



Signature Realty & Management Presents:

PROTECT YOUR PORTFOLIO

10 Essentials for Property Management Success

There are a number of questions and concerns associated with owning a rental property. These issues and concerns can be compounded if you have an entire rental portfolio. We understand these questions and concerns because we've been helping owners protect their investment portfolios all across the First Coast since 1995.



In fact, over the years, Signature Realty & Management has represented thousands of owners and properties. And though we are a full-service real estate firm that also handles commercial real estate, residential sales and association management, when most folks think about Signature, they think about property management.

Over the next several pages, we're going to arm you with the essentials of effective property management. We'll discuss conflict management, tenant screening, repairs, tax questions, insurance information, vendor selection and more.

You'll be equipped with the facts you need to make an informed decisions and protect your investment.

We offer tailor-made solutions, so even if you don't need full-time or full-service management and prefer tenant placement only (or some other arrangement) don't hesitate to reach out so that we can offer you a custom, personalized proposal for the care and upkeep of your property. We'll even waive your first month's management fee!

If you have any other questions or concerns, we encourage you to reach out to us at info@srmifl.com and be sure to reference this eBook somewhere in the body of your message.

We look forward to hearing from you!

Sincerely,

Bryan & Noreen Cantrell



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About Signature Realty & Management

The team at Signature Realty & Management, Inc. has been serving the full-service real estate needs of North Florida for 21 years and counting. Since opening their doors in 1995, the company has expanded to cover all of the greater metropolitan Jacksonville real estate markets thanks to a total of four conveniently located offices. Signature's clients have come to expect and appreciate a high level of service and participation from the company's stellar team of agents, property managers, association managers and accountants.

The Secret Behind the Success

Many have asked the owner and broker, Bryan Cantrell for his secrets of sustainable growth and success. "It all boils down to how we take care of our clients and our steadfast commitment to the Golden Rule. Our mission isn't just to meet expectations, but to exceed them. When we do, our clients show their appreciation in the best way possible – by referring our services to their friends, family, colleagues and more. That's always the secret behind sustainable growth."

Award-Winning Service

Perhaps it is this dedication to excellence that earned him the prestigious past winner of the Property Manager of the Year, as awarded by the Northeast Florida Association of Realtors. In fact, until they discontinued the Residential Property Management list award in 2015, the Jacksonville Business Journal regularly named Signature Realty & Management in a Top 10 position year after year. Of course, although many people instantly associate Signature with the residential property management side of the business, the company does a great deal more than "just" manage rental properties. In fact, there are a number of multi-million dollar sales producers making up the Signature team. Both buyers and sellers can expect state-of-the-art treatment when working with a Signature sales agent. This includes both residential and commercial real estate transactions.

Extensive Industry Involvement

One of the ways the company remains on the cutting edge of the industry is because Signature Realty & Management agents and managers are proud members of, and/or participate and attend the following organizations: NEFAR, NAR, FAR, NECAM, ST. JOHN'S BOARD OF REALTORS, NARPM, NEFBA, CAI, FSA, AHRN, AHWD, RAMP-IT-UP, and STAR.

A Company To Turn To In Any Real Estate Scenario!

Signature Realty & Management is uniquely situated to meet the real estate needs of a full range of clientele. In many cases, they first begin working with someone who is looking for their very first rental home and continue on to help them become first-time homeowners and eventually even investment property owners with impressive portfolios. No matter what real estate scenario you face, isn't it time for you to experience the Signature difference?



Taking the DIY approach to your Rental Property Portfolio can be a dangerous move that can put your entire financial future in jeopardy.

Here are just a few of the ways that professional residential property management can provide you with all of the protections you want and deserve for your investment!





6 Reasons your Rental Requires Professional Property Management

Many rental owners wait to hire on a property management team until their portfolio has grown to the point that self-management becomes practically impossible.

Fortunately, you don't have to wait until you're completely overwhelmed. A good property manager will pay for themselves many times over—even if you only have a single rental property to manage.

Here are half a dozen ways that professional property managers will prove their worth time and time again...

#1 An Around-the-Clock, Active Agent

Your property manager will always act on your behalf—consistently protecting your interests at all times. This means when you're sleeping, on vacation or busy at work, you don't have to be bothered with the demands of maintaining and managing your rental. They'll handle the calls if a pipe springs a leak or the AC goes out. They'll collect the rent and deposit the funds to your account. They'll seek out opportunities to boost your home's value or increase rental rates.



As real estate professionals, they know the ins and outs of the market and the best ways to make a move. This frees you up to focus on your skills and strengths while your property gets the kid-glove treatment.

#2 Minimizing Vacancies

At the end of the day, occupancy will have one of the largest impacts on your property's income-producing potential. Any month that a property sits empty, that's a month that rent doesn't get collected.

Not only does a property manager minimize this risk with advertising, promotional, comps to determine the best rental price, and proper tenant screening, Signature Realty & Management won't charge you ANY management fees during any month that your rental property is without tenants.

That means you don't pay for services you don't get!

#3 Bookkeeping & Financial Reporting

One of the biggest headaches associated with rental management is all of the accounting and paperwork it requires. Our Accounting Team handles all of the collecting and processing of payments, the creation of ledgers and statements and much more. Together with your property manager, they can provide you with the financial accounting (and accountability) your portfolio and unique circumstances and situation demand.

#4 Your Communication Conduit

Perhaps the most demanding aspect of property management is all of the communication required! When a rental property is on the market, managers can receive dozens (perhaps hundreds!) of calls and emails from prospective tenants. Once an application is submitted, there are reports to run and checks to complete—like employment and rental history verifications. And that's all just in the beginning!



A property manager shields you from all of those interruptions so that you can focus on your life—not just your portfolio!

#5 Legal & Regulatory Compliance

At Signature Realty & Management, every single residential property manager is ALSO an actively-licensed Florida real estate professional. As such, they've sat through hours of classes and training to keep up-to-date with state and local laws and regulations that impact that day-to-day roles and responsibilities of property management. They know the laws that impact landlords and tenants, leases and contracts, tenant screening and evictions. They can insure that property listings and marketing materials don't violate consumer rights or are not inadvertently discriminatory. One lawsuit can easily obliterate your property's profitability and transform it into a massive liability.

#6 Maintenance, Repairs & Vendors

We all know about Murphy's Law—whatever can go wrong will—and typically with the worst possible timing. Roofs leak. Plumbing breaks down. Electrical issues crop up. Accidents happen. When that happens, someone has to take care of the mess. If you have a management company, that someone doesn't have to be you (at least not directly!)

