



ASSOCIATED REALTY OF THE AMERICAS

MARCH 2019

AREA RETREAT

2019

BOISE, IDAHO JULY 21-23

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Now to the 2019
AREA RETREAT
July 21-23



THANK YOU JEANNE RADSICK- FOR A GREAT SIX YEAR RUN!

We will greatly miss your column: "Jeanne Radsick's Sherlock Holmes" .
You do see things that others many have missed.

COMMENTS BY
Hagan Stone

Welcome
NEW MEMBERS

Suggestions from
PILLAR TO POST

LETTERS TO **GAIL**



INTRODUCTION TO
Guarantee Mortgage

Dennis Badagliacco
Legal Commentary

Tax Information
from the NAR



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."

A R E A B O A R D

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A R E A M E R I C A S . C O M

Comments from

Hagan Stone



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Dear Fellow AREA Members:

I want to begin by welcoming two new sponsors for the **2019 AREA Retreat, Guarantee Mortgage** and **American Home Shield** who join **RPR** and **Pillar to Post** as sustaining sponsors. Thanks to **Diana Bull** and **Jo Kenney** for all of their efforts in helping secure these wonderful sponsors.

I am aware of so many of our members who have recently been cited for outstanding service in national, state and local real estate

endeavors. Too many to name because, when I do, I am bound to miss a whole bunch. However, I will break the rule, because my immediate predecessor, **Leslie Rouda Smith**, was just named Texas REALTOR® of the year. Hope that **Fiona Theseira**, new President of the California Women's Council and **Kathy Fowler**, Oklahoma's member of the year and everyone else realizes that in this brief opening, I simply can't name all. However, we would like to honor you. Please send Carl an email with your accomplishment(s), so that we may honor them in the future.

Registration Continues for the AREA Retreat in Boise. By the way, the **Grove Hotel in Boise** is absolutely wonderful. A treat, indeed. We have prepared and have sent a confidential "**Survey Monkey**" to get your program ideas for the Retreat. Please be sure to get that answered ASAP.

We have been averaging around an astonishing 40% of our members on the monthly call-in, and wish to thank **Dennis Badagliacco**, who, understanding that a snafu had occurred, took the bull by the horns last month, and presided over the **ALT meeting**, which occurred because of a number reversal in the final email notice sent.

And, lastly, tribute is paid in this newsletter to three of our members beginning with **Jeanne Radsick** who retired her column last month. Thank you, Jeanne. Also, **Ken Libby** is way out in front of the curve with a new venture. See inside.

And, "Ships Ahoy!", in their first column "**AREA SALUTES**", **Elizabeth Allardice** and **Miriam Dunn** pay homage to REALTOR® extraordinaire, Ship's Captain, **B.J. Harris**, of St. Thomas, The U.S. Virgin Islands, for her efforts in helping their Territory recover from the devastating hurricane that struck last year. And, she has something special in mind for either a listing or closing gift: You may give your client a 3 or 6 hour cruise on her sailing vessel. Details inside. How cool is that?

Welcome

NEW MEMBERS

EVAN FUCHS



Evan Fuchs is the broker owner of a top producing real estate company and industry leader with 22+ years-experience, who speaks nationally on leadership and team building, strategic planning and sales. As a highly sought-after speaker and educator, Evan combines experience gained from serving as President of the Arizona REALTORS® and numerous leadership positions for local, state and national associations with his experience in business and in the field to deliver engaging, relatable, and actionable programs.

Evan Fuchs
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928-704-6700

LISAMARIE WAND



Lisamarie has worked in the Reno/Tahoe real estate market since 2003, including as the President of First Nevada Management, Inc., a Reno based real estate firm, and as Vice President of Compliance and Operations with Equity Lending Partners and IntoHomes.

As a private business owner, and Broker of her own real estate firm, Lisamarie intimately understands the sophisticated science that comes with investing in property in today's market. Her clients will tell you that she has a 'sixth sense' to truly listen and understand their needs. Once refined, Lisamarie is relentless in her quest to find the perfect solution for all involved.

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OTTO CATRINA



Otto graduated with a B.A. in Government from the University of San Francisco. He has been a full time Real Estate Broker / Realtor since 2001. Otto is married to his wife Gigi, and has 3 children and 4 grandchildren. He is the Owner / Broker of Catrina Real Estate in Castro Valley, CA. Otto has served on various Bay East Association of Realtors committees and is the 2011 Past-President. He has served on various Leadership position at CAR, Director, along with serving as Federal Chairman, Legislative Chairman, Public Policy Liaison to CAR Leadership overseeing Federal and State Legislation. He currently serves on CAR's Strategic Planning & Finance Committee. He has also served on various Leadership positions at NAR being a graduate of NAR's Leadership Academy, Past Chairman of the Academy, NAR Director, member of the Issues Mobilization Committee, Realtor Party Member Involvement Committee and recently selected to serve as Vice-Chair of the Leading Edge Committee. He was recently inducted to NAR's Hall of Fame.

