

Arizona Real Estate
Investors Association
1841 North 24th Street, Suite 10
Phoenix, AZ 85008

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www.azreia.org

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AZREIA Monthly Meetings at a Glance

Phoenix Workshop – *Get the Most Out of AZREIA's Home Depot Benefits*

Cameron Mickey from The Home Depot will walk you through the four exceptional benefits with The Home Depot: 2% Rebate, 20% Paint Discount, 15% Cabinet Program and a discount Appliance Catalog to ensure you are receiving the maximum benefit. Plus, we will have Home Depot representatives to assist you in coding your account correctly.

Market Update & Market News *with Alan Langston*

The latest in trend analysis for the US, Arizona and Greater Phoenix including existing homes, new homes, foreclosures and traditional sales. Full analysis of Fix & Flip and Rental markets. Plus, the latest Market News affecting your business. This is must know information for the serious real estate investor.

Phoenix & Tucson Main Meetings – *Rehabbing Properties: Save a Bundle with Pete Youngs*

More money is potentially lost during the rehab of a property than at any other aspect of the investment. The reason – you either over-rehab, get overcharged for repairs/construction or don't know the less expensive ways to achieve the same or better results. Pete has a better way!

Phoenix Real Estate Club – *The Best Real Estate Investing Networking Anywhere!*

Haves & Wants, Structured Networking activities and the Market Discussion all combine to make the Club an integral part of any active investor's month. There will be a timely presentation or discussion topic, too!

Prescott Main Meeting – *Property Taxes – Costs and Profits*

Yes, property taxes are a cost, but tax liens can be a profit center for your real estate investing business. Yavapai County Assessor Judd Simmons and Chief Deputy Assessor David "Beau" Boisvert discuss all aspects of property taxes and liens.

The AZREIA Advantage

Arizona Real Estate Investors Association Newsletter

“AZ Real as it Gets”

FEBRUARY 2018

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Toxic Terrors That Affect Homes

by Pete Youngs

MOLD:

Mold in houses has become one of the most popular scares in recent years. Although it has been around since before caveman days, our industry is always out to find something new to charge thousands of dollars to correct. Most molds, even black in color are not the toxic poison type of mold that causes illness in people. The temporary fix is to use a 50/50 mix of bleach and water to clean the surface. This does not kill the mold, it just removes the surface visibility and unless you take away the moisture or cause of the mold it will return. If you have significant mold in sight, one of the brands of product I recommend is Microban. It is highly effective in handling problems associated with mold, fungi, bacteria, germs and so on. You may find it by calling a janitorial supply company from your yellow pages book.

Microban is used by professionals for mold remediation; yes the toxic black mold remediation that costs thousands of dollars by people wearing HAZMAT suits. It is also used for water damage, flooding, sewage backups and such. Another type of product for the same problem is called Shockwave and may be easier to find locally. The effects of mold can be breathing problems such as asthma, headaches, rashes, stomach ailments and so on. The four steps to eliminating mold are to contain it, kill it, remove the dead mold, and protect from further contamination. This may mean an exhaust fan in bathrooms, better ventilation in rooms and crawl spaces. Placing dehumidifiers in strategic areas in the house, or using hepa filter air cleaners as well. You can get a mold test kit at major hardware stores for about \$10.

LEAD BASED PAINT:

Lead based paint is a toxin found in many living quarters and can cause serious illness or even death. It is especially toxic to children and can even affect babies before they are born. A good thing is that lead based paint that is not deteriorating is not a threat. Also, there are options to reduce and eliminate the hazard. You can contact lead from paint by breathing it, touching flaking areas of paint, dusty paint surfaces and during renovations it can be cast into the air from hammering, sanding, sweeping and more. Youngsters can get it on their hands from doors, windowsills, floors and such and then put their hands in their mouth as we commonly see them do. This

can affect brain function as well as nervous systems in children. Long-term exposure leads to hearing problems, learning problems, behavior problems, headaches and lots more. Adult symptoms are more described as reproductive problems in both genders, difficulties during pregnancy, a rise in blood pressure, nerve problems, as well as, bad digestion, memory loss and muscle pain. This threat has a lower risk in newer houses because lead paint was stopped being used around 1978. Lead based paint test kits are

available at most larger hardware stores for about \$4 a kit. The most common places to check would be windows and sills, doors and doorframes, stairs, railings, decks, screen porches and let's not forget furniture. Don't overlook your prized antiques either. If it's old furniture that has original

finished surfaces, this area is often overlooked. Any peeling, flaking or chipping paint accompanied by dust is suspect. Whether you do it yourself or hire a pro for lead abatement, you need to stay clear of sanding, sweeping and vacuuming as this will spread the dust air born. Lead based paint must be removed (the painted structure) or most common is to encapsulate the paint. Products can be bought that you spray, brush or roll over the lead paint to seal in the hazard. The E.P.A. (where some of my research was obtained) has a free booklet on lead based paints - its effects, the abatement and prevention - available upon your request. This will provide you with some useful info.

