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2013

FirstService Residential Arizona Voted No. 1 HOA Management Firm for Seventh Straight Year!

We are excited to announce that FirstService Residential has again been ranked Arizona's top HOA management company by *Ranking Arizona: The Best of Arizona Business 2013*.

Thanks to all of you for voting us number one again this year!

Marketing Your Community

By Mark Sirota | Vice President

We hear it on the news almost every day how the economy is improving. With the economy on the rise, people are in a better financial position to purchase a home. What efforts are you making to compete for the real estate market dollar? Why should the home buyer choose **your** community rather than the community next to you? How are you marketing your community? Why should we even care about all of this?

Let's first look at why we should care about competing for the real estate market dollar. We have seen how the problems of lengthy foreclosure processes have plagued our associations. Homes in transition to foreclosure create financial hardships, not to mention they become eyesores and compliance nightmares. I trust we all agree that we would much rather see occupants in a home rather than seeing the home left empty. An empty unkempt home hurts the community in many ways.

Now let's look at the steps to entice a buyer to your association. Start with your community entryways.

Monuments and entries are the "teaser" to your association. Just as the artwork on the cover of a book makes you want to pick it up and look inside, your association should draw the buyer in to take a look.

Once inside your community, you want to ensure they like what they see. Look at the details as you drive the streets just as a potential buyer would. Would you want to purchase a home in your community by its appearance rather than then buying a home in the neighborhood across the street? If not, make the appropriate changes to compete for that market dollar. Non-complying homes and lot owners can be damaging to a community. Use the authority of your governing documents and laws to uphold your fiduciary responsibility of the community's rules and regulations. Control the controllable.

Consider building community pride by facilitating social events. These positive gatherings are commonly discussed among homeowners and their friends that live outside the community

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Upcoming Builder Sponsorships



Reach For The Stars!

FirstService Residential will be a featured exhibitor at this year's Southwest Builders Show. On Wednesday, October 23, the 13th Annual Southwest Builders Show will be shining the spotlight on the stars of the home building industry; over 1,000 builders, trade contractors and service providers. The Southwest Builders Show is Arizona's largest business-to-business show for builders and building industry suppliers in the Southwest region. This event is sponsored by the Home Builders Association of Central Arizona (HBACA) and will be held at the Phoenix Convention Center. This year's theme will be "Reaching for the Stars" as buyers re-enter the market, new home sales continue to rise, and builders and trades develop innovative and exciting new products to bring "happily ever after" to the many families purchasing new homes.



Sticks & Bricks 40th Annual Golf Tournament

FirstService Residential will host multiple holes during this HBACA golf event. Over 200 builders, contractors, etc. will be teeing off during this exciting networking event. The HBACA's 40th Annual Sticks & Bricks Tournament will be held this year on Thursday, November 21, 2013 at the Ocotillo Golf Resort in Chandler, Arizona.



Marketing Your Community

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and are looking for a home to buy. Homeowners often tell others about special events "their HOA" held. Consider asking local businesses for a small discount or gift cards. Partner with you local businesses and restaurants. Invite various City departments and officials to attend and speak on issues concerning your community.

Show the potential buyer your financial health so they can be confident about purchasing a home into your association without concerns over the mismanagement of finances. This transparency will go a long way to help the prospective buyer feel comfortable that they are not buying into a financially troubled community.

If your association has financial issues, fix them. Utilize the guidance of your professional management company.

Consider creating a neighborhood home page for prospective home buyers to learn about your community. A neighborhood home page is not a benefit for all communities, but you may find it a useful tool in competing for the real estate market dollar. Market your community. Show prospective homeowners why they should purchase in you neighborhood over another. Act as if you were a buyer and evaluate the esthetics and financials of your Association. Make your community stand out among the other neighboring communities and compete for that real estate market dollar.

What Is So Great About Community Associations?

