

Frequently Asked Questions

Regarding the company:

How long has your company been in business ?

We started the business in 1979. That would be 39 years in 2018.

What licenses do you carry ?

David Brock and Finley Beven are both licensed as Brokers in the State of California. The Company is also covered by a Real Estate Officers License, issued by the State of California.

What certifications do you carry ?

David Brock: Professional Community Association Manager, Certified Community Association Manager.

Finley Beven: Certified Property Manager, Certified Community Association Manager

Is Beven & Brock a California Corporation ?

Yes

Who are the primary officers of the Corporation ?

David Brock, President; Finley Beven, Vice-President

What is your market area ?

The western San Gabriel Valley and Glendale. Essentially, east to the 605 freeway, south to the 10 freeway, west through the city of Glendale, and north to the mountains.

Do you have a web-site ?

Yes: www.BevenandBrock.com

Can I get references for your company ?

Yes. Our website includes a sampling of at least 85 unsolicited letters-of-reference we have received from property owners, tenants, HOA Board Members, HOA homeowners, and vendors. The current list is available on request.

How do you insure compliance with Fair Housing requirements ?

Each of our rental agents and property managers has attended seminars relating specifically to Fair Housing. Fortunately the law in this area is relatively simple: treat everyone equally, with no deference given or taken based on age, race, ancestry, national origin, color, religion, sex, sexual orientation, medical condition, handicap, familial status, marital status, or source of income. We do not make distinctions that would violate any of these.

What types of properties do you manage ?

Anything residential, nothing commercial or industrial. Basically we manage anything where people live. Houses-for-rent, individual condominium units-for-rent, multi-family apartment properties, and Condominium Associations (HOAs).

How many properties do you manage ?

760 (02/17). That is composed of 240 Condo Associations and 520 Rental Properties.

How many units do you manage ?

10,040 (02/18) . That is composed of 7440 units for which we are the Association Manager, and 2600 rental units.

What is the average size of the properties you manage ?

Among our Associations, the average size is approximately 25 units. For our rental properties, the average size is just 8 units.

What is your policy on returning calls and / or e-mail ?

Every owner is given the owners' office phone number, home phone number, cell phone number, office e-mail address, and personal e-mail address. We can be reached almost any time. Although we do not expect our employees to give out home phone numbers, they are similarly accessible. HOWEVER ... we expect our owners to respect our employees time-off, and only attempt to contact the employees on weekends or "after-hours" in the case of a real emergency.

How many employees do you have ? 41

Accounting: 8

Rental Dept. 5

Property Managers 17

Clerical: 11

Are they bonded ?

Yes, for \$4,000,000.

What are your management fees for your rental properties?

It depends on the number of units involved, ranging from 5.5% for single-family-homes, down to about 4% for properties with more than 16 units. This is based on rental income we have actually collected.

Are there other fee options ?

Yes. For example, some of our clients only want us to do accounting for them, collecting rents, paying bills, and providing emergency maintenance service. This is offered at a significantly discounted rate.

Yes, again. Some clients only want us to advertise and secure tenants for them. This, also, can be provided as a discounted rate.

How do you get paid ? and when ?

We deduct our monthly fee from each property's account on about the 10th of each month, just before we send checks to the property owners.

Where do you deposit your clients' funds ?

Funds are deposited in at Citizens Business Bank, in our Master Trust Account.

Are the client deposits insured, and if so, to what amount ?

Because the funds are held in a non-interest-bearing account, each owner's funds are insured up to the federal limit of \$250,000.

Do you or your clients earn interest on the funds held in the trust accounts.

No. As mentioned above, the trust accounts are in a non-interest bearing account. However, the trust/master trust accounts, although non-interest bearing, can accrue, on an analysis basis, earnings credits to offset bank charges.

Are there any other fees paid by owners to the management company ?

Only in three situations. One is where we start management and the owner requests that we cure many years of deferred maintenance in the first few months. The second is for work dictated by cities, states, or the federal government. Examples of these might include, but are not limited to work required to accommodate city occupancy inspections, and the mailings and filings related to 1099s for your property. The third is for leasing if there is not a capable on-site manager. See below.

What is your “leasing fee” ?

We have four categories:

For single-family-homes or condos-for-rent, the initial lease-up charge is \$475. The subsequent re-leasing charge for these is \$235.

For 2 – 4 unit properties, the rental or re-rental fee is \$235.

For larger multi-unit properties without resident managers able to do the re-rental process, the rental or re-rental charge is \$135.

For properties with a resident manager who is able to meaningfully assist in the rental process, there is no “lease-up” fee.

AND ONE MORE: Because of the variables involved, IRS / Federal filings or inspections mandated by city or local governmental agencies, are not included in this agreement. Unless specifically declined by owners, we will provide federally required Form 1099 filings relative to payments made to vendors paid by the owners’ properties. One 1099 form per vendor. This includes the production of the 1099 forms, mailings to each vendor, and provide the related reporting to the IRS. Currently, we charge \$6.50 per vendor. Our typical managed property pays a total of about \$35 for this service, once each year.

How do you handle security deposits ?

