

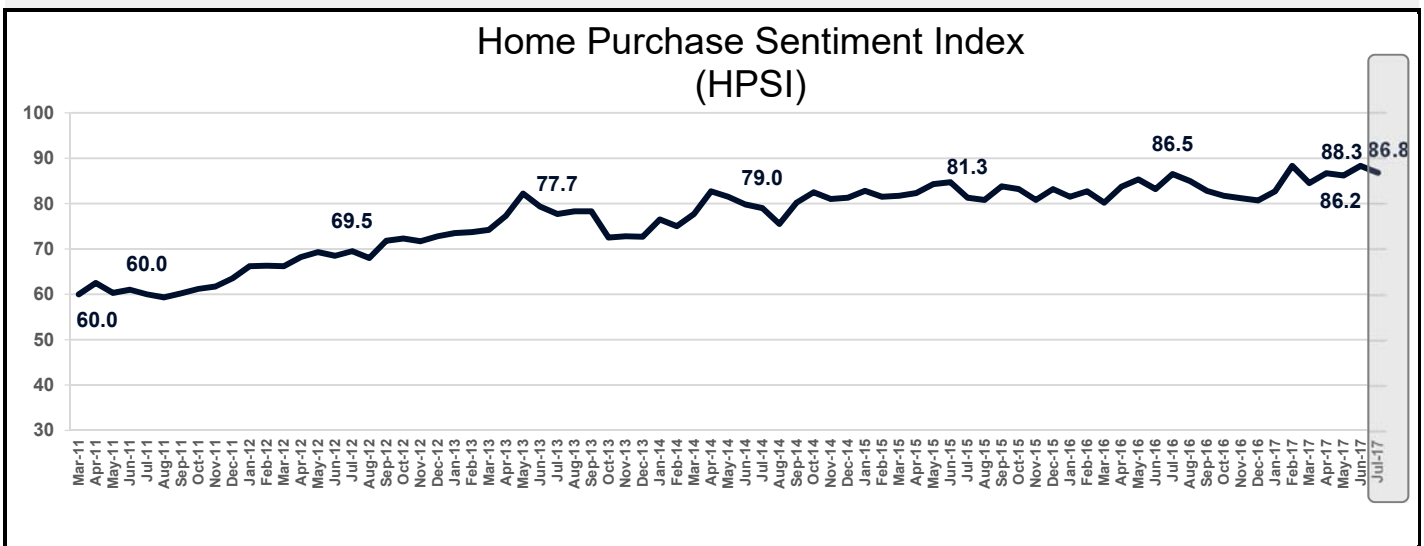


July 2017 Data Release

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 1.5 points from last month's all-time high to 86.8 in July.



Components of the HPSI

The decrease in the HPSI can be attributed to the decreases in three of the six HPSI components, which were larger than the two increases. The decreases were in “Good Time to Sell” (-11), “Good Time to Buy” (-7), and “Household Income Is Significantly Higher” (-1).

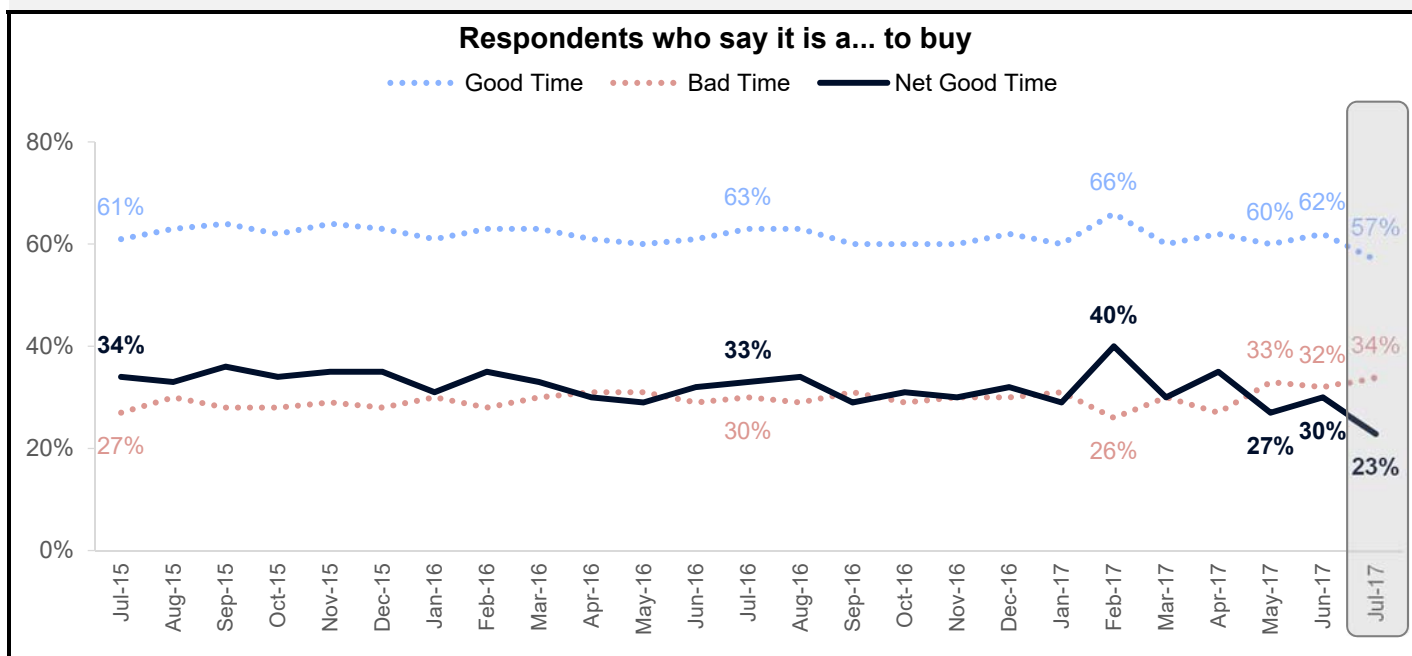
	July 2017*	Change Since Last Month	Change Since Last Year
July 2017 HPSI	86.8	-1.5	+0.3
Good Time To Buy	23	-7	-10
Good Time To Sell	28	-11	+8
Home Prices Will Go Up (next 12 months)	47	+1	+6
Mortgage Rates Will Go Down (next 12 months)	-49	0	-13
Confidence About Not Losing Job (next 12 months)	75	+9	+6
Household Income Is Significantly Higher (past 12 months)	16	-1	+5

