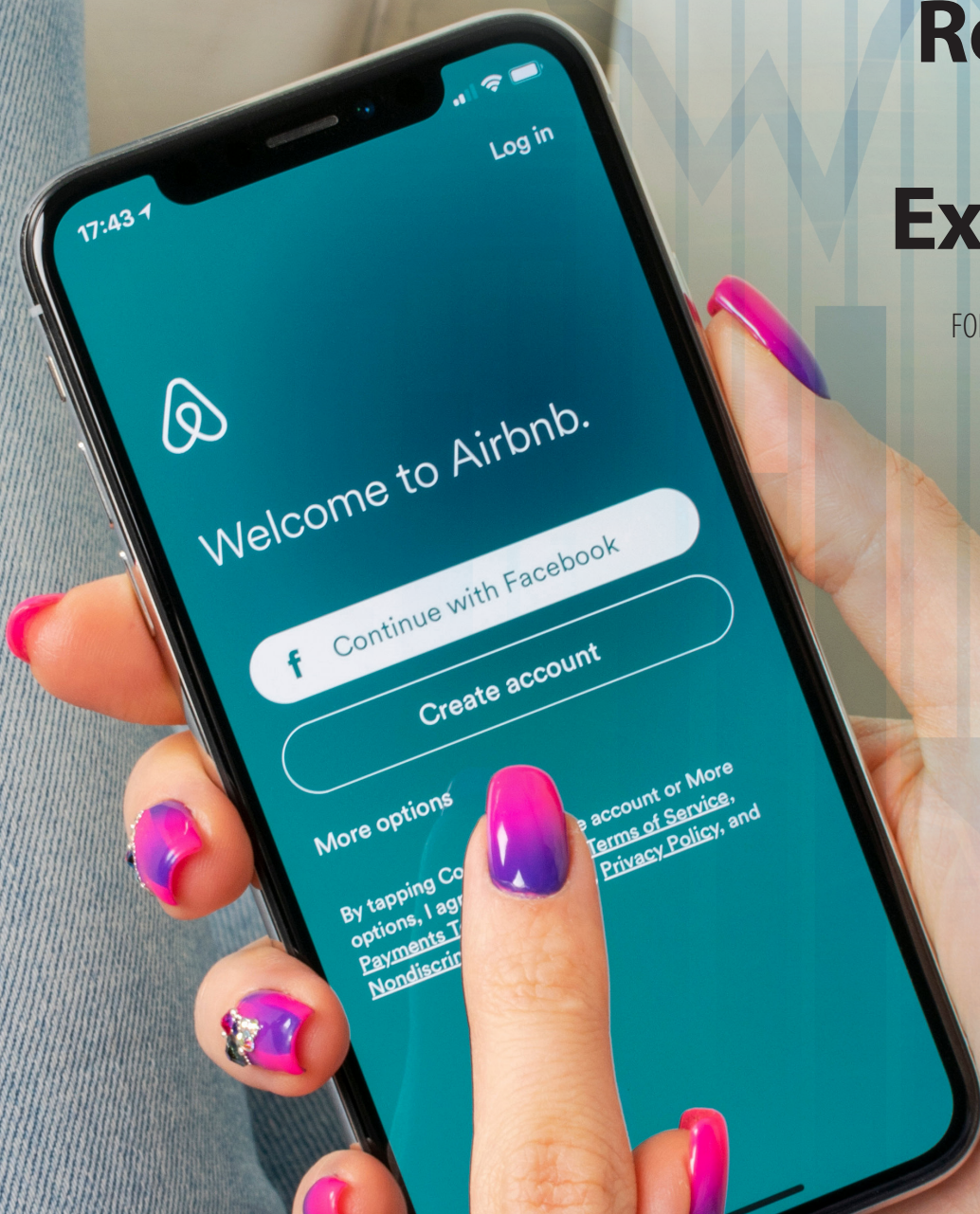


# INLAND EMPIRE REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

## Airbnb, Predictive Analytics to Have Large Impact on Real Estate in 2022, Expert Says

FOR MORE INFORMATION GO TO PAGE 6





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SEPTEMBER 2021

# Table of Contents

## COLUMNS

- |      |  |
|------|--|
| 3    | <b>President's Message - IVAR Closes a Difficult Year Continuing Its Service to Members</b>  |
| 4    | <b>Government Affairs Update - Rep. Pete Aguilar's Legislation Would Allow FHA to Support Inland Empire Residents Striving for Homeownership</b> |
| 6    | <b>Airbnb, Predictive Analytics to Have Large Impact on Real Estate in 2022, Expert Says</b>   |
| 7    | <b>NAR Announces New Guidance that Reinforces Greater Transparency for Consumers</b>   |
| 8-14 | <b>Housing Data Report</b>   |



## IVAR Closes a Difficult Year Continuing Its Service to Members



JESSE ARMENDAREZ,  
2021 IVAR PRESIDENT

By any measure, 2021 was a challenging year. Year two of the global pandemic began with a surge of infections, including one that struck at the heart of our association. In January, we lost John Schulte, a leader, a member of our board of directors and a mainstay of organized real estate in the Inland Empire.

