

INLAND VALLEYS REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®



IVAR Announces Endorsement List for November 8th Election

FOR MORE INFORMATION GO TO PAGES 6-7

VOTE

2016



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With Election Day Almost Here, Leadership is Again on the Ballot



SCOTT GIESER,
2016 IVAR PRESIDENT

At IVAR, we emphasize the importance of being involved in fighting for public policy and political questions that affect our members, their clients and the issue of housing in our society. We invest in a robust government affairs program, work closely with elected officials and work to connect what our members learn in their day-to-day business to the ideas being enacted at city halls, Sacramento and Washington, D.C.

None of the work that we do in this arena is more fundamental than asking members to exercise their right to vote. We work to inform members and connect them to these issues so that they understand why we're a nonpartisan organization; why we support Republicans like Marc Steinorth and Eric Linder in the California Assembly or Democrats like Pete Aguilar in Congress.

It's also why we devote the time as volunteers to speak to dozens of candidates for local offices and make endorsements of their campaigns (please see the column from Government Affairs Director Paul Herrera for a list of local endorsements in this election).

Local policymakers can make the difference on whether the working-class family you want to see become homeowners will someday find affordable options in their price range or find themselves locked out and facing rising costs in communities of housing shortages.

Local policymakers can create expensive roadblocks to homeownership and make life difficult for sellers and buyers to come together to complete their agreements. They can also work to push aside those obstacles and take some unnecessary steps out of a home buying process that is anything but a simple marketplace transaction.

At the state level, it's a continuous effort to minimize the impact of new taxes and new, expensive mandates on middle-class families who have achieved ownership in a state that seems increasingly unfriendly to the idea that people might want to own their homes. At the federal level, we work to protect the options that make homeownership possible – the 30-year, fixed-rate mortgage, the mortgage interest deduction, tax exemptions that recognize that when everyone's property values go up, that's not the same as making money that should be taxed as if you received a bonus.

All of these issues are on the table every day that policy makers are at work and many days when they're not but debates continue elsewhere. That table is where we need to be as well – and never more clearly so than at each election.

After all, as the saying goes, we need to take an interest in politics because politics definitely has an interest in us.

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IVAR Announces Endorsement List for November 8th Election



PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

This election day, members across our region will have many decisions to make at the ballot box. As with most general election days, most cities and counties have local elections alongside state and federal offices.

For more on how the election impacts our efforts to fight for homeownership and the American Dream, please take a few moments to read the column from IVAR President Scott Gieser in this edition.

Below is a list of endorsements in local elections throughout our region. IVAR arrives at endorsement decisions through a painstaking process wherein volunteers spend time combing through answers provided by candidates for elected office and meeting with those same candidates for in-person interviews.

For offices where an incumbent is running for re-election, IVAR volunteers will turn to the records compiled by those elected officials and, based on the strength of their performance and past support from IVAR, may choose to support the continuing work of that officeholder without opening discussions with other challengers.

State Legislature – Eric Linder, Marc Steinorth

IVAR does not make endorsements for federal or state offices. Decisions on those are handled through the California Association of REALTORS® and the National Association

of REALTORS®. However, sometimes certain elections call for much more clear and visible support where the REALTOR® Party takes an active role to call attention to legislators doing an extraordinary job.

In this election, REALTORS® are working to support two local Assembly Members in their bid for re-election. Assemblyman Marc Steinorth, representing a district that spans from Rancho Cucamonga to Highland, San Bernardino and Redlands has championed a series of issues designed to support property rights and homeownership. One of those efforts would support residents working to save money for down payments and other costs related to buying a home.

Assm. Steinorth's colleague in the Assembly, Eric Linder, has also earned the enthusiastic support of the REALTOR® Party. Assm. Linder, who represents Corona, Norco, Jurupa Valley, Eastvale and western Riverside, worked across party lines to pass the first consumer disclosure requirements on PACE programs like HERO, YGRENE and California First. The bill, AB 2693, was authored by Democrat Matt Dababneh. At a press conference announcing the bill's signing, Assm. Dababneh called on one colleague, Republican Eric Linder, to join him in announcing the new consumer protection standards. That bipartisan effort is a model for strong policymaking.

Local Endorsements

There are simply too many local elections to go into significant detail here. However, as a general rule, IVAR looks for elected leaders who understand the importance and challenges of homeownership. We seek people who have demonstrated an understanding of local government, responsible governing and the importance of keeping an open line of communication with constituents.

We seek principled leaders capable of putting ideas above ego and ambition, and demonstrate the dedication to help manage the complexity of local institutions like cities and counties.

Finally, that's not to say that other candidates lacked these talents. In many cases, our volunteers decide among very skilled candidates who may also have exemplary qualities. Then again, in some instances, the choices are clear.

City of Moreno Valley

Mayor – George Price

Council Member, District 3 – Brian Lowell

City of Rialto

Council Member – Deborah Robertson

City of Highland

Council Member – Penny Lilburn

Council Member – Larry McCallon

Council Member – John Timmer

City of Fontana

Council Member – Jesse Armendarez

City of Rancho Cucamonga

Council Member – Lynne Kennedy

Council Member – Sam Spagnolo

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



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 951-500-1222f.



SB 710: When Advertising Team Names and Salesperson Owned DBAs the Responsible Broker's Name Must be Included. The Broker's License Number is Optional - Effective August 29, 2016

When using a Team Name or a Salesperson Owned Fictitious Business Name (DBA), solicitation and advertising materials (including "for sale" signs) must contain the "responsible broker's identity." SB 710, effective August 29, 2016, amends Business and Professions Code section 10159.6 to correct an inadvertent error. The prior version defined "responsible broker's identity" to mean both the name and license number of the responsible broker. The amended version provides that "responsible broker's identity" means either "the name under which the responsible broker is currently licensed with the bureau," or both the name and "associated license identification number." As a practical matter, this means that the responsible broker's name will always be required when advertising a Team Name or Salesperson Owned DBA but the responsible broker's license number becomes optional. (B&P Code sections 10159.5 through 10159.7)

THE NUMBER ONE REASON AGENTS FAIL has nothing to do with how good they are at the technical parts of the business. It has nothing to do with their work ethic or their people skills.

