

INLAND EMPIRE REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

PROTECTING THE AMERICAN DREAM: Homeownership Must Remain a National Policy Priority

FOR MORE INFORMATION GO TO PAGES 6-7





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JUNE 2020

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Covid Challenges Bring out IVAR and our Members' Strength



DONNA O'DONNELL,
2020 IVAR PRESIDENT

When Covid 19 seemed an ocean away, a time that goes back less than four months, the real estate industry was grappling with how to make housing that's affordable to working families who could not keep up with the pace of price increases in a strong economy. Homes sold fast, at rising prices and with a great job market backing both growing values and tough challenges for home buyers.

Over the course of four weeks in March, we went from business as usual to not knowing how we would be able to keep operating following a statewide stay-at-home order issued in the closing days of that month. The legislature went home. Networking events and meetings – really anything larger than a family dinner – was taken off our schedules.

Would anyone be able to shop for homes, process transactions or record them? Would anyone pay rent or the mortgage? Would sales in progress fall apart and a new housing crisis emerge from a health crisis?

At no point in our recent history has IVAR been busier with efforts to help members navigate their challenges. In March and April, we had to map and examine every possible step of the transaction and troubleshoot ways to keep your business going safely. We worked with cities, with the state and local health officials and with our affiliate members to try to identify every point where an issue could derail someone's purchase of a home.

There were many. Lending issues became unpredictable as requirements changed overnight and changed again the next day. Normal work, like home inspections, appraisals or notarization, briefly became outlaw activities while we worked out what was permitted and what wasn't before successfully lobbying

for essential industry designation. For a time, there was no legal cause for a Realtor or most professionals involved in a home sale to leave their residence.

We moved our dialogue from board rooms and classrooms to Zoom and found a way to troubleshoot every issue that came up. We engaged in dozens of negotiations with government agencies on everything from eviction moratoriums to how to process essential documents in transactions. Most recently, we had to figure out how foreign sellers could get documents notarized when the consulates are closed for such services.

For members struggling with loss of revenue and bills, our state and national associations worked hard to ensure independent contractors could benefit from relief programs. That included, for the first time, unemployment assistance for non W-2 wage employees. It also included SBA loan and grant programs that opened doors of assistance to sole proprietorships.

I'm immensely proud of the work we've done as an association at the local, state and national levels to help our members weather a set of challenges that don't have any real parallel in our history. Still, we recognize that we continue to have more work to do. Covid is resurgent and the economic challenges are far from over. However, the housing market has continued to hold its ground.

It's truly testament to the resilience of our members that they adapted so quickly. They rose to the challenges and where they needed help, they had an association that could carry the ball to keep the business going. That same spirit is going to be important for some time as we continue to do the work that our members need now more than ever.



PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

Riverside County Covid Cases Rise and Could Impact Reopening

The Inland Empire is experiencing a resurgence in new Covid 19 cases since approximately June 12. The trend has been accelerating, with the 7-day rolling average of new cases topping 400 daily in the most recent report. The June 23rd report had more than 600 new cases.

Hospitalizations have also been growing, though the rate of new Covid deaths has been falling, according to figures provided by the Riverside University Health System.

For the real estate industry, this is a reminder to heed guidance from the State of California to protect your clients and yourselves as you show property. The state guidance document is available online at <https://covid19.ca.gov/pdf/guidance-real-estate.pdf>.

Open houses are specifically forbidden by the guidance. However, showings are possible if conducted under procedures provided by the state.

Bill to Break Commercial Real Estate Contracts Fails

SB 939, a bill that would have given broad authority for commercial tenants to walk away from lease contracts failed to pass the California Senate. The bill, which faced furious opposition from commercial real estate organizations and was opposed by the California Association of REALTORS®, would have allowed many California businesses to force their landlords to renegotiate their lease agreements. If the negotiations did not result in agreement, the tenant would be allowed to walk away from the remainder of their contract.

Legislation that Endangered Mortgage Lending Fails to Pass

AB 2501, a bill that would have forced long-term forbearance on many types of consumer debts, including leases and mortgages, failed to pass the California Assembly.

