

INLAND EMPIRE REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

Poll: Consumers Expect Even Hotter 2021 Market

FOR MORE INFORMATION GO TO PAGE 7

2021



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JANUARY 2021

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In a Tough Year, IVAR and Its Members Continue to Meet Challenge



JESSE ARMENDAREZ,
2021 IVAR PRESIDENT

The new year opens very differently than any other new year in our history. Today, 10 months into our national efforts to keep Covid 19 in check through unprecedented actions, we've had to endure a rolling tragedy that has killed loved ones, sickened many more and put still more at threat of losing their homes after losing their jobs and businesses.

Housing and the real estate industry has been a rare bright spot in our economy. IVAR has grown as an association as real estate activity has moved into the Inland Empire along with thousands of former residents of Los Angeles County and Orange County. This is cold comfort for the losses and the sacrifices, but we can be proud of the work we have done to keep our industry and the people we serve on track since the beginning of the pandemic.

Last March, we worked to figure out how to navigate the lock down to safely update industry practices. Working with our local associations, the California Association of REALTORS® and the National Association of REALTORS®, we worked to implement safety guidelines that kept all aspects of the transaction on track wherever possible.

We communicated that with members and responded to almost daily quandaries that threatened to disrupt basic actions in our industry. Within three weeks of the first shutdown, REALTORS® had detailed guidance to help them to continue operating with appropriate safety measures provided by public health officials who worked with our state association. Even then, we continued troubleshooting specific items – everything from open houses to notarizing documents from clients abroad – to address specific issues at every turn.

Beyond all that, the real work was done by our members who, as always, relied on their deep well of resiliency and entrepreneurship to adapt to their clients' needs. Our affiliates, companies that provide title services, notary services, photography, home inspections, escrow and more, did outstanding work to keep our members and their clients on track.

We've had mourning to do and needed healing to accomplish and compounding worries that have put a lifetime of difficult days into the last 10 months. Hopefully, there are not too many more left as the vaccine starts push open the gates that have barred us from our lives for too long. Whatever the next few months brings, we know that we'll be able to work our way through it until we can get back to the social, handshaking, hugging, together-world we left behind last winter.

2021





PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

Prop 19 Takes Effect, Eviction Moratorium Extended



Prop 19 Makes Prop 13 Benefits Portable Statewide for Most Homeowners

The passage of REALTOR®- backed Prop 19 in November will officially make Prop 13 tax protections portable statewide for the majority of California homeowners this April. The initiative allows seniors 55-and-older, disabled homeowners and victims of disasters to transfer their Prop 13 tax basis on their primary residence when they move.

The following covers some of the broad strokes and basics of Prop 19 implementation. Individuals need to consult their own attorneys to understand how it may apply to them specifically.

The transfer of the Prop 13 assessment value is no longer limited to replacement homes that are equal or less expensive than the home being sold (as required under

Props 60 and 90) and is no longer restricted to the handful of counties that adopted Prop 90. In addition, the single-use limit in Props 60 and 90 are discarded and replaced with the ability to use the transfer up to three times.

In short, as of the implementation date of April 1, 2021, most California homeowners will be able to move without facing the tax penalty of losing their Prop 13 protections. The median age of California homeowners is over age 55.

The California Board of Equalization, which interprets tax policy, has issued guidance that sets the effective date as April 1, 2021. Specifically, BOE released a Q&A on January 8 advising that either the sale of the property or purchase of the replacement property should take place on or after the April 1, 2021 implementation date. Specific language is available on [BOE's website here on page 4](#).

Earlier [guidance from BOE](#) had posited that it may require both ends of the transaction to take place after the April 1, 2021 date.

C.A.R. has also issued an updated [legal Q&A regarding Prop 19 here](#). Please note that this Q&A was issued prior to the most recent revision by BOE on January 8th.

