



REAL ESTATE > HOUSING



Housing supply is up in the Philly region, but not enough to meet demand

At the end of July, the Philadelphia metropolitan area had just over two months' worth of housing supply. That's not much, but it was the highest level of supply since late 2020.



The number of homes on the market across the Philadelphia metro area has crept up, but home supply is still not nearly enough to meet demand.

Dreamstime / MCT

by Michaëlle Bond

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Buyers come to real estate broker Tony Lee with a wish list of all the things they want in their next home.

When the [supply of homes on the market sank to record lows](#) a couple years ago, and buyers had limited options, he said, “they would kind of say, ‘You know what? I’m willing to do without a certain type of thing we’ve always wanted to have in a home.’”

Over the last few months, housing supply has been creeping up, and “the buyers are being a little more selective,” said Lee, broker/owner of [Home Journey Realty](#), who works in South Jersey and the [Bucks County](#) area.

At the end of last month, the Philadelphia metropolitan area, which extends into Delaware, had just over two months’ worth of housing supply, meaning it would take that long for all the homes on the market to sell without new listings. That’s not much, but it was the first time since late 2020 that the region had more than two months of supply, according to the [multiple listing service Bright MLS](#).

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July marked the fourth month in a row in which the number of homes for sale grew. And across the Philadelphia area, more homes hit the market over the last month than at the same time last year.

Despite an uptick in the supply of homes this summer, “it’s still not enough to take care of demand,” said Michael Maerten, chair of the board at [Tri-County Suburban Realtors](#), an association that represents members in [Chester](#), Delaware, and [Montgomery Counties](#).

An uneven increase in homes for sale

This month, the number of homes newly listed for sale was up from the same time last year throughout the eight-county Philadelphia region except in two counties: [Camden County](#) and Philadelphia.

New listings increased the most in Bucks County. They were up by roughly 20% — an increase of about 150 listings, according to Bright MLS.

Active home listings by county

The number of active home listings grew in each of the region's eight counties compared to the same time last year. But active listings grew the least in Philadelphia.

| County | As of Aug. 25, 2024 | As of Aug. 25, 2023 |
|------------------|---------------------|---------------------|
| Burlington, NJ | 675 | 569 |
| Camden, NJ | 630 | 553 |
| Gloucester, NJ | 497 | 387 |
| Bucks, PA | 764 | 583 |
| Chester, PA | 723 | 580 |
| Delaware, PA | 746 | 578 |
| Montgomery, PA | 1,009 | 759 |
| Philadelphia, PA | 4,333 | 4,063 |

Table: Michaelle Bond / Staff • Source: Bright MLS

The number of active home listings grew in each of the region's eight counties, but it grew by the smallest amount in Philadelphia.

The number of active home listings has grown the most in Montgomery County. As of Aug. 25, about 1,010 homes were listed for sale, up from about 760 a year ago, according to Bright MLS.

But “we are a fraction of what the market was back when it was a buyer’s market,” said Maerten, who [leads a team based in Blue Bell](#) within Keller Williams Real Estate. “It’s really, really limited supply.”

Months of home supply by county

Months of supply measures the time it would take for all the homes on the market to sell without new listings. Across the eight-county Philadelphia region, the supply of homes for sale is hovering around 1½ months everywhere except in the city.

| County | As of Aug. 25, 2024 | As of Aug. 25, 2023 |
|------------------|---------------------|---------------------|
| Burlington, NJ | 1.55 | 1.15 |
| Camden, NJ | 1.47 | 1.17 |
| Gloucester, NJ | 1.76 | 1.30 |
| Bucks, PA | 1.63 | 1.12 |
| Chester, PA | 1.62 | 1.27 |
| Delaware, PA | 1.60 | 1.21 |
| Montgomery, PA | 1.49 | 1.06 |
| Philadelphia, PA | 3.81 | 3.39 |

Table: Michaëlle Bond / Staff • Source: Bright MLS

Across the eight-county Philadelphia region, the supply of homes for sale is hovering around 1½ months everywhere except in the city. That’s an increase of between one and two weeks from the same time last year but still far from the five to seven months of supply that signals a balanced market.

Philadelphia had almost four months' worth of housing supply as of Aug. 25, according to Bright MLS.

“It’s still a seller’s market, but it’s pushing a little more toward a buyer’s market,” said Shawn Marie Freeman, Collegeville-based associate broker for [Realty One Group](#) who works mostly in Philadelphia, Montgomery, and [Delaware Counties](#).

With more choices, Philadelphia buyers “are not rushing as much,” she said. Homes in the city have been selling in a median of 22 days, two days faster than this time last year but slower than in the rest of the region.

