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MAY 2017

# INLAND VALLEYS REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

## IVAR, REALTOR® Party, Makes the Case for Homeownership in Sacramento and Washington DC

FOR MORE INFORMATION GO TO PAGE 4

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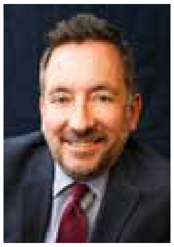

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*—Ed Avila, Mortgage Advisor* | **NMLS-1367993**

# IVAR, REALTOR® Party, Makes the Case for Homeownership in Sacramento and Washington DC

FRANK LICEA,
2017 IVAR PRESIDENT

In May, I had the opportunity to be part of the IVAR team that traveled first to our state Capitol in Sacramento and then to our nation's Capitol in Washington DC to help carry the message of why homeownership matters to our communities.

Despite all of the tremendous work that our government affairs professionals performs at every level of the REALTOR® organization, we still find that nothing delivers the message quite as strongly as a few dozen constituents taking time to travel to visit lawmakers in their offices. If you are a REALTOR® and you have not had the opportunity to participate in Legislative Day, I hope you will get involved and be part of a future trip to see the impact we have for yourself.

Each year – actually more like every day – REALTORS® communicate with legislators to discuss proposed legislation that can hurt homeowners and the professionals they rely on to help achieve the American Dream. This year is shaping up to be a particularly busy year, driven by interesting political factors across our state and nation.

Current proposals could render the mortgage interest deduction functionally obsolete as an incentive for homeownership, raise state taxes on second home owners, end investment-generating benefits of the 1031 exchange, end dual agency in commercial transactions, create thousands in new taxes through a sales tax on services (such as commissions, property inspections, insurance, etc) and make it much easier to raise taxes on homeowners.

Those are a handful of thousands of bills in the state legislature and Congress that impact our industry and, even more directly, the people we serve. In an era when we're not building nearly enough to house our growing population, leading to unaffordable housing and even unaffordable rents, we see proposals every year to further saddle homeowners with the financial burden of making up for poor policies.

This is why it's so important to be an active participant in the REALTOR® Party. We're a nonpartisan organization that cares about issues that impact homeownership and real estate professionals. When you support the REALTOR® Party through a voluntary contribution, through volunteer efforts and by staying educated on the key issues, you are continuing to serve your clients and your business.

Homeownership isn't just our business, it's our mission. Protecting property rights isn't just an idea, it's an essential tenet of the American Dream.

PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

# IVAR Meets with Lawmakers in Sacramento, DC to Fight for Homeownership, Property Rights and Consumer Protections

In May, IVAR members traveled to Sacramento and Washington DC to discuss a series of proposed laws and initiatives that could significantly impact REALTORS® and the homeowners of today and tomorrow.

On May 3rd, 18 IVAR members and staff joined 2,400 colleagues from across California for REALTOR® Legislative Day in Sacramento. Those numbers once again broke participation records from previous years.

Below is a rundown of some of the issues REALTORS® discussed with lawmakers during Legislative Day.

## AB 1059 – Dual Agency – Oppose

AB 1059, authored by Assembly Member Lorena Gonzales Fletcher from the San Diego area, is a bill that seeks to eliminate dual agency in commercial transactions. It would not affect existing rules governing dual agency in residential real estate.

In practical terms, eliminating dual agency would disallow brokers representing end users of commercial properties from presenting real estate offered by their own brokerages. It would also cause businesses interested in a property they see advertised from contacting the company's representative and working directly with that broker.

REALTORS® made those points, arguing that through proper disclosure, businesses should be able to make their own decisions on representation. That same approach has worked well in residential real estate for nearly a generation.

AB 1059 is not an immediate threat. The bill was shelved for 2017 but is available to return for consideration before the end of the current legislative session.

## SB 640 – Sales Tax on Services - Oppose

REALTORS® also re-emphasized their opposition to SB 640, a bill that would lay the groundwork to impose sales taxes on services. If implemented, a sales tax on services would impact thousands of service-based industries and their customers. In real estate, where virtually everything is a service, a sales tax set at 5 percent would add more than $3,200 to the transaction cost of the median priced California home. If the tax were set at 7.5 percent, which is the current rate of sales taxes on goods, home buyers would see a new tax bill of nearly $5,000 on the median-priced California home.

The new taxes would push an estimated 37,000 to 55,000 Californians out of the housing market, with that impact focused directly on working class residents already struggling with affordability.

## Housing Affordability – the Solution is Supply

Finally, REALTORS® discussed a series of initiatives designed to lower barriers to home building in California to help working families afford a home. Housing affordability has reached a crisis point in the state, driven primarily by the fact that the pace of new housing construction has lagged significantly behind population growth.

The demand-supply imbalance has led to historically low levels of available inventory and price levels broached only when loose lending artificially pushed home prices through the roof in the mid-2000s.

The housing supply and affordability problem actually goes beyond homeownership. Lack of building has pushed rents beyond the means of many working Californians as well. There simply is not enough housing of all types to accommodate a growing state.

While efforts to remove obstacles to make housing more available to working Californians have languished, other proposals have come forward to push government controls on rents as a quasi-attempt to address housing affordability. In reality, such measures may help the few lucky individuals who receive the rent control-based subsidies, but further exacerbates the housing crisis by driving out investment in new construction.

REALTORS® asked lawmakers to reject those false solutions and embrace the idea that allowing construction of new homes to match population growth is the only sustainable approach to address affordability.

## Support our Mission, Support the REALTOR Party


The most important thing each member can do to support our government affairs work is to stay informed and help spread the word on important issues to your colleagues, clients, friends and neighbors. Nothing is more important than your time, including the time you devote to making your voice heard at the ballot box each election day.

