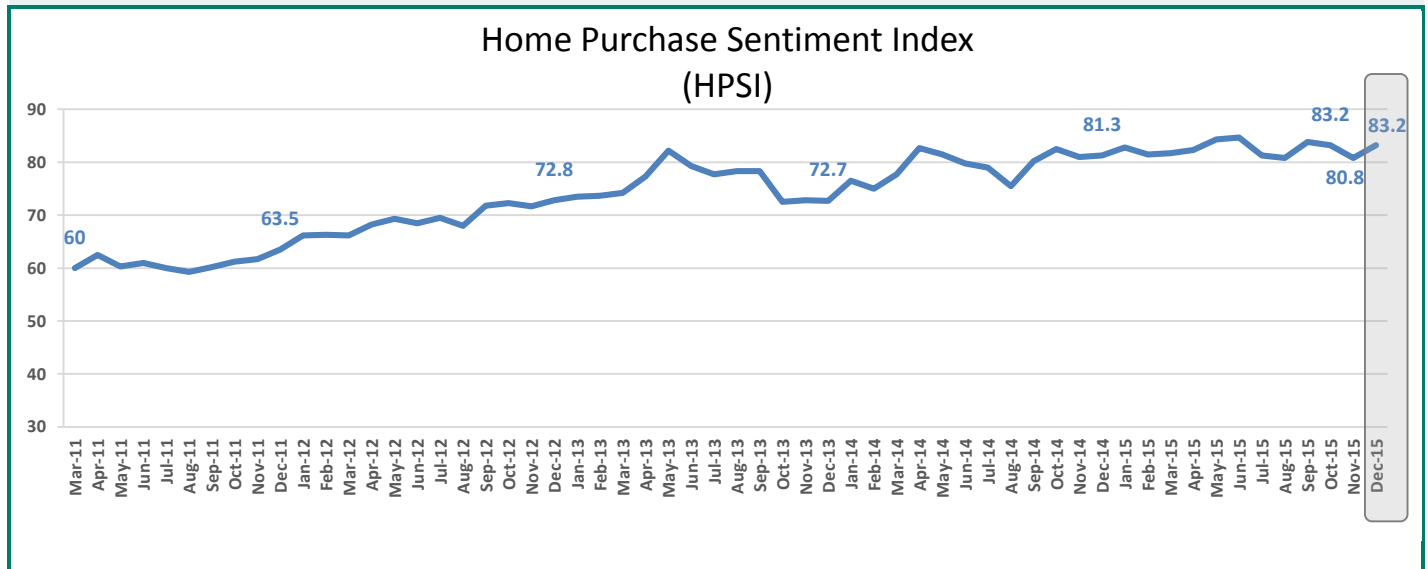


December 2015 Data Release

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 to 83.2 in December, 2.4 points higher than last month.



Components of the HPSI

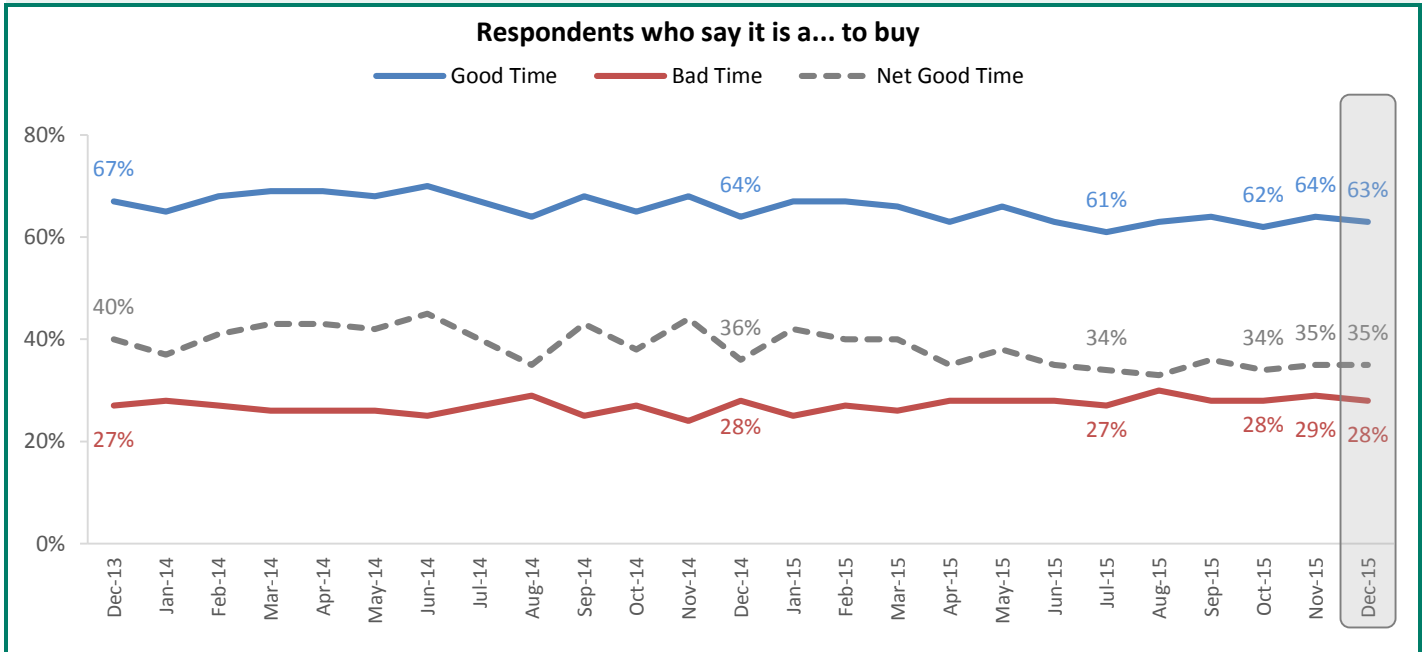
The increase in HPSI this month can be attributed to four of the components of the HPSI improving in December, with the biggest increase in “Household Income is Significantly Higher” (+9). The only decrease was in “Mortgage Rates Will Go Down” (-4).

