

# INLAND VALLEYS REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

## Realtors® Release New Vision for Fannie Mae, Freddie Mac Reform

FOR MORE INFORMATION GO TO PAGE 5





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FEBRUARY 2019

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# An Invitation to Help Lead and Serve Your Fellow IVAR REALTORS®



JESSE STREETER,  
2019 IVAR PRESIDENT

Over the past few years, I've had the honor of working alongside fellow REALTOR® leaders at IVAR who have helped create one of the best professional organizations you'll find anywhere. I'm truly grateful for the service of our past leaders, the ones who encouraged me to get involved and now for the opportunity to serve current and future IVAR members.

That same opportunity exists for all of our members— and I hope you will choose to get involved as well. This association serves a leadership role in our industry and in our communities that many members only partly see. For those who choose to volunteer on a committee or join fellow leaders on our Board of Directors, I think you'll find your time and energy is rewarded with an enriched experience and understanding of the impact we can have together.

Joining one of our committees offers a position of stewardship with IVAR. It's a leadership post for one of the top REALTOR® associations in California and one of the most engaged and important voices of industry in our region. All of that is due to the capable leadership of your colleagues and the tremendous work of our staff, led by CEO Mark Dowling.

I'm a proud member of our Housing Policy Committee, which helps to build and direct IVAR's voice as a force in local, state and federal policy. It was our band of diligent REALTORS® that helped to identify concerns in Property Assessed Clean Energy (PACE) assessments and worked to craft reasonable reforms to protect consumers. That same committee staved off a potentially disastrous use of eminent domain during the housing

crisis and is now working on ways to help address housing affordability.

Other IVAR committees provide REALTORS® with a chance to shape many meaningful programs and services to our members.

Our MLS committee helps to find ways to improve this critical tool for our members and provide input to the largest MLS in the country.

Our affiliate committee takes a lead role in building networking events that connect our members with one another and future business partners. They are also responsible for providing tens of thousands of dollars to local charities over the past few years, helping to give IVAR a service role in our communities.

The Finance Committee provides oversight of our association's finances, ensuring that we are providing transparent stewardship of an organization we feel truly belongs to our members.'

The Grievance Committee works to impartially provide dispute settlement services among REALTORS®, making sure that the Code of Ethics is not just a series of good ideas, but truly the rules of the road for professionalism and conduct among members.

In the end, IVAR's strength is built on the expertise, insight and professionalism of its members. We thrive when that brainpower and judgment comes to our board room to help chart our future course.

Whatever your interest, I hope that you will find something that brings you the same rewarding experiences that I have enjoyed by being involved with the current generation of leaders at IVAR.

# Housing Affordability Takes Central Focus of California Lawmakers



PAUL HERRERA,  
GOVERNMENT AFFAIRS DIRECTOR

A stylized, handwritten signature of Paul Herrera in black ink.

Other than the economically devastating impacts of the financial crisis a decade ago, no action – or inaction – by California policy makers at any level of government has proven particularly effective at stemming the rising cost of finding a place to live.

The median home sales price in California is now north of \$600,000, approximately 250% of the national median. Even at today's still low interest rates, that translates into roughly \$4,000 monthly after calculating mortgage, interest, taxes, insurance and other costs typical for first time buyers. Rents haven't risen at the same rate, but they are still about 150% of the national average and have been going up significantly while vacancy rates hit historic lows that leave renters with relatively few options.

Last month, Governor Newsom used the bulk of his first speech in office to highlight a series of plans to try to spur the production of millions of new residential units. He included plans to crack down on cities that do little to cooperate in permitting new housing and followed up by suing the City of Huntington Beach for perceived anti-housing actions.

Meanwhile, the State Legislature has introduced dozens of bills that attempt to work different parts of the issue – some productive, some troubling.

