



nest
REALTY

2025 Nest Market Report

Harrisonburg & Rockingham

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.

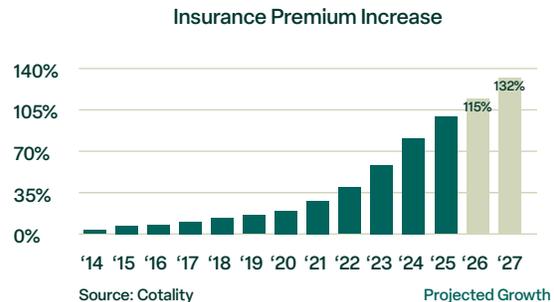
As we enter 2026, housing affordability remains one of the most influential forces shaping the market. Rising insurance costs and lagging wage growth continue to pressure buyers, even as conditions gradually stabilize.

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

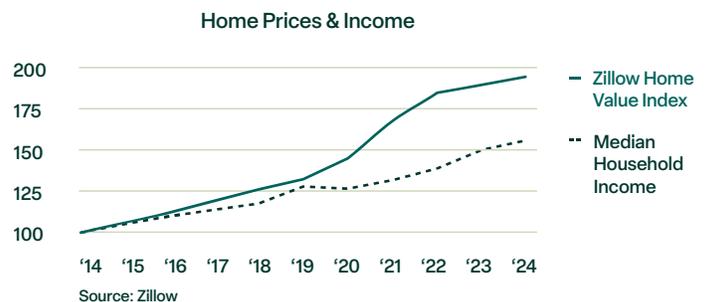
1. Insurance Premium Growth

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 Realty 2025 at a Glance

21

21 Agents | Our office continued to grow this year with the addition of several new Realtors. Our team of experts are well-positioned to support buyers and sellers throughout the City of Harrisonburg, Rockingham County, and the surrounding region.

3

3 Administrative Support Staff | With a strong 7:1 agent-to-staff ratio, our support team keeps everything running smoothly—handling marketing and transaction details so agents can focus on their clients.

6

6 Associate Brokers | With six associate brokers, our office is rich in experience and expertise. These agents hold the credentials to run their own firms, bringing a high level of knowledge and leadership to our team.



2025
Harrisonburg/Rockingham
MSA

Local Market Review

The local market is steadily balancing with more inventory and stable rates, creating better conditions for both buyers and sellers.

Throughout the past year, Harrisonburg and Rockingham County have settled into a steadier rhythm. Closed transactions dipped slightly compared to last year, reflecting buyers' continued adjustment to higher borrowing costs and limited inventory. Regionally, supply has been inching up from the ultra-lean levels of recent years, giving shoppers a few more options and helping to rebalance the market.

Mortgage rates have also stabilized after two years of volatility. While affordability remains a concern, the gradual drift lower from earlier peaks—and a greater sense of rate predictability—has kept many purchase plans on track, especially for pre-approved buyers ready to act.

Not every area is moving at the same pace. Detached homes inside the city and in select county communities continue to draw strong interest, while properties needing updates or priced less competitively may take longer to sell. This year's data underscores the ongoing differences between city and county dynamics, as well as the growing role of new construction in easing long-standing supply pressures.

For sellers, the outlook is encouraging: with thoughtful pricing, strong presentation, and smart preparation, listings are still achieving solid results. For buyers, patience and readiness are paying off. Slightly more inventory makes comparison shopping easier, and steadier rates make budgeting more predictable. If these trends continue, 2026 could bring a healthier balance—one that rewards clear strategy on both sides of the table.

Every neighborhood and price point tells a different story, which is why personalized guidance matters more than ever. Whether buying, moving up, or preparing to sell, Nest Realty's local agents bring the data, insight, and experience to help you make confident decisions in today's evolving market.

All Properties

Harrisonburg/Rockingham MSA

+1.7%

Average Sales Price

The average sales price of all homes increased by 1.7% between 2024 and 2025.

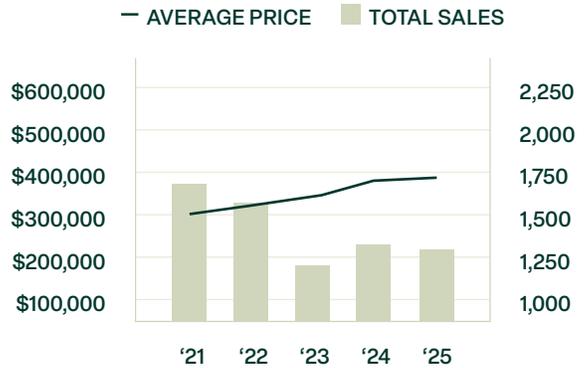
-2.5%

Total Sales

The total sales of all homes decreased by 2.5% between 2024 and 2025.

