Fannie Mae®
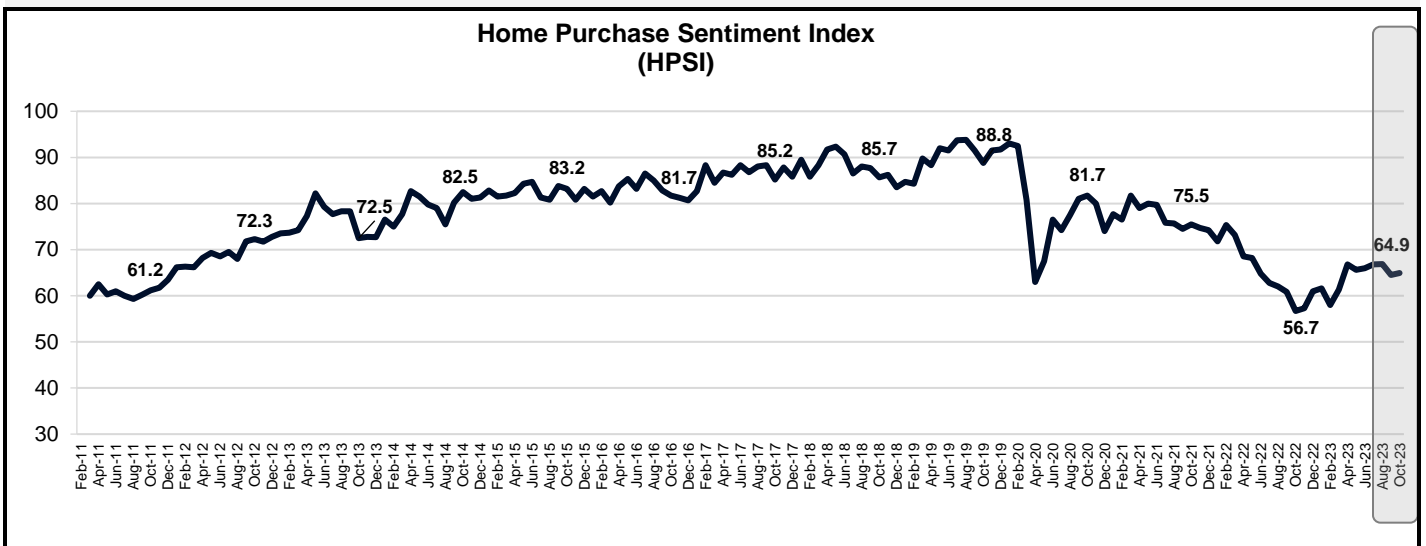
October 2023 Data Release

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 increased by 0.4 points to 64.9 in October.

Home Purchase Sentiment Index
(HPSI)

Components of the HPSI

The increase in the HPSI this month can be attributed to net increases in two components (Job Loss Concern and Change in Household Income) and net decreases in three components (Buying Conditions, Home Price Outlook, and Mortgage Rate Outlook). Selling conditions remained unchanged month-over-month.

	October 2023			Net Change	
				MoM	YoY
Buying Conditions	Good Time	Bad Time	Net Good Time to Buy	-2	-6
	15%	85%	-70%		
Selling Conditions	Good Time	Bad Time	Net Good Time to Sell	0	+17
	63%	37%	26%		
Home Price Outlook (next 12 months)	Go Up	Go Down	Net Go Up	-2	+24
	40%	23%	17%		
Mortgage Rate Outlook (next 12 months)	Go Down	Go Up	Net Go Down	-1	+29
	16%	47%	-30%		
Job Loss Concern (next 12 months)	Not Concerned	Concerned	Net Not Concerned	+5	-13
	78%	21%	57%		
Change in Household Income (past 12 months)	Significantly Higher	Significantly Lower	Net Significantly Higher	+5	0
	20%	10%	10%		

Note: Calculations are made using unrounded and weighted response level data to help ensure precision in NHS data results from wave to wave.
As a result, minor differences in calculated data (summarized results, net calculations, etc.) of up to 1 percentage point may occur due to rounding.

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

The net share of consumers who say it is a good time to buy a home decreased 2 percentage points to 70%, a new survey low. The share of consumers who say that it would be a bad time to buy reached a new survey high at 85%, while the share who say that it is a good time to buy reached a new survey low at 15%.

