

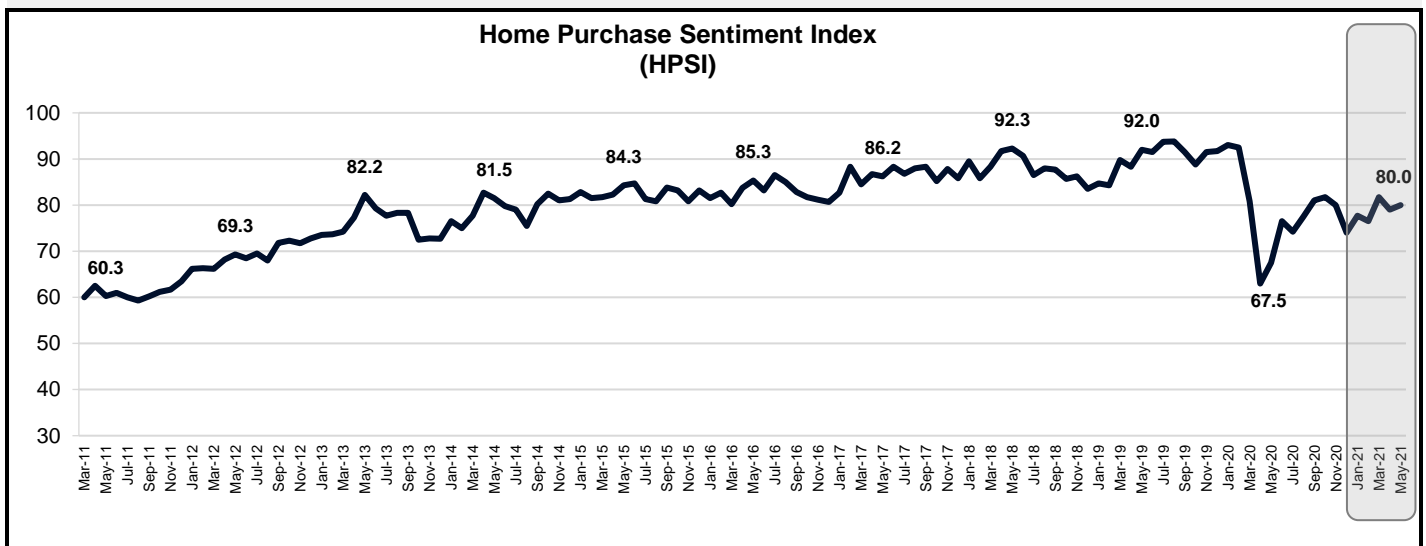


May 2021 Data Release

The Home Purchase Sentiment Index® (HPSI) is a composite index designed to track consumers' housing-related attitudes, intentions, and perceptions, using six questions from the National Housing Survey® (NHS).

The Home Purchase Sentiment Index

The HPSI rose 1 point to 80.0 in May.



Components of the HPSI

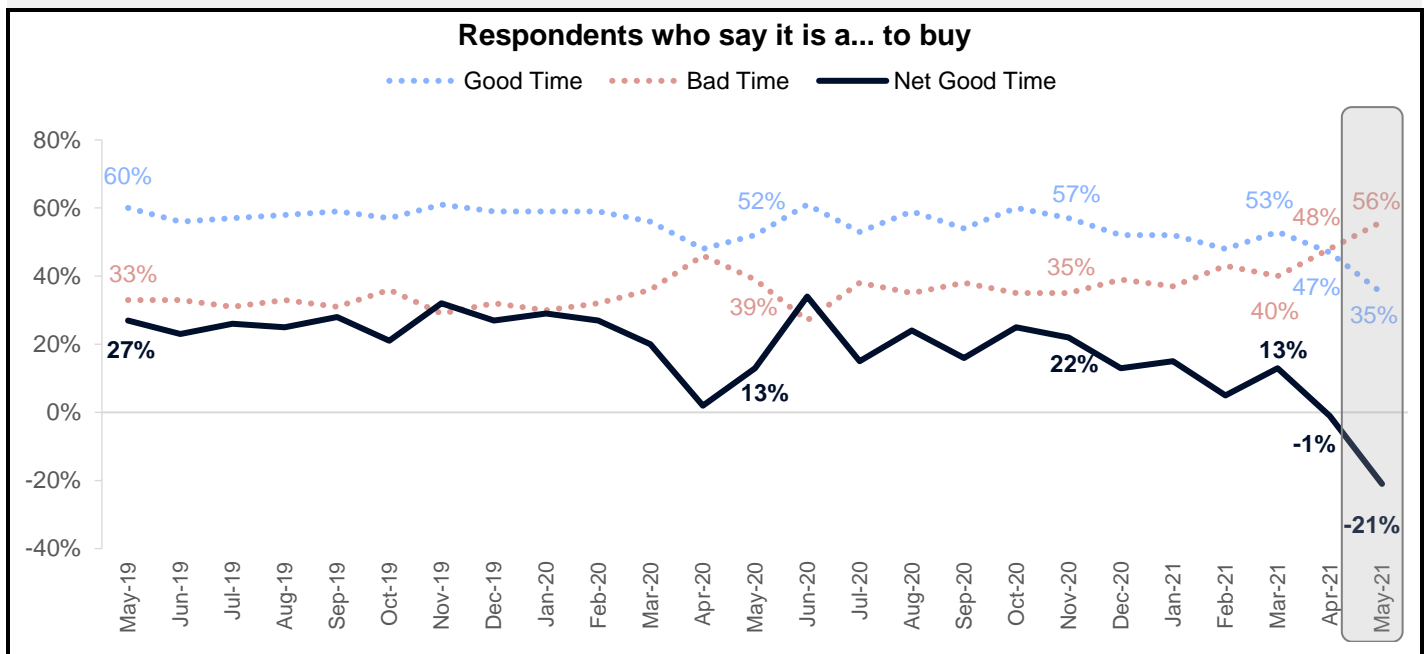
The rise in the HPSI can be attributed to net increases in four components this month: Change in Household Income, Job Loss Concern, Mortgage Rate Outlook, and Selling Conditions. Two components decreased: Buying Conditions and Home Price Outlook.

