

2020

ANNUAL WRAP-UP

An overview of how the real estate market performed in 2020 on a national, regional, and local level.



LOOKING BACK TO LOOK FORWARD

2020 was a year unlike any other. Though the year was filled with unprecedented tragedy, trials, and tribulations, there were moments of joy worth celebrating—new babies were born, a record number of dogs were adopted, and many experienced the undeniable joy of purchasing a new home. With a sense of gratitude and optimism, we offer this glance in the rearview mirror at the year that was 2020—we look back to move forward.

As you move through this report, you'll find that we've analyzed national, regional, and local data. We've extracted the most meaningful and useful stats and trends to share with you. One trend that will never change is my commitment to my friends, clients, and our local community.

Questions about this wrap-up? I'd love to discuss what it may mean for you and your home buying or selling needs.

NEST REALTY FREDERICKSBURG

NEST REALTY FREDERICKSBURG
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HOW'S THE MARKET *national level*

No question is asked of Realtors more frequently than “How’s the Market?” Whether a person is buying, selling, or just wondering how their real estate investments are weathering, the real estate market is a massive indicator of the financial health of our nation in general. Over the last century, there has been no greater tool for generational wealth growth than real estate. It has enabled savings across a huge percentage of our population, and continues to be a key component of the American Dream. But what drives the market? And what do we as Nest agents look at to answer that question: “How’s the Market?”

There are hundreds of indicators economists use to predict everything from pork belly futures to framing lumber prices, and dozens can be used to identify factors that will impact real estate. But there are three simple numbers we look at constantly to measure where we are and what to expect from the year ahead:

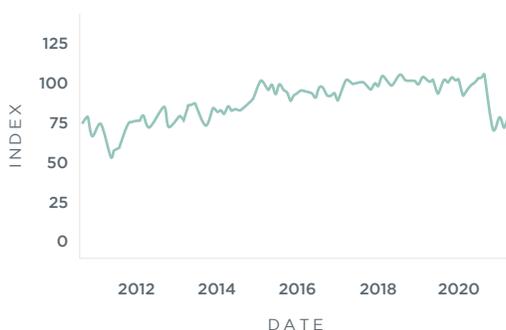
Interest Rates

For more than five years, we have thought that interest rates can’t possibly stay down. Instead, they just keep getting lower. Thirty-year mortgages are below three percent in many locations, which is not just low, but unheard of. This singular number is in many ways keeping the purchase market flowing. Home prices have been driven up and up by purchasers capturing rates unlikely to be seen again in our lifetime. A loan today on the median home in the U.S. costs \$140 less every month than the same loan just one year ago, and \$300 less than loans at the end of 2010.



Consumer Confidence

Consumer confidence refers to whether the general population believes our country is headed in the right direction economically. The easiest number to look at to find this information is the Consumer Sentiment, an index published by the University of Michigan. The drop between February and April last year was precipitous, following the spikes of joblessness and fear over the coronavirus. But, very quickly, the sentiment began increasing; while nowhere near recovered from the spring, the trend is moving in the right direction. Success in keeping COVID-19 at bay will be a major driving force here.

