

Why WayPoint Residential Management?

Changing times require new approaches to real estate investing and the way a property is managed and maintained. Whether you're a home owner navigating the rental market by necessity rather than design, or a sophisticated investor looking for high quality management services, WayPoint Residential Management offers unique and innovative solutions to help you achieve your goals. We work with the best of the best contractors and real estate professionals to assist us and look at each property we lease with an eye for attracting the highest quality tenant and maintaining it to its full potential (so it never looks like "a rental"). We go the extra mile in screening tenant prospects to make sure they are the right fit for your home and will know how to take care of it to the best of their ability. And we know how to present your home in the best way possible to maximize the annual income potential.

The sophisticated brand strategy for WayPoint Residential Management was developed by real estate management guru Shannyn Flory in 2009 after working for many years in real estate sales. The need for a new type of property management servicing became hard to ignore as more and more people were forced into the world of leasing. With an extensive background in residential real estate, Shannyn has worked in various aspects of the real estate industry since 1992, including property management, title and escrow, mortgage lending, appraising, personal investing and "flipping" homes, and most recently, residential sales. Her management experience includes the leasing of residential homes, plexes, condos, townhomes, apartment buildings and office space. As an investment specialist and author of *The Complete Landlord E-Guide*, a training manual for landlords and property managers written in 2003, Shannyn's most recent focus is on the unique challenges of the current real estate market and in partnering with the real estate sales community to provide high quality referrals and interim leasing solutions until the market and economy changes.

What services do you offer?

WayPoint Residential Management is a full-service property management company facilitating every aspect of the property management process including:

- Complimentary rental assessment
- Advertising and showing of home
- Thorough tenant screening and background check
- Negotiation and drafting of lease documents
- Thorough move-in inspection with photos
- Complete accounting and full documentation of transaction
- Rent collection and enforcement of lease terms
- Direct debit for tenant rent payments
- 24-hour emergency on-call service
- Direct deposit to owner's account

- Complete vendor management and monthly bill paying
- 24/7 access to owner's personal secure online accounting portal for monthly and year-end accounting reports, property documents, copies of bills and more.
- Quarterly drive-bys and annual interior inspections
- Thorough move-out inspection with photos
- Settlement of security deposit
- Consultation on Landlord-Tenant Laws

What are the fees I can expect to pay as a property owner?

As a full-service property management company, we have different types of fees for the premium services we offer.

1. **Set-Up Fee** - 50% of one month's rent price or a minimum of \$600.

The initial set-up is where we spend the most time and money to prepare your property for rent the first time. The initial set-up involves everything from the creation of marketing materials to property showings, to tenant selection and lease negotiation. Here are some of the services we provide in taking on a new property:

- Detailed inspection of property to assess amenities, maintenance and repair items, systems location and operation instructions, etc;
- Coordination of tasks to ready the property for market;
- Property professionally staged and photographed;
- Development of advertisements and color flyers;
- Construction of online photo gallery;
- Posting of property ads on pertinent websites;
- Creation of HTML, color photo Craigslist ad;
- Manual re-posting of Craigslist every three days;
- Installation and removal of signage;
- Printing and replenishment of color photo property flyers;
- Lease price and terms analysis;
- Facilitate the duplication of keys and/or rekeying of locks;
- Schedule property showings;
- Perform tenant screening of applicants;
- Negotiate lease, review and collect signatures, rent and security deposit;
- Provide initial move-in orientation with new tenant;

- a. Facilitate tenant move-out inspection at end of tenancy.
2. **Management Fee** – 10% of gross monthly receipts with or a minimum of \$75 per property. (Discounts negotiable for 3 or more properties.)

This is a monthly fee of the gross receipts collected. It represents the ongoing leasing and management duties such as handling maintenance, repair and other tenant issues, collecting rents, property drive-bys, paying property expenses, disbursing funds and accounting reports to the owner. The percentage charged depends on the value of the property and the number of assets an owner lists with us.

3. **Renewal Fee** – 35% of the monthly lease amount or a minimum of \$400.

Each time a Property is leased to a new tenant, a renewal fee is charged. This fee represents the duties of securing a new lease to include the same process as described in section 1 above after the property is prepared for re-lease and updated comparable property analysis is completed to determine the rent price and recommended terms.

4. **Lease Renegotiations/Extensions** – \$100.

