

INLAND EMPIRE REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

Study Highlights How Credit Scoring Impacts Fair Lending, Minority Homeownership Rates

NAR will use new research to shape policy positions
in effort to boost minority homeownership

FOR MORE INFORMATION GO TO PAGE 8





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APRIL 2021

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Virtual Legislative Day Brings Key Issues to Lawmakers



JESSE ARMENDAREZ,
2021 IVAR PRESIDENT

A year ago, C.A.R. Legislative Day needed to be cancelled as we only began to forge through the first weeks of a pandemic that would dominate the next 14 months, and counting. As the days of our 2020 Legislative Day approached, there was, frankly, no legislature to go visit. The Capitol would be closed to visitors and to lawmakers and their staffs for nearly two months.

A year later, it remains closed to visitors and most legislative staff members are working remotely. Lawmakers have returned, by and large, but meetings remain a mix of virtual and in-person.

2021 was the year when we brought back Legislative Day, albeit with pandemic alternations. Our meetings were virtual. Although they were decidedly more comfortable – no groups of 35 squeezed into 150 square feet of office and pressed into bookshelves – we hope it's a one-year experiment at the end of life in front of a computer camera.

Still, the event remains important. For our members, Legislative Day marks an opportunity to connect with lawmakers who work on issues that affect us every day.

REALTOR® leaders, including some who have become elected leaders, found a spark of inspiration by understanding the difference they could make by being involved.

We hope that all of you are able to find the opportunity to engage with Legislative Day this year or in the future. Hopefully, next year, we'll be piling from uncomfortable airplane seats to uncomfortable standing-room-only meetings to enjoy each other's company and the impact we have with lawmakers.

This year we discussed two key issues. One, SB 6, could open up new opportunities to turn emptied out commercial buildings that may not have a post-pandemic future into much-needed housing. Another, ACA 7, could threaten to undo that law and dozens of others that have protected the right to build homes, ADUs or restrict just how much cities can do to property owners in an otherwise "free market."

The details of each are in the column by Government Affairs Director Paul Herrera in this issue. Please take a moment to read that and consider how you might lend your voice to helping us pass SB 6 and defeat ACA 7.





PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

Legislative Day: REALTORS® Take Two Key Issues to State Lawmakers

The 2021 version of C.A.R. Legislative Day also became the first virtual version of the event. The (hopefully) waning days of the pandemic in California having not yielded quite enough to bring crowds back to meetings and the Capitol, REALTORS® flocked to Zoom meetings on April 27th to learn and speak.

The event included a message from Governor Gavin Newsom touching on housing issues and emphasizing the need to “build more damn housing”, in his words. This has been a central message of REALTORS® and many groups interested in tackling the housing affordability challenges in California.

In meetings with lawmakers, REALTORS® discussed two key bills currently in the state legislature. One could open up new opportunities for affordable housing and one could threaten to derail much of the progress.

Senate Bill 6: “Neighborhood Homes Act”

SB 6 would create a new, more flexible option to convert underutilized commercial land and buildings into multifamily residential where appropriate. The bill would establish a “neighborhood lot,” defined as a parcel within a commercial zone where office and retail uses are permitted, so long as the parcel is not adjacent to an industrial use.

The bill would allow owners of commercial properties that have been at least 50% vacant for 3 years or longer to seek this neighborhood lot. The result would be that, at the property owner’s discretion, the empty commercial site could be partly replaced by new housing, up to 20 units to the acre if used for multifamily homes.

The theory behind this is fairly straightforward. Even prior to the pandemic, as shopping began to migrate online and telecommuting slowly expanded, commercial brokers and owners began to warn that the sector was likely overbuilt and definitely over-zoned. Some large-box retailers, such as Kmart and Toys R Us, were going out of business and leaving empty buildings. This was a longstanding pattern that had previously seen other retailers leave empty spaces over consolidation or other factors.

Meanwhile, city centers often featured defunct malls that had struggled to find uses for decades. Locally, this is clearly visible in Corona, Redlands and San Bernardino, among others.

Some of these parcels are in locations that could well accommodate new housing. They’re well-connected to existing infrastructure, to roads designed to handle much more traffic than even a dense housing

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development and often to public transportation and nearby services.

