

THE AZREIA ADVANTAGE

ARIZONA REAL ESTATE INVESTORS ASSOCIATION NEWSLETTER

"AZ Real as it Gets"

MARCH 2024

Contents

Executive Director.	2
Lending Expert.	3
Padsplit	4
General Contracting Expert.	5
Legal Expert	6
Financing Professional . . .	7
1031 Exchange Expert . . .	8
Private Banking Systems Expert.	9
Architecture Professional	10
Legally Speaking	10
Insurance Expert	11
Title Experts	12
Monthly Meetings.	14
Calendar of Events	15
Meetings at a Glance . . .	16



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A Primer on Key Legal Terms Every Arizona Real Estate Investor Should Know

by Michael J. "Mick" McGirr, Esq., Phocus Law

Whether you're just stepping into the world of real estate investment in Arizona or you're a seasoned investor seeking a quick refresher, understanding some key legal terms and frameworks is crucial to sustainable success. This article revisits some essential legal definitions you've likely come across in your real estate endeavors. Our goal is to clarify these terms under Arizona law, ensuring your investment decisions are both informed and compliant.

1. Deed

A deed is a document that transfers ownership of real property. In Arizona, Warranty Deeds and Quitclaim Deeds are common. The former guarantees the buyer is receiving clear title, while the latter transfers ownership without guaranteeing the status of the property's title.

2. Title

Holding title to a property means you have the legal rights to own, use, and sell it. A clear title—free from liens or disputes, is essential for smooth transactions. Title insurance can offer protection against hidden title issues.

3. Encumbrance

Encumbrances are claims or liens on a property by someone other than the

owner, affecting its use or transferability. These can be mortgages, easements, or covenants, among others, and are pivotal to understand before any investment.

Phoenix

Monday, March 11 – 5:15 pm

- Market Update & Trends Discussion
- Investor Social & Spring Training Giveaways
- The Transparency Act: From Murky to Clear with Attorney Michael J. 'Mick' McGirr
- Networking & Tradeshow

Tucson

Tuesday, March 12 – 5:15 pm

- Market Update & Market News
- The Transparency Act: From Murky to Clear
- Haves & Wants

4. Foreclosure

The foreclosure process enables a lender to recover the amount owed on a defaulted loan by selling or taking ownership of the property. Arizona allows both judicial and non-judicial foreclosures, depending on the loan agreement and circumstances.

5. Easement

Easements grant the right to use another's property for a specific purpose, such as utility access. Understanding any easements on a property is vital, as they can impact development plans and property value.

6. Lien

A lien is a right to keep possession of property belonging to another person until a debt owed by that person is discharged. Liens must be cleared for a property to be sold with a clear title.

7. Zoning

Zoning regulations govern land use in specific areas. Familiarity with zoning laws is essential, as they dictate what activities can be conducted on a property. This is particularly relevant when considering property development or use change.

Continued on page 2

Collective Power of Arizona's Investor Network



As we navigate another month in the world of real estate investing, I am reminded of a powerful lesson from a mentor of mine. He often spoke about the importance of getting out of our own way to achieve success. This message is not just vital in personal development but incredibly relevant to us as real estate investors.

Consider the story of Alex, an AZREIA member. Despite having extensive investment knowledge, Alex was stopped by hesitation, the potential of failure looming large. Inspiration struck during an AZREIA meeting when a seasoned member shared a compelling insight: "Our greatest battles are those with our own doubts." This simple truth resonated with Alex. By forging a mentorship with this member and drawing on collective wisdom and encouragement, Alex took the decisive step forward, making that first investment. It was a modest start, yet it signified a monumental shift from inaction to action.

In real estate, the only constant is change. Market conditions fluctuate, investment strategies evolve, and the economic landscape shifts, often leaving us in a cloud of uncertainty. However, it is within this uncertainty that opportunity lies, waiting for those willing to step beyond their comfort zones and embrace change.

Many of us, whether we are seasoned investors or novices, find ourselves hindered by our fears, doubts, and the comfort of the familiar. We might hesitate to explore new markets, adopt innovative investment strategies, or even expand our networks. We stand in our own way, obstructing the path to our growth and success.

To truly get out of our own way, we must first acknowledge the limitations we've set for ourselves.

Are we avoiding risks due to fear of failure? Do we resist learning new strategies because we are comfortable with the old ones? Recognizing these barriers is the first step toward dismantling them.

Next, we must develop a growth mindset. This means embracing challenges as opportunities for growth, valuing effort, and perseverance, and learning from criticism. In real estate investing, this could translate to educating ourselves continuously, staying abreast of market trends, and being open to feedback from our peers and mentors.

