

THE AZREIA ADVANTAGE

ARIZONA REAL ESTATE INVESTORS ASSOCIATION NEWSLETTER

"AZ Real as it Gets"

AUGUST 2022

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ARIZONA REAL ESTATE
INVESTORS ASSOCIATION

4527 N 16th St #105
Phoenix, AZ 85016

480.990.7092
www.azreia.org

Is Buying Land a Good Investment?

by Jack Bosch

7 Reasons why buying land is a better investment than traditional real estate.

Real estate investment is HOT right now. Every

time you turn the TV on, there's a new house-flipping show on but you see a deeply edited version of reality. Buying a house to flip is so much more difficult than it seems.

Land, however, is a different story. When you compare buying land to buying houses, the advantages pile up fast. Land flipping is both a no-brainer and a well-kept secret.

Here are 7 compelling reasons why buying land is a better investment than buying houses.

1. **Less Competition**
2. **Extensive Education is Unnecessary**
3. **Less Hassle**
4. **Less Cash Upfront**
5. **Less Risk**
6. **Sell Remotely**
7. **Quicker Profit Turnaround**

#1 There Is Very Little Competition

Everyone and their brother are flipping houses these days, but that means there is a ton of competition in the market. There are only so many houses to go around. Sure, there are plenty of houses, but not ones that you can flip for a big profit. Since everyone is going after the same houses, the demand for these properties has become outrageous.

Investment in the land, on the other hand, is one of the real estate's best-kept secrets. No one is making TV shows about land flippers since there's nothing sexy about selling dirt. People don't realize how valuable a raw piece of land in the right location is. However, the question "is buying

land a good investment?" Definitely YES. And, once people start finding out about the land flipping space, the competition will ramp up.

#2 You Don't Need Extensive Education or Experience

You do not have to be a real estate investor or expert to figure out how to flip a parcel of land. As a matter of fact, you don't even need a real estate license. Anyone can learn how to do it. You simply need to learn [what to look for when buying](#)

[land](#) and understand that with the right due diligence, anybody can make a great purchase and start collecting passive income.

#3 There is Less Hassle

Flipping houses is a lot of work. When you watch a TV show, you only see an inch or two of what it's actually like. They don't show you all the expenses that added up to more than they projected or tell you about the television network that paid for the house.

They don't show you the room full of people working the phones, cold calling seller after seller to get a deal, or the 20,000 pieces of mail they sent out in mail campaigns. You don't see the acquisitions manager they have to pay or the hard money lender who charges a fee and interest. You can buy and sell vacant land without dealing with

Continued on page 7

Our Investment in Our Members



Whew! These past six months have flown by. Look at what we've done just in the first half of the year:

We've had John Burley, Maria Giordano, Phoenix Deputy City Manager Gina Montes, The Wholesale Sharks, Max Jimenez, Steve Trang, Congressman Greg Stanton, Mark Zinman, Marcus Maloney, Greg Slaughter, and Tina Tamboer all join us to share their expertise with us and teach us something new.

We've had a wholesaling class, a landlord class, a fix and flip bus tour, multiple Launch Pad planning sessions, almost 100 subgroups and meetings, our five Core Skills Classes, our new monthly Cash Flow 101 board game sessions, our new monthly Membership Discovery sessions, and a new weekly educational meeting called "Not Another Lunch and Learn."

We've rolled out our Membership Learning Hub, a brand-new website, 30 new podcast episodes, new forums on our website (one of which is a place to post your properties to our members to see), an LLC creation program in conjunction with Phocus Law, added investing calculators to the website, built and moved into our new offices and state-of-the-art training room, rolled out the Deal Finders Club, started collecting data from our members for an expanded market update at our meetings, and won the 2022 Innovation Award from the National REIA.

After spending the slow month of July sitting back, taking a deep breath, and planning for the future, we are ready to get rolling on our plans for the next half of this year in full force.

We will be back with our subgroups and monthly meetings, we already have Jack Bosh, who specializes in flipping lots and land, coming to our monthly meeting this month, Anthony Chara, who specializes in multifamily housing, Al Williamson, who specializes in extended stay AirBnB rentals, and Tina Tamboer, the top residential market analyst in the state, on the docket for our upcoming meetings and events. We're planning an out-of-state investing class, wholesale class, creative deal structuring class, Launch Pad sessions, and a fix and flip bus tour. We have a few new subgroups in the works that we might be rolling out very soon and a new upcoming affiliate program where members can earn credits for recommending new members. Plus, this November we will be celebrating AZREIA's 20th Anniversary!

We are always finding the next best experience, opportunity, or education to provide our members. We want everyone to make the best of their real estate investing and be excited about it! So, let's make it exciting! Join us on our ride to the future, we always have a seat saved just for you.

Smarter Investing,
Michael Del Prete
AZREIA Executive Director



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Changing Your Financial Trajectory



Jason K. Powers
Wealth Strategist
Unbridled Wealth

Call or Text:
(303) 250-1755

by
**Jason K.
Powers**

jpowers@unbridledwealth.com
<https://unbridledwealth.com/>

In the book, "How Privatized Banking Really Works" (Lara & Murphy), "It is possible to salvage your household's financial situation, despite the shackles put in place by powerful forces. But you don't stand a chance if you allow these same forces to design your blueprint for escape..."

