THE AZREIA ADVANTAGE

ARIZONA REAL ESTATE INVESTORS ASSOCIATION NEWSLETTER

"AZ Real as it Gets"

SEPTEMBER 2026

Contents

ARIZONA REAL ESTATE INVESTORS ASSOCIATION

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Single No More: Making the Move to Multifamily

by Cynthia Trammell

For a lot of real estate investors, single family is where it starts.

You buy a house. Maybe you flip it. Maybe you keep it as a rental. Along the way, you learn contractors, tenants, lenders, repairs, negotiations, and all the things that come with owning real estate. Then one day you look at multifamily and wonder, could I really do that?

Here is what I tell people all the time: you already have 70% of the skills you need.

If you have owned rentals, managed renovations, worked through financing, dealt with tenants, or solved problems when something did not go as planned, you are not starting over. You may actually be starting further ahead than I did.

I did not come into multifamily with years of residential real estate experience. Other than owning a commercial building, I had not built a portfolio of single family rentals. My first multifamily property was a 16-unit in Oklahoma. I had to learn commercial brokers, rent rolls, different financing, operations, and a different way of looking at the numbers.

What I did have were skills from business and life. I knew how to solve problems, work with people, make decisions, and keep moving when things did not go exactly as planned. What I really needed was the other 30%.

Too many people convince themselves they need absolute certainty before they move. Waiting until you know exactly what to do can become another form of procrastination. At some point, more research simply delays the moment when you have to decide.

Investor and educator J Scott has said that roughly 96% of the people he meets in real estate investing have never done a deal. Plenty of people watch videos, attend meetings, study markets, and talk about real estate. But they never make the offer.

Failure does not end nearly as many dreams as hesitation does. Failure means you stepped onto the field. Doubt can keep you standing on the sidelines forever.

Small multifamily can be the bridge.

A 6-unit, 12-unit, 16-unit, or 30-unit property can create enough scale for the income to matter without building a business so large that it swallows the life you were trying to improve. You can build passive

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Phoenix Monthly Meeting
Monday, September 14
In Person & Streaming - 5:15pm

- Association Update
- Market Update & Outlook
- Small Deals. Big Wealth: Buy Small Multi Family Through Partnerships, Without Syndications

Tucson Monthly Meeting
Tuesday, September 15
In Person - 6:00pm

- Food
- Haves & Wants + Association Update
- Tucson Market Discussion
- Small Deals. Big Wealth: Buy Small Multi Family Through Partnerships, Without Syndications
- Open Networking

EXECUTIVE DIRECTOR'S MESSAGE

The Auction Isn't the Opportunity

by Michael Del Prete
Executive Director, AZREIA

Foreclosure activity is rising in Arizona.

Through the first half of 2026, 5,412 Arizona properties had a foreclosure filing up 29% from the same period last year.

That headline naturally has investors asking: Are the deals coming back to the foreclosure auction?

Not so fast.

There's a big difference between a property entering foreclosure and a property actually reaching the auction—and an even bigger difference between an auction and a good deal.

In April, across Greater Phoenix, 140 homes completed foreclosure. Seventy-five sold to third-party buyers. The other 65 reverted to the lender.

Seventy-five houses across Maricopa and Pinal counties. Roughly three per business day, with experienced cash buyers competing for the same inventory.

Auctions can absolutely work for a well-capitalized investor who does the homework. But you're dealing with limited inventory, immediate funding requirements, possible occupants, uncertain repairs, and other risks. A discount from retail value does not automatically equal profit.

The bigger opportunity may be before the auction.

Maricopa County can have roughly 1,300 active Notices of Trustee Sale at a given time. Many never reach the courthouse steps. Owners cure the default, refinance, negotiate with the lender, or sell.

And when an owner has equity, there are options.

That creates an opportunity to have a conversation 30, 60, or 90 days before the auction to understand the situation, inspect the property, negotiate, and potentially create a solution that works for everyone.

But first, you have to get into the conversation.

A homeowner calls an agent. An agent calls an investor. An attorney, lender, wholesaler, or fellow AZREIA member knows someone who needs help.

Who gets that call?

Usually someone they already know and trust.

That's why your network isn't separate from your investing business. Your network is part of your investing business.

Single No More: Making the Move to Multifamily

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income and equity while staying close enough to understand what you own.

And that income can change more than your bank account.

Maybe you take the trip without calculating what you have to give up to pay for it. Maybe you spend a little more on dinner with your family without that guilty voice asking whether you should have saved the money instead. Over time, real estate can give you more freedom to make decisions based on the life you want and less on what your next paycheck allows.

That is why small multifamily can become the destination. Not because you stopped thinking bigger, but because you got clearer about what bigger means: more freedom, more choices, more control over your time, and assets your family can benefit from long after you bought the first property.

