repairs can eliminate the more expensive repair. When left unaddressed or to deteriorate, it usually means you will have to spend more in the future. We have our own in-house contractors and handymen with year of experience in every aspect of repairs, maintenance, cleaning, and minor renovation of rental units.

Tenants submit maintenance requests on their tenant portal and our maintenance manager prioritizes and assigns the work crew. It is important to keep up with maintenance while the tenant occupies the property as studies show tenants will terminate their lease because maintenance requests are not fixed.

Items costing less than \$500 (amount kept in repair reserve) are generally repaired without owner approval and will be reported on the monthly owner statement enabling so you to see what work is done to your property on an ongoing basis.

For large renovations over \$8000, we add 15% to all service and repair work orders for our part in handling request for bids, product procurement and deliver, supervision, bookkeeping, and vendor invoice payments.

*While on the market:* Once a property has been listed on the market for rent and is vacant, we freshen up the property with a dusting, sweep/vacuum, change of air filters, and some light yard maintenance included in our listing service.

## **Emergencies/Disaster**

When an emergency or disaster strikes, our policy is to notify you as soon as practical. The nature of the emergency/disaster determines the action we take as there are times when a property manager must act immediately in order to prevent great financial costs to your asset and liability to you. You entrust us to make sure your property and the tenant are both protected.

## **Lease Termination**

When the tenant submits a written Notice to Vacate we prepare for the move out. If the home is in show condition while the tenant is still living there, we make arrangements with the tenant to allow scheduled showings. The tenant is required to pay rent through the end of the lease. Once completely vacated, we start the walk-through process of getting your property ready to rent.

*Moving out:* When the tenant first moved in, we walked through the home and allowed the tenant to document damages. In addition, we included in the tenant a list of move-out activities that the tenant was responsible to performing in order to get as much of their security deposit returned. On their last day or just prior, we perform a move-out walk through documenting all the damage. We compare the move in document against the move out document and prepare a list of damages caused by the tenant. We determine the repair cost and subtract it from the security deposit. The security deposit retained is used to perform the repairs. In the event that tenant damages exceeds the tenant deposit, you will be notified and the remaining repair balance will be deducted from future rent.

*Security deposit refunds:* Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner and a security deposit reconciliation is prepared in accordance with state laws.

*Collections:* Once a tenant vacates the, our rent collection efforts conclude. If you choose, you may collect any unpaid tenant balances or contract with outside collection agency.

## **Cancellation of Management Services**

We earn your business every day so our property management agreement is a month to month contract allowing you to cancel our services with a 30 day written notice. We hope that if you are unhappy, you give us a chance to address the issues but you are never held captive. If you choose to leave, we simply require a 30 day written notice so that we may prepare the tenant, property, and funds for transfer.

*Written notice:* Once we have received a written notice to cancel from you, you will need to provide us with contact information of your next property management company.

*Notice to current tenants:* We will notify the current tenants of the turnover date and new management company. We will coordinate with your new management company and perform introductions. It will not be our responsibility to inform the tenant where to make their rent payments.

*Distribution of Funds and Documents:* When the new management company is ready and we have signed authorization from you to release, we will turn over the keys, security deposit, move-in document, lease and associated exhibits and our engagement will be complete.

## **Conclusion**

If there is anything we have left out, please do not hesitate to contact us.