

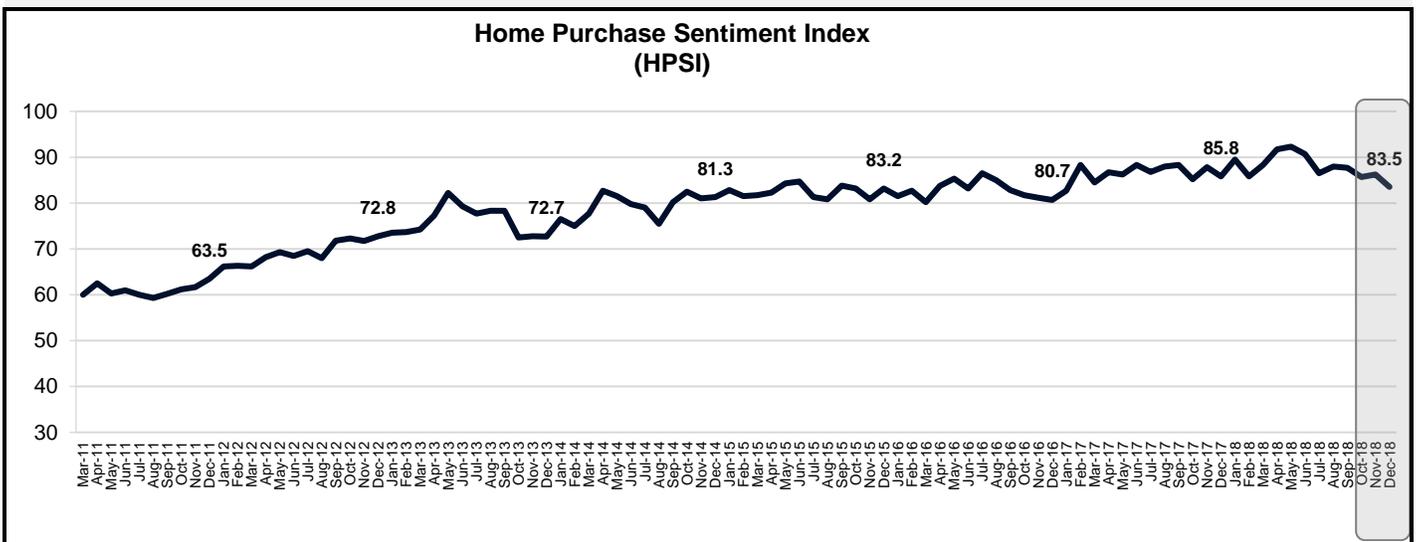


December 2018 Data Release

The Home Purchase Sentiment Index® (HPSI) is a composite index designed to track consumers' housing-related attitudes, intentions, and perceptions, using six questions from the National Housing Survey® (NHS).

The Home Purchase Sentiment Index

The HPSI fell 2.7 points in December to 83.5, declining once more after November's slight uptick.



Components of the HPSI

The decrease in the HPSI can be attributed to decreases in three components: Good Time to Buy (-12), Household Income is Significantly Higher (-5), and Home Prices Will Go Up (-2). Two components increased: Confidence About Not Losing Job (+2) and Good Time to Sell (+1). Mortgage Rates Will Go Down remained the same.

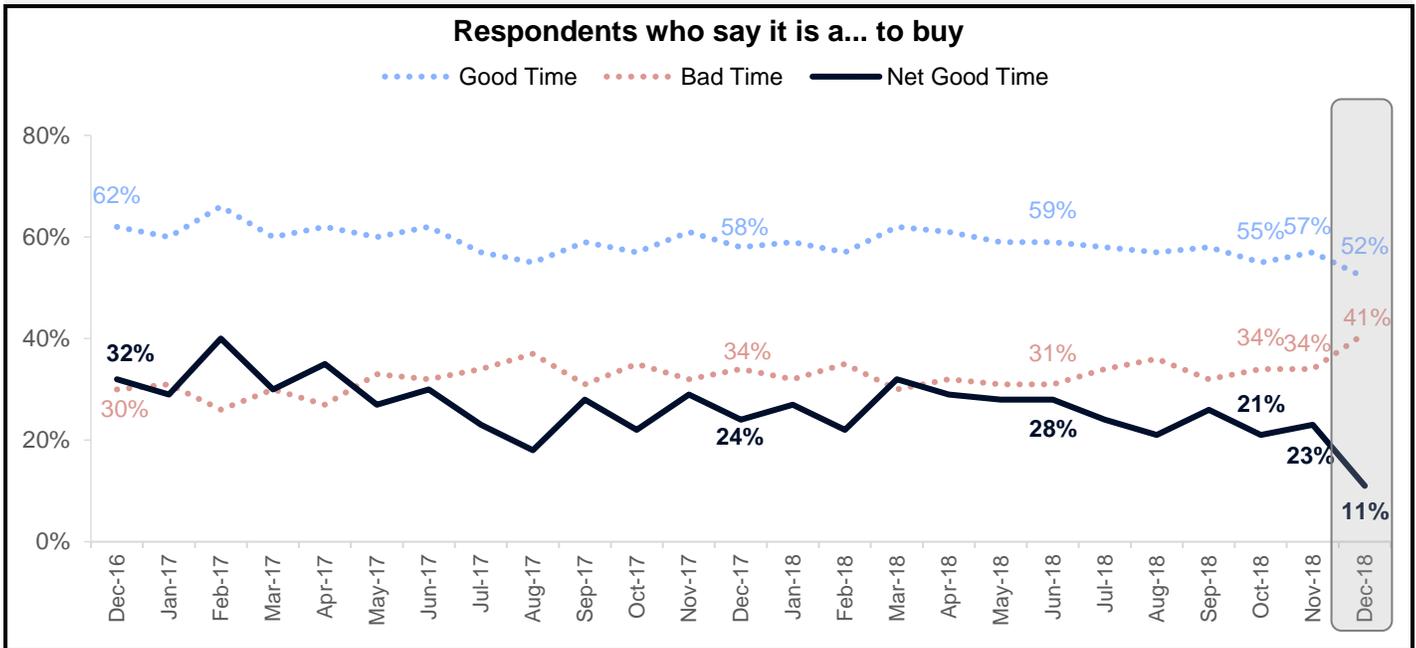
	December 2018*	Change Since Last Month	Change Since Last Year
December 2018 HPSI	83.5	-2.7	-2.3
Good Time To Buy	11	-12	-13
Good Time To Sell	36	+1	+2
Home Prices Will Go Up (next 12 months)	31	-2	-13
Mortgage Rates Will Go Down (next 12 months)	-56	0	-4
Confidence About Not Losing Job (next 12 months)	79	+2	+11
Household Income Is Significantly Higher (past 12 months)	19	-5	+3

* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 11

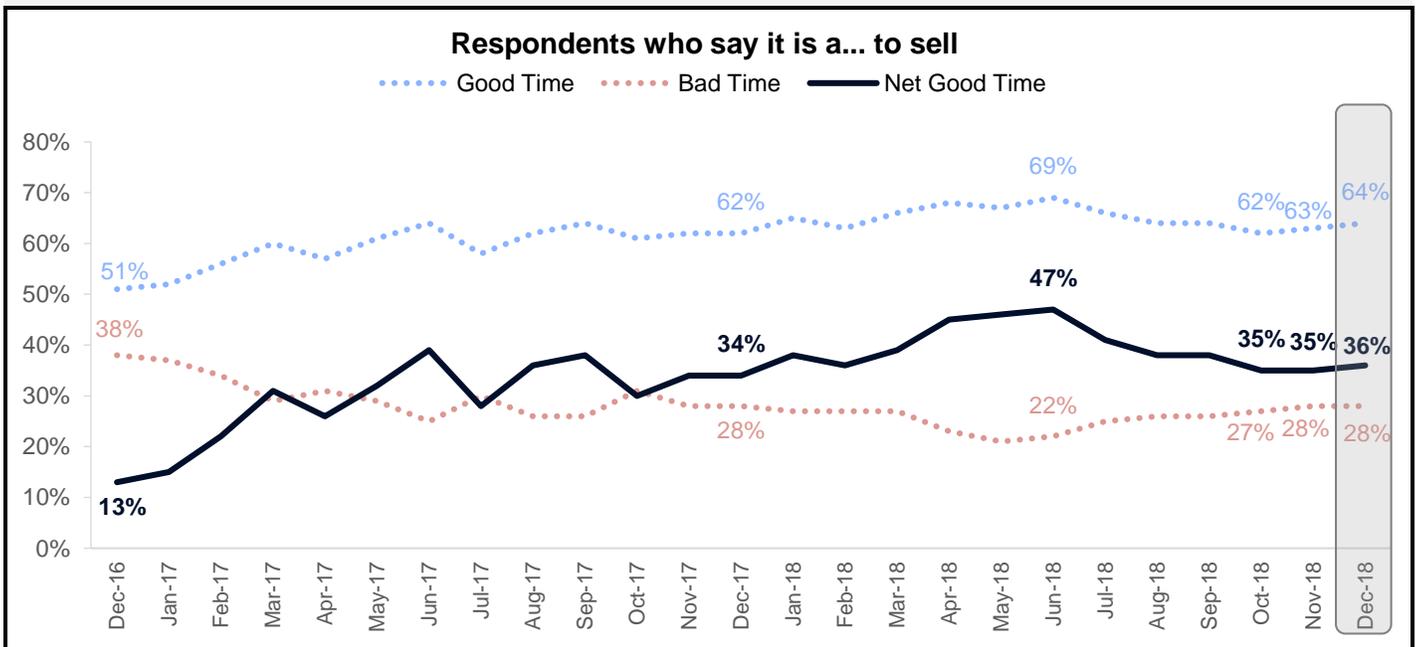


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

The net share of Americans who say it is a good time to buy fell 12 percentage points from last month to a new survey low of 11%.



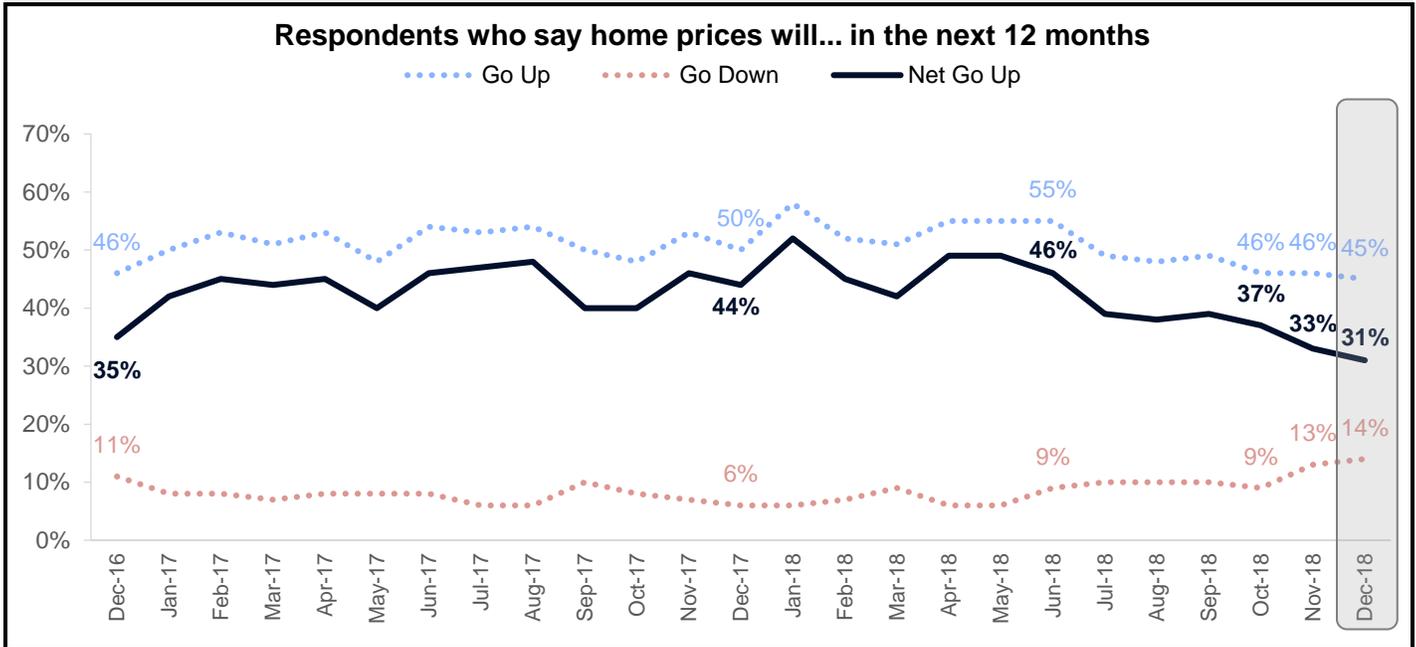
The net percentage of those who say it is a good time to sell rose 1 percentage point to 36%.



