Professional Realty News

Consumer-Oriented Information & Advice to Save Money and Time
• Mortgage • Real Estate • Personal Credit & Finance • Home Improvement

"From My Home To Yours"

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23rd edition - Summer, 2025

HAPPY END OF SUMMER!

I hope you've enjoyed the summer season and that this newsletter finds you and your family and friends healthy, happy, and prosperous.

Here's also hoping that you find my articles here to be "News That You Can Use," or at least find interesting. I include a 2025-2026 Philadelphia Eagles magnetic game schedule for reference. Go Birds!

For me, 2025 has been challenging, navigating the same, intransigent, and difficult macro-economic and housing trends since 2020, which has resulted in fewer sales and even fewer refinancing opportunities.

Mortgage companies have continued to close or consolidate and mortgage originators are exiting the profession or are becoming self-employed Brokers.

Real estate brokerages continue to get larger, vertically integrate, and take market share, especially since the recent change in MLS rules, despite charging far higher fees than the "little guy." And service varies dramatically based upon a particular agent, versus arguably more consistent and better service from the "little guy."

Invitation: I'm inviting all who receive this Newsletter to attend my "Client Appreciation Day" on Saturday, October 25th, 1-6pm. This date is intentional because my hickory tree foliage should be in prime yellow form, and I have a lot of hickories in my back yard. It's quite a show. I hope you can come for me to express thanks, have some good chow, recall some good memories and enjoy my gardens.

As always, feel free to call me with any questions – there is never a charge nor obligation. And I hope that if you were satisfied with my service and pricing, you will present me with the best compliment I could receive: a referral to assist a family member, friend, or co-worker.

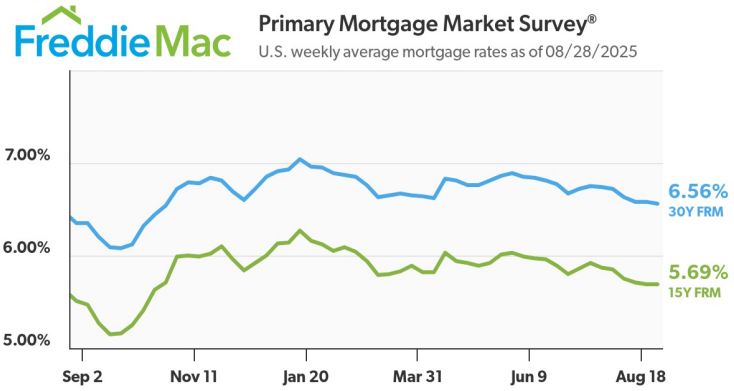
Thank You! Laurence

2025: MORTGAGE RATE RECAP

The year started with the 30-yr. fixed @ 6.91% (6.13% for the 15-yr.). We hit a high on Jan. 16th with the 30-yr @ 7.04% (6.27% for the 15-yr.). Currently we're at the low for the year (see below).

Summary: Mortgage rates have bee trending in a very tight range, ~ 0.5%, and the mortgage "spreads" (differential between the 30 & 15-yr. fixed) have also been trending in a widening range, ~ 0.9%. Note that this is higher than the usual spread of ~ 0.50%. More on this in my prognostications below.

For those of you with 2nd mortgages that are lines of credit, aka "HELOCs," the prime rate has not changed, still @ 7.50% (1.0% lower than '23, but 4.25% higher than '20).



2025, YEAR-END: MORTGAGE RATE GUESS

I'm going to take a bit of a contrarian stance that I believe mortgage rates are on a larger trend line to go higher, but in the short-term, not a lot higher. While the press is awash discussing the Fed and how they will probably be lowering the Federal Funds Rate by 0.25% on 9/17, which I agree with, that does NOT affect long-term rates, which mortgages are pegged from (note 10-year bond yield specifically).

If my guess is right, see p.6 "Tips" article regarding how best to play it.

2025, Q2 HOUSING MARKET RECAP - National

Previously, I described 2022 as the "Tipping Point," with regard to the appreciation rate of home prices, and indeed it was. While residential real estate has continued to appreciate, it has been at a slower pace, even slower than in 2024. I think this slower appreciation trend will continue through 2025.

