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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25th edition - Summer, 2026

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 2026-2027 Philadelphia Eagles magnetic game schedule for reference. Go Birds!

For me, 2026 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 larger market share, especially since the recent change in MLS rules, despite charging far higher fees than the "little guy" real estate brokerage. 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," Open House on Saturday, October 24th, 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, enjoy some good and varied food and beverages, recall some good memories, and walk/golf cart ride around 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.

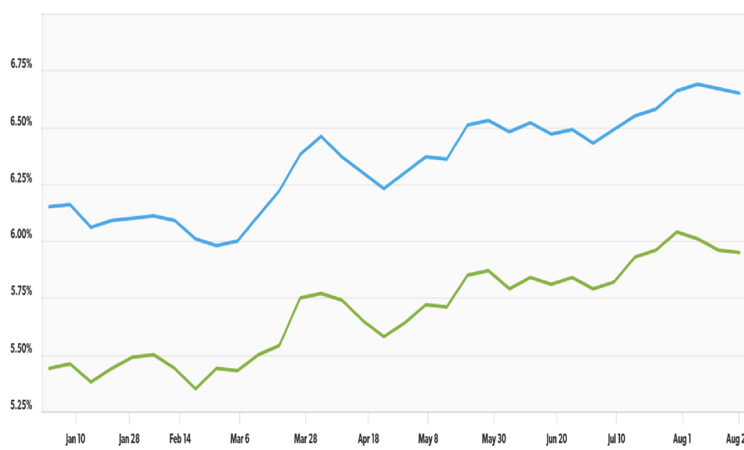
Thank You! Laurence

2026: MORTGAGE RATE RECAP

The year started with the 30-yr. fixed @ 6.15% (5.44% for the 15-yr.). Per Freddie Mac's Primary Market Survey, as of 8/27, we're currently @ 6.66% for the 30-yr (5.98% for the 15-yr.) – see below chart.

Mortgage rates have bee trending in a very tight range, ~ 0.5%, albeit increasing, and the mortgage "spreads" (differential between the 30 & 15-yr. fixed) have been trending in a consistent range, ~ 0.7%.

Why are rates increasing? 1) U.S. credit debt (just surpassed $40**T** – no, that's not a typo – Trillion); 2) Global debt levels internationally (much higher); 3) The recent issuance of corporate credit debt to help finance the AI build-out (hundreds of billions); 4) Inflationary pressures, albeit somewhat transitory (oil & AI build out shortages, e.g. memory chips); 5) Loss of confidence and intentional international reasons to NOT use the U.S. dollar for international commerce and reserve holdings.



For those of you with 2nd mortgages that are lines of credit, aka "HELOCs," the prime rate is currently 6.75%. Suggest you compare this with the rate appearing on your monthly statement – that's the bank's profit in which to shop and compare terms.

2026 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 2025. I think this slower appreciation trend will continue through 2026.

Median Price of Existing Home Sales:
- 7/2026, $434k -7/2024, $426k -7/2022, $399k
{Prices going up.}

Existing Home Sales:
-7/2026, 4.1M - 7/2022, 4.9M -7/2021, 6.0M
{Sales going down.}

> **** 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," locally, 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, despite immigration changes, our population continues to grow. More demand.

Buyers have adjusted to the new normal levels of elevated mortgage interest rates, though are shocked by the increase of property taxes, homeowner's insurance, and HOA fees (see p.5). Demand remains strong, albeit declining – growing segment has "checked out" and OK with renting, even long-term.

National Re-Cap of 2026: Taken in total, supply and demand are beginning to equate.

2026 HOUSING MARKET RECAP - Local

So far in 2026, 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.

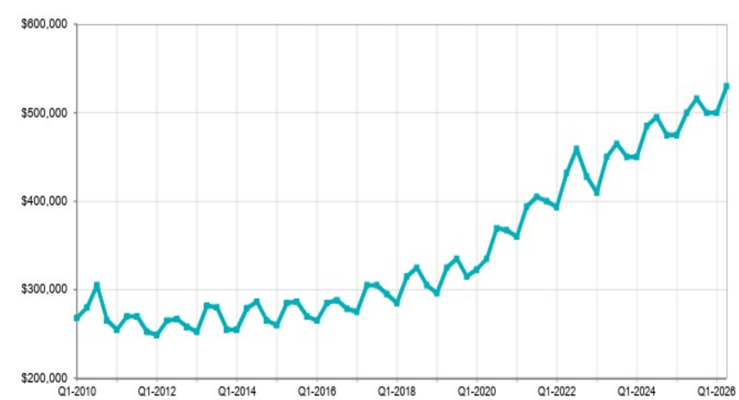
Call me biased, but I guess our area is a good place to live and work – see PA and Municipal Kudos articles below.

