

The AZREIA Advantage

Arizona Real Estate Investors Association Newsletter

"AZ Real as it Gets"

MAY 2018

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Follow the Money in Residential Assisted Living & Typical Renovations

by Gene Guarino

How much can I make? That is a common question I get when people come to the Academy to learn about Residential Assisted Living. There are 2 directions that you can go.

1. Own the Real Estate and rent it to an operator
2. Own the Real Estate AND operate the Residential Assisted Living business as well.

If you own the home and lease it to an operator, you can get up to twice the fair market rent. As a real estate investor, that's going to change your positive cash flow from a few hundred dollars to potentially a few thousand dollars a month. Significantly better. In addition, your tenant will want a longer lease. 3, 5 or even 10 years.

They will not want to lose their lease. Typically, they will also be a lower impact tenant that will take care of the property better than the average tenant. They are generating income and they will want the home to be kept up and well maintained to generate that income.

You may be asking, why would someone be willing to pay you up to twice the fair market rent for your home? Simply put, they will be making a huge profit, so it works for them. Location is the key. If you have the right location and the home is the "right" home for operating this business, then it is a win-win situation. Many people can't or choose not to buy the location they operate their business in. Not everyone is a savvy real estate investor like you.

Zoning is one of the first considerations. Many people are surprised when they discover that this can be done in a residential neighborhood even with an HOA. Knowing the best locations and then knowing the terms and the questions to ask are critical. Without that

knowledge you will most likely make costly mistakes and get a simple response of "you can't do that" from the town or city that your property is in. Knowledge is power.

The amount of rent you charge will depend on many factors including: what improvements are you willing to do, what are you willing to allow the tenant to do, length of the lease, rent concessions etc. How much profit can the operator of the home make? The national

average for a private room in an assisted living facility is \$3,750 per month per person. If your home is licensed for 10 residents, that is \$37,500 in potential gross income. If the expenses and the debt service total \$27,500, which is conservatively high, you are still netting \$10,000 a month in profit. If you focus on a "nicer" home you can charge high-

er than average rent. The expenses are virtually the same with just the potential increase in the debt service. If your debt service increases by \$3,000 a month and you can generate an additional \$10,000 to \$20,000 a month, that's pretty simple math.

Heads Up! Special Meeting Dates for May!

Phoenix, Tuesday, May 15th
Residential Assisted Living Care
Homes! with Gene Guarino
Investor Interview – Mike DelPrete

Tucson, Monday, May 14th
Residential Assisted Living Care
Homes! with Gene Guarino

Typical Renovations for a Residential Assisted Living Home

The size of the home, the number of bedrooms and bathrooms and the layout are all major considerations when it comes to choosing a home for Residential Assisted Living. In general, bigger is better. More bedrooms and bathrooms means more revenue. Private rooms bring higher income than shared rooms. Private bathrooms can generate an additional \$500 to \$1,000 a month in additional revenue. Interior space can be reconfigured to create additional bedrooms. Adding bathrooms is significantly harder and more costly though. BUT adding bathrooms will create additional revenue that will typically pay for themselves in less than 1 year. Converting a large bathroom into 2 smaller ones

Continued on page 2



Executive Director's Message

Teach Your Children Well

The first real estate investment transaction I was involved in came in my mid-twenties. My grandmother asked me to sell her home and nine investment properties that were all on the same piece of land. It was the mid-seventies.

My grandfather died when I was nine and never had the opportunity to teach me about real estate investing, so I don't know the story of how they acquired this piece of land, what units were on it when they bought it and what they added to it. The only part I remember is that they converted their two-story home into an upstairs apartment and they lived in the downstairs. Boy, did I miss playing on the stairs. The other units consisted of three single family houses, a duplex and three trailers.

My grandmother died when I was in my early thirties and I never learned about real estate investing from her nor did I ask her about it. My parents never invested in any income property. So, nothing was passed down.

To say that my grandmother asking me to sell her property caused a lot of angst throughout all my aunts, uncles and older cousins would be an understatement. None of them wanted me to do it. They all wanted to hire a real estate agent; somebody with experience or anyone but me. They all tried to talk me out of it and that was just the beginning. She wanted me to sell it for her and that was good enough for me, so off I went.

So, remember this was the 1970s. I ran a classified ad in the newspaper and put a sign in the yard. It didn't take long to get an interested party and naturally, it was an investor. Who else is going to buy a piece of property like that. This is where it gets interesting.

