3rd Quarter 2017 | December 2017

HUD PD&R National Housing Market Summary

Housing Market Indicators Were Mixed in the Third Quarter

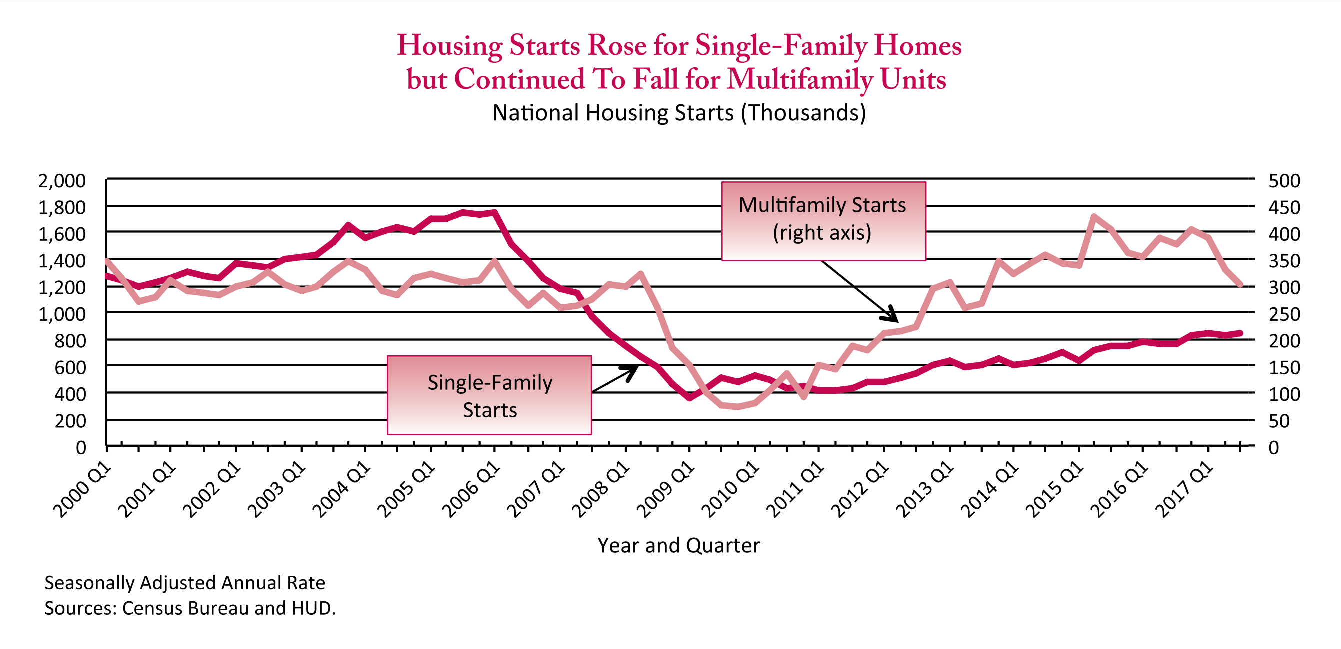
The housing market showed a mixed set of results for the third quarter of 2017. Construction starts were up for single-family homes but fell for multifamily housing. Home purchases declined for both new single-family homes and previously owned (existing) housing. The months' supply of homes for sale remained the same for existing homes but fell for new homes. 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 third quarter, with annual house price appreciation ranging about 6 to 7 percent.

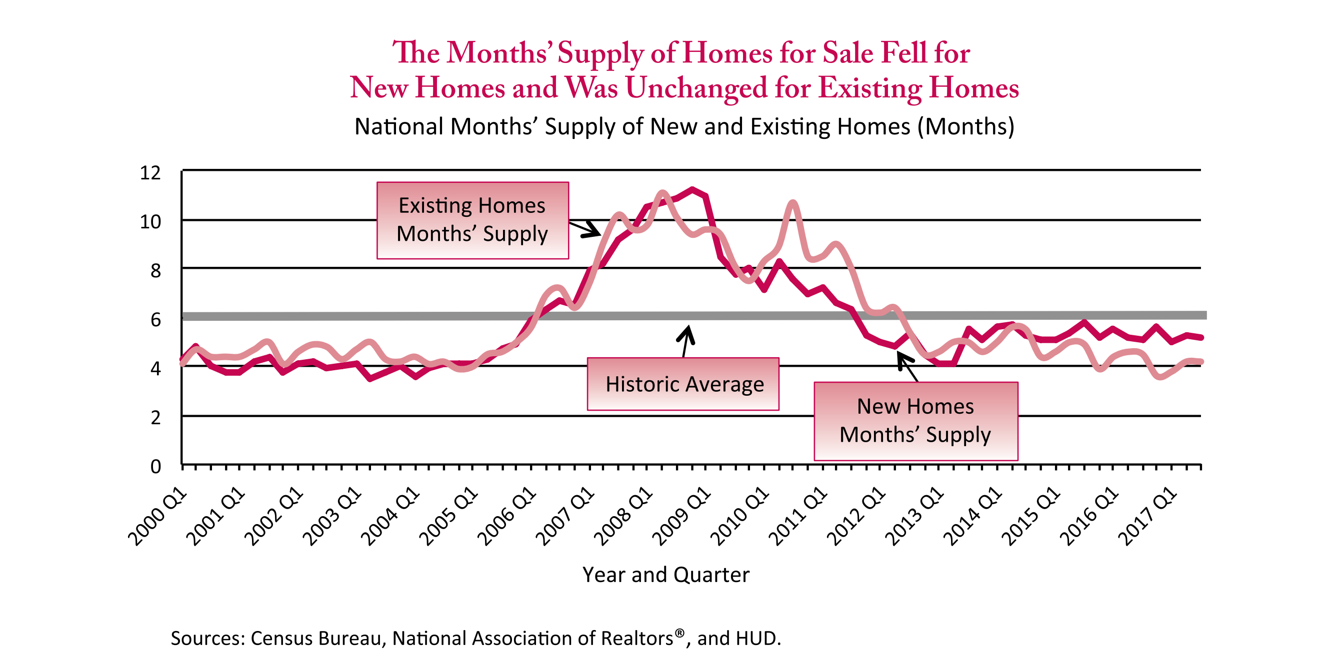
Based on its National Delinquency Survey, the Mortgage Bankers Association (MBA) reported that the overall delinquency rate rose in the third quarter because of the recent hurricanes. ATTOM Data Solutions® reported that both newly initiated and completed foreclosures continued to decline. The national homeownership rate rose again in the third quarter. According to the Bureau of Economic Analysis' second estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 3.3 percent, following a 3.1-percent gain in the second quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, fell 5.1 percent following a 7.3-percent decline in the second quarter and reduced real GDP growth by 0.20 percentage point following a 0.30-percentage-point loss in the second quarter.

