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## Welcome

### *Providing Frustration Free Property Management For Investors By Investors*

Thank you for choosing Empire Industries Property Management to manage your investment. We are aware that you had many choices and we appreciate that you have selected us as your property management company.

Empire works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the Empire Owner Manual to assist you in a successful business relationship with our company. We urge you to take the time to review the information enclosed. We feel this will further clarify many of the procedures for our Property Management services. After reading the material, if you have questions or any concerns, contact your management team immediately, using the company contact information provided in the following pages.

Empire forms have also been included with this manual. There are some to fill out upon receipt unless already you have already completed them. There are additional forms to assist you in the future. Completing and using the forms assists Empire in setting up and maintaining an accurate account for you and your investment.

**Special note:** the information provided in the Empire Owner Manual is subject to change.

Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. Empire works diligently and continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

Once again, thank you for choosing Empire as your Property Management Company. We look forward to a successful business relationship.



## Owner Documents

A copy of your management agreement has been uploaded to your owner portal refer to it as needed.

It is important that Empire receive all critical information as we begin management. You may have completed the documents listed below. If not, we need you to fill out and return the following documents.

### **Owner Information**

This information enables Empire to set up your account.

### **Insurance Authorization**

This form requests the insurance company issue a copy of your property insurance to Empire and that they name Empire as “additional insured” on your policy. Please send this directly to the insurance company and forward a copy of your request to Empire.



## Empire

Empire is a property management operating in Harris County, Texas, specializing in full-service property management and residential sales. The company has been operating since 2009, and is actively involved in the Houston community.

Empire is an abbreviation used in lieu of the full company name, Empire Industries Property Management, and will be used throughout the *Empire Owner Manual*.

### Empire mission statement

Empire Industries is a team of committed, positive and goal oriented people with integrity who are always striving to provide the best customer service for our clients.

We are a property management company for single-family homes and multi-unit apartment complexes. We provide all aspects of property management including maintenance, eviction services, accounting and leasing.

Our clients are seeking a better life for their family by investing in real estate. Our goal is to make their investment truly passive. Our clients are always informed but spend little time on their investments. Empire utilizes volume based discounts and passes the savings onto our clients. Our clients are allowed more time and money to purchase more investments because of their partnership with Empire Industries.

Empire Industries views property management from an investor standpoint. Built on the principals of investing by two seasoned investors, Empire Industries stresses the importance of having the properties cash flow. We are our client's teammates working towards a common goal - having their investment produce income.

**Empire industries:** Providing frustration free property management for investors by investors.

### Empire principals

The owners/principals of Empire are Pete Neubig and Steve Rozenberg. They have been investing in real estate since 2001. They have owned over 50 homes and three apartment complexes totaling over 200 units.

## Empire Communication

Communication is a key to the success in any relationship and the Empire/Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients or prospective clients. This includes everyone – owners, tenants, applicants, vendors, buyer, sellers, and the public.

### **Company communication**

On the next page, you will find all general office information such as addresses, telephone numbers, email address, website, and office hours.

Empire personnel communicate by:

- Portal Conversation
- Telephone
- Email

### **Empire website**

Empire stays current with business technology. The Empire website, [www.empireindustriesllc.com](http://www.empireindustriesllc.com), has proved to be a tremendous asset. Here are a few of the benefits for clients on the Empire website:

- Prospective tenants can search our site for available rentals, submit and pay for an application.
- Tenants can access their resident portal from our website.
- Owners can access their owner portal from our website.
- Prospective owner can access tips and tricks on property management.
- Empire personnel maintains a blog regarding property management

**General office information**

<b>Empire General Information</b>		
<b>Address information</b>		
Mailing address	5225 Katy Freeway suite 495	
	Houston TX 77007	
Street address	5225 Katy Freeway suite 495	
	Houston TX 77007	
<b>Communication</b>		
Toll Free #	(888) 866-6727	
Business #	(281) 407-0099	
FAX #	(281) 407-0099	
Email	info@empireindustriesllc.com	
Website	www.EmpireIndustriesLLC.com	
<b>Office Hours</b>		
	Monday – Friday	8 AM – 5 PM
	Saturday	Closed
	Sunday	Closed
	Holidays	Closed
<b>Emergencies</b>		
	Call (281) 407-0099 choose emergency option, 700	

## Teams and contact information

### Empire staff/personnel

We have a complete staff to assist you. Empire has found that "Teamwork" is effective for servicing resident's needs. Together Everyone Achieves More. There is a convenient chart of the teams and their contact information below.

