



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

# THE MARKET'S EDGE

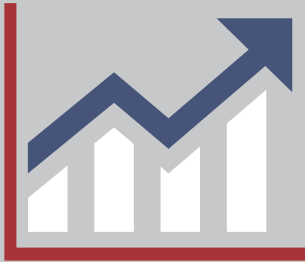
INSIGHTS AND PREDICTIONS FOR THE REAL ESTATE INDUSTRY

MAY 2018

## *Refinance applications hit 10-year low*

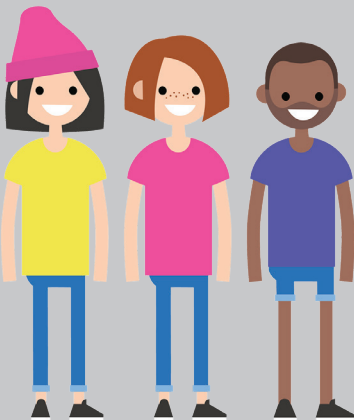


## HOME VALUES



Home values show roughly a 7% increase year-over-year

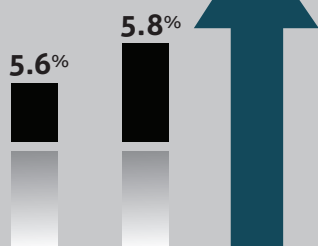
\*Source: CoreLogic HPI



First time homebuyer share is at its largest since 2000 as a result of millennials taking hold of the housing industry

**2017**

Fourth Quarter



Mortgage credit availability hit its highest levels since 2013

## Total mortgage originations

*Multifamily and commercial loan originations will remain strong in 2018*

The MBA reports that commercial originations, including multifamily, will end 2018 at \$519 billion, not far off from last year's totals. The MBA also expects that lending will remain stable at that level.

"Last year was a record for commercial and multifamily borrowing and lending," said Jamie Woodwell, MBA vice president of commercial real estate research. "Lending terms remain extremely attractive, and we expect another strong year in 2018, although perhaps not quite as strong as 2017."

## Industry news

*ASC denies request for waiver of appraisal certification requirements*

**VICTORY!** The Appraisal Subcommittee (ASC) voted to deny the request for a waiver from the federal regulatory requirement to utilize a licensed or certified appraiser for appraisals performed in certain counties in the Nashville, Tennessee area.

The request for the waiver was submitted back in November 2017, claiming there was a shortage of appraisers in their lending area and stating that appraisal turnaround times and fees had risen between 2013 and 2017.

This waiver would have permitted the use of non-licensed and non-certified individuals such as real estate agents, brokers, bank employees and so on to perform appraisals within the Nashville area, eliminating the bank's requirement to obtain appraisals in connection with loan applications as a result.

The ASC determined that the data provided did not demonstrate a significant delay, and the data also failed to demonstrate an appraiser shortage. This is, without a doubt, a precedent-setting win for the appraisal industry.

## Refinance share decreases

*Refinance applications hit a 10-year low heading into spring purchasing season.*

According to the Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey, the refinance share of mortgage activity decreased from 37.6% to 37.2%, the lowest it's been since September 2008. The average contract interest rate for a 30-year fixed-rate mortgage with conforming loan balances (\$453,100 or less) grew from 4.66% to 4.73%, the highest it's been since September 2013. The average contract interest rate for 30-year fixed-rate mortgages with jumbo loan balances (over \$453,100) rose from 4.53% to 4.64%, the highest it's been since January 2014. While consumers are reporting it's a good time to sell due to an anticipated increase in home prices, housing inventory remains low. It will be interesting to see in the coming months whether or not this will also cause purchase transactions to dip, or if this continued confidence will help drive purchase demand.