

2024 Nest Market Report

NEW RIVER VALLEY AREA



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.

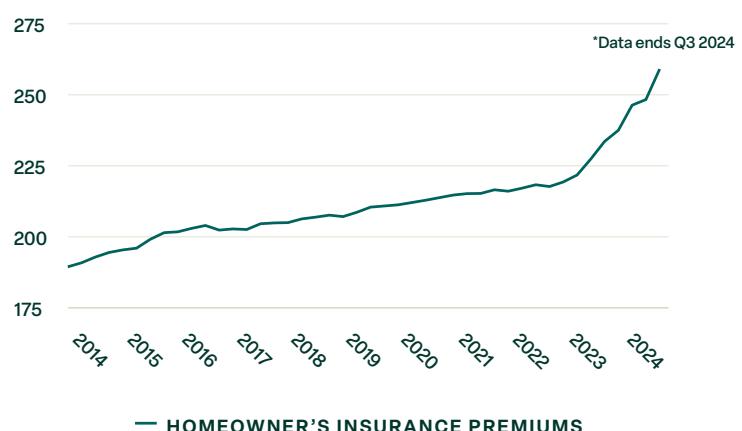
Looking Ahead to 2025

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.

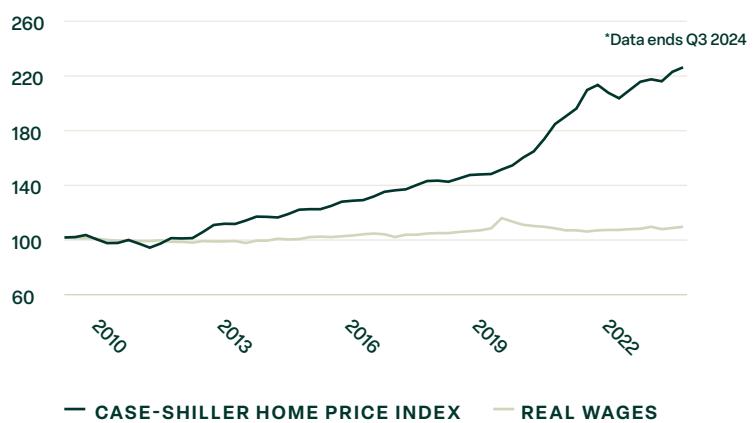
Currently, housing costs account for an average of 32.9% of household expenses. Higher interest rates have pushed homeownership further out of reach for many families, with escalating prices and insurance costs adding to the strain. In response, builders have focused on offering smaller, more affordable 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.

HOME PRICES AGAINST REAL WAGE GROWTH



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.



Nest NRV 2024 Overview

Transactions are great, but our success as a brokerage depends on the touchpoints we create throughout the New River Valley community. Here's a look at our latest milestones!

Quick Stats

16,211

FON MAILERS

We sent 16,211 Friends of Nest mailers to clients, customers, and partners.

346

TOTAL CLOSINGS

Our Nest agents helped facilitate over 300 closings this year.

13

NESTAVERSARIES

We celebrated 13 years of serving the New River Valley community.

NEW RIVER VALLEY

2024 MSA Overview

“How’s the market?” We’re glad you asked! Twice a year, Nest Realty takes a closer look at the New River Valley real estate market and publishes our Nest Realty Market Report. Read on to find out what 2024 brought to the NRV...

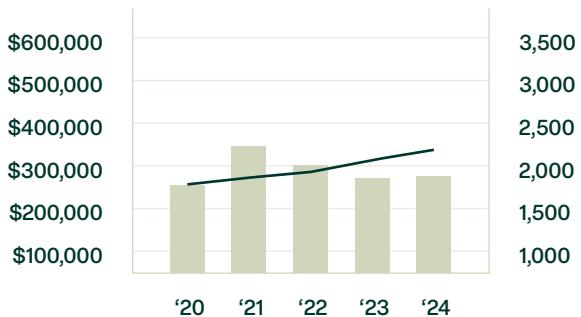
After a tumultuous few years, the real estate market faced what may have felt like a harsh reality for many, but was in fact a more typical market correction. As interest rates stabilized in the 6-7% range, the market adjusted accordingly. Available supply remained at notably low levels, further tightening the market, and home sellers continued to be well-positioned due to high demand.

As we enter 2025, forecasts predict an increase in supply, which could bring good news for home buyers who haven’t yet reached the closing table.



ALL PROPERTIES

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	1,868	1,803	3.6
Price per Sq. Ft.	\$178	\$181	-1.7
Days on Market	37	26	42.3
Avg. Sales Price	\$336,675	\$312,666	7.7

In 2024, on average, a listing stayed on the market for 42.3% more time and saw a 1.9% decrease in price per square foot compared to 2023.

AVG. PRICE

+7.7%

In 2024 the average sales price was \$336,675 compared to \$312,666 in 2023.