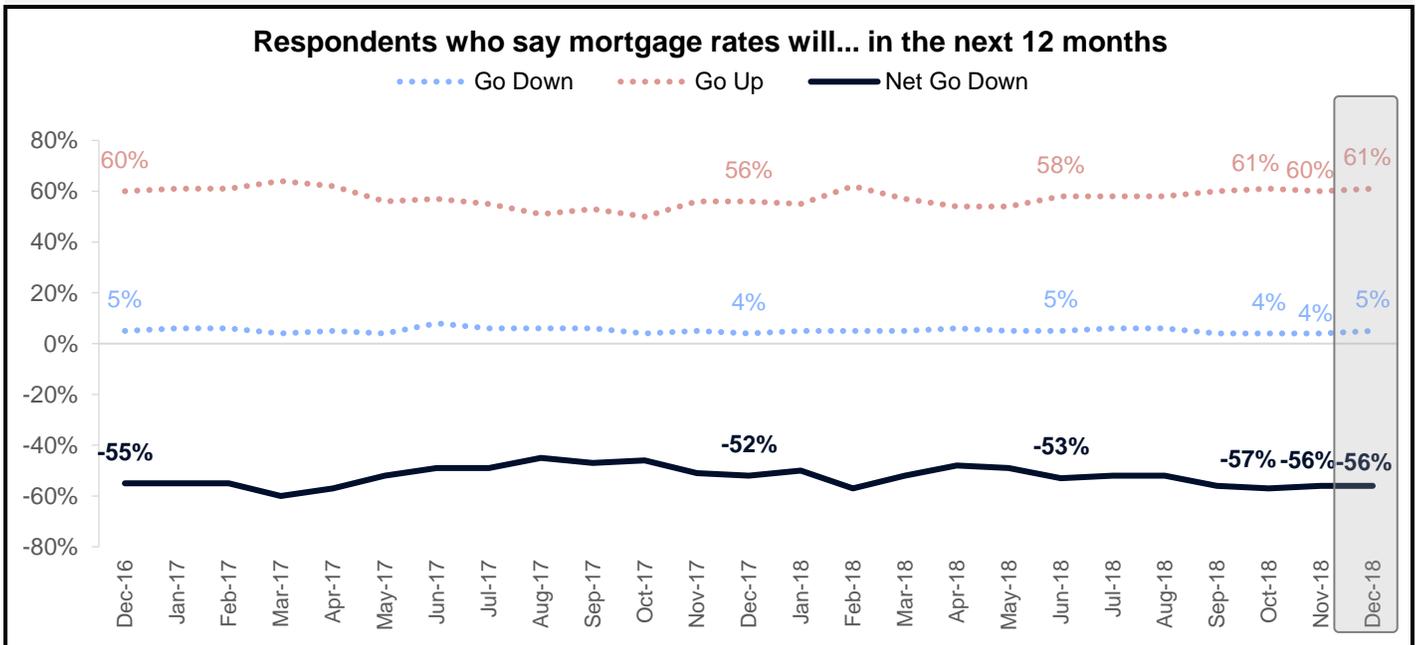


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say home prices will go up fell 2 percentage points to 31%, declining for the third consecutive month.



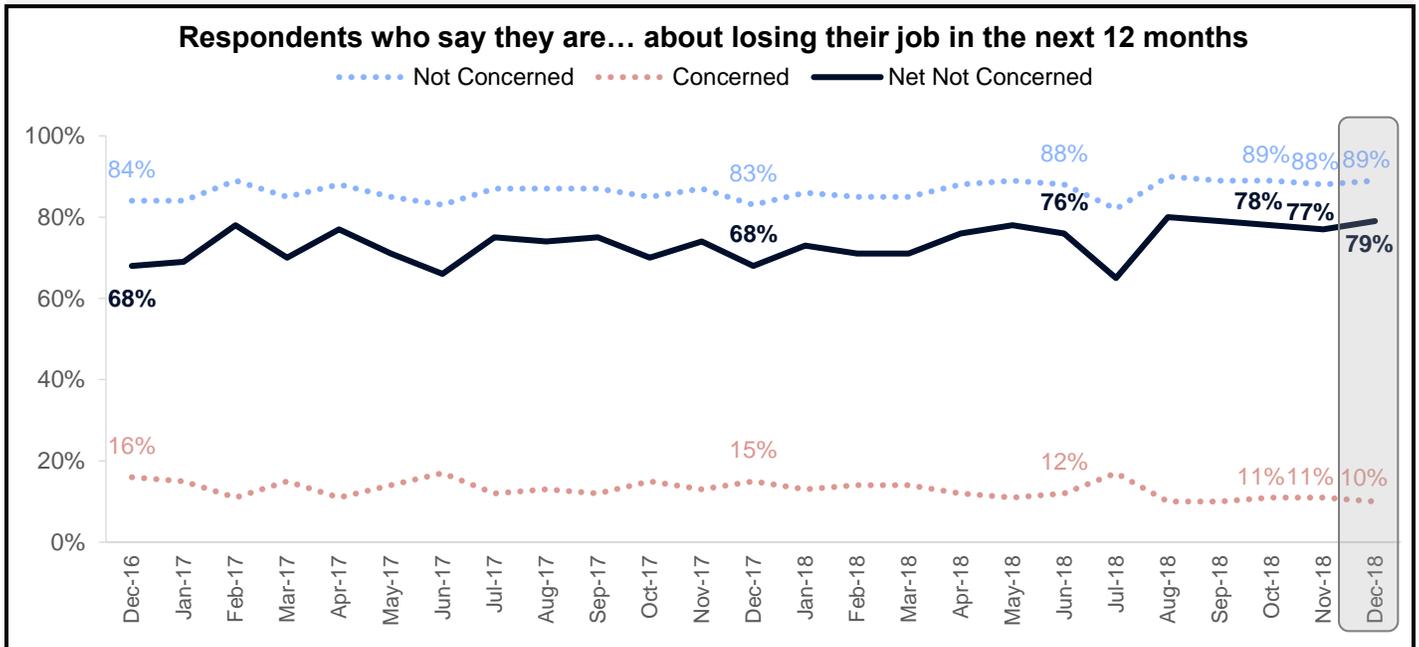
The net share of those who say mortgage rates will go down over the next 12 months rose remained at -56% in December.



