Freddie Mac December Forecast: Optimism Heading into 2020

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MCLEAN, Va., Dec. 23, 2019 (GLOBE NEWSWIRE) -- According to Freddie Mac's (OTCQB: FMCC) December Forecast, the housing market will continue to stand firm as home sales increase from 6.0 million in 2019 to 6.2 million in 2020 and, to 6.3 million in 2021.

"A more accommodative monetary policy stance and robust labor market helped the U.S. housing market regain its footing in 2019," said Sam Khater, Freddie Mac's Chief Economist. "Improved sentiment, lower financial market volatility and trade headwinds are setting up a favorable economic environment for continued real estate market growth in 2020."

- The average 30-year fixed-rate mortgage rate is forecasted to be 3.8 percent in 2020 and 2021.
- House price growth will continue to decelerate through 2021 with annual rates of 3.2 percent, 2.8 percent and 2.1 percent in 2019, 2020 and 2021, respectively.
- Modest increases in home sales and house prices will boost purchase mortgage originations for the foreseeable future. We expect purchase originations to rise steadily to $1,261 billion in 2019, then $1,333 billion in 2020, and finally rising to $1,377 billion in 2021.
- We expect refinance originations to be $846 billion in 2019 before slowing to $650 billion and $475 billion in 2020 and 2021, respectively.
- Overall, expect annual mortgage origination levels of $2.0 trillion in 2020 and $1.9 trillion in 2021.

Freddie Mac will start distributing its forecast on a quarterly basis beginning in 2020. The quarterly forecasts will be released in March, June, September, and December.

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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