Bluewater Property Management, LLC

1259 Remount Rd, North Charleston, SC 29406
Office Phone: (843) 606-5572
www.bluewpm.com / info@bluewpm.com

EQUAL HOUSING OPPORTUNITY

Hello Fellow Property Owner and Prospective Client,

Thank you for your interest in my property management company and our services. This Prospective Client Introduction Packet will give you an overview of Bluewater Property Management and some of my philosophies about property management that went into creating the company.

In addition to being a Property Manager-in-Charge, I am also a rental property owner. I understand a rental property owner must balance decisions between cash flow, return on investment, maintaining the long-term value of an investment property and keeping tenants happy and in the property. With that in mind, there are numerous factors to consider in hiring a property management company; a few I think are important are rapport, communication, technology, processes, quality and results.

And of course, maintenance!! Maintenance is an integral part of successful property management. It is vital to the long-term success of a rental property. Every property owner should clarify how a property management company handles maintenance before signing a management agreement.

Rapport is #1 on my list because everyone should like and trust who they do business with. Life is too short to work with someone you do not like, simple as that.

With the advancement in technology, the old rules of rental property management no longer apply. Technology has changed how properties are advertised, applicants are screened, tenants pay rent, owner draws are processed, monthly statements distributed and so much more. At a minimum, every PM company should have PM software that enables tenants to pay rent online, track maintenance requests and process owner draws via ACH/ETF.

My company also utilizes project/task management software to track every process to ensure the same steps are followed for each property to produce consistent and predictable results.

I LOVE technology and software, and I designed the company to be technology-based. But, property management is still a service business, and communication is at the heart of every service business.

I want our clients to know what is going on with their property, so we email monthly reports, notify when maintenance is necessary, email maintenance receipts, provide relevant industry updates, etc. When the pandemic started, I sent our clients updates on the CARES Act, other federal actions and state actions.

Again, thank you for inquiring and learning about Bluewater Property Management and our services. If you feel our services can help you reach your rental property goals or have any questions, please contact us to see if we are a good fit to start building a successful property management relationship.

Warmest Regards,

Aaron Silverman, Property Manager-in-Charge
(843) 606-5572 – office info@bluewpm.com

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Our Full-Service Property Management Includes:

- **Real Estate Investing and Rental Property Knowledge and Experience** (Aaron also is a Real Estate Investor. He has experience locating, purchasing, remodeling and managing his own rental properties.)
- **Strong Relationships** (Aaron's goal is to build positive relationships with clients and tenants to provide a positive rental experience for our clients and tenants. Also, this helps improve tenant retention and increase occupancy rates.)
- **Property Advertising** (includes walking tour video and 360-degree tours when feasible, see Advertising document)
- **Tenant Screening and Selection** (includes background checks to verify identity, income, credit history, rental history, etc., applicant pays rental application fee)
- **Tenant Placement** (property advertising, lease signing, coordinate property move-in condition assessments, etc., leasing fee applies)
- **Rent Collection and Owner Draw Disbursement** (tenants have the option of online rent payment, which increases timely rent collection and client receive their owner draws via electronic ACH disbursements)
- **Monthly Owner Reports and End of Year Tax Statement** (plus online owner login access to the property management software for additional reporting options)
- **Handle Evictions** (strive to reduce these by strict tenant screening and communicating with tenants, when we do file eviction paperwork, the tenants usually pay full rent to bring the lease ledger current and continue living in the property and paying rent through the end of the lease)
- **Coordinate Documented Property Assessments** (move-in, move-out and semi-annual, but can be more frequent at owner's request)*
- **Handle Tenant Repair Requests and Coordinate Maintenance and Repairs** (plus provide recommendations to help decide a course of action)*
- **Pay Maintenance and Repair Bills from Owner Funds** (yes, we process these payments)
- **Coordinate Tenant Move-Out** (coordinate move-out property condition assessment and necessary repairs, tenant security deposit settlement, etc.)
- **Additional Services** (items beyond this service list are billed at additional cost)

* An additional fee is applied for repair and maintenance oversight and project management; see Management Fees document. Maintenance and assessments are billed separately from management fees.