The offer from the investor was for seller financing. They stated they needed some time to rehab some of the units, rent them and secure long-term financing. We negotiated a little and settled on the terms. Being that it was the 70s, the interest rate was really high, so getting

some interest for a while seemed like a good idea to me. The investor claimed they would refinance within a year.

Once the "family" found out about the deal structure, you'd think I had conspired with the devil. Everyone was up in arms. I was just an idiot and had been outsmarted by the buyer. I was bombarded with reason after reason of why it would never work. Fun times. Now, I did understand that their hearts were in the right place and they wanted to be sure my grandmother, their mother, would be taken care of financially. I'm sure some of it was them worrying about their future inheritance. Well, the only opinion that mattered was my grandmother's and she was fine with the deal, if I was.

Long story shortened, the investor made every payment on time and paid off the note in six-months. Everyone was happy or maybe just relieved. My idiot status improved, but only slightly.

There are a few lessons in this story. First, none of the family members with all the unsought advice had any real estate investment experience. That was a lost opportunity. My grandparents should have taught their children about real estate investing – the benefits of cash-flow and long-term wealth building. If that knowledge had been passed down, then my parents would have been able to teach me. Next, why didn't that property stay in the family? To this day there is not a single reason I shouldn't have found a way to buy it. Except, I didn't know about real estate investing. It would be another seven years before I figured it out for myself.

The moral of this story is to teach your children well. Give them the benefit of your knowledge. Provide them the opportunity to control their own adult lives from the beginning. Show them how to create cash flow and build wealth. It is a precious gift that will be passed down for generations.

Smarter investing,
Alan Langston



Follow the Money in Residential Assisted Living & Typical Renovations continued from page 1

is an alternative. Converting under-utilized rooms into bedrooms is typical as well. Consider converting garage space and porches into revenue generating bedrooms and bathrooms as well. Always use licensed contractors and get the proper permits when doing this type of work.

If required, you may need to install a fire suppression system in the home. This can cost \$10,000 to \$25,000 depending on many factors. Installing a smoke detection system that is monitored by an outside service may be required as well. That is \$1,500 to \$3,000 to install and \$30-\$50 a month to monitor. If these types of improvements and costs "scare you" at this point, I understand but you have to look at the cost to benefit ratio. If you invest \$30,000 in these renovations and it allows you to make \$10,000 per month in

net revenue, how long is the "payback" period? Just 3 months. That is simple math and answers the question, "is it worth the effort?"

If you add an additional \$30,000 in improvements that allows you to generate an additional \$5,000 a month, would that be a good investment? Many real estate investors will remodel a kitchen or add a pool or an addition or a deck, that could cost more than that and would only generate a fraction of the revenue that a Residential Assisted Living Home would generate.

The most common improvements to a home address the safety of the residents. Grab bars installed in the shower and around the toilet are common. If you are 85 years old, it's harder to get up and to keep your balance. They are not expensive and they are pretty easy to

install. Consider widening the doors as well. It doesn't need to be every door, focus on the doors they will be using the most. 36 inches wide is great. If a senior has a walker or a wheelchair, that's a real plus. If you can't widen the door way consider an offset hinge. For \$15 it gets the door out of the doorway about inch. An inch doesn't sound like a lot, but if you're a senior and using a walker or wheelchair, that inch is going to save your knuckles.

Smooth floors means less of a trip hazard. Carpet is softer but it also increases the potential for a fall because seniors may not lift their feet when they walk and they can actually increase the risk of a fall.

Good smooth surfaces to consider include: hardwood, tile, linoleum and vinyl.





AZREIA Advantage: Lending Expert

Low Inventory – Think Outside the Box



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by

Andrew Augustyniak

Your clients are eager, qualified and ready to take the plunge into homeownership, either for the first time or as their next move in the quest of the American Dream. Unfortunately, they quickly discover there are slim pickings. The shortage of vacant homes for sale not only limits options, but frequently leads to bidding wars that drive prices beyond your client's budget. How can you help? Low inventory does not have to be an insurmountable obstacle. As with most challenges, a little creative maneuvering can go a long way; or, as the popular catch phrase emphasizes "think outside the box."

