

# Tallahassee Real Estate

*An analytical view of the Tallahassee Housing Market*

Volume 16, Number 1

Please forward this  
to everyone who  
has a stake in the  
Tallahassee real  
estate market.

Remind them  
they can  
[subscribe to it here](#)

## AT A GLANCE

### Inventory Report

January  
Housing Reports  
have been  
completed and  
are posted at

[Recent Housing  
Reports](#)



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## Home Sales Grew 19% In 2015

*Third Consecutive Year Of Rising Home Sales For Tallahassee*

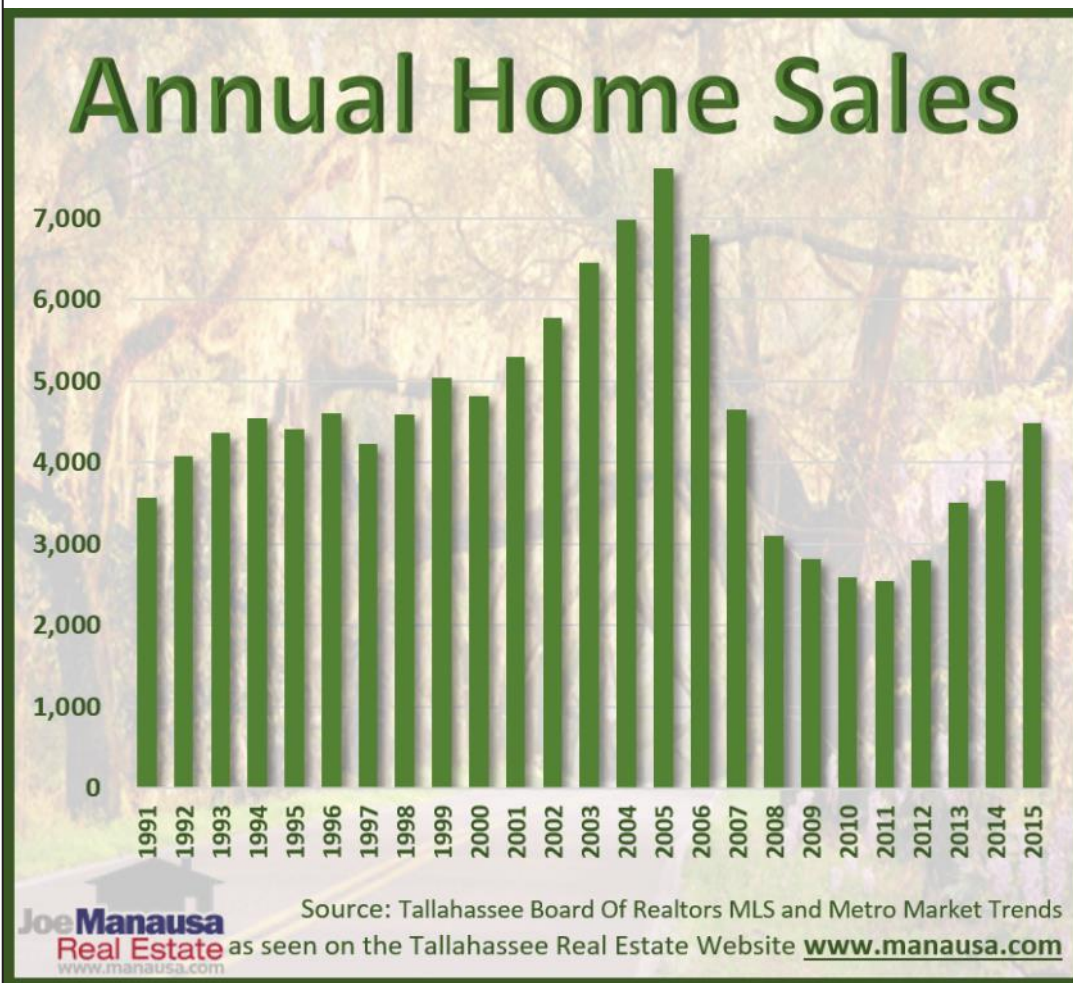
No doubt about it, 2015 was a good year for the Tallahassee real estate market recovery.

The graph below shows the number of homes (single family detached homes, condominiums, and townhouses) that closed each year from 1991 through 2015.

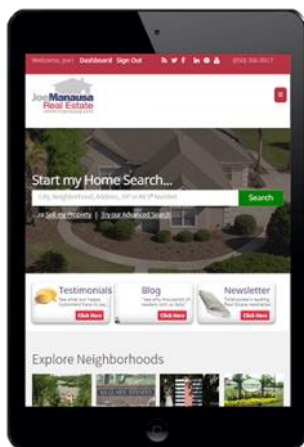
Data is likely to continue to come in, so

the final numbers should be slightly better. Regardless, a 19% gain in sales is a healthy step in the right direction.

