

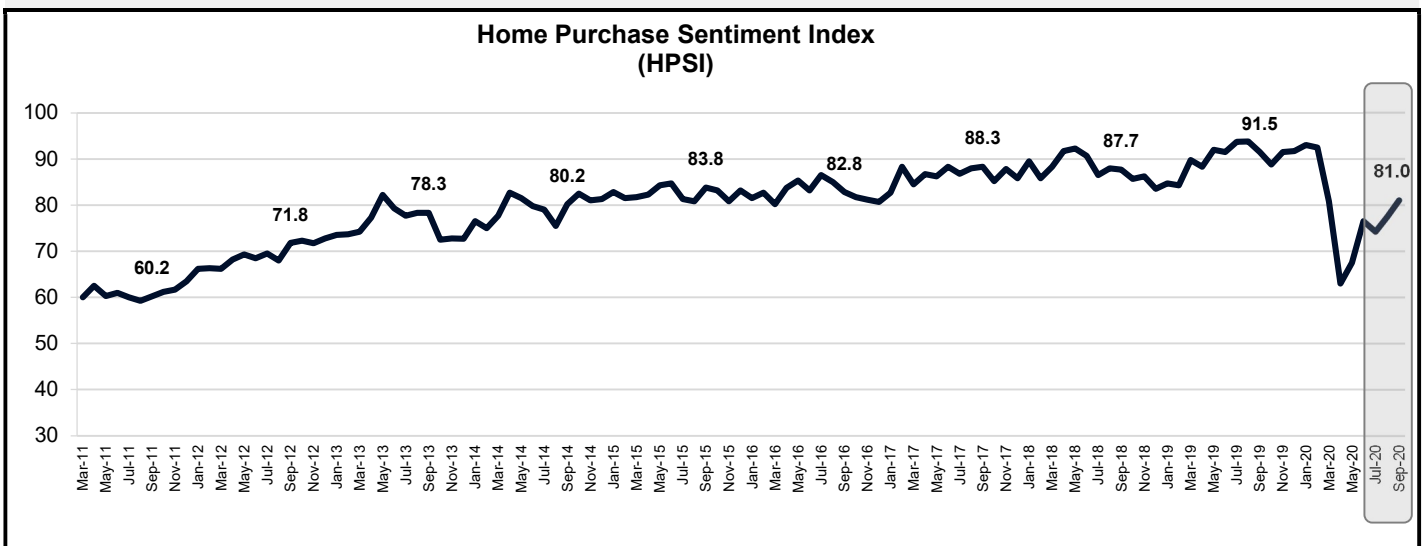


September 2020 Data Release

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 by 3.5 points to 81.0 in September, continuing the rebound seen since May, with the exception of the slight decline in July.



Components of the HPSI

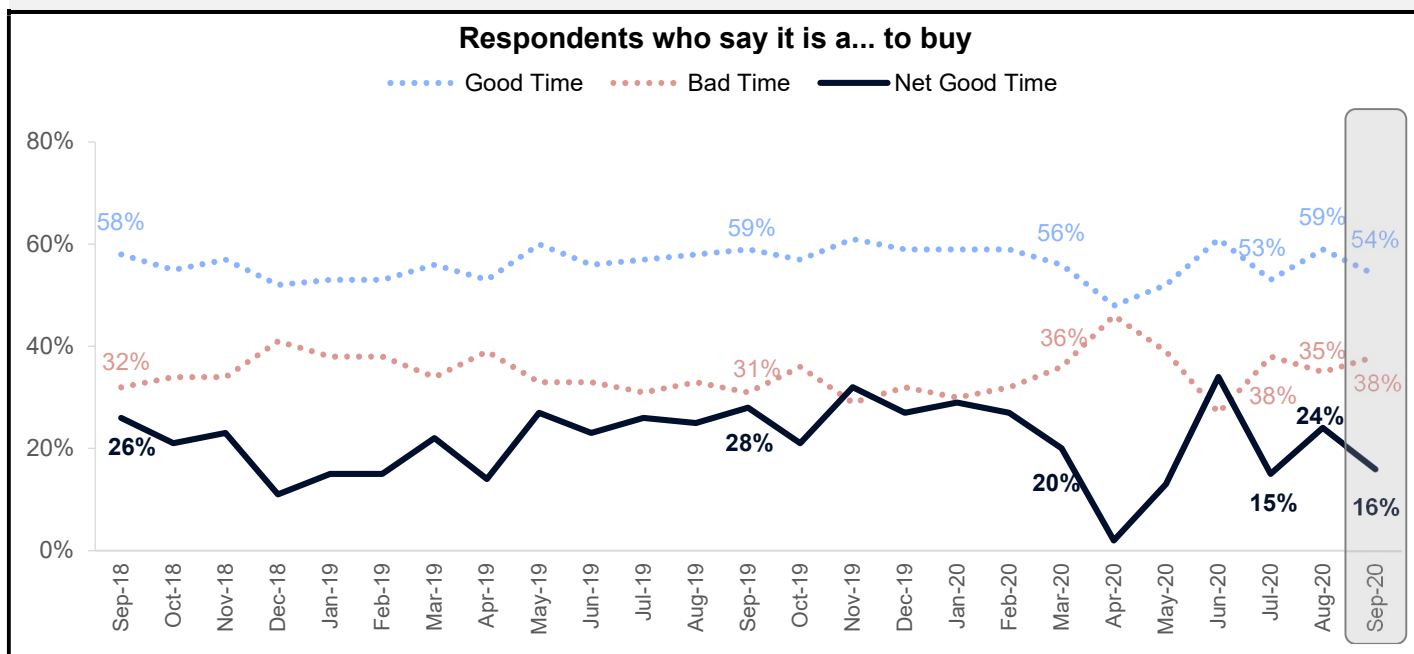
The increase in the HPSI can be attributed to net increases in three components: Home Price Outlook, Selling Conditions, and Job Loss Concern. Three components saw a net decrease this month: Mortgage Rate Outlook, Buying Conditions, and Change in Household Income.