Our work is supported through voluntary contributions made by members to the REALTOR® Action Fund. These annual contributions of $49 or more help ensure that we have the resources to research important issues, communicate with our members and mobilize our industry to have the impact necessary to make a difference.

You can make a contribution as you renew your membership – or anytime by going to www.car.org/governmentaffairs/raf.

Questions? Comments? You can reach Paul Herrera, Government Affairs Director, at pherrera@ivaor.com or on his cell phone at 951-500-1222.

## CalBRE Licensee Alert: Misleading Consumers/New Team Name FAQ

It is hard to overstate the importance of branding and distinguishing yourself from the crowd in the real estate industry, but these are limits. CalBRE has issued a second Licensee Alert about its continuing concerns with salespersons who use names that may mislead consumers into believing that the salesperson is a broker or has an "independent" real estate business. The two examples cited are a salesperson, John Doe, advertising as Doe Real Estate, and salespersons who brand themselves as "independent" real estate practitioners. CalBRE believes that both scenarios would mislead the public into thinking that the salesperson is a broker instead of a salesperson who must be supervised by a broker. Additionally, CalBRE cautions brokers who are supervising salespersons and allowing or supporting such practices. Since this is CalBRE's second Alert on this topic – proceed with care.

Likely in response to the confusion that many are experiencing when using team names, CalBRE has just produced a new May 2017, Frequently Asked Questions Regarding "Team Names". The question being asked is can a team use the terms "brokerage", "real estate", or "realty" as part of a team name?

Among other matters BRE clearly states that the words "broker", "real estate broker", or "real estate brokerage" CANNOT be used as part of a team name because they imply a separate, independent brokerage. However, they also clarify that "because the law does not prohibit" the use of the words "realty" or "real estate", such terms can be used as part of a team name so long as the surname of at least one team member is included and the team name also includes the words "team", "group", or "associates". The example given as acceptable is "The Smith Real Estate Team".

For help in this highly-regulated area, C.A.R.'s Q&As Team Names; and Fictitious Business Names and Team Names; and CalBRE's new FAQ can provide guidance.

## Continued Lending Issues

A recent case and a Consumer Finance Protection Bureau (CFPB) announcement demonstrate that we are still not that far removed from the lender problems experienced in the mortgage meltdown. In Berman v HSBC Bank (2017), the lender misstated the length of time for the borrower, who had a notice of default recorded on his property, to appeal the denial of a loan modification. The Civil Code requirements in question, enacted after the meltdown in 2008 (some of which expire January 1, 2018), provide for injunctive relief against a lender for any material breach of notice provisions. The purpose of the injunction being to require the lender to correct the notice and provide the borrower with accurate information regarding the borrower's rights.

Although the pro per plaintiff was not precise in his pleadings, the appellate court reversed the lower court's decision and allowed an injunction against HSBC, preventing the lender from continuing with foreclosure on its trust deed, at least temporarily. The court also noted that HSBC could have issued a new notice complying with the statutory requirements anytime during the two and one-half years since the original incorrect notice, which would have ended the need for the present action.

The recent CFPB announcement of its suit against Ocwen Financial Corporation further highlights the lingering effects still felt in the mortgage business. Ocwen is one of the largest mortgage loan servicers in the country. The original lender generally sells residential loans shortly after the loan is made, and the loan servicing may be transferred to another entity (not the loan holder). This is the service that Ocwen provides, specializing in servicing subprime or delinquent loans. It handles customer service, collections, loan modifications, and foreclosures.

In its announcement, CFPB alleges that Ocwen has repeatedly make mistakes and taken shortcuts at every stage of the mortgage servicing process, costing some consumers money and others their homes. "Borrowers have no say over who services their mortgage, so the Bureau will remain vigilant to ensure they get fair treatment."

## Equitable Easement Case

Can a landowner whose parcel is landlocked gain access to the property when there is no pre-existing access road use? That was the question in the case of Hinrichs v Melton (2017), involving convoluted property lines and equally confusing access trails and roads. The published opinion comes complete with a map, and the trial court personally viewed the property in making its determination.

Traditionally, the issue of access has been answered by claiming an easement by necessity, which can only arise in very limited circumstances. First, the properties over which the easement will run must have been in common ownership at one time. Second, because of a conveyance by the common owner, one parcel becomes completely landlocked. Few properties meet these strict criteria.

More recently, courts have invoked "equitable easements" attempting to balance hardships. In a case from 2009, a court found an equitable easement over a neighboring property where a road on that property had been used for several decades.

Even though there was no preexisting use of the access road in the present case, the court held that an equitable easement may be granted. A preexisting use by the landowner seeking the easement is simply not a requirement.  Instead, the rule is that a court may grant an equitable easement where the hardship to the party seeking the easement is greatly disproportionate to the hardship caused to the servient owner over whose property the easement is granted, and whether the servient property owner will suffer irreparable injury by the easement.

Quoting the trial court: "[T]he Meltons would suffer little to no harm from the use of the section of their property at issue in this case. The evidence established that it is at the very back of their property and separated from the rest of their property by a creek bed. It established that they did not use the property for any purpose and had visited it rarely if at all. There did not appear to be even a potential use to them for the piece of property.  On the other hand, that section of the Melton property would allow the owners of the Hinrichs' parcel to access the property previously owned by them… As the Hinrichs' property would otherwise be landlocked and therefore virtually useless, the 'relative hardship' test clearly favors the Plaintiff Hinrichs."

As you can see, the analysis is heavily fact dependent, and to prevail in a claim for an equitable easement, the facts must be on your side.

