4th Quarter 2018 | March 2019

HUD PD&R National Housing Market Summary

Housing Market Indicators Overall Showed Less Progress in the Fourth Quarter

Housing market activity continued to soften in the fourth quarter of 2018. Construction starts fell 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 rose for new homes but declined for existing housing. 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 fourth quarter.

Based on its National Delinquency Survey, the Mortgage Bankers Association (MBA) reported that the overall mortgage delinquency rate decreased in the fourth quarter. National homeownership reached its highest rate in nearly five years, and ATTOM Data Solutions reported that both newly initiated and completed foreclosures declined. According to the Bureau of Economic Analysis initial estimate, the U.S. economy expanded at a seasonally adjusted annual rate (SAAR) of 2.6 percent, following a 3.4-percent gain in the third quarter. Real residential investment, which includes investment in new homes and the remodeling of existing homes, fell 3.5 percent, following a 3.6-percent decline in the third quarter and decreased real GDP growth by 0.14 percentage point, the same as in the third quarter.

The Housing Market in 2018

Progress in the housing market was mixed in 2018. Housing starts were up 3 percent compared to 2017, with the building of single-family homes rising nearly 3 percent and multifamily housing construction advancing 4 percent. New single-family home sales, at a full year sales pace of 622,000 in 2018, showed a slight gain of 1.5 percent, whereas existing home purchases, at 5.34 million, were down 3 percent from 2017. Inventories improved, with new and existing homes for sale increasing at the respective rates of 17 and 6 percent. The months' supply of new home sales rose above the historic norm to 6.1 months from 5.4 months in 2017, although the months' supply of existing homes increased only slightly to 4.0 months from 3.9 months. According to the MBA, the overall mortgage delinquency rate for 2018 was 4.38 percent, down from 4.75 percent in 2017 (which was driven by the summer hurricanes) and 4.69 percent in 2016. Foreclosure starts and completions were down for 2018 at the respective annual rates of 10 and 21 percent. After declining since 2004 when it peaked at 69.0 percent, the annual national homeownership rate turned the corner in 2017 at 63.9 percent and rose to 64.4 percent in 2018. Housing affordability declined during 2018, with the affordability of owning a home decreasing by 7.2 percent and the affordability of leasing a home falling by 4.2 percent. Real residential investment declined 0.2 percent for all of 2018, following 3.3-percent growth in 2017.

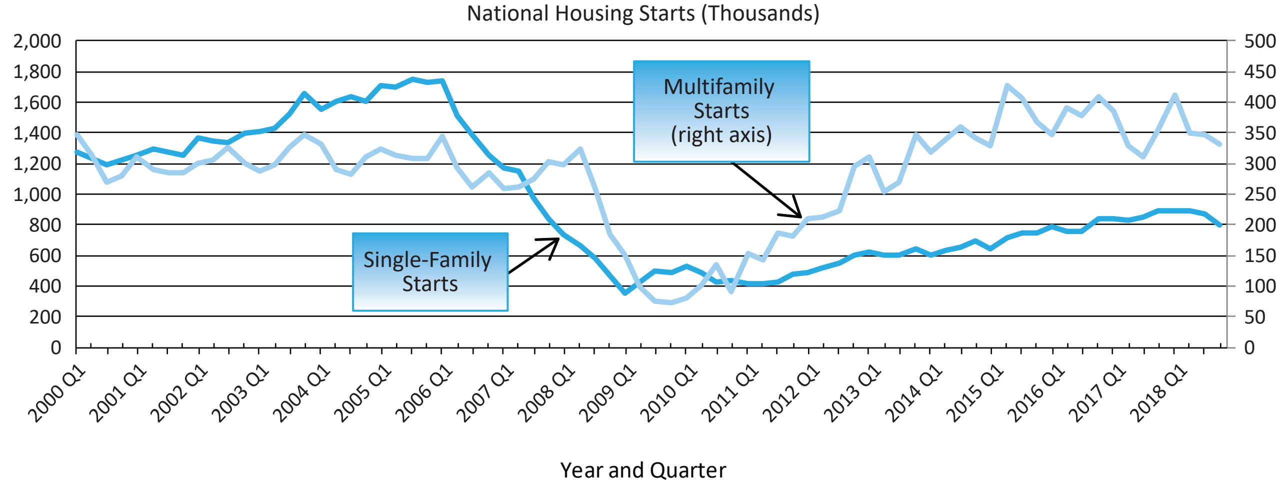
Housing Supply

Construction starts on both single-family and multifamily homes fell. Housing starts on single-family homes, at 804,000 units (SAAR) in the fourth quarter of 2018, fell 8 percent from the previous quarter and 10 percent from the previous year. The pace of single-family housing starts is now 62 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 331,000 units (SAAR) in the fourth quarter, were down 5 percent from the previous quarter and 7 percent from the previous year. The pace during the period before 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 market share is now close to the historic average. The share of single-family housing starts was 70 percent in the fourth quarter of 2018, with the share of multifamily starts at 29 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.

