

# Real Estate Finance Trends 2018



# Team Finance

- ❖ **Brian Andrews** of the Real Estate Research Institute at LSU's E.J. Ourso College of Business with members of the Student Real Estate Association at LSU
- ❖ **Mark Drennen** of the Capital Area Finance Authority,
- ❖ **Jim Purgerson**, CCIM of Citizens Bank & Trust,
- ❖ **Brian Callender** of Whitney Bank,
- ❖ **Tommy Kehoe** of Eustis Commercial Mortgage,
- ❖ **Stephen Farnsworth** of Walker & Dunlop,
- ❖ **David Alello** of Assurance Financial,
- ❖ **Tee Brown** of GMFS Mortgage, and
- ❖ **Aimia "Mimi" Doucet** of GMFS Mortgage

# Rinse and Repeat



# Rinse and Repeat

*“Used to indicate the continual repetition of an action or sequence of events, typically in a way regarded as tiresomely predictable.”* - English Oxford Dictionary

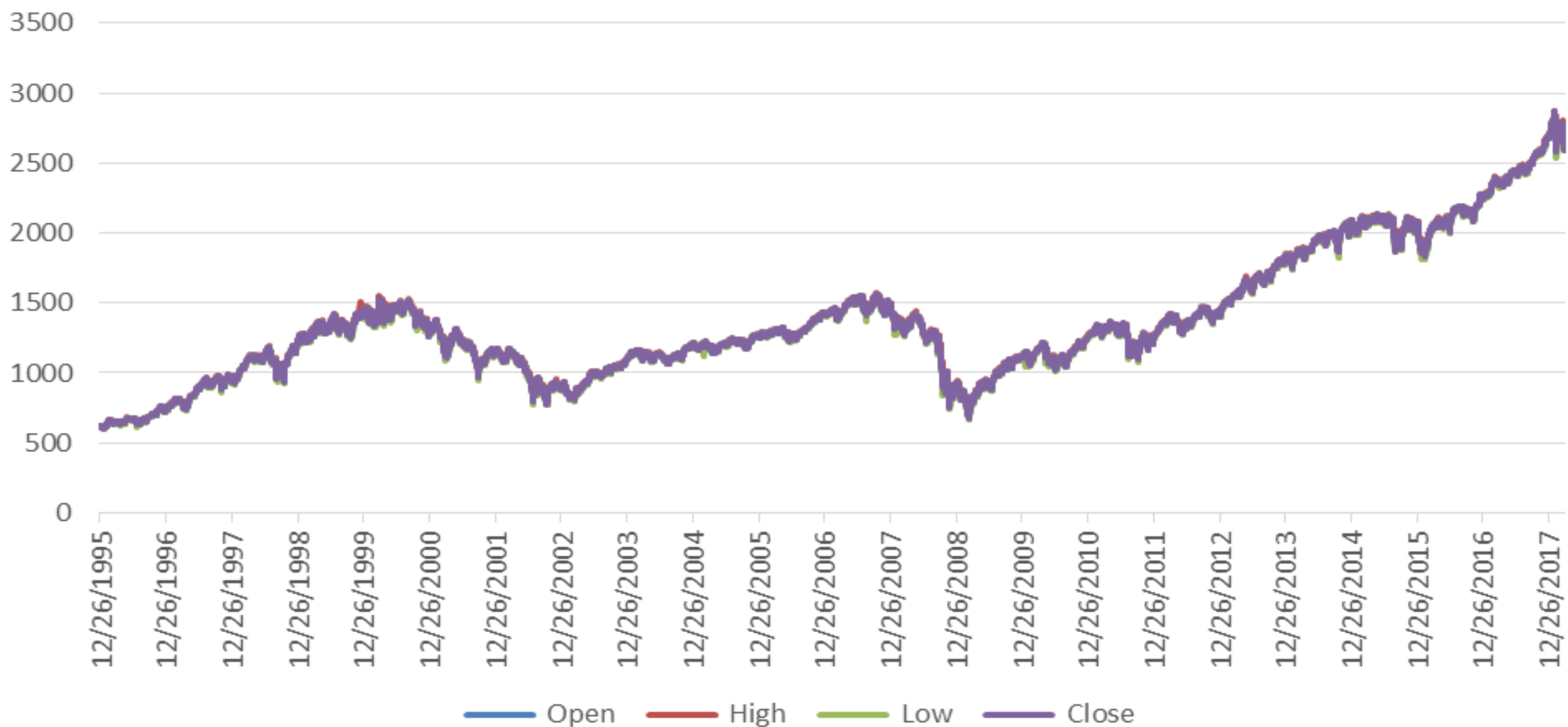
# Rinse and Repeat

*“A phrase borrowed from instructions commonly found on bottles of shampoo and hair conditioner. It is used to indicate that a certain pattern of behavior will, inevitably, occur again - usually despite furious claims that it won't.” – Urban Dictionary*