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# Housing Data Report April 2017

### The Voice of Real Estate in the Inland Empire℠


**A report brought to you by the Inland Valleys Association of REALTORS® (IVAR)**
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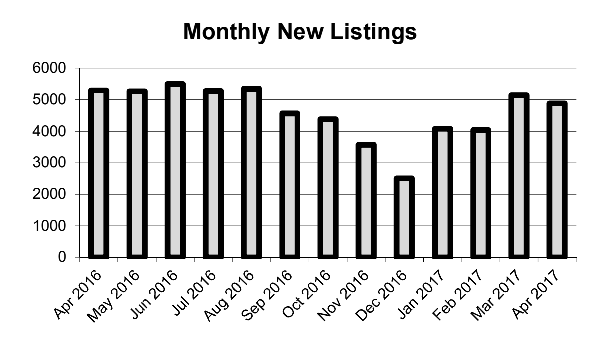
**Mark Dowling, Chief Executive Officer**

Comparing year-to-date housing data from (Jan-April 2016 vs. Jan-April 2017) there were strong increases in Sold Listings (up 5.4%), Sales Volume (up 12.7%) and Pending Sales (up 7.8%). However, New Listings continue to track downward with a 6.3% decrease.

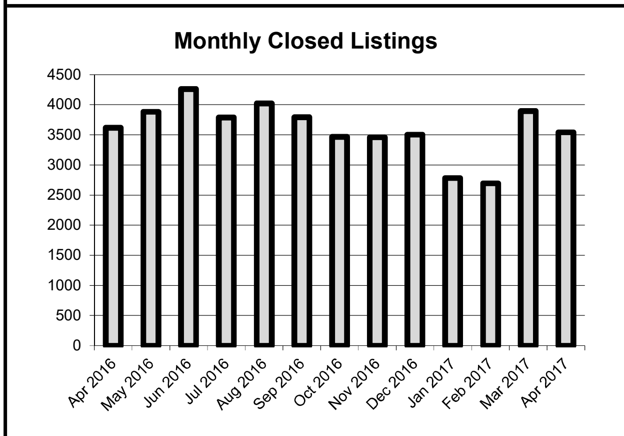
Heightened demand has also caused a reduction in "Combined Days on Market" which decreased 32% year-over-year, and down to a low of 26 days in April, 2017. Moreover, roughly one-third of the homes sold were on the market less than two weeks.

Median Sales prices took another up-tick in April coming in at $360,000, which is a 5.9% increase compared to April, 2016.

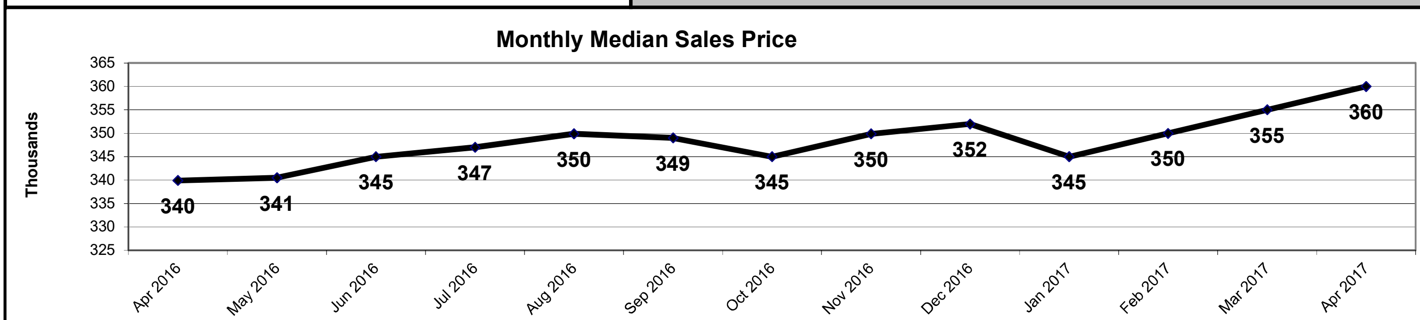
Following a robust 2016 housing market, the first four months of 2017 is starting off with a strong demand for housing reflected through increased Sold Listings, Sales Volume and Median Sales Prices, and a drastic reduction of Days on Market for homes.




| | Apr-2016 | Apr-2017 | Annual Change |
|---|---|---|---|
| New Listings | 5,295 | 4,883 | -7.8% |
| Pending Sales | 4,087 | 4,447 | 8.8% |
| Sold Listings | 3,618 | 3,544 | -2.0% |
| Median Sales Price | $339,900 | $360,000 | 5.9% |
| Sales Volume ($M) | $1,315 | $1,377 | 4.7% |
| Price/Sq.Ft. | $186 | $200 | 7.3% |
| Sold $/List $ | 98.78% | 99.72% | 1.0% |
| Days on Market | 44 | 23 | -47.7% |
| CDOM | 55 | 26 | -52.7% |




All data used to generate these reports comes from the California Regional Multiple Listing Service, Inc. If you have any questions about the data, please call the CRMLS Customer Service Department between the hours of 8:30am to 9:00pm Monday thru Friday or 10:00am to 3:00pm Saturday and Sunday at 800-925-1525 or 909-859-2040.