Mortgage (PITI)

As part of our standard service, we do not pay our client's mortgage, taxes and insurance. Paying these bills requires additional back end accounting, document scanning and storage, processes and expenses for us. We can offer this service for an additional fee per month.

HOA Payments and Communication

If a client would like, we can handle HOA communication and pay the HOA bills. Normally this is included with the standard management fee, but depending on the level of communication and work, an additional fee might apply.

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Rent Ready Document

Over a decade and half of managing properties and speaking with 1,000s of prospective tenants, we have watched tenant standards increase. Tenants want a Rent Ready property they can call home on Day 1. One of our mantras is "If a quality tenant moves into a quality property, the tenant will take care of the property as if it was his/her own home. When a tenant creates a home, the tenant is more likely to take better care of the home and renew the lease each year."

Regardless of the rental market strength, prospective tenants have options, and it is vital to have a property that stands out from the competition (other available rental properties). To maximize the ability to rent a property, maintain a property for the long term, preserve investment value and provide safety to the tenant, we developed the following Rent Ready guidelines. Additional items may be identified on a specific rental property.

- ✓ Well-maintained property.
  - Paint needs to be new/look new or be in good condition.
  - Floor coverings need to be new/look new or be in good condition.
  - Window coverings need to be new/look new or be in good condition.
  - Small imperfections are fine; we are not going for perfection; we are going for a quality, properly functioning property for a tenant to turn into a home.
- ✓ Professionally cleaned, including carpets, before the first tenant.
- ✓ Landscaping (lawn, edging, flowerbeds, bushes, etc.) properly maintained before the first tenant.
- ✓ Everything must work as originally designed, including all appliances, systems and plumbing drains.
- ✓ All lights and outlets properly functioning, includes interior and exterior for both items.
- ✓ Fire extinguisher installed/placed in the kitchen.
- ✓ Smoke detectors installed in each sleeping area, hallways outside sleeping areas and each floor as required. *
  - Many smoke detectors are required to be replaced every ten (10) years. They will be checked during the initial property assessment and monitored throughout the management agreement time frame. Smoke detectors will be replaced if necessary.
- ✓ Carbon monoxide detectors installed on each floor as required, if necessary. *
- ✓ Garbage and personal items removed from property. Garbage and recycling bins less than 1/3 full.
- ✓ Kwikset rekeyable locks with deadbolts installed on all exterior doors (except sliding glass doors), one of these locks needs to be a rekeyable deadbolt with a keypad (at least 3 programmable codes).
- ✓ Exterior sliding glass doors require a security bar and a functioning door lock.
- ✓ New HVAC filter(s).
- ✓ Automatic garage door opener installed when outlet appropriately provided in a garage (preferred).
- ✓ Door stops, non-rusted door hinges, non-rusted HVAC registers, sink stoppers and garbage disposal wrench are a few of the other common items.

* Although many municipalities have a grandfather clause for properties when building codes are updated, we do not feel it is ethically responsible to endanger tenants when a simple safety device can prevent harm or even death. We are not building code experts; however, when we can, we take the necessary steps to ensure the tenant's safety is taken care of –reducing our client's liability and protecting their investment.

Owners have the option to make their property Rent Ready before BPM starts managing the property, or BPM can coordinate the property preparation. If BPM coordinates the property preparation, additional funds will need to be submitted to BPM in order to pay vendors.

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Frequently Asked Questions

Selected questions and answers. Contact us for more information.

Is BPM a real estate sales company?

No. BPM is a property management company, and Aaron Silverman is a state licensed Property Manager-in-Charge. We are licensed to manage properties; however, we are not licensed to represent buyers and sellers. Property management is not a side business for us during times of slow real estate sales. Property management is our business, and managing our client's rental properties is our only priority.

Why does BPM charge a setup fee?

When we bring on a new client, there is a long list of administrative tasks to be completed. The setup fee covers this cost; it is a one-time fee at the beginning of management of a property.

What type of properties does BPM manage?

We manage single family homes, select townhomes and small multifamily properties in Mt. Pleasant, Daniel Island, North Charleston, Charleston, West Ashley, Hanahan, James Island, Johns Island, Summerville, Ladson and Goose Creek. In certain scenarios, we will manage stacked condos/units, contact us for more details.

Who sets the rental rate?