Losing John meant losing one of the treasured voices who guided our association through a housing crisis, an economic recovery and now a world in which housing affordability is our major concern. John was part of a team of leaders who positioned our association to be among the fastest growing, member-driven REALTOR® associations in California.

We carry on John's work as a leader by continuing to foster a culture dedicated to the individual members of IVAR. When the pandemic began, we looked at every opportunity to help our members through a time that looked like it could be bleak. We worked with elected officials to craft public policy responses. At the state level, our early efforts meant that independent contractors were, for the first time, covered by unemployment insurance should the pandemic make it impossible to keep a real estate business going. At the local level, we worked with public health staff, cities and counties to find safe ways to keep the housing market functioning.

I'm proud of the work accomplished by our team at IVAR, led by CEO Mark Dowling. IVAR grew faster than nearly any other association in the state in 2020 and 2021. Our membership growth combined with careful stewardship of our resources have allowed us to not only keep our dues lower than most, but actually launch new initiatives to support housing in the Inland Empire and beyond.

Today IVAR has lower local dues than we did a decade ago. Meanwhile, we have grown into a key local voice in real estate, capable of impacting real estate policy at every level.

In the next two months, I'll have the honor of passing the gavel to another outstanding leader in Kama Burton. Kama has built a reputation as a leader and consummate professional who will lead our association as the world rights itself following (hopefully) the ending of this pandemic.

As the year ends, we think about not just what we lost in John's passing, but what we gained in his presence. We hope you see that leadership, dignity and member focus reflected in ourselves as his colleagues, and in your association.

## Rep. Pete Aguilar's Legislation Would Allow FHA to Support Inland Empire Residents Striving for Homeownership



PAUL HERRERA,  
GOVERNMENT AFFAIRS DIRECTOR

A handwritten signature in black ink, appearing to read "Paul Herrera".

In November, Rep. Pete Aguilar (D-CA) co-authored bipartisan legislation with Rep. Mark Amodei (R-NV) that would help buyers using FHA financing achieve homeownership.

Their proposed legislation, the FHA Fairness Act, seeks to fix a problem that has significantly limited residents in western sections of San Bernardino County and Riverside County from accessing FHA-backed mortgages. In short, the legislation would allow FHA to craft higher loan limits in markets where a high disparity in housing values across a region makes it difficult for first time buyers to find a home.

FHA-insured mortgages provide a highly effective financing tool for first-time buyers to qualify for a 30-year, fixed-rate mortgage. FHA mortgages have more forgiving qualifying criteria and the 3.5% down payment significantly reduces one of the largest barriers for middle and middle-upper income families. However, the methods to calculate the upper limit of an FHA loan has, at times, put median-priced homes out of reach in some Inland Empire communities.

The limit is calculated using home sales data across a designated metropolitan statistical area (MSA). In Southern California, Los Angeles is an MSA. Orange County is another MSA. The Inland Empire, all 27,000-plus square miles of Riverside and San Bernardino Counties, is one housing market – at least according to the federal government. This means that home sales from Chino Hills,

Eastvale and Temecula are combined with home sales extending to the Arizona and Nevada borders to determine the cost of housing, as if a home buyers who could not afford to buy in Upland could simply extend their home search to Coachella or Blythe and drive in for their teaching job.

For reasons that don't have a great explanation, the Inland Empire is the largest MSA in the contiguous United States. Only one other region, a section that mostly encompasses rural Alaska, is larger in terms of square footage. The MSA is larger than 10 U.S. states and would rank between West Virginia and South Carolina if it were its own state. This unwieldy definition of a common housing market defies fairness when it comes to determining true housing costs.

If approved, Rep. Aguilar's legislation would allow for higher loan limits in subregions within an MSA where housing costs are persistently above the region. This could significantly boost the effectiveness of FHA financing in western San Bernardino and Riverside Counties and allow first time homebuyers the opportunity to make offers in a competitive housing marketplace.

It's important to note that the legislation has only been introduced and still has a path ahead. IVAR will be monitoring its progress and seeking opportunities to support Rep. Aguilar's efforts to push the concept forward into law.



