



Frequently Asked Questions:

Q. What services do you provide?

- A. We provide a full complement of services for residential and commercial properties, including resident screening, leasing, rent collection, bill paying, repairs, maintenance, tenant improvements, accounting services, full monthly financial reporting, assistance in the acquisition, sale or exchange of properties and more. Our clients receive expert knowledgeable service, all tailor made with our flexible personal approach to see that each client's needs are met individually.

Q. What do you charge?

- A. Our property management fees are based on the type and unit mix of the property, scheduled income and services requested. Generally, the fee will range between 5-10% of the monthly income. Typically, a single family detached home would be 8-10% of the monthly rent and commercial management ranges from 5-8%. In addition, each time a tenant turns over, there is either a commercial leasing fee percentage of approximately 5-6%, or a \$350 residential rental fee to absorb the additional work to properly market the property, screen the applicants and prepare the lease and addendums. These fees are usually *tax-deductible* expenses on your income taxes. An important thing to note is that we never charge any additional fees on routine maintenance items, unlike most management companies who charge less on management fees.

Q. How do you screen your residents?

- A. With an increase in identity theft, we are careful to screen all applicants thoroughly. We utilize a very user-friendly online system for an extensive screening system through our property management software for determining resident qualifications. Our tenant screening software system includes direct access to consumer credit review, public records search (includes eviction check), employment history, and previous rental history. When applicable and/or necessary, we have options for prospective tenants to pay additional security deposit or obtain a qualified guarantor.

Q. How do you find suitable residents?

- A. The three critical components necessary to secure a quality resident for your property are **presentation, pricing, & promotion**. First, the property must show well, and present a fresh & clean appearance. Secondly, it must be priced right. And finally, it must be promoted properly. We utilize a variety of means to market our properties, including prominent signage, classified internet advertising (such as our website, Zillow, Trulia and approximately 30 other internet-based sites), use of various neighborhood publications, flyers and when necessary we may use exclusive incentive programs (such as move-in bonus or reduced security deposit upon approved credit).

Q. How do you handle security deposits?

- A. Generally, we collect a security deposit equal to approximately one month's rent. Security deposits may be increased or reduced on a case by case basis at the discretion of the Property Owner, but cannot exceed the equivalent of two month's rent, as required by state law. The security deposit is held in our trust account for the future return to the Resident. At the end of a tenancy, the deposit must be disbursed to the tenant within 21 days of move-out on residential properties and 14 days for commercial, less any amount retained for damages or rent due.

Q. Do you perform property inspections?

A. Initially we perform a thorough interior and exterior inspection of your property when we begin management. Then, when a Resident is approved another inspection is performed by the Resident and documented on a "move-in/move-out" form. These inspections are kept on file. Throughout the tenancy we inspect the exterior several times annually and we endeavor to inspect the interior as many times as the law permits. Upon move-out of the Resident, we perform an inspection and compare it to the previous inspections on file. With this information, we are able to assess charges and/or disburse the security deposit accordingly.

Q. Do you provide maintenance services?

A. Preventative maintenance is a very important part of property management. It saves you time and money to maintain your property in good condition as opposed to waiting to fix problems, causing you higher costs and potentially displacing Residents. We have great vendors that keep costs down and we always pass any savings along to you. We have handymen that work on small repairs and when necessary we use contractors who are in full compliance with all Contractor's Licensing laws. Most of the vendors we use have been working for us for many years. They know our properties and our tenants. However, if you as the property owner have vendors that you prefer to use, we are happy to add them to our vendor list. There is never an overhead charge on routine maintenance, however if there is a repair or improvement outside the scope of normal maintenance (For Example...roof replacement, new kitchen cabinets, patio replacement, etc.) then there will be a fee for the additional time to obtain several competitive bids and/or for extra time involved in making the repair arrangements.