Housing Supply

Homebuilding rose for single-family homes but fell for multifamily units. Construction starts on single-family homes, at 848,000 units (SAAR) in the third quarter of 2017, were up 3 percent from the previous quarter and 12 percent from the previous year. The pace of single-family housing starts is now two-thirds the average annual rate (AR) of 1.29 million units in the years from 2000 to 2002, before the housing bubble began. Multifamily housing starts, at 304,000 units (SAAR) in the third quarter, were down 8 percent from the previous quarter and 19 percent from the previous year. The pace of starts during the period prior to the housing bubble (2000–2002) was 300,000 units (AR). Single-family housing starts were slower to bounce back in the housing recovery, but their share of the market is now similar to their historic average. The share of single-family housing starts reached 73 percent in the third quarter of 2017, with the share of multifamily starts at 26 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 share of single-family housing starts had fallen from 79 percent in the years before the housing bubble (2000–2002) to a low of 62 percent in the second quarter of 2015. In contrast, because of a relatively strong rental market during the recovery period, the share of multifamily starts had grown from 19 to 37 percent during the same period.

The months' supply of homes on the market remained the same for existing homes but fell for new homes. The listed inventory of new homes for sale at the end of the third quarter was 278,000 units (SA), which would support 5.2 months of sales at the current sales pace, down from 5.3 months in the previous quarter but up from 5.1 months the previous year. The listed inventory of existing homes for sale, at 1.86 million units, represents a 4.2-month supply of existing homes for sale, unchanged from the previous quarter but down from 4.5 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.





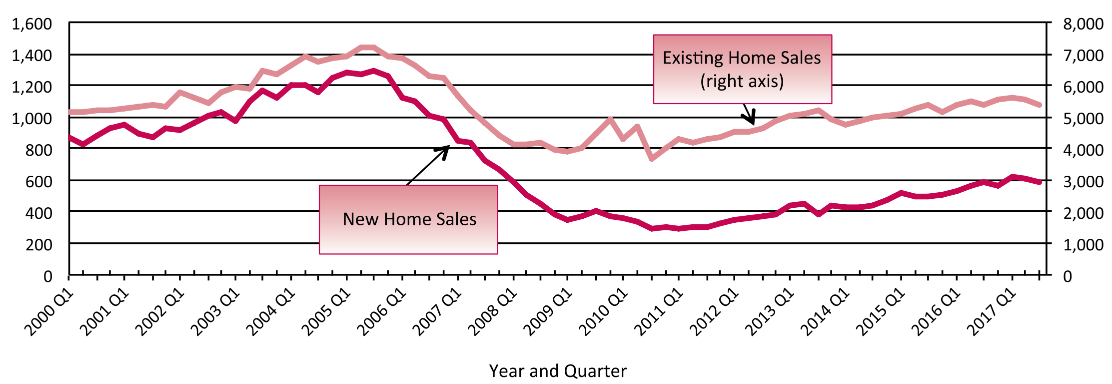
Housing Demand

Sales fell for both new and existing homes for a second consecutive quarter. Purchases of new single-family homes, at 591,000 units (SAAR) in the third quarter, were down 2 percent from the previous quarter but up slightly (0.6 percent) from the previous year. New home sales remain well below the average annual pace of 919,000 units during the years 2000–2002, 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 5.4 million (SAAR) in the third quarter, down 3 percent from the previous quarter but up slightly (0.1 percent) from levels a year ago. During the years prior to the housing bubble (2000–2002), existing homes sold at an average annual pace of 5.2 million units. Sales to first-time buyers accounted for 31 percent of all sales transactions in the third quarter, down from 33 percent in the previous quarter and 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 range about 6 to 7 percent. The FHFA (SA) purchase-only repeat-sales house price index showed U.S. home prices appreciating at a 1.4-percent rate in the third quarter, down from 1.7 percent in the second quarter. House prices rose at a 6.5-percent annual pace, down from a 6.9-percent annual change in the previous quarter. The CoreLogic Case-Shiller® (SA) national repeat-sales house price index estimated a 1.5-percent rise in house prices for the third quarter, up from a 1.0-percent gain in the previous quarter. House prices rose over the four-quarter period by 6.0 percent, showing a slight acceleration over the previous quarter's 5.8-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 10.8 percent above their previous peak, whereas the CoreLogic Case-Shiller® index shows home values 4.5 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,

