

# The AZREIA Advantage

Arizona Real Estate Investors Association Newsletter

"AZ Real as it Gets"

JUNE 2021

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Arizona Real Estate  
Investors Association

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Phoenix, AZ 85014

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## How Your Business Structure Impacts Your Real Estate Investment

by *Michele Leonelli*

So you're keen to invest in the molten-hot real estate market here in town. Your next question, rightly so, is: "What investment structure should I use?" In order to answer this, you'll need a solid understanding of the various entity structures, their pros and cons, and the mechanics required to establish each. Don't worry, we've got you covered. Below is an analysis of the 3 most common investment structures we see, and their corresponding features. HOWEVER, this is only an overview – if you're looking to jump into action, get in touch with us at [Phocus Law](#).

**Sole Proprietorship.** The sole proprietorship is the easiest investment structure to set up. A sole proprietorship automatically exists when an individual goes into business for themselves without forming any legal entity. It requires no government filings and no permissions. As it is just an extension of the individual, there also aren't any legal agreements or contracts necessary as there would be in the case of a partnership, for example. In a sole proprietorship, the investor would identify the property in which they want to invest and then typically seek a loan from their lender, with the loan being obtained in the investor's personal name. If the loan is approved, the loan will almost always be secured by a mortgage or deed of trust on the property, as it would be under any entity type. Now, the investor can acquire the property, and if they default on the loan, the lender will take ownership of the property. Sometimes, if the loan is particularly large or risky, the

lender will also require that the investor put down other collateral (such as other assets they own). This would allow the lender to quickly execute on the additional assets. However, because the loan is obtained by the individual, unless the investor

succeeds in obtaining a "non-recourse" loan, the lender can collect against all of the investor's individual and community assets. This exposure to personal liability is one of the significant downsides to the sole proprietorship's suitability as an investment vehicle.

**General Partnership.** This is a common option for people looking

to pool resources, such as money, knowledge, and time, for making an investment. Like with the sole proprietorship, a general partnership doesn't require any filings or permissions, aside from making a declaration to the IRS that the entity exists as a taxable partnership. Unlike a sole proprietorship, however, the investors will need to draft a partnership agreement. The partnership agreement will be the document that governs their respective rights and responsibilities – it will detail important elements like what each partner's role is, the nature of payouts from the investment, and the contributions of each partner. One significant advantage of a general partnership over an LLC is that there are very few regulations on how the partners set up and govern their partnership, whereas there are many statutory baseline obligations burdening LLC members.

One of the chief problems with general partnerships as investment vehicles is that they expose their partners to sole and separate liability for the actions that the other partners take on behalf of

*Continued on page 2*



# Executive Director's Message

## The Power of Networking

We've got a few in-person meetings under our belt now, and what more can I say than that I am blown away. Our last Phoenix Monthly Meeting we had over 100 people in attendance. Our two recent Phoenix Real Estate Clubs have been at max capacity and our subgroup in-person attendance continues to grow. Each time, the room is absolutely BUZZING.

I've said it a thousand and one times, and I'll say it a thousand and one more times, **networking is important**. Ask any AZREIA member that has been around a while and they will tell you the same thing. You can spend countless hours sifting through page after page on the internet trying to find a deal, contractor, property manager, investor, etc and then countless more hours researching their credibility and reading reviews. Or, you could go to an AZREIA meeting, talk to others in the room, meet our Business Associates, and simply *network* to find multiple recommendations from other investors who have experience with these businesses or could provide you private money or property deals that you would have never come across in your endless scrolling of internet pages.

We have been online for a very long time, and some of you have gotten used to it. *But you're missing out*. The power of networking presents itself at these meetings. It's so much more different than any networking you can do online. Trading business cards, seeing faces, sharing things like notes, contacts, ideas, it puts a palpable energy into the room that just isn't the same when doing online networking.

