

The AZREIA Advantage

Arizona Real Estate Investors Association Newsletter

"AZ Real as it Gets"

OCTOBER 2021

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How to Become a Long-Distance Real Estate Investor

by Michael Del Prete

As you probably know by now, I'm a huge fan of owning rental real estate. I believe it's one of the best ways to ultimately achieve your financial goals. Purchasing properties locally may seem like the only option.

However, when it comes to investing out of state, you'll find that every market can present its own opportunity, whether it's steady cashflow in lower-end markets or appreciation in markets where jobs and population are on the rise. Ultimately, as a successful real estate investor, it's up to you to decide.

In this article, we'll discuss the pros and cons of investing out of state. However, before we dive in, when people hear I'm buying rentals and wholesaling real estate in Cleveland, OH from my office here in Phoenix, I hear things like:

"That's too risky. I need to see and touch what I'm buying."

"I don't have time to travel across the country every month."

"What if something needs to get fixed, who will I trust?"

(For the record, I've been investing out of state for the last 14 months. I've completed 30 wholesale transactions, own 10 rental properties and am working on my third refi with a local lender. I've only been to Cleveland once, walked through one unit of a duplex, and have no future plans to visit.)

Traditionally in the real estate industry, you'll be told to buy something in your own backyard, something within driving distance so you can always check up on the property. It's also good to invest in your backyard

if cash-flowing properties are widely available, but if you've been paying attention to our local market you most likely have noticed your ROI declining on long-term rentals.

You might be saying to yourself, I'll just turn it into a vacation rental. Great! It's definitely an option, but just be aware that investing in vacation rentals means you're now entering the hospitality business as well. Although I love short term rentals, it's not for everybody.

Below are the advantages of investing out of state. Over the last several years, as the technology and resources have become more accessible, it's been a lot easier to invest outside of our local market. If any of these Pro's

sound appealing to you it may be a sign to look into it a little further.

PRO'S

Diverse Portfolio

Having rental properties in multiple cities or states can mitigate your risk. Each state will have local factors that directly affect the market such as the loss of a large employer, new regulations, and fluctuating markets. Rather than investing in one market, successful investors hold multiple properties in a few of the right markets.

Greater Returns

The potential of a greater return is the main reason that investors will pursue purchasing properties out of state. If you live in an area where purchasing properties are more expensive, you may capture appreciation, however, this can be speculative. Investing out of state is about the cash flow and the buildup of equity as your tenants pay down your mortgage. If you gain some appreciation, consider it an added bonus.

Continued on page 2



Executive Director's Message

More Money, More Problems

Nobody gets into real estate investing with the intention of losing all the money they earn in litigation, taxes, or probate. You are an investor, and you have a business to run. That's right, *a business*. Therefore, you have to protect your business and yourself, as a business owner. This means you must do a little bit of planning to save yourself (or your loved ones) a whole lot of back-end cleanup and paperwork if something goes wrong along the way.

The most basic way you can do this is make sure you have the proper business structure in place. Whether it be a sole proprietorship, a general partnership, or an LLC, you have to decide how to protect your assets from the get-go. For most investors, they prefer to set up an LLC to separate their personal assets from their business assets. Setting up an LLC is easy to do and an excellent way for every investor, experienced or not, to have better control of their wealth management.

As long as you are earning money on your investments, you are going to be exposing yourself to greater taxes on that money. There are many legal ways real estate investors can use deductions and other tax strategies to protect from unnecessary taxes. One common way of doing this is deferring taxes through 1031 exchanges or refinancing. A common tax imposed on real estate investors is capital gains tax. On top of that, if you consider your later-in-life strategies, there are also gift tax and death tax an investor must consider. Strategies to address these taxes can be an Intentionally Defective Grantor Trust or a Grantor Retained Annuity Trust. These are things you want to have addressed with an estate planner in order to protect your wealth after passing.

Another thing investors should be asking is, are my investments covered? Making sure you have the proper insurance coverage on your properties, title, renters, etc. will protect you from expensive risks. This is especially true if you find yourself being a lender to another investor. You want to ensure your investment and your partnership will be covered. Properly insuring yourself and your business will not only help you maintain the current income you are

making, but also open you up for new opportunities with the assets you are saving from litigation, repairs, or any other type of insurable incidents.

Over time, you may decide to simplify your real estate investing to enjoy retirement, extended vacations, or even to make passing the business on to your children easier. Even if you are doing a more passive form of investing, you need to pay attention to and plan for the risks that come along with it. The protection and simplification of your estate will mean that even after you have passed, your wealth is still yours. That means you will need to have planned for dissolving any partnerships or joint ventures, or how you're going to pass on your wealth and inheritance on to your family or through charitable giving. While not as easy as forming an LLC, creating an Estate Plan is the most important thing you can do for yourself and your business.