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Federal Eviction Moratorium Extended, California's Likely to be Extended Soon

On the first day of the new administration, President Biden extended the federal moratorium prohibiting many evictions through March 31st. The federal moratorium, first enacted by former President Trump last summer, was set to expire on January 31st.

January 31st is also the expiration date for a more sweeping California eviction moratorium enacted under AB 3088 in August. While the legislature has not yet taken action to extend the moratorium (as of this January 21st), we anticipate that a new extension will be enacted before the end of the month. Lawmakers have floated extensions that could last as little as two months and as long as the duration of 2021.

For rental owners, especially small rental owners who rely on the income, the extensions will continue the challenges that began last March as Covid forced lock downs, job losses and economic stoppages. However, there may be significant relief coming. California lawmakers and lawmakers in Washington DC have said that providing direct rental relief payments on behalf of struggling tenants is a priority in the upcoming Covid relief legislation. This could provide significant help to rental owners, some of whom have seen no income – and had no recourse – for nearly a year.

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@ivaor.com or on his cell phone at 951-500-1222.





NAR Reaches Agreement with DOJ on MLS and Commissions Rules

November 19, 2020
Katie Johnson

In November, NAR reached an agreement with the U.S. Department of Justice to develop rules that more explicitly state what is already the spirit and intent of NAR's Code of Ethics and MLS policies regarding providing information about commissions and MLS participation. Our rules and policies have long been recognized for creating a competitive and efficient market that benefits home buyers and sellers. This agreement resolves the DOJ's questions about the multiple listing service (MLS) and commissions and enables NAR to remain focused on supporting our members as they preserve, protect, and advance the American dream of homeownership. NAR 2021 President Charlie Oppler released a brief video message, below, regarding the agreement.

Expected Outcomes

Although the exact language is still being finalized for NAR's rule changes, most of the changes seek to more explicitly state what is already the spirit and intent of NAR's Code of Ethics and MLS policies regarding providing information about commissions and MLS participation.

In accordance with the MLS system's long-standing focus on creating an efficient, transparent marketplace for home buyers and sellers, the amount of compensation offered to buyers' agents for each MLS listing will be made publicly available. Publicly accessible MLS data feeds will include offers of compensation, and buyers' agents will have an affirmative obligation to provide such information to their clients for homes of interest.

Relatedly, the rule changes re-affirm that MLSs and brokerages, as always, must provide consumers all properties that fit their criteria regardless of compensation offered or the name of the listing brokerage.

While NAR has long encouraged buyers' agents to explain how they expect to be paid, typically through offers of cooperative compensation from sellers' agents, there will be a rule that more definitively states that buyers' agents cannot represent their services as free to clients.

Finally, with the seller's prior approval, a licensed real estate agent will have access to the lockboxes of properties listed on an MLS even if the agent does not subscribe to the MLS.

The Process for Adopting Changes

NAR will work with the DOJ to agree on exact rule changes within 45 days; then the Board of Directors will then have to approve the new rules. The court overseeing the settlement must formally approve it, at which point we anticipate that the new rules will take effect. NAR will keep members apprised of official rule changes as more details are available.

In entering this agreement with the DOJ, NAR disagrees with the DOJ's characterization of our rules and policies, and NAR admits no liability, wrongdoing, or truth of any allegations by the DOJ. The agreement does not subject NAR to any fines or payments.

We're proud to be associated with the MLS system that puts consumers first and benefits home buyers, sellers, and small-business brokerages—and is constantly building upon these principles. This agreement furthers NAR's and the MLS system's goal of creating an efficient marketplace that fosters cooperation between brokers for the benefit of consumers.

Visit [nar.realtor for more information and a set of frequently asked questions](#). Direct additional questions about the agreement to me at MLS@nar.realtor.

Poll: Consumers Expect Even Hotter 2021 Market

January 14, 2021

Sixty percent of home buyers and sellers say they're optimistic about the housing market in 2021, a leap above 2020's numbers, according to a new survey commissioned by Redfin. High earners and homeowners are the most upbeat, shows the survey of more than 1,400 people, which was conducted in November and December.

