HUD PD&R National Housing Market Summary

The Housing Market Recovery Showed Less Progress in the Second Quarter

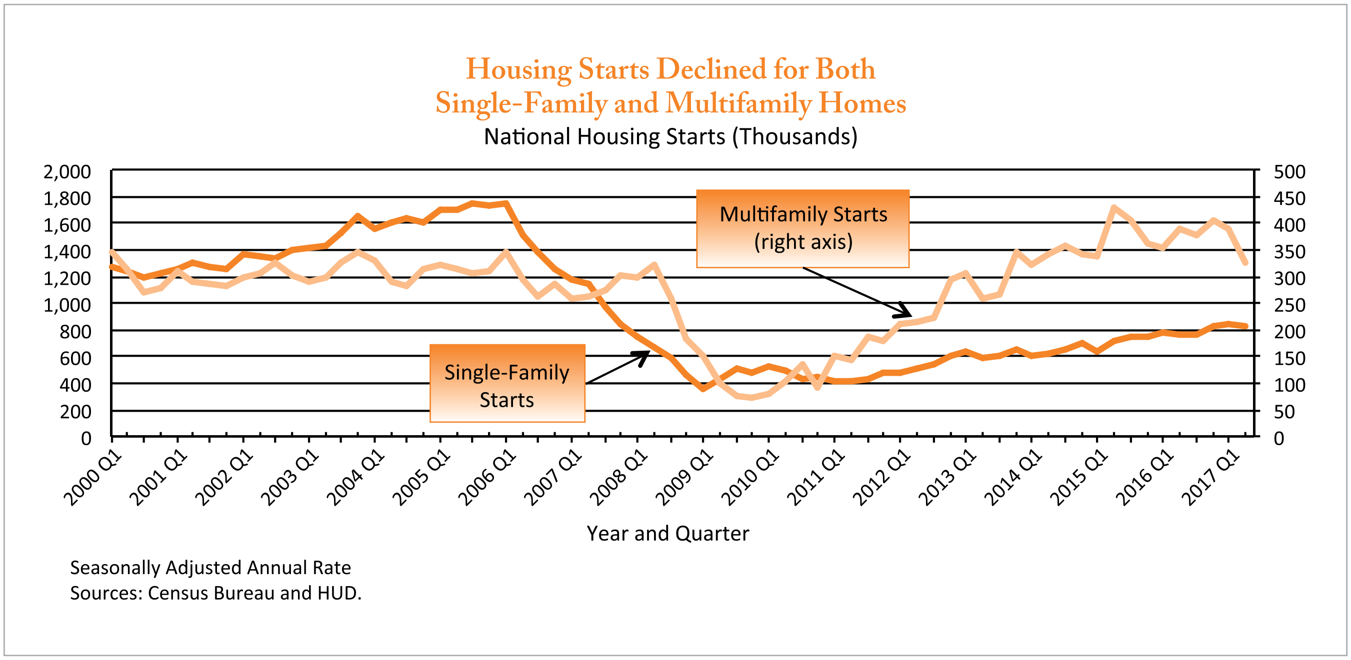
Indicators of the housing market were mixed in the second quarter of 2017. Construction starts were down for both single-family and multifamily housing. Home purchases declined while the months' supply of homes for sale rose for both new single-family homes and previously owned (existing) housing. The seasonally adjusted (SA) Federal Housing Finance Agency's (FHFA) and the CoreLogic Case-Shiller® repeat-sales house price indices showed home values increasing in the second quarter, with annual house price appreciation stable in a 5- to 6-percent range.

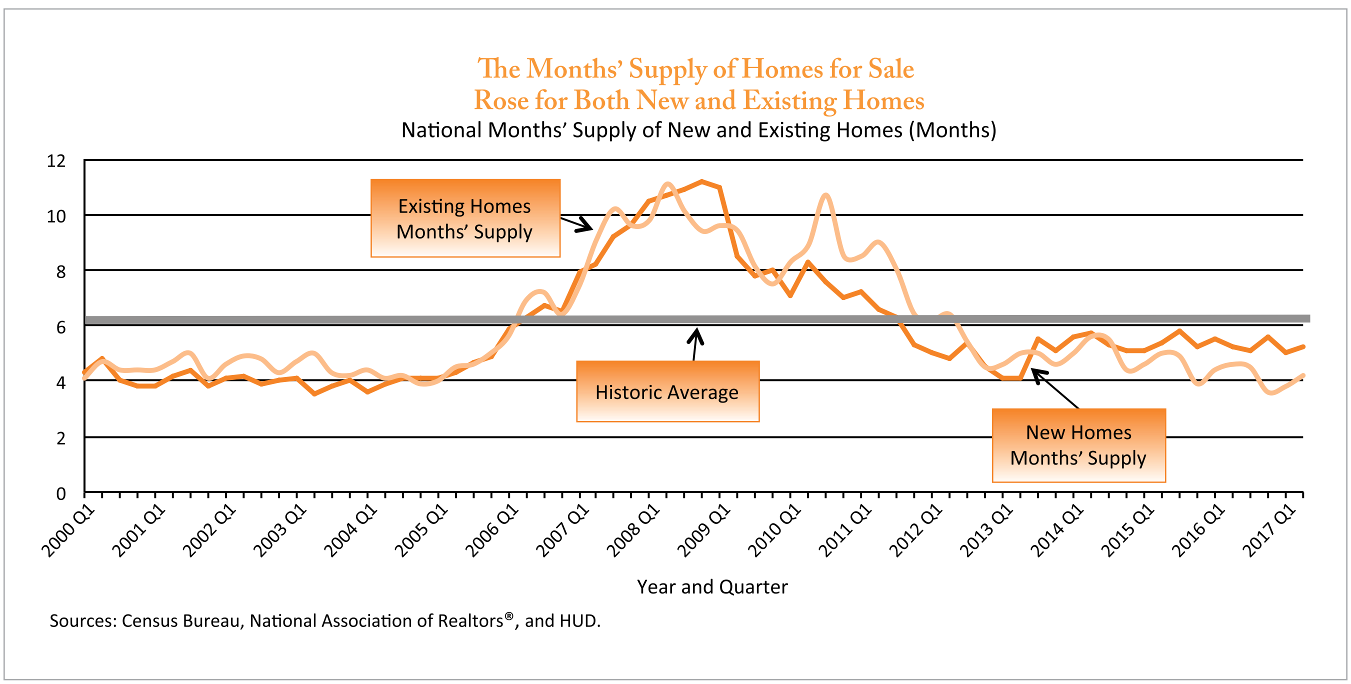
Based on its National Delinquency Survey, the Mortgage Bankers Association (MBA) reported that measures of delinquency declined in the second quarter. ATTOM Data Solutions® data show that both newly initiated and completed foreclosures fell. The national homeownership rate rebounded in the second quarter. According to the Bureau of Economic Analysis' second estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 3.0 percent, following a 1.2-percent gain in the first quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, fell 6.5 percent following an 11.1-percent gain in the first quarter and reduced real GDP growth by 0.26 percentage point following a 0.41-percentage-point contribution in the first quarter.