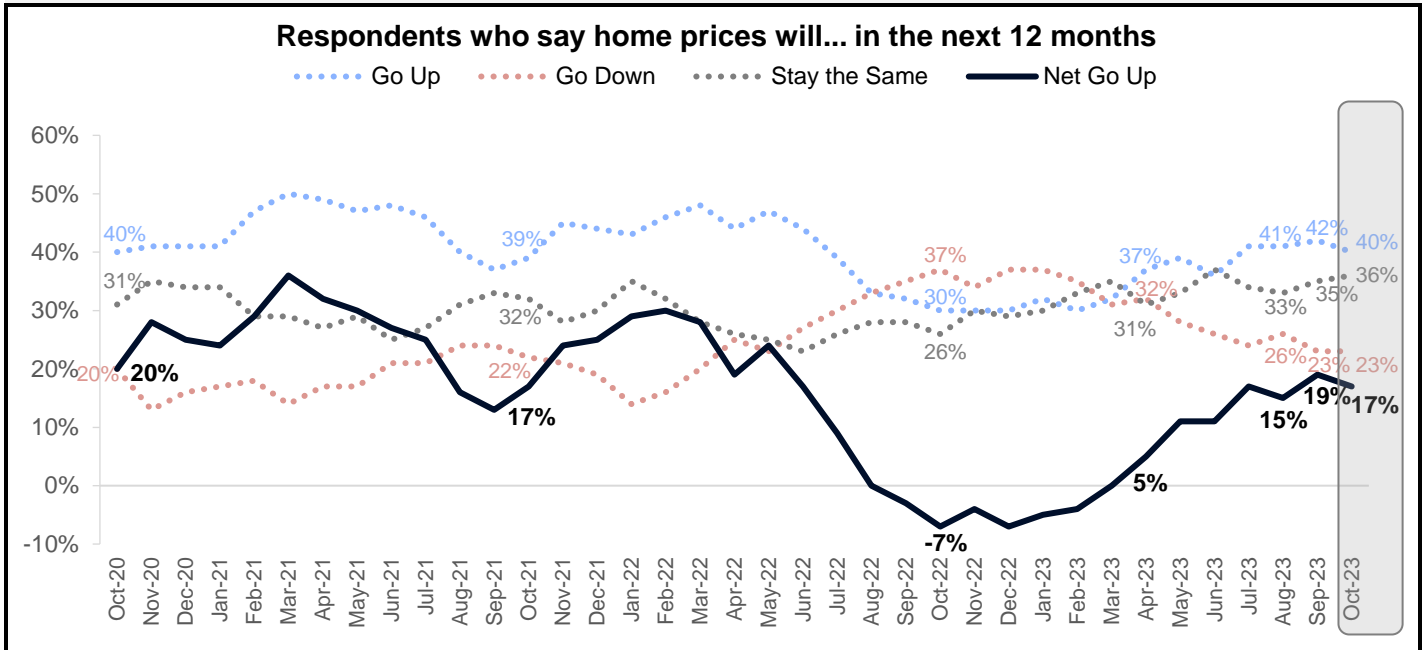## Respondents who say it is a... to buy
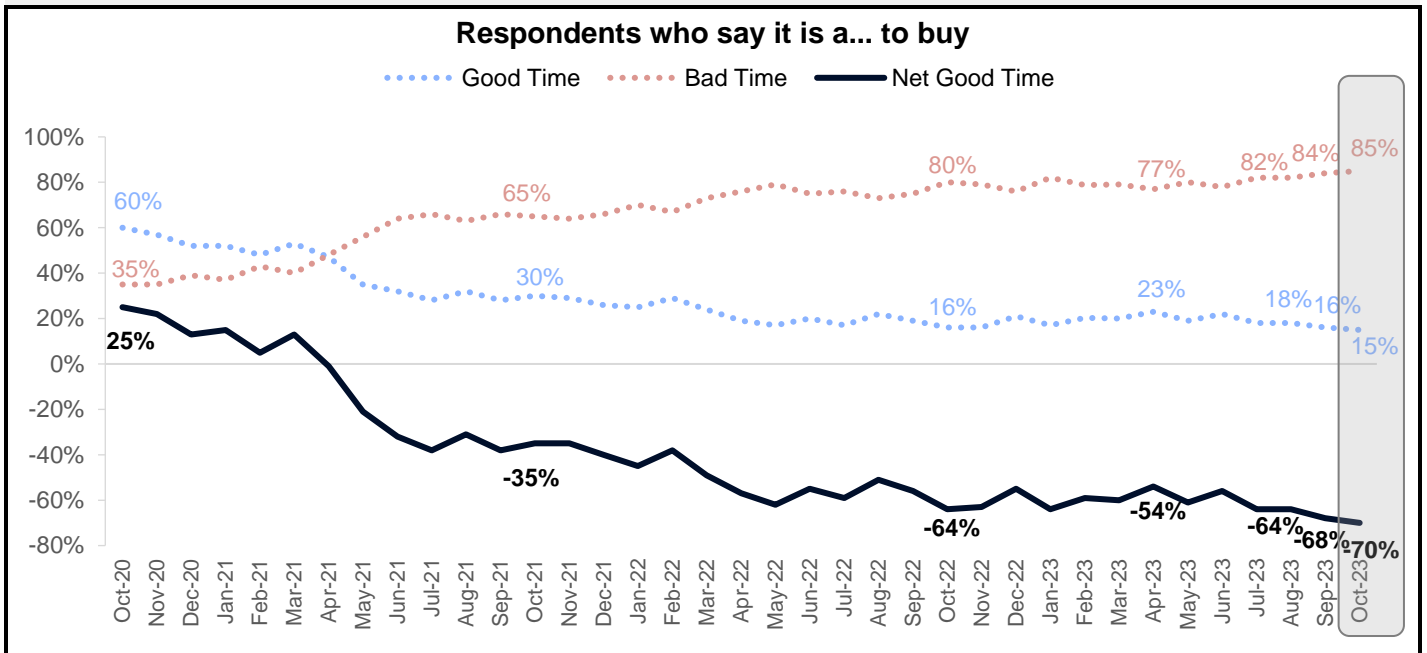
The share of consumers who say it is a bad time to sell remained at 37% while the share who say it's a good time to sell remained at 63%. As a result, the net share of consumers who say it is a good time to sell remained at 26%.

Respondents who say it is a... to sell
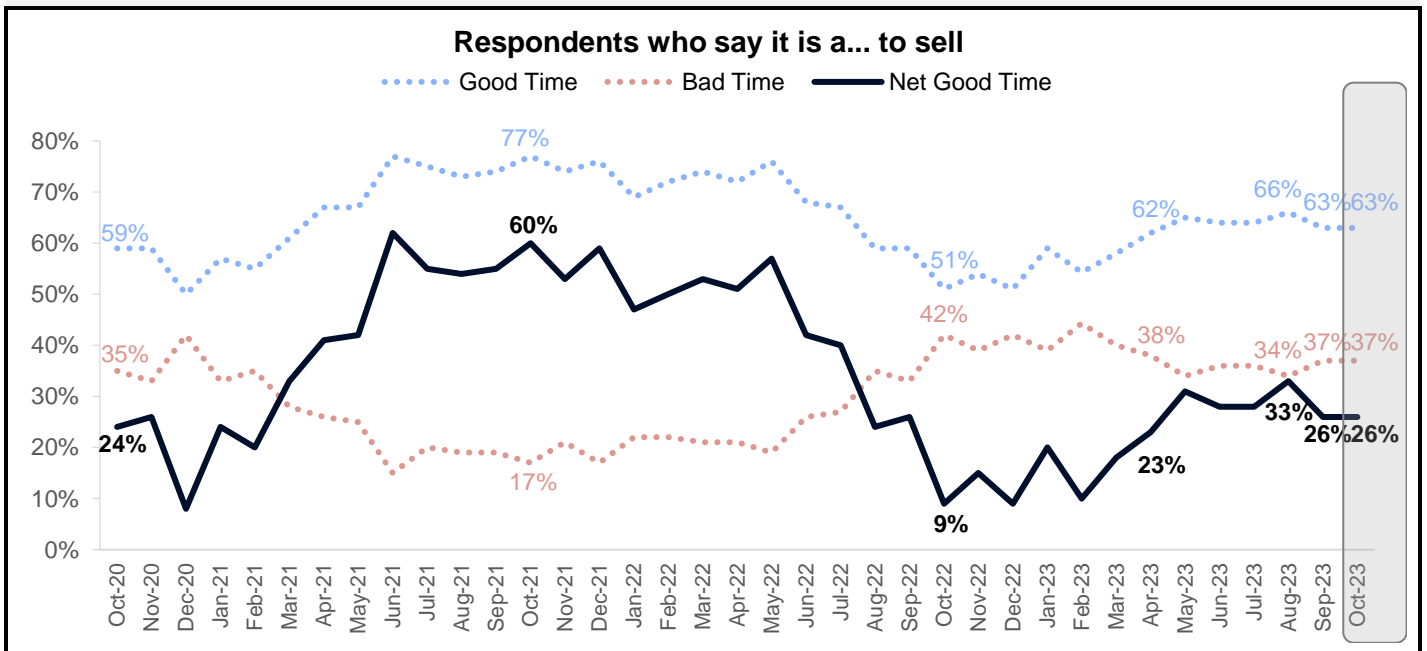
Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of consumers who say home prices will go up decreased 2 percentage points month over month to 17%.

