

NEST REALTY

2023 Nest Market Report

SHENANDOAH VALLEY

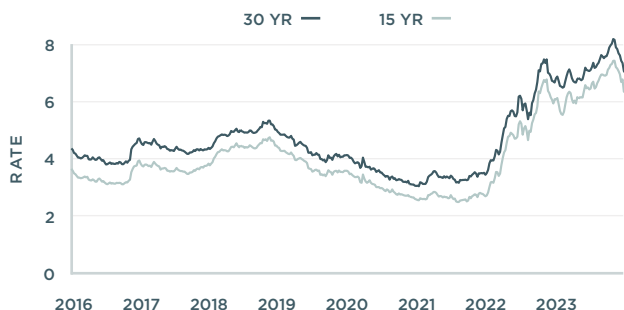


MARKET OUTLOOK NATIONAL LEVEL

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.

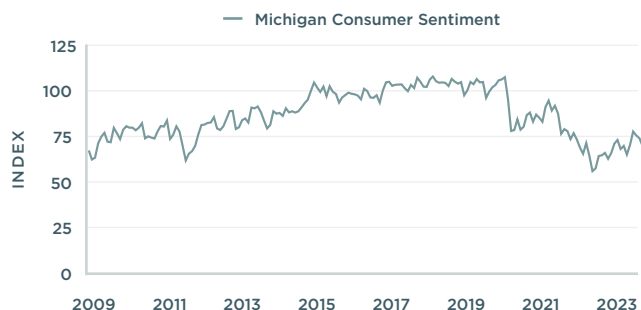
Mortgage Rates

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.



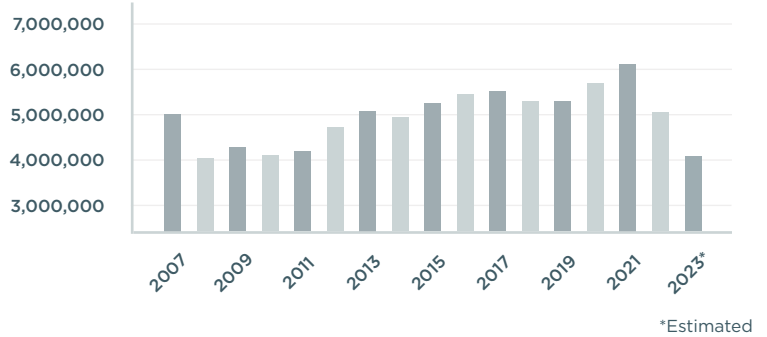
Unemployment Rates

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

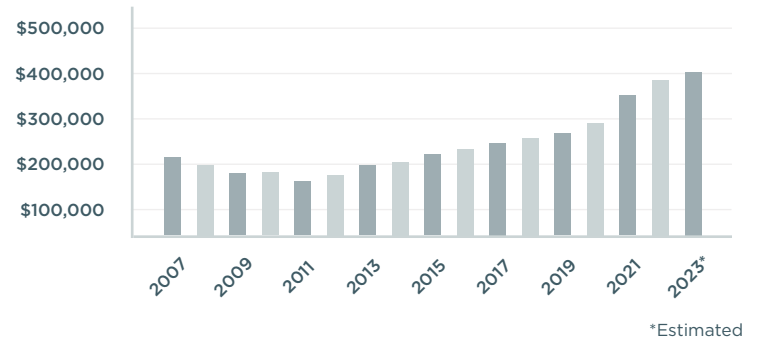
Annual Existing Home Sales

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.