In 2025, on average, a listing stayed on the market for 14.3% more time and saw a 5.6% increase in price per square foot compared to 2024.

	2025	2024	% CHG
Total Sales	1,313	1,346	-2.5%
Price per Sq. Ft.	\$209	\$198	5.6%
Med. Days on Market	8	7	14.3%
Avg. Sales Price	\$392,776	\$386,213	1.7%



Condos & Townhomes

+3.5%

Average Sales Price

The average sales price of condos & townhomes increased by 3.5% between 2024 and 2025.

+12.7%

Total Sales

The total sales of condos & townhomes increased by 12.7% between 2024 and 2025.

	2025	2024	% CHG
Total Sales	498	442	12.7%
Price per Sq. Ft.	\$200	\$191	4.7%
Med. Days on Market	5	6	-16.7%
Avg. Sales Price	\$314,188	\$303,619	3.5%

Single Family Homes

+3.3%

Average Sales Price

The average sales price of single family homes increased by 3.3% between 2024 and 2025.

-9.8%

Total Sales

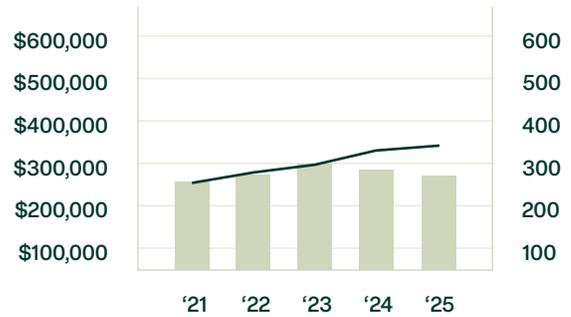
The total sales of single family homes decreased by 9.8% between 2024 and 2025.

	2025	2024	% CHG
Total Sales	815	904	-9.8%
Price per Sq. Ft.	\$214	\$202	5.9%
Med. Days on Market	11	7	57.1%
Avg. Sales Price	\$440,797	\$426,596	3.3%

City of Harrisonburg



— AVERAGE PRICE ■ TOTAL SALES



1985

Avg. Year Homes Built

2,130

Average Detached Sq. Ft.

10.0%

% Homes <5 Years Old

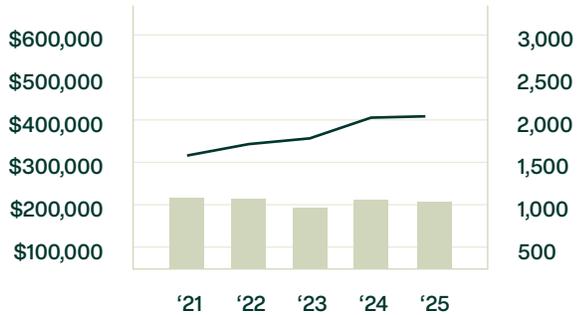
1,478

Average Attached Sq. Ft.

	2025	2024	% CHG
Total Sales	272	283	-3.9%
Price per Sq. Ft.	\$195	\$184	6.0%
Med. Days on Market	7	5	40.0%
Avg. Sales Price	\$341,146	\$326,642	4.4%
Total Volume	\$92,791,733	\$92,439,800	0.4%

Rockingham County

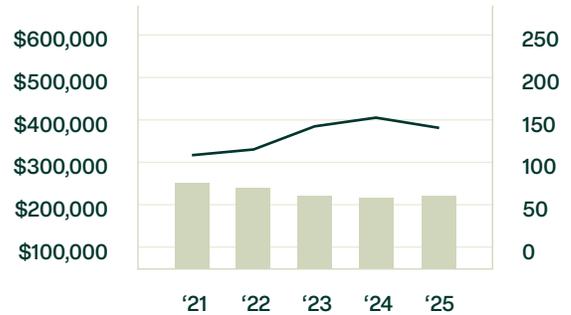
— AVERAGE PRICE ■ TOTAL SALES



	2025	2024	% CHG
Total Sales	1,042	1,063	-2.0%
Price per Sq. Ft.	\$212	\$202	5.0%
Med. Days on Market	9	7	28.6%
Avg. Sales Price	\$406,309	\$402,072	1.1%
Total Volume	\$423,374,429	\$427,403,318	-0.9%