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.

excludes sales transactions associated with subprime and some "jumbo" loans, and is transaction weighted rather than value weighted. The share of both distressed sales and investor purchases fell in the third quarter. According to NAR, distressed sales, which tend to sell at lower prices, accounted for 4 percent of all existing home sales, down from 5 percent in both the second quarter and one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 14 percent of existing home sales, down from 15 percent in the previous quarter but up from 13 percent one year ago.

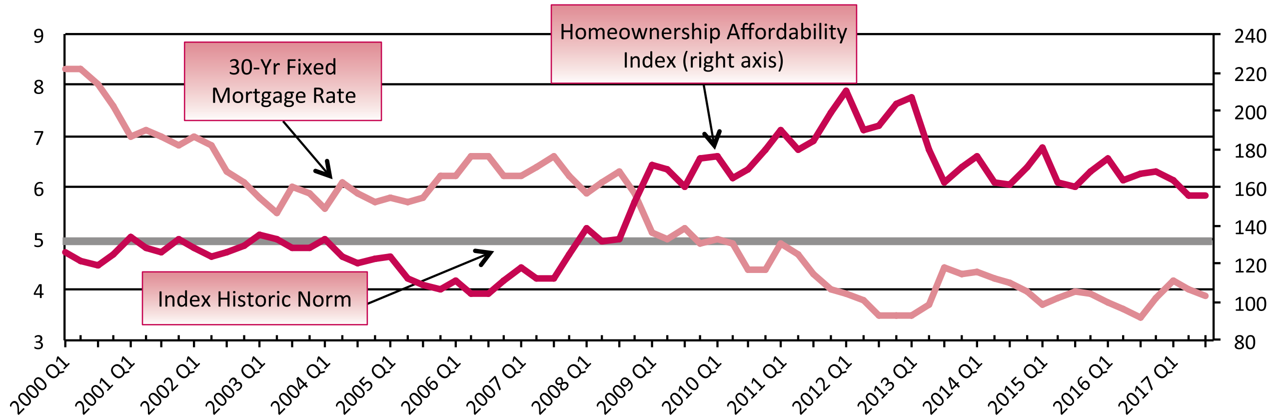
The absorption rate rose for both new condominiums and cooperatives and new apartments. Of newly completed condominiums and cooperatives in the second quarter, 76 percent sold within 3 months, up from 72 percent in the previous quarter and 64 percent one year ago. Of new apartments completed in the second quarter, 57 percent were leased within the ensuing 3 months, up from 55 percent in the previous quarter and 52 percent a year earlier.

The affordability of owning a home remained virtually the same. The NAR Composite Housing (Homeownership) Affordability Index, increased slightly to 155.5 in the third quarter from 155.1 in the previous quarter, which was virtually the same (+0.4 percent) as the second quarter but a decline of 7 percent from a year earlier. 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 Affordability Index for the third 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.

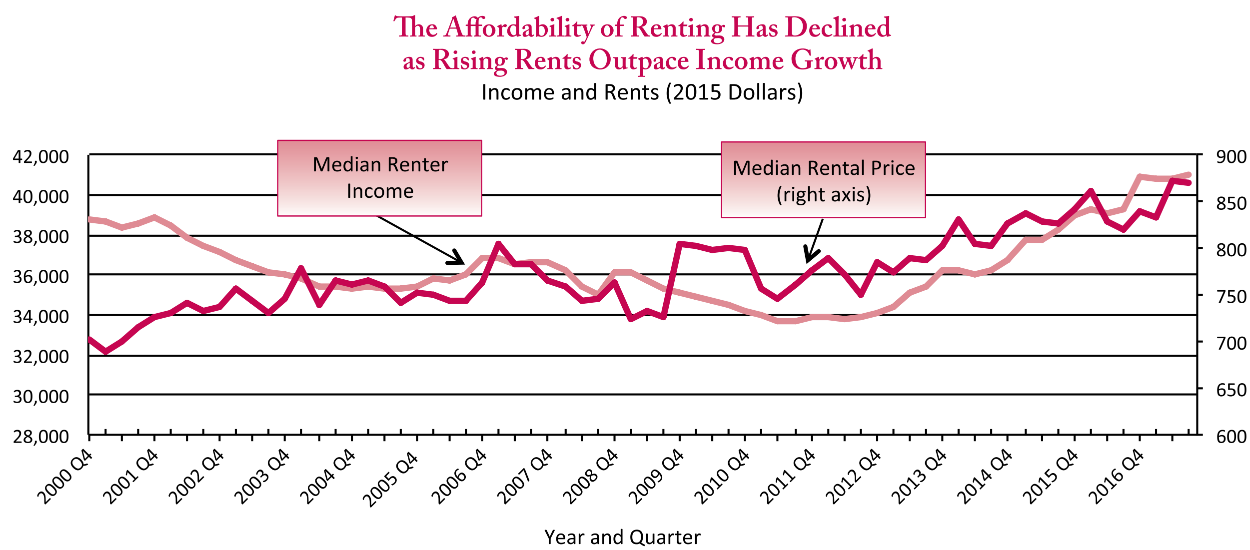
The ability to lease a home increased slightly. HUD's Rental Affordability Index, at 117.8 in the third quarter, rose 0.8 percent from the previous quarter but fell 1.5 percent over the four-quarter period. The small increase in the affordability of renting a home resulted from a 0.2-percent drop in the real, or inflation-adjusted, median price of a rental home and a 0.6-percent increase 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 10 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 26 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 family with median income to purchase a home compared with the ability of a renter household with median income to lease a home peaked in 2012 and has fallen 63 percent since.