Many people do not like to think about end-of-life, and it can be a difficult subject for many to consider. However, would you rather take the time now to make sure you, your business, your family, and your wealth are protected during any point of your investing rather than wait for something to happen and have to spend more time, money, and effort to fix it? Take the time to meet with an attorney to either start your plan or review an existing plan you've already created. You should be reviewing your estate plan every three to five years just to make sure you're prepared for any new laws or regulations to continue to fortify your assets. Don't wait, you're not a gambler, you're an investor! Lucky for you, AZREIA has our Wealth Fortification for Every Real Estate Investor coming up on October 16th & 17th. This is the perfect time to create or reevaluate your asset protection in order to be a more successful real estate investor.

Smarter investing,

Alan Langston
Founder

Mike Del Prete
Executive Director



How to Become a Long-Distance Real Estate Investor

Continued from page 1

Easier to Enter Other Markets

Living in Arizona, property values have skyrocketed up to 23% this year. Becoming a landlord can feel hopeless. As you already know your profit is made when you buy not when you sell. Buying in a smaller market there can be less competition and more options to purchase cheaper properties. Buying at a lower price point gives you more of an equity cushion if prices were to go down.

CON'S

Uncomfortable Feeling

When investing out of state, you may be buying properties that you've never seen. You'll have to rely on contractors and inspectors you've never met. This can make anyone nervous, so you need to be prepared to give up a level of control you'd usually have when investing locally.

Building a Team Can Be Challenging

Assembling a rockstar team can be a struggle even locally. It can feel impossible when you're investing out of state. Finding real estate agents,

contractors, and an excellent property management team can be significantly more difficult when you don't have local connections.

Uninformed with State and Local Laws

Landlord-tenant laws vary state-to-state. Additionally, each county and city may have its own local laws. Every landlord should have an informed property management company to consult with when new policies are put in place. New laws are constantly being passed which can put strains on your ROI. If anything requires a vote to be passed, you are not a resident and will not have input. Consider investing in a landlord friendly state where laws are in favor of the landlord.

Final Thought

The moral of the story is just like any other type of investment, buying property out of state does come with some risk. However, your risk can be reduced once you've built your team and put the right systems in place. You'll find that your time will be spent reviewing reports, paying some bills, and communicating with the leaders of your team. Over the last year I've found that investing out of state offers higher ROI opportunities, lower risks, and an increased cash flow.





AZREIA Advantage: Property Management Expert

Rent Growth on Renewals



by
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Written by Cory Rasmussen

Is rent growth upon renewals a strategy or has it become a pain point? Is there a way to achieve rent growth and avoid turnover at the same time? Who is in the driver's seat?

It is a common misconception that to keep the perfect renter, an owner should avoid increasing rent. It is possible to do both. Here are a few strategies that will help you in achieving the desired rent growth, while avoiding unnecessary turnover.

1. **Time your rental expiration correctly.** Don't let your leases expire

the week before Thanksgiving. This is never a good time to have a rental hit the market. You want your leases to start and end in the peak moving season from May-August. This will ensure you are renewing at the right time; hence help you get your desired renewal rate. Here's the rationale: peak rental season means that rents are often higher than at non-peak times, enabling you to obtain a rate increase.

2. **Know your rental market.** If you know the market has taken a huge jump in rents—as the Phoenix rental market has over the past 3-5 years—and your renter is considerably under market, then you are in a good position. This is the time to remind your renters that leaving your rental property will mean they will be paying market value, or significantly more in rent than your renewal offers
3. **Offer incentives.** Maybe it is a free carpet cleaning, an offer to paint a room in the house, or an appealing gift card. Be creative and get to

know your residents because people will stay longer when they are treated with respect and goodwill.

4. **Work well in advance of lease expiration.** Renewal offers should be communicated to residents at least 60-70 days prior to the lease expiring. This simple courtesy gives you and the resident plenty of time to digest the change. It will also give your resident time to do some market research, which will show them that your property is appropriately priced. In giving your residents time to think through a rent increase, they will likely come to the conclusion that the stress and cost of moving far outweighs the renewal increase.

Knowing your rental's value enables you to push rents appropriately, giving you an advantage in negotiating rental increases. Whether you get the renewal or have a resident move out, there is nothing to fear because you know your property's worth. Knowing this takes the anxiety and fear out of either scenario.





