

E & G Painting Guidance

The following represents E & G's guidance and process on evaluating painting on E & G managed investment properties.

Life Span and Full Repaint Guidance

Per Appendix 5 C, under the Department of Housing and Urban Development's (HUD) guidance on normal wear and tear vs excessive wear and tear (potentially qualifies as a tenant chargeback) and at the recommendation of the National Association of Residential Property Managers (NARPM), the following has been established in regards to painting of rental properties:

Painting Life Span		
Type	Life	Category
Enamel such as: Eggshell, Satin, Semi Gloss, Gloss or High Gloss	5 years	Family
	7 years	Elderly
Enamel such as: Flat or Matte	3 years	Family
	5 years	Elderly

E & G recommends owners of investment properties repaint their homes per the guidance above and complete touch up painting of items considered to be normal wear and tear in between tenants.

Normal Wear and Tear

Appendix 5 C, considers normal wear and tear to be the following:

Normal Wear and Tear
Slightly torn or faded wallpaper
Small chips in plaster
Nail holes, pin holes, or cracks in wall

Excessive Wear and Tear (potentially qualifies as a tenant chargeback)

Appendix 5 C, considers tenant damage to be the following:

Excessive Wear and Tear
Gaping holes in walls or plaster
Drawings, crayon markings, or wallpaper that owner did not approve
Seriously damaged or ruined wallpaper
Holes in ceiling from removed fixtures

Additional Guidance on Normal Wear & Tear VS Excessive

E & G is aware that HUD guidance can leave room for interpretation, so we have put together some additional guidance below on some examples of what we believe are normal wear & tear (NWT) vs excessive wear and tear (potentially qualifies as a tenant chargeback):

Examples	NWT	Excessive
More than 3 nail / pin holes in 1 wall		X
Dime size or smaller chip in wall	X	
Quarter size chip / bigger in wall		X
TV Mount Holes		X
More than 3 inch scratches, stains or scuffs from bed or furniture		X
3 or less nail holes in 1 wall	X	
Screws / anchors left in walls		X
Settling cracks	X	
Improper touch-up, patches or texture (non-matching color or finish)		X
Stickers or other applications to wall		X
Staining from food, drinks, grease, oil or other similar material		X
Nail in door		X
Minor scrapes and scuffs on baseboards and/or trim	X	

Evaluation Process

Upon move out, an E & G agent will inspect the property and note any walls, doors, trim, baseboards and ceilings with blue tape in the form of a slash (/) mark that are considered to be normal wear and tear and an (X) mark on items to be considered excessive. The agent will also use a wet wipe to test if a wall can just be cleaned before applying their findings with blue tape. Cleaning of interior walls is part of E & G's Cleaning Checklist and will be provided with professional cleaning of the home.

Once the inspection is complete, the total of slash (/) and (X) marks will be recorded on the inspection report. Upon review by the Project Manager, they will provide their recommendation on if the property needs to be fully repainted or if touch up painting can be completed.

E&G Minimum Standard

Owner agrees to re-paint entire walls showing excessive wear and tear.

Owners are not obligated to complete touch up painting of normal wear and tear. E&G highly recommends to its Owners to paint walls with normal wear and tear. If walls with normal wear and tear are not painted prior to move-in, the general appearance of the home will be diminished and cause potential confusion when processing a future security deposit disposition.

Paint Pricing

E & G has negotiated the following pricing with its painting vendors. Owners are not obligated to use E & G Painting Vendors but estimates and charge backs to tenants will be based off of the model below:

July 2022 E & G Painting Pricing

Per:	Price:
Wall (up to a 12x12 room) - Full paint – Corner to Corner	\$42.00
Door	\$18.00
Door Frame	\$18.00
Baseboard x 1 Section	\$13.00
Closet	\$45.00
Ceiling	\$60.00 - \$120.00
Ceiling Touch-up	\$38.00
Full Repaint – Gray Walls, White closets, doors, trim, baseboards – Ceiling and tall walls not included	1.45 / sqft

Charge Backs for Tenant Damage

The Project Manager will review the move in inspection report and compare it with the move out inspection report to determine tenant damages. In the event it has been found the tenant has damaged the walls, baseboards, doors, ceiling and/or trim, the following calculation will be used to assess the tenant charge back to the security deposit:

Each section must be calculated separately - walls, baseboards, doors, ceiling and/or trim

Within each section –

1. Identify the number of excessive items and divide by the total number of excessive items to be painted to come up with the excessive percentage.
2. Multiply the excessive percentage by the total cost of the section to come up with the gross excessive charge
3. Multiply the gross excessive charge by the remaining useful life of the paint based on HUD guidance (years since last repaint/5 years remaining) to determine the Tenant Charge for the specific section.

Paint Calculation Example:

A home was repainted in 2021, it is currently 2022, with enamel paint. Following move out, the Project Manager identified the following areas to be re-painted:

- 17 Total Walls to be repainted at a total cost of \$1,000; 7 excessive, 10 NWT
 - $(7 \text{ excessive walls} / 17 \text{ total walls}) \times \$850 \times (4 / 5 \text{ Years of Useful Life remaining}) = \280
- 5 Doors to be repainted at a total cost of \$100; 4 excessive, 1 NWT
 - $(4 \text{ excessive doors} / 5 \text{ total doors}) \times \$100 \times (4 / 5 \text{ years of Useful life remaining}) = \64
- Baseboards to be repainted at a total cost of \$50; 5 NWT
 - No charge to Tenant for NWT

Total Chargeback = \$280.00 + \$64.00 = \$344.00

Conclusion

E & G tries its best to be fair and accurate with all property owners and tenants. We hope the guidance above sheds a light on what we feel is the best course for maintaining properties and well balanced landlord/tenant expectations.

References:

<https://www.narpm.org/indexed/11-hud-appendix-5c-5d-pdf/>