For most of our clients, security deposits are sent to the owners along with regular owner withdrawal payments. Where we have collected a deposit for a single-family-home or condo-for-rent, the security deposits are maintained in our non-interest-bearing trust account. This is done to insure that we will be able to either refund the deposit to the tenants and / or spend the funds to repair tenant-caused damage, all within the statutorily required 21 days following move-out.

How do you resolve the refund of security deposits ?

This all begins with a pre-move-out inspection by Beven & Brock personnel, as mandated by state law. Prior to move-out, all tenants must be advised of their right to a pre-move-out inspection. When tenants move in, tenants pre-pay the Beven & Brock office \$45 for the office cost of these inspections. The \$45 fee is shown on tenant's lease as an "Inspection fee". At move-out, the \$45 is then paid to the Beven & Brock employee for making these inspections and associated calculations of potential costs to tenants based on what they may, or may not do in the way of making repairs for damage that exceeds ordinary wear-and-tear. We recognize that at this pre-move-out inspection it may not be possible to see all damage, so a second inspection will occur after move-out, as we have always done. Most tenants will want the pre-move out inspection. To the extent possible with tenant furniture in place, tenants will be told of potential charges if the inspectors discovers damage while conducting this inspection. Of course out-going tenants will be responsible for any unpaid rents. In addition they will be responsible for any damage to the unit that can be substantiated by photographs (which we always take). Tenants will only be charged for cleaning or repairs when it can clearly be shown that something they did actually caused the defect. If the damage or dirt cannot be seen in, and substantiated by the photos, it would not be moral or justified to charge them. **Fairness to tenants, with the disposition of their money is paramount.** Tenants will not be responsible for "ordinary wear and tear", which we clearly define in our rental agreement with the tenants, and which is acknowledged by the tenants prior to move-in. Tenants must be given a reasonable opportunity to repair any minor damage they cause, such as small nail-holes for hanging pictures. Owners should advise the B&B office what paint brand and color were used, to facilitate touch-up painting.

What if the tenants damage something expensive, like quartz or granite countertops, or hardwood floors ?

This is primarily a concern in higher-priced Single Family Homes or Condos-for-rent, as compared with typical apartment units that we rent. In this situation, and especially where the owner is using our service for the first time, the owner can best protect himself or herself if the owner takes good-quality digital photos of the countertops (all sections) and hardwood floors (especially in traffic areas where tenants are most likely to walk). With these photos, if there is subsequent degradation, the tenants can be held responsible if the damage exceeds what would occur in ordinary use. This is called “ordinary wear-and-tear”. For example, it is known that stainless steel sinks will be scratched in normal use. It is known that granite countertops are easily stained. It is known that hardwood floors are easily scratched, even by normal street-shoes and high-heels. As you are choosing to make this a rental property, some degree of “wear-and-tear” is to be expected, and cannot be charged to tenants.

When will owners get paid ?

Owners are paid mailed on the **10th of each month** (or the first business day after the first if the first falls on a holiday or weekend). Payments can be made by check to the owner or by check to the owner’s bank account. Some owners actually prefer to pick up their monthly check here at the office.

How long is our contract ?

Typically 6 months, and month-to-month after that. For single-family-homes and condos-for-rent, the period is a minimum of 1 year, or until the tenant placed by Beven & Brock moves, whichever occurs later..

Is there a cancellation fee ?

Generally, NO.

However, in the situation of a single-family-home or condo-for-rent, if the owner decides that he or she does not want to rent, before we have secured the first tenant, there is a cancellation fee of \$475.

Do you require a certain level of liability insurance on the properties you manage ?

Yes. \$500,000 for single-family-homes or condos-for-rent, and \$1,000,000 for properties with two or more units. This is to protect us, but also to protect each of our owners.

REPORTS & ACCOUNTING

What property management software do you use ?

The software is produced by a nationally renowned company by the name of “Yardi”, named after the owner and founder, Anant Yardi. They are based in Santa Barbara. In our early days, we were one of their “Beta Testers”, and we have been with them ever since.

What sort of computer security do you have ?

All of our computer data is backed-up at a local off-site location every 15 minutes. Each evening that data is sent and stored in two out-of-state locations, one in Texas and one in North Carolina. Our property data is also backed up through our software provider within their off-site system, “in the cloud”.

What would happen if there were a local catastrophe (fire, earthquake, lightning, riots, etc.) and all of your computers were rendered useless ?

It would seem that if the internet still exists, all we would have to do would be to purchase new computers, then connect to the internet. Otherwise, “hard copies” could be obtained from either the site in Texas or in North Carolina, as mentioned above.

When will I receive monthly financial statements ?

Statements are typically mailed around the 7th of each month. For example, the statements for the month of March would be mailed around the 7th of April.

Will there be an itemized list of income and expenses ?

Yes, as well as month-to-date and year-to-date totals for each category of income and expense.

When will I receive the year-end statement ?

Yes, your statement for December (which will be mailed around the 7th of January, will be your year-end statement, and will have all of the information mentioned above.

