HUD PD&R National Housing Market Summary

The Housing Market Recovery Showed Progress in the Second Quarter

The housing market continued to improve in the second quarter of 2016. Construction starts rose for multifamily housing but declined for single-family homes. Purchases of both new single-family and previously owned (existing) homes rose, while the months' supply of homes inched upward for existing homes but fell for new homes. The seasonally adjusted (SA) Federal Housing Finance Agency's (FHFA) and the Standard & Poor's (S&P)/CoreLogic Case-Shiller® repeat-sales house price indices showed home values increasing in the second quarter, with annual house price appreciation stabilizing in the 5-percent range.

Based on its National Delinquency Survey, the Mortgage Bankers Association (MBA) reported that measures of delinquency and foreclosure on mortgage loans continued to improve in the second quarter, and RealtyTrac® data show that newly initiated foreclosures declined while completed foreclosures remained virtually the same. The national homeownership rate fell for a second consecutive quarter. According to the Bureau of Economic Analysis' second estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 1.1 percent, following a 0.8-percent gain in the first quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, declined at a 7.7-percent rate following a 7.8-percent gain in the previous quarter, resulting in a 0.30-percentage-point decline in real GDP growth following a 0.29-percentage-point gain in the first quarter.

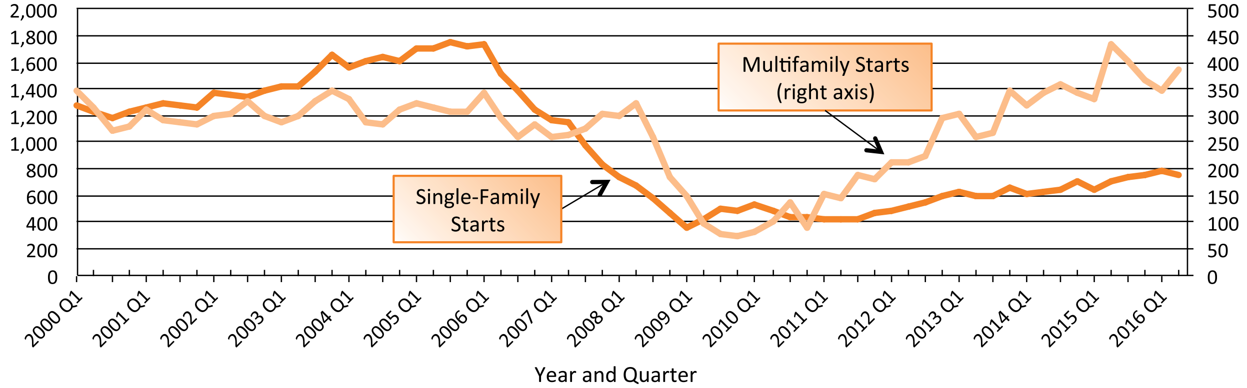
Housing Supply

Homebuilding increased in the second quarter for multifamily units but fell for single-family homes. Construction starts on single-family homes, at 756,000 units (SAAR) in the second quarter of 2016, were down 4 percent from the previous quarter but up 7 percent from one year ago. This is the first decline in single-family housing starts since the first quarter of 2015. The pace of single-family housing starts is a little more than half the annual rate (AR) of 1.36 million units in 2002, before the housing bubble began. Multifamily housing starts rose to 388,000 units (SAAR) in the second quarter, an increase of 11 percent from the previous quarter but down 11 percent from the previous year. The 2002 pace was 308,000 units (AR). Although improving, single-family housing starts have been slow to bounce back in this recovery. The share of single-family housing starts has fallen from 85 percent in the third quarter of 2009, when the recovery began, to 65 percent in the second quarter of 2016. Because of a relatively strong rental market in this recovery, the share of multifamily starts has grown from 13 to 34 percent during the same period. The share of single-family starts has improved since the second quarter of 2015, however, when it reached a low of 61 percent and the share of multifamily starts was 38 percent. Single-family and multifamily starts historically have averaged respective market shares of 72 and 24 percent, with two- to four-unit structures making up the rest of the market.

The months' supply of homes on the market increased for existing homes but fell for new homes. The listed inventory of new homes for sale at the end of the second quarter was 240,000 units (SA), which would support 4.9 months of sales at the current sales pace, down from 5.5 months in both the previous quarter and the previous year. The listed inventory of existing homes for sale, at 2.11 million units, represents a 4.5-month supply of existing homes for sale, up slightly from 4.4 months the previous quarter but down from 5.0 months a year earlier. The historic average for months' supply of homes on the market is about 6.0 months. Rising inventories would improve sales because the low level of inventories has been an impediment to a stronger housing market recovery.

Housing Starts Rose for Multifamily Units but Fell for Single-Family Homes

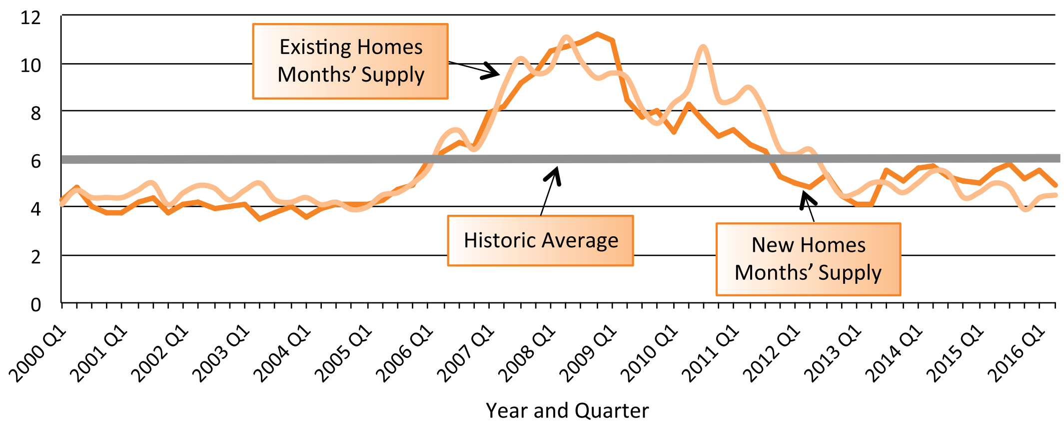
National Housing Starts (Thousands)



Seasonally Adjusted Annual Rate
Sources: Census Bureau and HUD.

