

Housing Market Indicators Monthly Update



April 2017

U.S Department of Housing and Urban Development

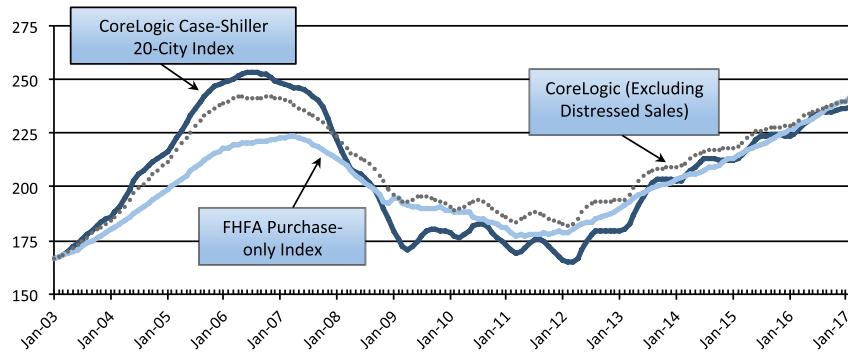
National housing market indicators available as of April show continuing recovery in housing markets. Trends in some of the top indicators for this month include:

- **Purchases of new homes rose to an eight-month high in March.** New single-family home sales climbed 5.8 percent to 621,000 (SAAR) from a downwardly revised 587,000 pace in February and were 15.6 percent higher than a year earlier. Home sales were up in all regions except the Midwest. Note that monthly data on new home sales can be volatile and are often revised. (Sources: HUD and Census Bureau.)
- **March sales of previously owned (existing) homes climbed to the fastest pace in over a decade.** The National Association of Realtors® (NAR) reported that sales of existing homes (including single-family homes, townhomes, condominiums, and cooperatives) rose 4.4 percent to 5.71 million (SAAR) in March from a revised 5.47 million pace the previous month. March's sales pace surpasses January's as the strongest month of sales since February 2007 (5.79 million).
- **New single-family home construction eased in March after reaching the strongest pace in nearly a decade in February.** Single-family housing starts, at 821,000 homes (SAAR), dropped 6.2 percent from February but were still up 9.3 percent from one year ago. Construction starts for multifamily housing (5 or more units in a structure), at 385,000 units (SAAR), were down 6.1 percent from February but up 9.1 percent from a year earlier. Note that month-to-month changes in the construction of multifamily homes can be volatile. (Sources: HUD and Census Bureau.)
- **Home prices were up again in February with annual house price changes remaining stable in a 5- to 6-percent range.** The Federal Housing Finance Agency (FHFA) seasonally adjusted purchase-only house price index for February estimated that home values rose 0.8 percent over the previous month and 6.4 percent over the previous year, up from an annual gain of 5.9 percent in January. The FHFA index shows that U.S. home values are now 8.1 percent above their previous peak set in March 2007 and stand 36.6 percent above the low point reached in May 2011. Another index tracked in the Monthly Update, the non-seasonally adjusted CoreLogic Case-Shiller 20-City Home Price Index, posted a 0.4 percent month-over-month change in home values in February and year-over-year returns of 5.9 percent, which was higher than the 5.7 percent annual change in January. The CoreLogic-Case-Shiller index shows home values are at their highest levels since September 2007; house prices peaked during the housing bubble in July 2006 according to this index. (The FHFA and CoreLogic-Case-Shiller price indices are released with a 2-month lag.)
- **Mortgage rates continued to decline in April.** The 30-year fixed rate mortgage (FRM) reached an average weekly low in April of 3.97 percent the week ending April 20, down from March's weekly low of 4.10 percent the week ending March 2. The 30-year FRM was 3.65 percent one year ago at this time. (Source: Freddie Mac.)
- **Foreclosure starts increased in March, while foreclosure completions fell.** Lenders started the public foreclosure process on 36,370 U.S. properties in March, a rise of 6 percent from February but a drop of 24 percent from a year earlier. Newly initiated foreclosures have been below the pre-crisis (2005 and 2006) monthly average of 52,280 since March 2015. Lenders completed the foreclosure process (bank repossessions or REOs) on 28,634 U.S. properties in March, a decrease of 3 percent from the previous month and 15 percent from the previous year. The pre-crisis average of foreclosure completions was 23,120 properties a month. Year-over-year foreclosure completions have declined for twelve of the past thirteen months. Prior to that, annual foreclosure completions had declined for 27 consecutive months before starting to increase in March 2015; they began to decline again in March 2016. Note that foreclosure activity has been volatile in recent months as states with a substantial pool of foreclosure inventory move to reduce the backlog. (Source: ATTOM Data Solutions.)



