

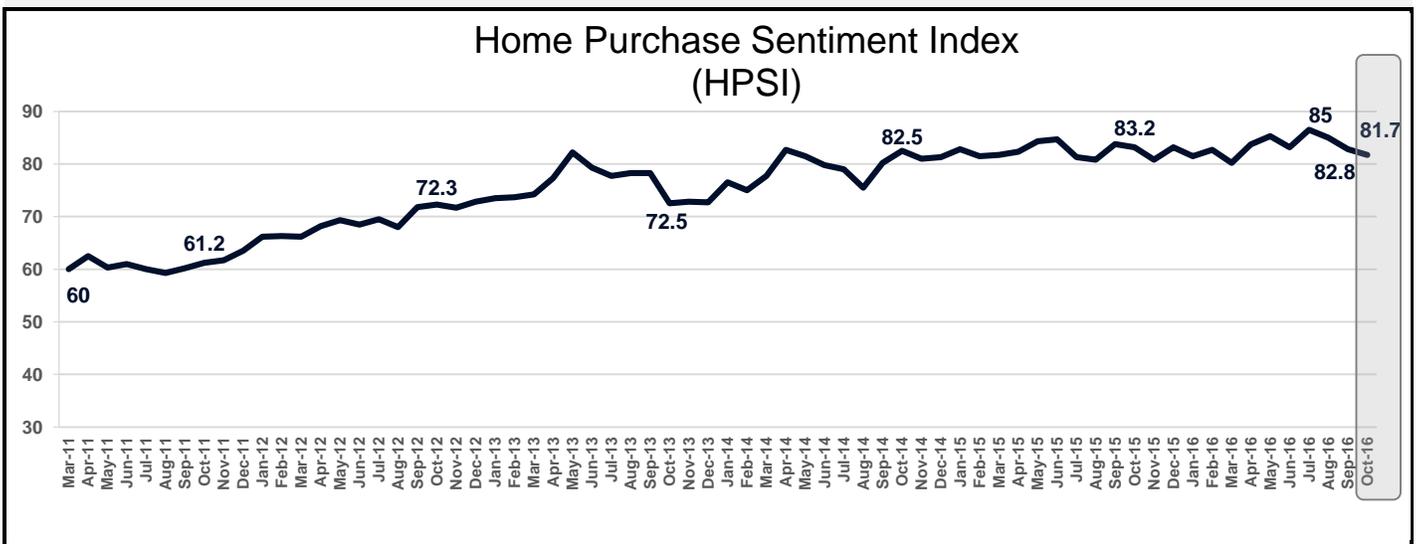


## October 2016 Data Release

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

Continuing the trend from last month, the HPSI fell 1.1 points in October to 81.7.



### Components of the HPSI

The fall in the HPSI in October can be attributed to decreases across four of the six HPSI components. The largest decreases were in “Household Income is Significantly Higher” (-8) and “Home Prices Will Go Up” (-3).

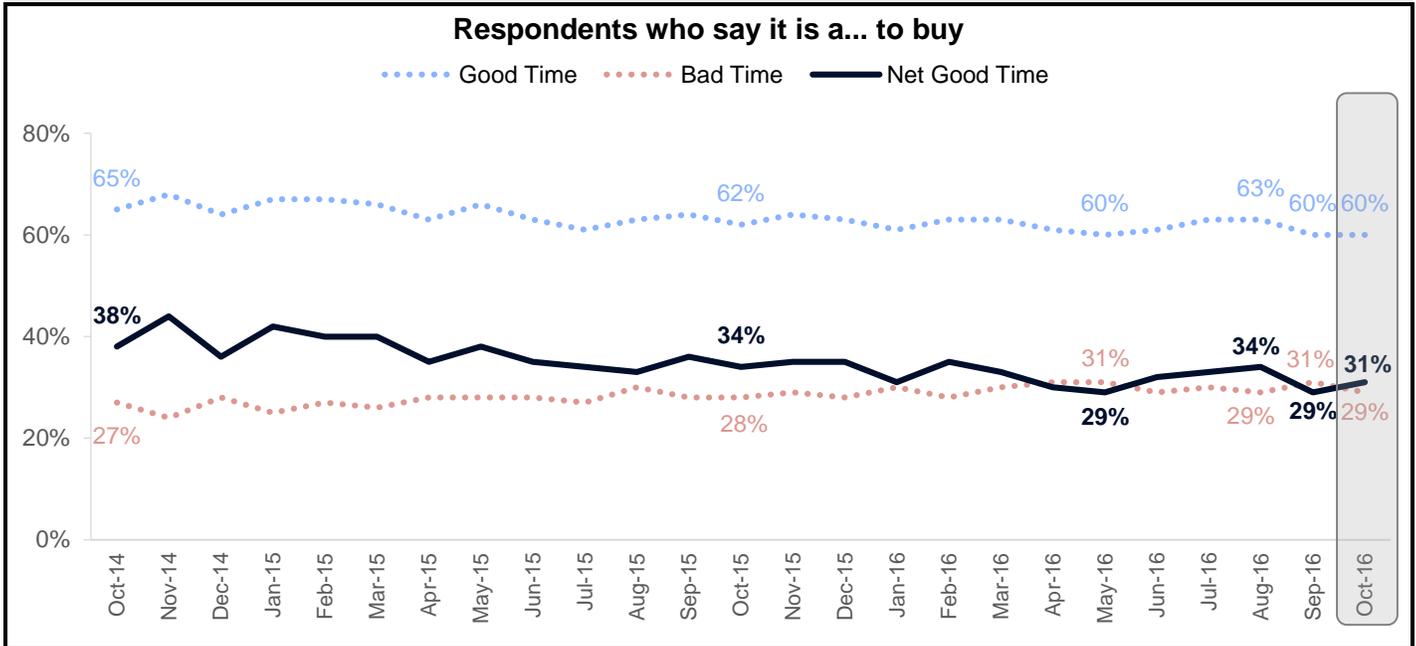
	October 2016*	Change Since Last Month	Change Since Last Year
<b>October 2016 HPSI</b>	<b>81.7</b>	<b>-1.1</b>	<b>-1.5</b>
Good Time To <b>Buy</b>	31	+2	-3
Good Time To <b>Sell</b>	19	+4	+9
<b>Home Prices</b> Will Go Up (next 12 months)	31	-3	-7
<b>Mortgage Rates</b> Will Go Down (next 12 months)	-45	-1	+1
Confidence About Not Losing <b>Job</b> (next 12 months)	69	-1	-2
Household <b>Income</b> is Significantly Higher (past 12 months)	4	-8	-7

\* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 31

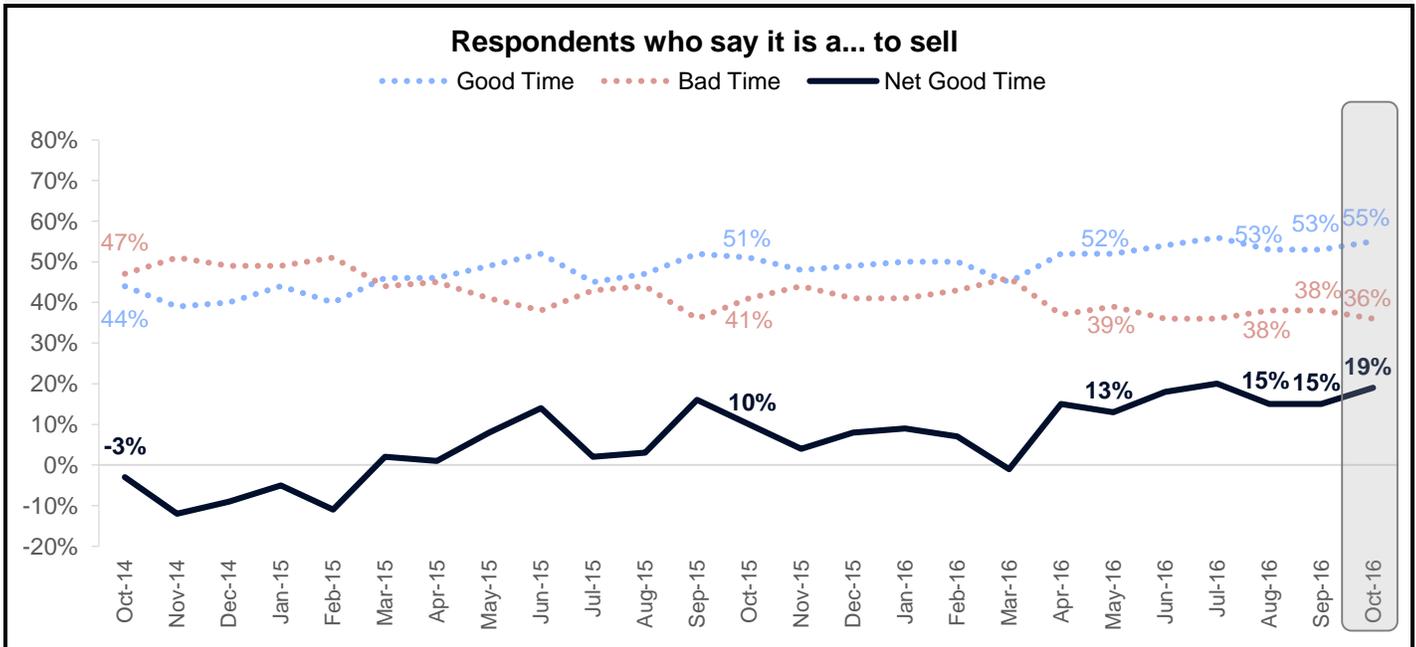


## Components of the HPSI – Good/Bad Time to Buy and Sell a Home

Reversing the decrease from last month, the net share of Americans who say it is a good time to buy a house rose by 2 percentage points to 31%. The share who think it is a good time to buy remained at an all-time survey low.



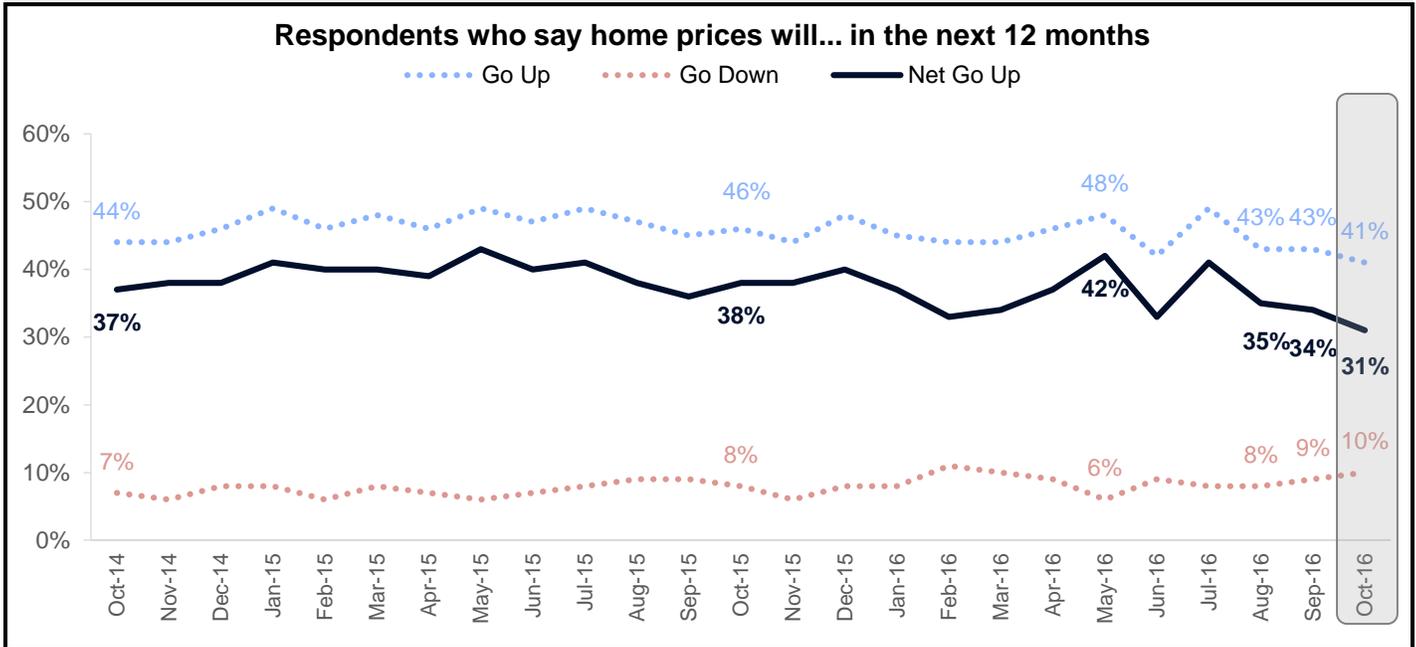
The net percentage of those who say it is a good time to sell rose 4 percentage points to 19% in October, 1 percentage point away from the all-time survey high seen in July. The share who think it is a bad time to sell tied an all time survey low last reached in July.



