DATA AS OF October 6, 2022

September 2022 Market Report
Philadelphia Metro

Philadelphia Market Key Findings

Despite Fewer Buyers and Higher Rates, Prices Continue to Rise

Ongoing economic uncertainty and higher mortgage rates continue to slow housing market activity in the Philadelphia metro area. Compared to a year ago, the number of new pending sales in September was down by 26.8%. Pending sales activity typically falls in September, but the monthly decline this year was steeper than during most years.

With fewer buyers, homes are remaining on the market longer. In September, the median days on market in the Philadelphia metro area was 12. Buyers that remain in the market are taking their time, looking at multiple properties, and asking for seller concessions.

Despite the increased leverage among buyers, inventory continues to be very low in the Philadelphia metro area, with just 1.60 months of supply regionwide. Inventory expanded in Philadelphia County in September, but the number of active listings in many of the region's suburbs shrank compared to a year ago.

Price growth was firm in the region during September, with the median sales price up 6.5% compared to a year ago. Prices have remained surprisingly resilient throughout much of the region, despite rising mortgage rates.

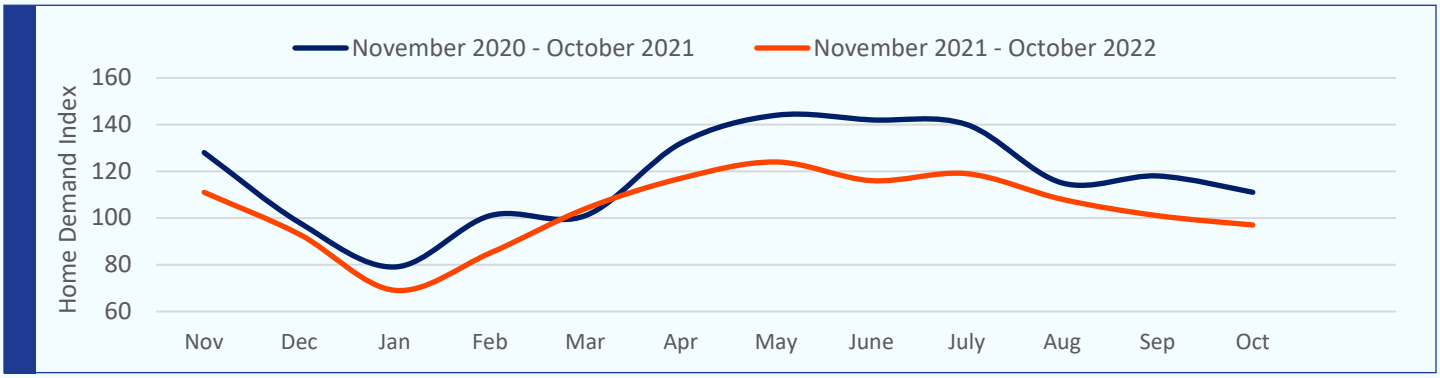
	September 2022	vs. September 2021
Closed sales	6,529	-21.6%
Median sales price	$330,000	+6.5%
Median days on market	12	+2 days
New pending sales	6,071	-26.8%
New listings	7,842	-18.5%
Active listings	11,687	+1.8%
Months of supply	1.60	+12.2%
Showings	143,874	-24.5%

Bright MLS T3 Home Demand Index

The Bright MLS T3 Home Demand Index (HDI) shows a seasonal decline in buyer traffic, which continues to be lower than a year ago. The forward-looking HDI for October for the Philadelphia metro area was 97, down from 111 a year ago and a decline from last month's index of 101.

The HDI indicates that buyer demand declined this month across all housing types, with the exception of higher-price condos.

