

MBA Mortgage Finance Forecast

October 25, 2016

	2016				2017				2018				2015	2016	2017	2018	2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Housing Measures																	
Housing Starts (SAAR, Thous)	1,151	1,159	1,140	1,210	1,230	1,250	1,280	1,310	1,320	1,350	1,380	1,400	1,108	1,165	1,268	1,363	1,463
Single-Family	790	755	760	790	820	850	870	900	920	950	980	1,000	713	774	860	963	1,063
Two or More	361	405	380	420	410	400	410	410	400	400	400	400	395	391	408	400	400
Home Sales (SAAR, Thous)																	
Total Existing Homes	5,300	5,503	5,380	5,472	5,566	5,664	5,745	5,841	5,881	5,969	6,005	5,922	5,237	5,414	5,704	5,944	6,060
New Homes	529	572	615	616	634	651	642	661	683	699	705	692	503	583	647	695	725
FHFA US House Price Index (YOY % Change)	5.4	5.4	5.4	5.4	5.2	5.0	4.8	4.6	4.4	4.2	4.0	3.8	5.5	5.4	4.9	4.1	3.3
Median Price of Total Existing Homes (Thous \$)	215.8	239.1	244.4	239.0	242.1	249.6	243.5	242.3	247.4	253.2	250.0	242.0	219.9	234.6	244.4	248.2	252.3
Median Price of New Homes (Thous \$)	304.6	312.3	299.2	305.7	311.8	313.5	309.4	310.6	316.8	318.1	314.4	310.6	297.3	305.5	311.3	315.0	317.4
Interest Rates																	
30-Year Fixed Rate Mortgage (%)	3.7	3.6	3.5	3.7	3.9	4.1	4.3	4.4	4.4	4.6	4.7	4.8	3.9	3.6	4.2	4.6	5.4
10-Year Treasury Yield (%)	1.9	1.8	1.6	1.8	2.1	2.3	2.4	2.5	2.5	2.7	2.8	2.9	2.1	1.8	2.3	2.7	3.5
Mortgage Originations																	
Total 1- to 4-Family (Bil \$)	350	510	561	470	400	440	437	352	345	445	443	355	1,679	1,891	1,629	1,588	1,640
Purchase	185	275	298	232	220	310	325	245	240	340	343	255	903	990	1,100	1,178	1,245
Refinance	165	235	263	238	180	130	112	107	105	105	100	100	776	901	529	410	395
Refinance Share (%)	47	46	47	51	45	30	26	30	30	24	23	28	46	48	32	26	24

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.

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.

Refinance share is percent of total dollar volume of closed loans.

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