By Kirk Kowieski | Vice President

Community associations offer one of the best opportunities for Americans to own their own homes. They are for the 21st century what land grants were in the 19th century, and what the New Deal and GI Bill were in the 20th Century. Why?

Collective Management Protects Value

Americans have accepted, for the most part, the collective management structure of community association living. Covenants and rules are no longer a new concept to most of us. Many Americans have accepted private governance because they understand that collective management and architectural controls protect and enhance the value of their homes.

Privatizing Public Service Allows Growth

Wherever a new community is built, local infrastructures are stretched. School populations, storm water management, road maintenance, utilities, traffic... everything increases leaving the local jurisdiction unable to support new community development. Yet housing is sorely needed. Therefore, local jurisdictions often require community associations to assume many responsibilities that traditionally belonged to local and state government.

This privatization of public services has allowed local jurisdictions to continue developing needed housing without increasing local taxes.. Instead, the developer must build the infrastructure and create an association to maintain it after it's developed.

Community Associations Make Owning a Home Affordable

In some areas, builders are required to include a certain percentage of affordable homes in new developments.

Also, converting rental apartments and commercial buildings into condominiums not only revitalizes many decaying neighborhoods, it has also made ownership more affordable for those wanting to live in urban centers.

Community associations have made home ownership possible for millions of Americans partly because 21st century families tend to be smaller, the number of single-parent homes has increased, and more retirees are staying in their homes after retirement.

Community Associations Minimize Social Costs

Community associations also minimize social costs. Because they have mandatory covenants that require certain obligations from homeowners and the association, associations ensure that all who benefit pay their share and everyone is equally responsible. Community associations have sufficient enforcement authority that local government is seldom, if ever, needed to resolve assessment disputes. Many associations use alternative dispute resolution because it is a faster and cheaper way to solve problems than legal action.

Community Associations Make the Market Efficient

Many community associations have greatly reduced urban sprawl. Because of their collective management and protective covenants, they are precisely what the Housing Act of 1949 intended when it called for "decent home(s) and suitable living environments."

The factors that make community associations great places to live are easily ignored or misunderstood. Critics prefer to look at a few sensational issues instead of the whole picture. For many, community associations are affordable, enjoyable, and efficient places to live.





Welcome Arroyo Norte!

FirstService Residential Arizona is proud to have been selected to provide HOA management services for the Arroyo Norte Community Association. The newly developed community will consist of 291 single-family homes in New River, Arizona just minutes north of Loop 101 right off the I-17 and just north of Anthem. We look forward to a long-term rewarding partnership.

FirstService Residential Gives



Like us on
Facebook

In honor of Breast Cancer Awareness Month FirstService Residential Arizona will be donating \$1 to the **Susan G. Komen Foundation** for every new like we receive on our facebook page during the month of October.



Vendor Expo

On Monday September 23, 2013, FirstService Residential Arizona hosted its inaugural Vendor Expo at the Double Tree Resort in Scottsdale, Arizona. We invited our top-rated vendors to have the unique opportunity to meet, educate and present their products and services directly to all FirstService Residential community managers valley wide.

The Vendor Expo featured nearly 60 vendors ranging from landscapers, painters, paving companies, pest control, accountants and more. FirstService Residential's community managers and local executives were all in attendance for this event. We look forward to making this event bigger and better each year!



Community Spotlight: Turtle Creek

By Annette McCraw | Community Manager

Turtle Creek Homeowners Association is located in the beautiful Moon Valley area of North Phoenix and was built in the mid 1980's with 222 homes. Over the past few months Turtle Creek's landscape committee has been working together with the Board of Directors and the Community Manager on ways to reduce annual costs, strengthen the Operating and Reserve funds as well as enable Turtle Creek to beautify its common areas. These discussions have resulted in the Turtle Creek Beautification and Rejuvenation Project.

The first part of this project was the bidding and interviewing of landscape maintenance firms. Ultimately, the Board of Directors felt the best choice for their community, after careful research, checking of references and holding interviews, was to contract with a new landscape maintenance firm. This change significantly reduces the amount the Association will spend not only on monthly maintenance fees, but for irrigation repairs, future plantings, and other landscaping needs.