	December 2015*	Change Since Last Month	Change Since Last Year
December 2015 HPSI	83.2	+2.4	+1.9
Good Time To Buy	35	0	-1
Good Time To Sell	8	+4	+17
Home Prices Will Go Up (next 12 months)	40	+2	+2
Mortgage Rates Will Go Down (next 12 months)	-52	-4	-11
Confidence About Not Losing Job (next 12 months)	72	+3	0
Household Income is Significantly Higher (past 12 months)	15	+9	+4

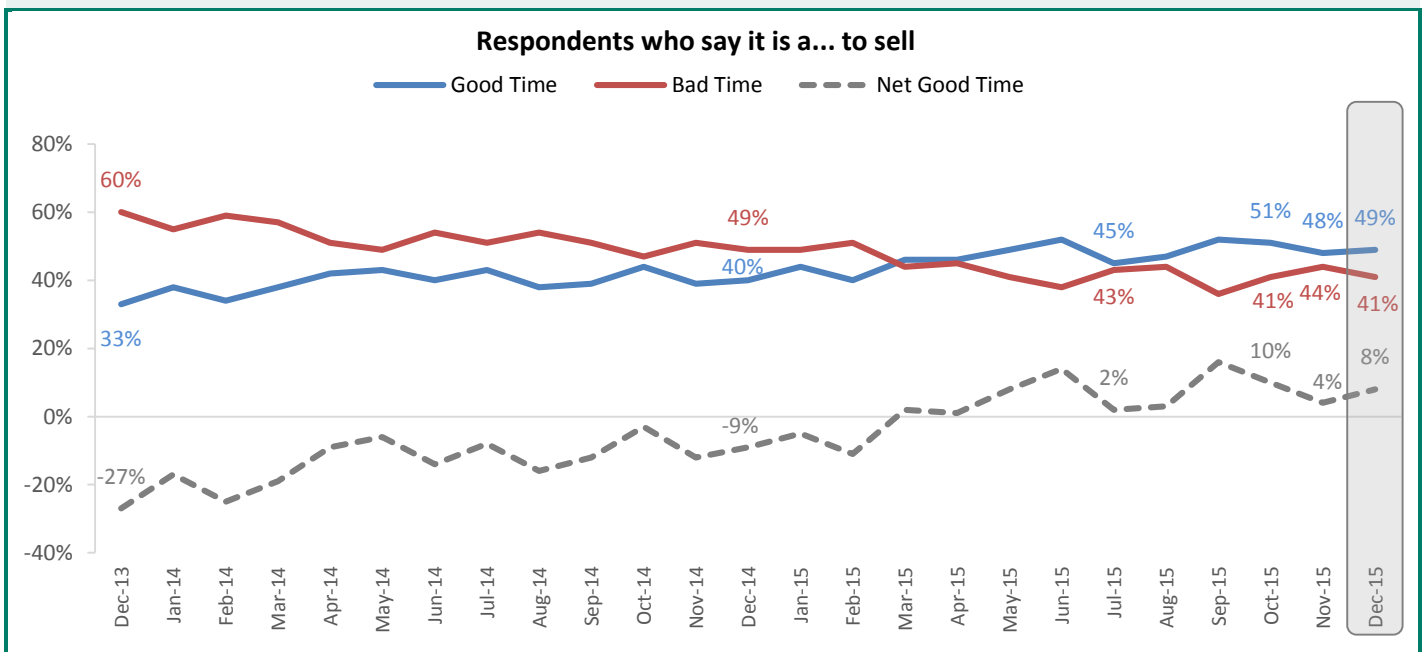
* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 35

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

The net share of respondents who say it is a good time to buy a house remained constant at 35%.