RENTALS – VACANCIES:

What do you charge owners related to re-renting ? There is no charge for owners of larger units (16 or more) where a resident manager is able to be significantly helpful in

the re-rental process. For buildings of 5 – 15 units, the re-rental fee is \$135. For 1 – 4 units, the re-rental fee is \$235.

Do you track the local rental market to help determine rental rates ?

Since 1985 we have been collecting data every week. Originally it was from local newspapers, but more recently we get most of our data from the internet from sites like Craig's List. We watch for trends, and each year we publish the results to all of the owners in our data-base. For example, in 1985 the average rent for a 1-Bedroom apartment in Pasadena was \$435. In 2012, the average rent is \$1044. We also have a more current "barometer" of rental activity. Our "FOR RENT" board will hold flyers for 60 vacancies. When the market is "weak" as it was in 2010, that "FOR RENT" board was filled to over-flowing. In 2012 we were at times down to 15 or 20 vacancies out of the 2500 rental units we manage.

How do you market, advertise your vacancies ?

PREMIUM ADVERTISING. It's hard for us to explain why, but **Craigslist** has become our most effective marketing too. With the standard Craig's List ad, each time a new ad is posted, it goes in front of those already posted, such that after 6 days, any particular ad will be near the end of a long list of vacancy advertisements. **PREMIUM ADVERTISING is provided by an outside vendor.** She takes good-quality photos, and essentially creates a web-page specifically for your individual property. This takes 2 – 3 hours. She will then post, and re-posted your ad 4 – 5 days each week, assuring that your vacancy appears at or near the top of the list in your category. The re-posting takes her about 20 minutes per ad, per day, as the re-posted ad must differ from the prior days' ad to be accepted by Craigslist. The one-time charge for the photo-artistic set-up and daily re-posting of your ad will be a \$185 flat fee paid to the vendor once the unit is rented. The ads are similarly posted on approximately 15 other sites that act like Craigslist, including Spanish Language sites. Owners with good computer skills may be able to create similar ads for themselves and save this expense. See sample of PREMIUM AD: www.BevenandBrock.com/ad/dua903.html

Do you have staff available to hold "Open House" for your vacancies ?

"OPEN HOUSE" service is rarely needed, but if selected and paid-for by the owner, these may be possible on Sundays, and the cost is typically \$30 per hour for four hours. If there is a Resident Manager at the property, "Open House" can be held by the manager.

Do you start advertising upcoming vacancies before the units are ready to be seen ?

Typically, No. Our experience has been that the primary result is bad feelings from callers who expect to be able to see that which we are advertising, or at least know with certainty when the unit will be available. In order to enter into a binding agreement with us, an applicant must be able to confirm that they have personally seen the unit, and that they will accept it in its present condition.

What is your general re-rental procedure ?

When we receive notice of a tenant's intent to vacate, they are sent cleaning instructions and a strong recommendation that they schedule a pre-move-out inspection with their property manager. Most do. At this meeting we can determine if big items, like carpet replacement and interior repainting, will be needed and can be scheduled. The reality remains that we will not know what final condition we will have to deal with until they surrender the keys. Until that final hour, they do have the option to do whatever cleaning or repairs that they choose to do. Once they are out, the remaining renovation work will be scheduled. Once the repair work is completed, and the unit is in "Hotel Ready" condition, photos will be taken, and the vendor who does our internet "Premium Ads" will post the ads, thus beginning the advertising. Thereafter, the speed with which the unit will be rented will be totally up to the owner. The rental price the owner sets, relative to the quality of the product being offered, will always be the determining factor in the speed of the re-rental.

How do you “show” vacancies ?

If there is a Resident Manager at the property, the Resident Manager will show the property. Otherwise, tenant-applicants come to our office and fill out a preliminary application. If it appears from that preliminary application that they are qualified for one of our vacancies, we take a copy of their driver's license, we get a “fingerprint” from them, we keep a credit card or similar item of symbolic value, and we issue keys to them. If they return and are interested in the property, we continue with the application and screening process.

The main reason why we never accompany an applicant to a vacant unit is personnel security. Although there are minimal risks to the property from our “give out keys” approach, nothing could compare with personal risk one of our rental agents might encounter if meeting a “stranger” alone in a vacant unit. That is a risk we simply will not take. In our opinion, neither should you.

The other reason is simple economics and our business model. To make personal showings at vacancies feasible, we would need at least 4, and possibly as many as 8

extra staff available every hour we are open, available and ready to escort potential applicants to view vacant units, plus paying for their auto expenses. At the prices we charge, we could not begin to afford to keep such a full-time staff on-hand, available. So ... there is a risk, however small, that someone could take the keys, have copies made, and return later and do something nefarious. It has happened, it can happen. If it does, and there is significant damage or loss, you would have to look to your insurance company for recovery.

Rather than having un-supervised persons visit their vacancies, some owners agree to meet with potential tenants, by appointment. Other owners elect to engage a local Realtor for such showings.

Do you show units while they are still occupied by the tenants who are moving ?

Yes, and no. If there is a resident manager, we are able to show occupied units. If there is no resident manager, our process of giving out keys (see above) would not make this possible. We (and the owner) could not assume the liability if someone viewing an apartment accidentally broke something which was valuable to the current tenant. Similarly, we could not assume the liability if the current tenant reported that some valuable possession was missing.

