



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

[pm@equitybcs.com](mailto:pm@equitybcs.com)

## Frequently Asked Questions

Answers to common property management and real estate questions

### **Frequently Asked Questions ...What Property Managers Need to Know About Assistance Animals**

Anyone who has a physical or mental impairment that substantially limits one or more major life activities, has a record of impairment, or is regarded as having impairment is considered disabled and is part of a protected class under the federal Fair Housing Act. **The Texas Fair Housing Act** mirrors the **Federal Fair Housing Act** and provides for fair housing practices in the state.

The state and federal fair housing acts require housing providers to make reasonable accommodations to the rules, policies, practices, or services when such accommodations may be necessary to afford persons with disabilities an equal opportunity to use and enjoy a dwelling.

Reliable documentation for a person's disability or disability-related need for a reasonable accommodation can come from any reliable third party with knowledge of the disability and need for the disability-related accommodation. Documentation is reviewed on a case-by-case basis. Reliable documentation could be from a peer support group, a caseworker, a doctor, or a therapist. Conversely, a letter purchased online (like one from a telemedicine call) is generally not considered reliable documentation.

When feasible, housing providers like landlords and property managers are required to **provide reasonable accommodation when a tenant requests a reasonable accommodation because of his or her disability**. However, there has to be a connection between the requested accommodation and the disability. Just because someone has a disability and makes a request doesn't mean it has to be granted. Here's what you should know to avoid problems with state and federal laws.

#### **What is a reasonable-accommodation request?**

A reasonable-accommodation request is any communication that asks that you make an exception to the rules, policies, practices, or services necessary to afford a person with a disability an equal opportunity to use and enjoy the dwelling, such as allowing an assistance animal.

- Requests can be verbal or written. Written requests do not have to be made with a certain form. Don't require the tenant or applicant to put the request in writing.

- There are no specific words that must be included in a request. Requesters aren't required by law to mention the federal or state acts or use the words reasonable accommodation.
- A reasonable-accommodation request can be made by the person with the disability, by a family member of that person, or someone else requesting it on a person's behalf.

## **Is there a difference between an assistance animal, service animal, or an emotional support animal?**

Assistance animal is a blanket term that covers service animals and emotional support animals. When someone requests that you allow an assistance animal under the Fair Housing Act, it can be either a service animal or an emotional support animal. Under the law, assistance animals do not have to have a certificate or specific training.

*Service animals* are performing a service, such as a seeing-eye dog or an animal that can detect the onset of an epileptic seizure.

*Emotional support animals* provide support for someone with a mental disability.

## **What type of animal can be an assistance animal?**

Any animal can be an assistance animal. This also means breed and weight restrictions don't apply to assistance animals, whether those restrictions come from a property owner, an HOA, or an insurance company.

Insurance companies may specify a homeowner or renter cannot have a specific breed in the property. But if a person has a disability and a disability-related need for the assistance animal, it is a violation of the Fair Housing Act for an insurance company to enforce any of those breed or size restrictions on an assistance animal. The Department of Justice handles complaints for these types of situations.

While it's possible a landlord may be able to deny a request because of an insurance company's policy restrictions, the landlord may want to find out whether comparable insurance is available without a restriction before denying a reasonable-accommodation request.

Provide the information from the insurance company to the requester and explain the policy. Document that you have done so and what each party said. Although you may still be named in a complaint, this action and documentation may help you and the homeowner avoid trouble and put the focus on the insurance company's practices.

## **Fees associated with assistance animals**

A housing provider **may not require an applicant to pay a fee, rent, or a security deposit** for an assistance animal. But can you charge the tenant or deduct from the security deposit if the assistance animal causes damage to the property?

If the housing provider's practice is to assess tenants for damages they cause, then, yes, the applicant can be charged for the damage.

## Does the Americans with Disabilities Act apply to assistance animals and property rentals?

There is a difference between the ADA and federal fair housing laws. Emotional support animals are covered under the Fair Housing Act.

While there is no such thing as an emotional support animal under the American with Disabilities Act, the ADA covers service animals (only dogs and miniature horses) in areas of public accommodation. Areas of public accommodation are considered places where business is conducted. That includes your office, a leasing office, a restaurant, a recreation facility, and so forth.