REALTOR<sup>®</sup>  
**SAFETY**  
PROGRAM

# FALL INTO SAFETY

## REPLACE YOUR SMOKE DETECTOR BATTERY

Keep safe this season by replacing the battery in your smoke detector. This is also a good time to invest in a carbon monoxide detector as your furnace will be used more often in cold weather, which may increase the risk of a carbon monoxide leak.

## SECURE YOUR HOME BY KEEPING A LIGHT ON

This will deter potential criminals from attacking your house or vandalizing property. You don't have to run up the electric bill; even leaving a small light on may be enough to discourage intruders.

## PROTECT YOURSELF WHILE IN YOUR VEHICLE

Protect yourself from dangers like carjacking by always being aware of your surroundings. Keep your doors locked and windows rolled up, and call the police if you feel threatened. Keep an emergency pack in your trunk with non-perishable food, water and a blanket. And don't forget a phone charger!

Stay safe on the job, year-round  
with tips and tools from NAR at  
[www.REALTOR.org/Safety](http://www.REALTOR.org/Safety)



NATIONAL  
ASSOCIATION *of*  
REALTORS<sup>®</sup>





# Airbnb, Predictive Analytics to Have Large Impact on Real Estate in 2022, Expert Says

SAN DIEGO (November 14, 2021) – Airbnb will leverage the biggest impact on the residential real estate market in 2022, according to Chris Linsell, senior real estate writer for TheClose.com. Linsell shared several technology predictions during a presentation at the [2021 REALTORS® Conference & Expo](#).

“Airbnb are not just selling their product to consumers, they are selling to the providers of the product,” Linsell said. “They are selling twice without holding their own inventory. This unique model opens up an incredible level of scalability.

“Industry analysts predict that Airbnb will increase their inventory by 25% in 2022,” he added. “Many of those housing units are going to come from the residential real estate market.”

Linsell explained that converting more inventory to short-term rentals will likely have a net-negative impact on housing availability and affordability, unless developers work to bring new options to the market specifically to meet these needs.

He told the audience that there are several things that Realtors® can do to prepare.

“You should become a zoning law expert in your local market, advocate for sensible zoning law changes at the local level, start adjusting your comparative market analyses to account for potential market value via short-term vacation rental income, seek out investor relationships with buyers and explore getting into property management.”

Linsell also predicted that predictive analytics will be the dominant marketing strategy and the most important lead generation approach of 2022. Predictive analytics takes large data sets and uses them to make predictions about future behavior.

“As real estate professionals, we are all trying to figure out exactly who is going to buy and sell,” he said. “These data sets are growing very quickly and predictive analytics algorithms are getting smarter.”

Between 2016 and 2021 in the United States, there was a six-fold increase in the number of real estate leads, but the number of closings only increased marginally, indicating that Realtors® are capturing more leads, but they are less effective.

“Predictive analytics cuts through this noise,” he said. “It allows us to focus only on the consumers who are most likely to conduct transactions. This becomes a very powerful marketing sword to wield.”

Linsell warned that leads from predictive analytics marketing are often long-term nurture plays, making it difficult for Realtors® who need more immediate results to find success.

“Sometimes predictive analytics will look at someone’s behavior and demographics and identify them as a person who is ready to buy or sell before that person even knows they are ready. They are going to get to that place eventually, but we have to be ready to nurture these leads for a little bit longer to get them across the finish line.”

Linsell provides reviews of predictive analytics companies on TheClose.com. He recommends perfecting your strategies with predictive analytics while the stakes are still low.

“Don’t go all in on this just yet. Make a nominal investment in it so you can understand its full value proposition. Perfect your marketing strategies and then you can ramp things up in the back half of 2022.

# NAR Announces New Guidance that Reinforces Greater Transparency for Consumers

## Changes more explicitly state spirit, intent of NAR Code of Ethics and policies regarding information about commissions, broker marketplace participation

CHICAGO (November 15, 2021) —The National Association of Realtors® announced today the adoption of changes to its guidance for local Multiple Listing Service broker marketplaces that reinforce greater transparency for consumers. The changes ensure disclosure of compensation offered to buyer agents, ensure listings are not excluded from search results based on the amount of compensation offered to buyer agents, and reinforce that buyer brokers do not represent their services as free. The NAR Board of Directors adopted the changes to take effect Jan. 1, 2022.

“Grounded in our commitment to act in the best interests of buyers and sellers, we regularly review and update our guidance for local broker marketplaces to continue to advance efficient, equitable and transparent practices,” said NAR President Charlie Oppler. “These latest changes more explicitly state what is already the spirit and intent of the NAR Code of Ethics and local broker marketplace guidance regarding consumer transparency and broker participation.”

