

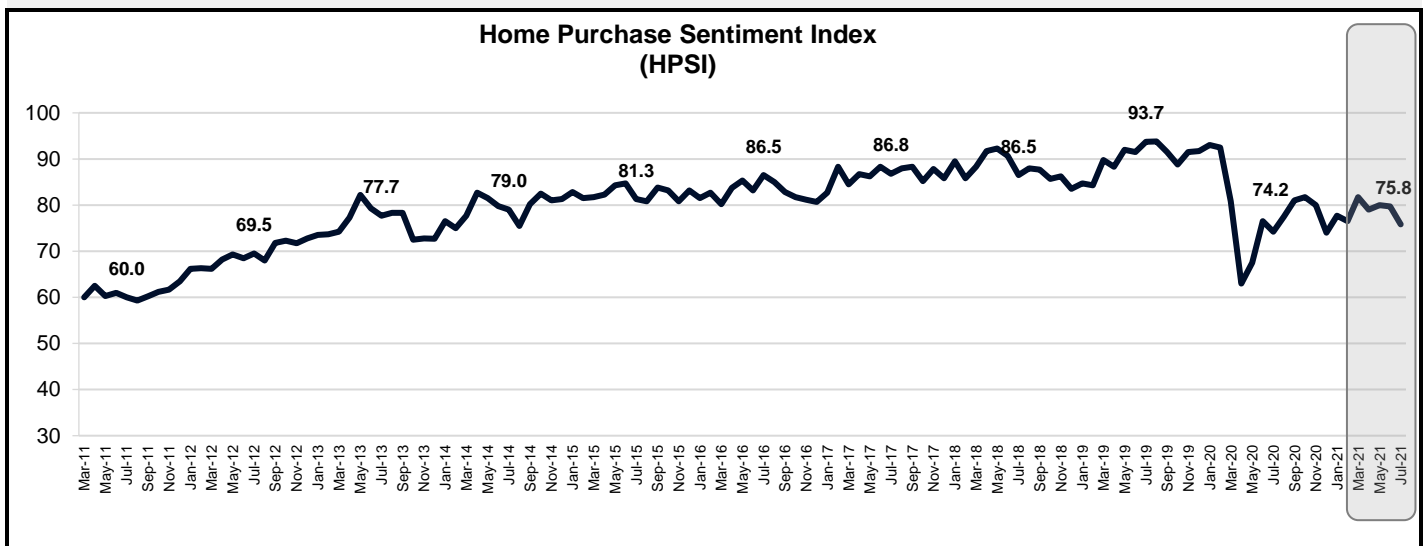


July 2021 Data Release

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 fell 3.9 points to 75.8 in July.



Components of the HPSI

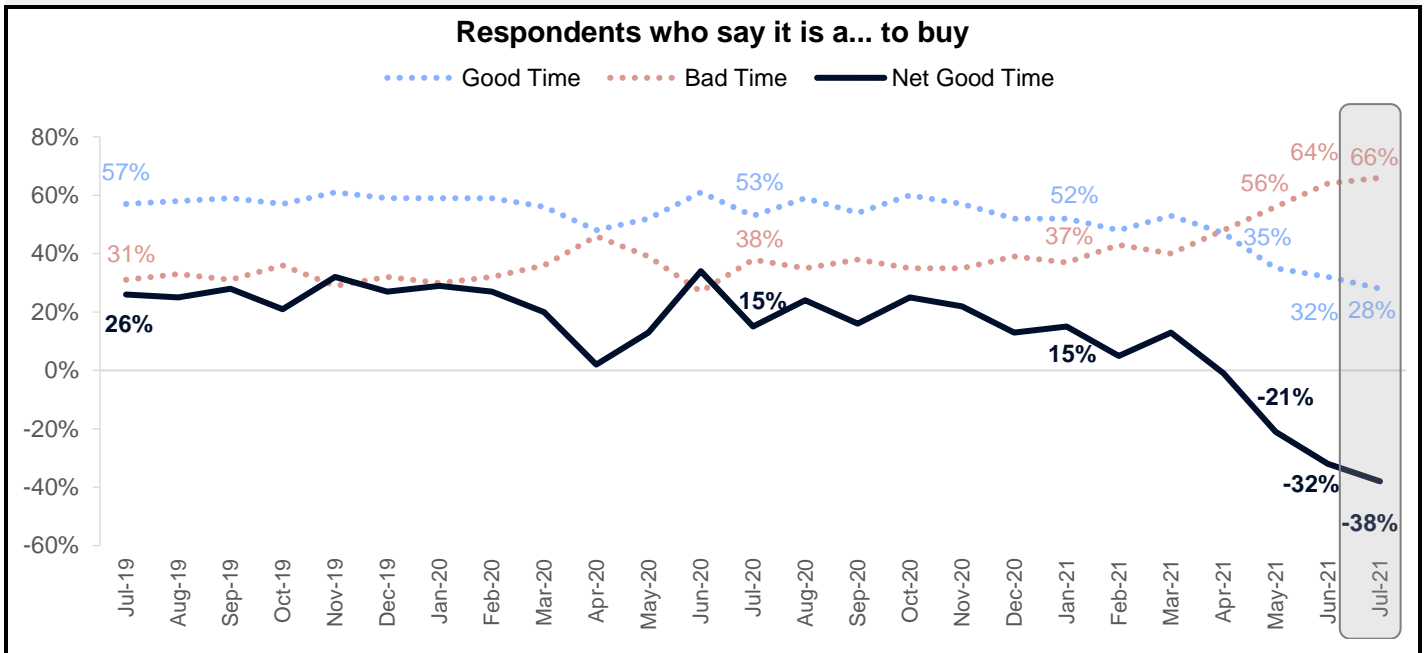
The fall in the HPSI can be attributed to net decreases in all six components this month: Selling Conditions, Buying Conditions, Job Loss Concern, Home Price Outlook, Mortgage Rate Outlook, and Change in Household Income.

