

2024 Nest Market Report

HARRISONBURG & ROCKINGHAM



National Review

When it comes to housing, expectations shape everything. The fear of missing out—or losing out—often influences our decisions more than we realize. Research shows that financial loss feels twice as painful as financial gain feels rewarding. In 2024, this mindset played a key role in a significant slowdown in home sales. Buyers were told that lower mortgage rates were on the horizon, but those rates never materialized. Sellers held out, hoping new inventory would inspire their next move, but fresh listings remained scarce.

With mortgage rates below 7% for over twenty years, it's easy to forget that they peaked at over 16.5% in 1981. Since 2022, rates have fluctuated between 6.1% and 7.8%. The ultra-low rates of 3-4% are unlikely to return anytime soon.

Despite demand consistently outpacing supply for years, ongoing inventory issues, and relatively stable mortgage rates, buyer confidence has not recovered enough to spark a market rebound. Home sales in 2024 are expected to finish about 5% lower than in 2023, largely due to limited inventory—and increasingly, due to affordability concerns that are shrinking the pool of qualified buyers.

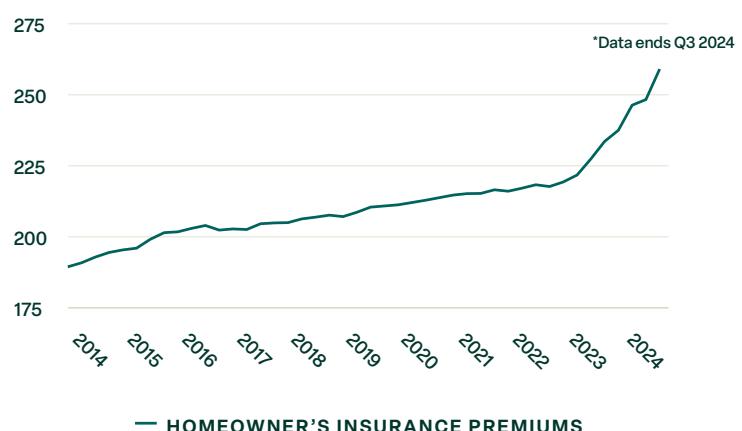
Looking Ahead to 2025

The financial world thrives on predictability, but 2025 promises significant change. With new national leadership comes fresh priorities that will impact markets in unpredictable ways. In this context, we want to highlight some key areas that homeowners and prospective buyers should closely monitor. As housing represents the largest investment for many families, all eyes will be on this sector.

For more than seven years, low inventory has dominated housing headlines. Ongoing demand makes it crucial for policymakers to focus on increasing supply. Solutions like deregulation and local zoning changes could help, but they require both time and political will. States like California and Oregon have eliminated single-family zoning requirements in an effort to encourage denser housing. However, the most effective levers for improving construction timelines and costs lie within local jurisdictions.

One wild card for 2025 is the insurance market. In late 2024, Hurricanes Helene and Milton caused an estimated \$51 billion-\$81 billion in property damage. As storm risks continue to rise across the U.S., private insurers are significantly raising premiums or exiting certain markets altogether. This shift underscores the growing importance of programs like the National Flood Insurance Program, which may eventually need to expand to include fire and windstorm coverage to adequately protect residential investments. Ongoing challenges in obtaining insurance could dampen development and new construction investment in many parts of the country.

FEDERAL RESERVE:
HOMEOWNER'S INSURANCE PREMIUM INDEX



Housing Trends

Challenges in Homebuilding

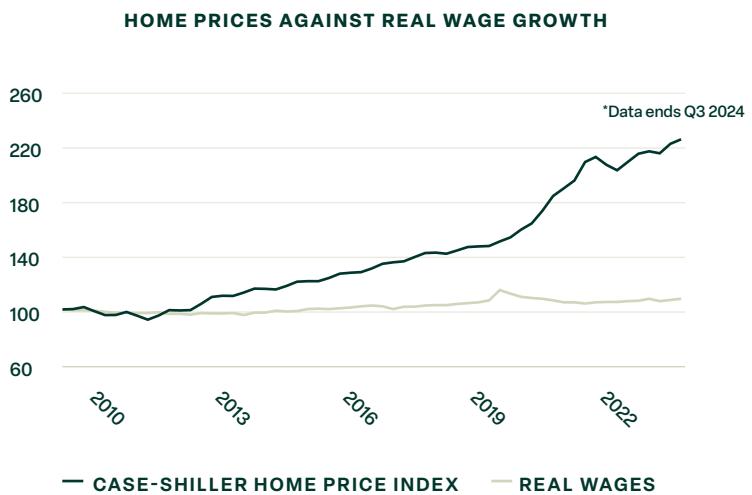
Even if regulations ease, construction costs remain a significant hurdle. Publicly traded homebuilder stocks have outperformed the broader market over the past five years, maintaining strong profit margins amid rising home prices. Builders are hesitant to sacrifice these margins, even as affordability pressures continue to grow.

