

The Joshua Tree

June 21, 2022

THE HIGHS AND LOWS OF REAL ESTATE

Jason Lamoreaux, President of Coldwell Banker Commercial Real Estate Solutions, had some good news to share. The High Desert real estate market performed better than most Metropolitan areas during the Covid years of 2020-2021.

When Covid hit and people were at home Jason thought that the office and retail real estate market would tank, due to people shopping online and using Zoom for work, but what actually happened is for all of those 80,000 people who commute, stayed in the High Desert and began to use more goods and services locally. In fact the vacancy rate across the board was surprising.

Office went from a 4.7% to a 2.7% vacancy rate, and retail went from 7.8% to 5.6%. Multi Family had a 35% increase in rental rates and 93% were on time with their rents. Even more, the vacancy rate for the local Industrial Market was zero! You actually had to be put on a waiting list!

Commercial real estate took off in 2021. It was a runaway year and the result was that land sales went through the roof. Industrial land was the biggest seller, and the rents per square foot also needed to go up along with the market.



In fact, it is the same for office and retail as well, rental rates have gone up, while vacancy's has gone down.

Over in the Multi-Family Market, rental rates have also gone up, but the challenge is that the market is under-built. Currently there are only 2,500 structures permitted to be built.

Since the 2008 recession, the residential market has learned to do things better. Pre-2008, they would build 7,000 new homes per year and were left with too many. Learning from the past, last year only 1400

were built, and this year the number has risen only slightly at 1700. Right now there is only a two month supply of homes on the market, whereas a healthy market should have a six month supply. The High Desert is still the most affordable market in California. The median home price in the state is \$834,000, but in here in the Victor Valley it is almost half at \$415,000.

The biggest question Jason gets is, "Are we in a recession?" His answer is that we are in the beginning stages now due to the rise of inflation. For the residential market, it has now turned into a buyer's market, instead of a seller's as it has been the last two years. People are no longer making multiple offers on homes in a matter of hours, and homes are taking longer to sell than the past 24 months. Jason thinks we will see the full impact of a recession next year.

In addition to a recession, Jason also foresees a 7% increase in interest rates, a decrease in affordability, and growth in the industrial sector. He also predicted that the Retail and Office Markets may slow, and housing demands will exceed supply, due to continued growth and slow in getting material and supplies to build.

The future will tell. Find out more at www.cbcworldwide.com.

This Week's Functionaries

Invocation: Chris Ackerman

Flag Salute: Bill Scott

4-Way Test: Bob Basen

Fine Master: David North

HOVE'S HELLO



Thanks to Jason Lamoreaux for providing our Club with an update on the real estate market here in the High Desert. Things are running

smoothly, but it sounds like next year things may change, so we must all be prepared.



The District Conference is this weekend and we are excited for our ride up the Palm Springs Tram along with lunch on Friday, June 24th. Remember, this is free for any Club Rotarian and their spouse, and you don't need to be attending the conference to take part in this special event. We hope to see you there!

I am happy to share that your Board of Directors last week voted to donate \$2,000 to support Ukraine through Rotary International and another \$2,000 towards our friends at Shelter Box.

Finally, when I see lover's names carved out in a tree, I wonder why so many bring knives on their dates?

Jon Hove



www.victorvillerotary.org

Demotion Party!



SERVE TO CHANGE LIVES

Big Blue Dice



Ben Tafoya had the chance to pick the Blue Dice, and pulled it out of the bag! Ben left the meeting with \$300 richer!

We will start again next week with 14 dice and \$200 for the lucky Rotarian who picks the Blue Dice from the bag!

Fine Session

David North was our Fine Master this week and began with Demotion Party fines. **Mike Page** was fined \$20 for being announced as 'Citizen of the Year', and **Dwight Johnson** got the same for being selected as "Rotarian of the Year". **Harrison Hove's** daughter kept crawling towards the pool at the party, and as a new grandparent it scared David, which resulted in a \$20 penalty.

Bob Basen was penalized \$38 in honor of his Rotary anniversary of as many years, and **Ben Tafoya** was hit with a \$28 fine for his 28th wedding anniversary. **Bill Scott** was bragging about being in Europe for 3 weeks and was hit for \$25, and **Stefanie Montoya** was late, so she was told her fine was \$20.

Now, since **Arsalee Morales** cannot find the Bell, she was directed to pay ALL the fines with a total amount of \$171.00!

Rotary Guests

Along with our speaker, we welcomed **Ernie Dominguez** who attended as a guest of **Ben Tafoya**. We also had family members at the meeting with **Harrison Hove** attending with **Jon Hove** and **Linda Scott** was at the meeting with husband **Bill Scott**.

Our only Stand-in this week was **Stefanie Montoya** for **Bryan Gillespie**.

