



## Affordability, Location and Lifestyle Remain Key Drivers for Homebuyers, But Most Fear a Middle-Class Pricing Squeeze, New WSFS Mortgage Regional Study Finds

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### Future uncertainty about their work, home and social environments shaping behaviors.

WILMINGTON, Del., March 03, 2021 (GLOBE NEWSWIRE) -- As the COVID-19 pandemic continues and people grapple with uncertain futures about their work, home and social environments, nearly six in 10 (59%) residents in the Greater Philadelphia and Delaware region feel the area is affordable, including more than half (55%) seeing the City of Philadelphia as a possibility for their next home purchase, a WSFS Mortgage Regional Study reveals.

The study, a regional tracking survey of Generation X (ages 39-55), older Millennials (ages 30-38), young Millennials (25-29) and Generation Z (18-24), examines the behavioral preferences of homeowners and others who plan to buy a home within the region in 2021.

### Two-Way Migration

While respondents are interested in purchasing a home in Philadelphia, especially among Gen Z (60%) and young Millennials (56%), 45% of all respondents prefer to move to the Pennsylvania suburbs, including 69% of current suburban residents.

Current Delaware (77%) and New Jersey (72%) residents prefer to remain in their respective states, however 40% of Gen Zers in the region are interested in leaving the state they currently live in. And while only 25% of current Philadelphia residents plan to buy in the City, the overall interest among younger generations indicates Philadelphia is an option.

Across the region, the top reasons cited for wanting to buy a new home are better quality of life; more affordable; family nearby; and prefer more outdoor space.

### Inventory and Cash Concerns

Despite the prevailing feeling that the region is affordable, the shrinking inventory in some areas is cause for concern among all respondents, as nearly seven in 10 (69%) feel the middle class is being priced out of the market.

Overall, confidence in being able to afford to buy a new home in 2021 is down 10% compared to WSFS Mortgage's 2020 findings, despite 64% believing the job market will improve this year.

"While we continue to see people look for new homes with more space or in desirable areas as interest rates remain low, there is also a crunch on inventory in the suburbs that is driving prices up," says Jeffrey M. Ruben, President of WSFS Mortgage. "Some homebuyers, especially the middle class, are starting to feel squeezed out of some markets and are looking at Philadelphia as an option, especially among younger generations, while Delaware remains a strong choice due to affordability."

Ruben adds, "We're also seeing an influx of New York City residents moving to the area, with the metro Philadelphia market the leading destination due to lower homeownership costs, [according to national data](#). This includes renters too, who may not know the area well enough to buy yet but are interested in staying here long term."

### Uncertain Expectations

Preparation is at the forefront of homebuyers' minds, as 69% reported the current pandemic plays a role in buying a home that better meets their needs, with more than half (55%) making their homebuying decisions in anticipation of another pandemic, and nearly the same amount (53%) would consider vacation homes while 60% are interested in investment properties.

"The rate and buying environment sparked an increased interest in vacation homes and investment properties during the pandemic, for those who can afford it," adds Ruben. "COVID-19 has changed the dynamic of extended family and multi-family vacations and destination travel, at least in the interim, and has shifted homeowners' thinking about owning their own getaway properties, renovating their current homes for more frequent 'stay-cations' or investing in rental properties that provide additional, steady streams of income."

### Survey Methodology

The study was conducted by research company The Melior Group. The sample includes 782 respondents who reside in the five-county Philadelphia market (Philadelphia, Bucks, Chester, Delaware, and Montgomery), two New Jersey counties (Burlington and Camden), and all three Delaware counties (Kent, Sussex, and New Castle). All respondents were between the ages of 18 and 55. The first wave of the online survey was conducted from late January through early February 2021, with a margin of error of +/- 3.5 percent.

### About The Melior Group

The Melior Group is a strategic consultancy with extensive industry experience and deep roots in marketing research. Melior provides insights that transform questions into answers, by delivering rich and robust results that directly inform strategic decision-making.

Melior was founded in 1982 to bring the disciplines of marketing research to service industries. Today, Melior is one of the region's leading research-based consulting firms, serving organizations in the healthcare, government, leisure, tourism, financial services/ insurance, and education sectors.

### About WSFS Financial Corporation

WSFS Financial Corporation is a multi-billion-dollar financial services company. Its primary subsidiary, WSFS Bank, is the oldest and largest locally managed bank and trust company headquartered in Delaware and the Greater Philadelphia region. As of December 31, 2020, WSFS Financial Corporation had \$14.3 billion in assets on its balance sheet and \$24.2 billion in assets under management and administration. WSFS operates from 112 offices, 89 of which are banking offices, located in Pennsylvania (52), Delaware (42), New Jersey (16), Virginia (1) and Nevada (1) and provides comprehensive financial services including commercial banking, retail banking, cash management and trust and wealth management. Other subsidiaries or divisions include Arrow Land Transfer, Cash Connect®, Cypress Capital Management, LLC, Christiana Trust Company of Delaware®, NewLane Finance®, Powdermill® Financial Solutions, West Capital Management®, WSFS Institutional Services®, WSFS Mortgage®, and WSFS Wealth® Investments. Serving the Greater Delaware Valley since 1832, WSFS Bank is one of the ten oldest banks in the United States continuously operating under the same name. For more information, please visit [www.wsfsbank.com](http://www.wsfsbank.com).

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