SB 6 creates a path to make these conversions more possible, even in instances with reluctant cities who may prefer to leave the space empty than to surrender the possibility that it may again be turned into sales tax-producing retail again.

ACA 7: The Keystone to Topple Housing Legislation

REALTORS® also asked lawmakers to oppose a proposed constitutional amendment, ACA 7, that would allow cities to override much of the progress made in housing legislation recently as well as discard policy guardrails that have existed for decades.

This complex amendment would essentially reverse existing law that says that when state law and local law come into conflict, state law usually prevails. While this may have some appealing aspects, it carries much more trouble than promise.

For instance, for almost three decades, cities have operated under rent control guardrails known as the Costa Hawkins Act. The law, championed by C.A.R. among others, says that while cities may enact rent control measures, they may only go so far with them. They may not attach rent control to single family homes, new construction or require that rent remain controlled on a unit once the tenant leaves.

C.A.R. has fought repeated efforts to eliminate Costa Hawkins coming from cities who wish to go further. If ACA 7 passes, Costa Hawkins would effectively repealed without actually having to pass any further legislation.

Other laws, such as ADU permitting and recent wins to streamline housing development would also be undone. For that matter, SB 6 would have very little practical effect.

Fortunately, ACA 7 is not currently advancing through the legislature. However, members asked lawmakers to oppose it should it begin to make progress.

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.



Majority of Realtors® Self-Initiate Career and Cite Self-Motivation, People and Problem-Solving Skills as Most Important



WASHINGTON (March 30, 2021) – Three in five residential (62%) and commercial (59%) Realtors® selected a real estate career path on their own and a majority of them say self-motivation and good people and problem-solving skills are the most important traits for success, according to a new survey from the National Association of Realtors®.

NAR's [Career Choices in Real Estate: Through the Lens of Gender, Race and Sexual Orientation](#) report examined why members entered real estate, the skills most important for success, the typical number of transactions, sales volume and income. The report analyzed differences by gender, race, sexual orientation and real estate specialty – residential, commercial or both.

"Realtors® from all walks of life share the common purpose of making a positive difference in communities across the country and delivering excellent service to their clients," said NAR President Charlie Oppler, a Realtor® from Franklin Lakes, N.J., and the CEO of Prominent Properties Sotheby's International Realty. "As trusted advocates for consumers, our members bring valuable insight and expertise to all aspects of residential and commercial real estate transactions."

Interest in Real Estate

Members working exclusively in commercial real estate are more likely (26%) than residential members (16%) to have had a professional connection that helped them enter the industry. Residential members (26%), however, were twice as likely as commercial members (13%) to have been referred by a friend. Commercial members are more attracted to real estate because it's an entrepreneurial field when compared to residential members (52% vs. 47%). Three in four (76%) residential members are attracted by the flexible work hours and three in five (59%) are attracted by working with people.

Income

Among members working exclusively in residential real estate, the median gross personal income was \$35,700 for men and \$33,500 for women. By race and ethnic group, White/Caucasian members had the highest median gross personal income of \$49,400, followed by Asian/Pacific Islander (\$27,400), Hispanic/Latino (\$26,600) and Black/African-American members (\$16,700).

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White/Caucasian members were both the most likely (76%) to say that real estate is their only career and the least likely to say that they have another source of income (24%). Conversely, Black/African-American members made up the largest share of Realtors® who had another job outside of real estate (50%) and the smallest share of Realtors® who listed real estate as their only source of income (51%).

“Understanding income and transaction differences among races, genders, and sexual orientation is step one, but the next step is learning why there are differences,” said Jessica Lautz, NAR vice president of demographics and behavioral insights. “For some, income may be lower as the typical home price in a neighborhood is lower, for others they may work only part-time and others may be new to the profession and have no ownership in the firm.”

Commercial specialists had a median gross personal income from real estate of \$150,300, compared to \$34,100 for residential specialists and \$73,000 for dual specialists. The median income, however, does not capture the income distribution. As a testament to the highly entrepreneurial and competitive nature of the business, 66% of commercial Realtors® and 21% of residential Realtors® earned more than \$100,000 in gross personal income in 2020.

Race and Ethnicity

At 10 years, the median tenure in residential real estate for White/Caucasian members was at least twice that of Asian/Pacific Islander (five years), Black/African-American (four years) and Hispanic/Latino members (four years).

