

## Bright MLS June 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 June 2023. 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 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, specifically inflation and threats of a recession, 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 fluctuated but many sellers seem to think there is still a “sellers’ market” throughout the County. The fact is that some areas are still experiencing competition while others are not. Many buyers refuse to pay full price if they still wish 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” while some areas have more houses taking price reductions than new listings coming on the market.

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”. Will it swing to a “buyers’ market” or remain “level”? 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 by the economy and other “variables”.

As always, this report compares current year-to-date results to one year ago, same time period. Given that this is a June report, we get to compare the first half of 2023 with the first half of 2022. 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!

As far as the statistics, there were **3435** new “For Sale” listings through June 2023 compared to **4419** through June 2022, a *decrease* of **22.3%**. There were **2647** “closed” sales through June 2023 compared to **3538** through June 2022, a *decrease* of **25.2%**. These are obviously *huge* changes. The median selling price through June 2023 was **\$306,250**, up 3.8% from one year ago. The decline in the number/inventory of newly listed properties impacted the number sold while slightly increasing their selling prices. Again, this was County wide and may not reflect your experience.

The number of currently available/ “Active” properties (542) is 16.5% *below* one year ago. The Days on the Market (DOM) (16) is up 33% from one year ago and the “Sold to List Price” ratio (102.2%) is down less than 1% from last year, showing the evolving market. The MSI (Months of Supply) is less than one month, the same as one year ago.

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.

### **What happens going forward?**

Statistics aside, **what are you planning to do?** Real Estate is generally a long-term investment unless you are looking to “renovate 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.

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?

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

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

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