



**MANAGE WITH**

**ROOST**

TM

**REAL ESTATE CO.**

**Our Approach to Property Management**



[www.ROOSTRealEstateCo.com](http://www.ROOSTRealEstateCo.com)



**Featuring excerpts from the book:**

**A Real Estate Investor's Guide to Profitability**

Making Your Real Estate Investments Work for You -  
And Not the Other Way Around.

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# Introduction

My goal for this brochure is to give you information about our philosophy and our unique approach to property management. I also want to offer enough concrete detail about our day to day operations to assure you that you can and should trust your real estate investments to us. So this is a sales brochure, but one that hopefully adds value to your business whether you choose to **Manage With ROOST™** or not.

We have been managing property for other people for almost ten years. My goal from the start was to build a management business that was both *scalable*, meaning we could eventually take our unique approach to new markets as opportunities came up, and *sustainable*, meaning we are built on a foundation that will carry us and our clients well into the future. Whether you are an 'Accidental Landlord' or a professional investor, we have a property solution that will work for you.

## Why the Time is Right to Invest in Residential Real Estate

I have said it already and will repeat it again. It is an incredible time to invest in residential real estate. Being a landlord has never been more lucrative, and with the right tools and team around you, it has never been easier to succeed. Demographics, societal norms, individual expectations, and just plain necessity have come together to create tremendous opportunity.

There are 82 million people in the United States born between the early 1980's and the early 2000's. This cohort is known as the 'Millennials' or 'Echo Boomers'. The Baby Boomers, the last great demographic wave that changed the world, totaled roughly 77 million people. The financial crises of 2007 and the resulting housing crash in 2008 and 2009, set this demographic wave back a good five to ten years. The fact of the matter is that sooner or later, and I believe sooner, these people will want a place of their own.

Since 2007 the number of young people between the ages of 15 and 34 living at home has grown dramatically. In addition the number of unmarried couples has grown and the birthrate has dropped. These trends will not last as the economy continues to expand. The inevitable outcome over the next few years is that household formation will explode. I believe many of these family will choose to rent.

# Why Rent if You Can Buy?

People choose to rent for a number of reasons. Sometimes they rent out of necessity. Often they do not have the financial stability, credit history, or sustained and documented income necessary to qualify for a mortgage. For many people their status as tenants is temporary. We are still seeing people who lost their homes during the crash continue to rent but who are positioning themselves to buy in the near future. Some of these people are great candidates for land contract or seller financing purchases.

In my experience the biggest factor limiting first time buyers is student loan debt. I have strong feelings about this. Thousands of young people, and some older people who lost their jobs during the recession, are saddled with student loan debt they will never be able to repay. Even those who managed to obtain a degree are unlikely to get a job that pays enough to justify the cost. Student loan debt is protected debt that cannot be discharged in bankruptcy. It will follow many of these students their entire lives. Many of these people will always be tenants.

On the other hand, many people simply do not want the responsibility of home ownership and are happy to pay a premium for housing if they do not have to be responsible for long term upkeep and care. It is easier and more affordable to rent in an urban environment versus buying as well. The aspiration to live in a city for many young people overrides the desire to own. Some 'Empty Nester's prefer the freedom to be able to travel on their schedule and terms. Being tied to a home limits personal freedom for some people.

## Demographic Trends Favor Real Estate Investing

The great recession changed what people think of as the American Dream. The last few years have been a nightmare for many home owners. The loss of equity, being upside down on the mortgage, and the need for mobility – i.e. being able to go where the work is – has for many people stricken homeownership from their list of lifetime goals. We are seeing continued population declines in rust belt states and increases in the south and west.

According to the U.S. Census Bureau, the seasonally adjusted national homeownership rate stood at 65.3 percent in the fourth quarter of 2012. That was a big dip compared with the peak of 69.4 percent in 2004 but comparable to the 65.4 percent rate at the beginning of 1996. (<http://www.bankrate.com/finance/real-estate/nation-of-renters.aspx>)

Obviously more and more people are choosing to rent their homes than buy. More than a third of the population require a home to rent. Many of these people will rent their entire

lives. Some will only rent as necessary. Some will eventually buy – and some of these people will sell and rent again. Attitudes toward renting vs. owning have changed for a significant segment of the population either by necessity or by choice.

## All the Cool Kids Are Investing

An article in the October 2013 issue of The Atlantic titled “Why Wall Street Loves Houses Again” sums up the opportunity in an article discussing the Blackstone Group’s massive investment in single family housing:

*“...the firm sees a new, untapped market that it believes can serve a growing group of renters who, thanks to tightening credit standards, can no longer afford the down payment to buy a home, or have been unable to convince a bank to give them a mortgage, or have simply soured on the idea of homeownership. Since the crises, Gray says the number of single-family homes being rented has increased from 11 million to 14 million. ...the downturn created an opportunity to create a business ... and in doing so we could do something for tenants that never existed before... Wouldn't somebody pay for that experience?”*

## My Personal Philosophy

I have learned over the years that there is a tenant for almost every home. I have lost money over the years because I have over-improved properties for the market. I have rehabbed houses to a standard that I was comfortable with regardless of the market standard. My expectation was that if I offered a superior product in the market I would not only get above average rent, but that the tenants would appreciate it so much that they would take exceptional care of the property.

It never once worked out that way. I've lost a tremendous amount of money over the years wishing I would be rewarded for being a really good person doing the right thing. I have made the same mistakes with \$350 a month units and \$1000 a month units. The fact is our tenants have their own lives and worries and if they think about their landlord at all it is only when there is a problem. I get this now but it doesn't mean I don't want to offer the best product and service in every market segment. When investing in real estate it is best to check your ego at the door and look for personal validation elsewhere.

I've learned to see my responsibility as a landlord to offer safe, clean, and functional properties at a monthly rent at or just below the market. I want my tenants to feel that they are treated with respect, told the truth, and dealt with fairly. I want to be responsive

to their maintenance issues especially when it comes to those items that adversely affect habitability. I want to offer the best housing I can at a price the market can afford.

The term 'slumlord' gets thrown around a lot these days. I usually hear it from people who know nothing about the business of real estate. My guess is these people feel that they are in some way supporting the relatively disadvantaged by tearing down real estate investors in general. Landlords offering affordable housing should not be generalized as slumlords any more than tenants with subsidized housing vouchers should be generalized as deadbeats. We have chosen over the years to not work with landlords who refuse to maintain their properties, just as there are prospective tenants we will never rent a property to again.

There will always be a small percentage of tenants who do not hold up their end of the landlord / tenant relationship. Some tenants abuse their status as tenants by abusing the property, by not paying the rent, or by threatening the comfort and security of others in the neighborhood. We do not hesitate to evict these people. Our job is to protect the interests of the property owners we choose to work with. We never let a few bad apples get in the way of that responsibility.

## What We Believe

**ROOST Real Estate Co.** was founded on the premise that relationships are far more important than the individual transactions we complete. The 'why' and 'how' we do things matter. How we treat our tenants and clients matters. What we expect from ourselves and the kind of company we aspire to be matters. We think this attitude matters to the people we work with as well.

We believe that property owner profitability is a direct result of exemplary tenant relations, education, and service. Real estate investors deserve to make a significant return on their capital and ROOST brokers and agents have the expertise to help ensure that they do. At the same time, tenant clients deserve a safe and functional house or apartment that offers fair value for their money. Just as importantly, when something goes wrong they need to know that their needs will be met in a timely fashion and that all interactions will be conducted with the utmost respect.



# The ROOST Property Management Solution

When you own investment real estate you are in the property management business. When you are in the property management business you are in the tenant relation business. While it may seem obvious it bears stating: successful tenant relations are the key to a profitable real estate business.

## Are You An “Accidental” Landlord?

Did you become a real estate investor by accident? For instance, did you choose to move to a new home but decided to keep and rent your former home until the market turns around? More and more people every day are finding themselves in this situation.

## A Professional Investor?

Are you a professional investor who sees real estate as a solid long term opportunity but prefer to keep a ‘hands off’ approach because of a full time job and other obligations? Or, are you the type of investor who has created a business from his or her investment activities and runs this business on a part of full time basis?

Regardless of how you became a real estate investor, big or small, we can help ensure you earn the best possible return on your investment.