The Months' Supply of Homes for Sale Rose Slightly 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 Demand

Sales of new and existing homes rose in the second quarter. Purchases of new single-family homes, at 575,000 (SAAR) in the second quarter, were up 9 percent from the previous quarter and 17 percent from the previous year. New home sales have been above the 500,000 mark for the past three quarters but remain well below the annual pace of 973,000 units in 2002, before the start of the housing bubble. The National Association of Realtors® (NAR) reported that existing homes—including single-family homes, townhomes, condominiums, and cooperatives—sold at a rate of 5.5 million (SAAR) in the second quarter, which is very close to the 5.6 million annual pace before the housing bubble began. Existing home purchases were up 4 percent from both the previous quarter and year-ago levels. Sales to first-time buyers accounted for 32 percent of all sales transactions in the second quarter, up from 31 percent in the first quarter but well below the historic norm of 40 percent. The weakness in sales reflects more stringent bank lending standards, low sales inventory, and technical issues in seasonal adjustment factors related to fewer distressed properties, which have declined sharply over the past few years. Like single-family housing starts, sales of new homes have been slower to bounce back in this recovery. Historically, existing home sales as a share of total sales have been 84 percent of the market, with the share of new home sales representing the remaining 16 percent. The share of existing home sales began to rise in 2007 and is currently 90 percent, with the share of new home sales dropping to 10 percent. In terms of average sales, the ratio of existing to new home sales historically has been 6 to 1, whereas the ratio is currently 9.5 to 1, although that ratio has fallen from 14 to 1 in 2011.

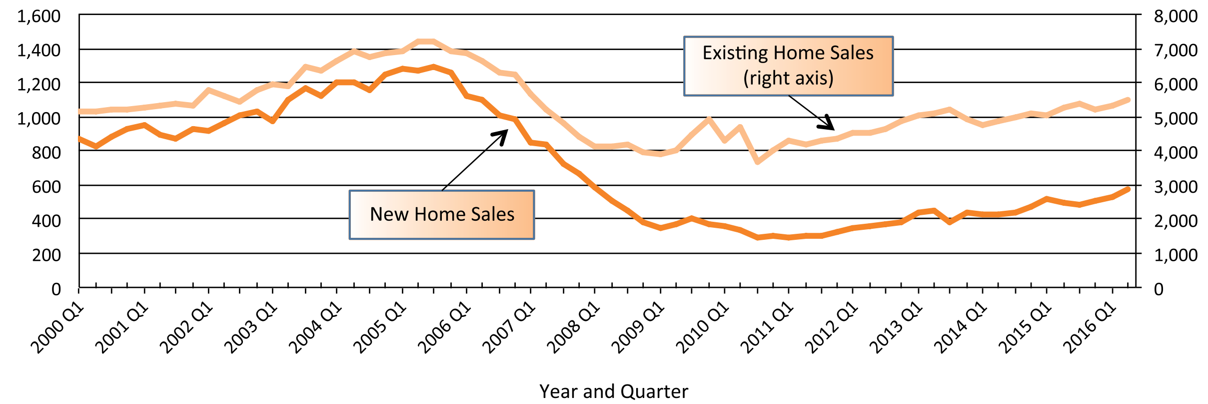
U.S. house prices continued to rise in the second quarter but at a slower quarter-over-quarter pace. The FHFA (SA) purchase-only repeat-sales house price index showed U.S. home prices appreciating at a 1.2-percent rate in the second quarter—the 19th consecutive quarterly increase—but slightly lower than the 1.4-percent gain in the first quarter. House prices rose at an annual pace of 5.6 percent, also somewhat less than the 5.9-percent gain in the previous quarter. The CoreLogic Case-Shiller® (SA) national repeat-sales house price index estimated a 0.4-percent rise in house prices for the second quarter, down from a 1.5-percent gain in the previous quarter. House prices rose over the four-quarter period by 5.1 percent, showing a slight deceleration over the previous quarter's 5.2-percent annual gain. Year-over-year house price gains have been in the 4- to 6-percent range since mid-2014. The FHFA index shows home prices above their previous peak during the housing bubble, whereas the CoreLogic Case-Shiller® index shows home values at their highest level since the second quarter of 2007. According to both indices, house prices peaked during the bubble in the first quarter of 2007. The FHFA index differs from the CoreLogic Case-Shiller® index mainly because the FHFA index, unlike the CoreLogic Case-Shiller® index, is based on sales financed only with mortgages that have been sold to or guaranteed by Fannie Mae and Freddie Mac, excludes sales transactions associated with subprime and some "jumbo" loans, and is transaction weighted rather than value weighted. Both the share of distressed sales and investor purchases dropped in the second quarter after reversing a downward trend in the previous two quarters. According to NAR, distressed sales, which tend to sell at lower prices, accounted for 6 percent of all existing home sales, down from 9 percent in both the first quarter and one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 12 percent of existing home sales, down from 16 percent in the first quarter and 13 percent one year ago.

The absorption rate slowed for new apartments and for new condominiums and cooperatives in the second quarter. Of new apartments completed in the first quarter, 60 percent were leased within the ensuing 3 months, down from 65 percent in the previous quarter and a 62-percent pace a year earlier. Of newly completed condominiums and cooperatives in the first quarter, 64 percent sold within 3 months, down from 82 percent the previous quarter and 70 percent one year ago.

The affordability of owning a home declined in the second quarter. The NAR Composite Housing Affordability Index dropped to 158.8 in the second quarter from 171.7 in the previous quarter. A jump in the median house price and a slight increase in mortgage interest rates more than offset an increase in Median Family Income. The housing affordability index peaked in the first quarter of 2012, at 209.8, and began to slip as home prices climbed and mortgage rates rose, although moderate changes in mortgage rates and fluctuating median house prices have caused the series to oscillate somewhat since

