

FEBRUARY 2020



ASSOCIATED REALTY OF THE AMERICAS

I know, so I am missing the Boat, but you don't have to! Hi, This is Bob, get-on board, Hope of Cleveland, Ohio, via Jolly Old England and a great admirer of everything beautiful, reminding you ... If you haven't registered yet for the 2020 Retreat, you could be costing yourself some great business opportunities and one fine time.



In This Issue:

*The Goodtimes III – Seth's Party Boat
Optional Dinner Cruise Monday Evening*



TIME TO GET ON BOARD

...

RETREAT 2020!

Sunday, July 12 through
Tuesday, July 14th

...

**SEE INSIDE FOR DETAILS AND
MAKE YOUR RESERVATIONS
NOW!**

COMMENTS BY
GAIL HARTNETT

**WELCOME
NEW MEMBERS**

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WHY IT'S IMPORTANT FOR
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INTRODUCTION
TO
REALTYHIVE

LEGAL COMMENTARY
DENNIS BADAGLIACCO



ASSOCIATED REALTY OF THE AMERICAS

"All the news that fits."

Our members are 110% committed to excellence in our real estate profession. Our mission encompasses: Sharing BEST Practices with our colleagues; treating all referrals with the utmost of care, honesty and integrity; and being involved in organized real estate for the betterment of our profession."

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Comments from Gail Hartnett

HAPPY February!

Hey gang.....it's Leap Year! An extra day to work or play! What will you be doing on February 29th?

In this issue, we will be welcoming the newest members of AREA as well as a special salute to **Bill Milliken** of Ann Arbor. We also welcome our newest sponsor, **RealtyHive** who joins RPR, CSSI, and Pillar To Post. You will find all about this great company in this newsletter. And then, there is GREEN with two compelling articles; one by **Staci Caplan**, who, now, writes a regular column for our newsletter, and another, by our newest member, **Eileen Oldroyd** of Mission Viejo, both of which you will find of great interest. And, of course, commentary by **Dennis Badagliacco**.

You have outdone yourselves everyone, we already have well over 60 members registered for our Annual Retreat which is being held in Cleveland this coming July 12-14th at the beautiful Downtown Cleveland Westin Hotel. **Seth Task** is proving that he knows how to plan a party with Cleveland as the background! Excited to be heading to his city where we are gonna Rock n Roll till the sun goes down (and then some). While making travel plans, remember that if you are coming in early, there will be a BBQ at Seth's home on the Saturday the 11th and.... then for you baseball fans.....the INDIANS are in town on Sunday afternoon just prior to our Opening Reception! But that, my friends, is only the beginning. All details are included in this newsletter.

If you have registered, and are considering attending, **NOW IS THE TIME!** Oh ~ and be sure to make your hotel reservation ASAP in order to get in at the \$159 per night rate. We are going to have a full house. So, please, do not be disappointed by failing to act, now!

Lastly, I want to again thank you for being members of AREA! You truly are the BEST of the BEST and who I wanna hang out with! Looking forward to seeing some of you in Miami at the RPAC Presidents Circle Conference!

Hugs from Boise,
Gail

Welcome

OUR NEWEST MEMBERS

PETER TOWNSEND



Native of Laguna Beach, California, Peter has been working in Baja California Sur for over 23 years. He is bi-national whose focus has been on both residential as well as developer parcels. Not very many people know the industry as well as he does, and he is active within many aspects of the community on both a local as well as regional level. Networking and getting his clients to understand how things operate in Mexico has been the cornerstone to his business. He is currently President of Van Wormer Real Estate and Development; Mr. Bobby Van Wormer Sr. being one of the first American pioneers to come to the area over 60+ years ago. Peter actively travels and also enjoys design and construction when he is not actively promoting Baja California Sur.

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EILEEN OLDROYD



They say that if you love what you do that you never will work another day in your life. I can't lie, real estate is hard work, but it's worth every bit of effort. Working in this industry has taught me a great deal about the needs of buyers and sellers But it has also taught me that REALTORS are on the front line of being able to make a difference in their communities. Besides working within my community, my passion is everything green. From energy efficiency to healthy homes to drought tolerant plants, I'm all in. My biggest achievement was creating the Veggie Mobile.

