

# Tallahassee Real Estate

An analytical view of the Tallahassee Housing Market

Volume 14, 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

The January Housing Report has been completed and is posted at

[The Market Bulletin](#)



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## 3 Steps Forward, 1 Step Back

For every 3 homes that are sold, one home is served with foreclosure papers

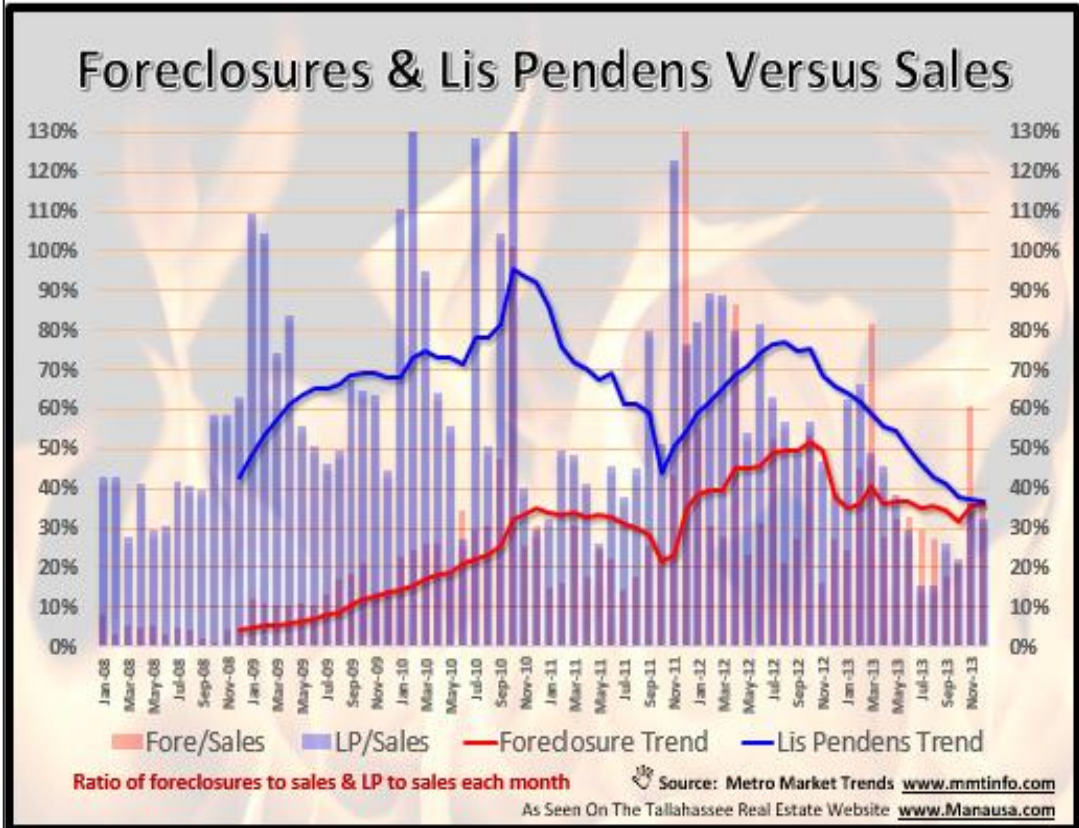
Tallahassee experienced excellent growth in 2013, where the number of home sales grew by 21% in its first year of growth since the housing market recovery began in 2006.

But just because the number of home sales is increasing does not mean that all is well in the Tallahassee real estate market.

The graph below measures key trends for foreclosure activity in Leon County. The red bars show the ratio between foreclosure sales to all home sales,

while the blue bars show the ratio of new lis pendens filings and home sales. Think of lis pendens filings as the initial step in the foreclosure process, whereas the foreclosure sale is the final step where ownership of the property changes.

The good news is that "new filings" are on the decline, but the bad news is that there are more than 1 lis pendens filed for every 3 houses sold. This means that distressed property owners still exist en masse and continue to impart a great influence on the market as a whole.



