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How to Deal With Gun Fired into Apartment Below

Editor’s Note: RHJ gets regular questions for landlords and attorneys; this one comes from a concerned tenant who says the upstairs tenant discharged a gun and the bullet came through the ceiling in the apartment below. Attorney Denny Dobbins provides his personal take as a landlord attorney, on the information provided by the tenant in a question-and-answer format based on Arizona law.

BY DENNY DOBBINS

Question from the tenant: The tenant above me discharged a firearm into the floor and the bullet came through my ceiling.

Answer from Dobbins: The way this is worded raises the question of whether the discharge is accidental or intentional. My experience shows that the landlord’s duty to deal with such a matter does not matter if the shooting was accidental or intentional. However, if intentional you will see a landlord move swiftly to

See ‘How’ on Page 4

Phoenix Rents Increase Again, Continue 15-Month Streak

RENTAL HOUSING JOURNAL

Phoenix rents continued their rapid growth, increasing by 3.6 percent over the past month, according to the most recent report from Apartment List.

It has been a year of rapid rent growth – rents have increased sharply, by 27 percent year-over-year.

Median rents in Phoenix are \$1,190 for a one-bedroom apartment and \$1,453 for a two-bedroom.

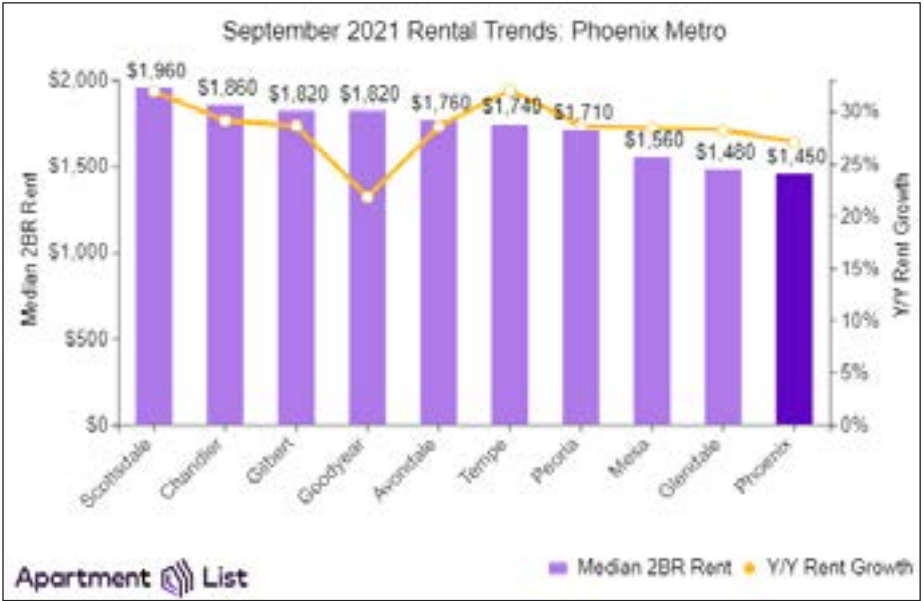
The city’s rents have been increasing for 15 straight months, since June of last year.

Phoenix’s year-over-year rent growth is on par with the state average of 27 percent and exceeds the national average of 15.1 percent.

RENTS RISING ACROSS THE PHOENIX METRO

Throughout the year, rent increases have been occurring not just in the city of Phoenix, but across the entire metro.

Of the largest 10 cities in the Phoenix metro for which Apartment List has data, all have seen prices rise.



Here’s a look at how rents compare across some of the largest cities in the metro:

- **Tempe** rents were up 4.2 percent over the past month and the city has seen the fastest rent growth in the metro, with a year-over-year increase of 32.1 percent. The median two-bedroom there costs \$1,743,

while one-bedrooms go for \$1,459.

- **Chandler** is close behind, as rents have increased 2.5 percent over the past month, and are up sharply by 29.1 percent in comparison to the same time last year. Currently, See ‘Rents’ on Page 4

Online Rent Payment a Game Changer



BY DAVID PICKRON

History is littered with what at the time were considered “game changers.” Those game changers have become commonplace in our current world; when was the last time you marveled at the technological breakthrough we know as the wheel? Or the lightbulb? Or even the fact that we fly in airplanes all around the world? The likelihood is we dismiss or overlook these incredible technologies and innovations because we have become so familiar with them. We don’t see just how amazing these everyday conveniences are and how our lives are better for them.

