



24730 Avenue Tibbitts #180, Valencia, CA 91355 ♦ Phone - (661) 702-9631 ♦ Fax - (661) 702-9538 ♦ Email – John@rentwithclassic.com

"Always imitated... Never duplicated"

Helping Residential Property Owners Since 1993

This Presentation will answer the following questions:

- 1)What are people saying about Classic?
- 2)Who is *Rent with Classic*?
- 3)What are your fees?
- 4)How do you find a tenant?
- 5)How do you screen an applicant?
- 6)How do you settle on leasing terms?
- 7)What do you do after the tenant moves-in?
- 8)How are repairs handled?
- 9)What do you do if a tenant doesn't pay?
- 10)What are my responsibilities?

What are people saying about Classic?

“I cannot express to you how happy I am to work with Classic Property Management – they are the gold standard!”

~Amy, Property Owner

“We couldn't have been more pleased with Classic Property Management. They handled everything. My wife and I highly recommend Classic Property Management to all would-be renters and have enjoyed working very much with a bright, positive and friendly team.”

~Ron and Annelies, Property Owners, Overseas Investors

“Classic Property Management has been excellent. They are courteous, professional and prompt. They did an excellent job marketing my property and handling all repairs that needed attention in an expedient manner. I highly recommend Classic Property Management.”

~Mark, Property Owner, CEO, Large Restaurant Investment Corp.

“I just wanted to send a quick note to thank all of you for your help. We LOVE the place, and are so grateful for God's provision of our new house!”

~Tammie, Tenant

“I wanted to thank you for your kindness and effort in helping us rent. We are enjoying every minute here and thank God that he used you to bring us here!”

~Kim, Tenant

Our business philosophy is what allows us to nurture the kind of trust and appreciation evident in these statements. Part of our philosophy is that taking great care of the properties and the residents benefits the owners, our true clients. It creates a win-win.

Who is *Rent with Classic*?

Classic Property Management of Santa Clarita was founded in 1993. Since that time, we have become Classic Real Estate Management, Inc. dba *Rent with Classic* and have grown substantially to become Santa Clarita's utmost authority on residential property management. We have spent a considerable amount of time assembling our team from the best of the best. No matter what issues or complications may arise during the rental process, you can rest assured that you have the best management company available to guide you through it. Here is our team:

Andrew Powell - General Manager
Debbie McKean - Office Manager, accounting
Leslie Polanco - Office Assistant, resident relations
Cory Tkachuk – Maintenance Coordinator
Gus Gomez – Future resident relations
John Evarts – Future client relations, accounting

Although our company is a business, we strive to make our business relationships with our clients as personal as possible. To us, you aren't just a number or a bottom line. We truly want to help you succeed in your goals and we have the tools to make it happen! Hundreds of rental property owners have looked to us to solve their problems and to ensure that their investments are cared for properly.

Rent with Classic is a member of the *Better Business Bureau* and several associations including the *SCV Chamber of Commerce*, *National Association of Residential Property Managers (NARPM)*, and the *Apartment Owner's Association (AOA)*. What does this mean? It means that we receive ongoing, up-to-date training. You don't remain the best in the business if you don't stay on top of it!

Services and Fees

Classic offers the most convenient pricing structure of any company in Santa Clarita. While most companies will charge you a fee up-front, and probably non-refundable, we charge a fee *after a resident moves into the property*. Why are we able to do this? Well, we feel that if we do our job correctly, it won't be an issue. If we don't do our job correctly, how can we justify a non-refundable fee? It offers you the most flexibility, ease, and convenience in getting your property rented. It also assures you that we will work harder than the competition to get your property rented because we don't receive a penny until it does!

We know that if you are reading this packet you are interested in finding the property management company that will consistently put the most money in your bank account, year after year. We do just that by renting properties faster and for higher rent amounts than anyone else. That is the formula for making you the most money possible each and every time.