Median Price of Existing Home Sales:
- 6/2025, $435.3k -6/2024, $426.9k -6/2023, $410.1k
{real estate sales is seasonal, best to compare yr. over yr.}

Existing Home Sales:
-6/2025, 3.93M - 6/2024, 3.93M -6/2021, 6.0M
{declining amount.}

**** A "balanced market" is considered a 4-6 months supply. Less than that is considered a "Seller's Market."***

It's still a "Seller's Market", albeit more "normalized?" Why? The answer is always rooted in the fundamental components of supply and demand.

Supply (existing & new construction inventory): Sellers are living in their homes longer, with a greater ability to finance home repairs and large improvements to better enjoy "living in place," enjoying an extremely low mortgage interest rate, thus making it possibly more expensive to move, and greater ability to work from home. Less supply.

Builders continue to rationalize the same problems that minimize their production volume – higher costs for land acquisition, regulatory compliance, labor, wood/materials, etc., and now tariffs. Less supply.

Demand: It continues to be huge, mainly stemming from the Millennial generation, the largest generation, and now the "Gen Z" generation which has come into home buying age. Also, immigration continues to outpace the part of the existing population that died.

Buyers have adjusted to the new normal levels of elevated mortgage interest rates, property taxes, homeowner's insurance, and HOA fees, as they always have. Demand remains strong, albeit declining.

National Re-Cap of 2025_{ytd}: Because of these extra Buyer challenges, supply and demand are beginning to equate.

2025, Q2 HOUSING MARKET RECAP - Local

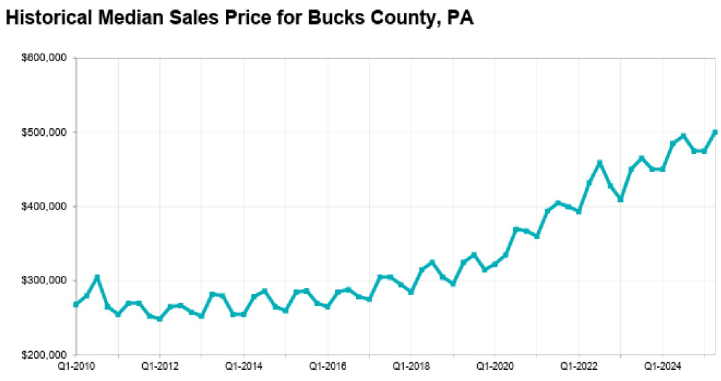
So far in 2025, our local market performance was better than the national and our MLS regional figures – better for Sellers, that is. Southeastern PA had higher appreciation rates and lower inventory compared with regional and national figures.

Call me biased, but I guess our area is a good place to live and work – see PA and Municipal Kudos articles below.

However, note an inclusion to the county figures below – Average Marketing Period. Our market is changing. You'll see that the time to sell a property over the past year has increased dramatically. We're slowly aligning with the national trends: Slowing Buyer demand due to affordability constraints.

Bucks County

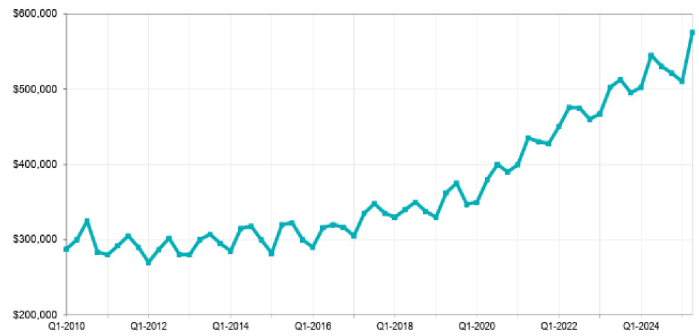
2nd Qtr (Y-o-Y): 1.7 months supply of inventory* (down 15%), the median sales price $500k (up 3.1%), 100.8% of original price received (down 0.3%), homes for sale 879 (down 9.1%). Average Marketing Period 25 days (up 23.4%). *Local example – zip code 18944 (Perkasie): The median sales price increased 1.8% to $486.3k and 101.0% of original sales price received.*