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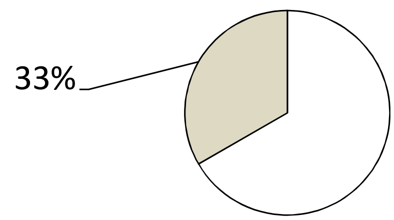
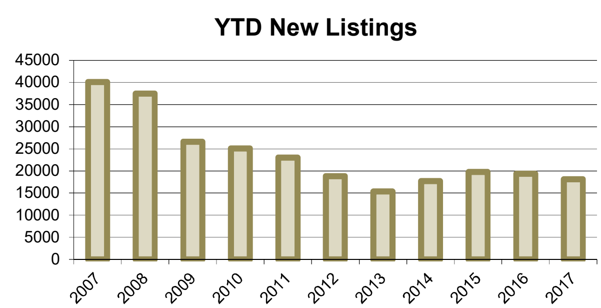
The statistics shown below are for all 4 months of the years represented.

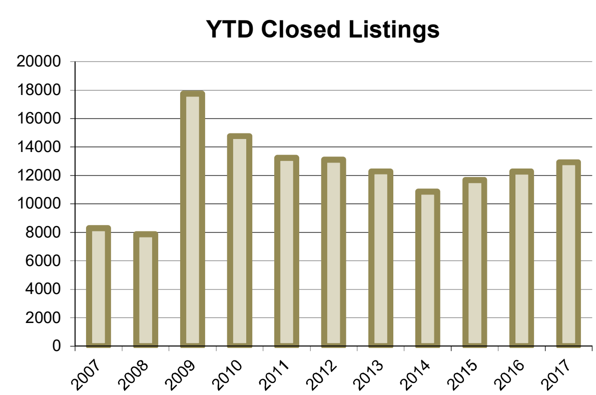
Month to month comparisons give you a quick way to see what is recently changing in the region. However, by comparing Year-To-Date (YTD) information across several years, you can observe more signifiant trends.

**We are 4 months through the year:**




| | Jan-Apr 2016 | Jan-Apr 2017 | Year-Over-Year Change |
|---|---|---|---|
| New Listings | 19,369 | 18,141 | -6.3% |
| Pending Sales | 14,513 | 15,641 | 7.8% |
| Sold Listings | 12,261 | 12,918 | 5.4% |
| Median Sales Price | $330,000 | $353,000 | 7.0% |
| Sales Volume ($M) | $4,370 | $4,924 | 12.7% |
| Price/Sq.Ft. | $184 | $197 | 6.9% |
| Sold $/List $ | 98.47% | 98.87% | 0.4% |
| Days on Market | 50 | 34 | -32.0% |
| CDOM | 62 | 39 | -37.1% |

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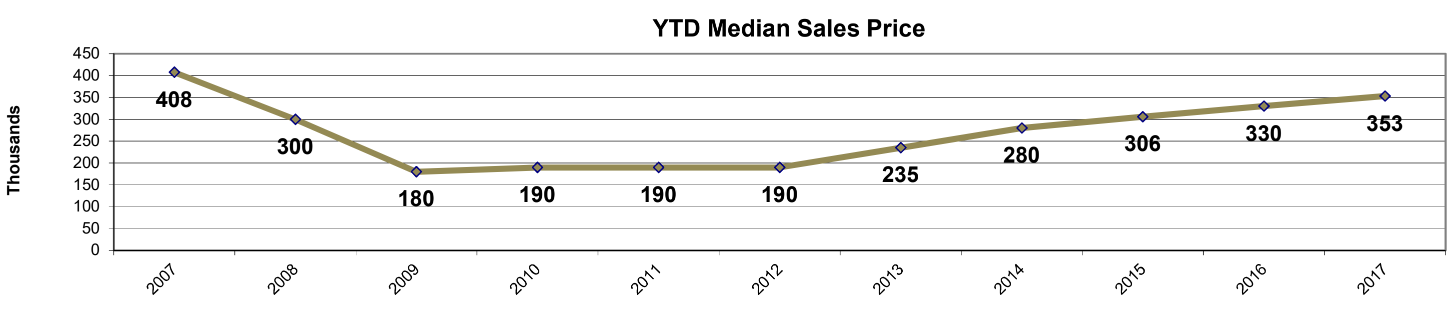


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# Apr 2017 City Overview

As a service and convenience to our members, IVAR is pleased to offer several "Quick Look" reports. This is one more way for IVAR members to stay informed with minimal effort.

**The following monthly data shows "YEAR-OVER-YEAR" (YOY)changes as well as current conditions in the real estate market**

