DATA AS OF February 6, 2023

January 2023 Market Report
Philadelphia Metro

Philadelphia Market Key Findings

Philadelphia Area Housing Market Has Bottomed Out
Home Prices Rising Faster Than Other Mid-Atlantic Markets

Housing market activity may have bottomed out at the end of 2022. Declining mortgage rates in January brought buyers back to the market, and there are signs that sellers might also be returning.

Both pending sales and showing activity in the Philadelphia region increased in January compared to December. Buyers who had been on the sidelines during the last part of 2022 are showing eagerness to get back into the market as rates have dropped to their lowest levels since September.

Buyers returning to the market will still find very low inventory, but the supply picture may be beginning to improve. New listings were up significantly over December but still remain lower than they have been in nearly two decades.

Price growth has moderated in the Philadelphia metro area, but home prices are still rising faster than they are in other Mid-Atlantic markets. The metro area's median price has fallen more than 10% from its summer 2022 peak, but prices are still 31% higher than they were in January 2020.

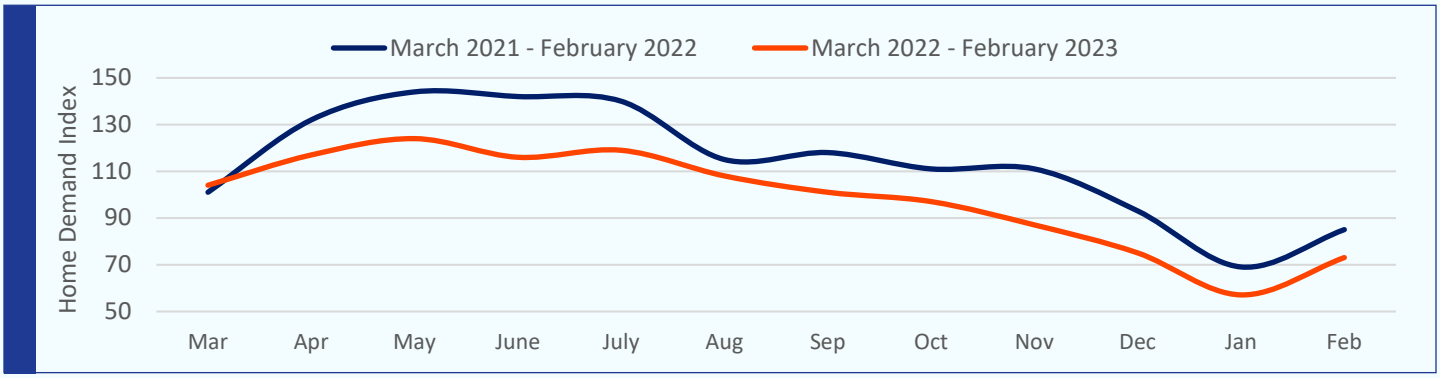
	January 2023	vs. January 2022
Closed sales	3,747	-34.7%
Median sales price	$314,000	+4.7%
Median days on market	21	+8 days
New pending sales	4,889	-20.6%
New listings	5,821	-4.5%
Active listings	9,105	+33.4%
Months of supply	1.40	+62.8%
Showings	129,431	-32.5%

Bright MLS T3 Home Demand Index

The Bright MLS T3 Home Demand Index (HDI) indicates slow pre-sales activity in the Philadelphia metro area. The forward-looking HDI for February for the Philadelphia metro area was 73, rising from 57 in January. This reflects a return to seasonality in the market.

Despite the increase, the HDI is down from 85 a year ago at this time.

