

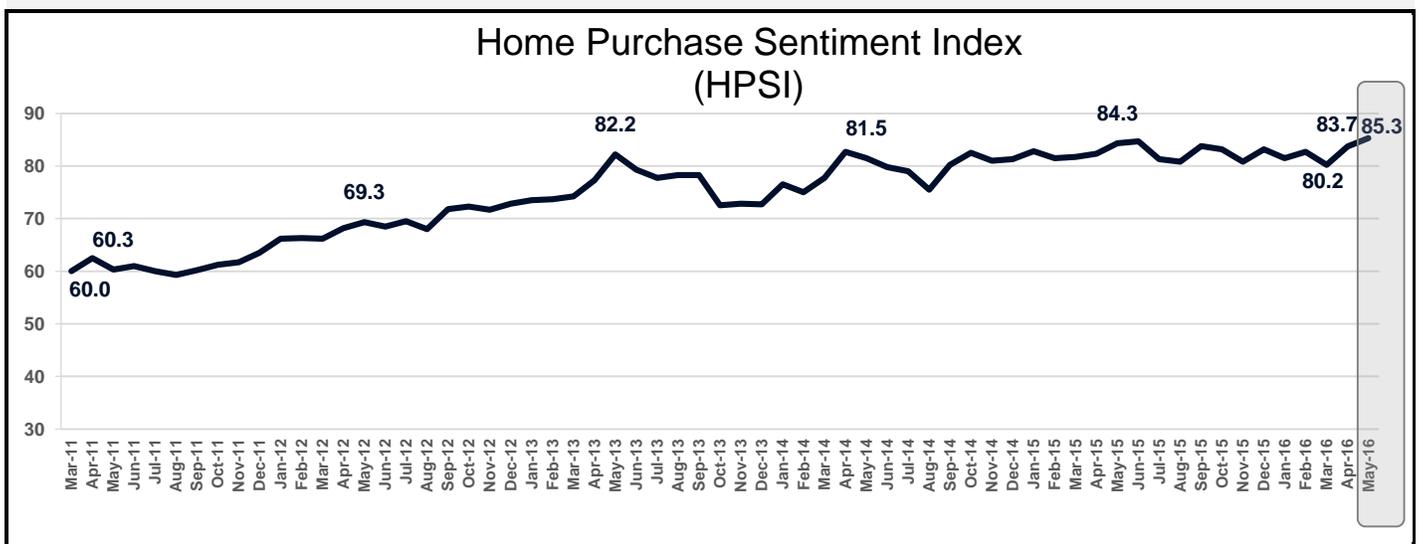


## May 2016 Data Release

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

The HPSI rose 1.6 points in May to 85.3, reaching a new all-time high just two months after hitting an eighteen-month low in March.



### Components of the HPSI

The rise in HPSI in May can be largely attributed to strong gains among “Household Income is Significantly Higher” (+7) and “Home Prices Will Go Up” (+5). In contrast, we saw smaller decreases in “Good Time to Sell” and “Confidence About Not Losing Job” (-2).

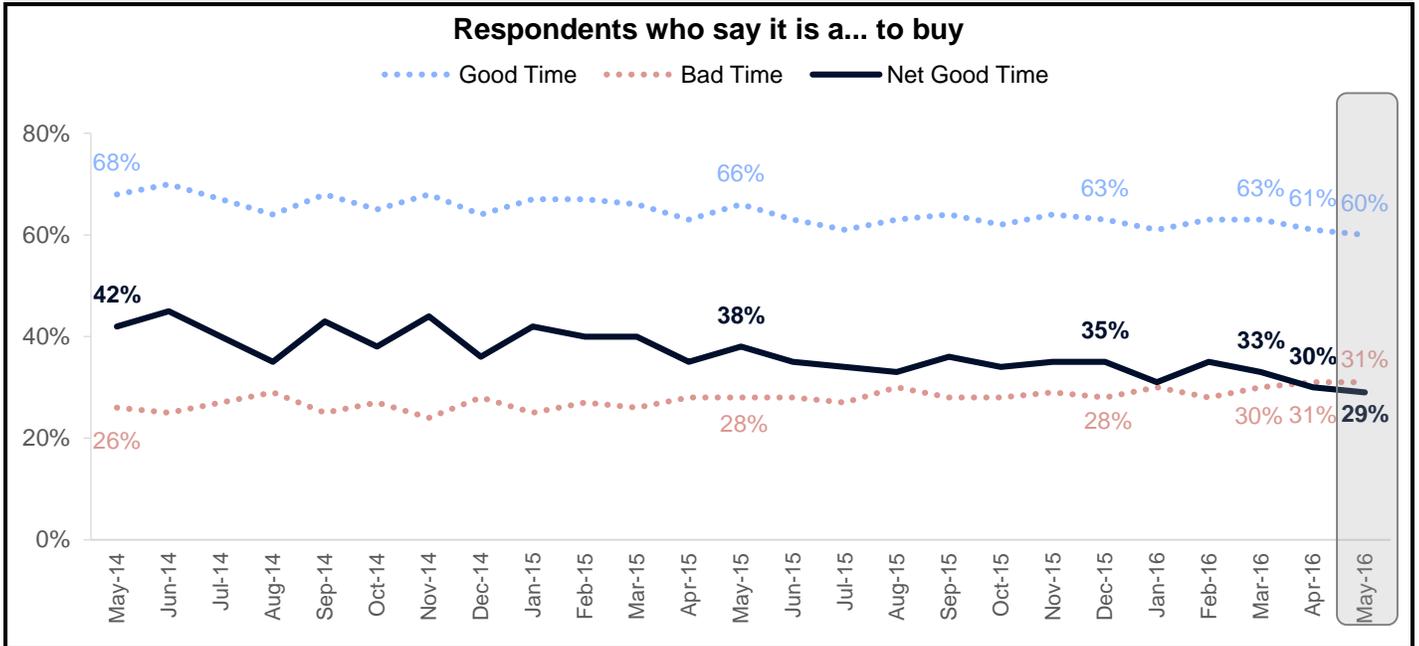
	May 2016*	Change Since Last Month	Change Since Last Year
<b>May 2016 HPSI</b>	<b>85.3</b>	<b>+1.6</b>	<b>+1.0</b>
Good Time To <b>Buy</b>	29	-1	-9
Good Time To <b>Sell</b>	13	-2	+5
<b>Home Prices</b> Will Go Up (next 12 months)	42	+5	-1
<b>Mortgage Rates</b> Will Go Down (next 12 months)	-43	+3	0
Confidence About Not Losing <b>Job</b> (next 12 months)	72	-2	+9
Household <b>Income</b> is Significantly Higher (past 12 months)	18	+7	+2

\* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 29

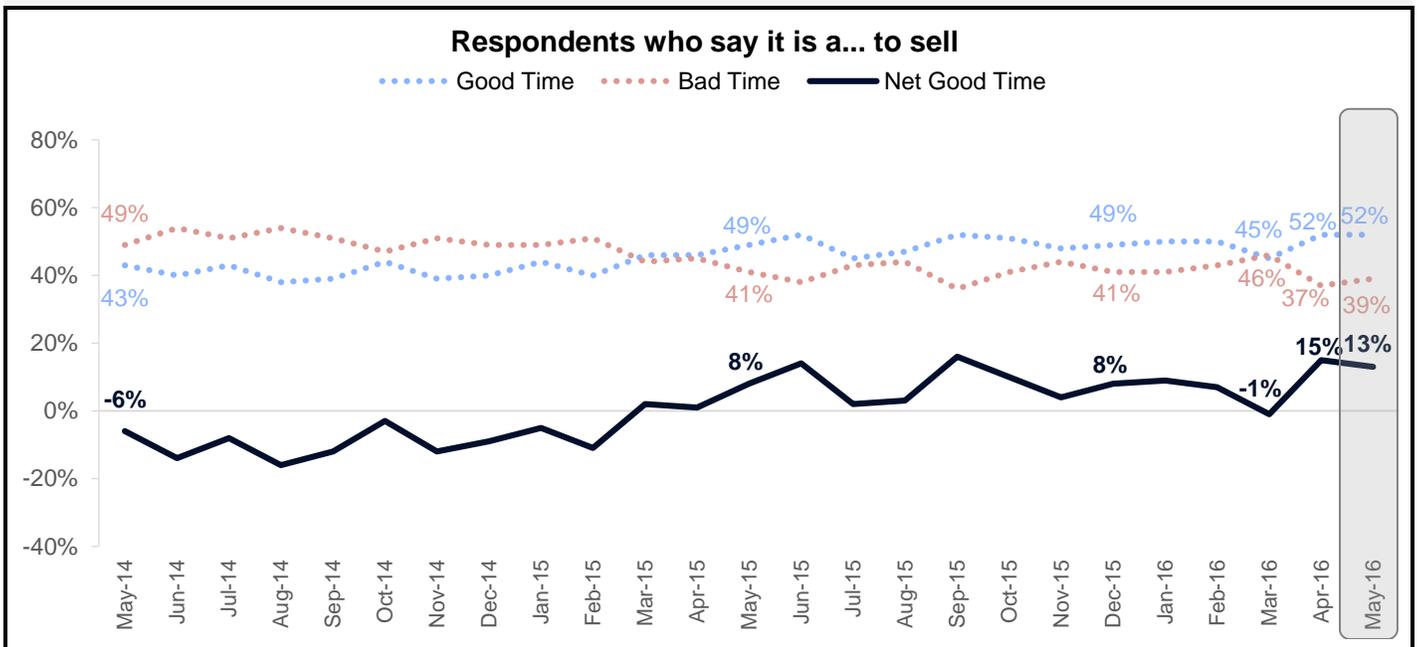


## Components of the HPSI – Good/Bad Time to Buy and Sell a Home

The net share of Americans who say it is a good time to buy a house fell by 1 percentage point to 29% in May, reaching an all-time survey low for the second straight month.