METH LABS:

Another toxic terror that is becoming more well known is finding out that the house you bought or are thinking of buying as an investment was once used as a meth lab, a crack house, or some other form of drug related property. The problem with drug related houses is that there is no set way to tell how much residue is still in the cracks, crevices, vents, gaps and other areas that may still cause exposure to the toxins. There is no real data on how long of exposure to this will affect someone. It is the responsibility of the homeowner from purchase on for any liability caused by this. So how do you know if it's a drug house or meth lab? Generally, there are beakers and burners and test tubes present shortly after abandoned. There may be a smell present, and cans of cooking fuels around. There may be burn marks on countertops as well as dusty residue in kitchen and bathroom areas. Samples can be taken by taking scotch tape and (lifting) debris from surfaces of countertops, sinks, carpets, bedding, curtains, floors and utensils found in the property. Have them ana-

Continued on page 2



Executive Director's Message

You're Sick of Hearing It! Too Bad!

I am asked all the time about what it takes to be great investing in real estate. My number one answer is always networking. My number two answer is always networking. And my number three answer is – you guessed it – networking.

Here is the really cool part. It is the same answer whether you are just getting started or have a grooved swing doing deals left and right. It is networking that will take you to the next level.

Next level, now that is probably the most overused phrase in the last few years regardless of the topic. It seems like everybody wants to go to the next level, but rarely do they define what the next level is precisely. Maybe you are completing 5 rehabs a year and want to get to one completed every month. Possibly you want to double your rental portfolio or increase the cash flow from your current units. Conceivably, you want to add wealth building to your overall life plan. It could be you are new to real estate investing and needs lots of help with education, knowledge, team building, finding property, etc. The important thing is you need to define what the next level is for you and your real estate investing. Then WRITE IT DOWN!

Next, think first about how networking can help you get there. Why networking? It is the fastest, most important way to accomplish whatever your needs are to get you where you want to be. Now, I didn't say it was the only thing. I do believe it is the logical first step in virtually any scenario you can imagine.

Say you determine you need additional knowledge in a certain area. Use networking to engage others to understand how they learned about the topic, what class they may have taken, a mentor they used, a book they read, etc. See how networking would get you there faster and better than just signing up for some random class or worse, falling prey to one of the high pressure “airport seminars”.

Maybe you need a roofer or another trade skill. So, there is Google or Yelp or Craig's List (Yikes!). Or, investors need roofers all the time especially for small jobs, so networking at real estate investor

meetings would be a great way to get direct input on possible roofers with specific experience working for investors.

I realize there is an uncomfortable part to networking. That is no excuse. Just like anything else, once you start you will get better and better at it. Sure, you won't be very good at networking to begin with, but experience is the greatest teacher. You just can't let being intimidated or frozen by your fear of looking unsure about what you are talking about to stop you. Get over it and get on with it! Greater success is waiting.

A word of caution. If you don't have a purpose for your networking, odds are you will fail when you try. It is much easier when you know exactly what you are trying to accomplish or what you are looking for to approach people about it. Why? Because you will be precise and concise and your words will flow naturally. So, don't skip a step. Follow these steps:

1. Write down your next level.
2. Determine specific needs to achieve your next level.
3. Decide which “formal or structured” networking environments you will attend, then go.
4. Expand your networking to other environments to open up new and expanded ways to solve your needs. Ideas include networking anywhere any time and attending non-industry networking events.

I fully believe that any increase in your networking will show results. A focus on networking with a purpose will certainly enhance your success and begin to change your life. Get really good at it and amazing things will happen. Make 2018 the year you add “networker” to your skills list.

Smarter investing,
Alan Langston



■ ■ ■

Toxic Terrors That Affect Homes

continued from page 1

lyzed by a law agency and get a report. Then decide if you want to do the deal. Remember, this does not scare a seasoned investor who knows how to deal with creative real estate. This is an opportunity, or a niche, because most people will pass on these kind of deals, and the ones that do them...PROFIT.