	September 2020			Net Change	
	Good Time	Bad Time	Net Good Time to Buy	MoM	YoY
Buying Conditions	54%	38%	16%	-8	-12
Selling Conditions	56%	38%	18%	+14	-26
Home Price Outlook (next 12 months)	41%	17%	24%	+17	-5
Mortgage Rate Outlook (next 12 months)	11%	38%	-27%	-11	-4
Job Loss Concern (next 12 months)	83%	16%	67%	+11	-2
Change in Household Income (past 12 months)	24%	17%	7%	-2	-14

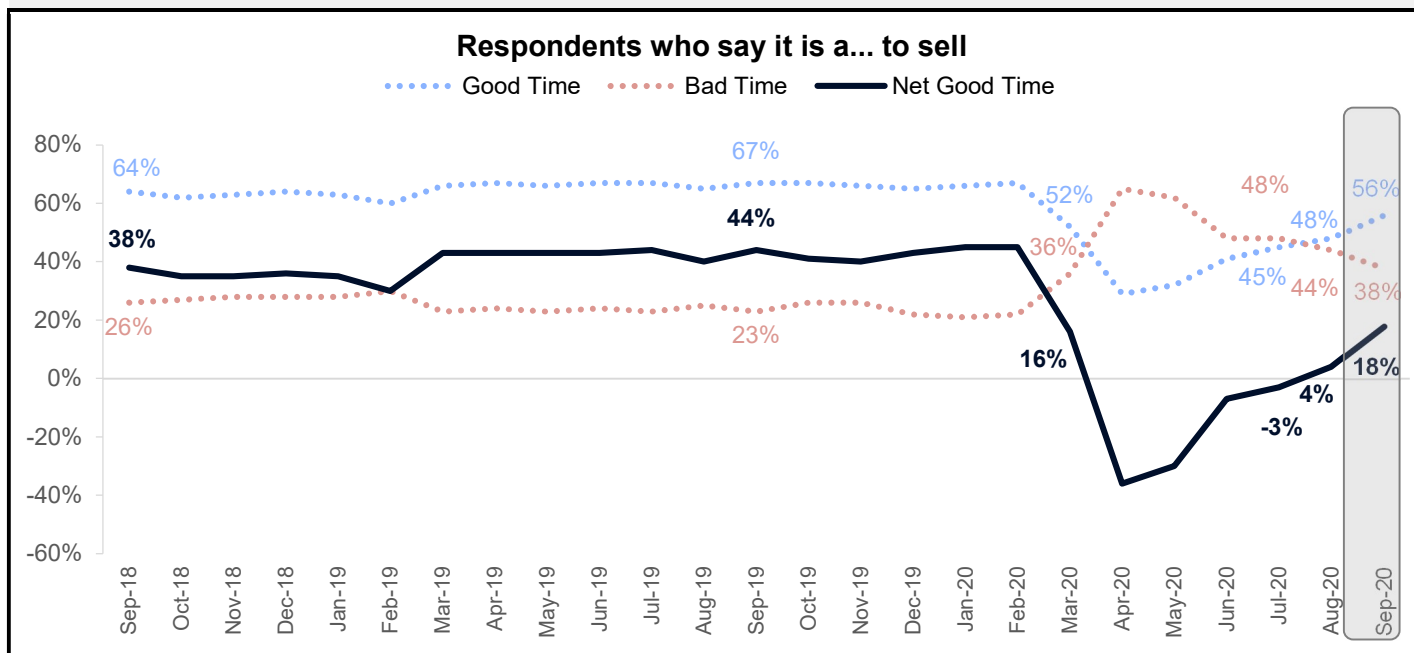


Components of the HPSI – Good/Bad Time to Buy and Sell a Home

In September, the net share of Americans who say it is a good time to buy decreased by 8 percentage points, reversing last month's increase.



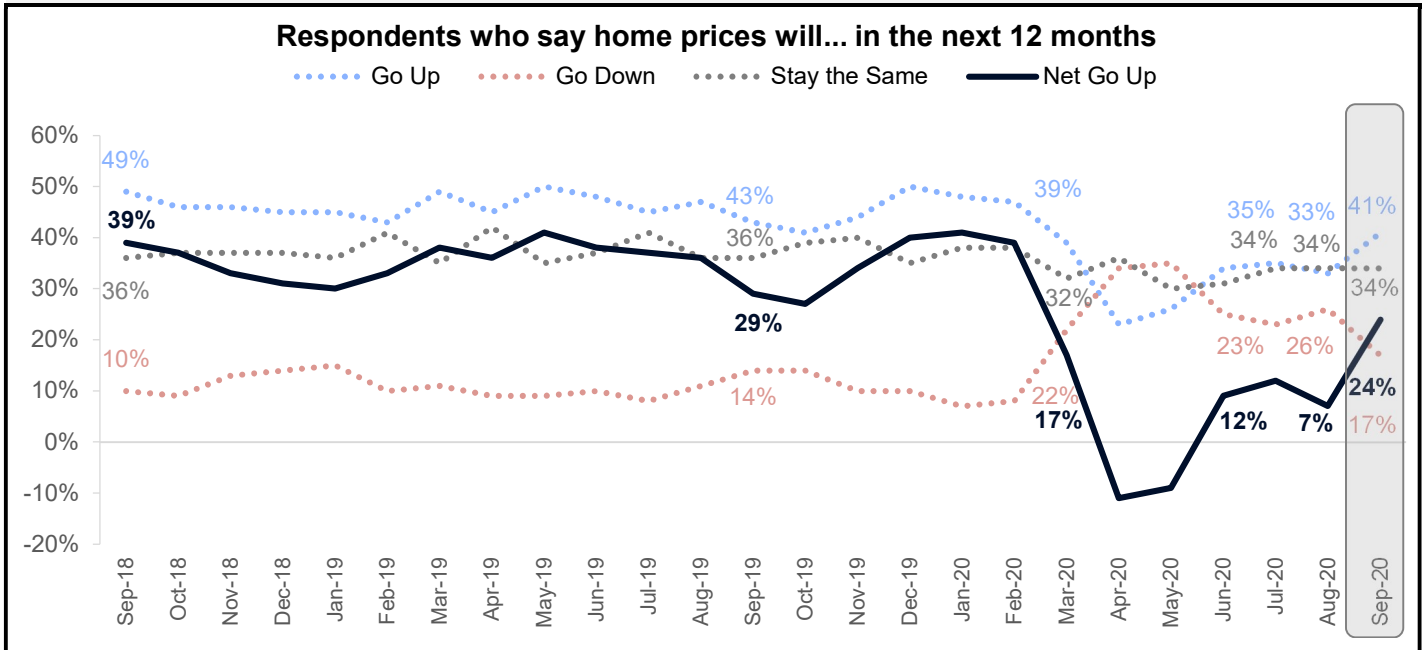
The net percentage of those who say it is a good time to sell increased by 14 percentage points in September, continuing the increases of the past four months.



