

Housing Market Indicators

Monthly Update



April 2018

U.S. Department of Housing and Urban Development

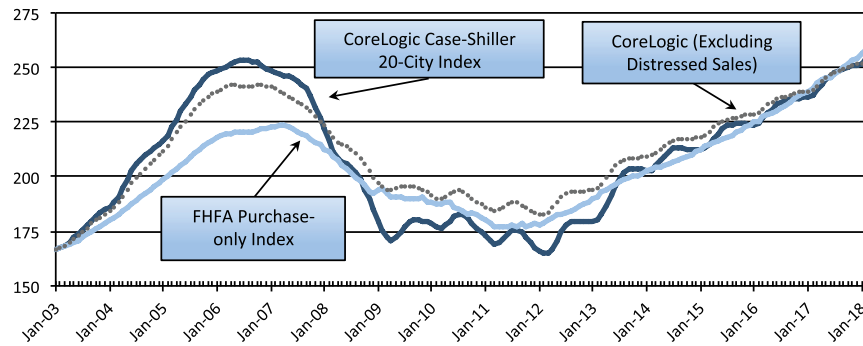
National housing market indicators available as of April show activity in housing markets overall improved. Trends in some of the top indicators for this month include:

- **Purchases of new homes rose for a second consecutive month to a four-month high.** New single-family home sales increased 4.0 percent to 694,000 (SAAR) in March, from an upwardly revised pace of 667,000 in February and were 8.8 percent higher than a year ago. New home sales, which are based on the signing of a contract (rather than a closing as is done with previously owned homes) surged in the West (28.3 percent) and increased slightly in the South (0.8 percent). Note that monthly data on new home sales can be volatile and are often revised. (Sources: HUD and Census Bureau.)
- **Sales of previously owned (existing) homes rebounded for a third straight month to a four-month high.** The National Association of Realtors® (NAR) reported that March sales of existing homes (including single-family homes, townhomes, condominiums, and cooperatives) advanced 1.1 percent to 5.60 million (SAAR), but were down 1.2 percent from a year earlier. Inventories are still near record lows, restricting sales. Purchases were up in the Northeast and Midwest.
- **New construction of single-family homes fell, while construction of multifamily housing advanced.** Single-family housing starts decreased 3.7 percent to 867,000 homes (SAAR) in March but were up 5.2 percent from a year earlier. Construction starts for multifamily housing (5 or more units in a structure), at 439,000 units (SAAR), increased 16.1 percent from February—when they had a substantial decline—and were 23.7 percent higher than a year earlier. Note that month-to-month changes in the construction of multifamily homes are often volatile. (Sources: HUD and Census Bureau.)
- **Home prices continued to increase in February with annual house price changes in the 6- to 7-percent range.** The Federal Housing Finance Agency (FHFA) seasonally adjusted purchase-only house price index for February estimated that home values rose 0.6 percent over the previous month and 7.2 percent over the previous year, less than the 7.4 percent annual gain in January. The FHFA index shows that U.S. home values are now 15.4 percent above their previous peak set in April 2007 and stand 46.1 percent above the low point reached in May 2011. Another index tracked in the Monthly Update, the non-seasonally adjusted CoreLogic Case-Shiller 20-City Home Price Index, posted a 0.7 percent month-over-month change in home values in February and year-over-year returns of 6.8 percent, up from an annual gain of 6.4 percent in January. The CoreLogic-Case-Shiller index shows that home values surpassed their July 2006 peak for the first time in February. The FHFA index had surpassed its housing bubble peak for the first time in December 2015. (The FHFA and CoreLogic-Case-Shiller price indices are released with a 2-month lag.)
- **The months' supply of homes on the market fell for new homes but rose for previously-owned homes.** The listed inventory of new homes for sale at the end of March would support 5.2 months of sales at the current sales pace, down from 5.4 months in February but up from 5.0 months a year ago. Inventory increased 13.2 percent year-over-year to 301,000 available properties. The listed inventory of existing homes for sale represents a 3.6-month supply, up from 3.4 months in February, but down from 3.8 months a year earlier. The inventory of homes for sale, at 1.67 million available properties, was down 7.2 percent year-over-year. A shortage of homes for sale—especially at the lower end of the market—has been a constraint on purchases for several years now. The long-term average for months' supply of homes is about 6.0 months.
- **Mortgage rates increased in April.** The 30-year fixed rate mortgage (FRM) reached an average weekly high in April of 4.58 percent the week ending April 26, the highest level since the week ending August 22, 2013. This is up from March's weekly high of 4.46 percent the week ending March 8 and up from 4.03 percent one year ago. (Source: Freddie Mac.)