Fixer Upper

Surprisingly, alternative funding is a wonderful place to start. With the scarcity of homes on the market, and how quickly they are selling (many listings receiving multiple offers), I suggest my clients consider setting their sights a little lower or change their approach. Instead of trying to find that "perfect" property, I recommend they look at properties that need work or aren't quite up to their standards ... yet. A renovation loan is the perfect solution, and truthfully if approached with the right attitude, it can be a lot of fun with tremendous rewards.

Custom Not So Costly

Another option, albeit a bit more aggressive, is to purchase a plot of land and build. This might sound like a daunting challenge, but what better way of ensuring they truly end up with the home of their dreams without overpaying for it?

Today, the airwaves and internet are filled with creative and innovative do-it yourself ideas. Some of the most popular cable programming features would-be buyers seeking out a property about their choice, but with considerable work needed. These "fixer-uppers" ultimately prove to be the star of the neighborhood with a bit of money and plenty of elbow grease. The new homeowners have exactly the home they've dreamed of, in a community they admire and typically for significantly less financial expenditure than if they had found the home in its renovated condition.

Custom home building has similar if not greater results. Beginning from the ground up, these families can dictate not only the number of bedrooms and baths, but the floorplan and all the personal touches that make a house a home. And again, typically the final property will cost considerably less than if the buyer had purchased it already built.

So Many Options

Unlike the limited choices available in the homebuying market, there are ample options when it comes to selecting a renovation or construction loan. Before discussing these with your clients, be sure to be up-to-date with every aspect. Obviously, these are not the same as a typical mortgage and you should be prepared to clearly con-

vey these differences to your clients.

One of the most frequent concerns applicants have with regards to a renovation loan is whether the appraisal on the property takes into consideration the value of the home once these improvements are completed. The answer is yes! This ensures that the amount available adequately covers the anticipated work. The appraiser gets a list of what renovations will be done from the contractor before he/she does their inspection, so they can assess the after-renovation value

Happy Ending

Much to the surprise and delight of my clients, renovation and construction loans are essentially regular mortgages. They just allow the buyers to bundle the renovation/construction costs with the acquisition into one mortgage (as opposed to mortgaging the property and then taking out a home equity loan on top of that to pay for repairs). It's one loan with one rate. Construction loans and renovation loans are one mortgage that each include financing of the repairs/renovation and construction costs respectively.

In my experience, these options have proven to be very successful for those clients who choose this route. A little creative thinking and stepping outside the box can bring delightful results for you and your clients. Rather than be deterred or disappointed with what's currently available, a renovation or construction loan can open myriad opportunities with wonderful results.





AZREIA Advantage: Insurance Resource

Could This Really Happen? Some Actual Insurance Claims



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by
Clark Sanchez

Early one morning, Bill fried some bacon on the stove, and then took his dog for a walk.

As he walked back to the house, he noticed smoke coming from his house. He called the fire department and 4 trucks arrived and extinguished the fire. The 'cause and origin' investigation showed that he had not turned off the cook-top burner, and the skillet had melted and started a fire. The owner of the home had all of his costs covered by insurance, but the occupant had a Piper Cub airplane stored in the garage. There was no coverage for the airplane from the landlord's policy or the tenant's renter's policy. Reason: anything with a motor of its own, needs its own insurance policy to be covered. This rule applies to things like cars, trucks, boats, and in this case, aircraft. Only exception is a lawnmower or other equipment to care for the yard or grounds.

An older lady complained to the property owner that water was leaking from the air conditioner. The owner's adult son went out and determined that the 'condensate' line was clogged. The clog was caused by a thick, jelly-like substance in a long plastic drain pipe. The owner's son removed the pipe and decided to clean it out using swimming pool acid that he carried on his

truck. He asked an elderly man who was visiting the lady, to hold the end of the pipe over a bucket, while the son poured the acid into the other end. It worked...but when the acid broke through, it splattered acid all over the chest, arms, hands, face, and head of the man. The owner's insurance paid over \$900,000 in damages to the older man.

A woman investor owned 3 small rental houses in an older Tempe neighborhood. They were frame buildings on adjacent parcels of land and relatively close to one another. At about 3:00 PM one afternoon, a neighbor noticed smoke and flames and called the fire department. Old, dry bougainvillea plants along the alley to the rear of the properties, had caught fire...maybe from a discarded cigarette...and the burning plants and shrubbery caught all 3 of the houses on fire. Extra fire units arrived from Phoenix to assist, but each home was a total loss. The cost to re-build all 3 homes was covered by the landlord's insurance policies.

