



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

“From My Home To Yours”

Real Estate: (610)436-5397

Website: www.prc-pa.net

Lic. by PA Real Estate Commission

#RB065819 & #RM423485

24th edition - Winter, 2026

Mortgage: (610)436-0689

Website: www.pmc-pa.com

Lic. by PA Dept of Banking Lic.

NMLS ID#111211 & #135687

HAPPY NEW YEAR!

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

I hope you find my articles to be “News That You Can Use,” or at least find interesting. I also include your 2026 magnetic calendar and kitchen conversion chart (last page). I use that chart plenty each year!

Thanks to those of you who attended my October 25th “Client Appreciation Day” celebration. The weather was great, albeit brisk, my gardens and hickory tree foliage looked great, the food and drink were great, and most importantly, you were great! Thanks! *See last page for a couple of photos.*

For me, 2025 was once again a challenging year, 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.

Because of these trends, 2025 was once again a survival year for me, completing my 35th year in business on my own. I'm proud to report that my 100% referral rate and 100% mortgage approval rate are still intact and all real estate transactions resulted in a happy client outcome!

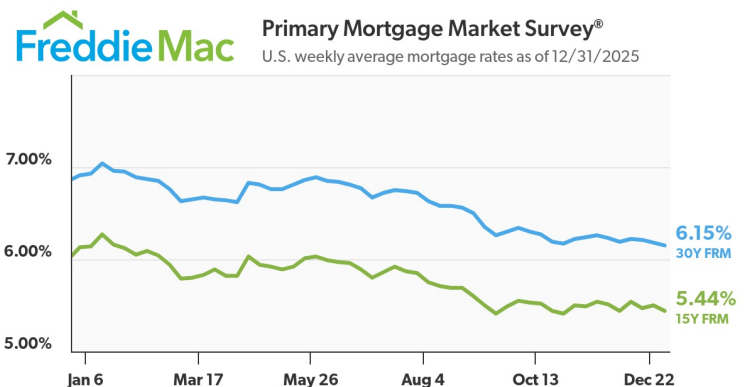
As always, feel free to call me with any questions – there is never a charge nor obligation. And I hope that if you were satisfied with my service and pricing, you will present me with the best compliment I could receive: a referral to assist a family member, friend, or co-worker.

Best wishes, prosperity, & good health to you in 2026!

Thank You! Laurence

2025 MORTGAGE RATE RECAP

The high point on January 16th was 7.04% (30-yr) and 6.27% (15-yr). The low point on December 31st was 6.15% (30-yr) and 5.44% (15-yr). The ending levels in the year (shown below in chart) reflect a slight decrease in the levels, ending in 2024 (6.85% - 30 yr & 6.00% (15-yr). For those of you with 2nd mortgages that are lines of credit, aka “HELOCs,” prime rate is now at 6.75% (0.75% lower than 2024, but 3.50% higher than 2020).



The rates noted take into consideration the points all FreddieMac borrowers paid. So, for those of you with excellent credit scores and hefty equity, your individual rate will probably be lower than depicted.

The movements in the chart, in part, relate to market expectations of the Federal Reserve's (“Fed”) policy moves in reaction to economic data releases. The data confirmed inflation was declining, and employment was declining, and thus the Fed cut rates throughout the year (3, quarter point cuts = 0.75%).

Note the Fed only controls short-term interest rates. Mortgage rates are more reflective of longer duration bonds. So, the other part of the story is the bond market and some Fed Board Governor's skepticism regarding inflation. Is the inflation genie really back in the bottle?

2025 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 rate, even mildly slower than in 2024. Also, the market has reflected a growing divergence in conditions due to location, property type, and price point.

Median Price of Existing Home Sales:

- 11/2025, \$409k -11/2024, \$406k -11/2023, \$406k
-11/2022, \$373k 11/2020, \$311K {up 32% in past 5 yrs}

Existing Home Sales:

-11/2025, 4.13M -11/2024, 4.15M - 11/2023, 3.85M
-11/2020, 6.60M {down 37% in past 5 yrs}

*Interesting Factoid: The Northeast region of the country only accounts for 12% of all existing home sales.
– West, 19% – Midwest, 24% – South, 45%*

Why the continued Seller’s Market, albeit more “normalized?” The answer always is rooted in the fundamental components of supply and demand.

