

ZILLOW PREDICTS STRONG 2022 HOUSING MARKET

Although it may not reach the heights of 2021, Zillow economists expect the housing market to fall just short of record-breaking in 2022. They expect the strong sellers' market to persist and flexible work options to continue to shape housing decisions in the new year.



Zillow's forecast calls for 11 percent home value growth in 2022. That's down from a projected 19.5 percent in 2021 but would rank among the strongest years Zillow has tracked. Existing home sales are predicted to total 6.35 million, compared with an estimated 6.12 million this year. That would be the highest number of home sales in any year since 2006.



The usual seasonal cooldown in the housing market is back this fall: fewer homes are selling above list price, homes are staying on the market a few days longer than they did during the summer, and more sellers are cutting their price.



Zillow economists expect those metrics to trend slightly cooler in 2022, but market forces that have given sellers the upper hand over the past two years or so — tight supply, elevated demand, and low mortgage rates — to persist next year as well. They expect to again see bidding wars during the spring and summer season.



They also predict fully remote workers will continue to seek affordable markets, like those in the Sun Belt and other nontraditional housing hot spots where they can afford to buy their first home or trade up for a bigger one, and that more Gen Zers and millennials will buy what's traditionally a second home (a part-time vacation home or an investment property) before they buy a home as a primary residence, due to remote work flexibility.