

# INLAND VALLEYS REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®



Affordability Concerns,  
Uncertainty about Down  
Payment Requirements

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# IVAR Launches Voter Registration Effort to Further Build the REALTOR® Party



SCOTT GIESER,  
2016 IVAR PRESIDENT

Whatever you think of the headlines – particularly in the presidential election or the screaming heads on political television – I hope that everyone remembers the importance of bringing your voice to our democracy by casting a vote this November.

To that end, IVAR will be working to make it easy for members to register to vote and to help their clients update their voter registration when they move into their new home. For information on either of these, please contact Paul Herrera, Government Affairs Director, at [pherrera@ivaor.com](mailto:pherrera@ivaor.com) or drop by an IVAR office.

Even if you are among those frustrated by national politics, it's important to remember that many of the most important issues that affect your life are decided by City Council members, County Supervisors and State Legislators. Even in Washington DC, the President is only one of 537 elected officials in our federal government and head of only one-third of our system of checks and balances.

But even with all the power of the federal administration, Washington DC isn't where most of the laws that impact our lives are made. State legislators and the Governor preside over laws that affect how real estate licensees practice and often over what will be the next page added to the signed and initialed novel of documents that now make up a real estate transaction.

At the local level, city councils make decisions over what property owners can do with their land and homes and under what circumstances. They manage requirements for local business licenses and inspection

laws and often debate a balance between the rights of owners and issues like quality of life and public safety.

From the most mundane issues of where, when and how to place 'open house' signs to the most hair-brained schemes (anyone recall the idea to use eminent domain condemn underwater mortgages?), local governments make a huge difference in our day-to-day lives. At the extremes, when local governments fail entirely, cities go bankrupt and the residents and business get the bill for decades of uncorrected mistakes.

We've seen cities do praiseworthy work on behalf of their residents and others fail the most basic tests of responsible stewardship. With our investment in a robust government affairs program, we feel we have often made a real difference to help improve how cities work in our region.

With the help of our members, we are never going to be idle bystanders or passive victims of mistakes we could have helped to prevent.

The REALTOR® Party slogan is "Vote. Act. Invest." Through red alerts and an engaged membership, we have succeeded in taking action to change the direction of our government. Through the generous support of more than 600 members, we have many of the necessary resources to have an impact. However, the first item "Vote," is up to each and every one of you and it's the foundation of our effort.

Please make sure your voice is heard at the ballot box this November.



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*And with all that said...  
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# REALTOR® Response to Red Alert Helps Divert Problem Legislation as Lawmakers Finish 2016 Session



PAUL HERRERA,  
GOVERNMENT AFFAIRS DIRECTOR

The end of summer of an election year also largely concludes the work of the California Legislature's two-year session. As usual, the frenetic final weeks of the session ended with consideration and passage of hundreds of new and amended laws, many of which began their journey in the early months of 2015.

REALTORS®, working through the California Association of REALTORS® had much at stake in the closing days of the legislative session. The list of bills included new protections for PACE consumers, clarification of advertising and signage laws, new rules to inform property owners of tax increases and changes to what consumers may know about past disciplinary actions through online license searches.

Anyone interested in viewing any of the bills below can search the bill numbers at [www.legislature.ca.gov](http://www.legislature.ca.gov). Be sure to select the current legislative session as bill numbers repeat each two-year cycle.

## AB 1381: REALTOR® Response to Red Alert Helps Thwart Bid to Legitimize Unlicensed Brokerages

With one week remaining in the legislative session, REALTORS® successfully responded to a red alert that helped change the course of a bill that would open doors to unlicensed real estate activity.

That bill, AB 1381, had been amended

days earlier to give the outdoor advertising industry the ability to use third party, unlicensed entities to handle various real estate duties. Proponents of the language had raised concerns that their industry could be forced to have their own employees licensed by regulators.

However, the bill went beyond company principals and salaried employees to extend blanket exemptions to third parties, raising concerns from C.A.R. and members across California. Following the member response, C.A.R. negotiated amendments to AB 1381 to remove the concerning language while preserving the "principals exemption" to address the stated concerns of the outdoor advertising industry. With the amendment, C.A.R. removed its opposition and the bill moved forward.

Thanks to all members who responded to the call on very short notice last week.

## Legislators Approve AB 2693 to Create First Consumer Disclosure Standards on PACE

For the first time, California lawmakers took a first step toward protecting consumers of Property Assessed Clean Energy financing programs. The fight on PACE began in Riverside County with concerns raised by REALTORS® about popular PACE programs such as HERO and YGRENE. Among the complaints have been concerns that the PACE industry started business with no standard

consumer disclosure requirements or regulatory oversight commensurate with what traditional lenders and other industries face.

AB 2693 creates specific disclosure requirements meant to mirror those created for the rest of the lending industry through Know Before You Owe statutes. While the bill does not give oversight and enforcement of those standards to any agency that currently oversees consumer lending, it does provide an initial set of standards and some recourse for consumers who feel they were improperly informed before signing on to borrow through PACE programs.

An earlier version of this C.A.R.-sponsored bill also included a limited subordination requirement for PACE financing to partly address the “super lien” concerns of PACE. That language was struck earlier this summer, allowing the disclosure provisions to move forward.

### AB 2476: Parcel Tax Notification

In 2015, C.A.R. sought to work with lawmakers to provide non-resident property owners with notification that a parcel tax was being proposed on property they own. The point of the bill was to give owners advance notification that a decision point was coming that may raise the amount of taxes they paid. The effort was introduced as AB 2476.

The bill ultimately passed, but without the advance notification requested in the initial draft. Instead, non-resident property owners will be notified of an approved tax increase after the action has been taken.

### AB 1650: Clarifying Advertising Rules and Licensing Disclosure

C.A.R.-sponsored AB 1650 was approved and sent to the Governor for signature to bring additional clarity to advertising rules for real estate licensees.

Existing law varies greatly as to when and how licensees identify themselves, their companies and their BRE license information on various forms of advertising. That variance has often led to confusion as to what rules apply where, particularly as advertising mediums have changed with technology, marketing options and consumer behavior.

AB 1650 clarifies that a licensee’s advertising of any kind will require a BRE license number and the responsible broker’s identity. Meanwhile, a company’s sale, lease or rent signs need only contain the responsible broker’s identity. Simple functional signs such as “Open House” or directional signs that do not contain any company or licensee information would not face any requirement.