Several 'Townhomes' shared common walls between them. A neighbor smelled smoke

inside his home. He went outside and still smelled smoke. He got out a ladder, set it against his house, and climbed to the top. From there, he could see flames leaping skyward from the roof of the house next door. The FedEx delivery man was walking up to the neighbor's house with a delivery, and became curious about the man on the ladder. The neighbor shouted down to the FedEx man, to call the fire department. Although you could see no signs of a fire from the exterior, the entire inside was severely damaged and repairs took over one year. Fortunately, the insurance policy contained coverage for changes to the 'building code', because there were multiple extra costs associated with complying with the current building code.

CLARK SANCHEZ is a 38 year Arizona insurance agent who has been a Vendor-Affiliate with AZREIA for over 15 years. You can contact Clark if you have any insurance related questions at clark@clarksanchez.com or (602) 803-2179.



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AZREIA Advantage: Title Expert

Assignments vs. Double Escrow



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by
Jill Bright

Working with investors we are often asked "which is better, to do an assignment or to do a double escrow?" My answer is always the same "I'm a capitalist, I make more money on a double escrow." (Because we receive fees twice). But the choice is completely up to you and the advisement of your attorney and CPA. This article is not meant to convey legal advice but to simply explain the differences and similarities of the two.

Both an assignment and a double escrow are ways to wholesale a property. "Wholesaling" is a term used for an investor that is not the ultimate buyer, they either receive an assignment fee from assigning a purchase contract, or they make a profit by reselling the property through a double escrow. Typically the wholesaler does not use their own money to acquire the property, although sometimes transactional funding is used to acquire the property for a brief period of time. For this article we will just call them an investor.

Let's compare how a double escrow and an assignment are similar. Both are a means to make a profit on a property without having to make repairs and resell the property. Both require the investor to do some form of marketing for properties, whether direct mail, billboards, Craig's list, bandit signs and even word of mouth, to bring in potential sellers. Both require the wholesaler or investor to sign a purchase contract with the current owner of the property. Both require the investor to secure a Buyer for the property (whether they are the end Buyer is not known as this Buyer could also assign the purchase contract with an

assignment, or do their own double escrow). This is pretty much where the similarities end.

Now let's compare how a double escrow and an assignment agreement are different. With a double escrow two separate files are opened. The first file being the "acquisition" file and the second being the "resale" file, or more commonly known as the "A-B" file and the "B-C" file. As mentioned earlier, fees are paid twice as there are two files, two purchase contracts and two title commitments are generated. The purchase contract for each file determines who pays the title and escrow fees in each file. Sometimes the investor will pay the fees in both files depending on how the contracts are written, or other times only in one file.

With Doubles and Assignments the investor is taxed differently as well. With an Assignment, the investor (or Assignor) receives an assignment fee for the rights to the purchase contract. This fee is taxed by a 1099 MISC form and the fee is reported to the IRS. With a Double Escrow the investor actually goes into title on the A-B file so the taxation is based on the sale of

real property using a 1099 S. Each 1099 form has different tax consequences depending on your tax bracket. Always discuss with your CPA which is better for your particular tax situation, a 1099 MISC or a 1099 S.

When deciding between an Assignment and a Double Escrow, always keep in mind that full disclosure is always the best practice. Some investors will even disclose to the property owner in their purchase contract that their intent is to secure a Buyer and then resell the property. Chicago Title's company policy is to show the assignment fee listed on the settlement statement or to show the funds being transferred in and out of the A-B and B-C files.

If you have any questions on Double Escrows or Assignments please call or email us anytime, or contact your real estate attorney and/or CPA for legal and tax advice.

Written by:

Amy Frink

Branch Manager, Chicago Title Agency



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AZREIA Advantage: The Real Estate Investment Specialists

Investing in Real Estate the Smart Way



by
**Laura
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Laura Leatherdale

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Part 1 – Fix n Flip vs. Buy & Hold

In this **Investing in Real Estate the Smart Way** article series, I'll be discussing the difference between trying to get rich quick flipping houses and putting together a true real estate wealth building strategy.

Before I get started, I want to let you know from the outset that here at The Equity Finders, we don't consider fixing and flipping houses to be investing in real estate at all. Fix n Flip is a "buy low -sell high" retail business in which you may have to pay to sit on your inventory for longer than expected. Investing in real estate is about leveraging your money and letting it do the work for you to ensure long term growth and profits.

