

# RENTIFI Property Management Owner's Manual

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## Welcome to Rentifi Property Management!

Welcome to Rentifi Property Management. We're excited that you've chosen the premier residential rental property management company to manage your rental property.

Our goal is to manage your property to 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 Rentifi Property Management.



## How our Office is Organized

Our Rentifi Property Management office is organized to address the different needs of your property throughout the life cycle of vacancies and rentals. Most of our employees are 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. The Leasing Department helps determine the rent amount, coordinates the advertising, conducts showings, qualifies prospective residents, and completes the lease signing. For any questions regarding the rental status of your rental property(s), you may call our office at (239) 549-6611 or reach out to your property manager directly. Anytime your property is listed on the market for rent, you will receive weekly status updates every Monday morning.

### ***Maintenance***

Maintenance begins with a cosmetic evaluation and performs on-going periodic evaluations thereafter. Our evaluations are designed to discover pre-existing or emerging problems, and to help ensure tenant safety. The Maintenance Department also coordinates all property repairs, make ready, and ongoing maintenance needs.

### ***Accounting***

The Accounting Department is responsible for the financial management of your home including rent collection and financial statements. Our head accountant is Cody Kellogg. He can be reached at our office **(239) 549-6611 ext. 203** or [Accounting@RentifiPM.com](mailto:Accounting@RentifiPM.com) for any accounting questions.

## See Your Property Status On-line at Any Time: The Owner's Portal

The best method to communicate with our office is via our on-line portal. This link allows you to keep a record of your conversations with us. Moreover, you will be able to access financial statements and maintenance records.

### **Access**

Your email is your user id. Through email communication you will be assigned a password to the portal during the set-up process.

### **What's Inside**

Through the online portal, you will have access to every monthly statement and scanned documents regarding your property for easy access. 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 can be downloaded from the portal at your convenience.

### **Vacancies**

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

### **Marketing/Advertising**

#### **How much rent to charge?**

In determining the rental amount that the market will support, Rentifi Property Management uses a proprietary method 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. Our Rentifi Property Management office can educate you to the trade-offs of holding out for a high rent versus accepting a tenant quickly for a rent that is close to your target price.



### **Pets**

A large percentage 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 inevitably increase rental wear and tear. It is legal to refuse to rent to residents with pets except for pets prescribed by a physician to address a mental or medical condition or pets that serve as service animals. In fact, these 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 35 pounds.

### Where is the advertising?

Rentifi Property Management's experience has shown that a mix of traditional and Internet advertising yields the best response. While different types of advertising can vary depending on the location of your rental, a sign is generally the best method of advertising accompanied by on-line postings. Rentifi Property Management's property management system broadcasts your vacancy to a number of popular on-line advertisers.

### Showings

The majority of the calls received by Rentifi Property Management come from prospective residents interested in viewing a rental. The office conducts a brief phone interview to ensure that there is a general match between the prospects' requirements and the rental's attributes and qualifications. If there is a match, the office schedules an appointment. If the prospects are interested in the rental, they are invited to complete an application.

### Qualifying Residents

Rentifi Property Management uses a national credit-reporting provider to obtain a prospect's criminal and credit histories, references and employment will also be checked. Credit reports cannot be shared with owners due to the Fair Credit Reporting Act, but you may request an Applicant Scorecard based on the Leasing Manager's assessment of the candidate.

### Lease Signing

Rentifi Property Management uses a lease written by a Florida Landlord/Tenant attorney.

### Deposits

Rental security deposits are managed in accordance with Florida state real estate laws.

### Last Month's Rent

We, here at Rentifi Property Management recommend against collecting last month's rent. This allows your property(s) to stay competitive in our local area with other rentals.

### Security Deposit

The security deposit belongs to the resident until a legitimate claim is made against the deposit in accordance with the law. The security deposit is held in an escrow or trust account by Rentifi Property Management in compliance with the law and remains in this account until the final inspection is completed after the renter vacates the property. 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

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

### ***Resident Already in Unit***

If you come to Rentifi Property Management with a renter 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. Rentifi Property Management will either honor the existing lease or negotiate for a new lease.