Housing Supply

Homebuilding fell for single-family and multifamily homes. Construction starts on single-family homes, at 826,000 units (SAAR) in the second quarter, were down slightly (2 percent) from the previous quarter but up 9 percent from the previous year. The pace of single-family housing starts is now nearly two-thirds the annual rate (AR) of 1.36 million units in 2002, before the housing bubble began. Multifamily housing starts, at 327,000 units (SAAR) in the second quarter, were down 16 percent from both the previous quarter and 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 79 percent in the years before the housing bubble (2000–2003) to 71 percent in the second quarter of 2017. Because of a relatively strong rental market during this recovery, the share of multifamily starts has grown from 19 to 28 percent in the same period. The share of single-family starts has improved since the second quarter of 2015, however, when it reached a low of 62 percent and the share of multifamily starts was 37 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 rose for both new and existing homes. The listed inventory of new homes for sale at the end of the second quarter was 272,000 units (SA), which would support 5.2 months of sales at the current sales pace, up from 5.0 months in the previous quarter but the same as the previous year. The listed inventory of existing homes for sale, at 1.94 million units, represents a 4.2-month supply of existing homes for sale, up from 3.8 months the previous quarter but down from 4.6 months a year earlier. The long-term 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 Declined for Both
Single-Family and Multifamily Homes
National Housing Starts (Thousands)
Multifamily Starts (right axis)
Single-Family Starts
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
500
450
400
350
300
250
200
150
100
50
0
2000 Q1
2001 Q1
2002 Q1
2003 Q1
2004 Q1
2005 Q1
2006 Q1
2007 Q1
2008 Q1
2009 Q1
2010 Q1
2011 Q1
2012 Q1
2013 Q1
2014 Q1
2015 Q1
2016 Q1
2017 Q1
Year and Quarter
Seasonally Adjusted Annual Rate
Sources: Census Bureau and HUD.


The Months' Supply of Homes for Sale
Rose for Both New and Existing Homes
National Months' Supply of New and Existing Homes (Months)
Existing Homes Months' Supply
Historic Average
New Homes Months' Supply
12
10
8
6
4
2
0
2000 Q1
2001 Q1
2002 Q1
2003 Q1
2004 Q1
2005 Q1
2006 Q1
2007 Q1
2008 Q1
2009 Q1
2010 Q1
2011 Q1
2012 Q1
2013 Q1
2014 Q1
2015 Q1
2016 Q1
2017 Q1
Year and Quarter
Sources: Census Bureau, National Association of Realtors®, and HUD.

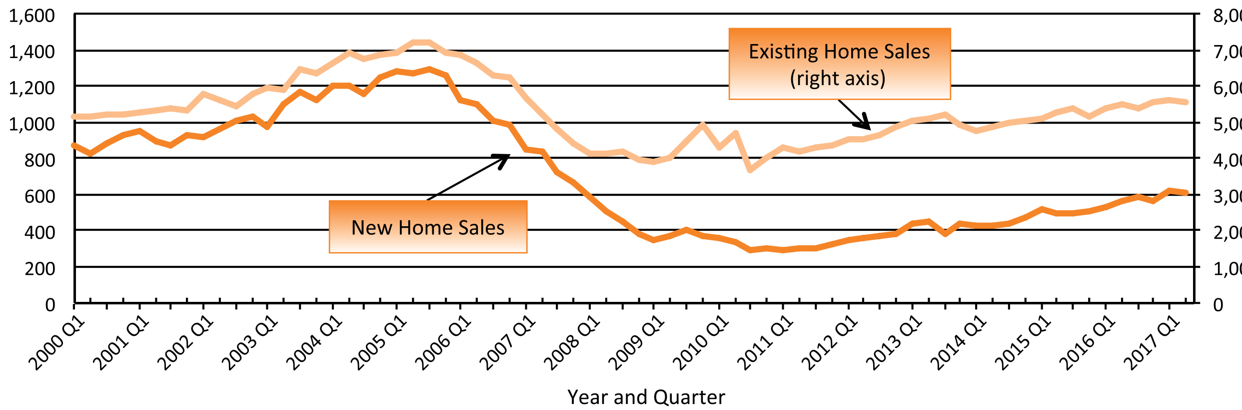
Housing Demand

Sales fell for both new and existing homes. Purchases of new single-family homes, at 613,000 units (SAAR) in the second quarter, were down 1 percent from the previous quarter but up 9 percent from the previous year. New home sales 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 pace of 5.6 million (SAAR) in the second quarter, down 1 percent from the previous quarter but up 2 percent from year-ago levels. In 2002, before the housing bubble began, existing homes sold at an annual pace of 5.6 million units. Sales to first-time buyers accounted for 33 percent of all sales transactions in the second quarter, slightly higher than the previous quarter but well below the historic norm of 40 percent. The weakness in sales reflects more stringent bank lending standards, low sales inventory, and there being 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 accounted for 85 percent of the market, with new home sales representing the remaining 15 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 to 1, although that ratio has fallen from 14 to 1 in 2011.

