

NEST REALTY

2023 Nest Market Report

FREDERICKSBURG AND CULPEPER AREAS

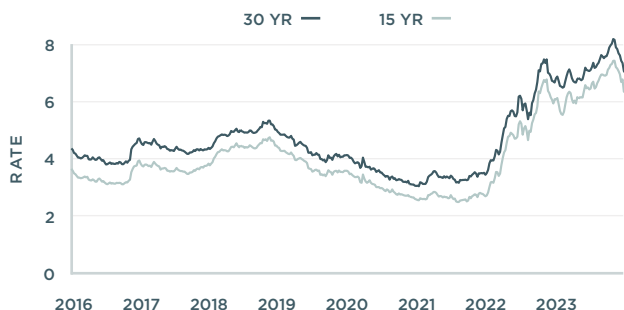


MARKET OUTLOOK NATIONAL LEVEL

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.

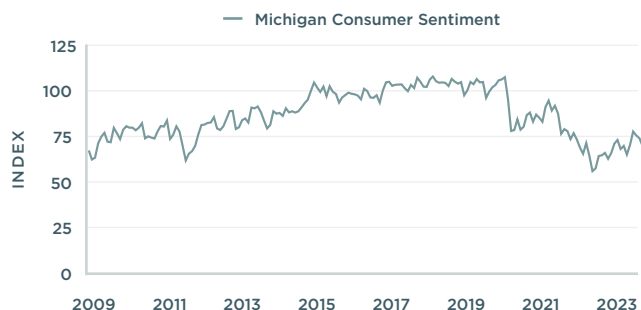
Mortgage Rates

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.



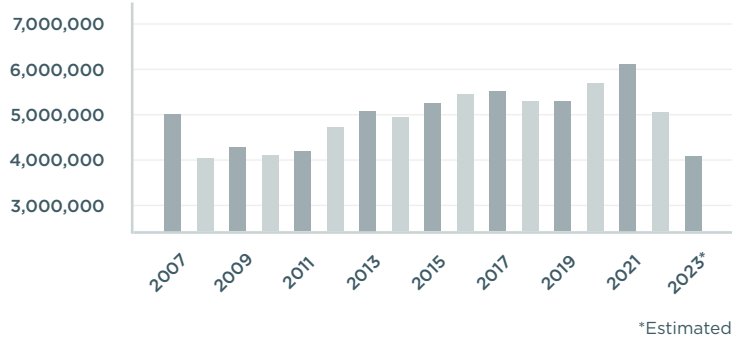
Unemployment Rates

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

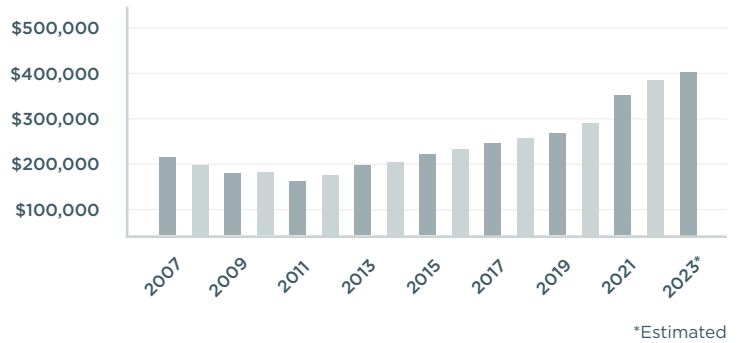
Annual Existing Home Sales

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.