	May 2021			Net Change	
	Good Time	Bad Time	Net Good Time to Buy	MoM	YoY
Buying Conditions	35%	56%	-21%	-20	-34
Selling Conditions	67%	25%	42%	+1	+72
Home Price Outlook (next 12 months)	47%	17%	30%	-2	+39
Mortgage Rate Outlook (next 12 months)	6%	49%	-43%	+4	-43
Job Loss Concern (next 12 months)	87%	12%	75%	+11	+24
Change in Household Income (past 12 months)	29%	13%	16%	+12	+17

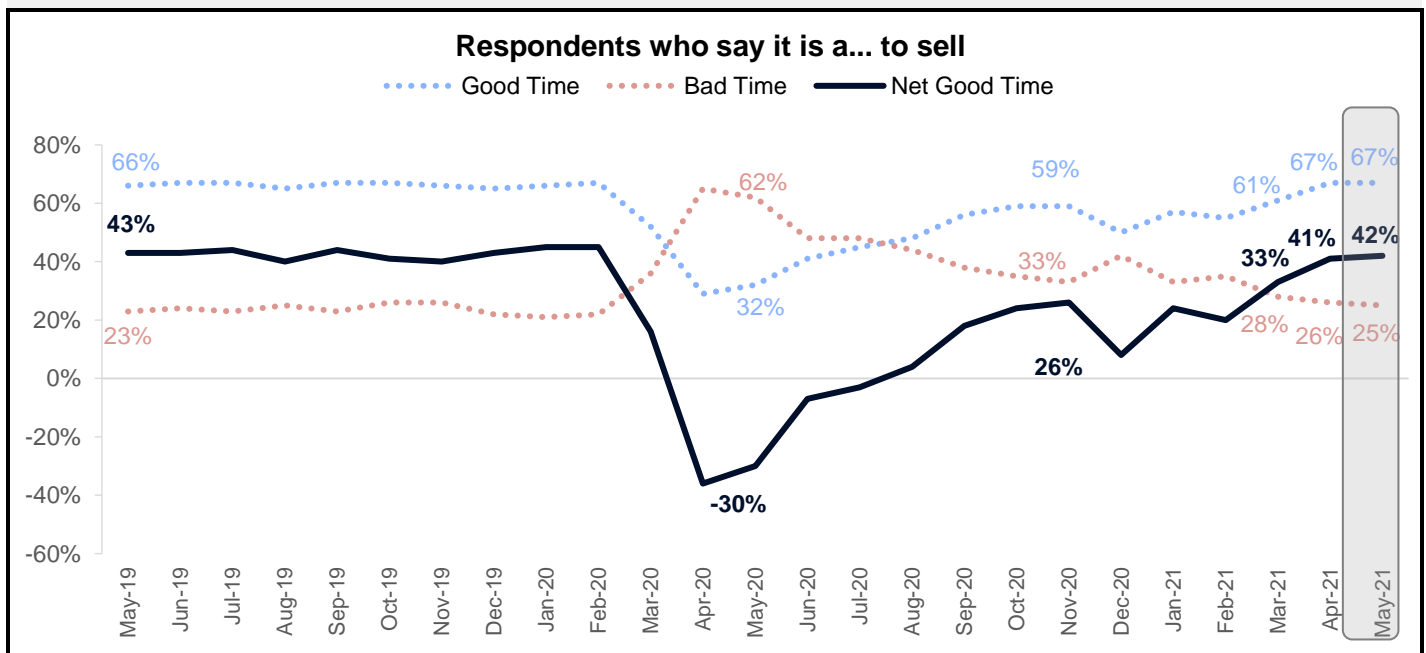


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

In May, the net share of consumers who say it is a good time to buy fell 20 percentage points, the largest single-month decrease in survey history, hitting a new survey low of -21%.



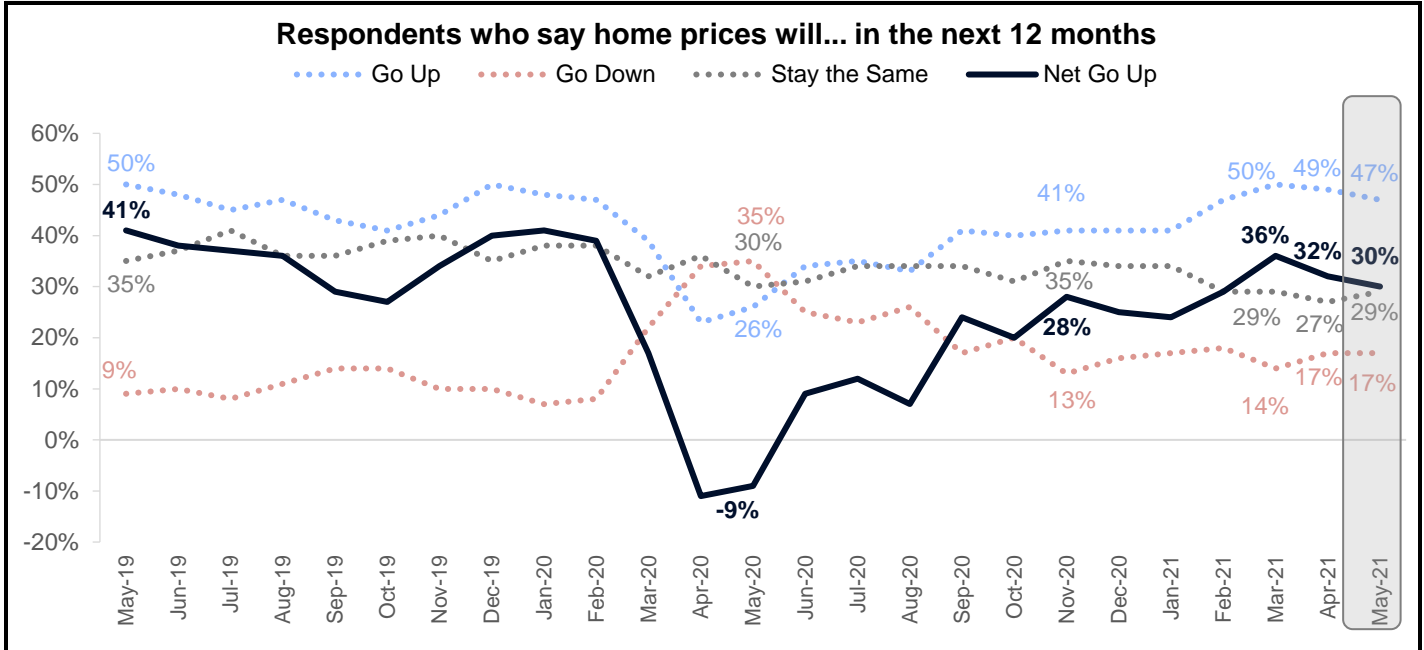
The net percentage of those who say it is a good time to sell increased by 1 percentage point, continuing the upward trend seen the last two months.