1) Supply (existing & new construction inventory): Sellers are living in their homes longer: Living longer, ability to “live in place,” 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.

Builders continue to rationalize the same problems that minimize their production volume – higher costs for land acquisition, regulatory compliance, labor, wood/materials, etc. {See p. 4 for more on this topic.}
2) 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. However, more first-time home buyers are waiting and hoping – hoping the market continues to “normalize” (not be a Seller’s Market) and hoping interest rates continue to decline.

Buyers continued to adjust to new, norm levels of elevated mortgage interest rates, property taxes, homeowner’s insurance, and HOA fees.

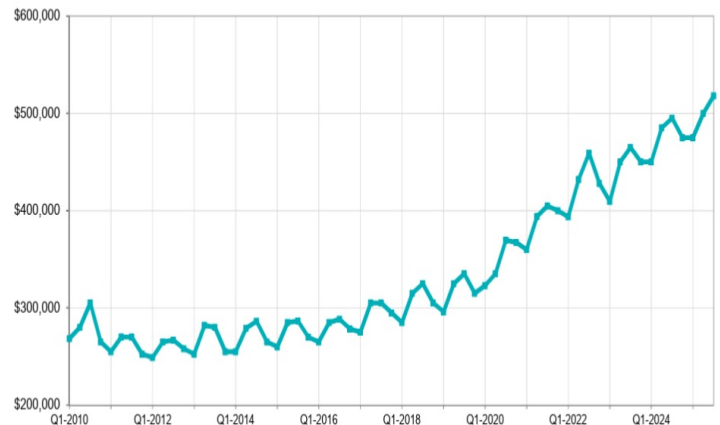
National Re-Cap of 2025: Despite the extra Buyer challenges, there was still more demand than supply.

2025 HOUSING MARKET RECAP - Local

Bucks County

3rd Qtr (Y-o-Y): 1.8 months supply of inventory* (down 10%), the median sales price \$518k (up 4.6%), 99.4% of original price received (down 0.8%), homes for sale 922 (down 7.2%). *Local example – zip code 18974 (Ivyland area): The median sales price increased 14% to \$525k and 101.2% of original sales price received.*

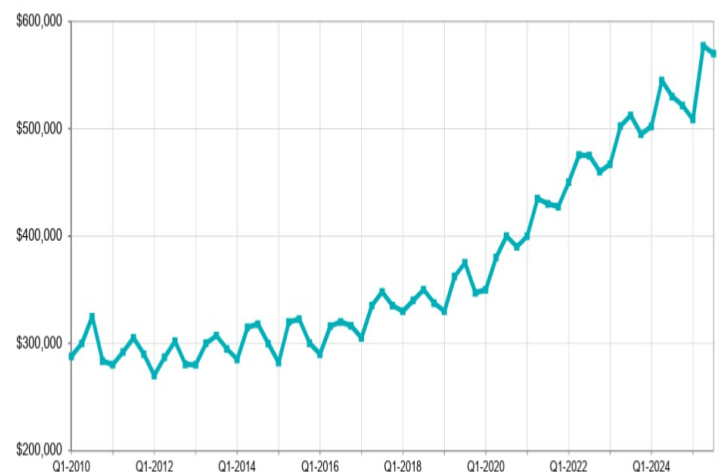
Historical Median Sales Price for Bucks County, PA



Chester County

3rd Qtr (Y-o-Y): 2.0 months supply of inventory* (0% change), median sales price \$570k (up 7.5%), 100.6% of original price received (down 0.7%, homes for sale 962 (up 2.2%). *Local example – zip code 19355 (Malvern area): The median sales price increased by 2.3% to \$813k and 100.3% of original sales price received (down 1.9%).*