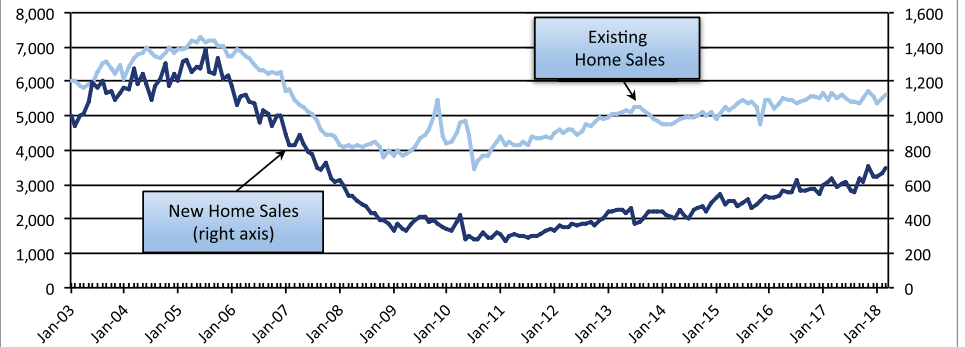
Housing Market Indicators Monthly Update | April 2018

House Prices Continued To Rise in February
Monthly House Price Trends by Index (\$ Thousands)



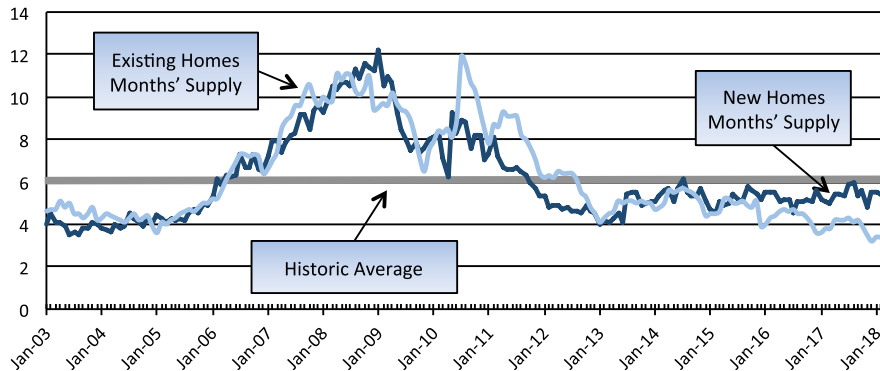
Sources: Standard & Poor's, Federal Housing Finance Agency, CoreLogic, and HUD.
See Note 1, Sources and Methodology.

New and Existing Home Sales Rose in March
Monthly Sales (Thousands)