	July 2021			Net Change	
	Good Time	Bad Time	Net Good Time to Buy	MoM	YoY
Buying Conditions	28%	66%	-38%	-6	-53
Selling Conditions	75%	20%	55%	-7	+58
Home Price Outlook (next 12 months)	46%	21%	25%	-2	+13
Mortgage Rate Outlook (next 12 months)	5%	57%	-52%	-1	-33
Job Loss Concern (next 12 months)	84%	13%	71%	-6	+18
Change in Household Income (past 12 months)	27%	14%	13%	-1	+7

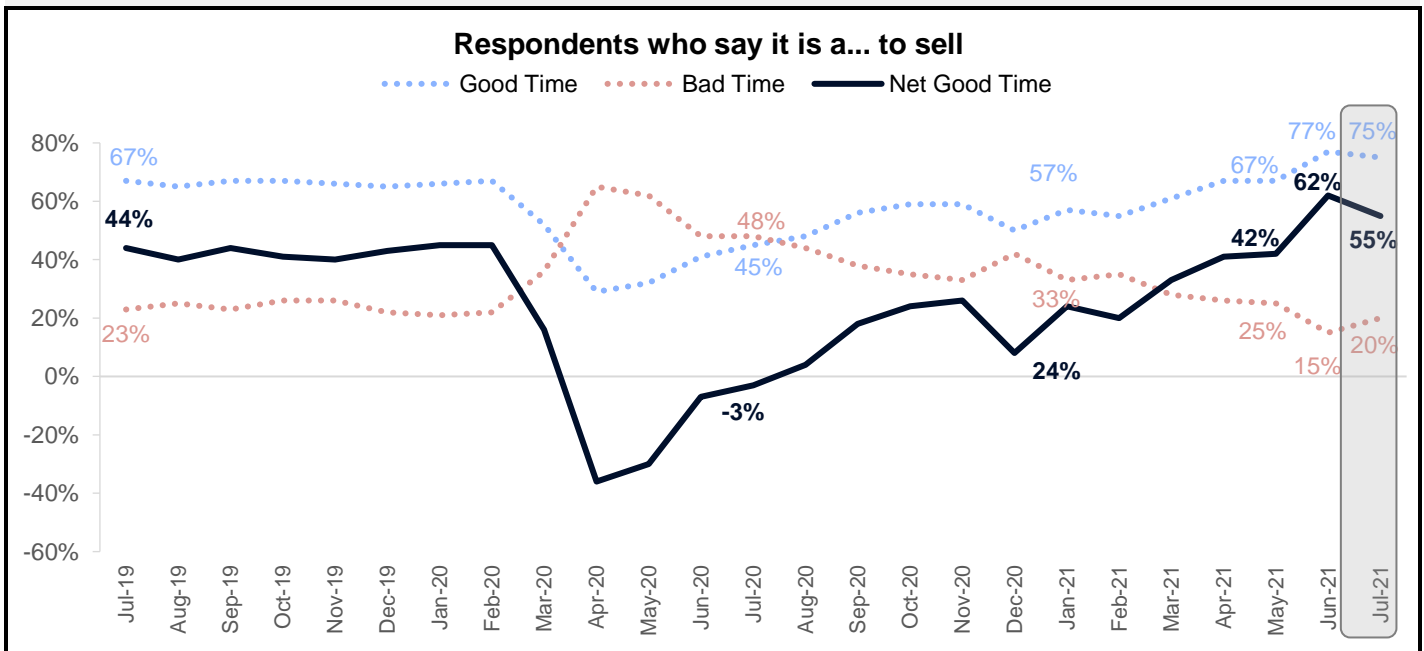


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

In July, the net share of consumers who say it is a good time to buy fell 6 percentage points, reaching a new survey low of -38%.