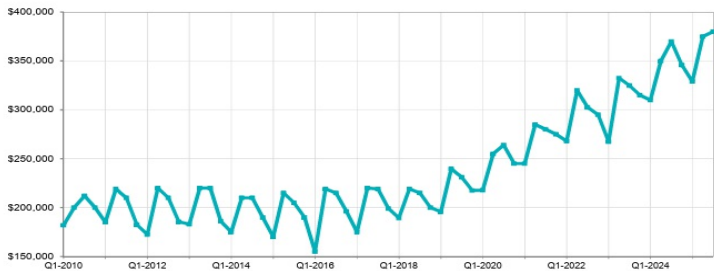
Historical Median Sales Price for Chester County, PA



Delaware County

3rd Qtr (Y-o-Y): 1.6 months supply of inventory* (down 16%), median sales price \$370k (up 14%), 100% of original price received (down 0.7%), homes for sale 768 (down 11%). *Local example, zip code 19064 (Marple area): Median sales price \$454k (up 4%) and 102.6% of original price received (down 0.6%).*

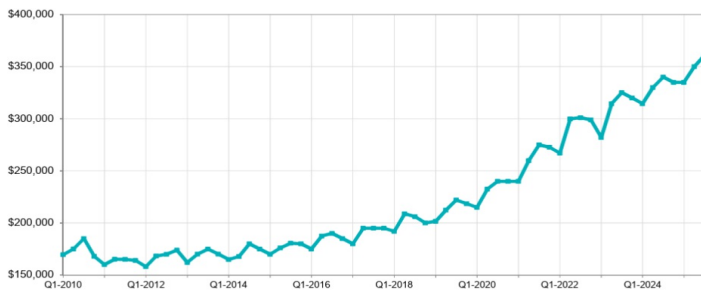
Historical Median Sales Price for Delaware County, PA



Lancaster County

3rd Qtr (Y-o-Y): 1.7 months supply of inventory* (down 5.6%), median sales price \$361k (up 6.2%), 102.9% of original price received (0% change), homes for sale 712 (0% change). *Local example, zip code 17557 (New Holland area): Median sales price increased 10.7% to \$415k and 115.3% of original sales price received (up 8.8%).*

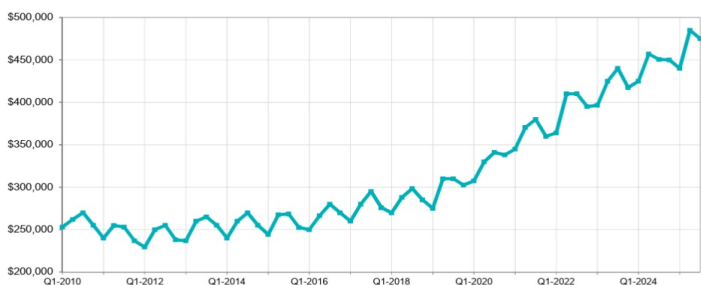
Historical Median Sales Price for Lancaster County, PA



Montgomery County

3rd Qtr (Y-o-Y): 1.8 months supply of inventory* (down 10%), median sales price \$475k (up 5.4%), 99.6% of original price received (down 0.8%), homes for sale 1,271 (down 9.3%). *Local example, zip code 19446 (Ambler area): Median sales price \$701k (up 0.1%) and 101% of original sales price received.*

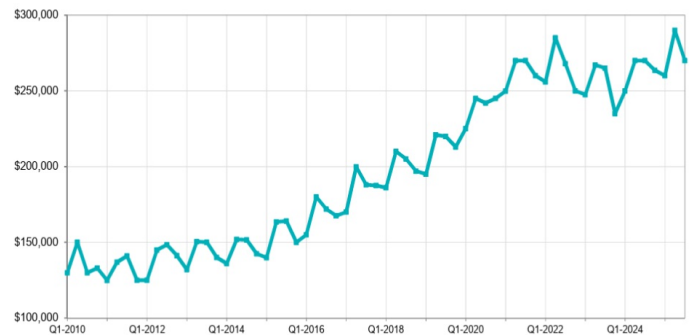
Historical Median Sales Price for Montgomery County, PA



Philadelphia County:

3rd Qtr (Y-o-Y): 4.1 months supply of inventory* (down 12.8%), median sales price \$270k (0% change), 95% of original price received (down 0.9%), homes for sale 4,829 (down 12.5%). *Local example, zip code 19125 (Fairmount area): Median sales price \$453.3k (down 3.6%) & 96.% of original sales price received.*

Historical Median Sales Price for Philadelphia County, PA



* A "balanced market" is considered a 4-6 months supply.