Bright MLS T3 Home Demand Index

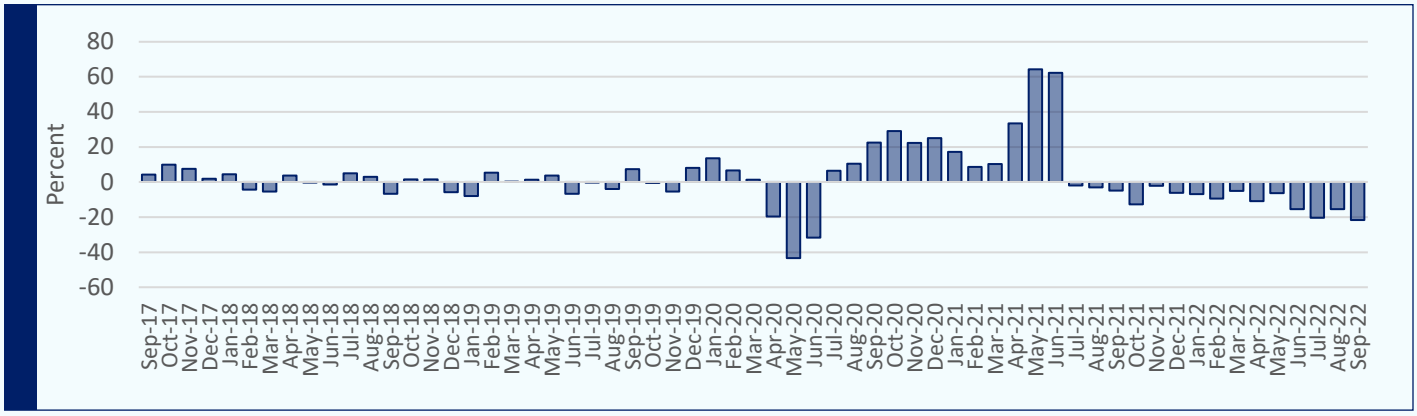


Market Outlook

Higher mortgage rates will continue to cool buyer demand during the fall. Buyers who remain in the market will find more choices and will have more opportunities to negotiate with sellers over terms. Many sellers are dropping their list prices amidst changing market conditions and more buyers are able to ask for home inspection and other contingencies, and even get seller assistance with closing costs. In most markets, prices will continue to rise, with the greatest risk for price softening in Philadelphia County.

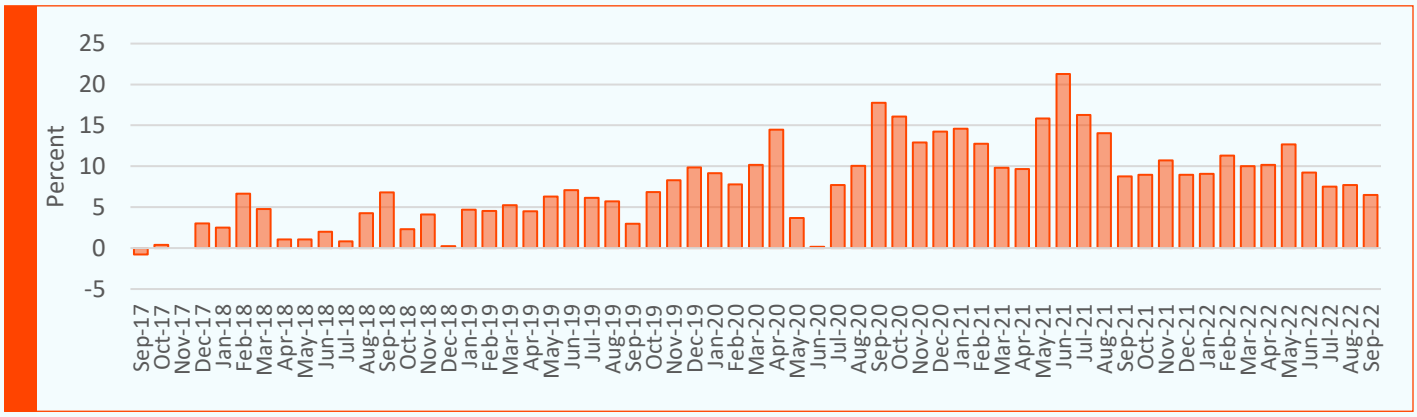
Closed Sales Year-Over-Year Change

In September, the number of home sales in the Philadelphia metro area was down 21.6% compared to last year. Sales have been declining compared to last year's fast pace and the number of closed sales was the lowest September total since 2015. The steepest decline home sales was among condominiums (-30.2%), but sales were off significantly among single-family detached homes (-21.1%) and townhomes (-20.3%), as well.