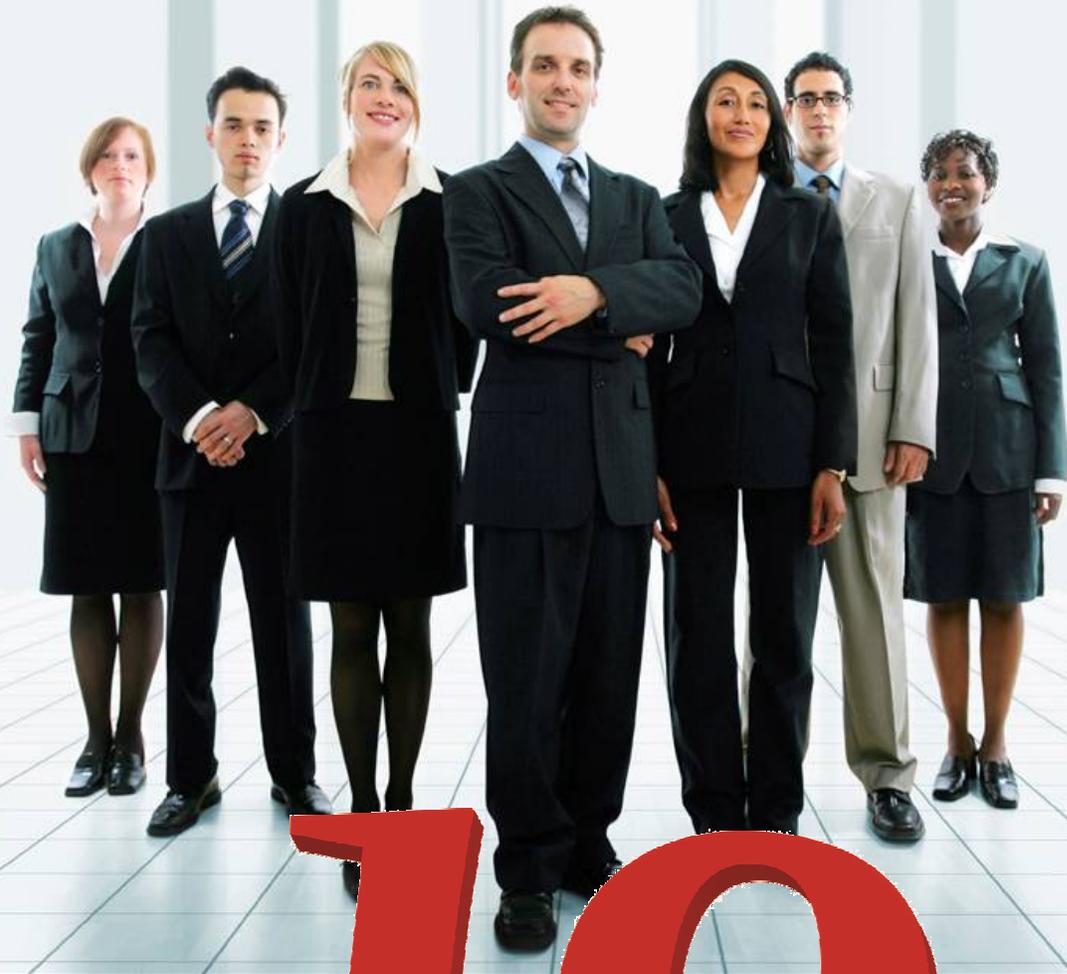
Our team has worked long and hard compiling our own private Preferred Vendors list to handle just about any repair, replacement or renovation that could possibly come your way.



We'll also work with you to create a maintenance buffer account to help fund those projects if and when they are needed. Your property manager will coordinate estimates, schedule appointments, and handle invoicing. Most importantly, they'll also keep you completely in the loop, with frequent updates and progress reports along the way.

Don't wait until your rental property causes you to lose sleep before you find a better way. Whether you've got one or several dozen properties, professional property management is one of the smartest and safest ways to protect not only your investment, but your sanity as well!





10

Questions

**You Shouldn't Be Afraid
To Ask Prospective
Property Managers**

Q: Can You Tell Me More About Your Property Management Experience?

You should feel confident asking how long the property manager has been licensed and how many years of experience they have. You should also be looking for a competent and experienced team to back them up. We've been serving the local area since 1995.

Q: How Many Properties Are You Currently Managing?

The goal is to find a happy medium. Sometimes you are looking for a less hands-on manager and there's no issue with a part-time agent. But if you need the services of a full-time very hands-on manager, you shouldn't be afraid to mention that right up front. It's always better to be clear about your management expectations up front.

Q: How Often Do You Inspect Properties - Vacant and Occupied?

There's nothing weird about wanting to know the answer to this question! For obvious reasons, properties where regular inspections are performed (when both vacant and occupied by tenants) seem to have fewer "surprise" maintenance and repair costs. And although they may complain, regular inspections can prevent future claims against security deposits by identifying potential issues early on.

Q: What Steps Are Taken AFTER Inspections are Complete?

Getting an inspection completed is great, but the really important steps get taken AFTER the inspections are complete. If problems are identified, you want to know that they'll be handled properly and that the tenant will be help appropriately responsible for any damages they might have caused. How quickly will you be notified? What options are available?

Q: How Do You Handle Preventative Maintenance & Home Warranties?

If you need certain tasks performed at specific intervals, you should feel confident knowing your request will be taken care of. Make sure prospective managers know about your maintenance requests, budgets and expectations.



Q: How Do You Handle After-Hours Requests?

Repairs aren't just needed Monday-Friday from 9-5. You need a rental management company that offers help no matter when something goes wrong. At Signature Realty & Management, we have a protocol in place so that emergencies can be reported 24/7!

Q: How Will You Prevent Rampant Spending on Repairs?

When you're dealing with an investment property, a penny saved is a penny earned. You should feel confident that your budgetary limits will be respected. Here, we suggest that you start with a \$300 maintenance buffer account to cover any maintenance needs up to that point. Repairs or replacements over that amount will be submitted to you for approval.

Q: How Do You Screen Prospective Tenants?

Tenant screening is the best way to protect the long-term value of your rental and your rental occupancy rates. Tenants should always be carefully screened in light of their past rental history, their credit history, their employment histories and their criminal histories. If you have a minimum desired credit rating, don't be afraid to let prospective managers know your standards from the very start!

Q: What Is the Best Rent for My Home in This Market?

As a Realtor, your property manager can search the entire regional market for comparable properties to determine the very best market rents. As a general rule, you should request a new market analysis each time your property goes on the rental market. This helps insure optimal occupancy while maximizing earnings.

Q: What Can You Do For Me That No One Else Can?

Your property manager will soon be "selling" prospective tenants on your rental—why not ask them to "sell themselves" to you. Usually, the best professional relationships in the property management world are built upon skill AND personality. Find someone that pairs perfectly with you!



