

LANDLORD'S HANDBOOK

Hoffman Realty, LLC

5612 S Manhattan Ave
Tampa, FL 33616

Phone: (813) 875-7474 ♦ Fax: (813) 354-9278

www.HoffmanRealty.com



Hoffman Realty
LLC

Tampa Property Management

Please keep this document in a safe place for future reference.

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Hoffman Realty, LLC

5612 S Manhattan Ave, Tampa, Florida 33616

WELCOME

Dedicated to Your Successes

Thank you for choosing Hoffman Realty to manage your investment. We are aware that you had many choices and we appreciate that you have selected us as your property management company.

Hoffman Realty works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the Hoffman Realty Landlord's Handbook to assist you in a successful business relationship with our company. We urge you to take the time to review the information enclosed. We feel this will further clarify many of the procedures for our Property Management services. After reading the material, if you have questions or any concerns, contact your management team immediately, using the company contact information provided in the following pages.

Special note: the information provided in the Hoffman Realty Landlord's Handbook is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change according to events that take place. Hoffman Realty works diligently and continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

Once again, thank you for choosing Hoffman Realty as your Property Management Company. We look forward to a successful business relationship.

Sincerely,

MaryAnn Hoffman & Andrew Dougill

BROKERS AND OWNERS

LANDLORD DOCUMENTS AND INFORMATION CHANGES

Along with your *Hoffman Realty Landlord's Handbook*, a copy of your management agreement is uploaded to your [Landlord Portal](#). Refer to it as needed and keep it with this information for a handy reference.

It is important that Hoffman Realty receive all critical information as we begin management. You may have completed the documents listed below. If not, they are available for you to download online on our website www.HoffmanRealty.com should you need them. Please return the appropriate forms via email to Homes@HoffmanRealty.com

New Property Data Sheet

This information enables Hoffman Realty to set up your account.

Specific Power of Attorney

This instrument grants Hoffman Realty the authority to lease your property and execute leases.

Lead-based Paint Disclosure

If your property was built prior to 1978, this is a mandatory disclosure that Federal law requires you provide to your tenant(s).

Electronic Funds Transfer (EFT) Authorization Form (Optional)

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

Internal Revenue Service Form W-9

This form is required by the Internal Revenue Service so we can report your rental income each year. We will mail your Form 1099 to the address on this form, so if you change address, please send us a new W-9.

Solvency Statement

Landlord's statement that all bills and money due on the premises are paid, current and not in any state of delinquency.

Instructions to Insurance Company

This form instructs your insurance agent to ensure you have a suitable hazard policy for your rental property, minimum levels of public liability insurance and naming Hoffman Realty as an additional insured.

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

As your management continues, information can change. Please be prepared to update your [Landlord Portal](#), send us an email or letter should any of the following occur:

Change of landlord's information

Notify Hoffman Realty of any important change when it happens – address, telephone, email, property insurance, etc.

Landlord Work Request/Authorization

This is for authorizing work requests from telephone or email conversations with your management team. Usually an email to the property management team or message on your Landlord Portal is sufficient to request or authorize the work.

Landlord Extended Vacation

Please notify us when you will be unavailable for more than two weeks so that Hoffman Realty is prepared in the event of an emergency.

HOFFMAN REALTY

Hoffman Realty is an abbreviation used in lieu of the full company name, Hoffman Realty, LLC, and will be used throughout the *Hoffman Realty Landlord's Handbook*.

What Hoffman Realty is all About

Hoffman Realty is a full service residential real estate company with a primary focus on Property Management. We are committed to offering our customers their desired “outcome” in an industry that wants to provide a transaction. This is why we believe in educating our clients and providing them comprehensive guarantees to protect them when things get off track. For Hoffman Realty, Property Management means *minimizing landlord risks whilst offering tenants a safe well-maintained home*.

We do this,

- Compassionately and with Empathy
- Putting ourselves in the shoes of our clients
- Filling vacancies (and future vacancies) quickly
- Keeping and enhancing our positive reputation
- Being mindful and respectful of expenses

Hoffman Realty's Purpose

Hoffman Realty's purpose is to support residential real estate investors and their tenants so they have the best possible experience and outcomes from their interactions with our world-class team of professional asset managers. Many of our real estate investor clients are novice investors (just getting started with their first property) or accidental real estate investors (unable or unwilling to immediately sell a property they own so they choose to rent it for some period of time). Hoffman Realty's professionals find ourselves in a position to really help these types of investors through a potentially difficult period in their life, often filled with anxiety and uncertainty. Our empathy, our expertise and the comprehensive services we provide minimize Landlord risks. We make the difference between their success and business failure.

We have the great opportunity to contribute to our community by helping residential real estate entrepreneurs beat the odds and achieve success. Residential investment properties are about more than just the real estate investor and their tenants, it is a vital ecosystem in the Tampa Bay area. This ecosystem not only provides quality, safe and well-maintained homes for tenants, it provides a living for the vendors that maintain the properties such as yard care, painters, carpenters, plumbers, roofers, HVAC, etc. It includes the insurance agents that provide landlord and renters insurance, Realtors, title companies and lenders that help real estate investors buy, sell and rent properties, and many more. Even the County benefits as it is able to levy property taxes without Save our Homes or Homestead Exemptions. As you can see a lot of people depend on this ecosystem for their livelihood, so the value we provide is clearly linked to the success of our entire Tampa Bay market place and our community's reputation around the world. A successful residential real estate investment market is foundational for ANY community's economic success.

Speaking of tenants, it is an honor to serve individuals and families to find the perfect match for their next safe, well-maintained home in which to live and support their families while simultaneously serving the revenue needs of the investor.

Hoffman Realty Principals

The owners of Hoffman Realty are **MaryAnn Hoffman** and **Andrew Dougill**. They are the brokers of Hoffman Realty and have collectively, over 70 years of experience in the real estate industry and as landlords and property managers. **MaryAnn Hoffman** and **Andrew Dougill** provide the guidance and direction of Hoffman Realty. They personally oversee all contracts, policies, and procedures, and work to educate the team to provide excellent service to our clients.

HOFFMAN REALTY COMMUNICATION

Communication is a key to the success in any relationship and the Hoffman Realty/Landlord relationship is certainly not an exception. We work constantly to ensure timely communications with all of our clients or prospective clients. This includes everyone – landlords, tenants, applicants, vendors, Associations, buyer, sellers, and the public.

Company Communication

On the next page, you will find all general office information such as addresses, telephone numbers, email address, website, and office hours.

Hoffman Realty personnel communicate by:

- Telephone
- Email
- Landlord Portal
- Text Messages
- Written correspondence
- Fax

Hoffman Realty website

<https://www.hoffmanrealty.com/>

Hoffman Realty stays current with business technology. Here are a few of the benefits of using our website and/or Landlord Portal:

- Landlords can access important information, such as a work orders, account ledgers and documents or send your management team a message from your Landlord Portal.
- Landlords can view your account balance, monthly and annual statements from your Landlord Portal.
- Landlords can learn about the business of being a landlord in our website Knowledge Center
- Prospective tenants can search our website site for available rentals, view video tours of rentals, schedule appointments online and apply to rent online
- Tenants can pay rent on-line, submit maintenance requests and send messages to the management team using their Resident Portal and Propertymeld.