Since these recent in-person meetings have more than exceeded our expectations, we are looking at how we can provide more like it for our members. It was a little hard to say what the numbers

would be going back to in-person meetings since we have had to be online for so long. Now that we've seen the demand, we are working on the supply. We have the opportunity to do a lot with AZREIA moving forward. We've started the AZREIA Show podcast back up. We've been able to provide the option to do hybrid subgroup meetings. We have our Core Skills Classes available online. Launch Pad is offered online. We have adapted to provide many online services that we were previously only providing in-person. However, the need for more in-person networking options has presented itself in greater quantity than we expected, and we are ecstatic to supply.

Our goal as an organization is to help you reach your end goal. Why are you in real estate investing? What are you trying to accomplish? No matter the answer, I can guarantee you will get there faster when you are actively meeting others in your community that will help you along the way. Without a doubt. That's why you're a part of AZREIA to begin with! Whether you know it or not, by doing so you were taking a step to meet your goals by joining a community that will help you achieve them. Take more steps. Come to more meetings. Meet the people and get the information that will help you take more and more steps. The deals, market information, businesses, investors, money, we have it within our membership, waiting for you. It is up to you to put in the work to actually show up to the meetings, get the business cards, shake the hands, and *network*.

Smarter investing,  
Alan Langston  
Executive Director



## How Your Business Structure Impacts Your Real Estate Investment

*Continued from page 1*

the partnership. So, if one partner makes a poor decision for the partnership, creditors or claimants could come after the separate assets of any of the partners. To avoid this liability becoming personal, investors can form their own LLCs and have those LLCs be the partners in the general partnership. By doing so, each partner's liability would cease with the assets held by the partner's LLC. Be aware that having LLCs as partners in a general partnership will cause a *bit* of additional complexity in your annual tax returns.

Limited Liability Company. The limited liability company ("LLC") is probably the most common vehicle for multi-party investments that we see. This is because it is relatively easy to set up, requires few legal documents, provides a fair degree of

flexibility (when utilizing a well-drafted operating agreement), and provides a high amount of protection to its members (the LLC term for "owners") from personal liability. To elaborate, setting up an LLC requires filing the articles of organization, and paying a filing fee. At the same time, the members should agree to the terms of an operating agreement. The operating agreement is the chief governing document of the LLC, and it lays out important information like: (i) who the members are and what their ownership percentages are; (ii) how the LLC will be governed - how decisions will be made; (iii) how and when the LLC can spend or raise money; and (iv) how members can (or must) leave or sell their membership interests. Part of the beauty of the LLC is that state law typically

allows a large amount of flexibility for the members to choose the operating agreement terms that best fit their business. With the LLC formed and the operating agreement signed, the LLC can raise money by first obtaining an EIN and opening a bank account, and then allowing its members to contribute capital, or seeking a loan from a lender to pursue their first investment.

Correctly selecting and setting up any of these investment vehicles requires forethought and a deep understanding of the pros and cons of each structure. Are you interested in pursuing one of the above as a way to invest in real estate? Come talk to us at **Phocus Law**.

— this is one of our favorite topics and we would love to help you!



# AZREIA Advantage: Self-Directed IRA Expert

## Do You Hear Music?



*J.P. Dahdah*  
*Chief Executive Officer*

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*J.P. Dahdah*

*by Daniel Ortega*  
**Head of Retail Sales**  
**Vantage Self-Directed IRAs**

Summer is here and the time is right... alternative investors are dancing in the street! As knowledge of Self-Directed IRAs and the freedom it gives investors continues to spread across our country, the more important it is to find the right alternative custody provider. Traditional brokerage firms try to differentiate themselves from one another all the time by offering lower fees, or lower account minimums. The same can be said for Self-Directed IRA custodians and administrators. We are not all created equal. As real estate investors, if you want to join the party and boogie down in the street, you must first find the right dance partner.

Fees are always a major concern of a Self-Directed IRA investor but never has it been more evident that you get what you pay for. Therefore, an investor should be cognizant of the services their custodian offers, and how those services are designed to support them and balance that against the fees they are being charged. Nothing is worse than your favorite song coming on only to find out that your partner has two left feet.

