

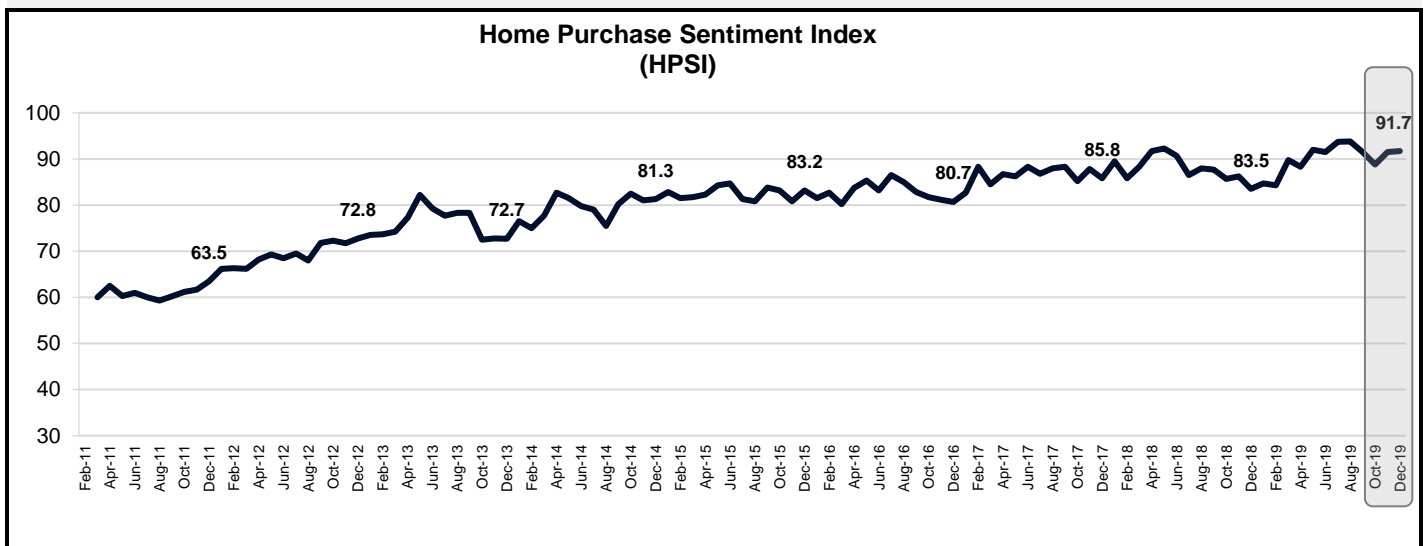


December 2019 Data Release

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 0.2 points to 91.7 in December, continuing the increase from last month.



Components of the HPSI

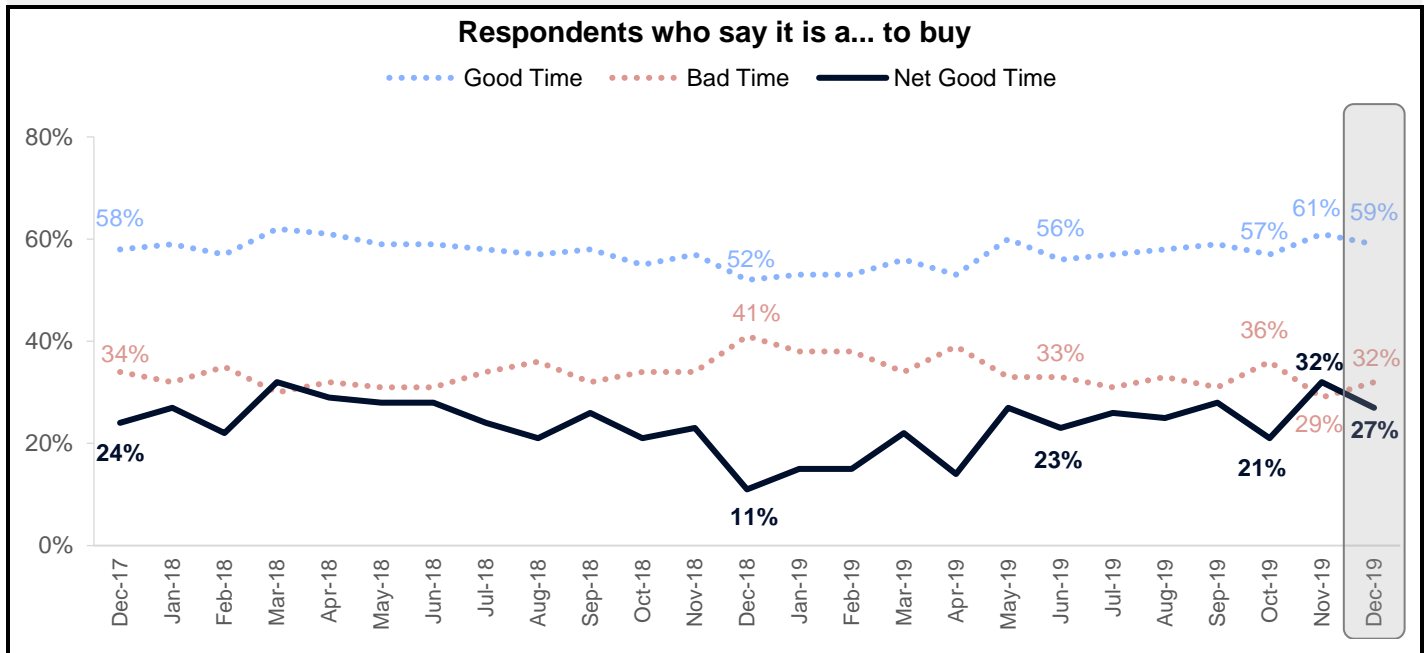
The increase in the HPSI can be attributed to net increases in three components: Home Price Outlook, Selling Conditions, and Job Loss Concern. Buying Conditions, Mortgage Rate Outlook, and Change in Household Income decreased.