AZREIA Advantage: Financing Professional

Five Favorite Upgrades for Your Flip



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You've acquired the house and you've decided to flip it for a profit but now the list of needed-wanted improvements is growing as your budget seems to be shrinking and you are wondering how to prioritize. These are common issues for our fix & flippers from across the country and they've shared with us five of their tried-and-true upgrades that get them the most return on their investment and help minimize days on market when it comes time to sell. From top to bottom, here are their 5 favorites:

1. New countertops
2. Updated plumbing fixtures
3. Additional storage space
4. New flooring
5. Improved curb appeal

New Countertops

The kitchen and master bathroom are the most important spaces a buyer considers when choosing a home. If the countertops in either space are stained or dated, replace them. If your budget is tight and you must choose one space, focus your efforts on the kitchen - the most used and visible space in home. A growing trend and cost-effective alternative to new countertops is to paint existing countertops with epoxy paint. The number of color options is excellent, and the quality and durability are improving; just make sure you hire a qualified, competent epoxy specialist.

Updated Bathroom Plumbing Fixtures

Plumbing fixtures are a focal point of the bathroom and if that focal point is dated, leaking, or hard to use (hard water damage) the overall impression of the bathroom renovation is lessened. And for \$200 this

issue can easily be avoided. New plumbing fixtures with new countertops is a quick way to make a space feel new and add style without breaking the bank.

Additional Storage Space

Eventually everyone runs out of space to store all their belongings. Luckily there are some creative ways to add storage space that will attract more buyers. For example, the garage is an excellent place to add a simple tool bench with shelving below and peg-board above. A banquette (built in bench seating around a bay window) can add space for tablecloths, appliances, pet food, or other kitchen items. Bedroom closets are another great space that is often underutilized for storage. For \$100 you can add built in storage in a bedroom closet that will be a major selling point. Each time you maximize the storage capacity in a dead space, you add value to the property. And remember to leave storage space empty when you show the home, as it makes the space seem bigger.

New Flooring

The fastest way to change the look of a home is to replace old flooring. Our office room, one of the largest rooms in our home, went from being the least used room to the most used room when we replaced stained, old carpet for laminate wood flooring. The project took us 4 hours to complete and was just over \$350. New flooring provides a clean, elegant look that markets a home as move-in ready.

Keep in mind the value of replacement flooring and make it commensurate to the projected value of the home as a whole. For example, replacing vinyl flooring with Carrara

marble tiles would not be a smart use of your budget in a 1,100 sq ft home in downtown Phoenix. You want to spend your budget on those materials that will increase the value of your project, not price it out of the range of buyers for that area. One of our builders has a catch phrase he regularly uses that perfectly captures this idea, "As nice as..." Your goal is to upgrade the features of the house, like the flooring, so that they are as nice as the comps, and that's it.

Improve Curb Appeal

You never get a second chance to make a first impression. And curb appeal is a buyers first impression of the home. Little things can make all the difference. For example, upgrading a mailbox, adding new house numbers, planting flowers in a flower bed, installing new exterior lighting fixtures, and applying a fresh coat of exterior paint can quickly change the look of a home and generate more initial interest to more buyers. According to the research conducted by Remodeling.net, "Curb appeal" and "first impressions" are strong concepts in real estate because they have a big impact on how much money prospective home buyers are willing to pay for a home. If they start out thinking the house looks good - is in good shape, has 'good bones' - they begin to fit all the new information they learn once they walk through the front door around these positive impressions. "

There are many ways to improve a property but only a few have the kind of proven return on investment that make sense. These 5 upgrades are consensus winners and will provide the greatest bang for your buck while increasing both marketability and profitability.



¹ https://www.remodeling.hw.net/benchmarks/cost-vs-value/key-trends-in-the-2021-cost-vs-value-report_o



AZREIA Advantage: Title Expert

Judgments & Liens That Affect Title



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by
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There are a number of types of Judgments and Liens that can attach to your client and/or their property that affect title when they sell or refinance. Many of these will remain on title anywhere from 7-20 years or more and must be satisfied accordingly. They may be required by their lender to pay *off* the lien or judgment in order to close their refinance, or if they're selling their property. Below are some of the most common types you may encounter on a Preliminary Title Report.

JUDGMENTS: *Money Judgments, Spousal Support and/or Child Support*

- Attaches to all property owned by debtor.
- A money judgment has a duration of 10 years in CA from the date it's filed.
- Spousal and child support judgment durations extend past 10 years. Spousal support judgments will be considered until released, while a child support judgment will be considered for up to 5 years past when the child reaches the age of maturity.
- If you are sued and a money judgment is awarded to the creditor, it can be extended for an additional 10

years when a renewal is recorded within 10 years of the original date of entry.