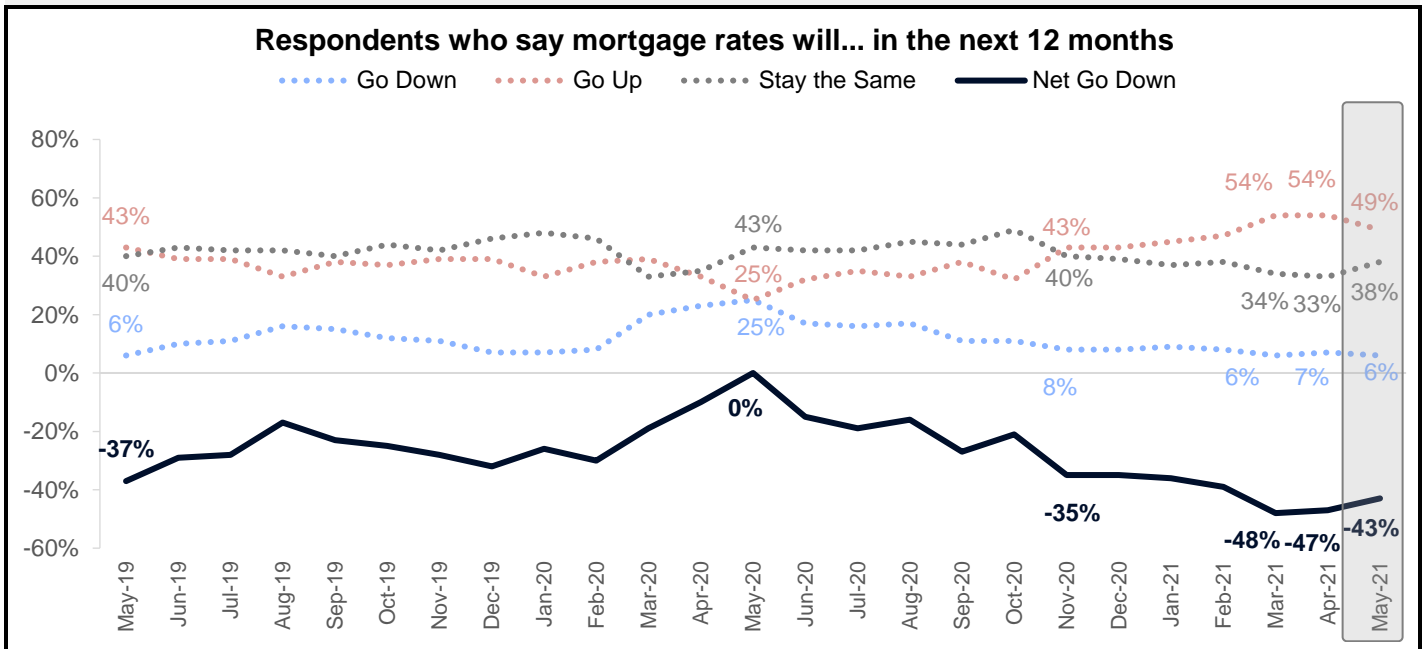


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of consumers who say home prices will go up decreased by 2 percentage points, continuing last month's decline.



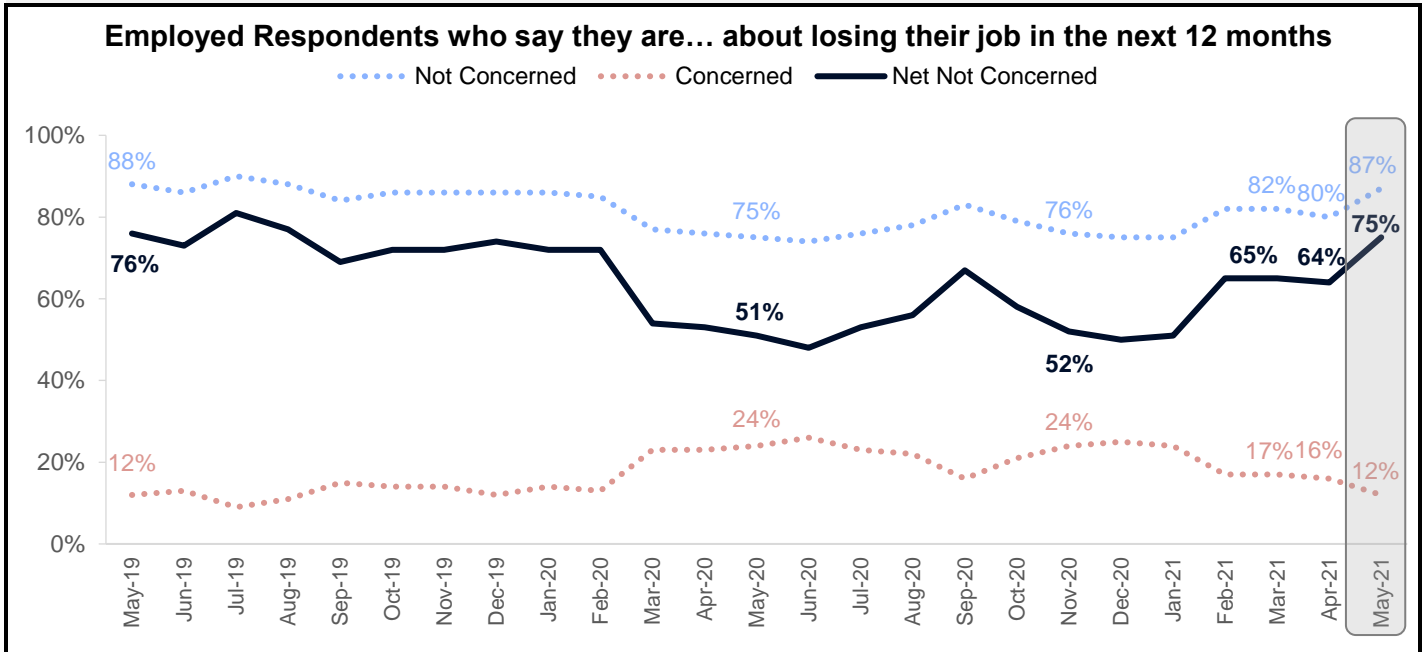
This month, the net share of those who say mortgage rates will go down over the next 12 months rose 4 percentage points to -43%, continuing the upward trend seen last month.