Chester County

2nd Qtr (Y-o-Y): 1.7 months supply of inventory* (down 10.5%), median sales price $575k (up 5.6%), 101.8% of original price received (down 1.2%), homes for sale 828 (down 6.1%). Average Marketing Period 22 days (up 19.8%). *Local example – zip code 19382 (greater West Chester area): The median sales price increased by 16.2% to $680k and 101.9% of original sales price received (down 1.8%).*

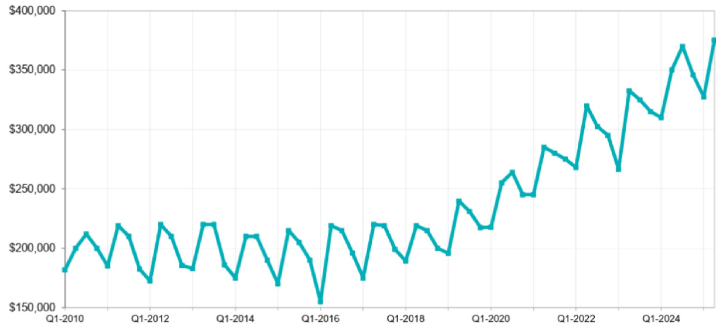
Historical Median Sales Price for Chester County, PA



Delaware County

2nd Qtr (Y-o-Y): 1.8 months supply of inventory* (down 15.8%), median sales price $375k (up 7.2%),100.5% of original price received (down 0.7%), homes for sale 726 (down 19.1%). Average Marketing Period 26 days (up 23.3%). *Local example, zip code 19073 (Newtown Square area): Median sales price $850k (up 9.7%) and 100.9% of original price received (down 0.7%).*

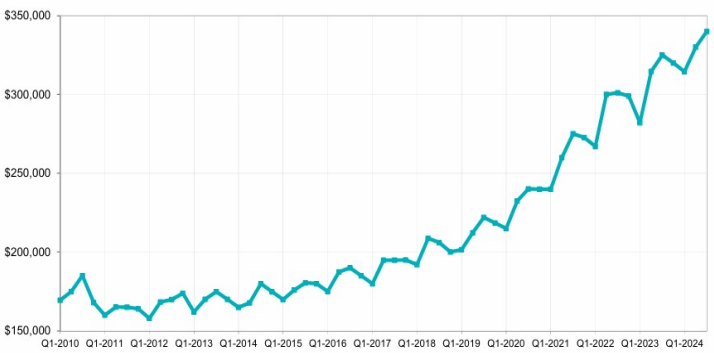
Historical Median Sales Price for Delaware County, PA



Lancaster County

2nd Qtr (Y-o-Y): 1.5 months supply of inventory* (down 6.3%), median sales price $350k (up 6.1%), 103% of original price received (up 7.2%), homes for sale 615 (down 3.6%). Average Marketing Period 23 days (up 4.2%). *Local example, zip code 17527 (Gap. area): Median sales price decreased 31.44% to $330k and 102% of original sales price received (up 3.9%).*

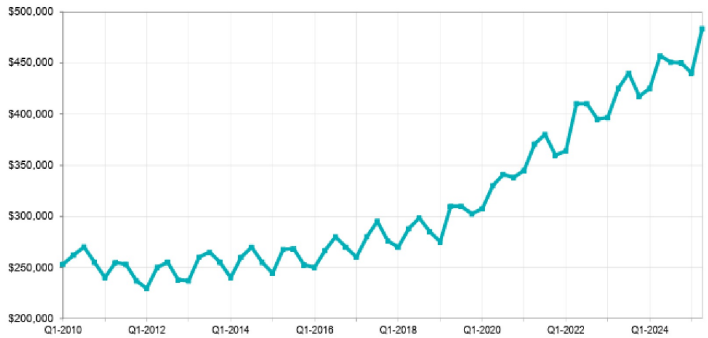
Historical Median Sales Price for Lancaster County, PA



Montgomery County

2nd Qtr (Y-o-Y): 1.6 months supply of inventory* (down 11.1%), median sales price $483.5k (up 5.8%), 101.4% of original price received (down 0.3%), 1,153 homes for sale (down 6.8%), Average Marketing Period 23 days (down 20.7%). *Local example, zip code 19438 (Harleysville area): Median sales price $520k (up 5.1%) and 103.2% of original sales price received.*