Bright MLS T3 Home Demand Index



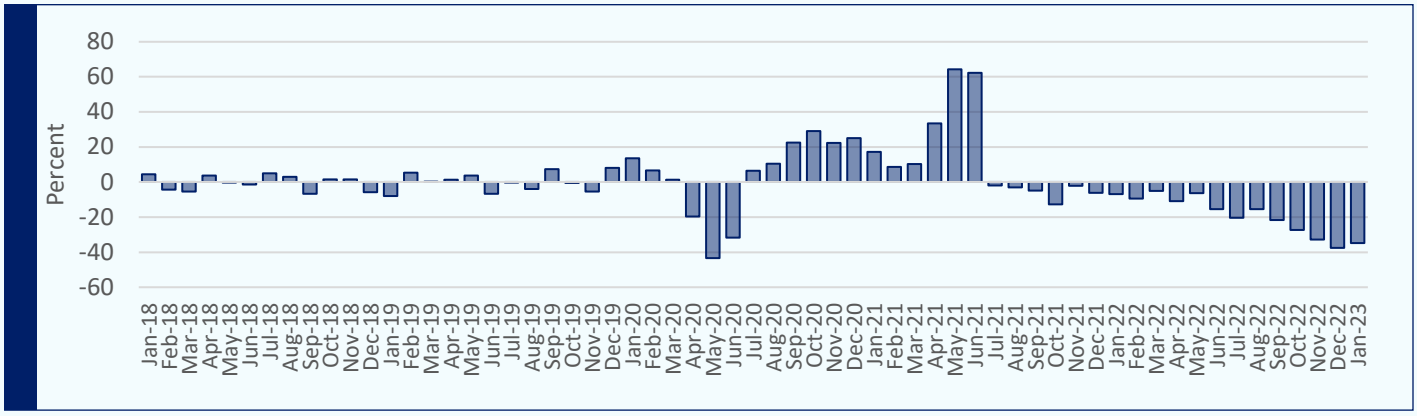
Market Outlook

The Philadelphia metro area housing market is poised for a rebound as we head into the spring market. Many buyers who had been sidelined during the fall are ready to begin their home search again. Listings that had been taken off the market in November and December were back on in January. Homeowners who were thinking about selling will be more encouraged to list their home in the coming weeks as they see that buyer activity has picked up.

The housing market rebound comes as both buyers and sellers adjust to the "new normal," which will include mortgage rates around 6%, longer transaction times, and more negotiations between buyers and sellers. Supply will remain a constraint, however, as historically low rates in 2020 and 2021 have locked in homeowners, making many unwilling to move.

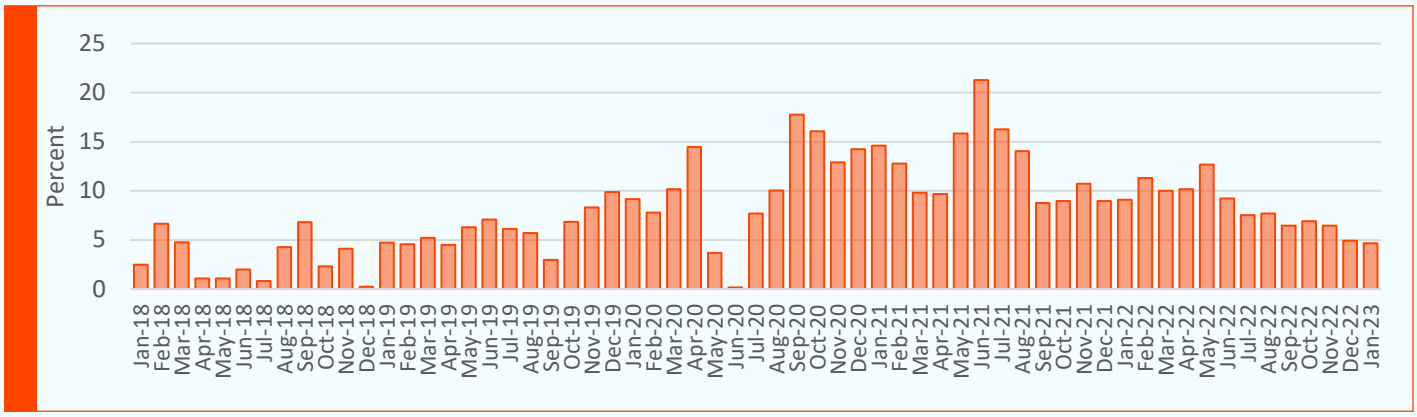
Closed Sales Year-Over-Year Change

In January, there were 3,747 closed sales in the Philadelphia metro area. Sales were 34.7% lower than a year ago and fell 24.4% between December and January. Across all three property types in the metro area, townhomes had the fastest drop in closed sales year-over-year (-36.6%).