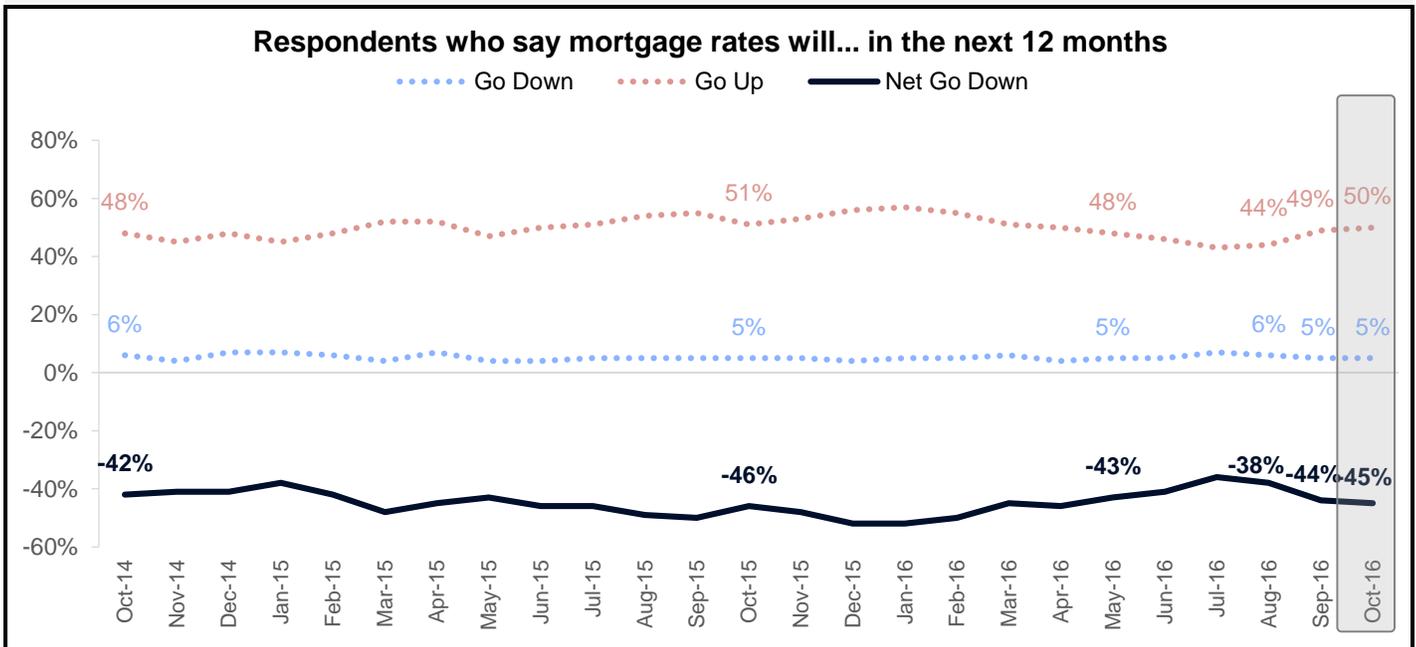


## Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say that home prices will go up continued to fall in October, falling 3 percentage points from last month to 31%.



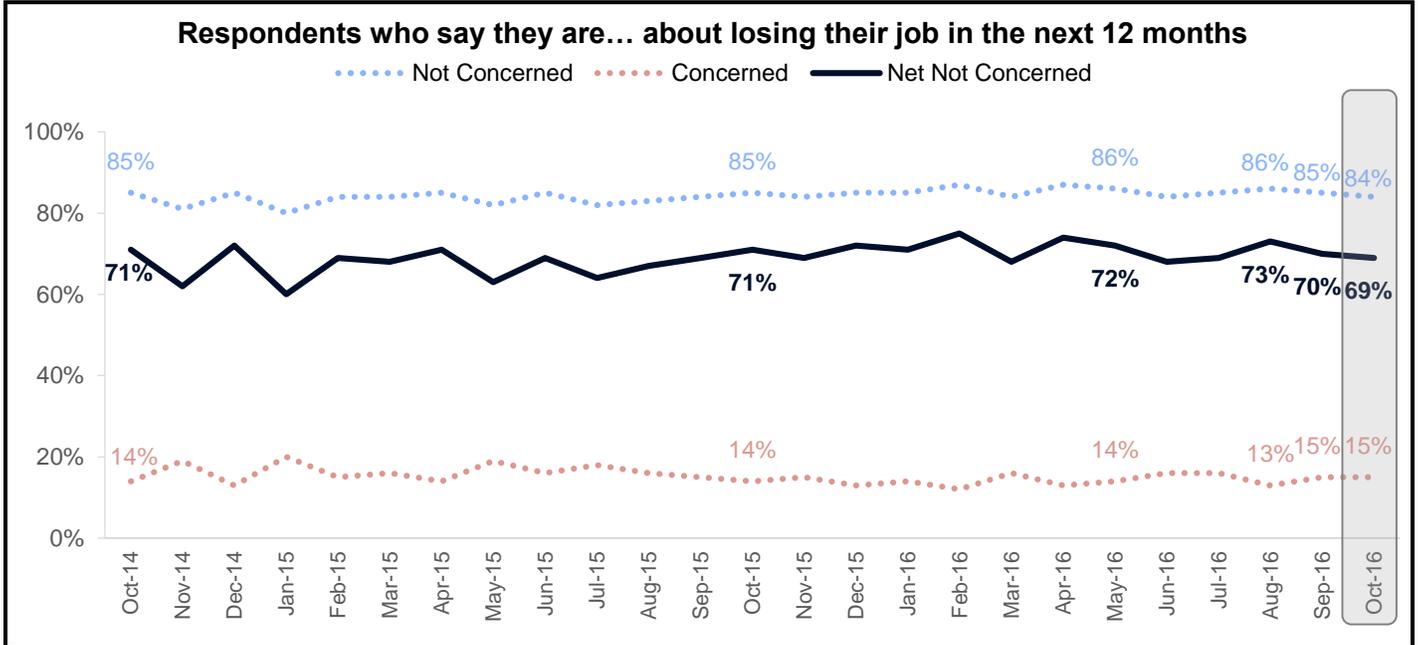
The net share of those who say mortgage rates will go down over the next twelve months fell 1 percentage point to -45%.



