HUD PD&R
National Housing Market Summary

Housing Market Indicators Overall Showed Less Progress in the Third Quarter

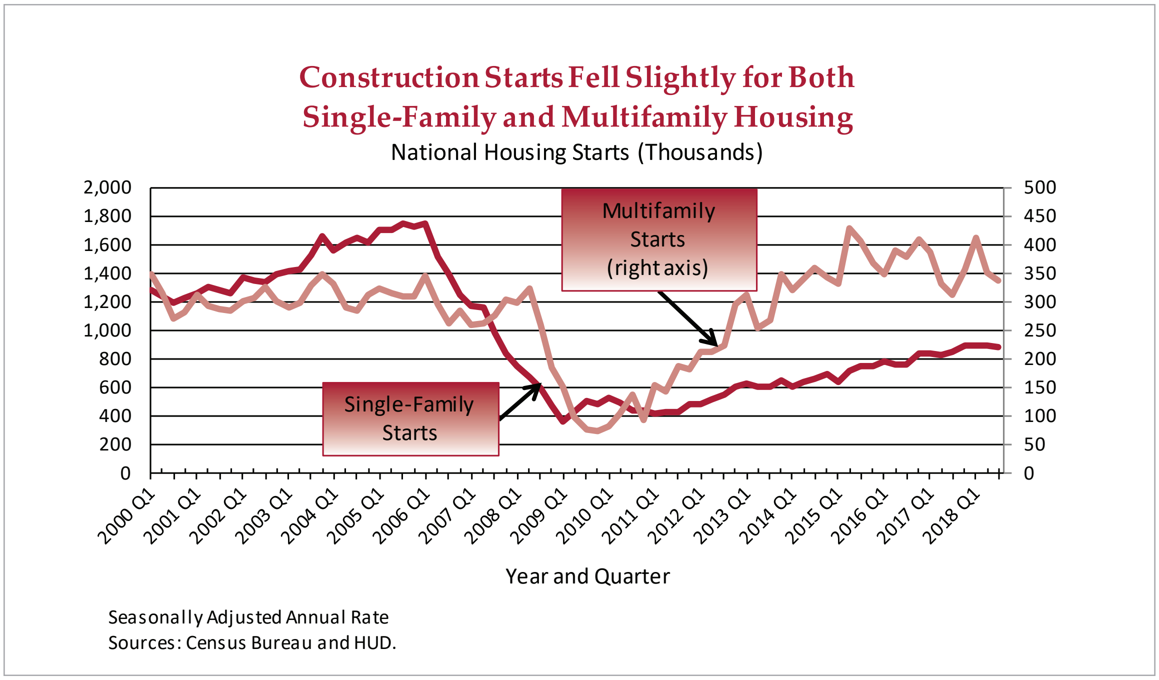
Housing market activity continued to soften in the third quarter of 2018. Construction starts fell slightly for both single-family and multifamily housing. Home purchases continued to decline for both new single-family homes and previously-owned (existing) homes, while the months' supply of homes for sale continued to rise 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 annual house price gains slowing in the third quarter.

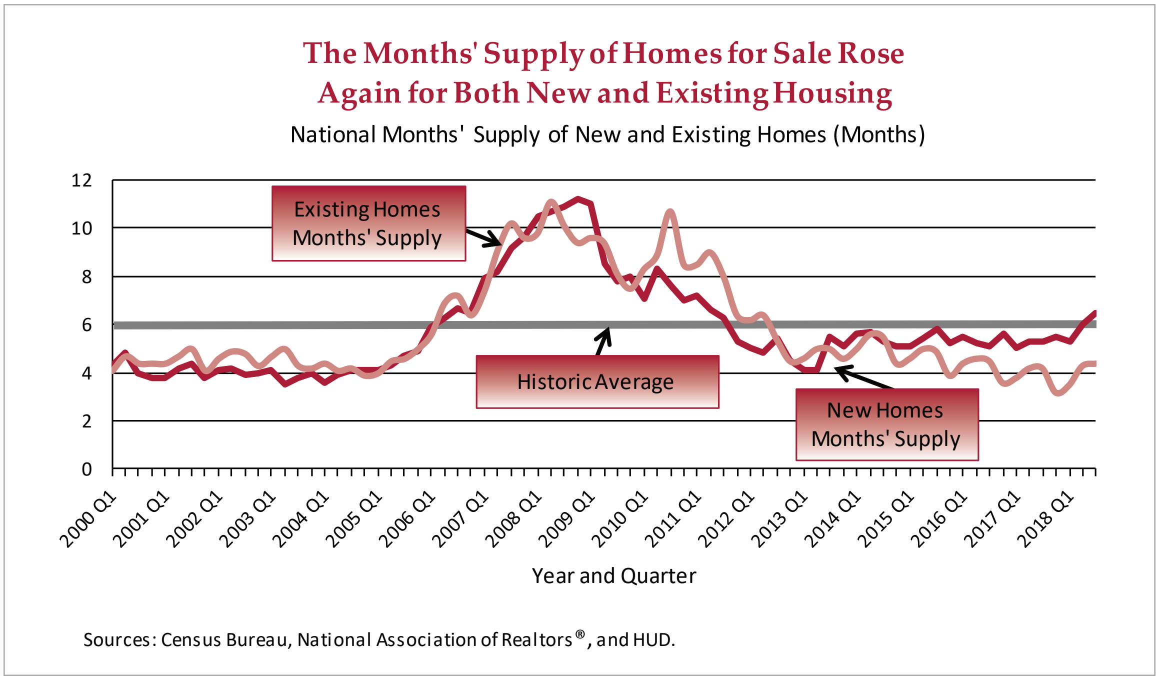
Based on its National Delinquency Survey, the Mortgage Bankers Association (MBA) reported that the overall delinquency rate increased in the third quarter from the impact of Hurricane Florence and Tropical Storm Gordon in the South in September. The national homeownership rate continued to rise, and ATTOM Data Solutions reported that both newly initiated and completed foreclosures fell. According to the Bureau of Economic Analysis' second estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 3.5 percent, following a 4.2-percent gain in the second quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, fell 2.6 percent following a 1.3-percent decline in the second quarter and decreased real GDP growth by 0.10 percentage point following a 0.05-percentage-point loss in the second quarter.