### ***Communications***

Some property owners want to communicate directly with their renters: we strongly discourage this. 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 renters. The renters 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 Rentifi Property Management and the resident, the potential for ambiguity can be eliminated. We are happy to work with you to relay information to the renters if necessary.

## Rent Disbursements

This is the most common area of concern after the Management Agreement is signed: you will want to know "Where's my money?" Disbursements to owners are labeled "Owner's Draw" on your monthly statement. The timing of disbursements is directly related to when the rent is received at our Rentifi Property Management office.

### ***When the Owner's Draw is Disbursed***

Deposits are made 3 times a month: 10<sup>th</sup>-14<sup>th</sup> (first check run), 20<sup>th</sup> (second check run), or second to last business day (third check run) of the month as the rent payment is received. Your Owner's 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. Your receipt of a check is dependent upon the postal service delivery times. Special arrangements can be made if you request a paper check to be mailed for an additional fee.

A short comment on Owner's 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 rent payment is received. The rent disbursement cycle is too tight to meet most mortgage 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.

### ***How the Owner's Draw is Calculated***

The calculation for the Owner's Draw is simple:

Monthly rent received *minus* management fee, *minus* maintenance expenses (if incurred), *minus* other expenses, *minus* minimum balance or maintenance escrow equals Owner's Draw.

Examples of "other expenses" may include, but not limited to, additional advertising expense, utility bills, emergency maintenance costs, association and/or tax assessments and mortgage payments that some owners request Rentifi Property Management pay on their behalf.

### ***What If the Rent Is NOT Received?***

The renters are aware that their rent payments are due no later than the 5<sup>th</sup> of the month. While most renters 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 Rentifi Property Management takes to resolve late or non-payments are:

1. Email/ Call to renter – 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. 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. Rentifi Property Management may write this notice on its own letterhead or use an eviction attorney. Fees may be incurred to begin this process.  
\*Ask us about our Eviction Protection Plan
3. If the renter hasn't cured the Pay or Quit Eviction Notice, then the eviction process continues, which in most cases must involve an attorney. Please see the section on Evictions.

### ***How are Late Fees Handled?***

Late fees are incurred by renters 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. Late fees are paid
2. The remaining balance is applied to the rent past due



Late fees are administered in accordance with your Management Agreement with Rentifi Property Management

## Maintenance

Rentifi Property Management works to ensure your property is well-maintained with curb appeal that assists in having your property rent faster, yielding the highest rent, attracts the best renters, and presenting fewer problems. Once the resident moves in, they are renting a home, not just a property. One way you can keep renters 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, we ask that you respond quickly to repair requests when our Rentifi Property Management office calls or emails 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 is suitable to live in.

Periodic reviews and visits to the rental as well as routine maintenance are an essential part of this strategy.



## ***Budgeting for Maintenance***

There are many ways to budget for maintenance. The best practice is to use a multiple of monthly rent. As an example, if the rent is \$1,000 per month, you should consider keeping 1.5-2 x of the monthly rent or \$1,500-\$2,000 in reserve to pay for potential emergency repairs that are required. Alternately, some owners use a percentage of the property value such as 2%-3%. If you adopt this strategy, and if your rental's value is \$100,000.00, you should consider keeping \$2,000-\$3,000 in reserve. Whatever strategy you adopt, it is important that you have a maintenance and repair budget. This budget is a part of being in the business of owning rental property.

## ***Risk = Potential for Financial Loss***

One of the reasons owners like you have chosen Rentifi 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. To respond intelligently to renter maintenance requests, Rentifi Property Management stays current on all residential rental real estate and housing laws at the federal, state, county, and municipal level. We do the reading, so you do not have to.

It is Rentifi 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. Rentifi Property Management can provide vendors to complete work timely, efficiently and within the confines of the law.

Refusing to fund repairs may be grounds for termination of the management agreement as Rentifi Property Management must comply with Landlord/Tenant Law.