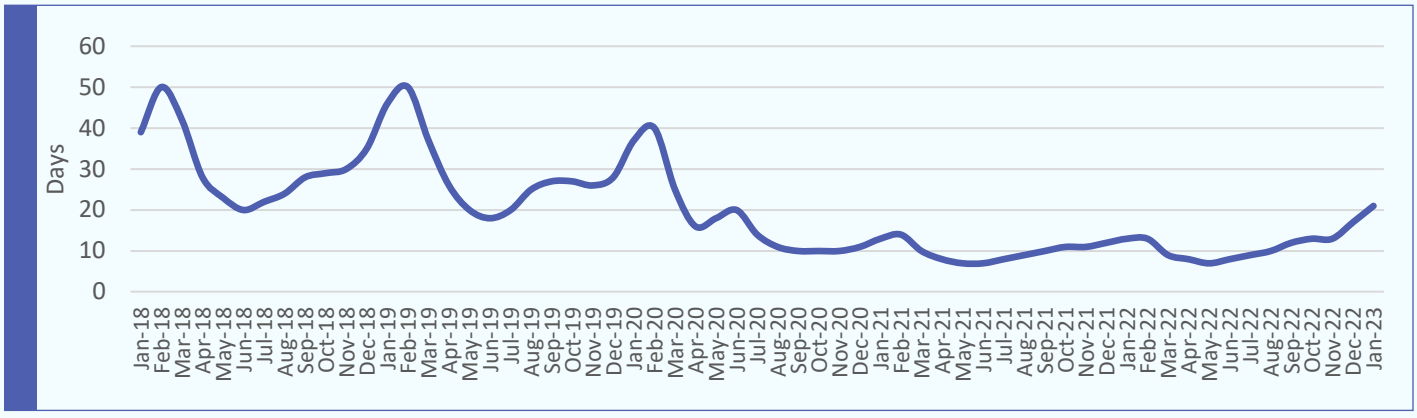
Median Sales Price Year-Over-Year Change

The median sales price in the Philadelphia metro area was $314,000 in January, which is up 4.7% compared to a year ago. Prices for both single-family homes and condominiums rose around 5% from last year, while townhome prices declined 1.2% from 2022.



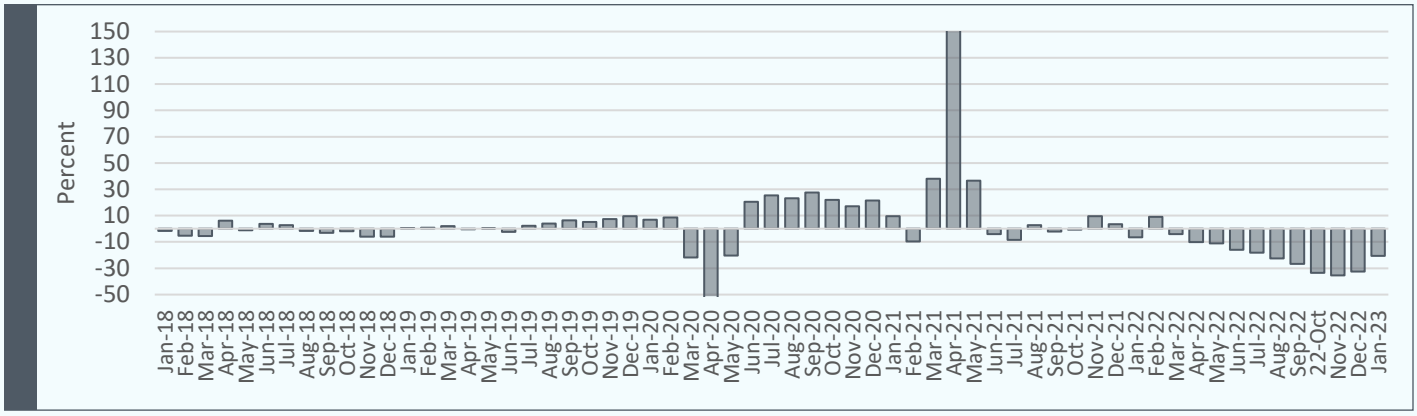
Median Days on Market

In the Philadelphia metro area, the median days on market was 21 in January. Though the days on market did rise eight days from last year, the days on market in the Philadelphia metro area is still below the levels in both the Washington, DC, and Baltimore metro areas.