Currently, housing costs account for an average of 32.9% of household expenses. Higher interest rates have pushed homeownership further out of reach for many families, with escalating prices and insurance costs adding to the strain. In response, builders have focused on offering smaller, more affordable homes, but achieving widespread affordability will likely require either lower borrowing costs or real wage growth—neither of which seems imminent.

Affordability Takes Center Stage

The Case-Shiller Home Price Index shows that home values have grown by 94% over the past decade—meaning a \$250,000 home in 2014 now costs \$485,000. Meanwhile, real household income has increased by only 19.7%, highlighting the widening affordability gap.

Homeowners are pressured to stay in their current homes, partly due to their historically low mortgage rates. More than 70% of current mortgages are below 5%, creating a significant financial incentive to stay put. However, as traditional drivers of resale—such as divorce, job relocations, downsizing, or changes in family size—continue to occur, the lock-in percentage will likely decrease, boosting market activity and creating opportunities for more listings in the future.



2025 Outlook

The housing market has seen sales drop nearly 30% since 2021, but the potential for recovery remains. To spark growth, inventory must increase—either through new construction or more resale homes. However, true affordability depends on a decrease in borrowing costs. Local governments can help by streamlining the approval process for new builds, but broader economic factors will also play a critical role.

If interest rates stabilize or decrease, and if local policies support faster development, 2025 could finally bring the market the boost it needs.



2024 Nest Overview

Our success extends beyond the number of transactions in 2024. We celebrate the relationships we've built with local businesses and community organizations, as well as our continued commitment to being a resource for all things Harrisonburg and Rockingham.

Quick Stats

15

NEW AGENTS

Fifteen new agents joined our Nest office in 2024. We have expanded our footprint to serve buyers and sellers in the local community.

9%

SALES VOLUME

Although our office only makes up 3% of local agents, we are responsible for over 9% of sales volume for 2024.

136

YEARS OF EXPERIENCE

Our office has over 136 years of combined experience, allowing for a collective depth of knowledge.

HARRISONBURG/ROCKINGHAM, VA

2024 MSA Overview

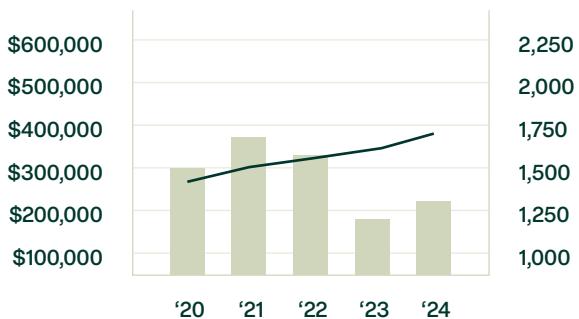
In 2024, the real estate market in the Shenandoah Valley remained strong despite sustained higher mortgage interest rates and the typical “wait-and-see” approach taken by both buyers and sellers during Presidential election years.

While interest rates and lower inventory levels remained relatively consistent throughout the year, overall sales and new listings showed modest increases compared to the previous year. It was another year of steady, consistent demand for housing in the Shenandoah Valley. Although the market remains competitive for buyers, all indicators suggest a small shift toward a more balanced real estate market looking ahead to 2025 and beyond.



ALL PROPERTIES

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	1,346	1,206	11.6
Price per Sq. Ft.	\$198	\$187	5.9
Med. Days on Market	7	6	16.6
Avg. Sales Price	\$386,213	\$350,207	10.3

In 2024, on average, a listing stayed on the market for 16.6% more time and saw a 5.9% increase in price per square foot compared to 2023.

