

THE AZREIA ADVANTAGE

ARIZONA REAL ESTATE INVESTORS ASSOCIATION NEWSLETTER

“AZ Real as it Gets”

MAY 2026

Contents

- Executive Director 2
- Lending Expert 3
- Legal Expert 4
- Capital Investment Fund Specialist 5
- Title Experts 6
- Architect Professional. 7
- Financing Professional 8
- Residential Real Estate Investment Specialist 9
- Insurance Expert 10
- Title and Escrow Specialist 11
- Directed IRA 12
- Monthly Meetings 14
- Calendar of Events 15
- Legally Speaking 15
- Meetings at a Glance 16

The Conversation That Changed How I See the Next Five Years for Real Estate and Real Estate Investing

By Joe O' Brien Resident Expert & May presenter

Last week, I had coffee with a serious real estate investor. Not someone dabbling either. We are talking about someone who is buying property and has a networth of \$25 million. Maybe more.

He is buying single-family homes in the \$450K-\$650K range... renting them out for \$2,200-\$3,300/month... stacking deals. Some below market, some “value add,” but most pretty much close to retail.

We're sitting there talking, and he says something that stuck with me:

“Nothing is going to stop the inflation wave that's coming, because it's already here. Oil Prices are up because of the conflict and that will affect food prices, shipping, travel etc.”

Now... whether you agree with that or not isn't the point. The strategy behind it is.

- He's not trying to time the market.
- He's not waiting for rates to drop.
- He's not sitting on the sidelines.
- He's buying... and holding.

Because his belief is simple, If inflation continues... :

1. Rents go up
2. Costs go up
3. Values adjust.
4. Dollar and buying power weaken

And the people who own assets WIN in the long run.

Phoenix Monthly Meeting
Monday, May 11
In Person & Streaming - 5:15pm

- Association Update
- Market Update & Outlook
- Buy your first rental without getting burned: The 2026 Playbook for avoiding costly beginner mistakes

Tucson Monthly Meeting
Tuesday, May 12 – In Person - 6:00pm

- Food
- Haves & Wants + Association Update
- Tucson Market Discussion
- Buy your first rental without getting burned: The 2026 Playbook for avoiding costly beginner mistakes
- Open Networking

Here's the part most people don't think about. What happens if you DON'T invest? Not emotionally— Logically.

Over the next five years...

You're still paying rent.

You're still dealing with rising costs.

And you're watching the gap grow between people who

own... and people who don't.

That gap isn't just money. It's an opportunity.

Now before you think, “Yeah, but I'm not that guy...”

Exactly, most of us are not.

You don't need to be.

You don't need millions.

You don't need 10 properties.

You don't need to go buy a \$600K rental tomorrow.

You just need to start at YOUR level.



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Continued on page 2

The The Advantage You Only Get in the Room



By Michael Del Prete
Executive Director, AZREIA

A member pulled me aside after last month's meeting. He had been standing in the back, talking to someone he'd never met. That person had already done the exact deal he was trying to figure out. Same neighborhood, same price range, same financing structure.

Twenty minutes later, they exchanged numbers. Two weeks later, he had his answer, and a lender he now trusts.

That conversation doesn't happen on YouTube. It doesn't happen in a Facebook group. And it definitely doesn't happen in the comments of a TikTok video.

I'm not against online content. But after more than two decades of showing up to these meetings, I've learned something most people miss—the real information is never published. It's shared.

- It's the investor who quietly tells you about a discount on new materials

- The flipper who admits the mistake that cost him \$40,000 so you don't repeat it.
- The landlord who walks you through the exact conversation she had with a tenant last week.
- The wholesaler who tips you off on an off-market deal before anyone else.

You won't find that in a course. You won't hear it on a podcast. It lives in the side conversations. The handshakes. The "hey, can I ask you something?" moments after the meeting ends. That's what AZREIA is.

And if you've been watching from the sidelines reading emails, scrolling content, thinking about getting started, you're closer than you think.

The deal you need is probably three conversations away. But you have to be in the room. Join us at the next monthly meeting: azreia.org/calendar

—Michael



The Conversation That Changed How I See the Next Five Years for Real Estate & Real Estate Investing __ Continued from pg 1

That might be:

- House hacking
- Buying your first home
- Buying your First Rental
- Maybe Buying Rental #3
- Partnering on a deal
- Or just getting educated and ready

Because the goal isn't perfection... It's participation.

I see a lot of people waiting right now:

- Waiting for rates to drop.
- Waiting for prices to fall.
- Waiting for the perfect time.

Waiting for that perfect deal

I'll tell you this straight. The perfect time rarely shows up. And over a 5-year window, the biggest risk might not be investing. It might be doing nothing.

If you're reading this and thinking: "I need to make a move... I just don't know how." That's where AZREIA comes in.

I will be speaking at the May's monthly meeting on **May 11th in Phoenix and May 12th in Tucson.**

Sat May 16th from 9am-4 pm, I am teaching Buying and Management of Rental Properties.





I've Closed Over 273 Section 8 Purchases Across the Country—Here's What Every Buyer Should Know From the Lending Side



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by
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Augustyniak**

Most investors who ask me about Section 8 are asking the wrong questions.