The Fair Housing Act is what applies to private property—since it covers the sale or rental of housing and accommodations—and accommodations that you make may make, such as allowing for an emotional support animal.

## **Frequently Asked Questions ... Security Deposit Reconciliation (SDR) ...**

Even the most meticulous property management company / property owner may be sued by a tenant over the return of a security deposit. **Fortunately**, you can take some basic steps to minimize the possibility that you'll spend hours in court haggling over back rent, cleaning costs, and damage to your rental property.

### **Know Texas's Rules for Returning Deposits**

The most important thing we can do is to follow state law scrupulously when we return security deposits. Make must make sure that we meet the Texas deadline of **30 days** for itemizing and returning the tenant's deposit. **The itemization should** be in writing and state how the deposit has been applied toward back rent and costs of cleaning and damage repair, together with whatever is left of the deposit.

### **Prepare a Move-Out Letter**

To reduce the possibility of disputes over security deposits, have a [move-out vacate notice signed](#)... the signed move-out notice explains:

- tell the tenant how you expect the unit to be left (be specific about cleaning things like floors, appliances, and window coverings)
- explains your final inspection procedures
- list the kind of deductions you may legally make (unpaid rent and necessary cleaning and repairs, outside of "[ordinary wear and tear](#)").
- remind the tenant to return keys and provide a forwarding address, and we explain how we will send any refund that is due.

### **Inspect the Rental Unit**

After the tenant leaves, we inspect the rental unit to assess what cleaning and damage repair is necessary.

## Defining Normal Wear

Property Owners and tenants tend to disagree on what is “**normal**” deterioration resulting from basic human occupancy, and what’s unreasonable damage. As a property owner, chances are you took a security deposit before signing on your tenants. This deposit is intended to be used to fix any unreasonable damage your tenants caused. Legally, it **may not be used for anything defined as normal wear**.

Defining normal wear and tear can be **tricky**, particularly since its definition results in financial loss either to you or your tenants. **In general, normal wear and tear** is any deterioration to your

property and its fixtures resulting from normal use. Time and usage lead to a physical decline in a property, no matter how careful a tenant is. This normal lessening of the value of your property is part of having tenants, **and you may not take from their security deposit to fix it**.

## Damage

Damage is almost as difficult to define as normal wear and tear. In most cases, damage is harm or loss of value to your property caused by abuse or misuse. **Gross neglect** may also cause damage. The key is deterioration of the property’s value or usefulness.

Normal wear and tear can also result in this deterioration, so damage and wear and tear are typically assessed on a case-by-case basis.

## Examples

The best way to understand the difference between **normal wear and tear and damage** is to look at some examples. For instance, worn down carpeting or flooring is normal wear and tear. Stained carpet or flooring is damage. Faded paint is similarly normal. Unauthorized drawings or painting on the walls is damage. Before a tenant draws on or paints the walls, he or she must receive permission from you as the landlord. **Otherwise**, this is intentional damage and the funds for fixing it may be deducted from the security deposit.

Anything happening to the property due to aging **is not** the tenant’s responsibility. For example, cracks may appear in the walls as a result of settling. On the other hand, large holes or dents in the walls caused intentionally, by accident, or through carelessness are damage. Small holes, such as for hanging pictures, are not damage, and can’t be deducted from the security deposit.

## Prepare an Itemized Statement of Deductions

Once the tenant has completely moved out and we have inspected the premises, we prepare an **itemized list of deductions** for cleaning, repairs, back rent, or other financial obligations required under your lease or rental agreement. We list the item and the dollar amount of the deduction. We usually provide a reasonable cost estimate based on past estimates.

## If a Tenant Sues You for the Deposit

No matter how carefully we have followed Texas [security deposit laws](#), and properly account to tenants for their deposits, they may still sue when they disagree with deductions, or claims that we failed to return the deposit when and how required.

