

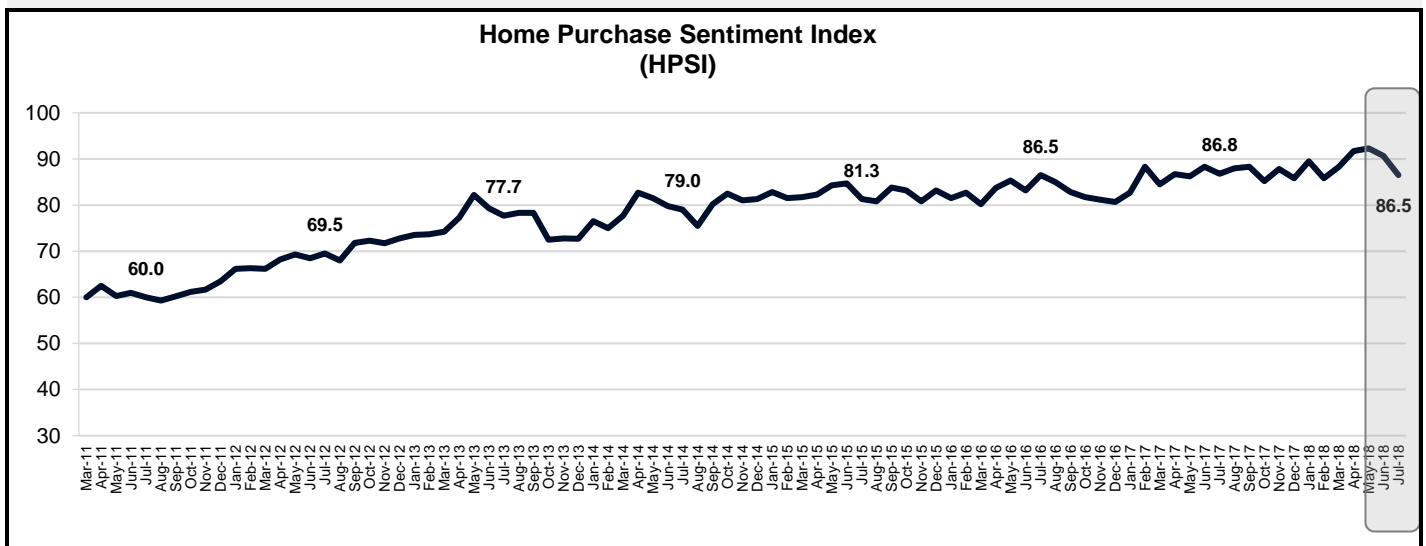


July 2018 Data Release

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).

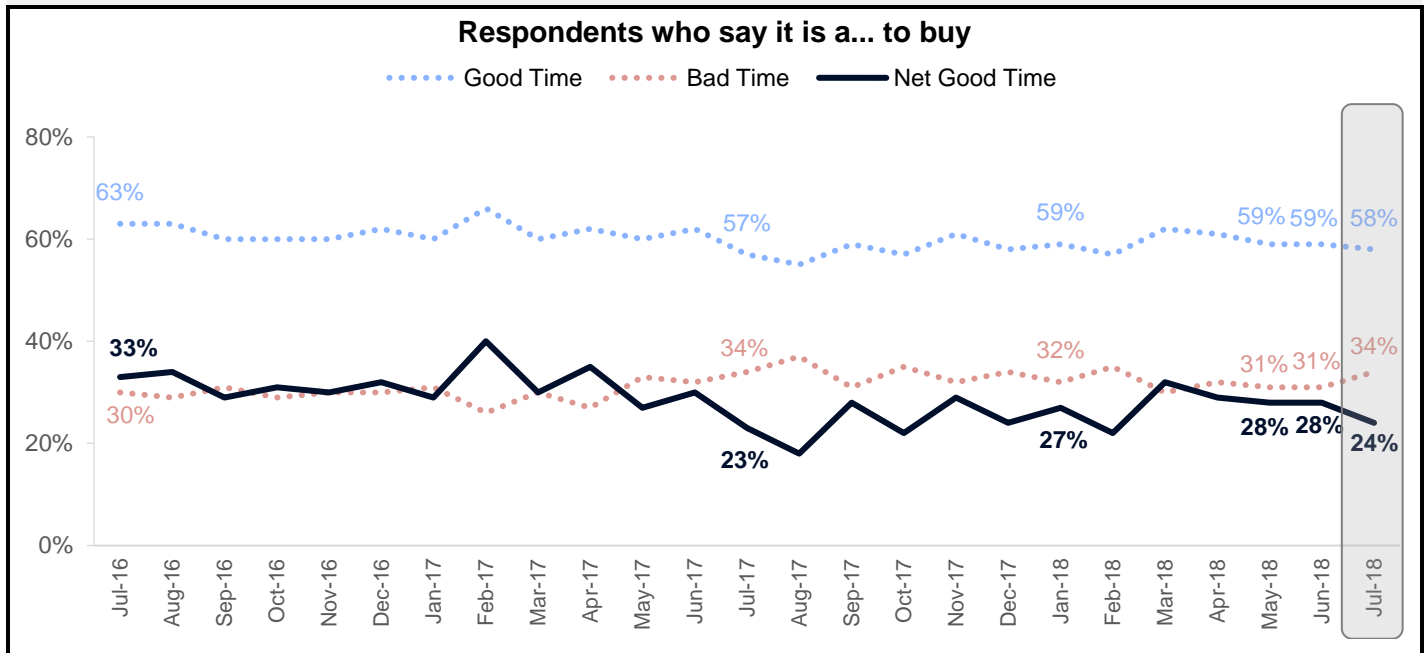
	July 2018*	Change Since Last Month	Change Since Last Year
July 2018 HPSI	86.5	-4.2	-0.3
Good Time To Buy	24	-4	+1
Good Time To Sell	41	-6	+13
Home Prices Will Go Up (next 12 months)	39	-7	-8
Mortgage Rates Will Go Down (next 12 months)	-52	+1	-3
Confidence About Not Losing Job (next 12 months)	65	-11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

