



AREA

ASSOCIATED REALTY OF THE AMERICAS

MARCH 2022

God Bless Ukraine

"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

Carl A. Bosse, Green Valley;
President

Suzanne Cooper, Ridgewood;
Executive Vice President

ADVISORY BOARD MEMBERS:

Jeanne Radsick, Bakersfield;
Chair

Deborah Baisden, Virginia Beach;
Vice Chair

Sharon Bowler, Chino Hills

Diana Bull, Santa Barbara

Gloria Cannon Hilliard, Columbus

Meri Crandall, St. George

Gail Hartnett, Boise

Ken Libby, Stowe

Andrea McKey, Baton Rouge

Bill Milliken, Ann Arbor

Linda Jones Neil, Los Cabos

Craig Sanford, Phoenix

Hagan Stone, Nashville

Seth Task, Cleveland

COMMENTS FROM

Jeanne Radsick



Jeanne Radsick
Bakersfield, CA
jeanne@radsick.com
661-319-6555

God Bless Ukraine and the bravery of its citizens! I know we all share this sentiment. Prayers, in my opinion, do help, and you are invited to pray along.

(By the way, I had this all written, nice and perfect, and then the delete gods decided that I needed to do it all over again. So, if this sounds redundant it is.)

First, 61 members have already signed up for our **Retreat in Cleveland** this coming July. A word to the wise, get on with it, because I think we will, indeed, have a full house. So, make your reservations in a timely manner.

As you know, our memberships fees have never increased over the years and, AREA does each and every event at cost, and so we count heavily on sponsors to make up the slack. Because of the pandemic, we are a little anemic in the sponsorship realm, so anything you can do to help in recommending sponsors would be a great assist in maintain the status quo. Got an idea? Simply share it with Carl and he will follow through. We do not permit competing interests to participate so, we already have **RPR**, **Pillar to Post** and **American Home Shield**. I can think of several categories to go after such as pest control, hotels, airlines, special house closing gift businesses etc. We will sing your praises if you do, like those for **Hans Hansson** and **Christy Vail** who are out front on this already.

Thanks,
Jeanne





Comments
from Jeanne

The National Heritage
Award and You

Cleveland Retreat 2022
Best Ever??

Member Shout Out
George Harvey

A Touch of Humor
John Glaab

Forum
Alex Bikov

Spotlight
Hamilton, Montana

On the Lighter Side
with Trinkie

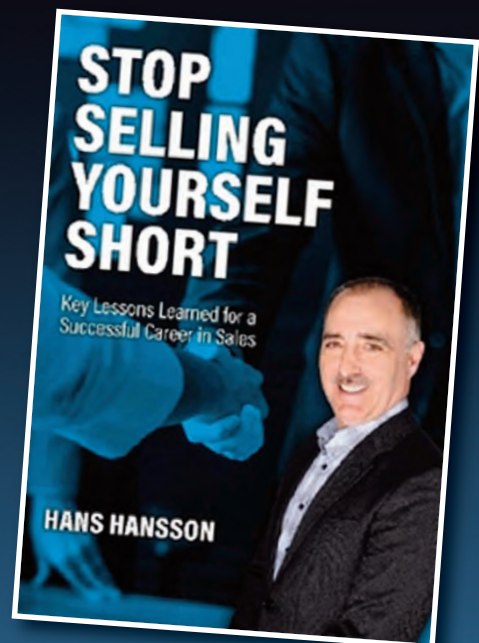
Legal Update
Dennis Badagliacco

STOP SELLING YOURSELF SHORT

Now available!

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

[PURCHASE YOUR COPY HERE](#)



THE PURPOSE AND HISTORY OF THE NATIONAL HERITAGE AWARD

A LESSON TO ENHANCE YOUR COMMUNITY IMAGE



Ponce, Florida inlet lighthouse

This award, first given in 2012, was created by the leadership team of Associated Realty of the Americas to honor a property of significant historical value; while at the same time, providing our members an opportunity to perform a very special public service for their communities.

Katie Bullock, of Ponce Inlet, Florida, was our first chair and, over the years, our members have, annually, selected one particular property within North America to receive this award. Our current chair is **Mary Roberts**, 2020 President of the Arizona Association of REALTORS® and a long-term member of AREA. If you would like to be on that committee, please contact drop us a line at carl@areameerics.com

The criterion for receiving the award includes the following:

1. It is, unquestionably, an historical site in its own right.
2. It is still operational and marketable, capable of being listed and sold on the open market.