- **Management Team:** Empire has assigned a management team to your account, consisting of a Property Manager and Assistant Property Manager. They focus on showing your property, processing applications, renting, managing all the many facets of tenancy, and handling the details when the tenant moves.
- **Office Team:** The office team supports all Empire Personnel and Management. They handle the everyday business of telephones, taking messages, accepting applications, office details, preparing documents, and coordinating with your management team.
- **Sales Team:** Empire also has a sales team that can assist you with Real Estate, buying or selling. The sales team consists of experienced and licensed Real Estate agents. There is no obligation when you ask for a market analysis for the value of your current property, information for purchasing a new investment property, or available financing.

Team	Position	Name	Phone + Ext.	Email
<b>Office Team</b>	Property Manager	Lisa Porterfield	(281) 407-0099	<a href="mailto:Lisa@empireindustriesllc.com">Lisa@empireindustriesllc.com</a>
	Assistant Property Manager	Jackie Christian	(281) 407-0099	<a href="mailto:Jackie@empireindustriesllc.com">Jackie@empireindustriesllc.com</a>
	Assistant Property Manager	Carla Vincent	(281) 407-0099	<a href="mailto:Carla@empireindustriesllc.com">Carla@empireindustriesllc.com</a>
	Real Estate Assistant	Kelly Williams	(281) 407-0099	<a href="mailto:Kelly@empireindustriesllc.com">Kelly@empireindustriesllc.com</a>
	Office Administrator	Paige McGee	(281) 407-0099	<a href="mailto:Paige@empireindustriesllc.com">Paige@empireindustriesllc.com</a>
	Book Keeper	Derek Huynh	(281) 407-0099	<a href="mailto:Derek@empireindustriesllc.com">Derek@empireindustriesllc.com</a>
	Marketing Coordinator	Kevin Davidson	(281) 407-0099	<a href="mailto:Kevin@empireindustriesllc.com">Kevin@empireindustriesllc.com</a>
<b>Owners</b>		Pete Neubig	(281) 407-0099	<a href="mailto:Pneubig@empireindustriesllc.com">Pneubig@empireindustriesllc.com</a>
		Steve Rozenberg	(281) 407-0099	<a href="mailto:Steve@empireindustriesllc.com">Steve@empireindustriesllc.com</a>

## Owner communication

Communication works both ways. We need communication from you, the owner. It is important that you let us know of any significant change that can affect your account. Empire needs to know when you are moving, if you have a problem with your account, if your social security number has changed to a Tax ID, or any other important information.

### Owner Portal

Empire encourages all owners to use the conversation thread in the owner portal to contact us. It is fast, effective and everyone in the organization can see the conversation this way if there are any issues you can work with anyone on the team and they can refer back to the conversation. The To set up your access to the portal we need your email address. Please supply us with your email address on all the Empire forms. We will enter your email address in our database.

**Special note:** Please do not send email directly to the staff. Please ALWAYS communicate through the owner portal.

### Owner vacation notice

Empire respectfully requests that owners notify Empire of vacations that are two weeks and over. Another alternative is to inform your Emergency contact listed on the Owner Information Form. The purpose in asking for this information is only so Empire is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant. Please simply enter

## Owner Responsibilities

A successful business relationship works both ways. Empire takes their management responsibilities seriously, and requests owners to do the same.

Owner responsibilities are:

- Create an account and login to the owner portal
- Sign up for e-payment through the owner portal
- Initiate all communication through the owner portal
- Notify Empire of any ownership change or eminent owner change for the managed property.
- Supply Empire with accurate information so Empire can service the management account properly.
- Review statements monthly and notify Empire of any discrepancies found as soon as possible.
- If using ACH, check statements monthly for accurate or missing deposits and notify Empire if there are problems immediately.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for their property.
- Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat Empire personnel with courtesy and notify Empire principals if there are problems with Empire personnel so they can be resolved quickly
- Visit the property periodically and if an owner cannot perform this function, Empire requests the owner assign a third party to represent this in this capacity.