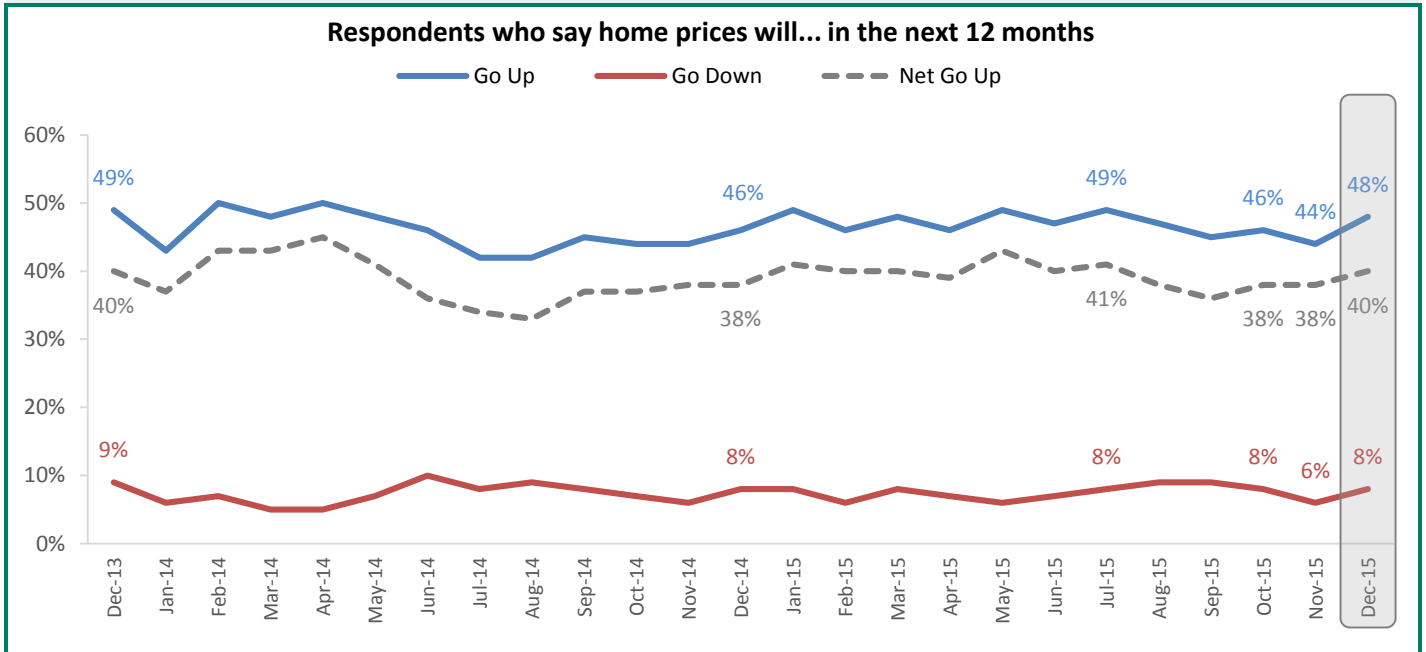


The net percentage of those who say it is a good time to sell rose after falling for two months in a row – rising 4 percentage points to 8% in December.

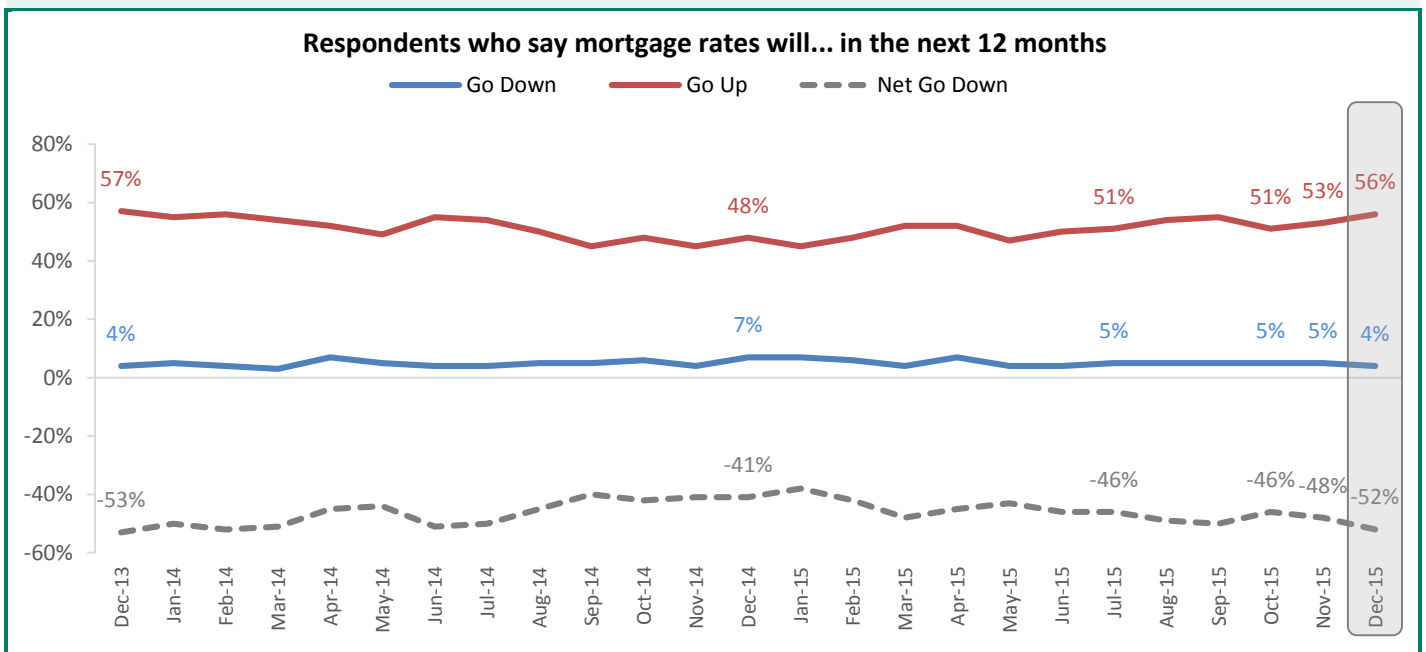


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of respondents who say that home prices will go up rose 2 percentage points to 40%.