The bill also delays implementation for a year, giving licensees time to adapt to the new rules.



## 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](http://www.car.org/governmentaffairs/raf).

Questions? Comments? You can reach Paul Herrera, Government Affairs Director, at [pherrera@ivaor.com](mailto:pherrera@ivaor.com) or on his cell phone at 951-500-1222f.



## HR 3700 Helps with FHA's Condo Rules

On July 29, 2016, HR 3700, The Housing Opportunity Through Modernization Act of 2016, was signed into law by President Obama. The law provides helpful direction and clarification for FHA requirements regarding mortgage insurance for condominiums.

Welcomed by many, the Act reduces the FHA condo owner occupancy ratio to 35%, unless FHA takes action within 90 days; directs FHA to streamline the condo recertification process; provides more flexibility for mixed use buildings; and mirrors the Federal Housing Finance Agency's rules regarding private transfer fees for FHA financing.

## Ninth Circuit Halts DOJ Prosecution of Medical Cannabis Shops that Follow State Rules

The Ninth Circuit Court of Appeals has affirmed a Congressional mandate and barred the Department of Justice from bringing cases against medical cannabis shops that are legitimately operating under state laws. *United States of America v. Steve McIntosh* No. 15-10117, July 16, 2016 (a consolidation on appeal of ten cases).

In 2014 and 2015 Congress passed bills that prohibited DOJ from spending funds to prevent states from implementing

their medical marijuana laws. Despite that ban, DOJ continued prosecutions. The unanimous decision sent the cases back to district courts where the operators could demonstrate they should not face further charges because they had complied with state law. However, the opinion also makes it clear that it does not "legalize" marijuana or provide immunity from all federal prosecution, rather the defunding "temporarily" blocks the spending of federal funds to prosecute such cases. The court cautions that Congress or a new administration could easily shift priorities in the future.

## CFPB Expands Foreclosure Protections

Earlier this month, the Consumer Financial Protection Bureau (CFPB) finalized measures that should help struggling borrowers. The new rule, most of which takes effect 12 months from publication (some parts in 18 months), provides certain borrowers with foreclosure protections more than once over the life of the loan, clarifies borrower protections when loan servicing is transferred, requires notification to borrowers when loss mitigation applications are complete, clarifies servicers' obligations to avoid dual tracking, clarifies when a borrower becomes delinquent, and provides important loan information to borrowers in bankruptcy. The changes also help ensure that surviving family members and others who inherit properties generally have the same protections under the CFPB's mortgage servicing rules as the original borrower.

## Legal Hotline App

Don't forget to take a look at this California Association of REALTORS® free member benefit. The C.A.R. Legal Hotline App has a new feature, you can now see what your hold time before you call the Legal Hotline. Connects to the C.A.R. Legal for a quicker, more user friendly experience while in the field. The Legal Hotline App includes information from the C.A.R. website such as the "What's New" articles, Recent Laws and News from the current and previous year, all of the legal articles (Q&As), information on new and revised Standard Forms, webinar videos, quick access to zipForm® mobile, Outreach Requests, RPA Class requests, quick links to the social media pages, and direct dialing capabilities to the Legal Hotline, Customer Service, the Finance Helpline, and the Ombudsman Hotline. Just type in "Legal Hotline" in your app store.





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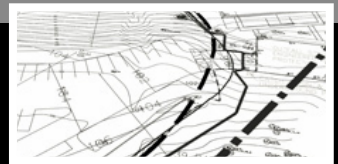
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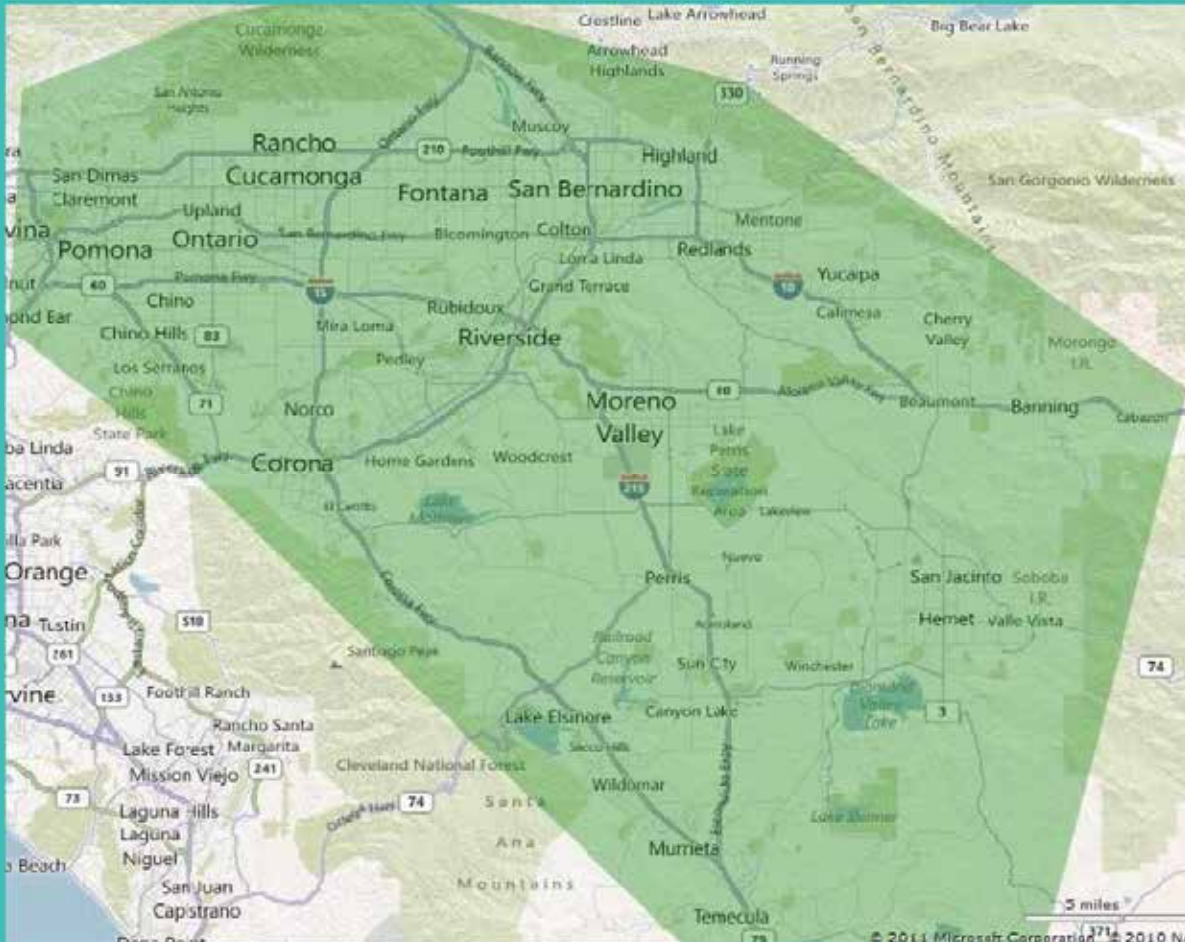
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# Housing Data – August 2016