Nearly three-quarters of respondents who earn more than \$150,000 say the housing market will fare better in 2021 than 2020, the highest of any other income group. Also, 64% of homeowners believe the housing market this year will outperform last year. Sellers express more optimism than buyers; recent double-digit gains in home prices likely explain seller enthusiasm.

"Most homeowners are well aware that their home value has increased and they've become wealthier on paper over

the last year, and they're optimistic it will continue this year," says Daryl Fairweather, Redfin's chief economist. "That belief is well-founded. I expect price growth to continue throughout the year as remote work culture drives interest in moving to bigger homes in rural and suburban areas."

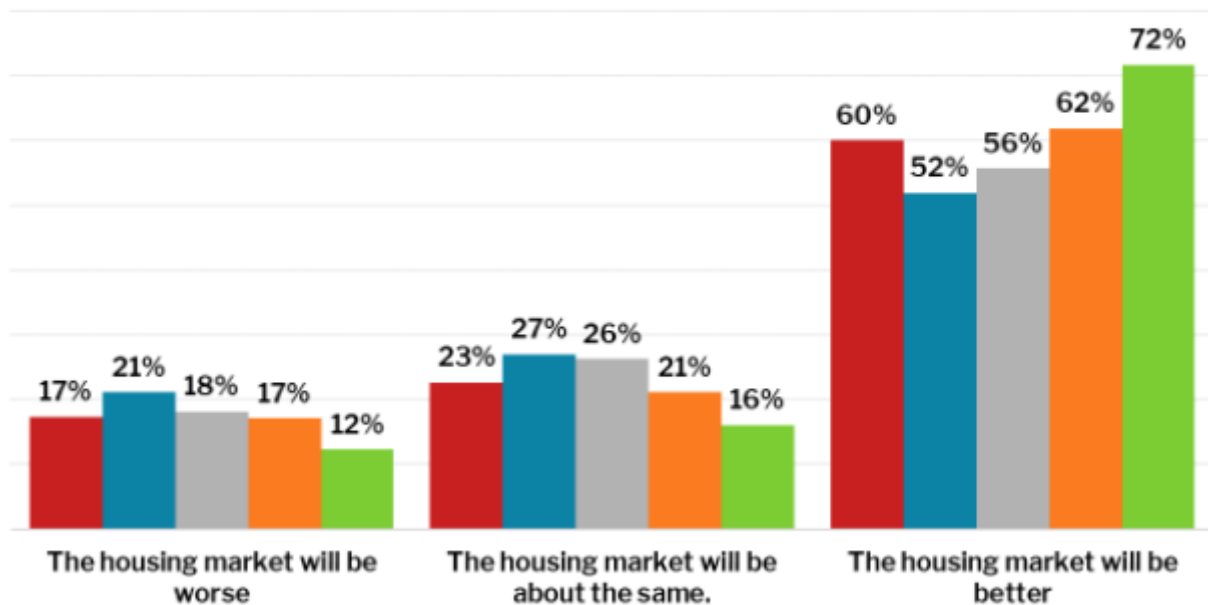
Fairweather says current homeowners are likely to benefit the most from the hot market, while first-time buyers will "have a hard time breaking into the market this year."

Nevertheless, half of renters express optimism about the housing market in 2021, according to Redfin's report. Renters may be drawn to record low mortgage rates and the possibility of greater inventory this year, Fairweather says. "But renters hoping to become first-time home buyers are also more discouraged by rising prices and competition because they don't get to use the proceeds from selling their current home to buy a new one."

Higher-Income Earners Are More Optimistic About the Housing Market Next Year

"Compared to this year, how do you think the housing market will fare next year?"

