



Coastal Islands Real Estate & Property Management

OWNER'S GUIDE

Welcome to COASTAL ISLANDS REAL ESTATE & PROPERTY MANAGEMENT

Congratulations you have chosen a wonderful property management company that focuses exclusively on all of your property management needs. We promise to go above and beyond to protect your valuable real-estate asset. **Coastal Islands Real Estate & Property Management** (CIRE) is fully licensed; insured and we carry errors and omission insurance, as well as general liability insurance. We also operate in accordance with federal and state laws as well as the Fair Housing Act. ***We do not discriminate on the basis of race, creed, religion, age, sex, familial status, disability, national origin or any other protected class.***

We are proud to say that our strengths are:

- Project Management
- Local, state and federal landlord/tenant laws
- Superb tenant/landlord communication skills
- Property Evaluation

We specialize in managing single-family homes, condos, and town homes. The areas we currently service are The Islands, Wilmington, Whitmarsh, Isle of Hope, Tybee and Talahi, also Southside and West Chatham areas. We have an emphasis on the Islands where we are based, and specialize in Real Estate Sales and Property Management.

OUR MISSION STATEMENT

Our mission is to provide superior property management services based on efficiency, integrity and excellence. We will always go above and beyond to meet and exceed your property management needs.

5 WAYS TO CONTACT COASTAL ISLANDS REAL ESTATE & PROPERTY MANAGEMENT:

- (1) Office: 912.658.7054
- (2) Website: www.coastalislansrealestate.com
- (3) Email: alicewerntz@comcast.net
- (4) Fax: 912.897.7813
- (5) Mail: 109 Wigmore Court Savannah, GA 3141

Hours of Operation Monday through Saturday 9:00 am to 7:00 pm.
We also work on Sundays, by appointment only.



1. GETTING STARTED WITH CIRE

Step 1 - The Initial Site Visit

Once you have contacted us, an CIRE property manager will contact you within 24hrs and make arrangement to conduct an on site visit to your property.

Step 2 - The Proposal

Immediately following the initial site visit, CIRE will prepare a proposal consisting of a market analysis with comparables in the area and a new property intake form.

Step 3 - The Management Agreement

The management relationship is established by this written contract. The agreement is between the owner of the property and CIRE. All services, procedures, terms and conditions are outlined in this document.

Step 4 - The Property Assessment

When we have received the signed management agreement, property intake form, and keys we will survey the property. CIRE does this to ensure that we are ready for placing a tenant in the property and that the property is ready to market.

When we survey the property we will:

- (1) Look for obvious structural defects
- (2) Test all electrical circuits
- (3) Verify that:
 - (a) All light fixtures work and have light bulbs
 - (b) All appliances work
 - (c) The furnace and air conditioner work
 - (d) All plumbing fixtures work
 - (e) All windows are operable
 - (f) All utilities are turned on

Step 5 - The Property Assessment Report

After the property survey CIRE will send you a report of our findings. Sometimes the property is ready to market and needs no work at all. Sometimes work is needed. If additional work or repairs are needed, we will send you a list of repairs along with our bid to complete the work. You may choose to have CIRE complete the work or you may complete the work using a vendor of your choice.

Step 6 - Marketing the Property

We have a marketing program to attract prospective tenants. We implement all current available resources to secure qualified tenants for our owners as quickly as possible.

Below are some of the marketing resources we utilize:

- Your property is advertised on the CIRE website
- Your property is featured on the most popular and effective paid and free rental websites
- Yard Signs
- Broker Referral Program
- Tenant Referral Program

Step 7 - Important Documents

As a CIRE client, you will receive the following important documents:

- A copy of the Management Agreement
- CIRE Owner's Guide
- Owner information Form - This information enables us to set up your CIRE account in our system
- Electronic banking authorization - This form enables CIRE to send your funds directly to your bank.

