# Fannie Mae®

May 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 rose 0.6 points in April to 92.3, reaching a new all-time survey high for the second consecutive month.

Home Purchase Sentiment Index (HPSI)
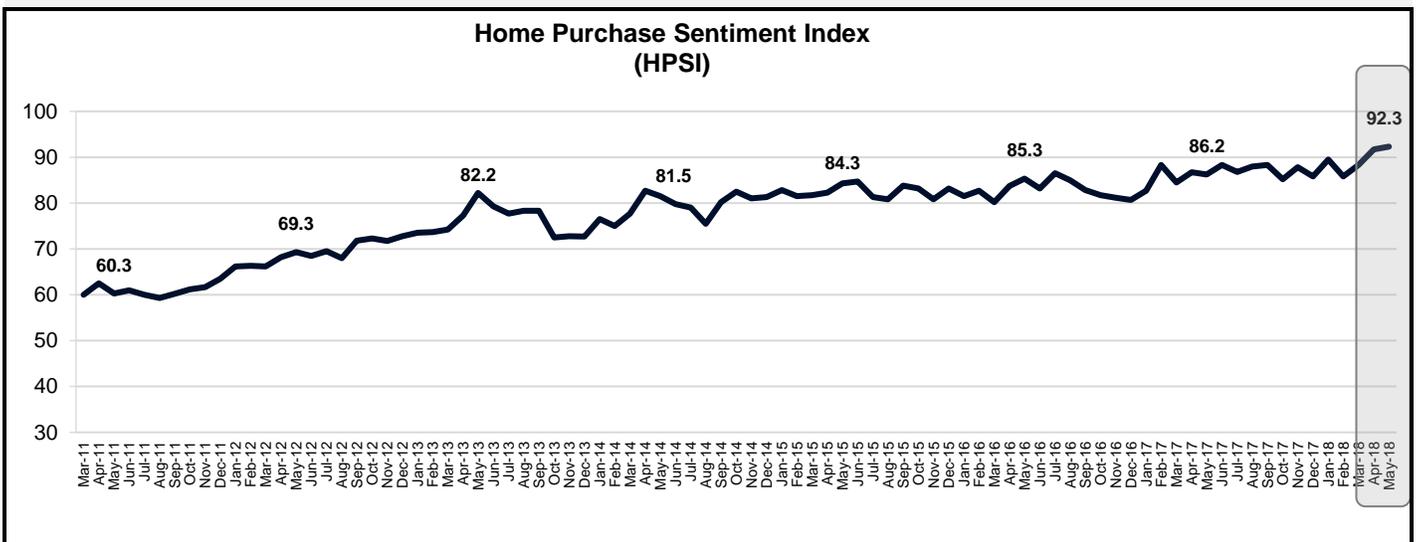
Components of the HPSI

The increase in the HPSI can be attributed to increases in three of the six HPSI components: Household Income is Significantly Higher" (+3), "Confidence About Not Losing Job" (+2), and "Good Time To Sell" (+1).

|	May 2018*	Change Since Last Month	Change Since Last Year
May 2018 HPSI	**92.3**	**+0.6**	**+6.1**
Good Time To **Buy**	28	-1	+1
Good Time To **Sell**	46	+1	+14
Home Prices Will Go Up (next 12 months)	49	0	+9
Mortgage Rates Will Go Down (next 12 months)	-49	-1	+3
Confidence About Not Losing **Job** (next 12 months)	78	+2	+7
Household **Income** Is Significantly Higher (past 12 months)	21	+3	+3
* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 28			

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 1 percentage point to 28%.

Respondents who say it is a... to buy

······ Good Time   ······ Bad Time   —— Net Good Time
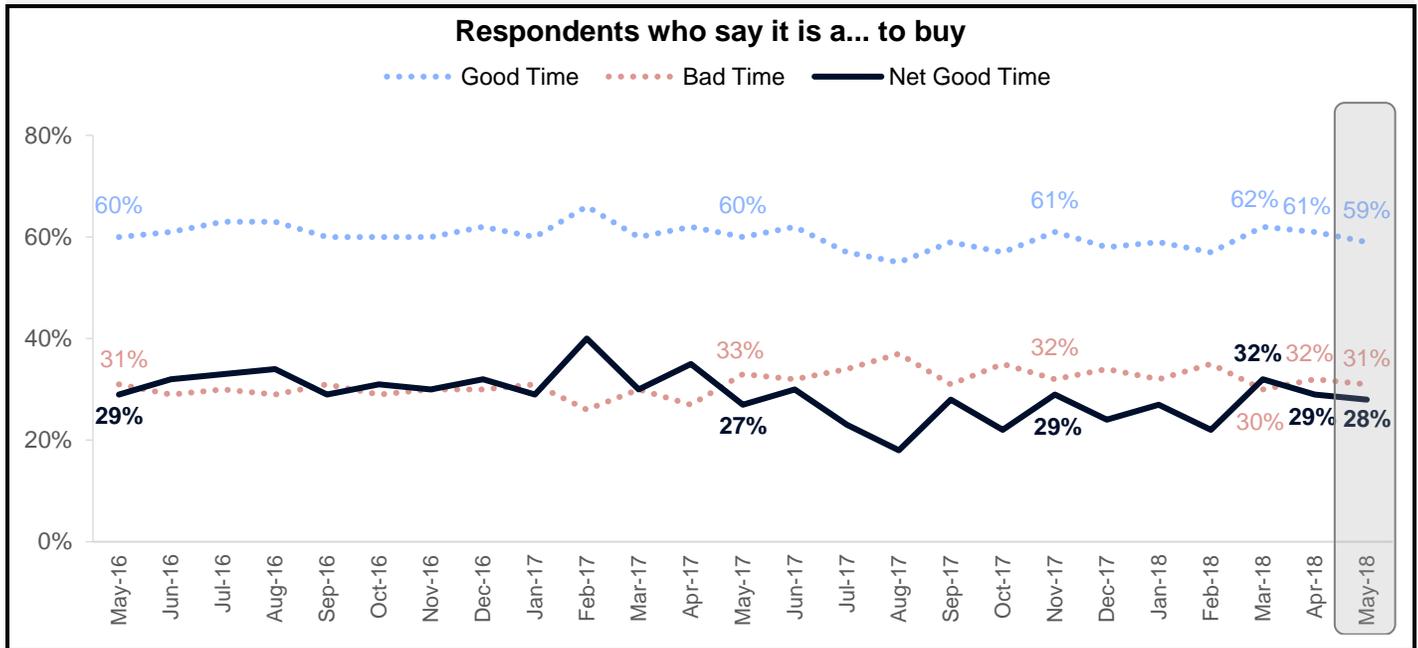
In May, the net percentage of those who say it is a good time to sell rose 1 percentage point to 46%, reaching a new survey high for the second straight month.

