

The AZREIA Advantage

Arizona Real Estate Investors Association Newsletter

"AZ Real as it Gets"

DECEMBER 2021

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Arizona Real Estate
Investors Association

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You Wouldn't Believe Me if I Told You

by Mark B. Zinman

Given that it's the end of the year, we figure we would end on a light note. Clients often ask us about some of the incredible things that we have seen. We have seen both owners and residents take actions that are undeniably shocking. Even with all of that craziness, without a doubt, our most interesting cases always happen when a resident claims to be a sovereign citizen.

Imagine this... you enter into a written lease with a resident who has a good job and qualifies to live in your property. Everything is going well for six-months and you don't hear any complaints from the tenant. However, in month 7, the rent check is not paid and instead you receive a letter, which is signed via a fingerprint and contains an "bond" or a "International Bill of Exchange" and directs you to cash the document by contacting Nancy Pelosi or another similar government employee. You don't know what to do with the documents. You never received any rent, so you should continue with your normal process of serving the non-payment of rent notice and filing an eviction once it has expired.

Imagine still, once you file the eviction, you receive a packet of documents from your resident. In these documents, the resident claims that they are an "agent for the person with the name (name of your resident)" although they are not in fact the person themselves. The "resident" is merely a trust entity, and they are an individual separate from the trust. If this wasn't confusing enough, they allege that they do not recognize the authority of

the court and cite and quote numerous laws in support of their claims. When they get to court, they refuse to state their name, and only claim that they represent the entity that is a named defendant. While they may claim many different titles, they are likely a sovereign citizen.

All Chapters Meeting
~ VIRTUAL ~
Monday, December 13 – 5:45pm
- Haves and Wants
- Market Update & Market News
- Breaking Down the Deal with Mike Del Prete
- Rental Update

While there are many different variations on the theme, sovereign citizens believe that the government set up by the founding fathers was secretly replaced by new laws. Therefore, they claim they do not recognize such "new" laws and only recognize the original founding documents. They write things such as:

"Some how the American People

think this law has gone away see attached. At the same time attempting to keep their fellow man enslaved with the federal reserve. Some of us read and daily are attempting to get out of this enslavement. The next attachment will be the 1040V which is a payment voucher."

Moreover, they believe that each individual person when they are born and get a social security number, is an entity created by the government and that they as a person are separate from that entity. They claim that the name listed on their birth certificate is the "trust" and that they are the separate, individual person.

When faced with such matters, there are numerous actions a property owner can take to pursue their eviction. What is most important is that you still have a case to prove and you should not get distracted by the inane arguments presented by a resident. If you want to see this legal argument in action, check out this video:
<https://www.youtube.com/watch?v=vRySQ8rSs9E>





Executive Director's Message

Adapting and Preparing Yourself

I wanted to take the time to talk to everyone about perspective. It's the time of year where everyone is looking at what has happened and what they expect to happen based on their history. Everyone has their own experiences, and therefore their own historical perspectives that help drive their predictions of what to expect in the future. As a result, these predictions influence their actions to achieve an expected result. I want to challenge all of you to take a lesson you learned this year, any lesson, and re-evaluate your perspective to find the opportunity in the problem.

Example Scenario: Say that you really had trouble collecting rents due to the moratorium, list prices for comparable properties were increasing quickly, and you decided it was the best option to sell the property to get out of that situation with enough money to cover your losses.

Historical perspective: What you remember now when you look back on it could be, "Man, appreciation skyrocketed this year, I shouldn't have sold that home when I did."

Re-evaluation and Opportunity: However you remember the past, try looking at it a different way. Think outside of the normal linear thought process. Instead, find a lesson in the experience and don't try to avoid the situation from happening again in the future, but learn how you can prosper from it if it happens again. You can say, "I struggled financially when I wasn't receiving the rents, how can I make sure that I don't have that same struggle if I find myself in that situation again?" A good answer off the top of my head is to talk to Unbridled Wealth about their infinite banking system. Read their article, learn, and view your problem as an opportunity to look at a new way of financing. You could also go to AZREIA meetings for the market updates to see when the right time to sell would be in the future.