■ Overall ■ \$50k-\$74k ■ \$75k-\$99k ■ \$100k-\$149k ■ \$150k+



Source: Redfin survey

REDFIN

Realtors® Respond After FHFA, Treasury Announced PSPA Changes



January 15, 2021

WASHINGTON (January 15, 2021) – National Association of Realtors® President Charlie Oppler issued the following statement after the Federal Housing Finance Agency and U.S. Treasury Department on Thursday announced changes that will allow Fannie Mae and Freddie Mac to retain more of their earnings as important capital rather than passing them directly to the Treasury. While NAR appreciates administration efforts to ensure market stability and liquidity during the ongoing pandemic, the nation's largest trade association is concerned these changes would limit the Enterprises' ability to appropriately serve the overall U.S. housing market as intended, most notably as it relates to first-time buyers, those in underserved communities, investor properties and second home purchases.

"Fannie Mae and Freddie Mac have been dramatically transformed in the wake of the Great Recession, and NAR is glad to see them continuing to strengthen and stabilize as they fulfill their mission both in times of crises and prosperity," said Oppler. "While we are grateful additional steps were taken toward this goal on Thursday, much work remains in this

process and we look forward to furthering conversations with the current and future administration in effort to secure GSE reform that will protect American consumers, homebuyers and taxpayers alike."

The Government Sponsored Enterprises buy loans from lenders and bundle them into securities, which they sell to investors with a guarantee. But in order to back these guarantees, they need loss-taking capital. NAR has long supported GSE reforms and continues to advocate to lock in beneficial changes made since the 2008 financial crisis. Yesterday afternoon, [NAR brought together policy, academic and financial market experts to discuss the benefits of NAR's market utility option for consumers, taxpayers and markets.](#)

"Any considerations to limit financing on second homes, investor properties or entry-level borrowers will have a negative impact on borrowing costs and a broader impact on the rental market," Oppler, a Realtor® from Franklin Lakes, N.J., and the CEO of Prominent Properties Sotheby's International Realty, continued. "This would only undermine the GSEs' ability to fund many of their charter duties and appropriately serve U.S. taxpayers and consumers."



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Housing Data Report

DECEMBER 2020



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Dec 2020 - Monthly Summary Report

