

# Tallahassee Real Estate

An analytical view of the Tallahassee Housing Market

Volume 14, Number 11

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

The November Housing Report has been completed and is posted at

[The Market Bulletin](#)



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## Slow And Steady Gains In The Tallahassee MSA

6 North Florida Counties Continue To Record Improvement

The Tallahassee MSA is enjoying consistent gains in residential real estate sales each month.

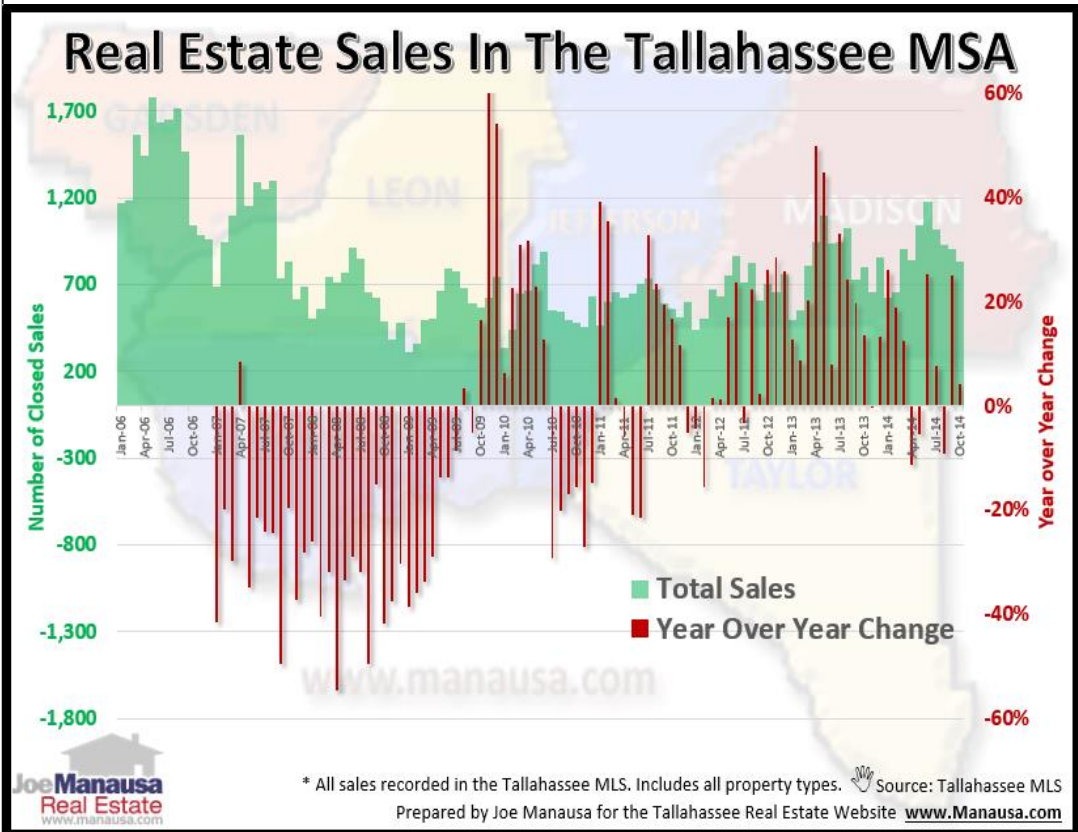
The graph below shows year over year sales in the Tallahassee MLS, including Leon County, Gadsden County, Wakulla County, Jefferson County, Taylor County & Madison County.

The green bars count the total number of real estate transactions, while the red bars record the gain or decline each month when compared to the corresponding month from the year

prior.

It is important to note that "all" areas in the Tallahassee MLS are included in this report, but Leon County is the dominant county, representing more than 70% of all sales (including lots and land, mobile homes, houses, multifamily, condominiums, and townhouses).

If you would like to know how this growth translates to a forecast for 2015, make sure to check out the Tallahassee Real Estate Blog for our annual housing market forecast coming out this week.