The other maintenance risk area is in performance of repairs or maintenance. Rentifi Property Management only uses contractors who are licensed when required, certified as necessary, and who carry the proper insurance. Additionally, Rentifi Property Management gives preference to vendors who have a history of being timely, providing quality repairs, and being safe on the job.



## ***Property Evaluations***

### **Initial evaluation**

An initial cosmetic evaluation is performed after the Management Agreement is signed. The purpose of the evaluation is to ensure that there are no visible issues that represent a hazard to the renter 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, further, we will advise steps necessary to make the property ready for renters to move in (rent-ready).

### **Periodic evaluations**

In addition to the evaluation that occurs when a renter initially occupies the rental and when they move out of the property, periodic evaluations are conducted throughout the year. These regular evaluations are conducted to ensure that the rental remains in good order. If you have not already opted into this program during agreement signing and wish to, please call our office to have your records updated.

## ***Repairs/Maintenance***

What is considered an emergency? Generally, state or local laws define an “emergency” as anything that must be fixed immediately so that the renter can safely live in the rental.

Some examples include:

- no heat during winter months or air conditioning during hot summer months
- loss of power/water
- flooding
- clogged toilet when the unit only has one toilet
- security issues (damage from a break-in or from a natural disaster)
- legal notices from housing or city/county inspection departments

## **Evictions**

Evictions are a reality in the residential rental industry. Although you may never have to have a renter evicted, it is possible that you will have to experience this process. The best defense against having to evict a renter is to have a quality selection process, a strong maintenance program, and a responsive property management office.

Rentifi Property Management provides you with all three of these resources to mitigate the possibility of eviction.

The eviction process can vary by the county and situation with your renter. You can depend on Rentifi Property Management to have the expertise and legal professionals to make the process as easy and expedient as possible.

Every eviction is different. Our Rentifi Property Management office will coordinate with you if you are confronted with the possibility of having to evict a resident.

### ***Eviction Protection Plan***

Some owners elect to purchase an Eviction Protection Plan when they sign their Management Agreement. If you have chosen this option, be sure that you understand it clearly. While it is a good plan designed to cover most circumstances, it does have its limitations. Our Rentifi Property Management office can review those limitations with you.

#### **How long does it take?**

The short answer is that it depends on several factors. Some common factors include differing local law and the renter contesting the eviction. Rest assured that our Rentifi Property Management 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 renter 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 renter 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 renter is generally provided a time to move prior to a lock out. Overall, the process can average anywhere from four (4) to eight (8) weeks on average.

### ***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**

Our Rentifi Property Management office has already identified professional, competent, and reasonably priced legal counsel that it prefers to use if an eviction is necessary. Legal fees generally begin with the attorney drafting a Pay or Quit Eviction Notice and continue through final judgment by the Judge. These fees can be reduced by participation in the Eviction Protection Plan for unlawful detainer evictions.

#### **Service Fees**

These include the cost of the initial process server to serve the summons and complaint, the Constable or Sheriff's Deputy, and the moving company.

#### **Ready to Rent Expenses**

Generally, an evicted renter will leave the property in a condition that requires additional cleaning, maintenance, or repairs. Although the evicted renter is ultimately responsible for such repairs, we cannot



depend on the renter 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.

## Financial Statements

Many owners enjoy having access to their financial statements at their convenience. These statements are useful in making projections for the upcoming year as well as providing documentation for tax purposes.

### **Monthly Statements**

Monthly statements are available via your portal, typically by the 15<sup>th</sup> of each month. These statements provide a quick way to understand how the rent money was applied. There are four general areas where rent money is applied.

#### 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.

#### Other Expenses

Other expenses such as Eviction Protection Plan payments or expenses that you have asked Rentifi Property Management to submit on your behalf are itemized and deducted.

#### Owner Draw

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

### **Year-End 1099**

An IRS Form 1099 is sent to you either by USPS or electronically 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.

Rentifi Property Management can also take care of tax payments required from IRS Code Section 1441 for those who may hold citizenship outside the United States and own property in the country.

## Complaints

We are a service-oriented business, and we strive to provide to 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 our Rentifi Property Management office with any concern, comment or suggestion however small. 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 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.

### **Disclaimer**

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