

Fannie Mae National Housing Survey

Technical Notes

July 7, 2011

Introduction and Background

The Fannie Mae National Housing Survey is a monthly attitudinal survey, which polls the adult general population of the United States to assess their attitudes toward owning and renting a home, mortgage rates, homeownership distress, household finances, and overall confidence in the economy.

Each respondent is asked more than 100 questions, making the Fannie Mae National Housing Survey the most detailed attitudinal survey of its kind. The survey is conducted on a monthly basis to track attitudinal shifts that occur among homeowners and renters in the United States.

Survey Methodology

Each month, beginning in June, 2010, approximately 1,000 live (not automated) telephone interviews with Americans age 18 and older are conducted by Penn Schoen Berland (PSB), in coordination with Fannie Mae. The margin of error for the total sample is ±3.1 percent at the 95 percent confidence level and larger for sub-groups. Data collection occurs over the course of the first three weeks of each month.

Fannie Mae National Housing Survey – Monthly and Quarterly Reports

On a monthly basis, 11 indicators of Americans' attitudes from the monthly survey are released publically. A full report, encompassing all of the questions and a comprehensive sub-group analysis, is released on a quarterly basis.

The quarterly reports combine three monthly studies into one dataset. The three monthly studies that make up any given quarterly report are identical in wording and placement of questions.

Our most current and previous National Housing Survey quarterly reports can be found at: <http://www.fanniemae.com/media/survey/monthly.jhtml>

Sample Design

To ensure that a representative audience is polled, Random Digit Dialing (RDD) is used. RDD telephone sampling has been used for decades to create a representative sample of the U.S. population, and it provides a far more complex and layered than simply dialing numbers across the country randomly. The RDD system used by PSB – the Genesys system – works as follows:

Area codes and exchanges are determined for an area based on a range of geographic and demographic criteria, such as state, Congressional district, county, media market, percent of various minority populations, percent with household income less than \$50,000 per year, etc. Following determination of area codes and exchanges, the final 4 digits of the phone number are created randomly.

The list is then scrubbed against known disconnected numbers and against business numbers to improve accuracy in reaching residences. Demographics are based on U.S. Census Bureau data and PRIZM cluster categorization (updated quarterly), along with geographic exchange information.

Each telephone exchange is rated based on the number of listed households and the population in a particular location, based on U.S. Census Bureau information. The distribution is then weighted to make sure that more numbers are generated where more people reside, so the distribution of phone numbers matches the distribution of people on an exchange-by-exchange basis. Normally this is done to reflect population distribution and also can be set to model a number of other factors, such as age and race distribution.

With RDD, any possible number can be generated, and new movers, unlisted numbers, etc., will be included and contacted – as opposed to a list sample, which cannot include every household currently existing in the area. For more specific sub-audiences, RDD's targeting capabilities are limited. In turn, a list sample is generally used for low incidence audiences.

In recent years, there has been a question regarding whether to dial cell phone numbers in addition to land line numbers in order not to exclude people who have abandoned a traditional land line entirely (approximately 25 percent of U.S. households have given up their land lines). Recent head-to-head comparisons of sample sets, including and excluding cell-phone-only (CPO) households, have shown only a minimal difference between the two. Nonetheless, for the Fannie Mae National Housing Survey, to minimize even that small potential impact, a 25 percent cell-phone-only sample is included for the national audience.

Additionally, on average, 6.3 percent of the interviews are conducted in Spanish each month, using a listed sample, for respondents who speak Spanish only.

Estimates

To improve the accuracy of the estimates and ensure proportionate representation of each category in the estimates, based on U.S. Census Bureau categorization, PSB uses a post-stratification weighting structure covering the following categories:

- Gender (Male, Female)
- Age (18-20, 21-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-75, 75+)
- Ethnicity (White, African American, Hispanic, Asian, American Indian, Other)
- Household Income (<\$10,000, \$10,000-\$14,999, \$15,000-\$24,999, \$25,000-\$34,999, \$35,000-\$49,999, \$50,000-\$74,999, \$75,000-\$99,999, \$100,000-\$149,999, \$150,000-\$199,999, \$200,000+)
- Education (<High School, High School Degree, Some College/Associates Degree, College Graduate, Post Graduate Degree)

- Urbanicity (Suburban, Rural, Urban)

The post-stratification weighting uses an iterative proportional fitting technique for balancing sample weights simultaneously across several different population control groups. This technique ensures that sample-based estimates of the household population categories match the independent U.S. Census population controls within ± 1 percent.