I can't emphasize this enough that the power of relationships is key to achieving success in real estate. In AZREIA, we are fortunate to be part of a vibrant community of investors who share a common goal. By leveraging our collective knowledge, experiences, and networks, we can support each other in overcoming obstacles and achieving our individual and collective investment goals.

In conclusion, let's embrace change, challenge our self-imposed limits, and actively engage with our community. Together, we can navigate the complexities of real estate investing and achieve the success we aspire to.

As we move forward, remember that AZREIA is here to support you every step of the way, providing the education, networking opportunities, and resources you need to thrive. Let's make this month a testament to our commitment to growth, collaboration, and success.

Wishing you all a prosperous month ahead,

Michael Del Prete
AZREIA Executive Director



A Primer on Key Legal Terms Every Arizona Real Estate Investor Should Know _____ *Continued from page 1*

8. Homestead Exemption

Arizona's homestead exemption offers protection against certain creditor claims for primary residences, safeguarding a portion of the homeowner's equity up to a specified limit. The homestead exemption in Arizona increased dramatically to \$400,000.00 on January 1, 2023, and is subject to annual increases as deemed appropriate by the powers that be to keep pace with the cost of living.

For both new entrants and veterans in Arizona's real estate market, a solid grasp of these terms not only demystifies the legal aspects of investing but also enhances strategic decision-making. While this primer

covers fundamental concepts, the dynamic nature of real estate law means continuous learning and consultation with legal experts are key to navigating the market successfully. As you deepen your investment journey, remember that staying informed and seeking professional advice are your best strategies for success in the vibrant Arizona real estate landscape.

If you have questions or need help with legal matters arising from your real estate investing, please always feel welcome to reach out to your trusted business and real estate law firm in Arizona – that's us! We can be reached by email at Mick@PhocusCompanies.com or by phone at 602-457-2191.





Revolutionizing Real Estate Investment: Introducing the AI HELOC Program from AZREIA



by
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We are excited to introduce a groundbreaking solution that will transform the way you access equity for your real estate ventures – the AI HELOC Program. As the trusted lender for the Arizona Real Estate Investor Association, we understand the importance of quick and efficient funding to capitalize on lucrative opportunities in the ever-evolving real estate market.

Our AI HELOC Program is designed to be the fastest and easiest method to unleash the equity in your properties. Whether you are looking to consolidate debt, invest in additional properties, embark on home improvements, or pursue any other financial goal, this program is tailored to meet your needs.

1. **Instant Approval:** Say goodbye to lengthy waiting times. With our AI-powered platform, you

can receive approval in a matter of seconds, providing you with unprecedented speed and efficiency.

2. **Rapid Funding:** Time is of the essence in real estate. Our AI HELOC ensures that you receive funding within 5 to 7 days, allowing you to seize time-sensitive opportunities and stay ahead of the competition.
3. **Generous Borrowing Limits:** Unlock the potential of up to \$400,000, providing you with substantial financial flexibility to pursue your investment goals.
4. **No Appraisal Needed:** We eliminate the traditional hassle of property appraisals, streamlining the process and saving you valuable time.
5. **Limited Documentation:** Our program prioritizes your convenience by minimizing the documentation requirements, allowing you to focus on your investments rather than paperwork.
6. **Low Fees:** We believe in transparent and fair lending. Our AI HELOC Program comes with low fees, ensuring that you retain the maximum benefit

from your investment.

7. **Fixed Rates:** Enjoy the stability of fixed rates, providing you with predictability and peace of mind in an ever-changing market.
8. **Versatile Usage:** Whether it's your primary residence, secondary home, or investment property, the AI HELOC Program is available for use across all property types.

AI HELOC Program is the perfect funding solution for AZREIA members. Its combination of swift approval, rapid funding, generous borrowing limits, minimal documentation, low fees, and fixed rates makes it an unparalleled resource for those seeking quick and efficient financing for their real estate endeavors.

Don't miss out on opportunities due to delayed funding or complicated processes. Join the future of real estate investment with the AI HELOC Program – your key to unlocking the full potential of your properties.

To get started or learn more about this revolutionary program, contact us today. We are here to empower your real estate investment journey.



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P.S. Don't forget to complete your [Credit Opt-Out!](#) - Protect your credit today!