* Net percentages of the component questions used to calculate HPSI, e.g. (Percent Good Time to Buy – Percent Bad Time to Buy) = 23

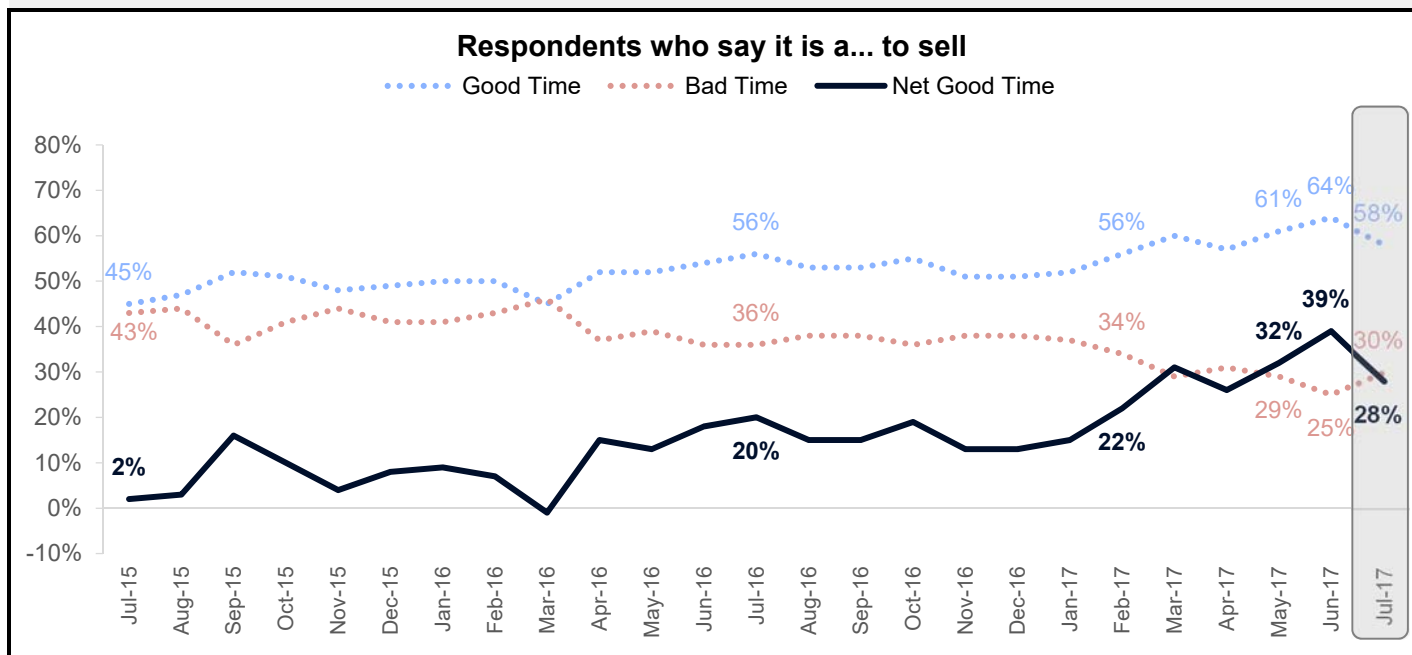


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

The net share of Americans who say it is a good time to buy a home fell 7 percentage points to 23%, reaching a new survey low, with the share who say it's a bad time to buy and the share who say it's a good time to buy reaching a new survey high and low, respectively.



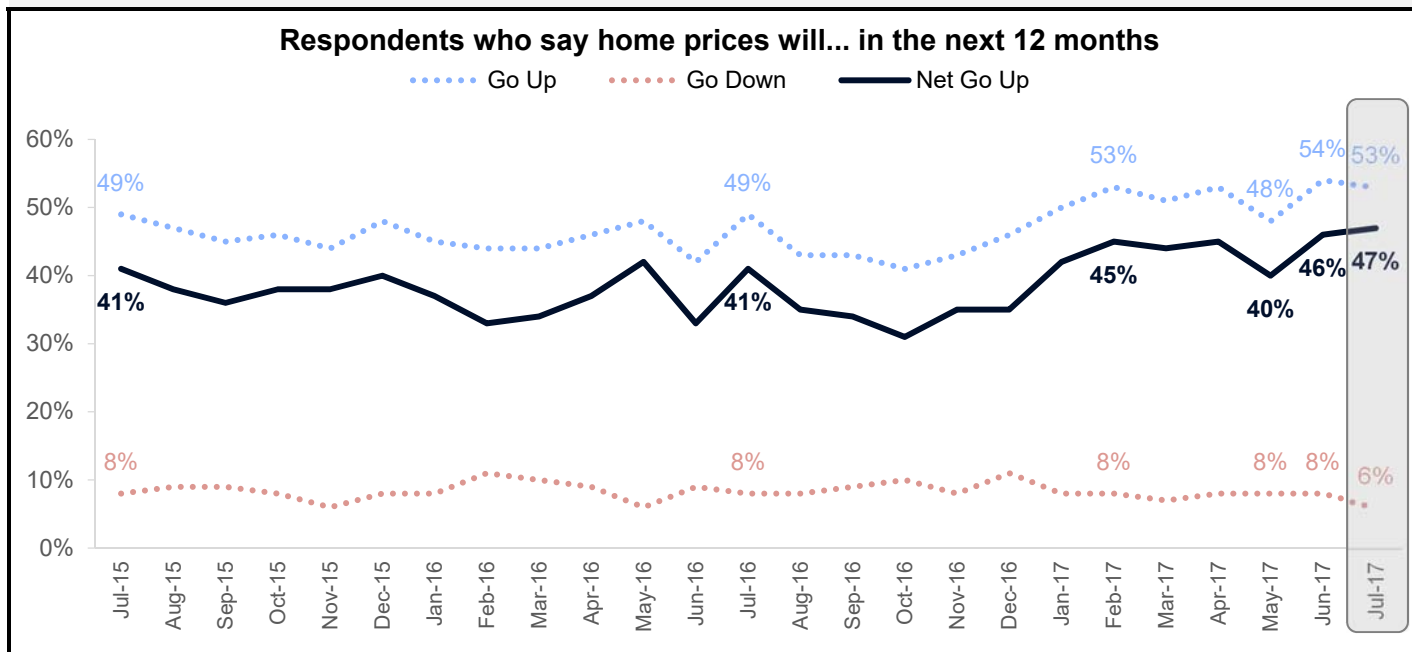
In July, the net percentage of those who say it is a good time to sell decreased by 11 percentage points to 28% after reaching a survey high in June.