Respondents who say it is a... to sell

······ Good Time   ······ Bad Time   —— Net Good Time
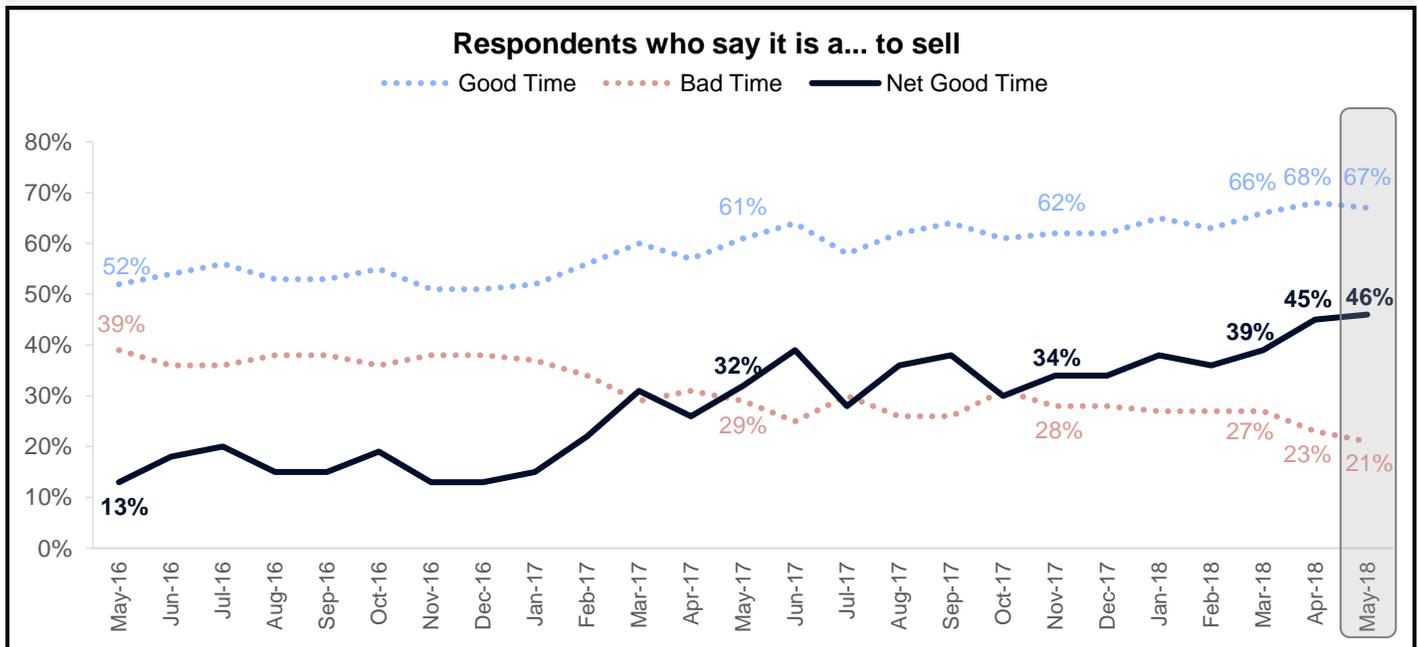
Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say home prices will go up is unchanged from last month – remaining at 49%.

