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Philadelphia Real Estate

Market Update

Fall 2026

US Economy
US Real Estate Market
Philadelphia Real Estate Market
Real Estate Agent Trends
Strategies Working in 2026



Andrew Pulini

Every Market
gives you something and take something.

Our Job
is to work what it's giving us right now...

The 10 Numbers Every Philly Agent *Should Know*

13,300
Projected 2026 Philly Sales

7.40%
30-year rate, Oct 15, 2026. Highest since Nov 2023

725
Philly homes that went pending in September. Lowest September in 11 years

5.5 Months
Months of supply in September (4.5 in 2025)

49%
Active listings that have already cut their price. Typical cut: about $19,000

$285,000
Philly median sale price, 2026 so far (up 3.6% from $275,000 in 2025)

23 vs 62
Days on market: homes that SOLD vs homes still SITTING

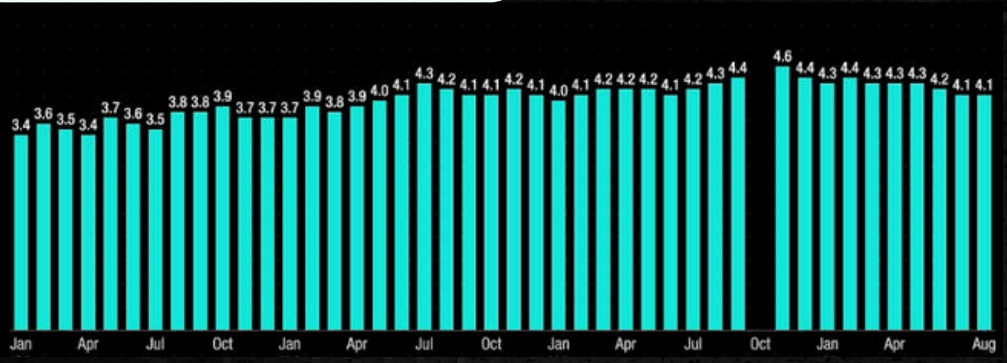
36%
Growth in $1M+ homes in past 2 years

2.8%
Share of Philly homes that sell each year, about 1 in 36

20%
Americans who say now is a good time to buy. Tied with 1981's low

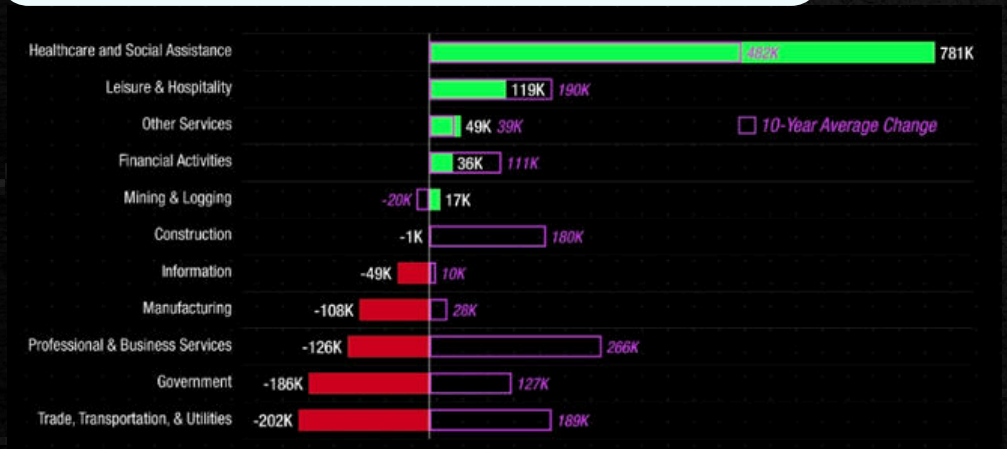
PART ONE: The US *Economy*

Unemployment



Unemployment is 4.1% (August), down from a 4.6% peak in November 2025.
Anything under 6% is healthy.
People are working, and people with jobs can still buy homes.
The problem isn't jobs, it's the cost of money.

Job Growth by Industry

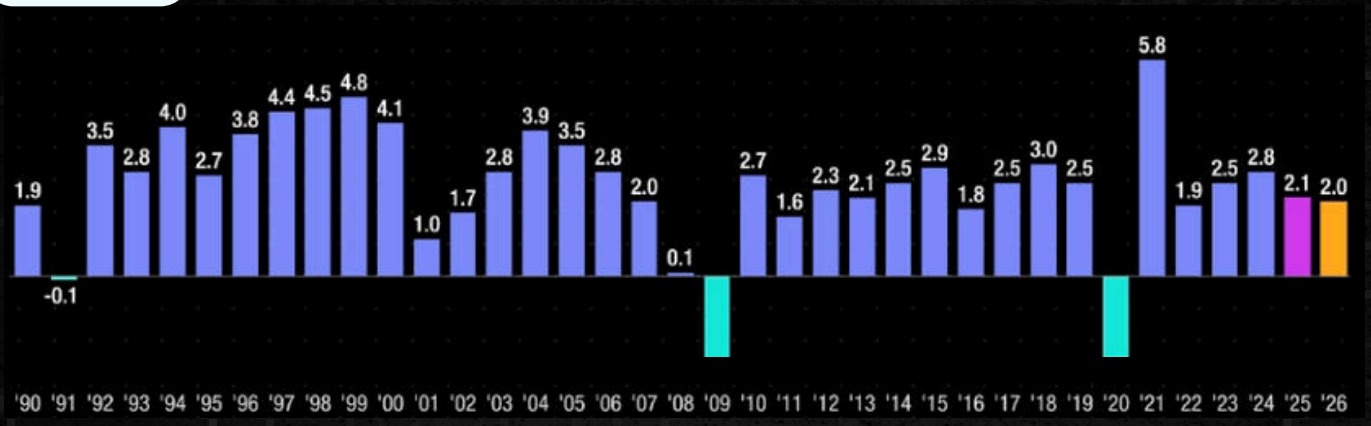


Healthcare added 781,000 jobs in 2025, almost double its 10-year average.
Nearly every other major industry lost jobs:
trade and transportation (-202,000)
government (-186,000),
professional services (-126,000)
manufacturing (-108,000).

This is Philly's advantage. Penn, CHOP, Jefferson and Temple are some of the biggest employers in the region. Healthcare is where America is hiring, and it's what Philly is built on.

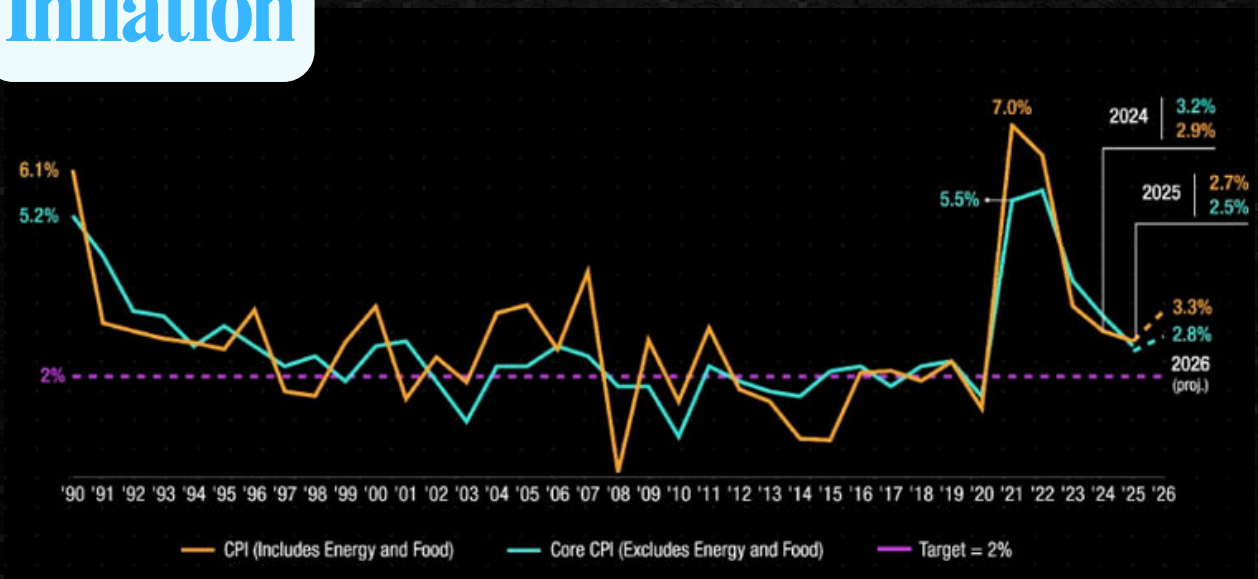
The US *Economy*

GDP



GDP grew 2.1% in 2025 and is projected at 2.0% in 2026, right where economists want it.
Under 2% means slowing, and over 4% means overheating.
We're not in a recession.
The housing market has been in one for three years, but the broader economy hasn't.
As long as that's true, the Fed has no reason to rescue housing.