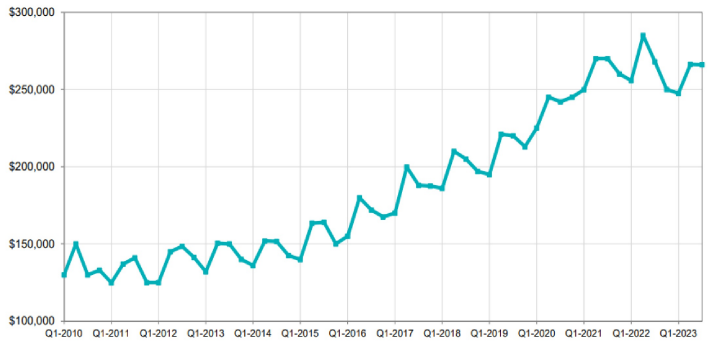
Historical Median Sales Price for Montgomery County, PA



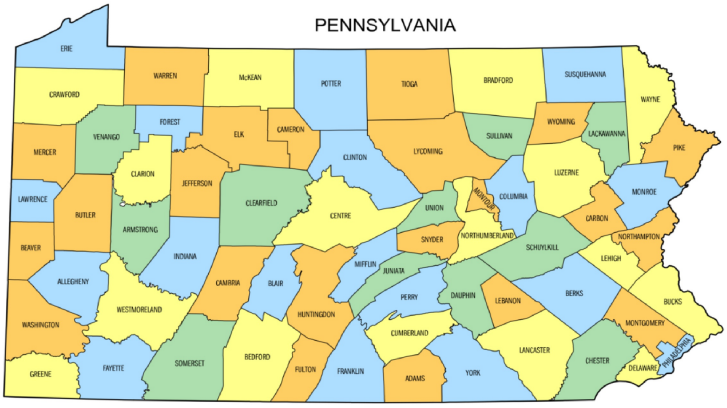
Philadelphia County:

2nd Qtr (Y-o-Y): 3.9 months supply of inventory* (down 13.3%), median sales price $290.7k (up 7.7%), 96.3% of original price received (0.0% change), homes for sale 4,630 (down 10.9%). Average Marketing Period 56 days (down 4.2%). *Local example, zip code 19123 (Northern Liberties area):Median sales price$599.8k (up 11.6%) & 95.6% of original sales price received (down 1.8%).*

Historical Median Sales Price for Philadelphia County, PA



Want to know the housing statistics in your particular municipality or zip code? Feel free to shoot me an email or call. The latest county stats are updated monthly or quarterly within my PRC website for your ready reference as well.



STATE KUDOS

– 6th Best State to retire in 2024, according to WalletHub, in an analysis of 3 categories: affordability, health care, and quality of life.
– 6th State for most warehouse development, according to NAIOP Commercial Real Estate Development Association. The warehouse sector also came in 6th, contributing $13.6B to GDP, creating and supporting 65,494 jobs, and generating $4.1B in wages and salaries in 2024 in PA.
– 6th State for adding the least mortgage debt in 2024, according to WalletHub. As of 2024_{Q4}, the average mortgage debt was $180,173 with an average monthly payment of $1,572.
– 4th State for loving ice cream, according to research by SpinBlitz, by analyzing per Google Maps regarding the number of ice cream parlors per 100,000 residents.
– 5th State for Mexican buyers of real estate, between April, 2024 and March, 2025, according to the 2025 International Transactions in U.S. Residential Real Estate report.
– 14th State in homeownership rate at 71%, per the latest 2023 Census data.
– 3rd State to best raise a family, per Consumer Affairs who analyzed 5 categories: public education, safety, pediatric health care, affordability, and quality of life.
– 9th State most affordable for middle-class families, according to GoBankingRates. Their analysis looked at State's population, household income, cost of living, median income levels, among other components.
– For you history buffs, like me, kudos for the creation of the Keystone Marker Trust and database. One can locate markers at historical sites, waterways, and towns. For those towns part of the post WWI "Good Roads" movement, town markers note name, town origin, and distance to closest next town.