\* All sales recorded in the Tallahassee MLS. Includes all property types. Source: Tallahassee MLS  
Prepared by Joe Manausa for the Tallahassee Real Estate Website [www.Manausa.com](http://www.Manausa.com)

**Free Report**

**Leon County Inventory Report**  
 Published Bi-Monthly - November 2013  
 Go back to [www.manausa.com](http://www.manausa.com)

| PROPERTY TYPE                       | NO. OF UNITS | NO. OF UNITS UNDER CONTRACT | NO. OF UNITS IN PROCESS | NO. OF UNITS AVAILABLE |
|-------------------------------------|--------------|-----------------------------|-------------------------|------------------------|
| <b>CONDOMINIUMS</b>                 |              |                             |                         |                        |
| 1-2 Bed                             | 1,100        | 150                         | 200                     | 750                    |
| 3-4 Bed                             | 1,200        | 180                         | 250                     | 770                    |
| <b>TOWNHOUSES</b>                   |              |                             |                         |                        |
| 1-2 Bed                             | 1,500        | 200                         | 300                     | 1,000                  |
| 3-4 Bed                             | 1,800        | 250                         | 350                     | 1,200                  |
| <b>SINGLE-FAMILY DETACHED HOMES</b> |              |                             |                         |                        |
| 1-2 Bed                             | 2,500        | 350                         | 450                     | 1,700                  |
| 3-4 Bed                             | 3,000        | 400                         | 500                     | 2,100                  |
| 5+ Bed                              | 1,500        | 200                         | 250                     | 1,050                  |
| <b>TOTAL</b>                        | <b>8,300</b> | <b>1,100</b>                | <b>1,350</b>            | <b>5,850</b>           |

[Click Here For Free Download](#)

**Tallahassee Free Search**



**FULL MLS ACCESS**

[Search Homes](#)