In the world of landlords and property management, game-changing

See ‘Are You’ on Page 7

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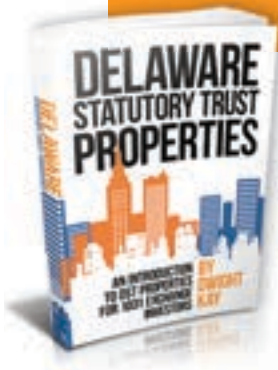
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Why the Delaware Statutory Trust Specialist Can be a Real Estate Broker’s Best Friend

By CHAY LAPIN
PRESIDENT KAY PROPERTIES & INVESTMENTS

Today’s multifamily market is bustling with activity as the number of owners and investors from Maine to California are executing thousands of sell/buy transactions every single day. According to a recent multifamily market report by CBRE Real Estate Group, this frothy deal velocity can be attributed in part to favorable economic conditions and reduced negative impacts from COVID-19. So far in 2021, the multifamily market saw \$148 billion in transactional activity, a 33 percent total increase over the previous year. Owners of appreciated rental properties may have potential equity “locked up” in their investment real estate. Selling in this bustling market can unlock this trapped equity. Finding replacement properties to 1031 exchange into that provide passive income and potential for diversification is a challenge many sellers face. DST specialists can advise on a potential solution to this challenge. That’s why more and more brokers are turning to Delaware Statutory Trust (DST) 1031 experts to help advise their clients on how to avoid being hit with a large capital gains tax following the sale of their multifamily investment property.

In a nutshell, DST 1031 exchanges allow multifamily sellers to defer the income from the sale of their property by investing in a co-ownership real estate portfolio as outlined in the Internal Revenue Service Revenue Ruling 2004-86. The DST 1031 structure allows a trust to be set up that consists of multiple investors who share passive ownership of a designated building or entire portfolio. This strategy allows investors to create customized and diversified portfolios, alleviate the daily landlord duties, reduce the financial burden by spreading costs across multiple investors, provide investors the potential for monthly income potential, and offers significant tax advantages. DST properties are typically institutional-grade real estate assets like net lease buildings, self-storage facilities, logistics and transportation centers, and multi-family apartments, offering investors the opportunity to own assets that would normally be financially out of reach for them.

BROKERS NEED A DELAWARE STATUTORY TRUST 1031 SPECIALIST TO HELP THEM ADVISE THEIR CLIENTS

1031 exchanges are often the “preferred solution” for investors who have sold their investment property. Because no matter who the investor is or what type of investment asset that has been sold, they will always face the same challenge at the end of disposition: a big tax bill. This tax event is called “capital gains” and is calculated by taking the difference between a property’s cost basis and the sale price, typically at a rate of somewhere between 15 percent and 28 percent. Add to that depreciation recapture rate of 25 percent state sales tax, and medicare surcharge and the tax consequences could be devastating. In fact, many potential multifamily investment owners decide not to sell because of the significant tax implications.

A DST 1031 OVER A STRAIGHT 1031 EXCHANGE?

At this point, the real estate broker will most likely recommend the seller enter a “1031 exchange”. This strategy is named after section 1031 of the Internal Revenue Code and allows a property owner to defer capital gains taxes on a profitable sale by reinvesting the proceeds into another property of “like kind,” and there is no limit to how many times it can be done. In theory, there could be a successive series of exchanges that defer capital gains taxes indefinitely, which allows an investor’s

KEY TAKEAWAYS:

- Why should real estate brokers present a DST 1031 Expert to their clients?
- Why is a DST 1031 perfect for a multifamily investor who is ready to sell their asset?
- What is “mortgage boot” and why should it be avoided?
- What do DST 1031 experts bring to the table for both the seller and real estate broker?

income to grow tax-free over a long period of time.

However, the rules of a 1031 exchange can be complicated and incredibly difficult (and potentially expensive) to accomplish without the advice of a true 1031 expert. For example, all 1031 exchanges must follow these parameters:

- The new property must be “of the same nature or character” as the old one.
- The new property must be “identified” within 45 days of the close of the sale, and the purchase transaction must be completed within 180 days of the sale.
- The amount of money invested into the new property must be the same as the sale proceeds from the old property. If there is a difference, it is known as “boot,” and it becomes taxable.
- Exchangers must hold title to replacement property in the same way as the relinquished property.
- Any errors in the transaction or violations of the rules can cause the transaction to become a failed exchange.

Many brokers confess that identifying a replacement property and then successfully completing the exchange is exceedingly difficult to accomplish in the required timeline. That’s why brokers sometimes can only present their clients with properties that are not turnkey deals and that have a lot of moving parts. In addition, very few brokers can find appropriate property options for their investors that fit their client’s specific required debt replacement parameters.