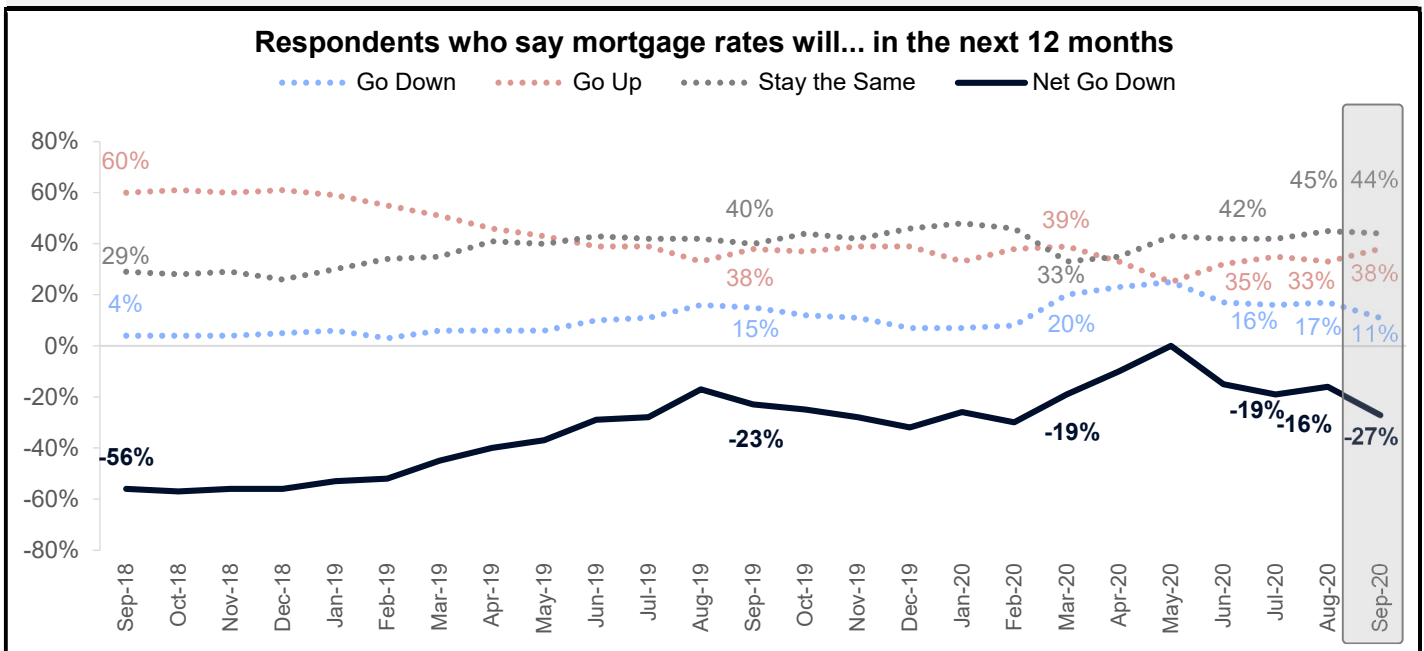


Components of the HPSI – Home Price and Mortgage Rate Expectations

The net share of Americans who say home prices will go up increased by 17 percentage points, reversing last month's decline.