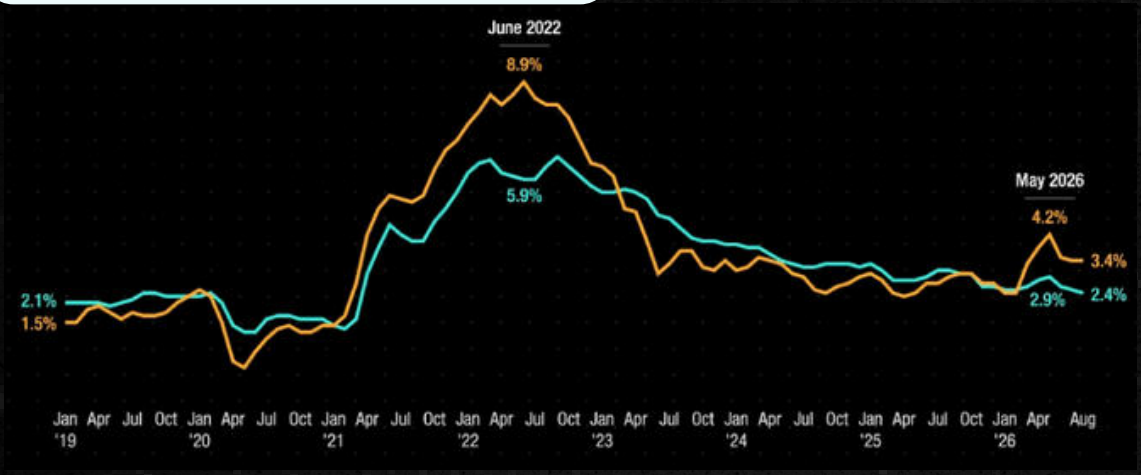
Inflation



Inflation was finally cooling: 2.9% in 2024,
2.7% in 2025.
Then it turned back up. The 2026 projection is 3.3%, still well above the Fed's 2% target.
This is the single biggest reason rates went up instead of down this year. T he Fed doesn't cut while prices are rising.

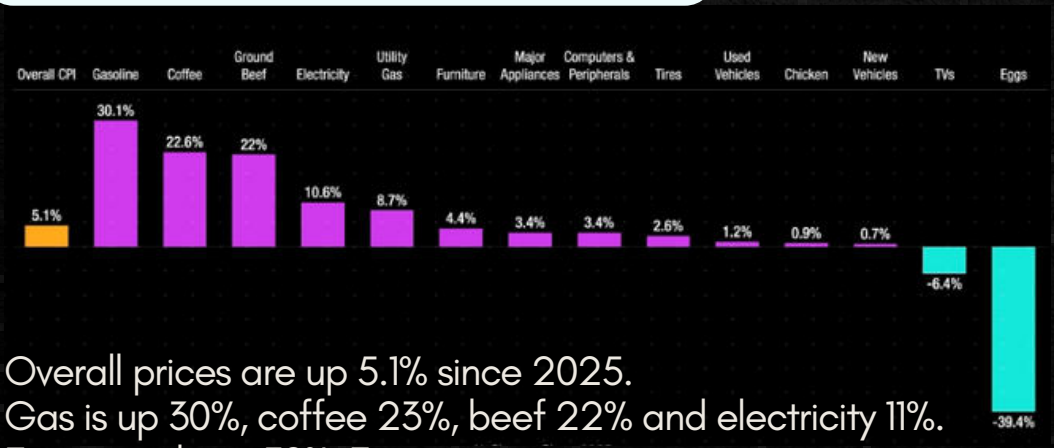
The US *Economy*

Inflation Monthly



Inflation jumped from about 2.5% in January to 4.2% in May after the Iran war pushed oil prices up. I
t eased to 3.4% by August, but September came in hot at 3.7%.
Core inflation, which strips out food and energy, is lower at 2.4%.
In other words, this spike is mostly energy.
If oil calms down, inflation and rates have room to fall.
That's the scenario to watch for 2027.

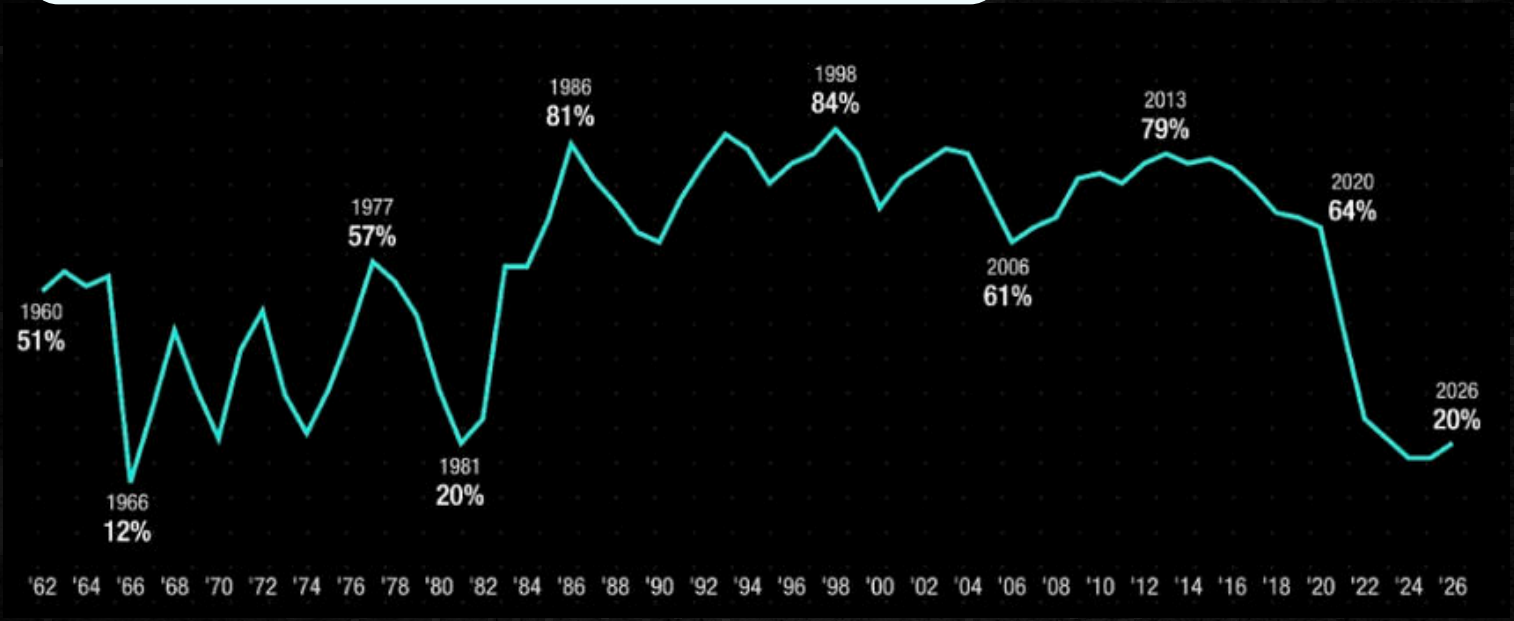
Inflation Perspective



Overall prices are up 5.1% since 2025.
Gas is up 30%, coffee 23%, beef 22% and electricity 11%.
Eggs are down 39%. T
his is what your clients feel every week at the pump and the grocery store, and it's why they say "everything is expensive" before you ever mention a house.
Acknowledge it first. Then show them how real estate protects them from it: a fixed payment is one of the only costs that doesn't rise with inflation.

The US *Economy*

Is Now a Good Time to Buy?



Only 20% of Americans say now is a good time to buy.
That ties 1981, when mortgage rates were 16%, and it's down from 64% in 2020.

Here's the opportunity: when 80% of people think it's a bad time, the 20% who move face less competition, more inventory and more negotiating power.

And this is the perfect setup for my framework: ask "Do you think now is a good time to buy?", let them talk, then ask about their plan.

Economy Summary

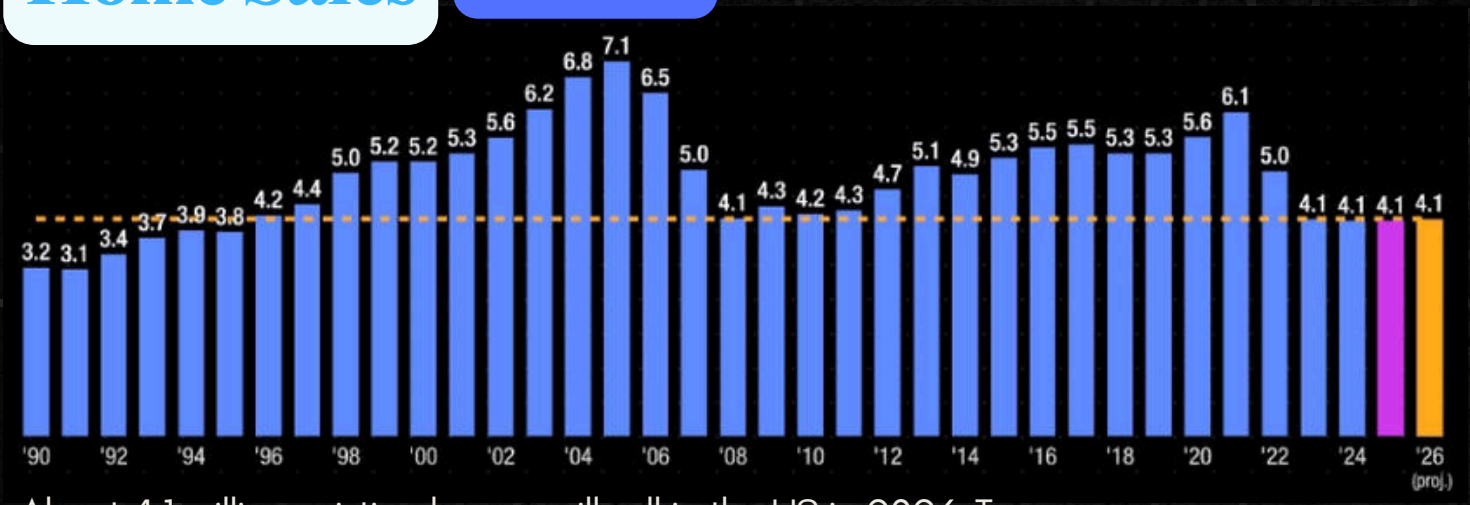
The US economy is slowing but not breaking.
Unemployment is 4.1%,
GDP is growing about 2%, and people are still working.