*In the Landlord-Tenant Relationship, 5
Ridiculously Common Headaches and Hassles
Keep Coming Up!*

*Which ones have affected your rental
portfolio?*

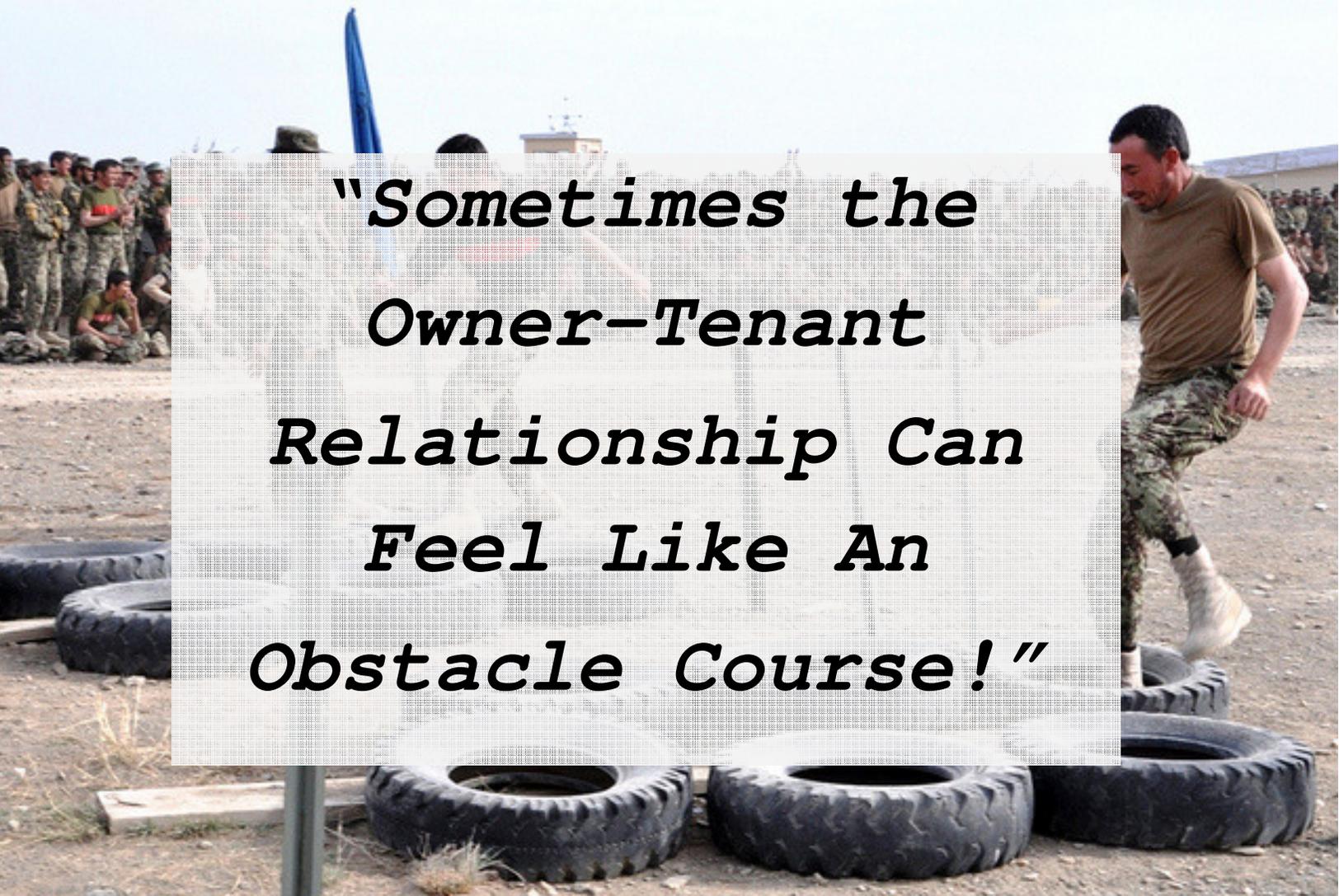


5

Ridiculously
Common

Landlord-Tenant
Conflicts

(and how to avoid them!)



***"Sometimes the
Owner-Tenant
Relationship Can
Feel Like An
Obstacle Course!"***

Let's face it folks—even with a professional property management company at your side, the owner-tenant relationship isn't always going to be a bed of roses. Sometimes, there will be problems, accidents, conflicts, unforeseen circumstances—whatever the case, at one time or another, things are going to get a bit out of hand.

The good news is that with a property manager serving as a barrier and buffer between you and the tenant, things are a LOT less likely to get ugly. As a matter of fact, when the situation plays out just right, you won't even see a spike in your blood pressure!

With over 20 years of experience, we have a lot of first-hand encounters and instances where our role as an agent gave us an up-close and personal, front-row seat for conflicts. On the positive note, those same situations and their successful conclusions have perfectly situated us as the perfect ally when it's time to make tough calls and unpopular decisions.

Over the course of our history, there are five issues that we've been called into solve time and time again. If you're thinking about a new solution for your current rental property portfolio, there's a pretty good chance that you've encountered at least one of them...

Common Complaint #1

NON-PAYMENT, LATE PAYMENTS AND INSUFFICIENT FUND FEES!

In the vast majority of these cases, the culprit winds up being poor tenant screening! Professional management companies will take deliberate care to research and investigate the rental and economic histories of prospective tenants—sparing you potential headaches and hassles in the future!

Common Complaint #2

ILLEGAL ACTIVITIES

When you pair thorough tenant screening with frequent and thorough on-site inspections, issues with illegal activities are kept to an absolute minimum.

Common Complaint #3

TERRIBLE MAINTENANCE & UPKEEP

In many for rent by owner situations, it seems that every single tenant transition results in repairs that exceed the funds in the tenant's security deposit escrow account. Inspections, rental history verification and strong collection practices can help eliminate or mitigate this risk.

Common Complaint #4

UNAUTHORIZED OCCUPANTS

In our experience, an ounce of prevention is worth a pound of cure! We're constantly on the lookout for clues that extra tenants are occupying your dwelling. Furthermore, we make it easy to stay in compliance with a simple one-time fee to add new occupants to the lease—legally!

Common Complaint #5

NOISE & CODE COMPLAINTS

Sometimes problems like this can be rectified with a simple cease and desist letter. In other cases, more extreme measures need to be undertaken. Fortunately, our experience as residential property managers and Condo and HOA Association Management managers allows us to stay on top of these complaints and handle them before they can become headaches!



**SECRETS OUR HOA
MANAGEMENT
TEAM TAUGHT US ABOUT
VENDOR SELECTION**

*When things fall apart, your
property management firm
needs to keep it together!*

CLASSIFIED

*Vendor selection is an essential
skill that can save you time,
money, and trouble.*



Vendor Selection Secrets...

When it comes to vendor coordination, few real estate professionals have the same level of experience as a Community Association Manager (or CAM!) Unlike residential property managers who may manage a few to several dozen individual properties, CAMs represent and manage the affairs of entire communities—sometimes numbers in the thousands of individual homes in a single account!

Management at that scope requires a huge investment of time and attention. As you can imagine, over the course of their careers, an average Community Association Manager might coordinate hundreds or thousands of vendor encounters. Along the way, they pick up a number of tips, tricks and tactics that help them save time, money and headaches for the Boards and communities that they represent.

In this short article, we'll explore a handful of vendor selection secrets that we'll put to work for your rental portfolio, as well...

KNOW THE RISKS

When it comes to deciding who you will hire to fix leaky pipes, broken air conditioners and faulty fuse boxes, there can be tremendous consequences. Not only are there the costs of having the work done, a lot also depends on the quality of the work performed.

