

INLAND EMPIRE REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®

APRIL IS
FAIR
HOUSING
MONTH

**LET'S MAKE
UNFAIR HOUSING
HISTORY.**



STOP AND THINK.

ivar



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APRIL 2022

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APRIL IS
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MONTH**STOP AND THINK.**

KAMA BURTON,
2022 IVAR PRESIDENT

IVAR, REALTORS® Continue to Promote the Ideals of Fair Housing

Most people with a knowledge of even very recent history of housing – and the occasional, ugly-clash with the present – know the importance of the Fair Housing Act. Discrimination in housing was once overt, damaging and often specifically written out to make sure the unwelcome knew it without any confusion.

Even after the bigotry was exorcised from its legal grounding, it often dwelled barely beneath the surface. Its impacts continued to impact minorities, families, women, immigrants – even households with children – well past the time that such behavior was no longer supposed to be tolerated.

For that reason, we continue to work to make Fair Housing not just a set of laws, but a part of the daily practice and culture of organized real estate. Once a nest for the type of discriminatory behavior that helped enforce bigotry, REALTOR® Associations at the local, state and federal levels now proudly affirm our commitment to not just the laws behind the Fair Housing Act, but the practices that make it real to our clients and communities.

April is Fair Housing Month and we are once again showing our commitment to supporting basic fairness in housing. IVAR is once again sponsoring the Fair Housing

Council of Riverside's Annual Housing Conference. IVAR is also hosting continuing Fair Housing training as well as working with our new local Fair Housing committee to develop continuing strategies on this issue.

At the state and national level, REALTORS® are taking larger steps to make an impact. In 2020, NAR debuted the Fair Housing Action Plan to emphasize ACT (Accountability, Culture Change, Training) to promote housing rights nationwide.

The plan, which has been rolling out with dozens of new initiatives, events and resources, includes a public service campaign, training tools for real estate professionals, bias training, funding for research on fair housing issues and fostering new ideas to promote the ideals that will raise the basic tenets of our shared Fair Housing goals.

Please join us in working toward supporting a housing industry free of discrimination in which the goals of the Fair Housing Act are simply the way the world works on a daily basis and without exceptions.

REALTORS® Legislative Days Return with Key Issues in Play



PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

For the first time since 2019, REALTORS® will return to Sacramento in large numbers to meet with their state lawmakers for Legislative Day. The event marks the return of the annual gathering after two full years of pandemic measures made such a gathering impossible in person.

Legislative Day will be hosted in Sacramento on April 27th. In past years, more than 2,000 REALTORS® converged on Sacramento for a day of engaging in person with their lawmakers. As with past years, Legislative Day will include a general session, meetings with lawmakers and a large evening reception with elected leaders and your fellow REALTORS®.

The week following Legislative Day, REALTORS® from around the country will head to Washington DC (or National Harbor, Maryland, to be exact) for the return of Midyear Meetings and Capitol Hill visits.

These events are some of the best-known aspects of the REALTOR® Party's advocacy mission. This year, as usual, includes a broad array of issues of concern to housing, homeownership and the real estate professionals who form the backbone of our organizations.

Here are a few issues that may be part of the discussion over the next few months:

AB 2469: Statewide Rental Registry

This legislation would require all rental property owners to provide a long list of information to the state each year about their property, their tenants and the leases on their properties. Failing to do this would result in not being able to end a tenancy, as well as other penalties. The information, which is sometimes already compelled by local laws, has no particular purpose and would likely ensnare small property owners who are more likely to not be aware that the

law was enacted in the first place. This bill was one of C.A.R.'s priority bills to oppose during the Virtual Legislative Day meetings in early March.

AB 2170: Promoting Homeownership Through a GSE First-Look Program

In wake of the housing crash of the late 2000s, large investors swooped in to purchase tens of thousands of homes in California at a major discount and without the bother of having to make individual offers on each. Foreclosed properties were sold in packages of hundreds or thousands at a time, giving buyers who could afford to buy in bulk a price break and freezing out possible owner occupants.

REALTORS® helped to lead a push back that eventually created the FHA First Look program requiring that FHA-held foreclosed properties had to be marketed to owner-occupants for a period of time before being allowed to be sold in a bulk sale. AB 2170 would take that policy and turn it into state law to not allow a return of bulk sales in a future housing downturn that could lead to a new round of foreclosures.