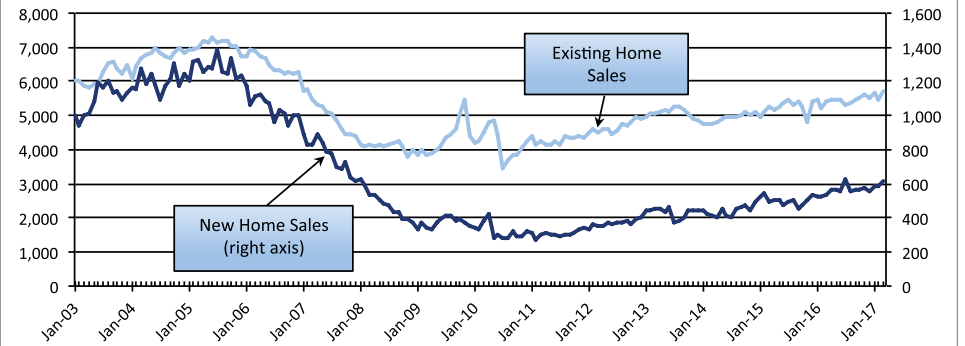
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House Prices Continue To Rise in February
Monthly House Price Trends by Index (\$ Thousands)



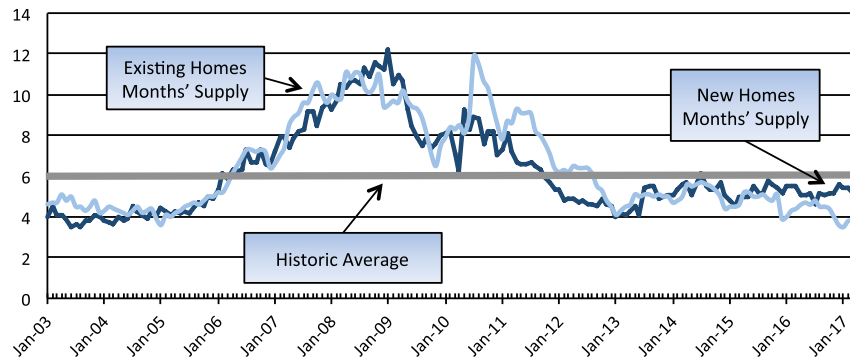
Sources: Standard & Poor's, Federal Housing Finance Agency, CoreLogic, and HUD.
See Note 1, Sources and Methodology.

Home Sales Rose for Both New and Existing Homes in March
Monthly Sales (Thousands)



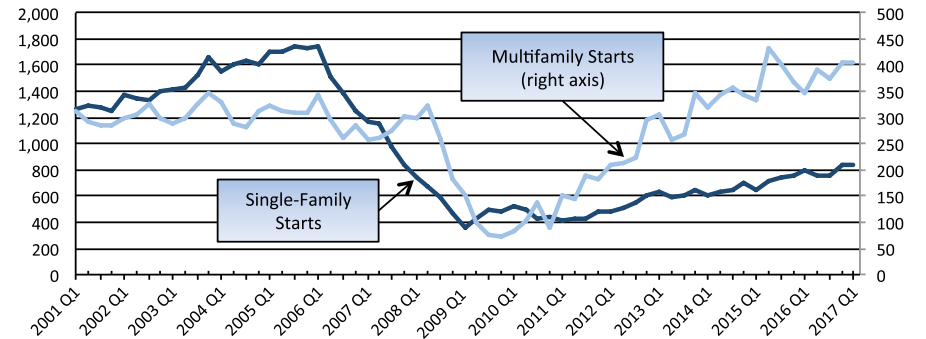
Seasonally Adjusted Annual Rate
Sources: National Association of Realtors®, Census Bureau, and HUD.
See Note 2, Sources and Methodology.

The Months' Supply of Homes for Sale Remained the Same for Existing Homes but Fell for New Homes
National Months' Supply of New and Existing Homes (Months)



Sources: Census Bureau, National Association of Realtors®, and HUD.