We are in strange times, financially speaking. Any given day, we can turn on the television and hear someone talking about the inflation rate, consumer debt, a boom or bust cycle, investment decline, and more. At the time of this writing, US National debt is up over \$30 Trillion. Student Loan debt is up past \$1.7 Trillion. Credit Card debt has surpassed \$1.1 Trillion. Only ten years ago, US National debt was at \$15 Trillion. Credit Card debt was hovering at \$852 Billion. Let those numbers sink in.

Let's take a minute and visualize just One Trillion Dollars. If you spent \$1 per second you will have spent \$86,400 in one day or \$31.5 Million in a year. It would take you nearly 32,000 years to spend 1 trillion dollars. Again, our Country is \$30 Trillion in debt. You can draw your own conclusions on the impact of this kind of spending.

Personal finances for thousands are in shambles or at best traumatized. Savings The AZREIA Advantage

accounts are being depleted, retirement accounts taking a beating, interest rates rising, and the list goes on.

How do we protect our hard-earned money? Where do we store money besides our bank accounts & qualified employer or government-controlled environments?

In our financial world, most of us prefer to have our money in something that is safe, liquid, has a high rate of return, is tax-advantaged, can provide a (future) source of income, isn't correlated with the stock market if it can be helped, acts as a hedge against inflation, and is creditor protected. It's ok to dream, right?

Change the way you think about your finances, and it will change your future.

One little-known strategy used by the wealthy is putting money through a properly structured whole life insurance policy and utilizing the cash value access to create financial velocity. We call this the

Infinite Banking Concept. It is an avenue where you can warehouse your wealth allowing it to compound year over year (internally) even while you're using it (externally) to make even more money. It is a place to warehouse your wealth while at the same time borrow against it to use for real estate investing, private money lending, financing your own car, a down payment on a house, buying a house outright, and even retire on.

One has to wonder why the wealthy use this strategy. One has to wonder if simply changing the way we think about money can change our financial trajectory, while still allowing us to do the things we love.

Article written by Jason K Powers. Jason K Powers is a Multi-Business Owner, Real Estate Investor & Wealth Strategist helping people change the way they think about their money, to create financial velocity that can last for generations.



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Legal Tips to Launch Your Consulting Business



Michele Leonelli
Attorney at Law

Phocus Law

Phone: (602) 457-2191

Michele@
phocuscompanies.com
phocuslaw.biz

by
*Michele
Leonelli*

For many of our friends and members at AZREIA, real estate investing is a side hustle. This means that folks often have a primary occupation, or that they have several gigs on the go. Among the most common of these non-real estate occupations are consulting companies. We've worked with a host of consulting companies along the entire lifecycle of their businesses: from setup to sale. In this article, we'll explore the three main topics to consider in setting up your consulting business.

While setting up a consulting business can feel daunting, it doesn't have to be. If you ask yourself a few crucial questions before putting your plans in motion, you can create a consulting business that's legally protected and well-staffed – with efficient agreements that ensure that both you and your clients get what you want out of a deal. Here are three tips to get you started.

Choose The Right Legal Entity

When creating your consulting business, the most important decision is the first: which legal entity will you choose for your business? For those AZREIA readers that have followed some of our earlier articles, this will be old hat but the most common three structures are a corporation, a partnership, or an LLC, and there are pros and cons to selecting each.

All new business owners should look for a structure that balances legal protection with ease of setup, sale, and fundraising. Of the three most common legal entities – a corporation, partnership, or LLC – we typically recommend an LLC. Like a corporation, the LLC offers liability protection for its owners. While the tax benefits of an LLC don't always compare favorably to those of a corporation,

an LLC offers a more flexible structure that is cheaper to launch and easier to govern than the corporation. This allows new business owners to get started with their dream business with a high degree of protection, and a minimal amount of hassle.

Once you've determined the legal entity for your consulting business, you still need to ask yourself a few key questions, like: (i) how to operate your business in order to maximize your liability protection; (ii) how to ensure statutory compliance; and (iii) how you'll create your LLC's Operating Agreement. Hands-down the most important governing document for your LLC is the Operating Agreement – this should be drafted by a lawyer; shortcuts will only cause pain down the road.

Determine Your Hiring Strategy

Now it's time to hire your team, which means deciding between employees, fractional roles, and independent contractors. Each consulting business is different, so there's no clear-cut right answer here for how best to classify your staff. We recommend asking a few salient questions here to determine which route is best for your business. Deciding between employees and independent contractors comes down to the nature of your relationship, the degree of control you want to maintain in that relationship, and the financial incentive structure that works best for your budget and your billing needs.

To home in on the right answer for your business, it's worth considering each of these questions in light of a bigger question, namely, what's the cost to your company of misclassifying your employees? A complete picture of benefits and risks will equip you to pick the best structure for the current realities and functions of your business.

