

NEST REALTY

2023 Nest Market Report

CHARLOTTESVILLE AREA

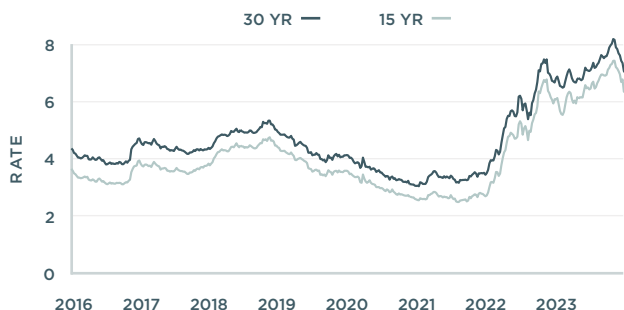


MARKET OUTLOOK NATIONAL LEVEL

Every year starts naturally with a focus on the near future, and 2024 brings with it a mixed bag of economic signals that may at times contradict one another and provide a somewhat murky view of our year ahead. At Nest we are committed to providing our clients with the best and most relevant information to help you make some of the most important financial decisions of your life. On a national level, we focus on three key economic indicators—interest rates, consumer confidence, and employment—to help us look forward to what we should expect. The fundamentals of our nation’s economy are solidly on the right path: inflation rates have stabilized, interest rates have retreated, low unemployment has continued as a bright spot, and real wages finally seem to be making headway in a positive direction. But while the data may look cheery, our nation faces some of the lowest consumer confidence in more than a decade, driven, we believe, from political frustrations at home and geo-political instability abroad. With real estate in mind, a quick conversation with your Nest advisor will help you understand some of the problems created by historically low inventory.

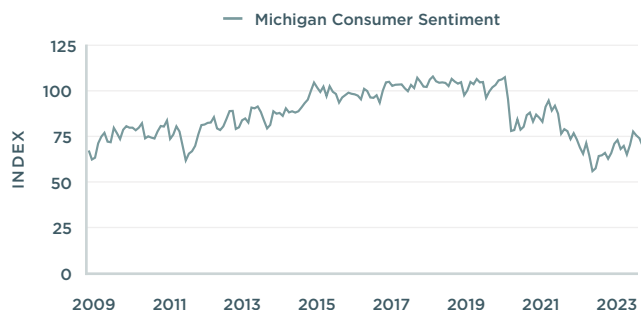
Mortgage Rates

From the beginning of 2022 through June 2023, the U.S. saw the most rapid increase in mortgage rates in recent history, leading to an immediate decrease in buyer interest. But pent up demand meant that buyers still outnumbered sellers. Homeowners became “locked in” to their current interest rates and inventory shrank even further. However, the second half of 2023 brought a steady decrease in rates, with mortgages at year end only 13 basis points higher than at the start, and indications point to the Fed wanting to minimize rate hikes. Buyer activity appears poised to increase early in the new year.



Consumer Confidence

While indicators may point to rosy times ahead, the actual people involved in buying and selling real estate aren’t convinced. The Michigan Consumer Sentiment index reports on public perception of personal future, and while the sentiment has been rising since the middle of 2022, looking back as far back as 2011 shows a bleaker trend. Is this negativity a byproduct of wars throughout the world, because we are in the middle of a messy election year, or something else entirely? No matter the cause, the impact could be that buyers sit on the sidelines this year more than expected.