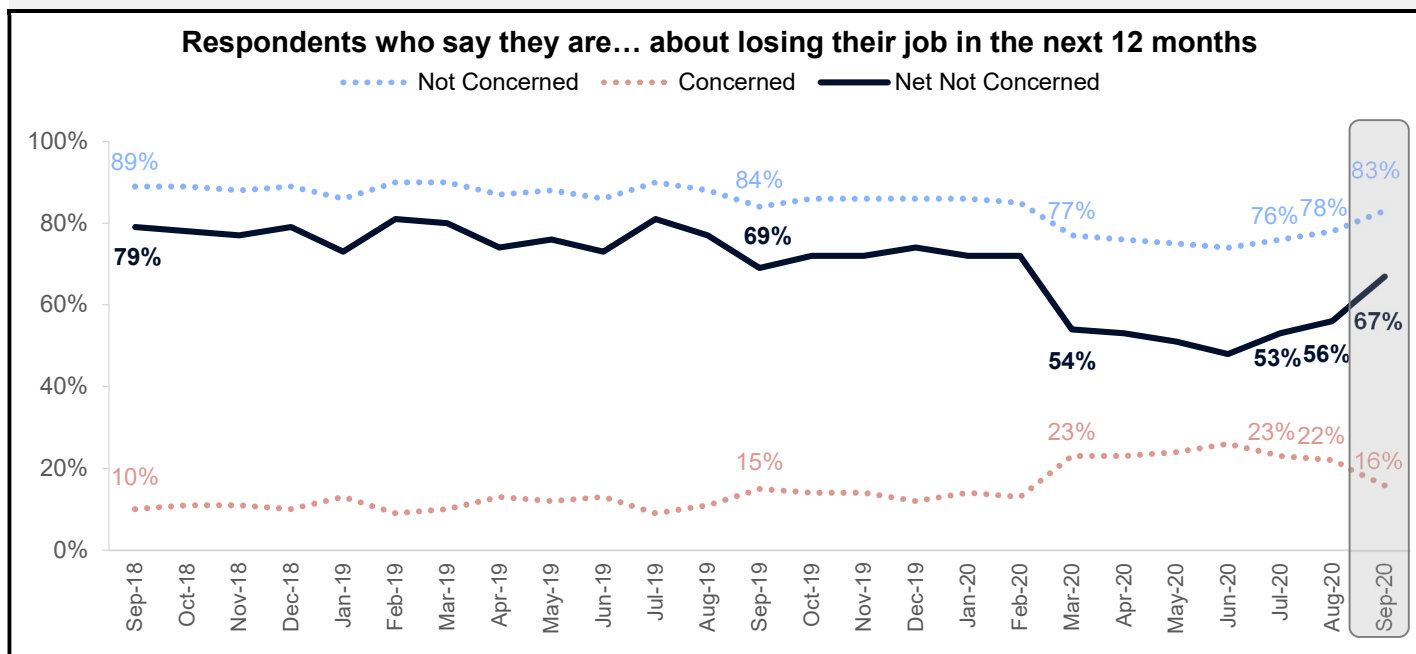
This month, the net share of those who say mortgage rates will go down over the next 12 months fell 11 percentage points.



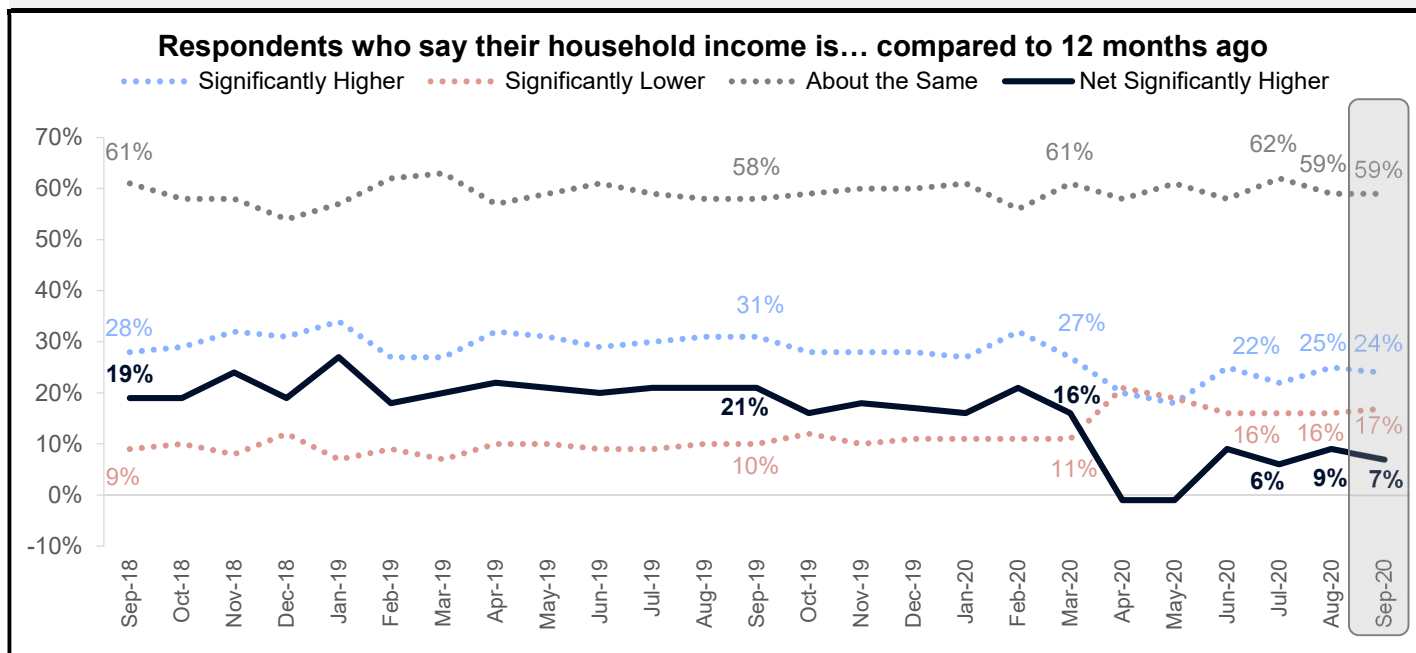


Components of the HPSI – Job Concerns and Household Incomes

This month, the net share of Americans who say they are not concerned about losing their job increased by 11 percentage points, continuing the increase seen in the last two months.



