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Inland Empire REALTOR

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

IVAR is a Leader Because Our Members Are – And You Can Too

FOR MORE INFORMATION GO TO PAGE 3





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IVAR is a Leader Because Our Members Are – And You Can Too



DONNA O'DONNELL, 2020 IVAR PRESIDENT

Former IVAR President Steve Manos serves the residents of Lake Elsinore on its City Council. Next year's IVAR President, Jesse Armendarez, serves the city of Fontana as its Mayor Pro Tem. IVAR member Ryan Hutchison is on the Rancho Cucamonga City Council. IVAR member Rey Santos is currently Mayor of Beaumont. IVAR member Bill Velto serves on the Upland City Council.

Other IVAR members serve as elected members on school districts, water boards and in numerous appointed positions. This network of members is a huge reason why IVAR has become such an indelible part of the communities we serve. Our members are leaders.

I want to encourage more Realtors to seek leadership. Be it at IVAR on our Board of Directors or a committee or in their communities, our members passion for the neighborhoods where they serve present and future homeowners makes them engaged leaders with the possibility of having a real and positive impact.

Each of our members who have become leaders came to it from a sense of duty to the ideas, community or organizations they believed in. Our board of directors, a volunteer group who give countless unpaid hours to lead IVAR, constantly help to refine an association that works for its members.

It's still early in 2020. If you've thought about what you can do to bring new ideas and thoughtful leadership to IVAR or to your community, now is the time to take that step.

Each year, IVAR hosts a Leadership Academy beginning in late summer to introduce more members to ways that they can grow into leadership at IVAR and beyond. This leadership academy has produced a number of our most engaged members today. It's an experience that connects students to leaders in their industry, their association and elected leaders in our region. It's also entirely free.

If you're interested in being part of our Leadership Academy, please contact our CEO, Mark Dowling, at <u>mdowling@ivaor.com</u> to learn more about signing up for the 2020 class.

If you're interested in learning more about our role in local, state and federal advocacy, please contact Government Affairs Director Paul Herrera at <u>pherrera@ivaor.com</u>.





PAUL HERRERA, GOVERNMENT AFFAIRS DIRECTOR

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REALTORS® Expect to Qualify Tax Portability Initiative for November Ballot

With the deadline to submit signatures weeks away, C.A.R. appears to have gathered the necessary signatures to qualify a new version of a tax portability initiative. The initiative would extend Prop 13 benefits to owner-occupant homeowners by allowing seniors 55 and older, disabled homeowners and victims of disaster more flexibility to transfer their current lower tax basis when moving.

The initiative would cover its tax losses by reforms in intergenerational transfers of Prop 13 and a change to commercial real estate. Under Prop 58, children and grandchildren are able to inherit the tax base of their parents residential real estate. The Realtors' initiative would protect that tax change for children and grandchildren who live in the inherited property. In the case of investment property, the property's value would reset to current market value for taxing purposes.

According to tax analysis, about two-thirds of this tax benefit for non-owner occupied properties are currently claimed by non-California residents. It also provides an incentive to keep many of these homes off the market, where they would become available to owner-occupants struggling with chronic low inventory of homes for sale.

The commercial real estate change would reform an area of law that currently allows

commercial property to routinely change hands without technically being considered a sale. Many commercial sales take place not by selling the property, but by selling the company that owns the property in a series of stock transfers. Under the Realtors' initiative, once 90% of the stock is sold over a period of 5 years, the real property assets of the corporation are also considered to have been sold and they would reassess to the valuation of that sale.

Overall, the initiative would create additional tax revenue while making it easier for millions of Californians to move without triggering thousands annually in new taxes.

Insurance Commissioner Visits Riverside To Discuss Fire Insurance

On Friday, February 21, Insurance Commissioner Ricardo Lara led a roundtable discussion on Fire Insurance organized by Senator Richard Roth and Assembly Members Jose Medina and Sabrina Cervantes. The elected representatives invited leaders from local Realtor associations as well as local government officials and fire fighters to discuss how to address growing problems with insurance meant to protect homeowners against losses in wildfires.