Examples of such properties previously honored include historic land converted to housing, a 110-year-old Hotel in California wine country converted to a condominium; an historic, fully operational bed and breakfast overlooking the Mississippi River and an historic office building in downtown Kansas City recently upgrading to meet current standards. Also, locations in California, Arizona, Nevada, Florida, Mississippi, Missouri and Louisiana have previously been so honored.

So, what is the value to YOU if you choose to participate in this program and what is your cost?

VALUE

1. **Community Service.** A National Heritage Award, unlike the creation of a National Historical Monument, is a recognition that separate your community and the particular project from the rest without requiring any other burdens save the proven and justifiable historic value of the property. In other words, not restrictions or covenants

Sponsored by:



are placed on the property in question thus not providing any special cost or requirements to the community served.

2. Promotional Value for you and your Team. There are many:

- a. It highlights your special position among the leadership of the world's largest trade organization, The National Association of REALTORS®.
- b. It sets you apart from all other real estate professionals in your community because you are the only one capable of bringing such an award to your community.
- c. It elevates your opportunity to list properties in an, otherwise, saturated market with very few listings primarily because of added notoriety which accompanies such an undertaking.

COST

There is no financial cost to you for this to incur. AREA provides all of the tools, including documentation, marketing and the actual Award, itself at absolutely no cost to you. Your imagination and time are all it takes.

WHAT IS MEANT BY IMAGINATION?

- 1. It is up to you to identify and justify the case for the award.
- 2. So, the first thing is to ID a property that will enhance your business just as much as it may enhance the value the property so identified.

WHAT ARE THE INHERENT VALUES OF SUCH PROPERTY THAT WOULD SERVE TO SUPPORT MY INVOLVEMENT?

It is best to be a multi-use property such as a condominium conversion, although that is not the only, but it is for purposes of the award, the highest and best use of your time. Also, conversions indicate previous use and, perhaps, by virtue of time and location, the property may have a significant background. It is up to you to perform the due diligence to justify the award.

ARE THERE CASE STUDIES REGARDING THIS?

Over the years we had only done one property that truly fit the model described above because most such previous and subsequent awards had been single use (bed and breakfast conversions, turn of the century commercial rehab, etc.) That one was in Glenn Ellyn, California when **Christine Hansson** and her member husband, **Hans**, developed an old hotel, built circa 1900, turning it into a highly successful condo unit marketed and sold by a team headed up by **Terry Wunderlich** of Napa.

The original hotel for the Sonoma County (wine country) town of Glen Ellyn, California was built in 1906. The Hansson Family of San Francisco has converted this incredible building into a beautiful condominium,



The Chauvet, Glen Ellyn, California

preserving and protecting the original character for now and in the future. This property was both listed and sold by Terry Wunderlich and her partner whose office was located in Napa, Ca.

That is, until March 3, 2022 when a property identified by **Gary Brasher** owner broker of Sotheby's in Tubac, AZ, was granted the award. This is a case study of how that was accomplished ... and, while we won't know the real value of the effort put in by Gary and his team for some time, the kick-off has set the stage for long term for continued success.

The property, commonly known as the Green Valley Villas, in Green Valley, Az, was a new town development similar to the three most famous "new communities" developed since the 1960s, planned as a response to early criticisms of urban sprawl: Irvine, California;



Commercial Esplanade in Columbia, Maryland

Columbia Maryland and The Woodlands, near Dallas, Texas. They were all conceived as alternatives to sprawl, the developments used a number of techniques now proposed by proponents of smart growth. They also represent a best-case scenario for private-sector development: They had big land areas, well-funded developers, cutting-edge professionals, and visions that were maintained.

Green Valley, which is located on a vast stretch of land 20 miles south of Tucson, Arizona was a parcel purchased from a local farmer through which passed I-19 south to Nogales (40 miles) at the entry point into Mexico. The property was acquired by two brothers, Don and Norm Maxon, both architects from Chicago who borrowed \$12.5 from the New York State Retirement fund in order to make the acquisition to create the development.

Don Maxon spent nearly an entire year living in Alamos, Sonora, Mexico, some 450 miles south of Green Valley, and considered, outside of Mexico City, the best example in North America of Spanish Colonial design encompassing a community, from which he developed the concept.