We, BPM, set the rental rate. We talk with our clients before setting the price and will often push the rental price in an attempt to help a client reach their target rent; however, we react to what the "market" tells us after the property advertising goes live. A property's advertised market rent can vary seasonally and even monthly depending on what other properties are available in the neighborhood/area. Our goal is always to maximize the rental rate; however, a vacant property does not produce any income, which is why we sometimes need to adjust rental rates based on market conditions.

Who approves the applicants?

We approve applicants and select tenants. Clients do not provide input into whether an application is approved or declined. We are an equal opportunity housing provider. The tenant selection criterion is given at https://bluewpm.com/application-criteria/.

How is maintenance handled?

We focus on maintenance. The top two reasons tenants move is they do not like the landlord/property manager and maintenance items are not completed timely or at all; usually lack of maintenance leads to not liking the landlord/property manager. Proper maintenance makes our tenants happy, which reduces vacancy, which reduces client costs, which improves client rental profit, which makes our clients happy.

We have move-in/move-out and periodic assessments completed to document a property's condition and identify preventive maintenance items. We also offer preventive maintenance programs to help maintain your property's long-term value (assessments and maintenance are billed separately).

All maintenance is completed by vendors on our approved vendor list. If a client has a preferred vendor(s), we are happy to use that vendor as long as the vendor can be placed on our approved vendor list and adheres to our company policies. We do not work with home warranty programs.

Are pets permitted in properties BPM manages?

Yes, pets are permitted in all properties, except some multifamily properties, we manage in accordance with our Pet Policy and any HOA rules. The Pet Policy is given at http://bluewpm.com/animals.

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Advertising

Advertising Level 1 – Included in Leasing Fee

Property advertising occurs at multiple levels simultaneously – online and offline, traditional advertising sites, social networking and blogging. In advertising, the goal is to be in front of your potential customers, and our property advertising plan is designed to do just that.

All advertising is designed to push potential applicants to the listing on our website at www.bluewpm.com for potential applicants to schedule a showing, view the video and 360-degree tours (if applicable) and read our application criteria.

What do we advertise?

- Property Details – a few basic paragraphs and then bullet point property details. Tenants these days do not want flowery, wordy descriptions.
- 30-50 Pictures – yes, that is right, A LOT of pictures.
- Walking Tour Video (when feasible) – although pictures say a thousand words, a prospective tenant cannot get a feel for the property's layout with pictures alone. The video helps rent the property quicker.
- For vacant properties, we include a 360-degree tour on Zillow – these are awesome!!!

Advertising includes:

- Yard Sign (varies)
- Social Media
  - Facebook
  - LinkedIn
  - Twitter
- Zillow Network*
- Apartments.com
- Apartmentlist.com
- Dwellsy.com
- Lovely.com
- Automated Housing Referral Network (varies)
- Zumper**

Plus, syndication to over 20 other listing websites.

*In 2020, Zillow started charging $9.99 (plus applicable taxes) per week per rental advertised via their portal. Since this cost is per property, the cost will be paid by the client. We do recommend paying advertising on the Zillow Network. If you are a new client, reserve funds will need to be submitted before we advertise on the Zillow Network. If you want to opt-out of the Zillow Network advertising, which we do not recommend as it will take longer to rent your property, notify us via writing (email is sufficient). The Zillow Network is by far our #1 source of qualified leads. In 2022, Zillow stopped charging for advertising. Zillow's policy is subject to change.

**In 2021, Zumper started charging for some property listings. We will list on Zumper when the listing is free, but we do not recommend paying for the service at this time. If you want to opt-in to Zumper paid advertising, please notify us via writing (email is sufficient).

An additional advertising option is paid Facebook advertising. It is billed as a line item at cost from the vendor. If you want to include paid Facebook advertising in the advertising plan, let us know when advertising starts.

We do not include an MLS rental listing in Advertising Level 1. The vast majority of renters in Charleston do not search the MLS for rental properties, so the MLS listing cost outweighs the exposure from it.

Advertising Level 1 is sufficient to find a tenant for a rental property in the Charleston area. We do not recommend the below paid advertising services. If you want to opt-in to them, please notify us via writing (email is sufficient).