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Losses due to wildfire have hit a crescendo in recent years. Ten of the 20 most destructive fires in California's history have come in the past four years. With insurance losses mounting, thousands of California homeowners have received cancellation notices from their insurers. Thousands more are facing significant rate increases, often in the thousands of dollars per year.

Lara previewed debate on newly introduced legislation that could guarantee coverage for homeowners who invest in firehardening their homes and properties. He also discussed his office's efforts to increase transparency in rate setting and risk assessments by the insurance industry.

Prop 13 on your ballot is not actually about Prop 13

Members have expressed confusion about Prop 13 on the March ballot. The version on your ballot is not related to the landmark 1978 Prop 13 that enshrined some tax protections into the California constitution.

The current Prop 13 is a \$15 billion state bond for school construction ranging from K-12 to higher education. It's designed to build new schools, retrofit older ones and restructure how projects are prioritized (such as giving priority for seismic retrofits or removal of hazardous materials such as asbestos). These bonds are state general obligation bonds repaid through the state's general fund – not through new local property assessments.

The initiative does, however, allow local school districts to issue higher amounts of bonds, which could impact local property taxes with voter consent.

C.A.R. is neutral on this initiative.

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 <u>www.car.org/governmentaffairs/raf</u>.

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





Spotlight on Unequal Treatment and Steering by Real Estate Agents

A three-year investigation uncovered rampant unequal treatment and steering of potential minority homebuyers by real estate agents on Long Island. The investigation, conducted by Newsday, relied on paired testers secretly recording over 90 different agents and involving over 5000 listings.

Minority testers were routinely directed toward more integrated neighborhoods than their white counterparts, shown fewer house listings, put under greater financial scrutiny, and generally received unequal treatment. Black testers experienced unequal treatment nearly 50% of the time, while for Hispanic and Asian testers comparable figures were 39% and 19%, respectively.

The investigation contained example after example of agents who were often consciously aware of fair housing laws but who nonetheless used both direct and coded language to steer potential home buyers based on race. Unsolicited suggestions and comments included: "Follow the school bus," "...go there at 10:00 at night with your wife..." and "...[they] came in and they really took over..."

The law and Code of Ethics are clear: It is both illegal and unethical for a real estate agent to influence a prospective buyer's choice of housing by failing to show listings or real property, failing to provide or volunteer information to any person, or channeling or steering any person away from real property on account of the person's race or the racial composition of the community in which the property is located. Additionally, unequal treatment through imposing greater financial requirements on account of a person's race is completely illegal.



Form CCPA is now Bundled with the Agency Disclosure and Should be Provided to Your Clients

The California Consumer Privacy Act ("CCPA"), which goes into effect on January 1, imposes certain obligations on "3rd party" companies that are otherwise exempt from the law. This would include many brokers, regardless of their size or data use, if they have received data from a CCPA covered business. The law requires these "3rd party" companies to provide a consumer with explicit notice of their right to "optout" of the sale of their data that was received from the CCPA covered business before that data is sold or shared again by the 3rd party company. Additionally, the MLS model rules now require that all MLS participants or subscribers comply with the 3rd party CCPA notice requirements.

To facilitate compliance with the consumer privacy law, a new C.A.R. form "California Consumer Privacy Act Advisory" (CCPA) has been created. It is bundled with the Agency Disclosure and should be provided to your clients at the same time as the Agency Disclosure.

At Housing Affordability Policy Forum, NAR Examines Racial Homeowner Gap

WASHINGTON (February 6, 2020) – While housing affordability concerns intensify throughout the U.S., the gap in homeownership rates between white and black Americans recorded at the end of 2019 is larger than it was over 50 years ago. At the National Press Club in Washington, D.C., the National Association of Realtors[®] hosted discussions examining the issue and the various factors pushing homeownership out of reach for American families.

During a session at NAR's second-annual Policy Forum, panelists highlighted proposals that would tackle housing supply constraints; improve access to credit for mortgageready Americans; and increase post-purchase support and counseling programs, among others. NAR continues to contend that sustainable and affordable homeownership is essential toward improving households' long-term net worth and financial security.

