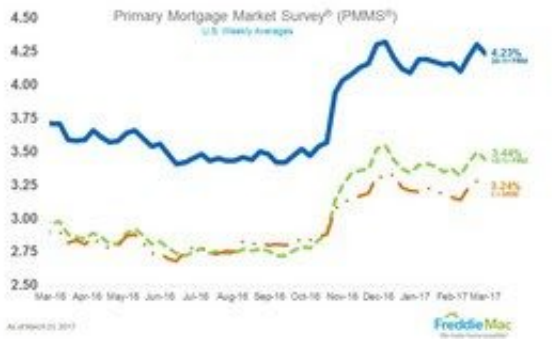
Daily market update: March 27, 2017

We'll add more market news briefs throughout the day. Check back to read the latest.

Freddie Mac's Primary Mortgage Market Survey

- 30-year fixed-rate mortgage (FRM) averaged 4.23 percent with an average 0.5 point for the week ending



Source: Freddie Mac

March 23, 2017, down from last week when it averaged 4.30 percent. A year ago at this time, the 30-year FRM averaged 3.71 percent.
- 15-year FRM this week averaged 3.44 percent with an average 0.5 point, down from last week when it averaged 3.50 percent. A year ago at this time, the 15-year FRM averaged 2.96 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.24 percent this week with an average 0.4 point, down from last week when it averaged 3.28 percent. A year ago, the 5-year ARM averaged 2.89 percent.

"The 10-year Treasury yield fell about 10 basis points this week. The 30-year mortgage rate moved with Treasury yields and dropped 7 basis points to 4.23 percent. This marks the greatest week-over-week decline for the 30-year mortgage rate in over two months, a stark contrast from last week's jump following the FOMC announcement," said Sean Becketti, chief economist, Freddie Mac, in a statement.

ATTOM Data Solutions' Q1 2017 Single Family Rental Market report:

- Counties in Georgia, Maryland, Pennsylvania post highest single family rental returns
- Among 40 counties with a population of at least 1 million people, those with the highest gross rental yields were Wayne County, Michigan, in the Detroit metro area (17.3 percent); Cuyahoga County, Ohio in the Cleveland metro area (13.2 percent); Allegheny County, Pennsylvania, in the Pittsburgh metro area (10.6 percent); Philadelphia County, Pennsylvania (10.1 percent); and Franklin County, Ohio in the Columbus metro area (9.9 percent).
- Counties with the lowest annual gross rental yields were Arlington County, Virginia, in the Washington, D.C., metro area (3.4 percent); Williamson County, Tennessee, in the Nashville metro area (3.9 percent); Santa Cruz County, California (4.1 percent); Norfolk County, Massachusetts, in the Boston metro area (4.2 percent); and Santa Clara County, California, in the San Jose metro area (4.2 percent).
- Along with Santa Clara County, the lowest gross annual rental yields for counties with a population of at least 1 million were in Kings County (Brooklyn), New York (4.4 percent); Orange County, California, south of Los Angeles (4.6 percent); Fairfax County, Virginia, in the Washington, D.C., metro area (4.6 percent); and Queens County, New York (4.7 percent).

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Mortgage Bankers Association: Mortgage applications decrease

- Mortgage applications decreased 2.7 percent from one week earlier, according to data from the Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey for the week ending March 17, 2017.
- The refinance share of mortgage activity decreased to 45.1 percent of total applications from 45.6 percent the previous week. The adjustable-rate mortgage (ARM) share of activity increased to 9.0 percent of total applications, the highest level since October 2014.
- The FHA share of total applications decreased to 10.9 percent from 11.1 percent the week prior. The VA share of total applications decreased to 10.1 percent from 11.1 percent the week prior. The USDA share of total applications remained unchanged at 0.9 percent from the week prior.

First American's Potential Home Sales Model

February 2017 Potential Home Sales

- Potential existing-home sales decreased to a 5.7 million seasonally adjusted, annualized rate (SAAR).
- This represents an 89.8 percent increase from the market potential low point reached in December 2008.
- In February, the market potential for existing-home sales fell by 0.5 percent compared with a month ago, a decline of 28,000 (SAAR) sales.
- Currently, potential existing-home sales is 658,000 (SAAR) or 11.5 percent below the pre-recession peak of market potential, which occurred in July 2005.

Market Performance Gap

- The market for existing-home sales is underperforming its potential by 2.5 percent or an estimated 142,000 (SAAR) of sales
- Last month's revised underperformance gap was 4.5 percent or 260,000 (SAAR) sales.

"Steady income and job growth combined with increased building permit activity has increased the market potential for home sales on an annual basis," said Mark Fleming, chief economist at First American, in a statement. "Demand from millennials and first-time homebuyers remains robust despite the strong spring sellers' market and rising rates, resulting in a shrinking underperformance gap, as the market aligns with its potential."

