



Freddie Mac Quarterly Forecast: The Economy is Recovering from a Deep Contraction and Housing is Rebounding, but the Outlook Remains Highly Uncertain

June 16, 2020

MCLEAN, Va., June 16, 2020 (GLOBE NEWSWIRE) -- According to [Freddie Mac's](#) (OTCQB: FMCC) Quarterly [Forecast](#), housing markets have been affected by the pandemic with both home sales and house price growth declining.

"While the housing market undoubtedly has felt the effects of COVID-19, we are encouraged by recent homebuyer demand as well as mortgage rates that should remain at record lows for the foreseeable future," said Sam Khater, Freddie Mac's Chief Economist. "However, beyond the initial rebound in the housing market, the economic and housing outlook will be heavily impacted by the prospects for a vaccine, fiscal policy and the underlying organic recovery of the economy which, in combination, make the outlook highly uncertain."

According to the Forecast:

- The average 30-year fixed-rate mortgage is expected to be 3.4 percent in 2020 and 3.2 percent in 2021.
- House price growth is expected to decelerate to an annual rate of 2.3 percent in 2020. In 2021, that rate is expected to be 0.4 percent.
- Home sales are expected to decrease in 2020 to 4.8 million homes and increase in 2021 to 5.6 million homes.
- Purchase originations are expected to decrease to \$1.044 trillion in 2020 and increase to \$1.244 trillion in 2021.
- Refinance originations are expected to be \$1.872 trillion in 2020 before falling to \$1.279 trillion in 2021.
- Overall, the Forecast expects annual mortgage origination levels to be \$2.916 trillion in 2020 and \$2.524 trillion 2021.

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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A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/323aa17e-b7e3-4be4-bcf5-e584d8de0ba1>

Forecast Snapshot

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SUMMARY (ANNUALIZED)	2018	2019	2020	2021
30-year PMMS (%)	4.6	4.0	3.4	3.2
Total home sales (M)	5.9	6.0	4.8	5.6
House price growth (%)	5.2	4.2	2.3	0.4
Total originations (\$B)	\$1,700	\$2,325	\$2,916	\$2,524

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