

October 2022 Market Report Philadelphia Metro

Philadelphia Market Key Findings

Housing Market Slowdown Continues, But Prices Are Still Rising

As mortgage rates hit 7% in October, the Philadelphia metro area housing market continued to decelerate. Both closed sales and new pending sales were down sharply compared to a year ago as more buyers are sitting out the market this fall.

Sellers are also on the sidelines. The number of new listings in the Philadelphia metro area was 21.9% lower than last October and is the lowest number of October new listings in more than two decades. Overall, the month-end inventory climbed by 7.9% year-over-year, but that increase is being driven by a pullback in sales activity and not a surge of new listings. There is still just 1.65 months of supply across the Philadelphia metro area, far below what is needed for a balanced housing market.

Because inventory remains low, prices are still rising. The median home price in the Philadelphia metro area rose 6.9% over last year, the strongest price growth of all the major markets in the Mid-Atlantic. The regional median price is now more than 35% higher than it was in 2019. The one local

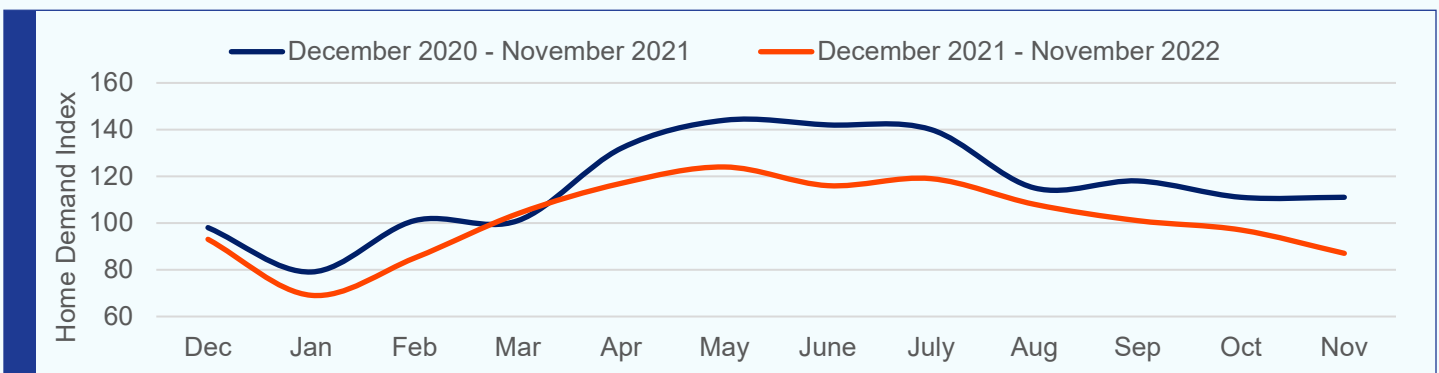
	October 2022		vs. October 2021
Closed sales	5,698	▼	-27.3%
Median sales price	\$325,000	▲	+6.9%
Median days on market	13	▲	+2 days
New pending sales	5,700	▼	-33.6%
New listings	7,101	▼	-21.9%
Active listings	11,724	▲	+7.9%
Months of supply	1.65	▲	+21.3%
Showings	130,019	▼	-36.4%

market where prices declined is Philadelphia County, where the median price was down 0.6% compared to last year.

Bright MLS T3 Home Demand Index

The Bright MLS T3 Home Demand Index (HDI) indicates a significant slowdown in buyer traffic. The forward-looking HDI for November for the Philadelphia metro area was 87, down from 111 a year ago and a decline from last month's index of 97.