### PRO-CONSUMER CHANGES ADOPTED TODAY:

- Reinforce that local marketplace participants do not represent brokerage services as free. While Realtors® always have been required to advertise their services accurately and truthfully, this change creates a bright line rule on the use of the word “free” that is easy to follow and enforce.

- Ensure disclosure of compensation offered to buyer agents. The change bolsters transparency and Realtors® existing duties and practices to talk with their clients about what services they provide and how they are compensated.
- Ensure listings aren’t excluded from search results based on the amount of compensation offered to buyer agents. This changes wording to reiterate Realtors® existing duty to inform clients about all relevant properties meeting their criteria.

“This is another example of NAR constantly evolving to ensure pro-consumer, pro-competitive marketplaces for buyers and sellers, and brokers,” Oppler continued. “NAR is proud to be affiliated with the hundreds of local broker marketplaces around the country and will continue to tirelessly pursue changes that improve the real estate experience for all Americans.”

# INLAND EMPIRE

## BOARD OF

# REAL ESTATE

A division of IVAR

## Housing Data Report

# OCTOBER 2021



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## October 2021 - Monthly Summary Report

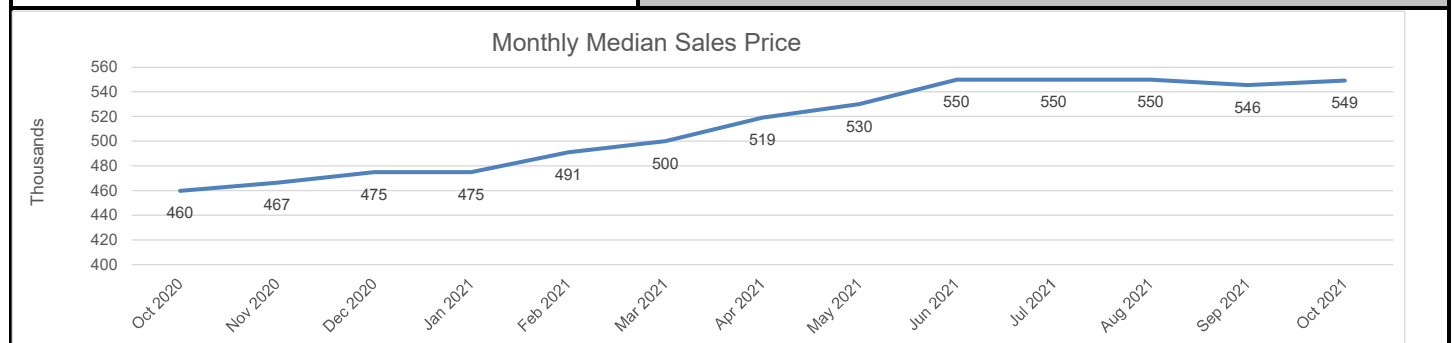
## Mark Dowling, IVAR Chief Executive Officer,

- As the year winds down, the Inland Empire housing market is settling into a balance. Year-to-date numbers reflect New Listings up 5.7%, Pending Listings up 5.9%, and Sold Listings up 11.1%. However, the month of October experienced a month-over-month decrease compared to 2020, with New Listings down 14.2%, Pending Listings down 1.1%, and Sold Listings down 9.3%.
- Sales Volume is up year-to-date 34.6%, however that number will likely flatten-out going into 2022 due to the Median Sales Price holding steady the last five months at around \$550,000
- Days on Market continue to hover in the 7 to 10 day range demonstrating a continued strong demand from buyers.



|                             | Oct-2020  | Oct-2021  | Annual Change |
|-----------------------------|-----------|-----------|---------------|
| <b>Monthly New Listings</b> |           |           |               |
| New Listings                | 4,675     | 4,011     | ↓ -14.2%      |
| Pending Sales               | 4,103     | 4,057     | ↓ -1.1%       |
| Sold Listings               | 4,222     | 3,830     | ↓ -9.3%       |
| Median Sales Price          | \$460,000 | \$549,000 | ↑ 19.3%       |
| Sales Volume (\$M)          | \$2,111   | \$2,252   | ↑ 6.7%        |
| Price/Sq.Ft.                | \$252     | \$306     | ↑ 21.7%       |
| Sold \$/List \$             | 101.06%   | 101.85%   | ↑ 0.8%        |
| Days on Market              | 7         | 9         | ↑ 28.6%       |
| CDOM                        | 8         | 10        | ↑ 25.0%       |

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.