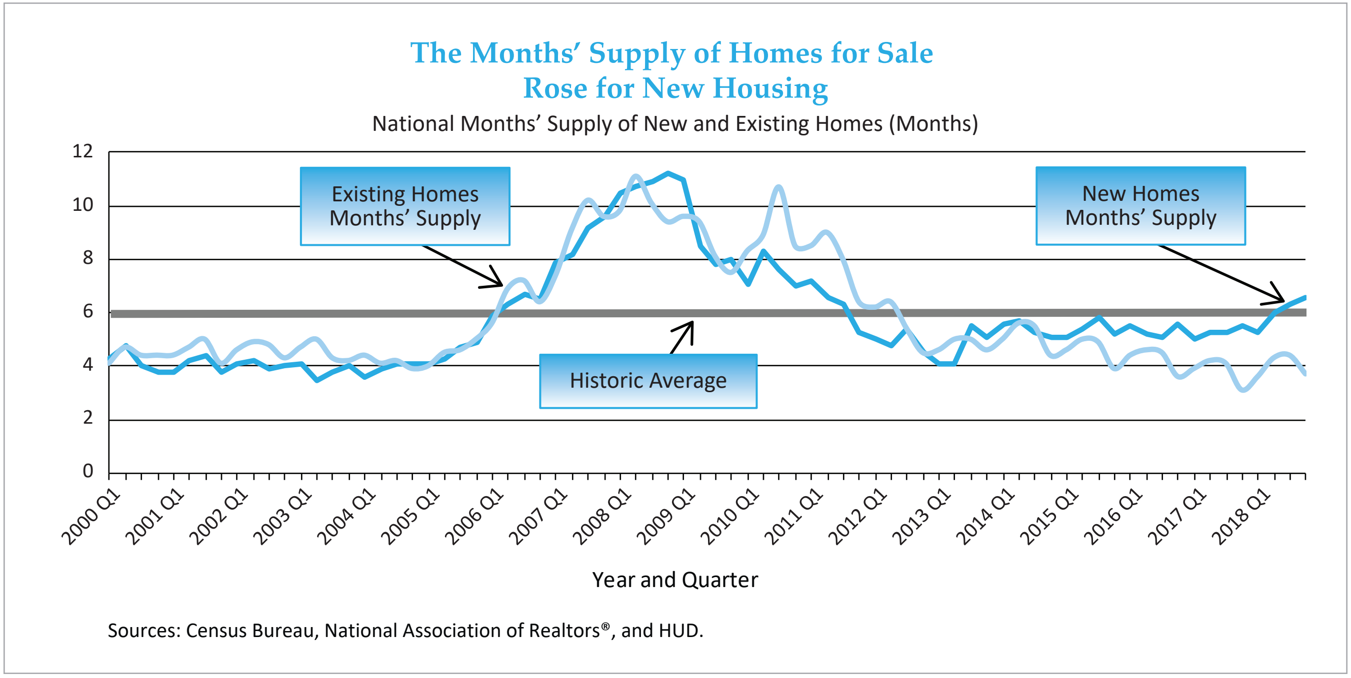
The months' supply of homes on the market rose for new homes. The listed inventory of new homes for sale at the end of the fourth quarter was 344,000 units (SA), an increase of 7 percent from the previous quarter and 17 percent over the four-quarter period. The supply of new homes on the market would support 6.6 months of sales at the current sales pace, up from 6.3 months in the previous quarter and 5.5 months the previous year. The listed inventory of existing homes for sale, at 1.53 million units, was down 19 percent from the third quarter but up 5 percent over the four-quarter period. The inventory represents a 3.7-month supply of homes for sale, down from 4.4 months at the end of the third quarter but up from 3.1 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.

Construction Starts Fell for Both Single-Family and Multifamily Housing

National Housing Starts (Thousands)



Seasonally Adjusted Annual Rate
Sources: Census Bureau and HUD.



Housing Demand

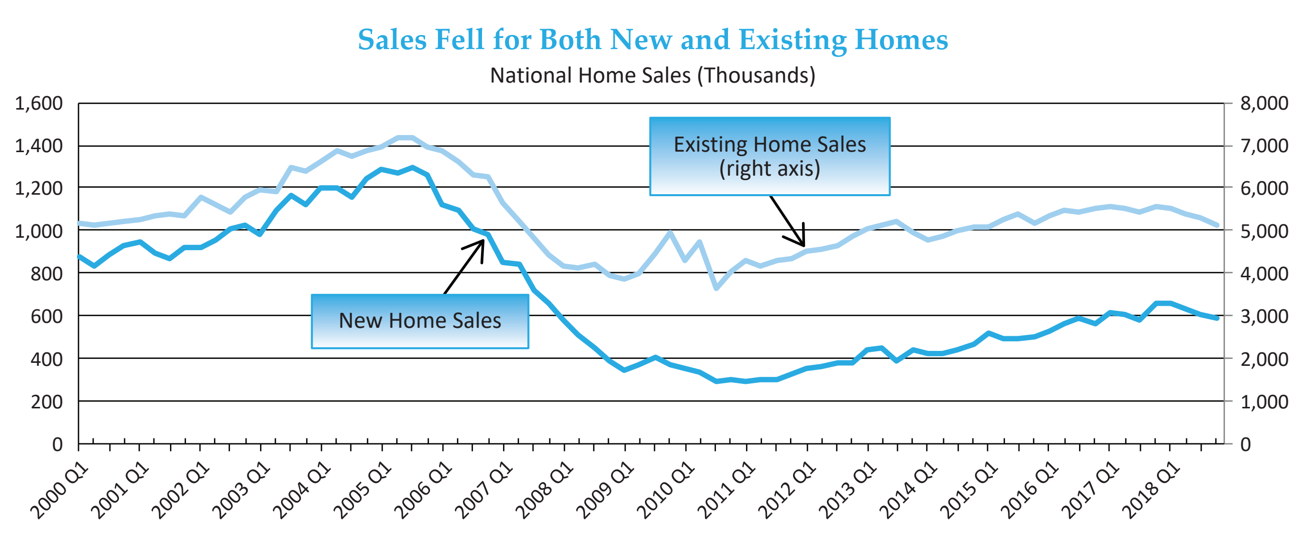
Sales fell for both new and existing housing. Purchases of new single-family homes, at 590,000 units (SAAR) in the fourth quarter, fell 3 percent from the previous quarter and were down 10 percent over the four-quarter period. The average annual pace of new home sales was 613,000 in 2017 and 622,000 in 2018. The National Association of Realtors® (NAR) reported that existing homes—including single-family homes, townhomes, condominiums, and cooperatives—sold at a pace of 5.14 million (SAAR) in the fourth quarter, down 3 percent from the previous quarter and 8 percent from year-ago levels. Previously owned homes sold at an average annual pace of 5.51 million in 2017 and 5.34 million in 2018. Sales to first-time buyers in the fourth quarter accounted for 32 percent of all sales transactions, the same as in the third 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 higher 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 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 since 2011 when it reached 14 to 1.