But as good as it was, 2015 recorded the same number of sales as Tallahassee was accustomed to seeing during the mid 1990s, thus I believe there is still plenty of upside remaining in the local housing market.



## BEST SEARCH

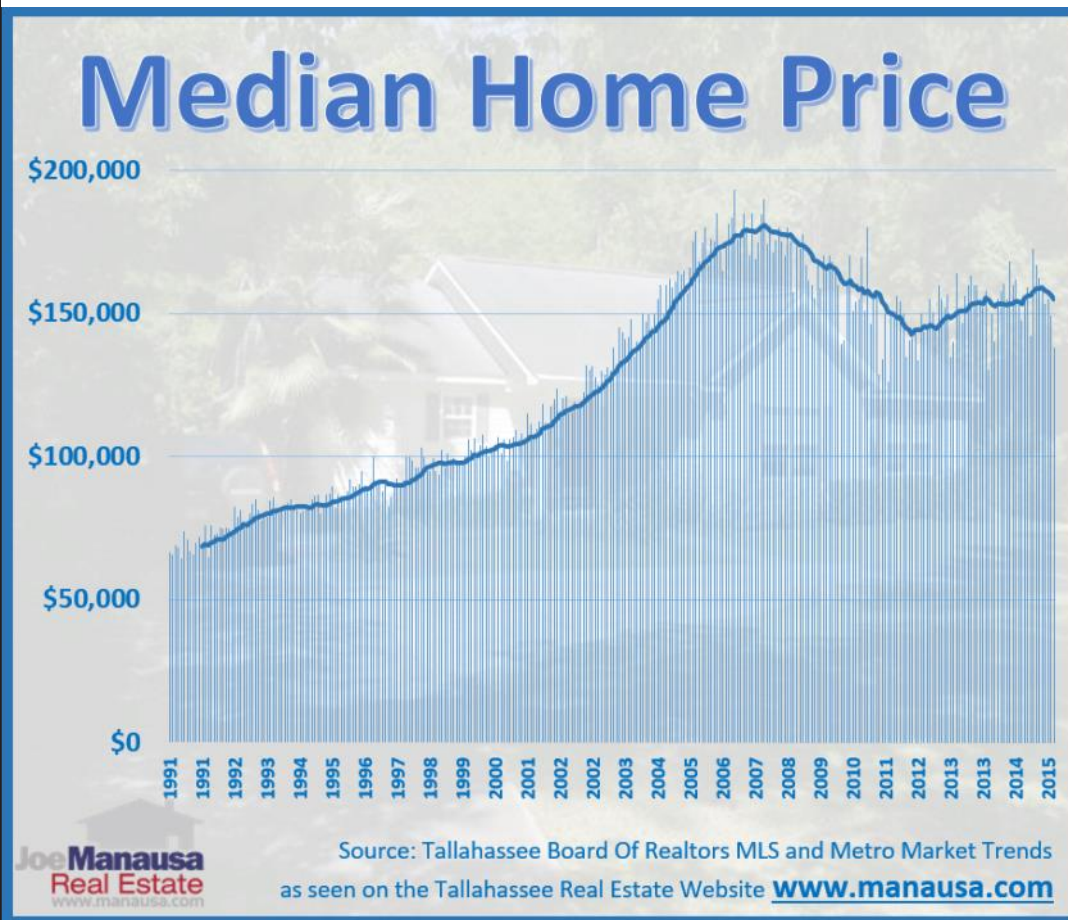


[Seller Resource](#)

## AFFORDABLE

The median single family detached home price in the MLS was \$188,600

## Middle Of The Market Remains Affordable



The median home price in Tallahassee remains just above \$150,000. To calculate the median, we looked at all homes (single family detached homes, condominiums, and townhouses) last year, and picked the price right in the middle.

This report includes homes sold in Leon County, and we used more than just the information provided in the Tallahassee MLS. Not surprisingly, this look at the “entire” Leon County market is a bit different than what we found when we looked at median prices in the Tallahassee MLS.

The MLS shows a median home price of \$165,000 in 2015, yet when we look at

all homes sold, we find the number to be closer to \$152,000.

Additionally, the MLS reports for 2015 the median single family detached home price was \$188,600, the median condominium price was \$99,900, and the median townhouse price was \$85,000.

Apparently, a lot of lower priced homes are selling in Tallahassee but are not being recorded by real estate agents in the MLS.

Our report excludes transfers where lenders take ownership of a property. We wait until the final “lender to consumer” transfer to report a sale.



## Appreciation Has Returned For Housing

The median home value in Tallahassee has returned to \$100 per square foot of heated and cooled space.