**Strong September**  
 Unit sales rose 2% in October (compared to October 2013) and median home values were rose 5%

# TALLAHASSEE

## October 2014 Housing Statistics



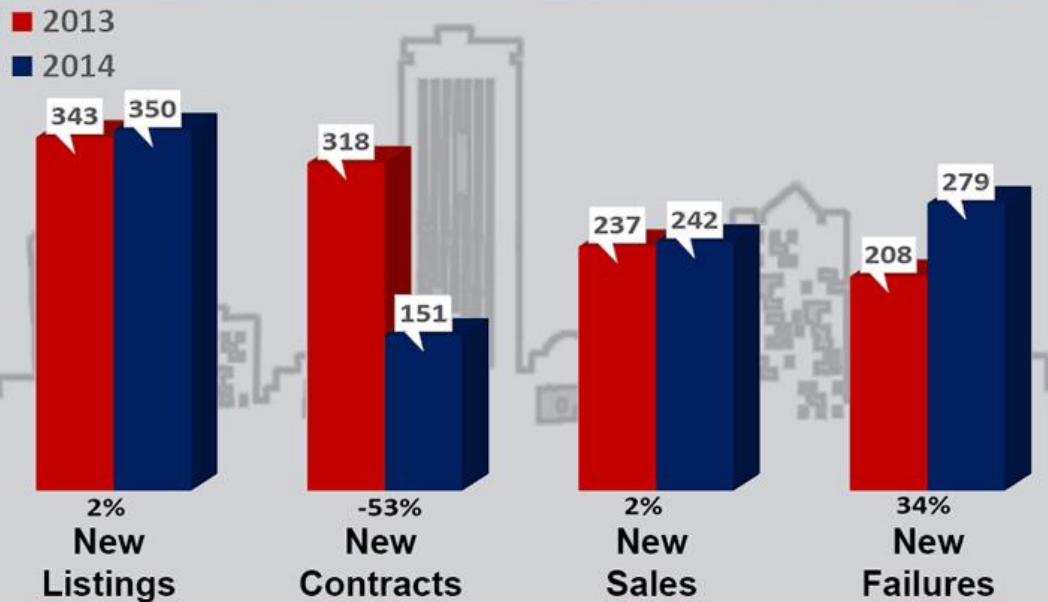
**Homes Sold**  
**242**  
 ↑ 2%




**Median Home Price**  
**\$164,100**  
 ↑ 3%



**Median Home Value**  
**\$102 PSFT**  
 ↑ 5%



Data is for condominiums, townhouses, and single family detached homes in Leon County, Florida. Percent change reflects a year-over-year comparison between October 2013 and October 2014. For a detailed report, please visit [manausa.com/market-report](http://manausa.com/market-report)



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Every month we produce an easy to read infographic to show the current trends in the Tallahassee real estate market. You can download your free copy of this image anytime you like.

[Download Tallahassee Infographic](#)



**Supply & Demand**

Only the higher price ranges will remain in a buyer's market in Tallahassee by the end of next year.

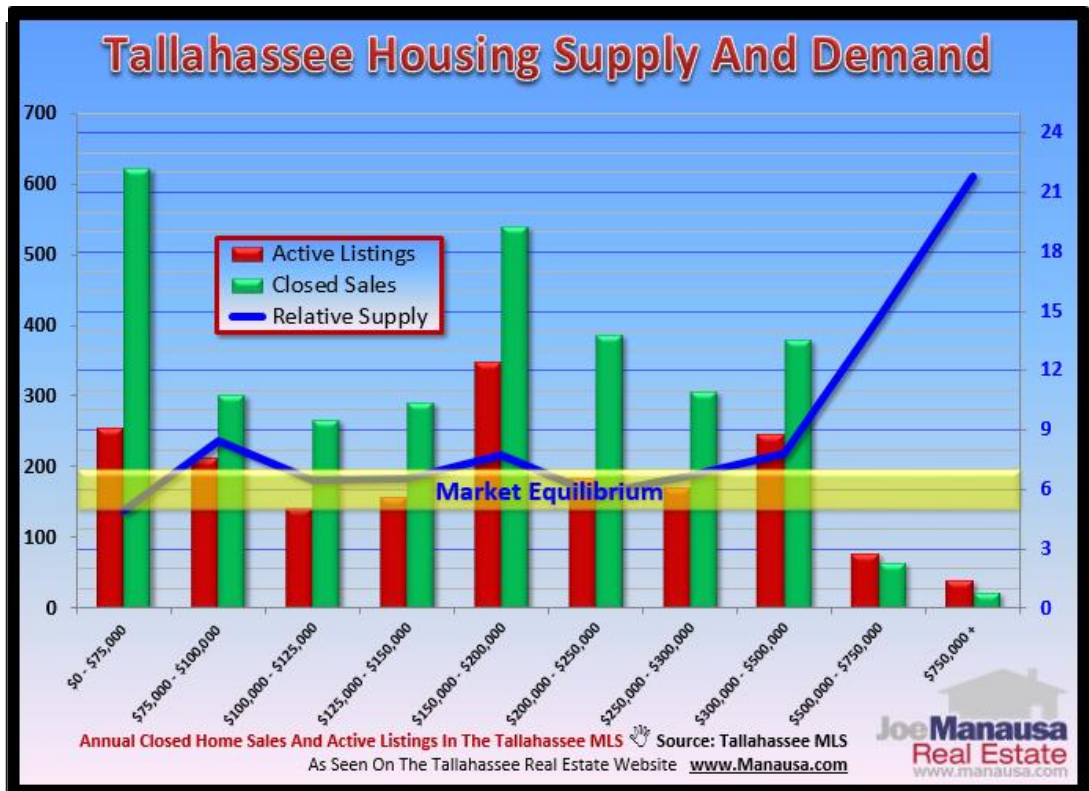
**Got Horses?**



**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.](#)

**Relative Supply Of Homes Favors Buyers**



The relative supply of homes (measured in months of supply on the right vertical axis) currently shows a market with far more homes for sale than buyers currently demand.