The problem is inflation. It was cooling toward the Fed's 2% target, then the Iran war pushed oil prices up and inflation jumped back to 3.7%. As long as prices keep rising, the Fed won't cut rates. That's why mortgage rates climbed from 6% in March to 7.4% today.

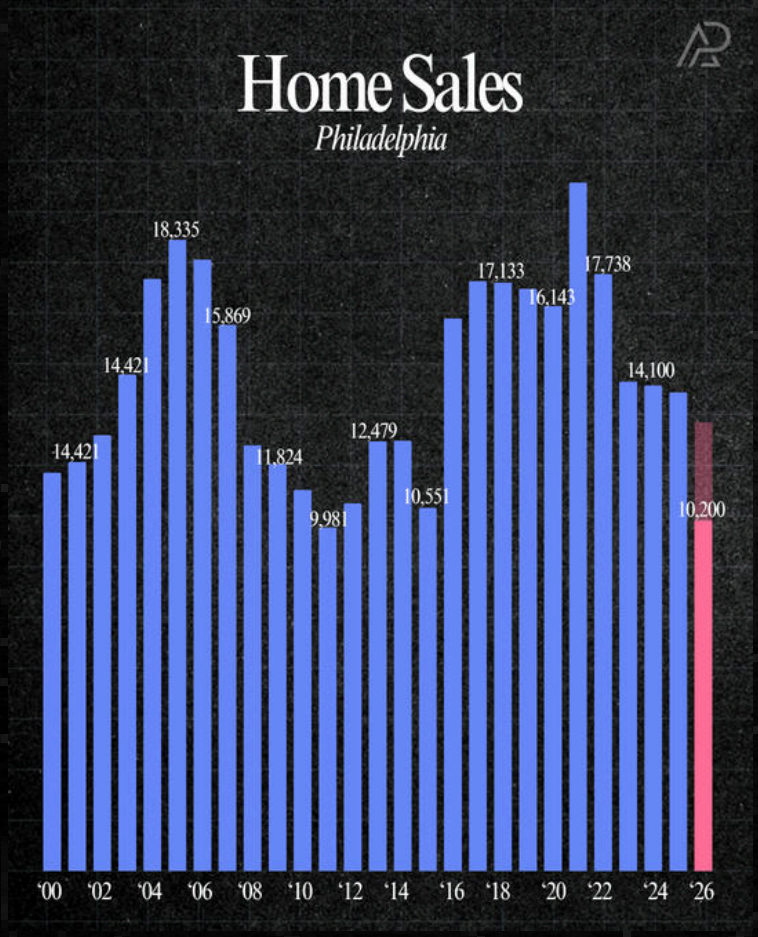
Meanwhile, people feel worse than the numbers say they should: consumer sentiment is lower than during COVID, and only 20% of Americans think it's a good time to buy a home. Philly has an edge here, because healthcare added more jobs in 2025 than any other industry, and hospitals and universities are our biggest employers.

PART TWO: The Real Estate *Market*

Home Sales National



About 4.1 million existing homes will sell in the US in 2026. T
hat's the fourth straight year at 4.1 million: 2023, 2024, 2025 and 2026.