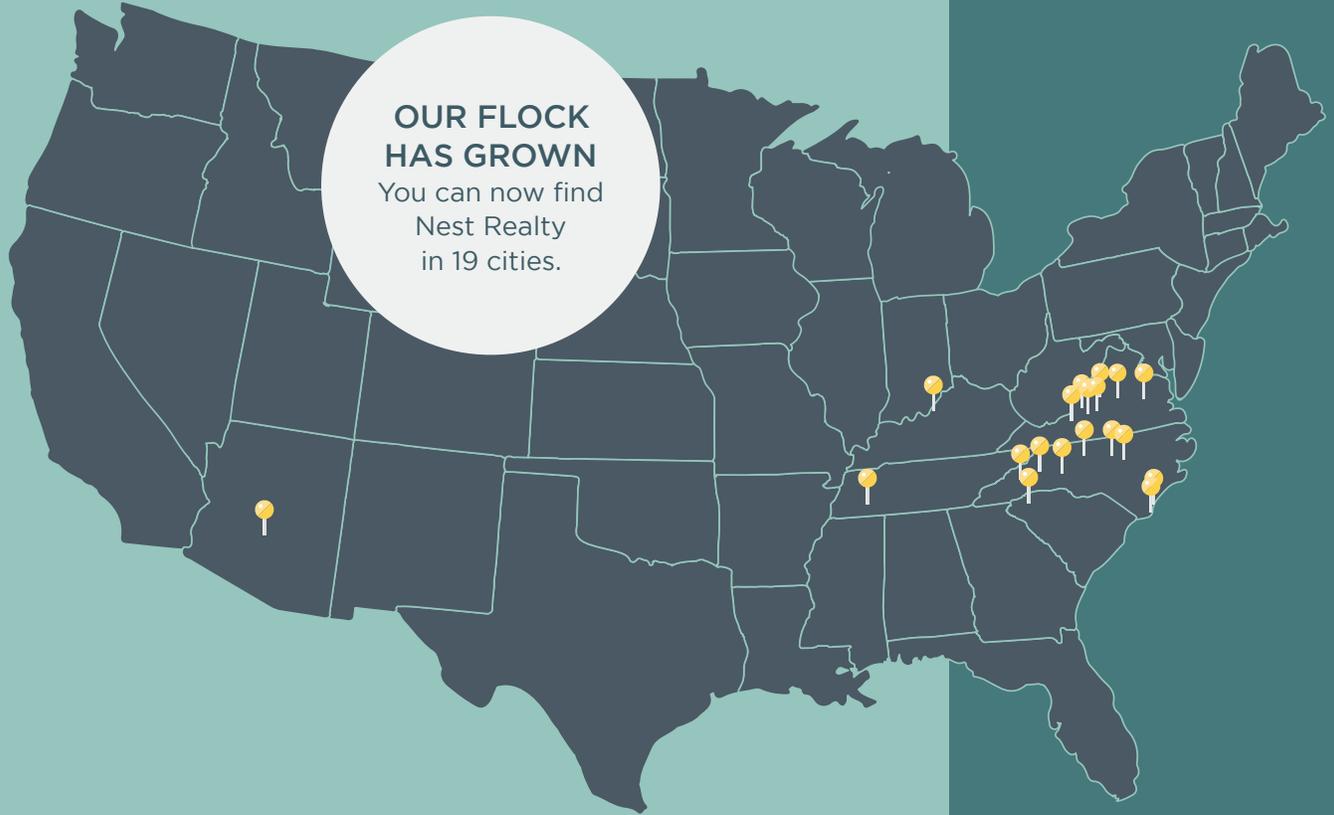


Unemployment Rates

Simply put, if consumers have jobs, can afford to buy homes, and think the future is rosy, real estate is an active market. Otherwise, the market slows down. Since we exited the Great Recession, and up until COVID-19, this country has been on a roll. And, in fact, in the face of a global pandemic, we have sustained remarkable stability among the home buying public.

Unemployment rose dramatically during March 2020 as we entered a national shutdown. While the losses in jobs have not been fully recouped, we have now seen seven straight months of improvement. Many of the jobs lost were lower paying jobs not held by traditional buyers. Negatively, this means a greater wealth gap and greater inequities.

THERE'S NO PLACE LIKE NEST



nest·er

/ˈnɛstər/

noun: Nester
plural noun: Nesters

People motivated not by planting yard signs or winning awards, but by helping clients and communities.

394 Nesters and counting!



5,000+

In 2020, Nesters helped more than 5,000 clients buy and sell their homes.



\$1.8B+

Nesters produced more than \$1.8 billion in total sales in 2020.



700+

We've supported more than 700 local businesses throughout the years.

NEST REALTY FREDERICKSBURG



our core values

Our values are simple: Treat everyone with respect, always go at least one degree above expectations, and provide exceptional service at every level. At the end of the day, Nest Realty is looking to raise the bar from what Realtors and clients expect out of their real estate brokerage. We're doing just that, and we're so happy you are a part of it. There's No Place Like Nest.

THERE'S NO PLACE LIKE FREDERICKSBURG
FREDERICKSBURG'S BIRD'S EYE VIEW



383

HONEY JARS GIVEN

Almost 400 clients, customers, and friends enjoyed our local honey jars in 2020.



61

PETS

Nesters love pets and almost all have at least one at home.



53

HOME DESKS

2020 is the year of working and learning from home and Nester families are no exception!

HOW'S THE MARKET *fredericksburg, va*

2020 has been nothing if not surprising and interesting. After a strong start to the real estate market in January, the COVID-19 pandemic hit in March and we braced for a downturn in the market. Well, that did not come to fruition! The real estate market continued to attract buyers and sellers despite increased protocols for safety. Buyers, sellers, and Nest agents proved ready to take on the challenge of selling homes during a historic and unprecedented world event.

Fueled by low interest rates and time to pause and reflect on what we really needed in our homes, 2020 turned out to be a banner year for Nest Realty Fredericksburg. Teleworking and virtual school were the top factors for many of our clients looking to buy and sell. The desire to be closer to family, and in some cases further away, was also a top determining factor of entering the real estate market. Nest Realty agents reported the need for home offices, room for multiple work stations, and proximity to amenities as their clients' top priorities.

Throughout 2020, Fredericksburg and Culpeper have demonstrated just how special and resilient this area is.