Respondents who say home prices will... in the next 12 months

⋯⋯ Go Up   ⋯⋯ Go Down   — Net Go Up
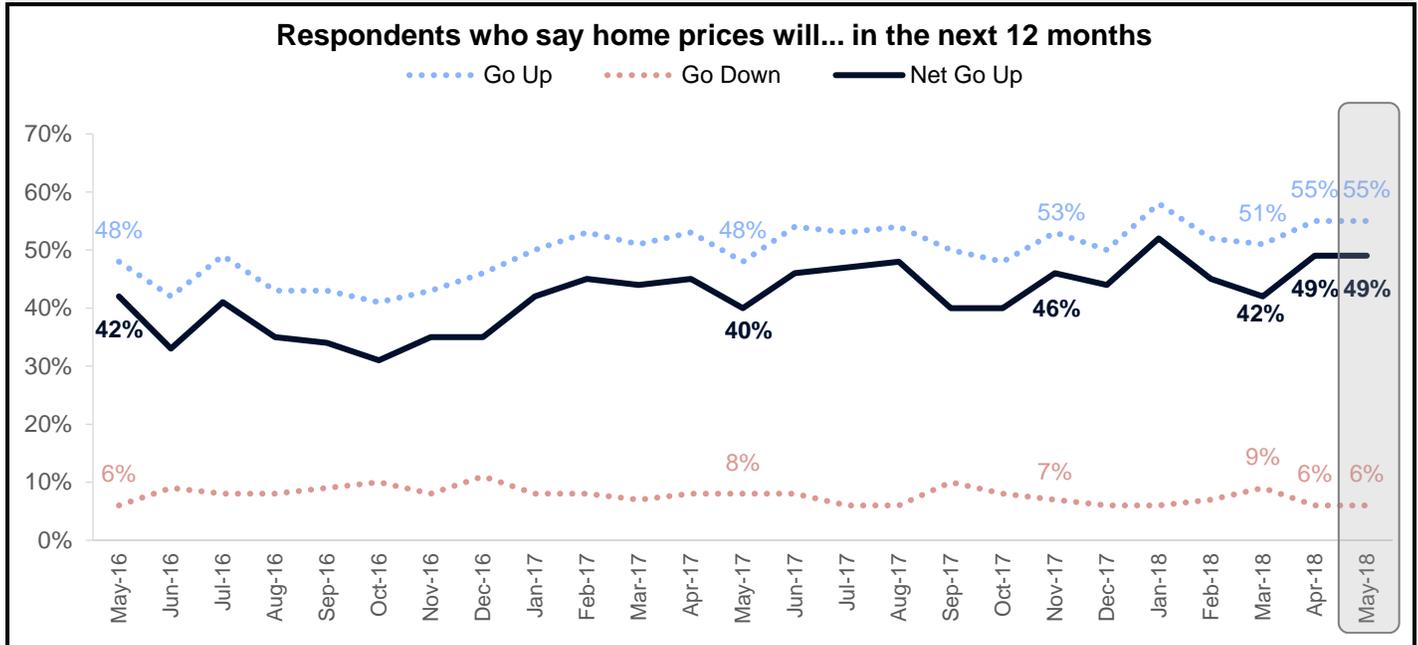
The net share of those who say mortgage rates will go down over the next 12 months fell 1 percentage point to -49%.

Respondents who say mortgage rates will... in the next 12 months

⋯⋯ Go Down   ⋯⋯ Go Up   — Net Go Down
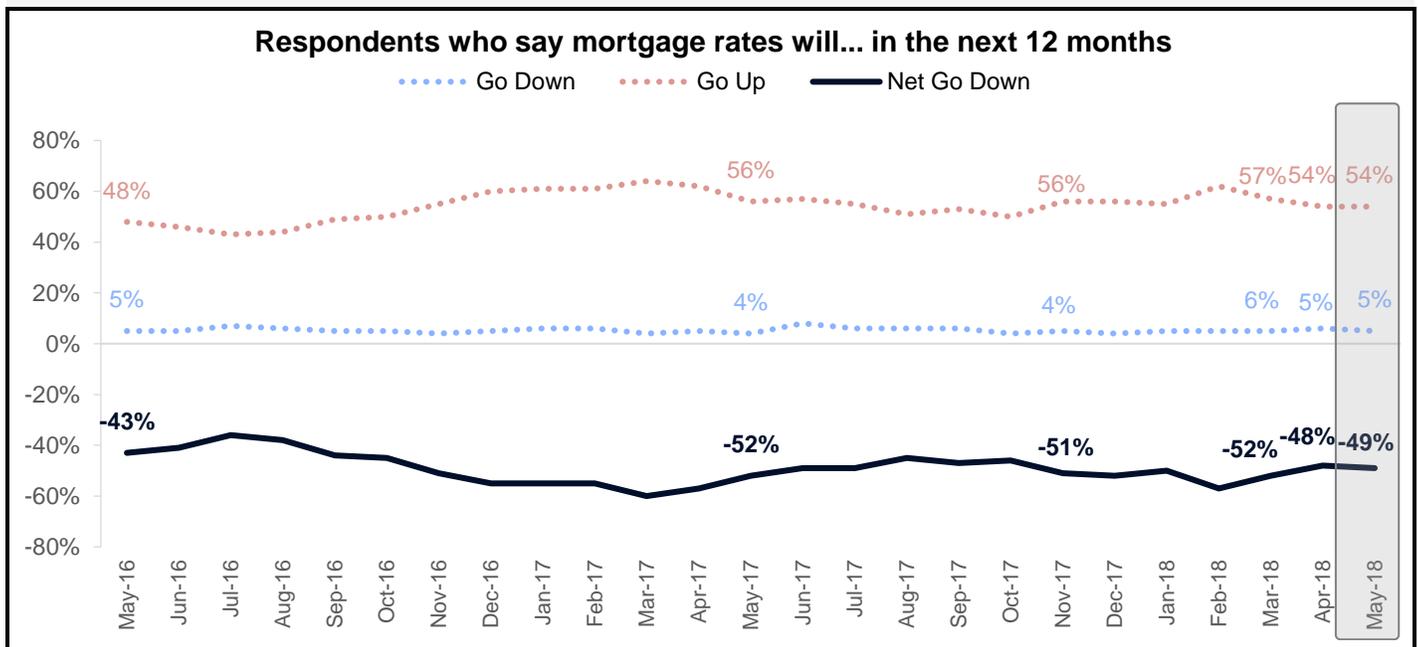
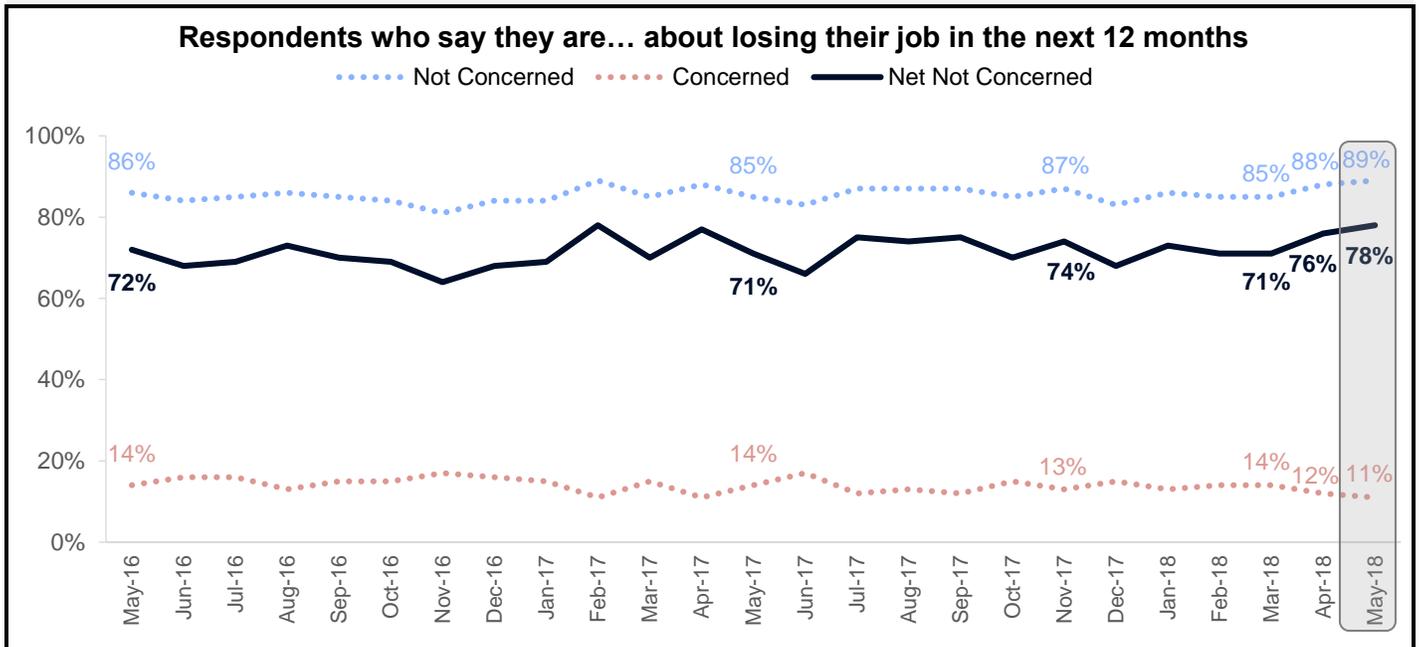# Components of the HPSI – Job Concerns and Household Incomes

