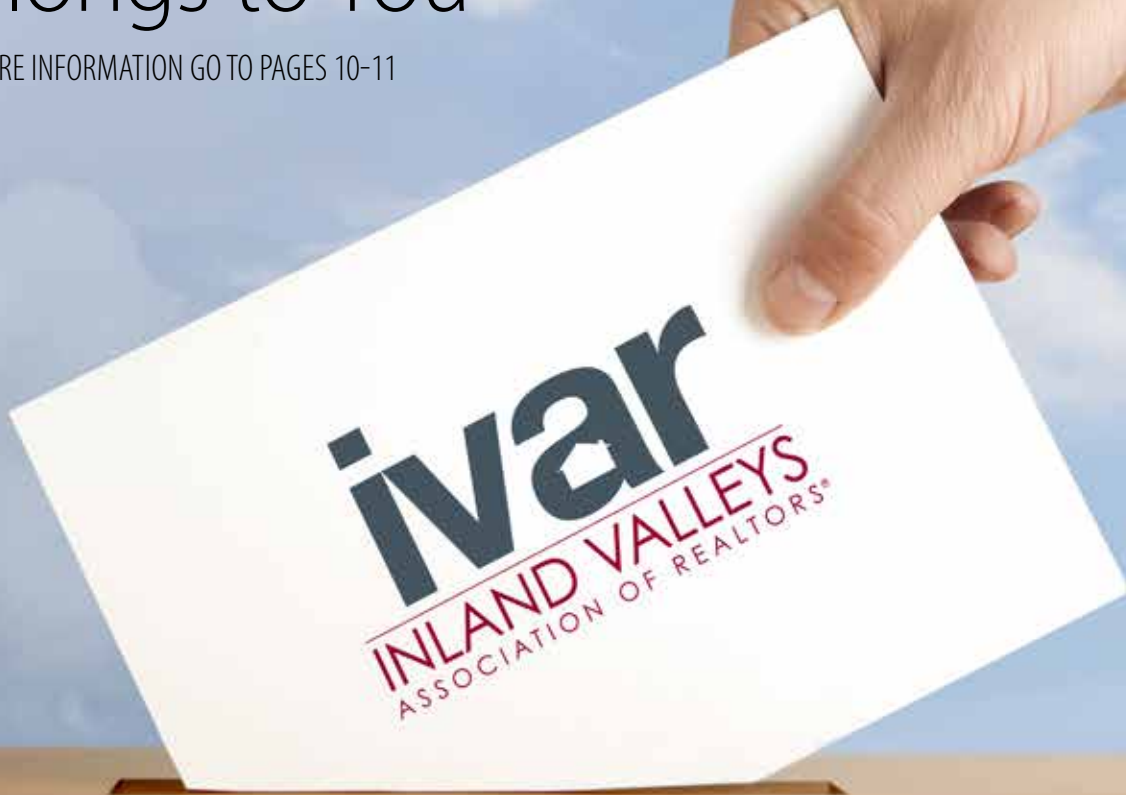


INLAND VALLEYS REALTOR®

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Who will lead IVAR?
The Decision
Belongs to You

FOR MORE INFORMATION GO TO PAGES 10-11



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JUNE 2014

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The Goldilocks Effect...



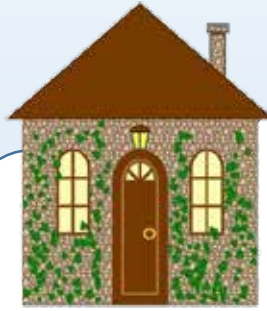
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Time to Vote!



STEVE ORBAN,
2014 IVAR PRESIDENT

For the next two weeks, IVAR members once again have a chance to vote for colleagues who have stepped forward to lead our association as members of the Board of Directors. I hope all of you will take a few minutes to make your selections online at www.IVAOR.com.

My colleagues on the Board of Directors have offered their time and energy as volunteers to be stewards of IVAR, support our members and help build one of the most effective voices for organized real estate on the local level anywhere. The most successful initiatives in our REALTOR world have been backed, built and worked by volunteers who have devoted time to do everything from dreaming up plans for conferences and events to decorating rooms and umpiring our annual softball game.

Candidates for our Board of Directors average more than a quarter century of experience in real estate and more than a decade of volunteer leadership on committees and real estate association boards at various levels. Their commitment to serving our association and our membership is matched only by the commitment they make daily to serve their clients and build their businesses. I'm proud to work alongside this group to continue to build the type of association our members deserve.

I'm also looking forward to seeing many new faces from our industry emerge to join our leadership team over the coming

years. Whether your interest is in improving REALTOR professional standards and ethics, making a difference in public policy and politics, building a better MLS, supporting our networking events and the collegial atmosphere they help create for our industry or any of the many additional ways we work to improve member services and our industry, I'm confident there is a place here that welcomes your talents and energy.

After all, the strength of our association is in our membership. IVAR benefits from a tremendous staff – as good as any you will find in California. In turn, they rely on members willing to step forward to make the ideas we dream up and they execute really shine.

So, as you take a few minutes to look through the list of candidates on our website, I also hope that you will consider being part of that list in the future – or of the team that helps us change minds at city councils, Sacramento, Washington D.C. and in our communities. You don't have to wait a year. The opportunity is there with a phone call to me, our staff or to any one of your colleagues who have stepped forward to lead and support this remarkable organization.

After all, leadership is the next step you take. I look forward to seeing the contributions of those who take that step next.

