HUD PD&R
National Housing Market Summary

The Housing Market Recovery Showed Progress in the Third Quarter

The housing market continued to improve in the third quarter of 2016. Construction starts rose for single-family housing but declined for multifamily homes. Purchases of new single-family homes rose while purchases of previously owned (existing) homes fell, and the months' supply of homes declined for both new and 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 third quarter, with annual house price appreciation stabilizing in the 5- to 6-percent range.

Based on its National Delinquency Survey, the Mortgage Bankers Association (MBA) reported that measures of delinquency and foreclosure on mortgage loans continued to improve in the third quarter, and ATTOM Data Solutions® (formerly RealtyTrac®) data show that both newly initiated and completed foreclosures continue to decline. The national homeownership rate rose after falling for two quarters. According to the Bureau of Economic Analysis' second estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 3.2 percent, following a 1.4-percent gain in the second quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, fell 4.4 percent following a 7.7-percent decline in the previous quarter and contributed a 0.17-percentage-point decrease in real GDP growth following a 0.31-percentage-point loss in the second quarter.

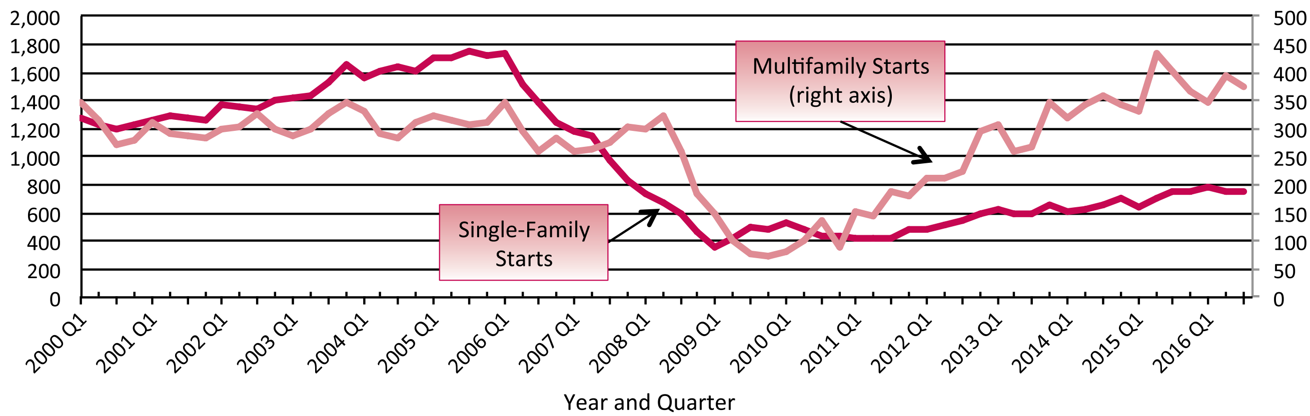
Housing Supply

Homebuilding increased in the third quarter for single-family homes but fell for multifamily units. Construction starts on single-family homes, at 759,000 units (SAAR) in the third quarter of 2016, were up slightly from the previous quarter (1 percent) and previous year (2 percent). The pace of single-family housing starts is now more than half the annual rate (AR) of 1.36 million units in 2002, before the housing bubble began. Multifamily housing starts fell to 373,000 units (SAAR) in the third quarter, a decrease of 5 percent from the previous quarter and 7 percent from the previous year. The 2002 pace was 308,000 units (AR). Although improving, single-family housing starts have been slow to bounce back in this recovery. The share of single-family housing starts has fallen from 85 percent in the third quarter of 2009, when the recovery began, to 66 percent in the third quarter of 2016. Because of a relatively strong rental market in this recovery, the share of multifamily starts has grown from 13 to 33 percent during the same period. The share of single-family starts has improved since the second quarter of 2015, however, when it reached a low of 61 percent and the share of multifamily starts was 38 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 months' supply of homes on the market fell for both new and existing homes. The listed inventory of new homes for sale at the end of the third quarter was 239,000 units (SA), which would support 5.0 months of sales at the current sales pace, down from 5.2 months in the previous quarter and 5.8 months in the previous year. The listed inventory of existing homes for sale, at 2.03 million units, represents a 4.4-month supply, down from 4.5 months the previous quarter and 4.8 months a year earlier. The historic 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 Starts Rose for Single-Family Homes, but Fell for Multifamily Units

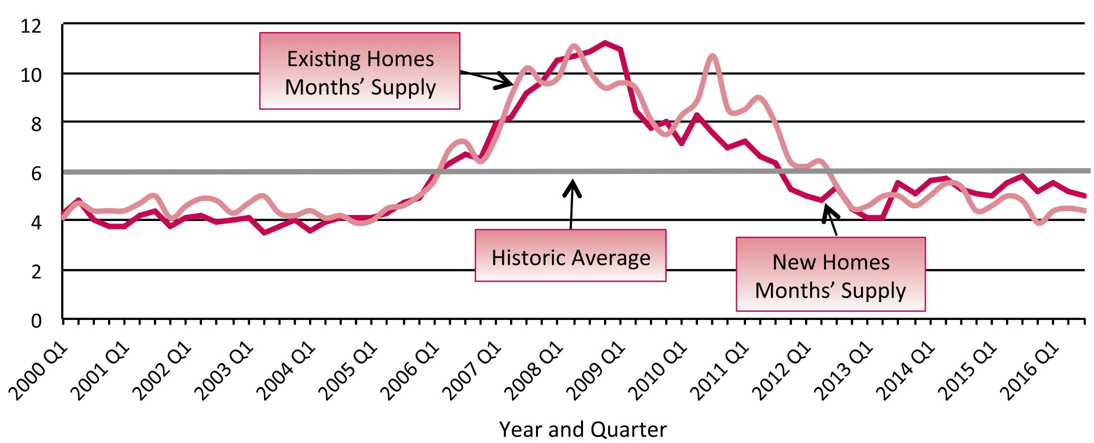
National Housing Starts (Thousands)



Seasonally Adjusted Annual Rate
Sources: Census Bureau and HUD.