Each time a tenant in the Property renews or extends a lease, a renewal or extension fee is charged for the negotiation, preparation and signing of the new contract. This does not apply to month-to-month (automatic) renewals or extensions.

Do you have a program for property owners who just want their home looked after while they are out of the area for extended periods of time?

For Owners who need help monitoring a property while they are living out of the area, we offer Home Tending services that include periodic visits to the property to perform a list of maintenance services, overseeing landscape and property maintenance, checking for signs of intrusion, etc. Tending services begin at \$100/mo for bi-weekly inspections and additional services may be added on (such as cleaning, giving temporary access to guests, monitoring work on the property, etc. Contact Us for more information on these services and a quote based on your specific needs.

What are the term requirements of your management contract?

Our standard contract term with Owners is one year or through the term of any current lease with one year automatic renewals. Contract terms may also be terminated by mutual consent of both parties at any time.

How will you market my property?

WayPoint Residential Management takes the marketing of rental properties very seriously as the first step in finding and attracting the best possible tenants. First and foremost, we make sure the property

is deep cleaned and staged for professional photos to showcase its features. We hire professionals who help us make our photos stand out. We also take time to create advertisements and flyers that get attention and our staff is trained to pre-screen qualified applicants.

We place high quality signage on the property with flyer boxes which, depending on the location and accessibility of the property, can account for 20 to 30% of the property inquiries.

Another 60 - 70% of inquiries come from the internet including our own website and the dozens of other free rental based websites including Craigslist, Trulia, Zillow, Hotpads and many more. We also do fee based advertising on Rentals.com.

Photos are another significant tool we use to help our properties stand out. According to a recent Trulia study, more than 90 percent of renters rank photos as *the* most important content in an online rental listing and a significant reason they will inquire on a property. Our ads always include 15-25 professionally staged and photographed color photos and elaborate property details. This doesn't just generate more interest; it also saves time by giving renters a better sense of what a property has to offer, leaving fewer questions and allowing a prospect to determine from the ad if the place is a suitable fit. This is a significant part of our pre-screening process that equates to more prospects scheduling showings with the intention of pursuing a lease rather than just checking out their options.

We also promote our listings to our partners throughout the real estate community to enlist their help in finding a tenant. Along with referrals and existing tenants wanting to move, this accounts for the remaining the 10% of inquiries.

How will you show my property?

WayPoint Residential Management employs a team of carefully selected and trained showing agents to show and "sell" our properties to prospective tenants. They show up *on time*, in professional attire to show the property and will take the time to get feedback on the price, how it shows relative to others, etc. They are also trained to ask a lot of questions of prospects to help determine if they are the right fit for your property.

How long will it take to rent my property?

Because the lease-up time for your property will depend largely upon its geographical location, size and price, it's difficult to answer this question. In areas where there is an abundant supply of your type of property relative to the demand, it can take longer to lease the home and the more important it is to have an effective marketing campaign to stand out. The price and size will also dictate the number of qualified prospects and overall activity.

What system do you use for screening tenants?

WayPoint Residential Management utilizes the most sophisticated and up to date technology for risk management and fraud protection including identity verifications and a thorough credit risk assessment using Trans Union credit bureau. Trans Union's Smart Move screening program helps us determine the most qualified applicants efficiently using the following:

Credit history-SmartMove gathers data such as lines of credit provided by financial institutions, collection accounts, bankruptcy proceedings and other public financial records.

Additional risk factors-SmartMove accesses comprehensive criminal background data and also examines income-to-rent ratio, payment histories, criminal, terrorism and fraud databases.

Advanced analytics-TransUnion applies highly predictive modeling to our comprehensive screening data to determine the risk level for individual or groups of applicants.

What are your tenant screening minimum requirements?

As a conservative approach to risk assessment, WayPoint Residential Management follows a strict set of minimum standards for tenant screening. Each Owner has the option to adjust the screening criteria to their level of comfort so long as the criteria remains consistent for all applicants of the same property and adheres to the Federal Fair Housing Law which prohibits discrimination based upon race, religion, ethnic origin, color, sex, physical or mental handicap, or family status (including refusal to rent to a family with children). We also recommend conditional approvals for today's market of tenants who may have had a short-sale or foreclosure affecting their FICO score but who are otherwise solid candidates with an otherwise minimal risk assessment. Those scenarios are looked at on a case by case basis and discussed with the Owner prior to approval.