Keystone Marker Trust Database

MUNICIPAL KUDOS

– According to Niche's list of 2025 Best Places to Live in America, some Philly suburbs were noted. Their analysis considered location, quality of local schools, crime rates, housing trends, employment statistics, and access to amenities: #3 Chesterbrook; #11 Ardmore; #13 Penn Wynne; and #41 Swarthmore
– According to RentCafe, Philadelphia ranked 9th among the 50 largest U.S. cities in growth of new downtown apartments. In the past 5 years, over 8,271 new apartments have been added to the housing stock.
– Chester County: Highest median income, highest median sales price, and now the fastest population growth. Per Census Bureau data as of 7/1/2024, Chester County gained over 26,300 residents in past 4 years, now the 7th largest county in PA by population.

• Success consists of going from failure to failure without loss of enthusiasm.
• Continuous effort – not strength or intelligence -- is the key to unlocking our potential.
– Winston Churchill

"STORMWATER MANAGEMENT"

You'll be hearing this term more and more, especially if your property or your HOA's property is impacted by revised, elevated requirements regarding stormwater management.

From my professional experience and my experience as President of my HOA, there have been more and more stormwater management failures – systems installed long ago, not designed to handle more intense storms, altered up-hill landscapes, and were frankly not maintained adequately over decades.

Note this summary of new code language: "... requires all property owners to maintain and repair all drainage facilities located on their property in perpetuity. This includes completing projects like streambank stabilizations, removal of sediments and debris from ponds and stormwater management facilities, repair of pond and stormwater management embankments and outlet piping ...." Keep in mind that some repair costs can be 5-6 digits. Regular maintenance is key.

MORTGAGE UPDATE PROGRAMS & PROCESS

Appraisals:

1) Beginning in September and phasing into mandatory use by November, 2026, lenders will be using a dramatically changed appraisal report (UAD 3.6). The report will provide a more detailed account of interior features, allowing for expanded descriptive commentary. Condition and Quality codes will be broken out by exterior and interior. Expect higher costs and longer turn-around times, as the industry adjusts to the new standard.

1st-Time Homebuyers – The HomeReady program's area median income limits are now $91,760, for most in our geographic area . If under, there are certain perks (pricing and qualification criteria) and there is the potential for grants and permitted loans – See Downpayment Assistance Lookup.

"Non-QM" Mortgages" – Beware. Remember "Sub-Prime" Mortgages? It's basically the same thing, but with a different name for another generation of buyers.

Like before, I choose NOT to offer these products to my customers as I do not believe in them.

CLEAN ENERGY TAX CREDITS –> HURRY UP, IF WISH TO CLAIM!

The "One Big Beautiful Bill" Act, which became law several months ago phased out generous tax incentives which were part of the 2022 "Inflation Reduction" Act.

If you have been thinking about going solar, buying an electric vehicle, or making your home or business more energy efficient, you had better move fast.

- Expiring 9/30/2025: The Clean Vehicle Credit of up to $7,500 for a new electric vehicle and up to $4,000 for used.
- Expiring 12/31/2025: 1) The Energy Efficient Home Improvements Credit. The credit is 30% of the expense for qualified energy efficient improvements up to $1,200 annually ($2k for heat pumps and biomass stoves); and 2) Residential Clean Energy Credit. The credit is 30% of the expense for residential solar and wind power, geothermal heating, and battery storage systems.

If you are considering a home energy upgrade, the contractor you entertain should provide a free cost vs. benefit analysis of your proposed upgrade.

BENEFITS FROM "OBBBA"

While the "One Big Beautiful Bill" Act, (OBBBA) took away some benefits, it provided for some new benefits:

1) Tip Income: up to $25k deduction on qualified tip income for tax years 2025 through 2028.

2) Overtime Income: up to $25k deduction on qualified overtime income for tax years 2025 through 2028.

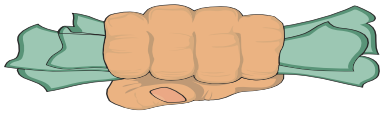
3) Car Loan Interest: For a 1st lien secured by a qualified new passenger vehicle, up to $10k of interest may be deductible for tax years 2025 through 2028. Leased vehicles do not qualify.