Housing Starts Remained Virtually the Same in the First Quarter
National Housing Starts (Thousands)



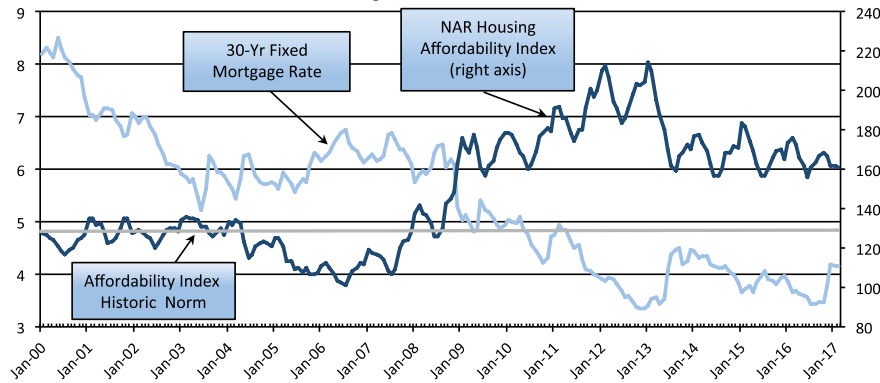
Seasonally Adjusted Annual Rate
Sources: Census Bureau and HUD.



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Homeownership Affordability Remains Above Historic Norm, Mortgage Rate Within One Percentage Point of Historic Low

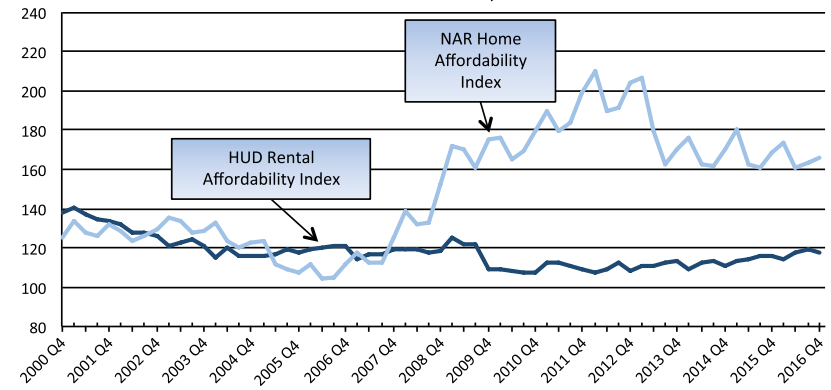
Percentage Rates and Index Values



The historic norm of 129 is the median value of NAR's composite housing affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.

Rental Affordability Remains a Challenge Due to Rising Rents

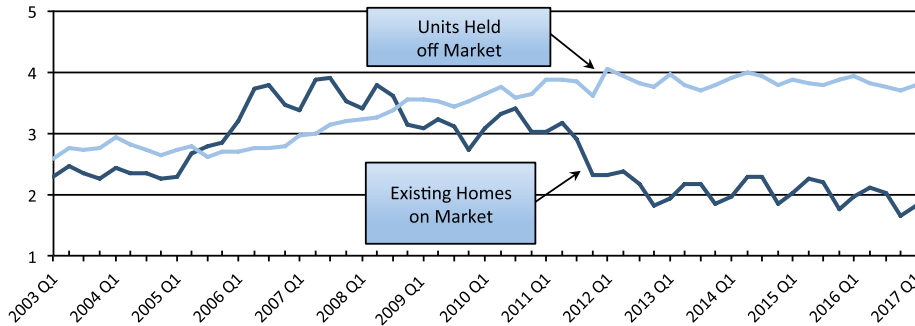
Rental and Homeownership Index Values



Sources: Census Bureau ACS and 2000 Decennial Census, BLS, CPS, HUD, and National Association of Realtors®.
See Note 3, Sources and Methodology.