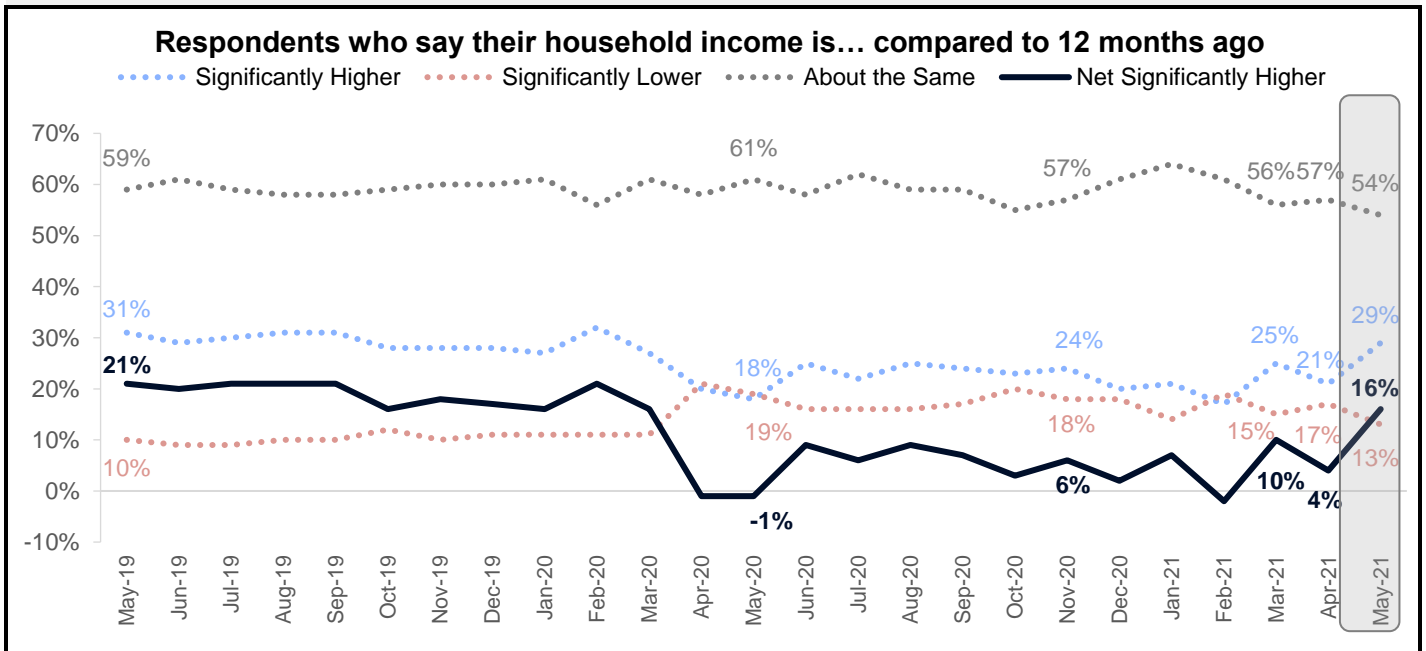


Components of the HPSI – Job Concerns and Household Incomes

In May, the net share of employed consumers who say they are not concerned about losing their job rose 11 percentage points to 75%.



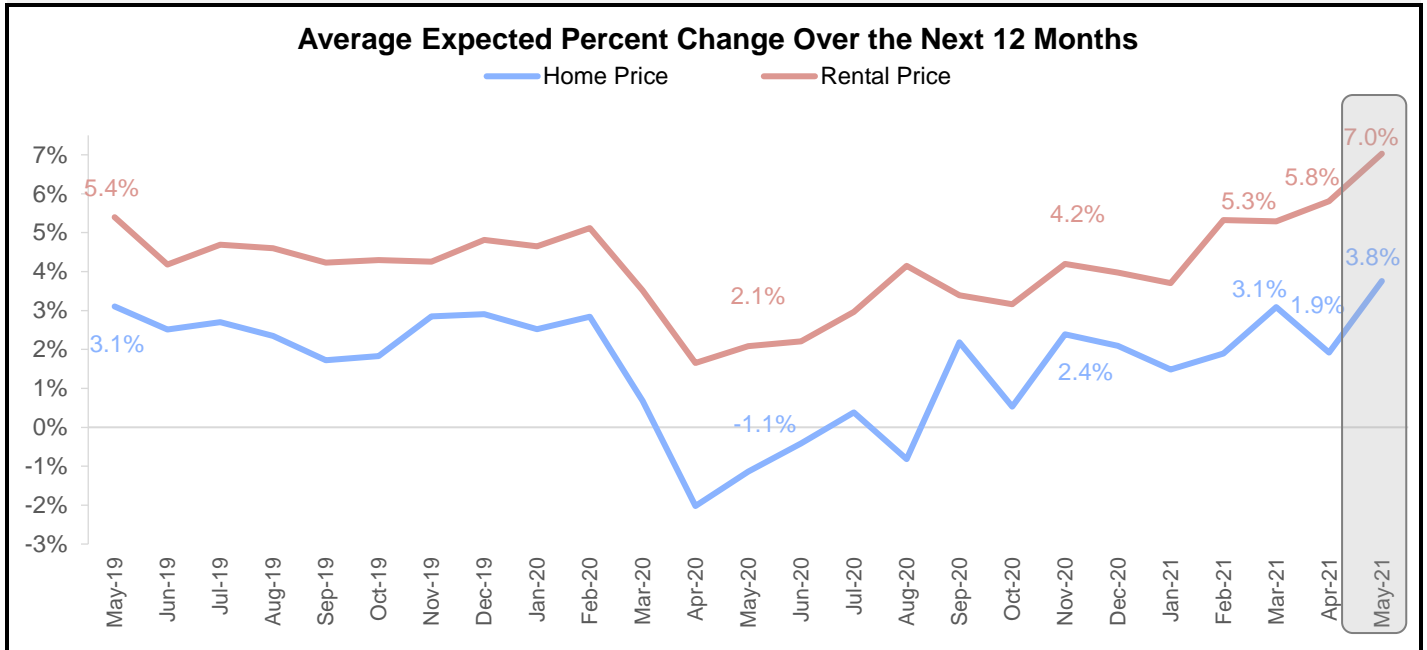
The net share of those who say their household income is significantly higher than it was 12 months ago rose by 12 percentage points to 16%, fully reversing last month's decrease.