The bill was opposed by REALTORS® out of concern that the significant costs it would impose on lenders would make it significantly more difficult and expensive for Californians to access mortgage credit. Community banks and credit unions helped lead opposition out of concern that their losses could ultimately threaten the viability of smaller lending institutions.

Cities May Benefit from Fiscal Relief in State Budget

A tentative State budget agreement includes some financial relief funds to help cities who have seen their local revenues plummet as a result of Covid-related business shutdowns. While larger cities would receive the lion's share of available funds, all cities are possible beneficiaries of relief funds based on the size of their population.

For the Inland Empire, the relief funds provided in a recent projection would include a high of almost \$28 million for the city of Riverside to a low of \$155,451 in Grand Terrace.

While the funding amounts don't close the budget gaps that have emerged in cities, counties and other jurisdictions in California, they should provide some needed relief. Cities and counties have adopted a variety of strategies to cope with the revenue losses, including some layoffs, hiring freezes, postponement of capital projects, maintenance deferrals and use of rainy day funds.

Support our Mission, Support the REALTOR® Party

The most important thing each member can do to support our government affairs work is to stay informed and help spread the word on important issues to your colleagues, clients, friends and neighbors. Nothing is more important than your time, including the time you devote to making your voice heard at the ballot box each election day.

Our work is supported through voluntary contributions made by members to the REALTOR® Action Fund. These annual contributions of \$49 or more help ensure that we have the resources to research important issues, communicate with our members and mobilize our industry to have the impact necessary to make a difference.

You can make a contribution as you renew your membership – or anytime by going to www.car.org/governmentaffairs/raf.

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



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PROTECTING THE AMERICAN DREAM:

Homeownership Must Remain a National Policy Priority

By: John Smaby | June 28, 2019 | Published in Politico

While the nation recognized National Homeownership Month in June, the fight to protect and preserve the American Dream endures all year long. Perhaps better than any other group, Realtors® recognize and understand how homeownership has the potential to change lives and enhance futures for people from every background and in every corner of this country.


Homeownership encourages people to build roots and invest in their neighborhoods. It is well documented that homeowners volunteer, serve on community boards and are even more likely to vote in local elections. What's more, studies have shown that the children of homeowners perform better in school and go on to earn more money as adults.

Across the U.S., real estate accounts for one-fifth of our Gross Domestic Product. That figure totals more than \$3 trillion – and represents a key driver of our national economy.

However, homeownership can be a challenge for some consumers. Rising home prices, housing supply shortages and depressed rates of new construction are making it increasingly difficult for many families and first-time buyers to achieve homeownership.

This was true for first-time homebuyers Daphne Clyburn and Michael MacEwen. The newly-wed couple always knew they wanted to be homeowners. They started saving early for their future down payment, and had a financial plan to account for household expenses. Despite all their planning, the competitive housing market in their area made it





difficult to find a home in their price range. Working with a Realtor®, they learned they were able to qualify for first-time homebuyer programs. Daphne and Michael persevered and found the place of their dreams in Maryland, not far from our nation's capital.

In a recent study, 9 out of 10 millennials said they currently want to buy a home despite the fact that only 4.4 percent plan to do so in the next year, thanks in part to affordability concerns and student loan debt that continues to burden a significant portion of this population. Despite all of that, Daphne and Michael are a great example of first-time homebuyers who are able to live out the American Dream of homeownership thanks to the right planning and assistance.

All across the country, America's 1.3 million Realtors® are engaged with private partners, housing industry trade groups and lawmakers at every level of government to raise awareness about the challenges facing home buyers and to promote solutions that address critical national housing needs.

Home sales in this country support more than 2.5 million private-sector jobs in an average year. For every home sold, nearly two jobs are created. There is perhaps no sector more important to America's economic engine than ours.

Recognizing this, homeownership has had the long-standing support of our federal government, with policymakers in Washington advancing various policies that promote responsible, sustainable homeownership for much of the past century.

Arguably the best example of the federal government's commitment to homeownership is our nation's housing finance system. For roughly five decades, Government Sponsored Enterprises, also referred to as the GSEs, have protected the possibility of a 30-year fixed rate mortgage while promoting a national mortgage market that ensures responsible, mortgage ready Americans like Daphne and Michael can indeed become homeowners.