Each price range in the Tallahassee real estate market shows the number of active listings (red bars) and the number of closed home sales over the past year (green bars). The resulting relative supply of homes is shown as a blue line.

The yellow field demonstrates the level in which the market is balanced, so if the blue line falls within the yellow field, we say that buyers and sellers are negotiating under "normal" conditions.

If the blue line is above the yellow field, than we call it a buyer's market, as there are far more homes than the current rate of demand requires. Were the blue

line to fall below the yellow field, then we would call it a seller's market, with not enough supply to satisfy the current rate of demand.

Currently, we are seeing several price ranges below \$300,000 move into market equilibrium.

I suspect only the higher price ranges will remain in a buyer's market in Tallahassee by the end of next year.

It is important to do an analysis such as this for each area and price range for which a homeowner is considering a sale, as not all areas are seeing the exact same supply and demand dynamic.

If one area is in balance however, we often see demand shift away to an area that is more favorable to buyers.



**Moving To Tally**

Leon County has seen its population grow 48% from 1991 to 2014

**FREE LIST OF HOMES**  
 Distressed Property, short sales  
 REOs, Foreclosures - Best Buy List

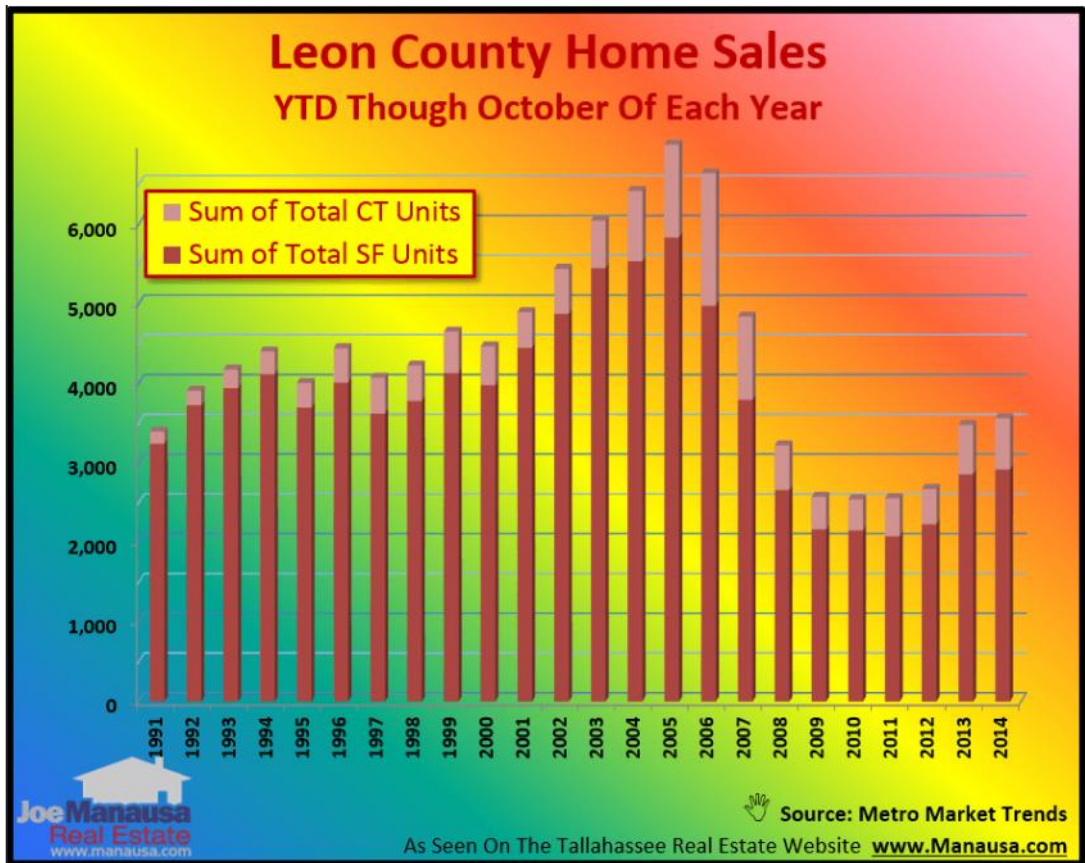
**Sell A Home**



**Buyers B Where?**

Only 1991 had fewer home sales than any of the past 7 years.