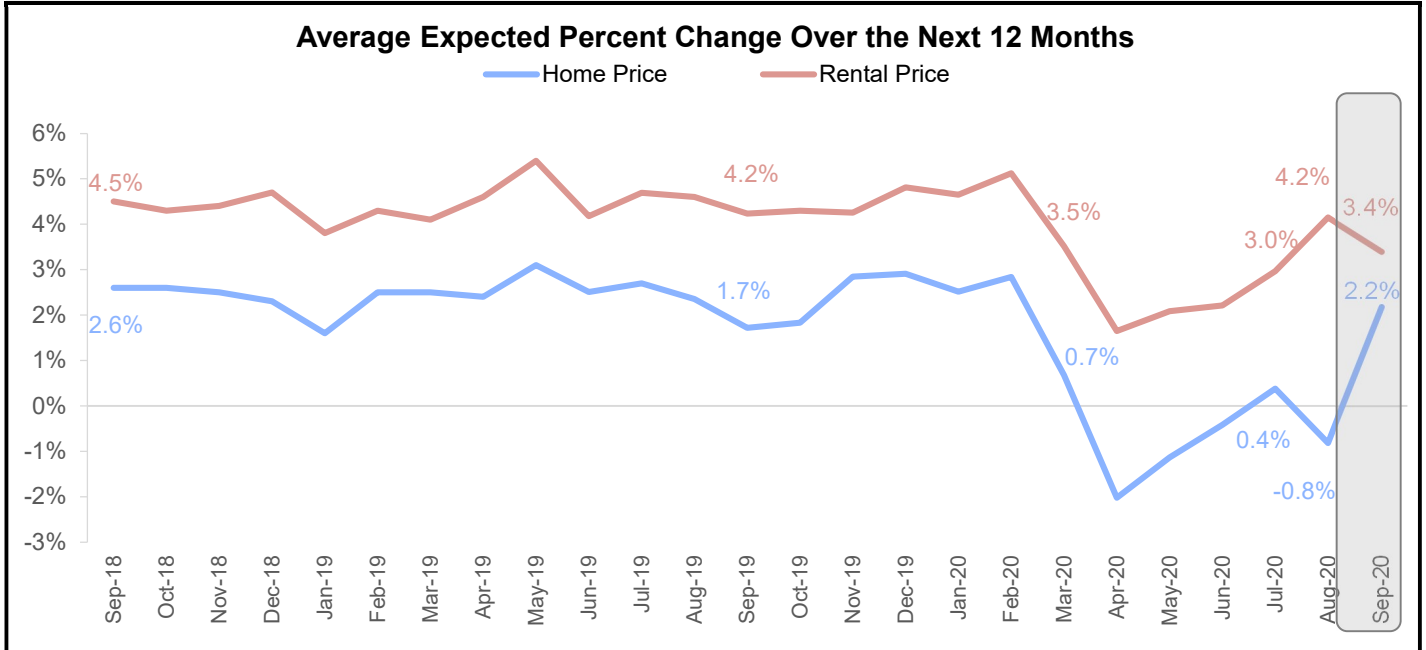
The net share of those who say their household income is significantly higher than it was 12 months ago fell by 2 percentage points in September, nearly reversing last month's increase.



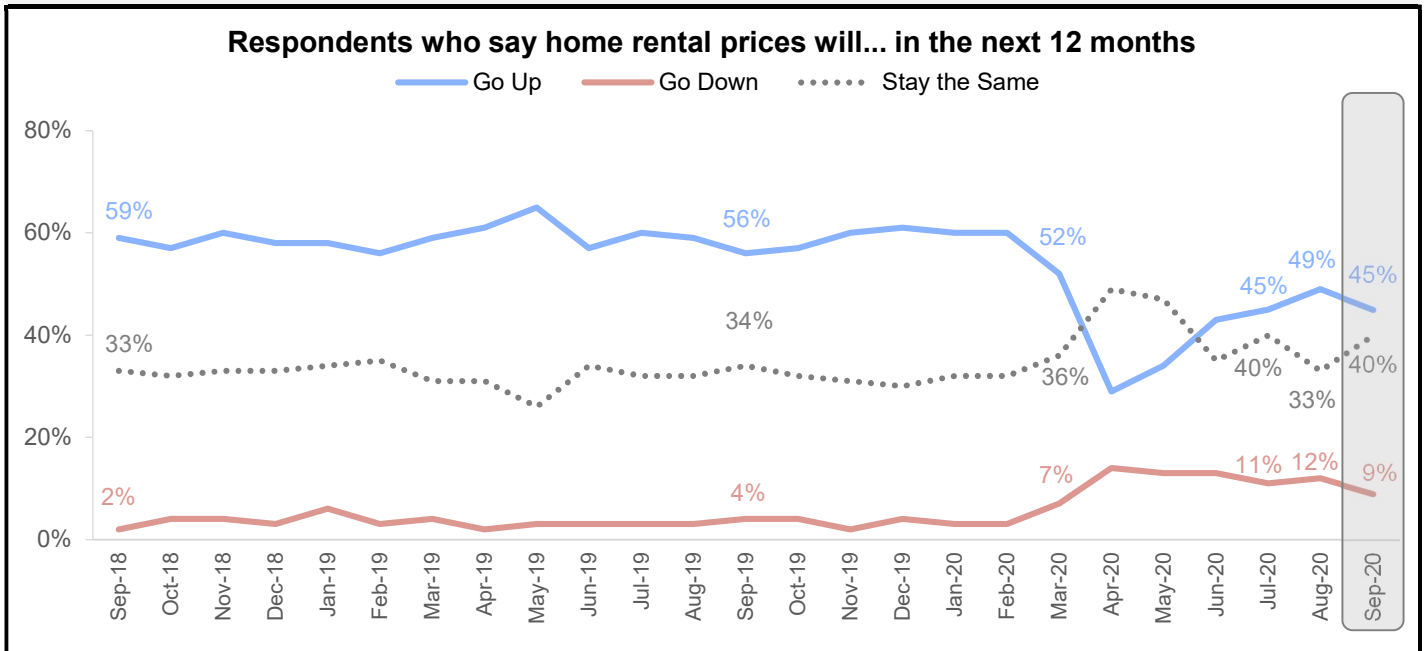


Additional National Housing Survey Key Indicators

On average, Americans expect rental prices to increase 3.4% over the next 12 months, a 0.8 percentage point decrease from last month. They expect home prices to increase 2.2% over the next 12 months, an increase of 3.0 percentage points.