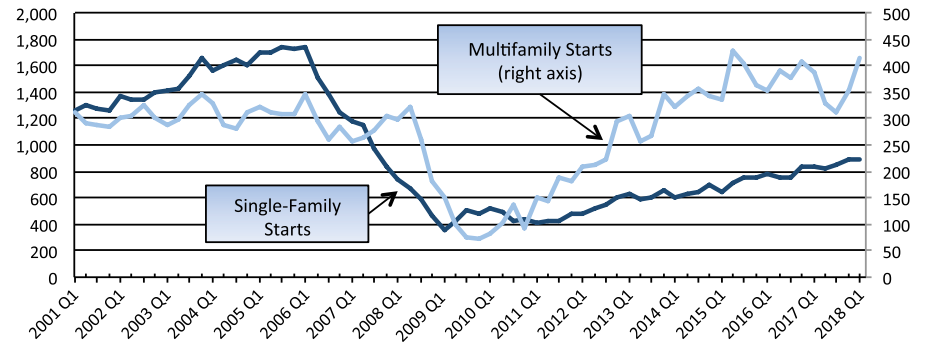
Seasonally Adjusted Annual Rate
Sources: National Association of Realtors®, Census Bureau, and HUD.
See Note 2, Sources and Methodology.

The Months' Supply of Homes for Sale Rose for Existing Homes
National Months' Supply of New and Existing Homes (Months)



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

Housing Starts Rose for Multifamily Homes but Fell for Single-Family Homes in the First Quarter
National Housing Starts (Thousands)

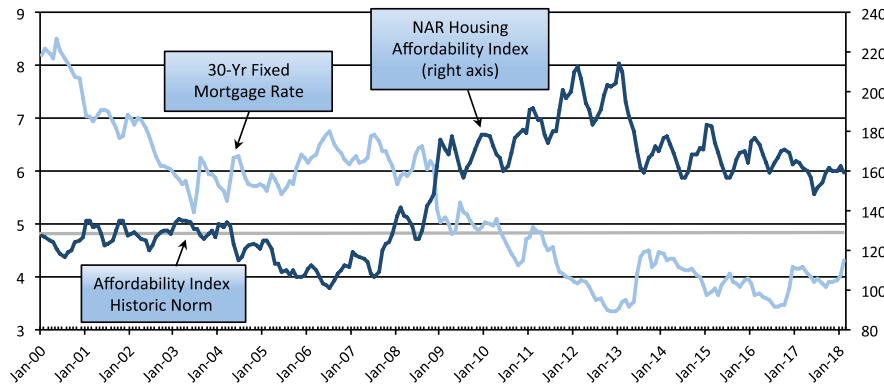


Seasonally Adjusted Annual Rate
Sources: Census Bureau and HUD.



Housing Market Indicators Monthly Update | April 2018

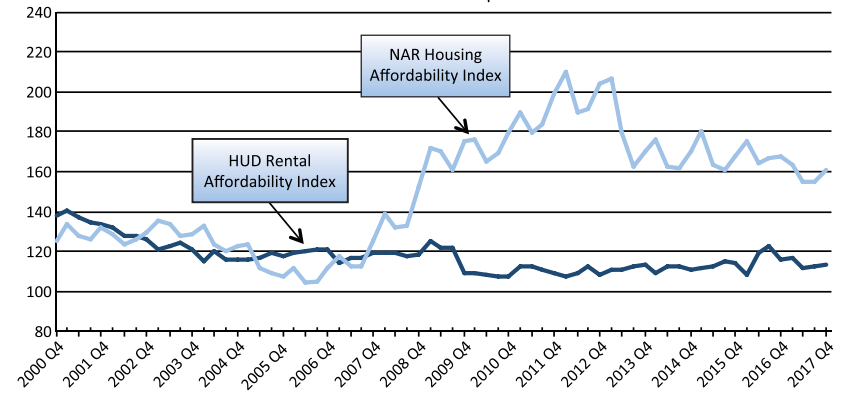
Homeownership Affordability Remains Above Historic Norm, Mortgage Rate Within One Percentage Point of Historic Low
Percentage Rates and Index Values



The historic norm of 129 is the median value of NAR's composite housing affordability index since 1989.
Sources: Freddie Mac and National Association of Realtors®.