CARBON MONOXIDE:

This is a problem that can be found in many homes. Even mine. I just recently had my furnace replaced and was about to remodel my basement and add on to the house when I noticed an exhaust pipe from the furnace had separated from a portion of pipe. This had been easily 3 months or so since the job

was done. I went to a local hardware store and got a test kit for about \$6 and did the test. It came back as a dangerous reading from the kit. If not found, this could have turned out to be a serious health risk. CM is an odorless, colorless gas or liquid and is hard to detect without a test kit. Though my culprit was a furnace, others could include kerosene and gas space heaters, leaking chimneys, gas water heaters, wood stoves, and gas operated equipment like cars. Some people in winter will start their cars in the garage to let them warm up before leaving for work and even with the door open this poses a threat. Even in low concentrations,

fatigue and chest pains can happen. With more exposure it may cause dizziness, lack of vision or concentration, headaches and nausea. Exposure can be fatal. To reduce risks, EPA guidelines say to keep appliances properly adjusted. Always use vented heaters and never use alternate fuel sources on thing meant for a certain kind of fuel, such as do not use gas in a kerosene heater. You need to have an exhaust fan over gas stoves. Never grill indoors with any gas driven bar b que and have your furnace checked and serviced often. I hope this information will help and educate you as to the dangers of TOXIC TERRORS IN YOUR HOME.



Property Listings

Complete listings online:
www.azreia.org

Single Family Detached	Address	City	Price	Beds / Baths	Contact
Wholesale/Owner/Agent	3830 E. Devonshire Ave	Phoenix	\$498,000	4 / 3	Greg Bilbro
Wholesale / Realtor	4736 N. 33rd St	Phoenix	\$490,000	3 / 2	Michael Garren
Wholesale / FSBO	5423 W. Harrison Ct.	Chandler	\$390,000	4 / 2	Stuart Gethner
Wholesale/Owner/Agent	5741 N. 12th Place	Phoenix	\$381,000	4 / 3	Greg Bilbro
Wholesale / Realtor	537 E. Hayward Ave	Phoenix	\$355,000	4 / 2	Michael Garren
Wholesale / Realtor	3720 N. 85th St	Scottsdale	\$340,000	3 / 2	Anette Brown
Wholesale/Owner/Agent	2536 E. Montecito Ave	Phoenix	\$333,000	3 / 2	Luke Basler
Wholesale / Realtor	6940 E. Hubbell St	Scottsdale	\$330,000	3 / 2	Michael Garren
Wholesale / Realtor	4413 E. Montecito Ave	Phoenix	\$320,000	3 / 1	Michael Garren
Wholesale/Owner/Agent	207 E. Caminito Dr	Phoenix	\$309,000	3 / 4	Luke Basler
Wholesale / Realtor	4218 W. Charlotte Dr	Glendale	\$298,000	5 / 3	Anette Brown
Wholesale / Realtor	8214 E. Mackenzie Dr	Scottsdale	\$296,000	3 / 2	Michael Garren
Wholesale / Realtor	7526 E. Virginia Ave	Scottsdale	\$280,000	3 / 2	Luke Basler
Wholesale/Owner/Agent	3311 N. 28th St	Phoenix	\$279,000	3 / 2	Luke Basler
Wholesale/Owner/Agent	373 E. Clarendon Ave	Phoenix	\$260,000	4 / 3	Ron Nawrocki
Wholesale / Realtor	3023 E. Cheery Lynn Rd	Phoenix	\$258,000	2 / 2	Michael Garren
Retail / Realtor	16095 W. Winslow Dr	Goodyear	\$249,000	4 / 3	Travis Shelton
Retail / Realtor	10913 W. Palmeras Drive	Sun City	\$245,000	3 / 2	Mike Reynolds
Wholesale / FSBO	1353 N. Avoca	Mesa	\$235,000	3 / 2	Recia Davis
Wholesale / FSBO	719 E. Northern Ave	Phoenix	\$225,000	4 / 2	Corey Geary
Wholesale / FSBO	601 E. Clarendon Ave	Phoenix	\$225,000	4 / 3	Ron Nawrocki
Wholesale/Owner/Agent	2904 S. 98th St	Mesa	\$210,000	3 / 2	John Evans
Wholesale / Realtor	2128 W. Keim Dr	Phoenix	\$208,000	4 / 2	Luke Basler
Wholesale / Realtor	6514 S. Riding Dr	Hereford	\$208,000	3 / 4	Michael Garren
Wholesale / Realtor	12221 N. 38th Pl	Phoenix	\$199,900	4 / 2	Anette Brown
Wholesale / FSBO	4604 N. 9th St	Phoenix	\$199,000	3 / 2	Stuart Gethner
Wholesale/Owner/Agent	5720 W. Frier Dr	Glendale	\$193,000	3 / 2	Ivo Draginov
Wholesale / FSBO	406 S. Spur	Mesa	\$189,000	4 / 2	Jason Bonfante
Wholesale/Owner/Agent	5138 N. 20th Ave	Phoenix	\$179,900	5 / 2	Andrew Ament
Wholesale/Owner/Agent	10845 N. 44th Ln	Glendale	\$179,000	3 / 2	Andrew Ament
Wholesale/Owner/Agent	17401 N. 16th Ave	Phoenix	\$177,500	4 / 2	Luke Basler
Wholesale / FSBO	35800 W. Velazquez Dr	Maricopa	\$175,000	4 / 3	Corey Geary
Wholesale / FSBO	1927 W. Mitchell Dr	Phoenix	\$175,000	2 / 1	Ron Nawrocki
Wholesale / FSBO	3811 N. 8th St	Phoenix	\$172,000	5 / 2	Stuart Gethner
Wholesale/Owner/Agent	16802 N. 18th St	Phoenix	\$165,000	4 / 2	Andrew Ament
Wholesale/Owner/Agent	9435 W. Hatcher Road	Peoria	\$160,000	4 / 2	Mike Roach
Wholesale/Owner/Agent	1405 N. 41st St	Phoenix	\$159,900	6 / 3	Andrew Ament
Wholesale/Owner/Agent	922 N. Miller Dr	Tucson	\$154,000	4 / 2	Jim Schneider
Retail / Realtor	9232 N. 14th St	Phoenix	\$149,900	2 / 1	Margy Zylдер
Wholesale/Owner/Agent	3733 W. Flynn Ln	Phoenix	\$140,000	3 / 2	Stuart Gethner
Wholesale / FSBO	18 E. Ponderosa Ln	Phoenix	\$137,500	2 / 2	Stuart Gethner
Wholesale / FSBO	10758 W. Crosby Drive	Sun City	\$136,500	2 / 2	Thomas Lee
Wholesale/Owner/Agent	5803 W. Gardenia Ave	Glendale	\$135,000	2 / 2	Jose Jimenez
Wholesale / FSBO	4326 E. Monte Vista Dr	Tucson	\$123,900	3 / 2	Wayne Schwab
Wholesale / FSBO	1596 W. Carey Bell Ct	Tucson	\$105,000	3 / 2	Michael Bratton
Retail / FSBO	812 S. Plumer Ave	Tucson	\$105,000	2 / 1	Lawrence Bates
Retail / Realtor	104 South Richard Ave	Superior	\$99,500	3 / 2	Steve Shochet
Wholesale/Owner/Agent	407 W. Richards St	Gila Bend	\$64,000	3 / 1	Ivo Draginov
Wholesale / FSBO	113 Ash Ave	Newport News	\$29,500	3 / 2	Cornelius Baker