- W-9 form enables CIRE to send you a 1099 Form for preparation of your taxes.
- Insurance Authorization Form - This form requests that your insurance company issue a copy of your property insurance to CIRE. This enables the company to name CIRE as an additional insured on your policy.

THE CIRE ACCOUNTING AND REPORTING

Our collection and distribution of rents is a vital part of our service to you. We pride ourselves on getting rent checks out to our owner's by the fifth of the month. We have a easy-to-understand monthly and year-to-date reporting system. At the end of the year, each owner receives a 1099 and year-end statement which makes tax preparation effortless.

The following are reported to you:

Owners receive a monthly statement along with their distribution check the 5th of every month.

- CIRE prepares a statement of all vendor transactions for work performed on the property.
- CIRE provides all owners with a 1099 Income Form and a Profit and Loss Statement at the end of each calendar year. CIRE is required to file 1099s for owner clients who receive income over \$600. Please note that this amount is for total income received, and not the yearly total of owner disbursements. The Internal Revenue Service dictates the total income received requirement. Security deposits are not included in this amount.

2. HOW THE CIRE WEBSITE WORKS FOR YOU:

- Prospective tenants may apply for your property online
- The CIRE website has rich information on each property with photos, maps, property description, and instructions about how to request a showing appointment and how to apply
- Prospective tenants can search our site for available rentals
- Tenants can make maintenance requests online 24 hours a day
- All other online advertising websites link back to CIRE's website
- Tenant forms, such as the *Tenant Guide* and notice to vacate forms, are available on the CIRE website.

3. CIRE FEE STRUCTURE General Fees

When CIRE places a new tenant into your property, our fees include half of first month's rent as procurement fee and 10% of the monthly rent collected. Our lease renewal fee is 25% of the monthly rent.

Cleaning Fees

It is often necessary to clean a property more than once prior to tenant move-in based on the time it has been on the market. It is critical that a marketable property is dust-free, insect-free with spotless bathrooms. Additionally if a property has work done by vendors, the property often needs to be cleaned again before further showings.

Landlord Assurance Fee

All CIRE Landlords are required to place in reserve two hundred dollars **(\$200.00)** per property, for the purpose of maintenance, repairs, or other expenses that may arise, and authorizes the Management Company to replenish this reserve from rents collected.

Inspection Fee

CIRE conducts drive-by inspections at no additional charge. However, we are happy to conduct a comprehensive interior/exterior inspection in a written report with photos and recommendations to the owner when requested. There is an additional charge of \$150.00 for this service.

4. THE TENANT SCREENING PROCESS

One of the most important things CIRE does is place the proper tenant in your property. This is accomplished by a multi-faceted investigation. All applicants must submit verifiable information on their income to show that they can support the rent payment. This includes, but is not limited to the following:

- Social Security number verification
 - Employment verification
 - Credit check
 - Criminal search for any felonies
 - Sexual predators search
 - Rental history for past 5 years
 - Civil search for any evictions or litigation
 - Cross reference addresses from application against credit report
- If a pet is allowed on the property, the screening includes the pet

The information obtained from this list provides the criteria to qualify or disqualify prospective applicants.

5. YOUR PROPERTY REQUIREMENTS

Before CIRE will market a home, the following requirements must be met:

- All of the owner's personal belongings must be removed
- The garage, attic and other storage areas must be clean
- All debris, trash, and/or any discards should be removed from the premises, including the attic basement and storage sheds
- Carpets, if any, must be professionally cleaned
- All interior paint must be freshly painted
- All major systems must be operating (electrical, plumbing, gas, HVAC)
- All appliances included in advertising must be installed and in operating condition
- All utilities must be turned on
- Locks on all exterior doors must be keyed to the same key
- Landscaping must be in good condition
- All plumbing and plumbing fixtures should be in good repair and working properly
- Window treatments should be clean and in good condition
- Smoke alarms must be properly installed and in working condition
- Copies of all warranties, service contracts, and termite and/or pest control contracts must be provided to CIRE

Showings and Applications

The CIRE property managers arrange showing times for your property in advance. We do not allow prospective tenants to have unsupervised access to properties. CIRE has a very easy-to use online appointment scheduling, and application system. Supplemental documents, such as recent pay stubs, are faxed to the CIRE office. We are prepared to execute leases for approved tenants within 24 hours by Fax or email.