Year-over-year house price increases continued to slow, with annual returns ranging from 5 to 6 percent. The FHFA (SA) purchase-only repeat-sales house price index showed U.S. home prices appreciating at a 1.1-percent rate in the fourth quarter, down from 1.3 percent in the previous quarter. House prices rose at a 5.7-percent annual pace, notably lower than the 6.5-percent annual gain in the third quarter. The CoreLogic Case-Shiller® (SA) national repeat-sales house price index estimated a 1.1-percent rise in house prices for the fourth quarter, up from a 0.9-percent gain the previous quarter. House prices rose over the four-quarter period by 5.0 percent, down from the previous quarter's 5.7-percent annual return. House prices continue to increase faster than inflation and wages, which had respective gains of 2.2 and 3.3 percent over the same four-quarter period. According to both house price indices, home prices peaked during the housing bubble in the first quarter of 2007. The FHFA index indicates that home prices are 18.5 percent above their previous peak, whereas the CoreLogic Case-Shiller® index shows home values 11.7 percent above their previous high point. 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. According to NAR, distressed sales, which tend to sell at lower prices, accounted for 2 percent of all existing home sales, down from 4 percent one year ago. Investor purchases, which tend to put upward pressure on prices, accounted for 14 percent of existing home sales, the same as one year ago.

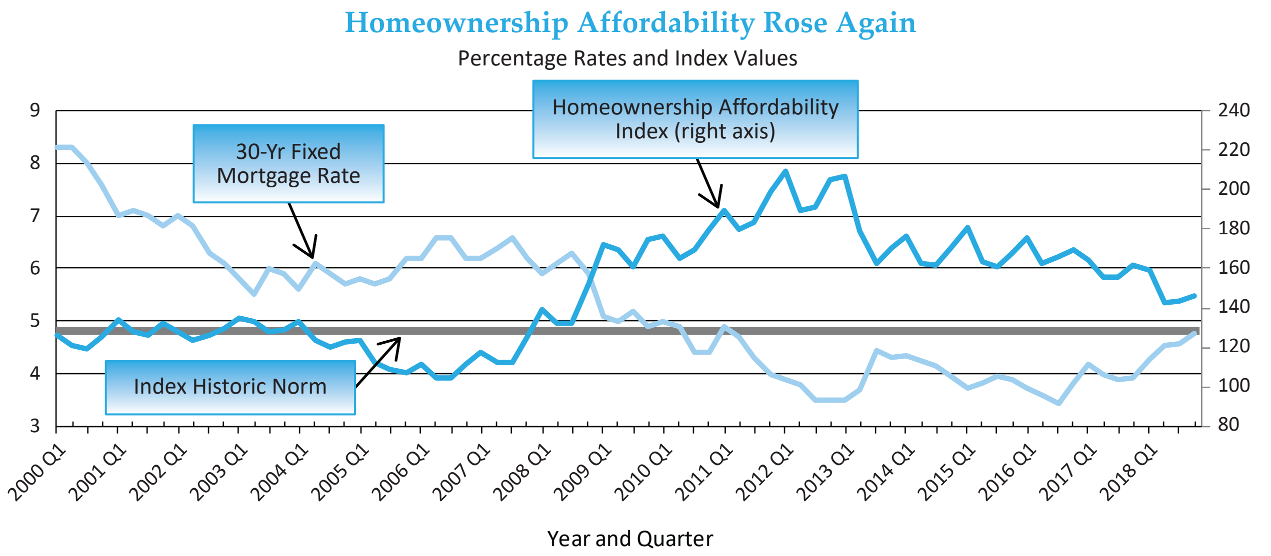
The absorption rate rose for both new condominiums and cooperatives and new apartments. Of newly completed condominiums and cooperatives in the third quarter, 68 percent sold within 3 months, up from 66 percent in the previous quarter and 53 percent one year ago. Of new apartments completed in the third quarter, 61 percent were leased within the ensuing 3 months, up from 59 percent the previous quarter and 57 percent a year earlier.

The affordability of purchasing a home rose for a second consecutive quarter. The NAR Composite Housing (Homeownership) Affordability Index increased 2.1 percent to 146.3 in the fourth quarter of 2018 but was down 9.5 percent from a year earlier. The fourth-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, although moderating home prices have improved affordability recently. The NAR Composite Affordability Index for the fourth quarter is still above its historic norm of 128. 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 improved in the fourth quarter after reaching its lowest point since first recorded at the end of 2000. HUD's Rental Affordability Index, at 111.9 in the fourth quarter, rose 6.8 percent from the previous quarter but was down 0.7 percent over the four-quarter period. The rise in the affordability of leasing a home resulted from a 5.5-percent drop in the real, or inflation-adjusted, median price of leased homes and a 0.9-percent increase in the inflation-adjusted median income of renter households. After reaching its high point the first quarter of 2001, the ability to lease a home declined until the end of 2010; it improved modestly