## Do you need the services of a property manager?

Do you consider yourself someone who enjoys and excels at working with tenants? Are you a natural at working the phones, solving problems, screening applicants and managing conflict? Do you like collecting rent, posting three day notices, and filing evictions when necessary? If not, you may want to investigate the services of a property management firm.

## What should you expect from your property manager?

A Property Management company should offer a solution ***specifically tailored to your individual needs and situation***. A successful relationship will allow you, the property owner, to focus on the things you do best, and delegate the things you prefer not to do to the property manager.

# The Benefits of a Licensed Property Manager

The benefits of an experienced licensed property manager working for you are too numerous to mention but I expect by the time you finish this brochure you will have a fairly long list. A licensed property manager has a moral, legal, and fiduciary responsibility to protect your interests as your agent. They are your expert on the ground in the local market and your connection to your tenants and your property. *And let me be clear, the key point here is that your property manager be licensed to practice real estate in the state they are doing business.*

Being licensed is not a bonus or a 'nice' thing to have, it is the law. Only a licensed real estate broker can offer property management services for another. A real estate agent working for a real estate broker can also act as a property manager. State licensing laws help insure that your property manager is not only qualified to manage your assets, but up to date on all of the laws and regulations that affect housing, including Fair Housing laws. For a summary of licensing laws by state, visit the Institute of Real Estate Management (IREM) website at [www.IREM.com](http://www.IREM.com).

Here is an excerpt from the IREM Property Management Licensing Report published in August of 2013:

"Most states regulate property management by including management functions such as leasing, offers to lease, negotiating leases, renting, collecting rent, etc., as covered real estate activities. In many cases, property managers who do not engage in leasing or renting activities are exempt from licensure. The typical definition of broker also specifies that these activities are being done for another individual for a fee, commission or other valuable consideration. Individuals managing their own properties are generally exempt from licensing requirements."

From the Ohio Association of Realtors (OAR) Leasing and Property Management – White Paper, July 2007 and revised in March 2014:

"Ohio Revised Code Section 4735.01(A) provides a list of activities that if performed for another for a fee requires a real estate license. This list includes anyone who "operates, manages, or rents, or offers or attempts to operate, manage, or rent other than as a custodian, caretaker, or janitor, any building or portions of buildings to the public as tenants." Also included on the list of activities that require a license are any attempts to lease property, any acts directed at procuring tenants for a property, the negotiation of leases, or advertising or holding oneself out as in the business of leasing property. Under Ohio law, performing any of these acts without a license constitutes *a first degree misdemeanor and subjects the offender to a civil penalty of up to one thousand dollars per violation. Each day a violation occurs or continues is a separate violation.*"



Here is a summary of activities that an unlicensed individual can and cannot do published by the OAR Daily Buzz May 2015:

“Ohio license law contains a rule which answers these questions for residential property management. [Ohio Administrative Code Section 1301:5-5-07](#) provides a list of activities that an unlicensed person can and cannot perform with regard to residential property management. The rule also provides that the unlicensed individual performing the permitted activities listed in this rule must work under the supervision of a broker and his/her compensation must be primarily on a salaried or hourly basis.”

Under this rule, the duties an unlicensed employee can perform when working with residential rental property are the following:

- Maintenance.
- Clerical or administrative support.
- Collect or accept rents and/or security deposits which are made payable to the owner or real estate brokerage.
- Exhibit or show residential rental units to prospective tenants.
- Furnish published information regarding the property.
- Supply applications and leases.
- Receive applications and leases for submission to the owner or broker for approval.

The rule provides that an unlicensed employee may **not** perform the following duties:

- Negotiate contracts or leases.
- Deviate from the rental price and/or other terms and conditions previously established by the owner or broker when providing information to prospective tenants.
- Approve rental applications or leases.
- Settle or arrange the terms and conditions of a lease on behalf of the owner or broker.
- Offer inducements to prospective tenants unless they are previously advertised or arranged with the owner or broker.
- Interpret or provide their opinion concerning the terms or conditions of a lease.
- Indicate to the public that he is in a position of authority which has the ultimate managerial responsibility of the rental property.

It's clear that a brokerage employee can perform many clerical and administrative functions without holding a real estate license. They can provide information to prospective tenants, show units and supply and accept tenant applications and leases. However, unlicensed employees cannot act as the property manager or function as a “decision maker.” Instead, performing that role is limited to a real estate licensee.

It is also important to note that the above rule applies only to residential property management. The licensure exemption does not apply to commercial, industrial or retail property management, or in real estate sales of any type.

Brokers engaged in property management must understand what activities their unlicensed employees can perform and provide clear guidance to their employees regarding the duties they are permitted to perform under Ohio law. It is the broker's responsibility to make sure that their employees do not cross over this line and perform activities limited to only licensed agents."

This is important information to have when interviewing, evaluating and selecting a property management firm.

## **An Unlicensed Property Manager Horror Story**

A new client contacted us unexpectedly a few years ago with close to 70 single family homes in Springfield, Ohio they needed help with. They were from upstate New York and had purchased these properties over a 24 month period through a buyer's agent based in a county just north of ours. As far as I know, they never saw the properties before they bought them. They had learned via the internet that Springfield, Ohio had some of the cheapest housing stock in the nation so they were confident in their purchases.

These owners were not the only ones enticed by our 'bargains'. We have worked with buyers from California, Washington and from Canada as well. They all thought they were going to get rich quickly because the asking prices of houses here were a fraction of what property was selling for in their home towns. They all bought their properties without consulting a local professional, and they all came to us after their business plans fell apart.

These buyers all failed to consider the condition of the properties they were buying and the true cost of the initial rehab and ongoing upkeep and repair. They also consistently over-estimated the amount of rent they could collect and the number of months each year they should expect to collect it. They did not necessarily overpay for their houses, but they overestimated their profit margins.

Almost all of these owners initially assumed they could manage their properties themselves from a distance. This almost always proves to be a bad assumption as scattered lot single family housing requires a hands on approach to day to day operations that managing from a distance does not allow. To their credit, our friends from New York did hire a property manager to help them. Their mistake was hiring an unlicensed



individual as their manager and by the time we got involved they had lost tens of thousands of dollars.

I have not bought a house yet for under \$20,000 that did not require at least some repairs, and most require fairly extensive upgrades. The upgrades almost always involve big ticket items like roofs and windows. Our out of state owner discovered this truth as well. Our new clients were introduced to a local contractor who started rehabbing the properties. Before long the contractor had volunteered to help find tenants, collect rent, and do ongoing maintenance and repairs. This sounded like a terrific arrangement and things went along just fine at first.

Things eventually fell apart because there was no tenant screening or selection process in place for new tenants. There were other reasons too but this was the big one. By the time we got involved barely half the properties were occupied and the tenants in half of those were not paying rent and in need of eviction. The owners were understandably angry and frustrated. I am sure the manager, who was essentially a one person operation, was feeling overwhelmed and taken advantage of as well.

While our owners did lose a lot of money in rent, where they really got killed was in the cost of repairs and rehabs. While their loyalty to their manger was admirable, it was their manager who was doing the construction work. Not only was there no competitive bidding going on, but from what we could tell the manager was billing the owners at a very substantial mark-up. This was in addition to the compensation he was collecting as a percentage of the rent collected.

The unlicensed manger was the only person making money on these houses. Somewhat unbelievably, we found instances where work was done on houses that should have been torn down. We found truly terrible, uninhabitable houses in very tough locations with new roofs on them. It would have been hard to prove that the manger's actions were fraudulent or criminal. The owners were after all paying him. He may have been incompetent, but the owners supported his actions by giving him a free hand.

Under Ohio law, acting as a property manager without a license constitutes a first degree misdemeanor and subjects the offender to a civil penalty of up to one thousand dollars per violation. Had the manger been reported to the Ohio Division of Real Estate, observed, charged, prosecuted and found guilty, he would have owed thousands of dollars in fines.

Fortunately for our owner, this story has a happy ending, but there are several lessons to be learned here. The first lesson is you cannot manage property on your own from a distance. The second is you need to have a set of basic standards for your property manager, including being licensed. And three, one should at least spend the amount of time and effort to select a property manager that one would spend to qualify a new tenant. A good property manager will make you money far beyond the fee you will pay them.