"In 2020, there is still a persistent gap in homeownership rates between whites, African Americans, Hispanic Americans and Asian Americans," said Bryan Greene, NAR's Director of Fair Housing Policy. "On one hand, you might expect there to be a lower homeownership rate among minority Americans, as a history of discrimination in this country has left many with lower incomes... and less generational wealth to pass on for down payments and the like.

"We've seen homeownership rates among racial groups steadily rise, but I think many of us would have expected rates to have risen more. We did see that happen for a period from the early 90s to the early part of this century, but dramatically, at least for African Americans, we started to see that homeownership rate decline – so much so that last year the homeownership rate for African Americans dipped below the rate in 1968 when the Fair Housing Act was passed."

Greene was joined by Jim Park, chairman emeritus of the Asian Real Estate Association of America; the Urban Institute's Alanna McCargo; and National Association of Real Estate Brokers President Donnell Williams. Greene served for 29 years at HUD's Office of Fair Housing before joining NAR in 2019. "Along with the individuals joining me today and the groups they represent," Greene continued, "we're continuing to explore the dimensions of this problem, the contributing factors and the solutions to help close the racial homeownership gap."

NAR recently announced sweeping changes in its approach to housing discrimination, last month unveiling a proposal that would review state real estate licensing laws; create a voluntary fair-housing testing program; and institute new training programs across the association. NAR's eight-member Leadership Team voted unanimously to approve the new plan in early January.

In addition, NAR, NAREB and the Urban Institute last year convened a roundtable focused on this goal of bolstering African American homeownership rates. Despite fifty years of federal efforts, white homeownership rates of 73.7% still significantly exceed the 44% rate for black Americans, according to the latest figures from the U.S. Census Bureau. A five-point framework that can be applied across all minority communities emerged from last year's conversations and continues to be expanded upon as the groups work together to tackle the issue.

"The fact that homeownership rates for African Americans have regressed in spite of the presence of fair housing laws makes clear that various institutional challenges still must be faced and defeated," said NAR President Vince Malta, broker at Malta & Co., Inc., in San Francisco. "By strengthening post-purchase counseling; funding programs to prevent foreclosure for low- and moderate-income and vulnerable families of color; and building tools that help create earlywarning displacement triggers, we can ensure first-time homebuyers have the knowledge and resources to remain homeowners for the rest of their lives."

What They're Saying: Highlights from NAR's Housing Affordability Forum

WASHINGTON (February 12, 2020) – Over 300 government officials, academic experts and industry stakeholders gathered last Thursday in Washington for the National Association of Realtors[®]' second annual Policy Forum. Panelists across a half dozen sessions offered perspective on the lack of housing supply, mortgage credit access and the racial homeownership gap. The full day's events can be viewed <u>here</u>.

"With housing affordability set to be one of the defining policy issues of this decade, it is imperative for NAR... to lead discussions that will generate solutions to this problem," NAR President Vince Malta said after the forum. Here are a few highlights from last Thursday's discussions:

Pam Patenaude, former deputy secretary at HUD

"Housing is not necessarily headline news every day. I'm pleased that this administration has embraced this challenge [of housing affordability]. The President has created the White House Council on Eliminating Regulatory Barriers, and the Realtors[®] are playing a huge role by responding to their Request for Information...

"The Realtors[®] play an enormous role in communities across the country... [Even though] their day job is a hard job, they make time to make housing affordability an issue in their communities and share their strength."

Remarks prepared for Brian Montgomery, Federal Housing Commissioner

"We understand from the Realtors[®] that there are a number of suggestions for HUD and FHA to remove impediments and improve incentives for affordable housing, including rules related to private flood insurance, HUD counseling, Opportunity Zones and the recently-passed Condo rule...

"Rest assured, our commitment to reduce the affordability gap, increase the supply and ensure we can focus limited resources on solving other aspects of both demand-side and supply-side deficiencies are paramount."