## **Frequently Asked Questions ...The Equity Real Estate T.E.A.M ...**

**Showing up 100% of the time.** As many of you know, we are in **our busiest** time of the year. **Every day now, we are signing renewals or new leases on properties we manage. I PROMISE ...** We are on the **JOB** for you. Showing up is what we do every day. We (the team) work **Hard Work** every day to take care of the properties we manage. This does not offer a guarantee of success ... But without it, there is a **GUARANTEE ... The Guarantee of Failure!** It's hard when you try to do **EVERYTHING** right for the client ... but sometimes things turn out **WRONG**. Our philosophy is, let's go **work hard**, and fight back and be **persistent and unstoppable** to make it right again. I CAN PROMISE ... you that we as a team we will always keep pushing forward, being persistent and diligent as well as trying our best at all times to do the right thing for our clients while keeping the client's best interest mindful. **For us as a team** it's the pride in knowing we gave every ounce we could to do our best. **That's what it's all about.**

We will keep showing up, giving **100%** no matter what ... We will continue to make the **best** effort to lease your property, hold down the cost, and always be conscious of the bottom line. **Your success is our success.**

**"Success is the progressive realization of a worthwhile goal or objective."**

## **Frequently Asked Questions ... Renewals, New Leases ...**

For those of you who have residents renewing their leases, you will see the **renewal fee of \$150.00** on the expense register of your monthly statement.

### **Lease Renewal To Existing Tenant**

If you have a tenant in the property currently and they want to renew the lease, this will require some work. This is a very time-consuming task of mailing out four letters asking for the renewal. Emailing all residents, the same letter asking for a renewal as well as the time spent talking and sitting with them to go over the renewal contract and getting the signature. We believe the rate charge is fair and equitable for the cost of mailing out and the time spent to get the renewal started and finished. In most cases the renewal fee charge is significantly less than having a turnover and paying a leasing agent for leasing the property. **The fee is for renewing the lease for an existing tenant.** The fee covers the time it takes to make any adjustments to the lease—including performing a **Comparative Market Analysis** to recommend rent changes (if any)—and obtain the tenant's signature.

### **New Lease**

For many of you, there are new lease contracts on your properties. **Put simply**, what this means is that there may be several charges to your expense account, as we prepare for a **future make ready** on the property for the new residents (i.e., painting, cleaning, maintenance, security deposit reconciliations, etc.).

### **Agent Referrals**

How do you handle leasing commissions? Equity Real Estate & Company has always encouraged **good working relationships with our REALTOR® colleagues**, and offer referral fees based on

the rent rate and term of Lease. Every effort is made to make the property available for showing by agents. Referral fees are factored on a sliding scale and are paid on the first of the month following Tenant's move-in.

## **Frequently Asked Questions ...Owner End of Month Reports**

### **End of Month Report**

**Please email us right away with any questions you may have about your end of month report.**

### **When do I receive my equity distribution?**

Owner distributions are made on the last business day of each month. **Net proceeds, less reserve**, are either deposited into our client's accounts within 48 business hours or included with the Monthly statements that are mailed no later than the 2nd business day the following month. All paid invoices will be provided with report. **Invoices are available upon request via email.**

### **The expenses exceeded my bank balance, what happens?**

In the unlikely event that the expenses exceed your monthly income, we will contact you for payment of the expenses. Payment must be made within 7 days to avoid penalties and interest. We are prevented by law from expending money from our Trust Account if your portion of the account does not have sufficient funds.

### **When do I receive my equity distribution?**

Owner distributions are made on the last business day of each month. **Net proceeds, less reserve**, are either deposited into our client's accounts within 48 business hours or included with the Monthly statements that are mailed no later than the 2nd business day the following month. All paid invoices will be provided with report. **Invoices are available upon request via email.**

### **What happens to the security deposit from my resident?**

We account for the security deposit from your tenant as indicated on your owner's statement. When the tenant moves out, we process the security deposit and deduct all costs that are considered **"beyond normal wear and tear"** of the property from the security deposit. Tenants are informed of these potential costs prior to moving in as well as in their move out packet upon notification of move out. The tenant is issued their security deposit refund and any damages deducted from their deposit are reflected on your end of the month statement.

