

Open Door Rentals and Real Estate LLC

Property Management Information Packet

408 S Main St, Auburn IN 46706 (260)333-RENT

www.opendoorrandr.com

What is property management? Property Management is the handling of the day to day operations required to maintain the financial and physical well-being of real estate.

Who can manage property? In Indiana, only a licensed real estate professional (including leasing agents) or the owner of a property can legally manage a property. The property manager acts as the agent of the owner and is required to act in the best interest of the owner at all times.

Background Information:

Open Door Rentals and Real Estate is located at 408 S Main St Auburn, IN. Our doors opened to the public in 2017, but owner Tammie Jones has been in the business of managing properties and a Realtor since 1998. We specialize in the management and sales of residential real estate, including: houses, condos, duplexes, and multi-family apartment complexes. We strive to offer all the services needed to support our real estate investor clients. We are excited to be opening a Fort Wayne office soon to expand our business portfolio.

Our Team



Tammie Fluke Jones: Property Manager, Realtor ®, Managing Broker, Owner

Tammie is the proud mother of 6 children, grandmother of 5. She has been in the real estate field since 1998 as a full-time Realtor. She has been a property manager since 2004. She is a member of the Northeast Indiana Real Estate Board of Realtors, Noble Chapter 122 of OES, LaOtto Wesleyan Church and many pto/parent-student clubs that vary throughout the year. Her ultimate goal is to treat people the way that she would want to be treated!



Brad McDaniel: Property Manager, Realtor ®.

Brad is a lifelong resident of DeKalb County where he currently lives with his wife Kendra and their two daughters. He is a Master Sergeant in the Army Reserve and an Operation Iraqi Freedom veteran. He has 18 years of military service.



Vicki Roy: Property Manager, Realtor ® FW

Vicki has been a licensed real estate agent since 2007. She is a full-time property manager and real estate agent. She has experience in every avenue of the real estate market, from auctions to short sales, with a specialty in short sales. She is a member of the Upstate Alliance of Realtors or UPSTAR. Vicki enjoys building relationships one deal at a time!



Lori DePew: Office Manager

Lori has been happily married for the last 16 years. She is a mother of three boys, all of which she homeschools. She is advancing her career by pursuing her degree in accounting.



Cadie Malloy: Leasing Agent - Auburn

The newest member of our Auburn team, Cadie is full of ambition and knows no strangers. Always with a smile, she is willing to help get things done regardless of the challenge. She is excited to learn all facets of real estate and property management.



Mandy Stewart: Project Coordinator

Amanda is a mother of three children and enjoys working with people. She brings with her 20 years of customer service experience and 10 years accounting experience.

Additional, valued staff members include:



Kelsey Cooper: Cleaning and home improvement staff. Kelsey enjoys time with her son, watching movies and riding with her husband on their motorcycle.



James Jones: The Collector. James is owner, Tammie's, husband and fills in where needed. He serves the late and eviction notices. When not being the husband of the year, James likes to grandparent, fish and ride his motorcycle.



Eric B. Painter. Eric is our mobile painter that gets the job done. He enjoys music, riding his motorcycle and his family.

Director of Maintenance: Pete and Don share this title with the wide span of location we serve. They daily look over work orders, repairs, and follow up with property managers and director of maintenance in each office.

Overview of this packet

This packet is a synopsis of the activities involved in managing property. It is by no means all-inclusive.

Property Management Services:

Finding and Placing Tenants

Keeping rental property occupied is perhaps the most important function of property management. We strive to balance keeping the unit occupied as much as possible while keeping the rent as high as possible. We follow the rental market closely and advise our owners when we think increases or decreases in the rental rate are necessary. The owner always has the final say on all aspects of his/her property.

Advertising Vacancies (Last page shows many of websites your property will be posted on)

Newspapers-We primarily advertise in the News Sentinel & the Journal Gazette.

Internet-We advertise vacancies on our website 456rent.com, Craigslist, Trulia, Zillow, Facebook, Hot Pads, Apartable, plus many others. (a list on last page of this packet)

Signs-We place signs in the yard of most vacancies.