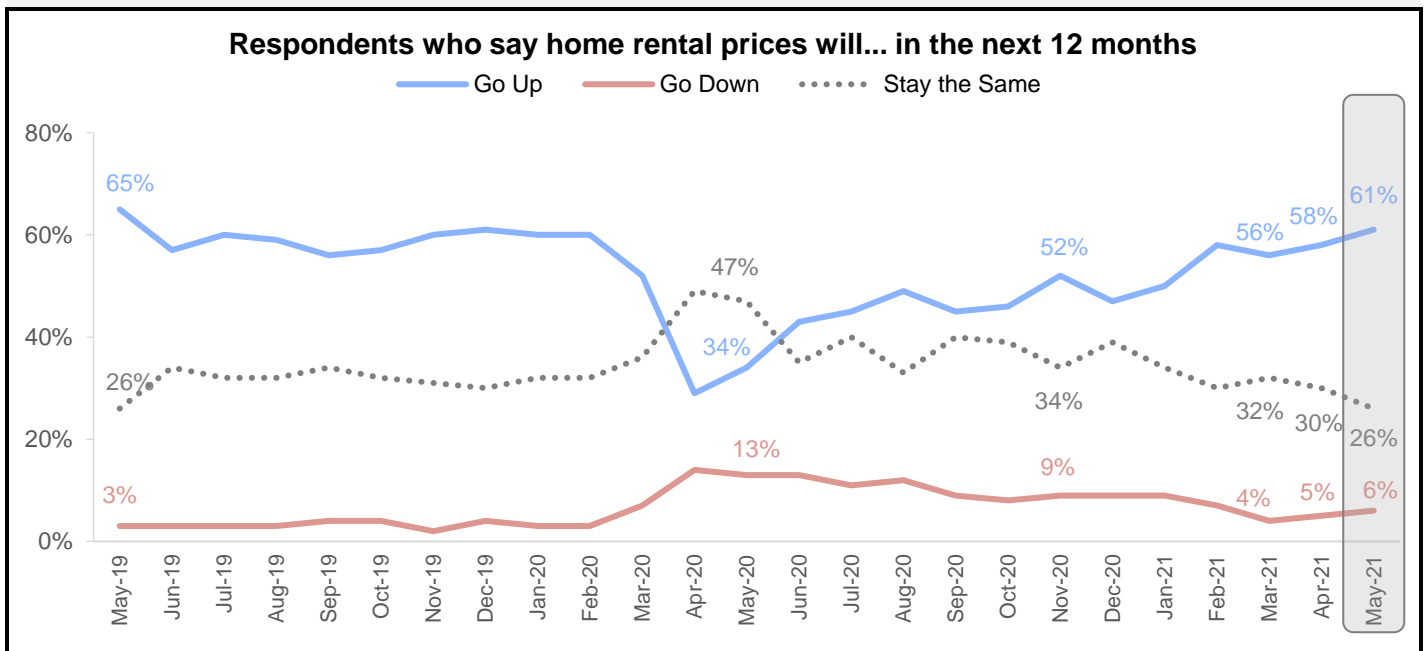


Additional National Housing Survey Key Indicators

On average, consumers expect rental prices to increase 7.0% over the next 12 months, a 1.2 percentage point increase from last month and a new survey high. They expect home prices to increase 3.8% over the next 12 months, a 1.9 percentage point increase, reversing last month's decrease.



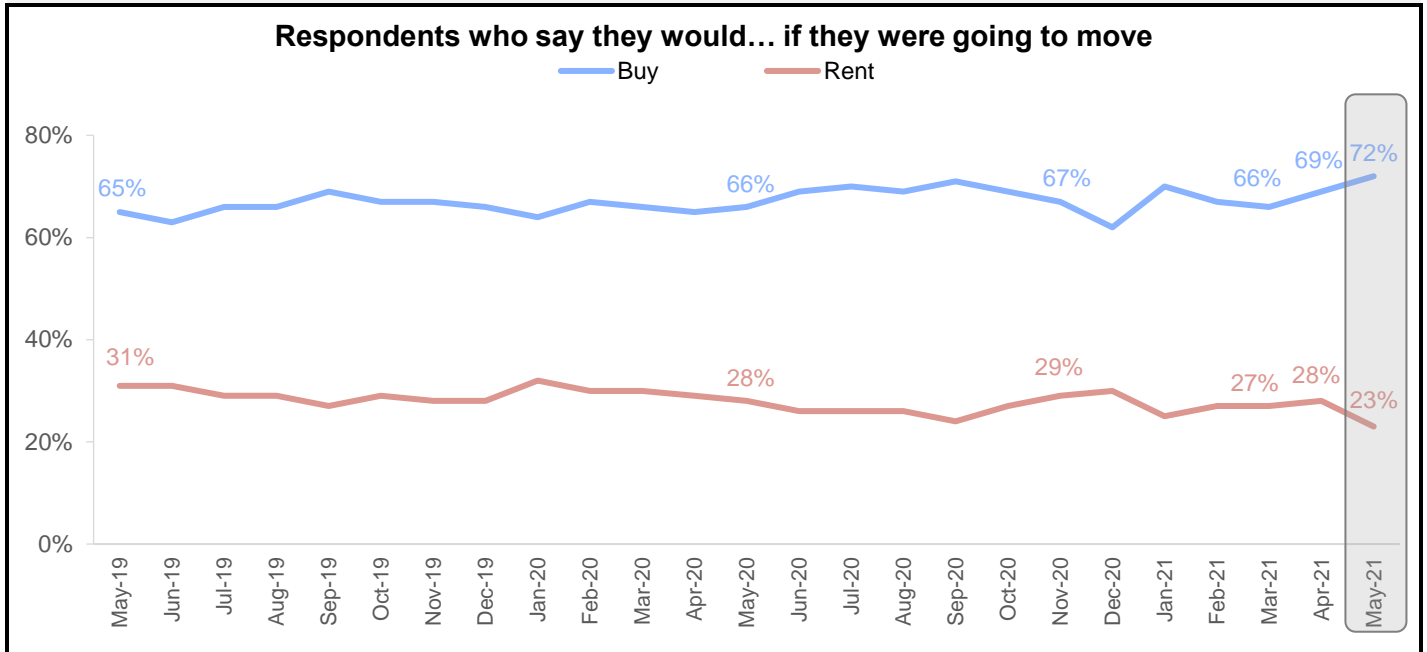
The share of consumers who expect home rental prices to go up increased by 3 percentage points to 61%, and the share who expect home rental prices to go down rose 1 percentage point to 6%.