Annual house price gains remain stable in a 5- to 6-percent range. The FHFA (SA) purchase-only repeat-sales house price index showed U.S. home prices appreciating at a 1.6-percent rate in the second quarter, the same pace as the first quarter. House prices rose at a 6.6-percent annual pace, slightly faster than the 6.4-percent annual change in the previous quarter. The CoreLogic Case-Shiller® (SA) national repeat-sales house price index estimated a 0.9-percent rise in house prices for the second quarter, down from a 1.6-percent gain in the previous quarter. House prices rose over the four-quarter period by 5.7 percent, showing a slight acceleration over the previous quarter's 5.6-percent annual gain. According to both indices, house prices peaked during the bubble in the first quarter of 2007. The FHFA index indicates that home prices are 9.3 percent above their previous peak, whereas the CoreLogic Case-Shiller® index shows home values 3.0 percent above their previous high point. 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

Sales Fell for Both New and Existing Homes

National Home Sales (Thousands)



Seasonally Adjusted Annual Rates

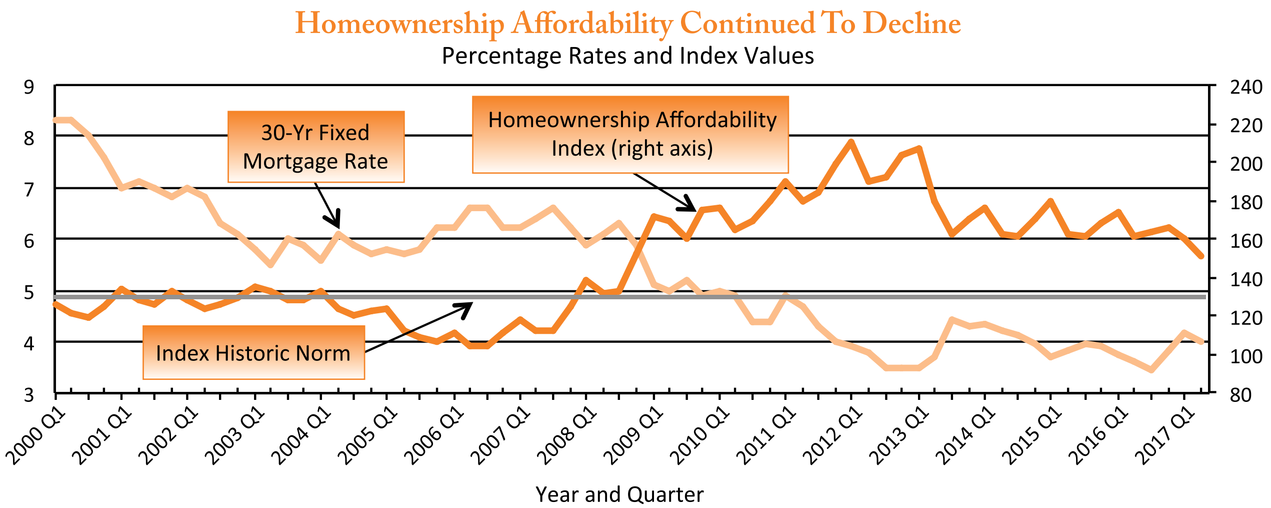
Sources: Census Bureau, HUD, and National Association of Realtors®.

than value weighted. The share of distressed sales fell in the second quarter, while investor purchases also declined. According to NAR, distressed sales, which tend to sell at lower prices, accounted for 5 percent of all existing home sales, down from 7 percent in the first quarter and 6 percent one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 15 percent of existing home sales, down from 16 percent in the previous quarter but up from 12 percent one year ago.

The absorption rate rose for both new condominiums and cooperatives and new apartments. Of newly completed condominiums and cooperatives in the first quarter, 71 percent sold within 3 months, up from 37 percent in the previous quarter and 65 percent one year ago. Of new apartments completed in the first quarter, 56 percent were leased within the ensuing 3 months, up from 53 percent in the previous quarter but down slightly from 57 percent a year earlier.

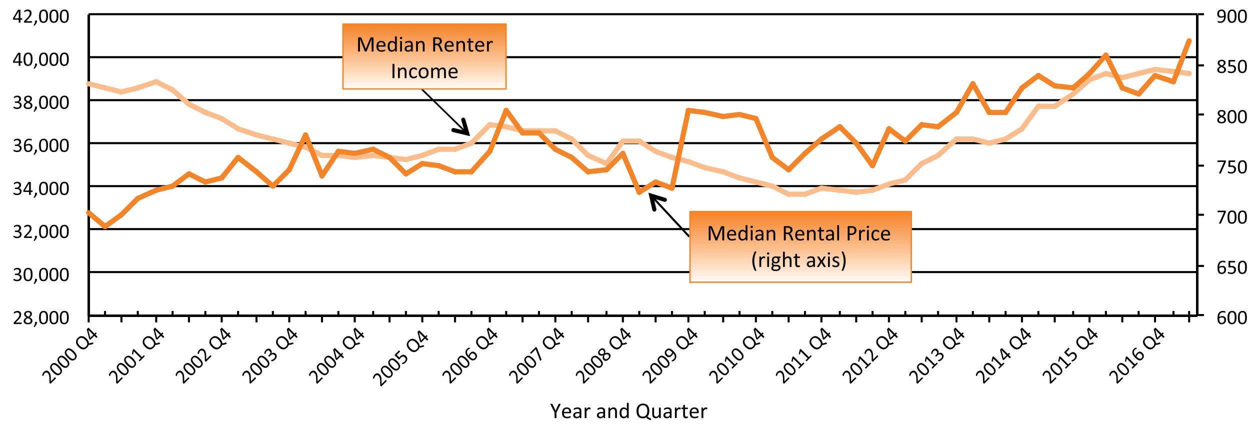
The affordability of owning a home declined. The NAR Composite Housing (Homeownership) Affordability Index dropped to 151.3 in the second quarter from 160.2 in the previous quarter, a decline of 6 percent from both the first quarter and a year earlier. The decrease in the ability to purchase a home was the result of an increase in the median price of a single-family home, which more than offset a decline in mortgage interest rates and an increase in Median Family Income. The homeownership 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 since the third quarter of 2013. The NAR Composite Housing Affordability Index for the first quarter is still well above its historic norm of 129, however. NAR's Housing Affordability Index is a measure of the ability of the median-income family to purchase a median-priced home under current underwriting standards.