**Free Report**

**Leon County Inventory Report**  
 Published Quarterly - November 2013  
 Go to [www.Manausa.com](http://www.Manausa.com)

Category	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002	Q4 2001	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000	Q2 2000	Q1 2000	Q4 1999	Q3 1999	Q2 1999	Q1 1999	Q4 1998	Q3 1998	Q2 1998	Q1 1998	Q4 1997	Q3 1997	Q2 1997	Q1 1997	Q4 1996	Q3 1996	Q2 1996	Q1 1996	Q4 1995	Q3 1995	Q2 1995	Q1 1995	Q4 1994	Q3 1994	Q2 1994	Q1 1994	Q4 1993	Q3 1993	Q2 1993	Q1 1993	Q4 1992	Q3 1992	Q2 1992	Q1 1992	Q4 1991	Q3 1991	Q2 1991	Q1 1991	Q4 1990	Q3 1990	Q2 1990	Q1 1990	Q4 1989	Q3 1989	Q2 1989	Q1 1989	Q4 1988	Q3 1988	Q2 1988	Q1 1988	Q4 1987	Q3 1987	Q2 1987	Q1 1987	Q4 1986	Q3 1986	Q2 1986	Q1 1986	Q4 1985	Q3 1985	Q2 1985	Q1 1985	Q4 1984	Q3 1984	Q2 1984	Q1 1984	Q4 1983	Q3 1983	Q2 1983	Q1 1983	Q4 1982	Q3 1982	Q2 1982	Q1 1982	Q4 1981	Q3 1981	Q2 1981	Q1 1981	Q4 1980	Q3 1980	Q2 1980	Q1 1980	Q4 1979	Q3 1979	Q2 1979	Q1 1979	Q4 1978	Q3 1978	Q2 1978	Q1 1978	Q4 1977	Q3 1977	Q2 1977	Q1 1977	Q4 1976	Q3 1976	Q2 1976	Q1 1976	Q4 1975	Q3 1975	Q2 1975	Q1 1975	Q4 1974	Q3 1974	Q2 1974	Q1 1974	Q4 1973	Q3 1973	Q2 1973	Q1 1973	Q4 1972	Q3 1972	Q2 1972	Q1 1972	Q4 1971	Q3 1971	Q2 1971	Q1 1971	Q4 1970	Q3 1970	Q2 1970	Q1 1970	Q4 1969	Q3 1969	Q2 1969	Q1 1969	Q4 1968	Q3 1968	Q2 1968	Q1 1968	Q4 1967	Q3 1967	Q2 1967	Q1 1967	Q4 1966	Q3 1966	Q2 1966	Q1 1966	Q4 1965	Q3 1965	Q2 1965	Q1 1965	Q4 1964	Q3 1964	Q2 1964	Q1 1964	Q4 1963	Q3 1963	Q2 1963	Q1 1963	Q4 1962	Q3 1962	Q2 1962	Q1 1962	Q4 1961	Q3 1961	Q2 1961	Q1 1961	Q4 1960	Q3 1960	Q2 1960	Q1 1960	Q4 1959	Q3 1959	Q2 1959	Q1 1959	Q4 1958	Q3 1958	Q2 1958	Q1 1958	Q4 1957	Q3 1957	Q2 1957	Q1 1957	Q4 1956	Q3 1956	Q2 1956	Q1 1956	Q4 1955	Q3 1955	Q2 1955	Q1 1955	Q4 1954	Q3 1954	Q2 1954	Q1 1954	Q4 1953	Q3 1953	Q2 1953	Q1 1953	Q4 1952	Q3 1952	Q2 1952	Q1 1952	Q4 1951	Q3 1951	Q2 1951	Q1 1951	Q4 1950	Q3 1950	Q2 1950	Q1 1950
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**Business Growth**

While the Tallahassee real estate market grew 21% in 2013, our sales people enjoyed a strong 58% growth in sales



[Search Homes](#)

**Service First**

A Transaction Coordinator is somebody who ensures that all parties to a real estate transaction are kept informed and on schedule

# Help Wanted

Join our growing team at Century 21 Manausa and Associates. You will be responsible for the coordination of all aspects involved with finalizing the real estate closing process.



In this salary position, you will be part of our front line of customer service, you'll communicate with clients, borrowers, internal staff and other associated outside agencies to facilitate all closing issues in a timely manner.