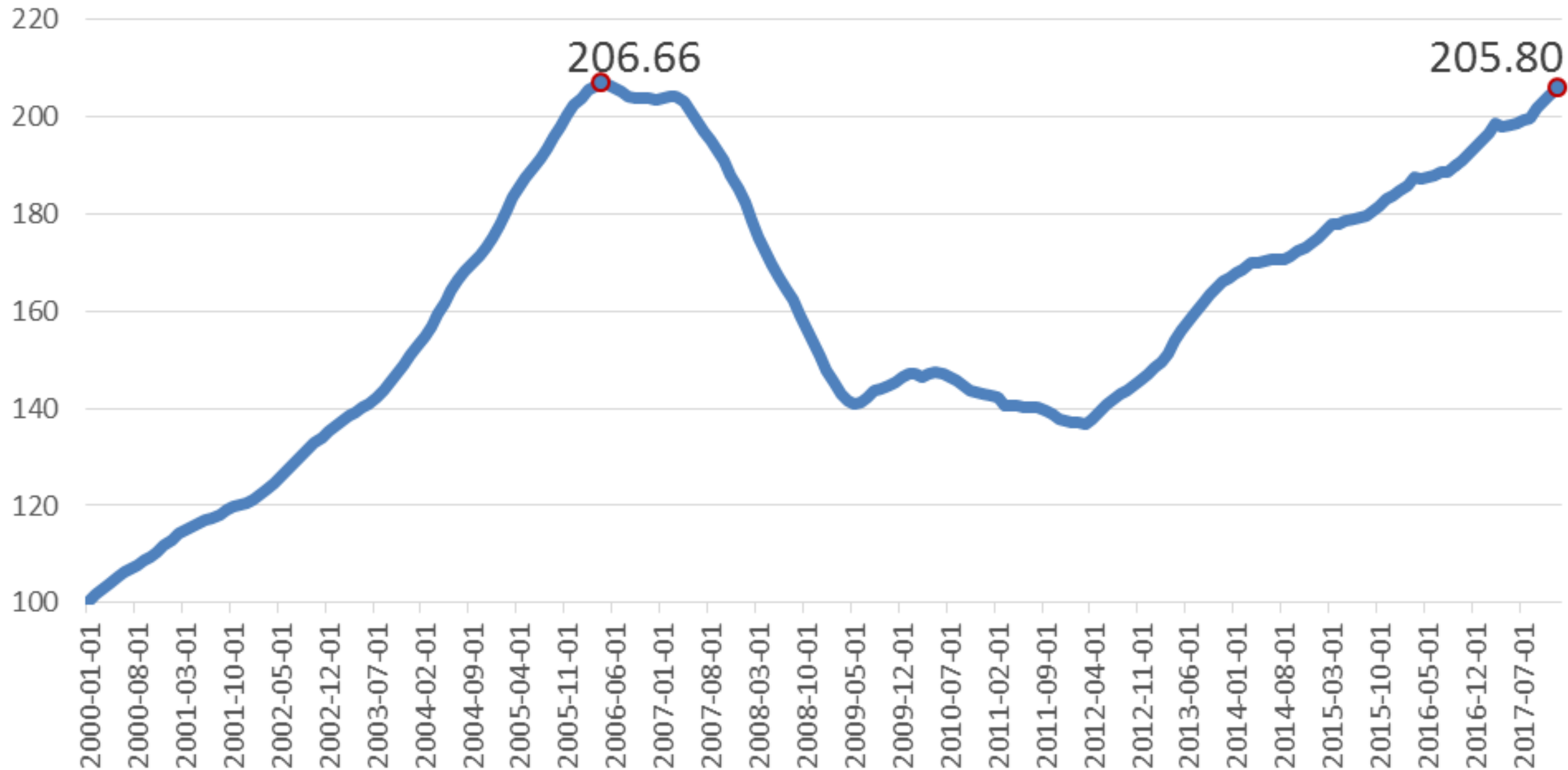


**Where Are We  
in 2018?**

## SPX Historical Prices from the Wall Street Journal



## S&P/Case-Shiller 20-City Composite Home Price Index



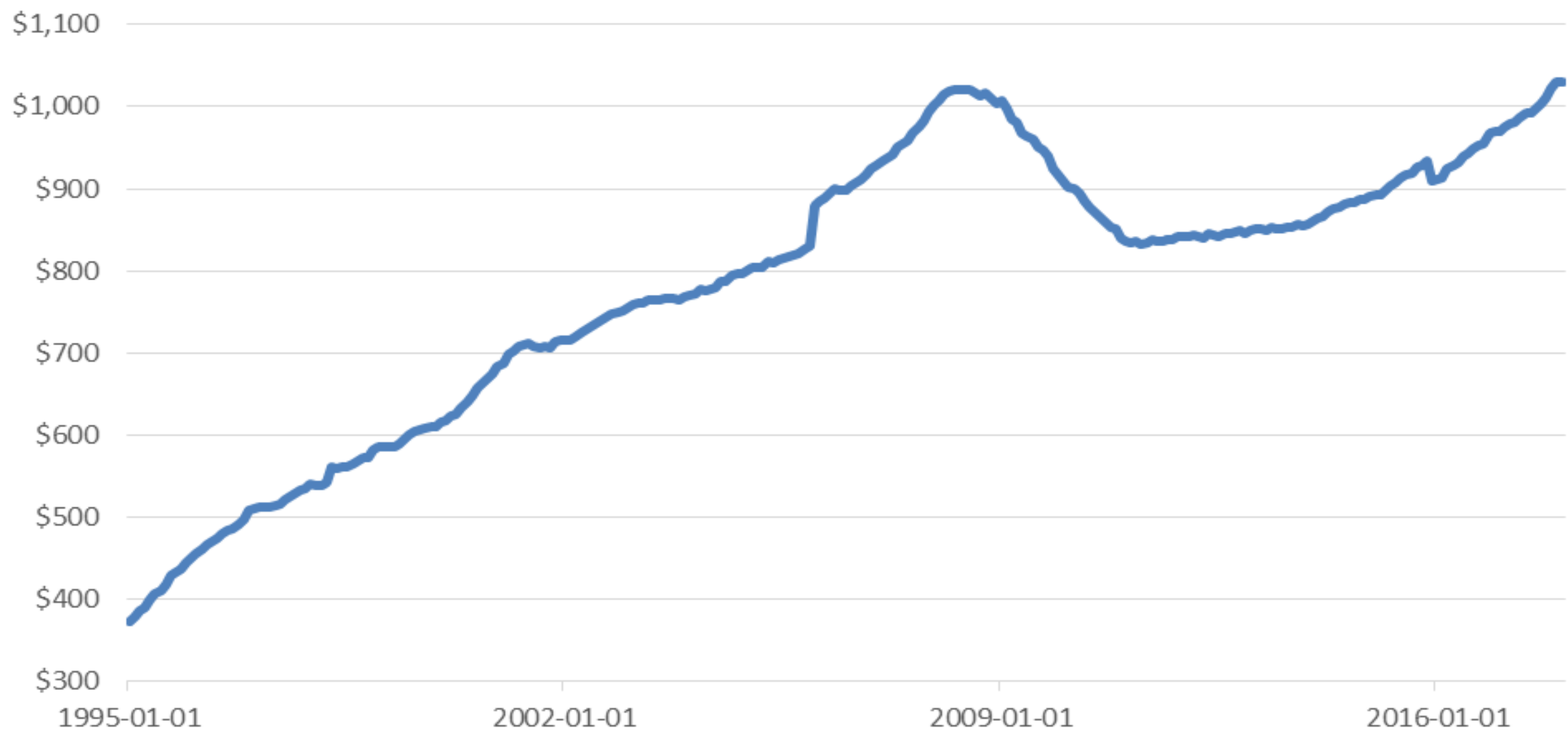


# Motor Vehicle Loans Owned and Securitized, Outstanding

(\$ Billions)



## Total Revolving Credit Owned and Securitized Outstanding in \$ Billions



# COMMERCIAL REAL ESTATE FINANCE



# Commercial/Multifamily Mortgage Debt Outstanding



Up by

**\$162 billion**

Over 2015

Up by

**5.8%**

Over 2015

# Commercial/Multifamily Mortgage Debt Outstanding



Up by

**\$200 billion**

Over 2016

Up by

**6.7%**

Over 2016

# Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research