# The Scope of Property Management

## **What is included in Empire Property Management services**

We want you to know what Empire does for you as your property management company. Therefore, Empire has outlined details on our policies and procedures in future pages of this information. There are so many details and aspects of managing property, that we can only include the basics in this manual. If you have more questions, contact your management team.

Again, these are general guidelines and when necessary, policies will change. Please bear in mind that we are unable to do “everything” that is required to service a property under our management fees.

## **What is not included in Empire Property Management services**

Because Empire provides owners with full service, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope of property management or require additional fees/services (see below). There are also areas licensed real estate agents dare not tread, unless they have obtained the proper licensing or degrees. We ask that you remember this when making a request, and review a paragraph that was included in your Management Agreement:

*Owner understands and agrees that normal Property Management does not include providing on-site management services, property sales, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner Association meetings.*

If you have any questions on what is included or not included in property management, please let us know. We have more information on additional services later in this manual.

## Company Policies

It is very important in the field of Property Management, that Empire follow local, state, and federal legislation and guidelines. Our company takes pride in our industry, and we further implement guidelines and policies of several organizations, such as the National Association of Residential Property Managers, NARPM, and the National Association of Realtors, NAR®. Additionally, we train all personnel by requiring them to read and follow the Empire Property Management Policy and Procedures Manual and Empire Employee Manual.

### **Department of real estate requirements**

The Texas Department of Real Estate requires licensing for all persons conducting Property Management and Real Estate Sales in our state. Empire requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a Texas Real Estate license.

### **Code of ethics**

Empire follows the Code of Ethics outlined by both NARPM and NAR®, and HAR. Empire considers this a top priority in conducting business, and is required of all Empire personnel.

### **Drug-free policy**

Empire has a drug-free policy for all personnel, vendors, and tenants. Empire incorporates this policy into Empire rental/lease agreements, tenant, personnel, and vendor documentation.

## Legislation

Empire adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts Empire follows:

- Fair Housing (HUD) - Empire supports and follows Fair Housing laws and guidelines; the Empire office displays Fair Housing signage
- Equal Opportunity - Empire is an Equal Opportunity employer; the Empire office displays Equal Opportunity signage.
- SCRA Act – Serviceman’s Civil Relief Act, which has replaced the Soldiers’ and Sailors’ Act of 1940
- URLTA - Uniform Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- FTC – Fair Trade Commission
- EPA – Environment Protection Agency
- Texas Property Code

## Lead-based paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. Empire follows all mandated federal and state guidelines for lead-based paint. All properties prior to January 1, 1978 require disclosures to all tenants and owners. Tenants sign lead-based paint disclosures prior to renting a property and Empire provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*. Empire then forwards the required disclosure to owners for signature.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property. Legislation now provides that owners and managers must use certified vendors to work on lead-based paint.

## Mold issues

Empire regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in the property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits. Several cases regarding mold have awarded damages to tenants in the millions of dollars.

This is an area of extreme liability and Empire takes action if a tenant reports mold. Empire notifies owners as soon as practical of any mold issues so Empire and/or the property owner can take the proper steps.

## Answers Regarding Funds

When you entered into a management agreement, Empire established an account for you and your property. Empire recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by Empire is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the Texas Real Estate Commission.

### **Banking**

Empire holds your account in a trust fund mandated by the state of Texas.. Empire accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following the Texas Real Estate Commission requirements.

### **Monthly statements**

Empire uploads monthly statements to the owner portal on the final day of the month. If you have difficulty reading your monthly statement, please contact your management team. We are happy to assist you and answer your questions.

Empire emails a statement each time a payment is made into your account so that you can easily determine which of your residents has paid. Empire does not upload these "snapshot" statements to your portal.

### **Disbursement of monthly funds**

Empire disburses available funds to owners starting on the 5<sup>th</sup> of each month. If this day falls on the weekend, Empire issues funds on the next business day. Empire does not disburse funds on weekends and holidays. Empire continues to make payments every day until the 10<sup>th</sup> of the month. Empire will then make a payment on the 15<sup>th</sup> and the 20<sup>th</sup> of the month. Empire does NOT issue owner checks unless there are sufficient funds in the owner's account. It is vital to accurately post rents, pay vendors, and disburse funds for your account. Therefore, it is vital that Empire adhere to this schedule to ensure servicing every owner's account.

Empire distributes owner funds through ACH direct deposit.