This means that values improved about 5% in 2015 versus 2014. As a reminder, we actually saw home values decline in 2014 by a little more than 3%, so hopefully the trend will remain positive moving forward.

Our information on home values was assembled and reported [just as we explained for home prices](#) on the previous page, so we won't repeat it here.

The MLS shows a median home value of

\$105 per square foot in 2015, yet when we look at the entire market, we find the number to be closer to \$100.

Additionally, the MLS reports for 2015 the median single family detached home value was \$110 per square foot, the median condominium value was \$84 per square foot, and the median townhouse value was \$76 per square foot.

I think the big takeaway from this information is that existing homes are still far cheaper than are those being newly built. The values that we have addressed include land, not merely the cost of the improvements, so the divide between "new" and "used" continues to be significant.

### Free Report

**Century 21** Leon County Inventory Report  
For the Month of November 2015  
[As seen on www.manausa.com](http://www.manausa.com)

Category	Count	Median Price	Median Price per Sq Ft	Median Days on Market
Single Family Detached	10	\$110,000	\$110	25
Single Family Attached	5	\$85,000	\$85	20
Condominium	15	\$84,000	\$84	15
Townhouse	10	\$76,000	\$76	18
<b>Total</b>	<b>40</b>	<b>\$91,250</b>	<b>\$91</b>	<b>20</b>

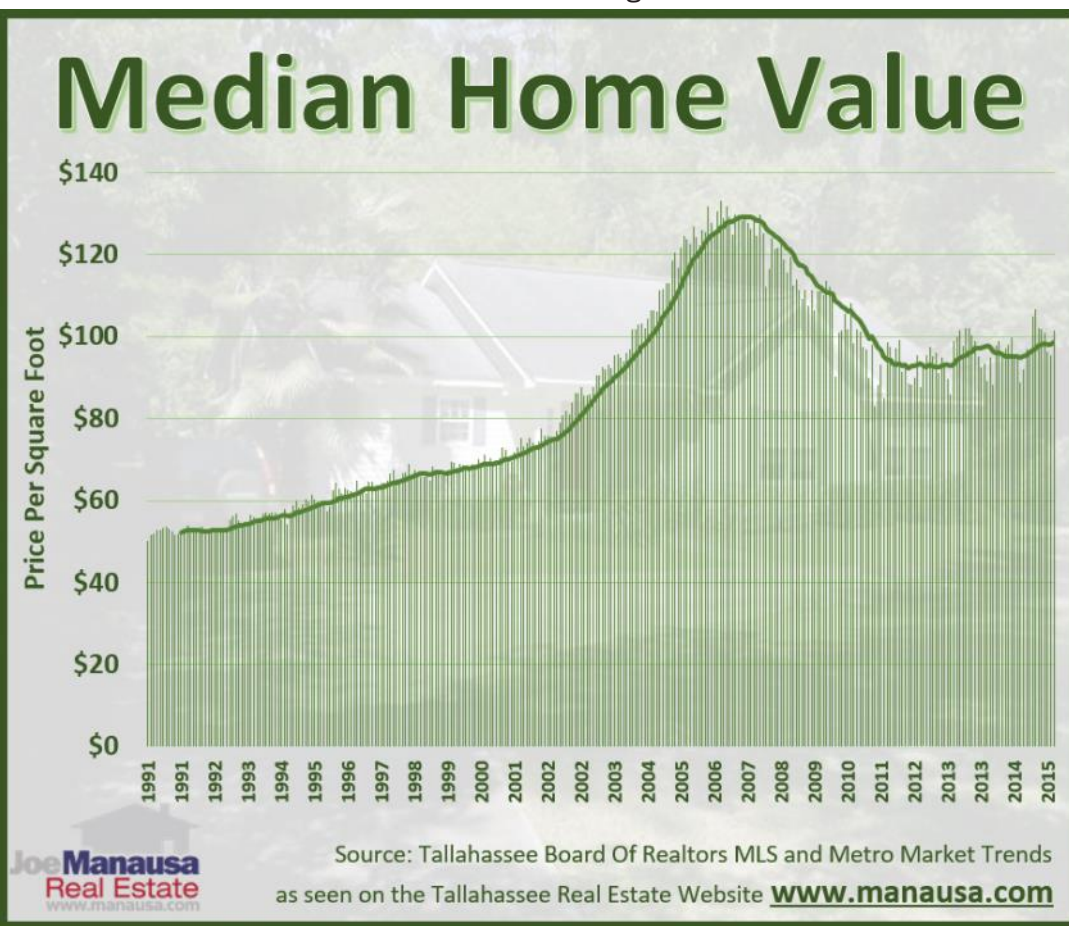
[Click Here For Free Download](#)



[Search Homes](#)