TRENDS AT A GLANCE

\$367,538

AVERAGE SALES PRICE-
ALL PROPERTIES UP
FROM \$336,925 IN 2019

\$276,000

AVERAGE SALES PRICE-
ATTACHED HOMES UP
FROM \$256,000 IN 2019

\$386,000

AVERAGE SALES PRICE-
DETACHED HOMES UP
FROM \$353,000 IN 2019



HOW'S THE MARKET *fredericksburg msa data*

all properties



19.4%

There were 7,592 total home sales in the MSA in 2020 compared to 6,356 in 2019. This translates into a 19.4% increase.



9.1%

From 2019 to 2020 the average sales price increased by 9.1%. In 2020 the average sales price was \$367,538 compared to \$336,925 in 2019.

AVERAGE TRENDS

In 2020 on average a listing has stayed on the market for 28 days before closing. There were 8,768 new listings.

	2019	%	2020
Avg. Days on Market	41.0	-31.7	28.0
New Listings	9,136	-4.0	8,768

attached vs. detached



20.5%

There were 811 total attached home sales in the MSA in 2020 compared to 673 in 2019. This translates into a 20.5% increase.



7.8%

From 2019 to 2020 the average sales price increased by 7.8%. In 2020 the average sales price was \$276,000 compared to \$256,000 in 2019.



19.3%

There were 6,392 total detached home sales in the MSA in 2020 compared to 5,357 in 2019. This translates into a 19.3% increase.



9.4%

From 2019 to 2020 the average sales price increased by 9.4%. In 2020 the average sales price was \$386,000 compared to \$353,000 in 2019.

	2019	%	2020
Avg. Days on Market	16.4	-51.2	8
Avg. Price per Sq. Ft.	\$135.00	7.04	\$144.50

	2019	%	2020
Avg. Days on Market	26.9	-37.2	16.9
Avg. Price per Sq. Ft.	\$138.25	5.97	\$146.50

*The Fredericksburg MSA includes the city of Fredericksburg and the counties of Spotsylvania, Stafford, Caroline, and King George. Data as of 1/05/21.

local LOVE *fredericksburg, va*

Located just an hour north of Richmond, Virginia, and an hour south of Washington, D.C., the Fredericksburg area nestles along the Rappahannock River. Even with easy access to two major urban centers, Fredericksburg and Culpeper have maintained their special small town way of life. Welcoming and amenity-filled, there is never a lack of things to do and places to discover in the place Nest Realty Fredericksburg calls home.



BEVERLEY'S RIBINATOR BBQ

We're not ashamed to admit that we stalk this popular food truck. The caterer for our Nest County Fair can be found at many local breweries. Don't wait to arrive, their food sells out fast! We highly recommend everything on their menu!



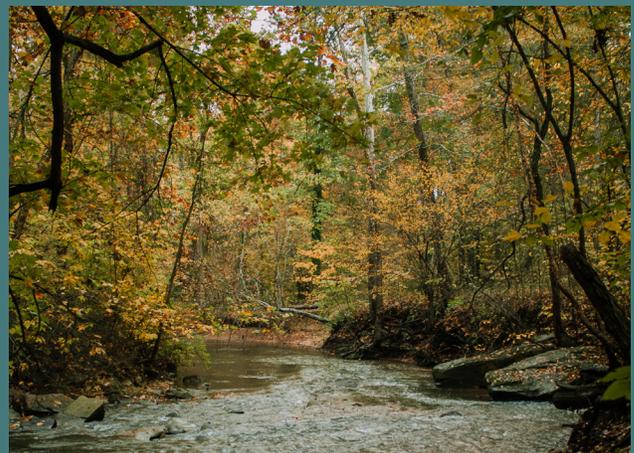
JUAN MORE TACO

Some people have a calling, and the owners of Juan More Taco have been called to serve others. When the pandemic hit, they decided to step up by feeding the most vulnerable. They've since served thousands of meals to those in need.



STRANGEWAYS BREWERY

The fabulous location of our Nest County Fair is also one of the most unique breweries in the area. Not afraid to try new flavors and experiment, Strangeways is the place for beer lovers with an adventurous palate.



NATURE'S PLAYGROUND

2020 allowed us to reintroduce ourselves to the outdoors, and the natural resources in our area answered our call. From walking trails and historic towns to river adventures, there's always somewhere you can get fresh air.

WHAT DOES A *low inventory* MARKET MEAN?

How low supply and high demand may impact buyers.



The word “inventory” can conjure memories of long hours checking off lists in stock rooms. But in real estate, inventory refers to the number of houses currently available for sale. This number is measured in months: If you looked at all of the houses listed for sale today, assuming that no new houses were listed, and those houses sold at the same rate as they did during the previous 12 months, how many months would it take for those houses to sell? If it would take six months for those houses to sell, we call it a six-month inventory. Brokers consider a six-month inventory to be balanced. If there are more than six months of inventory, it is a buyers market; less than six months, and it’s a sellers market.