# Things We Do For You

*Whether you are an Accidental Landlord or a Professional Investor,  
ROOST® will help insure that your real estate investment works for you,  
and not the other way around.*

Here is a sampling of activities we manage on a daily basis:

- Rehabbing, painting and renovating.
- Performing preventative maintenance.
- Marketing and advertising vacancies.
- Screening potential tenants.
- Writing leases and keeping track of files and paperwork.
- Keeping the books.
- Answering emergency calls and tenant inquiries.
- Answering ad calls generated from ads you place in the paper or on the internet.
- Mediating tenant disputes.
- Collecting rent.
- Posting notices, filing evictions and going to court.
- Consulting with our owner clients to help improve their ROI.

## The ROOST Landlord Advantage™

Prospective tenants across a wide spectrum of price points look to ROOST Real Estate Co. for available apartments and homes to rent. Tenants and Owners both benefit from the policies and expectations outlined in The ROOST Way™ a comprehensive guide to being a successful tenant.

### The Advertising Solution

All of our available inventory can be viewed online via computer, tablet or smartphone at [www.ROOSTRentals4U.com](http://www.ROOSTRentals4U.com) as well as on hundreds of rental property websites including Zillow and Apartments.com.

### The Tenant Selection Process

Our application process includes a criminal background, credit, and reference check. We look for prior evictions and verify employment. We require applicants to produce



paystubs to verify their income. We supply all of the paperwork and disclosures necessary to comply with all local, state and federal Fair Housing laws.

## **The Rent Maximizer**

Your success as a real estate investor depends on positive tenant relationships. Our staff understands the importance of retaining your existing tenants as well as attracting new ones. However, our policy is that rent is due on the 1<sup>st</sup>, late on the 5<sup>th</sup> and we post 3-day eviction notices by the 10<sup>th</sup>. We will make suggestions as to where a struggling tenant may receive assistance, but we maintain this standard at all times.

## **The Team Advantage**

Our property management team includes a licensed Tenant Relations Manager and Tenant Relations Assistant / Receptionist. Our team also includes a full time bookkeeper and two part-time assistants, as well as two full-time maintenance people. Our staff is available from 9:00am to 6:00pm Monday through Friday and Saturday from 10:00am to 1:00pm in our Downtown Springfield office to accommodate the needs of our tenants.

## **The Tenant Service Standard**

We have a talented and capable staff of maintenance people available for routine and preventative work. After hours emergency maintenance is available as well. Our standard is to complete routine requests within 72 hours and to stay in touch with the tenant throughout the process.

## **The Profitability Snapshot**

We employ an internet based property management system which allows owners access to information about their properties 24 hours a day. We can disperse proceeds monthly, quarterly, or annually based on positive cash flow.

## **The Value Proposition**

We are licensed by the state of Ohio to perform property management services. We tailor our services to the unique needs of our individual clients. We charge a nominal set up fee to assess and integrate your properties into our system. We charge a straight percentage of collected rent and a separate fee for each new lease signed or lease renewed. There are no charges for vacant units. (Multiple unit discounts are available.)

# The ROOST Way™

We call the unique experience we offer our tenant clients **The ROOST Way™**. Our marketing brochures and websites outline what our prospective tenants can expect from us as well as what we expect from them. We need our tenants to be successful and our owners need our tenants to be successful. Securing a high success rate involves some education and hand-holding on our part. That is why we make our value proposition as explicit and easy to understand as we can.

## To Our Future Clients,

Whether you are looking for your first apartment or your next apartment, at ROOST we want you to be 100% satisfied with your rental experience. We want you to get the most value possible for your monthly rent payment. We also want to do such a good job for you that you are always happy to refer your friends, family, and coworkers to **ROOST** for all of their real estate needs.

At **ROOST Real Estate Co.** we work by referral and we are constantly striving to earn yours.

The ultimate goal of The **ROOST Way™** is to not only to provide you with a great place to live, but to ensure that your rental experience benefits you financially. For many this may be as simple as being able to afford the rent, avoiding late fees, and ensuring that you receive your full security deposit at the end of the lease term. For others, it may mean using the lease term to prepare to purchase a home of their own.

Whatever your goals, **The ROOST Way™** is all about supporting the way you want to live today, and setting the stage for how you may want to live tomorrow.

Sincerely,  
Chris McAllister  
ROOST Real Estate Co.



## **The Pick Me Application**

First things first, bring us a complete application including your last couple of paystubs so we can verify that you can afford the home or apartment you are interested in. A complete and accurate application will ensure that we can get you a decision promptly.

## **The ROOST Reference Check**

We do a credit and criminal background check for all of our applicants and check the references you provide us so make sure you cross your 'I's and so on. Please give us working phone numbers for your references, past landlords, and employers. This will help ensure your application goes to the top of our waiting list.

## **The Certified Rental Home**

We perform a detailed inspection of every home and apartment we rent to ensure that it is ready for you the day you move in. We will review the inspection with you when you sign your lease. We want your experience with us to start off right on day one.

## **The Pet Plan**

We allow up to two cats and a single dog (excluding breeds restricted by our insurance company) in many of our single family homes. You should plan to pay an additional non-refundable security deposit and a monthly Pet Fee in addition to your regular rent. We are sorry but pets are not allowed in multi-family or apartment buildings. Pets in buildings with common areas interferes with the quiet enjoyment of the premises by the other tenants.

## **The Utility Solution**

If you are renting a single family home you will be required to have the utilities placed in your name. This includes gas, electric, water and trash pickup. Multi-unit and apartment buildings will have the water and trash pick-up included in your rent. Some of our owners will allow you to include your utilities in with your rent with an additional security deposit. If you are unable to secure utilities in your name at the time you sign your lease, this may be good solution for you.

## **The Never Pay Late Secret**

The most important thing you can do to ensure a successful relationship with ROOST Real Estate Co. is to pay your rent on time. The secret is to work on getting a month ahead on your rent so that if you do have an emergency you will not have to worry as much when the first of the month comes around. We are happy to help you track any advance payments you would like to make to build up a credit on your account

## The 'Fix It' Request

There is nothing more frustrating than having something broken in your home and not being able to get it fixed. We understand and are dedicated to responding to your maintenance requests in a timely fashion and taking care of emergency situations right away.

## The Move Out Walk Through

When it does come time to move to a new apartment or home we want to make sure you receive your full security deposit. First of all, be sure to give a full 30 day written notice to us that you are moving out. Second, be sure that you paid all of your rent on time including your last month and any outstanding late fees or additional charges. Third, make sure your home is in as good or better shape as it was when you moved in. This will guarantee that you receive your full deposit back as quickly as possible and a terrific reference from ROOST Real Estate Co. as well.

## The My First ROOST™ Program

While we would love to have you rent from ROOST for years to come, we have a plan called **My First ROOST™** designed to help first time homebuyers regardless of their credit situation work towards getting qualified for mortgage. A ROOST Realtor will personally sit down with you and take you through the entire process of buying a house and stick by you the whole way, regardless of how long it takes.

## A Word About Pets

Some of our owner clients do not want any pets in their homes. Depending on the home in question this may be appropriate. Our feeling is pets should not be allowed in high density apartment complexes period. We discourage owners from allowing dogs in doubles in duplexes but generally we allow a cat with an additional deposit and monthly fee. In most single family homes we allow pets. However, we need to see a picture of the animal if not the animal itself, and again, an additional deposit and monthly fee is required.



# Expectations

## What does ROOST expect from you?

It is simple really. A landlord wants to be able to make their monthly mortgage, tax, insurance and utility payments on time. They don't want any complaints from the neighbors or other tenants regarding excessive noise or bad behavior. Most importantly, they want you to take care of your home and when your lease is up, leave it in the same or better condition than when you moved in.

## What should you expect from ROOST?

You should expect a clean, functional unit that is move in condition the day you sign your lease. You should expect a staff that is responsive to your needs should your home require maintenance or repairs. Finally, you should expect to be treated at all times with the utmost respect.

# The Basics - How We Do It

As I discussed earlier, this is the best of times for residential property owners provided they have the business partnerships and/or infrastructure in place to ensure the assets perform as desired. The historically 'Mom and Pop' structure of the management business must give way to efficient and effective systems and processes. The opportunity for professionalizing the property management business has presented itself, and that is why I am in this business.

This also means however that all property managers, including we here at ROOST, have to continue to raise the bar on our performance and the services we provide. We take our job as the intermediary – the licensed real estate broker – between the tenant client and the investor client – very seriously.