AB 1650: Uniform Advertising Standards - Effective January 1, 2018

Currently B&P Code section 10140.6 requires that real estate licensees disclose their license numbers on all "solicitation materials." Solicitation materials include stationary, business cards, flyers, and materials designed to solicit the creation of a professional relationship, but exclude print ads, electronic media ads, and "for sale" signs.

Effective January 1, 2018, AB 1650 expands the definition of

"solicitation materials" to include "for sale" signs, print ads, and electronic media among other things. Section 10140.6(b)(2) provides that "solicitation materials" "include business cards, stationary, advertising flyers, advertisements on television, in print, or electronic media, 'for sale,' rent, lease, 'open house,' and directional signs, and other materials designed to solicit the creation of a professional relationship between the licensee and the consumer."

However, section 10140.6(b)(3) provides a carve out from this requirement for "for sale," rent, lease, "open house," and directional signs that either (1) display the responsible broker's identity (meaning the responsible broker's name or name and license number) without reference to an associate broker or licensee, or (2) display no licensee identification information.

Real estate licensees will have a little over a year to gain familiarity with the new law and assure their solicitation materials comply.

Disclosure: What Not to Say When Asked "What's That Musky Smell?"

When asked by the buyer "What is that musky smell?," the dual agent told the buyer that it was "sea air" and could be fixed by "changing things like sheet rock." *Fong v. Sheridan*, No. A144286 (Cal. Ct. App. April 21, 2016), an unpublished appellate decision which cannot be cited as binding legal precedent, reinforces the admonition that agents should not speculate when making statements regarding the condition of the property - just the facts please.

Relying on the agent's statement, the buyer closed on this Tiburon, California property, but kept smelling something odd in one of the bedrooms. Continuing to investigate, the buyer found a buried septic tank and a buried oil tank. Compounding the problem, there was an inadvertent spill when removing the oil tank. The buyer moved from the property due to the chemical smell and eventually the house was torn down.

After settling with the agent and broker for \$275,000, the buyer sued the seller for vicarious liability for the statement that the smell was "sea air." While the trial court found that the agent was liable for negligent misrepresentation, the agent was not liable for intentional fraud, which limited the seller's liability for damages to the buyer's out of pocket expenses of \$91,635. Because the \$275,000 settlement the buyer received

from the agent and broker exceeded the seller's liability, the trial court awarded \$456,000 in attorney's fees to the seller as the prevailing party.

The buyer appealed the measure of damages and the attorney's fees award with the Appellate Court partially affirming, partially vacating, and then sending the case back to the trial court for further proceedings. Even though the appellate case is largely about procedural matters, the correct measure of damages, and attorney's fees, and cannot be cited as legal precedent, the bottom line for licensees is clear: As the FormsTutor® instructions for the AVID (Agent's Visual Inspection Disclosure) make clear, provide factual information, do not use adjectives, and do not speculate about the cause. Again - Just the Facts.



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NMLS# 727302



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760-413-3577
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Housing Data – September 2016



Inland Valleys Association of REALTORS® (IVAR)

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FAX: 951-684-0450

RIVERSIDE OFFICE
3690 Elizabeth Street
Riverside, California 92506
Office: 951-684-1221

RANCHO CUCAMONGA OFFICE
10574 Acacia Street, Suite #D-7
Rancho Cucamonga, California 91730
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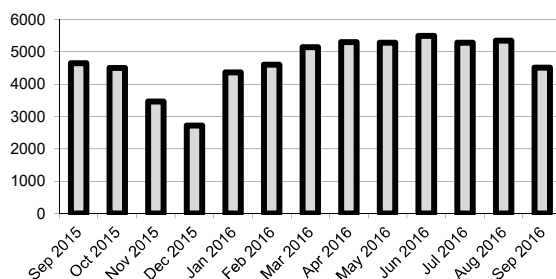
Mark Dowling, Chief Executive Officer

- Year-to-date regional housing data is showing slight market strains as a result of decreasing New Listings and heightened demand.
- For the first 9 months of 2016 New Listings were down 1.2%. Although New Listings were up approximately 4% in August – which represented the first monthly increase in nearly a year – September New Listings were down 3.1%
- Days on Market continues to reflect increased demand with a 4.4% decrease year-to-date.
- Median Sales prices have jumped 6.2% year-to-date, up to \$346,000 for the month of September.
- If New Listings continue to lag, and demand continues then the resulting impact will likely cause a tightening of inventory, and an increase in Median Sales Price .



Sep-2015 Sep-2016 Annual Change

Monthly New Listings



New Listings

4,650 4,511 ↓ -3.1%

Pending Sales

3,363 4,020 ↑ 16.3%

Sold Listings

3,651 3,861 ↑ 5.4%

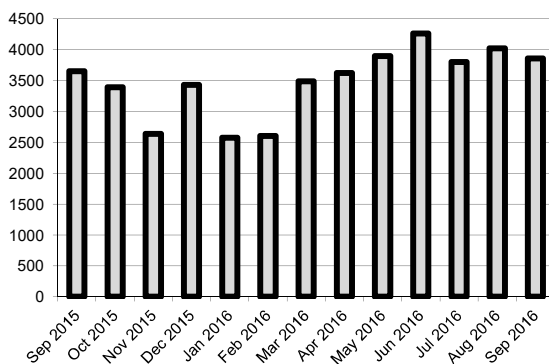
Median Sales Price

\$322,500 \$346,000 ↑ 6.8%

Sales Volume (\$M)

\$1,277 \$1,433 ↑ 10.9%

Monthly Closed Listings



Price/Sq.Ft.