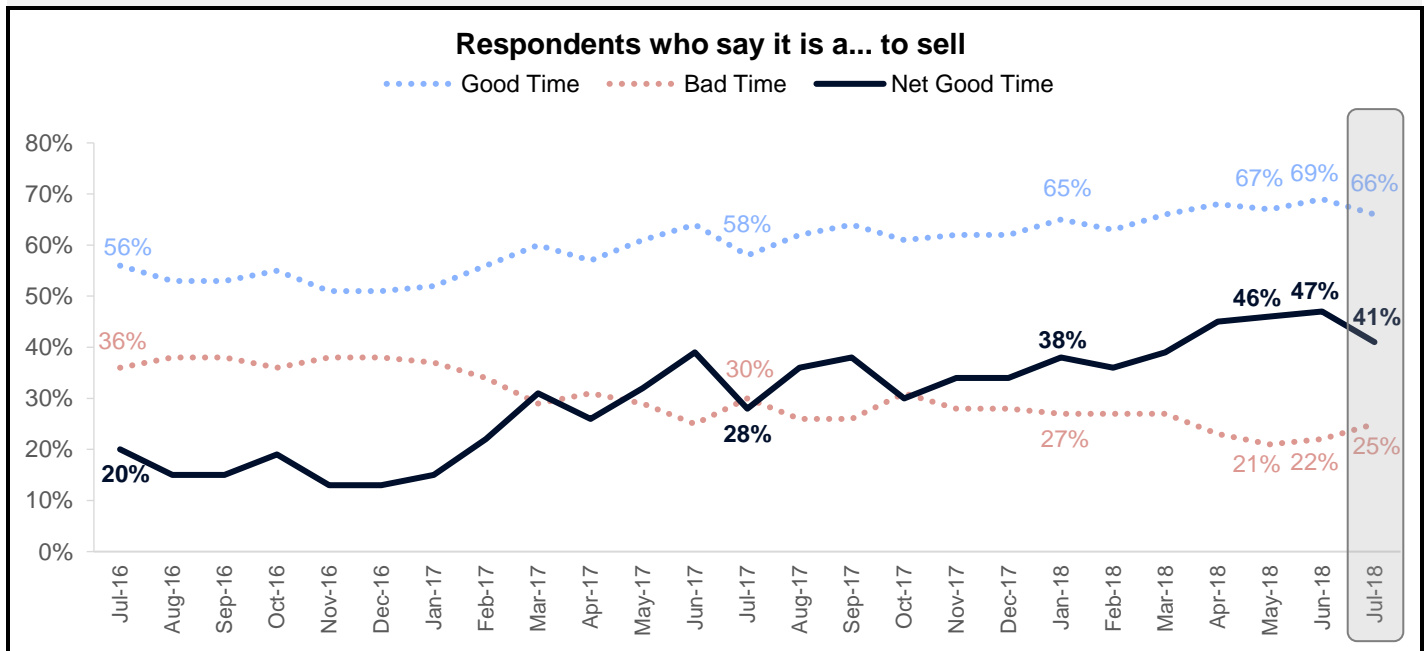


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

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%.