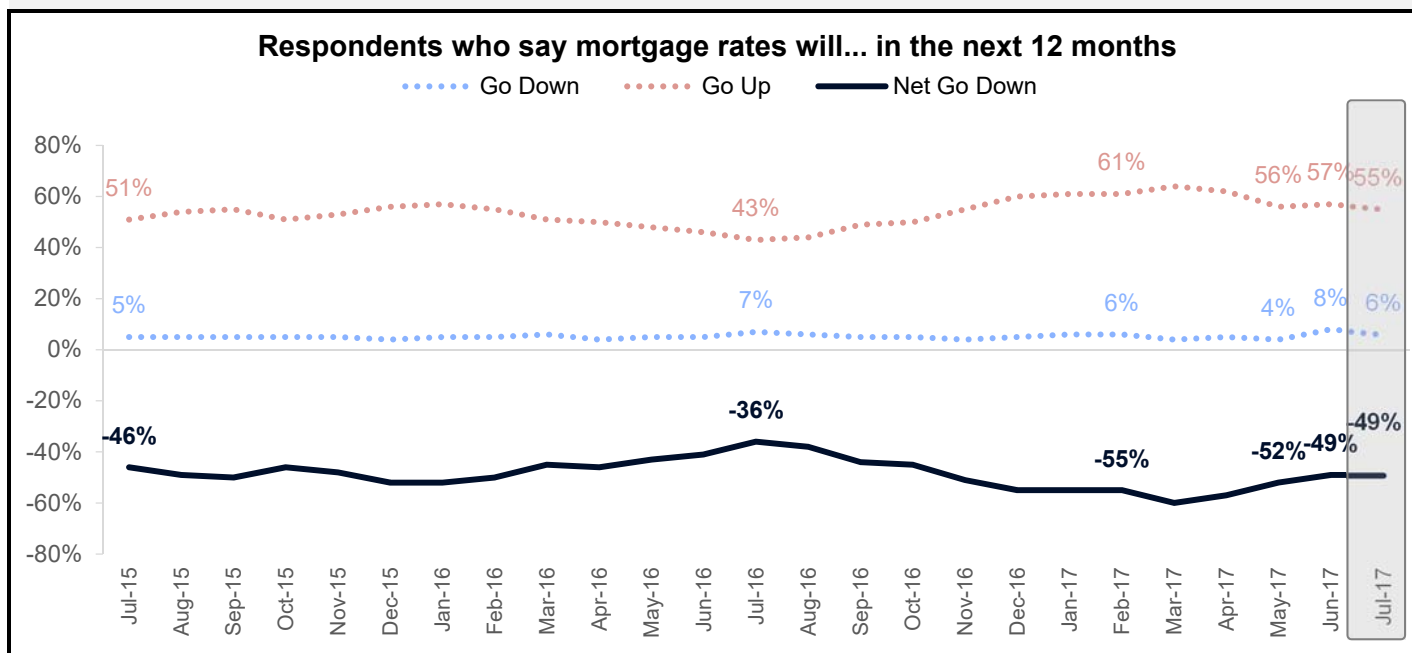


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say that home prices will go up increased by 1 percentage point in July to 47%, following the upward trend from last month.