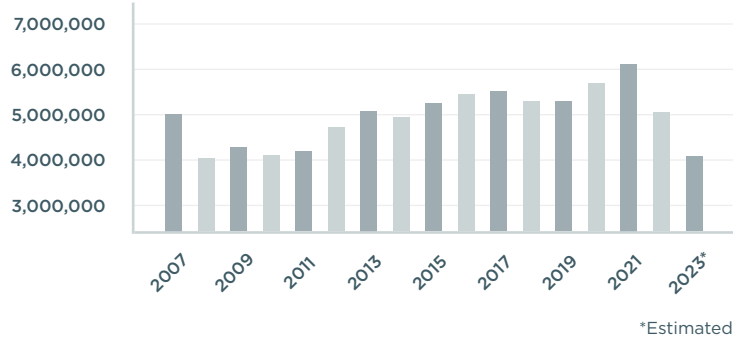
Unemployment Rates

All statistics need to be considered on a local level, and unemployment is certainly one stat where this adage holds true. But across the U.S., 2023 was marked by strong employment numbers and wage growth. Whether looking at Midwestern job stability for auto workers, West Coast entertainment contracts, or a national work-from-anywhere movement, workers showed their upper hand last year. Unemployment has been below 5% across the country since June of 2021, and aside from pandemic related shutdowns in 2020, job growth has been a hallmark of this non-recessionary period. While non-farm employment is currently at the highest level in our nation’s history, total household income is still slightly depressed, as the number of Americans in the workforce has decreased from pre-pandemic numbers.

MARKET OUTLOOK HOUSING TRENDS

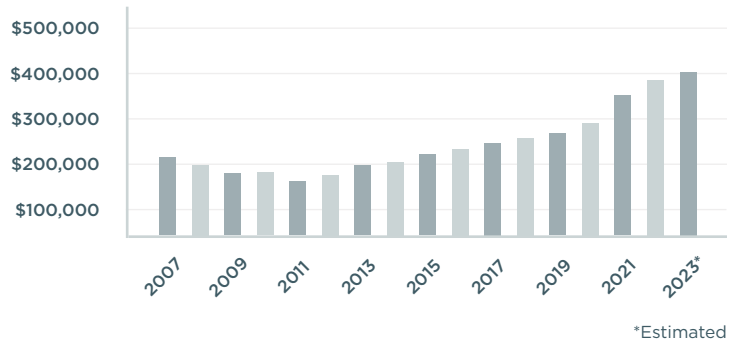
Annual Existing Home Sales

The U.S. hit a recent peak of 6.1 million existing home sales in 2021 (a top five historical year for home sales). In 2022, sales totals dropped 18% and are estimated to have dropped another 20% in 2023. Lower interest rates are expected to spur an increase in sales activity for 2024.



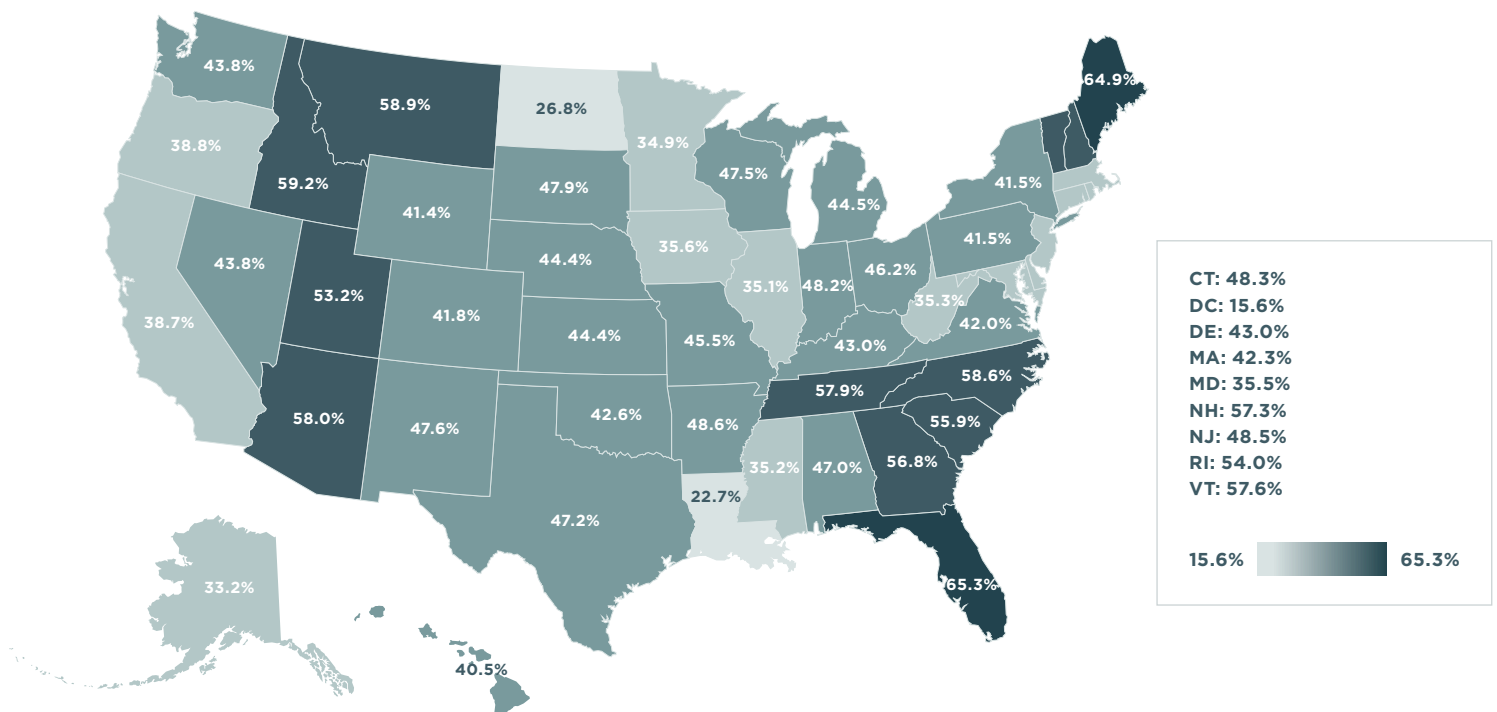
Annual Median Sold Price of Single Family Homes