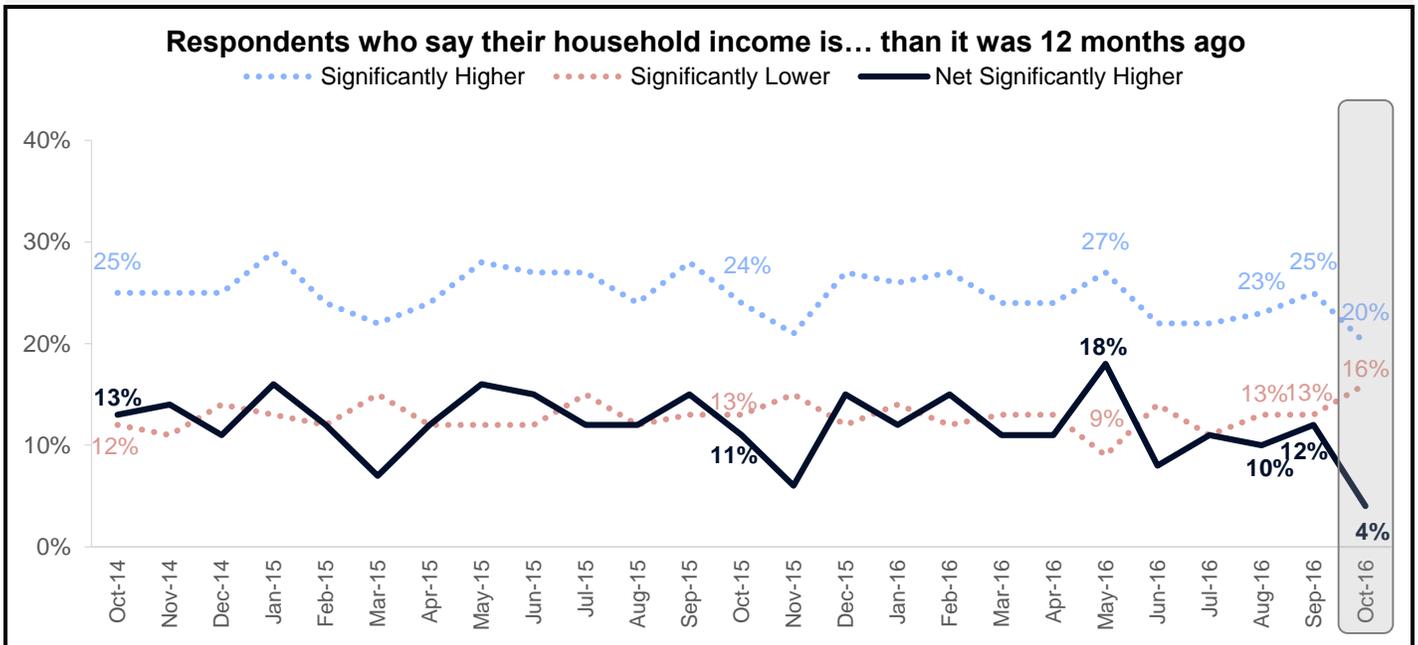


## Components of the HPSI – Job Concerns and Household Incomes

The net share of Americans who say they are not concerned with losing their job fell 1 percentage point to 69%.



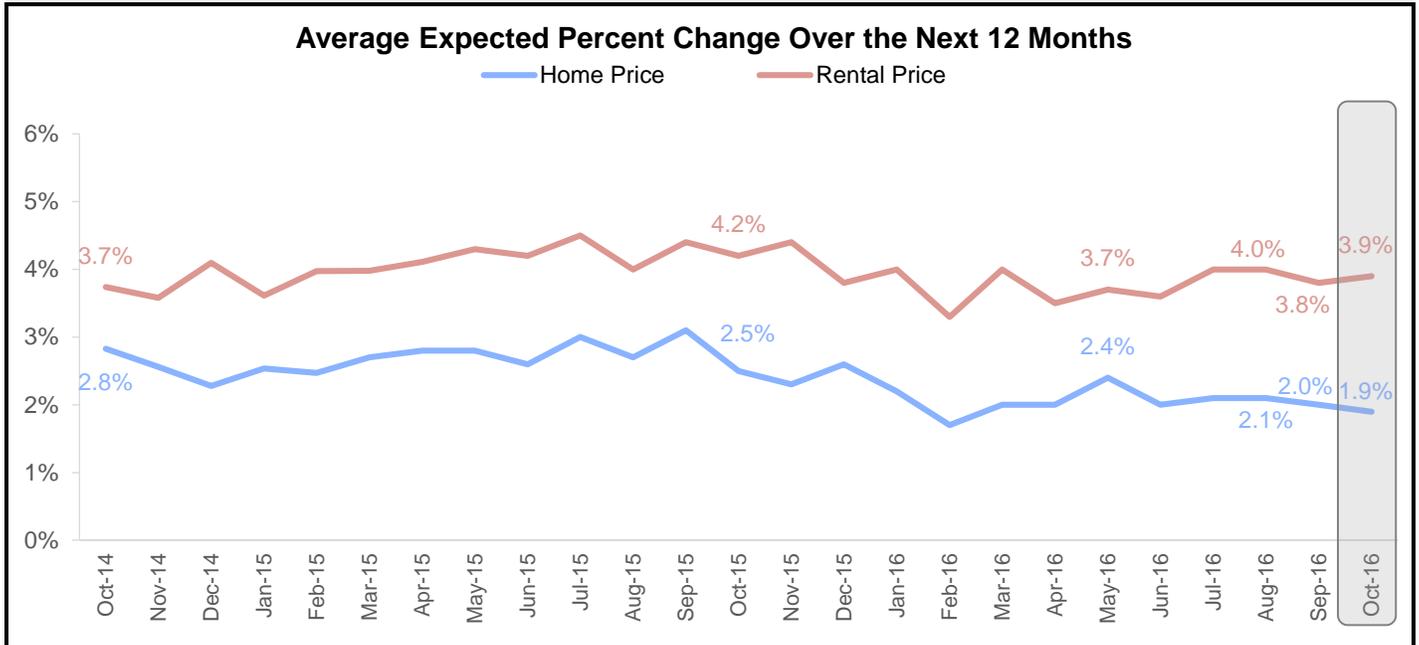
The net share of Americans who say their household income is significantly higher than it was 12 months ago fell 8 percentage points to 4%, the lowest it has been in more than three years.