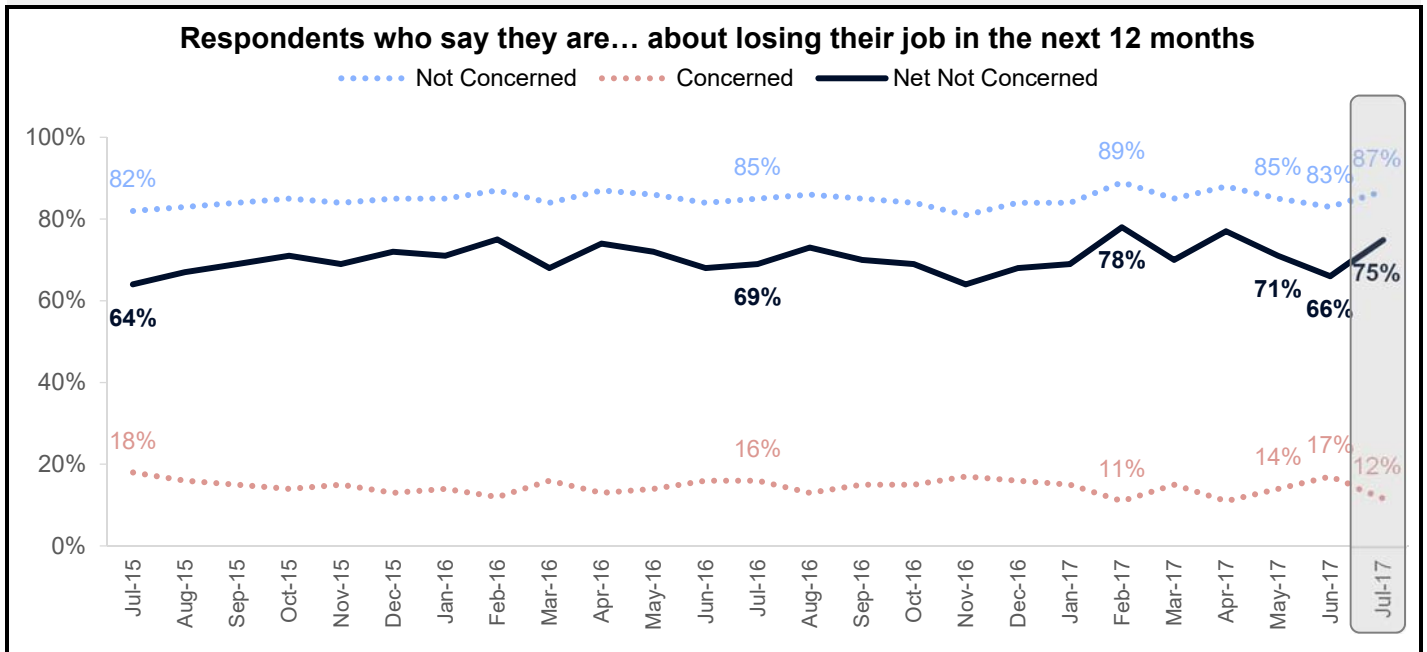
The net share of those who say mortgage rates will go down over the next twelve months remained the same at -49%.



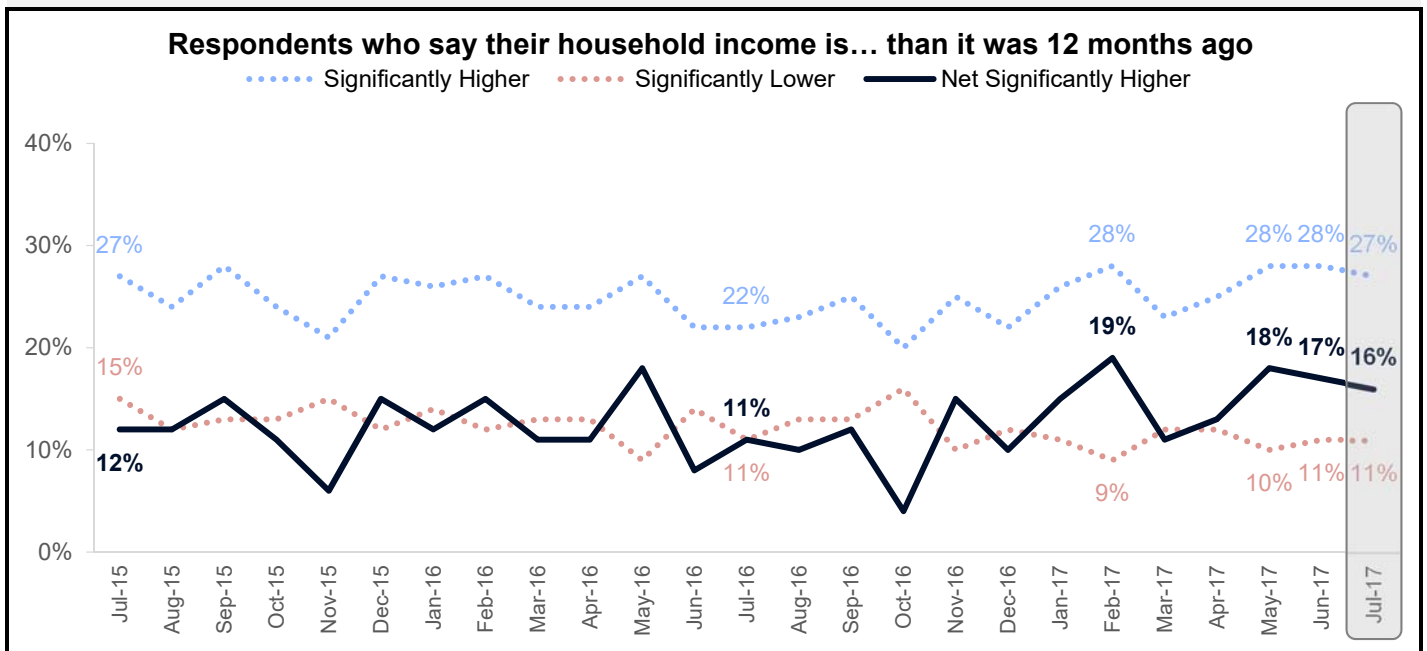


Components of the HPSI – Job Concerns and Household Incomes

The net share of Americans who say they are not concerned about losing their job rose by 9 percentage points to 75%, reversing the decrease from last month.