## Why We Do It

Property management has never been easy. For the most part it has been a niche business for a handful of small real estate firms. However, demand for this service is rising. The challenge is serving the needs of the tenant client while ensuring that the owner client is making the required return on his or her investment.

Prudent application of technology and the realization that many tenant clients will become buyers, and if not buyers then potentially tenants *for life*, means that incorporating property management into the traditional brokerage model is an opportunity whose time has come. Our owner clients are some of the best clients and referral sources we have. These relationships are also the source of a lot of sales business as they continue to add to their portfolio over time.

## How We Split Tasks

One secret of our success are the detailed job descriptions that we have developed over the years. The job descriptions are updated from time to time as circumstances change but they always reflect what we know works. Detailed job descriptions provide a myriad of benefits. They keep us on task and communicate and remind new and existing team members what is expected of them.

When we have a job opening, we hire to the job description. We use the job description to describe the position when we advertise for help, and we use it as the basis for assessing performance. Every team member has every other team member's job description so they know how they all must work together to take care of our owners and tenants.

As you will see in the job descriptions that follow, we have learned over the years that the most effective way of getting the job done is to split the property management department into three distinct categories. The team members in each category all have distinct and unique abilities that form a 'Unique Ability Team'. Our three teams are:

- Landlord Support
- Tenant Relations
- Accounting

The more we can keep key team members focused solely on their areas of responsibility the more smoothly the team runs. However, we do believe in cross training everybody because quite frankly things change and people leave us. Sometimes our volume ramps up before we have a chance to hire to support it and everyone has to pitch in to help. A temporary 'blurring' of the job descriptions is sometimes appropriate and unavoidable.

As always, the sooner we get everyone back to their unique abilities and doing what they were hired to do, the happier we all are.

Another tool we use that helps us hire to the job descriptions is the Kolbe A Index. [Www.kolbe.com](http://www.kolbe.com) The Kolbe A provides a profile for each of our employees that measures what is called 'conative' ability. It does not measure IQ or motivation but details how a person goes about their work.

At this point we have good history regarding our current and past team members Kolbe profiles. We know what success looks like. This allows us to interview people using the job description as a guide, and based on the initial interview, select applicants to take the Kolbe A assessment on line. Based on the applicants Kolbe results we know if they are a 'right fit' for the job at hand.

In addition to the Kolbe A we also have created a couple of in house 'tests'. We have one for breaking down an applicant application, running credit and criminal background checks, and calling references. We have another that asks the applicant to break down last week's maintenance payroll and assign it to the various owners for reimbursement. The results of this process give us a pretty good idea as to whether someone is going to be successful or not.

## **Job Descriptions**

### **Licensed Property Manager / Landlord Support**

- Maintain minimum 95% Rent Collected Standard Each Month
- Add new owner clients.
- Works with owners and tenants to maximize the rent collected each month.
- Meet with the Maintenance Staff weekly and additionally as needed to coordinate completion of tasks on the maintenance log.
- Mowing and Utility lists.
- Perform Inspections, create punch lists, and solicit bids.
- Update AppFolio Notes with all activity. Move outs', move in's, owner adds and property adds.
- Recommend prospective tenants to landlords based on application, credit and criminal background, and income / ability to pay.
- Manage lease renewals.

## Licensed Property Manager / Tenant Relations Specialist

- Maintain minimum 95% Rent Collected Standard Each Month
- Review maintenance requests daily and coordinate repairs.
- Negotiate leases and get signatures.
- Write and three day notices, eviction paperwork and attend eviction court.
- Recommend prospective tenants based on application, credit and criminal background, and income / ability to pay.
- Show properties as needed.
- Pest control inspections and estimates.
- Section 8 inspections and estimates.
- Advertising on AppFolio and Vacant Property Sheet
- Copy keys.
- Complete inspections for occupied properties.

## Tenant Relations Administrative Assistant

- Maintain a professional atmosphere in the reception and office areas at all times. Keep office tidy and keep trash removed.
- Answer the phone by third ring each time. ***Good Afternoon ROOST Real Estate Co. how may I help you?***
- Greet walk in traffic
- Accept rent and turn in to accounting.
- Collect rental applications and application fee(s).
- Make copies, send faxes, scan, and email, cover other team members as needed.
- Respond to rental calls and emails. (See Non-Licensed White Paper)
- Filing - keys and paperwork
- Keep AppFolio marketing website updated.

## Accounting Manager

- Compliance. Audit / Balance Property Management, Operating and Trust Accounts.
- Client Relations. Be available to discuss profit and loss statements with landlord clients.

## Accounting / Bookkeeping Assistant

- Retrieve, open and distribute mail.
- Processes rent, accounts receivable, and accounts payable.
- Create monthly reports for owners.

- Make copies, send faxes, scan, and email, cover other team members as needed.
- Process time cards for payroll reimbursement by owners.
- Check night drop and make post office runs.
- Filing keys and documents.
- Make AppFolio changes for Section 8 awards and changes in rent.
- Lease renewals and increases.

## Internal and External Team Members

I think of our employees, those listed above and our maintenance staff, as our 'Internal' team members. Our actual team is much larger when you consider all of the 'External' team members that work with us as independent contractors and service providers. These indispensable members of our team include:

- Dedicated Property Management / Appfolio Accountant
- Brokerage Accountants and Tax Advisors
- 1099 Construction Contractors
- Plumbers, HVAC, Roofers and assorted maintenance Life Savers
- Container and Trash Hauling Service
- Our Hero at the Water Department
- Our Banking Partners
- Appfolio Help Desk and Sales
- Rently Representatives
- Real Estate Attorney on Retainer
- Eviction Attorney
- And many more.....

# Advertising Our Rental Properties

In Springfield we are fortunate to have a steady stream of incoming referrals and repeat clients that rent our properties. 99% of our advertising and marketing efforts are online. We also place yard signs on each and every property generating hundreds of additional calls a week

## Our For Rent Signs



## Our Websites

We do extensive internet marketing using our websites [www.ROOSTRentals4u.com](http://www.ROOSTRentals4u.com) in Ohio and [www.ROOSTRentals.com](http://www.ROOSTRentals.com) in Florida. Our sites are populated with a feed from our software partners Appfolio. By using Appfolio our listings automatically go to hundreds of rental websites including Zillow. Our listing exposure is second to none.

Here is a description of the advertising services Appfolio provides from their website:

### ***Posting Vacancy Ads***

*When all of your property information is stored in AppFolio, marketing vacant units is quick and easy because you save so much time and avoid the hassle of maintaining information in multiple locations. In just a few clicks you can quickly post your vacancies to hundreds of sites on the Internet including your own website, Oodle, Rentals.com, Apartments.com, Zillow and Trulia, to name just a few. You can also download professionally formatted HTML code and images to use when manually posting to listings sites like Craigslist.*

### ***Posting to Rental Listing Sites is Easy***

*Manually posting to rental listing sites outside of AppFolio can take hours each*

*week—we've even talked with customers who used to spend a day or more on postings. AppFolio saves you valuable time by being able to post to hundreds of listing sites with a click of a button. With this ability and the option for prospects to fill out a Guest Card or to Apply Online, you can now speed up the leasing flow and fill your vacancies faster.*

#### **Monitor Your Marketing from One Place**

*We also provide reports that help you track the success of your marketing efforts. You can track guest cards by lead source, you can easily see and pay closer attention to those units that have been vacant the longest and see what happens over time as you change the language of your ads, change market rent or highlight different amenities.*

*([www.appfolio.com](http://www.appfolio.com))*

## **The Application and Screening Process**

We encourage people to apply online whenever we can. Our online application and screening services are also provided by our software partners Appfolio. Our applicants can also fill out our application form and mail it in or drop it off at the office. The act of successfully and completely filling out the application is a screening step in and of itself. The non-refundable application fee is also an important piece of the process that discourages applicants from applying who do not meet our criteria.

Our applications include the disclosure that we will perform credit and criminal background checks on every adult applicant. The applicants' signatures gives us consent to run these reports. Fairness and consistency in this process is paramount because it is first good business, and second, it ensures we do not run afoul of any Fair Housing laws.

## **How We Show Properties**

In almost all cases viewing our available rental listings is a self-serve process. On in-town listings the applicant can come into our office and leave their driver's license with us and get a key to the property. We have used this method for years and never had a problem.