They want to know about tenant screening, HAP contracts, and inspection timelines. Those things matter. But by the time you're asking them, the deal is already in motion. What kills Section 8 purchases happens earlier, and it almost always comes from the lending side.

After closing over 273 Section 8 purchases across 47 states, here is what I wish every buyer knew before they made an offer.

Lenders Don't Care That the Government Is Paying the Rent

This is the first thing investors get wrong. They assume that a Housing Authority voucher means guaranteed income, and that lenders will view it the same way. Most don't.

On a conventional loan, rental income used for qualification has to be documented and verified. If the property is currently vacant or the Section 8 lease hasn't started yet, many lenders will not count that income at closing. That gap can blow up your debt-to-income ratio and kill the approval.

DSCR loans solve this differently. The qualification is based on market rent, not your personal income. For Section 8 properties, I always recommend pulling the HUD Fair Market Rent for that zip code and making sure the appraiser's rent schedule reflects reality. That

number drives your loan sizing.

The Inspection Requirement Is Not Optional and It Can Affect Your Timeline

Section 8 properties require an HQS inspection before a voucher is issued or transferred. If you are buying a property with an existing tenant on a voucher, the inspection has to pass before the Housing Authority will approve the tenancy transfer.

What most buyers do not account for is that this inspection can flag repairs, and those repairs have to be completed before the lease is executed. In most cases this resolves within the normal contract timeline. But in situations where the new lease execution is delayed, it can create downstream delays on the loan side as well. It is not common, but it happens, and buyers who are not aware of it get caught off guard when it does.

Entity Structure Matters More Than You Think

A large percentage of the Section 8 investors I work with want to close in an LLC. That is a legitimate strategy for liability protection and portfolio organization. But it has lending implications that are worth understanding before you commit to a structure.

Most conventional loans cannot close in an LLC. DSCR loans can, and the pricing is often better than conventional by 0.25 to 0.75 percent depending on the lender and the deal. That spread is real, and across a portfolio it adds up fast.

The tradeoff is the prepayment penalty. DSCR loans almost always carry one, typically structured in a stepped format over three to five years. If you are buying and holding, that penalty is largely irrelevant. If you are planning to refinance or sell within that window, you need to model it into your exit. The question to ask your lender before you make

an offer is not just whether they allow LLC closings. Ask what the prepayment structure looks like and whether your hold timeline actually clears it.

HAP Contract Transfers Are Not Guaranteed

This is the one that surprises investors the most. When you buy a Section 8 property with an existing tenant, you are not automatically assuming the HAP contract. The Housing Authority has to approve the transfer to the new owner.

If you have ownership history issues, outstanding judgments, or prior landlord violations in that jurisdiction, the HA can deny the transfer. The tenant stays, but the subsidy does not come to you until the transfer is approved.

I have seen deals close where the investor went 60 to 90 days without receiving the HAP payment simply because they did not start the transfer paperwork early enough. Start it the day you go under contract.

The Best Section 8 Deals I've Seen Share One Thing in Common

The investors who consistently win in this space are not chasing yield. They are buying properties where the voucher amount is at or above market rent, in zip codes where the HUD Fair Market Rent is climbing, and they are financing them with loan products built for long term holds.

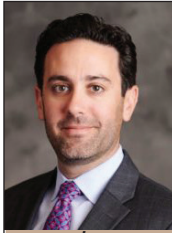
Section 8 done right is one of the most durable cash flow strategies in residential real estate. The government does not miss rent. But the lending setup has to match the strategy, and most buyers are working with lenders who have never closed one of these deals, let alone hundreds.

That gap is where money gets left on the table.





\$80,000 Lesson: Never Use ICE as a Collection Tool



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by
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A February 2025 judgment out of Illinois should be required reading for every landlord in America. An Illinois court entered an \$80,000 judgment against a residential property owner — not for failing to maintain the property, not for an unlawful eviction, but for threatening to call immigration authorities on a tenant who hadn't paid rent.

Let that sink in. Eighty thousand dollars.

What Happened

The underlying events date back to 2020. A family had been renting a basement unit from the property owner for approximately three years. When a dispute arose over unpaid rent, rather than pursue the legal remedies available to every landlord in every state — a pay-or-quit notice, an eviction filing, a judgment for possession — the property owner took a different approach. Suspecting the tenants were undocumented, he threatened to report them to Immigration

and Customs Enforcement (ICE) unless they complied.

The tenants filed suit in 2022. Three years later, the court answered: \$80,000.

Why This Exposes You to Massive Liability

Making this threat implicates a web of federal and state fair housing protections, anti-retaliation statutes, and consumer protection laws. Courts treat it as coercion — using a tenant's immigration status as leverage to extract compliance is not a rent collection strategy; it is an abuse of power that courts and juries find deeply offensive. The dollar amounts reflect that.

Beyond the civil exposure, depending on the jurisdiction, such conduct can constitute criminal extortion. This is not a gray area.