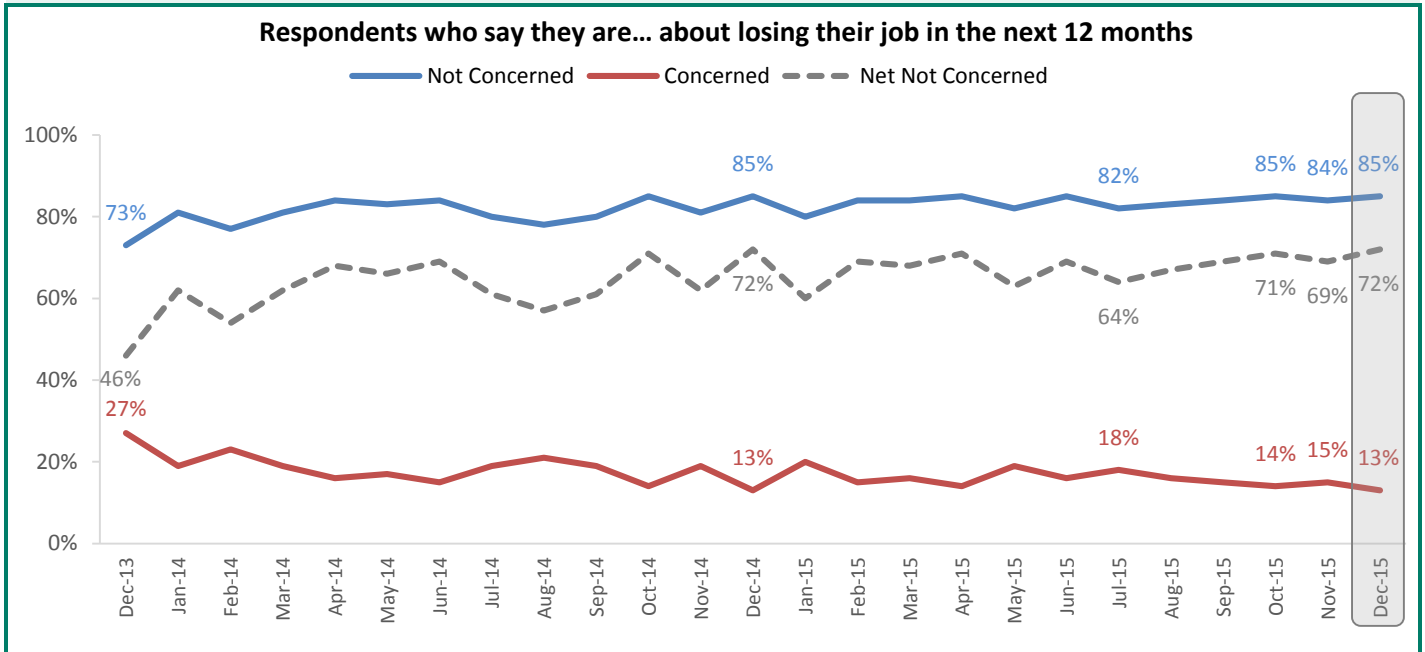


The net share of those who say mortgage rates will go down fell 4 percentage points to -52%, continuing the downward trend from the previous month.

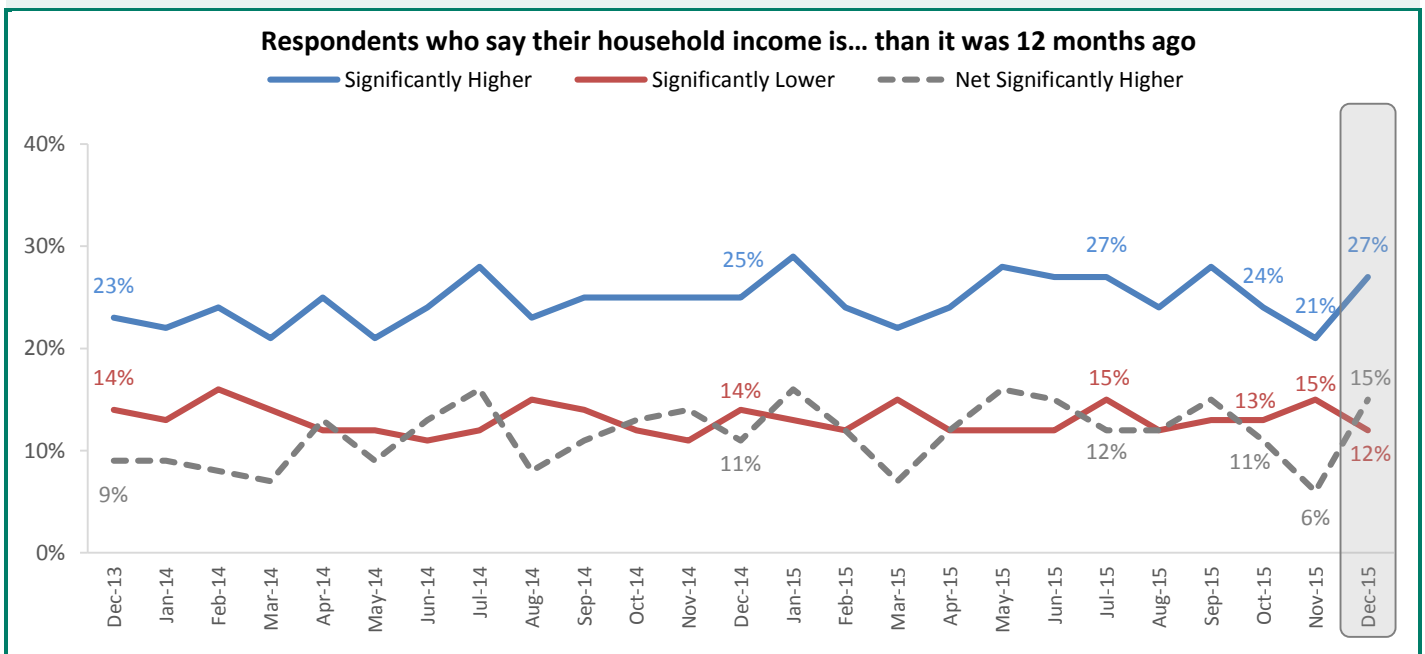


Components of the HPSI – Job Concerns and Household Incomes

The net share of respondents who say they are not concerned with losing their job rose 3 percentage points to 72%. An all-time survey high was tied as 85% of respondents are not concerned about losing their job.