AB 1771: Home Tax

AB 1771 would create a new, punishing tax for individuals who sell their home within 7 years of their purchase. The tax would be a form of a new capital gains tax that would slowly decrease starting in year 3 before phasing out at 7. Homes sold within 3 years would be subject to a 25% tax on the value appreciation. That tax would reduce to 20% until year 4, 15% until year 5 and reducing in that manner until it phases out. For the median home bought in 2019 in the Inland Empire and sold in 2022, that tax would today mean about a \$50,000 tax. REALTORS® are obviously opposed and committed to stopping this tax.

Black Homeownership Remains Disparately Low

The U.S. homeownership rate has posted its highest annual rise on record, reaching 65.5% in 2020, 1.3 percentage points over the year before. Hispanic homeownership soared to a record high and is above 50% for the first time on record.

However, Black homeownership continues to lag and has fallen to a lower level than it was a decade ago, according to a report from the National Association of REALTORS®. Black homeowners continue to face significant obstacles to homeownership, like high levels of student debt. They also are among the most likely—along with Hispanic applicants—to be rejected for mortgage loans, the report says.

The homeownership rate for Black Americans is 43.4%, trailing the 2010 rate of 44.2%. By contrast, the homeownership rate for White Americans is 72.1%, 61.7% for Asian Americans, and 51.1% for Hispanic Americans. [NAR's 2022 Snapshot of Race and Home Buying in America](#) report analyzes homeownership trends and identifies housing challenges by race.

Affordability Challenges Persist

“As the gap in homeownership rates for Black and White Americans has widened, it is important to understand the unique challenges that minority home buyers face,” says Jessica Lautz, NAR’s vice president of demographics and behavioral insights. “Housing affordability and low inventory has made it even more challenging for all buyers to enter into homeownership, but even more so for Black Americans.”

Since 2019, the price of the typical home has risen by 30%, or by about \$80,000, according to NAR. About half—51%—of all homes currently listed for sale are affordable to households with an income of \$100,000 or more. However, only 20% of Black households have incomes greater than \$100,000. In comparison, 35% of White households have incomes of more than \$100,000, while 25% of Hispanic American households and nearly half of Asian American households reach that level.

Higher rental costs are also pressing on household budgets. Half of Black Americans spend more than 30% of their monthly income on rent. Nearly three out of 10 Black renter households (28%) and one in five White renter households (20%) are considered severely cost-burdened. That is defined as spending more than 50% of a household’s monthly income on rent.

“Black households not only spend a bigger portion of their income on rent, but they are also more likely to hold student debt and have higher balances,” Lautz says. “This makes it difficult for Black households to save for a down payment and as a result, they often use their 401(k) or retirement savings to enter homeownership.”

Speaking Up for Fair Housing

NAR has taken an active role to combat the racial homeownership gap. The association serves on the steering committee of the [Black Homeownership Collaborative](#), which has a seven-point plan charged with increasing Black homeownership by a net 3 million by 2030. NAR also has its [ACT plan](#), which emphasizes “Accountability, Culture Change, and Training” to advance fair housing in the industry. NAR offers an interactive training platform, [Fairhaven](#), which puts real estate professionals in simulated situations where discrimination in a real estate transaction can occur. The association also offers its members an [implicit bias video](#) and classroom training to offer strategies that help real estate professionals override biases in their daily interactions.

NAR has also taken an active voice to advocate for more housing inventory and affordable housing, which includes expanding and creating tax incentives and zoning reforms. NAR and the Rosen Consulting Group published a report that examines the causes of America’s housing shortage and provides solutions to address it.





Report Shows 'Double Trouble' for Housing

Record-high home prices and record-low inventories, a combination labeled “double trouble” by analysts, are growing roadblocks for many Americans to achieve homeownership, particularly for Black Americans, according to a new analysis from the National Association of REALTORS® and realtor.com®. The newly released report, [The Double Trouble of the Housing Market](#), examines the impacts of rapidly rising home prices and low inventories on housing affordability.

About 400,000 fewer affordable homes are available for sale for households earning \$75,000 to \$100,000 compared to before the pandemic began, according to the study. There's one affordable listing available for every 65 households, a notable decrease in availability from one affordable listing for every 24 households in 2019 for this income segment, the study says.

