

INLAND EMPIRE REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®



**REALTOR®
SAFETY**
PROGRAM

Keeping You
and Your
Agents Safe

FOR MORE INFORMATION GO TO PAGE 6



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SEPTEMBER 2021

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The Return from Covid Comes With Lasting Lessons



JESSE ARMENDAREZ,
2021 IVAR PRESIDENT

In the next six weeks, the California Association of REALTORS® and the National Association of REALTORS® will return to at least a modified version of its live, in-person conferences. CAR will host its first directors meeting since February 2020 and NAR will have its first major conference since 2019.

Both will take place with the aid of formal protocols, including testing, vaccinations and masking. Both will take place in the shadow of loss, with numerous chairs emptied by a pandemic that has introduced us to the concept of Zoom memorial services. Neither should allow us to forget what we all learned, how we adapted and how we can be better prepared for something for which living memory hardly existed.

Last April, there was real fear that Covid and the Covid lockdowns taking effect around the nation would cripple the economy and the real estate industry. How would our members pay their bills? How would our member-based organizations pay ours?

As Congress debated the largest emergency unemployment and business stimulus programs in history, REALTOR® leaders focused on supporting members by making sure independent contractors wouldn't be left out of this historic relief. For the first time, independent contractors would be included in unemployment programs. We made sure that brokerages could qualify for small business relief and other benefits being negotiated to help the nation endure what we thought could be a flash depression that could last for months.

What we didn't know was that the resiliency of the economy supported by unprecedented government support would lead to the most active seller's market since the mid 2000s. Not only did the bottom not fall out, housing costs went through the roof. Bidding wars and price increases marked a housing market with little inventory, lots of interest (except the kind applied to mortgage lending) and

unprecedented amounts of money.

Economists will need time to untangle much of the cause-and-effect. One thing is for certain – the housing shortage that had concerned us for most of the past decade had become more severe than we knew. The Covid shock exposed every shortage in the housing market, raising prices from Joshua Tree and Lake Tahoe to Irvine and Santa Clara. Our homes became our offices, schools, movie theaters and restaurants. With that, moneyed condo dwellers in downtown areas started to look for backyards and spare bedrooms that could become offices. Do those preferences change a generation of homebuyers or will it be a spike that we look on with curiosity in the future?

As an industry, we adapted faster than most people thought might be possible. We started last March, when we scrutinized every moving part in a real estate transaction to find a way to accomplish it under Covid protocols. We worked to have real estate declared an essential industry just to ensure that our members could work at all. We carved a working role for REALTORS® functioning inside the hurricane of a pandemic and we did it in a matter of weeks.

Covid should smash our concepts of how long it takes to adapt to a changing world. It should mark our everlasting example of how quickly we can move to help our members find their way in any change that the world demands of our industry.

In the coming months, we'll talk repeatedly about returning to normal. If that's all we do, we will miss so many of the possibilities for innovation and change that this experience should teach. We're better than the complacency we exercised in the past. We just demonstrated that we can do what we need to do if we understand that we can't simply coast along. The missing link to our future success as an industry is not what we're capable of, but what we're willing to do.



PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

REALTOR® Advocacy Efforts Lead to Wins at State, Federal Level

The month of August resulted in major achievements for REALTOR® efforts to expand the future supply of housing in California and hold back a slate of new taxes that could impact housing and real estate nationally.

At the federal level, months of work to explain the damaging implications of federal tax increases appear to have yielded results. An updated draft of a national infrastructure plan omitted a series of tax proposals that REALTORS® had been asking members of Congress to oppose. Those included the possibility of eliminating or capping the 1031 exchange provision, eliminating or capping stepped up basis and changes to capital gains taxes that could have more than doubled the amount of taxes owed when someone sells property that has appreciated in value over the years.

The 1031 exchange provision in tax law allows small investors to essentially trade out similar assets (say, one rental house for another), without having to immediately realize the increase in value. That provision allows investors to more freely buy and sell property, particularly in areas where those assets have been rising in value most. According to data from NAR, California benefits most from this provision, with more than 40% of all 1031 exchanges involving property here.

The step-up in basis provision eliminates what might otherwise be crippling taxes for people who inherit property. Without it, the appreciation in value of a home, for instance, would result in a major tax bill that may make it impossible for the descendent to keep the home they inherit from a parent.

