

## U.S. Economic Outlook: August 2016

|                                   | 2015    | 2015  | 2016  | 2016  | 2016  | 2016  | 2017     | 2017  | 2017  | 2017  | Annual  |       |          |       |
|-----------------------------------|---------|-------|-------|-------|-------|-------|----------|-------|-------|-------|---------|-------|----------|-------|
|                                   | Q3      | Q4    | Q1    | Q2    | Q3    | Q4    | Q1       | Q2    | Q3    | Q4    | 2014    | 2015  | 2016     | 2017  |
| <b>U.S. Economy</b>               | History |       |       |       |       |       | Forecast |       |       |       | History |       | Forecast |       |
| <i>Annual Growth Rate</i>         |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| Real GDP                          | 2.0     | 1.4   | 1.1   | 2.3   | 2.4   | 2.2   | 2.1      | 2.1   | 2.1   | 2.0   | 2.4     | 2.4   | 1.9      | 2.2   |
| Nonfarm Payroll Employment        | 1.9     | 2.0   | 1.9   | 1.3   | 1.3   | 1.1   | 1.0      | 0.9   | 0.7   | 0.7   | 1.9     | 2.1   | 1.6      | 1.8   |
| Consumer Prices                   | 1.4     | 0.8   | -0.3  | 2.5   | 3.2   | 2.8   | 2.7      | 2.5   | 2.5   | 2.8   | 1.6     | 0.1   | 1.4      | 2.7   |
| Consumer Confidence               | 98      | 96    | 96    | 95    | 102   | 98    | 98       | 100   | 106   | 105   | 87      | 98    | 99       | 102   |
| <i>Percent</i>                    |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| Unemployment                      | 5.2     | 5.0   | 4.9   | 4.9   | 4.9   | 4.8   | 4.8      | 4.7   | 4.7   | 4.6   | 6.2     | 5.3   | 4.9      | 4.7   |
| <i>Interest Rates, Percent</i>    |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| Fed Funds Rate                    | 0.1     | 0.2   | 0.4   | 0.4   | 0.4   | 0.4   | 0.6      | 0.7   | 0.9   | 0.9   | 0.1     | 0.1   | 0.4      | 0.8   |
| 3-Month T-Bill Rate               | 0.0     | 0.1   | 0.3   | 0.3   | 0.3   | 0.4   | 0.6      | 0.8   | 1.0   | 1.1   | 0.0     | 0.1   | 0.3      | 0.9   |
| Prime Rate                        | 3.3     | 3.3   | 3.5   | 3.5   | 3.5   | 3.5   | 3.5      | 3.8   | 3.8   | 4.0   | 3.3     | 3.3   | 3.5      | 3.8   |
| Corporate Aaa Bond Yield          | 4.1     | 4.0   | 3.9   | 3.6   | 3.4   | 3.5   | 3.7      | 3.9   | 4.1   | 4.3   | 4.2     | 3.9   | 3.6      | 4.0   |
| 10-Year Government Bond           | 2.2     | 2.2   | 1.9   | 1.8   | 1.7   | 1.8   | 2.0      | 2.2   | 2.4   | 2.6   | 2.5     | 2.1   | 1.8      | 2.3   |
| 30-Year Government Bond           | 3.0     | 3.0   | 2.7   | 2.6   | 2.4   | 2.5   | 2.7      | 2.9   | 3.1   | 3.3   | 3.3     | 2.8   | 2.5      | 3.0   |
| <i>Mortgage Rates, percent</i>    |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| 30-Year Fixed Rate                | 4.0     | 3.9   | 3.7   | 3.6   | 3.6   | 3.7   | 3.8      | 4.0   | 4.2   | 4.4   | 4.2     | 3.9   | 3.7      | 4.1   |
| 5/1-Year Hybrid Adjustable        | 2.9     | 3.0   | 2.9   | 2.8   | 2.8   | 2.9   | 3.0      | 3.0   | 3.1   | 3.2   | 3.0     | 2.9   | 2.9      | 3.1   |
