



Freddie Mac August Forecast: Low Mortgage Rates, Strong Labor Market Fueling Housing Market

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MCLEAN, Va., Aug. 28, 2019 (GLOBE NEWSWIRE) -- According to [Freddie Mac's](#) (OTCQB: FMCC) August [Forecast](#) mortgage originations will reach \$2 trillion in 2019 driven by a surge of homeowners refinancing into a lower mortgage rate along with strong homebuyer demand.

Sam Khater, Freddie Mac's chief economist, says, "Despite fears of an economic slowdown, the U.S. labor market stands firm. Specifically, jobless claims are near historic lows. This strong labor market, along with mortgage rates at three-year lows and consumer confidence holding strong, will set the stage for continued improvement in the housing market heading into the fall."

Forecast Highlights

- For full year 2019, expect GDP growth of 2.2%, with trade tensions likely having a visible impact on the second half of the year.
- With enormous downward pressure on long-term interest rates around the world, expect the 30-year fixed-rate mortgage to remain around 3.6% on average through the second quarter of 2020.
- The house price forecast remains unchanged and is expected to appreciate 3.4% in 2019.
- The single-family housing starts forecast has decreased slightly to 870,000 new homes in 2019 and 940,000 in 2020, respectively.
- Given the combination of increased housing demand and a projected upward tick in housing supply, expect home sales to be 5.94 million in 2019, before reaching near-2017 levels in 2020, at 6.04 million.
- With continued low mortgage rates, expect higher annual mortgage origination levels of \$2 trillion and \$1.8 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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