The Law Already Gives You All the Tools You Need

Arizona landlords have a robust legal framework at their disposal. Under the Arizona Residential Landlord and Tenant Act, a landlord whose tenant has failed to pay rent can serve a five-day notice to pay or vacate, proceed to an eviction action if the tenant fails to comply, and obtain a judgment for possession and unpaid rent. The process is straightforward

and attorneys' fees are often recoverable. There is no legal gap here that extortion could possibly fill.

A Word on ICE Interactions Generally

We have previously advised clients on how to respond and interact with law enforcement — including ICE — if officers appear on property. That guidance remains in place. What we never anticipated having to say is this: do not use federal immigration enforcement as a personal collection mechanism. And yet, here we are.

The Bottom Line

If a tenant owes rent, serve the proper notice. File the eviction. Pursue the judgment. Those are your options. Threatening to call ICE is not a legal remedy — it is a path to an \$80,000 judgment and potentially worse.

The Illinois landlord could have had this tenant removed lawfully. Instead, he spent five years in litigation and wrote a large check.

Don't be that landlord. Be the landlord that follows the law.

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Income, Collateral, and Capital Preservation in Today's Market



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AZREIA Members,
I wanted to share a concise update on what we're actively executing within Arizona's manufactured housing and private credit market. This is deployed capital—not a theoretical model—across asset-backed positions in the Phoenix metro.

Portfolio Overview

- ~\$1.56M+ deployed in Arizona assets
- ~\$19,000/month in contractual payments
- First lien, seller-financed structures
- Exposure: Phoenix, Mesa, Glendale, Apache Junction

Our focus remains consistent: contractual income secured by necessity-based housing.

Featured Asset — Phoenix, AZ

La Montana Del Sur (3 Bed / 2 Bath)

- \$96,500 note | \$1,200/month
- 20-year amortization
- First lien position
- Dodd-Frank compliant borrower

Model: Acquire → Stabilize → Originate → Hold

Current Opportunities (Short-Term Credit)

- Brentwood West — Mesa (Lot 30):
\$48,750 | \$406/mo | 12-month
- Brentwood West — Mesa (Lot 76):
\$50,000 | \$416/mo | 12-month
- Chaparral Village — Tempe (Lot 125): \$65,000
\$541/mo | 12-month

These are first lien construction positions generating short-term yield before conversion into performing notes.

Strategy

We operate a defined cycle: Construction Lending → Stabilization → Note Creation → Cash Flow

The emphasis is on:

- Defined payments
- Secured positions
- Repeatable outcomes —not market timing or appreciation.

Market Context (Arizona)

- Traditional lending is tightening
- Entry-level housing remains undersupplied
- Demand for alternative financing is rising

This continues to create opportunity for asset-backed private credit.

Investment Opportunity — Silvercrest Opportunity Fund

For accredited investors seeking passive exposure:

- 10% net annual return (1-year, paid monthly)
- 12% net annual return (3-year, paid quarterly)

Backed by first-position, performing notes secured by manufactured housing.

Important Disclosure

Offered under Regulation D, Rule 506(c) to verified accredited investors only. This is for informational purposes and not an offer to sell or solicit securities. Any investment decision should be made after reviewing official offering documents, including the PPM. Investments involve risk, including potential loss of principal. Past performance is not indicative of future results.

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Debt Service Coverage Ratio Loans

In today's market, many investors and potential wholesale buyers are waiting for the right time to buy. This presents an opportunity for the investor to seek out alternative opportunities and tools that are available to them when investing.

One example is the DSCR loan – Debt Service Coverage Ratio loans offer financing based on their property's income potential rather than personal income, making easier for buyers to secure investment capital. Many lender institutions offer this product. Reach out to your lender partner for further details.

Another resource available is the right Escrow/Title Partner. You will want to partner with a seasoned escrow officer who will ensure a seamless transaction. Also, the marketing available to you through your Business Development manager can help you leverage your transaction. If you or your customer want to consider these strategies, we are here to help!

Thank you,

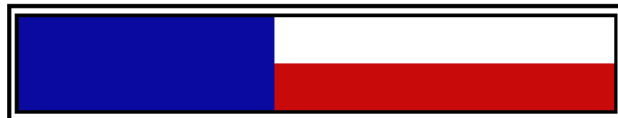
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Design as Dividend: Why Good Architecture Pays You Back