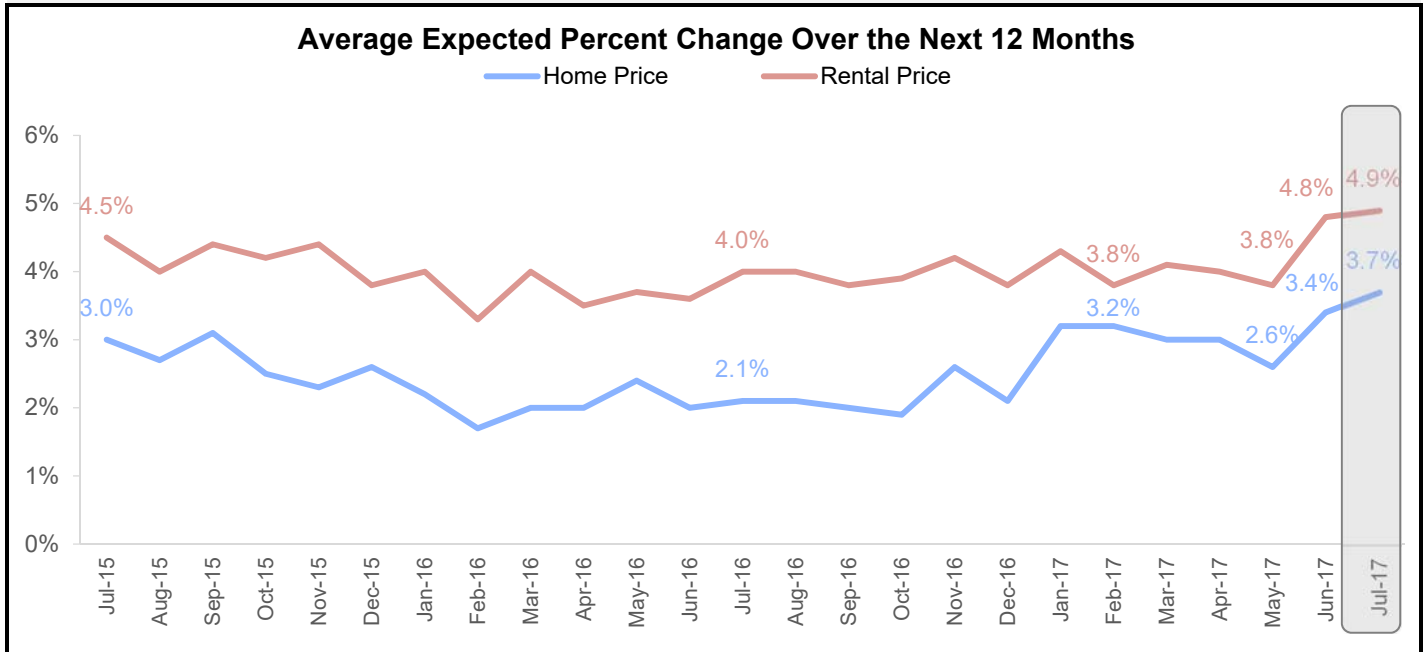
The net share of Americans who say their household income is significantly higher than it was 12 months ago continued to decrease, falling 1 percentage point in July to 16%.



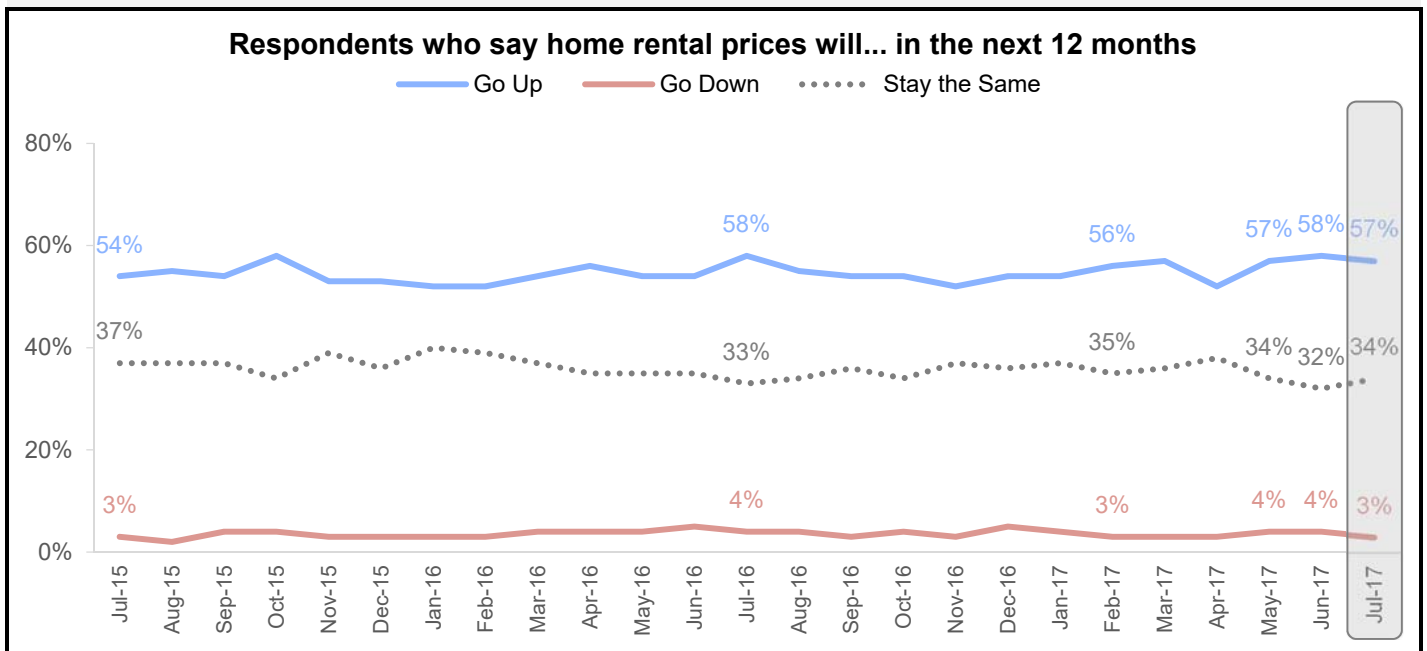


Additional National Housing Survey Key Indicators

On average, Americans expect rental prices to rise 4.9% over the next 12 months, an increase of 0.1% since last month, marking a new survey high. They expect home prices to rise 3.7% over the next 12 months.