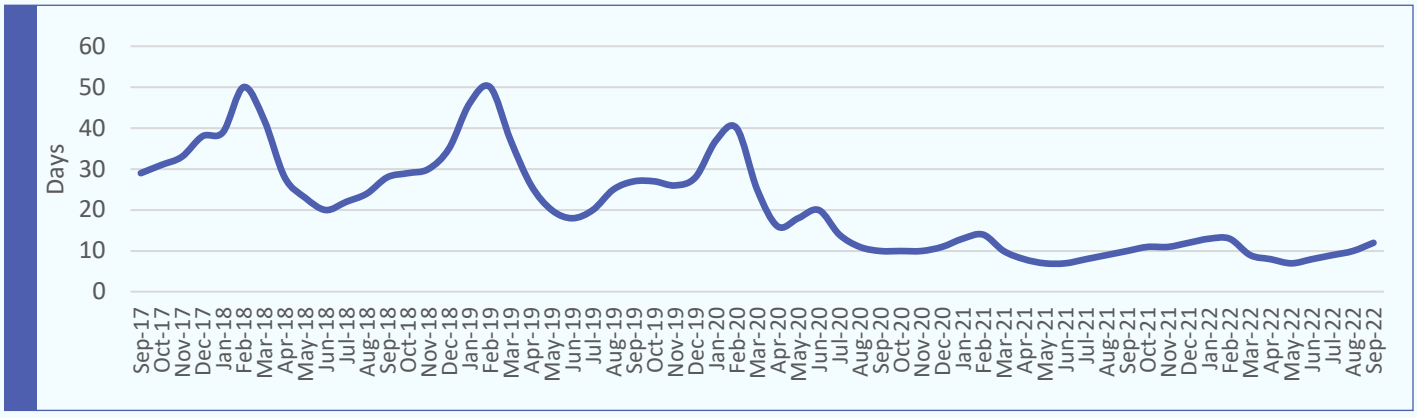
Median Sales Price Year-Over-Year Change

The median sales price in the Philadelphia metro area rose 6.5% to $330,000 in September. Home prices continue to rise faster in the Philadelphia region than in other major markets in the Mid Atlantic. The median price in the Philadelphia region declined between August and September, but this is a typical seasonal pattern.



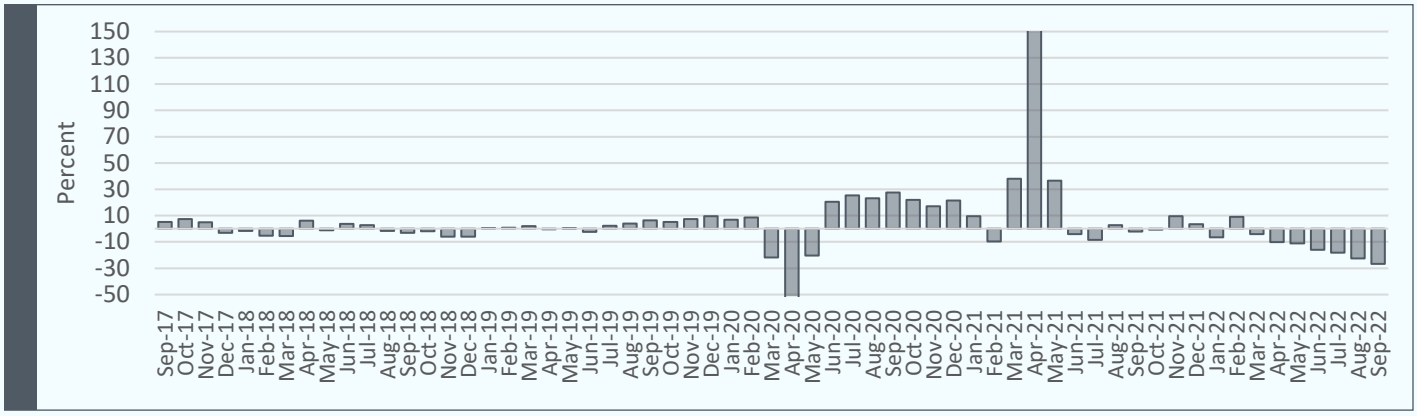
Median Days on Market

Homes are staying on the market longer, but the pace of home sales transactions is still quick compared to pre-pandemic levels. In September, the median days on market in the Philadelphia metro area was 12, which was 2 days longer than both a year ago and last month. In 2019, homes would typically take 20 days or more to sell in the region.