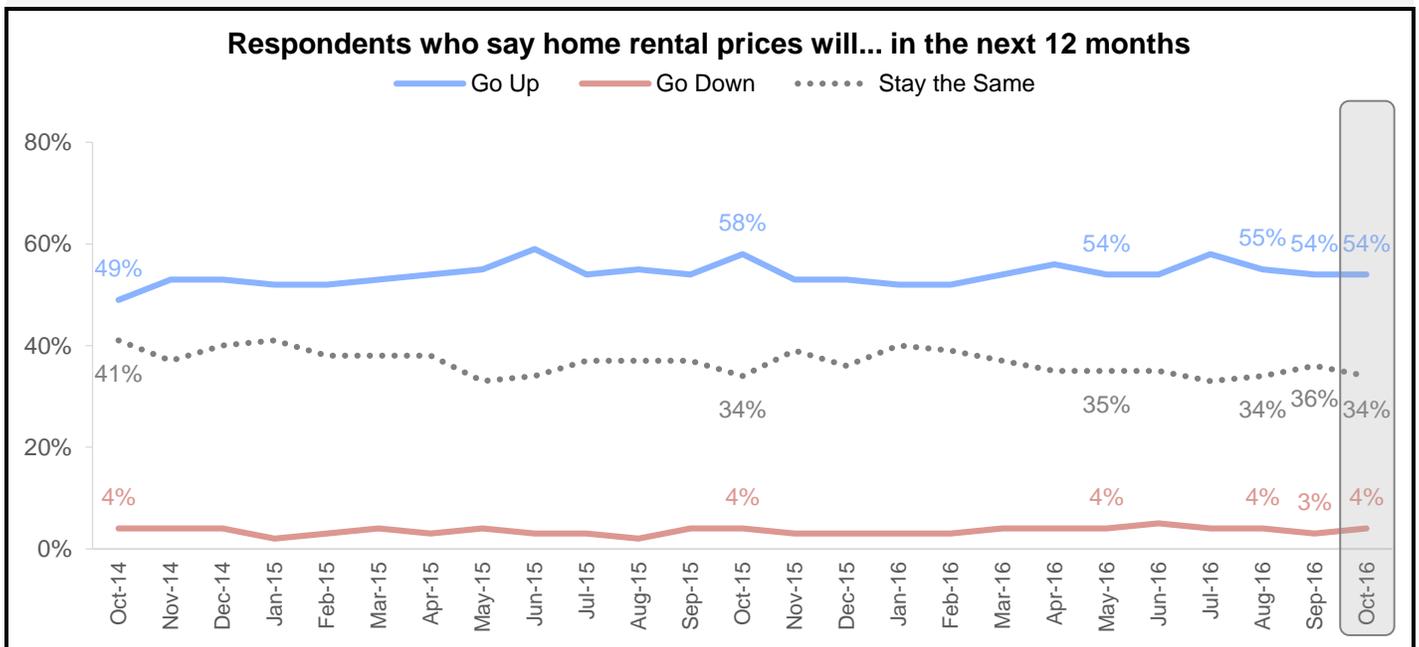


## Additional National Housing Survey Key Indicators

On average, Americans expect rental prices to rise 3.9% over the next 12 months. They expect home prices to rise 1.9% over the next 12 months, remaining similar to last month.



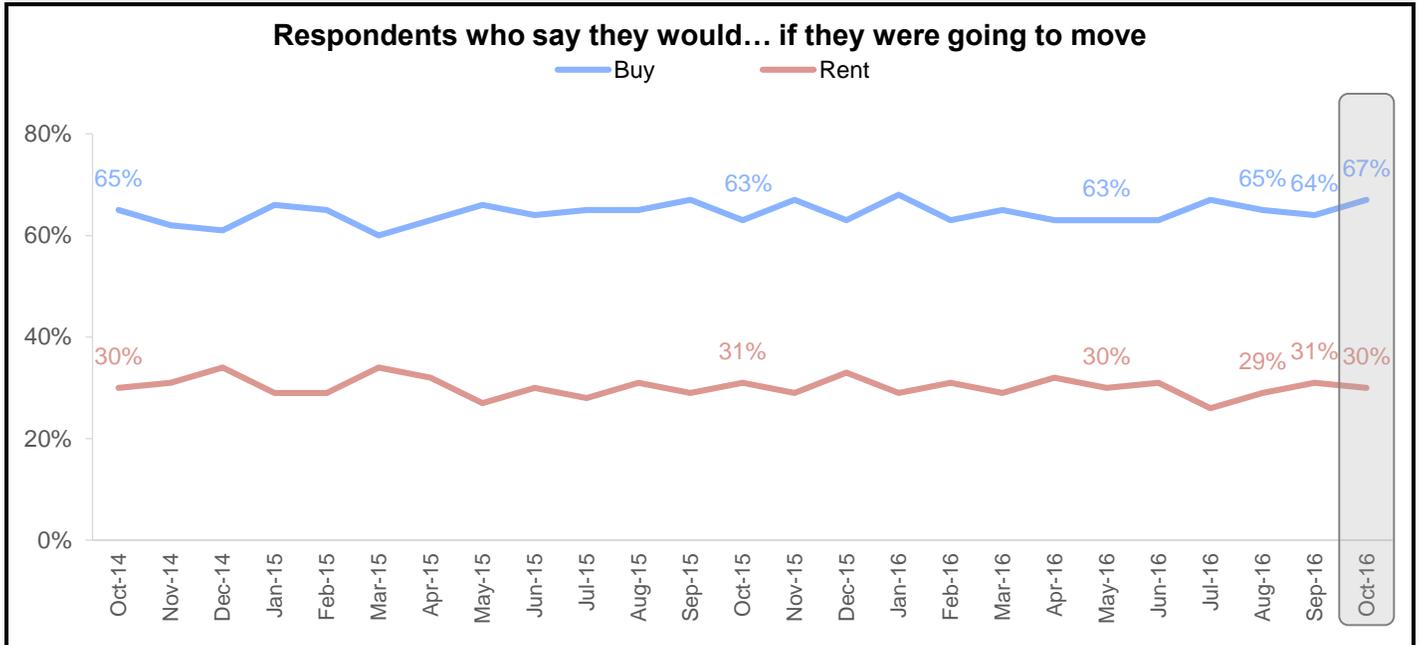
The percentage of Americans who expect home rental prices to go up remained at 54%, while the share of Americans who expect home rental prices to go down rose 1 percentage point to 4%.