Supply of Existing Homes on the Market Fairly Steady, Number of Units Held off the Market Remains High

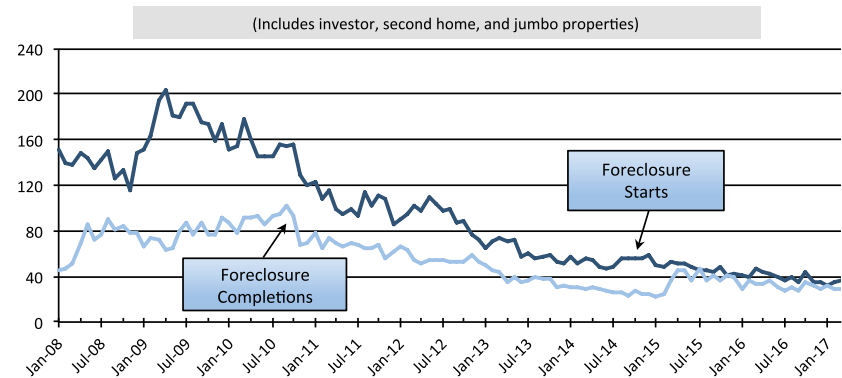
Existing Homes Available for Sale (End of Period) and Total Vacant Housing Units (Year Round) Off Market (Millions)



Sources: National Association of Realtors® and Census Bureau.

Foreclosure Filings Have Trended Downward

Monthly Foreclosure Actions (Thousands)



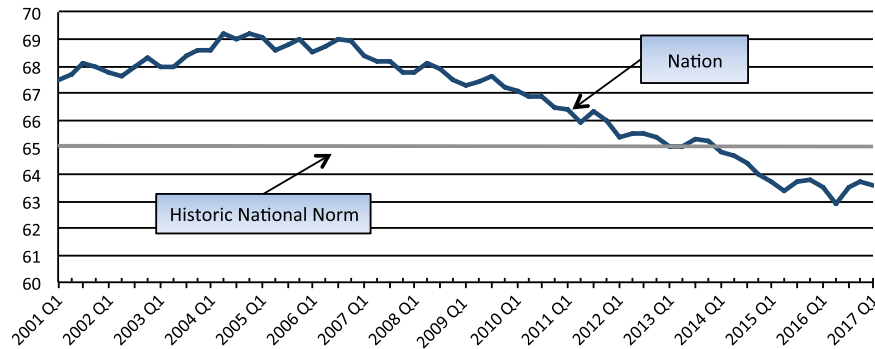
Foreclosure starts are default notices or scheduled foreclosure auctions, depending on the state.
Source: ATTOM Data Solutions.
See Note 4, Sources and Methodology.



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The National Homeownership Rate Fell in the First Quarter of 2017

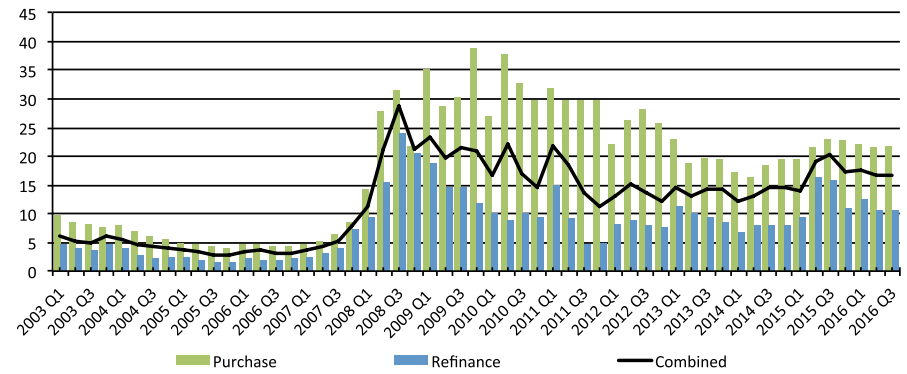
National Homeownership Rate (Percent)



The historical norm of 65 percent is the average national homeownership rate since 1965.
Sources: Census Bureau and HUD.

FHA Mortgage Lending

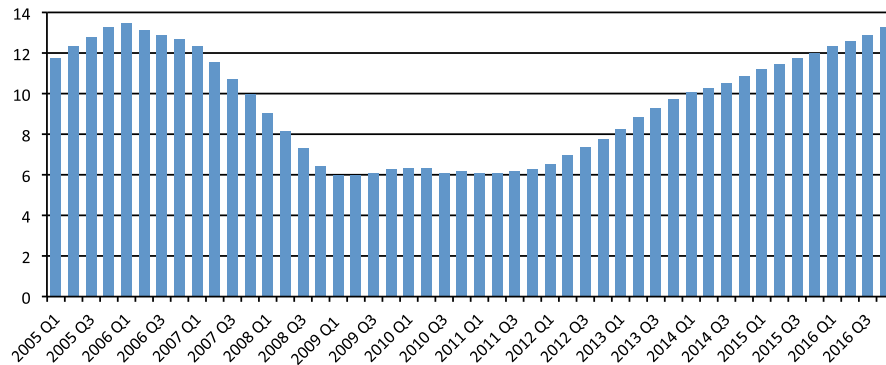
FHA as Share of Quarterly Mortgage Originations by Type (Percent)



Sources: MBA and HUD.
See Note 5, Sources and Methodology.