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## Mark Dowling, Chief Executive Officer

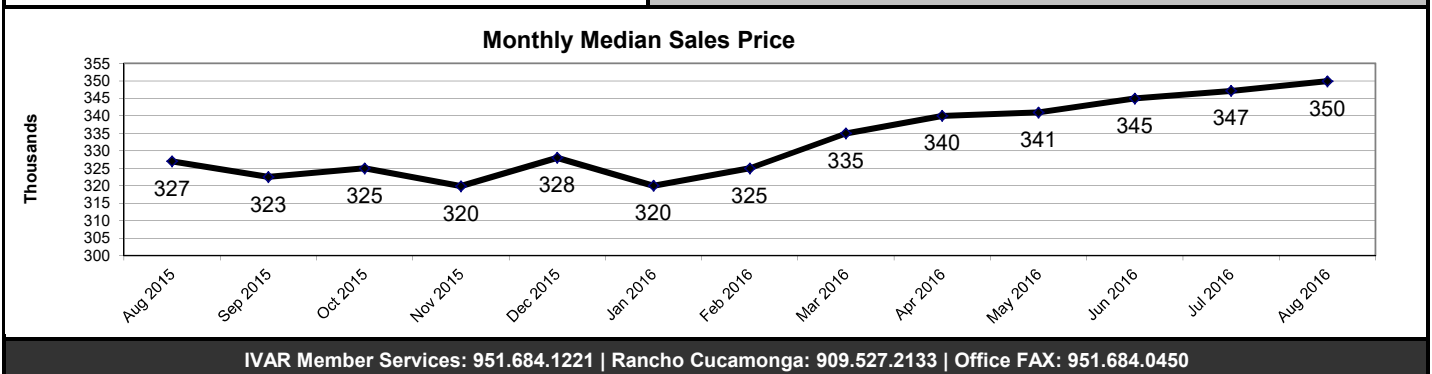
- Year-to-date housing data is showing slight market strains as a result of decreasing New Listings and heightened demands.
- For the first 8 months of 2016 New Listings were down 1.2%, coupled with a 4th Quarter 2015 decrease in New Listings, the region had experienced 10 straight months of decreased New Listings. However, for the first month in nearly a year, the year-over-month New Listings were up 4.1%. Let's hope this trend continues.
- Days on Market continues to reflect more demand with a 6.7% decrease year-to-date.
- Median Sales prices have jumped 6.1% year-to-date, up to \$350,000 for the month of August. This is the highest regional Median Sales Price since 2007.
- 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.
- The City of Riverside had a huge month with \$170 million in Sales Volume. The next highest cities were Corona, Temecula, Murrieta and Rancho Cucamonga, each with \$50 million less in Sales Volume.



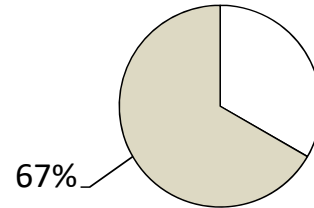
		Aug-2015	Aug-2016	Annual Change	
<b>Monthly New Listings</b>		New Listings	5,068	5,287	↑ 4.1%
		Pending Sales	3,654	4,405	↑ 17.0%
		Sold Listings	3,691	4,020	↑ 8.2%
		Median Sales Price	\$327,000	\$349,900	↑ 6.5%
		Sales Volume (\$M)	\$1,302	\$1,547	↑ 15.9%
<b>Monthly Closed Listings</b>		Price/Sq.Ft.	\$183	\$193	↑ 5.3%
		Sold \$/List \$	98.57%	98.87%	↑ 0.3%
		Days on Market	45	42	↓ -7.1%
		CDOM	53	50	↓ -6.0%
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.					

Month	New Listings
Aug 2015	5068
Sep 2015	4654
Oct 2015	4405
Nov 2015	3354
Dec 2015	2654
Jan 2016	4354
Feb 2016	4554
Mar 2016	5154
Apr 2016	5254
May 2016	5254
Jun 2016	5454
Jul 2016	5254
Aug 2016	5254

Month	Closed Listings
Aug 2015	3654
Sep 2015	3654
Oct 2015	3354
Nov 2015	2654
Dec 2015	3354
Jan 2016	2654
Feb 2016	2654
Mar 2016	3354
Apr 2016	3654
May 2016	3854
Jun 2016	4254
Jul 2016	3654
Aug 2016	3854



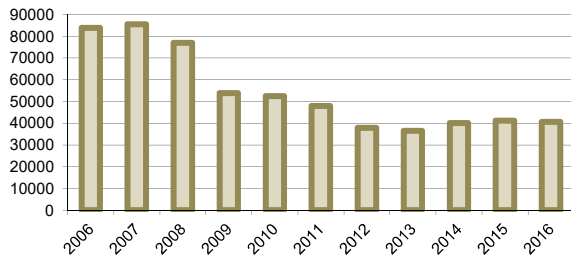
We are 8 months through the year:



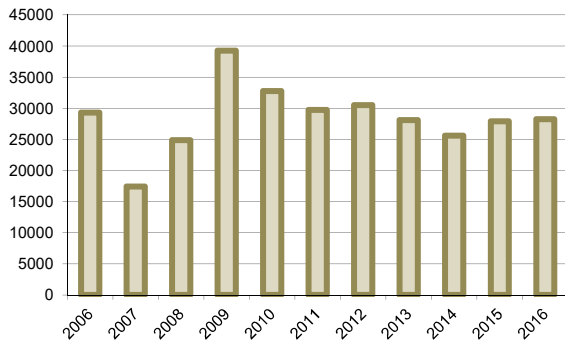
The statistics shown below are only for the first 8 months of the years represented.