\$183 \$194 ↑ 5.9%

Sold \$/List \$

98.45% 98.71% ↑ 0.3%

Days on Market

44 43 ↓ -2.3%

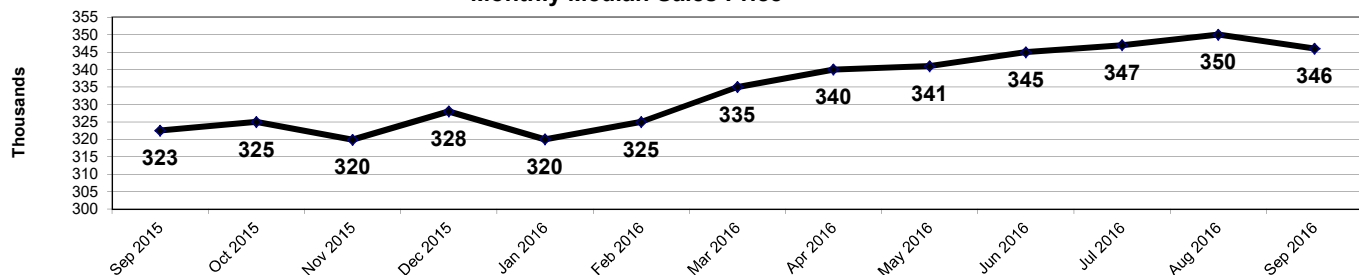
CDOM

53 47 ↓ -12.8%

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.

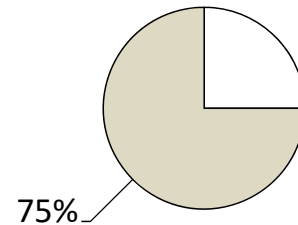


Monthly Median Sales Price



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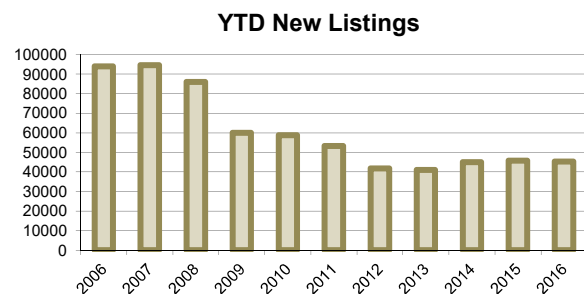
We are 9 months through the year:



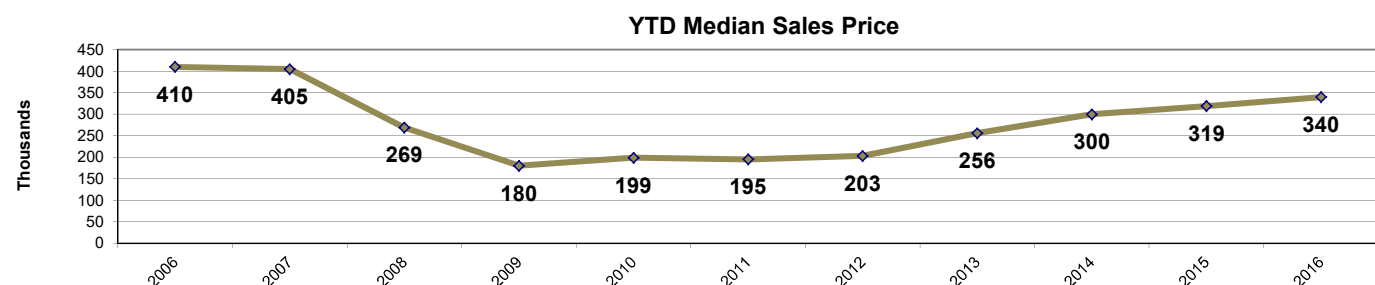
The statistics shown below are only for the first 9 months of the years represented.

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 significant trends.