Retail / Land

Wholesale	4249 N. 34th St	Phoenix	\$399,000	.2 acre	Sam Grooms
Wholesale	10300 E. Ocotillo Rim Trl	Vail	\$74,900	4 acres	Brad LaSalle
Wholesale	21835 W. Wilson	Wittman	\$46,500	.55 acre	Michael Goodwin
Wholesale	13745 W. Marlette Ave	Litchfield	\$25,000	.15 acre	Ivo Draginov
Wholesale	5417 S. Marstellar Rd	Tucson	\$24,900	4.77 acres	Brad LaSalle

Mobile Home w/Land

Wholesale	22310 W. Mellow Dr	Wittman	\$65,000	2 / 2	Margy Zylдер
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Condo / Townhouse


Retail / Realtor	18650 N. 91st Ave 3601	Peoria	\$225,000	3 / 2	Rosalind Rogers
Wholesale / FSBO	1500 W. Rio Salado Pkwy Unit 143	Mesa	\$127,000	3 / 2	Recia Davis
Wholesale / FSBO	1051 S. Dobson Rd Unit 52	Mesa	\$123,500	3 / 2	Recia Davis
Wholesale / FSBO	948 S. Alma School Rd Unit 124	Mesa	\$85,500	2 / 1	Recia Davis
Wholesale / FSBO	7122 W. Hazelwood St	Phoenix	\$30,000	2 / 1	Corey Geary

Multi-Housing

Wholesale	710 S. Lawwon Dr	Apache Junction	\$1,300,000	20-49 Units	Jose Jimenez
Wholesale / FSBO	1630 E. Brill St.	Phoenix	\$237,000	Tri-plex	Stuart Gethner
Wholesale	2536 W. Morten Ave	Phoenix	\$149,000	Duplex	Stuart Gethner
Wholesale	2617 W. Augusta Ave	Phoenix	\$139,000	Tri-plex	Stuart Gethner

Note: All real estate advertising in this newsletter and on our website is subject to the Federal Fair Housing Act of 1968. Please visit www.azreia.org for complete notice on fair housing and for additional information on each property listed.