What do you charge tenants who wish to see units or apply ?

Nothing. We would not want to discourage them in any way.

What expenses should an owner expect related to a vacancy ?

The repairs necessary to put the rental into "marketable" condition. As you can imagine, "marketable" is a rather loose term. If a unit is prepared so that there are not health hazards and all required features are present (hot & cold water, working toilet, electricity, etc.) a unit could be marketed. Anything will rent if the price is right. However, we want our vacancies to be far better than "minimum standards". The term we use is "Hotel Ready". In other words, the units should look like a room you might expect in a nice hotel: everything works, it smells good, it's clean, and it looks almost like new. It is our belief that if we offer a good product, we will attract good tenants. Other than the expenses of preparing the rental space for the new tenant, another expenses an owner should expect would be for marketing. That's about \$185, as mentioned above, paid to a vendor who has provided excellent marketing services for us. The owner should also expect to pay approximately \$25 per adult for a combination credit check and criminal background check. Owners should also expect to pay for the cost of "re-keying" the vacancy. The prior tenants, possibly their friends and guests, several vendors, and several applicants will have had access to the keys. It would not seem safe to expect the new tenants to rely on the old keys.

What do I have to do to prepare my rental for the market ? Within reason, this is totally up to the owner. The unit must be “habitable”, meaning that it must have hot-and-cold running water, working electrical outlets, heat, screens for the windows, and smoke alarms. Other than such items, we can rent almost anything an owner brings to us ... depending on the price. Some owners want their rentals to be “perfect”, whereas other owners set simply have lower standards. You, as an owner can make this decision. You can tell us exactly, precisely what you want done before the property is rented. You can ask our opinion of what we would recommend, then you decide what you want to do. Or, you can give us “free rein” as to what we would do. Your decision, always. Unless it involves “habitability”, we will not tell you what you have to do.

How do you set the rents on your apartments ?

This is something of an “art”. Some times of the year we are almost flooded with applicants (typically spring and summer), and the rents can be set a bit higher. At other times (especially between mid-November and mid-January, we see relatively few applicants, such that asking rents during that time may have to be a bit lower. Essentially, with all of the units we have available, we are able to “test the market” every day. From that we are able to determine at what rate an individual unit will rent, or not rent. As always, each owner retains the right to set minimum rents for every rental unit they have with us. Each owner is invited to call us as often as they deem necessary to consult about rent amounts being asked and/or charged.

How long does a “lease” last, how long will the lease period be ?

It can be for virtually any period an owner might ask. For example, some owners might want to rent only on a “month-to-month” basis. This gives either party the option of terminating the lease relationship any time with just 30-days notice. Other owners might want to rent on a one-year, or even a two-year basis. As with life, there are positives and negatives to each such decision.

Starting with the month-to-month concept, as stated above, either party can terminate the relationship on short notice. The “down side” is that many tenants will not be interested in a short-term lease, as they may not want to be asked to move after just a few months. Similarly, many owners would not want their tenants to be able to just pick-up-and-leave after a few months. Then again, if the tenant turns out to be some sort of “problem”, it is far easier to remove the tenant if they are not on a long-term lease. As we readily admit, we are modestly good at establishing a prospective tenant’s ability to pay the rent. What we often cannot predict is how any individual tenant will behave.

Most owners are not looking for leases longer than one year, as it gives them more flexibility when dealing with any particular tenant, and most tenants accept that a one-year lease is some-what normal.

Some owners may want an even longer lease, such as two years. Relatively few tenants are willing to commit for that length of time, and realistically, a tenant can essentially walk away from a lease if they are willing to forfeit their security deposit.

Ultimately, the decision as to the length of the term will be up to the individual owner. As a general practice, we will use a 12-month period unless instructed otherwise by an owner.

What if I want my tenants to sign a new lease every year ?

As we consider it generally unnecessary and sometimes counter-productive, this service is not included in our basic management fee structure. If annual lease signings are requested we charge \$95 (01/10/16) for the time it takes us to negotiate new leases with tenants. The \$95 is paid directly to the Rental Agent, there is no profit to the company from this. To do as you wish, the rental agent has to prepare the new lease, schedule a meeting with the tenant, and then meet with the tenants when they come in to sign. Typically, the tenants will have questions, and so these signing events can take 1/2 hour or more. Often the tenants show up late, or just do not want to take time off from work to come in and re-sign. In their current form, our leases clearly state that the leases convert to month-to-month after the end of the first term. We will need to change your tenants' leases to make it clear that at the end of each one-year term, the lease automatically ends. They will be required to come in, or they will be o-u-t. And, if the tenants simply decide to move at the end of the term, they are not required to give any notice of their intention to vacate. With one-year-term leases, the assumption becomes that we are not willing to rent for periods of more than one year. Tenants are likely to assume that they will have to move at the end of the first year. All of this will have to be disclosed, and will make renting, and re-renting your vacancies more difficult.

How fast will my vacancy rent ?

(This applies mostly to single family homes and condos-for-rent, as with multi-family units, we always have near-by similar units to help us gauge the marketability of new vacancies).