Experience: 16 years
Specializations: Green, Women's Council of Realtors, FHA, First Time Homebuyer, Orange County, Energy Efficiency, Indoor Air Quality, California

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ALEX BIKOV



Highly recommended by Tammy Newland, Alex, a licensed REALTOR® is a professional with over 20 year of financial experience in his background, he possesses an entrepreneurial and highly analytical approach in all aspects of Commercial Real Estate, finance and business management. He is a collaborative communicator continually focused on building relationships and promoting synergy across business lines to drive enhanced profitability. He lives in Orange County (Seal Beach), California, Alex and his wife have two children.

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AREA SALUTES

This is a new and on-going commentary provided by two distinguished AREA members from the East Coast: **Miriam Dunn** of Scarsdale and **Elizabeth Allardice** of Raleigh-Durham, who think that there is a great deal more to our members than simply their wonderful achievements in the world of real estate and as participants in the National Association of REALTORS®. So, each month they will be randomly saluting a particular member of AREA for what they do in addition to managing their real estate careers.

This month we feature **Bill Milliken**, Ann Arbor, Michigan



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Bill Milliken
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Milliken Realty has been operating in Ann Arbor since its founding in 1996. Bill was elected a Regional Vice-President of the National Association of Realtors (NAR) last year. NAR President Tom Salomone also named him the 2016 commercial representative to the NAR board. He is serving a 3-year term on the board of directors of the CCIM Institute. In 2015 he joined an 8-day real estate trade mission to Taiwan, which

was led by the president of the CCIM Institute, as well as CCIM's 2016 trade mission to Mexico.

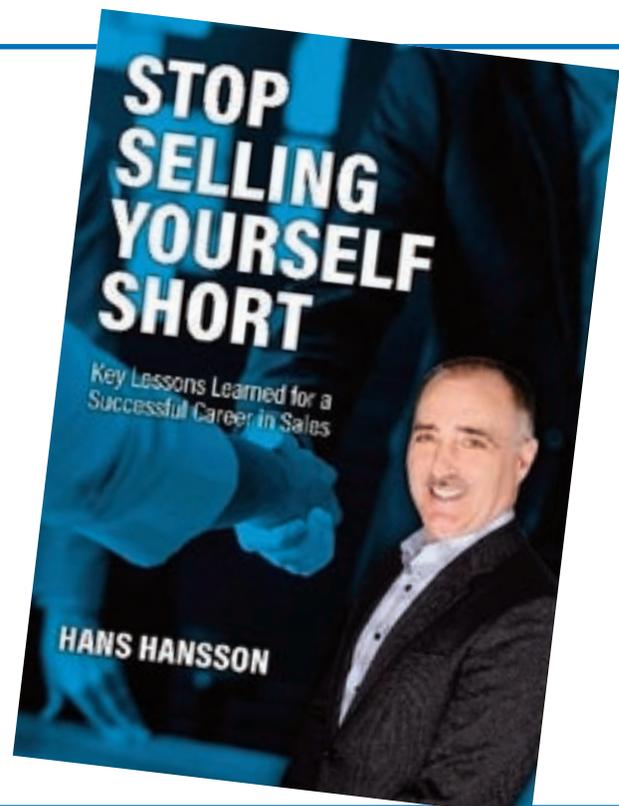
He served as the 100th president of the Michigan Realtors (www.mirealtors.com) in 2013. His career in real estate was launched in Ann Arbor in 1987. Milliken Realty, which he formed in 1996, was named a Best of Michigan Business in 2008.

Previously, he worked in Washington, D.C. for NASA and the U.S. Dept. of Justice. He was a delegate on CCIM's trade mission to China in 2006. He has been named REALTOR®-of-the-Year by the Ann Arbor Area Board and the Commercial Board of REALTORS®, respectively. Bill currently serves on the board of New Detroit (www.newdetroit.org); was president of the Commercial Board of REALTORS® (2006); a director of Republic Bancorp, and; board chair of the Ann Arbor Chamber of Commerce.

STOP SELLING YOURSELF SHORT

Hans Hansson's New, highly recommended, book for newcomers and everyone else. "Great read!" "Perfect for new agents!"

