



Freddie Mac Forecasts Continued Low Mortgage Rate Environment

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MCLEAN, Va., April 29, 2019 (GLOBE NEWSWIRE) -- According to [Freddie Mac's](#) (OTCQB: FMCC) April [Forecast](#), the mortgage market is expected to see favorable mortgage rates for the remainder of the year, which will help homebuyer affordability.

Sam Khater, Freddie Mac's chief economist, says, "While mortgage rates have risen in recent weeks, they remain lower than where they were a year ago and wage growth has accelerated and is finally growing at the same rate as home prices for the first time in seven years. We expect to see the result of these low mortgage rates and stronger wage growth translate into better home sales in the coming months, along with better than expected refinance activity for the year."

"Without a doubt, these low mortgage rates and higher incomes will help homebuyers on the affordability front this spring homebuying season. Unfortunately, first-time homebuyers will likely not realize as much of the benefit with such high demand and price growth for lower-priced homes," added Khater.

Forecast Highlights

- Expect the 30-year fixed-rate mortgage to average 4.3 percent for 2019, below last year's average of 4.6 percent.
- Due to healthy home sales data so far in 2019, as well as low mortgage rates and a strong job market, expect total home sales to surpass 2018 levels and reach 5.98 million units in 2019. Most of the increase is expected to come from existing home sales.
- Unfortunately, the first quarter forecast on housing starts was lowered due to January and February data, which effectively lowers the 2019 annual forecast to 1.26 million units.
- The house price appreciation forecast remains unchanged and is expected to grow 3.5 percent for 2019.
- Single-family mortgage originations are expected to increase for the remainder of 2019 mainly due to low mortgage rates, which have resulted in more refinance activity. Expect the refinance share to increase from 30 percent of all originations in 2018 to 33 percent in 2019.

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, investors and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

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