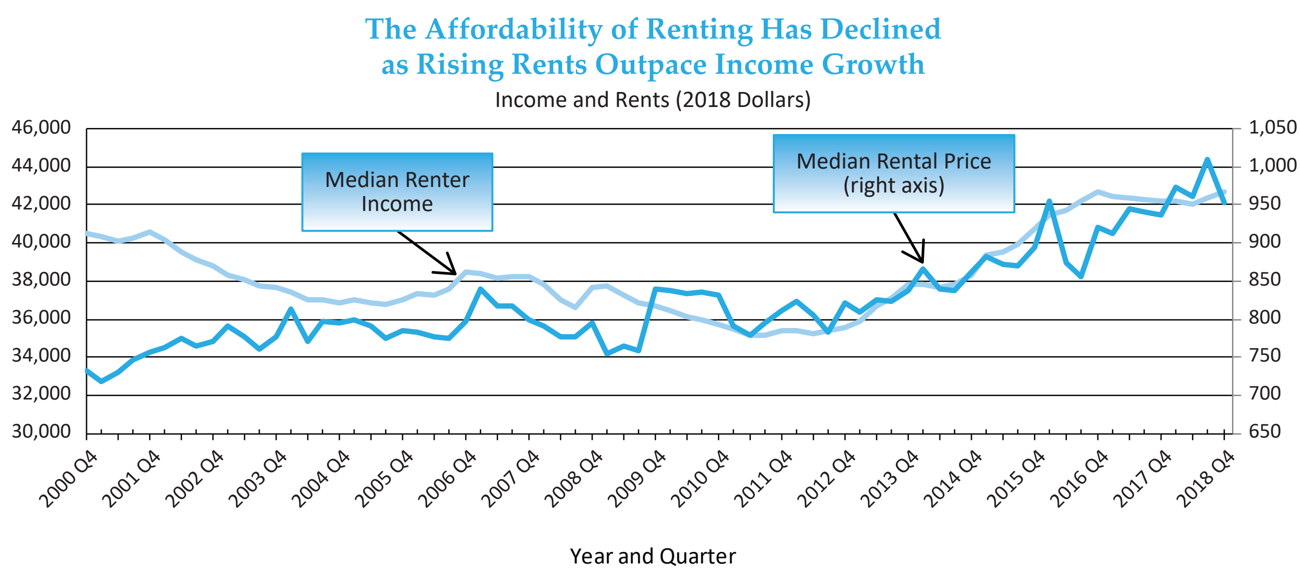


Seasonally Adjusted Annual Rate
Sources: Census Bureau, HUD, and National Association of Realtors®.

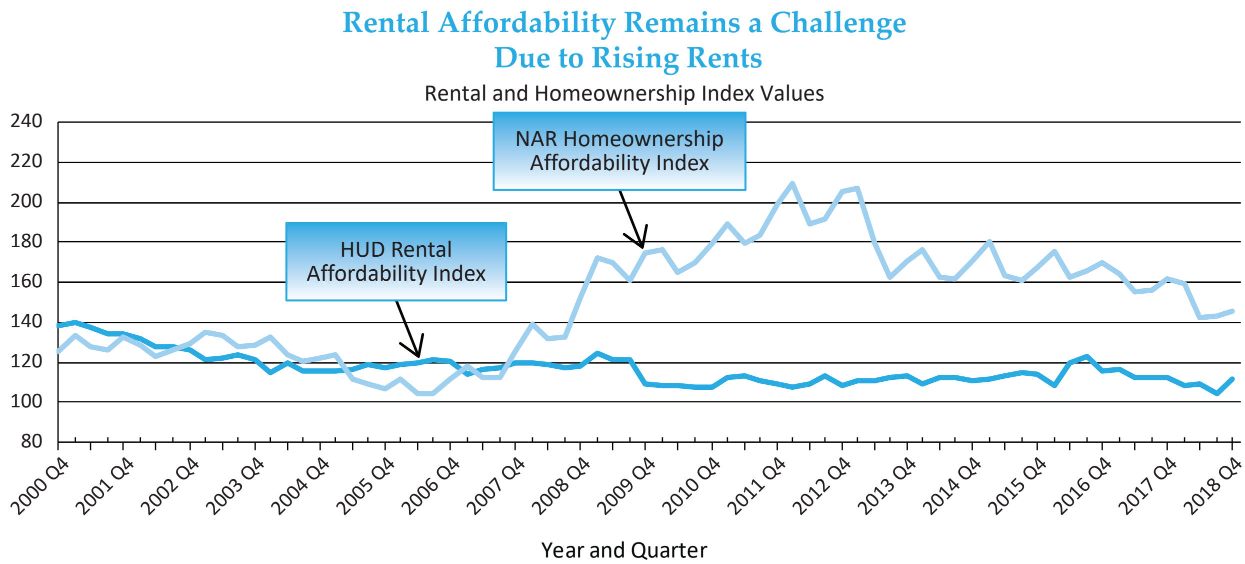


The historical norm of 128 is the median value of the affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.

through the end of 2017 before reaching a new low the third quarter of 2018. Rental affordability is currently down 20 percent from its peak in the beginning 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 30 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 67 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

