

# Tallahassee Real Estate

An analytical view of the Tallahassee Housing Market

Volume 15, 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

November Housing Reports have been completed and are posted at

[Recent Housing Reports](#)



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## Minimum Wage Changes Impact Housing

Why home prices that seem very high might never recede

Home prices and home values are ruled by the forces of supply and demand, just as are other commodities that trade in a free market.

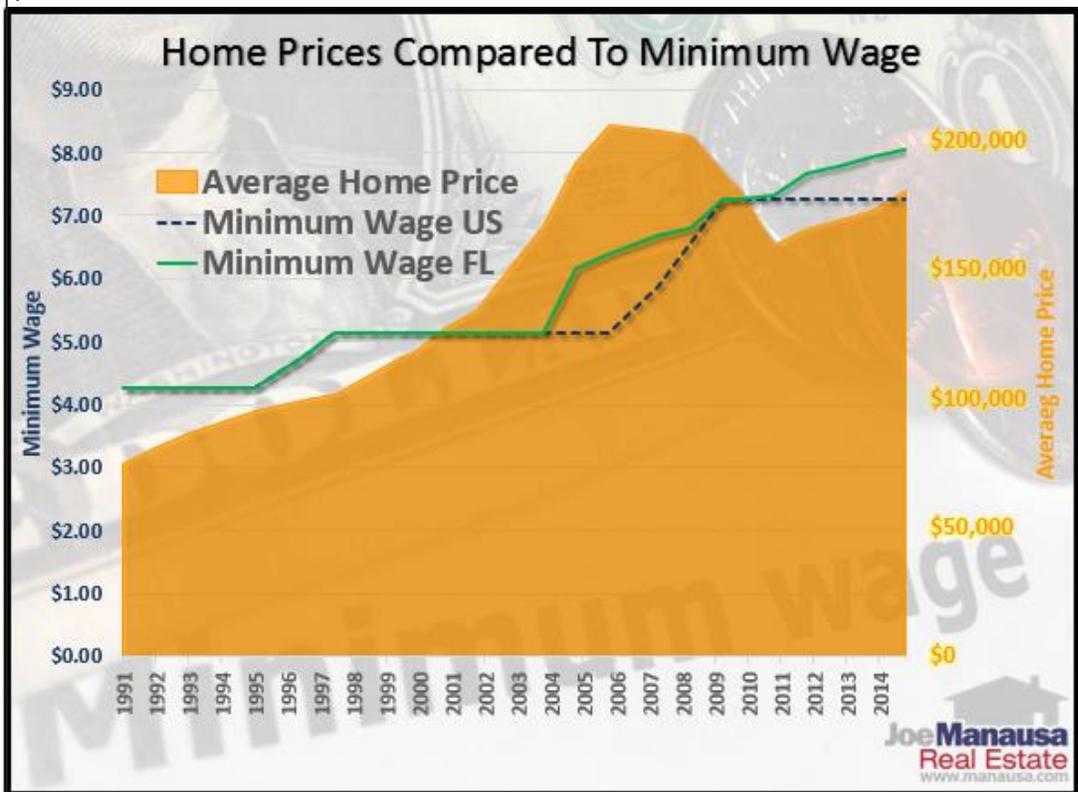
Lately, there have been numerous national articles bemoaning the high prices of real estate, claiming a new bubble which has formed in the housing market with blame being disbursed from the wealthy, to Congress, and to many others that are always in the line of fire.

What all these “experts” are ignoring however, is the increased cost of the production of new homes.

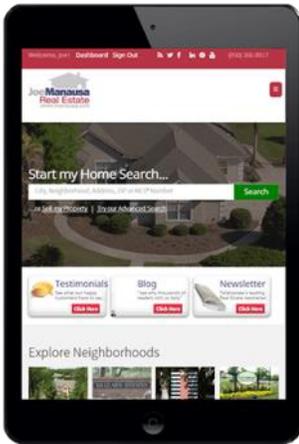
So much of the cost of residential construction is impacted by an increase in minimum wage, and when we compare minimum wage changes with Tallahassee house price changes, there certainly seems to be some level of correlation between the two.

### Remember This

So long as demand for homes keeps rising, smart money will bet on the rising prices of homes, as the newly constructed units will be assembled with more expensive labor utilizing more expensive materials.