Flyers-We create advertisements for our properties to pass out to local businesses in the location of the property.

Phone-We get a lot of phone calls on a given day and try to match what the tenant is looking for to what we currently have available.

Showing Units

We have all prospective tenants drive past a property prior to an on-site showing. This ensures that they are interested in the property and the neighborhood. When they follow up, we have a key signout system.

Tenant Applications

If a candidate or candidates decide to apply for tenancy, we have them fill out a comprehensive credit/criminal application. Then we run a credit and criminal report and use this information along with other verifications (employment, landlord history, and proof of income) to make an informed decision about said candidate.

Signing Leases

We have a comprehensive lease that has been reviewed and edited by real estate attorneys. All tenants are required to sign a 12-month lease prior to move-in unless an exception is made by the owner of the property.

1. Lead Based Paint disclosures are required by law, to be provided to tenants of all properties built prior to 1978. For safety sake, we provide the disclosures to all tenants, regardless of when the property was constructed.
2. Deposits- **These** are set by the head of the leasing department when a tenant has been approved for a certain property. This decision is based on quality of property and the strength of the candidate approved for tenancy. Deposits are held in the Open Door Rentals and Real Estate Escrow account. Details of the deposit can be found in our lease in this packet.
3. Move-In Checklist—Tenants are provided a move-in checklist at move-in. We require it back in our office within two weeks. We then use the move in checklist as a reference when damages are charged against the security deposit at move out.
4. We ensure utilities are switched into the tenants' names within 48 hours of move in, when applicable.

Office Tasks

Collect Rents

The busiest 5 days of the month for any property management are the first five days of the month. In our case, leases are written with rent due on the first and considered late after the 5th of the month. We have an automated notification system that notifies anyone with a balance on their account after the 5th day of the month. They are also charged a 10% late fee if they have not made payment by end of day on the 5th. Tenants still late on the 12th qualify for eviction. Evictions are filed in the middle of the month around the 15th. Every eviction case is different.... In some cases, we try to work out a payment schedule to get a good tenant back on track. In cases where the tenant has created problems, we lean toward eviction.

Post 5 Day Notices

Five day notices are posted on the 6th of the month for all tenants late on their rent or in arrears by \$200 or more. Our lease allots a fee of \$15 to the tenant for the posting of five day notices. This \$15 fee is paid to Open Door Rentals and Real Estate to cover labor and vehicle expense for our employees.

Sign Leases and Extensions

All new tenants are required to visit our office to sign their lease and go over all aspects of their tenancy. The EPA pamphlet on Lead Paint and all disclosures are given and signed for all lease signings. Tenants are given a copy of a move in checklist and keys are provided after funds have been received for the first month's rent and deposit. Good as cash funds, (Money Order, Cashier's Check, Credit Card).

We try to keep tenants under lease as often as possible. However, there are circumstances where tenants prefer to go month to month at the expiration of a lease term. We offer tenants the option to renew their lease for 12 months at the same or a slightly higher rate or to go month to month for a higher rate. Example: A tenant at \$425 may be offered a new 12-month lease at \$430 or a month to month tenancy for \$450. In most cases they renew the lease. The tenants that opt for the month to month are generally looking to move anyway so we are able to collect an extra \$25 per month in the interim.

Schedule Inspections

When units are ready for move in the maintenance staff notifies the office staff. The office staff schedules the inspection with the governing municipality and pays the inspection fee from the property owner's account. Maintenance personnel attend the inspection so that minor repairs may be made at the time of inspection to ensure passing.

Pay Mortgages & Bills

After rent is collected, management fees are allocated and dispersed. Remaining funds are used to pay all bills for the property including, but not limited to: trash collection, water and sewer, electricity and gas, lawn care, snow removal, maintenance materials and labor, and in rare cases legal expenses. We also can escrow taxes and insurance and we will pay mortgages if the owner opts for us to do so. After all the outstanding bills are paid, the balance is either deposited into the owner's bank or mailed to the owner directly. We recommend a minimum balance be kept in the account of each owner to cover expenses that may come up from time to time. This balance varies by the portfolio of the owner, but at a minimum we require \$200 on hand at all times for emergency repairs that may arise.