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Busy Year Continues with IVAR's Advocacy Mission



PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

Local REALTOR-backed candidates fare well in June elections as policy work moves forward

IVAR members and staff involved in our advocacy work returned from lobbying trips to Sacramento and Washington D.C. to the closing weeks of a June primary filled with important candidate decisions set before voters. With voter interest low, we found a number of races that became difficult to predict. That said, REALTOR-backed candidates fared strongly.

Every federal, state and local candidate supported by IVAR in June either won outright or gained enough votes to move on to a November runoff election. That list included San Bernardino County Supervisor Janice Rutherford, Riverside County Supervisors John Tavaglione and Marion Ashley, and a host of both incumbent and prospective legislators at the state and federal level.

Former Assemblymember Bonnie Garcia edged out fellow Republican Glenn Miller to reach a November runoff against Supervisor Jeff Stone in the closest June race. In another close contest, Bob Dutton held on to a narrow 51-49 edge to become the newly elected County Assessor in San Bernardino County.

We would like to congratulate the winners and thank all IVAR members who voted, volunteered and supported candidates of all stripes last month. However, with primary season now in the rearview mirror, IVAR is beginning to review a much busier

November election when most local cities will choose their city councils. As always, if you know of a candidate for office who understands property rights, the importance of homeownership and backs small business, please let us know.

Prop 90 Update

On the policy side, San Bernardino County continues to move forward with its review of Prop 90. On June 4th, San Bernardino County Auditor-Controller/Treasurer Tax Collector Larry Walker, fresh off a resounding victory in his re-election campaign, came to IVAR to discuss his longstanding support of Prop 90 at our monthly breakfast.

Mr. Walker's office will be preparing the analysis of Prop 90, which will lay a foundation for the key arguments coming up as San Bernardino County leaders weigh its costs and benefits.

For those unfamiliar with the issue, Prop 90 is a voter-approved initiative that gave Counties the ability to allow seniors to transfer their Prop 13-protected property assessment to another home in another county. If adopted, seniors moving to San Bernardino County could qualify for a one-time exemption that would allow them to avoid a significant property tax increase.

San Bernardino County is currently the only major county in Southern California that does not allow this property tax basis transfer.



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IVAR vs TIGAR Softball Game Recap

IVAR DUELS WITH TIGAR ON THE SOFTBALL FIELD



On June 5th, IVAR and TIGAR members dusted off their softball mitts and creaky knee joints to put together the latest chapter in our softball battle. Playing on its home turf in Corona, TIGAR was able to extend its winning streak by putting together an 11-run inning early and holding on for a one run lead late in the game.

We'd like to extend our thanks to everyone who helped organize an afternoon of camaraderie, sportsmanship and endless laughs. We would especially like to thank Scott Gieser for taking the abuse from both teams as the game umpire (some of it deserved – that ball was FOUL, Scott).

IVAR members – if you have athletic talent and swing a bat more than once a year, we need you next year to turn this thing around. If nothing else, we guarantee good fun, good food, some great business connections and possibly a public showcase of your skills ... or lack thereof.



ivar
INLAND VALLEYS
ASSOCIATION OF REALTORS®

VS

TIGAR
The Inland Gateway
Association of REALTORS®



2015-2016 IVAR DIRECTOR ELECTIONS

Throughout June, IVAR members have the opportunity to select members who will lead one of the Inland Empire's most important business organizations. We hope you will take the opportunity to review the names and qualifications of the candidates who have stepped forward to seek your vote.

The successful candidates will join a board that has implemented significant changes in a few years, lowered costs for both membership and MLS fees, improved service and expanded the role of IVAR in public policy decisions that affect homeowners, homebuyers and the real estate professionals who work with them.

Please take a few moments to review the candidates and cast your vote online at www.ivaor.com. You will need your MLS username and password to complete the vote. Please note that the passwords are case-sensitive. More information on each of the candidates is available on the voting website.

CANDIDATE FOR PRESIDENT-ELECT



SCOTT GIESER,
Shepherd Realty Group, Riverside

- MLS Committee Chairman
- Ops Committee Member
- IVAR Director
- Local Candidate Recommendation Committee (PAC) Trustee
- C.A.R. Director
- Finance Committee Member
- PARAC Committee Member

CANDIDATE FOR 2015 TREASURER



JOE CUSUMANO,
Pro-One Investments, Riverside

- Local Candidate Recommendation Committee (PAC) Trustee
- C.A.R. Director
- Professional Standards and Grievance Committee Member
- Chairman of CRMLS
- Past IVAR President

CANDIDATES FOR 2015-2016 BOARD OF DIRECTORS



ED NEIGHBORS,
Century 21 Showcase, Highland

- 29 Years in Real Estate
- Local Candidate Recommendation Committee (PAC) Trustee
- IVAR Housing Policy Forum Committee Member
- Former MLS Chair
- IVAR Grievance Committee Member



MELI VAN NATTA,
Rancho Belago Realty, Moreno Valley

- IVAR Director
- Former Member of IVAR Education Committee
- Former Member of Grievance Committee
- Former Member of Professional Standards Committee



DEWAYNE MORTENSEN II,
Shepherd Realty Group, Riverside

- Finance Committee Member
- MLS Committee Member
- Former Elections Committee Member
- Former Chairman of MLS Technology Committee
- C.A.R. Director

CANDIDATES FOR 2015-2016 BOARD OF DIRECTORS



LINDA OLIN,
Realty Plus, Rancho Cucamonga

- IVAR Director
- C.A.R. Director
- Finance Committee Member



WIL HERRING,
Baxter Wellington Real Estate, Riverside

- IVAR 2013 President
- IVAR Director
- C.A.R. Board of Directors
- IVAR Local Candidate Recommendation Committee (PAC) Trustee
- Finance Committee Member
- MLS Committee Member



LANCE MARTIN,
Coldwell Banker Town & Country, Riverside

- IVAR Director
- C.A.R. Board of Directors
- Former IVAR President
- Former Finance Committee Member

NAR Director Applications Now Available!