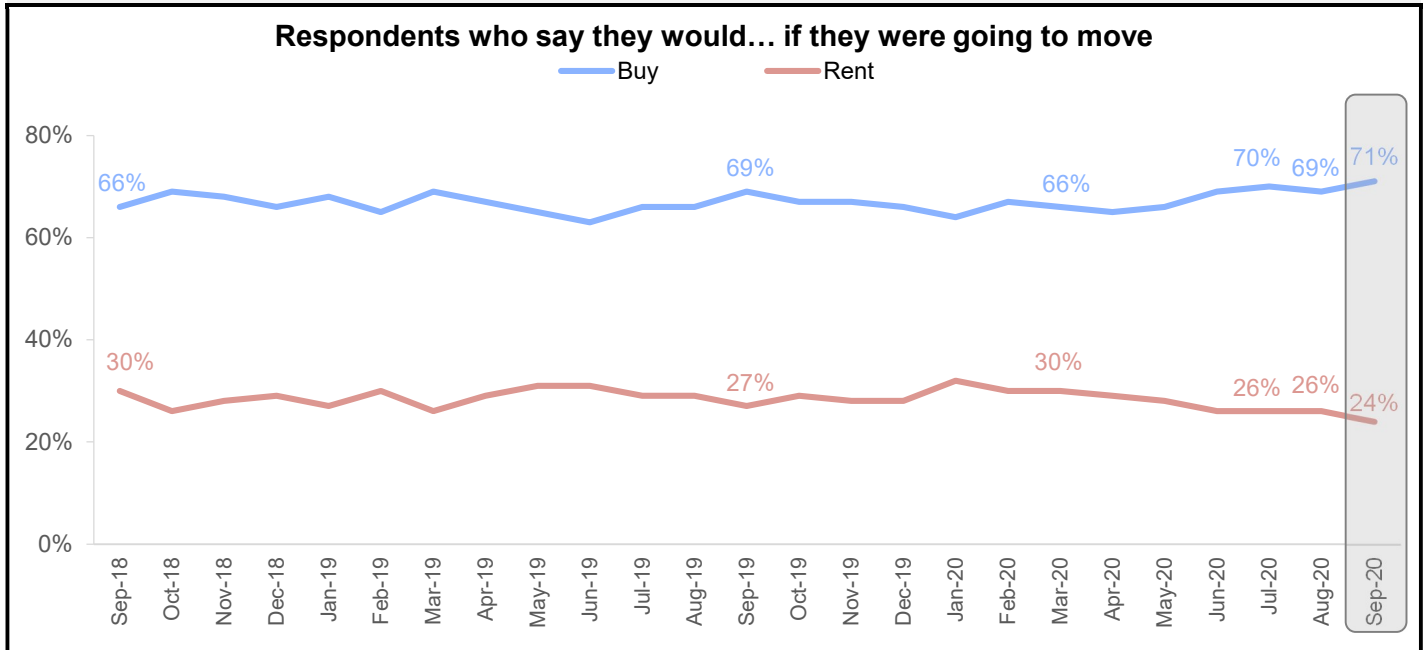
The share of Americans who expect home rental prices to go up fell by 4 percentage points to 45%, returning to the level seen in July.



