



Freddie Mac April 2017 Outlook

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Where Have All the Houses Gone?

MCLEAN, VA--(Marketwired - Apr 18, 2017) - [Freddie Mac](#) (OTCQB: FMCC) today released its monthly [Outlook](#) for April, looking at how the tight housing inventory will affect home sales during the spring homebuying season.

Outlook Highlights

- With inventory tight, home prices outpacing incomes, and interest rates headed higher, affordability has declined, putting a pinch on prospective homebuyers.
- For-sale housing inventory, especially of starter homes, is currently at its lowest level in over ten years
- The reasons for the lower inventory are:
 - Many homeowners are not selling their homes for fear of not being able to find another home they like and that falls within their budget.
 - Some borrowers do not want to let go of the extremely low mortgage rate they currently have.
- Home prices have still not recovered to their pre-crisis levels for many homeowners and selling their homes would fetch them less than the amounts they owe on their mortgage. Housing starts were 1.17 million for 2016 and are projected to be 1.26 million for 2017, well below the historical average of 1.36 million and the approximately 1.7 million additional housing units the U.S. economy needs to add to replace existing stock, meet new household formation and second home demand.
- Because of the tight inventory, we project home sales to decrease to 5.90 million in 2017, failing to build on the momentum of 2016, which was [housing's best year in a decade](#).

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

"Tight housing inventory has been an important feature of the housing market at least since 2016. For-sale housing inventory, especially of starter homes, is currently at its lowest level in over ten years. If inventory continues to remain tight, home sales will likely decline from their 2016 levels. As we enter the spring home buying season, all eyes are on housing inventory and whether or not it will meet the high demand."

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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