



Thank you for your inquiry about our property management services.

Our mission is to solve Property Management problems with superior service and absolute integrity. Our goal is to establish long-term Happy clients who re-use Both our Sales and Management services and are a source of Introductions to others. To achieve this goal our Property Management division is designed to provide you:

- Comprehensive statements for your personal and tax records.
- Scheduled payments of owner checks.
- Extensive qualification of all tenants prior to checking them in.
- Detailed move-in and move-out procedures.
- Routinely scheduled property inspections.
- Cost effective repairs.
- Superb management/listing teamwork should you decide to sell.
- Competitive fees- without the Add-on fees our competitors charge.
- Property Management Options offered at each lease renewal

The purpose of this paper is to answer some of the more frequently asked questions we receive, as well as to provide you information concerning some of policies and procedures of Northwest Atlanta Property Management. We take pride in maintaining your investment so that you can get the highest rents and the highest future sales price in the event you decide to sell. If you have additional questions, we invite you to call us personally.

Sincerely yours,  
Donna Stott & Mike Stott & Jon Burke  
Revised 06/2023

## Frequently Asked Questions About Property Management

### **1. Do I have to use a property manager?**

No, In fact if you own fewer than 10 rental properties in Georgia you don't have to follow security deposit rules, move-in/move-out rules etc. However, many owners find that following the guidelines for owners with more than 10 properties and using a professional service, like ours, saves both time and money in the long run, often thousands per year.

### **2. Are there any problems associated with having a friend manage my rental property?**

There are several laws, rules, mandatory disclosures, etc. that apply to all property management. If a "friend" is not working in the field on a full-time basis, it is very difficult to remain up to date on property management law changes & common issues. Violation of some of the rules such as the Federal Fair Housing Act can create major problems and penalties to you, the owner. As the property owner, you could be liable for the actions of an Unlicensed "friend" acting as your Agent. Our experience indicates that the management fees saved by using a "friend" are usually expensed by the owner many times over by way of unnecessary vacancies, below market rents, uneconomical repairs, unusual expenses, incomplete or missing forms, etc. We carry Errors and Omissions insurance to protect both you and NWATLPM.

### **3. How do you establish fair market rent?**

Supply and demand dictate fair rent. We use our personal experience coupled with currently advertised rents from about a dozen sources and input from other property managers to arrive at a recommended (or fair market) rent for you to set.

### **4. How long will it take to rent my property?**

This is probably the most common question we are asked and the most difficult to answer. In most cases, our recommended fair market rent is designed to provide you a rent-paying tenant within a two-to-four-week period. However, we often adjust our recommended rent based upon input from owners desiring an immediate tenant or a higher-end rent. We also consider the feedback we get from prospects who have seen your property. Those owners who price rent higher than fair market often end up coming down to our recommendations after missing the opportunity to collect for weeks or months.

## **5. How do you select or screen tenants?**

This is very complex as there are both Federal and State laws dealing with tenant discrimination. We consider this one of the most important steps in property management. Initial screening is conducted through a series of questions asked of prospective tenants prior to even showing them a property. Assuming they are shown the property and desire to rent it, the next step is to have them submit a formal application. One of the key factors to us in their formal application is their rent to income ratio.

After receiving their formal application, we conduct a rental audit on tenants using one or more commercial credit and background checking companies. Therefore, if the tenants have a history of late payments or other rental problems, there is a good chance it will be disclosed. We also obtain a credit report on tenants indicating if they have good credit history.

We then call the prospective tenants' places of employment to verify employment and income. We look for a 3.5 to one income to rent ratio with \$300 per child added to that figure. (So, for a \$2000 a month rental to a family with one child we look for \$6000 + \$300 or \$6300 in family income.)

The formal application requires references and the names of prior landlords; these are researched as applicable. There are also several intangible factors taken in account in recommending a specific tenant to an owner. In most cases, the owners make the final decision based upon our recommendations. Good tenants are worth this careful selection process. They pay on time, maintain properties, and are good neighbors. It adds up to getting a good return on your investment.