[PURCHASE YOUR COPY HERE](#)



AREA RETREAT 2020

CLEVELAND, OHIO | JULY 12 - 14

AT THE INCOMPARABLE
WESTIN DOWNTOWN CLEVELAND HOTEL

SPECIAL (OPTIONAL) EVENTS

Seth's Saturday Barbecue

• • •

At this time, you may also sign up for the **2 Fabulous off site events**, a **Monday Evening Dinner Cruise** and a **Tuesday afternoon cocktail party and tour of the Rock and Roll Hall of Fame**. Graciously underwritten by our sponsors and available for **\$99.00 per person**.

REGISTER NOW ON THE AREA WEBSITE

Event Registration \$495 per attendee

Go to the AREA website areamericas.com and enter:

Your user name = (first initial first name, entire last)

Your password = (last three letters of last name)

Go to Make Payment

next

BOOK YOUR ROOM NOW AT WESTIN DOWNTOWN CLEVELAND HOTEL

Group Room Rates from \$159 per Night

[CLICK HERE TO BOOK YOUR WESTIN HOTEL RESERVATIONS](#)

We have made arrangements for our members to book their reservations for the 2019 AREA Retreat, being held this coming July 12-14 at the Downtown Cleveland Westin Hotel, for the nights of the 12th, 13th and 14th, at the rate of \$159 per night. We have reserved, by contract, a specific number of rooms at the rate. To reserve your room, please click on button above.

We have also arranged, while they last, for anyone coming two days before and remaining two days after to book at the same rate.

In order to do so, after making your standard reservation, you must directly contact Renee Manges, Event Mgt., to complete the booking for your entire stay:

RENEE MANGES, Event Manager • Renee.Manges@WestinCleveland.com

THE WESTIN CLEVELAND DOWNTOWN

777 St. Clair Avenue NE, Cleveland, OH 44114 H 216.771.7700 D 440.730.4248 F 440.730.4306

She will take care of that up and until the time the hotel is not accepting reservations for those dates.

A Moment with Staci

Time to Plant a Tree

There is a beautiful tree on a little cul-de-sac, planted in my name, providing shade and a picturesque frame for the home adjacent to where it grows. It was a gift from a local REALTOR to my parents when I was born, nearly fifty years ago, when they bought their first house.

A Chinese proverb says, "The best time to plant a tree was twenty years ago. The next best time is now."

A New Year. A new decade. How are your real estate goals coming along? Is it finally time to stop paying rent? Is it time to acquire that investment property you've been thinking about? Is it time to make a move to accommodate a growing family? Or is it time to downsize, to a more manageable size or to a single level? Have you been thinking about these ideas for some time now? Where would you be now if you had started on them a year ago, five years ago, or even a decade ago?

The good news is, it's not too late to get started. In 2019 the interest rate for the 30 year fixed-rate mortgage averaged 3.9%. That is the lowest in nearly fifty years, about the same as when my tree was planted. Historically, the spring market has been the busiest buying season, but according to the numbers on realtor.com, the spring market is starting now. January is the new April.

"...the second best time to plant a tree is now." This proverb reminds us it is never too late to start and to focus on what we can accomplish in this present moment. Our actions today shape the possibilities for our future, when we can see just how important those beginnings were.

It's never too late to plant your tree. Call your REALTOR today. We are here to help strategize, to offer ideas and resources, and to work hard to help you get your plans into action.

Staci is a California Real Estate Broker and the owner of Pacific Crest Realty. She was born and raised in Santa Barbara and her passion for this special region translates into successful real estate transactions and thrilled clients. At our local Santa Barbara Associations of REALTORS®, Staci has served on the Board of Directors, the Government Relations Committee, the Budget and Finance Committee, the Multiple Listing Committee, and the REALTOR® Action Fund Committee. She can be reached at (805) 886-3970 or stacicaplan@gmail.com.



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THE NEW TAX CODE IS VERY FAVORABLE TO COMMERCIAL REAL ESTATE OWNERS that own, acquire new property or renovate existing facilities. It is not uncommon that 20% of the purchase price of a newly purchased building or interior renovation project can be written off in the first year...if a cost segregation depreciation method is used.