Rental Affordability Remains a Challenge
Due to Rising Rents

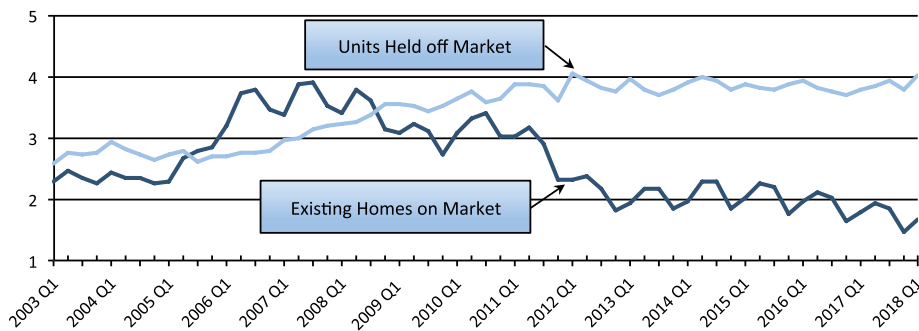
Rental and Homeownership Index Values



Sources: Census Bureau ACS and 2000 Decennial Census, BLS, CPS, HUD, and National Association of Realtors®.
See Note 3, Sources and Methodology.

Supply of Existing Homes Has Been Declining Since 2014,
Number of Units Held off the Market Remains High

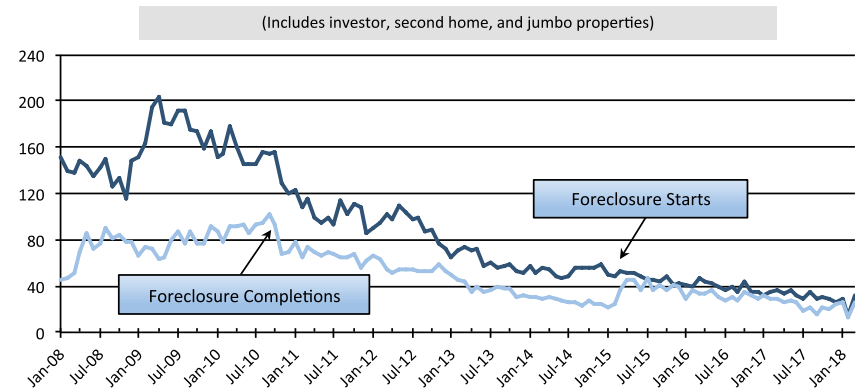
Existing Homes Available for Sale (End of Period) and
Total Vacant Housing Units (Year Round) off Market (Millions)



Sources: National Association of Realtors® and Census Bureau.

Foreclosure Filings Have Trended Downward

Monthly Foreclosure Actions (Thousands)

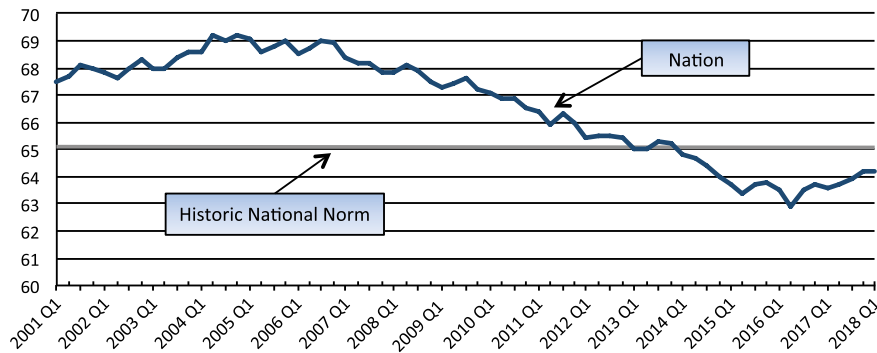


Foreclosure starts are default notices or scheduled foreclosure auctions, depending on the state.
Source: ATTOM Data Solutions
See Note 4, Sources and Methodology.



