

Owner Handbook



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WELCOME

Thank you for choosing One Focus Property Management® (One Focus PM) to manage your investment.

One Focus PM's purpose is to protect and improve the future for real estate investors. We accomplish this by optimizing the performance of our clients' real estate assets and advocating for landlords. It is important you and we understand how this partnership will function, and that is why we created this handbook. We urge you to take the time to review the information enclosed. After reading the material, if you have questions or any concerns, please reach out.

Special note: the information provided in the One Focus PM Owner Handbook is subject to change. The only constant is change, and we are committed to continuous improvement. Landlord/Tenant laws, personnel, policies, and procedures evolve, and we work diligently to improve services and remain current with all new legislation.

COMMUNICATION

Communication is a key to the success in any relationship, and One Focus PM's relationship with you is certainly no exception. We work constantly to improve communications with all our clients. This includes everyone – client owners, tenants, applicants, vendors, and the public.

Company Communication

One Focus PM encourages all owners to use email to contact us as the first step to getting the information you need. It is fast and effective. If email will not suffice, please call our office, and we will attempt to assist in the moment. Please do not drop by the offices; we are not set up for drop ins and prefer an appointment, or, if a face-to-face meeting is required, we are happy to set up a Zoom call for maximum efficiency of time.

One Focus Property Management General Information

Mailing address: PO Box 428 Williamsport, PA 17703
Street address: Williamsport Office: 414 W. Fourth Street Williamsport, PA 17701
Danville Office: 418 Railroad Street Suite 102, Danville, PA 17821
note we no longer staff a Lock Haven office
Phone #: 570-505-3347
Email: Support@OneFocusPM.com
Website: OneFocusPM.com
Office Schedule: Monday-Thursday 10:00 AM – 5:00 PM
Friday 10:00AM – 12:00 PM

One Focus PM Website

Our website, www.OneFocusPM.com, is state of the art and constantly updated. Here are a few of the benefits for clients on the website:

- Prospective tenants can search our site for available rentals, schedule a showing, and apply.
- Tenants have a tenant portal where they can securely pay rent, view their lease, submit a request for maintenance, or send a message to the team.
- Owners have an owner portal where they can submit contributions, retrieve current and past statements, and view documents.
- Our news section is a source of news and information for landlords.

One Focus PM Clients-Only Facebook Group

We have a Facebook group for Clients only at <http://bit.ly/OneFocusPMClients>. If you use Facebook, this is the easiest way to make sure you see messages and updates of general interest to our Clients. We include fun updates from the company as well as news and policy updates that affect you as a real estate investor. These updates are often also published on the news section of our website.

COMPANY STRUCTURE

One Focus PM has a complete team of experienced professionals to manage your property. We have structured the company to be departmental, which we prefer because it allows us to leverage the skills and experience of our team across our portfolio. As a client you will interact with three departments, described below.

- **Property Management Department:** This department markets properties available for rent, processes applications, renews leases, and manages the complex move-in and move-out process. During tenancy, they are assisting our tenants with their customer service inquiries, they enforce leases through tenant counseling, lease violations, and eviction. This department is staffed by highly trained licensed real estate salespersons.
- **Operations Accounting Team:** This department is accountable for managing the accounts for our clients' rental businesses. They process and record all income and expenses for the properties making sure your accounting is current and accurate. This department works together with the Property Management Department to enforce leases when the compliance issue is non-payment. We call this the Operations Accounting Department because it is operated separately from our company's finances. Your property funds and our company funds are never commingled, and we use different systems, accounts, and staff to manage each.
- **Maintenance Department:** This department takes care of all the repairs, maintenance, and renovation for our portfolio. In addition to our team of technicians, our maintenance managerial and administrative staff work closely with our vetted vendor network, making sure the subcontracted work is to the same high standard as our technician team's work. This department performs the annual preventive maintenance visits. The team is Lead-Based Paint Certified, and our company is a licensed Contractor in PA.

