



nest
REALTY

2025 Nest Market Report

Richmond 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.

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.

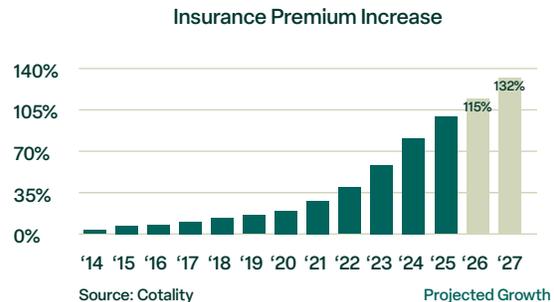
As we enter 2026, housing affordability remains one of the most influential forces shaping the market. Rising insurance costs and lagging wage growth continue to pressure buyers, even as conditions gradually stabilize.

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

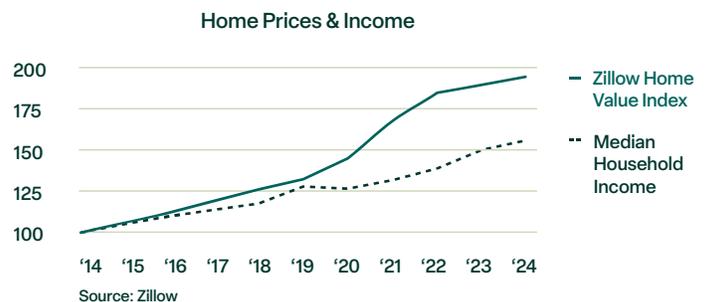
1. Insurance Premium Growth

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 Richmond 2025 at a Glance

\$125M

Nest Realty Richmond had a busy 2025 with more than \$125M in total sales.

750

We had 750 RSVPs for our annual 2025 Nest Fest event.

225

Our Nesters helped 225 clients find their perfect homes this year.



2025
Richmond
MSA

Local Market Review

Richmond's market moved toward balance in 2025, with rising inventory and steadier prices creating a calmer outlook heading into 2026.

As we look back on 2025, the Richmond real estate market began to show early signs of balance after several years of intense competition and limited supply. For the first time in a while, inventory grew at a faster pace than sales, easing some of the pressure that had defined the post-2020 landscape.

Since the pandemic reshaped how and where people live, Richmond has faced the same challenge year after year: not enough homes for sale. Low mortgage rates, a strong local economy, and shifting demographics kept

many homeowners in place, creating tight inventory and steady price growth across the region.

In 2025, that pattern started to shift. New listings increased modestly, giving buyers a few more options and creating a market that felt less frantic than in recent years. Price appreciation also leveled off, with home values holding steady rather than climbing at the rapid pace of the early 2020s. Prices remain high, but slower growth has offered buyers a bit more breathing room—and, in some parts of Metro Richmond, a slight advantage.

Interest rates remained fairly stable, and conversations around long-term affordability gained momentum. With inventory expected to keep growing gradually, Richmond enters 2026 with a market that is still strong but inching toward more balanced footing. After years of swift change, 2025 brought a welcomed shift: a clearer, calmer landscape on the horizon.

All Properties

Richmond MSA

+2.1%

Average Sales Price

The average sales price of all homes increased by 2.1% between 2024 and 2025.

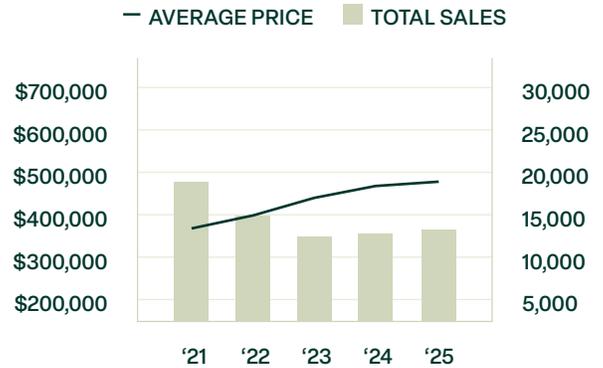
+1.6%

Total Sales

The total sales of all homes increased by 1.6% between 2024 and 2025.

	2025	2024	% CHG
Total Sales	13,085	12,877	1.6%
Price per Sq. Ft.	\$235	\$229	2.6%
Days on Market	28	26	7.7%
Avg. Sales Price	\$483,045	\$473,033	2.1%

In Richmond in 2025, on average, a listing stayed on the market for 7.7% more time and saw a 2.6% increase in price per square foot compared to 2024.



Condos & Townhomes

+0.3%

Average Sales Price

The average sales price of condos & townhomes increased by 0.3% between 2024 and 2025.

+4.4%

Total Sales

The total sales of condos & townhomes increased by 4.4% between 2024 and 2025.

	2025	2024	% CHG
Total Sales	2,704	2,591	4.4%
Price per Sq. Ft.	\$234	\$232	0.9%
Days on Market	37	33	12.1%
Avg. Sales Price	\$394,124	\$392,920	0.3%

Single Family Homes

+2.6%

Average Sales Price

The average sales price of single family homes increased by 2.6% between 2024 and 2025.