Every three years, IVAR selects a new director to serve on the Board of the National Association of REALTORS. NAR Directors travel to two meetings yearly, serve on committees and help set the direction of the National Association of REALTORS. To be considered as IVAR's next representative to the NAR Board of Directors, visit www.ivaor.com and click the NAR Director link on the right.

Mark Dowling, Chief Executive Officer

Welcome to the Inland Valleys Association of REALTORS (IVAR) monthly housing update. As a member benefit, IVAR produces monthly and quarterly housing reports to help members and area leaders better understand what's going on in the regional housing market. When reviewing the latest housing data from the region, there are a few noticeable trends that emerged in 2013 that have carried over into 2014:

- Cash buyers are down from 34% last year to approximately 21% in May, 2014. This decrease has slowed the demand for housing.
- Aggressive cash buyers in 2013 helped drive-up median sales prices 25% in 2013. However, over the last six months, median sales prices have been stabilizing. Although the median sales price finally hit \$300,000 in May, that represents approximately a 5% increase over the last 7 months.
- With median sales prices up 25% since first quarter 2013, standard sales represented 89% of the total, May sales within the region. Conversely, Short Sales only represented 2.4% of the sales.
- Although the total number of Closed sales have dropped year-over-year for 2014, New Listings continue to demonstrate year-over-year monthly increases. First quarter New Listings numbers were up 14%, and April and May numbers are on the rise as well.



Much of the Inland Empire is still waiting to see if the jobs recovery will make further progress this summer. If it does, then home buyers may feel more encouraged to enter the market.

A

REGIONAL SUMMARY - PAGE 1

OBSERVATION: New listings are steadily growing in 2014. Although not dramatic, the increase is noticeable.

CONCLUSION: The remainder of 2014 looks positive, if this gradual increase continues. Jobs and the economy this summer will determine where we go from here.

E

REGIONAL SUMMARY - PAGE 1

OBSERVATION: Median Sales Price has reached the psychologically significant level of \$300K.

CONCLUSION: This indicates an underlying strength to the housing market in the IVAR region. This is good news for the rest of the Inland Empire.

B

REGIONAL SUMMARY - PAGE 1

OBSERVATION: Closed listings and new listings are tracking together in the positive direction.

CONCLUSION: This slight rise is consistent with the improving ratio of sell price versus original list price. The growth in median sales price combined with more closed sales is encouraging.

F

SALES VOLUME PER CITY - PAGE 3

OBSERVATION: The combined Sales Volume of the top 6 communities (approx. \$370M) is equivalent to the combined volume of the bottom 29.

C

REGIONAL SUMMARY - PAGE 1

OBSERVATION: Pending Sales and New Listings have both improved since 1 year ago.

CONCLUSION: A rise in Pending Sales provides upward pressure for an increase in sales. This means the market over the next 30 days may see continued strength.

G

COMMUNITIES WITH NEW LISTINGS - PAGE 4

OBSERVATION: 4 communities achieved a year-over-year growth in New Listings of more than 50%. Eastvale has been one of the strongest communities for the last 3 months for increasing new listings.

D

REGIONAL SUMMARY - PAGE 1

OBSERVATION: Sales Volume and Sold Transactions are down from 1 year ago.

CONCLUSION: The market was in a recovery phase last year at this time. It's not necessarily bad news for sales to be down compared to these previous numbers. Steady sales growth is preferable to market volatility.