**Why There Will Be Continued Growth In Housing**



Leon County has recorded more home sales through October than in any year prior going back to 2008.

Needless to say, this is very good news for a struggling housing market, and a growth in the demand for homes is just what we have been awaiting.

The reason that I like graphs like the one above is it creates perspective for our readers.

There are 24 years of home sales shown above, from January through October of each year. The dark red segment of each bar measures the number of closed single family detached home sales, while the lighter pink portion stacked on top measures the number of closed condominium and townhouse sales.

The perspective I ask the reader to gain is reflected in the comparison between home sales now versus home sales back in the 1990s.

Only 1991 had fewer home sales than any of the past 7 years. Think about this ...

Leon County has seen its population grow 48% from 1991 to 2014. That's 94,000 more people, shouldn't home sales be quite a bit higher than they were in 1991? Even if there are more people per home today, a 48% growth in population should yield a least a 30% growth in home sales, right?

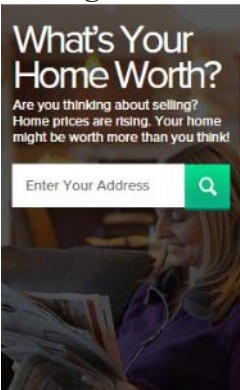
Well, that is not currently the case, but it certainly gives us reason to be bullish about the continued return of housing.

## Home Not Sold?



[Get Answers Now](#)

## Selling A Home?



## Lock In Time?

The average mortgage interest rate over the past 50 years is double our current rate, so consider buying a home now or refinance your current one to get a great rate

# Do Home Sales Grow With Population Growth?

One would assume that there must be some correlation between population size and the number of homes that sell every year.

Certainly it makes sense that the Tampa market will record more home sales than the Tallahassee market each year, as Tampa is more than 10 times more populous than Tallahassee.

Our graph below attempts to reveal this mythical ratio.

The number of homes that have sold each year are shown as black columns and measured on the left vertical axis.

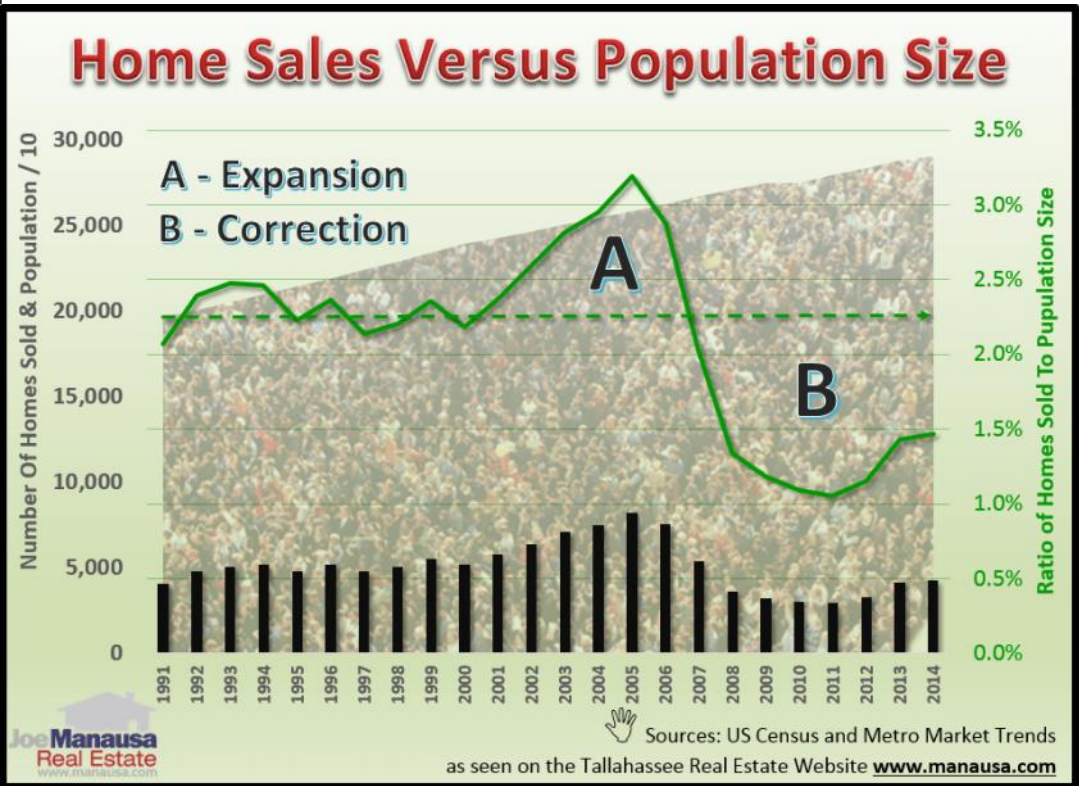
The population is shown as the filled background (filled with people) and is also measured on the left vertical axis, but at 1/10th scale (the current estimated population in Leon County is