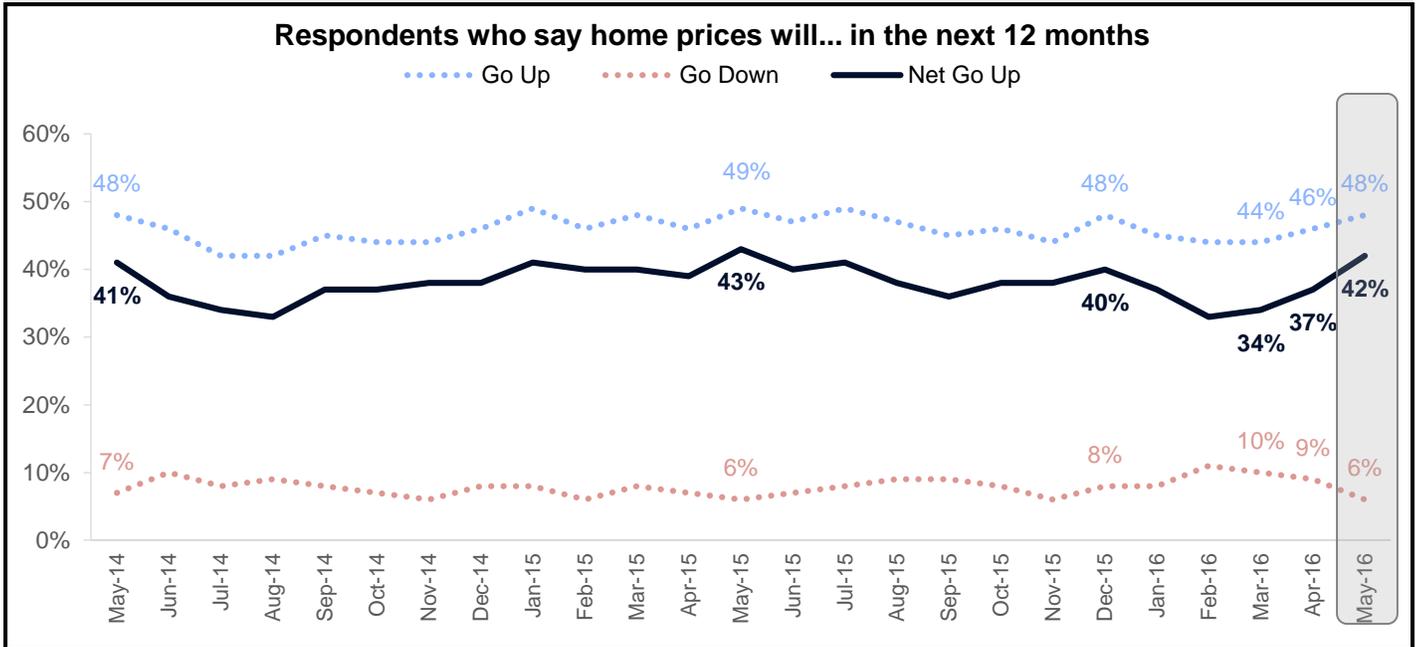
Selling sentiment fell slightly in May, with the net percentage of those who say it is a good time to sell falling 2 percentage points to 13%. However, an all-time survey high (52%) continue to believe it is a good time to sell.



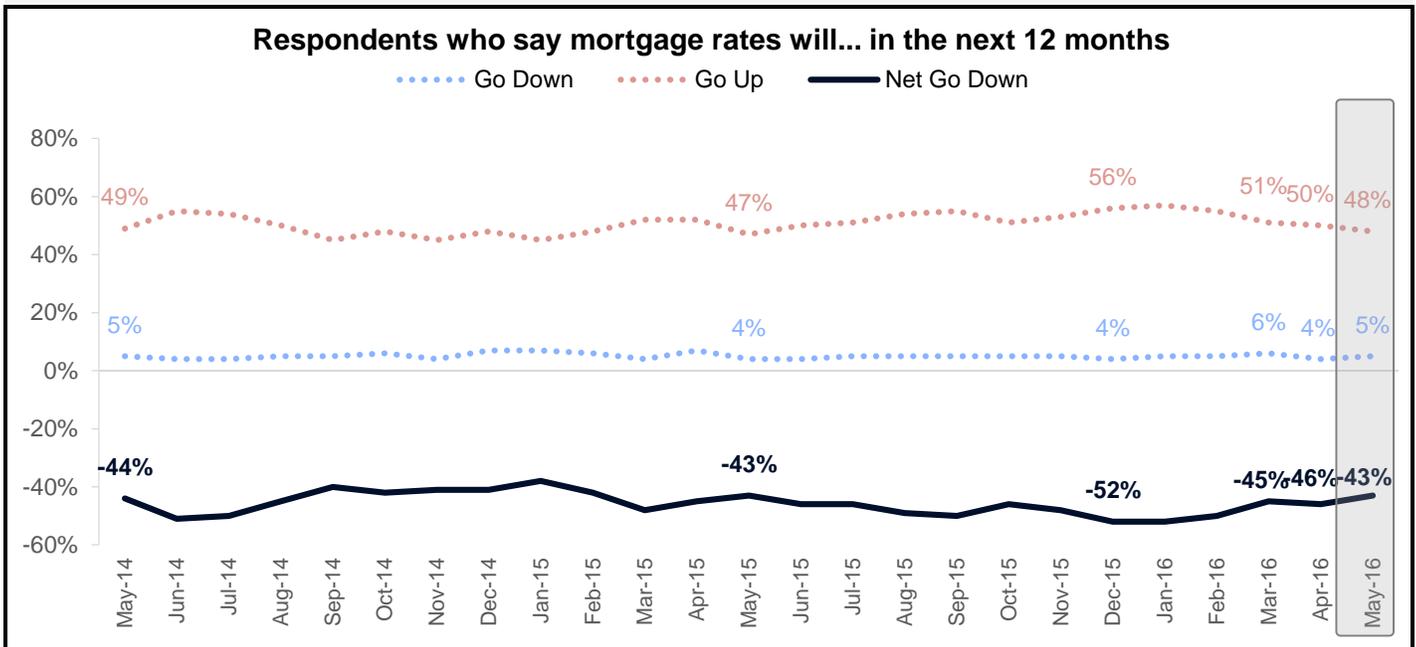


## Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say that home prices will go up rose 5 percentage points to 42%, continuing the rising trend that began in March.