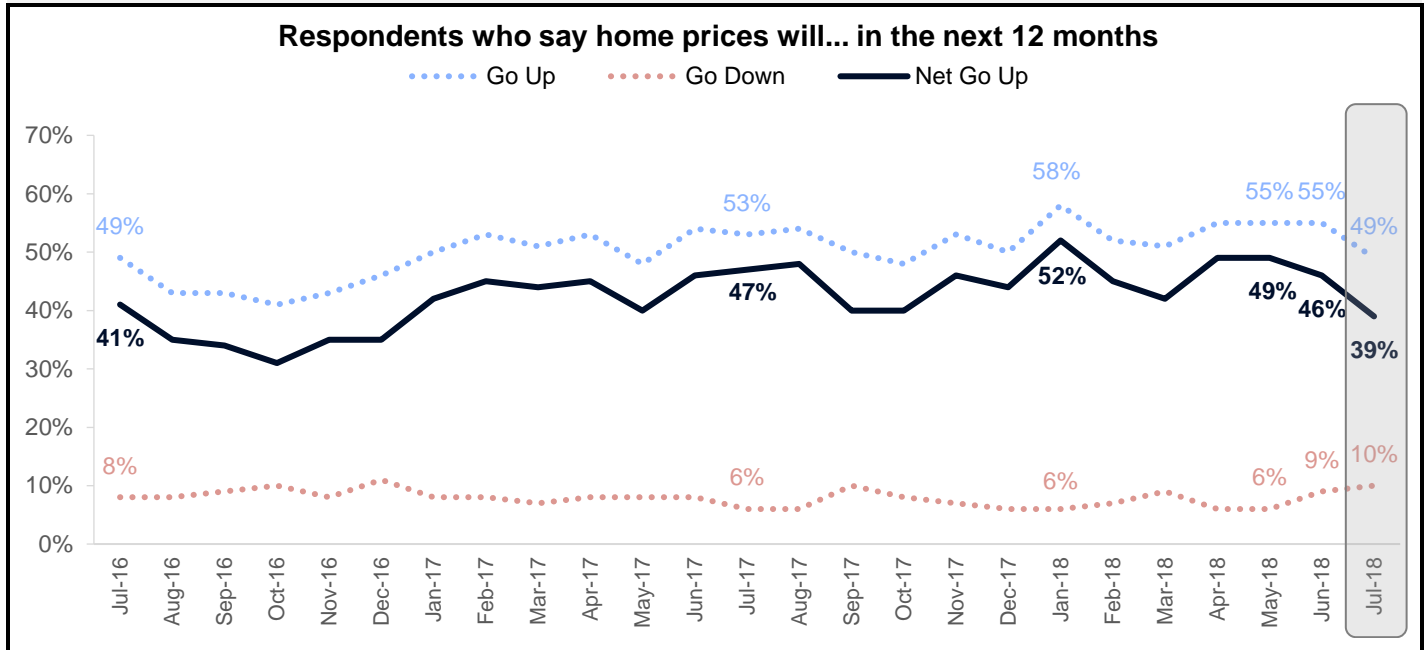
In July, the net percentage of those who say it is a good time to sell fell 6 percentage points from last month's survey high to 41%.



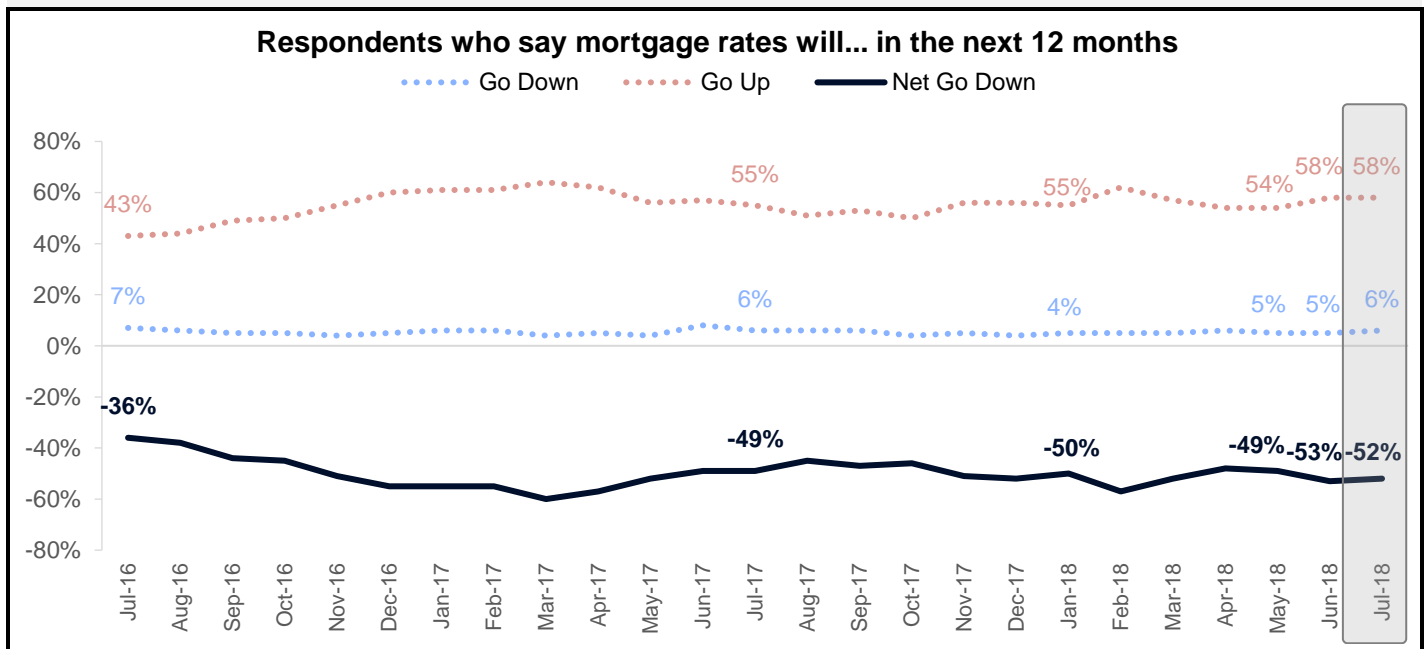


Components of the HPSI – Home Price and Mortgage Rate Expectations

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.



