

Owner Information Packet



Allegiant Property Management was formed to service the ever-growing demand for quality rental management and leasing services in the greater Washington, DC Metro market. We proudly stand behind our reputation and our unique capabilities to reliably manage your properties.



PROUDLY SERVING

Prince George's County

Washington D.C.

Montgomery County

Anne Arundel County

Charles County

Howard County

Baltimore City & County

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Dear Prospective Client,

Much like using a good accountant or financial planner, a good property manager will protect your investment, provide professional service, reduce your costs, and increase your income.

We started out as property owners. Our entire management system was developed with an “owner mentality,” and it contributes to everything we do. We love it when an owner tells us how they worry less and their properties are doing better since they joined our services. When you hire us, you and your properties will benefit from our knowledge and experience. As you read the information below, we hope you will see the many advantages of working with a professional property management company.

Here are just a few things that set us apart:

- ***No hidden fees***
- ***Online Owner Portal anytime access to account***
- ***Outstanding customer service***
- ***24 Hour maintenance support***

Contact us with any questions or to schedule an informative property tour with a professional property manager.

Thank you and we look forward to working with you!

Sincerely,

Sanford C. Collins

REALTOR®, CPA

Director of Operations

Allegiant Property Management

■ DO YOU NEED A PROPERTY MANAGER?

Questions to ask yourself when deciding whether or not you need a property manager:

- Are you available to respond quickly to tenant maintenance requests and emergencies 24/7?
- Are you familiar with Tenant-Landlord law and how it effects your decisions and interactions with your tenant?
- Do you know what to do when your tenant does not pay their rent on time, or at all?
- Do you live within one hour of your rental property?
- Can you perform routine maintenance, or do you have a reliable handyman to do so for you?
- Do you know how to properly screen applicants to avoid getting a deadbeat tenant?
- Do you know how to set the rent and present the property to avoid long periods of vacancy?

If you answered yes to all of the above, then personally managing your property might work for you. If you answered no to one or more, you should seriously consider the benefits of hiring a property manager to handle to day-to-day tasks of managing your investment.

■ WHO ARE OUR CLIENTS?

We have a broad range of clients, with the most common being:

- Homes owners that have relocated out of the area
- Home owners that chose not to sell at current prices
- Professional investors with large portfolios
- New investors actively building their portfolios
- Out of state & international investors

■ FULL SERVICE PROPERTY MANAGEMENT

Allegiant Property Management is a full service property management company specializing in residential single family homes, townhouses and condominiums. Because we are a full service company, there is no need for the property owner to be involved with the property once we've taken over. Our full service management includes:

- Marketing available rentals
- Performing tenant screenings
- Enforcing lease terms
- Collecting rent
- Handling all maintenance
- Performing regular inspections
- Handling move-out and turnover

Our property owners are updated monthly with a detailed statement of their property's activity. We handle everything and only contact you when it's critical.

■ MARKETING VACANCIES

FAQ

How Long Does it Take to Rent a Property?

If a property is not rented within 30 days, it is typically due to price, presentation, and/or exposure. Our management system addresses each of these factors:

Price: We will recommend a rental price based on comparables in the current market with a goal of having it rented within 30 days or sooner. We track the number of calls, showings, and applications for each vacant property. With this data, we are able to adjust the price as needed.

“We monitor these key factors to make sure your property is rented as soon as possible, at the best market rate.”

Presentation: We will make recommendations based on our experience and feedback from showings. If the property needs more cleaning or other improvements that will help the presentation, we will discuss these items with you.

Exposure: We give our vacant properties maximum exposure through our marketing program. This includes websites, tenant referral program, yard signs, and our own website. More exposure gives us more options for screening for good tenants, less time vacant, and increased rental income.

We do not make money on vacant properties. Most owners who have switched to our system have seen a decline in their vacancy rates.

■ DETERMINING RENT

FAQ

How do you determine the rental price?

We run rental comparables for your property and area, and use that information to determine a starting price. We then track the number of calls, showings, and applications we receive, and review the listings and prices weekly to make adjustments as needed. This way, we are able to get the property rented quickly and at a good market price. If your property is listed too high, then it will take longer to rent and in most cases the extra rent, you were trying to get was lost in the time the property was vacant.

Some owners want to increase the rent to cover their mortgage. It is great when we are able to do this, but please understand that your mortgage payment has little to do with the rental market. Our system is set up to make your renting experience as lucrative as possible in current market conditions, NOT to waste time sitting vacant.