| <b>Housing Indicators</b>         |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| <i>Thousands</i>                  |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| Existing Home Sales*              | 5403    | 5200  | 5300  | 5503  | 5556  | 5388  | 5404     | 5636  | 5593  | 5497  | 4940    | 5250  | 5437     | 5533  |
| New Single-Family Sales           | 487     | 508   | 529   | 579   | 540   | 564   | 587      | 615   | 595   | 623   | 437     | 501   | 545      | 604   |
| Housing Starts                    | 1156    | 1135  | 1151  | 1160  | 1264  | 1284  | 1255     | 1246  | 1314  | 1350  | 1003    | 1112  | 1214     | 1291  |
| Single-Family Units               | 745     | 755   | 790   | 762   | 842   | 838   | 858      | 848   | 900   | 908   | 648     | 715   | 808      | 879   |
| Multifamily Units                 | 411     | 380   | 361   | 397   | 422   | 445   | 397      | 397   | 414   | 441   | 355     | 397   | 407      | 413   |
| <i>Percent Change -- Year Ago</i> |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| Existing Home Sales               | 8.2     | 2.3   | 5.0   | 4.2   | 2.8   | 3.6   | 2.0      | 2.4   | 0.7   | 2.0   | -2.9    | 6.3   | 3.6      | 1.8   |
| New Single-Family Sales           | 10.9    | 7.9   | 1.6   | 17.4  | 11.0  | 11.0  | 10.9     | 6.3   | 10.2  | 10.5  | 1.9     | 14.6  | 8.8      | 10.8  |
| Housing Starts                    | 13.0    | 7.4   | 16.8  | 0.3   | 9.3   | 13.2  | 9.0      | 7.4   | 4.0   | 5.1   | 8.5     | 10.8  | 9.2      | 6.3   |
| Single-Family Units               | 14.6    | 8.0   | 22.9  | 7.6   | 13.1  | 11.0  | 8.6      | 11.2  | 6.9   | 8.4   | 4.9     | 10.3  | 13.0     | 8.8   |
| Multifamily Units                 | 10.3    | 6.3   | 5.2   | -11.2 | 2.6   | 17.2  | 10.0     | -0.1  | -1.9  | -0.9  | 15.7    | 11.8  | 2.5      | 1.5   |
| <b>Median Home Prices</b>         |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| <i>Thousands of Dollars</i>       |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| Existing Home Prices              | 227.3   | 220.8 | 215.8 | 239.2 | 238.2 | 230.4 | 223.7    | 247.1 | 245.5 | 237.3 | 208.3   | 222.4 | 231.1    | 238.6 |
| New Home Prices                   | 301.3   | 304.9 | 304.6 | 305.2 | 305.2 | 300.9 | 312.1    | 314.9 | 297.4 | 308.4 | 282.8   | 296.4 | 309.5    | 317.5 |
| <i>Percent Change -- Year Ago</i> |         |       |       |       |       |       |          |       |       |       |         |       |          |       |
| Existing Home Prices              | 5.1     | 6.3   | 6.1   | 4.9   | 4.8   | 4.4   | 3.7      | 3.3   | 3.1   | 3.0   | 5.7     | 6.8   | 3.9      | 3.2   |
| New Home Prices                   | 8.4     | 1.2   | 3.9   | 5.3   | 1.3   | -1.3  | 2.5      | 3.2   | -2.6  | 2.5   | 5.2     | 4.8   | 4.4      | 2.6   |
| Housing Affordability Index       | 159     | 166   | 172   | 164   | 165   | 169   | 173      | 154   | 152   | 155   | 166     | 164   | 167      | 159   |

Quarterly figures are seasonally adjusted annual rates

\* Existing home sales of single-family homes and condo/coops; \*\* billion dollars