



## Freddie Mac November 2017 Outlook

November 20, 2017

### Recap of 2017: The Best Year in a Decade

MCLEAN, VA--(Marketwired - Nov 20, 2017) - [Freddie Mac](#) (OTCQB: FMCC) today released its monthly [Outlook](#) for November, which analyzes the factors that have the housing markets on track for their best year in a decade by a variety of measures.

#### Outlook Highlights

- Modest economic growth, robust job gains, and low interest rates make for a favorable economic environment for housing and mortgage markets. But despite the favorable environment, housing markets have stalled a bit through summer and into fall. A lack of available for-sale inventory is helping to contribute to an acceleration in home prices.
- The lack of inventory has been a storyline throughout the summer and fall after a good start to the year. We now anticipate 1.2 million housing starts and 6.13 million home sales for 2017. Despite the disappointing latter half of the year, both numbers are still on track for the best year in a decade. We also expect starts and sales to increase in 2018 and 2019 -- thanks to housing construction gradually picking up and helping to supply more homes to inventory-starved markets.
- Strong demand, low mortgage rates and a lack of for-sale inventory has contributed to accelerating house prices. Nationally, home prices increased at a 6.4 percent annualized rate over the quarter ending September 2017.

**Quote:** Attributed to Sean Beckett, Chief Economist, Freddie Mac.

"It's unlikely the economic environment will be much more favorable for housing and mortgage markets in 2018 and 2019. We forecast that interest rates will remain low by historical standards, but gradually creep higher over the next two years. We also forecast that housing construction will gradually pick up, helping to supply more homes to inventory-starved markets. More housing supply and modestly higher rates will lead to a moderation in house price growth. Refinance activity will drop to very low levels and the mortgage market will be dominated by purchase activity."

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

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