Assuming the property is well maintained, we can promptly rent almost anything if the price is right.

Every day, using "Craigslist", tenants will have many, many rental options. Your vacancy will be one of them, so to you have to be competitive.

Occasionally a property can be so perfect for one potential renter that the renter will "snap it up", even if it is over-priced. But this is very rare.

Assuming adequate advertising, there are only two variables that will determine whether a property will rent promptly: the quality of the produce (the rental space) and the price. If a property does not rent as rapidly as an owner might choose, one or both of these variables must be changed.

Most applicants we see do not want to “haggle”. If they see something they like, at the right price, they will rent. If not, they will move on to something else.

So Picking the right combination of product quality and price is up to you.

Of course you can set the price higher, and “hope” that the right applicant comes along. But (to me) “hope” is not a business plan. If your vacancy does not rent as quickly as you would want, continue to either improve the quality of what is being offered, or lowering the rent, or both, until it rents.

Can you tell me the market value of my rental before I commit to sign up with you ?

As with most businesses, we do not work “for free”. So we do not do property value appraisals “for free”. However, if you are not able to decide whether to rent or not rent without having a good idea of the rental value, you do have a few options. One is to go to “Craig’s List” and look up rentals that are similar to yours. This should give you a good idea of the value, as you know your rental property better than we do at this time. Another option is to make use of one of our rental agents. If you will pay her directly (no profit to the company), she will give you her estimate of the rental value. She charges \$95 for this service.

How do applicants contact you ?

Easy. We are open every day except Sundays and major holidays (Christmas, New Years, Memorial Day, 4th of July, etc.). Applicants can reach us by phone, fax, e-mail, or, they can just drive in and see us.

What do you charge applicants ?

Applicants pay nothing to us. However, if they do decide that they want to rent one of our units, they begin with a 20% (of one month’s rent) deposit to put our credit-checking and application process in motion.

How do you screen your applicants ?

We begin with our “Rent Requirements”. Essentially what we are looking for is a person who has a few years of successful rental history, a few years of successful employment,

good credit, and no criminal history that could involve damage to persons or property. That is the sort of tenant who typically gets approved. As such, we always conduct credit checks, rental history checks (to disclose any possible eviction problems), and criminal background checks. But, this is not science, so there are exceptions. For example, we frequently rent to students who are enrolled in serious academic pursuits, at schools such as Art Center and Cal Tech. In our experience, although they may lack the employment and rental history, just the fact that they have been approved at such prestigious school suggests to us that they are likely to be reliable tenants.

Can you guarantee that the tenants you select will be “good tenants” ?

All we can do is to be reasonably sure that on the day we rent to our tenants, they are financially secure, that they can afford to pay the rent, that they have no criminal background that involves harm to persons or property, and have had no recent evictions on their record. In other ways a tenant could “trick” us. We could try to call prior landlords, but they might be afraid of retaliation if they gave a bad report. They might give us a “good report”, but it turns out that the “land-lord” is really just a friend of the tenant. Or, it might be the real land-lord, and they could give us a “good report” just to get rid of them. In other words, there are many ways to “game” this part of the checking process. So ... we rely on hard facts: income statements, credit scores, and back-ground checks. Also, things in the life of the tenant can change after they move in. Job loss, job transfer, and any of an assortment of other changes that cannot be anticipated.

Who pays for credit checks ?

The owner does, generally, as this is just for the owner’s benefit, to confirm the accuracy of what the applicant has presented with the application. HOWEVER, if the subsequent credit check, rental history check, or criminal background check reveals that the applicant has been untruthful with us, that applicant will pay for the credit / rental history / criminal background checks.

How do you decide whom to select and whom to reject ?

We select the first applicant who commits to renting the vacant unit AND who satisfies the “Rental Requirements” mentioned above. Owners have the authority and capacity to alter these rent requirements so long as the change does not appear to create a discriminatory practice, such as not allowing more than two persons in a two-bedroom apartment. This would be seen as an attempt to keep out children.

Which qualifications are most important to you ?

Two things: a demonstrated clear ability to afford the rent being asked, (very good credit, and adequate solid income) and no negative rental history.

Do you always run credit checks ?

Yes, always.

Do you always run criminal background checks ?

Yes, always !

How many vacancies do you have now ?

On August 6, 2018, we had 32.

What percentage would this be of the total you manage ?

On August 6, 2016, that would be about 1.3%

What is the average time it takes to fill a vacancy once the unit is ready ?

Approximately 10 days, but this can be deceiving. We work for a wide variety of owners, with different approaches and motivations. Some strongly desire that their units be rented promptly, and they set their rents accordingly. For these, the average rental time might be just a few days. Other owners are determined to get a certain price. For these (as you can imagine) the rental time takes much longer.

How long do your tenancies last, on average ?

We do not track this precisely, but we believe the average to be about 3 years.

What rules do you have for your tenants ?

Our “**House Rules**” can be found elsewhere on this site, or are available on request from the office.

Is there a move-in / move-out checklist ?