"Commercial and multifamily mortgage debt outstanding continued to grow in 2017, albeit at a slightly slower rate than overall property values,"





# Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research

"Even so, 2017 marked the strongest year for mortgage debt growth since 2007, with Fannie Mae, Freddie Mac and FHA leading the market."



# Jamie Woodwell, MBA's Vice President of Commercial Real Estate Research

"The commercial mortgage-backed securities (CMBS) market, which saw a decline for the year as a whole, turned a corner and added \$9 billion during the fourth quarter."

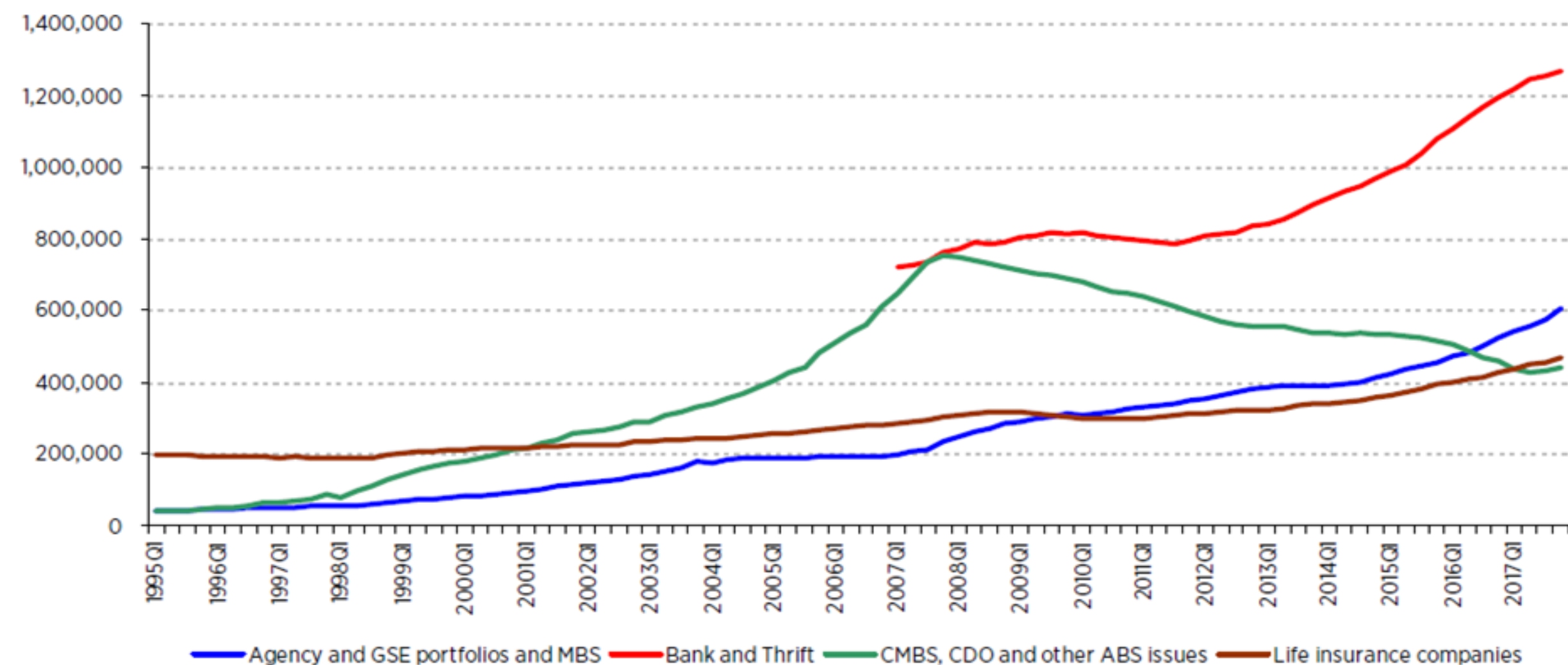


# COMMERCIAL AND MULTIFAMILY MORTGAGE DEBT OUTSTANDING

Total Commercial and Multifamily Mortgage Debt Outstanding, by Selected Sector  
by Quarter  
(\$millions)