In general however, the following illustrates the ideal standards we use to process tenant applications.

INCOME REQUIREMENTS
<ul style="list-style-type: none">• Monthly income must be 3 times rent amount and total monthly debt payments• Monthly obligations must not exceed 80% of income• Must have a minimum of one year with current employer at substantially the same income now earning, or a minimum of three years in the same field with substantially the same income level and no more than two employers within the past three years.• Must have favorable reference from employer on likelihood of continued employment• Each non-related applicant (roommate) must qualify for the property on their own (we will not add the income of these individuals when computing the income minimum)• Self-Employed applicants or those who receive more than 25% of their income in the form of

commission must demonstrate substantially the same income for the past two years and may be required to submit a certified copy of most recent tax return and/or bank statements for the past two years. Only income stated on the tax return may be used for qualifying.

- Military members may not sign a lease for a term longer than their current enlistment term or the length of time remaining at their current duty station.
- Full-time students who fail to meet the minimum employment requirements will require a guarantor. However, this requirement may be waived if the applicant has obtained a masters or advanced degree or holds a professional designation and has full-time employment at the time of application
- Unemployed applicants must provide proof of sufficient income to qualify for the rental property, and reasonable certainty that such income is likely to continue for the entire lease term.

RENTAL AND CREDIT HISTORY

Rental History

- Applicant must have a minimum of two years of rental or mortgage history within the five years immediately preceding the rental application.
- Proposed rent must be no more than 25% greater than the applicant's prior rent or mortgage payment.
- Credit search must contain no derogatory rental information, judgments or collection accounts from a former landlord within the preceding five years whether paid or unpaid.
- Not more than one late rent payment in the past two years is allowed and it must not have been more than fifteen days late.
- Rental references must indicate that all the terms of prior lease were met including proper notice to vacate.

Credit History

- Applicant must have an active checking account.
- Applicant must have at least two accounts on their credit report which have been open for at least two years and which have been paid on time.
- There must not be a bankruptcy within the past two years and new credit must have been established since any bankruptcy (at least one installment loan or credit card) and have been paid as agreed for at least 12 months.
- There must be no unpaid judgments or collection accounts, and not more than two paid judgments or collection accounts within the preceding 24 months except that special consideration may be granted at Agent/Owners sole discretion for small medical judgments or

slow payments on student loans, if it is determined that there are enough other favorable credit references to outweigh these.

- No more than two late payments allowed (greater than 30 days past due) on any installment loan or credit card within the past year.
- Each applicant must have a credit score, as determined by a mortgage model inquiry, of 685* or greater. Married applicants may use an average of each spouse's score, provided that neither spouse has a score below 550.
- No criminal history, civil actions or prior evictions allowed.

REFERENCES/OTHER

- Any previous landlord must be verified and a favorable reference given.
- Animals allowed on a case by case basis with additional pet rent (where applicable), additional security deposit and pet addendum. Applicant must have owned the pet at least one year and pet must be at least one year old. Tenant must sign a Pet Addendum stipulating their responsibilities and financial risks for damage.
- Applicants must be 18 years of age or older and must submit a separate application.
- Lease term is a minimum of 12 months, unless the property has been listed as being available for a shorter term.

More on Conditional Approvals

When we have applicants that do not fall within our minimum screening requirements, we may suggest offering them the option to be approved with certain conditions such as increased rental rate, additional pre-paid rent or deposits or a co-signer/guarantor.

What if I am an owner who wants to sell but I'm willing to rent until a buyer is found?

WayPoint Residential Management spends a significant amount of time and expense preparing a property for lease. If that property were to sell prior to having an opportunity to recover our investment, the Owner would still be liable for the set up fees as compensation.

How do you handle after-hours emergencies?

WayPoint Residential Management always has someone available to handle after hours emergencies. When a Tenant or Owner calls our office, they will be transferred to an on call agent or service that can route their call accordingly. If there is a repair request, the appropriate service person will be contacted and dispatched to the property immediately. If the call is not an emergency, it will be handled the following business day.

What if I want to inspect my property during a tenancy?

We will always accommodate property inspections for an Owner at no cost, provided that appropriate notice is given to the Tenant if the property is occupied.

What happens if a tenant doesn't pay their rent?