Homeownership Affordability Was Unchanged

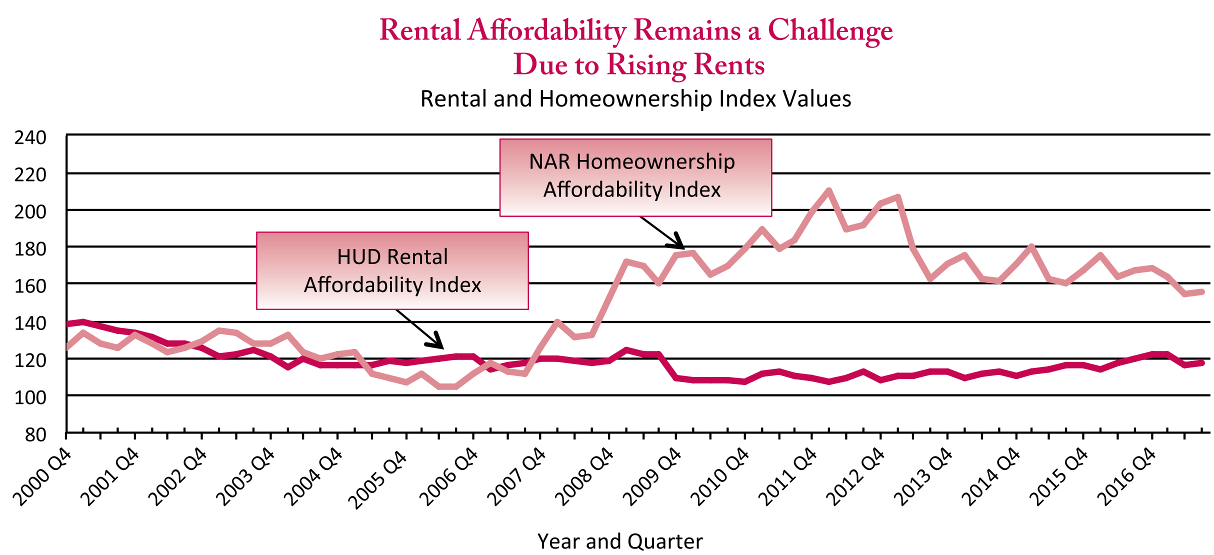
Percentage Rates and Index Values



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



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



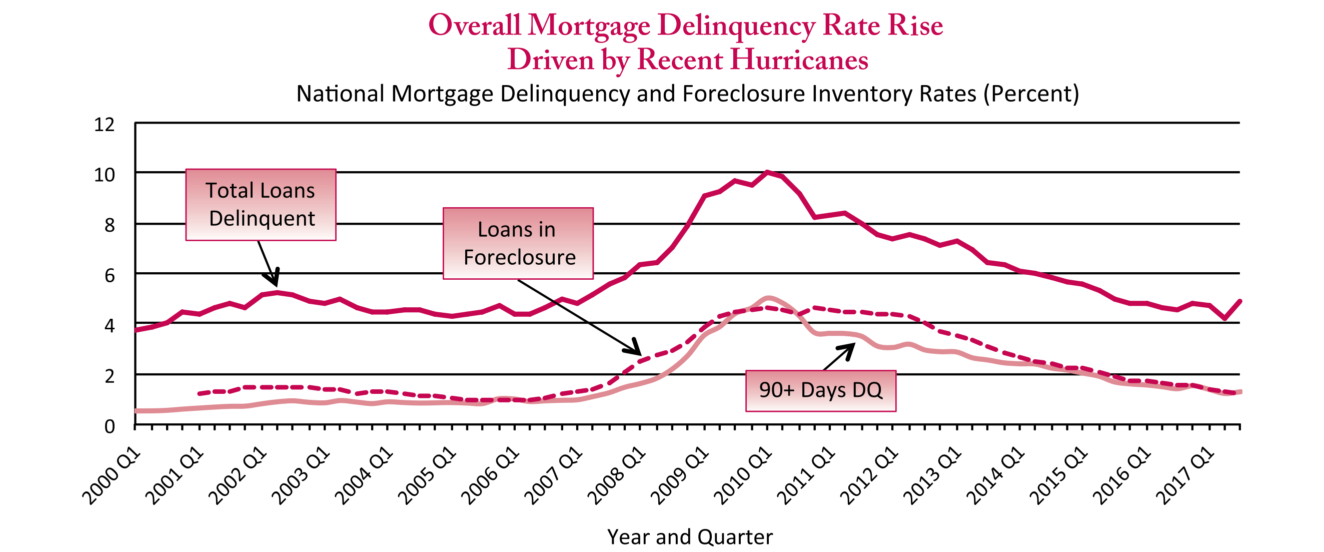
Sources: National Association of Realtors, Census Bureau ACS and 2000 Decennial Census, BLS, CPS, and HUD.