From the Realtor perspective, the focus should be on the approximately 3.5 million homes that didn't get built over the same period of time that housing prices have been rising beyond reach. That gap has been created primarily by the complex web of state and local development roadblocks that make California, by far, the most expensive state to build a home in the continental U.S. Hawaii, for many obvious reasons, is the actual cost king among all 48.

The question is what kind of policy will it take to drop those barriers and who's going to be mad about it. So far, the loudest cries are coming from cities concerned that they'll lose control over development in their jurisdictions.

Cities have already expressed concerns over Realtor-backed state legislation that has made it easier for single family homeowners to build accessory dwelling units (commonly known as "granny flats" or "casitas") as long as they meet development codes and basic local zoning. New proposed legislation goes much further.

This month, Sen. Nancy Skinner (D-Berkeley) introduced legislation that would stop cities in high cost regions from creating new restrictions on housing development or reducing density. The legislation would also reduce parking requirements and wipe out a variety of local regulations that make it more difficult to build on those communities. It would also reduce or entirely remove fees for affordable housing and make it difficult to demolish section 8 and rent controlled units.

Other legislation would stop cities from restricting dense, multi-story residential buildings near certain public transportation hubs, tether commercial development to residential development or lower fees.

So far, the most controversial area of legislation would begin to penalize cities that consistently fail to permit new housing development to meet projected growth.

Paul Herrera is the Government Affairs Director for the Inland Valleys Association of REALTORS®. You can reach him at [pherrera@ivaor.com](mailto:pherrera@ivaor.com) or by phone at 951-500-1222.

# Realtors® Release New Vision for Fannie Mae, Freddie Mac Reform



WASHINGTON (February 7, 2019) – With over 400 people on hand for the National Association of Realtors® Housing Finance Reform Policy Forum, NAR today unveiled a new vision for reforming the GSEs. As featured speakers for the panel titled “NAR’s vision: A plan for secondary finance shaped in the aftermath of adversity for longevity,” co-authors Dr. Susan Wachter, Professor of Real Estate and Finance at the University of Pennsylvania, and Dr. Richard Cooperstein, head of Risk Management at Andrew Davison and Company, presented NAR’s comprehensive GSE proposal to the public for the first time at the Grand Hyatt in Washington.

NAR’s research is intended to provide a pragmatic solution to the challenges facing the housing finance system by prioritizing and protecting a liquid mortgage market for Middle America and underserved borrowers alike. Unlike a recapitalization and release plan, NAR’s vision offers policymakers a responsible framework that protects taxpayers, minimizes costs to consumers and promotes housing accessibility and affordability.

## NAR’s Vision for Housing Finance Reform

Read the [executive summary and full copy of NAR’s vision](#) on housing finance reform.

“This vision is the result of years of research and collaboration between NAR, our members, our friends in the industry and countless policymakers who have been influential in this arena,” said NAR President John Smaby. “Our hope is that this research will help provide Congressional leaders and administration officials with a credible, deliberate framework as they work to secure reforms that will benefit taxpayers, consumers and the American economy. Ultimately, ensuring the GSEs continue providing liquidity and stability in the mortgage market remains NAR’s priority during these discussions.”

The GSEs of 2019 are not the GSEs of 2005. Today, Fannie

Mae and Freddie Mac have a stronger regulator in the FHFA and are subject to additional Congressional oversight. They are restricted in the products they can purchase, the size of their retained portfolios and their ability to lobby. In addition, they increased and will continue to expand the volume of mortgage credit risk shared with the private sector. These changes have begun to decrease risks tied to the GSEs, injecting private capital and market disciplines to guarantee pricing and mortgage rates for consumers.

Identifying where competition works and where it does not, the research builds on a structure designed to maximize private investment. “This vision of a reformed secondary market for housing finance first recognizes the need for the GSEs to carry out a public mission, the same need that led to their initial creation,” the paper reads. “Second, this proposal builds upon the transformed enterprises under conservatorship, bringing in appropriate levels of private capital and a strong regulator to protect taxpayers. Third, this proposal codifies a structure that is effective, resilient and fair, balancing the tension of private operating companies with the public mission. It builds on what works today and creates a system that will serve the nation for decades to come.”