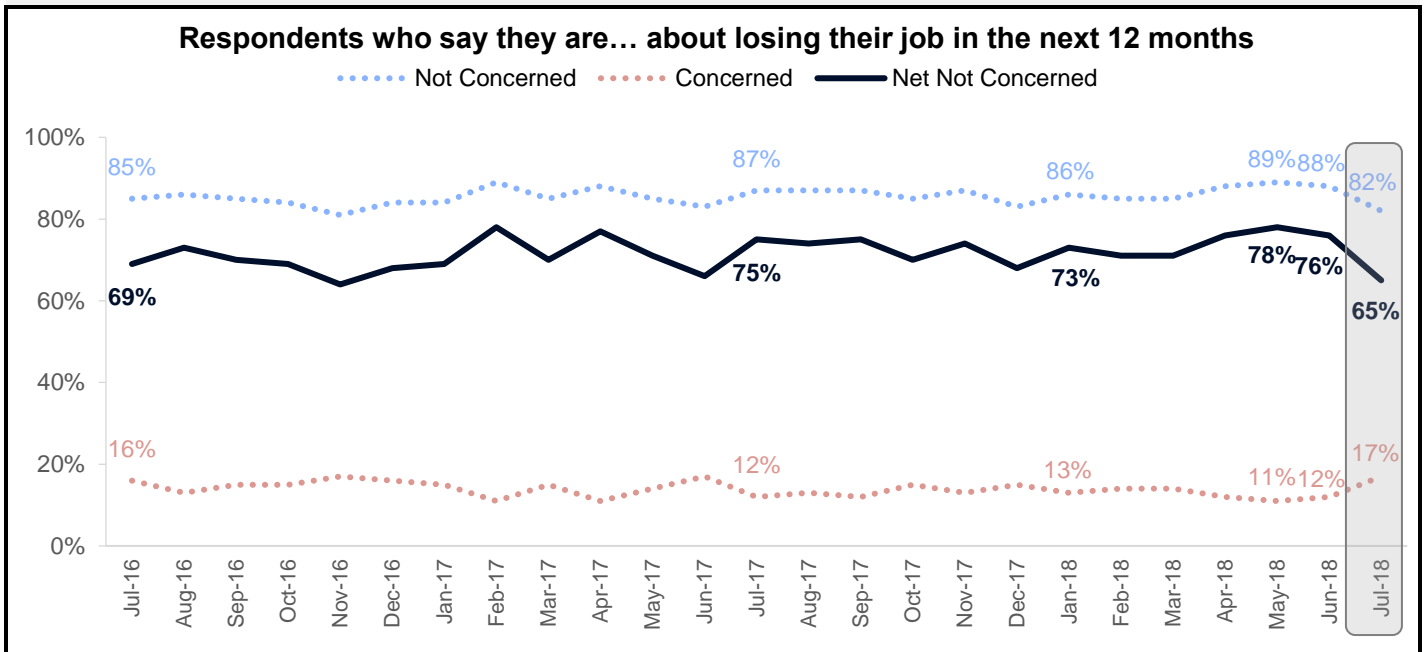
The net share of those who say mortgage rates will go down over the next 12 months rose 1 percentage point to -52%.