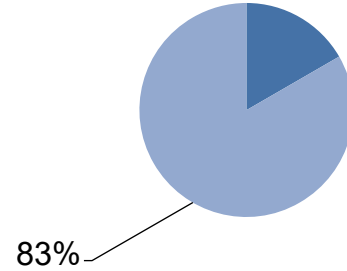


## 2021 - Year to Date Report

We are 10 months through the year:

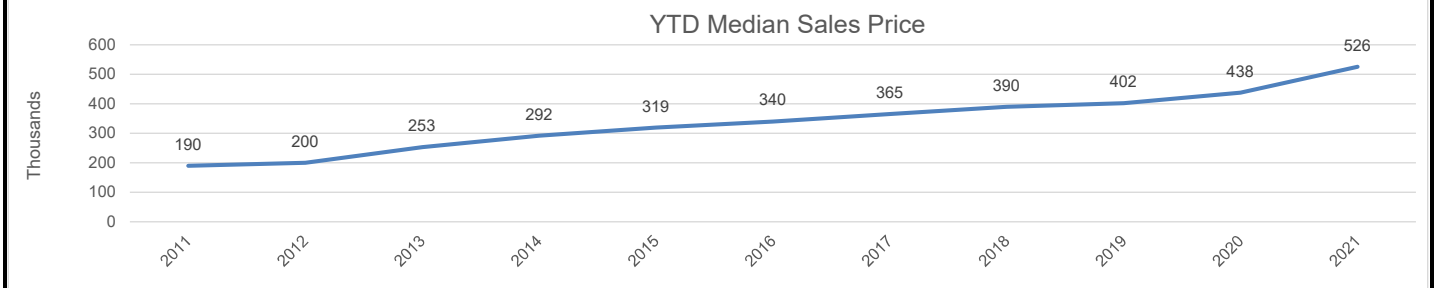
The statistics shown below are for the first 10 months of the years represented.

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-Oct 2020 | Jan-Oct 2021 | Year-Over-Year Change |
|-------------------------|--------------|--------------|-----------------------|
| <b>YTD New Listings</b> |              |              |                       |
| New Listings            | 42,142       | 44,533       | ↑ 5.7%                |
| Pending Sales           | 37,101       | 39,274       | ↑ 5.9%                |
| Sold Listings           | 33,670       | 37,409       | ↑ 11.1%               |
| Median Sales Price      | \$437,500    | \$526,000    | ↑ 20.2%               |
| Sales Volume (\$M)      | \$15,749     | \$21,196     | ↑ 34.6%               |
| Price/Sq.Ft.            | \$236        | \$288        | ↑ 22.0%               |
| Sold \$/List \$         | 100.00%      | 102.89%      | ↑ 2.9%                |
| Days on Market          | 13           | 7            | ↓ -46.2%              |
| CDOM                    | 15           | 7            | ↓ -53.3%              |

