

Investor FAQ

◆ How much do you charge to manage property?

We manage all aspects of the Property Management Agreement (PMA), reporting the status in a monthly statement to the Investor; prepare the property, advertise, screen, lease, maintain, operate, handle legal actions, pay tradesman, return deposits, etc. The costs are:

- Monthly Management Fee:
 - One single family home 10%
 - Two single family homes 9%
 - Duplex - Quadriplex (2-4 units) 9%
 - Plexes greater than 4 8%
- Investor Account Setup Fee when the Property Management Agreement (PMA) is signed
 - Establishing the Investor's Account, each Investor \$35
 - Professional pictures, each property, 360 Virtual Tour \$90
 - Writing and populating website, each property \$25
- Minimum Balance in Bank Trust Account, per INVESTOR \$200
- Optional Inspection Report \$25
- Advertising costs: The Investor pays the advertising costs with no Supervising Fee. The advertising will be mutually agreed upon at Investor Account Setup.
- There is no fee for leasing or lease renewal.
- There is no termination fee after one year

◆ What is the Agreement Setup Fee?

The Investor Account Setup Fee enables creation of the infrastructure to support the Investor and the Property

- Establishing the Investor's Account, each Investor \$35
- Professional pictures, each property, 360 Virtual Tour \$90
- Writing and populating website, each property \$25

Not included in the Investor Account Setup Fee is the \$200 Minimum Balance needed in the Bank Trust Account.

◆ How much does advertising cost?

Our standard practice is to begin advertising as soon as possible after Renter's Notice to Vacate is received. We put a "For Rent – Do not disturb the tenant" sign on the property as permitted by CC&Rs and place ads in the online websites (~\$60). If the property is not leased within 10 days before availability, we begin advertising in the local paper, e.g. Idaho Statesman (\$120 for 3 lines, 10 days). We pass the incurred advertising costs onto the Investor.

If the property has been available over 2 weeks, we discuss changing the lease terms and incentives with the Investor. While we can't guarantee it, our goal is to have the property leased before the current renter leaves. A vacant property is poor business for everyone.

◆ **What is the term of the Property Management Agreement? Are there any cancellation penalties?**

The Basic and Full Service Property Management Agreements are for one year and are renewed automatically unless one party or the other terminates it. Termination requires 30 days written notice to the other party's address of record. If the Investor terminates early, the penalty is 5% of the projected gross rents through the end of the renter's Lease Agreement. If GBPM terminates early, the penalty is equal to the Agreement Setup Fee and the return of the remaining Minimum Balance.

◆ **What is your minimum lease?**

The Investor defines the length of the lease on a specific property. We recommend 1 year in most markets, although in a fast rising market, a month to month lease might enable raising the rent sooner. Also, the lease should not expire during December to February because these are slow rental months and may cause lower rent, incentives or extended vacancy.

◆ **How do you set the rent and security deposit?**

We monitor the ads for competitive property, online and local newspapers; size, amenities and location. Based on the trends and the current situation, we discuss alternative strategies with the Investor and make a recommendation. The Investor makes the final decision. However, a vacant property is poor business for everyone. Missing a month's rent to test an aggressive strategy is expensive market research.

◆ **Do you have someone who will cut the grass?**

The Investor specifies how the yard maintenance will be done; renter responsibility, rolled into the rent or renter choice. GBPM will implement what the Investor specifies into the Lease Agreement and monitor the status throughout the life of the lease. GBPM can supervise subcontractors at \$20 per week. The typical yard maintenance season in the Greater Boise area is April through October.

◆ **How do you handle repairs, maintenance, cleanup and preparation for leasing?**

The renter calls GBPM who then schedules and supervises subcontractors to perform the work.

- **Full Service PMA**, the subcontractor's invoices are paid by GBPM from the Bank Trust Account.

◆ **Do you provide a report on Registered Sexual Offenders in the area?**

Due to the legal issues involved, GBPM suggests that you personally contact the appropriate local law enforcement agency and ask for the information; e.g. <http://www.adasheriff.org/sexOffenders/> or <http://www.registeredoffenderslist.org/>

◆ **What is your Tenant Selection Criteria:**

It is our policy to rent our units in compliance with the federal, state and local fair-housing laws. <http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

Prospective Renters submit a Rental Application (\$40 fee) that provides the information and authorization for a background check which includes verifying identity, sufficient income sources and rental history, credit report and criminal report.