Annual median home prices have risen every year since 2012. In fact, since 1989, the median home price has fallen in only four instances. Housing affordability continues to be a significant challenge nationally.



Home Price Appreciation Since COVID Pandemic

The arrival of the COVID pandemic in March 2020 brought an unexpected rise in home values throughout the U.S. The below map represents the percentage increase in home values from Q1 2020 to Q3 2023.



*Data courtesy of the National Association of Realtors

We Love Our Local Communities

In 2023, Nest Realty partnered with more than 20 local organizations in the greater Charlottesville area, donating more than \$75,000 through charitable giving, local fundraising events, and community sponsorships.

Our two primary philanthropic efforts have focused on UVA Health Children's and the Piedmont Housing Alliance.

Beginning in 2023, we formed the Charitable Giving Committee to diversify our community involvement and provide our entire team input in allocating targeted donations. In 2023, we donated over \$40,000 towards these community initiatives:

- Virginia Film Festival
- Piedmont CASA - Bracket Breakfast
- Rivanna Conservation Alliance - Rivanna River Fest
- Building Goodness Foundation - Builders' Society Luncheon
- Go On, Be Brave - Documentary Screening
- City of Promise - Game Changer's Luncheon
- Meals on Wheels - Music for Meals
- Oeneverse - Two Up Two Down Wine Festival
- Cystic Fibrosis Foundation - Brewer's Ball
- The Front Porch - Fall/Winter Indoor Concert Series
- Jack Fest
- New City Arts - SOUP
- Virginia Discovery Museum
- Toy Lift
- Almost Home/Nelson SPCA
- Skyline CAP





Organization Spotlight

UVA Health Children's

As the #1 Children's Hospital in Virginia with six specialties ranked in the Top 50 according to U.S. News and World Report, UVA Children's is dedicated to the care of children from birth through adolescence.

A member of Children's Miracle Network Hospitals, it offers comprehensive health care from well-baby visits to heart transplants and conducts breakthrough research in childhood diseases. Its goal is to enhance the health and well-being of children and families through collaborative medical care, education, research, and community service. It serves nearly 150,000 patients from Virginia and beyond in its 111-bed hospital and outpatient clinics annually.

uvachildrens.childrensmiraclenetworkhospitals.org

OUR PARTERSHIP

In 2023, Nest Realty and our agents collectively donated **\$20,000** to UVA Health Children's. We're proud of the impacts that we have helped to make to the children and their families served by UVA Children's.

9

Number of years Nest has partnered with UVA Health Children's.

\$170K

Money donated to UVA Health Children's by Nest since 2016.

55%

of Children's Miracle Network patients who benefit from financial assistance.

Organization Spotlight

Piedmont Housing Alliance

As the most comprehensive housing nonprofit in Charlottesville, Piedmont Housing Alliance has fostered community, created affordable housing opportunities, and improved people's financial outcomes through education, lending, and deliberately equitable development for over 40 years.