With the Federal Housing Finance Agency now under the leadership of Director Mark Calabria, conversations surrounding the future – and reform – of Fannie Mae and Freddie Mac are escalating. But while unity surrounding any specific policies has yet to emerge in

Washington, Realtors® have a ready-made, pragmatic and workable plan for GSE reform in hand.

Our solution is a new utility model that highlights competition and remedies the failures of the pre-crisis system, ensuring market oversight without regulating away from free market growth potential. Most importantly, as utilities, Fannie and Freddie's foremost priority would be to serve the public mission instituted by Congress when they were first chartered.

Because of the GSEs, homebuyers in Springfield, Missouri and Springfield, Massachusetts have equal access to a mortgage and pay nearly identical rates. Fixed rate 15- and 30-year mortgages are made available and protected by our housing finance system, as well. Consider the alternatives if these benefits were to disappear, and the impact that would have on homeowners and home values across small town America.

Realtors® believe – as Congress emphasized when they first authorized the GSEs – that responsible and creditworthy homebuyers should never pay more for or be unable to secure a mortgage simply because of where they live.

Ultimately, homeownership must remain a priority on the national policy agenda because it affects all Americans. The National Association of Realtors® (NAR) is who we are because of our work to defend property ownership and private property rights, but our association's overriding commitment is to ensure homeownership is always in reach for those who have worked hard and have made the sacrifices necessary to secure a mortgage.

As the housing industry continues to evolve in the 21st century, Realtors® are also embracing the technology that consumers use to search for homes. In many instances, in fact, NAR is driving that innovation. But as real-estate agents and consumers become more tech-enabled, Americans on both ends of the transaction are still finding that a real-estate professional's guidance is more important than ever. Recent data has shown that 90 percent of Americans who search online for property use a real-estate agent, while only 64 percent of those who do not search online use an agent.

Realtors® are more than agents and apps. We are community advocates who commit to a code of ethics and advocate for private property rights. In a transaction that is often the largest and most complex we will make in our lifetime, consumers want a trusted professional to guide them through this process. And there is no substitute for that.



Solid Homeownership is Capitalism's Best Defense

*By: Lawrence Yun, N.A.R. Chief Economist
Submitted to The Economist*

Though your newspaper's attempt at presenting the issue of homeownership in an expansive and historic view was engaging and unique ("Home ownership is the West's biggest economic-policy mistake"), the coverage was quite narrow and incomplete.

Homeownership rates vary wildly across countries for a variety of reasons. For example, to lump Romania – which went from zero private home ownership to a rate over 95% virtually overnight after the collapse of communism – as somehow a failure in homeownership policy is as absurd as implying that Japan has affordable home prices without acknowledging the country's declining population. For reference, consider home prices in Youngstown, Ohio, where population is falling and housing is exceedingly affordable, to verify if the two variables are related.

You correctly point out that the rapid rate of job creation in San Francisco has pushed home prices to record high levels, but this is more the result of misguided local policy that has prevented developers from building homes than anything else. In fact, while Texas and Utah have enjoyed even stronger job creation, home prices have remained manageable because construction has been relatively active.

We at National Association of Realtors® have been fervently advocating for increased housing supply and responsible lending standards. When Fannie Mae and Freddie Mac were bailed out by U.S. taxpayers, the federal government's primary motivation was defending the entities' foundational mission of providing accessible mortgages to creditworthy

Americans. But, in the aftermath of this bailout, mortgage default rates have plunged while profits returned to the government have been significant– far exceeding initial investments. Fannie and Freddie should have never gone off track, wrongly building an internal hedge fund to bet on the market and drive profit, but the American people have always viewed their mission of promoting responsible and sustainable homeownership as worthwhile.

Homeownership provides immense benefits for our country (economic growth), local communities (civic and charitable engagement), and for families (wealth building and performance outcome of children).

In your continued dismissal of the positive values of homeownership, a question should be asked: who would own real estate if not homeowners? Landlords, both small and corporate, and the government, but not the masses of private citizens living in the country? Would a corporate oligarch-controlled country provide for a better society? What about a government-owned country? Most students of both history and economics would resoundingly answer no.