The net share of Americans who say they are not concerned about losing their job rose 2 percentage points in May to 78% - equaling the survey high.

Respondents who say they are… about losing their job in the next 12 months

···· Not Concerned   ···· Concerned   —— Net Not Concerned

The net share of those who say their household income is significantly higher than it was 12 months ago rose 3 percentage points to a new survey high of 21%.

Respondents who say their household income is… than it was 12 months ago

···· Significantly Higher   ···· Significantly Lower   —— Net Significantly Higher
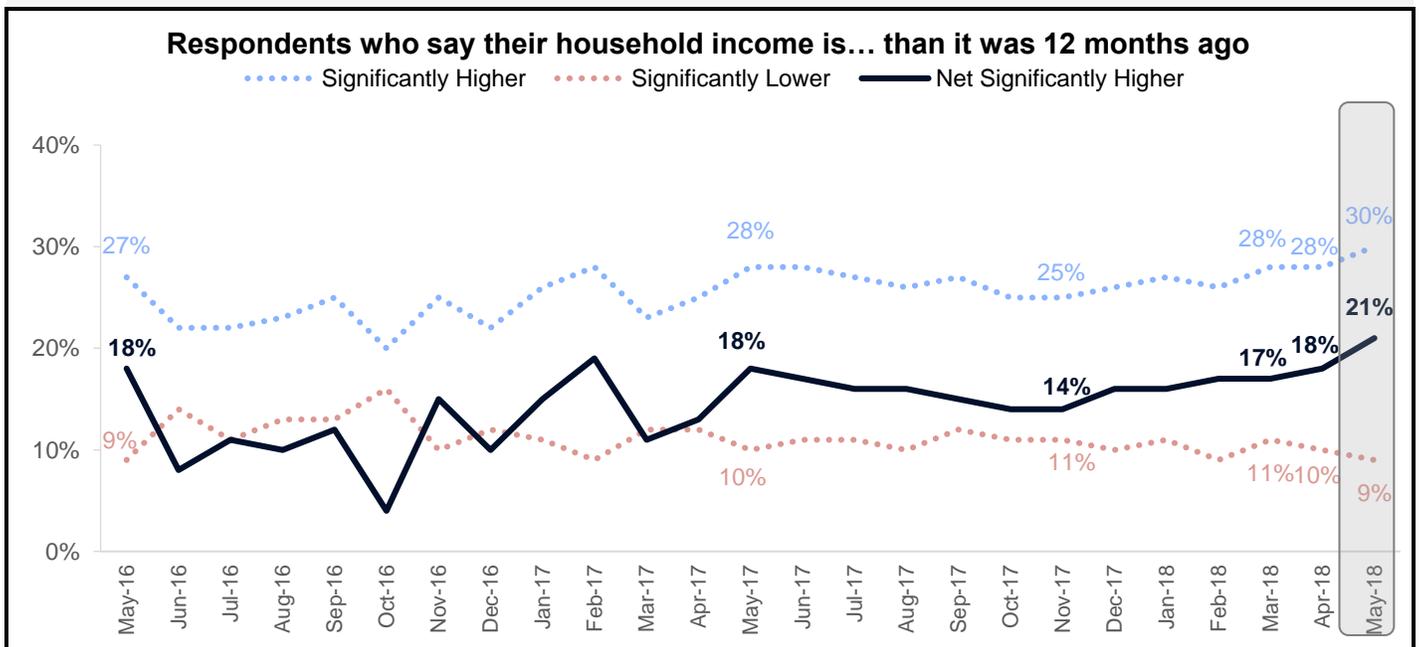
Additional National Housing Survey Key Indicators