Bring In the Right Kind of Clients & Use the Right Contract(s)

Once you have the legal entity for your business, you're ready to bring in clients. Introducing a new party into the picture brings inherent risks and complications – and more possibility for things to go wrong. Start smart by creating a thorough services agreement that ensures a clear, well-defined working relationship

for all parties. A services agreement is the key agreement between you and your clients, explicitly spelling out what you're offering, for how long, for how much, and on what terms.

There are two main options for service agreements: a Master Service Agreement (MSA), or a Sale of Services Agreement, (SSA). The MSA is more thorough and detailed than the SSA, and it is usually used in situations where multiple engagements are anticipated between the company and the client. While the body of the MSA will contain the bedrock legal terms for all projects, the company can attach a standalone Statement of Work (SOW) detailing the specifics of each individual project. Ideally, you'd draft one MSA that you use throughout a client relationship, supplementing with SOWs when necessary.

A good should specify, among other things, the scope of a project, how much and how you will be paid, how intellectual property will be protected, whether the deal is exclusive, and whether the agreement is project- or time-based. These stipulations form the core of an MSA and should be supplemented with details particular to the project. The MSA will be your consulting business' most important client-facing document; it's essential to draft it properly at the outset to ensure you protect your business and maximize your business opportunities. As my partner, Mick is fond of saying, "An ounce of prevention equals a pound of cure."

Congratulations – in just a few easy steps, you've launched a successful, well-staffed, legally-protected consulting business that will meet your needs as well as your clients'. Now it's time to get to work on what inspired you to start your business in the first place.

The above is only some of the issues we routinely handle for our consultant clients. So, if you've started a consulting business, or if you're looking to get one going, don't hesitate to reach out to me directly for more help: michele@phocus-companies.com. I work with a variety of consulting businesses across different industries, and I'd love to help you with yours!





Timing Is the Investor's Opportunity Window



Andrew Augustyniak
Branch Manager
Loan Officer

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aa@peoplesmortgage.com
aa.loans.peoplesmortgage.com

by
**Andrew
Augustyniak**

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

After one of the most dramatic real estate bear markets in recent history, the real estate market has taken a distinguishable turn recently. More and more indicators are pointing to an ease in the real estate market, meaning that investors who chose to wait out the hot market since the beginning of the pandemic could be in for a long-awaited reward in the near future.

Indicators of a softening market

- Price Reductions
- Less Mortgage Applications
- Lower Anticipated Price Growth

Inflation has been a crucial deciding factor in the quickly

changing housing market. While the fed continues to combat the 40-year record high inflation rate, mortgage rates continued to climb aggressively all through the first quarter of this year, although there was some relief when weekly mortgage rates slightly dropped in July. However, with rates being much higher than the unrealistic rates we saw through 2020 and 2021, we are seeing that they have been a contributing factor in slowing the markets down.

Further, more home sales are falling through now than at any other time since the start of the pandemic. According to a report from Redfin (<https://www.redfin.com/news/home-purchases-fall-through-2022/>), 14.9% of pending home sales fell out of contract in June. The report suggests that high mortgage rates are on cause leading to the fallout. Depending on contingency periods, some borrowers have run into rate locks expiring, which often changes the equation entirely. While others look to the market for advice, maybe backing out for other reasons, such as waiting for a potential less competitive market.

Because I do not have a crystal ball, I am unsure how much the market will correct. Paying close attention to the changing housing stats and monitoring the recent sale prices can give a better understanding of which markets are starting to show that ease, and which ones aren't quite there yet.

We are now seeing the long-awaited shift in the market. The sellers are beginning to lose some of the control they have yielded over the past two years as we see homes sitting on the market longer while buyers are starting to gain said power and control in the market. This is great news for investors. There's no telling where the bottom of this market will be, so as long as you follow the trends and monitor the market you will find the right deals!

<https://www.businessinsider.com/housing-market-pessimism-deals-cancelled-real-estate-outlook-drhorton-2022-7>



ANDREW AUGUSTYNIAK *Branch Manager/Loan Officer*

Call or Text: [480.735.4095](tel:480.735.4095)
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As a new investor, Derek took the time to ensure I understood the process and provided me with key learnings/ considerations that I didn't have to ask. I value this since "I don't know what I don't know." I consider Derek/Gila to be my go-forward partner.

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LEGALLY SPEAKING



Q: I have a single-family home that I rent out. Unfortunately, I forgot to check the boxes on the lease to show that the tenant is liable for utilities, and now the tenant doesn't want to reimburse me for utilities. The utilities are in my name. What can I do?

A: There are arguments you can make, but there is no guaranteed way to ensure you get paid. Generally, a contract is to be enforced as written. When a contract is not clear, the legal doctrine says that it is supposed to be interpreted against the

drafter. In this case, the contract is not confusing, you just disagree with what is written. Further, you are the one that drafted it. Therefore, you may have to rely on the argument that there is a "mutual mistake" in the drafting. You would have to serve notice and then try to evict - it would then be up to a judge to determine the parties' intent versus what was put in writing. There is no way to guarantee what a judge will do.