- A judgment in favor of the United States of America, a Federal Corporation, has a duration of 20 years.

PERSONAL LIENS: *Federal Tax Liens, State Tax Liens, EDD Liens, County Tax Liens*

- Like judgments, these attach to all property owned by the debtor.
- All of these liens have a duration of 10 years from the date recorded unless otherwise released.
- These liens can be continued indefinitely by refile the notice before the original lien or continuation expires.
- Title will not close without a demand on federal and state tax liens.

PROPERTY LIENS: *Mechanic's Liens, Notice of Action (Lis Pendens, HOA Liens, Substandard/ Abatement Liens)*

- Only attaches to a specific property.
- A Mechanic's Lien is created when a contractor or subcontractor that has performed work on a specific property

was not paid upon completion of work. It has a duration of 90 days from the date recorded and the contractor may foreclose on the property, but has to commence this action within the 90 day timeframe.

- A Lis Pendens is a notice that a court action affecting the property has been filed. This document may also be used to foreclose on a property under a Mechanic's Lien. A Lis Pendens has a perpetual duration and must be released or withdrawn.
- Homeowner's Association liens are recorded when a property owner is delinquent on their HOA dues. There is no fixed duration for this type of lien, so escrow must get a demand.
- Substandard Liens are recorded by the city or county. They can be for a number of things including hazardous substances, weed abatement, or substandard dwellings. These liens do not have a fixed duration. Escrow must order a demand to find out if money is owed.

If you see one of these items on your preliminary title report, contact your Escrow Officer immediately to discuss the best course of action to address and remedy it!



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AZREIA Advantage: Asset Protection & Estate Planning Expert

Get It in Writing



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by
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Arizonans love to do things the old-fashioned way. If I had a dollar for every time a client explains a deal to me by saying something to the effect of, "Well, we shook on it, so it was official," I would be a moderately wealthy man. Verbal agreements have their place in business, but it is a **small** one. When a transaction or agreement goes south and you end up in your attorney's office, one of the first questions you'll be asked is, "Did you get it in writing?" If you did not, your attorney will roll his eyes and the likelihood of you prevailing will take an immediate hit.

In general, verbal contracts are more difficult to enforce than written contracts because of 1) the frailty of the human mind; and 2) the lack of clear advantage when it is one person's word against another's. The mind's inability to hold precise and exact details, together with the fact that two people can understand the same conversation in two very different ways makes enforcing oral contracts a tedious and, occasionally, impossible process. Judges know those things and are thus less likely to side with one party's understanding over the other's.

In real estate specifically, there is another substantial reason that you should always have any contract or agreement in writing: the statute of frauds. Arizona Revised Statutes §44-101, known as the statute of frauds, states that you cannot prevail in a lawsuit against another to enforce an oral

contract when the agreement was:

- for the sale of goods exceeding \$500;
- not to be performed within one year of the origination date;
- for a lease of more than one year;
- for the sale of property or an interest therein;
- for the engagement of an agent or broker to purchase real estate; or
- related to the extension of a loan or credit in an amount exceeding \$250k.

As the vast majority of disputes AZREIA members will find themselves in fall into at least one of the categories, it becomes even more apparent why having an agreement in writing is so essential.

A written contract allows you to clearly document the specific terms of your agreement, providing a venue for parties to hammer out all of the foreseeable points of dispute in one, clean document. Should any disagreement arise down the line, the parties can easily refer to the terms they set forth in the document to see how they agreed to be governed in such a situation. Simply stated, a well-drafted written contract will save money and time in the event of a dispute and will preserve business relationships by making the 'rules of the game' easy to access.

To take advantage of the benefits outlined above, your contract should be thorough and detailed. In some instances, this can be accomplished by the parties sitting down and having a frank discussion about the issues they foresee, then drafting the contract in such a way as to head those issues off in advance. In other instances, it can be very helpful to have an experienced professional draft (or review) the contract. Such a professional has likely seen the ugly back-end of such transactions where the parties are already in dispute, and will thus know how to draft the agreement in such a way as to avoid those situations. Detail is king in writing a good contract.

If there was one phrase I wish all of my clients would always have at the front of their minds, it is simply, "Get it in writing." I have seen wonderful ideas and promising ventures torpedoed too early because one party did not understand what the other party expected. A thorough, concise contract can be the difference in great success or lost friendship and spoiled business opportunity.

If you need assistance in drafting or reviewing a contract, please reach out to Mick McGirr at Phocus Law. He can be reached by phone at (602)457-2191 or by email at mick@phocuscompanies.com.