And—faced with these questions of costs and quality, many first-time landlords often make the mistake of cutting corners to save a buck or two. If you do that by hiring unlicensed contractors when a job requires skilled and credentialed labor, the costs can grow considerably! That’s because doing so violates Florida Statute 455.228 and can result in civil penalties as high as \$5,000. It also leaves you as the homeowner holding 100% of the liability. This means that ***even if you pay the phony contractor the full invoiced amount and then they fail to pay their crew or suppliers—you’re on the hook for all of those costs. Not just the labor, but any materials, as well!***

All jobs in the following categories: plumbing, electrical, roofing and HVAC require state licensure. So do home improvement contractors. The reality is that there is no such legal entity as the Jack of All Trades. It is es-



sential that you (or the management firm you hire) vet prospective vendors as thoroughly as you would a tenant to verify that they have the specific credentials required to get the job done and done right.

Also keep in mind that an occupational license is not the same thing as a regulatory license or Certificate of Competency. It just shows that they’ve paid the required tax for the privilege of running their enterprise in your city or county.

This isn’t a “secret” of vendor selection—it’s a cold, hard fact. Avoid being another horror story and take this absolute minimum step!

VENDOR SECRET #1

Establish your vendor selection criteria up front and use it to develop a simple process that you NEVER deviate from. This includes appropriate state and local licensure, liability insurance, worker compensation or an exemption, a completed W-9 and something outlining your payment policies and processes. When a job comes up and you begin seeking out estimates, ask each potential vendor for all of these details right up front. You also



shouldn't be afraid to ask for references. Our vendor policy requires either one in-house agent recommendation or three other professional references with contact information that we can personally verify before moving forward. As we mentioned early, vetting your vendors and making it a simplified process is just as important as how you'll screen your tenants!

VENDOR SECRET #2

Clearly communicate the job you want done, your performance expectations and your budget sensitivity right from the start. If possible, get the vendor or associate to state back to you the details of your work order before they ever come out. Communication problems are one of the biggest issues in the world of vendor relationship management. This is NOT the time to be vague or beat around the bush.

VENDOR SECRET #3

Inspect all work performed before ever paying an invoice. If you aren't able to, this is just one more reason that you'll need the services of a competent manager or management team. Even if the home is currently occupied by a tenant and they say it's all working just fine, be sure to verify that the work was performed as stated and that all parts were replaced, etc. It's a lot easier to have a vendor correct a problem for you prior to being paid. If you pay the invoice first and then find a problem later, it may prove much

tougher to get them to return in a timely fashion (if at all!)

VENDOR SECRET #4

Even when you've found a vendor that you love, take the time to price-compare estimates. When it comes down to it, one of the most important measurements of your rental property is your return on investment. That means you've got to keep expenses to a minimum. Even when you've got a great vendor relationship, it pays to price out your estimates. You may wind up still working with your favorite guy or gal, but doing so on a platform where you can negotiate a lower rate based on a competitor's bid! It always pays to shop around on big expenses.

VENDOR SECRET #5

Always leave fair and accurate feedback for the vendors you use. This not only helps others out there who are shopping around for the same services, good reviews can often foster a great response from a vendor. This can translate into lower prices for future work. On the flip side, an honest 1-star review can help prevent someone else's nightmare and encourage the vendor to make things right with you in the hopes that you'll amend that public score in a more positive light!

Rental property owners that keep these secrets in mind will face fewer headaches, greater savings and better vendor experiences time and time again!



**FURNISHED
ROOM**

**FLAT
FOR RENT**

**HOUSE
FOR RENT**

**- FOR -
RENT**

Thinking about renting out your home? Right now, a lot of people are trying to decide whether to rent their homes or sell them. If you're thinking of renting out your home, here's what you should know.



4 Tips for Successfully Renting Your Home

Much more goes into the process of renting out your home than merely sticking out a “For Rent” sign in the front yard and waiting for the perfect tenant to show up. There are legalities to consider, costs to count.

You don't have to dig very deep to find the horror stories from other DIY landlords who abhorred one nightmare tenant after another, countless repairs, vacancies that lasted too long—even criminal enterprises operating out of their garages! If you don't want to wind up being another one of those horror stories, here are four simple strategies you need to have in place BEFORE you decide to rent out your home.



1

UNDERSTAND YOUR RESPONSIBILITIES!

Did you know that in the state of Florida tenants are ac-

tually protected by what is known as the Tenant Bill of Rights? There are also laws that regulate who you can rent to, how you can advertise your rental, which repairs need to be handled ASAP and what can wait—among a host of other things. Even in the best of circumstances, home maintenance and upkeep can be expensive. When a stranger moves in, those costs and risks go up considerably.

Are you prepared to do your homework and stay on top of those laws and regulations? Do you have the time and energy to make regular visits and property inspections? If not, you may want to rethink the DIY approach!

2

MAKE SURE YOUR HOME IS READY TO RENT!

In a competitive rental market, prospective tenants are looking to get

solite biggest bank for their buck. They want houses that are updated, with large yards, great windows, fresh paint, new carpet and shiny appliances.

They expect rental homes to be clean and ready to move in. They also expect the yard to be mowed and manicured. This is the time to make the effort and investment to show your home in the best possible light.

3

SETTING THE RIGHT RENTAL PRICE

Most homeowners loose sleep over not charging enough rent for their home. They forget that there is such a thing as setting the rent too high. If you do this, the property will sit vacant for far too long, seriously jeopardizing a return on your investment. Every month a home isn't rented, that's money you're not putting in your bank.

However, if you set the rents too low, not only do you miss out on the monthly rent you're not charging, you may also find yourself flooded with prospective tenants and fighting to have a

4

DELEGATE IT!

It doesn't take very long for most DIY landlords to throw in the proverbial towel. After all, it turns out that there's a lot of work associated with renting out your home.

The good news is that you don't have to do everything on your own. Property management companies are out there that can help eliminate many of the burdens and headaches. The best ones even do it affordably!

If you want to insure that you have your sanity intact at the end of each lease, it's an option you might want to consider. Here at Signature, we provide our rental property owners with a slew of different choices when it comes to the management of your home.

Whether you prefer a hands-on or hands-off approach, we can work with you—and you'll always have the final say about who moves into your home. Best of all, we have the resources to properly screen prospective tenants—avoiding those with poor rental backgrounds, bad credit and criminal backgrounds. We've also established great relationships with our Preferred Vendors and have negotiated great prices for repairs, replacements and renovations.

With our agents at your side, we'll help you navigate the laws and regulations. We'll protect you from 2:00am phone calls about AC problems. We collect the rent and send out any letters or reminders. We perform the inspections. And we do all of that while you go about

doing the things that you are great at. It allows you to do more to not only protect your investment, but to increase its value over time!

