



Freddie Mac April 2015 U.S. Economic and Housing Market Outlook

April 10, 2015

Great Expectations

MCLEAN, VA--(Marketwired - Apr 9, 2015) - [Freddie Mac](#) (OTCQB: FMCC) released today its U.S. Economic and Housing Market Outlook for April, showing the first quarter, once again, defied upbeat expectations by bringing brutal winter and a slowdown in economic activity. Regardless, expect home sales to be the best since 2007 with mortgage rates low, purchase applications up and pending home sales on a positive upward trend. A video review, along with the complete April 2015 U.S. Economic and Housing Market Outlook and forecast table, is available [here](#).

Outlook Highlights

- Revised down our forecast for economic growth for 2015 from 2.8 to 2.6 percent.
- After a cold winter, the forecast for housing starts of 1.15 million in 2015 is slightly lower than last month at 1.18 million.
- However, expect pent up demand from the chilly first quarter to bolster home sales in the succeeding quarters. Thus, our forecast for total home sales of 5.6 million in 2015 is unchanged.
- Expect house prices to increase 4.0 percent in 2015, a slight increase from last month's projection.
- Expect lower mortgage rates to boost the refinance volume share of originations in 2015 to 41 percent.
- Forecasting mortgage rates to drift slightly higher over the next six months, increasing more around the end of the year when we anticipate the Fed will begin raising rates. Unlike the "Taper Talk" which caused rates to spike in the spring of 2013, any volatility in mortgage rates would occur in 2015 after the spring homebuying season.

Quote

Attributed to Len Kiefer, Deputy Chief Economist, Freddie Mac.

"As in recent years past, we entered the year with great expectations and optimism for the year ahead. The first quarter, once again, defied those expectations, bringing brutal winter and a slowdown in economic activity. However, we also remain optimistic about trends in housing markets moving forward for the remainder of the year with mortgage rates low, purchase applications up and pending home sales on a positive upward trend."

"In the long run, our expectations are grounded and measured based on the simple facts of supply and demand and the country's current demographic shift. The demand isn't fully there yet from Millennials and our current rate of economic growth of about 2 percent for Real GDP, only supports a gradual recovery. We do expect acceleration in growth and housing demand, but even under our upbeat forecast the housing markets return to a stable range of activity remains a couple years away."

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Today Freddie Mac is making home possible for one in four home borrowers and is one of the largest sources of financing for multifamily housing. Additional information is available at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

The financial and other information contained in the documents that may be accessed on this page speaks only as of the date of those documents. The information could be out of date and no longer accurate. Freddie Mac does not undertake an obligation, and disclaims any duty, to update any of the information in those documents. Freddie Mac's future performance, including financial performance, is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect the company's future results are discussed more fully in our reports filed with the SEC.