The ability to lease a home dropped. HUD's Rental Affordability Index, at 112.6 in the second quarter, fell 5 percent from both the previous quarter and over the four-quarter period. The decrease in the affordability of renting a home resulted from a 4.8-percent rise in the real, or inflation-adjusted, median price of a rental home and a 0.1-percent decline in the inflation-adjusted median income of a renter household. The affordability of leasing a home declined 23 percent from the first quarter of 2001 to its low point at the end of 2010 and has improved 5 percent since. In contrast, the affordability of purchasing a home rose 101 percent from its low in mid-2006 to its peak in the beginning of 2012 and has declined 28 percent since. The affordability of homeownership has declined since 2012 as higher prices have outweighed stable to lower mortgage rates. The gap between the ability of a renter household with median income to lease a home compared with the ability of a family with median income to purchase a home peaked in 2012 and has been falling since (-62 percent).



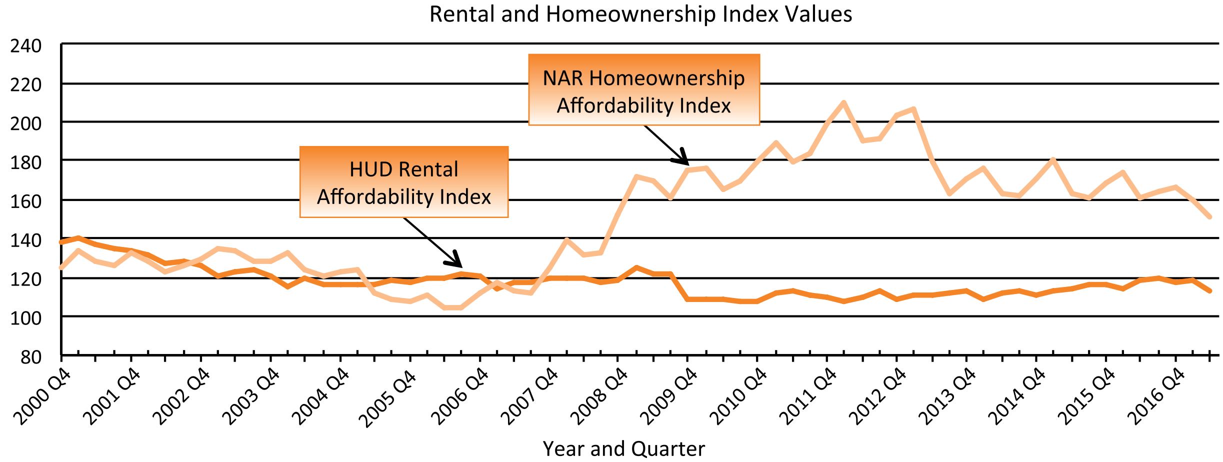
The historical norm of 129 is the median value of the affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.

The Affordability of Renting Has Declined as Rising Rents Outpace Income Growth



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

Rental Affordability Remains a Challenge Due to Rising Rents



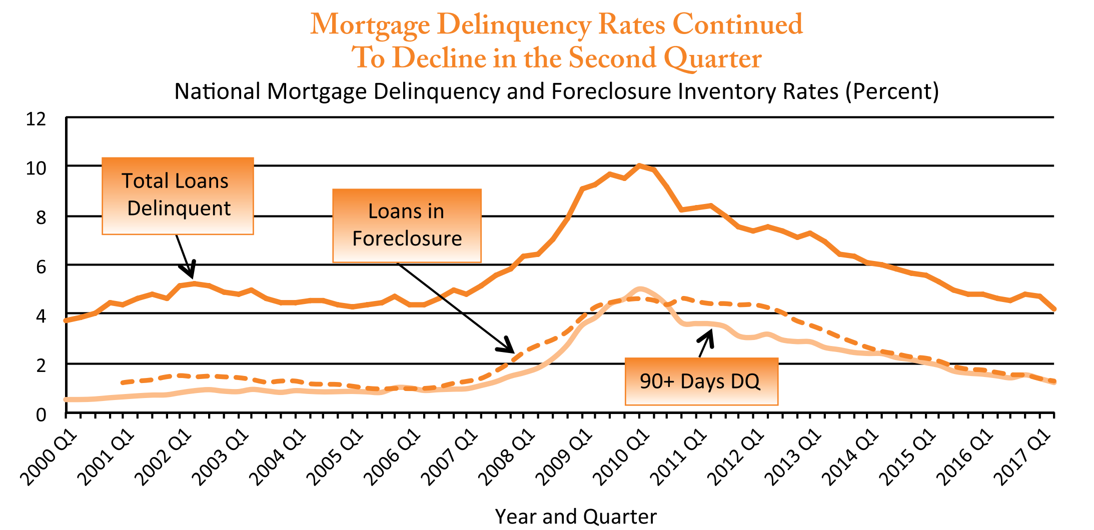
Sources: National Association of Realtors®, Census Bureau ACS and 2000 Decennial Census, BLS, CPS, and HUD.

