



November, 2018

To our valued clients:

As this year comes to an end, we want to thank all of you for your continued support. Our job is a pleasure because our clients are accessible, reasonable, and appreciative. We thought this might be a good time to give you a summary of this year's activities.

**Proposition 10:** As you know, Proposition 10 did not pass. This will not make for any immediate change but should dampen the "rent control" issues for a while. We will of course stay on top of the issue and keep you advised.

**Values, Rents:** Real estate values have continued to go up in Monterey County, albeit not as rapidly. Rents are slowly increasing. As there is still effectively no housing construction in Monterey County, we expect rents to stay stable. We will continue to review the rent of each property annually and make appropriate increases. This is a virtual repeat of the last two years' information.

**Rental process:** Properties continue to generally rent quite quickly. As you may remember, last year we re-vamped our application process to come into compliance with increasingly strict Fair Housing laws. You may request a copy of our requirements at any time. Requirements can be changed for your property, provided they fall within the law. For Fair Housing reasons, owners are not generally consulted if the applicants meet the requirements and the first acceptable application is accepted.

**Management Fees:** Once again there will be **NO** increase in management fees. You may remember that, as of January 1, 2018, we made adjustments to some fees in an attempt to equalize the charges to all owners. These changes have been well-received and we do not anticipate the need to make further adjustments.

**Annual administration fee:** \$100 per property. Although this change went into effect January 1, 2018, it does not really affect your ledgers until this December. Some owners have been paying \$50 per property while others have been paying \$150 per property. This will eliminate the difference. As you know, we do not charge for long distance calls, faxes, priority mail, extra copies of statements or bills, preparations of IRS forms, end of year statements, copies of 1099s, multiple emails, customized statements, mailed statements, etc. We also do not charge leasing fees (except for commercial properties) or maintenance cost overrides.

**Bi-annual yard fertilizing, inspections:** We are continuing the regular weed and feed on most of the properties we manage. At that time, pictures are taken of the yard for reference and recommendations are made for any trimming needed. About half of the time we are sending letters to the tenants because the pictures show mowing, watering or weeding is necessary. On single family homes, the shrubs and trees should be trimmed at least once a year. Gutters are cleaned on all properties every fall unless you



notify us otherwise. Clean gutters are the least expensive way to maintain the roof and soffits. Please call your property manager if you'd like to include your property in the Weed and Feed Program.

**Banking:** If you are still receiving a check monthly, we request that you allow us to electronically deposit your funds to your account. Your statement would be sent as usual. The owners that use the electronic transfer service are happy to get their funds up to one week earlier, because of the "snail mail" time avoided. There is no additional cost for this service. Our checks now also expire after 90 days—so if you have any old checks out there, please get them cashed! If a check is not cashed within the 90 days, we are required to stop payment on the check and hold the funds in the owner account. If you would like to switch to electronic transfer of funds, just call your Property Manager.

**Software:** The transfer (for some owners) to a new software system for your reports, instituted last January went smoother than expected. Are you using your "Owner Portal" to review your monthly statements? If you have questions regarding this, contact your Property Manager.

**Vendor costs:** The cost of repairs is an on-going concern for all owners. We have included a copy of the Vendor Guidelines. The vendors we use may not be the most inexpensive, but you can see that they are qualified and guarantee their work. Do you have a vendor you would like us to use? No problems—just give us the contact information and we will send them a vendor packet. We are always looking for more good vendors. If you have specific vendors you would like us to use, we are happy to do so as long as they have appropriate licenses and insurance.

**Report Card:** We are still the largest management company in Monterey County for single family homes. One of the reasons for that success is that we collected 99% of rent owed this last year. We evicted one tenants for non-payment of rent, and three tenants for other issues. Less than 1% of our tenants have not paid by the 5<sup>th</sup> of any given month.

**Continuing Education:** Bill, Sally, Michele, and Cindy are active members of the National Association of Residential Property Managers (NARPM.) We attend local, regional and national conferences to be on top of any law changes, improve our management skills and learn about new techniques and software that can improve our performance. Sally was a certified National Instructor for NARPM for eight years and has useful contacts all over the United States, should you need a referral in another area.

**Office Location:** Our physical address is 19000 Portola Drive, Suite 107, off Highway 68. Our office in Monterey at 887 Abrego St., Monterey, is open by appointment. We do not get mail at either physical location due to security reasons. Our mailing address is PO Box 1089, Salinas, CA. 93902.

**Phone numbers:** Our primary phone number is 831-455-2052. We have discontinued some old numbers, so make sure this one is on your list.

**Holiday Hours:** As usual we will officially be closing the office on December 21st to do the necessary end of year reports, auditing, 1099s, etc. We are actually here in the office and return calls quickly.