On other listings, we use an electronic lockbox service called Rently. ([www.Rently.com](http://www.Rently.com)) The Rently app can be downloaded to a smart phone. The applicant supplies Rently with a credit card number and in return they get an access code to the lockbox. It is secure and convenient and we are expanding this service with additional boxes every month.

Here is a description of the service from the Rently website:

***What is Rently?***

*Rently is a premier lockbox rental showing solution. Utilizing Rently's lockbox rental solution renters can instantly and securely access properties at their convenience. This method, also referred to as Self Service Showing, is becoming the industry norm as property managers save money and lease faster than ever before.*

***Get More Leads***

*Using Rently, you're going to generate more leads than ever before. With our system, every day is an open house and renters will be able to see your properties at the time that best fits their needs. Self-service showings equal more qualified leads coming in around the clock: even during afterhours and weekends. More leads in less time means you'll be leasing faster!*

***Manage More Properties***

*Because you and your agents won't have to be physically present during the showing process, you'll be able to spend more time focusing on signing new business and growing your company. Allowing Renters to view your vacant unit at their convenience gives you a competitive advantage and will have you leasing faster. More owners will want to use your management services. Leasing has never been easier.*

***Lease Faster***

*With the Rently system, you will get more leads in a shorter amount of time. Renters are eager to find a new home and by eliminating delay between renter interest and property showing, you'll be leasing faster. The Rently system will significantly reduce your property's time on market.*

## **Security Deposits**

Generally we suggest our owners ask for a security deposit equal to the monthly rent amount when they lease their properties with us. Once we approve an applicant we ask them for the security deposit prior to signing the lease and collecting the first month's rent. The security deposit is non-refundable. We do not want to take a property off the market without some assurance that they will indeed sign the lease on the agreed upon date.

If the tenant fulfills the terms of the lease and leaves the property damage free and broom swept, they will be refunded their deposit within 30 days. In Ohio the security deposits can go to the owner or they can stay in our property management trust account. In other states tenant deposits must be kept in a separate property management escrow account.



# Our Application

## APPLICATION

1. PLEASE INCLUDE A \$40 APPLICATION FEE FOR ONE APPLICANT IN THE EXACT AMOUNT. PLEASE INCLUDE A \$60 APPLICATION FEE FOR TWO APPLICANTS IN THE EXACT AMOUNT. PLEASE INCLUDE A \$100 APPLICATION FEE FOR THREE APPLICANTS. PLEASE INCLUDE A \$120 APPLICATION FEE FOR FOUR APPLICANTS. **MONEY ORDER ONLY**. THIS IS **NON-REFUNDABLE** WHETHER THE APPLICANT IS DENIED OR APPROVED.
2. PLEASE INCLUDE ALL PROOF OF INCOME FOR THE LAST 3 MONTHS. (CHECK STUBS, SSI, FEDERAL AID, ETC.) EXAMPLE: IF THE CURRENT MONTH IS MAY, INCLUDE ALL CHECK STUBS FOR ALL OF FEBRUARY, MARCH, AND APRIL. WHAT YOU HAVE RECEIVED SO FAR IN MAY. EACH APPLICANT NEEDS TO SUPPLY THEIR OWN INCOME.
3. INCOME REQUIREMENT: YOUR MONTHLY NET INCOME MUST BE 3 TIMES THE RENT AMOUNT TO QUALIFY. EX: IF RENT IS OVER \$100 A MONTH, YOUR MONTHLY INCOME MUST BE AT LEAST \$1500 A MONTH TO QUALIFY.
4. EACH ADULT THAT WILL BE LIVING IN THE HOME NEEDS TO COMPLETE AN APPLICATION. IF ONE ADULT IS APPLYING, A \$40 APPLICATION FEE NEEDS TO BE SUBMITTED. IF TWO ADULTS ARE APPLYING, A \$60 APPLICATION FEE NEEDS TO BE SUBMITTED. IF THREE ADULTS ARE APPLYING, A \$100 APPLICATION FEE NEEDS TO BE SUBMITTED. IF FOUR ADULTS ARE APPLYING, A \$120 APPLICATION FEE NEEDS TO BE SUBMITTED.
5. **APPLICATION FEES ARE NOT REFUNDABLE AT ANY TIME.**
6. ALL APPLICATIONS MUST BE COMPLETED IN FULL. THIS INCLUDES CURRENT AND PREVIOUS LANDLORD INFORMATION AND PHONE NUMBERS. ANY FALSE INFORMATION GIVEN WILL RESULT IN THE APPLICATION BEING DENIED.

# ROOST REAL ESTATE Co. Rental Application

14 E. Main St. Springfield, OH 45502  
Voice 937-390-3715 Fax 937-390-0112

## EACH APPLICANT MUST COMPLETE A SEPARATE APPLICATION

All information must be completed.

Address you are applying for: \_\_\_\_\_

Date you want to move in: \_\_\_\_\_

How did you hear about us? \_\_\_\_\_

Why do you want to leave where you live now? \_\_\_\_\_

Have you ever been on a lease? \_\_\_\_\_

Are you being evicted now? \_\_\_\_\_

Have you ever been evicted? \_\_\_\_\_

If so why? \_\_\_\_\_

How much rent can you pay each month? \_\_\_\_\_

Who else will be living in the property with you? \_\_\_\_\_

Have you ever been convicted of a crime? \_\_\_\_\_

If so please explain \_\_\_\_\_

Do you have a pet? If so what type and how much does it weigh? \_\_\_\_\_

### YOUR PERSONAL INFORMATION

Full Name (Include Middle Initial) \_\_\_\_\_

Date of Birth \_\_\_\_\_ Email Address \_\_\_\_\_

Phone (\_\_\_\_\_) \_\_\_\_\_ Work Phone (\_\_\_\_\_) \_\_\_\_\_

Cell Phone (\_\_\_\_\_) \_\_\_\_\_

Social Security Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Driver's License # \_\_\_\_\_ State \_\_\_\_\_

Present Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

How Long? \_\_\_\_\_ if renting, apartment name/location: \_\_\_\_\_

Are you on a lease? \_\_\_\_\_ Are you month-to-month? \_\_\_\_\_ Is this Family? \_\_\_\_\_

Current Payment \$ \_\_\_\_\_



Landlord/mgr.'s name \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_

Previous Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

How Long? \_\_\_\_\_ If renting, Apartment name/location \_\_\_\_\_

Are you on a lease? \_\_\_\_\_ Are you month-to-month? \_\_\_\_\_ Is this Family? \_\_\_\_\_

Previous Payment \$ \_\_\_\_\_

Landlord/mgr.'s name \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_

Employer \_\_\_\_\_

Position \_\_\_\_\_ How long? \_\_\_\_\_

Address \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_

Previous Employer \_\_\_\_\_

Position \_\_\_\_\_ How long? \_\_\_\_\_

Address \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_

Gross Monthly Income before Deductions \_\_\_\_\_

Bank \_\_\_\_\_

Personal Reference(s) \_\_\_\_\_ Phone # \_\_\_\_\_

Professional Reference(s) \_\_\_\_\_ Phone # \_\_\_\_\_

I declare that the application is complete, true and correct and I herewith give my permission for anyone contacted to release the credit or personal information of the undersigned applicant to Management or their authorized agents, at any time, for the purposes of entering into and continuing to offer or collect on any agreement and/or credit extended. I further authorize Management or their Authorized Agents to verify the application information including but not limited to obtaining criminal records, contacting creditors, present or former landlords, employers and personal references, whether listed or not, at the time of the application and at any time in the future, with regard to any agreement entered into with Management. Any false information will constitute grounds for rejection of this application, or Management may at any time immediately terminate any agreement entered into in reliance upon misinformation given on this application.

**I understand that the \$40.00 application fee is non-refundable whether the application is denied or approved. If the application is approved and you have paid the deposit but neglect to sign the lease the deposit will be forfeited.**

Applicant(s) Signature and Date \_\_\_\_\_

\*\*\*\*\*EACH APPLICANT MUST COMPLETE A SEPARATE APPLICATION\*\*\*\*\*

# The Leasing Package

We prefer to meet our tenants face to face when we sign a lease. We can sign leases electronically but for most tenants we believe it is helpful to sit down with them and go over what we expect from them and what they can expect from us. The lease package consists of:

- The ROOST Way Brochure™
- Lead Based Paint Addendum and Brochure – If Applicable
- Crime Free Lease Addendum
- Smoke Alarm Agreement
- Local Tenants Rights Brochure and sign off sheet.
- Notification Regarding Renter's Insurance
- Water Card
- The Lease
- Deposit Form
- A Checklist for the meeting.