Housing Finance and Investment

The overall mortgage delinquency rate continued to decline. During the second quarter of 2017, the delinquency rate on mortgages of one- to four-unit residential properties decreased to a seasonally adjusted rate of 4.24 percent—its lowest level since the second quarter of 2000—according to data from MBA's quarterly National Delinquency Survey. The overall delinquency rate was 4.71 percent in the first quarter and 4.66 percent one year ago; its historic average is 5.36 percent. The delinquency rate fell for all loan types—conventional, FHA, and VA—compared to the first quarter. The conventional delinquency rate dropped from 4.04 to 3.47 percent, its lowest level since 2005; the FHA delinquency rate fell from 8.09 to 7.94 percent, its lowest level since 1996; and the VA delinquency rate decreased from 3.90 to 3.72 percent, its lowest level since 1979. Seriously delinquent loans (those 90 or more days delinquent or in the foreclosure process) for all loan types dropped to a 10-year low of 2.49 percent from 2.76 percent in the first quarter and 3.11 percent in the second quarter of 2016. Foreclosure starts fell to 0.26 percent of active loans from 0.30 percent in the previous quarter and 0.32 percent one year ago. Foreclosure starts are 19 basis points below their historic average of 0.45 percent. The percentage of loans in the foreclosure process at the end of the second quarter was 1.29 percent, down from 1.39 percent in the previous quarter and 1.64 percent one year ago. Foreclosure inventory is below its historic norm of 1.5 percent and is down to 28 percent of its peak in the fourth quarter of 2010 (4.64 percent), during the worst of the crisis.

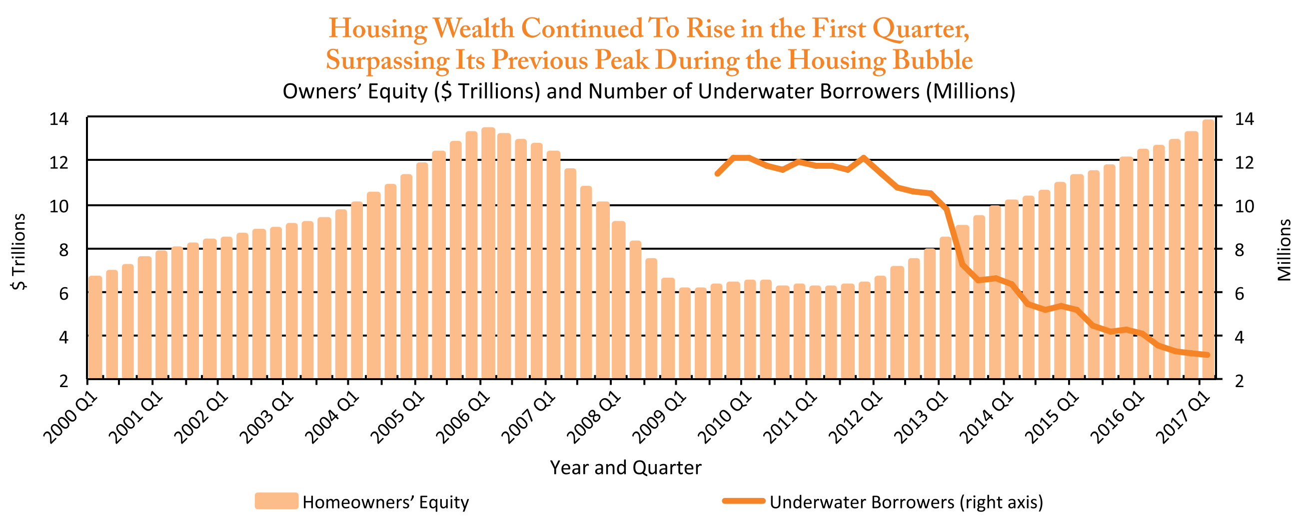
Foreclosure starts and completions fell in the second quarter. ATTOM Data Solutions® reported that foreclosure starts—default notices or scheduled foreclosure auctions, depending on the state—were filed for the first time on 101,150 U.S. properties in the second quarter, down 1 percent from the previous quarter and 19 percent over the four-quarter period. The pre-crisis average of foreclosure starts in 2005 and 2006 was 156,800 per quarter. Lenders completed the foreclosure process (bank repossessions or REO [real estate owned] properties) on 78,560 U.S. properties in the second quarter, down 13 percent from the previous quarter and 21 percent from one year earlier. The level of REO properties is nearing the pre-crisis (in 2005 and 2006) average of foreclosure completions, which was 69,400 per quarter. With rising home prices and low inventory levels, lenders have been resolving defaults more quickly by either restructuring the loan or foreclosing on the property. In addition, foreclosure activity has remained relatively high in states where the backlog of distressed properties—resulting from either a slow foreclosure process or a substantial pool of seriously delinquent mortgages relative to the years prior to the housing crisis—has been clearing.

Homeowners' equity surpassed its previous peak, set in 2006 during the housing bubble. The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose $517 billion in the first quarter of 2017 (the data are reported with a lag), to more than $13.7 trillion, surpassing its previous peak of $13.4 trillion in the first quarter of 2006. Owners' equity has grown by more than $7.4 trillion since the end of 2011. The rapid increase in home equity reflects house price appreciation, fewer distressed borrowers, and increased principal repayment. According to CoreLogic, 3.1 million homes, or 6.1 percent of residential properties with a mortgage, were under water in the first quarter (the data are reported with a lag), down from 3.2 million, or 6.3 percent, in the fourth quarter of 2016 and 4.1 million, or 8.1 percent, one year prior. CoreLogic estimates that the number of underwater homes has declined by 1.0 million, or 24 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 74 percent—from 12.1 to 3.1 million—or by 9.0 million homeowners. The decline in the number of homes in negative equity puts more homeowners in a position to sell their home and could help ease the current low level of homes for sale.



Delinquent (DQ) loans do not include loans in foreclosure. All data are seasonally adjusted except data for loans in foreclosure.

Source: Mortgage Bankers Association.

