HUD PD&R National Housing Market Summary

Housing Market Indicators Overall Improved in the Fourth Quarter

The housing market advanced during the fourth quarter of 2017. Construction starts were up for both single-family and multifamily housing, and home purchases rose for both new single-family and previously owned (existing) homes. The months' supply of homes for sale rose for new homes but reached a record low for existing 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 fourth 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 fourth quarter because of the summer hurricanes. ATTOM Data Solutions® reported that newly initiated foreclosures declined but completed foreclosures increased. The national homeownership rate rose for the third consecutive quarter. According to the Bureau of Economic Analysis' second estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 2.6 percent, following a 3.2-percent gain in the third quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, rose 13.0 percent following a 4.7-percent decline in the third quarter and increased real GDP growth by 0.47 percentage point following a 0.18-percentage-point loss in the third quarter.

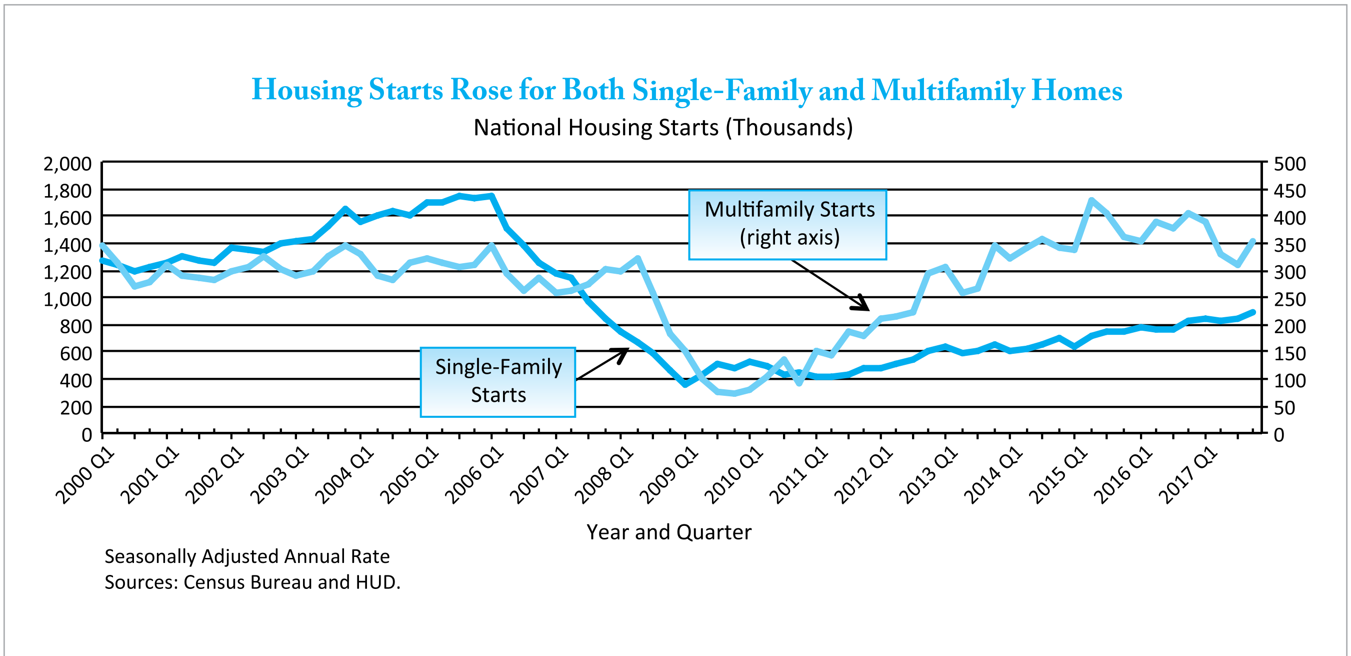
The Housing Market in 2017

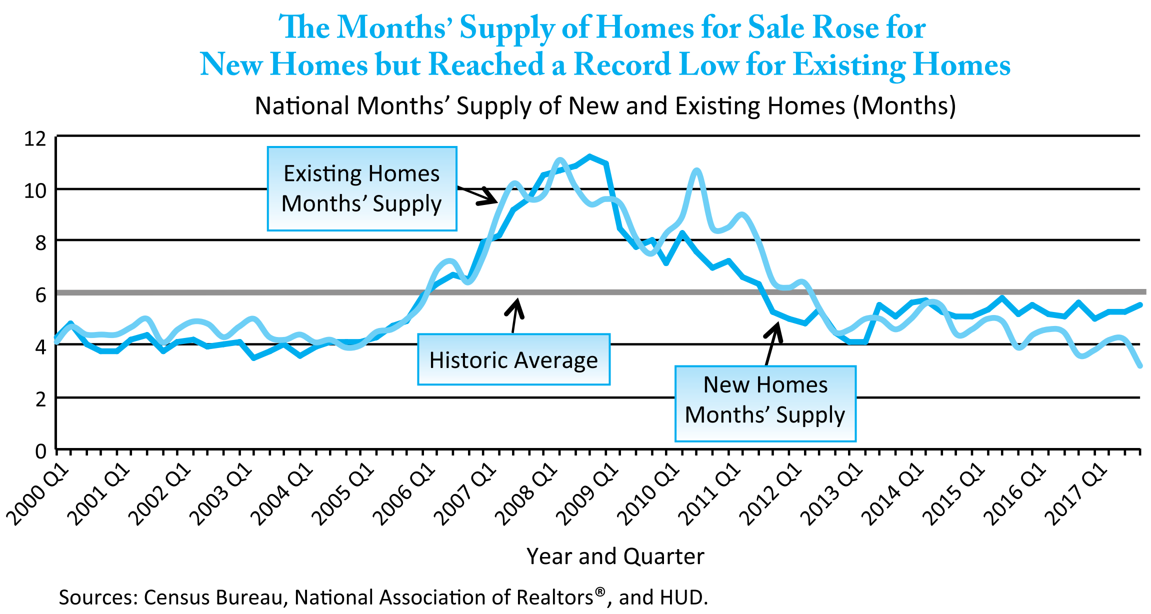
For all of 2017, the housing market showed progress. Housing starts were up 2 percent over 2016, with the construction of single-family homes increasing 9 percent and multifamily housing construction dropping 10 percent. New and existing home sales were up 9 and 1 percent, respectively, showing their strongest performances since 2007 and 2006. Inventories remained low, with the average months' supply of homes for sale still below the historic norm of about 6 percent. The months' supply of new home sales improved to 5.4 months from 5.2 months in 2016, but the months' supply of existing homes fell from 4.4 months to 3.9 months, the lowest level since first recorded in 1999. The overall mortgage delinquency rate rose in 2017, but the increase was driven by the summer hurricanes. According to MBA, the overall annual mortgage delinquency rate for 2017 was 4.75 percent, up 6 basis points from 4.69 in 2016. Newly initiated foreclosures and foreclosure completions were down at the respective annual rates of 20 and 24 percent from the previous year. After declining since 2004 when it reached a high of 69.0 percent, the annual national homeownership rate turned the corner and increased to 63.9 in 2017, up from 63.4 percent the previous year. The single-family rental vacancy rate fell slightly from 6.2 percent to 6.1 percent in 2017, while the multifamily vacancy rate increased from 7.8 percent to 8.6 percent. The number of households increased at an average annual pace of 0.8 percent in 2017, unchanged from 2016.