TENANT SCREENING

This is the most important service to compare when shopping for a property manager. A thorough screening process is crucial to avoid costly mistakes with your property. A bad tenant can be very expensive due to lost rent, extra time spent dealing with them, damage to the property and eviction costs. While no background check can completely eliminate the risk of a problem tenant, our thorough examination of their rental and payment history can significantly reduce your risk. Once the potential tenants complete an application we check the following items:

“Proper, detailed tenant screening is by far the most critical step in the process of managing your property”

- Verify photo identification on every applicant over 18
- Perform a national and state background, sex offender, criminal and eviction check
- Pull a detailed copy of their credit report with score and full payment history
- Review accounts for collections and judgment filings
- Contact their employer to confirm their income and job security
- If they are self-employed, we review copies of their tax return and recent bank statements
- Contact current landlord and verify their payment history, property condition, and whether there are any nuisance issues
- While we do not discriminate on the basis of race, color, religion, gender, age, national origin or familial status, we can deny an applicant on the basis of credit, rental and/or criminal history.
- Ensure compliance with Federal, State and Local Fair Housing Laws while performing tenant background screening process.

Screening is the most important service a property manager provides. We maintain an “owner mentality” while reviewing prospective tenants. If we wouldn’t let a questionable person rent one of our own properties, then we definitely wouldn’t let them rent yours.

■ RENT COLLECTION

FAQ

What happens when a tenant doesn't pay rent?

For all of our properties, rent is due on the 1st of the month. State Tenant-Landlord Law provides the tenant a 5 day grace period before legal action can be taken for rent collection. If the rent is not received by the 5th, then the following process begins:

- On the 6th, we deliver a 3 Day Pay or Quit Notice informing the tenant that they have three days to pay the rent or move-out (most late paying tenants pay following this notice).
- If there is no response or payment within 72 hours of this notice, the tenants are served a 2-day warning that we will begin the eviction process.
- If there is no response or payment within 2 days of this notice, we go to the local court and file a Landlords Complaint for Repossession of Rented Property, which begins the eviction process.

We have found that if tenants get behind by more than one month, they almost never get caught up, so our system does not allow this to happen. We will typically have them in court in the same month they don't pay rent. Any unpaid charges that are not covered by the security deposit are pursued through a professional collection agency.

We are very strict in our collection process. Whatever their circumstances, they do not become your charity case. We can help tenants with legitimate problems by directing them to different charitable organizations. But we are hired by you to protect your interests. If the tenant can't pay the rent, we need to find a new tenant that can as quickly as possible.

■ MAINTENANCE

We have personally screened our preferred list of vendors to perform maintenance on your rentals.

To accommodate our owners, our standard maintenance approval level is \$300. This means that if the repair is going to be under \$300, we will take care of the issue and keep your tenants happy. The repair cost will be deducted from your monthly rents collected and are detailed on your monthly owner statement. If the repair is going to be over \$300 then we contact you to discuss the options and get your approval.

In some cases, we do not know the cost to repair an item until it is diagnosed. Once the issue is diagnosed, we contact you with details and the estimated costs. Additionally, we do not mark up repair costs like some other management companies, so the price you pay for the repair is the actual amount paid to the vendor.

■ PROPERTY INSPECTIONS

We have developed a thorough inspection program to protect your investment, and to hold tenants responsible for lease violations and damages. Although our high screening standards reduce most lease violations and damages, regular inspections are important to maintain these standards and to identify maintenance issues before they progress. Here is an outline of our inspection program and how often we are checking on your property:

- We perform quarterly drive-by inspections.
- We perform detailed property inspections in spring and fall.
- Before and after each tenant, we perform and document a full move-in/move-out property condition report.
- We perform additional inspections as needed, or when a tenant fails to pay rent or respond to our communications.

“Our semi-annual inspections protect your property, and hold tenants accountable”

- Upon request, we will perform additional inspections for a reasonable fee.

We have found that regular property inspections and routine maintenance can save us and you thousands of dollars.

■ ELECTRONIC PAYMENTS & OWNER PORTAL

FAQ

How do you pay owners?

Each month by the 10th, we deliver a detailed account statement and direct deposit the rent into your bank account. We deduct our management fee and any other expenses that have been authorized and send the balance to you. Your monthly statement accounts for all rent collections, expenses and fees related to your property. Through your online Owner Portal, you can access all historical account statements, as well as view bills paid and maintenance requests.

■ LEASE RENEWAL

We prefer that good tenants renew their leases. This saves our owners a lot of money in vacancy and turnover costs. Every month, we notify tenants who have a lease expiration date within the next 60 days. Depending on the market and property, we may also raise the rent at this time. If the tenant is planning to move out, then we are notified in advance, and we can begin marketing your property early to reduce vacancy rates and turnover costs.

■ TURNOVER PROCESS

FAQ

What happens when a tenant moves out?

Tenants are required to give us a written 30-day notice prior to moving out. When we receive this notice, the tenant is given a move-out packet, which gives them detailed instructions on how to leave the property in great condition. It includes a cleaning checklist, key and utility instructions, charges for needed cleaning and repairs if necessary, and deposit return procedures.

