**Welcome**

***Making Property Management Manageable***

Thank you for choosing NewGen Property Management 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.

NewGen PM works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the NewGen PM Owner Manual to assist you in a successful business relationship with our company. We urge you to take 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 any questions or concerns, contact your management team immediately, using the company contact information provided in the following pages.

NewGen PM forms have also been include with this manual. There are some to fill out upon receipt unless already you have already completed them. There are additional forms to assist you in the future. Completing and using the forms assists NewGen Property Management in setting up and maintaining an accurate account for you and your investment.

Special Note: the information provided in the NewGen PM Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. NewGen PM 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 NewGen Property Management as your Property Management company. We look forward to a successful business relationship.

**NewGen PM Mission Statement**

The mission is to provide quality service in property management and real estate sales in the Dallas Fort Worth metroplex community, demonstrating integrity and professionalism.

**NewGen PM Communication**

Communication is a key to the success in any relationship and the NewGen PM Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients or prospective clients. This includes everyone – owners, tenants, applicants, vendors, 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

NewGen PM personnel communicate by:

* Telephone
* Owner Web Portal
* Fax
* Email
* Written Correspondence

**NewGen PM website**

NewGen PM stays current with business technology. The NewGen PM website, [www.dallasmetroplexhomes.com](http://www.dallasmetroplexhomes.com), has proved to be a tremendous asset. Here are a few of the benefits for clients on the NewGen PM website:

* Prospective tenants can search our site for available rentals and download our application.
* Tenants can access important information, such as a work order request, or send NewGen PM an email from the site.

**General office information**

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| --- | --- |
|  |  |
| **Address Information** |  |
| Mailing address | 5850 Town and Country Blvd |
|  | Suite 901 |
|  | Frisco, Tx 75034 |
|  |  |
|  |  |
| **Communication** |  |
| Business Phone Number | 469 731 5200 |
| Email | support@newgenpropertiesdfw.com |
|  |  |
|  |  |
| **Office Hours** |  |
|  | **Monday – Friday AM** 8-12 pm |
|  | **Monday – Friday PM** 1-5 pm |
|  | **Saturday** - by appointment only |
|  | **Sunday** - Closed |
|  | **Holidays** - Closed |
|  |  |
|  |  |
| **Emergencies** |  |
|  | Call **#911** |
|  |  |

**Teams and contact information**

**NewGen PM staff/Personnel**

We have a complete staff to assist you. NewGen PM has found that “Teamwork” is effective for servicing residents’ needs. Together Everyone Achieves More. There is a convenient chart of the teams and their contact information below.

* **Management Team:** NewGen PM has assigned a management team to your account, consisting of a Property Manager and Assistant Property Manager. They focus on showing your property, processing applications, renting, managing all the many facets of tenancy and handling the details when the tenant moves.
* **Legal Team:**
* **Sales Team:** NewGen PM also has a sales team that can assist you with Real Estate, buying or selling. The sales team consists of experienced and licensed Real Estate agents. There is no obligation when you ask for a market analysis for the value of your current property, information for purchasing a new investment property, or available financing.
* **In House Maintenance:** Repair and Make ready costs can quickly add up. As a part of our commitment to our landlords we closely monitor expenses and time frames in

which repairs are completed by our in- house maintenance team

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**Owner Communication**

Communication works both ways. We need communication from you, the owner. It is important that let us know of any significant change that can affect your account. NewGen PM 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. Please us the owner portal or email to notify us of any changes.

**Email**

NewGen PM encourages owners to use email or owners portal to contact us. It is fast and effective. Please supply us with your email address on all the NewGen PM 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 in the Internet world, this helps us identify the importance of your message, and avoids overnights or deletions of messages.

**Owner Responsibilities**

A successful business relationship works both ways. NewGen PM takes their management responsibilities seriously, and requests owners to do the same.

Owner responsibilities are:

* Notify NewGen Pm of any ownership change or eminent owner change for the managed property
* Supply NewGen PM with accurate information so NewGen PM can service the management account property.
* Review statements monthly and notify NewGen PM of any discrepancies found as soon as possible.
* If using ACH, check statements monthly for accurate or missing deposits and notify NewGen PM if there are problems immediately.
* Support Fair Housing Laws and guidelines, as well as all necessary legislation.
* Maintain a current insurance policy for their property.
* Review their property insurance yearly and update as needed.
* Exercise responsibility for required maintenance and the safety of their tenants.
* Treat NewGen PM personnel with courtesy and notify NewGen PM principals of there are problems with NewGen PM personnel so they can be resolved quickly

**The Scope of Property Management**

**What is included in NewGen Property Management Services?**

We want you to know what NewGen PM does for you as your property management company. Therefore, NewGen PM has outlined details on our policies and procedures in future pages of this information. 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 to do “everything” that is required to service a property under our management fees.