Schedule Maintenance

Tenants are required to call our main office number for all maintenance requests. Emergency calls are dispatched immediately and non-emergency calls are dispatched to maintenance to be completed in a reasonable timeframe (usually no later than 1 week). The owner will be required to approve all repairs over \$200. This amount may be raised or lowered on a case by case basis. While we want to keep owners in the loop, we also want to avoid pestering owners for routine problems that can be repaired relatively quickly and inexpensively. We have a form in the appendix for owners to complete that gives us an idea of how they prefer most maintenance issues be handled.

Create Owner Reports

At the end of each cycle, between the 5th and 10th, financial reports are prepared for owners along with owner disbursements. The reports show all activity for the property over the course of that month. During January, YearEnd reports will be prepared for owners detailing all activity for the entire year for each property. These reports should contain all the information your accountant will need to prepare your taxes for the property. We also are required to report income received to the IRS for each owner.

Maintenance Responsibilities

We can handle arranging maintenance and upkeep of properties, or the owner may handle it externally, if desired. Some owners have their own fulltime handyman and others have Open Door Rentals and Real Estate handle all aspects of maintenance. Maintenance needs are handled on an owner by owner case. We can also outsource to a preferred list of vendors if requested. The following list covers how we generally handle different maintenance issues. Inhouse labor costs run about \$25/hour on average. This covers the cost of labor salaries, workerscompensation, & payroll taxes.

When a tenant moves out, the unit must be prepared for the next tenant. We call this turning the unit. In most cases, our maintenance personnel can handle all aspects of a turn. Typical turn time is 57 business days. More extensive repairs will lengthen this time and improvements requiring 3rd parties will lengthen this time, as well.

Internal Repairs are those made by the employees of Open Door Rentals and Real Estate. Our maintenance crew charges for time and materials. Time is billed for the time to make all repairs and the time required to retrieve all materials used to make the repairs. Vehicle expense is not billed, just time. We have commercial accounts setup with many vendors and several retail locations, including Home Depot, Do It Best, and other locations. We also add locations as needed for properties too far removed from these hardware stores. Because we purchase large volumes of materials, we are able to get discounts at the stores listed above.

Listed below are the most common types of maintenance required and how we handle each of these needs.

Painting

Nearly all painting is handled by our staff. Most jobs can be completed in one to two days. We currently use Sherman William' Flat White (one coat coverage paint) for all interior painting.

Drywall Repairs

Most drywall repairs can be handled by our maintenance staff. Large jobs involving insurance claims are outsourced to drywall vendors if needed.

Flooring

Repairs and replacements are determined based on the scope of the job. Installation time varies based on the difficulty of the job, but our maintenance personnel can complete the job at a fraction of the cost charged by flooring centers and professional tile installers. Other options for flooring include vinyl and stickybacked linoleum tile. Hardwood and sheet flooring are outsourced to Flooring stores.

Carpeting

When carpeting needs to be replaced, we replace it inhouse. We have a discount source on our carpeting because of the volume we purchase and hold on hand at any given time. This allows us to pass on the savings to the owner as we can cut down drive time for our maintenance techs as they can pick it up in our warehouse.

Appliances

Appliances wear out and break down. We have found that the cost of replacement is generally favorable to repairing appliances more than 5 years old. Some older appliances, particularly harvest gold and avocado green, need to be replaced to attract the best tenants and maximize the rental rate. We use various sources for our appliances.

Minor Plumbing

Minor plumbing includes faucet replacement, faucet repair, toilet repairs or replacement, dishwasher repair/installation, washer hookup repairs, garbage disposal replacement, repair of broken lines, and unclogging stopped up ptraps. All of these repairs are handled by our maintenance staff. In most cases it is more cost effective to replace faulty faucets. Our staff stock economical replacement units in their vehicles. While plumbing fixtures can often be repaired, the cost of labor for retrieving parts and then repairing the unit can often lead to higher costs than simply swapping out the unit. The exception to this is shower faucets and they are repaired whenever possible.