Raffle

Chris Ackerman brought a couple of Victor Valley Transit goodies with **Ben Tafoya** winning a USB thumb drive Electric Bus and a phone charger kit, taken home by **Dwight Johnson**. Dwight himself gave away a wine carrier that will be used by **Rob Kilpatrick** and a couple bottles of wine that went home with **John Kroencke** and **David North**.

Spoon of Exemption

Rob Kilpatrick with **Dave Evans** and **Associates** had the Spoon this week and shared that he agreed with the update from our speaker, as they are working on quite a few industrial projects and are seeing more developers buying land, which means more business for them!

Rob also gave an update on the Apple Valley Village project. Just this past week the Planning Commission adopted it, and the Town Council will make their adoption in July. Exciting times ahead for Rob!



Rotary
Club of Victorville, CA



The Polio Pig

Collected this week: \$5.00

Collected to Date: \$18,921.52

Total equals: 98,959 Doses!

*One dollar equals 2 doses of vaccine!
\$500 pays for a Polio Clinic!*

Rotary Club of Victorville, CA



The Joshua Tree is a Weekly Publication of the Rotary Club of Victorville
P.O. Box 734 • Victorville, CA 92393 • www.victorvillerotary.org

If you are not receiving your newsletter, please contact Editor Chris Ackerman at
chris@signifydesigns.com or 760-559-1686 to be added to the e-mail or mailing list.

VICTORVILLE ROTARY CLUB OFFICERS

Board of Directors

President 2021-2022	Jon Hove
President 2022-2023	Arsalee Morales
President 2023-2024	Steve Murray
President 2024-2025	Need Candidates
President 2025-2026	Bill Edwards
Immediate Past President	Steve Orr
Treasurer	Donna Wells
Executive Secretary	Margaret Cooker
Foundation.....	Margaret Cooker
Club Service	Arsalee Morales
Community Service	Need Volunteer
International Service.....	Ben Tafoya
Youth Service/RYLEA & TLC	Ryan McEachron
Vocational Service	Need Volunteer
Grants.....	Margaret Cooker
High School Speech Contest.....	Ryan McEachron
Scholarships.....	Esther Mears and Arsalee Morales
George Hensel Ethics Essay Contest	Ron Boyd
Membership.....	Dwight Johnson
Billing Officer	Esther Mears

Members-at-Large: David North, Esther Mears, Rob Kilpatrick & Ron Boyd

Positions & Committee Chairs

BOD Secretary	Pam Murray
Programs	Mike Page
Publicity/Public Relations	Stephen Quintero
Public Service.....	Rick Bessinger, Teresa DeAtley, John Wickum & Jeff Armstrong
Sergeant At Arms.....	Arsalee Morales
Dan Stover Music Contest.....	Margaret Cooker
S.T.A.R. Students	Maureen Mills and Michal Krause
Fundraising.....	Arsalee Morales
Flowers and Gifts	KayMarie Gregory
VVUHSD Jr. HS Four Way Speech	Nancy Noble
Joshua Tree Editor	Chris Ackerman

The Victorville Rotary Club meets every Tuesday for fellowship at 11:30 a.m. and meeting at 12:00 noon at the Spring Valley Lake Country Club, 13229 Spring Valley Parkway, Victorville

Make-up Days and Locations

MONDAY:	San Bernardino East, Imperial Palace, noon
TUESDAY:	Rancho Cucamonga Sunrise, 7:15 a.m. Empire Lakes Golf Course Rancho Cucamonga, 12:00 p.m., Etiwanda Gardens
WEDNESDAY:	High Desert/Hesperia Club meets 7:00 a.m., Denny's, 13165 Main St., Hesperia San Bernardino Crossroads, Hilton, noon, Barstow, Rositas, 540 Main St, 12:00 p.m.
THURSDAY:	Apple Valley, ZOOM Meetings, 1st, 2nd and 4th Thurs Ontario, 12:15 p.m., Doubletree Hotel San Bernardino, Denny's at I-15, 7 a.m. Redlands, Masonic Temple, noon
FRIDAY:	San Bernardino North, Elks Lodge, 12:05 p.m.

Calendar Dates

- June 24: District Conference**
-26: Indian Hills Resort and Spa
- June 24: Palm Springs Tram and Lunch**
Meet at Tram entrance at 10:45am
- June 25:** 4-Way and Ethics Speech Finals & Breakfast at Esmeralda Resort and Spa
Dan Stove Music Finals and Lunch at Esmeralda Resort and Spa
- July 11: Board of Directors Meeting**
5:30 pm Meeting at Robar Enterprises
17671 Bear Valley Road, Hesperia
2nd Building on the Right Side of Driveway

Rotary
Club of Victorville, CA



Upcoming Programs

- June 28:** Jon Hove and Donna Wells
Topic: "State of the Club" (Page)
- July 5:** Chris Ackerman, Victor Valley Transit Authority **Topic: "TBA"** (Page)
- July 12:** Martial Haprov, Mojave Air Quality District
Topic: "3 Things You Didn't Know You Need to Know About the MDAQMD" (Poiriez)

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