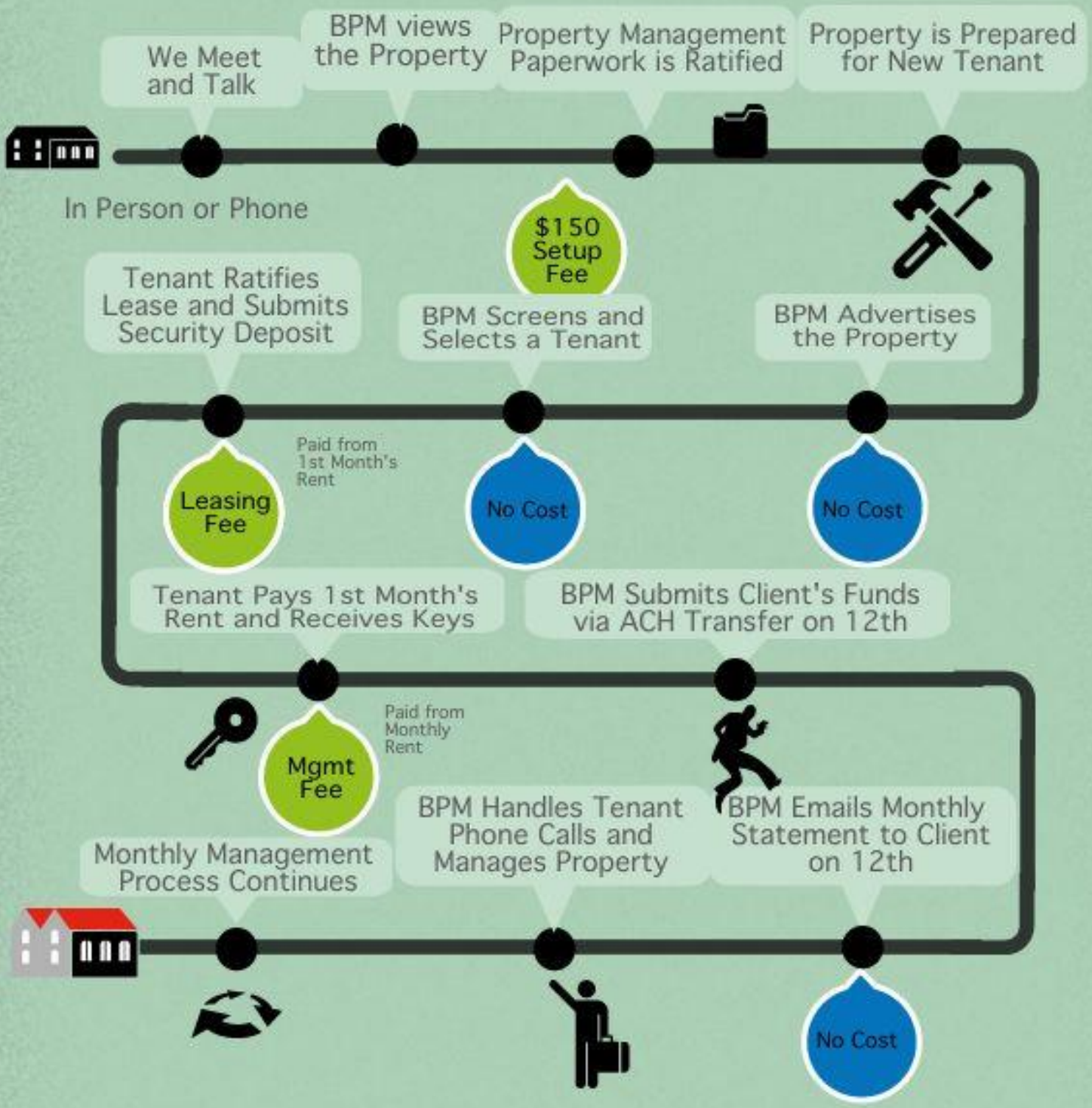
Advertising Level 2 – Paid Services (client must request these; BPM does not recommend them)

- Rent.com – billed per month
- MLS – billed as a one-time fee
- Post and Courier and Charleston City Paper – billed based on time period advertised

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New Client Sign-up Process and Timeline

Current as of December 28, 2020



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Management Fees*

as of December 31, 2022
see our website for the most recent information

Please see website for most current pricing - https://bluewpm.com/pricing/.