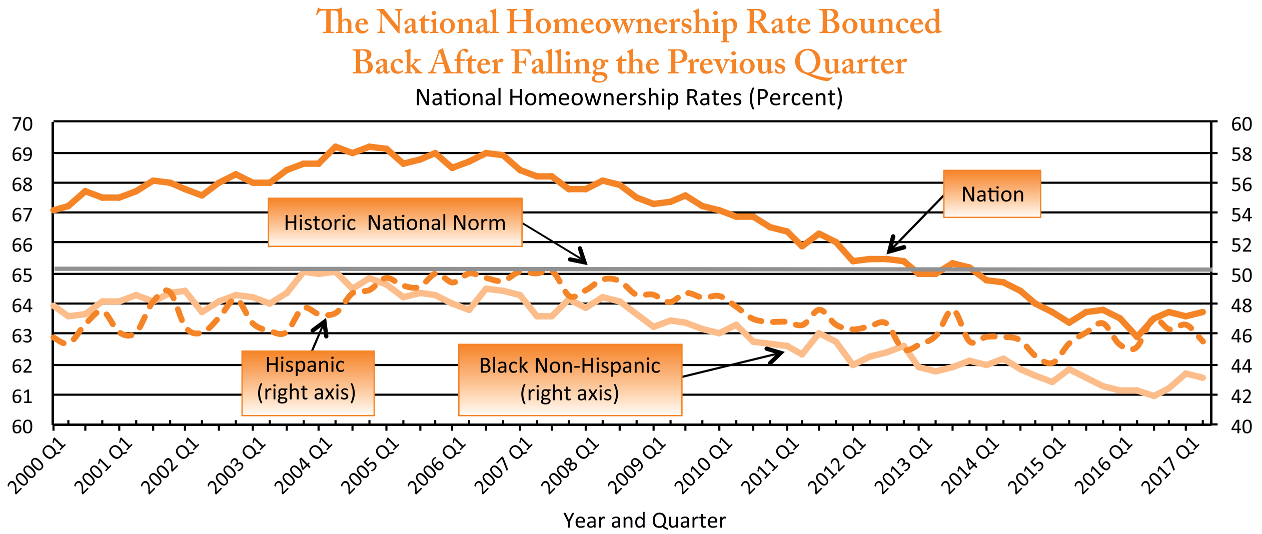


Data for underwater borrowers are only available beginning the third quarter of 2009.
Sources: Federal Reserve Board and CoreLogic.

Homeownership and Housing Vacancy

The U.S. homeownership rate bounced back in the second quarter. The national homeownership rate increased to 63.7 percent from 63.6 percent in the previous quarter and was up from 62.9 percent one year ago. Beginning with the fourth quarter of 2013, the national homeownership rate declined for seven straight quarters and has been fluctuating since. Homeownership peaked at 69.2 percent in the second and fourth quarters of 2004 and fell with the Great Recession, reaching a low of 62.9 percent the second quarter of 2016—the lowest rate since 1965. For the second quarter of 2017, the homeownership rate for White non-Hispanic households increased to 72.2 percent from 71.8 percent; for Black non-Hispanic households, the rate dropped to 43.1 percent from 43.4 percent; and for Hispanic households, the rate fell to 45.5 percent from 46.6 percent. The homeownership rate rose to 56.4 percent for other-race non-Hispanic households and to 52.8 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 because of the severe 2007–2009 recession. More recently, relatively slow 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 2016 NAR survey of homebuyers revealed that the share of homebuyers making their first purchase increased to 35 percent from 32 percent in 2015. It has been more than seven years since the foreclosure

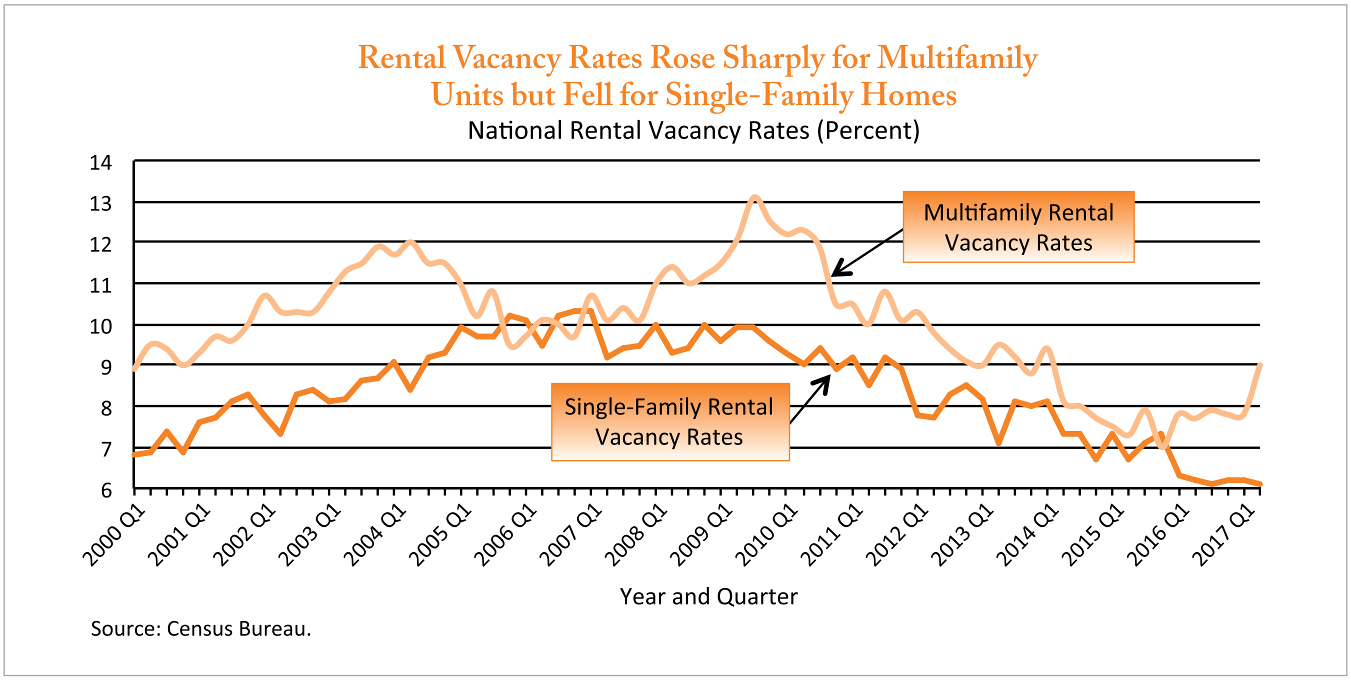


The historical norm of 65 percent is the average national homeownership rate since 1965.
Sources: Census Bureau and HUD.