ENTER THE DELAWARE STATUTORY TRUST SPECIALIST

This is where a Delaware Statutory Trust specialty firm can be of real value to a real estate broker who is representing a multifamily investor who just sold a property. One of the potential advantages of a DST is that it provides beneficial interest in a property that has non-recourse debt that is already “pre-packaged” for a 1031 exchange. Effectively, what that means is that it is relatively simple to make the 1031 exchange math work – almost down to the penny. Investors also have greater flexibility in putting their investment dollars into multiple DSTs in a variety of real estate combinations and still achieve their desired equity and debt targets.

A hypothetical investor named Alison T. needs to replace \$200,000 in equity and \$100,000 in debt. Now she could put \$100,000 into one DST with no debt (an all-cash debt free DST) and the remaining \$100,000 into

a DST that has a loan on the property at 50% Offering Loan to Value (LTV). Another option would be to put \$50,000 into a DST with no debt and \$75,000 each into two additional DSTs that both have 40% LTV.

In comparison, an investor conducting an exchange with a single property, such as a rental home, would have to find a property they want to buy at the desired \$300,000 price. They would then have to bring their own money to the table for an all-cash purchase or secure a \$100,000 mortgage. Effectively, investors are working in a much narrower box with fewer alternatives – all while the clock is winding down on the 180-day timeframe allowed to complete an exchange. Including a DST 1031 property option creates a reliable backup plan for investors like Alison T. in case her original property exchange falls through. That’s why DST specialists are a great resource for real estate brokers because they can help ensure the client has a reliable backup plan ready to go.

Smart brokers who represent investment property owners should always have a relationship with a DST 1031 specialist advisory firm like Kay Properties and Investments. They can present the DST 1031 strategy to their clients as an added benefit that they bring to the table, while also providing an expert resource for creating a back-up 1031 identification tool and creating a safe tactic to avoid a mortgage “boot”.

(*Every investor’s tax situation is different, and this article is not tax or legal advice. Investors should inquire with their CPA/Accountant to verify their 1031 requirements)

“When brokers are getting close to listing a property, it is important that they contact Kay Properties in an ample amount of time before their client’s deadline. This will give them enough time to understand the risk and business plan of each offering. We are always available for conference calls and or in-person meetings with your clients,” said Dwight Kay, founder and CEO of Kay Properties & Investments.

ABOUT THE AUTHOR

Chay Lapin is President of Kay Properties & Investments where he helps advise clients nationwide about Delaware Statutory Trust 1031 exchange investments including multifamily, commercial, and fractional NNN properties. Additionally, Chay has sponsored and co-sponsored the syndication of over two million square feet of DST properties in the multifamily, net lease, industrial and office sectors as well as invested in and operated multiple net lease assets and residential properties throughout the United States.



A graduate of the University of California at Los Angeles, Chay was a four-time Academic All-American water polo athlete and recipient of the prestigious UCLA Athletic Department Most Courageous and Character Award. Chay was a top-ranked United States performer and represented the USA in the 2012 London Olympic Games on the U.S. Men’s National Water Polo Team.

An Example of How a DST 1031 Exchange Can Replace Both Equity and Debt			
1031 Debt & Equity Replacement Amounts	Option One	Option Two	Option Three
Need to Replace \$100,000 in Debt	Invest \$100,000 into one all cash DST	Invest \$50,000 into an all cash DST	\$67,000 with a 60% LTV
Need to Replace \$200,000 in Equity	Invest \$100,000 into a DST with a loan at 50% Offering Loan to Value	Invest \$75,000 into two DSTs that have a 40% LTV each.	\$133,000 All-Cash/Debt-Free DST Investment

About Kay Properties and www.kpi1031.com

Kay Properties is a national Delaware Statutory Trust (DST) investment firm. The www.kpi1031.com platform provides access to the marketplace of DSTs from over 25 different sponsor companies, custom DSTs only available to Kay clients, independent advice on DST sponsor companies, full due diligence and vetting on each DST (typically 20-40 DSTs) and a DST secondary market. Kay Properties team members collectively have over 115 years of real estate experience, are licensed in all 50 states, and have participated in over \$21 Billion of DST 1031 investments.

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material risks associated with investing in real estate securities including illiquidity, vacancies, general market conditions and competition, lack of operating history, interest rate risks, general risks of owning/operating commercial and multifamily properties, financing risks, potential adverse tax consequences, general economic risks, development risks and long hold periods. There is a risk of loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, potential returns and potential appreciation are not guaranteed.