Sales of New and Existing Homes Rose

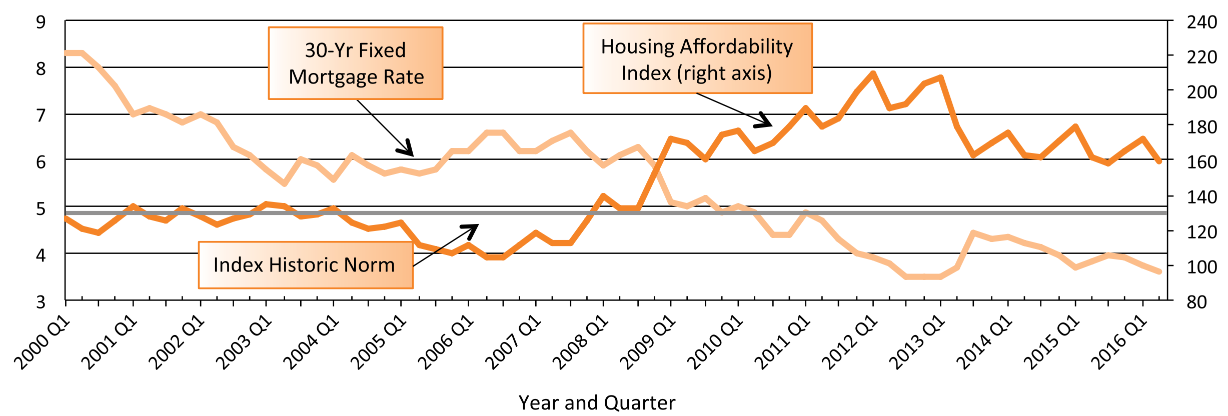
National Home Sales (Thousands)



Seasonally Adjusted Annual Rates
Sources: Census Bureau, HUD, and National Association of Realtors®.

Housing Affordability Declined

Percentage Rates and Index Values



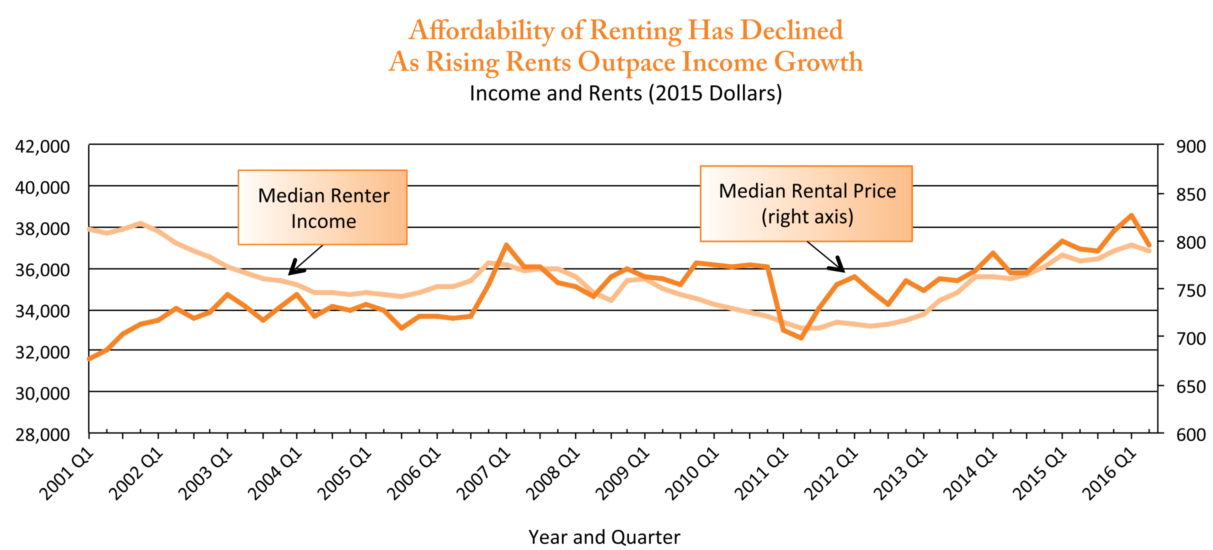
The historical norm of 129 is the median value of the affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.

the third quarter of 2013. The NAR Composite Housing Affordability Index for the second quarter is still well above its historic norm of 129, however.

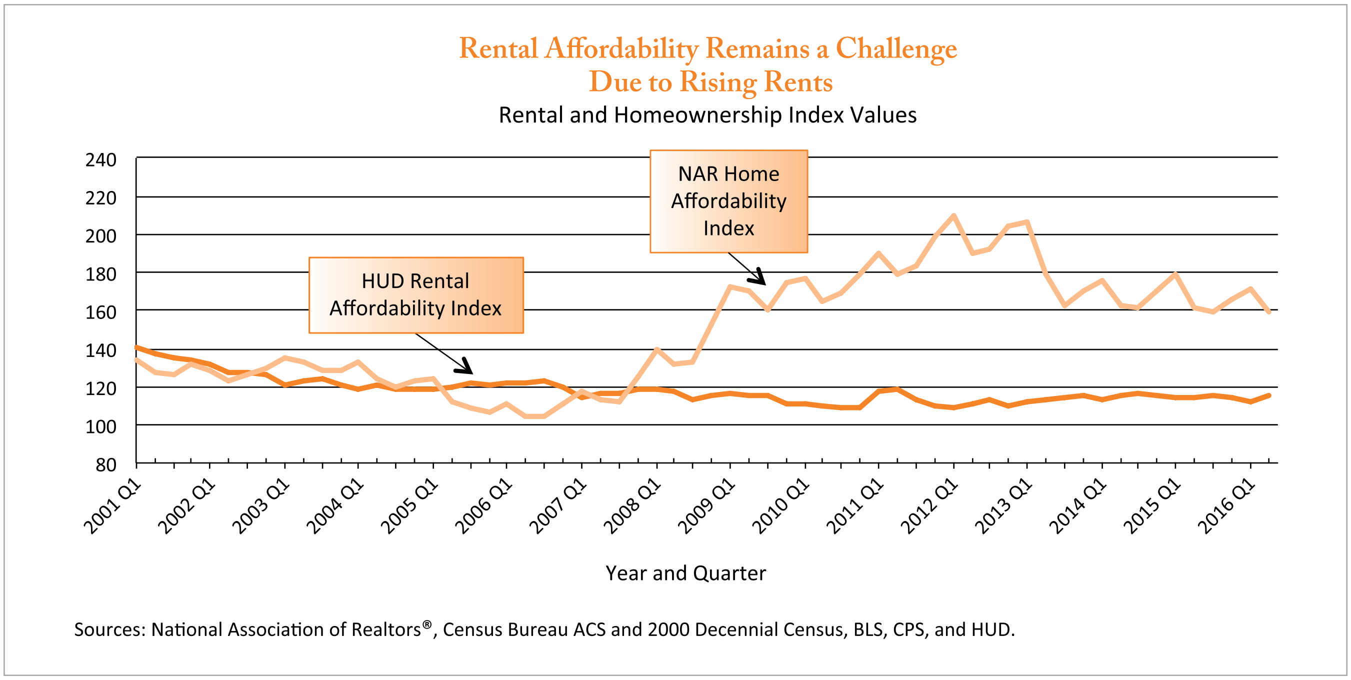
A new section on the affordability of renting a home has been added as of this report. Since the beginning of 2001, rising rents have outpaced income growth, eroding the affordability of renting a home. According to Current Population Survey (CPS) data, which dates back through 1995, real median rental asking prices began an upward trajectory in the second quarter of 2001 and have been rising or oscillating since. After peaking in the fourth quarter of 2001, the real median income of renter households, on the other hand, began to decline, reaching a low point in the second quarter of 2011. Median renter income in real terms has improved since, although it is still below its previous peak. The first chart on rental affordability shown below compares the price of renting a home for a recent mover based on American Community Survey (ACS) and 2000 Decennial Census data with the income earned for a typical renter household in real dollars. As the chart illustrates, the median monthly price of renting a home in 2015 dollars has risen from $677 in the first quarter of 2001 to $796 in the second quarter of 2016, an increase of 18 percent. In contrast, the median income of a household that leases their home has actually declined in real terms over the same period—from $37,938 to $36,883—or by 3 percent.