– Mark B. Zinman, Attorney
Zona Law Group, 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.

Is Buying Land a Good Investment?

Continued from page 1

a building inspector, gas company, plumber, or tenants. Basically, there's no mess, no hassle, and no hidden costs.

#4 You Don't Need Much Cash Upfront

Houses are expensive, even before you pour all the money into repairs. There are several different types of real estate and several different property taxes. Tons of the land investors we've mentored decided to turn away from real estate after having a bad experience with flipping commercial property. Even trying to flip a retail property requires a good amount of cash flow before your start profiting.

The land is cheap if you know where to look, and it's valuable if you know who to sell it to. You can [buy a vacant lot for a few hundred dollars](#) and sell it for a few thousand. Then, you already have money to invest in your next parcel of undeveloped land. With most real estate investments, you need to be fairly rich before you can even start but land purchasing is a different story.

#5 There Is Less Risk Involved

Any time you're spending less money, there's less risk. When buying houses, you have the initial costs, plus all the repairs, and those hidden costs add up fast. If you can't find a buyer willing to pay you enough, your profit is at risk. Why take a higher risk to make less money when you can make more money with lower risk?

#6 You Can Sell Land Remotely

You don't need to leave your house to buy vacant land. You can literally do it from your couch with your laptop and cell phone. We've bought and sold properties that we've never seen in real life. This is one of the biggest

benefits of land ownership in the times we're living in right now. There are all types of land available for sale, and they're easy to find if you know where to look.

#7 You Can Make Sizable Profits Quickly

Let's be honest—it takes a long time to turn a profit when you're flipping houses. Be prepared to hit your head against the wall for the next 18 months before you close your first deal. But you can flip a piece of land for a sizable profit in just days.

We've done this hundreds of times now, and we teach others how to do it too. Many of [our Land Profit Generator students](#) close their first land deals within their first 90 days of starting their business. That's unheard of anywhere else in the real estate space.

Bonus Advantage: A Community to Cheer You On

Land flipping really is for anyone and everyone. If you're committed, motivated, and willing to learn then you will succeed. Buying raw land is simple, cheap, and easy to sell. There's little to no risk involved and you can sell it from the comfort of your couch.

There's also minimal hassle or mess and very little competition. You'll set [long-term goals](#), achieve them in the short term, and have to set new ones. And when you join our [Land Profit Generator Community](#), you have a whole lot of people cheering you on and helping you out. Overall, it's a win-win.

Learn more about Land Investment with Jack Bosch at www.landprofitgenerator.com/author/jackboschinvestments-com/.





What Will Be the Impact of Rising Rates?



David Nielson
Boomerang Capital Partners

2152 S. Vineyard #105
Mesa, AZ 85210

Office: 480.779.9779
www.boomerangcapital.com

by
**David
Nielson**

"History doesn't repeat itself, but it often rhymes." – Mark Twain

What happened last time rates rose aggressively, and a demographic driver was pushing up demand for homes? These are exactly the questions asked in "The Baby Boom, The Baby Bust, and the Housing Market," an article published by Harvard in 1989 that looked at housing prices in the 70s and 80s. The conclusion is that the huge demand driven by demographics overrides all other factors, including interest rates, which is even more

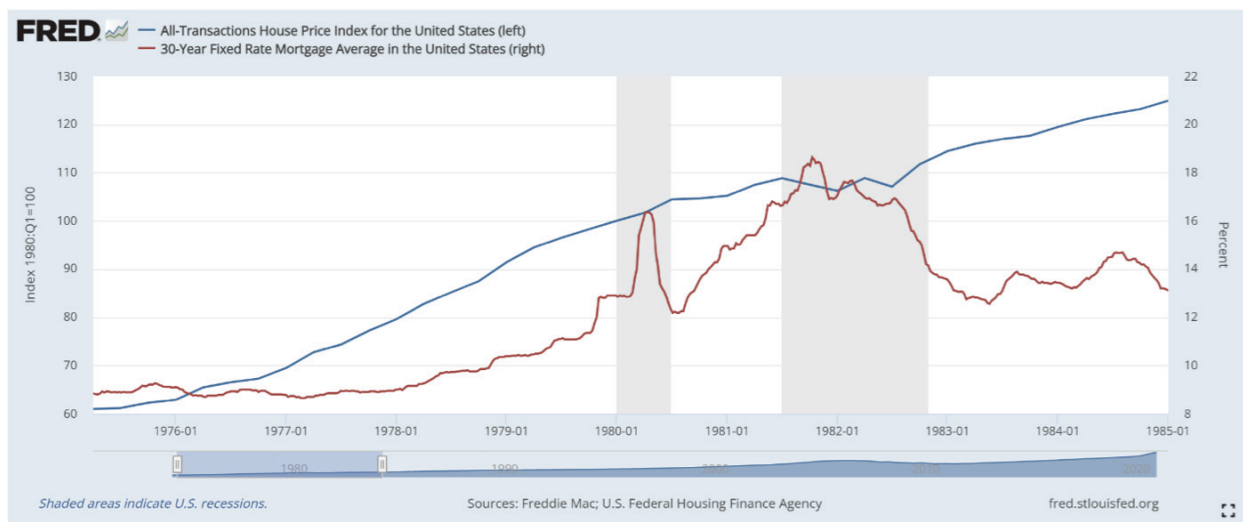
stunning considering rates rose during that period from 10% to 18%.