Leasing Service

This is where our company's rental muscles really begin to flex. How so? This is the first option that includes our heavyweight advertising campaign! You don't have to worry about sticking flyers on telephone poles or harassing your neighbors for tenant leads. We have a system in place that has been proven over time in good markets and bad. Now for some GREAT news: we also handle all of your showings. That means you don't have to run home on your lunch break to let someone see your home. We have a team of agents that can handle them for you.

Cost: An amount equal to half of one month's rent with the minimum being \$1000.00. This is withheld from the proceeds *after the resident moves in*.

Full-Service Management

The perfect choice for anyone who wants to leave everything to the professionals to minimize problems and avoid lawsuits, or anyone that simply wants to spend their time doing what they enjoy doing instead of chasing late rent and fixing toilets in the middle of the night! This is the choice for those of us that want the "all-inclusive" package. For those who want rent deposited into their account each month without dealing with the potential headaches of actually managing a rental and a renter.

Cost: \$495 leasing fee withheld from the proceeds *after the resident moves in*. 6-8% of the *collected* rent thereafter, depending on the rent amount.

How do you find a tenant?

As quickly as possible!

But seriously...we know that the key to a profitable and successful rental is found in minimizing vacancy. An empty home doesn't do anyone any good! One of the best ways to minimize vacancy is to make sure that LOTS of people know that you have a place available. Obviously, that means effective and attractive advertising of your home. Let's take a look at how we tackle this feat...

Major companies spend piles of money to make sure that their product is presented in the most appealing way. But, for the average rental owner, big piles of money aren't readily available for marketing. Here is some more great news: you don't need a big pile of money! Classic has already paid the money for you. We have invested a lot of time, energy, and resources into making sure that our homes stand out. Take a look at our state-of-the-art website, for example. It is very easy to navigate, gets information to people quickly, and looks fantastic! So has this effort paid off? Absolutely. We average over 15,000 visits to our site each month, and a large percentage of those 15,000 visits are *return* visitors! That means that there are hundreds of people who return faithfully to our site to see what new properties we have.

Anyone can run a free classified ad and probably be seen. But can anyone run custom ads with great graphics and beautiful photos? Not really. That is where we come in. Through our website's custom publishing software, we are able to make sure that your home shines on all our sites the way that it should. The best way to be picked out of a herd is to stand out in some way. We can make that happen!

Another indicator of our job performance is the vast number of referrals that we receive from local Realtors, current tenants, and owners. We make sure that we are the best at keeping clients and customers happy. That makes them want to tell others about our services and drives more traffic to us!

How do you screen an applicant?

Everyone is afraid that their tenant is going to trash the place, skip rent, and make the owner's life miserable. Why? Because the most widely spread stories are the ones that include something going terribly wrong! The first step toward finding a cure for these situations is prevention. Let's take a look at how we make sure that we are placing quality tenants that will take care of the home and pay on time.

Everyone benefits when we do a great job screening tenants.

Here is a snapshot of our screening process:

1) The screening begins the first time they call. Before we show your property to a prospective tenant, they have already been "pre-screened" so to speak. We try to get information about why they are looking for a rental, where are they moving from, what their needs are, credit scores, gross income, etc...

2) Once the tenant has found a property that they would like to rent, they submit an application. This is a custom application crafted by Classic which has specific questions designed to abide by all applicable state and federal laws (no one likes a lawsuit!), yet still allows us to obtain needed information to determine if the tenant is qualified.

3) After receiving the application, Classic goes through the following checklist:

- Pull credit report, including score.
- Verify income and assets.
- Contact current landlord.
- Contact previous landlord if possible.
- Run criminal history checks.
- Run Sex Offender Checks.
- Run FBI wanted checks.
- Run eviction history checks.