**ESSENTIAL DUTIES AND RESPONSIBILITIES**

- Review Work In Progress reports to ensure completion.
- Responsible for closing documents in accordance with state requirements and client instructions.
- Review of Title Commitment for clearance.
- Secure lender approval of loan closing documents.
- Address inquiries from clients, borrowers, agents and internal staff professionally and in a timely manner.
- Maintain open communication with team members and team leader.
- Confirm closing dates, location, documentation, and funds due at closing with borrowers.
- All other duties as assigned.

**MINIMUM QUALIFICATIONS**

- Working knowledge of real estate titles and closing procedures preferred.
- Excellent customer service skills.
- Proficiency with personal computers.
- Strong organizational skills, attention to detail and assertive.
- Real estate license not required, but preferred

## Less Is More



### Sellers Wanted

There are fewer homes on the market today than at any time in the past five years

Anybody who has been an active shopper in the Tallahassee housing market recently will tell you that there are more quality homes to see than we have experienced in the recent past.

But the fact is that there are fewer homes on the market today than at any time in the past five years, so why do buyers appear to have more options?

It's because we have seen the number of homes "under contract" finally begin to recede.

Buyers typically want to see homes where no purchase agreement exists, but last year the market was saturated with pending and contingency contracts, so buyers were forced to consider

homes where they might end up bidding for a second place position.

That means buyers and sellers execute a contract, with a contingency that puts them on notice that the property is already under contract with another party. Thus the buyer has to sit and wait and hope that the first buyer defaults or chooses not to close, making the home available for the next buyer in line.

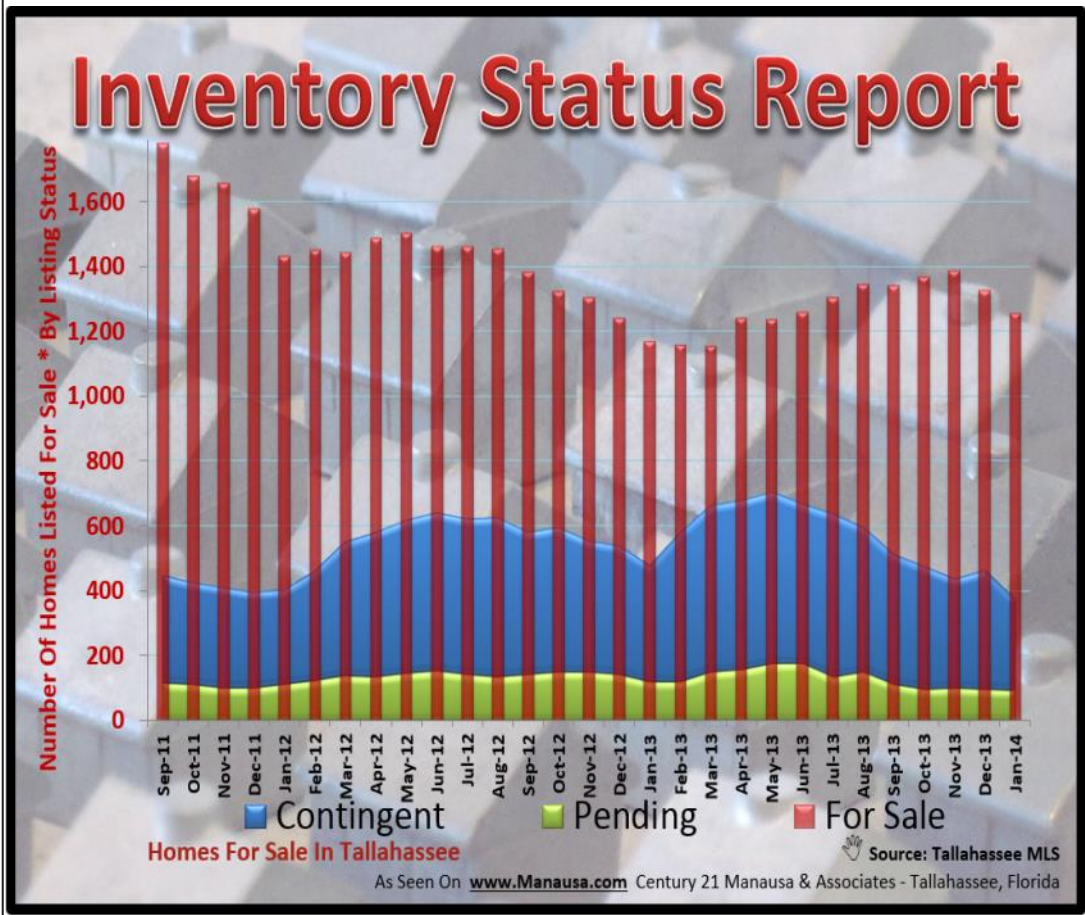
In the graph below, the red bars show the number of homes for sale that are NOT under contract, while the blue area shows available homes that have a contingent contract and the yellow area shows homes that have stronger contracts pending a closing.

