


STENNETH CAPITAL

# STENNETH CAPITAL PROPERTY MANAGEMENT

# Agenda

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# Overview

**Stenneth Capital Management is a full-service property management company currently servicing multi-family residential properties throughout Chicago.**

- We have found a void in property management customer service for this profitable niche of real estate investing
- Stenneth Capital can operate and maintain your multi-family property with the utmost professionalism and attention to detail consistent with your management plan



# Overview (Cont.)

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**With our hands-on approach to property management, we provide our clients with the benefit of ownership without the burden.**

- Most owners don't have the time nor expertise to property
- Frequent building checks
- Excellent customer service for each property



**We offer you convenience and peace of mind that your valuable investment is promptly and properly maintained and generates cash flow**

- Stenneth Capital has a wealth of experience currently managing over 300 units across the city
- You will benefit from both our scale and expertise operating at scale
- Pricing structure ensures Property Manager interest and Owner's success are aligned



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# Capabilities

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## PROPERTY MANAGEMENT

- Administrative Duties
- Financial Reporting



## THIRD PARTY KNOW HOW

- Hiring Contractors
- Hiring Vendors
- Major Systems Checkups

## PHYSICAL NEEDS

- Maintenance
- Janitorial
- Landscaping and Snow Removal
- Make Readies / Turning Vacant Units

## LEASING

- Market Analysis and Advertising
- Credit, Eviction, and Criminal Background Checks
- Rental Expertise With Subsidy Organizations

# Capabilities





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## PROPERTY MANAGEMENT (ADMINISTRATIVE)

Stenneth Capital has a full-time administrative and property management staff capable of performing the following administrative services:

- Perform all tenant relations and correspondence including administering new leases, renewals, subleases, transfers and all other occupancy related functions
- Supervise and oversee all corporate, maintenance, janitorial, and building employees
- Implement and administer operational procedures, protocols, and technology to most efficiently and effectively run the rental property
- Maintain current tenant contact information and ledgers
- Communicate with Owner in a friendly, timely, and accurate manner

# Capabilities





## PROPERTY MANAGEMENT (ADMINISTRATIVE)

Stenneth Capital has a full-time financial and property management staff capable of performing the following financial services:

- Collect, deposit and account for all rents and other fees and payments from all residential and commercial tenants of the property
- Open, maintain and reconcile property operating and security deposit accounts in accordance with generally accepted accounting principles
- Track expenses and compare operating metrics to other buildings we manage
- Retain management reports in a fully automated software for multi-family residential buildings
- Complete and submit to the Owner monthly residential and financial reports by the 20th of each month for the previous month's activity
- Create and review with Owner an Annual Budget

# Capabilities





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## PHYSICAL NEEDS

Stenneth Capital has a full-time maintenance and janitorial staff that will be at your property a minimum of two times per week performing the following services (as needed):

- Receive, process and ensure completion of all tenant work orders and maintenance requests
- Maintain the property and its curb appeal in a safe, secure, and clean condition. This includes sweeping all common areas and maintaining rear trash areas twice a week.
- Perform all Janitorial, Landscaping, and Snow Removal Services in a timely and effective manner
- Coordinate, monitor, and supervise all vendors and comparison shop all contractual services and materials to obtain the best price and service for the property
- As Needed: Make vacancies ready for rental and complete Capital Improvement projects
- Be present for any property inspection, and correct any deficiencies cited during property inspections
- 24-Hour Emergency Response

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# Capabilities





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## LEASING

Stenneth Capital has two dedicated staff members focused on renting apartments and can be helpful with the following leasing services:

- Market, advertise and rent apartments and other spaces for lease
- Perform thorough tenant screenings, including searches for credit, criminal and eviction histories
- Perform market analysis for vacancies to ensure market rents are achieved or surpassed
- Administer new leases and other rental agreements
- Complete all paperwork associated with any rental agreement involving a housing voucher or other housing subsidy
- Provide a move-in and move-out walk-through inspection report

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# Capabilities





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## THIRD PARTY KNOW HOW

Stenneth Capital has experience with all types of third-party vendors and can be a useful resource with the following items:

- Hiring of a general contractor and subcontractors for rehabs or capital improvements
- City of Chicago building permits and annual building registration
- Assistance with insurance policy renewal, tax appeals, utility rebate paperwork, etc.
- Intimate knowledge of the Chicago Housing Authority's Housing Choice Voucher Program (Section 8) and other subsidy organizations and their programs
- Hiring of a systems experts for boiler maintenance and repair, HVAC maintenance and repair, roofing leaks, large plumbing and/or electrical issues, etc.,