MONTHLY MEETINGS	SUBGROUPS	
<ul style="list-style-type: none">• AZREIA – Prescott <i>Tuesday, February 6</i>• AZREIA – Phoenix <i>Monday, February 12</i>• AZREIA – Tucson <i>Tuesday, February 12</i>• Phoenix Real Estate Club <i>Tuesday, February 27</i>	Subgroups are an important benefit of AZREIA <i>PLUS</i> membership. Join like-minded investors, share ideas, network, and learn in a relaxed and comfortable setting	
	<ul style="list-style-type: none">• Income Property Owners <i>Thursday, February 1</i>• Beginning/New Investor <i>Tuesday, February 12</i>• Burley <i>Tuesday, February 12</i>	<ul style="list-style-type: none">• Notes <i>Thursday, February 15</i>• Take Aim! <i>Wednesday, February 28</i>• Fix & Flip <i>Wednesday, February 28</i>
<div><div><p>Pete Youngs is an expert general contractor who wants to teach you how to make thousands of dollars more profit on every rehab deal. He wants you to undersand how to evaluate repairs, estimate costs and learn the less expensive ways to achieve the same, or better, results with your rehab!</p><p>2/15/18 6-8pm for a special drill down session on Tools of the Trade</p><p>2/17/18 1pm-5pm on Rehabbing Properties: Save a Bundle!</p></div></div>		
INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG		




Q: I know that if a tenant files bankruptcy that it causes problems for me as the landlord. However, can I put in my lease that if the tenant files bankruptcy that they agree not to include my property so I can still complete an eviction?

A: You are correct that bankruptcy laws cause serious problems for landlords. However, you are not allowed to include terms in your lease to avoid the application of those laws to you in the event that your tenant files bankruptcy. The bankruptcy laws will override any improper provisions you put into your lease. Therefore, if you have a tenant in your property and they file bankruptcy, you will need to obtain an Order Granting a Lift of the Automatic Stay before you can take any action against your tenant. In other words, once you have notice that your tenant is in bankruptcy, do not have any further contact with them or it can get you into serious monetary trouble. You need to immediately hire a bankruptcy counsel to advise you about your rights and represent you in the bankruptcy court.

Mark B. Zinman, Williams, Zinman & Parham P.C.

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.



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by
Jill Bright

It's no secret investing takes some outside of the box thinking. Where to find your next deal and how to structure your next deal are common questions investors must ask themselves. Estate transactions are a way in which investors can find deals. The issue with these type deals is the true owner of the property may not be known or there could be a cloud on title due to an old lien. If you find yourself with these issues, it does not mean you cannot proceed with the deal. It does mean you may have to contact an attorney to assist you with a quiet title action. A quiet title action is a lawsuit filed to establish ownership of a property or clear a cloud against the property.

The issue with these estate transactions is missing heirs or liens that you simply do not have information on. You must have consent of all the heirs in order to properly convey title. If you are unable to locate all of them, the property will need to go through a quiet title action. Same can be said if there is a lien on title. Even if you have all the heirs to a property, they may not have the information on a loan Aunt Sally took out 20 years ago. This process can be timely and costly. Be sure to sure to discuss the process with your attorney and your real estate agent so you can add the fees associated with a quiet title action into your costs and set a realistic timeline for closing.

Another reason an investor would use a quiet title would be when purchasing property at tax sale. Most title companies shy away from title insuring tax sale transactions. There is no definite way to prove the previous owner was properly noticed to the sale. Do not expect a property to be title insurable for 12 to 24 month unless a quiet title action was completed. Consult an attorney prior to heading out to the tax auctions and find out what your options are. Keep in mind that unlike acquisition through a deed, a quiet title action will give the party seeking such relief no cause of action against previous owners of the property. The exception is the plaintiff in the quiet title action who acquired its interest through a warranty deed and had to bring the action to settle the defects that existed when the warranty deed was delivered.

Quiet title actions do not completely “clear title”. They can only clear a particular known claim or title defect. Make sure you

have a knowledgeable attorney who can assist and advise you on quiet title action suits. You need to be sure you are following all of the rules in order to ensure you are making sound business investments and not putting your business at risk. If you have partnered up with a great Title Company and knowledgeable Escrow Officer, give them a call too. While your Escrow Officer is not an attorney and cannot provide any legal advice, they can refer you to a couple real estate attorneys who can. Doing these type deals again is not impossible; you just have to have the right tools, knowledge, and experience to get them done.