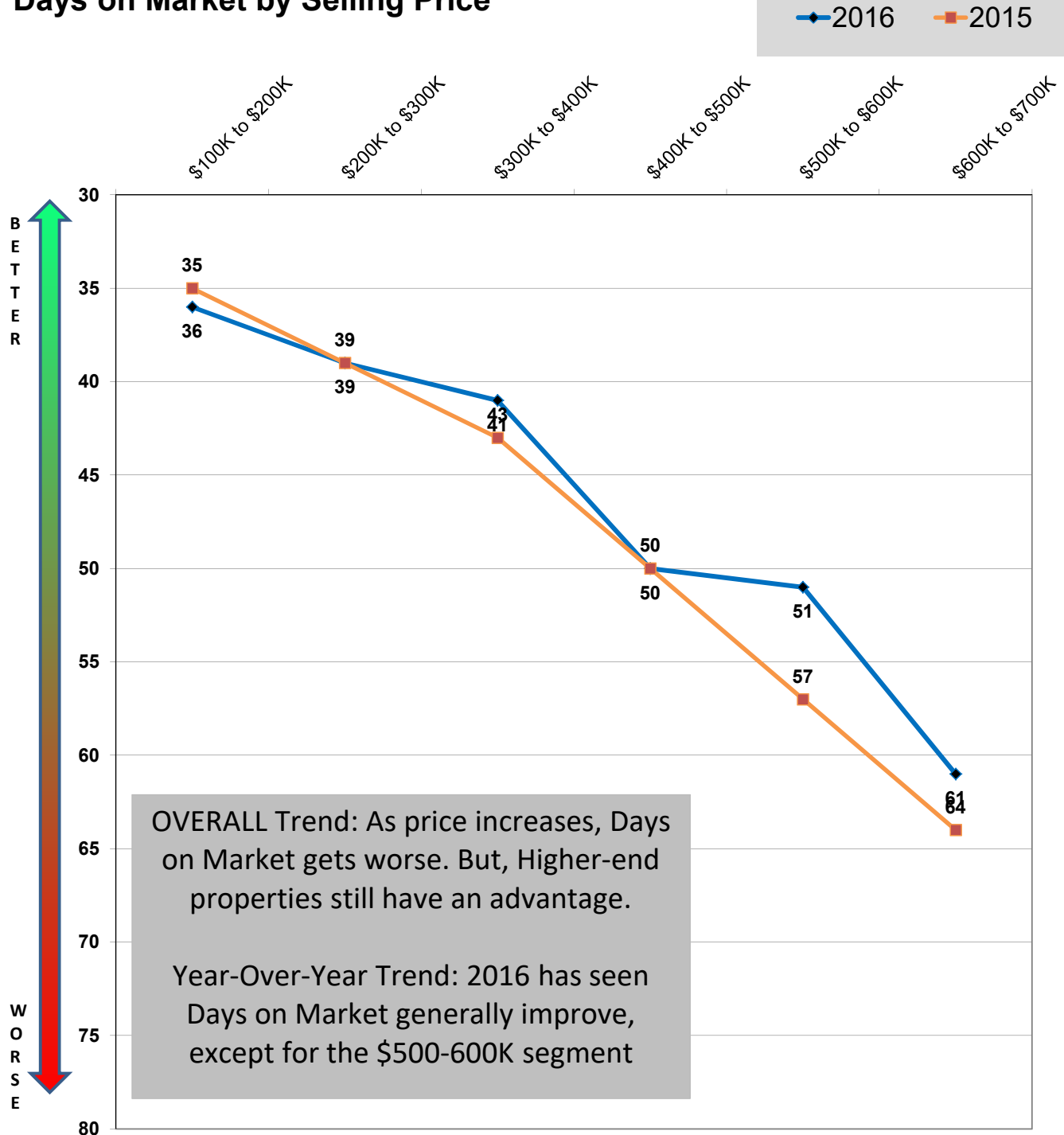
	Jan-Sep 2015	Jan-Sep 2016	Year-Over-Year Change
YTD New Listings	45,840	45,295	↓ -1.2%
Pending Sales	32,981	34,520	↑ 4.5%
Sold Listings	31,540	32,137	↑ 1.9%
Median Sales Price	\$319,000	\$340,000	↑ 6.2%
Sales Volume (\$M)	\$10,921	\$11,802	↑ 7.5%
Price/Sq.Ft.	\$177	\$188	↑ 6.1%
Sold \$/List \$	98.39%	98.75%	↑ 0.4%
Days on Market	47	45	↓ -4.4%
CDOM	57	54	↓ -5.6%



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Days on Market by Selling Price



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Sep 2016 City Overview

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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