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Rents Have Been Rising Across the Metro Area

Continued from Page 1

- **Gilbert** rents have increased 2.7 percent over the past month, and have increased sharply by 28.6 percent year-over-year.
- **Phoenix** proper has the least expensive rents in the Phoenix metro.
- **Scottsdale** has the most expensive rents of the largest cities in the Phoenix metro, with a two-bedroom median of \$1,956; rents increased 4.0 percent over the past month and 31.9 percent over the past year.

TUCSON RENTS INCREASE SHARPLY OVER PAST MONTH

Tucson rents have increased 2.2 percent over the past month, and are up sharply by 16.9 percent in comparison to the same time last year.

Currently, median rents in Tucson are \$940 for a one-bedroom apartment and \$1,257 for a two-bedroom.

Tucson rents have been increasing for 40 straight months.

Apartment List estimates the median contract rent across new leases signed in a given market and month. To capture how rents change in a market over time, they estimate the expected price change that a rental unit should experience if it were to be leased today, starting with fully representative median rent statistics for recent movers, estimated using the Census Bureau’s American Community Survey. The data is extrapolated forward to the current month using a growth rate calculated from listing data and filtered to capture the prices at which rental units transact. Growth rates are calculated using a same-unit analysis similar to Case-Shiller’s approach.

City	Median 1BR Rent	Median 2BR Rent	M/M Rent Growth	Y/Y Rent Growth
Phoenix	\$1,190	\$1,450	3.6%	27.0%
Mesa	\$1,360	\$1,560	3.2%	28.4%
Chandler	\$1,640	\$1,860	2.5%	29.1%
Glendale	\$1,170	\$1,480	3.3%	28.2%
Scottsdale	\$1,650	\$1,960	4.0%	31.9%
Gilbert	\$1,570	\$1,820	2.7%	28.6%
Tempe	\$1,460	\$1,740	4.2%	32.1%
Peoria	\$1,640	\$1,710	3.7%	28.6%
Avondale	\$1,520	\$1,760	2.7%	28.5%
Goodyear	\$1,440	\$1,820	1.2%	21.8%

How Should Landlord Deal With Gun Fired into Apartment?

Continued from Page 1

remove the tenant.

Q. I had the police come out and file a report. The officer confirmed that it was a discharged firearm and filed it in the report. The tenants would not answer the door when the officer went up there to address them. However, I gave the officer the tag and car information of the tenants. I subsequently filed a complaint with the leasing office for an immediate termination of the tenants’ lease along with the pictures of the bullet hole, police report and picture of their car and tag.

A. Once the complaint has been delivered to the landlord, the landlord has a duty to investigate and to act accordingly. Regardless of the investigation, the non-shooting tenant has a right to be fearful when a bullet comes through the ceiling. Further, the non-shooting tenant has an absolute right to peaceful and quiet enjoyment of the property. The non-shooting tenant’s peace-and-quiet enjoyment has been obviously shattered and will continue to be shattered as long as the shooting-tenant remains upstairs. I would advise the landlord to evict the shooting-tenant or let the shooting-tenant out of his/her lease in some fashion – but to get rid of the shooting tenant immediately. It is better to lose a little rent, make the downstairs tenant happy, and avoid later liability or lawsuit.

Leaving the shooting-tenant in the property puts too much liability on the landlord. And the landlord either knows about this liability, or should know. The landlord’s attorney should be advising the landlord to remove this shooting tenant. There is ample case law on this issue. In the future, if ANYTHING causing damage by this same shooting-tenant happens to anyone else on the property the landlord is looking at almost a strict liability situation for negligence in letting that shooting-tenant stay on the property. It would be an ugly situation for the landlord. No reasonable landlord wants this situation, and any knowledgeable attorney would so advise their landlord. Any good landlord, in my opinion, will find a way to get rid of the shooting-tenant. I do not know any judge that would allow that tenant to stay even if the discharge was accidental.

Q. Can the leasing office withhold information about what they are doing to address this situation?

A. Yes, at least until the non-shooting tenant files a complaint in court over the matter due to a landlord’s refusal to remove the shooting-tenant. However, a good landlord would do everything they could to keep the non-shooting tenant informed of what is going on, and that landlord should move as quickly as possible to remedy the situation. Constant communication with

the non-shooting tenant is key to assuring the non-shooting tenant that the landlord is taking the matter seriously and that they care about the non-shooting tenant. The non-shooting tenant knows the incident itself is not the landlord’s fault. But what happens now is in the landlord’s hands, and everyone in the community is watching.

