

COMMERCIAL TENANT SCREENING POLICY

Each owner of the business applying for a commercial space, must completely fill out a separate application, pay the necessary screening fees, provide all requested supporting documentation & meet our screening requirements. Please make sure you complete all sections of the Application, including the “Guarantor Information” section. Applicants who do not provide requested information or documentation by the next business day of being requested may be denied.

Prior to applying for a commercial space, please confirm that the business use is approved for the location.

Any applicant convicted of a serious violent felony will automatically be denied.

Any material misrepresentation or omission made by Applicant during the screening process will result in immediate denial for their apartment or will constitute a material breach of any future rental agreement.

Photo Identification

Valid government issued photo identification must be provided. Acceptable identification includes a current driver’s license, passport, &/or state issued photo identification card. A photocopy will be retained for our records.

Personal Guarantee

Regardless if the business is separate entity, like a corporation or LLC, Premium Properties requires, with very few exceptions (i.e. Fortune 500 Company), that owners personally guarantee the rental agreement.

Business Financials

Financials for the business are only required to be submitted if the commercial space is renting for over a \$1,000 per month. In those circumstance, two years business tax returns & a financial statement must be provided. The business must be able to demonstrate that it can afford to pay the rent & that it is in good financial health.

Commercial & Residential Tenancy History

Unless it is a newly formed business, the current address of the business must be provided & verified. If the current business address is a rental, a tenancy verification will be performed. If it is owned, please provide a copy of the property tax bill or grant deed. Also, the current residency history of each guarantor must be verified.

Occasionally, owners & managers will not provide references due to change in ownership, loss of records or company policy. However, if at least 1 previous (not present) reference for a term of a minimum of 1 year is deemed positive, then Applicant may be approved.

Any negative tenancy reference will result in the Applicant being automatically denied, regardless if the Applicant believes the reference is unjustified. In addition, absolutely, no evictions may show up on the Unlawful Detainer Inquiry. Premium Properties will not investigate whether the Tenant’s position in the case was justified.

Income & Liquidity

Current personal income must be verified. Please provide the top two pages of the tax return or schedule C.

The total gross income of all guarantors must equal at least three times their personal monthly rent or mortgage payment **plus** the rent on the commercial space. Otherwise, Applicant may provide liquidity information as a substitute for business income. The income of a spouse may be used to qualify.

For an applicant that has no monthly income, to qualify, he or she must provide their most recent liquidity (savings accounts, retirement funds, securities, etc.) statement showing at least 3 times the annual rent or mortgage payment plus the rent on the commercial space (1 year's needed income).

A combination of monthly income & liquidity may be used to qualify, if the income has been steady. For example, Applicant is applying for a \$500 per month office rental. The applicant lives in an apartment & pays \$1,500 per month. To qualify the guarantor must earn at least \$6,000 per month. If the business is new & it only profits \$2,000 per month. If the Applicant can prove \$48,000 in liquidity, then the income/liquidity requirements will be met.

Credit

A credit report will be run through at least 1 major credit bureau. A credit score of at least 600 will satisfy the credit requirements.

No credit history is deemed to be considered positive credit.

The Selection Process

Premium Properties will only consider renting to Applicant if they have submitted the completed rental applications, paid the applicable screening fees & paid the required holding deposit.

Applicants who have been qualified for a rental, but who are ultimately not selected for the unit may apply for another apartment during the subsequent two months, using the same applications, without having to re-apply or pay new screening fees.

Applicants who are not selected for a rental or are denied will receive their holding deposit back once the deposit has cleared our account, which is typically within seven working days. Screening fees are non-refundable.