The median number of residential transactions in 2020 for White/Caucasian members was seven, more than double the median number of residential transactions for Hispanic/Latino (three), Black/African-American (two) and Asian/Pacific Islander (two) members.

White/Caucasian members reported the highest median residential sales volume in 2020 at \$1,998,000, followed by Asian/Pacific Islander (\$1,017,000), Hispanic/Latino (\$766,500) and Black/African-American members (\$474,500).

Hispanic/Latino and White/Caucasian members – 56% and 55%, respectively – are more likely to work in the suburbs. The largest shares of members who work in small towns (18%) and rural areas (8%) are Asian/Pacific Islander. Black/African-American members – 37% – are the most likely to work in urban areas or cities.

Regarding difficulties in the first year of a residential real estate career, Black/African-American members were the most likely – 41% – to report having to work another job as a challenge. Asian/Pacific Islander members were the most likely to cite finding clients (77%) and getting the proper training and education (27%) as obstacles within their first year.

Nearly a quarter of Hispanic/Latino members (24%) and one in five Asian/Pacific Islander members (20%) started their careers in real estate. Black/African-American members were the most likely to report real estate as a second career path (54%).

Sexual Orientation

LGBTQ+ members were more likely to work in an urban area or city (42%) compared to straight/heterosexual members (27%), but less likely to work in the suburbs (39% vs. 50%) and small towns (9% vs. 14%). LGBTQ+ members were also more likely to be attracted to real estate because of interest in the field (69% vs. 63%) and the love of homes and homeownership (59% vs. 52%). Larger shares of LGBTQ+ members than straight/heterosexual members said that problem-solving skills (81% vs. 75%), superior communication capabilities (76% vs. 66%), and sales and marketing acumen (54% vs. 47%) are needed to succeed in residential real estate.

The median number of residential transactions and sales volumes in 2020 was five and \$1,622,200, respectively, for LGBTQ+ members and four and \$1,303,300 for straight/heterosexual members.

Among members working exclusively in residential real estate, the median gross personal income was \$38,800 for LGBTQ+ members and \$34,100 for straight/heterosexual members.



Study Highlights How Credit Scoring Impacts Fair Lending, Minority Homeownership Rates

NAR will use new research to shape policy positions in effort to boost minority homeownership

WASHINGTON (April 8, 2021) – The use of new data to determine prospective buyers' creditworthiness will increase opportunities for homeownership among Black and Latino Americans, according to new research outlined today at a virtual event hosted by the National Association of Realtors®. NAR is recognizing Fair Housing Month along with the rest of the nation this April, honoring the sacrifices made during the ongoing fight to expand equal access to homeownership and private property in America.

The paper, [Tipping the SCALE: How Alternative Data in Credit Scoring Promote or Impede Fair Lending Goals](#), was authored by industry thought leaders Ann B. Schnare and Vanessa Gail Perry. It examines how reforms to current credit bureau data and scoring models, which exclude many common household expenditures like rent and utility payments, would provide a more comprehensive view of a household's credit performance and dramatically increase opportunities for property ownership.

"Minorities are far more likely to be 'unscorable' or have relatively weak credit scores using traditional credit bureau data," Dr. Schnare said Thursday. "Incorporating additional data into the credit evaluation process can open doors for many deserving borrowers and boost minority homeownership rates."

Under the new proposal, each form of alternative data would be evaluated using a newly devised five-factor "SCALE" framework that incorporates important considerations in the data's predictive power. These include:

- **Societal Values:** Does it respect social and ethical norms like right to privacy
- **Contextual Integrity:** Regardless of predictive value, is it relevant to mortgages

- **Accuracy:** Does the data accurately reflect the household's financial situation
- **Legality:** Would the use of the data have a disparate impact on protected classes
- **Expanded Opportunity:** Would the use of the data increase the number of qualified borrowers

Dr. Schnare, currently the president of her own consulting firm specializing in housing and mortgage finance, previously served as a senior vice president at Freddie Mac. Dr. Perry, a professor at the George Washington University School of Business, was a senior advisor to the U.S. Department of Housing and Urban Development during the Obama administration.

"The rise of big data greatly expands the options for credit scoring," Dr. Perry noted. "However, predictability is not enough to justify the use of certain kinds of data. Their use must also be consistent with broader social and ethical values."

