



# REDSAIL

## PROPERTY MANAGEMENT

WE GIVE HOMEOWNERS PEACE OF MIND BY PROFESSIONALLY  
MANAGING THEIR RENTAL HOME.

### HAMPTON ROADS NEEDED A TOP NOTCH PROPERTY MANAGEMENT COMPANY

**RedSail** was founded out of a basic necessity: **The current industry standard for property management was simply not good enough.** We believe homeowners should not have to deal with the lack of communication and poor customer service that's sadly become the status quo.

At **RedSail**, we are committed to giving you a different experience. We are a company run by people who care deeply for your home, your peace of mind, and your bottom dollar! We are relentlessly committed to providing you with the best systems, technology and staff available for the management of your largest investment.

### OUR MISSION

*We are dedicated to providing the highest quality of Customer Service while never wavering from our core values: Honesty, transparency, trustworthiness, and good, old fashion, hard work.*

### THE IMPORTANCE OF OUR PROCESS

Our goal is to have a well qualified tenant occupying the property as fast as possible. A low vacancy time means more money in your pocket. In order to accomplish this, we need to get the home in "rent ready" condition before we begin showing the home. Our system is proven, and when followed, will result in success.

11837 ROCK LANDING DRIVE SUITE 103, NEWPORT NEWS, VA 23606



@REDSAILPM | 757.550.1171 | REDSAILPM.COM

# TABLE OF CONTENTS

- 1** LETTER FROM OUR BROKER
- 2** MEET THE PROPERTY MANAGEMENT TEAM
- 3** INSPECTION, CLEANING, MAKING THE HOME RENT READY
- 4** MARKETING AND SHOWING THE HOME
- 5** TENANT SCREENING, LEASE SIGNING, SECURITY DEPOSIT COLLECTION
- 6** TENANT MOVE-IN, RENT COLLECTION, OWNER DISBURSEMENTS & EVICTIONS
- 7** MAINTENANCE, REPAIRS AND TENANT MOVE-OUT
- 8** FEE STRUCTURE
- 9** RENTAL PROPERTY TAX BENEFITS
- 10** WHAT'S NEXT?

# LETTER FROM THE BROKER

Dear Homeowner,

I'd first like to thank you for choosing **RedSail** to manage your property. We believe owning a rental property is the best investment available today, and we will work smart and efficiently to make sure your investment is yielding you the greatest return possible!

RedSail was founded out of a basic necessity: The industry standard was subpar. Bad communication, poor customer service, *a manager who doesn't seem to care about my home*, and long vacancy times, is unfortunately, the norm within the industry. We felt clients deserve better when handing over the keys to their largest investment. We saw an opportunity and took it.

We looked at the industry from the ground up, identified problem areas, and came up with solutions to offer a better all around experience to homeowners and tenants. If you've had a bad experience with a property manager in the past, we trust you'll find working with us a more stress-free experience.

It all starts with *loving what you do*, and we do! We genuinely love our work, and believe it shows in the way we serve our clients! At **RedSail**, we do more than just manage rental properties; we have a heightened sense of responsibility, respect, and caring devotion to our clients.

Our commitment to you is simple... We will always strive to exceed your expectations in all we do.



Brian McGowan

Lead Broker

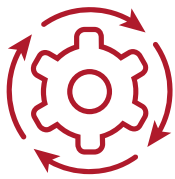
RedSail Property Management

Office 757-550-1171

# MEET THE PROPERTY MANAGEMENT TEAM

While most of our competitors still follow the “old school” approach to property management, **RedSail** takes a different approach. With the old school model, your property manager handles everything from marketing, inspections, background checks, finances, maintenance, and the multitude of additional tasks related to managing your home. Property managers working within this model tend to get burned out quickly and often feel spread too thin with their workload. Something has to give, and that’s typically good communication with you.

At **RedSail**, you have a team of industry professionals, trained for specific roles...



Our **Operations Manager** ensures our systems, team members and overall company are always working at maximum efficiency for our clients.



Our **Maintenance Coordinator** oversees property turnover, repairs and any maintenance that occurs during the tenant's occupancy.



Our **Leasing Specialist** is hard at work to ensure we find a qualified tenant as fast as possible. You’ll hear from them weekly during the marketing phase.



Our **Accounting Team** focuses on.... you guessed it! Accounting! This ensures the thousands of dollars that go through your account each year are accurate and reconciled on a monthly basis. This is extremely helpful when tax season rolls around.



Our **Property Inspector** handles all inspections including initial property inspections, tenant move-ins, move-outs, and smoke alarm inspections required by state law!



Our **Client Care Coordinator** will be there to welcome you aboard the moment you hire us! They’ll walk you through account set-up, answer any questions you have throughout the on boarding process and be your personal contact for any general concerns throughout your relationship with **RedSail**!



Once you hire us, the first thing we'll do is schedule our initial property inspection.

The purpose of this inspection is to formally document any needed repairs or updates the home will need before marketing. In our experience, showing a vacant, professionally cleaned, move-in ready property is the best way to ensure we procure the highest quality tenant in the shortest amount of time.