H

COMMUNITIES WITH NEW LISTINGS - PAGE 4

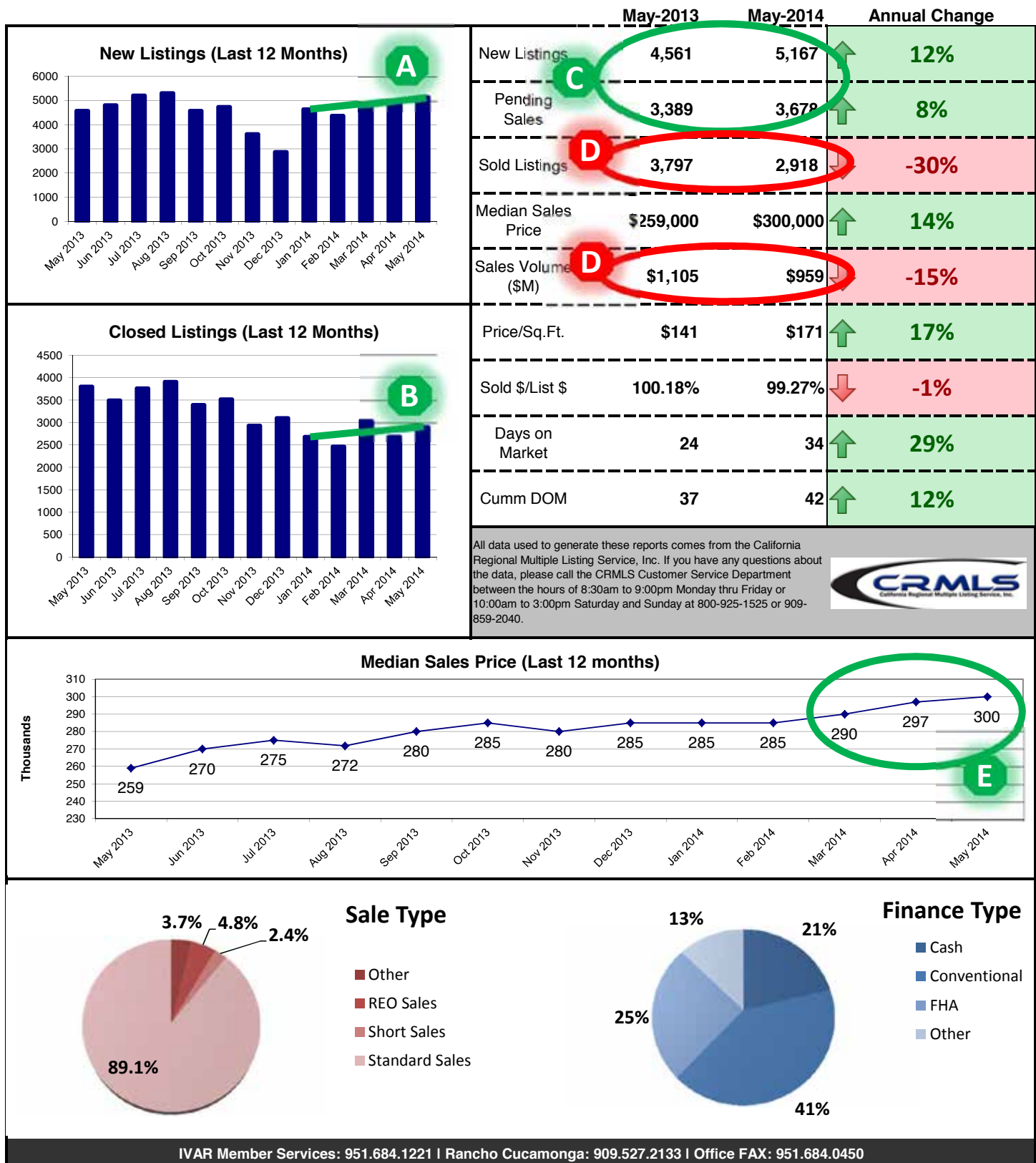
OBSERVATION: : 9 communities had a year-over-year drop in New Listings. For Diamond Bar, Norco, and Hemet this reflects their higher than average growth in new listings from last year.

I

RATIO OF SELL VS. ORIGINAL LIST - PAGE 5

OBSERVATION: The trend in pricing has started to rebound.

CONCLUSION: The regional market is finding a "new normal". The key for agents is to look for the hot-spots and take notice of the cold-spots.