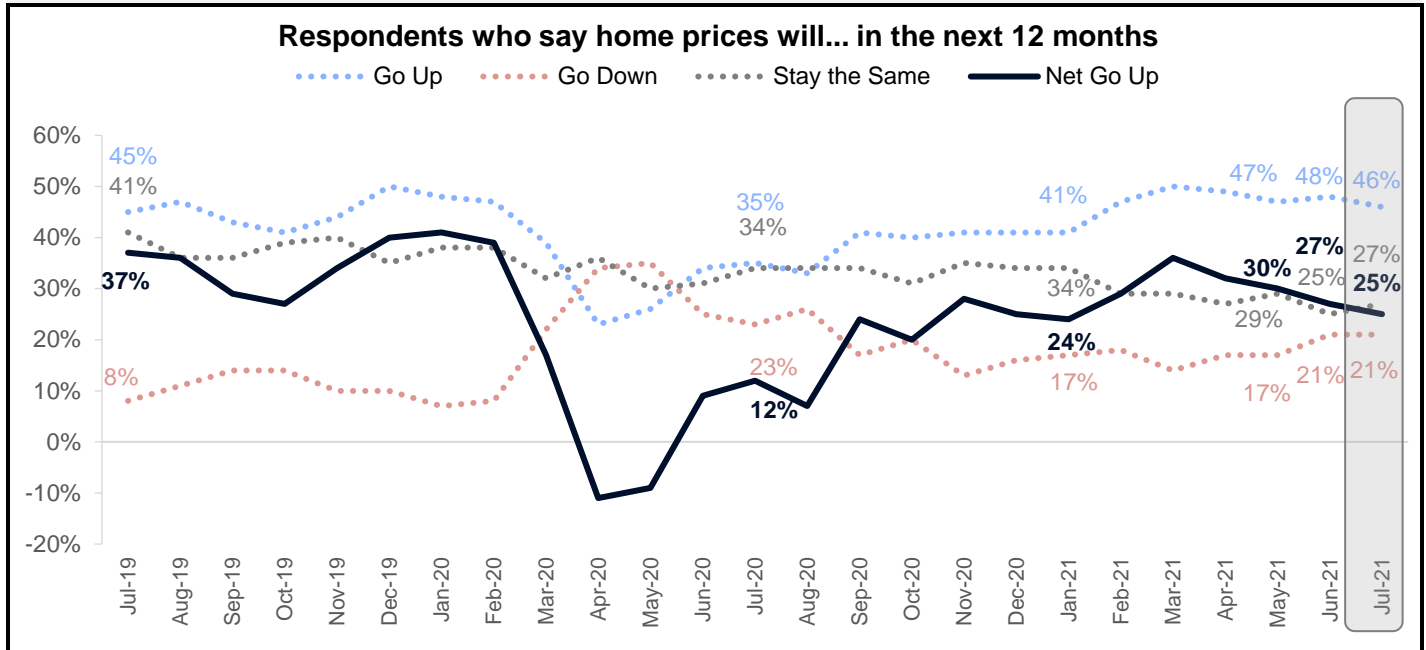
The net percentage of those who say it is a good time to sell fell by 7 percentage points from last month's survey high.



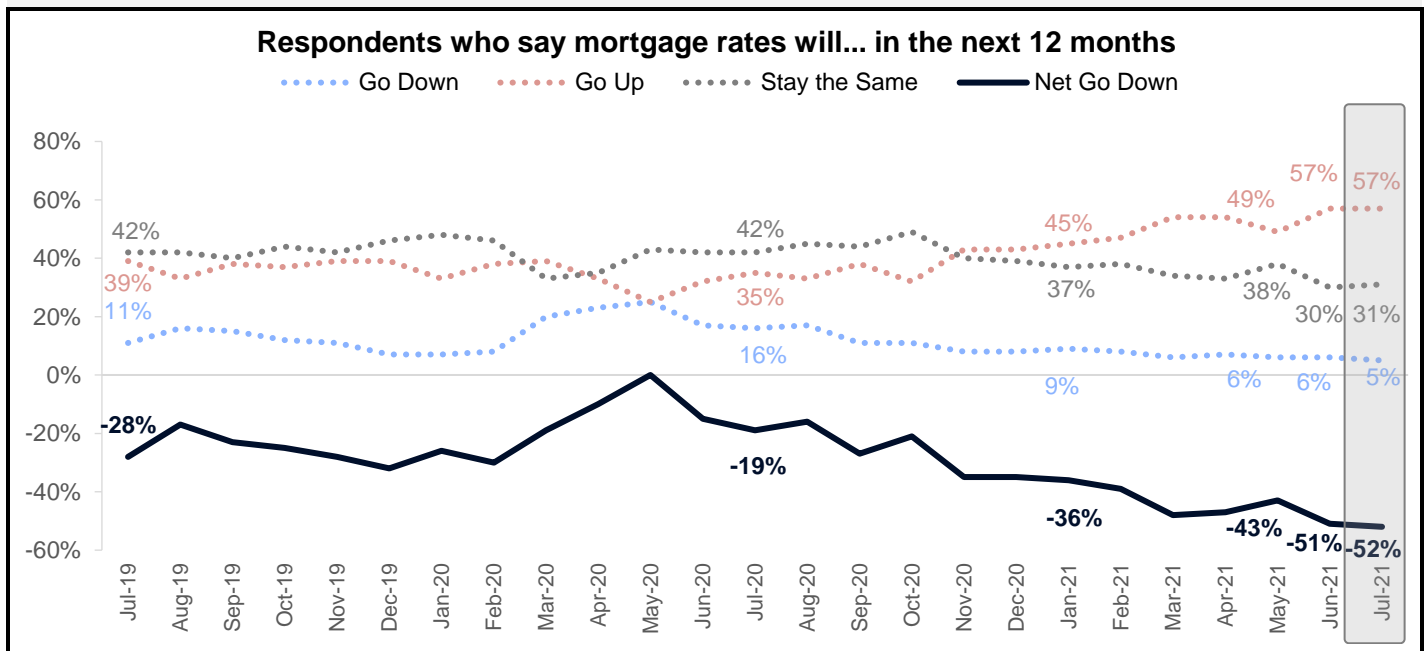


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of consumers who say home prices will go up decreased by 2 percentage points, continuing the decline seen over the last several months.



