

# HPM

## Owner Handbook Manual

Home Property Management  
&  
624Home.com

Revised  
July 2023

# HPM

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8259 N. Military Trail #1, Palm Beach Gardens, FL 33410 • email: info@624home.com

## WELCOME

### *We Manage Your Property Like it is Our Own*

Thank you for choosing Home Property Management (HPM) 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.

HPM works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the Home Property Management 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.

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

**Special note:** the information provided in the HPM Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change according to events that take place. HPM 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 Home Property Management as your Property Management Company. We look forward to a successful business relationship.

# HPM



## OWNER DOCUMENTS

A copy of your management agreement is included with the *HPM Owner Manual*. Refer to it as needed and keep it with this information for a handy reference.

It is important that HPM receive all critical information as we begin management. You may have completed the documents listed below. If not, they are available for you to download online on our website [www.HomePropertyManagement.com](http://www.HomePropertyManagement.com) should you need them. Please return the appropriate forms via fax to (561) 624-5019 or via email to [info@624Home.com](mailto:info@624Home.com)

### **Owner Information**

This information enables HPM to set up your account.

### **Electronic Banking Authorization – ACH form (Optional)**

This form enables HPM to send your funds directly to your bank. If you do not wish to start ACH at this time, you can use this form in the future.

### **Mortgage Authorization (Optional)**

This form enables HPM to make payments and obtain information when needed from your mortgage company.

### **Utility Authorization (Optional)**

This form enables HPM to make payments and obtain information from the utility company when needed.

### **Insurance Authorization (Optional)**

This form requests the insurance company issue a copy of your property insurance to HPM and that they name HPM as “additional insured” on your policy.

Please complete all forms and return to us. We will send them to the appropriate organizations.

As your management continues, information can change. Please be prepared to send us a fax, email or letter should any of the following occur:

### **Change of owner information**

Notify HPM of any important change when it happens – address, telephone, fax, email, etc.

### **Owner Work Request/Authorization**

This is for authorizing work requests from telephone conversations with your management team.

### **Owner Vacation Notice**

This is for notifying HPM when you will be unavailable for more than two weeks so that HPM is prepared in the event of an emergency.

## HOME PROPERTY MANAGEMENT

Home Property Management is a property management company operating in [Palm Beach County](#), specializing in full-service property management. The company has been operating since [1985](#), and is actively involved in the [Palm Beach](#) community. HPM employs the assistance of a large number of real estate brokerages for sales and leasing.

HPM is an abbreviation used in lieu of the full company name, Home Property Management II, Inc., and will be used throughout the *HPM Owner Manual*.

### HPM mission statement

The mission of HPM is to provide quality service in property management and real estate sales in the [Palm Beach](#) community, demonstrating integrity and professionalism.

### HPM principals

The owner/principal of HPM is [Todd Breen](#). He is the broker of HPM began the firm with his father in 1985, giving him over 35 years of experience in the Palm Beach County real estate industry. [Todd Breen](#) provides the guidance and direction of HPM. He works to educate the personnel to provide excellent service to our clients.

## HPM COMMUNICATION

Communication is a key to the success in any relationship and the HPM/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.

HPM personnel communicate by:

- Telephone
- Fax
- Email
- Written correspondence

### HPM website “[www.HomePropertyManagement.com](http://www.HomePropertyManagement.com)”

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

- Prospective tenants can search our site for available rentals and download our application, apply to rent online and take online video tours of your property.
- Owners, Tenants and Vendors can access important information, such as work orders, account ledgers and documents or send HPM an email from the site
- Owners can obtain forms or view your account online.
- Tenants can pay rent on-line with PayPal, credit cards, online checks or ACH.
- Owners can review their account status online