Housing Finance and Investment

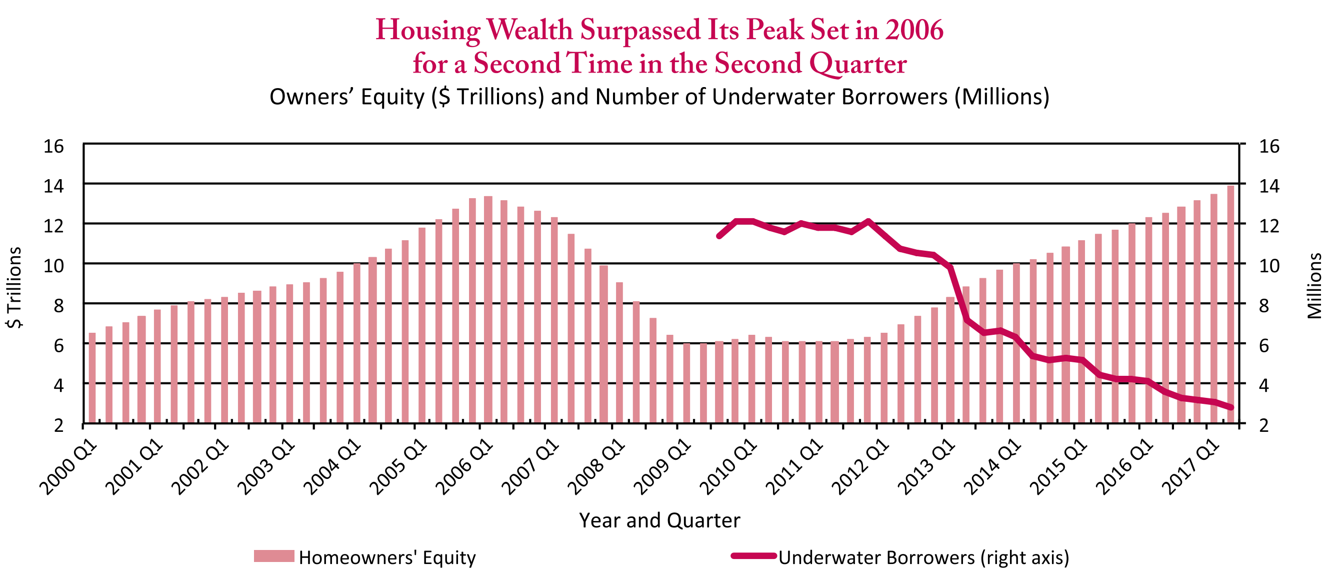
The recent hurricanes affected the overall mortgage delinquency rate. During the third quarter of 2017, the delinquency rate on mortgages of one- to four-unit residential properties increased to a seasonally adjusted rate of 4.88, according to data from MBA's quarterly National Delinquency Survey. The overall delinquency rate was 4.24 percent in the second quarter and 4.52 percent one year ago; its historic average is 5.36 percent. The 30-day delinquency rate accounted for most of the increase in the overall rate, with Florida, Texas, neighboring states, and Puerto Rico showing substantial increases in their past-due rates, according to MBA. Mortgage delinquencies rose for all loan types—conventional, FHA, and VA—compared to the second quarter. The conventional delinquency rate increased from 3.47 to 3.97 percent; the FHA delinquency rate rose from 7.94 to 9.40 percent; and the VA delinquency rate increased from 3.72 to 4.24 percent. Seriously delinquent loans (those 90 or more days delinquent or in the foreclosure process) for all loan types rose slightly to 2.52 percent from 2.49 percent in the second quarter but was down from 2.96 percent in the third quarter of 2016. Foreclosure starts fell slightly to 0.25 percent of active loans from 0.26 percent in the previous quarter and 0.30 percent one year ago. Foreclosure starts are 20 basis points below their historic average of 0.45 percent. The percentage of loans in the foreclosure process at the end of the third quarter was 1.23 percent, down from 1.29 percent in the previous quarter and 1.55 percent one year ago. Foreclosure inventory is below its historic norm of 1.5 percent and is down to 27 percent of its peak in the fourth quarter of 2010 (4.64 percent), during the worst of the crisis.

Foreclosure starts and completions declined sharply. ATTOM Data Solutions® reported that foreclosure starts—default notices or scheduled foreclosure auctions, depending on the state—were filed for the first time on 93,530 U.S. properties in the third quarter, down 8 percent from the previous quarter and 16 percent over the four-quarter period. The precrisis 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 56,000 U.S. properties in the third quarter, down 29 percent from the previous quarter and 35 percent from one year ago. The level of REO properties fell below the pre-crisis (2005 and 2006) average number of foreclosure completions per quarter (69,400) for the first time since the crisis began. Foreclosure completions had remained relatively high in states where a backlog of distressed properties was being resolved.