Tenants who fail to pay rent are immediately served with a 3 Day Notice to Pay or quit and are charged a \$100 service fee on top of any late fees. If, after the notice period they still haven't paid (or moved out), they are turned over to our team of professionals who handle evictions and they file an unlawful detainer action with the court. In Ada County, a trial date is usually set up within 7 business days. If the case goes to trial, a writ is then turned into the Sheriff and they give the tenant 24 hours to move out (if that timeframe falls on a weekend, the tenant has until the following Monday).

The minimum cost for the eviction is \$500 however, a portion of that may be refunded if the tenant complies before the court date. There is an additional deposit cost associated with having the Sheriff forcibly remove the tenant but it's very unusual that this happens.

Eviction costs are the responsibility of the property Owner but charged to the tenant for reimbursement. Fortunately, non-payment of rent cases rarely end up going to trial and the efficiency of the Ada County court system minimizes the loss to the property owner so often the security deposit can cover the lost rent and/or some of the legal costs.

What happens if a tenant leaves before the end of the lease?

Tenants who leave prior to the end of their lease term are held accountable for all costs associated with this violation including an early termination fee, rents due until a new tenant is found and any usual expenses incurred to re-lease the property (including re-leasing fees). They are also responsible for damages as well as for utilities and lawn care until a new lease is commenced.

How will you determine the rent price of my property?

Rent prices are determined by an analysis of several factors including the property appeal and condition, size, bedroom and bath count, amenities, lease terms, the demand the property type, and comparable market rents. Our expertise and experience in the market further support our ability to determine the appropriate pricing.

What if my property is in need of repair?

In order for us to do our job in maintaining a property and finding good tenants, it's imperative that the property is in good condition and repair. As such, generally we will not take a property under management unless the Owner is able to remedy any issues that would prohibit our ability to get it leased and/or maintain the tenancy. We will not take on any property that has known safety, environmental or security hazards.

Standard repairs and maintenance during tenancies are handled as a part of monthly management. If a tenant reports a repair or maintenance issue, we will immediately handle them on the Owner's behalf. In the event that a repair is determined to have been caused by the tenant, the cost will be charged to the tenant for immediate reimbursement. If a major repair is required (cost estimated to be more than \$300) or if a property owner requests that we obtain bids for major repairs or renovations, there may be a service fee charged for that. Any such fees would be discussed with the Owner in advance. In general, even with smaller issues that come up from time to time, WayPoint Residential Management is very conscientious about contacting owners whenever possible about maintenance and repair issues so such expenses are not a surprise.

What about smoking and pets?

Smoking - WayPoint Residential Management has a strict NO SMOKING policy and we do not take on properties that are damaged by smoke as it severely limits our ability to lease them to high quality tenants. Applicants are required to disclose whether or not they are a smoker and the lease stipulates that no smoking is allowed on or in the property by tenants, guests or invitees.

Pets - A discussion about pets will be an important part of the initial leasing consultation. Allowing pets is something that is looked at on a case-by-case basis depending on whether or not the condition and set up of the property are conducive to it. Pets do cause some wear and tear and can cause significant damage but there are many excellent tenants who are pet owners and to disallow pets can alienate a significant sector of the market. So whenever it is reasonable to do so, pets are allowed on a conditional basis with many assurances to protect the Owner from potential damages. Conditions include limitations on size, breed and age (no puppies or kittens allowed), previous references, additional deposits, signing of a thorough Pet Addendum (which clearly defines all the risks and liabilities that will fall on the Tenant) and in some cases, additional pet rent (for example, \$25 additional monthly rent per pet).

We also provide a very thorough Pet Addendum which stipulates the conditions under which pets are allowed including clean up practices and risk to the tenant for damage. Pet rent (such as \$25/pet) can also be charged as an addition to the base rent price to compensate an owner for taking the risk on a pet. This practice has become more common and acceptable in the marketplace in lieu of a non-refundable pet fee.

Questions

Note: Assistance animals are not considered pets and cannot be disallowed per federal regulations.

How do I get started?

The first step toward listing your home with WayPoint Residential Management is to contact us for a complimentary consultation which we can do over the phone. We will discuss your particular needs and wants with regard to leasing, answer any questions and get a general understanding of the property details so we can give you a preliminary estimate on the rent range. Once you are ready to move forward, we will set up an inspection of the home and meet in person.

To schedule a complimentary consultation, please contact **Shannyn Flory at (208) 867-0348** or via email at shannyn@waypointboise.com.

WayPoint Residential Management

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