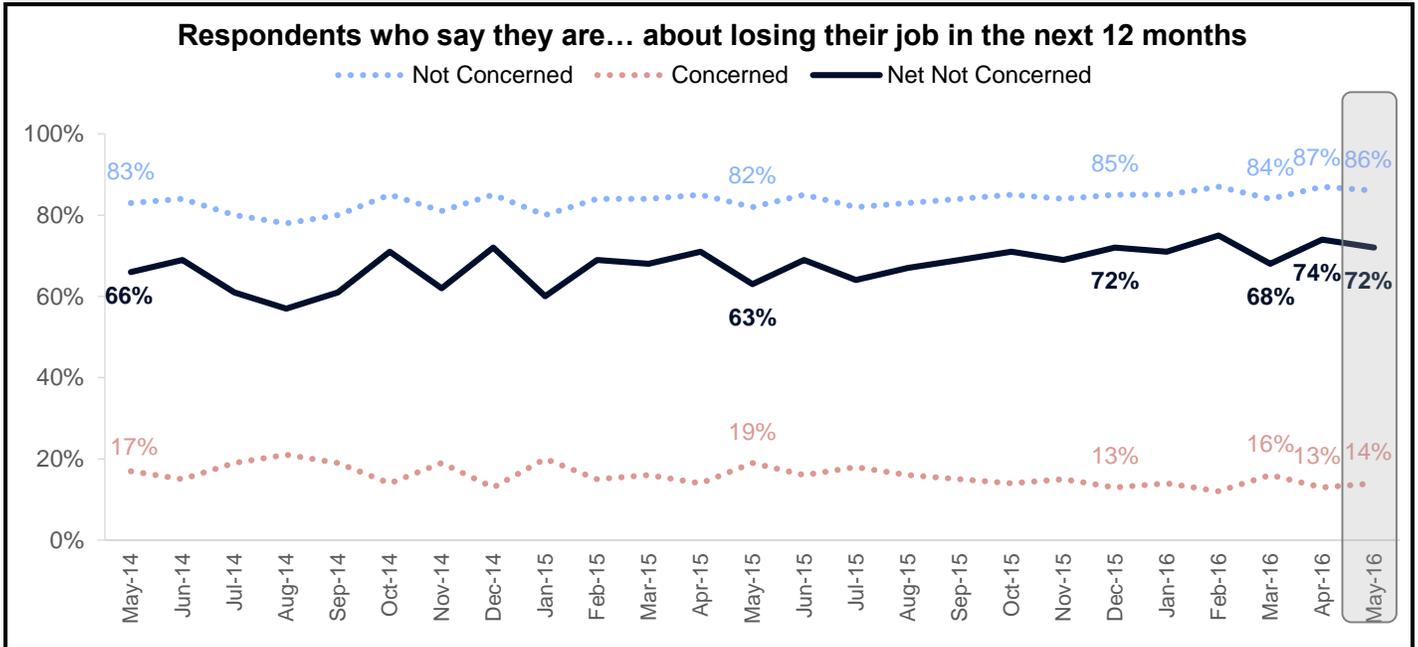
The net share of those who say mortgage rates will go down rose 3 percentage points to -43%.



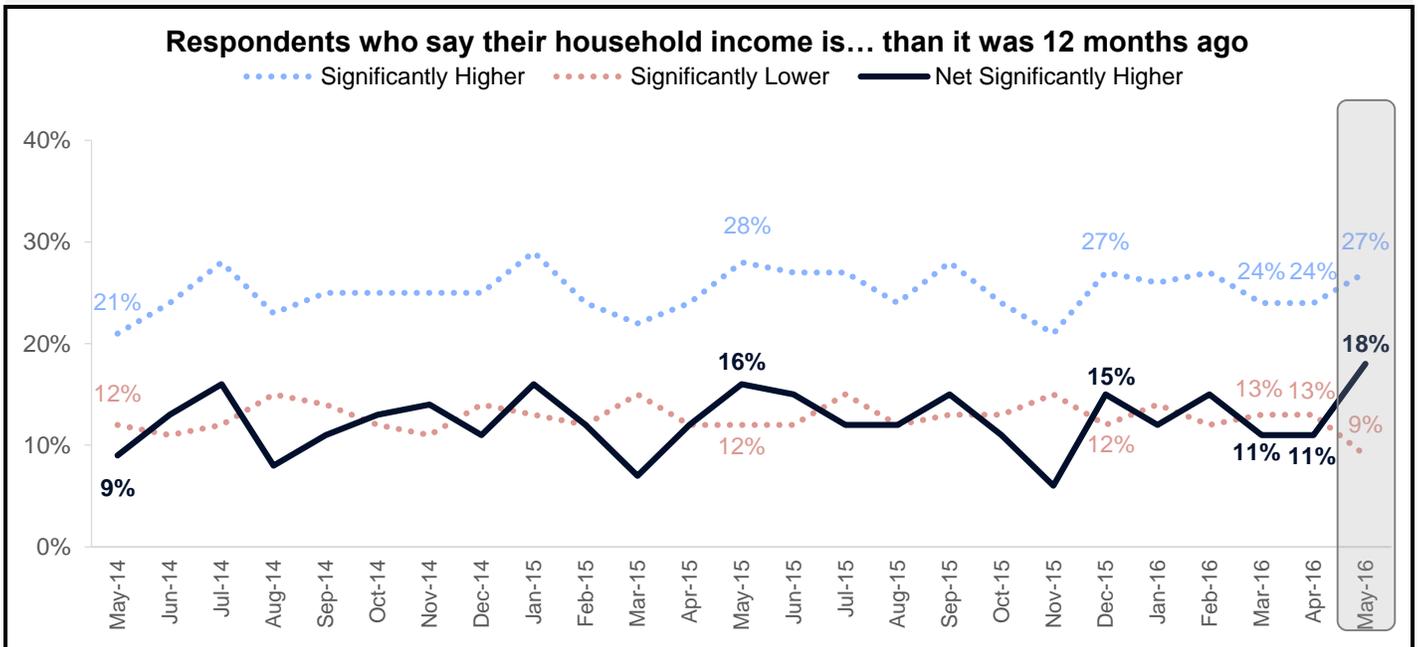


## Components of the HPSI – Job Concerns and Household Incomes

The net share of Americans who say they are not concerned with losing their job fell 2 percentage points to 72%.