That is legacy.

Real estate is not impressive because of the number of doors you own. It becomes meaningful because of what those doors allow you to do with your life.

That is part of what I'll be talking about at AZREIA, because the move into multifamily is not really about getting more doors. It is about what those doors can make possible in your life.

Then comes the part that matters most: execute.

Call the broker. Look at the financials. Underwrite the property. Build your team. Make the offer when the numbers make sense. Your first offer may get rejected. Mine have. Make another one.

Confidence rarely arrives first. More often, it grows because you moved before you felt completely ready.

You already have 70%.

The life you want five years from now is being built by the decisions you are willing to make today.

Vendors, Handshakes, and the Fine Print

by Michael J. McGirr

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In real estate investment, plenty of familiar players get the spotlight: buyers, sellers, agents, tenants, contractors. And then there's the often overlooked, yet equally significant, group – the vendors. Their roles may be less glamorous, but as any savvy investor knows, they're indispensable. It's high time we give them their due.

Vendor relations can be a balancing act. On one hand, you want to build long-lasting, fruitful partnerships. On the other, it's a business relationship, and you must protect your interests through clear timelines and firm, beneficial negotiations.

Maintaining workable relationships with your vendors isn't just good manners; it's a matter of legal significance. The law watches with a stern eye, so make sure every contract, every agreement, and every handshake (literal or virtual) can pass muster.

Contractual agreements with vendors are the bedrock of these relationships. As with any contract, both parties must clearly understand the terms. So take your time, scrutinize the fine print, and when in doubt, seek legal counsel. Many of you have heard my favorite phrase: an ounce of legal prevention is worth a pound of litigation cure.

Let's talk payment terms. Discussing money can be uncomfortable, but it's a necessary evil. Establish clear payment terms upfront to avoid financial disputes down the line. It's not about being miserly; it's about building trust and respect with your vendors.

In real estate investment, conflicts with vendors can occasionally sprout like unwelcome weeds. When they do, respond promptly, professionally, and keep the lines of communication open. Resolving issues early prevents them from growing into full-fledged legal thickets.

They say an apple a day keeps the doctor away. Similarly, consistent vendor communication can keep the lawyer at bay.

So, friends, as you navigate the busy world of real estate, spare a thought (and a contract clause) for your hard-working vendors. Treat them with the legal respect and business decorum a good partnership deserves.

And remember, we're here to lend a hand whenever you need it. A little humor makes the serious business of law easier to swallow, but don't forget: a contractual agreement without a proper legal review is no laughing matter.

The Phocus Law team is here to assist with all your contractual needs. If we can be of service, please don't hesitate to reach out.

I can be reached by email at Mick@PhocusCompanies.com or by phone at 602-457-2191.

Why Your Insurance Agent Needs to Think Like an Investor

by Derek Kartchner

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This month's AZREIA meeting tackles a milestone every growing investor eventually hits: the jump from single-family rentals to small multifamily. It's an exciting move — but insurance-wise, it's not just "the same policy, bigger building." Here's what actually shifts as you climb from a single-family home into the 4- to 8-unit range.

The line falls in the middle of your target range. Most carriers draw the residential/commercial boundary at 1–4 units versus 5+. That means a 4-plex can often still be written on a personal-lines landlord or dwelling fire policy, while a 5- or 8-unit building almost always requires a commercial property and liability form. If you're building a portfolio across that 4–8 unit range, expect to be shopping two different markets, not one.

Rating basis changes. SFH rentals are typically rated per house, based on square footage, age, roof, and construction. Commercial multifamily is rated more like a business: per unit and per total insured value, with underwriters weighing occupancy type, on-site amenities, fire protection class, and even management history. Rates are higher on commercial properties; just know that. Some of that is coverage difference, but also, the risk goes up. When you break it down by door its not usually outrageously different, but it is higher, and many people making the jump aren't used to that change.

Liability limits step up. A single-family rental carries liability tied to one household. Add units, common hallways, parking lots, and shared mechanicals, and your liability exposure — and the limits lenders require — climbs with it. $1 million per occurrence is often the commercial floor, and umbrella coverage becomes far more common and often necessary. As the owner of a multi-family unit owner you are viewed as rich, regardless of the cash flow on the property, and as such become a target.

Loss of rents gets more complicated. On a SFH, loss of rent is usually a simple add-on covering one tenant. On an 8-plex, a single covered loss (a pipe break, a fire) can knock out several units at once, so business income/loss of rents coverage needs to be sized for a multi-unit outage, not a single check. This coverage matters! If you have a covered loss, and you are out rent, how are you covering the mortgage? That is what loss of rent does.