# MBA

MORTGAGE BANKERS ASSOCIATION



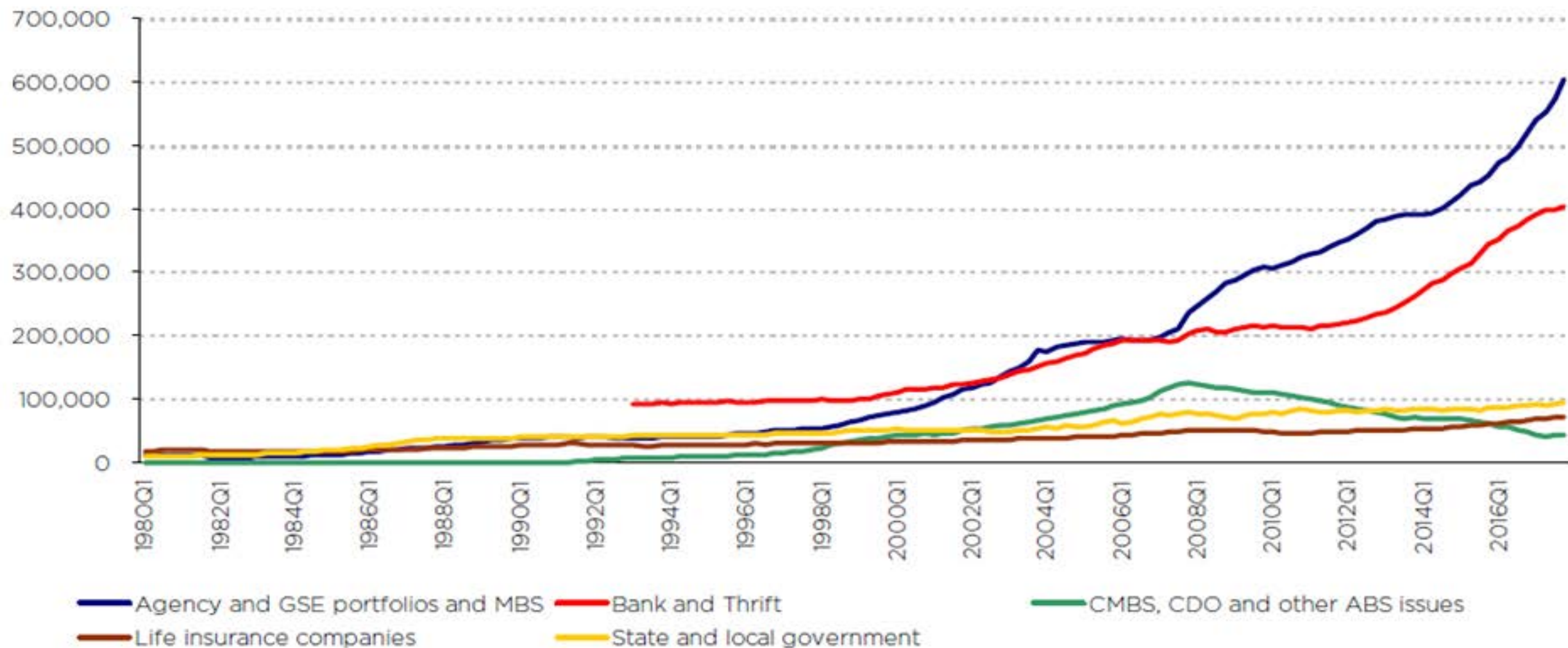
Source: MBA, Federal Reserve Board of Governors, Wells Fargo Securities, LLC, Intex Solutions, Inc. and FDIC



## MULTIFAMILY MORTGAGE DEBT OUTSTANDING

Total Multifamily Mortgage Debt Outstanding, by Selected Sector by Quarter

(\$millions)