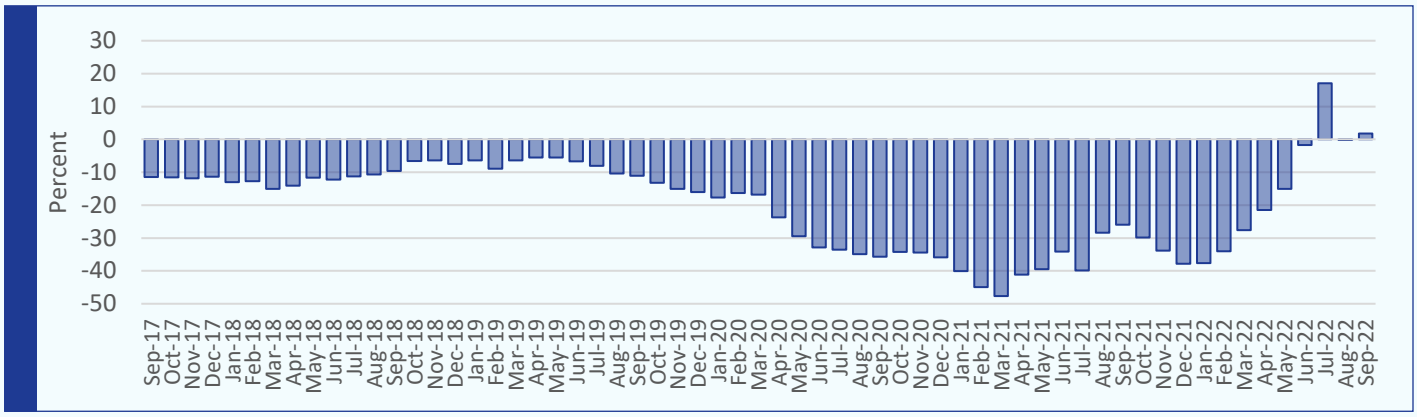
New Pending Sales Year-Over-Year Change

The number of pending sales continued to fall in the Philadelphia metro area, with new pending sales down 26.8% in September compared to September 2021. New pending sales also declined between August and September, which is a typical seasonal pattern. However, this year's month-to-month decline was larger than it has been in past years.



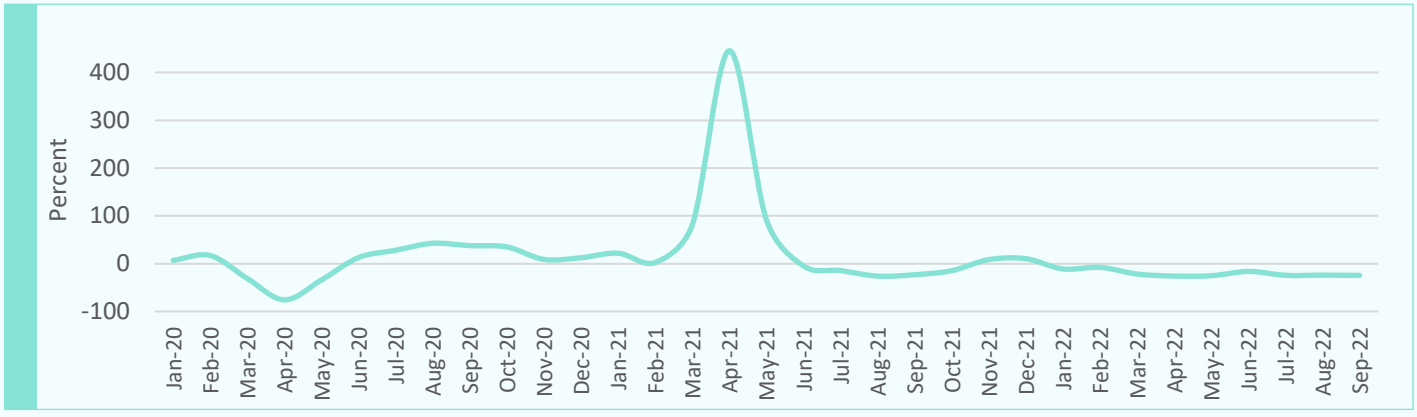
Active Listings Year-Over-Year Change

Inventory rose slightly in September in the Philadelphia metro area, driven primarily by an increase in the number of active listings in Philadelphia County. There were 11,687 total active listings on the market regionwide at the end of the month, up 1.8% compared to a year ago. Inventory is still less than half of what it was prior to the pandemic.