AVG. PRICE

+10.3%

In 2024 the average sales price was \$386,213 compared to \$350,207 in 2023.

TOTAL SALES

+11.6%

In 2024 there were 1,346 total sales compared to 1,206 in 2023.

CONDO/TOWNHOME

AVG. PRICE

+6.9%

In 2024 the average sales price was \$303,619 compared to \$284,055 in 2023.

TOTAL SALES

+24.2%

In 2024 there were 442 total sales compared to 356 in 2023.

SINGLE FAMILY

AVG. PRICE

+12.9%

In 2024 the average sales price was \$426,596 compared to \$377,945 in 2023.

TOTAL SALES

+6.4%

In 2024 there were 904 total sales compared to 850 in 2023.

	2024	2023	% CHG
Total Sales	442	356	24.2
Price per Sq. Ft.	\$191	\$179	6.7
Med. Days on Market	6	6	0.0
Avg. Sales Price	\$303,619	\$284,055	6.9

	2024	2023	% CHG
Total Sales	904	850	6.4
Price per Sq. Ft.	\$202	\$190	6.3
Med. Days on Market	7	7	0.0
Avg. Sales Price	\$426,596	\$377,945	12.9

CITY OF HARRISONBURG



AVG. YEAR HOMES BUILT

1982

AVG. DETACHED SQ. FT.

2,214

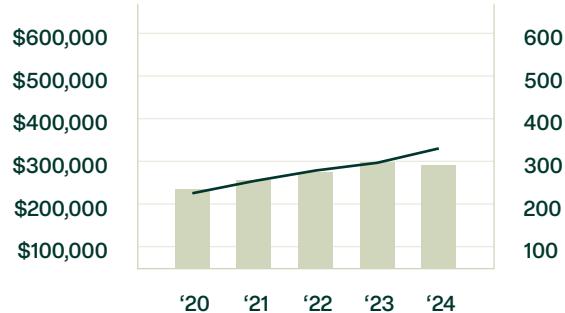
% OF HOMES <5 YEARS OLD

3.0

AVG. ATTACHED SQ. FT.

1,465

— AVERAGE PRICE ■ TOTAL SALES



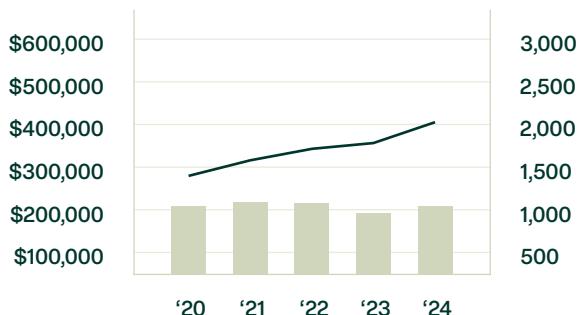
2024 2023 % CHG

	2024	2023	% CHG
Total Sales	283	295	-4.1
Price per Sq. Ft.	\$184	\$169	8.9
Med. Days on Market	5	7	-28.6
Avg. Sales Price	\$326,642	\$299,624	9.0
Total Volume	\$92,439,800	\$88,389,134	4.6