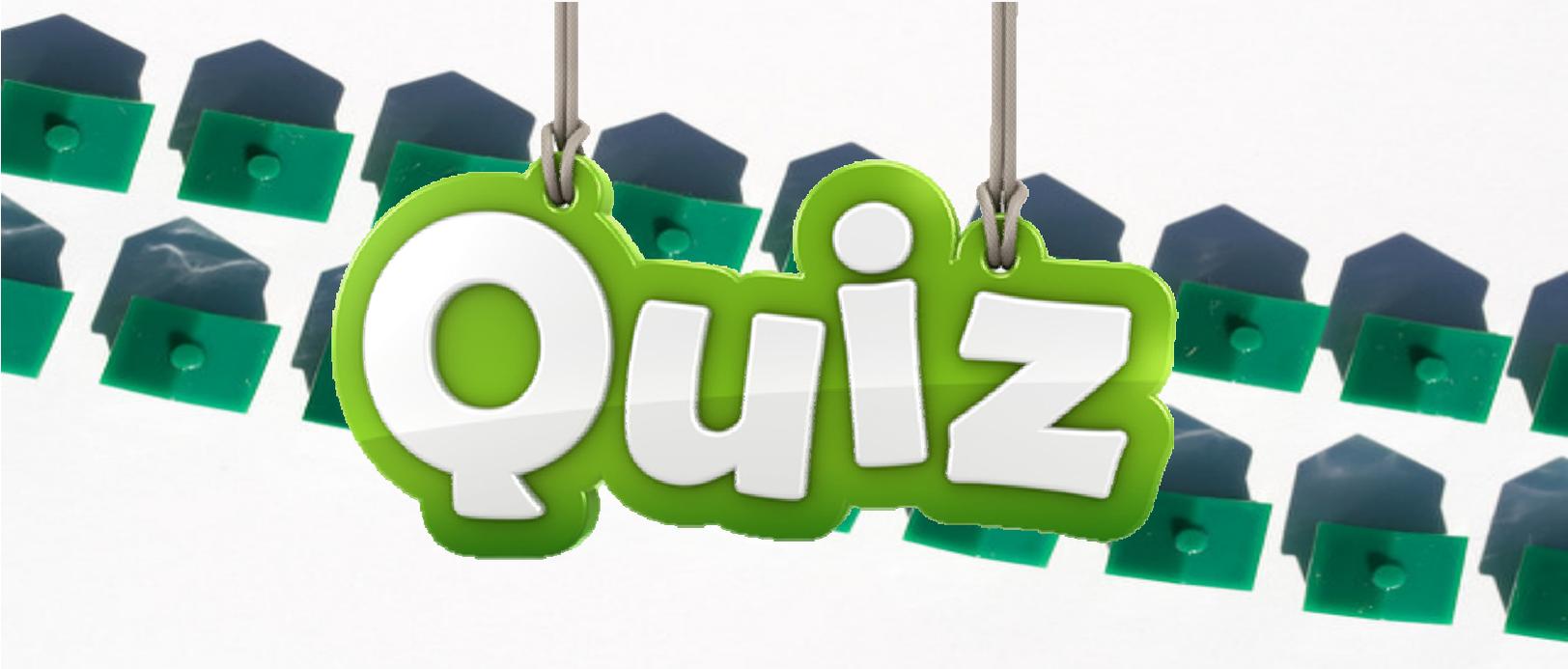
Ready to Experience the Signature Difference?

If just thinking about those potential headaches and hassles has you second guessing your decision, don't give up on your dreams of successfully renting out your home—work with us to make it a reality!

Best of all, when the day comes that you decide you're ready to sell that home, we can help you do so. We NEVER charge a fee until AFTER we've placed a tenant successfully in your home, meaning that you won't ever be charged for services we don't actually perform. If your home sits vacant, you won't pay us a penny until we move in a fully—screened tenant!

If you're ready to make the move, give us a call at one of our four local offices.

If you mention this eBook when you request a management proposal, we'll waive your first month's management fee!



Quiz

- 1. The last time your rental property was on the market, how long was it vacant?**
 - A. Less than 90 days
 - B. 3 months
 - C. 6 months
 - D. 7 months or more

- 2. When your home is actively on the market, how many calls or inquiries do you usually receive?**
 - A. More than 100
 - B. Between 50-100
 - C. Between 25-50
 - D. Less than 25

- 3. When you need repairs, renovations or replacements, who do you call?**
 - A. My property manager
 - B. A licensed, bonded professional
 - C. Whoever is cheapest
 - D. If they want it fixed, they can take care of it!

- 4. True or False:** I fully understand the legal process involved in removing tenants that have stopped paying rent or have otherwise broken the terms of their leasing agreement.

5. Please rate the following statement: I am aware of and fully understand what I can and cannot say when advertising a property for rent.

- A. I strongly agree with this statement.
- B. I sort of agree with this statement.
- C. I neither agree nor disagree with this statement.
- D. I strongly disagree with this statement.

6. Please rate the following statement: I have access to all of the tools and resources necessary to thoroughly vet potential tenants for my properties, to include credit histories, rental histories, employment verification, criminal background checks, etc.

- A. I strongly agree with this statement.
- B. I sort of agree with this statement.
- C. I neither agree nor disagree with this statement.
- D. I strongly disagree with this statement.

SCORING!

Question 1. Give yourself 4 points for A, 3 points for B, 2 points for C and 1 point for D.

Total: _____

Question 2: Give yourself 4 points for A, 3 points for B, 2 points for C and 1 point for D.

Total: _____

Question 3: Give yourself 4 points for A, 3 points for B, 2 points for C and 1 point for D.

Total: _____

Question 4: Give yourself 3 points for True, 0 points for False. Total: _____

Question 5: Give yourself 4 points for A, 3 points for B, 2 points for C and 1 point for D.

Total: _____

Question 6: Give yourself 4 points for A, 3 points for B, 2 points for C and 1 point for D.

Total: _____

20-23 = Ready to go!

14-19 = You might want to consider Tenant Placement services.

0-14 = Proceed with caution—You need management help!





One of the worst mistakes you can make as a rental property owner is moving too fast!

While you might be in a rush to move someone in and start making money, you absolutely can't afford to cut corners.

*That's why we suggest that you establish your selection criteria **BEFORE** your home is on the market...*



Setting Your Tenant Selection Criteria

...before you start looking for one!

All Criteria Must Comply with Fair Housing Laws

Whether you decide to manage your home on your own or through the services of a professional property management company, Fair Housing Laws still apply. This means that as you begin to set your tenant selection criteria, you need to make sure that they don't violate these standards which deal specifically with discrimination. What this ultimately means is that you cannot discriminate against tenants because of their race, color, gender, nation of origin, family status, religion or because of any disabilities.



These laws apply to the whole process of screening your tenants, from the advertisements that you run to the interviewing and selection process you'll ultimately use to decide which potential tenant makes the cut. In most cases, violations are due to ignorance, but ignorance is no excuse. Penalties can be swift and severe, even if they were only based on what you thought was a simple misunderstanding!

Begin with the End in Mind...

Most rental property owners have three main objectives in the tenant selection process. They want a tenant who is both willing and able to pay the rent on time, consistently each month. They want someone who is both willing and able to abide by the terms of the stated lease without constant conflicts. And finally, they have a reasonable expectation that the tenant who moves in won't be engaging in any illegal activities.

That seems pretty simple, but what criteria should you employ to ensure that bad eggs don't sneak through?

First—here's the bad news: Even if you are totally diligent in your application and screening process, there's a real risk that a bad tenant can still make it through the process. However, the instances will be few and far between and can often be mitigated with security deposits, regular inspections and lease that will stand up under the scrutiny of the legal system in the event of an eviction or lawsuit in the future.