Homeownership rates for Black and Latino Americans have lagged those of White Americans for decades, highlighting the need to review existing tools and identify new credit valuation processes.

"A borrower's credit report and credit score are the gateway to a mortgage," said NAR President Charlie Oppler. "But for too long, inaccurate credit reporting methods have raised the cost to borrow while limiting access to mortgage credit for prospective borrowers, particularly those from minority populations and rural communities. NAR is eager to apply this new research to help shape our policy positions and advocacy efforts in the future."



Credit Report

Your Credit Score:

672

Credit Score Ra

Fair



APRIL IS FAIR HOUSING MONTH

Rolling through your day on autopilot? Just because it's second nature, doesn't mean it's right. Slow down and make sure you're providing equal service to all.

April is Fair Housing Month and a great time to affirm you're helping to build thriving, inclusive communities. Fair housing impacts all NAR members, all markets, and all neighborhoods.

Check yourself. Educate yourself. Hold yourself accountable. Because That's Who We R®.

Visit nar.realtor/FHM to access tools to help you prevent discrimination in real estate.



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ASSOCIATION OF
REALTORS®

INLAND EMPIRE

BOARD OF

REAL ESTATE

A division of IVAR

Housing Data Report

MARCH 2021



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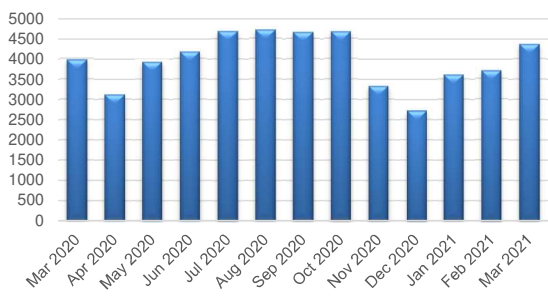
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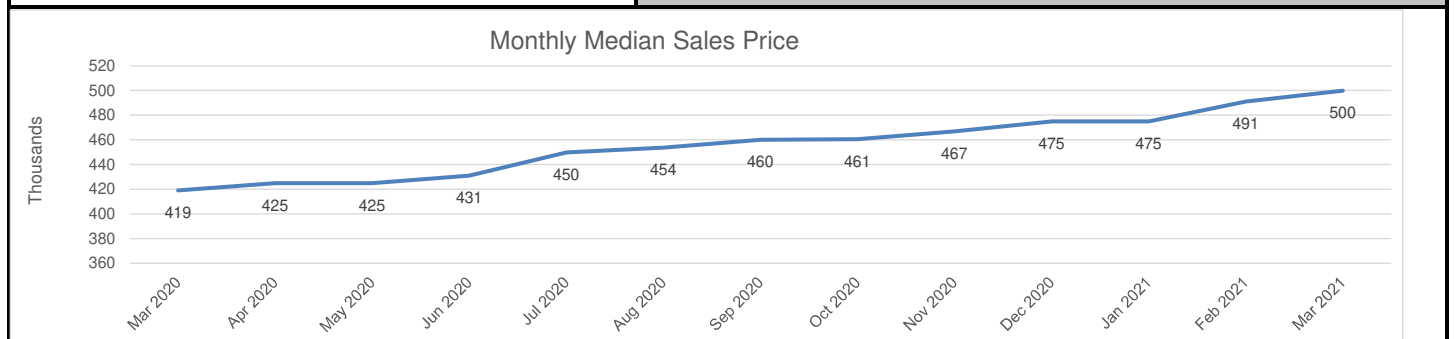
Mar 2021 - Monthly Summary Report



I Don't
Know
What Else
to Say....



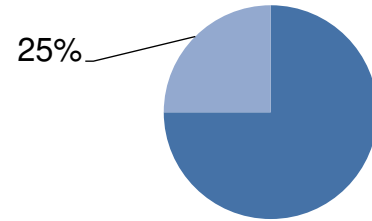
	Mar-2020	Mar-2021	Annual Change
Monthly New Listings 	New Listings	3,975	4,362 ↑ 9.7%
	Pending Sales	2,885	4,325 ↑ 49.9%
	Sold Listings	3,408	3,847 ↑ 12.9%
	Median Sales Price	\$419,152	\$500,000 ↑ 19.3%
	Sales Volume (\$M)	\$1,525	\$2,073 ↑ 35.9%
Monthly Closed Listings 	Price/Sq.Ft.	\$230	\$270 ↑ 17.5%
	Sold \$/List \$	100.00%	102.58% ↑ 2.6%
	Days on Market	17	6 ↓ -64.7%
	CDOM	20	6 ↓ -70.0%
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.			