Respondents who say home prices will... in the next 12 months

······ Go Up   ······ Go Down   ······ Stay the Same   —— Net Go Up

This month, the net share of those who say mortgage rates will go down over the next 12 months decreased by 1 percentage point to -30%.

Respondents who say mortgage rates will... in the next 12 months

······ Go Down   ······ Go Up   ······ Stay the Same   —— Net Go Down
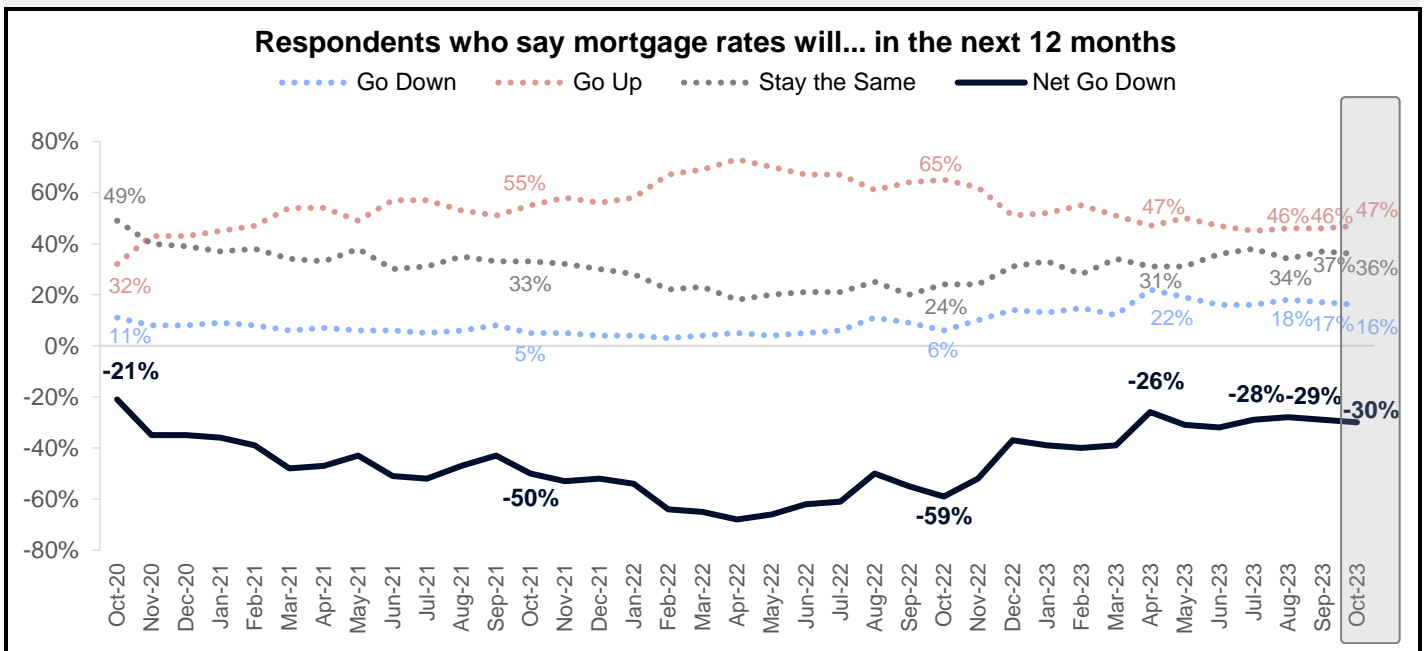
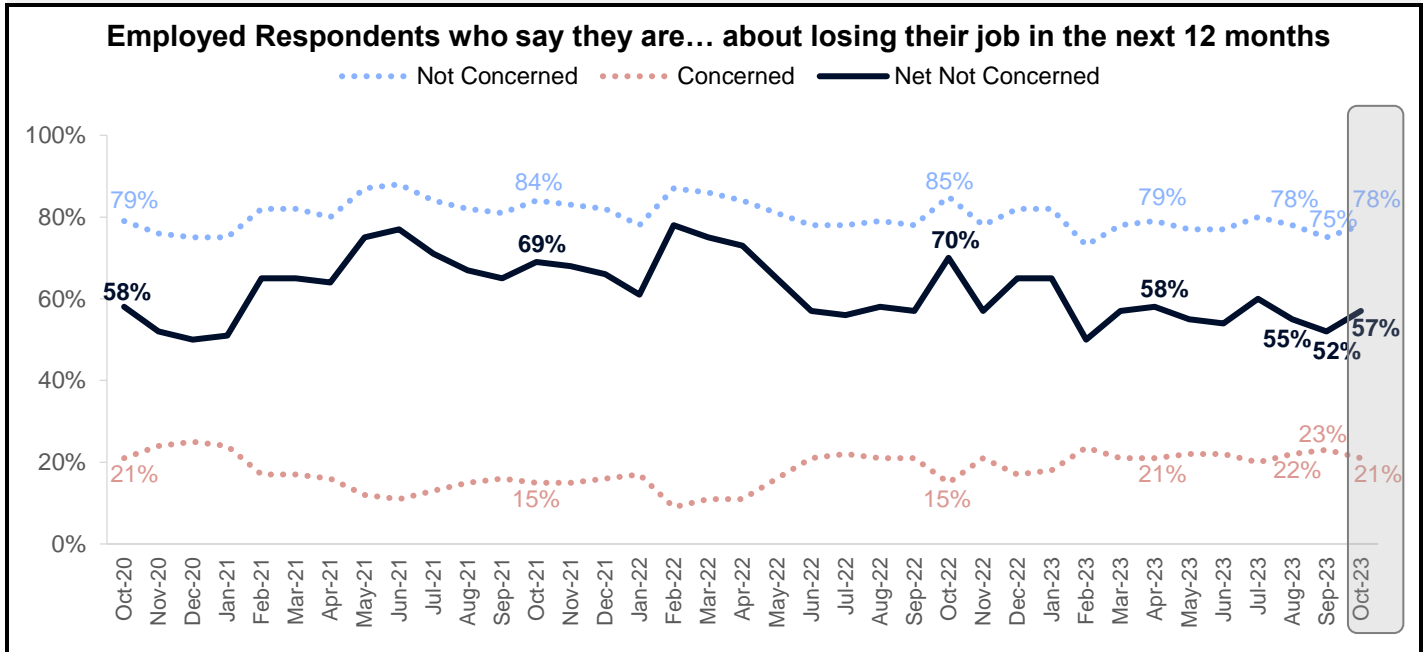## Components of the HPSI – Job Loss Concern and Household Incomes