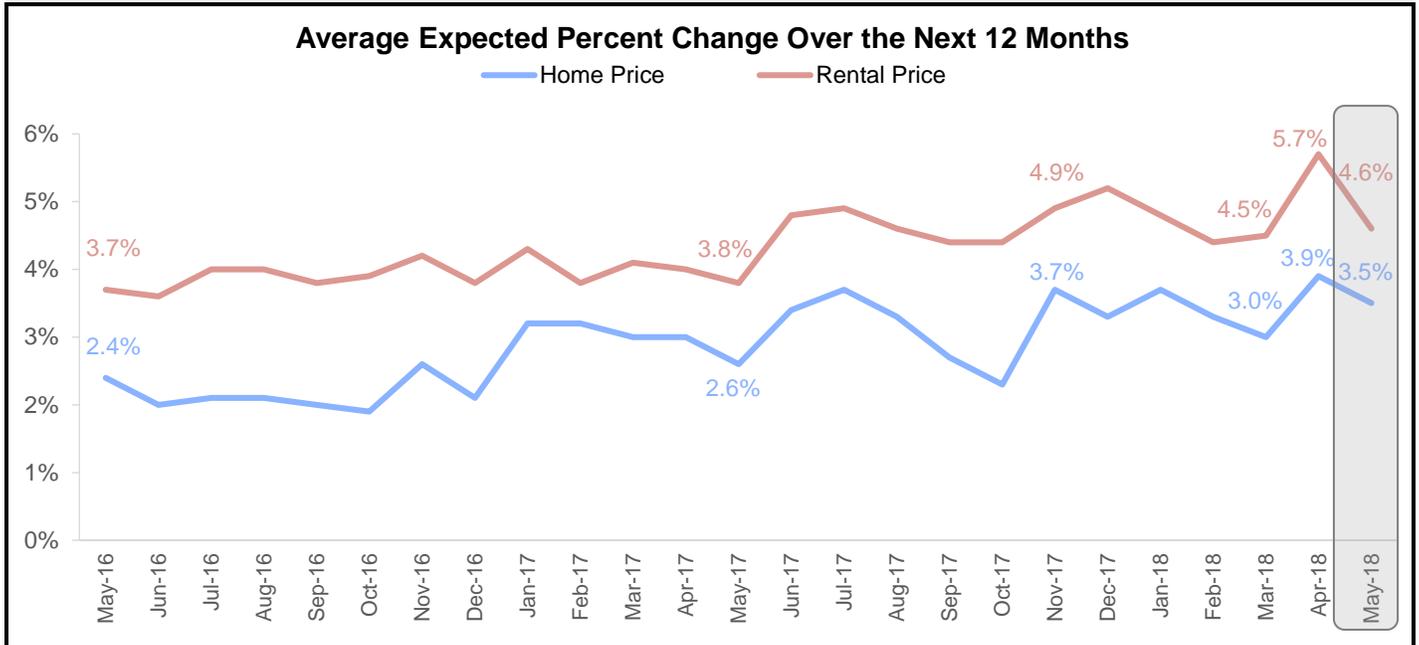On average, Americans expect rental prices to rise 4.6% over the next 12 months, falling 1.1 percentage points from the April's survey high. They expect home prices to rise 3.5% over the next 12 months, a 0.4 percentage point decrease.

Average Expected Percent Change Over the Next 12 Months

Home Price — Rental Price

The share of Americans who expect home rental prices to go up is unchanged from last month's survey high of 61%.

Respondents who say home rental prices will... in the next 12 months

Go Up — Go Down ····· Stay the Same
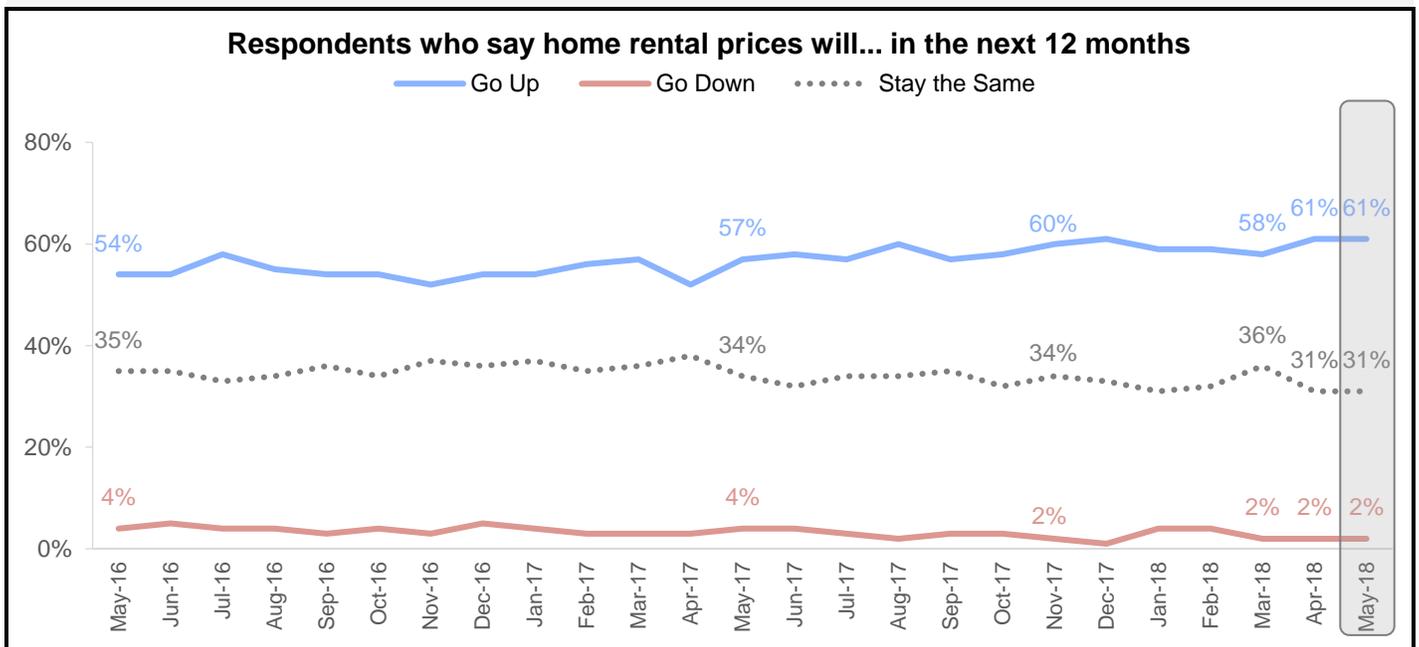
Additional National Housing Survey Key Indicators