Yes. This alerts the tenant to the fact that we know what the condition of the rental property is at move-in, and that we will expect to get it back in the same condition, minus “Ordinary Wear and Tear”. It is signed by the tenant at move-in, and will be used as part of the move-out process.

Do you rent any “furnished” units.

Almost never. It is our belief that furnished units encourage short-term tenancies. We are looking for long-term tenants.

RENT COLLECTION

How do your tenants pay their rent ?

We try to make it easy for them. They can mail their rent to the office. They can personally deliver their rent to the office (we have a drop-box available 24 / 7). They can also pay “on line”, or by direct deposit if arranged with their bank.

Can tenants pay their rent in cash ?

NO. Rather emphatically, no. We do not accept or collect any payments in cash. There is simply too much liability involved with handling cash, even in small amounts.

Do you collect coins from laundry machines ?

For this same reason, we do not collect coins from laundry machines. This would just present too much risk to our employees if it were known that they could be carrying significant quantities of money, even if it's just quarters. We encourage owners to use a laundry service, such as “Wash”. They take full responsibility for the machines, they empty the coin-boxes frequently, and if clothes are damaged in the machines, the responsibility is theirs.

What is your rent collection policy ?

All rents are due on the first of each month. However, we do allow a 3-Day grace period.

What is your “late rent” policy ?

Rents received after 5pm on the 3rd calendar day of the month are considered late. However, if a tenant mails the rent (with a post mark) on or before the second of the month, we will consider it “on time” whenever the post office delivers it.

Is there a “late fee”, and who gets it.

Yes. As of 2018, the late fee is \$40. And the late fee is paid to Beven & Brock to offset our costs dealing with tenants who pay late: extra time at the office dealing with them, extra trips to the bank as late payments come in, preparing “late notices”, and delivering the late notices / 3-day notices. Of course it would be our preference that all tenants paid on-time.

Can I see a copy of your lease ?

Sample copies are available elsewhere on this web-site, but are also available on request from the office. Please note that any form of ours that you may find on this site

may since have changed in minor ways to adapt to new business needs and conditions. We try to keep the sample forms on our web-site current, but that does not always occur as fast as we might like.

TENANT PROBLEMS

How do you deal with tenants who are disturbing other tenants ?

It is generally a four-step process. **Step 1** is to determine IF there is a violation of lease or House Rules. As this can easily be just a difference-of-opinion between two tenants, a “he said, she said” situation, we require proof (written complaint, photos, recordings, etc.) from at least two, but preferably three un-related tenants. If the problem might also be a violation of City Ordinances, it will be very helpful if the complaining tenants have called the police, and filed a police report. With a verified complaint from two un-related tenants, we will write a letter to the “Problem Tenant”, explaining that at least two other tenants at the property have complained to us about his or her, and we will cite the specific rule or rules that may have been broken, and ask that the “problem tenant” abide by the lease and House Rules. We will ask the complaining tenants to continue to monitor the situation, and report to us, in writing, with time-and-dates of violations, if violations continue. We will not act without verification. If verified violations continue, we move to **Step 2**: a 3-Day Notice (if the “problem tenant” is still under a 1-Year Lease), or a 60-Day notice (if the “problem tenant” is no longer under the initial one year lease, so has lived at the property for more than one year). During this “Notice” period, we will still need continuing proof of continuing violations. And it should be remembered that California Law regarding tenants is very liberal ... it even protects tenants from eviction who behave badly. They can go to court and claim that they have completely stopped the bad behavior, and a judge can capriciously decide to throw out the case. The “Problem Tenant” can also go to Federal court and claim that the whole thing is a violation of their civil rights, and that they are being evicted because of their race, age, gender, gender identification, religion, marital status, or any of the other federally protected categories. In other words, evicting a tenant in California is not simple, and surely not a done-deal. We know it, we do our best to deal with it. So The better the proof we have from co-tenants, the more likely we are to prevail. **Step 3** is the actual legal process. Assuming the violations are continuing through the 60-Day period, AND the “Problem Tenant” has not moved out, we then have to file the actual Eviction papers with the court. With cut-backs in state funding, most of the courts are working reduced budgets, reduced staff, and greatly reduced hours. The legal phase can easily add 4 – 6 weeks. If all goes well, and we are granted a favorable judgment, and if the “Problem Tenant” is still there, we move to **Step 4** ... the actual move-out. This is when the sheriff actually comes to the property, knocks on their door, and escorts them off of the property.

AND as the legal process is VERY EXPENSIVE, the owner(s) of the property must be determined that it is worth it to him or her. Some are not.

EVICCTIONS:

How many tenants have you had to evict in the past 12 months ?

We file eviction papers against 2 – 3 each month, out of 2500 rental units. Of these, the vast majority “settle”. In other words, they agree to a payment plan which will repay all past-due rent and the attorney fees paid to enforce the collection. In the past 12 months (2012) we had only 4 evictions where the tenants finally had to be moved out.

What percentage of your tenants do you have to evict ?

Based on the above, 4 out of 2500, that would be .002. (2/10th of 1%).

How does your eviction process work ?