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AZREIA Advantage: Self-Directed IRA Expert

Sunshine & IRAs – The value of International Real Estate



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by
J.P. Dahdah

*Written by Daniel Ortega,
Head of Retail Sales*

By now, hopefully you know the importance of having a well-diversified retirement portfolio. If you've been reading our monthly AZREIA articles and other advocates of alternative investing, you know that a Self-Directed IRA is the best way to diversify beyond the stock market.

With housing prices increasing throughout the country, and specifically in Arizona, many real estate investors are looking outside their current markets for profitable deals. Investing outside of the U.S. is still an underutilized investment strategy, especially within Self-Directed IRA, mainly because most Americans have been led to believe it isn't permissible, so very little time has been spent learning how it can be done. The good news is that it is permissible and could offer IRA investors with increased diversity into emerging markets with lower purchase prices.

I recently met with an international real estate developer who educated me on the pros and cons of investing internationally.

Daniel: What are some of the advantages of buying real estate outside of the United States?

Real estate developer: Many investors aren't aware that they can hold real estate within a self-directed IRA, let alone international real estate. Therefore, the opportunity for an investor to purchase a great investment property or properties is

still very likely. We're talking beach front property in certain countries that are affordable and can spit out 12-15% return on investments per annum.

Daniel: What are some of the disadvantages to buying real estate out of the United States?

Real estate developer: Well, it depends. Purchasing real estate out of the country is always difficult because it isn't something you can necessarily drive by when you feel like it, nor is it something an investor can manage on their own. In my experience I've seen many investors try to do things themselves and that can sometimes lead to disastrous experience. Additional pitfalls an investor could face would be finding the right real estate agent and property management company. Working with international investors isn't as common as you would think, so making sure these professionals have the tools and resources to support you is very important.

Daniel: This sounds like a ton of work. How long does it take to get a property under contract and to finalize a purchase?

Real estate developer: This depends on the country, the real estate agent, and the investor. Some countries make it difficult for international buyers, while others encourage it. Finding a country that does not have tight restrictions or regulations for international buyers will certainly help expedite the purchase. Finding a real estate agent that is familiar in working with international buyers is another key component. When issues arise, and they often do, you want someone that can get them solved quickly and cost effectively. Lastly, has the investor done everything needed to close the deal? Do you know where the funds are coming from? Are they accessible? Do you understand the tax ramifications for investing internationally whether personally or through a Self-Directed IRA. On average, investment

transactions that I deal with will close within 30-45 days.

Daniel: Why is investing in international real estate a good option for Self-Directed IRA investors?

Real estate developer: Well, as I alluded to before, because this is such an underutilized investment strategy you could purchase properties that are inexpensive compared to American dollars and market conditions. One important caveat to consider is that it is important to identify a credible and experienced property management company that can maintain the property in great shape and serve as a local resource for any renter needs. This helps tremendously in getting the highest return on your international investment. Due to Arizona's hot real estate market, many investors are finding it difficult to identify deals that pencil out or that they have enough capital to purchase. This is leading a growing number of investors to seek lower-priced opportunities in countries like Mexico and Costa Rica, where there is a high demand for tourism. With lower property values, investors can sometimes afford buying more properties, which not only could help supercharge your Self-Directed IRA, but give you a great quality of life post retirement.

Here at Vantage, we specialize in Self-Directed IRAs, and we support investors who have a desire to invest in real estate both domestically and internationally. We are familiar with the mechanics of facilitating transactions like these and we have resources available to you that can assist you.

If you're interested in learning more about investing your IRA savings beyond the U.S. borders or domestically, please visit www.VantageIRAs.com/AZREIA.



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by
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If you've been in the real estate investing world long enough you may have dabbled with the idea of getting on the other side of the table and being a private money lender. After all, when you started out in the real estate world, chances are you were trying to utilize friends and family's cash for short-term private money loans for your rehab before you built relationships with good lenders. Or, perhaps you haven't been interested in wholesaling and rehabbing but have a sum of money and want to jump right into private money lending and help others get started in their business.

As with any endeavor, we always recommend you meet with a lawyer, establish your business, get the required insurance, and learn the ropes. As you explore your options, you see there are limited places to store your cash while it is not loaned out.

Most of us think that savings accounts are the only option. It's a good starter place to store cash, quickly accessible, and you know right where your money is located. Savings accounts sometimes earn the .05% interest rate while just sitting, but then you receive an insulting 1099-INT at the end of the year and have to pay taxes on that interest! At least you made good money

while it was being loaned out. Other high interest yield accounts are also popular, or perhaps qualified accounts (i.e. Self Directed IRA, et al). In each case above, your money is growing on what *remains* in the account. The money outside is the real money maker.