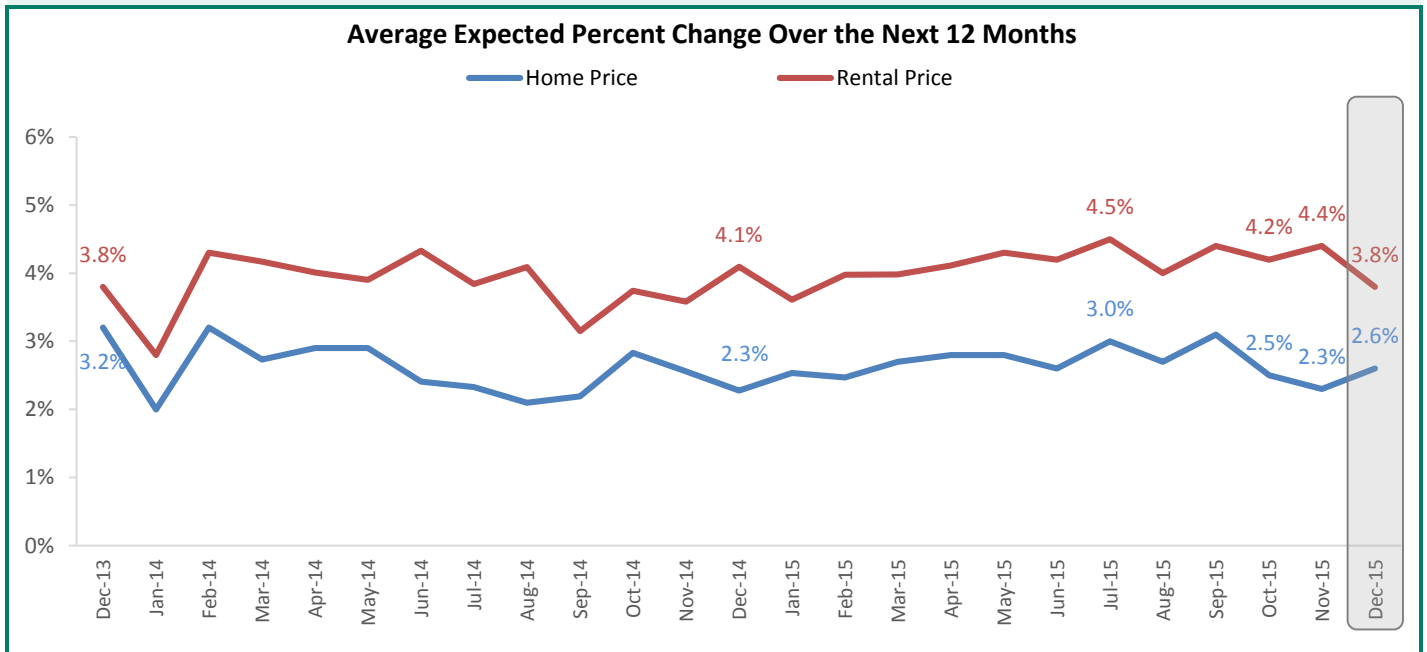


The net share of respondents who say their household income is significantly higher than it was 12 months ago rose 9 percentage points to 15%.