Showings Year-Over-Year Change

Buyer traffic continues to be lower than last year's busy pace and is also lower than it was during September of 2019. This September, there were 143,874 showings across the Philadelphia metro area, a 24.5% decline compared to a year ago. The number of showings also declined 8.4% between August and September.



Local Markets

Higher mortgage rates and uncertain economic conditions have impacted the Philadelphia County housing market more extensively than the region's suburban housing markets. Both closed and pending sales in Philadelphia County declined sharply in September, as the median days on market rose to 25, the highest level since February. Philadelphia County is the only local market where the median home price declined year-over-year. Despite that decline, however, pries have still risen about 25% over the past three years.

In other parts of the Philadelphia region, home sales are lower than a year ago as buyers pull back, but home prices are still rising. The fastest home price growth in September was in Bucks County (+15.4%) and New Castle County (+13.9%).

Inventory rose slightly in most markets as a result of fewer sales, but the number of new listings coming on the market has been very low. Some prospective sellers are hesitant to list as mortgage rates continue to rise, particularly if they recently refinanced their mortgage at a much lower rate.



CLOSED SALES

	September 2022	vs. September 2021
Bucks County, PA	628	-20.2%
Burlington County, NJ	577	-20.3%
Camden County, NJ	585	-15.7%
Chester County, PA	541	-26.8%
Delaware County, PA	566	-18.4%
Gloucester County, NJ	360	-22.4%
Kent County, DE	237	-12.9%
Mercer County, NJ	346	-24.0%
Montgomery County, PA	899	-19.2%
New Castle County, DE	571	-29.5%
Philadelphia County, PA	1,219	-22.5%
Philadelphia Metro	**6,529**	**-21.6%**

MEDIAN SALES PRICE

	September 2022	vs. September 2021
Bucks County, PA	$ 450,000	15.4%
Burlington County, NJ	$325,000	6.6%
Camden County, NJ	$270,000	7.6%
Chester County, PA	$447,000	6.3%
Delaware County, PA	$276,500	5.2%
Gloucester County, NJ	$290,000	5.8%
Kent County, DE	$307,500	2.7%
Mercer County, NJ	$369,950	12.1%
Montgomery County, PA	$391,250	5.7%
New Castle County, DE	$320,000	13.9%
Philadelphia County, PA	$260,000	-0.4%
Philadelphia Metro	**$330,000**	**6.5%**

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	September 2022	vs. September 2021	September 2022	vs. September 2021	September 2022	vs. September 2021
Bucks County, PA	547	-32.4%	667	-16.8%	9	**1**
Burlington County, NJ	566	-24.7%	607	-21.1%	15	**1**
Camden County, NJ	565	-21.0%	612	-18.1%	15	**2**
Chester County, PA	443	-32.8%	592	-23.2%	7	**0**
Delaware County, PA	528	-27.9%	656	-19.6%	9	**0**
Gloucester County, NJ	302	-35.5%	367	-21.4%	15	**2**
Kent County, DE	244	-19.7%	235	-27.5%	10	**1**
Mercer County, NJ	337	-26.3%	326	-23.3%	16	**4**
Montgomery County, PA	735	-27.8%	930	-21.8%	8	**1**
New Castle County, DE	585	-24.5%	653	-23.7%	8	**0**
Philadelphia County, PA	1,219	-24.1%	2,197	-10.4%	25	**10**
Philadelphia Metro	**6,071**	**-26.8%**	**7,842**	**-18.5%**	**12**	**2**

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	September 2022	vs. September 2021	September 2022	vs. September 2021
Bucks County, PA	738	-3.1%	1.12	8.5%
Burlington County, NJ	780	-5.1%	1.24	4.4%
Camden County, NJ	762	-1.9%	1.26	10.6%
Chester County, PA	649	-17.7%	1.08	-3.8%
Delaware County, PA	667	-13.0%	1.05	-5.5%
Gloucester County, NJ	510	4.7%	1.38	26.1%
Kent County, DE	356	3.2%	1.39	4.4%
Mercer County, NJ	494	-14.5%	1.35	-3.1%
Montgomery County, PA	1,068	-7.3%	1.11	3.0%
New Castle County, DE	658	-7.1%	1.02	-0.4%
Philadelphia County, PA	5,005	16.6%	3.19	23.5%
Philadelphia Metro	**11,687**	**1.8%**	**1.60**	**12.2%**

Where Are All the Homes?