A second chart compares a HUD index on the affordability of renting a home to NAR's composite index on the affordability of owning a home. The indices show that the affordability of renting a home declined for the most part between the years 2001 and 2007, while the affordability of owning a home both rose and fell, causing the two series to be intertwined during that period. After decreasing from 140.1 to 119.0 between 2000 and 2007, however, the affordability of renting a home continued to decline, dropping to 115.8 by the second quarter of 2016. In contrast, the affordability of purchasing a home rose from a low point of 104.4 in mid-2006 to a peak of 209.8 at the beginning of 2012. The affordability of owning a home has decreased since, reaching 158.8 by the second quarter of 2016. The two indices have continued to diverge since 2007, although the gap has lessened since the beginning of 2012.

Note on methodology: The CPS data on rental prices dating back to 1995 are asking rents from the CPS Housing Vacancy Survey (HVS) supplement. Data on the median income of renter households are from the CPS Annual Social and Economic Supplement (ASEC); quarterly data are interpolated using the Bureau of Labor Statistics (BLS) Index of Average Hourly Earnings from the Employment Establishment Data Survey. The median price of renting a home for a recent mover is the median gross rent of recent movers from the U.S. Census Bureau ACS and the



Sources: Census Bureau ACS and 2000 Decennial Census, BLS CPI and CPS, and HUD.



2000 Decennial Census, less the cost of utilities to renters, based on a special tabulation from the BLS Consumer Expenditure Survey (CE). Annual data for intervening years are estimated using the BLS CPI for Rent of Primary Residence, and quarterly data are interpolated based on median asking rent from the BLS CPS/HVS in order to capture the seasonal variation of new rents. The data series employed to interpolate quarterly data are also used to predict interim quarters until the annual data become available.

The HUD rental affordability index is a measure of median renter household income relative to qualifying income for the median-priced rental unit. Qualifying income is defined by the income eligibility requirement of most landlords, which is that a household's annual rent be no greater than 30 percent of the household's annual gross income. If the rental affordability index value equals 100, then the median income of renter households is just high enough to qualify for the median-priced rental unit. An index value of greater than 100 indicates that the median income of renter households is more than enough to qualify for the median-priced rental unit.

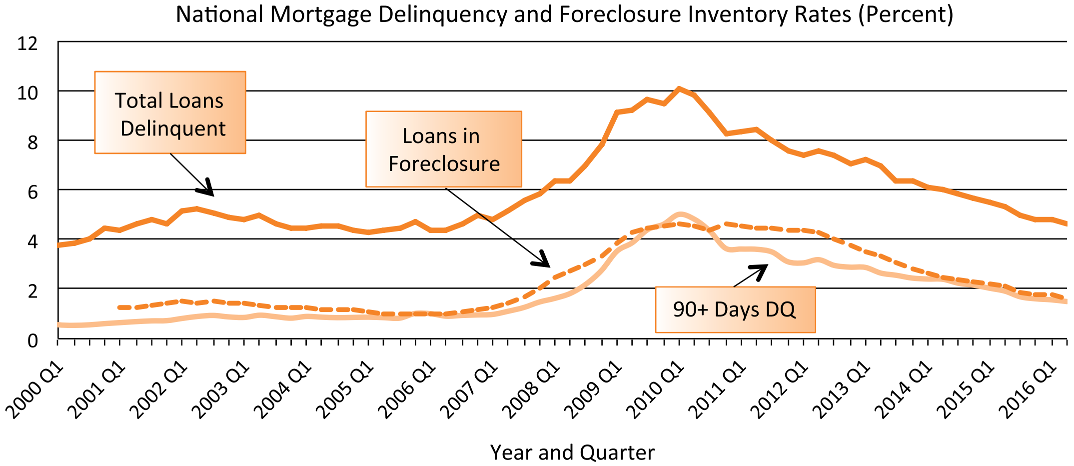
Housing Finance and Investment

MBA data show the overall delinquency rate falling to a 10-year low and the foreclosure starts rate hitting a 16-year low. During the second quarter of 2016, the delinquency rate on mortgages of one- to four-unit residential properties declined to 4.66 percent—its lowest level since the second quarter of 2006—according to data from MBA's quarterly National Delinquency Survey. The overall delinquency rate is lower than the historic average of 5.4 percent and is down from 5.30 percent one year earlier. The delinquency rate dropped for all loan types except for VA (Veterans Affairs) loans, which rose 6 basis points. Seriously delinquent loans (those 90 or more days delinquent or in the foreclosure process) dropped to 3.11 percent from 3.29 percent in the previous quarter and 3.95 percent in the second quarter of 2015. This is the lowest seriously delinquent rate since the third quarter of 2007. The share of newly initiated foreclosures declined to 0.32 percent of active loans, 13 basis points below the historic average of 0.45 percent and the lowest rate since the second quarter of 2000. The share of foreclosure starts was 0.35 percent in the previous quarter and 0.40 percent one year ago. The percentage of loans in the foreclosure process, at 1.64 percent, is at its lowest rate since the second quarter of 2007 and is now down to about one-third of its peak in the fourth quarter of 2010 (4.64 percent), during the worst of the crisis. Foreclosure inventory is still above its historical rate of 1.5 percent, however.