- Monthly Management Fee – Standard Plan 7.9% or Premium Plan 10.9%
  - Single-family minimum monthly fee is $150 for Standard Plan and $175 for Premium Plan.
  - Multi-family properties do not have a minimum monthly fee. Monthly percentage fee based on the property's condition, size, deferred maintenance, etc.

- Set-up Fee – $150 for single-family
  - One-time fee at the beginning of management.
  - Multi-family properties vary depending on the onboarding work required.

- Leasing Fee – 50% of first full monthly rental amount for Standard Plan and 35% for Premium Plan.
  - E.g., if monthly rent is $2,000, the leasing fee is $1,000 for Standard Plan and $700 for Premium Plan.
  - When BPM advertises, screens, selects and signs a lease with a new tenant.
  - This includes a detailed move-in assessment report.
  - If there is an existing tenant, a reduced leasing fee to convert the tenant to our lease when their existing lease expires (usually $200-300 but varies depending on time).

- Renew Lease Fee – $125 for Standard Plan and $75 for Premium Plan
  - When a current tenant extends a lease beyond the initial lease term.

- Repair and Maintenance Oversight / Project Management Fee – 10% of repair/project cost for Standard Plan and 5% for Premium Plan
  - Preventive maintenance plans and seasonally scheduled maintenance are exempt from the Project Management Fee (examples: tankless water heater flushes and HVAC preventive maintenance plans)
  - Work performed by Lowcountry Turnkey Properties, LLC, which the Bluewater Property Management, LLC owner, Aaron, has an ownership interest in, is exempt from the Project Management Fee.
  - Vendors are vetted for licenses, insurance, quality, reliability and pricing.

Visit https://bluewpm.com/pricing/ for full plan and pricing details.

Standard and Premium Plans include the Pet Guarantee. We will cover pet damage up to $1,500 in damage beyond the security deposit.*

Standard Plan includes the Tenancy Eviction Guarantee. If a resident is evicted in the 1st 12 months of the lease, the next leasing fee is on us!*

Premium Plan includes the Tenancy Guarantee. If a resident breaks the lease in the 1st 12 months of the lease for any reason, including evictions but excluding military orders, the next leasing fee is on us.*

*Refer to the property management agreement for full details.

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Thank you!!!!!

Thank you for taking the time to learn a little bit about my company. We have so much more to offer than can be detailed in an introduction packet, but I am cramming a bit more on this final page 😊

Hiring a PM company is a big step, and you should feel comfortable with the company you hire. Everything so far has been geared towards directly managing your property, so here are a few non-property specific items to think about:

Company Structure: Is the company structure a portfolio, department or hybrid model? A company's structure has a significant impact on how it operates, communicates and, potentially, the quality of service. As my company grows, it will shift from a portfolio structured company to a hybrid.

A hybrid-based company offers the customer service of a portfolio structure by having a dedicated property manager for your property and the increased employee expertise of a department structure by specialized departments. The best of both worlds for our clients and tenants!!

Experience: I have over 17 years of rental property management experience and over 10 years managing for clients. South Carolina licensing law does not have an experience requirement to start a PM company, so it is important to know and verify the experience of the company you are working with.

License: Yes, we are a licensed PM company, and I am a licensed property manager-in-charge. I know that seems simplistic, but you should verify the company is actually licensed. The South Carolina license lookup is https://verify.llronline.com/LicLookup/LookupMain.aspx and select Real Estate Commission. Enter my name or my company to find my license, #83723.

Insurance: A PM company should carry professional liability insurance, which we do!

Office: Although technology makes it possible for a PM company to work fully remote/home-based office, South Carolina licensing law requires a real estate company (sales or property management) to have a physical location. We have an office located at 1259 Remount Rd, North Charleston.

Those are a few of the non-property related items I think are essential for a property owner to ask a potential PM company as they directly impact the quality of service they will receive.

If you would like to speak in more detail, you can reach us in the office at (843) 606-5572 or through email at info@bluewpm.com. You can also visit https://bluewpm.com/fullservice/ for more information.

Thank you for your time, and I would love the opportunity to speak with you to see if we can help you meet your rental property goals.

With My Warmest Regards,

Aaron Silverman
Property Manager-in-Charge