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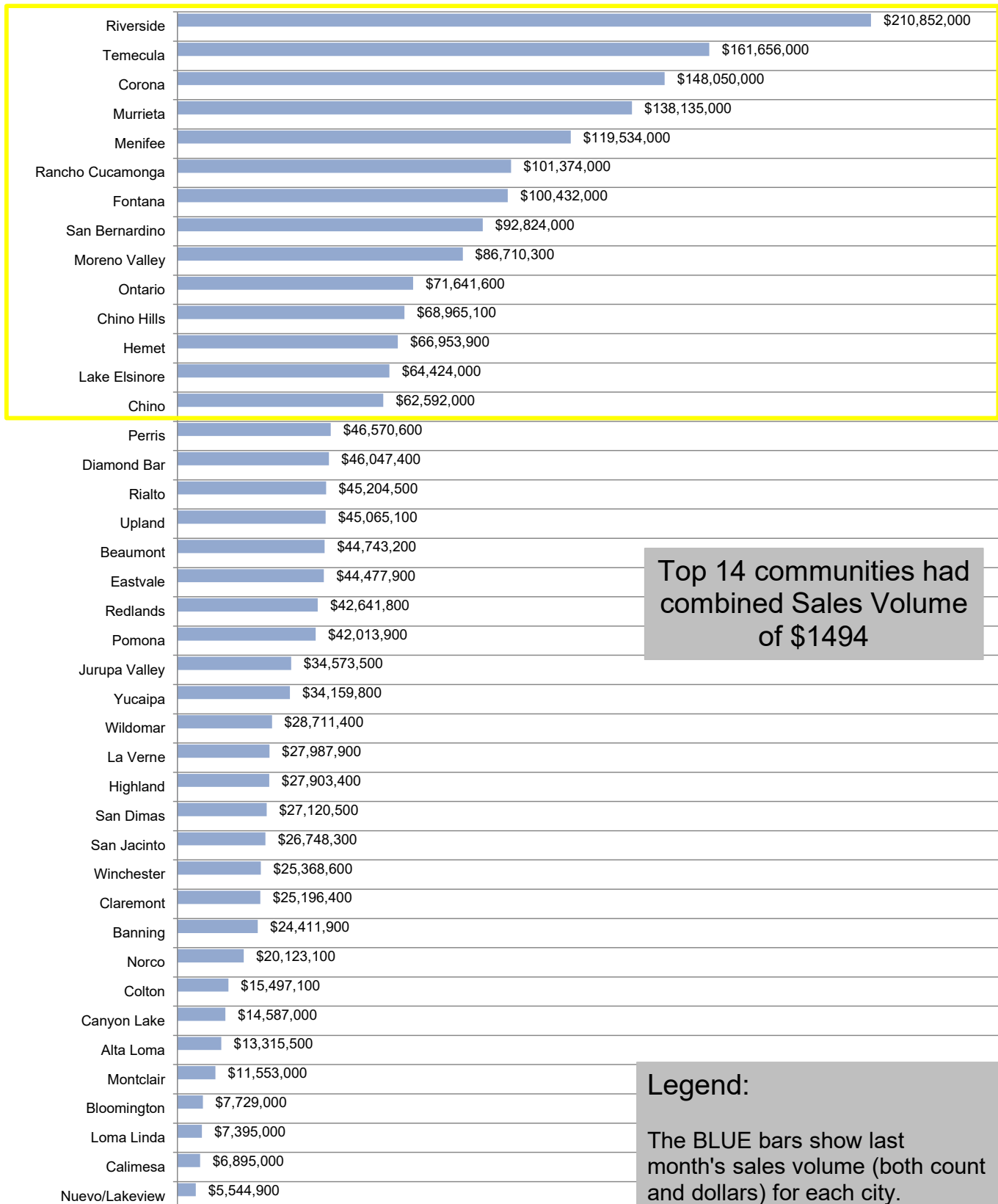
## October 2021 City Overview