The second step was converting approximately 25,000 square feet of turf in the common areas to granite. The process of converting a turf area to granite can be done in one of two ways: (1) dig down and remove the green turf or (2) perform a multiple spraying process of treating the turf until it no longer is growing then remove it. Which option to choose is one that will vary depending on your needs and your budget. Turtle Creek opted for the spraying method. The cost of the treatments and the new granite will be recuperated quickly for the community.

The third step is planning ahead. As we head into the winter months, the landscaping committee will be working with the landscaper to select plants for the common areas that will add color while taking into consideration a more xeriscape design. Many landscape companies offer the services of a landscape architect to help with the placement of plants, trees, and other items (i.e. boulders). This is beneficial when an association wants to strategically place items in the common areas to enhance the community no matter the size or budget.



After looking at how much Turtle Creek will save in maintenance fees, over seeding, irrigation repairs, water and electricity in one year's time the Association is looking at an estimated savings of \$29,000. When comparing this estimated savings to the cost of the turf to granite conversion they will have recuperated their investment by the end of next year.

An important item to remember along each phase of projects such as this is communication. Volunteers distributed flyers to each home notifying them a few weeks before the project began. As the project progressed through the different levels of the rejuvenation, mass communication tools were used letting owners know what is happening and when, so that everyone was updated and involved. The landscape committee and Board of Directors are excited about the overall financial savings as well as the rejuvenation plans for Turtle Creek and look forward to the new growth spring will bring next year.

Check Your Personal Agendas At The Door

By Mark Sirota | Vice President

Members become Directors for a wide range of reasons. Sometimes a Member will join because of a personal agenda. Every Member joins for a reason, but regardless of that reason it is important to understand the role of your new position. You now represent the entire membership of your community. You have a judiciary responsibility to fulfill. You will struggle with this duty if you are not able to release any personal agenda you have.

Many excellent Directors may tell you of their personal agendas that provoked them to become a Director and their growth to overcome them on the road to serving their community. You are entrusted to perform a valuable service. We believe that you will take this obligation and overcome any personal agenda. We are confident you will put the community's needs first in your mind and be that positive leader.

Introducing New Pre-Legal!

By Cliff Marsh | Senior Vice President, Finance

We are excited to announce a change in the process for handling delinquent accounts for most of our associations. If your association has contracted with Red Rock Financial Services to handle the collection of outstanding payments, we have been advised that they have chosen to discontinue taking new accounts in states like Arizona that require judicial foreclosure. Effective September 1, 2013, FirstService Residential will begin pre-legal work on your community's new delinquent accounts. FirstService Residential's pre-legal department is an extension of services already provided to our communities by Red Rock. We will continue to handle the initial steps of the pre-legal process and then, if necessary, coordinate with your collection attorney. We are happy to discuss this with you, either via phone or at an upcoming board meeting. Your Manager will be working directly with you on the specifics for your community and we will be doing what is necessary to ensure a smooth transition. We look forward to being able to continue to serve you and your resident's needs.



Arizona Resale, Foreclosure, and New Build Thoughts for 2013

By Karen Hale | Director, Resale/Disclosure

Now that the banks have worked through the majority of their foreclosure backlog during the first half of the year, the average time to foreclose will finally start decreasing. The average time to complete a foreclosure from the first public notice was at an average of 12 months, the highest since the first quarter of 2007, but the time-lines have started to slowly decrease. The shorter time line of approximately three to four months suggests a better outlook of certainty and stability for the housing market, which we have been missing since about 2007.