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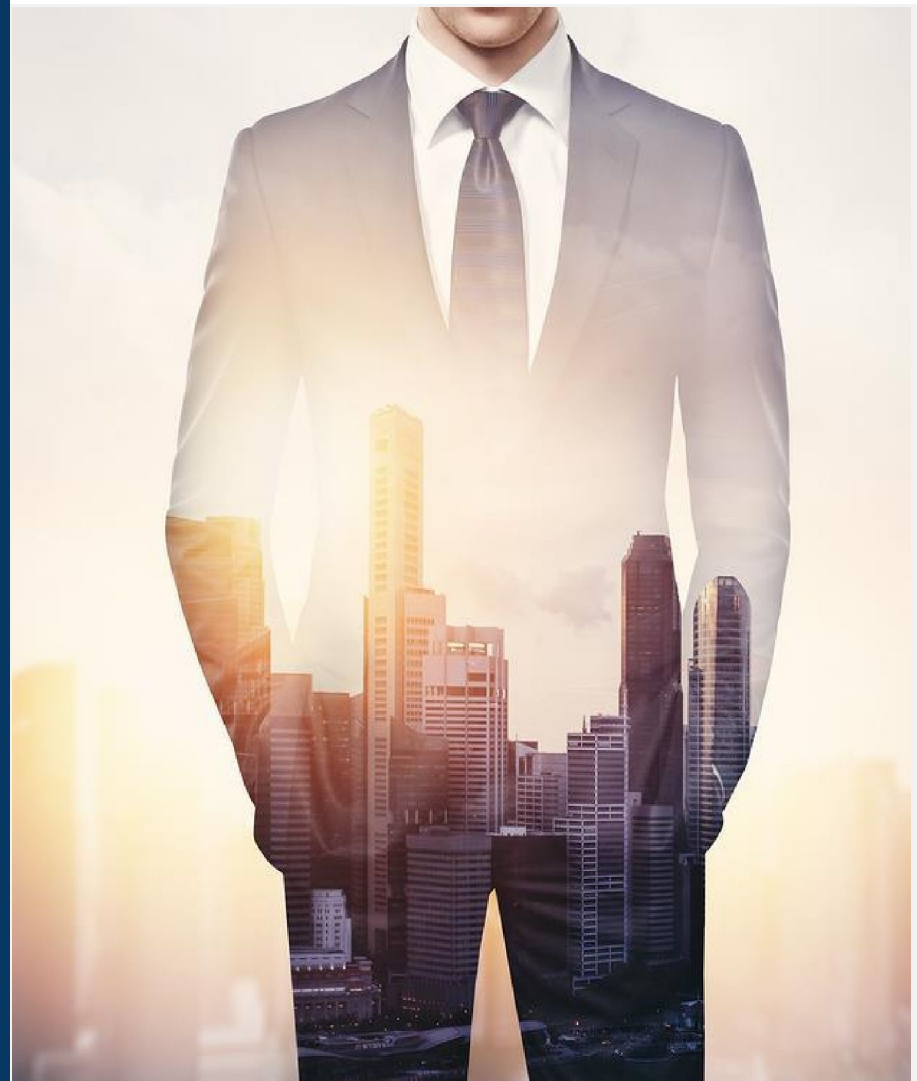
# Why Stenneth Capital?

## TOP 10 REASONS TO HIRE STENNETH CAPITAL TO MANAGE YOUR PROPERTY



**#1**

**We treat your property as if it were ours.** We want you to succeed so we can keep your business. Therefore we will run your building exactly how we are currently running our successful buildings.

**#2**

**Scale.** We currently manage over 300 units in several Chicago neighborhoods. Given our size and network, we get preferential service and pricing from a number of vendors which you will benefit from.

**#3**

**Maximize Your Investment Return.** You do this to make money. Our systems, strategies, and hands-on property management will significantly improve your rent collection and reduce your costs. Further, our pricing model will keep costs (relatively ) constant and improve you cash flow.

**#4**

**Been There, Done That.** The problem you are currently facing is similar to a problem we have had before. Don't reinvent the wheel. Talk to us and we can offer you an array of solutions based on our past experience and your budget.

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# WHY STENNETH CAPITAL? (CONT'D)

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## TOP 10 REASONS TO HIRE STENNETH CAPITAL TO MANAGE YOUR PROPERTY

**#5**

**We know Chicago.** Sure we know Wrigley Field and the Field Museum. But we also know rents are rising rapidly in Pilsen and the CHA is actively looking for units in Belmont-Cragin.

**#6**

**A dedicated team.** Our employees are full time and have been in the property management business for an average of 15 years. This is who we are and what we do.

**#7**

**Attention to what matters.** Collect the rent. Maintain the property. Collect the rent. Keep your good tenants happy. Collect the rent. Make sure the Owner makes money.

**#8**

**Technology Helping Productivity.** We have a dedicated phone number and email address for each property to ensure that we are responsive to tenant and building needs ASAP.

**#9**

**Property Law and Regulations**. We have extensive and up-to-date knowledge of property law and regulations and will assist you in making sure you are compliant with local, state, and federal regulations.

**#10**

**Tenant Screening.** We require a detailed application from each adult with photo identification and run criminal, eviction and credit background checks. We weed out the problem tenants before they can even take root.