PadSplit

January '24 Phoenix Market Update:

Previous Month Stats

Total Unit Count:

292 (43 properties)

Occupancy:

94%

Weekly Rates:

\$215/week (\$930/mo)

Days for First Booking in	Days to 80/100%
New PadSplit: 6.6	Occupancy 24.9/36.2

Current Month Stats

Total Unit Count:

312 (46 properties)

Occupancy:

97%

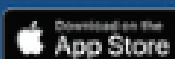
Weekly Rates:

\$215/week (\$935/mo)

Days for First Booking in	Days to 80/100%
New PadSplit: 7.3	Occupancy 27.2/34.1



padsplit.com



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Major Renovations: Our driving force is the pursuit of excellence. Rooted in innovation and a commitment to client satisfaction, we strive to push the boundaries of design and construction. Every project is a testament to our dedication to crafting spaces that stand the test of time.

As we celebrate the artistry of transformation, we extend our gratitude to our clients, partners, and the community for their support. Your trust fuels our aspiration to reach new heights of design and construction.

Welcome to Niksi, where innovation meets craftsmanship to create spaces that truly inspire. From conceptualizing architectural marvels to constructing custom homes, and breathing life into interiors through renovations, Niksi is your partner in elevating your living experience.

Custom Home Builds: Your home is an embodiment of your identity, and our team of experts at Niksi ensures it resonates with your individuality. Collaborating closely with you, we craft custom homes that encapsulate your vision. Each detail is meticulously crafted to reflect your style.

Home Additions: As your life evolves, your space should adapt. Niksi specializes in seamless home additions that not only expand your square footage but also harmonize with your existing layout. Our thoughtful approach ensures your extended space feels like an integral part of your home.



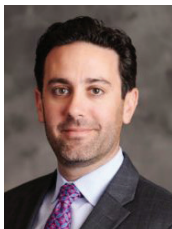
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Discrimination Cases Outside the World of Rental Housing



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by
**Mark
Zinman**

Fair housing issues have become more prominent in our industry in the past few years. Thankfully, investors and managers are taking this seriously and putting more of a focus on fair housing education and training. Zona Law attorneys are a big advocate for fair housing laws and the discriminations it seeks to eliminate, and we believe education is the best way to promote these ideas.

Further, we think it's good to realize that these matters permeate all areas of life, and it is not just property managers affected by such matters. Claims of discrimination have risen, and the complexity of those problems has also increased. To help put these issues into perspective, we thought it would be a good idea to look at issues in other industries that are analogous to issues managers see on site.

Disability & Accommodation/Modification - Dunkin' (Donuts) was recently sued for alleged disability discrimination. Customers who are lactose intolerant claim that the store discriminates against them by charging up to \$2.00 more per drink for oat or almond milk, as compared to standard milk. They allege that being lactose intolerant is a disability under the Americans with Disabilities Act ("ADA") and that they

don't have a choice but to pay for the more expensive milk substitute. Like fair housing laws, under the ADA, public accommodations must grant modifications or accommodations in certain instances. Starbucks was previously sued under a similar theory, and filed a motion to dismiss, which is still pending before the court. We will have to wait to see how the courts rule.

Race - The City of Phoenix was recently sued by employees at the airport, claiming racial discrimination related to pay and advancements. Airport employees claim that White employees were paid more on a regular basis compared to Black or Hispanic employees. Further, such minority employees claimed that they were discouraged from applying for higher paying jobs, which were offered to White employees. This claim was just filed with the state and is in the initial stages of investigation.

While the lawsuit over milk may not be one that investors face, the principles underlying both of these claims are concepts that managers deal with on a regular basis. Both of these are good examples that just because something has been done one way for a long time, doesn't mean it's necessarily safe. It is always a good idea to review company policies.

Another important concept to be taken from these is that just because someone claims discrimination and files a claim, doesn't mean it's true. Just as property managers have a right to defend themselves, the defendants in the above-referenced cases will get a chance to defend themselves and present arguments on the issues raised. The filing of a complaint, without more, doesn't mean anything was done wrong.



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Nothing But Love for Arizona



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by
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**by Rob Jafek, Principal
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Maybe it's a hangover from Valentine's Day but we have been falling in love with Arizona all over again. It's easy this time of year when the weather is nice, and spring is in the air. And, if we forget how good we've got it, we have plenty of people coming into town to remind us how different (and better) our weather is.

And it's not just tourists, businesses have noticed a rise in the potential workforce too. People seem to love Arizona! The list of businesses that are feeling the love too tends to be dominated by the two mega-projects of TSMC and Intel. Because those projects are so big, it's easy to overlook the breadth of other projects. Any other city would be proud to have just one of any of the other projects from Nestle, Corning, Solvay, Kohler, Procter and Gamble, Boeing (and their cool PhantomWorks), Virgin Galactic (and their slick spaceships), all of the electric car companies (Tesla, Nikola, Lucid), a bunch of mining companies, and the list goes on.