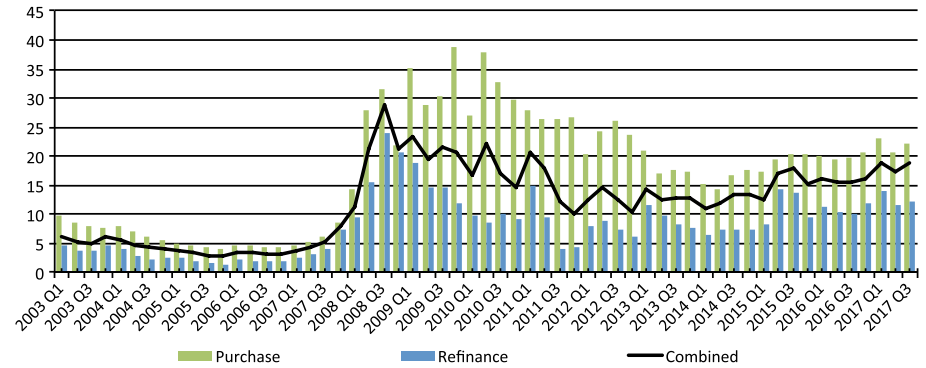
Housing Market Indicators Monthly Update | April 2018

The National Homeownership Rate Remained the Same in the First Quarter
National Homeownership Rate (Percent)



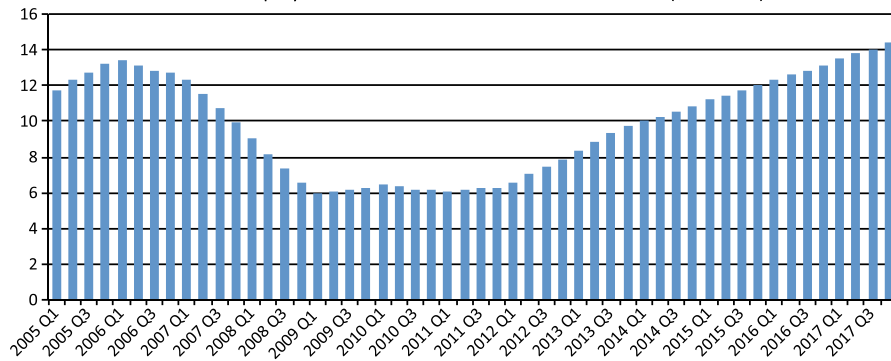
The historical norm of 65 percent is the average national homeownership rate since 1965.
Sources: Census Bureau and HUD.

FHA Mortgage Lending
FHA as Share of Quarterly Mortgage Originations by Type (Percent)



Sources: MBA and HUD.
See Note 5, Sources and Methodology.

Home Equity Has Surpassed Its Peak Set in 2006
Since the Beginning of 2017
Owners' Equity in Household Real Estate at End of Period (\$ Trillions)



Source: Federal Reserve Board.