	December 2019			Net Change	
	Good Time	Bad Time	Net Good Time to Buy	MoM	YoY
Buying Conditions	59%	32%	27%	-5	+16
Selling Conditions	65%	22%	43%	+3	+7
Home Price Outlook (next 12 months)	50%	10%	40%	+6	+9
Mortgage Rate Outlook (next 12 months)	7%	39%	-32%	-4	+24
Job Loss Concern (next 12 months)	86%	12%	74%	+2	-5
Change in Household Income (past 12 months)	28%	11%	17%	-1	-2

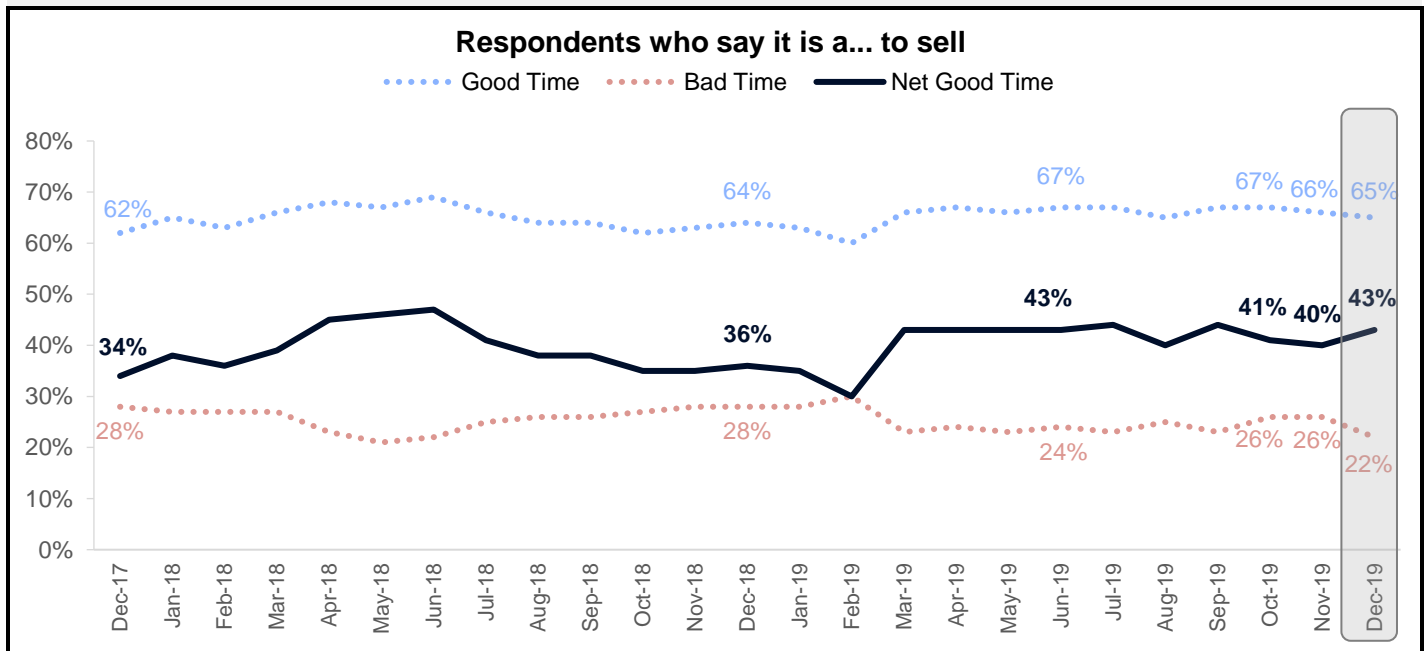


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

In December, the net share of Americans who say it is a good time to buy decreased 5 percentage points.



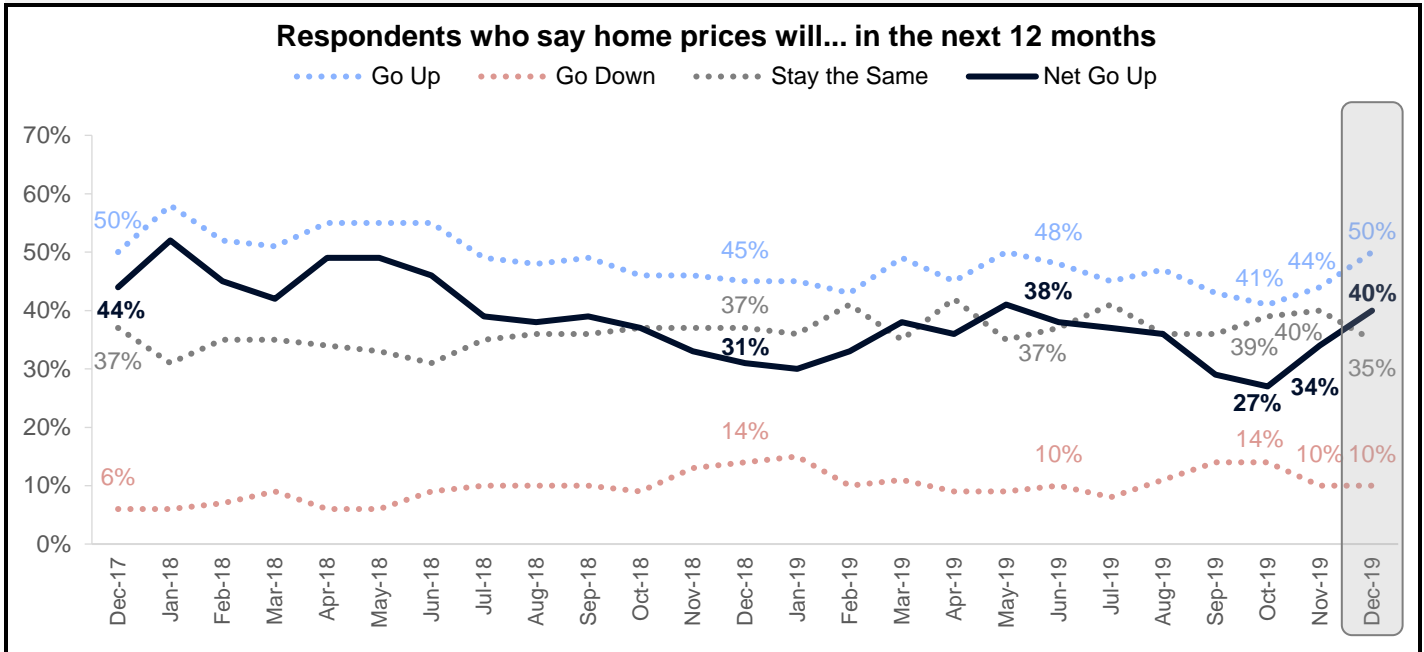
The net percentage of those who say it is a good time to sell rose by 3 percentage points.