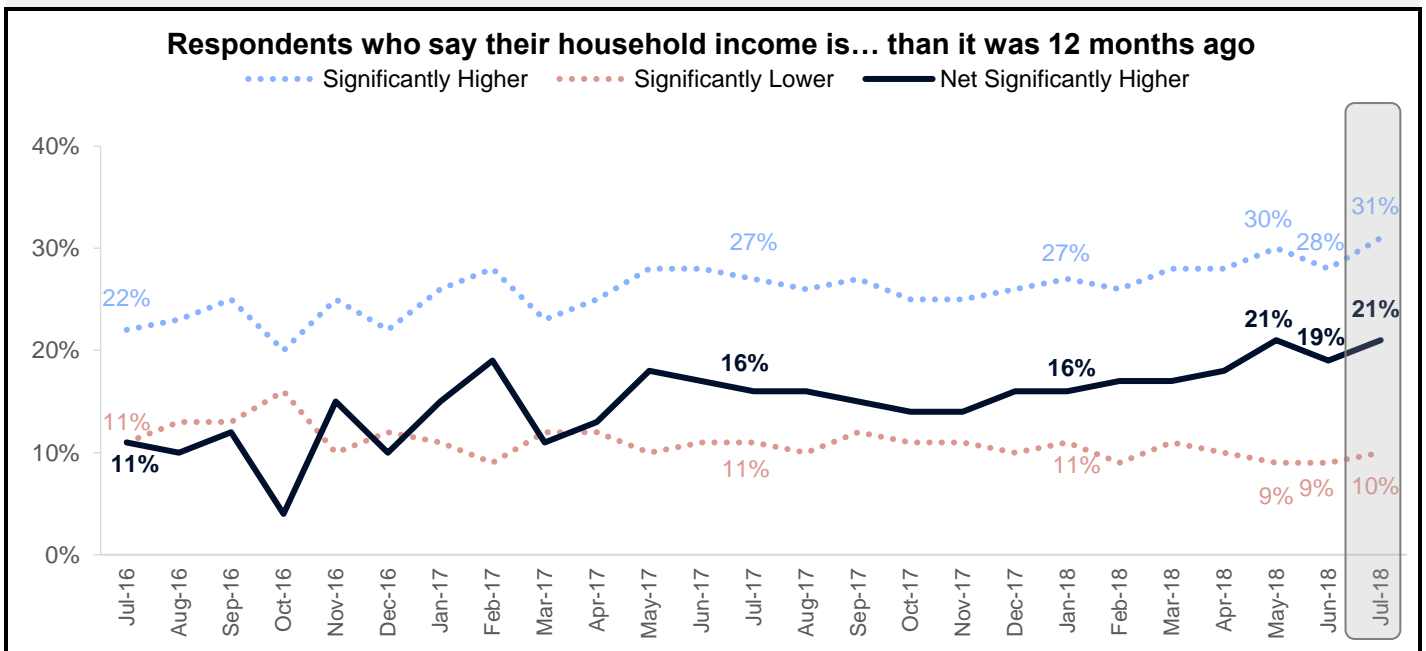


Components of the HPSI – Job Concerns and Household Incomes

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



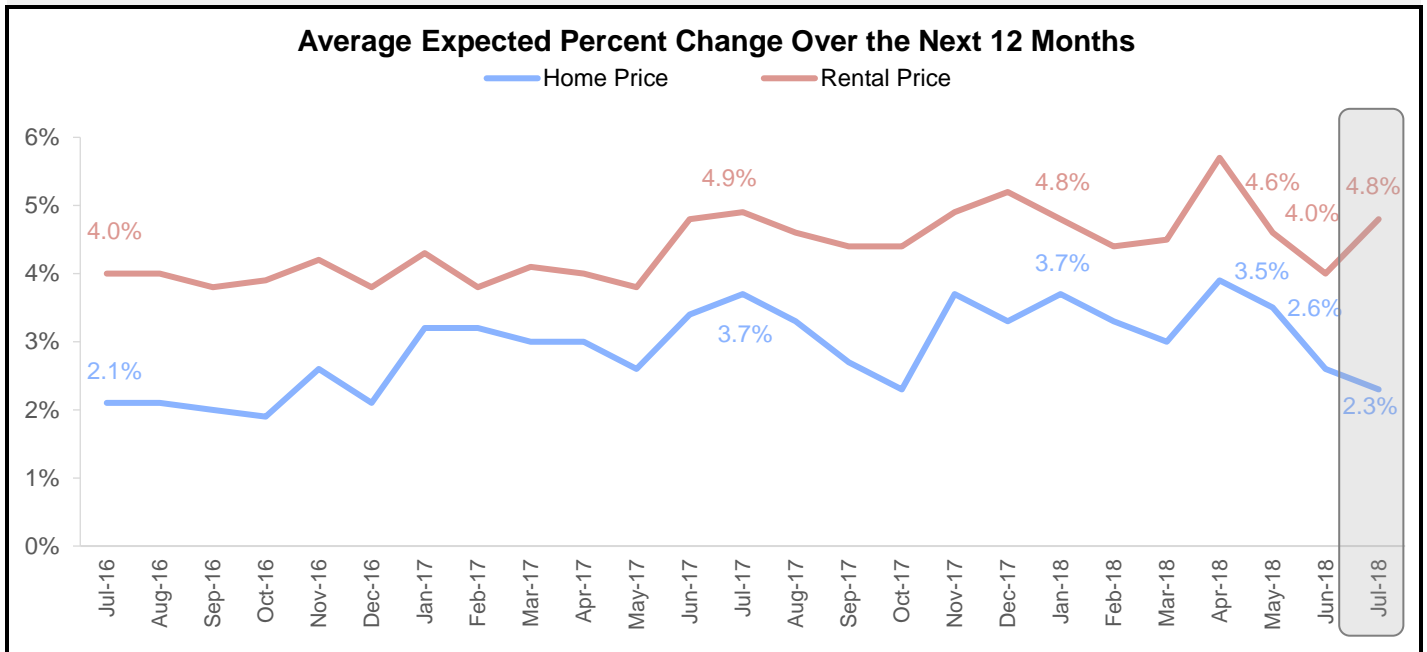
The net share of those who say their household income is significantly higher than it was 12 months ago rose 2 percentage points to 21%, matching the survey high from May 2018.