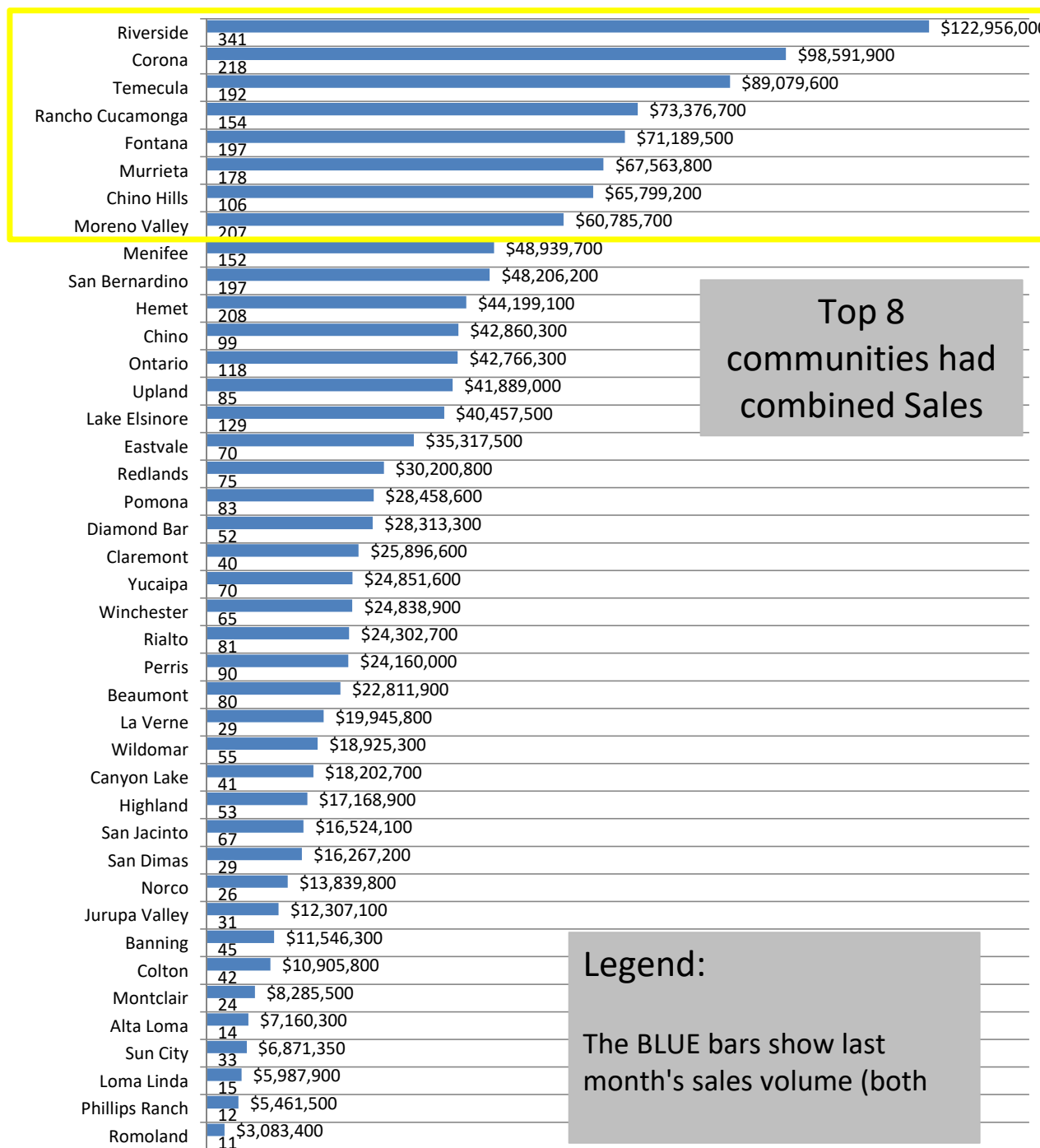
	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Inventory	Price per Sq.Ft.	Total Days on Market
Alta Loma	↓ -22%	↓ -11%	\$ 445,000	21	\$ 253	63
Banning	↑ 10%	↑ 12%	\$ 236,000	63	\$ 169	43
Beaumont	↑ 16%	↑ 4%	\$ 280,000	126	\$ 143	52
Canyon Lake	↑ 116%	↑ 4%	\$ 399,000	68	\$ 182	94
Chino	↑ 22%	↑ 4%	\$ 418,000	106	\$ 237	51
Chino Hills	↑ 41%	↑ 23%	\$ 610,000	109	\$ 313	52
Claremont	↑ 11%	↑ 9%	\$ 621,000	42	\$ 339	61
Colton	↑ 24%	↑ 19%	\$ 249,900	55	\$ 197	54
Corona	↑ 4%	↑ 8%	\$ 430,000	324	\$ 224	50
Diamond Bar	↓ -20%	↓ -5%	\$ 540,000	73	\$ 344	41
Eastvale	↑ 17%	↑ 6%	\$ 500,000	105	\$ 179	68
Fontana	↑ 9%	↑ 11%	\$ 365,000	274	\$ 203	47
Hemet	↑ 14%	↑ 8%	\$ 211,000	234	\$ 132	43
Highland	↑ 15%	↑ 9%	\$ 323,000	86	\$ 170	47
Jurupa Valley	↓ -24%	↑ 12%	\$ 385,000	65	\$ 225	54
La Verne	↓ -12%	↑ 6%	\$ 659,800	31	\$ 298	54
Lake Elsinore	↑ 13%	↑ 5%	\$ 320,000	151	\$ 162	46
Loma Linda	→ 0%	↑ 17%	\$ 412,000	17	\$ 185	18
Menifee	↑ 13%	↑ 5%	\$ 329,000	208	\$ 157	46
Montclair	↑ 33%	↑ 11%	\$ 360,000	26	\$ 251	40
Moreno Valley	↑ 11%	↑ 11%	\$ 295,000	378	\$ 166	42
Murrieta	↓ -4%	↑ 7%	\$ 375,000	250	\$ 171	42
Norco	↑ 53%	↑ 5%	\$ 495,000	54	\$ 240	77
Ontario	→ 0%	↑ 14%	\$ 372,500	160	\$ 239	48
Perris	↓ -8%	↑ 6%	\$ 255,000	149	\$ 154	42
Phillips Ranch	↑ 20%	↓ -40%	\$ 310,000	14	\$ 263	47
Pomona	↑ 1%	↑ 8%	\$ 354,000	110	\$ 270	54
Rancho Cucamonga	→ 0%	↓ -5%	\$ 426,000	219	\$ 257	57
Redlands	↑ 7%	↑ 20%	\$ 351,000	109	\$ 239	43
Rialto	↑ 16%	↑ 7%	\$ 300,000	132	\$ 208	46
Riverside	↓ -4%	↑ 6%	\$ 340,000	643	\$ 215	44
Romoland	↑ 22%	↑ 16%	\$ 290,000	8	\$ 154	37
San Bernardino	↑ 2%	↑ 8%	\$ 233,000	322	\$ 183	39
San Dimas	↓ -34%	↑ 16%	\$ 535,000	39	\$ 331	72
San Jacinto	↓ -6%	↑ 12%	\$ 251,500	103	\$ 126	46
Sun City	↑ 65%	↓ -5%	\$ 198,000	23	\$ 150	40
Temecula	↓ -4%	↑ 9%	\$ 425,000	261	\$ 194	45
Upland	↑ 27%	↓ -2%	\$ 475,000	100	\$ 260	49
Wildomar	↑ 4%	↑ 11%	\$ 359,900	65	\$ 155	50
Winchester	↑ 33%	↑ 0%	\$ 372,000	71	\$ 153	47
Yucaipa	↑ 17%	↑ 5%	\$ 310,000	95	\$ 182	51

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Sep 2016 - Sales Volume per City

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.