Housing Market Indicators Monthly Update | April 2018

HOUSING MARKET FACT SHEET				
Indicator	This Period	Last Period	Year Ago	Latest Release
Mortgage Rates (30-Yr FRM, percent)	4.58	4.47	4.03	26-Apr-18
Homeownership Affordability (index)	159.6	162.8 (r)	164.0	February-18
Rental Affordability (index)	113.0	112.2 (r)	115.9	4th Q 17
Home Prices (indices)				
CoreLogic Case-Shiller (NSA)	206.7	205.2 (r)	193.5	February-18
FHFA (SA)	261.1	259.5 (r)	243.6	February-18
CoreLogic—Excluding Distressed Sales (NSA)	196.0 (s)	194.1 (s,r)	184.5 (s)	February-18
Home Sales				
New (thousands, SAAR)	694	667 (r)	638	March-18
Existing (thousands, SAAR)	5,600	5,540	5,670	March-18
First-Time Buyers (thousands, SAAR)	2,140 (s)	2,110 (s,r)	2,145 (s)	March-18
Distressed Sales (percent, NSA)	5	6 (r)	8	February-18
Housing Supply				
New Homes for Sale (thousands, SA)	301	301 (r)	266	March-18
New Homes for Sale—Months' Supply (months, SA)	5.2	5.4 (r)	5.0	March-18
Existing Homes for Sale (thousands, NSA)	1,670	1,580 (r)	1,800	March-18
Existing Homes—Months' Supply (months)	3.6	3.4	3.8	March-18
Vacant Units Held Off Market (thousands)	4,006	3,785	3,779	1st Q 18
Housing Starts				
Total (thousands, SAAR)	1,319	1,295 (r)	1,189	March-18
Single-Family (thousands, SAAR)	867	900 (r)	824	March-18
Multifamily (thousands, SAAR)	439	378 (r)	355	March-18
Mortgage Originations (thousands)				
Refinance Originations	750.8	902.4	756.1	1st Q 18
Purchase Originations	493.4	589.7	639.2	1st Q 18
FHA Mortgage Originations (thousands)				
Refinance Originations	20.0 (p)	19.2 (r)	29.3	March-18
Purchase Originations	63.0 (p)	45.1 (r)	76.3	March-18
Purchases by First-Time Buyers	51.3 (p)	35.2 (r)	63.0	March-18
Mortgage Delinquency Rates (percent)				
Prime	1.9 (s)	2.3 (s)	1.8	March-18
Subprime	21.8 (s)	23.9 (s)	20.1	March-18
FHA	8.2	9.6	7.1	March-18
Seriously Delinquent Mortgages (thousands)				
Prime	271 (s)	300 (s)	266	March-18
Subprime	189 (s)	202 (s,r)	347	March-18
FHA	373	405	359	March-18
Change in Aggregate Home Equity (\$ billions)	374.5	205.4 (r)	314.8	4th Q 17
Underwater Borrowers (thousands)	2,531	2,550 (r)	3,206	4th Q 17
National Homeownership Rate (percent)	64.2	64.2	63.6	1st Q 18
Foreclosure Actions (thousands)				
Foreclosure Starts	32.2	13.4	36.4	March-18
Foreclosure Completions	25.9	12.9	28.6	March-18
Short Sales	2.7 (p)	3.1 (r)	3.8	February-18
REO Sales	13.0 (p)	15.3 (r)	22.4	February-18

SA = seasonally adjusted, NSA = not SA, p = preliminary, r = revised, b = brackets include units in process, s = see Additional Notes in Sources and Methodology.