In October, the net share of employed consumers who say they are not concerned about losing their job increased 5 percentage points to 57%.

Employed Respondents who say they are… about losing their job in the next 12 months

Legend: Not Concerned · Concerned · Net Not Concerned

The net share of those who say their household income is significantly higher compared to a year ago increased 5 percentage points to 10%.

Respondents who say their household income is… compared to 12 months ago

Legend: Significantly Higher · Significantly Lower · About the Same · Net Significantly Higher
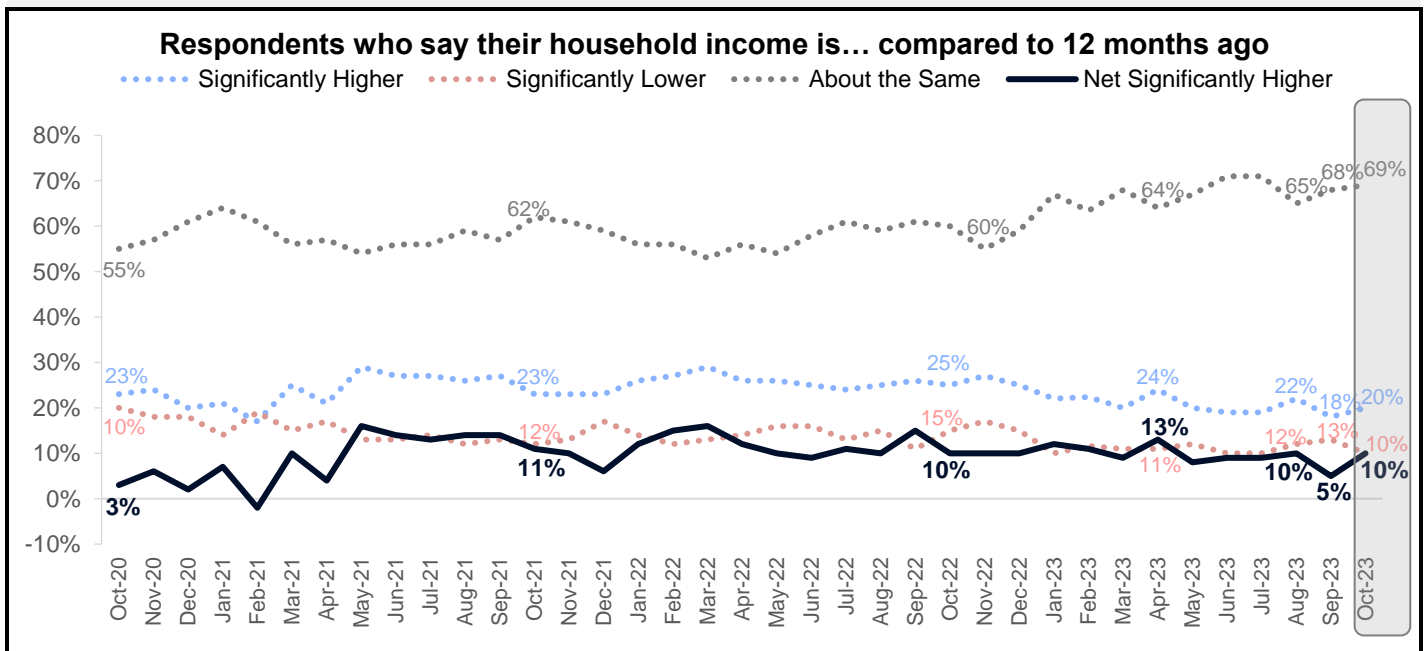
Additional National Housing Survey Key Indicators