General office information

Address information

Mailing address **5612 S. Manhattan Ave.
Tampa, FL 33616-1024**

Street address **5612 S. Manhattan Ave.
Tampa, FL 33616**

Communication

Business # **813-875-7474 opt 0**
FAX # **813-354-9278**
Email **Info@HoffmanRealty.com**
Website **<https://www.hoffmanrealty.com>**

Office Hours

Property Management	Monday – Friday	9:00 am – 5:00 pm
	Monday – Friday	Open during lunch hour
	Saturday	9:00 am – 5:00 pm by appt
	Sunday	12:00 pm – 5:00 pm by appt
	Holidays	Closed

Leasing Calls

Property Leasing Calls **:813-875-7474 opt 2**
7-Days x 24-Hours **Except major Holidays**

Property Maintenance

Routine Maintenance	Monday – Friday	9:00 am – 5:00 pm
Emergency Maintenance	:813-875-7474 opt 5	
	7-Days x 24-Hours	Including major Holidays

TEAMS AND CONTACT INFORMATION

Hoffman Realty staff/personnel

We have a complete staff to assist you. What Hoffman Realty has found effective for staying focused on our customers goals is “Teamwork.” Together Everyone Achieves More. Hoffman Realty has assigned a management team to your account and there are convenient charts on the next two pages that show who is on your team and their specific role. Their contact information is below.

Name	Phone + Ext.	Email
Jeanette Hardy	813-875-7474 ext 101	Jeanette@HoffmanRealty.com
Nibea Vargas	813-875-7474 ext 102	Nibea@HoffmanRealty.com
Andrew Dougill	813-875-7474 ext 103	Andrew@HoffmanRealty.com
MaryAnn Hoffman	813-875-7474 ext 104	MaryAnn@HoffmanRealty.com
Amanda Coffman	813-875-7474 ext 105	Amanda@HoffmanRealty.com
Stacy Jordan	813-875-7474 ext 106	Stacy@HoffmanRealty.com
Leasing Department	813-875-7474 ext 108	Info@HoffmanRealty.com
Jerry Travis	813-875-7474 ext 109	Jerry@HoffmanRealty.com
Emergency Maintenance	813-875-7474 ext 110	Call Us
Realtor Showings	813-875-7474 ext 112	
Benjamin Ortiz	813-875-7474 ext 113	Benjamin@HoffmanRealty.com
Karen Williams	813-875-7474 ext 114	Karen@HoffmanRealty.com
Linda Ercia	813-875-7474 ext 203	Linda@HoffmanRealty.com

LANDLORD COMMUNICATION

Communication works both ways. We need communication from you, the Landlord. It is important that you let us know of any significant change that can affect your account. Hoffman Realty needs to know when you are moving, if you have a problem with your account, if your social security number has changed to a Tax ID, or any other important information.

Communications using Your Landlord Portal

Hoffman Realty encourages all our landlords to use your [Landlord Portal](#). It is available 24 hours a day and is a very effective communications tool. The conversations feature of your Landlord Portal provides you with a central location to communicate with us, and includes a feature that allows you to view conversations related to the management of your property. The Conversations section of your landlord portal displays:

- ❑ Conversations between Hoffman Realty and your tenant(s)
- ❑ Conversations directly with Hoffman Realty

Any time a conversation has been created or updated with a new comment, you are notified immediately with an email.

Communicating using Email

Email is another fast and effective communications tool. Please supply us with your email address on all Hoffman Realty forms. We will enter your email address in our database.

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

Communicating using Social Media

Social media is another communications tool that is becoming popular. Hoffman Realty maintains the following social media sites:

[Facebook](#)

[Twitter](#)

[YouTube](#)

When using social media, we request that you identify yourself as one of our landlords to avoid oversights or deletions of messages.

Special note: During storm season head over to our Facebook page where we post updates on weather conditions affecting the Tampa Bay area.

Landlord vacation notice

Hoffman Realty respectfully requests that Landlords notify Hoffman Realty in writing of vacations that are two weeks and over where we may have difficulty contacting you. The purpose in asking for this information is only so Hoffman Realty is prepared in the event of an emergency repair or major problem concerning your property and/or tenant.

LANDLORD RESPONSIBILITIES

A successful business relationship works both ways. Hoffman Realty takes their management responsibilities seriously, and requests that our Landlords do the same.

Landlord responsibilities are:

- Notify Hoffman Realty of any ownership change or eminent ownership change for the managed property such as additional owners or transferring into an entity like a Trust or LLC.
- Supply Hoffman Realty with accurate information so Hoffman Realty can service the management account properly.
- To notify us in writing immediately if you do not want us to renew leases or re-rent to new tenants.
- Review online or printed statements at least monthly and notify Hoffman Realty of any discrepancies found as soon as possible.
- If using electronic funds transfer (EFT), check statements monthly for accurate or missing deposits and notify Hoffman Realty if there are problems immediately.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat Hoffman Realty personnel with courtesy and notify Hoffman Realty principals if there are problems with Hoffman Realty personnel so they can be resolved quickly
- Visit the property periodically or watch the video property inspections sent to you, and if a landlord cannot perform this function, Hoffman Realty requests the landlord order the Annual Property Review so a third party can inspect the property for them. Please note that all visits should be scheduled through your property management team.

Condominium and Homeowner's Associations

If your property is subject to a condominium or homeowner's association, it is very important that you provide Hoffman Realty with all the current rules, regulations, covenants and restrictions, and, if required, applications for tenancy to the Association. If you are unable to supply these please let us know. As a service to you, we attempt to obtain them for you (**we reserve the right to charge a \$75 administrative fee and our direct costs if these documents are difficult to obtain.**).

Landlord's Property - Excluded Areas and Excluded Items

When Hoffman Realty rents a landlord's property we assume that your tenant will have access to the entire premise in full. If this is not the case, because you want to exclude areas (such as sheds, attics or closets), we ask that you specifically notify us of these exclusions in writing. The same applies to excluded items that you do not want to maintain. Good examples of items excluded from your obligation to maintain may be an older washer and dryer or a 2nd refrigerator in the garage that are left for your tenant's convenience, but you do not intend to maintain if they break down. We include and Excluded Items Form in your Management Agreement package.

Insurance

Landlords are responsible to maintain a current insurance policy for their property, with:

- Public liability insurance of not less than \$300,000.
- If Citizens is your hazard insurance carrier, we recommend you purchase a "Gap Policy" to ensure you are carrying \$300,000 of public liability insurance.
- Name Hoffman Realty as an additional insured
- Provide Hoffman Realty with proof of insurance and a copy of the declaration page.

It is most cost effective to add the liability insurance coverage to your property hazard insurance policy. Typically, \$300,000 of liability insurance costs about \$50 - \$100 a year when added to your hazard insurance policy.

We highly recommend that landlords review their property insurance with their insurance agent annually and update it as needed. Here are some things to discuss with your agent:

- Do you have a Dwelling Policy (Landlord's Policy) as opposed to a Homeowner's Policy? A Dwelling Policy is usually less expensive than a Homeowner's Policy and can provide coverage for "lost rent" if your property is damaged and your tenant must move out.
- If your property is a condominium, do you have Condominium Owners Policy with a "Rented to Others Rider"? These policies cover damage to the condominium from "the walls in", such as cabinets, flooring, air handlers, water heaters, window treatments, etc. Typically, condominium master policies do not cover damage to the inside of your unit and many associations mandate that you to carry Condominium Owner's coverage.
- Do you have a "Gap Policy"? If your hazard policy only provides \$100,000 of public liability insurance, you can purchase a separate policy to bridge the gap between \$100,000 and \$300,000 of liability coverage.
- Should you purchase an umbrella or commercial liability policy? If you have assets in excess of \$300,000 your agent may advise you to purchase additional liability coverage.

Landlord Supplied Utilities

In any lease where the tenant(s) have use of the landlord's utilities and are responsible for all or part of the bill(s), we ask that the **landlord pay the entire utility bill in a timely manner** and forward copies of the utility bills to Hoffman Realty for reimbursement. Hoffman Realty will then collect payment from your tenant(s) or will deduct bills to the extent of funds available and issue receipts to the landlord.

