



2025 Nest Market Report

Fredericksburg & NOVA Regions



National Market Review

A Market in Transition

Will 2026 be the year housing takes center stage in national politics? While solutions will differ across Washington, most policymakers agree on one fact: **affordability has reached a breaking point for many Americans.** As we approach a new election cycle, housing is poised to become one of the country's most visible economic issues.

This shift is the result of several converging forces:

- Interest rates stabilizing but remaining elevated.
- Home prices rising faster than household income.
- Insurance costs increasing sharply.
- Inventory levels remaining well below national needs.

Together, these trends have redefined buyer and seller behavior and shaped expectations for the year ahead.

Affordability Moves to the Forefront

Affordability hinges on the balance between three factors:



For much of the past decade, low interest rates masked rising prices. But in 2022, mortgage rates jumped from 3% to 7%, increasing monthly payments by more than 55%.

Since late 2022, rates have held steady in the 6.5%–7.5% range. Predictability has returned, but many buyers still perceive these rates as high compared to the sub-5% environment that lasted from 2011–2022. The result has been slower sales, cooling prices in certain markets, and a broad resetting of buyer expectations.

Meanwhile, wage growth has not kept pace. Between 2015 and 2024, the median household income rose 56%, while home prices increased between 90% and 103%, depending on the index. When prices rise faster than wages—and interest rates rise at the same time—affordability declines.

The Rising Cost of Homeownership

Insurance has become a major affordability factor. From 2022 to 2024, premiums rose more than 30% in 21 states and 40–70% in ten of them, with another 28% increase projected over the next three years.

Insurance now represents 9% of the average mortgage payment—the highest share on record—driven by rising rebuild costs, more frequent climate events, population shifts, and insurers exiting high-risk markets. Currently, 12% of U.S. homes are considered high risk, a figure projected to exceed 20% by 2050.

A Diverging Landscape

For years, national housing recaps looked similar across markets. But 2025 has brought sharp regional variations. Economic pressures, insurance challenges, and affordability concerns now differ meaningfully from one region to the next.

In today's environment, understanding your local market matters more than ever, and your Nest agent can help you interpret how national forces are playing out in your area.

National Housing Trends

Inventory Gains Fall Short of Demand: A 13% Inventory Increase Against a 2.5 Million-Home Deficit

National inventory rose 13% in 2025, according to ResiClub. While encouraging, this gain falls far short of addressing the estimated 2.5 million home shortage nationwide. Even with steady improvement, closing the gap would require more than a decade of elevated construction.

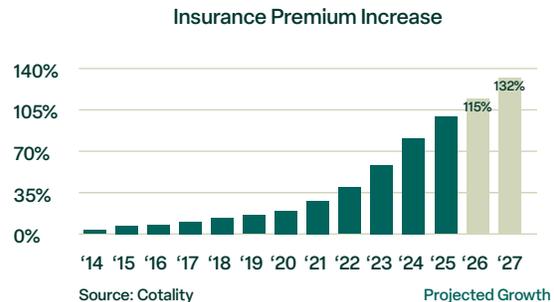
As we enter 2026, housing affordability remains one of the most influential forces shaping the market. Rising insurance costs and lagging wage growth continue to pressure buyers, even as conditions gradually stabilize.

Still, the new year brings opportunities: modest price softening in some markets, steadier inventory, and rate stability may bring buyers back. How the rest of 2026 unfolds will depend on broader economic shifts, policy decisions, and how quickly confidence returns to both buyers and sellers.

Three Trends to Watch in 2026

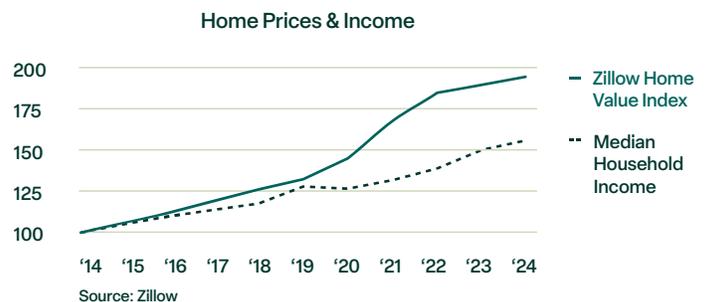
1. Insurance Premium Growth

Premiums rose modestly for several years before accelerating dramatically in 2021. This trend is expected to continue through 2027.



2. Home Prices and Income

Home values have nearly doubled over the past decade, while real wages have grown far more slowly. This widening gap is a central driver of today's affordability challenges.