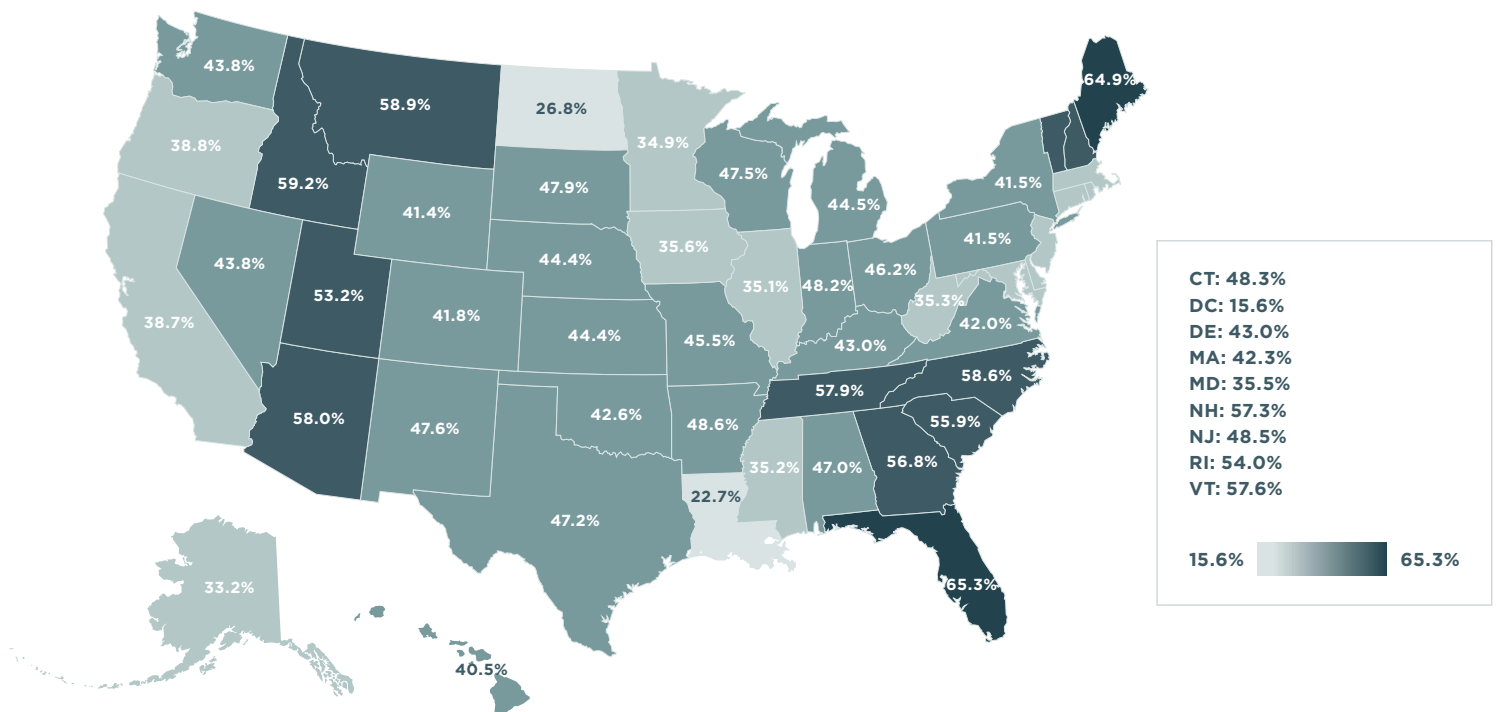
Annual Median Sold Price of Single Family Homes

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 Shenandoah Valley 2023 Overview

Our success as a brokerage extends beyond the number of transactions in 2023. This year we are celebrating 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 Shenandoah Valley.

350

**COUNTY FAIR
ATTENDEES**

We welcomed 350 clients to our biggest Nest Realty Shenandoah Valley County Fair yet!

\$80M+

**TOTAL
SALES**

It is more than just a closing or a sale, our agents are building lifelong relationship with their clients.

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**SALES VOLUME
RANKING**

Out of 55 firms in the Greater Augusta Association of Realtors, Nest Realty Shenandoah Valley is 3rd in sales volume for 2023.

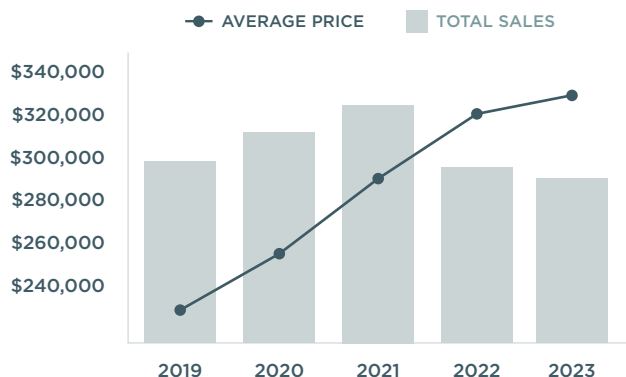


2023 Shenandoah Valley MSA Overview

In 2023, the real estate market in the Shenandoah Valley was influenced by broader economic conditions, particularly the upward trajectory of mortgage rates as the Federal Reserve sought to manage inflation. The increasing mortgage rates introduced challenges for prospective buyers and sellers alike, creating a more competitive and restrictive environment. Unfortunately, this led to the exclusion of some individuals from the housing market due to affordability concerns. Despite these obstacles, there was a steady and consistent demand for housing in the Shenandoah Valley. The persistently low inventory levels contributed to the competitive landscape, and the increased days on the market suggested a gradual return to a sense of normalcy as the market adjusted to the changing economic dynamics and sought a more balanced equilibrium.