HELPFUL RESOURCE -FLOOD INSURANCE QUOTES & TOOLS-

FEMA has recently launched a new, direct to consumer website which enables you to 1) obtain a free flood insurance cost quote and 2) see how various flood mitigation efforts would reduce your premium.

Also, now premiums are permitted to made paid in monthly increments, not just annually.

Free Flood Insurance Quote



HELPFUL RESOURCE - PA CONSUMER PROTECTION TOOLS-

The PA Dept of Banking and Securities recently launched a new, consolidated hotline, website, and email for reporting financial, insurance, and scam-related complaints. The portal also serves complaints involving student loans, public utilities, health insurance denials and other PA licensed professionals.

Phone: (866)PACOMPLAINT
Email: consumer@pa.gov
Website: www.pa.gov/consumer

REAL ESTATE & MORTGAGE TIPS

Real Estate: You may have heard that real estate agents are now compensated differently than in the past. This is a result of a lost class action lawsuit against the Nat'l Assoc. of Realtors® (NAR) last year. The changes went into effect 8/2025.

The net effect is that Buyers and Sellers have more control regarding compensation issues. Sellers are no longer compelled to pay the buyer's agent, albeit it might not be in the Seller's interest. Buyers now bear the burden of paying their own agent, albeit they might no have the funds to do so.

Also, compensation offers will no longer to posted in the MLS for agents to see. As the old adage goes, "Everything is negotiable."

TIP: It's all the more important to review the listing contract terms (Seller) and the Buyer-Broker contract terms (Buyer) with a trusted real estate sales agent professional. Feel free to call me for assistance before entering into a contractual relationship.

Mortgage:

As noted on p.1, I'm guessing that mortgage rates will continue to increase, though not drastically. I say that because 1) recent economic data suggests that inflation has become stubbornly resistant to getting down to the Fed's target rate of 2.0%, 2) employment and consumer spending continue to be "resilient" (no recession in sight), 3) the further elevation of government debt is reminding us and the "bond vigilantes" that a reckoning maybe sooner rather than later, and 4) the proposition that Trump tariffs and related future policies may be inflationary.

Besides mortgage rates edging higher, consider that increasing "spread" I noted on p.1 between the shorter end of the yield curve versus the longer end. Mortgage pricing relates to the longer end of the curve.

TIP: For those who feel comfortable enough and qualify, the 15-year fixed will become increasingly better priced relative to the 30-year fixed. Better relative deal to take the 15-year fixed. Also, I suspect the ol' 20-year fixed might become a popular option again. Would be worth investigating.

TIP: Adjustable Rate Mortgage (ARMs) – These aren't the shunned, dangerous types from days gone by. The newer versions of the 3/1, 5/1, 7/1, and 10/1 are very vanilla and straight forward. Would be worth investigating. With short-term rates set to decrease, these products will benefit.

INVESTOR CORNER

It's still a great market for you landlords out there, or for those of you who want to diversify your assets and give it a try.

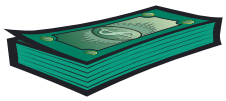
It's been a long trend now, but a recent blurb surprised me regarding a re-acceleration in this market ..., IF your rental is a single family detached residence and especially if located in the suburbs.

According to recent reports from Point2Homes, 60% of new house renters came from apartments – that's a 5 year high, and up from 33% just 2 yrs ago. Why the uptick? Mortgage affordability issues to buy a home, yet still the need for more space, comfort, privacy, and flexibility.

Also, there are an accelerating number of suburbs which are becoming predominantly rental. By analyzing data from the country's 20 largest metros, 203 suburbs have more rentals than homeowners. In our area, King of Prussia made it onto this unusual list. In 5 years, the rental rate increased from 41.1% to 52.0%.

And those who rent houses are renting longer (landlord benefit, assuming good tenant). Analyzing the nation's top 75 metros, between 2017 through 2022, the number of renters staying 5-9 years increased from 16% to 18% and those staying 10+ years increased from 16.1% to 18.7%.