Housing Market Indicators Monthly Update | April 2018

SOURCES AND METHODOLOGY

A. Items in Table.

Description	Frequency	Sources	Notes on Methodology
Mortgage Rates (30-Yr FRM)	Weekly	Freddie Mac	Primary Mortgage Market Survey, as reported for 30-Year fixed rate mortgages (FRM).
Homeownership Affordability	Monthly	National Association of Realtors®	NAR's composite housing affordability index as reported. A value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. An index above 100 signifies that a family earning the median income has more than enough income to qualify.
Rental Affordability	Quarterly	HUD	HUD's Rental Affordability Index measures whether a typical renter household has enough income to qualify for a lease on a typical rental home at the national level based on the most recent price and income data. A typical renter household is one that earns median income and a typical rental home is a median-priced rental unit. It is assumed that a renter household can qualify for a lease if the annual rent is not greater than 30 percent of the renter household's annual income. A value of 100 means that a renter household with median income has exactly enough income to qualify for a lease on a median-priced rental home. An index value above 100 signifies that a household earning the median income of renter households has more than enough income to qualify. For more information on HUD's rental affordability index and methodology see the Second Quarter 2016 issue of HUD's National Housing Market Summary on their U.S. Housing Market Conditions website: https://www.huduser.gov/portal/ushmc/home.html .
Home Prices CoreLogic Case-Shiller (NSA)	Monthly	Standard and Poor's	Case-Shiller 20-metro composite index, January 2000 = 100. Standard and Poor's recommends use of not seasonally adjusted index when making monthly comparisons.
FHFA (SA) CoreLogic - Excluding Distressed Sales (NSA)	Monthly Monthly	Federal Housing Finance Agency CoreLogic	FHFA monthly (purchase-only) index for US, January 1991 = 100. CoreLogic national combined index, distressed sales excluded, January 2000 = 100. (Only available as NSA). Also see additional note in Section C below on the CoreLogic HPI.
Home Sales (SAAR) New	Monthly	HUD and Census Bureau	Seasonally adjusted annual rates. A newly constructed house is considered sold when either a sales contract has been signed or a deposit accepted, even if this occurs before construction has actually started.
Existing	Monthly	National Association of Realtors®	Seasonally adjusted annual rates. Existing-home sales, which include single-family, townhomes, condominiums and co-ops, are based on transaction closings. This differs from the U.S. Census Bureau's series on new single-family home sales, which are based on contracts or the acceptance of a deposit.
First Time Buyers	Monthly	NAR, Census Bureau, and HUD	Sum of seasonally adjusted new and existing home sales (above) multiplied by National Association of Realtors® annual estimate of first time buyer share of existing home sales.
Distressed Sales (NSA)	Monthly	CoreLogic	Short sales and REO (Real Estate Owned) sales as a percent of total existing home sales (current month subject to revision).
Housing Starts Total (SAAR)	Monthly	HUD and Census Bureau	Housing starts are divided into three components: single family, multifamily, and two-to-four unit structures. Start of construction occurs when excavation begins for the footings or foundation of a building. As of September 1992, housing starts include units being totally rebuilt on an existing foundation.
Single-Family (SAAR)	Monthly	HUD and Census Bureau	Single-Family housing includes fully detached, semi-detached (semi-attached, side-by-side), townhouses and row houses. For attached units, each must be separated from the adjacent unit by a ground-to-roof firewall in order to be classified as a single-family structure. Also, these units must not share common facilities (i.e. heating/air-conditioning systems, plumbing, attic, or basement). Units built one on top of another and those built side-by-side that do not have a ground-to-roof firewall or have common facilities are not considered single-family units.
Multifamily (SAAR)	Monthly	HUD and Census Bureau	Multifamily housing has five or more units in a structure.
Housing Supply New Homes for Sale (SA) New Homes for Sale - Months' Supply (SA) Existing Homes for Sale (NSA) Existing Homes - Months' Supply Vacant Units Held Off Market	Monthly Monthly Monthly Monthly Quarterly	HUD and Census Bureau HUD and Census Bureau National Association of Realtors® National Association of Realtors® Census Bureau	As reported. As reported. As reported. As reported. As reported in Census CPS/HPS Table 4. Estimates of Housing Inventory, line item "Year-round vacant, held off market for reasons other than occasional use or usually reside elsewhere." Vacant units can be held off the market for a variety of reasons.
Mortgage Originations Refinance Originations	Quarterly	Mortgage Bankers Association and HUD	HUD estimate of refinance originations based on MBA estimate of dollar volume of refinance originations.
Purchase Originations	Quarterly	Mortgage Bankers Association and HUD	HUD estimate of home purchase originations based on MBA estimate of dollar volume of home purchase originations.
FHA Originations Refinance Originations Purchase Originations Purchases by First Time Buyers	Monthly Monthly Monthly Monthly	HUD HUD HUD HUD	FHA originations reported as of date of loan closing. Estimate for current month scaled upward due to normal reporting lag and shown as preliminary.
Mortgage Delinquency Rates (NSA) Prime	Monthly	Black Knight Financial Services	Total conventional mortgages past due (30+ days) but not in foreclosure, divided by conventional mortgages actively serviced.
Subprime	Monthly	Black Knight Financial Services	Total conventional mortgages past due (30+ days) but not in foreclosure, divided by conventional mortgages actively serviced.
FHA	Monthly	HUD	Total FHA mortgages past due (30+ days) but not in foreclosure, divided by FHA's insurance in force.
Seriously Delinquent Mortgages Prime Subprime FHA	Monthly Monthly Monthly Monthly	LPS Applied Analytics, MBA, and HUD LPS Applied Analytics, MBA, and HUD HUD HUD	Conventional mortgages 90+ days delinquent or in foreclosure, scaled up to market. Conventional mortgages 90+ days delinquent or in foreclosure, scaled up to market. Mortgages 90+ days delinquent or in foreclosure.
Change in Aggregate Home Equity	Quarterly	Federal Reserve Board	Difference in aggregate household owners' equity in real estate as reported in the Federal Reserve Board's Flow of Funds Accounts of the United States for stated time period.
Underwater Borrowers	Quarterly	CoreLogic	As reported.
National Homeownership Rate	Quarterly	Census Bureau	Homeownership in the U.S. as a percentage of all households.