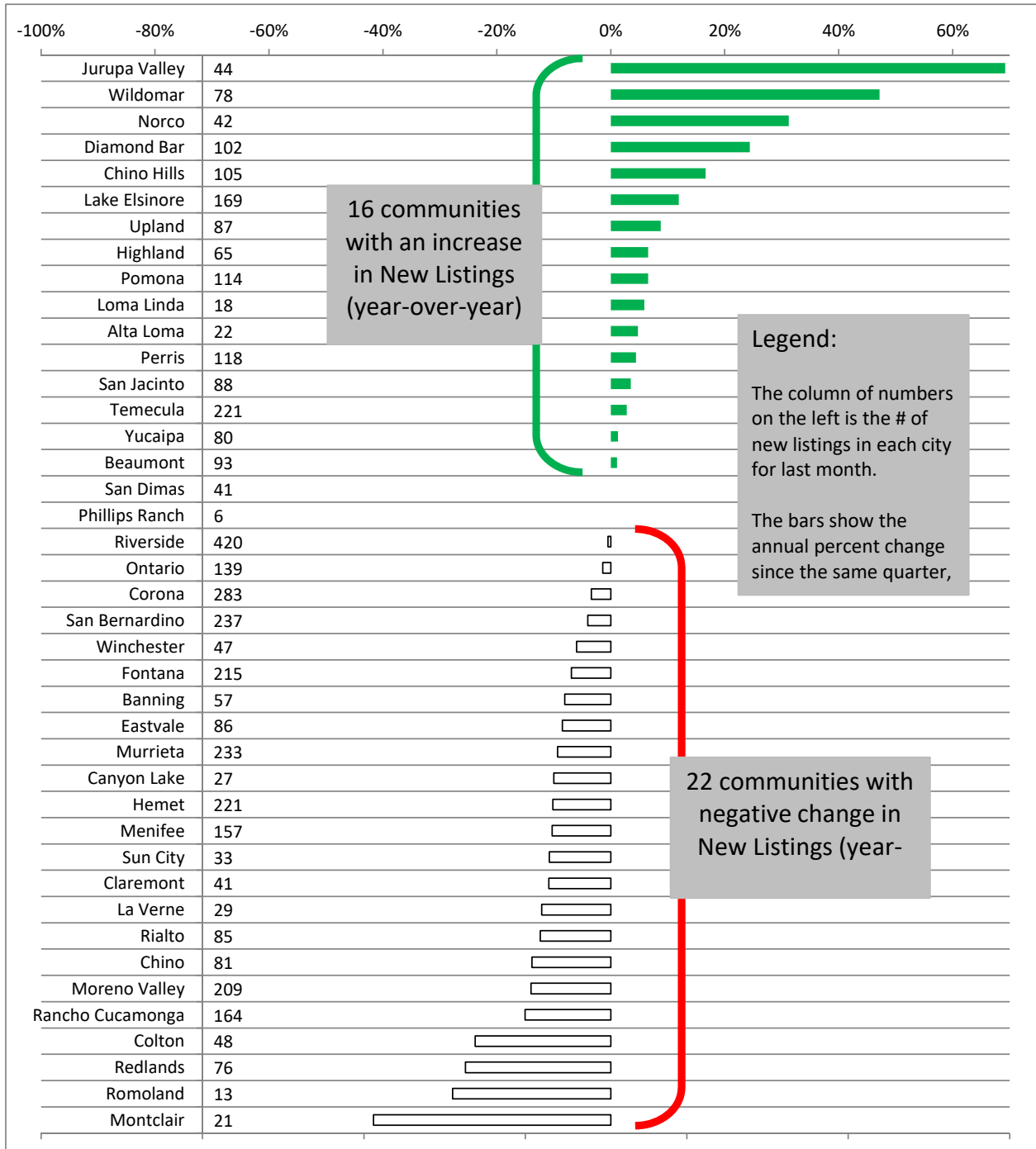


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Sep 2016 - Top Communities with New Listings (year-over-year)

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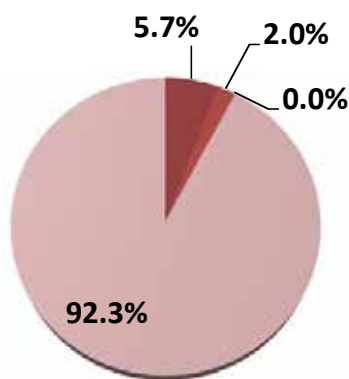
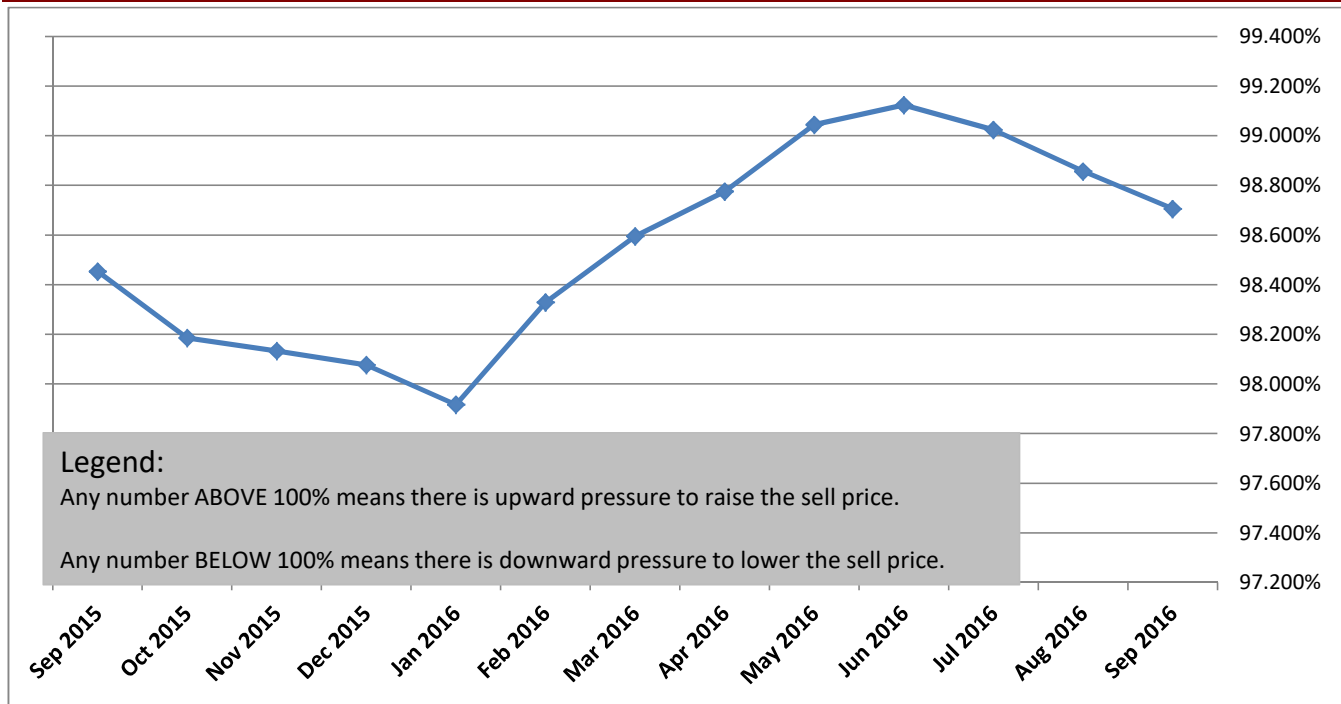


