

Hance Realty- Real Estate & Property Management



Hance Realty

REAL ESTATE & PROPERTY MANAGEMENT

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***“Service That Will Positively Move You”
We Make Owning Property Lucrative & Enjoyable!***

(If your home is currently Listed with another Real Estate Company, disregard this notice)

**The following will explain the benefits, process and advantage
of our full-service
Professional Property Management Company**

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*** Introduction** - Initial Meeting With Home Owner is to discuss the Residential Leasing & Property Management Agreement. Set an appointment with Home owner to take photos and complete an Inventory of the Property Condition prior to any tenant move in.

We will discuss the Terms of the agreement, name the parties to the agreement, go over the Legal Description of the the Subject Property, Accounting, Broker's / Management fees, Insurance, Record keeping, Security Deposits & More. Answer all questions regarding the Management process.

*** Accounting** - We handle all aspects of the accounting & book keeping. Accounting is done as a single entry cash basis. A complete income, expense & balance ledger is maintained as if each property had it's own individual checking account. Home owners and Investors can access their Personal Rental Investment Statement 24/7 through a customized Owner's Portal we create specifically for you & your property.

Every transaction affecting your balance is recorded and explained in detail on your monthly statement. Therefore, all invoices, repairs & receipts are kept on file.

As required by the IRS, Hance Realty, LLC., will prepare and submit a 1099 Form in which it will give you the Total of all Gross Rents received during that year. Along with the 1099 we will send you a Cash Flow Report / Summary showing in detail how money was allocated throughout the year, therefore, giving you the grand totals you can use when preparing your income tax with your tax preparer/CPA.

*** Insurance** - In order to protect your Rental Investment we require all Homeowner's & Investors to carry a Landlord's Insurance Policy for a minimum of \$300,000 liability protection. The Residential Property Leasing & Management Agreement requires the owner to carry adequate protection. We advise you to add a Vandalism & or Rent protection Rider to further protect you, the Home owner.

Furthermore, the first and best line of protection an owner has in the event of a lawsuit brought on by a tenant(s) being injured on the property by faulty wiring, faulty appliances or a wide range of losses due to un- intentional hazards or unsafe conditions, is to carry adequate insurance protection.

Therefore, we require the owner of the property to have their Insurance Company name ***Hance Realty, LLC. as an additional insured.*** Due to the fact, that the management company does not hold Title to the rental property we cannot acquire general liability insurance on a property we do not own. Being an additional insured is a person or organization not automatically included as an insured under an insurance policy, but for whom insured status is arranged, usually by endorsement.

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Insurance - continuation -

Ordinarily, there is no extra premium charge to the property owner to add the management company as additional insured. A property owner's reason for providing this additional insured status is to protect the other party because of a close relationship with that part (e.g., Property Management Agreement of others working in behalf of the owner).

We need this proof of insurance for our files and ask you to have these copies providing the appropriate coverage no later than thirty (30) days, after signing the Residential Property Leasing & Management Agreement.

Lastly, if your Rental Property is Vacant beyond ***a certain number of days***, some insurance companies may cancel your policy, so get clarification from your insurance agent on these particulars. If this is the case with your insurance company carrier, make sure to request to

ADD A VACANCY CLAUSE TO YOUR POLICY. WITHOUT THIS CLAUSE, YOUR INSURANCE IS INVALID.

Vacancies -

Are costly for both the homeowner and the property manager. We make every effort to minimize vacant time. Our computer system monitors our lease expirations carefully, and will indicate to us 60 days prior to any lease expiring. Since we do not allow our leases to lapse into an automatic month - to - month, this gives us an open window and opportunity to extend them into a new 12 month's lease and renegotiate an increase on the rent.

If the renewal lease is declined, the tenant is then given the Move Out Procedures List and required to give us a 30 to 60 day notice, ***(whatever time was agreed upon on the initial lease with tenant)***, this allows us ample time to start advertising the property early and allow showings with the purpose of gaining a qualified tenant(s) before the current tenant ever vacates the property.

Since we are members of the San Antonio Board of Realtors, (SABOR), all our properties are listed with the Multiple Listing Service, (MLS). In our database we maintain all before move in photos and features of the property that make your home special. All information is easily accessible to all local leasing agents to show their prospective tenants. Having the property on the MLS early, will prevent needless loss of revenue.

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Advertisement

For Rent/Lease Sign -

* Is placed at the property within 24 hours from the date the unit first comes under our management. The placement of our Company sign name and telephone number is one of the best means of attracting potential tenants. If the tenant is in the process of moving out, we will advertise & place a For Lease Sign on the property 30 to 60 days from the date, of the current tenant's lease expiring. We will follow the signed, Residential Lease Agreement, the tenant(s) agreed to, with us prior to their move in.

* **MLS - San Antonio Multiple Listing Service** - Your property data is entered in the San Antonio Multiple Listing Service giving access to over 4,000 Realtors. We pay a leasing fee to any agent who brings us a qualified tenant, whether the agent is from our office, or from another company.