### **End of year procedures**

At the end of each year, Empire is required to file 1099's for income received 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. Please note that security deposits are not included in this amount.

It is necessary that you supply Empire with the necessary Social Security/Tax ID information so the 1099 is accurate. Empire will send the 1099 for the rent by January 31 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us via a conversation in the owner portal.

Empire also issues 1099s for disbursements to vendors for work over \$600.00. Therefore, owners do not have to issue 1099s for work completed and paid through the Empire trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal account.

The last statement of the year will reflect “total amounts” for income and expenses that have transpired throughout the year, such as management fees, leasing fees, landscape, utilities, repairs and maintenance, etc. The amounts will not reflect any funds issued through the owners personal account. Owners can submit their last statement to their tax person along with other information for income tax reporting. Empire does not issue statements to the owner’s tax preparers.

## Renting Your Property

### Preparing to rent the property

When prospective tenants view your vacancy, Empire wants the property to look its best and compete with area rentals. A property maintenance report and rental market survey is completed. The Empire management team will contact you to discuss the details of your vacant property and any necessary maintenance. Empire does not list properties that are not ready. It has been our experience that if you market a property before it is ready

- The property does not lease
- The property becomes “stale” for being on the market too long
- The property does not “look good” in pictures for advertising
- The agents get “burned out” from showing a property that is not ready.
- Typical client who takes a home that is “ugly” turns out to be a bad resident
- Advertising the property that is not ready is a waste of time and money

### Setting the rent

A licensed realtor will run a “CMA” which is a comparable market analysis to determine the rent amount. The owner will be informed of the CMA.

### How long will the property be vacant?

This is the most commonly asked question Empire receives from owners. Unfortunately, there is no way to predict how long a property will remain on the market, even in the best market conditions. However, Empire works diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to have “a quality tenant.”

Empire, or any other property management company, can rent properties “quickly” if they do not have standards for obtaining good tenancy. However, bad tenants will only create more expense and another unwanted vacancy; therefore, waiting for the “right tenant” is worth the additional time it can take to rent the property.

## Advertising/Marketing

### Internet/website

Empire has found that the Internet receives tremendous exposure.

*MLS Listing* – We have found that the multiple listing service is the best way to advertise the property. Over 23,000 agents use this service and over 50,000 people access the site daily. Empire uses power phrases of descriptive words, wide-angle pictures and video when listing a property. Empire is one of the few agents who upload video for rentals. The latest data from Internet marketing shows more people are looking at video.

*Craigslist* – Empire uploads your property to craigslist daily so that it goes back to the top of the list.

*Empire Website* – We upload the property to our website. Our website spiders out to 100s of websites including popular ones like Trulia and Zillow.

*GoSection8.com* – Empire pays for a yearly subscription with Section8 housing assistance. If the property is approved by the owner for section 8 we will advertise on this website.

*Century21* – Century 21 has a system that spiders the property to 100s of websites.

### **Texting Technology**

Empire purchased technology that allows prospects to text a code to a phone number. This code provides specific information about the house they are in front of. Each house that we list has its own texting number. The prospect will receive a text within seconds that gives them the lease amount, security deposit amount, number of beds, baths and square footage. It also gives them pictures and video of the home. At the same time a text is sent to our leasing agent assigned to the property with the phone number of the prospect.

Marketing studies have shown that 80% of people do not want to be “sold” and will text instead of calling to get basic information. Texting technology increases lead for your property.

### **Signage**

Empire displays “For Rent” signs prominently. Signs promote calls.

Empire will display bandit signs throughout the area if a property is having problems renting. Bandit signs are only displaced in lower income areas as higher income areas will take down the signs and fine us. There is a charge for this service. Service is for 10 signs that includes material and labor.

### **Partnership with Local Agents**

Empire has partnered with real estate agents. We send all leads to a local agent. Potential clients are responded to quickly and scheduling showings around the clients timeframe is easier with this format.

### **Rently Lockboxes**

Empire uses Rently Lockboxes on some of the properties. Rently lockboxes allow a potential resident to view the home right there on the spot. The potential resident calls rently who takes their credit card information. The resident swipes their credit card on the lockbox to gain access. This protects your home from any damage. This allows for a resident to view the home instantly which allows the home to be leased quicker.

