

Bright MLS December 2023 Delaware County PA Residential Housing Report

Showing Time, using Bright MLS statistics, has released its Local Market Insight report for single-family homes in **Delaware County, Pennsylvania** *through* December 2023. This report allows us to compare all of 2023 to 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.

As has been typical for many months, the Real Estate market continues to be affected by wildly fluctuating economic news. Experts do not seem to agree on where we are going! The economic news has *substantially* elevated the mortgage interest rate and made some buyers apprehensive, wondering if this is the “right time” to buy. Will the interest rate and purchase prices continue to rise or will they fall?

Many sellers seem reluctant to sell houses with low interest rates and/ or question the cost of their “next home”! Inventory levels have risen in many areas but many sellers have decided to stay where they are. Some areas are still experiencing a lot of competition while others are not. As always, Real Estate and mortgage professionals can help you as you decide what to do and, if you decide to sell or buy, assist you with the planning and preparation that will maximize your chances for success. It is never too early to start.

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. There is also no guarantee that prices will fall if you wait to take action. Overpaying and/ or buying the wrong house can be very costly. Refinancing the interest rate is nice but what about the “principal” amount? *What is a buyer or seller 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. On the other hand, competition may drive prices up when there is little data to support a selling price. Real Estate is local and consumers need to know their local market. Much of the information available is NOT local.

Generally speaking, price reductions are now a more frequent occurrence with some properties taking *multiple* reductions to generate interest. I often see more properties taking a price reduction than new property listings coming on the market. The downside of a price reduction 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?** The seller is just giving money away. Second, if a specific house is not exactly what a buyer or group of buyers is looking for, they may wait and watch how low the price may go before doing anything. **Pricing requires a strategy or purpose.**

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 by the economy and other “variables”.

As always, this report compares current year-to-date results to one year ago during the same time period. 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 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!

Year-Over-Year Statistics (2023 compared to 2022):

As far as the statistics, there were **6586** new “For Sale” listings through December 2023 compared to **7747** through December 2022, a *decrease* of **15.0%**. There were **5563** “closed” sales through December 2023 compared to **6983** through December 2022, a *decrease* of **20.3%**. These are obviously *huge* changes. The median selling price through December 2023 was **\$315,000**, up **5.0%** from one year ago. The decline in the number of newly listed properties impacted the number sold while slightly increasing their selling prices. Again, this was County-wide and may not reflect your local experience.

Month-Over-Month Statistics (December 2023 compared to December 2022):

In December 2023: the number of new listings was 275, *down* **14.3%** from last December 2022 (321). The number of “active” property listings was 512, *down* **13.0%** from one year ago (532). The Days on the Market (DOM) was 25 (22 YTD) and the “Sold to List Price” ratio was 97.6% (100.1% YTD). The “Months of Supply” (MSI) was 1.5 months, down 10% from one year ago, still a strong “sellers’ market”.

The decreased inventory combined with pricing and demand have 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.

This is historically the time when sellers take their properties off the market to avoid activity over the Holidays and decide when to resume their marketing. Some will wait for Spring when they will likely face competition. Depending on their motivation, I encourage sellers to plan and prepare for resuming the marketing in January if the weather is conducive. That may provide them with a good opportunity if there is little competition.

Buyers can continue to monitor the market and, assuming they are prepared to take action, they can evaluate new listings and price reductions to see if any properties appeal to them.

Thank you for listening to/ reading this information.

Remember, when it comes to selling or buying what is likely your biggest asset and largest overall investment in money, time and effort,

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

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