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MEDIA CONTACT:

Angela Waugaman

703-714-0644

Angela.Waugaman@FreddieMac.com

Freddie Mac October Forecast: Housing Market Remains Strong While Economic Slowdown Looms

MCLEAN, Va. (October 31, 2019) – According to [Freddie Mac](#)'s (OTCQB: FMCC) October [Forecast](#), the housing market will continue to firm as home sales rise to 6.0 million for 2019 before increasing to 6.1 million for 2020.

“Economic growth has slowed significantly across the globe, but the slowdown has been more muted domestically. In the United States, the slowdown has been caused by a contraction in manufacturing and a decline in business investment, partly due to weakening business confidence and uncertainty around the lack of a trade deal with China,” said Sam Khater, Freddie Mac’s Chief Economist. “However, the housing market remains on solid ground with housing starts, building permits, existing home sales, and new home sales all outperforming the broader economy.”

Forecast Highlights

- The average 30-year fixed-rate mortgage rate is forecasted to be 3.7 percent for the remainder of 2019 and to tick up slightly to 3.8 percent in 2020.
- The house price forecast is expected to appreciate 3.3 percent in 2019 and 2.8 percent in 2020.
- Modest increases in home sales and house prices should boost purchase mortgage originations to \$1.2 trillion and \$1.3 trillion in 2019 and 2020, respectively.
- The surge in refinance activity will carry over into next year, with a projected \$789 billion and \$785 billion in single-family refinance mortgage originations in 2019 and 2020, respectively.



- Overall, expect annual mortgage origination levels of \$2.0 trillion in 2019 and \$2.1 trillion in 2020.

Freddie Mac expects to start distributing its forecast on a quarterly basis beginning in 2020. Freddie Mac will continue to distribute its forecast on a monthly basis through December 2019.

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