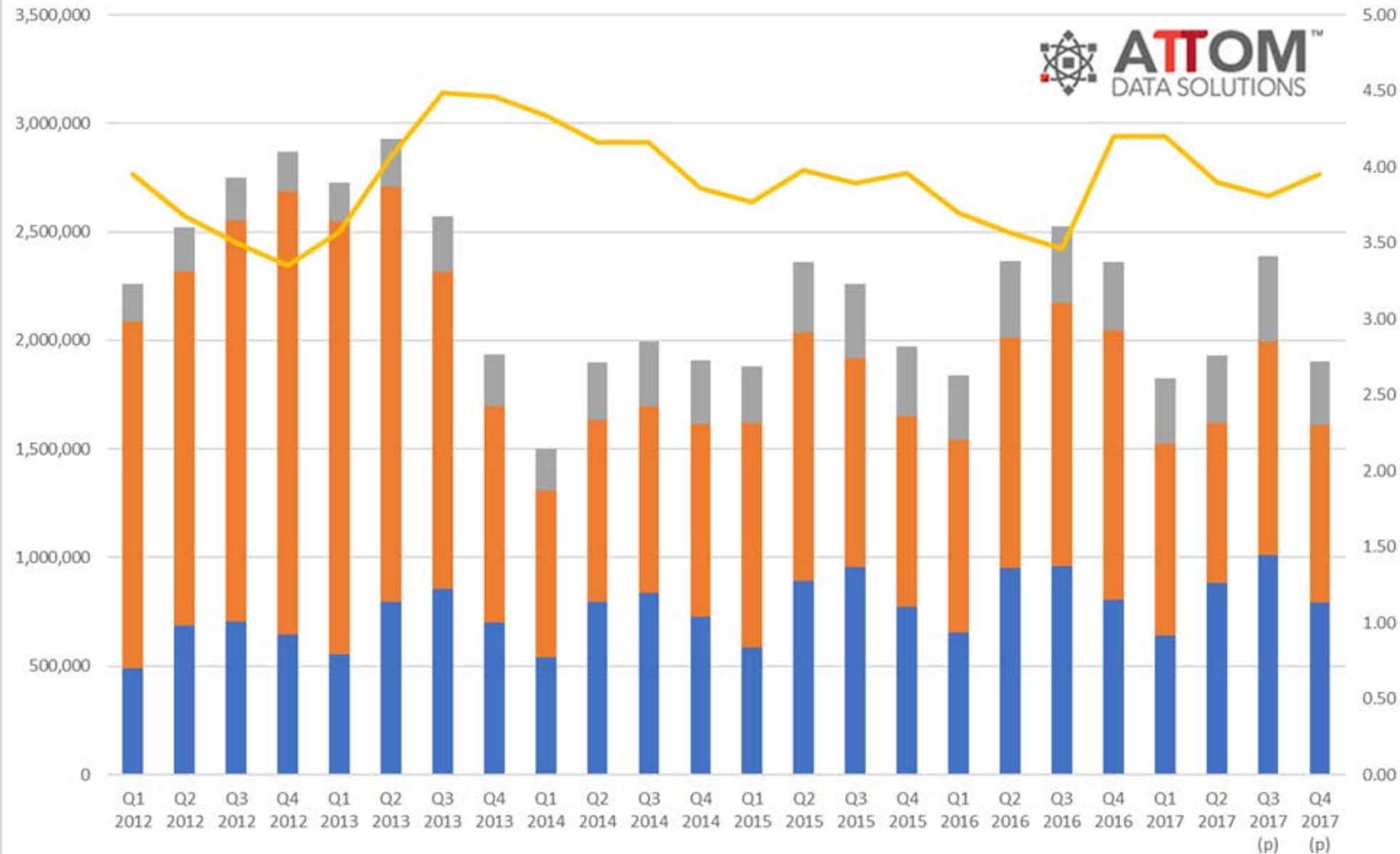


# RESIDENTIAL REAL ESTATE FINANCE



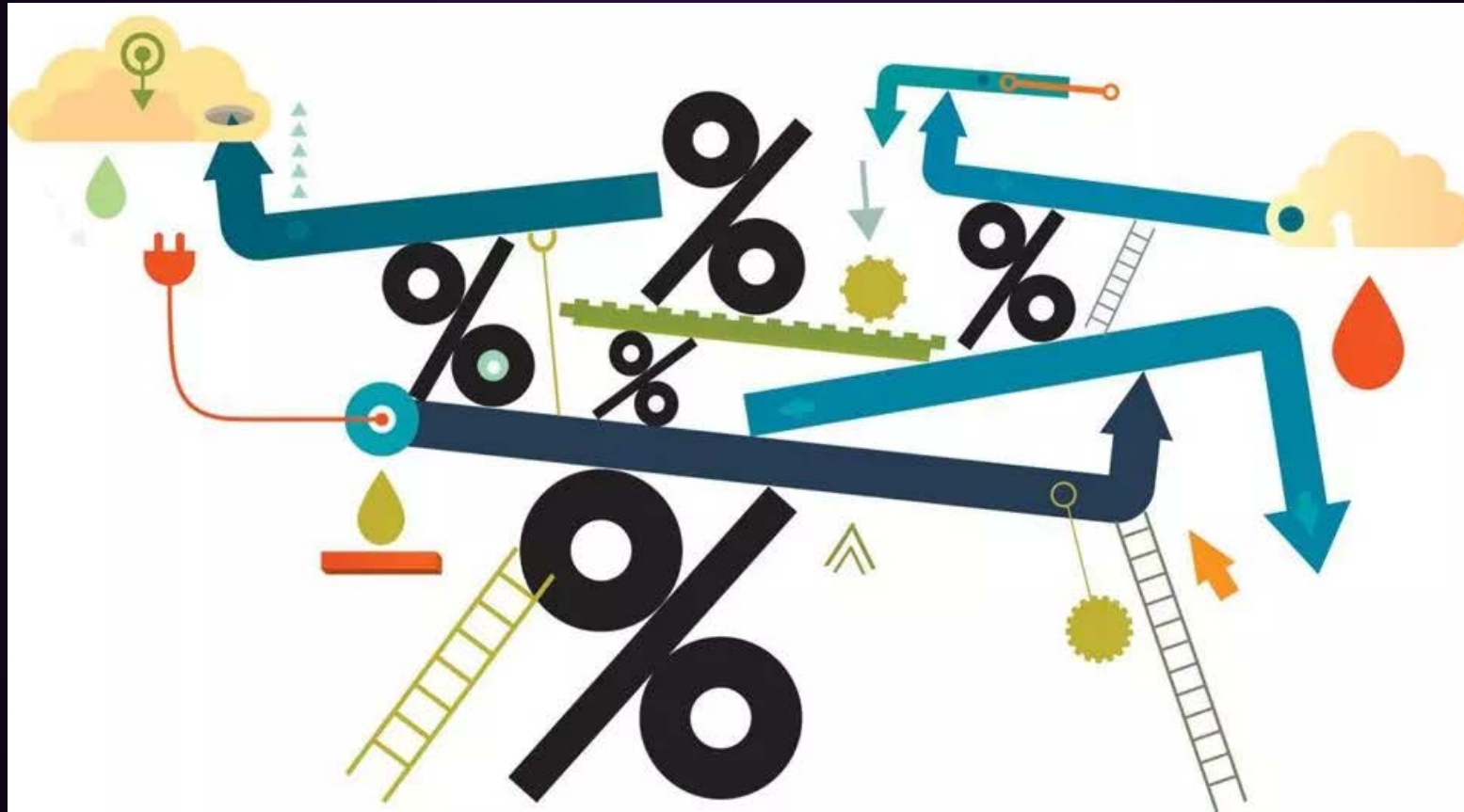
# U.S. Loan Originations & Interest Rates