Their continuum of services and resources has assisted 1,000+ first-time aspiring homebuyers achieve homeownership; supported thousands more through financial counseling and eviction prevention; backed the development of 100+ affordable for-sale homes; financed the preservation and development of nearly 1,000 affordable rental homes; and currently provide high-quality rental housing for 1,500+ individuals.

piedmonthousingalliance.org



WITH COMMUNITY SUPPORT, THIS YEAR THEY:

- Welcomed families into new homes in Phase 1 of Kindlewood (formerly Friendship Court). When redevelopment is complete, they will increase the number of homes in Kindlewood from 150 to 400+.
- Provided wraparound services like free fresh food deliveries and community activities to 1,000+ individuals in 13 rental communities.
- Launched a redevelopment joint venture to provide 70 affordable homes, two nonprofit spaces, and a neighborhood-scale grocery at 501 Cherry Ave.

Nest Realty's *Day of Giving*

We held our third annual Nest Day of Giving on Tuesday, November 28, 2023. Nest agents and staff from our three Charlottesville area offices (Charlottesville, Nelson, and Greene) came together to volunteer their time at five community organizations—preparing and delivering meals, packing care packages, and caring for our environment.



Here's an overview of the community organizations we supported during our 2023 Day of Giving:

RONALD MCDONALD HOUSE CHARITIES CHARLOTTESVILLE

The Ronald McDonald House of Charlottesville exists to serve and sustain families when serious illness or injury strikes the most cherished part of their lives, their children. The Ronald McDonald House of Charlottesville is the only organization that provides a temporary home-away-from-home for families whose children are receiving treatment for a serious illness or injury in Charlottesville. In an effort to lessen the burden, reduce stress, keep the family intact, and enhance the quality of life for these families, they provide affordable housing in a caring, home-like atmosphere.

Annually, they host between 800 and 1,000 family stays each year. A stay could be an overnight visit or stretch to last many, many months. Families travel from across the state, from different states, and even from overseas to receive medical treatment for their child. [rmhcharlottesville.org](https://www.rmhcharlottesville.org)

RIVANNA CONSERVATION ALLIANCE

The Rivanna Conservation Alliance (RCA) was established in 2016 through a merger between the Rivanna Conservation Society and Streamwatch. RCA is a nonprofit watershed organization created to provide the community with a set of tools and programs specifically designed to help clean and protect the Rivanna River and its tributaries.

Their Vision: A healthy Rivanna River and watershed that benefits an engaged community.

Their Mission: Working with the community to conserve the Rivanna River and its tributaries through monitoring, restoration, education, and advocacy. [rivannariver.org](https://www.rivannariver.org)



STEPPING STONE

A local nonprofit, Stepping Stone ensures a healthy, safe start to life for children from under-resourced families in Charlottesville and Albemarle County by providing items they need from their earliest days to age three.

Families struggling to pay rent, utilities, and grocery bills often can't afford the basics their children need every day. At Stepping Stone, they help fill these critical yet overlooked needs. To build an inventory of essentials for families, Stepping Stone relies on the donations of new and nearly new items through individual giving and grassroots community drives. They sort, clean, and bundle items, and then their team of volunteers deliver them to parents, caregivers, and children. steppingstoneville.org

WILD ROCK

Wild Rock is a private 501(c)3 nonprofit organized and dedicated to promoting nature play for health and happiness. Given that nature play is less a part of daily life today than in any previous generation, it is necessary to create enticing opportunities for people to reconnect with the natural world. Their mission is based on the evidence that a connection to nature:

- fosters social, emotional, physical, and intellectual development in childhood and beyond.
- inspires a conservation ethic by giving people joyful memories that lead to a desire to protect and preserve natural places.
- builds communities of collaboration and creativity needed to meet the challenges of our time.

wildrock.org

MEALS ON WHEELS

Meals on Wheels of Charlottesville/Albemarle has been serving our local communities since 1977. Meals on Wheels provides a hot, nutritious meal and a wellness check to community members who have difficulty accessing and preparing food for themselves. Meals on Wheels strives to improve the health and support the independence and dignity of our homebound neighbors. They currently have an active volunteer force of over 400 and serve meals to approximately 275 clients in the City of Charlottesville and the County of Albemarle.

