

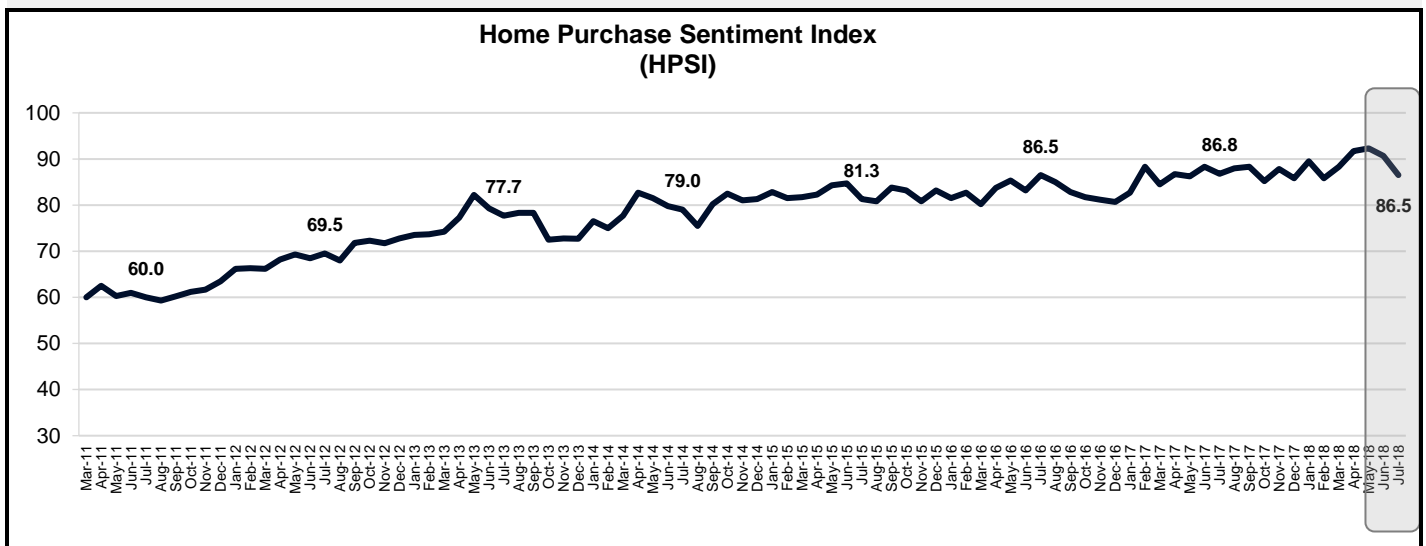


July 2018 Data Release

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 4.2 points in July to 86.5, declining for the second straight month after reaching survey highs in April and May.



Components of the HPSI

The decrease in the HPSI can be attributed to decreases in four of the six HPSI components: Confidence About Not Losing Job (-11), Home Prices Will Go Up (-7), Good Time to Sell (-6), and Good Time to Buy (-4).

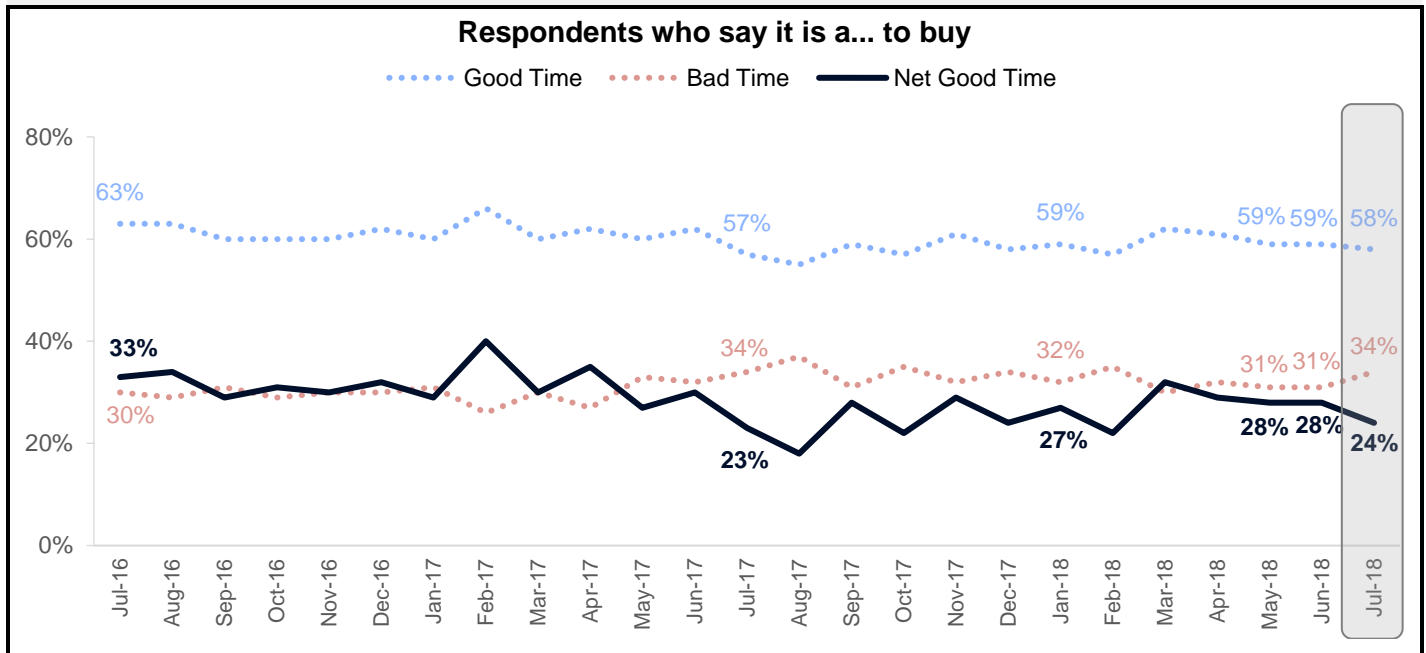
| | July 2018* | Change Since Last Month | Change Since Last Year |
|--|-------------|-------------------------|------------------------|
| July 2018 HPSI | 86.5 | -4.2 | -0.3 |
| Good Time To Buy | 24 | -4 | +1 |
| Good Time To Sell | 41 | -6 | +13 |
| Home Prices Will Go Up (next 12 months) | 39 | -7 | -8 |
| Mortgage Rates Will Go Down (next 12 months) | -52 | +1 | -3 |
| Confidence About Not Losing Job (next 12 months) | 65 | -11 | -10 |
| Household Income Is Significantly Higher (past 12 months) | 21 | +2 | +5 |

* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 24

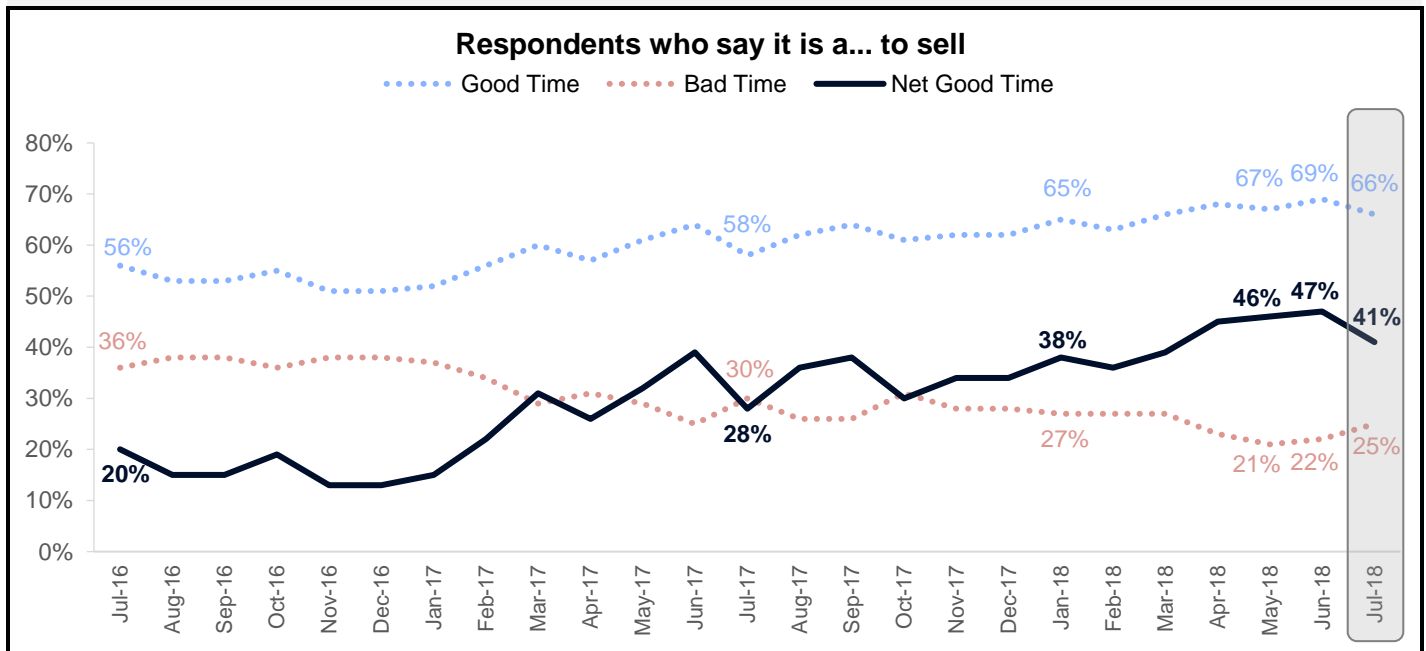


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

The net share of Americans who say it is a good time to buy a home fell 4 percentage points from last month to 24%.



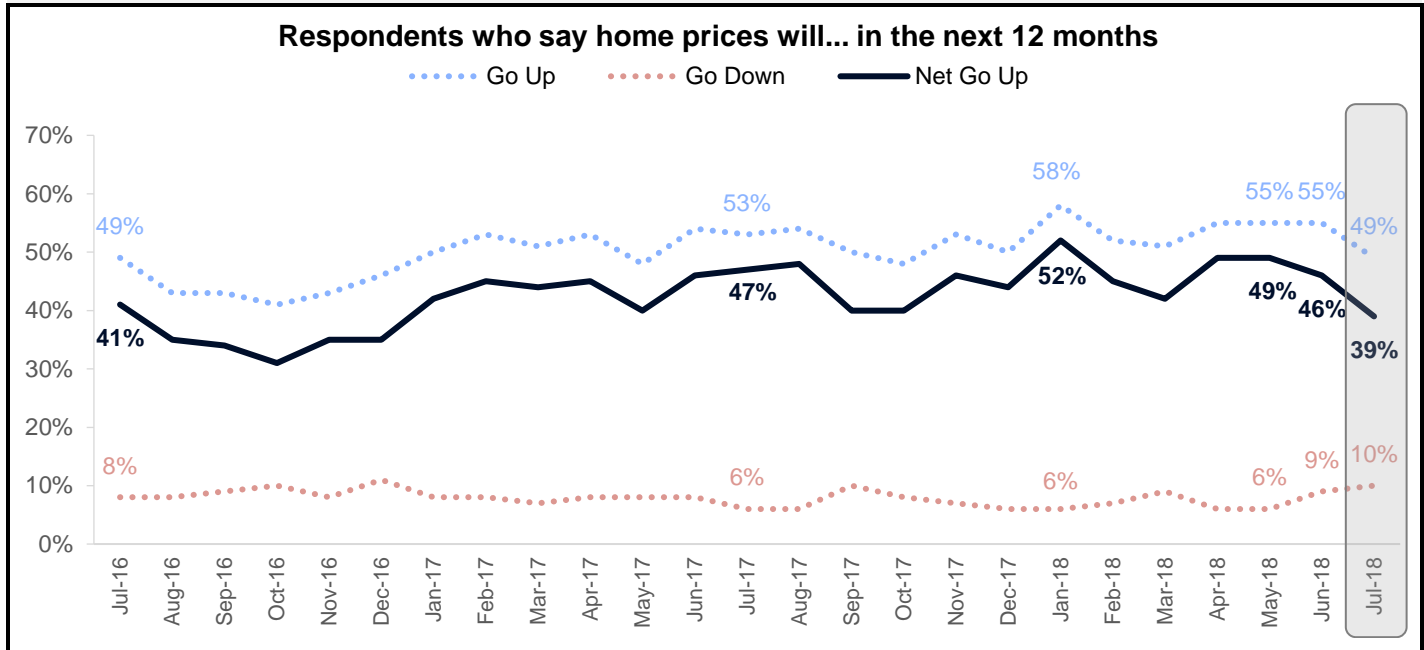
In July, the net percentage of those who say it is a good time to sell fell 6 percentage points from last month's survey high to 41%.