Purchase Refinance HELOCs 30-Year Fixed Mortgage Rate

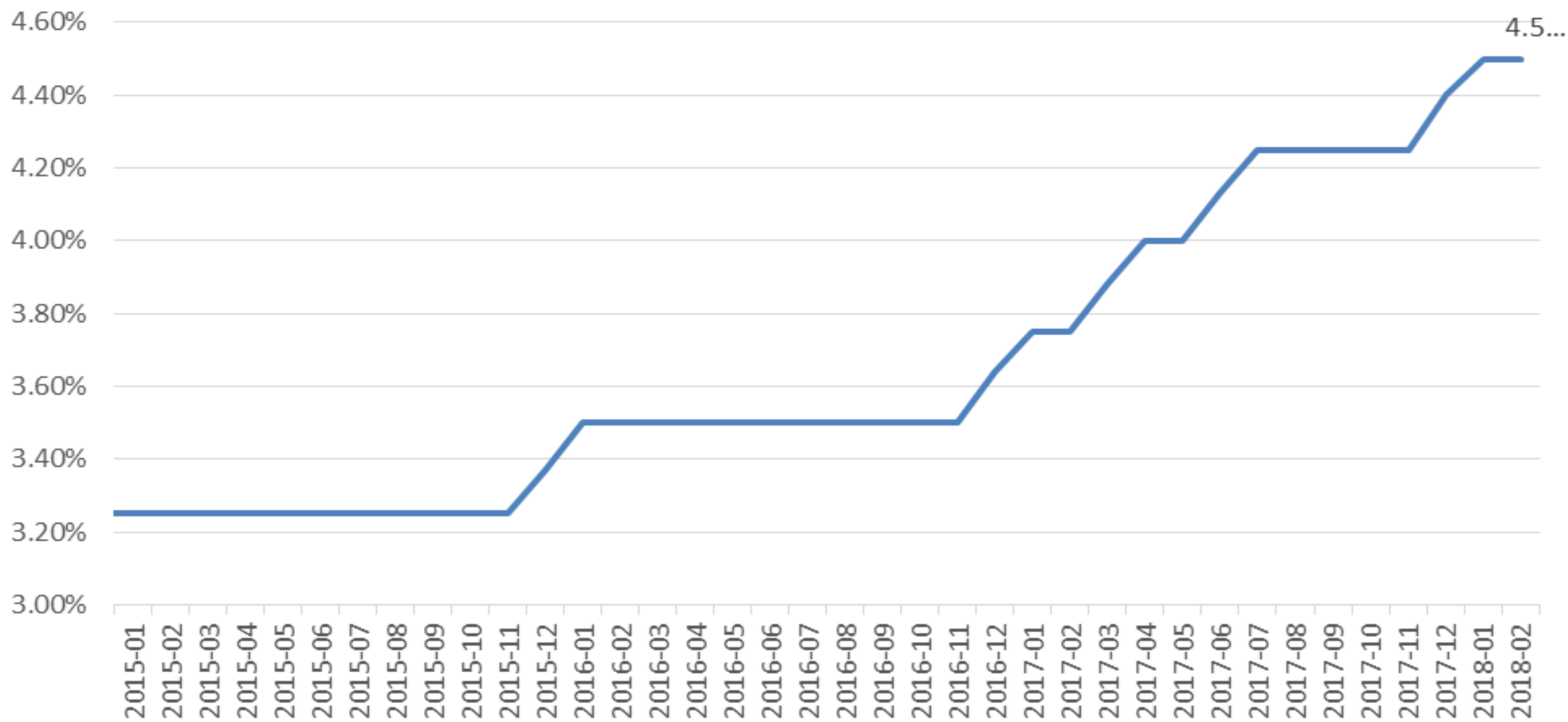




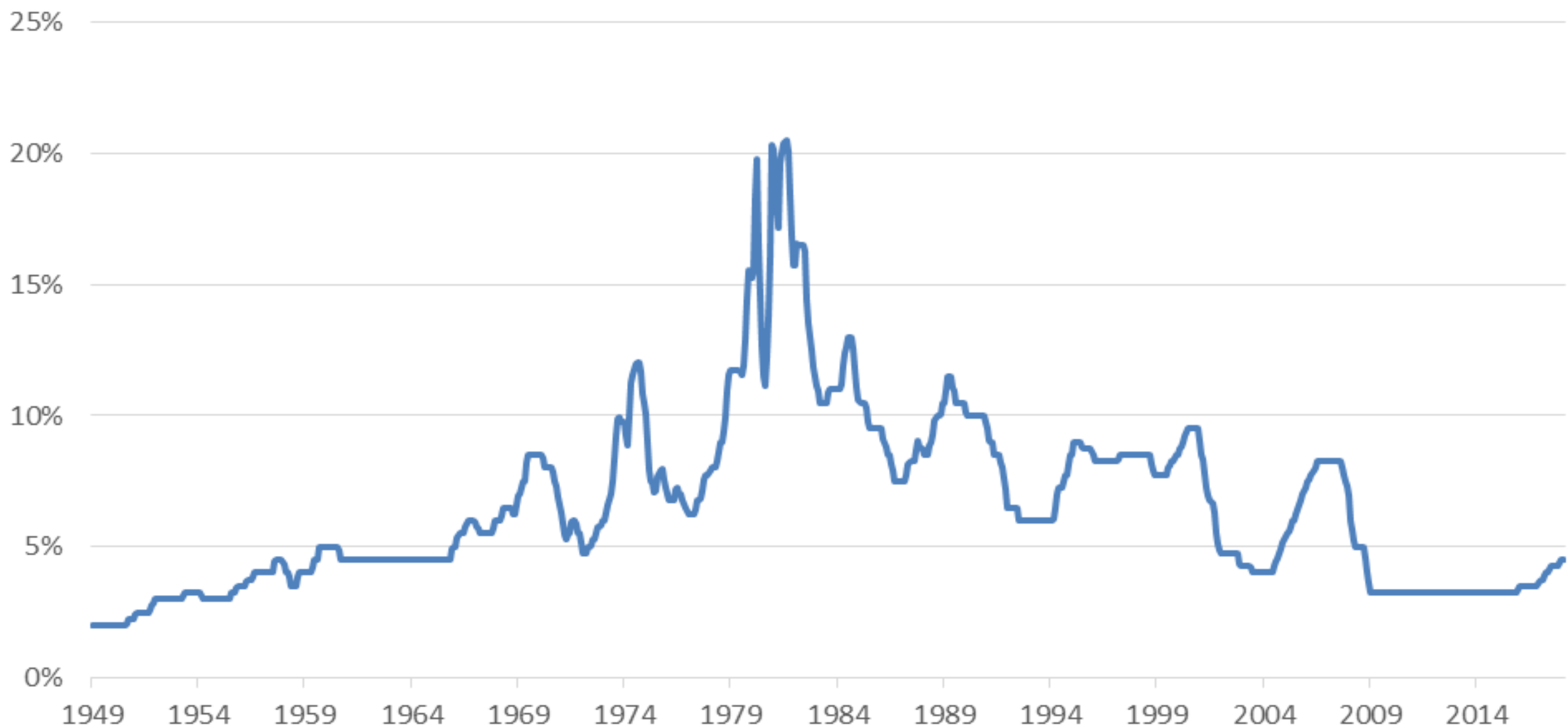
# INTEREST RATE UPDATE



## Bank Prime Loan