**What is not included in NewGen Property Management Services?**

Because NewGen PM provides owners with full service, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope or 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, and review a paragraph that was included in your Management Agreement:

*Owner understands and agrees that normal Property Management does not include providing on-site management services, property sales, refinancing, preparing property for sale 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/permit inspections.*

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 NewGen PM follow local, state, and federal legislation and guidelines. Our company takes pride our industry, and we further implement guidelines and polices of several organizations, such as 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 NewGen Property Management Policy and Procedures Manual and NewGen PM Employee Manual.

**Department of real estate requirements**

The Texas Department of Real Estate requires licensing for all persons conducting Property Management and Real Estate Sales in our state. NewGen PM requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a Texas Real Estate license.

**Code of ethics**

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

**Drug – Free Policy**

NewGen PM has a drug – free policy for all personnel, vendors, and tenants. NewGen PM incorporates this policy into NewGen PM rental/lease agreements, tenant, personnel, and vendor documentation.

**Legislation**

NewGen PM 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 NewGen PM follows:

* Fair Housing (HUD) – NewGen PM supports and follows Fair Housing laws and guidelines; the NewGen PM office displays Fair Housing signage.
* Equal Opportunity- NewGen PM is an Equal Opportunity employer; the NewGen PM office displays Equal Opportunity Signage.
* SCRA Act- Serviceman’s Civil Relief Act, which has replaced the Soldiers’ and Sailors’ Act of 1940
* URLTA – Uniform Residential Landlord Tenant Act
* FCRA – Fair Credit Reporting Act
* FTC – Fair Trade Commission
* EPA – Environment Protection Agency

**Lead - based paint**

Lead – based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. NewGen PM follows all mandated federal and state guidelines for lead - based paint. All properties prior to January 1, 1978 require disclosures to all tenants and owners. Tenants sign lead – based paint disclosures prior to renting a property and NewGen PM provides them with the required EPA Pamphlet, Protect Your Family from Lead in the Home NewGen PM then forwards the required disclosure to owners for signatures.

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 that owners and managers must use certified vendors to work on lead – based paint.

**Mold issues**

NewGen PM regards mold issues as a top priority in property management, Owners should be aware that 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 NewGen PM takes action if a tenant reports mold. NewGen PM notifies owners as soon as practical of any mold issues so NewGen PM and/or property owner can take the proper steps.

**Answers Regarding Funds**

When you entered into a management agreement, NewGen PM established an account for you and your property. NewGen PM recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by NewGen PM is a specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the Texas Department of Real Estate.

**Banking**

NewGen PM holds your account in a trust fund mandated by the state of Texas. NewGen PM accounts for each owners separately in the trust account and does not co-mingle funds with broker monies

**Monthly statements**

NewGen PMmonthly statements are available in the owners portal and is open to owners 24 hours a day. We are happy to assist you and answer your questions.

**Disbursement of monthly funds**

NewGen PM disburses available funds to owners by the 8th of each month. If this day falls on the weekend NewGen PM issues funds on the next business day. NewGen PM does not disburse funds on the weekends and holidays. NewGen PM does NOT issue owner checks unless there are sufficient funds in the owner’s account. It is vital to accurately post rents, pay vendors, and disburse funds for your account. Therefore, it is vital NewGen PM adhere to this schedule to ensure servicing every owners account.

NewGen PM distributes owners funds in two ways:

* Company check disbursed directly to the owner.

ACH direct deposit – directly disbursed into an owner’s bank account. You can set up the ACH payment from your portal.

**End of year procedure**

At the end of each year NewGen PM is required to file 1099’s for income received over $600. Please note that this amount is for “total income received” requirement. Please note that security deposits are not included in the amount.

It is necessary that you supply NewGen PM with the necessary Social Security/ Tax ID information so the 1099 is accurate. NewGen PM will send the 1099 for the rent by January 31st for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us with the Owner Change of Information form. If you need another change form, please contact us.

NewGen PM also issues 1099’s for disbursements to vendors for work over $600.00. Therefore, owners do not have to issue 1099s for work completed and paid through the NewGen PM trust account. Owners are responsible for issuing 1099’s to any vendor paid through the owner’s personal account.