### APPRECIATION

The Tallahassee MLS reports for 2015 the median single family detached home value was \$110 per square foot



## Homes Are Larger Than Ever

### GROWING

The MLS reports for 2015 the median single family detached home size was 1,750 square feet

## Home Search

[Betton Homes](#)

[The "Bobbins"](#)

[Buckhead](#)

[Bull Run](#)

[Glen At Golden Eagle](#)

[Golden Eagle](#)

[Highgrove](#)

[Indian Head Acres](#)

[Killearn Acres](#)

[Killearn Estates](#)

[Killearn Lakes](#)

[Ox Bottom Manor](#)

[Piney-Z](#)

[Southwood](#)

[Summerbrooke](#)

[Weems Plantation](#)

[Woodland Drives](#)

[Distressed Properties](#)

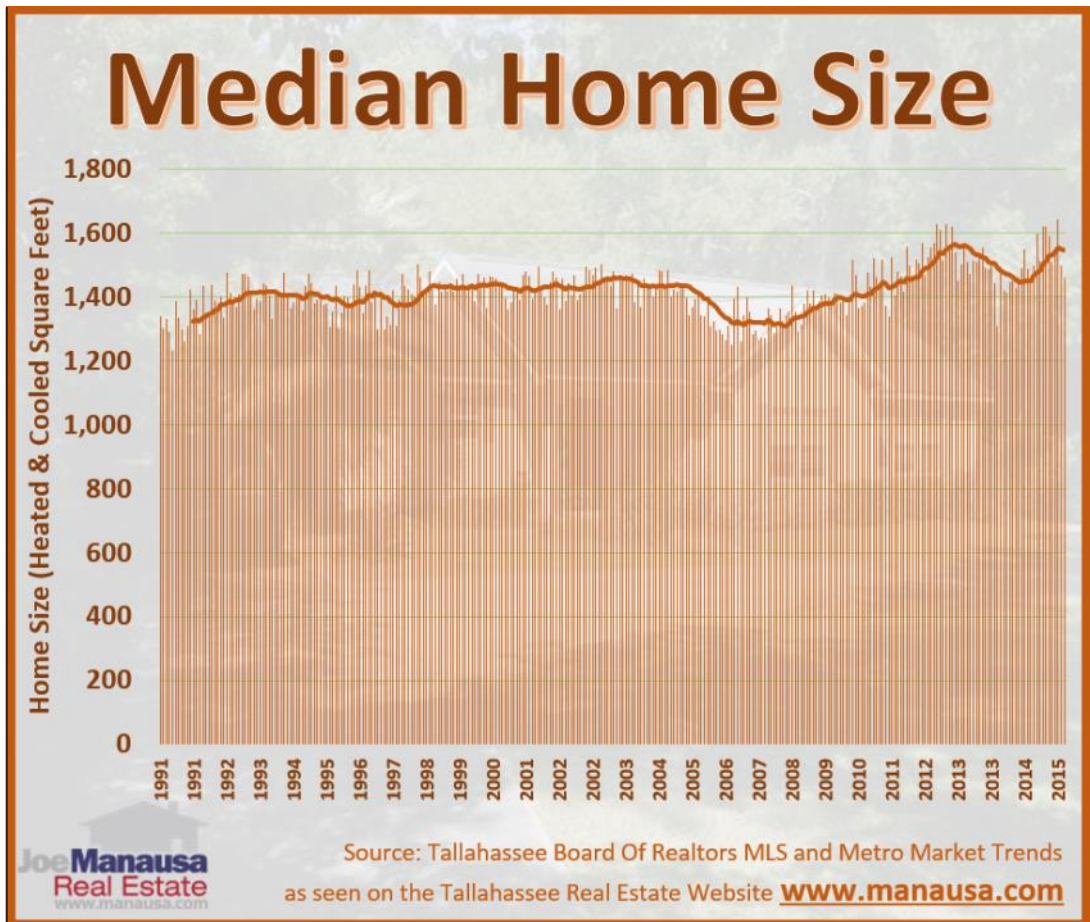
[Arms Length Homes](#)

[Golf Course Homes](#)

[Short Sales](#)

[Foreclosures](#)

[Waterfront Homes](#)



Low mortgage interest rates have been empowering buyers to be able to spend more money on a home without adding to their monthly spending budget.

Since home values have fallen, this means that buyers are getting "more house for the money."

The graph above shows that home sizes have been generally rising since the market peaked in 2006, and some of the months near the end of 2015 showed median home sizes at all time highs.

Just as with the previous two pages, the information in the graph is from more

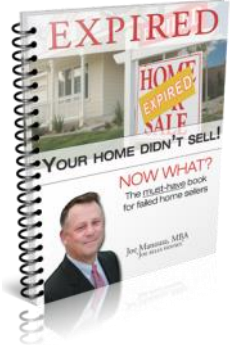
than just the MLS.