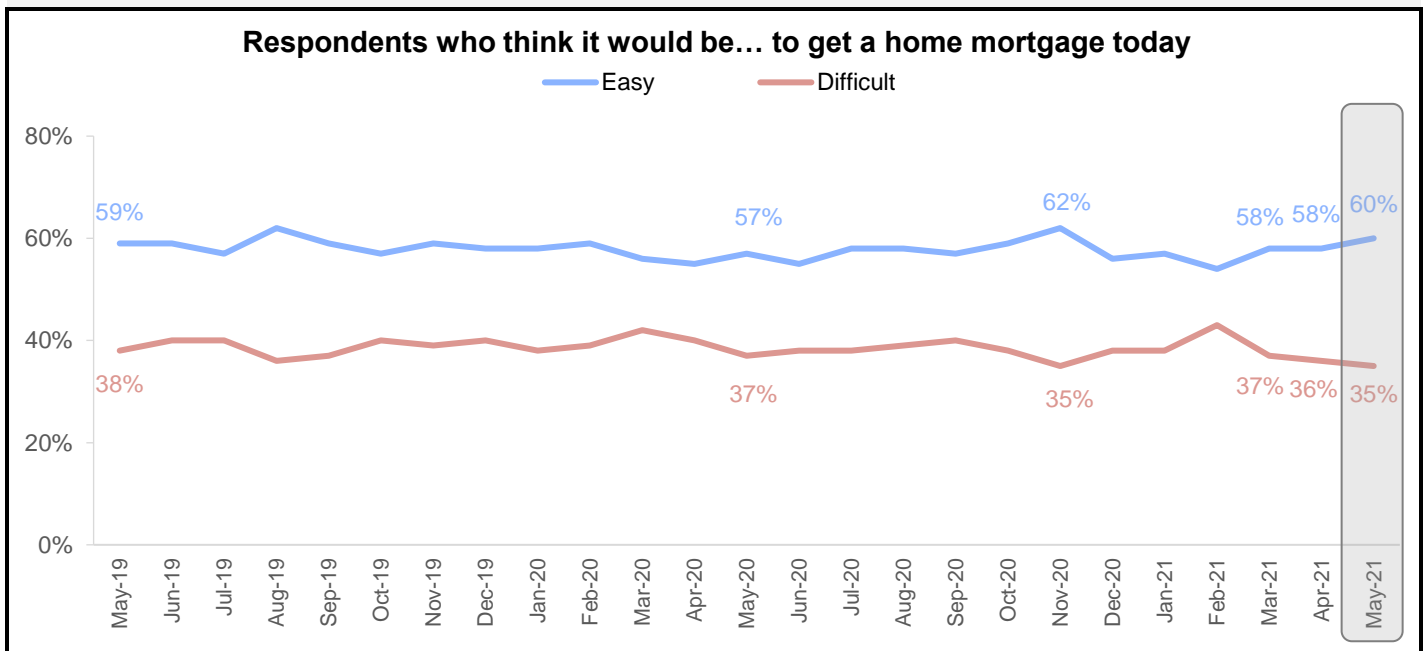


Additional National Housing Survey Key Indicators

The share of consumers who say they would buy a home if they were going to move rose 3 percentage points to 72%, continuing last month's increase and reaching a new survey high. The share who say they would rent fell 5 percentage points to 23%, a new survey low.



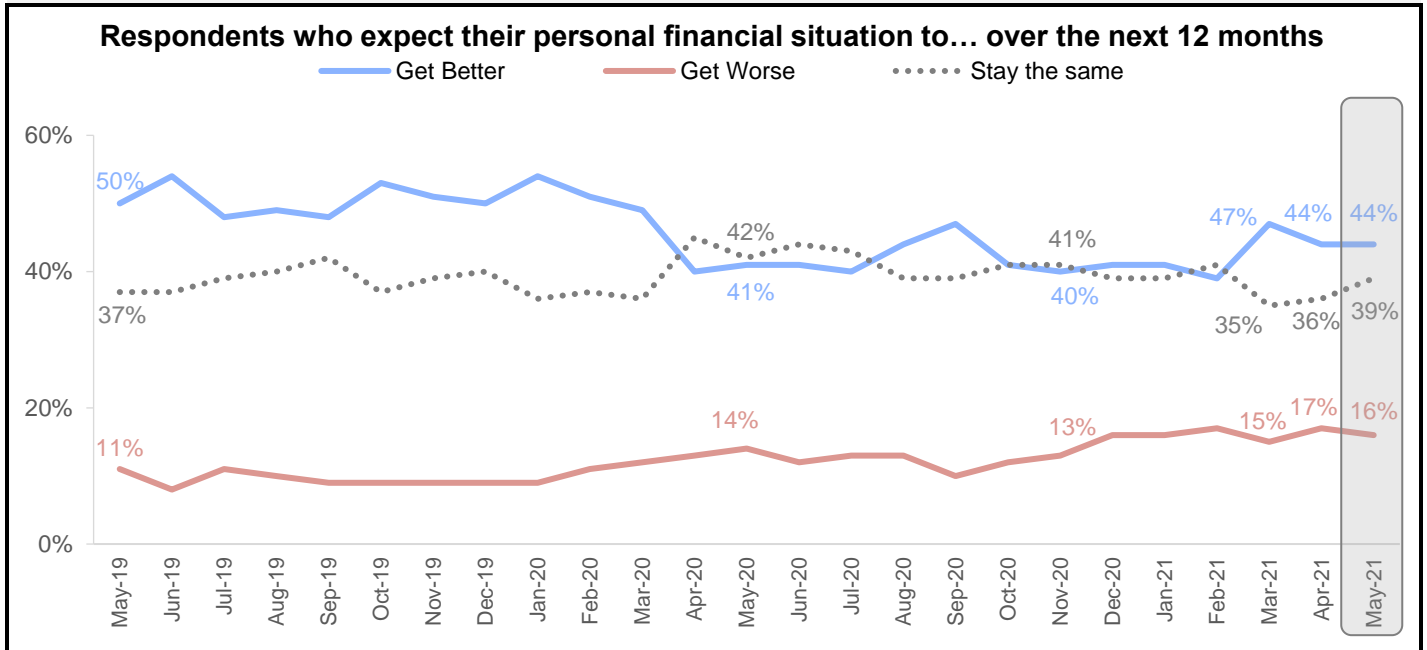
The share of consumers who say getting a mortgage would be easy increased 2 percentage points to 60%, while the share of those who say it would be difficult fell 1 percentage point to 35%.