During the panel discussion, co-author Richard Cooperstein noted, “By addressing the imperfections in the market for housing finance, we can increase competition of private capital to invest in mortgages, keep markets more stable in times of stress and stay mission-focused.”

An [executive summary and full copy of NAR’s vision](#) on housing finance reform can be found on [nar.realtor](#).

Co-author Susan Wachter added, “GSE reform is the critical, unfinished business of the Great Recession; we believe the shareholder-owned regulated utility we propose will protect taxpayers and ensure the fulfillment of the mission to serve the nation for the future.”

# California REALTORS® applaud Gov. Newsom's commitment to address housing crisis



LOS ANGELES (Feb. 12) – The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) today issued the following statement in response to Governor Gavin Newsom's State of the State address:

"We applaud Gov. Gavin Newsom's demonstration of his ongoing commitment and leadership toward building more affordable and available housing in California and couldn't agree more when he stated, 'If we want a California for all, we have to build housing for all,'" said C.A.R. President Jared Martin.

"We support the governor's position that local government needs to be held accountable for addressing housing supply. By addressing supply at the local level, we're addressing housing affordability for both ownership and rental housing.

"We also welcome the governor's comments regarding the California Environmental Quality Act (CEQA), and we will be pursuing legislation to streamline housing construction.

"Last fall, California voters resoundingly rejected the expansion of rent control. Californians understand that the solution to high rents is not more rent control; it's building more supply. Moreover, rent stabilization is already addressed by the Costa-Hawkins Rental Housing Act.

"The CALIFORNIA ASSOCIATION OF REALTORS® looks forward to working with the governor, the legislature and key stakeholders to ensure that all Californians can realize the American dream of homeownership."

CREDIT: AP PHOTO/JEFF CHIU

## 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 951-500-1222.





# OWN YOUR PRESENT.

# EMPOWER OUR FUTURE.



**You can lead the way.** Commitment to Excellence is a program for REALTORS® that empowers you to enhance and showcase your high level of professionalism. It gives you an advantage in our highly competitive market, and will help lead the way in improving consumer perception of our industry as a whole.

**Be an advocate for the future of our industry. Be committed to excellence.**

**Get started at [C2EX.realtor](https://C2EX.realtor) by taking the self-assessment today!**



NATIONAL  
ASSOCIATION *of*  
REALTORS®

# Housing Data Report January 2019

The Voice of Real Estate in the Inland Empire<sup>SM</sup>



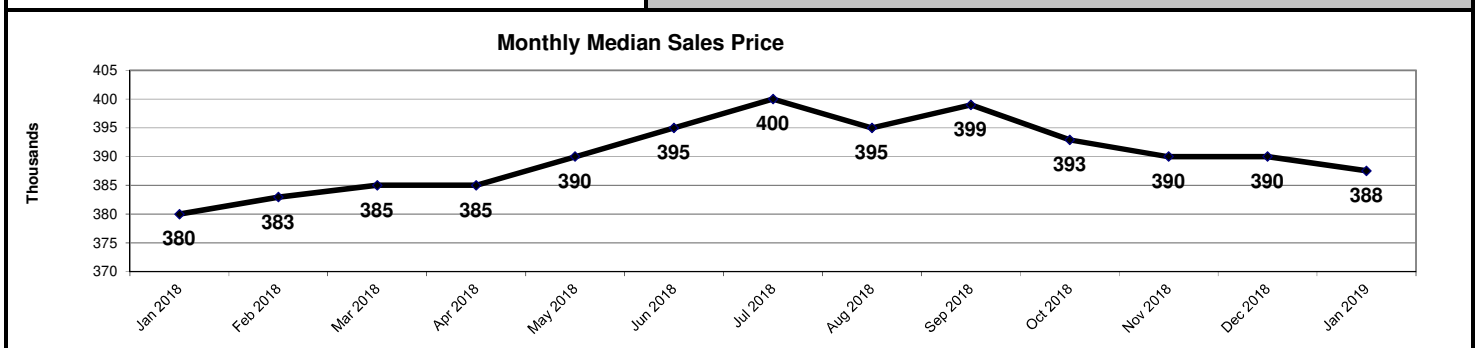
A report brought to you by the Inland Valleys Association of REALTORS® (IVAR)  
www.ivaor.com

