



nest
REALTY

2025 Nest Market Report

Roanoke Area

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.

Local Market Review

The Roanoke Valley housing market remains strong, with conditions still tilting toward sellers even as inventory continues its gradual rise. Median home prices are climbing at a steady pace, with many areas seeing 7-8% year-over-year gains, and persistent buyer demand is keeping days on market relatively short. Rising rental costs and the region's aging housing stock are fueling heightened interest in both new construction and thoughtfully updated resale homes. These combined trends are slowly guiding the Valley toward a more balanced environment, though sellers continue to maintain an advantage across most segments of the market.

Nearby, the Smith Mountain Lake market is performing exceptionally well, particularly along the waterfront.

Average waterfront home prices remain above \$1.2 million, and water-access properties continue to sell steadily in the mid-\$400K to low-\$500K range. Demand for second homes, vacation properties, and investment opportunities remains a major driver, sustaining competition and keeping upward pressure on prices throughout the year.

Looking toward 2026, both markets appear poised for continued, moderate growth. If interest rates stabilize or begin to ease, buyer activity could strengthen even further. With inventory expected to expand only gradually, overall conditions are likely to remain favorable for sellers while evolving slowly but consistently toward a more balanced and sustainable market landscape.

Average Sales Price

+6.7%

All Properties

The average sales price for all properties in 2025 was \$390,016 compared to \$365,575 in 2024.

+2.8%

Attached Homes

The average sales price for attached homes in 2025 was \$334,325 compared to \$325,216 in 2024.

+7.1%

Detached Homes

The average sales price for detached homes in 2025 was \$396,399 compared to \$370,010 in 2024.

Total Home Sales

+3.7%

All Properties

The total home sales for all properties in 2025 was 3,958 compared to 3,818 in 2024.

+7.7%

Attached Homes

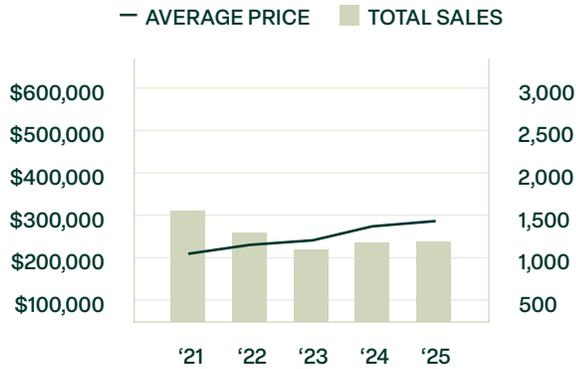
The total home sales for attached homes in 2025 was 407 compared to 378 in 2024.

+3.2%

Detached Homes

The total home sales for detached homes in 2025 was 3,551 compared to 3,440 in 2024.

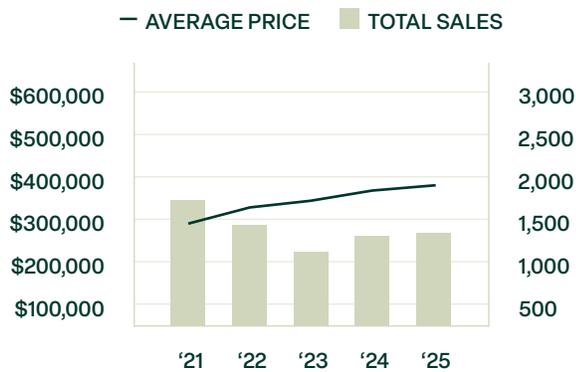
Roanoke City



	2025	2024	% CHG
Total Sales	1,178	1,177	0.1
Days on Market	37	28	32.1
Avg. Sales Price	\$282,334	\$268,703	5.1
Total Volume	\$332,589,650	\$316,264,607	5.2