## **Frequently Asked Questions ...Resident moves out and Make-Ready Process**

### **What does Equity Real Estate Property Management do after a resident moves out and before a new resident moves in?**

- A move **out-inspection** is performed in which we document, both in pictures (when necessary) and writing, the condition of the property.
- **See the 6-step move-out process below.**



- As required by law, all smoke and carbon monoxide detectors must be tested, and the batteries replaced regardless of how new they are. We abide by the **Texas Property Code** for the proper number and location of smoke detectors.
- Furnace filters will be changed, as needed. Not only does this help **protect your investment** but sets the benchmark for new residents. Per the terms of our lease agreement, residents are required to replace them throughout and at the end of their tenancy.
- The property will be **re-keyed** to ensure the safety and security of both the property and new resident.

### **Make Ready Expenses**

As the invoices come due for these make-ready expenses, your disbursement check may not be in the amount that you're accustomed to. **Also, as many of you know, I usually hold back monies from cash flow in your account in anticipation of these charges.** Once all of the make-ready charges are paid, you will see a return of normalcy to your disbursement check, as most invoices for make-readies have been paid out.

### **What happens to the security deposit from my resident?**

We account for the security deposit from your tenant as indicated on your owner's statement. When the tenant moves out, we process the security deposit and deduct all costs from the security deposit that are considered **"over and beyond normal wear and tear"**. Tenants are informed of these potential costs prior to moving in as well as in their move out packet upon notification of move out. The tenant is issued their security deposit refund and any damages deducted from their deposit are reflected on your end of the month statement.

## **Frequently Asked Questions ... Move out process;**

### **Move out process.**

**What is done after a resident moves out?** ... For those of you who have had or will have a resident move out, this letter is a friendly reminder of how our move-out / move-in process works. When a resident moves out, we have a six-step process we go through to prepare the unit for a new resident:

We perform a move out inspection of the property. **During the inspection**, we identify items that should be charged to the former resident.

1. We walk the property and assess condition/damages/need for repair.
2. We schedule and complete general maintenance.
3. Depending on the wear, we have the carpet steam cleaned or replaced.
4. Depending on condition, we have a touch-up or full paint done.
5. We have a professional cleaning company clean the unit.
6. Security deposit must be returned to the resident with-in thirty days.

- Please refer to your monthly financial statements.

- **If all bills for the move-out are not covered in the current month's report, the balance will carry over and be paid in the following month.**
- Please remember that the ending balance that is shown on your monthly statement will reflect the security deposit(s) and the reserve amount being held in your property account.

## **Frequently Asked Questions ... End of Month Financial Reporting.**

### **When do I receive my equity distribution?**

Owner distributions are made on the last business day of each month. **Net proceeds, less reserve,** are either deposited into our client's accounts within 48 business hours or included with the Monthly statements that are mailed no later than the 2nd business day the following month. All paid invoices will be provided with report. **Invoices are available upon request via email.**

### **What happens to the security deposit from my resident?**

We account for the security deposit from your tenant as indicated on your owner's statement. When the tenant moves out, we process the security deposit and deduct all costs that are considered **"beyond normal wear and tear"** of the property from the security deposit. Tenants are informed of these potential costs prior to moving in as well as in their move out packet upon notification of move out. The tenant is issued their security deposit refund and any damages deducted from their deposit are reflected on your end of the month statement.

## **Frequently Asked Questions ... What does Equity Real Estate Property Management do after a resident moves out and before a new resident moves in?**

- A move **out-inspection** is performed in which we document, both in pictures (when necessary) and writing, the condition of the property.
- **See the above 6 step move-out press.**
- As required by law, all smoke and carbon monoxide detectors must be tested and the batteries replaced regardless of how new they are. We abide by the **Texas Property Code** for the proper number and location of smoke detectors.
- Furnace filters will be changed, as needed. Not only does this help **protect your investment** but sets the benchmark for new residents. Per the terms of our lease agreement, residents are required to replace them throughout and at the end of their tenancy.
- The property will be re-keyed to ensure the safety and security of both the property and new resident. The expenses exceeded my bank balance, what happens? ... In the unlikely event that the expenses exceed your monthly income, we will contact you for payment of the expenses. Payment must be made within 7 days to avoid penalties and interest. We are prevented by law from expending money from our Trust Account if your portion of the account does not have sufficient funds.