3. 30-Year Mortgage Rates

After the rapid spike in 2022, mortgage rates have remained steady within the 6.5%–7.5% range. This stability has helped bring predictability back to the market, even if overall costs remain elevated.





Nest Fredericksburg 2025 at a Glance

53

53 Teachers | We awarded 53 teachers with Certificates of Awesomeness and \$100 cash.

5

5 Years | Nest was honored with Best of the Burg five years in a row, and six out of the last seven years.

16

16 Years | Nest Fredericksburg agents average 16 years in the real estate industry.



2025
Fredericksburg, VA
MSA

Local Market Review

Prices stayed high and demand remained steady in Fredericksburg, even as the market found a calmer rhythm.

The 2025 housing market felt like a slow, steady reset. Prices remain higher than last year, but growth has cooled, and elevated interest rates continue to shape nearly every conversation with buyers and sellers. Nationally, across Virginia, and here in the Fredericksburg region, the story is similar: people are adjusting, budgets are tighter, and the market is finding a new balance.

Virginia reflects these broader trends, though with slightly more momentum. The statewide median sales price held between \$420,000 and \$435,000 this year—effectively flat after adjusting for inflation—but buyer activity is picking up. September closings rose nearly 9% year-over-year, a sign that buyers are re-engaging despite higher borrowing costs. While metro markets are stabilizing, more affordable regions are seeing stronger demand as buyers look to maximize value.

The Fredericksburg region continues to outperform the state. The median sold price reached \$475,325 this spring (up nearly 6%) and the City of Fredericksburg posted a notable 10% year-over-year increase in the first half of 2025. October's city median rose to \$440,000, up 7.1%.

A more balanced market is emerging. The regional median dipped slightly in September for the first time since 2023, and days on market in the city grew from 33 to 42 days. The recent 46-day federal funding pause also left its mark. While federal workers have returned and back pay is being processed, many local families and businesses continue to navigate delayed plans and tighter budgets. Confidence moving forward will hinge on how smoothly the next federal budget cycle progresses in late January.

Across all levels, the theme is clear: people are recalibrating. Prices remain elevated, borrowing is expensive, and families are making more measured decisions—but the frantic pace of the past few years has eased. As the market shifts toward a steadier, more predictable rhythm, many in our community are finding a bit more room to breathe.

All Properties

Fredericksburg MSA

+2.0%

Average Sales Price

The average sales price of all homes increased by 2.0% between 2024 and 2025.

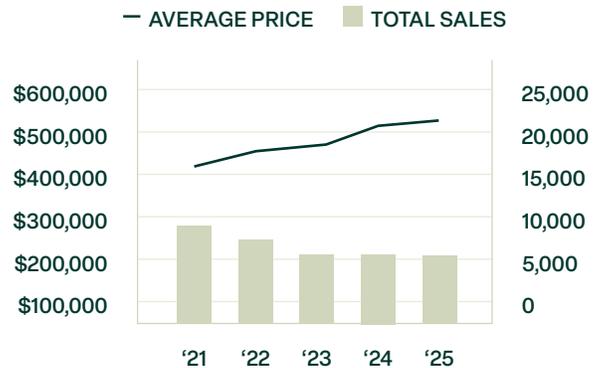
-2.1%

Total Sales

The total sales of all homes decreased by 2.1% between 2024 and 2025.

	2025	2024	% CHG
Total Sales	5,496	5,613	-2.1
Days on Market	33	34	-2.9
Avg. Sales Price	\$519,234	\$508,830	2.0

In Fredericksburg in 2025, on average, a listing stayed on the market for 2.9% less time and saw a 2.1% decrease in total sales for all homes compared to 2024.



Condos & Townhomes

+4.8%

Average Sales Price

The average sales price of condos & townhomes increased by 4.8% between 2024 and 2025.

+7.9%

Total Sales

The total sales of condos & townhomes increased by 7.9% between 2024 and 2025.

	2025	2024	% CHG
Total Sales	872	808	7.9
Days on Market	28	28	0.0
Avg. Sales Price	\$ 404,575	\$385,941	4.8

Single Family Homes

+1.3%

Average Sales Price

The average sales price of single family homes increased by 1.3% between 2024 and 2025.

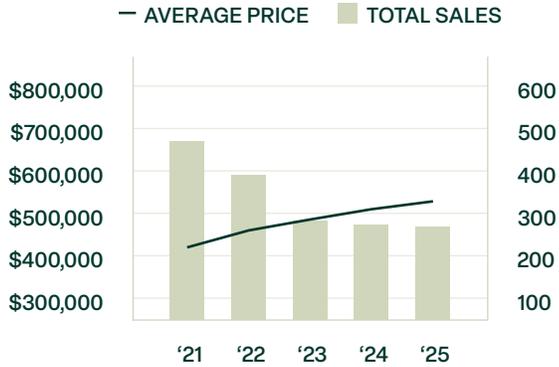
-3.7%

Total Sales

The total sales of single family homes decreased by 3.7% between 2024 and 2025.