* **AHRN - Automated Housing Referral Network** - (Active Duty) All Military Branches. Your property is posted under the AHRN.com Website. This website is used by Active Duty Soldiers & their families worldwide, who are relocating to San Antonio, Texas as their next duty station (PCS)- Permanent change of station.

* **SAHA - San Antonio Housing Authority** - U.S. Department of Housing & Urban Development (HUD). Assist low income families to find affordable living. The owner can lease the contract unit to the tenant(s) for occupancy and each month the (PHA) Public Housing Agency, will make the Rent payment to the owner on behalf of the family in accordance to the (HAP) Housing Assistance Payment- contract. The amount of the housing payment made to the owner, is determined by the PHA in accordance with HUD requirements for a tenancy under the Section 8 voucher program.

* Note, Your Rental Property **will not** be placed with the SAHA program, unless the Home Owner of the property, request us, Hance Realty, to do so.

* **Leasing Locators** - We make all of our Rental listings available to the many Lease Locator Companies. These non-realtor companies specialize in assisting qualified tenants to find apartments, duplexes and single family homes to lease.

* **Internet Listings** - We have two separate websites in which we list your Rental property available for Lease. This additional exposure makes your Rental property stand out more than just locally. Many families that are planning to relocate to the Metropolitan area of San Antonio will be able to view and apply on-line if they like your home and wish to lease the property.

* **Newspaper/Real Estate Magazines** - At Home Owner's request, Classified Ad's can be placed in the San Antonio Express News, Homes.com magazine, Real Estate Book, Homes & Land Magazine, and other publication to advertise the property for Lease. You are only billed for the advertisement you requested from these magazines.

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* **We Personally Show Your Property** - We have motivated leasing agents, who are licensed Realtors, that will show the property. Other Real Estate companies, are also able to show & schedule an appointment through (CSS) Centralized Showing Service to show their potential clients. * Tenant's are never permitted to take keys and view the property themselves.

Through precise preparation & attention your property will be leased quickly. The most desirable, clean & attractive properties, priced accordingly, will attract good qualified tenants.

* **Leasing** - This is one of the most important aspects of Leasing a property successfully. We look at an applicant's past behavior and expect their future behavior will be the same when leasing a new property.

So an applicant must demonstrate to have a great history of being a good, responsible tenant as well as meeting our financial criteria. We want good tenant(s) as much as you do.

As part of our management services, we provide you with protection through use of our proper Lease agreements, Move In & Out Condition forms, Extension Notices, Late Notices, & many other legal documents not to mention the multiple and numerous photos taken of the property inside and out, prior to a tenant moving in.

After a prospective tenant has expressed a desire to lease your home, they must submit a Non-Refundable \$45.00 application fee per person above the age of 18 years old, along with a "Residential Lease Application for Occupancy" and provide all the necessary and pertinent information in order to process their application. All applicants must earn 3 (three) times the amount of rent to qualify.

We will verify past Rental History, Credit background, Social Security Check, Employment History, Verify Income, Check for Past Evictions (If any) and we will check for any State & National Terrorist criminal background.

Once an applicant has been approved, an appointment is made with the Property Manager to sign the actual lease agreement with the prospective tenant(s) and further explain their obligations as tenants of the property.

We detailedly review the Move In & Move out procedures forms, HOA (Home Owner Association) Rules, if applicable, lawn maintenance, utilities, emergency service calls, pets, lease renewals and the termination of a lease.

We explain to them the items we look for during our inspections when we set an appointment with them. Some examples are as follows:

1. A/C filter being changed.
2. Batteries inside smoke detectors.
3. Stains on walls that can be caused by a roof leak, Dirty A/C ducts, or possible loose trim or siding around the fireplace.
4. Inside kitchen and Bath cabinets damaged by a leaky faucet.

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* **Maintenance** - The actual maintenance expenses for the home is the responsibility of the homeowner. We put every effort forward, to control repair cost, while keeping the integrity and value of the property up. While the property is occupied, the tenant(s) are required to notify our office of any noticeable problems.

However, if there was an estimated repair exceeding the maximum amount allowed in the Residential Property Leasing & Management Agreement, then the owner is contacted for permission to have the necessary work done.

For any major work, we obtain at least two bids or estimates on repairs from reliable contractors. Due to the fact, that bids can take time, we ask that when you are contacted to make a decision, you respond in a timely fashion in order to eliminate any further damage(s).

We are not licensed inspectors, but we can perform visual surveys of the properties to assess the general condition. We typically visit and inspect the property 1 (once) a year in addition to the quarterly walk throughs while the tenant(s) is living there to keep a close eye on the property.

We have your A/C & Heat service 2 (twice) a year, in the spring & winter to maintain a clean & healthy unit before it becomes a major repair.

