

FREQUENTLY ASKED QUESTIONS

1) What is Turn-Key Properties, LLC?

Turn-Key Properties, LLC is a full service Real Estate Brokerage that lists, sells and leases properties.

2) Why should I choose Turn-Key for my Real Estate needs?

Experience, education and credentials! Turn-Key has been in business for 21+ years of experience in Real Estate sales, management and marketing. Credentials include Broker's License, Accredited Residential Manager, Crime Free Multi Housing Certification, Crime Free Multi Housing Drug Recognition and others. Affiliations include National Association of Residential Property Managers (NARPM), Institute of Real Estate Management (IREM), Better Business Bureau, Raytown Chamber of Commerce, Citizens Police Academy and others.

3) Why do I care if my Property Manager is a Broker or not?

Because it's the Law in Missouri! In the state of Missouri, it is a legal requirement to be a Real Estate Broker to manage rental property. Contracting with a Broker protects you and your financial interests. One of the roles of the Missouri Real Estate Commission is to set rules and regulations that Brokers must follow to protect YOU, the Client.

4) Does Turn-Key own rentals, too?

NO! Why? Because we believe it is a conflict of interest, unethical and puts us in direct competition with you! Think about it...if we have two vacant properties...one owned by you and one owned by your Broker...which property do you think they would try to rent first? The one that will earn 10% of the rent on or the one that will earn 100% of the rent on? Attorneys have very well defined ethical regulations regarding representing clients and so do Real Estate Brokers. We believe owning rental properties and representing other owners is a violation of ethics.

5) Do you carefully screen potential tenants?

YES! You are much better off with a vacant property than a bad tenant! A bad tenant that destroys the property, does not pay rent and has to be evicted and then requires spending money to re-hab the property before it can be re-rented, costs you MUCH more than what it costs you to leave the unit vacant! With that in mind, we do a very thorough screening of each tenant. We make every effort to see that they are telling us the truth and they are good tenants. If you would like a complete list of our checks and process, just ask! We will be happy to provide it to you.

6) What is your main form of communication?

E-mail! As a Turn-Key client, you will need to check your e-mail every day. If there is a maintenance issue or update; unless it is an extreme emergency; it will come via e-mail. It gives you the convenience of not being interrupted in the middle of your business, it gives you the opportunity to read the information and have time to discuss the issue or consider options and it provides a written record for both of our files. It is extremely difficult to remember all that

was said in a phone conversation two weeks later, let alone, two months later. We require written verification from you regarding maintenance questions and work requests.

7) Why am I liable for Turn-Key's actions in regard to my property?

Because it's the way our legal system works. As the owner, you are ULTIMATELY responsible for everything that happens in regard to that property. You are responsible for who you hire, who you contract with and for everyone that comes in contact with that property. That doesn't mean that Turn-Key would not be included in a possible lawsuit, but you, as the owner are ultimately responsible for legal costs. This is one of the biggest reasons you need to contract with a professional Real Estate company who has extensive experience and education and acts in an ethical manner. Experience, education and ethics are your best protection against liabilities.

8) What do you do to avoid liabilities?

We are constantly "thinking" *liability!* We are very pro-active to **prevent** liabilities. We have systems in place that minimize risks. We use written checklists for each of these systems, including processing rental applications, lease signings, abandonment's, Security Deposit Reconciliations, evictions and other common procedures with sales and management. Being pro-active is the best way to avoid liability.

9) Why don't you want me doing my own advertising?

Advertising laws and Discrimination laws are very complex. We attend classes and spend a great deal of time becoming knowledgeable about what can and can't be said in an ad. You hire a professional for their expertise; let us use our knowledge to assist you.

10) Advertising, discrimination, what are the different laws you keep up with?

Fair Housing Regulations, both Federal and local
Discrimination regulations involved with advertising and rentals
Privacy laws
Missouri Real Estate Commission Rules and Regulations
Missouri Landlord-Tenant Laws
Kansas Real Estate Commission Rules and Regulations
Kansas Landlord-Tenant Laws
Federal Lead Based Paint regulations
Mold regulations
Fair Debt Collections Practices Act
Megan's Law
Sex Offender disclosure requirements
National, state and local code regulations

11) How much will my property rent for?

Market rent is determined by much more than just the property, itself. You could have a beautiful property with every amenity known to man, but if it is located in certain areas, it will not rent for more than a property in awful condition. Why?

Two main reasons...#1 – There must be a tenant who wants to live in that neighborhood...
#2 – That tenant must have enough income to pay the amount of rent you want.

Most homes would rent for a different price if located in a different neighborhood. We know from experience that if the rent is more than 35% of the tenant's gross income, the tenant will probably not be able to pay the rent. That limits the available tenants to the ones that can

afford the rent you are asking for. If you would like more information on this subject, you might like to read our article ***“BUT, MY HOUSE IS REALLY NICE. WHY DO YOU SAY THE RENT IS TOO HIGH?”***

12) How fast will my property rent?