Homes in [Burlington](#), Camden, and [Gloucester Counties](#) are selling a bit slower compared to the Pennsylvania collar counties. Homes in the New Jersey counties are selling in a median of 13 to 16 days, while homes in the Pennsylvania counties are selling in a median of six to nine days.

Median days on market by county

Half of homes that are sold sell in less time than the median and half sell in more time. Philadelphia is the only county in the region where homes are selling a bit faster now than last year.

| County | Aug. 1 - Aug. 25, 2024 | Aug. 1 - Aug. 25, 2023 |
|------------------|------------------------|------------------------|
| Burlington, NJ | 14.5 days | 13.0 days |
| Camden, NJ | 13.0 days | 12.0 days |
| Gloucester, NJ | 16.0 days | 12.0 days |
| Bucks, PA | 8.0 days | 6.0 days |
| Chester, PA | 6.0 days | 6.0 days |
| Delaware, PA | 9.0 days | 7.0 days |
| Montgomery, PA | 7.0 days | 6.0 days |
| Philadelphia, PA | 22.0 days | 24.0 days |

Table: Michaelle Bond / Staff • Source: Bright MLS

Homebuyer behavior

Maerten said he's still seeing multiple bids on homes, but there are fewer offers per property than there were a couple years ago. And fewer properties are receiving multiple offers. So buyers are more likely to get their offers accepted.

“It's definitely gotten back to a place where it's not as intense, which is good,” he said.

The most difficult part of the housing supply picture is [affordability](#), Maerten said. “We’re not seeing a lot of affordable homes for sale.”

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In Chester, Delaware, and Montgomery Counties, he said, there’s more luxury home supply — properties priced \$950,000 or more — than starter homes and homes for middle-income families.

Although high home prices mean some prospective buyers continue to be priced out of the market, others are still looking. But they’re not always finding exactly what they want. If buyers are “lucky enough” to find a property that has the space they need, Maerten said, they’re often willing to go for homes that need some updating.

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Freeman said a lot of young buyers who have grown up with HGTV expect pristine and updated homes that are out of their price range.

“I talk to buyers about what I call the grandmom house,” she said. It’s the kind of home that has been taken care of but hasn’t been updated in decades, if ever.

This week, one of Freeman’s clients closed on a “grandmom house” for about \$180,000 in Southwest Philadelphia. The first-time homebuyer had to come up on her price a bit, but she negotiated a seller credit for repairs.

Which homes are selling fastest?

The homes that are selling the fastest are those that usually sell fastest: homes that are in desirable locations and are priced for the market.

Redfin, the online real estate brokerage, analyzed the 50 most-populous markets and found that [starter homes sold the second-fastest](#) in the market it defined as Montgomery, Chester, and Bucks Counties. Half of the homes sold in these counties from May through July sold in fewer than 11 days. Only the Seattle area had faster sales of starter homes. They sold in a median of seven days.

In Redfin’s analysis, starter homes were those with sale prices in the 5th to 35th percentile of the market. The median sale price of starter homes in the collective market of Montgomery, Chester, and Bucks Counties was \$325,000.

» **READ MORE: [Philly-area buyers need to make thousands of dollars more than last year to afford a starter home](#)**

Throughout the Philadelphia region, these [more affordable homes](#) are selling fastest, Lee said.

High prices also are driving buyers to be more picky and to avoid fixer-uppers they would need to pour lots of money into, he said. So homes that are in good

condition and don't need renovations also sell fast.

Some of the homes that have been sitting on the market are overpriced because owners think they hold all the power and can get as much as they want for their home, Lee said. They're starting to realize that's not the case, and in some areas, sellers have had to lower their prices.

"I think there's gonna be an attitude adjustment for the sellers," he said.

» **READ MORE: [The Philly area is one of the major U.S. metros where households don't need to make six figures to afford the typical home](#)**

Who is listing their homes for sale?

Mortgage rates are one reason why more homeowners aren't selling their homes.

Nationwide, six out of seven people who have a mortgage [have interest rates below 6%](#), according to a report Redfin published Tuesday. The [average interest rate for the popular 30-year mortgage](#) was 6.46% as of Aug. 22, according to the government-backed mortgage buyer Freddie Mac.

Since most homeowners have interest rates below current rates, many are choosing to stay in their homes instead of buying another at a higher interest rate. This "[lock-in effect](#)" is restricting the number of homes on the market.

» **READ MORE: [Low mortgage rates are keeping homeowners from selling. Some become 'accidental landlords.'](#)**

"It's gotta be a strong reason why [homeowners] want to sell," Lee said.

Life events such as births, deaths, divorces, declining health, and new jobs continue to drive homeowners to sell. Lee said a lot of the sellers he's seeing

now are using cash from their home sale to downsize into a smaller home.

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