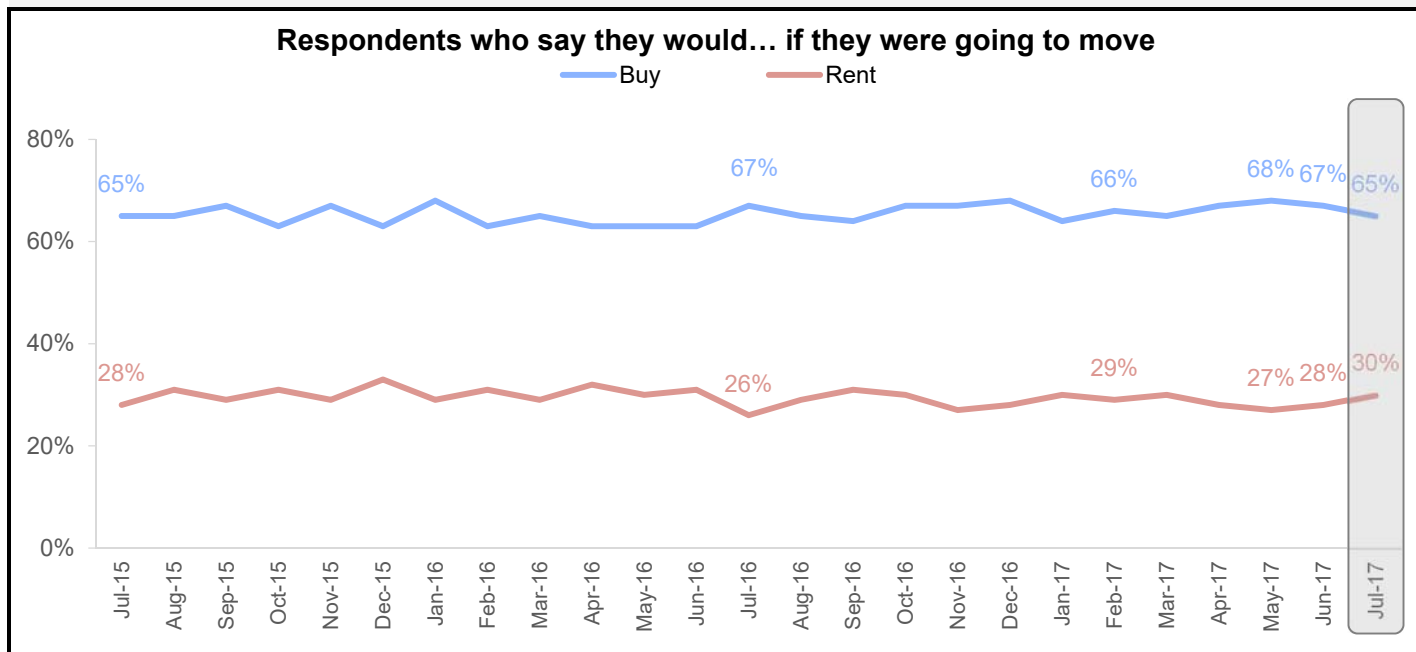
The percentage of Americans who expect home rental prices to go up fell by 1 percentage point to 57%, while the share of Americans who expect home rental prices to go down also fell by 1 percentage point to 3%.



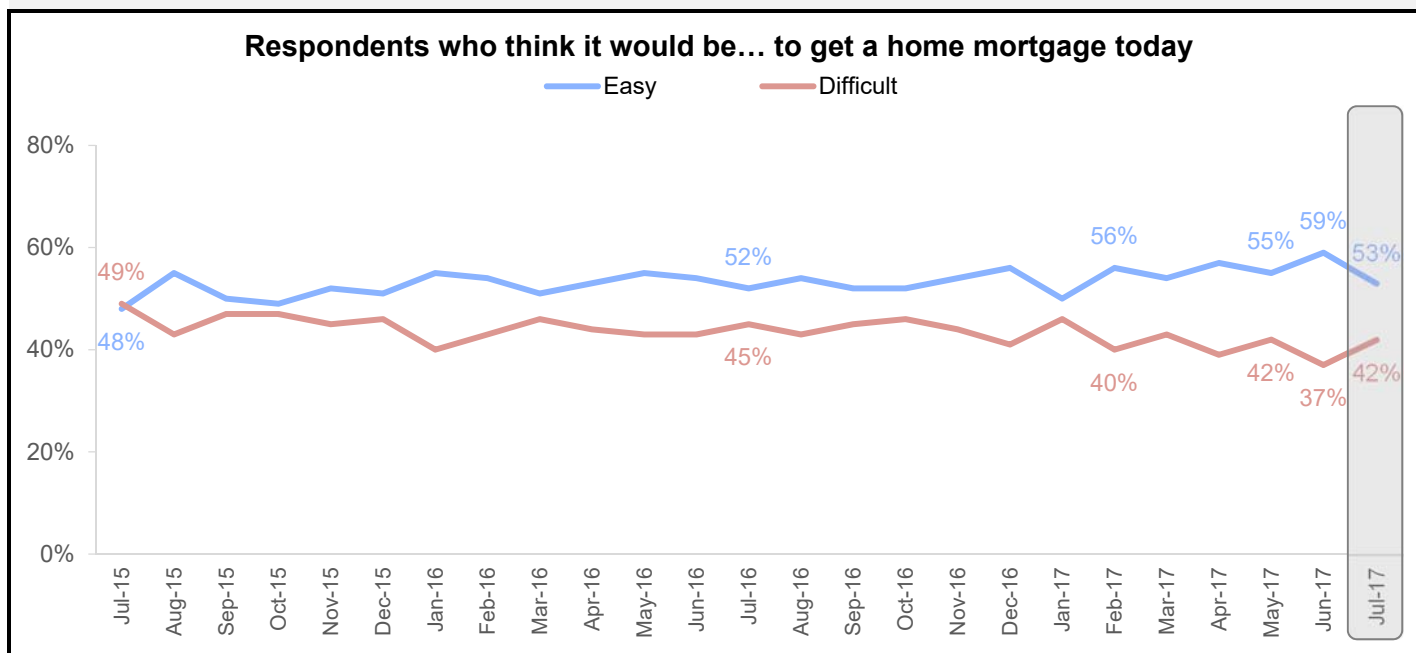


Additional National Housing Survey Key Indicators

The share of Americans who would buy if they were going to move fell 2 percentage points to 65%, while the share who would rent rose 2 percentage points to 30%.