The Months' Supply of Homes for Sale Fell Slightly for Both New and Existing Homes

National Months' Supply of New and Existing Homes (Months)



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

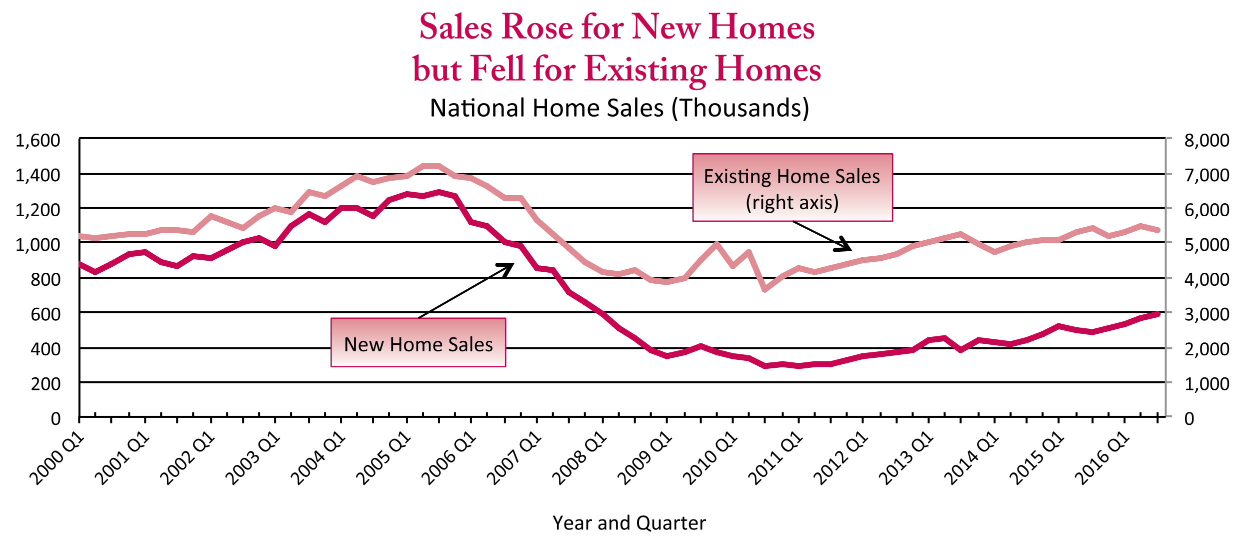
Housing Demand

Sales rose for new homes but fell for existing homes. Purchases of new single-family homes, at 588,000 (SAAR) in the third quarter, were up 4 percent from the previous quarter and 21 percent from the previous year. New home sales have been above the 500,000 mark for the past year but remain well below the annual pace of 973,000 units in 2002, before the start of the housing bubble. The National Association of Realtors® (NAR) reported that existing homes—including single-family homes, townhomes, condominiums, and cooperatives—sold at a rate of 5.4 million (SAAR) in the third quarter, slightly less than the 5.5 million annual pace before the housing bubble began. Existing home purchases were down 2 percent from the previous quarter but virtually the same as year-ago levels. Sales to first-time buyers accounted for 32 percent of all sales transactions in the third quarter, the same as the previous quarter but well below the historic norm of 40 percent. The weakness in sales reflects more stringent bank lending standards, low sales inventory, and technical issues in seasonal adjustment factors related to there being fewer distressed properties, which have declined sharply over the past few years. Like single-family housing starts, sales of new homes have been slower to bounce back in this recovery. Historically, existing home sales as a share of total sales have been 85 percent of the market, with the share of 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 from 14 to 1 in 2011.

