

Housing Forecast: January 2015

	----- 2014 -----				----- 2015 -----				2012	2013	2014	2015	2016
	14.1	14.2	14.3	14.4	15.1	15.2	15.3	15.4					
Housing Starts and Sales (SAAR, Thous. Units)													
Housing Starts	925	985	1,030	1,048	1,085	1,130	1,180	1,225	781	925	997	1,155	1,319
Single-Family (1 Unit)	602	625	652	688	700	740	790	830	535	618	642	765	921
<i>Percent Change: Year-over-Year</i>									24.3%	15.4%	3.9%	19.2%	20.4%
Multifamily (2+ Units)	323	360	378	360	385	390	390	395	245	307	355	390	398
New Single-Family Home Sales	431	427	434	442	468	495	531	549	368	429	433	511	622
<i>Percent Change: Year-over-Year</i>									20.3%	16.6%	1.0%	17.8%	21.9%
Total Existing Home Sales (Single-Family, Condos and Co-Ops)	4,603	4,867	5,120	5,060	5,090	5,131	5,175	5,192	4,660	5,090	4,913	5,147	5,263
<i>Percent Change: Year-over-Year</i>									9.4%	9.2%	-3.5%	4.8%	2.3%
Total Home Sales (New + Existing)	5,034	5,294	5,554	5,502	5,557	5,627	5,706	5,741	5,028	5,519	5,346	5,658	5,885
<i>Percent Change: Year-over-Year</i>									10.1%	9.8%	-3.1%	5.8%	4.0%
Home Prices (NSA, Thous. \$)													
Median New	274	282	279	285	286	293	289	298	245	269	280	292	303
Median Total Existing	191	212	216	206	200	220	225	215	177	197	206	215	223
FHFA Purchase-Only Index (Percent Change: Quarterly YoY, Annual Q4/Q4)	6.9%	5.6%	4.6%	4.7%	4.7%	3.8%	4.1%	4.6%	5.3%	7.7%	4.7%	4.6%	4.0%
Mortgage Rates (Percent)													
30-Year Fixed Rate Mortgage	4.4	4.2	4.1	4.0	3.9	4.0	4.1	4.2	3.7	4.0	4.2	4.0	4.4
5-Year Adjustable Rate Mortgage	3.1	3.0	3.0	3.0	3.0	3.1	3.3	3.4	2.8	2.9	3.0	3.2	3.7
1-Year Adjustable Rate Mortgage	2.5	2.4	2.4	2.4	2.4	2.5	2.7	2.8	2.7	2.6	2.4	2.6	3.2
Single-Family Mortgage Originations (NSA, Bil. \$, 1-4 Units)													
Mortgage Originations	240	305	328	294	269	321	307	284	2,154	1,866	1,167	1,181	1,186
Purchase	123	186	189	163	136	195	196	175	614	743	662	702	773
Refinance	116	119	139	131	133	126	112	109	1,540	1,123	506	479	413
Refinance Share (%)	49%	39%	42%	45%	50%	39%	36%	38%	72%	60%	43%	41%	35%
Liquidations	261	310	309	283	290	285	266	260	2,291	1,896	1,163	1,102	993
Mortgage Debt Outstanding (NSA, Bil. \$)													
MDO Single-Family First Lien (1-4 Units)	9,162	9,157	9,176	9,188	9,167	9,202	9,243	9,267	9,213	9,184	9,188	9,267	9,459
<i>Percent Change: Quarterly Annualized Rate, Annual Q4/Q4</i>									-0.9%	-0.2%	0.8%	0.5%	2.1%
MDO Total Single-Family (1-4 Units)	9,853	9,841	9,855	9,863	9,840	9,880	9,926	9,953	9,983	9,887	9,863	9,953	10,170
<i>Percent Change: Quarterly Annualized Rate, Annual Q4/Q4</i>									-1.4%	-0.5%	0.6%	0.3%	2.2%
Adjustable Rate Mortgage Share of Conventional Mortgage Applications (%)	9%	10%	9%	9%	8%	8%	9%	9%	5%	7%	9%	8%	9%

January 12, 2015

Note: Interest rate forecasts are based on rates from December 31, 2014.

Note: All mortgage originations data are Fannie Mae estimates as there is no universal source for market-wide originations data.

Note: Unshaded areas denote actuals. Shaded areas denote forecasts.

Sources: Actuals: Census Bureau, National Association of REALTORS®, Federal Housing Finance Agency, Freddie Mac, Federal Reserve Board. Forecasts: Fannie Mae Economic & Strategic Research. Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economic & Strategic Research (ESR) group included in these materials should not be construed as indicating Fannie Mae's business prospects or expected results, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend on many factors. Although the ESR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided in these materials is accurate, current or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results. The analyses, opinions, estimates, forecasts, and other views published by the ESR group represent the views of that group as of the date indicated and do not necessarily represent the views of Fannie Mae or its management.