



**METRO-WEST**  
APPRAISAL CO., LLC

# THE MARKET'S EDGE

INSIGHTS AND PREDICTIONS FOR THE REAL ESTATE INDUSTRY

JULY 2019

## *Bifurcated Appraisals: How Alternative Valuations are Impacting an Evolving Industry*



## IN THE KNOW

### Metro-West deploys NEW TECH



The excitement is starting to build! We're excited to announce that we'll be launching new technology aimed at further reducing turn times, streamlined communication with enhanced scheduling features.

#### STAY TUNED:

*More details to come in the 3rd quarter of 2019!*

### JPMorgan continues to boost the Detroit comeback story

JPMorgan Chase has already exceeded its commitments toward revitalization efforts in the city of Detroit with over \$155M in investments. Now, the company recently announced an additional commitment committing an additional \$50M to help with developing affordable housing, improving home ownership, job training and kickstarting minority-owned businesses. Detroit's business districts have experienced a boom in recent years and now more attention is being focused on developing and enhancing local residential neighborhoods.



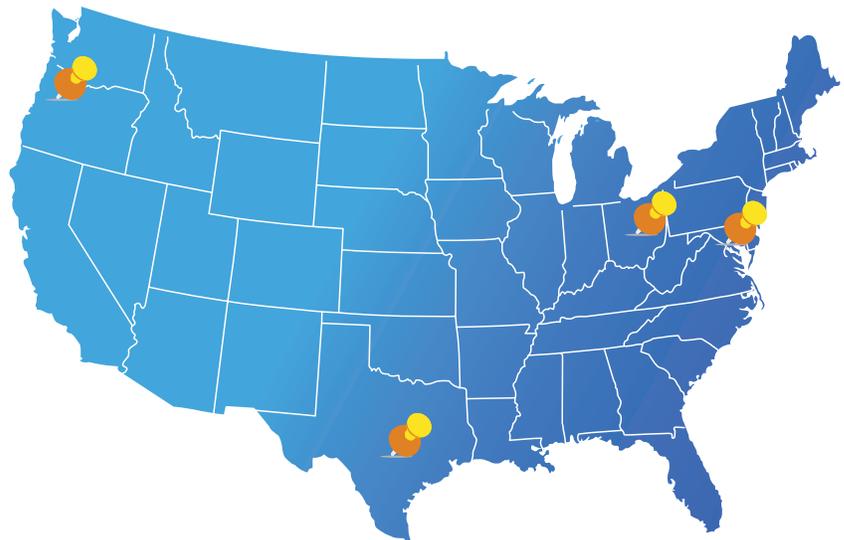
## Adapting to Fannie Mae's Appraisal Processes

Property Data Collection reports (PDCs) have jumped to the forefront with GSEs, as they've continued to push the use of their 1004P bifurcated appraisal products, which is aimed at reducing costs and shrinking turn times.

One issue, however, is during times when appraisers experience higher-than-normal workloads, lower price points may place a strain on hitting desired turnaround times.

This is where we come in as a support system for clients and appraisers alike to successfully implement and adapt to alternative appraisal processes.

Our goal is to alleviate the burden of training for our clients, and, as a company that's owned and-operated by appraisers, remaining fiercely committed to advocating for and on-the-behalf of our staff appraisers.



## Continued Growth and Expansion

Our team is proud to announce a recent expansion into several new major metropolitan markets, including: Columbus, Ohio; Austin, Texas; Washington. D.C. and Portland, Oregon.

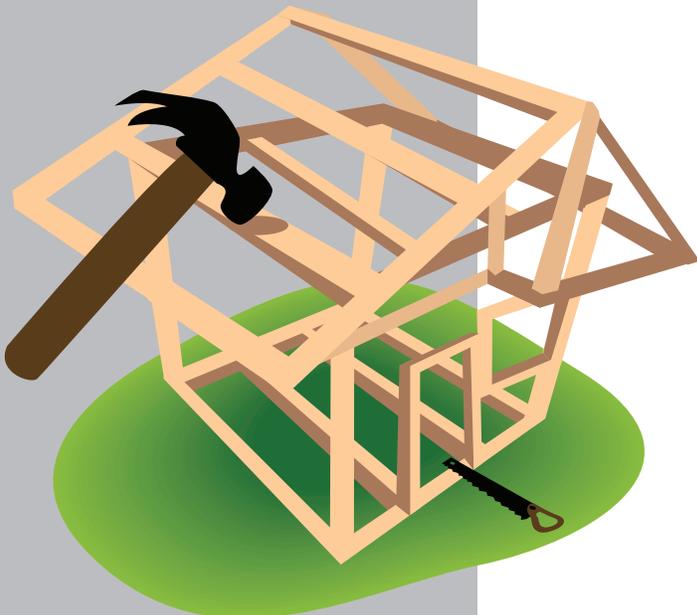
This strategic growth allows us to increase our footprint while continuing to provide clients with top customer service and quality valuation reports.

## MORE NEWS...

### Why can't housing production keep up with demand?

One explanation may be the housing boom in the early 2000's, which led to a surplus of homes that were left vacant once the recession hit. While the economy struggled to get back on its feet, housing production stalled until these surplus units were sold off. Because of this, builders and lenders are now wary to begin producing a large surplus of units again in case the economy takes a turn for the worse.

Another probable reason for the lack of supply is due to labor shortages. There is a major struggle in the construction sector to fill job openings because the traditional labor pool – young men without college educations – is shrinking.



## Continued Growth and Expansion

Beginning in 2008, the recession and subsequent housing downturn was longer and deeper than any other since the Great Depression. This resulted in a decline in housing construction because of low demand, which reached the bottom in 2011. Although there have been steady gains in that production since then, we are still seeing a lack of housing production as construction struggles to keep up with the growing economy and incomes over the past 5 years or so. This low supply is driving an affordability issue, especially for lower end housing.

Although production has been slow to regain its footing, the good news is that home ownership is clearly on the rise and, according to research, despite large demographic switches, this growth should continue over the next 10 years. But bringing this potential to reality will largely depend upon the ability to produce a wider range of affordable homes for potential homeowners.