Most Associations do not allow tenants to be on the water bill, only the unit owner. This is because Associations are forbidden from shutting off the water for non-payment so they have little leverage over the tenant and they know that many tenants just ignore the bills. They do have leverage over you, the unit owner because they can fine you and lien your property, so you are motivated to ensure the bill is paid. Even if your Association does allow the tenant to pay the water bill, you should not allow it. If the tenant doesn't pay the water bill, the Association can (and usually do) take legal action against the landlord, lien the property, and can file for foreclosure. We have had landlords ask their tenants to pay the "sub-metered" water bill and then have no idea if their tenant is paying the bill because the billing company will only communicate with their account holder. The first time they find out their tenant isn't paying is when they receive a Certified mail letter from an attorney who has placed a lien on their property and is billing them expensive legal fees. We highly recommend that you have your name on the bill and you pay it each month. Send us a copy of the bill each month and we bill and collect from your tenant. This way you stay in control and protect yourself.

Under no circumstances should a landlord cause directly or indirectly the termination of any utility services to landlord's property, as this is a serious violation of Florida Landlord Tenant Law. Hoffman Realty is not responsible for nonpayment or theft of any utility service by tenants.

Landlord Solvency

It is important that all bills and money due on your property are paid, current and not in any state of delinquency. At the start of our relationship we ask all our landlords to complete a Landlord Solvency statement to attest to such.

However personal and economic situations change. If you are not able to keep payments current let us know right away. Our legal counsel has cautioned us about the liability this situation creates for both you as a landlord and Hoffman Realty as your property manager. Your tenant has a right to peaceful quiet enjoyment of the rental property and may hold us both liable for any damages they suffer as a result. Your tenant may also have the right to break their lease agreement or to stay in the property and withhold rent. If you let us know the situation right away we may be able to propose a solution to minimize liability and retain your tenant and income.

Keys and Access Devices

The landlord is responsible to provide Hoffman Realty with a key for each door lock plus two (2) mail keys, garage door openers, gate cards and security passes. Alternatively, Hoffman Realty will obtain copies and bill the cost to your account.

Swimming Pools and Spa Safety

Landlords are responsible for ensuring swimming pools or spas on their property are not a safety hazard as they are an “attractive nuisance”. We recommend that all in-ground swimming pools have approved child safety fences and all above-ground spas have approved safety covers, to prevent accidental drowning.

Occasionally landlords will request that we not rent their property to families with small children due to the “attractive nuisance” presented by a pool or spa to young children. Hoffman Realty will not place any such restrictions on families, as doing so is an illegal act under Federal Fair Housing Laws.

THE SCOPE OF PROPERTY MANAGEMENT

What is included in Hoffman Realty Property Management services

We want you to know what Hoffman Realty does for you as your property management company. Therefore, Hoffman Realty has outlined details on our policies and procedures in following pages of this handbook. There are so many details and aspects of managing property, that we can only include the basics in this manual. If you have more questions, contact your management team.

Again, these are general guidelines and when necessary, policies will change. Please bear in mind that we are unable do “everything” that is required to service a property under our management fees.

What Is Not Included in Hoffman Realty Property Management Services

Because Hoffman Realty provides Landlords with a very wide range of services, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope of property management or require additional fees/services (see below). There are also areas licensed real estate agents dare not tread, unless they have obtained the proper licensing or degrees. We ask that you remember this when making a request. In keeping with paragraph c) of Management Responsibilities of the Exclusive Rental Management Agreement, which states, “BROKER may assess an hourly fee for special services not specified in this agreement”, the following are examples of services not specified in the Property Management Agreement:

*Landlord understands and agrees that normal Property Management **does not include** providing on-site management services, property sales, refinancing, modernization, fire or major damage restoration or rehabilitation requiring a permit from a General Contractor*, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner’s Association meetings.*

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

If you have any questions on what is included or not included in property management, please let us know. We have more information on additional services later in this manual.

COMPANY POLICIES

It is very important in the field of Property Management, that Hoffman Realty follows local, state, and federal legislation and guidelines. Our company takes pride in our industry, and we further implement guidelines and policies of several organizations, such as the National Association of Residential Property Managers, NARPM, and the National Association of Realtors, NAR®. Additionally, we train all personnel by requiring them to read and follow the Hoffman Realty's Policy and Procedures Manual and Hoffman Realty's Employee Handbook.

Department of Real Estate Requirements

The Florida Real Estate Commission (**FREC**) requires licensing for all persons conducting Property Management and Real Estate Sales in our state. Hoffman Realty requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a **Florida Real Estate license**.

Code of Ethics

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

Drug-Free Policy

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

Legislation

Hoffman Realty adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts Hoffman Realty follows:

- Fair Housing (HUD) - Hoffman Realty fully supports and follows Fair Housing laws and guidelines; the Hoffman Realty office displays Fair Housing signage
- Equal Opportunity - Hoffman Realty is an Equal Opportunity employer; the Hoffman Realty office displays Equal Opportunity signage.
- SCRA Act – Serviceman's Civil Relief Act, which has replaced the Soldiers' and Sailors' Act of 1940
- F.S. 83 - Florida Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- EPA – Environment Protection Agency
- Any other local or state legislation that may apply to a specific city.

Lead-Based Paint Hazards

Most landlords do not realize the potential health hazards to their tenants (particularly young occupants) that can be caused by lead on their property.

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. Hoffman Realty follows all mandated federal and state guidelines for lead-based paint. All properties prior to January 1, 1978 require disclosures to all tenants and landlords. Tenants sign lead-based paint disclosures prior to renting a property and Hoffman Realty provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home* as published by The Environmental Protection Agency. Hoffman Realty then forwards the required disclosure for Landlord's signature.

Since 2010 the Environmental Protection Agency has required all Landlords and/or Property Managers of residential properties to comply with new rules for any work that disturbs painted surfaces on residential properties built prior to 1978. This is known as the [Renovate, Repair and Painting Rule](#) (RRP) and carries fines of up to \$37,500.00 per violation. Tenants must be provided a disclosure prior to the work commencing and the work must be performed by EPA Certified vendors.

This is an area of potential liability and Hoffman Realty recommends all landlords of residential properties built prior to 1978 conduct a lead-based paint test. The test results allow the risks to be characterized and a determination of what action, if any, is necessary to mitigate the risk. The typical cost is \$250 - \$400. Please contact our office to order lead-based paint test.

Mold Issues

Hoffman Realty regards mold issues as a top priority in property management. Landlords should be aware that mold is leading issue in the property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits. Several cases regarding mold have awarded damages to tenants in the millions of dollars.

This is an area of high potential liability and Hoffman Realty acts if a tenant reports mold. Hoffman Realty notifies Landlords as soon as practical of any mold issues so Hoffman Realty and/or the property landlords can take the proper steps.

ANSWERS REGARDING FUNDS

When you entered into a management agreement, Hoffman Realty established an account for you and your property. Hoffman Realty recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by Hoffman Realty is specialized software called [Propertyware](#) that is designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the Florida Real Estate Commission (**FREC**).

Banking

Hoffman Realty holds your account in an escrow account mandated by the state of **Florida**. Hoffman Realty accounts for each landlord's funds separately in the escrow account and does not co-mingle funds with broker monies, following **FREC** requirements. **FREC** requires that all accounts maintain a positive balance, so Hoffman Realty in turn requires each landlord to be responsible to fund all expenditures in advance of their becoming due. To better enable Hoffman Realty to pay expenditures as they become due, landlords' accounts have a required "Portfolio Minimum" or Landlord Reserve account. The typical Landlord Reserve amount is \$500 per property, but could be higher if a Landlord is expecting expenditures. Landlords can replenish these funds via check or electronic transfer. When a landlord is unable to fund an expenditure that Hoffman Realty is required to pay, Hoffman Realty will occasionally pay using company funds and reserves the right to assess a \$39 negative balance fee to the landlord's account.