While people tend to focus on the eye-popping price tags of those two big projects, with TSMC spending 40 billion dollars on their plant and Intel spending 20 billion, the job creation is actually much more interesting when seen in combination with all

the other projects being developed in the Valley¹. While the tech sector, which includes TSMC and Intel, is projected to create 46,000 jobs, other sectors are expecting even more significant growth in jobs: Automotive/Transportation with 115,000+ new jobs announced, Biomanufacturing with 16,000+ new jobs, and Energy with 15,000+ new jobs. All of those industries group together under manufacturing, and in 2023, Phoenix was #1 in the US for manufacturing jobs, according to the Bureau of Labor statistics. We beat out some pretty heavy competition from the likes of Atlanta and Austin. Of note is that none of the cities in California ranked in the top 10, surprise! And that's not all, Phoenix is currently competing for another 5-billion-dollar chip plant².

This significant increase in manufacturing jobs has a ripple effect across all employment sectors. These new developments require support, and those relevant industries are showing similar growth as well, with health care adding 17,000 jobs in 2023, and leisure and hospitality adding 12,500 jobs in 2023.

Why do companies choose to move to or establish themselves in Arizona? In other words, what are the merits of locating in the Valley of the Sun? The top of the list includes skilled labor, strategic location, robust infrastructure, and a business-friendly environment. The success of Phoenix's manufacturing sector, in particular, is attributed to a combination of factors, including innovative technologies, streamlined processes, and skilled workforce development initiatives. By embracing automation, data analytics, and other cutting-edge solutions, manufacturers in Phoenix are optimizing efficiency, reducing costs, and therefore enhancing

competitiveness, a true win-win all around.

So, how does this relate to real estate investment? Easy, people need a place to live. More jobs mean more people (as you can see when trying to commute on any of the highways or freeways in the Valley). And people just don't want to commute, so there will be continued pressure to re-develop homes. You can see this play out in housing numbers; while the new build market is large, it is nowhere near the number of homes that are purchased with the intent of redeveloping (aka fix-and-flip). In commercial markets, new builds are called 'greenfield' projects while redevelopments are called 'brownfield.' Those brownfield projects are considered lower risk because the infrastructure is in place, the zoning is stable, the project is quicker to complete and there are fewer unknowns (aka surprises), and all of these are equally applicable to the residential market.

Bottomline, Arizona is getting the love it deserves. Industries from Amazon and Intel to LG Energy Solutions and Discount Tire see Arizona as a place for growth and success. "Arizona is experiencing unprecedented economic growth, delivering increasing economic opportunities to residents across the state," said Sandra Watson, President, and CEO of the Arizona Commerce Authority³. Hand in hand with that growth in economic opportunities is the demand for infrastructure that supports an increasing workforce. Highways and roadways, public works, and most importantly: housing. Arizona real estate investors have a very bright future before them, one filled with optimism and growth potential.





Understanding the Criteria for 1031 Exchange Eligibility: What Properties Qualify?



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by
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The 1031 exchange, named after Section 1031 of the Internal Revenue Code, offers a powerful tool for deferring capital gains taxes on the sale of certain types of investment properties. However, not all properties are eligible for this tax-deferral strategy. Understanding the criteria for 1031 exchange eligibility is crucial for investors seeking to leverage this opportunity effectively.

What is a 1031 Exchange?

A 1031 exchange, often referred to as a like-kind exchange, allows investors to defer capital gains taxes when they sell an investment property and reinvest the proceeds into another like-kind property. By doing so, investors can preserve their capital and potentially enhance their investment portfolios without the burden of immediate tax liabilities.

Qualifying Properties for a 1031 Exchange

To qualify for a 1031 exchange, properties must meet certain criteria:

Like-Kind Property: Both the

property being sold (relinquished property) and the property being acquired (replacement property) must be of like-kind. Fortunately, the definition of like-kind is broad when it comes to real estate. For example, an investor can exchange a residential rental property for a commercial property or vacant land.

Investment or Business Use:

The properties involved in the exchange must be held for investment, business, or income-producing purposes. Personal-use properties such as primary residences do not qualify for a 1031 exchange. However, vacation homes or properties used partially for personal and partially for business purposes may be eligible for a partial exchange.

Equal or Greater Value: The value of the replacement property must be equal to or greater than the net sales price of the relinquished property. Any proceeds not reinvested into the replacement property will be subject to capital gains tax.