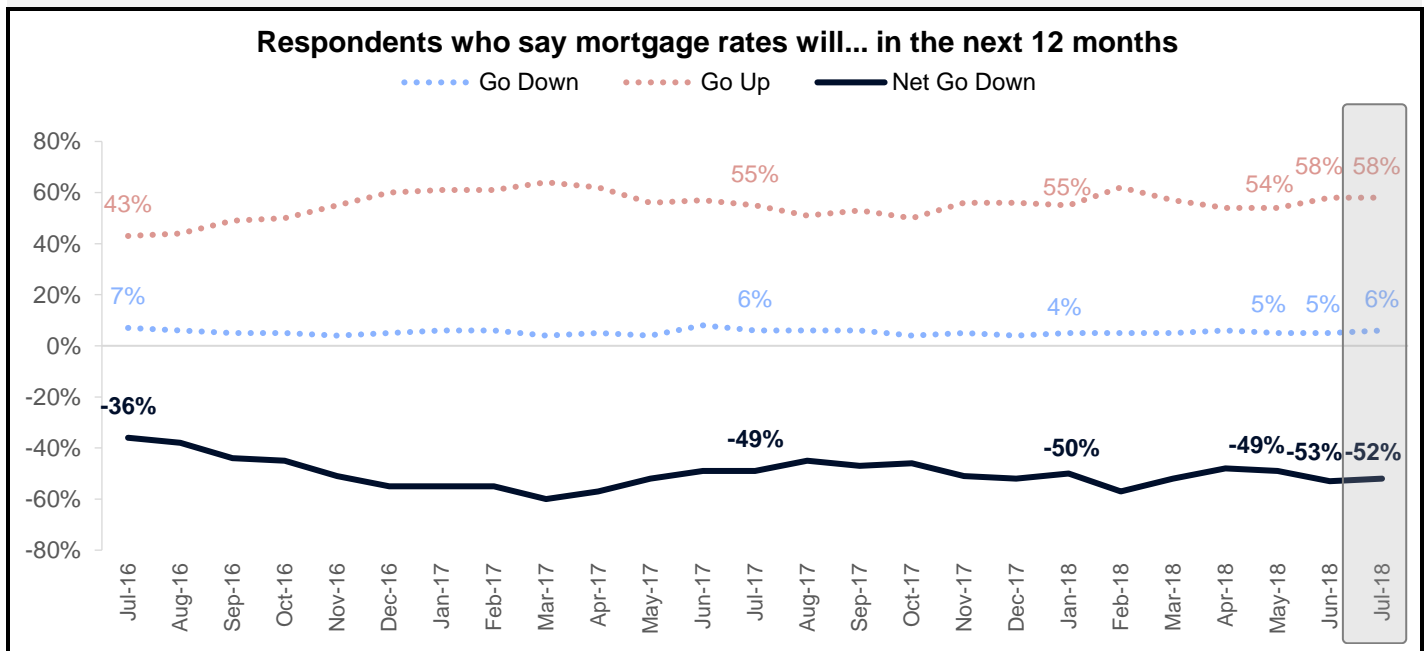


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say home prices will go up fell 7 percentage points to 39%, falling under 40% for the first time since December 2016.