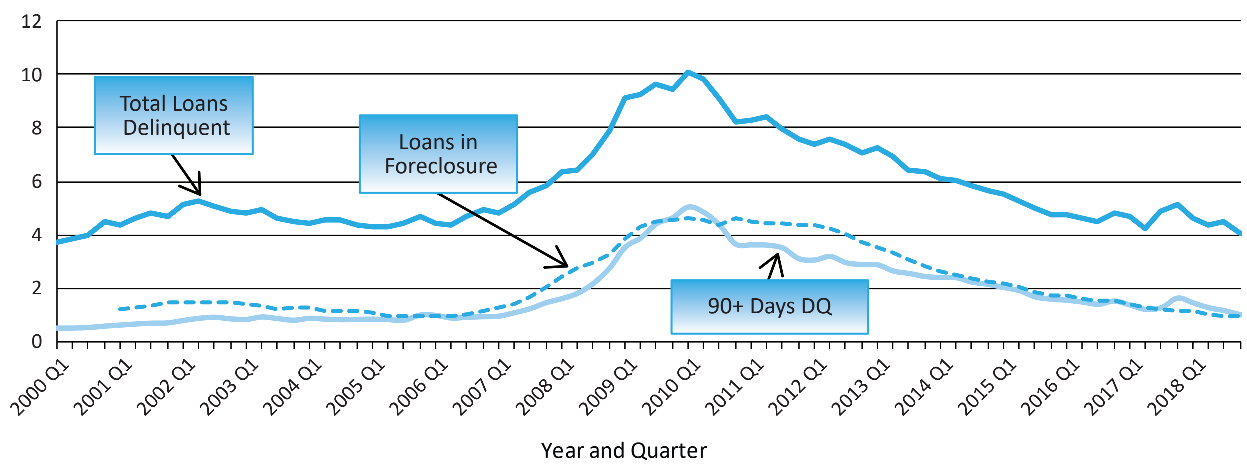
Mortgage delinquencies dropped to historic lows in the fourth quarter. The delinquency rate on mortgages of one- to four-unit residential properties decreased from a seasonally adjusted rate of 4.47 percent to 4.06 percent in the fourth quarter, the lowest delinquency rate since the first quarter of 2000 according to data from MBA's National Delinquency Survey. The overall rate was down from 5.17 percent one year ago. The historic average of the overall delinquency rate is 5.36 percent. Mortgage delinquency rates fell for all loan types—conventional, FHA, and VA—compared with the third quarter. The conventional delinquency rate declined from 3.56 percent to 3.19 percent; the FHA delinquency rate decreased from 8.96 percent to 8.65 percent; and the VA delinquency rate dropped from 4.16 percent to 3.71 percent. Seriously delinquent loans for all loan types (those 90 or more days delinquent or in the foreclosure process) declined to 2.06 percent from 2.13 percent in the third quarter and 2.91 percent one year ago. The foreclosure starts rate, at 0.25 percent of active loans, was up slightly from 0.23 percent in the previous quarter but was unchanged from one year ago. Foreclosure starts are now 20 basis points below their historic average of 0.45 percent. The percentage of loans in the foreclosure process at the end of the fourth quarter was 0.95 percent, down from 0.99 percent in the previous quarter and 1.19 percent one year ago. This was the lowest foreclosure inventory rate since the first quarter of 1996. Foreclosure inventory is below its historic norm of 1.5 percent and is down to 20 percent of its peak in the fourth quarter of 2010 (4.64 percent), during the worst of the crisis.

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 83,550 U.S. properties in the fourth quarter, down 9 percent from the previous quarter and 3 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 45,600 U.S. properties in the fourth quarter, down 11 percent from the previous quarter and 31 percent from one year ago. This is the sixth 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 increased at a moderate pace in the fourth quarter, while the number of underwater borrowers declined by 14 percent for all of 2018. The Federal Reserve reported that homeowners' equity (total property value less mortgage debt outstanding) rose 1.5 percent, or $231 billion, in the fourth quarter of 2018, to more than $15.5 trillion. During the housing bubble, equity peaked at $13.4 trillion in the first quarter of 2006. Owners' equity has grown by nearly $9.2 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. CoreLogic estimated that 35,000 homeowners fell into negative equity in the fourth quarter. CoreLogic's estimates are based on a non-SA price index, however, and home values typically are flat or decline in the fourth quarter of the year, when home sales are relatively slow. For all of 2018, the number of homeowners in negative equity declined by 351,000. Since the beginning of 2012, the number of underwater borrowers (those who owe

The Overall Mortgage Delinquency Rate Fell

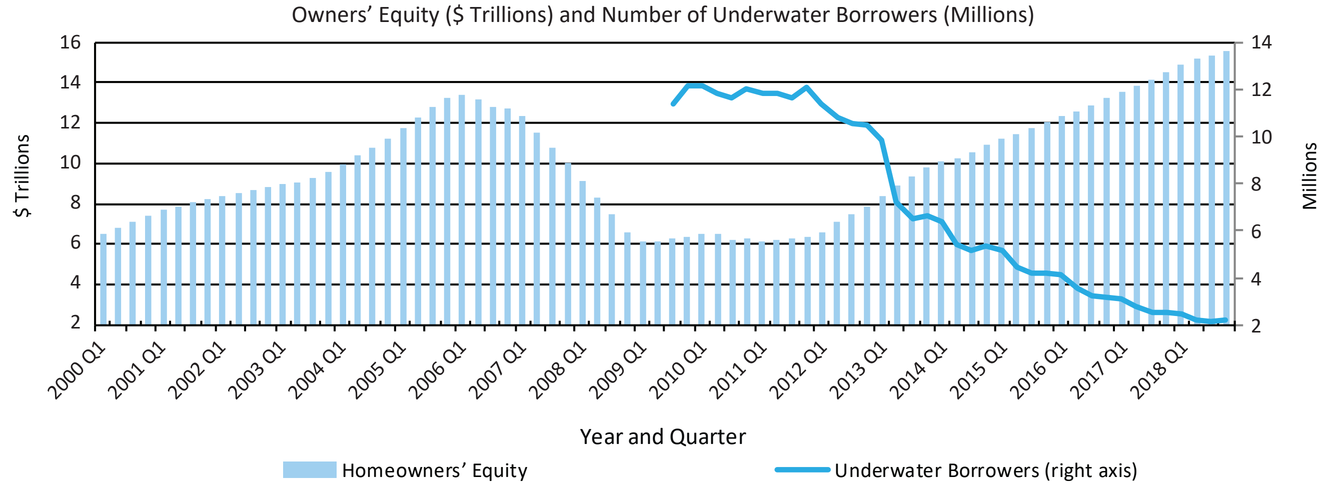
National Mortgage Delinquency and Foreclosure Inventory Rates (Percent)