## Lakefront



### Unencumbered

Buyers typically want to see homes where no purchase agreements exist



# Just How Good Are Today's Home Prices?



## Still Recovering

Home values are still down more than 20% from the levels they hit at the bottom of the market

### FREE LIST OF HOMES

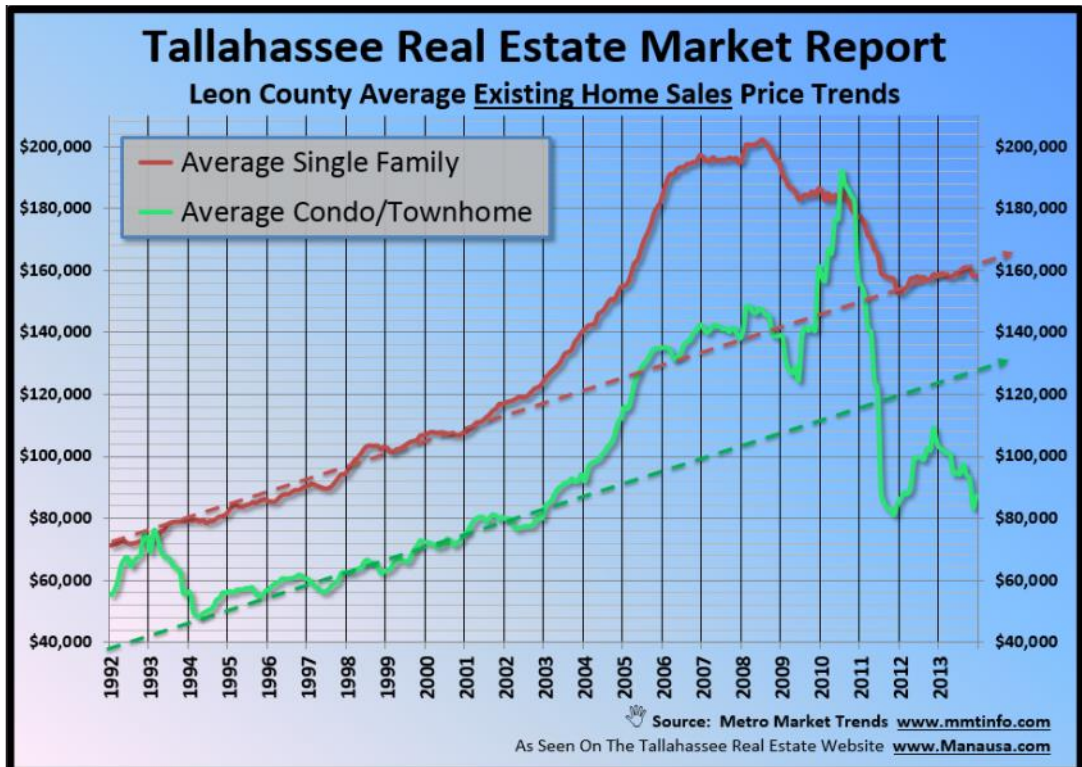
Distressed Property, short sales  
REOs, Foreclosures - Best Buy List

## Sell A Home



## Student Housing

Condominium and townhouse sales are getting pressure from the growth in multi-family sales



If you purchased a home in 2005, you likely think today's home prices are way too low. For most homeowners, values are still down more than 20% from the levels they hit at the bottom of the market.

Single family homes in most areas though are making a rebound. Condominiums and townhouses are still oversupplied and will see fluctuations in value for the remainder of this year (and longer in some areas).

But how do these values compare with the historical norms?