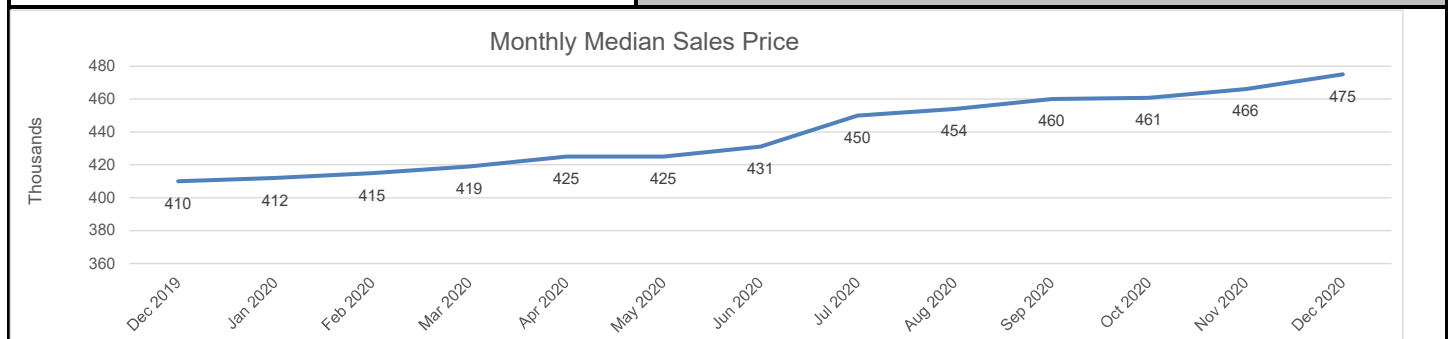
Mark Dowling, Chief Executive Officer

- Overcoming the adverse COVID-19 housing market impacts from earlier in the year, the Inland Empire housing market exploded the second half of 2020. Although New Listings were down 10.5% for the year, every other sales category improved over 2019. Comparing 2020 to 2019, Pending Listings were up 2.6%, Sold Listings up .7%, but Sales Volume was up 10.78% while the Median Sales Prices went up 9.9% for the year. Median Sales price ended the year in the IVAR region at \$475,000, for a December 19' vs. December 20' increase of 15.9%.
- However, due to an overall decrease in New Listings stemming from earlier this year, the overall housing inventory continues to remain very limited, resulting in a hyper-competitive market. December home sales were selling for 101% of their CRMLS list price.
- Linked to tight inventory, Days on Market for December decreased to a stunning 8 days, which is a decrease of 70.4%.



	Dec-2019	Dec-2020	Annual Change
Monthly New Listings			
New Listings	2,408	2,624	↑ 9.0%
Pending Sales	2,569	3,148	↑ 22.5%
Sold Listings	3,203	4,165	↑ 30.0%
Median Sales Price	\$410,000	\$475,000	↑ 15.9%
Sales Volume (\$M)	\$1,408	\$2,123	↑ 50.8%
Price/Sq.Ft.	\$225	\$255	↑ 13.4%
Sold \$/List \$	98.67%	101.11%	↑ 2.5%
Days on Market	27	8	↓ -70.4%
CDOM	32	9	↓ -71.9%

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.

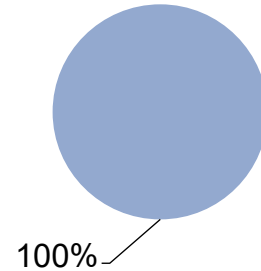


2020 - Year to Date Report

We are 12 months through the year:

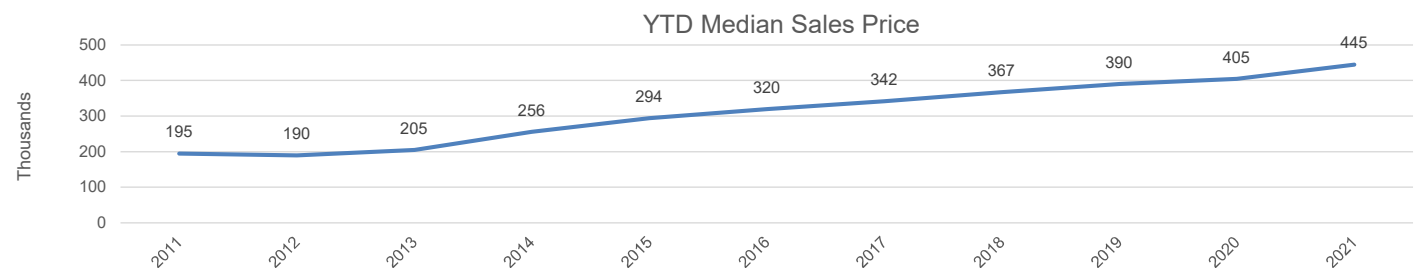
The statistics shown below are for the first 12 months of the years represented.

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-Dec 2019	Jan-Dec 2020	Year-Over-Year Change
YTD New Listings			
New Listings	53,582	47,953	↓ -10.5%
Pending Sales	42,893	44,003	↑ 2.6%
Sold Listings	41,232	41,526	↑ 0.7%
Median Sales Price	\$405,000	\$445,000	↑ 9.9%
Sales Volume (\$M)	\$17,822	\$19,731	↑ 10.7%
Price/Sq.Ft.	\$223	\$240	↑ 7.5%
Sold \$/List \$	98.77%	100.00%	↑ 1.2%
Days on Market	25	12	↓ -52.0%
CDOM	29	13	↓ -55.2%

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.

