

2024 Nest Market Report

SHENANDOAH VALLEY



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.

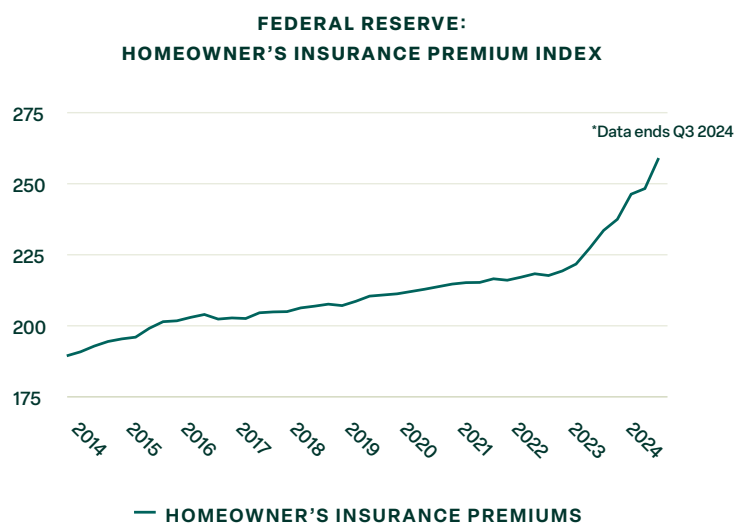
Despite demand consistently outpacing supply for years, ongoing inventory issues, and relatively stable mortgage rates, buyer confidence has not recovered enough to spark a market rebound. Home sales in 2024 are expected to finish about 5% lower than in 2023, largely due to limited inventory—and increasingly,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



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.

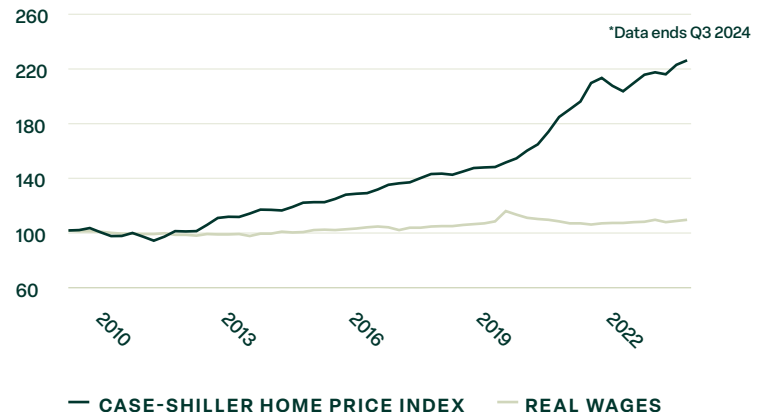
Currently, housing costs account for an average of 32.9% of household expenses. Higher interest rates have pushed homeownership further out of reach for many families, with escalating prices and insurance costs adding to the strain. In response, builders have focused on offering smaller, more affordable 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 Shen Valley 2024 Overview

At Nest, our success goes beyond numbers. We're dedicated to making a lasting impact on the lives of our clients, communities, and agents. However, we understand the importance of metrics, so here are some impressive results our office has achieved this past year.

Quick Stats

175+

**HAPPY BUYERS
AND SELLERS**

This past year, we proudly served 175+ clients, helping to make their real estate dreams come true.

\$70M+

**TOTAL SALES
IN 2024**

The total value of transactions handled for our clients we served in 2024 was more than \$70 million.

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**SALES VOLUME
RANKING**

Out of 66 firms in the Greater Augusta Association of Realtors, Nest Realty was third in sales volume in 2024.



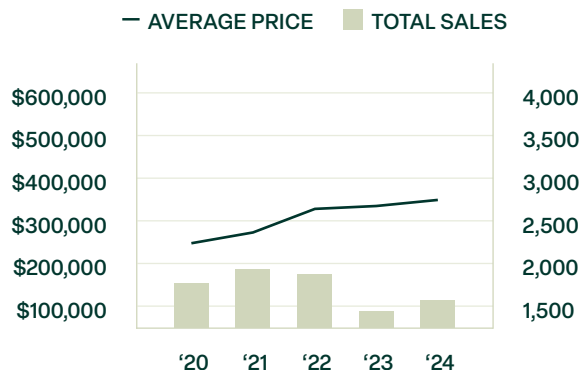
SHENANDOAH VALLEY, VA

2024 MSA Overview

In 2024, the real estate market in Staunton, Waynesboro, and Augusta County experienced sustained buyer demand, with multiple-offer scenarios reemerging in certain price points. A welcome decrease in mortgage rates provided some relief for buyers, but persistently low inventory kept competition high.

While homes spent slightly longer on the market in some areas, signaling a gradual return to a more balanced pace, steady demand and limited supply continued to drive healthy increases in home values. This upward trend in property values has reinforced real estate's appeal as a strong, long-term investment in our region.