Let's talk a little bit about what is so appealing about Fix n Flip and why so many entrepreneurs have bought into the notion that it's a quick and easy way to create wealth.

We've all learned on those television infomercials just how easy it is to locate a rundown house that's just waiting for you to pick it up at a bargain price. Use some "No Money Down" creative financing tactic to buy with no money out of pocket. Then put a few thousand dollars into some new flooring, countertops and a new paint job. Put it back on the market. And voilà. You walk away with a suitcase full of cash!

But what nobody ever talks about is that in many cases, fixing and flipping a house is a pretty high risk undertaking in which many people lose some, if not all of their investment. The AZREIA Advantage

Don't get me wrong. There are definitely profitable opportunities in the Fix n Flip arena, provided you are able to acquire a property way under market value, complete all the necessary repairs and re-sell that property in a relatively short period of time.

What is usually left out of the equation is that unless you're fortunate enough to be sitting on a pile of cash, you must be willing to take on the risk of taking out high interest, short term hard money loans and deal with the fact that these high carrying costs can and will eat into your profits very quickly as you or your contractors are submitting plans, dealing with the permitting process and making the necessary repairs. Not to mention additional fees and closing costs you'll encounter when re-listing the property for sale with an agent.

I don't mention any of this to discourage you. And I'm quite certain that there are

many who may read this and disagree with me completely. But as a real estate agent, I have seen first-hand more than a few investors make costly mistakes. So it would be remiss of me not to mention that there are many unforeseen factors, which can lead to cost overruns when it comes to the Fix n Flip model.

In part 2 of this article series I'll be using some simple math to show you how you can leverage your cash on hand to earn a 40% to 60% or more annual return on your real estate investments.

In the meantime, whether you are a fix and flipper or a buy and hold investor, there is no better way to locate and research profitable real estate deals than our Smart Map Compiling System. **Smart Map is provided as a free service to our clients.** Be sure to visit www.TheEquityFinders.com for complete details.



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Change in Law for Judgment Renewals



**Mark B. Zinman,
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by
Mark Zinman

It's an old axiom that "there is no ATM on the backside of a courthouse." In other words, just because the landlord won a case and were awarded a judgment, doesn't mean the landlord will actually collect the money owed. In fact, it has been our experience that a very small percentage of the amounts owed are ever collected on judgments. This is due to several factors including, poor applications that do not obtain enough information about the tenant, using the wrong collection company and allowing delinquent accounts to expire. Each of these issues could be its own article, but for now we will focus on the one before the legislature – expiration of judgments.

Many landlords and owners may not know that when they get a judgment they still have to take significant steps before they ever actually collect any money. For example, unless a tenant voluntarily pays the judgment, most landlords collect the money by completing a wage or bank garnishment. This requires that another legal process be followed. While it is not necessarily a complex process, there are numerous steps

that must be taken. Additionally, even if the proper steps are followed, there is no guarantee that the tenant will have the funds to be garnished, either because they don't make enough money or because there are prior garnishments or other amounts taken, such as child support.

Because of these potential hurdles, judgments often sit dormant for several years. Under the current Arizona law, a judgment is valid for five (5) years from the date of judgment. If it has not been renewed, the judgment then automatically becomes unenforceable after 5 years. This doesn't mean the judgment is void – it still can sit on a person's credit report. However, the landlord is no longer able to file a garnishment or take other proactive steps to collect on the judgment. The current law allows any judgment holder to renew a judgment within 90 days of the judgment expiring if a specific court process is followed. Once it is renewed, it is valid for another 5 years.

This can be done repeatedly, so that a judgment may last forever if it is properly renewed every 5 years.

As the reader can likely imagine, for larger operators with hundreds, if not thousands of judgments, this can become a difficult task to track to ensure all judgments are timely renewed. As a result of this, a legislator submitted a bill this year, HB 2240, which amends the law and provides that judgments are now to be valid for 10 years. This bill has already been signed by the governor and therefore will become law 90 days after the legislature closes session. This is the first bill to become law that affects AZREIA members and landlords throughout Arizona. While it may not seem important, this change will reduce the frequency in which judgments are renewed and thus will increase the likelihood that old judgments are actually paid.