Home prices have risen by double-digit gains over the past year. Nationwide, the total home valuation has surged by \$8.1 trillion from the first quarter of 2020 through the end of 2021.

“The housing wealth gain has been sizable over the past two years,” says Lawrence Yun, NAR's chief economist. “However, due to the ongoing inventory shortage and rising interest rates, homeownership attainment will become especially challenging unless drastically more housing supply is available.”

The low-inventory challenge is “particularly acute for some racial and ethnic groups who have faced greater hurdles to homeownership stemming from, among other things, lower incomes as a group,” adds Danielle Hale, realtor.com's chief economist.

Rising home prices and record-low numbers of homes for sale have made it increasingly difficult for Black Americans to achieve homeownership, according to the report. Since 2017, the annual homeownership rate for White Americans has remained above 70%. But the homeownership rate for Black

Americans has been only about 40%—some 30 percentage points lower.

NAR and realtor.com's report analyzed housing affordability by racial group to help explain the possible differences in homeownership. They found that 35% of White households but only 20% of Black households have incomes greater than \$100,000. However, about half of all homes currently listed for sale—51%—are affordable only to households with at least \$100,000 income. A significant and persistent racial homeownership gap exists in America, the report says. Despite the challenges, though, Black Americans are finding a path to homeownership in some markets like Baltimore, Memphis, Tenn., and St. Louis.

“There are affordable markets that still provide opportunities to achieve homeownership as inventory at affordable price points is reasonably available,” says Yun.

NAR Calls for More to Be Done

To increase the nation's housing inventory, NAR has advocated for lawmakers to:

- Include funding for affordable housing construction
- Preserve, expand, and create tax incentives to renovate distressed properties
- Convert unused commercial space to residential units
- Encourage and incentivize zoning reform

Further, expanding new-home construction by an additional 550,000 units a year for 10 years would create 2.8 million new jobs and generate more than \$400 billion in economic activity, NAR says. A separate report conducted by NAR and the Rosen Consulting Group, [Housing is Critical Infrastructure: Social and Economic Benefits of Building More Housing](#), examines the causes of America's housing shortage and provides a range of actions that can effectively address this longtime problem.

Federal Court Blocks 'Love Letter' Ban

A federal judge ruled that an Oregon law preventing buyer "love letters" is a violation of First Amendment rights. The letters have commonly been included in home offers, with buyers writing to sellers expressing their desire for a home.

Last year, [Oregon became the first state in the country](#) to prevent real estate agents from forwarding such letters to sellers. The law, which was introduced by a real estate agent who serves in the state Senate, was based on the concern that the letters may include photographs and videos and personal details about the buyer which could lead the seller to choose among offers based on the buyer's personal characteristics, in violation of fair housing laws. The Oregon law did not prevent buyers from communicating with sellers directly, however.

In November 2020, a lawsuit was filed in federal court by the Pacific Legal Foundation on behalf of a real estate firm to block Oregon's ban.

"Today's ruling preserves the opportunity of home buyers to speak freely to sellers and make the case why their purchase offers should win out," Daniel Ortner, a Pacific Legal Foundation attorney, said in a statement about the ruling. "Love letters communicate information that helps sellers select the best offer. The state cannot ban important speech because someone might misuse it."

The court found the ordinance to be too broad in restricting buyers' speech, saying laws already exist to prohibit sellers from discriminating against buyers' backgrounds and characteristics.

Despite the recent ruling, the real estate industry cautions about the use of such letters. The letters could reveal a buyer's race, national origin, religion, sexual orientation, or other protected characteristics which could sway sellers in one direction in an offer situation. [The National Association of REALTORS® has issued warnings](#) over the use of such letters to its members. Several brokerages and real estate professionals also have taken a stance that they will not deliver such letters on behalf of their buyers due to fair housing fears.

Lisa Bates, a Portland State University associate professor in the Toulon School of Urban Studies and Planning, told USA Today that the letters could lead to sellers who may "consciously or unconsciously" choose home buyers who are similar to themselves, which could reinforce racial gaps in homeownership and neighborhood segregation.