Home Equity Posts a Sharp Gain in the Fourth Quarter

Owners' Equity in Household Real Estate at End of Period (\$ Trillions)



Source: Federal Reserve Board.



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HOUSING MARKET FACT SHEET				
Indicator	This Period	Last Period	Year Ago	Latest Release
Mortgage Rates (30-Yr FRM, percent)	4.03	3.97	3.66	27-Apr-17
Homeownership Affordability (index)	160.6	162.0	175.9	February-17
Rental Affordability (index)	118.0	117.3 (r)	114.2	1st Q 17
Home Prices (indices)				
CoreLogic Case-Shiller (NSA)	193.5	192.7 (r)	182.8	February-17
FHFA (SA)	244.8	242.9 (r)	230.0	February-17
CoreLogic—Excluding Distressed Sales (NSA)	186.5 (s)	184.9 (s,r)	176.4 (s)	February-17
Home Sales				
New (thousands, SAAR)	621	587 (r)	537	March-17
Existing (thousands, SAAR)	5,710	5,470 (r)	5,390	March-17
First-Time Buyers (thousands, SAAR)	2,216 (s)	2,120 (s,r)	2,074 (s)	March-17
Distressed Sales (percent, NSA)	7 (p)	8 (r)	13	February-17
Housing Supply				
New Homes for Sale (thousands, SA)	268	265 (r)	244	March-17
New Homes for Sale—Months' Supply (months, SA)	5.2	5.4	5.5	March-17
Existing Homes for Sale (thousands, NSA)	1,830	1,730 (r)	1,960	March-17
Existing Homes—Months' Supply (months)	3.8	3.8	4.4	March-17
Vacant Units Held Off Market (thousands)	3,774	3,690	3,922	1st Q 17
Housing Starts				
Total (thousands, SAAR)	1,215	1,303 (r)	1,113	March-17
Single-Family (thousands, SAAR)	821	875 (r)	751	March-17
Multifamily (thousands, SAAR)	385	410 (r)	353	March-17
Mortgage Originations (thousands)				
Refinance Originations	858.5	939.4	775.6	1st Q 17
Purchase Originations	583.8	932.5	679.8	1st Q 17
FHA Originations (thousands)				
Refinance Originations	37.1 (p)	27.5 (r)	35.4	March-17
Purchase Originations	76.2 (p)	52.1 (r)	73.5	March-17
Purchases by First-Time Buyers	62.0 (p)	39.5 (r)	61.1	March-17
Mortgage Delinquency Rates (percent)				
Prime	2.2	2.4	2.7	August-16
Subprime	24.5	25.5	26.9	August-16
FHA	7.1	8.4	7.8	March-17
Seriously Delinquent Mortgages (thousands)				
Prime	329	338	511	August-16
Subprime	521	539	772	August-16
FHA	359	380	415	March-17
Change in Aggregate Home Equity (\$ billions)	450.3	286.9 (r)	293.5	4th Q 16
Underwater Borrowers (thousands)	3,165	3,228 (r)	4,229	4th Q 16
National Homeownership Rate (percent)	63.6	63.7	63.5	1st Q 17
Foreclosure Actions (thousands)				
Foreclosure Starts	36.4	34.3	47.7	March-17
Foreclosure Completions	28.6	29.6	33.9	March-17
Short Sales	2.5 (p)	3.2 (r)	11.7	February-17
REO Sales	12.1 (p)	17.3 (r)	32.1	February-17

SA = seasonally adjusted, NSA = not SA, p = preliminary, r = revised, b = brackets include units in process, s = see Additional Notes in Sources and Methodology.