Williams, Zinman & Parham P.C. **Attorneys at Law** **Representing Landlords and Investors**



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AZREIA Phoenix Meeting
Monday, May 15
Celebrity Theatre

AZREIA Tucson Meeting
Tuesday, May 14
Tucson Assn. of Realtors

AZREIA Prescott Meeting
Tuesday, June 5
Yavapai Title

Phoenix Real Estate Club
Tuesday, May 22
24th St. Conference Ctr.

Does making more money with your rentals sound good to you? Then don't miss your opportunity to learn about how investors are getting at least twice their monthly rents with residential assisted living in single family homes. Also, it is the return of our very popular Investor Interview Series during our Workshop. See details below. Another meeting you just can't miss!

Phoenix Workshop – Investor Interview – Michael DelPrete

Alan Langston, AZREIA's Executive Director, interviews full-time real estate investor Mike DelPrete in what promises to be an educational, informative and engaging session. Michael currently is a wholesaler, landlord, consultant, Airbnb Superhost and holds his own rental portfolio. He has completed over 400 real estate transactions in the last seven years. Before real estate, Michael held leadership positions in the mortgage and wireless industries.

Market Update & Market News with Alan Langston

The latest in trend analysis including existing and new homes. 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 – How to Turn One Single Family House into a Monthly \$5,000-\$15,000 Cash Flow with Residential Assisted Living Care Homes! with Gene Guarino

Senior housing is the best opportunity for the next 20 years in real estate investing.

You will learn how to step-by-step capitalize on this mega-trend opportunity. You will discover how to generate substantial cash flow, how to get twice the fair market rent with long-term, low-impact tenants and how to get a secure ROI. With 77,000,000 baby boomers, this is an unstoppable tsunami of opportunity for you and your portfolio. Here are the facts:

- 10,000 people a DAY are turning 65
- 4,000 people a DAY are turning 85
- 70% of these people will need assisted living
- Accommodations for an average of 3 ½ years.

Many seniors want other living options than in their home, apartment or a nursing home. They are currently paying between \$3,000 - \$10,000 a month for housing that includes related support services. It could be you that collects that money. The need for residential assisted living homes is growing exponentially and capacity isn't keeping up. Timing is key... this mega-trend is here NOW.

In this session, Gene Guarino, President of the Residential Assisted Living Academy, will show you step-by-step:

- How to turn a Single-Family Home into a cash flow machine
- How to rent your home and get TWICE the fair market rent
- How to operate the business (if you want to) AND still collect the rent
- How to NET \$5,000 - \$15,000 per month from each house
- How to do it with or without your own money

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 Management – Solving a Critical Piece of the Buy & Hold Strategy

Investments can live or die depending on management of the rental. Brenda Heath of Bear Creek Real Estate will answer: What is the status of the Prescott-area residential market? (rent rate appreciation, vacancy factors, etc); How can vacancy factors be minimized? What are common mistakes of owner-managers? Are there any new laws affecting the rental business? What are typical differences between hiring a management company and self-management? What issues are different on multi-family from single-family rentals? Special issues on Vacation Rentals?

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

Phoenix Real Estate Club:

- 5:30 – Open Networking
- 6:00 – Networking: Investor-to-Investor, Haves & Wants, Market Discussion
- 7:30 – Main Meeting
- 8:30 – Adjourn





AZREIA Calendar of Events

Check www.azreia.org for the current schedule.