2021 - Year to Date Report

We are 3 months through the year:

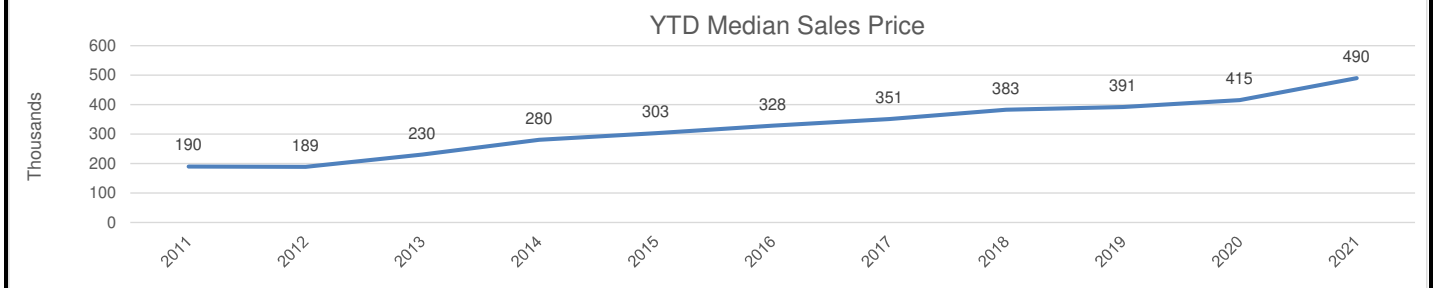
The statistics shown below are for the first 3 months of the years represented.



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-Mar 2020	Jan-Mar 2021	Year-Over-Year Change
YTD New Listings			
New Listings	12,150	11,662	↓ -4.0%
Pending Sales	9,484	11,058	↑ 16.6%
Sold Listings	8,865	9,788	↑ 10.4%
Median Sales Price	\$415,000	\$490,000	↑ 18.1%
Sales Volume (\$M)	\$3,926	\$5,153	↑ 31.3%
Price/Sq.Ft.	\$227	\$266	↑ 16.8%
Sold \$/List \$	99.23%	101.86%	↑ 2.6%
Days on Market	23	7	↓ -69.6%
CDOM	28	7	↓ -75.0%

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.