WHAT IS COST SEGREGATION?

Cost Segregation is an application by which commercial property owners can accelerate depreciation and reduce the amount of taxes owed. This savings generates substantial cash flow that owners often use to reinvest in the business, purchase more property, apply to their principal payment, or spend on themselves.

HOW DOES COST SEGREGATION WORK?

Cost Segregation Services, Inc. (CSSI®), an experienced and qualified company, performs the engineering-based cost segregation study on your property. The study accelerates the depreciation of your building/renovation components into shorter depreciation categories such as 5-, 7-, 15-year rather than conventional 27.5- and 39.5-year schedules.

These 5-, 7-, 15-Year items now qualify for expensing in the first year under Bonus Depreciation Rules. Five and 7-year items might include decorative building elements, electrical for dedicated computer equipment, and carpet. Fifteen year items might include site utilities, landscaping and paving.

This engineering-based cost segregation study results in a much higher depreciation expense and significantly reduced taxable income for the property owner. Best of all, the U.S. tax code states cost segregation can be applied to categories of buildings purchased or built since 1986, including renovations, and there is no need to amend your tax returns.

For further information, direct from the pros, please contact

Vice-President David Deshotels, (Baton Rouge),
deshotelsd@costsegserve.com;

or Na'Varo Johnson (San Francisco) expertmngmtpros@gmail.com.

2020 is in full swing. Are you prepared? Well ... We are!!!



While predictions are never certain, it's wise to consider how these shifts could affect your business. Prepared for an influx of inventory, ready for the changing demographics or have you considered what may happen if the talks of an impending recession are true? RealtyHive has the tools you need to get more exposure on your property and sell more listings - no matter what the decade may bring.

Who is RealtyHive?

RealtyHive is creating frictionless disruption in the global real estate industry by working with agents, brokers, and private property sellers to increase the exposure of for-sale properties through enhanced digital marketing and hybrid time-limited events. The best part? Agents, brokers, or sellers only pay when the property sells.

How they can help!

RealtyHive is excited to offer new, innovative services to AREA members. In addition to customized advertising programs for real estate listings, Brokers utilize the RealtyHive platform to offer new tools to their agents

who are looking for price reduction alternatives, expired listing tools, market expansion options and much more. RealtyHive has satisfied clients selling all types of real estate, with an average of 8-10x more direct listing views than typical national advertising competitors.

Whether you're caring for existing clients or earning new ones, RealtyHive's marketing programs can help you to create a more customer-centric business. To learn more about the tailored marketing programs offered by RealtyHive and how they can help you achieve your goals, please visit area.realtyhive.com or call 866-624-9484.

Make sure to stop by RealtyHive at the **Annual Retreat in Cleveland, Ohio July 12-14, 2020** to learn more about their services!



Proud Sponsors of the 2020 AREA Retreat

Is Being Green a Thing?

