



METRO-WEST

APPRAISAL CO., LLC

THE MARKET'S EDGE

INSIGHTS AND PREDICTIONS FOR THE REAL ESTATE INDUSTRY

SEPTEMBER 2018

Will mortgage rates continue to rise?

Affordability concerns remain despite low interest rates



KUDOS TO THE AQB!

Currently, the appraiser profession looks like this:



13%
Age 66+



49%
Age 51-65



28%
Age 36-50



10%
Under Age 35

In February 2018, the AQB relaxed education requirements to realistic levels and revised training time to be economically feasible to where it is more enticing to enter the appraisal profession. Such a wonderful profession should be flooded with intelligent, service orientated professionals that have been sorely missed in big numbers since 2008.

Cheers to you, AQB!

Housing values begin to stabilize

Mortgage rates have climbed to the highest levels since early August and appear to be climbing higher, due to weakening bond markets, strong job creation and higher wages. This increase further strains affordability concerns—although historically interest rates are still low. The lack of inventory combined with rising home values are also major contributing factors leading to affordability barriers and declining mortgage applications. The flattening yield curve could be cause for a delay in what is believed to be an immediate rate hike increase.

There is hope on the horizon looking toward 2019, as new construction units are projected to see continued improved and housing values appear to be cooling off and stabilizing.

The NAHB reported that skilled labor shortages are reaching critical levels for home builders across the nation, which is actually depressing the number of new units and keeping supply behind demand



Seattle

- In King County, home values have declined for three straight months, bringing the median home sale price to \$669,000, down \$57,000 from June 2018. This drop has been magnified in the city of Seattle, which is off nearly 10% in the same time period. Inventory has increased 86% from a year ago.

Denver is cooling off just in time for winter

- Single family sales dropped 7.46% last month and are down almost 10% from one year ago. In August, 30% of sellers lowered their listing price.

Metro Detroit sees increase in sales, home values; days on market decreasing

- Inventory continues to decline in a very competitive real estate market.
- Detroit's strength from urban core revitalization efforts has helped the region as a whole.

California home values continue to sizzle

- Home values are up 7.3% over the past year and are forecasted to eclipse 8.5% in 2019.