Now, on to the good news: "perfect" tenants do exist. If you don't believe me, call us and ask us! Every one of our managers can tell you a story or ten. Tenants who don't sneak in pets

or move in boyfriends without adding them to the lease. Tenants who pay on time. Tenants who actually give you cards on holidays and leave rave reviews for you all across the internet.

Not only are dream tenants real, by employing the following criteria, you can better position yourself to select them time after time. As another step in the process, you can require a non-refundable fee to cover the costs of running criminal, background and credit history reports on prospective tenants.

- **Complete names for all adults in the home over the age of 18**
- **Addresses and phone numbers**
- **Social security numbers for all adults over 18**
- **Contact information for their current and past landlords. You should go back a minimum of 5 years.**
- **Contact information for their current employer, as well as their employment history for the past several years.**
- **Details on income from their employment as well as from any other sources of income**
- **Personal, professional and credit references**
- **Permission to run a credit and background check**

Once you've obtained all of this information from the tenant, the next step is to actually verify everything! You wouldn't believe the number of prospective tenants who will just outright lie in their applications. Then there are those who are completely honest and just hope and pray that you don't do your homework. And sometimes, people don't—and that's where nightmare situations and scenarios creep in.

Establish your minimum credit and income requirements from day one. Better yet, put it in writing along with the application you hand out. When your application is paired with a non-refundable fee, this can often weed out a number of tenants that fall in the danger zones. Most of our owners want to see a minimum of 3-4 times the rental amount for their monthly income, a clean criminal history, steady employment history and credit scores at or above 620. However, each property and situation is unique. You are free to establish your own criteria—the important thing is that you stick to them once they are put into place!





Are you wondering how your home measures up to others that are on the market?

Are you curious what it is that makes some properties fly off the market while others sit vacant for what seems far too long?

But more than that, are you wondering about your return on investment? When or if it'll happen?

We've identified a number of features that can make your rental more profitable...



10 Features Profitable Properties Share...

When it comes to renting out your home, one of the biggest advantages of using a professional management company is that they have not only the smarts to rent out your home, but the skills and experience to back it up. They understand the changes in the real estate market and what that can mean for your home's bottom line.

If you're like a lot of the rental property owners we work with, you are probably curious about the traits that more profitable properties have in common. Today we're going to share 10 features that profitable properties often share.



1. **The Neighborhood.** This is the number one concern of most prospective tenants. They won't just look at your property , they're going to want to know more about the rest of the homes on the street and the surrounding areas. If you're renting out a second home you already have, you can't do much about the location. But if you're looking to add to your portfolio, keep this factoid in mind!
2. **Property Taxes.** When it comes to property taxes, as the owner they are solidly your responsibility. If you have two different houses that rent for the same amount but one has higher property taxes than the other, the one with higher taxes will be less profitable at the end of the day. High taxes aren't a bad thing, but you may need to increase rents to cover them.
3. **Schools.** The more desirable the local schools are, the more desirable your rental will be. Schools can also impact the resale value of your home, so if you decide to sell later, this can increase your asking price and what you actually get!

4. Crime. For obvious reasons, tenants want to live in homes that are in neighborhoods where crime rates are low. While rental managers are carefully trained on the right (and wrong) ways to field these types of questions and answer them without any risk of discrimination or unethical practices, you as the owner should be aware of the safety and security a tenant can expect.



5. The Job Market. In order to tenants to pay their rent, they have to have jobs. And they also want the security of knowing that if something should happen to that job, then they'll have no trouble finding another one. Fortunately, the Jacksonville region has a strong job market and is a coveted destination for entrepreneurs looking to start businesses.

6. The Amenities. Many renters (especially those that come from apartment complex backgrounds) are very interested in what amenities are included with the rent. The more you offer, the more they are willing to pay and the longer they stick around. No pool? No problem—there are other ways to sweeten the pot. Like including pest control, landscaping or other services in the rent.

7. Development. People are looking for homes to rent that have low walking stores and are conveniently located to the services, stores and other things they need without having to drive forever to find them. The more of these services are local to your home, the better this can be for your bottom line.

8. Other Local Listings. Other homes for rent in the immediate area can have an impact on how fast or slow your home rents. To remain profitable, you need to be aware of the immediate local market. Depending on what you learn, you may need to develop a new strategy the next time your property is vacant.

9. Local Rent. How do you measure up against other properties for rent in a 2-5 mile radius? If you don't know, it could be hurting you.

10. Natural Disasters. We live in Florida, so we're aware of the potential pitfalls we face. Hurricanes. Tropical storms. Sinkholes. Flooding. These can all impact the marketability of your property. They can also eat into your profits. Weigh your options –especially in the insurance arena.



The Tax-Free Exchange



Sometimes, the only move to make in the market is to sell. The good news is that, if you played your cards right, you might be sitting on a whole lot of equity. The bad news is that if you don't play your cards just right, you can wind up being on the hook for those profits when tax time rolls back around.

Rental property owners that decide to sell can virtually eliminate their taxes owed—but only if you reinvest in another property of greater or equal value. There are limits to taking advantage of what are known as Tax-Free or Like-Kind exchanges.

Here's what you need to know to take advantage of this perk...

IRS Code Section 1031

If you're looking for a tax-free real estate exchange, then IRS Code Section 1031 is your portfolio's best friend. Using this option, you'll reinvest in a like-for-like transaction and avoid any capital gains taxes.

Unless you happen to be a licensed tax professional, you'll want to work with a lawyer or advisor. Funds must

be placed in escrow after the sale. After that, you'll have 45 days to select the new property and six months to make it to the closing table.

Because of these deadlines, smart investors start looking for their next property well before they put the current home on the market.

This Means You Can't Pocket the Proceeds

In case you missed it, the only way to avoid that capital gains tax is to reinvest and to do it fast!

If you're only thinking of selling your home because you're looking to wash your hands of the responsibility of keeping up with it as a DIY landlord, you might be better served enlisting the services of a management firm and keeping the property in your portfolio.

If you're selling to put those proceeds in your checking account, you're sore out of luck. You'll be responsible for any equity and also any depreciation you've claimed!



Although we are a management company—not tax professionals—it has been our experience that your best option is to put off selling investment properties (especially any rentals that are breaking even or better) until there are credits or losses that can off-set and help soothe the sting of those capital gains taxes!

Otherwise you're going to face the full-force of the bill.

Keep Meticulous Records

There's always a risk that for one reason or another, your return will be the one that catches that auditor's eyes. If that's the case, you'd better hope and pray that you've kept meticulous records and copies of every receipt, every mileage log, ever repair, replacement, professional fee and expense you claimed.

If your portfolio is big enough that you consider yourself a real estate professional for tax purposes, you'll also want to be sure that you keep records and documentation that will support that you are actively managing the property.

This would include things like appointment books, calendars, travel logs or other proof that this is more than just a hobby for you.





Are You REALLY
Ready for This?



Timing is EVERYTHING!

While the ever-changing real estate market can often put a bit of pressure on our decision-making, just because the market conditions are “right” doesn’t necessarily mean that you’re “ready” to make a move.