Homeowners' equity had another sharp increase, and the number of underwater borrowers declined. The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose $395 billion in the second quarter of 2017 (the data are reported with a lag), to more than $13.9 trillion. During the housing bubble, equity peaked at $13.4 trillion in the first quarter of 2006. Owners' equity has grown by more than $7.6 trillion since the beginning of 2012, when it began to show fairly strong gains. The rapid increase in home equity reflects house price appreciation, fewer distressed borrowers, and increased principal repayment. According to CoreLogic, 2.8 million homes, or 5.4 percent of residential properties with a mortgage, were under water in the second quarter (the data are reported with a lag), down from 3.1 million, or 6.1 percent, in the first quarter and 3.6 million, or 7.0 percent, one year prior. CoreLogic estimates that the number of underwater homes has declined by 0.8 million, or 22 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 77 percent—from 12.1 to 2.8 million--or by 9.3 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.

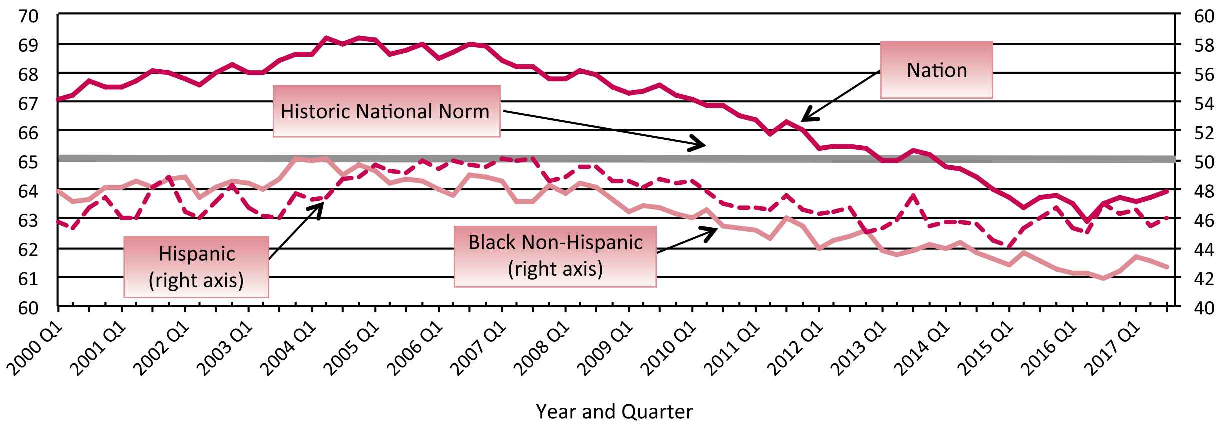
Homeownership and Housing Vacancy

The U.S. homeownership rate has risen the last two quarters. The national homeownership rate increased to 63.9 percent in the third quarter from 63.7 percent in the previous quarter and was up from 63.5 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 third quarter of 2017, the homeownership rate for White non-Hispanic households increased to 72.5 percent from 72.2 percent; for Black non-Hispanic households, the rate dropped to 42.7 percent from 43.1 percent; and for Hispanic households, the rate rose to 46.1 percent from 45.5 percent. The homeownership rate rose to 57.4 percent for other-race non-Hispanic households but dropped to 47.1 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 because of the severe 2007–2009 recession. More recently, low inventories of homes for sale, 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.

The National Homeownership Rate Has Rebounded for Two Consecutive Quarters

National Homeownership Rates (Percent)



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

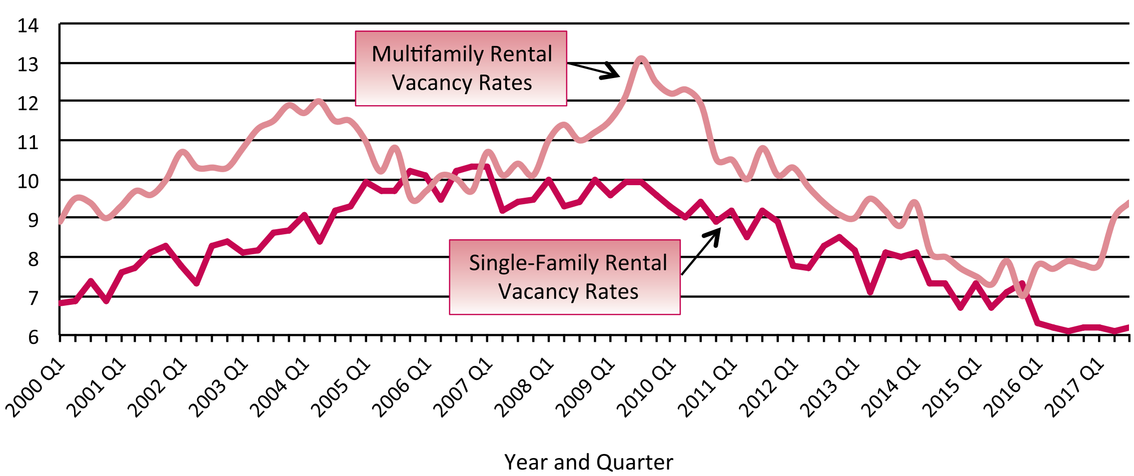
[https://www.federalreserve.gov/econresdata/feds/2016/files/2016010pap.pdf.] A 2016 NAR survey of homebuyers revealed that the share of homebuyers making their first purchase increased to 35 percent from 32 percent in 2015. It has been more than seven years since the foreclosure crisis began in 2007, 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 rose for both single-family and multifamily homes. According to the U.S. Census Bureau, the overall vacancy rate in the rental market increased to 7.5 percent from 7.3 percent in the second quarter and was up from 6.8 percent in the third quarter of 2016. The single-family rental vacancy rate increased slightly to 6.2 percent from 6.1 percent in both the previous quarter and one year ago. Vacancies in the rental market for multifamily units (five or more units in a structure) have been growing for the last two quarters, with the rate rising to 9.4 percent from 9.0 percent in the second quarter and 7.9 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 grew in the third quarter. The number of U.S. households, at 119.1 million, has grown at an annual rate of 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.]