However, our markets are changing – cooling and becoming more balanced. 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 (most recent data, 6/2026)

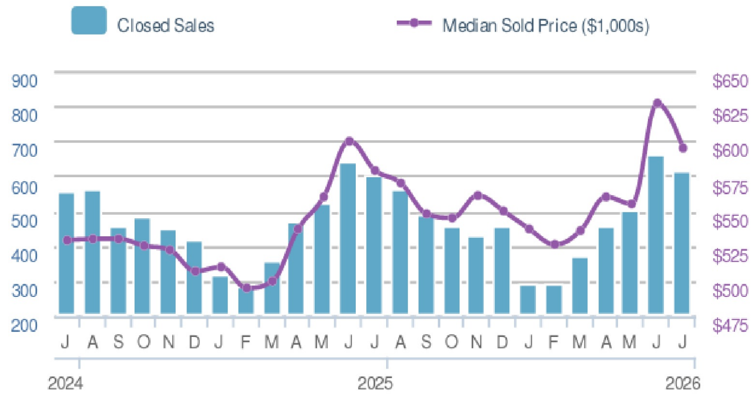
– Median Sales Price: $530,000, up 6.0% yoy.
– Closed Sales: 1,734, up 0.5% yoy.
– Average Marketing Period: 27 days, up 8.0% yoy.
– Months Supply: 1.9, down 5.0% yoy.
– Average Sold Price, relative to Original Listed Price: 100.6%, down 0.2%.

Historical Median Sales Price for Bucks County, PA



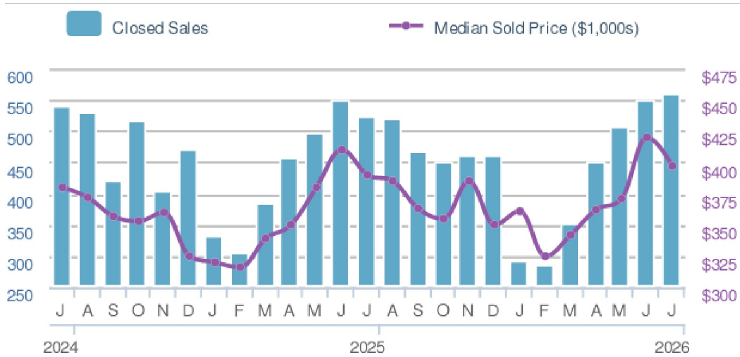
Chester County (most recent data, 7/2026)

– Median Sales Price: $595,000, up 2.5% yoy.
– Closed Sales: 615, up 2.8% yoy.
– New Pending* Sales: 517, down 5.0% yoy.
– New Listings: 597, down 4.6% yoy.
– Average Sold Price, relative to Original Listed Price: 101.7% – note, this figure is on the low side of the latest 5-year range (101.2% – 103.7%).



Delaware County (most recent data, 7/2026)

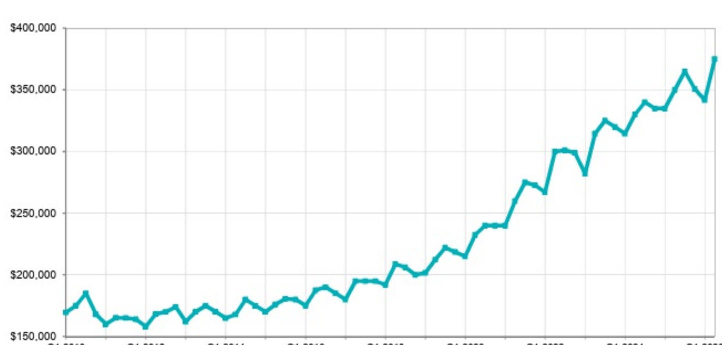
– Median Sales Price: $397,000, up 1.7% $_{yoy}$.
– Closed Sales: 558, up 6.7%$_{yoy}$.
– New Pending* Sales: 479, down 3.0% $_{yoy}$.
– New Listings: 566, down 6.3%$_{yoy}$.
– Average Sold Price, relative to Original Listed Price: 99.9% – note, this figure is almost the lowest in the lastest 5-year range (99.8% – 102.8%)



