

# 2024 Nest Market Report

RICHMOND AREA



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.

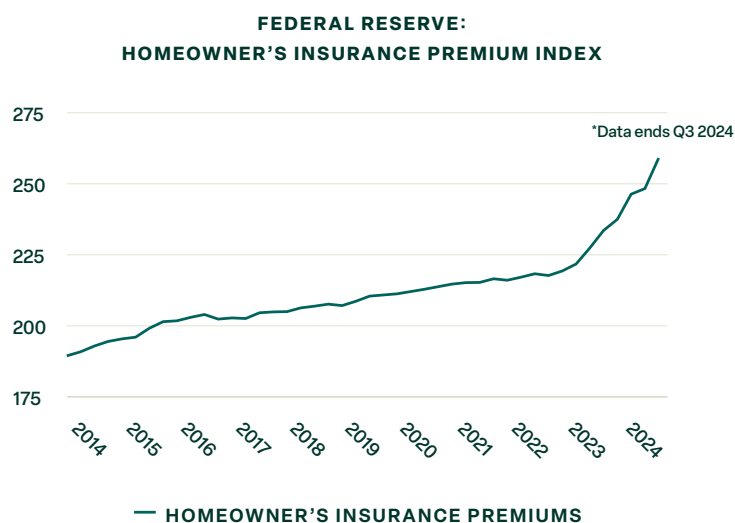
Despite demand consistently outpacing supply for years, ongoing inventory issues, and relatively stable mortgage rates, buyer confidence has not recovered enough to spark a market rebound. Home sales in 2024 are expected to finish about 5% lower than in 2023, largely due to limited inventory—and increasingly,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

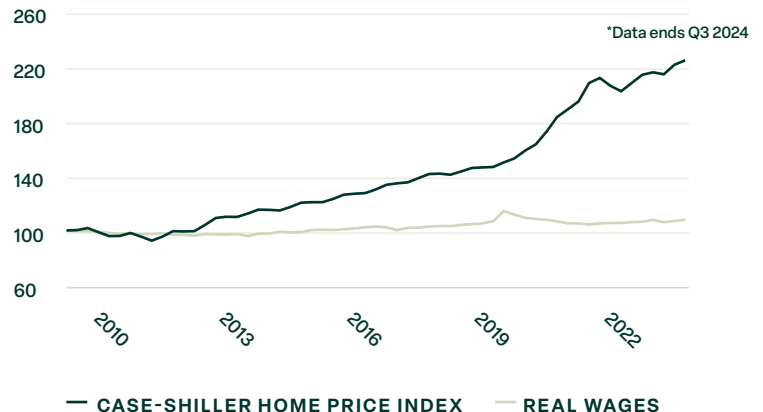
Currently, housing costs account for an average of 32.9% of household expenses. Higher interest rates have pushed homeownership further out of reach for many families, with escalating prices and insurance costs adding to the strain. In response, builders have focused on offering smaller, more affordable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

Our success as a brokerage extends beyond the number of transactions in 2024. This year we are celebrating the relationships we've built with local businesses and community organizations, as well as our continued commitment to being an online resource for all things Richmond.

## Quick Stats

# 200

### HAPPY CLIENTS

We helped nearly 200 buyers and sellers accomplish their sales objectives!

# 18

### LOCAL LOVE PARTNERSHIPS

We partnered with 18 Local Love businesses this year.

# 500+

### COUNTY FAIR ATTENDEES

We welcomed over 500 Friends/Clients to our 2024 Nest County Fair!