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Housing Data Report

MARCH 2022



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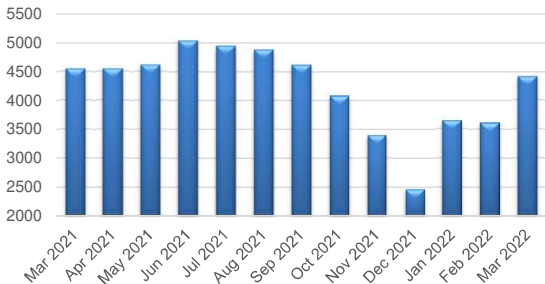

March 2022 - Monthly Summary Report

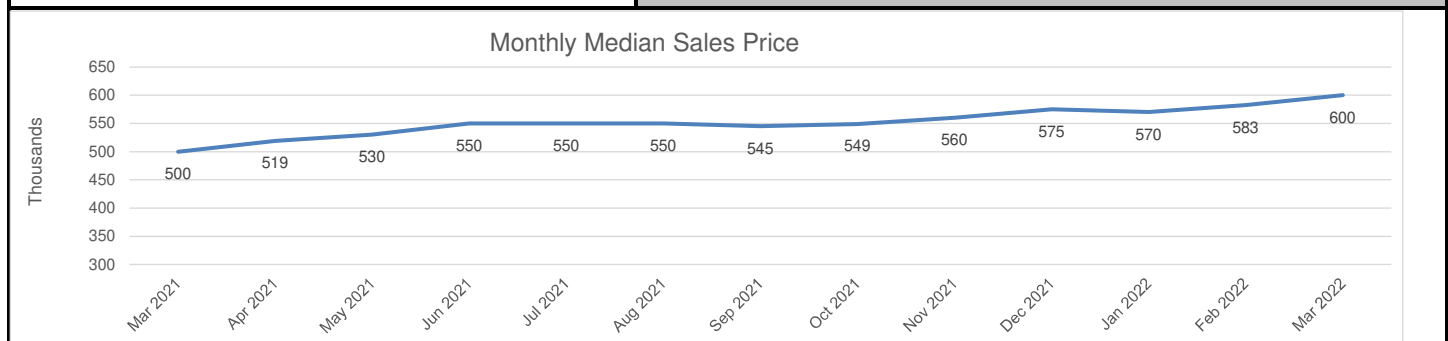
Mark Dowling, IVAR CEO

The first quarter of 2022 is on the books and the Inland Empire's residential real estate market continues to reflect fairly strong home sale numbers. Although New Listings, Pending Sales, and Sold Listings were down slightly (between -2.1% and -2.3%) in quarterly, year-over-year comparison, Sales Volume was up significantly at 16%.

Additionally, Median Sales Price was up a solid 19.4% for the quarter, while the March Median Sales price hit \$600,000. Days on Market continues to be under two weeks (9 days!) demonstrating both a strong demand and a lack of supply in the market.



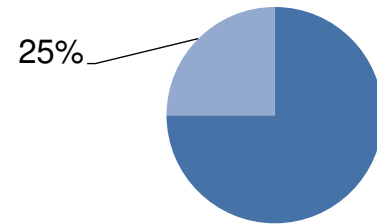
		Mar-2021	Mar-2022	Annual Change																													
<div><h3>Monthly New Listings</h3><table border="1"><caption>Monthly New Listings Data</caption><thead><tr><th>Month</th><th>New Listings</th></tr></thead><tbody><tr><td>Mar 2021</td><td>4,546</td></tr><tr><td>Apr 2021</td><td>4,548</td></tr><tr><td>May 2021</td><td>4,600</td></tr><tr><td>Jun 2021</td><td>5,000</td></tr><tr><td>Jul 2021</td><td>4,950</td></tr><tr><td>Aug 2021</td><td>4,900</td></tr><tr><td>Sep 2021</td><td>4,600</td></tr><tr><td>Oct 2021</td><td>4,100</td></tr><tr><td>Nov 2021</td><td>3,400</td></tr><tr><td>Dec 2021</td><td>2,400</td></tr><tr><td>Jan 2022</td><td>3,600</td></tr><tr><td>Feb 2022</td><td>3,600</td></tr><tr><td>Mar 2022</td><td>4,407</td></tr></tbody></table></div>	Month	New Listings	Mar 2021	4,546	Apr 2021	4,548	May 2021	4,600	Jun 2021	5,000	Jul 2021	4,950	Aug 2021	4,900	Sep 2021	4,600	Oct 2021	4,100	Nov 2021	3,400	Dec 2021	2,400	Jan 2022	3,600	Feb 2022	3,600	Mar 2022	4,407	New Listings	4,546	4,407	↓	-3.1%
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Pending Sales	4,148	4,112	↓	-0.9%																													
Sold Listings	3,863	3,800	↓	-1.6%																													
Median Sales Price	\$500,000	\$600,000	↑	20.0%																													
Sales Volume (\$M)	\$2,083	\$2,446	↑	17.4%																													
Price/Sq.Ft.	\$270	\$329	↑	21.8%																													
Sold \$/List \$	102.58%	103.48%	↑	0.9%																													
Days on Market	6	8	↑	33.3%																													
CDOM	6	8	↑	33.3%																													
<div><p>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.</p><div></div></div>																																	



