

Bright MLS December 2022 Delaware County PA Residential Housing Report

Showing Time, using Bright MLS statistics, has released their Local Market Insight report for single-family homes in **Delaware County Pennsylvania** through December 2022. If you would like more information about this or any other County or any specific municipalities in the Delaware Valley, please contact me or visit my website, AndrewWetzel.com. I am only a phone call, an email or a text away! I respond promptly to all inquiries.

The overall Real Estate market continues to be affected by wildly fluctuating economic news and, to some extent, lingering impacts of the pandemic. The economic news, specifically inflation and threats of a recession, has substantially elevated the mortgage rate and made some buyers apprehensive, wondering if this is the “right time” to buy. Inventory levels have increased but many sellers seem to think there is still a “sellers’ market” throughout the County. Some areas are still experiencing competition while others are not. Many buyers refuse to pay full price if they still wish and are able to buy.

The economy is an “uncontrollable variable” and consumers will evaluate it and the interest rate however they wish. The popular phrase these days is “date the rate and marry the house”. This means that you may be able to refinance the interest rate later if it declines but the focus should be on getting the best house for your needs and wants. Of course, there is no guarantee that the interest rate will decline in the near future and it may rise even higher. Overpaying and/ or buying the wrong house can be very costly. What is a buyer to do?

As far as pricing, supply and demand typically suggest that prices should decline when inventory rises or activity decreases. This is not guaranteed in Real Estate unless a seller really wants or needs to move. Some houses are still getting well above the “asking price”.

Generally speaking, price reductions are now a more frequent occurrence with some properties taking multiple reductions to generate interest. The downside of that may be two-fold. First, I see many of what I call useless/ senseless price reductions. By that I mean that they do not re-position the house to attract the interest of a different group of buyers. What then is the point? Second, if a specific house is not exactly what a buyer or group of buyers is looking for, they may sit and watch how low a price may go before doing anything. Pricing requires a strategy or purpose.

The good news is that I am hearing less talk of a “bubble” although pricing does suggest a market “correction” as we shift away from a “sellers’ market”. Whether it swings to a “buyers’ market” or reaches equilibrium remains to be seen? As they say, your results may vary so all you can do is plan, prepare and act based on YOUR needs and wants. While sellers adjust to the “current normal”, whatever that is, buyers have to decide whether to wait and hope for further price reductions and/ or lower interest rates.

As is typically the case, you cannot “time the market”: selling and buying are personal decisions, typically emotional ones justified with logic. As always, your experience may differ depending on your location and how you have been personally impacted.

As always, this report compares current year-to-date results to one-year ago, same time period. Given that this is a December report, we get to compare 2022 with 2021. As with all Real Estate statistics, two things are true. First, the performance within individual zip codes can and will vary *significantly* from the overall County. Real Estate is *local* and results can vary from neighborhood to neighborhood and even block to block. There is **no such thing as a “national” Real Estate market** any more than there is a national weather forecast so, whether you may be thinking about selling or buying, please

contact me for details about your areas of interest. I can provide current information and keep you informed about the evolving market. Deciding whether it is the right time to sell or buy is a personal decision typically involving a number of variables, some of which you have no control over. I can provide the *knowledge* and *insight* to help you decide what works for you.

My second point is that, unfortunately, all Real Estate statistics involving sold data are *stale*. This is especially true if you are relying on Internet valuation models which use *recorded* data rather than up-to-date MLS “settled” information. Even then, while a sale may be reported as having settled or closed today, the real question is when was the offer *negotiated*? Typically, financed sales can take 45 to 60 days to close so the market today may be different from when the offer was presented and negotiated. Up-to-date information, even if not perfect, is important!

As far as the statistics, there were **7747** new “For Sale” listings through December 2022 compared to **9242** through December 2021, a *decrease* of **16.2%**. There were **6983** “closed” sales through December 2022 compared to **8193** through December 2021, a *decrease* of **14.8%**. These are obviously huge changes. The median selling price through December 2022 was **\$300,000** compared to **\$272,000** through December 2021, an *increase* of **10.3%**. The decline in the number/ inventory of newly listed properties impacted the number sold while substantially increasing their selling prices. Again, this was County wide and may not reflect your experience.

The number of currently available properties (532) is above one year ago (467). The Days on the Market (DOM) (24 now vs 20 for YTD 2022) and “Sold to List Price” ratio (97.9% now vs 100.8% YTD 2022) show the evolving market. The MSI (Months of Supply) is 1.3 months, up 54% from one year ago. The increased inventory combined with pent-up demand has created our current market although the impact of higher interest rates, even if historically low, remains to be seen. Again, these numbers vary throughout the County: the underlying data shows a wide range of results in all categories among the 49 different municipalities in Delaware County. What happens going forward?

Generally speaking, low inventory levels in some areas produced multiple offers and a frenzy among buyers, some of whom are already regretting hasty buying decisions. How many bought “sight unseen”? How many overpaid? The current, slower-paced market allows for more “contemplation”. Many now own homes whose current “market value” is less than what they paid. As uncomfortable as that may make some feel, especially if they have found that a house does not really meet their “needs and wants” or that there were unknown issues that have surfaced, at least we do not appear to have the shaky financials that led to the “bubble”.

Statistics aside, **what are you planning to do?** Real Estate is generally a long-term investment unless you are looking to fix and flip it or planning to move within a short period of time. There are always opportunities out there. As with the stock market, it is very difficult to pick the best time to make a move. All you can do is get the best available information, determine what is in your best interests and then start the process. Getting started is easy once you take action. Now is the perfect time to plan for 2023.

If you want or need to sell *any* type of Real Estate, *now or in the future*, whether you tried and did not succeed before or are planning for the first time, it is never too early to start the planning and preparation. Please do not wait for what you think is a better or the best time to start. Buyers look all year long and can only see and buy properties that are available to see. Based on what you need and want or what you know, is waiting something you would consider?

There is no time for inexperience, empty promises *or* false expectations!

HIRE WISELY: We are not “*all the same*”!