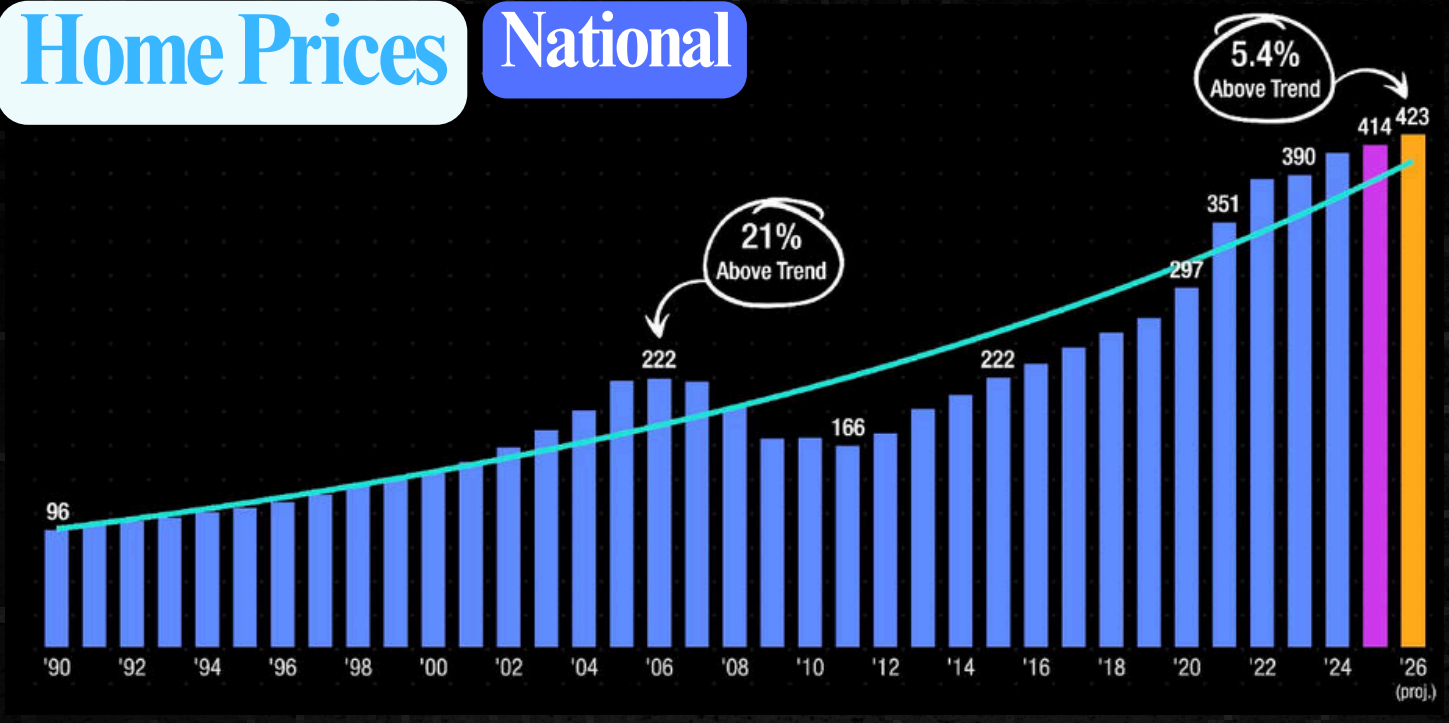


Home Sales Philly

On pace for about 13,300
2025: 13,900
2024: 14,100
2023: 14,200

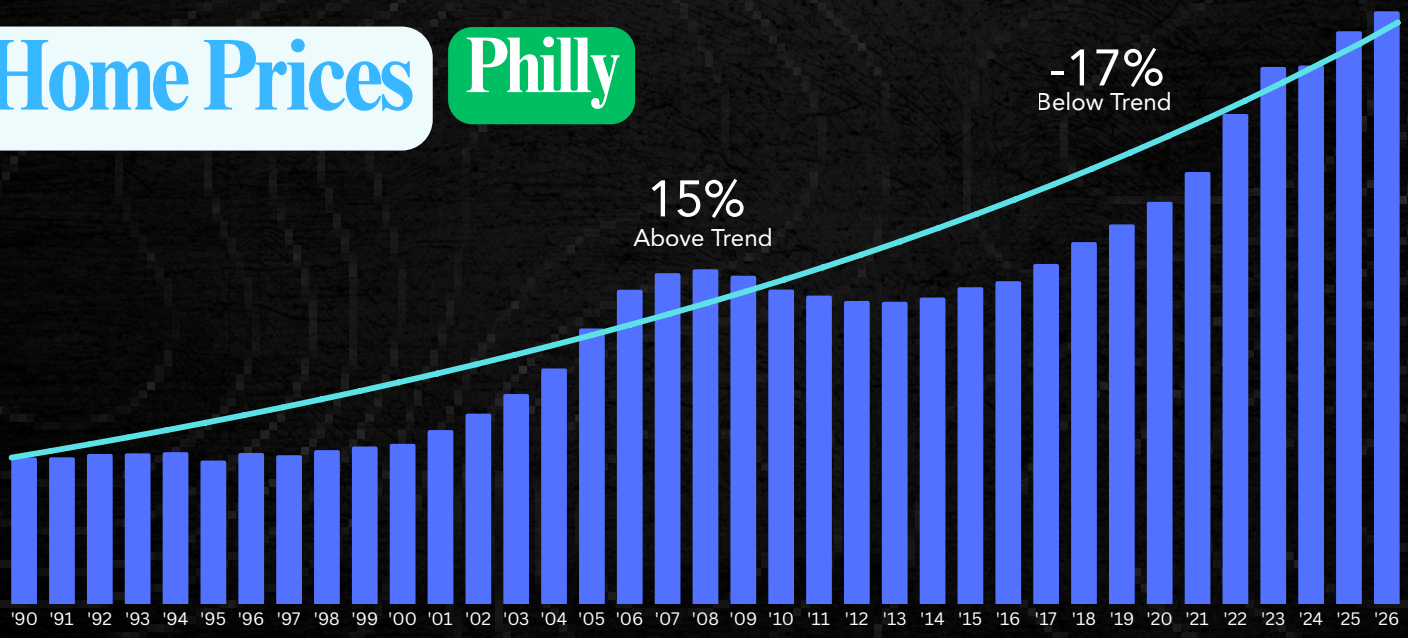
That's the same one-third drop.

Home Prices National



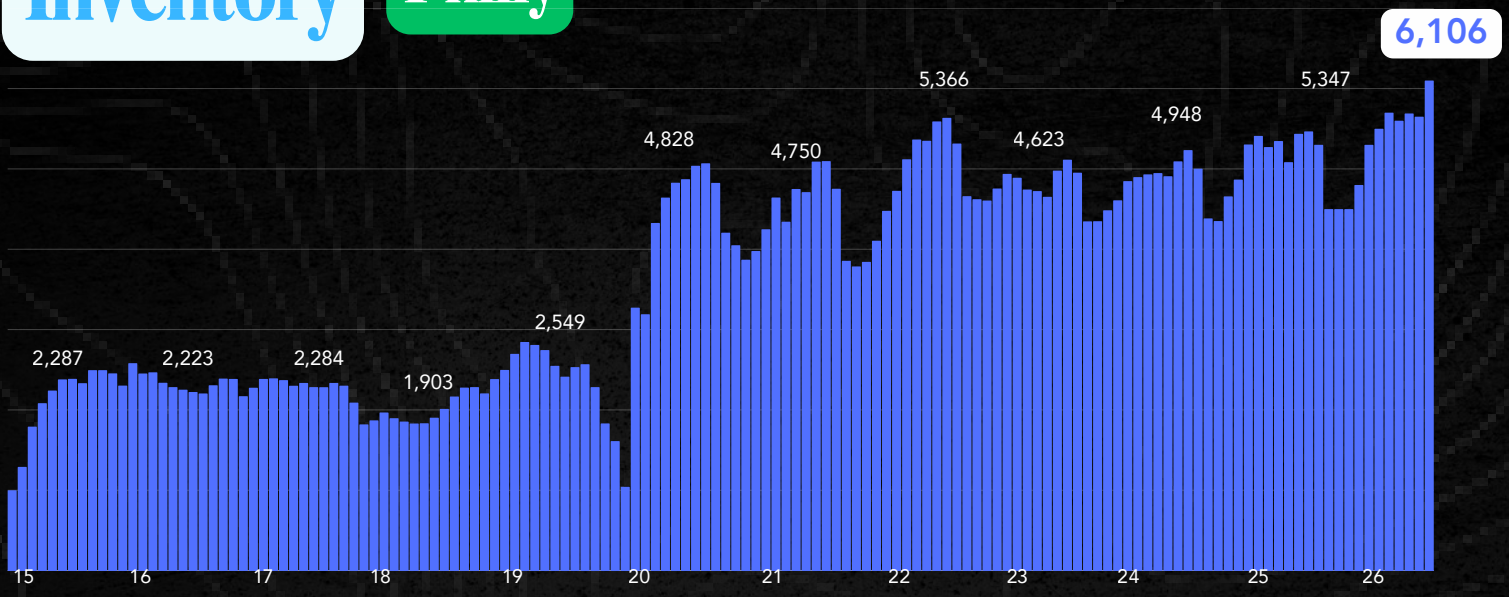
The median about $423,000 in 2026, up about 2%.
That's 5.4% above the long-term 4%-a-year trend line.
In 2006 it was 21% above, so this is no bubble.

Home Prices Philly



The median is $285,000 this year, up 3.6%
This is FASTER than the national rate.
And we're about a third cheaper than the national median.

Inventory Philly



There were 6,106 homes for sale in Philadelphia at the end of September
This is the highest September on Bright MLS

Months of supply hit 5.5, the highest September in the 11 years we track.

This Year: inventory climbed from about 4,430 in January to 6,106 in September...
Up 38% in eight months.

Over five years: September inventory has gone 5,091 (2021) → 5,590 (2022) → 4,979 (2023) → 5,095 (2024) → 5,433 (2025) → 6,106 (2026).
The last two years did all the climbing.

- Before 2020: inventory chart shows Philly sitting around 2,000 to 2,500 homes for sale.
- Today's inventory is more than double that.

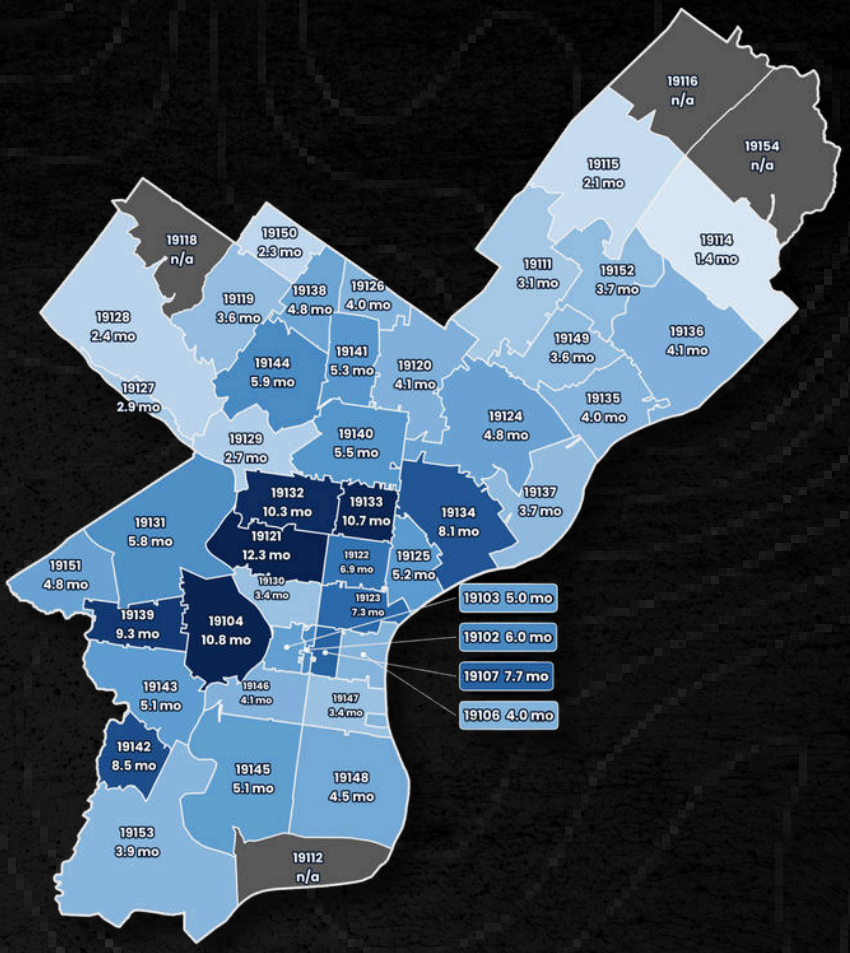
Why it's Building: About 2,000 new listings hit the market every September, and that number has barely moved in years. Sellers are listing at a normal pace.
What changed is how many of those homes get bought:

- September pendings fell from 1,566 (2020) to 725 this year.
- In 2017, there were about 1.5 new listings for every home that went under contract.
- This September there were almost 3.

Inventory Philly

Homes are Sitting:

- The median active listing has been on the market 62 days. The median home that sold went under contract in 23.
- About 37% of everything for sale has been listed 90+ days.
- Half of all active listings have already cut their price.



Two Markets

TToday's inventory isn't one big pile of homes. It's two piles: well-priced homes that sell in a few weeks, and overpriced homes that stack up. The second pile makes the market look slower than it is.