Rate 2015 to Present



## Bank Prime Loan Rate 1949 to Present



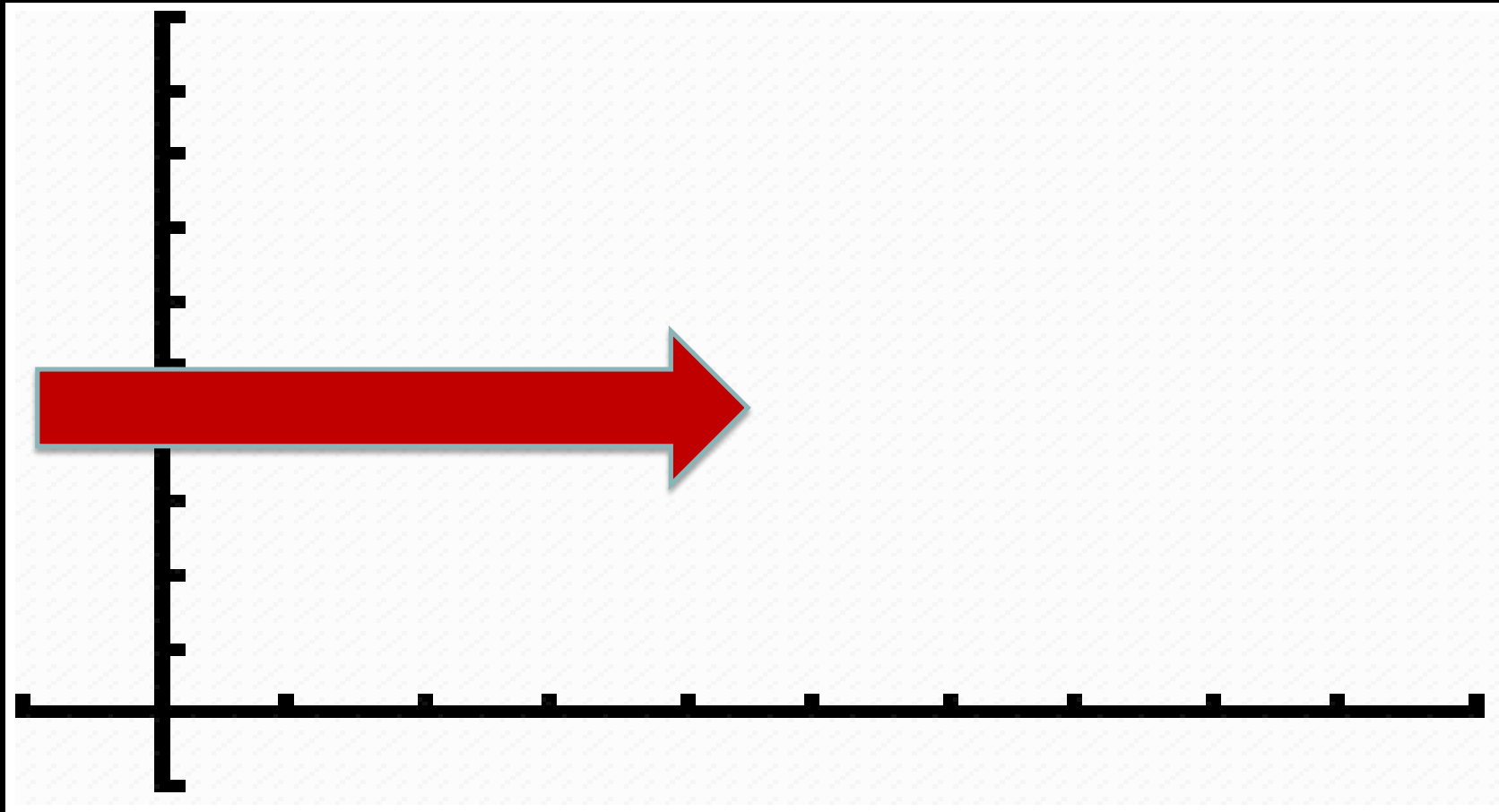
## 10-Year Treasury Constant Maturity Rate Weekly from 2015 to Present



