4th Quarter 2016 | March 2017

HUD PD&R
National Housing Market Summary

The Housing Market Recovery Was Mixed in the Fourth Quarter

The housing market showed a mixed set of results for the fourth quarter of 2016. Construction starts rose for both single-family and multifamily housing. Purchases of new single-family homes fell while sales of previously owned (existing) homes rose. The months' supply of homes increased for new housing, but dropped for existing housing. 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 fourth quarter, with annual house price appreciation stabilizing in a 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 increased in the fourth quarter, and ATTOM Data Solutions® (formerly RealtyTrac®) data show that both newly initiated and completed foreclosures rose. The national homeownership rate rose for a second consecutive quarter. According to the Bureau of Economic Analysis' second estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 1.9 percent, following a 3.5-percent gain in the third quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, showed a gain of 9.6 percent following a 4.1-percent decline in the previous quarter and contributed a 0.35 percentage-point increase in real GDP growth following a 0.16-percentage-point loss in the third quarter.

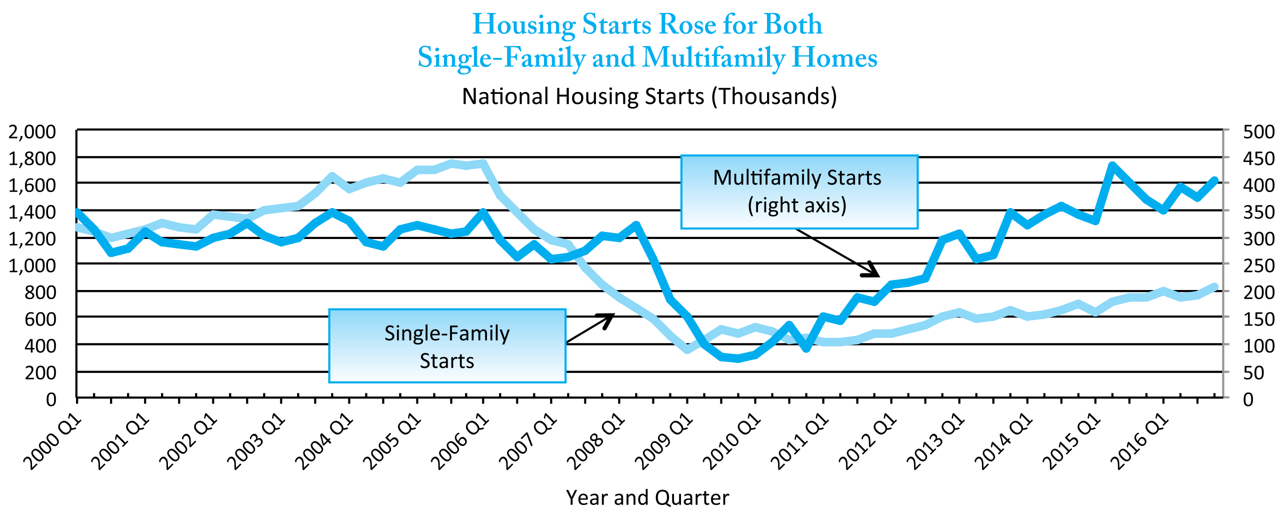
The Housing Market in 2016

For all of 2016, the housing market continued to improve. Housing starts were up 6 percent over 2015, with the construction of single-family homes increasing by 9 percent and multifamily housing starts dropping 1 percent. New and existing home sales were up 12 and 4 percent, respectively, showing their strongest performances since 2007 and 2006. Inventories remained low, with the average months' supply of homes for sale still below the historic norm. Mortgage delinquency rates increased slightly. According to MBA, the mortgage delinquency rate at the end of 2016, at 4.80 percent, is up 3 basis points from the end of 2015 but is still below its historical average of about 5 percent. Foreclosure starts and completions both were down 16 percent from 2015. Newly initiated foreclosures reached their lowest annual total since ATTOM Data Solutions® began recording them in 2006, and foreclosure completions were nearly two-thirds lower than their peak set in 2010. The annual national homeownership rate has declined since 2004 when it peaked at 69.0 percent, falling to 63.4 percent in 2016—the lowest annual rate since 1965 (63.0 percent). Single-family rental vacancy rates fell in 2016, while multifamily vacancy rates remained the same. The number of households increased at a 0.7 percent pace in 2016, which was much slower than the 2015 pace of 1.2 percent.