Q. How do you handle after hours emergencies?

A. Tenants have access to our 24 hour emergency answering service. When a tenant calls our office phone number, and if we are not in the office, the emergency answering service will pick up the call. The emergency call is screened for urgency. If the request is for something non-urgent, the answering service will send us a text message and an email with the details of the problem or concern. If the call is considered urgent, we will immediately receive a phone call and text with the details of the problem. We immediately phone the tenant and if necessary set up a vendor to take care of the problem. In many cases we are able to advise tenants on ways to last through-out the evening or weekend so that emergency services are not called out, which is a savings to you.

Q. How do you determine the proper rent?

A. Current rental data is analyzed from all available electronic publications and our software database to determine the correct rental rate for each property type, zip code, size and desirability. We encourage Property Owners to charge "market rent" as opposed to waiting for a higher amount, due to the loss in rent usually sustained when "testing the market" for too long.

Q. Do you have the ability to allow tenants to pay their rent online?

A. Yes. Our property management software has many wonderful features and online payment is one of them. Tenants can easily sign in and review their online portal account 24 hours a day. They can pay online and even set up a reminder for the next month's rent. Tenant's also have the ability to deduct the rent from their checking or savings account automatically each month. This feature is not only a benefit to them, but to the owner as well. This feature promotes on time payment of rent so that your owner draw is on time each month.

Q. What type of financial reporting services do you provide?

A. Our accounting software system can perform all the necessary basic accounting tasks required for managing your property. We utilize an internet-based accounting software called Appfolio. We provide

accurate and timely accounting of all income and expenses relating to your property. Each month you will receive a month-end report detailing all accounting activity for the previous month. Generally, you will receive your monthly income distribution via direct deposit separate of your monthly statement due to the fact that we must be sure that the rent check clears our banking institution, but not later than the 25th of each preceding month.

Q. If I hire you to manage my property, do I lose any tax deduction for my real estate investment?

A. Typically, as an owner of rental real estate held for income purposes, and you are not otherwise exempt due to your level of ordinary income from other sources, then you most likely will be eligible to deduct your operating real estate expenses and depreciation. **Please contact your tax professional for verification and more details.**

Q. How do we protect ourselves from the threat of discrimination lawsuits or other legal liabilities?

A. Although we cannot guarantee that we will never be accused of discrimination or other potential legal problems, it is the strict policy of Parker Properties to do business in accordance with all Fair Housing Laws. We inform all rental applicants of our Fair Housing Compliance Policy at the time of application. We are relentless in our continued education of real estate preventative law. We have developed a long-time relationship with a local law firm, Kimball, Tirey & St. John. With this relationship comes constant legal courses and updates to keep us knowledgeable of current legal changes and potential problems in our industry. No one ever expects to have legal issues, but in this very difficult business, it is a must to have constant legal advice. In the event that legal services are necessary for your property, we pass along the savings from this relationship directly to you.

Q. When is backup withholding required?

A. There is no federal backup withholding requirement at this time. You will receive a 1099-Misc at the end of the year, which reports the rents you received on your rental to the I.R.S. In addition, if you are an out-of state (California) rental property owner, then we are required by the California Franchise Tax Board (FTB) to withhold and remit 7% (after the 1st \$1,500) of your gross rents received. We will withhold the taxes from your owner draw each month and remit to the FTB on a quarterly basis.

Q. Are there any exceptions to withholding for out-of-state owners?

A. Yes. Withholding is not required if you are approved by the Franchise Tax Board (FTB) for a waiver. We can supply you with the form and instructions (Form 588 - Nonresident Withholding Waiver Request). You must complete the form and send it to the FTB. They will in turn notify you if you are approved and then we can eliminate withholding on your account, but until then, we must withhold as required by law. The FTB usually responds very quickly to your waiver request so the sooner you file is best.

Q. Why should you use Parker Properties?

A. Most property management companies profit from having as many accounts as possible, without having the personnel to handle the challenges that come with managing your property. We don't take every account that comes our way. We are particular in the selection of our properties with regard to location and good maintenance so that we are able to service the property effectively as needed. If you want quality service, fair pricing and personal attention, then you will be happy with Parker Properties.

With Parker Properties managing your real estate investments, you can sit back and enjoy normal life, take vacations, enjoy family functions and all that life brings you without your rental property headaches and hassles.

We hope to work with you soon!