So what does this mean for sellers and buyers? Sellers have the supply, and in a low inventory market, the demand outpaces that supply. Sellers therefore may find themselves in the comfortable position of fielding multiple offers on their homes. That’s good news if you’re hoping to sell, and could result in higher sold prices, more amenable buyers, and quicker close times.

The flip side of a low inventory market is less opportunity for buyers. When the number of available homes for sale has not kept pace with buyer demand, it may take longer to find a home since many other buyers are also looking. Interestingly, a lower inventory can sometimes lead to fewer overall home sales, since many buyers concentrate their search efforts solely on new listings. As new listings get snapped up, buyers may unintentionally miss out on great homes that have spent a longer time on the market.

While a low inventory market is a great time to sell, buyers should not despair. Here are some tips for how to succeed if you find yourself buying a home in a low inventory market.

BE PREPARED.

Research the neighborhoods and home styles you like. Make a list of must-haves and can’t-live-withouts so you are prepared to make a quick decision when you find “the one.” Take the steps to line up your financing, too; your agent can recommend mortgage lenders, and pre-approval can help your offer stand out to sellers.

BE FLEXIBLE.

If your offer sounds too rigid, the sellers might prefer someone else’s offer. Able to cover your own closing costs? Willing to work with the sellers’ schedule? A flexible mindset can make the entire process run more smoothly.

RELY ON YOUR AGENT.

A good buyer’s agent can make or break your home search. They can keep you on track, help you craft an offer that will be taken seriously, and introduce you to the other people you’ll need on your side, from inspectors to attorneys. We truly enjoy guiding you through this process!

MAKING REAL ESTATE DECISIONS DURING A PANDEMIC

Finding the right home can be stressful at any time, but dealing with changes brought about by COVID-19 can throw even the most organized and prepared home buyer for a loop. We've thought of five important questions to ask your agent so you can face your new home purchase with confidence despite the pandemic.

FIVE QUESTIONS TO ASK YOUR AGENT!

1. HOW'S THE INTERNET?

Reliable internet is a must during the pandemic, since many of us are working from home. Even for the people who still need to go into the office on a regular basis, internet connectivity is essential for communicating with far-flung friends and family. Whether you plan to crunch spreadsheets, FaceTime Grandma, or virtually window shop, ask about internet providers and speeds before committing to a new home.

2. DOES THIS HOME HAVE AN HOA?

If there's one hobby people have definitely discovered during lockdown, it's DIY. Renovating your new home is the perfect way to take advantage of the long hours you'll be spending at home. Be sure to ask your agent if the home you're considering is part of a homeowners association (HOA) before tackling any major exterior projects, since some HOAs have rules about the appearance and upkeep of member homes.

3. ARE THERE PARKS AND TRAILS NEARBY?

One upside to the pandemic is that more people are choosing to spend time outside. Researching the proximity of parks and trails can help you plan socially distanced outdoor activities to keep yourself or your family from getting cabin fever. This question is especially important for buyers looking at homes with minimal yard space.

4. HOW'S THE TRAFFIC?

With working from home on the rise in many areas, fewer commuters are taking to the streets. This can give buyers a skewed idea of the volume of traffic on the street they're considering, or make projected commute times seem shorter than they'll end up being. Check with your agent to make sure you can handle potential increased traffic and longer commutes once things go back to normal.

5. HOW ARE SCHOOLS HERE HANDLING THE PANDEMIC?

If you're buying a home with young kids, you'll need to consider whether or not your little scholars could be heading to class every day, only on some days, or not at all. Remote learning an option? Refer back to that internet question above! Your agent may not have all the answers, but they can point you to the people who do.



HOME OFFICE

essentials

Set yourself up for success by creating a calming, inspiring environment.

If you're now working from home full time, you know how distracting and unproductive the day can feel. Creating a dedicated work space can make a huge difference in your day-to-day happiness. We've rounded up some pieces to help you create a calming and inspiring work environment.

At the beginning of each morning, take five minutes to breathe. Light a candle, close your eyes, and clear your head of household chaos. Use your letterboard to write yourself a cheeky note that makes you smile.

Life House Candle by Diptyque Paris, \$68
diptyqueparis.com



Magnetic Letter Board Slate in Green, \$35
thetypeset.com



Electric Beverage Warmer in Light Wood, \$17
walmart.com



Gold Adjustable Task Desk Lamp with Marble Base, \$59
worldmarket.com

Arrowhead Mousepad, \$14
otmessentials.com



Springville Writing Desk by Studio McGee, \$229
target.com



Neocardenasia Herzogiana Cactus, \$30
studiojessejames.com



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