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 after seven years. 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.

The rental market vacancy rate fell for single-family homes but rose for multifamily units. According to the U.S. Census Bureau, the overall vacancy rate in the rental market increased to 7.3 percent from 7.0 percent in the first quarter and was up from 6.7 percent in the second quarter of 2016. The single-family rental vacancy rate tightened slightly, dropping to 6.1 percent from 6.2 percent in both the previous quarter and one year ago. The vacancy rate in the rental market for multifamily units (five or more units in a structure) rose to 9.0 percent from 7.8 percent in the first quarter and 7.7 percent a year earlier. In addition to single-family and multifamily homes, the overall vacancy rate includes homes with 2- to 4-units in a structure.

The number of households changed little in the second quarter. The number of U.S. households, at 118,899,000, remained virtually the same as in the first quarter but has grown 0.5 percent so far this year according to the Census Bureau's CPS/HVS (Current Population Survey/Housing Vacancy Survey). 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, with an average annual growth rate of 1.2 percent, but fell to 0.8 percent in 2016. 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.]



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 2017
Total	1,224	1,260	1,178	– 2.9% (s)	3.9% (s)	
Single-Family	795	822	740	– 3.3% (s)	7.3% (s)	
Multifamily (5+)	395	401	406	– 1.5% (n)	– 2.8% (s)	
Housing Starts (SAAR, thousands)						Q2 2017
Total	1,165	1,238 (r)	1,158	– 5.8% (n)	0.7% (n)	
Single-Family	826	839 (r)	756	– 1.5% (n)	9.2% (s)	
Multifamily (5+)	327	388 (r)	389	– 15.9% (n)	– 16.1% (n)	
Under Construction (SA, thousands)						Q2 2017
Total	1,065	1,074	1,011	– 0.8% (n)	5.3% (s)	
Single-Family	460	454	428	1.3% (n)	7.5% (s)	
Multifamily (5+)	596	610 (r)	572	– 2.3% (n)	4.2% (n)	
Housing Completions (SAAR, thousands)						Q2 2017
Total	1,177	1,146 (r)	1,030	2.7% (n)	14.2% (s)	
Single-Family	800	792 (r)	732	1.1% (n)	9.3% (s)	
Multifamily (5+)	362	342 (r)	289	5.7% (n)	25.3% (s)	
New Homes for Sale (SA)						Q2 2017
Inventory (thousands)	272	266 (r)	243	2.3% (n)	11.9% (s)	
Months' Supply (months)	5.2	5.0 (r)	5.2	4.0% (n)	0.0% (n)	
Existing Homes for Sale						Q2 2017
Inventory (NSA, thousands)	1,940	1,800	2,110	7.8% (u)	– 8.1% (u)	
Months' Supply (months)	4.2	3.8	4.6	10.5% (u)	– 8.7% (u)	
Manufactured Home Shipments (SAAR, thousands)	89.0	100.7 (r)	79.0	– 11.6% (u)	12.7% (u)	Q2 2017

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 2017
New Homes Sold (thousands)						
Single-Family	613	617	562	– 0.8% (n)	9.1% (s)	
Existing Homes Sold (thousands)						
Single-Family, Townhomes, Condos, Co-ops	5,563	5,620	5,477	– 1.0% (u)	1.6% (u)	
Condos and Co-ops	633	627	620	1.1% (u)	2.2% (u)	
First-Time Buyers (%)	33	32	32	1 (u)	1 (u)	
Investor Sales (%)	15	16	12	– 1 (u)	2 (u)	
Home Sales Prices						Q2 2017
Median ($)						
New Homes	317,200	313,100 (r)	311,700	1.3% (u)	1.8% (u)	
Existing Homes	253,600	230,700	239,133	9.9% (u)	6.0% (u)	
Repeat-Sales Home Price Indices						
FHFA (SA)	245.4	241.5 (r)	230.1	1.6% (u)	6.6% (u)	
CoreLogic Case-Shiller (SA)	189.9	188.2 (r)	179.6	0.9% (u)	5.7% (u)	
Housing Affordability						Q2 2017
Composite Index	151.3	160.2 (r)	161.2	– 5.6% (u)	– 6.2% (u)	
Fixed Index	151.3	159.7 (r)	160.4	– 5.3% (u)	– 5.7% (u)	
National Average Mortgage Interest Rate (%)	4.1	4.4	3.9	– 0.3 (u)	0.2 (u)	
Median-Priced Existing Single-Family Home ($)	255,600	232,167 (r)	240,700	10.1% (u)	6.2% (u)	
Median Family Income ($)	71,529	71,201	69,837	0.5% (u)	2.4% (u)	
Rental Affordability						
HUD's Rental Affordability Index	112.6	118.0 (r)	118.0	– 4.6% (u)	– 4.6% (u)	Q2 2017
Multifamily Housing						
Apartments						
Completed Previous Quarter (thousands)	61.0	71.7 (r)	55.1	– 14.9% (s)	10.7% (s)	Q1 2017
Leased Current Quarter (%)	56	53	57	3 (s)	– 1 (n)	Q2 2017
Median Asking Rent ($)	1,498	1,503	1,456	– 0.3% (n)	2.9% (n)	
Condos and Co-ops						
Completed Previous Quarter (thousands)	3.7	8.2 (r)	3.0	– 54.9% (s)	23.3% (n)	Q1 2017
Sold Current Quarter (%)	71	37 (r)	65	34 (s)	6 (n)	Q2 2017
Median Asking Price ($)	571,978	716,431	638,736	– 20.2% (s)	– 10.5% (n)	
Manufactured Home Placements (sales at SAAR, thousands)						
Shipped Previous Quarter (thousands)	100.7	88.3 (r)	81.7	14.0% (u)	23.3% (u)	Q1 2017
Sold Current Quarter (%)[1]	55.8	54.5	61.3	1.3 (n)	– 5.5 (n)	Q2 2017
Builders' Views of Market Activity (Composite Index)	68	68	59	0.0% (u)	15.3% (u)	Q2 2017