MSA OVERVIEW SHENANDOAH VALLEY, VA

All Properties



3.0% ▲

AVERAGE PRICE

In 2023 the average sales price was \$332,039 compared to \$321,303 in 2022.

-12.0% ▼

TOTAL SALES

In 2023 there were 2,614 total home sales compared to 2,964 in 2022.

In 2023, on average, a listing stayed on the market for 29% more time and saw a 8% increase in price per square foot compared to 2022.

	2022	%	2023
Avg. Days on Market	24	29.0	31
Avg. Price per Sq. Ft.	\$171	8.0	\$184

Attached

23.0% ▲

AVERAGE PRICE

In 2023 the average sales price was \$320,621 compared to \$260,970 in 2022.

-30.0% ▼

TOTAL SALES

In 2023 there were 392 total attached home sales compared to 556 in 2022.

	2022	%	2023
Avg. Days on Market	26	39.0	36
Avg. Price per Sq. Ft.	\$169	10.0	\$185

Detached

2.0% ▲

AVERAGE PRICE

In 2023 the average sales price was \$343,458 compared to \$335,234 in 2022.

-8.0% ▼

TOTAL SALES

In 2023 there were 2,222 total detached home sales compared to 2,408 in 2022.

	2022	%	2023
Avg. Days on Market	23	17.0	27
Avg. Price per Sq. Ft.	\$172	6.0	\$183

*The Shenandoah Valley MSA consists of the City of Harrisonburg, Staunton, and Waynesboro, plus Rockingham and Augusta Counties. Data as of 01/08/24.

HARRISONBURG

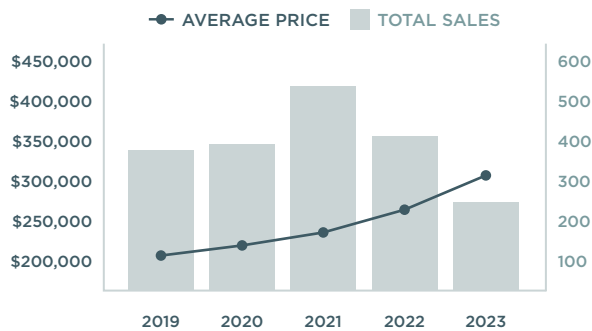


1987
AVERAGE
YEAR HOMES
BUILT

95.0
% OF HOMES
MORE THAN 5
YEARS OLD

2,160
AVERAGE
DETACHED
SQ. FT.

1,400
AVERAGE
ATTACHED
SQ. FT.



	2022	%	2023	TREND
Total Sales	413	-40.0	250	▼
Price per Sq. Ft.	\$159	9.0	\$173	▲
Days on Market	18	17.0	21	▲
Avg. Sales Price	\$274,371	13.0	\$310,895	▲
Total Volume	\$113,315,067	-64.0	\$40,586,417	▼

STAUNTON

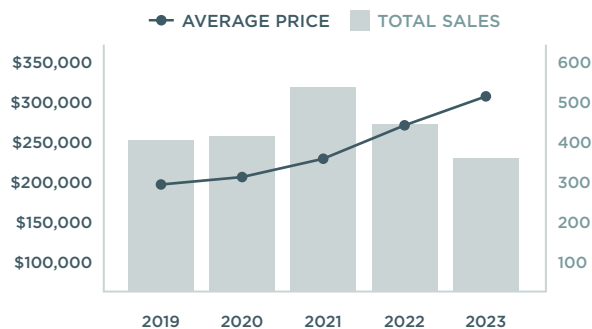


1992
AVERAGE
YEAR HOMES
BUILT

58.0
% OF HOMES
MORE THAN 5
YEARS OLD

1,635
AVERAGE
DETACHED
SQ. FT.

1,593
AVERAGE
ATTACHED
SQ. FT.



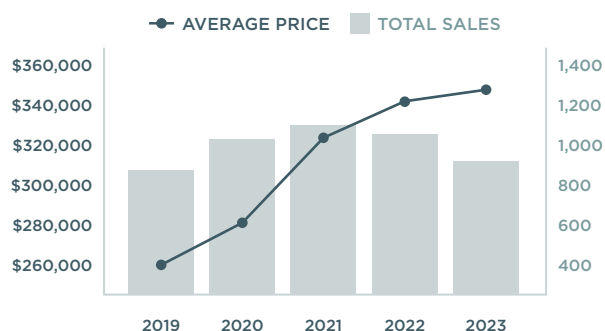
	2022	%	2023	TREND
Total Sales	446	-15.0	380	▼
Price per Sq. Ft.	\$159	18.0	\$187	▲
Days on Market	24	29.0	31	▲
Avg. Sales Price	\$267,411	17.0	\$312,005	▲
Total Volume	\$119,265,303	-7.0	\$110,379,023	▼

