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# Office of the Chief Economist

## Economic and Housing Market Outlook

September 2007

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### Major Economic Indicators

Indicator	2006				2007				2008				Annual Totals						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2003	2004	2005	2006	2007	2008	2009
Real GDP (%)	4.8	2.4	1.1	2.1	0.6	4.0	2.5	2.5	2.7	2.7	2.8	2.8	3.7	3.4	3.1	2.6	2.4	2.8	3.5
Consumer Prices (%) a.	1.9	5.0	3.2	-2.1	3.8	6.0	2.6	2.4	2.3	2.3	2.3	2.3	1.9	3.4	3.7	2.0	3.7	2.3	2.5
Unemployment Rate (%) b.	4.7	4.6	4.7	4.5	4.5	4.5	4.6	4.8	5.0	5.0	5.0	5.0	6.0	5.5	5.1	4.6	4.6	5.0	4.9
30-Year Fixed Mtg. Rate (%) b.	6.3	6.6	6.6	6.2	6.2	6.4	6.6	6.4	6.5	6.5	6.6	6.7	5.8	5.8	5.9	6.4	6.4	6.6	6.8
1-Year Treas. Indexed ARM Rate (%) b.	5.3	5.7	5.7	5.5	5.5	5.5	5.7	5.5	5.5	5.5	5.6	5.7	3.8	3.9	4.5	5.5	5.6	5.6	5.8
10-Year Const. Mat. Treas. Rate (%) b.	4.6	5.1	4.9	4.6	4.7	4.8	4.7	4.5	4.6	4.7	4.7	4.8	4.0	4.3	4.3	4.8	4.7	4.7	4.9
1-Year Const. Mat. Treas. Rate (%) b.	4.6	5.0	5.1	5.0	5.0	4.9	4.5	3.9	3.9	4.0	4.1	4.2	1.2	1.9	3.6	4.9	4.6	4.1	4.4

### Housing and Mortgage Markets

Indicator	2006				2007				2008				Annual Totals						
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2003	2004	2005	2006	2007	2008	2009
Housing Starts c.	2.13	1.86	1.70	1.56	1.46	1.47	1.33	1.30	1.30	1.32	1.34	1.36	1.85	1.96	2.07	1.81	1.39	1.33	1.49
Total Home Sales d.	7.16	6.89	6.49	6.49	6.49	6.03	5.75	5.75	5.80	5.90	6.00	6.10	6.53	7.16	7.46	6.73	6.01	5.95	6.53
House Price Appreciation (%) e.	9.2	5.4	5.1	5.8	2.0	0.4	-1.0	-1.5	-0.5	0.5	1.5	2.5	7.8	11.8	13.1	6.4	0.0	1.0	3.1
1-4 Family Mortgage Originations f.																			
Conventional	\$687	\$802	\$746	\$685	\$662	\$729	\$578	\$508	\$515	\$525	\$573	\$542	\$3,631	\$2,776	\$3,167	\$2,920	\$2,477	\$2,155	\$2,220
FHA & VA	\$19	\$20	\$22	\$19	\$18	\$24	\$22	\$19	\$22	\$25	\$25	\$23	\$220	\$130	\$90	\$80	\$83	\$95	\$113
Total	\$706	\$822	\$768	\$704	\$680	\$753	\$600	\$527	\$537	\$550	\$598	\$565	\$3,862	\$2,905	\$3,249	\$3,000	\$2,560	\$2,250	\$2,333
ARM Share (%) g.	28	25	19	14	11	11	13	13	13	13	13	13	19	34	31	21	12	13	13
Refinancing Share - Applications (%) h.	44	42	41	46	46	42	36	32	30	30	30	29	65	46	44	43	39	30	16
Refinancing Share - Originations (%) h.	50	48	47	52	52	48	44	40	38	38	38	37	70	52	50	49	46	38	25
Residential Mortgage Debt (%) i.	10.2	10.5	9.5	7.5	5.6	6.0	5.5	4.5	5.0	6.0	6.0	5.0	12.7	14.5	13.6	9.4	5.4	5.5	5.8

Note: Quarterly and annual forecasts (or estimates) are shown in shaded areas; totals may not add due to rounding; quarterly data expressed as annual rates.

Annual forecast data are averages of quarterly values; annual historical data are reported as Q4 over Q4.

a. Calculations based on quarterly average of monthly index levels; index levels based on the seasonally-adjusted, all-urban consumer price index.

b. Quarterly average of monthly unemployment rates (seasonally-adjusted); Quarterly average of monthly interest rates (not seasonally-adjusted).

c. Millions of housing units; quarterly averages of monthly, seasonally-adjusted levels (reported at an annual rate).

d. Millions of housing units; total sales are the sum of new and existing detached single-family homes; quarterly averages of monthly, seasonally-adjusted levels (reported at an annual rate).

e. Annualized growth rate of Freddie Mac's Conventional Mortgage Home Price Index (CMHPI); not seasonally-adjusted.

f. Billions of dollars (not seasonally-adjusted).

g. Federal Housing Finance Board (FHFB); quarterly averages of monthly shares of conventional, home-purchase mortgage closings (not seasonally-adjusted).

h. Primary Mortgage Market Survey®; quarterly averages of monthly shares of all single-family mortgage (not seasonally-adjusted).

i. Federal Reserve Board; growth rate of residential mortgage debt, the sum of single-family and multifamily mortgages (not seasonally-adjusted, annualized rate).

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