## Mark Dowling, Chief Executive Officer

- The start of 2019 Inland Empire housing market data reflects some of the same trends we saw the last half of 2018. When compared to 2018, January month-over-month data has New Listings up 1.7%, while Sold Listings for the year were down 14.9%. Median Sales Price was up 2.0%, but total Sales Volume was down 13.2%.
- Although Median Sales Price was up 2.0% for January at \$388,000, this represents a 3% decline from \$400,000, July of 2018.
- Reflecting a slowing, buyer's market, Days on Market – up 54.2% – also continues to increase.



	Jan-2018	Jan-2019	Annual Change
<b>Monthly New Listings</b>			
New Listings	4,327	4,399	↑ 1.7%
Pending Sales	3,118	3,150	↑ 1.0%
Sold Listings	2,731	2,323	↓ -14.9%
Median Sales Price	\$380,000	\$387,500	↑ 2.0%
Sales Volume (\$M)	\$1,108	\$962	↓ -13.2%
<b>Monthly Closed Listings</b>			
Price/Sq.Ft.	\$213	\$219	↑ 2.9%
Sold \$/List \$	99.11%	97.67%	↓ -1.4%
Days on Market	24	37	↑ 54.2%
CDOM	28	43	↑ 53.6%
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.			



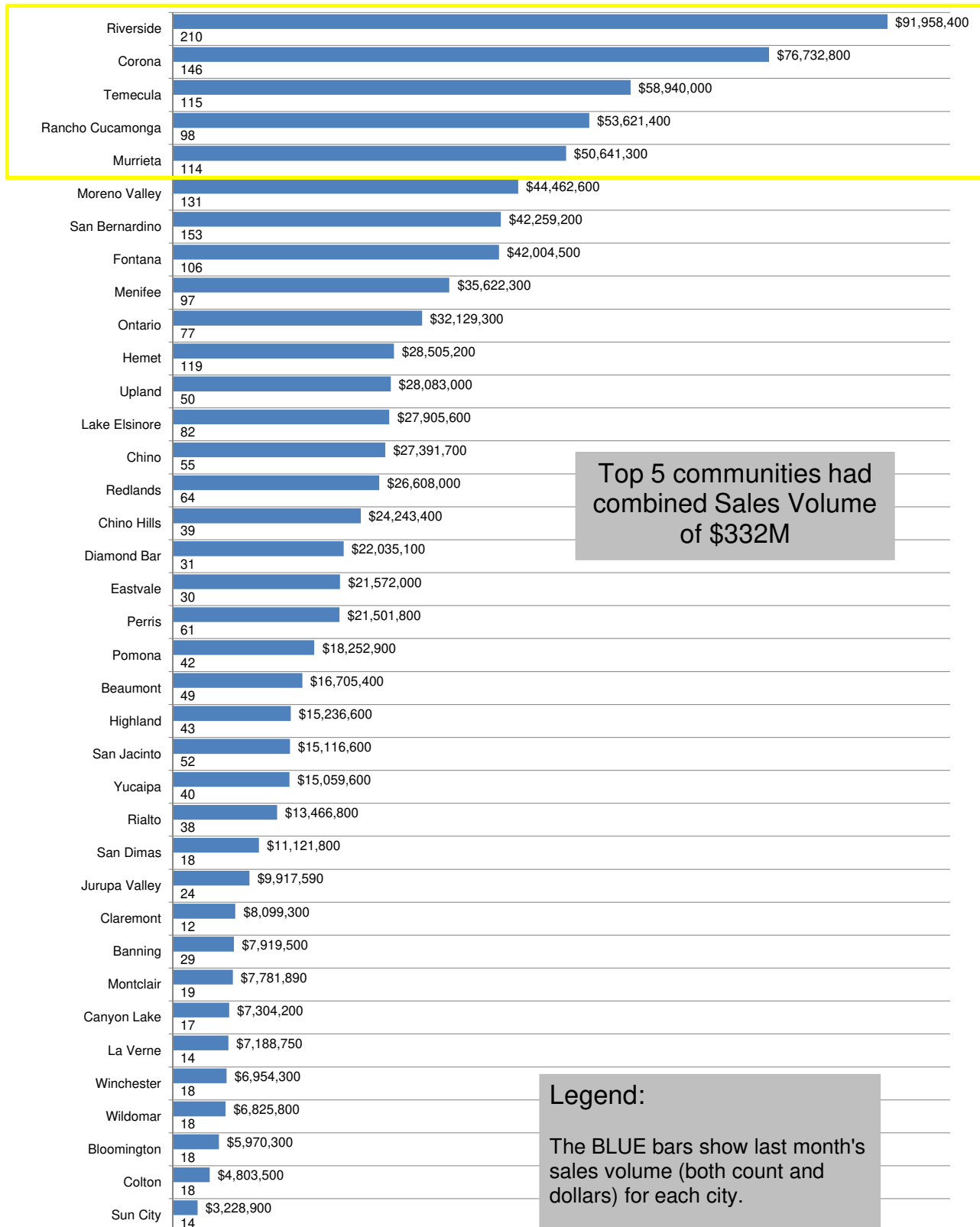
IVAR Member Services: 951.684.1221 | Rancho Cucamonga: 909.527.2133 | Office FAX: 951.684.0450

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.