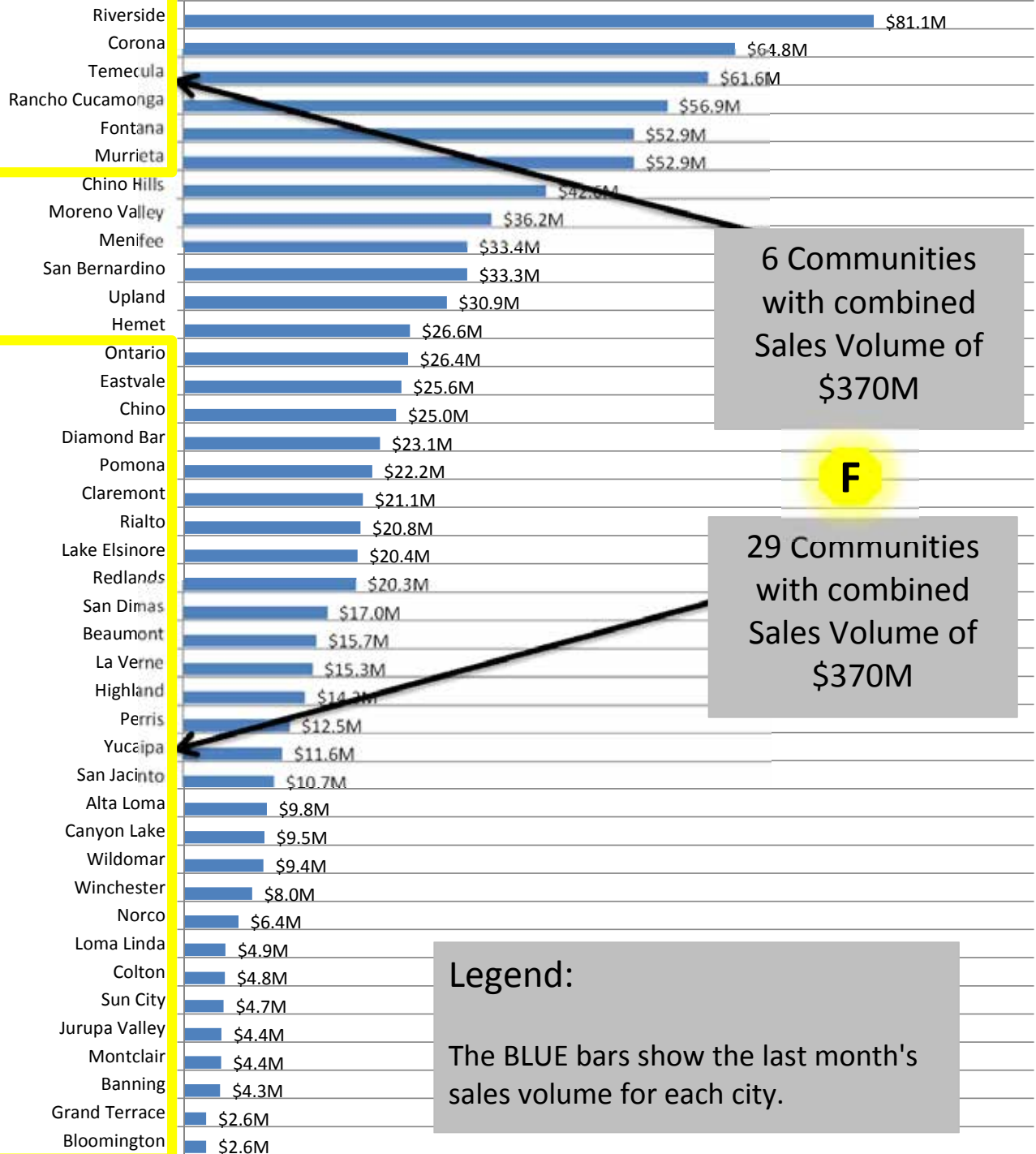


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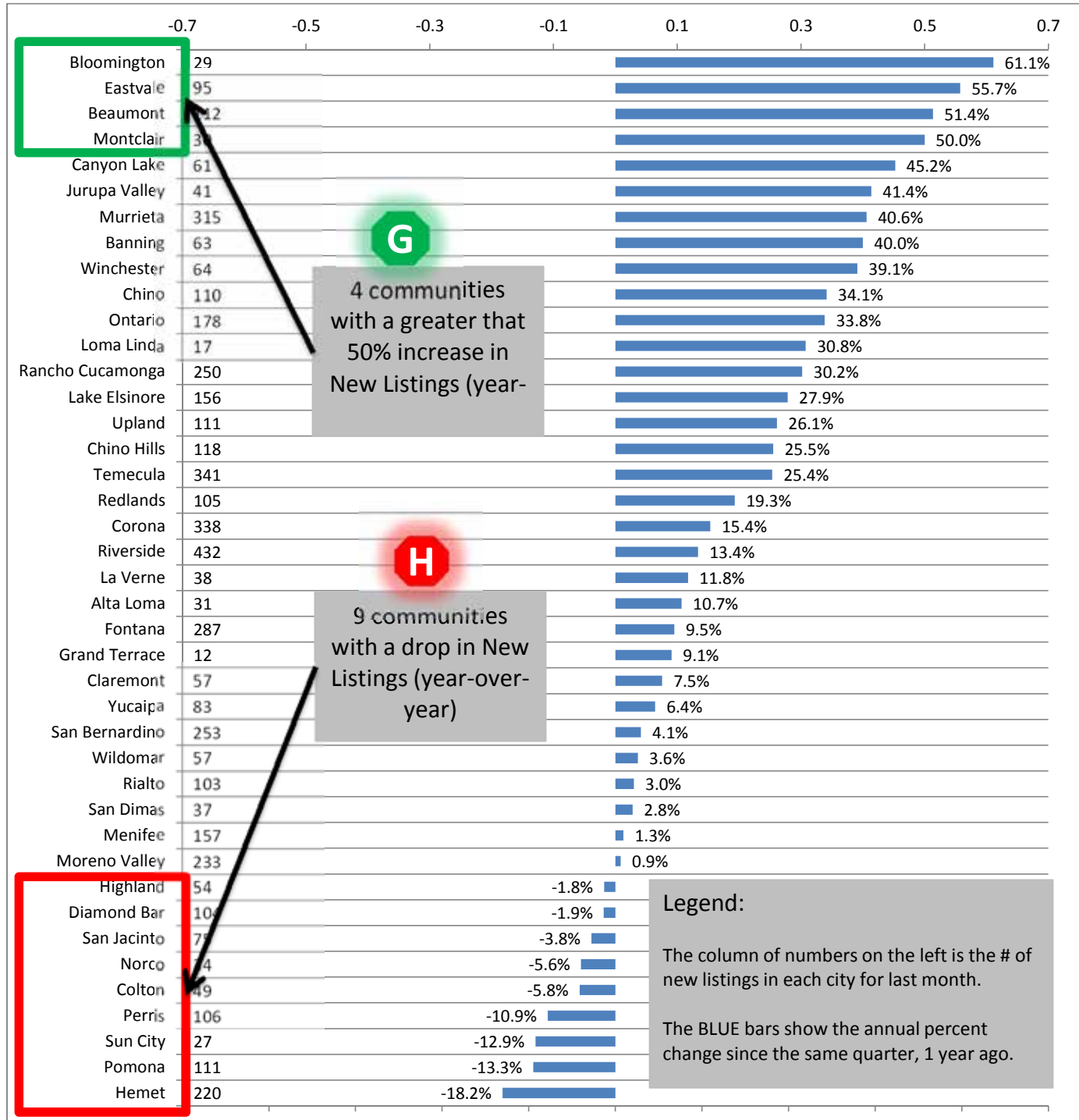
The following monthly data shows "YEAR-OVER-YEAR" (YOY) changes as well as current conditions in the real estate market