Housing Supply

Homebuilding rose for single-family and multifamily homes. Construction starts on single-family homes, at 893,000 units (SAAR) in the fourth quarter of 2017, were up 5 percent from the previous quarter and 7 percent from the previous year. The pace of single-family housing starts is now 69 percent of 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 354,000 units (SAAR) in the fourth quarter, were up 13 percent from the previous quarter but down 13 percent from the previous year. The pace during the period prior to the housing bubble (2000–2002) was 300,000 units (AR). Disaster recovery from hurricanes Harvey and Irma in late August and early September had a positive effect on housing starts in the fourth quarter, as homes that are completely rebuilt, requiring a permit, are considered new construction. 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 71 percent in the fourth quarter of 2017, with the share of multifamily starts at 28 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 80 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 18 to 37 percent during the same period.

The months' supply of homes on the market rose for new homes but dropped to a record low for existing homes. The listed inventory of new homes for sale at the end of the fourth quarter was 294,000 units (SA), which would support 5.5 months of sales at the current sales pace, up from 5.3 months in the previous quarter and 5.6 months the previous year. The listed inventory of existing homes for sale, at 1.46 million units, represents a 3.2-month supply of existing homes for sale, down from 4.2 months at the end of the third quarter and the lowest recorded dating back to 1999. 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 rose for both new and existing homes. Purchases of new single-family homes, at 652,000 units (SAAR) in the fourth quarter, were up 11 percent from the previous quarter and 15 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, however. 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 fourth quarter, up 4 percent from the previous quarter and 1 percent from year-ago levels. Recovery from hurricanes Harvey and Irma in late August and early September and the new federal tax law for 2018 both had a positive impact on fourth quarter home sales. New home sales, which are based on the signing of a contract (rather than a closing as with sales of existing homes), can reflect sales of properties in which new construction has been transacted to replace a home that was destroyed. In addition, new and existing home sales are likely to rebound after being curtailed during a disaster recovery period. With the new tax reform law, some prospective buyers had an incentive to close deals before the new restriction on the mortgage interest deduction took effect on December 15, 2017. Existing home sales have been above the average annual pace of 5.2 million units during the years prior to the housing bubble (2000–2002) since the beginning of 2016. Sales to first-time buyers accounted for 31 percent of all sales transactions in the fourth quarter, unchanged from the previous quarter and well below the historic norm, which is now 39 percent. Similar to 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 since 2011 when it reached 14 to 1.

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 1.6-percent rate in the fourth quarter, up from 1.5 percent in the third quarter. House prices rose at a 6.7-percent annual pace, the same as the annual increase in the previous quarter. The CoreLogic Case-Shiller® (SA) national repeat-sales house price index estimated a 2.0-percent rise in house prices for the fourth quarter, up from a 1.4-percent gain in the previous quarter. House prices rose over the four-quarter period by 6.1 percent, a slight acceleration over the previous quarter's 5.9-percent annual gain. House prices continue to increase faster than inflation, which rose at an annual pace of 2.1 percent over the same period. According to both indices, house prices peaked during the bubble in the first quarter of 2007. The FHFA index indicates that home prices are 12.6 percent above their previous peak, whereas the CoreLogic Case-Shiller® index shows home values 6.4 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 than value weighted. The share of both distressed sales and investor purchases remained the same in the fourth quarter as 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 6 percent one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 14 percent of existing home sales, the same as one year ago.