Lancaster County (most recent data, 6/2026)

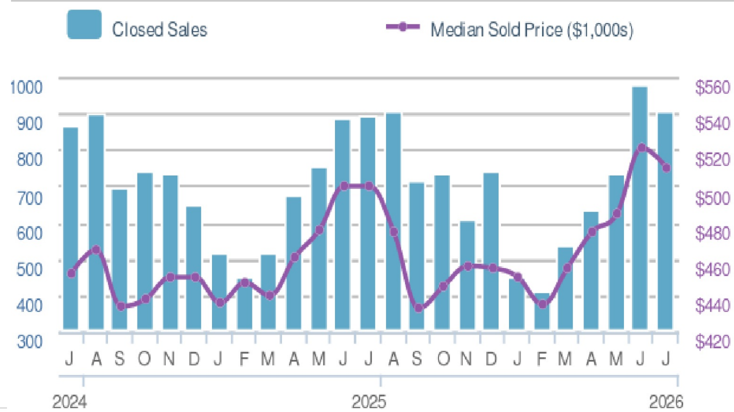
– Median Sales Price: $375,000, up 7.5% $_{yoy}$.
– Closed Sales: 1,412, up 5.0%$_{yoy}$.
– Average Marketing Period: 27 days, up 9.4%$_{yoy}$.
– Months Supply: 1.5, down 11.8%$_{yoy}$.
– Average Sold Price, relative to Original Listed Price: 103.7%, up 0.7%.

Historical Median Sales Price for Lancaster County, PA



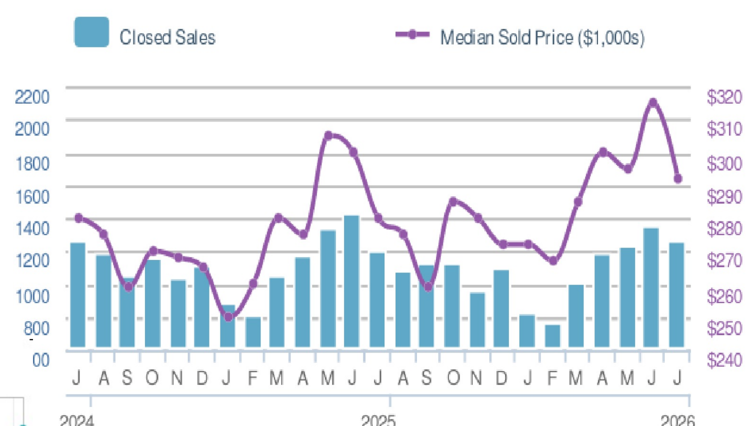
Montgomery County (most recent data, 7/2026)

– Median Sales Price: $510,000, up 2.0% $_{yoy}$.
– Closed Sales: 904, up 1.1%$_{yoy}$.
– New Pending* Sales: 820, same -- 0.0% $_{yoy}$.
– New Listings: 936, up 8.0%$_{yoy}$.
– Average Sold Price, relative to Original Listed Price: 100.6% – note, this figure is on the low-side in the latest 5-year range (99.8% – 102.8%).

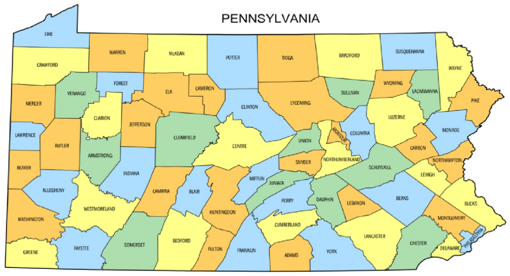


Philadelphia County (most recent data, 7/2026)

– Median Sales Price: $292,000, up 4.3% $_{yoy}$.
– Closed Sales: 1,250, up 5.0%$_{yoy}$.
– New Pending* Sales: 1,121, down 4.6% $_{yoy}$.
– New Listings: 1,755, down 1.3%$_{yoy}$.
– Average Sold Price, relative to Original Listed Price: 95.9% – note, this figure is on the low-side in the latest 5-year range (95.5% – 97.0%).