# 10-Year Treasury Constant Maturity Rate Weekly from 1962 to Present



# Interest Rate Projections





# Panel Discussion



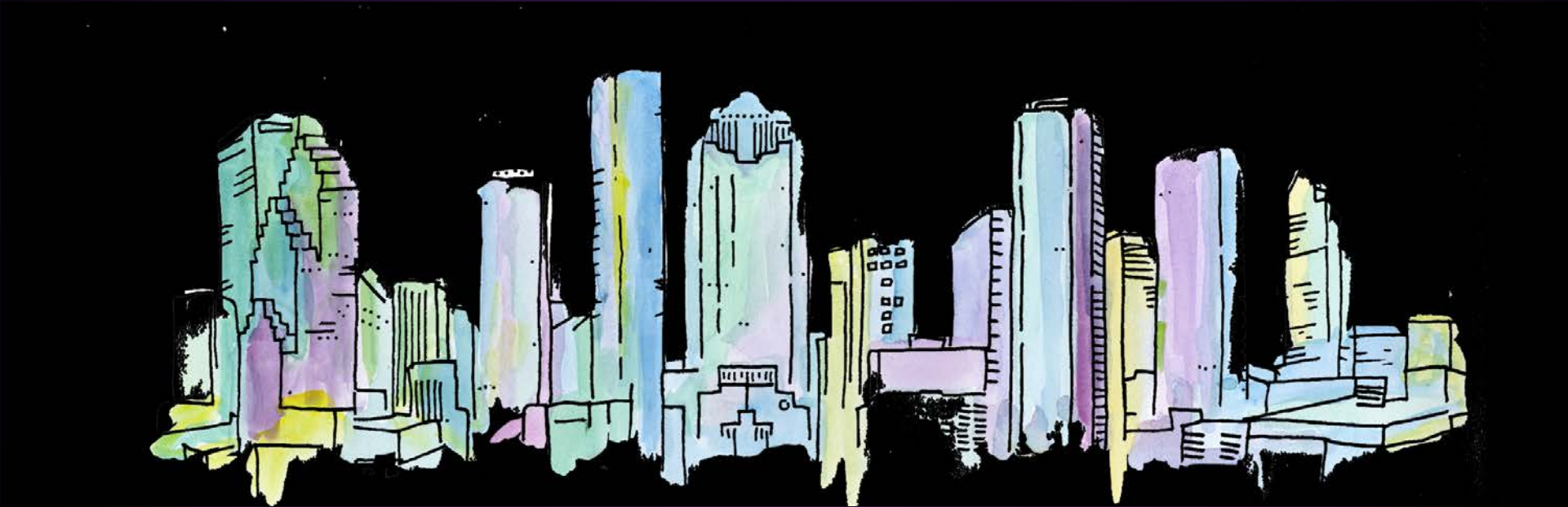
# Panel Discussion

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- ❖ **David Alello** of Assurance Financial,
- ❖ **Tee Brown** of GMFS Mortgage, and
- ❖ **Aimia “Mimi” Doucet** of GMFS Mortgage and President of the Louisiana Mortgage Lenders Association

# RESIDENTIAL REAL ESTATE FINANCE



# COMMERCIAL REAL ESTATE FINANCE





# COMMERCIAL REAL ESTATE FINANCE



# COMMERCIAL REAL ESTATE FINANCE





# Thanks to the Student Real Estate Association at LSU



# Special Emphasis



# Capital Area Finance Authority



Mark Drennen  
President & CEO  
CAFA

# About CAFA





# Homebuyer Financing Programs



# Public Purpose Financing Options

## 9 Parish Region





# Funding Communities. Building Futures.

Find a lender at [thecafa.org](http://thecafa.org)





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