Repairs and Maintenance Issues

- CIRE uses only licensed and insured vendors who are qualified to handle the type of work being performed on your property
- Owners are contacted in advance regarding any expenditure over \$200.00, unless it is an emergency affecting the safety of the tenant or the integrity of the property
- Drawing from any forfeited security deposit funds to address expenses due to damages caused by a tenant

Property Inspections

- CIRE inspects your property weekly when it is vacant
- CIRE conducts a "move-out" inspection to document the condition of the property as soon as the property becomes vacant.
- CIRE conducts other monthly random drive-by inspections
- CIRE conducts an annual interior inspection

6. TENANTS

Qualified tenants

Once CIRE secures a qualified tenant, our job really begins. Now we take care of the day-to-day operations of insuring that your investment will perform to your expectations.

Tenant Acceptance

Upon acceptance of the tenant we require that they give us a non-refundable Reservation Fee to take the property off the market. This is usually equal to one month's rent and will be credited at move-in as the security deposit. Our leases are annual leases and have been reviewed by an attorney who specializes in Landlord/Tenant Law. Leases are continuously updated to stay current with the changes in local and state laws. Tenant responsibilities are clearly defined, giving us the ability to enforce lease requirements.

Co-signers

There are sometimes conditions that may warrant taking a co-signer on a property. For example, we have successfully leased homes to students who had well-funded parental co-signers. If this is the case, CIRE will notify the owner, discuss the reasons, and obtain owner authorization.

Tenant's responsibilities

- (1) Tenants are responsible for keeping their unit in good repair
- (2) AC filters are to be changed frequently.
- (3) They must check their smoke detectors and change batteries regularly.
- (4) Any clogged toilets, drains, jammed garbage disposals, Abuse, misuse or neglect of the property is the tenant's Responsibility.
- (5) Pest control is a tenant's responsibility in single-family homes, condos, townhouses. (unless the owner advises differently)
- (6) The lawn and pool care are negotiated on a case-by-case Basis.

Animals

Whether or not to accept animals is always the owner's decision.

Only small to medium sized, non-violent, common domesticated animals would be considered. Certain breeds of dogs are not acceptable because of liability considerations. Farm animals are also not permitted.

Farm animals are also not permitted.

If an owner authorizes a pet, CIRE requires a NON-REFUNDABLE Pet fee. Although many people have pets, it *is* legal for property owners to discriminate against pets. The CIRE application has a place for prospective tenants to list types and quantities of pets. It is important to encourage full disclosure on pets while evaluating an application. If you do allow pets, CIRE will not place inappropriate pets in a property. CIRE recommends that when the property is on the market, pets are always "negotiable."

Service Animals

Service animals for handicapped persons are NOT pets by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service animal.

Fair Housing legislation does NOT allow owners or property managers to collect deposits of any kind for service animals.

However, Landlords can still process applicants who are handicapped or disabled on the same criteria as other applicants: income, credit, and tenant history. If they fail to qualify in these areas, the landlord/manager can still deny the application.

7. CIRE/TENANT RELATIONS

The following summarizes the CIRE/tenant relationship:

(1) **Collecting rent** - Rent is due on the first day of the month and late if received on or after the second day of the month. If the lease begins on a day other than the first day of the month, the pro-rated rent for the first month is paid in the second month.

(2) **When rent is not paid** - If CIRE does not receive rent by the due date, CIRE prepares and delivers a demand letter. The demand letter notifies the tenant that their rent is delinquent and asks them to pay in full within three business days. If the rent is not paid by the specified date, we file a dispossessory warrant at the county courthouse. Prompt filing of the dispossessory warrant minimizes the time an owner has to carry a non-paying tenant.