A country that does not value property-owning democracy should expect eventual transition into socialism and the steady disrespect of property (according to John Locke's and Thomas Jefferson's definition of 'The Pursuit of Happiness'). Take a look on the other side of the European continent – where Romania has been steadily growing in the presence of democratic capitalism – and we see just how valuable the opportunity for private property is in the promotion and defense of prosperity, freedom and happiness.



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Housing Data Report May 2020

The Voice of Real Estate in the Inland EmpireSM



A report brought to you by the Inland Valleys Association of REALTORS® (IVAR)
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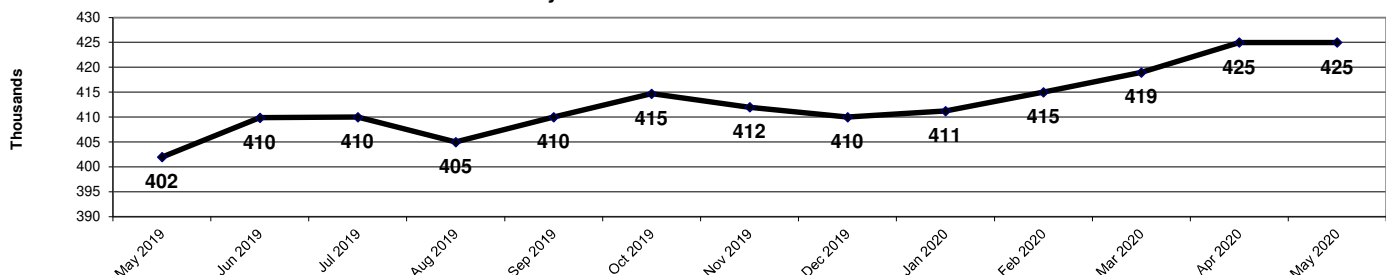
Mark Dowling, Chief Executive Officer

- Although New Listings were down 30.3% when comparing May 2020 versus May 2019, there was nearly 1,000 more New Listings in May 2020, than April 2020. As Buyers and Sellers begin to transition to the re-opening of the economy, the expectation is that New Listings will start to increase at a faster rate.
- Sold Listings are down 11.6% year-to-date, Median Sales Price continues to increase, 5.8%. Due to the decrease in New Listings, inventory (supply constraints) continue to favor Sellers seeking full value for their homes.
- With tight inventory, Days on Market continues to decrease. And in spite of COVID-19 and the subsequent lockdown, the need and desire of consumers to own their own home has not abated.



	May-2019	May-2020	Annual Change
Monthly New Listings			
New Listings	5,554	3,872	↓ -30.3%
Pending Sales	4,206	4,076	↓ -3.1%
Sold Listings	4,132	2,384	↓ -42.3%
Median Sales Price	\$402,000	\$425,000	↑ 5.7%
Sales Volume (\$M)	\$1,773	\$1,076	↓ -39.3%
Price/Sq.Ft.	\$224	\$229	↑ 2.2%
Sold \$/List \$	99.05%	100.00%	↑ 1.0%
Days on Market	21	17	↓ -19.0%
CDOM	25	18	↓ -28.0%

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.


Monthly Median Sales Price


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

Jan through May 2020 - YTD Comparisons

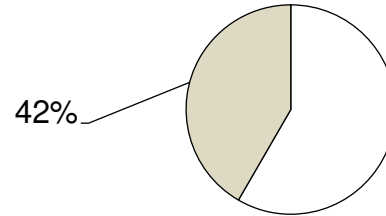
Inland Valleys Regional Summary

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We are 5 months through the year:

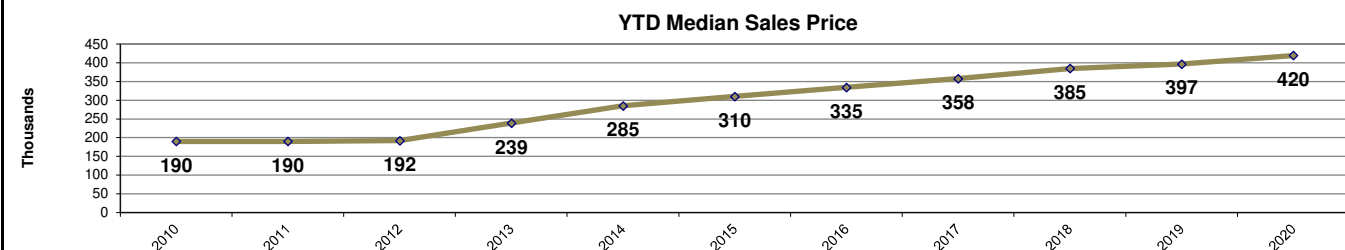
The statistics shown below are for the first 5 months of the years represented.