Bright MLS T3 Home Demand Index



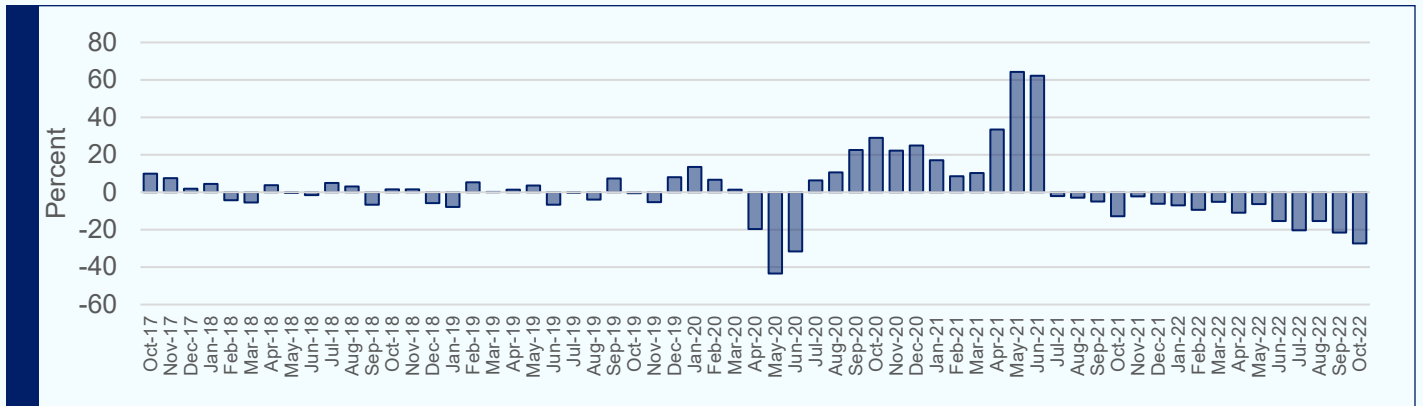
Market Outlook

Home sales activity will continue to decelerate in the Philadelphia metro area. High mortgage rates and growing affordability challenges have pushed some buyers out of the market while others are taking a “wait-and-see” approach in the hopes that rates come down. The housing market tends to slow down anyway during the winter holidays, and this year, the number of transactions could hit new lows.

It is inevitable that home prices in the Philadelphia metro area will come down from their peaks. However, because home prices ran up so quickly during the pandemic, expect prices to remain above where they were 3 years ago.

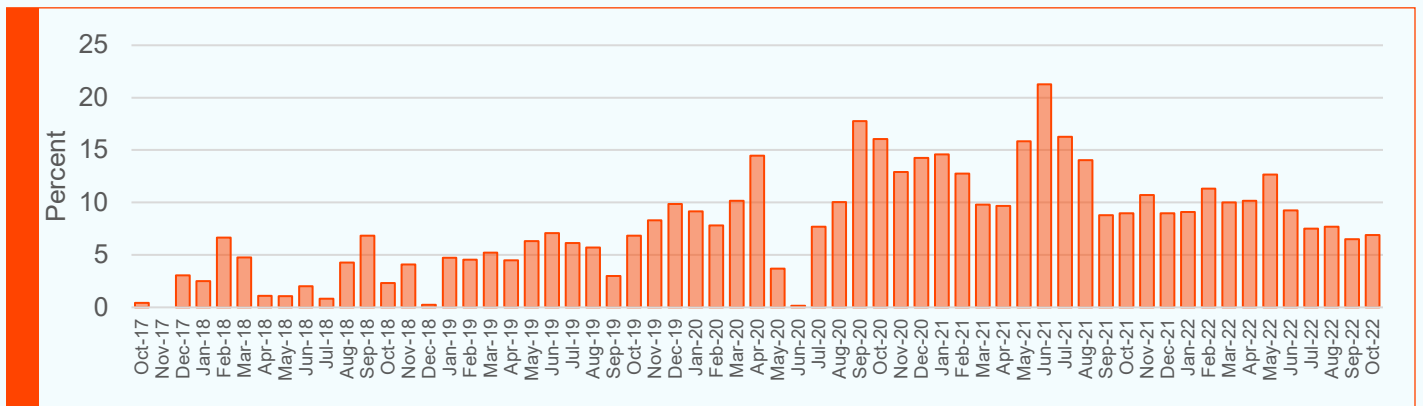
Closed Sales Year-Over-Year Change

In October, there were 5,698 closed sales in the Philadelphia metro area. Sales were 27.3% lower than a year ago and fell 12.7% between September and October. The pace of sales activity has slowed considerably in the metro area, and the October closed sales total was the lowest since 2014.