Monthly Statements

All daily bookkeeping transactions are available for you to view **online** on our website. While online, you can print your prior month's statement and view up to 2 years of prior monthly statements. Please note that:

- Hoffman Realty emails an *intermediate* monthly statement to Landlords (usually with your monthly Owner's Draw) around the **10th business-day of the month**.
- Hoffman Realty posts your *final* monthly statement to your owner's portal **at the end of each month**.
- For most landlords your *intermediate* and *final* monthly statements are the same most months. However, they can be different (if you have repairs or we are placing a tenant). So, be sure to check your statements on your portal.

If you have difficulty reading your monthly statement or logging into your Landlord's Portal, please contact your management team. We are happy to assist you and answer your questions.

Disbursement of Monthly Funds

Hoffman Realty generally disburses available rental funds to Landlords **electronically** usually on the 10th business-day of the month. Hoffman Realty cannot issue landlords funds unless there are sufficient funds in the landlords' account. Unless otherwise agreed, the funds "Due to Owner" are all monies over the Portfolio Minimum (Landlord Reserve account) and any additional recurring or one-time monthly expenses.

Hoffman Realty distributes available landlord's funds in two ways:

- Electronic Funds Transfer (EFT) initiated into a landlords' bank account on the 10th business day. An EFT Authorization form is available online, here <https://www.hoffmanrealty.com/pdf/electronic-funds-transfer-authorization.pdf>

- Company check mailed directly to the landlords on the 10th business day.

Hoffman Realty highly recommends EFT transfers as it is faster and more reliable than the US Postal Service.

End Of Year Procedures and Tax Accounting

Each year we report your rental income on an informational return to the IRS and send you a **1099-MISC** showing the income, usually in late January. We will also provide you an **Annual Operating Statement** showing your income and operating costs for the prior tax year.

Please note that the amount reported on the **1099-MISC** is for “total income received,” and not the yearly total of your Owner’s Draws. The Internal Revenue Service dictates the “total income received” requirement. Please note that security deposits are not included in this amount.

It is necessary that you supply Hoffman Realty with the necessary Social Security/Tax ID information so the **1099-MISC** is accurate. If there is a change in your tax information such as a new trust or address, it is very important that you notify us in writing and complete a new W-9. Please contact us if you have questions.

When reviewing your **Annual Operating Statement**, it is particularly important to decide which operating cost should be expensed or depreciated on your tax return. Don’t assume all the operating costs shown on your **Annual Operating Statement** can be expensed! Generally new appliances and carpeting must be depreciated over 5-years. Fences must be depreciated over 15-years and roofs and additions over 27.5 years. Then, there are always gray areas, for example, should a roof repair be expensed or should it be depreciated? Hoffman Realty is not a tax accountant and cannot give you tax advice. **It is Landlord’s responsibility to consult appropriately qualified tax professional for advice on tax accounting.**

The **Annual Operating Statement** will not reflect any funds issued through the Landlords personal account. Landlords can submit their **Annual Operating Statement** to their tax person along with other information for income tax reporting. Hoffman Realty does not issue statements to the landlord’s tax preparers unless prior arrangements have been approved.

Hoffman Realty also issues **1099-MISCs** for disbursements to vendors for work over \$600.00. Therefore, Landlords do not have to issue **1099-MISCs** for work completed and paid through the Hoffman Realty trust account. Landlords are responsible for issuing **1099-MISCs** to any vendor paid through the landlord’s personal account.

Billing Rights Summary

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

- *Your name and managed property address. *The dollar amount of the suspected error, and
- *Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

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

IRS Withholding Tax:

If the landlord is a US citizen they must provide Hoffman Realty with a Tax ID number on a W-9 to be exempt from 30% IRS withholding tax.

Foreign persons must provide a signed form W-8ECI with their ITIN number to be exempt from 30% IRS withholding tax. Non-US persons are advised to seek the advice of an accountant before signing IRS form W-8ECI which states that the signer is exempt from US back-up withholding because their rental property is a business.

If Hoffman Realty is required to collect IRS withholding tax from the landlord, landlord agrees to pay Hoffman Realty a fee of \$250, paid annually in advance. This fee is due only if Hoffman Realty is required to collect and submit monthly withholding taxes to the IRS and submit annual 1042 tax return(s) on behalf of the landlord.

RENTING YOUR PROPERTY

Preparing to rent the property

When prospective tenants view your vacancy, Hoffman Realty wants the property to look its best and compete with area rentals. A cosmetic inspection and rental market survey are completed. Hoffman Realty's management team will contact you to discuss the details of your vacant property and any necessary maintenance.

Setting the rent

Supply and demand determine rent. If there are multiple rentals available in the area of your property, it is necessary to be very competitive. If very few are "for rent" in the same area, it can make it easier to rent the property. Markets change and Hoffman Realty advises Landlords on the "current rental market."

How long will the property be vacant?

This is the most commonly asked question Hoffman Realty receives from landlords. There is no way to predict how long a property will remain on the market, even in the best market conditions. However, Hoffman Realty works diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to have "a quality tenant".

Hoffman Realty, or any other property management company, can rent properties "quickly" if they do not have standards for obtaining good tenancy. However, bad tenants will only create more expense and another unwanted vacancy; therefore, waiting for the "right tenant" is worth the additional time it can take to rent the property.

ADVERTISING/MARKETING

Internet and Website

Hoffman Realty has found that our Internet marketing campaign receives tremendous exposure for your property. We routinely market our listings on Rentals.com; FloridaRentalAds.com, HotPads.com; Zillow, AHRN.com, Realtor.com, Homes.com and a host of other popular websites.

Multiple Listing Service (MLS).

As a member of the My Florida Regional MLS, Hoffman Realty markets your property in the Multiple Listing Service. We offer a competitive commission (other companies often do not) and we fully co-operate with leasing agents for other real estate companies. This multiplies our efforts and with the co-operation of so many agents, your property will receive maximum exposure!

Inter-Office Marketing

As active members of the Greater Tampa Area Realtors and the Tampa Bay Chapter of the National Association of Residential Property Managers, Hoffman Realty has worked hard to build a good working relationship with leasing agents from many other real estate offices. When contacting us, agent's representing prospective tenants, quickly receive all the information they need, including when and how they can see a property. We have a good reputation in the area and other offices like to show our properties.

Signage

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

Video Tours

In 2006 Hoffman Realty pioneered video marketing in the Tampa Bay by filming a 2-5 minute showing of your property, and making this video available in our advertising. Be sure to ask to have your property filmed!

Showings and Applications

The Hoffman Realty property managers and leasing agents conduct showings for each vacant unit. Prospective tenants can search our website for available rentals, view video tours of rentals, schedule appointments online and apply to rent online. We also conduct a Vacancy Review frequently to make sure your property shows well.

"Self Show" Lockboxes

In 2014 Hoffman Realty started using special electronic lockboxes that allow potential renters to access a vacant property without being accompanied by a licensed real estate agent. The person requesting access to the property must supply verifiable credit card information; a government issued ID, their mobile phone number and must talk to one of our leasing agents before being sent a "one-time" showing code. The purpose of these "Self Show" lockboxes is to increase the available times our properties can be shown to potential renters. In today's fast paced society, the easier it is for someone to see a property, the faster it rents. The faster a property rents the more income our landlord generates.

PROCESSING TENANT APPLICATIONS

Tenant screening

Thorough screening is crucial to successful Property Management. Hoffman Realty requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, income, criminal background and tenant history.