| | YOY Sales Transactions | YOY Median Sales Price % | Median Sales Price $ | Inventory | Price per Sq.Ft. | Total Days on Market |
|---|---|---|---|---|---|---|
| Alta Loma | 90% | 9% | $ 685,000 | 26 | $ 283 | 42 |
| Banning | -4% | 4% | $ 240,000 | 70 | $ 160 | 35 |
| Beaumont | 7% | 3% | $ 300,000 | 104 | $ 147 | 45 |
| Bloomington | -32% | 21% | $ 320,000 | 24 | $ 218 | 23 |
| Canyon Lake | 63% | 18% | $ 402,400 | 48 | $ 205 | 86 |
| Cherry Valley | 10% | 6% | $ 280,000 | 17 | $ 175 | 41 |
| Chino | 20% | 2% | $ 445,000 | 99 | $ 249 | 22 |
| Chino Hills | -9% | 4% | $ 648,800 | 82 | $ 328 | 19 |
| Claremont | -9% | -1% | $ 565,000 | 23 | $ 332 | 49 |
| Colton | 3% | 2% | $ 260,000 | 60 | $ 194 | 14 |
| Corona | -7% | 8% | $ 455,000 | 259 | $ 236 | 23 |
| Diamond Bar | -2% | 17% | $ 620,000 | 72 | $ 377 | 17 |
| Eastvale | -27% | 13% | $ 538,888 | 66 | $ 180 | 21 |
| Fontana | -4% | 2% | $ 370,000 | 231 | $ 210 | 20 |
| Grand Terrace | 33% | 13% | $ 345,000 | 25 | $ 195 | 40 |
| Hemet | 1% | 13% | $ 225,000 | 224 | $ 140 | 27 |
| Highland | -3% | 12% | $ 324,000 | 72 | $ 185 | 30 |
| Jurupa Valley | 41% | 16% | $ 434,000 | 69 | $ 225 | 47 |
| La Verne | -31% | -2% | $ 613,000 | 34 | $ 318 | 33 |
| Lake Elsinore | 15% | 10% | $ 337,000 | 130 | $ 164 | 27 |
| Menifee | 12% | 8% | $ 340,000 | 166 | $ 167 | 24 |
| Mentone | 33% | 17% | $ 315,000 | 7 | $ 185 | 60 |
| Montclair | -11% | 6% | $ 387,000 | 29 | $ 272 | 16 |
| Moreno Valley | -1% | 8% | $ 297,000 | 259 | $ 178 | 23 |
| Murrieta | -2% | 4% | $ 395,000 | 221 | $ 179 | 23 |
| Norco | 19% | 9% | $ 525,000 | 33 | $ 250 | 38 |
| Nuevo/Lakeview | 100% | 10% | $ 309,000 | 16 | $ 149 | 54 |
| Ontario | -1% | 2% | $ 352,000 | 127 | $ 261 | 22 |
| Perris | 6% | 6% | $ 280,000 | 132 | $ 159 | 21 |
| Pomona | 18% | 10% | $ 380,000 | 85 | $ 275 | 24 |
| Rancho Cucamonga | -18% | 7% | $ 461,000 | 185 | $ 266 | 15 |
| Redlands | -8% | 1% | $ 355,000 | 89 | $ 230 | 21 |
| Rialto | -8% | 11% | $ 315,000 | 117 | $ 206 | 17 |
| Riverside | -7% | 8% | $ 369,000 | 524 | $ 216 | 35 |
| San Bernardino | -5% | 11% | $ 242,000 | 284 | $ 182 | 21 |
| San Dimas | 7% | -6% | $ 540,000 | 31 | $ 328 | 41 |
| San Jacinto | 15% | 6% | $ 244,900 | 92 | $ 137 | 22 |
| Sun City | -24% | 1% | $ 215,000 | 31 | $ 174 | 35 |
| Temecula | -11% | 5% | $ 429,900 | 211 | $ 197 | 22 |
| Upland | 3% | 21% | $ 512,000 | 95 | $ 259 | 40 |
| Wildomar | -23% | 5% | $ 365,000 | 64 | $ 170 | 45 |
| Winchester | 9% | 11% | $ 398,500 | 68 | $ 160 | 15 |
| Yucaipa | -5% | 8% | $ 340,000 | 84 | $ 194 | 43 |

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# Apr 2017 - Sales Volume per City

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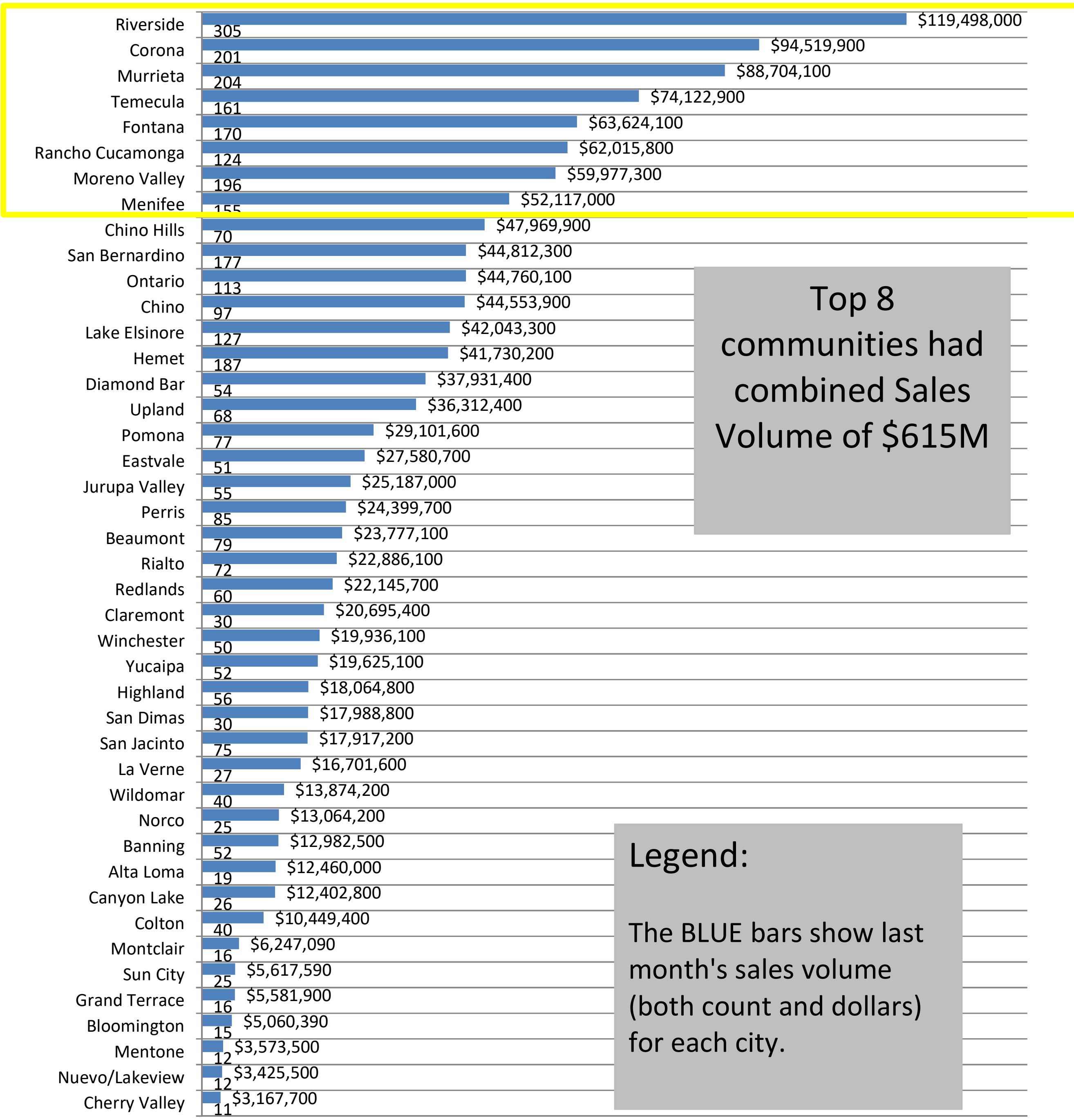