Q. What are my rights as the victim? I could have been killed had I been in that room at the time the firearm was discharged.

A. The non-shooter’s rights are woven into my response above. There is nothing that covers this exact situation in the Arizona Residential Landlord and Tenant Act (and that is true of most situations), but 33-1311, 33-1312, 33-1324, 33-1341(7) [for this reason alone the landlord has a duty to remove the shooting-tenant] all apply. It is my opinion that if the landlord does not take action and remove the shooting-tenant that the non-shooting party has a right to damages against the landlord for basically forcing the non-shooting tenant to move to find a safe and peaceful place to live. Landlords are usually not dumb enough to not take care of the non-shooting tenant and to not remove the shooting-tenant.

Dobbins adds, “In the alternative, the landlord may just allow the non-shooting tenant out of the lease. Not the best idea. The moving tenant may want the landlord

to pay the cost of moving and other damages, especially if the landlord refuses to remove the shooting-tenant, and the non-shooting tenant may well be entitled to such damages. As a landlord and for my landlord clients I would rather fight the battle removing the shooting-tenant rather than to fight the possible consequences of leaving the shooting-tenant at the property.

“Under the Arizona landlord and tenant act I would consider it unconscionable to force the non-shooting tenant to remain in his/her lease with the shooting tenant remaining on the property. The landlord may offer to allow the non-shooting tenant to relocate to another unit on the property. I would not accept that as the non-shooting tenant. The purpose of the lease has been frustrated, and the peaceful and quiet enjoyment of the non-shooting tenant has been destroyed. “

Note from the author: I have dealt with these types of matters in the past, and each incident is specific with its own unique set of facts. However, in every instance of a shooting, intentional or accidental, the landlord moved on the shooting party to remove them from the property.

Denny Dobbins is a Mesa, Ariz. attorney who has represented landlords’ issues for more than 30 years.

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Fair Housing and Sexual Harassment — Staff and Resident Relationships

By The Fair Housing Institute

What is sexual harassment in fair housing? Sexual harassment in fair housing focuses on staff or vendor interactions with residents as well as interaction between residents. Just as your staff is trained about sexual harassment between fellow employees, there needs to be training that focuses on how the staff interacts with residents – with clear policies that define what is and isn’t acceptable behavior. This article will discuss different scenarios that could affect staff/resident relationships and what needs to be done to avoid fair housing sexual harassment complaints.

Courteous or Too Friendly?

Of course, we always want our staff members to be courteous and respectful, but when can that cross the line? Consider, for example, an employee who pays a resident a compliment, perhaps on an article of clothing. This may seem totally acceptable. But what if this staff member continues on with compliments, or is noted to pay certain residents more attention than others?

When we talk about sexual harassment, it may be difficult to make distinctions about what’s legal and illegal, because there are broader definitions that include the culture or environment.

The legal definition of sexual harassment is asking for sexual favors and doing it in a manner that suggests there will be a benefit to the person: They’ll get their rent reduced, they’ll get better services, and so on. Does this mean we are free to say anything as long as we aren’t getting something in return?

A casual conversation or compliment dropped one time is probably not going to end in a sexual harassment complaint. However, the concern comes in when there is an environment that makes it OK to say things on an increasing basis, or that it becomes too personal.

We need to remember that what one person thinks is OK may not be acceptable for another. The point being that to avoid a possible fair housing/sexual harassment complaint, there needs to be clear policies that ensure no lines are crossed and things are always kept on a professional level.

Personal Relationships

What is your company policy regarding staff and residents dating? This can lead to all sorts of problems. If your company does not have a strict “no-dating” policy, you will need at the very least policies and procedures that outline clear action that will be taken if a complaint is ever made.

Some companies have a general policy that personal relationships need to be reported so that the company is aware of them. If this is the case, there needs to be an exact reporting protocol that is well-known, and should include specifically to whom these types of relationships need to be disclosed.

What if the relationship is between two residents? What responsibility does management have then? Under the Fair Housing Act, you are required to investigate if one resident makes a claim that another resident is sexually harassing them. Suppose the investigation finds the claim to be true; in that case, the offending party needs to be notified that the behavior should stop immediately and that sexual harassment in housing is not permitted. It will be viewed as a violation of the lease and they may lose their residence.

Vendors and Residents - Who Is Responsible?

While vendors are not technically employees, you are still responsible if a claim is made. Perhaps a resident tells you that the pest control technician made them feel uncomfortable or made an inappropriate joke. What is your responsibility in this situation?

