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Freddie Mac: Strong Housing Market will Continue even as Rates and Prices Rise

Freddie Mac Releases Quarterly Forecast

MCLEAN, Va. (October 15, 2021) – [Freddie Mac](#) (OTCQB: FMCC) today predicted the continued strength of the single-family housing market even as mortgage rates are expected to modestly increase and home prices rise. A new [Quarterly Forecast](#) released by the company’s Chief Economist estimates continued levels of homebuyer demand and a growth in purchase originations in 2022.

“Despite some obvious headwinds, the housing market remains strong as the economy grows,” said Sam Khater, Freddie Mac’s Chief Economist. “Even as mortgage rates are expected to increase and home prices continue to rise, homebuyer demand remains steady as inventory issues have slightly improved.”

Khater continued, “Therefore, in 2022, we expect strong house price growth to lift home purchase mortgage originations by more than \$500 billion from 2020.”

Specific findings include:

- The average 30-year fixed-rate mortgage (FRM) is expected to be 3.0 percent in 2021 and 3.5 percent in 2022. In 2020, the 30-year FRM averaged 3.1 percent.
- House price growth is expected to be 16.9 percent in 2021, slowing to 7.0 percent in 2022. Growth was 11.3 percent in 2020.
- Home sales are expected to reach 6.8 million in 2021, remaining flat in 2022. Sales were 6.5 million in 2020.



- Purchase originations are expected to increase to \$1.9 trillion in 2021 and \$2.1 trillion in 2022. This is up from 2020 when purchase originations came in at \$1.6 trillion.
- Refinance originations are expected to soften, declining from \$2.6 trillion in 2021 to \$995 billion in 2022. This is down from \$2.9 trillion in 2020.
- Overall, annual mortgage origination levels are expected to be \$4.5 trillion in 2021 and \$3.1 trillion 2022. These levels were \$4.4 trillion in 2020.

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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