Qualified Intermediary: To facilitate a 1031 exchange, investors must use a qualified intermediary (QI) to handle the exchange process. The QI ensures that the transaction complies with IRS regulations and safeguards the funds between the sale of the relinquished property and the purchase of the replacement property.

45-Day Identification Period:

Within 45 days of selling the

relinquished property, the investor must identify potential replacement properties in writing to the QI. This identification must adhere to specific IRS guidelines, including the identification of up to three properties regardless of their total value or any number of properties as long as their combined value does not exceed 200% of the value of the relinquished property.

180-Day Exchange Period: The investor must complete the acquisition of the replacement property within 180 days of selling the relinquished property. This timeframe includes the initial 45-day identification period.

A 1031 exchange offers significant tax advantages for investors looking to defer capital gains taxes and maximize their investment potential. However, navigating the complexities of the exchange process requires careful planning and adherence to IRS regulations. By ensuring that properties meet the criteria for eligibility and following the established guidelines, investors can successfully execute a 1031 exchange and optimize their investment strategies.

Remember, while a 1031 exchange can be a valuable tool for tax deferral, it's essential to consult with qualified professionals, such as tax advisors and real estate attorneys, to ensure compliance with all legal and financial requirements.





Control the Banking Function



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by
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In the world of personal finance, the Infinite Banking Concept (IBC) emerges as a revolutionary strategy, empowering individuals to break free from traditional banking and investment institutions' clutches. This concept, pioneered by R. Nelson Nash, is not just a financial strategy but a paradigm shifts toward achieving financial independence and security.

The essence of Infinite Banking lies in utilizing the cash value of properly structured whole life insurance policies as a personal banking system. This allows individuals to borrow against their policy to invest in real estate, pay back the loan at their own pace, and simultaneously earn cash value accumulation along the way. This unique blend of liquidity, safety, and growth offers real estate investors a level of flexibility and control that traditional banks and investment institutions cannot match.

For real estate investors, the importance of controlling the banking function in their lives cannot be overstated. Traditional financial institutions often prioritize their interests, imposing terms and conditions that may not align with the investors' goals. These entities dictate loan terms, interest

rates, and repayment schedules, leaving investors in a position where their financial strategies are influenced by external factors. Infinite Banking, however, places investors in the driver's seat, enabling them to finance their projects on their terms without external interference.

This autonomy is particularly crucial in the fast-paced world of real estate investing, where timing and the ability to act swiftly can make the difference between securing a lucrative deal and missing out on an opportunity. The conventional route of securing financing through banks & other lenders often involves lengthy approval processes, during which prime investment opportunities can slip away. By contrast, Infinite Banking offers immediate access to funds, allowing investors to capitalize on opportunities with agility.

In addition to providing a source of financing, Infinite Banking instills a sense of responsibility and control over one's financial future. Real estate investors, in particular, benefit from this empowerment, as it enables them to make more informed and strategic decisions.

Moreover, the Infinite Banking Concept even extends its utility to personal and family financial planning. From debt recapturing to college savings, to car loans, mortgages, family savings, and even retirement income, the Infinite Banking Concept can truly act as your privatized family bank throughout one's life. The concept of generational wealth takes on a new dimension as well. By establishing a system

where wealth is not merely accumulated but also efficiently transferred across generations, families can ensure financial stability and growth for their descendants for generations to come.

In conclusion, the Infinite Banking Concept is not just a financial strategy, but a pathway to financial sovereignty. It challenges the traditional dependency on banks and financial institutions, offering a blueprint for managing and growing wealth independently. By embracing Infinite Banking, real estate investors can unlock a new level of financial freedom, positioning themselves to take advantage of opportunities with greater ease. In the process, they not only achieve their financial goals but also pave the way for a future where their financial destiny is firmly in their own hands.

Jason K Powers is a Multi-Business Owner, Real Estate Investor, and an Authorized IBC Practitioner. In an exclusive partnership with the National Real Estate Investor Association, Jason is the go-to expert for all aspects of Infinite Banking and Life Insurance. Connect with Jason today to explore how the Infinite Banking Concept can empower you to reach your financial goals.

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Adding Square Footage to a Single-Family Home



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Are you pondering your next investment move? Do you own single-family homes? Are deals hard to find? It might be time to speak with the city or an architect to see if you have room to expand your single-family homes to add value to one of your existing properties; this can significantly enhance the home's functionality and value. As an architect with years of experience, I've witnessed firsthand the transformative power of well-executed home additions. Whether it's creating a new, open great room with a kitchen, or adding a new bedroom or bathroom, these enhancements not only cater to the evolving needs of homeowners but also contribute to the overall appeal and marketability of the property.