Stockton Williams, executive director, National Council of State Housing Finance Agencies

"I really appreciate everyone at the National Association of Realtors[®] using this forum this year to talk about housing affordability. I think everybody knows that when NAR's members get organized and focused on a policy issue, things in Washington happen."

Steve Francks, CEO of Washington REALTORS®

"Rather than focusing on just one area of this massive problem, [the Washington Realtors®] decided to group together a range of legislation that addressed housing, from [serving] the most vulnerable populations, to addressing the infrastructure, to condo reform, to incentives to increase density and supply. We wanted to... deliver a message of reform and market-based solutions that addressed the housing shortage over the entire spectrum."

Julia Gordon, president of the National Community Stabilization Trust

"This is such an important conversation, and what I see today is a lot of creativity out there, as well as some big and very, very wide coalitions working together... So, thanks to everyone at the Realtors[®] for being such a great partner on so many projects right now."

Muriel Bowser, District of Columbia Mayor

"You mentioned our commitment to local funding and funding gaps for building new units. We've had a tool in the District [for about 15 years], our Housing Production Trust Fund, where we [dedicate] a portion of our deed and recordation taxes to the Housing Production Trust Fund – so thank you, Realtors[®], for making sure that part of our economy continues to churn... Because we've been consistent, our development partners tell us they are ready to build more units because they know the city is going to be there. We have created more demand for HPTF, which means more units."

Lawrence Yun, chief economist at the National Association of Realtors®

"Home sales – even with record low unemployment and high job creation – are not breaking higher. We need to ensure there is an adequate [tax] incentive to bring more new homes to the market... If homeownership isn't rising, the wealth divide will expand between the haves and havenots. [And If the homeownership rate continues to lag behind historical norms] one has to wonder: Are we turning into a renter nation?"

> Access NAR and Rosen Consulting Group's White Paper, unveiled at the February 6 Policy Forum, reiterating the case for homeownership while calling on Congress to restore homeownership incentives in the U.S. tax code. This research found that, since 2013, the median family net worth for all homeowners has increased by nearly 15%, while net worth declined approximately 9% for renter families over the same period.



Housing Data Report January 2020

The Voice of Real Estate in the Inland Empire[™]



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

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Mark Dowling, Chief Executive Officer

- 2020 is starting off strong with one caveat. Although Pending Sales were up 17.6%, Sold Listings were up 18.3% and total Sales Volume was up 26%, January New Listings were down 10.5%.
- Median Sales Price was up 6.1% (\$411,500) in January 2020 vs. January 2019.
- Days on Market continues to decrease, which is still reflective of a competitive market with limited inventory.







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Jan 2020 City Overview As a service and convenience to our members, IVAR is pleased to offer several "Quick Look" reports. This is one more way for IVAR members to stay informed with minimal effort.

