

Housing Forecast: December 2008

	----- 2007 -----				----- 2008 -----				----- 2009 -----				----- 2010 -----				2007	2008	2009	2010
	07.1	07.2	07.3	07.4	08.1	08.2	08.3	08.4	09.1	09.2	09.3	09.4	10.1	10.2	10.3	10.4				
Housing Starts and Sales (saar, Thous)																				
Housing Starts	1,453	1,460	1,298	1,151	1,053	1,025	877	776	748	740	816	890	955	1,035	1,095	1,156	1,355	933	798	1,060
Single Family	1,163	1,160	986	826	728	675	603	501	473	465	526	590	655	730	785	836	1,046	627	513	752
percent change																	-28.6%	-40.1%	-18.1%	46.4%
Multifamily	290	300	311	325	325	350	274	275	275	275	290	300	300	305	310	320	309	306	285	309
New Home Sales	838	852	731	651	561	519	478	438	438	430	472	514	559	612	649	684	776	499	464	626
percent change																	-26.8%	-35.1%	-7.0%	35.0%
Total Existing Home Sales	6,363	5,870	5,457	4,997	4,953	4,910	5,037	4,895	4,810	4,788	5,003	5,149	5,184	5,242	5,377	5,567	5,652	4,949	4,937	5,343
percent change																	-13.1%	-12.4%	-0.2%	8.2%
Total Home Sales (new + existing)	7,202	6,722	6,187	5,647	5,514	5,429	5,514	5,333	5,247	5,219	5,475	5,664	5,743	5,854	6,026	6,251	6,420	5,447	5,401	5,968
percent change																	-15.0%	-15.1%	-0.9%	10.5%
Home Prices (NSA, thous. \$)																				
Median New	255.9	241.0	241.0	237.0	235.7	236.7	225.4	217.0	218.1	217.9	208.6	202.5	205.7	207.8	201.3	197.9	247.9	228.7	211.8	203.2
Median Total Existing	213.9	223.9	221.2	207.5	198.5	208.1	201.7	189.9	183.6	191.6	186.6	177.3	173.3	182.7	180.1	173.2	219.0	199.5	184.8	177.3
FHFA Index (YOY % change)	4.2%	3.3%	1.8%	0.8%	-0.1%	-1.8%	-4.0%	-6.5%	-5.6%	-6.2%	-5.8%	-5.1%	-4.1%	-3.8%	-2.9%	-1.9%	0.8%	-6.5%	-5.1%	-1.9%
Interest Rates, Percent																				
10-Year T-Note	4.68	4.85	4.73	4.26	3.66	3.89	3.86	3.37	2.88	2.91	2.95	2.99	3.03	3.06	3.09	3.12	4.63	3.70	2.93	3.07
FRM Rate	6.22	6.37	6.55	6.23	5.88	6.09	6.32	5.98	5.57	5.50	5.44	5.40	5.37	5.35	5.34	5.33	6.34	6.07	5.48	5.35
ARM Rate 1 yr	5.47	5.55	5.68	5.55	5.13	5.20	5.21	5.21	5.07	4.82	4.75	4.71	4.67	4.62	4.61	4.66	5.56	5.19	4.84	4.64
Originations (nsa, bil. \$)																				
Mortgage Originations	612	741	609	580	522	576	414	396	473	549	533	478	417	487	480	453	2,543	1,909	2,034	1,837
Purchase	274	376	341	260	194	276	264	216	160	236	236	207	161	250	252	223	1,250	950	839	887
Refi	338	365	268	320	329	300	149	180	313	313	297	271	256	237	228	230	1,293	958	1,195	951
Refi Share (%)	55%	49%	44%	55%	63%	52%	36%	45%	66%	57%	56%	57%	61%	49%	48%	51%	51%	50%	59%	52%
Liquidations	407	549	480	457	451	585	464	390	490	526	515	474	426	448	441	425	1,894	1,890	2,005	1,740
Mortgage Debt Outstanding																				
MDO SF First Lien	9,595	9,787	9,917	10,040	10,111	10,102	10,052	10,058	10,041	10,064	10,082	10,087	10,078	10,117	10,156	10,184	10,040	10,058	10,087	10,184
% Change	9.0%	8.2%	5.4%	5.1%	2.9%	-0.3%	-2.0%	0.2%	-0.7%	0.9%	0.7%	0.2%	-0.4%	1.6%	1.5%	1.1%	6.9%	0.2%	0.3%	1.0%
MDO Total Single-Family	10,672	10,884	11,036	11,168	11,237	11,228	11,167	11,173	11,155	11,180	11,200	11,205	11,195	11,239	11,282	11,314	11,168	11,173	11,205	11,314
% Change	8.5%	8.2%	5.7%	4.9%	2.5%	-0.3%	-2.2%	0.2%	-0.7%	0.9%	0.7%	0.2%	-0.4%	1.6%	1.5%	1.1%	6.8%	0.0%	0.3%	1.0%
ARM Share of Applications (% of conv#)	21%	22%	23%	15%	11%	12%	14%	3%	4%	5%	5%	6%	6%	7%	7%	7%	20%	10%	5%	7%

December 11, 2008

Notes: Interest rate forecasts are based on rates from November 28, 2008.

Source: Actuals: Census, Bureau of Labor Statistics, Federal Reserve, Mortgage Bankers Association, National Association of Realtors, FHFA, Forecasts: Fannie Mae Economics and Mortgage Market Analysis