Otto Catrina
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BRAD BERGAMINI



A native to Prescott Arizona, Brad Bergamini runs one of the top teams in Northern Arizona, The Bergamini Group: Keller Williams Northern Arizona and has been a REALTOR® since 2002. Brad has earned his GRI, CRS and along with multiple real estate certifications. Brad has served as Director and Treasurer of the Prescott Association of REALTORS (PAAR) and was the President in 2017. In 2018, Brad was selected as REALTOR of the Year by PAAR. Brad has been an active Director for Arizona Association of REALTORS since 2013. Brad believes in supporting the Realtor Party through being a RAPAC Major Investor 2015-19 and President's Circle in 2017.

Brad's greatest joys in life are his wife, business partner, Jennifer Bergamini CPA, his four wonderful sons, and two amazing daughters.

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Ken Libby Establishes New Elite Website

(In October, after six years of trying, the NAR was allowed to establish a domain titled “.RealEstate”. Ken Libby acquired the domain name, Vermont.RealEstate.)



Stowe Area Realty owner/broker Ken Libby said that what sets <https://www.vermont.realestate> apart from other real estate sites is its connectivity to the entire Vermont property marketplace, with comprehensive information about each town from the agents who live and work there.

“We are thrilled with what Vermont.RealEstate can do for people looking to buy or sell property in Vermont. Anyone who wants to search Vermont real estate, whether they live here or not, can easily access information about each county’s towns, community, lifestyle,

available properties, market data and more, plus be assured that the agents listed on this Network are the experts in their areas,” Libby said. “We’ve streamlined the search process because the essential real estate resources and professionals are all in one place.”

Vermont.RealEstate.com was officially launched on January 14 and will add new information and affiliates in the upcoming weeks. Visitors are encouraged to explore the new website and sign up for the mailing list. “We believe that this new site will allow our clients to have a very informative experience as <https://www.vermont.RealEstate> continues to grow and see an increased market presence,” Libby said.



Ken Libby
Stowe, VT

A Message from the Membership Committee

Gail Hartnett, Chair

PLEASE HELP SUGGEST QUALIFIED MEMBERS IN THESE FOLLOWING LOCATIONS:

NEW YORK STATE	BUFFALO ROCHESTER YONKERS SYRACUSE ALBANY
LONG ISLAND	NASSAU COUNTY SUFFOLK COUNTY
INDIANA	SOUTH BEND FORT WAYNE EVANSVILLE INDIANAPOLIS
MICHIGAN	GRAND RAPIDS KALAMAZOO MARQUETTE

When doing so, please contact the person of interest to find out if this would be of interest. Then email Carl at carl@areamericas.com
Your efforts will be greatly appreciated!



TO HELP AREA RECRUIT!



Gail Hartnett,
 AREA'S Cheer Leader EMERITUS,
 and Hostess of the 2019 AREA Retreat
 and
 Idaho's REALTOR® of the YEAR 2018

Dear Gail, Can you tell us about the Basque Center in Boise. Sounds very interesting?

Dear Betsy: This is a fun and exciting place, located directly across the street from our hotel. The Basque Center, built in 1949, is a gathering place for Basque people in the area. The Basque Center hosts several events throughout the year. Gatherings also include monthly membership dinners that run from August through May. In the afternoon it's not unusual to find some of the older Basques meeting there to drink coffee, converse, and maybe play some Mus. There is a public bar

with cheap drinks and the best bartenders in town. The Basque Center also has a dance hall and commercial kitchen that is available to rent all year long. And, best of all, we will be having a special event there during our Retreat this coming July. And, I expect that you bring your dancing shoes with you. See you in Boise, July 21-23.



Betsy Bradley
 Vail, CO

AN INTRODUCTION IF OUR NEWEST SPONSORS



GUARANTEE
 MORTGAGE

Guarantee Mortgage

For 20+ years, Guarantee Mortgage has been helping California families finance their homes and navigate the intricacies of financing real estate. We fund more than 2 billion in such loans, each year. We handle commercial loans nationwide.

We are extremely proud to be a sponsor of the 2019 AREA Retreat in Boise, this coming July 21-23. Here is some information you have fine of value.

Please see our article in the April edition of the Newsletter,
Julie Malta

Guarantee Mortgage

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PROUD SPONSORS OF THE 2019 AREA RETREAT

Why American Home Shield?