Underwriting gets more rigorous. Expect questions about sprinklers, fire alarms, roof age and permits, security lighting, and maintenance records — items rarely asked about on a single rental home, but standard on any 5+ unit submission. Updates matter. In the commercial space, the roof, HVAC, plumbing, and electrical need to have been updated in the last 30 years. If not, the carriers will usually drop coverage DRASTICALLY. Both in terms of limits AND perils that are insured. For example, if the plumbing hasn't been updated in 30 years (i.e., since 1996) on a commercial policy, they will not cover leaky pipes or other water damage. By the way, that is the most frequent type of loss you are likely to see in Arizona.

Valuation and lender requirements tighten. Commercial lenders typically require replacement cost valuation, specific deductible structures, and ordinance-or-law coverage that personal-lines policies often don't include at all.

The takeaway for AZREIA members scaling up this year: start the insurance conversation before you're under contract. A 5-plex bought expecting SFH-style pricing can come as a surprise once it's underwritten commercially — better to know the market and the number ahead of time. Not sure where to start? Contact Gila Insurance Group LLC at gilainsurance.com or 928-428-6440.

Maricopa County is an Investor's Dream

by
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Jackman

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Maricopa County, Arizona, has a particular kind of real estate momentum: sun fueled growth, lifestyle driven demand, and neighborhoods that keep expanding outward even as established areas mature. For investors, that mix can create opportunity if you treat each deal like a puzzle rather than a lottery ticket.

One reason Maricopa County stands out is the scale of its renter and buyer pool. Phoenix and its surrounding suburbs attract people for jobs, family ties, and the promise of an active, outdoor friendly lifestyle. That population pressure can help stabilize rental demand, especially in properties that match what tenants actually want, practical floor plans, manageable maintenance, and locations with access to everyday essentials like grocery stores, schools, and commuting routes.

But investing here isn't only about chasing rent checks. Successful investors think in terms of "durable" cash flow. In many parts of Maricopa County, competition is real. Homes that rent quickly often share similar traits, solid basics (roof age, HVAC condition, electrical reliability), clean curb appeal, and layouts that feel intuitive. Even if purchase prices vary across neighborhoods, the market tends to reward investors who upgrade strategically focusing on what tenants touch daily and what lenders and inspectors scrutinize most.

There's also a seasonal rhythm to consider. Summer in Arizona is hot enough to expose deferred maintenance fast. If you own in Maricopa County, your HVAC strategy matters. Investors who plan for realistic repairs, filters, ductwork issues, thermostat upgrades, can avoid "surprise" expenses that erode returns. In other words, the best deal is rarely the one with the lowest asking price; it's the one with the cleanest path to predictable operating costs.

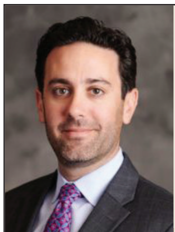
For those considering rentals, one popular approach is buying modestly priced homes that can be improved to meet market expectations. Upgrades don't need to be extravagant to be effective. Fresh paint, updated lighting, modernized fixtures, and landscaping that survives desert heat can make a property feel cared for, which often translates into stronger tenant retention. Retention reduces turnover costs, one of the biggest silent killers of landlord profitability.

Investors who prefer a more hands on model sometimes choose value add opportunities. That might mean improving lease terms, tightening property management, or adjusting rent to align with local comps. It can also involve repositioning a property's target tenant profile, such as transitioning from short term appeal to long term steadier demand, depending on zoning rules and neighborhood trends.

If you're exploring flips, Maricopa County offers plenty of resale activity, but timing is everything. Renovation costs, labor availability, and buyer sensitivity to cosmetic versus structural work all impact margin. A smart flip strategy starts with a conservative budget, a clear scope of work, and a realistic timeline because in construction, delays can turn potential profit into carrying cost nightmares.

Finally, remember that every neighborhood has its own story. Even within one metro area, micro-markets can differ in rent levels, vacancy patterns, and buyer preferences. Study sales comps, analyze rental listings, review property condition, and understand local rental regulations. Maricopa County can be an investor's playground, but only for those who measure twice and buy once!

Bankruptcy Law for Landlords



by Mark Zinman

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There is a lot of confusion for property managers surrounding bankruptcy - what does it do, what happens if there are multiple filings. It is important for managers to know some basics about BK law. We want to review some basic information about bankruptcy, and then focus on misconceptions around multiple bankruptcy filings. This is important for current residents, but also affects what applicants you approve. For example, just because a resident filed bankruptcy last year, doesn't mean they won't do it again and cost you lost rent.