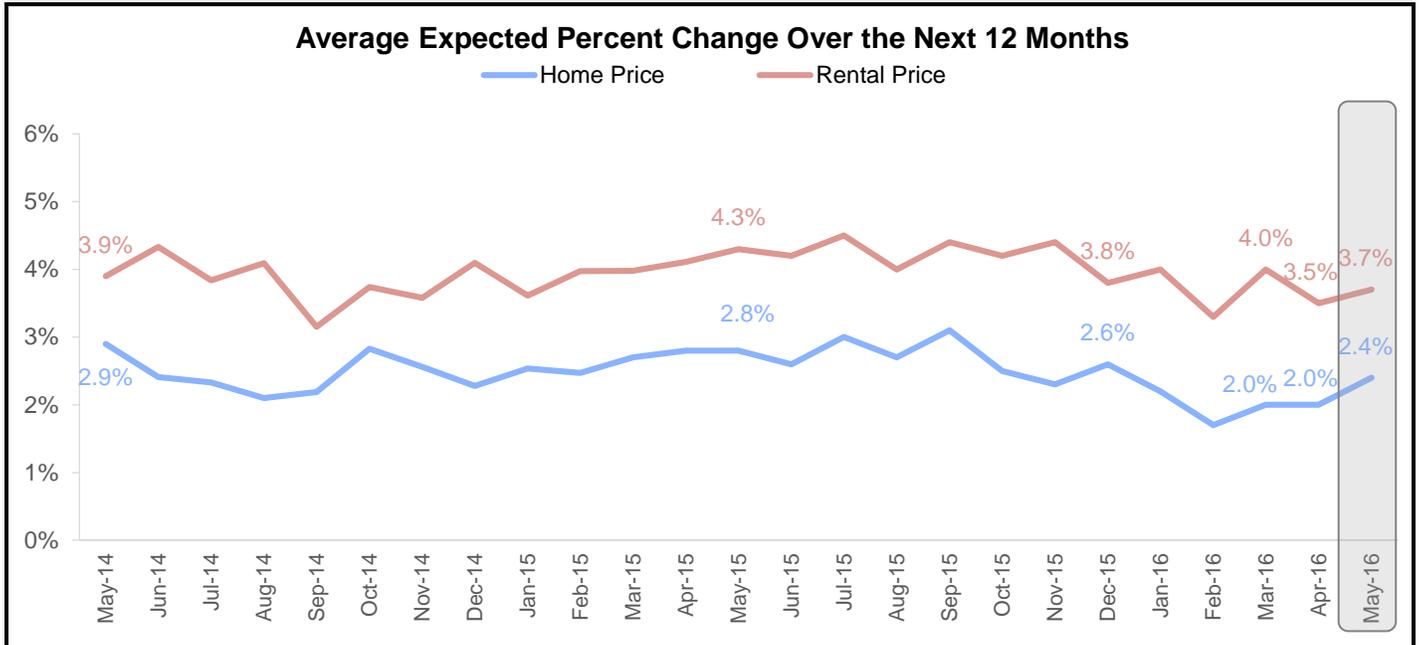
The net share of Americans who say their household income is significantly higher than it was 12 months ago rose 7 percentage points to 18%, reaching a new all-time survey high.