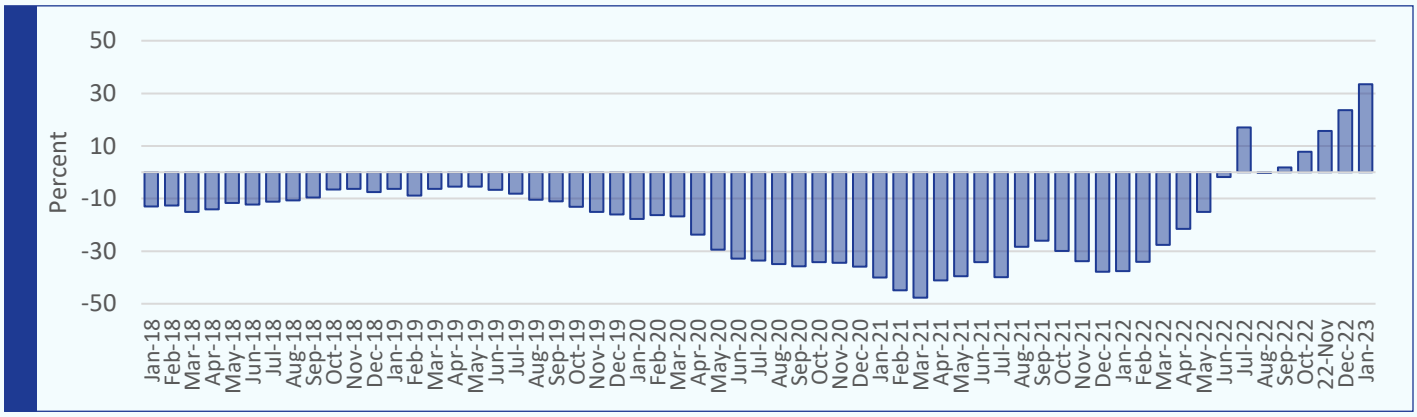
New Pending Sales Year-Over-Year Change

New pending sales fell in January, down 20.6% compared to 2022. However, pending sales rose significantly between December and January. Year-over-year, pending sales fell across all property types during January, led by a sharp decline in new pending sales for condominiums, which fell 33.4% from last January.