TOTAL SALES

+3.6%

In 2024 there were 1,868 total sales compared to 1,803 in 2023.

CONDO/TOWNHOME

AVG. PRICE

+8.6%

In 2024 the average sales price was \$327,111 compared to \$301,163 in 2023.

TOTAL SALES

+21.2%

In 2024 there were 257 total sales compared to 212 in 2023.

SINGLE FAMILY

AVG. PRICE

+4.3%

In 2024 the average sales price was \$338,201 compared to \$324,168 in 2023.

TOTAL SALES

+1.3%

In 2024 there were 1,611 total sales compared to 1,591 in 2023.

	2024	2023	% CHG
Total Sales	257	212	21.2
Price per Sq. Ft.	\$212	\$201	5.5
Days on Market	27	19	42.1
Avg. Sales Price	\$327,111	\$301,163	8.6

	2024	2023	% CHG
Total Sales	1,611	1,591	1.3
Price per Sq. Ft.	\$172	\$162	6.2
Days on Market	39	33	18.2
Avg. Sales Price	\$338,201	\$324,168	4.3

BLACKSBURG



% OF HOMES LESS THAN 5 YEARS OLD

7.8%

AVG. DETACHED SQ. FT.

2,496

AVG. ATTACHED SQ. FT.

1,347



% OF HOMES LESS THAN 5 YEARS OLD

13.7%

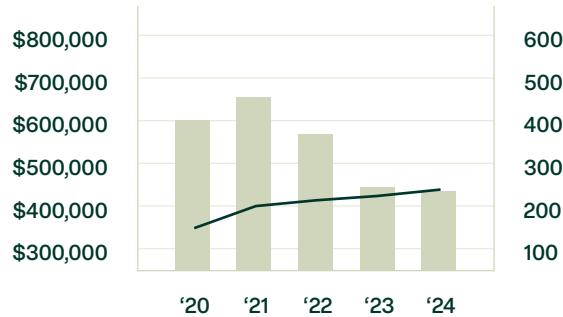
AVG. DETACHED SQ. FT.

1,878

AVG. ATTACHED SQ. FT.

1,705

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	232	242	-4.1
Price per Sq. Ft.	\$231	\$219	5.5
Days on Market	28	21	33.3
Avg. Sales Price	\$436,927	\$422,684	3.4
Total Volume	\$101,367,131	\$107,246,809	-5.5

CHRISTIANSBURG



% OF HOMES LESS THAN 5 YEARS OLD

13.7%

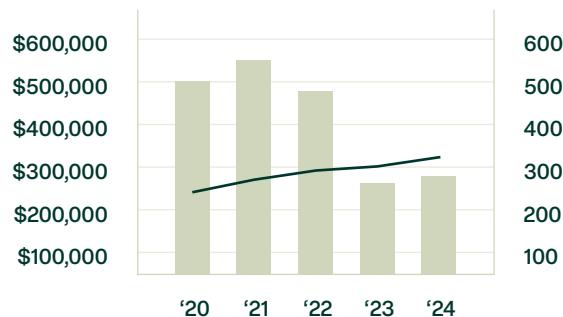
AVG. DETACHED SQ. FT.

1,878

AVG. ATTACHED SQ. FT.

1,705

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	282	265	6.4
Price per Sq. Ft.	\$179	\$173	3.5
Days on Market	32	24	33.3
Avg. Sales Price	\$322,775	\$302,883	6.6
Total Volume	\$91,022,773	\$83,801,496	8.6

MONTGOMERY COUNTY

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	869	834	4.2
Price per Sq. Ft.	\$200	\$195	2.6
Days on Market	33	23	43.5
Avg. Sales Price	\$398,250	\$359,616	10.7
Total Volume	\$346,079,498	\$323,980,022	6.8



% OF HOMES LESS THAN 5 YEARS OLD

15.9%

AVG. DETACHED SQ. FT.

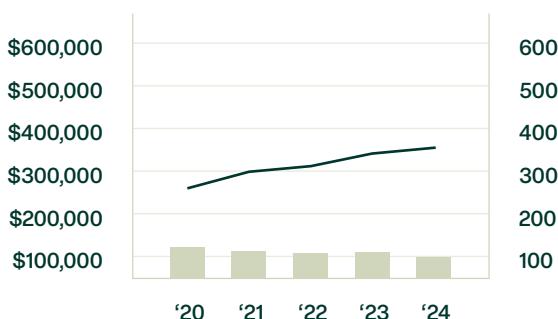
2,221

AVG. ATTACHED SQ. FT.