Tightest Neighborhoods:

Torresdale (19114) about 1.4 months
Bustleton (19115) 2.0
Cedarbrook (19150) 2.3,
Roxborough (19128) 2.5,
East Falls (19129) 2.8
Manayunk (19127) 3.0
Queen Village/Bella Vista (19147) 3.4

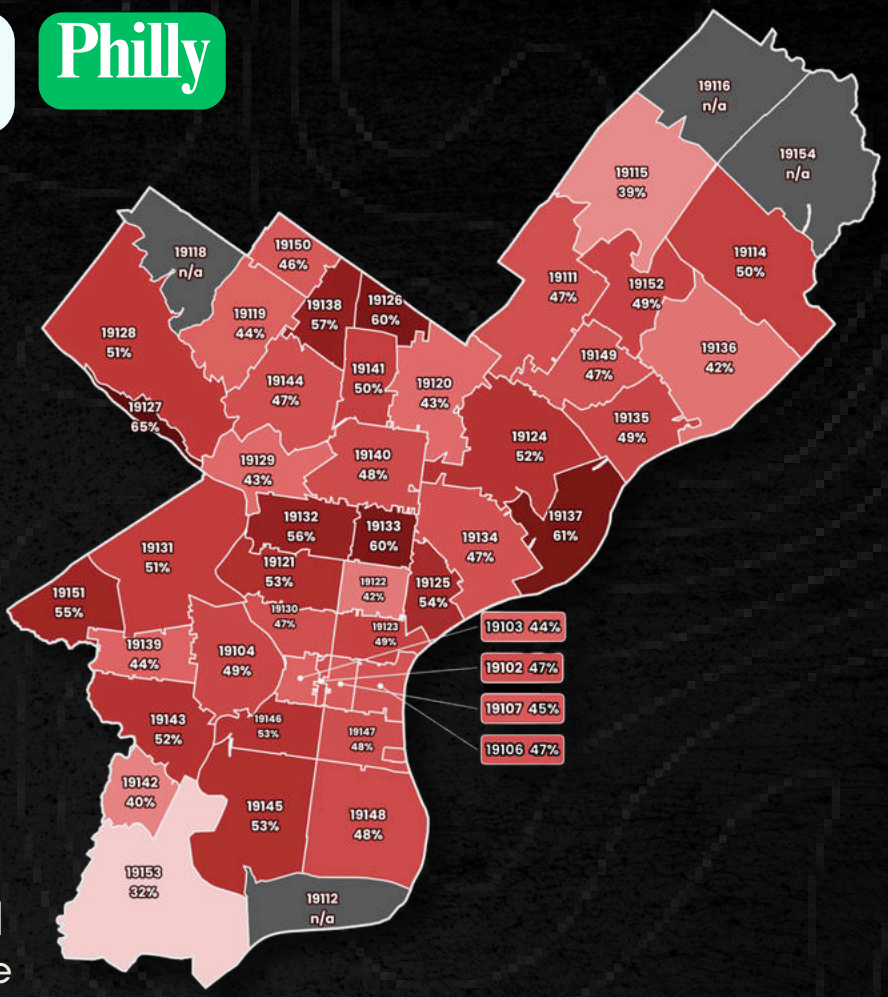
Slowest Neighborhoods:

Brewerytown (19121) 12+ months
Fairhill (19133) about 11
University City (19104) about 11
West Philly (19139) 9.5
Southwest (19142) 8.4
Kensington/Port Richmond (19134) 8.2

Price Corrections

Philly

49% of all Active Homes in Philadelphia have Reduced their Price



When Sellers Cut:

0-14 Days	2.5%
14-30 Days	17.5%
31-60 Days	30%
61-90 Days	18%

30 Day Window:
Almost nobody cuts in the first two weeks. By day 30, 1 in 5 has. Between day 31 and 60, it jumps to more than half. If the showings and offers aren't there by week four, the market has already answered.

Price Ranges:

$100k-$300k	51%
$300k-$400k	55%
$400k-$600k	45%
$600k Plus:	36%

Homes SOLD	vs	Homes SITTING
Selling:		**Sitting:**
24 Days on Market		62 Days on Market
35% Reduced Price		50% Reduced Price
$279,000 Median Price		$259,000 Median Price

A big chunk of inventory is stale.
37% of homes for sale have been listed over 90 days, and 13%, about 700 homes, have been listed over six months. Those homes inflate the inventory number and make the whole market look slower than it is. Take them out, and the "real" market is much tighter.

Rate Shock Philly

Jan 1	6.15%
Jan 15	6.06%
Feb 1	6.11%
Feb 15	6.01%
March 1	6.00%
March 15	6.11%
April 1	6.46%
April 15	6.30%
May 1	6.30%
May 15	6.36%
June 1	6.48%
June 15	6.47%
July 1	6.43%
July 15	6.55%
August 1	6.66%
August 15	6.67%
September 1	6.71%
September 15	6.95%
October 1	7.28%
October 15	**7.40%**

End of Feb: Middle East

May 22: Kevin Warsh sworn in as Fed Chair
May 28: Highest Inflation in 3 Years

June 17: Warsh's first Fed Meeting : Signalled Higher Rates are Coming

September 1: 10 Year Treasury Above 5%
September 16: Fed Raised Fed Funds Rate (First time since '23)

October 14: Inflation Report Hot ... 3.7% ... 10 Year to 5.3%

$300,000

$1,440 (6.01%) $1,662 (7.4%)

+$221 Monthly

-$40k Buying Power

$500,000

$2,402 (6.01%) $2,769 (7.4%)

+$369 Monthly

-$67k Buying Power

$750,000

$3,603 (6.01%) $4,154 (7.4%)

+$553 Monthly

-$100k Buying Power

$1,000,000

$4,805 (6.01%) $5,539 (7.4%)

+$738 Monthly

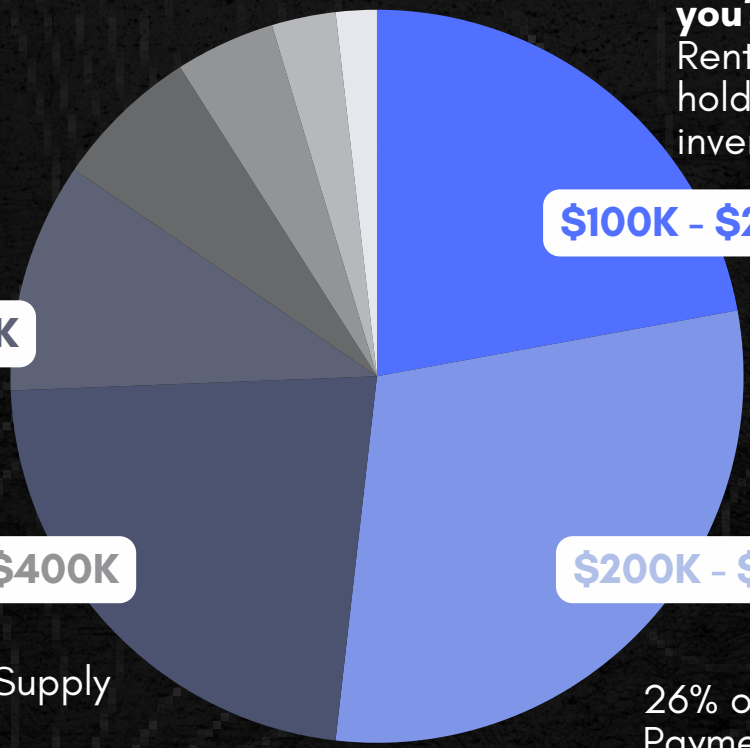
-$133k Buying Power

Who's Buying Philly

Over the last two years, sales under $100K fell 32% and sales over $1M rose 36%. The entry-level buyer got squeezed by the payment, the first-time buyer moved up to $300K to $400K with FHA, investors took over the bottom, and the cash-rich buyer at the top got bigger and faster.

20% of Market
39% Cash
FHA fell from 27% to 17%
Investors
Sold in 14 Days
100% Asking
What do they need from you?
Rental numbers, long-term hold strategy, distressed inventory

9% of Market
75% Conventional
Bigger Homes: 1,616 sq ft
Selling in 8 Days
What do they need from you?
Two transactions: sell their house into a tight market, buy the bigger one with leverage



20% of Market
Most Demand / Low Supply
64% Conventional
Todays FTHB ... $350k FHA
Selling in under 20 Days
What do they need from you?
Get them pre-approved and ready to move. Good homes go quickly

26% of Market
Payment Sensitive Buyers
2.7% PHFA
Homes go in 30 Days
What do they need from you?
Teach FHA, PHFA, K-FIT and buydowns.
Show the monthly number, not the price

The 5 D's Philly



Diamonds

10,561 couples got married in Philadelphia last year. 29 a day. Almost every one of them is making a housing decision: two leases becoming one, a starter home, or selling two places to buy one.

Couples get married older, with more savings, higher incomes and often two homes or leases to combine. Today's newlyweds aren't buying a $175,000 starter rowhome. They're the two-income buyers in Philly's $350,000 to $500,000range, which is the tightest supply in the city and moving in about 20 days.



Diapers

17,628 babies were born in Philadelphia last year. 48 a day. Every one of those families just found out their one-bedroom has a problem.



Divorce

17,628 babies were born in Philadelphia last year. 48 a day. Every one of those families just found out their one-bedroom has a problem.