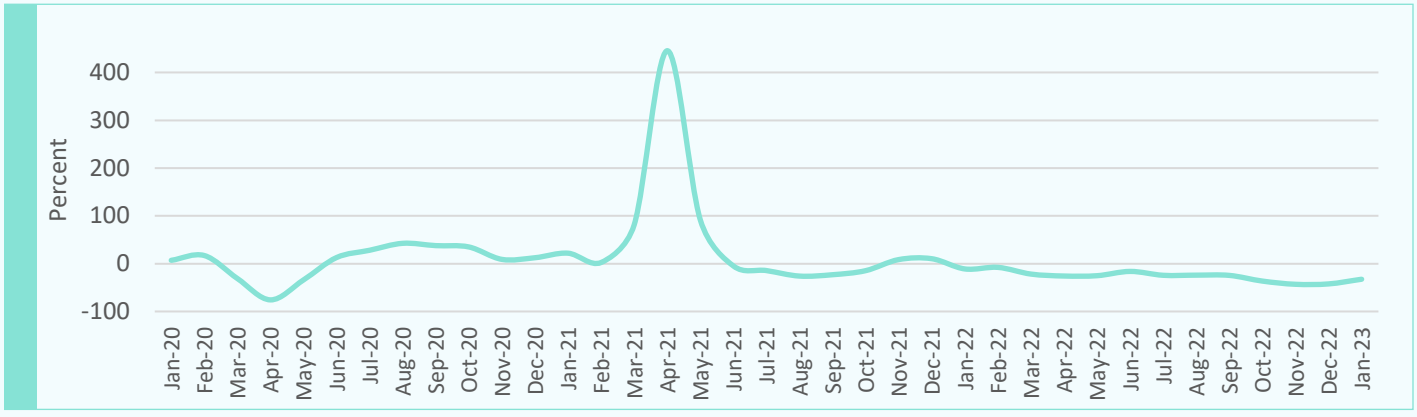
Active Listings Year-Over-Year Change

At the end of January, there was a total of 9,105 active listings in the Philadelphia metro area, which is up 33.4% compared to a year ago. Inventory for both single-family detached homes and townhomes rose by 35% compared to January 2022.



Showings Year-Over-Year Change

Showings reach their highest levels in three months and saw the lowest year-over-year declines of the major metro areas. Showings were 32.5% lower than a year ago but increased by 53.0% between December and January.



Local Markets

The housing market is rebounding across the Philadelphia metro area, but there are some markets where buyer activity is increasing more quickly. The numbers of January new pending sales were still lower than a year ago, but pending sales increased across all local markets compared to December. The biggest month-to-month gain was in Bucks County, PA.

More new listings helped drive buyer traffic in January. New listings in Bucks County, PA, were down 3.1% compared to a year ago but increased 72.7% compared to December. New listings surged by more than 50% between December and January in several suburban counties in the region.

Prices rose in January in all local markets with the exception of Mercer County, NJ (-2.7%), and Camden County, NJ (-2.1%). The median price in Philadelphia County was unchanged compared to a year ago.



CLOSED SALES

	January 2023	vs. January 2022
Bucks County, PA	300	-39.6%
Burlington County, NJ	336	-35.5%
Camden County, NJ	338	-30.7%
Chester County, PA	286	-36.6%
Delaware County, PA	300	-42.0%
Gloucester County, NJ	215	-25.1%
Kent County, DE	144	-17.2%
Mercer County, NJ	196	-30.5%
Montgomery County, PA	461	-32.5%
New Castle County, DE	352	-26.5%
Philadelphia County, PA	819	-39.9%
Philadelphia Metro	**3,747**	**-34.7%**

MEDIAN SALES PRICE

	January 2023	vs. January 2022
Bucks County, PA	$405,000	+5.9%
Burlington County, NJ	$325,000	+4.8%
Camden County, NJ	$248,591	-2.1%
Chester County, PA	$455,500	+3.5%
Delaware County, PA	$265,000	0.0%
Gloucester County, NJ	$305,000	+16.0%
Kent County, DE	$298,440	+9.7%
Mercer County, NJ	$321,000	-2.7%
Montgomery County, PA	$390,000	+9.1%
New Castle County, DE	$304,999	+1.7%
Philadelphia County, PA	$250,000	0.0%
Philadelphia Metro	**$314,000**	**+4.7%**

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	January 2023	vs. January 2022	January 2023	vs. January 2022	January 2023	vs. January 2022
Bucks County, PA	424	-13.1%	468	-3.1%	15	+7
Burlington County, NJ	472	-12.1%	481	-1.8%	26	+11
Camden County, NJ	414	-13.6%	455	-8.8%	20	+4
Chester County, PA	343	-22.0%	386	-6.8%	13	+6
Delaware County, PA	404	-27.5%	485	-8.1%	12	0
Gloucester County, NJ	282	-2.1%	318	+17.8%	17	+3
Kent County, DE	190	-22.8%	213	-4.1%	21	+8
Mercer County, NJ	224	-25.1%	242	-15.4%	22	+5
Montgomery County, PA	545	-21.7%	630	-5.4%	12	+4
New Castle County, DE	442	-15.0%	422	-13.3%	13	+6
Philadelphia County, PA	1,149	-28.5%	1,721	-1.6%	43	+19
Philadelphia Metro	**4,889**	**-20.6%**	**5,821**	**-4.5%**	**21**	**+8**

