



Freddie Mac July Forecast: Expect Homes Sales Recovery

July 30, 2019

MCLEAN, Va., July 30, 2019 (GLOBE NEWSWIRE) -- According to [Freddie Mac's](#) (OTCQB: FMCC) July [Forecast](#) an overall increase in home sales for the remainder of the year will be dampened by the ongoing shortage of homes for sale and rising house prices.

Sam Khater, Freddie Mac's chief economist, says, "We expect to see stronger housing starts and increased home sales for the remainder of the year as homebuyers benefit from very attractive mortgage rates, lower prices at the gas pump, plus a gradual bump up in wages. While this affordability boost is welcomed, rising demand in the face of limited homes for-sale is likely to put even more upward pressure on house prices."

Forecast Highlights

- For the full year 2019, expect GDP growth of 2.1% as trade tensions and the waning effects of last year's fiscal stimulus put downward pressure on growth.
- Expect mortgage rates to follow Treasury yields with the 30-year fixed-rate mortgage averaging 4.1% in 2019, before decreasing modestly to 4.0% in 2020.
- The house price appreciation forecast is expected to average 3.4% for 2019.
- The housing starts forecast remains unchanged. Expect to see an increase to 1.26 million and 1.34 million new homes in 2019 and 2020, respectively.
- Given the combination of increased homebuyer demand and housing supply shortage, expect home sales to be 6.00 million in 2019, before reaching its 2017 levels in 2020 at 6.12 million.
- With continued low mortgage rates, expect refinance origination volume to rise above 30% in 2019 and lower mortgage rates to translate into higher annual mortgage origination levels of \$1.8 trillion and \$1.7 trillion in 2019 and 2020, respectively.

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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