TYPICAL NEIGHBORHOOD GREEN VALLEY VILLAS

Featuring a Variety of Classical Alamos Styles

From Mexican Colonial to Territorial



Current Photo of the Courtyard of Hotel Alamos, Alamos, Sonora, Mexico

The core of their master plan consisted of an 18 hole and par 3 golf courses adjacent to a splendid recreation complex complete with auditorium, work out rooms, arts and crafts plus tennis, all surrounded by tasteful landscaping in a breath-taking Spanish Colonial Complex. Immediately south was a restaurant, “Que Paso”, which tragically burned and was never reconstructed in the mid 1960’s. On the West side of the freeway, the main complex of the community consisted of an upscale service station, two beautifully designed banks, a splendid healthcare complex with offices, labs etc., two hundred one-and-two story townhomes, wonderful community church, various well designed office complexes, a U.S. Post Office, A Sheriff’s substation, a Fire Station, a small shopping center with a grocery and specialty store, various shops and small restaurants and 1,150 apartments located on over 110 acres.

Forced to build the entire project at one time, there was no way to achieve the business volume needed to take care of the debt and, in 1968, the property became the largest foreclosure in FHA history.

A Chicago based company, Haven Corporation, acquired the property, converted the apartments to condos in the 1970’s and it has thrived ever since.



“Today, it stands out as a remarkable achievement which, when one considers that anyone could ever possibly consider designing 1,150 condos in the middle of the Arizona desert without a garage or carport over other such covering available to protect vehicles, has stood the test of time and is a gem, an AREA National Award winner.” **Gary Brasher**, Broker-Owner Sotheby’s Realty, Tubac.

So, WHAT CAN I DO?

1. Decide if this is something that makes sense in your market and that you should consider.
2. Then, look carefully at prospects. You will be very surprised how many you may find.
3. Recognize that finding them may mean digging, asking questions and learning. (This takes time and effort, but the rewards for doing so can be invaluable.

Then, once you have determined a potential opportunity, drop a note to Carl Bosse at carl@areamericas.com. We will respond and help you from there. Remember, no cost to you but your precious time. The rewards, a potential gift to the community, only available because you saw the need and made the effort.

THE PRESENTATION OF THE AWARD

On the afternoon of Thursday, March 3, 2022 approximately 65 local residents joined for the presentation of the National Heritage Award at the East Center in Green Valley, Arizona.



Flanked to his far right by the representatives of the Green Valley, Villas: **M.C. Gary Hallman** began the program, which featured presentations by **Barbara Bardach** on the History of AREA and the Award, itself; and **Gary Brasher** who told of the reason that the Green Valley Villas were selected for the National Heritage Award. Some of the attendees from Villas East and West whose combined Associations have 1,150 individual condominiums.



THE REWARD

Gary Brasher, Tubac, Az and **Barbara Bardach**, Tucson, Az, admire the Heritage Award Plaque Provided this unique community featuring presentations by both of them.



L-R Ron Malozah, President of the GVSAR, Chris Fisher, President Villas West, Gary Brasher of Sotheby International Realty, Carl Bosse, President of AREA, Ron Rocheleau, Vice President of Villas East and Prof. Gary Hallman, Master of Ceremonies



But one more surprise was in order when the President of the Green Valley Sahuarita Association of REALTORS, **John Malozach** informed the community that GVSAR would be supplying, at its own cost and expense, funded, in part, through a grant for the National Association of REALTORS®, special signs at each of the nine Villa entrances to signify that the community is a National Heritage Award winner. That drew a very strong ovation from the crowd.

Comments from Carl Bosse

"We are greatly indebted to **Katy Bullock**, co-founder of the Award, its current Chair, **Mary Roberts** of Lake Havasu City who was so instrumental in making this happen, as well as those who joined us for the event including: **Barbara Bardach**, Tucson REALTOR®, who provided the background of AREA and the origin and purpose of the Award; **Gary Brasher** of Tubac, who stated the history and reasons for the Award; **Ron Rocheleau**, vice president of East Association representing it president **Mike Boswell**, who was unable to attend but highly instrumental, along with the West President **Chris Fisher**, both whom made gracious acceptance speeches; **John Malozsak**, President of the Green Valley Sahuarita Association of REALTORS®, who announced that the his association in conjunction with a grant obtained from the National Association of REALTORS®, would be providing historical monuments at each of the nine entrances to the community, acknowledging that folks, when doing so, are entering a National Heritage Award Winning community; **Janie McDonald**, Association Executive Director of GVSAR, who spear headed Association involvement; as well as various members of the community including board members and interested citizen who joined us for the Award's Ceremony held March 3, 2021 at the East Recreation Center.