**RICHMOND, VA**

# 2024 MSA Overview

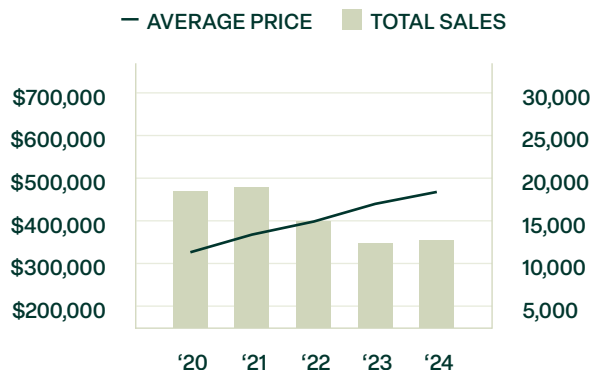
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All Real Estate is local, and 2024 certainly proved that point. Nationally, home sales were slightly up, but regionally, through October of 2024, we saw only a 0.3% growth. By looking at a County level, we see a city that seems unfazed by national news and experienced sales growth of nearly 7% annually, while Henrico and Hanover counties fell off by 2% and more than 4%, respectively.

The numbers don't surprise those who watch sales every day. During the last few years of shrinking inventory and historically low mortgage rates, homes sold in all areas. But, listing agents knew that some areas were in more demand than others. And now in 2025, as new listings begin to mirror demand and purchasers have time to be more selective, we are seeing the City continue to surge while suburban and rural areas soften.

Buyers have tried to capture interest rate dips when mortgages drop, but timing the market is tough. Rates, while volatile in 2024, did not see the drop that economists predicted. Into 2025, stability is the overwhelming forecast. As the Metro Richmond market enters 2025, we hope new listings will increase and inventory will rebound. It's been nine years since we've had more than a four-month supply. New construction has surged to meet demand, but we'll see if labor and material costs allow pricing to stay competitive. Tariffs and immigration policy may affect that balance.

## ALL PROPERTIES



	2024	2023	% CHG
Total Sales	12,877	12,706	1.3
Price per Sq. Ft.	\$229	\$213	7.5
Days on Market	26	21	23.8
Avg. Sales Price	\$473,033	\$438,607	7.8

In 2024, on average, a listing stayed on the market for 23.8% more time and saw a 7.5% increase in price per square foot compared to 2023.

### AVG. PRICE

**+7.8%**

In 2024 the average sales price was \$473,033 compared to \$438,607 in 2023.

### TOTAL SALES

**+1.3%**

In 2024 there were 12,877 total sales compared to 12,706 in 2023.

## CONDO/TOWNHOME

### AVG. PRICE

**+8.0%**

In 2024 the average sales price was \$392,920 compared to \$363,660 in 2023.

### TOTAL SALES

**+3.1%**

In 2024 there were 2,591 total sales compared to 2,513 in 2023.

	2024	2023	% CHG
Total Sales	2,591	2,513	3.1
Price per Sq. Ft.	\$232	\$216	7.4
Days on Market	33	27	22.2
Avg. Sales Price	\$392,920	\$363,660	8.0

## SINGLE FAMILY

### AVG. PRICE

**+7.9%**

In 2024 the average sales price was \$493,213 compared to \$457,082 in 2023.

### TOTAL SALES

**+0.9%**

In 2024 there were 10,286 total sales compared to 10,193 in 2023.

	2024	2023	% CHG
Total Sales	10,286	10,193	0.9
Price per Sq. Ft.	\$228	\$213	7.0
Days on Market	24	20	20.0
Avg. Sales Price	\$493,213	\$457,082	7.9



AVG. YEAR HOMES BUILT

1950

% OF HOMES <5 YEARS OLD

6.1%

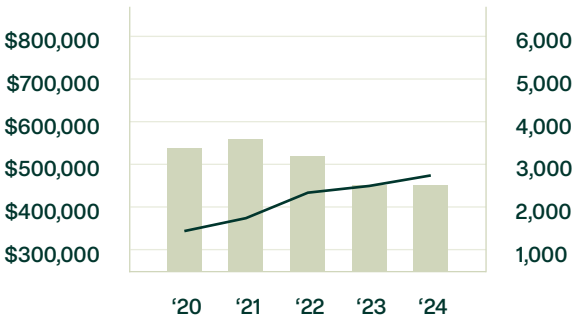
AVG. DETACHED SQ. FT.

1,812

AVG. ATTACHED SQ. FT.