MONTHLY MEETINGS		SUBGROUPS	
<ul style="list-style-type: none"> AZREIA – Prescott Tuesday, May 1 <p>NOTE DATE CHANGE FOR PHOENIX/TUCSON</p>		<p>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</p>	
<ul style="list-style-type: none"> AZREIA – Tucson Monday, May 14 	<ul style="list-style-type: none"> AZREIA - Phoenix Tuesday, May 15 	<ul style="list-style-type: none"> Income Property Owners Thursday, May 3 	<ul style="list-style-type: none"> Notes Thursday, May 17
<ul style="list-style-type: none"> Phoenix Real Estate Club Tuesday, April 24 		<ul style="list-style-type: none"> Burley Tuesday, May 8 	<ul style="list-style-type: none"> Fix & Flip Wednesday, May 30
<p>Negotiations! When you negotiate, you don't get what you deserve, <i>you get what you negotiate!</i> Maria Giordano, a full-time real estate investor will train you in the most important skill you need to make money! Most investors believe they negotiate well; however, more money is left on the table and fewer deals are found because most investors aren't negotiators. Do you know why "Yes" is bad and "No" is good?</p> <p>Wednesday, May 2, 2018 6:00pm – 8:00pm</p>			
<p>Residential Assisted Living Care Homes with Gene Guarino – Special Drill Down Session Gene Guarino's you WILL get involved in Assisted Living one way or the other"...right now the choice is yours! In this special drill down session, Gene will dispel the "Top 10 Myths in Residential Assisted Living" . Plus he will show you three options that will allow you to participate in this huge opportunity.</p> <p>Wednesday, May 16, 2018 6:00pm – 8:00pm</p>			
<p>Residential Assisted Living Care Homes with Gene Guarino – Saturday session! Come learn the three best ways to participate in senior housing in Arizona and the five keys to success doing it. The Silver Tsunami of Baby Boomers is unstoppable and they have been the primary driver in our economy since 1945. You will learn why location is critical to your success, why some homes are full with a waiting list and others are struggling. Learn how to get started in 30 days or less and rent your home for twice the rent with a long-term, low-impact tenant.</p> <p>Saturday, May 19, 2018 9:00am – 2:00pm</p>			
<p>INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG</p>			

LEGALLY SPEAKING

Q: I have a commercial property with a tenant that has a written lease. They have failed to provide proof of insurance. What can I do?

A: Assuming your lease is written well, you actually have more options than you would if this were a residential property. The law assumes that in a commercial context, the parties are in equal negotiating positions and therefore does not put as many restrictions on what is permissible in a lease. This is very beneficial for a commercial landlord because, after the tenant defaults and proper notice has been given, a commercial landlord not only has the ability to complete an eviction but they also have the right to simply lock out the tenant. A.R.S. §

33-361, which is a part of the general/commercial Landlord and Tenant Act, allows a landlord to "enter and take possession" after proper notice has been given. The notice that the landlord must serve is to be specified in the lease. Usually, for violations relating to rent, a tenant is to receive a 5 or 10-day notice, while a 10 or 15-day notice is common for other violations, such as failing to provide insurance. The benefit of a lock out is that it is quick and inexpensive; the benefit of an eviction is that you get a court to approve the lock out and you get a monetary judgment.

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.