This is extremely relevant to our industry now and although we don't speculate on SFR, we lend to it, so of course, we end up intently focused on it. Even just eyeballing the data suggested the two (rise in rates and demand for SFRs) really aren't correlated, and 'something else' is going on. Below is a chart of home prices vs interest rates from 1975 to 1985, with the blue line representing home prices and the red representing rates, while the shaded zones are recessions. This must have been a head-scratcher then too.

So, last time it was the Boomers, this time it's the Millennials, and we feel confident of a continued increase in home

prices, albeit at a much slower pace. And of course, there will be some localized pullbacks-and-forth in asking prices. This should come off as well, and indeed we have been seeing that over the past month or so. Asking prices have become pretty silly at more than \$400 per square foot, but they have been settling back down to much closer to something that will actually trade around \$300 per square foot. However, this certainly doesn't mean an overall 'collapse,' and comparing traded prices to traded prices (instead of asking prices to asking prices) will be a much less volatile and more realistic, series.

Rates can rise, but housing demand seems well underpinned by demand, just like when disco reigned supreme.





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by
J.P. Dahdah

by **Daniel Ortega**
Vantage Self-Directed IRA's

The Phoenix housing market is showing signs of cooling down, but it isn't leading to it being less competitive for real estate investors. In fact, many of the conversations I'm having with experienced and savvy real estate professionals continue to highlight that a slight decline in pricing combined with increasing interest rates is still creating challenges for investors seeking profitable deals. Even though houses are sitting on the market longer (i.e., 30+ days), sellers offering concessions (i.e., buying down rates), and inventory is up threefold resulting in more choices, the reality is that pricing isn't quite yet low enough for the majority of investors focused on equity-based real estate strategies (i.e., buy and hold, fix and flip, etc.).

As investors, you're only as successful as the capital you have to deploy into effective strategies. So, ultimately, it comes down to a capital issue. Many investors have simply been pushed out of the equity ownership side of the real estate market in various sectors and across many geographic regions. As more and more investors realize this, they are in an ever-increasing search for capital. With the traditional credit market tightening and getting more expensive, now is a great time for investors to explore becoming a private money lender instead of staying in the rat race of seeking which property to buy next. Instead of being on the equity side of real estate, you could consider being on the debt side. If you've got cash sitting idle inside of an IRA or old 401K or invested in the volatile stock market, now may be the best time to "become the bank"

with your tax-favored retirement savings since you would be hard pressed to find someone who isn't looking to borrow money and pay you handsomely for it. Private promissory notes secured by real estate (aka Trust Deeds) are fast becoming the most popular and enticing strategy for Self-Directed IRA investors.

Secured private notes give investors a safer and more secure tangible asset position in a real estate transaction that has much more value than the money being lent. Therefore, in the event of foreclosure, you're receiving an asset worth more than that for which you paid. For example, imagine lending \$100,000 from your IRA to a borrower who uses their \$200,000 valued home as collateral. If the borrower defaults on the loan, your Self-Directed IRA gets to keep the \$200,000 property.

Another benefit of becoming a private lender with a Self-Directed IRA is that you get to enjoy tax-favored interest payments. That's right, the money being paid back to your IRA is tax-sheltered. No more worrying about if the market is properly growing your retirement dollars. No more stress about market disruptions, no more out-of-your-control reasons why your account balance is going in the wrong direction. If your Self-Directed IRA makes a loan with an 8% interest rate, then you'll make your 8% for the entirety of the loan regardless of market conditions. If you are over the age of fifty-five and need to ensure your retirement portfolio has downside protection and is producing yields high enough to achieve your financial goals, pivoting from low-producing bonds into a private loan you control the terms of may just be the real estate strategy you've been hoping to find.

Happy Investing!

For more information about real estate investing with a Vantage Self-Directed IRA, please visit www.VantageIRAs.com.

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dhawks@hawks-cpa.com

www.hawks-cpa.com

by
**David J.
Hawks**

With the end of 2021 came several tax laws that expired. These laws require Congressional extender bills to allow the laws to remain in force and be retroactive back to the beginning of 2022. Congress may not be able to extend any of these laws given the current political climate so here are some tax laws that are currently not in effect for 2022.

Individual Tax Items

- In 2021, there was an increase in the child tax credit. In 2022, the credit reverts to \$2,000 (from \$3,000). The age of children eligible for the credit also goes back to those under 17 instead of under 18. The credit is no longer fully refundable (\$1,400 max) and reverts to the lower income phaseouts that were in place before 2021.
- In 2021, there was also an increase in the dependent care credit. In 2022, the credit reverts to 20% (from 50%). The lower adjusted gross income (AGI) phaseout becomes applicable so higher income earners will receive less or none of the credit.