LOCAL MARKET RECAP SUMMARY

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 the regional and national figures. Call me biased, but I guess our area is a good place to live and work!

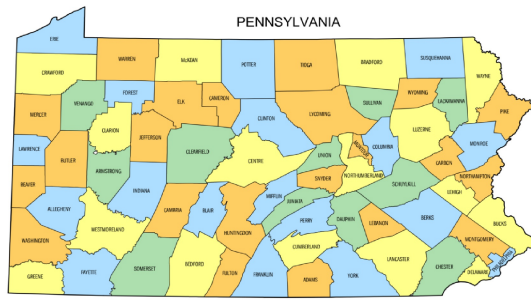
Want to know the statistics in your particular municipality or zip code? Feel free to shoot me an email or call. The county stats are updated monthly or quarterly within my **PRC** website for your ready reference.



2025 HOME IMPROVEMENT COST vs. VALUE

Here are the top 7 home improvement projects, in the Philadelphia region, with respect to the cost recouped in appreciation.

- 1) 257% return – Garage Door Replacement
- 2) 253% return – Entry Door Replacement (steel)
- 3) 168% return – Manufactured Stone Veneer
- 4) 113% return – Minor Kitchen Remodel
- 5) 109% return – Siding Replacement (fiber-cement)
- 6) 93% – Back-Up Power Generator
- 7) 90% return – Siding Replacement (vinyl)



STATE TAXES

- Income Tax: 0 increase in 2026 – 3.07%.
- Gasoline Tax: 0 increase in 2026 – 57.6 cents/gallon. PA is the nation's 4th highest taxed state, according to the Tax Foundation.
- Turnpike: Tolls will increase 4% in 2026, for a cost of 7.3 cents/mile.

New STATE CONSUMER PROTECTION HUB

In an effort to fill the void left from the scaled-back national Consumer Financial Protection Bureau (CFPB), Pennsylvania created a new centralized system for reporting consumer complaints.

O: (866)PACOMPLAINT

E: consumer@pa.gov

W: <https://www.pa.gov/consumer-complaints>

2026 COUNTY PROPERTY TAX CHANGES

- Berks: 0% increase
- Bucks: 8% increase
- Chester: 0% increase
- Delaware: 19% increase (on top of 23% in 2025)
- Lancaster: 10% increase (1st change in 13 years)
- Montgomery: 4% increase
- Philadelphia: 0% increase@1.3998% assessed value
- Philadelphia Transfer Tax: Increased to 3.578% + 1% PA State = Total 4.578% (fyi buyers & sellers)

•You must look at facts because they look at you.

•We make a living by what we get, but we make a life by what we give.

– Winston Churchill

NEW CONSTRUCTION PURCHASE IN PA?

I'm often asked by potential buyers my thoughts regarding a re-sale versus a newly constructed home. I then proceed to describe the various pro's and con's and that there is certainly no right or wrong.

However, I want to amend* my thoughts after noting several recent published reports:

- LendingTree: PA's median newly constructed home cost (\$659,468) is 121% above the median existing home cost (\$297,831) – only 1 of 2 states were over double. The average nationwide is 38%.
- Pew Charitable Trusts: Between 2017-2023, PA ranked 44th nationwide for new housing growth. Only 3.4% of the housing stock came from newly permitted units, well below the national rate of 7.5%, and well below the 5.1% growth in households.
- Realtor.com: PA has 4th highest new construction premiums in the country in 2024. And, PA's share of housing permits is just 1.6%, while it accounts for 3.8% of the national population, indicating a significant gap in new housing development.