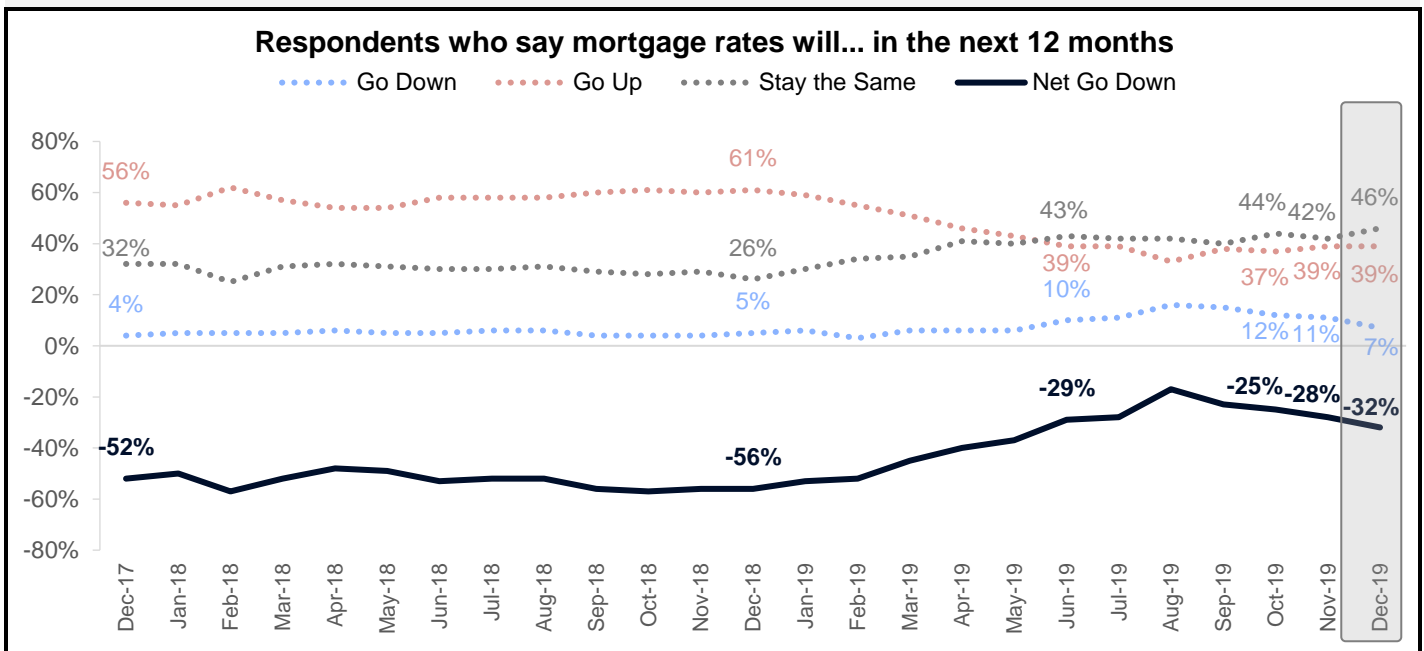


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say home prices will go up rose 6 percentage points, continuing the increase from last month.



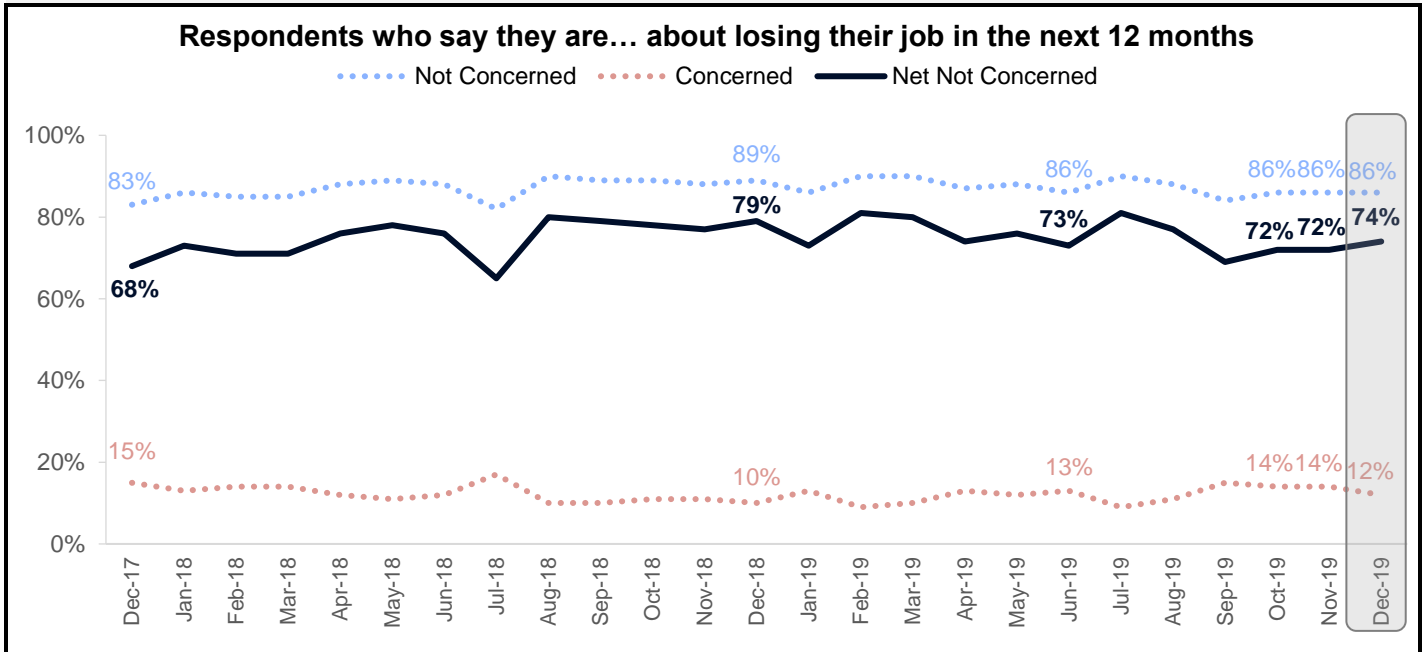
This month, the net share of those who say mortgage rates will go down over the next 12 months fell 4 percentage points.