ALL PROPERTIES



	2024	2023	% CHG
Total Sales	1,552	1,471	5.5
Price per Sq. Ft.	\$188	\$180	4.2
Days on Market	31	28	10.7
Avg. Sales Price	\$346,170	\$335,262	3.3

In 2024, on average, a listing stayed on the market for 10.7% more time and saw a 4.2% increase in price per square foot compared to 2023.

AVG. SALES PRICE

+3.3%

In 2024, the average sales price was \$346,170 compared to \$335,262 in 2023.

TOTAL SALES

+5.5%

In 2024, there were 1,552 total sales compared to 1,471 in 2023.

CONDO/TOWNHOME

AVG. PRICE

-0.1%

In 2024, the average sales price was \$331,234 compared to \$331,498 in 2023.

TOTAL SALES

+74.4%

In 2024, there were 150 total sales compared to 86 in 2023.

	2024	2023	% CHG
Total Sales	150	86	74.4
Price per Sq. Ft.	\$188	\$189	-0.5
Days on Market	49	47	4.3
Avg. Sales Price	\$331,234	\$331,498	-0.1

SINGLE FAMILY

AVG. PRICE

+3.7%

In 2024, the average sales price was \$347,759 compared to \$335,496 in 2023.

TOTAL SALES

+1.3%

In 2024, there were 1,403 total sales compared to 1,385 in 2023.

	2024	2023	% CHG
Total Sales	1,403	1,385	1.3
Price per Sq. Ft.	\$188	\$180	4.2
Days on Market	29	27	7.4
Avg. Sales Price	\$347,759	\$335,496	3.7

STAUNTON

AVG. YEAR HOMES BUILT

1963

% OF HOMES <5 YEARS OLD

14%

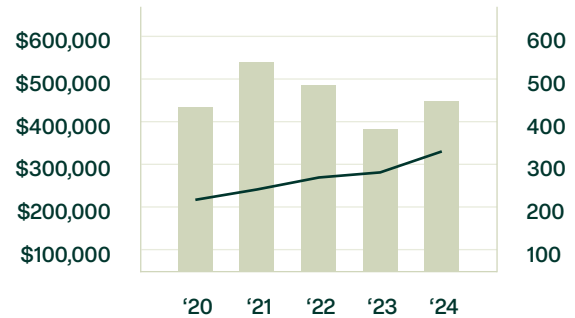
AVG. DETACHED SQ. FT.

1,650

AVG. ATTACHED SQ. FT.

1,560

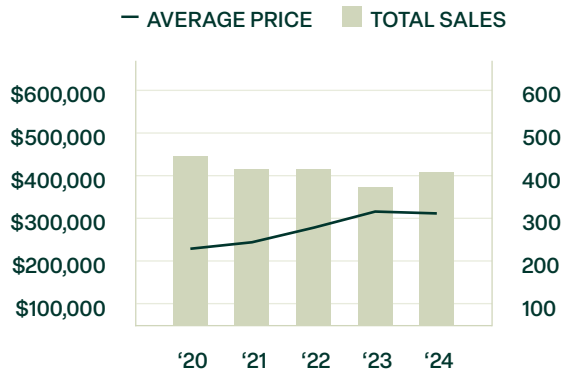
— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	447	388	15.2
Price per Sq. Ft.	\$183	\$172	6.2
Days on Market	33	29	13.8
Avg. Sales Price	\$317,868	\$289,134	9.9
Total Volume	\$142,086,996	\$112,183,992	26.7



WAYNESBORO



	2024	2023	% CHG
Total Sales	407	382	6.5
Price per Sq. Ft.	\$184	\$183	0.5
Days on Market	23	26	-11.5
Avg. Sales Price	\$307,970	\$308,271	-0.1
Total Volume	\$125,343,790	\$117,759,522	6.4