** Pending Sales: These are fully executed sales contracts, but the transaction has not as yet closed. Per Redfin, in July nationwide, 14% of contracts were canceled (3-year high). This is another indication that the market is becoming more balanced.*



STATE & MUNICIPAL KUDOS

– Per WalletHub, PA is the 9th best state to live in, particularly for its high quality of life and safety. Specifically in the category of quality of life, which analyzes factors like hours worked per week, average commute time, miles of bicycling/walking trails, access to public transportation, traffic, museums, movie theaters, weather, and more, PA ranked 4th.
– Per Realtor.com, Lancaster and Reading ranked 13th and 16th respectively, nationwide, as the "hottest" housing markets, as defined by the national average number of viewers per property.
– Per Niche's 2026 Best Places to live Ardmore ranked 7th, Devon 8th, Penn Wynne 9th, Chesterbrook 12th, Swarthmore 28th, and Paoli 50th.
– Per WalletHub, PA is the 8th best state to retire.
– Per Lawn Love, PA is the 7th best state for birdwatching.

HOUSING TRENDS: "ACCIDENTAL LANDLORDS"

This is a scenario in a market whereby Sellers have lost pricing power, and rather than accept a too low of a purchase offer, they'll change the listing to a rental.

My take: Careful here. Though the Seller may have the financial capability to even consider this scenario, it could be the story of a penny saved for a pound lost.

Consider the rental costs just to find, vet, and finally install the tenant and consider the time lost. Consider if any costs might be incurred to prepare the property for rental – might be different than the preparations associated with a sale. For instance, in many municipalities, the permits required for a rental are more costly and arduous than for a sale.

Even considering these extra costs, and if the rental is successful (good tenant, regular pay, no trouble), the Seller can only forestall the sale so long ~ 3 years to maintain the $500,000 (married filing jointly) capital gains tax exclusion on the sale. What will the for-sale purchase market look like then, when the Seller's back is truly against the wall? Maybe it's worse?

HOUSING TRENDS: "SHARED OWNERSHIP"

This is a scenario whereby multiple parties (not married), pool resources and purchase together. The affordability problem is the reason why this type of transaction is growing. Per the National Association of Realtors®, 1 out of 4 first-time homebuyers have a "co-buyer." Buyers are increasingly teaming up (income, assets, credit*) with friends, siblings, and other partners. {* *Note: The lender utilizes the lower of the 2 scores for collective analysis.*}

My take: Careful here. Yes, while on the surface this practice and trend makes sense, but think through the possible ramifications. What if?

Let me explore this "what if." Let's say circumstances change, maybe even dramatically so, for any one of the parties, during their collective responsibility for the mortgage payment? I know this story from experience. It's not a pleasant conversation, nor is the solution easy. Feel free to call me if you would like to hear more specifics.

> • *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*

REMODELING PROJECTS

What's the best bang for your buck? According to the Journal of Light Construction, in 2025, here's your answer, in terms of rate of return (ROI):

1) 268% – Garage Door Replacement
2) 216% – Steel Entry Door Replacement
3) 208% – Manufactured Stone Veneer
4) 114% – Fiber Cement Siding Replacement
5) 113% – Mid-Range Minor Kitchen Remodel
6) 97% – Vinyl Siding Replacements
7) 95% – Backup Power Generator
8) 95% – Wood Deck Addition

MORTGAGE UPDATES

<u>Credit Scoring Analysis</u>:

For the first time ever, FannieMae is now permitting lenders to use an alternative to FICO; it's called VantageScore (VS). If you haven't heard the term before, you will. The lender has the ability to use the score it wishes, presumably in the best interest of the borrower(s) to facilitate a successful origination, i.e. get approved.

Caution: For now, the lenders are lowering the VS score by ~ 20 points, to align the risk to the FICO model. They are trying to compare apples to apples with this adjustment. Also, like FICO, VS has different models for various credit requests. So, the score you see for your own inquiry or for a car loan <u>won't be</u> the score a lender utilizes – different model.

<u>1st-Time Homebuyers</u>:

Fannie Mae's HomeReady program's area median income limits are now $95,520, 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.