The idea I'm trying to get across is that you can't view all of

the not-so-awesome stuff that's happened this year as a "Well that's just the way it is" situation. We've just lived through a once-in-a-lifetime market hoopla that has had, and still has, everyone guessing at what's to come next! Something like that doesn't just happen and everyone sits back and says, "That's the way she goes." The entire world has changed and adapted, and many people and companies have come out of this more prosperous than ever because they know where to find the opportunity in the problem. They didn't run away scared of what was going to happen next, they took advantage of the situation and set forth in motion what *they* wanted to happen next.

AZREIA is here to teach you how to do everything the right way the first time. How to make the right deals, find the right people, use the right contracts, have the right entities, the right money, the right strategies, the right education. We are here to give you the tools for success. But success only comes with execution. Yes, you can be successful with an "Oh well" mindset, but if you make mistakes all you've done is lost. If you can change your mindset to be opportunistic, well then you win from every mistake you've made, my friend.

After everything you've had happen this year, how can you better prepare yourself and adapt for next year? How will you change your perspectives so you can change your predictions so you can change the results you expect to see? Because doing THAT will make you more successful than you could ever imagine.

If you're struggling to find opportunity in a situation, reach out to use at memberservices@azreia.org. We are more than happy to work with you to understand what you can learn from your experiences.

Smarter Investing,
Michael Del Prete
Executive Director



**The AZREIA office will be closed
December 24, 2021 through January 2, 2022.**

Our team wishes you and your families
a very Happy and Blessed Holiday Season!

Merry Christmas!

Mike, Dom, Alan, Molly and Maureen



AZREIA Advantage: Title Expert

Watering Hole Attacks



by
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The use of search engines leaves users vulnerable to what is called a “watering hole attack.” A watering hole attack tricks users by creating false websites mimicking trusted, industry specific websites that appear on searches.

These sites plant malicious files in place of a template or document professionals would download for their job. Instead, users are putting themselves and the Company at risk with a malicious

executable file. It is important to be alert and not depend on random searches to find downloadable documents.

Unlike other forms of loan or real estate fraud, these attackers are not targeting a specific victim. Instead, they use the watering hole to set a trap and then wait for unsuspecting users to fall victim by opening one of the malicious files.

Have you ever completed an internet search for a document necessary for closing? A perfect example would be an Escrow Officer performing a closing for an out-of-county or out-of-state property and the transfer tax declaration was not available in their escrow production system.

The Escrow Officer would typically reach out to the county tax collector’s website for the document to provide to the principals for completion and signing at closing. That scenario sets off the watering hole attack!

These icons look like downloadable zip/PDF documents, but they are not. They contain malicious executables that — when opened — can infect your entire network. They are written as a script designed to contact a command-and-control server controlled by an attacker. The intent of the script is to infiltrate the network, steal information and start a ransomware attack!

In the past, watering hole attacks have not generally targeted real estate and Title Companies. However, this trend has changed. Performing internet searches looking for business-specific templates and then clicking on a link to download them is an unnecessary risk.

With our real estate market constantly shifting and changing, we want to make sure you are aware of any new scams that could cause you problems.



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CHICAGO TITLE AGENCY

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AZREIA Advantage: Self-Directed IRA Expert

Live from the Campaign Trail



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by
J.P. Dabdah

From the genesis of Vantage, we have been on the campaign trail educating our constituents, more commonly referred to as alternative investors, on the power of Self-Directed IRAs. We've done this while overcoming the opposition's debate around what is and isn't allowable to invest in with a tax-favored retirement account (i.e., IRA, 401(k), profit sharing plan, etc.). Traditional IRA custodians, and most financial professionals, would like for you to continue believing that the stock market is the only place you can direct your retirement savings. Fortunately, that is simply not true. In fact, real estate is the #1 asset class held by Self-Directed IRA investors.