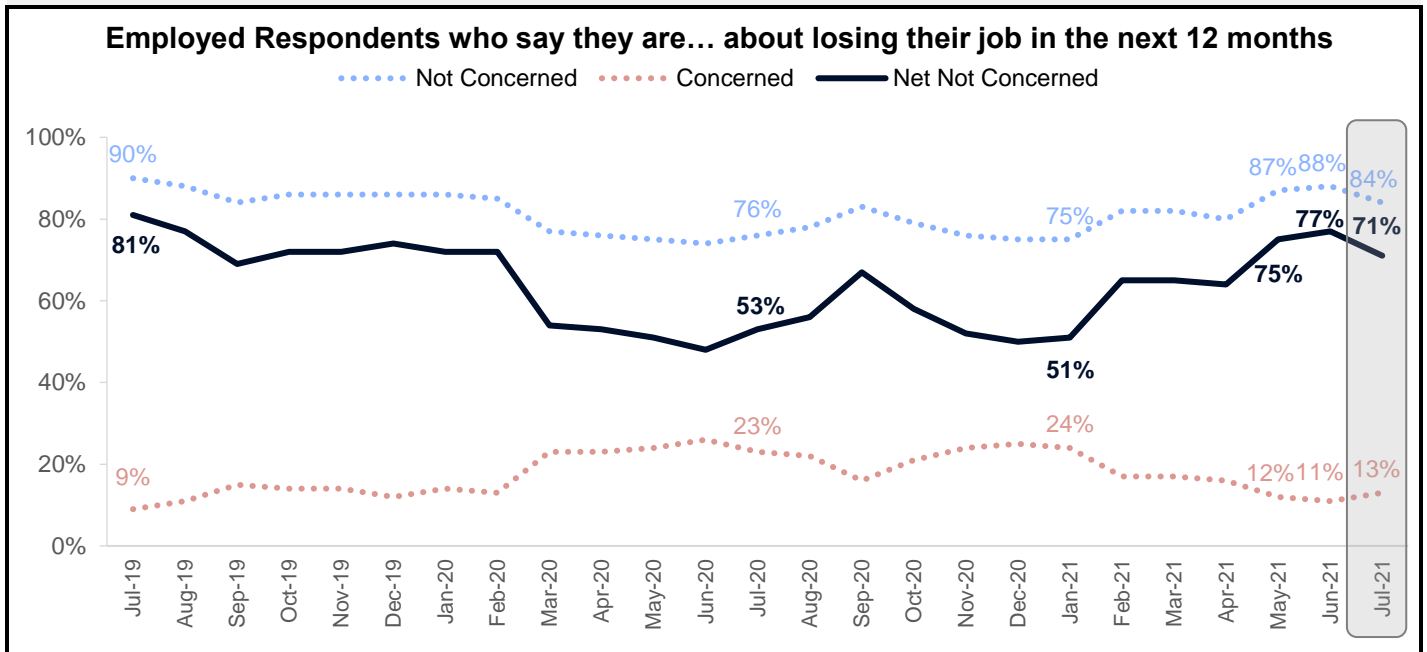
This month, the net share of those who say mortgage rates will go down over the next 12 months fell 1 percentage point to -52%.



