

# What Drove Home Price Growth and Can it Continue?

↑ 33%

in home prices over the last 2 years

The price of homes surged dramatically in 2020 and 2021, and Freddie Mac predicts that home prices will continue to appreciate in 2022, albeit at a slower rate. Here are the main factors driving the growth of home prices in 2022.

## LOW SUPPLY

↓ 69%

homes for sale in 2020 (vs. 15 years ago)

## SURGE IN BUYERS

↑ 6.6m

at first-time homebuying age (vs. peak in 2006)

## MIGRATION PATTERNS

↑ 3x

the migration out of the largest cities (vs. pre-COVID)

## LOW RATES

↓ 1.5%

average mortgage rate (vs. prior 3 years)

## NOT A MAIN DRIVER OF HOME PRICE GROWTH:

### INVESTOR PURCHASES

↑ 3% investor's share of home purchases (vs. 2019)

Although investor purchases have received a lot of attention, Freddie Mac found that they are not a main driver of housing demand nationally.