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.

**YTD New Listings**



**YTD Closed Listings**

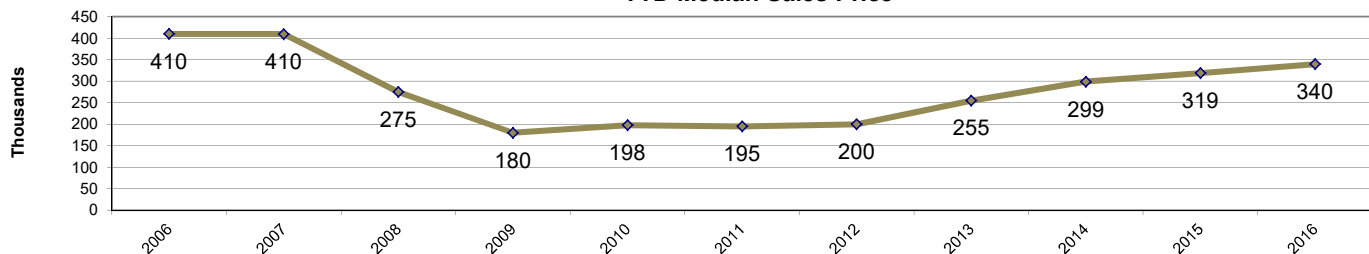


	Jan-Aug 2015	Jan-Aug 2016	Year-Over-Year Change
New Listings	41,190	40,690	↓ -1.2%
Pending Sales	29,618	30,756	↑ 3.7%
Sold Listings	27,889	28,266	↑ 1.3%
Median Sales Price	\$319,000	\$339,900	↑ 6.1%
Sales Volume (\$M)	\$9,644	\$10,431	↑ 7.5%
Price/Sq.Ft.	\$176	\$188	↑ 6.0%
Sold \$/List \$	98.38%	98.77%	↑ 0.4%
Days on Market	48	45	↓ -6.7%
CDOM	58	55	↓ -5.5%

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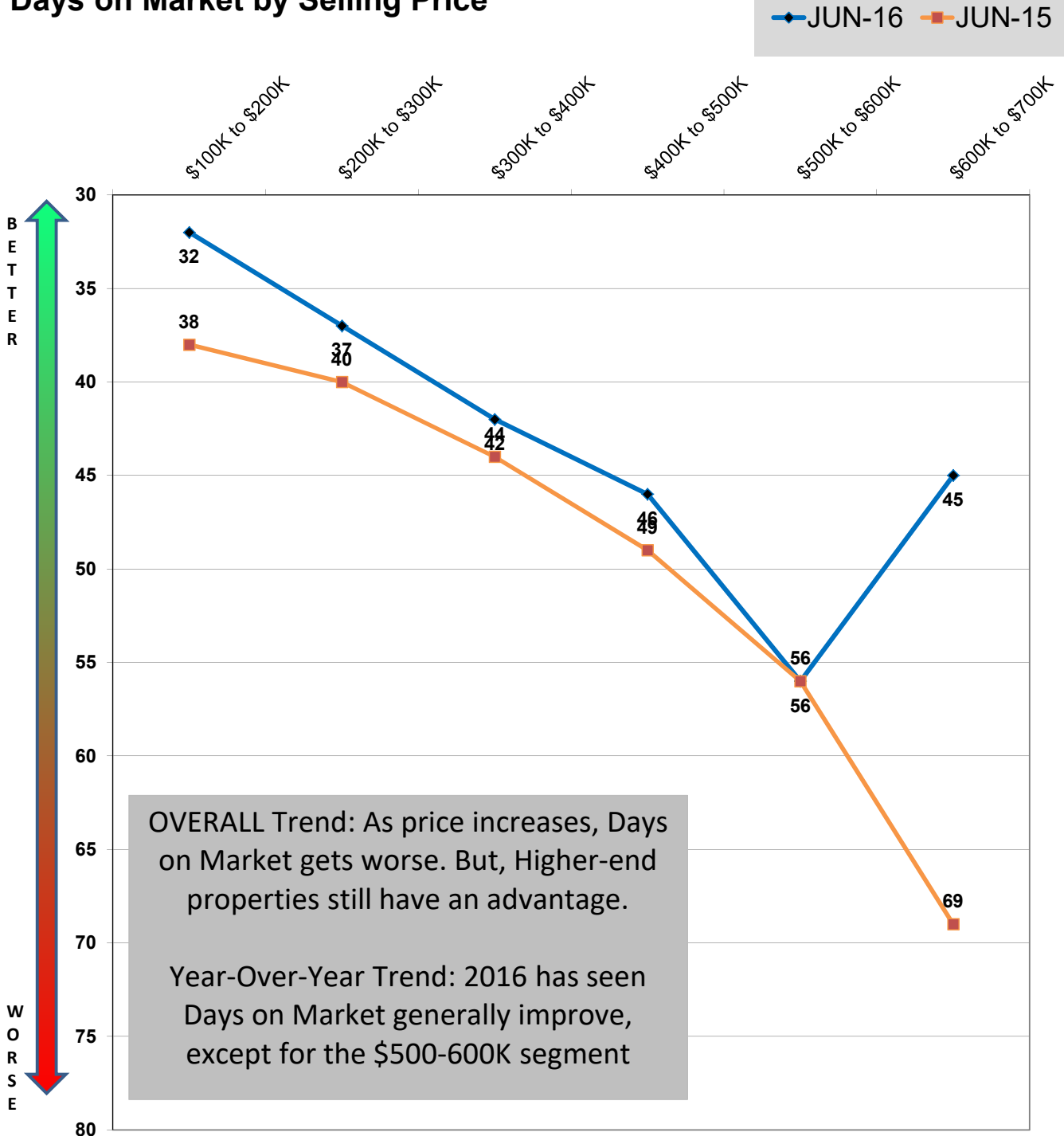
**YTD Median Sales Price**



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## Days on Market by Selling Price