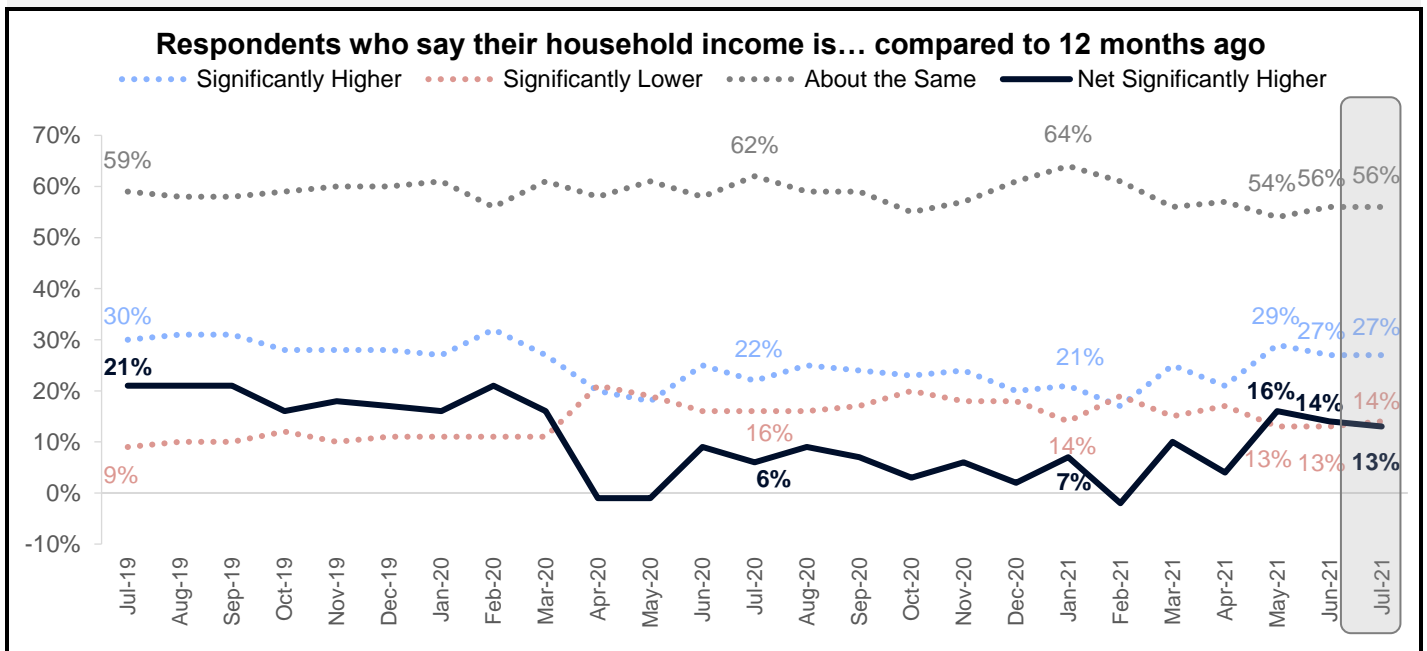


Components of the HPSI – Job Concerns and Household Incomes

In July, the net share of employed consumers who say they are not concerned about losing their job fell 6 percentage points to 71%, reversing the increase seen last month.



The net share of those who say their household income is significantly higher than it was 12 months ago fell by 1 percentage point to 13%.

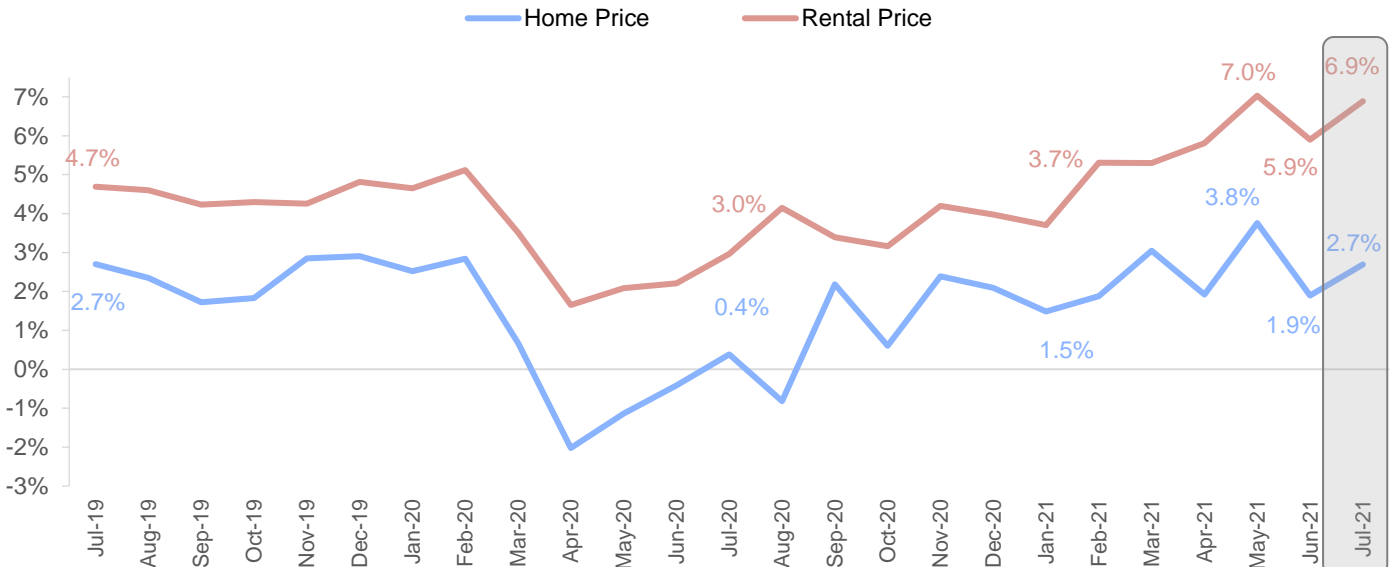




Additional National Housing Survey Key Indicators

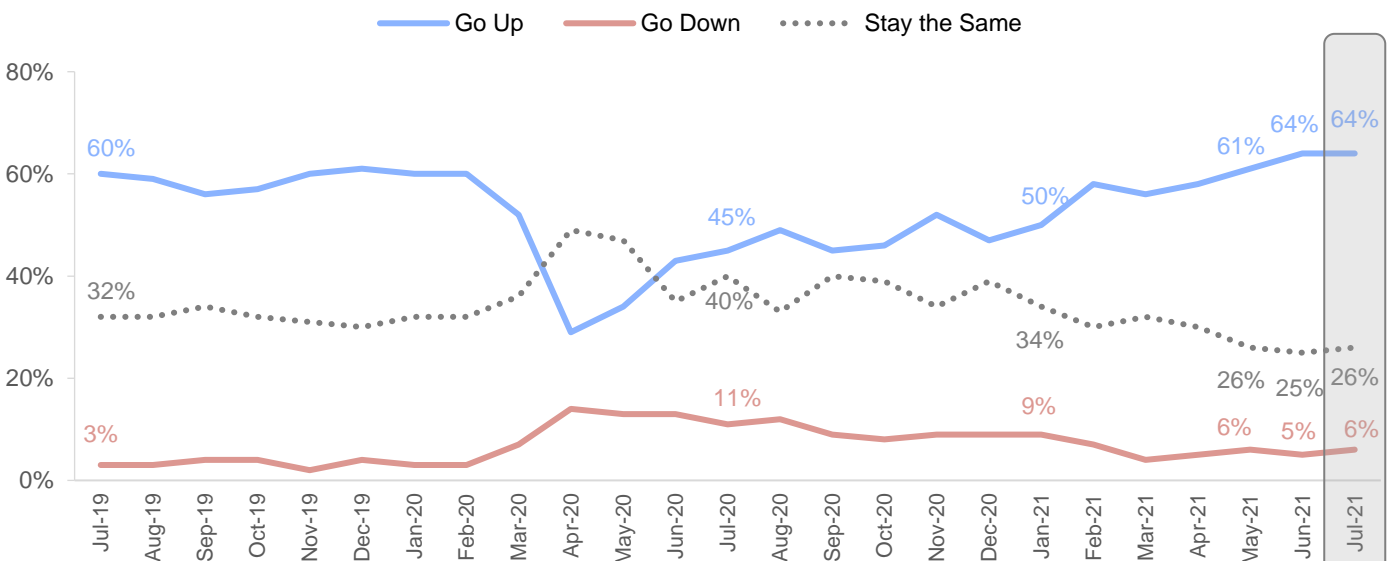
On average, consumers expect rental prices to increase 6.9% over the next 12 months, a 1.0 percentage point increase, nearly reversing last month's decrease. They expect home prices to increase 2.7% over the next 12 months, a 0.8 percentage point increase from last month, partially reversing last month's decrease.