As the largest title company in the nation and a Fortune 300 company, Chicago Title is committed to protecting you and providing resources to do just that. Please don't hesitate to contact us with any questions you have!





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by
**Laura
Leatherdale**

Since the arrival of short term rental websites like Airbnb, VRBO and HomeAway, there has been a lot of speculation as to whether or not renting out your investment property on a short stay basis would provide a better return than a long-term lease.

And the answer is... It depends!

Obviously, long-term renters can provide a sense of security in that you know you'll be receiving the same amount of money each month in order to cover your mortgage, property management and other expenses. And in a perfect world, after all these expenses are paid, you'll see a modest profit each month.

However, short-term rentals can command a higher nightly rate and have proven to be a more lucrative strategy *"in some cases."* Some estimates show short term renting can provide returns up to 30% higher than traditional month to month rentals or long-term leasing.

So... "Depends on what?" you may be asking.

First off, the term **"Location. Location. Location."** has never been more applicable, as this strategy definitely relies heavily on the property's location and its proximity to attractions such as galleries, museums, theater, nightlife, and of course, dining and shopping.

Fortunately, here in the Phoenix area there is no shortage of attractions, not to mention numerous golf courses, sporting events and mountains which provide tourists the opportunity for hiking, biking, climbing and other outdoor activities.

According to VisitPhoenix.com, the city of Phoenix hosted nearly 18.2 million visitors in 2016, including more than 1.4 million international visitors. So, we can safely say that the Phoenix area is a very popular destination place for visitors from all over the world.

The second thing, which many newbies tend to overlook, is that running a short-term rental business is not the same as leasing out your home and providing a minimal level of service. A.k.a. urgent repairs.

Listing your property on Airbnb takes you from a traditional Real Estate Rental Business and puts you into the "Hospitality Business." In short, you are no longer simply leasing out 4 walls and a roof. And the role you play is more akin to that of a concierge or a tour guide.

In addition to providing a completely furnished home, casita, condo or townhouse, you'll also be providing amenities such as Wi-Fi, TV and Cable, plates, dishes, cooking utensils, complimentary bottled water, as well as provide directions to nearby landmarks and answer questions about the weather and so on.

You get the point!

If you're willing to embrace the fact that running a short-term rental business is a lot less hands off than managing a traditional rental property, the rewards can be tremendous as well as lucrative.

A huge plus for those interested in pursuing this type of business model in Arizona is a relatively new state law which says that municipalities are no longer allowed to ban or restrict short-term rentals in any way.

However, the law does "not" apply to properties that belong to an HOA and states that government agencies cannot interfere with the HOA rules homeowners agree to when purchasing their properties. So obviously if you're planning to purchase a short-term rental property, be sure the HOA rules allow for short-term rentals.

The tax collection process was also a bit daunting to many hosts. So, Governor Ducey and Airbnb came up with a plan to simplify that part of the process as well. Airbnb now processes the tax as part of the individual rental transactions. In short, the tax hassle has been eliminated for hosts and the tax revenue is paid to the state in a timely manner.

In part 2 of this article, we will be discussing how our Smart Map comping system can help you to locate ready to rent properties in desirable Phoenix area neighborhoods and determine whether or not they would be profitable as Airbnb, VRBO and HomeAway short term rentals.



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Monthly Meetings

AZREIA Phoenix Meeting
Monday, February 12
Celebrity Theatre

AZREIA Tucson Meeting
Tuesday, February 13
Tucson Assn. of Realtors

AZREIA Prescott Meeting
Tuesday, February 6
Yavapai Title

Phoenix Real Estate Club
Tuesday, February 27
24th St. Conference Ctr.

February meetings is for both Rental Property Owners and Fix & Flippers! How? We are going to focus on rehabbing, updating and repairing property. So, this information is perfect for your rentals and for property you want to fix and flip. During the Workshop, Home Depot's National Account Manager, Cameron Mickey, will cover all the details of our exclusive programs to be sure you get the full benefits you are entitled to. The Main Meeting features contractor Pete Youngs. Pete is an expert on saving money on the fix up cost. You will be amazed at Pete's tips, tricks and money saving ideas. Of course, there will be the Market Update and Market News along with the tradeshow. Another meeting not to miss? Yes!