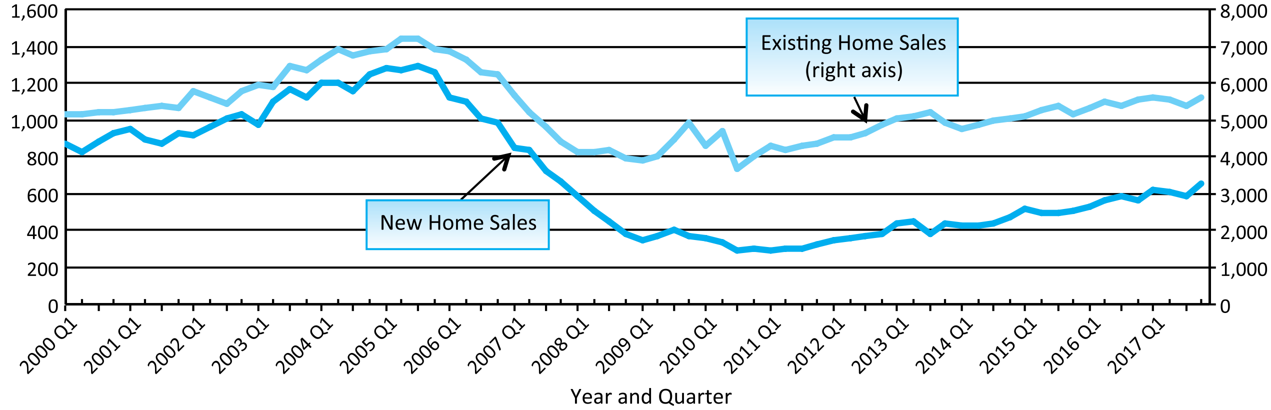
The absorption rate continued to rise for both new condominiums and cooperatives and new apartments. Of newly completed condominiums and cooperatives in the third quarter, 78 percent sold within 3 months, up from 74 percent in the previous quarter and 70 percent one year ago. Of new apartments completed in the third quarter, 56 percent were leased within the ensuing 3 months, up from 55 percent in the previous quarter but down from 58 percent a year earlier.

The affordability of owning a home improved. The NAR Composite Housing (Homeownership) Affordability Index increased 3.6 percent to 160.6 in the fourth quarter from 155.0 in the previous quarter but was down 4.4 percent from a year earlier. The fourth-quarter increase in the ability to purchase a home resulted from a rise in Median Family Income and a decrease in the median price of a single-family home; the national average interest rate on a mortgage did not change from the previous quarter. 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 fourth quarter is still well above its historic norm of 129. 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 (the data are reported with a lag), 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

Sales Rose for Both New and Existing Homes

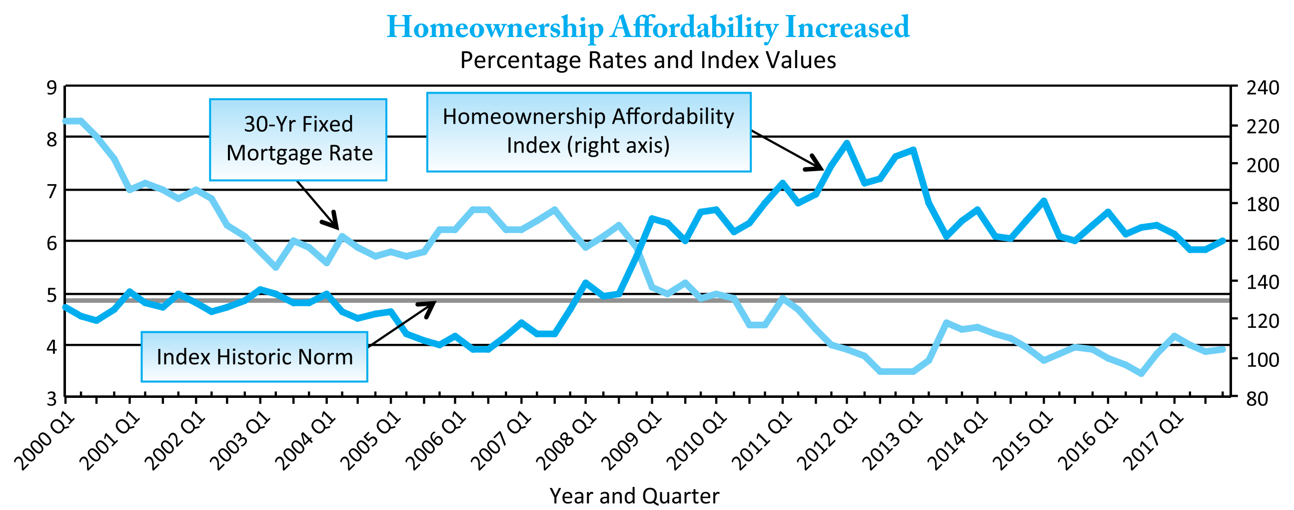
National Home Sales (Thousands)