Rental Vacancy Rates Rose Sharply Again for Multifamily Units

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)									Q3 2017
Total	1,242	1,224		1,215	1.5%	(n)	2.2%	(n)	
Single-Family	812	795		737	2.1%	(n)	10.2%	(s)	
Multifamily (5+)	394	395		443	– 0.3%	(n)	– 11.2%	(s)	
Housing Starts (SAAR, thousands)									Q3 2017
Total	1,164	1,167	(r)	1,150	– 0.2%	(n)	1.2%	(n)	
Single-Family	848	825	(r)	761	2.8%	(n)	11.5%	(s)	
Multifamily (5+)	304	329	(r)	376	– 7.8%	(n)	– 19.2%	(s)	
Under Construction (SA, thousands)									Q3 2017
Total	1,086	1,068	(r)	1,033	1.7%	(n)	5.1%	(s)	
Single-Family	478	462	(r)	432	3.5%	(s)	10.6%	(s)	
Multifamily (5+)	598	597	(r)	590	0.2%	(n)	1.4%	(n)	
Housing Completions (SAAR, thousands)									Q3 2017
Total	1,126	1,169	(r)	1,044	– 3.7%	(n)	7.9%	(s)	
Single-Family	788	796	(r)	737	– 1.0%	(n)	7.0%	(s)	
Multifamily (5+)	332	358	(r)	297	– 7.2%	(n)	11.8%	(s)	
New Homes for Sale (SA)									Q3 2017
Inventory (thousands)	278	272		242	2.2%	(n)	14.9%	(s)	
Months' Supply (months)	5.2	5.3	(r)	5.1	– 1.9%	(n)	2.0%	(n)	
Existing Homes for Sale									Q3 2017
Inventory (NSA, thousands)	1,860	1,940		2,030	– 4.1%	(u)	– 8.4%	(u)	
Months' Supply (months)	4.2	4.2		4.5	0.0%	(u)	– 6.7%	(u)	
Manufactured Home Shipments (SAAR, thousands)	84.0	88.7	(r)	76.0	– 5.3%	(u)	10.5%	(u)	Q3 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

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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)									Q3 2017
New Homes Sold (thousands)									
Single-Family	591	605		588	– 2.3%	(n)	0.6%	(n)	
Existing Homes Sold (thousands)									
Single-Family, Townhomes, Condos, Co-ops	5,387	5,563		5,380	– 3.2%	(u)	0.1%	(u)	
Condos and Co-ops	603	633		603	– 4.7%	(u)	0.0%	(u)	
First-Time Buyers (%)	31	33		32	– 2	(u)	– 1	(u)	
Investor Sales (%)	14	15		13	0	(u)	2	(u)	
Home Sales Prices									Q3 2017
Median ($)									
New Homes	315,200	318,200	(r)	303,800	– 0.9%	(u)	3.8%	(u)	
Existing Homes	252,933	253,600		239,467	– 0.3%	(u)	5.6%	(u)	
Repeat-Sales Home Price Indices									
FHFA (SA)	248.7	245.3	(r)	233.4	1.4%	(u)	6.5%	(u)	
CoreLogic Case-Shiller (SA)	192.7	189.9	(r)	181.7	1.5%	(u)	6.0%	(u)	
Housing Affordability									Q3 2017
Composite Index	155.5	155.1	(r)	166.9	0.3%	(u)	– 6.8%	(u)	
Fixed Index	155.4	155.1	(r)	166.4	0.3%	(u)	– 6.5%	(u)	
National Average Mortgage Interest Rate (%)	4.2	4.1		3.8	0.1	(u)	0.4	(u)	
Median-Priced Existing Single-Family Home ($)	253,967	255,367	(r)	241,300	– 0.5%	(u)	5.2%	(u)	
Median Family Income ($)	73,762	73,259	(r)	71,712	0.7%	(u)	2.9%	(u)	
Rental Affordability									
HUD's Rental Affordability Index	117.8	116.9	(r)	119.6	0.8%	(u)	– 1.5%	(u)	Q3 2017
Multifamily Housing									
Apartments									
Completed Previous Quarter (thousands)	73.9	61.4	(r)	62.0	20.4%	(s)	19.2%	(s)	Q2 2017
Leased Current Quarter (%)	57	55	(r)	52	2	(n)	5	(s)	Q3 2017
Median Asking Rent ($)	1,563	1,522		1,428	2.7%	(n)	9.5%	(s)	
Condos and Co-ops									
Completed Previous Quarter (thousands)	4.1	3.1	(r)	3.2	32.3%	(n)	28.1%	(n)	Q2 2017
Sold Current Quarter (%)	76	72	(r)	64	4	(n)	12	(s)	Q3 2017
Median Asking Price ($)	510,477	544,856	(r)	571,539	– 6.3%	(n)	– 10.7%	(n)	
Manufactured Home Placements (sales at SAAR, thousands)									
Shipped Previous Quarter (thousands)	105.2	93.6	(r)	104.8	12.4%	(u)	0.4%	(u)	Q2 2017
Sold Current Quarter (%)[1]	66.5	55.8		65.9	10.7	(n)	0.6	(n)	Q3 2017
Builders' Views of Market Activity (Composite Index)	65	68		61	– 3.9%	(u)	7.1%	(u)	Q3 2017