Finally, the changes in capital gains treatment promised to increase the capital gains tax rate associated with real estate values to rise from 20% to more than 40% for many individuals. Add in California rates, and a homeowner selling property that has appreciated over the years could see a tax bill for more than 50% of the value increase.

Fortunately, Congress struck all of those proposals from an updated draft of the legislation. We would like to thank our representatives for recognizing the harm that these provisions could do and listening to the concerns raised all over the country. While the provisions could return at some point, we're optimistic that recent changes mean the end of these proposals for the time being.

At the state level, REALTORS® worked successfully to pass two bills that will help produce more housing in the state. Both bills faced significant challenges and more than a little mischaracterization by opponents along the way.

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SB 9 will allow owner-occupants of some types of single-family zoned lots to split their lot into two single-family parcels. This will allow those owner-occupants to build a second single family home on some larger lots, providing for more housing, greater density and more value to the homeowner who intends to live at the location for at least three more years.

SB 10 will allow local governments, at their discretion, to identify land near transit rich areas and streamline the approval of new, dense multi-family housing. This streamlined process will significantly ease the path toward more housing where strong public transportation systems exist.

While neither bill is a solution to California's ongoing housing affordability crisis, both represent significant steps forward. Combined with other efforts, billions in new affordable housing funding and other work, California is finally taking series steps toward long-run solutions to address housing costs.

SUPPORT OUR MISSION, SUPPORT THE REALTOR® PARTY



NAR's REALTOR® Safety Program



More than a decade ago, NAR launched the REALTOR® Safety Program to educate REALTORS® about the potential risks they face on the job. Being aware of potential dangers and empowering themselves with precautions and preparations will help REALTORS® avoid risky situations on the job, and could mean the difference between life and death. Knowledge. Awareness. Empowerment. These are the core components of REALTOR® Safety.

As part of NAR's ongoing efforts to keep our members safe, we continue to grow and strengthen the REALTOR® Safety Program with new resources and tools, like REALTOR® Safety Grants for REALTOR® associations, and the REALTOR® Safety Network, which capitalizes on the nationwide system of REALTOR® organizations to notify members across the country of safety concerns and emergencies.

Each year, NAR dedicates September as REALTOR® Safety Month, though we strongly encourage associations, brokerages and members to keep safety at the forefront of their minds every day of the year. Through the REALTOR® Safety Program, associations, brokerages and members can access a variety of resources including:

- Webinars and videos on REALTOR® Safety, presented by industry experts.
- Shareable content, including weekly social media messaging for associations to easily share with members, and safety discussion topics for brokers.
- Safety materials including forms, protocols and best practices.
- NAR's annual REALTOR® Safety Survey and Report. Access these resources and more at www.nar.realtor/safety



National Association of Realtors® Files Petition to Oppose Department of Justice Breach of Settlement Agreement

DOJ MOVE UNDERMINES PUBLIC POLICY, PUBLIC CONFIDENCE

CHICAGO (September 13, 2021) – The National Association of Realtors® today filed a petition to quash a request by the Department of Justice that reneges on the terms of a settlement agreement that was approved by the DOJ in November 2020. The DOJ attempt to withdraw from that fully binding agreement in July 2021, after NAR had already begun to implement its terms, is a breach of the agreement and the law.

“The DOJ action should be considered null and invalid based on legal precedent alone,” said NAR President Charlie Oppler, a Realtor® from Franklin Lakes, N.J., and the CEO of Prominent Properties Sotheby’s International Realty. “The DOJ must be governed by principle, and NAR simply expects the department to live up to its commitments.”

As the NAR petition indicates, the DOJ is trying to back out of its agreed-upon obligations. “By its action, the DOJ thinks it should be free to reconsider the terms of an agreement at any time, for any reason – or no reason at all,” Oppler said. “If that view prevails, it would undermine the strong public policy in favor of upholding settlement agreements and

public confidence that the government will keep its word in future cases.”

NAR guidance for local broker organizations has long been recognized to ensure fair and competitive real estate markets for home buyers and sellers. In fact, having the listing broker pay the buyer broker’s commission increases competition, by allowing small brokerages to compete on a level playing field with large brokerages and promotes equitable home ownership opportunities for all consumers.