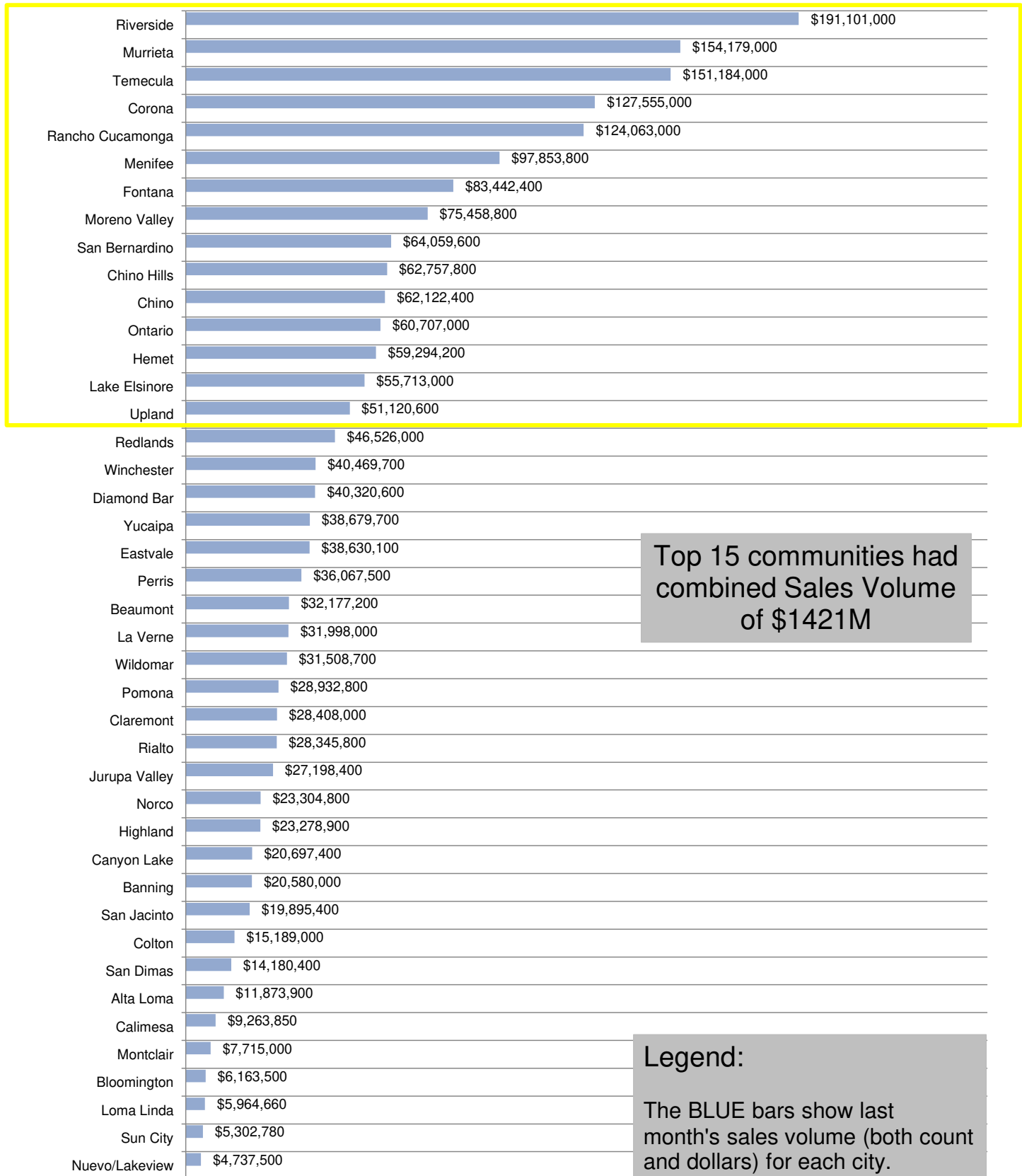


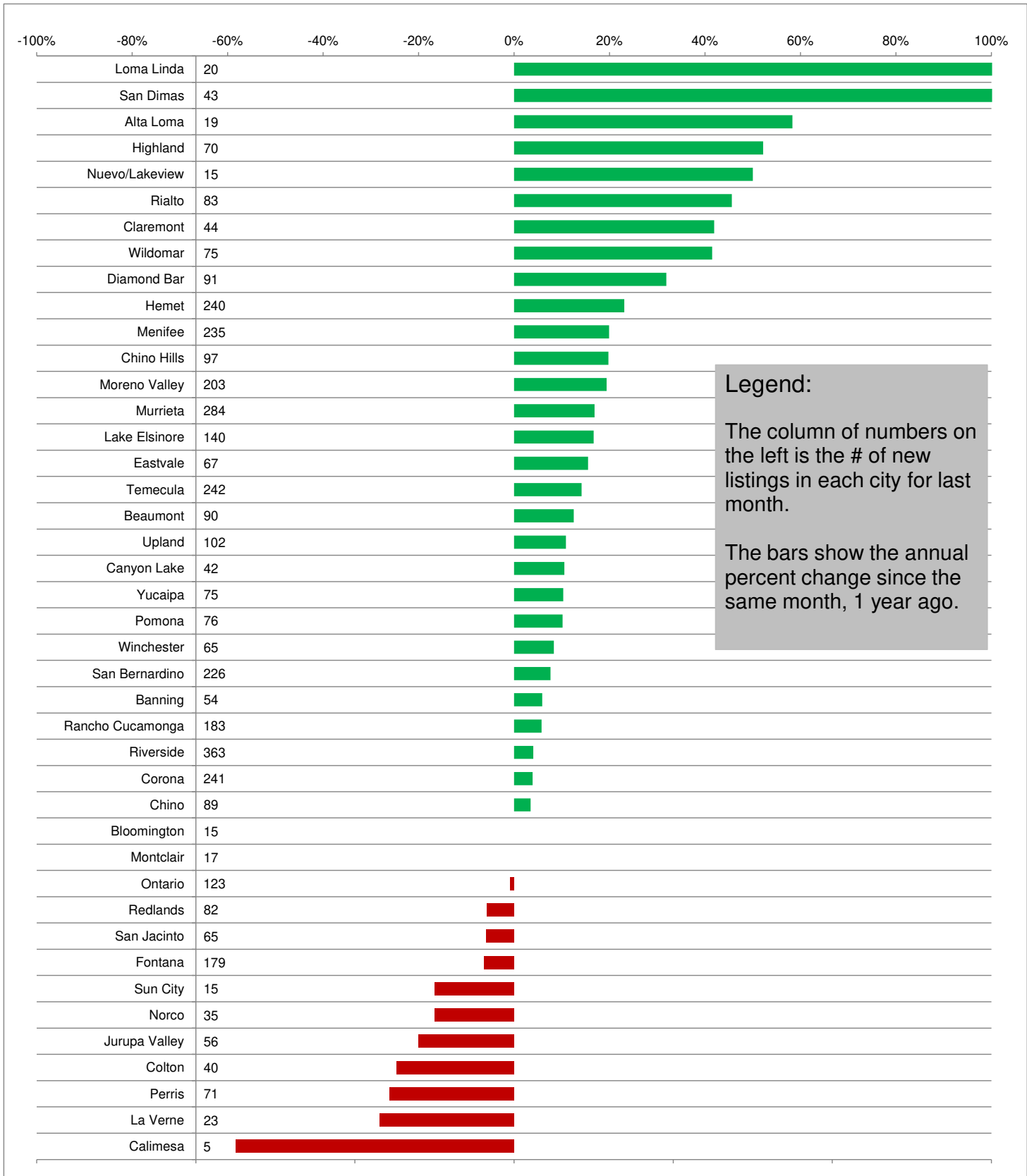
Mar 2021 City Overview

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

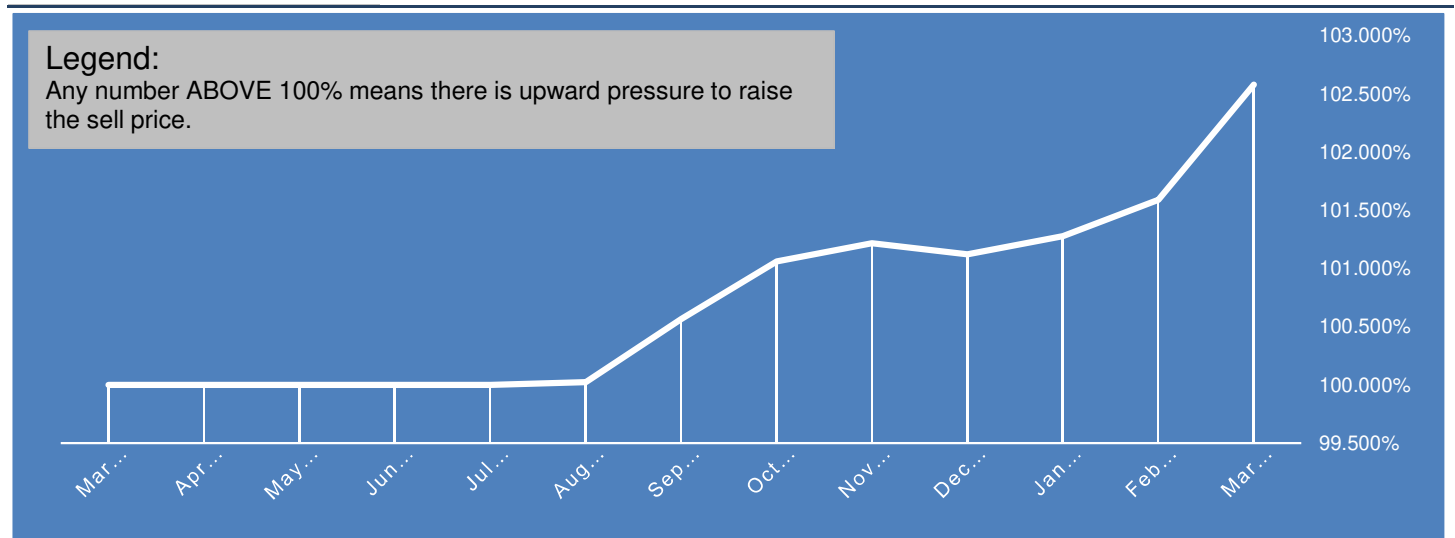
	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Active Listings	Price per Sq.Ft.	Total Days on Market
Alta Loma	↓ -6%	↑ 10%	\$ 691,500	13	\$ 375	8
Banning	77%	16%	\$ 310,000	33	\$ 220	10
Beaumont	-20%	23%	\$ 424,500	52	\$ 202	6
Bloomington	75%	16%	\$ 435,000	14	\$ 282	10
Calimesa	39%	1%	\$ 403,000	9	\$ 232	5
Canyon Lake	-3%	16%	\$ 539,900	34	\$ 269	9
Chino	44%	18%	\$ 595,000	56	\$ 305	7
Chino Hills	15%	30%	\$ 802,000	65	\$ 386	8
Claremont	15%	13%	\$ 795,000	29	\$ 367	11
Colton	17%	6%	\$ 350,000	33	\$ 248	5
Corona	12%	20%	\$ 609,648	145	\$ 311	6
Diamond Bar	15%	-3%	\$ 710,000	49	\$ 417	10