## General office information

| Home Property Management - General Information                   |  |  |
|--|--|--|
| <b>Address Information:</b>                                      |  |  |
| Street Address   | <a href="#">(1) 8259 N Military Trl #1, Palm Beach Gardens FL 33410</a>            |  |
|  | <a href="#">(2) 500 S Australian Ave #600, West Palm Beach FL 33401</a>            |  |
| <b>Communication</b>   |  |  |
| Toll Free #  | <a href="#">800 - 999 - 6608</a>   |  |
| Business #   | <a href="#">561 - 624 - 4663</a>   |  |
| FAX #  | <a href="#">561 - 624-5019</a>   |  |
| Email Address  | <a href="mailto:info@624home.com">info@624home.com</a>                             |  |
| Website  | <a href="http://www.HomePropertyManagement.com">www.HomePropertyManagement.com</a> |  |
| <b>Office Hours</b>  |  |  |
| <a href="#">(Leasing calls are answered 24/7, 361 days/year)</a> |  |  |
| Property Management  | Monday - Friday  | <a href="#">9:00 am - 5:00 pm by appt</a>  |
|  | Saturday   | <a href="#">9:00 am - 5:00 pm by appt</a>  |
|  | Sunday   | <a href="#">10:00 am - 4:00 pm by appt</a> |
|  | Holidays   | <a href="#">Closed</a>                     |
| <b>Emergencies</b>   | Call <a href="#">561-624-4663</a> choose emergency option                          |  |

## Newsletter/Blog

To keep you updated on the property management industry, we routinely distribute a digital newsletter / blog via our website. This information will enlighten you on many housing issues. Important changes or announcements concerning HPM are also included in this fashion, as well as in the comment section of monthly owner statements.



## TEAMS AND CONTACT INFORMATION

### HPM staff/personnel

We have a complete staff to assist you. What HPM has found effective for servicing tenants is “Teamwork.” Together Everyone Achieves More. There is a convenient chart of the teams and their contact information below.

- **Management/Agents:** HPM Agent Managers focus on showing your property, processing applications, renting, managing all the many facets of tenancy, and handling the details when the tenant moves. They can also perform full-service sales and leasing as licensed agents of our associated real estate office.
- **Office Team:** The office team supports all HPM 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 & Leasing Team:** HPM also has a sales team that can assist you with buying or selling real estate. 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               | Email                         |
|------------------|-----------------------|--------------------------|---------------------|-------------------------------|
| <b>Mgmt Team</b> | Property Manager      | <b>Tim Hammesfahr</b>    | <b>561-283-0178</b> | tim@rentserviceteam.com       |
|                  | Leasing & Sales Agent | <b>Kimberly Grove</b>    | <b>561-510-4600</b> | kimberly@rentserviceteam.com  |
|                  | Asst Property Manager | <b>Stephanie Pacimos</b> | <b>561-693-4974</b> | stephanie@rentserviceteam.com |
|                  | Asst Property Manager | <b>Dani Advincula</b>    | <b>561-849-4110</b> | dani@rentserviceteam.com      |
|                  |                       |                          |                     |                               |
| <b>Broker</b>    | HPM Broker            | <b>Todd Breen</b>        | <b>561-283-0179</b> | broker@624home.com            |
|                  | Broker Associate      | <b>Megan Breen</b>       | <b>561-537-5461</b> | megan@rentserviceteam.com     |

## 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. HPM 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.

### Email

HPM encourages all owners to use email to contact us. It is fast and effective. Please supply us with your email address on all the HPM forms. We will enter your email address in our database.

**Special note:** When using email, we request that you put the “property address” in the subject line. With the problems of spam, worms, viruses, trojans, and more in the Internet world, this helps us identify the importance of your message, and avoids oversights or deletions of messages.

### Owner vacation notice

HPM respectfully requests that owners notify HPM 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 HPM is prepared in the event of an emergency repair or major problem concerning the owner’s property and/or tenant.

## OWNER RESPONSIBILITIES

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

Owner responsibilities are:

- Notify HPM of any ownership change or eminent owner change for the managed property.
- Supply HPM with accurate information so HPM can service the management account properly.
- Review online or printed statements at least monthly and notify HPM of any discrepancies found as soon as possible, or within 60 days to ensure corrections/adjustments can be made.
- If using ACH, check statements monthly for accurate or missing deposits and notify HPM 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.
- Maintain all mortgages, liens and debts so as to not go into arrears, and immediately advise us in writing should any such debts fall into arrears.
- Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat HPM personnel with courtesy and notify HPM principals if there are problems with HPM personnel so they can be resolved quickly
- Visit the property periodically (by appointment only!) or watch the online video property inspections sent to you via email, and if an owner cannot perform this function, HPM requests the owner assign a third party to represent them in this capacity. Please note that all visits should be scheduled through your property management team!