The big question this year was whether home prices have finally hit bottom. We are fairly certain that we know the answer... yes. Every major index and article shows that sales prices have been slowly increasing since 2012. The next question is whether prices will rise enough so that inventory will hit bottom and start expanding again. The decline in inventory was a necessary correction to the oversupply of homes after the bubble hit Arizona. Now inventory is below normal and is holding back sales, particularly in the West. Rising prices should lead to more inventory for two reasons: (1) Rising prices encourage new construction and (2) Rising prices encourage homeowners to sell. The question for this year is whether the recent price gains will continue to increase enough to encourage builders to build and homeowners to sell. Why does this matter? Because more inventory on hand will lead to more sales and give buyers more homes to choose from.

The 2012 sales figures were slightly above the figures noted in a time that was considered average for Arizona (2003 - 2004). The difference is 80,052 (2003-2004) and 98,922 (2012), respectively. Valley professionals and strategists' outlook for 2013 continues to show further recovery in the Valley. New job growth, employment and new builds along with steady resale activity all show improvement for 2013 which creates optimism and faith here in the Valley, which is just what we need.

FirstService Residential Arizona, LLC's Resale/Disclosure Department is excited to see the changes in the Valley's housing marketplace and will be here to assist you when it comes time to purchase a new home or sell your current home. The professionals in this department will assist in your resale transactions so it is as seamless as possible. We follow both specific state statutes (33-1806 and 33-1260) for each resale transaction in order to protect our owners and their associations. Our team is excited for the upswing in the market and is here to assist you and your title company on your next transaction.

More Payment Options!

By David Aspiras | Director
Account Services

Did you know that your homeowners have more than one option to pay their dues? A majority of homeowners wait until they receive their statement, then send their remittance stub along with their check in the enclosed envelope. This is then mailed to the Association's lock box for processing.

The other option that homeowners have to pay their dues is to sign up on our SurePay program. SurePay is an electronic auto draft from the homeowner's bank account for assessments due for that frequency. The draft will typically occur on the second business day of the month of when the assessment is due. The payment option is completely free of charge and offers a convenient way to pay the Association dues never having to worry about late fees.

A third option is to use a third party vendor, PayLease. PayLease is an online payment service that allows you to pay your assessments with either an e-check or a major credit card. You may pay your dues on a one-time occurrence or set up a recurring arrangement. You may go to their website at www.paylease.com for additional information.

Another option is to utilize a bill pay banking system which is ultimately controlled by the homeowner. The homeowner will establish the amount and time the payment is to be issued through their own financial institution. This is similar to the first payment option, but instead this is either completed via computer or mobile device.

The final option is to drop off your payment to the nearest FirstService Residential Arizona office. We have three convenient office locations in Scottsdale, Peoria, and Tucson. For more information, please visit our website at www.fsresidential.com.



Love Thy Neighbor

By Jason Proudfit | President

Our society today can often create a lot of stress and anxiety that may lead to individuals acting less than neighborly. We are living in closer proximity to other people and are subject to more community rules than ever before. Instead of visiting with baked goods or welcome baskets, often neighbors pass by each other without acknowledging each other or making contact.

Engaging with each other is a key component in building an outstanding community. Neighbors who are connected watch out for each other's interests and well-being. Neighborhood crime is lower, safety is better, the benefits go on. Building strong relationships with neighbors includes compromise, compassion, and kindness. The rewards are great, but make the investment of time and energy to build and nurture. Random acts of kindness and courtesy will fill up your cup of good will with neighbors that can be leveraged in the future. Conflicts are bound to occur, but when that neighbor is blasting music late into the night, if you have a good relationship with them, they may turn it down and apologize for the inconvenience when approached, instead of turning up the volume and turning their nose up at you. If no relationship exists, or poor relations exist, conflicts are bound to escalate or blow up beyond what was necessary.

The most successful communities promote events and communications that help bond the community together and allow neighbors to meet and interact with each other. Civility is not a sign of weakness, but an admirable quality that demonstrates your desire to contribute to the betterment of the community and help others. As a Board, you should discuss ways that you can improve communication with and between residents, and create events that will promote interactions and positive relationships within the community. Doing so will make your community a better place to live.

Sincerely,

Jason Proudfit
President





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