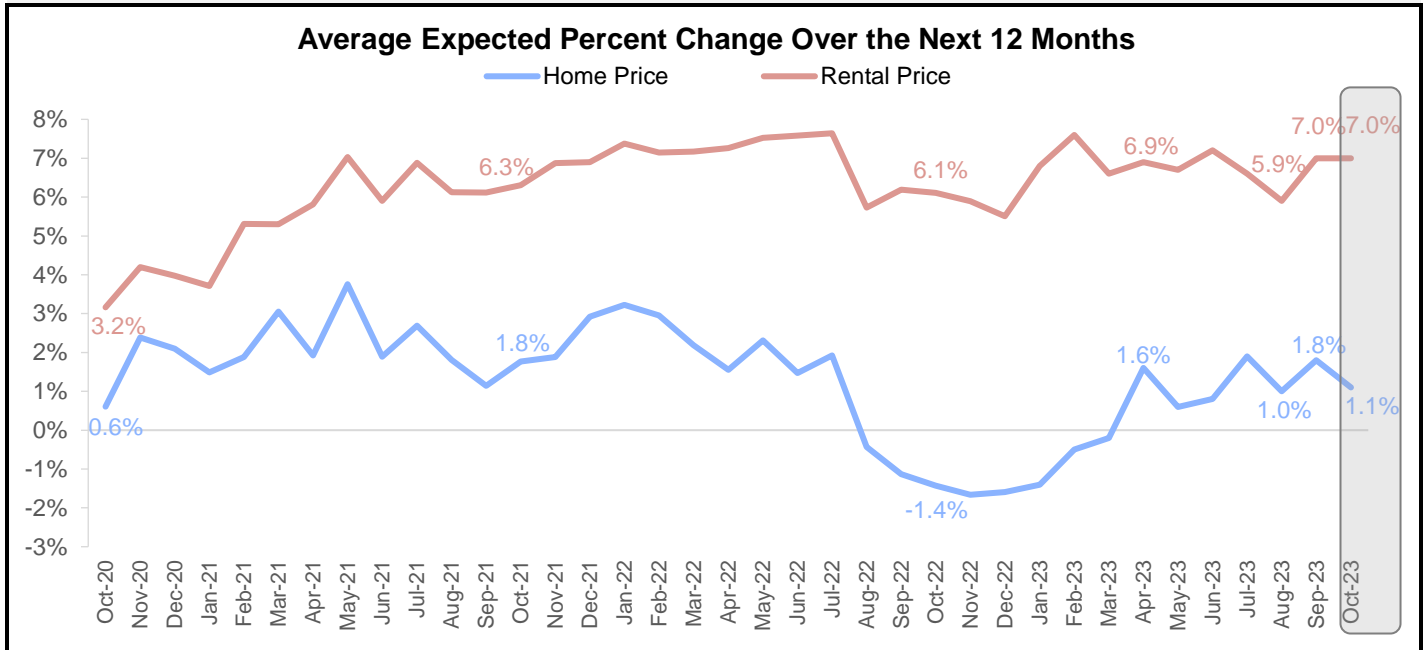Consumers expect rental prices to increase 7.0% on average over the next 12 months (unchanged from last month). Home prices are expected to increase 1.1% on average over the next 12 months, a 0.7 percentage-point decrease from last month.

Average Expected Percent Change Over the Next 12 Months

— Home Price   — Rental Price

The share of consumers who expect home rental prices to go up stayed at 68%, and the share who expect rental prices to go down decreased 1 percentage point to 6%.

Respondents who say home rental prices will... in the next 12 months

— Go Up   — Go Down   ····· Stay the Same
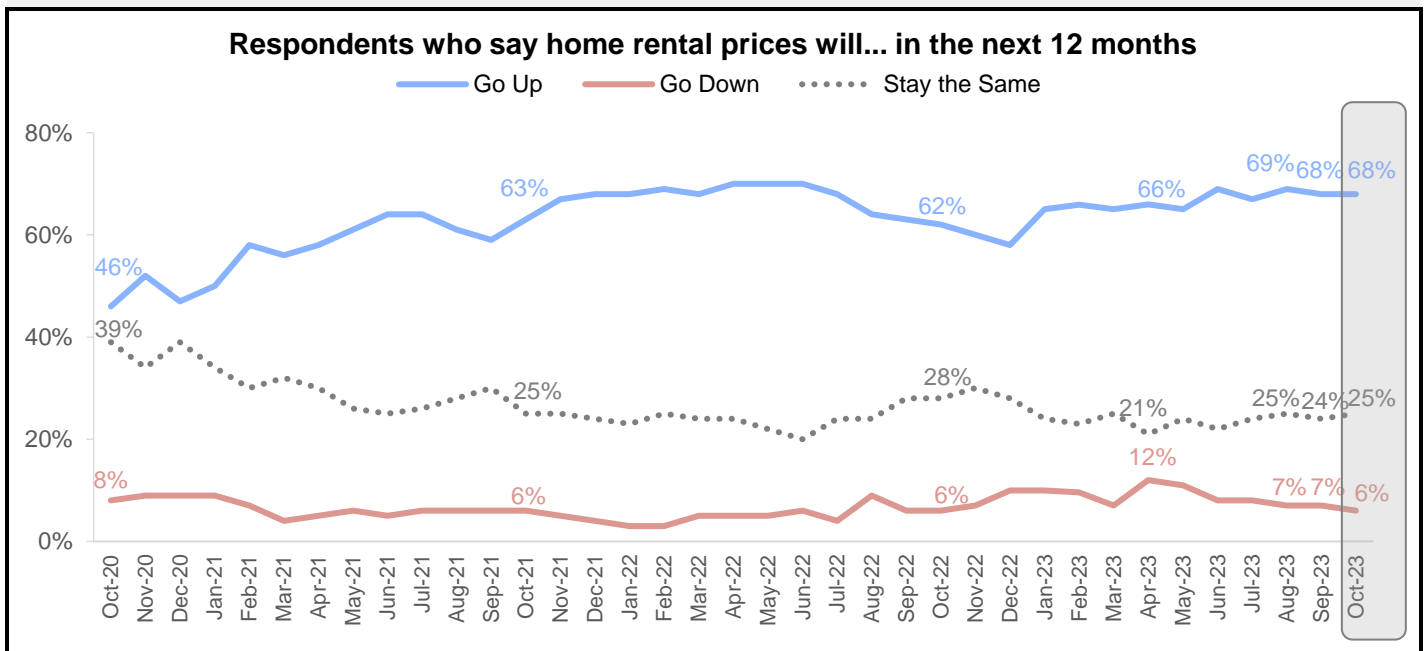
Additional National Housing Survey Key Indicators

The share of consumers who say they would buy a home if they were going to move remained unchanged from last month at 69%. The share who say they would rent decreased by 1 percentage point to 30%.