As housing market conditions cool and the buyer pool shrinks, inventory should begin to increase. While there have been modest increases in the number of active listings, supply remains at historically low levels. In September, all local markets with the exception of Philadelphia County have less than two months of supply.

In this slowing market, both buyers and sellers are holding back as a result of higher mortgage rates. Inventory likely will remain relatively low for the foreseeable future.

Local Markets Continued

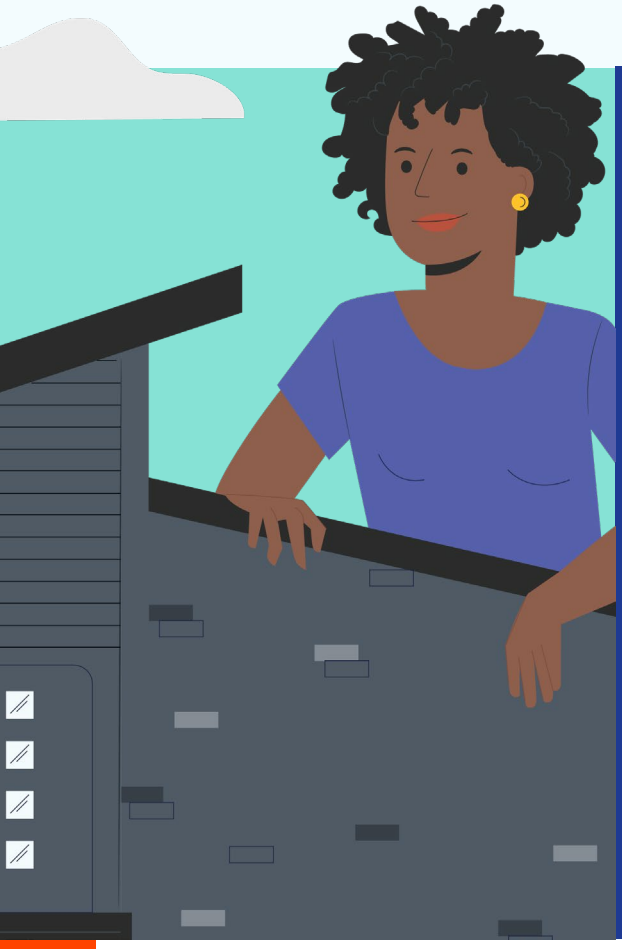
	SHOWINGS		HOME DEMAND INDEX	
	September 2022	vs. September 2021	October 2022	vs. October 2021
Bucks County, PA	13,155	-27.8%	120	-12.4%
Burlington County, NJ	12,120	-27.6%	73	-13.1%
Camden County, NJ	15,755	-18.3%	81	-6.9%
Chester County, PA	10,364	-25.8%	105	-15.3%
Delaware County, PA	13,084	-25.4%	119	-16.8%
Gloucester County, NJ	8,992	-29.5%	72	-14.3%
Kent County, DE	3,914	-30.4%	113	-16.3%
Mercer County, NJ	7,618	-16.1%	62	-15.1%
Montgomery County, PA	18,662	-22.7%	117	-12.7%
New Castle County, DE	13,026	-27.4%	123	-16.3%
Philadelphia County, PA	27,184	-22.8%	98	-6.7%
Philadelphia Metro	**143,874**	**-24.5%**		

Bright MLS T3 Home Demand Index

The Home Demand Index (HDI) captures buyer signals including showing requests, listing views and more to let you know what buyers are doing right now, before they buy. The HDI is forward-looking, providing a picture of what market activity will be this month.

The Home Demand Index was created as part of our strategy to create a nimbler and more innovative MLS platform that drives your business forward.

Read More about the HDI
homedemandindex.com



About **Bright MLS**

Bright is proud to be the source of truth for comprehensive real estate data in the Mid-Atlantic, with market intelligence currently covering six states (Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia) and the District of Columbia. Bright MLS's innovative tool library—both created and curated—provides services and award-winning support to well over 100k real estate professionals, enabling their delivery on the promise of home to over half a million home buyers and sellers monthly. In 2021, Bright subscribers facilitated $141B in real estate transactions through the company's platform. Learn more at Bright MLS.com.

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