	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Price per Sq.Ft.	Total Days on Market
Alta Loma	↓ -5%	↑ 15%	\$ 517,000	\$ 252	38
Banning	↓ -51%	↑ 5%	\$ 172,500	\$ 128	38
Beaumont	↓ -9%	↑ 13%	\$ 253,347	\$ 127	43
Bloomington	↓ -33%	↑ 19%	\$ 235,000	\$ 162	66
Canyon Lake	↓ -40%	↑ 51%	\$ 435,000	\$ 195	73
Chino	↓ -31%	↑ 7%	\$ 390,000	\$ 221	50
Chino Hills	↓ -23%	↑ 14%	\$ 560,000	\$ 289	43
Claremont	↑ 14%	↑ 16%	\$ 655,000	\$ 298	49
Colton	↓ -31%	↑ 6%	\$ 175,000	\$ 142	40
Corona	↓ -36%	↑ 9%	\$ 372,000	\$ 209	51
Diamond Bar	↓ -36%	↑ 4%	\$ 554,000	\$ 313	41
Eastvale	↑ 42%	↑ 13%	\$ 474,950	\$ 178	52
Fontana	↓ -15%	↑ 19%	\$ 310,000	\$ 181	36
Grand Terrace	↑ 22%	↑ 21%	\$ 263,000	\$ 178	44
Hemet	↓ -21%	↑ 25%	\$ 189,000	\$ 108	45
Highland	↓ -7%	↑ 13%	\$ 240,000	\$ 149	35
Jurupa Valley	↓ -48%	↑ 19%	\$ 349,999	\$ 197	30
La Verne	↓ -23%	↑ 15%	\$ 540,000	\$ 304	49
Lake Elsinore	↓ -24%	↑ 31%	\$ 275,000	\$ 136	54
Loma Linda	↓ -7%	↑ 9%	\$ 332,500	\$ 178	28
Menifee	↓ -10%	↑ 18%	\$ 280,000	\$ 137	49
Montclair	↓ -52%	↑ 10%	\$ 297,000	\$ 226	23
Moreno Valley	↓ -6%	↑ 25%	\$ 242,000	\$ 148	33
Murrieta	↓ -18%	↑ 11%	\$ 335,000	\$ 155	39
Norco	↓ -53%	↑ 39%	\$ 497,050	\$ 209	59
Ontario	↓ -19%	↑ 21%	\$ 303,000	\$ 210	44
Perris	↓ -41%	↑ 46%	\$ 240,000	\$ 119	43
Pomona	↓ -17%	↑ 21%	\$ 305,000	\$ 232	39
Rancho Cucamonga	↓ -27%	↑ 14%	\$ 399,000	\$ 226	56
Redlands	↓ -29%	↑ 17%	\$ 339,000	\$ 196	44
Rialto	↔ 0%	↑ 27%	\$ 262,500	\$ 167	32
Riverside	↓ -35%	↑ 19%	\$ 295,000	\$ 186	41
San Bernardino	↓ -8%	↑ 23%	\$ 175,000	\$ 140	35
San Dimas	↑ 17%	↑ 42%	\$ 568,000	\$ 298	56
San Jacinto	↓ -25%	↑ 23%	\$ 190,000	\$ 102	43
Sun City	↓ -22%	↑ 20%	\$ 156,026	\$ 120	38
Temecula	↓ -33%	↑ 9%	\$ 388,500	\$ 171	48
Upland	↑ 2%	↑ 10%	\$ 458,500	\$ 238	52
Wildomar	↓ -12%	↓ 0%	\$ 257,750	\$ 129	34

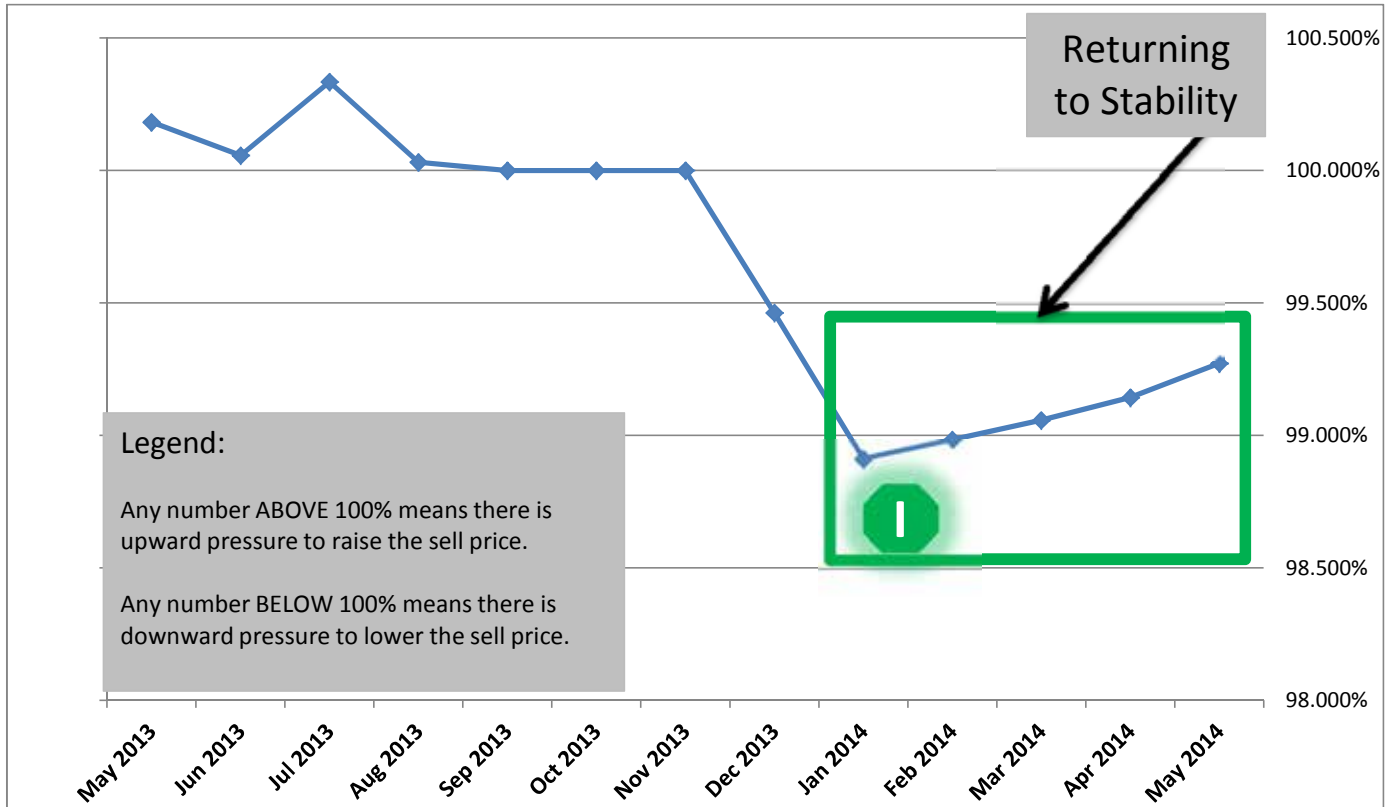
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The IVAR team has worked hard to improve services and make IVAR a better business association. IVAR is committed to defining its service and building member relationships not with promotional gimmicks and giveaways, but rather by refining a business-minded approach to serve our members' professional needs with our problem-solving approach. In the last year, IVAR has expanded services to include:

- Free local housing data & customized reports, available online to our members at <https://quicklook.ivaor.com>.
- Two offices located in Riverside & Rancho Cucamonga, Open 5 Days a Week
- Government Affairs supporting property rights and REALTOR business interests at <http://advocacy.ivaor.com>
- Mobile IVAR Member Services staff provide on-site training and customer support directly to your office
- Online reference guides to help members navigate local laws related to real estate
- Increased Affiliate Member promotions
- Expanded education and training opportunities focusing on short-sale techniques, technology applications and business planning

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 me at 951.684.1221.

Mark Dowling, Chief Executive Officer

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DUAL AGENCY

New Case Holds Different Salespersons Under the Same Broker Are Dual Agents

It is well established that a dual agent owes a fiduciary duty to both the buyer and the seller. This case ruled that when a buyer and seller are working with different salespersons in the same brokerage - even different offices - that both the broker and the salespersons are dual agents. Therefore, the case held that whether the broker is a natural person or a corporation, the salespersons on either side of the transaction owe a fiduciary duty to both the buyer and the seller.

California Appellate case: *Horiike v. Coldwell Banker Residential Brokerage*, filed April 9, 2014, Second District, Div. Five, 225 Cal.App.4th 427; 169 Cal.Rptr.3d 891

As in many real estate disputes, the facts in this case relate to square footage. The house, while listed with the broker, had fallen out of escrow from a prior purchase contract with a buyer also represented by this broker. In that prior escrow the person acting as the listing agent had passed along to the buyer information that the actual square footage was in some dispute, and in a hand written note advised the buyer that they should confirm the actual square footage for themselves.

While still listed with this same broker a new buyer, also represented by the listing office, entered into a new contract to purchase the property. However, while the person acting as the listing agent gave them the information on the different accounts of square footage, that person did not include the handwritten note to the second buyer to confirm the square footage for themselves.

The buyer sued the listing salesperson and broker but did not name their own buyer's agent from the same firm in the suit. The trial court judge ruled that the broker and the listing salesperson did not owe a fiduciary duty to the buyer. The jury exonerated the listing agent and broker on all misrepresentation claims.

The appellate court reversed and found that the broker, and therefore the listing agent, owed duties to the buyer. Coldwell Banker has filed for a hearing before the California Supreme Court and C.A.R. is filing a letter in support of the Court accepting the case for review.

NEW IRS LETTER

IRS Issues Short Sale Tax Clarification

After receiving comments from California tax practitioners and its own review of California law, the IRS has issued a clarification to its September 19, 2013 letter to Senator Barbara Boxer concerning short sales and taxes on the

forgiven debt. The new IRS letter indicates that forgiven short sale debt is not subject to cancellation of debt (COD) income only if it is non-recourse at its inception and that their prior letter was overly broad.

In their new April 29, 2014 letter, the IRS states that in order for a debt to be non-recourse at the time of the short sale, the original debt must be used to purchase or build a 1-4 principal residence or a refinance of such debt. As in the prior letter the IRS affirms that a lender's forgiveness of such debt in a short sale will not result in COD income, but instead will be treated as capital gains. And as before, single or joint tax filers selling a principal residence can use the appropriate \$250,000 or \$500,000 capital gains exclusion.

What changed is that a loan used to substantially improve the taxpayer's principal residence may now be treated as COD income instead of capital gains. Additionally, the IRS clarified that an investor's short sale debt will also be characterized by the nature of the debt at inception. If it was recourse debt (non principal residence purchase) originally, it will remain recourse debt at the time of the short sale. This may be somewhat good news for investors who may prefer to have short sale debt treated as COD income rather than capital gains. COD income may be avoided under a claim of insolvency where capital gains cannot.