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

## Jan 2019 - Sales Volume per City

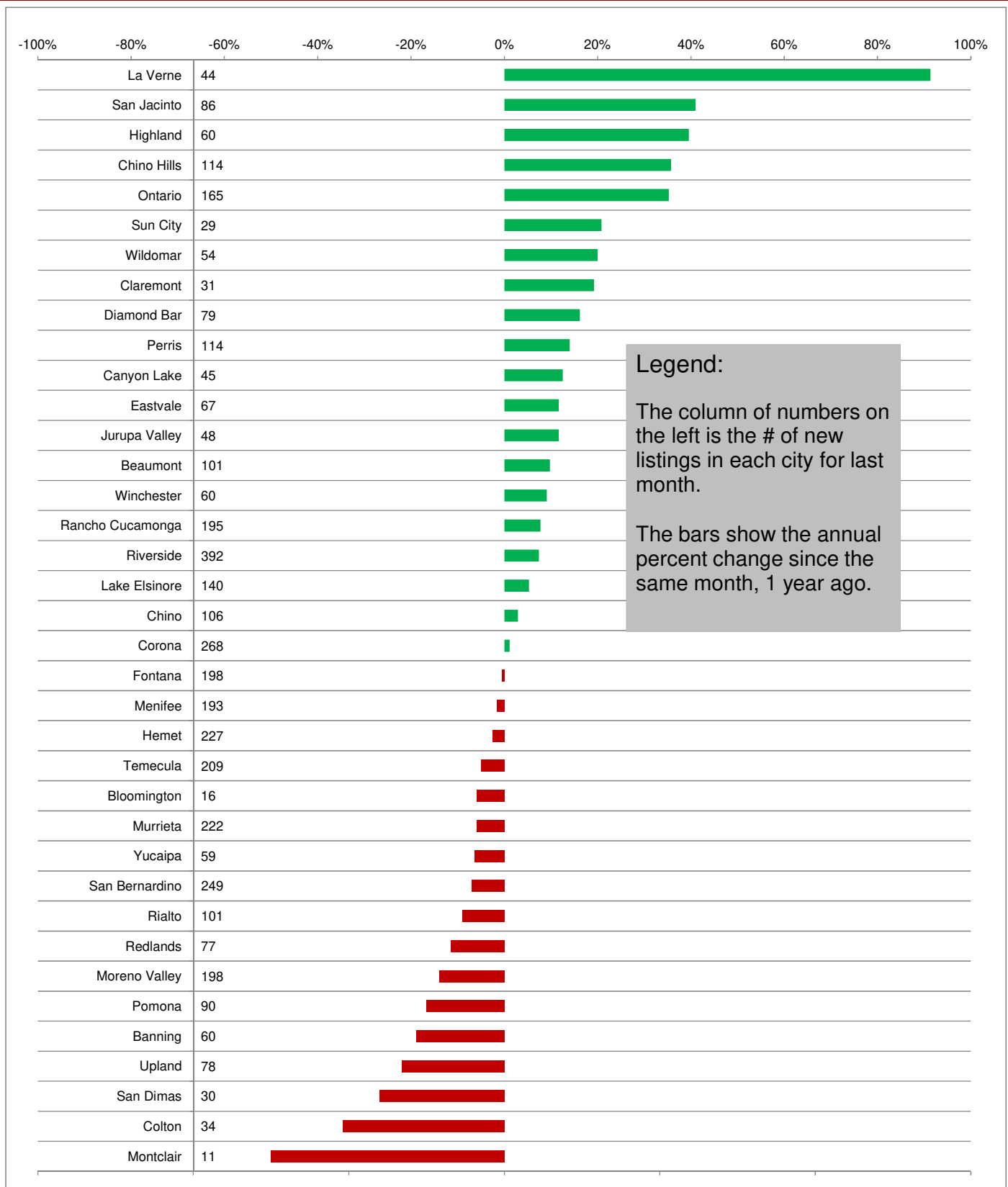
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## Jan 2019 - Top Communities with New Listings (year-over-year)