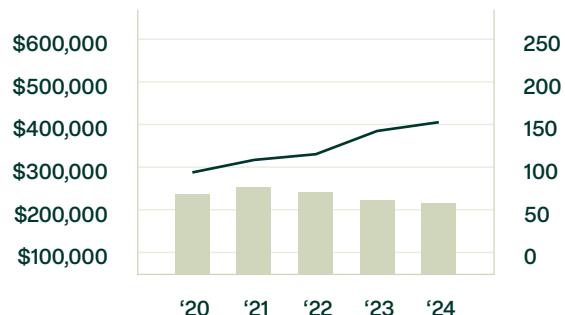
ROCKINGHAM COUNTY

BRIDGEWATER

— AVERAGE PRICE ■ TOTAL SALES



— AVERAGE PRICE ■ TOTAL SALES



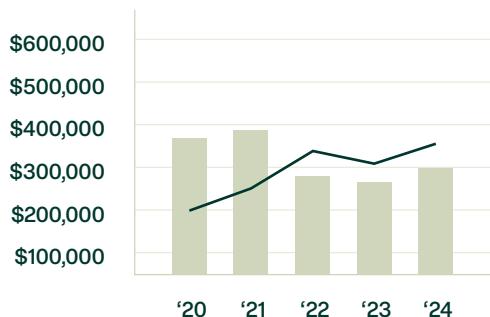
2024 2023 % CHG

	2024	2023	% CHG
Total Sales	1,063	911	16.7
Price per Sq. Ft.	\$202	\$193	4.7
Med. Days on Market	7	13	-46.2
Avg. Sales Price	\$402,072	\$366,605	9.7
Total Volume	\$427,403,318	\$333,610,628	28.1
Total Sales	59	60	-1.7
Price per Sq. Ft.	\$195	\$186	4.8
Med. Days on Market	27	8	237.5
Avg. Sales Price	\$405,560	\$393,712	3.0
Total Volume	\$23,928,046	\$23,622,720	1.3

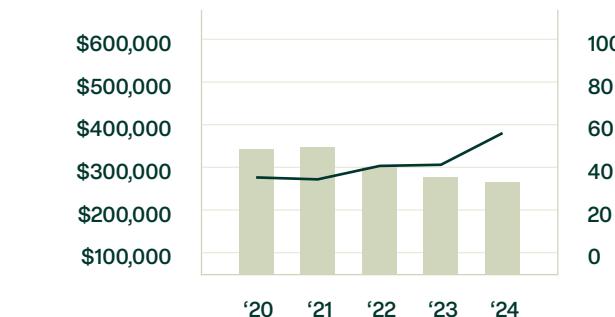
BROADWAY

DAYTON

— AVERAGE PRICE ■ TOTAL SALES



— AVERAGE PRICE ■ TOTAL SALES



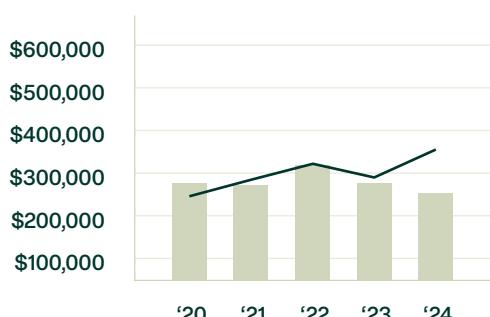
	2024	2023	% CHG
Total Sales	101	82	23.2
Price per Sq. Ft.	\$198	\$184	7.6
Med. Days on Market	35	19	84.2
Avg. Sales Price	\$347,693	\$301,422	15.4
Total Volume	\$35,117,019	\$24,716,610	42.1

	2024	2023	% CHG
Total Sales	31	36	-13.9
Price per Sq. Ft.	\$204	\$175	16.6
Med. Days on Market	9	15	-40
Avg. Sales Price	\$370,861	\$307,894	20.5
Total Volume	\$11,496,700	\$11,084,189	3.7

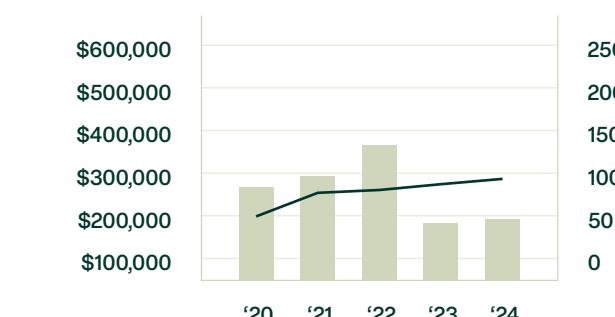
ELKTON

GROTTIES

— AVERAGE PRICE ■ TOTAL SALES



— AVERAGE PRICE ■ TOTAL SALES



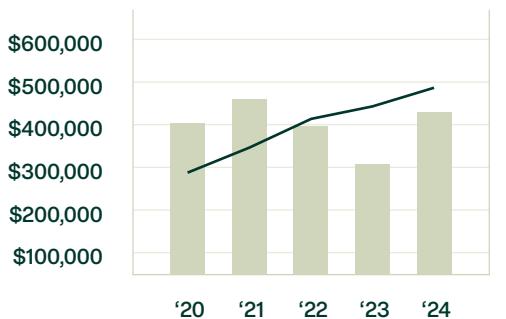
	2024	2023	% CHG
Total Sales	72	88	-18.2
Price per Sq. Ft.	\$218	\$187	16.6
Med. Days on Market	10	14	-28.6
Avg. Sales Price	\$362,491	\$291,280	24.4
Total Volume	\$26,099,368	\$25,632,649	1.8