4) At this point, we will have a good picture of the tenant's qualifications. Based on the above information, Classic will determine whether or not the application is approved. The following criteria must be met in order for us to accept an application:

1. **Minimum Credit Score** – Applicants with combined gross income meeting the income requirements must all have a minimum credit score of 525. (No credit is considered a 0 score).
2. **Income** – Applicants must be able to prove income that meets our criteria for each property. Applicants must make between 2 ½ – 3 times the rent amount in gross income depending on the rent amount.
3. **History** - Applicants must all have at least 2 years rental history (which can include living with family or renting a room) with no more than one 3-day notice being served during the 2-year period and be reported by previous landlord(s) to have “taken good care of the property”.
4. Applicants must not have an outstanding balance with a previous landlord.
5. Applicants must not have a rental eviction on their record.
6. Classic must be able to verify the applicant’s income.
7. Maximum number of occupants is 2 for every bedroom.
8. Security deposits will be determined as follows:
 - If the highest credit score on the application is 525-580, the security deposit will be equal to 2 months rent.
 - If the highest credit score on the application is 581-649, the security deposit will be equal to 1 ½ months rent.
 - If the highest credit score on the application is 650 or higher, the security deposit will be equal to 1 months rent.
9. If pet(s) are approved, the rent will be increased by \$25 per-pet, per-month, or additional security deposit may be requested.

Although some of these terms may seem a bit worrisome to you, keep in mind that we have been using these guidelines for years. In fact, this set of criteria is what allows us to keep our almost unheard of success rate among our full-service homes!*

**Did you know that Classic maintains an impressive less than 1% eviction rate? How about our astonishing less than 2% default rate? With a better than 98% chance of having a smooth full-service experience, why not let us put your mind at ease?*

How do you settle on Leasing Terms?

Everybody wants a deal! When you are leasing out your home everything is negotiable. Most prospective tenants know this, and will want to negotiate for favorable terms. While there are those out there who take a price and a house without haggling anything, you should at least be aware of a few things that people may try to swing a deal on. Let's take a look!

Below is a list of common items that prospective tenants may try to negotiate:

- 1) Price
- 2) Length of Lease
- 4) Rent Increases
- 5) Pets
- 6) Painting
- 7) Utilities
- 8) Gardener
- 9) Pool Service
- 10) Appliances
- 11) Deposit Amount

Although this list is obviously not all inclusive, it can help to give you an idea of what types of things may come up in the negotiating process. We will try to establish the terms with you at the beginning; however, most properties will rent under slightly different terms than listed. In fact, bending a bit on the initial terms in order to make a deal can mean MORE money for you in the long run! That seems like an odd concept, but it has proven itself time and time again.

What do you do after the tenant moves in?

After years in this industry, I have come to realize that a lot of what our clients are paying us for is, in a word...security. They want to make sure that someone is there 24/7 to handle everything that could go wrong. They don't want to lose their anonymity by having a tenant know who they are, where they live, and how to get a hold of them. They know that people are much less likely to try to take advantage of a professional company than they are an individual owner. They want an expert to keep an eye on the day-to-day operations to make sure that their rental income flow is uninterrupted. They know that there is more to life than worrying about their rental home. We manage properties for owners that live all over the globe. They trust us to make sure that their investments are safe, and we work hard to honor that trust.

Here is an inside look at the life of a property manager. Although this list represents only a fraction of the things that we handle day-to-day, it may help to show you what you can expect should you decide to manage a home yourself.

- Collect rent
- Collect late rent
- Collect on bad checks
- Serve late notices
- Serve 3-day notices
- Serve noise notices
- Serve HOA violation notices
- Arrange for repairs
- Pay bills from rent proceeds
- Increase rent
- Renew leases
- Re-lease properties
- Perform move-in inspections
- Perform move-out inspections
- Assist in evictions

How are repairs handled?

This is one of the most important questions you can ask a potential property manager. This question plays a major role in the amount of your check each month!

Because this issue is one that affects all of our clients and can be the difference between a cash-flow property and a property that is a drain on your bank account, we want to make sure we are doing this correctly. This is where we spend more time in our day-to-day to management of properties than anywhere else.