Housing Supply

Construction starts on both single-family and multifamily homes fell slightly. Housing starts on single-family homes, at 877,000 units (SAAR) in the third quarter of 2018, fell 2 percent from the previous quarter but were up 3 percent from the previous year. The pace of single-family housing starts is now 68 percent of the average annual rate (AR) of 1.29 million units in the years from 2000 to 2002, before the housing bubble began. Multifamily housing starts, at 338,000 units (SAAR) in the third quarter, were down 4 percent from the previous quarter but up 9 percent from the previous year. The pace during the period prior to the housing bubble (2000–2002) was 300,000 units (AR). Single-family housing starts were slow to bounce back during the housing recovery, but their share of the market is now at their historic average. The share of single-family housing starts was 72 percent in the second quarter of 2018, with the share of multifamily starts at 28 percent. New construction of single-family and multifamily housing historically has averaged respective market shares of 72 and 24 percent, with two- to four-unit structures making up the rest of the market. The share of single-family housing starts had fallen to a low of 62 percent in the second quarter of 2015 from 80 percent in the years before the housing bubble (2000—2002). In contrast, because of a relatively strong rental market during the recovery period, the share of multifamily starts had grown from 18 to 37 percent during the same period.

The months' supply of homes on the market rose for both new and previously-owned homes. The listed inventory of new homes for sale at the end of the third quarter was 322,000 units (SA), a drop of 5 percent from the previous quarter. With a decline in new home sales in the third quarter, the supply of homes on the market would support 6.5 months of sales at the current sales pace, up from 6.0 months in the previous quarter and 5.3 months the previous year. The listed inventory of existing homes for sale, at 1.88 million units, was down 3 percent from the second quarter. With the slowing of existing homes sales, the inventory represents a 4.4-month supply, up slightly from 4.3 months at the end of the second quarter and 4.2 months one year ago. The long-term average for months' supply of homes on the market is about 6.0 months. An increase in inventories would improve sales because the low level of inventories has been an impediment to a stronger housing market recovery.





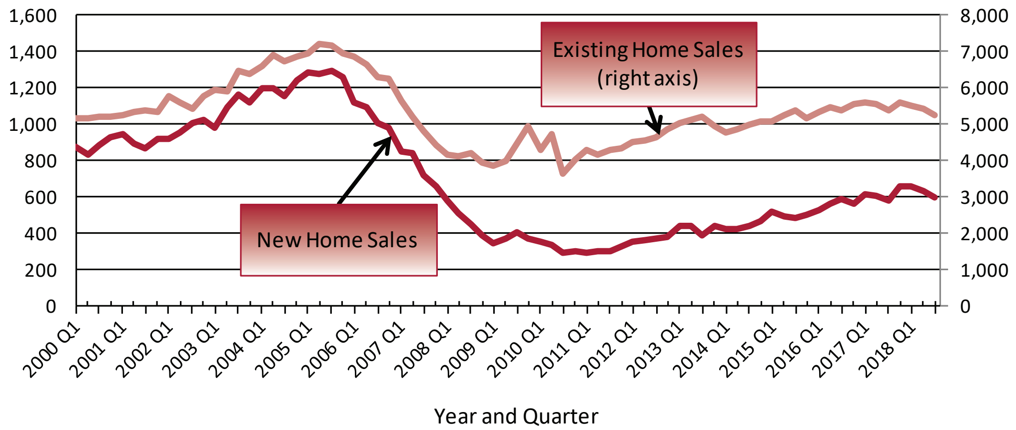
Housing Demand

Sales fell for both new and existing housing. Purchases of new single-family homes, at 598,000 units (SAAR) in the third quarter, dropped 5 percent from the previous quarter but increased 2 percent over the third quarter of 2018. The average annual pace of new home sales was 561,000 in 2016 and 613,000 in 2017. The National Association of Realtors® (NAR) reported that existing homes—including single-family homes, townhomes, condominiums, and cooperatives—sold at a pace of 5.27 million (SAAR) in the third quarter, down 3 percent from the previous quarter and 2 percent from year-ago levels. Previously-owned homes sold at an average annual pace of 5.45 million in 2016 and 5.51 million in 2017. Sales to first-time buyers accounted for 32 percent of all sales transactions in the third quarter, the same as in the second quarter and well below the historic norm of 39 percent. The weakness in sales reflects more stringent bank lending standards, low sales inventory, slow growth in income relative to house prices, and rising interest rates. Historically, existing home sales accounted for 85 percent of the market, with new home sales representing the remaining 15 percent. The share of existing home sales began to rise in 2007 and is currently 90 percent of the market, with the share of new home sales dropping to 10 percent. In terms of overall 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 since 2011 when it reached 14 to 1.

Year-over-year house price increases slowed. The FHFA (SA) purchase-only repeat-sales house price index showed U.S. home prices appreciating at a 1.3-percent rate in the third quarter, the same as in the previous quarter. House prices rose at a 6.3-percent annual pace, much lower than the 6.8 percent annual gain in the second quarter. The CoreLogic Case-Shiller (SA) national repeat-sales house price index estimated an 0.8-percent rise in house prices for the third quarter, down from a 1.1-percent gain the previous quarter. House prices rose over the four-quarter period by 5.7 percent, down notably from the previous quarter's 6.3-percent annual return. House prices continue to increase faster than inflation, which registered an annual pace of 2.6 percent over the same four-quarter period. According to both indices, house prices peaked during the bubble in the first quarter of 2007. The FHFA index indicates that home prices are 17.4 percent above their previous peak, whereas the CoreLogic Case-Shiller index shows home values are 10.4 percent above their previous high point. The two indices differ 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. According to NAR, distressed sales, which tend to sell at lower prices, accounted for 3 percent of

Sales Fell for Both New and Existing Homes

National Home Sales (Thousands)