That depends on several factors including....location – price – property condition and who is out there looking to rent. If there is no available renter, we cannot manufacture a tenant. A modest, but nice and clean property that is properly priced will rent much quicker than one that is in fantastic condition, but overpriced or one located in an area that is unpopular due to the crime rate, appearance of the neighborhood or other negative factors. Our extensive experience in the current market applied to a search of comparables proves true in almost every instance. If you want to rent your property in a timely manner, it must be priced properly. We would much rather collect \$1200. per month in rent than \$700. We must do the same amount of work to collect a management fee of \$70. as we do \$120., but if the property is not rented, 10% of \$0. is still \$0. Collecting \$0. in rent, means you are paying 100% of the mortgage and expenses with no income.

Please keep in mind, we do everything *within reason*, to rent your property, but we are not miracle workers. Unfortunately, our magic wand is broken and our crystal ball shattered! The fact is...unless there is a tenant that wants to rent your property, for the amount of rent requested and can afford the rent, there isn't much we can do. We cannot go out and drag someone off the street and force them to pay rent and live in your unit. We don't like it anymore than you do, because we are both losing money, while the property is vacant.

13) What do my 10% Management Fees cover?

Management Fees are generally charges for the administrative work involved with managing a property, **once a tenant has been placed**. Since the Management Fee is a percentage of the rent, the work this percentage covers, **begins** when there is a percent to collect or when the rent starts coming in.

Until that point in the process, there are two other tasks that are being accomplished and they are the operating tasks of the property and the marketing for a tenant. Both of these tasks are paid for with other fees. The operation of the property is a separate charge and billed as such. The search for a tenant is done in anticipation of earning the Leasing Fee.

The Management Fee pays for having office personnel on staff to take phone calls 24/7 from your tenants with questions, maintenance issues, etc., contacting you with maintenance issues for directions, labor to process rent payments, an escrow account to deposit them into, a Bookkeeper to process the accounting, administration of the Security Deposits, labor, paper, envelopes, computers, printers and ink to send out Rent Account Statements, keeping track of late rents, sending out late statements, making phone calls regarding unpaid rents, handling tenant disputes, monitoring the entire tenant situation and addressing changes and problems (Did they move in with one 10lb. poodle and now have a 40 lb Pit Bull? Did a single woman with two children sign the lease and now there is an adult male living in the unit, too?), keeping in contact with the tenant regarding lease renewal, Security Deposit Reconciliation, preparation of an Invoice if there are damages, attempts to collect unpaid rents and damages, e-mails, updates and information conveyed to you, a monthly financial Report of every penny collected and where it has gone, a detailed Invoice of any operating costs or maintenance, your proceeds deposited directly into your bank account (if you prefer), a Year End Report and all of the costs involved in having an office, phones, Internet, Liability Insurance, Errors and Omissions Insurance, Work Comp Insurance, classes to keep up to date on all real estate

issues including Landlord Tenant Law, Lead Based Paint regulations, Mold issues, tax issues and many more.

Please keep in mind that until rents start coming in, 0% of \$0. is \$0. Visits to the property to check on security, utilities, etc. are not covered with Management Fees. These are operating costs and are a separate charge. Turn-Key cannot operate for free or we could not stay in business.

17) Why do I pay a Set-Up Fee?

Because the process is time consuming and costly! One huge benefit you receive for the Set-Up Fee is the multi-page Property Report and Market Analysis we prepare for you. Our analysis and Property Report are worth the cost of the Set-up Fee by itself. There is a great deal of time involved in obtaining all the information we need from you, setting up your account in the computer, going to the property to put a sign in the yard, the cost of the sign (which we rarely get back), take pictures of the unit, complete a Unit Description for phone inquiries, complete a market analysis for the property using market comparables and other market research for fast and efficient placement of a tenant, downloading the pictures into the computer for office use and advertising, replacing the deadbolt on the door with one of Turn-Key's master locks, sending the required legal notification to existing tenants of the change in management and other tasks. If property management is done properly, it is a labor intensive job. It's quite simple actually, we can't stay in business, unless we take in enough money to cover payroll.

14) What if I want your opinion on my property before I sign a Management Agreement?

If you would like an evaluation prior to signing a Management Agreement, we offer a Property Evaluation for \$150. For this fee, we will go to your property, evaluate your property in comparison with other similar properties, give an opinion on a sale or rental price, provide a list of suggested repairs or improvements, take pictures of our suggestions, or needed improvements, provide you with the pictures on a CD, give an evaluation of a current tenant; if any, and provide you with a written report of our findings.

15) In a "nut shell", why should I choose Turn-Key for my Real Estate needs?

Experience.....over 21 years experience,
Education.....the knowledge of the industry needed to do the job efficiently and correctly,
Integrity and ethics.....you can depend on Turn-Key when it really counts,
Honest and upfront.....we make every effort to give you all info in the beginning, we don't want you to have any unpleasant surprises along the way!

Anyone can give you a "pie in the sky" good looking picture, but we give you the facts you need to make good financial decisions!

Is your investment worth any less?