The following monthly data shows "YEAR-OVER-YEAR" (YOY) changes as well as current conditions in the real estate market											
	YOY Sales Transactions	YOY Median Sales Price %	Median Price \$	Sales Active Listings	Price per Sq.Ft.	Total Days on Market					
Alta Loma	10%	♠ 0%	\$ 62	9,250 15	\$ 279	37					
Banning	1 21%	-10%	\$ 25	0,000 54	\$ 178	61					
Beaumont	122%	1 3%	\$ 34	5,000 106	\$ 176	29					
Bloomington	-24 %	1 6%	\$ 35	0,000 23	\$ 233	14					
Calimesa	100%	14%	\$ 38	5,000 17	\$ 192	29					
Chino	10%	1 5%	\$ 50	0,000 84	\$ 260	49					
Chino Hills	♠ 69%	1 9%	\$ 69	2,250 91	\$ 321	64					
Claremont	100%	∳ -6%	\$ 69	4,000 25	\$ 364	29					
Colton	1 79%	1 7%	\$ 30	9,500 56	\$ 232	28					
Corona	- 7%	-4%	\$ 49	0,000 234	\$ 260	33					
Diamond Bar	1 55%	1 9%	\$ 62	5,000 63	\$ 358	80					
Eastvale	♠ 3%	1 0%	\$ 56	57,650 54	\$ 204	38					
Fontana	1 51%	12%	\$ 43	5,000 202	\$ 232	33					
Hemet	12%	1 1%	\$ 25	5,000 264	\$ 160	44					
Highland	<mark>-∋ 0%</mark>	♠ 8%	\$ 37	4,000 61	\$ 214	34					
Jurupa Valley	1 50%	1 5%	\$ 48	2,500 54	\$ 245	30					
La Verne	- 7%	1 35%	\$ 68	0,000 18	\$ 361	28					
Lake Elsinore	1 2%	1 8%	\$ 37	6,750 143	\$ 191	35					
Menifee	1 25%	- 1%	\$ 37	0,000 243	\$ 189	37					
Montclair	-21%	1 3%	\$ 44	0,000 8	\$ 296	24					
Moreno Valley	12%	1 5%	\$ 34	9,900 219	\$ 208	27					
Murrieta	1 31%	1 5%	\$ 42	9,000 258	\$ 199	39					
Norco	189%	1%	\$ 58	3,500 34	\$ 286	62					
Ontario	19%	1 6%	\$ 45	5,000 127	\$ 261	27					
Perris	- 11%	1 3%	\$ 33	3,500 112	\$ 199	20					
Pomona	128%	1%	\$ 44	4,000 86	\$ 315	33					
Rancho Cucamonga	11%	♦ 0%	\$ 51	5,000 178	\$ 284	29					
Redlands	-19%	1 6%	\$ 40	4,500 82	\$ 264	28					
Rialto	1 55%	1%	\$ 36	2,500 82	\$ 244	27					
Riverside	♠ 8%	1 5%	\$ 42	20,000 419	\$ 252	23					
San Bernardino	- 5%	1 7%	\$ 31	7,000 243	\$ 220	37					
San Dimas	1 50%	1 3%	\$ 61	0,000 27	\$ 358	14					
San Jacinto	<mark>-∋ 0%</mark>	1 2%	\$ 31	3,874 89	\$ 162	44					
Sun City	-∋ 0%	r 2%	\$ 25	1,250 26	\$ 167	24					
Temecula	1 22%	1 5%	\$ 47	1,250 190	\$ 228	43					
Upland	1 9%	r 12%	\$ 60	3,000 68	\$ 293	41					
Wildomar	♠ 82%	- 6%	\$ 37	75,000 48	\$ 186	21					
Winchester	147%	1 5%	\$ 41	5,000 81	\$ 181	40					
Yucaipa	18%	11%	\$ 39	7,500 62	\$ 242	41					

INLAND VALLEYS ASSOCIATION OF REALTORS

Jan 2020 - 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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INLAND VALLEYS

Jan 2020 - Top Communities with New Listings (year-over-year)

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00% -80%	-60%	-40%	-20%	0%	20%	40%	60%	80%	100			
Montclair	24											
Colton	57											
Jurupa Valley	62											
San Dimas	34											
Lake Elsinore	158											
Menifee	211											
Upland	77											
Redlands	77											
Moreno Valley	190											
Murrieta	224											
Banning	58					Legend:						
San Bernardino	238											
Beaumont	96					The colum						
Highland	55					the left is t						
Hemet	206					 listings in e month. 	oriast					
Eastvale	60		I			monun.						
Wildomar	51		I			The bars s	nnual					
Pomona	81					percent ch	e the					
Ontario	146					same mon	ago.					
Fontana	172					_						
Perris	101					-						
Riverside	334											
Claremont	29											
Yucaipa	52											
San Jacinto	71											
Temecula	173											
Rancho Cucamonga	163											
Norco	22											
Alta Loma	13											
Calimesa	15											
Chino	82											
Bloomington	13											
Diamond Bar	61											
Chino Hills	87											
Corona	204											
Rialto	72											
Sun City	19											
La Verne	27											
Winchester	35											



Sell Price vs Original List Price

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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.



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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 <u>C2EX.realtor</u> by taking the self-assessment today!