If you rush things, you’ll often set yourself up for failure. In the quest to answer the question - “Am I really ready to become a rental property owner?” - there are nine other questions you should answer first...

Am I prepared to share my home with total strangers?

Sure, you won't technically be living in the house *with* them, but still—if this is your first time transitioning from home renter to landlord for the same property, it can be a little weird! Are you prepared to have someone else call your house home?

Am I ready to learn about and comply with local, state and federal rules, laws and regulations?

Ignorance is never an excuse for being on the wrong side of the law! If you're not willing to operate in compliance with the rules, you can easily eliminate any profitability with your portfolio with fines, lawsuits and legal fees.

Am I willing to spend the money necessary to make sure that my rental property complies with lead paint and asbestos regulations?

Properties that were built before 1978, there's a very real risk that lead paint was used. Not only does this require a disclosure to prospective tenants or future buyers, in some cases, it may even require abatement for lead or asbestos at some point in the future—which can be incredibly pricey!

Do I have the time and money to maintain what is considered a “habitable” home?

If you're renting out your home, there are basic standards that have to be maintained. Roofs can't pour in water every time it rains. The electrical system needs to be fully functioning. Plumbing is required. If you aren't willing to work on the basics, this isn't the second income opportunity for you!



Am I ready to accept all of the risks associated with becoming a landlord?

There are very real risks and potential setbacks of being a rental property owner. There are nightmare tenants that destroy homes and don't pay their rent—costing you thousands of dollars to legally evict from the home. Even with homework and due diligence, it can happen. You must be willing to accept that and optimize every good month to offset against the reality of the bad ones.

Will I be able to keep up with any mortgage payments, property taxes or other fixed costs even if the property becomes vacant or the tenant fails to pay their rent for an extended period of time?

See the above explanation. Enough said! It makes sense to set aside an emergency fund just in case situations like this unfold.

Am I really prepared to make myself available 24 hours a day, 7 days a week for tenant complaints and emergencies?

This is the really tough aspect of being a DIY landlord. There are people who've had calls from tenants at 2:00 in the morning over an ice maker that wasn't working. If this isn't your only "job" it can get very frustrating. Are you ready for that?

Can I keep up with the need for meticulous recordkeeping and diligent organization?

You already know the answer to this question, one way or the other. Listen to your gut. Mistakes here can get very costly!

Will I insure success from day one by hiring on professional services like lawyers and tax professionals to help protect my assets?

This is another instance where attempting to save can cost you thousands in the end. Make sure that you enlist true, honest to goodness professionals when a pro is what you need. Your assets and your reputation are on the line!

Minimize

Your

Risk



Every investment opportunity comes with some level of risk involved. They all come with very real disadvantages. Real estate investment is no different.

However, the good news is that there are a number of steps that you can take to mitigate the risks and minimize the disadvantages of rental property ownership.

While you'll never be able to totally eliminate all risks in investing, these strategies will provide a decent cushion...



One of the best bits of cautionary advice we can offer is this: Keep your expectations reasonable! Rental property portfolios are designed to generate income over the long-term. This isn't a get-rich-quick scheme! Temper your expectations and maintain reasonable assumptions!

While real estate has consistently been one of the safest ways to grow your wealth, that doesn't mean it isn't without risks. Perhaps one of the biggest challenges of real estate versus stocks or precious metals is that real estate isn't what you'd call a "liquid" asset. It takes time and effort to transform that asset into cash.

There's also the reality that prices can fluctuate a great deal—in both directions. This means that the value of your portfolio can swing based on the current real estate market, and it can swing wildly. We all saw in the last financial meltdown that the real estate market can take the brunt of the damage when bubbles burst and economic unrest decides to settle in for a while.

But what about the other disadvantages and risks—the ones that are almost exclusively relegated to those who have rental property portfolios. In this article, we'll explore a few of the most common disadvantages of owning and renting out your home as well as tips for ways to successfully mitigate those risks!

When you approach it from the big-picture point-of-view, there are really only four main risks or disadvantages of being a rental property owner.

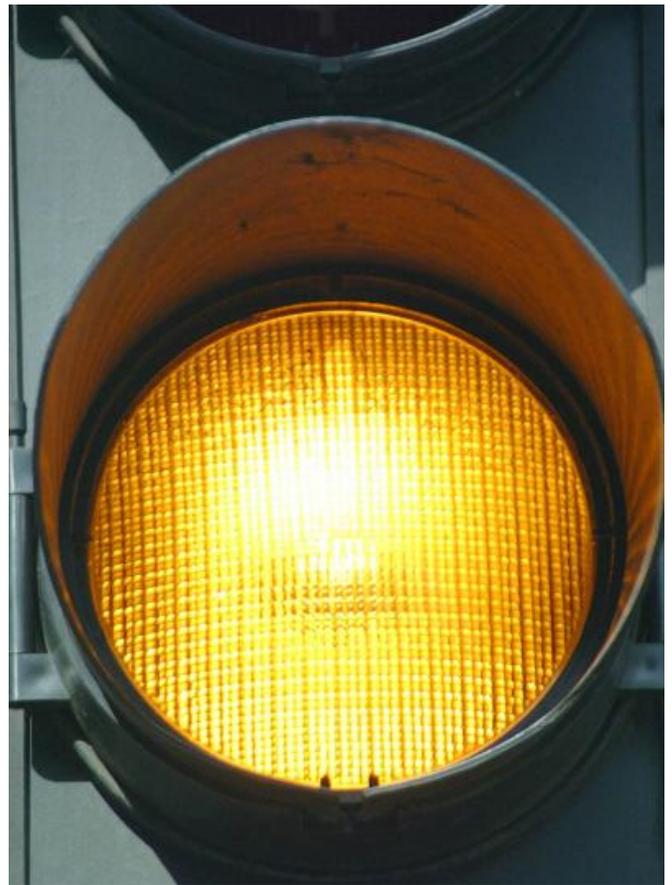
- 1. Liability**
- 2. Surprise expenses**
- 3. Terrible tenants**
- 4. Long-term vacancy**

Liability

We've all heard of those crazy, frivolous lawsuits people keep winning. And if we've heard about them, that also means that they could happen to us! Fortunately, to some extent, the protections you have can allow you to shift responsibility to the tenants if the error was caused by their neglect or error. However, there may be times when the liability falls solely and squarely on your shoulders. This is why it's so critical to be proactive about things like permits, governmental code enforcement and keeping the home safely habitable.

TIPS

1. Perform regular property inspections. Every two or three years, hire a professional to come and do it with a keen and critical eye for detail.
2. Have a lawyer on retainer! All of our clients have free access to a legal hotline to help clarify things.
3. Consider increasing your liability coverage



amounts, or lowering deductibles. Sometimes, it's not a matter of if, but when.

Surprise Expenses

We all know about Murphy's Law—that whatever can go wrong, usually does. Rental property management is no exception—whether you hire a management firm or decide to do it yourself. Acts of God are rarely predicted with any address-specific accuracy. Tornadoes can damage just one house in a row and then skip a mile and destroy everything in its path! Trees fall. Fires happen. Roofs need to be replaced. Faulty wiring happens. So do faulty foundations. Furthermore, there's a risk that future environment laws and building codes could get even stricter,

with increased costs for abatement or mitigation.