# THE SCOPE OF PROPERTY MANAGEMENT

## What is included in HPM Property Management services

We want you to know what HPM does for you as your property management company. Therefore, HPM 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 HPM Property Management services

Because HPM provides owners with a very wide range of services, 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. In keeping with the Management Responsibilities of the Property Management Service Agreement which states “Manager may assess an hourly fee for special services not specified in this agreement”, the following are examples of services not specified in the Property Management Service Agreement:

*Owner understands and agrees that normal Property Management does not include providing on-site management services, property sales, refinancing, modernization, fire or major damage restoration or rehabilitation requiring a permit from a General Contractor\*, 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.*

*\* our vendors routinely pull permits as required by law, however HPM cannot legally pull a permit. Any work requiring a GC license is beyond the scope of our normal services.*

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 HPM 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® and others.

Additionally, we train all personnel by requiring them to read and follow the HPM Property Management Policy and Procedures Manual and HPM Employee Manual.

### Department of real estate requirements

The **Florida Real Estate Commission (FREC)** requires licensing for all persons conducting Real Estate Sales and Leasing in our state. HPM associates with an affiliated brokerage firm for personnel that are Brokers, Property Managers, and Real Estate Agents to have a **Florida** Real Estate license.

### Code of ethics

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

## Drug-free policy

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

## Legislation

HPM 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 HPM follows:

- Fair Housing (HUD) - HPM supports and follows Fair Housing laws and guidelines; the HPM office displays Fair Housing signage
- Equal Opportunity - HPM is an Equal Opportunity employer; the HPM 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
- EPA – Environment Protection Agency
- Any other local or state legislation that may apply to a specific city.

## Lead-based paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. HPM 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 HPM provides them with the required EPA Pamphlet, [Protect Your Family from Lead in the Home](#) as published by [The Environmental Protection Agency](#). HPM 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.

## Mold issues

HPM 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 HPM takes action if a tenant reports mold. HPM notifies owners as soon as practical of any mold issues so HPM and/or the property owner can take the proper steps. Owners are hereby advised to immediately repair all roof, plumbing, sewage, drainage, pool or other leaks that can cause mold, as delays can cause costly mold remediation!

## ANSWERS REGARDING FUNDS

When you entered into a management agreement, HPM established a ledger/account for you and your property. HPM recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by HPM is specialized software designed to handle the many facets of property management and accurate record keeping.

### Banking

HPM holds your account in a trust banking account. HPM accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies. HPM requires that all accounts maintain a positive balance, so HPM in turn requires each property owner to be responsible to fund all expenditures in advance of their becoming due. To better enable HPM to pay expenditures as they become due, owner's accounts have a required 'minimum balance' or maintenance reserve. Owners can replenish these funds via check, electronic transfer or credit card. When an owner is unable to fund an expenditure which HPM is required to pay, HPM will occasionally pay using company funds and assess a \$39 negative balance fee to the owner's account.

### Monthly statements

All daily bookkeeping transactions are available for you to view **online** on our website. While online, you can print a statement of your choice from our site, in a variety of formats. HPM sends printed monthly statements to owners upon request, usually by the 9<sup>th</sup> or 10<sup>th</sup> day of the month. If you have difficulty reading your monthly statement or logging into the program, please contact your management team. We are happy to assist you and answer your questions.

### Disbursement of monthly funds

HPM generally disburses available rental funds to owners **electronically** within 2 business days of receipt. If this day falls on the weekend, HPM issues funds on the next business day. (HPM does not disburse funds on weekends and holidays). HPM cannot issue owner checks unless there are sufficient funds in the owner's account. Unless otherwise agreed, 'available rental funds' are all monies over the maintenance reserve of \$500 and any additional recurring monthly expenses.

HPM distributes available owner funds in two ways:

- ACH **direct deposit** into an owner's bank account within 2 business days of receipt of rents.
  - An ACH authorization form is available online at [www.HomePropertyManagement.com](http://www.HomePropertyManagement.com)
- Company check mailed directly to the owner, accompanying their monthly statement on the 10<sup>th</sup>.
- Company check mailed to the owner's bank account on the 10<sup>th</sup>.

### End of year procedures

At the end of each year, HPM 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 HPM with the necessary Social Security/Tax ID information so the 1099 is accurate. HPM 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 with the Owner Change of Information form. If you need another change form, please contact us.

