

Bright MLS October 2020 Residential Housing Report

Bright MLS has released their Residential Market Statistics (which they call Local Market Insight) for single family homes in **Delaware County Pennsylvania** through October 2020. If you would like information about this or any other County or any specific municipalities in the Delaware Valley, please contact me. I am only a text, email or phone call away! I respond promptly to all inquiries.

The overall market continues to be affected by the pandemic and resulting economic impact. However, generally speaking, the results in many areas are encouraging and, as always, your experience may differ depending on your location and how you have been personally impacted. As I always say, the decision to buy or sell Real Estate is a personal one and the current environment typifies that.

The report compares current year-to-date results to one-year ago, 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. 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 is *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 settled or closed today, the real question is when was the offer *negotiated*? Typically, sales can take 45 to 60 days to close so the market today may be different. Up-to-date information, even if not perfect, is important!

As far as the statistics, there were 7282 units listed for sale through October 2020 compared to 8133 listed through October 2019, a decrease of over 10%. Low inventory levels are the cause of related data points. There were 5684 closed sales through October 2020 compared to 5879 through October 2019, a decrease of over 3%. The median selling price through October 2020 was \$250,000 compared to \$227,500 through October 2019, an increase of almost 10%. The large decrease in properties being listed had a relatively small effect on the number sold while substantially increasing their selling prices. 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.

Generally speaking, low inventory levels in some areas have produced multiple offers and a frenzy among buyers, some of whom may live to regret a hasty decision to get a property under contract. During the shutdown when “in-person” Real Estate activity was not permitted, many buyers made offers “sight unseen”, some without inspections to improve their odds. The effects of that remain to be seen but Real Estate, perhaps with the exception of those acquired strictly as “investments” with documented income, is generally not something given its expense and complexity that the typical buyer would want to purchase without an in-person showing let alone removing the protection of an inspection contingency. Technology, however advanced, has its limitations.

What about the properties that **did not sell**? *Many* came off the market and remain unavailable. As the pandemic has evolved, some properties did come back on the market but many have not. Did owners *delay*, *change* or *give up* their plans? Buying activity has been strong but the sellers may be reluctant to allow showings or may have issues they are dealing with. My only concern is whether people are making an informed decision or reacting to what they “think” is happening in the market.

For example, I recently sat on an Auxiliary Tax Assessment Appeal panel and heard almost 1000 appeals by people generally questioning whether their proposed assessed value is realistic or not. While I understand their concern about how the new assessments based on July 2019 market values will affect next year's tax bills, many are saying that the pandemic has lowered selling prices which is a debatable statement. Whether true or not is easily demonstrated but, regardless, the new assessed values are based on July 2019 long before the current pandemic was known.

Buyers and sellers need to do the same planning and preparation that those tasks typically require. Anyone looking to sell or buy needs to understand their local market and decide how to react to the pandemic as a "variable" that was not here last year and, hopefully, will be gone in the near future. However, the effects of buying and selling remain for years. They are important decisions and likely require the knowledge and insight that a professional can provide.

I tell my clients that I cannot guarantee that their house will sell if it is on the market but am fairly certain that it won't if they take it off the market. Anyone trying to sell now may have *less* competition and more offers to consider. Buyers may have *more* competition and fewer houses to consider. Hiring an experienced, trained and educated professional is more important than ever.

Despite the pandemic, every house will not sell. Houses may get showings without generating offers unless buyers think they are priced within the range of their perceived "worth". Most property listings whose contracts are **canceled** or allowed to **expire** have asking prices considered high for their market and/ or they were *poorly* marketed, meaning that some buyers and agents may not have even known that a house was available to look at or purchase. Some buyers may even make "full price" offers just to control the process only to have remorse later as inspection results are revealed. Of course this may well depend on the ratio of buyer and sellers so there is more to this than raw statistics.

If a market has a lot of inventory, some buyers may not be willing to look at houses priced high compared to the rest of the market: why try to negotiate a price down when other similar properties are available at more competitive prices? Many sellers open to negotiating their price will never get the chance. I will be happy to discuss specifics with you.

The overall economy is coming back but many are still hurting financially. 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 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. I am a phone call or email away and 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 we experienced this year, is waiting for Spring something you would consider?

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

HIRE WISELY: We are not all the same!