Our office causes 3-Day notices to be served. If the tenants pay, nothing further happens. If the tenant does not pay, the file is turned over to an eviction service (and attorney who specializes in evictions).

How much does an eviction cost ?

Typically around \$850, which includes payment for the attorney’s time, filing fees to the court, and “lock-out” fees to the sheriff, if needed. That is the cost of an “un-contested” eviction, where the tenant does not answer the complaint, and we receive a ‘clerk’s judgment” granting us a right of possession. In some few cases, the tenant does answer the complaint in an attempt to delay the process. In this case there will be an extra charge of \$200 to pay for the attorney’s cost of arguing the case in court.

Who does your evictions ?

We work with several attorneys in our area. Their names and contact information are available on request.

Who serves eviction-related notices ?

Typically, our office serves the 3-Day notices and the attorney service does the rest. However, if we anticipate that a particular case might become contentious for some reason, we will have the attorney service serve all of the documents.

How would you relate your success rate for evictions ?

This is almost always just about money. Either the tenant paid or the tenant did not pay. As such, I do not think that we have ever lost a case. Not once in almost 40 years.

Does your contract require the tenant(s) to pay for the costs of the eviction ?

Yes, but realistically, in most situations, a tenant is being evicted because they do not have enough money to pay the rent. We do get a judgment against them, and sometimes they will repay the legal costs and un-paid rent some time in the future. But this is rare.

Do you ever settle with tenants, such that they pay the back rent, attorney fees, and stay in the rental unit.

Yes. This actually happens more frequently than evictions ending in a “lock out”.

ROUTINE MAINTENANCE:

How often do you visit the property ?

We do quarterly, scheduled inspections of the exterior of each property, with a written report delivered to the property manager by a separate inspector (fresh eyes). We also pay a “retainer” to our primary gardening vendor. He is at the properties of those who have chosen to use him, every week. He acts as our “eyes and ears” at the properties, and knows the sorts of things that would concern us. He visits our office several times each week, talks to the property managers, and advises them if there is anything amiss at any property at which he works.

What do you need in the way of an operating fund or reserve ?

For a single-family-home or condo-for-rent, we request an operating fund of \$500. For anything larger, this can be set by the owner. However, we do need to be sure that we will always have at least enough on-hand at any time to pay for a foreseeable repair, such as the replacement of a water-heater. We pay our vendors every week, so we cannot request work or service from the vendors unless we have adequate reserves to guarantee that we can pay them promptly.

Who does your maintenance work ?

It is all done by independent contractors, independent vendors. Since the outset of our company, we recognized that the only justification for having “in house” maintenance personnel would be to make a profit on our clients’ repair and maintenance needs. In our way of thinking, this would be a clear conflict of interest.

Are your maintenance personnel your employees ?

As mentioned above, no.

Are your maintenance personnel licensed and insured ?

Yes, each must have a business license and carry liability insurance.

Are the “handymen” you use licensed as contractors ?

Some are, some are not. This may seem counter-intuitive, but some of the “handymen” who work for us do just as good work, sometimes better, than the licensed contractors. They do typically charge less.

How much do the “handymen” charge per hour ?

In 2017 the rate has been approximately \$42 per hour.

As a property owner, can I use my own vendor(s) ?

Yes, so long as they are available to provide quality service when needed by your tenants. You choosing your own vendors actually makes our job easier, as you are already satisfied with the quality of their work and their prices.

However, there is one issue. We require that our vendors have either of the following to prove that they are truly independent contractors: 1. Have proof that they pay Worker’s Comp for their employees. 2. (if they actually have no employees) that they have both a business license and liability insurance in their own name. You can over-ride this requirement if you agree to take full, written responsibility for the decision.

Will you call me before committing to any maintenance at my property ?

We will call you if the maintenance issue is discretionary. For example, if a tenant calls and tells us that he (or she) has no hot water, or no heat, or that the toilet is backed-up and will not flush, you will not be called. Under our contract and the laws of the State of California, we must fix these things in order for the property to be rentable. So we will send a qualified vendor to repair the problem. You will see the charge on the

next month-end statement you receive. Also, for small items (under \$500 approximately), we will trust that you trust our judgment in dealing with tenant requests. When you will get a call is where the expense is discretionary, and the expense is significant. An example would be a tenant who calls and asks to have his or her carpet replaced, or to have the property re-painted.

Do you accompany vendors or other service personnel when they will be working at the property ?

NO. Our assumption is the vendors that we choose, or the vendors that the owners choose will be reputable, reliable, and trustworthy. However, if there were a particular need, such as meeting an employee of the Gas Company or Edison at the property, a handyman could be sent to accommodate this. They would be paid their standard rate for the time required.

How many quotes do you get for a job ?

It depends on the complexity, and mostly the cost of the job. We rarely solicit bids for jobs costing less than \$1000. Two realities are that our vendors make no income from generating bids, and they typically have more than enough work. As such, it is typically unprofitable delaying a project waiting for bids, especially if the completion of the job just occur before a unit can be re-rented. However, if there is no rush (such as repainting an exterior) and the job might cost several thousand dollars, we would, of course, solicit bids. Somehow “3” has become the “magic number”, something of an industry standard. We must also be mindful that if we frequently request bids from a particular vendor, but never order work from that vendor, he or she will become much less interested in offering future bids.