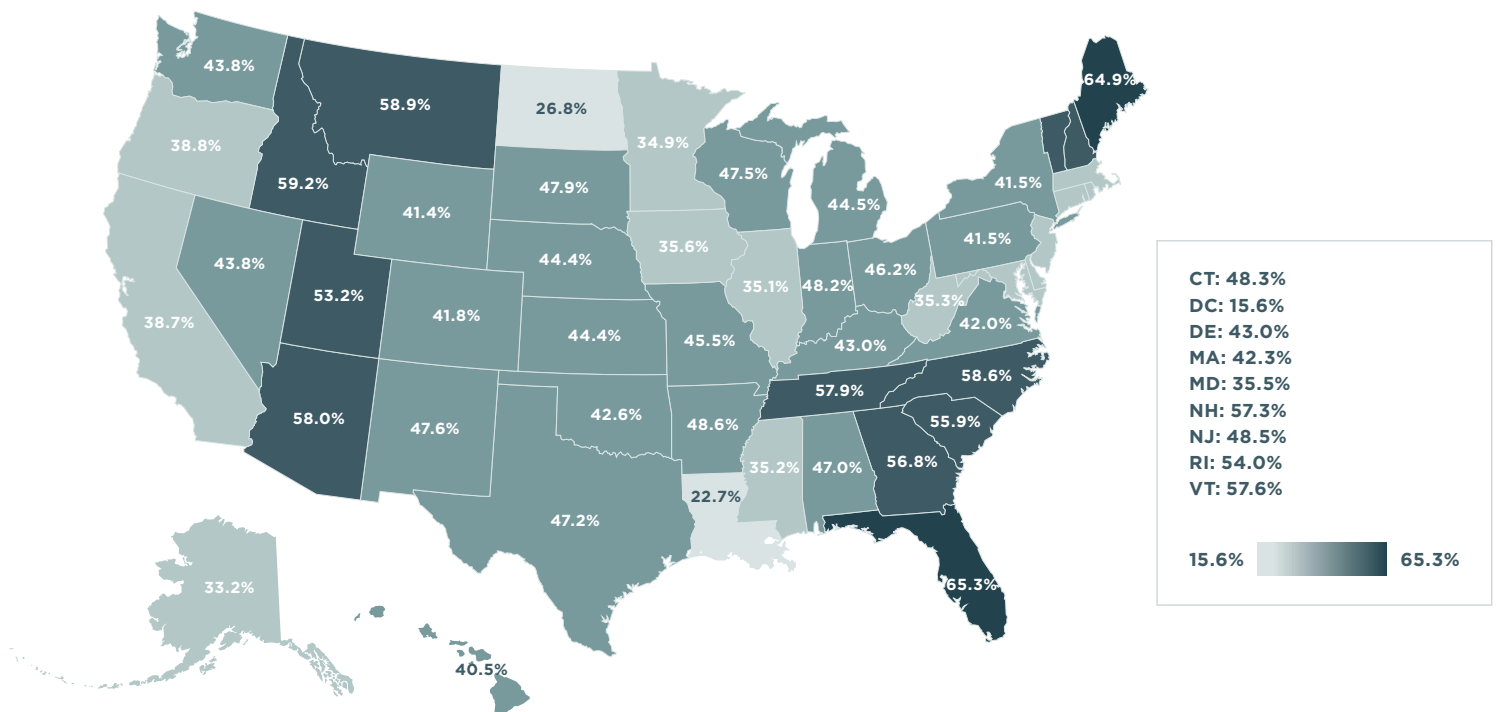
Annual Median Sold Price of Single Family Homes

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



Nest Fredericksburg 2023 Overview

Our success as a brokerage extends beyond the number of transactions in 2023. We celebrate the relationships we've built with local businesses and community organizations, as well as our continued commitment to being an online resource for all things Fredericksburg.

\$504,655

**NEST FREDERICKSBURG'S
AVERAGE SALES PRICE**

In 2023, the average sales price was \$504,655 compared to \$473,029 in 2022.

57

**DONATIONS TO
TEACHERS**

Nest Realty Fredericksburg gave 57 teachers \$100 donations in 2023.

5

**STAGED
BEDROOMS**

Our Nest Staging Unit is ready to stage up to five primary bedrooms.