HPM 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 HPM 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. HPM does not issue statements to the owner’s tax preparers.

### **Billing Rights Summary**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us at the physical address or email address shown on your statement as soon as possible. We must hear from you no later than 60 days after we sent you the FIRST bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

\*Your name and managed property address. \*The dollar amount of the suspected error, and

\*Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

This is a summary of your rights under the Federal Fair Credit Billing Rights which governs all of our practices.

## **RENTING YOUR PROPERTY**

### **Preparing to rent the property**

When prospective tenants view your vacancy, HPM wants the property to look its best and compete with area rentals. Unless you opt out, an Annual Property Review (APR) report and rental market survey is generally completed and sent to you during the last few months of a lease. The HPM management team will contact you to discuss the details of your vacant property and any necessary maintenance.

### **Setting the rent**

Supply and demand determines rent. If there are multiple rentals available in the area of your property, it is necessary to be very competitive. If very few are “for rent” in the same area, it can make it easier to rent the property. Markets change and HPM advises owners on the “current rental market.”

### **How long will the property be vacant?**

This is the most commonly asked question HPM receives from owners. There is no way to predict how long a property will remain on the market, even in the best market conditions. However, HPM 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.”

HPM, 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

HPM has found that the Internet and the HPM website, [www.HomePropertyManagement.com](http://www.HomePropertyManagement.com) receives tremendous exposure, as well as using [Multiple Listing Service \(MLS\)](#). Additionally, we routinely market our listings on other popular websites.

### InterOffice Marketing

With affiliates that are members of the Regional MLS, HPM works closely with many leasing agents. When calling, prospective tenants quickly receive all the information, including when and how they can see a property. With the cooperation of so many agents, your property will receive maximum exposure!

### Signage

HPM displays "For Rent" signs prominently where permitted. Signs promote calls to our office, but they also direct people to our website where they can learn all about your property.

### Video Tours

HPM has pioneered a ground-breaking development in the real estate rental market by actually filming a 3-5 minute showing of your property, and making this video available in all of our advertising. Be sure to ask to have your property filmed! Current price for the marketing video is \$95.

### Showings and applications

The HPM leasing team and property managers will arrange showings of available properties. We arrange showing times for your property in advance through our 24/7 call center, as well as online showing scheduler, and appointments by contacting the HPM office directly. When prospective tenants see the property, the management team answers questions and directs applicants to apply to rent the property online at our website. We also conduct a Vacancy Review frequently to make sure your property shows well.

## PROCESSING TENANT APPLICATIONS

### Tenant screening

Thorough screening is crucial to successful Property Management. HPM 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.

The Broker of HPM has pioneered several risk management techniques, and teaches these techniques to other Property Managers. You can count on a closely supervised and consistent screening process with HPM!

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).



## Cosigners

HPM normally does not accept cosigners. HPM policy is that the applicants should have the ability to rent on their own merits. However, sometimes there are conditions that may warrant taking a cosigner on a property.

## Pets

Statistics show that more than half of all tenants have pets. By excluding pets from their property, an owner will substantially reduce the available number of tenants – which can prolong vacancy time! As such, HPM policy is to allow pets at all properties unless specific written instructions to the contrary are provided.

If a tenant has a pet, HPM does not use the term or request a “pet deposit.” By avoiding this terminology, HPM can use the amount of the entire security deposit when there is animal/pet damage.

Many tenants have or want pets. It is not always legal for property owners to discriminate against pets, namely service animals and emotional support pets. However, whether you have or have not decided to allow a pet in your property, the HPM application has a place for prospective tenants to list pets and how many. We also employ the services of [PetScreening.com](http://PetScreening.com) to process pet applications in compliance with current legislation. It is important NOT to discourage full disclosure on pets while taking an application.

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

1. First, this encourages prospective applicant to disclose any pets.
1. 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

HPM verifies that all funds have cleared prior to issuing possession to a tenant. HPM generally 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, applicants must pay in full, the first month’s rent, and a security deposit, in certified funds. It is normally HPM policy to require a higher security deposit than the monthly rent amount.

### Rental/lease agreements

Once HPM receives funds, a thorough rental/lease agreement with the applicant is completed. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter at their expense, of legal age for signing the rental/lease agreements.