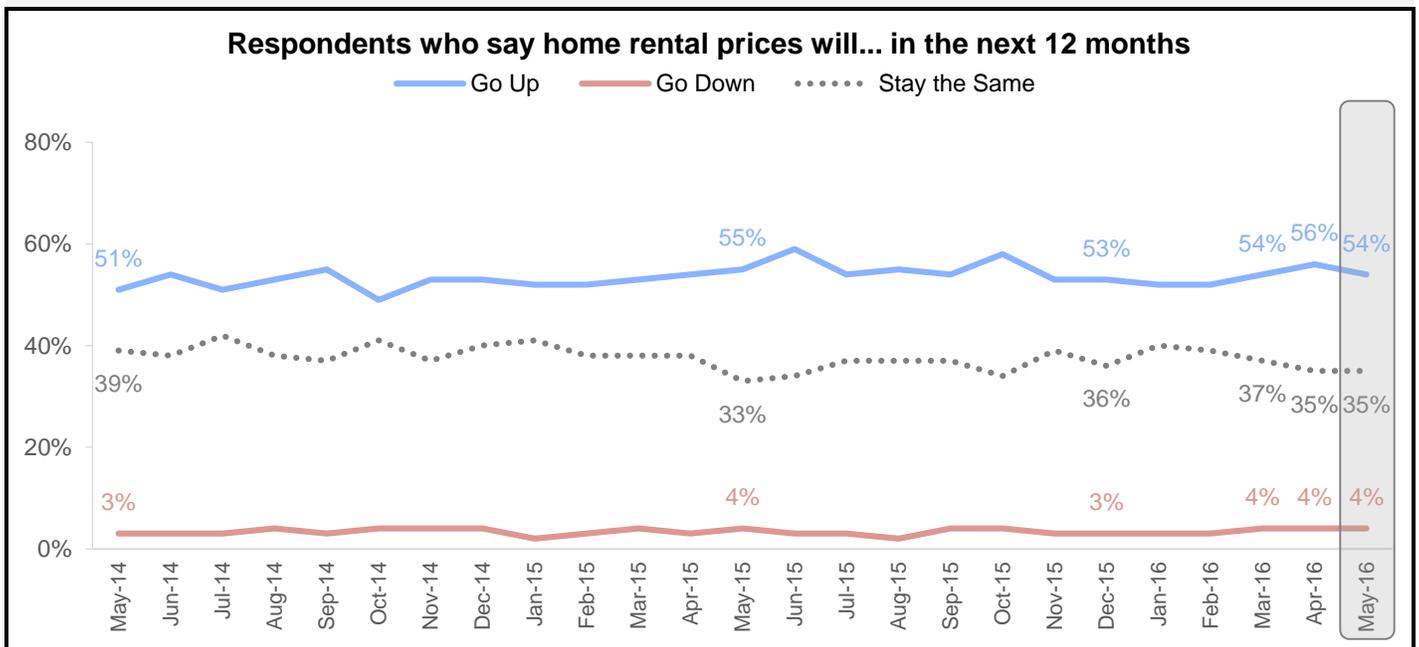


## Additional National Housing Survey Key Indicators

On average, Americans expect rental prices over the next 12 months to rise 3.7%. They expect home prices over the next 12 months to rise 2.4%.



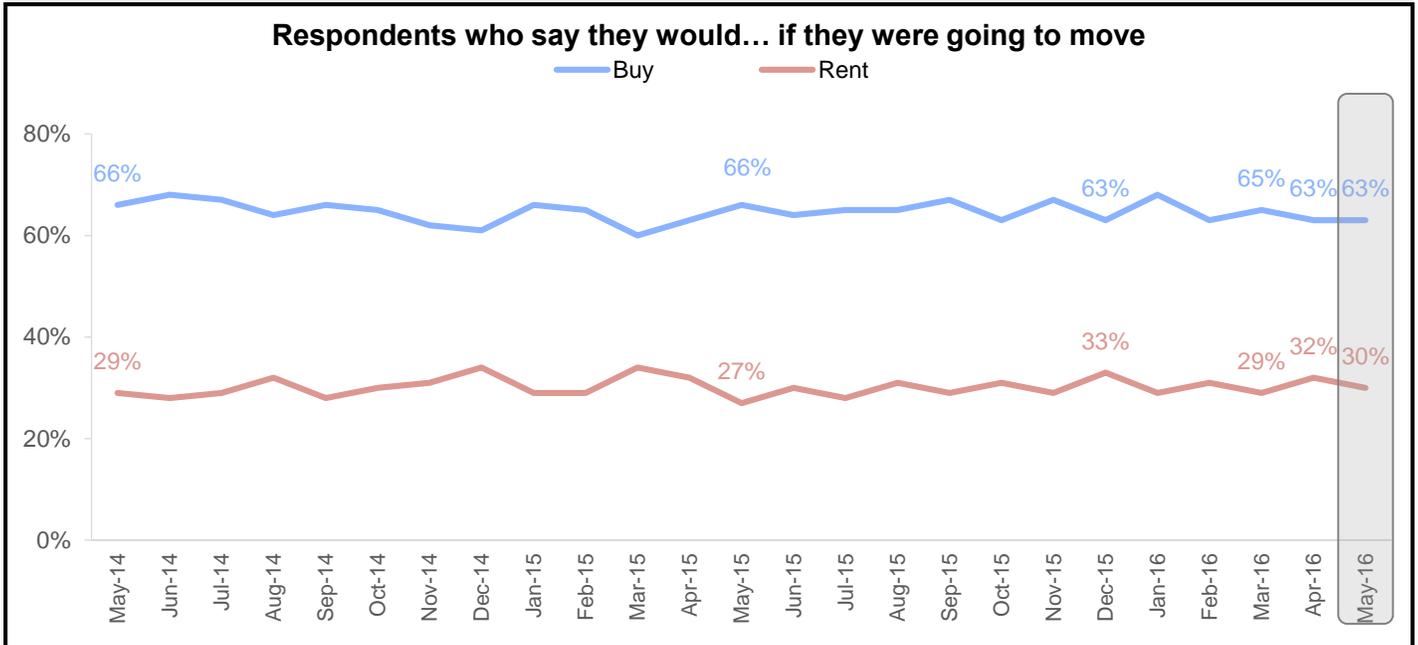
The percentage of Americans who expect home rental prices to go up fell to 54%, while the share of Americans who expect home rental prices to go down remained at 4%.