In the graph above, single family detached home values are shown with a solid red line, while condominium and townhouse values are shown in green. These values are the one-year average computed from all closed home sales in

Leon County, Florida.

The dotted line represents the normal appreciation rate that Tallahassee experienced in the 1990s.

By extending the line through to today, we see that single family detached home values are pretty much right back where they would have been had their not been a real estate bubble and subsequent market collapse.

But condominiums and townhouses are still selling at values far below their expected levels. Current values are consistent with what was being recorded 11 years ago in 2003.

This is happening due to the oversupply of "attached" housing and the construction of student apartment complexes is only adding more competition to this glutted market.

## Why The Upside Still Looms Large For Housing

Something interesting has recently happened (if you happen to be a chart-loving analytical fan of the Tallahassee real estate market).

By tracking long term trends, we can get a feel for where the market is heading at any given time.

The chart below shows the number of homes sold each month from January 1991 through December 2013 as yellow diamonds.

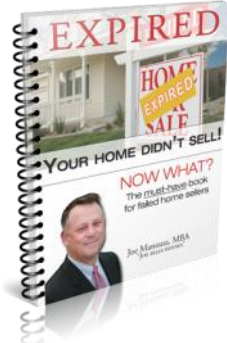
From this information, we have created three trend lines. The one year trend is shown in red, the five year trend is green, and finally the ten year trend is

shown in blue.

When looking to the extreme right of the chart, we can say that the average number of homes sold each month over the past year is on the rise. The average number of homes sold each month over the past five years is also on the rise, while the average number of homes sold each month over the past ten years is on the decline.

With few of the yellow diamonds above the ten year trend, it likely will be dropping for the rest of the year. But the shorter trends appear to be continuing higher, and eventually we should see the impact on the long term trend.