Month to month comparisons give you a quick way to see what is recently changing in the region. However, by comparing Year-To-Date (YTD) information across several years, you can observe more significant trends.



	Jan-May 2019	Jan-May 2020	Year-Over-Year Change
YTD New Listings			
New Listings	24,094	19,077	↓ -20.8%
Pending Sales	18,379	16,155	↓ -12.1%
Sold Listings	15,723	13,896	↓ -11.6%
Median Sales Price	\$397,000	\$420,000	↑ 5.8%
Sales Volume (\$M)	\$6,646	\$6,187	↓ -6.9%
YTD Closed Listings			
Price/Sq.Ft.	\$220	\$228	↑ 3.4%
Sold \$/List \$	98.53%	99.61%	↑ 1.1%
Days on Market	29	20	↓ -31.0%
CDOM	36	23	↓ -36.1%

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May 2020 City Overview

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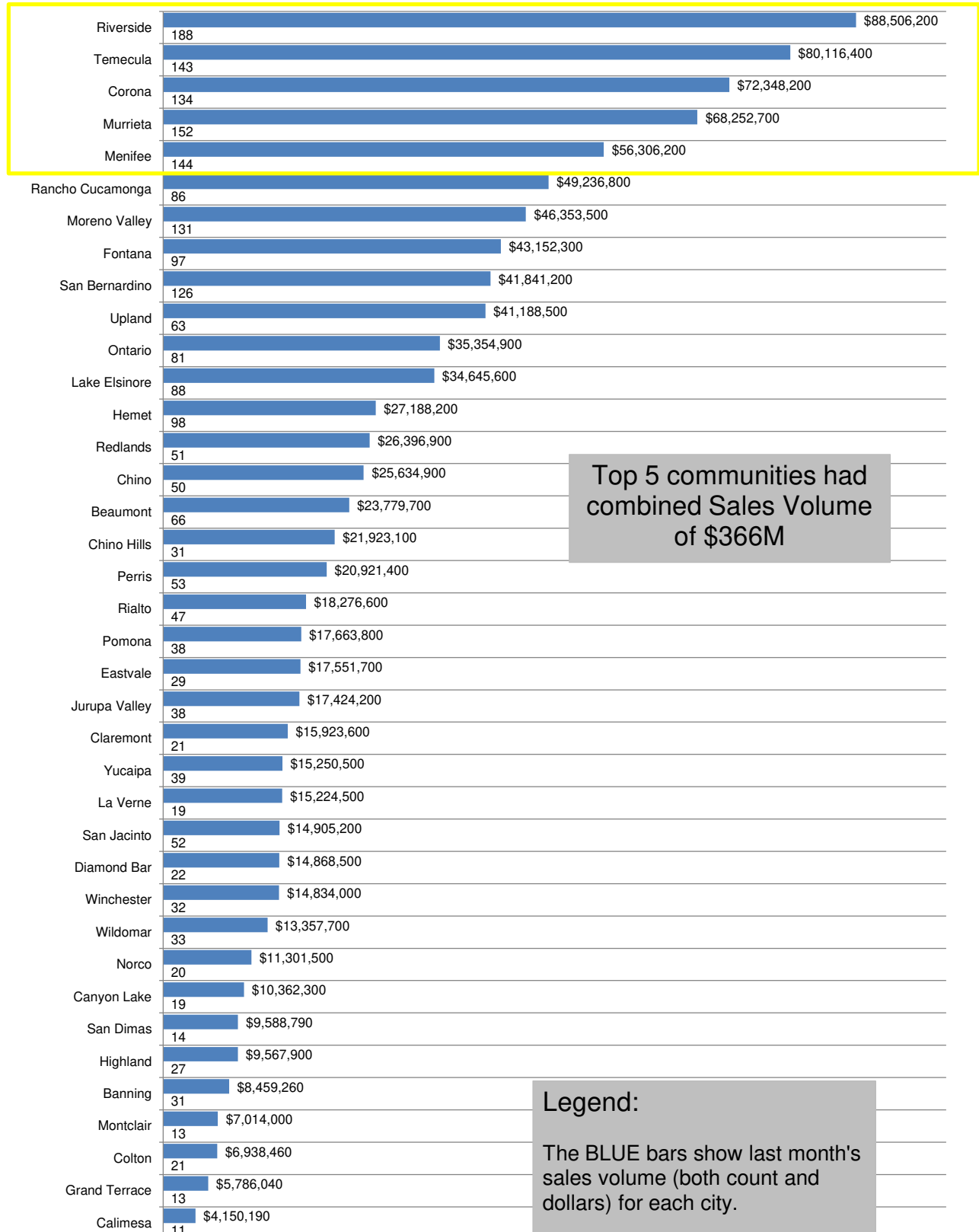
The following monthly data shows "YEAR-OVER-YEAR" (YOY) changes as well as current conditions in the real estate market