around 291,000 ... which at 1/10th scale is 29,100 in the graph below).

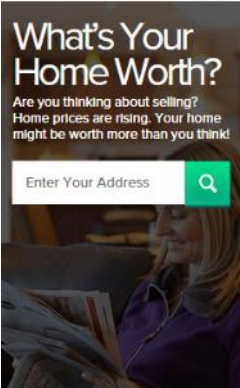
The green line, measured on the right vertical axis, is the ratio of home sales to the total population count each year. Finally, the dashed green line shows the average ratio recorded from 1991 until the start of the housing market bubble in 2002.

The ratio was fairly consistent (around 2.3%) between the number of homes that sold each year, and the total count of people who lived in Leon County.

The bubble (A) and the recovery (B) are shown, and if we return to the ratio that Leon County enjoyed in the 1990s, then we would expect to sell about 6,700 homes next year (an increase of 57% over what will sell in 2014). Let's just keep our fingers crossed.



**Selling A Home?**



**Odds Of Selling**

By dividing the total number of closed sales by the total number of new listings, over a specific time period, we get a percentage of roughly how many homes are actually selling.

**Sales Success Rate Growth Stalls**

One statistic that we have been maintaining at [The Market Bulletin](#) is a measurement that we refer to as the "Sales Success Rate." Recently, the one-year trend has been on a steady decline, after reaching a five year high last year of just under 60% success level.

By dividing the total number of closed sales by the total number of new listings, over a specific time period, we can show a trend that gives a hint at how many homes (as a percentage of the total) are actually selling.

Conversely, we can measure the home sales failure rate as the total number of listings that failed to sell over the past 365 days divided by the total number of listings taken during that same period of time.