Legislation was recently brought to Congress that if it had passed, would have restricted IRA investors from holding alternative assets such as IRA owned LLCs and private real estate companies. Alternative investors ultimately would have been forced back into traditional stock-market based investments. We're hopeful this scare will have a lasting impact on investors to not only be thankful that this opportunity was not taken away, but, more importantly, entice them to

join the millions of other Americans who have entered the alternative investment space. If you have ever considered investing in real estate, DO NOT wait any longer to get in on the action.

ACT NOW!

Don't have enough IRA funds to buy a property outright? Ask friends or family members if they would be interested in partnering. Thinking about fixing and flipping properties, but faced with lack of liquidity? Consider financing the fix and flip renovations through a private lending deal.

There is a huge market of untapped investment opportunities out there, you just have to be willing to find it. They won't always find you. This is a second chance to build wealth outside of the traditional means. We believe Money is Personal™ and we will continue to share that message until it is heard by every American.

Time and opportunity aren't something that should be taken for granted, so if you're interested in learning more about investing your IRA into real estate or other alternative investments, contact us at www.VantageIRAs.com/AZREIA.

Happy investing!

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Key Contracts & Contract Terms for Any Business



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Part 2: Key Terms In Some Common Contracts

No matter what type of business you run, contracts are essential. If you're reading this and thinking to yourself "they aren't essential to my business", or "I hardly use any contracts at all" then YOU ESPECIALLY need to read on.

When used properly, contracts help to accomplish several vital objectives:

- Set expectations between the parties
- Allow businesses to take advantage of opportunities
- Protect against risk and exposure

So it's worth spending the time to implement them and understand how they work. But for most business owners, this can be overwhelming, and rightfully so because you're not a lawyer. So be proactive and find a lawyer you trust to help you with this: an ounce of prevention = a pound of cure.

As we saw in our last article, "**Key Contracts & Contract Terms For Any Business Part 1: Important Terms Common To All Contracts**", many contracts share a number of common features and provisions. Having discussed some of the commonalities among contracts, we're now going to dive into a few important terms in a handful of the most common, and most important types of contracts.

- a. Limited Liability Company ("LLC") Operating Agreements: (i) Clearly delineate who the members are and their respective ownership interest; (ii) Figure out if and how new members are added, and how the LLC can raise money by taking on new investors; (iii) Stipulate how decisions are made, such as by unanimous vote of the members, majority vote of the membership units, etc.; (iv) You want to carefully work out and delineate if and how members can transfer their membership interest and if/how they can exit the LLC; and (v) Don't

forget to address under what circumstances the LLC is able to make distributions to the members.

- b. Nondisclosure Agreement ("NDA"): Thoughtfully define the "Purpose" of the NDA because this is the purpose for which the parties are permitted to use each other's confidential information – everything else is a breach of the contract. Spend time reviewing what's considered "Confidential Information" because this is the meat of what's protected by the agreement. As part of this, remember to address: (i) what format the information may be in to qualify (written, oral, etc.); (ii) whether the information needs to be labeled as "Confidential"; and (iii) any permitted exceptions to what is considered Confidential. It's important to remember there's a distinction between the term of the NDA, and the confidentiality term – the former is how long the contract will last and therefore how long the parties can trade confidential information and expect it to fall within the bounds of the NDA, and the latter is how long the information that does fall within the bounds of the NDA must be treated as confidential. Finally, it's important to spend the time specifying how Confidential Information must be treated or protected by the recipient – often NDAs will say something to the effect of "each party must treat confidential information of the other party with the same amount of care as they treat their own Confidential Information." This is a fairly safe and standard threshold, but certain situations may require a higher degree of care.

- c. Employment Agreement: First, it's important to figure out if the employment will be for a specified term, or period of time, or whether it will be "at-will". "At-will" means that, subject to any other provisions in the employment agreement, the parties are free to terminate the agreement for whatever reason, and whenever they like. If the employment agreement is for a specified term, then it's a good idea to think about some "for cause" termination provisions that allow one or both parties to end the contract if certain, particularly egregious things happen, such as the employee breaking a law. Compensation is a key provision with several levers to pull such as: cash v. equity compensation, incentive-based compensation, and hourly v. salaried. Often employment agreements will use a combination of these to achieve a happy compromise between the two parties. Most employment agreements will provide some restrictions

on employee behavior, with two of the most common being restrictions around the use of confidential information learned on the job, restrictions on the employee's ability to work for competitors ("non-competes"), and restrictions on the employee leaving and hiring some of the employer's other staff ("non-solicitation"). Lastly, the employer will want to make sure that any agreement ensures that any inventions created by the employee while working for the employer remain the property of the employer.