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SOURCES AND METHODOLOGY

A. Items in Table.

Description	Frequency	Sources	Notes on Methodology
Mortgage Rates (30-Yr FRM)	Weekly	Freddie Mac	Primary Mortgage Market Survey, as reported for 30-Year fixed rate mortgages (FRM).
Homeownership Affordability	Monthly	National Association of Realtors®	NAR's composite housing affordability index as reported. A value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that a family earning the median income has more than enough income to qualify.
Rental Affordability	Quarterly	HUD	HUD's Rental Affordability Index measures whether a typical renter household has enough income to qualify for a lease on a typical rental home at the national level based on the most recent price and income data. A typical renter household is one that earns median income and a typical rental home is a median-priced rental unit. It is assumed that a renter household can qualify for a lease if the annual rent is not greater than 30 percent of the renter household's annual income. A value of 100 means that a renter household with median income has exactly enough income to qualify for a lease on a median-priced rental home. An index value above 100 signifies that a household earning the median income of renter households has more than enough income to qualify. For more information on HUD's rental affordability index and methodology see the Second Quarter 2016 issue of HUD's National Housing Market Summary on their U.S. Housing Market Conditions website: https://www.huduser.gov/portal/ushmc/home.html .
Home Prices CoreLogic Case-Shiller (NSA)	Monthly	Standard and Poor's	Case-Shiller 20-metro composite index, January 2000 = 100. Standard and Poor's recommends use of not seasonally adjusted index when making monthly comparisons.
FHFA (SA) CoreLogic - Excluding Distressed Sales (NSA)	Monthly Monthly	Federal Housing Finance Agency CoreLogic	FHFA monthly (purchase-only) index for US, January 1991 = 100. CoreLogic national combined index, distressed sales excluded, January 2000 = 100. (Only available as NSA). Also see additional note in Section C below on the CoreLogic HPI.
Home Sales (SAAR) New	Monthly	HUD and Census Bureau	Seasonally adjusted annual rates. A newly constructed house is considered sold when either a sales contract has been signed or a deposit accepted, even if this occurs before construction has actually started.
Existing	Monthly	National Association of Realtors®	Seasonally adjusted annual rates. Existing-home sales, which include single-family, townhomes, condominiums and co-ops, are based on transaction closings. This differs from the U.S. Census Bureau's series on new single-family home sales, which are based on contracts or the acceptance of a deposit.
First Time Buyers	Monthly	NAR, Census Bureau, and HUD	Sum of seasonally adjusted new and existing home sales (above) multiplied by National Association of Realtors® annual estimate of first time buyer share of existing home sales.
Distressed Sales (NSA)	Monthly	CoreLogic	Short sales and REO (Real Estate Owned) sales as a percent of total existing home sales (current month subject to revision).
Housing Starts Total (SAAR)	Monthly	HUD and Census Bureau	Housing starts are divided into three components: single family, multifamily, and two-to-four unit structures. Start of construction occurs when excavation begins for the footings or foundation of a building. As of September 1992, housing starts include units being totally rebuilt on an existing foundation.
Single-Family (SAAR)	Monthly	HUD and Census Bureau	Single-Family housing includes fully detached, semi-detached (semi-attached, side-by-side), townhouses and row houses. For attached units, each must be separated from the adjacent unit by a ground-to-roof firewall in order to be classified as a single-family structure. Also, these units must not share common facilities (i.e. heating/air-conditioning systems, plumbing, attic, or basement). Units built one on top of another and those built side-by-side that do not have a ground-to-roof firewall or have common facilities are not considered single-family units.
Multifamily (SAAR)	Monthly	HUD and Census Bureau	Multifamily housing has five or more units in a structure.
Housing Supply New Homes for Sale (SA)	Monthly	HUD and Census Bureau	As reported.
New Homes for Sale - Months' Supply (SA)	Monthly	HUD and Census Bureau	As reported.
Existing Homes for Sale (NSA)	Monthly	National Association of Realtors®	As reported.
Existing Homes - Months' Supply	Monthly	National Association of Realtors®	As reported.
Vacant Units Held Off Market	Quarterly	Census Bureau	As reported in Census CPS/HPS Table 4. Estimates of Housing Inventory, line item "Year-round vacant, held off market for reasons other than occasional use or usually reside elsewhere." Vacant units can be held off the market for a variety of reasons.
Mortgage Originations Refinance Originations	Quarterly	Mortgage Bankers Association and HUD	HUD estimate of refinance originations based on MBA estimate of dollar volume of refinance originations.
Purchase Originations	Quarterly	Mortgage Bankers Association and HUD	HUD estimate of home purchase originations based on MBA estimate of dollar volume of home purchase originations.
FHA Originations Refinance Originations	Monthly	HUD	FHA originations reported as of date of loan closing. Estimate for current month scaled upward due to normal reporting lag and shown as preliminary.
Purchase Originations	Monthly	HUD	
Purchases by First Time Buyers	Monthly	HUD	
Mortgage Delinquency Rates (NSA) Prime	Monthly	LPS Applied Analytics	Total mortgages past due (30+ days) but not in foreclosure, divided by mortgages actively serviced.
Subprime	Monthly	LPS Applied Analytics	Total mortgages past due (30+ days) but not in foreclosure, divided by mortgages actively serviced.
FHA	Monthly	HUD	Total FHA mortgages past due (30+ days) but not in foreclosure, divided by FHA's insurance in force.
Seriously Delinquent Mortgages Prime	Monthly	LPS Applied Analytics, MBA, and HUD	Mortgages 90+ days delinquent or in foreclosure, scaled up to market.
Subprime	Monthly	LPS Applied Analytics, MBA, and HUD	Mortgages 90+ days delinquent or in foreclosure, scaled up to market.
FHA	Monthly	HUD	Mortgages 90+ days delinquent or in foreclosure.
Change in Aggregate Home Equity	Quarterly	Federal Reserve Board	Difference in aggregate household owners' equity in real estate as reported in the Federal Reserve Board's Flow of Funds Accounts of the United States for stated time period.
Underwater Borrowers	Quarterly	CoreLogic	As reported.
National Homeownership Rate	Quarterly	Census Bureau	Homeownership in the U.S. as a percentage of all households.