**Please review our Minimum Property Standards Checklist for an overview of what we'll be looking for during this inspection.**

### ONCE THE INSPECTION IS COMPLETE...



Our **Maintenance Coordinator** will send you the inspection report and gather estimates. Once you've approved, we'll schedule all work to be completed by one of our reputable, licensed and insured contractors! **From there, we will...**



Have the home professionally cleaned.



Take professional quality marketing photos.



Start showing your home to prospective tenants!



As an added bonus, we document the size of all HVAC filters in the home. Once the tenant moves in, we mail the right size HVAC filters to the door every 60 days. 1 filter or 5, we have it covered!

## MARKETING & SHOWING THE HOME

**YOUR INVESTMENT PROPERTY WILL BE LISTED ON OVER 100 SITES INCLUDING:**



**RedSail** adds over 300 potential tenants per month to our database, so not only are we marketing to new prospects, but also to those who may have already inquired about another. **RedSail is proud to have the fastest average market time of any of our competitors... 10 days in 2020!**

### FAQ: HOW DO YOU DETERMINE THE RENTAL PRICE?



A market analysis gathers data from 18 months of rental history in the surrounding area. We take into account the condition of the home, location, square footage, number of bedrooms/bathrooms and a lot of experience. We'll do our best to hit the client's target number; however, if the property doesn't produce interest after 7-10 days on the market, we'll discuss reducing the rent price.

## SHOWING THE HOME

**RedSail** has several showing options available for prospective tenants.



### **In-Person Showings**

We're able to facilitate in-person showings and do not rely on realtors and outside agents to show our properties.



### **Virtual Tours**

We can provide video tours for any potential out of state resident via FaceTime or Zoom.



### **Self-Guided Tours**

For faster access, weekends, or after hours showings, the prospective tenant can schedule a self guided tour once they've provided their drivers license and completed our security check. This system sets us apart from our competitors! Fun fact: We facilitated over 3,500 showings via self-guided tours each year. Needless to say, it works very well!

# TENANT SCREENING, LEASE SIGNING, SECURITY DEPOSIT COLLECTION

**RedSail** has high standards when it comes to choosing a qualified tenant. Here's our screening process:



## Credit History

Credit history should show that the resident has paid bills on time and does not have a history of debt "write-offs", bankruptcy within the past 5 years, or accounts that have gone into collection. Also, accounts in collections for utility companies will not be approved.



## Criminal Background Check

We're going to ensure the tenant has no criminal record, is not on the sexual offender list and has no history of drug use.



## Employment Verification

We're going to ensure the tenant has solid income, and require them to make three times the monthly rent.



## Past Rental Verification

We confirm the applicant's rental history with previous landlords or property managers.

**Once the applicant has been approved, we have them sign the lease, collect a security deposit equal to one month's rent, and schedule their move-in date.**

## FAQ: WHAT ARE THE PET POLICIES?



50% of tenants have pets. We recommend allowing pets to ensure we have the largest potential pool of applicants to choose from!

Tenant's pets have to apply, too! We use PetScreening.com to provides us with bite history, veterinarian records, and attorneys who can confirm the validity of emotional support animal letters.

Once we approve the pet, **RedSail** covers any pet damage up to \$2,500 over and above the tenant's security deposit.

## FAQ: CAN THE HOMEOWNER CHOOSE THE TENANT?



One of the reasons a homeowner hires **RedSail** is so they can distance themselves from the process which protects them from liability, fair housing accusations and privacy law suits. Therefore, in the best interest of the homeowner, **RedSail** will choose the best tenant based on our application criteria.





During the vacancy period, all basic utilities need to be on. If you have an alarm system, cable, or internet, you can turn those off when you vacate. The tenant will transfer utilities into their name effective the move-in day.



Two days prior to the tenant move-in date, our inspector performs the first yearly State-required smoke alarm inspection, a touch-up cleaning, and thorough photo documentation of the interior and exterior of the home. These photos come in handy with any possible tenant disputes.



Lastly, a locksmith will re-key the home, ensuring the tenants are the only one who have copies. (Don't worry - we have a copy, too!)



## RENT PAYMENTS & OWNER DISBURSEMENTS

**Rent payments are due on the 1st of the month with a four-day grace period.**

To allow time for rent payments to clear **RedSail's** account, owner disbursements are scheduled between the 10th-12th of each month. Owners should see their disbursements in their accounts by the 15th.

We recommend a separate checking account with two to four months of mortgage payments set aside. This also allows you to be better prepared for unforeseen maintenance issues. We've found clients who do this have a more enjoyable experience.



### FAQ: WHAT HAPPENS IF THE TENANT DOESN'T PAY?

Did you know the eviction rate in Hampton Roads is around 10%? The good news is, **RedSail's** eviction rate is typically less than 1%. That's more than good news... That's GREAT news for our clients!