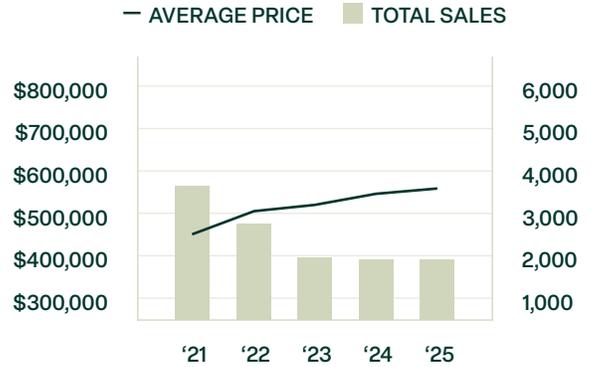
	2025	2024	% CHG
Total Sales	4,624	4,802	-3.7
Days on Market	36	35	2.9
Avg. Sales Price	\$541,529	\$534,763	1.3

Fredericksburg City



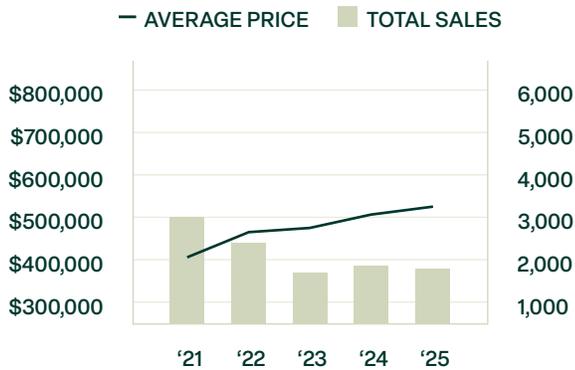
	2025	2024	% CHG
Total Sales	269	274	-1.8
Price per Sq. Ft.	\$251	\$285	-11.9
Days on Market	34	34	0.0
Avg. Sales Price	\$529,035	\$508,963	3.9
Total Volume	\$153,605,062	\$139,455,904	10.1

Stafford County



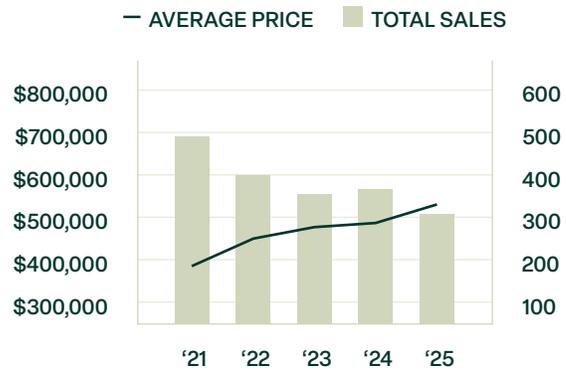
	2025	2024	% CHG
Total Sales	1,905	1,930	-1.3
Price per Sq. Ft.	\$226	\$272	-16.9
Days on Market	31	30	3.3
Avg. Sales Price	\$566,397	\$545,267	3.9
Total Volume	\$1,078,986,612	\$1,052,364,529	2.5

Spotsylvania County



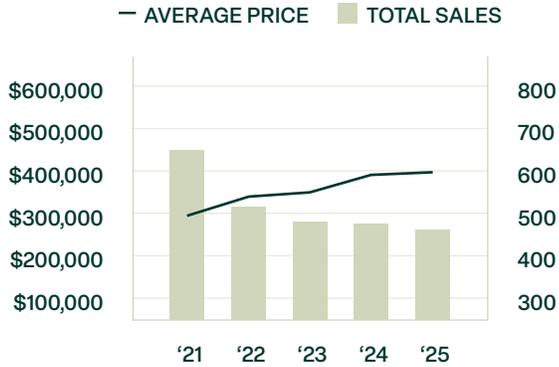
	2025	2024	% CHG
Total Sales	1,841	1,885	-2.3
Price per Sq. Ft.	\$224	\$267	-16.1
Days on Market	29	33	-12.1
Avg. Sales Price	\$522,830	\$505,219	3.5
Total Volume	\$962,529,879	\$952,337,405	1.1

