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Freddie Mac: The Purchase Market Will Remain Solid Even as Rates Rise

Freddie Mac Releases Quarterly Forecast

MCLEAN, Va. (April 18, 2022) – [Freddie Mac](#) (OTCQB: FMCC) today predicted that the single-family purchase market will remain solid in 2022 despite increases in mortgage rates. A new [Quarterly Forecast](#) released by the company’s Chief Economist estimates that rising rates will lead to moderation in homebuyer demand and house price appreciation. But overall, the housing market will remain a bright spot in the U.S. economy.

“The Federal Reserve’s actions to address inflationary pressure are certainly impacting mortgage rates, which undoubtedly will affect the housing market,” said Sam Khater, Freddie Mac’s Chief Economist. “While the sharp increase in mortgage rates will lead to a precipitous drop in refinance originations in 2022, demand for housing continues to remain solid, propelled by the large swath of first-time homebuyers and prospective purchasers looking to lock in a mortgage rate before they increase further.”

Specific findings include:

- The 30-year fixed-rate mortgage (FRM) is expected to average 4.6 percent in 2022 and 5.0 percent in 2023. In 2021, the 30-year FRM averaged 3.0 percent.
- House price growth is expected to average 10.4 percent in 2022, slowing to 5.0 percent in 2023. House price growth was 17.8 percent in 2021.
- Home sales are expected to be 6.7 million in 2022, decreasing to 6.6 million in 2023. Home sales were 6.9 million in 2021.
- Home purchase mortgage originations are expected to increase to \$2.1 trillion in 2022 and \$2.2 trillion in 2023. Originations were \$1.9 trillion in 2021.



- Refinance originations are expected to continue to soften, declining to \$960 billion in 2022 and \$535 billion in 2023. Originations were \$2.8 trillion in 2021.
- Overall, annual mortgage origination levels are expected to be \$3.1 trillion in 2022 and \$2.8 trillion 2023, down from \$4.8 trillion in 2021.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders, investors, and taxpayers. Learn more at FreddieMac.com, Twitter [@FreddieMac](https://twitter.com/FreddieMac), and Freddie Mac's blog FreddieMac.com/blog.

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