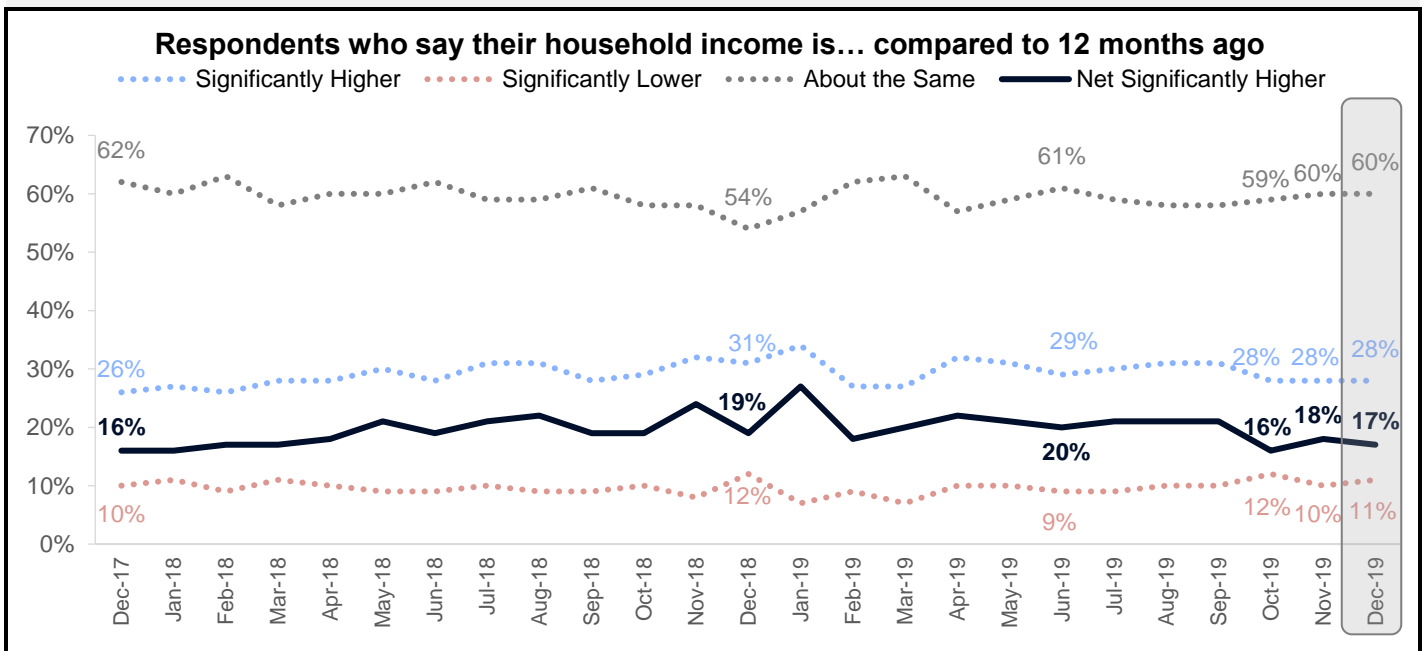


Components of the HPSI – Job Concerns and Household Incomes

The net share of Americans who say they are not concerned about losing their job rose 2 percentage points.