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 2017
30-Year Fixed Rate	3.99	4.17	3.59	– 0.18 (u)	0.40 (u)	
15-Year Fixed Rate	3.24	3.99	2.82	– 0.75 (u)	0.42 (u)	
5-Year ARM[2]	3.14	3.22	2.81	– 0.08 (u)	0.33 (u)	
Mortgage Delinquency Rates (%)						Q2 2017
All Loans Past Due (SA)	4.24	4.71	4.66	– 0.47 (u)	– 0.42 (u)	
Loans 90+ Days Past Due (SA)	1.23	1.39	1.50	– 0.16 (u)	– 0.27 (u)	
Seriously Delinquent (90+ Days & in FC, NSA)	2.49	2.76	3.11	– 0.27 (u)	– 0.62 (u)	
FHA Market Share[3]						Q1 2017
Dollar Volume (%)						
All Loans	14.3	14.1	13.8	0.2 (u)	0.5 (u)	
Purchase	16.3	18.3	17.7	– 2.0 (u)	– 1.4 (u)	
Refinance	11.5	10.0	9.4	1.5 (u)	2.1 (u)	
Loan Count (%)						
All Loans	18.8	16.3	16.1	2.6 (u)	2.8 (u)	
Purchase	23.0	20.5	20.1	2.4 (u)	2.8 (u)	
Refinance	13.9	11.8	11.4	2.2 (u)	2.6 (u)	
FHA Mortgage Insurance (thousands)[4]						Q2 2017
Applications Received	427.0	305.5 (r)	498.4	39.7% (u)	– 14.3% (u)	
Endorsements	305.5	298.3	317.1	2.4% (u)	– 3.6% (u)	
Purchase	233.5	195.5	225.1	19.4% (u)	3.7% (u)	
Refinance	72.1	102.8	92.0	– 29.9% (u)	– 21.6% (u)	
Private and VA Mortgage Insurance (thousands)						Q2 2017
PMI Certificates[5]	224.4	165.0	245.1	36.0% (u)	– 8.5% (u)	
Veterans Affairs Guarantees	161.0	172.2 (r)	188.3	– 6.5% (u)	– 14.5% (u)	
Residential Fixed Investment (SA real annual growth rate, %)	– 6.5	11.1 (r)	– 4.7	– 17.6 (u)	– 1.8 (u)	Q2 2017
GDP (SA real annual growth rate, %)	3.0	1.2	2.2	1.8 (u)	0.8 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	– 0.26	0.41 (r)	– 0.18	– 0.67 (u)	– 0.08 (u)	

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.

[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] Source: USMI (U.S. Mortgage Insurers), the trade association for the PMI industry. The data represent PMI Certificates issued by five of the six major PMI companies: Essent (Essent Guaranty, Inc.), Genworth (Genworth Mortgage Insurance Corp.), MGIC (Mortgage Guaranty Insurance Corp.), NMI (National Mortgage Insurance Corporation), and Radian (Radian Guaranty Inc.). A sixth major PMI insurer, Arch (Arch Mortgage Insurance Co.), has not been represented since 2Q 2016.

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 2017
Overall	63.7	63.6	62.9	0.1 (n)	0.8 (s)	
Non-Hispanic						
White	72.2	71.8	71.5	0.4 (n)	0.7 (s)	
Black	43.1	43.4	42.3	– 0.3 (n)	0.8 (s)	
Other Race	56.4	56.0	54.2	0.4 (n)	2.2 (s)	
Two or More Races	52.8	52.0	48.1	0.8 (n)	4.7 (s)	
Hispanic	45.5	46.6	45.1	– 1.1 (n)	0.4 (n)	
Vacancy Rates (%)						Q2 2017
Homeowner	1.5	1.7	1.7	– 0.2 (n)	– 0.2 (s)	
Rental	7.3	7.0	6.7	0.3 (n)	0.6 (s)	
Single-Family	6.1	6.2	6.2	– 0.1 (n)	– 0.1 (n)	
Multifamily (5+)	9.0	7.8	7.7	1.2 (s)	1.3 (s)	
Housing Stock (thousands)						Q2 2017
All Housing Units	136,456	136,229	135,546	0.2% (u)	0.7% (u)	
Owner-Occupied	75,716	75,632	74,456	0.1% (n)	1.7% (s)	
Renter-Occupied	43,183	43,287	43,885	– 0.2% (n)	– 1.6% (s)	
Vacant	17,557	17,309	17,206	1.4% (n)	2.0% (s)	
Year-Round Vacant	13,383	12,841	12,912	4.2% (s)	3.6% (s)	
For Rent	3,470	3,288	3,216	5.5% (n)	7.9% (s)	
For Sale	1,201	1,293	1,306	– 7.1% (n)	– 8.0% (n)	
Rented or Sold, Awaiting Occupancy	1,262	987	1,080	27.9% (s)	16.9% (s)	
Held Off Market	7,450	7,275	7,311	2.4% (n)	1.9% (n)	
Occasional Use	2,214	2,069	2,078	7.0% (s)	6.5% (s)	
Occupied—URE	1,388	1,426	1,424	– 2.7% (n)	– 2.5% (n)	
Other	3,847	3,779	3,810	1.8% (n)	1.0% (n)	
Seasonal Vacant	4,175	4,462	4,292	– 6.4% (s)	– 2.7% (n)	
Households (thousands)						Q2 2017
Total	118,899	118,921	118,341	0.0% (n)	0.5% (s)	

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