<u>Appraisal Changes</u>: I noted in the Winter, 2026 edition, "In 2026, there will be a drastic change in the appraisal reports ...." Indeed, and the report changes in part, are a result from more information demanded by lenders. Appraisers or (newer) Property Data Collectors (PDCs) are now required to note more details, like the following:

- Estimate age of the roof, not just the condition;
- Note elevation from ground to front door;
- Note if the heating system is located below grade;
- Note ceiling heights of every room;
- Note disaster mitigation&energy efficiency features:
- Note type & quality of view re "marketability";

and note broadband internet availability.

Also, the appraiser or PDC must not use subjective terms, like "updated" or "remodeled," but use standard classifications (w/associated value adjustments).

Lastly, and maybe most importantly, there is a major change in how appraisers/PDF's report defects, damages, and deficiencies. New required notations: The specific feature and its location (such as missing shingles); a description of the issue and whether it affects soundness or structural integrity; and recommending action to repair w/supporting photos.

MAJOR CONDO RULE CHANGES

Mortgage Update, but so important and impactful, these change are worthy of their own article.

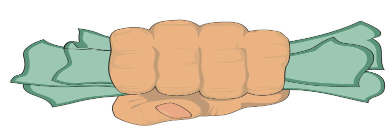
1) As of 8/3/2026, new "rules" became effective for FannieMae ("conventional," normal, best rate) loans. Previously, for excellent credit profiles and large down payments, borrower's could secure conventional financing through a "streamlined" vetting process of a particular condominium association. Now, for them and the many others, lenders are required to perform a comprehensive "full review" of the association's financials, reserve funding, litigation history, insurance, unpaid dues, special assessments, and inspection records.

In a coalition letter, co-sponsored by the National Association of Mortgage Brokers (NAMB): This change will result in "increasing documentation burdens, third-party review expenses, lender questionnaire demands, and processing times." The NAMB estimates the extra cost burden will be $1-2k, per transaction, of course borne by the borrower(s).

By the time the condo has been vetted by the lender, a borrower has already paid for a credit report, an appraisal, maybe a home inspection and other inspections – figure $2k minimum. So, the borrower risks an extra $3-4k before learning that maybe the condo is not approved by FannieMae? Ouch!

Suggestion: If you, or somebody you know is thinking about <u>buying</u> a condo, please ask your mortgage <u>broker</u> (hopefully me), to ask the lender this question: "I am thinking about putting an offer in on the _________ condo association. Will this association be subject to a "limited review" or a "full review?" What is the related extra cost? What is the related extra processing time, so I can accurately tell the seller when I can close?

If you, or somebody you know is thinking about <u>selling</u> a condo, please ask your listing real estate <u>broker</u> (hopefully me), to ask the buyer's broker the same question, as this impacts on <u>legitimate</u> closing expectations. It also impacts on whether the buyer's financing will be approved at all – not to do with your buyer, but because of your condo association.



2) As of 1/4/2027, to make matters worse, Fannie Mae will require condo associations to keep a 15% of budget amount for reserves, rather than the current 10%. This change will represent a huge figure for associations to comply with. Assuming the association wants to be compliant, this will result in special assessments and/or higher monthly fees, possibly much higher.

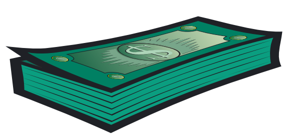
There were other changes by FannieMae, but these two are the most impactful to buyers and sellers of condos. Due to previous changes in evaluation criteria and in anticipation of these changes, HOA foreclosures (meaning the HOA, not lender, is foreclosing) spiked 40% in the past 2 years (2024 – 2026$_{Q1}$), per Attom. Condo purchases fell 8%, y-o-y (2025 – 2026$_{Q1}$), per Redfin.

Unfortunately, I foresee these trends worsening, especially in light of higher property taxes and insurance on condos (especially if in a flood zone).

Positive Conclusion: If you want to buy to reside, this will be a good buying opportunity with sale prices declining, with a motivated seller, AND if you ask the questions I recommended above, AND if you plan on residing long enough for the 1-time financial woes to get resolved. There will be a new, higher equilibrium established at some point.

If you want to buy to rent, be careful. I suggest noting the condo budget closer – any future fee increases? Can the market rent permit the pass-through?

If you want to sell, well ..., think sooner rather than later and get real with the market.