**REMINDER ...** when there is a move-out your **disbursement check** may not be in the amount that you're accustomed to, as we may be holding back money in anticipation of the make-ready **charges**. It usually takes a couple of months for your reports to get back to some **normalcy** as most billings for **make-readies have been paid out**.

## **Frequently Asked Questions ... Marketing to get property leased**

### **Marketing (It's an art AND science)**

**We are actively advertising and professionally marketing each of your properties.** Our leasing agents are well trained and courteous, and we are working in your best interest every day to acquire and retain the best residents for your property.

We are constantly comparing rental rates to find the most **Competitive Rent Rates** Based on Market Conditions and ultimate Property Condition. We have a very Wide Internet Exposure (see below). **Eye catching Yard Signs.** All vacant available properties available to local REALTOR's, as well as other leasing agents s in the area that don't belong to the local MLS.

### **Search engines**

Search engines are providing search users with a ranked list of the websites they've determined are the most relevant. **Search engines aim** to be a tool for finding what the user wants from a very large pool of information and data. Our Website pushes out to these **search engines**.



**With the oversupply of property on the market we are working really hard to get the last few properties leased.**

Also, **we are actively marketing** each of your properties ... Yard signs (**over 250**), our web site (**thousands of hits** in a month) and soliciting help from all outside leasing agents from other companies through our **three times a week email blast**.

**Something new that we are trying ...** We bought the new incoming student as well as current and all transfer student names and emails from TAMU and BLINN College. We now have **Over 60,000 Names and Emails.** We have been and will continue to email 2-3 times a week. The open rate is not that great **... However, It has been working.**

### **Frequently Asked Questions ...Make ready expense and security deposit**

#### **Make Ready Expenses**

As the invoices come due for these make-ready expenses, **your disbursement check may not be in the amount that you're accustomed to.** Also, as many of you know, we usually hold back monies from cash flow in your account in anticipation of these charges. Once all of the make-ready charges are paid, **you will see a return of normalcy to your disbursement check, as most invoices for make-readies have been paid out.**

#### **Returning the Security Deposit**

We think we have developed a very sensible approach to handling maintenance and repairs and that you will realize cost savings that other property managers simply can't deliver. Unlike most states, Texas doesn't have laws specifying the amount of deposit you can charge new tenants, but we do have laws protecting this money for both the landlord and the tenant.

Owning a rental home is no small feat and you should be proud. However, not everyone considers your rental home the precious asset that it is to you.

### **Frequently Asked Questions ... Move out process;**

Every resident expects a full refund of their deposit. The reality is that this is **rarely** the case. In our many years **of experience, we have found that most tenants underestimate the time needed to professionally clean their** apartment/house and prepare it for move-out. Cleaning is usually the largest deduction from our resident's deposits. Even when cleaning is performed well, there are still many things that are easily missed. **PLEASE REMEMBER ...** even when units are returned **EMPTY** and in good condition, it may still take our office 2 to 5 days to turn the unit over due to minor maintenance, carpet cleaning, painting, and cleaning that still may be needed in your unit. Equity Real Estate Property Management over the last 34 years has **gained access** to many maintenance contractors, as well as our network of licensed, bonded, and insured contractors who have already **been vetted for good pricing and quality work.** This can translate into significant savings compared to going through **google** and hiring a handyman yourself. Not only is the firm able to get volume discounts on the work, we also know the contractors and understand maintenance issues such that they are capable of intelligently completing.

## **Frequently Asked Questions ...Do you use the cheapest maintenance people you can find?**

No. The maintenance people we use are **middle of the road in price** and are competent and reliable. We also have **dedicated all-around maintenance sub-contractors** who are capable in a wide range of home repairs including air-conditioning, light plumbing and electrical. Our main **"go to"** guys charge **\$25-45 per hour**. Our other vendors range in price from **\$35 per hour to \$75 per hour**, and sometimes more for conditions such as an after-hours emergency sewer backup. We try to have our main guys handle most of the **multi-trade and make-ready tasks** and use other vendors when we are backed up. This saves our owners a **lot of money**.