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

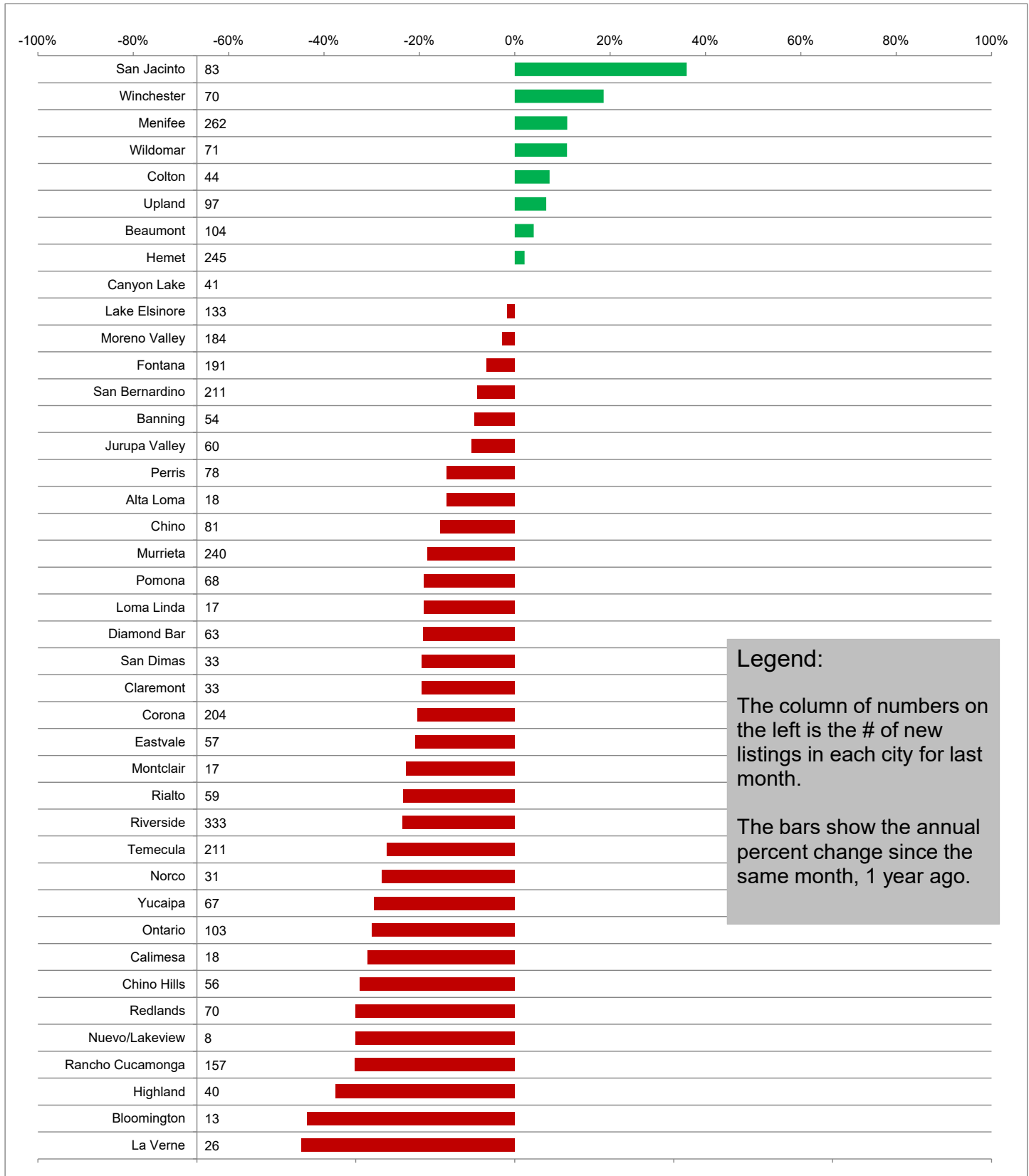
|                  | YOY Sales Transactions | YOY Median Sales Price % | Median Sales Price \$ | Active Listings | Price per Sq.Ft. | Total Days on Market |
|------------------|------------------------|--------------------------|-----------------------|-----------------|------------------|----------------------|
| Alta Loma        | ↓ -30%                 | ↑ 3%                     | \$ 793,250            | 9               | \$ 393           | 16                   |
| Banning          | 27%                    | 25%                      | \$ 348,000            | 58              | \$ 258           | 10                   |
| Beaumont         | -3%                    | 29%                      | \$ 497,500            | 85              | \$ 239           | 7                    |
| Bloomington      | 67%                    | 40%                      | \$ 510,000            | 19              | \$ 335           | 11                   |
| Calimesa         | 86%                    | 40%                      | \$ 515,000            | 21              | \$ 254           | 12                   |
| Canyon Lake      | -38%                   | -6%                      | \$ 529,500            | 46              | \$ 324           | 22                   |
| Chino            | -11%                   | 23%                      | \$ 650,000            | 95              | \$ 359           | 7                    |
| Chino Hills      | -11%                   | 21%                      | \$ 830,000            | 75              | \$ 412           | 12                   |
| Claremont        | -27%                   | 6%                       | \$ 845,000            | 27              | \$ 476           | 8                    |
| Colton           | 31%                    | 27%                      | \$ 425,050            | 46              | \$ 293           | 9                    |
| Corona           | -16%                   | 20%                      | \$ 660,000            | 226             | \$ 348           | 12                   |
| Diamond Bar      | -35%                   | 13%                      | \$ 790,000            | 64              | \$ 459           | 12                   |
| Eastvale         | -15%                   | 25%                      | \$ 803,000            | 79              | \$ 275           | 9                    |
| Fontana          | 2%                     | 18%                      | \$ 560,000            | 191             | \$ 313           | 9                    |
| Hemet            | -16%                   | 18%                      | \$ 360,000            | 222             | \$ 232           | 7                    |
| Highland         | -13%                   | 12%                      | \$ 469,950            | 51              | \$ 305           | 8                    |
| Jurupa Valley    | -19%                   | 29%                      | \$ 675,000            | 65              | \$ 302           | 11                   |
| La Verne         | -15%                   | 6%                       | \$ 825,000            | 31              | \$ 444           | 12                   |
| Lake Elsinore    | -13%                   | 22%                      | \$ 522,900            | 129             | \$ 273           | 11                   |
| Loma Linda       | -25%                   | 18%                      | \$ 520,000            | 11              | \$ 291           | 15                   |
| Menifee          | 17%                    | 21%                      | \$ 515,000            | 241             | \$ 266           | 12                   |
| Montclair        | 0%                     | 27%                      | \$ 590,000            | 30              | \$ 404           | 9                    |
| Moreno Valley    | -3%                    | 29%                      | \$ 495,000            | 243             | \$ 281           | 8                    |
| Murrieta         | -27%                   | 23%                      | \$ 609,900            | 229             | \$ 270           | 10                   |
| Norco            | -10%                   | 0%                       | \$ 706,500            | 30              | \$ 420           | 9                    |
| Nuevo/Lakeview   | 9%                     | 22%                      | \$ 470,000            | 8               | \$ 268           | 6                    |
| Ontario          | -27%                   | 18%                      | \$ 576,000            | 145             | \$ 348           | 9                    |
| Perris           | 32%                    | 30%                      | \$ 475,000            | 104             | \$ 259           | 7                    |
| Pomona           | 30%                    | 21%                      | \$ 580,000            | 100             | \$ 415           | 14                   |
| Rancho Cucamonga | -22%                   | 16%                      | \$ 680,000            | 174             | \$ 387           | 11                   |
| Redlands         | -23%                   | 7%                       | \$ 525,000            | 91              | \$ 341           | 9                    |
| Rialto           | 25%                    | 19%                      | \$ 500,000            | 91              | \$ 313           | 9                    |
| Riverside        | -5%                    | 20%                      | \$ 575,000            | 428             | \$ 330           | 10                   |
| San Bernardino   | 11%                    | 23%                      | \$ 425,000            | 234             | \$ 309           | 9                    |
| San Dimas        | -3%                    | 33%                      | \$ 837,000            | 24              | \$ 437           | 8                    |
| San Jacinto      | -15%                   | 27%                      | \$ 427,000            | 59              | \$ 237           | 8                    |
| Temecula         | -16%                   | 28%                      | \$ 690,000            | 205             | \$ 314           | 9                    |
| Upland           | -26%                   | 20%                      | \$ 716,500            | 80              | \$ 377           | 13                   |
| Wildomar         | 6%                     | 21%                      | \$ 565,000            | 58              | \$ 250           | 8                    |
| Winchester       | -28%                   | 12%                      | \$ 583,950            | 71              | \$ 257           | 14                   |
| Yucaipa          | -13%                   | 24%                      | \$ 522,500            | 66              | \$ 278           | 11                   |