A tenant filing bankruptcy can create a real problem for a property owner or manager. When a person files bankruptcy, in most cases, there is an automatic stay in place that prohibits any creditor from taking action against that tenant. This means that you can't send them any notices or file an eviction against them (amongst other things, this means no non-payment notices, no non-compliance notices, no non-renewals and no evictions). Effectively, they are untouchable until you go into the bankruptcy court and get an order that allows you to start the eviction. This order is called a lift stay order, because it "lifts" the automatic stay that protected them.

Think of the automatic stay as a bubble that protects the person who files bankruptcy. You can't touch them while they are in the bubble. You need to get a "lift stay" order from the bankruptcy court, before you take any action against them.

This "automatic stay" (the bubble) happens immediately when someone files bankruptcy. Many people believe that if someone has filed bankruptcy in the past 7 years that they can't refile and they can't get a new automatic stay. That is not necessarily true.

Whether someone can refile depends on whether they previously completed the bankruptcy process and obtained a "discharge" order. If someone gets a discharge order, they can't get another one, for up to 8 years following the filing of the first one.

However, what about a resident or applicant who is playing games? We see residents file bankruptcy to get that automatic stay, only to allow the case to be dismissed a month later. Sadly, those people can refile again and the automatic stay does get reinstituted. Due to this we see abuses of bankruptcy court.

Bankruptcy law was changed in 2005 to somewhat curb this abuse. The law now says that if a person files a second bankruptcy in 12 months, the automatic stay applies but only lasts for 30 days, unless extended by the court. Further, if the person files 3 bankruptcies in 12 months, that no automatic stay exists in the 3rd bankruptcy unless ordered by the court.

You may be thinking, do people really file 3 bankruptcies? The answer is absolutely - we see it all of the time. It is because of this we don't generally suggest approving people with a bankruptcy on their record or if they have one, there must be a discharge order. Anything short of that may be asking for you to get caught up in bankruptcy court. Individuals definitely can file bankruptcies, and use them for their benefit and to the detriment of their landlords , several times more than just once every 8 years.

Remember, if you have someone that moves in and then files bankruptcy, you need to immediately note your file, don't take any further action against them and contact counsel to get a lift stay order.

If you don't get a lift stay order, and you violate the automatic stay by taking action against a tenant in bankruptcy, you could be opening your company to significant liability.

AZREIA ADVANTAGE: TITLE EXPERTS

Shift Your Perspective: Turning Real Estate Market

The ability to turn **market obstacles into profitable opportunities** lies in perspective, action, and adaptability. By reframing industry challenges, focusing on what you can control, and taking consistent action, you can transform shifting real estate landscapes into a catalyst for growth and investment success.

Reframing the Current Market Landscape

Every market shift brings a fresh set of challenges, whether it is fluctuating interest rates, inventory shortages, or shifting buyer behaviors. However, turning these obstacles into potential opportunities gives you the chance to change your perspective and completely revolutionize how you approach the market.

Some of the most successful real estate investors and professionals in the world attribute their greatest achievements to how they handle obstacles. Navigating the obstacles we all experience in today's housing market often requires us to persevere and become more creative with our strategies—whether that means exploring creative financing, targeting niche asset classes, or refining negotiation tactics.

Your Blueprint for Real Estate Resilience

To successfully pivot when the market throws a curveball, focus on a strategic framework built around active problem-solving:

- **Control the Controllables:** You cannot control federal rate decisions or global economic trends. Focus your energy on your personal network, deal underwriting accuracy, and continuous local market research.
- **Break Down the Barriers:** When a deal stalls or capital tightens, do not panic. Break the problem into small, manageable parts—renegotiate terms, seek joint-venture partners, or adjust your exit strategy.
- **Embrace Creative Problem-Solving:** A tight market forces the industry to innovate. Use changing conditions to master new acquisition methods, such as subject-to deals, seller financing, or property conversions.

Accelerate Your Growth with AZREIA

We are deeply grateful for all the tools and training that the Arizona Real Estate Investors Association (AZREIA) offers to our community. The right environment, education, and network make all the difference when converting market friction into financial momentum.

When Every Other Loan Says No

by
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The no income, no debt to income loan and when it is the right call

Most investors know the ladder. Conventional first. Then bank statement or profit and loss if you are self employed. Then asset depletion if you are sitting on retirement or brokerage money. Then DSCR, where the rent carries the payment instead of your income. Four rungs, and for the vast majority of deals one of them works.

This article is about what happens when none of them do.

There is a loan that asks for no income documentation and calculates no debt to income ratio at all. It is not DSCR. DSCR still runs a ratio, it just runs it on the property instead of on you, and plenty of deals fail it. This one runs no ratio on anything. The property does not have to cover the payment. You do not have to prove you can either. Underwriting looks at your credit, the equity position, your reserves, and the property, and that is
the file.