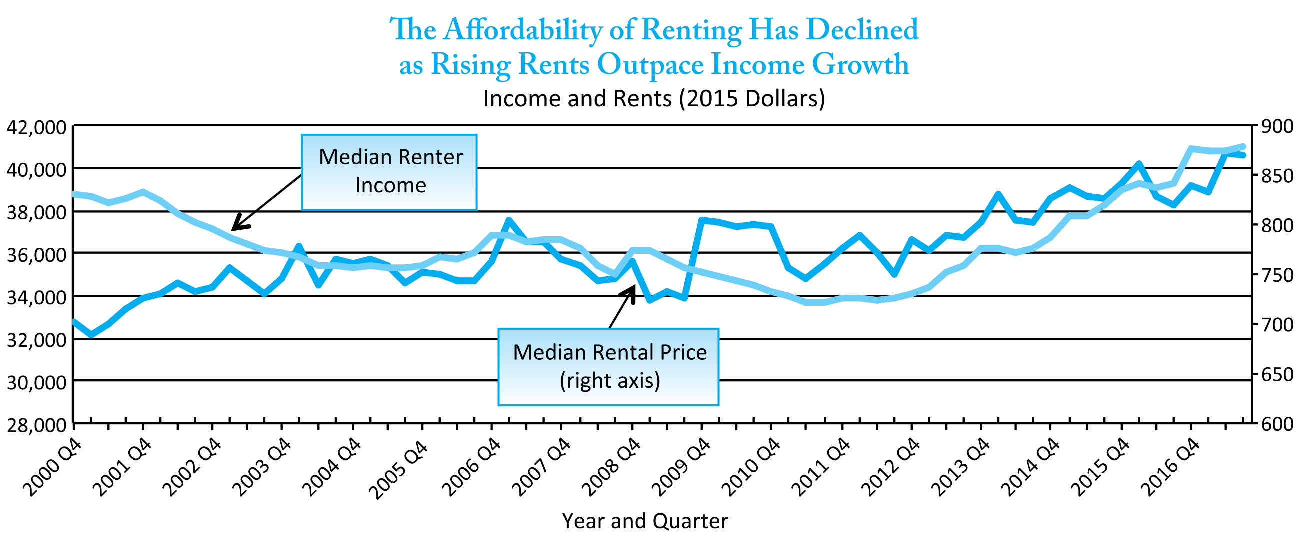
Seasonally Adjusted Annual Rates

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

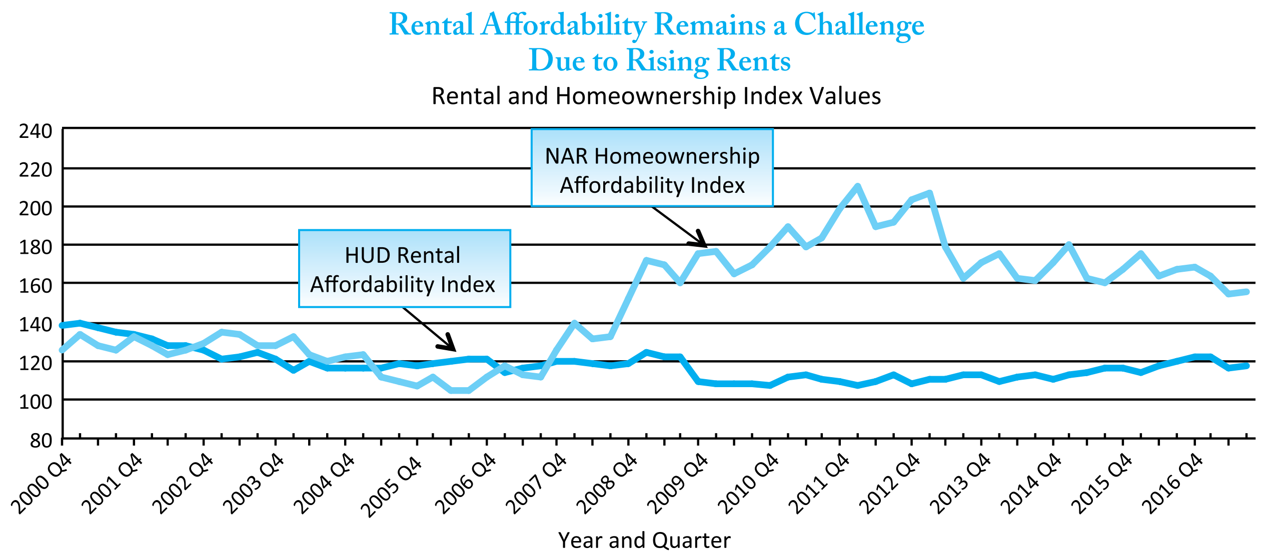
inflation-adjusted, median price of a rental home and a 0.6-percent increase in the inflation-adjusted median income of a renter household. The affordability of leasing a home declined 23 percent from the first quarter of 2001 to its low point at the end of 2010 and has improved 10 percent since. In 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.



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 summer hurricanes affected the 60- and 90-day mortgage delinquency rates. During the fourth quarter of 2017, the delinquency rate on mortgages of one- to four-unit residential properties increased to a seasonally adjusted rate of 5.17, according to data from MBA's quarterly National Delinquency Survey. The overall delinquency rate was 4.88 percent in the third quarter and 4.80 percent one year ago; its historic average is 5.36 percent. The 60- and 90-day delinquency rates accounted for the increase in the overall rate, while the 30-day delinquency rate actually dropped 15 basis points. Florida, Texas, neighboring states, and Puerto Rico showed substantial increases in their 60- and 90-day past-due rates, according to MBA. Mortgage delinquencies rose for all loan types—conventional, FHA, and VA—compared to the third quarter. The conventional delinquency rate increased from 3.97 percent to 4.19 percent; the FHA delinquency rate rose from 9.40 percent to 10.38 percent; and the VA delinquency rate increased from 4.24 percent to 4.49 percent. Seriously delinquent loans (those 90 or more days delinquent or in the foreclosure process) for all loan types rose to 2.91 percent from 2.52 percent in the third quarter but were down from 3.13 percent in the fourth quarter of 2016. The entire increase in the seriously delinquent rate (the percentage of loans that are 90 days or more past due or in the foreclosure process) was attributed to loans that are 90 days or more past due.