The qualified expenses also revert to \$3,000 for one child or \$6,000 for more than one (from \$8,000 and \$16,000).

- Individuals with charitable contributions who used the standard deduction in 2021 were able to claim a \$600 deduction on the face of their federal tax return. This \$600 deduction goes away in 2022.
- The 2021 increase to the earned income credit for taxpayers without children and for older and younger taxpayers reverts back to 2020 rules.
- In 2020 and 2021, an itemized deduction for qualified charitable contributions was allowed up to 100% of AGI. In 2022, the limit goes back down to 60% of AGI.
- The credits for nonbusiness energy property (insulation, windows, doors, etc.) and alternative fuel vehicle refueling property (electric car chargers) expired at the end of 2021.
- The itemized deduction for mortgage insurance premiums is no longer deductible as mortgage interest in 2022.
- Required minimum distributions returned for taxpayers who are older than 72 after 2018.
- Cafeteria plan deferrals for childcare revert to \$5,000 (from \$10,500).

Business Tax Items

- Full expensing of R&D costs changes to a 5-year amortizing asset deduction in 2022.
- The business interest expense deduction from 30% of EBITDA in 2021 to 30% of EBIT in 2022.
- The 1099-K reporting threshold of \$20,000 for 2021 dropped to \$600 for 2022, meaning those who receive payments from credit cards, or third-party payment networks such as PayPal or Venmo will receive the tax form when they may not have received one in the past.
- The Employee Retention Credit for all businesses, including startups, expired at the end of 2021. It can still be claimed on an amended 941 for 2020 and 2021.

This is not an exhaustive list of tax law changes. Please consult your tax adviser if you have questions regarding any of these or other tax laws that may have expired at the end of 2021.

If you need the help of a CPA who understands real estate taxation, you can call me at (480) 626-5557 or email me at dhawks@hawks-cpa.com.





Steps to Prevent Wire Fraud



by
Jill
Bright

Jill Bright
AVP/Sr. Sales Executive

Chicago Title
Maricopa County

Phone (602) 525-0790
BrightJ@ctt.com
www.ChicagoTitleArizona.com

All out-going wires sent from our company's escrow trust accounts must be approved by two authorized bank signers before they are sent to our accounting dept. We require two approvers to review the wire for accuracy against the source document before sending it out as an added layer of protection.

Here is how the process works:

The person sending a payoff wire verbally verifies the wire instructions at a known trusted phone number and documents when and who they spoke to so anyone looking at the file knows the wire was verified.

Next, the demand is read thoroughly to ensure the full amount necessary to pay the loan is being sent. Then they ensure the file is fully funded and will not be overdrawn by the disbursement. Finally, the wire-up is set up in the system. Once the wire has been set up, a second bank signer is required to verify all the same items and confirm the information entered is correct. They must also ensure the routing and account number are correct then make certain the correct loan number and borrower name is referenced

before approving the wire to be released to accounting.

Once the approved outgoing wire request is received by our accounting dept, they too will verify the wire instructions. Next, they read through the demand to ensure the wire will pay off the loan per the written demand or estoppel. Accounting verifies the routing and account number are correct against the demand then also checks the correct loan number and borrower name is referenced. When each person does their part, the process protects the Company and ultimately our customers.

Recently, one of our offices ordered a payoff demand from a mortgage company. The demand was ordered on April 25, 2022, and was received on April 27, via email. This payoff included wire instructions to a bank in New York. On May 2, 2022, an amended demand was received which included an increase in the number of trust funds advanced by the mortgage company. The original demand reflected an increase in advanced funds in the amount of \$103.72, and the new amount was \$207.72. No other amounts on the demand changed. However, on May 4, 2022, the office received an "updated" demand via eFax. Unknown to the office, this "updated" payoff had altered banking information to send funds to a bank in California rather than the bank in New York.

The file closed and the wire was set up and approved at the branch then sent to accounting for processing. The wire transfer was in the amount of \$149,546.13. Accounting reviewed the wire. They compared the wire instructions against the payoff demand and the Company's repetitive wire list. However, they did not find a match, so they combed the escrow branch file looking for evidence the wire instructions were verified at a known trusted number but did not find it. The wire request was returned to the branch. The branch contacted the mortgage company who confirmed the payoff demand had been altered but had no record of that payoff demand having been set by their office on May 4, 2022.

Our accounting team followed the Company's standard operating procedure which proved once again to be our best defense against wire fraud. So never skip a step and be sure to completely review each demand for discrepancies. Any changes should always be verified before proceeding.

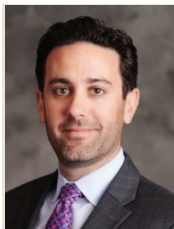
Our Company is trained to detect and prevent fraud which ultimately protects you! Always call to verify wiring instructions.