March 2017 Re/Max National Housing Report:

- February 2017 home sales were down 0.02 percent from February 2016.
- Active inventory reached a record low for February, dropping 17.9 percent year-over-year. Average days on market dropped from 75 in February 2016 to 68 in February 2017.
- The median sales price was $212,000, up 6 percent year-over-year.

NATIONAL HOUSING REPORT

MARCH 2017 | VOLUME 103

Based on MLS data in 53 metro areas

HOME PRICES AT NEW HIGH IN FEBRUARY AMID RECORD LOW INVENTORY

Inventory, not the rise in interest rates, remains the principal constraint on home sales. The resale market is driven dramatically by the availability of new homes. Most U.S. markets have a high demand for new home construction, and although it's good to see housing starts trending upward, we still need more.

Dave Liniger
RE/MAX CEO, Chairman of the Board and Co-Founder

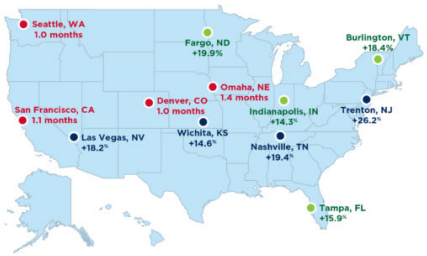
home sales

0.02% year-over-year

median sales price

6.0% year-over-year

top home sales increases · top price increases · very low months supply



closed transactions

year-over-year change

median sales price

median of 53 metro median prices

6.0% year-over-year

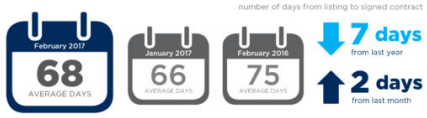
1.4% month-over-month

months supply

a supply of 6 months is considered balanced

days on market

number of days from listing to signed contract



7 days from last year

2 days from last month

About The RE/MAX Network

RE/MAX was founded in 1973 by Dave and Gail Liniger, with an innovative, entrepreneurial culture affording its agents and franchisees the flexibility to operate their businesses with great independence. Over 110,000 agents provide RE/MAX a global reach of more than 100 countries and territories.

RE/MAX, LLC, one of the world's leading franchisors of real estate brokerage services, is a wholly-owned subsidiary of RMCO, LLC, which is controlled and managed by RE/MAX Holdings, Inc. (NYSE:RMAX). With a passion for the communities in which its agents live and work, RE/MAX is proud to have raised more than $150 million for Children's Miracle Network Hospitals and other charities.

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About The RE/MAX National Housing Report

The RE/MAX National Housing Report is distributed each month on or about the 15th. The first Report was distributed in August 2008. The Report is based on MLS data in approximately 53 metropolitan areas, includes all residential property types, and is not annualized.

For maximum representation, many of the largest metro areas in the country are represented, and an attempt is made to include at least one metro from each state. Metro area definitions include the specific counties established by the U.S. Government's Office of Management and Budget, with some exceptions.

Transactions are the total number of closed residential transactions during the given month. Month's Supply of Inventory is the total number of residential properties listed for sale at the end of the month (current inventory) divided by the number of sales contracts signed (pended) during the month. Where "pended" data is unavailable, this calculation is made using closed transactions. Days on Market is the number of days that pass from the time a property is listed until the property goes under contract for all residential properties sold during the month. Median Sales Price is the median of the median sales prices in each of the metro areas included in the survey.

MLS data is provided by contracted data aggregators, RE/MAX brokerages and regional offices. While MLS data is believed to be accurate, it cannot be guaranteed. MLS data is constantly being updated, making any analysis a snapshot at a particular time. Every month the RE/MAX National Housing Report re-calculates the previous period's data to ensure accuracy over time. All raw data remains the intellectual property of each local MLS organization.

Each office is independently owned and operated. 17_75564

Mortgage rates:

30-Year Fixed Rate Mortgage Rates for the Past 6 Months | Credio

15-Year Fixed Rate Mortgage Rates for the Past 6 Months | Credio

Home equity rates:

Average Home Equity Loan Bank Rates by State | Credio

Average Home Equity Loan Bank Rates by State | Credio

Average Home Equity Loan Credit Union Rates by State | Credio

Most recent market news:

First American Loan Application Defect Index

February 2017

- The frequency of defects, fraudulence and misrepresentation in the information submitted in mortgage loan applications increased 4.1 percent in February 2017 as compared with the previous month.
- Compared to February 2016, the Defect Index increased by 1.3 percent.
- The Defect Index is down 25.5 percent from the high point of risk in October 2013.
- The Defect Index for refinance transactions increased 3.4 percent month-over-month, and is 6.2 percent lower than a year ago.
- The Defect Index for purchase transactions increased 2.4 percent compared to last month, and is up 2.4 percent compared to a year ago.

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