Have you ever considered Whole Life Insurance as a place to store your money?

Properly structured whole life insurance from a mutual carrier can be substantially advantageous as a place to store your wealth. The single most advantageous benefit (in the context of this conversation) is that when accessed correctly, the money *inside* your policy is growing uninterrupted even while it is loaned out. Let me say that again. Your cash value grows year over year as if it never left even while it is loaned out to someone else!

For example: If you have \$200,000 in cash value stacked up in your policy, and the cash value was projected to grow by \$25,000 that year, it would still do so,

even if the \$200,000 was loaned out the entire year to a real estate investor.

Your cash value grows *and* you made your gains on the money that was loaned out. The growth in your policy is income tax free... when structured and accessed properly. The cash value grows as if it never left. You have living benefits and a death benefit. And that's just the start.

There is simply no other vehicle in which you can do this.

Every real estate investor should be exploring this option now. Let us help you take advantage of the most secure and profitable place to store your hard-earned money.

Call, text, email or send a carrier pigeon to discover what your own Private Family Banking System can accomplish!

*****Jason K Powers is a Multi-Business Owner, Real Estate Investor and Wealth Strategist teaching people how to create financial velocity that can last generations.***



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There Was No Eviction Tsunami



by
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After CDC Order Was Found Unconstitutional

The Center for Disease Control Eviction Moratorium was found to be unconstitutional on August 26, 2021. Despite eighteen months of media reporting of a “tsunami of evictions” no such action occurred and despite the passage of four weeks (as of the writing of this article) the eviction action numbers are still below pre-pandemic levels. It is now time to look back at the various moratoriums and determine what can be learned from them.

First, the industry as a whole is able to adapt quickly to various problems that arise. When it was learned that evictions were largely prohibited, many landlords became proactive in accepting partial payments, waiving certain charges and working with their residents. Many owners began applying for rental assistance on behalf of their residents (with the residents needing to acquiesce to such action). We had rules and laws change overnight in some cases, and the industry as a whole did an exceptional job of adapting.

Second, eviction moratoriums will forever change aspects of the rental market and be one of the reasons that rental prices rise. The

hardest part of being an attorney in this area throughout the moratoria, was advising mom-and-pop landlords about the problems they face in court against a resident who was not paying their rent. We heard from many clients that use rental properties to finance their daily lives, their kids’ education or their retirement; those people were devastated by the loss of income. Many smaller investors reported to us that they had no choice but sell and get out of the market. On the other hand, large communities will likely increase rent to account for the downside risk and to spread the loss to paying residents. When the market is unable to naturally balance itself, prices will increase as a result.

Third, the fight over the constitutionality of moratoria is still not resolved and tenant advocates will continue to push for more changes to landlord-tenant laws. The Supreme Court’s ruling on August 26, found that the Center for Disease Control did not have the authority from the federal legislature to enact an eviction moratorium. The Supreme Court did NOT find that a national moratorium was per se unconstitutional. Even as of this writing, certain federal legislators have proposed that the federal

legislature enact a new eviction moratorium. While it’s not likely to get traction, it is something that must be taken seriously.

Similarly, it is expected that tenant advocates will push for significant change in landlord-tenant matters on a state and local level. Last year, we saw a significant rise in the number of pro-resident bills. This included proposals such as rent control and longer time periods for non-payment of rent notices.

Finally, it appears that eviction moratoriums lead to increased hostility between landlords and tenants. During the moratoria, many landlords were frustrated that they were unable to enforce their contractual and state law rights to remove residents who refused to pay. Once the CDC order lifted, we have seen more residents blaming landlords for the rental assistance not being delivered fast enough and for refusing to permanently waive late fees or other charges. This is a concerning result of the moratorium.

The CDC order may no longer exist, but its implications are just being seen. We expect to see more changes and repercussions in the months to come.