Seasonally Adjusted Annual Rates

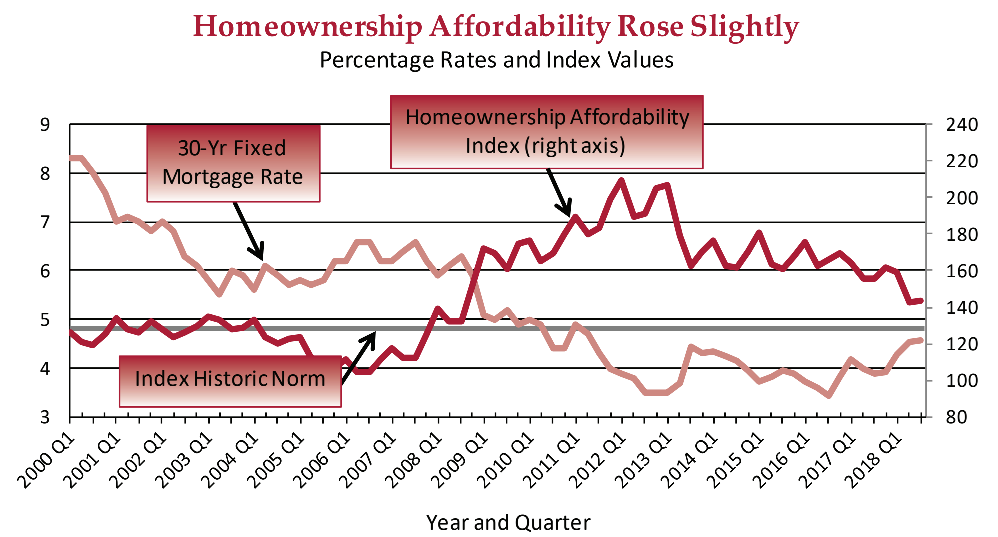
Sources: Census Bureau, HUD, and National Association of Realtors®.

all existing home sales, down slightly from 4 percent one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 13 percent of existing home sales, down slightly from 14 percent one year ago.

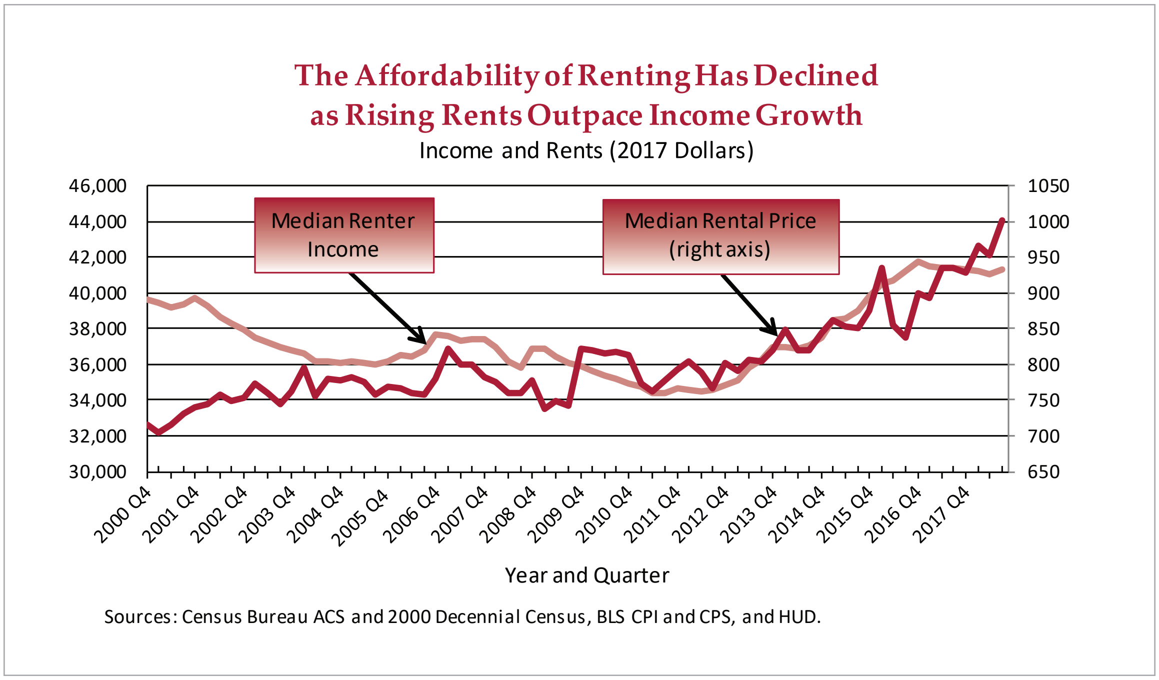
The absorption rate rose for new apartments but fell for new condominiums and cooperatives. Of newly completed condominiums and cooperatives in the second quarter, 71 percent sold within 3 months, down slightly from 72 percent in the previous quarter and 74 percent one year ago. Of new apartments completed in the second quarter, 57 percent were leased within the ensuing 3 months, up from 54 percent in both the previous quarter and a year earlier.

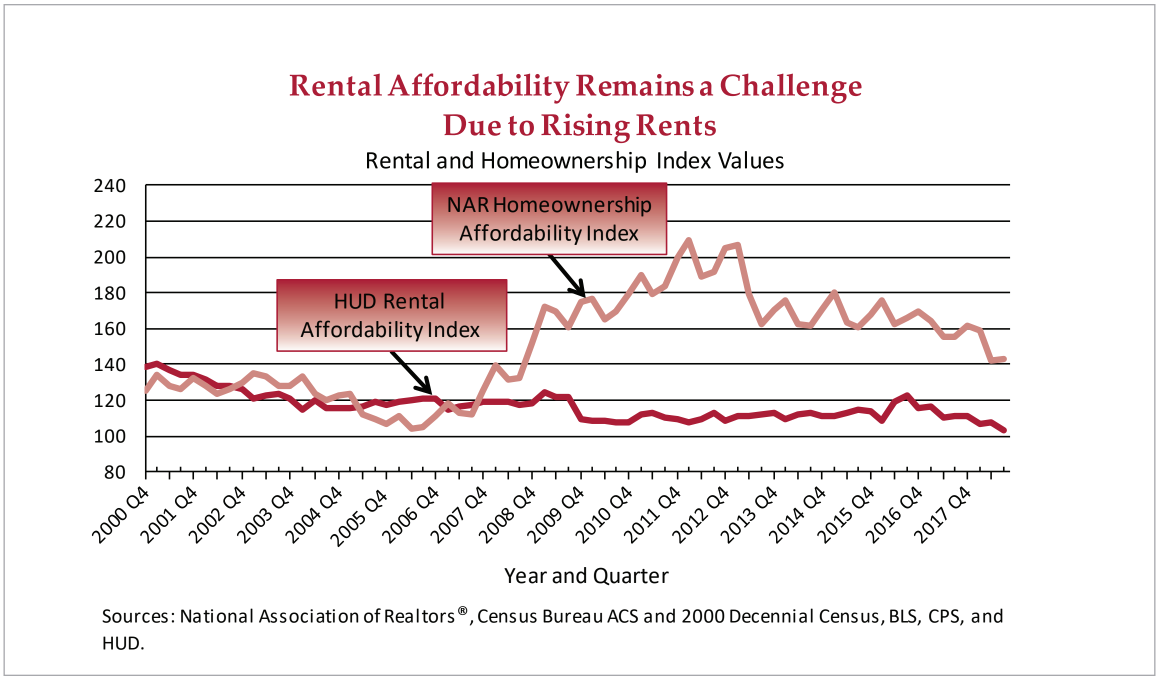
The affordability of purchasing a home rose slightly. The NAR Composite Housing (Homeownership) Affordability Index increased 0.4 percent to 143.1 in the third quarter from 142.4 in the previous quarter but was down 8 percent from a year earlier. The third-quarter advance in the ability to purchase a home resulted from a decline in the median price of a single-family home and an increase in Median Family Income, which more than offset an increase in the national average interest rate. The homeownership affordability index peaked in the first quarter of 2012, at 209.0, and fell sharply through the third quarter of 2013 as home prices climbed and mortgage rates rose. Moderate changes in mortgage rates and fluctuating median house prices caused the series to oscillate between the third quarter of 2013 and the third quarter of 2016; since then, affordability has remained at lower levels, as interest rates have risen. The NAR Composite Affordability Index for the third quarter is still above its historic norm of 128, however. NAR's Housing Affordability Index is a measure of the ability of the median-income family to purchase a median-priced home under current underwriting standards.