Housing Market Indicators Monthly Update | April 2018

SOURCES AND METHODOLOGY

A. Items in Table (continued).

Foreclosure Actions Foreclosure Starts	Monthly	ATTOM Data Solutions (Formerly RealtyTrac)	Foreclosure starts are reported counts of notice of default or scheduled foreclosure auction, depending on which action starts the foreclosure process in a state. Real Estate Owned (REO). Count of Short Sales for the month as reported (current month subject to revision). Count of REO (Real Estate Owned) Sales for the month as reported (current month subject to revision).
Foreclosure Completions	Monthly	ATTOM Data Solutions	
Short sales	Monthly	CoreLogic	
REO Sales	Monthly	CoreLogic	

B. Notes on Charts.

1. Monthly house price trends shown as changes in respective house price indices applied to a common base price set equal to the median price of an existing home sold in January 2003 as reported by the National Association of Realtors. Indices shown: S&P/Case Shiller 20-metro composite index (NSA), January 2000 = 100, FHFA monthly (purchase-only) index for US (SA), January 1991 = 100, and CoreLogic-Distressed Sales Excluded (Monthly) for US (NSA), January 2000 = 100. Also see additional note below in Section C on the CoreLogic HPI.
2. Reported seasonally adjusted annual rates for new and existing home sales.
3. A comparison of the affordability of renting a home to purchasing a home, added as of the September 2016 release. HUD's Quarterly Rental Affordability Index is compared to NAR's Composite Quarterly Affordability Index. See note above on Rental Affordability.
4. Filings of a notice of default or scheduled foreclosure auction, depending on which action starts the foreclosure process in a state, are reported for foreclosure starts. Foreclosure completions are properties entering REO. Both as reported by ATTOM Data Solutions (formerly RealtyTrac).
5. FHA market shares as FHA purchase and refinance originations divided by HUD estimates of purchase and refinance mortgage originations as noted in "Mortgage Originations" above. See additional note below on FHA market share.

C. Additional Notes.

Black Knight enhanced their database as of December 2017 data, increasing their database coverage by nearly 1 million additional loans through several new contributors and improved coverage of certain types of data. Also, HUD included additional filters to make sure all FHA and VA loans were excluded from the data to ensure reporting of only conventional loans. The November 2017 changes in reported data are mainly due to the additional filters.

FHA Market Share data were updated in the June 2017 report based on the most recent HMDA data and revised house price estimates. FHA market share estimates were based on new methodology beginning with the October 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.

The estimate for first-time buyers was revised downward from 35 percent for 2016 to 34 percent for 2017, with the October 2017 release of the NAR Profile of Home Buyers and Sellers 2017 report. The annual reporting of first-time buyers differs from NAR's monthly Realtors Confidence Index survey, because the annual survey, for the most part, represents purchases of homes by owner-occupants and does not include purchases by investors, as in the monthly survey.

CoreLogic's House Price Index (HPI) estimates are based on new methodology beginning with their June 2016 report, which includes data through April 2016. A variety of modeling and other enhancements to their HPI and its forecast, including a 14 percent expansion in the number of transaction pairs, were made.