Downsize

69% of Philadelphia households 65 and older own their home, and more than half of them have lived in the same house for 23+ years.

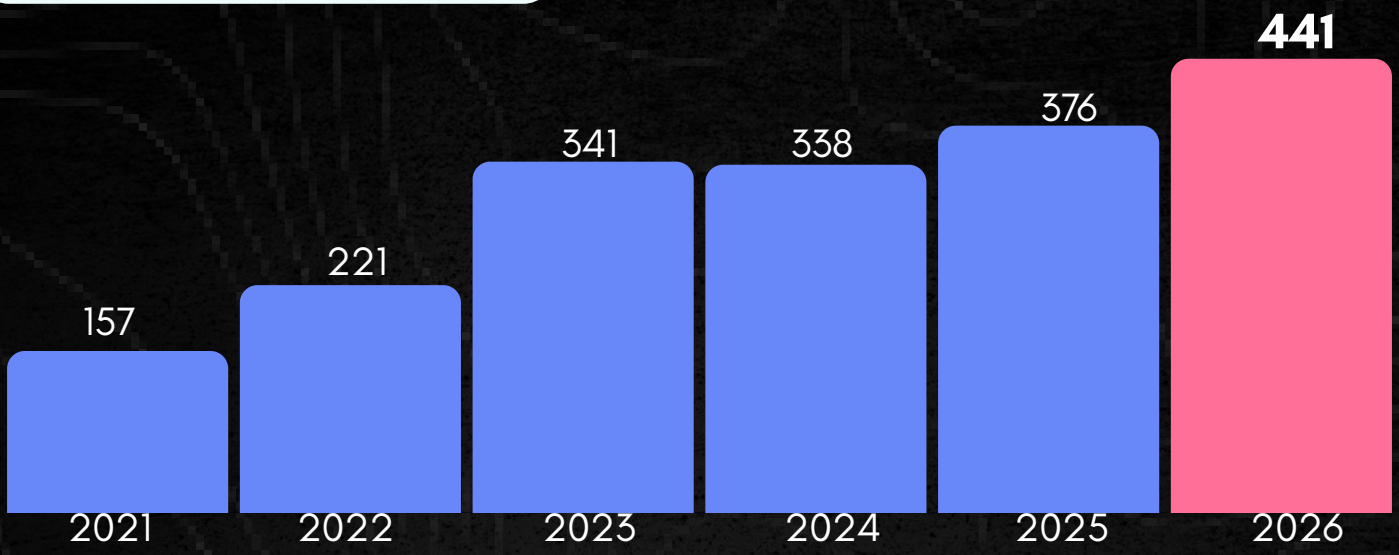
That's roughly 100,000 older homeowners sitting on decades of equity, many in houses that are too big, with stairs that get steeper every year.



Death

About 37 people pass away in Philadelphia every day. That turns into about 2,200 estate sales a year, six a day, nearly 1 in 10 property sales in the city. Most of those families never call an agent. They take the first cash offer from a wholesaler's postcard.

Distressed Sales Philly



Bank-owned, short and auction sales in Philadelphia are up 63% in one year, from 326 to 531. They've nearly tripled since 2021. These sellers don't get to wait for a better market. The bank sets the clock.

Where it's happening:
Kingsessing/Cobbs Creek (19143)
Kensington/Port Richmond (19134)
Hunting Park (19140)
Frankford (19124)
Brewerytown (19121)
Germantown East (19138)
West Philadelphia (19139)
South Philadelphia East (19148)
Olney (19120)
Wynnefield (19131)

Why it's happening:

- **Payments and costs went up.**
  - Taxes, insurance and utilities (electricity up 11% since 2025) squeeze homeowners on tight budgets.
- **The job market softened.**
  - Unemployment peaked at 4.6% last November, and job growth has been weak.
- **FHA and low-down-payment buyers from 2022 to 2024 bought with little equity at high rates.**
  - If something goes wrong, they have less cushion.
- **Consumer debt.**
  - Credit card balances and rates are high, so a homeowner can fall behind on the mortgage while juggling everything else.

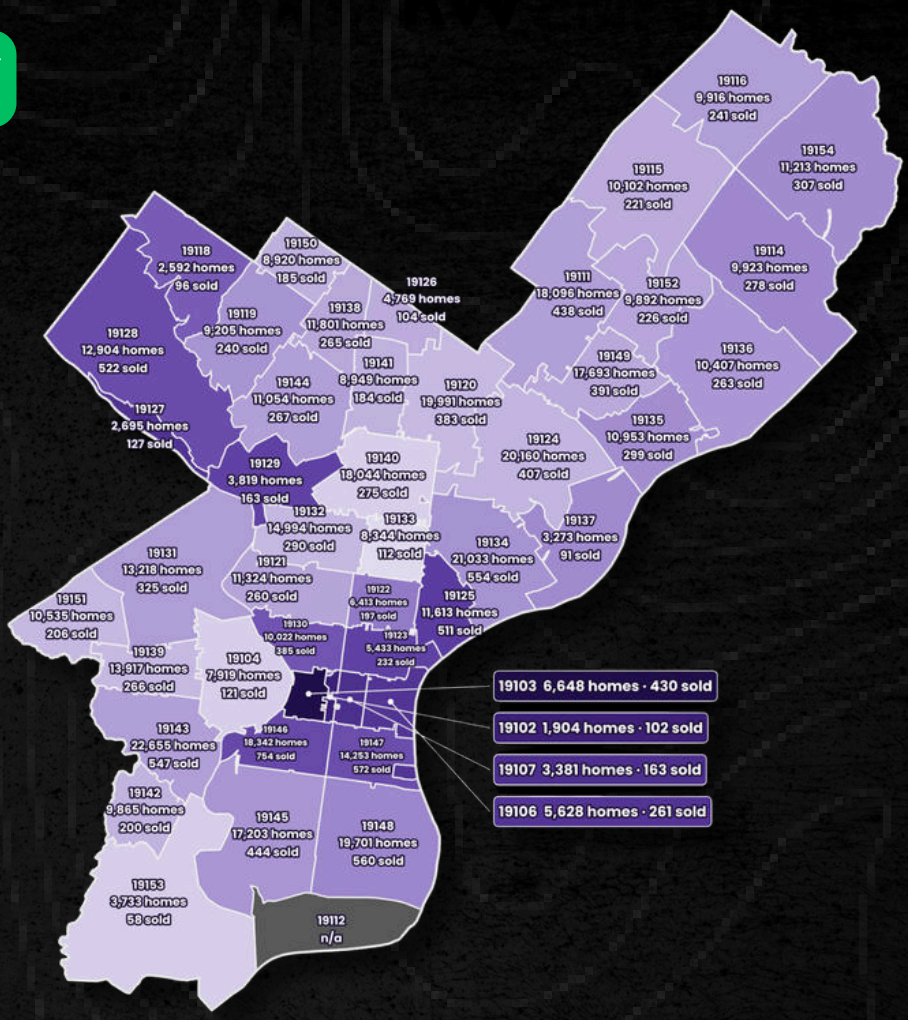
The Math Philly

Turnover in Philly:

463,000 Homes
13,000 Homes Sold
2.8% Sell Every Year

That means:
5.6% of your database
IS MOVING EVERY YEAR!

100 People:	5 People
250 People:	14 People
500 People:	28 People
1,000 People:	56 People
2,000 People:	112 People



Also... Every person in your database also knows people. When a past client's sister, coworker or neighbor moves, that's your referral, but only if you're the agent they think of first.

Where is the most turnover?

Rittenhouse/Logan Sq. (19103)	6.3%
Center City West (19102)	5.4%
Wash. Sq. West (19107)	4.8%
Old City/Society Hill (19106)	4.6%
Manayunk (19127)	4.6%
Fishtown (19125)	4.4%

Want to know how to find out who is moving next year? Message me for the ultimate 2027 Framework!