The affordability of renting a home declined in the third quarter to its lowest level since first recorded at the end of 2000. HUD's Rental Affordability Index, at 103.2 in the third quarter, fell 4.3 percent from the previous quarter and was down 6.9 percent over the four-quarter period. The drop in the affordability of renting a home resulted from a 5.1-percent advance in the real, or inflation-adjusted, median price of a rental home, which was offset only slightly by a 0.6-percent increase in the inflation-adjusted median income of a renter household. After improving modestly from the end of 2010 through the end of 2017, rental affordability reached a new low point in the third quarter of 2018 and is now down 26 percent from the first quarter of 2001. In contrast, the affordability of purchasing a home rose 100 percent from its low in mid-2006 to its peak in the beginning of 2012 and has declined 32 percent since. The gap between the ability of a family with median income to purchase a home and the ability of a renter household with median income to lease a home peaked in 2012 and has fallen 61 percent since.



The historical norm of 128 is the median value of the affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.


The Affordability of Renting Has Declined
as Rising Rents Outpace Income Growth
Income and Rents (2017 Dollars)
Median Renter Income
Median Rental Price (right axis)
46,000
44,000
42,000
40,000
38,000
36,000
34,000
32,000
30,000
1050
1000
950
900
850
800
750
700
650
2000 Q4
2001 Q4
2002 Q4
2003 Q4
2004 Q4
2005 Q4
2006 Q4
2007 Q4
2008 Q4
2009 Q4
2010 Q4
2011 Q4
2012 Q4
2013 Q4
2014 Q4
2015 Q4
2016 Q4
2017 Q4
Year and Quarter
Sources: Census Bureau ACS and 2000 Decennial Census, BLS CPI and CPS, and HUD.

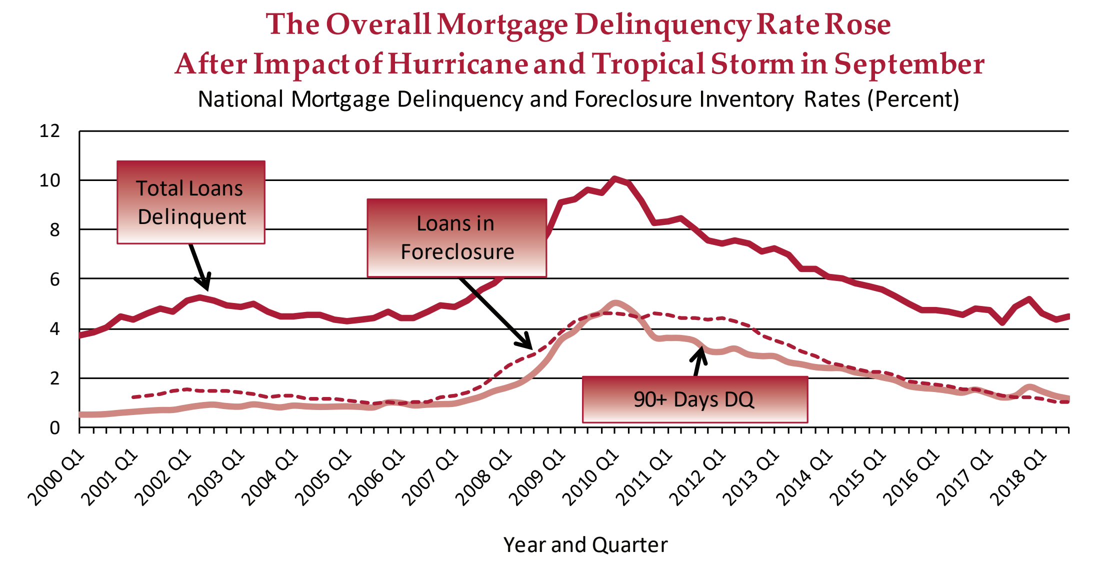

Rental Affordability Remains a Challenge
Due to Rising Rents
Rental and Homeownership Index Values
NAR Homeownership Affordability Index
HUD Rental Affordability Index
240
220
200
180
160
140
120
100
80
2000 Q4
2001 Q4
2002 Q4
2003 Q4
2004 Q4
2005 Q4
2006 Q4
2007 Q4
2008 Q4
2009 Q4
2010 Q4
2011 Q4
2012 Q4
2013 Q4
2014 Q4
2015 Q4
2016 Q4
2017 Q4
Year and Quarter
Sources: National Association of Realtors®, Census Bureau ACS and 2000 Decennial Census, BLS, CPS, and HUD.