All applicants must submit verifiable information on their income to show they can support the property. Rental history is carefully checked. Cross-referencing all four areas – credit, tenant history, criminal background and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet.

Hoffman Realty screens all applicants using a written “Criteria for Resident Selection”. After screening, applicants are categorized as follows:

- “Pass”. The applicant(s) meets the criteria
- “Fail”. The applicant(s) do not meet the criteria
- “Conditional”. The applicant(s) do not “Pass” or “Fail” the criteria. Applicant(s) may be approvable with Landlord authorization and/or adverse action such as additional security deposit.

Due to laws, which may affect disclosure of private and credit information, the landlord will not be provided with the tenant’s consumer report and/or application unless specifically authorized in writing by both the tenant and the provider of the consumer report. However, a summary of the main screening criteria called a Rental Application Review is available.

Cosigners / Lease Guarantors

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

Owner approval of non-qualifying applicant

Hoffman Realty may refer “Conditional” applicants to the landlord for final approval or denial. We request written authorization for approval of non-qualifying applicants.

Pets

Statistics show that almost 80% of all tenants have pets. By excluding pets from their property, a landlord will substantially reduce the available number of tenants – which can prolong vacancy time! As such, Hoffman Realty policy is to allow up to two screened pets at all properties unless specific written instructions to the contrary are provided.

Many tenants have or want pets. It is legal for Landlords to discriminate against pets and you may wish to do so. However, whether you have or have not decided to allow a pet in your property, Hoffman Realty’s application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. Hoffman Realty does not place inappropriate pets in a property.

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

1. First, this encourages prospective applicant to disclose any pets.
2. Second, by listing pets as negotiable, it avoids eliminating an excellent tenant that does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

Many condominium and homeowner's associations have rules governing pets. If your association has such a policy please provide us a written copy of the pet policy.

Service and Assistance animals

Special note: "Service and Assistance" animals for persons with disabilities are NOT pets by Federal law, and Landlords cannot refuse to accept them. Fair Housing legislation does NOT allow Landlords or property managers to collect deposits of any kind for these animals.

However, Landlords can still process applicants who have disabilities on the exact same criteria as other applicants: income, credit, and tenant history. If they fail to qualify in these areas, the landlord/manager can still deny the application, disability or not.

Condominium and Homeowner's Associations

Many condominium and homeowner's associations require prospective tenants to complete a separate application and be approved by the association prior to allowing a tenancy. Additionally, they may have other policies that apply to a tenancy (pet restrictions, parking, etc.). **If your Association has such policies it is very important that you inform us and supply copies of the association policies and applications.** In the event a landlord does not inform Hoffman Realty that a tenant application is required, or of other association policies, and we place a tenant in violation of these policies, Hoffman Realty will not accept any liability.

Hoffman Realty forwards copies of association applications to prospective tenants so they can obtain approval from your association. We will also forward your tenant(s) copies of your association's rules and regulations you have supplied us so they are fully informed of community policies.

THE TENANT MOVE IN

Rent and security deposits

Once approved, all applicants must pay the security deposit, in certified funds. Typically, the Security Deposit is equal to the monthly rent, although we may request and collect a higher amount based on the results of our tenant screening. Hoffman Realty typically does not allow “payments” on security deposits – we require all funds paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting.

Prior to occupancy Hoffman Realty collects the first month’s rent, in certified funds or verifies that funds have cleared prior to issuing possession to a tenant.

If a tenant begins their tenancy other than on the 1st day of the month, we will pro-rated the second month’s rent, depending on the number on days the tenant had occupancy the first month.

Rental/lease agreements

Once Hoffman Realty receives the security deposit, a thorough rental/lease agreement is prepared by an attorney for the applicant(s) to sign. Unless you direct us otherwise in writing, Hoffman Realty executes the lease on behalf of the Landlord. If the accepted applicants are a foreign nationality and/or cannot read and understand the documentation, they must supply an interpreter at their expense, of legal age for signing the rental/lease agreements. Hoffman Realty will automatically pursue lease renewals unless the landlord notifies us in writing not to do so. Renewal fees are due for each written lease renewal or monthly tenancy beyond the initial lease term.

In the State of Florida, real estate agents are not allowed, by law, to draft a lease, therefore, there will be a charge to the landlord of \$85.00 for attorney's fees to prepare the lease. For subsequent lease renewals with the same tenant, the fee is \$50.

Video Documentation

A vital part of the tenancy is a detailed video taken before each tenancy, documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the Hoffman Realty team completes the video before the tenant takes possession of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund or claim.

Resident Handbook

Tenants immediately receive the “*Hoffman Realty Resident Handbook*.” This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition, and more.

Rekeying at Move-In

Unless you direct us otherwise (and sign a release of liability) we usually:

- Rekey your property's exterior doors, as allowed by circumstances, each time before a new tenant moves in
- Replace any double cylinder deadbolts with interior finger latches
- Test smoke detectors in place with smoke

Typically, we can **rekey 6- key holes and smoke test the smoke detectors for about \$110**. If there are additional key holes to rekey, we need to replace double cylinder deadbolts or non-functioning smoke detectors, there are additional charges.

Tenant education and preparation

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. We “meet” with the new tenants before they sign their lease to perform a “Lease Presentation” that reviews the key areas in their lease and the Resident Handbook. Additional forms that the tenants may need are included with the *“Hoffman Realty Resident Handbook.”* Hoffman Realty wants well informed Landlords and tenants.

Furnished Property

If your property is furnished, please provide us a current copy of the furnishings inventory. It is the landlord's responsibility to keep the inventory current. Alternatively, Hoffman Realty can provide an inventory. The current cost is \$150.00. The fee includes a video of the property and its contents).

WORKING WITH YOUR TENANTS

Collecting rent

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

Hoffman Realty recognizes that many things can happen where it concerns rent; rent can really be lost “in the mail”; employers can delay the tenant’s paycheck, there are real tenant emergencies, and more. Therefore, we make a serious effort to determine why the tenant is having a problem. To encourage timely payments Hoffman Realty enables Tenants to pay their rent ONLINE on their Renter Portal. Renters can pay online manually each month or they can set-up an automatic draft of rental funds from their bank account each month. Timely paid rents are distributed to landlords by the 10th business day of the month.

Notice to pay or quit

If Hoffman Realty does not receive rent by the due date, Hoffman Realty prepares and delivers a 3-day or 8-Day eviction notice to pay or quit, as the law allows. Hoffman Realty makes every effort to mail and post notices properly should legal action be required. If Hoffman Realty determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, Hoffman Realty contacts the landlord and works out a plan of action.

Other notices

There are other notices that may be involved with tenants. Hoffman Realty serves notices as situations warrant, such as a notice to clean up the landscape, HOA violations, a notice to enter the property, a notice to perform survey/inspections, a notice regarding an illegal pet, illegal tenants, etc. These tenant violations may be in the form of a letter or it could be a legal notice prepared by our attorney. Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, Hoffman Realty contacts the landlords with the information to discuss the situation.

Tenant problems

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

Our company policy is to take a “what if” approach. Hoffman Realty documents tenant problems in the event that it becomes a legal problem. One of the reasons you hired a property manager is for “peace of mind.” This is what Hoffman Realty recognizes and works to prevent legal issues from arising.

Legal action – Institution of Eviction

The last thing a landlord (and Hoffman Realty) ever wants to do is to evict a tenant. Unfortunately, evictions can happen to any landlord no matter how well a tenant is screened. Circumstances change in people’s lives and they are not able to pay the rent. This is especially true when people lose their job, get a divorce or have a serious injury. We attempt to negotiate with tenants to avoid an eviction, but when a tenant cannot afford to pay the rent they also find it difficult to move and often refuse to communicate. This requires the landlord to go through the costly procedure of evicting the tenant.