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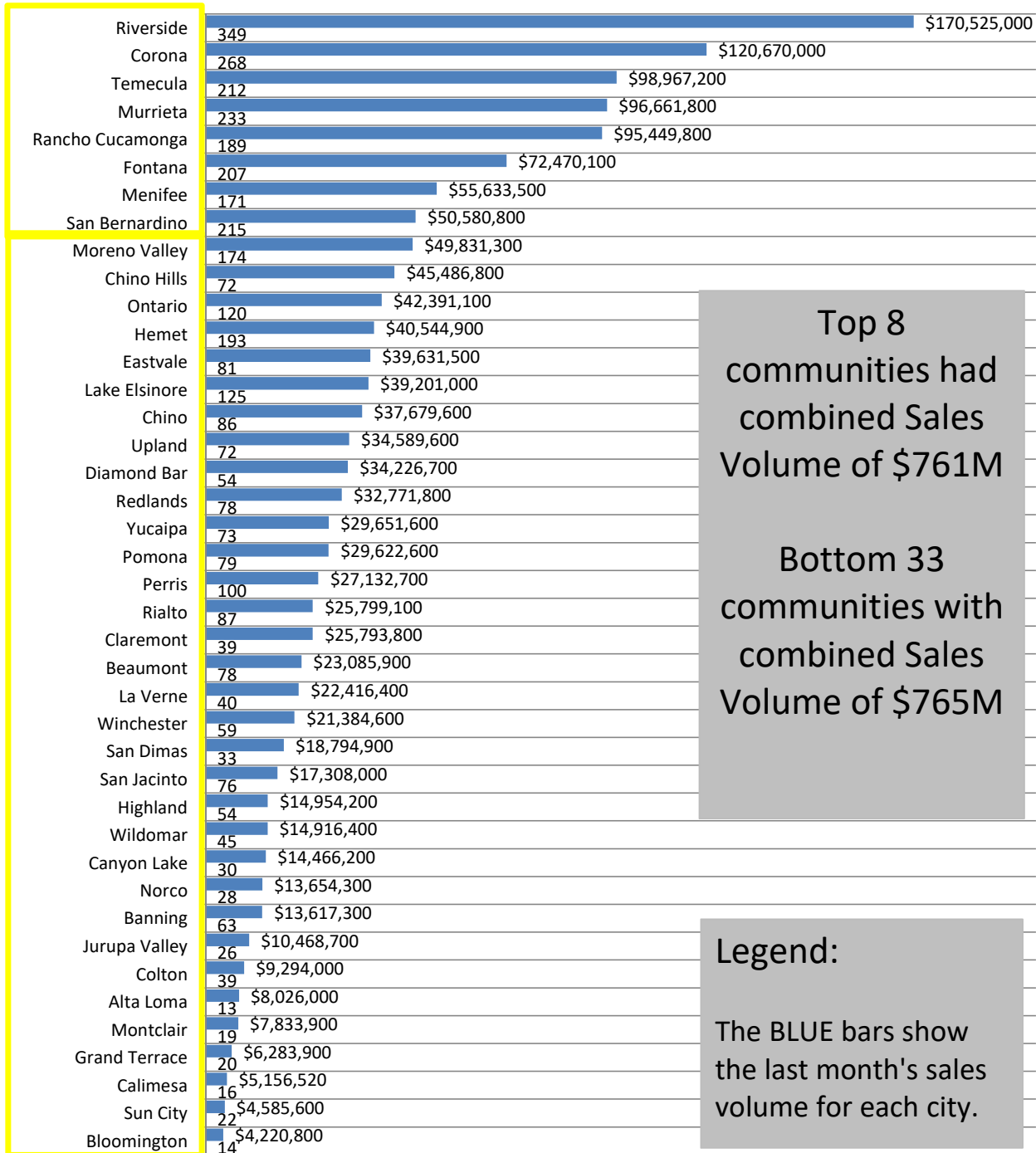
The following monthly data shows "YEAR-OVER-YEAR" (YOY) changes as well as current conditions in the real estate market

	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Price per Sq.Ft.	Total Days on Market
Alta Loma	↓ -19%	↓ -6%	\$ 552,000	\$ 267	48
Banning	↑ 37%	↑ 12%	\$ 224,000	\$ 152	53
Beaumont	↓ -1%	↑ 11%	\$ 299,000	\$ 136	71
Bloomington	↑ 27%	↑ 11%	\$ 300,000	\$ 203	28
Calimesa	↑ 100%	↑ 20%	\$ 342,990	\$ 139	83
Canyon Lake	↑ 36%	↑ 21%	\$ 425,000	\$ 200	98
Chino	↑ 6%	↑ 4%	\$ 435,000	\$ 229	44
Chino Hills	→ 0%	↑ 12%	\$ 585,500	\$ 311	43
Claremont	↓ -13%	↑ 10%	\$ 649,000	\$ 343	44
Colton	↓ -3%	↑ 4%	\$ 239,000	\$ 194	43
Corona	↑ 24%	↑ 6%	\$ 435,000	\$ 223	49
Diamond Bar	↑ 2%	↑ 21%	\$ 630,000	\$ 360	62
Eastvale	↑ 53%	↑ 4%	\$ 485,000	\$ 181	51
Fontana	↑ 2%	↓ -2%	\$ 344,000	\$ 207	46
Grand Terrace	↑ 122%	↑ 10%	\$ 314,900	\$ 191	58
Hemet	↑ 12%	↑ 9%	\$ 220,000	\$ 135	45
Highland	↑ 32%	↑ 2%	\$ 282,000	\$ 174	54
Jurupa Valley	↓ -26%	↑ 15%	\$ 390,000	\$ 198	56
La Verne	↑ 43%	↑ 2%	\$ 530,500	\$ 325	52
Lake Elsinore	↑ 23%	↑ 13%	\$ 326,900	\$ 155	56
Menifee	↑ 39%	↑ 8%	\$ 330,000	\$ 157	43
Montclair	↑ 19%	↑ 13%	\$ 407,000	\$ 279	59
Moreno Valley	↓ -13%	↑ 12%	\$ 285,000	\$ 164	43
Murrieta	↑ 13%	↑ 5%	\$ 389,900	\$ 169	45
Norco	↑ 47%	↑ 1%	\$ 485,000	\$ 230	61
Ontario	↓ -7%	↑ 8%	\$ 358,000	\$ 243	47
Perris	↑ 41%	↑ 10%	\$ 270,000	\$ 145	23
Pomona	↓ -11%	↑ 11%	\$ 365,000	\$ 261	48
Rancho Cucamonga	↑ 14%	↑ 14%	\$ 463,000	\$ 253	53
Redlands	↓ -6%	↓ -2%	\$ 350,000	\$ 218	50
Rialto	↑ 24%	↑ 11%	\$ 300,000	\$ 188	51
Riverside	↓ -2%	↑ 8%	\$ 349,900	\$ 213	52
San Bernardino	↑ 3%	↑ 8%	\$ 229,000	\$ 175	42
San Dimas	↑ 6%	↑ 21%	\$ 555,000	\$ 327	56
San Jacinto	↑ 25%	↑ 6%	\$ 230,000	\$ 131	31
Sun City	↓ -24%	↑ 12%	\$ 205,000	\$ 158	89
Temecula	↑ 7%	↑ 7%	\$ 420,000	\$ 190	52
Upland	↑ 4%	↑ 4%	\$ 458,000	\$ 256	61
Wildomar	↑ 7%	↑ 12%	\$ 360,000	\$ 152	53
Winchester	↑ 5%	↑ 1%	\$ 370,000	\$ 142	43
Yucaipa	→ 0%	↑ 2%	\$ 325,900	\$ 188	63
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## Aug 2016 - Sales Volume per City