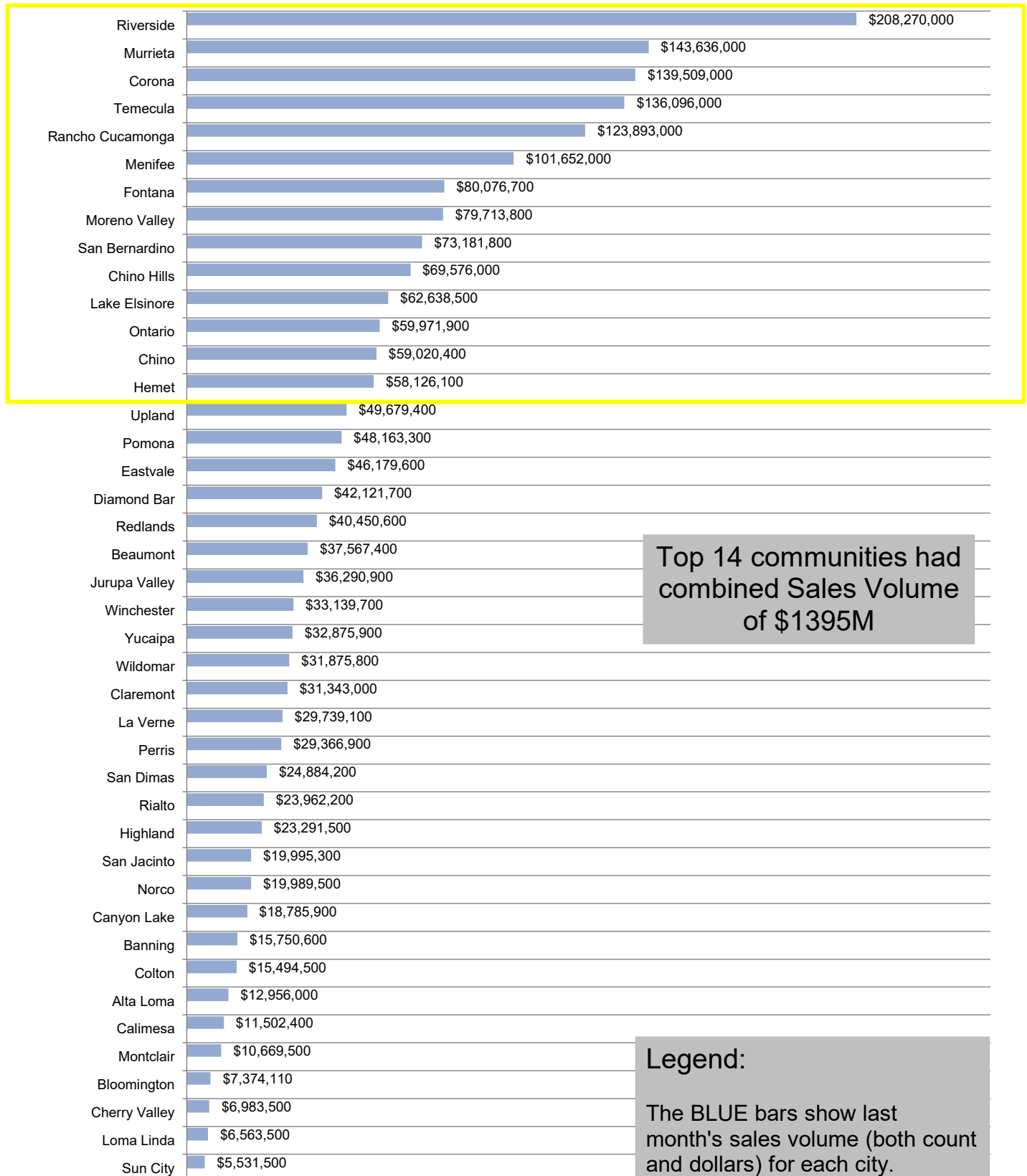


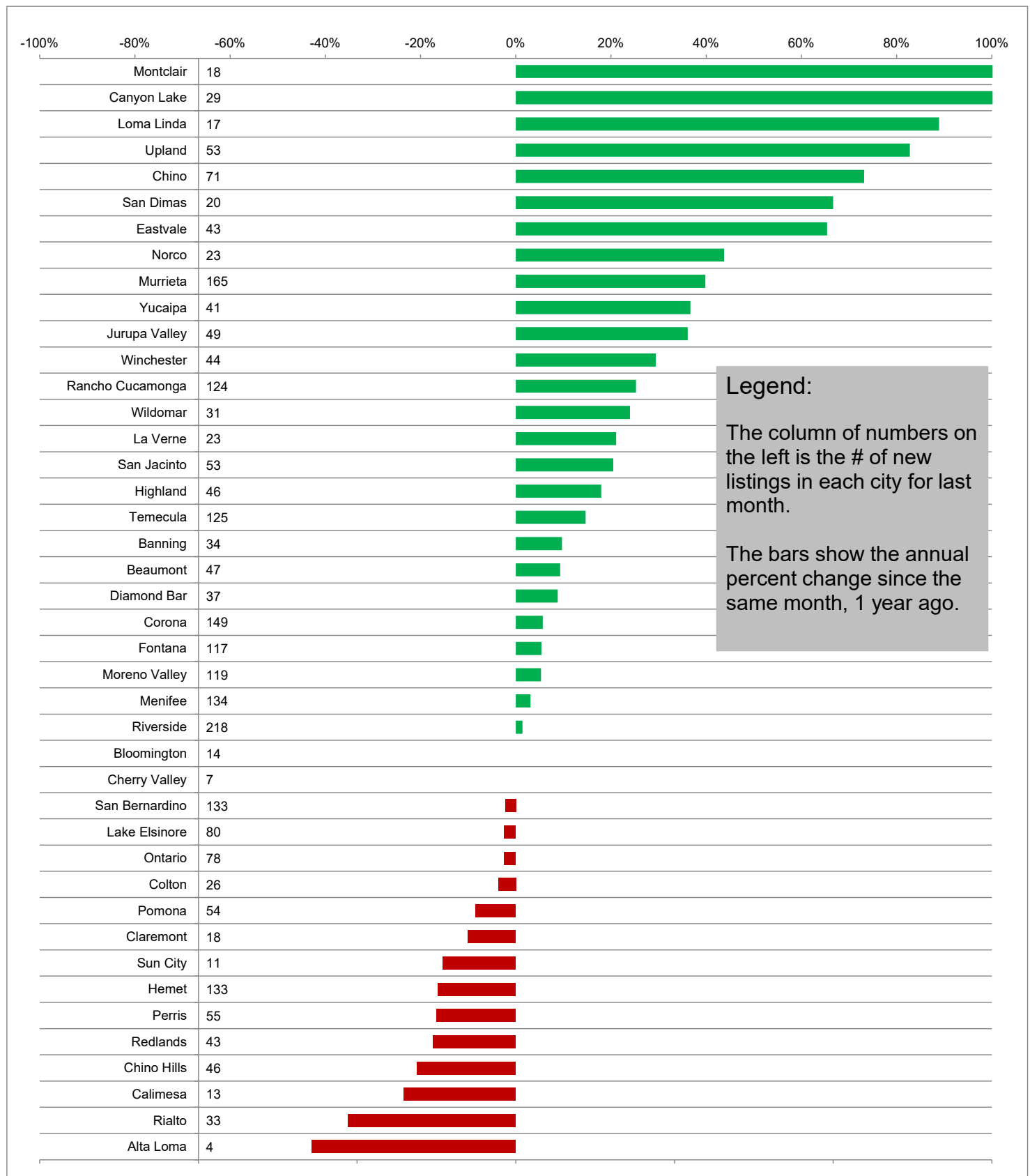
Dec 2020 City Overview

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
Alta Loma	↓ -5%	↑ 22%	\$ 695,000	11	\$ 339	9
Banning	29%	20%	\$ 298,000	49	\$ 210	10
Beaumont	22%	13%	\$ 393,000	46	\$ 190	11
Bloomington	89%	18%	\$ 430,000	12	\$ 283	7
Calimesa	17%	12%	\$ 421,531	19	\$ 221	23
Canyon Lake	79%	23%	\$ 521,500	39	\$ 252	20
Cherry Valley	100%	43%	\$ 436,800	14	\$ 201	22
Chino	28%	12%	\$ 562,500	66	\$ 281	10
Chino Hills	58%	4%	\$ 705,000	74	\$ 353	19
Claremont	19%	6%	\$ 737,500	29	\$ 381	10
Colton	39%	16%	\$ 370,000	25	\$ 276	7
Corona	18%	13%	\$ 560,000	167	\$ 285	9
Diamond Bar	14%	23%	\$ 721,250	54	\$ 387	13
Eastvale	31%	12%	\$ 663,000	40	\$ 223	8
Fontana	14%	12%	\$ 475,000	145	\$ 266	9