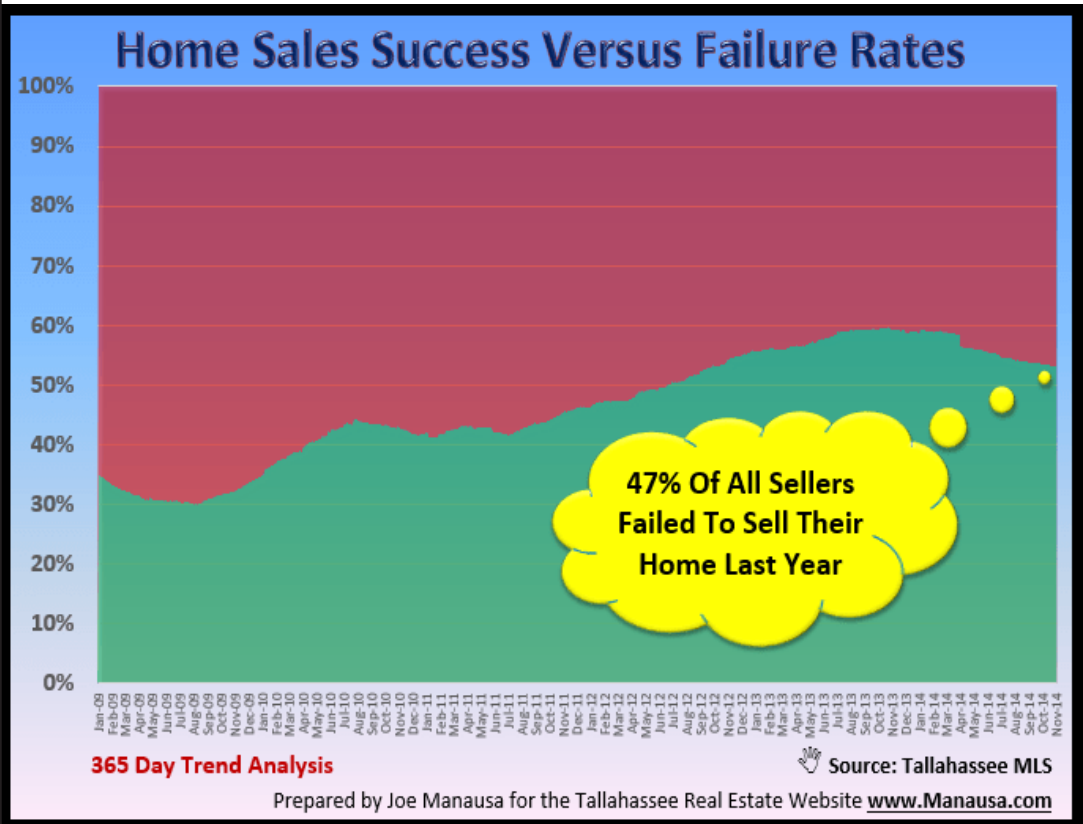
- Success: 53%
- Failure: 47%

**Sales Success Rates Still Too Low**

So, in simplified terms, we can say that over the past year, roughly 53% of the homes that were listed actually sold, and 47% of the listings taken failed to sell.

The success trend is no longer on the rise, though we are concerned that previously failed "wanna-be" home sellers will return to the market en masse when they realize that values are on the rise in many price ranges.

The failure trend once rose to 70% in June 2009 and it might be heading back to that level when these listings enter the market. We will keep a close eye on these activities because this trend analysis points the way to the speed in which the recovery will take.





**Market Forecast**

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

**Now Hiring !**



**Well Supplied**

The seasonal decline of homes on the market has made it so that only the lower price ranges are in or moving towards a balanced market

**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 seven month's supply of homes on the market, with just the luxury end of the market continuing in a glut.

**Sales Must Continue To Increase**

Home sales have cooled off in recent months. Our current rate of sales is still slower than what we experienced in the 1990s though. It is going take a return of normal sales rates for our market to 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 - November 2014**

| Chart Information   | NE   | NW       | SE   | SW       | ALL  |
|---------------------|------|----------|------|----------|------|
| \$0-\$75,000        | 0.6  | 5.2      | 5.0  | 7.9      | 4.9  |
| \$75,000-\$100,000  | 3.9  | 10.8     | 7.8  | 10.1     | 8.5  |
| \$100,000-\$125,000 | 5.0  | 7.4      | 4.3  | 18.0     | 6.5  |
| \$125,000-\$150,000 | 5.9  | 6.8      | 6.8  | 10.5     | 6.5  |
| \$150,000-\$200,000 | 7.1  | 8.6      | 8.5  | 13.2     | 7.7  |
| \$200,000-\$250,000 | 5.8  | 6.3      | 5.1  | 6.0      | 5.7  |
| \$250,000-\$300,000 | 6.2  | 9.3      | 6.3  | 36.0     | 6.7  |
| \$300,000-\$500,000 | 7.8  | 10.1     | 6.2  | 20.0     | 7.8  |
| \$500,000-\$750,000 | 16.4 | 18.0     | 5.5  | No Sales | 14.6 |
| \$750,000+          | 19.8 | No Sales | 18.0 | No Sales | 21.8 |
| All Price Ranges    | 6.6  | 7.5      | 6.1  | 9.8      | 6.9  |