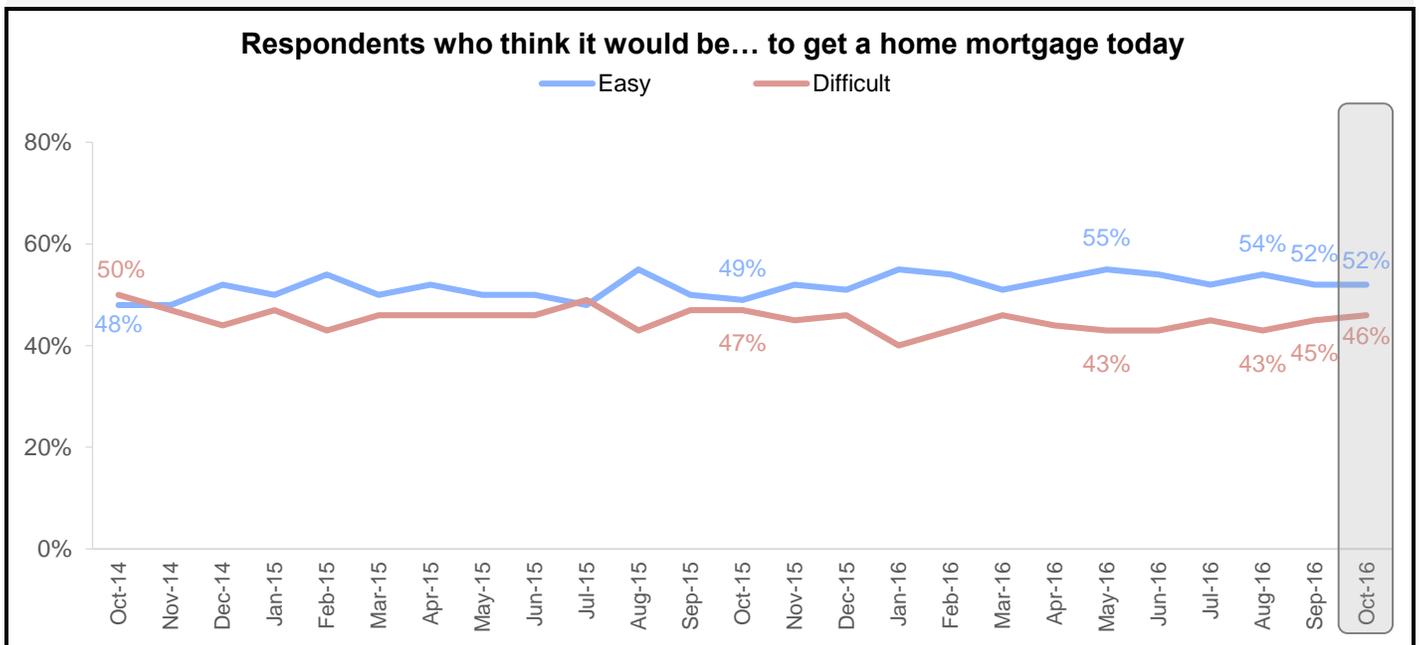


## Additional National Housing Survey Key Indicators

The share of Americans who would buy if they were going to move rose 3 percentage points to 67%, while the share who would rent fell 1 percentage point to 30%.



The share of Americans who say getting a mortgage would be easy remained at 52%. The share who say it would be difficult rose 1 percentage point to 46%.