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

HOME UPGRADES TO CONSIDER

Home features supporting remote work have been a growing trend. Per Realtor.com, 40% of full-time workers spend at least part of their week at home. To illustrate the trend, note the dramatic jump in listing references regarding the following features:

– Home Gyms – increased reference 91%$_{yoy}$ w/median sales price of \$599k
– Built-in coffee systems – increased reference 72%$_{yoy}$ w/median sales price of \$917k
– Smart lighting – increased reference 70% w/median sales price of \$685k
– Ethernet/Cat6 – increased reference 66%$_{yoy}$ w/median sales price of \$497k

CREDIT CORNER

■ Effective 3/24/2026, the Homebuyers Privacy Protection Act became law, which limits (not eliminates) credit bureaus from selling your data after you make certain types of credit inquiries. In industry parlance, these are "**Trigger Leads**." Thus, you should no longer be bombarded with phone calls, texts, and emails after a credit pull.

However, to be extra safe, I suggest being proactive and opt-out of Trigger Leads @ https://www.optoutprescreen.com

If you still experience credit harrassment, call (855)411-CFPB or visit: **https://www.consumerfinance.gov/complaint/**

■ Interesting new credit evaluation tool: FICO's Mortgage Score Simulator – https://www.myfico.com

For their "premium plan," for \$40/mo., you can input various scenarios to see how your credit score would change, for mortgage evaluation. For instance, these are some questions I usually hear: "What if I paid off my student loan(s)? auto loan(s)? credit card(s)?" "How would that affect my score?"

Of course, the depletion of cash to accomplish the desired scenario is another matter. So, how to evaluate the trade-off? Better credit score v. Worse cash. Consult with a Mortgage Broker.

DID YOU KNOW?
LAURENCE DOES REAL ESTATE SALES TOO!

I just received an email from a long-time, multiple mortgages, repeat customer who asked me if I could recommend a good real estate agent. At first I chuckled, responded, then thought to myself, why did she not already know that I'm a Realtor®?

1) Perception is reality, as they say – If you have had a particular type of transaction with me, say mortgage, you might not think of me in another way, performing another role in the whole transaction and transition. You may have the memory of only your original real estate agent, long ago.

2) I've not communicated my career expansion well enough.

So, on that note, please indulge me with a brief P**R**C history re-cap and sales pitch.

I formed Professional Realty Consultants, LLC in 2005 and was Owner and Realtor®. After meeting the requirements of many, many, many real estate courses, many, many successful transactions, and a certain number of different types of transactions, and passing a written exam, I become Broker/Owner in 2015.

Noted from my web site: www.prc-pa.net:

P**R**C provides comprehensive, reduced-cost residential real estate services and takes pride stating that in our 20-year history, not one purchase or sale has ever been terminated. Our 100% approval rate and our 100% referral rate are strong testimonials that we truly are delivering real "customer service," not lip service. It's about one-person contact, throughout the entire transaction, helping clients sell, find, and/or finance their homes.

MISSION STATEMENT:
BETTER SERVICE, LOWER COST

"One-Stop Shopping" is a concept whereby a single company owns all, or is affiliated with, other real estate service providers (like a real estate sales company owning a mortgage company). This system, with the real estate agent as the focal point, is designed to make the selling and buying experience less stressful, simpler and easier for customers.

Most "One-Stop Shopping" concept companies are large corporations staffed with hundreds of employees. But, not only do their offices charge "broker service" or "conveyancing" fees (I do not), they do not refund the efficiencies gained from this concept to their customers (I do).

I have taken this one-stop shopping concept one step further to make the entire real estate transaction even easier and less expensive for you, my prospective customer, because one person can accommodate both your real estate and mortgage needs. This unique one-person contact for both the real estate sales transaction and the mortgage transaction means less hassle for you, less duplication of effort, and direct access to the one person responsible for getting you to settlement, with no surprises.

Reduced redundancies, reduced bureaucracy, and a low operating overhead mean these savings can be passed along to you. One-person contact also means the establishment of a better relationship and thus a more thorough understanding of your needs, for selling, finding and financing your new home. It's about one-on-one, personalized, professional service.

Better service and lower cost.

$AVING$

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)

INSIDE THIS ISSUE

THANKING YOU FOR YOUR SUPPORT & TRUST FOR 35 YEARS!