SETH TASK AND ALL OUR OHIO MEMBERS CORDIALLY INVITE YOU TO ATTEND

15th
Annual
RETREAT **JULY**
24-26

IN BEAUTIFUL CLEVELAND, OHIO



An Afternoon at the Rock & Roll Hall of Fame

Yours to see and do while we honor Jay West and
Leil Koch for their personal contributions to
Rock N Roll throughout the years!

**A Gala Dinner/River Cruise
Aboard the Good Times III**





EVENT INCLUDES:

Saturday, July 23rd

Optional, Barbecue at the residence of Mr. and Mrs. Seth Task

Sunday, July 24th

Registration and No-Host Cocktail Party
Followed By
A Gala Dinner Cruise and Party

Monday, July 25th

Breakfast, Lunch, Meetings
Dinner Pairing that Evening (on your own)

Tuesday, July 26th

Breakfast, Lunch, Meetings
then on to the
Rock N Roll Open House

Followed by Our
Evening No Host Cocktail Reception
and
Gala Awards Banquet

TICKETS INCLUDE ALL TAX AND GRATUITIES \$595 PER PERSON

TO REGISTER: Go to the AREA website areamericas.com

Enter your username and password | Go to MAKE PAYMENT

Or Send Your Check to: Associated Realty of the Americas P.O. Box 2109 Green Valley, AZ 85622

Questions: 520-625-9335

ROOMS \$199

3 day Minimum Single "Member" Occupancy • 4 -day Minimum Double "Member" Occupancy

Covid Protocols will be in place

TO BOOK A ROOM

1. Click on the link below
2. On the first page it brings you to, select your dates of stay on the calendar under "Dates"
3. Click the "Check Availability" button
4. Select Your Room Type
 - a. If the room types do not appear, and it says no availability, go back and modify the stay dates as one (or more) of the nights selected is sold out.
5. Fill out your reservation information

BOOK YOUR GROUP RATE FOR THE ASSOCIATED REALTY OF THE AMERICAS 2022

MEMBER SHOUT OUT!

George Harvey, Jr.



Important Recommendation: As you know the cost of construction has gone up in every state in the United States. Don't forget to check your homeowners fire and casualty insurance for your property and be sure to increase your insurance to cover replacement costs. We just increased our insurance coverage 30%.

Now for Fun Facts, mostly about real estate:

1. Currently, there are about 138 million homes in the United States.
2. The gap between demand and availability of homes in the U.S. is 6.8 million homes.
3. At the end of 2021, there were about 411,000 fewer homes on the market that were affordable for households making between \$75,000 and \$100,000 per year.
4. At the end of 2021, coal still accounted for 40% of the global CO2 emissions.
5. U.S. housing market gained a record \$6.9 trillion in value in 2021.
6. Denver area homes gained \$400 million in value in the last ten years.

7. The number of U.S. credit card holders hit an all-
8. time high at the end of 2021 at 196 million.
9. The number of liquor stores in Colorado was 1,500+ at the end of 2021.
10. Americans spent about \$23.9 billion dollars for Valentine's Day this year.
11. England's oldest pub, possibly 1,229 years old, closed its doors due to covid hardships.

Real Estate Question of the Month: May an unlicensed person assist a buyer and or seller in the sale or purchase of real estate in Colorado and receive any compensation for doing so?

Answer: No. The Colorado Real Estate Commission Position Statement #C-2 states: "Any unlicensed person who directly or indirectly brings a buyer and a seller together, is negotiating and would need a broker's license to receive compensation".



BUYER EDUCATION IS SO VERY IMPORTANT

How does technology create a better home buying experience?

With homes selling seemingly at the speed of light, many buyers are faced with making quick decisions and taking fast action in the process. Digital signing, online listings and other conveniences save everyone time. And now it's easier than ever for buyers to learn about the home through technology advances in home inspection.

The home inspection is, of course, a key component to ensuring that a buyer knows the ins and outs of the home they're considering. New technology broadens the inspection report into a living, virtual documentation of inspection findings that helps the client visualize any issues called out in the report. By providing key insights into the home's condition, the inspection report serves as a reference that's useful not only during the transaction process but while the buyer lives there.

Advanced technology can also generate a measured floor plan of the home during the inspection. An accurate floor plan helps the buyer understand room flow and size and can help them plan their move. They can also share the floor plan with

contractors to get accurate estimates for repairs, upgrades or other needs, saving time and additional trips to the home.