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AZREIA Advantage: Lending Expert

Where Loans in Forbearance Ended Up and How Long Someone Must Wait to Refinance



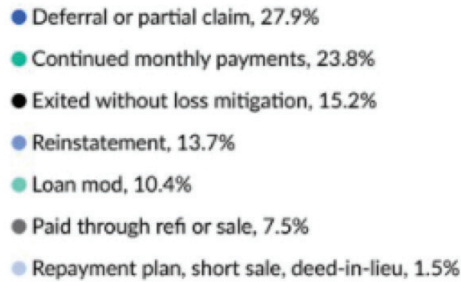
Andrew Augustyniak
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aa.loans.peoplesmortgage.com

by
**Andrew
Augustyniak**

3303 S. Lindsey Rd
Bldg. 2, Suite 104
Gilbert, AZ 85297

Where loans exiting forbearance ended up



Note: Exit data from June 1, 2020, through June 27, 2021
Source: Mortgage Bankers Association

1. For a conventional loan, 3 months of payments after exit are needed for:

- Deferral or partial claim
- Exited without loss mitigation
- Loan Mod
- Repayment Plan, Short Sale, deed in lieu of

2. For a conventional loan no waiting is needed for:

- Continued monthly payments
- Reinstatement
- Paid through refi or sale

3. For an FHA purchase or rate/term refinance loan 3 months of payments after exit are needed for:

- Deferral or partial claim
- Exited without loss mitigation
- Loan Mod
- Repayment Plan, Short Sale, deed in lieu of

4. For an FHA cash out refinance loan 12 months of payments after exit prior to case number assignment are needed for:

- Deferral or partial claim
- Exited without loss mitigation

- Loan Mod
- Repayment Plan, Short Sale, deed in lieu of

5. For any FHA loan no waiting is needed for:

- a. Continued monthly payments
- b. Reinstatement
- c. Paid through refi or sale

Always feel free to contact me directly with any questions!



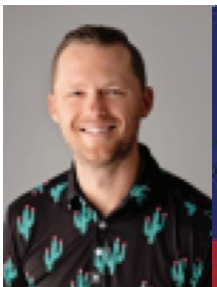
ANDREW AUGUSTYNIK *Branch Manager/Loan Officer*

Call or Text: [480.735.4095](tel:480.735.4095)

aa@peoplesmortgage.com

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Monthly Meetings

AZREIA Phoenix Meeting

Monday, October 11

In-Person 5:45 pm

Venue 8600

8600 E. Anderson Dr.

AZREIA Tucson Meeting

Tuesday, October 12

In-Person 5:45 pm

Tucson Association of Realtors

2445 N. Tucson Blvd.

Phoenix Real Estate Club

Tuesday, October 26

In-Person 6:00 pm

Grid.Works

5227 N. 7th St.

We are happy to continue to offer our monthly meetings and education in-person this month! Arizona prices are continuing to rise, and that means you need more capital for your investments! However, investing doesn't need to always be done locally. There are ways for you to successfully invest in other markets with ease! This month at AZREIA, Mike Del Prete is going to show you how to do just that! Join AZREIA in October to hear how he has expanded his investing out of state, how you can find and analyze deals remotely, the mistakes he made and how you can avoid them, and how to build and manage a team that will help your business run smoothly without you ever needing to be there! Timely, market-driven information and education makes these meetings must see. Don't miss it!

Phoenix – Current Market Trends & Activity with Tina Tamboer

Updates on Market Data Analysis and the Rental Market from Tina Tamboer of the Cromford Report provide the absolute latest information essential to your real estate investing business.

Phoenix & Tucson Main Meetings – How to Become a Long-Distance Real Estate Investor with Mike Del Prete

Mike has done 30 wholesale transactions and purchased 10 rental properties out of state in the past 14 months alone. Using his investment knowledge from the Arizona market, Mike has expanded his reach beyond Arizona's borders in order to open his real estate investing business up to more opportunities. He will be teaching you from his experience how you can do the same.

At this meeting you will learn:

- How to Find the Perfect Market for Your Investing Strategy
- Where to Locate the Best Investor Friendly Team
- The Contractor Triangle
- His Tried-and-True Strategies to Fund The Deal

- How He Can Buy-Manage-Sell a Property Without Stepping Foot Inside
- The Important Asset Protection Strategies You Need to Know

Mike has been an instructor at AZREIA for several years, and a successful real estate entrepreneur on top of that. Between his investing business, family, and new leadership position at AZREIA he still has time to wholesale properties and manage rental properties out of state due to his simple strategies that help him bring in new deals every month. He will teach you how you can do the same. There might be a limited supply in our market, but there are more markets to choose from!

On October 11th and 12th, Mike will share his most up-to-date advice on how to invest out of state and be a successful long-distance investor without exhausting your time, money, and effort.

Market Update & Market News with Alan Langston

The latest Fix & Flip and rental data along with further analysis of our Seller's market. Plus, current events and news important to your investing.

Tucson Monthly Meeting

We will be joining in-person for all the great networking sessions including Haves & Wants and a Market Update for the Tucson area, PLUS a presentation from AZREIA's Mike Del Prete!