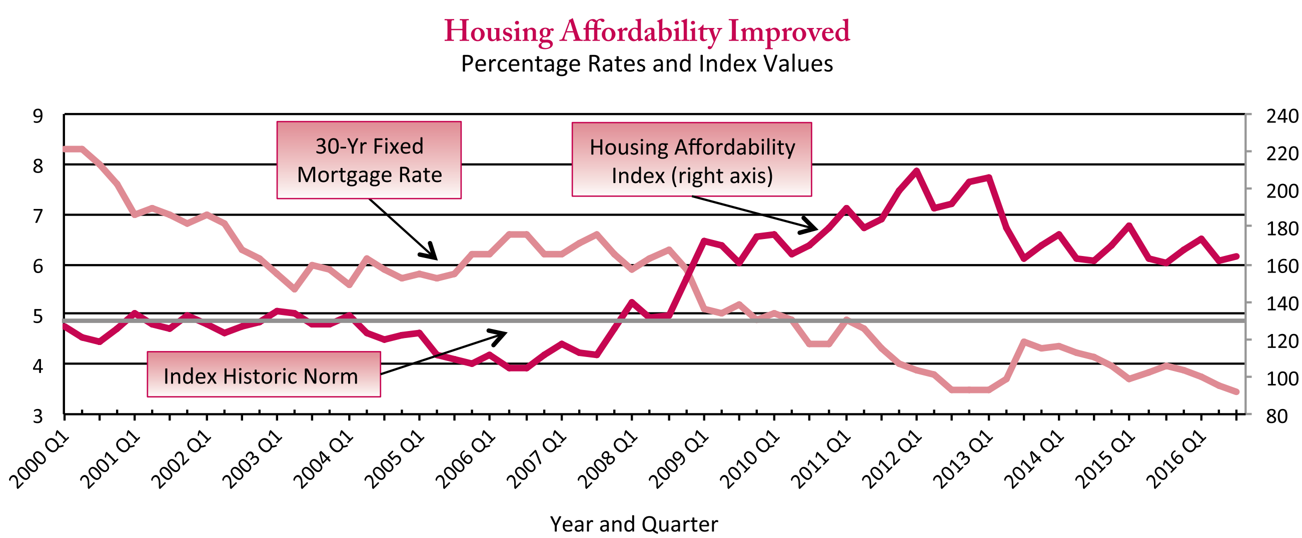
U.S. house prices rose at a slightly higher pace in the third quarter. The FHFA (SA) purchase-only repeat-sales house price index showed U.S. home prices appreciating at a 1.5-percent rate in the third quarter, slightly higher than the 1.3-percent gain in the second quarter. House prices rose at an annual pace of 6.1 percent, also somewhat higher than the 5.9-percent gain in the previous quarter. The CoreLogic Case-Shiller® (SA) national repeat-sales house price index estimated a 1.3-percent rise in house prices for the third quarter, up from a 0.5-percent gain in the previous quarter. House prices increased over the four-quarter period by 5.2 percent, a slight acceleration over the previous quarter's 5.0-percent annual gain. Year-over-year house price gains have been in the 4- to 6-percent range since mid-2014. According to both indices, house prices peaked during the bubble in the first quarter of 2007. The FHFA index indicates that home prices are 4.5 percent above their previous peak, whereas the CoreLogic Case-Shiller® index shows home values are 1.5 percent below their previous peak. 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 distressed sales continued to drop in the third quarter, while the share of investor purchases increased slightly. According to NAR, distressed sales, which tend to sell at lower prices, accounted for 5 percent of all existing home sales, down from 6 percent in the second quarter and 7 percent one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 13 percent of existing home sales, up from 12 percent in the second quarter but unchanged from one year ago.

The absorption rate rose for new condominiums and cooperatives but fell for new apartments. Of newly completed condominiums and cooperatives in the second quarter, 66 percent sold within 3 months, up from 64 percent in the previous quarter and 63 percent one year ago. Of new apartments completed in the second quarter, 53 percent were leased within the ensuing 3 months, down from 58 percent in the previous quarter and a 60-percent pace a year earlier.

The affordability of owning a home improved. The NAR Composite Housing Affordability Index rose to 163.9 in the third quarter from 161.2 in the previous quarter. A drop in mortgage interest rates and an increase in Median Family Income more than offset the rise in the median house price. The housing 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 somewhat since the third quarter of 2013. The NAR Composite Housing Affordability Index for the third quarter is still well above its historic norm of 129, however.



Seasonally Adjusted Annual Rates
Sources: Census Bureau, HUD, and National Association of Realtors®.

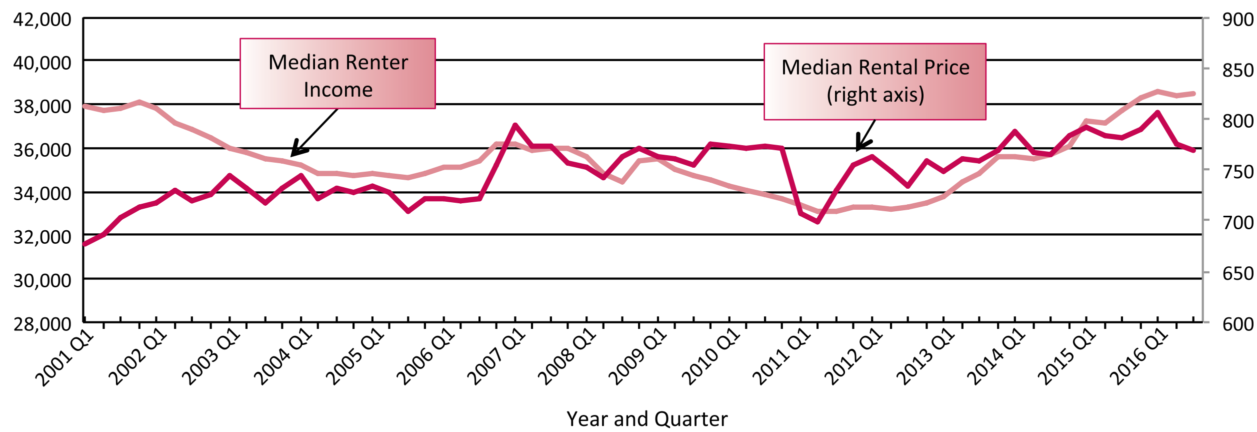


The historical norm of 129 is the median value of the affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.

Rental affordability showed progress in the third quarter but still lags the affordability of a home purchase. In real terms, median rent fell in the third quarter of 2016, while median renter household income increased, improving the affordability of renting. HUD's Rental Affordability Index shows that the affordability of leasing declined 22 percent from the first quarter of 2001 to its low point at the end of 2010 and has improved by 15 percent since. In contrast, the affordability of purchasing a home rose 101 percent from its low point in mid-2006 to its peak in the beginning of 2012 and has declined by 22 percent since. The affordability of renting a home increased 1 percent from the second quarter of 2016 and 4 percent over the four-quarter period, whereas the affordability of purchasing a home increased 2 percent from both the previous quarter and previous year.