Housing Finance and Investment

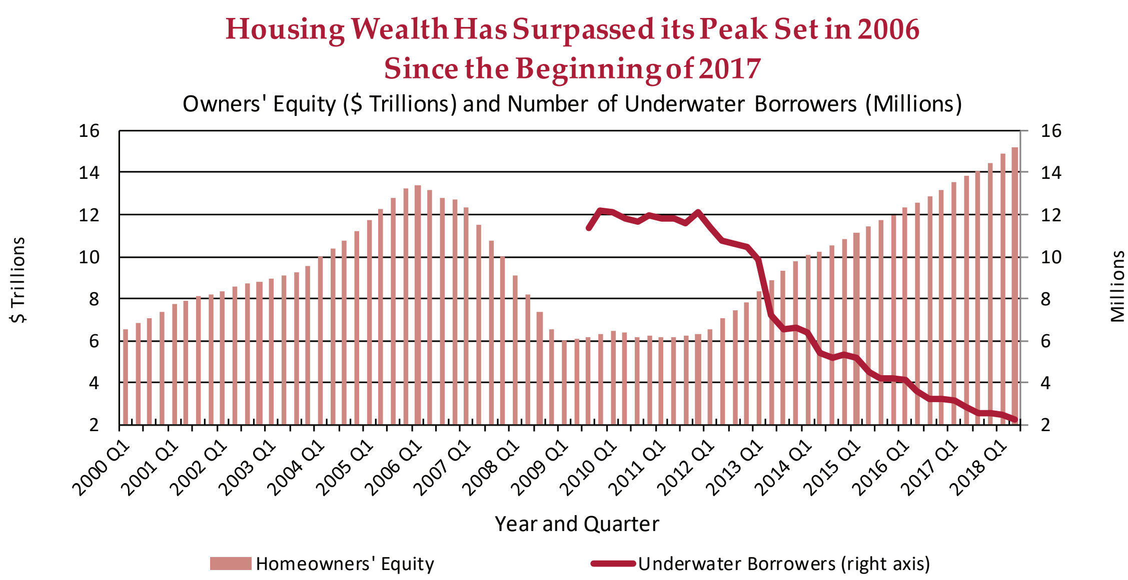
Mortgage delinquencies were up slightly in the third quarter. The delinquency rate on mortgages of one- to four-unit residential properties increased to a seasonally adjusted rate of 4.47 percent from 4.36 percent in the second quarter of 2018 but was down from 4.88 percent one year ago, according to data from MBA's quarterly National Delinquency Survey. States in the South adversely affected by Hurricane Florence and Tropical Storm Gordon in September experienced significant increases in delinquencies. The historic average of the overall delinquency rate is 5.36 percent. Mortgage delinquency rates rose for all loan types—conventional, FHA, and VA—compared to the second quarter. The conventional delinquency rate increased from 3.45 percent to 3.56 percent; the FHA delinquency rate increased from 8.70 percent to 8.96 percent; and the VA delinquency rate rose from 3.97 percent to 4.16 percent. Seriously delinquent loans for all loan types (those 90 or more days delinquent or in the foreclosure process) declined to 2.13 percent from 2.30 percent in the second quarter and 2.52 percent one year ago. The foreclosure starts rate, at 0.23 percent of active loans, was down from 0.24 percent in the previous quarter and 0.25 percent one year ago. Foreclosure starts are now 22 basis points below their historic average of 0.45 percent and are at their lowest rate since the fourth quarter of 1985. The percentage of loans in the foreclosure process at the end of the third quarter was 0.99 percent, down from 1.05 percent in the previous quarter and 1.23 percent one year ago. This was the lowest foreclosure inventory rate since the second quarter of 2006. Foreclosure inventory is below its historic norm of 1.5 percent and is down to 21 percent of its peak in the fourth quarter of 2010 (4.64 percent), during the worst of the crisis. Note that storm-related foreclosure moratoria play a large role in keeping foreclosure starts and foreclosure inventory at bay. While forbearance is in place for many borrowers affected by storms, MBA's survey asks servicers to report loans as delinquent if the payment was not made based on the original terms of the mortgage, regardless of any forbearance plans in place.

Newly initiated and completed foreclosures declined. ATTOM Data Solutions reported that foreclosure starts—default notices or scheduled foreclosure auctions, depending on the state—were filed for the first time on 91,850 U.S. properties in the third quarter, down 6 percent from the previous quarter and 2 percent over the four-quarter period. The pre-crisis average of foreclosure starts in 2005 and 2006 was 156,800 per quarter. Lenders completed the foreclosure process (bank repossessions or REO [real estate owned] properties) on 51,500 U.S. properties in the third quarter, down 24 percent from the previous quarter and 8 percent from one year ago. This is the fifth consecutive quarter that foreclosure completions fell below their pre-crisis (2005 and 2006) average of 69,400 per quarter. Foreclosure completions had remained relatively high in states where a backlog of distressed properties was being resolved.

Homeowners' equity had another sharp increase, while the number of underwater borrowers continued to decline in the second quarter. The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose $320 billion in the second quarter of 2018 (the data are reported with a lag), to nearly $15.2 trillion. During the housing bubble, equity peaked at $13.4 trillion in the first quarter of 2006. Owners' equity has grown by nearly $8.9 trillion since the beginning of 2012, when it first began to show fairly strong gains after the Great Recession. The increase in home equity reflects house price appreciation, fewer distressed borrowers, and increased principal repayment, with house price gains the largest explanatory factor. According to CoreLogic®, 2.24 million homes, or 4.3 percent, of residential properties with a mortgage were under water in the second quarter (the data are reported with a lag), down from 2.46 million, or 4.7 percent, in the first quarter and 2.81 million, or 5.4 percent, one year prior. CoreLogic® estimates that the number of underwater homes declined by 565,000, or 20 percent, compared with one 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 more than 81 percent—from 12.1 to 2.2 million—or by 9.9 million homeowners. The decline in the number of homes in negative equity puts more homeowners in a position to sell their home and could help ease the current low level of homes for sale.



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®.