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	January 2023	vs. January 2022	January 2023	vs. January 2022
Bucks County, PA	535	+40.4%	0.92	+73.6%
Burlington County, NJ	600	+45.6%	1.06	+73.8%
Camden County, NJ	571	+20.7%	1.05	+47.9%
Chester County, PA	460	+24.0%	0.88	+66.0%
Delaware County, PA	530	+31.8%	0.94	+59.3%
Gloucester County, NJ	396	+52.3%	1.20	+100.0%
Kent County, DE	350	+38.9%	1.54	+62.1%
Mercer County, NJ	361	+10.7%	1.10	+37.5%
Montgomery County, PA	728	+39.7%	0.84	+68.0%
New Castle County, DE	470	+5.4%	0.83	+29.7%
Philadelphia County, PA	4,104	+37.7%	2.95	+65.7%
Philadelphia Metro	**9,105**	**+33.4%**	**1.40**	**+62.8%**

Which Comes First?

Typically, at the beginning of the year, we see an uptick in new listings as sellers anticipate a rush of buyers in the spring.

This year, homebuyers appear to be out in front of sellers. More prospective buyers are touring homes and making offers, but new listings in January were at their lowest level since 2004.

As mortgage rates stabilize around 6% through the spring, more buyers will be back in the market. That demand will encourage more listing activity, bringing buyers more options over the coming weeks.

Local Markets Continued

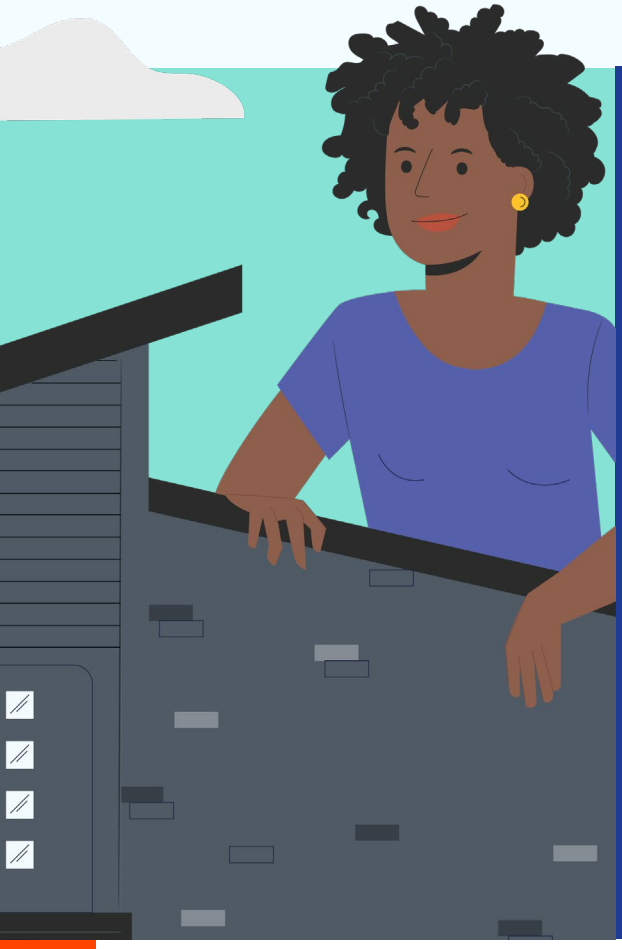
	SHOWINGS		HOME DEMAND INDEX	
	January 2023	vs. January 2022	February 2023	vs. February 2022
Bucks County, PA	11,880	-32.3%	84	-9.7%
Burlington County, NJ	12,454	-26.3%	62	-6.1%
Camden County, NJ	14,262	-29.6%	63	-16.0%
Chester County, PA	8,296	-33.8%	64	-19.0%
Delaware County, PA	11,155	-35.5%	88	-17.7%
Gloucester County, NJ	9,081	-23.3%	62	0.0%
Kent County, DE	3,207	-32.6%	88	-8.3%
Mercer County, NJ	5,823	-42.1%	44	-24.1%
Montgomery County, PA	15,348	-40.2%	79	-21.8%
New Castle County, DE	10,461	-33.8%	79	-21.0%
Philadelphia County, PA	27,463	-29.6%	83	-9.8%
Philadelphia Metro	**129,431**	**-32.5%**	**73**	**-14.1%**

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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