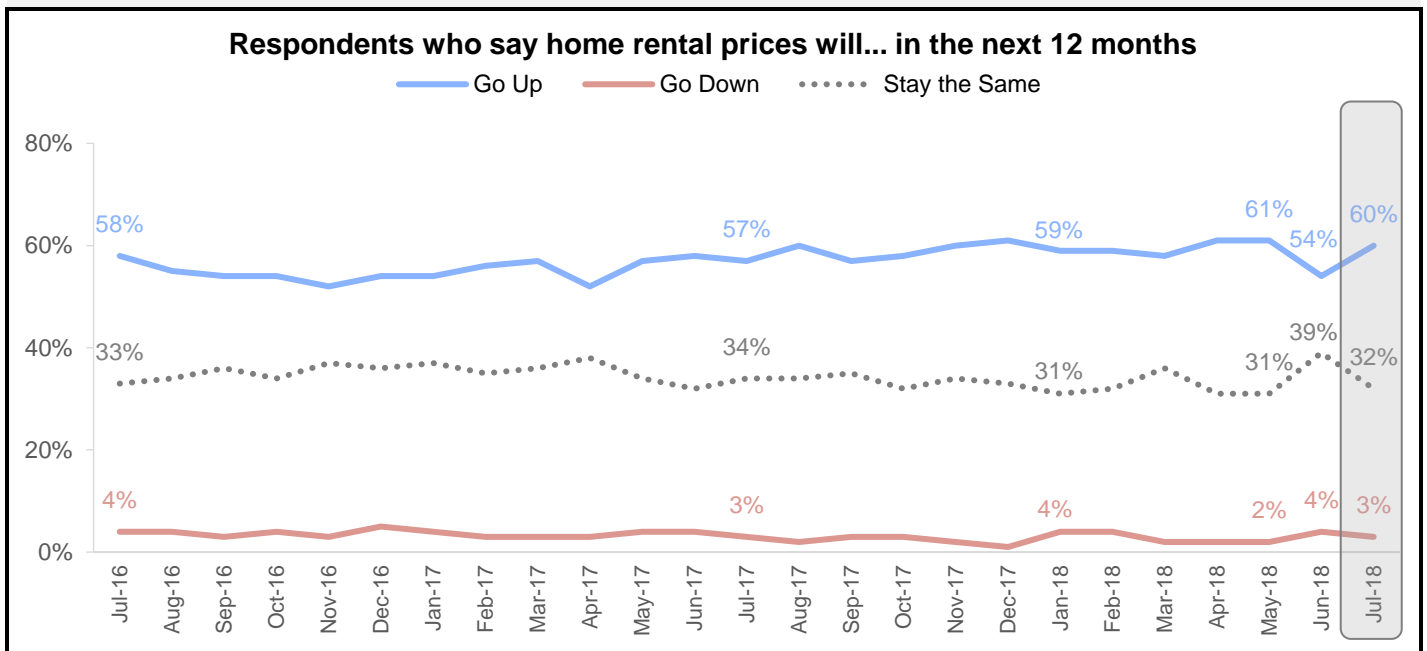


Additional National Housing Survey Key Indicators

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.



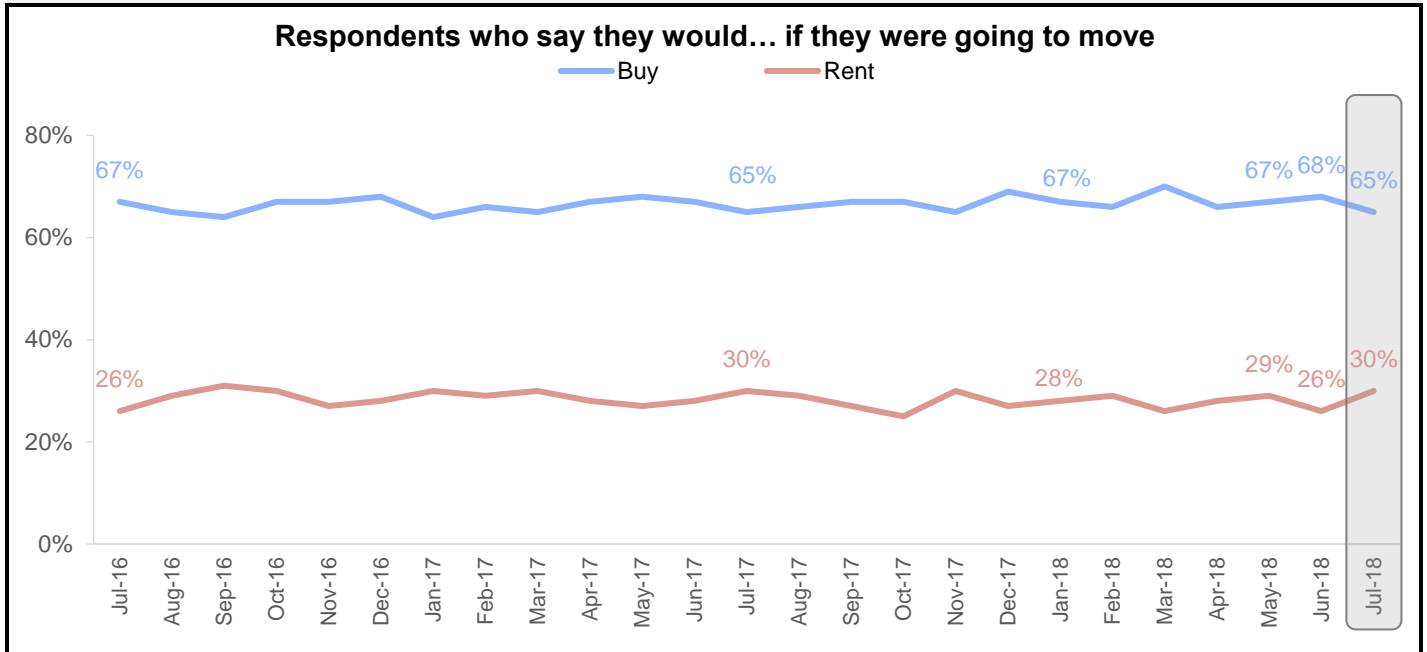
The share of Americans who expect home rental prices to go up rose 6 percentage points to 60%, while the share who expect them to stay the same fell 7 percentage points to 32%.