Hemet	17%	17%	\$ 304,500	163	\$ 182	8
Highland	47%	10%	\$ 401,250	45	\$ 248	7
Jurupa Valley	45%	14%	\$ 540,000	48	\$ 254	8
La Verne	144%	6%	\$ 790,000	26	\$ 402	13
Lake Elsinore	35%	18%	\$ 455,000	94	\$ 222	7
Loma Linda	150%	33%	\$ 405,000	21	\$ 290	10
Menifee	34%	18%	\$ 435,000	134	\$ 215	8
Montclair	100%	3%	\$ 491,000	14	\$ 343	7
Moreno Valley	16%	15%	\$ 401,500	100	\$ 227	6
Murrieta	29%	17%	\$ 510,000	151	\$ 218	7
Norco	41%	6%	\$ 600,000	28	\$ 325	14
Ontario	1%	11%	\$ 503,000	97	\$ 310	8
Perris	-5%	18%	\$ 387,000	88	\$ 203	9
Pomona	44%	11%	\$ 508,500	63	\$ 354	10
Rancho Cucamonga	49%	9%	\$ 565,000	159	\$ 323	9
Redlands	9%	24%	\$ 499,000	64	\$ 300	12
Rialto	-2%	15%	\$ 425,000	62	\$ 257	8
Riverside	49%	13%	\$ 475,000	352	\$ 284	9