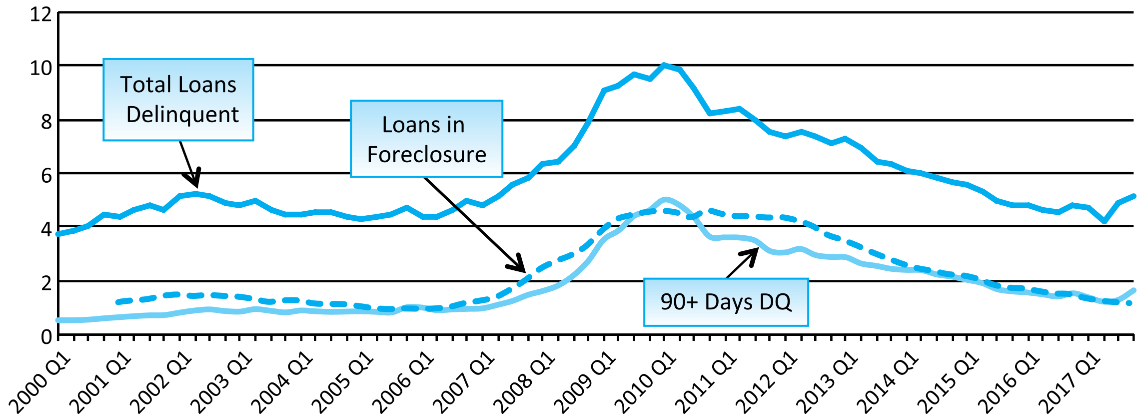
Foreclosure starts, at 0.25 percent of active loans, were unchanged from the previous quarter and down from 0.28 percent one year ago. Foreclosure starts are 20 basis points below their historic average of 0.45 percent. The percentage of loans in the foreclosure process at the end of the fourth quarter was 1.19 percent, down from 1.23 percent in the previous quarter and 1.53 percent one year ago. This was the lowest foreclosure inventory rate since the fourth quarter of 2006. Foreclosure inventory is below its historic norm of 1.5 percent and is down to 26 percent of its peak in the fourth quarter of 2010 (4.64 percent), during the worst of the crisis. Storm-related foreclosure moratoria play a large role in keeping foreclosure starts and foreclosure inventory at bay. While forbearance is in place for many borrowers affected by the storms, MBA's survey asks servicers to report loans as delinquent if the payment was not made based on the original terms of the mortgage, regardless of any forbearance plans in place.

Foreclosure starts declined but foreclosure completions rose. ATTOM Data Solutions® reported that foreclosure starts—default notices or scheduled foreclosure auctions, depending on the state—were filed for the first time on 86,100 U.S. properties in the fourth quarter, down 8 percent from the previous quarter and 25 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 66,500 U.S. properties in the fourth quarter, up 19 percent from the previous quarter but down 30 percent from one year ago. This is the second consecutive quarter that foreclosure completions fell below their pre-crisis (2005 and 2006) average number of 69,400 per quarter. Foreclosure completions had remained relatively high in states where a backlog of distressed properties was being resolved.

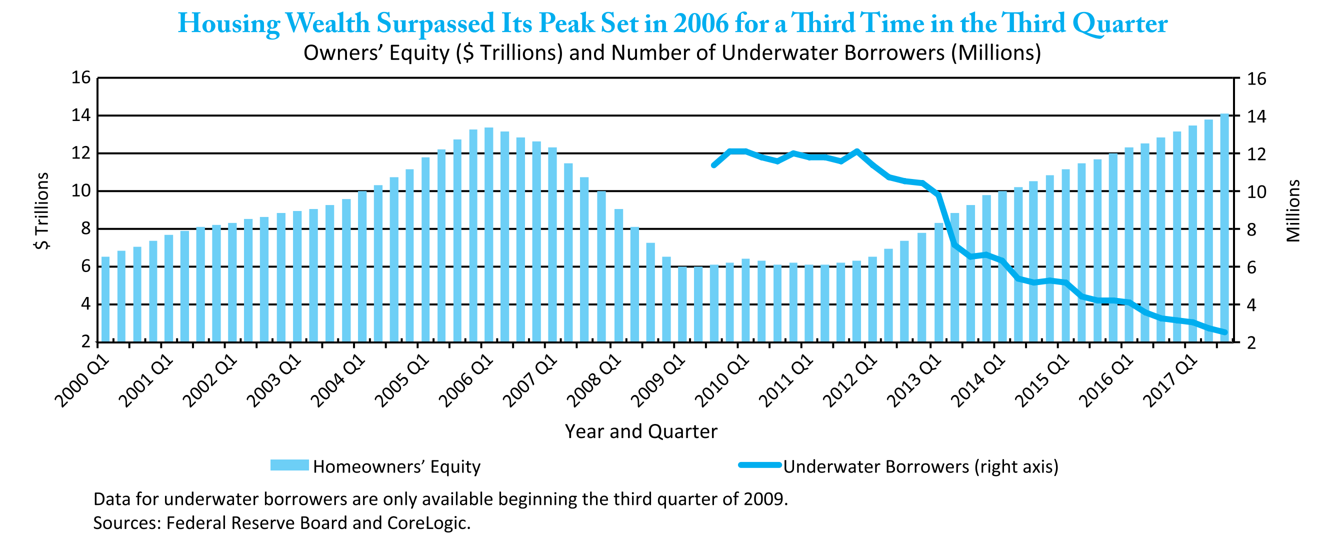
Homeowners' equity had another increase, and the number of underwater borrowers continued to decline. The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose $286 billion in the third quarter of 2017 (the data are reported with a lag), to more than $14.1 trillion. During the housing bubble, equity peaked at $13.4 trillion in the first quarter of 2006. Owners' equity has grown by more than $7.8 trillion since the beginning of 2012, when it began to show fairly strong gains after the Great Recession. The increase in home equity reflects house price appreciation, fewer distressed borrowers, and increased principal repayment, with house price gains the largest explanatory factor. According to CoreLogic, 2.5 million homes, or 4.9 percent of residential properties with a mortgage, were under water in the third quarter (the data are reported with a lag), down from 2.8 million, or 5.4 percent, in the second quarter and 3.2 million, or 6.3 percent, one year prior. CoreLogic estimates that the number of underwater homes has declined by 0.7 million, or 22 percent, compared with one 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 79 percent—from 12.1 to 2.5 million—or by 9.6 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.