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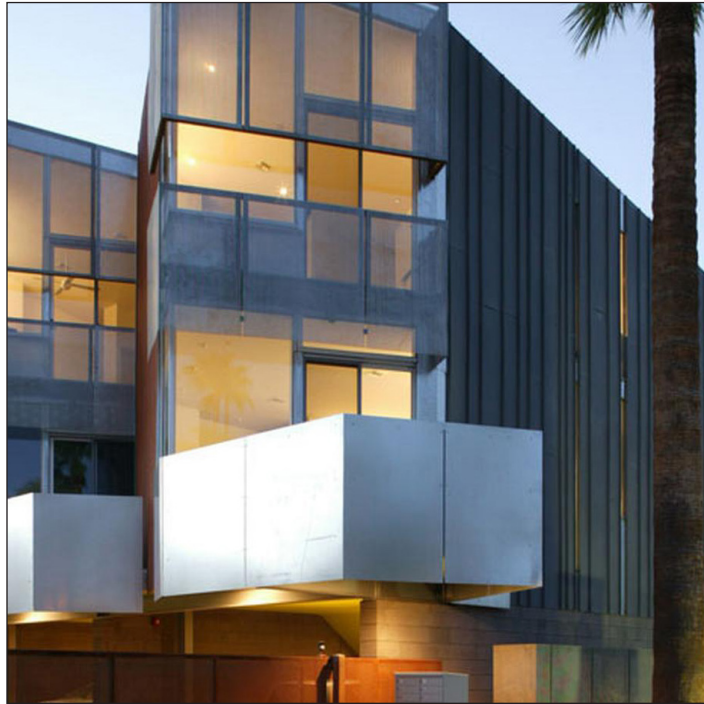
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When Loloma 5, a set of five live-work units designed by Will Bruder in Phoenix in 2004, hit the market, it didn't lean on excess square footage or trend-driven finishes to justify its value. Instead, the difference was design: disciplined, intentional, and built to endure. Even as newer product entered the market, Loloma 5 held its position because it offered something rarer than "new"—it offered clarity and purpose. Twenty years later, it commands sale estimates north of \$500 per square foot and rental projections exceeding \$2.50 per foot—numbers that outperform much of the surrounding market.

That's the essence of design as dividend. While most investors track returns through rent growth and appreciation curves, architecture works quietly underneath, strengthening both. Projects like Loloma 5 lease faster and attract a more discerning tenant because the spaces simply work better, clean circulation, flexible live-work



functionality, and a strong relationship between interior and exterior with each unit turning to capture views of Camelback Mountain. These aren't aesthetic luxuries; they're performance drivers that translate directly into higher revenue and lower vacancy.

There's also a durability to this kind of design that reduces long-term friction. While many properties require constant reinvestment just to stay competitive—cosmetic upgrades, layout fixes, or repositioning strategies, this one requires less: when proportion, material selection, and spatial composition are handled correctly from the start, the building maintains its relevance

with far less intervention. That stability protects returns over time, allowing investors to spend less on catching up and more on compounding value.

For investors, the lesson is straightforward: design is not a cost to be trimmed—it's an asset that performs. Loloma 5 demonstrates how thoughtful architecture can elevate both rent and resale beyond baseline expectations, without relying on gimmicks or overbuilding. It's not just about adding square footage—it's about shaping space in a way that the market consistently rewards. And when that happens, design stops being an expense and starts acting like a dividend—paid out year after year.





There Is More Than One Phoenix



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Last month, we dove into institutional ownership of SFR. Let's keep looking at some of what those larger investors and developers are up to, and the impact. From a distance, Phoenix real estate markets get a lot of hate in the national press, although it certainly hasn't always been that way. Contrast that with the fact that once you are actually in Phoenix, there is a lot of opportunity and optimism for development and redevelopment. Phoenix looks like one thing from a distance and something very different up close, and there are two major fault lines: downtown Phoenix versus almost everything else, and single-family rental versus multifamily.

Those fault lines matter because most national commentary treats Phoenix as a single market. It is not. It is a split market, and the divergence is driving very different outcomes depending on where and what you are looking at.

At a national level, multifamily has softened as new supply has caught up with post-COVID demand. Vacancy has moved higher, rent growth has flattened, and landlords have less pricing power than they did two years ago. Phoenix fits that pattern, but in a more exaggerated form. It built faster than most markets and is now working through a more visible supply surge. Real estate cycles do not adjust cleanly. They overshoot, and Phoenix overshot.

From 2021 through 2025, when the national press loved Phoenix, a large volume of new multifamily units were developed across the Valley, heavily concentrated in higher-end products. That supply was built for a specific thesis: continued in-migration, remote work flexibility, and a growing base of renters willing to pay for new, amenitized buildings. Some of that demand showed up, but not all of it, and not at the pace required to absorb what was delivered. The result is a

broad multifamily overbuild, with higher vacancy, increased concessions, and downward pressure on rents across much of the market.

Downtown Phoenix is where that imbalance is most visible, but it is not the only place it exists. The entire Valley saw elevated levels of multifamily construction, and the effects are being felt well beyond the urban core. What distinguishes downtown is concentration. It absorbed a disproportionate share of new construction, much of it similar in form and price point, which amplifies the impact. The issue is not simply that there are too many units. It is that there are too many comparable units competing for a relatively narrow renter base. Downtown demand is real, driven by professionals, students, and lifestyle renters, but it is not as deep or elastic as the broader housing market.

A similar dynamic is playing out in Tempe, which functions as a parallel urban node rather than part of the broader suburban market. The concentration of towers around Tempe Town Lake makes the buildout especially visible. Anyone driving by or flying into the airport sees it immediately, a skyline that did not exist at this scale a decade ago. That visibility reinforces the perception of overbuilding, but it also reflects the same underlying pattern: a large amount of multifamily supply, much of it higher-end, coming online at roughly the same time. Tempe benefits from a structural demand base anchored by Arizona State University, which should support faster absorption, but in the near term it is still part of the same supply-heavy dynamic affecting urban Phoenix.

