

## Client Frequently Asked Questions

### **What type of properties do you manage?**

We specialize in Single-Family Homes, Duplexes, and Townhomes

### **What type of properties do you NOT manage?**

We do not manage commercial properties yet. We make an effort not to manage homes with chronic repair issues and conditions that might adversely affect the health or safety of an ordinary tenant.

### **Are you licensed?**

Yes, we are licensed REALTORS. Richard Carranza is a licensed Broker/Owner. We are members of: National Association of Realtors; Houston Association of Realtors; Texas Association of Realtors.

### **What do you do to get my property leased? (If another Broker has the listing, Info Below may not apply)**

A large majority of tenants find their homes by scrutinizing the curb appeal of properties in neighborhoods where they want to live. The placement of a sign with our company name and telephone number is one of our best means of attracting potential tenants. We also acquire tenants through the Multiple Listing Service, Internet web searches, other Real Estate companies, word of mouth, and referrals from satisfied clients. Today's Tech savvy tenants are utilizing their smart phones and the internet to find lease homes online. As a Broker Associate with Keller Williams I, Richard Carranza, will list your property with Keller Williams and utilize all of their marketing associations and partners.

**FOR RENT/LEASE SIGNS** – “For Lease” signs are placed on a rental property at a minimum of thirty (30-45) days prior to the property's availability date. For new properties, the sign is placed on the date the unit first comes under our management. Unless restricted by Neighborhood Associations or City Ordinances, signs are placed in the yard where they are visible to traffic.

**MLS** – Your property data is entered in the Houston Multiple Listing Service giving access to all REALTORS worldwide. A leasing fee is paid to any Agent/Broker who brings us a qualified tenant. The fee is normally equal to 100% of one (1) months' rent. The agent can be from our office or any another broker.

**WORD OF MOUTH/REFERRALS** – we regularly receive referrals from our current and past tenants, friends of our tenants, and from other broker agents.

**INTERNET LISTINGS** – we are developing a web page, which will provide information on rental homes to families that are planning to relocate into the Houston area.

**CORRECT PRICING EFFORT** – Quality properties will not lease quickly if overpriced. We do a comparative market analysis to be certain your home is priced according to current market conditions.

**THOROUGH PREPARATION** – Our properties must show well and have “curb appeal”. We make sure your property is presented in a clean and attractive condition. First impressions are paramount in this business.

### **What if my Property is already listed with another Broker?**

Township Property Management will work directly with your agent and their broker. Township will make suggestions and recommendations for added safeguards to be included in any lease.

Township will request access to the property in order to complete an assessment and compliance inspection free of charge. This assessment will review issues like tenant locks, fire alarms, exterior door view issues, as well as many other general maintenance items (ac filters, dryer vent etc..).

### **What do you do, to qualify a tenant after they have made application to rent my property?**

**(If another Broker has the listing this may not apply)**

This is of utmost importance and a key component of the successful management of rental property. The applicant's past behavior is reviewed with the assumption their future behavior will be the same. An applicant must demonstrate a history of being a good, responsible tenant as well as meeting your financial criteria.

**APPLICATION** – The Texas Association of Realtors Residential Lease Application must be submitted. The Applicant will be instructed to use an online service approved by Township Property Management. Should the prospective elect not to use this service they must provide a nonrefundable Application Fee. The application fee is retained by the company to defray the cost of processing the application. Upon approval of the application a Security Deposit for that property must be submitted to hold the property.

**SCREENING** – we utilize an online reporting agency, Mysmartmove.com. They are a premiere tenant background reporting company and credit checking system.

**LANDLORD VERIFICATIONS** –One our most important task is to talk to past landlords and ask detailed questions about the applicant's past performance.

**SCORED RETAIL CREDIT REPORTS** –mysmartmove.com provides us with their Scored Retail Credit Report which tells us the applicants current and past performance in meeting their financial obligations. It also tells us their monthly debt and shows their previous addresses (which we compare to addresses listed on the application). An applicant must have acceptable credit to qualify.

**EMPLOYMENT/INCOME VERIFICATIONS** – We verify job title, job status, & salary. An applicant needs to earn at least 3 times the month rent in gross income to qualify for rental.

**EVICTION AND CRIMINAL REPORTS** –mysmartmove.com has access to public records that tells us if the applicant has ever been evicted. They also provide us with criminal background checks.