1,538

FLOYD COUNTY

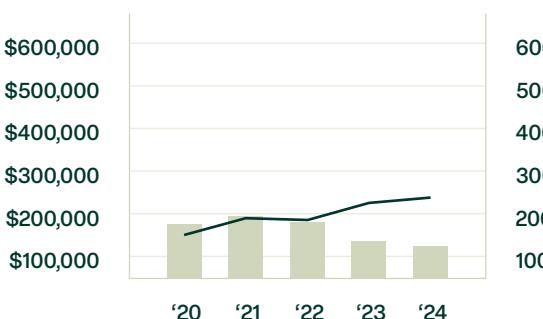
— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	99	111	-10.8
Price per Sq. Ft.	\$209	\$177	18.1
Days on Market	55	47	17.0
Avg. Sales Price	\$364,386	\$342,094	6.5
Total Volume	\$36,074,237	\$37,972,490	-5.0

GILES COUNTY

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	124	129	-3.9
Price per Sq. Ft.	\$137	\$137	0.0
Days on Market	46	46	0.0
Avg. Sales Price	\$240,281	\$231,226	3.9
Total Volume	\$29,794,941	\$28,700,055	3.8

CITY OF RADFORD



% OF HOMES LESS THAN 5 YEARS OLD

11.2%

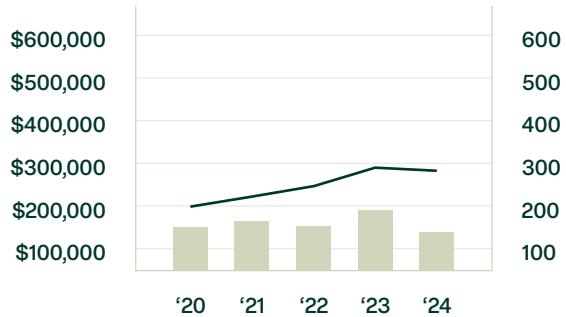
AVG. DETACHED SQ. FT.

1,971

AVG. ATTACHED SQ. FT.

2,172

— AVERAGE PRICE ■ TOTAL SALES



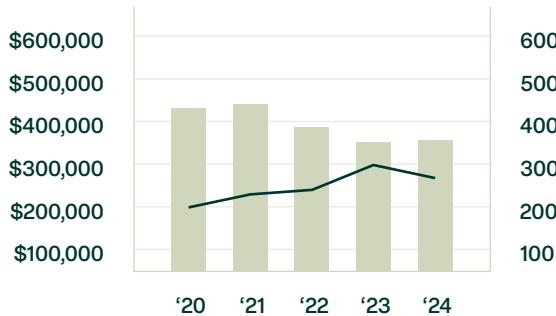
2024 2023 % CHG

	2024	2023	% CHG
Total Sales	146	191	-23.6
Price per Sq. Ft.	\$159	\$150	6.0
Days on Market	24	26	-7.7
Avg. Sales Price	\$283,255	\$289,222	-2.1
Total Volume	\$41,355,300	\$58,278,687	-29.0

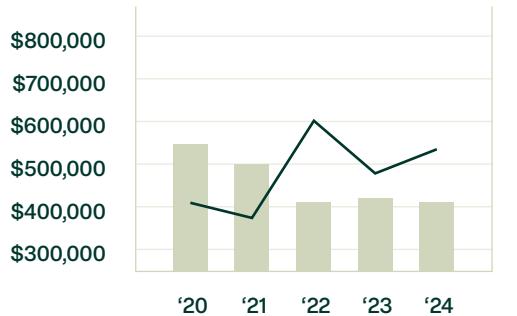
PULASKI COUNTY

CLAYTOR LAKE

— AVERAGE PRICE ■ TOTAL SALES



— AVERAGE PRICE ■ TOTAL SALES



2024 2023 % CHG

2024 2023 % CHG

	2024	2023	% CHG
Total Sales	354	350	1.1
Price per Sq. Ft.	\$148	\$140	5.7
Days on Market	37	23	60.9
Avg. Sales Price	\$273,318	\$297,474	-8.1
Total Volume	\$96,754,670	\$85,228,023	13.5
Total Sales	21	22	-4.5
Price per Sq. Ft.	\$241	\$115	109.6
Days on Market	52	44	18.2
Avg. Sales Price	\$538,805	\$480,525	12.1
Total Volume	\$11,314,900	\$10,571,550	7.0

Organizations *our Nesters* Support

We are grateful for these local businesses and community organizations who continue to allow us to support their missions throughout the NRV.

- **Animal Hope Alliance**
animalhopealliance.com
- **Humane Society of Montgomery County**
hsmcshelter.com
- **Micah's Backpack**
micahsbackpack.org
- **Montgomery County Animal Care and Adoption Center**
montgomerycountyva.gov/acac
- **Montgomery County Christmas Store**
mcchristmasstore.org
- **NRV Cares**
nrvcares.org
- **Radford Animal Shelter**
facebook.com/radfordanimalshelter
- **The Mayapple School**
mayapple.org
- **United Way NRV**
unitedwayswva.org/new-river-valley
- **The Women's Resource Center of the New River Valley**
wrcnrv.org





NestRealtyNRV.com