- d. Independent Contractor Agreements: Many of the terms from the paragraph on Employment Agreements will apply here. Rather than reproduce those in this context, the following are some that stick out more prominently with Independent Contractor Agreements. At the outset, it's vital to properly classify your workers as either employees or independent contractors – misclassifying someone as an independent contractor can be incredibly costly when you tally paying missed wages, multipliers, and penalties from the Dept. of Labor. Assuming the person is properly classified as an independent contractor, your Independent Contractor Agreements will want to address: (i) The fact that the parties both agree and desire for the contractor to be treated as an independent contractor; (ii) Whether or not the contractor has a duty to use its own resources to correct substandard services; (iii) The fact that the independent contractor doesn't get access to any company benefits; and (iv) Stipulating that the contractor either has their own worker's compensation insurance, or that, even if they don't have it, they understand they're not covered by the employer's worker's compensation insurance.

In the first part of our series on Key Contracts & Contract Terms For Any Business, we highlighted and explained some of the key contractual terms common to most, if not all, contracts a business will encounter. In this installment, we've dived into a few specific types of contracts in order to explain some of the provisions that are key to each, individually, and some common potholes to avoid.

If you need assistance drafting, reviewing, or negotiating a contract or if you wish to consult with an attorney to take proactive steps to avoid potential contractual pitfalls, please feel free to reach out to Phocus Law by phone at (602)457-2191 or by email at michele@phocuscompanies.com.



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by
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We all wish we knew what will happen in 6 months. Will taxes increase? Will the market drop? Will the housing boom bust? Will tenants renew their lease? No one knows for sure what will happen, and worrying is useless, so what is the best way to prepare for the unknowns? Quite simply – be flexible.

Flexibility is one benefit of the best financial decision my husband and I have made thus far... the decision to start our own private family banking system. Allow me to explain.

Privatized family banking has existed for over two-hundred years, but primarily used by the wealthiest families in America. It was a hedge against their riskier endeavors that also happened to work out, such as the Rockefellers and oil, or Walt Disney and his magical kingdom. It is the process of using a properly structured, dividend paying, permanent life-insurance policy to finance *other* purchases and investments, and repay yourself with interest. By using this process, the policy owner becomes the banker and sets the terms of the loan. The key to why this is better than a savings account is that the money placed inside the policy grows *even when* there is an outstanding loan. If

used for investments, your money grows in two places. For my husband and I, the flexibility benefit allowed us to pivot our plan when unexpected circumstances knocked on our door.

We started our banking system when our oldest daughter was six months old. Our policy was designed to have flexible premiums and flexible loan terms. A year and a half into starting our banking system we desperately needed a new car. We found a great deal, took out a policy loan, paid "cash" to the dealer, then set up regular payments back into our banking system. However, two weeks after bringing the car home, we were notified that Uncle Sam wanted a significant and unexpected sum for taxes. Our emergency savings now sat in the driveway. Rather than panic, sell the car, or moonlight at Starbucks, we stopped all payments on the car, because we were the bank. The good news is that we quickly recovered from the situation, paid our dues, and kept the car. Flexibility allowed us to only pay the loan interest for the first two years, and we recently restarted our original plan and monthly

payments – almost two years after we purchased the car. Flexibility gave us options on how to approach the situation as well as peace of mind that we would not need to go into debt to pay taxes. As a bonus for using this system, our money will have grown by \$11,000 while we drive our car!

When my team and I strategize for our clients, we take the unknown into consideration. Our clients did not panic when a global pandemic rapidly changed the financial climate of our country. Even for those who were laid off, had tenants unable to pay rent, or simply needed to change course and create a larger financial cushion, flexibility was the critical element in their strategy that allowed room for the unknown.