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

Housing Wealth Has Surpassed Its Peak Set in 2006 Since the Beginning of 2017

Owners' Equity ($ Trillions) and Number of Underwater Borrowers (Millions)



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

more on their mortgage than the value of their home) has dropped nearly 82 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.

Homeownership and Housing Vacancy

The U.S. homeownership rate increased to the highest rate in nearly five years. The national homeownership rate rose to 64.8 percent in the fourth quarter of 2018 from 64.4 in the third quarter and was up from 64.2 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 fourth quarter of 2018, the homeownership rate for White non-Hispanic households advanced to 73.6 percent from 73.1 percent; for Black non-Hispanic households, the rate increased to 43.6 percent from 42.5 percent; and for Hispanic households, the rate rose to 46.9 percent from 46.3 percent. The homeownership rate dropped to 58.1 percent for other-race non-Hispanic households but increased to 50.7 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.

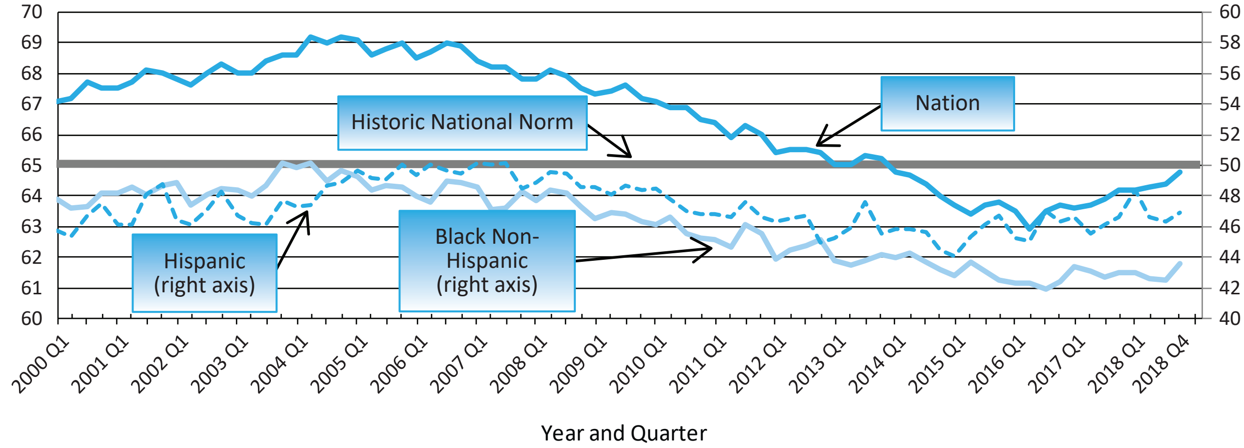
A 2018 NAR annual survey of homebuyers revealed that the share of homebuyers making their first purchase decreased to 33 percent from 34 percent in 2017. The annual survey may somewhat overstate the share of first-time homebuyers, however, because the annual survey represents owner-occupants, and few 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. It has been more than eleven years since the foreclosure crisis began in 2007. Over the last five years, those who lost their home to foreclosure during the crisis have been positioned to re-enter the housing market as the recording 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 re-entering the housing market, however.

The rental market vacancy rate fell for both single-family and multifamily housing. According to the U.S. Census Bureau, the overall vacancy rate in the rental market dropped to 6.6 percent in the fourth quarter from 7.1 percent the previous quarter and was down from 6.9 percent in the fourth quarter of 2017. The single-family rental vacancy rate decreased to 5.4 percent from 5.9 percent in the third quarter and was down from 5.7 percent one year ago. Vacancies in the rental market for multifamily units (five or more units in a structure) dropped to 8.2 percent from 8.8 percent in the third quarter and were down 8.3 percent from 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 fourth quarter. The number of U.S. households rose to 122.5 million in the fourth quarter of 2018 from 121.4 million the previous quarter and grew 1.2 percent in 2018 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, with 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.

National Homeownership Reached Highest Rate in Nearly Five Years

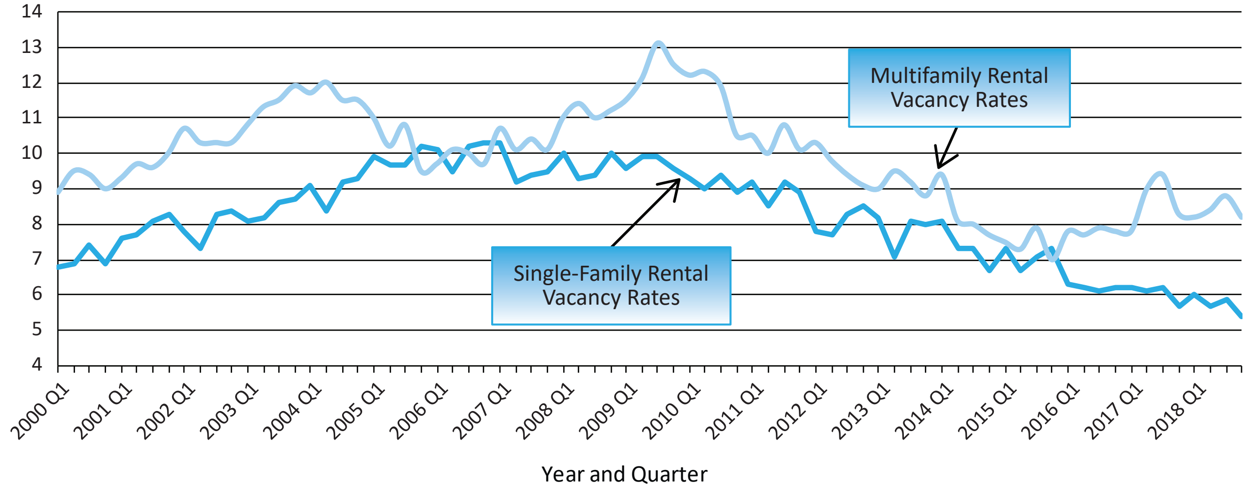
National Homeownership Rates (Percent)



