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Freddie Mac Quarterly Forecast: Housing Market Continues to Perform Strongly Primarily Driven by Historically Low Mortgage Rates

MCLEAN, Va. (January 14, 2020) – According to [Freddie Mac](#)'s (OTCQB: FMCC) Quarterly [Forecast](#), the current low mortgage interest rate environment is projected to continue with the 30-year fixed-rate mortgage averaging below three percent through the end of 2021.

“Despite the uncertainties of the pandemic, the housing market performed well in the second half of 2020,” said Sam Khater, Freddie Mac’s Chief Economist. “Low mortgage rates and the ability to work remotely continued to support the demand for housing, which is reflected in home sales reaching levels not seen since 2006.”

Khater continued, “Entering 2021, we anticipate a modest rise in rates that will likely affect refinance originations, which are coming off a remarkable year. We therefore forecast total originations to decline slightly to \$3.3 trillion but remain strong this year.”

According to Freddie Mac’s Forecast:

- The average 30-year fixed-rate mortgage is expected to be 2.9 percent in 2021 and 3.2 percent in 2022.
- House price growth is expected to be 5.4 percent in 2021. In 2022, that rate is expected to decrease to 3.0 percent.
- Home sales are expected to reach 6.5 million in 2021 and decrease in 2022 to 6.2 million homes.
- Purchase originations are expected to increase to nearly \$1.6 trillion in 2021 before dropping to \$1.5 trillion in 2022.



- Refinance originations are expected to be nearly \$1.8 trillion in 2021 before falling to \$895 billion in 2022.
- Overall, Freddie Mac's Forecast expects annual mortgage origination levels to be \$3.3 trillion in 2021 and \$2.4 trillion 2022.

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