We don't know what tomorrow will bring. But we can help you prepare and make wise decisions. Contact us today and schedule a free consultation:

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AZREIA Advantage: Lending Expert

Updates on Lending



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FHA Loan and How Much of the Student Loan Effects your Debt-to-Income Ratio

Each type of loan views student loans in a different light. Earlier this year, FHA changed the way they view student loans which helped people in their qualifications dramatically. They now mirror how Freddie Mac views student loans.

1. If the loan is in forbearance the payment is now calculated at .5% of the balance instead of 1% of the balance.
2. If the loan is currently on an IDR plan with a payment greater than \$0 the payment on the IBR plan is used to qualify.
3. If the loan is currently on an IDR plan with a payment of \$0 the borrower would qualify with a payment of .5% of the balance.

FHA, VA and Conventional Loans in Relation to Authorized User Credit Accounts

FHA Loans

Authorized User Accounts User must be included in the DTI unless you can document the primary card holder has made all required payments in the last 12 months and there is no history of delinquency.

Borrower Authorized User Accounts may be used as a credit reference on Manual Loans provided you can meet all of the items listed below:

- Proof of 12 months of payment from Borrower
- No history of delinquency
- Must count in DTI

VA Loans

Authorized User Accounts must be included in the DTI. If you do not want to include in the DTI, you can obtain a credit supplement removing the borrower as an Authorized User and you no longer need to consider the debt.

Conventional Loans

An authorized user tradeline must be considered if the owner of the tradeline is the borrower's spouse and the spouse is not a borrower in the mortgage transaction.

You may obtain a credit supplement to remove the Borrower as an Authorized User and not consider in the ratios.

Consideration of Authorized User Accounts

For manually underwritten loans, credit report tradelines that list a borrower as an authorized user cannot be considered in the underwriting decision, except as outlined below.

An authorized user tradeline may be considered if:

- another borrower in the mortgage transaction is the owner of the tradeline; or
- the borrower can provide written documentation (e.g., canceled checks, payment receipts, etc.) that he or she has been the actual and sole payer of the monthly payment on the account for at least 12 months preceding the date of the application.

If written documentation of the borrower's monthly payments on the authorized user tradeline is provided, then the payment history — particularly any late payments that are indicated — must be considered in the credit analysis and the monthly payment obligation must be included in the debt-to-income ratio.



ANDREW AUGUSTYNIK Branch Manager/Loan Officer

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AZREIA Advantage: Property Management Expert

Curbing Rising Operating Expenses for Multifamily Property Owners



by
**Michael
Bennett**

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At Atlas Real Estate, operating expenses have increased 3 percent across our portfolio since the beginning of the pandemic. What were some of our biggest expenses? In short, costs related to showings and marketing.

Mandates by the Centers for Disease Control and Prevention (CDC) shifted our operations to primarily off site over the past two years. As a result, we moved into the realm of virtual property management as digital showings, digital staging, and virtual walkthroughs significantly increased. These digital leasing and management services required new monthly subscription services that weren't needed prior to the pandemic.

Craft New Solutions

To start reducing operating expenses, we implemented a cost-control program focused heavily on leveraging the proper technology for the proper function, while closely scrutinizing our existing tech solutions. Since many of the multifamily platforms now offer similar products/services, which wasn't the case a year ago, we consolidated some platforms and reduced costs. We are utilizing the most advanced version of the AppFolio software, which includes more robust features and requires less overhead in the form of personnel.

We paired this solution with other plugins to boost our output, response time and lead generation, thus assisting our property managers in maximizing their time, resulting in the need for fewer employees. Additionally, some administrative tasks have been sent off-shore and synchronized with the project management software Monday.com, resulting in seamless property management assistance at a discount.

Don't Sacrifice Resident Happiness

Balancing reduced operating costs with efficient resident service remains challenging for some multifamily operators in the current economic environment. But residents should always come first. Focusing on resident retention/lease extensions is one way we have kept both our owners and residents smiling. Some property management companies forget that while the owner may be their client, the resident is their *customer*. Since we make resident retention our highest priority, our expenses have slightly increased, but our collections, vacancy and retention numbers have outperformed most other property managers in our market.