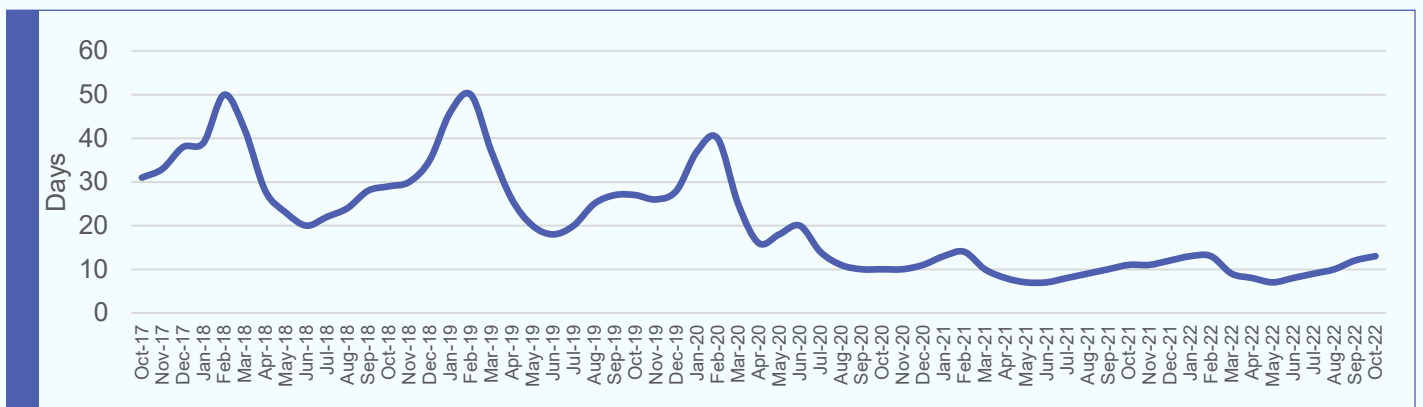
Median Sales Price Year-Over-Year Change

The median sales price in the Philadelphia metro area was \$325,000 in October, which is up 6.9% compared to a year ago. Home prices continue to rise faster in the Philadelphia region than in other major markets in the Mid-Atlantic. Single-family detached home prices were up strongly, with a gain of 8% in October.



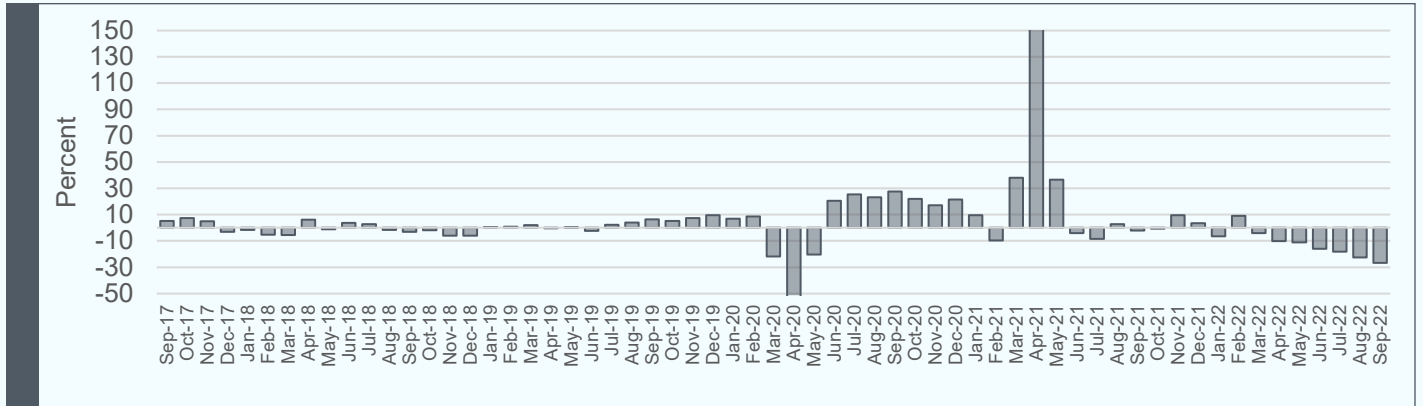
Median Days on Market

The median days on market in the Philadelphia metro area rose for the 5th consecutive month. In October, the median days on market was 13, which was 2 days longer than a year ago and 1 day longer than last month. Despite the uptick, homes are still selling more quickly than they did prior to the pandemic.



