

# Turn-Key Properties, LLC

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## MOST FREQUENTLY ASKED QUESTIONS

### 1) What is Turn-Key Properties, LLC?

Turn-Key Properties, LLC is a full service Real Estate company that lists, sells and leases both residential and commercial property.

### 2) Who owns Turn-Key Properties?

Turn-Key is owned by a Partnership, Ben and Pamela Edsall.

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

**Experience, education and credentials!** Ben and Pamela have a combined 38 years of experience in Real Estate sales, management and marketing. They both have Broker's Licenses. Ben is an Accredited Residential Manager. Ben and Pamela are both certified with the Crime Free Multi Housing Program and have certification of the Crime Free Multi Housing Drug Recognition Class. 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. Being Real Estate Brokers, they both take hours of continuing education courses each year. Ben attends seminars regarding all types of real estate investment programs including 1031 Exchanges, tax issues and others. Pamela attends continuing education courses designed for attorneys to keep current on Landlord Tenant Law and other real estate issues.

### 4) 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.

### 5) Does Turn-Key or Ben and Pamela 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 Turn-Key...which property do you think we will try to rent first? The one we will earn 10% of the rent on or the one we will earn 100% of the rent on? Attorneys have very well defined ethical regulations regarding representing clients and we believe proper ethics transcends to other professions, too.

### 6) What benefit do I get, as a client, from you belonging to the various organizations?

There are several benefits to you. The first is we keep up on new issues in the Real Estate industry, continue learning at classes and glean information from other people....Educational opportunities for us always benefit you! 2) Real Estate investors and potential tenants are everywhere! Our involvement in the community gives added opportunities to find the buyer for your property or the tenant for your rental....Exposure of your product! 3) It shows our commitment to quality to you and the community. Our affiliation with the Better Business Bureau proves our commitment to exceptional service.

**7) 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 you have to evict and then spend the 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.

**8) 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.

**9) 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.

**10) What type of insurance does Turn-Key carry?**

Turn-Key has Liability insurance, Errors and Omissions insurance and Worker's Compensation insurance; none of which is cheap; but we feel these coverage's are important for everyone's protection. Real Estate, especially dealing with tenants, is an extremely litigious business. At Turn-Key we make every effort to avoid possible disputes by having systems in place for consistency and adherence to all laws. Being pro-active and avoiding disputes is our first priority!

**11) 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.

**12) 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. Even though you would be ultimately responsible for placing an illegal ad, Turn-Key could be implicated in a suit and cause us much time and grief. You hire a professional for their expertise; let us use our knowledge to assist you.

### 13) 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

### 14) 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?"***

### 15) How fast will my property rent?

That depends on several factors including...location – price – property condition. 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 have to 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 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.

### 16) 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!** 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.

### **17) What is your policy on returning phone calls?**

If you call during office hours, you will probably get to speak to the Front Office Staff immediately or at least, the same day. If everyone is busy assisting walk-in customers or on other phone lines, then you will be asked to leave a message. If that happens, we will listen to the messages as quickly as possible, but it helps if you also send a quick e-mail and let us know you are trying to reach us. It is impossible to know how busy the incoming volume of business will be. Sometimes we have every phone line lit at once and potential clients, current clients, potential customers and current customers all waiting for service. Other times, it is very quiet. It is something there is no way to plan ahead for.

If you wish to speak to Ben or Pamela directly, it could take a bit longer. Ben and Pamela are frequently out of the office, in meetings or involved with projects that they will be tied up with for hours or the entire day. If you are needing general information about your property, want an update on your property or have questions regarding a Management Report or Invoice, then the Office Staff will probably be able to answer your questions. If they are unable to assist you to your satisfaction, then Ben or Pamela will get back with you as soon as possible.

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

If you would like for Ben and/or Pamela to go to your property and complete 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.

**19) Why do you charge \$45. per hour for Maintenance Service when I can hire an individual contractor for much less?**

Because you are not comparing apples to apples. If you compare licensed and insured contractors with both Liability Insurance and Worker's Comp Insurance, you will find that we are less expensive than others. We did a survey and called fourteen different handy-man, plumbing and electrical companies in the Kansas City area and found that we are less expensive than anyone of them by quite a bit. We found the least expensive general handy-man company charges \$65. per hour with a minimum \$65. charge. Plumbing and electrical companies charge anywhere between \$29. to \$79. for a Service Call just to go to the premises. After that initial charge, the hourly rate ranged between \$79. to \$119. per hour. Many of them require payment at the time of service.

Turn-Key holds Business Licenses in each city we work in, we carry Liability Insurance, Worker's Comp Insurance and Errors and Omissions Insurance for your protection. We do not have a Service Call charge just to go to the premises. We only charge \$45. per hour to complete almost any repair or maintenance, including plumbing and electrical. When you compare apples to apples, our services are a bargain!

Also, please keep in mind there are many Property Managers that require all maintenance be completed by their staff or one particular contractor of their choice. At Turn-Key, we give you the option of using whomever you chose....your favorite contractor, the next door neighbor, yourself or Turn-Key. We HIGHLY recommend you DO NOT use a contractor that is not licensed and insured! It is NOT worth the risk!

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

Experience.....over 38 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!

**Is your investment worth any less?**