Hoffman Realty’s current policy for determining when to file an eviction is to file an eviction when a tenant is past due a full month’s rent and is at least 15 days late. If a tenant does not pay the final

month's rent due per the terms of their lease, Hoffman Realty will evaluate tenant's performance history and the dollar amount of their security deposit when deciding whether to file an eviction.

Florida Law requires any institution of eviction or damage proceedings against a tenant, through the courts, be taken by:

- The landlord individually, or
- An attorney.

Hoffman Realty is not allowed to file an eviction. Therefore, with the Landlord's permission, Hoffman Realty will hire a reputable attorney to perform the eviction. The costs and Attorneys Fees to evict a tenant or otherwise must be paid by the landlord to Hoffman Realty in advance.

In the event a tenant vacates voluntarily or involuntarily owing rent monies due under the terms of the lease or any renewals, and, if these monies are collected in whole or part in the future, landlord agrees that Hoffman Realty is entitled to a commission on any monies received in the percentage as set forth in the Management Agreement and agrees to remit them to Hoffman Realty.

Eviction Protection Program – Requires Qualified Management Plan

When the economy slows down it usually creates a drastic increase in the number of evictions filed in Florida courts. If you have a Qualified Management Plan, Hoffman Realty protects our landlord clients from the high costs of an eviction up to a maximum cost of \$2,000.

The only cost of the eviction that is not covered are costs over \$2,000 which could occur in a jury trial, or when a tenant is awarded legal fees, or if a tenant contests an eviction and the judge awards a hearing. (Since 1988 we have never had to go through a jury trial or had a judge award a tenant legal fees!)

In the event any Renter procured by Hoffman Realty under any lease shall default in the payment of rent or shall hold over in possession for longer than the lease term stated in any such lease, Hoffman Realty shall have the right and sole discretion to institute legal proceedings for eviction, unlawful detainer or other civil action against such Renter, and all other persons occupying the property, in Landlord's name, place and stead. Included in this agreement is Hoffman Realty Standard Eviction Protection: Up to \$2,000 in the aggregate for all Notice and Appearance Fees, attorney fees and legal costs to file a Count I eviction for possession only.

The Eviction Protection shall only be valid with a Qualified Management Plan while a management agreement is in effect, and for tenants Hoffman Realty has placed in the property. Landlord represents and agrees (a) that this clause contains the complete and entire agreement of the parties regarding the Eviction Protection being provided by Hoffman Realty, (b) that Landlord shall fully cooperate in the institution, prosecution and collection of any such litigation; (c) that this Eviction Protection plan is not an indemnity or insurance contract of any kind; (d) that Landlord waives any claims against Hoffman Realty in the event Hoffman Realty, for any reason, decides not to file such litigation; and (e) that Landlord fully and clearly understands the terms and legal effect of this provision.

MAINTENANCE

Preventative Maintenance

The best approach to maintenance is “preventative maintenance,” and this is Hoffman Realty’s policy.

First, Hoffman Realty has already started with educating the tenant by:

- Completing a detailed Residential Lease, which includes a thorough outline of what are tenant responsibilities regarding maintenance as well as landlords’ obligations
- Completing a move in video documenting the condition of the property before the tenant takes possession
- Supplying tenants with the “*Hoffman Realty Resident’s Handbook*,” which provides additional instructions on the care of the property and how to report maintenance issues
- Meeting with the new tenants before they sign their lease to perform a “Lease Presentation” that reviews the key areas in their lease and the “*Hoffman Realty Resident’s Handbook*”

We want the tenant to know from the beginning of their tenancy that the Hoffman Realty / Landlord expectations are to “care for the property.” This approach can prevent costly maintenance.

Next, we use “preventative maintenance” techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, caulking, grouting and more. Many small repair items can prevent maintenance that is more expensive.

Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, water damage, safety issue and more. Then of course, there are the major issues in a home such as the roof, the exterior condition of the building, carpeting, interior, and exterior paint, etc. When left to deteriorate, it usually means the landlords will have to spend more in the future.

It is equally important to keep up with maintenance while the tenant occupies the property. Often people think no news is good news; this can be just the opposite. Instead, “delayed news can become very bad news.”

This is why, in our tenant instructions, we require them to report maintenance. For example, what is worse than finding out water damage and mold could have been prevented the tenant had reported the leaking sink in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases.

Landlord’s Reserve

In order to maintain your property, we ask that you maintain a **Landlord’s Reserve account of \$500**. The Landlord’s Reserve is your money that we hold in your account so we have funds on hand to pay for repairs and other property or management expenses. Your Landlord’s Maintenance Reserve is critically important if emergency repairs are required to your property. With funds in your Landlord’s Reserve we are able to immediately dispatch vendors to repair and protect your property, rather than waiting for you to send us funds before we can act. When we first start managing your property you can send us a check to fund your Landlord’s Reserve, or, alternatively, we can fund your Landlord’s Maintenance Reserve out of rents received from your tenant. When your Landlord’s Reserve account falls below \$500 it is replenished from the rents received.

Over the years as labor, materials and fuel costs rise, Hoffman Realty reserves the right to adjust the Landlord’s Reserve account minimum as needed to properly maintain a Landlord’s property.

Hoffman Realty's management team will contact Landlords regarding maintenance above the Landlord's Reserve amount of \$500, unless the situation is an emergency. Our management team will frequently communicate repair information to a landlord for items that are below the minimum cost as well!

Service Contracts

Hoffman Realty will order service through landlord's Service Contracts or Warranties vendors. Please supply Hoffman Realty copies of these contracts along with instructions on how to place a service order. If we do not receive copies of Warranties or Service Contracts we will assume none exist.

If you are considering paying for a Service Contracts or Warranty for your property, please contact us first so we can share our experience of different contracts and vendors. Most Service Contracts or Home Warranties are not tenant friendly and we are going to encourage you NOT to purchase such agreements or NOT to renew them if you currently have one. For some background, here is a post on our website:

<https://www.hoffmanrealty.com/how-to-lose-a-good-tenant-by-using-a-home-warranty/>

Warranties or Service Contracts are labor intensive to dispatch, coordinate and provide customer service to the Renters. **Therefore, there will be a charge to the landlord of \$55.00 per occurrence for each claim.**

Vacancy Maintenance Program

Once a property has been cleaned and placed on the market for rent, experience has shown that it needs to be 'freshened up' every two weeks. Hoffman Realty offers an optional Vacancy Maintenance Program that includes sending a Service Tech to the property to perform light cleaning, pick up newspapers, change air fresheners, remove any light debris or weeds etc. **This optional service is available at a cost of \$75 per visit plus any materials used.**

Emergencies

When an emergency strikes, Hoffman Realty has policies in place for the property and tenants. Hoffman Realty notifies the property landlords as soon as practical. The nature of the emergency determines the action needed by Hoffman Realty. For example, we have policies in place for situations defined as emergencies under Florida law such as major plumbing leak, or a blocked main sewer line.

There are times when a property manager must "act" in order to prevent great financial risk to the landlords. For example, when a property is flooding, action is necessary, particularly if the property landlord is not immediately available.

Acts of God and Disasters

Hoffman Realty defines Acts of God and Disasters as events such as severe thunderstorms, tropical storms, hurricanes, tornados, flooding, earthquakes, tsunamis, epidemics/pandemics, civil disorder and other local or global events that impact the landlord's rental property and/or tenants.

When an Act of God or disaster strikes Hoffman Realty notifies the landlords as soon as practical. The nature of the event determines the action needed by Hoffman Realty. For example, we have a storm response system in place for Hurricane season and a "touchless" management and leasing system for a pandemic.