### Lease Renewals/Rent Increases/Management Fee Increases

HPM will automatically pursue lease renewals unless the owner notifies us in writing not to do so.

Renewal fees are due for each written lease renewal or monthly tenancy beyond the initial lease term.

HPM management fees will increase by 5% of the rent increase. (for example, \$100/month rent increase results in \$5/month increase in management fees)



## Video Documentation

A vital part of the tenancy is a detailed video taken before each tenancy, documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the HPM team completes the video before the tenant takes possession of the property, and again when the tenant moves out of the property, providing sound documentation for the security deposit refund or claim. Current pricing for each video is \$45, billed to the owner's ledger.

## 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 "*HPM Tenant Handbook*." HPM wants both owners and tenants well informed

# WORKING WITH YOUR TENANTS

## Collecting rent

Rents are due on the **first** day of the month and late if not received in the HPM office by the **first** of the month.

HPM 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. To encourage timely payments HPM enables Tenants to pay their rent ONLINE on our website, and can use all major credit cards. HPM also can automatically draft rental funds from the Tenants bank account each month. Rents are almost always distributed to the owner within two banking days of receipt by HPM.

## Notice to pay or quit

If HPM does not receive rent by the due date, HPM prepares and delivers a 3 day eviction notice to pay or quit, as the law allows. HPM makes every effort to mail and post notices properly should legal action be required. If HPM determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, HPM contacts the property owner and works out a plan of action.

## Other notices

There are other notices that may be involved with tenants. HPM serves notices as situations warrant, such as a notice to clean up the landscape, HOA violations, 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, HPM contacts the owner with the information to discuss the situation.

## Tenant problems

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

Our company policy is to take a "what if" approach. HPM 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 HPM recognizes and works to prevent legal issues from arising.

## Tenant Holiday Gift Program

Studies have shown that tenants who feel valued and appreciated by the owners of their home tend to stay longer, take better care of the property, and are encouraged to make timely rent payments. Each Fall, HPM will notify you of the opportunity to participate in or opt out of our Holiday Gift Program where we send a gift to your tenant(s) on your behalf at your expense (usually \$50-70). You will have the opportunity to opt out in writing should you prefer not to participate in this program.

## Legal action – Landlord Protection Insurance

As we all know, evictions can happen to any landlord no matter how well a tenant is screened. Circumstances change in people's lives and they are not able to pay the rent. This is especially true when people lose their job, get a divorce or have a serious injury. When a tenant cannot afford to pay the rent they also find it difficult to move, requiring the landlord to go through the costly procedure of evicting the tenant.

The current economic slowdown has created a drastic increase in the number of evictions filed in Florida courts. To make matters worse, in 2008 the Florida legislature increased the court eviction filing fees by almost \$200! With this recent increase, our attorney is now charging almost \$700 to file an uncontested eviction.

**At HPM, we strongly recommend Owners purchase their own Landlord Protection Insurance policy which can cover unpaid rents, eviction court and legal costs as well as malicious damages by tenants. More information can be found at [www.SureVestor.com](http://www.SureVestor.com). Owner is advised that Todd Breen owns both HPM and is a co-founder of SureVestor.**

In the event any Renter procured by HPM under any lease shall default in the payment of rent or shall hold over in possession for longer than the lease term stated in any such lease, HPM shall have the right and sole discretion to institute legal proceedings for eviction, unlawful detainer or other civil action against such Renter, and all other persons occupying the property, in Owner's name, place and stead.

HPM's current policy for determining when to file an eviction is to file an eviction when a tenant is past due more than 50% of a month's rent and is at least 15 days late. If a tenant does not pay the final month's rent due per the terms of their lease, HPM will evaluate tenant's performance history and the dollar amount of their security deposit when deciding whether to file an eviction.

## MAINTENANCE

### Preventative maintenance

The best approach to maintenance is "preventative maintenance," and this is the HPM policy.

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

- Completing a detailed HPM Rental Agreement, which includes a thorough outline of what are tenant responsibilities regarding maintenance as well as owner obligations
- Generally completing a move in video or inspection documenting the condition of the property before the tenant takes possession

We want the tenant to know from the beginning of their tenancy that the HPM/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, caulking, grouting 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 HPM management teams contact owners regarding maintenance above the current **\$500** minimum that is listed in the HPM Management contract, unless the situation is an emergency. Our Customer Service Manager will frequently communicate repair information to an owner for items that are below the minimum cost as well!