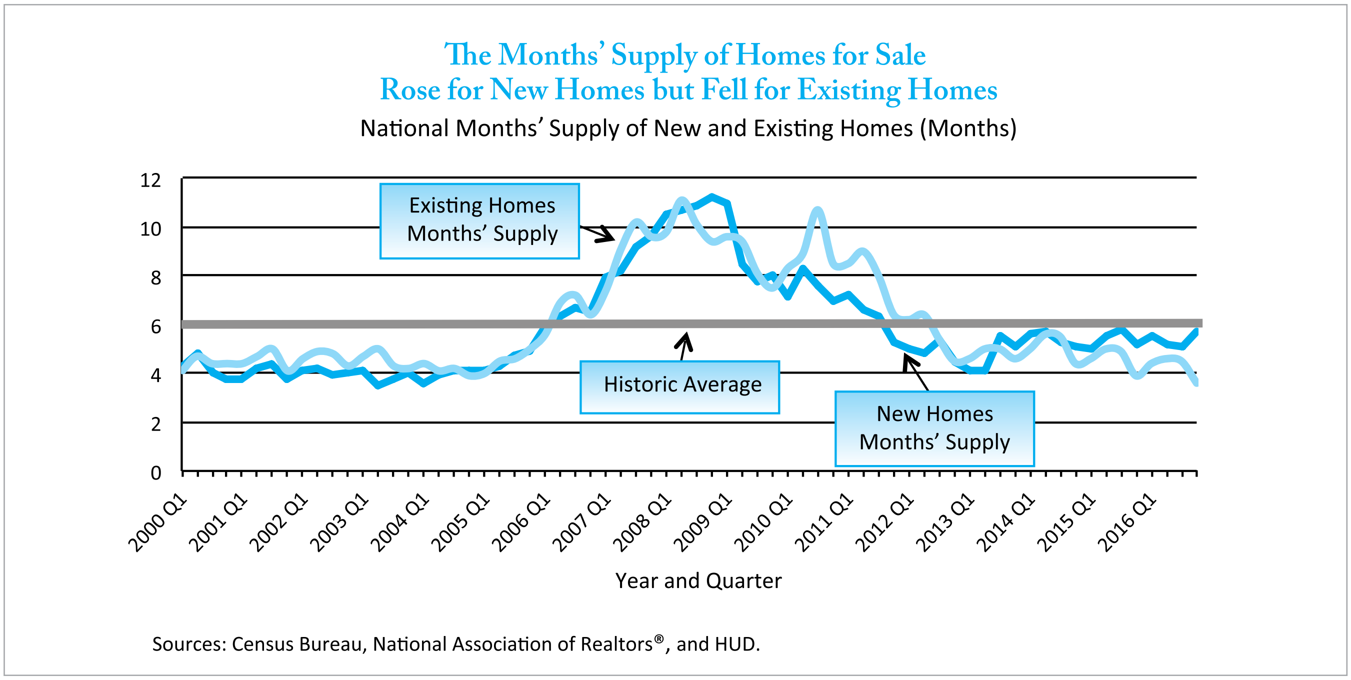
Housing Supply

Homebuilding increased in the fourth quarter for both single-family and multifamily homes. Construction starts on single-family homes, at 834,000 units (SAAR) in the fourth quarter of 2016, were up 10 percent from both the previous quarter and previous year. The pace of single-family housing starts is now nearly two-thirds the annual rate (AR) of 1.36 million units in 2002, before the housing bubble began. Multifamily housing starts, at 406,000 units (SAAR) in the fourth quarter, were up 9 and 10 percent, respectively, from the previous quarter and 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 67 percent in the fourth 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 rose for new homes but fell for existing homes. The listed inventory of new homes for sale at the end of the fourth quarter was 256,000 units (SA), which would support 5.7 months of sales at the current sales pace, up from 5.1 months in the previous quarter and 5.2 months in the previous year. The listed inventory of existing homes for sale, at 1.65 million units, represents a 3.6-month supply of existing homes for sale, down from 4.5 months the previous quarter and 3.9 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.



Seasonally Adjusted Annual Rate
Sources: Census Bureau and HUD.



Housing Demand

Sales rose for existing homes but fell for new homes. Purchases of new single-family homes, at 559,000 units (SAAR) in the fourth quarter, were down 4 percent from the previous quarter but up 10 percent from the previous year. New home sales still 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 5.5 million (SAAR) in the fourth quarter, up 3 percent from the previous quarter and 7 percent from year-ago levels. The fourth quarter sales were slightly stronger than the 5.4 million annual pace before the housing bubble began. Sales to first-time buyers accounted for 32 percent of all sales transactions in the fourth 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 there being technical issues in seasonal adjustment factors related to 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 91 percent, with the share of new home sales dropping to 9 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 10 to 1, although that ratio has fallen from 14 to 1 in 2011.

Annual house price gains remain fairly stable in a 5- to 6-percent range. The FHFA (SA) purchase-only repeat-sales house price index showed U.S. home prices appreciating at a 1.5-percent rate in the fourth quarter—the 22nd consecutive quarterly increase—and slightly lower than the 1.6-percent pace in the third quarter. House prices rose at an annual pace of 6.2 percent, unchanged from the previous quarter. The CoreLogic Case-Shiller® (SA) national repeat-sales house price index estimated a 2.3-percent rise in house prices for the fourth quarter, up from a 1.2-percent gain in the previous quarter. House prices rose over the four-quarter period by 5.6 percent, an acceleration over the previous quarter's 5.1-percent annual gain. According to both indices, house prices peaked during the bubble in the first quarter of 2007. The FHFA index indicates that home prices are 6.0 percent above their previous peak, whereas the CoreLogic Case-Shiller® index shows home values 0.7