Education is imperative when you are entering into anything foreign, so you should be sure that the Self-Directed IRA company understands the investment strategy and steps that you are trying to

## Find Your Partner!

accomplish. In turn, your chosen provider should be able to educate you adequately on how to avoid roadblocks and stay clear of prohibited transactions which could be very costly and result in taxable penalties. However, how is that education provided? Is the information being provided over the phone, email, podcast, pamphlet, chat bot or through educational workshops that provide learning opportunities within the private investment marketplace?

Adaptability is another key component of a good partner. If your partner's dancing range went from salsa to the electric slide, you would probably feel comfortable that they can handle anything. Having a Self-Directed IRA administrator that can hold a wide range of alternative assets such as real estate, private companies, private lending, and cryptocurrency is something that investors should be looking for as they survey the dance floor.

Vantage is not only the perfect dance partner but is a leader in Self-Directed IRAs. We have designed service offerings that support alternative investors in dancing to any type of music. Vantage specializes in the custody of alternative assets and believes in the philosophy of investing by design, not by default. Our real estate market is booming right now, so it is even more important to maximize all of the funding sources you have available, which includes your tax-favored retirement savings accounts. If you do not like the music, change the station. You do not like the investment options available in the stock market, change the investment options. We want to see you dance to your tune and if you are one of the lucky ones that already has a great partner then dance on. If you are interested in learning about dancing to the beat of your own drum, we encourage you to visit [www.VantageIRAs.com/AZREIA](http://www.VantageIRAs.com/AZREIA) to see if Vantage may have this dance.

[VantageIRAs.com/AZREIA](http://VantageIRAs.com/AZREIA)



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# AZREIA Advantage: Title Expert

## We Are Listening!



by  
Jill  
Bright

**Jill Bright**  
AVP/Sr. Sales Executive

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**One morning, one of our Chicago Title Escrow Officers began to mentally organize her day while on the way to the office. She had one file on the top of her mind.**

The file was a sale transaction where the seller appointed her son, via power of attorney, to act as her agent/attorney-in-fact. She was told the seller was elderly but her last email with the son was bothering her. The Escrow Officer's training kicked in. She started to ask herself:

- Why was there a need for the power of attorney?
- Where was the mother?
- Why was she unable to sign the documents herself?

So far, none of the answers provided by the seller's son were acceptable. In fact, the Escrow Officer had more questions than answers. Below are some of the facts she was struggling with:

- The power of attorney was signed by the seller in 2019.
- The listing real estate agent never met with the seller — only her son.
- The real estate agent believed the mother was alive and well, but when the seller information sheet came back, her forwarding address was in an entirely different city than where the property was located.
- The son also wrote on the sheet escrow was not authorized to contact the seller directly.

The Escrow Officer called the son

to explain she needed to talk to his mom directly. The son shouted at her, stating she would never talk to his mother and she was to rely on the power of attorney. He continued to raise his voice. Since they were failing to communicate, the Escrow Officer explained he could call her back when he could speak to her in a calm and professional manner and hung up.

The next time they spoke the Escrow Officer gave the son two options. Either his mom could attend the closing in person, or his mom could sign a new power of attorney specific to the transaction at hand. Once again, the son raised his voice and lost his manners.

The son followed up with an email stating, "Getting a new POA signed at this point would be troublesome." He also requested a mobile signing agent come to him. At that point, the Escrow Officer escalated her concerns to management and underwriting.

The use of a power of attorney is always a cause for concern. The title insurance industry has experienced several problems and claims, based on the improper use of powers of attorney. Below, let us review some best practices which should be followed when a principal in a transaction has appointed an agent/attorney-in-fact.

- A power of attorney is an instrument in which an individual, called the principal, appoints an agent, also called the attorney-in-fact, to act on his or her behalf for some stated purpose or purposes.
- The power may be limited to a particular activity, such as closing the sale of the principal's home, or can be general in its application.
- The actions of an agent/attorney-in-fact are legally considered those of the principal.
- The power may give temporary or permanent authority to act.