## **Frequently Asked Questions ...What Security Deposits Cover**

Security deposits are a **cause of contention** for many tenants and landlords, and most of the time the reason is a **lack of communication or understanding** of what the security deposit is actually for. There are three common myths related to security deposits:

1. The security deposit will be handled **separately**.
2. The security deposit can be used for any make-ready, between vacancy repairs and cleaning costs ...**WRONG**. The security deposit is intended to cover unpaid rent and perform needed repairs or cleaning that result from **over normal wear and tear**. Some landlords intentionally stretch this rule; others do so out of ignorance. **Regardless**, the security deposit should not be used to replace 15-year-old countertops or to paint the home after 7 years. Unless severe damage was caused by the tenants' **intentional or negligent behavior**, these standard wear-and-tear chores are **NOT** to be paid for with the security deposit. Unlike most states, Texas doesn't have laws specifying the amount of deposit you can charge new tenants, but **we do have laws** protecting this money for both the landlord and the tenant.
3. **Wrongful Withholding of the Tenant's Deposit ...** If we wrongfully withhold a tenant's security deposit, we could **face some hefty fines**. If found to be in the wrong ... the penalty owed the previous tenant is three times (3x) the amount of the deposit plus attorney's fees racked up by the tenant in trying to pursue money that is rightfully theirs. We at Equity Real Estate Property Management take this very seriously ... **and advise against playing with other's money. We** appreciate those who keep their end of the bargain ... this helps us to attract better tenants as a better landlord!

**Security Deposit Reconciliation (SDR) ...** Even the most meticulous property management company / property owner may be sued by a tenant over the return of a security deposit.

**Fortunately**, you can take some basic steps to minimize the possibility that you'll spend hours in court haggling over back rent, cleaning costs, and damage to your rental property.



## Know Texas's Rules for Returning Deposits

The most important thing we can do is to follow state law scrupulously when we return security deposits. Make must make sure that we meet the Texas deadline of **30 days** for itemizing and returning the tenant's deposit. **The itemization should** be in writing and state how the deposit has been applied toward back rent and costs of cleaning and damage repair, together with whatever is left of the deposit.

## Prepare a Move-Out Letter

To reduce the possibility of disputes over security deposits, have a [move-out vacate notice signed](#) ... the signed move-out notice explains:

- tell the tenant how you expect the unit to be left (be specific about cleaning things like floors, appliances, and window coverings)
- explains your final inspection procedures
- list the kind of deductions you may legally make (unpaid rent and necessary cleaning and repairs, outside of "[ordinary wear and tear](#)").
- remind the tenant to return keys and provide a forwarding address, and we explain how we will send any refund that is due.

## Inspect the Rental Unit

After the tenant leaves, we inspect the rental unit to assess what cleaning and damage repair is necessary.

## Defining Normal Wear

Property Owners and tenants tend to disagree on what is "**normal**" deterioration resulting from basic human occupancy, and what's unreasonable damage. As a property owner, chances are you took a security deposit before signing on your tenants. This deposit is intended to be used to fix any unreasonable damage your tenants caused. Legally, it **may not be used for anything defined as normal wear**.

Defining normal wear and tear can be **tricky**, particularly since its definition results in financial loss either to you or your tenants. **In general, normal wear and tear** is any deterioration to your property and its fixtures resulting from normal use. Time and usage lead to a physical decline in a property, no matter how careful a tenant is. This normal lessening of the value of your property is part of having tenants, **and you may not take from their security deposit to fix it**.

## Damage

Damage is almost as difficult to define as normal wear and tear. In most cases, damage is harm or loss of value to your property caused by abuse or misuse. **Gross neglect** may also cause damage. The key is deterioration of the property's value or usefulness.

Normal wear and tear can also result in this deterioration, so damage and wear and tear are typically assessed on a **case-by-case** basis.