San Bernardino	51%	23%	\$ 375,000	153	\$ 250	9
San Dimas	-5%	8%	\$ 720,000	31	\$ 392	10
San Jacinto	2%	13%	\$ 345,000	43	\$ 179	6
Sun City	6%	18%	\$ 289,500	13	\$ 212	28
Temecula	55%	19%	\$ 575,000	169	\$ 254	8
Upland	11%	16%	\$ 625,000	78	\$ 319	14
Wildomar	46%	15%	\$ 465,000	39	\$ 211	7
Winchester	89%	21%	\$ 510,000	36	\$ 200	7
Yucaipa	61%	11%	\$ 440,000	63	\$ 244	9

Dec 2020 - Sales Volume per City



Dec 2020 - Top Communities with New Listings *(year-over-year)*

Sell Price vs Original List Price



2020 INLAND EMPIRE LISTINGS OVERVIEW

	New	Pending	Closed
May	-30.3%	-3.1%	-42.3%
June	-20.0%	24.0%	-11.5%
July	-10.0%	18.2%	5.6%
August	-7.1%	15.0%	-4.6%
September	5.7%	31.2%	13.3%
October	6.0%	21.9%	10.4%
November	0.1%	27.6%	21.6%
December	9.0%	22.5%	30.0%

MONTHLY FINANCING TYPES