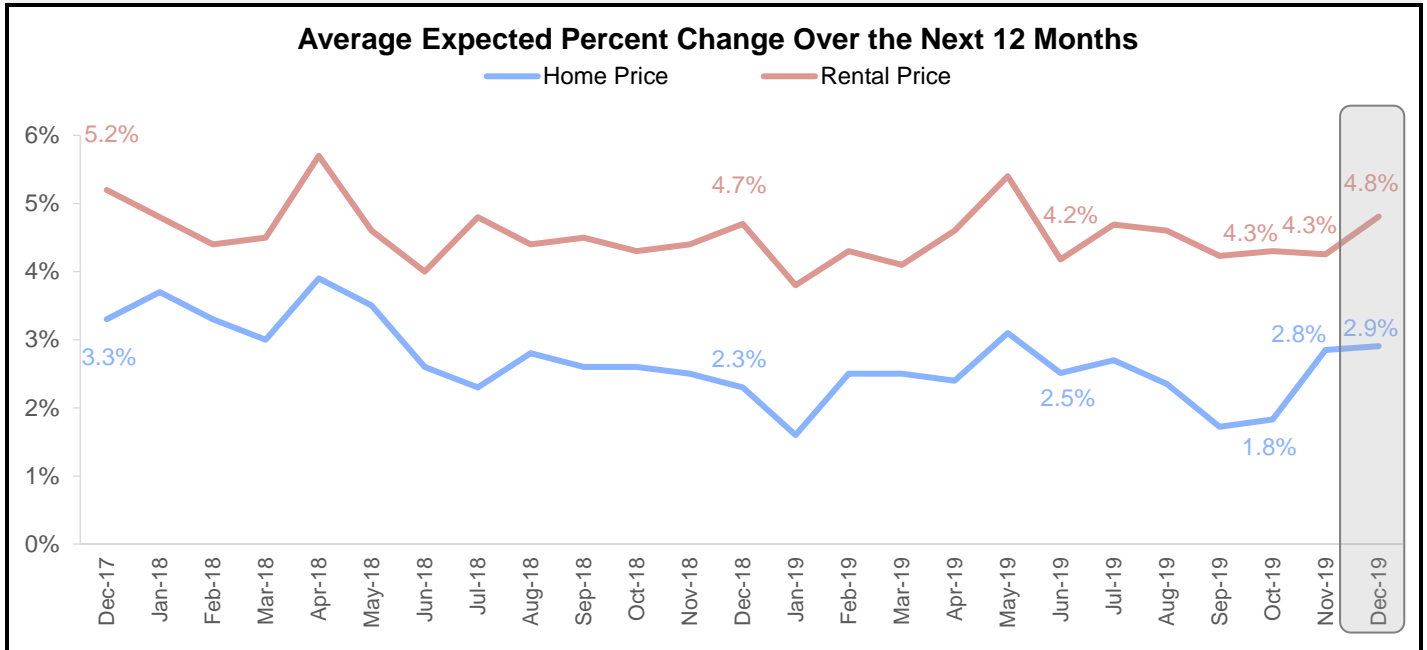
In December, the net share of those who say their household income is significantly higher than it was 12 months ago fell 1 percentage point.



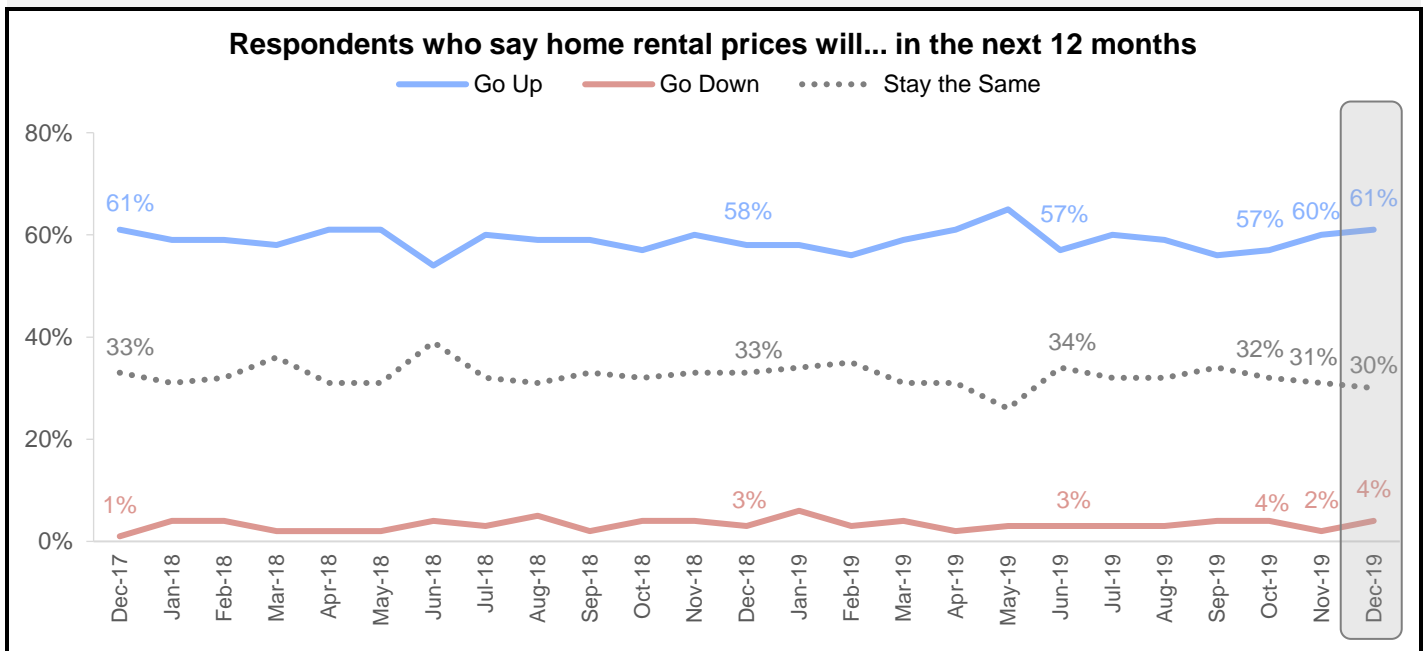


Additional National Housing Survey Key Indicators

On average, Americans expect rental prices to increase 4.8% over the next 12 months, 0.5 percentage points higher than last month. They expect home prices to rise 2.9% over the next 12 months, a 0.1 percentage point increase.