Article provided by contributing author: Diana Hoffman,
Corporate Escrow Administrator
FNTG/National Escrow
Administration





AZ Legislature Session Has Closed



*Mark B. Zinman,
Attorney*

Zona Law Group P.C.
7701 E. Indian School Rd.
Suite J
Scottsdale, AZ 85251
Phone: (480) 949-1400
Fax: (480)-946-1211
www.zona.law

by
**Mark
Zinman**

The Arizona legislature adjourned another session (Sine Die) on June 25, 2022. Therefore, there will be no new bills coming out of the legislature this year. Unless a new law has an emergency clause (see last paragraph below), most new bills that were signed into law will become effective 90 days after sine die.

Every year, people propose numerous bills affecting real estate, and this year was no different. What is important is that most bills that are proposed do not become law. For example, there were numerous proposals this year about extending notice time periods for evictions and rent control bills – none of which passed.

Last month, we wrote about the new wholesale disclosure bill that was signed into law. Another bill for investors was HB 2485, and it created a new statute - A.R.S. 33-1379. It creates a new option that has never existed before - the sealing of certain eviction records. The AZREIA Advantage

The law provides that there are 3 instances when an eviction case can be sealed and not made available to the public: (1) The case is dismissed before entry of a judgment; (2) A judgment is entered in favor of the tenant; (3) A stipulation is submitted by both parties, to have the file sealed.

Effectively, if an eviction is filed and a judgment is not ultimately entered in the landlord's favor, the case could be sealed. If a case is sealed, only the parties to the case and their attorneys will be able to access the file. In other words, such cases are not supposed to show up on a tenant's credit or background check.

For purposes of completing background checks, we do not believe that the majority of our clients even consider a dismissed eviction, and this will not change their screening process. Most clients do take into consideration actual

eviction judgments, but not merely the filing of the case. Oftentimes, a case is filed, but it is dismissed because the tenant paid in full. Therefore, those are generally not relevant for future landlords.

Another law that was passed created a study group to look into the housing shortage we have in Arizona, and what can be done to address it. HB 2374 established an 11-member Housing Supply Study Committee. The intent is to have them propose ways to address Arizona's housing shortage and mitigate its causes. This bill had an emergency clause, so it already became law, the committee has already started meeting and they are required to submit recommendations to the Governor and the Legislature by December 31, 2022. Let's cross our fingers that allowing more building is one of the solutions.



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AZREIA ADVANTAGE: MONTHLY MEETINGS

AZREIA Phoenix Meeting

Monday, August 8
In-Person 5:45 pm
Venue 8600
8600 E Anderson Dr

AZREIA Tucson Meeting

Tuesday, August 9
In-Person 5:45 pm
Tucson Association of Realtors
2445 N Tucson Blvd

Phoenix Real Estate Club

Tuesday, August 23
In-Person 6 pm
AZREIA Office
4527 N 16th St #105

We are excited about our monthly meetings every month, and we hope you are too! This month we have Jack Bosch joining us to teach you the subject so many of you have been asking us about...land! Our main session takes an in-depth look at land and lots and how they contrast with houses. Land is possibly a great flipping strategy and can be used for creative cash flow. Not interested in land? Think again, it could be a very profitable second strategy and a low-price way to flip. As always, the Market Update and Market News will be current and important to your investing. Timely, market-driven information and education make these meetings must see. Don't miss it!

Phoenix – Current Market Trends & Activity

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

Phoenix Main Meeting – How to Flip Lots and Land for Cash and Cash Flow with Jack Bosch

In this presentation, AZREIA member Jack Bosch is going to show how you can make the same or better profits that house flippers make and create cash flow from a little-known niche of Real Estate that is substantially easier than house flipping – Land and Lots. Jack will show how you can find three highly desirable types of land and lots for below market value. As a member since the inception of AZREIA, Jack has grown with the REIA and has flipped almost 4,000 properties. One particularly exciting twist to his method is how he makes land cash flow, passively and long term.

- Real Estate Without Houses and with minimal competition

- Cash Flow from land without tenants, toilets, and termites
- This can be done everywhere in the entire USA and from anywhere in the World
- With this method, you can buy properties for below market value and sell for multiple times profits
- With the in-fill market hot, and builders craving for land, it's easy to find deals and flip them quickly to developers and builders, for profits that rival or exceed those in the housing area.

Market Update & Market News

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, and a presentation from Jack Bosch on How to Flip Lots and Land for Cash and Cash Flow!!

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!



AZREIA ADVANTAGE: CALENDAR OF EVENTS

Check www.azreia.org for the current schedule.