AVG. YEAR HOMES BUILT

1981

% OF HOMES <5 YEARS OLD

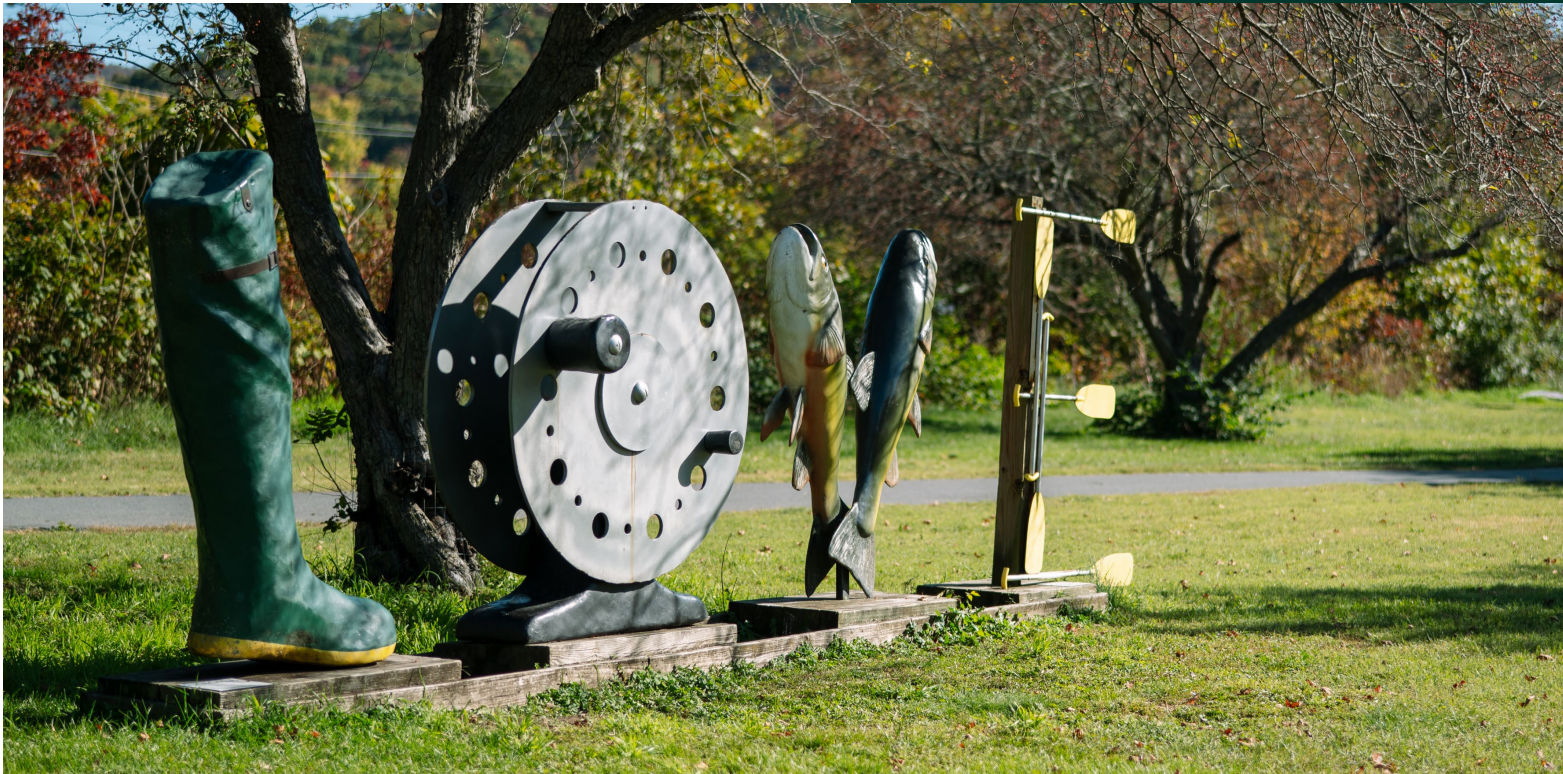
28%

AVG. DETACHED SQ. FT.

2,117

AVG. ATTACHED SQ. FT.

1,550



AUGUSTA COUNTY

AVG. YEAR HOMES BUILT

1992

% OF HOMES <5 YEARS OLD

17%

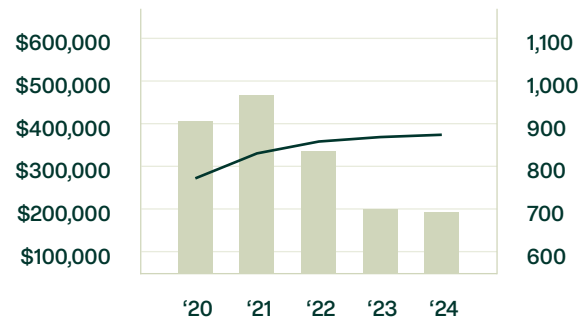
AVG. DETACHED SQ. FT.

1,845

AVG. ATTACHED SQ. FT.

1,715

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	692	695	-0.4
Price per Sq. Ft.	\$194	\$183	6.0
Days on Market	34	29	17.2
Avg. Sales Price	\$377,994	\$370,198	2.1
Total Volume	\$261,571,764	\$257,287,651	1.7



Giving Back *to our Community*

Our commitment to the community runs deep. From joining local events to backing community initiatives, we aim to be a positive influence, knowing that collaboration and support are the foundations of a thriving community. Through sponsorships, volunteer work, and partnerships with local organizations, we strive to make a lasting impact, fostering a sense of belonging and shared success for all.



Community Service

Our team actively participates in local events, from volunteering to cook and serve meals at Disciples' Kitchen, to being a collection site for the Blue Ridge Area Food Bank, and holiday toy drives. We also contribute through monetary donations to Staunton-Augusta-Waynesboro Habitat for Humanity. Supporting our community in meaningful ways brings us joy and fulfillment.

School Supply Drive

Each year, we team up with our clients at our Nest County Fair to gather school supplies for all seven of our local middle schools.

Local Love

We're incredibly grateful for our community and love showing our appreciation whenever possible. Whether partnering with local shops for client gifts, sourcing cookie jars from nearby bakeries, or joining in on events like Happy Birthday America, we're always finding ways to celebrate and support those around us.



nestrealty.com/thevalley