Each time the Title Company is asked to rely on a power of attorney, questions need to be asked. The very same ones the Escrow Officer posed. Neither the Escrow Officer nor underwriting were comfortable proceeding with the sale. There were too many unanswered questions.

If we have a transaction with you and we ask questions, it is not because we are trying to be difficult. There are so many reasons for us to verify information like this scenario above.

### Article provided by contributing author:

Diana Hoffman,  
Corporate Escrow Administrator



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# AZREIA Advantage: Private Banking Systems Expert

## Private Family Banking Systems



**Jason K. Powers**  
Wealth Advisor  
Unbridled Wealth

Call or Text:  
(303) 250-1755

by  
**Jason K.  
Powers**

[jpowers@unbridledwealth.com](mailto:jpowers@unbridledwealth.com)  
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What would change in your real estate investing business if you didn't have to pay the 7-12% interest and points to a lender?

What would change in your financial life if you never had to borrow from a bank again, but could borrow from yourself, and pay yourself back with interest, and do it over and over and over again?

What would change in your personal life if you were able to be your own bank throughout life, and finance your own cars, vacations, child's college & even retirement?

What would change in your family's life if you were able to do everything we've talked about while you're still alive and then leave a substantial financial legacy that could literally last for generations?

Most of us are on board with these ideas. What if there is one vehicle that can help you accomplish all these things... at the same time?

Now what I am not talking about is a replacement strategy against your real estate investing ones. What I am talking about is how setting up what we call 'private family banking systems' can turbo-charge your current strategies.

Utilizing these strategies allows a person to build cash value in a vehicle where it can grow uninterrupted, while at the same time being used for other things.

For example: While you're using that cash value throughout your life for real estate investing purposes, that same cash value is growing as if you never touched it. While it is doing this, you are at the same time building up the ability to supplement (or even fully fund!) retirement and even leave a legacy that could last for generations. In the end, your real estate investment strategies create passive income for retirement, all the while your private family bank supports you through retirement as well.

As I talk with more and more clients, I would have to say that the main thing I

teach is about the flow of money. Most people have money flowing away from them. My job is to work with you based on your goals and objectives, based on your current situation, taking a holistic approach to changing the constant outflow of your money, to help you turn it inward.

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And the benefits go on and on and on...



## REAL ESTATE REIMAGINED

LIVE WORKSHOP | SATURDAY, JUNE 19<sup>TH</sup> | 9:00-12:00 PM

### Finance Your Own Real Estate Deals With Private Family Banking Systems



**Jason K. Powers**



**Jonathan Wield**



**Jack Carlson**





## FHA and Property Flipping



**Andrew Augustyniak**  
Branch Manager  
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by  
**Andrew  
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Due to the tight inventory market all over the country we are seeing a high number of “flipped” properties in purchase transactions. As a reminder, Fannie, Freddie and VA do not care about flips.

FHA does not allow flipped properties. We are receiving numerous contracts on flipped properties with statements from Agents that FHA no longer cares about flips but that is not correct. Below is the FHA requirement. This guideline is available at the public website: [FHAFAQ | HUD.gov](http://FHAFAQ.HUD.gov) / U.S. Department of Housing and Urban Development (HUD) and can be accessed by Agents.

### **Does FHA have a Prohibition on Property Flipping?**

Property Flipping is indicative of a practice whereby recently acquired property is resold for a considerable profit with an artificially inflated value.

The term Property Flipping refers to the purchase and subsequent resale of a property in a short period of time. The eligibility of a property for a Mortgage insured by FHA is determined by the time that has elapsed between the date the seller acquired title to the property and the date of execution of the sales

contract that will result in the FHA-insured Mortgage. FHA defines the seller's date of acquisition as the date the seller acquired legal ownership of that property. FHA defines the resale date as the date of execution of the sales contract by all parties intending to finance the Property with an FHA-insured Mortgage.

### **Resales Occurring within 90 Days or Fewer After Acquisition:**

A property that is being resold within 90 days or fewer following the current owner's date of acquisition is not eligible for an FHA-insured Mortgage.