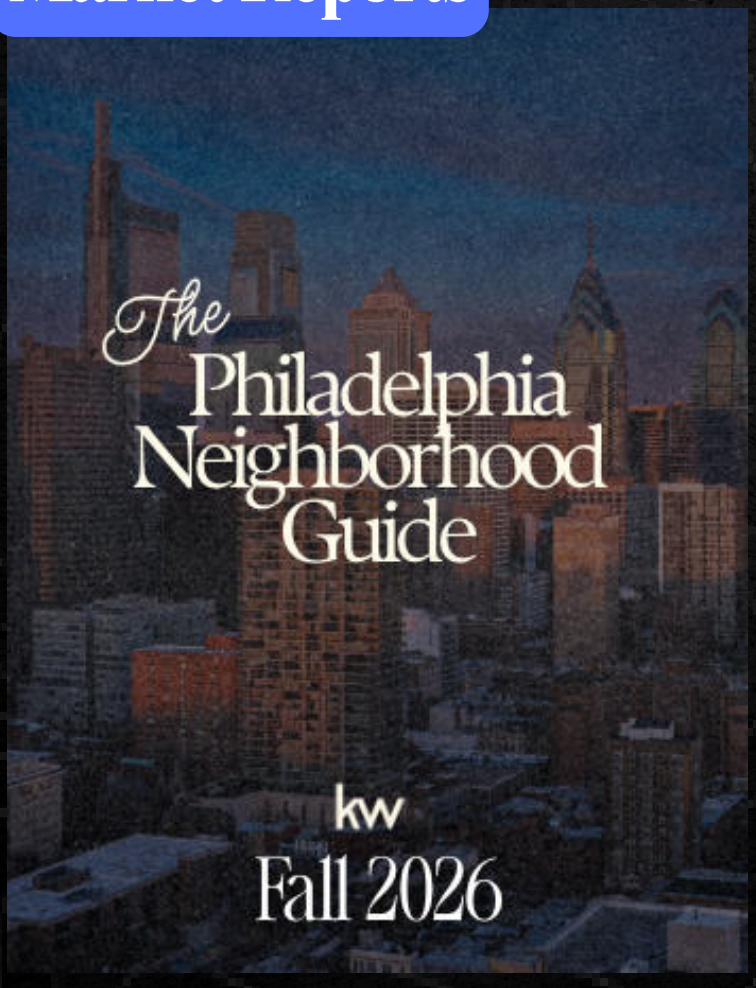
Free Content Hub

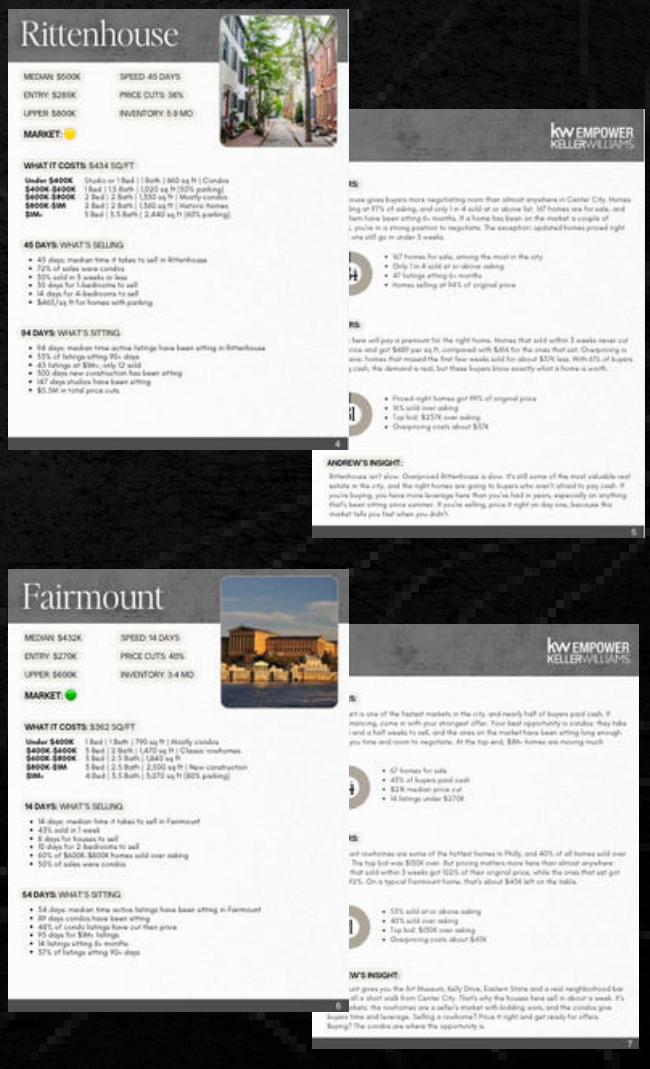
The agent who explains the market owns the market. Every number in this report is a story your clients haven't heard yet. If you don't tell it, someone with no license and no local data will.

The **KW Empower Content Hub** gives every one of our agents this content for free, ready to put your name on.Market updates, neighborhood guides, social posts, videos and scripts, built from real Philly MLS data and refreshed every month. You add your brand, your face, your phone number, and post it.

You don't need to be a data person. You don't need a marketing budget. You need to be the agent your sphere sees explaining the Philly market every single week. We'll hand you the content. You just have to put it out there."

Market Reports





Lead Magnets

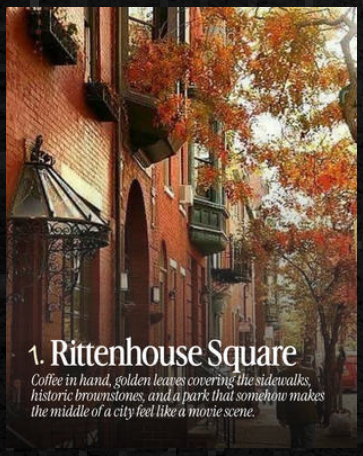






Social Media





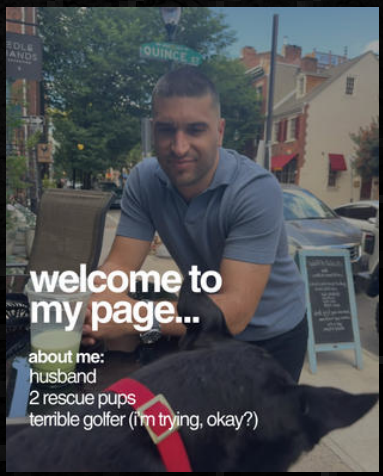






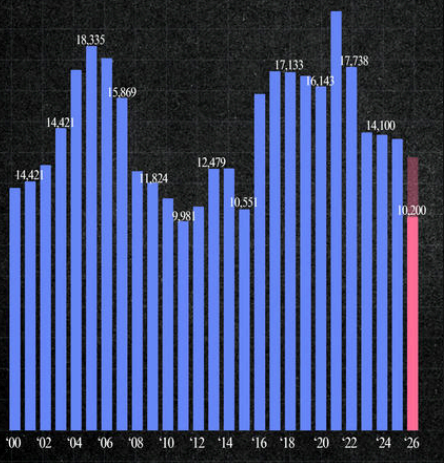




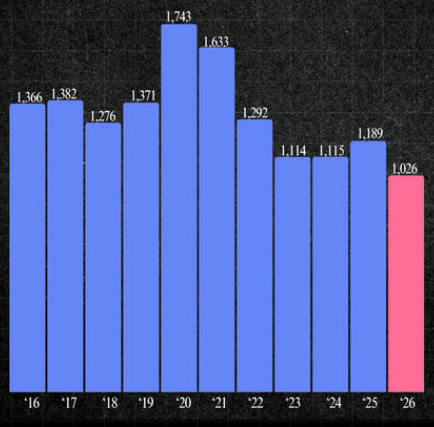


These Slides

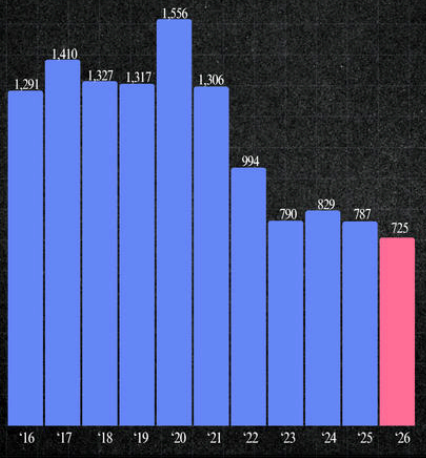
Home Sales
Philadelphia



Home Sales
Every September *in Philadelphia*



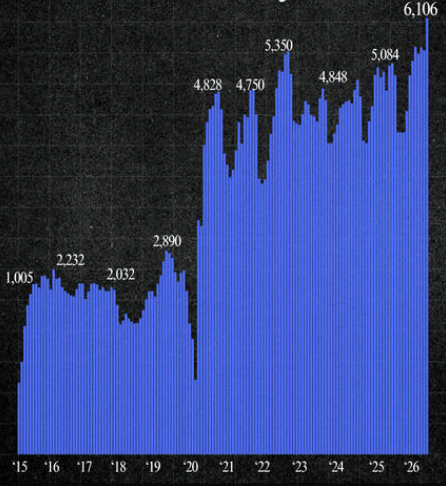
Pendings
Every September *in Philadelphia*



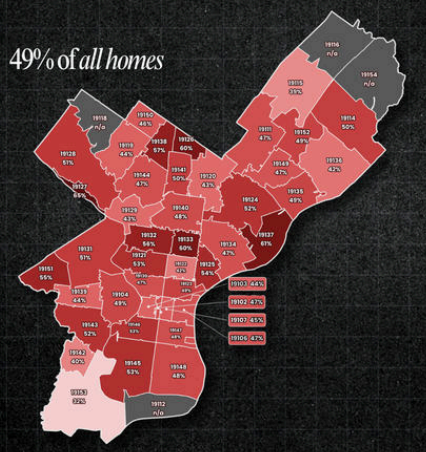
Interest Rates
Jan 1 - Oct 21

Jan 1	6.15%	
Jan 15	6.06%	
Feb 1	6.11%	
Feb 15	6.01%	Middle East End of February
March 1	6.00%	
March 15	6.11%	
April 1	6.46%	
April 15	6.30%	
May 1	6.30%	
May 15	6.36%	Kevin Warsh Swarn in May 22
June 1	6.48%	Highest Inflation - 3 Years May 31
June 15	6.47%	
July 1	6.43%	
July 15	6.55%	Fed Meeting - Higher Rates Coming June 17
August 1	6.66%	
August 15	6.67%	
September 1	6.71%	10 Year Treasury above 5% September 1
September 15	6.95%	Fed Funds Rates Increased September 16
October 1	7.28%	
October 15	7.40%	High Inflation Report October 14