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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

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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 (%)						Q3 2017
30-Year Fixed Rate	3.89	3.99	3.45	– 0.10 (u)	0.44 (u)	
15-Year Fixed Rate	3.17	3.24	2.75	– 0.07 (u)	0.42 (u)	
5-Year ARM[2]	3.18	3.14	2.77	0.04 (u)	0.41 (u)	
Mortgage Delinquency Rates (%)						Q3 2017
All Loans Past Due (SA)	4.88	4.24	4.52	0.64 (u)	0.36 (u)	
Loans 90+ Days Past Due (SA)	1.30	1.23	1.42	0.07 (u)	– 0.12 (u)	
Seriously Delinquent (90+ Days & in FC, NSA)	2.52	2.49	2.96	0.03 (u)	– 0.44 (u)	
FHA Market Share[3]						Q2 2017
Dollar Volume (%)						
All Loans	12.4	14.3	12.8	– 1.9 (u)	– 0.4 (u)	
Purchase	13.9	16.3	16.6	– 2.4 (u)	– 2.7 (u)	
Refinance	9.1	11.5	8.3	– 2.4 (u)	0.8 (u)	
Loan Count (%)						
All Loans	17.4	18.8	15.4	– 1.4 (u)	2.0 (u)	
Purchase	20.6	23.0	19.4	– 2.4 (u)	1.2 (u)	
Refinance	11.7	13.9	10.4	– 2.2 (u)	1.3 (u)	
FHA Mortgage Insurance (thousands)[4]						Q2 2017
Applications Received	427.0	385.3 (r)	498.4	10.8% (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	91.9	– 29.9% (u)	– 21.6% (u)	
Private and VA Mortgage Insurance (thousands)						
PMI Certificates[5]	224.4	165.0	245.1	36.0% (u)	– 8.5% (u)	Q2 2017
Veterans Affairs Guarantees	172.2	161.0	221.9	7.0% (u)	– 22.4% (u)	Q3 2017
Residential Fixed Investment (SA real annual growth rate, %)	– 5.1	– 7.3 (r)	– 4.5	2.2 (u)	– 0.6 (u)	Q3 2017
GDP (SA real annual growth rate, %)	3.3	3.1 (r)	2.8	0.2 (u)	0.5 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	– 0.20	– 0.30 (r)	– 0.18	0.10 (u)	– 0.02 (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 (%)						Q3 2017
Overall	63.9	63.7	63.5	0.2 (n)	0.4 (n)	
Non-Hispanic						
White	72.5	72.2	71.9	0.3 (n)	0.6 (s)	
Black	42.7	43.1	41.9	– 0.4 (n)	0.8 (n)	
Other Race	57.4	56.4	55.6	1.0 (n)	1.8 (s)	
Two or More Races	47.1	52.8	49.4	– 5.7 (s)	– 2.3 (n)	
Hispanic	46.1	45.5	47.0	0.6 (n)	– 0.9 (n)	
Vacancy Rates (%)						Q3 2017
Homeowner	1.6	1.5	1.8	0.1 (n)	– 0.2 (s)	
Rental	7.5	7.3	6.8	0.2 (n)	0.7 (s)	
Single-Family	6.2	6.1	6.1	0.1 (n)	0.1 (n)	
Multifamily (5+)	9.4	9.0	7.9	0.4 (n)	1.5 (s)	
Housing Stock (thousands)						Q3 2017
All Housing Units	136,684	136,456	135,774	0.2% (u)	0.7% (u)	
Owner-Occupied	76,146	75,716	75,391	0.6% (s)	1.0% (s)	
Renter-Occupied	42,939	43,183	43,287	– 0.6% (n)	– 0.8% (n)	
Vacant	17,599	17,557	17,096	0.2% (n)	2.9% (s)	
Year-Round Vacant	13,580	13,383	12,881	1.5% (n)	5.4% (s)	
For Rent	3,551	3,470	3,217	2.3% (n)	10.4% (s)	
For Sale	1,248	1,201	1,354	3.9% (n)	– 7.8% (n)	
Rented or Sold, Awaiting Occupancy	1,379	1,262	1,179	9.3% (s)	17.0% (s)	
Held Off Market	7,401	7,450	7,130	– 0.7% (n)	3.8% (s)	
Occasional Use	2,231	2,214	2,047	0.8% (n)	9.0% (s)	
Occupied—URE	1,226	1,388	1,319	– 11.7% (s)	– 7.1% (n)	
Other	3,944	3,847	3,766	2.5% (n)	4.7% (s)	
Seasonal Vacant	4,020	4,175	4,217	– 3.7% (n)	– 4.7% (n)	
Households (thousands)						Q3 2017
Total	119,085	118,899	118,678	0.2% (s)	0.3% (s)	

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.

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