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## Apr 2017 - Top Communities with New Listings (year-over-year)

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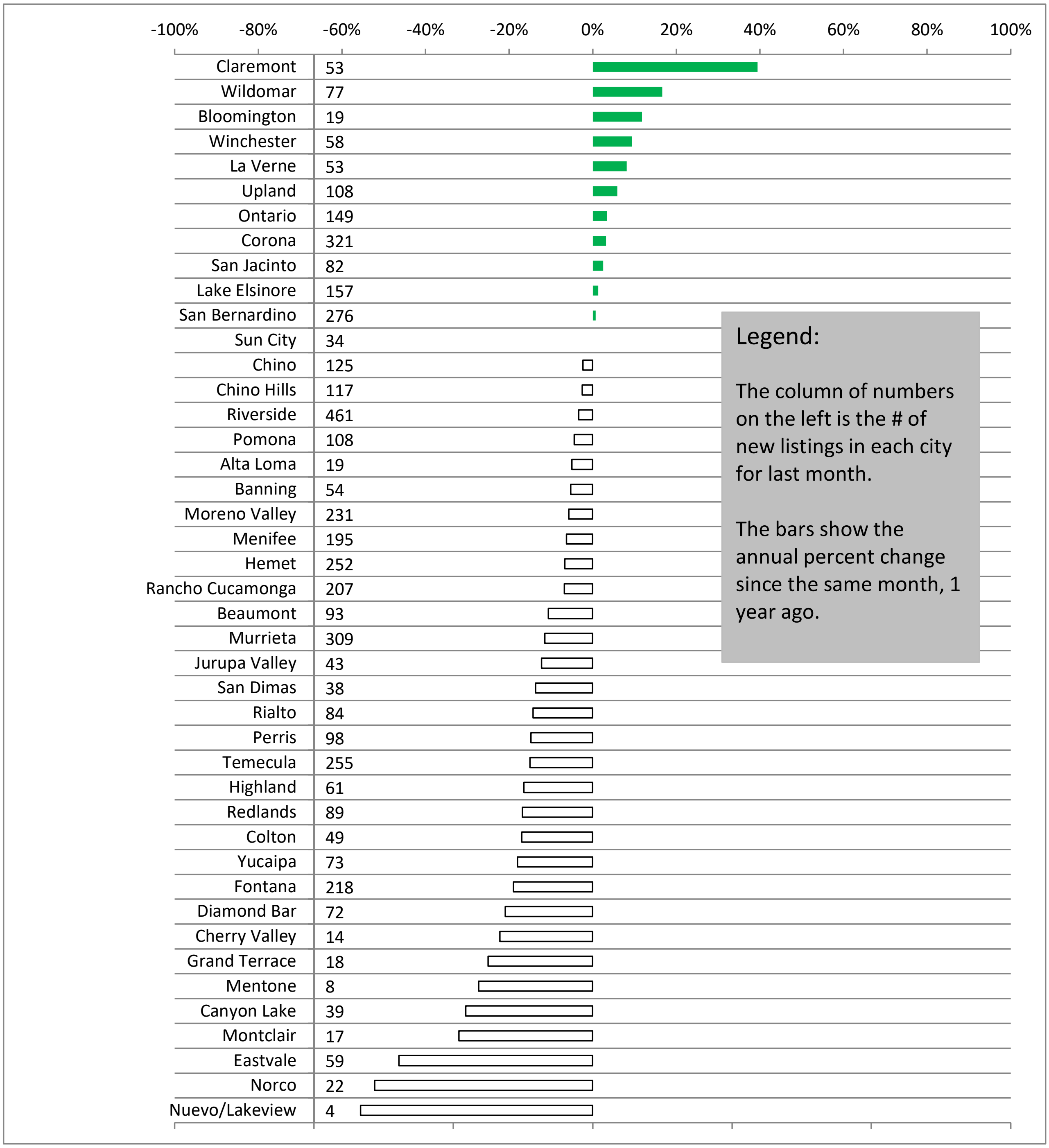


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## Sell Price vs Original List Price