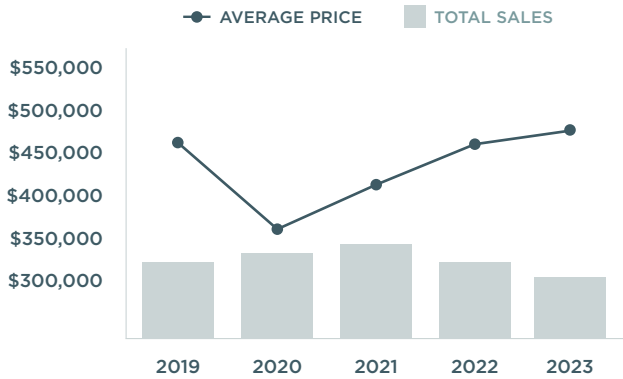
2023 Fredericksburg MSA Overview

In the words of one Nest Realty Fredericksburg client, “The 2023 real estate market was bananas!” No truer words have been spoken. The prediction of higher interest rates came true, with rates topping 7.5% after starting 2023 at 6.48%. However, demand for housing stayed strong in the Fredericksburg and Culpeper markets. Year-over-year home prices continued to climb in the region while rent prices stabilized. Buyers took more time to decide which home to make an offer on, but most homes still accepted a contract within a month of listing. Lending choices were the key to success in purchasing a home. 2023 saw many smaller mortgage lending companies shut their doors. Erroneous pre-approval letters wreaked havoc on the local real estate industry. Using trusted, local lenders won out over “bargain” internet options. As borrowing became more expensive, buyers and lenders had to get creative in helping the loan become as affordable as possible. Assumable loans, especially VA loans, became a desirable financing alternative for the first time in decades. As we neared the end of 2023, we saw the return of seller subsidy (the seller paying at least a portion of the buyer’s closing costs), home inspection contingencies, and home-sale contingencies.

As we enter 2024, the real estate industry will continue to look toward interest rates as the largest obstacle to obtaining housing. We are expecting a drop in interest rates to start the year and then a gradual increase as we approach the summer and fall. Keep in mind that interest rates are traditionally lower, and there’s a decrease in competition during winter months. We will also be navigating changes to the real estate industry as a result of national lawsuits addressing how commissions are paid. (Your favorite Nest Agent is already equipped to talk to our clients about this). The Fredericksburg and Culpeper markets should remain strong as our area continues to grow and remain attractive as a place to settle. Our area continues to benefit from its proximity to Washington, D.C., and the abundance of jobs available to different levels of the area workforce.

MSA OVERVIEW FREDERICKSBURG

All Properties



3.0% ▲

AVERAGE PRICE

In 2023 the average sales price was \$476,870 compared to \$462,905 in 2022.

-25.1% ▼

TOTAL SALES

In 2023 there were 5,454 total home sales compared to 7,284 in 2022.

In 2023, on average, a listing stayed on the market for 40% more time compared to 2022.

	2022	%	2023
Avg. Days on Market	20	40.0	28

Attached Homes

6.7% ▲

AVERAGE PRICE

In 2023 the average sales price was \$371,973 compared to \$348,718 in 2022.

-28.9% ▼

TOTAL SALES

In 2023 there were 801 total attached home sales compared to 1,127 in 2022.

	2022	%	2023
Avg. Days on Market	16	43.8	23

Detached Homes

2.2% ▲

AVERAGE PRICE

In 2023 the average sales price was \$494,648 compared to \$483,789 in 2022.

-23.2% ▼

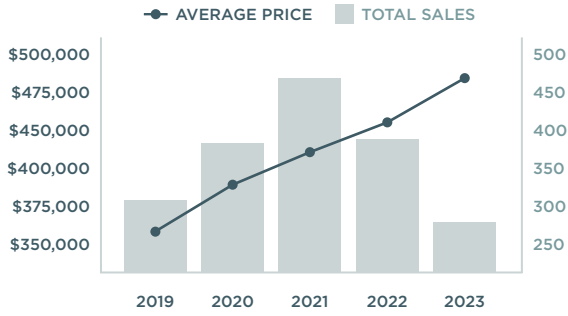
TOTAL SALES

In 2023 there were 4,729 total detached home sales compared to 6,154 in 2022.

	2022	%	2023
Avg. Days on Market	20	50.0	30

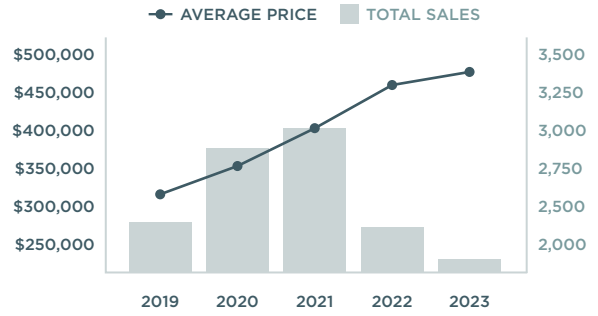
*The Fredericksburg MSA includes the city of Fredericksburg and the counties of Spotsylvania, Stafford, Caroline, Orange, and King George. Data as of 1/7/24.