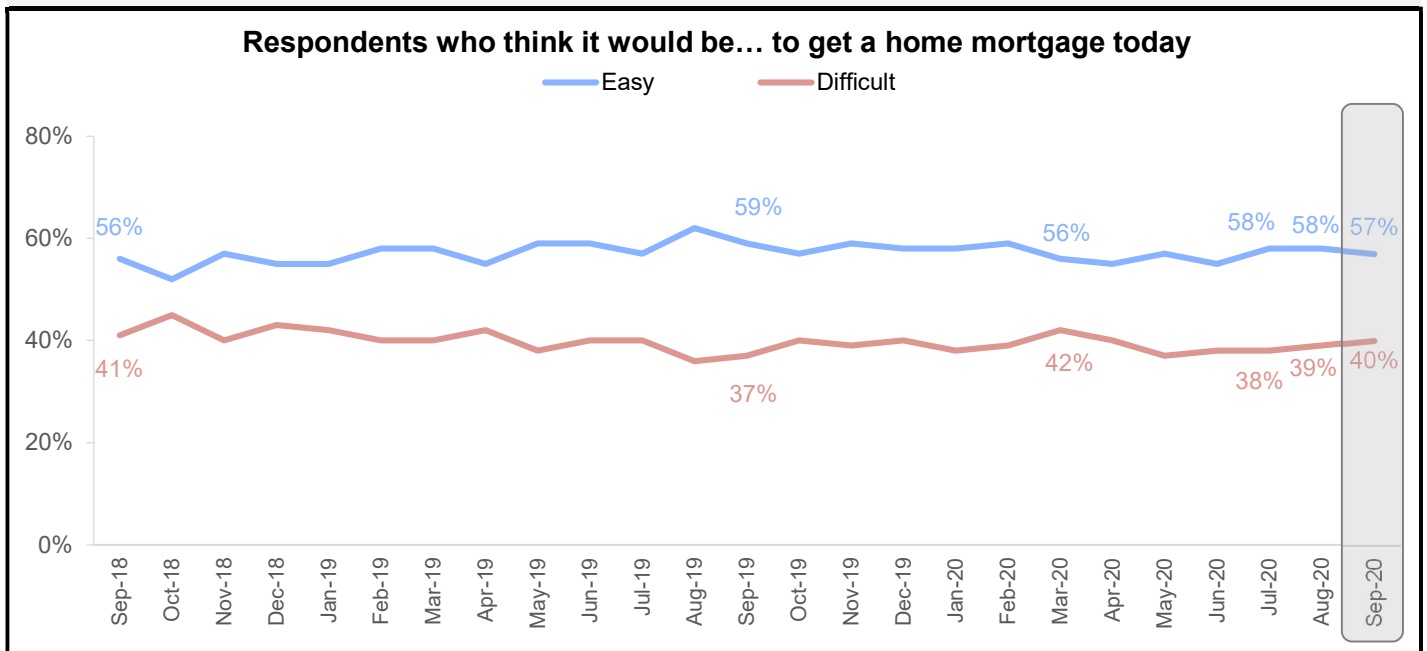


Additional National Housing Survey Key Indicators

The share of Americans who say they would buy a home if they were going to move rose 2 percentage points to 71%, reaching a new survey high. The share who say they would rent fell 2 percentage points to 24%, a new survey low.



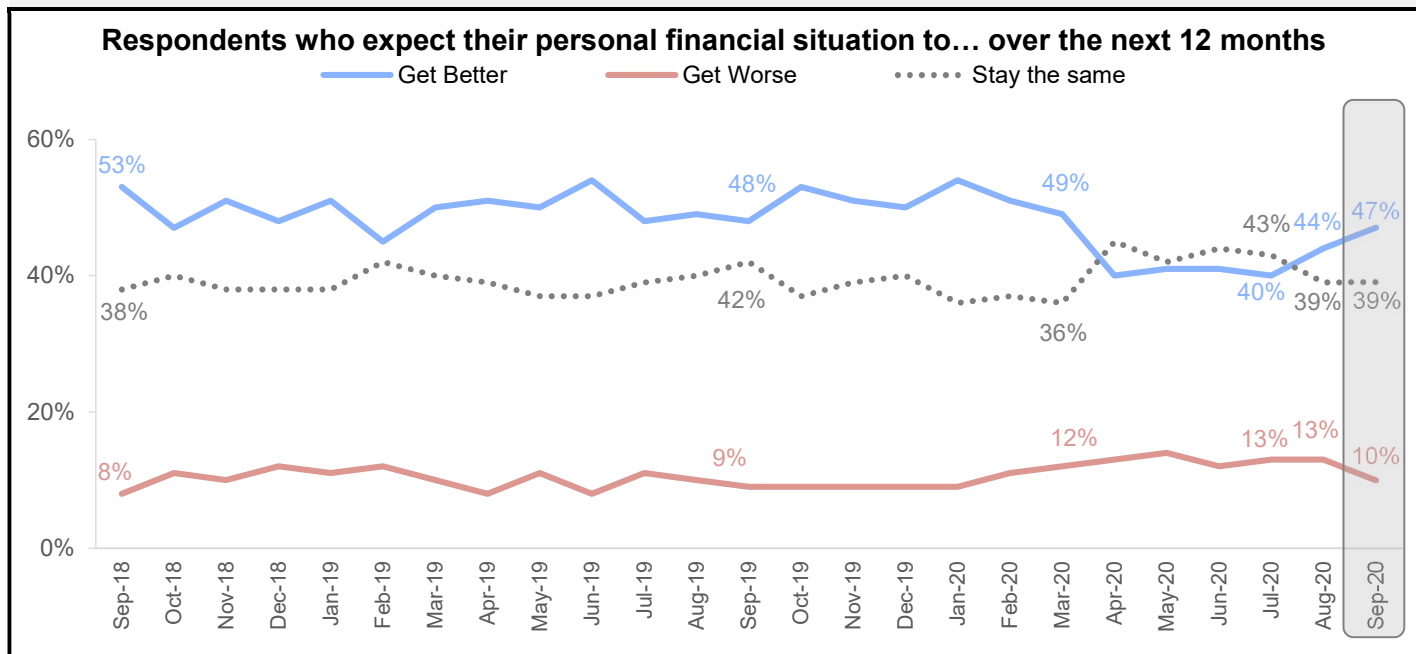
The share of Americans who say getting a mortgage would be easy fell 1 percentage point to 57%, while the share of those who say it would be difficult rose 1 percentage point to 40%.