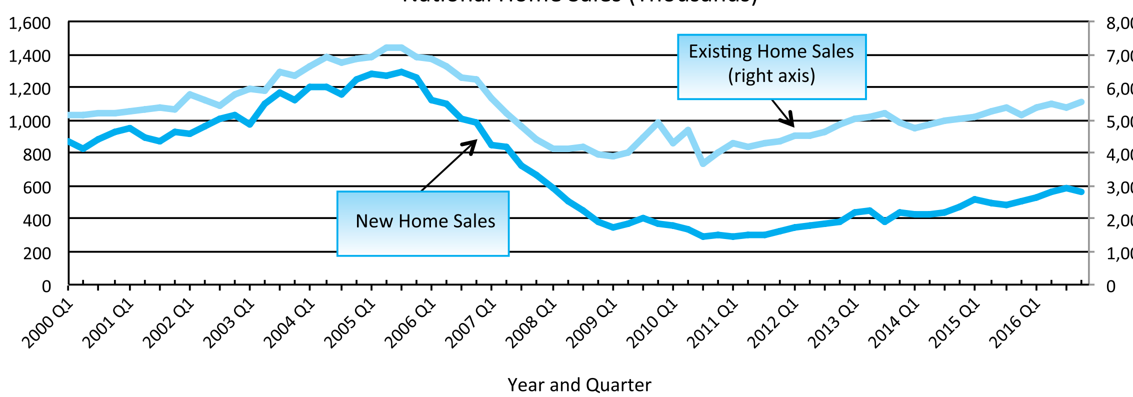
percent above their previous peak. The FHFA index differs from the CoreLogic Case-Shiller® index mainly because the FHFA index, unlike the CoreLogic Case-Shiller® index, is based on sales financed only with mortgages that have been sold to or guaranteed by Fannie Mae and Freddie Mac, excludes sales transactions associated with subprime and some "jumbo" loans, and is transaction weighted rather than value weighted. The share of distressed sales rose slightly in the fourth quarter, while investor purchases remained the same. According to NAR, distressed sales, which tend to sell at lower prices, accounted for 6 percent of all existing home sales, up from 5 percent in the third quarter but down from 8 percent one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 13 percent of existing home sales, unchanged from the previous quarter but down from 15 percent one year ago.

The absorption rate rose for both new condominiums and cooperatives and new apartments. Of newly completed condominiums and cooperatives in the third quarter, 74 percent sold within 3 months, up from 64 percent in the previous quarter and 50 percent one year ago. Of new apartments completed in the third quarter, 59 percent were leased within the ensuing 3 months, up from 53 percent in the previous quarter but the same pace as a year earlier.

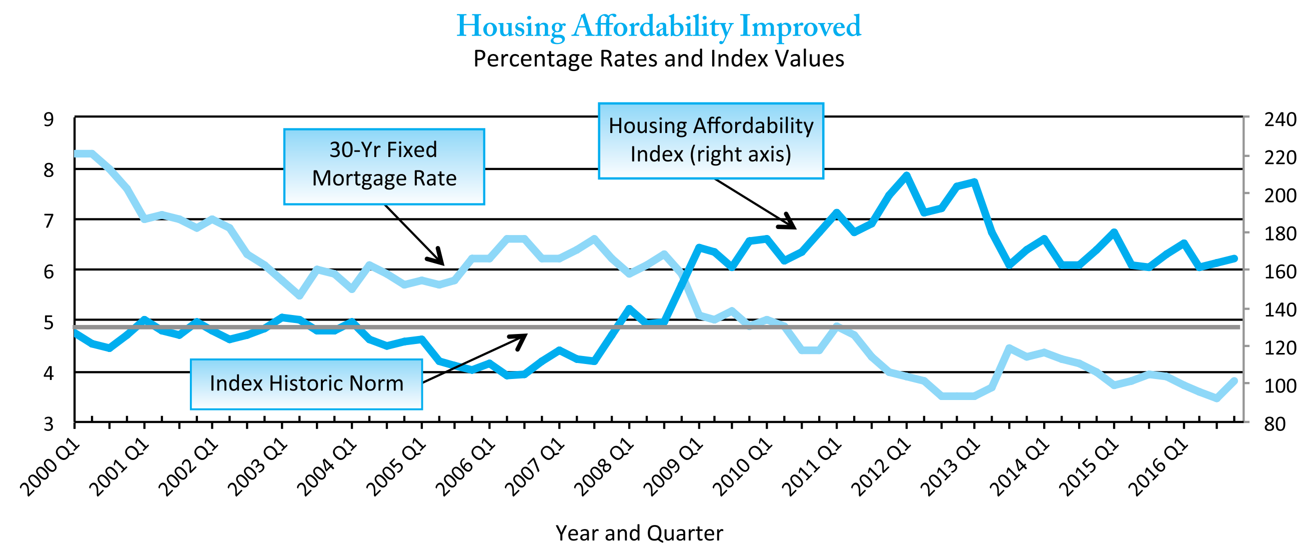
The affordability of owning a home improved. The NAR Composite Housing Affordability Index rose to 166.2 in the fourth quarter from 163.6 in the previous quarter. The increase in the ability to purchase a home resulted from both a drop in the median price of a single-family home and an increase in Median Family Income, which more than offset a rise in mortgage rates. 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 fourth quarter is still well above its historic norm of 129, however.

Sales Rose for Existing Homes but Fell for New Homes

National Home Sales (Thousands)