The MLS shows a median home size of 1,600 square feet in 2015, yet when we look at the entire market, we find the number to be closer to 1,660.

Additionally, the MLS reports for 2015 the median single family detached home size was 1,750 square feet, the median condominium size was 1,177 square feet, and the median townhouse size was 1,173 square feet.

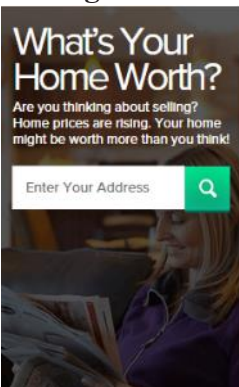
The big takeaway here is that today's buyers are looking for larger homes, so expect to the bigger ones in each neighborhood be chosen by buyers if there are more than enough for sale.

## Home Not Sold?



[Get Answers Now](#)

## Selling A Home?



## WEST SIDE STORY

Many investors are either short-selling their properties or letting them go back to the banks in foreclosure.

## How Will The West Side Rebound?

While the previous pages examined sales from the past, the graph on this page provides insight into what is currently listed for sale in the Tallahassee MLS.

The market has been divided by the cardinal points on a compass, and the homes listed for sale have been grouped by arms-length sellers in green and distressed sellers in red.

The percentage of listings distressed in each area are shown as a red line and measured on the right vertical axis.

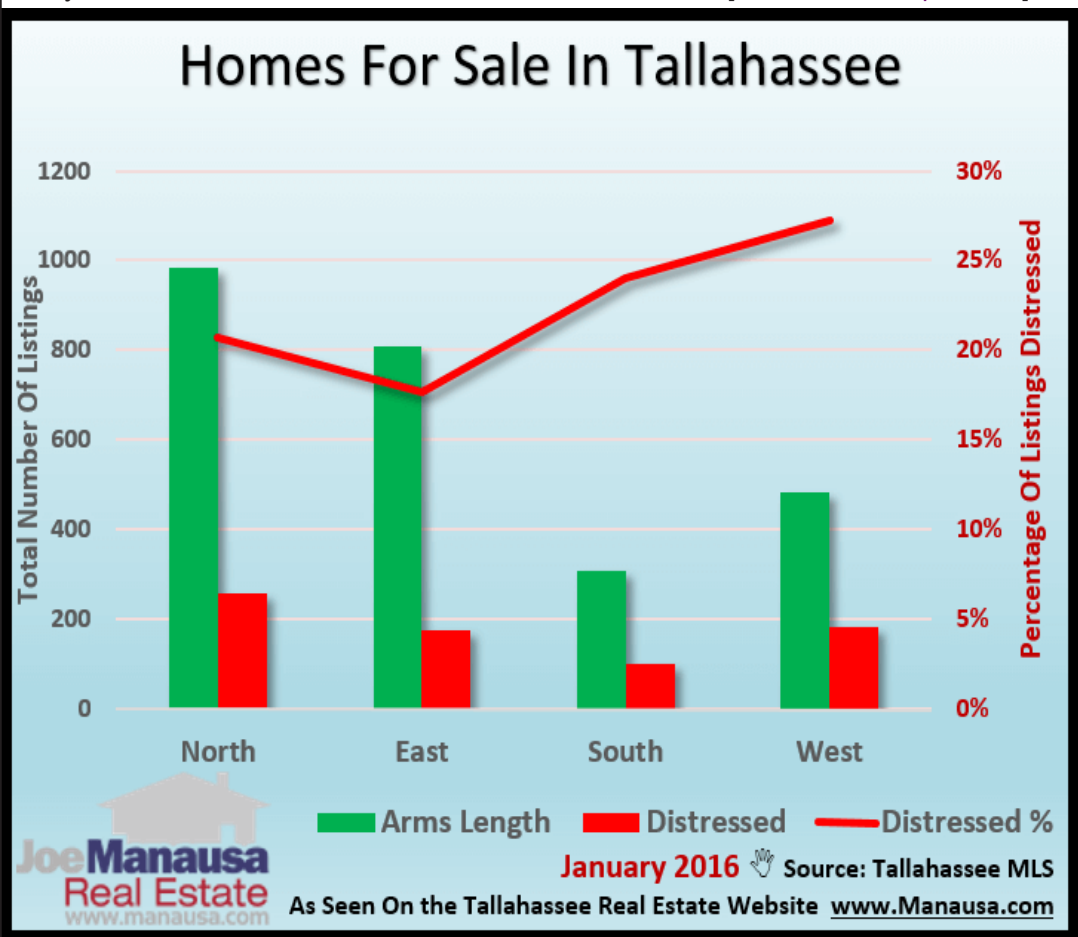
Clearly, the west side of the Tallahassee real estate market is worse off than everywhere else.

