



## Freddie Mac April 2018 Outlook

April 23, 2018

### Nothing Draws a Crowd Like a Crowd: The Outlook for Home Sales

MCLEAN, Va., April 23, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB:FMCC) today released its monthly [Outlook](#) for April, which looks at the correlation between supply and demand in the housing market and what it means for home sales over the next two years.

#### Outlook Highlights

- Our baseline economic forecast has the U.S. economy continuing to grow with gradual increases in interest rates. We expect mortgage rates to follow the 10-year Treasury higher and average 4.9 percent and 5.4 percent in the fourth quarter of 2018 and 2019, respectively.
- In recent years, the inventory of existing homes for sale has been low and has trended lower. Per estimates by the National Association of Realtors, the number of single-family homes available for sale in the U.S. in February 2018 was just 1.41 million units, less than half of the peak in 2007.
- Construction of new homes has been ramping up recently, but it has not been enough to match demand. Housing starts have been held back by labor shortages and an increase in development costs since the crisis. However, homes under construction reached new expansion highs at 1.12 million as of March 2018.
- We expect total home sales to increase from 6.12 million in 2017 to 6.3 million in 2018, and to 6.44 million in 2019, with new home sales driving the growth as housing construction keeps grinding higher.

**Quote:** Attributed to Len Kiefer, Deputy Chief Economist, Freddie Mac.

"The broader economic environment remains favorable for home sales. But without new home construction and increased housing supply, home sales in the U.S. will have a hard time growing from current levels. If incomes grow and mortgage rate increases are gradual, then the housing market should post modest growth this year and next."

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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Source: Freddie Mac