Our Tennant acknowledgements highlights key factors and inherently provides further explanation of the Lease. This document provides information about rental payments, lawn care and maintenance, pets, utilities, security deposit, etc. the Tenant Acknowledgement becomes an addendum to the Lease Agreement.

### **What is the duration of the lease?**

All leases are in writing and normally cover a period of one or two years. Longer leases are approved after discussion with the property owner.

**How do you make sure the tenant is taking good care of my property?**

First, careful tenant selection protects your property from being rented to unqualified people. During the lease term, we may have occasion to enter the property for maintenance reasons and will use that opportunity to examine the property. In addition, we can schedule a 6-month property survey. The right for us to make routine inspections of the property is part of the tenant's lease agreement. This can happen numerous times with proper notification.

**What do you do if they are not taking care of my property as they should?**

We give them an opportunity to correct the situation, and they usually will. If a problem persists, we will make a decision based on that specific situation

**What happens if the tenant does not pay their rent?**

If payment has not been made by the 5<sup>th</sup>-6<sup>th</sup> day of the month, we send an eviction notice. Whether or not we eventually have to proceed with a formal eviction depends on the specific circumstances. It is usually financially better, for all involved, if a solution can be worked out. If the tenant has experienced a one-time event which caused them a financial hardship, and we have had no previous problems with them, we will normally give them a chance to catch up, if there is reason to believe they can do so. If the tenant has demonstrated an ongoing pattern of late payments, broken promises and/or evasiveness, eviction is usually the best course of action.

Each case is unique, and we will communicate with you in order to make the best decision based on what is best for you and the property in the long run. We always proceed with the legal notices required for eviction regardless of any other factors. We will simply postpone the actual filing of the eviction if the tenant is showing favorable effort toward resolution. Evictions in Texas are a simple legal matter as there is no way a tenant can prevail in court if they have not paid rent, and the landlord has properly executed the notices and filing. Full evictions, when necessary, can usually be completed in five to eight weeks.

**How informed will I be about what happens with my property?**

We believe that you hire a property manager to manage the property for you, not to assist you in managing it yourself. We offer a turnkey style of property management service which is most appreciated by those property owners who prefer to be "out of the loop" on all but the most important matters related to the management and leasing of the property. We don't pester you with small details, questions, information or "updates" about your property or tenants, except for those matters which will have a significant impact on your monthly cash flow. Instead, we simply take care of the things you have entrusted us to handle on your behalf.

**What if I want to be informed to a greater degree than you have just outlined?**

We will be glad to note that on your file and call you to the degree you feel comfortable with.

**How do you handle maintenance requests?**

Historically the Tenants usually send me an email informing me of maintenance issues. We also have an online system (Appfolio/Township) used for tenant payments Owner reports and maintenance requests.

**In reference to maintenance:**

Per the Tenant's Lease Agreement: *18. REPAIRS: B. NOTICE* if landlord fails to repair a condition that materially affects the physical health or safety of an ordinary tenant as required by this lease or the Property Code, Tenant may be entitled to exercise remedies under 92.056 and 92.0561 of the Property Code. If the tenant follows the procedures under those sections, the following remedies may be available to Tenant: (1) terminate the lease and obtain an appropriate refund under 92.056(f); (2) have the condition repaired or remedied according to 92.0561; (3) deduct from the rent the cost of the repair or remedy according to 92.0561; and (4) obtain judicial remedies according to 92.0563. Do not exercise these remedies without consulting an attorney or carefully reviewing the procedures under the applicable sections. **The Property Code Presumes that 7 days is a reasonable period of time for the Landlord to repair a condition** unless there are circumstances which establish that a different period of time is appropriate (such as the severity and nature of the condition and the availability of materials, labor, and utilities.)

Tenants have more rights now than they ever have had in the past and judges are normally on the side of the tenants. If the repairs are not made within a reasonable time frame, owners can find themselves on the wrong side of the legal system.

#### **Do you hold some of my money for repairs?**

We require a **\$500** reserve per property in your account so that there are always funds if needed in emergencies or general maintenance. These invoices will be deducted from the next months rental proceeds and reimbursed into the maintenance account.

#### **How do I know you won't spend my money on large repairs without my approval?**

Ordinary maintenance and repairs of less than **\$200** are paid out of your account, and you will see this in your monthly statement. If we think a repair might exceed **\$200** and if we are unable to reach you, we may initiate repair work even if it is higher than **\$200**, as stated in the management agreement, for the following cases: (1) the health or safety of a tenant is an issue; (2) the property will incur damage if immediate action is not taken.