See Phoenix Main Meeting

Phoenix Real Estate Club

This is some of the best real estate networking anywhere! Meet face-to-face with other investors to find what your real estate investing business needs! Haves & Wants, structured networking activities, market discussion, and Member Deals. It all still happens!



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AZREIA Calendar of Events

Check www.azreia.org for the current schedule.

OCTOBER MEETINGS		
AZREIA – Phoenix – In-Person <i>Monday, October 11</i>	AZREIA – Tucson – In-Person <i>Tuesday, October 12</i>	Phoenix Real Estate Club – In-Person <i>Tuesday, October 26</i>
OCTOBER SUBGROUPS – Join like-minded investors, share ideas, network, and learn in small group settings.		
<ul style="list-style-type: none"> AZREIA Prescott – In-Person <i>Tuesday, October 5</i> Income Property Owners (Buy & Hold) – In-Person <i>Thursday, October 7</i> 	<ul style="list-style-type: none"> Raising Capital & Options – In-Person & Online <i>Tuesday, October 12</i> Shared Living – In-Person <i>Wednesday, October 13</i> 	<ul style="list-style-type: none"> Beginning Investors – In-Person <i>Thursday, October 14</i> Notes – In-Person <i>Thursday, October 21</i> Fix & Flip – In-Person <i>Wednesday, October 27</i>
<p align="center">Wealth Fortification for Every Real Estate Investor <i>Saturday, October 16, 2021 9:00 am – 5:00 pm &</i> <i>Sunday, October 17, 2021 9:00am – 5:00 pm</i> Available In-Person</p> <p>Whether you have yet to make your first deal, or you’ve started your path to retirement, having an estate plan is very important in protecting you, your investments, and your idea for your future. This event will focus on the major events that investors will face throughout their lives as real estate entrepreneurs. Each step of the way, you will learn what you need to protect the estate you’ve begun building for yourself no matter the point in your investing timeline. There will be ample opportunity this weekend for you to learn, ask questions, and reflect on your own estate situation and evaluate the choices that lie ahead of you.</p>		
UPDATED INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG		

LEGALLY SPEAKING

Q: In my lease, I require that the tenants change the filters for the air conditioning every month. A tenant just moved out after 2 years and it doesn't look like they ever changed the filters once. Is there anything I can do?

A: Like all other claims regarding the condition of the property, the issue comes down to whether there was a breach of the lease and what damages you sustained as a result. If they failed to follow the lease and didn't change the filter once in two years, they were clearly not complying with the terms of

your lease. The more difficult issue is determining what your damages are. If your unit is still working, you may not have easily identifiable and quantifiable damages. You would likely need an expert, AC contractor to give the judge perspective on the quantifiable damages you have suffered. It would then be up to the judge. If changing AC filters is important to you, I would strongly advise you inspect your homes twice yearly to ensure that basic maintenance is being done.

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

October 11th Phoenix Meeting

- **Current Market Trends and Activity** Tina Tamboer will provide updates on Market Data Analysis and the Rental Market for the absolute latest information essential to your real estate investing business.
- **Phoenix Main Meeting: *How to Become a Long-Distance Real Estate Investor with Mike Del Prete*** Mike has done 30 wholesale transactions and purchased 10 rental properties out of state in the past 14 months alone. At this meeting you will learn how to find the perfect market for your investing strategy, where to locate the best investor friendly team, the Contractor Triangle, his tried-and-true strategies to fund the deal, how he can buy-manage-sell a property without stepping foot inside and the important asset protection strategies you need to know.
- **Market Update & Market News with Alan Langston** The latest Fix & Flip and rental data along with further analysis of our Seller's Market. Plus, current events and news important to your investing.

October 12th Tucson Meeting

- **Tucson Market Update:** The latest sales volume, pricing, supply and demand numbers for both the Phoenix and Tucson markets.
- **Tucson Main Meeting: *How to Become a Long-Distance Real Estate Investor with Mike Del Prete*** Mike has done 30 wholesale transactions and purchased 10 rental properties out of state in the past 14 months alone. At this meeting you will learn how to find the perfect market for your investing strategy, where to locate the best investor friendly team, the Contractor Triangle, his tried-and-true strategies to fund the deal, how he can buy-manage-sell a property without stepping foot inside and the important asset protection strategies you need to know.
- **Haves & Wants, Power Networking and Deal Sharing:** Come prepared to listen, learn and share.

October 26th Phoenix Real Estate Club

- This is some of the best real estate networking anywhere! Meet face-to-face with other investors to find what your real estate investing business needs! Haves & Wants, structured networking activities, market discussion, and Member Deals. It all still happens!

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