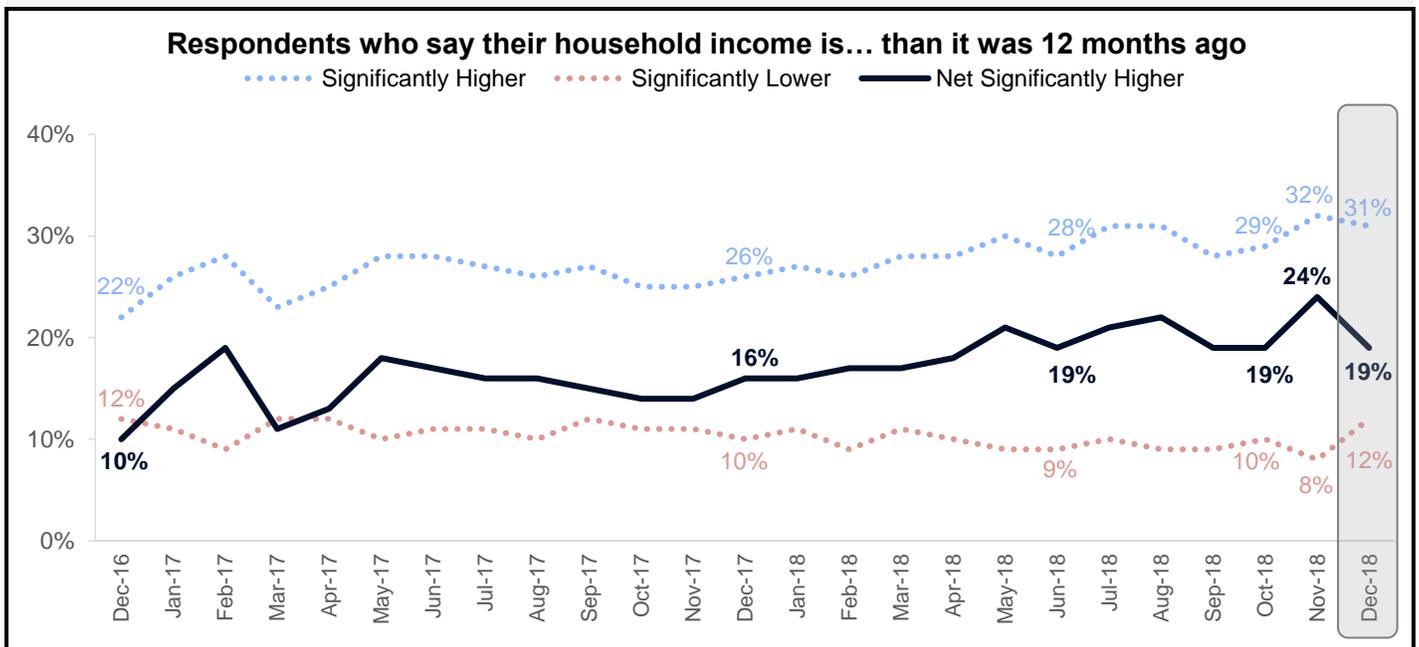


Components of the HPSI – Job Concerns and Household Incomes

The net share of Americans who say they are not concerned about losing their jobs rose 2 percentage points in December to 79%.



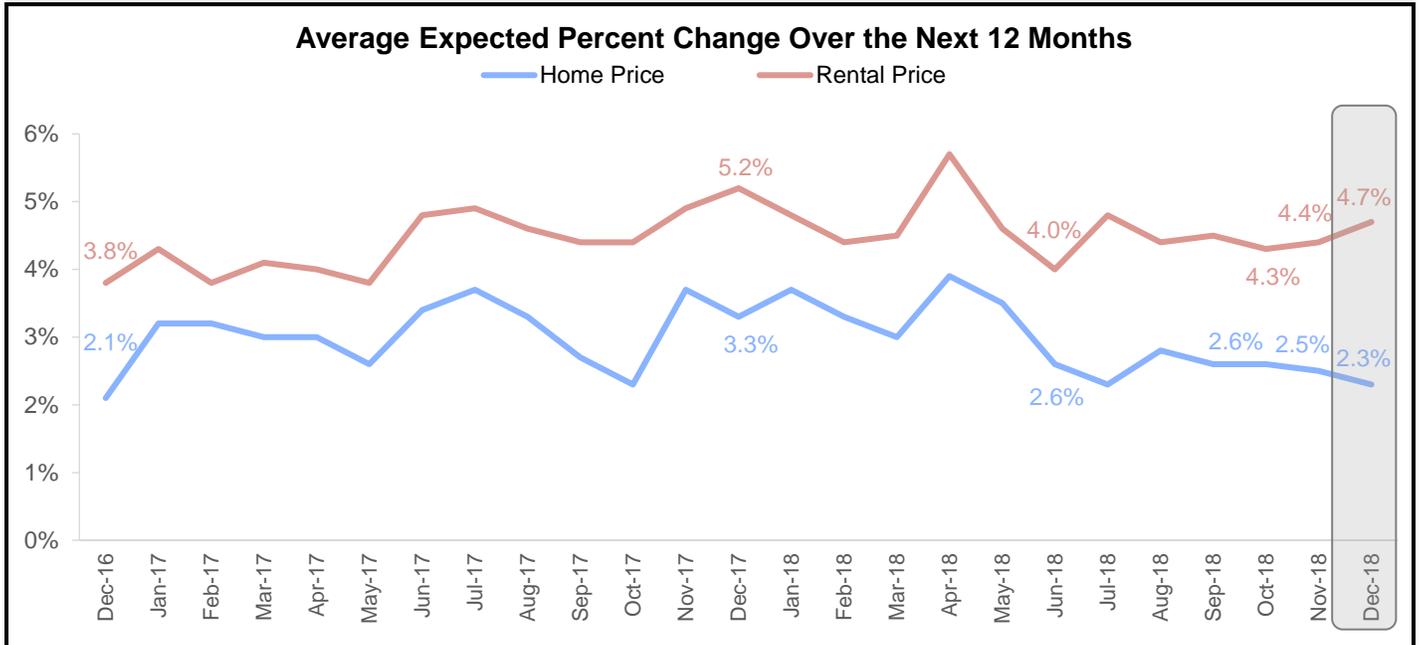
The net share of those who say their household income is significantly higher than it was 12 months ago fell 5 percentage points from last month's survey high to 19%.