C.A.R. will continue to seek additional clarification about some issues not addressed, such as a taxpayer's reliance on the IRS's prior letter, and whether forgiven home improvement debt should not also be excluded from COD income. As always REALTORS® must advise their clients that they cannot give tax advice and that the client should seek tax advice from a qualified tax professional. A copy of the letter from the IRS is available for reference.

E&O INFORMATION

New E&O Information Resources Available

Is your business protected with real estate errors and omissions insurance? Do you have gaps in coverage? What happens if there is no "tail coverage"? What are common insurance terms and exclusions? The Legal Q & A, "E & O Insurance for REALTORS®" and the booklet titled "Real Estate Broker's and Agent's Guide to E & O Insurance" may be accessed for assistance. RealCare Insurance Marketing, Inc. is the only C.A.R.-endorsed insurance broker, and works closely with the Association and the C.A.R. Strategic Defense Panel attorneys to provide comprehensive and competitive coverage for C.A.R. members. Call (800) 939-8088 or go to: <http://www.realcarecar.com/>.



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IVAR Casino Night & Mixer



You're invited to join in the fun as IVAR hosts a Wild West Casino Night for Charity. With nine open tables of gaming action, participants will have the opportunity to network with real estate professionals from throughout the region and gamble for terrific prizes such as an iPad, and more than \$1,000 worth of other great items – all while raising money for Second Harvest Food Bank!

WHEN:

Friday, June 27th 2014

TIME:

6:30pm – 11:30pm

WHERE:

IVAR, 3690 Elizabeth, Riverside, 92506

TICKETS:

\$20.00 pp includes admission, drink ticket, hors d'oeuvres, and gaming chips.

SPONSORSHIPS:

Sponsorships Available. For more information, contact Morgan Myers at 951-346-4523.

*Event proceeds will go to
Second Harvest Food Bank*



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IVAR Networking and Events

IVAR Training and Education Calendar

Wed Jun 18, 2014

9am - 2pm Lunch and Learn

Where: 3690 Elizabeth St., Riverside, CA 92506
Calendar: IVAR Training and Education Calendar
Created by: wjwiltz@gmail.com

Thu Jun 19, 2014

11:30am - 12:30pm Toastmasters

Where: 3690 Elizabeth Street, Riverside, CA 92506
Calendar: IVAR Training and Education Calendar
Created by: mark.d.dowling1@gmail.com

4pm - 5:30pm AGENT ALLIANCE MEETING

Where: IVAR office
Calendar: IVAR Networking and Events
Created by: IVAR Draft Calendar

Fri Jun 20, 2014

9am - 11:30am NEW MEMBER ORIENTATION

Where: IVAR Office: 3690 Elizabeth St, Riverside
Calendar: IVAR Training and Education Calendar
Created by: mark.d.dowling1@gmail.com

Wed Jun 25, 2014

8:30am - 4:30pm Property Management Live!

Calendar: IVAR Training and Education Calendar
Created by: wjwiltz@gmail.com

Fri Jun 27, 2014

10am - 11am Life as an Independent Contractor

Where: 3690 Elizabeth St., Riverside, CA 92506
Calendar: IVAR Training and Education Calendar
Created by: wjwiltz@gmail.com

6:30pm - 11:30pm Casino Night

Where: 3690 Elizabeth Street, Riverside, CA, United States
Calendar: IVAR Networking and Events
Created by: IVAR Draft Calendar

Sat Jun 28, 2014

8am - 5pm Women's Realtor Safety Program

Where: 18000 Institution Road, San Bernardino, CA, United States
Calendar: IVAR Networking and Events
Created by: IVAR Draft Calendar

Wed Jul 2, 2014

8am - 9:30am IVAR Breakfast Meeting

Where: 3690 Elizabeth St., Riverside, CA 92506
Calendar: IVAR Networking and Events
Created by: jean wiltz

Thu Jul 3, 2014

11:30am - 12:30pm Toastmasters

Where: 3690 Elizabeth Street, Riverside, CA 92506
Calendar: IVAR Training and Education Calendar
Created by: mark.d.dowling1@gmail.com

11:30am - 12:30pm Toastmasters

Where: 3690 Elizabeth Street, Riverside, CA 92506
Calendar: IVAR Training and Education Calendar
Created by: mark.d.dowling1@gmail.com

Mon Jul 7, 2014

10am - 3pm CRMLS Training

Where: 3690 Elizabeth St., Riverside, CA 92506
Calendar: IVAR Training and Education Calendar
Created by: wjwiltz@gmail.com

Wed Jul 9, 2014

2pm - 3pm MLS Tech Meeting

Calendar: IVAR Training and Education Calendar
Created by: mark.d.dowling1@gmail.com

Thu Jul 10, 2014

11:30am - 12:30pm Toastmasters

Where: 3690 Elizabeth Street, Riverside, CA 92506
Calendar: IVAR Training and Education Calendar
Created by: mark.d.dowling1@gmail.com



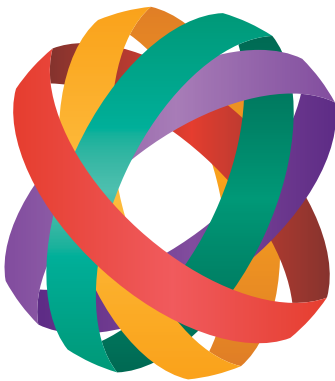
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