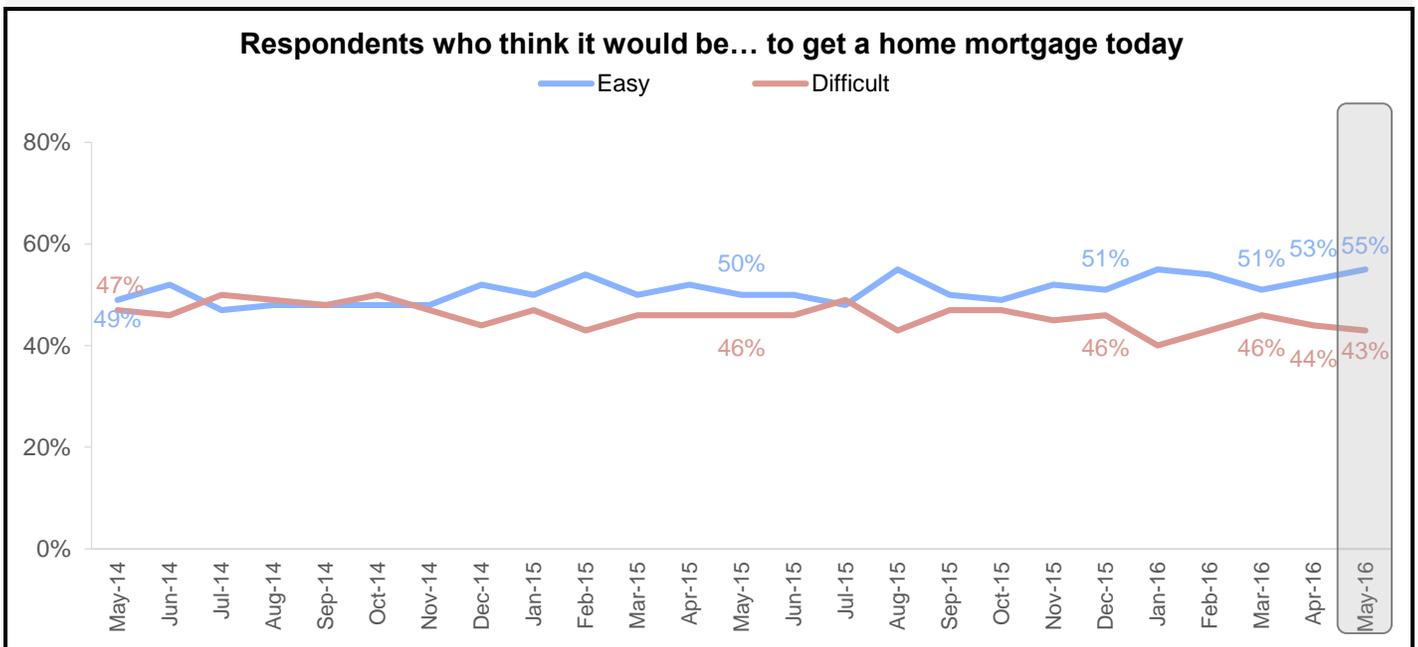


## Additional National Housing Survey Key Indicators

The share of Americans who would buy if they were going to move remained at 63%, while the share who would rent fell 2 percentage points to 30%.



The share of Americans who say getting a mortgage would be easy rose 2 percentage points in April to 55%, equaling an all-time survey high. The share who say it would be difficult fell 1 percentage point to 43%, widening the gap between those who think it is easy and those who think it is difficult to get a mortgage.