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# Price

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## PROPERTY MANAGEMENT

- Monthly flat fee per unit charged to better align Owner with Property Manager
- Industry standard is to collect ~5-10% percent of rents collected.
  - With the standard pricing structure, property management fee and workload are inversely proportional
  - Assuming a standard fee of 7.5%, our pricing structure is cheaper than the industry standard for units renting for more than $900.00



## MAKE READIES

Vacancies are a real expense, and our team can turn units quickly and get them back on line generating rental revenue. We will charge set prices, depending on what needs to be done. Examples are below:

- **Painting:** Flat fee based on unit size
- **Floors:** Sanding or Glossing charged a flat fee based on square footage
- **Cleaning:** Flat fee based on unit size

Work that does not fall into an agreed category will be charged at the set hourly rate maintenance rate

## PHYSICAL NEEDS

- Janitorial, Landscaping, and Snow Removal services charged on a monthly flat fee per unit basis
- Maintenance can be charged on a flat fee per unit basis or on a Time and Material basis

## LEASING

- A minimum of First Month's Rent charged for any lease signed
- No additional fees charged or collected (i.e. lease renewal fee, etc.)

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# Price





**PROPERTY MANAGEMENT**

Stenneth Capital prices its property management services on a per unit basis according to the following matrix

| 9 units **OR LESS** | 10-49 units | 50+ units |
|---|---|---|
| **$65** per unit per month | **$55** per unit per month | **$50** per unit per month |

These prices include the initial set-up and you will not incur any office expenses, shared administrative costs, or other fees

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# Price





**PHYSICAL NEEDS**

Stenneth Capital prices its Maintenance and Janitorial services on a per unit basis. Our full-time maintenance and janitorial staff that will be at your property a minimum of two times per week, and oftentimes more. The cost breakdown is listed below

| MAINTENANCE | JANITORIAL | HARDWARE |
|---|---|---|
| Time and material basis | **25$** per unit per month | Passed on to you at cost (no surcharges) |

**Time and Materials Pricing**

- Maintenance and Hardware pricing is also available on a Time and Materials basis instead of the per unit per month flat fee
  - $30 per hour for labor and materials passed on at cost

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# Price

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## LEASING

Stenneth Capital prices its leasing services on a success fee commission basis

- 100% of First Month's Rent charged for any market lease signed
- 100% of First Month's Rent charged for any lease signed with a Subsidy organization
  - Although they require more effort and are harder to secure, we view subsidy rentals very positively
- Note that in most cases a $300-500 Move-In fee is charged and collected, which will offset some of the paid leasing fees
  - Stenneth Capital recommends against taking or keeping Security Deposits, but we are capable of handling them if Owner chooses to take them
- No additional fees charged or collected (i.e. lease renewal fee, etc.)

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# General Pricing Comparison

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| Stenneth Capital costs versus other Chicago Property Managers | | | |
|---|---|---|---|
| Monthly Management Charges | | | |
| | Stenneth Capital | Competitor A | Competitor B |
| **Property Management** | Flat fee: $55 per unit | 7% of rents collected | 8% of rents collected |
| **Maintenance** | $30/per hour Labor | $35/per hour Labor | $40/per hour Labor |
| **Hardware** | Cost | Cost +15% | Cost +35% |
| **Janitorial** | Flat fee: $25 per unit | As incurred / Hourly Rate | As incurred / Hourly Rate |
| **Leasing** | First month rent | First month rent | First month rent |

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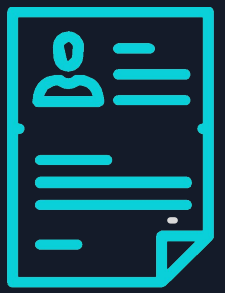

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# Here is How to Get Started

## HERE IS WHAT WE HOPE ARE THE NEXT STEPS IN THIS PROCESS:




**Contact Shomarie Mcleggan, Manager of Stenneth Capital.**

**Terminate Current Management Contract (if applicable).**

Check your current property management contract to see what type of notice is required.

**Property Inspection (Recommended).**

We would like to inspect your property in order to properly estimate maintenance fees and also give you a list of suggestions in order to maximize your marketability.

**Notify Your Current Tenants.**

Writing a letter from the Owner to the tenants really helps with the transition. Don't worry—we can help with this, and will also have our own welcome letter.

**Submit Required Documents.**

We will need to sign a formal Management Agreement and also give you a list of other documents we will need in order to run your property as efficiently as possible.

APPENDIX

# Monthly Financial Report

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**THE COMPREHENSIVE MONTHLY FINANCIAL REPORT WILL CONSIST OF THE FOLLOWING ITEMS:**

- Monthly and YTD Profit and Loss Statement
- Profit and Loss Budget Comparison Report
- Balance Sheet Statement
- Cash Flow Statement
- General Ledger Report
- Bank Reconciliation
- Bank Statement

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# Thank You!

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