Affordability of Renting Has Declined as Rising Rents Outpace Income Growth

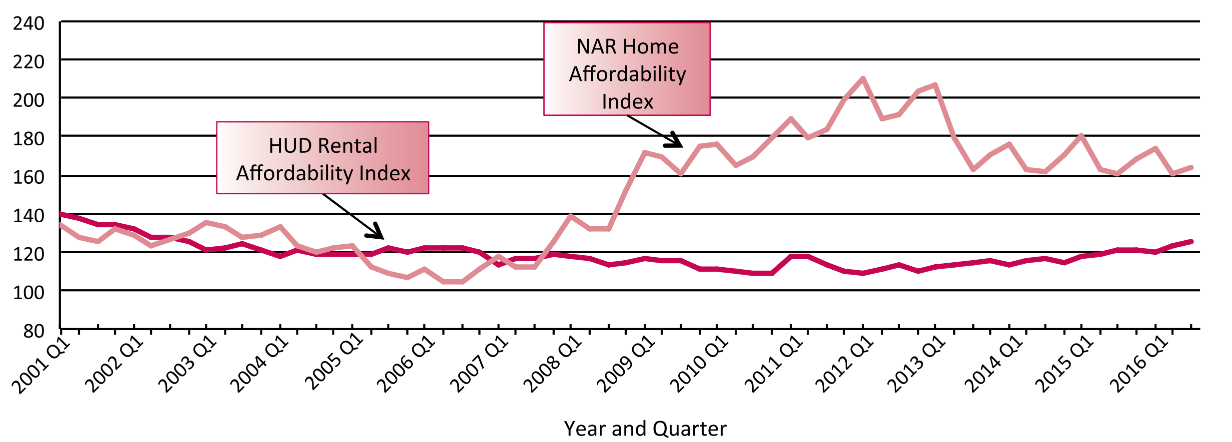
Income and Rents (2015 Dollars)



Sources: Census Bureau ACS and 2000 Decennial Census, BLS CPI and CPS, and HUD.

Rental Affordability Remains a Challenge Due to Rising Rents

Rental and Homeownership Index Values



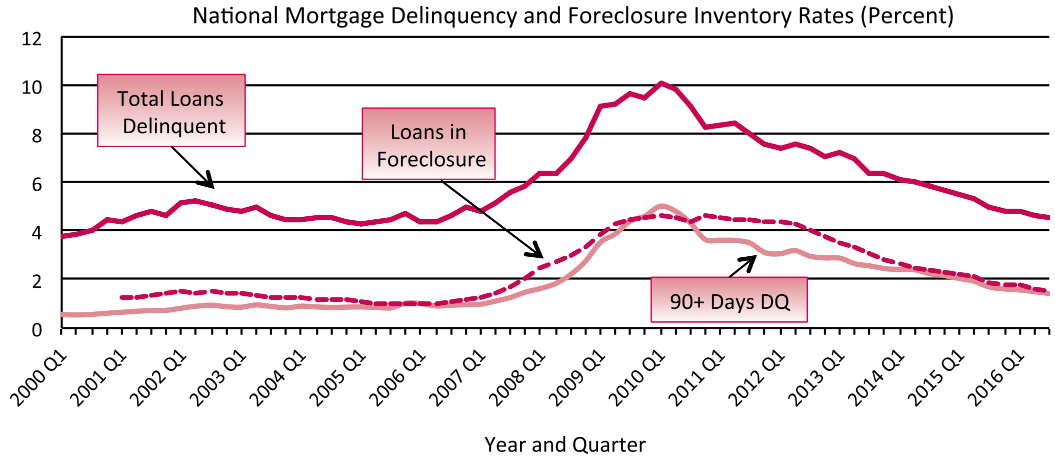
Sources: National Association of Realtors®, Census Bureau ACS and 2000 Decennial Census, BLS, CPS, and HUD.

Housing Finance and Investment

MBA data show the overall delinquency rate falling to the lowest level in more than 10 years. During the third quarter of 2016, the delinquency rate on mortgages of one- to four-unit residential properties declined to 4.52 percent—its lowest level since the second quarter of 2006—according to data from MBA's quarterly National Delinquency Survey. The overall delinquency rate is lower than its historic average of 5.36 percent and is down from 4.99 percent one year earlier. The delinquency rate dropped for all loan types. Seriously delinquent loans (those 90 or more days delinquent or in the foreclosure process) dropped to 2.96 percent from 3.11 percent in the previous quarter and 3.57 percent in the third quarter of 2015. This is the lowest seriously delinquent rate since the third quarter of 2007. The share of newly initiated foreclosures declined to 0.30 percent of active loans, 15 basis points below the historic average of 0.45 percent and the lowest rate since the second quarter of 2000. The share of foreclosure starts was 0.32 percent in the second quarter and 0.38 percent one year ago. The percentage of loans in the foreclosure process, at 1.55 percent, is at its lowest rate since the second quarter of 2007 and is now down to one-third of its peak in the fourth quarter of 2010 (4.64 percent), during the worst of the crisis. Foreclosure inventory is very close to its historic rate of 1.5 percent.