Information in the report above shows relative home supply (months of supply based upon the current rate of sales). For example, there are 6.2 months of supply of homes priced between \$250K and \$300K in the Northeast, but 36.0 months of supply of the same priced homes in the Southwest.

## Relative Supply Enjoys Seasonal Decline

### Falling Supply

The current 6.9 months of supply is lower than the 7.3 months of supply reported this time last year, but high supply still favors the buyer



## 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](#)

The graph above is very busy, but once you get accustomed to seeing supply and demand reported in this manner, you will quickly grasp the state of the Tallahassee housing market.

We use this graph to determine the relative supply of homes (meaning the current supply of homes for sale compared to the current rate of demand). We report relative supply as "months of supply of homes." It is generally accepted that a balanced market (market equilibrium) is when the relative supply of homes is at 6 months of supply.

The blue bars in the graph above show the relative supply of homes (measured on the left vertical axis). Market equilibrium is plotted as an orange line, and we observe that the market has

been over-supplied since we began recording this information in 2008.

But the relative supply of homes has fallen. The current 6.9 months of supply is lower than the 7.3 months of supply reported this time last year.

Falling supply, both real and relative, are very good for a housing market that has been glutted with too many homes since the collapse of the market back in 2006. The growth in demand that is shown in the graph is just what the market has needed, and if it continues to rise, it will help us return to normal.

Finally, we are seeing home sellers emerge from the shadow inventory to fill in the growing demand. It is great to see the market handle this growth in the supply with an equal amount of growth in demand.



## Can We Help?



### Selling A Home?

Sell it now, sell it fast, and move to the home that you desire



### Feedback Wanted

## Links To Relevant Articles

### A Clearer Understanding Of The Real Supply Of Homes In Tallahassee

Home sellers are streaming into the Tallahassee real estate market at a much faster rate today than they were in the past few years.

Perhaps it is a belief that more buyers are now in the market (there are), or perhaps it is an understanding that home values have risen and have created equity for many previously trapped homeowners (who owed more on their home that it was worth).

Regardless of the reason, we can definitely see the sizable increase in the number of homes listed for sale. [\[More\]](#)

### Home Prices In Tallahassee's Top Selling Neighborhoods

One of the first questions we get from relocating homebuyers concerns the home prices in the most popular neighborhoods in Tallahassee.

They want to know what they can expect to find and what they should expect to pay in the areas that are most active in the Tallahassee real estate market. From Killlearn Lakes Plantation in the North to Southwood in the South, each community offers different home styles and they come at differing costs. [\[More\]](#)

### Killlearn Estates Home Sales Report

Located on the NE side of Tallahassee and serving as the bedrock of the Thomasville Road corridor, Killlearn Estates is one of the most active neighborhoods in the real

estate market for the past 20 years.

Killlearn Estates has homes built from the 1960s to present day, with the majority being more than 20 years old. This means that there are lots of opportunities for renovations and modernizations, and buyers are finding older homes on mature lots to be a great project in lieu of building brand new today. [\[Read More\]](#)

### Luxury Home Market Is Still Smokin' Hot

The Tallahassee luxury home market has not cooled off one bit, surging ahead as buyers take advantage of near record low mortgage interest rates.

Of the 74 people who have purchased a home for \$500,000 or more this year, 20 paid cash (27%), which means that 73% are relying on the historic low interest rates to afford such pricey homes. [\[Read more\]](#)

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