Over the years as fuel costs and inflation rise, HPM reserves the right to adjust the maintenance minimum as needed to properly maintain an owner's property. HPM's maintenance minimum remained at \$300 from 1985 until 2006, when fuel costs and inflation required it be adjusted.

Once a property has been cleaned placed on the market for rent, experience has shown that it needs to be 'freshened up' every two weeks. HPM's **Vacancy Maintenance Program** includes sending a Service Tech to the property to perform light cleaning, pick up newspapers, change air fresheners, remove any light debris or weeds etc.... at a cost of \$25 per visit plus any materials used. This service is generally provided automatically to every vacant property, however a property owner may 'opt out' if they prefer to maintain a vacancy themselves.

## **Emergencies/Disaster**

When an emergency and/or disaster strikes, HPM has policies in place for the property and tenants. HPM notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by HPM. During a Government Declared State of Emergency of any type (Federal, State, Local), HPM reserves the right to collect the management fee irrespective of rents collected.

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.

In the event an emergency or disaster renders a home untenable, the Owner and/or the Owner's Dwelling Insurance provider remain liable for the monthly management fee and any/all other fees due to HPM until the premises is restored to tenable condition.

## **Hurricanes and Shutters**

After three hurricanes in two years (2004-2005), HPM staff is very adept at hurricane response! We have a complete hurricane response system that keeps you informed in the days immediately preceding and following a storm. To communicate with our property owners during a disaster, HPM will provide periodic updates on property conditions and status via our Automated Disaster Line (561-624-4663), and on a specific page of our website dedicated to disaster updates!

[www.HomePropertyManagement.com/disasterupdate](http://www.HomePropertyManagement.com/disasterupdate) Please use these automated communication resources for general questions, and call us directly for specific issues relating to repairs, insurance and the like.

Our backup systems include generators, multiple cellular phone providers to ensure optimal service coverage, fuel stockpiles and standby wireless internet service to enable us to communicate with owners, tenants and vendors when utilities are down.

Hurricanes watches and warnings frequently afford Floridians no more than 48 hours to secure their homes. **With a limited staff and hundreds of homes under management, HPM is unable to guarantee hurricane preparation assistance to any owner. While some tenants may be able to shutter a home, many may not. While some tenants may volunteer to do this work, Owners are advised NOT to rely upon tenants to install or remove shutters**

**OWNERS ARE ADVISED TO MAKE PROVISIONS TO SECURE/SHUTTER THEIR OWN PROPERTIES, POSSIBLY WITH A LOCAL FRIEND, NEIGHBOR OR RELATIVE.**

While HPM is unable to guarantee ANY owner that their property will be secured, our preparation routines generally include securing homes in order of the following priority:

1. Vacant homes with automated or accordion type shutters installed
2. One story homes with removable shutters
3. Two story homes with removable shutters
4. Occupied units with tenants who request assistance

Due to obvious time constraints, HPM will not always be able to honor last minute requests to direct vendors to purchase or install plywood at a property.

Neither HPM nor HPM's vendors assumes any liability for the performance of any shutters or plywood!

Shutters will be taken down when time permits, and generally only AFTER all emergency issues have been resolved at all of our managed properties.

Frequently several of HPM's vendors will assist in shuttering properties, including carpet cleaning vendors, painters and the like. For this reason, labor rates for shutter installation and removal often vary depending on which vendor performs the work. HPM cannot assure owners which vendors are available to do the work and therefore HPM cannot guarantee pricing for shuttering!

**The key to hurricane preparedness is addressing your shuttering concerns yourself, well in advance of any storm.** Accordion shutter tracks should be cleaned and lubricated frequently, and the owner is encouraged to attend to this, or request it be performed by HPM during the annual property review (APR).

Should any act of God such as a hurricane occur, HPM will continue managing the property while owner and insurance company return property to tenable condition, and all management fees and/or other fees remain due and payable to HPM while property is untenable.

## 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 HPM moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, video and *HPM Tenant Handbook*. These documents gave instructions to the tenant on how to move out.