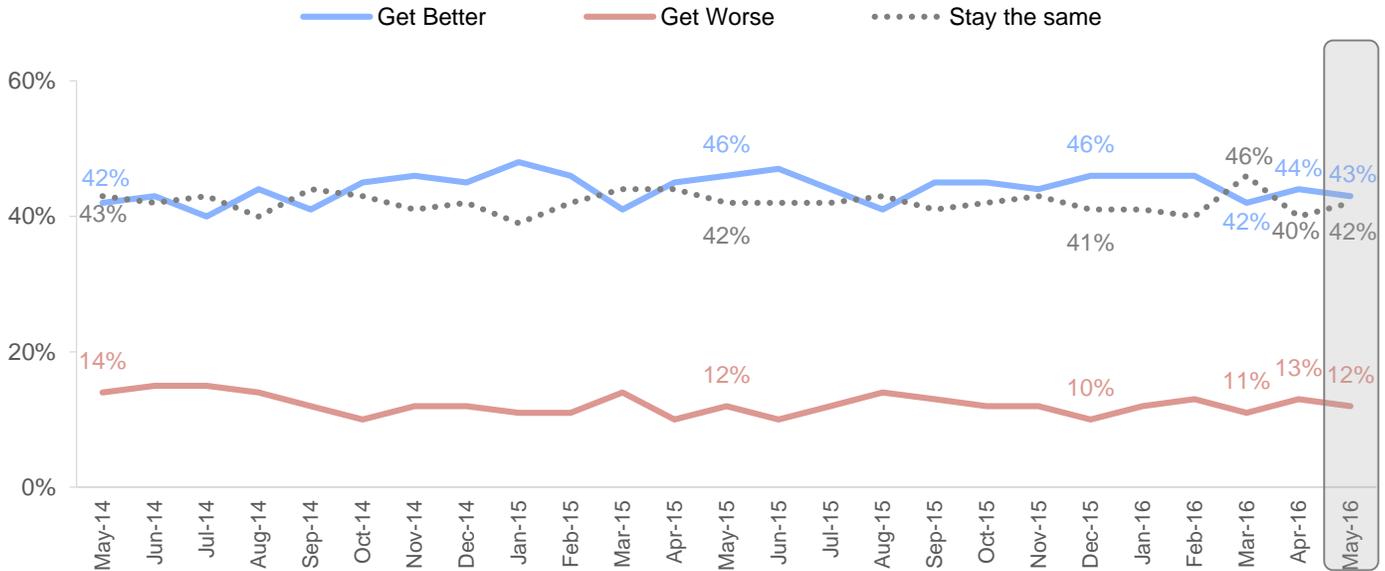




## Additional National Housing Survey Key Indicators

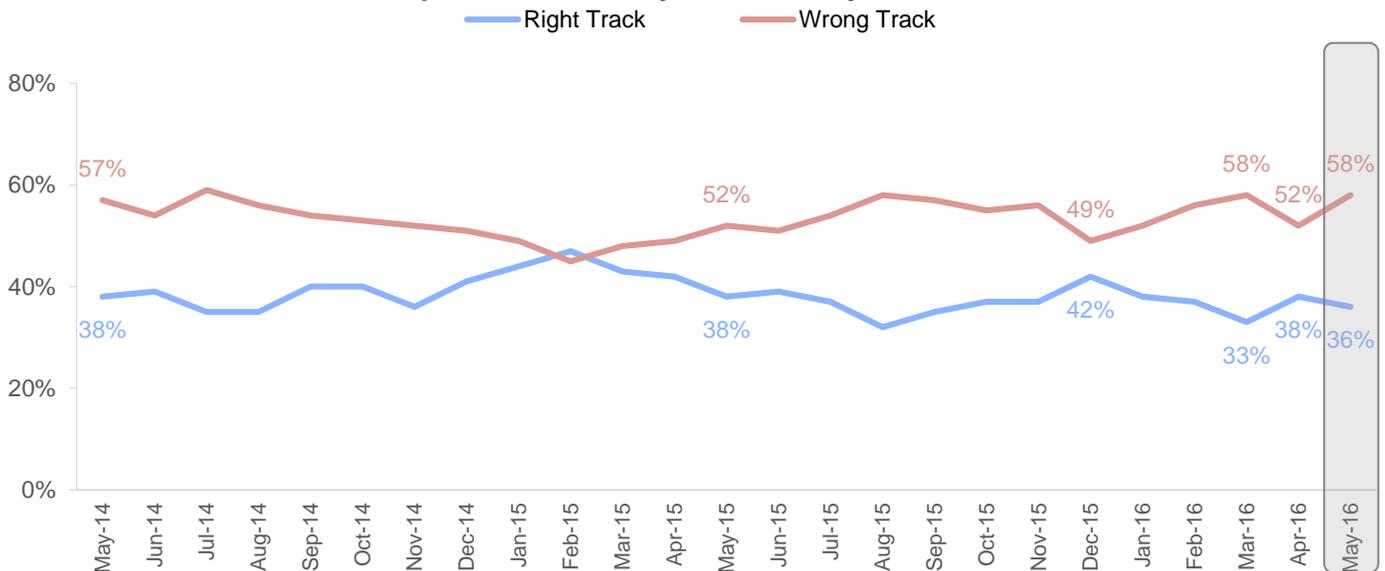
The share of Americans who expect their personal financial situation to stay the same over the next 12 months rose 2 percentage points to 42%. The percentages who expect their personal financial situation to get better or worse over the next 12 months both fell by 1 percentage point.

### 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 fell 2 percentage points to 36%, while those who say it is on the wrong track rose by 6 percentage points to 58%, reversing the change seen in April and once again widening the gap between right and wrong track.

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





# The National Housing Survey®

May 2016  
APPENDIX

## About the Survey

The National Housing Survey® polled a nationally representative sample of 1000 household financial decision makers (margin of error ±3.1%) aged 18 and older between May 1, 2016 and May 23, 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-060716.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

May 2015	84.3
June 2015	84.7
July 2015	81.3
August 2015	80.8
September 2015	83.8
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
<b>May 2016</b>	<b>85.3</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
May 2015	66	28	38
June 2015	63	28	35
July 2015	61	27	34
August 2015	63	30	33
September 2015	64	28	36
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
<b>May 2016</b>	<b>60</b>	<b>31</b>	<b>29</b>



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 2015	49	41	8
June 2015	52	38	14
July 2015	45	43	2
August 2015	47	44	3
September 2015	52	36	16
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
<b>May 2016</b>	<b>52</b>	<b>39</b>	<b>13</b>

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 2015	49	6	43
June 2015	47	7	40
July 2015	49	8	41
August 2015	47	9	38
September 2015	45	9	36
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
<b>May 2016</b>	<b>48</b>	<b>6</b>	<b>42</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>
May 2015	47	4	-43
June 2015	50	4	-46
July 2015	51	5	-46
August 2015	54	5	-49
September 2015	55	5	-50
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
<b>May 2016</b>	<b>48</b>	<b>5</b>	<b>-43</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>
May 2015	19	82	63
June 2015	16	85	69
July 2015	18	82	64
August 2015	16	83	67
September 2015	15	84	69
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
<b>May 2016</b>	<b>14</b>	<b>86</b>	<b>72</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>
May 2015	28	12	16
June 2015	27	12	15
July 2015	27	15	12
August 2015	24	12	12
September 2015	28	13	15
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
<b>May 2016</b>	<b>27</b>	<b>9</b>	<b>18</b>

**Average home/rental price change expectation**

	<b>% Home Price Change</b>	<b>% Rental Price Change</b>
May 2015	2.8	4.3
June 2015	2.6	4.2
July 2015	3.0	4.5
August 2015	2.7	4.0
September 2015	3.1	4.4
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
<b>May 2016</b>	<b>2.4</b>	<b>3.7</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>
May 2015	55	4	33
June 2015	59	3	34
July 2015	54	3	37
August 2015	55	2	37
September 2015	54	4	37
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
<b>May 2016</b>	<b>54</b>	<b>4</b>	<b>35</b>

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

	<b>% Buy</b>	<b>% Rent</b>
May 2015	66	27
June 2015	64	30
July 2015	65	28
August 2015	65	31
September 2015	67	29
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
<b>May 2016</b>	<b>63</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>
May 2015	46	50
June 2015	46	50
July 2015	49	48
August 2015	43	55
September 2015	47	50
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
<b>May 2016</b>	<b>43</b>	<b>55</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>
May 2015	46	12	42
June 2015	47	10	42
July 2015	44	12	42
August 2015	41	14	43
September 2015	45	13	41
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
<b>May 2016</b>	<b>43</b>	<b>12</b>	<b>42</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>
May 2015	38	52
June 2015	39	51
July 2015	37	54
August 2015	32	58
September 2015	35	57
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
<b>May 2016</b>	<b>36</b>	<b>58</b>