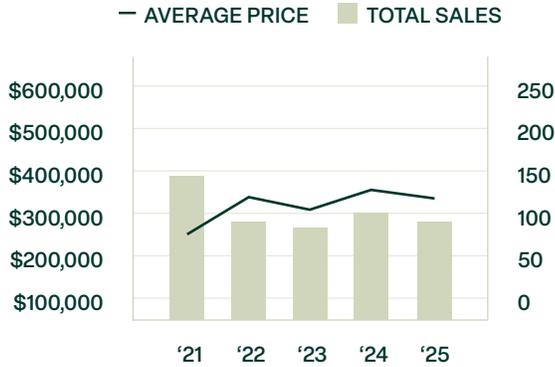
Bridgewater

— AVERAGE PRICE ■ TOTAL SALES



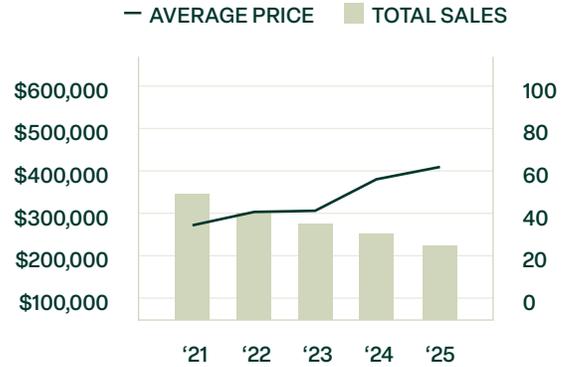
	2025	2024	% CHG
Total Sales	65	59	10.2%
Price per Sq. Ft.	\$190	\$195	-2.6%
Med. Days on Market	8	27	-70.4%
Avg. Sales Price	\$387,912	\$405,560	-4.4%
Total Volume	\$25,214,310	\$23,928,046	5.4%

Broadway



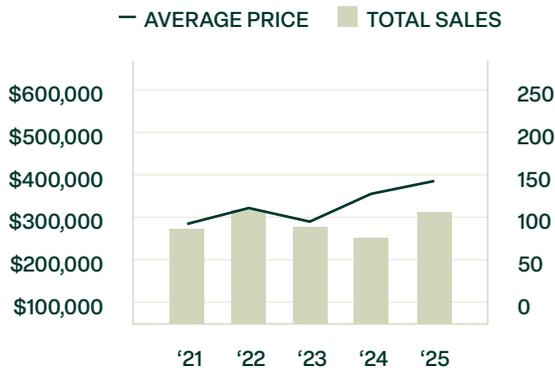
	2025	2024	% CHG
Total Sales	88	101	-12.9%
Price per Sq. Ft.	\$208	\$198	5.1%
Med. Days on Market	14	35	-60.0%
Avg. Sales Price	\$329,260	\$347,693	-5.3%
Total Volume	\$28,974,950	\$35,117,019	-17.5%

Dayton



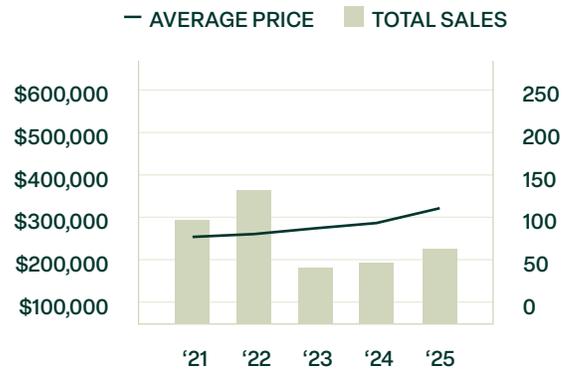
	2025	2024	% CHG
Total Sales	24	31	-22.6%
Price per Sq. Ft.	\$204	\$204	0.0%
Med. Days on Market	14	9	55.6%
Avg. Sales Price	\$405,133	\$370,861	9.2%
Total Volume	\$9,723,200	\$11,496,700	-15.4%

Elkton



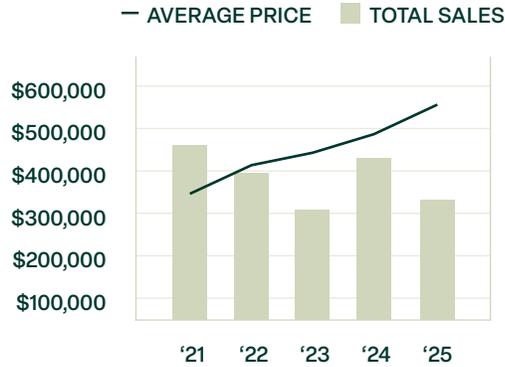
	2025	2024	% CHG
Total Sales	112	72	55.6%
Price per Sq. Ft.	\$225	\$218	3.2%
Med. Days on Market	18	10	80.0%
Avg. Sales Price	\$393,937	\$362,491	8.7%
Total Volume	\$44,120,944	\$26,099,368	69.0%

