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Freddie Mac September Forecast: Housing to Remain Strong Heading into the Fall

MCLEAN, Va. (September 30, 2019) – According to [Freddie Mac](#)'s (OTCQB: FMCC) September [Forecast](#) mortgage originations will reach \$2.1 trillion in 2019 driven by a surge of homeowners refinancing into a lower mortgage rate along with strong homebuyer demand.

Sam Khater, Freddie Mac's Chief Economist, says, "Despite fears of an economic slowdown, the housing market continues to be a bright spot in the economy. While mortgage rates have ticked up in recent weeks, they remain lower than they were a year ago which will help boost sales headed into the fall."

Forecast Highlights

- For full year 2019, expect GDP growth of 2.2%, with trade tensions likely having a visible impact on the second half of the year.
- With enormous downward pressure on long-term interest rates around the world, expect the 30-year fixed-rate mortgage to remain below 4.0% for the remainder of 2019.
- The house price forecast remains unchanged and is expected to appreciate 3.4% in 2019, in line with long term growth.
- Despite better than expected housing starts data last month, the single-family housing starts forecast remains unchanged at 870,000 new homes in 2019 and 940,000 in 2020, respectively.

- Given the combination of increased housing demand and a projected upward tick in housing supply, expect home sales to be slightly higher at 5.98 million in 2019, before reaching near-2017 levels in 2020, at 6.03 million.
- With continued low mortgage rates and strong refinance activity, expect slightly higher annual mortgage origination levels of \$2.1 trillion and \$1.8 trillion in 2019 and 2020, respectively.

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