Ignoring this kind of complaint can lead to litigation and a fair housing complaint. The best way to mitigate this liability is to have a fair housing clause in your contract or agreement explaining that the vendor and its staff cannot discriminate against anybody and list all the reasons, including sexual harassment. And if you don’t have that kind of fair housing clause, you can always write a letter to each vendor that includes the same information.

This sets clear guidelines that have to be followed. If a sexual harassment claim is made, your policies can be referenced and action can be taken accordingly, with everything being documented as per fair housing best practices.

A Sexual Harassment Claim Has Been Filed – Now What?

Despite your best efforts, a claim still may be made. Here are five recommendations on how to properly handle a sexual harassment claim:

No. 1 - Contact person(s)

All employees and residents should be informed of the name of the person to contact with any allegations of harassment, sexual or otherwise. There should be a second person also named, in case the allegation is against the first contact person.

No. 2 - Conduct an investigation

If a resident complaint is made that the statements or actions of another are offensive (even if the term “sexual harassment” is not used), regardless of the expected outcome, management should immediately conduct an investigation of the matter.

No. 3 - Document interviews

An investigation includes interviewing all relevant parties, documenting the interviews, and responding to the complainant in writing.

No. 4 - Take appropriate action

If the investigation shows that the conduct was offensive or a violation of company policy, appropriate action should be taken with the employee, resident, or vendor, and documented. The definition of “appropriate action” will depend upon the seriousness of the conduct and who is involved (employee, resident, or vendor).

No. 5 - Document the file

If the investigation does not substantiate the allegations of the complainant, the file should be documented with a statement by the supervisor of why it appears the allegations were without merit, and an appropriate letter should be sent to the person who made the complaint.

Best Practices to Find Balance and Avoid a Sexual Harassment Claim

As stated before, determining a clear line that is not to be crossed can be difficult. We want our staff members to be friendly with our residents, but we need them to be keenly aware of what is considered unacceptable



behavior as well as how to respond if a claim is made.

One of the best ways to teach balance is through role-playing. Have your staff brainstorm scenarios that they think are relevant and then practice how to properly handle them. Doing this also shows people’s differing tolerance levels. What one staff member may feel is acceptable, another may feel meets the definition of sexual harassment. This will open up the opportunity to have some great dialogue and drill down on specifics.

Along with regular training and practice sessions, it is a best practice that each employee annually sign a statement that sexual harassment is illegal and the employee understands that sexual harassment is a violation of company policy that will likely result in termination.

The takeaway is this: Fair housing training, policies, and documentation are all absolute musts to avoid a sexual harassment claim; or in the event one is made despite best efforts, the ability to handle it properly and legally.

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3 Reasons Investors Prefer Real Estate

CONTRIBUTED BY ASHCROFT CAPITAL

Two common forms of investment strategies that smart investors use to grow their wealth with passive income include creating a diversified portfolio of stocks and investing in real estate. While investing in the stock market is beneficial for numerous reasons, investing in private market properties like multifamily provides several advantages. Here are three important reasons why some investors prefer multifamily private placement investments over stock market investments.

No. 1. LOWER VOLATILITY

Stocks can have a volatility that’s not found with most private placement offerings. Real estate provides a long-term cash flow provides passive income and the promise of appreciation¹.

The stock market is particularly vulnerable to several different forms of risk, which include economic, inflationary, and market risks. This volatility can occur because of company-specific or geopolitical events. The real estate market across the U.S. has been strong for more than a decade. Since 2010, the national housing market added \$11.3 trillion in value – a more than 50% increase².

No. 2. YOUR GAINS CAN BE DEFERRED

If you sell a property that you’ve invested in and put the proceeds towards purchasing a similar property, your capital gains taxes can be deferred to a later date, which is called a 1031 tax-deferred exchange³. During this process, a qualified intermediary will hold the proceeds from the sale until the

1 Investopedia. “Reasons to Invest in Real Estate vs. Stocks”
2 Zillow. “Recovery Added \$11.3 Trillion to U.S. Housing Value in the 2010s.”
3 Internal Revenue Service. “IRS 1031 Exchange.”



money can be transferred to the other property’s seller. Engaging in a 1031 allows you to avoid the 15-20% long term capital gains tax rate⁴.

No. 3. HEDGE AGAINST INFLATION

Over time, the value of a dollar increases as a result of inflation. While the value of currency will invariably increase over time, the rate of inflation isn’t always consistent. As inflation rises, the cost of everything goes up, including real estate⁵. When property values increase, the property owner can charge more for rent, which ensures a higher revenue stream. By keeping pace with inflation, you gain an advantage that is difficult to obtain with stock market investments.