## **6. How and where do you advertise an available rental?**

Other than our Multiple Listing System, we have found the best source to be, by far, internet services like craigslist, facebook, and rentals.com. We submit all applicable listings to the MLS and frequently use condominium community bulletin boards, University Housing offices, large places of employment etc. WE may also elect to hold the rental on Open House. We can provide traffic details from some of these sources if you so choose. Lastly, If signage is allowed we install a professional sign with a phone number that is answered Evenings and Weekends.

## **7. Should I allow pets in my rental property?**

It is often difficult to find suitable rentals in Georgia that will allow pets. Many pet owners, therefore, will pay a premium rent and a non-refundable pet deposit. On the downside, pets can destroy carpeting, yards, etc. We

believe pets are an item that should be discussed on a case-by-case basis. We have a special pet clause to protect your interests if you do decide to allow pets. Not allowing pets could limit your potential tenant pool.

### **8. How long of a rental should I accept?**

Most long-term rentals are written for a one-year period. In most cases, we do not recommend a rental period longer than a year for two reasons. First, the rental contract is binding. If for some reason, you want the tenant to vacate earlier so that you can sell the property or move back into it, the rental contract has precedence. The tenant has the right to remain in the property for the entire length of the rental contract. Second, fair market rents may increase. You may be able to charge the same tenants an increased rent at renewal time.

### **9. How can I ensure that the rent is paid in time for me to make my mortgage payment?**

Obviously, the tenant selection process we undertake precludes many of these poor tenants from ever renting your home but in today's economic reality, it is useful to have alternative services. We collect the Rent and Normally forward net rent to you by the 15<sup>th</sup> of the month.

One service we can ask the tenants to pay for, if they are not solid because of a recent bankruptcy, short-sale, or foreclosure is an insurance policy that guarantees you get three to four months of rent paid if the tenant does not pay their rent. The service we use is called leapeasy.com and the cost for the service varies per individual. In general, a \$2000 a month rental would pay \$500 up front and around \$60 to \$80 a month, Generally tenants pay for this service.

### **10. What are your management fees?**

**A.** The following **full-service management fees** are normally charged by Northwest Atlanta Property Management:

**No fees** while the property is vacant.

75% of the first full month's rent only AFTER we find, screen, and provide a new tenant.

10% of each full or prorated month after the first month with a new tenant. Since banks in Georgia have a 10-day hold on personal checks; we will

deposit or mail you your proceeds each month by the 15<sup>th</sup>.

**No additional fee** for re-leasing the property to the current tenants. Unlike our competitors.

We pay for all normal advertising.

We pay cooperating brokerage fees (if applicable)

Tenants pay for their own credit reports.

**B. For our lease only service** without continuing property management, the charge is one full months rent.

We provide only the advertising, showing, tenant screening, and lease preparation for this service. The owner takes over from lease signing. (i.e. you conduct the move-in inspection)

No fees while the property is vacant.

We pay for all normal advertising.

We pay cooperating brokerage fees (if applicable)

Tenants pay for their own credit reports.

## **12. What can I expect to net each month?**

Your rental income will be the tenant's gross rent less our normal 10% management fee less any expenses paid by us we make on your behalf.

We require all owners to always maintain a minimum balance of \$500 for repairs and expenses we pay on your behalf. Therefore, if we have expensed funds on your behalf (e.g., advertising), we build your balance back to \$500 from rental receipts.

## **13. How do you handle authorized and non-authorized repairs?**

Each property is different, and each owner has different goals for their rental property. If an owner is planning on moving back into the home in a year or two, then a broken appliance might be replaced with an upgraded model versus a entry level model for a long-term rental. We attempt to discuss with each owner their long-term plans for their property.

We also attempt to obtain authorization from owners prior to making any repairs. However, emergencies occur at times that necessitate immediate

action.

We have an extensive handbook for tenants that describe this area in considerable detail. For example, if their refrigerator fails on a weekend and they are unable to contact us, we authorize tenants to purchase inexpensive Styrofoam coolers or to rent a refrigerator from selected companies on an interim basis. However, we assume no responsibility for any spoiled food.