FREDERICKSBURG CITY



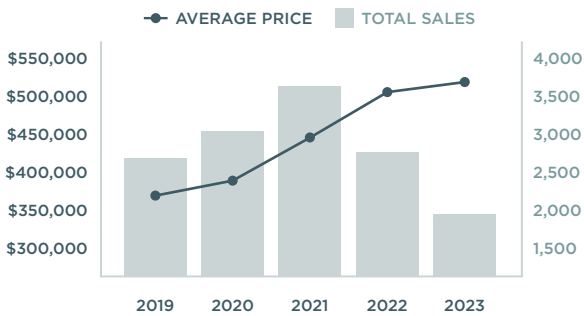
	2022	2023	TREND
Total Sales	393	283	▼
Price per Sq. Ft.	\$220	\$229	▲
Days on Market	21	28	▲
Avg. Sales Price	\$457,306	\$486,257	▲
Total Volume	\$179,721,218	\$137,178,048	▼

SPOTSYLVANIA COUNTY



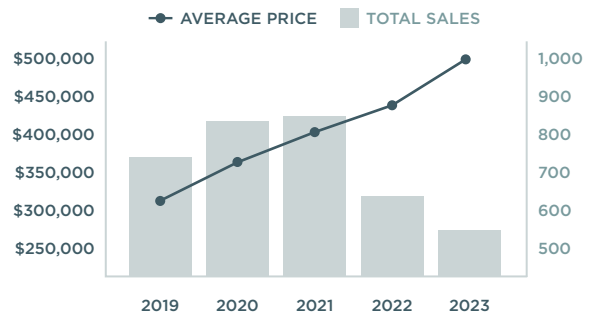
	2022	2023	TREND
Total Sales	2,387	1,730	▼
Price per Sq. Ft.	\$201	\$207	▲
Days on Market	19	24	▲
Avg. Sales Price	\$465,672	\$475,188	▲
Total Volume	\$1,111,558,730	\$826,719,481	▼

STAFFORD COUNTY



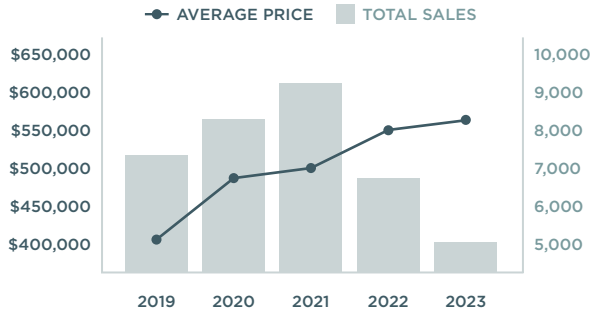
	2022	2023	TREND
Total Sales	2,778	1,957	▼
Price per Sq. Ft.	\$200	\$212	▲
Days on Market	18	23	▲
Avg. Sales Price	\$505,147	\$518,329	▲
Total Volume	\$1,403,297,642	\$1,817,703,007	▲

CULPEPER COUNTY



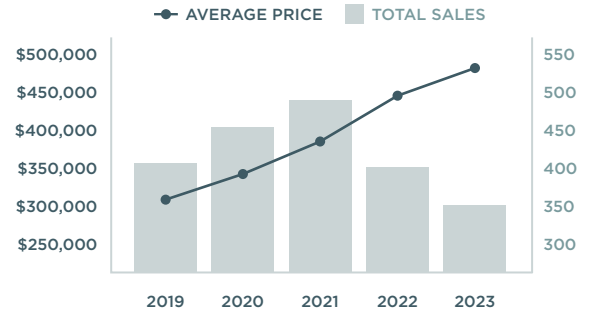
	2022	2023	TREND
Total Sales	648	575	▼
Price per Sq. Ft.	\$202	\$221	▲
Days on Market	24	32	▲
Avg. Sales Price	\$437,055	\$502,324	▲
Total Volume	\$283,211,676	\$290,421,750	▲

