

May 2023 Market Report

Philadelphia Metro

Philadelphia Market Key Findings

Home Prices Continue to Rise

Suburban home shoppers find market still competitive

Despite elevated mortgage rates, the median home price in the Philadelphia metro area was up 2.1% in May. Home prices have risen for 69 months in a row, reflecting strong demand, low supply and the relative affordability in the region.

Fewer buyers in the market have been counteracted by even fewer new listings coming onto the market. The number of active listings is less than 40% of 2019 levels and there is less than 2 months of supply in the Philadelphia metro area.

The market looks different depending on whether you are in the city or the suburbs. In some suburban markets, home prices are still rising very quickly as inventory continues to shrink compared to a year ago. In Philadelphia County, however, inventory is back at near-2019 levels and prices have fallen or remained flat for 11 months in a row.

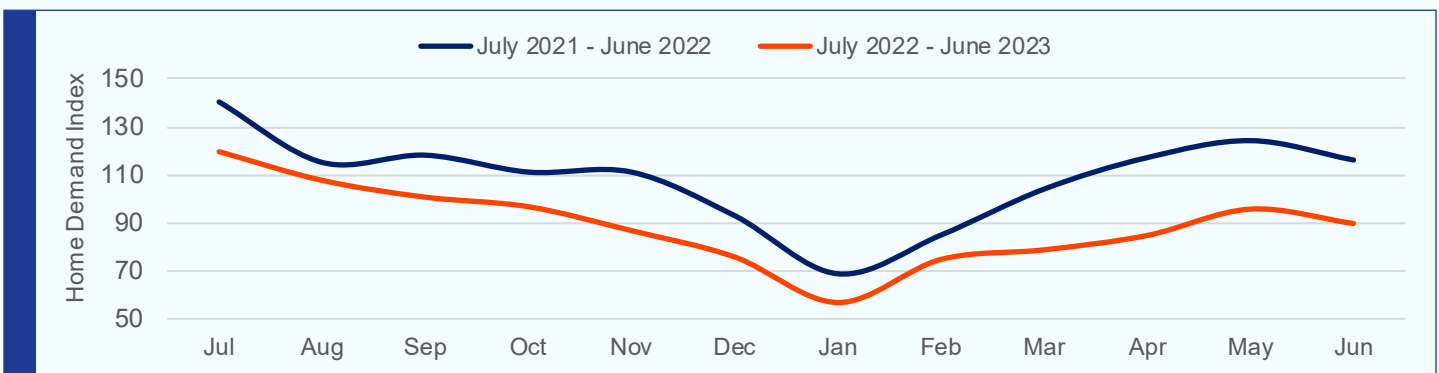
	May 2023		vs. May 2022
Closed sales	5,797	▼	-21.4%
Median sales price	\$345,000	▲	+2.1%
Median days on market	9	▲	+2 days
New pending sales	6,806	▼	-21.1%
New listings	7,387	▼	-26.5%
Active listings	9,001	▼	-1.4%
Months of supply	1.51	▲	+30.2%
Showings	161,777	▼	-26.6%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity is dampening this year following a peak in May. The index for the Philadelphia metro area was 90 in June, which just stays in Steady market conditions.

The index for the Philadelphia metro is down from 116 in June 2022.