King George County



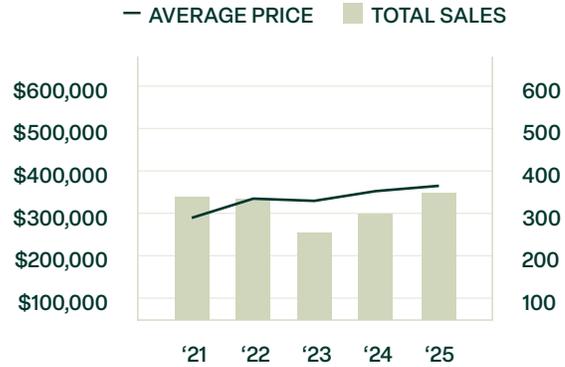
	2025	2024	% CHG
Total Sales	301	369	-18.4
Price per Sq. Ft.	\$216	\$250	-13.6
Days on Market	38	46	-17.4
Avg. Sales Price	\$530,959	\$489,327	8.5
Total Volume	\$159,818,781	\$180,561,824	-11.5

Caroline County



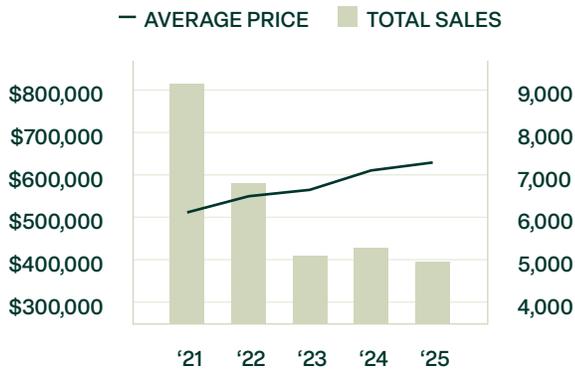
	2025	2024	% CHG
Total Sales	444	476	-6.7
Price per Sq. Ft.	\$225	\$248	-9.3
Days on Market	39	40	-2.5
Avg. Sales Price	\$397,073	\$391,412	1.4
Total Volume	\$176,300,327	\$185,920,804	-5.2

Colonial Beach



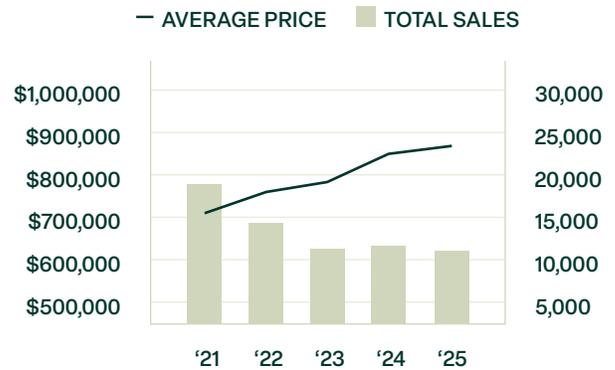
	2025	2024	% CHG
Total Sales	352	299	17.7
Price per Sq. Ft.	\$247	\$248	-0.4
Days on Market	50	68	-26.5
Avg. Sales Price	\$377,859	\$353,241	7.0
Total Volume	\$137,599,866	\$105,619,192	30.3

Prince William County



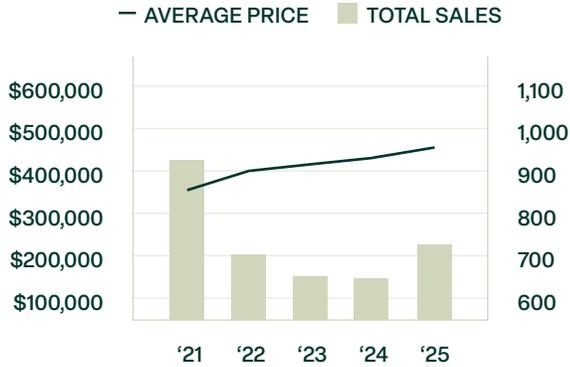
	2025	2024	% CHG
Total Sales	4,981	5,320	-6.4
Price per Sq. Ft.	\$255	\$320	-20.3
Days on Market	21	27	-22.2
Avg. Sales Price	\$622,172	\$611,175	1.8
Total Volume	\$3,099,036,991	\$3,267,150,480	-5.1

Fairfax County



	2025	2024	% CHG
Total Sales	10,951	11,803	-7.2
Price per Sq. Ft.	\$371	\$480	-22.7
Days on Market	21	23	-8.7
Avg. Sales Price	\$885,407	\$852,044	3.9
Total Volume	\$9,696,088,815	\$10,127,896,339	-4.3