# Our Standard Lease

## STANDARD REAL ESTATE RENTAL AGREEMENT

This Lease/Agreement made this day: \_\_\_\_\_

Owner / Manager: **ROOST Real Estate Co.**

Tenant / Resident: \_\_\_\_\_

Property located at \_\_\_\_\_

:

\_\_\_\_ **1. TERM:** Agreement shall be for **one year** beginning on the **1st day of September 2016** and ending the **31<sup>st</sup> of August 2017**.

\_\_\_\_ **2. POSSESSION:** Should Management be unable to deliver possession of the Property at the commencement of this Agreement, Management shall not be liable for damages caused thereby, nor shall this agreement be void, but Resident shall not be liable for any rent until possession is delivered. Resident may terminate this Agreement if possession is not delivered within seven (7) days of the start of the term hereof.

\_\_\_\_ **3. RENT: Rent (\$375.00) per month** due on the **1<sup>st</sup>** day of each and every month during the initial or any extended term of this Agreement, and shall be annually adjusted. Unless otherwise notified in writing, the monthly rental payment shall increase annually by ten percent (10%) payable monthly beginning the month following the initial term and adjusting annually thereafter. Rental payments shall be made at the office of Management or such other place as Management may from time to time designate. **MAKING THE RENT BY THE DUE DATE DOES NOT CONSTITUTE PAYMENT. RENTS MUST BE RECEIVED at the office of the Management BEFORE DUE DATE of each month to be considered paid. Monies received are applied first to any outstanding additional rent; second to any unpaid fees or charges, then third to any current rent or rent to become due. This could result in unpaid rent which would be subject to additional rent as contained herein. Cash will not be accepted. Money orders or checks shall be made payable to: ROOST Real Estate Co. P.O. Box 2699 Springfield, OH 45501 RENT DUE ON 1<sup>ST</sup>, LATE ON 6<sup>TH</sup>, EVICTION ON 10<sup>TH</sup> UNLESS PAYMENT ARRANGEMENTS HAVE BEEN MADE WITH PROPERTY MANAGER. PARTIAL PAYMENTS WILL NOT BE ACCEPTED.**

\_\_\_\_ **4. ADDITIONAL RENT & RETURNED CHECKS:** If Management elects to accept rent after the **5TH** day of the month, resident agrees to pay **10% of rent late fee**. In the event any check is returned by the bank unpaid, Resident agrees to pay to Management bank NSF fees. Any returned check must be redeemed by cashier's check, certified check or money order. In the event more than one check is returned, Resident herewith agrees to pay all future rents and charges in the form of cashier's check, certified check or money order.

\_\_\_\_ **5. DEPOSIT:** The resident has paid a deposit of **(\$375.00)** Said deposit shall be returned at the end of the rental period when unit is found to be in good condition, 30 day written notice is given, and all agreements have been met.

\_\_\_\_ **6. CONDITION:** Resident accepts Property in its present "**AS-IS**" condition, and has been given the right to inspect the property, and has approved said property. Resident acknowledges that the premises are in good order and repair, unless otherwise indicated in writing. Resident shall, at his own expense, and at all times, maintain the premises in a clean and sanitary manner, including all equipment and appliances therein and shall surrender the same, at the termination hereof, in as good condition as received, normal wear and tear excepted. Resident also agrees to change the furnace filter every 3 months. Resident shall further keep and maintain all interior and exterior portions of the Premises, the sidewalks and drives on or about the Premises in a clean, and sanitary condition, and free of ice and snow. Lessee shall keep the lawn mowed, shrubbery trimmed and the yard free of excessive weed growth, so that the lawn and yard shall at all times be maintained in a neat and presentable condition.

\_\_\_\_ **7. UTILITIES:** Resident shall obtain and pay for all utility services including gas, heat, electricity, water, sewer and trash removal and any other utility used or consumed on the premises by resident. **Billing responsibility for all utilities to be placed in Residents name at the commencement of the Agreement.**

\_\_\_\_ **8. APPLIANCES:** All appliances of any kind including window air conditioners are specifically excluded from this Agreement. Such appliances remain in as a convenience to Resident and Management assumes no responsibility for their operation. No part of the monthly rent is attributable to them. Any appliance on the premises at the signing of this Agreement shall be returned by Resident upon move-out in the same condition as at the signing of this Agreement (unless appliances are furnished by tenant).

\_\_\_\_ **9. ALTERATIONS:** Resident shall not make, or allow to be made, any alteration, installation, or redecoration of any kind to the Property without prior written permission of Management, provided, however, that notwithstanding such consent, Resident agrees that alterations including, without limitation, any items affixed to the Property, shall become the property of Management upon the termination of this Agreement. This includes, but is not limited to, ceiling fans, mini blinds, carpeting, fencing, lighting fixtures, shrubs, flowers, etc. Removal of these items shall be considered theft subject to civil and criminal prosecution.

\_\_\_\_ **10. USE:** The Property shall be used for Residential purposes only shall be occupied by the undersigned adults and children as named in the original application to rent, **only**. Resident shall not use the Property or permit it to be used for any disorderly or unlawful purpose or in a manner so as to interfere with the quiet peaceful enjoyment of the neighborhood. Resident shall be responsible and fully liable for the conduct of his/her guests. Acts of guests in violation of this Agreement or Management's rules and regulations may be deemed by Management to be a breach by Resident.

\_\_\_\_ **11. SMOKE DETECTORS:** Resident acknowledges the presence of a working smoke detector in the premises, and agrees to test the detector weekly for proper operation, and further agrees to replace any batteries (if so equipped) when necessary. Resident further acknowledges that he/she understands how to test and operate the smoke detector in the Property. Resident also agrees to notify the manager of any inoperative smoke detector immediately so it can be replaced.

\_\_\_ **12. EVICTION:** If rent has not been paid when due, then Management shall automatically and immediately have the right to assert all legal and contractual remedies to enforce this agreement.

\_\_\_ **13. FAILURE OF MANAGEMENT TO ACT:** Failure of Management to insist upon strict compliance with the terms of this Agreement shall not constitute a waiver of any violation, nor shall any acceptance of a partial payment of rent be deemed a waiver of Management's right to full amount.

\_\_\_ **14. ACCURACY AND RESPONSIBILITY:** Management has relied upon the information contained in Resident's application to enter into this Agreement. Resident warrants that their rental application is true, complete and accurate. Resident agrees that if he/she has falsified any statement in the rental application, Management has the right to terminate this Rental Agreement immediately and further agrees that Management shall be entitled to retain any deposit. In the event of default by any one Resident, each and every remaining Resident shall be responsible for timely payment of full rent and all other provisions of this Agreement.

\_\_\_ **15. INDEMNIFICATION:** Management shall not be liable for any damage or injury to Resident, or any other person, or to any property, occurring on the Property or any part thereof, or in common areas thereof, unless such damage is the proximate result of the negligence or unlawful act of Management, his agents, or his employees. Resident does hereby indemnify, release, and save harmless Management and Management agents from and against any and all suits, actions, claims, judgments, and expenses arising out of or relating to any loss of life, bodily or personal injury, property damage, or other demand, claim or action of any nature arising out of or related to this Agreement or the use of this Property and premises.

\_\_\_ **16. SEVERABILITY:** In the event that any part of this Agreement be construed as unenforceable, the remaining parts of this Agreement shall remain in full force and effect as though the unenforceable part or parts were not written into this Agreement.

\_\_\_ **17. GENDER:** All references to Resident herein employed shall be construed to include the plural as well as the singular, and the masculine shall include the feminine and neuter where the context of this Agreement may require.

\_\_\_ **18. ENTIRE AGREEMENT:** This Agreement and any attached addendum constitutes the sole and entire Agreement between the parties and no representation, promise, or inducement not included in this Agreement, oral or written, shall be binding upon any party hereto. Attachments: EPA Lead Paint Disclosure; EPA Lead Paint Pamphlet; Other:

\_\_\_ **19. PEST CONTROL:** You are responsible to keep the premises free of pest and pay for pest control services if such services are needed. Management has the right to accept money from the tenant and apply it to a previous pest control invoice.

\_\_\_ **20. PETS:**

\_\_\_\_ 21. AUTOMOBILES: Non-working automobiles are not allowed to be parked at the residence. All non-working vehicles will be towed at the owner's expense.