### **Resales Occurring Between 91-180 Days After Acquisition:**

A Mortgagee must obtain a second appraisal by another appraiser if:

- the resale date of a property is between 91 and 180 days following the acquisition of the property by the seller's; and
- the re-sale price is 100 percent “over the purchase price” paid by the seller to acquire the property.

The required second appraisal from a different appraiser must include documentation to support the increased value.

If the second appraisal supports a value of the property that is more than 5 percent lower than the value of the first appraisal, the lower value must be used as the property value in determining the adjusted value. The cost of the second appraisal may not be charged to the borrower. The Mortgagee must obtain a 12-month chain of title documenting compliance with time restrictions on resales.

### **Exceptions to FHA property flipping restrictions are made for:**

- properties acquired by an employer or relocation agency in connection with the relocation of an employee;
- resales by HUD under its real estate owned (REO) program;
- sales by other U.S. government agencies of Single Family Properties pursuant to programs operated by these agencies;
- sales of properties by nonprofits approved to purchase HUD-owned Single Family properties at a discount with resale restrictions;
- sales of properties that are acquired by the seller by inheritance;
- sales of properties by state and federally-chartered financial institutions and Government-Sponsored Enterprises (GSE);
- sales of properties by local and state government agencies; and
- sales of properties within Presidentially Declared Major Disaster Areas (PDMDA), only upon issuance of a notice of an exception from HUD.
- The restrictions listed above and those in 24 CFR 203.37a do not apply to a builder selling a newly built house or building a house for a borrower planning to use FHA-insured financing.

Always feel free to contact me directly with any questions!





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## What Landlords Need to Know...



by  
**Nick  
Mertens**

**Nick Mertens**  
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### About Changes to Arizona's Rent-Related Assistance Programs

by Nick Mertens

Over recent months, there have been changes to Arizona's rent-related assistance programs, affecting both landlords and tenants. Each program varies based on location. Arizona landlords can find specific information regarding each local program at [www.housing.az.gov](http://www.housing.az.gov).

### What This Means for Landlords

While programs are available our property managers have experienced a difficult time getting on the waitlist. If you are self-managing and would like to

work with your tenants to get assistance, our property managers recommend calling first thing in the morning and warn that it does often take multiple tries to get through. Once you do get connected, the waitlists are often several months out.

While every landlord hopes for tenants who work with them to get assistance, there are some who don't communicate or don't qualify. In these cases, landlords are allowed to serve 'Notices to Pay'. Our team suggests offering a grace period through the third, then preparing and sending the letters on the fifth. For tenants who do complete assistance paperwork, the Notice will typically prioritize their application for review. For those who don't, landlords may file in court if the tenant does not turn in a CDC Declaration. While the CDC ban has been ruled unconstitutional, as of May, it continues to be in place. While we are in a waiting game to learn more, we do not expect it to be extended past the end of June.

Landlords are required to share information regarding the CDC Declaration

when serving notices for monetary reasons. The Declaration allows tenants to avoid eviction and can stop the process up until the eviction itself. If tenants submit one, landlords are not allowed to charge them for legal fees. Submitting a Declaration does not completely eliminate the possibility of eviction. The order requires that tenants seek government assistance to try to keep up on rent. If tenants don't work with landlords to complete the Emergency Rental Assistance application, there is a legal argument to challenge their Declaration.

This creates a conversation around letting leases expire. The CDC order and Declaration's center on monetary evictions, not lease expirations. Leases that have expired leave open the option to post Notice to Quit as an alternative to moving out a tenant. Since each situation is unique, it behooves landlords to discuss their particular circumstances with knowledgeable industry associates.