So who actually needs this? The borrower whose tax returns show a loss and whose bank statements do not save them. The investor holding a property that sits vacant or cash flows negative, so DSCR will not clear. The buyer in a title or entity situation that agency guidelines simply do not have a box for. The person mid transition, between businesses, between jobs, recently divorced, recently restructured, where nothing looks clean on paper for another eighteen months. The one who has to close in days and does not have weeks to document anything.

Be clear eyed about what you are getting. Pricing is higher than every rung above it. Down payment or equity requirements are steeper. Fees are heavier. That is not a knock on the product, it is the cost of a lender saying yes with the least information of any loan on the ladder. You are paying for access and speed, and that is the whole trade.

Which is exactly why this is not a loan you settle into. It is a bridge, and every bridge needs a far side. Before you sign, you should be able to say out loud what the exit is and roughly when it happens. Selling the property in six or twelve months. Refinancing once the tax returns season and conventional opens up. Getting the unit leased so DSCR pencils. Finishing the rehab so the appraisal supports a permanent loan. If you cannot name the exit, you do not have a bridge, you have an expensive mortgage.

That makes prepayment penalty the single most important term to ask about, and most borrowers never ask. A penalty structure built for a five year hold is punishing on a nine month flip. Match the term to the plan. Ask about it before you talk about anything else.

Where I see this work best is the equity pull. You have a property with real equity and a deal in front of you that will not wait. You cannot document income fast enough to satisfy a conventional lender, and the property will not carry a DSCR payment. So you pull the equity out on a short term basis, put it to work, and pay the loan off when the property sells or when the numbers clean up. The deal gets done. The alternative was not a better loan. The alternative was no deal.

That is the honest framing. This is not the smartest loan on the board. It is the one that exists so a good opportunity does not die because the paperwork was not ready. Used with a real exit and a matching penalty structure, it is a tool. Used as a permanent solution, it is a problem.

If you have been told no somewhere else, or you are staring at a deal you cannot document your way into, send me a message. I will tell you straight whether this is the right rung or whether we can get you a better one.

Jake Burt, Burt Lending Team, Neighborhood Loans

All loans subject to credit approval and program guidelines. Program availability, terms, and require-ments vary by state, property type, and occupancy.

SILVERCREST
OPPORTUNITY FUND

FIRST-LIEN ARIZONA PRIVATE CREDIT

AZREIA
Private Credit Brief

ARIZONA REAL ESTATE INVESTORS ASSOCIATION
AZREIA

MANUFACTURED HOUSING

AN OVERLOOKED ASSET CLASS DESERVING ATTENTION WHEN STRUCTURED CORRECTLY

$1.5M+
PERFORMING NOTE PORTFOLIO

0%
CURRENT DELINQUENCY

7 MILLION
AFFORDABLE HOUSING UNIT SHORTAGE
(Source: National Housing Conference)

52%
DECLINE IN BANK CREDIT AVAILABILITY SINCE 2021
(Source: Federal Reserve H.8 Data)

PRIVATE CREDIT DEMAND AT AN ALL-TIME HIGH
(Source: Apollo Private Credit Outlook)

4.1 MILLION
ARIZONA POPULATION GROWTH DRIVING HOUSING DEMAND
(Source: U.S. Census Bureau)

For decades, institutional capital has ignored manufactured housing. Today, some of the most sophisticated investors in real estate—private equity firms, family offices, and real estate credit managers—are increasingly allocating capital toward this sector.

CURRENT PERFORMING NOTE EXAMPLES

Lot 129 – La Montana Del Sur (Phoenix)
- Unpaid Balance: $96,500
- Term: 20 Years
- Monthly Payment: $1,200

Lot 192 – Casa De Francisco (Phoenix)
- Unpaid Balance: $95,000
- Term: 20 Years
- Monthly Payment: $1,250.95

Here's why:

Manufactured Housing Sits at the Intersection of:
- America's Affordable Housing Shortage
- Declining Availability of Bank Credit
- Rising Investor Demand for Collateralized Income

To Acquire Notes or Learn How This Strategy Works,
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Five Steps to Improved Renter Retention

by
Barbara
Habbeshaw

Barbara Habbeshaw
Designated Broker/Owner

AZ Residential Management

Finding qualified renters for your investment property is only part of successful property management. Once you have good residents in place, *keeping them* can be just as important. Long-term residents can help reduce vacancy, turnover expenses, marketing costs, and the uncertainty that comes with finding someone new. Here are five simple ways property owners and managers can help improve resident retention:

1. Be Available

Good communication goes a long way. When residents know they have someone they can contact with questions, concerns, or maintenance issues, it creates a more professional and positive rental experience. You don't need to be available every minute of every day, but residents should know how to reach you and feel confident that their concerns will be acknowledged. This is one of the advantages of working with a professional property management company---residents have an established point of contact and a clear process for getting the assistance they need.