The last statement of the year will reflect the “total Amounts” for income and expenses that have transpired throughout the year, such as management fees, leasing fees, landscape, utilities, repairs and maintenance, etc. The amounts will not reflect any funds issued though the owners personal account. Owners can submit their last statement amount to their tax person along with other information for income tax reporting. NewGen PM does not issue statements to the owner’s tax preparers.

**Renting Your Property**

**Preparing to rent the property**

Before prospective tenants move in your property, NewGen PM wants the property to look its best and compete with area rentals. NewGen PM provides a property condition report to perform property make readies, item repairs and improvements. We will also conduct a move in conditions report to ensure make ready times and repairs are properly completed.

**Setting the rent**

Supply and demand determines the 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 NewGen PM advises owners on the “current rental market.”

**How long will it take to lease the property?**

This is the most commonly asked question NewGen PM receives from owners. Unfortunately, there is no way to predict how long a property will remain on the market, even in the best marketing pricing condition. However, NewGen PM works diligently to rent the property as quickly as possible. Historically, what is important to remember is that the most important objective is to have “a quality tenant.” And a tenant that keeps the home in a prestigious condition.

**Advertising/Marketing**

**Internet/website**

NewGen PM has found that the internet and the NewGen PM website, [www.dallasmetroplexhomes.com](http://www.dallasmetroplexhomes.com) receives tremendous exposure, as well as using Hot Pads, Zillow, and many others for rent websites**.** NewGen PM takes full advantage of this medium to reduce advertising costs and gain more exposure for your property. We are syndicated with 58 websites included but not limited to MLS

**Signage**

NewGen PM displays lease signs prominently, and each sign carries the appropriate extension for the property. Signs promote calls. The caller immediately accesses the property information and showings 24 hours a day.

**Showings and applications**

**Processing Tenant Applications**

**Tenant screening**

Thorough screening is crucial to successful Property Management. NewGen PM 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 history, sex offender list, most wanted list, terrorist watch list and tenant history/eviction list.

All applicants must submit verifiable information on their income to show they can support the property. Rental history or previous home ownership is carefully checked. Cross-referencing all these areas – credit, tenant history, and income – provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies)

**Pets**

Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, whether you have or have not decided to allow a pet in your property, the NewGen PM application has a place for prospective tenants to list pets and how many. It is important NOT to discourage on pets while taking an application. If you do own a pet, NewGen PM does not place inappropriate pets in a property. NewGen PM regulates types of animals, breeds, age and weight. NewGen PM enforces pet restrictions, additional pet deposits and monthly fees will apply.

**Service Animals**

Special Note: “Service animals” for handicapped/disabled persons are NOT pets by Federal Law, and owners cannot discriminate against handicapped/disabled persons with a service animal. Fair Housing legislation does NOT allow owners or property managers to colled deposits of any kind to service animals. (See TAR 2226)

**The Tenant Move In**

**Rent and security deposits**

NewGen PM 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.

Once approved, all applicants must pay in full, the first month’s rent, deposits, and certified funds.

**After the lease has been signed and money has been received**

Once NewGen PM receives funds a thorough rental/lease agreement with the applicant is completed. The NewGen PM five-page maintenance addendum and all necessary addendums with this documentation.

All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply the interpreter of legal age for signing the rental/lease agreements. A copy of the lease has been updated to the owners portal.

**Walk – through**

NewGen PM completes the walk through and prepares the owners as a base line condition of the property prior to a tenant move in. A vital part of the rental agreement the tenant must provide a detailed walk through with in 5 day of possession, documenting the condition of the property when they move in.

**Tenant Handbook**

Tenants immediately receive the NewGen 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.

**Tenant education and preparation**

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need are included with the “NewGen PM *Tenant Handbook*.” NewGen PM wants both owners and tenants well informed.

**Resident Emergency/Disaster Handbook**

We now provide tenants with a handbook to help them to prepare for emergencies or disasters. There are conditions where NewGen Property Management cannot immediately assist them if there is a major emergency or disaster. We want them to be prepared.

**Collecting rent**

IN accordance to the lease that the tenant signed, rents are due on the 1st day of the month and late if not received in the NewGen PM office by the 3rd of the month.

**Notice to pay or quit**

If NewGen PM does not receive rent by the due date, NewGen PM prepares and delivers a timely notice to pay or quit, as the law allows. NewGen PM makes every effort to mail and post notices properly should legal action be required. If NewGen PM determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, NewGen PM contacts the property owner and works out a plan of action.

**Other Notices**

There are other notices that may be involved with tenants. NewGen PM serves notices as situations warrant, such as a notice to clean up the landscape, a notice to enter the property, a notice to perform survey/inspections, a notice a regarding an illegal pet, illegal tenants etc. These tenant violations may be in form of a letter or a legal Notice “form” Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, NewGen PM contacts the owner with the information to discuss the situation.