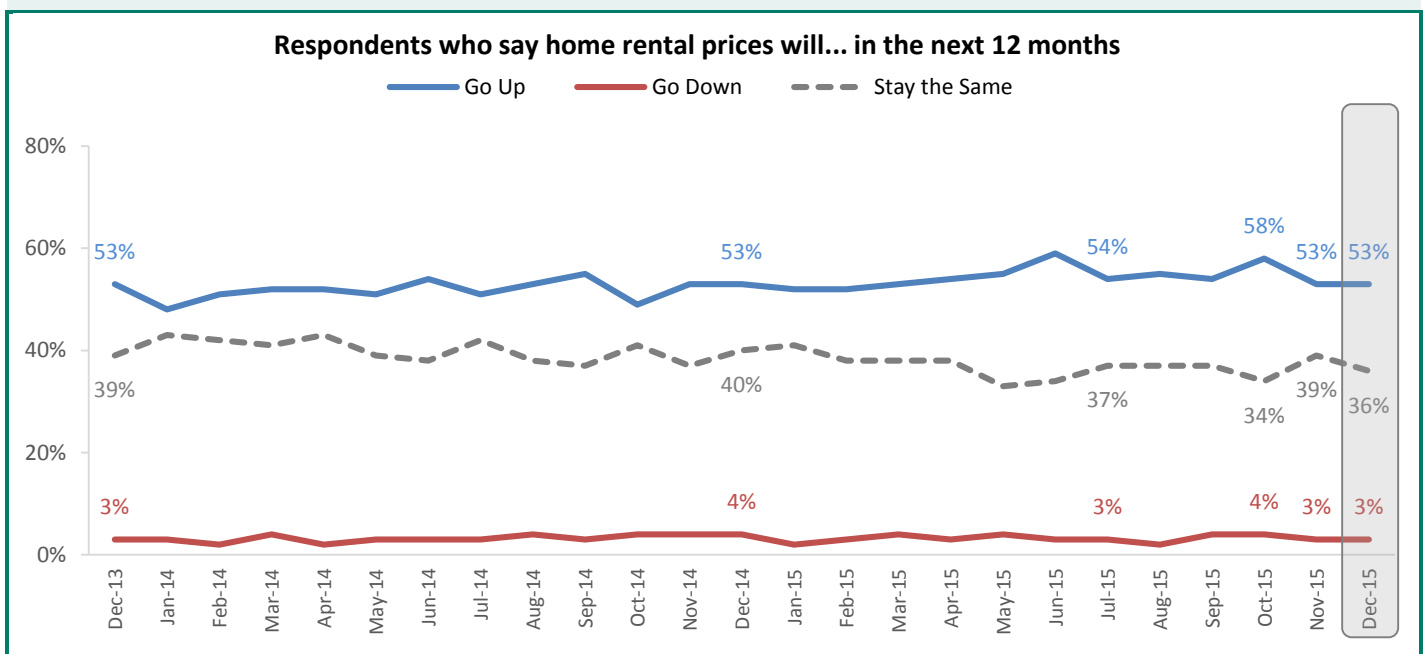


Additional National Housing Survey Key Indicators

On average, respondents expect rental prices over the next 12 months to rise 3.8%. They expect home prices over the next 12 months to rise 2.6%.

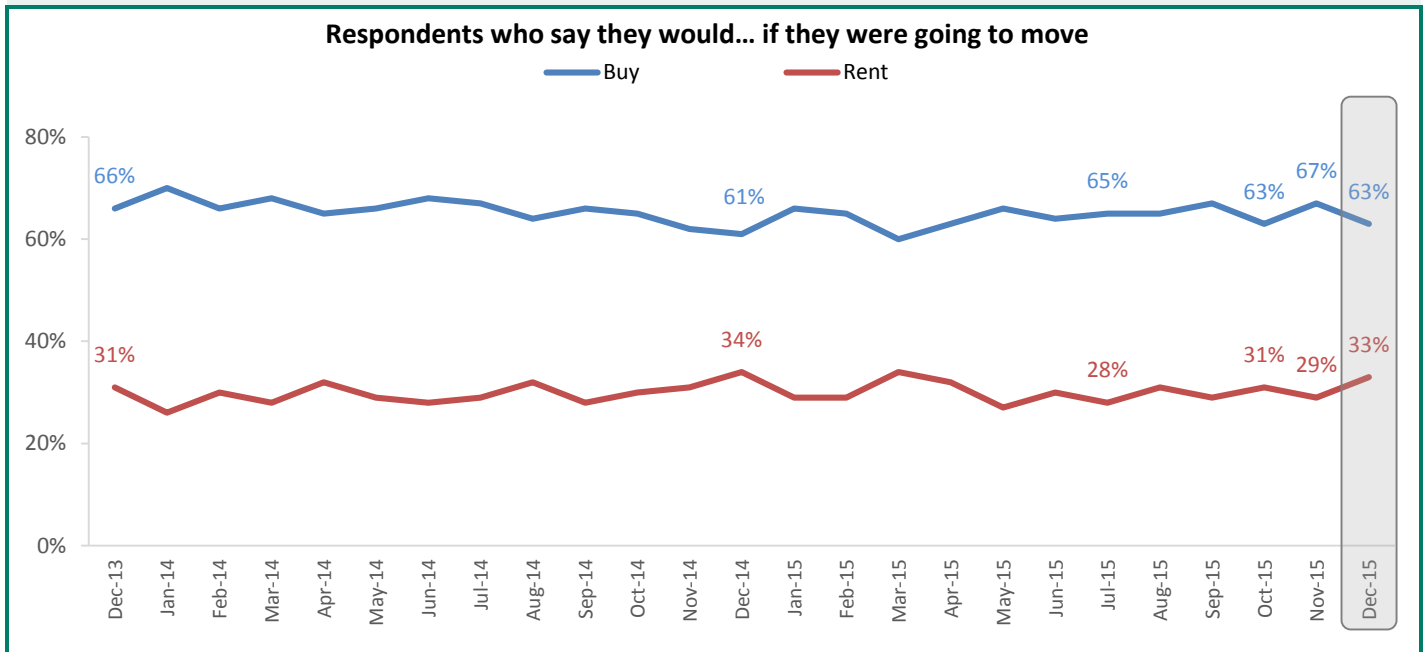


The percentage of respondents who expect home rental prices to go up remained at 53%. The percentage of respondents who expect home rental prices to go down also remained at 3%.

