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Freddie Mac Quarterly Forecast: As the Economy Recovers, the Housing Market Remains Healthy While Mortgage Rates Move Up

MCLEAN, Va. (April 14, 2021) – According to [Freddie Mac](#)'s (OTCQB: FMCC) Quarterly [Forecast](#), mortgage rates will continue to move up with the 30-year fixed-rate mortgage averaging just above three percent through the end of 2021.

“As the economy continues to improve, we expect conditions to remain generally favorable for the housing and mortgage market,” said Sam Khater, Freddie Mac’s Chief Economist. “Higher mortgage rates have the potential, however, to dampen the robust demand we’ve been experiencing, and we therefore forecast total originations to decline to \$3.5 trillion in 2021.”

Khater continued, “Other important obstacles to consider include high home prices and low housing supply that will certainly influence the trajectory of purchase activity specifically.”

According to Freddie Mac’s Forecast:

- The average 30-year fixed-rate mortgage is expected to be 3.2 percent in 2021 and 3.7 percent in 2022.
- House price growth is expected to be 6.6 percent in 2021, slowing to 4.4 percent in 2022.
- Home sales are expected to reach 7.1 million in 2021, falling to 6.7 million homes in 2022.
- Purchase originations are expected to increase to \$1.7 trillion in 2021 before dropping to \$1.6 trillion in 2022.



- Refinance originations are expected to be \$1.8 trillion in 2021 before falling to \$770 billion in 2022.
- Overall, annual mortgage origination levels are expected to be \$3.5 trillion in 2021 and \$2.4 trillion 2022.

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