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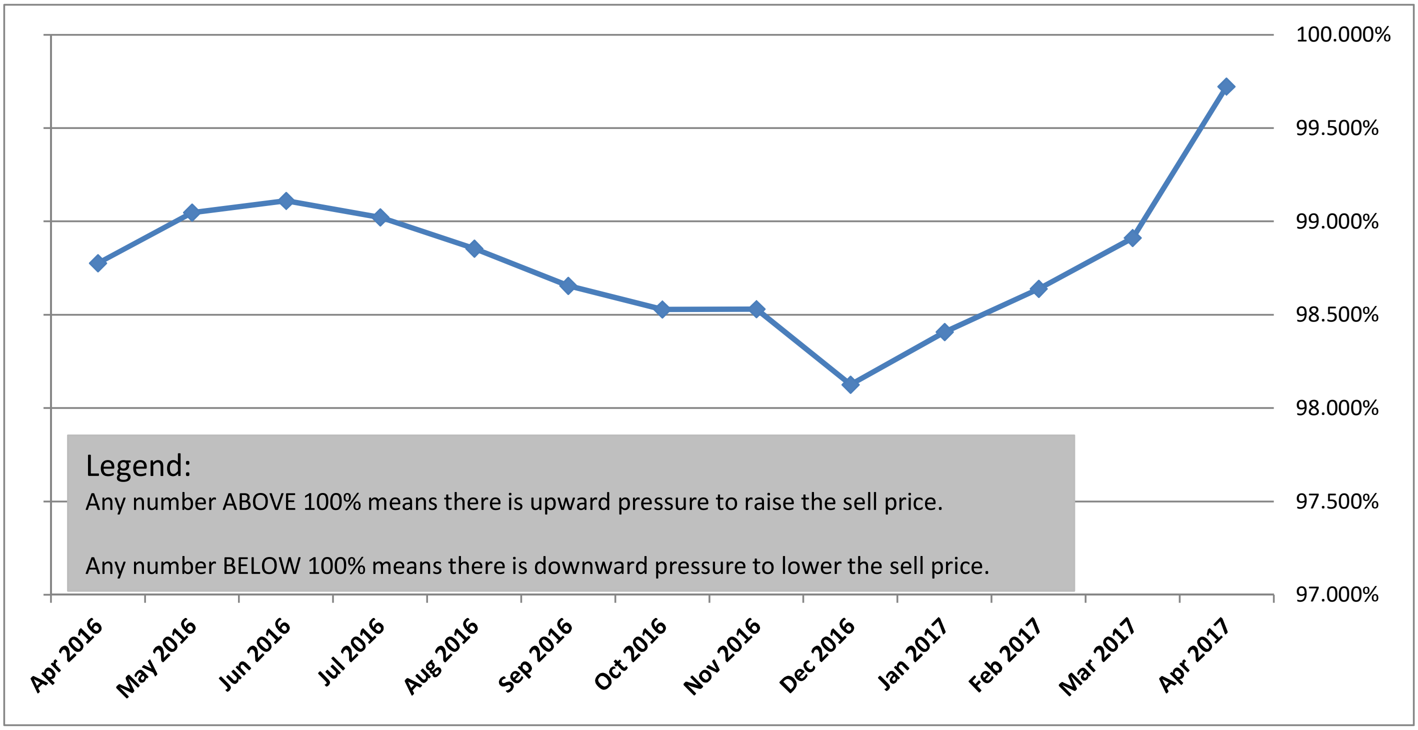
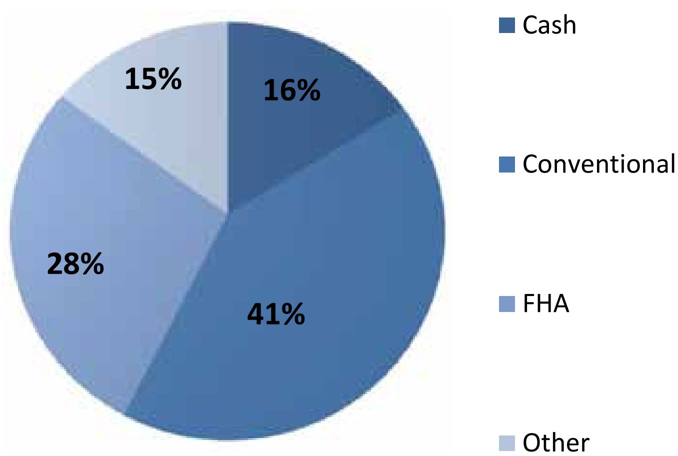



## This report is brought to you by IVAR:

As a service to the more than 4 million residents of the Inland Empire, the **Inland Valleys Association of Realtors®** is proud to distribute this data report on the housing market in the 50 communities served by our Realtor Members.

The core purpose of IVAR is to help its members become more professional and profitable, while promoting and protecting real property rights.

## Finance Type

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# Tax Reform Could Deliver a Tax Hike for Homeowners: New Research

WASHINGTON (May 18, 2017) – While tax reform proposals swirling around Washington, D.C., promise lower tax bills for American families, new estimates indicate that many middle-income homeowners may actually see a tax increase if those proposals go through.

The study, "Impact of Tax Reform Options on Owner-Occupied Housing,"(link is external) illustrates the effects of a tax plan that echoes certain elements of the "Better Way for Tax Reform(link is external)" or "Blueprint" proposal released last year, as well as the White House tax reform outline released in April, to which the National Association of Realtors® responded.

While most individuals would see a tax decrease under such a proposal, the study estimates that many middle-class homeowners could in fact see a net average tax increase. Homeowners with adjusted gross incomes between $50,000 and $200,000 would see their taxes rise by an average of $815. The study also estimates that combined tax savings from claiming the mortgage interest deduction and real estate property tax deductions would drop 82 percent between the 2018 and 2027 period.

"Tax reform and lower rates are worthy goals, but only if we can achieve them in a fiscally responsible way," said NAR president William E. Brown, a second-generation Realtor® from Alamo, California and founder of Investment Properties. "Balancing tax reform on the backs of homeowners isn't an option."