With technology-driven advances in home inspection, agents and buyers alike benefit by saving time, money and keeping transactions moving. Be sure you recommend a home inspector who uses the latest technology and you'll reap the benefits as well.

Contact your local Pillar To Post Home Inspector to learn how our latest innovations can help save you time, get to closings faster and delight your clients. It's the Ultimate Home Inspection!

Stephanie Bowling
Director of Marketing, Pillar To Post Home Inspectors Inc.





SPOTLIGHT:

Hamilton, Montana

Sitting in the beautiful Bitterroot Valley of Southwest Montana, Hamilton is a clean, busy and scenic Montana town. The county seat of Ravalli County and having a population of 5000 people, the downtown core of Hamilton is a busy place, especially during the summer. Additionally, Hamilton's location along the busy US Highway 93 guarantees a long line of people passing through town on their way further north into Montana or heading south into Idaho.

Hamilton has an ideal location for both work and play. In recent years, Hamilton has become a "very outlying" area for people to live who work in Missoula. Hamilton is likely to attract more people who commute to work in Missoula in the future, too, now that the reconstruction of US Highway 93 (which added two additional lanes, among other improvements) is finished.

Hamilton also has an ideal location for outdoor recreation. The Bitterroot River, which has superb trout fishing, flows right through town. The scenic Bitterroot Mountains rise to the west of town, and form the eastern boundary of the Selway-Bitterroot Wilderness Area. To the east of town rise the Sapphire Mountains, which have excellent hunting. Finally, the Skalkaho Highway Scenic Byway, which crosses the Sapphire Mountains on its way to the Phillipsburg Valley begins just to the south of town.

Although Hamilton is a busy place and has grown tremendously in the past 10 or so years, Hamilton still has a small town feel to it. And since Hamilton is forty-eight miles from Missoula, the countryside around Hamilton, especially to the east and south, hasn't been over-run with runaway housing or retail developments (yet).



Tim Lund
Hamilton, M
tlund@cybernet1.com
406-363-1250



The Skalkaho Highway Scenic Byway

Overall, visitors to Hamilton shouldn't be disappointed. The recent growth in Hamilton has brought many new services to town, sparing tourists from having to drive further north toward Missoula in search of supplies or lodging. Yet the small-town feel of Hamilton remains, making the town itself a great little destination spot. And for those heading out into the mountains to do some hiking, camping or fishing, Hamilton couldn't be located in a better location.

The Skalkaho Highway, also known simply as Skalkaho Pass, is a forty-five-mile drive that runs between the Bitterroot Valley and the Philipsburg Valley. This paved and gravel route climbs through the Sapphire Mountains, a remote and seldom visited part of Montana. The drive follows Montana Highway 38 for its entire length.

Highlights of the drive include the Sapphire Mountains, Skalkaho Pass, great views of the Philipsburg Valley, excellent camping along the West Fork Rock Creek and Skalkaho Falls.

Despite the State of Montana's best efforts to promote this drive as a "must-do" activity for visitors, the views from this drive, while nice, aren't superb by any means. There are far nicer, and remote, drives in Montana. That said, this drive is still enjoyable and makes for a nice, scenic shortcut between Hamilton and Philipsburg. In short, this drive isn't worth going out of your way for, but if you happen to be in the area, it should indeed be a "must-do" activity.

The western portion of this drive begins three miles south of Hamilton, on US Highway 93. Since this drive has no services along it, Hamilton is the logical place to top off the tank and grab any supplies needed. As the route heads east, the drive slowly but steadily gains elevation as it passes through open agricultural lands.

After about 10 miles, the road reaches the base of the Sapphire Mountains and the border of the Bitterroot National Forest. From here, the road begins and long, curvy climb toward Skalkaho Pass, which has

an elevation of 7,250 feet. As the route passes through heavily forested terrain, the views are initially limited. However, once the drive reaches Skalkaho Falls (about two miles below Skalkaho Pass), the views do open in spots that allow for some decent views of the surrounding countryside, although a large fire scar is quite visible to the south of the route.

From the top of Skalkaho Pass, which offers no views as the pass is flat and heavily wooded, the byway starts losing elevation and soon starts following the West Fork Rock Creek. Those looking for excellent primitive camping spots need look no further, as numerous spots exist right along the river.