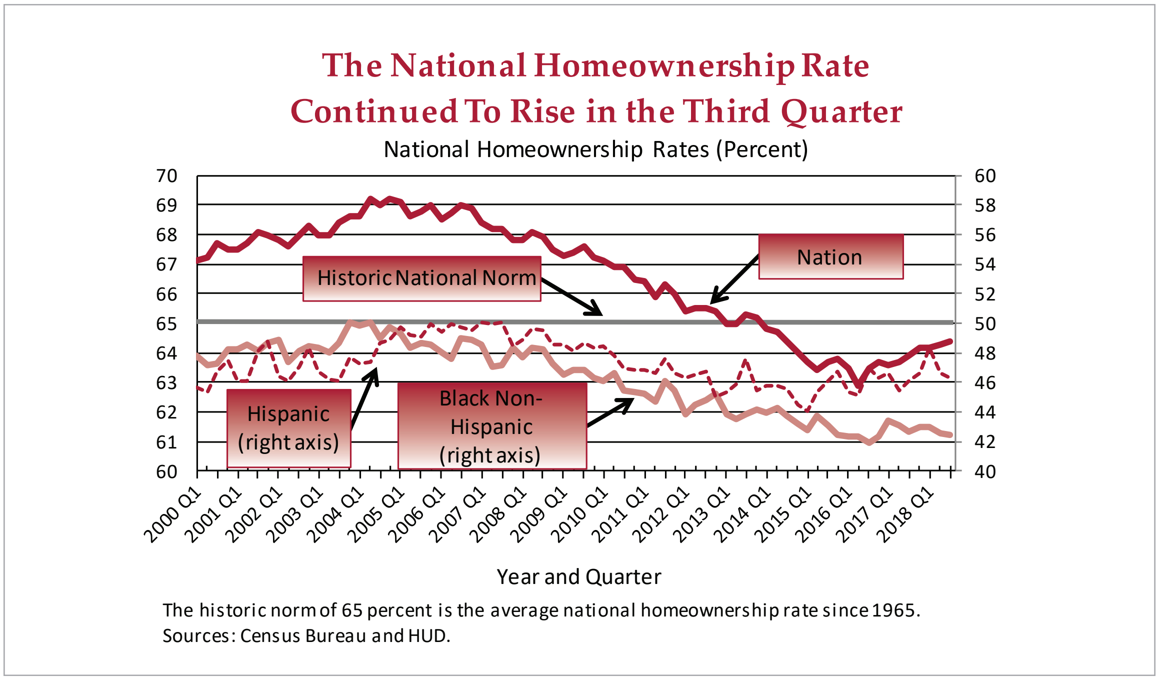
Homeownership and Housing Vacancy

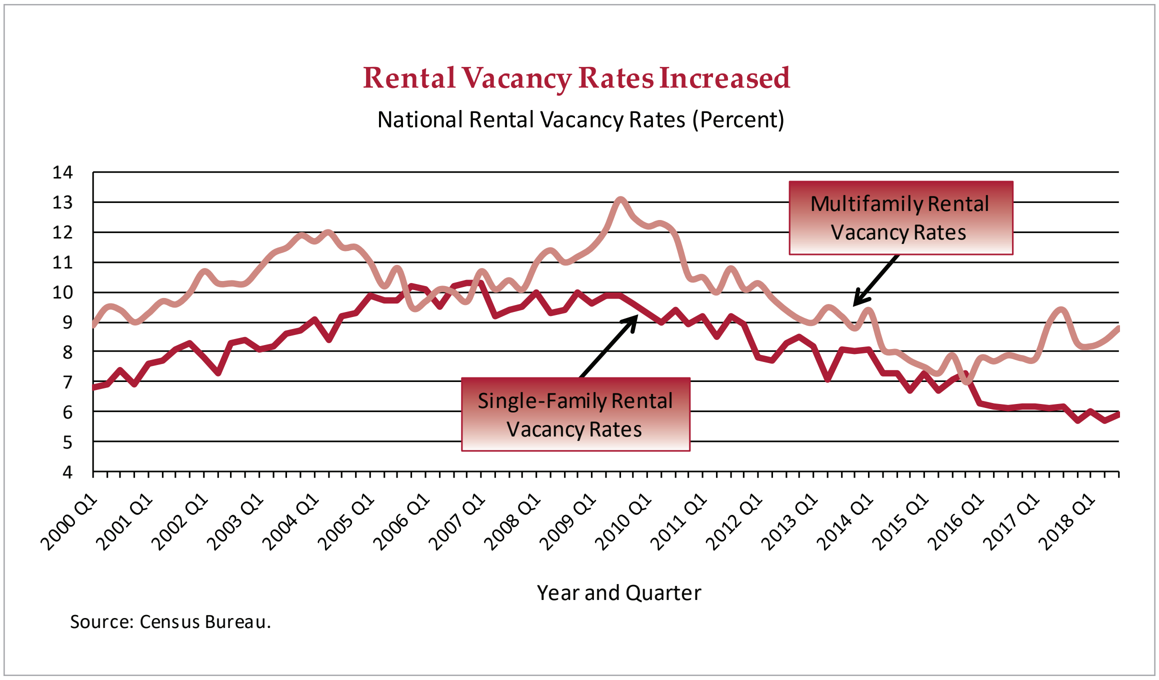
The U.S. homeownership rate increased for a second consecutive quarter. The national homeownership rate rose to 64.4 percent in the third quarter of 2018 from 64.3 in the second quarter and was up from 63.9 percent one year ago. The homeownership rate peaked at 69.2 percent in the second and fourth quarters of 2004 and fell as a result of the Great Recession, reaching a low of 62.9 percent the second quarter of 2016—the lowest rate since 1965. The national homeownership rate declined for seven straight quarters starting with the fourth quarter of 2013 and fluctuated for several quarters before beginning to rise in the second quarter of 2017. It has either remained the same or risen since. For the third quarter of 2018, the homeownership rate for White non-Hispanic households advanced to 73.1 percent from 72.9 percent; for Black non-Hispanic households, the rate dropped to 42.5 percent from 42.6 percent; and for Hispanic households, the rate fell to 46.3 percent from 46.6 percent. The homeownership rate increased to 59.3 percent for other-race non-Hispanic households but fell to 50.2 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, low inventories of homes for sale, slow income growth relative to house prices, rising mortgage rates, and restrictive credit markets have affected homeownership.

A 2018 NAR annual survey of homebuyers revealed that the share of homebuyers making their first purchase decreased to 33 percent from 34 percent in 2017. The annual survey may somewhat overstate the share of first-time homebuyers, however, because the annual survey represents owner-occupants, and few investors respond to the survey as absentee owners. The historic norm for sales to first-time buyers is 39 percent. Numerous studies have found that both high debt-to-income ratios for young adults burdened with student loans and tighter credit and lending standards are key factors in keeping the homeownership rate relatively low for young adults. More than 11 years have passed since the foreclosure crisis began in 2007. Over the last four and one-half years, those who lost their home to foreclosure earlier on in the crisis are positioned to reenter the housing market as the record of the foreclosure is removed from their credit history after seven years. The current tight credit environment, rising interest rates, and higher home prices have prevented some from reentering the housing market, however.