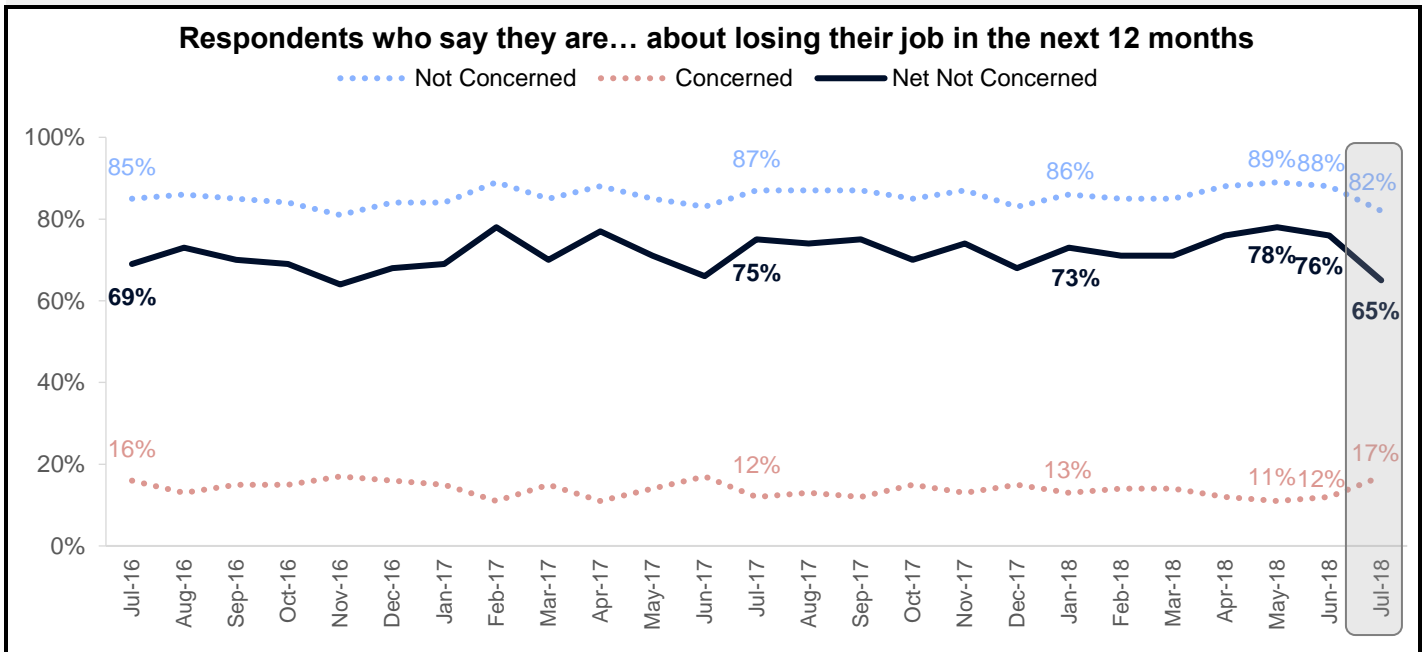
The net share of those who say mortgage rates will go down over the next 12 months rose 1 percentage point to -52%.



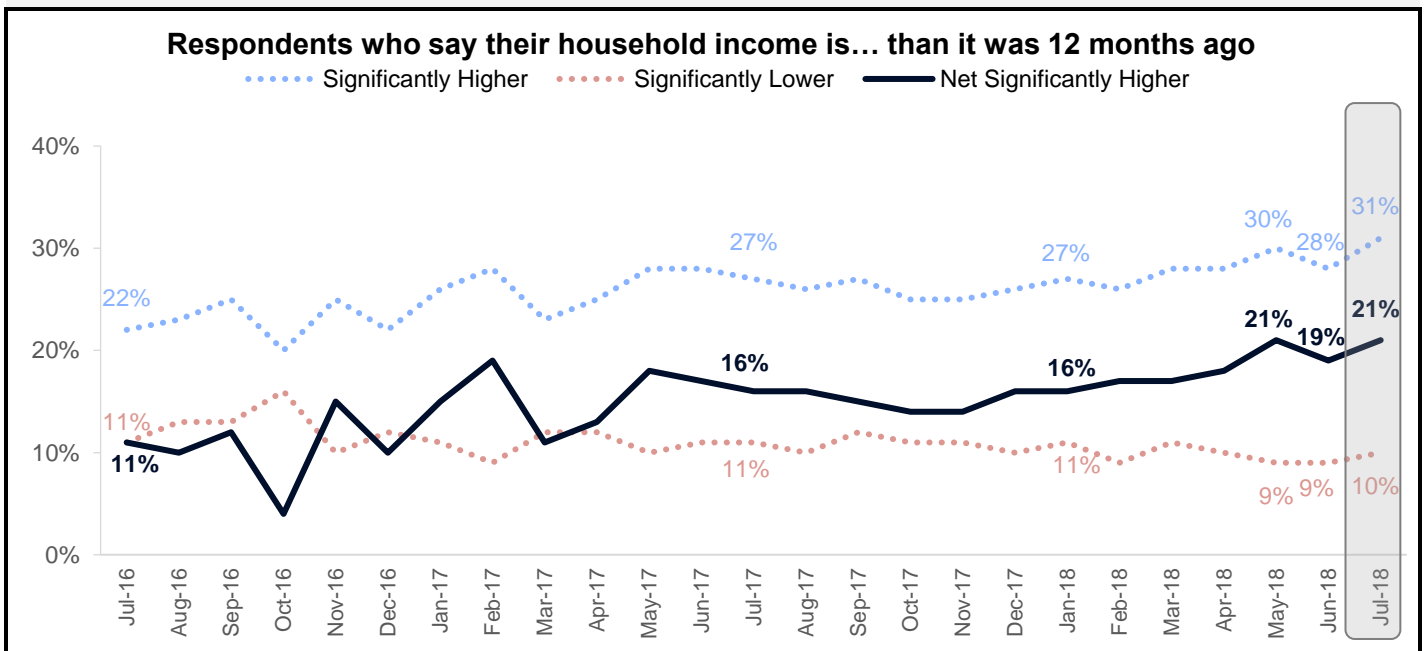


Components of the HPSI – Job Concerns and Household Incomes

The net share of Americans who say they are not concerned about losing their job fell 11 percentage points from last month to 65%.