Phoenix Workshop – Get the Most Out of AZREIA's Home Depot Benefits

AZREIA has four exceptional benefits with The Home Depot: 2% Rebate Program, 20% Paint Discount, 15% Cabinet Program and a discount Appliance Catalog. Each program has its own special process, so it is important for you to be sure your account is set up correctly and you understand the complete process. None of this is hard, but you are the responsible one to use the program correctly. Cameron Mickey from The Home Depot will walk you through everything you need. Plus, we will have Home Depot representatives to assist you in coding your account correctly.

Market Update & News with Alan Langston

The latest in trend analysis for the US, Arizona and Greater Phoenix including existing homes, new homes, foreclosures and traditional sales. Full analysis of Fix & Flip and Rental markets. Plus, the latest Market News affecting your business. This is must know information for the serious real estate investor.

Phoenix & Tucson Main Meetings – Rehabbing Properties: Save a Bundle with Pete Youngs

More money is potentially lost during the rehab of a property than at any other aspect of the investment. The reason – you either over-rehab, get overcharged for repairs/construction or don't know the less expensive ways to achieve the same or better results. Pete is an expert contractor who will teach you:

- How to make thousand of dollars more profit on every deal!

- Understanding evaluating repairs and estimating cost. Pete will share his Price & Labor Cost Sheet!
- Where to get low-cost labor without losing quality
- How to get discounts from contractors
- Provide personal protection using liability and lien waivers
- Bonus! Pete will show you a dozen specialized tools priced between \$3 and \$20 that will speed your rehab and save you thousands! Yes, this is really cool!

Pete is an accomplished General Contractor. Major contracts include Marriott Courtyard Hotels, MCI, 1996 Olympic Games in Atlanta - Village for Athletes, Publix Supermarkets and over 400 single family homes.

Phoenix Real Estate Club – the Best Real Estate Investing Networking Anywhere!

Haves & Wants, Structured Networking activities and the Market Discussion all combine to make the Club an integral part of any active investor's month. There will be a timely presentation or discussion topic, too!

Prescott Main Meeting – Property Taxes, Costs and Profits

Yes, property taxes are a cost, but tax liens can be a profit center for your real estate investing business. Yavapai County Assessor Judd Simmons and Chief Deputy Assessor David "Beau" Boisvert discuss how properties are assessed; what is "limited property value" (LPV), and why is it important; how much can LPV increase each year; the process to appeal the assessed value; tax liens; two ways to profit in buying tax liens; what background work should be completed before the sale.

Phoenix Agenda

5:15 – Workshop
6:00 – Trade Show & Guest Orientation
6:45 – Main Meeting – Market Update & Featured Presentation
9:00 – Adjourn

Tucson Agenda:

5:15 – Open Networking
5:45 – Networking: Investor-to-Investor, I Have – I Want, Tucson Market Discussion
7:15 – Main Meeting
8:30 – Adjourn

Prescott Agenda:

5:30 – Networking, "Haves and Wants" & Market Overview
6:00 – Main Meeting
7:15 – Adjourn



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What? You haven't heard of this device before? I am not surprised. Most game changing tools are kept from Americans for far too long by the parties that would be negatively affected by the reality of their existence. No, this is not a smart phone. It is a smart IRA. It is intended for investors who value something different. Something they can personalize and make their own, that allows them to express themselves financially.

What does the Vantage iRAX offer differently than your current IRA? A virtual unlimited list of alternative investment choices which allow you to customize your retirement portfolio applications and maximize its tax advantageous prowess. Let me guess, you feel a sense of comfort with your current "StockBerry" IRA. You've been using it for years and although it keeps dropping in value, you resist making the switch because it represents change, and you don't like change. Your life is busy enough, right? You feel like you don't have the time to learn about the iRAX's features and benefits. The fact that the major IRA carriers don't offer it only reinforces your resistance to embrace making the switch.

As with most revolutionary movements, it takes time for the masses to gain the courage to make changes from the status quo. There is comfort in numbers and until "the herd" is on board with the new device, the reality is that most people are perfectly content with sticking to what they have, even if they are unhappy with its performance. Over a decade ago, Blackberries ruled the world of mobile devices. Now they are practically obsolete and those who still use them serve as punch lines among

their friends, co-workers and family members. The Apple iPhone promised something different and it took years before the world took notice. Today, however, the stories of people camping out in front of Apple stores across the nation in anticipation for the newest iPhoneX launch makes cover stories in every media outlet on a global scale. That's an amazing shift in a short period of time. The same has happened with Self-Directed IRAs.