*To discover how property management may be help your current situation, email Nick Mertens at [Nick@realatlas.com](mailto:Nick@realatlas.com).*



# ATLAS<sup>AZ</sup>





## Short-Term Rental Impact



**David Neilson**  
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by  
**David  
Neilson**

Airbnb is one of the best-known short-term rental companies, and there has been a lot of research into how their prices affect the housing market around them. Airbnb frequently gets a bad rap from the neighbors, from the perception that it takes away from local culture to the idea that it destroys a sense of neighborhood and increases rent prices. All these issues are generally covered under the term the “Airbnb effect,” which collectively refers to everything bad that happens because of Airbnb’s short-term rentals. However, it is not immediately clear if that bad reputation is justified.

The ‘bad boy’ reputation is summarized in a report out of Los Angeles in 2014 suggests that when Airbnb rentals cluster in an area, the rent in that area generally increases faster than rent in the areas around it. Furthermore, many people who live in tourist destinations like London, Japan, and Barcelona have seen the uptick in tourists renting through Airbnb destroy the local shops and businesses that do not cater as heavily to tourists. Airbnb guests are also viewed as outsiders in communities of all types and not subject to the same consequences regular homeowners are. Airbnb guests are often much less accountable as they do not own the home and so can be noisy, messy, and generally bad neighbors. And some governments have looked at this and banned Airbnb rentals, forcing Airbnb to build a large legal team to deal with the new legal

issues facing it.

Airbnb’s side of the argument, however, seems equally convincing and provides a slew of benefits that are not considered. Obviously, homeowners rent their homes out voluntarily, which means that Airbnb is beneficial to at least one person in the relationship. Airbnb rentals help renters in a variety of ways, from helping to diversify rental incomes to helping them have a social life. Obviously, renters are also very happy about the arrangement, as having Airbnb as an option provides tourists and people looking for rental homes with a variety of options. The kind of rentals that Airbnb makes easy are also helpful for people seeking supplemental incomes and can help those with extra space in their homes to make a little extra money on the side. While it is certainly true that rental and home prices have risen in areas where Airbnb prices have increased, the areas most affected are also areas where rent is rising anyway and that have faced similar issues before Airbnb and will likely face the same issues after Airbnb. The other issues attributed to Airbnb are similar. Airbnb and other short-term rental companies are often merely symptoms of an already existing issue. Before Airbnb existed and short-term rentals were as much a part of private business, there were still issues with places losing their native culture and neighborhoods to rentals and tourists. In many cases, the causal link between Airbnb and all the problems associated with it is flimsy at best. Plenty of the issues thrown at Airbnb are often common issues that have merely been contextualized in relation to Airbnb and rentals rather than caused by it.

So, what is the net effect? Current research concludes “Using a data set of Airbnb listings from the entire United States and an instrumental variables estimation strategy, we show that Airbnb has a positive impact on house prices

and rents.” However, continues to note “Airbnb listings leads to a 0.018% increase in rents and a 0.026% increase in house prices.” In other words, it moves prices up but only a very little bit.

Sources:

<https://www.epi.org/publication/the-economic-costs-and-benefits-of-airbnb-no-reason-for-local-policymakers-to-let-airbnb-bypass-tax-or-regulatory-obligations/>

<https://www.forbes.com/sites/garybarker/2020/02/21/the-airbnb-effect-on-housing-and-rent/?sh=558308802226>

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## Was the CDC Moratorium Ruled Unconstitutional?



by  
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In a one-word answer, “yes;” the CDC eviction moratorium was ruled unconstitutional on May 5, 2021 by a District of Columbia, District Judge. Unfortunately, that is not the end of the story. Approximately two weeks after the judge struck down the CDC moratorium, she granted a stay of her order, meaning that the CDC moratorium will continue to be enforced until it expires or until it is ruled unconstitutional by an appellate court. The ruling, and decision to stay the ruling, are both legally fascinating and important for investors to understand.

Since the moratoriums started in March, 2020, we have repeatedly heard people argue that such orders are unconstitutional. However, just because people *think* something is unconstitutional doesn't mean you can ignore the law; the law must be found unconstitutional by a court or you risk penalties under the law.