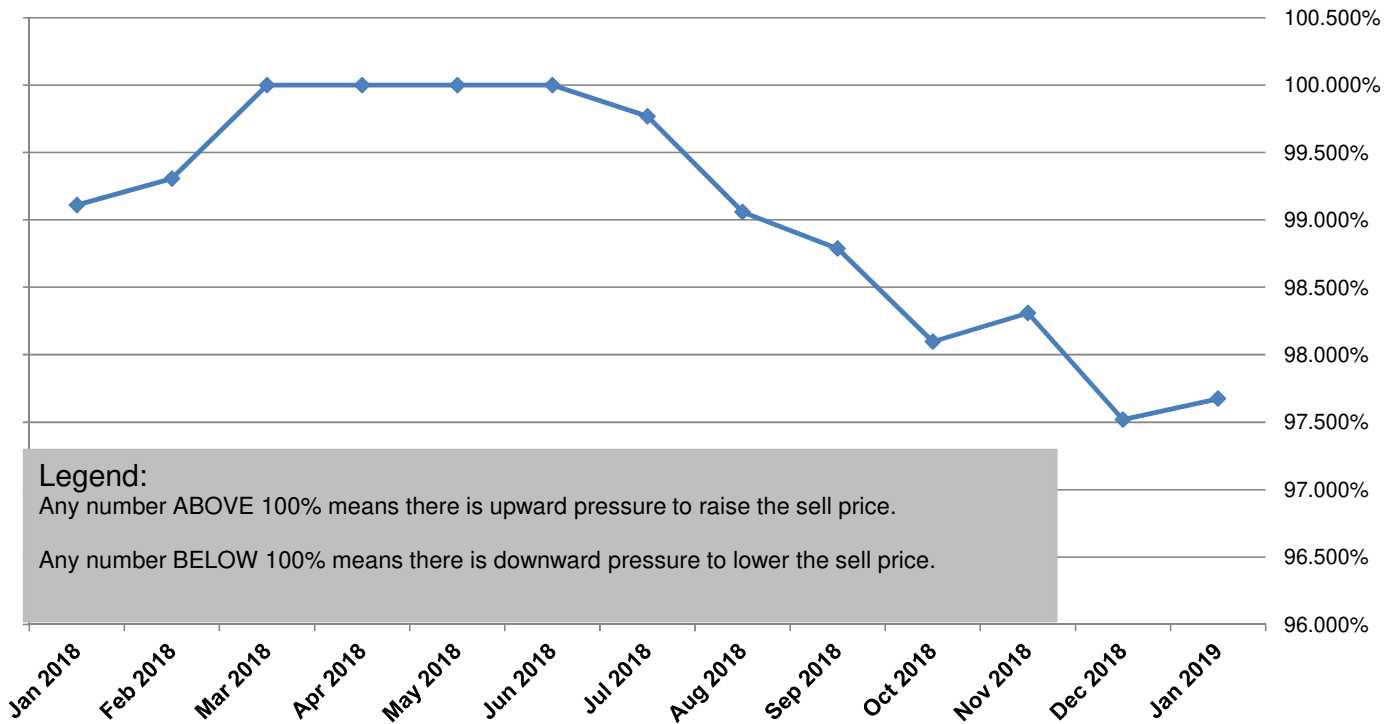
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## Sell Price vs Original List Price

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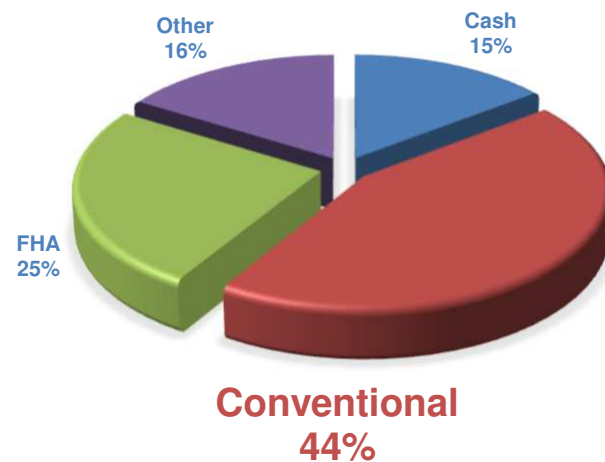


### This report is brought to you by IVAR:

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

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

### FINANCE TYPE



# Three Social Media Tactics to Employ in 2019

What pros should focus on in the new year to meet customer demands and expand their online reachability.

By Adrian Fisher

As 2018 wraps up, there's time to reflect on real estate's marketing landscape. How were agents using their social media platforms as marketing channels in 2018, and what powerful opportunities lie ahead in the new year?

According to the National Association of REALTORS®'s September 2018 Technology Survey, 77 percent of members use social media networks in some capacity. Of the respondents, 26 percent used social networks with the main purpose of marketing, and 25 percent used their networks for cultivating and maintaining client relationships.

Now that it's 2019, it's time to look at the most useful strategies real estate professionals can employ to reach their target market through social media channels. For those ready to plan their efforts, here are three strategies to focus on in the new year.



## **Instagram presence and profile building.**

NAR reports that only 39 percent of agents use Instagram, which presents a competitive advantage for those ready to invest in the channel.

The visual-centric app reached one billion monthly users as of June 2018, indicating the potential for content exposure alone makes having an Instagram account increasingly important for business.

When utilizing Instagram, real estate pros can build a professional and approachable image to perpetuate meaningful, personal interactions with leads and clients. Features such as long-form, vertical video viewing platform IGTV, live videos, stories, and ads are great options agents can use to their advantage.