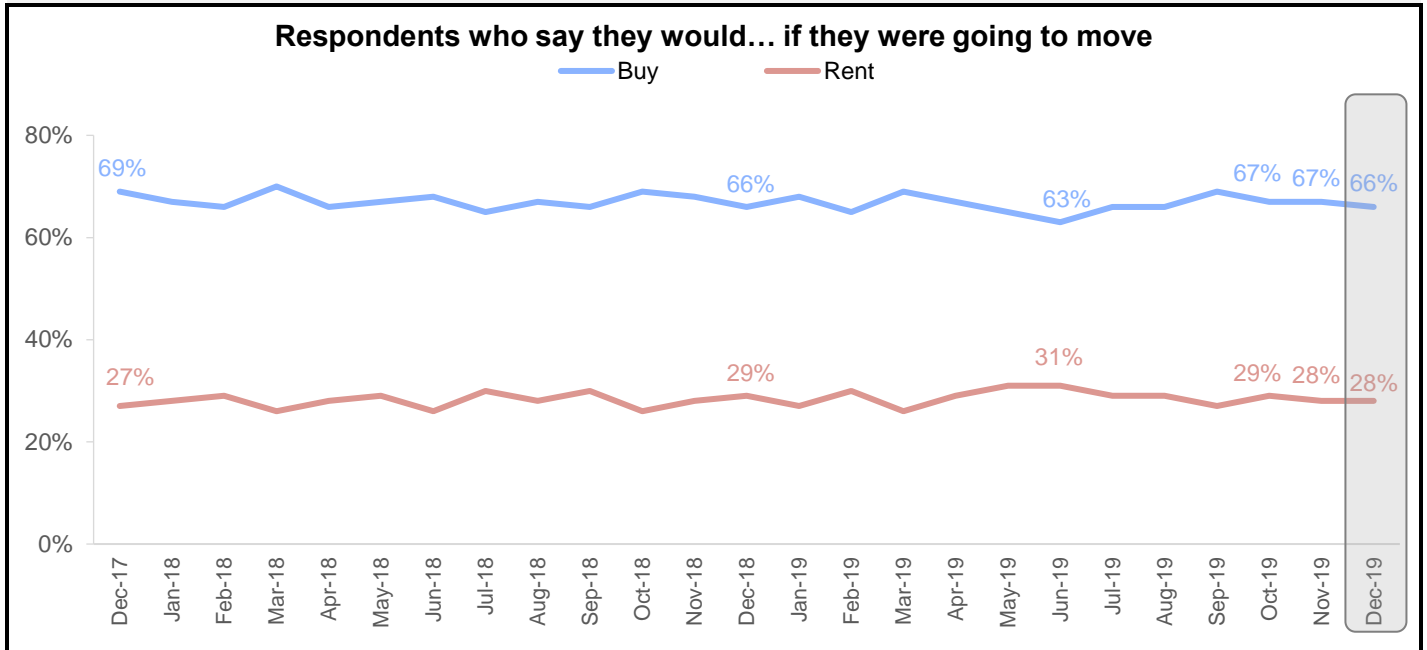
The share of Americans who expect home rental prices to go up rose 1 percentage point from last month to 61%, while the share who expect them to stay the same fell 1 percentage point to 30%.



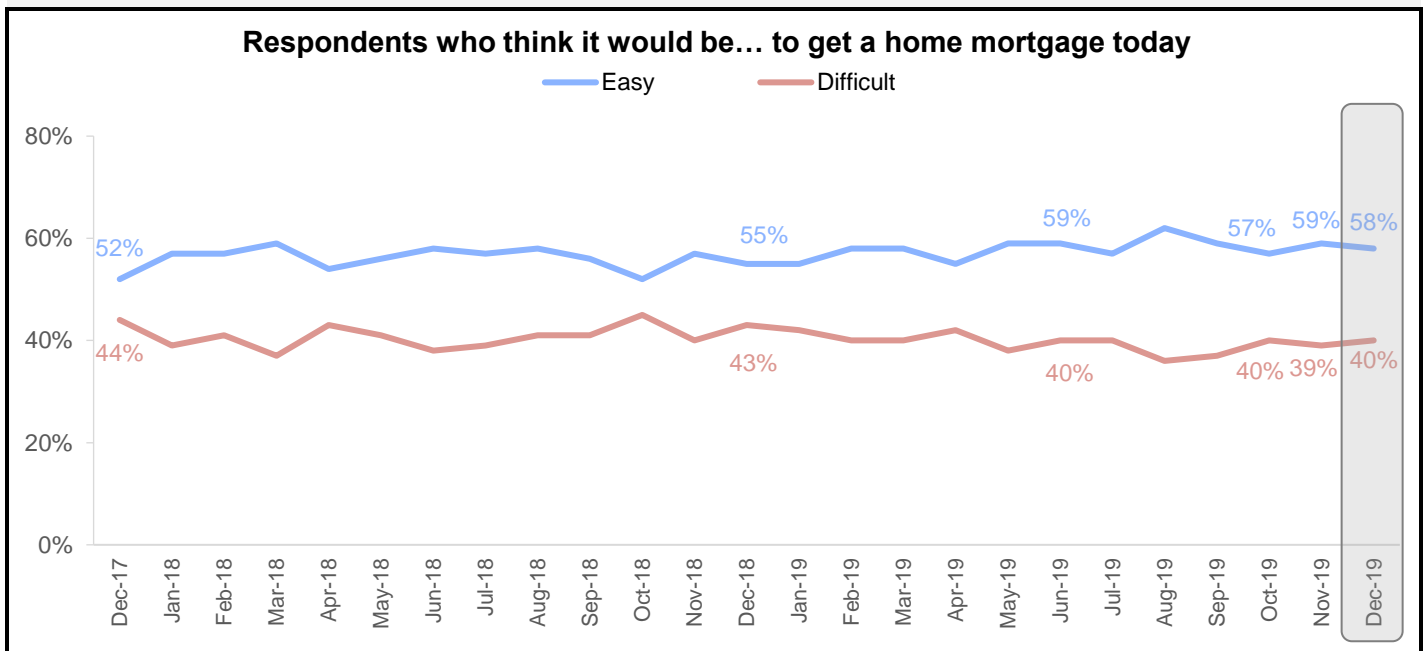


Additional National Housing Survey Key Indicators

The share of Americans who say they would buy if they were going to move fell 1 percentage point to 66%, and the share who say they would rent remained at 28%.