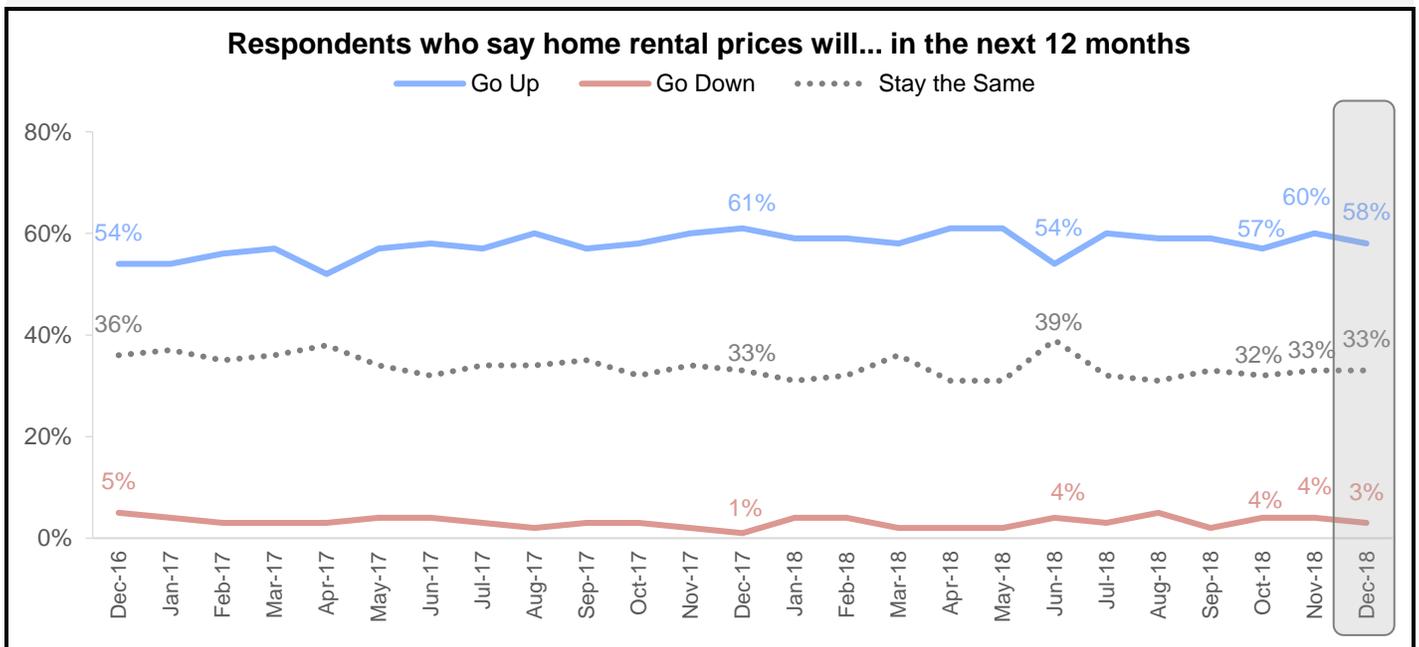


Additional National Housing Survey Key Indicators

On average, Americans expect rental prices to increase 4.7% over the next 12 months, 0.3 percentage points higher than last month. They expect home prices to rise 2.3% over the next 12 months, a 0.2 percentage point decline from last month.



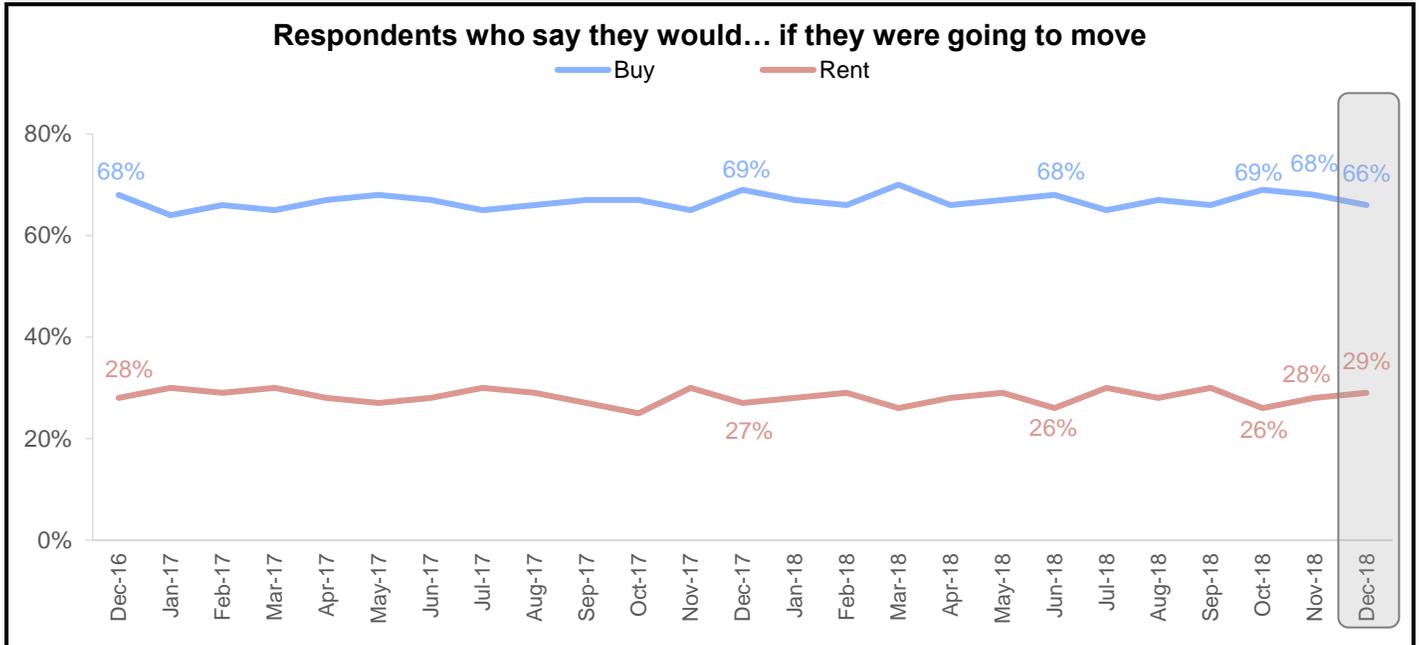
The share of Americans who expect home rental prices to go up fell 2 percentage points to 58%, while the share who expect them to stay the same remained the same at 33%.