Average Expected Percent Change Over the Next 12 Months



The share of consumers who expect home rental prices to go up remained at 64%, and the share who expect home rental prices to go down rose 1 percentage point to 6%.

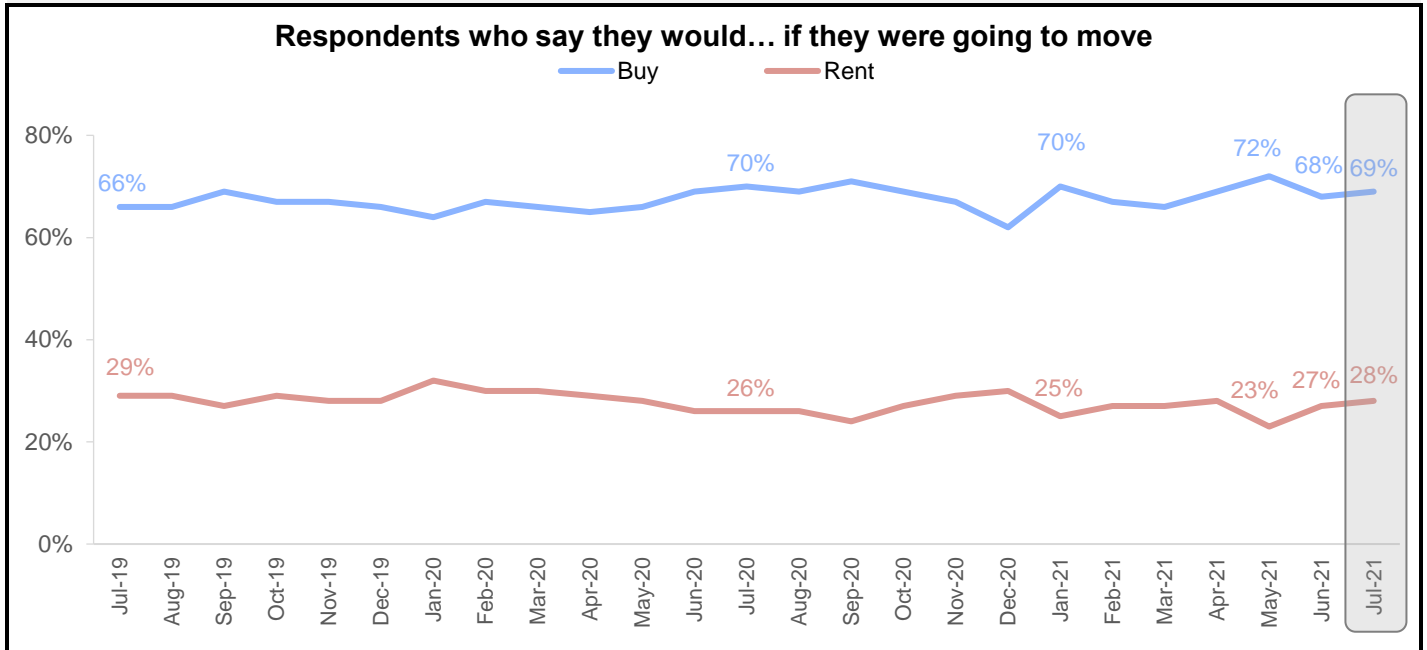
Respondents who say home rental prices will... in the next 12 months