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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.

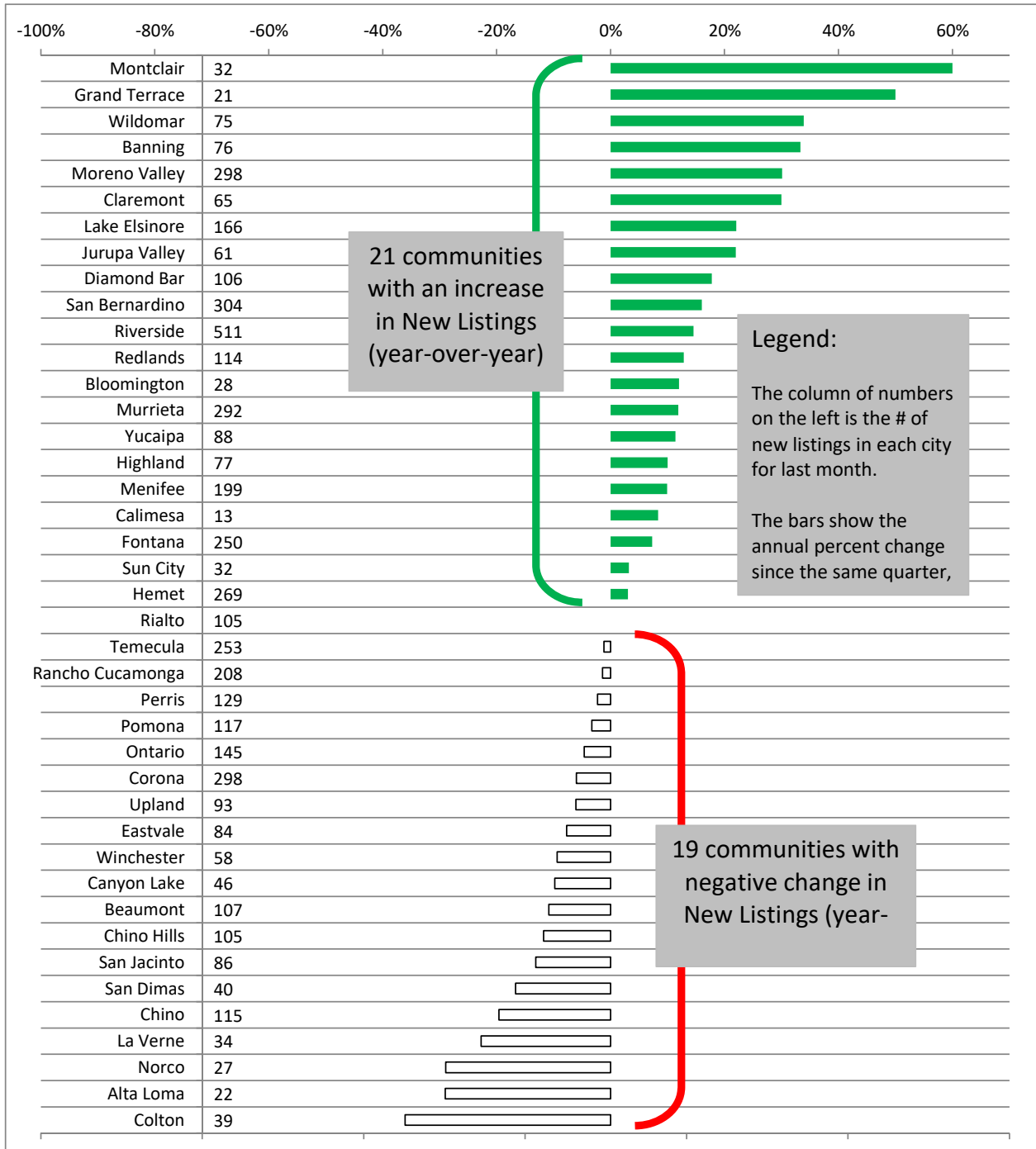


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## Aug 2016 - Top Communities with New Listings (year-over-year)