Bright MLS T3 Home Demand Index



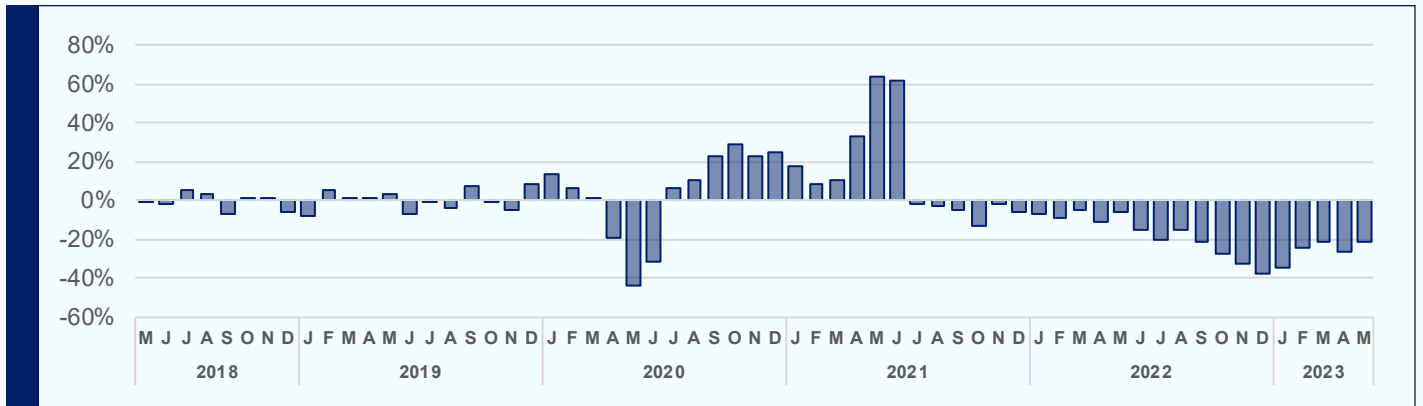
Market Outlook

Typically, the housing market slows slightly in the summer months, as many buyers and sellers are more focused on pool time and vacations. This summer could be different, however. There is potentially a group of “shadow” buyers who are waiting in the wings, watching for mortgage rates to come down. We are not going to see rates back down to pandemic levels, but they should come down some this summer. When rates do fall, these opportunistic buyers are not going to wait if they find a home they love.

Lower mortgage rates this summer could also entice some homeowners to sell, which would bring much needed inventory to the market. However, it is likely going to continue to be a seller’s market throughout the rest of 2023, with prices remaining firm and buyers facing competition.

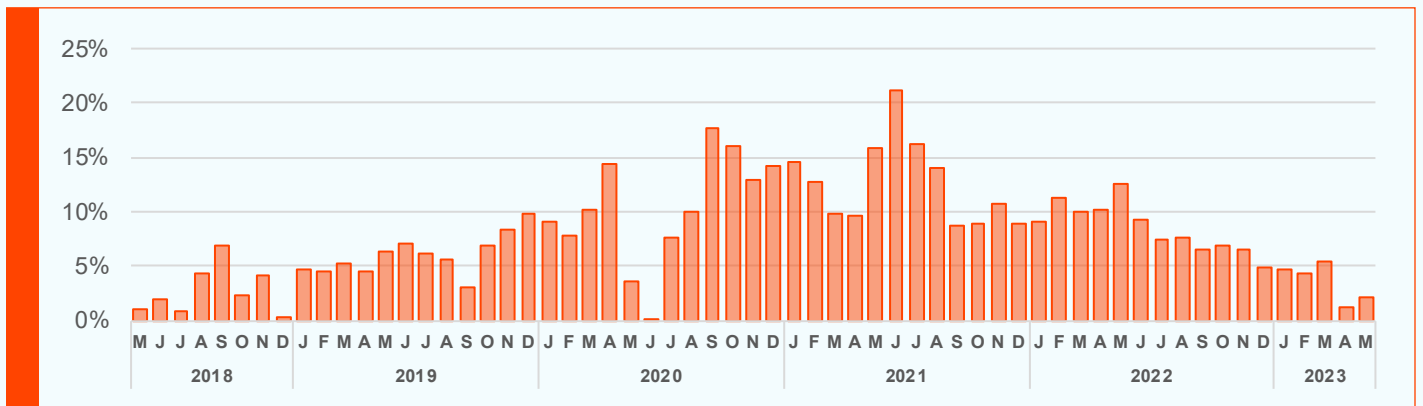
Closed Sales Year-Over-Year Change

Market activity in the Philadelphia metro is subdued compared to a year ago, down 21.4% with 5,797 closed sales. Unsurprisingly, higher interest rates, elevated prices, and limited inventory continue to hold back transactions. Between April and May, closed sales were up by 17.9% and all property types had month-to-month increases.



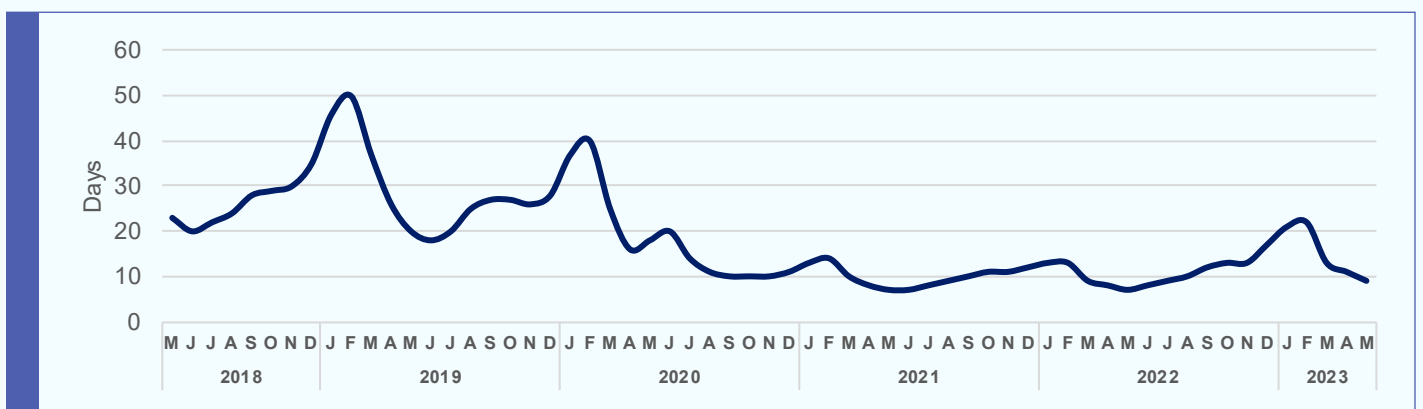
Median Sales Price Year-Over-Year Change