Eastvale	-13%	16%	\$ 710,000	41	\$ 249	4
Fontana	8%	17%	\$ 508,900	108	\$ 293	7
Hemet	7%	17%	\$ 315,000	180	\$ 189	6
Highland	10%	23%	\$ 446,000	41	\$ 259	6
Jurupa Valley	-2%	21%	\$ 577,500	41	\$ 304	6
La Verne	17%	14%	\$ 817,000	17	\$ 428	10
Lake Elsinore	20%	24%	\$ 464,950	92	\$ 235	6
Loma Linda	0%	2%	\$ 490,000	20	\$ 274	5
Menifee	19%	18%	\$ 456,000	151	\$ 231	5
Montclair	-22%	24%	\$ 550,000	13	\$ 344	11
Moreno Valley	4%	18%	\$ 430,000	133	\$ 246	5
Murrieta	16%	19%	\$ 535,000	166	\$ 244	5
Norco	67%	32%	\$ 810,000	20	\$ 322	7
Nuevo/Lakeview	33%	25%	\$ 427,500	14	\$ 215	3
Ontario	-14%	14%	\$ 520,000	87	\$ 326	7
Perris	25%	22%	\$ 435,000	93	\$ 208	7
Pomona	2%	16%	\$ 510,000	64	\$ 392	8
Rancho Cucamonga	24%	18%	\$ 625,000	136	\$ 344	7
Redlands	11%	20%	\$ 512,500	75	\$ 309	13
Rialto	16%	13%	\$ 425,000	40	\$ 299	6
Riverside	33%	16%	\$ 509,000	293	\$ 297	7
San Bernardino	-10%	20%	\$ 380,000	196	\$ 273	9
San Dimas	0%	-8%	\$ 622,500	24	\$ 400	10
San Jacinto	-9%	25%	\$ 380,000	47	\$ 190	6
Sun City	20%	8%	\$ 303,250	10	\$ 224	18
Temecula	23%	26%	\$ 616,000	151	\$ 281	5
Upland	15%	12%	\$ 645,000	65	\$ 338	6
Wildomar	24%	20%	\$ 512,000	40	\$ 223	5
Winchester	47%	16%	\$ 533,000	49	\$ 227	5
Yucaipa	32%	26%	\$ 485,000	57	\$ 236	8

Mar 2021 - Sales Volume per City



Mar 2021 - Top Communities with New Listings *(year-over-year)*

Sell Price vs Original List Price



2020/2021 INLAND EMPIRE LISTINGS OVERVIEW

	New	Pending	Closed
March	-20.9%	-16.4%	4.2%
April	-41.3%	-37.6%	-25.5%
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%
January	-13.7%	6.4%	8.2%
February	-12.0%	7.9%	9.5%
March	9.7%	49.9%	12.9%

MONTHLY FINANCING TYPES