At Classic, we do have a full-time maintenance person on staff. We charge \$45/hr. and materials for maintenance, cleaning, painting, etc... While we are not licensed contractors and cannot do any single project over \$500.00, our maintenance staff is high-quality, affordable, and FAST. Keeping the smaller repairs “in-house” allows us to do a couple of things that other companies may not be able to. First, we can respond quickly. This keeps residents in properties for longer. An unhappy resident will move when the lease is up and vacancy is the enemy in the rental property game. Second, it allows to hold the maintenance staff accountable. If we send our staff out and it doesn’t get fixed completely the first time, we can send him back out with haggling over more cost with a vendor.

However, we don’t have the staff to take care of all of the repairs. If a roof needs replaced or an A/C system needs replaced, we will have to outsource it. But be assured that we work with a fine team of vendors who value our business and work hard to keep it.

If you have your own team of vendors, or a preferred handyman that is no problem. Just let us know and we will “flag” your file to contact that person for any repairs. We want to customize our service to tailor fit your needs!

**In the event of an emergency repair (flooding, etc.) that is likely going to cost more than \$250.00, we will repair the problem whether we can get a hold of you or not. Our objective is to protect your investment. If a tenant says they came home and the place is under water, we are going to act fast!*

What do you do if the tenant doesn't pay?

(Cue ominous overtones)

Obviously this is one of the most frequently asked questions, and for good reason! In fact, the fear of this situation is one of the top reasons that our clients tend to choose our full-service management.

Our company considers rent payments to be late if we receive them after 5:00 on the third of each month. As a result, on the morning of the fourth a list is generated to see who has not yet brought in rent for the month. Our late rent collection agent will then contact the tenant to see when we can expect them to pay, what their reason was for being late, and generally get a feel for their intentions.

The result of that call will determine the appropriate course of action. For example, if they were to say, "I am so sorry! I completely forgot and I will be there in ten minutes!" then the situation should be resolved quickly. If on the other hand they say something like, "Yeah...I know I haven't paid...I don't plan to pay...and by the way, I'm not moving either!" (*obviously an extreme example*), then a different approach will be necessary.

Should a tenant refuse to pay, we start by serving them a 3-Day Notice to Perform or Quit. In this case that means literally that they have three days to perform by paying the rent, or they have three days to quit living there! Once that three days is up, if the tenant still refuses to leave the home, an eviction will become necessary. We always recommend the use of an eviction attorney because they know exactly what to do and when to do it. If you make one mistake during an eviction process, the judge can tell you to start all over from square one!*

Although our eviction rate is extremely low, several of our current clients let us know that the uncertain economy had them worried about non-paying tenants. As a result, Classic took their concerns to heart and launched Santa Clarita's first Eviction Protection Program! For mere pennies per day, you can choose to participate in the program. Should an eviction become necessary, Classic will foot the bill!** The success and popularity of that program even prompted some of our competitors to launch similar programs in an effort to mirror our ingenuity.

**More on evictions and other great information can be found on our company blog! Our blog is a great resource to anyone who has a rental home! Check it out here: www.SantaClaritaPropertyManagement.com*

***Certain terms apply.*

What are my (the owner's) responsibilities?

While most of the work load will be handled by Classic, there are a few areas in which we may need your input!

During the rental process, there are always going to be expenses that pop up. Homes get old and break down! Some items that can go out in a home are items that can affect the lease itself. For example, if there is a repair that needs to be done that causes the home to become “uninhabitable” (by California’s standards...not yours or mine), then that is something that we must take care of quickly! Otherwise we risk losing the tenant, and therefore, rental income. We simply ask that you help us in this area by being prompt when we let you know about necessary “big ticket” repairs. A few examples of these legally sticky repairs include:

- Plumbing
- Air Conditioners and Heater
- Water Heaters
- Faulty Roofing

The happier and safer we can keep your tenant, the less vacancy you will have, and the more money you will make!

Thank you!