### Communication with owners and tenants

HPM notifies the owner when a tenant gives notice to vacate. Owners can assume that HPM will automatically proceed with re-renting the property. HPM immediately places the property on the market to rent unless the owner notifies HPM in writing to take other measures. In the event Owner does not want to renew a tenancy, HPM must receive notice to non-renew in writing within 75 days of the renewal date to ensure sufficient time to advise tenant(s) of non-renewal.

HPM also responds to the tenant notice with information 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 video

HPM generally conducts a move out video similar to the one performed when the tenant moved into the property. HPM records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs and/or videos taken when the tenant move out are compared to move in media to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, HPM advises owners of any tenant damages or any maintenance required to re-rent the property. Digital videos are generally available to the owner to view ONLINE, often the same day the video is taken!

## 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 refund and/or claim is prepared in accordance with state laws. Owners receive a summary of the claim with their monthly statement, showing any deductions and monies refunded.

## Collections

Once a tenant vacates our leased premises, HPM's rent collection efforts will conclude with the preparation of a final statement of claim sent to the last known address of the tenant. HPM's contractual management service does not however include debt collection after a tenant vacates the leased premises. Within 30 days after a tenancy ends, Owners can request the collection account be sent to companies with expertise in debt collection, and HPM will supply consumer collection companies with the necessary documentation needed to collect. At HPM's sole discretion, HPM may attempt to collect the debt, and will earn half of any monies recovered for HPM's collection efforts and legal costs.

## ADDITIONAL SERVICES

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

### Vacant Home Management

We are professional asset managers in the business of managing tenants in occupied homes and preparing homes for rent, and then leasing them. If your property is vacant and being prepared to be put on the market for rent, no management fee will be charged to you until the property is rented.

However, if your property is vacant and off-market for 30 days or more under our management, a \$99/month management fee will be charged to owner's account until which time property is ready to be put back on the market. This monthly fee includes one visit to the property per month for any reason upon the written request of the homeowner.

### Referrals

Do you know someone who is looking for management services in the [Palm Beach County](#)? If so, then notify your management team. HPM values their client business and believes in rewarding referrals from clients. [HPM pays a \\$50 referral fee upon signing up a new property, so send other property owners to us!](#)

### Annual Property Review (APR)

HPM maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. An [HPM representative](#) performs this review, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance. Photos and/or videos of the property are made available for your review, as well as an inspection report. Cost for this service is currently \$145.

The APR is generally scheduled 60-90 days prior to every lease anniversary date, to afford HPM and the owner the opportunity to evaluate the condition of the property before a lease renewal is negotiated. **HPM notifies all owners in writing before scheduling an APR, and an owner may opt out of this inspection by providing HPM written notice not to proceed with an APR. HPM advises Owners to have an APR conducted every year, and Owners agree to all risks and costs associated from declining this valuable service.**

### Supervision of extraordinary maintenance

Although not always taken, HPM reserves the right to charge an hourly [fee](#) for supervising work requiring extraordinary maintenance. The definition of extraordinary maintenance is as follows:

*HPM defines extraordinary maintenance as rehabilitation work that exceeds \$5000.00 for insurance claims, and major systems replacements.*

*(Examples include major tree work, vandalism, insurance claims, etc.)*

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

### **Real Estate Services**

The HPM 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.

### **Business Tax Receipt, Code & Fire Inspection Coordination**

Many areas in Palm Beach and Martin County require that any property rented apply for a "Business Tax Receipt" which must be renewed annually. In most areas, a code inspection and fire inspection must be completed before the BTR can be issued.

Home Property Management will apply for the license and coordinate the city inspections at the following cost:

Concierge Property Management Plan: (included)

Deluxe Property Management Plan: \$59.00

Property Management Plan: \$99.00

### **Sales**

In addition to leasing and managing properties, HPM is a full-service sales brokerage that can assist with selling or purchasing your property. Selling an occupied rental property with a tenant in place is typically preferred vs the homeowner incurring the cost of vacancy and repairs to sell a vacant property, however it requires significantly more work on the part of the Property Managers to negotiate showings, answer and overcome tenant objections while holding a tenant to a lease term when they know the property will soon be sold! This is work we are happy to perform for our clients who list their home for sale with our brokerage.