The Overall Mortgage Delinquency Rate Rose, Driven by Summer Hurricanes

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

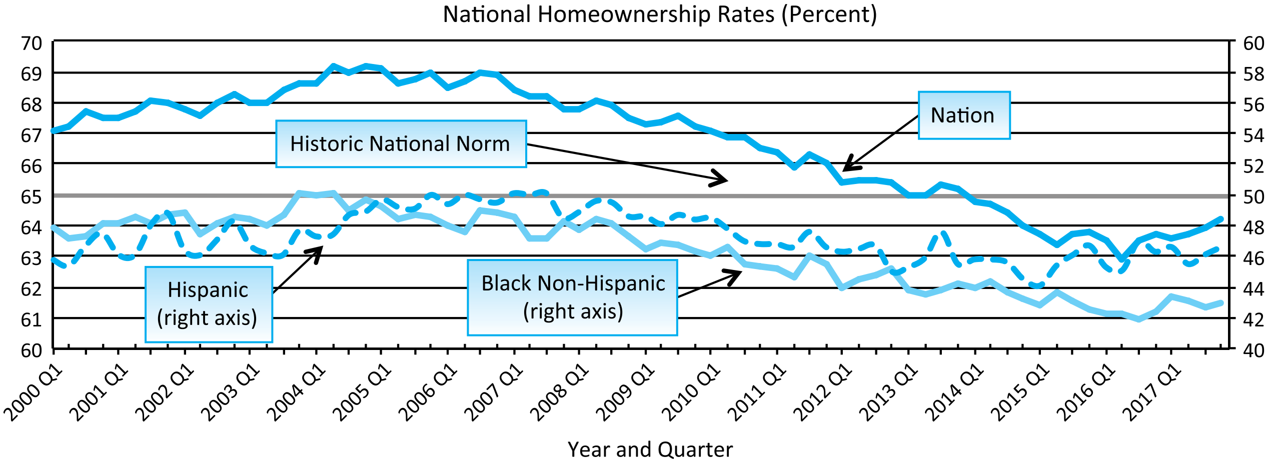
The U.S. homeownership rate has risen for the last three consecutive quarters. The national homeownership rate increased to 64.2 percent in the fourth quarter, from 63.9 percent in the previous quarter and was up from 63.7 percent one year ago. Beginning with the fourth quarter of 2013, the national homeownership rate declined for seven straight quarters; it then fluctuated for several quarters before beginning to rise in the second quarter of 2017. 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 fourth quarter of 2017, the homeownership rate for White non-Hispanic households increased to 72.7 percent from 72.5 percent; for Black non-Hispanic households, the rate rose to 43.0 percent from 42.7 percent; and for Hispanic households, the rate improved to 46.6 percent from 46.1 percent. The homeownership rate rose to 58.1 percent for other-race non-Hispanic households and to 49.4 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. [https://www.federalreserve.gov/econresdata/feds/2016/files/2016010pap.pdf.] A 2017 NAR annual survey of homebuyers revealed that the share of homebuyers making their first purchase decreased to 34 percent from 35 percent in 2016. 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.

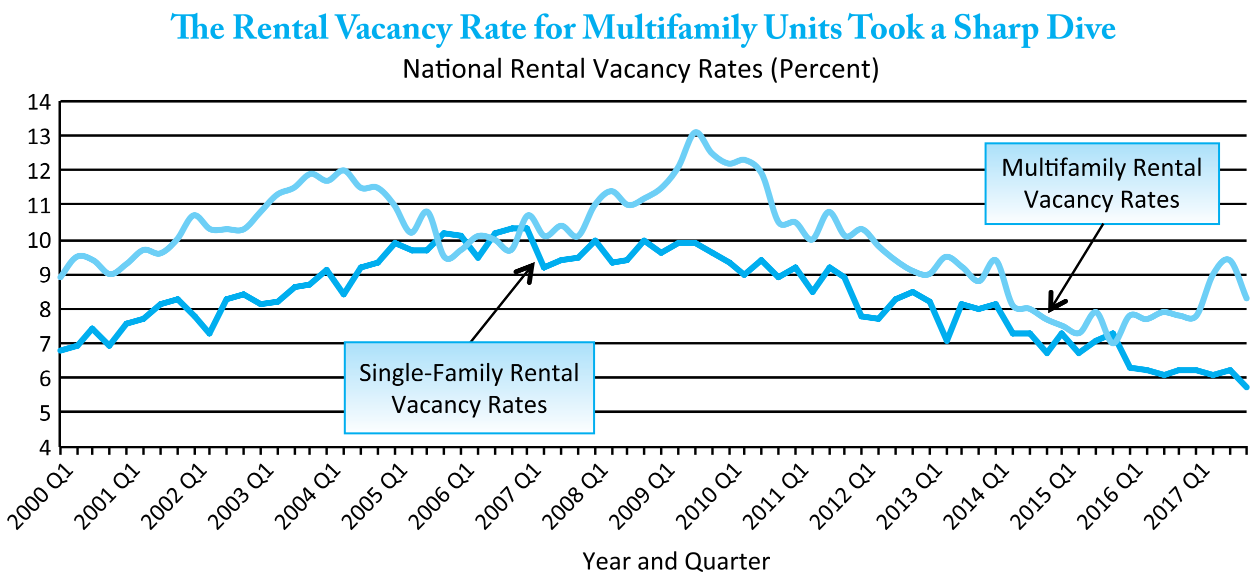
The rental market vacancy rate fell for both single-family and multifamily homes. According to the U.S. Census Bureau, the overall vacancy rate in the rental market decreased to 6.9 percent from 7.5 percent in the third quarter but was the same as the fourth quarter of 2016. The single-family rental vacancy rate fell to 5.7 percent from 6.2 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) dropped to 8.3 percent from 9.4 percent in the third quarter but were up from 7.8 percent a year earlier. In addition to single-family and multifamily homes, the overall vacancy rate includes homes with two to four units in a structure.