OWNER RESPONSIBILITIES

One Focus PM takes their management responsibilities seriously and requests owners to do the same. Owner responsibilities are:

- Notify us of any ownership change or eminent owner change for the managed property.
- Supply us with accurate information, so we can service the management account properly.
- Review statements monthly and notify us of any discrepancies found as soon as possible.
- Support Fair Housing Laws and guidelines, as well as all legislation effecting the property.
- Maintain an insurance policy for their property with One Focus PM added as additionally insured. (More details about required limits and this requirement in the management agreement.)
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat our team with respect and notify Broker if there are service issues, so they can be resolved quickly.
- Owner understands and agrees normal Property Management does not include property sales, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner Association meetings.

COMPANY POLICIES

Our industry is subject to federal, state, and local legislation and regulations where violations are very costly and result in the loss of employees' professional licenses. As a company, we train our team regularly on these ever-changing regulations, so we can professionally advise our clients and work on their behalf as agents.

Real Estate Commission Requirements

The Pennsylvania Real Estate Commission requires licensing for all persons conducting Property Management activities. One Focus PM requires all personnel performing licensed activities such as leasing property and negotiating leases and terms to have a Pennsylvania Real Estate license.

Legislation

One Focus PM adheres to the laws and guidelines of federal, state, and local legislation and incorporates this into all documentation, policies, and procedures. Examples of the legislation and agencies affecting your rental property include:

- Fair Housing (HUD)
- Equal Opportunity
- SCRA Act – Serviceman’s Civil Relief Act
- URLTA - Uniform Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- FTC – Fair Trade Commission
- EPA – Environmental Protection Agency
- Pennsylvania Landlord Tenant Act
- Local city, township, and borough rental ordinances

Lead-based Paint

Lead-based paint became a major issue in the 1990s prompting mandatory requirements for residential housing and continues today. One Focus PM follows all mandated federal and state guidelines for lead-based paint. All properties built prior to January 1, 1978 require disclosures to all tenants. We get your disclosure with the management agreement paperwork. Tenants sign lead-based-paint disclosures prior to renting a property, and we provide them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property. Legislation now provides owners and managers must use certified vendors to work on lead-based paint. One Focus PM is a Lead-Based Certified Company.

Mold Issues

Owners should be aware mold is another 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 extreme liability, and One Focus PM takes action if a tenant reports mold. One Focus PM notifies owners as soon as practical of any mold issues, so One Focus PM and/or the property owner can take the proper steps.

ANSWERS REGARDING FUNDS

Accurately collecting and distributing funds is the cornerstone to good property management. The bookkeeping program we use is specialized software designed to handle the many facets of property management and accurate record keeping and complies with the requirements of the Pennsylvania Real Estate Commission.

Banking

We hold your account in a trust fund mandated by the Commonwealth of Pennsylvania. One Focus PM accounts for each owner’s funds separately in the trust account and does not co-

mingle funds with Broker monies, following the Pennsylvania Real Estate Commission requirements.

Monthly Statements

The Operations Accounting Department sends monthly statements to owners. If you have difficulty reading your monthly statement, please contact our Operations Accounting Department. We are happy to assist you and answer your questions.

Disbursement of Monthly Funds

We disburse available funds and monthly reporting to owners on or about the 27th of each month (this may vary based on the specifics of your contract). If this day falls on the weekend, we issue funds on the next business day. We do not disburse funds on weekends and holidays. We will NOT issue owner payments unless there are sufficient funds to disperse in the owner's account. Reporting packets are emailed to the owner, and funds are sent by electronic deposit to the bank account you have designated to receive the funds.

End-of- Year Procedures

At the end of each year, we are required to file 1099s for income received over \$600. Please note this amount is for "total income received," and not the yearly total of owner disbursements. The Internal Revenue Service dictates the "total income received" requirement. Please note security deposits are not included in this amount.

You must supply us with the necessary Social Security/Tax ID information, so the 1099 is accurate. We will send the 1099 for the rent by February 15 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us immediately at Support@onefocuspm.com.

We also issue 1099s for disbursements to vendors for work over \$600.00. Owners do not have to issue 1099s for work completed and paid through the One Focus PM. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal account.