Respondents who say they would… if they were going to move

— Buy   — Rent
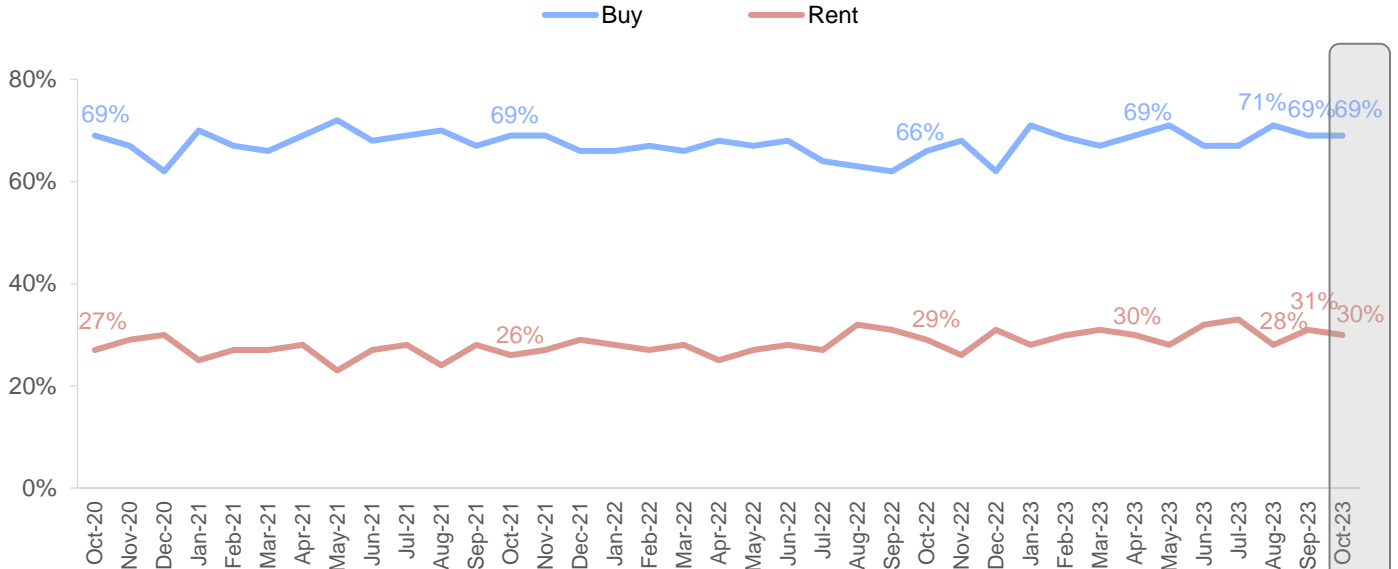
The share of consumers who say getting a mortgage would be easy increased 2 percentage points to 42%, and the share of those who say it would be difficult decreased 2 percentage points to 58%.

Respondents who think it would be… to get a home mortgage today

— Easy   — Difficult
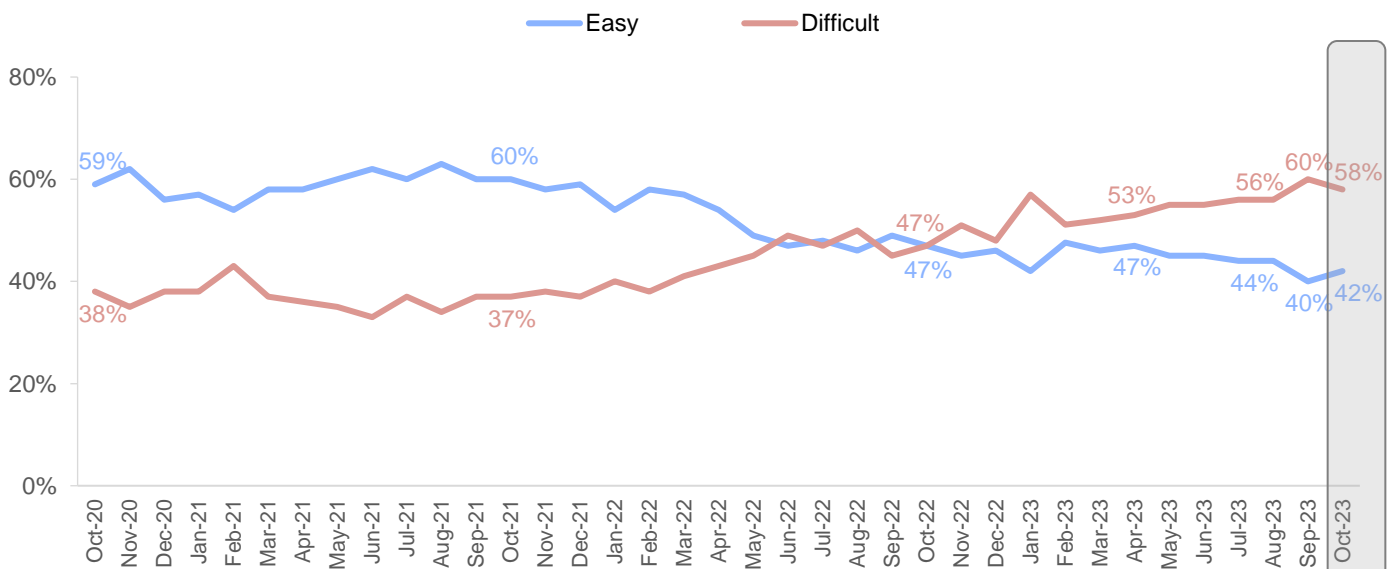
Additional National Housing Survey Key Indicators

The share of consumers who expect their personal financial situation to get better increased 1 percentage point to 31%, while the share who expect it to get worse decreased 3 percentage points to 21%. The share who expect their personal financial situation to stay the same increased 3 percentage points to 49%.