The share of Americans who say they would buy if they were going to move rose 1 percentage point to 67%, and the share who say they would rent rose 1 percentage point to 29%.

Respondents who say they would… if they were going to move

— Buy   — Rent
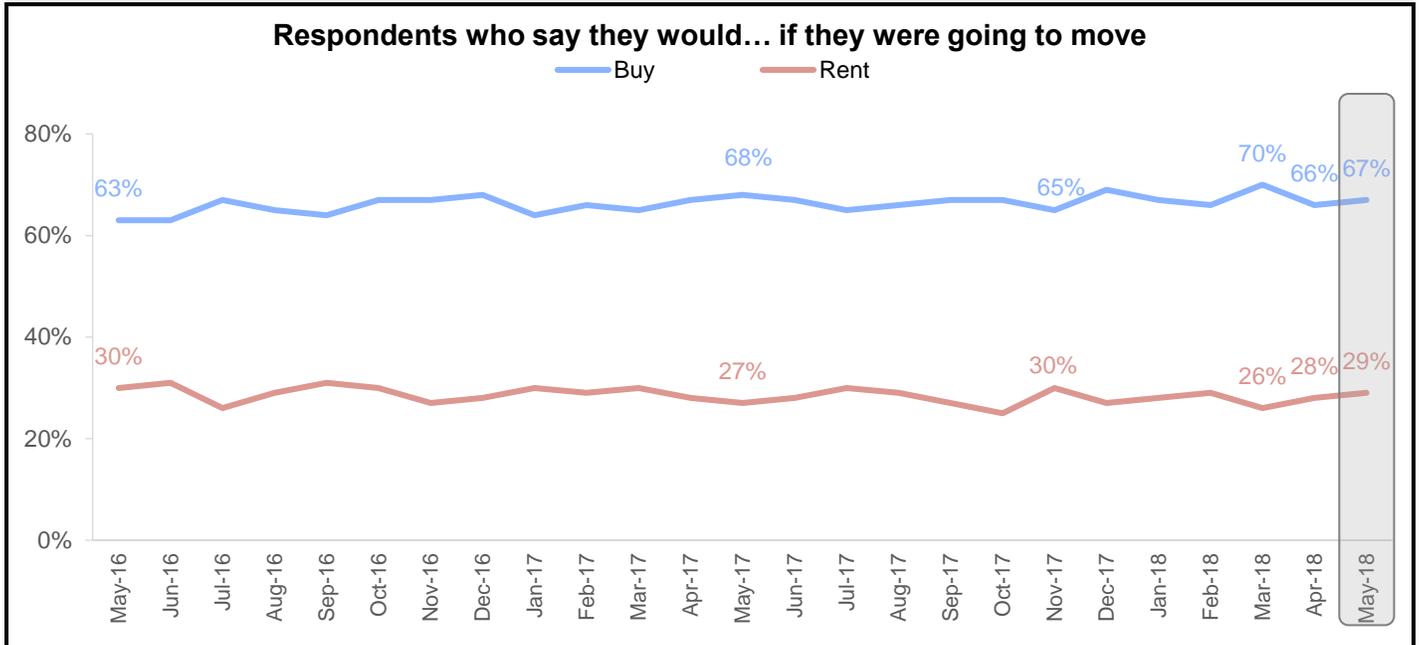
The share of Americans who say getting a mortgage would be easy rose 2 percentage points to 56%, while the share who say it would be difficult fell 2 percentage points to 41%.