See GBPM's Resident Acceptance Policy

Verifiable identification: A current government issued photo ID (for example, military ID, state driver's license, government issued passport) for each signer of the lease.

Verifiable income: Income-to-rent ratio of 3 or more. This means the applicants gross monthly income is equal to or more than three times the amount of the monthly rent. We verify the income from copies of the applicant's prior month's pay stubs, provided with the application. Self-employed applicants provide their most-recent tax return and three months' worth of bank statements.

Good credit rating: Verified by a credit report on all applicants and co-signers over the age of 18 and emancipated minors.

Good references: Good responses from previous landlords, employer, bank and personal references.

Reliable rental history: A record of successfully renting other property, including paying the rent on time.

◆ **How do you handle renters in Ada County, Idaho, that don't pay?**

The rent is due on the 1st of the month and is late if not received before midnight on the 5th of the month. The next business day, a Notice to Pay Rent or Surrender Possession is served on the Tenant, giving the Tenant 3 business days to pay the rent current or vacate the premises. A \$50 late fee is included to cover the legal and service costs.

If the rent due plus late fee is not received on the 3rd day, an eviction process is started using Neal & Uhl, PLLC, a law firm with an emphasis in real estate and landlord tenant law.

<http://www.idahorealestatelaw.com/> A routine failure to pay rent eviction might proceed as follows. Extraordinary cases may require additional fees such as Sheriff Fees and Attorney Fees.

Normally, in evictions which proceed to trial, the prevailing party is awarded costs and attorney fees. However, it is difficult to collect on the Judgment. We will record the Judgment upon the credit report of the Tenant for a period of 5 years so that if the Tenant needs credit in the future, the Judgment will have to be paid.

Prepare summons and complaint:

File administration fee = \$75, usually within 24 hours

File with County Clerk's Office, set court date (10 days) and serve Summons and Complaint:

Attorney Fees: \$125

Filing Fee: \$62

Service Process: \$45 - \$60 average

Final Trial Preparations:

Additional Attorney Fees: \$50

Trial:

Additional Attorney Fees: \$100

Sheriff's Fees: \$40

Recording Fees: \$7

◆ Can a renter sub-lease my property?

In Idaho, the Investor, represented by the property management firm, GBPM in this case, can not unreasonably withhold consent. But GBPM applies the same screening process for the sub-lease as for the original Tenant.

◆ How many people will occupy my property?

There are no laws regarding maximum occupancy but HUD guidelines are 2 people per bedroom plus 1. Therefore, if you have a 3 bedroom home, you could probably limit the maximum tenants to 7. This is a significant issue with the Fair Housing Act. A limit lower than the guideline may be viewed as discriminating against families.

◆ How often do you inspect the property?

We do a very through Tenant Check-in procedure that documents the status of the property, including taking pictures and testing the smoke alarms in the presence of the new Tenant. And we introduce ourselves to the neighbors and give them our contact information, just incase they learn of an issue that needs our attention. We inspect the property, confirming no lease violations, at 6 months and on the lease anniversary date through the term of the lease. The INVESTOR has the option of photographs and a written report for an additional fee.

◆ How long will it take to rent my house?

GBPM monitors the rental market daily, gathering rental statistics that go far beyond our own properties. This analysis allows us to help you accurately price your property to get rented fast without risking your rental income potential

Aggressive advertising, multiple neighborhood yard signs, competitive pricing, and a solid understanding of the community, coupled with high qualifying standards for tenants, we strive to have your property rented within 30 days.

With factors like location, the uniqueness of each home, and individual rental strategies we can not guarantee results, but rest assured, we strive to rent your property to a qualified tenant in the shortest time possible.

◆ How much control do I have in making management decisions?

As much or as little as you want. We supply our clients a detailed monthly statement with each payment and maintenance receipt documenting deductions from the rental income. We set a limit (usually \$200) on maintenance work that is done without involving the property owner. Because some owners want to be involved in every decision, we can set this limit in accordance with your comfort level.