Meals are prepared under the supervision of a registered dietitian, and each client's dietary needs are met. Medically appropriate diets that are available include diabetic, renal, sodium-restricted, heart-healthy, vegetarian, and soft or pureed food. cvillemeals.org



2023 Charlottesville MSA Overview

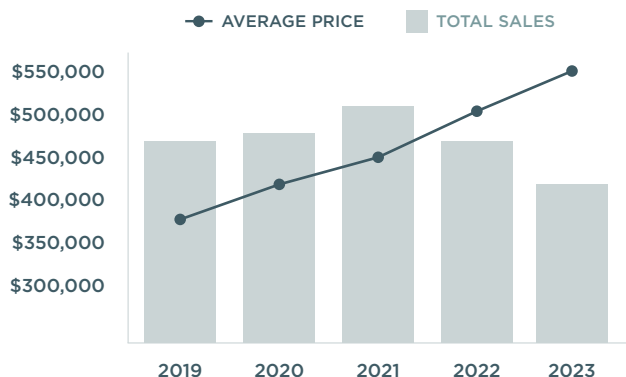
Recapping the 2023 real estate market is anything but straightforward. It was a year of conflict in the real estate world. Five years of unparalleled buyer demand led to the smallest inventory of homes, not just here in Charlottesville, but in virtually every market in the U.S. Prices escalated while interest rates rose at the fastest pace the U.S. market has ever experienced, as evident in historically low affordability rates. And while early in 2023 the inflation looked staggering, it leveled near where the Fed was targeting. And contrary to every prediction, unemployment remained consistently low.

So where did the year end? Many indicators such as prices (especially when looked at as a monthly expense as part of a mortgage) show that home costs are too high for many borrowers. But the reality is that while many would-be buyers have been priced out, because of the small inventory, there are still enough buyers to absorb all the new homes on the market. And the interest rates aren't just stopping buyers from buying, they are stopping sellers from considering a move. 82% of homeowners have a mortgage rate below 5% while mortgage rates bounce between 7 and 8%. And yet, Zillow found in an ongoing survey that the current percentage of homeowners who wish to sell their home within the next three years is the highest they have ever seen.

So what's to come? While there is no obvious path the housing market is likely to take, there are signs that it won't balance for quite a while. Charlottesville remains a desirable community, with unemployment levels significantly below the nation. Couple that with a small inventory of resale homes likely to hit the market, and our area seems destined for continued price stability.

MSA OVERVIEW CHARLOTTESVILLE, VA

All Properties



8.4% ▲

AVERAGE PRICE

In 2023 the average sales price was \$558,587 compared to \$515,410 in 2022.

-16.4% ▼

TOTAL SALES

In 2023 there were 3,103 total home sales compared to 3,710 in 2022.

In 2023, on average, a listing stayed on the market for 40.9% more time and saw a 10.7% increase in price per square foot compared to 2022.

	2022	%	2023
Avg. Days on Market	22	40.9	31
Avg. Price per Sq. Ft.	\$228	10.7	\$252

Attached

13.3% ▲

AVERAGE PRICE

In 2023 the average sales price was \$415,227 compared to \$366,392 in 2022.

-1.1% ▼

TOTAL SALES

In 2023 there were 947 total attached home sales compared to 958 in 2022.

	2022	%	2023
Avg. Days on Market	19	26.3	24
Avg. Price per Sq. Ft.	\$232	3.1	\$239

Detached

9.6% ▲

AVERAGE PRICE

In 2023 the average sales price was \$621,556 compared to \$567,285 in 2022.

-21.7% ▼

TOTAL SALES

In 2023 there were 2,156 total detached home sales compared to 2,752 in 2022.

	2022	%	2023
Avg. Days on Market	24	37.5	33
Avg. Price per Sq. Ft.	\$227	7.5	\$244

*The Charlottesville MSA consists of the City of Charlottesville, Albemarle, Fluvanna, Greene, Louisa, and Nelson counties. Data as of 1/6/24.