1,483

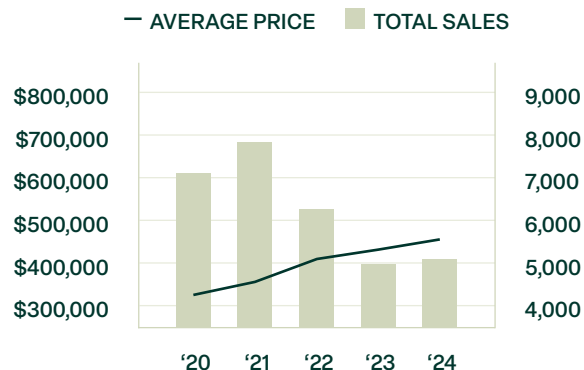
AVERAGE PRICE TOTAL SALES



	2024	2023	% CHG
Total Sales	2,573	2,528	1.8
Price per Sq. Ft.	\$267	\$247	8.1
Days on Market	22	20	10.0
Avg. Sales Price	\$484,456	\$446,296	8.5
Total Volume	\$1,245,536,049	\$1,108,152,382	12.4



## CHESTERFIELD



	2024	2023	% CHG
Total Sales	5,172	4,957	4.3
Price per Sq. Ft.	\$207	\$195	6.2
Days on Market	28	21	33.3
Avg. Sales Price	\$462,092	\$428,919	7.7
Total Volume	\$2,389,013,777	\$2,105,990,132	13.4



AVG. YEAR HOMES BUILT

1996

AVG. DETACHED SQ. FT.

2,336

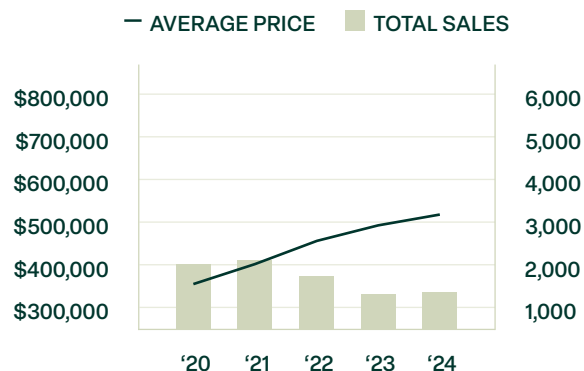
% OF HOMES <5 YEARS OLD

17.4%

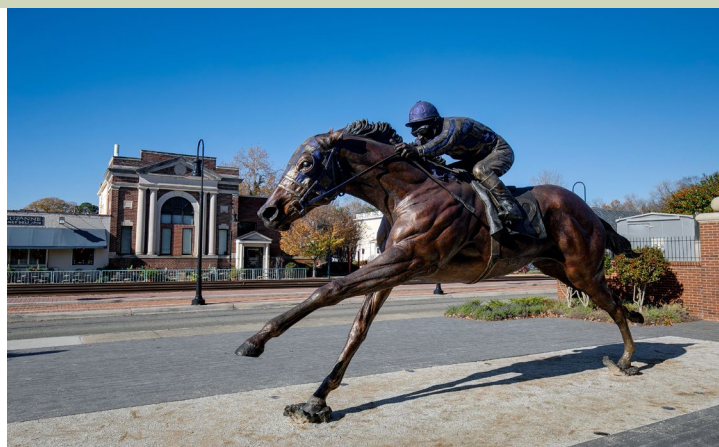
AVG. ATTACHED SQ. FT.

1,792

## HANOVER



	2024	2023	% CHG
Total Sales	1,339	1,301	2.9
Price per Sq. Ft.	\$226	\$213	6.1
Days on Market	34	30	13.3
Avg. Sales Price	\$513,713	\$489,177	5.0
Total Volume	\$687,347,952	\$630,059,383	9.1



AVG. YEAR HOMES BUILT

1995

AVG. DETACHED SQ. FT.

2,403

% OF HOMES <5 YEARS OLD

16.2%

AVG. ATTACHED SQ. FT.

1,763



## GOOCHLAND



AVG. YEAR HOMES BUILT

2001

AVG. DETACHED SQ. FT.