Other lifestyle markets, such as Scottsdale, sit on the same side of the broader divide but behave differently. Scottsdale is not a concentrated urban node in the same way as downtown Phoenix or Tempe. Its development is more diffuse, its demand base broader and wealthier, and its pricing more anchored by ownership markets rather than purely by rents. It participates in the broader multifamily cycle, but it did not experience the same clustered delivery of similar product, and as a result the imbalance is less acute and less visible.

This is why it is fair to say that downtown Phoenix and similar urban submarkets

like Tempe are overbuilt in the near term, even as the broader Valley is also carrying excess multifamily supply. Not permanently, and not structurally, but in the context of the current cycle. Supply exceeded demand, and the market is still in the process of absorbing that excess. That absorption will happen, but it takes time, and in the meantime, the leverage sits with renters rather than landlords.

At the same time, the second fault line, single-family rental versus multifamily, is creating a different set of dynamics. These two asset types are related but not interchangeable. Multifamily, particularly newer Class A products, has absorbed the bulk of new supply and is showing the strain across the metro. Single-family rental serves a different tenant profile, often families or longer-duration renters who are priced out of homeownership but still want space, stability, and schools. That segment has not been built to the same degree and remains comparatively balanced, with demand holding up more consistently.

The distinction between these urban nodes and the rest of the metro reinforces the split. Outside of downtown Phoenix and Tempe, the market still reflects the broader multifamily overbuild, but the effects are more diffuse and in many cases already moderating. Supply is spread across more submarkets and price points, and underlying demand, particularly for workforce housing and single-family rental alternatives, is deeper. In many of these areas, the excesses of the last few years have already begun to work through the system. Rent growth may be modest, but occupancy is stabilizing, and the competitive dynamics are less distorted than in the urban core.

This is the split market in action. Multifamily is overbuilt across much of Phoenix, with the most acute pressure in downtown Phoenix and visible urban nodes like Tempe. At the same time, single-family rental and more affordable segments of the market are closer to equilibrium, and lifestyle markets like Scottsdale are following a different, more diffuse path (doesn't that market always?). Same metro, different realities. Want a deal? You can probably get one if you want to buy a stressed MFR development. But if you're looking for a SFR in a neighborhood, the market is pretty balanced.





Deed Fraud in Arizona: The Silent Threat Property Owners Shouldn't Overlook



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by
Mario Vasquez

Imagine discovering that a property you own has been sold—and you had nothing to do with it. No signature. No warning. Just gone. It may sound unlikely, but this is exactly how deed fraud, also known as title theft, is impacting property owners across Arizona. As real estate activity continues to grow, so does the opportunity for fraud—and many people don't realize how easily it can happen.

Why This Is Becoming a Bigger Issue

Deed fraud is not random; it is often targeted toward properties that are less likely to be closely monitored, such as vacant land, second homes, or properties owned by individuals who live out of state. Because property ownership information is publicly available through county records, it can be relatively easy for someone to identify a potential target. From there, stolen personal information or forged documents can be used to create a fraudulent transfer of ownership that appears legitimate once recorded. State and local agencies, including the Arizona Attorney General's Office, have issued warnings in recent years encouraging property owners to stay alert and take preventative steps.

How Deed Fraud Typically Happens

Most deed fraud cases follow a similar pattern. A scammer identifies a property that appears to be low risk for detection. They then impersonate the owner or create forged documents—often using a quitclaim deed—to transfer ownership. Once the document is recorded with the county, the transfer can appear valid. From there, the fraudster may attempt to sell the property, take out a loan against it, or rent it out. Because recording offices are not responsible for verifying ownership beyond basic document requirements, these fraudulent filings can go unnoticed at first. By the time the issue is discovered, resolving it can be complicated, time-consuming, and costly.

What's Being Done

Across Arizona, there is growing awareness of deed fraud. County recorders, title companies, and law enforcement agencies are working more closely together to identify suspicious activity and educate the public. Many counties, including Maricopa County, now offer free property alert services that notify individuals when documents are recorded in their name or on their property. These tools are becoming an important first line of defense. However, much of the system is still reactive. In many cases, action is taken only after fraud has already occurred, which is why prevention is so important.

How to Protect Yourself

Fortunately, there are several

simple steps that can significantly reduce your risk:

- **Sign up for property alert programs**
Many Arizona counties offer free notification services when documents are recorded.
- **Check property records periodically**
A quick review of county recorder or assessor websites can help catch unusual activity early.
- **Be cautious with personal information**
Limiting exposure of sensitive data can reduce the risk of identity theft.
- **Verify information in real estate transactions**
Taking time to confirm identities and details can help prevent issues before they start.
- **Act quickly if something seems wrong**
Contact your county recorder, a real estate professional, or legal counsel as soon as possible.

Final Takeaway

Deed fraud is a quiet but growing concern in Arizona's real estate landscape. It can affect anyone who owns property, and in many cases, it happens without immediate warning. The good news is that awareness and a few proactive steps can go a long way in preventing it. Taking a few minutes to monitor your property and stay informed may not seem urgent—but it can make all the difference.