It’s never too early to start generating passive income. Placing some of your money into multifam-

4 Investopedia. “1031 Exchange Rules: What You Need to Know.”
5 Forbes. “How Buying a House Can Hedge Against Inflation.”

ily private placements could help you balance your portfolio and reduce the potential for losses.

To assist you on this journey, download this free 20-page guide to Understanding Real Estate Private Placements.

DISCLAIMER: Ashcroft Capital LLC is not an investment adviser or a broker-dealer and is not registered with the U.S. Securities and Exchange Commission. The information presented in this email should not be used as the sole basis of any investment decisions, nor is it intended to be used as advice with respect to the advisability of investing in, purchasing or selling securities, nor should it be construed as advice designed to meet the investment needs of any particular person or entity or any specific investment situation. Nothing in this advertisement constitutes legal, accounting or tax advice or individually tailored investment advice. The reader assumes responsibility for conducting its own due diligence and assumes full responsibility of any investment decisions.



MAKE INFORMED DECISIONS






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5 REASONS TO USE RENTTEGRATION

1. Access - Rentegration.com is a web based, multi-user software offering customers 24/7 access to forms generation, archives, property management data- base, basic accounting, vendor ordering and other services.


2. Rental and Lease Forms - Unlimited use of a full line of state specific rental and lease forms. All Rentegration.com forms are created by attorneys and/or local rental housing associations.

3. Simplified Accounting - Owners and managers can track income and expense for each unit, property and company. Perfect for mid and small size property managers and independent rental owners, who neither have the need or budget for larger, more expensive software.

4. Management Database - Rentegration.com is an easy to use, database driven software. Most form fields are auto populated from the database. The modules are all integrated and work together. For example, a customer can use the rent- roll function to identify all delinquencies, apply fees, and create eviction forms with a few simple clicks of the mouse.

5. Value - Large property management companies that use Rentegration.com for only forms generation will save time and money over other methods. Mid and small size property managers and independent rental owners can manage their entire business at a fraction of the cost of other software and forms.

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NATIONAL TENANT NETWORK

State specific rental and lease forms available in:
AK, AZ, CA, CO, DC, DE, FL, GA, IL, IN, KS, KY, MA, NC, NJ, NV, NY, OH, OR, PA, TX, UT, VA, WA & WV.

rentegration.com 503.933.6437 sales@rentegration.com



Monthly Meeting Schedule for the Arizona Real Estate Investors Association

PHOENIX MEETING
MONDAY, OCT. 11, 2021
5:45 P.M.

VENUE 8600
8600 E. ANDERSON DR.
SCOTTSDALE, AZ 85008

Open Networking: The perfect time to get checked in to the event and chat with other local real estate investors in attendance.
Market Trends and Outlook: Your up-to-date analysis on the trends in national, regional, and local areas. Come find out where the market is heading – valuable information no real estate investor should do without.
Association Update: Find out about what’s happening at AZREIA, how to best leverage your membership benefits, and get the best prices on upcoming events! Trade Show, Networking and Guest Orientation: Spend time meeting AZREIA business associates and other investors and build your team. (Live meetings)

Market Update for Fix and Flip and Rentals: Full analysis of fix & flip and rental markets. Plus, the latest market news affecting your business.
Main Presentation: “How to Become a Long-Distance Real Estate Investor,” with Mike Del Prete. Mike has done 30 wholesale transactions and purchased 10 rental properties out of state in the past 14 months alone. Using his investment knowledge from the Arizona market, Mike has expanded his reach beyond Arizona’s borders in order to open his real estate investing business up to more opportunities. He will be teaching you from his experience how you can do the same.

TUCSON MEETING
TUESDAY, OCT. 12, 2021
5:45 P.M.

TUCSON ASSOCIATION OF
REALTORS®
2445 N. TUCSON BLVD,
TUCSON, AZ 85716

Investor to Investor Networking and Dynamic Haves and Wants are an important part of the Tucson AZREIA meeting. This is your chance to meet local investors, ask for what you need, and share what you have. **Deal of the Month** is your chance to find out what your local investors are doing and how they are doing it. Don’t miss this opportunity!
Open Networking: The perfect time to get checked in to the event and chat with other local real estate investors in attendance. (Live meetings)
Local Market Update: The latest in trend analysis for the U.S., Arizona and Greater Tucson area, including existing homes, new homes, foreclosures, REO, short

sales and traditional sales. What investment strategies are working and why? This is must-know information for the serious real estate investor.
Main Presentation: “How to Become a Long-Distance Real Estate Investor,” with Mike Del Prete. Mike has done 30 wholesale transactions and purchased 10 rental properties out of state in the past 14 months alone. Using his investment knowledge from the Arizona market, Mike has expanded his reach beyond Arizona’s borders in order to open his real estate investing business up to more opportunities. He will be teaching you from his experience how you can do the same.