Should any act of God or Disaster occur, Hoffman Realty will continue managing the property until the property is returned to tenable and/or income producing condition, and all management fees remain due and payable.

Hurricanes and Shutters

After three tropical storms in one year (2004), Hoffman Realty became very adept at storm response!

We have moved our property management database system and website portals out of Florida so they are available if there is a disaster. Our backup system includes using wireless Internet service to enable us to communicate with landlords, tenants and vendors through our “out-of-state” website portals.

Hurricanes watches and warnings frequently afford Floridians no more than 48 hours to secure their homes.

Don't Wait Until a Storm is Threatening: The last times the Tampa Bay area was threatened by major hurricanes, in 2004, 2017, and 2022 (fortunately they all missed), landlords and tenants were calling our office 2-3 days prior to the expected arrival requesting a board-up service or shutter installation service. Unfortunately, this was way too late to request this service. Our office was closed due to a mandatory evacuation order from Hillsborough County, while our staff and vendors (that had not left the State) were waiting in long lines at hardware stores for plywood (that was being rationed) to board up their own homes. The lesson learned is the time to plan for a board-up (or shutter install) service is NOW. Not when a storm is threatening. If you think you might want this service, don't wait, arrange it now!

Don't Rely on your Tenants to Board Up: We recommend that you do not rely on your tenant to secure your property from a major storm. We have seen some well meaning but ineffective attempts to board up properties by tenants that do more damage than provide protection. Additionally, tenants may be unwilling or unable to take precautions, even if you have pre-made shutters. Consider also, that if installation requires a tenant to climb on a ladder and they fall off and are injured, this may expose you to personal injury claims.

Hire a Local Contractor: It is usually always better to arrange installation by hiring a local contractor or making arrangements with local friends and family, well in advance of any storms. Unfortunately, due to insurance, Hoffman Realty is not able to offer this service through our company. However, we have prepared a list of local contractors that you can hire for Hurricane Shutter Installation and Board-Up. Contact us for a copy!

WHEN THE TENANT VACATES

Notice to vacate

When there is a notice to vacate, the move out procedures with tenants are as critical as when Hoffman Realty moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, move-in video and *Hoffman Realty Resident's Handbook*. These documents gave instructions to the tenant on how to move out.

Communication with landlords and tenants

Hoffman Realty notifies the landlords when a tenant gives notice to vacate. Landlords can assume that Hoffman Realty will automatically proceed with re-renting the property. Hoffman Realty will place the property on the market and seek to place a new tenant unless the landlord notifies Hoffman Realty in writing to take other measures.

Hoffman Realty also responds to the tenant notice with information detailing the steps to complete a successful move. Rent is required until the end of the notice unless otherwise stated in the rental/lease agreement.

Owner's Reserve and Last Month's Rent at the end of a tenancy: We handle the last monthly rent payment from your tenant differently from other months during their tenancy. Instead of sending it to you as part of your monthly Owner Draw, we temporarily place it into your Owner Reserve as additional owner funds. We handle your Owner Reserve differently at the end of a tenancy to improve the speed with which we can get your property "rent ready". The faster we can place a new tenant, the sooner our landlord generates new rental income on their property. Making a property "rent ready" often involves repairs, replacements or cleaning that can exceed the landlord's \$500 Owner Reserve. This then creates a bottle-neck because we are waiting for our landlord to send us funds (and those funds to clear) to pay the vendors before we can order the work.

Tenant move out video

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

After assessment of the tenant move out and if we find we do not have sufficient funds on hand to address tenant damages or any maintenance required to re-rent the property, Hoffman Realty will contact our Landlords. Usually we will provide Landlords an itemized list with the cost of recommended repairs, replacements, cleaning and improvements.

Security deposit refunds and security deposit claims

Oftentimes we hear landlords say, "Did you collect my security deposit"? It is important to know that the security deposit does not belong to a landlord unless and until a successful claim is imposed against the deposit at the end of a tenancy.

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner, and a security deposit claim is prepared in accordance with Florida laws. The Florida Landlord Tenant Laws (F.S. 83) gives no leniency whatsoever to the landlord or property manager who fails to make a claim or a timely claim. We must be able to prove that we sent the security deposit claim notice by certified mail; therefore, we send all security deposit claims and refunds by certified mail with return receipt.

When determining a security deposit refund or claim, Hoffman Realty may make a claim against a tenant's deposit for:

- Unpaid charges under the lease, such as rent, utilities, late fees
- Cost associated with breaking a lease such as advertising, legal fees and re-leasing fees
- Cost associated with cleaning, yard service and pest control
- Cost associated with property damage that is beyond "ordinary wear and tear"

When making claims for property damage, Florida courts generally expect that deposit claims recognize "ordinary wear and tear" and the "service life" of items in the property and only charge a tenant appropriately. Therefore, with item such as paint and flooring, a landlord should only claim a pro-rated cost based on the remaining service life. For example, if the service life of carpet is 5-years and it must be replaced after 3-years due to tenant damage beyond "ordinary wear and tear" the claim should only be made for the remaining 2-years of service life (or 2/5th of the replacement cost). It is also important to only claim for repairs and cleaning that was actually completed at the property, as the burden of proof of the claim is on the landlord. Our attorney has advised us that courts may not be convinced of the validity of a claim if repair or cleaning was not done.

Collections

Once a tenant vacates the property, Hoffman Realty's rent collection efforts conclude with the preparation of a final statement of claim sent to the last known address of the tenant. Hoffman Realty's contractual management service does not include debt collection after a tenant vacates the leased premises.

MANAGEMENT PLANS

The following are the property management plans offered by Hoffman Realty.

“Basic” Management Plan

This Management Plan is no longer offered.

If you selected this plan while it was available in 2018, you will be switched to the “Standard” Management Plan on July 1st 2023.

“Standard” Management Plan

This is our most popular management plan. See Addendum 1 for the services offered and service guarantees.

For Management: 10% of the monthly rent or a minimum fee of \$100.

For Leasing: 100% of One Month Rent plus \$95 Attorney Lease Fee

For Lease Renewals of Existing Tenants: 25% of One Month Rent plus \$95 Attorney Lease Fee

If you signed up for the older version of the “Standard” plan before January 1st, 2022 some fees will change on July 1st, 2023. The management fee changes from \$149 per month to \$199 per month and the Attorney Lease Fee increases to \$95 on July 1st, 2023. Other fees and charges remain unchanged.

“Peace of Mind” Management Plan

This is our most comprehensive management plan. See Addendum 1 for the services offered and service guarantees.

For Management: \$299/month.

For Leasing: 50% of One Month Rent plus \$95 Attorney Lease Fee

For Lease Renewals of Existing Tenants: 25% of One Month Rent plus \$95 Attorney Lease Fee

If you signed up for the older version of the “Peace of Mind” plan before January 1st, 2022 some fees will change on July 1st, 2023. The management fee changes from \$249 per month to \$299 per month and the Attorney Lease Fee increases to \$95 on July 1st, 2023. Other fees and charges remain unchanged.

ADDITIONAL SERVICES

The following are “additional services” offered by Hoffman Realty to each property landlord. They are not included in the fees for managing and/or leasing the property.

Referrals

Do you know someone who is looking for management services in Tampa? If so, we have a favor to ask of you. There are really two sources of new clients and customers for companies like us. One is to find people cold--that means we don't know them and they don't know us. The second--and better--source of new clients is referrals from satisfied clients and customers. So, if you would, please let us know about any referrals you can let us have, anyone who is even thinking about having their property professionally managed. It would be our pleasure to help them with your recommendation.

Additionally, **Hoffman Realty pays a \$50 referral fee** upon signing up a new property, so send other property Landlords to us!

