



Frequently Asked Questions

Management Company

What are the obligations of the management company?

Collect rent; take calls from the Tenant; arrange for repairs; see that repairs are done properly; send appropriate notices to the Tenant for late or non-payment of rent, violations of rules, post notices to perform covenants; do or oversee evictions; get Owner approval for major expenses; inspect the property occasionally; provide you with a monthly accounting of all money received and disbursed, as well as keep a client trust account for Owner money.

Owner

What are my obligations as an Investment Property Owner?

Once you hire a property manager, your responsibilities are to make the mortgage, HOA, property tax and insurance payments. These payments may be made from your account, but it is your responsibility to insure funds are available. When the management company is making the payments from your account, the procedure is: rent is accepted, mortgage and HOA (if applicable) payments are made; any outstanding invoices are paid (pool service, gardening service and Vendor invoices for maintenance or repairs); the management fee is deducted and the Owner Draw sent to the Owner of the property.

What type of insurance do I need?

Owners must have general liability insurance in an amount of no less than \$1,000,000; the policy is commonly referred to as an Owners Rental Policy. Pacific Real Estate Management Group should be added as a third party contact so that we may make claims on your behalf.

How much money am I required to keep in my account?

\$350.00 is left in your account after the Owner Draw check is issued to the owner of the property. These funds are used for any repair issues that may arise and alleviates the need for Owners to send funds in so that vendors can be paid in a timely manner.

What safety modifications (if any) will need to be in place at my property before a Tenant moves in?

California State Law requires the following devices be in place prior to a tenant moving into a property: The **Water Heater** must be properly strapped; **Smoke Detectors** must be in place (this varies by county; however, the usual places are bedrooms, hallways, and just outside the kitchen); **Carbon Monoxide Monitors** (law requires a carbon monoxide monitor on each interior level of the property.) If you have a **pool and/or spa** on the property it/they must have an **approved anti-entrapment drain cover, device, or system.**

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Vendors and Repairs

How do you choose Vendors?

We use a handful of Vendors with a continuing business relationship to our company. Many of our Vendors have been affiliated with us for over 5 years and give us priority service as well as great pricing. Additionally, we continually seek out new Vendors to add to our list that we feel will benefit the Owner. If an Owner has a preferred Vendor they like to use, we will call that Vendor for service.

Do you use licensed and insured Vendors?

All of our Vendors are licensed, insured and locally known with identifying uniforms and vehicles.

Do you charge anything above the Vendor invoice?

No. The actual amount of the invoice is the amount you pay.

Do you offer a 24-hour emergency service?

Yes. Our office is open Monday through Friday; all Tenants are advised to call the office during normal business hours before calling the emergency service.

How do you handle repairs?

The Tenant phones our office when a repair is needed; a Vendor is then dispatched to the property. All repairs under \$150.00 or emergency repairs are handled at our discretion. If a needed repair is over \$150.00, and it is not an emergency, our office phones the Owner for direction.

Tenants

Do I approve Tenants, or does Pacific Real Estate Management Group?

If an application meets all of the initial requirements of our office, references and employment are checked and then the Owner is contacted for final approval.

What type of insurance do my Tenants need?

Per the lease agreement, Tenants are required to carry Renters Insurance, which protects their personal belongings, not the structure.

When is the rent due?

For most agreements, rent is due on the first day of the month with a three-day grace period. As long as rent is paid on or before day four of the month, there is no late fee due.

How do you handle late fees?

Late fees are incurred if the rent is not paid on or before the fourth day of the month. The late fee is 6% of the monthly rental amount, OR as per the rental agreement. All late fees are issued to the Owner.

How do you choose the proper rental amount?

When a property is vacant or a contract comes up for renewal, a market survey is performed to insure the property is priced at the current rental amount for that area. Property condition, length of Tenancy and Owner requirements are taken into consideration. Rental amounts are then submitted to the Owner for approval and any changes are made.

What if the Tenant is unhappy with an increase in the rental amount?

Tenants may dispute a new rental amount; however, they must do so in writing. Any correspondence is forwarded to the Owner for consideration.

What if my Tenants always pay their rent on time and I don't want them to move? Do I have to raise the rent?

No. Rental increases are always up to the Owner of the property. However, it is our job to make sure that you know what the comparable rent is for the area at the time their lease is up for renewal.

How is Termination of Tenancy handled?

Tenants must submit a written 30-day notice to end Tenancy. The Tenancy does not automatically terminate at the end of a lease, but rolls into a month-to-month Tenancy. If an Owner does not want to continue renting their property to the current Tenant for any reason, the Owner must give the Tenant a written 60-day notice of non-renewal per California law.

Security Deposits**What happens to the Security Deposit?**

Security Deposits are held in the Broker's Trust account. The Deposit does not bear interest and remains untouched unless the Owner directs us to do otherwise, i.e., use it for delinquent rent, etc.

What if I, the Owner, want to hold the Security Deposit?

Owners may hold a Security Deposit; however, the funds may not be spent for any reason including, but not limited to, making repairs or improvements to the property. Additionally, any interest earned on the Security Deposit must be transferred to the Tenant upon termination of Tenancy.

Evictions**How are evictions handled?**

After a notice to pay rent and quit is served and expired, an evictions office is contacted for proper procedure.

When do you hang a notice to pay rent or quit?

On the fifth day of the month, an automatic reminder is sent to the Tenant for past due rent. If rent is not received, a notice to pay rent is hung at the property on day six. If the sixth day falls on a weekend or holiday, the notice is hung on the next business day.

What about Owner losses?

Due to our high standards in leasing, we do not experience a high volume of evictions and long-term late payments of rent.

Other**How do I terminate my contract?**

We have an easy exit agreement; therefore, either party may cancel the property management agreement with a 30-day written notice.

How do you handle communication and notification?

Depending on the situation, matters are handled via phone, e-mail and USPS.

When do I get my Draw?

Draws are normally issued within the first five to seven days of the month, depending on when the rent is received.

How may I receive my Draw?

After Draw checks are cut they are mailed to the Owner via USPS or deposited into the Owner's bank account of choice.

What if there is not enough money in my account to pay the management fee after all other invoices are paid?

Our office will defer a management fee for one month if it is found that there are not enough funds available to insure all invoices are paid in a prompt manner. Generally, if funds are needed to pay a large expense, our office will hold the Owner Draw or request funds in order to pay the invoice.

What if I want to rent my property and then turn it over to you for management?

Some Owner's choose to rent their property themselves and then turn it over to us to handle the day to day management of the property after the Tenant moves in. Others want to handle showings of the property but request any applicants submit the rental application to us so we can process them by checking references and order credit reports.