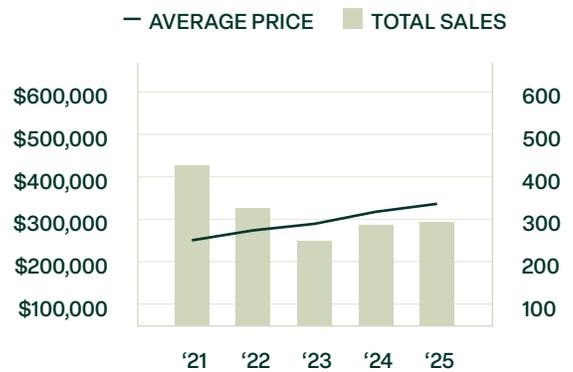


Roanoke County



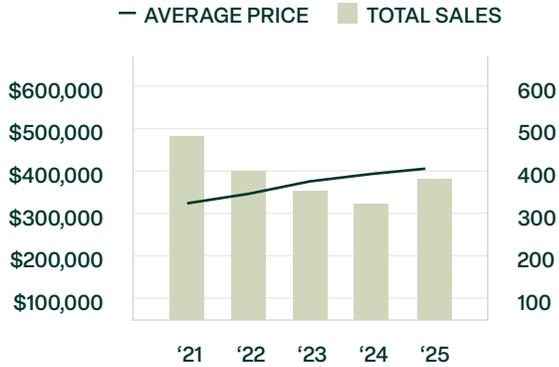
	2025	2024	% CHG
Total Sales	1,315	1,307	0.6
Days on Market	40	35	14.3
Avg. Sales Price	\$383,315	\$362,059	5.9
Total Volume	\$504,059,839	\$473,211,219	6.5

Salem City



	2025	2024	% CHG
Total Sales	297	295	0.7
Days on Market	43	40	7.5
Avg. Sales Price	\$328,824	\$310,939	5.8
Total Volume	\$97,660,835	\$91,727,082	6.5

Botetourt County



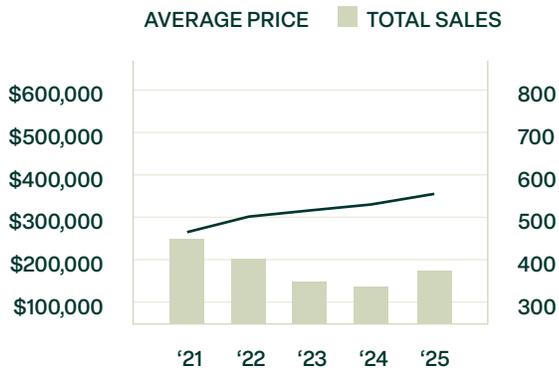
	2025	2024	% CHG
Total Sales	389	329	18.2
Days on Market	42	42	0.0
Avg. Sales Price	\$403,546	\$395,476	2.0
Total Volume	\$156,979,463	\$130,111,624	20.6

Franklin County



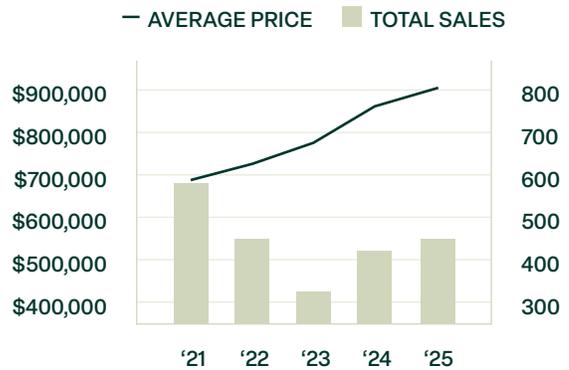
	2025	2024	% CHG
Total Sales	441	401	10.0
Days on Market	59	48	22.9
Avg. Sales Price	\$331,740	\$333,121	-0.4
Total Volume	\$146,297,641	\$133,581,592	9.5

Bedford County



	2025	2024	% CHG
Total Sales	378	355	6.5
Days on Market	61	50	22.0
Avg. Sales Price	\$363,541	\$328,183	10.8
Total Volume	\$136,691,762	\$116,505,218	17.3

Smith Mountain Lake



	2025	2024	% CHG
Total Sales	445	421	5.7
Days on Market	66	61	8.2
Avg. Sales Price	\$907,040	\$875,175	3.6
Total Volume	\$403,633,050	\$368,448,798	9.5



Nest Roanoke 2025 at a Glance

300+

More than 300 clients and their families joined us for our annual Nest Fest! We can't wait to see you all again next year.

#7

Nest Realty Roanoke is seventh in market share in the Roanoke Valley.

350

We had the privilege of serving more than 350 happy clients in 2025.



roanoke.nestrealty.com