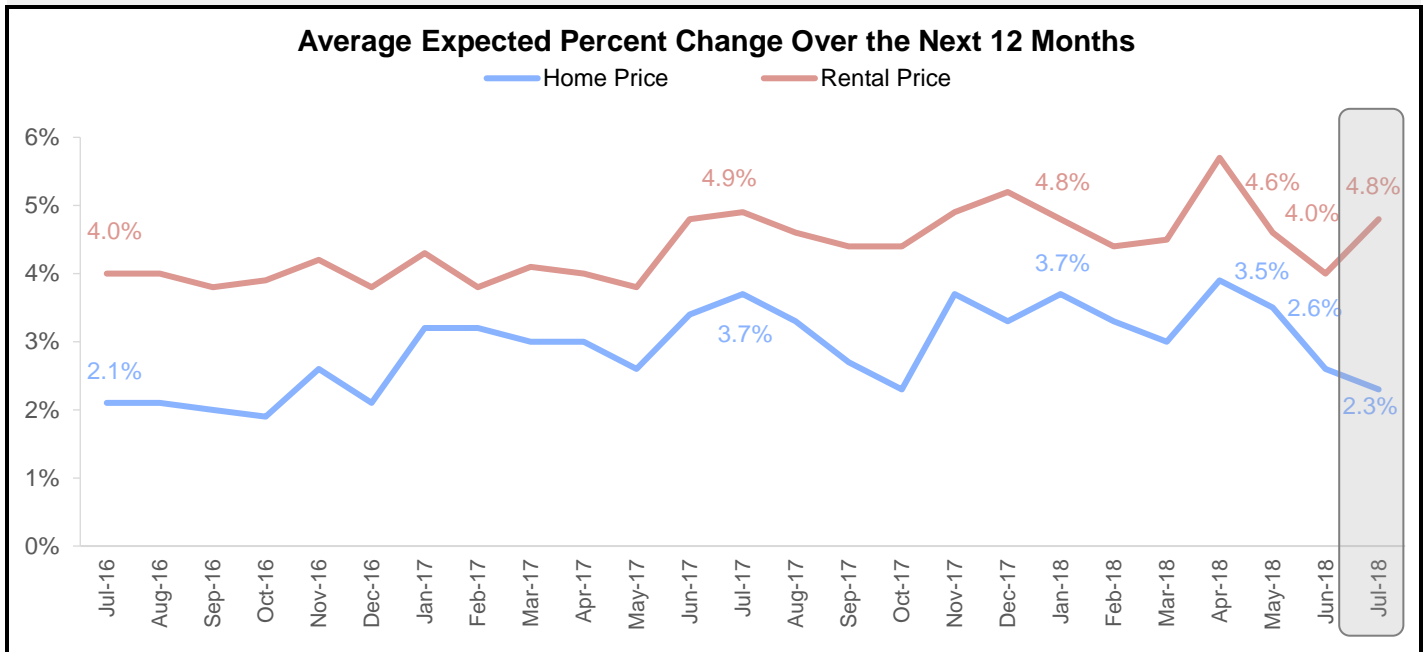
The net share of those who say their household income is significantly higher than it was 12 months ago rose 2 percentage points to 21%, matching the survey high from May 2018.



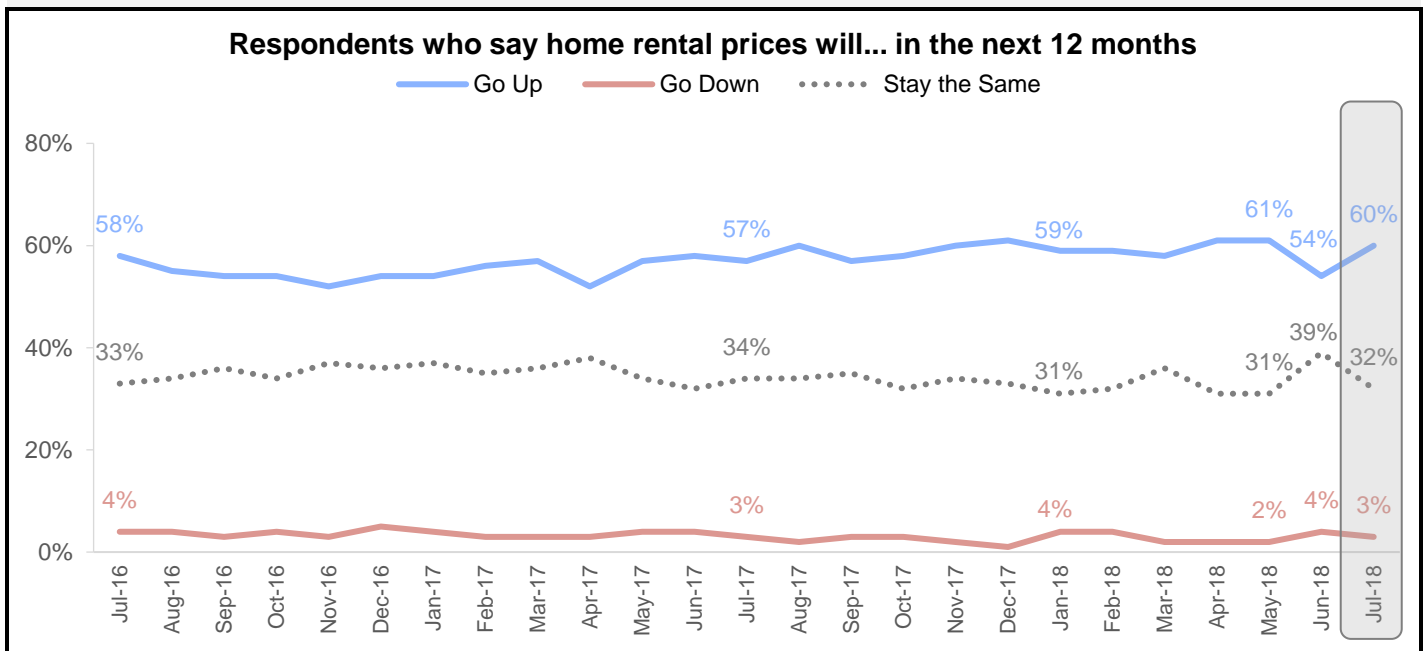


Additional National Housing Survey Key Indicators

On average, Americans expect rental prices to rise 4.8% over the next 12 months, rising 0.8 percentage points. They expect home prices to rise 2.3% over the next 12 months, a 0.3 percentage point decrease.