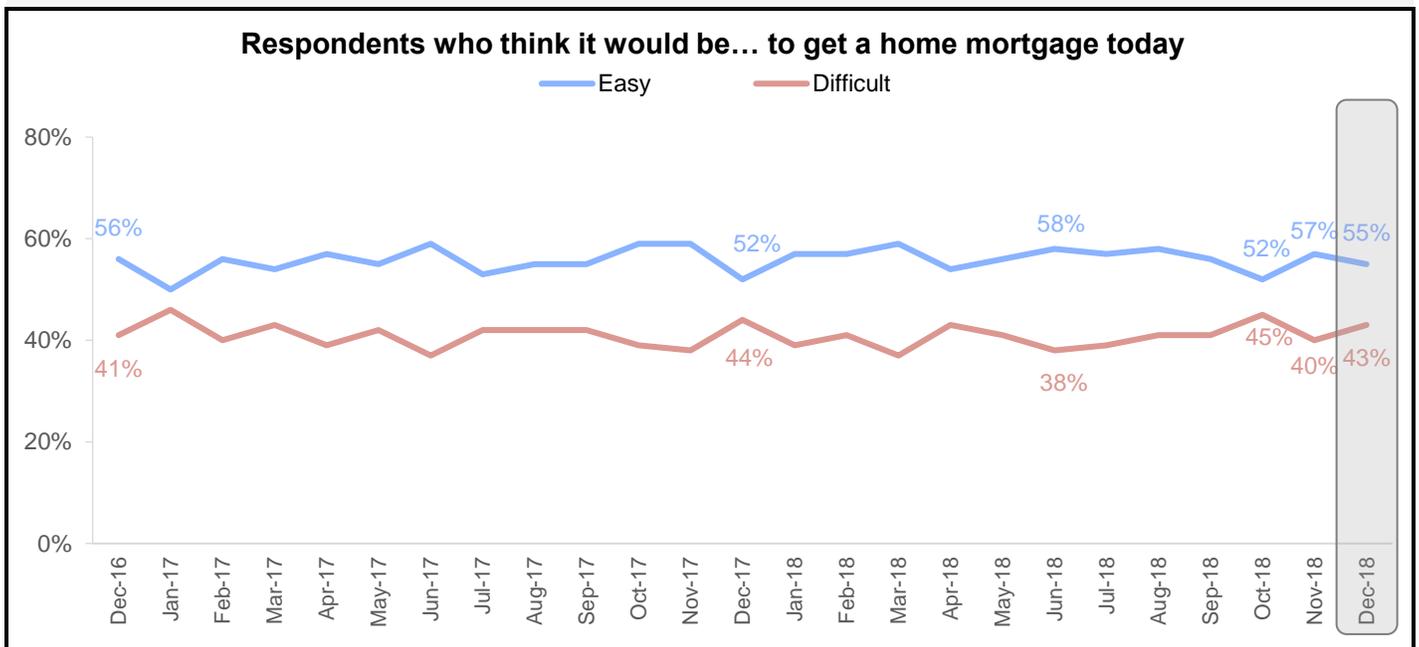


Additional National Housing Survey Key Indicators

The share of Americans who say they would buy if they were going to move fell two percentage points to 66%, and the share who say they would rent rose one percentage point to 29%.



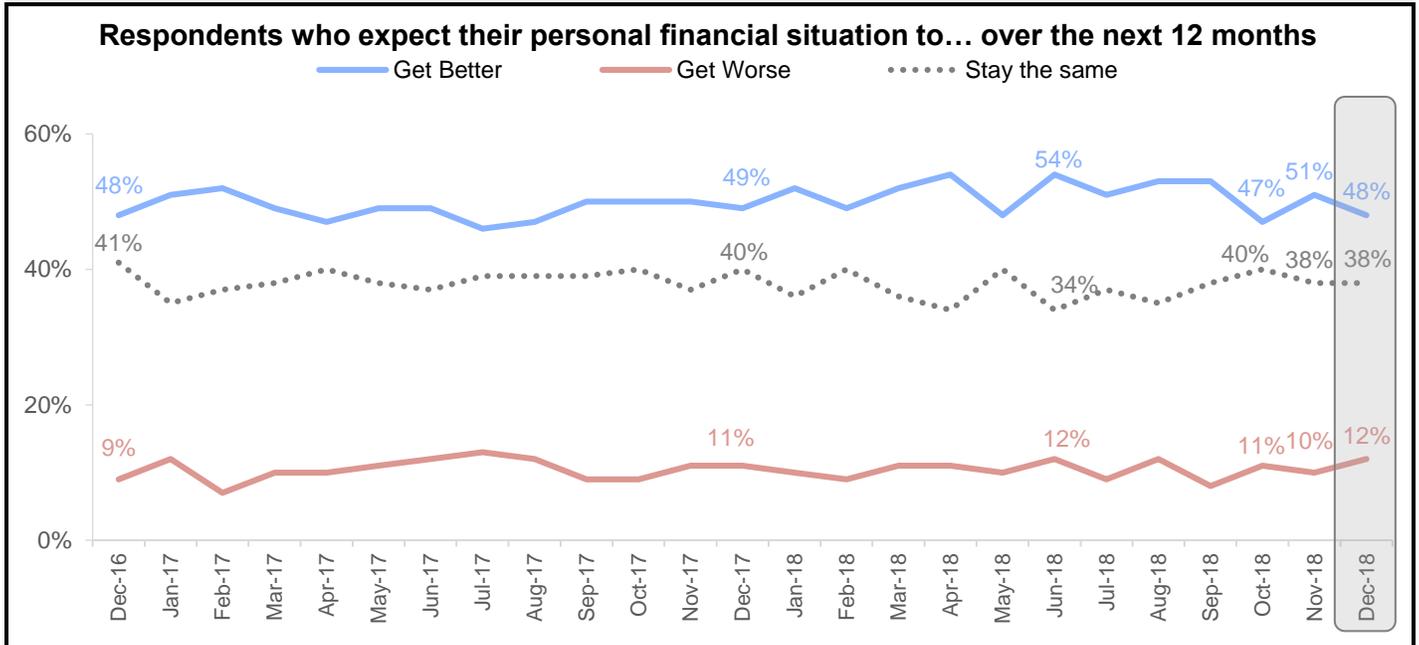
The share of Americans who say getting a mortgage would be easy fell 2 percentage points to 55%, while the share who say it would be difficult rose 3 percentage points to 43%.