The high volume of student apartments being built on the west and southwest side of Tallahassee have been luring tenants away from single family homes.

This has resulted in a chain reaction of vacancies turned “for sale” which has had a significant influence on the inventory of homes in the MLS.

The glut of investment grade homes has driven down values, so many investors are either short-selling their properties or letting them go back to the banks in foreclosure.

The west side needs a growth plan to help existing homeowners get their homes sold. [\[More on this topic here\]](#)







## PROACTIVE

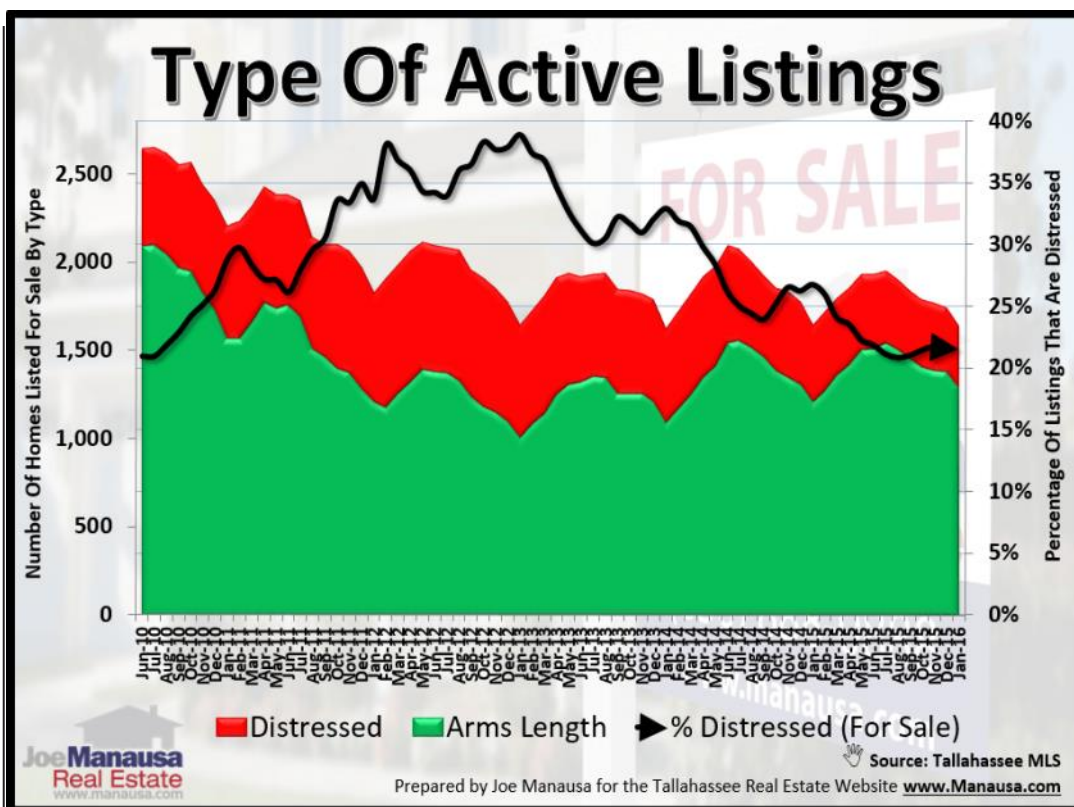
The Mortgage  
Foregiveness  
Debt Relief Act  
has been  
extended  
proactively  
through 2016



## For Sale By Owner

With 94% of  
homebuyers using  
the internet, today's  
savvy home seller  
can now [get a  
home sold without  
using a real estate  
agent.](#)

## More Than One In Five Homes “Distressed”



While the Tallahassee housing market continues to improve, the current inventory of homes is still heavily weighted with distressed properties (short sales, foreclosures, etc.).

Currently, 22% of the homes listed for sale in the Tallahassee MLS have been identified as being sold under conditions of duress.

On third of these distressed listings have been tagged as a “short sale,” and I will be curious to see if this category rises in the coming months due to the recent proactive extension for sales that occur in 2016.

It is highly likely that this will be the last proactive extension for home sellers who want to avoid paying taxes on forgiven debt, so the motivation for upside-down homeowners has hit a new height.

Additionally, my experience tells me that the count of distressed homes is likely higher than what is being shown in the MLS due to the fact that data entry is rarely checked for accurateness for this field.

The recent trend in the graph above shows that the percentage of homes on the market as distressed has actually risen over the past 6 months, but if you look backwards in time, this is normal for the back-half of every year. In fact, usually the growth is much higher.