The Landlord Playbook for Avoiding Costly Insurance Mistakes



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For many first-time landlords, insurance is treated as a one-time task at closing. In reality, it's one of the most important tools you have to protect your cash flow and long-term returns. Here are some of the most common insurance mistakes—and how to avoid them.

Underinsuring the Property

Many policies include an insurance-to-value clause, requiring you to insure to at least 80% of the replacement cost. If you don't, your claim payout can be reduced—even on partial losses. With rising construction costs, many properties are unknowingly underinsured. A quick review can prevent a major shortfall later. The simple question is how much it would cost to rebuild. That's the only question. Not how much you could sell it for, but how much it would cost to rebuild.

Choosing the Wrong Deductible

Low deductibles often mean higher premiums and more frequent claims. For landlords, insurance should cover major losses—not routine repairs. A higher deductible paired with solid reserves is typically a more efficient strategy. It should be at least more than the deposit, and probably double.

Skimping on Water Coverage

Standard policies often exclude sewer backups, drain backups, and sump pump failures. These require added endorsements—and skipping them can be costly. Water claims are one of the most common and expensive issues landlords face. It doesn't cost a lot to add, ask your insurance agent.

Ignoring Major System Risks

Older roofs, plumbing, and HVAC systems increase claim risk and can lead to coverage limitations. Knowing the age and condition of these systems helps avoid denied claims and unexpected expenses. Your inspection is more than just learning about the current condition, but also about how much life is left in these systems.

Not Reviewing Your Insurance Regularly

Insurance isn't "set it and forget it." As property values, rents, and replacement costs change, your coverage should too. Just as important, rates and carriers change. If you're not shopping your policy every couple of years, you could be overpaying or missing better coverage options. Best way to do this is have an independent agent like [Gila Insurance Group LLC](http://GilaInsuranceGroupLLC.com). We have a feel for the market, represent multiple carriers to find better pricing and coverage tailored to rental properties. That flexibility can make a meaningful difference in both cost and protection.

The goal isn't just to have insurance—it's to have the right insurance structured correctly. Done well, it protects your investment. Done poorly, it can leave you exposed when it matters most. You can learn more about the right coverage and request a quote at GilaInsurance.com/AZREIA.





Real Estate Investing in Arizona: An Escrow Officer's Perspective on Why the Right Partners Matter



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by
DiAnna Jackman

Arizona continues to be one of the most attractive real estate investment markets in the country. Strong population growth, business friendly policies, favorable tax structures, and consistent demand for housing have made the state a magnet for investors. From first time buyers to seasoned institutional players.

But from where I sit on the title and escrow side of the fence, I can tell you this: great deals don't fail because of the market, they fail because of the people involved.

I've watched profitable transactions close seamlessly, and I've seen promising investments unravel at the closing table. The difference almost always comes down to one thing: choosing the right partners.

The Escrow Officer's Unique Vantage Point

Escrow officers sit at the center of the transaction. We coordinate with buyers, sellers, realtors, lenders, title teams, attorneys, HOAs, and government entities. We see timelines collapse, documents delayed, funds mishandled, and misunderstandings escalate into costly disputes.

We also see the opposite, transactions where everyone knows their role, communicates clearly, and protects the investor's interests. Those deals close faster, cleaner, and with far fewer surprises.

For investors in Arizona, especially those operating out of state, the importance of the right relationships cannot be overstated.

Arizona Is Investor Friendly, But Not Forgiving

Arizona offers many advantages:

- The files are handled by escrow professionals, not attorneys in most cases
- Competitive and filed title and escrow rates
- A relatively streamlined closing process

However, that efficiency assumes you're working with **experienced, detail oriented**

partners. Arizona transactions move quickly, and mistakes like missed HOA disclosures, unclear vesting, incorrect FIRPTA handling, or misunderstood tax proration can create serious delays or financial exposure.

Escrow doesn't "fix" bad decisions upstream. By the time a file reaches us, the foundation has already been set.

Your Core Partners Can Make or Break the Deal

1. Title and Escrow

Not all escrow officers are created equal. Investors need professionals who understand:

- Entity vesting and liability protection
- Investment specific timelines
- Assignment clauses and double closes
- 1031 exchange coordination
- Wire fraud prevention protocols
- Alternative financing

An escrow officer who regularly handles investor transactions will anticipate issues before they become problems. An inexperienced one will react after it's too late.

2. Lenders Who Understand Arizona

Arizona has unique property considerations, HOA heavy developments, new construction requirements, and zoning nuances that can trip up out-of-state lenders. A lender unfamiliar with local norms can stall a deal with last minute conditions or appraisal issues.

From escrow's perspective, lender delays are one of the most common causes of missed closing dates. The right lender keeps documents accurate and funds on time.

3. Real Estate Agents Who Know Investors

An investor minded agent knows the difference between emotional buyers and ROI driven decisions. They understand contract terms that protect an investor's timeline and exit strategy. They don't overpromise repairs, rent projections, or closing speed.