Grottoes



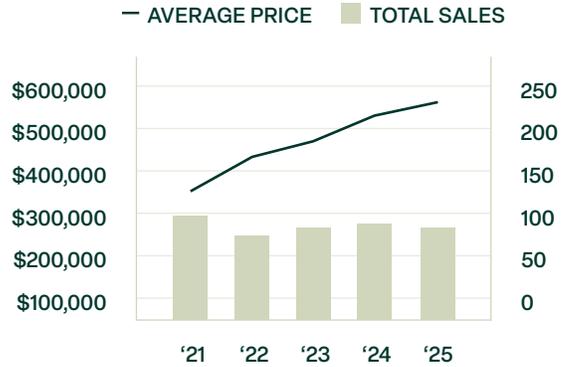
	2025	2024	% CHG
Total Sales	63	47	34.0%
Price per Sq. Ft.	\$218	\$196	11.2%
Med. Days on Market	9	15	-40.0%
Avg. Sales Price	\$321,480	\$288,922	11.3%
Total Volume	\$20,253,250	\$13,579,350	49.1%

McGaheysville



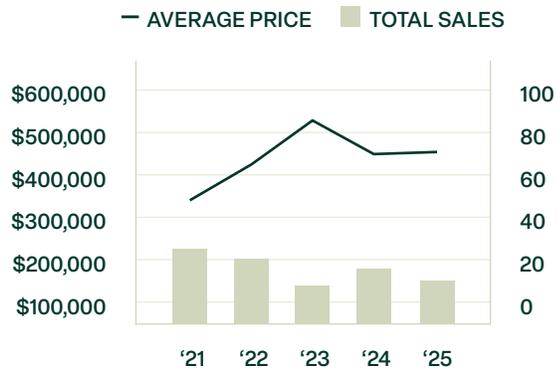
	2025	2024	% CHG
Total Sales	119	162	-26.5%
Price per Sq. Ft.	\$228	\$213	7.0%
Med. Days on Market	16	5	220.0%
Avg. Sales Price	\$564,098	\$488,105	15.6%
Total Volume	\$67,127,678	\$79,073,060	-15.1%

Massanutten



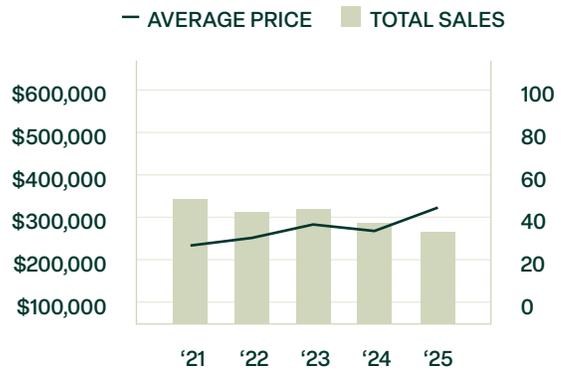
	2025	2024	% CHG
Total Sales	81	86	-5.8%
Price per Sq. Ft.	\$226	\$223	1.3%
Med. Days on Market	12	7	71.4%
Avg. Sales Price	\$571,481	\$525,075	8.8%
Total Volume	\$46,289,968	\$45,156,529	2.5%

Mount Crawford



	2025	2024	% CHG
Total Sales	13	17	-23.5%
Price per Sq. Ft.	\$216	\$198	9.1%
Med. Days on Market	25	9	177.8%
Avg. Sales Price	\$453,490	\$448,647	1.1%
Total Volume	\$5,895,380	\$7,627,000	-22.7%

Timberville



	2025	2024	% CHG
Total Sales	34	38	-10.5%
Price per Sq. Ft.	\$230	\$194	18.6%
Med. Days on Market	27	21	28.6%
Avg. Sales Price	\$321,355	\$275,444	16.7%
Total Volume	\$10,926,100	\$10,466,899	4.4%



Community First

How We Gave Back in 2025

We believe a strong community is built on connection, collaboration, and care. That's why our involvement goes far beyond real estate. Whether we're sponsoring local events like the Gingerbread House Competition, supporting arts and cultural initiatives, or serving on nonprofit boards, we're committed to helping make our community an even better place to call home.

Community Service

Nest sponsored local theater and music performances and hosted the Gingerbread House Competition during Harrisonburg Downtown Renaissance's Winter Wonderfest. Our agents are also active in civic organizations and serve on numerous nonprofit Boards of Directors, continuing a long-standing tradition of service.

Drink It Forward

Each year we partner with a local brewery to support our neighbors and connect with the community. This year, we sponsored Drink It Forward benefiting the Blue Ridge Area Food Bank during the Turkey Trot run—combining fun, fitness, and philanthropy.

Local Love

Whether it's partnering with local shops for client gifts, cheering on hometown sports teams, or frequenting our favorite locally owned eateries, we take pride in supporting the people and places that make the Shenandoah Valley so special.



harrisonburg.nestrealty.com