Once the Skalkaho Pass Scenic Byway leaves the National Forest, the road soon becomes paved and the views open up. This is my own personal favorite part of the drive. From the eastern section of the Byway, fields of hay and lush grass fill the Philipsburg Valley while tall, snow-capped peaks surround the valley itself.

The route ends in the Philipsburg Valley, at the junction with Rock Creek Road, which is part of the scenic Philipsburg Valley Loop. However, technically speaking, the Skalkaho Road continues toward Philipsburg and Montana State Highway 1. The portion of the drive between the junction with Rock Creek Road and Highway 1 offers superb views, so if you happen to take the Skalkaho Pass Road, be sure to continue down to Highway 1. The views won't disappoint.

Overall, the Skalkaho Highway is a scenic route through the Sapphire Mountains. The drive isn't spectacular by any means, but it's still worth doing. And the eastern part of the drive does, in many ways, define what Montana is all about – vast valleys surrounded by towering mountains.

We'd love to have you come see us. Just let me know and we'll throw out the red carpet.

Tim Lund





This is a place to share your thoughts and ideas. Please feel free to send a commentary to THE FORUM to Carl at carl@areamericas.com to published exactly as received.

THE FORUM

Presented by Alex Bikov

Commercial – Insider DST – Delaware Statutory Trust

Editor's Note:

This article may seem out of context with your business model. So, here is Question that may help you put it into context! How many of us run across a situation where someone, nearing retirement age, is ready to move into more amenable accommodations and still has commercial real estate to unload before making the transition? Sometimes folks get the cart before the horse and call you before thinking it through. And when that happens, wouldn't it be helpful to understand their predicament and be able to offer a suggestion or two?. So, this is nothing more than a thoughtful primer to get you thinking. One doesn't need to know how to pilot a plane to take a flight. You only need to know where to buy the ticket.

A Delaware Statutory Trust is a legal entity formed under Delaware State law that allows investors to own undivided fractional ownership interests in professionally managed, institutional grade real estate offerings around the United States. The interests can be owned by individuals or by certain entities.

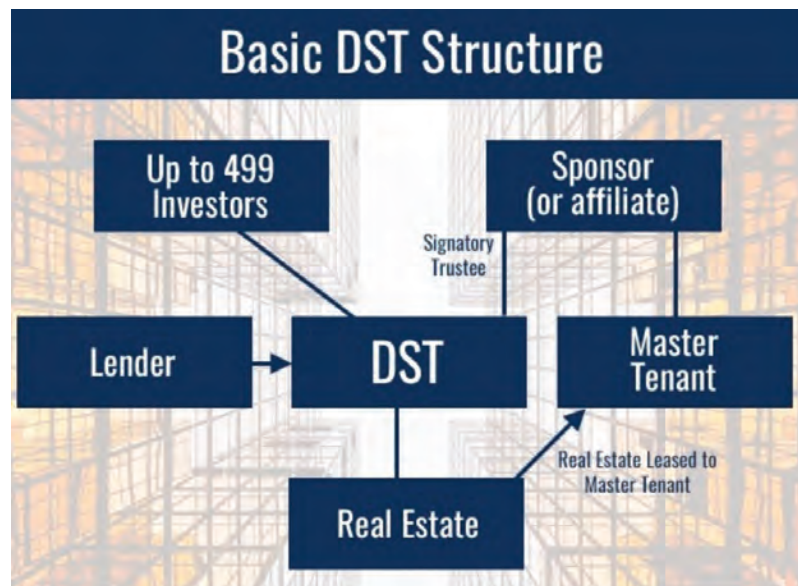
Section 1031 programs have been in existence for a hundred years, but were structured such that they were easier to utilize by large corporations, high-net-worth individuals and family trusts and offices - those commanding large blocks of investment dollars. However, Section 1031 programs were restructured by the IRS in the early 2000's to make them far easier to implement by most all regular investors as well to invest and protect assets.

Many Sponsors are offering replacement properties for 1031 exchanges, typically through a Delaware Statutory Trust (DST) structure. Section 1031 exchange transactions make quality multiple-owner real estate solutions available to every-day investors. Given the restrictions on their activities, DST investment programs may contain properties subject to a long-term lease to a creditworthy tenant on a triple-net basis, or can also have a master-lease structure to hold multifamily, student and senior housing, hospitality, commercial and self-storage facilities.