Respondents who think it would be… to get a home mortgage today

— Easy   — Difficult
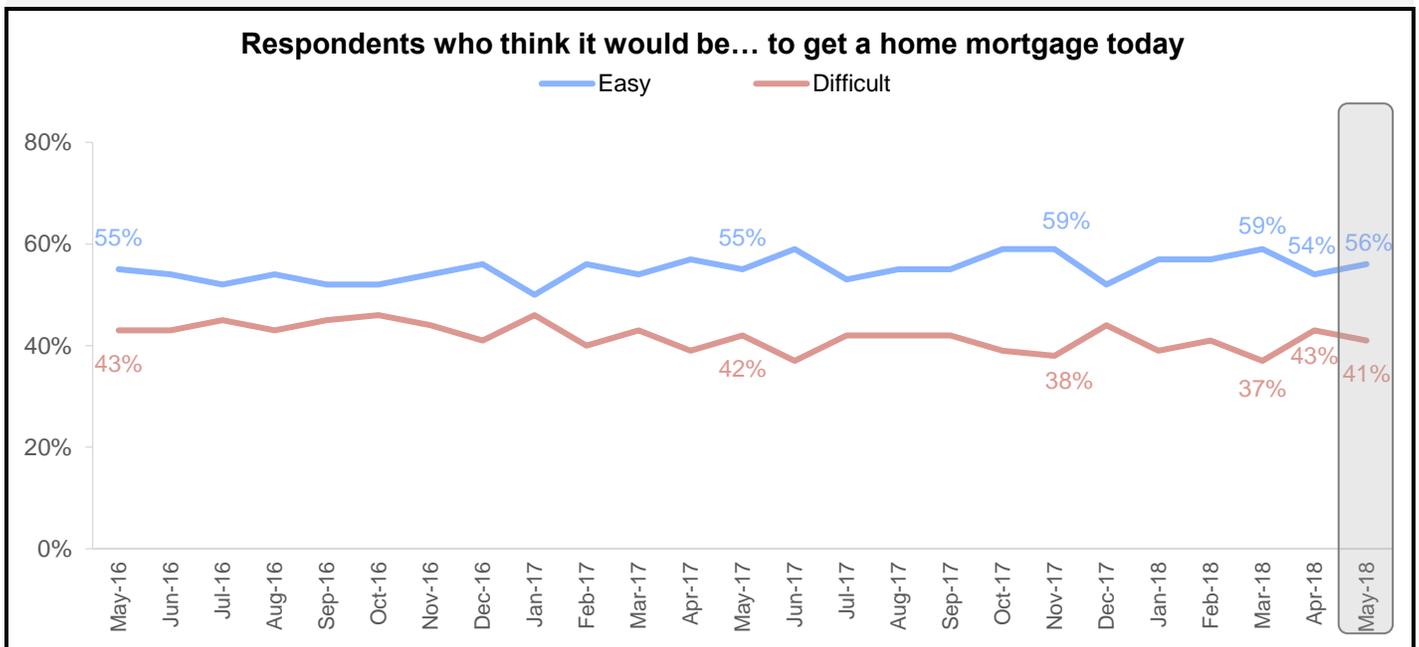
Additional National Housing Survey Key Indicators

The share of Americans who expect their personal financial situations to get better fell 6 percentage points from last month's survey high to 48%. The share who expect it to stay the same rose 6 percentage points to 40%.

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

─── Get Better   ─── Get Worse   ······ Stay the same
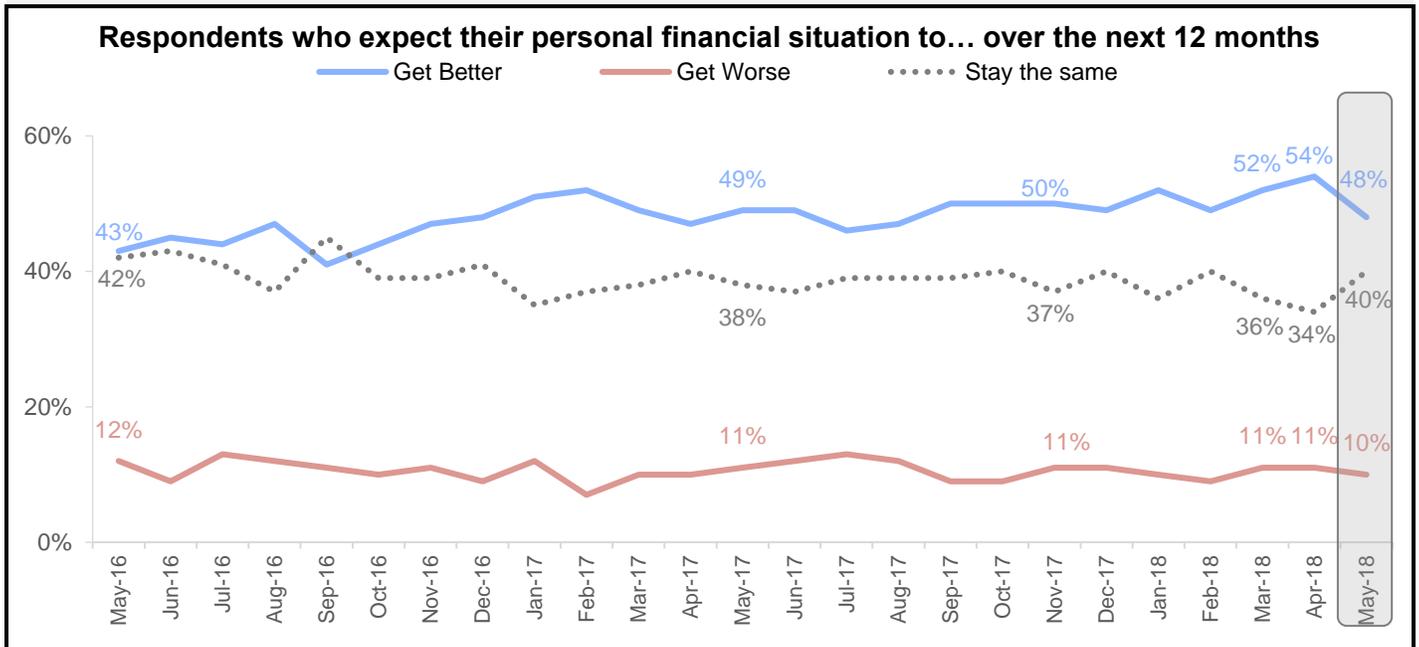
The share of Americans who say the economy is on the right track fell 1 percentage point to 50% while the share who say it is on the wrong track also fell 1 percentage point to 37%.