**Sales:** As you know, we can handle selling your property or help you purchase a new one. Bill supervises and handles that part of the business. A number of our owners have elected to sell their properties this past year and Bill has a 100% success rate. We can handle "short sales" as well, so if you are having



problems making your mortgage payments, please contact us as soon as possible so that we can help you to make the best decision.

Why is Backus Properties your best choice for selling your property?

1. We know the property. The description and disclosures will be thorough and accurate.
2. Transition will be smooth because we have a relationship with the tenant.
3. Backus Properties has a top reputation in the community for working with other agents. We are accessible, fair and pleasant.
4. The relationship and trust already established with our clients assures that the transaction will be smooth and quick.

This last year we have sold 37 properties in Monterey, Salinas ,Highway 68 and throughout Monterey County ranging in price from upper \$300,000's to \$1.2 Million. Because we know the properties for sale, and have a relationship with the tenants in place, the disclosures and inspections are handled smoothly and accurately.

We can also easily give you an idea of current value if you are considering the possibility, but need more information to make a decision.

Would you like references from the owners of recent sales? Call Bill and he would be happy to send you a list.

Do remember: it can be a terrific time to buy another investment property, and we can help you with this too.

Please indicate on the questionnaire on page 4 if you are interested in any of these services. Thank you again for your business, and we look forward to serving you again in 2019.

Best regards,

Sally Backus, MPM® Broker

Bill Backus, Associate Broker, Senior Property Manager

Michele Backus, Licensed Real Estate Agent, Property Manager

Cindy Vargas, Licensed Real Estate Agent, Property Manager

Backus Properties Staff



**Please complete the following questionnaire if you have any changes or interest in any of the new services.**

Name	
Mailing address	<hr/> <hr/> <hr/>
Home phone	
Cell phone	
Email address	
Are you interested in on-line statements?	
Are you interested in the automatic deposit of your funds?	
Are you interested in possibly selling your property?	
Do you have any suggestions for improvement in our services?	

**Thank you for your time!**

# Backus Properties Vendor Policies

## All vendors for Backus Properties agree to the following terms:

1. To keep in force any licenses or insurances that are required including city business licenses, professional licenses, liability insurance, EPA Certification and Workers' Compensation insurance.
2. Only employees covered by Workers' Compensation (or legally exempt) will be allowed on the rental properties.
3. Vendors that qualify as "Handyman" and cannot legally do more work then \$600 on a given property, will notify property manager if the bill will exceed that amount.
4. If vendor does not feel he (she) will be able to accomplish the maintenance requested within one week, the vendor will return the work order immediately.
5. Tenants must be contacted by you within 72 working hours of your receipt of a Work Order before going to property. Obviously, immediate action is needed in case of an emergency.
6. Backus Properties will be contacted if vendor tries more than two times to contact a tenant and does not receive a return call, or no numbers given to you are operable or tenant is requiring a specific appointment. We will then make other arrangements for you to gain entry to the property. Failure to notify Backus Properties when you are not able to make the repair can incur additional liability to your company and Backus Properties.
7. On entering a rental, please ascertain that your shoes are clean or that shoe covers are worn.
8. Please do not eat, drink or smoke in a property. Do not use the bathroom in an occupied property without asking permission. If the property is not occupied, please make sure the toilet and sink are left completely clean.
9. Please do not give opinions to the tenants' about additional repairs that are needed; this information should go to the Property Manager.
10. If additional work is needed, please indicate clearly on your invoice, or call the office if it is an urgent issue.
11. Do not do additional work requested by the tenant without office approval, even if to be paid by the tenant.
12. If there is a lockbox on the property, please do not take the keys offsite; another vendor may need access.
13. Please notify the office if signs of drugs usage are observed, the smell of smoke is in the house or if tenants are clearly damaging the property.
14. All debris generated by your work will be removed from the property.
15. Unless otherwise indicated, interior paint used, including walls, trims, baths and kitchen, should be Kelly Moore "Frost." Mold prohibitive should be added. There are other specific painting guidelines. Please contact office.
16. If you have checked out keys or remotes, they must be returned to the office as soon as the job is completed. Keys and remotes must never be left in vehicles when not in use. If keys or remotes are lost, the cost to replace will be at vendor's expense.
17. We ask that invoices be sent to us no less frequently then once a week.
18. Bills will be paid as received from the 8<sup>th</sup> to the 30<sup>th</sup> of the month. Generally, bills will not be paid from the 1<sup>st</sup> to the 7<sup>th</sup> of the month, due to rent collection. If your payment seems overdue, contact the Property Manager, not the bookkeeper. Invoices will not be paid if insurance is not up to date or if keys or remotes have not been returned to office.
19. Gifts or other compensation will not be given to company or individual employee that exceeds \$25.00 per year.
20. There are very specific instructions for the installation of the new "tamper proof" smoke detectors and carbon monoxide detectors. Please call the office for instructions if you will be replacing or installing either.

Company Name \_\_\_\_\_

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