Escrow feels the downstream effects of unrealistic expectations every day.

4. Inspectors and Contractors

Deferred maintenance can become closing disputes if not caught early. A thorough inspection and reliable contractor estimates allow escrow to keep credits, amendments, and wire numbers clean and accurate.

Surprises late in escrow create friction and friction kills deals.

5. Property Managers and Insurance Providers

Investors who plan ahead for rent readiness and insurance requirements save themselves tremendous stress. Last minute insurance changes or unclear property management transitions can delay funding and credentials.

Communication Is the Hidden Asset

The best transactions I handle share one trait: **constant, proactive communication.**

When escrow, title, lender, and agent are aligned, issues are surfaced early. When they're not, investors often learn about problems at the worst possible time, right before closing, when leverage is gone and decisions are expensive.

As an escrow officer, I can advocate for clarity but I can't replace a weak partner who isn't responsive or experienced.

Wire Fraud and Compliance: Where Experience Really Matters

Arizona closings move significant sums of money, and escrow officers are on the front lines of wire fraud prevention. Investors should never underestimate the importance of working with firms that have:

- Secure verification protocols
- Clear wire instructions procedures
- Education for clients on fraud risks

Choosing budget or untested partners in this area is one of the most dangerous mistakes an investor can make.

Final Thoughts: Invest in Relationships Before Properties

In Arizona real estate investing, **your returns are only as strong as your team.**

The best investors I work with don't chase the cheapest services, they build long term relationships with professionals who protect their time, capital, and reputation. They treat escrow officers, title reps, lenders, and agents as strategic partners, not transactional vendors.

From my seat at the closing table, the lesson is clear:

The right partners don't just help close deals they keep you investing.

If you're building or scaling an investment portfolio in Arizona, start by asking not just "Is this a good deal?" but also "Do I trust the people bringing it to the finish line?"



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- Market knowledge including micro markets
- Push through tough negotiations
- Access to tradesmen, supplies and labor

REACH OUT TO ME TODAY, I'D LOVE TO CHAT!

Dominique Martinez

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AZREIA ADVANTAGE: MONTHLY MEETINGS

AZREIA Phoenix Meeting

Monday, May 11
In-Person & On-Line
Doors open at 5:15 pm
Venue 8600
8600 E Anderson Dr
Scottsdale, AZ 85255

AZREIA Tucson Meeting

Tuesday, May 12 In-Person
6:00 pm
Keller Williams Building
1730 E River Rd #200
Tucson, AZ 85718

Phoenix Real Estate Club

Tuesday, May 26
In-Person
6:00 pm
AZREIA Office
4527 N 16th Street #105
Phoenix, AZ 85016

Join us this month for two AZREIA meetings designed to help Arizona real estate investors stay informed, sharpen their strategy, and avoid costly mistakes in today's market. This month's featured presentation in both Phoenix and Tucson will focus on building and operating your first rental property the right way—from analyzing deals and understanding true cash flow to screening tenants and setting up simple systems that protect your investment. Whether you're just getting started or looking to refine your approach, these meetings will give you practical, real-world guidance you can apply immediately. Come connect, learn, and walk away with a clearer path to building long-term rental income. Phoenix Market Update and Outlook with Tina Tamboer

The Market Update and Trends presentation features insights from Tina Tamboer, Senior Housing Analyst at The Cromford Report, delivering trusted, data-driven analysis of Arizona's real estate market. This timely update provides investors with the clarity and confidence needed to make informed decisions, adapt to changing conditions, and stay competitive in today's market. Don't miss the opportunity to learn from one of Arizona's most respected housing analysts.

Phoenix Meeting

Join AZREIA for a practical, implementation-focused workshop designed to help you confidently buy and operate your first rental property the right way. If you're thinking about getting started—or already own a rental and want to avoid costly beginner mistakes. This session will give you a clear framework for making smarter investment decisions from day one. We'll focus on the real-world systems that protect your cash flow, reduce risk, and help you operate like an experienced landlord, not a first-time guesser.

You'll walk away with:

- A clear process for analyzing deals and understanding true cash flow
- How to properly validate rent and avoid overpaying for a property
- A simple tenant screening system to reduce risk and turnover
- Key operating systems for maintenance, reserves, and lease management
- A 90-day action plan to help you secure and stabilize your first rental

Tucson Monthly Meeting – Expert Insights from Joe O' Brien, Open Q&A, Food, Networking & Market Update

Join us in Tucson for food, networking, and a hands-on workshop focused on helping you confidently buy and operate your first rental property. This session breaks down the core fundamentals new investors often miss—how to analyze deals correctly, avoid hidden costs, screen tenants effectively, and set up simple systems that keep your rental profitable and manageable. Whether you're just getting started or looking to refine your approach, this is a practical, step-by-step conversation designed to help you take action with clarity. Come connect, learn, and leave with a straightforward plan to move forward with confidence in your next rental investment.

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.