The number of households increased 0.9 percent in the fourth quarter of 2017, the strongest quarter since the fourth quarter of 2014. For all of 2017, the number of U.S. households, at 120.2 million, grew at an annual rate of 0.8 percent according to the Census Bureau's CPS/HVS (Current Population Survey/Housing Vacancy Survey). The number of homeowner households increased 1.4 percent in 2017 compared to 0.4 percent in 2016, whereas the number of renter households decreased 0.3 percent in 2017 compared with an increase of 1.5 percent in 2016. Household formation fell to an 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 for both 2016 and 2017. 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 Has Rebounded for Three Consecutive Quarters



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



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)									Q4 2017
Total	1,306	1,242		1,269	5.2%	(s)	3.0%	(n)	
Single-Family	865	812		798	6.6%	(s)	8.4%	(s)	
Multifamily (5+)	405	394		433	2.8%	(n)	– 6.5%	(s)	
Housing Starts (SAAR, thousands)									Q4 2017
Total	1,256	1,172	(r)	1,248	7.2%	(s)	0.6%	(n)	
Single-Family	893	848		834	5.3%	(s)	7.1%	(s)	
Multifamily (5+)	354	312	(r)	406	13.5%	(n)	– 13.0%	(n)	
Under Construction (SA, thousands)									Q4 2017
Total	1,110	1,088	(r)	1,062	2.0%	(n)	4.5%	(s)	
Single-Family	499	479	(r)	449	4.2%	(s)	11.1%	(s)	
Multifamily (5+)	601	599	(r)	602	0.3%	(n)	– 0.2%	(n)	
Housing Completions (SAAR, thousands)									Q4 2017
Total	1,170	1,122	(r)	1,122	4.3%	(n)	4.3%	(n)	
Single-Family	801	788		762	1.7%	(n)	5.2%	(n)	
Multifamily (5+)	357	329	(r)	351	8.6%	(n)	1.6%	(n)	
New Homes for Sale (SA)									Q4 2017
Inventory (thousands)	294	280	(r)	256	5.0%	(s)	14.8%	(s)	
Months' Supply (months)	5.5	5.3	(r)	5.6	3.8%	(n)	– 1.8%	(n)	
Existing Homes for Sale									Q4 2017
Inventory (NSA, thousands)	1,460	1,860		1,650	– 21.5%	(u)	– 11.5%	(u)	
Months' Supply (months)	3.2	4.2		3.6	– 23.8%	(u)	– 11.1%	(u)	
Manufactured Home Shipments (SAAR, thousands)	101.0	85.0	(r)	88.3	18.8%	(u)	14.3%	(u)	Q4 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)									Q4 2017
New Homes Sold (thousands)									
Single-Family	652	587	(r)	568	11.1%	(s)	14.8%	(s)	
Existing Homes Sold (thousands)									
Single-Family, Townhomes, Condos, Co-ops	5,593	5,403	(r)	5,547	3.5%	(u)	0.8%	(u)	
Condos and Co-ops	633	610	(r)	630	3.8%	(u)	0.5%	(u)	
First-Time Buyers (%)	31	31		31	0	(u)	0	(u)	
Investor Sales (%)	14	14		13	0	(u)	1	(u)	
Home Sales Prices									Q4 2017
Median ($)									
New Homes	328,600	320,500	(r)	310,900	2.5%	(u)	5.7%	(u)	
Existing Homes	246,567	252,933		233,933	– 2.5%	(u)	5.4%	(u)	
Repeat-Sales Home Price Indices									
FHFA (SA)	252.7	248.7		236.9	1.6%	(u)	6.7%	(u)	
CoreLogic Case-Shiller (SA)	196.3	192.5	(r)	185.0	2.0%	(u)	6.1%	(u)	
Homeownership Affordability									Q4 2017
Composite Index	160.6	155.0	(r)	168.0	3.6%	(u)	– 4.4%	(u)	
Fixed Index	160.5	154.9	(r)	167.5	3.7%	(u)	– 4.1%	(u)	
National Average Mortgage Interest Rate (%)	4.2	4.2		3.9	0.0	(u)	0.3	(u)	
Median-Priced Existing Single-Family Home ($)	247,767	254,733	(r)	235,400	– 2.7%	(u)	5.3%	(u)	
Median Family Income ($)	74,492	73,762		71,694	1.0%	(u)	3.9%	(u)	
Rental Affordability									
HUD's Rental Affordability Index	117.8	116.9	(r)	119.6	0.8%	(u)	– 1.5%	(u)	Q3 2017
Multifamily Housing									
Apartments									
Completed Previous Quarter (thousands)	77.9	76.0	(r)	73.4	2.5%	(n)	6.1%	(s)	Q3 2017
Leased Current Quarter (%)	56	55	(r)	58	1	(n)	– 2	(n)	Q4 2017
Median Asking Rent ($)	1,383	1,573	(r)	1,515	– 12.1%	(s)	– 8.7%	(s)	
Condos and Co-ops									
Completed Previous Quarter (thousands)	3.2	3.3	(r)	6.7	– 3.0%	(n)	– 52.2%	(s)	Q3 2017
Sold Current Quarter (%)	78	74	(r)	70	4	(n)	8	(n)	Q4 2017
Median Asking Price ($)	575,359	479,638	(r)	570,064	20.0%	(n)	0.9%	(n)	
Manufactured Home Placements (sales at SAAR, thousands)									
Shipped Previous Quarter (thousands)	85.0	88.7	(r)	76.0	– 4.1%	(n)	11.8%	(s)	Q3 2017
Sold Current Quarter (%)[1]	62.4	66.5		73.0	– 4.1	(n)	– 10.6	(n)	Q4 2017
Builders' Views of Market Activity (Composite Index)	70	65		70	8.2	(u)	0.0	(u)	Q4 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 (%)						Q4 2017
30-Year Fixed Rate	3.92	3.89	3.81	0.03 (u)	0.11 (u)	
15-Year Fixed Rate	3.29	3.17	3.07	0.12 (u)	0.22 (u)	
5-Year ARM[2]	3.27	3.18	3.02	0.09 (u)	0.25 (u)	
Mortgage Delinquency Rates (%)						Q4 2017
All Loans Past Due (SA)	5.17	4.88	4.80	0.29 (u)	0.37 (u)	
Loans 90+ Days Past Due (SA)	1.65	1.30	1.54	0.35 (u)	0.11 (u)	
Seriously Delinquent (90+ Days & in FC, NSA)	2.91	2.52	3.13	0.39 (u)	– 0.22 (u)	
FHA Market Share[3]						Q3 2017
Dollar Volume (%)						
All Loans	13.4	12.4	13.1	1.0 (u)	0.3 (u)	
Purchase	15.5	13.9	17.2	1.6 (u)	– 1.7 (u)	
Refinance	9.0	9.1	8.3	– 0.1 (u)	0.7 (u)	
Loan Count (%)						
All Loans	18.7	17.4	15.4	1.3 (u)	3.3 (u)	
Purchase	22.2	20.6	19.7	1.6 (u)	2.5 (u)	
Refinance	12.1	11.7	10.2	0.4 (u)	1.9 (u)	
FHA Mortgage Insurance (thousands)[4]						Q3 2017
Applications Received	317.1	370.9 (r)	372.9	– 14.5% (u)	– 15.0% (u)	
Endorsements	267.6	305.1 (r)	337.5	– 12.3% (u)	– 20.7% (u)	
Purchase	195.5	235.8 (r)	220.4	– 17.1% (u)	– 11.3% (u)	
Refinance	72.1	72.1	117.2	0.1% (u)	– 38.4% (u)	
Private and VA Mortgage Insurance (thousands)						
PMI Certificates[5]	248.6	224.4	244.0	10.8% (u)	1.9% (u)	Q3 2017
Veterans Affairs Guarantees	169.2	174.9 (r)	232.3	– 3.3% (u)	– 27.2% (u)	Q4 2017
Residential Fixed Investment (SA real annual growth rate, %)	13.0	– 4.7 (r)	7.1	17.7 (u)	5.9 (u)	Q4 2017
GDP (SA real annual growth rate, %)	2.5	3.2 (r)	1.8	– 0.7 (u)	0.7 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	0.5	– 0.2 (r)	0.3	0.65 (u)	0.21 (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 report; estimates were revised back through Q1 2011. See the FHA Market Share report on their website for an explanation of the new methodology: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/rmra/oe/rpts/fhamktsh/fhamktqtrly.