(3) **Evictions** - If an eviction is necessary, CIRE handles every part of the process. We will file all necessary documents, monitor legal proceedings, attend court if necessary, and hire a crew to perform a set-out by the county Marshall, and prepare the property to be marketed to a new tenant. Professional and correct legal action by a property manager both reduces the owner's expense in an eviction and avoids the risk of a lawsuit.

(4) **Notices of violation** - CIRE serve notices as situations warrant, such as a notice to clean up the landscape, a notice to enter the property, a notice to perform survey/inspections, a notice regarding an illegal pet, illegal tenant, etc. These tenant violations may be in the form of a letter or a legal Notice form. Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, CIRE contacts the owner with the information to discuss the situation.

(5) **Preventive maintenance** - The best approach to maintenance is preventive maintenance, therefore we educate our tenants as follows:

- Completing a detailed lease which outlines tenant responsibilities regarding maintenance as well as owner obligations.
- Completing a move-in inspection documenting the condition of the property before the tenant takes possession.
- Supplying tenants with the *CIRE Tenant Guide*, this provides additional instructions on the care of the property and how to request maintenance.

Tenant Emergencies

A property manager on our staff is always on call seven days a week twenty-four hours a day, in the event of an emergency.

Maintenance Requests

Non-emergency maintenance requests must be made in writing to prevent frivolous requests.

They can be mailed, faxed, emailed or submitted via our company website.

8. MOVING IN AND MOVING OUT POLICIES

The tenant move-in process is as follows:

- (1) **Rent and security deposits** - CIRE requires payment of first month's rent and security deposit in certified funds. Typically a full month's rent and a security deposit usually equal to one month's rent is required prior to taking possession of the property.
- (2) **Lease**- Once CIRE receives funds, a lease for the applicant is completed. All persons 18 and over, including adult children, are required to read and sign the lease.
- (3) **Move-in inspection** - A vital part of the rental agreement is a detailed move-in inspection performed with the tenant, documenting the condition of the property with comprehensive notes and digital photos. The move-in inspection documents the condition of the property so that when the tenant moves out, there is a sound basis for the security deposit refund.
- (4) **Tenant Guide** - All tenants receive the CIRE *Tenant Guide*. This detailed booklet gives them additional information on how to report repairs, maintain the property, and make timely payments and how to give proper notice when the need arises to vacate.

Tenant Lease expiration procedures

CIRE notifies the owner in writing Seventy-five days prior to the expiration of a lease. CIRE asks for the owner's instructions regarding the lease renewal. If we do not hear from the owner within two weeks, we assume the owner wishes us to renew the current tenant's lease.

Sixty days prior to the expiration of the lease, CIRE invites the tenant to renew if the tenant's account is in good standing.

Tenant's notice to vacate

When there is a notice to vacate, the move-out process is as comprehensive as the move-in process. The CIRE *Tenant Guide* and website give instructions and forms to the tenant on how to facilitate moving out.

Tenant move-out process

CIRE records any maintenance required and discloses a list of damages to the vacating tenant.

Digital photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit. After assessment of the move-out, CIRE advises owners of any tenant damages or any maintenance required to prepare the property for marketing.

Security deposit refunds

Any tenant deductions are determined within the first week of tenant move-out and a security deposit transmittal is prepared in accordance with Georgia law. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

9. OWNER FREQUENTLY ASKED QUESTIONS

1. Why do tenant/landlord relationships go wrong and how can CIRE help?

When a tenant moves into a home that is rent-ready, we have an opportunity to begin the Landlord-tenant relationship with mutual respect and trust. On the other hand, nothing sets a tenant against the property, the owner, and the property manager more than moving into a home that is not ready. The relationship with the tenant can become adversarial from the very beginning. When this happens, the landlord/tenant relationship frequently never recovers.