Some of the Reasons to Consider DST's

No Management (Headaches)

The property is professionally managed in a DST-structured 1031 exchange. The investors are NOT responsible for management of the assets. Carefully selected professional managers conduct all aspects of property management and includes, but is not limited to: rent collection, repair, and maintenance. Monthly distributions to the investors are made via Direct Deposit or check. Ongoing monthly/ quarterly reporting and annual financial tax reporting through Substitute 1098/1099s.



Institutional-Quality Properties

Many Sponsors of DST's can have access to a diversified portfolio of properties across the United States, and a wide variety of property types and leverage options. This wide range of opportunities enables investors to select a high-quality, institutional-grade private placement programs that best suit their unique financial needs.



Alex Bikov
Seal Beach, CA
alexdst@asherb.com
562-728-3138

Avoid Financing Obstacles – Lower Personal Liability

Property owners may run into road blocks when they try to get new financing on replacement properties they are trying to acquire. When a replacement property is owned in a DST, the DST will be the borrower and all investors in that DST will get allocated a portion of the debt on a non-recourse basis (no need to be individually qualified or to guarantee the loan. In a 1031 exchange transaction, the debt placed on the replacement property must be equal to or greater than the debt relieved in the relinquished property.

45 Days - Identification Back up

The rule is to Identify replacement property(s) within 45 days. Identifying only one property may be dangerous because a property can fall out of escrow for many reasons: financing, inspections, etc. To secure an opportunity to execute a successful 1031 exchange, the exchanger must identify the first property as defined by the investor/commercial real estate broker. The exchanger can then identify up to two additional properties owned by DSTs. It costs the exchanger no extra money to identify additional properties. Taking this precaution ensures that the exchanger has a backup plan or in case the originally selected property has already been purchased.

Diversification

Investing in a DST can provide portfolio diversification. For instance, an investment could be made in a single DST that owns multiple properties in several states across the United States. It would be practically impossible for a broker to identify three replacement properties in three different states within the allowed 45-day timeframe. Fundamentally, no matter what your situation DSTs can be an optimal way to achieve diversification.

Estate Planning

Everyone wants the best possible scenario for their heirs before they pass. Investing in a DST can eliminate the opportunity for heirs to argue over what to do with an investment property when the owner passes away. The investment position in the DST can be split

(bifurcated) between the heirs after death or liquidation of the owner(s) and they can continue to receive distributions from the investment, if any, and upon the sale of the property owned by the DST, each of the heirs can choose what to do with their inherited portion. One heir can continue to exchange the investment, while another can sell and receive cash proceeds.

Lower Minimum Investment. An investor can exchange as little as \$100,000 into a sponsored DST. This can include the remaining assets leftover from a property exchange.

“What’s the catch?”

DSTs are not for everyone. First of all, they are for Accredited Investors only, which means that investors have to meet a certain income or demonstrate the net worth requirements.

Owning DSTs involves many of the same risks that are common to any real estate investing. Investors should carefully and thoroughly research the risks associated with these transactions, and consider discussing it with their tax and legal advisors.

The DST investments are not liquid and are typically held anywhere from two to seven years or more, and so an investor is in effect a minority partner and cannot obtain liquidity except for from the income distribution. The return of the investment and the potential growth happens when the real estate sponsor decides the time is right to sell the property.

DSTs as an investment are regulated by the Securities and Exchange Commission and therefore must be accessed by Broker Dealers or Registered Representatives who have been approved and vetted by the different real estate sponsors to offer their investments. The sponsors are the firms that put the real estate offerings together and are in many cases national firms with a history of expertise in this type of real estate.

In the meantime, if you have any questions on comments, please feel free to reach out. There is a lot of business out there. Let’s make sure we are involved.

A LITTLE HUMOR, COURTESY OF JOHN GLAAB
Old Ads We'll Never See Again



He's one of the busiest men in town. While his door may say *Office Hours 2 to 8*, he's actually on call 24 hours a day.

The doctor is a scientist, a diplomat, and a friendly sympathetic human being all in one, no matter how long and hard his schedule.

According to a recent Nationwide survey:

MORE DOCTORS SMOKE CAMELS THAN ANY OTHER CIGARETTE

DOCTORS in every branch of medicine—113,197 in all—were queried in this nationwide study of cigarette preferences. Three leading research organizations made the survey. The gist of the query was—What cigarette do you smoke, Doctor?

The brand named most was Camel!

The rich, full flavor and good mildness of Camel's superb blend of choice tobaccos seem to have the same appeal to the smoking tastes of doctors as to millions of other smokers. If you are a Camel smoker, this preference among doctors will hardly surprise you. If you're not—well, try Camels now.