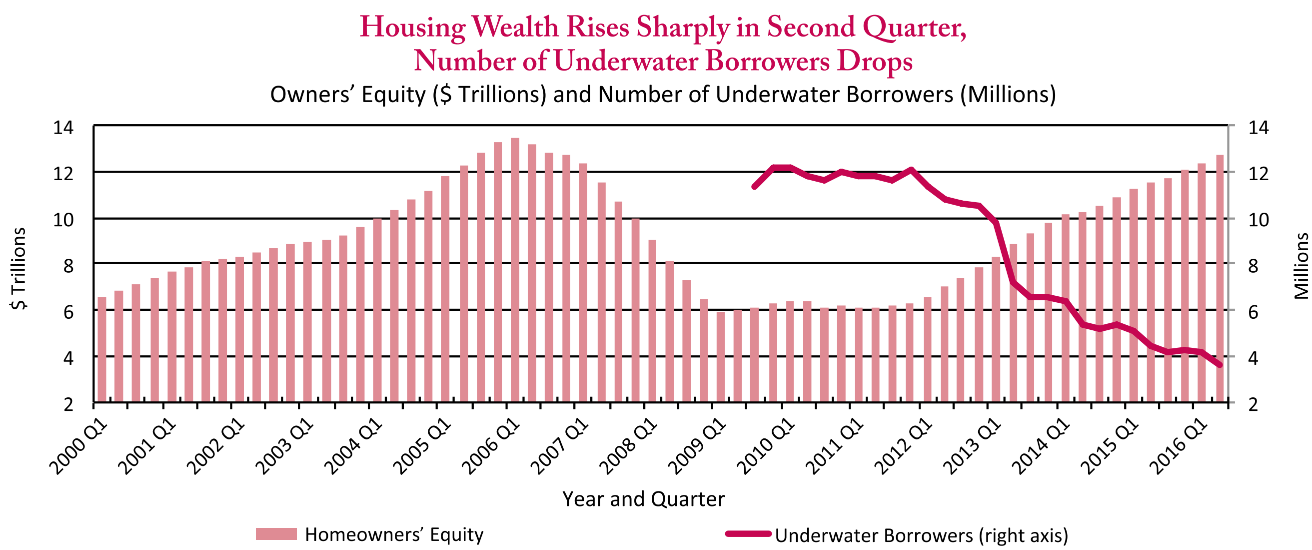
Foreclosure starts and completions continue to decline. ATTOM Data Solutions® reported that foreclosure starts—default notices or scheduled foreclosure auctions, depending on the state—were filed for the first time on 111,250 U.S. properties in the third quarter, down 11 percent from the previous quarter and 17 percent from the third quarter of 2015. Newly initiated foreclosures have declined or remained virtually the same for the past seven quarters; the pre-crisis average (in years 2005 and 2006) was 156,840 properties. Lenders completed the foreclosure process (bank repossessions or REO [real estate owned] properties) on 86,600 U.S. properties in the third quarter, down 13 percent from the previous quarter and 30 percent from one year ago. Foreclosure completions have declined or remained virtually the same for the past five quarters; the pre-crisis average was 69,360 properties. With rising home prices and low inventory levels, lenders have been resolving defaults more quickly, by either restructuring the loan or foreclosing on the property. In addition, foreclosure activity has remained relatively high in states where the backlog of distressed properties—resulting from either a slow foreclosure process or a substantial pool of seriously delinquent mortgages relative to the years prior to the housing crisis—has been clearing.

Mortgage Delinquency Rates and Loans in Foreclosure Continue Downward Trend



Delinquent (DQ) loans do not include loans in foreclosure. All data are seasonally adjusted except data for loans in foreclosure.
Source: Mortgage Bankers Association.

In the second quarter of 2016, the number of underwater borrowers declined 13.2 percent, and homeowners' equity increased by $352 billion. According to CoreLogic, 3.6 million homes, or 7.1 percent of residential properties with a mortgage, were under water in the second quarter (the data are reported with a lag), down from 4.2 million, or 8.2 percent, in the first quarter of 2016 and 4.6 million, or 8.9 percent, one year ago. Since the beginning of 2012, the number of underwater borrowers has fallen 70 percent—from 12.1 to 3.6 million—or by 8.5 million homeowners. The decline in the number of homes in negative equity puts more homeowners in a position to sell their home, which could ease the current low level of homes for sale. A recent study by the Center for American Progress, however, shows that nearly 1,000 U.S. counties—primarily concentrated in nonmetropolitan areas—still have increasing or stagnating shares of homes with negative equity. [https://cdn.americanprogress.org/wp-content/uploads/2015/10/30051742/UnevenHousing-Recovery-reportB.pdf]. The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose $352 billion in the second quarter of 2016 (the data are reported with a lag), reaching more than $12.7 trillion—the highest level since the third quarter of 2006; home equity peaked at nearly $13.5 trillion in the first quarter of 2016. Owners' equity has grown by more than $6.4 trillion since the end of 2011. The rapid increase in home equity reflects house price appreciation, fewer distressed borrowers, and increased principal repayment.



Data for underwater borrowers are only available beginning the third quarter of 2009.
Sources: Federal Reserve Board and CoreLogic.