Annual Property Review (APR) - Optional

Hoffman Realty maintains properties as part of our property management services. The Annual Property Review (APR) goes beyond overseeing normal maintenance. A licensed home inspector performs the APR, and the purpose is to provide each landlord of each investment property a property condition review each year in order to perform necessary or preventative maintenance. This APR includes recommendations regarding upkeep, maintenance, repair and capital improvements.

The purpose of this annual property review is to:

- 1) Review how your tenant is complying with the terms of the lease agreement with regard to physical care of the property. Perhaps repairs need to be made and charged back to the tenant.
- 2) Determine any violation by tenants with regard to:
 - a) Pets
 - b) Additional people residing in property
 - c) Yard maintenance
 - d) Excessive trash in yards or property
- 3) Identify and correct any noticeable safety issues, which present potential liability for you, the property owner. Examples include:
 - a) Non-functioning smoke detectors (tested with smoke spray)
 - b) Non-functioning GFCIs
 - c) Trip hazards
 - d) Others (from the Safety Checklist)
- 4) Identify necessary maintenance/repairs not considered priority and handle through normal work order procedures. These areas include:
 - a) Plumbing repairs or water damage
 - b) Electrical repairs
 - c) Carpeting or flooring repairs
 - d) Caulking repairs
 - e) AC Filters
 - f) Tree limbs touching the roof
 - g) Other items as noted on annual property condition review
- 5) Identify any potential capital improvement recommendations that the property owner will need for future consideration. This could include replacement of old and/or defective:
 - a) Carpets
 - b) Appliances
 - c) Plumbing fixture
 - d) Heating and air conditioning
 - e) Roof
 - f) Paint
 - g) Cosmetic improvements

As you can see, the annual property condition review provides our landlord a much larger overview of your investment property than just maintenance and repair. **The annual fee of \$200 per property review will be charged to your statement for this report.** We feel this is a valuable added service that Hoffman Realty provides to all of our property owners.

The APR is generally scheduled 90-120 days prior to every lease anniversary date, to afford Hoffman Realty and the landlords the opportunity to evaluate the condition of the property before a lease renewal is negotiated. **Hoffman Realty notifies all Landlords in writing before scheduling an APR, and a landlord may opt out of this inspection by providing Hoffman Realty written notice not to proceed with an APR.**

Supervision of extraordinary maintenance

Although not always taken, Hoffman Realty reserves the right to charge an hourly fee for supervising work requiring extraordinary maintenance. The definition of extraordinary maintenance is as follows:

Hoffman Realty defines extraordinary maintenance as rehabilitation work that exceeds \$5,000.00 for insurance claims, and major systems replacements. (Examples include major tree work, kitchen / bathroom replacements, flooding, vandalism, insurance claims, etc.)

The Hoffman Realty policy is to consult licensed contractors for bids and solutions. Then Hoffman Realty contacts our landlord for authorization and/or decision regarding the maintenance.

Housing Assistance and Voucher Program Liaison Fees

Housing assistance programs such as, but not limited to, the Section 8 Housing Choice Voucher Program may require Hoffman Realty to visit a landlord's property for the purposes of meeting representatives of the public housing agencies, city, county, state or federal governments, officials of charitable institutions, utility companies, inspection companies, insurance companies, public safety personnel, legal representatives, contractors; and other personnel for or on behalf of the landlord. If we determine that such visits are required, Hoffman Realty will charge a Housing Assistance and Voucher Program Liaison Fee for each visit to the Property, and for each visit by to the places of business of any of the aforementioned representatives for or on behalf of our landlord. **The current Housing Assistance and Voucher Program Liaison Fee is \$75.**

Real Estate services

The Hoffman Realty's Sales Division is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges.

A free market analysis is available at any time with no obligation. Please contact your property management team or one of our sales team listed to provide you with the information or services you need.

CANCELLATION OF MANAGEMENT

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

Please review the following policies for cancellation.

Written notice

- Hoffman Realty's policy is to require cancellation of management in writing. To ensure Hoffman Realty has received the cancellation we ask our Landlord to confirm receipt.
- Landlords are advised that lease renewals are frequently negotiated with tenants from the 8th to the 10th month of a lease, and cancellations of the management contract may be subject to any lease renewal! For this reason, Landlords are advised to give written notice of cancellation at least 90 days prior to lease renewal!

Notice to current tenants

- Hoffman Realty will notify current tenants the date Hoffman Realty will no longer manage the property.
- It is the landlord's responsibility to advise tenants where to make future rental payments and work requests after the notice period.
- Florida law requires that your tenants provide written permission to transfer their security deposits to the Landlord's bank account. Please contact our office to obtain the appropriate form to have your tenant sign. There is an exception if the security deposits are being transferred to the escrow account of a Florida real estate broker. In this situation the tenants don't have to give their permission, but must only be notified in writing who holds their deposit and in what manner.

Distribution of documents

- Hoffman Realty will supply current tenant documentation to the landlords.
- If the landlord has employed new management, it is the landlord's responsibility to instruct them to pick up documents, keys, and any other necessary materials at the Hoffman Realty office.

Final distribution of funds

- Hoffman Realty will distribute funds and final monthly statements to the landlords within forty-five days of the terminating date of management, as agreed in the management contract. Landlord will be required to sign a General Release Form and return it to Hoffman Realty before final distribution of funds can be made.
- Hoffman Realty will issue a 1099-MISC for funds collected during the current tax year when the tax year ends.

CONCLUSION

We hope you have found the *Hoffman Realty Landlord Handbook* informative and useful. If so, please inform your management team. If you feel there is any other information Hoffman Realty can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary Hoffman Realty forms and use the others when needed in the future. Call Hoffman Realty at any time or go to our websites when you need any forms.

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

Hoffman Realty

Dedicated to Your Successes

ADDENDUM 1

	STANDARD Management Plan	PEACE OF MIND Management Plan
	Our Most Popular Plan	Most Comprehensive Plan
	8-10% management fee	\$299 /mo management fee
Finding New Tenants - Includes Rental Analysis, Listing and Marketing, Showings, Tenant Screening, Attorney Lease and Signing, Collect Security Deposit.	100% of One Month Rent \$95 Attorney Lease Fee	50% of One Month Rent \$95 Attorney Lease Fee
Lease Renewal of Existing Tenants - Includes Rental Analysis, Attorney Lease and Signing.	25% of One Month Rent \$95 Attorney Lease Fee	25% of One Month Rent \$95 Attorney Lease Fee
Extensive Website Advertising	✓	✓
Marketing Video Walkthrough Tour	✓	✓
Answer Leasing Calls 24/7	✓	✓
Convenient Tenant Showing System	✓	✓
Comprehensive Pet Screening	✓	✓
Detailed Move-In/Out Inspections	✓	✓
Rent Collection	✓	✓
Security Deposit Collection	✓	✓
Maintenance Coordination	✓	✓

24/7 Emergency Coverage	✓	✓
Move-In/Out Inspections	✓	✓
Tenant Communications	✓	✓
Monthly Accounting and Statement	✓	✓
Year End Reporting and 1099	✓	✓
Routine Repair	✓	✓
Legal Notices	✓	✓
Security Deposit Claims	✓	✓
Periodic Occupied Inspections	✓	✓
Drive-By Inspections	✓	✓
Insurance Claim Oversight	Hourly Rate	✓
Property Improvement Oversight	Hourly Rate	✓
Home Warranty Vendor Coordination	\$55 Per Occurrence	\$55 Per Occurrence
Marketing Photography	✓	✓
Safety Check / Annual Property Review	\$200	✓
100% Satisfaction Guarantee	✓	✓
21-Day Rental Guarantee	✓	✓
Leasing Guarantee	✓	✓

Animal Damage Guarantee		✓
Eviction Protection Guarantee		✓