PRINCE WILLIAM COUNTY



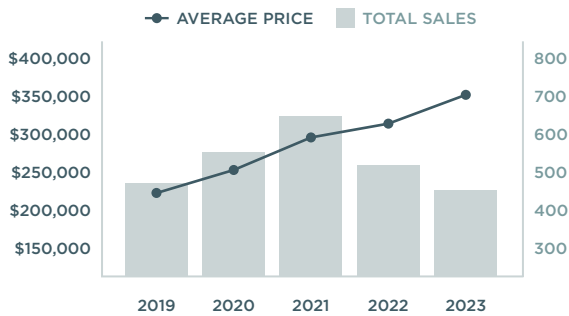
	2022	2023	TREND
Total Sales	6,820	5,114	▼
Price per Sq. Ft.	\$226	\$234	▲
Days on Market	15	18	▲
Avg. Sales Price	\$552,025	\$565,486	▲
Total Volume	\$3,764,812,349	\$2,893,272,195	▼

KING GEORGE COUNTY



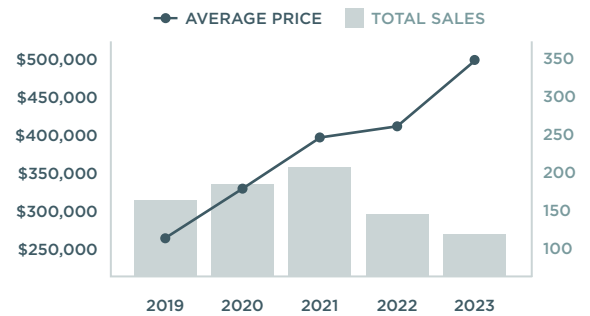
	2022	2023	TREND
Total Sales	400	356	▼
Price per Sq. Ft.	\$188	\$218	▲
Days on Market	24	31	▲
Avg. Sales Price	\$451,084	\$480,189	▲
Total Volume	\$180,433,792	\$173,650,091	▼

CAROLINE COUNTY



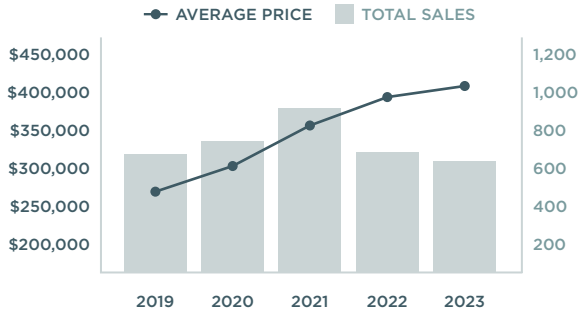
	2022	2023	TREND
Total Sales	515	479	▼
Price per Sq. Ft.	\$194	\$195	▲
Days on Market	29	40	▲
Avg. Sales Price	\$338,042	\$349,317	▲
Total Volume	\$174,091,427	\$167,002,545	▼

MADISON COUNTY



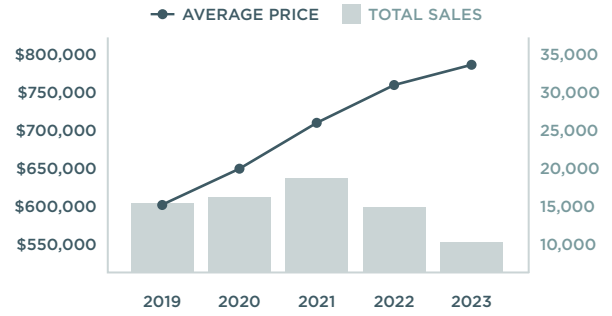
	2022	2023	TREND
Total Sales	145	123	▼
Price per Sq. Ft.	\$213	\$255	▲
Days on Market	43	51	▲
Avg. Sales Price	\$418,148	\$499,372	▲
Total Volume	\$60,631,391	\$59,506,947	▼