Homeownership and Housing Vacancy

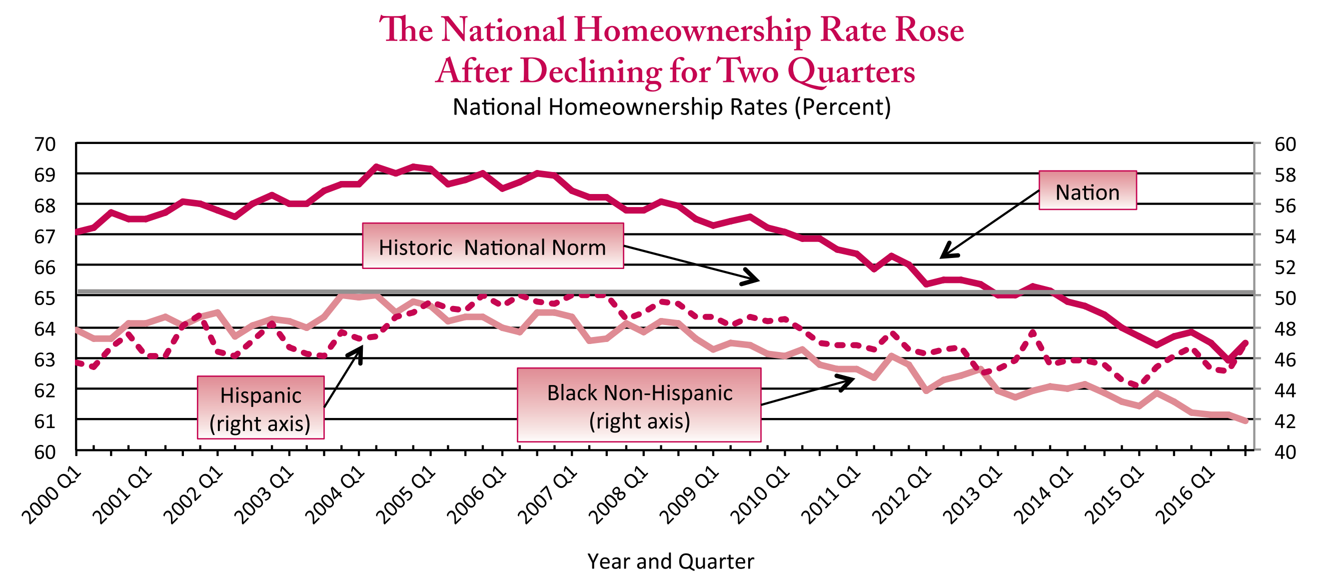
The U.S. homeownership rate increased after falling for two consecutive quarters. The national homeownership rate, at 63.5 percent in the third quarter, increased from 62.9 percent in the second quarter but was still down from 63.7 one year ago. Homeownership reached a peak of 69.2 percent in the second and fourth quarters of 2004. The national homeownership rate declined for seven straight quarters beginning with the fourth quarter of 2013 and has been fluctuating since. In the third quarter of 2016, the homeownership rate for White non-Hispanic households increased to 71.9 percent from 71.5 percent; for Black non-Hispanic households, the rate fell to 41.9 percent from 42.3 percent; and for Hispanic households, the rate rose to 47.0 percent from 45.1 percent. The homeownership rate increased to 55.6 percent for other-race non-Hispanic households and rose 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 as a result of the severe

2007–2009 recession. More recently, relatively flat 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 2016 NAR survey of homebuyers revealed that the share of homebuyers making their first purchase increased to 35 percent from 32 percent in 2015. 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.

Vacancies in the rental market fell for single-family homes but rose for multifamily homes. According to the U.S. Census Bureau, the overall vacancy rate in the rental market increased to 6.8 percent from 6.7 percent in the second quarter but was down from 7.3 percent in the third quarter of 2015. The single-family rental vacancy rate fell to 6.7 percent from 6.8 percent in the previous quarter and was down from 7.1 percent one year ago. The vacancy rate in the rental market for multifamily units (five or more units in a structure) rose to 7.4 percent from 7.2 percent in the second quarter but was down from 7.9 percent the previous year.

The number of households grew in the third quarter. The number of U.S. households, at 118.6 million, has grown 0.6 percent so far this year, according to the Census Bureau's CPS/HVS (Current Population Survey/Housing Vacancy Survey). Household formation fell to an average 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

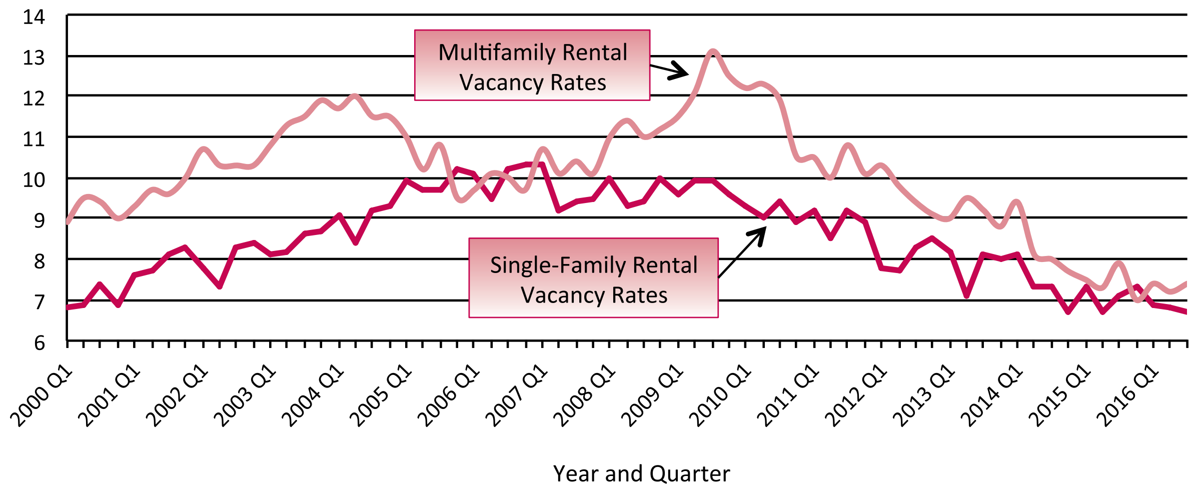


The historical norm of 65 percent is the average national homeownership rate since 1965.
Sources: Census Bureau and HUD.