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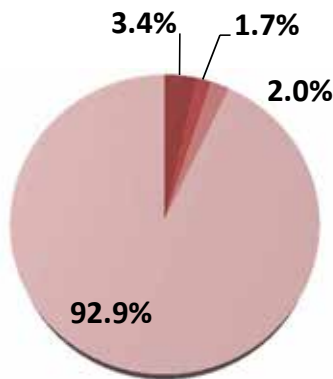
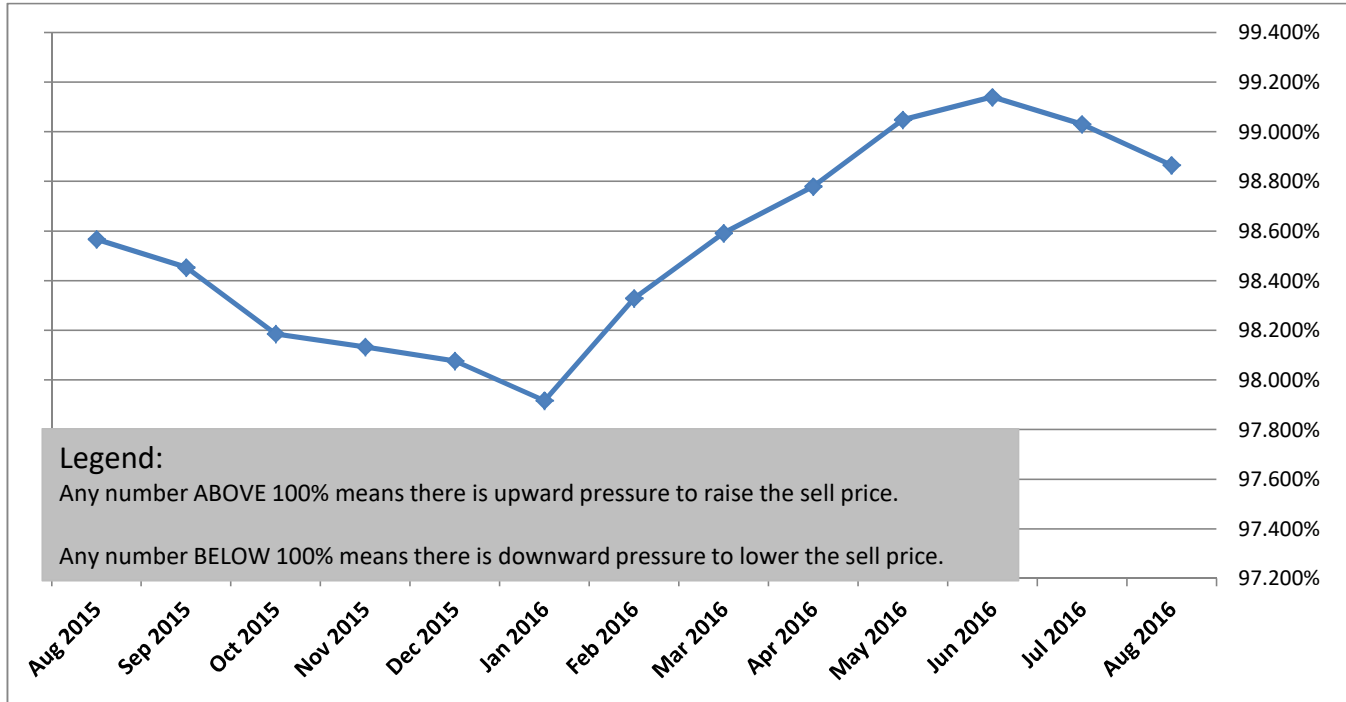
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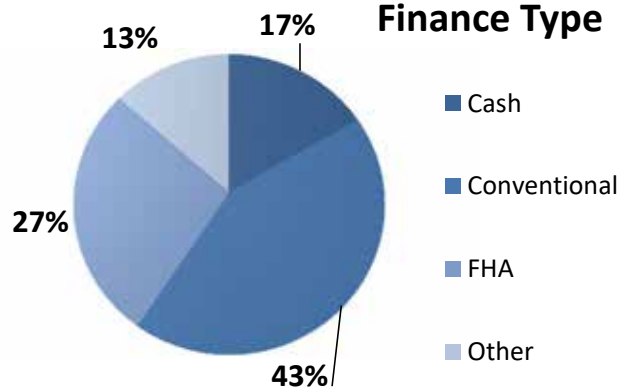
## Sell Price vs Original List Price

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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

# NAR Study Finds Real Estate Firms Have Positive Outlook, Despite Sales Volume Decrease

MEDIA CONTACT: COLE HENRY / 202-383-1290

WASHINGTON (September 20, 2016) – The vast majority of real estate firms have an optimistic outlook for the future of the industry's profitability and growth, according to the National Association of Realtors® 2016 Profile of Real Estate Firms. Profitability expectations have declined from the 2015 survey, mainly due to inventory shortages and home-price growth, but real estate firms remain confident about their overall future profitability.

The report is based on a survey of firm executives who are members of the National Association of Realtors® and provides insight into the business characteristics and activity of firms, benefits and education provided to agents and outlook for the future.

"For a second year in a row, a majority of real estate firms have a positive outlook on profitability, with 91 percent of all firms expecting their net income to increase or remain the same over the next year," said NAR President Tom Salomone, broker-owner of Real Estate II, Inc. in Coral Springs, Florida. "Although there is an overwhelmingly positive outlook, low inventory and high prices have led to an overall decrease in real estate firm's sales volume since last year's report. High home prices are holding back first-time buyers and low inventory means fewer sales at a time of increased Realtor® membership."

In 2016, 64 percent of firms expect profitability (net income) from all real estate activities to increase in the next year, down from 68 percent in 2015. Sixty-seven percent of commercial real estate firms expect profitability to improve (down from 75 percent in 2015), as well as 70 percent of large firms with four or more offices expect profitability to improve (down from 79 percent in the previous year). Residential firms are a little less optimistic as 65 percent expect to see an increase in their net income.

According to the report, the typical residential real estate firm's brokerage sales volume was \$6.3 million, while the typical commercial real estate firm's brokerage sales volume was \$4.5 million. The size of the firm has a large impact on its sales volume; firms with one office had median brokerage sales of \$4.5 million in 2015, while those with four or more offices had median brokerage sales of \$203.8 million in 2015.

Forty-three percent of real estate firms expect competition to increase in the next year from non-traditional firms, down from 45 percent in 2015. Forty-six percent of firms see competition

from virtual firms increasing (up from 41 percent in 2015), while only 17 percent expect competition increasing from traditional brick-and-mortar firms.

The sense of competition has fueled more recruitment since the 2015 survey. Forty-seven percent of firms reported they are actively recruiting sales agents in 2016, up from 44 percent in 2015. This is more common with residential firms (51 percent) than commercial firms (32 percent) and more common among offices with four offices or more (88 percent) than firms with one office (39 percent).

Real estate firms are also seeing a growth in agents. Seventy-eight percent of real estate firms have a single office; these offices typically include three full-time real estate licensees, up from two in 2015. This growth mirrors the growth in membership data found in NAR's 2016 Member Profile, which found that 20 percent of members had one year or less experience, rising from 11 percent in 2015.