You will be sent end-of-year accounting by the end of January for the year prior. This will be an annual report showing the previous year in total and will serve to provide you information you need as you prepare your tax returns. The amounts on these reports will not reflect any funds issued through the owners' personal account.

RENTING YOUR PROPERTY

Preparing to Rent the Property

When prospective tenants view your available property, we want it to look its best and compete with other available rental homes. A property maintenance report and rental market survey is completed. Our team will contact you to discuss the details of your vacant property and any necessary maintenance.

Qualified tenants are looking for:

- A remarkably clean property. This is more than just dusting and wiping things down. This is looking high and low, under/over/behind/inside/outside each cabinet, appliance, etc. They have confidence that if they chose to live here that they would feel comfortable and safe.
- A property that is well cared for, the maintenance is done (not underway) and fixtures/ household amenities appear to be in good working order. They have confidence, if they chose to live here, everything would work.
- A property they can be proud to call home. The walls are clean and attractive neutral color, modern and bright lighting, and flooring they don't hesitate to put bare feet on. They have confidence, if they chose to live here, they would have their family and friends over for dinner and be proud of their home.

Setting the Rent

Supply and demand factors in our market determine rent. If there are multiple rentals available in the area of your property, it is necessary to be very competitive. If there are fewer rentals available, it is more likely the property will rent more quickly. Our local market is dynamic, and our team has our fingers on the pulse of what is happening. We are well positioned to advise our clients on rents.

How long will the property be vacant?

This is the most commonly asked question we receive from owners. Unfortunately, there is no way to predict how long a property will remain on the market, even in the best market conditions. However, we work diligently to rent the property as quickly as possible. It is important to remember the most important objective is to obtain a qualified tenant.

One Focus PM, or any other property management company, can rent properties quickly if they do not have standards for obtaining qualified tenancy. However, unqualified tenants will only create damage, problems with other tenants, and eventually another unwanted vacancy; therefore, waiting for a qualified tenant is worth the additional time it can take to rent the property.

ADVERTISING/MARKETING

Internet/Website

Our website, www.OneFocusPM.com receives tremendous exposure, as well as using Apartments.com, Hot Pads, Realtor.com, and many other rental websites. We take full advantage of this medium to get maximum exposure for your property.

Showings and Applications

We show properties two ways, and we determine how to best show your property based on the nature of the property and whether it is occupied. For occupied properties and complex multi-family properties, we will show the property with our leasing agents during office hours. For vacant properties and any that can accommodate it, we will use contactless tours. No matter how the tour is conducted, we obtain proof of identification for all prospects (with ID and a prospect

photo with the ID), prequalify their needs in relation to the property, and follow up with them afterward. Applications are available through our website only. Our application will secure their information, IDs, proof of income, criminal background check, credit background check, local court portal search, landlord verification, and employment verification.

Tenant Screening

Tenant selection is the cornerstone to our business. We are proud of our ability to determine a qualified application from an unqualified application. The diligence we show in our application processing results in portfolio performance that is far beyond average. You can view more on our application process and scoring system at <https://www.onefocuspm.com/application-instructions>

Pets

The ability for tenants to keep pets in a home is a privilege. If permitted, we will screen the pet, ensuring that we have up-to-date veterinarian and vaccination records for the pet as well as collect the written affidavit of the pet's behavior. If the animal is approvable, we will require a signed animal addendum as well as charge an additional fee per month to the tenant.

The ability for disabled tenants to have and keep service animals (including therapy animals, emotional support animals, and highly trained service animals) that serve a disability related need is a right under the Americans with Disabilities Act. This can be a point of confusion for landlords and tenants. We are highly trained and use a professional evaluation program to determine which reasonable accommodation requests must be approved and which are not documented properly. Please know, even if you do not permit pets in your rental home(s), the Americans with Disabilities Act (ADA) and HUD are quite specific about what is permissible as a reasonable accommodation and your preferences aren't taken into consideration by the law. When a reasonable accommodation request is approved, no pet fees or additional deposit may be charged, but the animal addendum is still signed and must be followed.