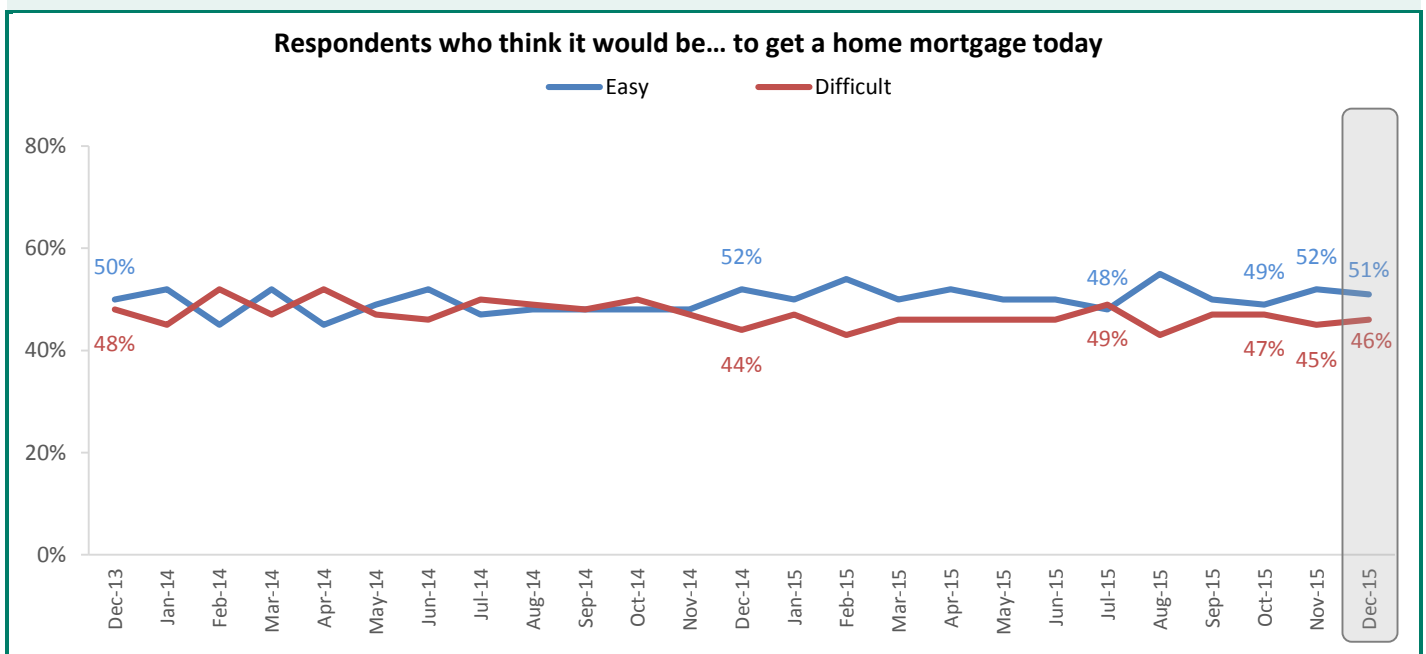


Additional National Housing Survey Key Indicators

The share of respondents who say they would buy if they were going to move fell 4 percentage points to 63%, while the share who would rent rose to 33%.

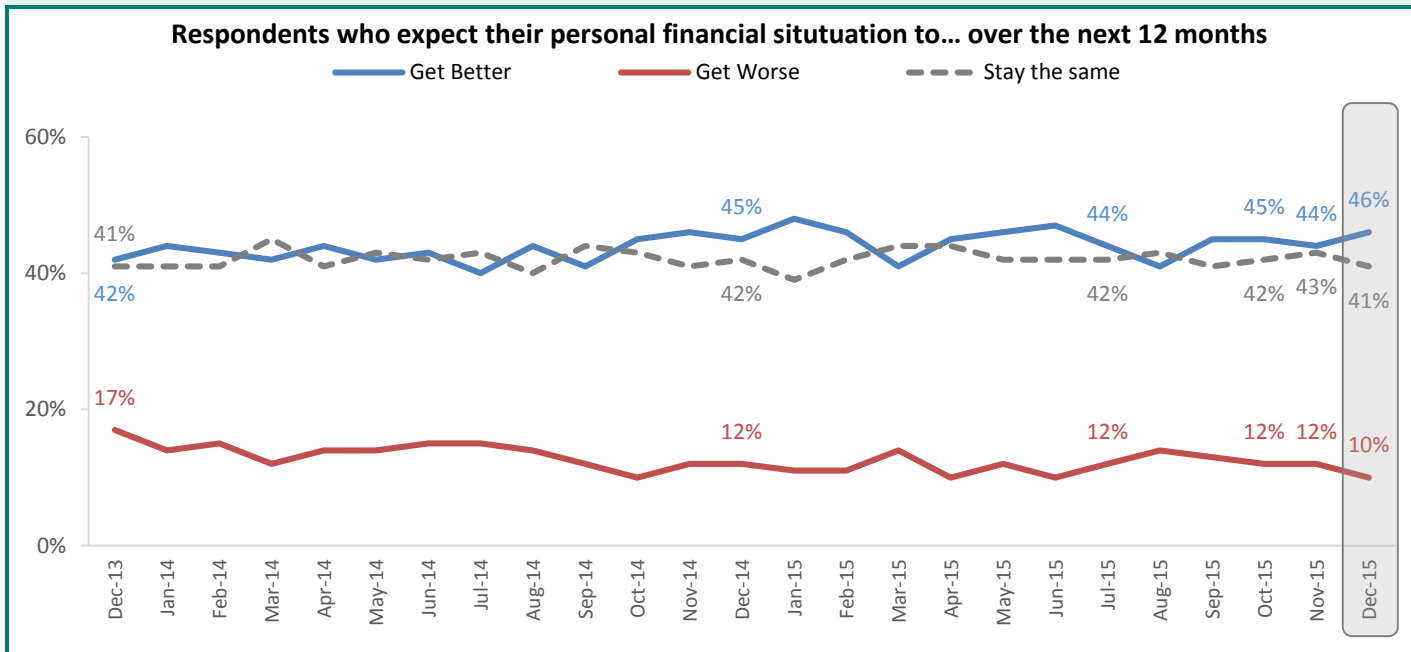


Falling 1 percentage point from last month, 51% of respondents say it would be easy to obtain a mortgage. At the same time, 46% say it would be difficult to obtain, rising 1 percentage point since November.