I suspect this is due to the stagnant homes that are not moving. As arms-length inventory levels increase at the beginning of the year, the (percentage) of distressed homes falls. The opposite is true when arms-length inventory declines at the end of the year.



### Market Forecast

Knowing the five sequential phases in a market turn allows us to anticipate current and future market changes.

### Now Hiring !



### Well Supplied

For the most part, the market below \$300,000 is looking healthy. Unfortunately, the market above \$350,000 still has a long way to go in the recovery

### Watch For Trend Changes

If you want to know the beginning of the next phase of the market turn, just keep an eye on the relative home supply. You can always track supply levels at [The Market Bulletin](#).

The next phase you say....? Absolutely. I believe that the transition from a buyers' market to a sellers' market will follow this pattern:

1. Inventory changes from growth to reduction. ☒
2. Home Values Fall At Accelerating Rate ☒
3. Year over year sales increase? ☒
4. Inventory levels reach 6 months of supply (balanced market). ☒
5. Home Values Stop Falling/Start Rising. ☒

### Market Equilibrium In Tallahassee

When we look at the supply and demand of homes in Tallahassee, we find many price ranges that have found market equilibrium.

In the chart below, we see that there is over six month's supply of homes on the market, with just homes priced above \$300,000 continuing in a glut.

### Sales Must Continue To Increase

Home sales have picked up again, though the current rate of sales is still slower than what we experienced until the late 1990s. It is going take a return of normal sales rates for our market to fully expel the glut of homes for sale, along with the excess supply of homes that exist above \$300,000.



## Leon County Home Inventory Report

### Residential Home Supply - January 2016

Chart Information	NE	NW	SE	SW	ALL
\$0-\$75,000	1.4	6.0	5.0	4.8	5.1
\$75,000-\$100,000	3.3	5.7	8.8	14.4	6.3
\$100,000-\$125,000	3.3	4.7	7.0	6.5	4.9
\$125,000-\$150,000	3.4	7.3	8.4	5.1	5.7
\$150,000-\$200,000	3.0	6.3	5.5	11.3	4.2
\$200,000-\$250,000	4.0	8.2	5.2	9.6	4.7
\$250,000-\$300,000	4.7	7.1	5.4	20.0	5.2
\$300,000-\$500,000	6.2	6.1	7.3	No Sales	6.5
\$500,000-\$750,000	8.9	18.0	18.0	No Sales	9.6
\$750,000+	13.3	12.0	24.0	No Sales	13.6
All Price Ranges	4.5	6.1	6.4	7.6	5.4

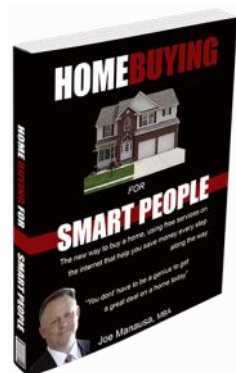
Information in the report above shows relative home supply (months of supply based upon the current rate of sales). For example, there are 4.0 months of supply of homes priced between \$200K and \$250K in the Northeast, but 8.2 months of supply of the same priced homes in the Northwest.

## Sell A Home



### Buyers Welcome

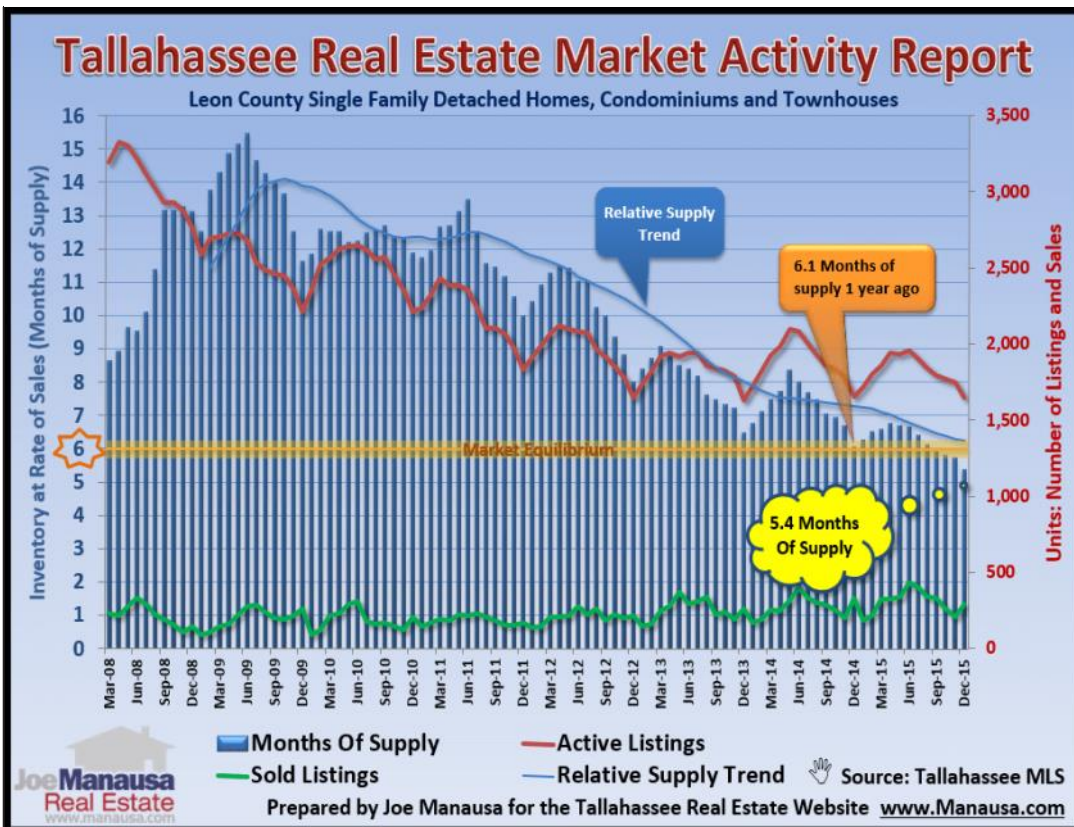
We consider a market with 6.0 months of supply of homes a balanced market, thus it is still a buyer's market.