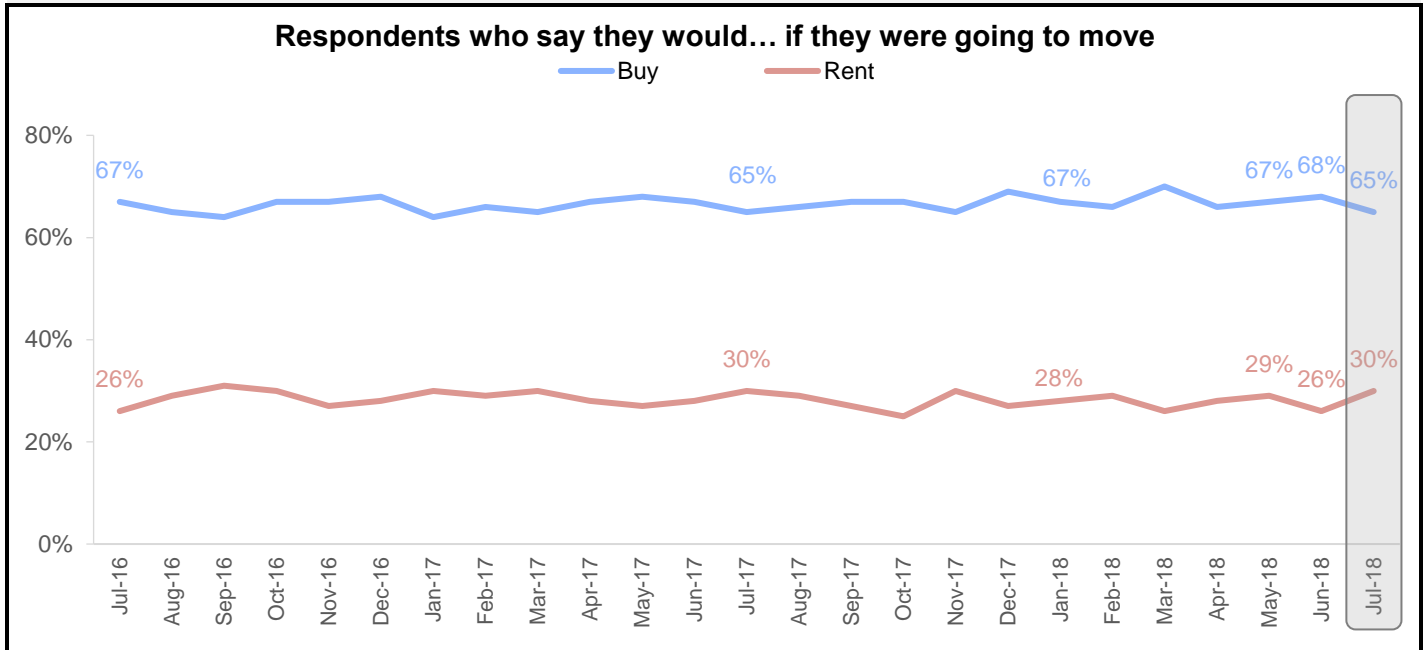
The share of Americans who expect home rental prices to go up rose 6 percentage points to 60%, while the share who expect them to stay the same fell 7 percentage points to 32%.



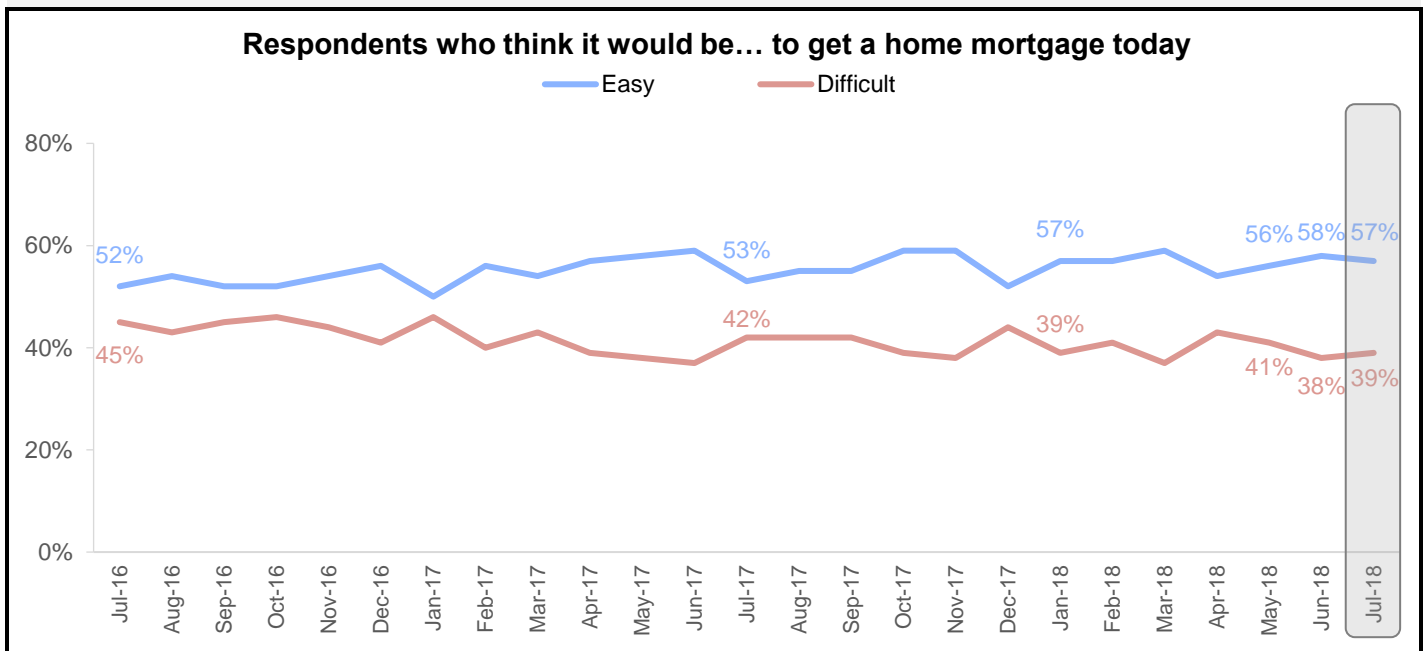


Additional National Housing Survey Key Indicators

The share of Americans who say they would buy if they were going to move fell 3 percentage points to 65%, and the share who say they would rent rose 4 percentage points to 30%.