Do you ask tenants to perform services at the property, such as cleaning, landscape, etc. ?

No. If we were to do so, the tenant would become an employee to the extent of the service of the value of that service. The main concern here is Worker’s Comp insurance. If the tenant were to be injured somehow, and however unlikely, they would fall under California state worker’s comp rules, and the state would look to the owner to be reimbursed for any injury or rehabilitation expenses.

Do you ask tenants to be responsible for watering, such as in Single Family Homes for rent ?

Again, No. Even if the owner is paying for the water, tenants simply should not be relied upon to do watering. They may over-water, or under-water. Either has negative consequences for the owner. Owners should insure that landscaping is automatically

watered, and that their landscape vendor sets the timers appropriately, and adjusts as the seasons indicate. The landscape vendor should take full responsibility for the health and maintenance of the landscape.

Do you “mark up” or otherwise make a profit on maintenance ordered by your office ?

NEVER, NEVER, NEVER (unless it is specifically and clearly agreed to by a particular owner for a particular special purpose). An example, as mentioned earlier, might be where an owner asks us to manage a home, but that home will require major work before it can be rented.

Are your maintenance personnel “on call” to handle emergencies ?

Absolutely YES, 24 / 7.

How do tenants contact you for maintenance requests ?

They can call the office during our regular business hours. They can e-mail the office any time. They can submit maintenance requests “on line”. And, “after hours” they can call our “After Hours Emergency Service” hot-line.

Are there any extra charges for After-Hours Emergency calls and services.

Yes, most vendors charge extra for service after normal business hours. Beven & Brock retains an “answering service” to take the initial After-Hours Emergency call. This could have been set up such that if the “answering service” gets a plumbing related call, they could have referred the call to a 24-hour plumbing service. We determined that this approach could result in unnecessary expenses to the owners, as not all “emergencies” are true emergencies. Some are really just a repair request, and can wait until the next business day when the vendor rates are significantly lower. As the only “fair” way to pay for this “filter” is to charge the property that uses the service, we have retained an “operator” who makes decisions when the office is closed. The Beven & Brock office pays a monthly “retainer” to this operator to be available. If a property has no emergencies, that property pays nothing for his service. From the property perspective, it is a pay-per-use situation. If a property does have after-hours emergencies, the charge is \$10 per call. If it is a true emergency, the “operator” will call the vendor he or she thinks best for the job, or the vendor pre-selected by the owner or Property Manager in charge of the individual property.

How long should a tenant have to wait for a response after a repair request ?

Our goal is to address most typical maintenance requests within 3 days. Any emergency repair request, such as no hot water, should be addressed IMMEDIATELY.

Do tenants have to pay for any maintenance ?

Not unless they caused the maintenance issue by negligence or mis-using the property, such as breaking a window or flushing something “improper” (like a toy or a diaper) down a toilet.

Will you contact me before providing any maintenance ?

For most minor repairs, no. For emergency repairs required to provide legally required services (hot water, working toilets, etc.), definitely no. For discretionary repairs, such as when a tenant might ask to have his unit re-painted or re-carpeted, definitely yes. This would be especially so in our early months of working for an owner, getting to know his or her style of management. Often, after that, when we have learned what an owner would want us to do, there may not be any need to contact an owner for anything less than a major repair, such as a new roof.

Do you have full authority to make emergency repairs ?

YES !

What constitutes an emergency repair ?

Some examples would be: a broken window, a leaky roof, a “backed-up” sewer line, no hot water, no heat in the winter, no A/C (if it comes with the unit) and we are experiencing high summer temperatures.

Do you perform “preventative maintenance” interior inspections ?

These are done “on request” by owners. We have found that the most practical approach is to use a handyman to do these inspections. They typically charge \$38 per hour, and can usually inspect a single unit in 20 – 30 minutes. If they find issues that should be addressed, they are likely to have the needed parts already on their truck.

Is there a required “reserve” for maintenance ?

Yes, and it depends on the size of the property. \$500 would be about a minimum. For a larger property, that amount might be \$2,000 or \$3,000. We pay bills every week. We send out owners’ checks on the 10th of each month. The idea is that

after sending most of the income to the owners, we still want to have enough on-hand after the 10th to pay whatever bills that might come in within the next 20 days.

Can I make repairs at my property if I choose ?

Yes.

Mold, Lead, and Prop.65.

All tenants are given the appropriate warnings, and are required to sign, acknowledging that they have received the warnings.

OTHER:

Do you market properties as a broker ?

Yes. We can offer this service, if requested by an owner.

If I decide to sell, do I have to list with you ?

NO.

Can I see other properties you are managing in this area ?

Yes, when you will come in to our office, we would be glad to provide you with a list of near-by properties we manage that are similar in size to yours.

What are my guarantees ?

Just our reputation.

This is all we do. If we fail you, it will damage that reputation, and we will do everything we can to avoid that.

We have been successful because we take our profession very seriously.

We will never make a decision that works to your detriment while benefiting us.

That is our promise to you.