[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 Q2 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 (%)						Q4 2017
Overall	64.2	63.9	63.7	0.3 (n)	0.5 (s)	
Non-Hispanic						
White	72.7	72.5	72.2	0.2 (n)	0.5 (s)	
Black	43.0	42.7	42.4	0.3 (n)	0.6 (n)	
Other Race	58.1	57.4	56.4	0.7 (n)	1.7 (s)	
Two or More Races	49.4	47.1	49.9	2.3 (s)	– 0.5 (n)	
Hispanic	46.6	46.1	46.3	0.5 (n)	0.3 (n)	
Vacancy Rates (%)						Q4 2017
Homeowner	1.6	1.6	1.8	0.0 (n)	– 0.2 (s)	
Rental	6.9	7.5	6.9	– 0.6 (s)	0.0 (n)	
Single-Family	5.7	6.2	6.2	– 0.5 (s)	– 0.5 (n)	
Multifamily (5+)	8.3	9.4	7.8	– 1.1 (s)	0.5 (n)	
Housing Stock (thousands)						Q4 2017
All Housing Units	136,912	136,684	136,002	0.2% (u)	0.7% (u)	
Owner-Occupied	77,185	76,146	75,667	1.4% (s)	2.0% (s)	
Renter-Occupied	43,000	42,939	43,076	0.1% (n)	– 0.2% (n)	
Vacant	16,727	17,599	17,258	– 5.0% (s)	– 3.1% (s)	
Year-Round Vacant	12,785	13,580	12,952	– 5.9% (s)	– 1.3% (n)	
For Rent	3,216	3,551	3,218	– 9.4% (s)	– 0.1% (n)	
For Sale	1,261	1,248	1,401	1.0% (n)	– 10.0% (s)	
Rented or Sold, Awaiting Occupancy	1,000	1,379	994	– 27.5% (s)	0.6% (n)	
Held Off Market	7,308	7,401	7,338	– 1.3% (n)	– 0.4% (n)	
Occasional Use	2,176	2,231	2,172	– 2.5% (n)	0.2% (n)	
Occupied—URE	1,348	1,226	1,473	10.0% (s)	– 8.5% (s)	
Other	3,785	3,944	3,692	– 4.0% (n)	2.5% (n)	
Seasonal Vacant	3,942	4,020	4,307	– 1.9% (n)	– 8.5% (s)	
Households (thousands)						Q4 2017
Total	120,185	119,085	118,744	0.9% (s)	1.2% (s)	

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