

Housing Forecast: March 2011

	2009				2010				2011				2012				2009	2010	2011	2012	2013
	09.1	09.2	09.3	09.4	10.1	10.2	10.3	10.4	11.1	11.2	11.3	11.4	12.1	12.2	12.3	12.4					
Housing Starts and Sales (saar, Thous)																					
Housing Starts	530	537	586	565	617	602	588	534	580	600	675	740	825	910	1,005	1,085	554	587	649	956	1,334
Single-Family (1 unit)	362	423	496	488	524	491	435	435	430	480	535	585	645	710	785	850	445	471	508	748	1,059
percent change																	-28.5%	5.8%	7.8%	47.3%	41.6%
Multifamily (2+ units)	168	114	90	76	93	111	153	99	150	135	148	155	180	200	220	235	109	116	147	209	275
New Home Sales	353	368	401	373	360	335	291	295	308	329	367	402	434	480	532	576	375	320	351	506	722
percent change																	-22.7%	-14.5%	9.7%	43.9%	42.9%
Total Existing Home Sales	4,627	4,777	5,283	5,910	5,183	5,570	4,170	4,747	5,141	5,174	5,241	5,284	5,383	5,475	5,688	5,702	5,156	4,908	5,210	5,562	5,724
percent change																	4.9%	-4.8%	6.1%	6.8%	2.9%
Total Home Sales (new + existing)	4,980	5,145	5,685	6,283	5,543	5,905	4,461	5,042	5,448	5,503	5,608	5,686	5,818	5,954	6,219	6,278	5,531	5,228	5,561	6,067	6,447
percent change																	2.5%	-5.5%	6.4%	9.1%	6.2%
Home Prices (NSA, thous. \$)																					
Median New	207.8	218.7	212.6	218.8	221.6	219.4	222.2	220.2	218.1	211.9	218.3	218.4	218.2	214.1	222.0	223.5	216.7	221.9	216.7	219.5	230.3
Median Total Existing	167.6	174.4	178.1	170.8	166.3	176.6	177.0	169.9	163.7	170.6	173.9	168.5	163.8	172.3	176.8	172.4	172.5	173.0	169.2	171.3	179.8
FHFA Index (YOY % change Purchase Only)	-7.2%	-5.9%	-4.0%	-1.5%	-3.3%	-1.8%	-3.3%	-4.0%	-3.5%	-5.3%	-3.4%	-0.9%	1.2%	0.9%	1.7%	2.2%	-1.5%	-4.0%	-0.9%	2.2%	5.3%
Interest Rates, Percent																					
Yield on 10-yr Treasury Notes (%)	2.74	3.31	3.52	3.46	3.7	3.5	2.8	2.9	3.5	3.5	3.6	3.8	3.9	4.0	4.1	4.2	3.3	3.2	3.6	4.0	4.4
30-year fixed mortgage rate (%)	5.06	5.03	5.16	4.92	5.0	4.9	4.4	4.4	4.9	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.0	4.7	5.2	5.7	6.0
1-year mortgage rate (%)	4.88	4.83	4.72	4.43	4.3	4.0	3.6	3.3	3.4	3.6	3.7	3.9	4.0	4.2	4.4	4.5	4.7	3.8	3.6	4.3	4.8
Originations (nsa, bil. \$)																					
Mortgage Originations	475	596	425	421	303	340	413	474	266	261	266	235	206	300	322	296	1,917	1,530	1,028	1,124	1,376
Purchase	109	157	162	161	105	174	130	120	110	186	194	171	152	238	257	229	589	529	663	876	1,048
Refi	366	439	263	260	197	166	282	355	155	74	72	64	55	62	64	67	1,328	1,001	365	248	328
Refi Share (%)	77%	74%	62%	62%	65%	49%	68%	75%	58%	29%	27%	27%	26%	21%	20%	23%	69%	65%	36%	22%	24%
Liquidations	462	626	490	467	397	385	469	509	345	316	299	267	226	275	288	261	2,045	1,759	1,226	1,050	1,185
Mortgage Debt Outstanding																					
MDO Single-Family First Lien	9,967	9,937	9,873	9,827	9,733	9,688	9,632	9,598	9,518	9,464	9,431	9,399	9,379	9,404	9,438	9,473	9,827	9,598	9,399	9,473	9,663
% Change	0.5%	-1.2%	-2.6%	-1.8%	-3.8%	-1.8%	-2.3%	-1.4%	-3.3%	-2.3%	-1.4%	-1.3%	-0.8%	1.0%	1.5%	1.5%	-1.3%	-2.3%	-2.1%	0.8%	2.0%
MDO Total Single-Family	11,064	11,012	10,924	10,859	10,746	10,683	10,607	10,546	10,459	10,399	10,364	10,328	10,307	10,334	10,371	10,410	10,859	10,546	10,328	10,410	10,619
% Change	-0.2%	-1.9%	-3.1%	-2.4%	-4.1%	-2.3%	-2.8%	-2.3%	-3.3%	-2.3%	-1.4%	-1.3%	-0.8%	1.0%	1.5%	1.5%	-1.9%	-2.9%	-2.1%	0.8%	2.0%
ARM Share of Applications (% of conv#)	2.2%	3.5%	6.3%	5.5%	4.9%	6.0%	6%	5%	5%	6%	6%	7%	9%	12%	13%	14%	4%	5%	6%	12%	15%

March 10, 2011

Notes: Interest rate forecasts are based on rates from February 28, 2011.

Note: Unshaded areas denote actuals. Shaded areas denote forecasts.

Source: Actuals: Census, Bureau of Labor Statistics, Federal Reserve, Mortgage Bankers Association, National Association of REALTORS®, FHFA; Forecasts: Fannie Mae Economics and Mortgage Market Analysis

Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economics and Mortgage Market Analysis (EMMA) group included in these materials should not be construed as indicating

Fannie Mae's business prospects or expected results, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend

on many factors. Although the EMMA group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided

in these materials is accurate, current or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results.

The analyses, opinions, estimates, forecasts, and other views published by the EMMA group represent the views of that group as of the date indicated and do not necessarily represent the views

of Fannie Mae or its management.