2. Be Prompt

When a resident reports an issue, responding promptly can prevent a minor inconvenience from becoming a larger problem. This doesn't necessarily mean every repair can (or should) be completed immediately. Some situations require troubleshooting, owner approval, scheduling, parts, or coordination with a vendor. What matters is that the resident knows their request has been received and is being addressed. Prompt and continued communication, along with proper maintenance coordination, show residents that their home is being taken care of while also helping protect the owner's investment.

3. Be Respectful

Your rental property is an investment, but while it is occupied, it is also someone's home. Respecting a resident's privacy and following Arizona's requirements regarding notice and property access are crucial aspects of maintaining a professional landlord-resident relationship. Arizona landlords *generally* must provide at least **two days' notice before entering a rental property** and enter at reasonable times. Providing proper notice isn›t simply a courtesy—it›s an important part of complying with Arizona landlord-tenant law.

4. Be Open to Reasonable Requests

It's understandable for owners to want to protect their properties from unauthorized alterations. However, that doesn't mean every resident request needs to receive an automatic "no." A resident may want to paint a room, install something, make a minor improvement, or otherwise personalize the property. When appropriate, owners can consider these requests on a case-by-case basis and establish clear requirements before approving any changes. Any alterations should receive proper approval before work begins, and allowing reasonable changes can help residents feel more at home without unnecessarily compromising the condition of the property.

5. Be Honest and Communicate Clearly

Clear expectations help prevent misunderstandings. Residents should understand important information regarding their lease, rent, maintenance responsibilities, property policies, renewals, and other matters that affect their tenancy. If something changes, communicate it properly. If there's a delay, explain it. If a request can't be approved, provide a clear response. Professional, straightforward communication builds trust and can make difficult conversations much easier for everyone involved.

Good Residents Are Worth Keeping

Resident retention isn't just about keeping a property occupied. It's about creating a professional rental experience that works for both the resident and the property owner.
At **AZ Residential Management**, we handle the day-to-day responsibilities that come with managing rental properties, including resident communication, maintenance coordination, lease administration, renewals, and more. If you own a rental property and would rather have an experienced team handle these responsibilities for you, **contact AZ Residential Management today** to learn more about our property management services.

LEGALLY SPEAKING

Q: We just got notice that a resident filed a fair housing complaint! This resident is a longtime troublemaker and everything they said is a lie! I can't wait to make their life miserable - I'm sending them a noncompliance notice today for their violation of HOA rules! Can you just get this dismissed right away because the resident is nuts?!

A: I understand the frustration, but stop before you mail that notice. The most dangerous thing you can do right now is take any adverse action against this resident. First, the moment you learn of a complaint, call your attorney. Do not respond to the investigating agency on your own, and do not throw anything away. Gather and preserve every record. Those documents are what win or lose these matters. Note that such matters usually do not go quickly and there is no way to get it "dismissed right away." Second, do not retaliate. The Act presumes that adverse action taken within six months of a protected complaint is retaliatory, and the burden falls on you to overcome that presumption. Serving a notice the same day you learn of the complaint is exactly the fact pattern the investigating agency hopes to find. That does not mean the resident gets a free pass. You may absolutely continue to hold them to the same standards as everyone else - the emphasis is on **same**. If the yard genuinely violates the rules, document it thoroughly, confirm you enforce that rule against every resident equally, and let your attorney review the notice before it goes out. Selective enforcement aimed at complainant is a gift to the other side.

– 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.

Should You Convert the Garage?

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In Phoenix, the numbers say: probably not.

A garage conversion seems almost too obvious. Take 400 square feet that currently houses a car, boxes and a bicycle nobody rides, add insulation and air conditioning, and turn it into living space. Phoenix houses sell for hundreds of dollars per square foot. How could that not create value?

That was more or less my assumption when I started looking at this. It turns out I was wrong.

The problem is the price-per-square-foot calculation. If a 2,000-square-foot house sells for $500,000, it is tempting to conclude that another 400 square feet is worth $100,000. It isn't. Buyers are paying $500,000 for the whole package: the location, lot, bedrooms, bathrooms, condition and, importantly, the garage. The next square foot of living area is worth less than the average square foot already there.

So we went looking for the other side of the equation: what is the garage itself worth? Using Maricopa County property and sales records, we analyzed about 139,000 single-family sales from 2022 through 2026. We compared houses while accounting for things such as living area, parcel size, age, pool, construction, location, and when the property sold.

The answer surprised me. In central Phoenix, a two-car garage appears to add about 13 percent to the value of an otherwise similar house without one. In the established suburbs, the premium is about 7.5 percent. In newer outer suburbs, it is about 7 percent. Rural properties are too varied to give us a number I would trust.