TIPS

1. Invest in home warranties for major appliances and purchases. This can help greatly off-set the costs of future replacements and repairs.
2. Audit your various levels of insurance coverage (and deductibles) to make sure that you've got yet another ace up your sleeve in the event a surprise expense rears its ugly head.
3. Maintain an emergency fund to help offset the cost of any other replacements or repairs. We encourage our clients to maintain a minimum of \$300 in a maintenance buffer account so that repairs cause less pain on the pocket.

Terrible Tenants

Nightmare tenants exist—and they can sometimes slip through even the most stringent tenant screening processes. The reality is that it happens. Once you accept the risk, it's much easier to take preventative actions to make it harder to slip through. You can also take steps that will help lessen the pain in the event that you are faced with a terrible tenant and you want to legally remove them from your home!

TIPS

1. Make sure that the lease you are using is air-tight and affords you all of the protections you deserve!
2. Don't "save time" by skipping rental history, employment or personal reference verifications.
3. Maintain an emergency fund that can cover the property expenses for 90-120 days in the event your tenant consistently fails to pay their rent.

Long-Term Vacancy

Natural disasters, long and drawn out evictions and sluggish rental markets have all been responsible for their fair share of long-term vacancies. Empty properties mean no rent is coming in, but expense dollars are still going out! It can happen to anyone! How can you minimize the pain?

1. This one is so important we'll talk about it twice—have a minimum of 90 days of property expenses set aside!
2. Stay up to date on the rents being charged by other rental owners in your immediate area. If you're charging too much, it could cause longer periods of vacancy between tenants.
3. Be careful not to waive security deposits to fill vacancies faster. Instead, break a deposit up over a period of 2-3 months. Without deposits to cover the expenses of a wrecked home, vacancies can last for a painfully long time!

The DIY Landlord's Annual Calendar of Events



January

- Produce 1099s (Mail by 1/30)
- Copy tenant's January rent check
- Assemble Mortgage Interest 1099
- Assemble prior year tax info

February

- Calculate current market rent
- Calculate property value
- Submit 1099s to IRS by 2/28
- Send tenant renewal notice

March

- Do full property inspection
- Calculate interior repairs
- Put property on rental market
- Arrange spring HVAC servicing

April

- Update check-out procedures
- Update exterior property photos
- Clean gutters
- Arrange for interior repairs

May

- Spray trees/mulch scrubs
- Initiate web marketing
- Complete drive-by inspection
- Install FOR LEASE sign

June

- Verify tenant departure date
- Continue web marketing
- Complete drive-by inspection
- Complete check-out inspection

July

- Update property
- Update interior photos
- Continue/update web marketing perform check-in inspection

August

- Complete final interior repairs perform drive-by inspection
- Determine tenant deposit return
- Organize new tenant lease file

September

- Update tenant contact info
- Complete drive-by inspection
- Arrange fall HVAC service
- Check property tax billing

October

- Provide tenant winterization info
- Complete drive-by inspection
- Schedule gutter cleaning
- Complete driveway/gravel repairs

November

- Complete roof inspection
- Complete driveway/gravel repairs
- Update insurance coverage
- Double check hoses are removed

December

- Verify tax assessment amounts
- Complete drive-by inspection
- Send tenant seasonal notice
- Archive prior residents' file

This list is by no means exhaustive. There are likely dozens of other tasks that could have been added. But this should give you at least a hint of what you're in for if you take a DIY approach!

Housing Expectations for 2016

Housing Outlook

Existing Home Sales:

↑ **5.3–5.4M**

Median Home Prices:

↑ **4.0–5.0%**

Mortgage Rates:

↑ **4.7–5.0%***

**by year's end*

Job Growth:

↑ **1.5–2.0M**

↑ GDP: 1.0 -1.5%

↑ Housing Starts: 1.25 -1.35M

OUTPERFORMING MARKETS



The likely outperforming markets in 2016, supported by strong job growth, are: Grand Rapids, Riverside, Salt Lake City, Atlanta, Charlotte, Portland OR, Tampa, and Providence. These markets are anticipated to have better than national job growth rates.

Potential Speed Bumps



Tight inventory conditions



Increasing home prices



Slow economic growth (US & abroad)



Rising mortgage rates

For more, watch the Housing Expectations video on the NAR channel: <https://www.youtube.com/user/NAREALTORS>



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#1: Make sure that you are constantly maintaining reasonable expectations.

#2: Learn to achieve the balance between earnings and effort. If you find yourself working way too hard for way too little, you may benefit from professional management services.

#3: Don't be so wrapped up in the advantages of owning a rental property portfolio that you forget that there are real disadvantages and risks.

#4: Never hesitate to hire on the services of professionals! This means lawyers, accountants, tax professionals, management and tenant screening services, etc.

#5: Understand that you have a serious responsibility as a rental property owner. Your tenants deserve a safe home that is always habitable. You need to maintain that as your minimum commitment.

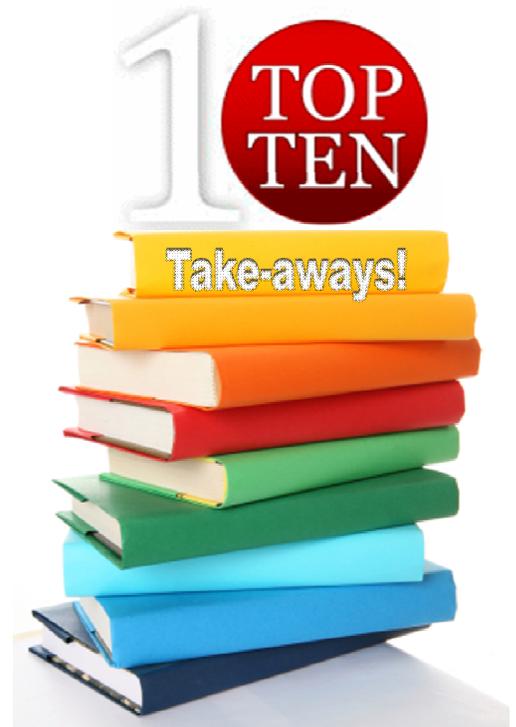
#6: Whenever you can, mitigate potential risks. This means regular inspections and walkthroughs, comprehensive insurance coverage, maintenance buffer accounts and more.

#7: Maintain a mandatory 90-180 day expense fund that would cover all costs associated with your rental property in the event it is vacant over the long-term or you wind up with a non-paying tenant.

#8: Maintain a solid commitment to investing in your knowledge about local laws, state laws and federal regulations that impact your rental property. Continuing education is critical to avoid costly mistakes or fines!

#9: There's nothing wrong with admitting that you could use a little help. Don't forget—not all property management firms are created equally. We are committed to offering custom and tailor-made management solutions that work for everyone from the hands-on to the totally hands-off!

#10: Keep meticulous records! Not only will this keep you compliant for tax and legal purposes, the more data you have on your rental, the more you can put that data to work!





Click Here!

**[Click here](#) to complete our
Property Management Request
Form and we'll waive your 1st
month's Management Fee!**