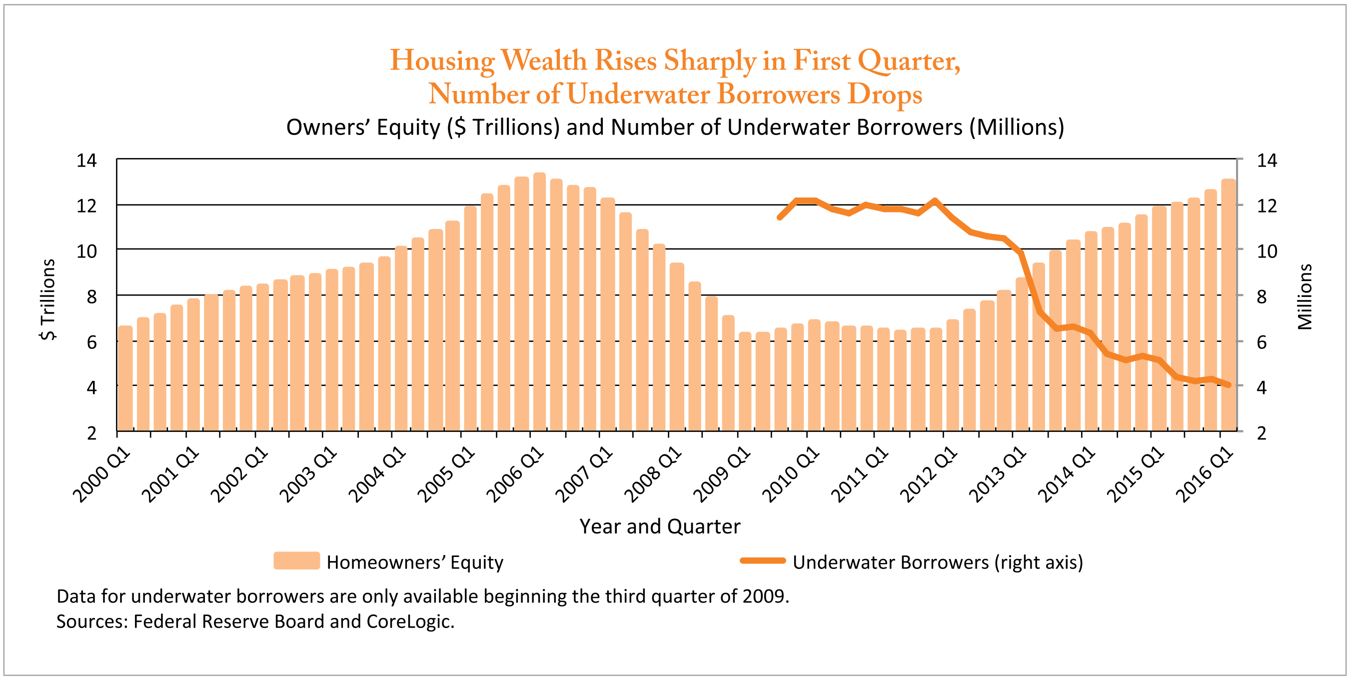
In the first quarter of 2016, the number of underwater borrowers declined 6.2 percent, and homeowners' equity increased by $461 billion. According to CoreLogic, 4.0 million homes, or 8.0 percent of residential properties with a mortgage, were under water in the first quarter, down from 4.3 million, or 8.5 percent, in the fourth quarter of 2015 (the data are reported with a lag). CoreLogic estimates that the number of underwater homes has declined by 1.1 million, or 21.5 percent, compared with a year ago. Since the beginning of 2012, the number of underwater borrowers (those who owe more on their mortgage than the value of their home) has fallen 67 percent—from 12.1 to 4.0 million—or by 8.1 million homeowners. The decline in the number of homes in negative equity puts more homeowners in a position to sell their home, which could ease the current low level of homes for sale. A recent study by the Center for American Progress, however, shows that nearly 1,000 U.S. counties—primarily concentrated in nonmetropolitan areas—still have increasing or stagnating shares of homes with negative equity. [https://cdn.americanprogress.org/wp-content/uploads/2015/10/30051742/UnevenHousingRecovery-reportB.pdf.] The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose $461 billion in the first quarter of 2016 (the data are reported with a lag), reaching more than $13.0 trillion—the highest level since the first quarter of 2006, when home equity peaked at nearly $13.3 trillion. Owners' equity has grown by more than $6.5 trillion since the end of 2011. The rapid increase in home equity reflects house price appreciation, fewer distressed borrowers, and increased principal repayment.

Mortgage Delinquency Rates and Loans in Foreclosure Continue Downward Trend

National Mortgage Delinquency and Foreclosure Inventory Rates (Percent)



Delinquent (DQ) loans do not include loans in foreclosure. All data are seasonally adjusted except data for loans in foreclosure.
Source: Mortgage Bankers Association.



Homeownership and Housing Vacancy

The U.S. homeownership rate fell to its lowest rate in more than 50 years. The national homeownership rate, at 62.9 percent in the second quarter, dropped from 63.5 percent in the first quarter, reaching its lowest rate since the third quarter of 1965. The national homeownership rate had declined for seven straight quarters prior to reversing that trend in the third and fourth quarters of 2015. Homeownership reached a peak of 69.2 percent in the second and fourth quarters of 2004. In the second quarter of 2016, the homeownership rate for White non-Hispanic households decreased to 71.5 percent from 72.1 percent; for Black non-Hispanic households, the rate remained the same at 42.3 percent; and for Hispanic households, the rate dropped to 45.1 percent from 45.3 percent. The homeownership rate dropped to 54.2 percent for other-race non-Hispanic households and fell to 48.1 percent for two-or-more-races non-Hispanic households. Compared with the early 2000s, the current relatively low homeownership rates reflect the subprime lending crisis and the high rates of unemployment and underemployment as a result of the severe 2007–2009 recession. More recently, flat income growth and restrictive credit markets have affected homeownership.

Research at the Federal Reserve Bank of New York points to larger mortgage down payments as a key factor in purchasing a home, with a 20-percent versus a 5-percent down payment making a big difference, particularly for renters. [https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr702.pdf.] Additional research on home purchases by the Federal Reserve Bank of New York and NAR shows that high debt-to-income ratios for young adults burdened with student loans are having a negative impact on homeownership. [http://www.realtor.org/news-releases/2015/03/nar-generational-survey-millennials-lead-all-buyers-most-likely-to-use-real-estate-agent]; [http://libertystreeteconomics.newyorkfed.org/2013/04/young-student-loan-borrowers-retreat-from-housing-and-auto-markets.html#.V09fyjUrK_p.] A recent study by the Federal Reserve Board finds that a 10-percent increase in student debt causes a 1- to 2-percent drop in the homeownership rate for student loan borrowers during the first five years after exiting school. [https://www.federalreserve.gov/econresdata/feds/2016/files/2016010pap.pdf.] A 2014 NAR survey revealed that the share of homebuyers making their first purchase dropped to 33 percent, the lowest level in nearly three decades.