\_\_\_\_ 22. SATILLITES: Resident is not permitted to give permission to cable/internet companies to install a satellite dish on the home or any other building on the property. Satellite dishes are only to be installed on the ground. There will be a \$100 nonrefundable charge to the resident's account if a satellite dish is installed on the roof.

**THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT**  
**If not fully understood, please seek the advice of an attorney before signing.**

RESIDENT \_\_\_\_\_

DATE \_\_\_\_\_

RESIDENT \_\_\_\_\_

DATE \_\_\_\_\_

PROPERTY MANAGER \_\_\_\_\_

DATE \_\_\_\_\_

**SAMPLE**

## Lease Checklist ROOST Real Estate Co.

Address \_\_\_\_\_

Tenant(s) \_\_\_\_\_

### Approved Applicant / Before Signing

- ☐ Do we have the deposit?
- ☐ Do we have the pet deposit if applicable?
- ☐ Are we prorating the first month's rent?
- ☐ If so, how much do they need to bring to move in? \_\_\_\_\_
- ☐ Inform the applicant that we will ONLY accept a Money Order or Cashier's Check.
- ☐ Have applicant make arrangements to put utilities in their name(s) and provide confirmation numbers.
- ☐ Schedule date and time for lease signing.
- ☐ Remove lockbox and sign from property.
- ☐ Make copies of keys if needed.
- ☐ Place new tenant keys in their envelope.
- ☐ File office copy of keys.
- ☐ Prepare Lease Package for Tenant.

### At Lease Signing

- ☐ Have applicant sign/initial every section of lease and addendum package including deposit form.
- ☐ Collect deposit(s) and rent.
- ☐ Confirm all tenant information for Appfolio.
- ☐ Collect Gas and Electric service confirmation numbers:
  - Ohio Edison \_\_\_\_\_
  - Columbia Gas \_\_\_\_\_
- ☐ Complete Water Card if applicable.

### After Lease Signing

- ☐ Scan and upload signed lease package to Appfolio.
- ☐ Mark property as 'Rented' and remove from marketing.
- ☐ Email owner confirmation and details.

## Collecting Rent

Most of our tenants mail a check or money order to our office. Some pay in person as well. We do not accept cash for rent payments or security deposits. More and more of our tenants are choosing to pay their rent electronically through a personalized tenant portal we can create for them using Appfolio.

## Our Management Fees

Our standard fees are outlined in our sample management agreement. (See below.) We charge a monthly fee based on a percentage of the rent collected. Our base fee is 10% but we offer discounts to owners of large apartment complexes and large portfolios of scattered lot properties.

We charge a straight \$200 for each new executed lease or lease renewal. We charge no additional leasing fees whatsoever. The \$200 lease fee goes directly to the property manager and is the incentive portion of their overall compensation. *It is important to me to stress that these are the only fees we charge.* Unlike other management firms we do not receive any kickbacks from vendors or mark-up services we contract for on our owners' behalf.

# Our Management Agreement

## ROOST Real Estate Co. PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is hereby entered into between \_\_\_\_\_  
(Hereinafter "Owner" and ROOST Real Estate LLC. (Hereinafter "Agent"). Owner agrees to employ Agent as Owner's exclusive agent to rent, lease, operate and manage the real property located in the county of \_\_\_\_\_, State of \_\_\_\_\_ (hereinafter "Premises") for a period of one (1) year, commencing on \_\_\_\_\_ and ending on midnight \_\_\_\_\_.

The term hereof shall automatically renew for additional one (1) year periods on the same terms and conditions set forth herein, unless on or before sixty (60) days prior to the expiration of each said period, either party notifies the other in writing that it elects to change or terminate this Agreement; provided further, however, that either party may terminate this Agreement for good cause during the term hereof or any extension by giving to the other party not less than thirty (30) days prior written notice.

### Authority and Obligations of Agent

1. To advertise the availability of the Premises for rent or for lease by placing signs on or near the Premises, advertising on the internet. To place a lock box on the Premises.
2. To negotiate, sign, renew or cancel rental agreements or lease option agreements, including leases, for the Premises. To negotiate leases for terms not to exceed 12 months unless otherwise instructed by Owner.
3. To collect rents and security deposits or other charges and expenses due or to become due and to give receipts therefor. To deposit any receipts in the owner's bank accounts.
4. To serve such notices as are necessary and appropriate on tenants including, but not limited to, termination notices, notices to pay rent or quit and notices to comply with or quit. Rent is due on the 1<sup>st</sup>, late on the 5<sup>th</sup> and we post 3 Day Notices by the 10<sup>th</sup>.
5. To employ attorneys for the purpose of enforcing Owner's rights under rental agreements and leases and to institute and prosecute legal actions on behalf of Owner, to evict tenants to recover possession of the Premises and to recover rents and other sums due and settle, compromise and release such claims, actions or suits to reinstate such tenancies as Agent believes is appropriate for the benefit of Owner. Attorney fees to be paid by property owner.
6. To provide all services reasonably necessary for proper management of the Premises including periodic inspections, supervision of maintenance, arrangement for improvements, alterations, pest control repairs and decorations as may be required by Owner or deemed necessary by Agent for proper upkeep and rental of the Premises. Maintenance payroll if required in an occupied unit is billed at \$29.00 per hour and in case of emergencies after business hours at \$42.80 per hour. Mileage is charged between properties or to cover runs to obtain materials. Materials purchased on our accounts are billed at 110% of purchase price and tax to cover clerical and billing costs.

7. To purchase such supplies and enter into such contracts for repairs and maintenance of the Premises as may be necessary in the discretion of the Agent to provide proper upkeep for the Premises; provided, however, that Agent agrees not to expend in excess of \$100.00 for any one item of repair; except for monthly or recurring operating charges and emergency repairs if, in the opinion of Agent, such repairs are necessary to protect the Premises from damage or to prevent to life or the property of other or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to tenants as may be called for in their rental agreements;
8. To hire, supervise and discharge all qualified, insured independent contractors required in the operation maintenance and upkeep of the property at rates of compensation to be determined and agreed upon by Owner and Agent when such total potential exceeds \$100.00. Agent shall not be responsible for the misfeasance or malfeasance of said independent contractors if reasonable care has been exercised by the Agent in their appointment and retention;
9. To execute service contracts for electricity, gas, water cable, telephone, window cleaning, rubbish hauling and other services or utilities for the operation, maintenance and safety of the Premises as Agent and Owner may deem necessary; provided, however, that the items of such contract shall not exceed 12 months and the amount payable each month shall not exceed \$100.00 without written approval of Owner;
10. To pay from receipts all operating expenses and such other expenses as may be authorized by Owner, including but not limited to, loan indebtedness, property taxes, special assessments and insurance premiums, and property management fees.
11. To maintain accurate and complete accounting records of all monies received and disbursed in connection with the management of the Premises which said records shall be opened for inspection by Owner during regular business hours and upon reasonable advance notice to Agent; provided, however, Agent shall submit on a monthly basis a written statement to Owner indicating cash receipts and disbursements during the previous month period.

#### Obligation of Owner

1. Indemnify and hold Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities, damages from or connected with the management of the Premises by Agent or the performance or exercise of any of the duties, obligations, powers and authorities herein or hereinafter granted to the Agent.
2. Not hold Agent liable for any error of judgment or for any mistake or fact or law, or for anything which Agent may do or refrain from doing hereinafter except where such act or omission is a result of willful misconduct or gross negligence.
3. Assume full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of Agent's duties set forth in this Agreement.
4. Maintain adequate insurance coverage on all premises.



5. Accept full responsibility for any and all tenant deposits, in the event said deposits cannot be refunded from the operating account for the Premises while still maintaining an appropriate cash level in said operating account; Security Deposits shall remain in owner's operating account held by Agent.
6. Owner must notify Agent if they know of any lead-based paint or lead-based paint hazards at the Premises so that Agent can disclose any known information to Lessee(s) and provide to Lessee(s) any records available. Agent may sign on behalf of Owner all required disclosures and inform Lessee(s) of any known hazards or records pertaining to lead-paint and lead-paint hazards;
7. Deposit with Agent TBD as an initial operating reserve and will cover any excess of expenses over income within thirty (30) calendar days of any request by Agent. Failure to honor such request authorizes Agent to immediately terminate this Agreement.
8. Pay to Agent a management fee equal to 10% percent of all rent and other income from the Premises received or authorized to be received by the Agent, including any and all sums collected under any rental agreement.
9. Pay to Agent a Technical Service fee of \$TBD per unit per month.
10. In addition to the foregoing management fee, pay to the Agent \$TBD, upon execution of this Agreement, as a non-refundable setup fee for the purpose of creating an account for Owner and the various files and other mechanism used by the Agent in processing Agent's handling of Owner's business as referred to herein.
11. A check for the monthly management fee (10% of rent collected for the month) will be drawn on or before the 2<sup>nd</sup> of each month.
12. Pay to Agent for \$200.00 for any new lease or renewal.