— EILEEN OLDROYD —

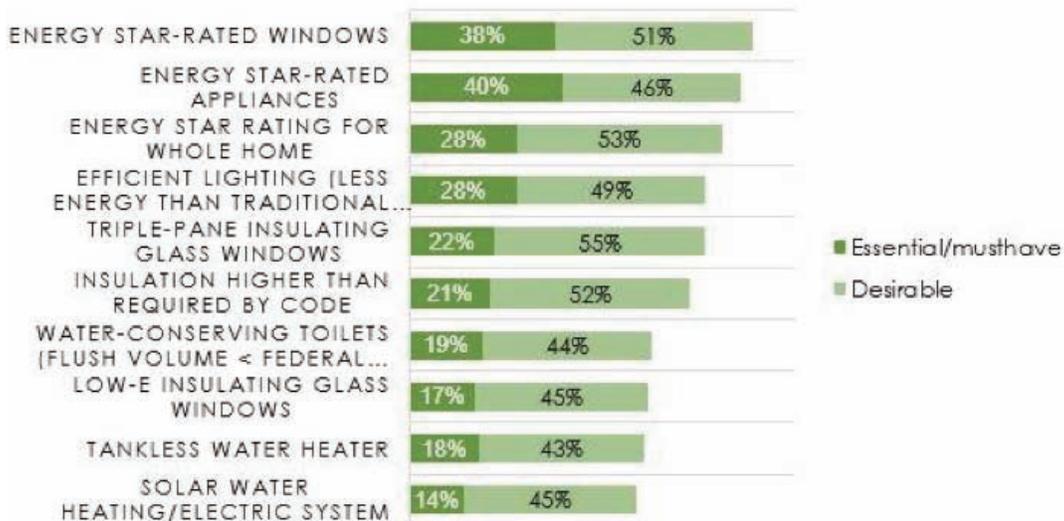


Have you noticed a common question your clients are asking that they didn't ask five years ago? "Do you know how much the utility bills are?" That's because the cost of running a home is getting more expensive and how much we spend on utility bills is a true cost of owning a home. As the 2020 Chair of National Association of REALTORS®' Sustainability Advisory Group and a winner of NAR's EverGreen Award, I may be a bit biased when it comes to

being green. Let's have the stats speak for themselves.

According to the National Association of Home Builders report, What Home Buyers Really Want, the top three most wanted green features are windows, appliances and Energy Star certified rated homes. Energy Star is a third party that rates the energy efficiency of products making it easy for consumers to identify items that save money and protect the environment.

TOP MOST WANTED GREEN FEATURES



Wait, what? Solar is at the bottom of the list? Perhaps it's because the public has realized that solar may not be a great return on their investment.

There are two big myths when it comes to being green. The first is that it is difficult and expensive. The second is that installing solar is the answer to reducing your energy bills. The reality is, installing solar is the last thing one should do to reduce your energy bill and there are simple and less expensive ways to retrofit your home for a faster return on your investment.

We have a saying in the green world, "reduce before you produce." Meaning, weatherize your home, right-size your appliances and install energy efficient upgrades before you install a photovoltaic solar system on your roof.

Solar systems are a big investment. The larger the energy bill of a home, the larger the solar system needed to compensate for the high cost of cooling or heating. If you make a home more energy efficient, the smaller the solar system required thus, the lesser the cost to install. It's a common sense approach.

Speaking of common sense, let's talk about where you can cut costs that have a speedy return on your investment. Fun fact: the number one demand on an energy bill is the HVAC system. When I coach my clients about the cost of their energy bills, the first question I ask them is, "How old is your HVAC system?"

The next question is, "When was the last time you changed the filter? Last month? Last year?" In order for the system to run efficiently, change your filter periodically so the system doesn't need to work hard to do its job. If it's working hard, it's using a lot more energy. If your HVAC system is more than 10 years old, consider investing in a new system that is exponentially more efficient than that out of date monstrosity. Once again, the more efficient the system, the lower the energy bill.

The next largest drain is a pool pump. When we replaced our dual speed pool pump with a variable speed pump, our electric bill went down by more than \$100 per

month. Additionally, we received a rebate from our utility company. Bonus! We had a return on our investment in less than a year. As you can see, just by replacing the pool pump and the HVAC system, a homeowner can expect a significant reduction in their energy bill thus negating the need for an expensive solar system.

But don't stop there when it comes to energy efficient upgrades. Your home is like the human body, if one system is unhealthy, it effects the entire system. The Whole House Approach is the same. It considers the house as a system with interdependent parts, each of which affects the performance of the entire home. For instance, in order for the HVAC system to be most effective, one should consider adding insulation and a radiant barrier in the attic at the same time. If you are remodeling a kitchen, replace all the old light bulbs in the home with LED bulbs. Don't put the old fridge in the garage. If you need a party fridge, find one on Craig's list that only a few years old and ditch the old fridge (be sure to dispose of it correctly by contacting your local landfill). Uh oh. TMI? Don't fret! I got you.

Here are a few links you can use as a resource to increase your street cred with your clients in the green space

House Logic: <https://www.houselogic.com/save-money-add-value/save-on-utilities/>

EPA: <https://www.epa.gov/environmental-topics/greener-living>

Don't forget getting your NAR Green designation: <https://green.realtor/>

Level up the interactions you have with your clients and set yourself apart other real estate professionals. In addition to the conversations about the need for entertaining kitchens, big back yards or proximity to good schools, pepper in the conversation about green features that will benefit their health and pocket book. It solidifies you being a step above your competition as well as saving the planet.