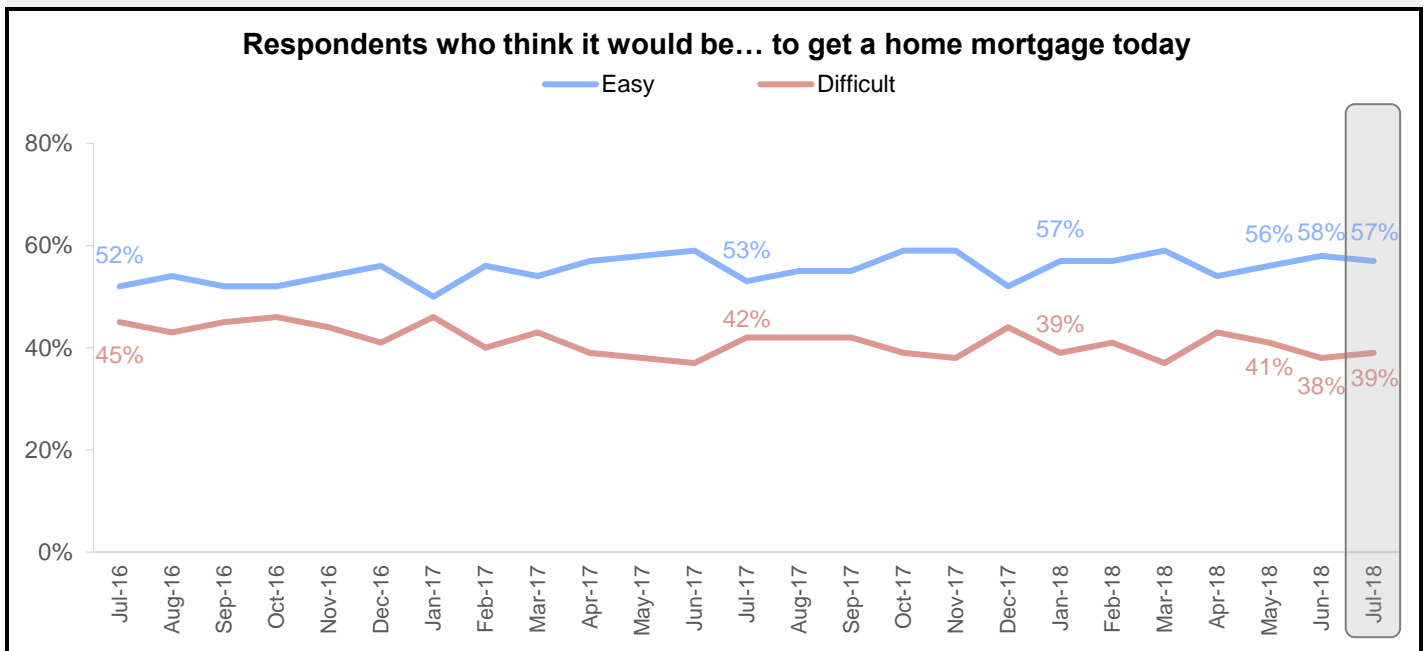


Additional National Housing Survey Key Indicators

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%.