We founded the industry and have been helping customers like you for more than 45 years. Our vast network of skilled contractors includes more than 15,000 licensed and qualified pros throughout all 50 states.

In the last five years alone, we've paid out more than \$2 billion in service requests.

We ease the stress of worrying about unexpected breakdowns - and the high costs that come with them.

Craig Wolf

Craig.Wolf@ahs.com – 443-643-6742

American Home Shield

Real Estate Senior Account Executive

Maryland REALTORS® Treasurer 2019

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Boise, Idaho Home of the 2019 AREA Retreat!



AREA RETREAT 2019 | JULY 21-23

REGISTRATION FOR THE EVENT IS NOW OPEN! \$475 PER ATTENDEE

TO PAY RETREAT FEES ONLINE:

Go to the AREA website areamericas.com/makepayment and enter:

Your password =

the first initial of your first name and your entire last name

Your user name =

the last three letters of your last name

EVENT INCLUDES:

1. Socializing with members from all over the country
2. Great Programs Designed to Bring you business and current with everything else
3. Welcome No Host Cocktail Party and Reception
4. Two Breakfasts
5. Two Lunches
6. Sumptuous Gala Awards Dinner
7. Refreshment Breaks and Goodies

Rooms may now be secured by clicking on the link below:

GROVE HOTEL RESERVATIONS



Quiet Setting at the Elegant Grove Hotel right across the street from the BASQUE CENTER

A CONDO INSPECTION SHOULD INCLUDE A DETAILED REPORT OF FINDINGS

CONDOMINIUM INSPECTIONS: GET THE FAQs

Many condominium buyers underestimate the value of a home inspection – or sometimes want to forego it altogether. But a home inspection can be just as important for condo buyers as it is for buyers of single-family homes in terms of making an informed decision, or simply becoming educated about the home. Some frequently asked questions about condo inspections include:

Does the condo inspection cover more than just the subject unit?

Usually not. Common areas and items such as the roof, exterior walls, elevators and foundation are not normally part of the scope of a condo inspection because their condition and upkeep are the responsibility of the homeowners' association, not the individual owners. Individual HVAC components exclusive to the unit would be included in the condo inspection.

Will condo buyers receive a comprehensive inspection report?

By nature, a condo inspection covers fewer areas than a standard home inspection, but the report should cover each of those items or systems with the same amount of detail as a single-family home inspection.

Should the buyer plan on attending the condo inspection?

It's always a good idea for the buyer to accompany the home inspector during the inspection. Not only will he or she learn about the home's condition, but the inspector may point out features or functions the buyer may have been unaware of. Attending the inspection also provides the opportunity for the buyer to ask questions during the process, giving them further insight on the home.



The builder is telling prospective owners they don't need an inspection because the building is new.

What can I tell my buyers?

New construction doesn't always mean everything is okay. In fact, issues very often come to light during the first year or two after a building is completed. Occupancy inspections by local building departments check primarily for code compliance and are not equivalent to a home inspection. By encouraging your buyers to learn as much as they can about the condo they're considering, you're more likely to end up with happy clients who are satisfied with their purchase.

PILLARTOPOST

Silva Stermasi
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**AREA Would Like to Thank These
Proud Sponsors of the 2019 Retreat**



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 the interest of a better world for all. They begin with a most unique, kind, thoughtful and wonderful person, **BJ Harris** of St. John of the US Virgin Islands.



Capt. BJ Harris

Our first honoree is BJ Harris of St. John's of the U.S. Virgin Islands who, for the past two years has been working through the recovery period after the devastating hurricane that raked the Caribbean in 2017. B. J.'s enduring love of the sea is apparent in the décor of her company's offices in its new Cruz Bay building. Classic yacht photos and ship models adorn the walls and cabinet tops, along with a framed copy of her 500-ton U.S. Coast Guard Master Mariner. Now, AREA Members, we have our own personal skipper, if you will, at your disposal or as wonderful listing and/or closing gift on your next sale. We are proud of our affiliation with BJ and so glad to have her as a member.

For Booking Information: www.constellationcharters.com

The Constellation

AREA Member, "BJ Harris has been a licensed Master Mariner for decades. Her love of the sea is apparent at her St. John Properties' real estate office—filled with photos and models of classic racing yachts, and at her rental home, Captain's View—filled with photos of new and old classic yachts, ships lights, sextant and other nautical gear. Being the proud 'caretaker' of a Swan, one of the finest yachts built and a boat described as both beautiful and powerful, has been one of BJ's fondest dreams for many years. The joy and dedication she brings to the Constellation will be evident to all who see them together—truly a match made in heaven.