ORANGE COUNTY



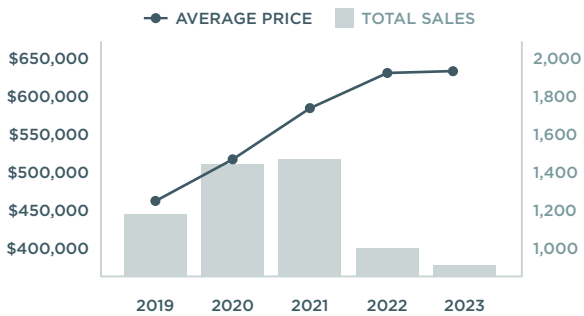
	2022	2023	TREND
Total Sales	701	649	▼
Price per Sq. Ft.	\$197	\$214	▲
Days on Market	33	37	▲
Avg. Sales Price	\$397,217	\$411,505	▲
Total Volume	\$278,449,447	\$273,624,941	▼

FAIRFAX COUNTY



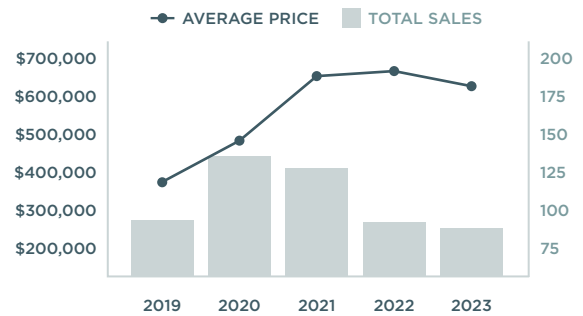
	2022	2023	TREND
Total Sales	14,419	11,186	▼
Price per Sq. Ft.	\$439	\$346	▼
Days on Market	18	17	▼
Avg. Sales Price	\$760,198	\$790,179	▲
Total Volume	\$10,961,301,838	\$8,763,424,964	▼

FAUQUIER COUNTY



	2022	2023	TREND
Total Sales	999	845	▼
Price per Sq. Ft.	\$259	\$244	▼
Days on Market	24	28	▲
Avg. Sales Price	\$633,143	\$635,812	▲
Total Volume	\$632,509,885	\$548,887,395	▼

RAPPAHANNOCK COUNTY



	2022	2023	TREND
Total Sales	85	82	▼
Price per Sq. Ft.	\$313	\$285	▼
Days on Market	52	49	▼
Avg. Sales Price	\$679,867	\$625,788	▼
Total Volume	\$57,788,696	\$55,162,773	▼

Organizations our Nesters Support

Being a successful agent and brokerage is not just about transaction numbers and sales records. Success is measured by community involvement and support. Our Nesters were very busy supporting their favorite local charities in 2023.



- **FAIRY GODMOTHER PROJECT:** FGP's mission is to ease the burden of daily life for families facing all phases of a pediatric cancer diagnosis by offering day-to-day services, emotional support, and financial services. fpginfo.org
- **GWYNETH'S GIFT:** Cardiac arrest claims more lives than breast cancer, prostate cancer, influenza, auto accidents, firearms, and house fires combined. Gwyneth's Gift Foundation works hard to provide specific practices that build and reinforce life-saving skills for those suffering from cardiac arrest. They accomplish this through CPR & AED Training programs, AED Placement, a Scholarship Award, and Awareness Program. gwynethsgift.org
- **HAZEL HILL HEALTHCARE PROJECT:** A grant-funded nonprofit organization providing healthcare and mental health services to low-income residents. facebook.com/HazelHillHealthcareProject
- **FREDERICKSBURG REGIONAL FOOD BANK:** Replacing food scarcity with food security, the Fredericksburg Regional Food Bank helps to provide nutritious food to over 35,000 people in the Rappahannock River region. fredfood.org
- **MICAH MINISTRIES:** Micah Ministries serves the area by working together with the community to serve the homeless population. Micah helps provide food, clothing, hygiene, mental health services, and housing to those without permanent or adequate housing. micahfredericksburg.org
- **TREASURE HOUSE:** Treasure House provides Spotsylvania County's underserved students with essential supplies for their daily needs. Supplies include food, toiletries, clothes, and baby products. spotsylvania.k12.va.us/page/treasure-house
- **COMMUNITY SPONSORS FOR AREA PUBLIC SCHOOLS:** Through volunteering and supporting district initiatives, Nest Fredericksburg and Nest Agents are recognized as community sponsors for Stafford County, Spotsylvania County, and Fredericksburg City schools.

NEST REALTY

nestrealty.com/fredericksburg