ONE FOCUS PM MAINTENANCE

Let's explore the important relationship between property management and maintenance. It is vital to understand the value we provide with our in-house maintenance department. It is also important to understand maintenance is not just maintenance and repairs. It is maintenance execution, maintenance management, accounting, and tenant coordination. When you choose to have One Focus PM maintenance work on your property there are several distinct advantages.

Advantage #1- Capacity to act quickly

Technician recruiting, training, and management to provide flexible capacity to meet the varying demands. To deliver an appropriate response time for tenants, staff has to be ready and able to respond at any time.

Advantage #2- Skill and willingness to work on anything

Our maintenance department is staffed by very experienced technicians and managers that can and do accomplish any job put before them.

- Our technicians have an average 10-20 years of multi-trade experience. The labor rates we charge are for the years of experience and skills our technicians have, so they can accomplish the task efficiently.
- We have managers that build and maintain relationships with more than 40 local vendors and service providers that we hire and trust.
- We have qualified professionals that maintain our licensing certifications allowing us to be a licensed contractor and pull permits.
- We only serve One Focus PM Clients, so your work is given priority status. Even our outside vendors give our clients' work priority due to the volume of work we provide them.

Advantage #3- Emergency response 24/7/365

We have a system to receive, coordinate, and respond to emergency maintenance issues anytime day or night. This requires software, three skilled full-time coordinators, after-hours call service, on-call manager, and on-call technicians. As you can imagine, these resources are expensive but necessary to provide the level of service our clients and tenants expect.

Advantage #4- Streamlined hands-off owner communication and accounting

This is a complete service where the client can be completely hands off.

- No receipts to manage, bills to pay, or accounting to add up
- No vendors to hunt for or haggle with
- No tenants to argue with
- Detailed work reports and pictures for every repair

Advantage #5- Customer Experience

We measure our service with tenant satisfaction surveys after every work order to get constant feedback on how well we are doing from their perspective. This is especially important since maintenance frustrations are the most important reason tenants choose to not renew a lease.

HOW DO WE MANAGE COSTS?

It is important to remember frequent minor maintenance and preventive maintenance techniques are the most consistently economical route to maintaining a property. To that end, One Focus PM has set up maintenance processes that addresses maintenance quickly and economically. Some of those systems include:

1. We provide and review with our tenants the maintenance guidelines, what they are expected to do themselves, how to get emergency maintenance assistance, and how to report issues at the property. This is covered at lease signing and is an addendum to the lease.
2. We provide each tenant with a tenant handbook that reviews maintenance procedures.

3. When maintenance issues are reported, we attempt to triage and troubleshoot the issue prior to sending a technician.
4. We service heating units each year, increasing efficiency and cutting down on repairs and replacement.
5. We conduct preventive maintenance visits once a year allowing us to document the condition of the property, look for any maintenance issues that have gone unreported, and look for lease violations.
6. We will always evaluate whether the repair should be charged back to the tenant due to abnormal wear and tear, negligence, or just an accident. When this is required, we will bill the tenant for the cost of the maintenance.
7. When our maintenance department conducts work for clients, we have detailed reports including pictures, notes, and receipts for all work that is done.

ONE FOCUS PM MAINTENANCE SERVICE PRICING

Labor Rates (*effective 10/16/2022*)

Cleaning, painting, flooring, trash out: \$52.50/hour

General maintenance, turnover work: \$62.50/hour

Plumbing, electrical, finish carpentry: \$72.50/hour

Emergency service evenings (after 5:00 PM), weekends and holidays: \$117.50/hour (1 hour minimum)

Inventory parts/materials are marked up 25%; non-inventory parts/materials are marked up 15%. Our mark-up for subcontracted work varies based upon the level of effort and coordination and amount of time needed from our staff.

We do all work on a time-and-materials basis. Estimates can be provided but are just that, estimates of what we expect the time and materials to be based on what we can determine prior to starting a project.

Project management may be required based on the complexity of the project. Most of our work doesn't require project management, but larger scale jobs and more complex jobs that require multiple site visits, managing several vendors, permits require meeting attendance, supervision outside of normal business hours, etc. may require the use of a project manager.