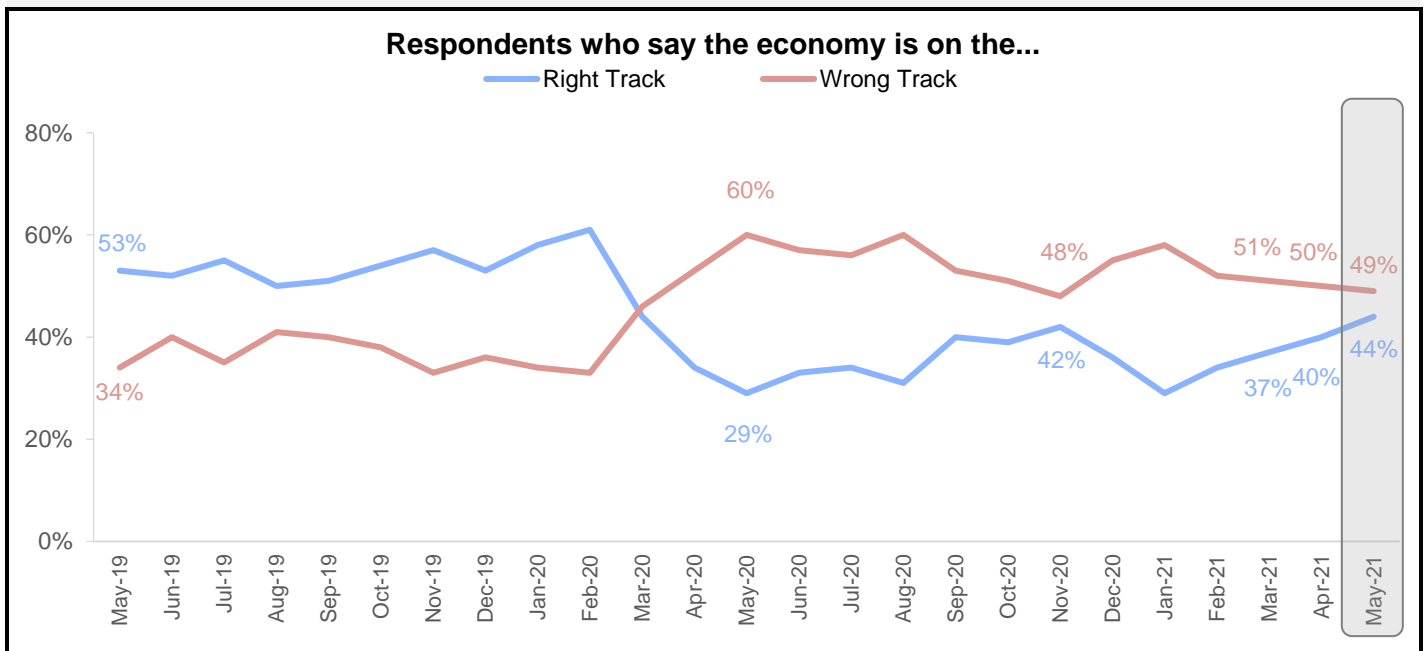


Additional National Housing Survey Key Indicators

The share of consumers who expect their personal financial situation to get better remained at 44%, the share who expect it to stay the same rose by 3 percentage points to 39%, and the share who expect it to get worse fell 1 percentage point to 16%.



Continuing trends seen the last three last months, the share of consumers in May who say the economy is on the right track rose 4 percentage points to 44% and the share who say it is on the wrong track fell 1 percentage point to 49%.





The National Housing Survey®

May 2021

APPENDIX

About the Survey

The National Housing Survey® polled a nationally representative sample of 1,003 household financial decision makers (margin of error ±3.1%) aged 18 and older between May 1, 2021 and May 25, 2021.

Interviews were conducted by PSB, in coordination with Fannie Mae.

The statistics in this release were estimated from sample surveys and are subject to sampling variability as well as nonsampling error, including bias and variance from response, nonreporting, and undercoverage. Averages of expected price changes were calculated after converting responses of “stay the same” to 0% and after excluding outliers, which were defined to be responses that were more than two standard deviations from the mean.

How the Home Purchase Sentiment Index (HPSI) is Calculated*	
Net Good Time to Buy <i>Very or Somewhat Good Time To Buy – Very or Somewhat Bad Time To Buy</i>	Q12
Net Good Time to Sell <i>Very or Somewhat Good Time To Sell – Very or Somewhat Bad Time To Sell</i>	Q13
Net Home Prices Will Go Up (next 12 months) <i>Home Prices Will Go Up – Home Prices Will Go Down</i>	Q15
Net Mortgage Rates Will Go Down (next 12 months) <i>Mortgage Rates Will Go Down – Mortgage Rates Will Go Up</i>	Q20B
Net Confident About Not Losing Job (next 12 months) <i>Among Employed Respondents, Not at All or Not Very Concerned about Losing Job – Very or Somewhat Concerned about Losing Job</i>	Q112B
Net Household Income is Significantly Higher (past 12 months) <i>Income is Significantly Higher – Income is Significantly Lower</i>	Q116
$HPSI = \frac{Q12 + Q13 + Q15 + Q20B + Q112B + Q116}{6} + 63.5$	
* The HPSI calculation includes the addition of a constant of 63.5 in order to set the index's initial value at 60 as of March 2011, in range with the Index of Consumer Sentiment and the Consumer Confidence Index	

Time Series Data: <https://www.fanniemae.com/media/document/xlsx/nhs-monthly-indicator-data-060721>

HPSI Overview: <https://www.fanniemae.com/media/document/pdf/hpsi-overviewpdf>

HPSI White Paper: <https://www.fanniemae.com/media/document/pdf/hpsi-whitepaperpdf>