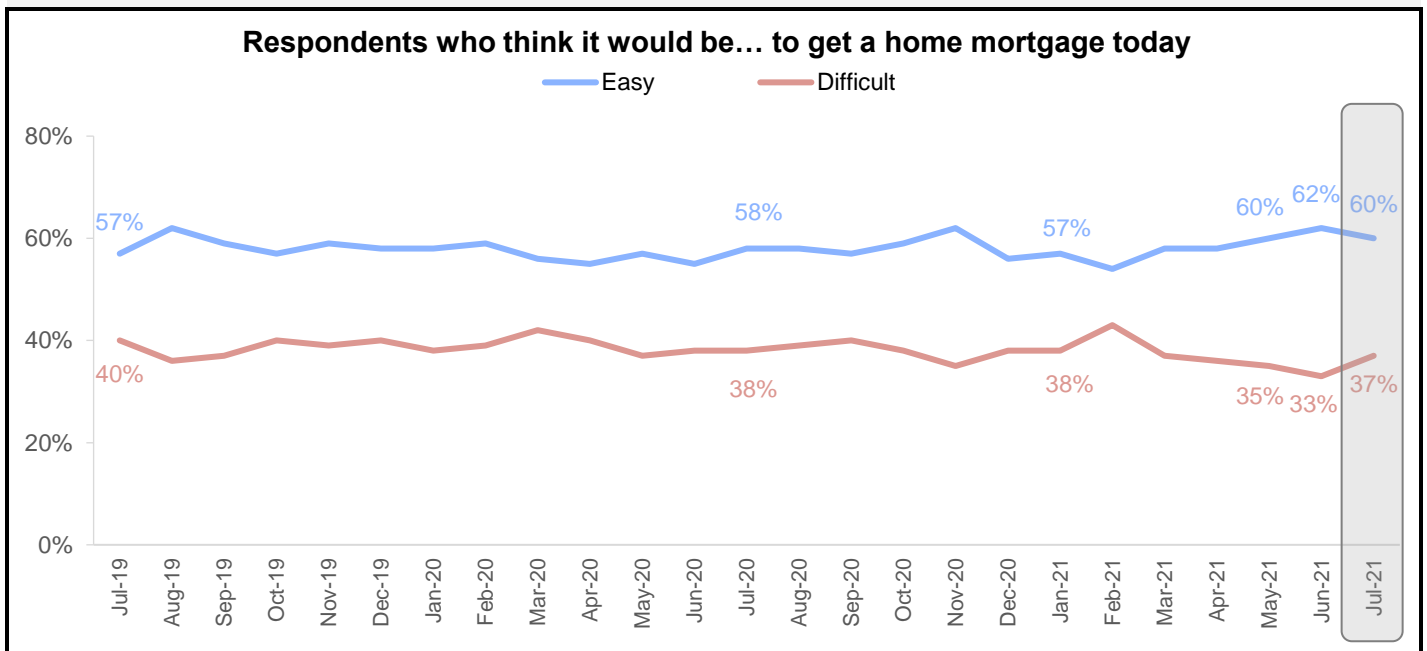


Additional National Housing Survey Key Indicators

The share of consumers who say they would buy a home if they were going to move rose 1 percentage point to 69%. The share who say they would rent rose 1 percentage point to 28%.



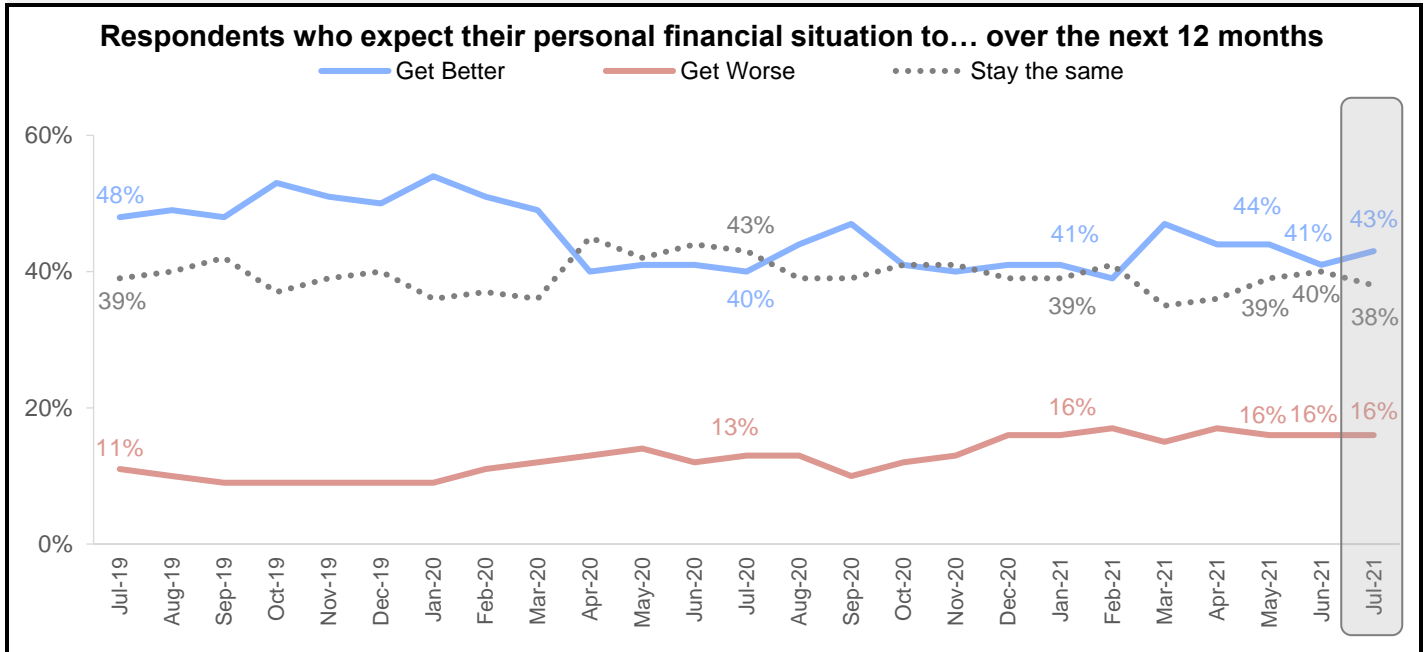
The share of consumers who say getting a mortgage would be easy fell 2 percentage points from last month's survey high to 60%, while the share of those who say it would be difficult rose 4 percentage points from last month's survey low to 37%.