The share of Americans who say getting a mortgage would be easy fell by 6 percentage points to 53%, while the share who say it would be difficult rose by 5 percentage points to 42%.

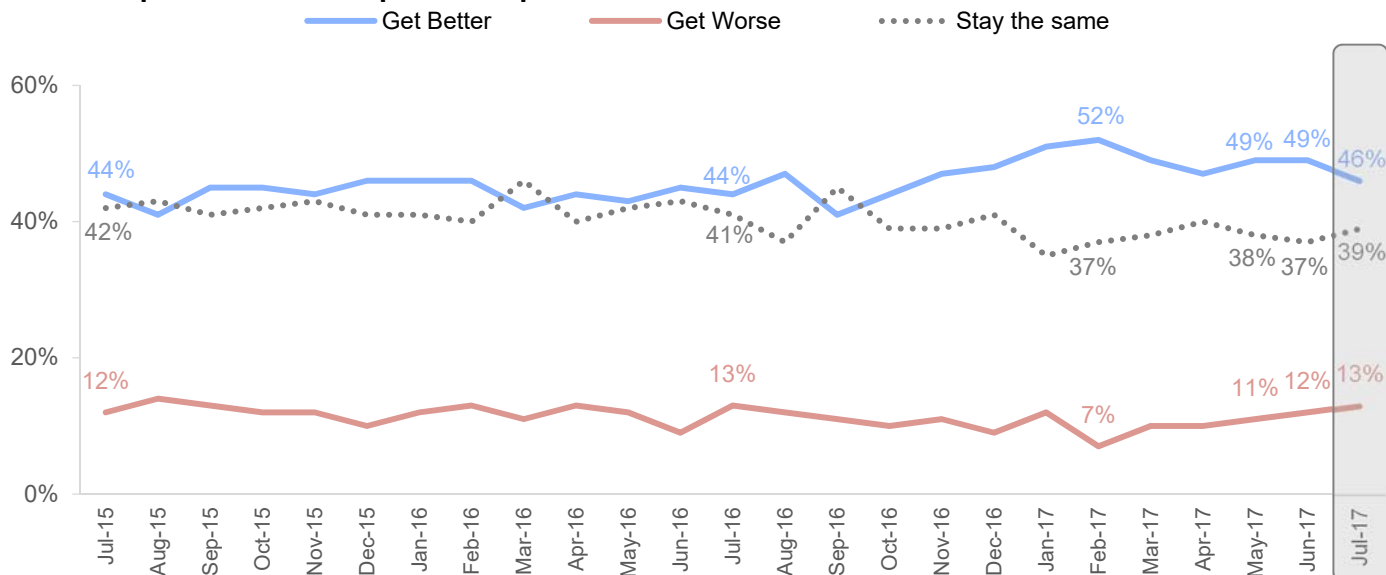




Additional National Housing Survey Key Indicators

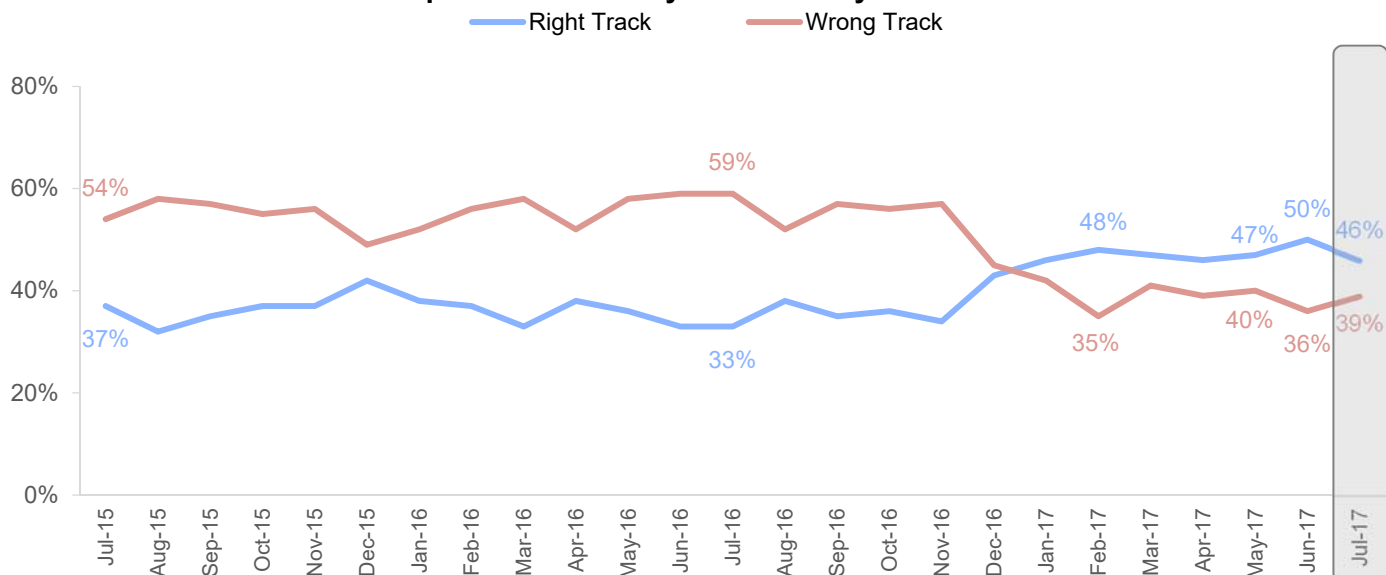
The share of Americans who expect their personal financial situation to get better fell by 3 percentage points to 46%, and the share who expect it to stay the same increased by 2 percentage points to 39%. The share who expect it to get worse over the next 12 months continued to rise, rising by 1 percentage point to 13%.