During the pandemic-induced economic downturn, we kept our income higher than most property management companies because we only receive payment when our owner receives payment (and not if they have outstanding collections or vacancies). Even though our expenses were a bit higher, our net income did not suffer.

Resident relations should not be a direct function of operating costs. Instead, they

should be an intrinsic part of high-touch customer service, a caring company and a team committed to excellence, their resident's needs, and a respectful workplace.

Establish Goals to Control Operating Expenditure

Initial goal setting is one of the best practices for controlling operating expenses, while still maintaining the property and keeping residents happy. For instance, if keeping residents happy is your goal, you need to take a hard look at how your residents are being treated.

Providing white-glove customer service and making residents happy should always be part of the operating expenditure-reduction equation, which is ostensibly a fine balancing act.

However, resident happiness does not need to come at an accelerated cost. It should come from a deliberate intention — or choice — at the highest corporate level. Operators should choose to honor their residents and believe that they are the lifeblood of their community.

Treating people with respect and dignity and helping them when they need it is what keeps occupancy high and residents happy. The apartment is only one half of the equation — customer service is the other half. Resident happiness and long-term retention occur when owners and operators are good to their residents.





AZREIA Advantage: Financing Professional

Finding the Next Hot Market



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There is much to be said for being a specialist in a certain market or area, but sometimes it's good to find a new neighborhood to work in. We have a few tips for finding new areas, ones that successful borrowers have shared with us. While there are several things to be considered, the one constant is that in each of these cases people are making investments based on the future of the area, same as you are.

Restaurants



Research indicates that there is a correlation between the restaurants and the revitalization and redevelopment of an area. According to The Eater, cafes are usually first, followed by bigger and higher-end full-scale restaurants, with the last stage being the name brands. While opportunities will exist at each stage, it's helpful to know what to look for and what to expect next. As a bonus,

as you check out these areas it may be fun to try some different restaurants, or it may be useful to focus on one and watch the changes over time.

Crime Rate

Crime statistics are usually easy to find for a given area. Comparing trends in property crime, violent crime and fire statistics over a few years can give a good indication of the direction of a neighborhood.

Schools

According to the EPA, who is concerned with community planning, "Investments in schools both respond to and influence growth." Either way, schools are a good indicator of expected growth in an area and are almost certain to bring in new families.

Roads/Infrastructure/Public Transit



Governments frequently take a long time to participate in an area's revitalization, but when they do it can give a second wind to the effort. Because these types of projects take a long time to get approved and then executed, by staying up on local developments you can get a project in the area that will be coming available, as the benefits from the infrastructure development are coming

online. Public transit especially impacts neighborhood values.

Conclusion

Not every area will have everything going their way, and the best results will come from choosing 4 or 5 areas to keep an eye on. This will do two things for you; the first is that it will increase your odds of finding a good property, but just as important, is the fact that you will have something to compare and learn from. It's frequently hard to recognize a change when you are standing at the beginning of the activity (think watching a pot boil), but if you are comparing several different criteria, it will be easy to pick up the differences and nuances and therefore make more informed decisions.

While just visiting these areas you will notice indicators right away, change takes time. As you keep an eye on these areas over a few months, you will notice development and have a good idea of what's coming next. You will also develop the confidence to start a project and participate with other players in the future of the area.

¹<https://www.eater.com/21194965/gentrification-signs-restaurants-cafes-bars-nyc-chicago-san-francisco-portland>

²https://www.phoenix.gov/pddsite/Documents/PZ/pdd_pz_pdf_00364.pdf

³<https://www.epa.gov/smartgrowth/smart-growth-and-school-siting>



Monthly Meetings

AZREIA Phoenix Meeting

Monday, December 13

Zoom 5:45 pm

AZREIA Tucson Meeting

Monday, December 13

Zoom 5:45 pm

Phoenix Real Estate Club

Monday, December 13

Zoom 5:45 pm

Each year our December meetings are virtual. Many of you have already made plans to travel for the holidays, so to make it easier for our members to enjoy spending time with family and friends as well as continue to stay up to date for their business needs, we will be meeting virtually. Read on to see what great content you will be receiving, how to participate in the networking activities and how to register for the meeting.