Why the bad report card in so many categories? According the Nat'l Assoc. of Home Builders, the various factors include “high material & development costs that are magnified by volatile tariffs, delays caused by regulatory and local code and zoning inflexibility, a critical under-supply of housing, and financing challenges for developers.”

And, specifically, according to the PA Builder's Assoc., “Regulations at the federal, state and local levels made up about 30% of the cost of new single-family homes in Pennsylvania in 2023.”

* Amendment: Similar to a decision one makes when considering a new or used car, the cost differential is a key factor. The differential for a comparable new versus used home in PA is significant.

MOBILITY RATES

According to Point2Homes, nationwide, only 11% of Americans moved in 2024 – a historic low. For reference, in 2014 it was 14.3%, and in the 1960's, roughly 20% moved each year.

Pennsylvania was the fourth, least mobile at 9.6%. For intra-state movers, 58.3% were renters and 41.7% were owners. For inter-state movers, 59.4% were renters and 40.6% owners.



MORTGAGE PROGRAMS & PROCESS UPDATE



Appraisals:

1) In 2026, there will be a drastic change in the appraisal reports themselves, mainly for the benefit of lenders since the reports will become even more digitized, more interactive, and cloud-based. Expect higher costs and longer turn-around times, as the industry adjusts to the new standard.

2) Reconsideration of Value (ROV): Lenders are now required to have uniform mandated policies in effect if a borrower (the payer of the cost) disagrees with the appraisal facts or selection (or lack thereof) of the comparative sales used by the appraiser. The lender now must provide borrowers with a, yet another, disclosure specifying their process to dispute, aka request for a ROV. The lender is mandated to analyze the dispute. Furthermore, if there's a material deficiency found in the appraisal by the lender that remains uncorrected by the appraiser, that lender is now required to report the appraiser to the state licensing authority.

3) Appraisal Waivers: More & more common now, with the possibility increased for at least a 10% down payment on purchase loans (previously 20%).

Technology: The mortgage lending process continues to evolve and get smarter. The pro is that customers need to produce less documentation and transaction times have decreased. Hard to believe, but if there are no surprises, and all 3rd-parties involved in a transaction are on top of their game, a mortgage can really close in 30 days.

Conforming loan limits: Increased to \$832,750 for 2026, up 3.3% from 2025, up 5.2% in 2024, and up 5.6% in 2023. Thus, more buyers will be able to secure better rates and terms versus a "Jumbo" loan (a loan amount over that limit).

1st-Time Homebuyers – The area median income (AMI) limits will increase in 2026. Certain perks (pricing and qualification criteria) exist for those whose qualifying income is less than 80% of AMI. For most in our geographic area, this translates to an income limit of \$95,520 (up 4.1%). Also, there is a greater abundance of potential grants and permitted loans available, which are all now more easily accessible: See [Down Payment Assistance Lookup](#).

2025 HOME BUYERS & SELLERS PROFILE*

Characteristics of Home Buyers

- 21% (lowest ever) were first-time buyers (24% in '24, 32% in '23, 26% in '22, 34% in '21, 50% in '10)
- 40% was the historic norm, between 1981 & 2008.
- 40 was median first-time buyer age (highest ever) (38 in '24, 35 in '23, 36 in '22, 33 in '21, 29 in 1981)
- 59 was the median age of all buyers (highest ever) (56 in '24, 49 in '23)
- 61% were married couples
- 17% bought a multi-generational home (highest ever)
- 76% did not have a child under the age of 18 in their home (highest ever: in '85, it was 42%)

Characteristics of Homes Purchased

- "Typical Home:" 1,900 square feet, built in 1994, w/3 bedrooms & 2 baths
- 12% new construction (15% in '24, 29% in '86)
- 76% a detached single family home
- 20 miles – median distance between sold, then purchased residences (50 miles in '22 – COVID effect, 15 miles between '18-'21)
- 17% senior-related housing for buyers over age 60 (7% in '22)
- 54% purchased in a suburb/subdivision, 24% in a small town, 14% in an urban area (highest since '14), 15% in a rural area, and 3% in a resort or recreation area.
- 31% purchased in location due to job convenience (34% in '24, 38% in '23, 52% in '14).

