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Freddie Mac Quarterly Forecast: Housing Market Continues to Rebound as Mortgage Rates Hover at Record Lows

MCLEAN, Va. (October 14, 2020) – According to [Freddie Mac](#)'s (OTCQB: FMCC) Quarterly [Forecast](#), total mortgage origination volumes increased over the last several months as many homeowners took advantage of historically low mortgage rates.

“Even as the economy faces challenges from the coronavirus pandemic, the housing market has been showing strength,” said Sam Khater, Freddie Mac’s Chief Economist. “Refinance activity is solid and homebuyer demand continues, resulting in increased sales and an acceleration in house price growth.”

According to the Forecast:

- The average 30-year fixed-rate mortgage is expected to be 3.2 percent in 2020 and 3.0 percent in 2021.
- House price growth is expected to increase to an annual rate of 5.5 percent in 2020. In 2021, that rate is expected to be 2.6 percent.
- Home sales are expected to increase in 2020 to 6.2 million homes and decrease in 2021 to 6.1 million homes.
- Purchase originations are expected to increase to \$1.414 trillion in 2020 and \$1.445 trillion in 2021.
- Refinance originations are expected to be \$2.168 trillion in 2020 before falling to \$1.240 trillion in 2021.
- Overall, the Forecast expects annual mortgage origination levels to be \$3.582 trillion in 2020 and \$2.685 trillion 2021.



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