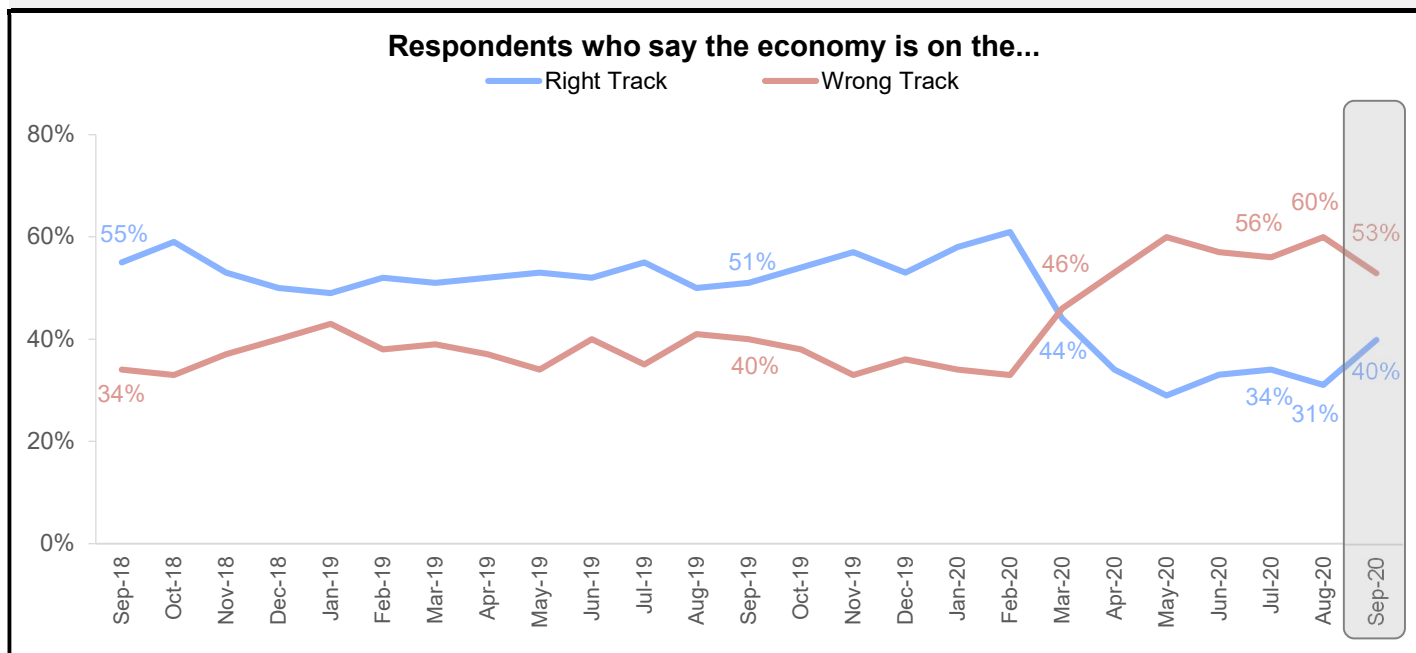


Additional National Housing Survey Key Indicators

The share of Americans who expect their personal financial situation to get better rose 3 percentage points to 47%. The share who expect it to stay the same remained at 39%, while the share who expect it to get worse fell 3 percentage points to 10%.



The share of Americans who say the economy is on the right track increased by 9 percentage points to 40%. The share who say it is on the wrong track fell by 7 percentage points to 53%, returning to a level not seen since April.





The National Housing Survey®

September 2020

APPENDIX

About the Survey

The National Housing Survey® polled a nationally representative sample of 1,014 household financial decision makers (margin of error ±3.1%) aged 18 and older between September 1, 2020 and September 22, 2020. Most of the data collection occurred during the first two weeks of this period.

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>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-100720>

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

September 2019	91.5
October 2019	88.8
November 2019	91.5
December 2019	91.7
January 2020	93.0
February 2020	92.5
March 2020	80.8
April 2020	63.0
May 2020	67.5
June 2020	76.5
July 2020	74.2
August 2020	77.5
September 2020	81.0

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
September 2019	59	31	28
October 2019	57	36	21
November 2019	61	29	32
December 2019	59	32	27
January 2020	59	30	29
February 2020	59	32	27
March 2020	56	36	20
April 2020	48	46	2
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



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
September 2019	67	23	44
October 2019	67	26	41
November 2019	66	26	40
December 2019	65	22	43
January 2020	66	21	45
February 2020	67	22	45
March 2020	52	36	16
April 2020	29	65	-36
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

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
September 2019	43	14	36	29
October 2019	41	14	39	27
November 2019	44	10	40	34
December 2019	50	10	35	40
January 2020	48	7	38	41
February 2020	47	8	38	39
March 2020	39	22	32	17
April 2020	23	34	36	-11
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



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
September 2019	38	15	40	-23
October 2019	37	12	44	-25
November 2019	39	11	42	-28
December 2019	39	7	46	-32
January 2020	33	7	48	-26
February 2020	38	8	46	-30
March 2020	39	20	33	-19
April 2020	33	23	35	-10
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

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

	% Concerned	% Not Concerned	Net % Not Concerned
September 2019	15	84	69
October 2019	14	86	72
November 2019	14	86	72
December 2019	12	86	74
January 2020	14	86	72
February 2020	13	85	72
March 2020	23	77	54
April 2020	23	76	53
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



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
September 2019	31	10	58	21
October 2019	28	12	59	16
November 2019	28	10	60	18
December 2019	28	11	60	17
January 2020	27	11	61	16
February 2020	32	11	56	21
March 2020	27	11	61	16
April 2020	20	21	58	-1
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

Average home/rental price change expectation		
	% Home Price Change	% Rental Price Change
September 2019	1.7	4.2
October 2019	1.8	4.3
November 2019	2.8	4.3
December 2019	2.9	4.8
January 2020	2.5	4.6
February 2020	2.8	5.1
March 2020	0.7	3.5
April 2020	-2.0	1.7
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



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
September 2019	56	4	34
October 2019	57	4	32
November 2019	60	2	31
December 2019	61	4	30
January 2020	60	3	32
February 2020	60	3	32
March 2020	52	7	36
April 2020	29	14	49
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

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

	% Buy	% Rent
September 2019	69	27
October 2019	67	29
November 2019	67	28
December 2019	66	28
January 2020	64	32
February 2020	67	30
March 2020	66	30
April 2020	65	29
May 2020	66	28
June 2020	69	26
July 2020	70	26
August 2020	69	26
September 2020	71	24



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

	% Difficult	% Easy
September 2019	37	59
October 2019	40	57
November 2019	39	59
December 2019	40	58
January 2020	38	58
February 2020	39	59
March 2020	42	56
April 2020	40	55
May 2020	37	57
June 2020	38	55
July 2020	38	58
August 2020	39	58
September 2020	40	57

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
September 2019	48	9	42
October 2019	53	9	37
November 2019	51	9	39
December 2019	50	9	40
January 2020	54	9	36
February 2020	51	11	37
March 2020	49	12	36
April 2020	40	13	45
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



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

	% Right Track	% Wrong Track
September 2019	51	40
October 2019	54	38
November 2019	57	33
December 2019	53	36
January 2020	58	34
February 2020	61	33
March 2020	44	46
April 2020	34	53
May 2020	29	60
June 2020	33	57
July 2020	34	56
August 2020	31	60
September 2020	40	53