Respondents who expect their personal financial situation to… over the next 12 months

— Get Better   — Get Worse   ⋯⋯ Stay the same
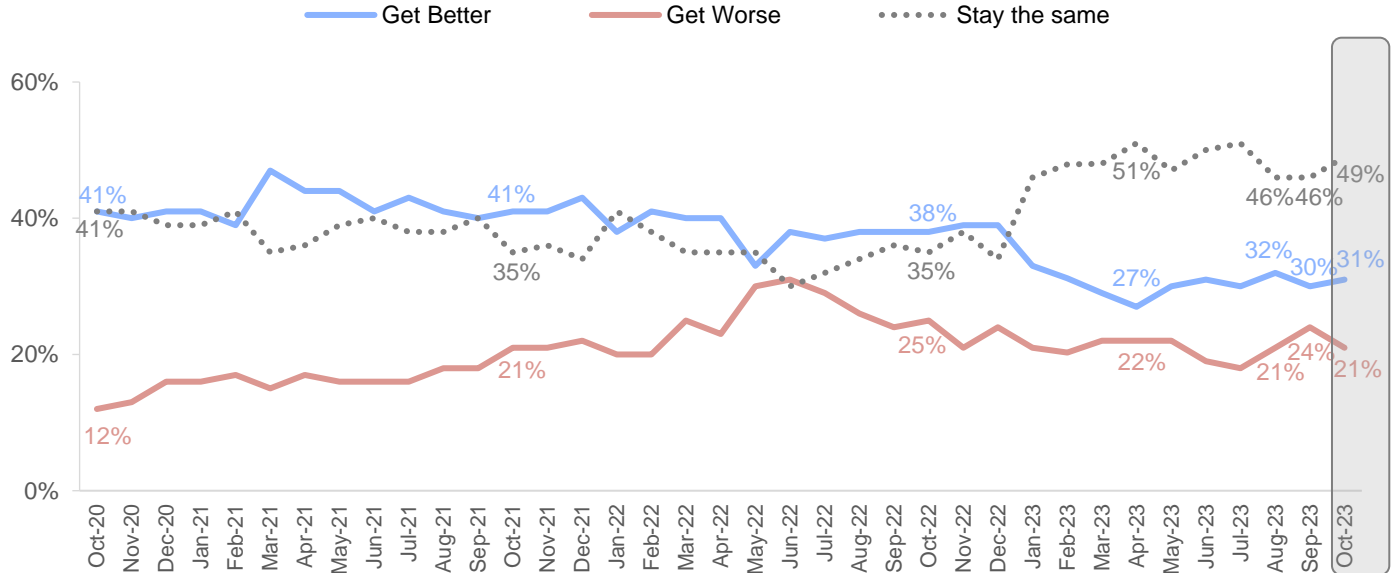
The share of consumers who say the economy is on the wrong track increased 7 percentage points to 78%. The share who say the economy is on the right track decreased 7 percentage points to 21%.

Respondents who say the economy is on the...

— Right Track   — Wrong Track
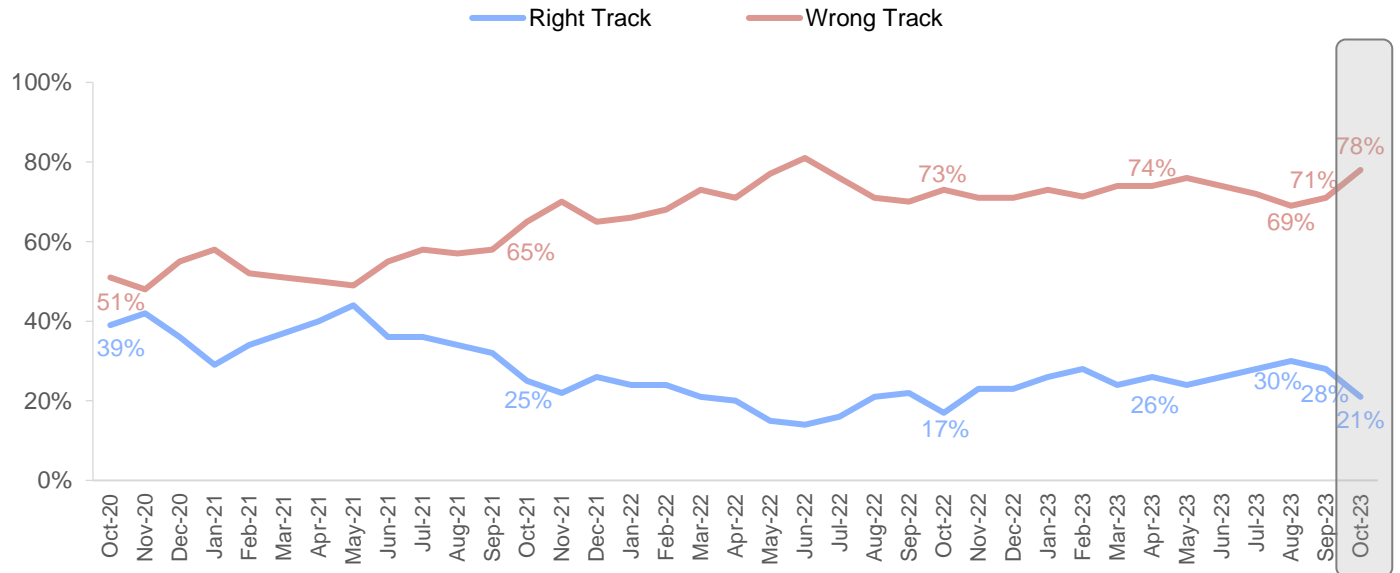
The National Housing Survey®

October 2023
APPENDIX

About the Survey

The National Housing Survey® polled a nationally representative sample of 1,039 household financial decision makers (margin of error ± 3.85%) aged 18 and older between October 1st and October 19th, 2023.

The survey was fielded through AmeriSpeak®, NORC at the University of Chicago's probability-based panel, in coordination with Fannie Mae and PSB Insights.