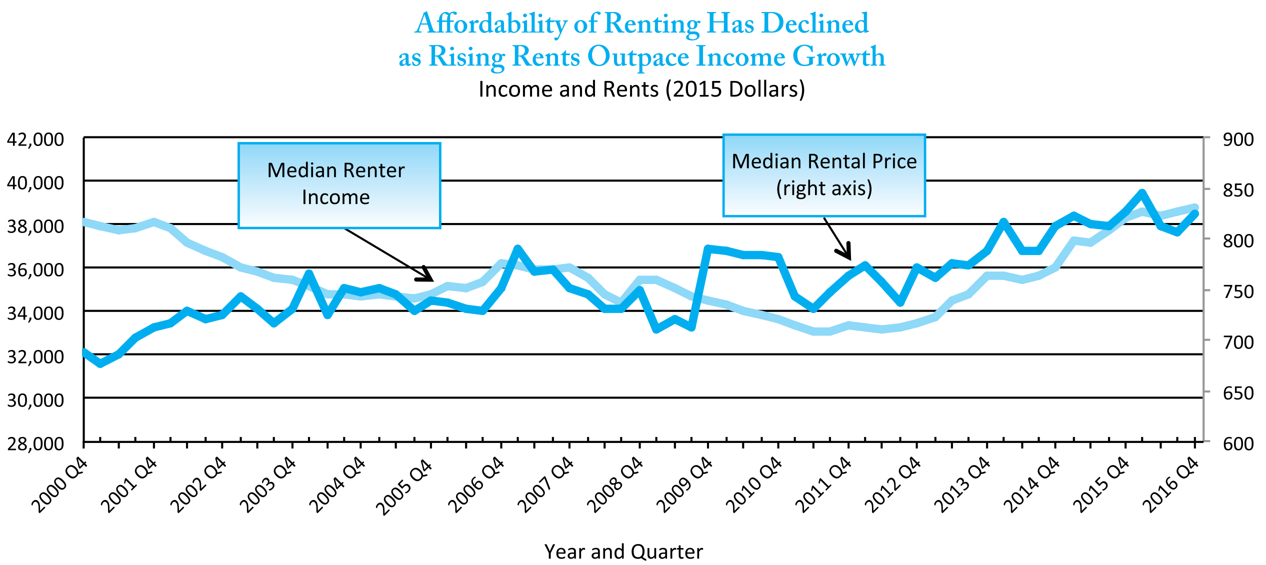


Seasonally Adjusted Annual Rates
Sources: Census Bureau, HUD, and National Association of Realtors®.

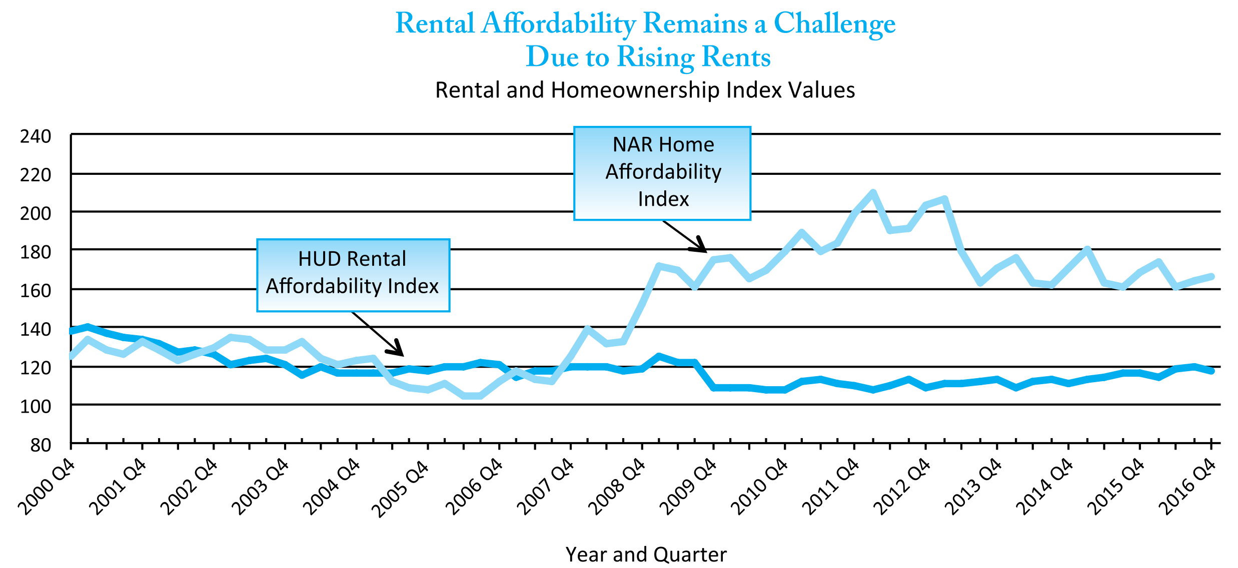


The historical norm of 129 is the median value of the affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.

The affordability of renting a home declined. In real terms, the median price of renting a home rose 2 percent in the fourth quarter of 2016, while the median income of a renter household only increased 0.5 percent, leading to a drop in rental affordability. HUD's Rental Affordability Index shows that the ability to rent a home decreased 2 percent in the fourth quarter of 2016, although it improved 1 percent over the four-quarter period. NAR's Home Affordability Index, on the other hand, shows that the ability to purchase a home increased 2 percent in the fourth quarter but fell 1 percent from a year earlier. The affordability of leasing a home declined 23 percent from the first quarter of 2001 to its low point at the end of 2010 and has improved 9 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 21 percent since. The gap between the ability of a renter household with median income to lease a home compared with the ability of a family with median income to purchase a home peaked in 2012 and has fallen 52 percent since.



