

# MBA Mortgage Finance Forecast

December 20, 2017

	2017				2018				2019				2016	2017	2018	2019	2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
<b>Housing Measures</b>																	
Housing Starts (SAAR, Thous)	1,238	1,167	1,164	1,270	1,260	1,290	1,300	1,305	1,340	1,370	1,390	1,405	1,177	1,195	1,289	1,376	1,436
Single-Family	839	825	848	900	890	910	920	935	950	980	1,000	1,015	784	842	914	986	1,061
Two or More	399	342	316	370	370	380	380	370	390	390	390	390	393	352	375	390	375
Home Sales (SAAR, Thous)																	
Total Existing Homes	5,620	5,563	5,387	5,522	5,546	5,674	5,742	5,753	5,758	5,811	5,858	5,869	5,440	5,524	5,679	5,824	5,980
New Homes	617	605	591	660	632	639	640	648	656	666	673	676	561	621	640	668	695
FHFA US House Price Index (YOY % Change)	5.7	6.4	6.4	6.2	5.9	5.6	5.3	4.9	4.6	4.2	3.9	3.6	5.7	6.2	5.4	4.1	2.9
Median Price of Total Existing Homes (Thous \$)	230.7	253.6	252.1	244.2	252.6	252.8	253.7	250.0	255.1	260.0	261.3	258.5	232.1	245.2	252.3	258.7	265.1
Median Price of New Homes (Thous \$)	311.6	316.6	315.7	317.6	328.9	330.3	331.5	328.5	334.5	340.8	341.7	337.9	306.5	315.4	329.8	338.7	346.6
<b>Interest Rates</b>																	
30-Year Fixed Rate Mortgage (%)	4.2	4.0	3.9	4.0	4.2	4.4	4.6	4.8	4.8	4.9	5.0	5.1	3.6	4.0	4.5	4.9	5.3
10-Year Treasury Yield (%)	2.4	2.3	2.2	2.4	2.5	2.7	2.8	2.9	2.9	3.0	3.1	3.2	1.8	2.3	2.7	3.0	3.4
<b>Mortgage Originations</b>																	
Total 1- to 4-Family (Bil \$)	361	463	471	415	344	450	450	370	355	465	460	365	2,051	1,710	1,614	1,645	1,712
Purchase	212	316	320	262	225	345	350	270	255	365	360	270	1,052	1,110	1,190	1,250	1,317
Refinance	149	147	151	153	119	105	100	100	100	100	100	95	999	600	424	395	395
Refinance Share (%)	41	32	32	37	35	23	22	27	28	22	22	26	49	35	26	24	23
<b>Mortgage Debt Outstanding</b>																	
1- to 4-Family (Bil \$)	9,770	9,840	9,930	10,010	10,090	10,180	10,280	10,370	10,460	10,560	10,670	10,760	9,710	10,010	10,370	10,760	11,130

**Notes:**

Housing starts and home sales are seasonally adjusted at annual rate.

Total existing home sales include condos and co-ops.

Mortgage rate forecast is based on Freddie Mac's 30-Yr fixed rate which is based on predominantly home purchase transactions.

The 10-Year Treasury Yield and 30-Yr mortgage rate are the average for the quarter.

Total 1-to-4-family originations and refinance share are MBA estimates. These exclude second mortgages and home equity loans.

The FHFA US House Price Index is the forecasted year over year percent change of the FHFA All Transactions House Price Index.

The mortgage debt outstanding forecast is for 1-4 unit mortgage debt and excludes home equity loans. Annual MDO numbers reflect EOP values.

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