The rental market vacancy rate rose for both single-family and multifamily housing. According to the U.S. Census Bureau, the overall vacancy rate in the rental market advanced to 7.1 percent in the third quarter from 6.8 percent the previous quarter but was down from 7.5 percent in the third quarter of 2017. The single-family rental vacancy rate increased to 5.9 percent from 5.7 percent in the second quarter but was down from 6.2 percent one year ago. Vacancies in the rental market for multifamily units (five or more units in a structure) rose to 8.8 percent from 8.4 percent in the second quarter but were down from 9.4 percent a year earlier. In addition to single-family and multifamily homes, the overall vacancy rate includes homes with two-to-four units in a structure.

The number of households increased in the third quarter of 2018. The number of U.S. households rose to 121.4 million in the third quarter of 2018 from 121.2 million in the previous quarter and has grown 1.0 percent so far this year according to the Census Bureau's CPS/HVS (Current Population Survey/Housing Vacancy Survey). Household formation fell to an 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 Great Recession, young people were slow to form households, which led to an average annual growth rate of only 0.7 percent from 2010 to 2013. The pace picked up in 2014 and 2015, with an average annual growth rate of 1.1 percent, but fell to 0.9 percent for both 2016 and 2017.


The National Homeownership Rate
Continued To Rise in the Third Quarter
National Homeownership Rates (Percent)
Nation
Historic National Norm
Hispanic (right axis)
Black Non-Hispanic (right axis)
Year and Quarter
The historic norm of 65 percent is the average national homeownership rate since 1965.
Sources: Census Bureau and HUD.


Rental Vacancy Rates Increased
National Rental Vacancy Rates (Percent)
Multifamily Rental Vacancy Rates
Single-Family Rental Vacancy Rates
Year and Quarter
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 2018
Total	1,274	1,319		1,271	– 3.4%	(s)	0.3%	(n)	
Single-Family	851	853		817	– 0.2%	(n)	4.2%	(s)	
Multifamily (5+)	388	429		416	– 9.5%	(n)	– 6.6%	(n)	
Housing Starts (SAAR, thousands)									Q3 2018
Total	1,225	1,261	(r)	1,172	– 2.9%	(n)	4.5%	(n)	
Single-Family	877	896	(r)	849	– 2.0%	(n)	3.3%	(n)	
Multifamily (5+)	338	351	(r)	310	– 3.7%	(n)	8.8%	(n)	
Under Construction (SA, thousands)									Q3 2018
Total	1,131	1,120	(r)	1,089	1.0%	(n)	3.9%	(s)	
Single-Family	522	518	(r)	478	0.8%	(n)	9.2%	(s)	
Multifamily (5+)	597	590	(r)	601	1.2%	(n)	– 0.7%	(n)	
Housing Completions (SAAR, thousands)									Q3 2018
Total	1,191	1,241	(r)	1,125	– 4.0%	(n)	5.9%	(n)	
Single-Family	870	846	(r)	792	2.8%	(n)	9.9%	(n)	
Multifamily (5+)	315	384	(r)	327	– 18.0%	(n)	– 3.8%	(n)	
New Homes for Sale (SA)									Q3 2018
Inventory (thousands)	322	308	(r)	280	4.5%	(s)	15.0%	(s)	
Months' Supply (months)	6.5	6.0	(r)	5.3	8.3%	(n)	22.6%	(s)	
Existing Homes for Sale									Q3 2018
Inventory (NSA, thousands)	1,880	1,930	(r)	1,860	– 2.6%	(u)	1.1%	(u)	
Months' Supply (months)	4.4	4.3	(r)	4.2	2.3%	(u)	4.8%	(u)	
Manufactured Home Shipments (SAAR, thousands)	93.0	97.3	(r)	86.7	– 4.4%	(u)	7.3%	(u)	Q3 2018

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.

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 2018
New Homes Sold (thousands)						
Single-Family	598	633 (r)	584	– 5.5% (n)	2.5% (n)	
Existing Homes Sold (thousands)						
Single-Family, Townhomes, Condos, Co-ops	5,273	5,413	5,403	– 2.6% (u)	– 2.4% (u)	
Condos and Co-ops	583	617	603	– 5.4% (u)	– 3.3% (u)	
First-Time Buyers (%)	32	32	31	0 (u)	1 (u)	
Investor Sales (%)	13	14	14	– 1 (u)	– 1 (u)	
Home Sales Prices						Q3 2018
Median ($)						
New Homes	325,200	315,600 (r)	320,500	3.0% (u)	1.5% (u)	
Existing Homes	263,933	265,600	252,933	– 0.6% (u)	4.3% (u)	
Repeat-Sales Home Price Indices						
FHFA (SA)	263.2	259.9	247.5	1.3% (u)	6.3% (u)	
CoreLogic Case-Shiller (SA)	203.6	201.9 (r)	192.6	0.8% (u)	5.7% (u)	
Homeownership Affordability						Q3 2018
Composite Index	143.1	142.4 (r)	155.7	0.4% (u)	– 8.1% (u)	
Fixed Index	143.1	142.4 (r)	155.6	0.5% (u)	– 8.1% (u)	
National Average Mortgage Interest Rate (%)	4.8	4.7	4.2	0.1 (u)	0.6 (u)	
Median-Priced Existing Single-Family Home ($)	266,867	268,033 (r)	254,733	– 0.4% (u)	4.8% (u)	
Median Family Income ($)	76,608	76,004 (r)	74,129	0.8% (u)	3.3% (u)	
Rental Affordability						
HUD's Rental Affordability Index	103.2	107.8 (r)	110.8	– 4.3% (u)	– 6.9% (u)	Q3 2018
Multifamily Housing						
Apartments						
Completed Previous Quarter (thousands)	78.5	62.0 (r)	76.4	26.6% (s)	2.7% (n)	Q2 2018
Leased Current Quarter (%)	57	54 (r)	54	3.0 (s)	3.0 (n)	Q3 2018
Median Asking Rent ($)	1,580	1,691 (r)	1,601	– 6.6% (s)	– 1.3% (n)	
Condos and Co-ops						
Completed Previous Quarter (thousands)	8.5	4.0	3.3	111.6% (s)	160.9% (s)	Q2 2018
Sold Current Quarter (%)	71	72 (r)	74	– 1.3 (n)	– 3.1 (n)	Q3 2018
Median Asking Price ($)	651,391	575,426 (r)	488,782	13.2% (n)	33.3% (n)	
Manufactured Home Placements (sales at SAAR, thousands)						
Shipped Previous Quarter (thousands)	97.7	106.0	89.7	– 7.8% (u)	8.9% (u)	Q2 2018
Sold Current Quarter (%)[1]	56.7	54.5	66.5	2.2 (n)	– 9.8 (s)	Q3 2018
Builders' Views of Market Activity (Composite Index)	67	69	65	– 1.9% (u)	3.6% (u)	Q3 2018

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.

