



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

# THE MARKET'S EDGE

INSIGHTS AND PREDICTIONS FOR THE REAL ESTATE INDUSTRY

OCTOBER 2019

## *Refi-Boom in full swing*



## IN THE KNOW

### Interest Rate Drops Create a Refinancing Boom



The cost of a 30-year mortgage is down more than a percentage point, which means many homeowners are taking this opportunity to refinance for

the potential to save hundreds of dollars each month. These lower rates, the rise in housing prices, and an all-time high in homeowner equity all make for the perfect opportunity for refinancing.

### Metro-West in Boston and Dallas

Metro-West continues to build staff in high demand areas where our customers need us the most. Dallas and Boston have had tremendous activity and growth recently, and we are happy to have more than 20 staff appraisers in these real estate hotbeds!



### Valuation Expo and MBA Annual19

This fall brings two very exciting events for Metro-West: Valuation Expo in Las Vegas on September 30th and MBA Annual19 in Austin, TX on October 27th! If you're headed out to one of these events, make sure to come say hi!



### Good News or Bad News for the Housing Market?

According to FHFA, home price gains in July were the second-smallest in four years. While it may sound like bad news for homeowners, statistics show that housing prices are still up 5% from one year ago. These stats, combined with low housing supply, show that we're still in a seller's market.

Given the current demographics in the U.S., there should be about 300,000 more units produced per year. Some believe that the reasons for low supply include baby boomers and Gen Xer's deciding to stay in their homes as they age and failure in building affordable entry-level housing. Why are homebuilders struggling to keep up with demand? There simply isn't enough skilled labor to produce the level of housing needed.

### Gig Economy Laws in CA – What's the Effect on Appraisers?

In September, California lawmakers passed landmark bill AB5, which reclassifies an estimated 1 million independent contractors as employees to provide them with benefits such as sick time, paid family leave and health insurance. This presents significant challenges to independent appraisers as well as AMCs. Under this law, AMCs will need to begin engaging appraisal firms such as Metro-West Appraisal for their home inspection needs. At Metro-West, we hold ourselves accountable for producing reliable, fully compliant residential real estate appraisal solutions and alternative valuation products. With appraisers located in 80 major metro markets throughout the U.S., we're able to reliably fill the inspection needs of AMCs timely and accurately. Learn more about partnering with Metro-West at <http://metrowestappr.com/>

### Kudos to the US House on the passage of the Appraisal Reform Act HR 3619

The US House of Representatives recently passed The Appraisal Reform Act HR 3619, which helps consumers gain awareness around the appraisal process and associated fees. This bill will help protect customers from potentially dishonest creditors who try to raise fees midway through the loan process. The bill will also demand that all fees and their distribution are made visible at the beginning of the process. While this bi-partisan bill still needs senate approval, we are optimistic it will move forward in order to provide more confidence and security for homebuyers.