### FREE LIST OF HOMES

Distressed Property, short sales  
REOs, Foreclosures - Best Buy List

## Relative Supply Of Homes On Steady Decline



Each month we look at this graph of the overall relative supply of homes in Tallahassee, and happily we continue to report improvement.

The previous pages showed that each area in Tallahassee has its own strengths and weaknesses, but as time unfolds we will begin to see some of the demand move away from higher prices to the values that can be found in areas where imbalances create great deals.

The value of this graph above is that it reflects the entire Tallahassee housing market, and we can use it to gauge the actual strengths of each area, quadrant, and neighborhood against the whole of the market.

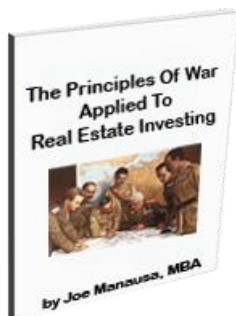
In the graph above, we track the total number of homes for sale (red line

measured on the right vertical axis) and the total number of homes sold each month (also measured on the right vertical axis).

We then divide the current inventory by the annual rate of sales to produce the relative supply of homes, shown as a blue column and measured on the left vertical axis).

The blue line measures the one-year trend of the relative supply of homes, and this trend has dropped just below 6.2 months of supply. We consider a market with 6.0 months of supply of homes a balanced market, so the excess of supply measured in our current market conditions means that it is still a buyer's market ... but getting closer to market equilibrium.



**Can We Help?****INVESTORS****Selling A Home?**

Sell it now, use low mortgage interest rates (while they last) to get into your dream home

**Feedback Wanted****Links To Relevant Articles****New Lender Requirements On Real Estate Inspections**

When it comes to financing a home purchase, real estate inspections can be a critical part of the process.

The key is knowing the real estate inspection requirements for each major loan type. [\[Detailed Report Follows\]](#)

**Golden Eagle Plantation Home Sales Report**

Here's a shout out to all the golfers in Tallahassee who are thinking about making a move.

Today's housing report on Golden Eagle Plantation in Killearn Lakes provides ample evidence that you can practically play for free based upon the current savings available in this hot NE Tallahassee neighborhood. [\[Continued\]](#)

**Why It Takes More Than Exposure To Sell A Home**

If exposure was all that mattered, then the house that was featured in movie "The Silence Of The Lambs" would have sold a long time ago.

CBS news reports that the home has been on the market since last Summer, yet there have been no takers.

Realtor.com reports it has been the second most-viewed home on their website, so one could say that it has been "exposed," right? [\[Read More\]](#)

**Killearn Acres Home Sales Report**

Killearn Acres, historically one of the top 5 selling neighborhoods in Tallahassee, enjoyed its best year of home sales since 2006.

People are often surprised to learn that Killearn Acres contains more than 1,400 single family detached homes, so it's not just the little neighbor of Killearn but a vital source of three and four bedroom homes in the Northeast quadrant of Tallahassee. [\[See Full Report Here\]](#)

**How To Be A Cash Buyer With No Money Of Your Own**

Everybody knows that "cash is king" and that cash buyers have an edge in the real estate market.

If you are planning on buying a home in Tallahassee in the coming months and you know you'll need to borrow money, does this mean you have to be at a disadvantage to the fortunate buyers who are currently paying cash?

Well, not if you know how to be a cash buyer with little or no money of your own! [\[SEE HOW HERE\]](#)

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