Tenant security deposits are held in a trust account until the tenant moves out. Once the tenant moves out, we perform a total property inspection and use the deposit to cover any damages or cleaning that is needed to return the property to its rent-ready condition. We return the remaining deposit money to the tenant with a full accounting of what was performed.

■ PET POLICY

FAQ

What about pets?

Owners can specify whether or not they will allow pets in their property. Here is some information to help you make that decision. Over 60 percent of renters have pets. If an owner chooses to not allow pets it may take a little longer to rent the property, but they lower their risk of having damages caused by a pet. If the owner allows pets, we recommend a limit of 2 pets and weight restrictions based on the size of the property. We also recommend \$300 to \$500 per pet additional deposit ⁽¹⁾. Our inspection process always includes a thorough search for pet damage and smell.

(1) It should be noted that if a tenant has proper documentation for a companion animal as allowed in the Fair Housing Act, then we are obligated to allow these animals. The tenant is still responsible for damages caused by the animal. Pet deposits are not allowed in Washington DC.



■ UTILITIES

We verify that the proper utilities are in the tenant's name before or immediately after they move into your property. Whenever possible, it is best to have the tenants responsible for paying the utilities. However, if there are some utilities that must remain in your name, we can take care of paying those bills for you. You will see these payments on your monthly and year-end statements.

■ PROFESSIONAL MEMBERSHIP

Allegiant Property Management is an active member of the National Association of Residential Property Managers (NARPM). NARPM is an association of property management professionals who know first-hand the unique problems and challenges of managing residential properties. Professional members of NARPM are individuals who must be engaged in the management of residential properties, and licensed in those states that require licensing. NARPM continues to be the premier professional association of residential property managers, currently representing over 4,000 members comprised of real estate agents, brokers, managers and their employees. As members of NARPM we adhere to a Professional Code of Ethics, which can be found at:



<http://www.allegiantpropertymgmt.com/#!/code-of-ethics/c1qh7>.

■ GETTING STARTED

Sounds Great! What's Next?



Getting started is easy. Simply call us at (240) 450-2995, or email us at info@AllegiantPropertyMgmt.com to schedule a management presentation. Provide us with the rental property address so we can do our research on neighborhood rents. Once we have spoken to you about your specific property, and determined if our management system will work for you, we will send you a management agreement for your review and signature.

If you are switching from another management company, we will handle all of the details, coordinate the turnover, notify the tenants, and gather all the necessary information.

■ MINIMUM PROPERTY REQUIREMENTS

Good clean properties attract good clean tenants!

We understand the importance of providing good clean properties to tenants. This is one of the first steps to keeping good long-term tenants and reducing liabilities. Turnover expenses and time vacant can also be reduced by having the property in the good condition right from the start.

We prefer to have the property at a high standard when the tenants move in. This way we are able to hold them to that standard when they move out. This reduces turnover costs to the owner and holds tenants accountable.

We prefer not to show a property before the following minimum requirements are met.

Outside Areas and Landscaping

- Remove all trash, debris, personal items from yard, sheds, garage and common areas.
- Lawn should be mowed and healthy.
- Gardens and flower beds should be free of weeds.
- Trees and shrubs should be trimmed.
- Gates and fencing should be secure.
- Railings should be properly attached and able to support an adult.
- Decks should be solid and walking areas should not have large gaps or tripping hazards.
- Window wells should be cleaned out.
- Rain gutters should be clean and functional.
- Rain gutters are required over doors and walkways where there is water runoff.
- Gutters and downspouts should direct water away from foundation to avoid water damage.
- Wood siding or exteriors should be painted and in good repair.
- Property must have visible numbers identifying the address.

Windows and Doors

- All windows should lock, open and close properly.
- Sliding glass doors should function and lock properly.
- All exterior door locks must function properly.
- Interior doors should function properly and be clean with no cracks or holes.
- Closet doors need to function properly.
- Interior doors should not have exterior locking mechanisms.
- Bathroom doors should have locking doorknobs.
- All exterior doors must have single key deadbolts (no double-sided key deadbolts).
- Security bars must have an internal emergency release.

Lighting and Electrical

- There can be no exposed wiring and all switches and outlets should be functioning properly with a proper cover.
- Light fixtures must be working with working light bulbs.
- Smoke and carbon monoxide detectors must be installed and in working order.

Plumbing

- Hot and cold water must work.
- There should be no drips or leaks on fixtures, drains or pipes.
- Sewer should drain properly.
- Toilets should not run or leak.
- Heating and air conditioner must function and be in working order with clean filter.

Cleaning and Maintenance

- Property should have a professional detailed cleaning.
- Carpets must be professionally steam cleaned.
- All personal items and debris must be removed.
- Paint and wallpaper should not be chipping or tearing.
- Appliances must be clean and in working order.
- Handrails must be properly secured.



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