HUD PD&R **National Housing Market Summary**

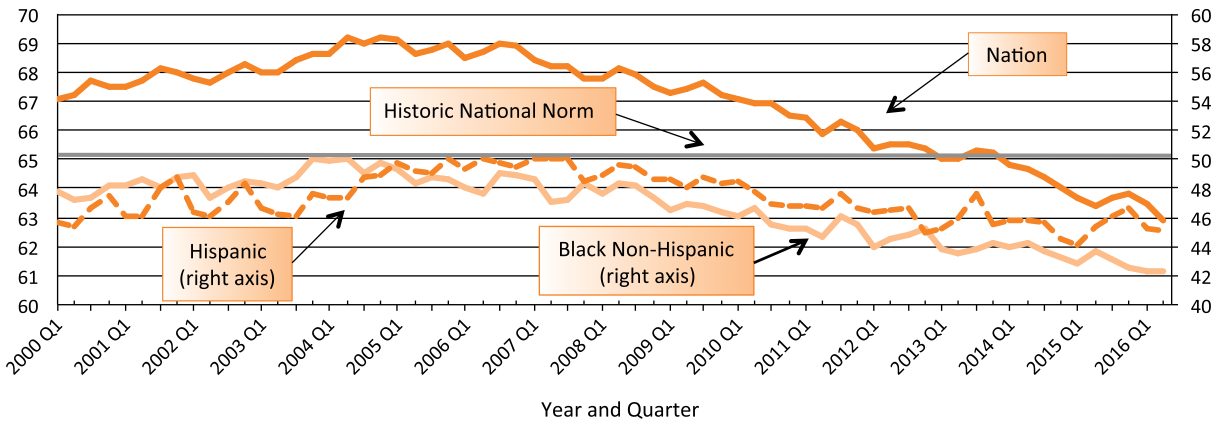
It has been more than seven years since the foreclosure crisis began in 2007, which means that those who lost their home to foreclosure may begin to re-enter the housing market as the foreclosure is removed from their credit history. The current credit environment is more restrictive, however, which will prevent some from re-entering the housing market until they can build a relatively high credit score.

Vacancies in the rental market fell for both single-family and multifamily homes in the second quarter. According to the U.S. Census Bureau, the overall vacancy rate in the rental market dropped to 6.7 percent from 7.0 percent in the first quarter and was down from 6.8 percent in the second quarter of 2015. The single-family rental vacancy rate fell to 6.8 percent from 6.9 percent in the previous quarter but was up from 6.7 percent one year ago. The vacancy rate in the rental market for multifamily units (five or more units in a structure) decreased to 7.2 percent from 7.4 percent in the first quarter and was down from 7.3 percent the previous year.

The number of households grew in the second quarter. The number of U.S. households, at 118.3 million, was up 0.6 percent in the second quarter of 2016 after falling 0.2 percent in the first quarter and was 0.8 percent higher than a year earlier, according to the Census Bureau's CPS/HVS. Household formation fell to an average annual rate of 0.5 percent during the severe 2007–2009 recession compared with 1.3-percent growth from 2001 to 2006. In the years immediately following the recession, young people were slow to form households, with an average annual growth rate of only 0.5 percent from 2010 to 2013. The pace picked up in 2014 and 2015, however, with an average annual growth rate of 1.2 percent. Research by Econometrica, Inc., using American Housing Survey data, found that the number of "doubled-up" households increased at an annual rate of 2.4 percent between 2007 and 2009, up from a pace of 1.4 percent between 2003 and 2005—with adult children living at home being the most common cause of doubling up. [https://www.huduser.gov/portal/pdredge/pdr_edge_research_012714.html.]

The National Homeownership Rate Falls to Lowest Rate Since 1965

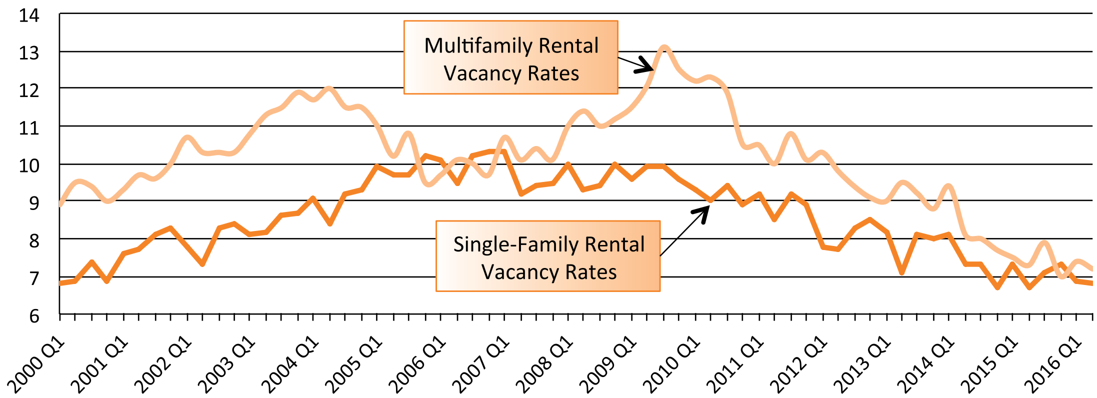
National Homeownership Rates (Percent)



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

The Single-Family and Multifamily Rental Vacancy Rates Both Fell

National Rental Vacancy Rates (Percent)



Source: Census Bureau.

HUD PD&R **National Housing Market Summary**

The table below summarizes quarterly changes in national housing indicators, comparing current quarter data to the previous quarter and year-ago quarter.