2022 - Year to Date Report

We are 3 months through the year:

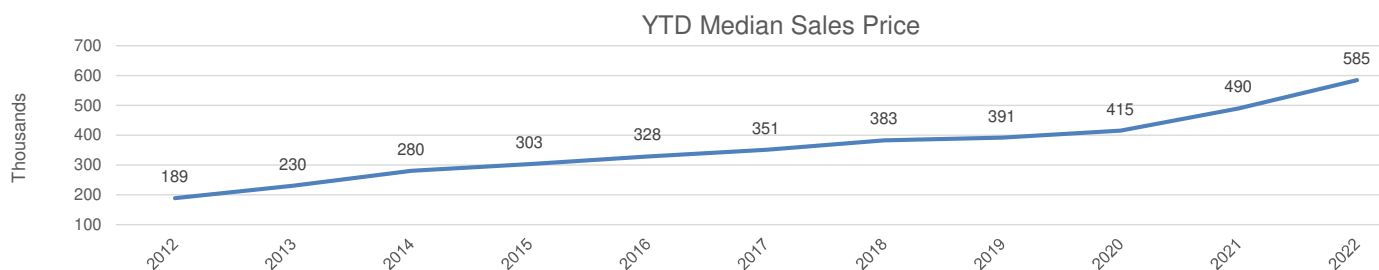
The statistics shown below are for the first 3 months of the years represented.



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 2021	Jan-Mar 2022	Year-Over-Year Change
YTD New Listings			
New Listings	11,928	11,674	↓ -2.1%
Pending Sales	10,801	10,561	↓ -2.2%
Sold Listings	9,809	9,579	↓ -2.3%
Median Sales Price	\$490,000	\$585,000	↑ 19.4%
Sales Volume (\$M)	\$5,168	\$5,996	↑ 16.0%
Price/Sq.Ft.	\$265	\$324	↑ 22.1%
Sold \$/List \$	101.86%	102.50%	↑ 0.6%
Days on Market	7	9	↑ 28.6%
CDOM	7	9	↑ 28.6%

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.