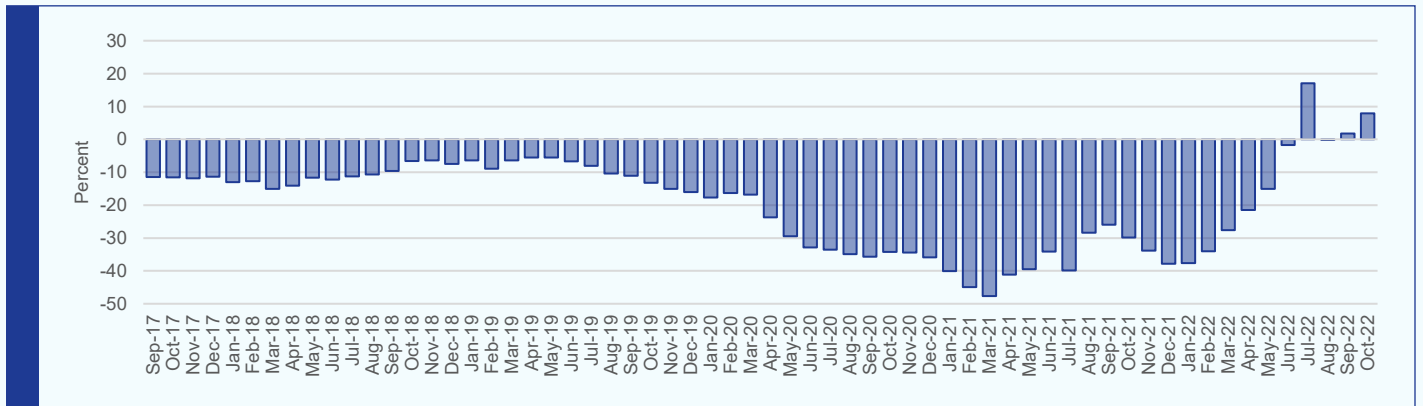
New Pending Sales Year-Over-Year Change

New pending sales fell sharply in October, down 33.6% compared to last October. This is the biggest year-over-year decline in new pending sales since the spring of 2020 when the pandemic locked down the housing market. Pending sales were also down 6.1% from a month ago.



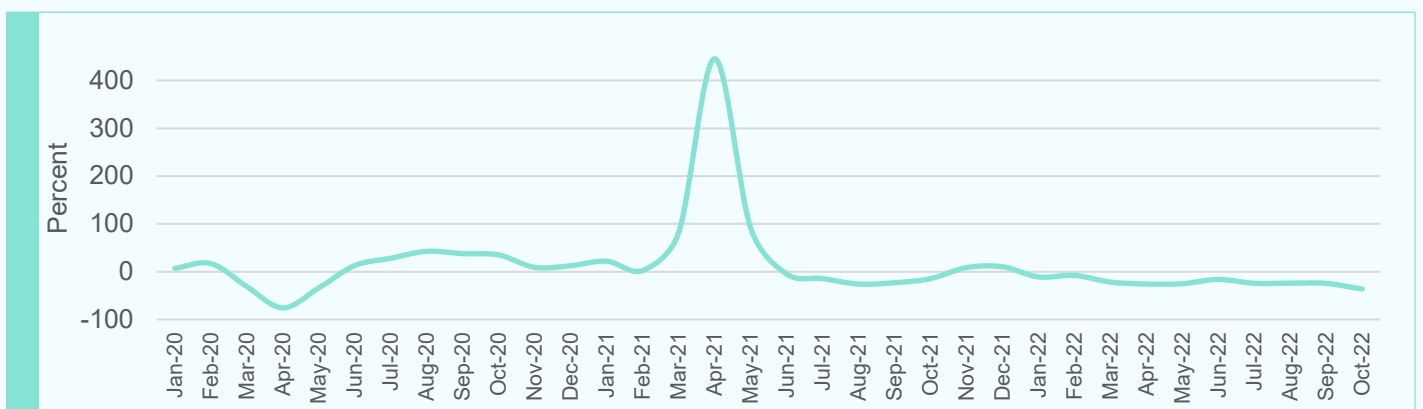
Active Listings Year-Over-Year Change

At the end of October, there was a total of 11,724 active listings in the Philadelphia metro area, which is up 7.9% compared to a year ago. Inventory has increased in 3 of the past 4 months in the region. However, the number of active listings is less than half of what it was 3 years ago.



Showings Year-Over-Year Change

Showings slowed considerably in October, with the total number of showings in the Philadelphia metro falling 36.4% compared to last October. Rising mortgage rates have sidelined many prospective buyers and slowed buyer traffic across the region.



Local Markets

Home sales activity has decelerated across all local markets in the Philadelphia metro area. In October, the number of new pending sales was down by 30% or more in nearly every county in the metro area.

The supply picture is a little more complicated. Fewer buyers have led to inventory expanding in some local markets. In Philadelphia County, the number of active listings at the end of October was up 21.3% compared to a year ago. Inventory increased by 15.5% in Kent County, DE, and expanded by 10.0% in Burlington County, NJ. However, in some local markets, supply continues to shrink. The biggest decline was in Chester County, PA, where active listings fell by 11.6% compared to a year ago.

Generally tight inventory has led to continued price growth in all local markets, with the exception of Philadelphia County. The strongest price gains were in Burlington County, NJ (+18.5%), Gloucester County, NJ (+14.7%), and New Castle County, DE (+13.2%).