AUGUST MEETINGS		
AZREIA – Phoenix – In-Person <i>Monday, August 8</i>	AZREIA – Tucson – In-Person <i>Tuesday, August 9</i>	Phoenix Real Estate Club – In-Person <i>Tuesday, August 23</i>
AUGUST 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>Monday, August 1</i> Tucson New Investors – In-Person & Online <i>Monday, August 1</i> 	<ul style="list-style-type: none"> Income Property Owners (Buy & Hold) – In-Person <i>Thursday, August 4</i> Cash Flow 101 Board Game – In-Person <i>Saturday, August 6</i> 	<ul style="list-style-type: none"> Beginning Investors – In-Person <i>Thursday, August 11</i> Fix & Flip – In-Person <i>Wednesday, August 31</i>
<p>How to Build Cash Flow from Land - Land Seller Financing Explained <i>Wednesday, August 11, 2022 6:00 pm – 8:00 pm Available In-Person</i></p> <p>In this special drill-down session, we will dive into how to make Land Cash Flow. We will talk about the intricacies of Seller Financing & how you select deals for seller financing, how to structure seller financing deals such that you get infinite returns with zero money invested in the deals (and no loans), & no hassles. Sounds impossible? Then be there Wednesday to learn how to replace your income in 4-6 months using passive Cash Flow from land, do seller financing without investing any money of your own, & have positive cash flow 100% of the time.</p>		
<p>A Deep Dive on How to Flip Lots & Land for Cash and Cash Flow with Jack Bosch <i>Saturday, August 13, 2022 9:00 am – 5:00 pm Available In-Person</i></p> <p>In this session, we will have time to expand on Jack's monthly meeting presentation and go into much more detail on all aspects of this exciting land and lot flipping technique. We will spend the morning going over how to find, lockdown, and value these properties. Followed by our afternoon which will discuss how to sell them quickly for great profits and cash flow which often exceed those our house flipping friends fight for, and all without much competition. If you register for this Saturday session, you get the above Drill-Down session for free!</p>		
<p>Membership Discovery Session <i>Friday, August 29, 2022 12:00 pm – 1:00 pm Available Online</i></p> <p>New to AZREIA? These discovery calls are for you our members to ask us anything about your membership. From accessing your exclusive national benefits and finding the right Business Associate to help you with any questions about upcoming classes or events. Need help learning how to network? Do you have questions on what to bring to the meetings? Ask us! Whatever you need to ask AZREIA, we will be here to help you because we want you to be able to get the most out of your membership with us!</p>		
UPDATED INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG		



THE AZREIA SHOW

HOSTED BY MARCUS MALONEY & MICHAEL DEL PRETE

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Deal Finders Club

Real Estate dreams on hold?

With work, kids, and everything else going on, time is limited. You might feel like you've got the world on your shoulders and not to mention *you have a bad back.*

If you just had someone to lean on and push you in the right direction, you know things would happen much faster!

Then you might consider checking out the Deal Finders Club, a community of investors eager to sign more contracts, close more deals and get ahead in life. The DFC provides weekly coaching, a thriving online community, and all the education you need to be confident.

DFC is your fastest path to closing your first deal.

To learn more head over to azdfc.com

AZREIA MONTHLY MEETINGS AT A GLANCE

August 8th Phoenix Meeting

- **Current Market Trends and Activity:** Updates on Market Data Analysis and the Rental Market provide the absolute latest information essential to your real estate investing business.
- **Phoenix Main Meeting: How to Flip Lots and Land for Cash and Cash Flow with Jack Bosch** In this presentation AZREIA member Jack Bosch is going to show how you can make the same or better profits that house flippers make and create cash flow from a little-known niche of Real Estate that is substantially easier than house flipping – Land and Lots. Jack will show how you can find three highly desirable types of land and lots for below market value. As an AZREIA member since the inception of AZREIA, Jack has grown with the REIA and has flipped almost 4,000 properties. One particularly exciting twist to his method is how he makes land cash flow, passively and long term.
- **Market Update & Market News:** The latest Fix & Flip and rental data along with further analysis of our Seller's Market. Plus, current events and news that are important to your investing.

August 9th 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 Flip Lots and Land for Cash and Cash Flow with Jack Bosch** In this presentation, AZREIA member Jack Bosch is going to show how you can make the same or better profits that house flippers make and create cash flow from a little-known niche of Real Estate that is substantially easier than house flipping – Land and Lots. Jack will show how you can find three highly desirable types of land and lots for below market value. As a member since the inception of AZREIA, Jack has grown with the REIA and has flipped almost 4,000 properties. One particularly exciting twist to his method is how he makes land cash flow, passively and long term.
- **Haves & Wants, Power Networking, and Deal Sharing:** Come prepared to listen, learn and share.

August 23rd 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!

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



Heather Johnson
Heather@RentPerfect.com



Clark Sanchez (Agent)
rental@clarksanchez.com



Mark Zinman
mark@wzplegal.com



Mark Steinbeck
msteinbeck@merchantsfundingllc.com



Jack Hilton
jack@hiltoncorp.com



Jill Bright
brightj@cti.com



Andrew Augustyniak
Andrew.augustyniak@primelending.com



Mary Saer
msaer@azgat.com



Self-Directed IRA's
Daniel Ortega
Dortega@VantageIRAs.com



David Nielson
david@boomerangcapital.com



Jack Carlson
jcarlson@unbridledwealth.com



Michael J. "Mick" McGirr
mick@phocuscompanies.com



David Hawks
dhawks@hawks-cpa.com



Oggie Penev
info@phoenixpropertymanagementgroup.com



Derek Kartchner
derek@gilainsurance.com

WANT TO SEE YOUR LOGO HERE? Contact memberservices@azreia.org for more details

AZREIA has many Business Associates to provide your needed products and services in areas such as:

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