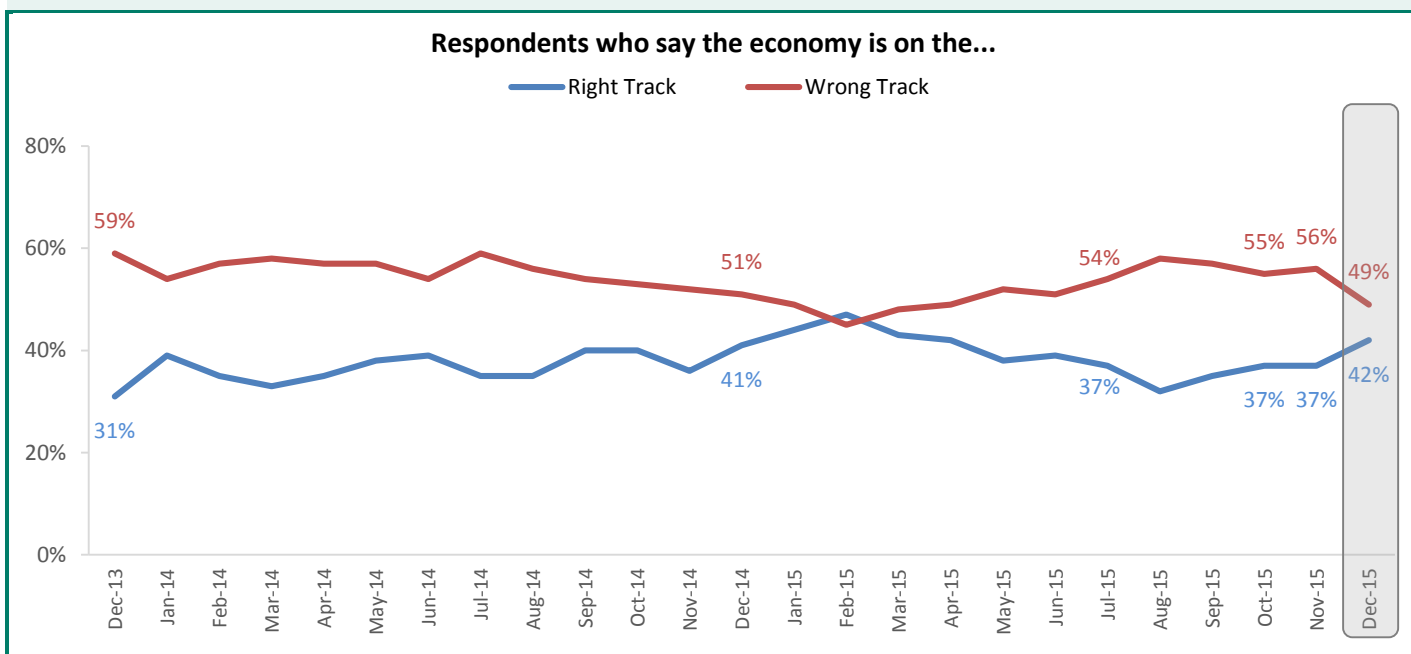


Additional National Housing Survey Key Indicators

The percentage who expect their personal financial situation to get worse over the next 12 months fell to 10% - tying a survey low, while the percentage who expect their personal financial situation to get better rose to 46%.



The share of respondents who say the economy is on the right track rose 5 percentage points to 42%, while those who say it is on the wrong track fell by 7 percentage points to 49%.



The National Housing Survey™

December 2015

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 December 1, 2015 and December 21, 2015. 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 Buy <i>Very and Somewhat Good Time To Buy – Very and Somewhat Bad Time To Buy</i>	Q12
Net Good Time to Sell <i>Very and Somewhat Good Time To Sell – Very and 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 and Not Very Concerned about Losing Job – Very and 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://www.fanniemae.com/resources/file/research/housingsurvey/xls/nhs-monthly-indicator-data-010716.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

December 2014	81.3
January 2015	82.8
February 2015	81.5
March 2015	81.7
April 2015	82.3
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

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
December 2014	64	28	36
January 2015	67	25	42
February 2015	67	27	40
March 2015	66	26	40
April 2015	63	28	35
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

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
December 2014	40	49	-9
January 2015	44	49	-5
February 2015	40	51	-11
March 2015	46	44	2
April 2015	46	45	1
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

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
December 2014	46	8	38
January 2015	49	8	41
February 2015	46	6	40
March 2015	48	8	40
April 2015	46	7	39
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

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
December 2014	48	7	-41
January 2015	45	7	-38
February 2015	48	6	-42
March 2015	52	4	-48
April 2015	52	7	-45
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

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

	% Concerned	% Not Concerned	Net % Not Concerned
December 2014	13	85	72
January 2015	20	80	60
February 2015	15	84	69
March 2015	16	84	68
April 2015	14	85	71
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

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
December 2014	25	14	11
January 2015	29	13	16
February 2015	24	12	12
March 2015	22	15	7
April 2015	24	12	12
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

Average home/rental price change expectation

	% Home Price Change	% Rental Price Change
December 2014	2.3	4.1
January 2015	2.5	3.6
February 2015	2.5	4.0
March 2015	2.7	4.0
April 2015	2.8	4.1
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

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
December 2014	53	4	40
January 2015	52	2	41
February 2015	52	3	38
March 2015	53	4	38
April 2015	54	3	38
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

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

	% Buy	% Rent
December 2014	61	34
January 2015	66	29
February 2015	65	29
March 2015	60	34
April 2015	63	32
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

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

	% Difficult	% Easy
December 2014	44	52
January 2015	47	50
February 2015	43	54
March 2015	46	50
April 2015	46	52
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

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
December 2014	45	12	42
January 2015	48	11	39
February 2015	46	11	42
March 2015	41	14	44
April 2015	45	10	44
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

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

	% Right Track	% Wrong Track
December 2014	41	51
January 2015	44	49
February 2015	47	45
March 2015	43	48
April 2015	42	49
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