### Home Not Sold?

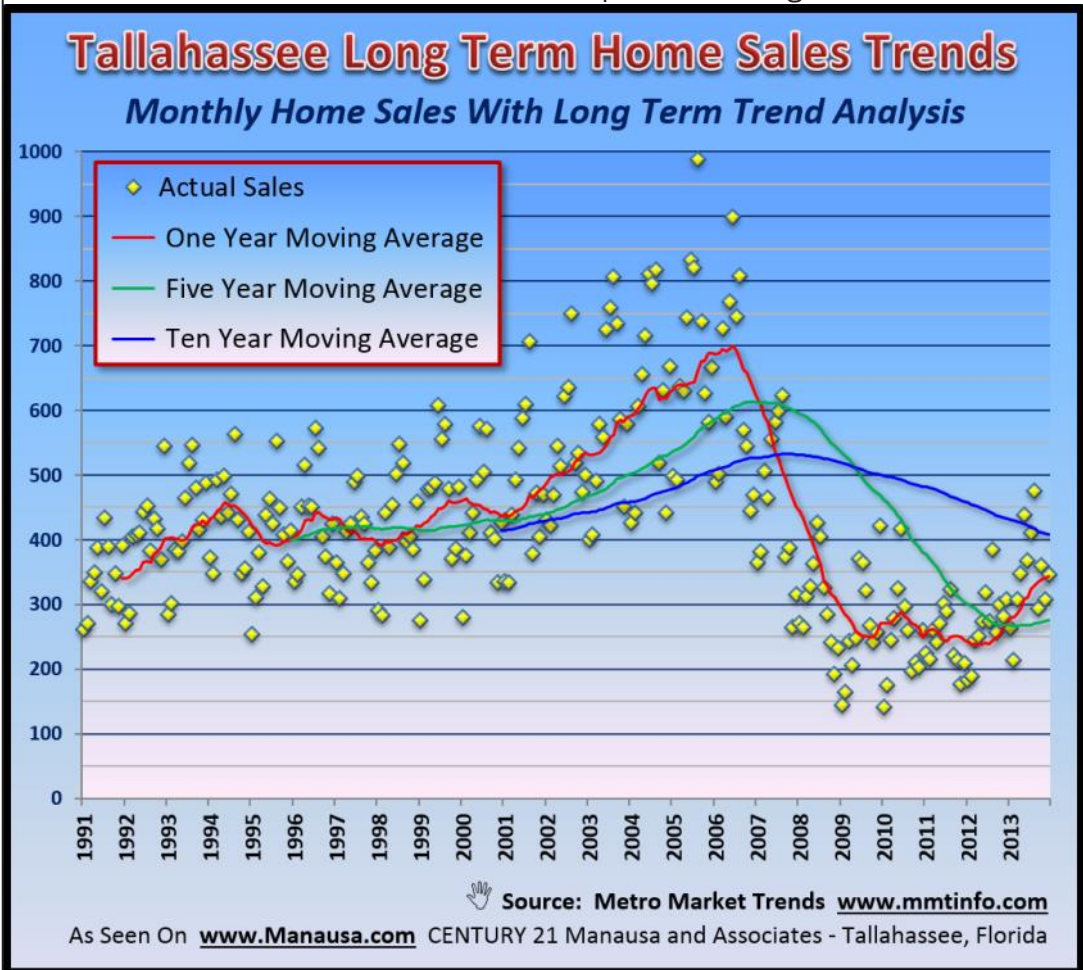


[Get Answers Now](#)



### Monthly Sales

By tracking long term trends, we can get a feel for where the market is heading at any given time.



**Are Homes Selling?**

Over the past year, roughly 59% of the homes that were listed actually sold



**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 rise, setting a three year high while finally reaching the 50% 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.

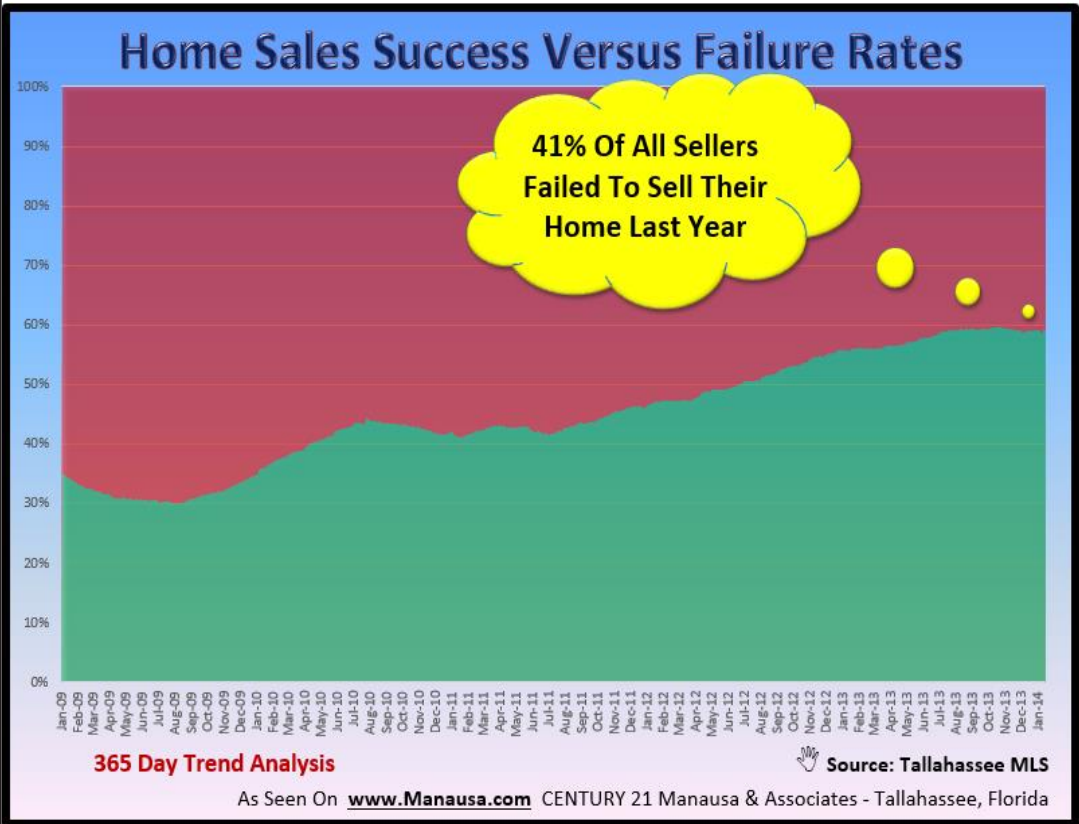
- Success: 59%
- Failure: 41%

**Sales Success Rates Still Too Low**

So, in simplified terms, we can say that over the past year, roughly 58% of the homes that were listed actually sold, and 41% of the listings taken failed to sell.

