Transaction Sentiment Index™

Powered by
pulsenomics
Pulsenomics LLC

Introduction

The Transaction Sentiment Index™ (TSI) systematically scores and tracks home-buying and home-selling mindsets of heads of household across the United States. It is the only measure of its kind that does so by tenure category (i.e., renters, owners) and generation (e.g., millennials)--and at national, regional, and metro area levels. Pulsenomics maintains and updates hundreds of TSI data series using data compiled in the biannual _U.S. Housing Confidence Survey™_ (HCS).[1]

TSI is composed of a pair of complementary data series, i.e., _The Home Buying Sentiment Index_™ (SSI) and _The Home Selling Sentiment Index_™ (BSI). As the highest-resolution barometer of prevalent home-buying and home-selling attitudes, TSI provides valuable context and unique insight concerning related market metrics, such as for-sale inventory levels, transaction volume, home value trends, and housing confidence.

National, Region-specific, Metro-specific and Tenure-specific Coverage

Pulsenomics calculates and maintains a total of 384 housing confidence index data series for residential real estate markets throughout the U.S.

Transaction Sentiment Index

Components

- **Home Buying Sentiment**
- **Home Selling Sentiment**

Geographic levels:
- ✓ National
- ✓ Regional
- ✓ Metro area

Tenure categories:
- ✓ Homeowners
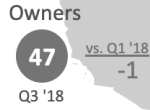- ✓ Renters
- ✓ All-tenure

Household categories:
- ✓ All generations
- ✓ Millennials

*Includes Alaska and Hawaii

- **All-Generation TSIs**

Number of markets:	32	[1 National, 4 Regional, 25 Metro-level, 2 Metro composites]
TSIs:	x 2	[2 component indices (SSI, BSI)]
Tenure Categories:	x 3	[All Households, Homeowner Households, Renter Households]
	192	_Total All-Generation TSIs_

- **Millennial Household TSIs**

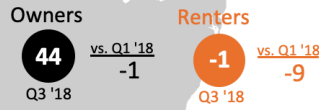|		
Number of markets:	32	[1 National, 4 Regional, 25 Metro-level, 2 Metro composites]
HCIs:	x 2	[2 component indices (SSI, BSI)]
Tenure Categories:	x 3	[All Households, Homeowner Households, Renter Households]
	192	_Total Millennial TSIs_
	384	**_Total TSI Index Set_**

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[1] TSIs are calculated for each of 25 of the largest U.S. metropolitan statistical areas, selected combinations of those MSAs, the four major U.S. regions, and for the nation as a whole. Presently, each edition of TSI is derived from response data compiled from 15,500 consumer survey questionnaires completed by U.S. heads of household. The aggregate sample is composed of a national sample frame (n=3,000) and 25 metropolitan area samples (n=500 each).
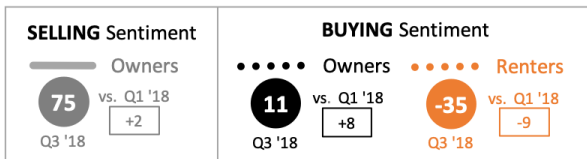
Transaction Sentiment Index™

United States

SELLING Sentiment
Owners

47 | vs. Q1 '18
-1

Q3 '18

BUYING Sentiment

Owners

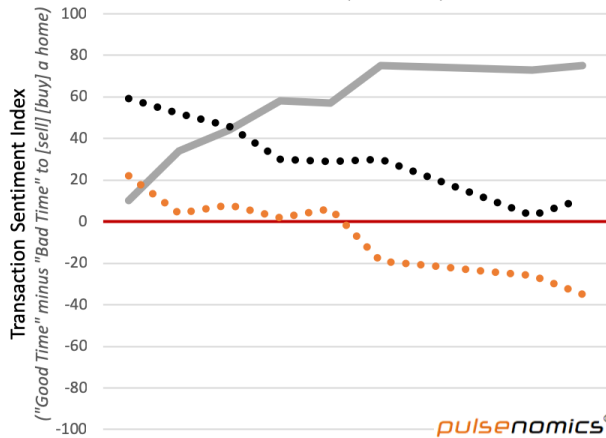**44** | vs. Q1 '18
-1

Q3 '18

Renters

-1 | vs. Q1 '18
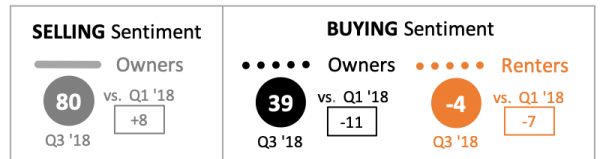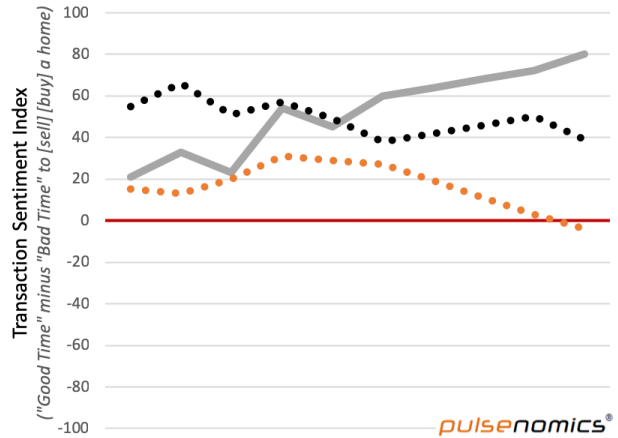-9

Q3 '18

Index Scale -100 to +100

TSI variation across different real estate markets--and divergent sentiment levels and paths by tenure category *within* markets--underscore the merits of monitoring home transaction sentiment data through individual metro area and tenure-specific lenses.

Seattle — Home Transaction Sentiment
Q1 2014 - Q3 2018

Transaction Sentiment Index
("Good Time" minus "Bad Time" to [sell] [buy] a home)

SELLING Sentiment
Owners

75 | vs. Q1 '18
+2

Q3 '18

BUYING Sentiment

Owners

11 | vs. Q1 '18
+8

Q3 '18

Renters

-35 | vs. Q1 '18
-9

Q3 '18

Source: The U.S. Housing Confidence Survey™

Minneapolis — Home Transaction Sentiment
Q1 2014 - Q3 2018

Transaction Sentiment Index
("Good Time" minus "Bad Time" to [sell] [buy] a home)

SELLING Sentiment
Owners

80 | vs. Q1 '18
+8

Q3 '18

BUYING Sentiment

Owners

39 | vs. Q1 '18
-11

Q3 '18

Renters

-4 | vs. Q1 '18
-7

Q3 '18

Source: The U.S. Housing Confidence Survey™

Methodology

Home Selling Sentiment Index (SSI)

SSI = [(GTS) − (BTS)] x 100

- GTS = percentage of survey respondents who say "*Where I live, now is a good time* for a person to sell a home."
- BTS = percentage of survey respondents who say "*Where I live, now is a bad time* for a person to sell a home."

Home Buying Sentiment Index (BSI)

BSI = [(GTB) − (BTB)] x 100

- GTB = percentage of survey respondents who say "*Where I live, now is a good time* for a person to buy a home."
- BTB = percentage of survey respondents who say "*Where I live, now is a bad time* for a person to buy a home."