Property Listings

Complete listings online:
www.azreia.org

Wholesale / FSBO	8035 S. 38th Way	Phoenix	\$650,000	3 / 4	Christopher Matsey	602-999-7551
Wholesale/Owner/Agent	5339 N. Sahuaro Canyon Ln	Tucson	\$550,000	4 / 3	Andrew Nielson	801-376-3456
Wholesale/Owner/Agent	7734 N. 3rd Ave	Phoenix	\$525,000	4 / 3	Jose Jimenez	480-704-4200
Wholesale/Owner/Agent	24028 N. 72nd Place	Scottsdale	\$500,000	4 / 3	Joanne Parkinson	480-689-8223
Wholesale / Realtor	4736 N. 33rd St	Phoenix	\$490,000	3 / 2	Michael Garren	480-284-3069
Wholesale/Owner/Agent	1231 W. Orchid Ln	Phoenix	\$399,000	4 / 3	Jose Jimenez	480-704-4200
Wholesale/Realtor	8108 E. Buena Terra Way	Scottsdale	\$399,000	2 / 3	Michael Garren	480-284-3069
Wholesale / FSBO	2427 W. Bajada Rd	Phoenix	\$357,000	4 / 3	Recia Davis	602-358-6370
Wholesale / Realtor	537 E. Hayward Ave	Phoenix	\$355,000	4 / 2	Michael Garren	480-284-3069
Wholesale / Realtor	6940 E. Hubbell St	Scottsdale	\$330,000	3 / 2	Michael Garren	480-284-3069
Wholesale/Realtor	2834 E. Earl Dr	Phoenix	\$325,000	2 / 3	Michael Garren	480-284-3069
Wholesale/Realtor	528 W. Georgia Ave	Phoenix	\$320,000	3 / 2	Luke Basler	480-798-9522
Wholesale / Realtor	523 W. Mariette Ave	Phoenix	\$315,000	3 / 2	Michael Garren	480-284-3069
Wholesale / Realtor	541 Belmont Ave	Phoenix	\$285,000	2 / 2	Luke Basler	480-798-9522
Wholesale / Realtor	7526 E. Virginia Ave	Scottsdale	\$280,000	3 / 2	Luke Basler	480-798-9522
Wholesale / FSBO	11612 N. 40th Way	Phoenix	\$262,000	3 / 2	Stuart Gethner	480-443-4500
Wholesale / Realtor	3023 E. Cheery Lynn Rd	Phoenix	\$258,000	2 / 2	Michael Garren	480-284-3069
Wholesale / FSBO	3146 N. 6th Ave	Phoenix	\$255,000	3 / 2	Dirk Gesink	602-799-3385
Wholesale / Realtor	930 W. Lynwood St	Phoenix	\$250,000	3 / 1	Anette Brown	602-448-7377
Wholesale / FSBO	347 Ancora Dr S	Litchfield Park	\$250,000	2 / 3	Andrew Ament	480-540-5151
Wholesale / Realtor	569 N. Aspen Dr	Chandler	\$230,000	3 / 3	Jeanne Collins	480-650-1771
Wholesale/Owner/Agent	1319 E. Orangewood Ave	Phoenix	\$220,000	3 / 2	Larry Bettles	602-397-5041
Wholesale / Realtor	4529 E. Wildwood Dr	Phoenix	\$212,000	3 / 2	Michael Garren	480-284-3069
Wholesale / Realtor	1333 W. Heatherbrae Dr	Phoenix	\$210,000	3 / 2	Luke Basler	480-798-9522
Wholesale/Owner/Agent	2904 S. 98th St	Mesa	\$210,000	3 / 2	John Evans	480-390-7502
Wholesale / Realtor	6514 S. Riding Dr	Hereford	\$208,000	3 / 4	Michael Garren	480-284-3069
Wholesale/Owner/Agent	5720 W. Frier Dr	Glendale	\$193,000	3 / 2	Ivo Draginov	602-622-0397
Retail / Realtor	6322 E. Eli Dr	Tucson	\$189,900	3 / 2	David Mahaffey	520-909-1286
Wholesale / FSBO	406 S. Spur	Mesa	\$189,000	4 / 2	Jason Bonfante	623-866-4627
Wholesale / FSBO	17408 N. 14th Ave	Phoenix	\$185,000	4 / 2	Stuart Gethner	480-443-4500
Wholesale / FSBO	35800 W. Velazquez Dr	Maricopa	\$175,000	4 / 3	Corey Geary	520-235-9187
Wholesale / FSBO	1927 W. Mitchell Dr	Phoenix	\$175,000	2 / 1	Ron Nawrocki	623-249-4792
Wholesale/Owner/Agent	5640 E. University Dr	Mesa	\$146,000	2 / 3	Ivo Draginov	602-622-0397
Wholesale/Owner/Agent	485 Barnwood Trl	Munds Park	\$126,000	3 / 2	Ivo Draginov	602-622-0397
Wholesale/Owner/Agent	858 W. Montana St	Tucson	\$74,000	4 / 2	Jeremy Arredondo	602-500-6069

Retail / Land

Wholesale	1213 E. Vogel Ave	Phoenix	\$130,000	.15 acre	Jose Jimenez	480-704-4200
Wholesale	13641 W. Marlette Ave	Litchfield Park	\$34,000	.15 acre	Ivo Draginov	602-622-0397

Mobile Home w/Land

Wholesale/Owner/Agent	5735 E. McDowell Rd Lot 200	Mesa	\$94,000	2 / 1	Jose Jimenez	480-704-4200
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Condo / Townhouse

Wholesale/FSBO	7625 E. Camelback Rd A147	Scottsdale	\$179,900	2 / 2	Thomas Lee	602-428-9049
Wholesale	935 N. Granite Reef Rd #109	Scottsdale	\$158,000	2 / 2	Michael Garren	480-284-3069
Wholesale/FSBO	1051 S. Dobson Rd #155	Mesa	\$117,500	2 / 1	Recia Davis	602-358-6370
Wholesale/Realtor	7550 N. 12th St #241	Phoenix	\$82,000	1 / 1	Dan Olson	623-570-4464
Wholesale/FSBO	820 S. Langley Ave Unit 206	Tucson	\$59,900	2 / 2	Michael Ross	520-505-1177

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.



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

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Meeting May 15, 5-9 p.m.

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AZREIA Monthly Meetings at a Glance

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