

# METRO PHILADELPHIA MARKET

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The “Metropolitan Philadelphia Area” which is also known as the “Delaware Valley.” The name is derived from the Delaware River, which flows thru the area. The office of Management and Budget officially defines the region as the Philadelphia-Camden-Wilmington Metropolitan Statistical Area and is the fifth largest metropolitan area in the United States. The area has a population of 5.83 million (as of the 2006 Census Bureau estimate).

Like many regions of the country, the housing market in “Metropolitan Philadelphia Area” has slowed down compared to two years ago. “Metropolitan Philadelphia Area” has not slowed to the same degree as the nation. The stock market decline from fall 2008 along with the global economic meltdown sent the housing market further in decline at the end of 2008. The real estate market for the higher priced homes has exhibited even a larger degree of increased inventory levels and a greater decline in property values.

The U. S. Economy continues to influence the employment and consumer confidence levels. The unemployment rates are rising and the number of job seekers has increased. Job losses and the current financial crisis have severely affected buyer confidence. Consumer confidence and job security is currently at a low point not seen in years. However, the historically low mortgage rates have created a favorable buying environment for those with good credit and have a job.

The inventory of “available homes on the market” and the time it takes to market and sell properties has been increasing and is forecasted to continue. The average selling price of existing homes is declining and expected to continue in the near future. The number of new homes being built has dropped significantly and the builders are offering large incentives to move existing inventory.

## *Summary*

While the “Metropolitan Philadelphia Area” residential market has not experienced the dramatic gyrations as in some parts of the country, there has been a significant slowdown in sales activity with growing inventory levels of housing “for sale”. A majority of the real estate markets continue to be characterized as a “buyers market” with over-supplied residential markets with some exceptions.

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Bucks County, Pennsylvania					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	6,408	6,048	4,789	-5.62%	-20.82%
Average Settled Price	\$376,230	\$378,400	\$352,890	0.58%	-6.74%
Median Price	\$319,030	\$318,000	\$298,900	-0.32%	-6.01%
LP / SP Ratio	95.84%	95.07%	93.42%	-0.80%	-1.74%
Berks County, Pennsylvania					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	5,534	4,838	3,810	-12.58%	-21.25%
Average Settled Price	\$177,330	\$180,620	\$177,260	1.86%	-1.86%
Median Price	\$157,500	\$165,000	\$164,000	4.76%	-0.61%
LP / SP Ratio	96.65%	95.59%	93.87%	-1.10%	-1.80%
Chester County, Pennsylvania					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	6,111	5,475	4,436	-10.41%	-18.98%
Average Settled Price	\$388,720	\$391,970	\$383,930	0.84%	-2.05%
Median Price	\$319,900	\$325,900	\$319,350	1.88%	-2.00%
LP / SP Ratio	96.51%	95.51	93.59%	-1.04%	-2.01%
Delaware County, Pennsylvania					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	6,795	6,306	4,780	-7.20%	-24.20%
Average Settled Price	\$256,630	\$273,140	\$267,540	6.43%	-2.05%
Median Price	\$199,900	\$115,500	\$213,000	7.80%	-1.16%
LP / SP Ratio	95.84%	94.81	93.26%	-1.07%	-1.63%
Montgomery County, Pennsylvania					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	9,614	8,749	6,968	-9.00%	-20.36%
Average Settled Price	\$352,800	\$353,730	\$335,970	0.26%	-5.02%
Median Price	\$287,000	\$289,000	\$275,000	0.70%	-4.84%
LP / SP Ratio	96.02%	94.90	93.44%	-1.17%	-1.54%
Philadelphia County, Pennsylvania					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	15,973	14,315	11,029	-10.38%	-22.95%
Average Settled Price	\$160,170	\$168,660	\$168,520	5.30%	-0.08%
Median Price	\$125,000	\$130,000	\$129,900	4.00%	-0.05%
LP / SP Ratio	93.92%	93.20%	90.90%	-0.77%	-2.47%

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Burlington County, New Jersey					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	5,329	4,484	3,534	-15.86%	-21.19%
Average Settled Price	\$302,230	\$302,180	\$282,940	-0.02%	-6.37%
Median Price	\$260,000	\$262,500	\$245,000	0.96%	-6.67%
LP / SP Ratio	95.88%	94.05%	91.54%	-1.55%	-2.70%
Camden County, New Jersey					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	6,065	5,313	3,961	-12.40%	-25.45%
Average Settled Price	\$219,580	\$224,110	\$211,560	2.06%	-4.71%
Median Price	\$200,000	\$201,000	\$195,000	0.50%	-2.99%
LP / SP Ratio	95.81%	94.33%	91.86%	-1.54%	-2.62%
Gloucester County, New Jersey					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	3,289	2,892	2,214	-12.07%	-23.44%
Average Settled Price	\$240,870	\$254,300	\$242,300	2.18%	-4.72%
Median Price	\$227,450	\$233,000	\$223,000	2.79%	-4.62%
LP / SP Ratio	95.74%	94.11	92.10%	-1.70%	-2.14%
Mercer County, New Jersey					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	3,763	3,326	2,508	-11.61%	-24.59%
Average Settled Price	\$354,270	\$370,520	\$376,830	4.59%	1.70%
Median Price	\$282,500	\$288,000	\$285,000	1.95%	-1.04%
LP / SP Ratio	94.12%	93.05	91.25	-1.14%	-1.93%
Salem County, New Jersey					
	YTD 12/2006	YTD 12/2007	YTD 12/2008	2006/2007 CHANGE	2007/2008 CHANGE
Settled Units	696	620	414	-10.92%	-33.23%
Average Settled Price	\$201,690	\$191,190	\$188,000	-5.21%	-1.67%
Median Price	\$173,000	\$173,000	\$175,000	0.00%	1.16%
LP / SP Ratio	93.98%	92.14%	90.34%	-1.96%	-1.95%



For additional or more current information on the residential market in the Metro Philadelphia area, visit [www.rac.net](http://www.rac.net) and select "The RAC Report," or contact the following RAC member:

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