Those are big numbers. On a $450,000 suburban house, a 7.5 percent garage premium is roughly $34,000. You do not get to convert the garage and keep that value. It goes away.

Now add back the value of the new living space. In central Phoenix, the math is particularly tough. A typical two-car house in our sample had about 1,840 square feet. It would take roughly 600 additional square feet of living area just to replace the value lost by eliminating the garage. Most two-car garages are smaller than that. In other words, *you can convert the entire garage, spend money doing it, and end up with a house worth less than when you started*.

The suburbs are closer, but still not especially attractive. In an established suburb, converting 400 square feet might create about $12,000 of additional value after subtracting the value of the lost garage. In the outer suburbs, the number is around $10,000. Neither looks very exciting when a good conversion might cost $30,000.

There are, of course, exceptions. A 1,100-square-foot two-bedroom, one-bath house with an oversized garage is a different problem from a 2,200-square-foot four-bedroom house. If the conversion turns the first house into a legitimate three-bedroom, two-bath home, the extra bedroom and bathroom may matter more than the raw square footage. Likewise, converting one bay of a three-car garage while keeping a normal two-car garage can make sense if the new space solves a real problem.

And that is probably the useful rule. Do not convert a garage because living space sells for more per square foot. That is the wrong comparison. *Convert it only when you are using relatively low-value space to fix a relatively high-value deficiency in the house*. If you need more space, a newer solution is an ADU.

For the ordinary Phoenix three-bedroom, two-bath house with a two-car garage, the answer is simple: leave the garage alone. The market likes it more than you might think.

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AZREIA ADVANTAGE: MONTHLY MEETINGS

AZREIA Phoenix Meeting	AZREIA Tucson Meeting	Phoenix Real Estate Club
Monday, September 14	Tuesday, September 15	Tuesday, September 22
In-Person & On-Line	In-Person	In-Person
Doors open at 5:15 pm	6:00 pm	6:00 pm
Venue 8600	Keller Williams Building	AZREIA Office
8600 E Anderson Dr	1730 E River Rd #200	4527 N 16th Street #105
Scottsdale, AZ 85255	Tucson, AZ 85718	Phoenix, AZ 85016

Join us this month for two AZREIA meetings designed to help Arizona real estate investors explore the opportunities available in small multifamily investing. Cynthia Trammell, known as the Mother of Multifamily, will share how she built a multimillion-dollar apartment portfolio through small buildings, simple partnerships, and no syndications. From finding profitable deals and making stronger offers to understanding what ownership really looks like, these meetings will give you a practical look at how investors can build wealth through multifamily without starting with a massive apartment complex.

The Phoenix meeting also features the Market Update and Trends presentation with Tina Tamboer, Senior Housing Analyst at The Cromford Report. Tucson attendees will receive a local market update from Patrick Allen. Add in networking with fellow investors, our Business Associate Trade Show in Phoenix, Haves & Wants, and opportunities to grow your real estate team, and you'll see why AZREIA meetings continue to be Arizona's premier destination for real estate investors.

Phoenix Meeting –Small Deals. Big Wealth.

Join AZREIA for a practical presentation on how investors can build wealth through small multifamily properties without syndications. Cynthia Trammell, the Mother of Multifamily, will share how she built a multimillion-dollar apartment portfolio through smaller buildings and simple partnerships. Learn how to identify profitable opportunities, make offers that actually get accepted, and approach multifamily investing with greater control and confidence.

You'll walk away with:

- A clearer understanding of small multifamily investing
- How to find profitable properties under 50 units
- Why simple partnerships can be an alternative to syndications
- How to evaluate opportunities and make stronger offers
- Practical insight into whether multifamily ownership fits your investing goals

Tucson Meeting –Small Deals. Big Wealth. Open Q&A, Food, Networking & Market Update

Join us in Tucson for food, networking, and an intimate presentation with Cynthia Trammell, the Mother of Multifamily. Cynthia built a multimillion-dollar apartment portfolio through small multifamily properties, simple partnerships, and no syndications. She'll share how investors can find profitable deals, make stronger offers, and create cash flow without starting with a massive apartment complex. Come connect, ask questions, and gain practical insight into whether small multifamily could be the right next step for your investing journey.

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.