U.S. NATIONAL HOUSING INDICATORS

Note: Change From Prior Period May Be Shown As a Percent Change or Percentage-Point Change

Indicator	Current Quarter	Previous Quarter	Year-Ago Quarter	Change From Previous Quarter	Change From Year-Ago Quarter	Current Quarter as-of Date
HOUSING SUPPLY						
Housing Permits (SAAR, thousands)						Q2 2016
Total	1,140	1,142	1,259	– 0.2% (n)	– 9.5% (s)	
Single-Family	737	728	691	1.1% (n)	6.6% (s)	
Multifamily (5+)	373	380	534	– 1.8% (n)	– 30.1% (s)	
Housing Starts (SAAR, thousands)						Q2 2016
Total	1,156	1,151 (r)	1,156	0.4% (n)	0.0% (n)	
Single-Family	756	790 (r)	709	– 4.4% (n)	6.6% (s)	
Multifamily (5+)	388	348 (r)	434	11.5% (n)	– 10.5% (n)	
Under Construction (SA, thousands)						Q2 2016
Total	1,018	991 (r)	891	2.7% (n)	14.3% (s)	
Single-Family	430	427 (r)	375	0.7% (n)	14.7% (s)	
Multifamily (5+)	577	554 (r)	504	4.2% (s)	14.5% (s)	
Housing Completions (SAAR, thousands)						Q2 2016
Total	1,029	1,048 (r)	999	– 1.8% (n)	3.0% (s)	
Single-Family	726	718 (r)	654	1.1% (n)	11.0% (s)	
Multifamily (5+)	294	315 (r)	335	– 6.7% (s)	– 12.2% (s)	
New Homes for Sale (SA)						Q2 2016
Inventory (thousands)	240	244	216	– 1.6% (n)	11.1% (s)	
Months' Supply (months)	4.9	5.5	5.5	– 10.9% (n)	– 10.9% (n)	
Existing Homes for Sale						Q2 2016
Inventory (NSA, thousands)	2,110	1,960	2,250	7.7% (u)	– 6.2% (u)	
Months' Supply (months)	4.5	4.4	5.0	2.3% (u)	– 10.0% (u)	
Manufactured Home Shipments (SAAR, thousands)	78.3	83.0 (r)	67.7	– 5.6% (u)	15.8% (u)	Q2 2016

SA = seasonally adjusted. NSA = not seasonally adjusted. SAAR = seasonally adjusted annual rate. (r) = revised. (s) = statistically significant. (n) = not statistically significant. (u) = statistical significance unavailable. FHFA = Federal Housing Finance Agency. NA = not applicable. ARM = adjustable-rate mortgage. DQ = delinquent. FC = foreclosure. FHA = Federal Housing Administration. VA = U.S. Department of Veterans Affairs. PMI = private mortgage insurance. GDP = Gross Domestic Product. URE = usual residence elsewhere.

Note: Components may not add to totals because of rounding.

U.S. NATIONAL HOUSING INDICATORS

Note: Change From Prior Period May Be Shown As a Percent Change or Percentage-Point Change

Indicator	Current Quarter	Previous Quarter		Year-Ago Quarter	Change From Previous Quarter		Change From Year-Ago Quarter		Current Quarter as-of Date
HOUSING DEMAND									
Home Sales (SAAR)									Q2 2016
New Homes Sold (thousands)									
Single-Family	575	529	(r)	493	8.6%	(s)	16.6%	(s)	
Existing Homes Sold (thousands)									
Single-Family, Townhomes, Condos, Co-ops	5,503	5,300		5,280	3.8%	(u)	4.2%	(u)	
Condos and Co-ops	633	583		620	8.6%	(u)	2.2%	(u)	
First-Time Buyers (%)	32	31		31	1	(u)	1	(u)	
Investor Sales (%)	12	16		13	– 4	(u)	– 1	(u)	
Home Sales Prices									Q2 2016
Median ($)									
New Homes	305,500	312,800	(r)	290,900	– 2.3%	(u)	5.0%	(u)	
Existing Homes	239,133	215,767		227,967	10.8%	(u)	4.9%	(u)	
Repeat-Sales Home Price Indices									
FHFA (SA)	231.0	228.3	(r)	218.7	1.2%	(u)	5.6%	(u)	
CoreLogic Case-Shiller (SA)	179.5	178.8		170.8	0.4%	(u)	5.1%	(u)	
Housing Affordability									Q2 2016
Composite Index	158.8	171.7	(r)	161.2	– 7.5%	(u)	– 1.5%	(u)	
Fixed Index	158.0	170.5	(r)	160.3	– 7.3%	(u)	– 1.4%	(u)	
National Average Mortgage Interest Rate (%)	3.9	4.0		3.9	– 0.2	(u)	– 0.1	(u)	
Median-Priced Existing Single-Family Home ($)	240,700	217,167	(r)	229,467	10.8%	(u)	4.9%	(u)	
Median Family Income ($)	68,774	68,431		67,319	0.5%	(u)	2.2%	(u)	
Rental Affordability									
HUD's Rental Affordability Index	115.8	112.1		114.7	3.3%	(u)	1.0%	(u)	Q2 2016
Multifamily Housing									
Apartments									
Completed Previous Quarter (thousands)	54.3	67.0		43.3	– 19.0%	(s)	25.4%	(s)	Q1 2016
Leased Current Quarter (%)	60	63		62	– 3	(n)	– 2	(n)	Q2 2016
Median Asking Rent ($)	1,427	1,443		1,414	– 1.1%	(n)	0.9%	(n)	
Condos and Co-ops									
Completed Previous Quarter (thousands)	3.6	3.3	(r)	1.2	9.1%	(n)	200.0%	(s)	Q1 2016
Sold Current Quarter (%)	64	82	(r)	70	– 18	(s)	– 6	(n)	Q2 2016
Median Asking Price ($)	703,540	501,825	(r)	542,250	40.2%	(s)	29.7%	(n)	
Manufactured Home Placements (sales at SAAR, thousands)									
Shipped Previous Quarter (thousands)	83.0	76.0	(r)	68.3	9.2%	(u)	21.5%	(u)	Q1 2016
Sold Current Quarter (%)[1]	61.3	63.8		52.2	– 2.5	(n)	9.1	(u)	Q2 2016
Builders' Views of Market Activity (Composite Index)	59	59		57	– 0.6%	(u)	3.5%	(u)	Q2 2016

SA = seasonally adjusted. NSA = not seasonally adjusted. SAAR = seasonally adjusted annual rate. (r) = revised. (s) = statistically significant. (n) = not statistically significant. (u) = statistical significance unavailable. FHFA = Federal Housing Finance Agency. NA = not applicable. ARM = adjustable-rate mortgage. DQ = delinquent. FC = foreclosure. FHA = Federal Housing Administration. VA = U.S. Department of Veterans Affairs. PMI = private mortgage insurance. GDP = Gross Domestic Product. URE = usual residence elsewhere.

Note: Components may not add to totals because of rounding.

[1] The share of previous-quarter shipments sold for residential use within four months of being shipped.