“NAR remains hopeful the DOJ will honor its agreement,” Oppler said. “We also remain committed to advancing and defending independent and local real estate organizations that provide for greater economic opportunity and equity for small businesses and consumers of all backgrounds and financial means.”



INLAND EMPIRE

BOARD OF

REAL ESTATE

A division of IVAR

Housing Data Report

AUGUST 2021



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August 2021 - Monthly Summary Report

Mark Dowling, Chief Executive Officer,

- The housing market continues to be robust with strong sales numbers throughout the year. Through August, annual New Listings were up 9%, Pending Listings were up 8.9%, Sold Listings were up 16.1% and Sales Volume was up a whopping 42.2%
- For the first time in nearly two years, the Median Sales Price did not increase for two consecutive months. Holding at \$550,000, there was also a slight decrease in Sales Price vs. Asking Price, from 104.5% down to 102%. These numbers reflect a balancing of the market.
- Days on Market continue to hover in the 7 to 10 day range demonstrating a continued demand from buyers.

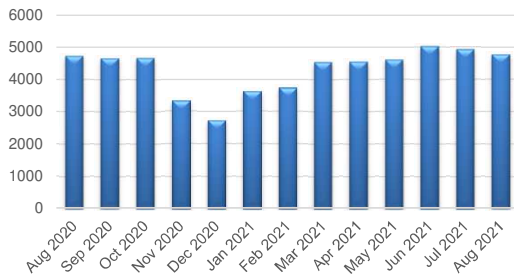


	Aug-2020	Aug-2021	Annual Change
New Listings	4,722	4,762	↑ 0.8%
Pending Sales	4,240	4,407	↑ 3.9%
Sold Listings	3,887	3,936	↑ 1.3%
Median Sales Price	\$453,600	\$550,000	↑ 21.3%
Sales Volume (\$M)	\$1,895	\$2,308	↑ 21.8%
Price/Sq.Ft.	\$240	\$305	↑ 26.8%
Sold \$/List \$	100.03%	103.36%	↑ 3.3%
Days on Market	9	8	↓ -11.1%
CDOM	10	8	↓ -20.0%

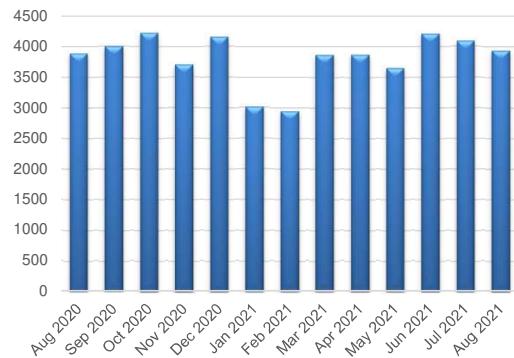
All data used to generate these reports comes from the California Regional Multiple Listing Service, Inc. If you have any questions about the data, please call the CRMLS Customer Service Department between the hours of 8:30am to 9:00pm Monday thru Friday or 10:00am to 3:00pm Saturday and Sunday at 800-925-1525 or 909-859-2040.