The statistics in this release are estimated from sample surveys and are subject to sampling variability as well as non-sampling error, including bias and variance from response, non-reporting, and under-coverage.

Survey Questions

The questions presented in the Fannie Mae National Housing Survey Monthly Report are below, and are printed exactly as they are asked in the survey. Please note that in the quarterly reports, all of the questions appear in the report exactly as they are asked in the survey.

Expected home price and home rental price changes are calculated by creating an average of all responses, using a 0 percent change for those respondents who say that home prices would stay the same, and excluding outliers beyond two standard deviations.

Question: During the next 12 months, do you think home prices in general will go up, go down, or stay the same as where they are now?

- 1) Prices will go up
- 2) Prices will go down
- 3) Prices will remain about the same
- 4) Don't know **VOLUNTEERED**

Question: IF SELECT HOME PRICES WILL GO DOWN: By about what percent do you think home prices in general will go down on the average over the next 12 months?
OPEN END NUMERIC

Question: IF SELECT HOME PRICES WILL GO UP: By about what percent do you think home prices in general will go up on the average over the next 12 months? OPEN END NUMERIC

Question: During the next 12 months, do you think home mortgage interest rates will go up, go down, or stay the same as where they are now?

- 1) Rates will go up
- 2) Rates will go down
- 3) Rates will remain about the same
- 4) Don't know **VOLUNTEERED**

Question: In general, do you think this is a very good time to buy a house, a somewhat good time, a somewhat bad time, or a very bad time to buy a house?

- 1) Very good time
- 2) Somewhat good time
- 3) Somewhat bad time
- 4) Very bad time
- 5) Don't know **VOLUNTEERED**

Question: In general, do you think this is a very good time to sell a house, a somewhat good time, a somewhat bad time, or a very bad time to sell a house?

- 1) Very good time
- 2) Somewhat good time
- 3) Somewhat bad time

- 4) Very bad time
- 5) Don't know **VOLUNTEERED**

Question: During the next 12 months, do you think home rental prices in general will go up, go down, or stay the same as where they are now?

- 1) Prices will go up
- 2) Prices will go down
- 3) Prices will remain about the same
- 4) Don't know **VOLUNTEERED**

Question: IF SELECT HOME RENTAL PRICES WILL GO DOWN: By about what percent do you think home rental prices in general will go down on the average over the next 12 months? OPEN END NUMERIC

Question: IF SELECT HOME RENTAL PRICES WILL GO UP: By about what percent do you think home rental prices in general will go up on the average over the next 12 months? OPEN END NUMERIC

Question: If you were going to move, would you be more likely to: READ CHOICES, RANDOM ROTATE CHOICES

- 1) Rent
- 2) Buy
- 3) Don't know **VOLUNTEERED**

Question: Looking ahead one year, do you expect your personal financial situation to get much better, somewhat better, stay about the same, get somewhat worse, or get much worse?

- 1) Much better

- 2) Somewhat better
- 3) Stay about the same
- 4) Somewhat worse
- 5) Much worse
- 6) Don't know **VOLUNTEERED**

Question: How does your current monthly household income compare to what it was 12 months ago? Would you say it is: READ CHOICES

- 1) Significantly higher now
- 2) About the same vs. 12 months ago
- 3) Significantly lower now
- 4) Don't know **VOLUNTEERED**

Question: How do your current monthly household expenses compare to what they were 12 months ago? Would you say they are: READ CHOICES

- 1) Significantly higher now
- 2) About the same vs. 12 months ago
- 3) Significantly lower now
- 4) Don't know **VOLUNTEERED**

Note that on each question presented in this release, respondents have the option to answer "don't know" (volunteered), which is why, in some cases the total percentage presented in the report may not equal 100.

Release Date

The Fannie Mae National Housing Survey Monthly Report will be released on or around the 7th day of every month.

For more information about the Fannie Mae National Housing Survey monthly and quarterly reports, please visit: <http://www.fanniemae.com/media/survey/monthly.jhtml>