+0.9%

Total Sales

The total sales of single family homes increased by 0.9% between 2024 and 2025.

	2025	2024	% CHG
Total Sales	10,381	10,286	0.9%
Price per Sq. Ft.	\$235	\$228	3.1%
Days on Market	25	24	4.2%
Avg. Sales Price	\$506,234	\$493,213	2.6%

1950

Median Year Homes Built

15.4%

% of Homes <5 Years Old

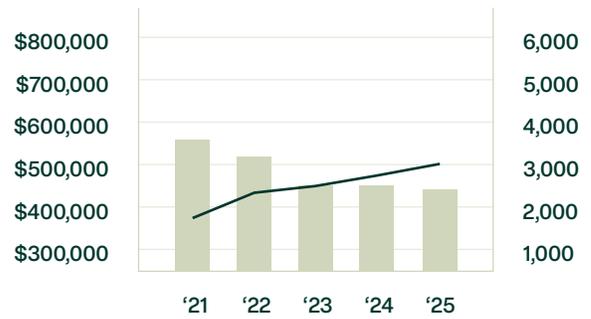
1,665

Median Detached Sq. Ft.

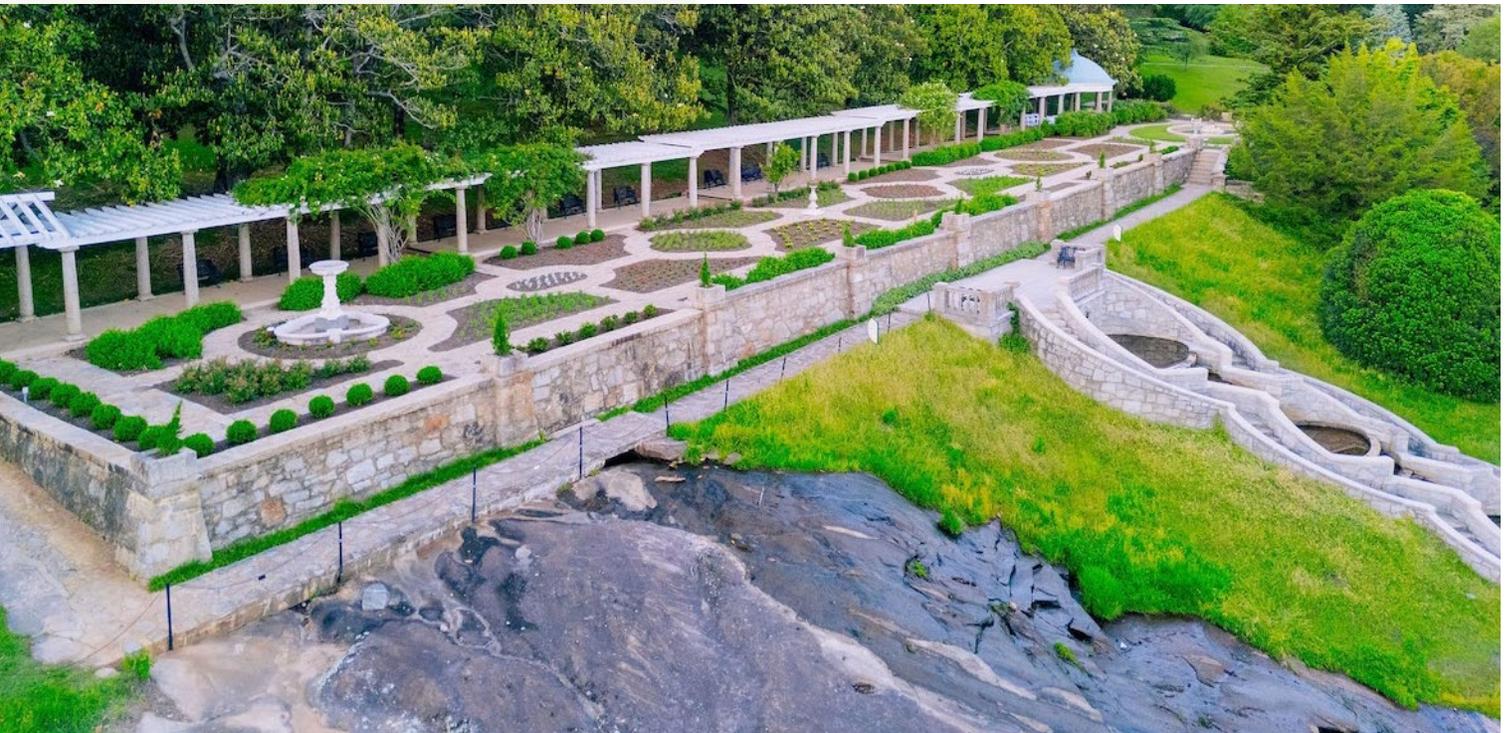
1,325

Median Attached Sq. Ft.