The Home Search Process

- 46% – first step was looking online at properties, with 85% utilizing real estate agents for the purchase.
- 10 weeks searched
- Difficult aspects: 56% finding the right property, 18% paperwork, and 15% understanding process

Financing the Home Purchase

- 74% of all buyers used financing (80% in 2023, 87% in 2021, 93% in '03)
- 92% for 1st-time buyers
- 10% median down payment for first-time buyers (highest since 1997)
- 23% for repeat buyers (19% in 2023 & highest since 2003)
- 26% of all buyers paid cash (highest ever)
- Source of down payment (overall): 46% savings (49% in '24, 54% in '23, 47% in '22, 61% in '21)
- Source of down payment (first-time buyers): 22% from gift or loan from family and/or friends

Characteristics of Home Sellers

- Typical seller lived in home 11 years (10 in 2024, 8 in 2021, 6 between 2000 - 2008)
- 91% were assisted by a real estate agent
- Typical seller was 64 years old (highest ever – 63 in 2024, 60 in 2023, 56 in 2021)
- 53% did minor renovations before selling, 35% sold as is, and 12% carried out major renovations
- 4 weeks – median marketing time (3 in '24, 2 in 23), getting 99% of original ask price (down 1% from '24)
- 10% not satisfied with their recent selling experience
- 34% traded up to larger homes, 32% same, 32% less
- 30 miles moved (35 in '24, 90 in '22 - COVID)
- Why Selling? 26% to move closer to family & friends, 12% home is too small, 10% home is too large, 8% change in family situation (marriage, birth, divorce), 7% neighborhood has become less desirable, 7% retirement, 6% job relocation, 5% upkeep of home too difficult

** data source: National Association of Realtors®*



THE IMPORTANCE OF A “MARK”

I recently encountered an unusual circumstance – a client who was physically (not mentally) not able to execute a deed and other important transactional documents in order to complete a sale.

One of the solutions I mentioned to the Title Agent was to have my client “Mark” the key documents. The Title Agent said “no,” and in her 20+ years of experience never encountered such a proposition.

I decided to do a little more homework and discovered that indeed a “Mark” is lawful, thus county recording offices must accept.

So, what is a “Mark?” It’s an old concept, mainly utilized when many people were illiterate and/or disabled. In lieu of a signature, the client may use whatever penned mark they wish, though an “X” is most common.

This “Mark” must be made with two witnesses in front of a notary, as well as acceptable photo ID.

This may be good to know for you, IF an appropriate, approved Power of Attorney document is not available.



WHAT FIRST-TIME HOME BUYERS SHOULD HAVE KNOWN

I was stunned by the result from a recent survey by American Home Shield (home warranty company): 46% of the 1st-time home buyer respondents didn’t understand the true cost of home ownership before actually purchasing.

Of those specifically, 56% had no repair budget, 42% had no furniture budget, 16% didn’t budget for HOA fees, 26% did not know their property taxes would increase on their home over time, 24% didn’t budget for closing costs, and 14% regret spending as much as they did on their home.

From all respondents, they wish they paid more attention to maintenance needs (49%), home layout/size (30%), neighborhood (22%), neighbors (21%), and commute (19%).

Additionally, according to a recent survey from Bankrate, 45% of recent homeowners have regrets about their current home, with the most common complaint regarding frustration over the price of maintenance costs and hidden fees.

To quantify non-mortgage homeownership expenses, per Bankrate’s Hidden Cost of Homeownership Survey, the typical homeowner spends \$18,000/year (\$16,000/year per Zillow).

Wow! My first thought was “Who the heck was their real estate agent?” and “Who the heck was their mortgage broker?” Obviously, these first-time home buyers were not well served. This reminds me of an old adage, “You get what you pay for.” A good real estate agent and mortgage broker would have proven beneficial and a excellent one or duo would have proven even more beneficial.

THINKING ABOUT BUYING ..., SOMETHING UNIQUE, A HISTORIC HOME?