average annual growth rate of only 0.5 percent from 2010 to 2013. The pace picked up in 2014 and 2015, however, with an average annual growth rate of 1.2 percent. 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 Single-Family Rental Vacancy Rate Continued To Fall, While the Multifamily Rate Increased

National Rental Vacancy Rates (Percent)



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)									Q3 2016
Total	1,174	1,140		1,146	3.0%	(s)	2.4%	(n)	
Single-Family	730	737		704	– 0.9%	(n)	3.7%	(n)	
Multifamily (5+)	411	373		409	10.1%	(s)	0.5%	(n)	
Housing Starts (SAAR, thousands)									Q3 2016
Total	1,145	1,159	(r)	1,156	– 1.2%	(n)	– 1.0%	(n)	
Single-Family	759	755	(r)	745	0.5%	(n)	1.9%	(n)	
Multifamily (5+)	373	393	(r)	402	– 5.1%	(n)	– 7.2%	(n)	
Under Construction (SA, thousands)									Q3 2016
Total	1,035	1,011	(r)	935	2.4%	(n)	10.7%	(s)	
Single-Family	431	428	(r)	398	0.7%	(n)	8.3%	(s)	
Multifamily (5+)	593	572	(r)	526	3.7%	(n)	12.7%	(s)	
Housing Completions (SAAR, thousands)									Q3 2016
Total	1,035	1,032	(r)	989	0.3%	(n)	4.7%	(n)	
Single-Family	736	729	(r)	649	1.0%	(n)	13.4%	(s)	
Multifamily (5+)	289	294		332	– 1.7%	(n)	– 13.0%	(n)	
New Homes for Sale (SA)									Q3 2016
Inventory (thousands)	239	242	(r)	221	– 1.2%	(n)	8.1%	(s)	
Months' Supply (months)	5.0	5.2	(r)	5.8	– 3.8%	(n)	– 13.8%	(s)	
Existing Homes for Sale									Q3 2016
Inventory (NSA, thousands)	2,030	2,110		2,110	– 3.8%	(u)	– 3.8%	(u)	
Months' Supply (months)	4.4	4.5		4.8	– 2.2%	(u)	– 8.3%	(u)	
Manufactured Home Shipments (SAAR, thousands)	76.0	78.0	(r)	70.3	– 2.6%	(u)	8.1%	(u)	Q3 2016

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)						Q3 2016
New Homes Sold (thousands)						
Single-Family	588	565 (r)	487	4.1% (n)	20.8% (s)	
Existing Homes Sold (thousands)						
Single-Family, Townhomes, Condos, Co-ops	5,390	5,503	5,403	– 2.1% (u)	– 0.2% (u)	
Condos and Co-ops	603	633	617	– 4.7% (u)	– 2.2% (u)	
First-Time Buyers (%)	32	32	30	1 (u)	3 (u)	
Investor Sales (%)	13	12	13	0 (u)	0 (u)	
Home Sales Prices						Q3 2016
Median ($)						
New Homes	301,300	311,700 (r)	299,700	– 3.3% (u)	0.5% (u)	
Existing Homes	239,500	239,133	227,333	0.2% (u)	5.4% (u)	
Repeat-Sales Home Price Indices						
FHFA (SA)	234.7	231.2 (r)	221.3	1.5% (u)	6.1% (u)	
CoreLogic Case-Shiller (SA)	181.7	179.4 (r)	172.7	1.3% (u)	5.2% (u)	
Housing Affordability						Q3 2016
Composite Index	163.9	161.2 (r)	160.8	1.7% (u)	2.0% (u)	
Fixed Index	163.4	160.4 (r)	160.0	1.8% (u)	2.1% (u)	
National Average Mortgage Interest Rate (%)	3.8	3.9	4.1	– 0.1 (u)	– 0.4 (u)	
Median-Priced Existing Single-Family Home ($)	240,900	240,700	228,900	0.1% (u)	5.2% (u)	
Median Family Income ($)	70,306	69,837 (r)	68,624	0.7% (u)	2.5% (u)	
Rental Affordability						
HUD's Rental Affordability Index	125.2	123.6 (r)	120.7	1.3% (u)	3.7% (u)	Q3 2016
Multifamily Housing						
Apartments						
Completed Previous Quarter (thousands)	62.6	54.6 (r)	67.6	14.7% (s)	– 7.4% (s)	Q2 2016
Leased Current Quarter (%)	53	58 (r)	60	– 5 (n)	– 7 (s)	Q3 2016
Median Asking Rent ($)	1,446	1,443 (r)	1,398	0.2% (n)	3.4% (n)	
Condos and Co-ops						
Completed Previous Quarter (thousands)	2.8	3.2 (r)	2.7	– 12.5% (n)	3.7% (s)	Q2 2016
Sold Current Quarter (%)	66	64	63	2 (s)	3 (n)	Q3 2016
Median Asking Price ($)	678,801	701,320 (r)	540,873	– 3.2% (s)	25.5% (n)	
Manufactured Home Placements (sales at SAAR, thousands)						
Shipped Previous Quarter (thousands)	78.0	83.0	67.7	– 6.0% (u)	15.2% (u)	Q2 2016
Sold Current Quarter (%)[1]	65.9	61.3	65.0	4.6 (n)	0.9 (u)	Q3 2016
Builders' Views of Market Activity (Composite Index)	61	59	61	3.4% (u)	0.0% (u)	Q3 2016