## Examples

The best way to understand the difference between **normal wear and tear and damage** is to look at some examples. For instance, worn down carpeting or flooring is normal wear and tear. Stained carpet or flooring is damage. Faded paint is similarly normal. Unauthorized drawings or painting on the walls is damage. Before a tenant draws on or paints the walls, he or she must receive permission from you as the landlord. **Otherwise**, this is intentional damage and the funds for fixing it may be deducted from the security deposit.

Anything happening to the property due to aging **is not** the tenant's responsibility. For example, cracks may appear in the walls as a result of settling. On the other hand, large holes or dents in the walls caused intentionally, by accident, or through carelessness are damage. Small holes, such as for hanging pictures, are not damage, and can't be deducted from the security deposit.

## Prepare an Itemized Statement of Deductions

Once the tenant has completely moved out and we have inspected the premises, we prepare an **itemized list of deductions** for cleaning, repairs, back rent, or other financial obligations required under your lease or rental agreement. We list the item and the dollar amount of the deduction. We usually provide a reasonable cost estimate based on past estimates.

## If a Tenant Sues You for the Deposit

No matter how carefully we have followed Texas [security deposit laws](#), and properly account to tenants for their deposits, they may still sue when they disagree with deductions, or claims that we failed to return the deposit when and how required.

## Frequently Asked Questions ... What does Equity Real Estate Property Management do after a resident moves out and before a new resident moves in?

- A move **out-inspection** is performed in which we document, both in pictures (when necessary) and writing, the condition of the property.
- **See the 6-step move-out process.**
- As required by law, all smoke and carbon monoxide detectors must be tested, and the batteries replaced regardless of how new they are. We abide by the **Texas Property Code** for the
  - proper number and location of smoke detectors.
  - Furnace filters will be changed, as needed. Not only does this help **protect your investment** but sets the benchmark for new residents. Per the terms of our lease agreement, residents are required to replace them throughout and at the end of their tenancy.
  - The property will be **re-keyed** to ensure the safety and security of both the property and new resident.

## **Frequently Asked Questions ...Make Ready Expenses**

As the invoices come due for these make-ready expenses, your disbursement check may not be in the amount that you're accustomed to. **Also, as many of you know, I usually hold back monies from cash flow in your account in anticipation of these charges.** Once all of the make-ready charges are paid, you will see a return of normalcy to your disbursement check, as most invoices for make-readies have been paid out.

## **Frequently Asked Questions ...What happens to the security deposit from my resident?**

We account for the security deposit from your tenant as indicated on your owner's statement. When the tenant moves out, we process the security deposit and deduct all costs from the security deposit that are considered ***"over and beyond normal wear and tear"***. Tenants are informed of these potential costs prior to moving in as well as in their move out packet upon notification of move out. The tenant is issued their security deposit refund and any damages deducted from their deposit are reflected on your end of the month statement.

## **Frequently Asked Questions ... Who handles the middle of the night calls?**

We do! We are on call 24 hours a day. Why worry you? That's why you hired us! Most emergencies are prioritized and often can wait to the next day.

## **Frequently Asked Questions ... What is Equity Real Estate & Company's ... Legal Duty to its clients?**

As a property manager ... our legal duty to our clients is "fiduciary" which simply means we serve them as though we own the assets ourselves. It also means our clients' interests are prioritized to ensure a mutually beneficial relationship. If a deal isn't good for both parties, it's just not a good deal.

## **Frequently Asked Questions ... Maintenance Surcharges ...**

We do not mark-up charges for performing repairs; all work is at cost.

## **Frequently Asked Questions ... Maintenance Costs ...**

With our property management, expenses are minimized through our long-term relationships with quality service providers. In addition, our weekly pay period provides vendors with greater cash flow and flexibility in performing various tasks. Because of our volume of work, our vendors give us excellent pricing which is directly passed on to our clients. Maintenance tracking software integrated with our residential and commercial property management system allows for higher efficiency in performing repairs and reporting expenses. Incidentally, our clients get copies of every billed invoice providing full disclosure of the expense.