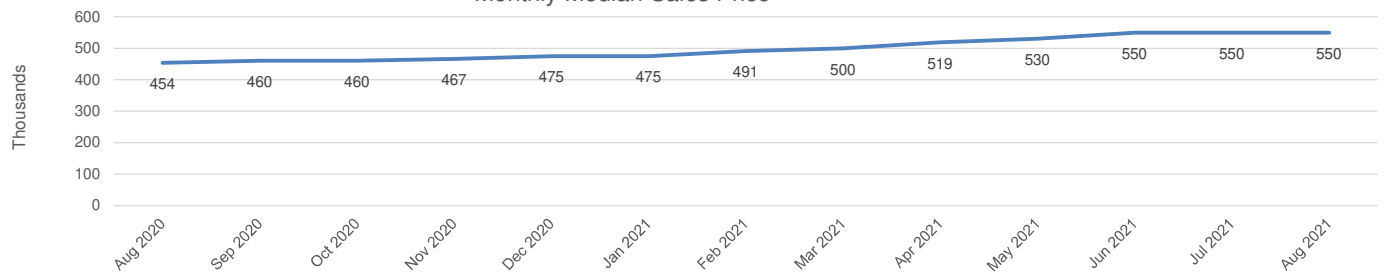
Monthly New Listings



Monthly Closed Listings



Monthly Median Sales Price

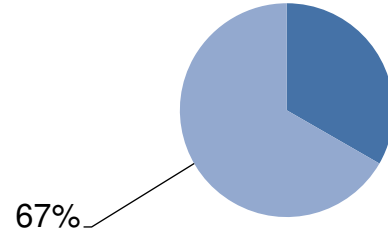


2021 - Year to Date Report

We are 8 months through the year:

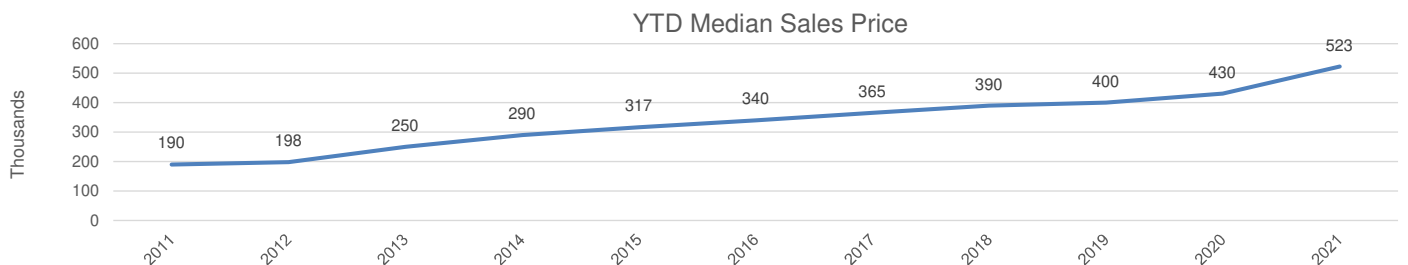
The statistics shown below are for the first 8 months of the years represented.

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-Aug 2020	Jan-Aug 2021	Year-Over-Year Change
YTD New Listings			
New Listings	32,797	35,748	↑ 9.0%
Pending Sales	28,837	31,401	↑ 8.9%
Sold Listings	25,452	29,552	↑ 16.1%
Median Sales Price	\$430,000	\$522,674	↑ 21.6%
Sales Volume (\$M)	\$11,662	\$16,583	↑ 42.2%
Price/Sq.Ft.	\$232	\$284	↑ 22.1%
Sold \$/List \$	100.00%	103.15%	↑ 3.1%
Days on Market	17	7	↓ -58.8%
CDOM	19	7	↓ -63.2%

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.