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 by 4 percentage points to 46%. The share of Americans who say the economy is on the wrong track increased by 3 percentage points to 39%, narrowing the gap between right track and wrong track.

Respondents who say the economy is on the...





The National Housing Survey®

July 2017

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 July 1, 2017 and July 23, 2017. 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 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
$HPSI = \frac{Q12 + Q13 + Q15 + Q20B + Q112B + Q116}{6} + 63.5$	
<small>* 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</small>	

Time Series Data: <http://fanniemae.com/resources/file/research/housingsurvey/xls/nhs-monthly-indicator-data-080717.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 2016	86.5
August 2016	85.0
September 2016	82.8
October 2016	81.7
November 2016	81.2
December 2016	80.7
January 2017	82.7
February 2017	88.3
March 2017	84.5
April 2017	86.7
May 2017	86.2
June 2017	88.3
July 2017	86.8

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 2016	63	30	33
August 2016	63	29	34
September 2016	60	31	29
October 2016	60	29	31
November 2016	60	30	30
December 2016	62	30	32
January 2017	60	31	29
February 2017	66	26	40
March 2017	60	30	30
April 2017	62	27	35
May 2017	60	33	27
June 2017	62	32	30
July 2017	57	34	23



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 2016	56	36	20
August 2016	53	38	15
September 2016	53	38	15
October 2016	55	36	19
November 2016	51	38	13
December 2016	51	38	13
January 2017	52	37	15
February 2017	56	34	22
March 2017	60	29	31
April 2017	57	31	26
May 2017	61	29	32
June 2017	64	25	39
July 2017	58	30	28

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 2016	49	8	41
August 2016	43	8	35
September 2016	43	9	34
October 2016	41	10	31
November 2016	43	8	35
December 2016	46	11	35
January 2017	50	8	42
February 2017	53	8	45
March 2017	51	7	44
April 2017	53	8	45
May 2017	48	8	40
June 2017	54	8	46
July 2017	53	6	47



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 2016	43	7	-36
August 2016	44	6	-38
September 2016	49	5	-44
October 2016	50	5	-45
November 2016	55	4	-51
December 2016	60	5	-55
January 2017	61	6	-55
February 2017	61	6	-55
March 2017	64	4	-60
April 2017	62	5	-57
May 2017	56	4	-52
June 2017	57	8	-49
July 2017	55	6	-49

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

	% Concerned	% Not Concerned	Net % Not Concerned
July 2016	16	85	69
August 2016	13	86	73
September 2016	15	85	70
October 2016	15	84	69
November 2016	17	81	64
December 2016	16	84	68
January 2017	15	84	69
February 2017	11	89	78
March 2017	15	85	70
April 2017	11	88	77
May 2017	14	85	71
June 2017	17	83	66
July 2017	12	87	75



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 2016	22	11	11
August 2016	23	13	10
September 2016	25	13	12
October 2016	20	16	4
November 2016	25	10	15
December 2016	22	12	10
January 2017	26	11	15
February 2017	28	9	19
March 2017	23	12	11
April 2017	25	12	13
May 2017	28	10	18
June 2017	28	11	17
July 2017	27	11	16

Average home/rental price change expectation

	% Home Price Change	% Rental Price Change
July 2016	2.1	4.0
August 2016	2.1	4.0
September 2016	2.0	3.8
October 2016	1.9	3.9
November 2016	2.6	4.2
December 2016	2.1	3.8
January 2017	3.2	4.3
February 2017	3.2	3.8
March 2017	3.0	4.1
April 2017	3.0	4.0
May 2017	2.6	3.8
June 2017	3.4	4.8
July 2017	3.7	4.9



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 2016	58	4	33
August 2016	55	4	34
September 2016	54	3	36
October 2016	54	4	34
November 2016	52	3	37
December 2016	54	5	36
January 2017	54	4	37
February 2017	56	3	35
March 2017	57	3	36
April 2017	52	3	38
May 2017	57	4	34
June 2017	58	4	32
July 2017	57	3	34

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

	% Buy	% Rent
July 2016	67	26
August 2016	65	29
September 2016	64	31
October 2016	67	30
November 2016	67	27
December 2016	68	28
January 2017	64	30
February 2017	66	29
March 2017	65	30
April 2017	67	28
May 2017	68	27
June 2017	67	28
July 2017	65	30



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

	% Difficult	% Easy
July 2016	45	52
August 2016	43	54
September 2016	45	52
October 2016	46	52
November 2016	44	54
December 2016	41	56
January 2017	46	50
February 2017	40	56
March 2017	43	54
April 2017	39	57
May 2017	42	55
June 2017	37	59
July 2017	42	53

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 2016	44	13	41
August 2016	47	12	37
September 2016	41	11	45
October 2016	44	10	39
November 2016	47	11	39
December 2016	48	9	41
January 2017	51	12	35
February 2017	52	7	37
March 2017	49	10	38
April 2017	47	10	40
May 2017	49	11	38
June 2017	49	12	37
July 2017	46	13	39



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

	% Right Track	% Wrong Track
July 2016	33	59
August 2016	38	52
September 2016	35	57
October 2016	36	56
November 2016	34	57
December 2016	43	45
January 2017	46	42
February 2017	48	35
March 2017	47	41
April 2017	46	39
May 2017	47	40
June 2017	50	36
July 2017	46	39