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



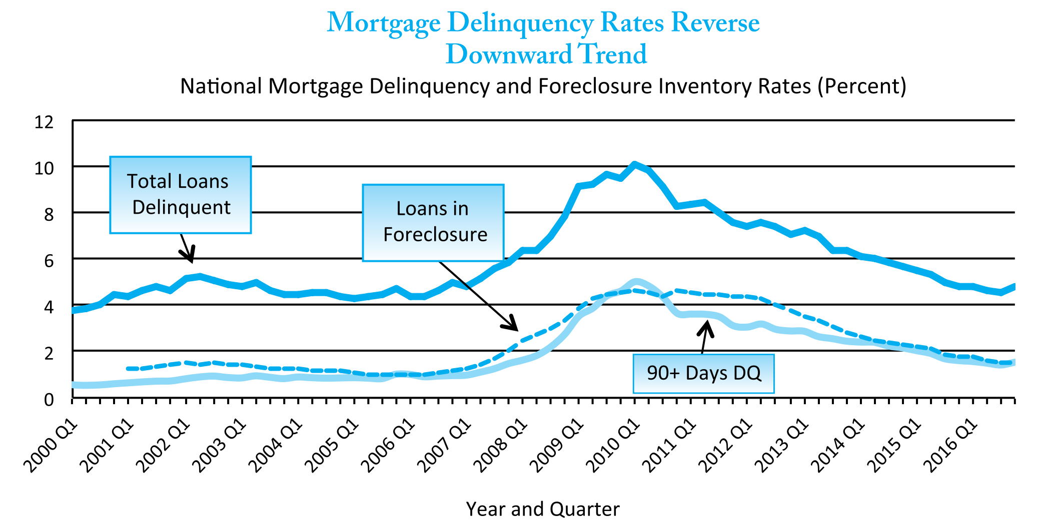
Sources: National Association of Realtors®, Census Bureau ACS and 2000 Decennial Census, BLS, CPS, and HUD.

Housing Finance and Investment

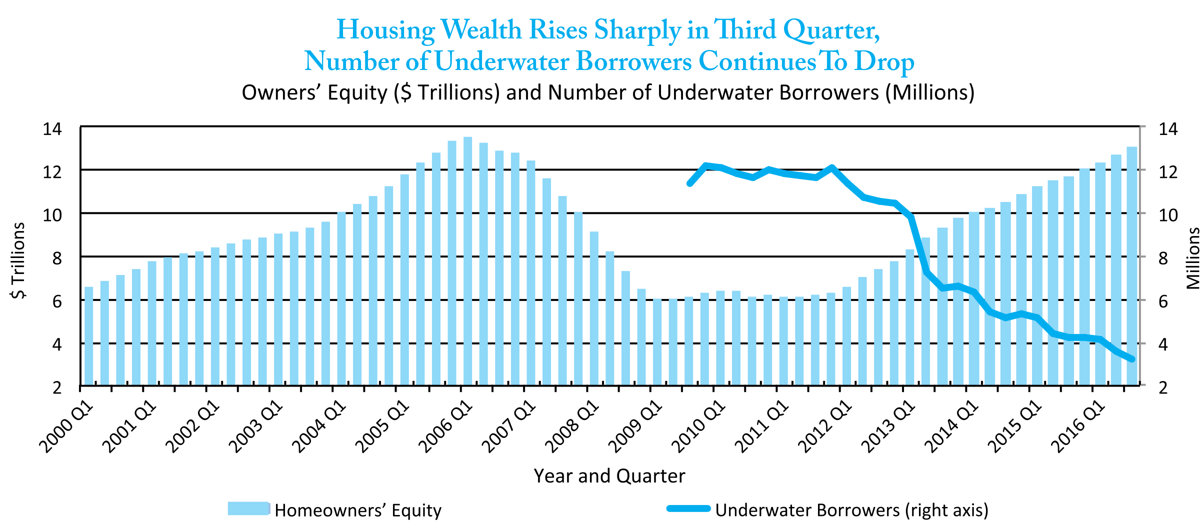
The overall delinquency rate increased for the first time since 2013. During the fourth quarter of 2016, the delinquency rate on mortgages of one- to four-unit residential properties increased to 4.80 percent from 4.52 percent in the previous quarter and 4.77 percent one year ago, according to data from MBA's quarterly National Delinquency Survey. The overall delinquency rate is still lower than the historic average of 5.36 percent, however. The delinquency rate increased for all loan types—conventional, FHA and VA—compared to the third quarter, but the increase was off a low base as third quarter delinquency rates were the lowest since 2006. Seriously delinquent loans (those 90 or more days delinquent or in the foreclosure process) climbed to 3.13 percent from 2.96 percent in the third quarter—when the rate was at its lowest since 2007—but was down from 3.44 percent in the fourth quarter of 2015. Both newly initiated foreclosures and foreclosure inventory continued to decline in the fourth quarter. The share of foreclosure starts dropped to 0.28 percent of active loans from 0.30 percent in the previous quarter and 0.36 percent one year ago. Foreclosure starts were 17 basis points below the historic average of 0.45 percent and the lowest rate since the fourth quarter of 1988. The percentage of loans in the foreclosure process, at 1.53 percent, remained at its lowest level since the second quarter of 2007 and is now less than 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 rose in the fourth quarter. ATTOM Data Solutions® reported that foreclosure starts—default notices or scheduled foreclosure auctions, depending on the state—were filed for the first time on 114,200 U.S. properties in the fourth quarter, up 3 percent from the previous quarter but down 13 percent over the four-quarter period. Prior to this recent increase, newly initiated foreclosures had declined or remained virtually the same for the past seven quarters. Lenders completed the foreclosure process (bank repossessions or REO [real estate owned] properties) on 95,400 U.S. properties in the fourth quarter, up 10 percent from the previous quarter but down 18 percent from one year ago. Prior to climbing in the fourth quarter, foreclosure completions had declined or remained virtually the same for the past five quarters. 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.