One of the key advantages of engaging an architect for such a project is the expertise they bring to the table, particularly when navigating the complex permitting process. From zoning regulations to building codes, obtaining the necessary permits can be a daunting task for many investors. However, architects possess the knowledge and skills to streamline this process, ensuring that all requirements are met efficiently and effectively. By leveraging their expertise, investors can avoid costly delays and complications, allowing the project to move forward smoothly. If you are not sure if you can add square footage to a property, some architects offer zoning research and analysis as a stand-alone service that can inform your decision to look at expanding your existing inventory rather than searching for a new property.

Furthermore, architects can offer valuable insights and creative solutions to maximize the potential of home expansion. Whether it involves optimizing the layout to maximize natural light and airflow

or incorporating sustainable design principles to minimize environmental impact, architects can tailor the project to meet the unique needs and preferences of the homeowner. By collaborating closely with investors, architects can develop innovative design concepts that enhance the livability of the home thereby adding aesthetic and monetary value to a property.

In conclusion, investing in a home expansion project with the guidance of an experienced architect can yield significant returns both in terms of functionality and value. By adding square footage to a single-family home, investors can enhance buyer quality of life and boost the property's resale value. With their expertise in navigating the permitting process and creative design solutions, architects play a crucial role in ensuring the success of such projects, making the investment process easy and rewarding for homeowners.



LEGALLY SPEAKING



Q: We have a former resident who has been emailing several times requesting her deposit. We had filed an eviction against her for non-payment of rent, but we dismissed it when she turned in the keys. Do I owe her deposit back since we never got a judgment?

A: If the tenant owes you money, then you do not have to return the deposit, but you are still required to send out the deposit

accounting within 14 business days. You would send an accounting showing all the amounts owed to you, and credit the deposit to that amount. It is also important to note that under Arizona law if you file an eviction and the tenant turns in keys after that, you are still entitled to proceed to court and get a judgment. If they turn in keys before you file, then you can't file an eviction. However, if you file and then they turn in the keys, you can proceed.

— 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.



Understanding Water Backup Insurance Claims for Real Estate Investors



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I recently received a phone call from a customer rehabbing a home. The home had been purchased out of foreclosure, and the investor had to evict an occupant after having purchased the home.

She called and exclaimed, "I had a flood!"

"Okay," I asked, "What happened?"

"Well," she said, "My house is flooded. Water started coming up from the sink, toilet, and tub. Let's just say it wasn't clean water!"

The short of the story is that the water caused damage to the walls, flooring in the bathroom, and adjacent rooms. While the cause is unknown, it is suspected that the prior occupant broke in, flushed rags down the toilet, and eventually caused the water to back up.

Ultimately, there was \$80,000 in damage to the home that

had just been completed. The trouble? The customer rejected coverage for **Water Backup of Sewers and Drains**. Because the available coverage was extremely limited for Water Backup, the customer didn't feel it was worth purchasing. To their point, \$5K for an \$80K loss isn't a lot of coverage, but I have to admit, that was a particularly large claim.

What is Water Backup of Sewers and Drains?

Water Backup claims are usually not pleasant. It is wastewater going the wrong way instead of draining, it is coming back up. This can be caused by a multitude of factors: municipalities working on the lines, a malfunctioning valve on a mainline (oftentimes due to incorrect installation), municipalities trying to push water uphill, tree roots, or rags provided by angry evicted prior occupants. An insurance policy does NOT automatically cover water backup and coverage has to be specifically added by adding a water backup endorsement.

Typically, coverage is limited to \$5,000 or \$10,000, and usually costs in the neighborhood of \$50 - \$75 per year for every \$5000 worth of coverage purchased. Is it worth it?

Coverage of Water Backup is limited because it happens frequently. The dirty little secret is that insurance companies avoid perils that happen consistently. They either limit coverage, charge a large premium, or exclude it altogether. Therefore, if you want to see what an insurance company views as a likely claim, look for what they avoid, limit, or surcharge.

Regardless, you should make sure you have good communication with your tenants and ask them to let you know about plumbing issues. Typically, landlords do not shower or wash dishes in their rentals and don't know if the water is draining properly. They also don't know what the tenant's kid just flushed down the toilet! As seen in the story above there can be value even in the case of a flip. As an agent who has seen it all, I believe there is value in this coverage.

As always, familiarize yourself with the coverage available, and weigh your options. Do you need water backup coverage added to your policy? The key is to work with an advisor who can explain your options, help you understand the coverage, and make that decision for yourself.