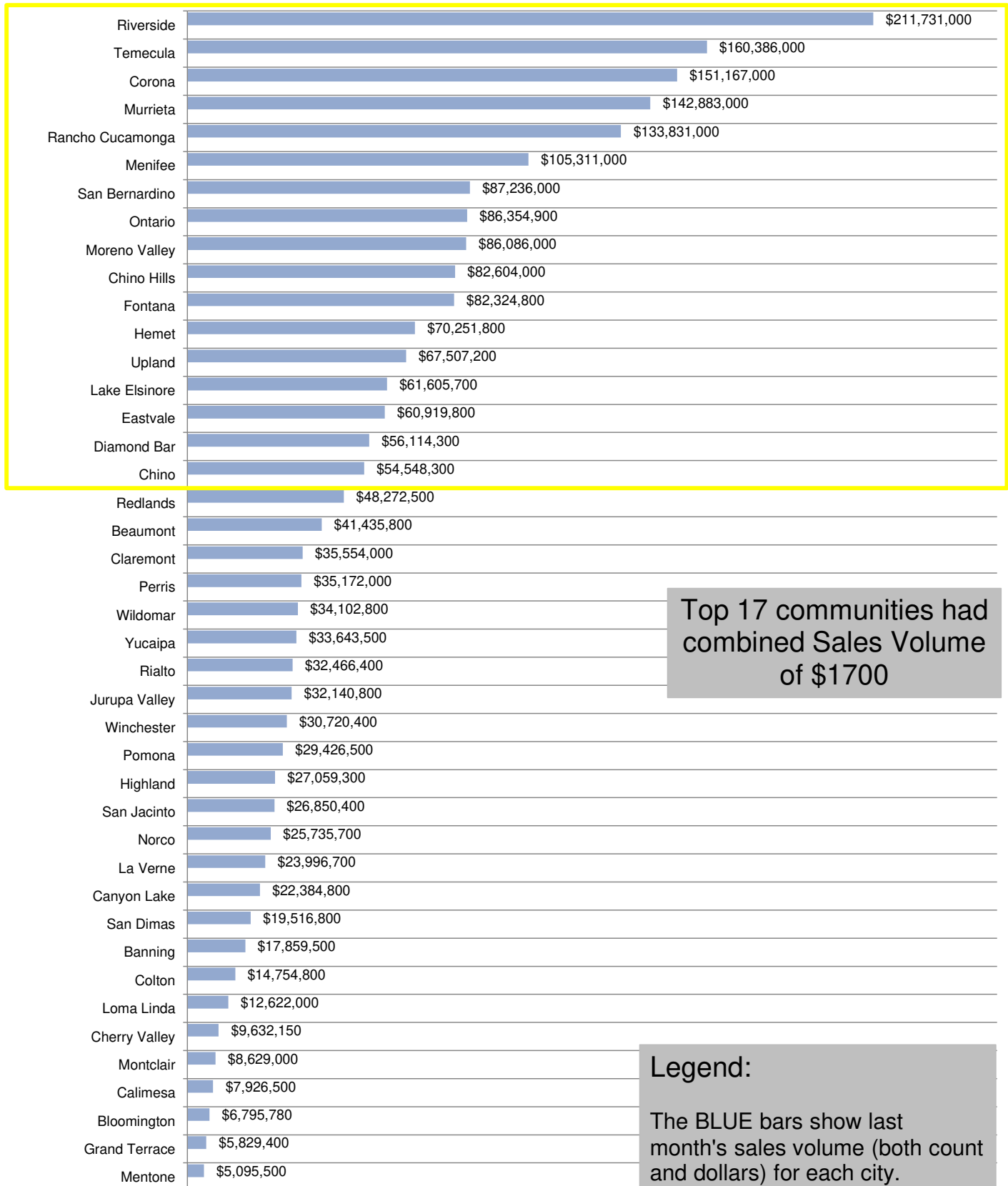


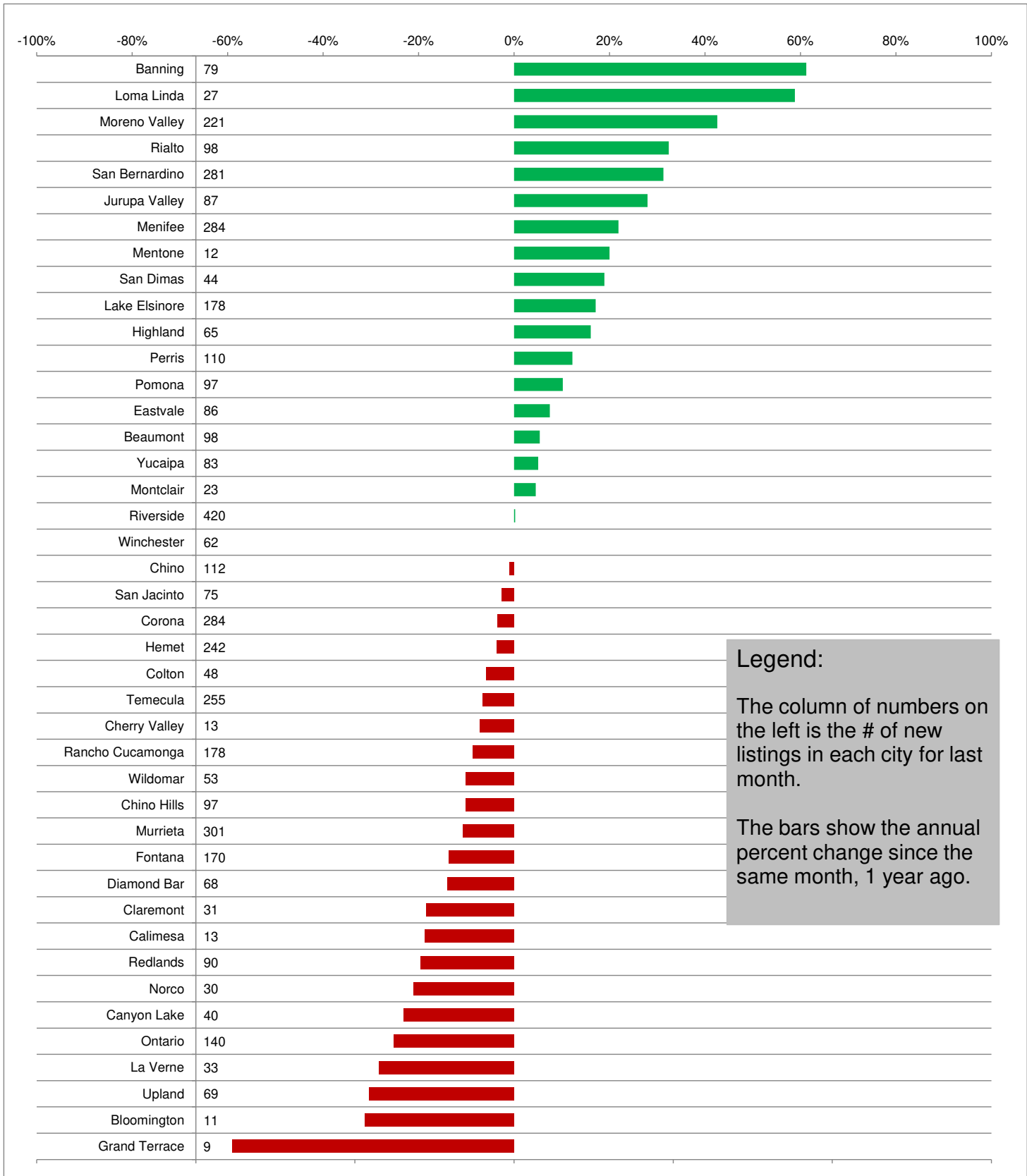
August 2021 City Overview

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

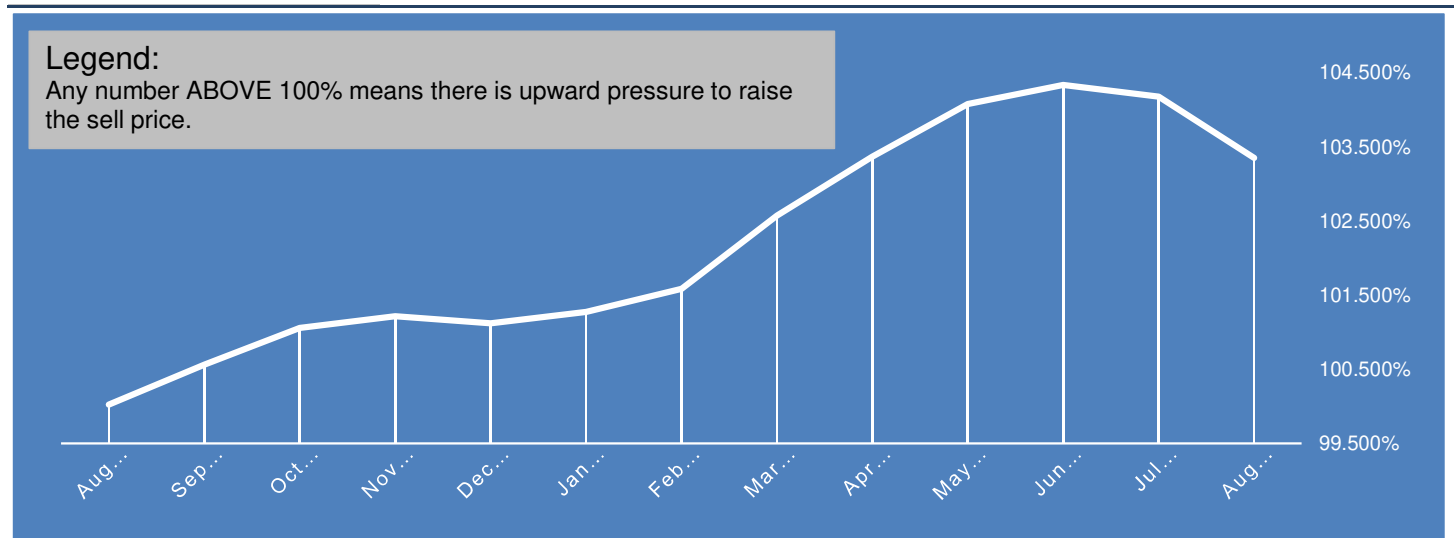
	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Active Listings	Price per Sq.Ft.	Total Days on Market
Banning	↑ 16%	↑ 26%	\$ 354,000	44	\$ 252	7
Beaumont	-5%	25%	\$ 475,000	73	\$ 237	8
Bloomington	27%	13%	\$ 472,500	13	\$ 364	8
Calimesa	7%	35%	\$ 515,000	19	\$ 296	13
Canyon Lake	-34%	20%	\$ 675,625	40	\$ 305	12
Cherry Valley	100%	-7%	\$ 452,500	16	\$ 249	28
Chino	-13%	19%	\$ 633,650	96	\$ 349	7
Chino Hills	20%	20%	\$ 835,000	86	\$ 399	11
Claremont	8%	17%	\$ 880,400	33	\$ 452	10
Colton	-19%	20%	\$ 399,000	46	\$ 327	7
Corona	-23%	19%	\$ 640,000	238	\$ 351	8
Diamond Bar	30%	8%	\$ 819,500	69	\$ 461	12