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Sell Price vs Original List Price

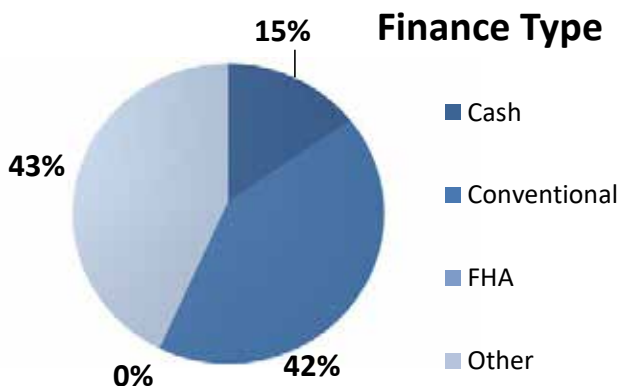
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Sale Type

- Other
- REO Sales
- Short Sales
- Standard Sales



Finance Type

- Cash
- Conventional
- FHA
- Other

The IVAR team has worked hard to improve services and make IVAR a better business association. IVAR is committed to defining its service and building member relationships not with promotional gimmicks and giveaways, but rather by refining a business-minded approach to serve our members' professional needs with our problem-solving approach. By focusing on value-added services, IVAR is committed to being the board of choice for Inland Empire REALTORS.

If you have any questions or suggestions on how IVAR can provide better services, please feel free to contact us.

Mark Dowling, Chief Executive Officer

Riverside: 951.684.1221 | Rancho Cucamonga: 909.527.2133 | FAX: 951.684.0450



FHA Single Family Handbook Update Delivers Clarity for Appraisers, Say Realtors®



MEDIA CONTACT: JON BOUGHTIN / 202-383-1193

WASHINGTON (October 5, 2016) — Realtors® raised concerns earlier this year when the Federal Housing Administration's "Single Family Housing Policy Handbook" included new requirements for appraisers to operate and physically observe appliances on a property during the completion of an appraisal. This inspector-type role far exceeded previously understood appraiser duties and had the potential to make appraisals longer and more costly for consumers.

In response to those concerns, HUD recently announced updates to their SF Handbook that clarifies this requirement. According to the new guidance, appraisers must simply note that certain appliances contributing to the market value of the property are physically present.

The National Association of Realtors® expressed appreciation to FHA for its clarification in the following statement from NAR President Tom Salomone:

"Appraisers have a lot on their plate, and their work is important to ensuring buyers, sellers, lenders and everyone else involved in a transaction has a credible source to turn to when determining the value of a property. Requiring appraisers to perform duties that are better left to a home inspector only slows the process while potentially adding unnecessary costs.

"FHA did appraisers and consumers a big favor by clarifying appraiser duties and specifically listing the appliances to which this new guidance applies. While there are still improvements to be made, FHA's announcement provides our Realtor® members with additional certainty as they continue playing a critical role in the home buying and selling process."

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Five Notable Nuggets from NAR's Home Buyer and Sellers Survey's 35-Year History



MEDIA CONTACT: ADAM DESANCTIS / 202-383-1178

WASHINGTON (October 18, 2016) – When the first Profile of Home Buyers and Sellers was introduced 35 years ago by the National Association of Realtors®, mortgage rates were over four times higher than they are today and first-time buyers made up a much larger share of overall sales (44 percent). Over time, homebuyer tastes and behaviors have changed, yet many have stayed the same. In anticipation of the 2016 survey release on October 31, NAR has identified five noteworthy real estate trends since the survey's inception.

NAR's Profile of Home Buyers and Sellers dates back to 1981 and is the longest-running series of national housing data evaluating the demographics, preferences, motivations, plans and experiences of recent home buyers and sellers.

"The survey's unrivaled longevity provides Realtors® and consumers with a depth of research that is unparalleled. When the Profile of Home Buyers and Sellers made its debut 35 years ago, consumers and Realtors® navigated a much different real estate landscape. The internet hadn't been invented, the average monthly mortgage rate was 15.12 percent¹ and one's description of a 'smart home' was probably how many children living in the household made honor roll," says NAR President Tom Salomone, broker-owner of Real Estate II Inc. in Coral Springs, Florida. "One constant during this time has been Realtors®' role as the leading advocate for homeownership and private property rights and a trusted expert in helping buyers and sellers close the deal."

Since NAR's inaugural survey, consumer preferences have evolved and housing costs have gotten more expensive – even in real terms. In 1981, the typical buyer purchased a 1,700-square-foot home costing \$70,000 (\$201,376 in inflation-adjusted dollars)². In last year's survey, purchased homes were typically 2,000 square feet and cost \$220,000.

To mark the 35th year of NAR's highly-anticipated survey capturing the pulse of buyers and sellers, here are five notable

trends from the past three-and-a-half decades:

Participation from first-time buyers is depressed

Last year's survey highlighted the ongoing hardships young adults have faced since the Great Recession and its consequences for the housing market.