TIP: If you, or someone you know, is thinking about real estate investment, a 3-bedroom, detached house in the suburbs is a good bet right now.



CREDIT CORNER

You may have heard about "Vantage Score?" After decades of utilizing only the FICO model, FannieMae is finally being forced to purchase loans from lenders utilizing a competitor's product. The actual understanding and roll-out in the industry will take a while – probably 2026. Keep you posted.

- Consumers can submit complaints about credit reporting companies and debt collectors by calling (855)411-CFPB or by visiting: https://www.consumerfinance.gov/complaint/

HOUSING SUPPLY WOES – WHY ESPECIALLY IN PA? --

New Construction: There was a recent report by the Pew Charitable Trusts. Their research concluded that nationwide, between 2017 and 2023, Pennsylvania added the 44th least amount of housing stock – 3.4% (country average -- 7.5%). That's quite a shortfall from the household formation rate in PA of 5.1% during that same period.

Furthermore, in a recent study by Realtor.com, in 2024, PA had the 4th highest new construction premium in the US. Also noted is that PA's share of housing permits is just 1.6%, though it accounts for 3.8% of the national population.

Why? Same old reasons that I've written in this newsletter over the decades: Zoning, Cost and/or lack of Labor, Cost of Materials, Cost of Land, Cost of Credit, etc. They ain't gonna build unless they can make a buck.

Solution: The Pew report proposes:
• Allow small multifamily buildings (duplexes and triplexes) on lots that now permit only single-gamily housing; • Permit the construction of accessory dwelling units(ADU's) – including attics, basements and backyards – on lots that now permit only single-family homes; • Reform permitting laws to simplify and speed up the process; • Allow more apartments near commercial areas and public transportation; • Reduce or remove minimum parking mandates that increase the cost of building multifamily dwellings; • Convert commercial buildings to apartments; • And enable the construction of housing on land owned by nonprofit organizations, educational institutions and religious organizations, such as churches.

All great ideas, but forgive the cynicism, there's the ever-present "NIMBY" perspective - "Not In My Back Yard." We'll see. There's legislation pending at the national and state levels to reduce the power of local municipalities to curtail new construction.

Existing Homes: You may have heard of the "Lock-In Effect?" – millions of home owners carrying less than a 4% interest rate; and surprise, they don't want to move and lose that. Rather, homeowners are aging in place – renovating and/or forming multi-generational households. This trend won't be ending anytime soon.

Solution: Unfortunately somber, but the sheer numbers of the baby boomers (2nd largest generation) dying will, in the long run, free up the housing stock to more normalized levels.

SEEKING TO APPEAL YOUR PROPERTY TAXES?

The State Tax Equalization Board recently released the updated Common Law Ratios (CLR).

If you're appealing between 7/1/2025 and 6/30/2026, you'll need to use the new ratios.

Buck Co. – 5.86% of market value
Chester Co. – 31.84% of market value
Delaware Co. – 57.33% of market value
Montgomery Co. – 30.76% of market value

Always check your "Assessment" noted on your tax bills. If you believe that your assessment isn't in alignment with your property value, feel free to contact me. Sometimes, it's not best to rush ahead with an appeal, as you might regret having your property taxes increased.

THINKING OF BUYING IN PHILLY?

FYI: The property transfer tax just increased to 3.578%, from 3.278%. PA usual is 2.0%. Normally, this tax is equally split between Buyer and Seller.

VISIT MY IMPROVED WEB SITES - FOR MORE NEWS YOU CAN USE -

Mortgage: pmc-pa.com

Under "Helpful Resources," in the right-hand column of the page, you'll find
– Mortage Rate Outlook
– Mortgage Market Outlook
– Credit Report and Scoring Info.
– Home Buying Financial Literacy Info.

Real Estate: prc-pa.net

Likewise, under "Helpful Resource," in the right-hand column of the page, you'll find:
– National, PA, and Southeastern PA Housing Market latest statistics and outlooks
– Buying and Selling Resources and Tips
– Investor Resources
– Home inspection Info (Radon, Bugs, Mold, Stucco, Well, Septic, and more)

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THANKING YOU FOR YOUR SUPPORT & TRUST FOR 34 YEARS !