CITY OF CHARLOTTESVILLE

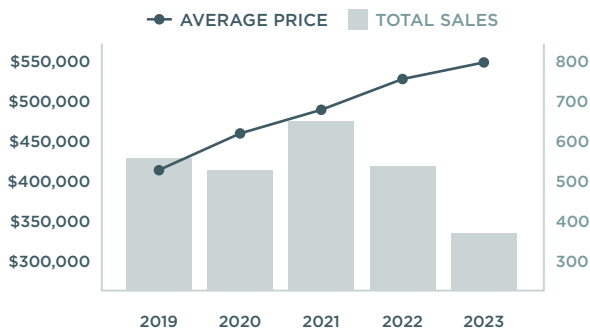


1970
AVERAGE
YEAR HOMES
BUILT

7
% OF HOMES
LESS THAN 5
YEARS OLD

2,025
AVERAGE
DETACHED
SQ. FT.

1,400
AVERAGE
ATTACHED
SQ. FT.



	2022	%	2023	TREND
Total Sales	543	-27.8	392	▼
Price per Sq. Ft.	\$289	6.2	\$307	▲
Days on Market	22	9.1	24	▲
Avg. Sales Price	\$524,641	6.3	\$557,908	▲
Total Volume	\$284,880,063	-23.2	\$218,700,092	▼

ALBEMARLE COUNTY

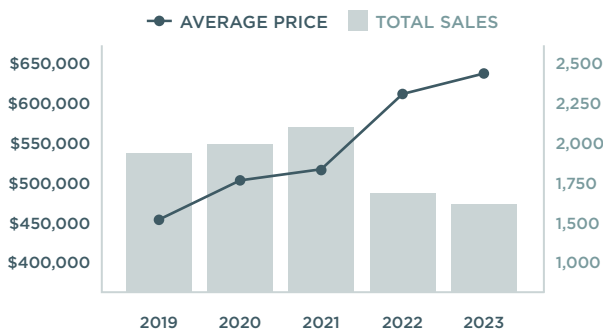


1997
AVERAGE
YEAR HOMES
BUILT

27.5
% OF HOMES
LESS THAN 5
YEARS OLD

3,050
AVERAGE
DETACHED
SQ. FT.

1,825
AVERAGE
ATTACHED
SQ. FT.



	2022	%	2023	TREND
Total Sales	1,739	-4.4	1,662	▼
Price per Sq. Ft.	\$230	7.1	\$246	▲
Days on Market	21	28.6	27	▲
Avg. Sales Price	\$606,133	5.8	\$641,562	▲
Total Volume	\$1,054,065,287	1.2	\$1,066,276,232	▲

FLUVANNA COUNTY

2000
AVERAGE
YEAR HOMES
BUILT

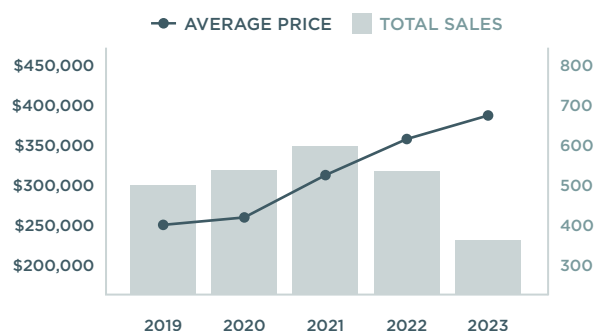
21.2
% OF HOMES
LESS THAN 5
YEARS OLD

2,125
AVERAGE
DETACHED
SQ. FT.

1,600
AVERAGE
ATTACHED
SQ. FT.



	2022	%	2023	TREND
Total Sales	521	-26.5	383	▼
Price per Sq. Ft.	\$179	8.4	\$194	▲
Days on Market	19	84.2	35	▲
Avg. Sales Price	\$375,402	5.2	\$394,966	▲
Total Volume	\$195,584,442	-22.7	\$151,271,831	▼



GREENE COUNTY

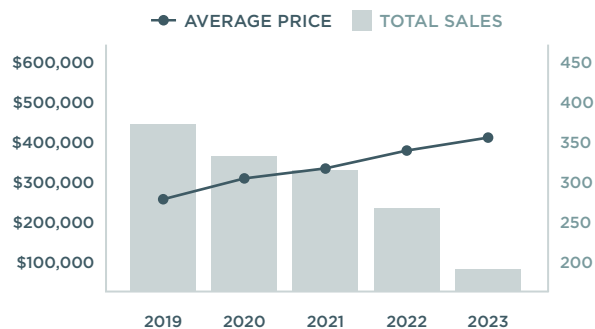
1998
AVERAGE
YEAR HOMES
BUILT

16.8
% OF HOMES
LESS THAN 5
YEARS OLD

2150
AVERAGE
DETACHED
SQ. FT.



	2022	%	2023	TREND
Total Sales	268	-31.0	185	▼
Price per Sq. Ft.	\$195	5.1	\$205	▲
Days on Market	24	50.0	36	▲
Avg. Sales Price	\$383,616	9.9	\$421,625	▲
Total Volume	\$102,809,088	-24.1	\$78,000,715	▼