THE TENANT MOVE IN

Holding the Property

In order to secure or reserve a property for rent, a tenant must have an approved application, signed lease, and fully paid security deposit. We will not allow payment plans on security deposits; they will be received in full prior to granting possession.

The lease will list everybody in the household over the age of 18 years old (even adult children) as leaseholders (and are legally responsible for the lease); all minors will be listed as occupants of the property.

Preparing for Move In

We review the required utilities with the tenants. We will get proof of renter's insurance from the tenant with One Focus PM added to the policy, so we are made aware of cancellations and renewals.

Move-In Inspection

Prior to the tenant receiving possession, staff will go through the property, ensuring it is clean and ready for them to take possession. Staff will make a video recording of the condition of the property at that time, documenting any existing damage. This video is saved to the cloud, so it is safely kept to be referenced when the tenant moves out. Having a video recording of the entire property is the best record that can be made to protect the landlord.

Tenant Handbook

Tenants receive the *One Focus PM Tenant 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. You can see this at <https://www.onefocuspm.com/tenant-handbook>.

WORKING WITH YOUR TENANTS

Collecting Rent

Rents are due on the 1st of the month with a three-day grace period prior to late fees being applied. We collect rent primarily online with almost all of our tenants electing to take advantage of our convenient online payment methods. Additionally, some tenants will mail or drop off their payments to our office.

Notice to Quit

When we charge late fees, we also post a Notice to Quit at the property. This is usually performed by our privately hired Constable. The Notice to Quit is the first step of the eviction process, and it notifies the tenant that, if the past due balance is not brought current within 10 days, we will file a Landlord Tenant Complaint at the Magisterial District Court.

Eviction

Eviction is the set of legal processes through which a landlord takes back possession of a property. Most typically eviction is due to unpaid rent or charges, but it is sometimes required to enforce immaterial breaches (violations of the lease not related to money) such as unauthorized animals, unauthorized tenants, housekeeping, etc. We handle the eviction process on your behalf and will notify you as the process proceeds. You can expect most evictions for non-payment to take about

six weeks to be concluded. That is six weeks from the time the rent should have been paid until you have gotten possession of the property back from the tenant.

Payment Plans

It is possible the situation warrants a special arrangement, leniency, or other concession. Whenever we make a concession, we will do it in a written and signed arrangement with the tenant.

WHEN THE TENANT VACATES

Notice to Vacate

When a tenant provides a Notice to Vacate, they are indicating they are terminating their lease and will be returning possession of the property to the Landlord. This notice will start the move out process, which will cover the activities starting with receiving the notice to vacate and end with the final settlement of the tenant's security deposit.

Communication

Owners are notified when we receive a notice to vacate, and we request permission to remarket the property and make a market rent recommendation. We will complete a pre-move-out inspection to determine whether the property can be shown with the tenant still living there and whether there are any maintenance needs after move-out that need to be brought to the attention of the owner and/or would delay the move-in of a new tenant. Tenants are notified when we receive a notice to vacate that we confirm its receipt and are given the move-out instructions, which detail how they are expected to return the property. They are also provided with a link to view the move-in inspection video, reminding them of the property condition then.

Tenant Move Out

When possession of the property is returned, staff will perform a video move-out inspection, the same as the video move-in inspection. This video will document the condition of the property exactly as it was returned. A list of required tasks to make the property ready to occupy is then given to maintenance to perform.

Security Deposit Settlement

In the Commonwealth of Pennsylvania, a landlord has 30 days from the return of the possession of the property to send the security deposit along with a description of any expenses retained from the deposit to the former tenant. We will compile the expenses for any damages, cleaning, carpet cleaning, lease charges, and/or utility charges prior to settling the security deposit.

Collections

If a past tenant debt is not collected in 30 days, the account will be sent to a qualified consumer collection agency to record the debt on the debtor's credit report and to actively make collection attempts. The collection agency fee can vary and is usually 40-44% of collected amounts.