### **Newspapers and Publications**

Empire will put an ad in the Greensheet for properties that are below \$1,000 in rent and having a hard time renting. This is an additional cost to the property. Empire has found this will generate a lot of phone calls but very little good leads. Empire uses this as a last resort.

### **Showings and applications**

Empire uses Centralized Showing Service to schedule showing times. This is a call center that is approved by the National Association of Realtors. This service guarantees that all calls to schedule showings will be answered. The showing service website is set up to email you on any showings and feedback on your property.

Empire utilizes an online application. Any prospect who would like to submit an application can do so 24 hours a day, 7 days a week, 365 days a year.. The prospect pays for the application with a credit card at the time of submission.

# Processing Tenant Applications

## Tenant screening

Thorough screening is crucial to successful Property Management. Empire requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, income, and tenant history or ownership.

All applicants must submit verifiable information on their income to show they can support the property. Rental history or previous home ownership is carefully checked. Cross-referencing all three areas – credit, tenant history, and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies).

In all cases applicants are required to provide the last three paystubs, a copy of their drivers license and a copy of their social security card. Additional information may be requested from the applicant.

## Cosigners

Empire normally does not accept cosigners. Empire policy is that the applicants should have the ability to rent on their own merits. However, there are sometimes conditions that may warrant taking a cosigner on a property. If this is the case, Empire will notify the owner, discuss the reasons, and obtain owner authorization.

## Pets

If an owner authorizes a pet, Empire charges a non-refundable pet fee. Empire does not use the term “pet deposit.”

Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, whether you have or have not decided to allow a pet in your property, the Empire application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, Empire does not place inappropriate pets in a property.

Due to insurance requirements, Empire does not put any pet that is on the insurance “dangerous breed” list.

Empire recommends to owners that when the property is on the market, that pets are “case by case.” This can solve two problems.

1. First, this encourages prospective applicant to disclose any pets. Then, based on the owner preference on pets, Empire can automatically notify the applicant that the owner does not allow pets.
2. Second, by listing pets as negotiable, it avoids eliminating an excellent tenant that does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

## **Service animals**

Special note: “Service animals” for handicapped/disabled 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, handicapped or not.

## **The Tenant Move In**

### **Rent and security deposits**

Empire does not accept personal checks prior to renting the property and does not allow “payments” on security deposits – we require all funds paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting.

Once approved, all applicants must pay in full, the first month’s rent, and a high security deposit, in certified funds. It is normally Empire policy to require a security deposit equal to first month rent.

### **Rental/lease agreements**

Once Empire receives funds, a thorough rental/lease agreement with the applicant is completed. Lease and addendums including Empire addendums along with welcome letter are reviewed with resident.

All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements.

### **Walk-through**

A vital part of the rental agreement is a detailed walk-through addendum performed with the tenant, documenting the condition of the property when they move in. The tenant has three business days to send back the inventory condition form.

The inventory condition form documents the condition of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund. Empire also documents the move in with digital photos.

### **Tenant handbook**

Tenants immediately receive the “*Empire Tenant Handbook*.” This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition, and more.

### **Tenant education and preparation**

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need are included with the “*Empire Tenant Handbook*.” Empire wants both owners and tenants well informed

## **Resident Emergency/Disaster Handbook**

We now provide tenants with a handbook to help them to prepare for emergencies or disasters. There are conditions where Empire cannot immediately assist them if there is a major emergency or disaster. We want them to be prepared.

# **Working with Your Tenants**

## **Collecting rent**

Rents are due on the 1st day of the month and late if not received in the Empire office by the 3rd of the month.

Empire recognizes that many things can happen where it concerns rent; rent can really be lost “in the mail”; employers can delay the tenant’s paycheck, there are real tenant emergencies, and more. Therefore, we make a serious effort to determine why the tenant is having a problem. If Empire receives the rent prior to issuing owner funds, Empire does not contact the owner unless the Empire management team determines there is an ongoing rent issue.

## **Notice to pay or quit**

If Empire does not receive rent by the due date, Empire prepares and delivers a timely notice to pay or quit, as the law allows. Empire makes every effort to mail and post notices properly should legal action be required. If Empire determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, Empire contacts the property owner and works out a plan of action.

## **Other notices**

There are other notices that may be involved with tenants. Empire serves 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 tenants, 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, Empire contacts the owner with the information to discuss the situation.