LOUISA COUNTY



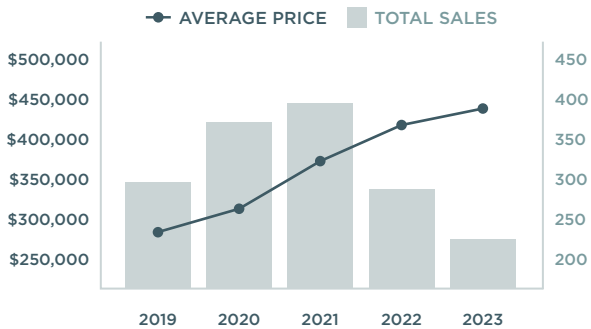
2004
AVERAGE
YEAR HOMES
BUILT

43.1
% OF HOMES
LESS THAN 5
YEARS OLD

2,150
AVERAGE
DETACHED
SQ. FT.

2,300
AVERAGE
ATTACHED
SQ. FT.

	2022	%	2023	TREND
Total Sales	292	-20.9	231	▼
Price per Sq. Ft.	\$196	7.9	\$211	▲
Days on Market	28	57.1	44	▲
Avg. Sales Price	\$416,539	6.8	\$444,725	▲
Total Volume	\$121,629,388	-15.5	\$102,731,403	▼



NELSON COUNTY



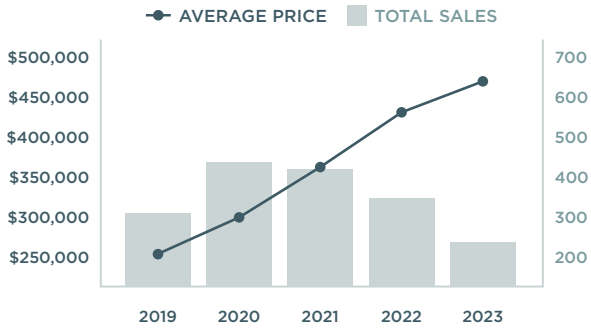
1984
AVERAGE
YEAR HOMES
BUILT

2.8
% OF HOMES
LESS THAN 5
YEARS OLD

2,400
AVERAGE
DETACHED
SQ. FT.

1,100
AVERAGE
ATTACHED
SQ. FT.

	2022	%	2023	TREND
Total Sales	347	-28.0	250	▼
Price per Sq. Ft.	\$251	-0.3	\$250	▼
Days on Market	26	57.7	41	▲
Avg. Sales Price	\$441,513	5.4	\$465,256	▲
Total Volume	\$153,205,011	-24.1	\$116,314,104	▼





Celebrating 15 Years!

We celebrated our 15-year anniversary on August 26, 2023. Nest was founded with the goal of building a real estate company that our community trusts and loves. And that still holds true today.

We're proud of what we have been able to do to help you, our clients, make great real estate decisions. But we're also proud of how we have been able to collectively give back to our local community.

As we look back, here are some of our favorite numbers from the past 15 years.

14K

HOMES SOLD

We've collectively helped over 14,000 clients buy and sell homes in Charlottesville, Albemarle, Nelson, Greene, Louisa, Fluvanna, and other surrounding counties.

20+

FULL-TIME JOBS

Nest Realty has created over 20 full-time jobs in marketing, design, accounting, and administration in order to support our amazing agents and clients.

\$500K

DONATED

We've donated over \$500,000 to support local charities and nonprofits through event sponsorships, agent commission donations, and other fundraising initiatives.

36

BABY BIRDS

Baby Nesters born to local agents and staff.

10

YEARS

10 consecutive years with #1 market share.

100%

LOCALLY OWNED

We are 100% locally owned and operated.

NEST REALTY

nestrealty.com/charlottesville

