# Zillow picks 238 housing market winners that will see home prices tick up and 156 losers facing a price cut.

The U.S. housing market’s move from [boom mode](https://apple.news/AjVelz2XfTxO9bZyjMps5yg) to [correction mode](https://apple.news/AWG8bkVgFSjyQrkYRCcHemg) was so abrupt last year that economists at [Zillow](https://fortune.com/company/zillow-group/) repeatedly saw themselves [issuing sharp downward revisions](https://twitter.com/NewsLambert/status/1560348406832414720?s=20) for their 12-month home price outlook. In March, [Zillow had been expecting home prices to rise 17.8%](https://fortune.com/2022/03/20/zillow-predicts-wildest-home-price-swing-still-awaits/) over the next 12 months. By December, however, that was slashed all the way down to a forecasted decline of [1.1%](https://twitter.com/NewsLambert/status/1607409582355386368?s=20&t=DiQYi8kvZd1A4yS-rMd9_Q).

Zillow economists now believe they’re done issuing downward revisions. In fact, they think the national [housing market correction](https://fortune.com/2022/09/22/housing-market-federal-reserve-reset-through-difficult-housing-correction-home-prices/) could be nearing its bottom.

Heading forward, Zillow economists expect U.S. home values as tracked by the Zillow Home Value Index (ZHVI) to rise 0.5% between January 2023 and January 2024.

Among the 400 largest housing markets tracked by Zillow, the company expects 238 markets to see positive home price growth between January 2023 and January 2024, while it expects six markets to remain flat and 156 markets to notch a home price decline over the next 12 months. Simply put: Zillow expects only 39% of major markets to post a home price decline over the coming year.

Relative to economists at Moody’s Analytics ([which expects home prices to fall in 100% of major markets in 2023](https://apple.news/A1Oago7G3TO-rS1ncSuB3kA)) and [Goldman Sachs](https://fortune.com/company/goldman-sachs-group/) ([which expect home prices to fall in 91% of major markets in 2023](https://apple.news/AWrLYxB0vSmCCrMsPCS52ew)), Zillow’s team is on the optimistic side.

Okay, now let’s take a closer look at the Zillow data.

Between January 2023 and January 2024, Zillow expects some of the biggest home price upticks to occur in markets like Morristown, Tenn. (+5.1% forecasted growth), Rome, Ga. (+4.8%), Knoxville (+4.5%), Johnson City, Tenn. (+4.5%), and Atlantic City (+4.2%). Clearly, Zillow expects the U.S. Southeast to be the epicenter of home price growth in 2023.

Meanwhile, Zillow economists expect some of the biggest home price declines between January 2023 and January 2024 to occur in markets such as Lake Charles, La. (-7.2% forecasted decline), Houma, La. (-5%), San Jose (-3.5%), Los Angeles (-3.3%), and Las Vegas (-2.5%).

When one zooms out, it's clear that Zillow expects the West Coast to be the weakest region this year. The reason is pretty straightforward: [Western housing markets are hyper rate-sensitive](https://fortune.com/2022/07/18/bubbly-housing-markets-boise-phoenix-got-home-price-top-blown-off/).

Not only does the West have a high concentration of rate-sensitive tech employers, but it also has overheated home prices that are vulnerable to mortgage rate spikes. If Western buyers were already stretching themselves thin while mortgage rates were low, it only makes sense that [they'd finally push back once mortgage rates spiked](https://fortune.com/2022/09/29/housing-market-busts-boise-las-vegas-phoenix-interactive-map-home-prices/).

Among the nation's 400 largest housing markets tracked by Zillow, 276 markets have seen local home prices fall from their respective 2022 peak. That includes 32 markets where home prices are down over 5% from their 2022 peak.

So far, the biggest seasonally adjusted home price declines have occurred in San Francisco (down 9.2%), Bend, Ore. (down 8.3%), Santa Cruz (down 8.1%), Boise (down 8%), and Austin (down 7.9%). At least that's according to the Zillow Home Value Index.

An analysis of [Zillow Home Value Index data](https://www.zillow.com/research/data/) by *Fortune* (see chart above), finds that 79% of the nation's 200 largest housing markets saw a month-over-month home price decline in September. That figure has since been dropping, slowly but surely.

In October, 76% of those major markets saw a home price decline. In November and December, it was down to 64% and 67%, respectively. However, in January, just 47% of the nation's 200 largest housing markets registered a month-over-month home price decline.

Simply put: While the [home price correction](https://apple.news/AI3HN3fB5Semo_ezAYN0xxA) on the existing-home side has lost some steam, it's still very much alive in some markets.

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