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

Rental Vacancy Rates Decreased

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 2018
Total	1,304	1,274	1,329	2.4% (n)	– 1.8% (s)	
Single-Family	841	851	865	– 1.2% (n)	– 2.7% (s)	
Multifamily (5+)	426	388	426	9.6% (s)	0.0% (s)	
Housing Starts (SAAR, thousands)						Q4 2018
Total	1,151	1,234 (r)	1,259	– 6.7% (s)	– 8.6% (s)	
Single-Family	804	877	894	– 8.3% (s)	– 10.1% (s)	
Multifamily (5+)	331	346 (r)	355	– 4.5% (n)	– 6.9% (n)	
Under Construction (SA, thousands)						Q4 2018
Total	1,152	1,132 (r)	1,105	1.8% (n)	4.3% (s)	
Single-Family	539	524 (r)	497	2.9% (s)	8.5% (s)	
Multifamily (5+)	600	596 (r)	598	0.7% (n)	0.3% (n)	
Housing Completions (SAAR, thousands)						Q4 2018
Total	1,062	1,191	1,176	– 10.8% (s)	– 9.7% (s)	
Single-Family	765	868 (r)	805	– 11.8% (s)	– 5.0% (n)	
Multifamily (5+)	287	317 (r)	359	– 9.5% (n)	– 20.2% (s)	
New Homes for Sale (SA)						Q4 2018
Inventory (thousands)	344	322	294	6.8% (s)	17.0% (s)	
Months' Supply (months)	6.6	6.3 (r)	5.5	4.8% (n)	20.0% (n)	
Existing Homes for Sale						Q4 2018
Inventory (NSA, thousands)	1,530	1,880	1,460	– 18.6% (u)	4.8% (u)	
Months' Supply (months)	3.7	4.4	3.1	– 15.9% (u)	15.6% (u)	
Manufactured Home Shipments (SAAR, thousands)	89.3	92.7 (r)	100.0	– 3.7% (u)	– 10.7% (u)	Q4 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)									Q4 2018
New Homes Sold (thousands)									
Single-Family	590	605	(r)	655	– 2.6%	(n)	– 10.0%	(s)	
Existing Homes Sold (thousands)									
Single-Family, Townhomes, Condos, Co-ops	5,143	5,307	(r)	5,563	– 3.1%	(u)	– 7.5%	(u)	
Condos and Co-ops	577	590	(r)	630	– 2.3%	(u)	– 8.5%	(u)	
First-Time Buyers (%)	32	32		31	0	(u)	1	(u)	
Investor Sales (%)	14	13		14	1	(u)	0	(u)	
Home Sales Prices									Q4 2018
Median ($)									
New Homes	317,400	330,900	(r)	337,900	– 4.1%	(u)	– 6.1%	(u)	
Existing Homes	255,733	263,933		246,567	– 3.1%	(u)	3.7%	(u)	
Repeat-Sales Home Price Indices									
FHFA (SA)	265.8	262.9	(r)	251.4	1.1%	(u)	5.7%	(u)	
CoreLogic Case-Shiller (SA)	206.0	203.6		196.1	1.1%	(u)	5.0%	(u)	
Homeownership Affordability									Q4 2018
Composite Index	146.3	143.3	(r)	161.6	2.1%	(u)	– 9.5%	(u)	
Fixed Index	146.3	143.3	(r)	161.6	2.1%	(u)	– 9.5%	(u)	
National Average Mortgage Interest Rate (%)	5.0	4.8		4.2	0.2	(u)	0.8	(u)	
Median-Priced Existing Single-Family Home ($)	258,000	266,467	(r)	247,767	– 3.2%	(u)	4.1%	(u)	
Median Family Income ($)	77,392	76,608		74,492	1.0%	(u)	3.9%	(u)	
Rental Affordability									
HUD's Rental Affordability Index	111.9	104.8		112.7	6.8%	(u)	– 0.7%	(u)	Q4 2018
Multifamily Housing									
Apartments									
Completed Previous Quarter (thousands)	78.7	78.7	(r)	82.9	0.0%	(n)	– 5.0%	(s)	Q3 2018
Leased Current Quarter (%)	61	59	(r)	57	2.0	(n)	4.0	(n)	Q4 2018
Median Asking Rent ($)	1,583	1,596	(r)	1,422	– 0.8%	(n)	11.3%	(s)	
Condos and Co-ops									
Completed Previous Quarter (thousands)	4.6	8.5	(r)	4.2	– 45.9%	(s)	8.6%	(n)	Q3 2018
Sold Current Quarter (%)	68	66	(r)	53	2.0	(n)	15.0	(n)	Q4 2018
Median Asking Price ($)	568,800	663,900	(r)	553,400	– 14.3%	(u)	2.8%	(u)	
Manufactured Home Placements (sales at SAAR, thousands)									
Shipped Previous Quarter (thousands)	93.0	97.3	(r)	86.7	– 4.4%	(u)	7.3%	(u)	Q3 2018
Sold Current Quarter (%)[1]	57.0	56.7		62.4	0.3	(n)	– 5.4	(n)	Q4 2018