Chartering Constellation

A sailing yacht charter with Skipper BJ Harris is an excellent choice! if you have never chartered before, want to book a yacht that's larger than you're comfortable handling, or simply want more time for rest and relaxation.

- Discover all your destination's "hidden gems" with your skipper's vast local knowledge
- Take the helm with your skipper's guidance
- Enjoy peace of mind knowing that your skipper is a highly trained & licensed professional

It is as easy as one two three. From a sunset cruise \$85 per person to a full day of sailing \$175 ... we are prepared to offer you a unique adventure, under the guidance of a licensed and highly qualified skipper.

To Contact BJ, her phone number is 340-513-4670 email her at bj@stjohnproperties.com



Legal Update

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

- 1. Lent vs The California Coastal Commission:** The original owner of the property obtained a permit to develop the property. The permit required a Public Access. When the owner completed the property, he built a deck and staircase which were partially in the public right of way. Five years later the Coastal Commission sent a cease & desist letter to the owner. Legal battle ensued. After millions in legal fees the case went to trial. Trial court ruled the owner had to remove the staircase and pay a \$4,800,000 fine! The owner appealed on the grounds of "latches" and issued a challenge to the statute in question. On appeal the fine was tossed out and the owner was told to remove the deck and staircase. Now both parties have appealed. The coastal commission wants the fine and the owner wants his deck and staircase!
- 2. Independent Contractor:** 3 new cases were presented to the Legal Forum I attended. The cases were presented by 6 attorneys. The new game is to claim a "class error" in classifying agents as independent contractors instead of employees. The case is pursued as if it is going to trial. Eventually, the case settles out with a substantial amount going to the plaintiff attorney....it is cheaper than a full trial. The settlement demanded may put the company out of business. Big and small companies are being targeted.

- 3. 9th Circuit ruling: Domino's Pizza had a website which was "not handicap accessible".** A similar ruling was granted against "the Whisper Lounge Restaurant". Websites need to be handicap accessible...this means a voice option for blind people. Small and large companies are being targeted! NAR has legal guidance for this problem. See the NAR Legal Website.
- 4. Confidentiality Agreement:** Both parties had an attorney draw up the settlement with a confidentiality agreement. Both parties are bound. The attorney was ruled to not be a party to the agreement so he got away with using the settlement on his website! MORAL OF THE STORY: **If you want you attorney bound to confidentiality of the settlement, you will need a separate agreement with the attorney!**

- 5. Finally, this directly from the National Association.**

Tax Win: IRS Provides Clear Test on How 20% Deduction Applies to Rental Income, Exchanges

The Internal Revenue Service has issued final rules on the 20 percent business income deduction (Sec. 199A of the Tax Code) that was enacted in late 2017 as part of the Tax Cuts and Jobs Act.

Among other things, the rules confirm that the deduction applies to your business income, as a real estate agent or broker, if you operate as a sole proprietor or owner of a partnership, S corporation, or limited liability company. It applies even if your income exceeds a threshold set in the law of \$157,500 for single filers and \$315,000 for joint filers.

In addition, the rules provide guidance that NAR has been seeking on two other provisions of importance to you: 1) whether any real estate rental income you have is eligible for the deduction, and 2) how the deduction applies to properties you've exchanged under Sec. 1031 of the tax code.

Eligibility of rental income

If you generate rental property income, that income can also qualify for the new deduction, as long as you can show that

your rental operation is part of a trade or business. The IRS has released proposed guidelines that include a bright-line test, or safe harbor, for showing that your rental income rises to the level of a trade or business. Under that safe harbor, you can claim the deduction if your rental activities—which include maintaining and repairing property, collecting rent, paying expenses, and conducting other typical landlord activities—total at least 250 hours a year. If your activity totals less than that, you can still try to take the deduction, but you'll have to be prepared to show the IRS that your activity is part of a trade or business.

Eligibility of 1031 like-kind exchanges

Under earlier proposed regulations, if your income was above threshold levels set in the tax law—\$157,500 for single filers, \$315,000, for joint filers—and you had exchanged one property for another to defer taxes under Sec. 1031 of the tax code, the amount of the new deduction might be reduced because of the swap. NAR and other trade groups reached out to the IRS to change this treatment, and the IRS has made that change. Under the final rules, you can use the unadjusted basis of the depreciable portion of the property to claim at least a partial deduction.

"The final rules are the result of several months of advocacy and collaboration between NAR, our members, and the administration," says NAR President John Smaby. "They reflect many changes that NAR sought to ensure the new 20 percent deduction applies as broadly as possible.

Dennis Badagliacco

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