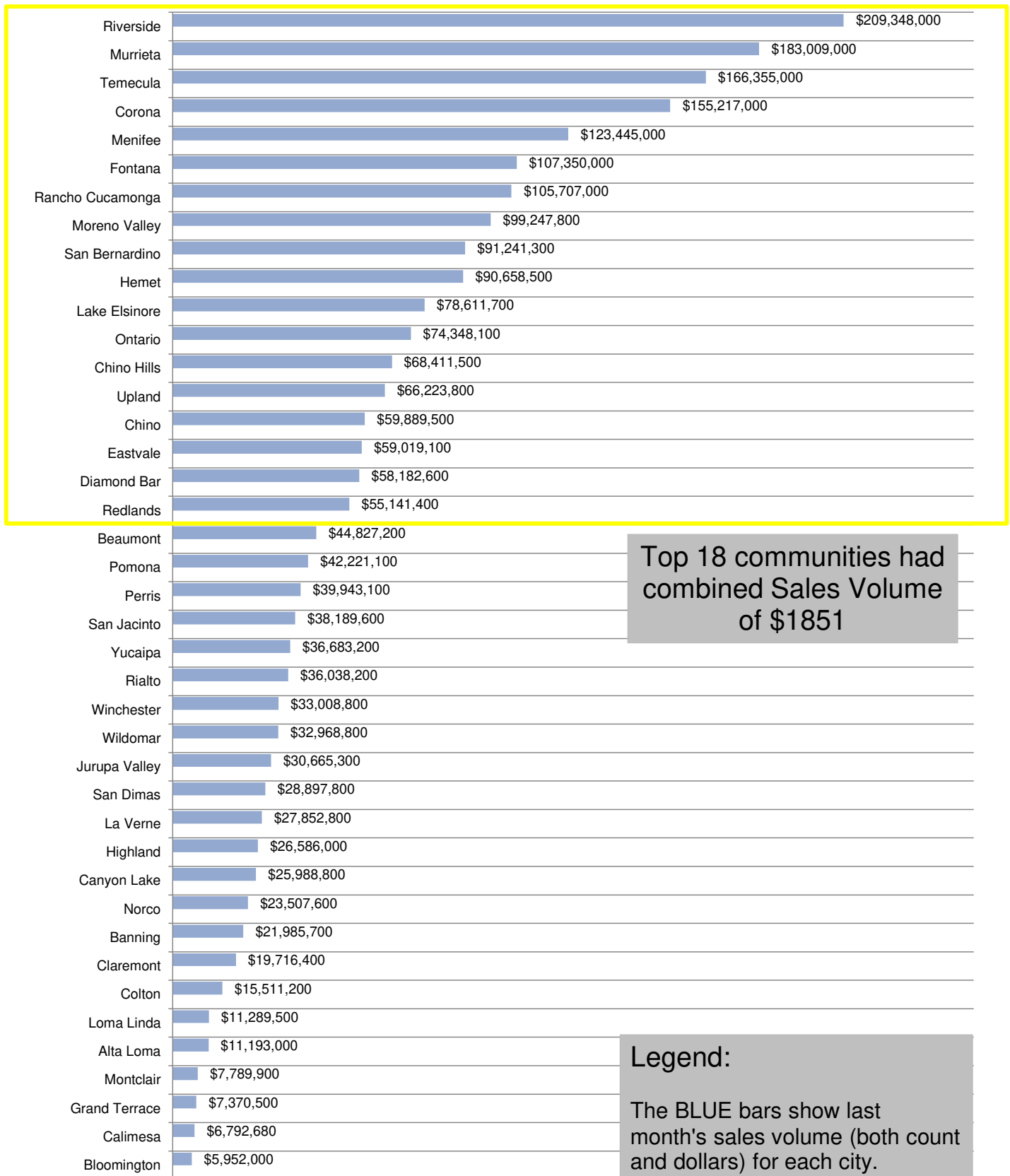


March 2022 City Overview

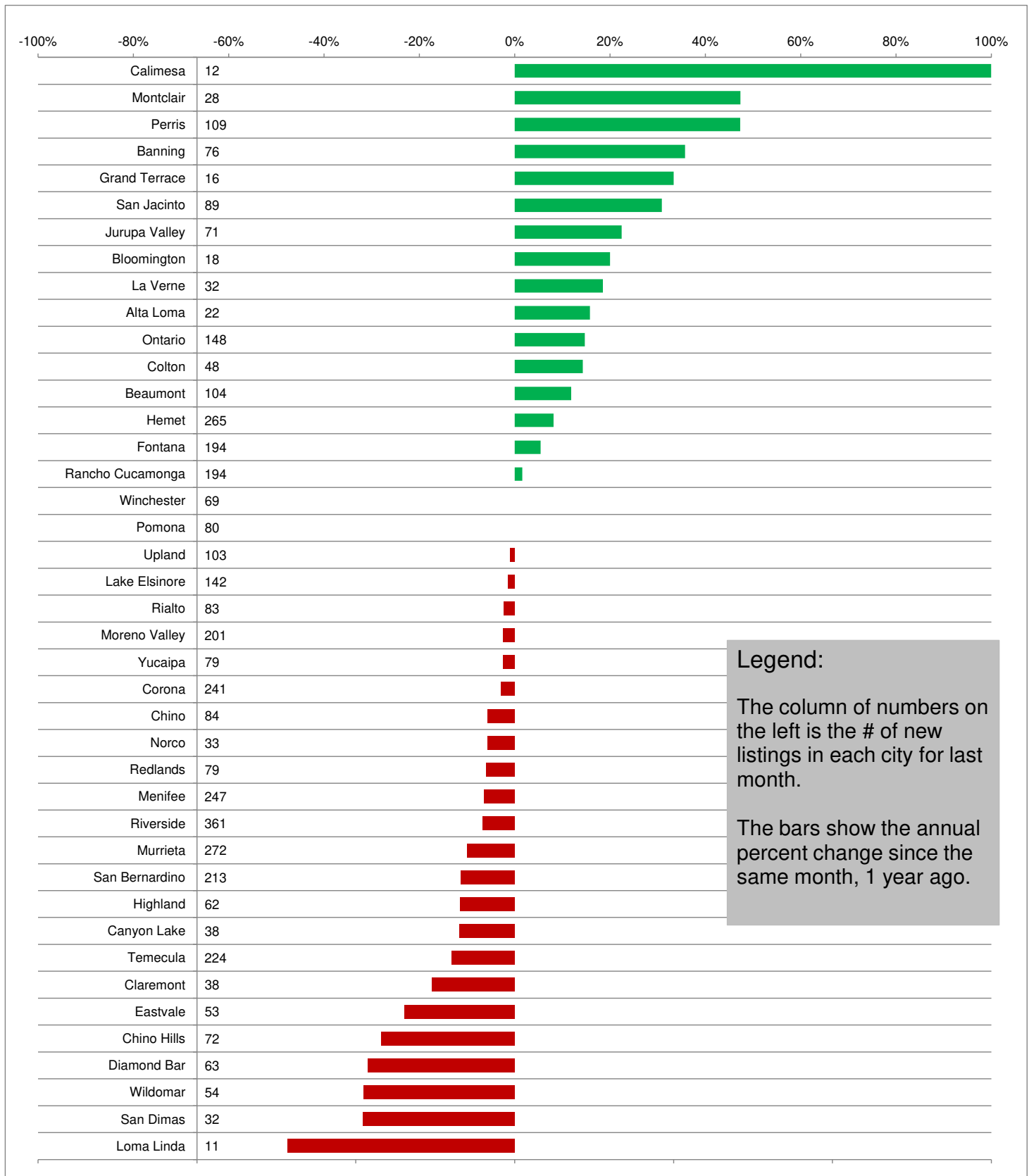
The following monthly data shows "YEAR-OVER-YEAR" (YOY) changes as well as current conditions in the real estate market

	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Active Listings	Price per Sq.Ft.	Total Days on Market
Alta Loma	↓ -19%	↑ 19%	\$ 820,000	10	\$ 444	10
Banning	-8%	24%	\$ 384,750	67	\$ 262	9
Beaumont	16%	23%	\$ 522,000	87	\$ 258	10
Bloomington	-21%	20%	\$ 520,000	13	\$ 426	9
Calimesa	-44%	32%	\$ 532,500	13	\$ 263	13
Canyon Lake	6%	25%	\$ 675,000	36	\$ 335	14
Chino	-21%	22%	\$ 725,000	53	\$ 383	8
Chino Hills	-8%	22%	\$ 980,000	57	\$ 460	7
Claremont	-40%	25%	\$ 991,250	21	\$ 487	8
Colton	-17%	26%	\$ 442,500	29	\$ 335	9
Corona	0%	23%	\$ 745,000	153	\$ 363	7
Diamond Bar	7%	33%	\$ 922,500	43	\$ 529	7
Eastvale	9%	30%	\$ 925,000	37	\$ 305	7
Fontana	1%	26%	\$ 642,146	122	\$ 346	9
Grand Terrace	30%	18%	\$ 565,000	6	\$ 356	8
Hemet	11%	32%	\$ 412,500	238	\$ 235	12