In this case, the CDC based its moratorium from a 1944 law that allows it to take action to stop communicable diseases from spreading across states and into the country from other countries. The language says, for purposes of carrying out and enforcing such regulations, the Secretary is authorized to “provide for such inspection, fumigation, disinfection, sanitation, pest extermination, destruction of animals or articles found to be so infected or contaminated

as to be sources of dangerous infection to human beings, and other measures, as in his judgment may be necessary.” Until a few months ago, no one would have thought this extended to controlling evictions in the 50 states.

In her May 5, 2021 Order, the district court judge unequivocally wrote that “The national eviction moratorium satisfies none of these textual limitations. Plainly, imposing a moratorium on evictions is different in nature than “inspecting, fumigating, disinfecting, sanitizing, . . . exterminating or destroying,” 42 U.S.C. § 264(a), a potential source of infection.” These short two sentences summarize the arguments that owners have made since September – the CDC should not, and does not, have the legal authority to deprive property owners of their rights. Remember, to allow a resident to not pay rent and stay in a property, constitutes a delay of the owner's contractual rights and state law rights, and is an interference by the federal government in a state issue.

The Court further held that, “ORDERED that the nationwide eviction moratorium issued by the Centers for Disease Control

and Prevention, and currently in effect at 86 Fed. Reg. 16,731, is VACATED.” Owners rejoiced immediately, thinking that the CDC order had expired. However, the District Court held its order and allowed the government to seek an injunction.

After full briefing, the District Court reiterated that it thinks the CDC does not have authority to enter such a moratorium, but because it was such a novel issue, it would stay its ruling until the matter was reviewed by an appellate court. In other words, even though it is unconstitutional, the Court won't strike it down until it has been reviewed on appeal.

This was disappointing to many owners, especially because the CDC order is set to expire at the end of June. It is still very important that this case proceed to completion (even if the order first expires) so property owners in the country do get a ruling on this issue, so it doesn't happen again. However, remember that this ruling only analyzes the CDC's authority. Even if this is struck down, its possible that the federal legislature or another agency may enter a new moratorium. Stay tuned...



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# Monthly Meetings

## AZREIA Phoenix Meeting

Monday, June 14

In-Person 5:45 pm

Doubletree Mesa/Phoenix

1011 W. Holmes Ave.

## AZREIA Tucson Meeting

Tuesday, June 15

Zoom 5:45 pm

## Phoenix Real Estate Club

Tuesday, June 22

In-Person 6:00 pm

Grid.Works

5227 N. 7th St.

We are going to be both In-Person and Online this month for our meetings! Join us In-Person for the Phoenix Monthly Meeting on Monday and online for the Tucson Monthly Meeting Tuesday night via Zoom. The Phoenix Real Estate Club will continue to be In-Person this month as well. We are joined this month by Phocus Law for a presentation on how to structure your deals legally and effectively! Timely, market-driven information and education makes this meeting must see. Don't miss it!

## Phoenix – Current Market Trends & Activity

Market Data Analysis and the absolute latest information on Legal Updates and the Rental Market that is essential to your real estate investing business.

## Phoenix & Tucson Main Meetings – How Your Business Structure Impacts Your Real Estate Investment

Real estate investing requires that each investor make several important choices in order to maximize their return and minimize their risks. The structure of each investment deal is one such decision. Join Phocus Law as they discuss the three most common deal structures, the salient documents involved in each, as well as the pros and cons of each deal structure. During this presentation they will cover the following deal structures: 1) Investing as a sole proprietor, through your own entity, with funds coming in the form of a loan secured against the investment property; 2) A classic partnership where multiple people or entities join forces in order to pool funds using a partnership agreement; and 3) A classic joint-venture in which several parties form and manage a common legal entity like an LLC, as governed by the LLC operating agreement.

The presentation will feature:

- Three of the most common deal structures for real estate investments:
  - Sole proprietor investors, partnerships, and joint-ventures
- The standard legal documents common to each deal structure
- The advantages and pitfalls of each deal structure

Inside knowledge from legal experts critical to maximizing success in each structure

## 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 online for all the great networking sessions including Haves & Wants and a Market Update for the Tucson area.