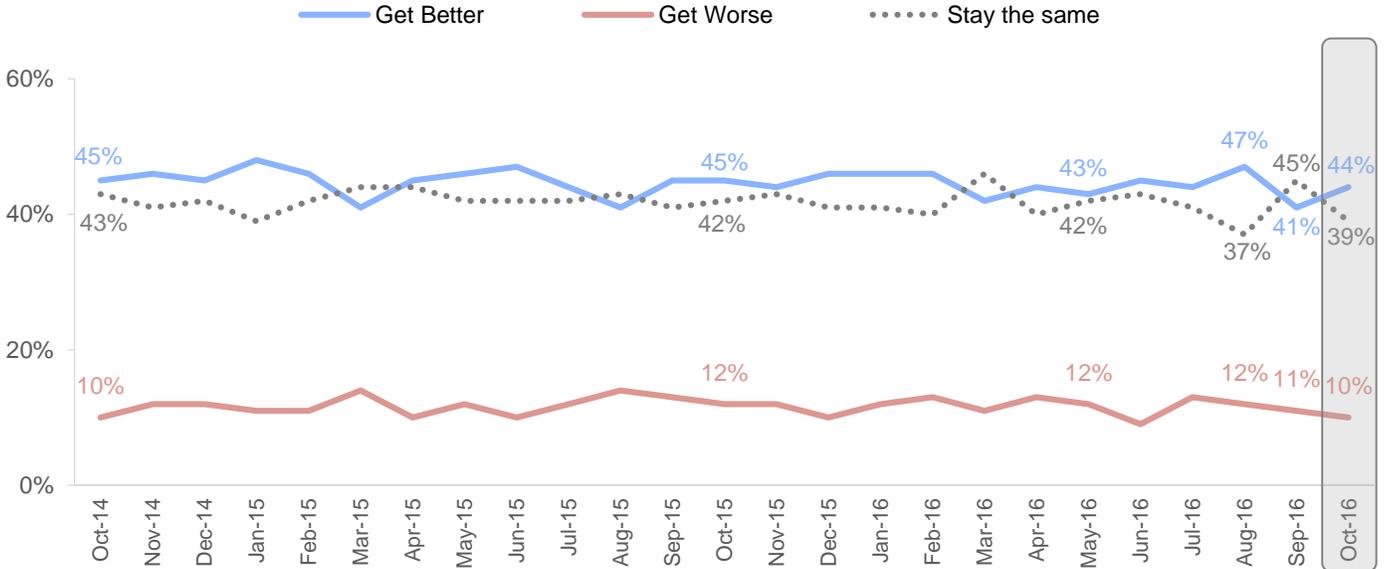




## Additional National Housing Survey Key Indicators

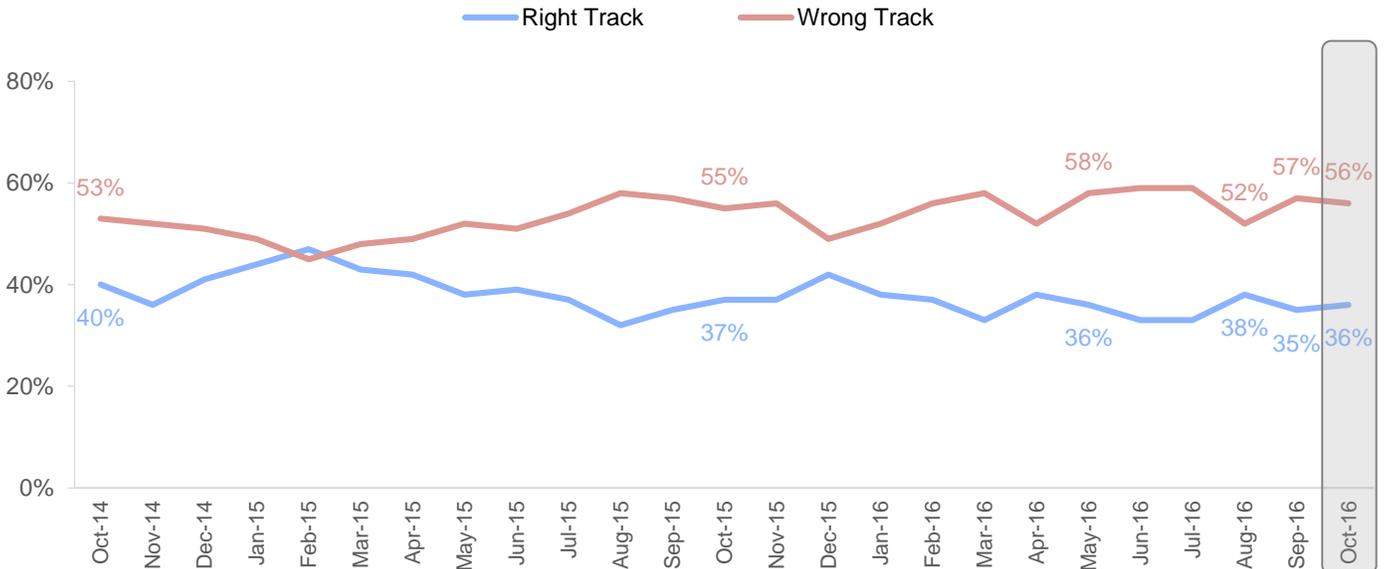
The share of Americans who expect their personal financial situation to get better rose 3 percentage points to 44%, as the share who expect it to remain the same fell 6 percentage points to 39%. Those who expect it to get worse over the next 12 months fell 1 percentage point to 10%.

### Respondents who expect their personal financial situation to... over the next 12 months



The share of Americans who say the economy is on the right track rose 1 percentage point to 36%. The share of Americans who say the economy is on the wrong track fell 1 percentage point to 56%.

### Respondents who say the economy is on the...





# The National Housing Survey®

October 2016

## APPENDIX

### About the Survey

The National Housing Survey® polled a nationally representative sample of 1,000 household financial decision makers (margin of error ±3.1%) aged 18 and older between October 1, 2016 and October 25, 2016. Most of the data collection occurred during the first two weeks of this period.

Interviews were conducted by Penn Schoen Berland, 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 <b>Buy</b> <i>Very and Somewhat Good Time To Buy – Very and Somewhat Bad Time To Buy</i>	Q12
Net Good Time to <b>Sell</b> <i>Very and Somewhat Good Time To Sell – Very and Somewhat Bad Time To Sell</i>	Q13
Net <b>Home Prices</b> Will Go Up (next 12 months) <i>Home Prices Will Go Up – Home Prices Will Go Down</i>	Q15
Net <b>Mortgage Rates</b> Will Go Down (next 12 months) <i>Mortgage Rates Will Go Down – Mortgage Rates Will Go Up</i>	Q20B
Net Confident About Not Losing <b>Job</b> (next 12 months) <i>Not at All and Not Very Concerned about Losing Job – Very and Somewhat Concerned about Losing Job</i>	Q112B
Net Household <b>Income</b> 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 <b>Index of Consumer Sentiment</b> and the <b>Consumer Confidence Index</b>	

**Time Series Data:** <http://www.fanniemae.com/resources/file/research/housingsurvey/xls/nhs-monthly-indicator-data-110716.xls>