	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Active Listings	Price per Sq.Ft.	Total Days on Market
Banning	↓ -16%	↑ 6%	\$ 275,000	64	\$ 194	23
Beaumont	↓ -30%	↑ 5%	\$ 362,450	82	\$ 173	18
Calimesa	↓ -15%	↑ 21%	\$ 404,000	19	\$ 174	28
Canyon Lake	↓ -34%	↑ 11%	\$ 515,000	56	\$ 234	60
Chino	↓ -43%	↑ 8%	\$ 519,500	85	\$ 270	25
Chino Hills	↓ -58%	↑ 11%	\$ 705,500	74	\$ 330	24
Claremont	↓ -34%	↓ -6%	\$ 665,000	28	\$ 342	25
Colton	↓ -56%	↑ 11%	\$ 330,000	52	\$ 241	15
Corona	↓ -41%	↑ 8%	\$ 527,500	245	\$ 264	17
Diamond Bar	↓ -69%	↑ 5%	\$ 647,444	53	\$ 381	22
Eastvale	↓ -52%	↑ 7%	\$ 605,000	72	\$ 203	15
Fontana	↓ -46%	↑ 3%	\$ 445,000	198	\$ 243	15
Grand Terrace	→ 0%	↑ 17%	\$ 433,900	10	\$ 225	20
Hemet	↓ -56%	↑ 9%	\$ 284,450	211	\$ 168	24
Highland	↓ -54%	↑ 3%	\$ 360,000	60	\$ 221	12
Jurupa Valley	↓ -33%	↑ 7%	\$ 459,000	89	\$ 241	22
La Verne	↓ -34%	↓ -10%	\$ 630,000	17	\$ 396	25
Lake Elsinore	↓ -17%	↑ 8%	\$ 397,370	159	\$ 188	21
Menifee	↓ -32%	↑ 7%	\$ 400,000	220	\$ 191	25
Montclair	↓ -55%	↑ 10%	\$ 484,000	20	\$ 319	13
Moreno Valley	↓ -34%	↑ 6%	\$ 360,000	208	\$ 210	16
Murrieta	↓ -45%	↑ 3%	\$ 444,950	256	\$ 200	18
Norco	↓ -31%	↑ 4%	\$ 555,000	39	\$ 225	41
Ontario	↓ -38%	↑ 2%	\$ 445,000	153	\$ 277	17
Perris	↓ -47%	↑ 8%	\$ 365,000	117	\$ 180	24
Pomona	↓ -52%	↑ 9%	\$ 462,500	71	\$ 325	11
Rancho Cucamonga	↓ -47%	↑ 6%	\$ 530,000	186	\$ 300	21
Redlands	↓ -35%	↑ 10%	\$ 435,000	97	\$ 260	18
Rialto	↓ -35%	↑ 2%	\$ 375,000	67	\$ 257	13
Riverside	↓ -54%	↑ 7%	\$ 439,950	439	\$ 257	16
San Bernardino	↓ -38%	↑ 10%	\$ 323,500	241	\$ 221	19
San Dimas	↓ -53%	↑ 8%	\$ 639,950	25	\$ 351	35
San Jacinto	↓ -36%	↓ -4%	\$ 291,250	76	\$ 163	22
Temecula	↓ -37%	↑ 6%	\$ 505,000	187	\$ 236	18
Upland	↓ -18%	↑ 6%	\$ 578,000	98	\$ 308	14
Wildomar	↓ -39%	↑ 6%	\$ 390,000	55	\$ 181	12
Winchester	↓ -47%	↑ 6%	\$ 465,250	65	\$ 181	16
Yucaipa	↓ -22%	↓ -1%	\$ 380,000	81	\$ 222	18