— AVERAGE PRICE ■ TOTAL SALES



	2025	2024	% CHG
Total Sales	2,525	2,573	-1.9%
Price per Sq. Ft.	\$274	\$267	2.6%
Days on Market	24	22	9.1%
Avg. Sales Price	\$502,435	\$484,456	3.7%
Total Volume	\$1,267,642,631	\$1,245,536,049	1.8%



Chesterfield



	2025	2024	% CHG
Total Sales	5,155	5,172	-0.3%
Price per Sq. Ft.	\$212	\$207	2.4%
Days on Market	30	28	7.1%
Avg. Sales Price	\$477,394	\$462,092	3.3%
Total Volume	\$2,459,056,081	\$2,389,013,777	2.9%



2002

Median Year Homes Built

2,261

Median Detached Sq. Ft.

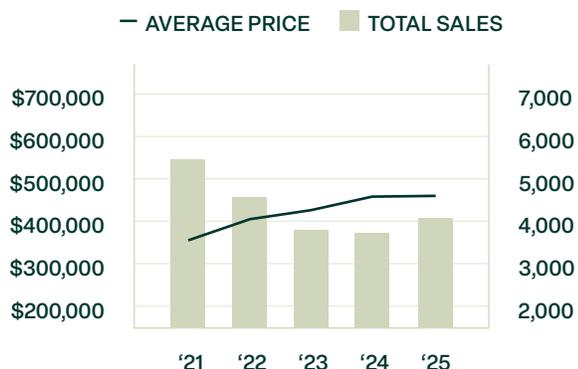
29.4%

Homes <5 Years Old

1,731

Median Attached Sq. Ft.

Henrico



	2025	2024	% CHG
Total Sales	4,064	3,793	7.1%
Price per Sq. Ft.	\$240	\$232	3.5%
Days on Market	25	22	13.6%
Avg. Sales Price	\$466,434	\$465,853	0.1%
Total Volume	\$1,893,256,735	\$1,766,982,257	7.2%



1990

Median Year Homes Built

1,907

Median Detached Sq. Ft.

18.5%

Homes <5 Years Old

1,629

Median Attached Sq. Ft.



2001

Median Year Homes Built

2,382

Median Detached Sq. Ft.

25.5%

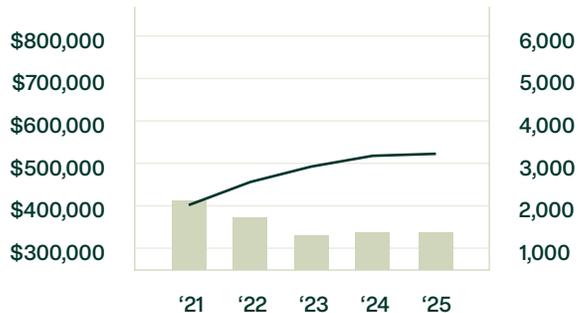
Homes <5 Years Old

1,760

Median Attached Sq. Ft.

Hanover

— AVERAGE PRICE ■ TOTAL SALES



	2025	2024	% CHG
Total Sales	1,341	1,339	0.2%
Price per Sq. Ft.	\$231	\$226	2.2%
Days on Market	34	34	0.0%
Avg. Sales Price	\$518,579	\$513,713	1.0%
Total Volume	\$694,895,793	\$687,347,952	1.1%



2020

Median Year Homes Built

2,550

Median Detached Sq. Ft.

49.7%

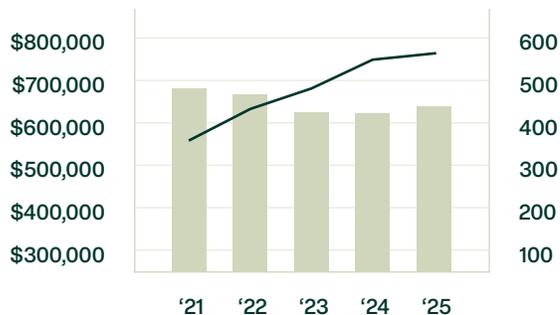
Homes <5 Years Old

N/A

Median Attached Sq. Ft.

Goochland

— AVERAGE PRICE ■ TOTAL SALES



	2025	2024	% CHG
Total Sales	439	423	3.8%
Price per Sq. Ft.	\$265	\$259	2.3%
Days on Market	38	35	8.6%
Avg. Sales Price	\$769,125	\$746,959	3.0%
Total Volume	\$337,645,958	\$315,216,525	7.1%



Community First

Organization Spotlight: RVA Community Fridges

Nest Realty agents are proud to assemble and deliver meals across the region, supporting a deeply local effort that makes a meaningful impact.

RVA Community Fridges is a grassroots, volunteer-run nonprofit providing free, fresh food to anyone in need across the Richmond region. Their network of outdoor fridges and pantries—stocked daily by neighbors, restaurants, and local partners—helps ease food insecurity one meal at a time.

Each fridge is more than a place to pick up food; it's a symbol of community care. Volunteers clean, organize, and restock regularly, while residents contribute everything from fresh produce to home-cooked meals. Open 24/7 and guided by the principle “Take what you need, leave what you can,” the fridges offer dignity and support with no questions asked.

By supporting RVA Community Fridges, donors and volunteers help feed families, reduce food waste, and strengthen the Richmond community.

rvacommunityfridges.com

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[nestrichmond.com](https://www.nestrichmond.com)