In the third quarter of 2016, the number of underwater borrowers declined 10.7 percent, and homeowners' equity increased by $383 billion. According to CoreLogic, 3.2 million homes, or 6.3 percent of residential properties with a mortgage, were under water in the third quarter (the data are reported with a lag), down from 3.6 million, or 7.1 percent, in the second quarter of 2016 and 4.2 million, or 8.4 percent, one year ago. CoreLogic estimates that the number of underwater homes has declined by 1.014 million, or 24.1 percent, compared with a year ago. Since the beginning of 2012, the number of underwater borrowers (those who owe more on their mortgage than the value of their home) has fallen 74 percent—from 12.1 to 3.2 million—or by 8.9 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/UnevenHousingRecovery-reportB.pdf.] The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose $383 billion in the third quarter of 2016 (the data are reported with a lag), reaching more than $13.0 trillion—the highest level since the second quarter of 2006; home equity peaked at nearly $13.5 trillion in the first quarter of 2016. Owners' equity has grown by nearly $6.8 trillion since the end of 2011. The rapid increase in home equity reflects house price appreciation, fewer distressed borrowers, and increased principal repayment.



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



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 the last two consecutive quarters. The national homeownership rate, at 63.7 percent in the fourth quarter, increased from 63.5 percent in the third quarter but was still down slightly from 63.8 one year ago. Beginning with the fourth quarter of 2013, the national homeownership rate declined for seven straight quarters, but has been fluctuating since. Homeownership peaked at 69.2 percent in the second and fourth quarters of 2004. For the fourth quarter of 2016, the homeownership rate for White non-Hispanic households increased to 72.2 percent from 71.9 percent; for Black non-Hispanic households, the rate rose to 42.4 percent from 41.9 percent; but for Hispanic households, the rate fell to 46.3 percent from 47.0 percent. The homeownership rate increased to 56.4 percent for other-race non-Hispanic households and rose to 49.9 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 slow income growth and restrictive credit markets have affected homeownership.

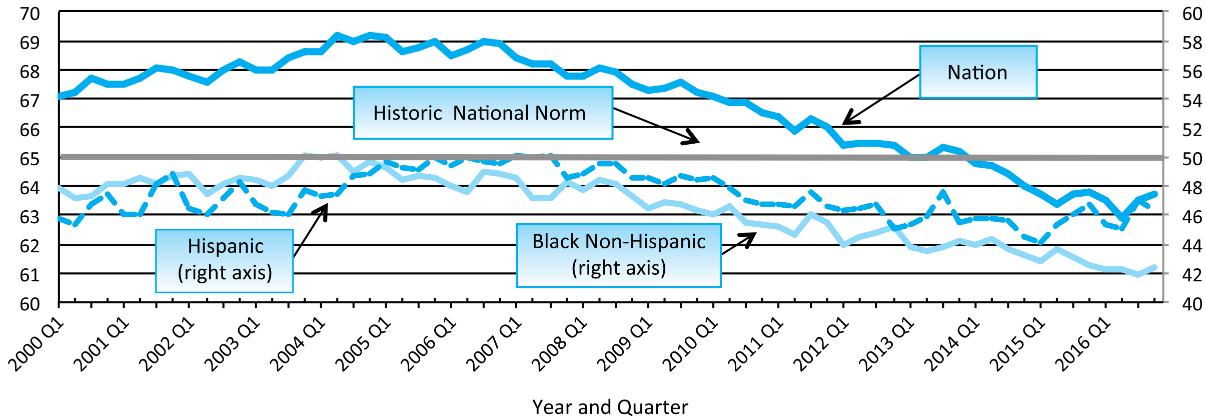
Research at the Federal Reserve Bank of New York points to larger mortgage down payments as a key factor in purchasing a home, with a 20-percent versus a 5-percent down payment making a big difference, particularly for renters. [https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr702.pdf.] 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.

The vacancy rate in the rental market rose for single-family homes but was unchanged for multifamily units. According to the U.S. Census Bureau, the overall vacancy rate in the rental market increased to 6.9 percent from 6.8 percent in the third quarter but was down from 7.0 percent in the fourth quarter of 2015. The single-family rental vacancy rate rose to 6.8 percent from 6.7 percent in the previous quarter but was down from 7.3 percent one year ago. The vacancy rate in the rental market for multifamily units (five or more units in a structure) remained the same in the fourth quarter at 7.4 percent but was up from 7.0 percent the previous year.

Growth in the number of households slowed in the fourth quarter. The number of U.S. households, at 118.6 million, grew 0.7 percent in 2016, down from a pace of 1.2 percent in the previous two years, 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 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 National Homeownership Rate Rose Two Consecutive Quarters