The median price in the Philadelphia metro was \$345,000 in May 2023, up 2.1% compared to a year ago. All property types had year-over-year and month-over-month price increases. Single-digit price growth is more sustainable than the 10%+ gains from the 2020 through mid-2022.



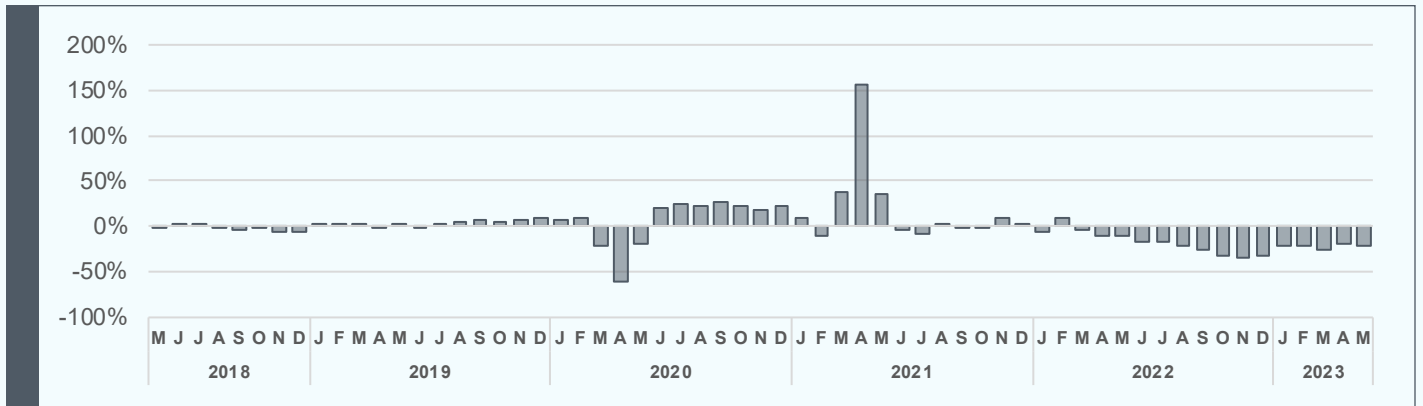
Median Days on Market

For the individual buyer, slower market activity isn't how many experience a transaction. For Philadelphia area homes sold in May 2023, the median days on market was 9. Homes typically sell fastest in May and June but 2023 has not followed seasonal trends. Like median sale price, the tug between demand and supply will impact the direction of median days on market in the coming months.