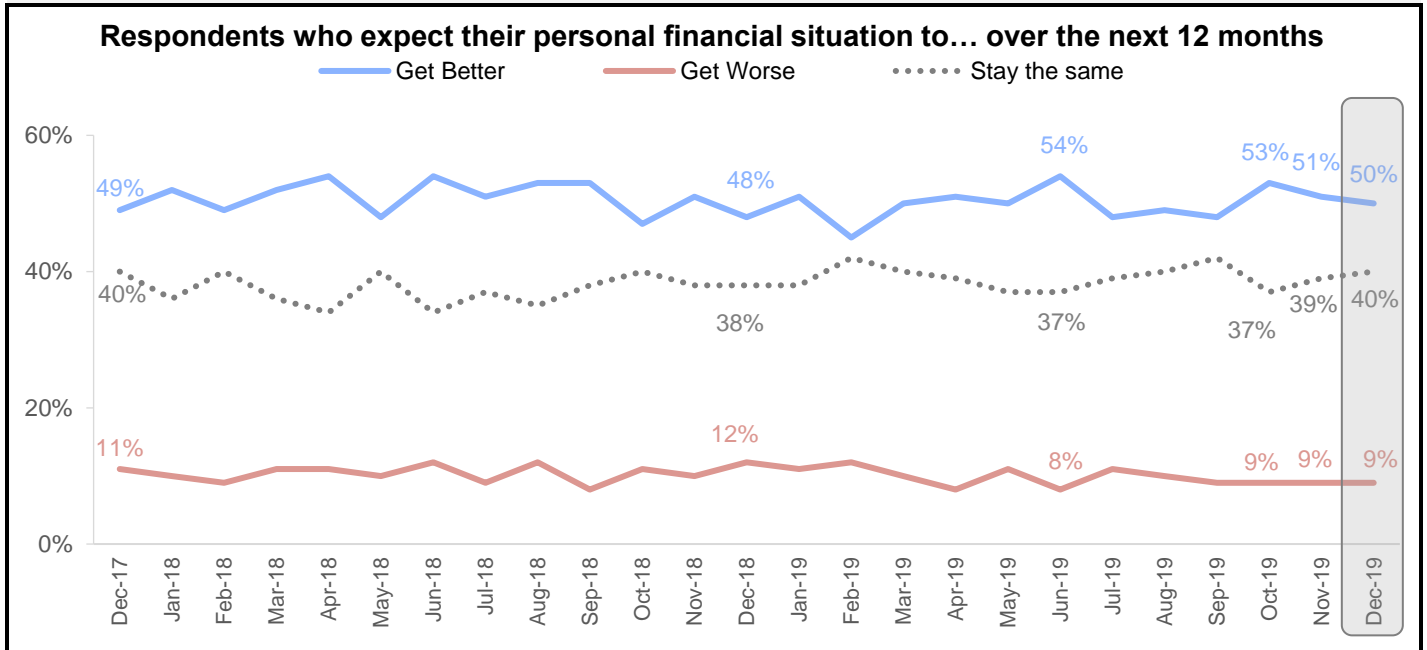
The share of Americans who say getting a mortgage would be easy fell 1 percentage point from last month to 58%, while the share of those who say it would be difficult rose 1 percentage point to 40%.



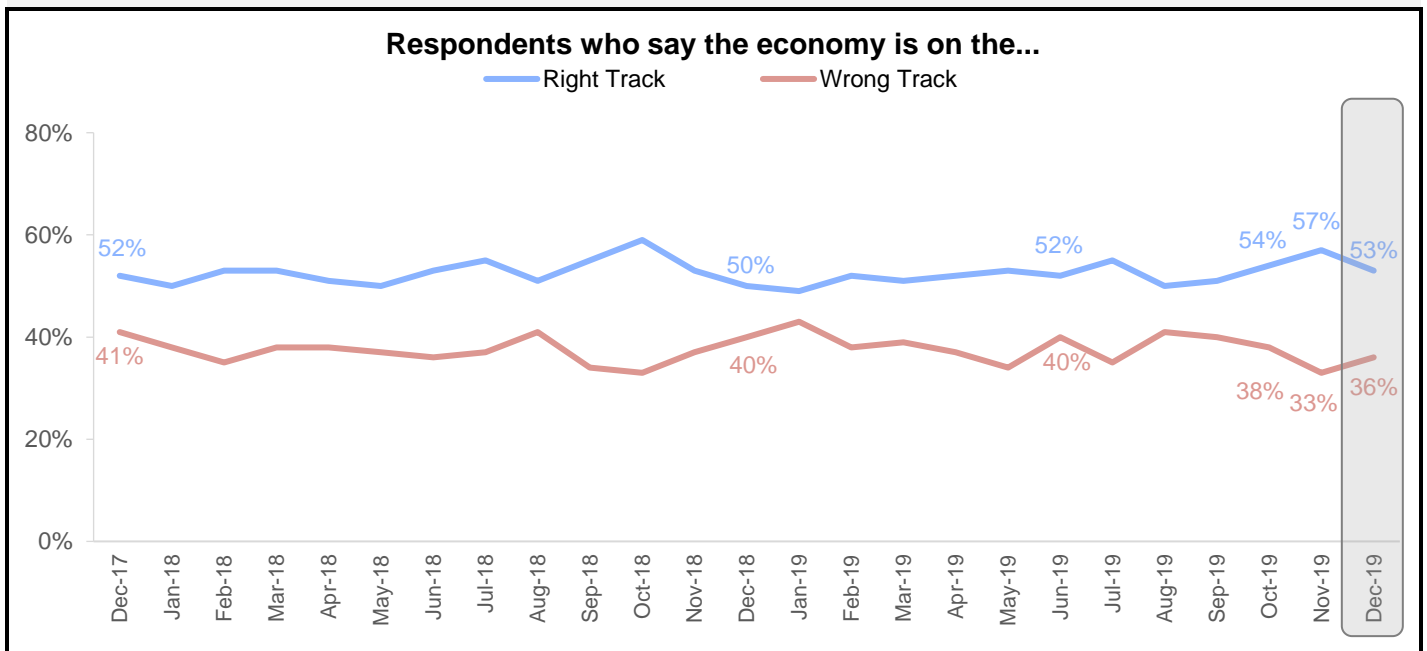


Additional National Housing Survey Key Indicators

The share of Americans who expect their personal financial situations to get better fell 1 percentage point to 50%. The share who expect it to stay the same rose 1 percentage point to 40%, while the share who expect it to get worse remained at 9%.