I confess that I often have romanticized my purchase of a charming historic home with a lovely garden. If you’ve had these urges too, consider the following to temper your emotion.

- 1) Important to know the rules and regulations in the specific municipality. What’s allowed?
- 2) Know that there will be higher regular maintenance costs and energy-efficient upgrades are extra costly.
- 3) If restoring, there might be grants, tax credits, or financial assistance (Federal, State, and/or municipality), especially if within a defined “historic district.”

CREDIT CORNER

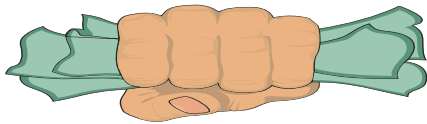
Credit Report Costs Increasing: Effective 2026, according to the Mortgage Bankers Association, credit bureaus are set to increase their costs 40 - 100% + the cost of a FICO credit score which is also slated to increase in 2026.

Currently, for a married couple, the cost is \$157 from my credit provider. Then, there are the lender-mandated “re-issue” fees and misc., like monitoring, which add ~ another \$120 to the expense. *{Reminder, I don't charges customers for the credit report.}*

If you encounter a credit report charge, be prepared for sticker shock.

Trigger Leads, Now Curbed: Effective March 5, 2026, it will be illegal for credit bureaus to sell customers' data without their consent. Credit customers should no longer be barraged with solicitations via phone, text, and email after a credit report pull. This brings a successful close to a lengthy mortgage-industry campaign against the practice.

In the meantime, or to be safe even after the enactment, you can opt-out of Trigger Leads @ <https://www.optoutprescreen.com/>



MORTGAGE BROKERS ARE BETTER

Collectively, we small shop independent Brokers, originated 28% of all mortgage originations in 2025, Q3. Why growing and the highest market share since 2009?

- Superior transactional service and advice.
- Superior pricing as proven by government HMDA data. On average, the use of a Broker saved the average borrower \$10k over the life of the loan. This data doesn't reveal the bigger savings: Taking the time, upfront, to structure the loan to the advantage of the customer, not the lender.

STUDENT LOAN COLLECTIONS

In May, 2025, collection efforts resumed on Federal student loan defaults (9+ months with no payments). A temporary freeze on collections was enacted in March, 2020 (COVID).

It's estimated that 5.3 million borrower are more than 9+ months late and another 4 million are 3-9 months late. These huge figures could have a severe impact on potential first-time home buyers, i.e. their ability to qualify for a mortgage due to lowered credit scores and higher required monthly payments.

Additionally, their saving efforts could be decimated from permitted collection tools which include recovery via Social Security, tax refunds, and wage garnishment.

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



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

Mortgage: www.pmc-pa.com

Under “Helpful Resources,” in the right-hand column, you'll find

- Mortgage Rate Outlook
- Business News
- Mortgage Market Outlook
- Credit Report and Credit Scoring Information
- Home Buying Financial Literacy Information

Real Estate: www.prc-pa.net

Under “Helpful Resources,” in the right-hand column, you'll find

- National, PA, and Southeastern PA Housing Market latest statistics and outlooks
- Housing Market Research Reports
- Buying & Selling Resources and Tips
- Investor Resources
- Home, Radon, Wood Destroying Insects, Mold, Stucco, Well, and Septic Inspections

INSIDE THIS ISSUE

- Page 1: Introduction & 2025 Mortgage Rate Recap
- Page 2: 2025 Housing Market Recap – National & Local
- Page 3: 2025 Home Improvement Cost vs. Value
- Page 4: 2025 PA & County Tax Changes, new PA Consumer Protection Resources, PA New Construction Considerations
- Page 5: Mortgage Programs and Process Update & 2025 Home Buyer's & Seller's Profile
- Page 6: The Importance of a "Mark," Tips for 1st-Time Home Buyers, Tips for Buying a Historic Home
- Page 7: Credit Corner & Student Loan Collections

**THANKING YOU FOR YOUR SUPPORT
& TRUST FOR 35 YEARS !**



Customer Appreciation Day, October 25



Golf Cart tour with the Lovekin Family