## 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! Come early, open networking starts at 5:30!

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# AZREIA Calendar of Events

Check [www.azreia.org](http://www.azreia.org) for the current schedule.

## JUNE MEETINGS

**AZREIA – Phoenix – In-Person**  
*Monday, June 14*

**AZREIA – Tucson – Virtual**  
*Tuesday, June 15*

**Phoenix Real Estate Club – In-Person**  
*Tuesday, June 22*

**JUNE SUBGROUPS** – Join like-minded investors, share ideas, network, and learn in small group settings.

- **AZREIA Prescott – Online**  
*Tuesday, June 1*
- **Income Property Owners – In-Person**  
*Thursday, June 3*
- **Tucson New Investors – Online & In-Person**  
*Monday, June 7*

- **Raising Capital/Options – Online & In-Person**  
*Tuesday, June 8*
- **Residential Assisted Living – Online**  
*Wednesday, June 9*
- **Notes – Online**  
*Thursday, June 17*

- **Beginning Investors – Online & In-Person**  
*Thursday, June 17*
- **Fix & Flip – In-Person**  
*Wednesday, June 30*

### Launch Pad Group Session

*Friday, June 4, 2021 | 9:00 am – 1:30 pm | Available Online*

The Launch Pad Group Session is for AZREIA Members and future members new to real estate investing who want to dramatically increase their probability of success and shorten the time to complete real estate investment deals to reach their financial objectives. You believe real estate investment can solve a problem in your life. We believe so too... but will you do it? Launch Pad is designed to take months off your development cycle and get you focused where you need to be focused! Virtually all new investors start without a clearly defined path. Without a path, your odds of success plummet. AZREIA is here to help you get started the correct way and help you design your personal pathway to achieving your goals and changing your life. Want to get started today? You can take the Entrepreneurial Self-Assessment for free right now! Visit [azreia.org/entrepreneurial-self-assessment/](http://azreia.org/entrepreneurial-self-assessment/)

**UPDATED INFORMATION & REGISTRATION ONLINE AT [WWW.AZREIA.ORG](http://WWW.AZREIA.ORG)**

## LEGALLY SPEAKING



**Q:** I am getting into buying real estate. What is the most important part I need to do?

**A:** This is always a difficult thing to answer, as there are so many important things to be aware of when buying property. From inspections, to knowing the rights of the occupants, there are limitless issues that can arise. I would say, however, that the single largest step you must take is obtaining title insurance. Title insurance is the

quickest way to protect the value of the asset you are buying. We have seen too many investors try to do quick deals, using quit claim deeds and avoiding title, only to find that they spent hundreds of thousands of dollars on something that they don't even own. Or they find out that they bought something, but the property is subject to countless liens. Buyers need to make sure that they are actually getting what they think they are buying.

*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

### June 14th Phoenix Meeting

- **Current Market Trends and Activity** Market Data Analysis and the absolute latest information on Legal Updates and the Rental Market that is essential to your real estate investing business.
- **Phoenix Main Meeting: *How Your Business Structure Impacts Your Real Estate Investment*** Real estate investing requires that each investor make several important choices in order to maximize their return and minimize their risks. The structure of each investment deal is one such decision. Join Phocus Law as they discuss the three most common deal structures, the salient documents involved in each, as well as the pros and cons of each deal structure.
- **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.

### June 15th Tucson Meeting

- **Tucson Market Update** The latest sales volume, pricing, supply and demand numbers for the Tucson market.
- **Tucson Main Meeting: *How Your Business Structure Impacts Your Real Estate Investment*** Real estate investing requires that each investor make several important choices in order to maximize their return and minimize their risks. The structure of each investment deal is one such decision. Join Phocus Law as they discuss the three most common deal structures, the salient documents involved in each, as well as the pros and cons of each deal structure.
- **Haves & Wants, Power Networking and Deal Sharing:** Come prepared to listen, learn and share.

### June 22nd 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! Come early, open networking starts at 5:30!