In the event a homeowner client wishes to sell an occupied property without using our brokerage service, HPM may at its sole discretion terminate management services AND collect any early termination/cancellation fee as stated in the property management agreement. When the time comes, we sincerely hope all of our clients will choose to list their properties for sale with us at HPM, so we can gladly perform all the extra work required to bring about a smooth closing with minimal interruption in cash flow.

### **Scope of Liability for Videos**

HPM may use video to market or document the condition of a property. Although all precautions are taken to properly take and store these videos, HPM cannot guarantee the quality of the digital media, nor can HPM assure that digital media will remain undamaged/stored. Owner agrees the scope of HPM liability for videos is limited to the fee charged by HPM to produce the video.

## **CANCELLATION OF MANAGEMENT**

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

Please review the following policies for cancellation.



## Written notice

- Owners are advised that lease renewals are frequently negotiated with tenants during the 10<sup>th</sup> month of a lease, and cancellations of the management contract may be subject to any lease renewal! For this reason, Owners are advised to give written notice of cancellation at least 90 days prior to lease renewal!
- The HPM policy is to give cancellation of management by certified US Mail.
- If an owner sends a cancellation of management by certified US mail, HPM must receive the notice within three business days of the date of the notice.
- HPM does not accept cancellation of management by email due to lack of signatures.
- HPM does accept fax cancellations.

## Notice to current tenants

- HPM will notify current tenants the date HPM will no longer manage the property and that HPM 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

- HPM 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 HPM office.

## Final distribution of funds

- HPM will distribute funds, including security deposits, and final statements to the owner within forty-five days of the terminating date of management, as agreed in the management contract.
- Owner will be required to sign a General Release Form and return it to HPM before final distribution of funds can be made to Owner.
- HPM will issue a 1099 for funds collected during the current tax year when the tax year ends.
- For the purpose of determining Owner default of the management agreement, filing of foreclosure for non-payment of any association dues, lien or mortgage payment, and/or inclusion of leased premises in any bankruptcy proceedings filed by owner shall constitute an owner default.
- Because said default imposes considerable additional risk, work and responsibility upon HPM, the monthly management fee will be assessed at triple the normal rate for as long as the management agreement remains in force, whether rents are collected or not, for as long as the foreclosure or bankruptcy proceedings ensue.
- Non Disparagement / Representations – Owner and Manager mutually agree, that as additional consideration, specifically the mutuality of this clause, each is prohibited from making disparaging remarks/statements or publications regarding the other to any third party, internet, web-based, cloud based, or "review" type publication site, effective the date of this agreement.

This provision relates to remarks/statements/publications/opinions/evaluations or any other thought process reduced to writing regarding: (1) this agreement; (2) any parties' performance under this agreement; (3) the lease agreement to which this provision is an addendum to; (4) any duty or obligation or action of or by the property manager that relates to or touches upon the management of this property. If any dispute arises regarding whether any remark, statement, or publication is disparaging, the parties agree that for purposes of this provision, expressly including the enforcement of this provision detailed below, that any remark, statement, or publication shall be irrefutably deemed disparaging if: (1) the other party requests, in writing, that the writing/publishing party remove the remark and/or publication; and (2) the remark and/or publication is not removed within 72 hours of said requests. Owner and Manager mutually agree that damages for failure to comply with this provision shall be liquidated at three hundred dollars per day for each remark/statement/representation that is disparaging or is not removed within 72 hours of request to remove said remark/ statement/ representation.

Owner and Manager further agree that enforcement of this provision is appropriate through a temporary restraining order and/or injunctions and permanent injunctions, notwithstanding any rights under the First Amendment to the United States and/or Florida Constitutions or other codified statute, regulation, or code and that any party who prevails on enforcement of this provision, whether for monetary damages or injunctive relief is entitled to recover attorney fees against the other. The parties to this agreement agree that this provision shall survive the termination, expiration or cancellation of the lease and this agreement is enforceable at any time should any party publish a remark/statement/publication or other writing which is subject to this provision.

## CONCLUSION

We hope you have found the *HPM Owner Manual* informative and useful. If so, please inform your management team. If you feel there is any other information HPM can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary HPM forms and use the others when needed in the future. Call HPM at any time or go to our website at [www.HomePropertyManagement.com](http://www.HomePropertyManagement.com) when you need any forms.

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



# HPM

**Home Property Management**  
*We Treat Your Home Like it is Our Own*