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BY MIRIAM DUNN & ANDREA MCKEY
NOMINATING COMMITTEE

NATIONAL HERITAGE AWARD, WHY?

What is the National Heritage Award and what does it have to do with you?

It is an opportunity for you to identify, within your community, an historical site such as a residence, church, or any unique property for this very special recognition. In return, you will distinguish yourself from every other real estate professional in your area through the free publicity directed at you that goes with securing such an award because it will be covered by the local news (press, radio, television) and, of course social media.



**National Heritage Award:
Entering it's 5th year!**

IDEAS FROM PILLAR TO POST

WHICH TYPE OF WATER HEATER IS BEST? IT PAYS TO DO SOME HOMEWORK.

WATER HEATING & ENERGY USE

According to the U.S. Department of Energy, 25% of typical household energy costs are to heat water. Given these costs, it makes sense for homeowners to evaluate various types of water heating systems with an eye toward saving both energy and money. Here we take a look at some of the options currently available.



Solar Water Heating

In solar water heating the sun's energy is used to pre-heat water for the home. The pre-heated water then flows into a solar tank that monitors temperature. Then it is piped into the regular hot water system, usually a storage water heater. If no water is turned on within a brief period of time, the water circulates through the system again, making it unnecessary to

Storage Water Heaters

These are the most common type of water heater in the U.S. In these systems, a tank of cold water is heated by gas or electricity. Storage heaters are relatively inefficient because even when little or no hot water is being used, the heater must still fire on and off to keep the contents of the tank hot. An insulated water heater or insulating wrap can boost efficiency and energy savings to some degree.

Tankless (Demand) Water Heaters

In a tankless or demand system, water is not stored in a tank but is rapidly heated by gas or electricity once the faucet is turned on. Because it reaches the desired temperature so quickly, much less water is wasted while waiting for hot water to flow to the faucet. Tankless heaters powered by gas are usually much more efficient than electric versions. Tankless systems are typically more expensive than a conventional storage water heater, so homeowners will need to do some homework on what type, size, and location might make sense for them.

keep a large tank of water constantly hot. The pre-heating is done by one or two solar panels, usually installed on the roof. Solar water heating is becoming more and more popular in many areas of the U.S. as costs for the systems continue to decrease.

No matter what type of water heating homeowners choose, it pays to do some research first to learn the ins and outs of various types for their specific situation. With the goals of efficiency, comfort and decreased energy, the best water heater option often depends on what pencils out in any given home.

PILLARTOPOST

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Legal Update

with Dennis Badagliacco past Chair of the Legal Advisory Committee of the NAR

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In case you thought California had a patent on attacking property owners, you'd be wrong. Seattle & the Washington State Supreme Court are waging war on Property Rights:

The City Council imposed a pair of ordinances aimed at restricting property owners' right to choose their tenants. Sleepless in Seattle!

The Wall Street Journal reports: "The two ordinances in question strip landlords of the right to decide who will occupy their property. Seattle's "first in time" rule requires landlords to set rental criteria in advance and then rent to the first person who walks in the door with an adequate application. There are plenty of good reasons a landlord might prefer a different tenant, including socially beneficial ones such as a desire to help a struggling family.

The second law prohibits a landlord from inquiring about or considering an applicant's criminal history—deemed an "unfair practice" that can subject the landlord to severe civil penalties. The federal government requires background checks for federally

assisted housing, and for good reason: Criminal history bears directly on factors like reliability, credit-worthiness and safety."

Pacific Legal Foundation is leading the suit against Seattle and has asked the US Supreme Court to intervene! One would only guess the housing shortage will grow in Seattle.

In an interesting case, Eisen v. Tavangarian the 2nd Appellate Court ruled that if CC & R's do not bar alternations that interfere with a neighbor's view the neighbor has no rights to enforce their view. The view must be part of an easement.

My most asked question: What's happening with the NAR Law Suit? Answer, moving along. Some discovery. No end in sight yet.

Texts and emails must be preserved for a Real Estate transaction and are subject to discovery.

A BIG
Thank You
to the 2020 AREA
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