MAY MEETINGS		
AZREIA – Phoenix Monday, May 11	AZREIA – Tucson Tuesday, May 12	Phoenix Real Estate Club Tuesday, May 26
MAY SUBGROUPS – Join like-minded investors, share ideas, network, and learn in small group settings.		
<ul style="list-style-type: none"> • AZ Women In Real Estate Subgroup (AZWIRE) Tuesday May 5 • Tucson Buy & Hold Subgroup Hybrid Wednesday May 6 • Income Property Owners Subgroup (Buy & Hold)- Hybrid Thursday May 7 	<ul style="list-style-type: none"> • Beginning Investors Subgroup Phoenix - Hybrid Thursday May 14 • Prescott Subgroup Monday May 18 • Multi Family Investors Monday May 18 	<ul style="list-style-type: none"> • Call-A-Thon Wednesday May 20 • Tucson New Investors Subgroup-Hybrid Monday May 18 • Fix & Flip Subgroup Wednesday May 27
MAY WORKSHOPS		
The Landlord Operating System: First Edition Saturday May 16 9:00 am – 4:00 pm		
<p>Join us for a hands-on implementation-focused workshop designed to help you confidently purchase and manage your first rental property. This isn't theory or hype—it's a practical, step-by-step blueprint to help you move from uncertainty to clear action with systems you can actually use. In this one-day workshop, you'll learn how to define your buy box, analyze deals conservatively, validate rent, screen tenants with a structured process, and set up simple systems for maintenance, reserves, and lease management. You'll also walk away with a 90-day action plan to help you secure and stabilize your first rental with confidence. If you're serious about buying your first rental—and want to do it the right way from the start—this is an invitation to get in the room, get clear, and start operating like a landlord from day one. On-site lunch provided.</p>		
UPDATED INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG/CALENDAR		

LEGALLY SPEAKING



Q: We had a recent extreme storm which caused a roof leak into my rental unit. Now the tenant is threatening not to pay rent claiming the unit is uninhabitable. However, he is still living in the unit. Is he allowed to do that?

A: The short answer is no, your tenant cannot live in a unit and refuse to pay rent. Obviously, you have a legal obligation to fix any issues that arise, even those that are caused by extreme storms. If there is something that causes the

unit to be uninhabitable, and more that a regular noncompliance, their remedies are likely outlined in ARS 33-1366. This statute gives 2 remedies: the tenant can move out, give notice within 14 days and terminate the lease, OR stop using the part of the unit that is uninhabitable, and then pay the prorated rent equal to the part that is habitable. In either case, the tenant cannot simply continue to live in the unit and not pay any rent.

– 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.

AZREIA MONTHLY MEETINGS AT A GLANCE

May 11, Phoenix Meeting

- **Phoenix Market Update & Market Trends with Tina Tamboer** The Market Update and Trends presentation features insights from Tina Tamboer, Senior Housing Analyst at The Cromford Report, delivering trusted, data-driven analysis of Arizona's real estate market. This timely update provides investors with the clarity and confidence needed to make informed decisions, adapt to changing conditions, and stay competitive in today's market. Don't miss the opportunity to learn from one of Arizona's most respected housing analysts.
- **Phoenix Main Meeting:** If you're thinking about buying your first rental, or if you already own one and want to avoid costly mistakes, this is a conversation you need to be in. From analyzing true cash flow and uncovering hidden expenses to placing the right tenants and building systems that actually work. The difference between a profitable investment and a draining second job comes down to how you operate from day one. AZREIA is bringing in seasoned investor Joe O'Brien to break down the real-world playbook he uses to build and manage a multi-million dollar portfolio. You'll walk away with practical insight, proven strategies, and a clearer path to building rental income that lasts.
- **Networking & Trade Show** Join for investor-to-investor networking and an expo of our local investor-friendly Business Associates to help build your team and do more deals!

May 12, Tucson Meeting

- **Tucson Market Update** The latest sales volume, pricing, supply and demand numbers for the Tucson market.
- **Tucson Main Meeting:** Join us for food, networking, and a presentation with Joe O'Brien, a seasoned Phoenix investor who has built and scaled a multi-million dollar rental portfolio. If you're buying—or thinking about buying—your first rental, this is an opportunity to learn what actually works before costly mistakes are made. From identifying true cash flow and avoiding hidden expenses to placing the right tenants and setting up systems that run efficiently, Joe will share the same real-world playbook he uses in his own business. Come connect, gain clarity, and walk away with insight you can apply to your next investment.

May 26, 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.



HOSTED BY MARCUS MALONEY & MICHAEL DEL PRETE

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SCAN ME



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- Small business growth
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- ✓ **Forum Access:** Post and comment on forums
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AZREIA is the only REIA in Arizona that is a certified official chapter of the National Real Estate Investors Association. This means all of our members have access to exclusive national discounts with businesses that will help your and your investing, no matter your experience or strategy. On top of these national discounts, AZREIA members have access to more education and networking opportunities than any other real estate investing group in the state.

Our goal is to bring AZREIA members the most value to their membership as we possibly can. We have served over 50,000 real estate investors across the state in our 20+ years of business and are continually adding more and more to membership offerings. Consider these benefits listed above to see how AZREIA membership can serve you and support your real estate investing business.

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