When Vantage became a Business Associate at AZREIA over thirteen years ago, practically no one had heard or was using a Self-Directed IRA to invest in real estate. Now, however, the level of adoption by AZREIA's members is dramatically positive. As surprising as it may seem, it makes total sense. Why? Because when a device delivers on its promise of making our financial lives better while providing a user experience that is personal and simple, it creates fanatical advocates of its users and they can't help but share their satisfaction with anyone who will listen.

Vantage is the "Apple" of IRA companies. We are investing in the infrastructure, technology and people required to be the leader of this movement. With the holiday season behind us, real estate investors all over the country are eager to learn about what the new Vantage iRAX offers and to contemplate if having a Smart IRA that puts maximum investment control and freedom at their fingertips validates making the switch from their StockBerry IRA once and for all. A familiar statement by Apple iPhone users is "I kick myself for not converting sooner and I can't imagine having any other phone today." Vantage IRA clients feel the same.

If you haven't done so already, join the iRAX movement today! If you already have a Vantage iRAX, please continue to share your wonderful experience with all your investing friends, family and co-workers.

For more information about Real Estate IRAs, please visit
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AZREIA Advantage: Legal Expert

Short Term Rentals – How Does That Affect You?



by
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It seems only natural now that when people look into vacations, they not only search websites for hotels, but they also research short-term rentals. For example, it is commonplace that people going to Flagstaff will stay at a VRBO – vacation rental by owner – or an Airbnb property. These may provide a more comfortable stay than your average hotel and can often be a better price. Therefore, people often think of how this new technology affects the hotel industry – but they forget that it also affects the rental industry.

If you are a "traditional" landlord entering into year-long leases, you have to consider how this new industry affects your business: Do you want to start engaging in short-term rentals? Do you want to allow your tenants to do so? What process or procedure do you have to prevent your tenant from subleasing a property to people on vacation?

Unless you have the infrastructure set up and the appropriate vacation rental documents, most

landlords should not get into the business of short-term leases and they won't want their tenants to do so either. A landlord that allows her tenants to sublease on Airbnb or VRBO is asking for a lot more uncertainty with her investment. The landlord/owner of the property will not have vetted prospective short-term tenants and will not have control over what is going on within the property. This means that there could be significant damage to the property which was not accounted for or there may be increased liability with countless people coming to the property. Finally, it is possible (depending upon the number of units you have) that by opening the home to the public, the property must be compliant with the Americans with Disability Act, not just the Fair Housing Act. This means that there may be significant structural changes that are needed to the property.

If you decide you do not want your

tenant to dabble in the short-term rental market, that should be explicitly set forth in your lease. A good lease should prohibit any type of subleasing, which would include short-term rentals. That, however, doesn't solve the problem. The problem facing landlords of single family homes is how to enforce this rule and ban short-term subleases, when the landlord doesn't have a manager on-site that sees everything that occurs. They need to be more creative in terms of "having eyes and ears on the ground." For example, it is very helpful if the landlord has a good relationship with the neighbors to keep her advised of unusual behavior or to periodically do searches for that property address on applicable websites. If a report is made, and if it can be substantiated after research is done, the landlord should act by sending a 10-day notice for noncompliance with the lease. Only if the problem continues after the 10-day notice expires, should the landlord then file an eviction.



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AZREIA Advantage: Lending Expert

Fannie and Freddie Requirements for Borrower with Joint Bank Accounts



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Please be advised that the following applies for Conventional loans when the borrower is not the sole owner of the account.

- A joint access letter is required from the individual who is not on the loan.
- If there are deposits from the other parties showing on the account, they are identified as payroll, and you have a joint access letter nothing further is required. This is for non-purchasing spouses on primary purchases only.
- If there are deposits from the other parties showing on the account, they are identified as payroll, and you have a joint access letter we must verify the borrower has 5% or their own funds not including the direct deposit for the non-purchasing spouse on 2nd homes.
- If there are deposits from the other parties showing on the account, they are identified as payroll, you have a joint access letter, and the borrower is purchasing an investment property; all deposits from other party's payroll must be deducted from

the outstanding balance on the statement.

- If there are deposits greater than 50% of the gross monthly income that are from the other party on the statement that are not payroll, we will need to document the source of the deposit. We must consider if it can be eligible gift funds or ineligible for use towards the transaction, while also deducting from the available balance. This applies to primary and secondary. For Investments properties the funds would need

to be backed out of the available funds for closing and reserves as gifts are not allowed.

- Fannie Mae and Freddie Mac both allow when the single deposit that exceeds 50% of the total qualifying income can be partially documented. If you can only document a portion of it, you can reduce the asset by the undocumented amount.

Hope everyone had an amazing New Year and let me know if I can be of any help to you in 2018!





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