Home Purchase Sentiment Index Over the Past 12 Months

May 2020	67.5
June 2020	76.5
July 2020	74.2
August 2020	77.5
September 2020	81.0
October 2020	81.7
November 2020	80.0
December 2020	74.0
January 2021	77.7
February 2021	76.5
March 2021	81.7
April 2021	79.0
May 2021	80.0

Percent of respondents who say it is a good or bad time to buy

	% Good Time to Buy	% Bad Time to Buy	Net % Good Time to Buy
May 2020	52	39	13
June 2020	61	27	34
July 2020	53	38	15
August 2020	59	35	24
September 2020	54	38	16
October 2020	60	35	25
November 2020	57	35	22
December 2020	52	39	13
January 2021	52	37	15
February 2021	48	43	5
March 2021	53	40	13
April 2021	47	48	-1
May 2021	35	56	-21



Percent of respondents who say it is a good or bad time to sell				
	% Good Time to Sell	% Bad Time to Sell	Net % Good Time to Sell	
May 2020	32	62	-30	
June 2020	41	48	-7	
July 2020	45	48	-3	
August 2020	48	44	4	
September 2020	56	38	18	
October 2020	59	35	24	
November 2020	59	33	26	
December 2020	50	42	8	
January 2021	57	33	24	
February 2021	55	35	20	
March 2021	61	28	33	
April 2021	67	26	41	
May 2021	67	25	42	

Percent of respondents who say home prices will go up, go down, or stay the same in the next 12 months				
	% Go Up	% Go Down	% Stay the Same	Net % Prices Will Go Up
May 2020	26	35	30	-9
June 2020	34	25	31	9
July 2020	35	23	34	12
August 2020	33	26	34	7
September 2020	41	17	34	24
October 2020	40	20	31	20
November 2020	41	13	35	28
December 2020	41	16	34	25
January 2021	41	17	34	24
February 2021	47	18	29	29
March 2021	50	14	29	36
April 2021	49	17	27	32
May 2021	47	17	29	30



Percent of respondents who say mortgage rates will go up, go down, or stay the same in the next 12 months

	% Go Up	% Go Down	% Stay the Same	Net % Rates Will Go Down
May 2020	25	25	43	0
June 2020	32	17	42	-15
July 2020	35	16	42	-19
August 2020	33	17	45	-16
September 2020	38	11	44	-27
October 2020	32	11	49	-21
November 2020	43	8	40	-35
December 2020	43	8	39	-35
January 2021	45	9	37	-36
February 2021	47	8	38	-39
March 2021	54	6	34	-48
April 2021	54	7	33	-47
May 2021	49	6	38	-43

Percent of employed respondents who say are concerned or not concerned about losing their job

	% Concerned	% Not Concerned	Net % Not Concerned
May 2020	24	75	51
June 2020	26	74	48
July 2020	23	76	53
August 2020	22	78	56
September 2020	16	83	67
October 2020	21	79	58
November 2020	24	76	52
December 2020	25	75	50
January 2021	24	75	51
February 2021	17	82	65
March 2021	17	82	65
April 2021	16	80	64
May 2021	12	87	75



Percent of respondents who say their household income is higher, lower, or about the same compared to 12 months ago

	% Significantly Higher	% Significantly Lower	% About the Same	Net % Higher
May 2020	18	19	61	-1
June 2020	25	16	58	9
July 2020	22	16	62	6
August 2020	25	16	59	9
September 2020	24	17	59	7
October 2020	23	20	55	3
November 2020	24	18	57	6
December 2020	20	18	61	2
January 2021	21	14	64	7
February 2021	17	19	61	-2
March 2021	25	15	56	10
April 2021	21	17	57	4
May 2021	29	13	54	16

Average home/rental price change expectation

	% Home Price Change	% Rental Price Change
May 2020	-1.1	2.1
June 2020	-0.4	2.2
July 2020	0.4	3.0
August 2020	-0.8	4.2
September 2020	2.2	3.4
October 2020	0.5	3.2
November 2020	2.4	4.2
December 2020	2.1	4.0
January 2021	1.5	3.7
February 2021	1.9	5.3
March 2021	3.1	5.3
April 2021	1.9	5.8
May 2021	3.8	7.0



Percent of respondents who say home rental prices will go up, go down, or stay the same in the next 12 months

	% Go Up	% Go Down	% Stay the Same
May 2020	34	13	47
June 2020	43	13	35
July 2020	45	11	40
August 2020	49	12	33
September 2020	45	9	40
October 2020	46	8	39
November 2020	52	9	34
December 2020	47	9	39
January 2021	50	9	34
February 2021	58	7	30
March 2021	56	4	32
April 2021	58	5	30
May 2021	61	6	26

Percent of respondents who say they would buy or rent if they were going to move

	% Buy	% Rent
May 2020	66	28
June 2020	69	26
July 2020	70	26
August 2020	69	26
September 2020	71	24
October 2020	69	27
November 2020	67	29
December 2020	62	30
January 2021	70	25
February 2021	67	27
March 2021	66	27
April 2021	69	28
May 2021	72	23



Percent of respondents who think it would be difficult or easy for them to get a home mortgage today

	% Difficult	% Easy
May 2020	37	57
June 2020	38	55
July 2020	38	58
August 2020	39	58
September 2020	40	57
October 2020	38	59
November 2020	35	62
December 2020	38	56
January 2021	38	57
February 2021	43	54
March 2021	37	58
April 2021	36	58
May 2021	35	60

Percent of respondents who expect their personal financial situation to get better, get worse, or stay the same in the next 12 months

	% Get Better	% Get Worse	% Stay the Same
May 2020	41	14	42
June 2020	41	12	44
July 2020	40	13	43
August 2020	44	13	39
September 2020	47	10	39
October 2020	41	12	41
November 2020	40	13	41
December 2020	41	16	39
January 2021	41	16	39
February 2021	39	17	41
March 2021	47	15	35
April 2021	44	17	36
May 2021	44	16	39



Percent of respondents who think the economy is on the right track or the wrong track

	% Right Track	% Wrong Track
May 2020	29	60
June 2020	33	57
July 2020	34	56
August 2020	31	60
September 2020	40	53
October 2020	39	51
November 2020	42	48
December 2020	36	55
January 2021	29	58
February 2021	34	52
March 2021	37	51
April 2021	40	50
May 2021	44	49