Phoenix – Current Market Trends & Activity

Alan Langston will provide the absolute latest information on market data, legal updates, and the rental market essential to your real estate investing business.

Networking – Haves & Wants!

This is a staple of AZREIA Tucson and the Phoenix Real Estate Club meetings and we will provide it virtually this month. Imagine being able to share with hundreds of other investors just like you what your wants are and what you have for them. Face it, we all have wants and needs as investors. If we don't then we aren't very active. Maybe you are looking for a specific type of property; maybe you need partners or training or a referral for a good plumber. Whatever it is, you get to ask for it. Also, maybe you have something other investors need. Maybe you have a property to wholesale or money to lend or appliances to sell. If another investor could use it, you get to tell them about what you have.

Market Update & Market News with Alan Langston

The complete Market Update and Market News will be delivered just as it is every month. It is the main feature of

this month's meeting and will comprise the majority of the meeting time. You will see all the trends and current events information. We will be adding additional charts with national data and some different categories, too. If you normally attend the Tucson meeting, you will be exposed to very different content including Market News. You will hear Alan Langston's analysis of what it all means to you as a real estate investor. It will be the exactly the same as if you are in-person. This is must know information for the serious real estate investor and we are making sure you get it in a timely fashion.

Breaking Down the Deal with Mike Del Prete

AZREIA Executive Director Mike Del Prete will break down different recent deals done in the community so you can learn where and how they were sourced, how the numbers work, and the exit strategy for the deals. Learning from others is valuable information, be sure to take notes for your own future deals!

Tucson Monthly Meeting

Please participate in the December 13th online meeting. It includes Tucson Haves & Wants and many of the Market Update and Market News charts and analysis applicable to AZREIA Tucson members.

Phoenix Real Estate Club

Please participate in the December 13th online meeting. It includes Haves & Wants and the Market Update.



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AZREIA Calendar of Events

Check www.azreia.org for the current schedule.

DECEMBER MEETINGS	DECEMBER SUBGROUPS	
	Join like-minded investors, share ideas, network, and learn in small group settings.	
AZREIA – Phoenix – Online <i>Monday, December 13</i> AZREIA – Tucson – Online <i>Monday, December 13</i> Phoenix Real Estate Club – Online <i>Monday, December 13</i>	<ul style="list-style-type: none">• Shared Living – Online <i>Wednesday, December 1</i>• Fix & Flip – In-Person <i>Wednesday, December 1</i>• Income Property Owners – In-Person <i>Thursday, December 2</i>• Tucson New Investors – Online & In-Person <i>Monday, December 6</i>	<ul style="list-style-type: none">• Prescott – In-Person <i>Tuesday, December 7</i>• Beginning Investors – In-Person <i>Thursday, December 9</i>• Raising Capital & Options – Online <i>Tuesday, December 14</i>
UPDATED INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG		

LEGALLY SPEAKING



Q: I own 15 homes, a few of which are in Old Town Scottsdale. Given the visitor season coming up, I want to rent them as short-term vacation rentals and keep the rest of the homes on long-term leases. I plan on having all rentals be shorter than one week. Am I legally required to do a credit background check on them like I do for long term rentals?

A: You are not required to do any credit background check on a short-term rental; in fact, there is no law requiring you to do a background check on a long-rental either. Completing a criminal and credit background is a good business decision – you want to

know who you are going into business with and whether they will be able to perform on their end of the bargain and pay rent. However, there is no legal requirement that you do a background check. For example, if you go to a hotel, they likely don't do a background check. However, if you go rent a home for a year or go lease a car, you can expect to have to complete a background check. The only thing you must consider is, to comply with fair housing laws, you be consistent in whatever standards you chose. Once you set your standards, make sure you apply it consistently.

Mark B. Zinman, Attorney

Information contained in this article is for informational purposes only and should not be considered legal advice. You should always contact an attorney for legal advice and not rely on information published here.