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 2018
30-Year Fixed Rate	4.57	4.54	3.89	0.03 (u)	0.68 (u)	
15-Year Fixed Rate	4.04	4.01	3.17	0.03 (u)	0.87 (u)	
5-Year ARM[2]	3.88	3.76	3.18	0.12 (u)	0.70 (u)	
Mortgage Delinquency Rates (%)						Q3 2018
All Loans Past Due (SA)	4.47	4.36	4.88	0.11 (u)	– 0.41 (u)	
Loans 90+ Days Past Due (SA)	1.18	1.29	1.30	– 0.11 (u)	– 0.12 (u)	
Seriously Delinquent (90+ Days DQ & in FC, NSA)	2.13	2.30	2.52	– 0.17 (u)	– 0.39 (u)	
FHA Market Share[3]						
Dollar Volume (%)						Q2 2018
All Loans	11.7	12.7	13.2	– 1.0 (u)	– 1.5 (u)	
Purchase	12.8	14.2	14.8	– 1.4 (u)	– 2.0 (u)	
Refinance	8.4	10.2	9.7	– 1.8 (u)	– 1.3 (u)	
Loan Count (%)						
All Loans	14.7	15.6	16.7	– 0.9 (u)	– 2.0 (u)	
Purchase	16.7	17.8	19.2	– 1.1 (u)	– 2.5 (u)	
Refinance	9.9	12.1	11.9	– 2.2 (u)	– 2.0 (u)	
FHA Mortgage Insurance (thousands)[4]						Q3 2018
Applications Received	323.6	362.3	370.9	– 10.7% (u)	– 12.8% (u)	
Endorsements	259.2	252.3	305.1	2.7% (u)	– 15.0% (u)	
Purchase	211.4	202.7	235.8	4.3% (u)	– 10.3% (u)	
Refinance	47.8	49.6	69.3	– 3.6% (u)	– 31.0% (u)	
Private and VA Mortgage Insurance (thousands)						
PMI Certificates[5]	248.6	224.2	244.0	10.9% (u)	1.9% (u)	Q3 2017
Veterans Affairs Guarantees	143.7	148.4	161.0	– 3.2% (u)	– 10.8% (u)	Q2 2018
Residential Fixed Investment (SA real annual growth rate, %)	– 2.6	– 1.3 (r)	– 0.5	– 1.3 (u)	– 2.1 (u)	Q3 2018
GDP (SA real annual growth rate, %)	3.5	4.2	2.8	– 0.7 (u)	0.7 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	– 0.10	– 0.05 (r)	– 0.02	– 0.05 (u)	– 0.08 (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. ARM = adjustable-rate mortgage. DQ = delinquent. FC = foreclosure. FHA = Federal Housing Administration. GDP = Gross Domestic Product. NA = Not Available. PMI = private mortgage insurance. VA = U.S. Department of Veterans Affairs.

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 report; 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] Source: USMI (U.S. Mortgage Insurers), the trade association for the PMI industry. The data represent PMI Certificates issued by five of the six major PMI companies: Essent (Essent Guaranty, Inc.), Genworth (Genworth Mortgage Insurance Corp.), MGIC (Mortgage Guaranty Insurance Corp.), NMI (National Mortgage Insurance Corporation), and Radian (Radian Guaranty Inc.). A sixth major PMI insurer, Arch (Arch Mortgage Insurance Co.), has not been represented since 2Q 2016.

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 2018
Overall	64.4	64.3	63.9	0.1 (n)	0.5 (n)	
Non-Hispanic						
White	73.1	72.9	72.5	– 0.1 (n)	0.6 (s)	
Black	42.5	42.6	42.7	0.8 (n)	– 0.2 (n)	
Other Race	59.3	58.5	57.4	– 2.2 (n)	1.9 (n)	
Two or More Races	50.2	52.4	47.1	– 0.3 (n)	3.1 (n)	
Hispanic	46.3	46.6	46.1	0.0 (n)	0.2 (n)	
Vacancy Rates (%)						Q3 2018
Homeowner	1.6	1.5	1.6	0.1 (n)	0.0 (n)	
Rental	7.1	6.8	7.5	0.3 (n)	– 0.4 (s)	
Single-Family	5.9	5.7	6.2	0.2 (n)	– 0.3 (n)	
Multifamily (5+)	8.8	8.4	9.4	0.4 (n)	– 0.6 (n)	
Housing Stock (thousands)						Q3 2018
All Housing Units	138,585	138,313	137,494	0.2% (u)	0.8% (u)	
Owner-Occupied	78,093	77,911	76,593	0.2% (n)	2.0% (s)	
Renter-Occupied	43,261	43,329	43,201	– 0.2% (n)	0.1% (n)	
Vacant	17,231	17,073	17,700	0.9% (n)	– 2.6% (s)	
Year-Round Vacant	13,220	13,103	13,657	0.9% (n)	– 3.2% (n)	
For Rent	3,343	3,206	3,571	4.3% (s)	– 6.4% (n)	
For Sale	1,256	1,163	1,256	8.0% (s)	0.0% (n)	
Rented or Sold, Awaiting Occupancy	1,154	1,185	1,387	– 2.6% (n)	– 16.8% (s)	
Held Off Market	7,467	7,548	7,443	– 1.1% (n)	0.3% (n)	
Occasional Use	2,100	2,105	2,245	– 0.2% (n)	– 6.5% (n)	
Occupied—URE	1,404	1,297	1,233	8.2% (n)	13.9% (n)	
Other	3,963	4,146	3,966	– 4.4% (s)	– 0.1% (n)	
Seasonal Vacant	4,011	3,970	4,045	1.0% (n)	– 0.8% (n)	
Households (thousands)						Q3 2018
Total	121,354	121,240	119,794	0.1% (n)	1.3% (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. ARM = adjustable-rate mortgage. DQ = delinquent. FC = foreclosure. FHA = Federal Housing Administration. GDP = Gross Domestic Product. NA = Not Available. PMI = private mortgage insurance. VA = U.S. Department of Veterans Affairs.

Note: Components may not add to totals because of rounding.