The study also found that firms had 30 percent of their customer inquiries from past client referrals, 30 percent from repeat business from past clients, 10 percent from their websites, 7 percent through social media and 2 percent from open houses.

When asked what they see as the biggest challenges in the next two years, firms cited profitability (49 percent), keeping up with technology (48 percent), maintaining sufficient inventory (48 percent) and recruiting younger agents (36 percent). Firms also predicted the effect different generations of homebuyers will have on the industry. According to the study, 48 percent of firms are concerned with Generation Y's ability to buy a home due to stagnant growth, the job market and their debt to income ratios. Forty-six percent of firms are concerned about the recruitment of Gen Y and Gen X real estate professionals.

The study also asked about professional volunteer work and supporting the local community. Eighty-two percent of firms encourage their agents to volunteer in the local community, 48 percent at the local association of Realtors®, 28 percent at the state association of Realtors® and 19 percent with NAR. According to the study, residential firms are more likely than commercial firms to encourage agents to volunteer.

The NAR 2016 Profile of Real Estate Firms was based on an online survey sent in July 2016 to a national sample of 147,835 executives at real estate firms. This generated 4,567 useable responses with a response rate of 3.1 percent.

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# Affordability Concerns, Uncertainty about Down Payment Requirements Ensnaring Renters, Latest HOME Survey Shows

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MEDIA CONTACT: ADAM DESANCTIS / 202-383-1178

WASHINGTON (September 14, 2016) – Lofty home-price growth and tight supply are leading to softening confidence among renters about whether it's a good time to buy a home, according to the latest installment of the National Association of Realtors® *Housing Opportunities and Market Experience (HOME) survey*<sup>1</sup>. The survey also found that a misconception about how much of a down payment is needed to buy could be unnecessarily delaying some qualified young adults from entering the market.

In NAR's third quarter HOME consumer survey, respondents were asked about their confidence in the U.S. economy and various questions about their housing expectations, including a series of questions related to down payments and the amount of money they believe they need to purchase a home.

Heading into the autumn months, the share of homeowners and renters who believe now is a good time to buy remains at a solid majority but has crept downward since the beginning



of this year. Seventy-eight percent of homeowners (80 percent in June; 82 percent in March) and 60 percent of renters (62 percent in the previous two quarters) said it's a good time to buy. In the inaugural HOME survey in December 2015, 68 percent of renters said it was a good time to buy.

Lawrence Yun, NAR chief economist, says it's clear the ongoing run-up in home prices and severe inventory shortages in a large portion of the country are hitting consumer psyche – especially among renters. "This summer's historically low mortgage rates injected some additional demand into the market, but the dearth of homes for sale continues to keep a lid on sales but not prices," he said. "Given the stiff competition and limited homes available at the lower end of the market, it's not surprising at all that those under the age of 34 and in the West are the least confident about it being a good time to buy."

Adds Yun, "Very affordable mortgage rates and strong job gains among young adults should be translating to a higher rate of homeownership. It's not, and as a result, sales to first-time buyers remain stuck below a third of all sales<sup>2</sup>."

This quarter's HOME survey also found that awareness of low-down-payment mortgage options was scarce across all ages, income brackets and education levels. Fewer than 20 percent in each group indicated that they need 10 percent or less to finance their home purchase. Those ages 65 and older (43 percent) and under the age of 35 (37 percent) were the most likely to believe that they need more than 20 percent.

"It's possible some of the hesitation about buying right now among young adults is from them not realizing there are mortgage financing options available that do not require a 20 percent down payment, which would be north of \$100,000 in some expensive areas in the country," says Yun. "In fact, most first-time buyers put down much less. In the 35 year history of NAR's Profile of Home Buyers and Sellers – the longest-running survey series of national housing data – the average median down payment has been 5 percent for first-time buyers."

With home prices and rents continuing to climb and make it difficult for many to save for a home purchase, one avenue for about a fifth (19 percent) of current homeowners was receiving down payment assistance from a parent or relative. Homeowners ages 34 and under were the most likely to say they received help from a parent or relative (34 percent), along with those living in the Northeast and in urban areas.

When it comes to giving aid to prospective buyers, 16 percent said they have helped a child or relative with their down payment. It's no surprise that the older the respondent, the more likely they were to assist.

"Creditworthy prospective buyers should know that many

lenders now offer safe, sustainable loans with as little as 3 percent down, and obtaining a mortgage isn't as difficult as it was in the immediate years after the downturn," says NAR President Tom Salomone, broker-owner of Real Estate II Inc. in Coral Springs, Florida. "Every buyer is different. Before deciding how much to use on a down payment, buyers should carefully review their financial situation and make sure they still have enough money set aside after the home purchase for unexpected expenses and emergencies. A Realtor® will walk through what to consider based on what a buyer can comfortably afford."

Feelings about direction of U.S. economy, personal financial outlook remain unchanged

Following the same trend line since the inaugural HOME survey in December 2015, a little less than half of all households in the survey believe the economy is improving (48 percent). The younger the household the more optimistic they were about the economy's future prospects. Meanwhile, nearly two-thirds of those living in rural areas (63 percent) and 61 percent of those over the age of 65 don't believe the economy is improving.

The HOME survey's monthly Personal Financial Outlook Index,<sup>3</sup> showing respondents' confidence that their financial situation will be better in six months, ticked up very slightly (to 58.6 in September) since June (57.7), but is up much more since last September, when stock market losses at the time temporarily caused more consumer angst (53.0).

Most expect prices to hold steady or increase, slightly more think it's a good time to sell

More current homeowners (63 percent) believe it is a good time to sell compared to the second quarter of this year (61 percent). Respondents in the West continue to be the most likely to think now is a good time to sell, while also being the least likely to think now is a good time to buy.

Consistent with last quarter (93 percent), almost all of those surveyed (91 percent) believe that prices will stay the same or rise in their community in the next six months. Renters, respondents living in urban areas and those from the West are most likely to believe prices will go up in their communities.

About NAR's HOME survey

In July through early September 2016, a sample of U.S. households was surveyed via random-digit dial, including half via cell phones and the other half via land lines. The survey was conducted by an established survey research firm, TechnoMetrica Market Intelligence. Each month approximately 900 qualified households responded to the survey. The data was compiled for this report and a total of 2,761 household responses are represented.



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