CLOSED SALES

	October 2022	vs. October 2021
Bucks County, PA	530	-32.1%
Burlington County, NJ	510	-26.2%
Camden County, NJ	493	-26.4%
Chester County, PA	453	-34.7%
Delaware County, PA	508	-24.5%
Gloucester County, NJ	276	-39.2%
Kent County, DE	240	-22.8%
Mercer County, NJ	317	-18.5%
Montgomery County, PA	759	-23.9%
New Castle County, DE	527	-25.9%
Philadelphia County, PA	1,086	-25.8%
Philadelphia Metro	5,698	-27.3%

MEDIAN SALES PRICE

	October 2022	vs. October 2021
Bucks County, PA	\$ 431,500	+9.2%
Burlington County, NJ	\$339,900	+18.5%
Camden County, NJ	\$266,000	+6.4%
Chester County, PA	\$465,000	+9.4%
Delaware County, PA	\$285,000	+3.6%
Gloucester County, NJ	\$286,750	+14.7%
Kent County, DE	\$320,000	+6.7%
Mercer County, NJ	\$333,750	+7.0%
Montgomery County, PA	\$395,000	+9.7%
New Castle County, DE	\$323,750	+13.2%
Philadelphia County, PA	\$256,500	-0.6%
Philadelphia Metro	\$325,000	+6.9%

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	October 2022	vs. October 2021	October 2022	vs. October 2021	October 2022	vs. October 2021
Bucks County, PA	505	-34.5%	552	-26.6%	9	0
Burlington County, NJ	501	-28.1%	586	-15.6%	17	+2
Camden County, NJ	483	-29.2%	519	-28.2%	17	+3
Chester County, PA	482	-30.6%	535	-23.7%	7	+1
Delaware County, PA	545	-28.8%	581	-26.1%	9	0
Gloucester County, NJ	307	-27.1%	332	-20.6%	15	+2
Kent County, DE	193	-39.1%	236	-27.2%	13	+5
Mercer County, NJ	303	-35.9%	336	-28.5%	16	-2
Montgomery County, PA	770	-32.0%	848	-23.7%	9	+1
New Castle County, DE	509	-38.7%	551	-30.4%	9	+1
Philadelphia County, PA	1,102	-38.7%	2,025	-12.7%	23	+7
Philadelphia Metro	5,700	-33.6%	7,101	-21.9%	13	+2

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	October 2022	vs. October 2021	October 2022	vs. October 2021
Bucks County, PA	685	+1.6%	1.07	16.3%
Burlington County, NJ	834	+10.0%	1.36	22.5%
Camden County, NJ	722	-4.1%	1.22	9.9%
Chester County, PA	641	-11.6%	1.10	5.8%
Delaware County, PA	636	-10.2%	1.02	-1.9%
Gloucester County, NJ	471	+2.6%	1.32	26.9%
Kent County, DE	403	+15.5%	1.61	22.0%
Mercer County, NJ	507	-8.3%	1.40	3.7%
Montgomery County, PA	1,055	+1.5%	1.12	14.3%
New Castle County, DE	664	+3.4%	1.06	14.0%
Philadelphia County, PA	5,106	+21.3%	3.32	29.7%
Philadelphia Metro	11,724	+7.9%	1.65	+21.3%

Will Home Prices Fall?

Prices in the Philadelphia metro area continue to climb, with faster price growth than in most other major metro areas. Rising mortgage rates and a decline in the number of buyers in the market will lead prices to fall from their peak levels.

However, even if home prices fall by 10% or even 15%, home values will still be significantly higher than they were 3 years ago, before the pandemic. Price drops are more likely in the region's exurban communities and in the city, with prices in suburban markets more stable.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	October 2022	vs. October 2021	November 2022	vs. November 2021
Bucks County, PA	11,062	-42.2%	102	-20.9%
Burlington County, NJ	11,498	-25.9%	69	-11.5%
Camden County, NJ	13,562	-34.8%	68	-23.6%
Chester County, PA	9,279	-35.9%	91	-24.8%
Delaware County, PA	12,015	-37.0%	107	-27.7%
Gloucester County, NJ	8,588	-31.7%	65	-15.6%
Kent County, DE	3,330	-40.4%	101	-22.9%
Mercer County, NJ	7,156	-36.3%	58	-30.1%
Montgomery County, PA	16,715	-40.3%	107	-24.6%
New Castle County, DE	11,752	-38.4%	110	-25.2%
Philadelphia County, PA	25,062	-35.6%	89	-16.8%
Philadelphia Metro	130,079	-36.4%	87	-21.6%

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 BrightMLS.com.

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