

Delaware County PA December 2021 Residential Housing Market Update

Tri-County Suburban REALTORS and Showing Time have released their **December 2021** Local Market Insight report for single family homes in **Delaware County Pennsylvania**. The report uses Bright MLS statistics. 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 web site, **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 recover from the pandemic shutdown and resulting economic impact. As always, your experience may differ depending on your location and how you have been personally affected. As I always say, the decision whether or when to sell or buy Real Estate is a personal one influenced by a number of lifestyle *factors* and external *variables*. The past year or so typifies that. Some have not been deterred causing a frenzied sellers' market while others have decided to delay their plans to sell or buy. Some are actually waiting for foreclosures to rise. I don't see this period of price inflation as a bubble like we experienced 15 years ago but only time will tell.

The report compares current month and year-to-date results to one-year ago. The statistics continue to include pre- and post-pandemic time frames, however you define those terms, so it is not a true "apples-to-apples" comparison. 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 greatly 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, if you are 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 as well as provide you with 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 Bright MLS information. Look no further than recent developments with Zillow. Many have complained about their "Zestimates" over the years. Zillow started buying houses expecting to flip them only to find that their valuations/ expectations were wrong and now they are trying to unload a huge inventory. To continue, while a sale may be reported as having settled or closed recently, 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 from when the offer was presented and negotiated. This is especially true as market conditions change. Up-to-date information, even if not perfect, is important!

As far as the statistics, please remember that these numbers include a variety of single-family homes throughout the County. There were **410** new listings in December 2021, **up 2.5%** from one year ago (400). YTD: 9242 new listings in 2021 compared to 8309 in 2020 (+11.2%). There were **473** active listings in December 2021, **down 28%** from one year ago (524). *Inventory levels control the market* as Real Estate is a "supply and demand" commodity. However, you cannot "time the market": do you wait to sell, expecting further appreciation? Do you wait to buy expecting lower prices, more options or, as I mentioned earlier, foreclosures? Suppose you are selling *and* buying? How do you blend those processes to your benefit? History proves that many guessed wrong and missed an opportunity.

The "Months of Supply" (MSI) in December 2021 was .71, **down 22%** from one year ago. There were **705** closed sales in December 2021, **down 8%** from one year ago. YTD: 8193 closed sales in 2021 compared to 7139 in 2020 (+14.8%). The median sold price was **\$275,000** in December 2021, **down 13%** from one year ago. YTD: \$272,000 in 2021 compared to \$250,000 in 2020 (+8.8%).

Here are two other interesting December 2021 vs December 2020 statistics: (1) the Sold vs. List

Price Ratio was 99.8%, **up .6%**; (2) the average Days on the Market was 28, **up 12%** (25). As usual, properly priced houses are selling fast and achieve more than their asking price, some a lot more. Many currently listed houses are simply asking too much, perhaps factoring in what the owners think would be their final selling price or trying to take advantage of low inventory levels. However, if buyers assume they have to over-bid on an already high price, they may look elsewhere or wait to buy.

How you interpret all of this information and data is subjective, meaning you can draw a *variety* of conclusions and then make decisions based on what you think. Does it make you any more or any less likely to want to sell or buy? If you are thinking about selling, know that history suggests that markets change suddenly. Some will try to “time the market” and get as much as they can. Many owners still regret not selling during the last seller’s market. Some waited too long and prices fell or they wanted too much for their house. If you are thinking about buying, do you worry about prices continuing to rise, do you worry about overpaying or are you waiting for prices to drop? How many wish they had bought months ago? If you need or want to sell one house to buy another, this can get even more complicated as you try to coordinate two processes. **Now may be the time to plan for spring!**

All of this underscores the need to work with a professional. The internet and advice you get from family, friends and the media is likely very general and subjective. In my opinion, much of the well-reported “frenzy” created erratic behavior. Assuming buyers did what they thought or were told they needed to do to “win”, even without really knowing if others were bidding on the same house, do they or will they *regret* their decisions? Many agents will tell you that they are shocked by buying “sight unseen”, waiving inspections and/or going well over asking price. Competition creates interesting scenarios. I have no doubt that we will be talking about this time period for years to come. I hope that it all works out as the market stabilizes and then shifts into a buyer’s market. Only time will tell.

What about the properties that **did not sell**? *Many* came off the market and remain unavailable. Did owners *delay, change* or *give up* their plans? While buying activity has generally been strong, some sellers are reluctant to allow showings or may have issues holding them back. Given the statistics, are people making an informed decision or reacting to what they “think” is happening in their local market? A brief conversation may be very helpful if you have any questions about selling or buying.

Anyone thinking about selling or buying needs to understand their local market and decide how to react to it. The effects of buying and selling remain for years as does inaction. These are important decisions and likely require the *knowledge* and *insight* that an experienced, trained and educated 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 keep 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.

No matter how good the market may appear, 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”, whatever that means today. Most property listings whose contracts are **canceled** or allowed to **expire** have asking prices considered high for their local market and/ or they were *poorly* marketed, meaning that some buyers and agents may not have even known that a property was available to look at or purchase. Some buyers may make an attractive offer just to control the process only to have remorse later as inspection results are revealed or they see another property they prefer more.

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 or

others offer more for the same price? Many sellers open to negotiating their price will never get the chance. I will be happy to discuss specifics with you.

Statistics aside, **what are you planning to do?** Real Estate is generally a long-term investment. There are always opportunities out there. As with the stock market, it is very difficult if not impossible 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. If you need to sell in order to buy, let's have that conversation. Now may be the best time to start planning.

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

HIRE WISELY: We are not "*all the same*"!