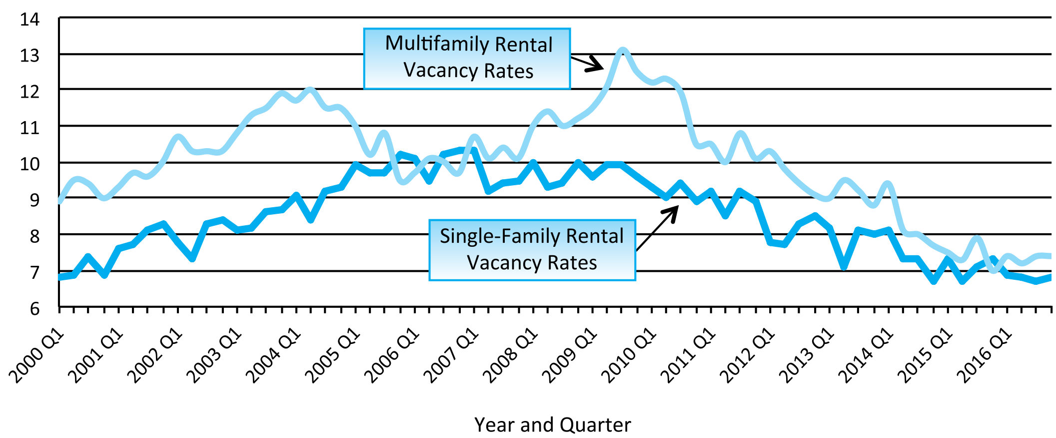
National Homeownership Rates (Percent)



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

The Single-Family Rental Vacancy Rate Rose, While the Multifamily Rate Remained the Same

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)						Q4 2016
Total	1,233	1,174	1,221	5.1% (s)	1.0% (n)	
Single-Family	795	730	733	8.9% (s)	8.5% (s)	
Multifamily (5+)	404	411	455	– 1.8% (n)	– 11.2% (s)	
Housing Starts (SAAR, thousands)						Q4 2016
Total	1,249	1,145	1,135	9.1% (s)	10.1% (s)	
Single-Family	834	758 (r)	755	10.0% (s)	10.5% (s)	
Multifamily (5+)	406	374 (r)	368	8.7% (n)	10.4% (n)	
Under Construction (SAAR, thousands)						Q4 2016
Total	1,063	1,031 (r)	976	3.1% (s)	8.9% (s)	
Single-Family	450	431	419	4.4% (s)	7.4% (s)	
Multifamily (5+)	602	589 (r)	546	2.2% (n)	10.3% (s)	
Housing Completions (SAAR, thousands)						Q4 2016
Total	1,127	1,032 (r)	997	9.2% (s)	13.1% (s)	
Single-Family	763	734 (r)	663	4.0% (n)	15.1% (s)	
Multifamily (5+)	355	289	323	22.8% (s)	10.0% (n)	
New Homes for Sale (SA)						Q4 2016
Inventory (thousands)	256	242 (r)	235	5.8% (s)	8.9% (s)	
Months' Supply (months)	5.7	5.1 (r)	5.2	11.8% (n)	9.6% (n)	
Existing Homes for Sale						Q4 2016
Inventory (NSA, thousands)	1,650	2,030	1,760	– 18.7% (u)	– 6.3% (u)	
Months' Supply (months)	3.6	4.5	3.9	– 20.0% (u)	– 7.7% (u)	
Manufactured Home Shipments (SAAR, thousands)	90.3	76.0	76.0	18.9% (u)	18.9% (u)	Q4 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

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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)						Q4 2016
New Homes Sold (thousands)						
Single-Family	559	583 (r)	508	– 4.1% (n)	10.1% (s)	
Existing Homes Sold (thousands)						
Single-Family, Townhomes, Condos, Co-ops	5,547	5,380 (r)	5,180	3.1% (u)	7.1% (u)	
Condos and Co-ops	640	617 (r)	617	3.8% (u)	3.8% (u)	
First-Time Buyers (%)	32	32	31	0 (u)	1 (u)	
Investor Sales (%)	13	13	15	1 (u)	– 1 (u)	
Home Sales Prices						Q4 2016
Median ($)						
New Homes	308,500	311,700 (r)	308,100	– 1.0% (u)	0.1% (u)	
Existing Homes	233,933	239,467 (r)	220,767	– 2.3% (u)	6.0% (u)	
Repeat-Sales Home Price Indices						
FHFA (SA)	238.1	234.6 (r)	224.3	1.5% (u)	6.2% (u)	
CoreLogic Case-Shiller (SA)	185.8	181.6 (r)	175.9	2.3% (u)	5.6% (u)	
Housing Affordability						Q4 2016
Composite Index	166.2	163.6 (r)	168.1	1.6% (u)	– 1.1% (u)	
Fixed Index	165.8	163.1 (r)	167.2	1.9% (u)	– 0.6% (u)	
National Average Mortgage Interest Rate (%)	3.9	3.8	4.1	0.1 (u)	– 0.2 (u)	
Median-Priced Existing Single-Family Home ($)	235,033	241,300 (r)	222,300	– 2.6% (u)	5.7% (u)	
Median Family Income ($)	70,831	70,306	69,110	0.7% (u)	2.5% (u)	
Rental Affordability						
HUD's Rental Affordability Index	117.4	119.6 (r)	115.9	– 1.8% (u)	1.3% (u)	Q4 2016
Multifamily Housing						
Apartments						
Completed Previous Quarter (thousands)	73.8	62.1 (r)	83.6	18.9% (s)	– 11.7% (s)	Q3 2016
Leased Current Quarter (%)	59	53	59	6 (s)	0 (n)	Q4 2016
Median Asking Rent ($)	1,508	1,423 (r)	1,346	6.0% (n)	12.0% (s)	
Condos and Co-ops						
Completed Previous Quarter (thousands)	6.1	3.3 (r)	4.3	87.9% (s)	42.9% (n)	Q3 2016
Sold Current Quarter (%)	74	64 (r)	50	10 (n)	23 (s)	Q4 2016
Median Asking Price ($)	473,336	584,473 (r)	329,174	– 19.0% (n)	43.8% (n)	
Manufactured Home Placements (sales at SAAR, thousands)						
Shipped Previous Quarter (thousands)	76.0	78.0	70.3	– 2.6% (u)	8.1% (u)	Q3 2016
Sold Current Quarter (%)[1]	73.0	65.9	67.9	7.1 (s)	5.1 (u)	Q4 2016
Builders' Views of Market Activity (Composite Index)	65	61	65	7.1% (u)	0.0% (u)	Q4 2016