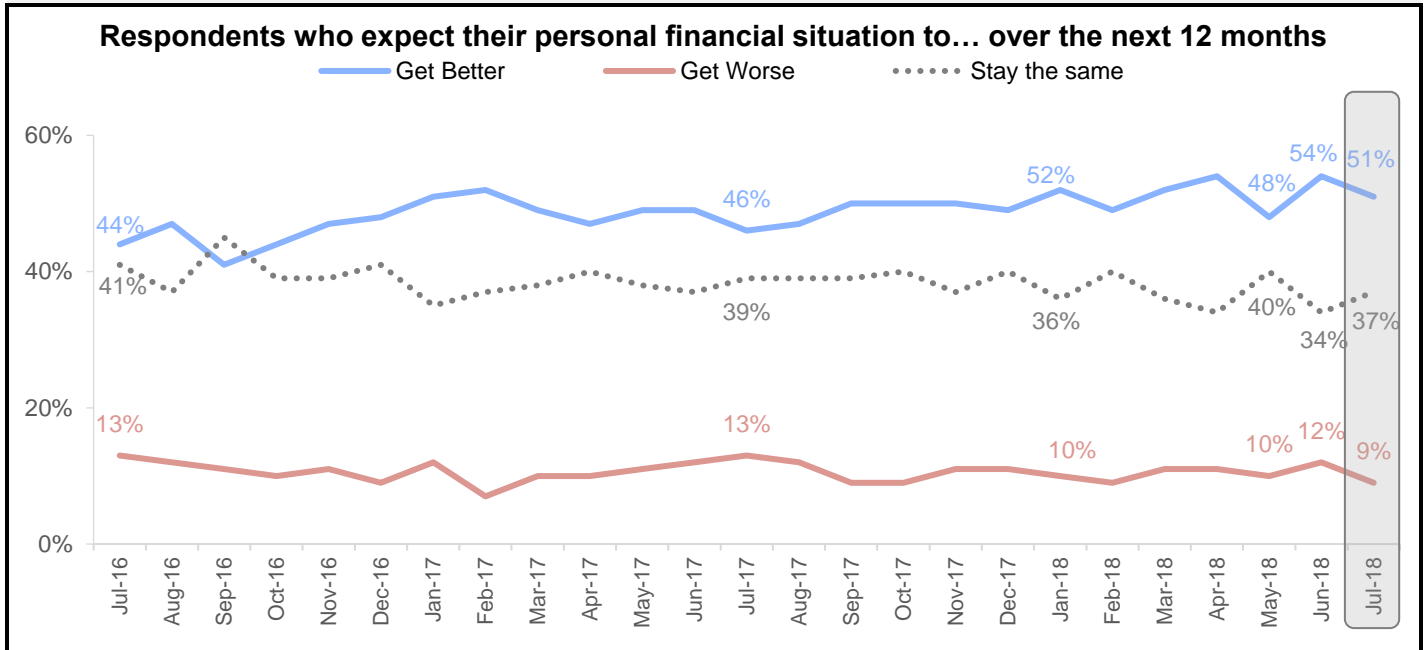
The share of Americans who say getting a mortgage would be easy fell 1 percentage point to 57%, while the share who say it would be difficult rose 1 percentage point to 39%.



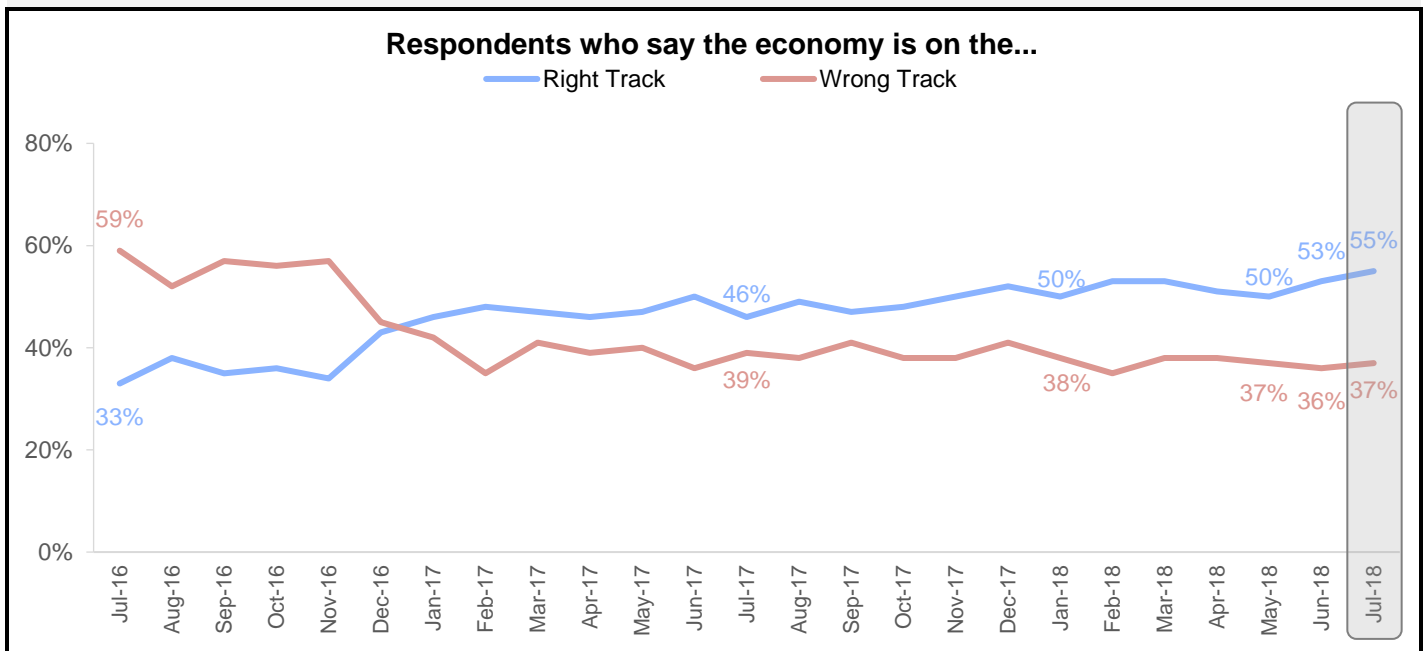


Additional National Housing Survey Key Indicators

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