Orange County



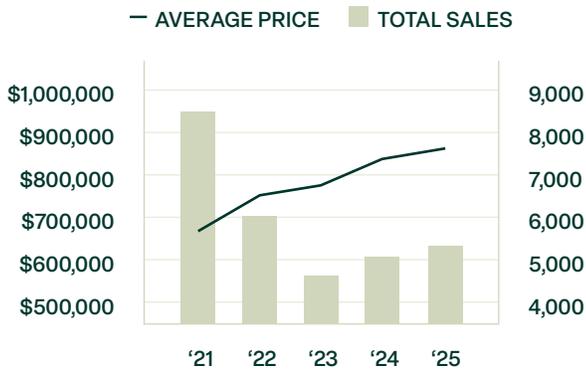
	2025	2024	% CHG
Total Sales	736	645	14.1
Price per Sq. Ft.	\$225	\$256	-12.1
Days on Market	43	47	-8.5
Avg. Sales Price	\$457,069	\$436,794	4.6
Total Volume	\$336,402,705	\$281,731,876	19.4

Culpeper County



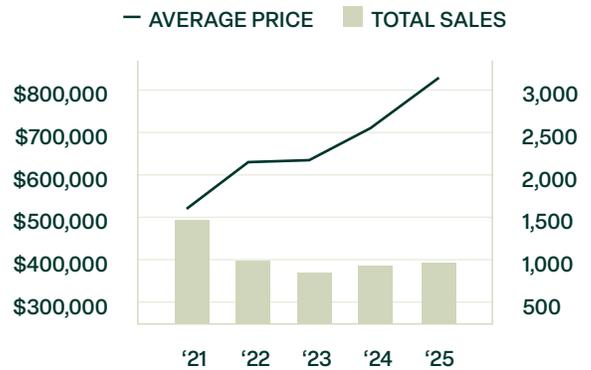
	2025	2024	% CHG
Total Sales	616	611	0.8
Price per Sq. Ft.	\$236	\$277	-14.8
Days on Market	41	38	7.9
Avg. Sales Price	\$540,681	\$514,167	5.2
Total Volume	\$333,059,437	\$314,155,974	6.0

Loudoun County



	2025	2024	% CHG
Total Sales	5,306	5,038	5.3
Price per Sq. Ft.	\$300	\$348	-13.8
Days on Market	22	24	-8.3
Avg. Sales Price	\$867,722	\$838,192	3.5
Total Volume	\$4,604,134,846	\$4,222,809,419	9.0

Fauquier County



	2025	2024	% CHG
Total Sales	939	911	3.1
Price per Sq. Ft.	\$293	\$337	-13.1
Days on Market	34	36	-5.6
Avg. Sales Price	\$838,032	\$710,535	17.9
Total Volume	\$786,911,692	\$647,297,181	21.6



Community First

Organizations Our Nesters Support

Fairy Godmother Project: Nest Realty proudly sponsored two Fairy Godmother Project fundraisers this year, supporting local families facing pediatric cancer: **Carnival for Cora's Cause**, honoring Cora as she continues treatment, and the **Josh Hardy Superhero Celebration**, which celebrates Josh's legacy and raises funds for families in need.

Downtown Greens: We supported Downtown Greens, a nonprofit stewarding 58 acres of community greenspace, gardens, and educational programs in Fredericksburg, including their Free Fridge & Pantry initiative.

Fredericksburg Food Co-Op: The Fredericksburg Food Co-Op is a community-owned grocery store

focused on local foods, natural and organic products, and sustainable practices. They work closely with local partners to share best practices in nutrition, wellness, and environmentally responsible living.

Supporting Local Schools and Teachers: We've honored area educators for the past five years through our **Awesome Teacher Awards**. Each March, we invite the community to nominate teachers who go above and beyond in the classroom and community. This year, we recognized **53 teachers** across Fredericksburg City, King George, Stafford, Spotsylvania, and Caroline counties—each receiving a Certificate of Awesomeness and a \$100 cash award.

We also joined Dixon Smith Middle School's 3rd Annual Community Day, contributing two Nest Realty raffle prizes whose proceeds went directly to the school's PTO.

Fredericksburg Parent & Family Magazine Costume Stroll: Nest Realty agents—dressed as birds, of course—joined the Annual Downtown Costume Stroll again this year. Hundreds of Trick-or-Treaters stopped by for Halloween treats, and our booth handed out more than 300 rubber ducks and snacks. Our favorite part? Hearing kids share memories of the ducks they picked out in years past.



fredericksburg.nestrealty.com