2,771

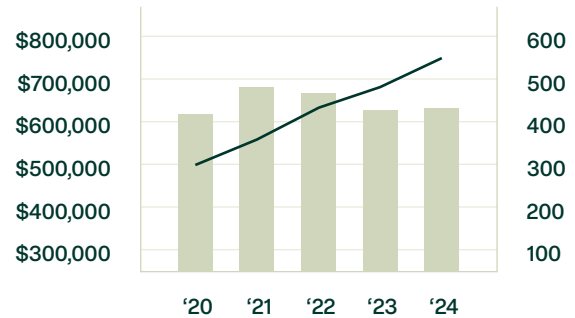
% OF HOMES <5 YEARS OLD

30.9%

AVG. ATTACHED SQ. FT.

2,175

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	423	403	5.0
Price per Sq. Ft.	\$259	\$249	4.0
Days on Market	35	33	6.1
Avg. Sales Price	\$746,959	\$691,292	8.0
Total Volume	\$315,216,525	\$278,667,580	13.1

## HENRICO



AVG. YEAR HOMES BUILT

1984

AVG. DETACHED SQ. FT.

2,098

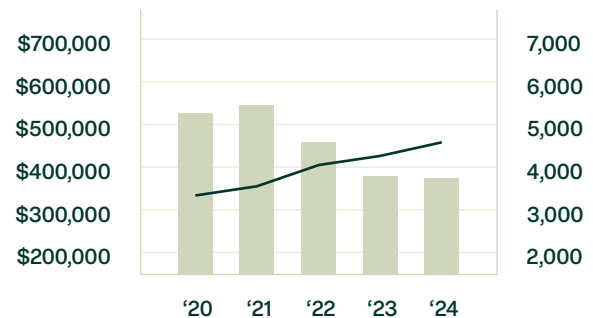
% OF HOMES <5 YEARS OLD

8.9%

AVG. ATTACHED SQ. FT.

1,726

— AVERAGE PRICE ■ TOTAL SALES



	2024	2023	% CHG
Total Sales	3,793	3,920	-3.2
Price per Sq. Ft.	\$232	\$215	7.9
Days on Market	22	18	22.2
Avg. Sales Price	\$465,853	\$429,176	8.5
Total Volume	\$1,766,982,257	\$1,668,206,078	5.9



# Organization *Spotlight*

## **RONALD MCDONALD HOUSE CHARITIES® OF RICHMOND**

RMHC Richmond is an independent, non-profit chapter of Ronald McDonald House Charities. They provide a “home-away-from-home” for families with children receiving care at local area hospitals throughout the Richmond region. RMHC believes no family should have to deal with their child’s medical crisis alone. They ease the hardship that families caring for sick children often face, through programs that improve the health and well-being of children. Through their core programs Ronald McDonald House® and Ronald McDonald Family Room®, RMHC Richmond keeps families with sick children together and close to the medical care their child needs.

RMHC Richmond provides unique family-centered care and services through the RMH Sibling Center, Hospitality Cart, and Lunches with Love programs. These programs ensure that every family whose child needs access to specialty care in RVA has world-class temporary housing and support services and the opportunity to be actively involved in their child’s care.

The newest Ronald McDonald House® is located in the Children’s Tower Sky Lobby at the Children’s Hospital of Richmond (CHoR) at VCU. The facility, run by RMHC Richmond staff and volunteers, serves patients’ caregivers and families as their children receive medical treatment. Lunches with Love is a meal delivery program that provides families with access to a nutritious lunch at the hospital, relieving the financial burden from families who are focusing on their child’s medical care. Lunches are delivered to local pediatric/neonatal units at hospitals.

By supporting RMHC Richmond, donors and volunteers keep families together and close to the care they need, relieving financial and logistical burdens for thousands of families every year. Nest Realty Richmond is proud to support this important local nonprofit.

**[rmhc-richmond.org](http://rmhc-richmond.org)**





[nestrichmond.com](http://nestrichmond.com)