The success trend continues to be on the rise, though we are concerned that previously failed “wanna-be” home sellers will return to the market en masse when they realize values are still on the decline.

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 !**



**Mixed Market**

The middle of the market is seeing inventory in balance, while the upper end and lower end are still dealing with an excess of supply

**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 under 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 finally started to heat back up. 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 \$500,000.



**Leon County Home Inventory Report**

**Residential Home Supply - January 2014**

Chart Information	NE	NW	SE	SW	ALL
\$0-\$75,000	6.1	5.2	6.9	7.0	6.0
\$75,000-\$100,000	4.7	8.2	6.8	12.8	7.7
\$100,000-\$125,000	4.6	6.9	7.3	6.6	6.2
\$125,000-\$150,000	6.9	7.4	5.9	19.2	7.4
\$150,000-\$200,000	4.3	11.3	5.1	6.5	5.7
\$200,000-\$250,000	5.5	6.8	6.4	16.8	5.9
\$250,000-\$300,000	6.2	8.0	6.0	18.0	6.4
\$300,000-\$500,000	5.6	12.0	4.6	No Sales	6.1
\$500,000-\$750,000	9.7	15.0	14.0	No Sales	10.7
\$750,000+	18.9	No Sales	24.0	No Sales	21.3
All Price Ranges	5.7	7.3	6.4	9.5	6.5

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 8.0 months of supply of the same priced homes in the Northwest.

## Relative Supply Continues To Decline

### Selling Homes

The current 6.5 months of supply is lower than the 8.0 months of supply reported this time last year.



## Home Search

[Betton Homes](#)

[The "Bobbins"](#)

[Buckhead](#)

[Bull Run](#)

[Glen At Golden Eagle](#)

[Golden Eagle](#)

[Highgrove](#)

[Indian Head Acres](#)

[Killlearn Acres](#)

[Killlearn Estates](#)

[Killlearn Lakes](#)

[Ox Bottom Manor](#)

[Piney-Z](#)

[Southwood](#)

[Summerbrooke](#)

[Weems Plantation](#)

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[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 is falling. The current 6.5 months of supply is lower than the 8.0 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 its continual rise will help us return to normal.

Soon, we are going to see 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 even greater growth in demand.



**Can We Help?****Homes For Sale****Selling A Home?**

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

**Feedback Wanted****Links To Relevant Articles****How To Use Real Estate Graphs When Buying Or Selling A Home**

For the most part, real estate appreciation has been fairly consistent across the Tallahassee real estate market geographically, but the same cannot be said regarding the different price ranges.

Today, we will compare both home prices and home values in the most active zip codes in Tallahassee. [\[Read more\]](#)

**2014 Brings Surprising Find In MLS Listings Search**

With 2014 being two weeks old already, I have found some surprises when conducting an MLS listings search.

We monitor all of the houses for sale in Tallahassee, and with a rebounding housing market, we had anticipated higher asking prices and more sellers streaming into the market.

Today we reveal two real estate graphs that show everything is not going as expected thus far in 2014. [\[Read More\]](#)

**Home Prices In Popular Tallahassee Neighborhoods**

If you are starting the process of buying a home in Tallahassee, you are probably curious about the type and value of houses you will find across the many Tallahassee zip codes.

We have included three graphs that show average home prices, average home values, and average home sizes for the ten most active zip codes in the Tallahassee real estate market. [\[Read More\]](#)

**How The Age Of A Home Impacts Value**

While some neighborhoods were far more costly due to amenities and location, there were some that were clearly under or over valued simply due to how old most homes were in the subdivision. [\[Read More\]](#)

**The Most Popular Neighborhoods In Tallahassee**

The Tallahassee real estate market has undergone significant change over the past ten years, so it is easy to think of some areas of town to be priced beyond your means, but today's report might just shed some light on the affordability that you will find nearly everywhere these days. [\[Read More\]](#)

**New Trend For Year Over Year Home Sales In The MLS?**

Considering our real estate recovery still has far to go, we believe these measurements very important for tracking the trend of changes in the Tallahassee real estate market. [\[Read More\]](#)

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