Builders' Views of Market Activity (Composite Index)	61	67		70	– 8.9%	(u)	– 12.8%	(u)	Q4 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 (%)						Q4 2018
30-Year Fixed Rate	4.78	4.57	3.92	0.21 (u)	0.86 (u)	
15-Year Fixed Rate	4.21	4.04	3.29	0.17 (u)	0.92 (u)	
5-Year ARM[2]	4.07	3.88	3.27	0.19 (u)	0.80 (u)	
Mortgage Delinquency Rates (%)						Q4 2018
All Loans Past Due (SA)	4.06	4.47	5.17	– 0.41 (u)	– 1.11 (u)	
Loans 90+ Days Past Due (SA)	1.03	1.18	1.65	– 0.15 (u)	– 0.62 (u)	
Seriously Delinquent (90+ Days DQ & in FC, NSA)	2.06	2.13	2.91	– 0.07 (u)	– 0.85 (u)	
FHA Market Share[3]						
Dollar Volume (%)						Q3 2018
All Loans	12.1	11.7	13.5	0.4 (u)	– 1.4 (u)	
Purchase	13.1	12.8	15.6	0.3 (u)	– 2.5 (u)	
Refinance	8.8	8.4	9.0	0.4 (u)	– 0.2 (u)	
Loan Count (%)						
All Loans	15.0	14.7	16.8	0.3 (u)	– 1.8 (u)	
Purchase	16.7	16.7	19.6	0.0 (u)	– 2.9 (u)	
Refinance	10.4	9.9	11.3	0.5 (u)	– 0.9 (u)	
FHA Mortgage Insurance (thousands)[4]						Q4 2018
Applications Received	264.1	323.6	317.1	– 18.4% (u)	– 16.7% (u)	
Endorsements	228.7	259.2	267.6	– 11.8% (u)	– 14.5% (u)	
Purchase	179.6	211.4	195.5	– 15.0% (u)	– 8.1% (u)	
Refinance	49.1	47.8	72.1	2.7% (u)	– 31.9% (u)	
Private and VA Mortgage Insurance (thousands)						
PMI Certificates[5]	NA	NA		NA (u)	NA (u)	
Veterans Affairs Guarantees	130.7	149.3 (r)	169.2	– 12.5% (u)	– 22.8% (u)	Q3 2018
Residential Fixed Investment (SA real annual growth rate, %)	– 3.5	– 3.6 (r)	11.1	0.1 (u)	– 14.6 (u)	Q4 2018
GDP (SA real annual growth rate, %)	2.6	3.4 (r)	2.3	– 0.8 (u)	0.3 (u)	
Housing's Contribution to Real GDP Growth (percentage points)	– 0.14	– 0.14 (r)	0.41	0.00 (u)	– 0.55 (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. NA = not available. 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 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 (%)						Q4 2018
Overall	64.8	64.4	64.2	0.4 (n)	0.6 (n)	
Non-Hispanic						
White	73.6	73.1	72.7	0.5 (n)	0.9 (s)	
Black	43.6	42.5	43.0	1.1 (n)	0.6 (n)	
Other Race	58.1	59.3	58.1	– 1.2 (n)	0.0 (n)	
Two or More Races	50.7	50.2	49.4	0.5 (n)	1.3 (n)	
Hispanic	46.9	46.3	46.6	0.6 (n)	0.3 (n)	
Vacancy Rates (%)						Q4 2018
Homeowner	1.5	1.6	1.6	– 0.1 (n)	– 0.1 (n)	
Rental	6.6	7.1	6.9	– 0.5 (s)	– 0.3 (s)	
Single-Family	5.4	5.9	5.7	– 0.5 (n)	– 0.3 (n)	
Multifamily (5+)	8.2	8.8	8.3	– 0.6 (s)	– 0.1 (n)	
Housing Stock (thousands)						Q4 2018
All Housing Units	138,858	138,585	137,767	0.2% (u)	0.8% (u)	
Owner-Occupied	79,361	78,093	77,663	1.6% (s)	2.2% (s)	
Renter-Occupied	43,109	43,261	43,276	– 0.4% (n)	– 0.4% (n)	
Vacant	16,389	17,231	16,828	– 4.9% (s)	– 2.6% (s)	
Year-Round Vacant	12,511	13,220	12,862	– 5.4% (s)	– 2.7% (n)	
For Rent	3,098	3,343	3,235	– 7.3% (s)	– 4.2% (n)	
For Sale	1,183	1,256	1,269	– 5.8% (s)	– 6.8% (n)	
Rented or Sold, Awaiting Occupancy	1,061	1,154	1,006	– 8.1% (s)	5.5% (n)	
Held Off Market	7,169	7,467	7,351	– 4.0% (s)	– 2.5% (n)	
Occasional Use	2,019	2,100	2,188	– 3.9% (n)	– 7.7% (n)	
Occupied—URE	1,368	1,404	1,357	– 2.6% (n)	0.8% (n)	
Other	3,782	3,963	3,807	– 4.6% (s)	– 0.7% (n)	
Seasonal Vacant	3,878	4,011	3,968	– 3.3% (n)	– 2.3% (n)	
Households (thousands)						Q4 2018
Total	122,469	121,354	120,939	0.9% (s)	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. NA = not available. 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.