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 (%)						Q3 2016
30-Year Fixed Rate	3.45	3.59	3.95	– 0.14 (u)	– 0.50 (u)	
15-Year Fixed Rate	2.75	2.82	3.15	– 0.07 (u)	– 0.40 (u)	
5-Year ARM[2]	2.77	2.81	2.94	– 0.04 (u)	– 0.17 (u)	
Mortgage Delinquency Rates (%)						Q3 2016
All Loans Past Due (SA)	4.52	4.66	4.99	– 0.14 (u)	– 0.47 (u)	
Loans 90+ Days Past Due (SA)	1.42	1.50	1.69	– 0.08 (u)	– 0.27 (u)	
Seriously Delinquent (90+ Days & in FC, NSA)	2.96	3.11	3.57	– 0.15 (u)	– 0.61 (u)	
FHA Market Share[3]						Q2 2016
Dollar Volume (%)						
All Loans	12.8	13.8	15.5	– 1.0 (u)	– 2.7 (u)	
Purchase	16.6	17.7	16.5	– 1.1 (u)	0.1 (u)	
Refinance	8.3	9.4	14.3	– 1.1 (u)	– 6.0 (u)	
Loan Count (%)						
All Loans	16.6	17.5	19.1	– 0.9 (u)	– 2.5 (u)	
Purchase	21.5	22.1	21.6	– 0.6 (u)	– 0.1 (u)	
Refinance	10.8	12.4	16.3	– 1.6 (u)	– 5.5 (u)	
FHA Mortgage Insurance (thousands)[4]						Q2 2016
Applications Received	498.4	415.5	491.6	19.9% (u)	1.4% (u)	
Endorsements	317.1	277.4	334.6	14.3% (u)	– 5.2% (u)	
Purchase	225.1	187.1	198.8	20.3% (u)	13.2% (u)	
Refinance	92.0	90.4	135.8	1.8% (u)	– 32.3% (u)	
Private and VA Mortgage Insurance (thousands)						
PMI Certificates[5]						
Veterans Affairs Guarantees	144.2	173.2	146.2	– 16.7% (u)	– 1.4% (u)	Q4 2015
Residential Fixed Investment (SA real annual growth rate, %)	– 4.4	– 7.7	12.6	3.3 (u)	– 17.0 (u)	Q3 2016
GDP (SA real annual growth rate, %)	3.2	1.4 (r)	2.0	1.8 (u)	1.2 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	– 0.17	– 0.31 (r)	0.43	0.14 (u)	– 0.60 (u)	

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.

[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 release; 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] Private mortgage insurers formed a new trade group, U.S. Mortgage Insurers (USMI), to replace Mortgage Insurance Companies of America (MICA). Data on private mortgage insurance are not yet available from USMI.

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 (%)						Q3 2016
Overall	63.5	62.9	63.7	0.6 (s)	– 0.2 (n)	
Non-Hispanic						
White	71.9	71.5	71.9	0.4 (s)	0.0 (n)	
Black	41.9	42.3	43.1	– 0.4 (n)	– 1.2 (s)	
Other Race	55.6	54.2	56.2	1.4 (n)	– 0.6 (n)	
Two or More Races	49.4	48.1	52.1	1.3 (n)	– 2.7 (n)	
Hispanic	47.0	45.1	46.1	1.9 (s)	0.9 (n)	
Vacancy Rates (%)						Q3 2016
Homeowner	1.8	1.7	1.9	0.1 (n)	– 0.1 (n)	
Rental	6.8	6.7	7.3	0.1 (n)	– 0.5 (n)	
Single-Family	6.7	6.8	7.1	– 0.1 (n)	– 0.4 (n)	
Multifamily (5+)	7.4	7.2	7.9	0.2 (n)	– 0.5 (n)	
Housing Stock (thousands)						Q3 2016
All Housing Units	135,679	135,474 (r)	134,857	0.2% (u)	0.6% (u)	
Owner-Occupied	75,339	74,417 (r)	74,778	1.2% (s)	0.8% (s)	
Renter-Occupied	43,256	43,862 (r)	42,628	– 1.4% (s)	1.5% (s)	
Vacant	17,084	17,195 (r)	17,452	– 0.6% (n)	– 2.1% (s)	
Year-Round Vacant	12,870	12,904 (r)	13,146	– 0.3% (n)	– 2.1% (n)	
For Rent	3,216	3,213 (r)	3,393	0.1% (n)	– 5.2% (n)	
For Sale	1,353	1,305 (r)	1,422	3.7% (n)	– 4.9% (n)	
Rented or Sold, Awaiting Occupancy	1,177	1,079 (r)	1,190	9.1% (n)	– 1.1% (n)	
Held Off Market	7,125	7,307 (r)	7,141	– 2.5% (n)	– 0.2% (n)	
Occasional Use	2,046	2,076 (r)	2,086	– 1.4% (n)	– 1.9% (n)	
Occupied—URE	1,317	1,423 (r)	1,266	– 7.4% (n)	4.0% (n)	
Other	3,762	3,807 (r)	3,791	– 1.2% (n)	– 0.8% (n)	
Seasonal Vacant	4,213	4,291 (r)	4,304	– 1.8% (n)	– 2.1% (n)	
Households (thousands)						Q3 2016
Total	118,596	118,279 (r)	117,406	0.3% (s)	1.0% (s)	

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.