SEPTEMBER MEETINGS		
AZREIA – Phoenix Monday, September 14	**AZREIA – Tucson** Tuesday, September 15	**Phoenix Real Estate Club** Tuesday, September 22
AUGUST SUBGROUPS – Join like-minded investors, share ideas, network, and learn in small group settings.		
• **AZ Women In Real Estate Subgroup (AZWIRE)** Tuesday, September 1 • **Tucson Buy & Hold Subgroup Hybrid** Tuesday, September 1 • **Income Property Owners Subgroup (Buy & Hold)- Hybrid** Thursday September 3	• **Short-Term Rental Investor Group** Tuesday September 15 • **Call-A-Thon** Wednesday September 16 • **Beginning Investors Subgroup Phoenix - Hybrid** Thursday September 17 • **Prescott Subgroup** Monday September 21 • **Tucson New Investors Subgroup- Hybrid** Monday September 21	• **Multi-Family Subgroup – Hybrid** Monday September 21 • **Tucson New Investors Subgroup- Hybrid** Monday September 21 • **Fix & Flip Subgroup** Wednesday September 30

YOU'RE THE FUTURE- Under 30 Event
Thursday September 24 6:00 pm- 8:00 pm

Join us for Phoenix's premier leadership experience designed for the next generation of entrepreneurs, real estate professionals, and community leaders. Featuring Devon Kennard—9-year NFL veteran, entrepreneur, and founder of 42 Solutions—this workshop explores how your business and influence can create an impact that extends far beyond the transaction. You'll learn how the principles of Conscious Capitalism can help you lead with purpose, strengthen client relationships, invest in your community, and build a legacy through the work you're already doing. Whether you're an agent, broker, lender, investor, developer, or industry partner, this experience is designed to challenge you to think bigger about the role you play in your business and community. **Half of all proceeds benefit Sleep in Heavenly Peace. Seats are limited, so register today to reserve your spot today.**

MULTIFAMILY MADE EASY
Saturday September 19-9:00 am – 3:00 pm

If you've been learning about multifamily investing but still aren't sure what ownership really looks like, this workshop is designed to help you bridge the gap between information and action. Cynthia Trammell, the Mother of Multifamily, will introduce her M.O.M. framework—Mindset, Operations, and Mentorship—to show you what it takes to invest in small multifamily properties under 50 units without syndications. You'll work through the fundamentals, look at deals through an owner's lens, and gain a clearer understanding of the responsibilities, systems, and decisions involved. No prior experience is required. This is an honest, practical introduction—not a sales pitch or syndication seminar. You'll leave knowing what multifamily ownership really involves and whether it could be the right next step for you. **Seats are limited, so register today to reserve your spot today.**

UPDATED INFORMATION & REGISTRATION ONLINE AT WWW.AZREIA.ORG/CALENDAR

AZREIA MONTHLY MEETINGS AT A GLANCE

September 14, Phoenix Meeting

- **Phoenix Market Update & Market Trends with Tina Tamboer** 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 – Small Deals. Big Wealth**. Buy Small Multifamily Through Partnerships, Without Syndications Most people think multifamily investing starts with 100 units and a syndication attorney. Cynthia Trammell built a multimillion-dollar apartment portfolio a different way—through small buildings, simple partnerships, and no syndications. Known as the Mother of Multifamily, Cynthia will show you how to find profitable small multifamily deals, make offers that get accepted, and create cash flow with greater control and confidence. Whether you're new to multifamily or ready to take your next step, this presentation will give you a practical look at how smaller properties can create big opportunities.
- **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!

September 15, Tucson Meeting

- **Tucson Market Update with Patrick Allen** Tucson Market Update, sharing current market trends, investment opportunities, and local insights from the Tucson real estate market. Investors will gain valuable perspective on market conditions, emerging opportunities, and factors impacting Southern Arizona real estate.
- **Tucson Main Meeting Small Deals. Big Wealth.** Buy Small Multifamily Through Partnerships, Without Syndications Join us for food, networking, and an intimate presentation with Cynthia Trammell, the Mother of Multifamily. Cynthia built a multimillion-dollar apartment portfolio through small multifamily properties, simple partnerships, and no syndications. She'll break down how investors can find profitable deals, make stronger offers, and create cash flow without starting with a massive apartment complex. Come connect, ask questions, and gain practical insight into whether small multifamily could be the right next step for your investing journey.
- **Haves & Wants Power Networking & Deal Sharing:** Come prepared to listen, learn, and share.

September 22, 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.

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

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WANT TO SEE YOUR LOGO HERE?
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- ✓ **Monthly Meeting Replays:** Access to past meetings
- ✓ **Market Updates:** Phoenix and Tucson real-time market and government affairs updates
- ✓ **Online Community:** Full forum access, direct member interaction, tradeslist, and off-market properties
- ✓ **Monthly Newsletter:** Insights from local experts
- ✓ **LLC Formation Discount:** 50% off with Phocus Law
- ✓ **Real Estate Calculators:** Access to essential tools

AZREIA MEMBER BENEFITS ARE WORTH MORE TO YOU AND YOUR BUSINESS THAN YOU CAN IMAGINE

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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