#### Assignment

This Agreement may not be assigned by Agent or Owner without the prior written consent of the other. In the event, however, such consent is granted and the Agreement is assigned, each of the covenants, conditions and obligations contained herein shall be binding upon and inure to the benefit of respective successors and assigns of Owner and Agent.

#### Severability

In the event any term or provisions of this Agreement shall be invalid or unenforceable, then the remainder of this Agreement shall not be affected thereby and each term and provision shall remain valid and enforceable to the fullest extent permitted.

#### Notification

All notices required to be given under this Agreement shall be in writing and mailed to the parties hereto at the addresses set forth below.

### Attorney's Fees

In the event any legal action is required by either party to enforce the terms and provisions of the Agreement or arising out of the breach of any of the terms and provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs.

### Entire Agreement

The foregoing contains the entire agreement of the parties and may not be changed, modified or altered except by a written document executed by Owner and Agent subsequent hereto.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
ROOST Real Estate Ltd.

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Owner

Owner SS# or EIN# \_\_\_\_\_



# Accounting

We use Appfolio for all of our accounting functions as well. Appfolio is an online cloud-based service that allows each of our owners to instantly access their reports and statements through an Owner Portal. Here is a summary of the Owner Portal from the [www.Appfolio.com](http://www.Appfolio.com):

## Hassle-Free Owner Portals

Owners need insight into the performance of their properties. As a property manager, do you have to print financial reports, copy invoices, and collate packets for your owners to send via snail mail? Do your owners get frustrated when they don't get paid on time? We've made the entire owner statement process more efficient with Appfolio's Owner Portal.

## Instant Access To Reports

In addition to emailing Owner Statements every month, you can provide your owners with on-demand access to secure Owner Statements and reports. You can post current and historical Owner Statements to each Owner's Portal. You can also include any relevant reports so your owners can download these reports at their leisure. They will have access to the same Owner Statements you email on a monthly basis.

## Personalize Owner Packets

You can pick and choose what information — invoices, work orders, financial statements — is consolidated and sent to each Owner with predetermined settings. You can choose whether to print or email the finished packet and how often to share it with your owner based on their specific requirements.

## Quick And Direct Payment

You can cut your owners a check directly through AppFolio software, or you can pay your Owners electronically, via direct deposit for faster and cheaper delivery.

## Easy Password Recovery

The good news is that we've approached it in a unique way that won't result in owners calling you when they forget their username and password (a common challenge with Owners Portals).

## Conclusion

We are always looking for new and innovative ways to streamline and improve our operations. Obviously the better we can serve our owners and tenants the more profitable our operation becomes. I am very proud of our team of professionals here at ROOST Real Estate Co. We have come a long way in a few short years and we have even bigger plans for the future.

## About the Book

*A Real Estate Investor's Guide to Profitability / Making Your Real Estate Investments Work for You - And Not the Other Way Around* will be available on Amazon.com in February of 2017. There is no need to read the book straight through. I expect most people will read the parts they find the most interesting first.

Part 1 is titled 'My Story' and provides some background about Springfield, Ohio and ROOST Real Estate Co. Part 2 is titled 'What Kind of Investor Are You? – Goals, Objective, and Attitudes'. Part 3 is titled 'The Landlord Advantage'. Part 4 is titled 'Owner Profitability is Job #1'. Part 5 is titled 'Where Most People Get Hurt and Why - Repairs and Maintenance'. Part 6 is titled 'Expanding Your Portfolio'. Part 7 is titled 'The Basics of Management – How We Do It'. And finally, Part 8 is titled 'Future Opportunities'.

## About the Author

**Chris McAllister** was born and raised in Springfield, Ohio and graduated from The Ohio State University with a degree in Communication in 1982. He also earned a Master of Arts in Organizational Management (MAOM) in the late 1990's via the University of Phoenix online campus.

Chris worked in single and multi-unit retail management throughout the Midwest and Northeastern United States from 1985 through 2000. His last assignment was opening and managing Target stores on Long Island and in Queens NYC.

Chris returned home to Ohio in late 2000. He entered the real estate business as a licensed sales agent in Ohio in 2001. He earned his broker license in Ohio in 2003 and became a licensed broker in Florida in 2013. He was a RE/MAX franchisee from 2003 to 2009 and was affiliated with Real Estate II, a well-established local brokerage from May 2009 until December 2013.

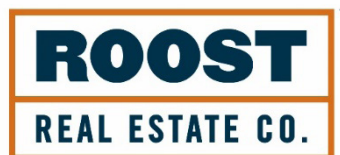


Chris has also invested in rental properties over the last decade and co-wrote the book ***\_We Lost \$1,000,000 in Real Estate in Less than Five Years – And You Can Too!\_***. The book, released in 2009, details the ups and downs Chris and his partners experienced in hopes that their readers avoid making the same mistakes they did.

Chris and The McAllister Team were recognized by the Ohio Association of Realtors as a Top 5 award winner for transaction sides closed in 2010, 2011, 2012, and 2013. In addition, The McAllister Team manages hundreds of individual housing units within a 50 mile radius of downtown Springfield.

Chris's unique ability is creating business opportunities and strategies designed to support and add value to the lives of real estate professionals and their clients. Chris created ROOST Real Estate Co. as his platform for helping people get the most out of their real estate investments whether they are investors, owner occupants, or tenants.

**ROOST Real Estate Co.** is located in The Bushnell Building in Springfield, Ohio. ROOST was conceived in 2013 by Chris McAllister, a real estate broker and investor. New Ohio Real Estate LLC DBA Roost Real Estate Co. is a licensed real estate brokerage in Ohio. ROOST Real Estate LLC dba ROOST Real Estate Co. is a licensed real estate broker in Florida. **Real Estate Brands Ltd** is the franchising entity for **ROOST Real Estate Co.** and **Lucky Town Real Estate Co.**



# A Different Kind of Brokerage.

Most brokerages have two lines of business. They work with buyers and they work with sellers. At Real Estate Brands Ltd, we work with buyers and sellers too, but we also work with investors, and the people who rent from them.

Embracing 100% of all of the people who need a home, not just the 60% to 65% of the people who own real estate, creates a very different kind of Real Estate Company for our clients and for our agents.

We work closely with investors. We help investors find, evaluate, purchase, and manage investment property. By offering Property Management services to our investors, they are more comfortable buying more property.

Some people who rent their homes do so for their entire lives. Others will only rent for a few years before buying a home of their own. We help our tenant clients become home owners.

Because we work in the property management business, we have relationships with skilled trade's people that can help all of our listing clients prepare and maintain their properties for sale.

The Real Estate Brands Ltd family of companies are all referral based businesses. We believe that the very best clients are those that are recommended by our existing and past clients. We have a referral based marketing system that keeps all of our brands top of mind with everyone we work with.

Our tenants become buyers, and refer new tenants and new buyers to us. Our investors become repeat buyers, referring new investors and new buyers, and new sellers to us. Our buyers and sellers refer their friends, family and co-workers again and again.

We are the real estate company people turn to at every stage of their lives. We are there when our clients rent their first apartment, buy their first home, buy their first investment property, and buy their retirement villa on the beach.

Real Estate Brands Ltd. Smart. Passionate. Supportive. Approachable. Meeting people where they are today, and helping them get to where they want to be tomorrow.



## **Invest With ROOST™**

Your ROOST Real Estate Professional can help you expand your portfolio by helping to identify and evaluate potentially great new investments for you. Whether you are interested in single family, multi-family, apartment buildings or commercial purchases, we have you covered.

**FOR THE  
WAY YOU  
WANT TO  
LIVE TODAY.™**

**ROOST**

**REAL ESTATE CO.**