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

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



### Home Purchase Sentiment Index Over the Past 12 Months

October 2015	83.2
November 2015	80.8
December 2015	83.2
January 2016	81.5
February 2016	82.7
March 2016	80.2
April 2016	83.7
May 2016	85.3
June 2016	83.2
July 2016	86.5
August 2016	85.0
September 2016	82.8
<b>October 2016</b>	<b>81.7</b>

### 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
October 2015	62	28	34
November 2015	64	29	35
December 2015	63	28	35
January 2016	61	30	31
February 2016	63	28	35
March 2016	63	30	33
April 2016	61	31	30
May 2016	60	31	29
June 2016	61	29	32
July 2016	63	30	33
August 2016	63	29	34
September 2016	60	31	29
<b>October 2016</b>	<b>60</b>	<b>29</b>	<b>31</b>



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

	<b>% Good Time to Sell</b>	<b>% Bad Time to Sell</b>	<b>Net % Good Time to Sell</b>
October 2015	51	41	10
November 2015	48	44	4
December 2015	49	41	8
January 2016	50	41	9
February 2016	50	43	7
March 2016	45	46	-1
April 2016	52	37	15
May 2016	52	39	13
June 2016	54	36	18
July 2016	56	36	20
August 2016	53	38	15
September 2016	53	38	15
<b>October 2016</b>	<b>55</b>	<b>36</b>	<b>19</b>

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

	<b>% Go Up</b>	<b>% Go Down</b>	<b>Net % Prices Will Go Up</b>
October 2015	46	8	38
November 2015	44	6	38
December 2015	48	8	40
January 2016	45	8	37
February 2016	44	11	33
March 2016	44	10	34
April 2016	46	9	37
May 2016	48	6	42
June 2016	42	9	33
July 2016	49	8	41
August 2016	43	8	35
September 2016	43	9	34
<b>October 2016</b>	<b>41</b>	<b>10</b>	<b>31</b>



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

	<b>% Go Up</b>	<b>% Go Down</b>	<b>Net % Rates Will Go Down</b>
October 2015	51	5	-46
November 2015	53	5	-48
December 2015	56	4	-52
January 2016	57	5	-52
February 2016	55	5	-50
March 2016	51	6	-45
April 2016	50	4	-46
May 2016	48	5	-43
June 2016	46	5	-41
July 2016	43	7	-36
August 2016	44	6	-38
September 2016	49	5	-44
<b>October 2016</b>	<b>50</b>	<b>5</b>	<b>-45</b>

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

	<b>% Concerned</b>	<b>% Not Concerned</b>	<b>Net % Not Concerned</b>
October 2015	14	85	71
November 2015	15	84	69
December 2015	13	85	72
January 2016	14	85	71
February 2016	12	87	75
March 2016	16	84	68
April 2016	13	87	74
May 2016	14	86	72
June 2016	16	84	68
July 2016	16	85	69
August 2016	13	86	73
September 2016	15	85	70
<b>October 2016</b>	<b>15</b>	<b>84</b>	<b>69</b>



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

	<b>% Significantly Higher</b>	<b>% Significantly Lower</b>	<b>Net % Higher</b>
October 2015	24	13	11
November 2015	21	15	6
December 2015	27	12	15
January 2016	26	14	12
February 2016	27	12	15
March 2016	24	13	11
April 2016	24	13	11
May 2016	27	9	18
June 2016	22	14	8
July 2016	22	11	11
August 2016	23	13	10
September 2016	25	13	12
<b>October 2016</b>	<b>20</b>	<b>16</b>	<b>4</b>

**Average home/rental price change expectation**

	<b>% Home Price Change</b>	<b>% Rental Price Change</b>
October 2015	2.5	4.2
November 2015	2.3	4.4
December 2015	2.6	3.8
January 2016	2.2	4.0
February 2016	1.7	3.3
March 2016	2.0	4.0
April 2016	2.0	3.5
May 2016	2.4	3.7
June 2016	2.0	3.6
July 2016	2.1	4.0
August 2016	2.1	4.0
September 2016	2.0	3.8
<b>October 2016</b>	<b>1.9</b>	<b>3.9</b>



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

	<b>% Go Up</b>	<b>% Go Down</b>	<b>% Stay the Same</b>
October 2015	58	4	34
November 2015	53	3	39
December 2015	53	3	36
January 2016	52	3	40
February 2016	52	3	39
March 2016	54	4	37
April 2016	56	4	35
May 2016	54	4	35
June 2016	54	5	35
July 2016	58	4	33
August 2016	55	4	34
September 2016	54	3	36
<b>October 2016</b>	<b>54</b>	<b>4</b>	<b>34</b>

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

	<b>% Buy</b>	<b>% Rent</b>
October 2015	63	31
November 2015	67	29
December 2015	63	33
January 2016	68	29
February 2016	63	31
March 2016	65	29
April 2016	63	32
May 2016	63	30
June 2016	63	31
July 2016	67	26
August 2016	65	29
September 2016	64	31
<b>October 2016</b>	<b>67</b>	<b>30</b>



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

	<b>% Difficult</b>	<b>% Easy</b>
October 2015	47	49
November 2015	45	52
December 2015	46	51
January 2016	40	55
February 2016	43	54
March 2016	46	51
April 2016	44	53
May 2016	43	55
June 2016	43	54
July 2016	45	52
August 2016	43	54
September 2016	45	52
<b>October 2016</b>	<b>46</b>	<b>52</b>

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

	<b>% Get Better</b>	<b>% Get Worse</b>	<b>% Stay the Same</b>
October 2015	45	12	42
November 2015	44	12	43
December 2015	46	10	41
January 2016	46	12	41
February 2016	46	13	40
March 2016	42	11	46
April 2016	44	13	40
May 2016	43	12	42
June 2016	45	9	43
July 2016	44	13	41
August 2016	47	12	37
September 2016	41	11	45
<b>October 2016</b>	<b>44</b>	<b>10</b>	<b>39</b>



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

	<b>% Right Track</b>	<b>% Wrong Track</b>
October 2015	37	55
November 2015	37	56
December 2015	42	49
January 2016	38	52
February 2016	37	56
March 2016	33	58
April 2016	38	52
May 2016	36	58
June 2016	33	59
July 2016	33	59
August 2016	38	52
September 2016	35	57
<b>October 2016</b>	<b>36</b>	<b>56</b>