## **Tenant problems**

Empire has years of experience handling the myriad of tenant difficulties that can occur. The Empire policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. Empire treats each problem with common sense approach, follows landlord/tenant law, and uses the appropriate documentation. If the situation is serious, Empire contacts the owner, and works to find a solution for the problem.

Our company policy is to take a “what if” approach. Empire documents tenant problems in the event that it becomes a legal problem. One of the reasons you hired a property manager is for “peace of mind.” This is what Empire recognizes and works to prevent legal issues from arising.

## **Legal action**

Although Empire works diligently to avoid the necessity to begin an action, such as an unlawful detainer or eviction proceeding, it can happen. In the event any legal action is required, Empire will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

## Eviction

Empire will make every effort to avoid filing an eviction. However, there are times when an eviction cannot be avoided. Empire uses an eviction processor to process all evictions. By using a processor it means the eviction will get filed in a timely fashion. The processor also has a relationship with each judge and knows which judge is more "landlord" friendly.

Empire will send a weekly update on the progress of the eviction.

Empire does not take partial payment.

Empire does not postpone court dates.

**Empire always sends the resident to a collection agency. If Empire inherited the resident from the owner, Empire will need the social security number of the resident. Legal action**

Empire charges \$150 plus court costs for the eviction service. This service provides the following:

- E-mail 3-day notice
- Mail 3-day notice
- Go to courthouse and file forcible detainer on all lease holders
- Gather all documents in preparation for court case
- Go to courthouse and represent you at trial
- Go to courthouse and file the writ of possession
- Meet constable at the property for the writ of possession

The eviction service does NOT provide the following:

- Empire does not represent you if the case goes to county courthouse. Resident files appeal or paupers affidavit, etc.
- Does not include payment for lawyer
- Empire charges a rate (listed in your management agreement) should the property manager have to go to the county courthouse to represent the property.
- Does not include payment for locksmith

# Maintenance

## Preventative maintenance

The best approach to maintenance is “preventative maintenance,” and this is the Empire policy.

First, Empire has already started with educating the tenant by:

- Completing a detailed Empire Rental Agreement, which includes a maintenance addendum that outlines what are tenant responsibilities regarding maintenance as well as owner obligations
- Completing a walk-through documenting the condition of the property before the tenant takes possession
- Supplying tenants with the “*Empire Tenant Handbook*,” which provides additional instructions on the care of the property and how to report maintenance

We want the tenant to know from the beginning of their tenancy that the Empire/landlord expectations are to “care for the property.” This approach can prevent costly maintenance.

Next, we use “preventative maintenance” techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, and more. Many small repair items can prevent maintenance that is more expensive.

Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, dry rot, safety issue and more. Then of course, there are the major issues in a home such as the roof, the exterior condition of the building, carpeting, interior, and exterior paint, etc. When left to deteriorate, it usually means the owner will have to spend more in the future.

It is equally important to keep up with maintenance while the tenant occupies the property. Often people think no news is good news; this can be just the opposite. Instead, “delayed news can become very bad news.”

This is why, in our tenant instructions, we require them to report maintenance. For example, what is worse than finding out dry rot could have been prevented or discoloration of the linoleum if the tenant had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases.

The Empire management teams contact owners regarding maintenance above the \$400 minimum that is listed in the Empire Management contract, unless the situation is an emergency.

## Maintenance Request Procedure

The resident can enter a maintenance request through the resident portal or by calling. The resident can enter an emergency maintenance request by dialing the main number and selecting the emergency extension.

Empire will contact the resident within 24 hours for a non-emergency and within 2 hours of an emergency.

Empire will send a licensed and insured vendor for any work that requires a license.

Empire maintenance service technicians perform non-licensed work, are insured and have had a criminal background check.

The vendor will contact the resident and coordinate a date/time to enter the premises.

Someone over the age of 18 must be present for the vendor to access the premise.

Empire management will send updates regarding the work order to residents and owners through the portals.

Empire personnel take before and after photos of all work completed and have the resident sign off on the work order.

### **Emergencies/Disaster**

When an emergency and/or disaster strikes, Empire has policies in place for the property and tenants. Empire notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by Empire.

There are times when a property manager must “act” in order to prevent great financial risk to the owner. For example, when a property is flooding, action is necessary, particularly if the property owner is not immediately available.