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SOURCES AND METHODOLOGY

A. Items in Table (continued).

Foreclosure Actions			
Foreclosure Starts	Monthly	ATTOM Data Solutions (Formerly RealtyTrac)	Foreclosure starts are reported counts of notice of default or scheduled foreclosure auction, depending on which action starts the foreclosure process in a state.
Foreclosure Completions	Monthly	ATTOM Data Solutions	Real Estate Owned (REO).
Short sales	Monthly	CoreLogic	Count of Short Sales for the month as reported (current month subject to revision).
REO Sales	Monthly	CoreLogic	Count of REO (Real Estate Owned) Sales for the month as reported (current month subject to revision).

B. Notes on Charts.

1. Monthly house price trends shown as changes in respective house price indices applied to a common base price set equal to the median price of an existing home sold in January 2003 as reported by the National Association of Realtors. Indices shown: S&P/Case Shiller 20-metro composite index (NSA), January 2000 = 100, FHFA monthly (purchase-only) index for US (SA), January 1991 = 100, and CoreLogic-Distressed Sales Excluded (Monthly) for US (NSA), January 2000 = 100. Also see additional note below in Section C on the CoreLogic HPI.
2. Reported seasonally adjusted annual rates for new and existing home sales.
3. A comparison of the affordability of renting a home to purchasing a home, added as of the September 2016 release. HUD's Quarterly Rental Affordability Index is compared to NAR's Composite Quarterly Affordability Index. See note above on Rental Affordability.
4. Filings of a notice of default or scheduled foreclosure auction, depending on which action starts the foreclosure process in a state, are reported for foreclosure starts. Foreclosure completions are properties entering REO. Both as reported by ATTOM Data Solutions (formerly RealtyTrac).
5. FHA market shares as FHA purchase and refinance originations divided by HUD estimates of purchase and refinance mortgage originations as noted in "Mortgage Originations" above. See additional note below on FHA market share.

C. Additional Notes.

FHA market share estimates are based on new methodology beginning with the October 2013 report; estimates were revised back through Q1 2011. See the FHA Market Share report on their website for an explanation of the new methodology: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/rmra/oe/rpts/fhamktsh/fhamktqtrly.

The estimate for first-time buyers was revised upward from 32 percent in 2015 to 35 percent in 2016 with the October 2016 release of the NAR Profile of Home Buyers and Sellers 2016 report.

CoreLogic's House Price Index (HPI) estimates are based on new methodology beginning with their June 2016 report, which includes data through April 2016. A variety of modeling and other enhancements to their HPI and its forecast, including a 14 percent expansion in the number of transaction pairs, were made.