Major Plumbing

Major plumbing projects include stopped up main sewer lines, water heater repair and replacements, water main breaks, exterior breaks of buried water lines, replacement of tubs and tub faucets, and clogged vent stacks. In most cases a plumbing contractor is called to handle these problems, though in some cases our staff is able to handle the problems. Any problems requiring a plumber are outsourced. They generally get to our maintenance requests within 24 hours and respond immediately in emergency situations.

Minor Electrical

All minor electrical repairs can be handled by our staff. Minor electrical repairs include, but are not limited to, replacing breakers, GFI's, outlets, light switches, light fixtures, ceiling fans, and repairing some telephone line problems.

Major Electrical

All major electrical problems are outsourced to an electrician. Major electrical problems include power surge issues, locating shorts in the walls, breaker panel replacement or upgrade, meter base problems, weatherhead problems, or diagnosis of major wiring issues.

Doors & Windows

Windows, interior & exterior door replacement and repairs can be handled by our staff. However, only necessary repairs are made. Window and door upgrades made as a part of a major remodeling project are outsourced to third party vendors.

Roofing

Roofing can be outsourced, from repairs to total roof replacements. Our insurance does not cover roofing in any form. Any time roofing work is required we submit a request for bid to a minimum of 3 roofing companies and usually upwards of 10.

Major Improvements

Major upgrades and rehabs are the responsibility of the owner. While we are able to handle most all work that needs to be done on a property. If our workload is already tapped, we may need to outsource to other contractors with which we have established relationships. If this is the case we will get bids on your behalf and be happy to oversee the project.

Driveway Sealing

Occasionally blacktop needs to be sealed and repaired. During slow periods our staff can handle such jobs. Most of the year our staff is too busy to handle such projects and these jobs are outsourced to companies specializing in that type of work. We will handle the acquisition of bids and working with the vendor and the tenants to get the job done.

Heating & Cooling

Most heating and cooling problems can be fixed relatively easy. When tenants call about air conditioning problems, we start by having one of our workers replace the furnace filter and clean the coil. In most cases this solves the problem and the expense is billed to the tenant for failing to replace the furnace filter. If that does not fix the problem, an HVAC technician is called in to evaluate the problem. All furnace malfunctions are outsourced to an HVAC technician. We get

good rates and faster service by offering them a high volume of business. When units require replacement, we get bids from several contractors.

Other Repairs

While we have tried to list most maintenance issues that might arise, there are countless other situations that may arise. Most repairs can be handled by our maintenance staff. Whenever something unusual occurs, we contact the owner to work out a plan of attack.

Cleaning

The most important aspect of any property to tenants is cleanliness. After maintenance finishes preparing an apartment for rent, a cleaning crew (or person) is assigned to prepare the property for movein. Occasionally a tenant will leave a property in movein condition. However, most units require cleaning and carpetcleaning. We handle most carpet cleaning internally but will occasionally outsource carpet cleaning during very busy periods. We strive to staff cleaning personnel, but it is a position with high turnover and cleaning is outsourced when we are between cleaning personnel.

Lawn Care

Tenants living in houses are required to maintain the lawn themselves or hire the work out, at the tenant's expense. All lawn care for apartment complexes is outsourced to lawn care companies we work with. We get bids from several companies for each property and contract the work out as inexpensively as possible. If problems arise with one service, we have the work rebid and assign a new company to do the work and cancel the prior commitment.

Trash Pickup Service

Tenants in houses and duplexes and triplexes are responsible for arranging and funding their trash pickup service. Apartment buildings have dumpsters. Dumpster sizes and fees differ based on the needs of the building.

Evictions

As a corporation, we cannot legally represent clients during an eviction. Evictions are occasionally required to remove nonpaying or disruptive tenants. We arrange for an attorney to handle evictions. Evictions are costly. When problems arise, we try to work out a solution or convince the tenant to move whenever possible and facilitate the fastest removal of the tenant possible.