Tenants who rent with CIRE expect to take possession of a property that is ready to be lived in.

CIRE is committed to delivering to tenants a home that is ready to be lived in.

2. What are the owner's responsibilities when the property is rented?

Owner responsibilities are:

- Maintain property in a condition that is marketable and habitable
- Notify CIRE of any ownership change or imminent owner change for the managed property
- Supply CIRE with accurate information so CIRE can service the management account properly
- Review statements monthly and notify CIRE of any discrepancies found as soon as possible
- Support Fair Housing Laws and guidelines, as well as all necessary legislation
- Maintain a current insurance policy for the property
- Review property insurance yearly and update as needed

3. Can you deposit my checks directly?

CIRE is happy to discuss deposit options for your payments and can email the monthly statements to you.

4. How do you handle Real Estate Sales?

If Owner/Landlord sells a Property being managed under Coastal Islands Real Estate & Property Management, all management fees for that month are due in full to the Management Company. All contracts between Owner/Landlord and Coastal Islands Real Estate & Property Management shall become null and void. However, if the tenant that was procured by the management company shall purchase "The Property", then the management company shall be entitled to a sales commission of 3%.

5. How do I cancel the property management contract?

It is the goal of CIRE to satisfy your management needs and engage in a successful business relationship, but all things do change over time. When this happens, the CIRE cancellation policy is designed to efficiently resolve your account in a professional, timely, and pleasant manner.

The property Management contract can be cancelled with the following steps being followed:

Written notice - The CIRE management contract accepts a 30-day written notice by either party. Your written notice must include your signature. You may submit this to CIRE by U.S. postal mail, Fax, or a scanned document in an email attachment. See convenient notice to terminate under "FORMS"

Notice to current tenants - CIRE will notify current tenants of the date CIRE will no longer manage the property. Our correspondence will also disclose that CIRE will forward all security deposits directly to the owner. It is the owner's responsibility to advise tenants where to make future rental payments and work requests after the specified notice period.

Distribution of documents - CIRE will supply current tenant documentation to the owner. If the owner has employed a new management company, CIRE will forward all documents, keys, and any other necessary materials to the new management company upon request by the owner.

Final distribution of funds - CIRE will distribute funds, including security deposits, and final statements to the owner within 30 days of the termination date of the contract. CIRE will issue a 1099 for funds collected during the current tax year when the tax year ends.

6. How are my funds handled?

- Half of the first month's rent is paid to CIRE as the tenant procurement fee.
- For the remainder of the lease, CIRE receives 10% of the rent as a monthly management fee.
- The owner receives the balance of 90% of the rent, less any expenses CIRE has paid on the owner's behalf, usually for repairs.
- CIRE requires that all of the first month's rent is paid at tenant move-in, regardless of the day of the month the lease begins. If the lease begins on a day other than the first day of the month, the pro-rated rent for the first month is paid in the second month.
- Security deposits are held in the CIRE security deposit trust account until tenant moves out
- CIRE disburses available funds to owners on the 5th of each month. If these dates fall on a Weekend or bank holiday, CIRE issues funds on the next business day.

7. What happens when the property becomes vacant?

Tenants are required to give thirty days notice prior to vacating. When the unit becomes vacant we conduct a move-out inspection. We then recommend to the owner any necessary repairs and with approval and funds begin preparing the unit for re-rental. Once that process is complete, we begin marketing the property immediately. Based on the move-out inspection, we make any appropriate claims against the security deposit.

In Conclusion

We thank you for trusting us to manage your investment. We hope that you have found this *Owner's Guide* useful and informative. We trust that we have answered most of the questions you had about property management and the services that we offer. We are the experts in the industry and our entire staff is committed to providing you with the dependable and responsive service you expect. We are glad that you chose CIRE to be the solution to your property management needs. We will always go above and beyond for you!

Respectfully,

Alice D. Werntz

Alice D. Werntz
Broker/Owner