The share of Americans who say the economy is on the right track fell by 4 percentage points to 53% while the share who say it is on the wrong track rose by 3 percentage points to 36%.





The National Housing Survey®

December 2019

APPENDIX

About the Survey

The National Housing Survey® polled a nationally representative sample of 1,001 household financial decision makers (margin of error ±3.1%) aged 18 and older between December 1, 2019 and December 19, 2019. Most of the data collection occurred during the first two weeks of this period.

Interviews were conducted by PSB, 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
$HPSI = \frac{Q12 + Q13 + Q15 + Q20B + Q112B + Q116}{6} + 63.5$	
* 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://fanniemae.com/resources/file/research/housingsurvey/xls/nhs-monthly-indicator-data-010720.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

December 2018	83.5
January 2019	84.7
February 2019	84.3
March 2019	89.8
April 2019	88.3
May 2019	92.0
June 2019	91.5
July 2019	93.7
August 2019	93.8
September 2019	91.5
October 2019	88.8
November 2019	91.5
December 2019	91.7

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 2018	52	41	11
January 2019	53	38	15
February 2019	53	38	15
March 2019	56	34	22
April 2019	53	39	14
May 2019	60	33	27
June 2019	56	33	23
July 2019	57	31	26
August 2019	58	33	25
September 2019	59	31	28
October 2019	57	36	21
November 2019	61	29	32
December 2019	59	32	27



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 2018	64	28	36
January 2019	63	28	35
February 2019	60	30	30
March 2019	66	23	43
April 2019	67	24	43
May 2019	66	23	43
June 2019	67	24	43
July 2019	67	23	44
August 2019	65	25	40
September 2019	67	23	44
October 2019	67	26	41
November 2019	66	26	40
December 2019	65	22	43

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	% Stay the Same	Net % Prices Will Go Up
December 2018	45	14	37	31
January 2019	45	15	36	30
February 2019	43	10	41	33
March 2019	49	11	35	38
April 2019	45	9	42	36
May 2019	50	9	35	41
June 2019	48	10	37	38
July 2019	45	8	41	37
August 2019	47	11	36	36
September 2019	43	14	36	29
October 2019	41	14	39	27
November 2019	44	10	40	34
December 2019	50	10	35	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	% Stay the Same	Net % Rates Will Go Down
December 2018	61	5	26	-56
January 2019	59	6	30	-53
February 2019	55	3	34	-52
March 2019	51	6	35	-45
April 2019	46	6	41	-40
May 2019	43	6	40	-37
June 2019	39	10	43	-29
July 2019	39	11	42	-28
August 2019	33	16	42	-17
September 2019	38	15	40	-23
October 2019	37	12	44	-25
November 2019	39	11	42	-28
December 2019	39	7	46	-32

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

	% Concerned	% Not Concerned	Net % Not Concerned
December 2018	10	89	79
January 2019	13	86	73
February 2019	9	90	81
March 2019	10	90	80
April 2019	13	87	74
May 2019	12	88	76
June 2019	13	86	73
July 2019	9	90	81
August 2019	11	88	77
September 2019	15	84	69
October 2019	14	86	72
November 2019	14	86	72
December 2019	12	86	74



Percent of respondents who say their household income is higher, lower, or about the same compared to 12 months ago

	% Significantly Higher	% Significantly Lower	% About the Same	Net % Higher
December 2018	31	12	54	19
January 2019	34	7	57	27
February 2019	27	9	62	18
March 2019	27	7	63	20
April 2019	32	10	57	22
May 2019	31	10	59	21
June 2019	29	9	61	20
July 2019	30	9	59	21
August 2019	31	10	58	21
September 2019	31	10	58	21
October 2019	28	12	59	16
November 2019	28	10	60	18
December 2019	28	11	60	17

Average home/rental price change expectation

	% Home Price Change	% Rental Price Change
December 2018	2.3	4.7
January 2019	1.6	3.8
February 2019	2.5	4.3
March 2019	2.5	4.1
April 2019	2.4	4.6
May 2019	3.1	5.4
June 2019	2.5	4.2
July 2019	2.7	4.7
August 2019	2.4	4.6
September 2019	1.7	4.2
October 2019	1.8	4.3
November 2019	2.8	4.3
December 2019	2.9	4.8



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 2018	58	3	33
January 2019	58	6	34
February 2019	56	3	35
March 2019	59	4	31
April 2019	61	2	31
May 2019	65	3	26
June 2019	57	3	34
July 2019	60	3	32
August 2019	59	3	32
September 2019	56	4	34
October 2019	57	4	32
November 2019	60	2	31
December 2019	61	4	30

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

	% Buy	% Rent
December 2018	66	29
January 2019	68	27
February 2019	65	30
March 2019	69	26
April 2019	67	29
May 2019	65	31
June 2019	63	31
July 2019	66	29
August 2019	66	29
September 2019	69	27
October 2019	67	29
November 2019	67	28
December 2019	66	28



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

	% Difficult	% Easy
December 2018	43	55
January 2019	42	55
February 2019	40	58
March 2019	40	58
April 2019	42	55
May 2019	38	59
June 2019	40	59
July 2019	40	57
August 2019	36	62
September 2019	37	59
October 2019	40	57
November 2019	39	59
December 2019	40	58

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 2018	48	12	38
January 2019	51	11	38
February 2019	45	12	42
March 2019	50	10	40
April 2019	51	8	39
May 2019	50	11	37
June 2019	54	8	37
July 2019	48	11	39
August 2019	49	10	40
September 2019	48	9	42
October 2019	53	9	37
November 2019	51	9	39
December 2019	50	9	40



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

	% Right Track	% Wrong Track
December 2018	50	40
January 2019	49	43
February 2019	52	38
March 2019	51	39
April 2019	52	37
May 2019	53	34
June 2019	52	40
July 2019	55	35
August 2019	50	41
September 2019	51	40
October 2019	54	38
November 2019	57	33
December 2019	53	36