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Freddie Mac: Housing to Remain Stable as Rates Rise and Prices Cool

Freddie Mac Releases Quarterly Forecast

MCLEAN, Va. (January 21, 2022) – [Freddie Mac](#) (OTCQB: FMCC) today predicted that the single-family housing market will remain stable in 2022 even as mortgage rates are expected to increase. A new [Quarterly Forecast](#) released by the company's Chief Economist estimates that rising rates will lead to moderation in homebuyer demand, slowing house price growth somewhat.

“As mortgage rates rise, we do expect some moderation in housing demand, causing house price growth to temper. However, the combination of a large number of entry-level homebuyers facing a shortage of entry-level inventory of homes for sale should keep the housing market competitive,” said Sam Khater, Freddie Mac's Chief Economist. “In 2022, we expect purchase originations to grow from \$1.9 trillion in 2021 to \$2.1 trillion in 2022 while refinance activity is anticipated to decrease from \$2.7 trillion in 2021 to \$1.2 trillion in 2022.”

Specific findings include:

- The average 30-year fixed-rate mortgage (FRM) is expected to be 3.6 percent in 2022 and 3.9 percent in 2023. In 2021, the 30-year FRM averaged 3.0 percent.
- House price growth is expected to be 6.2 percent in 2022, slowing to 2.5 percent in 2023. House price growth was 15.9 percent in 2021.
- Home sales are expected to be 6.9 million in 2022, increasing to 7.0 million in 2023. Home sales were 6.9 million in 2021.
- Home purchase mortgage originations are expected to increase from 1.9 trillion in 2021 to \$2.1 trillion in 2022 and \$2.2 trillion in 2023.



- Refinance originations are expected to continue to soften, declining from \$2.7 trillion in 2021 to \$1.2 trillion in 2022 and \$930 billion in 2023.
- Overall, annual mortgage origination levels are expected to be \$3.3 trillion in 2022 and \$3.1 trillion 2023, down from \$4.7 trillion in 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](https://twitter.com/FreddieMac), and Freddie Mac's blog FreddieMac.com/blog.

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