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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 (%)						Q4 2016
30-Year Fixed Rate	3.81	3.45	3.90	0.36 (u)	– 0.09 (u)	
15-Year Fixed Rate	3.07	2.75	3.13	0.32 (u)	– 0.06 (u)	
5-Year ARM[2]	3.02	2.77	2.98	0.25 (u)	0.04 (u)	
Mortgage Delinquency Rates (%)						Q4 2016
All Loans Past Due (SA)	4.80	4.52	4.77	0.28 (u)	0.03 (u)	
Loans 90+ Days Past Due (SA)	1.54	1.42	1.61	0.12 (u)	– 0.07 (u)	
Seriously Delinquent (90+ Days & in FC, NSA)	3.13	2.96	3.44	0.17 (u)	– 0.31 (u)	
FHA Market Share[3]						Q3 2016
Dollar Volume (%)						
All Loans	13.0	12.8	16.5	0.2 (u)	– 3.5 (u)	
Purchase	17.2	16.6	18.2	0.6 (u)	– 1.0 (u)	
Refinance	8.3	8.3	13.5	0.0 (u)	– 5.2 (u)	
Loan Count (%)						
All Loans	16.6	16.6	20.2	0.0 (u)	– 3.6 (u)	
Purchase	21.7	21.5	22.9	0.2 (u)	– 1.2 (u)	
Refinance	10.6	10.8	15.7	– 0.2 (u)	– 5.1 (u)	
FHA Mortgage Insurance (thousands)[4]						Q3 2016
Applications Received	460.0	498.4	436.9	– 7.7% (u)	5.3% (u)	
Endorsements	362.3	317.1	379.8	14.3% (u)	– 4.6% (u)	
Purchase	256.8	225.1	267.2	14.1% (u)	– 3.9% (u)	
Refinance	105.5	92.0	112.6	14.7% (u)	– 6.3% (u)	
Private and VA Mortgage Insurance (thousands)						
PMI Certificates[5]						
Veterans Affairs Guarantees	232.3	144.2	144.2	61.1% (u)	61.1% (u)	Q4 2016
Residential Fixed Investment (SA real annual growth rate, %)	9.6	– 4.1 (r)	11.5	13.7 (u)	– 1.9 (u)	Q4 2016
GDP (SA real annual growth rate, %)	1.9	3.5 (r)	0.9	– 1.6 (u)	1.0 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	0.35	– 0.16 (r)	0.40	0.51 (u)	– 0.05 (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.

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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 (%)						Q4 2016
Overall	63.7	63.5	63.8	0.2 (n)	– 0.1 (n)	
Non-Hispanic						
White	72.2	71.9	72.2	0.3 (n)	0.0 (n)	
Black	42.4	41.9	42.5	0.5 (n)	– 0.1 (n)	
Other Race	56.4	55.6	55.4	0.8 (n)	1.0 (n)	
Two or More Races	49.9	49.4	51.5	0.5 (n)	– 1.6 (n)	
Hispanic	46.3	47.0	46.7	– 0.7 (n)	– 0.4 (n)	
Vacancy Rates (%)						Q4 2016
Homeowner	1.8	1.8	1.9	0.0 (n)	– 0.1 (n)	
Rental	6.9	6.8	7.0	0.1 (n)	– 0.1 (n)	
Single-Family	6.8	6.7	7.3	0.1 (n)	– 0.5 (n)	
Multifamily (5+)	7.4	7.4	7.0	0.0 (n)	0.4 (n)	
Housing Stock (thousands)						Q4 2016
All Housing Units	135,884	135,679	135,064	0.2% (u)	0.6% (u)	
Owner-Occupied	75,604	75,339	75,234	0.4% (n)	0.5% (n)	
Renter-Occupied	43,038	43,256	42,604	– 0.5% (n)	1.0% (n)	
Vacant	17,242	17,084	17,225	0.9% (n)	0.1% (n)	
Year-Round Vacant	12,940	12,870	13,021	0.5% (n)	– 0.6% (n)	
For Rent	3,215	3,216	3,235	0.0% (n)	– 0.6% (n)	
For Sale	1,400	1,353	1,447	3.5% (n)	– 3.2% (n)	
Rented or Sold, Awaiting Occupancy	993	1,177	1,015	– 15.6% (s)	– 2.2% (n)	
Held Off Market	7,332	7,125	7,325	2.9% (n)	0.1% (n)	
Occasional Use	2,170	2,046	2,026	6.1% (n)	7.1% (s)	
Occupied—URE	1,472	1,317	1,417	11.8% (s)	3.9% (n)	
Other	3,690	3,762	3,882	– 1.9% (n)	– 4.9% (s)	
Seasonal Vacant	4,302	4,213	4,203	2.1% (n)	2.4% (n)	
Households (thousands)						Q4 2016
Total	118,643	118,596	117,838	0.0% (n)	0.7% (s)	

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