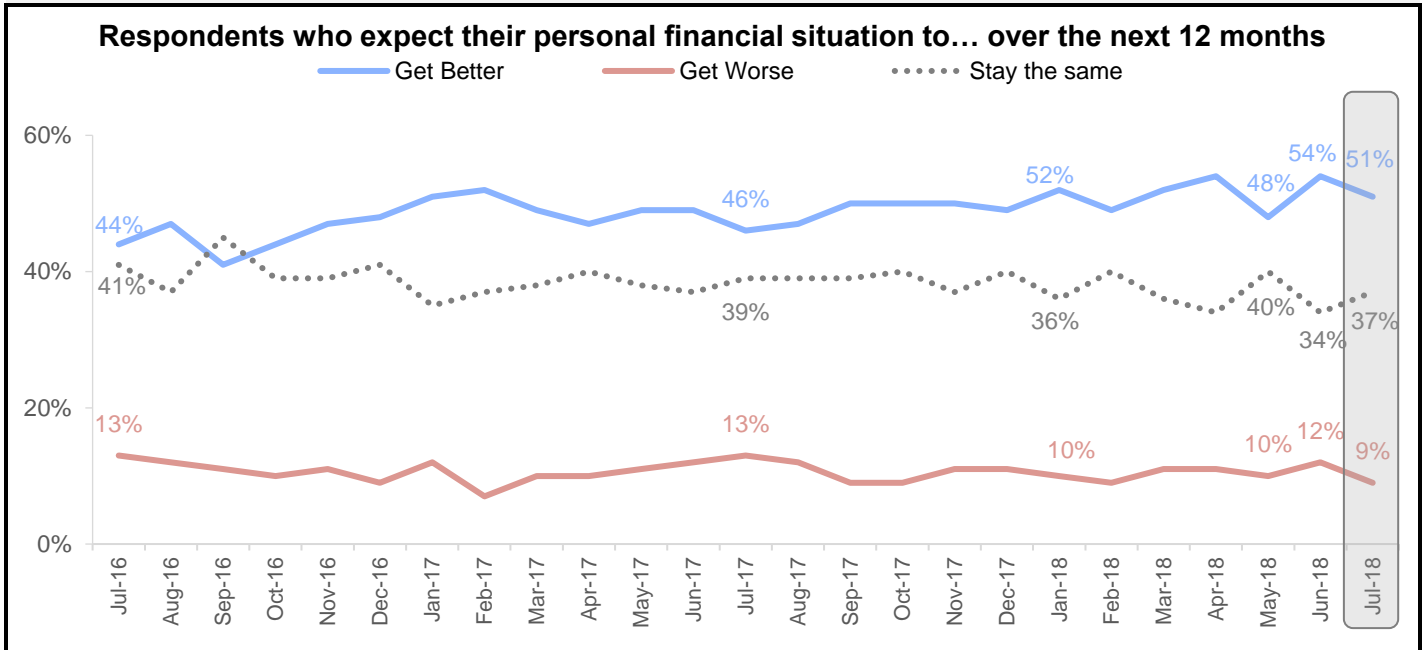
The share of Americans who say getting a mortgage would be easy fell 1 percentage point to 57%, while the share who say it would be difficult rose 1 percentage point to 39%.



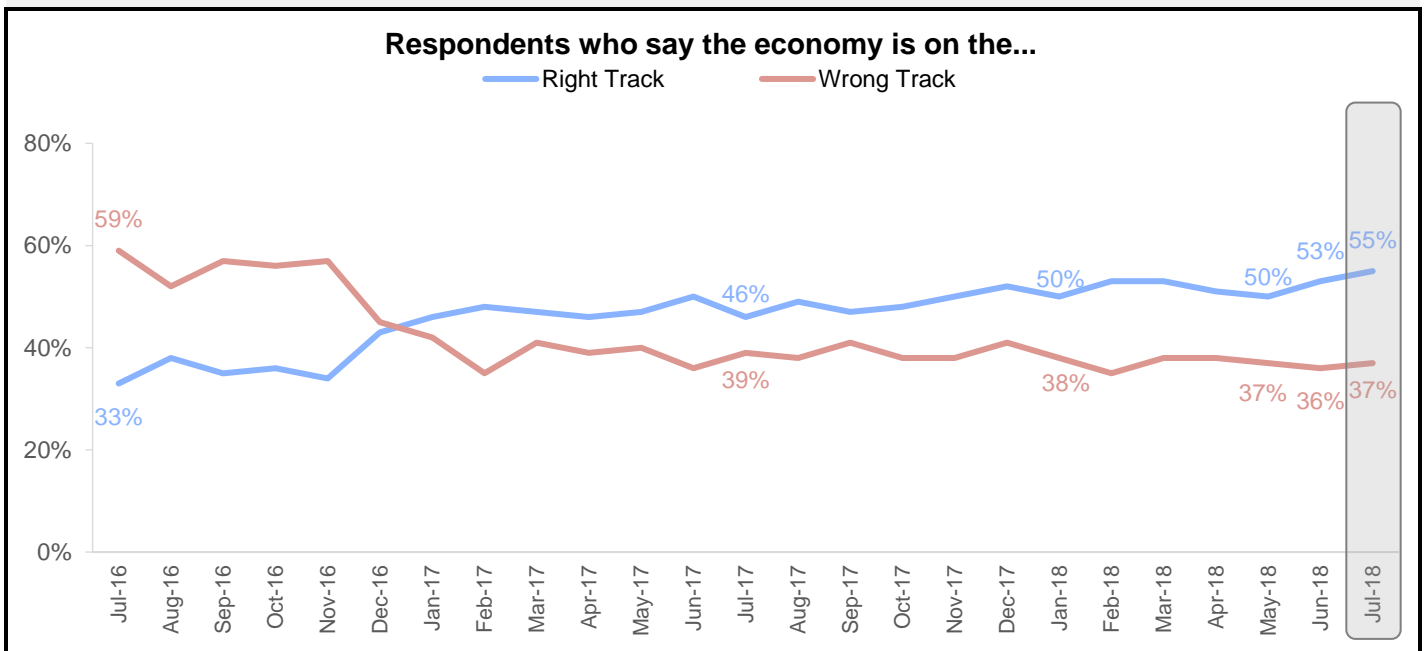


Additional National Housing Survey Key Indicators

The share of Americans who expect their personal financial situations to get better fell 3 points to 51%, reversing last month's increase. The share who expect it to stay the same rose 3 percentage points to 37%.