The statistics in this release were estimated from sample surveys and are subject to sampling variability as well as non-sampling error, including bias and variance from response, nonreporting, and under-coverage, though weighting corrections have been applied. 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** *Very or Somewhat Good Time To Buy – Very or Somewhat Bad Time To Buy*	Q12
Net Good Time to **Sell** *Very or Somewhat Good Time To Sell – Very or Somewhat Bad Time To Sell*	Q13
Net **Home Prices** Will Go Up (next 12 months) *Home Prices Will Go Up – Home Prices Will Go Down*	Q15
Net **Mortgage Rates** Will Go Down (next 12 months) *Mortgage Rates Will Go Down – Mortgage Rates Will Go Up*	Q20B
Net Confident About Not Losing **Job** (next 12 months) *Among Employed Respondents, Not at All or Not Very Concerned about Losing Job – Very or Somewhat Concerned about Losing Job*	Q112B
Net Household **Income** is Significantly Higher (past 12 months) *Income is Significantly Higher – Income is Significantly Lower*	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-110723

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

October 2022	56.7
November 2022	57.3
December 2022	61.0
January 2023	61.6
February 2023	58.0
March 2023	61.3
April 2023	66.8
May 2023	65.6
June 2023	66.0
July 2023	66.8
August 2023	66.9
September 2023	64.5
October 2023	**64.9**

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
October 2022	16	80	-64
November 2022	16	79	-63
December 2022	21	76	-55
January 2023	17	82	-64
February 2023	20	79	-59
March 2023	20	79	-60
April 2023	23	77	-54
May 2023	19	80	-61
June 2023	22	78	-56
July 2023	18	82	-64
August 2023	18	82	-64
September 2023	16	84	-68
October 2023	**15**	**85**	**-70**

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
October 2022	51	42	9
November 2022	54	39	15
December 2022	51	42	9
January 2023	59	39	20
February 2023	54	44	10
March 2023	58	40	18
April 2023	62	38	23
May 2023	65	34	31
June 2023	64	36	28
July 2023	64	36	28
August 2023	66	34	33
September 2023	63	37	26
October 2023	**63**	**37**	**26**

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
October 2022	30	37	26	-7
November 2022	30	34	30	-4
December 2022	30	37	29	-7
January 2023	32	37	30	-5
February 2023	30	35	33	-4
March 2023	32	31	35	0
April 2023	37	32	31	5
May 2023	39	28	33	11
June 2023	36	26	37	11
July 2023	41	24	34	17
August 2023	41	26	33	15
September 2023	42	23	35	19
October 2023	**40**	**23**	**36**	**17**

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
October 2022	65	6	24	-59
November 2022	62	10	24	-52
December 2022	51	14	31	-37
January 2023	52	13	33	-39
February 2023	55	15	28	-40
March 2023	51	12	34	-39
April 2023	47	22	31	-26
May 2023	50	19	31	-31
June 2023	47	16	36	-32
July 2023	45	16	38	-29
August 2023	46	18	34	-28
September 2023	46	17	37	-29
October 2023	**47**	**16**	**36**	**-30**

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

	% Concerned	% Not Concerned	Net % Not Concerned
October 2022	15	85	70
November 2022	21	78	57
December 2022	17	82	65
January 2023	18	82	65
February 2023	24	73	50
March 2023	21	78	57
April 2023	21	79	58
May 2023	22	77	55
June 2023	22	77	54
July 2023	20	80	60
August 2023	22	78	55
September 2023	23	75	52
October 2023	**21**	**78**	**57**

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
October 2022	25	15	60	10
November 2022	27	17	55	10
December 2022	25	15	59	10
January 2023	22	10	67	12
February 2023	22	12	63	11
March 2023	20	11	68	9
April 2023	24	11	64	13
May 2023	20	12	67	8
June 2023	19	10	71	9
July 2023	19	10	71	9
August 2023	22	12	65	10
September 2023	18	13	68	5
October 2023	**20**	**10**	**69**	**10**

Average home/rental price change expectation		
	% Home Price Change	% Rental Price Change
October 2022	-1.4	6.1
November 2022	-1.7	5.9
December 2022	-1.6	5.5
January 2023	-1.4	6.8
February 2023	-0.5	7.6
March 2023	-0.2	6.6
April 2023	1.6	6.9
May 2023	0.6	6.7
June 2023	0.8	7.2
July 2023	1.9	6.6
August 2023	1.0	5.9
September 2023	1.8	7.0
October 2023	**1.1**	**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
October 2022	62	6	28
November 2022	60	7	30
December 2022	58	10	28
January 2023	65	10	24
February 2023	66	10	23
March 2023	65	7	25
April 2023	66	12	21
May 2023	65	11	24
June 2023	69	8	22
July 2023	67	8	24
August 2023	69	7	25
September 2023	68	7	24
October 2023	**68**	**6**	**25**

Percent of respondents who say they would buy or rent if they were going to move		
	% Buy	% Rent
October 2022	66	29
November 2022	68	26
December 2022	62	31
January 2023	71	28
February 2023	69	30
March 2023	67	31
April 2023	69	30
May 2023	71	28
June 2023	67	32
July 2023	67	33
August 2023	71	28
September 2023	69	31
October 2023	**69**	**30**

Percent of respondents who think it would be difficult or easy for them to get a home mortgage today		
	% Difficult	% Easy
October 2022	47	47
November 2022	51	45
December 2022	48	46
January 2023	57	42
February 2023	51	48
March 2023	52	46
April 2023	53	47
May 2023	55	45
June 2023	55	45
July 2023	56	44
August 2023	56	44
September 2023	60	40
October 2023	**58**	**42**

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
October 2022	38	25	35
November 2022	39	21	38
December 2022	39	24	34
January 2023	33	21	46
February 2023	31	20	48
March 2023	29	22	48
April 2023	27	22	51
May 2023	30	22	47
June 2023	31	19	50
July 2023	30	18	51
August 2023	32	21	46
September 2023	30	24	46
October 2023	**31**	**21**	**49**

Percent of respondents who think the economy is on the right track or the wrong track		
	% Right Track	% Wrong Track
October 2022	17	73
November 2022	23	71
December 2022	23	71
January 2023	26	73
February 2023	28	71
March 2023	24	74
April 2023	26	74
May 2023	24	76
June 2023	26	74
July 2023	28	72
August 2023	30	69
September 2023	28	71
October 2023	**21**	**78**