## **Promoting story highlights**

A noteworthy feature is Instagram's story highlights. After posting a photo or video to your Instagram story, you can go back later and pin that media to appear on your main profile. Real estate pros can use their profiles to feature introductory videos, property-related posts, neighborhood profiles, and other content they find relevant to their persona. This is an excellent way to telegraph who you are and how you might be a good fit for potential clients. It's also an effective way to recycle quality content that was shared previously.



## **Maximizing Facebook reach: chatbots and ads.**


With the majority of real estate professionals already using Facebook as a platform, what strategies are the most effective in boosting reach? In 2019, agents should focus on automated messages or chatbots and ads to get the most out of Facebook.

## **Automated messages and chatbots**

Swift messenger response times have an impact on client relationships and conversions. Client expectations are changing, and most consumers expect a Facebook response within six hours.

Automated messages, commonly known as "chatbots," can be used to begin the communication exchange and provide speedier response times. Chatbots increase convenience and efficiency for both the professional and the client, answering basic questions or giving general information while agents are away from their computers.

When creating a chatbot, consider giving the bot a personal touch to align with your business's brand image and humanize the interaction. To let clients know they are talking to a bot, the bot can also be given a "bot name." This generates transparency while fostering a friendly tone. Manychat and MobileMonkey



are excellent options for creating powerful Facebook chatbots without requiring much technical expertise.

## Ads

Organic reach on Facebook has declined over the past few years, even for larger account pages. There are two factors: an increased amount of competition and changes in Facebook's algorithm to show less business content in users' news feeds. Creating ads with the right content doesn't have to be tedious; in fact, it can be scheduled and seamless. Ads are a way to get in front of potential customers without having to navigate Facebook's News Feed algorithm.

**3 Cross-channel video marketing.** As someone working in real estate, you'll find it's worth investing time and resources into video marketing to share content across all channels in 2019. Only 38 percent of NAR members currently use video marketing, yet more than three-fourths (78 percent) of the world's mobile data traffic is predicted to be video by 2021. It's better to get ahead of the curve now.

All social media platforms offer multiple ways to record and share video content. Agents should incorporate videos weekly, and the content should vary; consider making agent-centered videos, client-centered videos, and property or location previews. It's also important to format videos for use across all platforms. Keep videos short, simple, and focused on one purpose. In a previous article, I outlined four main types of real estate videos: introductions, testimonials, neighborhood tours, and open house videos. Here are some ideas for how to bolster your testimonial and listing videos:

## Make past clients comfortable

Powerful and authentic, video testimonials offer agents

and brokers a world of possibilities to showcase clients' satisfaction to connect with new leads. Some clients are very open to participating in video testimonials, so start with close contacts who may be viable sources. Once confirmed, give your clients clear expectations before filming and a list of questions so that they feel confident and prepared in advance. Agents should select clients who have unique, engaging, and positive feedback. Shoot in a convenient location and ensure the lighting, sound, and ambiance are top-quality.

## Drone footage

Consider using aerial drone videos to expand on the depth and space of a property, offering a more comprehensive snapshot. Highlight distinct property or neighborhood characteristics that clients may not otherwise notice. Using drone video for virtual tours creates a more natural and fluid experience in comparison with station-based methods, as drones can fly freely inside the listing and travel seamlessly to each room. Create an immersive drone video experience by adding background music or professional voice-overs with historical or listing feature information.

## Learning from the past

To begin planning for the new year, it's vital that real estate professionals evaluate 2018 metrics and key performance indicators. Some good signs of marketing success include funnel conversion rates, client engagement, return on investment, and retention. Evaluate your business results against these indicators to identify successes and opportunities from 2018, and then set clear expectations for 2019. Follow current marketing channels and use the data they provide to refocus and implement new social media strategies for the year to come.