Protecting Your Title: What Happens When Conveying Properties to an LLC?



by **Janet Moe and**
Maria Brandenburg,
Great American Title

Many investors currently buy properties in their personal name and later decide to convey them into an LLC. What happens to their Title Owner's policy when they decide to transfer it into an LLC? If they deed the property into the LLC, they run the risk of losing their coverage.

Owner's Title Insurance policies provide Continuation of Coverage with the following underwriting guidelines approved by an Underwriter:

1. The Policy insures You forever, even after You no longer have Your Title. You cannot assign this policy to anyone else.
2. The Policy also insures:
 - a. Anyone who inherits Your Title because of Your death;
 - b. Your spouse who receives Your Title because of the dissolution of Your marriage;
 - c. The trustee or successor trustee of a Trust or any Estate Planning Entity to whom You transfer Your Title after the Policy date;
 - d. The beneficiaries of Your Trust upon your death; or
 - e. Anyone who receives Your Title by a transfer effective upon Your death as authorized by law.
3. The Title Insurer may assert against the insureds identified in a) and b) above any rights and defenses that They have against any previous insured under the Policy.

When in doubt about whether you have lost your title insurance by

deeding to an LLC, please consider opening a Title Only file to obtain title insurance and insure your LLC with Great American Title Agency.

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AZREIA ADVANTAGE: MONTHLY MEETINGS

AZREIA Phoenix Meeting

Monday, March 11

In-Person 5:15 pm

Venue 8600

8600 E Anderson Dr

AZREIA Tucson Meeting

Tuesday, March 12

In-Person 5:15 pm

Tucson Association of Realtors

2445 N Tucson Blvd

Phoenix Real Estate Club

Tuesday, March 26

In-Person 6 pm

AZREIA Office

4527 N 16th St #105

Join us for our monthly meetings to learn what you need to do to make your real estate investing business successful. This month it's a party!

We're doing an investor social with food, drinks, networking, and Spring Training giveaways! We will have a market update discussion for the Phoenix area. Then, local Business Entity Lawyer, Michael J. "Mick" McGirr, will let you know what you should know about the new Corporate Transparency Act. Timely, market-driven information and education make these meetings must-see. Don't miss it!

Phoenix Market Update & Market Trends Discussion

The Market Update and Trends presentation will equip you with the necessary knowledge to stay ahead of the competition in the ever-changing world of real estate. Whether you're a seasoned investor or just starting out, this is information you cannot afford to miss. With our reliable data and expert analysis, you'll gain the confidence to make informed decisions that will help you maximize your profits and grow your business. Don't miss out on this opportunity to learn from the best!

Phoenix Meeting – Investor Social & Spring Training Giveaways!

Take me out to the ball game, take me out to the field! We've got networking and some tasty snacks; you'll meet new investors and get your business on track! Meet face-to-face with our business associates and other local investors to help build your network. We will have food and drinks available from Cafe Pranzo. The social will be from 5:15 pm to 6:30 pm. This is a unique opportunity to connect and network with a wide range of professionals in the real estate industry. Get to know top service providers in the industry such as mortgage brokers, title companies, insurance providers, and more, all under one roof. This Investor Social will provide a great forum for exchanging ideas, sharing success stories, and learning about the latest trends and developments in the marketplace.

PLUS! We will have over \$1,000 worth of Spring Training tickets to giveaway to some lucky winners in attendance!

Phoenix Meeting – The Corporate Transparency Act: From Murky to Clear with Michael J. 'Mick' McGirr

What's the Scoop on the CTA? The CTA, our latest government acronym, stands for the Corporate Transparency Act. It's like a spotlight on corporate ownership, aiming to expose money laundering, tax shenanigans, and other financial fishiness by requiring certain (read: most) businesses to show their cards to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). If this new federal shake-up seems confusing already, don't miss this presentation where lawyer Michael J. "Mick" McGirr of Phocus Law tells you what it means, and what it means for you. In a nutshell, the Corporate Transparency Act is here to make sure everyone's playing by the rules. If you have questions or need help navigating these new tides, don't miss this extremely informational presentation!

Tucson Monthly Meeting

We will be joining in person for all the great networking sessions including Haves & Wants, a Market Update for the Tucson area, and an informational presentation on The Corporate Transparency Act.

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 out 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.

