

Six Predictions for Richmond Real Estate in 2021

While 2020 has been an incredibly challenging year across all markets, housing turned out as a bright spot. Despite the impact of the coronavirus pandemic, homeownership rates rose in the third quarter of 2020, up from the same period in 2019.

If you're planning to buy or sell a home next year, you may be wondering what the outlook is for the Richmond real estate market. The fundamentals are in place for a continued strong housing market in 2021. "Our team of leading Realtors is here to help consumers navigate this ever-changing market," said Brian Haug, Senior Vice President of Long & Foster in Richmond. "Here are a few trends that Long & Foster Real Estate expects to affect the local market in the new year."

1. Home prices will rise. The law of supply and demand will drive prices higher, with double-digit percentage increases possible as more buyers shop for fewer homes.

2. Affordability will remain mostly positive. Low mortgage rates have offset rising prices and increased the number of households who can afford to buy a home.

3. Inventory challenges will continue. While builders are expected to construct homes

at a faster pace in 2021, there's still a gap between demand and supply for both new and existing homes.

4. Millennials and boomers will move the market. Millions of millennials intend to buy homes in the coming years, driving robust activity in the housing market.

5. Increased teleworking will influence housing preferences. People will continue to work from home next year, which impacts their housing choices and locations.

6. Vacation home markets will stay hot. Homeowners with rising equity and investors with unexpectedly high stock market profits drove a spike in demand for homes in resort areas in 2020, which is expected to continue.

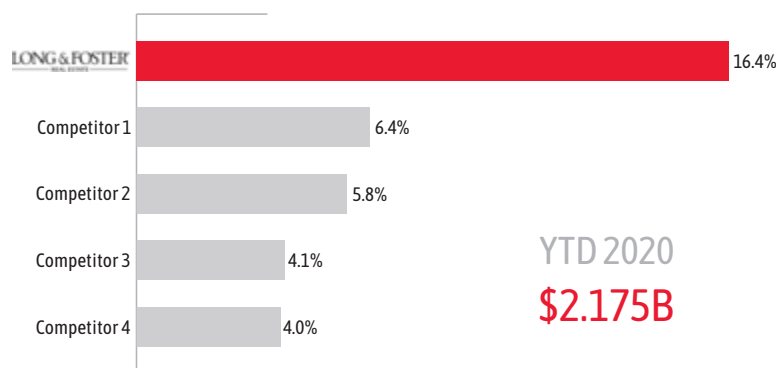
"Despite the challenges of 2020, we will enter the 2021 housing market with incredible momentum," said Dawn Bradley, vice president and managing broker of Long & Foster's Grove & Stony Point offices. "For sellers, 2021 will be an excellent time to put their home on the market, as demand will remain very strong. For buyers, continued low interest rates will make home ownership an attractive opportunity."

Patrick Gee of Long & Foster's Westham office echoed Bradley's thoughts on the real estate market. He added, "as we start to recover from the pandemic, we'll likely see a strengthening of the Central Virginia economy, causing even more demand for housing.

Find your agent today at [longandfoster.com](https://www.longandfoster.com).



SALES VOLUME MARKET SHARE



YTD 2020
\$2.175B

*SOURCE: 2020 YTD Market Share thru 12/17/2020 CVR MLS. Richmond Metropolitan Area

Cover photo is of 109 Penshurst Road, Richmond, VA 23221 in Windsor Farms sold in January 2020 for \$1.575 million. Patrick Gee with Long & Foster Westham sales represented the buyer.



CHRISTIE'S
INTERNATIONAL REAL ESTATE