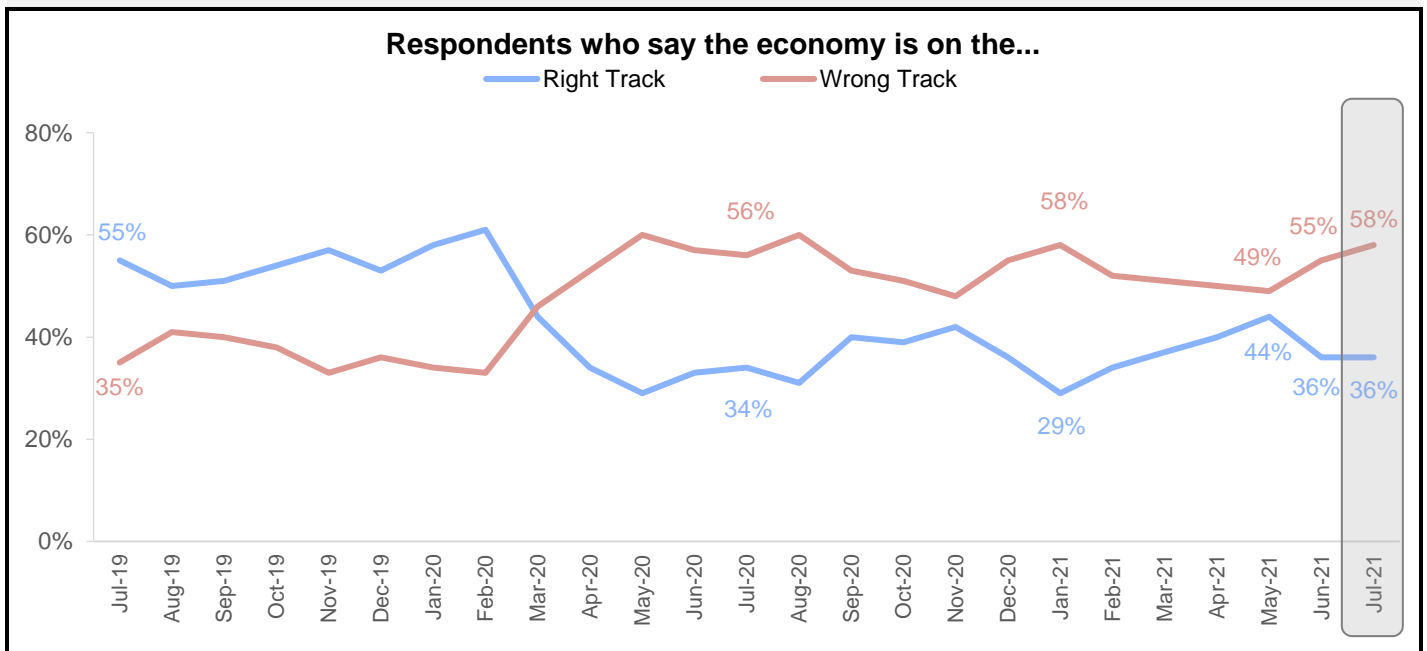


Additional National Housing Survey Key Indicators

The share of consumers who expect their personal financial situation to get better rose 2 percentage points to 43%, the share who expect it to stay the same fell 2 percentage points to 38%, and the share who expect it to get worse remained at 16%.



Continuing the trend seen last month, the share of consumers in July who say the economy is on the wrong track rose 3 percentage points to 58% and the share who say it is on the right track remained at 36%.





The National Housing Survey[®]

July 2021

APPENDIX

About the Survey

The National Housing Survey[®] polled a nationally representative sample of 1,001 household financial decision makers (margin of error ±3.1%) aged 18 and older between July 1, 2021 and July 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-080921>

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

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
June 2021	79.7
July 2021	75.8

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
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
June 2021	32	64	-32
July 2021	28	66	-38



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
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
June 2021	77	15	62
July 2021	75	20	55

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
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
June 2021	48	21	25	27
July 2021	46	21	27	25



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
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
June 2021	57	6	30	-51
July 2021	57	5	31	-52

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

	% Concerned	% Not Concerned	Net % Not Concerned
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
June 2021	11	88	77
July 2021	13	84	71



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
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
June 2021	27	13	56	14
July 2021	27	14	56	13

Average home/rental price change expectation

	% Home Price Change	% Rental Price Change
July 2020	0.4	3.0
August 2020	-0.8	4.2
September 2020	2.2	3.4
October 2020	0.6	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	3.0	5.3
April 2021	1.9	5.8
May 2021	3.8	7.0
June 2021	1.9	5.9
July 2021	2.7	6.9



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
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
June 2021	64	5	25
July 2021	64	6	26

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

	% Buy	% Rent
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
June 2021	68	27
July 2021	69	28



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

	% Difficult	% Easy
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
June 2021	33	62
July 2021	37	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
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
June 2021	41	16	40
July 2021	43	16	38



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

	% Right Track	% Wrong Track
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
June 2021	36	55
July 2021	36	58