To help you with this, we have also included our “*Owner Emergency/Disaster Handbook*” so you will understand what we will do if something occurs.

# When the Tenant Vacates

## Notice to vacate

When there is a notice to vacate, the move out procedures with tenants are as critical as when Empire moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, maintenance addendum, walk-through, and *Empire Tenant Handbook*. All of these documents gave instructions to the tenant on how to move out.

## Communication with owners and tenants

Empire notifies the owner in writing with a **three-page letter giving details on how they will proceed with the tenant and re-renting the property.** Empire immediately places the property on the market to rent unless the owner notifies Empire to take other measures.

Empire also responds to the tenant notice with a detailed **three-page letter detailing the steps to complete a successful move.** Rent is required until the end of the notice unless otherwise stated in the rental/lease agreement.

## Tenant move out

Empire conducts a walk-through similar to the one performed when the tenant moved into the property. Empire records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs are taken when the tenant move out to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, Empire advises owners of any tenant damages or any maintenance required to re-rent the property.

## Security deposit refunds

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with state laws. Texas law requires the resident receive the security deposit within 30 days. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

## Collections

If collecting damages is required, Empire will refer the matter to a qualified consumer collection service. Empire management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection. Empire will supply consumer collection companies with the necessary documentation needed.

## Additional Services

The following are “additional services” offered by Empire to each property owner. They are not included in the fees for managing and/or leasing the property.

### Referrals

Do you know someone who is looking for management services in Hoston? If so, then notify your management team. Empire values their client business and believes in rewarding referrals from clients. We will provide you with a free month of management fees for a referral. We will also give the person you referred a \$50 gift card.

### Annual survey/inspection

Empire maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. A third party company performs this survey/inspection, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance.

Empire inspects the property 9 months after the resident signs the lease. The inspection

- Determine if the resident is abiding by the lease.
- Determines if the resident is taking care of the house
- Allows us to make an informed decision on continuing to rent to the current lease holder
- Informs if there are any maintenance issues that can cause further damage
- Allows Empire to fix issues for good residents encouraging them to renew the lease

### Supervision of extraordinary maintenance

Empire charges a 20% for supervising work requiring extraordinary maintenance and the definition of extraordinary maintenance is as follows:

*Empire defines extraordinary maintenance as rehabilitation work that exceeds \$5,000, insurance claims, and major systems replacements. (Examples are roof replacement, major tree work, exterior painting, vandalism, insurance claims, etc.)*

The Empire policy is to consult licensed contractors for bids and solutions. Then Empire contacts the property owner for authorization and/or decision regarding the maintenance.

### Eviction protection plan

Coming soon!

### Real Estate services

The Empire Sales Division is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges.

A free market analysis is available at any time with no obligation. Please contact your property management team or one of our sales team listed to provide you with the information or services you need.

# Cancellation of Management

It is the goal of Empire to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Owners sell properties; people give notices. If this happens, the Empire cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

## Written notice

- The Empire management contract accepts a 30 days written notice by either party, but this excludes the minimum management period. Please refer to your management contract.
- The Empire policy is to give cancellation of management by electronic mail.
- If an owner sends a cancellation of management by US mail, Empire must receive the notice within 30 days of the date of the notice.
- Empire accepts cancellation through the owner portal.
- Empire does accept fax cancellations.

## Notice to current tenants

- Empire will notify current tenants the date Empire will no longer manage the property and that Empire forwards all security deposits to the owner.
- It is the owner's responsibility to advise tenants where to make future rental payments and work requests after the notice period.

## Distribution of documents

- Empire will supply current tenant documentation to the owner.
- If the owner has employed new management, it is the owner's responsibility to instruct them to pick up documents, keys, and any other necessary materials at the Empire office.

## Final distribution of funds

- Empire will distribute funds, including security deposits, and final statements to the owner within 60 days of the terminating date of management, as agreed in the management contract
- Empire will issue a 1099 for funds collected during the current tax year when the tax year ends.

## Conclusion

We hope you have found *Empire Owner Manual* informative and useful. If so, please inform your management team. If you feel there is any other information Empire can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary Empire forms and use the others when needed in the future. Call Empire at any time when you need any forms.

Again, we want to thank you for your business and we look forward to a successful management relationship.



**Empire**

***Providing Frustration Free Property Management for Investor by Investors***