However, non-payment beyond the four-day grace period results in **Redsail** posting a five day *Pay or Quit* note which begins the legal process to evict. If the tenant does not pay after the five day period, our attorneys will proceed with the eviction.

**We recommend choosing our Eviction Protection Plan for added peace of mind.**

## MAINTENANCE, REPAIRS AND TENANT MOVE-OUT



We make **Maintenance Requests** easy and convenient for our tenants to report using **Redsail's** own smart technology. This convenience allows them to communicate messages and pictures that help us diagnose the issue before sending a contractor.

### FAQ: HOW DO YOU HANDLE MAINTENANCE & REPAIR REQUESTS?



Anytime a maintenance issue is reported, the homeowner is notified of the situation via email or text.

If we send a contractor to the home and the repair can be done for **under** \$300, **RedSail** authorizes the contractor to do the repair that day. The goal is to keep the tenant happy!

Maintenance issues **over** \$300 require the homeowner's approval. This does not apply to emergencies.

## TENANT MOVE-OUT

Once **RedSail** receives notice that the tenant does not want to renew, we put the property back on the market to our database of potential tenants and previously mentioned marketing outlets. Our goal is to have the least amount of time in-between tenants as possible!



### FAQ: WHO PAYS FOR TURNOVER COSTS AFTER MOVE OUT?

**RedSail** will charge the tenant's security deposit for any damage or neglect beyond normal wear and tear. The homeowner is responsible for items deemed normal wear and tear. (Including, but not limited to: Minor paint touch-ups, carpet that's exceeded its normal life expectancy, and other basic up-keep items.)

## FULL SERVICE MANAGEMENT



### 10% MONTHLY MANAGEMENT FEE

**Example:** If the monthly rent is \$1500, **RedSail's** management fee would be \$150.



### \$750 LEASING FEE / TENANT PLACEMENT

No upfront cost. This fee is applied once the tenant makes their first rent payment. If RedSail can secure a two-year lease, the Leasing Fee increases to \$1250.



### 10% MAINTENANCE INVOICE FEE

Example: A contractor charges \$100 for a repair. A \$10 fee is added to that invoice.



### \$195 LEASE RENEWAL FEE

This fee is applied only if **RedSail** secures an existing tenant for another full lease term.



### \$75 SMOKE DETECTOR INSPECTION ANNUAL FEE

Virginia law requires a smoke detector inspection before every tenant move-in and every 12 months thereafter.

***Other per occurrence fees may apply.***

## RENTAL PROPERTY TAX BENEFITS



Uncle Sam allows you to deduct some expenses associated with owning rental property. The IRS stipulates that deductible expenses must be ordinary and generally accepted in the rental business, along with being necessary for managing and maintaining the property. From mortgage interest and insurance to maintenance and repairs, here are some rental property tax deductions homeowners should take advantage of...



### LOAN INTEREST

Homeowners with a mortgage may find that interest on the loan could be their largest deduction.



### PROPERTY TAX

Property taxes paid on a rental property is also a tax deduction to explore.



### DEPRECIATION

The deduction can be taken for the expected life of the property, but it must be spread out over 27.5 years. It's important to note here that the value of the structure can depreciate, but not the value of the land.



### MANAGEMENT EXPENSES

All management fees paid to **REDSAIL** are tax deductible.



### INSURANCE PREMIUMS

Homeowner's insurance is a must; However, the good news is it's also tax-deductible.



### MAINTENANCE & REPAIRS

While home improvements are deductible through depreciation, the tax code does allow you to deduct certain repair and maintenance costs separately. The big difference is that these efforts keep your property in rentable condition, but do not add significant value. Think painting, tuning the plumbing, cleaning HVAC filters, spraying for pests and landscaping.

### DISCLAIMER

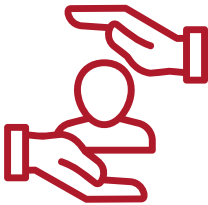
We are NOT tax professionals. Please consult your CPA for more information about rental property tax benefits.

## WHAT'S NEXT?

Thank you for the opportunity to manage your largest investment! We look forward to caring for it like it's our own. **So, what's next?**



INITIAL OFF ON THE **REDSAIL** MANAGEMENT AGREEMENT! FROM THERE...



OUR CLIENT CARE COORDINATOR WILL REACH OUT TO SCHEDULE THE INITIAL PROPERTY INSPECTION AND BEGIN THE ONBOARDING PROCESS.

“

REAL ESTATE PURCHASED WITH LITTLE OUT-OF-POCKET EXPENSES, PAID FOR BY A WELL-QUALIFIED TENANT, AND MANAGED WITH CARE IS BY FAR, THE BEST INVESTMENT ON THE PLANET!

- BRIAN MCGOWAN

THANK YOU FOR ALLOWING REDSAIL TO BE A PART OF YOUR JOURNEY TO BUILDING LONG-TERM WEALTH!

11837 ROCK LANDING DRIVE SUITE 103, NEWPORT NEWS, VA 23606



@REDSAILPM | 757.550.1171 | REDSAILPM.COM