Eastvale	38%	30%	\$ 805,000	83	\$ 267	8
Fontana	-6%	16%	\$ 538,000	185	\$ 316	7
Grand Terrace	-14%	24%	\$ 510,000	13	\$ 312	12
Hemet	17%	25%	\$ 365,000	206	\$ 217	7
Highland	26%	13%	\$ 439,000	53	\$ 292	8
Jurupa Valley	-13%	7%	\$ 575,000	53	\$ 308	8
La Verne	4%	5%	\$ 830,000	17	\$ 463	8
Lake Elsinore	-6%	21%	\$ 515,000	121	\$ 258	8
Loma Linda	53%	16%	\$ 550,000	20	\$ 295	8
Menifee	1%	25%	\$ 520,000	219	\$ 256	8
Mentone	63%	12%	\$ 400,000	9	\$ 288	13
Montclair	7%	26%	\$ 580,000	15	\$ 339	8
Moreno Valley	17%	22%	\$ 465,000	177	\$ 279	7
Murrieta	-20%	25%	\$ 590,000	243	\$ 267	7
Norco	7%	15%	\$ 742,500	34	\$ 350	11
Ontario	30%	18%	\$ 570,000	141	\$ 382	8
Perris	3%	22%	\$ 450,000	95	\$ 255	7
Pomona	-21%	30%	\$ 595,000	69	\$ 413	8
Rancho Cucamonga	1%	19%	\$ 651,000	177	\$ 369	9
Redlands	-8%	20%	\$ 551,000	72	\$ 329	8
Rialto	40%	15%	\$ 485,000	55	\$ 323	6
Riverside	7%	19%	\$ 550,000	403	\$ 325	8
San Bernardino	6%	18%	\$ 400,000	220	\$ 299	8
San Dimas	-32%	26%	\$ 795,000	26	\$ 488	7
San Jacinto	31%	24%	\$ 421,500	64	\$ 220	5
Temecula	-2%	26%	\$ 685,000	206	\$ 307	7
Upland	19%	25%	\$ 747,500	69	\$ 369	8
Wildomar	15%	30%	\$ 552,800	46	\$ 253	7
Winchester	-12%	26%	\$ 600,000	51	\$ 255	10
Yucaipa	0%	26%	\$ 505,000	70	\$ 288	9

August 2021 - Sales Volume per City



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

Sell Price vs Original List Price



2020/2021 INLAND EMPIRE LISTINGS OVERVIEW

	New	Pending	Closed
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%
April	42.0%	68.9%	45.2%
May	14.6%	11.4%	52.5%
June	17.6%	0.3%	24.3%
July	3.2%	-6.7%	-4.4%
August	0.8%	3.9%	1.3%

MONTHLY FINANCING TYPES