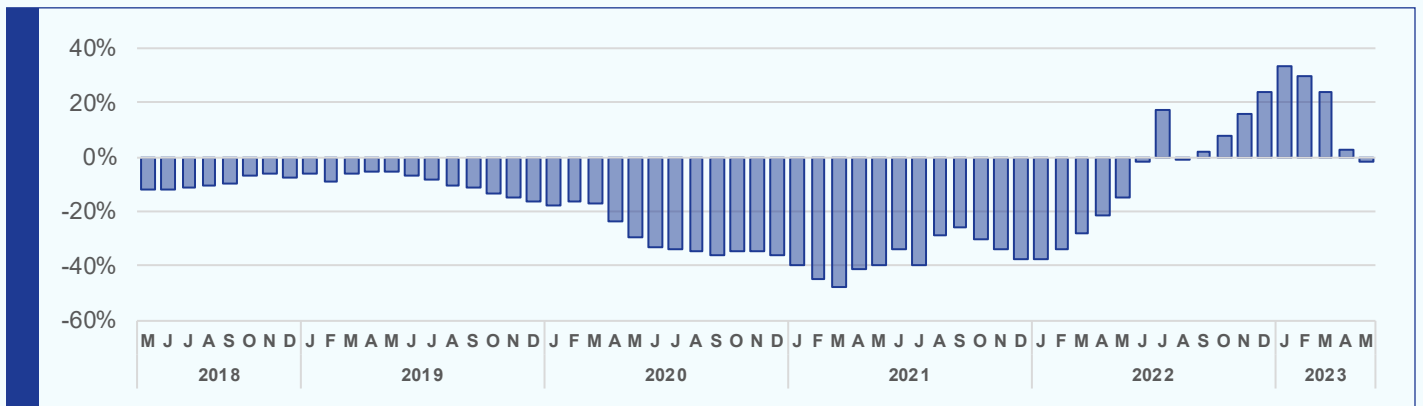
New Pending Sales Year-Over-Year Change

There were 6,806 new pending sales in Philadelphia in May 2023. New contract activity has been limited by higher interest rates and low inventory with all months in 2023 lower than 2022 by 20-25% (down 21.1% in May). New pending sales were lower for attached homes and condos from March to April, but now all property types show monthly gains in May.



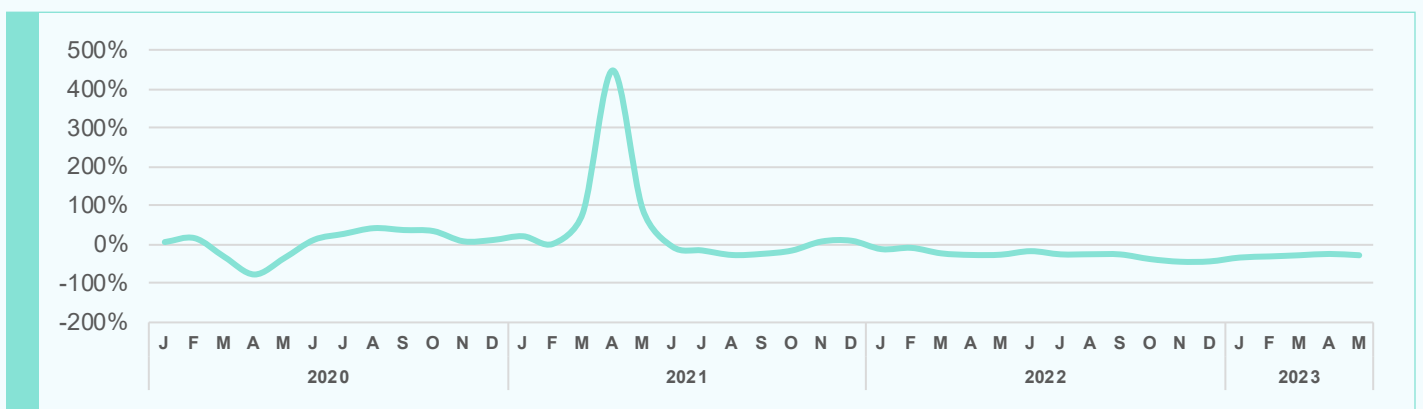
Active Listings Year-Over-Year Change

The growth in inventory stalled in May. After 8 months of supply increases, in May, the 9,001 active listings are 1.4% lower than the available inventory in May 2022. Attached homes are the only property type that had an increase in active listings in the past two months. The inventory of single-family detached homes is most limited, with just 25% of the level in May 2019.



Showings

Some Philadelphia buyers have been sidelined by persistent higher interest rates but showing activity is also lower because of limited active listings. There were 161,777 showings in May which was 26.6% lower than last year. Showing activity is also down compared to April as spring interest tends to be the high point of home searching in the Mid-Atlantic.



Local Markets

Market conditions remain surprisingly tight in the Philadelphia metro area, though there is some variation, with stronger demand in the region's suburbs.

Median prices in most local markets continued to rise in May, with the exception of Philadelphia County (-6.9% year-over-year), Camden County, NJ (-1.7%), and New Castle County, DE (-1.5%).

New listings activity has been sluggish through the metro area and inventory is less than 40% of the level in 2019. Supply has increased the most in Philadelphia County, with inventory back to very close to the 2019 level.

Limited inventory has meant that homes are selling very quickly across most of the Philadelphia metro area, with the typical home selling in less than a week in most suburban jurisdictions. Homes take longest to sell in Philadelphia County, with the pace of sales activity back to about where it was back in 2019.