Extra Services

Purchases and Sales

Should you decide to purchase or sell property while we are managing your property, we hope you will choose us as your Realtor in the transaction. We can help evaluate properties for purchase and can make recommendations to maximize value when selling.

Masterlocking

We highly recommend masterkeying all properties. We offer masterkeying services in our office at substantial savings over using a locksmith. We master with Kwikset locks and keep records of all locks in our office. We change the locks on every unit whenever a new tenant takes possession. This is for both safety and liability reasons. Master keying allows the owner, manager, and maintenance personnel easy access to all units at all times. Master keying also allows for easier key management.

Areas Serviced

Our offices are located in Fort Wayne and Auburn. As a consequence, it is unrealistic for us to offer management services to the entire state. For owners with property in multiple areas we will make exceptions provided that the majority of the property falls within our geographic areas of preference. We plan to expand our geographic area of coverage as our client base grows and staff is expanded to meet the needs of clients. As a general rule, our coverage area is Auburn to Fort Wayne.

Areas covered currently: Northeast Indiana, Auburn, Waterloo, Butler, Kendallville, Rome City, Albion, Fort Wayne, Huntington, New Haven, and more!

7. Schedule of Fees

Full management Services

Our management fee is 12% with a \$250 lease up fee not to exceed one per year (subject to change). Ex) If we would have to evict a tenant we placed after 2 months, the owner would not incur the lease up fee when a new tenant is placed if it falls within the one-year time frame.

8. Conflicts of Interest

We strive to avoid conflicts of interest. Outlined below are a couple of areas where conflicts may arise. Discrimination Equal opportunity laws require us as Realtors and Property Managers to obey all fair housing laws. We will not discriminate against anyone who applies for tenancy with our company on the basis of race, color, religion, sex, familial status, or national origin. Any owner uncomfortable with this policy or who might ask us to make any exceptions to this policy should seek management services elsewhere.

Placing Tenants- Employees of Open Door Rentals and Real Estate LLC also own property managed by Open Door Rentals and Real Estate. We are aware that owners have concerns that

property managers might sway tenants to their personal property and away from another owners' property. This is called Steering and it is illegal. We get many more inquires for property than we can meet. We turn away more prospective tenants than we accept simply because we don't have property in our inventory that meets the tenant's needs. Tenants generally have very specific needs (1BR vs 2BR) and generally look in specific areas. It is unusual for multiple units of the same type to come available in the same area at the same price.

Bidding on the same property- I've had clients express concern that Realtors who invest in real estate take all the good deals before their clients can get them. First, we will never purchase a property one of our clients puts a bid on. Second, Realtors aren't (in the majority of cases) rich in cash. We can't buy all the deals that come along and are generally limited to one or two purchases per year.

Appendix

**Notes on the following Appendix items:

Move In Checklist: The move checklist is provided as a tool for the tenant's protection. We do not require them to return it but recommend that all tenants fill it out. We will not accept the move in checklist more than 14 days after move in.

Management Agreement: We want all of our clients to be happy. If you are unhappy with our services, please let us know about it. The law requires us to have a valid and current management agreement signed by our broker and the property owner at all times.

Ach Deposit Form: This allows Open Door Rentals and Real Estate LLC to deposit into your account.

Utility Third Party Form, if applicable: This allows us to speak to utility companies on your behalf, transferring between tenants and receiving delinquency notices.

I have the following concerns I would like addressed:



Zillow Rental Network



Lovely



Realtor.com



Apartment List



Homes.com



Hunt



Listanza



Apartments.com



CampusCribz



RentFocus



RealRentals



ApartmentLove



iRent.com



Nestigator



uCribs



Trovit



Rent MLS



CallitHome



Trulia



HotPads



USAA Home Circle



Zumper



Show Me The Rent



RentJungle



RentLingo



Abodo



EveryRent



Walk Score



Uloop



Condo.com



RadPad



PadMapper



Vast



Michigan Affordable Housing Solutions



Houses.com



RentHop



Low Income Housing Authority



Apartable



USA Today College