We have developed an excellent working relationship with several repair personnel, plumbers, handymen, etc. Most of them are very experienced working with rental properties and keeping costs reasonable. Frequently, they can provide us expert input as to whether a problem was caused by tenant abuse or normal wear and tear. Because we provide them a considerable amount of business, they are usually receptive to unscheduled work that needs to be done quickly. Many of them provide better rates to us than would be available otherwise.

#### **14. How do you handle property inspections?**

In addition to the Move-In/Move-Out Form, we use digital photography extensively for tenant check-ins and will provide you copies if you so desire. We also use video/digital photography extensively to apprise you of recommended repairs/improvements.

We use a computer program to schedule our routine inspections. Houses and selected townhouses are inspected externally (drive-by) at least once, and sometimes twice a year. All rental properties are inspected internally at least annually; i.e., we make internal inspections even though there may be long-term tenants who rent the property for several years.

#### **15. What do you recommend for yard care or swimming pools?**

For swimming pools, we recommend the owners provide a pool service for chemical addition, cleaning, etc. The cost for such service is normally offset by the increased rent a pool home commands. Our recommendation for yards is normally made on a case-by-case basis. We normally recommend a yard service unless the yard is already in generally poor condition. We expect tenants to water their lawns. This is addressed in some detail in our tenant handbook. One of the objectives of our periodic driveby's is to monitor the condition of at least the front lawn. Some owners opt to pay for the tenant's water bill thereby encouraging the tenant to water more frequently. We do not normally recommend this unless the yard is unusually nice.

#### **16. What if I want to cancel my management contract?**

Our management contract provides for cancellation by either the owner or



Northwest Atlanta Property Management with thirty days advance notification in writing to the other party.

**17. What do you mean by management/listing teamwork should you decide to sell?**

We have considerable experience converting rental properties into listings for sale. We shall work with whomever you select to assist you as the listing company. If you do decide to sell, we would like you to consider using our Team to help you sell for top dollar by allowing us to interview for the job.

We've sold over 3000 homes over the past 42 years and well experienced to handle your sale.

**19. What do you do to protect my property?**

Besides regular drive-by and physical inspections we maintain an extensive library on the properties we manage. Each property is inspected in a timely manner. Digital photos are taken. Copies of our photos/videos are available to owners.

We also carry extensive errors and omissions insurance for your protection. We do require that your homeowner's insurance include Northwest Atlanta Property Management as additionally insured. This generally can be done at no charge to you.

**20. How do you handle the late or non-payment of rent?**

We have wrestled with this problem for several years balancing the rights of the owner, the legitimate reasons a tenant may have for falling behind in the rent, and the expense of taking action against the tenant.

Based on our experience we have implemented an automatic series of letters (starting with a demand letter and ending with a notice of eviction.) We have found this system works well in getting the tenant to pay their rent and/or voluntarily vacate the premises. We keep the owner informed of our actions and will stop the process at any point if so desired by an owner. Each county has a different backlog of sheriffs serving eviction notices, so we take that into consideration as well.

**21. What other information is available on property management?**

We have written papers or have literature on: Market Statistics, 1031 Exchange, Short Sales, Lead Based Paint requirements, Tenant Selection, The Eviction Process, Cleaning Procedures, The Fair Housing Laws, various addenda (asbestos, waterbed, etc.) and a Tenant's Hand- book that are available for your review by request.

### Management Agreement Owner Checklist

1. Northwest Atlanta Property Management Agreement completed and understood.
2. Maintenance Deposit of \$500 submitted to Northwest Atlanta Property Management.
3. Insurance reviewed and/or obtained for property with Northwest Atlanta Property Management named as additionally insured.
4. Fund Dispersal addresses verified, coupon books, electronic filing forms obtained.
5. 3 Sets of Keys to Northwest Atlanta Property Management
6. 2 Sets of all House Rules.
7. Utilities: Call to cancel/transfer:
8. Rental Charges understood
9. 75% 1st month 10% Thereafter
10. Advertising, maintenance, repairs, utilities, phone calls.
11. Yard and/or Pool maintenance needed? Tenant or Owner responsibility.
12. Tenant Occupation Dates?
13. Any Special requirements required by association or owner?
14. **Relax** your property is in good hands with Northwest Atlanta Property Management!