From reasons such as underemployment, repaying of student debt and being unable to save for a down payment or simply young adults holding off until they marry and have children, first-time buyers in the 2015 survey represented the lowest share (32 percent) since 1987 (30 percent). Furthermore, according to the U.S. Census Bureau, the homeownership rate for 18-35 year-olds is currently at 34.1 percent, the lowest level in records dating back to 1994.

Sales to first-time buyers peaked in 2010 and 2009 at 50 percent and 47 percent, respectively. However, the long-term average is 39 percent of sales after excluding the skewed data from those two peak years, which were influenced by the popular first-time homebuyer tax credit program available at the time.

"Monthly feedback from Realtors® so far this year 3 indicates that sales to first-time buyers have remained subdued in today's tough market of swiftly rising home prices and meager supply levels at affordable prices," says Lawrence Yun, NAR chief economist. "A strong majority of current renters under the age of 34 say they want to own a home in the future⁴, but their impending rise will be a gradual one and is not likely to increase substantially in the 2016 survey."

The internet is not replacing a real estate agent

It should come as no surprise that NAR didn't track buyer and seller data on internet usage in 1981. With the World Wide Web not gaining mass popularity until the 1990's and realtor.com® introduced in 1995, the ability to view listings online and then contact a Realtor® was non-existent.

When NAR first began asking the question 21 years ago, only 2 percent of buyers used the internet during their home search. By 2005 usage soared to over three-quarters of buyers, and since 2012, 90 percent or more have gone online during the house hunt.

Despite the internet's ascending popularity over the past 20 years, buyers and sellers continue to seek a real estate agent to buy or sell a home. In NAR's 2015 survey, nearly 90 percent of respondents worked with a real estate agent to buy or sell a home; which pulled for-sale-by-owner transactions down to their lowest share ever (8 percent). In fact, after peaking to 14 percent in 2003 and 2004, for-sale-by-owner sales haven't risen above 9 percent since 2011 (10 percent).

"Realtors® are the source of online real estate data, and they continue to use their real insights and local market knowledge to help bring buyers and sellers together," says Salomone. "The preference to use a Realtor® has never been stronger."

Buyers have bought slightly bigger, but the pace is currently at a standstill

The typical single-family home purchased in 1981 was 300-square-feet smaller (1,700 square feet) than in last year's survey, which at 2,000 square feet remains the survey high, achieved in seven different years. 1985 was the low point in home size (1,650 square feet), and after gradually increasing leading up to the boom years, purchased homes scaled back early in the housing recovery as distressed sales and first-time buyer activity during the tax credit period made up a larger bulk of the sales and reduced the typical home size.

Recently, common claims that more homebuyers are either flocking to McMansions in the suburbs or to tiny homes less than 500 square feet are simply untrue. The data shows that since 2011, the median size of homes bought is 2,000 square feet.

"While many millennial renters living in urban areas have sacrificed space for proximity to jobs and entertainment, they've so far followed previous generations by fleeing to the suburbs for larger and more affordable homes⁵ when they're ready to buy," adds Yun. "It'll be interesting to see in coming years if the typical home size shrinks as baby boomers downsize, and if there's a shift towards more young buyers opting for less space to live closer to city centers. So far it hasn't happened."

Down payments have trended down over time, but not in recent years

At an average monthly mortgage rate of 10.62 percent⁶, the typical first-time homebuyer in 1989 – the earliest NAR collected buyer data on down payments – financed their purchase with a 10 percent down payment; it was 23 percent

for repeat buyers. As low-down-payment mortgage programs entered the marketplace and credit standards eased too loosely, the typical amount of money put down fell to as low as 2 percent for first-time buyers both in 2005 and 2006. For repeat buyers, the smallest median down payment was 13 percent both in 2012 and 2014, which is likely due to reduced equity in the home that was sold.

In recent years, down payment amounts have remained mostly unchanged, coming in at 6 percent for first-time buyers the last two surveys and either 13 percent or 14 percent for repeat buyers in the past four surveys.

The home search is taking longer; tight inventory has slowed the pace in past two years

With the internet and digital technology creating numerous avenues for sellers to quickly and efficiently market their listings to prospective buyers, one may think the duration of the home search has decreased over time. NAR's long-running data reveals the opposite: the typical number of weeks has actually increased since the late 1980's. From 1987 until 2007, a buyer typically searched seven or eight weeks before finding the property they purchased. After rising to 10 weeks in 2008, the median length increased to 12 weeks through 2013 before falling back to 10 weeks the last two years.

"Insufficient supply levels throughout most of the country have forced recent buyers to move quicker to close on a home," says Yun. "Until new and existing inventory ramps up to meet demand, prospective buyers should anticipate a brisk home search process with not as many homes to choose from as they may like."

The National Association of Realtors®, "The Voice for Real Estate," is America's largest trade association, representing over 1.1 million members involved in all aspects of the residential and commercial real estate industries.

1According to NAR's Housing Affordability Index calculations.

2According to the Consumer Price Index's historical data from the U.S. Bureau of Labor Statistics.

3According to the Realtors® Confidence Index, sales to first-time buyers in 2016 have averaged 31 percent through July; they were 30 percent in 2015.

4According to NAR's December 2015 Housing Opportunities and Market Experience (HOME) survey, 94 percent of current renters 34 years of age or younger want to own a home in the future.

5NAR's 2016 Home Buyer and Seller Generational Trends survey found that the majority of buyers in all generations continue to purchase a single-family home in a suburban area. The share of millennials buying in an urban or central city area decreased to 17 percent (21 percent a year ago) in this year's survey, and fewer of them (10 percent) purchased a multifamily home compared to a year ago (15 percent).

6According to NAR's Housing Affordability Index calculations.



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