Respondents who say the economy is on the...

─── Right Track   ─── Wrong Track
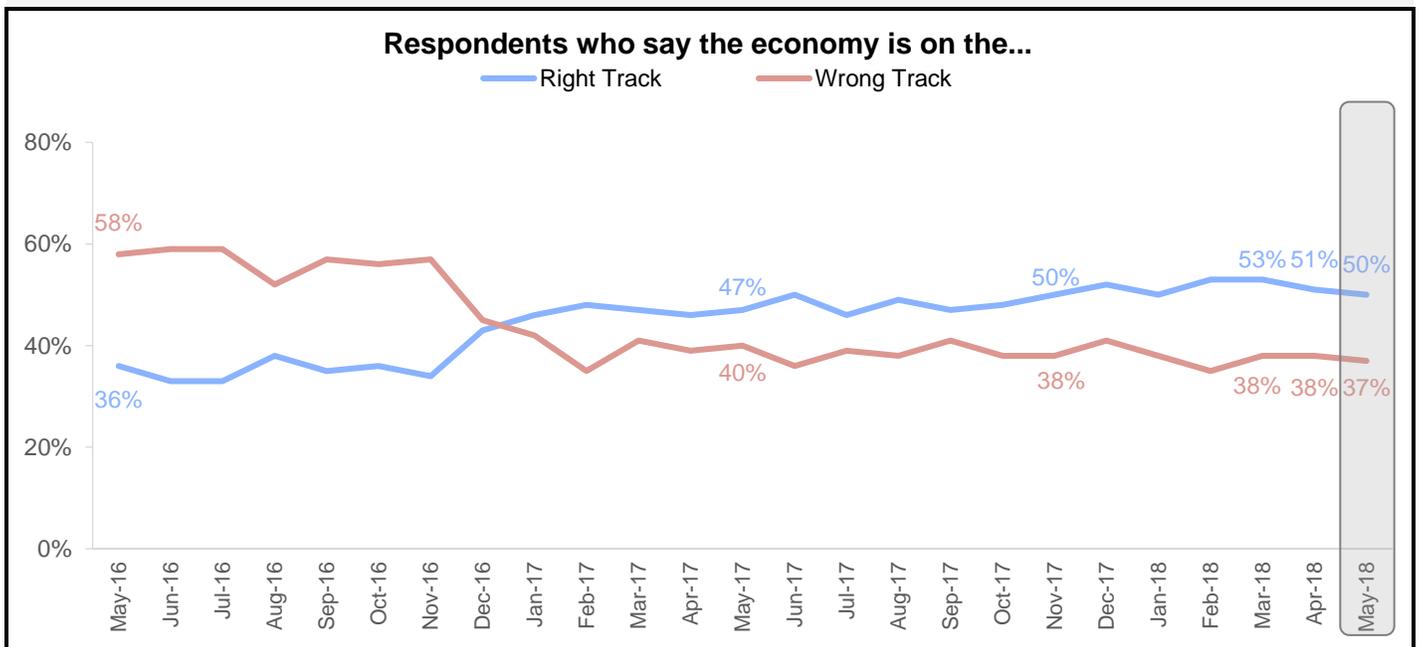
The National Housing Survey®
May 2018
APPENDIX

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 May 1, 2018 and May 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** *Very or Somewhat Good Time To Buy – Very or Somewhat Bad Time To Buy*	Q12
Net Good Time to **Sell** *Very or Somewhat Good Time To Sell – Very or Somewhat Bad Time To Sell*	Q13
Net **Home Prices** Will Go Up (next 12 months) *Home Prices Will Go Up – Home Prices Will Go Down*	Q15
Net **Mortgage Rates** Will Go Down (next 12 months) *Mortgage Rates Will Go Down – Mortgage Rates Will Go Up*	Q20B
Net Confident About Not Losing **Job** (next 12 months) *Not at All or Not Very Concerned about Losing Job – Very or Somewhat Concerned about Losing Job*	Q112B
Net Household **Income** is Significantly Higher (past 12 months) *Income is Significantly Higher – Income is Significantly Lower*	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-060818.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

May 2017	86.2
June 2017	88.3
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**

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
May 2017	60	33	27
June 2017	62	32	30
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**

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
May 2017	61	29	32
June 2017	64	25	39
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**

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
May 2017	48	8	40
June 2017	54	8	46
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**

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**
May 2017	56	4	-52
June 2017	57	8	-49
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**

Percent of respondents who say are concerned or not concerned about losing their job			
	% Concerned	**% Not Concerned**	**Net % Not Concerned**
May 2017	14	85	71
June 2017	17	83	66
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**

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**
May 2017	28	10	18
June 2017	28	11	17
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**

Average home/rental price change expectation		
	% Home Price Change	**% Rental Price Change**
May 2017	2.6	3.8
June 2017	3.4	4.8
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**

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
May 2017	57	4	34
June 2017	58	4	32
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**

Percent of respondents who say they would buy or rent if they were going to move		
	% Buy	% Rent
May 2017	68	27
June 2017	67	28
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**

Percent of respondents who think it would be difficult or easy for them to get a home mortgage today		
	% Difficult	**% Easy**
May 2017	42	55
June 2017	37	59
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**

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**
May 2017	49	11	38
June 2017	49	12	37
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**

Percent of respondents who think the economy is on the right track or the wrong track		
	% Right Track	**% Wrong Track**
May 2017	47	40
June 2017	50	36
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**