The study, which was commissioned by NAR and prepared by PwC (PricewaterhouseCoopers), estimates that this tax increase would result from the interaction of several provisions in the reforms under consideration. For many homeowners that currently benefit from the mortgage interest deduction, the elimination of other itemized deductions and personal exemptions would cause their taxes to rise, even if they elected to take the increased standard deduction. For others, the elimination of the state and local tax deduction alone would result in higher federal income taxes.

In addition to increasing taxes on many middle-income homeowners, the report finds that such a proposal could cause home values to fall by an average of more than 10 percent in the near term. In areas with higher property taxes or state income taxes, the drop could be even greater. Although the study doesn't directly analyze the "Better Way for Tax Reform" plan or the recent White House outline, it examines a proposal with many similar elements.

Those elements include lowering and consolidating marginal tax rates to only three rates, setting a top income tax rate of 33 percent, doubling the standard deduction, eliminating all itemized deductions (other than charitable contributions and mortgage interest) and personal exemptions, eliminating the alternative minimum tax, and capping the tax rate on pass-through business income at 25 percent.

PwC estimated that roughly 35 million households will claim the mortgage interest deduction in 2018, three quarters of which have incomes between $50,000 and $200,000. According to NAR, roughly 70 percent of those eligible for the MID claim it in a given tax year.

"A tax reform proposal that hikes taxes for homeowners is a raw deal, and consumers know it," said Brown. "Leaders in Washington who are driving tax reform have shown every indication that they have the best of intentions, and we're hopeful they'll consider our study as this process plays out in the months ahead."

*The National Association of Realtors®, "The Voice for Real Estate," is America's largest trade association, representing over 1.2 million members involved in all aspects of the residential and commercial real estate industries.*

# Foreign Buyers and Immigration Expected to Drive Future Demand for U.S. Housing

WASHINGTON (May 19, 2017) – U.S. real estate markets are increasingly becoming international, and changing demographics brought forth by immigration and growing interest from foreigners are positioned to bolster home sales activity and prices. That's according to speakers at an international real estate forum organized by the REALTOR® University Richard J. Rosenthal Center for Real Estate Studies session here at the 2017 REALTORS® Legislative Meetings & Trade Expo.

NAR's Danielle Hale, managing director of housing research, was joined by Alex Nowrasteh, immigration policy analyst at the Center for Global Liberty and Prosperity at the Cato Institute, to share insight on the current and future impact of foreign buyers and immigration on the U.S. housing market.

According to Nowrasteh, the rising U.S. population is being bolstered by a growing number of immigrant households, and their presence will continue to transform the housing market. Referring to data from the 2015 American Community Survey, Nowrasteh said of the roughly 321.4 million residents in the U.S., 278.1 million are born here (natives) and the remaining 43.3 million – made up of 20.7 million naturalized citizens and 22.6 million non-citizens – are foreign-born.

"Immigration affects rents and home prices far more than it affects the labor market," said Nowrasteh. "An expected 1 percent increase in a city's population produces a 1 percent uptick in rents, while an unexpected increase results in a 3.75 percent rise."

Nowrasteh, pointing to studies conducted on immigration and housing, explained that the effects of immigration on real estate are localized, with most of the impact felt where immigrants tend to reside: low-to-middle income counties. Each immigrant adds 11.6 cents to housing value within that county. In 2012, 40 million immigrants added roughly $3.7 trillion to U.S. housing wealth.

Referencing the Legal Arizona Workers Act that went into effect on January 1, 2008, Nowrasteh said the decline in population resulting from the law likely exasperated the drop in home prices the state experienced during the downturn. Fewer households purchasing or renting property subsequently lead to higher vacancies and lower prices. "Immigration is the best way to increase population, housing supply and prices," he said.

Presenting some of the key findings from NAR's 2016 Profile of International Activity in U.S. Residential Real Estate released last July, Hale said foreigners increasingly view the U.S. as a great place to buy and invest in real estate. She noted the upward trend in sales activity from resident and non-resident foreign buyers1 in the past seven years, with total foreign buyer transactions increasing from $65.9 billion in 2010 to $102.6 billion in the latest survey.

"A majority of foreign buyers in recent years are coming from China, which surpassed Canada as the top country by dollar volume of sales in 2013 and total sales 2015," said Hale. "Foreign buyers on average purchase more expensive homes than U.S. residents and are more likely to pay in cash."

Perhaps foreshadowing where a bulk of future home purchases from immigrants will come from, Hale said that in NAR's latest survey roughly over half of all foreign buyers purchased property in Florida (22 percent), California (15 percent), Texas (10 percent), Arizona or New York (each at 4 percent). Latin Americans, Europeans and Canadians – who tend to buy for vacation purposes in warm climates – mostly sought properties in Florida and Arizona. Asian buyers were most attracted to California and New York, while Texas mostly saw sales activity from Latin American, Caribbean and Asian buyers.

NAR's 2017 Profile of International Activity in U.S. Residential Real Estate survey is scheduled for release this summer. Looking at the past year, Hale said monthly data from the Realtors® Confidence Index revealed a rise in responses from Realtors® indicating they worked with an international buyer.

"Chinese buyers are once again expected to top all countries in both total dollar volume and overall sales," said Hale.

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*1The term international or foreign client refers to two types of clients: non-resident foreigners (Type A) and resident foreigners (Type B).*

*Non-resident foreigners: Non-U.S. citizens with permanent residences outside the United States. These clients typically purchase property as an investment, for vacations, or other visits of less than six months to the United States.*

*Resident foreigners: Non-U.S. citizens who are recent immigrants (in the country less than two years at the time of the transaction) or temporary visa holders residing for more than six months in the United States for professional, educational, or other reasons.*

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