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May 2020 - Sales Volume per City

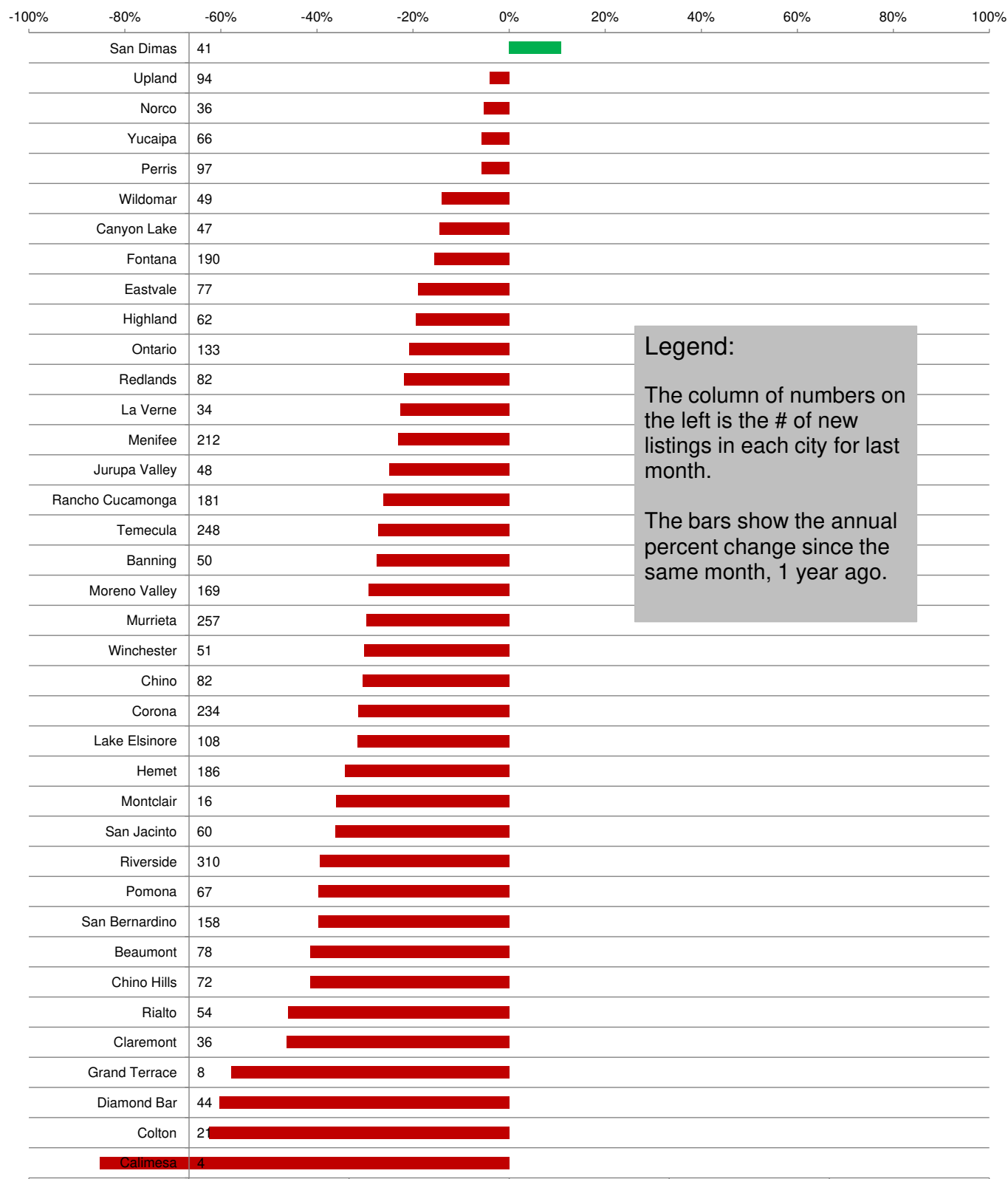
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May 2020 - Top Communities with New Listings (year-over-year)