AZREIA Monthly Meetings at a Glance

- **Current Market Trends and Activity** Alan Langston will provide the absolute latest information on market data, legal updates, and the rental market essential to your real estate investing business.
- **Phoenix & Tucson Main Meeting - Online** Everyone will need to register to receive the link to join the meeting! It includes Haves & Wants and many of the Market Update and Market News charts and analysis are applicable to all AZREIA area members.
- **Market Update & Market News with Alan Langston** The complete Market Update and Market News will be delivered just as it is every month. It is the main feature of this month's meeting and will comprise the majority of the meeting time. You will see all the trends and current events information.
- **Breaking Down the Deal with Mike Del Prete** AZREIA Executive Director Mike Del Prete will break down different recent deals done in the community so you can learn where and how they were sourced, how the numbers work, and the exit strategy for the deals. Learning from others is valuable information, be sure to take notes for your own future deals!
- **Networking – Haves & Wants** This is a staple of AZREIA Tucson and the Phoenix Real Estate Club and we will provide it virtually this month. This is your opportunity to share with hundreds of other investors just like you what your wants are and what you have for them.

Don't Forget to Use AZREIA's Premier Business Associates!



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| Notes | Property Managers | Self-Directed IRA | Tenant Screening | Title & Escrow | Virtual Assistants | Wholesalers |

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AZREIA Membership Build-Your-Own Membership	PLUS Membership Most Convenient for Highly Active Members	AZREIA Guest
\$100 / YEAR Pay as you go for your own personalized AZREIA experience	\$239 / YEAR \$309 PLUS Family Option: Add one family member to your membership	\$0
<p>Monthly Events</p> <ul style="list-style-type: none"> ✓ AZREIA Chapter Meeting (\$10/Meeting) ✓ Phoenix Real Estate Clubs (\$10/Meeting) ✓ Subgroup Meetings (\$5/Meeting) <p>The Home Depot Discounts</p> <ul style="list-style-type: none"> ✓ The Home Depot Rebate ✓ The Home Depot Paint Discount ✓ The Home Depot Cabinet Discount ✓ The Home Depot Appliance Discount <p>Education & Seminars</p> <ul style="list-style-type: none"> ✓ Significant Member Only Discounts ✓ \$30 Launch Pad <p>Additional Features</p> <ul style="list-style-type: none"> ✓ Discounts from AZREIA Business Associates ✓ Access to Market Updates & News Charts ✓ AZREIA Newsletter & Blog 	<p>Monthly Events</p> <ul style="list-style-type: none"> ✓ AZREIA Chapter Meetings FREE ✓ Phoenix Real Estate Club FREE ✓ Subgroup Meetings FREE <p>The Home Depot Discounts</p> <ul style="list-style-type: none"> ✓ The Home Depot Rebate ✓ The Home Depot Paint Discount ✓ The Home Depot Cabinet Discount ✓ The Home Depot Appliance Discount <p>Education & Seminars</p> <ul style="list-style-type: none"> ✓ Significant Member Only Discounts ✓ \$30 Launch Pad <p>Additional Features</p> <ul style="list-style-type: none"> ✓ Discounts from AZREIA Business Associates ✓ Access to Market Updates & News Charts ✓ AZREIA Newsletter & Blog 	<p>Monthly Events</p> <ul style="list-style-type: none"> ✓ AZREIA Chapter Meeting (\$20/Meeting) ✓ Phoenix Real Estate Clubs (\$20/Meeting) ✓ Subgroup Meetings (\$20/Meeting) <p>The Home Depot Discounts</p> <ul style="list-style-type: none"> X The Home Depot Rebate X The Home Depot Paint Discount X The Home Depot Cabinet Discount X The Home Depot Appliance Discount <p>Education & Seminars</p> <ul style="list-style-type: none"> ✓ Guest Pricing ✓ \$100 Launch Pad <p>Additional Features</p> <ul style="list-style-type: none"> X Discounts from AZREIA Business Associates X Access to Market Updates & News Charts ✓ AZREIA Newsletter & Blog