Air Speed Heating & Cooling will clean the condenser, check for any Freon leaks, checks on the motor, debris in condenser, loose wires, a/c filters, evaporated coil, drain lines, air leaks and so fourth, to ensure proper performance.

Depending on what is found, a routinely inspection runs between \$55.00 to \$75.00 an inspection. You can see how minimal the cost is when thinking of a large scale repair if the unit was not to perform when you need it the most.

To provide efficient & quality service at a discounted price, we operate an small in-house maintenance company, **Fresh Start Make Ready & Lawn Service**, in which honest, licensed reliable and professional individuals with years of experience assist with minor repairs. Please ask for our Vendor list when meeting with us.

* **Pest Control-** Owners have an obligation to provide a residence that is relatively free of pest upon occupancy. Any condition that allows for squirrels, birds, bees etc. to enter and nest in the property must be rectified immediately.

Infestations of mice, vermin and or poisonous insects also need to be taken seriously, as they can cause damage to the property and become a health risk to the people living in the home.

These types of infestations are treated as an owner's expense. It does not release the tenant from their obligation to keep and maintain the property in a clean and sanitary condition so as not to promote the attraction of rodents and or pest.

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Pest Control - continuation

So we have the property sprayed by a licensed Pest Control company, such as A & E Pest Control, to keep the property bug free from flees, ticks, roaches, rats, ear wigs, silverfish, bees and possible rodents. This visit cost approx. \$81.00 and this is done on the initial take over of the home when you hire us.

By you accepting and allowing us to request this service for your home, will not only ensure the integrity & cleanliness of the property, but will also facilitate and make it more agreeable to the tenant to have this extermination at their expense prior to their move out, as it was done for them when they moved in.

*** Security Deposits** - All Security deposits will be held in a Company Trust Account. As a general rule, we require the tenant to pay between \$100 to \$250 more than the Rent rate. Receiving a different amount for the Security deposit helps a Tenant differentiate that the Security deposit cannot be applied to pay last month's Rent.

We have put together a Check List for the Tenant(s) of cleaning and items that must be addressed prior to their Move Out, to ensure a Successful inspection at the time of their departure and a Full Refund of their Security Deposit.

However, any damage caused by tenant(s), inside or outside of the property not documented in the Initial Move In Condition form, or referenced in the photos we have on file, must be cured or it will be a cause for forfeiting all or part of the Security Deposit, the property will be put back in it's original condition minus any normal wear and tear.

*** Pet Deposit(s)** - Pet deposit(s) work the same way. We hold funds in escrow, as security for the owner, that the pet(s) caused no damage to the property.

As they say, "A picture is worth a thousand words". So we will definitely look at photos on file.

If an owner agrees and accepts a pet(s) in their Rental home, a Pet Deposit will be collected. A photo of the pet is required to be turned in at the time of application is being submitted.

We start our Refundable pet deposit(s) from \$75.00 up to \$300.00 for the 1st pet and then \$125.00 per pet after that not exceeding 3 pets. This is a case by case assessment. Our pet deposits are always refundable to the tenants provided all is in tact and no damage was caused by their pet.

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Pet Deposit - continuation

We are extremely careful when selecting tenants who wish to bring pet(s) with them. As they will be liable for their pet(s).

If a pet(s) is approved, we will require the tenant(s) to have the property professionally sprayed for flees, and ticks prior to Move out and provide Hance Realty, LLC. with original Receipt.

Please note that if you do not allow pets, it may double or triple the time it takes to lease your property, as it is fairly common for a family to have a dog or cat. If no pets are allowed on your property, please let us know in writing or we will assume that pets are permitted and follow our normal pet policy procedure.

* **Rent Collection** - We offer and encourage On-line Rental Payment to our tenant's to expedite your funds. All rents are due and payable on the 1st (first), day of every month. Rents are considered late if not received before 11:59 p.m. on the 2nd. If rents are not paid in full by the 4th of the month along with late fees, a late notice and removal proceedings will be initiated for any tenant whom does not make immediate arrangements for payment.

Owner's can expect to receive their funds before the 10th of the month. If you would like your funds sent straight to your bank account, you will need to complete an authorization form and give us a cancelled check, then we will be able to send the money to your bank.

* **References** - We are members of San Antonio Board of Realtors, National Association of Realtors and Texas Association of Realtors. We are also members of NARPM- National Association of Residential Property Managers and San Antonio Board of Realtors Property Management Committee.

We will be happy to furnish you with letters of recommendation from our clients at any time.

* **Utilities** - Hance Realty, LLC., informs you the Homeowner / Landlord, that it is your responsibility to terminate all contracts & obligations related to the property. If it applies to you & your family these are examples as follows: maintenance, change of address, service, repairs, utility companies, (Water, Sewer, Electricity, Trash, Cable, Telephone, Satellite Dish & Security System). Entered into before or during this agreement by owner or by Broker under Broker's Authority under this agreement. Owner agrees to hold Broker harmless from all claims related to such contracts.

**Thank you for considering
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