**Tenant problems**

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

Our company policy is to take a “what if” approach. NewGen PM 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 NewGen PM recognizes and works to prevent legal issues from arising.

**Legal action**

Although NewGen PM works diligently to avoid the necessity to begin an action, such as an unlawful detainer or eviction proceeding, it can happen. In the event any legal action is required, NewGen PM will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

**Maintenance**

**Preventive maintenance**

The best approach to maintenance is “preventative maintenance,” and this is the NewGen PM policy.

First, NewGen PM has already started with educating the tenant by:

* Completing a detailed NewGen PM Rental Agreement, which includes the five – page maintenance addendum that outlines what are tenant responsibilities regarding maintenance as well as owner obligations.
* Completing a walk-through documenting the condition of the property before the tenant takes possession.
* Supplying tenants with the “*NewGen PM Tenant Handbook*,” which provides additional instructions on the care of the property and hot to report maintenance.

We want the tenant to know from the beginning of their tenancy that the NewGen PM landlord expectations are to “care for the property.” This approach can prevent costly maintenance repairs.

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, 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, dry rot, safety issue and more. Then of course, there are 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 owner will have to spend more in the future. It is equally important to keep up with the 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 dry rot could have been prevented or discoloration of the linoleum if the tenant had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases. The NewGen PM management team contacts owners if any repair exceeds above the $300.00 minimum that is listed in the NewGen PM Management contract, unless the situation is an emergency.

**Emergencies/Disaster**

When an emergency and/or disaster strikes, NewGen PM has policies in place for the property and tenants NewGen PM notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by NewGen PM.

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

**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 NewGen PM moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, maintenance addendum, walk – through, and ***NewGen PM******Tenant Handbook.*** All of these documents gave instructions to the tenant on how to move out.

**Tenant move out**

NewGen PM conducts a walk – through similar to the one performed when the tenant moved into the property. NewGen PM records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit. If the tenant has to break their lease, 100% of the first month’s rent fee is applied to the tenant and due upon notice to vacate.

After assessment of the tenant move out, NewGen PM advises owners of any tenant damages or any maintenance required to re-rent the property. NewGen PM will assist the tenant in finding a sublet tenant. If there is a gap in rental income, the landlord will be notified.

**Security deposit refunds**

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with state laws.

**Collections**

If collecting damages is required, NewGen PM will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. NewGen PM management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection. NewGen PM will supply consumer collection companies with the necessary documentation needed.

**Additional Services**

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

**Referrals**

Do you know someone who is looking for a management services in the Dallas – Fort Worth area? If so, then notify your management team. NewGen PM values their client business and believes in rewarding referrals from clients.

**Annual survey/inspection**

NewGen PM maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. A licensed contractor performs this survey/inspection, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance.

**Eviction protection plan**

Many owners worry about the financial burden of evicting a tenant and paying the legal fees. The NewGen PM Eviction Protecting Plan is available for an $ per month. Our screening process reduces this possibility, but evictions can happen. Should this occur, this plan covers the cost of… If you are interested, ask your management team for more information.

**Real Estate services**

The NewGen PM 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 NewGen PM to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Owners sell properties; people give notices. If this happens the NewGen PM cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

**Written notice**

* The NewGen PM management contract accepts a 30 day written notice by either party, but this excludes the minimum management period. Please refer to your management contract.
* The NewGen PM policy is to give cancellation if management by US Mail.
* If an owner sends a cancellation of management by US Mail, NewGen PM must receive the notice within 15 business days of the date of the notice.
* NewGen PM does not accept cancellation of management by email due to lack of signatures.
* NewGen PM does not accept fax cancellations.

**Notice to current tenants**

* NewGen PM will notify current tenants the date NewGen PM will no longer manage the property and that NewGen PM forwards all security deposits to the owner.
* It is the owner’s responsibility to advise tenants where to make future rental payments and work requests after the notice period.

**Distribution of documents**

* We will supply current tenant lease and copies of keys.
* If the owner has employed new management, it is the owner’s responsibility to instruct them to pick up documents, keys, and any other necessary materials at NewGen PM’s office.

**Final Distribution of funds**

* NewGen PM will distribute funds, including security deposits and final statements to owners.
* NewGen PM will issue a 1099 for funds collected during the current tax year when the tax year ends.

**Conclusion**

We hope you have found the NewGen PM owner manual informative and useful. If so, please inform your management team. If you feel there is any other information NewGen PM can provide, let us know so we can include it in the future.

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