U.S. NATIONAL HOUSING INDICATORS

Note: Change From Prior Period May Be Shown As a Percent Change or Percentage-Point Change

Indicator	Current Quarter	Previous Quarter	Year-Ago Quarter	Change From Previous Quarter	Change From Year-Ago Quarter	Current Quarter as-of Date
HOUSING FINANCE and INVESTMENT						
Mortgage Interest Rates (%)						Q2 2016
30-Year Fixed Rate	3.59	3.74	3.83	– 0.15 (u)	– 0.24 (u)	
15-Year Fixed Rate	2.82	3.03	3.06	– 0.21 (u)	– 0.24 (u)	
5-Year ARM[2]	2.81	2.90	2.91	– 0.09 (u)	– 0.10 (u)	
Mortgage Delinquency Rates (%)						Q2 2016
All Loans Past Due (SA)	4.66	4.77	5.30	– 0.11 (u)	– 0.64 (u)	
Loans 90+ Days Past Due (SA)	1.50	1.57	1.92	– 0.07 (u)	– 0.42 (u)	
Seriously Delinquent (90+ Days & in FC, NSA)	3.11	3.29	3.95	– 0.18 (u)	– 0.84 (u)	
FHA Market Share[3]						Q1 2016
Dollar Volume (%)						
All Loans	13.8	13.7	10.7	0.1 (u)	3.1 (u)	
Purchase	17.7	18.0	15.0	– 0.3 (u)	2.7 (u)	
Refinance	9.4	8.7	7.3	0.7 (u)	2.1 (u)	
Loan Count (%)						
All Loans	17.5	17.3	14.0	0.2 (u)	3.5 (u)	
Purchase	22.1	22.7	19.4	– 0.6 (u)	2.7 (u)	
Refinance	12.4	11.0	9.3	1.4 (u)	3.1 (u)	
FHA Mortgage Insurance (thousands)[4]						Q1 2016
Applications Received	415.5	349.6	482.6	18.8% (u)	– 13.9% (u)	
Endorsements	277.4	301.2	200.1	– 7.9% (u)	38.6% (u)	
Purchase	187.1	210.5	132.5	– 11.2% (u)	41.1% (u)	
Refinance	90.4	90.6	67.6	– 0.3% (u)	33.7% (u)	
Private and VA Mortgage Insurance (thousands)						
PMI Certificates[5]						
Veterans Affairs Guarantees	144.2	173.2	146.2	– 16.7% (u)	– 1.4% (u)	Q4 2015
Residential Fixed Investment (SA real annual growth rate, %)	– 7.7	7.8 (r)	14.9	– 15.5 (u)	– 22.6 (u)	Q2 2016
GDP (SA real annual growth rate, %)	1.1	0.8	2.6	0.3 (u)	– 1.5 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	– 0.30	0.29 (r)	0.49	– 0.59 (u)	– 0.79 (u)	

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[2] Commitment (advertised) rates on the 5-Yr ARM are now reported in place of rates on the 1-Yr ARM. Freddie Mac discontinued surveying lenders on the 1-Yr ARM as of January 2016.

[3] FHA market share estimates are based on new methodology beginning with the Q3 2013 release; 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.

[4] FHA mortgage applications and endorsements data have been revised to exclude Home Equity Conversion Mortgages (HECM) beginning with the Q3 2013 release.

[5] Private mortgage insurers formed a new trade group, U.S. Mortgage Insurers (USMI), to replace Mortgage Insurance Companies of America (MICA). Data on private mortgage insurance are not yet available from USMI.

U.S. NATIONAL HOUSING INDICATORS

Note: Change From Prior Period May Be Shown As a Percent Change or Percentage-Point Change

Indicator	Current Quarter	Previous Quarter	Year-Ago Quarter	Change From Previous Quarter	Change From Year-Ago Quarter	Current Quarter as-of Date
HOMEOWNERSHIP and OCCUPANCY						
Homeownership Rates (%)						Q2 2016
Overall	62.9	63.5	63.4	– 0.6 (s)	– 0.5 (s)	
Non-Hispanic						
White	71.5	72.1	71.6	– 0.6 (s)	– 0.1 (n)	
Black	42.3	42.3	43.7	0.0 (n)	– 1.4 (s)	
Other Race	54.2	55.9	55.4	– 1.7 (s)	– 1.2 (n)	
Two or More Races	48.1	49.1	50.3	– 1.0 (n)	– 2.2 (n)	
Hispanic	45.1	45.3	45.4	– 0.2 (n)	– 0.3 (n)	
Vacancy Rates (%)						Q2 2016
Homeowner	1.7	1.7	1.8	0.0 (n)	– 0.1 (n)	
Rental	6.7	7.0	6.8	– 0.3 (n)	– 0.1 (n)	
Single-Family	6.8	6.9	6.7	– 0.1 (n)	0.1 (n)	
Multifamily (5+)	7.2	7.4	7.3	– 0.2 (n)	– 0.1 (n)	
Housing Stock (thousands)						Q2 2016
All Housing Units	135,474	135,268 (r)	134,659	0.2% (u)	0.6% (u)	
Owner-Occupied	74,417	74,702 (r)	74,439	– 0.4% (n)	0.0% (n)	
Renter-Occupied	43,862	42,879 (r)	42,895	2.3% (s)	2.3% (s)	
Vacant	17,195	17,688 (r)	17,324	– 2.8% (s)	– 0.7% (n)	
Year-Round Vacant	12,904	13,128 (r)	12,848	– 1.7% (n)	0.4% (n)	
For Rent	3,213	3,269 (r)	3,197	– 1.7% (n)	0.5% (n)	
For Sale	1,305	1,313 (r)	1,381	– 0.6% (n)	– 5.5% (n)	
Rented or Sold, Awaiting Occupancy	1,079	970 (r)	1,130	11.2% (s)	– 4.5% (n)	
Held Off Market	7,307	7,576 (r)	7,141	– 3.6% (s)	2.3% (n)	
Occasional Use	2,076	2,085 (r)	2,038	– 0.4% (n)	1.9% (n)	
Occupied—URE	1,423	1,570 (r)	1,280	– 9.4% (s)	11.2% (s)	
Other	3,807	3,922 (r)	3,824	– 2.9% (n)	– 0.4% (n)	
Seasonal Vacant	4,291	4,560 (r)	4,477	– 5.9% (s)	– 4.2% (n)	
Households (thousands)						Q2 2016
Total	118,279	117,582 (r)	117,335	0.6% (s)	0.8% (s)	

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