## **Frequently Asked Questions ... "Nickel and Diming" ...**

Our clients don't get charged for items such as faxes, long distance, and copies. We've even been known to waive fees. For example, once a new tenant occupies a unit, and the lease fee is assessed, if that tenant for whatever reason, has to breach their lease after a short period, we will re-lease the



residential or commercial property at no additional charge to our client, excluding direct expenses for make ready and advertising. We want to prevent bad ownership experiences and help, not hinder, our clients in their investments. This is **essential to our property management** and the bottom line to investors.

### **Frequently Asked Questions ... Diligent Rent Collection ...**

Collecting rents, evicting non-paying tenants, and getting vacant units rented are done in a proactive and thorough fashion.

### **Frequently Asked Questions ... Creative Solutions to Problems ...**

Here at Equity Real Estate & Company, with our combined experienced background in real estate, our "out of the box" solutions are available in addressing unique or difficult problems - an added benefit from Equity Real Estate & Company, your property manager.

### **Frequently Asked Questions ... Why am I charged for repairs?**

The lease addresses which party will pay for the various repairs. If a tenant causes a condition that needs repair, the tenant will bear the cost of repair. Likewise, if the landlord causes the condition, the landlord will bear the cost. The only exceptions are: if the tenant caused the condition. Under the lease, the landlord will pay for all repairs, however the tenant may have to pay all or a portion of the cost if this requirement is specified in the lease.

### **Frequently Asked Questions ... What happens if there is an emergency?**

Tenants have access to our 24-hour maintenance number in case of an emergency after hours. Emergencies are taken care of immediately. Action is taken by Equity Real Estate property Management on your behalf.

### **Frequently Asked Questions ... Are you the cheapest company in town?**

Do you really want the cheapest company? The old saying "You get what you pay for" is always true. There are other companies that charge less than we do. There is other companies that charge more than we do. We are somewhere in the middle. We feel that we offer a very comprehensive service package, and our rates are very competitive.

### **Frequently Asked Questions ... How much is the Emergency Maintenance Reserve?**

The amount of each property's Emergency Maintenance Reserve ("EMR") is mutually agreed between the Owner and Keith when the Property Management Agreement is signed.

## **Message from the TEAM**

We know that **people** come first, and we listen carefully, **communicate** professionally, and treat others as we wish to be treated in order to create a **win-win rental experience** for both our owners and our residents. We hire only the most talented, intelligent, and agile performers who continually strive to **learn and improve**, offer deep expertise in our field, and go above and beyond for the customer. We consistently collaborate and hold each other accountable to ensure we uphold our mission.

### **Support Staff Team Our Commitment to Your Success**

**Great teams are built** around individual excellence. In addition to a standard of excellence, **Equity Real Estate and Company** encourages a culture of positive and value-based problem solving, so that client needs can be met daily.

**Please always email [pm@equitybcs.com](mailto:pm@equitybcs.com) ... This email is picked up by all the staffers to help us all communicate better.**

**Keith E. Clements** ... Chief Sales Officer [keith@equitybcs.com](mailto:keith@equitybcs.com) always CC: [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Kathy** ... Receivables Coordinator [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Angelita** ... Property Management / Work-Orders, Make-Ready Coordinator [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Theresa** ... Resident Customer Service/Maintenance work orders and Maintenance w/o follow up [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Caroline** ... Resident Customer Service/Maintenance work orders and Maintenance w/o follow up [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Ashely** ... Resident Customer Service/Maintenance work orders and Maintenance w/o follow up [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Maribel** ... Resident Customer Service/Maintenance work orders and Maintenance w/o follow up [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Kerri** ... Licensed Assistant (Sales and Leasing Department) [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Jax** ... Licensed Assistant (Sales and Leasing Department) [pm@equitybcs.com](mailto:pm@equitybcs.com)

**John** ... Web-site maintenance and updating [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Brandon** ... Web-site maintenance and updating [pm@equitybcs.com](mailto:pm@equitybcs.com)

**Elizabeth** ... Licensed Real Estate Broker (Property Management / hiring and supervising personnel) [pm@equitybcs.com](mailto:pm@equitybcs.com)

We are **committed to enhancing** asset value and providing our clients with the information they need to fully maximize the financial potential **of their rental properties.**

**OUR FOCUS is YOUR FOCUS**