The cost for meetings is \$10 for AZREIA Members and \$20 for guests. PLUS members can attend free of charge. Please refer to the website www.azreia.org closer to the meeting time for up-to-date information on meeting place/format and agenda.

REGISTER ONLINE AT: www.azreia.org

Are You 10-for-10 in Collecting the Rent?

Continued from Page 1

circumstances might be even harder to identify, as many operate by the “If it’s not broke, don’t fix it” rule.
Having nearly 30 years of experience in this field, I have seen a lot of ideas come and go, but nothing has struck me as a game changer more directly than the introduction of online rent payments. After all, if I’m not collecting rent, then I have no business being in this business.

The following are the three main reasons I view online rental payment programs as a true game changer.

THE SYSTEM COLLECTS RENT FOR YOU

For far too many years, I had a renter who consistently paid rent on the fifth of each month (or later) and was never charged a late fee, even though they should have incurred one every month.

Why did this happen?

First, I allowed it to. Second, I was always busy with other things and was genuinely happy when the check finally did appear.

With the advent of rental payment programs, I was able to take back control of who is in my property and get paid on time, every time.

Imagine your tenant receives an email from the rental collection system prior to the due date indicating that rent is due in 5 days, then 4, then 3, etc. If they don’t pay, the system automatically reminds them that rent is due. If rent becomes past due, the system automatically begins calculating and assessing late fees starting on the date indicated by your lease. If a tenant calls, seeking permission to make a partial payment or waive fees, you simply tell them there is no way to do that because the system won’t allow it; the system will only let them pay the full amount including late fees.

It’s an easy way to play “good landlord, bad landlord” without getting your hands too dirty.

RENT COLLECTION CONSISTENCY

As with all things in our industry, consistency is the name of the game when it comes to anything that can be regulated or overseen. This is especially true in regard to all interactions with your tenant, including collecting rent.

In my early years I had multiple properties and each tenant paid differently. One would bring a check to my home, another would mail theirs, and I even had one that would go directly to my bank and deposit directly into my account (with my bank account numbers, which I provided).



I was scoring a 0/10 when it came to rent-collection efficiency and consistency.

With my current rental-payments system I now have the ability to look at an online ledger and easily see the payment status of every property at a glance. Knowing who has paid, who is outstanding and who owes late fees puts me squarely in control of my business.

Having the ability to effectively “set it and forget it” when it comes to collecting rent will allow you to be consistent in your practices and get paid consistently.

BENEFIT TO THE TENANT

Unlike the heartless, greedy persona that many use to describe their landlords, the overwhelming majority of us truly do want to provide some benefit to our tenants. Online rental-payment programs allow our tenants to 1) stop writing checks, which no one wants to do anymore, 2) set up automatic payments so you get your money at the same time every month, and 3) report successful payments to the credit bureaus, helping to boost their credit.

Strangely enough, the things that benefit your tenant also benefit you. I challenge you to show me a landlord

who doesn’t benefit from getting paid on time on a more consistent basis; it’s a win-win for both parties.

Recently Rent Perfect had our own game-changing moment with the launch of our own online rental-payment system. Regardless of whether you use Rent Perfect for tenant background checks or to create your own custom leases, rent pay is available to all landlords and tenants. All landlords now have the ability to use the exact same process I use to manage the oft-challenging tenant life cycle.

Designed with input from seasoned landlords across the country, this program was built to help you collect rent in a consistent manner to the benefit of every tenant... and yourself. When you are ready for a game changer for your business, we invite you make your life easier with rent pay.

David Pickron is President of Rent Perfect, a private investigator, and fellow landlord who manages several short- and long-term rentals. Subscribe to his weekly Rent Perfect Podcast (available on YouTube, Spotify, and Apple Podcasts) to stay up to date on the latest industry news and for expert tips on how to manage your properties.

YOUR GUIDE TO A 5-STAR EXPERIENCE!

A male technician in a green Rainforest Plumbing & Air uniform and cap walks towards the camera on a sidewalk. Behind him is a white van with green accents. The van features the company logo, a cartoon monkey holding a wrench, and the phone number (602) ASK-RAIN. The background shows a modern brick apartment building.

A cartoon illustration of a monkey wearing a green Rainforest Plumbing & Air uniform and cap, holding a large red wrench over its shoulder.

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