Inventory



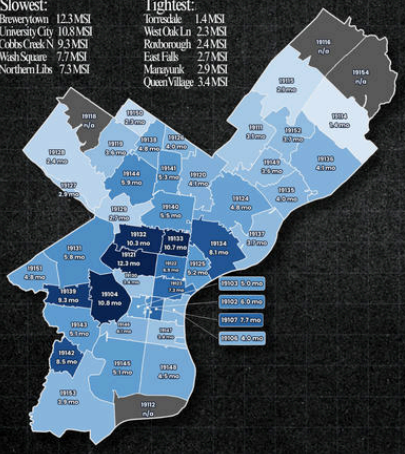
Price Corrections



Neighborhood *Heat Map*

Slowest:
Brewerytown 12.3 MSI
University City 10.8 MSI
Cobbs Creek N 9.3 MSI
Wash Square 7.7 MSI
Northern Libs 7.3 MSI

Tightest:
Torresdale 1.4 MSI
West Oak Ln 2.3 MSI
Roxborough 2.4 MSI
East Falls 2.7 MSI
Manayunk 2.9 MSI
Queen Village 3.4 MSI

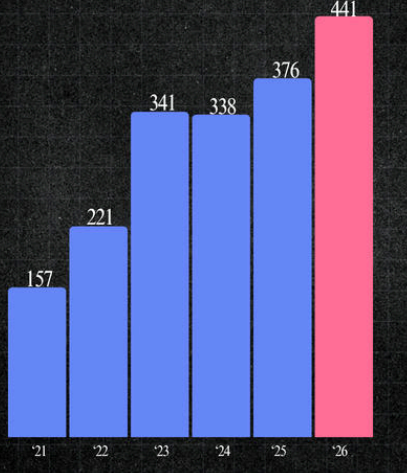


The *Math*

Homes in Philly: 462,888
2026 Sales: 13,000
2.9% every year



Distressed *Sales*



Content Ideas Right Now

"Is now actually a good time to buy a house in Philadelphia? I want your opinion."
Turn my three-step framework into a social conversation. Ask people whether they think now is a good time, invite their reasoning, and explain how the answer depends on their plans.

"Half of Philadelphia homes have reduced their price. Here's what nobody's telling you."
Your slide shows 49% of active listings have reduced their price, with an average adjustment of 6.5%.

"The Philadelphia housing market isn't slow. You're just looking in the wrong neighborhood."
Compare Brewerytown's 12.3 months of supply with Bella Vista 1.4 months.

"Your house has been sitting for 60 days. Here's what the market is telling you."
Your presentation compares 23 days for homes that sold with 62 days for homes still sitting.

"What if I told you the seller could help lower your mortgage payment?"
Angle: Walk through a seller credit, a temporary 2-1 buydown, and a permanent rate buydown using an actual payment illustration.

NEIGHBORHOODS

"The 5 hottest Philadelphia neighborhoods right now aren't what you'd expect."
Rank neighborhoods by months of supply, with a clear date.

"Philadelphia home sales dropped 14% in September. Here's what that actually means."
Separate transaction volume from home prices.

"What $400K buys you in three completely different Philly neighborhoods."
Actual listing comparisons, space, condition, and location.

"The Philadelphia neighborhoods where buyers have the most negotiating power."
Highest months of supply and longer listing times.

SELLERS

"The biggest mistake Philadelphia sellers are making in October."
Pricing against past sales without accounting for today's competition.

"Why your neighbor sold for $600K and your house might not."
Rates, condition, concessions, timing, and competing listings.

Content Ideas Right Now

"Three signs your Philadelphia home is overpriced."
Low showing activity, stronger nearby competition, repeated objections.

"The first 14 days of your listing might be the most important."
New-listing exposure and the cost of missing the market.

BUYER

"I wouldn't wait for rates to hit 5% without considering these three things."
Affordability, competition, and uncertain future rates.

"What can you negotiate when buying a house in Philadelphia in 2026?"
Price, credits, repairs, closing date, and included items.

"Three things buyers should never waive just to win a house."
Inspection, financing, and appraisal protections where applicable.

"What does a $350K house actually cost per month in Philly?"
Down payment, principal, interest, taxes, insurance, and PMI.

"Why buying a house below your maximum budget might be your smartest move."
Payment flexibility and repair reserves.

"The Philadelphia first-time buyer assistance programs worth knowing about."
PHFA, Philly First Home, eligibility, and lender guidance.

LIFE EVENTS

"Your first baby might change what you need from your house."
Space, bedrooms, storage, and move-up planning.

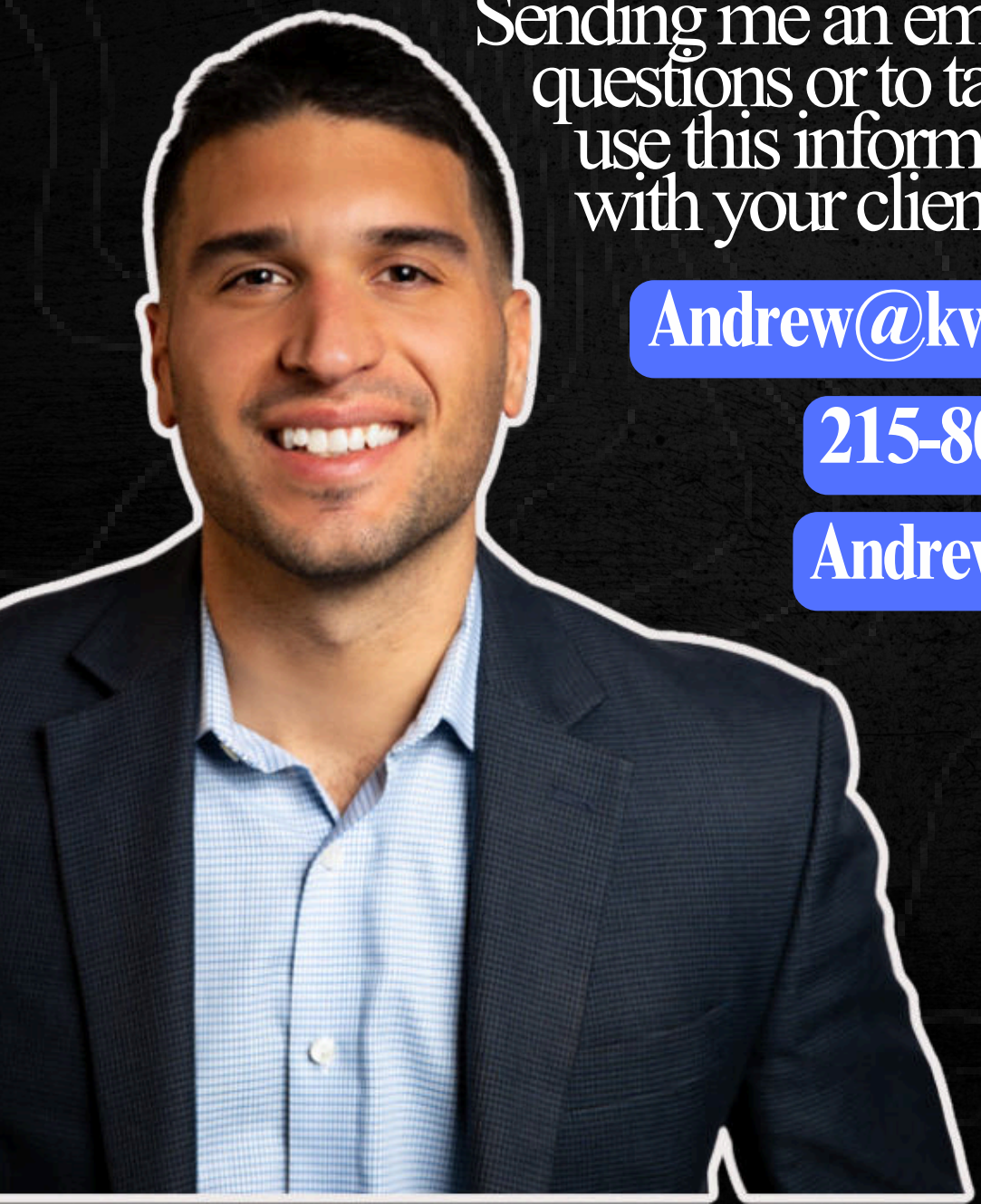
"You got engaged. Should you buy a home before or after the wedding?"
Financing, ownership structure, and timing.

"Inherited a house in Philadelphia? Don't make these three decisions too quickly."
Probate, condition, valuation, and professional guidance.

VIEW MORE (PLUS THE ACTUAL SCRIPTS) IN MY MONTHLY OCTOBER CONTENT GUIDES

Thanks for reading!

Sending me an email with any questions or to talk about how to use this information right now with your clients!



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