Your "T-Zone" Will Tell You...

T for Taste ...
T for Throat ...

that's your proving ground for any cigarette. See if Camels don't suit your "T-Zone" to a "T."



CAMELS *Costlier Tobaccos*



Dennis Badagliacco
San Jose, CA
dennisb@alterasv.net
408-218-1800

Legal Update

by Double Aces Dennis and Diana

Here are a few of the legal issues for your thoughts

- 1. Industry News:** Mark Willis a former CEO of Keller Williams has decided to join eXp. "A fierce, maybe unprecedented court room battle over the executive is brewing" according to news sources. Texas state court judge Cleve Doty has issued a temporary restraining order against Mark Willis in an attempt to keep him from joining eXp.
- 2. Oakland, CA landlords have lost an appeal after paying \$6,500 to move into a home they own.** The owners of the home, sued the city for forcing them to pay \$6,500 relocation to a tenant in order to move into their own home. In their suit the couple claimed the fee was unconstitutional. A federal judge disagreed and dismissed the case. A panel of appellate judges affirmed the lower court decision.
- 3. Houlihan Lawrence dual agency case is now a class action suit.** According to Inman, a New York state court has granted class-action status to a lawsuit that alleges the real estate brokerage incentivized its agents to steer clients into thousands of transactions where the brokerage acted as an undisclosed, non-consensual dual agent. The suit alleges the brokerage financially incentivized agents to steer clients into dual agency, not requiring agents to disclose they receive extra profits from the dual agency, permitting agents to receive secret referral fees between themselves for referrals, etc.
- 4. REX, a discount brokerage that operates outside of MLS's has decided to join a half dozen MLS's.**
- 5. Fun case: What is Mexican Food?** A Nevada court has to decide. A Las Vegas shopping center landlord has asked the court to decide. One restaurant has the exclusive right to sell Mexican food in the center. Another restaurant gets more than 10% of its income from selling food which it claims is Tex-Mex food. So, is Tex-Mex not Mexican food? You be the jury.

DID YOU KNOW?

American Home Shield® home warranty is **28x** more likely to be used than homeowners insurance.

It's true! This is coverage your clients will use. Now more than ever, be sure your buyers have the protection they need on their new home.

For more information, contact an AHS team member today.





Trinkie Watson
Lake Tahoe, CA
twatson@chaseinternational.com
530-582-0722

On the **Lighter Side** with **Trinkie**

Featuring Tahoe's Trinkie Watson
and her wit and wisdom.

The longer I live, the more convinced am I that this planet is
used by other planets as a lunatic asylum.

- George Bernard Shaw

I love when people speed past me only to end up at the
same red light.

(Guilty: Brockway Hill passing lane to Kings Beach.)

I love deadlines. I like the whooshing sound
they make as they fly by.

- Douglas Adams



**AT HOME WITH
DIVERSITY**

It's finally here!

RPR has launched a completely revamped website, with easier access to an array of data, tools and reports. The new RPR is cleaner, simpler, and offers users a more overall intuitive experience. It's also been reorganized to help you find your most-used features and saved items.

We hope you love it! And as you get familiar with it, we want you to know that you have access to various types of learning resources:

Want to sign up for a live class to strengthen your knowledge of the new RPR? Check out our new set of webinars.

Is an at your-own-pace, video tutorial more your speed? We've got those, too: for Residential and for Commercial.

RPR's Printable Guides are laser-focused, step-by-step walkthroughs to a specific subject. They're easy to follow and apply.

A "refreshed" RPR blog with articles, announcements, and news you can use.

Have a question or need quick help? The Knowledge Base area of our blog is a great resource for FAQs, popular articles, product release updates and more.

Go to our website for Featured Webinars – It's very good for business!

NARRPR.com



RPR

**REALTOR
PROPERTY
RESOURCE**

And remember, RPR is a member benefit offered by the National Association of REALTORS®. You've already paid for it—you should be using it!

If you have questions or need any help, reach out to our Member Support team at 877-977-7576.



**NATIONAL
ASSOCIATION OF
REALTORS®**



As an independent contractor with HelmsBriscoe, I can help you streamline the meeting planning process by managing the time-consuming task of researching, contracting, and evaluating venues for your organization's events!



Ali McQueen Cannon
Manager, Global Accounts
615.364.8041
acannon@helmsbriscoe.com

Contact me for more information,
and let us put our buying power to
work for you!