We always tell the maintenance companies to alert us if the repair is going to be over **\$200**. If circumstances allow, we will request a couple of quotes to keep repair costs down. We will keep you in the loop if you want to be. Generally, we will know about what to expect, however if we are dealing with a potential health and welfare issue, you will be informed immediately.

#### **What if I want to use my plumber, A/C company, etc.?**

We will be happy to invite them to join our vendor list if they are qualified and insured, but we cannot promise that a specific vendor will be dispatched to your home for certain repairs.

Our reputation, with both tenants and owners, is largely, if not entirely, determined by how well we handle maintenance. Therefore, we follow a practice that is most likely to insure the best possible response and resolution to any problems.

#### **My home has a pool. How do you handle the maintenance?**

We can manage your home with a pool, but you must allow it to be serviced a minimum of every two weeks by a full-service pool maintenance company, at your expense. As a pool owner, you know it can get out of hand very quickly if not diligently maintained. We think it is best to include the pool maintenance in the

rent.

**When do you mail the owner's checks?**

**If paying rent by check:** The lease agreement states that the rent is due on the 1<sup>st</sup> of the month. Texas law says that we have to give the tenants a two-day grace period. Therefore, the tenants have to midnight on the 3<sup>rd</sup> before they are considered to be late with their rent. In this scenario, the owner's check will not be issued for 5 business days after deposit.

**If Paying electronically:** Township offers the ability to make rent payments electronically through their online Tenant portal. In fact, if the lease is initiated through Township, it is mandatory for electronic payments. This expedites the landlord payments through an ACH payment system. Paying electronically normally speed up the payment process by 2-3 days.

If TPM gets involved in the lease prior to signing the lease agreement. We use an exhibit A, which mandates the use of the free tenant portal for rent payment. This ensures prompt payment to everyone involved

**What and when will I receive with my monthly statement each month?**

The statement includes all income and expenses for the accounting period and scanned copies of all original receipts for any repairs if requested. All debits incurred from maintenance accounts will be reconciled with rent proceeds. Monthly statements will be sent out the second week of the month.

**What is your monthly management fee?**

Our monthly management fee is 10% of the monthly rent. Discounts may apply for multiple properties.

**What is the leasing fee?**

In order to have our managements competitive in the rental market our leasing fee is 100% of the first months rent for new tenants. We pay 50% of the leasing fee to the broker that rents the property. As Mentioned previously TPM (Richard Carranza) Leases through Keller Williams Realty.

**Can Township Property Management help me sell my property?**

Yes & No, Presently I am an active Broker Associate with Keller Williams Realty The Woodlands. My agreement with them dictates that any Lease or sale listing & buying activities will be conducted through their organization. I will be your Agent in the sale of your property however it will be listed through Keller Williams. Property Management is not something that Keller Williams has any interest in. I also work with other brokers agents, and then step under the Property management umbrella after the brokers have been paid through their listing agreement.

**Is the management agreement a standard, widely used form?**

Yes. We use the Texas Association or REALTORS Property Management Agreement. The Residential Lease Agreement we use with tenants and our Rental Application are all promulgated forms from T.A.R.

**Who holds the tenant security deposit?**

If you are currently holding your current tenants deposit, you should send it to us at the time we take over management of the property. Any new deposits that we receive are held in our deposit trust account.

**How much security deposit do you charge the tenant?**

We require a deposit equal to one (1) months rent. At times this may be adjusted for low credit scores and it is always discussed with the owner if you want to be in the decision process.

**What should I do if the tenant calls me?**

Responsible tenants are valuable assets to both of us. A satisfied tenant will be more inclined to care for your property as if it were their own. It is best to avoid direct communication with the resident and refer all inquiries to our office. We attempt to maintain a diplomatic relationship, between you and your tenant. It has been our experience that once Tenant/Owner contact has been established Tenants use that to their benefit when they disagree with any and every possible issue.

**Can I go by and view my property?**

Yes. Owners should give Township Property Management at least three days notice, so we can make arrangements with the tenants.

Owners should view their property at least once every year or two.

Often the trip to view your property is tax deductible! Please check with your tax preparer.

**How soon can Township Property Management start managing my property?**

We can start the process immediately. Contact us so we can find out more about you, your property and see if we would be a good match for your wants and expectations. Please contact us if you have other questions or wish to discuss letting us handle your property.

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