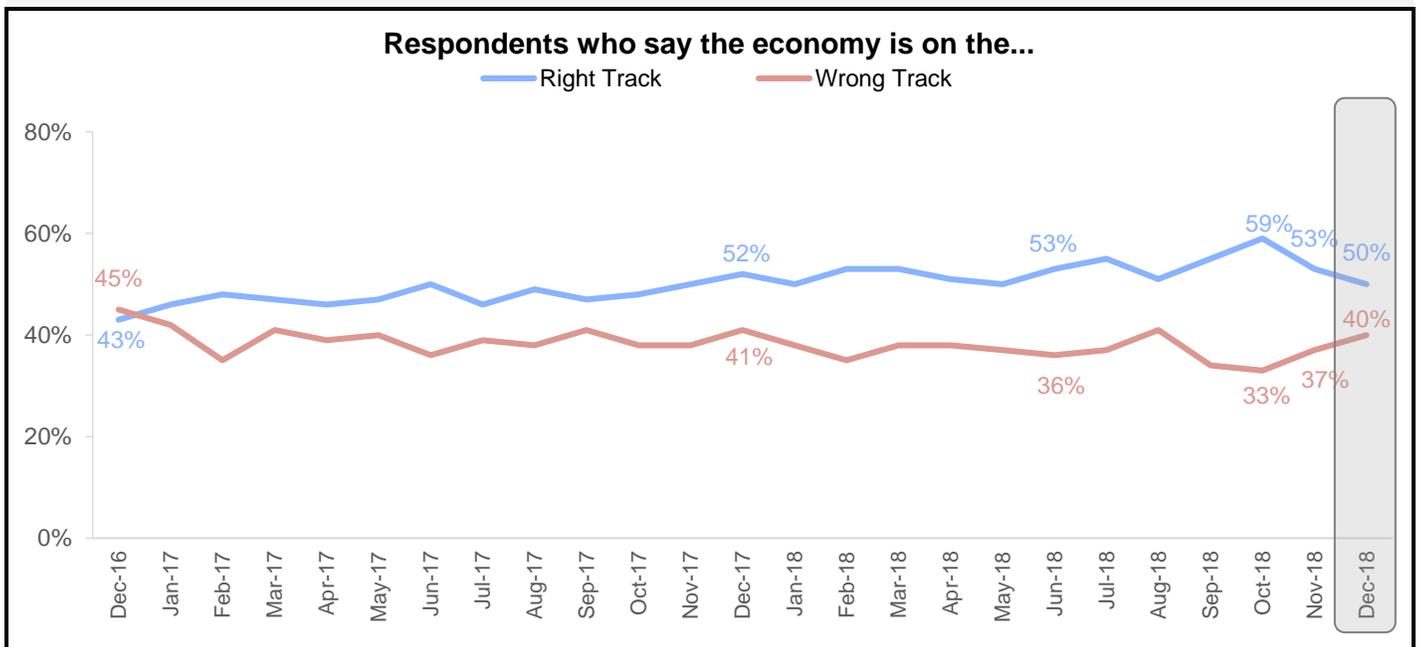


Additional National Housing Survey Key Indicators

The share of Americans who expect their personal financial situations to get better fell 3 percentage points to 48%. The share who expect it to stay the same remained the same at 38%, while the share who expect it to get worse rose two percentage points to 12%.



The share of Americans who say the economy is on the right track fell 3 percentage points to 50%. Additionally, the share who say it is on the wrong track rose 3 percentage points to 40%.





The National Housing Survey®

December 2018

APPENDIX

About the Survey

The National Housing Survey® polled a nationally representative sample of 1,002 household financial decision makers (margin of error ±3.1%) aged 18 and older between December 1, 2018 and December 21, 2018. Most of the data collection occurred during the first two weeks of this period.

Interviews were conducted by PSB, in coordination with Fannie Mae.

The statistics in this release were estimated from sample surveys and are subject to sampling variability as well as nonsampling error, including bias and variance from response, nonreporting, and undercoverage. Averages of expected price changes were calculated after converting responses of “stay the same” to 0% and after excluding outliers, which were defined to be responses that were more than two standard deviations from the means.

How the Home Purchase Sentiment Index (HPSI) is Calculated*	
Net Good Time to Buy <i>Very or Somewhat Good Time To Buy – Very or Somewhat Bad Time To Buy</i>	Q12
Net Good Time to Sell <i>Very or Somewhat Good Time To Sell – Very or Somewhat Bad Time To Sell</i>	Q13
Net Home Prices Will Go Up (next 12 months) <i>Home Prices Will Go Up – Home Prices Will Go Down</i>	Q15
Net Mortgage Rates Will Go Down (next 12 months) <i>Mortgage Rates Will Go Down – Mortgage Rates Will Go Up</i>	Q20B
Net Confident About Not Losing Job (next 12 months) <i>Not at All or Not Very Concerned about Losing Job – Very or Somewhat Concerned about Losing Job</i>	Q112B
Net Household Income is Significantly Higher (past 12 months) <i>Income is Significantly Higher – Income is Significantly Lower</i>	Q116
$HPSI = \frac{Q12 + Q13 + Q15 + Q20B + Q112B + Q116}{6} + 63.5$	
<small>* The HPSI calculation includes the addition of a constant of 63.5 in order to set the index's initial value at 60 as of March 2011, in range with the Index of Consumer Sentiment and the Consumer Confidence Index</small>	