ROCKINGHAM COUNTY

2012 AVERAGE YEAR HOMES BUILT	47.0 % OF HOMES MORE THAN 5 YEARS OLD	1,874 AVERAGE DETACHED SQ. FT.	1,736 AVERAGE ATTACHED SQ. FT.
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	2022	%	2023	TREND
Total Sales	1,042	-12.0	914	▼
Price per Sq. Ft.	\$183	6.0	\$193	▲
Days on Market	29	14.0	33	▲
Avg. Sales Price	\$345,659	2.0	\$353,302	▲
Total Volume	\$360,176,449	-7.0	\$335,256,146	▼

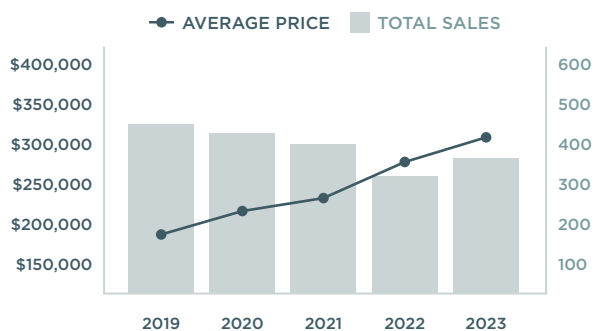


WAYNESBORO

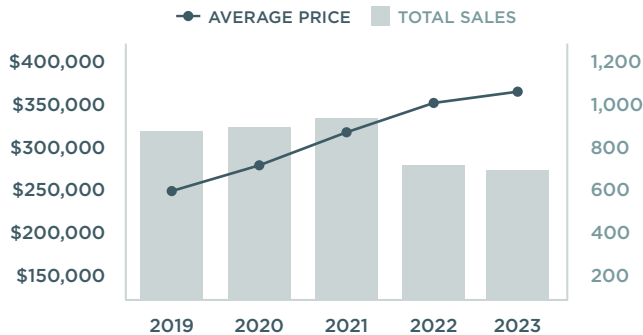
2000 AVERAGE YEAR HOMES BUILT	46.0 % OF HOMES MORE THAN 5 YEARS OLD	1,600 AVERAGE DETACHED SQ. FT.	1,624 AVERAGE ATTACHED SQ. FT.
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	2022	%	2023	TREND
Total Sales	326	12.0	366	▲
Price per Sq. Ft.	\$161	7.0	\$172	▲
Days on Market	20	35.0	27	▲
Avg. Sales Price	\$289,280	7.0	\$310,255	▲
Total Volume	\$94,305,148	18.0	\$111,481,317	▲



AUGUSTA COUNTY



2006
AVERAGE
YEAR HOMES
BUILT

58.0
% OF HOMES
MORE THAN 5
YEARS OLD

1,892
AVERAGE
DETACHED
SQ. FT.

2,011
AVERAGE
ATTACHED
SQ. FT.

	2021	%	2022	%	2023	TREND
Total Sales	969	-23.9	737	-4.0	704	▼
Price per Sq. Ft.	\$157	10.8	\$174	13.0	\$197	▲
Days on Market	39	-41.0	23	100.0	46	▲
Avg. Sales Price	\$319,280	12.7	\$359,947	4.0	\$373,740	▲
Total Volume	\$309,382,246	-14.3	\$265,281,208	-1.0	\$262,014,608	▼

How We Give Back

Our dedication to community involvement goes beyond real estate transactions—we believe in contributing to the well-being and vibrancy of the neighborhoods we serve. From participating in local events to supporting community initiatives, we strive to be a positive force, understanding that a thriving community is built on collaboration and support. Through sponsorships, volunteer efforts, and partnerships with local organizations, we aim to make a lasting impact, creating a sense of belonging and shared prosperity for everyone.

COMMUNITY SERVICE

As a team, Nest participates in various local events. Whether it's getting our hands dirty and volunteering, or acting as a collection site, we are excited to give back to the community.

DRINK IT FORWARD

Every year we partner with a local Brewery to give back, and to socialize with our local community. This year, we were able to host multiple events and give back to the Blue Ridge Area Food Bank and Habitat for Humanity!

LOCAL LOVE

Our community is truly the best and we love to show them love as often as we can. From partnering with local shops for our client gifts, local bakeries for cookie jars, or visiting our favorite locally owned restaurants, we love to show off our community.



NEST REALTY

nestrealty.com/thevalley