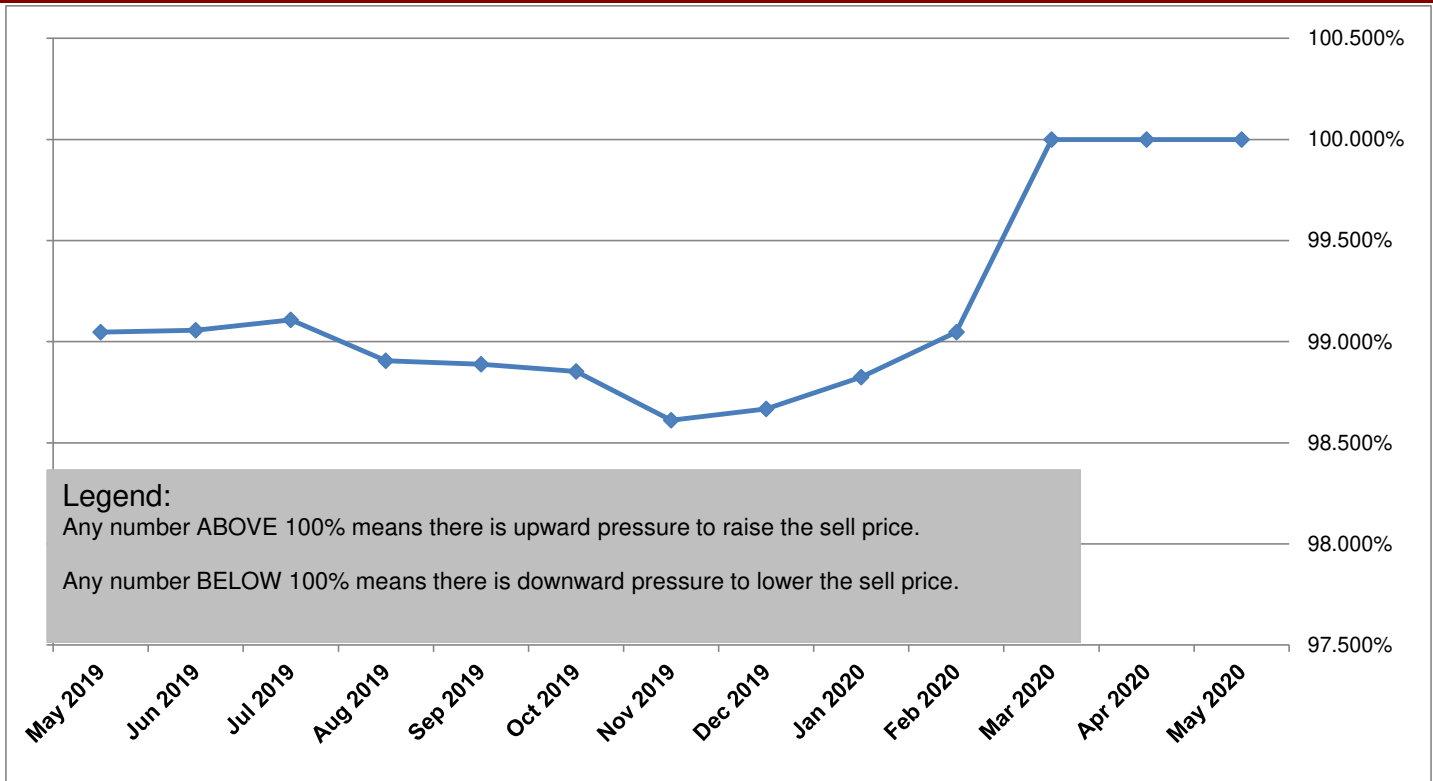
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Sell Price vs Original List Price

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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