Time Series Data: <http://fanniemae.com/resources/file/research/housingsurvey/xls/nhs-monthly-indicator-data-010718.xlsx>

HPSI Overview: <http://fanniemae.com/resources/file/research/housingsurvey/pdf/hpsi-overview.pdf>

HPSI White Paper: <http://fanniemae.com/resources/file/research/housingsurvey/pdf/hpsi-whitepaper.pdf>



Home Purchase Sentiment Index Over the Past 12 Months

December 2017	85.8
January 2018	89.5
February 2018	85.8
March 2018	88.3
April 2018	91.7
May 2018	92.3
June 2018	90.7
July 2018	86.5
August 2018	88.0
September 2018	87.7
October 2018	85.7
November 2018	86.2
December 2018	83.5

Percent of respondents who say it is a good or bad time to buy

	% Good Time to Buy	% Bad Time to Buy	Net % Good Time to Buy
December 2017	58	34	24
January 2018	59	32	27
February 2018	57	35	22
March 2018	62	30	32
April 2018	61	32	29
May 2018	59	31	28
June 2018	59	31	28
July 2018	58	34	24
August 2018	57	36	21
September 2018	58	32	26
October 2018	55	34	21
November 2018	57	34	23
December 2018	52	41	11



Percent of respondents who say home prices will go up, go down, or stay the same in the next 12 months

	% Go Up	% Go Down	Net % Prices Will Go Up
December 2017	50	6	44
January 2018	58	6	52
February 2018	52	7	45
March 2018	51	9	42
April 2018	55	6	49
May 2018	55	6	49
June 2018	55	9	46
July 2018	49	10	39
August 2018	48	10	38
September 2018	49	10	39
October 2018	46	9	37
November 2018	46	13	33
December 2018	45	14	31

Percent of respondents who say mortgage rates will go up, go down, or stay the same in the next 12 months

	% Go Up	% Go Down	Net % Rates Will Go Down
December 2017	56	4	-52
January 2018	55	5	-50
February 2018	62	5	-57
March 2018	57	5	-52
April 2018	54	6	-48
May 2018	54	5	-49
June 2018	58	5	-53
July 2018	58	6	-52
August 2018	58	6	-52
September 2018	60	4	-56
October 2018	61	4	-57
November 2018	60	4	-56
December 2018	61	5	-56



Percent of respondents who say are concerned or not concerned about losing their job

	% Concerned	% Not Concerned	Net % Not Concerned
December 2017	15	83	68
January 2018	13	86	73
February 2018	14	85	71
March 2018	14	85	71
April 2018	12	88	76
May 2018	11	89	78
June 2018	12	88	76
July 2018	17	82	65
August 2018	10	90	80
September 2018	10	89	79
October 2018	11	89	78
November 2018	11	88	77
December 2018	10	89	79

Percent of respondents who say their household income is higher, lower, or about the same compared to 12 months ago

	% Significantly Higher	% Significantly Lower	Net % Higher
December 2017	26	10	16
January 2018	27	11	16
February 2018	26	9	17
March 2018	28	11	17
April 2018	28	10	18
May 2018	30	9	21
June 2018	28	9	19
July 2018	31	10	21
August 2018	31	9	22
September 2018	28	9	19
October 2018	29	10	19
November 2018	32	8	24
December 2018	31	12	19



Average home/rental price change expectation		
	% Home Price Change	% Rental Price Change
December 2017	3.3	5.2
January 2018	3.7	4.8
February 2018	3.3	4.4
March 2018	3.0	4.5
April 2018	3.9	5.7
May 2018	3.5	4.6
June 2018	2.6	4.0
July 2018	2.3	4.8
August 2018	2.8	4.4
September 2018	2.6	4.5
October 2018	2.6	4.3
November 2018	2.5	4.4
December 2018	2.3	4.7

Percent of respondents who say home rental prices will go up, go down, or stay the same in the next 12 months			
	% Go Up	% Go Down	% Stay the Same
December 2017	61	1	33
January 2018	59	4	31
February 2018	59	4	32
March 2018	58	2	36
April 2018	61	2	31
May 2018	61	2	31
June 2018	54	4	39
July 2018	60	3	32
August 2018	59	5	31
September 2018	59	2	33
October 2018	57	4	32
November 2018	60	4	33
December 2018	58	3	33



Percent of respondents who say they would buy or rent if they were going to move

	% Buy	% Rent
December 2017	69	27
January 2018	67	28
February 2018	66	29
March 2018	70	26
April 2018	66	28
May 2018	67	29
June 2018	68	26
July 2018	65	30
August 2018	67	28
September 2018	66	30
October 2018	69	26
November 2018	68	28
December 2018	66	29

Percent of respondents who think it would be difficult or easy for them to get a home mortgage today

	% Difficult	% Easy
December 2017	44	52
January 2018	39	57
February 2018	41	57
March 2018	37	59
April 2018	43	54
May 2018	41	56
June 2018	38	58
July 2018	39	57
August 2018	41	58
September 2018	41	56
October 2018	45	52
November 2018	40	57
December 2018	43	55



Percent of respondents who expect their personal financial situation to get better, get worse, or stay the same in the next 12 months

	% Get Better	% Get Worse	% Stay the Same
December 2017	49	11	40
January 2018	52	10	36
February 2018	49	9	40
March 2018	52	11	36
April 2018	54	11	34
May 2018	48	10	40
June 2018	54	12	34
July 2018	51	9	37
August 2018	53	12	35
September 2018	53	8	38
October 2018	47	11	40
November 2018	51	10	38
December 2018	48	12	38

Percent of respondents who think the economy is on the right track or the wrong track

	% Right Track	% Wrong Track
December 2017	52	41
January 2018	50	38
February 2018	53	35
March 2018	53	38
April 2018	51	38
May 2018	50	37
June 2018	53	36
July 2018	55	37
August 2018	51	41
September 2018	55	34
October 2018	59	33
November 2018	53	37
December 2018	50	40