The share of Americans who say the economy is on the right track rose 2 percentage points to 55%, reaching a new survey high. Meanwhile, the share who say it is on the wrong track rose 1 percentage point to 37%.





The National Housing Survey®

July 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 July 1, 2018 and July 22, 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 |
| $HPSI = \frac{Q12 + Q13 + Q15 + Q20B + Q112B + Q116}{6} + 63.5$ | |
| * 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 | |

Time Series Data: <http://fanniemae.com/resources/file/research/housingsurvey/xls/nhs-monthly-indicator-data-080718.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

| | |
|------------------|-------------|
| July 2017 | 86.8 |
| August 2017 | 88.0 |
| September 2017 | 88.3 |
| October 2017 | 85.2 |
| November 2017 | 87.8 |
| 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 |

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 |
|------------------|--------------------|-------------------|------------------------|
| July 2017 | 57 | 34 | 23 |
| August 2017 | 55 | 37 | 18 |
| September 2017 | 59 | 31 | 28 |
| October 2017 | 57 | 35 | 22 |
| November 2017 | 61 | 32 | 29 |
| 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 |



| Percent of respondents who say it is a good or bad time to sell | | | |
|---|---------------------|--------------------|-------------------------|
| | % Good Time to Sell | % Bad Time to Sell | Net % Good Time to Sell |
| July 2017 | 58 | 30 | 28 |
| August 2017 | 62 | 26 | 36 |
| September 2017 | 64 | 26 | 38 |
| October 2017 | 61 | 31 | 30 |
| November 2017 | 62 | 28 | 34 |
| December 2017 | 62 | 28 | 34 |
| January 2018 | 65 | 27 | 38 |
| February 2018 | 63 | 27 | 36 |
| March 2018 | 66 | 27 | 39 |
| April 2018 | 68 | 23 | 45 |
| May 2018 | 67 | 21 | 46 |
| June 2018 | 69 | 22 | 47 |
| July 2018 | 66 | 25 | 41 |

| 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 |
| July 2017 | 53 | 6 | 47 |
| August 2017 | 54 | 6 | 48 |
| September 2017 | 50 | 10 | 40 |
| October 2017 | 48 | 8 | 40 |
| November 2017 | 53 | 7 | 46 |
| 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 |



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 |
|------------------|----------------|------------------|---------------------------------|
| July 2017 | 55 | 6 | -49 |
| August 2017 | 51 | 6 | -45 |
| September 2017 | 53 | 6 | -47 |
| October 2017 | 50 | 4 | -46 |
| November 2017 | 56 | 5 | -51 |
| 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 |

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

| | % Concerned | % Not Concerned | Net % Not Concerned |
|------------------|--------------------|------------------------|----------------------------|
| July 2017 | 12 | 87 | 75 |
| August 2017 | 13 | 87 | 74 |
| September 2017 | 12 | 87 | 75 |
| October 2017 | 15 | 85 | 70 |
| November 2017 | 13 | 87 | 74 |
| 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 |



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 |
|------------------|-------------------------------|------------------------------|---------------------|
| July 2017 | 27 | 11 | 16 |
| August 2017 | 26 | 10 | 16 |
| September 2017 | 27 | 12 | 15 |
| October 2017 | 25 | 11 | 14 |
| November 2017 | 25 | 11 | 14 |
| 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 |

Average home/rental price change expectation

| | % Home Price Change | % Rental Price Change |
|------------------|----------------------------|------------------------------|
| July 2017 | 3.7 | 4.9 |
| August 2017 | 3.3 | 4.6 |
| September 2017 | 2.7 | 4.4 |
| October 2017 | 2.3 | 4.4 |
| November 2017 | 3.7 | 4.9 |
| 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 |



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 |
|------------------|----------------|------------------|------------------------|
| July 2017 | 57 | 3 | 34 |
| August 2017 | 60 | 2 | 34 |
| September 2017 | 57 | 3 | 35 |
| October 2017 | 58 | 3 | 32 |
| November 2017 | 60 | 2 | 34 |
| 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 |

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

| | % Buy | % Rent |
|------------------|--------------|---------------|
| July 2017 | 65 | 30 |
| August 2017 | 66 | 29 |
| September 2017 | 67 | 27 |
| October 2017 | 67 | 25 |
| November 2017 | 65 | 30 |
| 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 |



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

| | % Difficult | % Easy |
|------------------|--------------------|---------------|
| July 2017 | 42 | 53 |
| August 2017 | 42 | 55 |
| September 2017 | 42 | 55 |
| October 2017 | 39 | 59 |
| November 2017 | 38 | 59 |
| 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 |

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 |
|------------------|---------------------|--------------------|------------------------|
| July 2017 | 46 | 13 | 39 |
| August 2017 | 47 | 12 | 39 |
| September 2017 | 50 | 9 | 39 |
| October 2017 | 50 | 9 | 40 |
| November 2017 | 50 | 11 | 37 |
| 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 |



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

| | % Right Track | % Wrong Track |
|------------------|----------------------|----------------------|
| July 2017 | 46 | 39 |
| August 2017 | 49 | 38 |
| September 2017 | 47 | 41 |
| October 2017 | 48 | 38 |
| November 2017 | 50 | 38 |
| 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 |