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through 2027 – the same rate that prices grew in the relatively stable period from 1987-1999.

Mar. 16, 2023



Home prices nationally should bottom out in 2023 then return to a more normal growth rate, according to a Zillow® survey of housing experts.

 Expert panel expects home prices will grow at a steady pace starting in 2024

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Zillow's latest in-house forecast calls for typical U.S. home values to be nearly flat, rising 0.2% over the course of 2023. The largest declines are forecast in expensive California metros.

"The housing market is resetting. Though we're seeing early signs of renewed buyer interest early this year, prices should generally flatten out in 2023, helping buyers to catch up," said Zillow senior economist Jeff Tucker. "The sheer number of people in the first-time homebuyer age range and a lack of inventory should limit price declines. A return to more normal growth would be welcome after the rollercoaster ride that home prices have been on lately."

Sales of existing homes are forecast to fall to 4.2 million in 2023 – up slightly from November and December's seasonally adjusted annual rate of sales, but lower than 5.0 million sales in the course of calendar year 2022.

New construction – also expected to see sales decline this year – will likely play an expanded role to [meet the need for inventory](#), said Tucker. Existing homeowners have been reluctant to list their properties and builders are giving buyers some significant financial incentives to help overcome affordability constraints.

The panel also expects mortgage rates to trend downward after the first quarter. Asked when rates for 30-year fixed loans will be highest between now and 2025, nearly two thirds (63%) pointed to Q1 of 2023. A distant second was the second quarter of 2023 at 22%, and subsequent quarters earned 6% or less. Falling rates are far more helpful for affordability than falling home prices, at least at the scale of recent movements. The median respondent projected a 6% rate for 30-year fixed-rate mortgages at the end of 2023.

“The majority of experts are now predicting an outright decline in U.S. home prices

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	Price Expectations survey and any related materials are available through Zillow and Pulsenomics.
2	This question was posed to the panel using the previous version of the Zillow Home Price Index. The new version of the ZHVI built off the neural Zestimate was implemented in February 2023. See this <a href="#">methodology note</a> for an explanation of the differences in metrics.

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