Highland	-8%	23%	\$ 550,000	49	\$ 322	7
Jurupa Valley	-10%	9%	\$ 640,000	41	\$ 371	6
La Verne	-21%	11%	\$ 928,444	17	\$ 523	8
Lake Elsinore	16%	22%	\$ 566,550	119	\$ 285	7
Loma Linda	31%	39%	\$ 680,000	9	\$ 323	7
Menifee	-5%	29%	\$ 575,000	192	\$ 281	8
Montclair	-7%	9%	\$ 597,000	10	\$ 365	7
Moreno Valley	9%	21%	\$ 519,740	178	\$ 317	7
Murrieta	3%	21%	\$ 650,000	188	\$ 300	7
Norco	-13%	2%	\$ 822,500	29	\$ 399	8
Ontario	1%	20%	\$ 626,000	100	\$ 424	9
Perris	-7%	15%	\$ 501,000	92	\$ 273	9
Pomona	18%	24%	\$ 630,000	70	\$ 451	8
Rancho Cucamonga	-25%	15%	\$ 720,941	118	\$ 408	7
Redlands	-3%	15%	\$ 592,000	59	\$ 361	8
Rialto	6%	24%	\$ 525,000	60	\$ 341	8
Riverside	-12%	22%	\$ 620,000	259	\$ 356	7
San Bernardino	16%	21%	\$ 460,000	174	\$ 337	8
San Dimas	75%	25%	\$ 780,000	23	\$ 471	6
San Jacinto	72%	21%	\$ 461,500	83	\$ 253	11
Temecula	-2%	17%	\$ 724,245	140	\$ 353	6
Upland	0%	23%	\$ 792,500	60	\$ 396	8
Wildomar	-11%	26%	\$ 644,628	36	\$ 272	11
Winchester	-32%	21%	\$ 646,245	36	\$ 263	7
Yucaipa	-19%	21%	\$ 586,950	55	\$ 307	8