CLOSED SALES

	May 2023	vs. May 2022
Bucks County, PA	538	-15.9%
Burlington County, NJ	452	-30.2%
Camden County, NJ	412	-33.8%
Chester County, PA	475	-16.4%
Delaware County, PA	518	-15.5%
Gloucester County, NJ	281	-12.7%
Kent County, DE	212	-15.9%
Mercer County, NJ	254	-24.0%
Montgomery County, PA	735	-24.9%
New Castle County, DE	477	-25.0%
Philadelphia County, PA	1,443	-18.2%
Philadelphia Metro	5,797	-21.4%

MEDIAN SALES PRICE

	May 2023	vs. May 2022
Bucks County, PA	\$425,000	+2.7%
Burlington County, NJ	\$330,000	+1.4%
Camden County, NJ	\$295,000	-1.7%
Chester County, PA	\$502,500	+8.1%
Delaware County, PA	\$332,000	+3.8%
Gloucester County, NJ	\$308,000	+6.2%
Kent County, DE	\$322,899	+6.0%
Mercer County, NJ	\$400,000	+13.5%
Montgomery County, PA	\$415,000	+0.0%
New Castle County, DE	\$330,000	-1.5%
Philadelphia County, PA	\$269,900	-6.9%
Philadelphia Metro	\$345,000	+2.1%

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	May 2023	vs. May 2022	May 2023	vs. May 2022	May 2023	vs. May 2022
Bucks County, PA	600	-23.8%	644	-27.6%	6	0 days
Burlington County, NJ	581	-27.2%	554	-37.0%	11	+1 day
Camden County, NJ	564	-16.6%	522	-31.6%	11	+2 days
Chester County, PA	609	-13.0%	621	-20.0%	6	+1 day
Delaware County, PA	584	-23.7%	602	-24.7%	6	0 days
Gloucester County, NJ	346	-18.6%	350	-27.5%	11	+1 day
Kent County, DE	241	-21.8%	271	-17.1%	13	+6 days
Mercer County, NJ	345	-21.4%	356	-26.7%	11	+2 days
Montgomery County, PA	879	-29.3%	962	-28.0%	6	0 days
New Castle County, DE	551	-25.8%	548	-25.8%	5	-1 day
Philadelphia County, PA	1,506	-13.7%	1,957	-24.0%	21	+10 days
Philadelphia Metro	6,806	-21.1%	7,387	-26.5%	9	+2 days

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	May 2023	vs. May 2022	May 2023	vs. May 2022
Bucks County, PA	532	-6.7%	0.96	+21.5%
Burlington County, NJ	487	-19.2%	0.93	+2.2%
Camden County, NJ	453	-25.6%	0.90	-4.3%
Chester County, PA	557	+15.6%	1.15	+59.7%
Delaware County, PA	518	+6.4%	1.00	+40.8%
Gloucester County, NJ	327	-14.2%	1.03	+10.8%
Kent County, DE	325	+2.5%	1.53	+30.8%
Mercer County, NJ	352	-28.2%	1.18	-4.1%
Montgomery County, PA	812	-1.9%	1.03	+27.2%
New Castle County, DE	461	-6.5%	0.90	+26.8%
Philadelphia County, PA	4,177	+8.0%	3.32	+43.1%
Philadelphia Metro	9,001	-1.4%	1.51	+30.2%

Why Are Homes Selling So Fast?

Half of all homes sold in the Philadelphia metro area in May sold in 9 days or less. Back in 2019, the typical home took 20 days to sell.

Homes are selling so quickly in the region's suburban markets simply because there are just so few listings for buyers to choose from. Buyers need to act quickly, but even when they do, they often face competition.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	May 2023	vs. May 2022	June 2023	vs. June 2022
Bucks County, PA	13,893	-35.3%	107	-25.7%
Burlington County, NJ	14,944	-24.2%	71	-23.7%
Camden County, NJ	17,063	-20.6%	71	-24.5%
Chester County, PA	11,931	-26.8%	101	-20.5%
Delaware County, PA	14,802	-25.5%	111	-19.0%
Gloucester County, NJ	8,543	-36.8%	61	-26.5%
Kent County, DE	3,887	-30.5%	109	-16.8%
Mercer County, NJ	9,530	-25.4%	62	-26.2%
Montgomery County, PA	22,000	-29.1%	115	-25.8%
New Castle County, DE	13,129	-29.4%	102	-23.9%
Philadelphia County, PA	32,055	-20.0%	93	-16.2%
Philadelphia Metro	161,777	-26.6%	90	-22.4%

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 2022, Bright subscribers facilitated \$121B in real estate transactions through the company's platform. Learn more at BrightMLS.com.

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