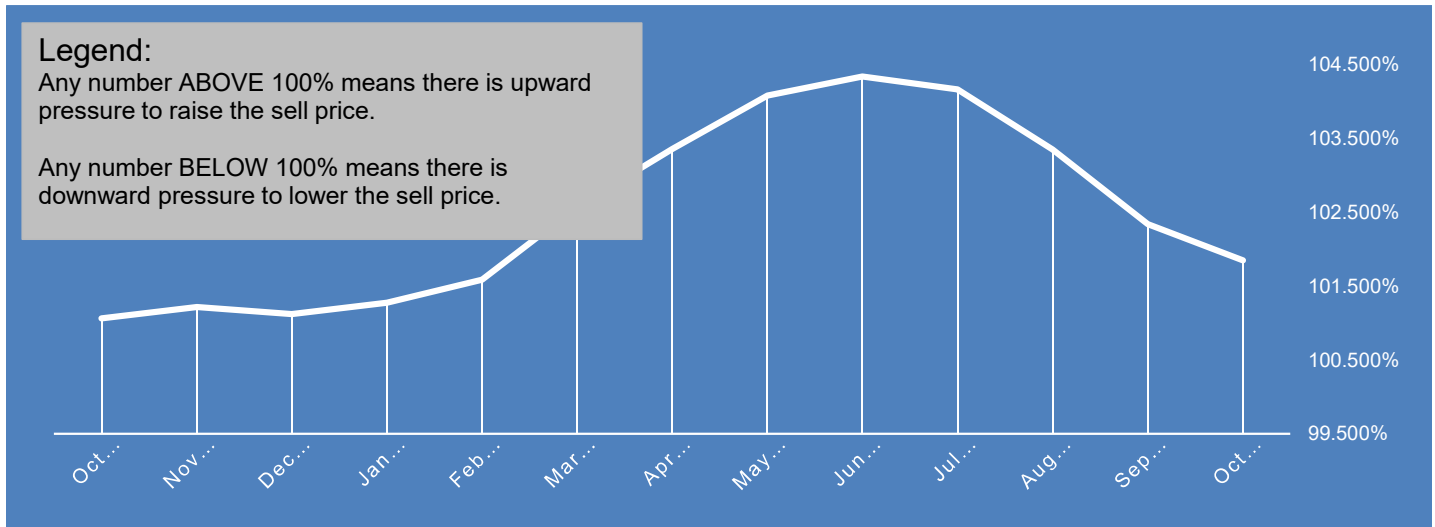
## October 2021 - Sales Volume per City



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



## Sell Price vs Original List Price



## 2020/2021 INLAND EMPIRE LISTINGS OVERVIEW

|           | New    | Pending | Closed |
|-----------|--------|---------|--------|
| 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%   |
| September | -2.3%  | 1.8%    | 0.7%   |
| October   | -14.2% | -1.1%   | -9.3%  |

## MONTHLY FINANCING TYPES