MARCH MEETINGS		
AZREIA – Phoenix Monday, March 11	AZREIA – Tucson Tuesday, March 12	Phoenix Real Estate Club Tuesday, March 26
FEBRUARY SUBGROUPS – Join like-minded investors, share ideas, network, and learn in small group settings.		
<ul style="list-style-type: none"> • Cashflow 101 Board Game Saturday, March 2 • Prescott Subgroup Monday, March 4 • Tucson New Investors – In-Person & Online Monday, March 4 • AZ Women in Real Estate (AZWIRE) Tuesday, March 5 	<ul style="list-style-type: none"> • Income Property Owners (Buy & Hold) Thursday, March 7 • Tucson Cashflow 101 Board Game Saturday, March 9 • Beginning Investors Subgroup Thursday, March 14 • Multi-Family Subgroup Monday, March 18 	<ul style="list-style-type: none"> • Financial Independence through Real Estate (F.I.R.E.) - In-Person & Online Tuesday, March 19 • Experienced Real Estate Investor Happy Hour Wednesday, March 20 • Notes Subgroup Thursday, March 21 • Fix & Flip Subgroup Wednesday, March 27 • Beginner's PadSplit Subgroup Thursday, March 28
UPDATED INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG/CALENDAR		



REAL ESTATE & SPRING TRAINING

MONDAY: MARCH 11TH AT VENUE 8600

THE CORPORATE TRANSPARENCY ACT: FROM MURKY TO CLEAR WITH MICHAEL J. 'MICK' MCGIRR

JOIN US FOR FOOD AND SPRING TRAINING GIVEAWAYS

INVESTOR SOCIAL

STARTS AT 5:15PM



MARKET UPDATE BY



Andrew Augustyniak



Mike Del Prete



Braydon Dennis

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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

March 11th Phoenix Meeting

- **Phoenix Market Update & Market Trends Discussion** The Market Update and Trends presentation will equip you with the necessary knowledge to stay ahead of the competition in the ever-changing world of real estate. Whether you're a seasoned investor or just starting out, this is information you cannot afford to miss.
- **Investor Social & Spring Training Giveaways!** Meet face-to-face with our business associates and other local investors to help build your network. We will have food and drinks available from Cafe Pranzo. The social will be from 5:15 pm to 6:30 pm. PLUS! We will have over \$1,000 worth of Spring Training tickets to give away to some lucky winners in attendance!
- **The Corporate Transparency Act: From Murky to Clear with Michael J. "Mick" McGirr** The CTA stands for the Corporate Transparency Act. It aims to expose money laundering, tax shenanigans, and other financial fishiness by requiring certain businesses to disclose information to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). In a nutshell, the Corporate Transparency Act is here to make sure everyone's playing by the rules. If you have questions or need help navigating these new tides, don't miss this extremely informational presentation!

March 12th Tucson Meeting

- **Tucson Market Update:** The latest sales volume, pricing, and supply and demand numbers for the Tucson market.
- **Tucson Main Meeting: The Corporate Transparency Act: From Murky to Clear** The CTA stands for the Corporate Transparency Act. It aims to expose money laundering, tax shenanigans, and other financial fishiness by requiring certain businesses to disclose information to the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). In a nutshell, the Corporate Transparency Act is here to make sure everyone's playing by the rules. If you have questions or need help navigating these new tides, don't miss this extremely informational presentation!
- **Haves & Wants, Power Networking, and Deal Sharing:** Come prepared to listen, learn and share.

March 26th Phoenix Real Estate Club

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

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Overview

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2

1

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Topics

Topic	Posts	Last Post
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Landlording & Rental Properties	14	22
Property Postings	4	15
Real Estate Creative Strategies	0	0
Rehabbing and House Flipping	1	1

Network with Other Investors Online

Glendale Condo

OFF MARKET Glendale Condo

was last updated 2 days, 1 hour ago by Dom Martinez.

September 19, 2022 at 9:46 am

This condo is just North of Apollo High School off of 47th Ave and Olive. 1BR 1BA Indoor Laundry, 1 Car Garage, Tenant in place until Nov 30th at \$995 per month. Tenant is willing to stay until May but rental comps for a 1/1 in this area are 1200-1300 per month. PERFECT OPP TO INCREASE RENTS Unit is on second floor and in Village Square in Glendale Townhome Complex. HOA is \$170 per month and covers water, sewer, trash, and roof repair and replacement. Prof Prop Management in Place, but can cancel with 30 day notice if desired. \$135,000

Author: Dom Martinez (863.75.64)

Posts: 1

Reply To: OFF MARKET Glendale Condo

Post Your Properties

Meeting Haves and Wants

last updated 3 weeks, 5 days ago by Rosa Mariquez.

August 26, 2022 at 11:03 am

Name: Rosa Mariquez
Phone: 602-451-7372
Email: rosam@azreia.org

I have: Have plastic down draft cooler costs 1500 SF home

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Email: neil@azreia.org

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