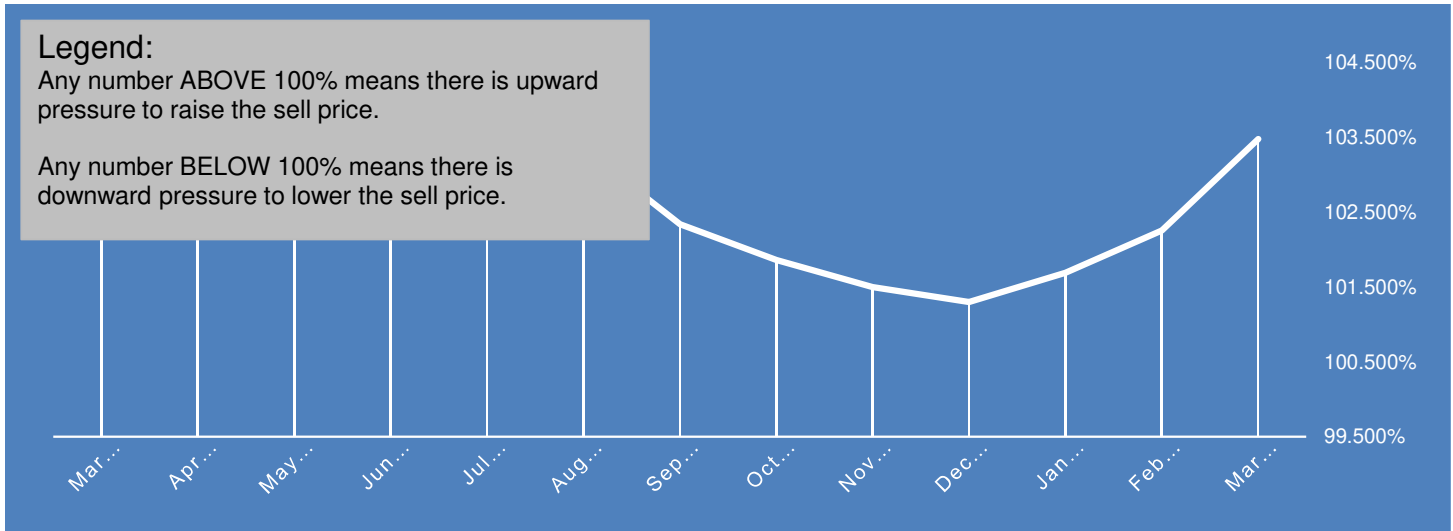
March 2022 - Sales Volume per City



March 2022 - Top Communities with New Listings (year-over-year)



Sell Price vs Original List Price



2021/2022 INLAND EMPIRE LISTINGS OVERVIEW

	New	Pending	Closed
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%
November	-0.5%	6.5%	-0.4%
December	-12.3%	2.6%	-6.8%
January	-2.6%	2.1%	-3.8%
February	-5.9%	0.3%	-2.3%
March	-3.1%	-0.9%	-1.6%

MONTHLY FINANCING TYPES