	2024	2023	% CHG
Total Sales	47	42	12.0
Price per Sq. Ft.	\$196	\$190	3.2
Med. Days on Market	15	18	-16.7
Avg. Sales Price	\$288,922	\$283,554	1.9
Total Volume	\$13,579,350	\$11,909,297	14.0

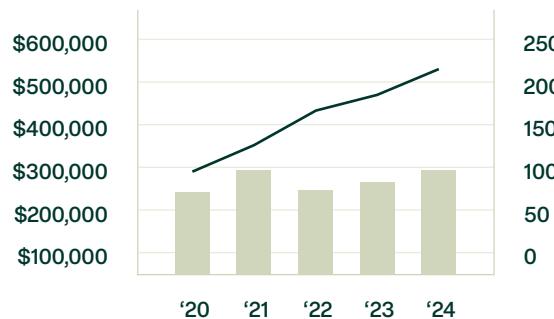
MCGAHEYSVILLE

MASSANUTTEN

— AVERAGE PRICE ■ TOTAL SALES



— AVERAGE PRICE ■ TOTAL SALES



2024 2023 % CHG

	2024	2023	% CHG
Total Sales	162	105	54.3
Price per Sq. Ft.	\$213	\$210	1.4
Med. Days on Market	5	8	-37.5
Avg. Sales Price	\$488,105	\$442,956	10.2
Total Volume	\$79,073,060	\$46,510,429	70.0

	2024	2023	% CHG
Total Sales	86	69	24.6
Price per Sq. Ft.	\$223	\$216	3.2
Med. Days on Market	7	9	-22.2
Avg. Sales Price	\$525,075	\$474,575	10.6
Total Volume	\$45,156,529	\$32,745,740	38.0

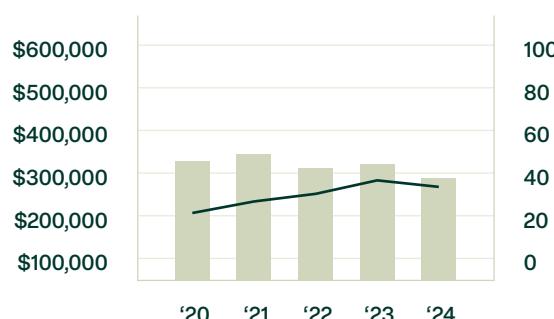
MOUNT CRAWFORD

TIMBERVILLE

— AVERAGE PRICE ■ TOTAL SALES



— AVERAGE PRICE ■ TOTAL SALES



2024 2023 % CHG

	2024	2023	% CHG
Total Sales	17	8	112.5
Price per Sq. Ft.	\$198	\$170	16.5
Med. Days on Market	9	20	-55.0
Avg. Sales Price	\$448,647	\$517,000	-13.2
Total Volume	\$7,627,000	\$4,136,000	84.4

	2024	2023	% CHG
Total Sales	38	44	-13.6
Price per Sq. Ft.	\$194	\$180	7.8
Med. Days on Market	21	32	-34.4
Avg. Sales Price	\$275,444	\$286,974	-4.0
Total Volume	\$10,466,899	\$12,626,861	-17.1

Giving Back to our Community

Our commitment to the community extends far beyond real estate transactions. We're passionate about enhancing the well-being and vitality of the neighborhoods we serve. Whether it's through our participation in local events or our support for community initiatives, we aim to be a positive influence, recognizing that a strong, thriving community is founded on collaboration and mutual support.



Community Service

Nest sponsored local theater and music performances and hosted the Gingerbread House Competition during Harrisonburg Downtown Renaissance's Winter Wonderfest. Our agents are also active in civic organizations, and are members of various non-profit Boards of Directors.

Drink It Forward

Every year we partner with a local Brewery to give back, and to socialize with our local community. In 2024, we sponsored Drink It Forward benefiting the Blue Ridge Area Food Bank during the Turkey Trot run.



Local Love

Our community is truly the best and we love to show them love as often as we can. From partnering with local shops for our client gifts, supporting our local sports teams, or visiting our favorite locally owned restaurants, we love to support our community.

nest
REALTY

nestrealty.com