**BEST SEARCH**

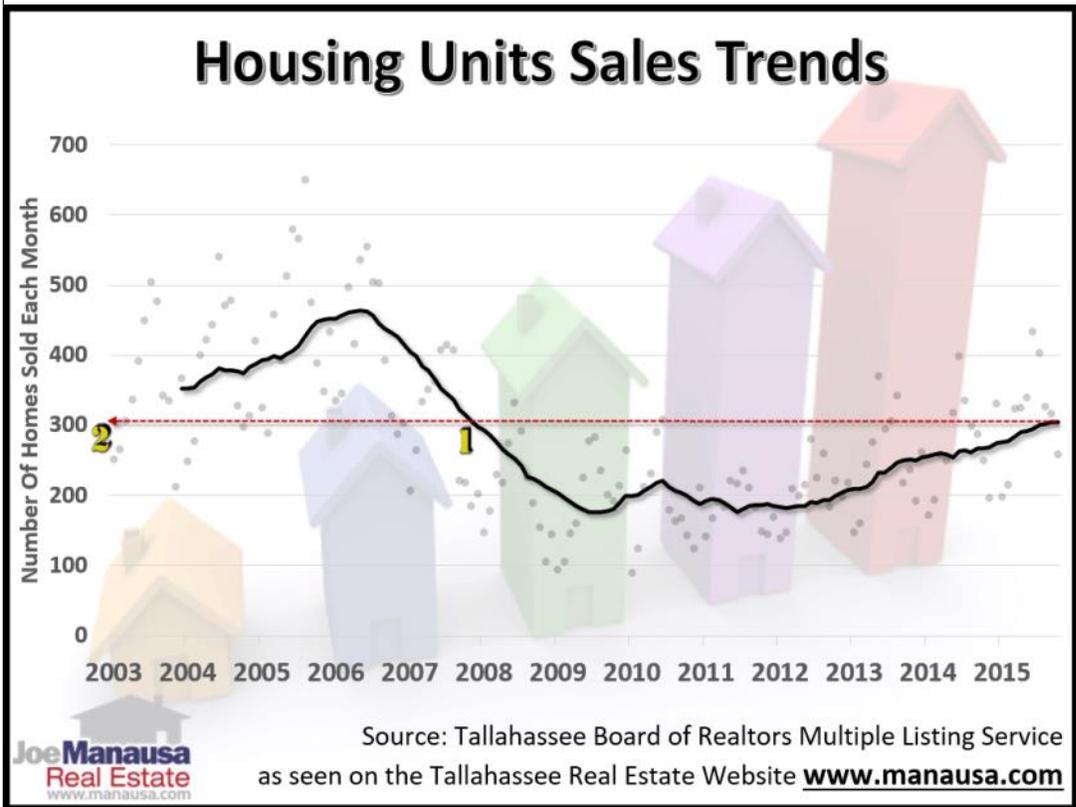


[Seller Resource](#)

**RECOVERY**

Rising home sales is resulting in a diminishing supply of homes which will eventually result in rising values

**Gains Continue, But Upside Remains Strong**



The number of homes selling each month in Tallahassee is on the rise. Our [recent report on Year Over Year Home Sales](#) showed that 35 of the past 39 months produced gains in the number of homes that sold in a current month versus the same month the year prior.

The graph above plots the number of home sales in the Tallahassee MLS each month from January 2003 through October 2015, and then a one-year average trend line has been formed in solid black.

First and foremost, we observe that a recovery is process. We are seeing more monthly home sales today than we have seen since the end of 2007 (see point #1 on the graph), but the rate of sales is still well below what we saw since the

mid to late 1990s (see point #2 on the graph).

The fact that our population is roughly 25% larger than it was during the first time this level of home sales occurred suggests that there is still plenty of upside left in the housing market recovery for Tallahassee.

Rising home sales is resulting in a diminishing supply of homes which will eventually result in rising values. And rising values will help many homeowners recover the equity lost in their homes during the crash of the housing market.

When these homeowners are made whole again, they will have the means to move again, which means that the normal ratio of buyers to population side should return to Tallahassee.

## Median Home Changes Reveal Market Status

Too often, real estate reports come to conclusions that are faulty due to a misunderstanding of the underlying statistics from which the report was created.

For example, you can find a countless number of reports that go into great detail about how the length of time it takes to sell a home can be measured, something that we have demonstrated will always be fruitless and faulty if the information is compiled through the MLS systems.

Another area where “experts” often get it wrong is when reports of appreciation or depreciation are compiled.

Unlike many other commodities, no two homes are exactly alike, so measuring appreciation in real estate requires significantly more effort.

The graph below shows that what people are buying is always changing, so it is important to track many key trends in the housing market to understand the current market conditions.

Prices (green line) have been trending downward over the past few months, whereas values (blue line) have maintained a slight rate of growth.

I find it interesting that home prices (the amount that buyers are spending) are consistent with what we saw back in 2006, yet home values (what the sellers are getting) are the same as what we recorded in 2005.

The difference is a result of the median home changing, as today’s homebuyer is getting more house for the money and can spend more due to low mortgage interest rates.

### Free Report

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

Category	Count	Value	Price	Size	Age	Days	Area	Water	Pool	Garage	Other
Active	1,234	\$123,456	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234	1,234
Sold	567	\$56,789	567	567	567	567	567	567	567	567	567
Under Contract	890	\$89,012	890	890	890	890	890	890	890	890	890
<b>Total</b>	<b>2,691</b>	<b>\$269,257</b>	<b>2,691</b>								

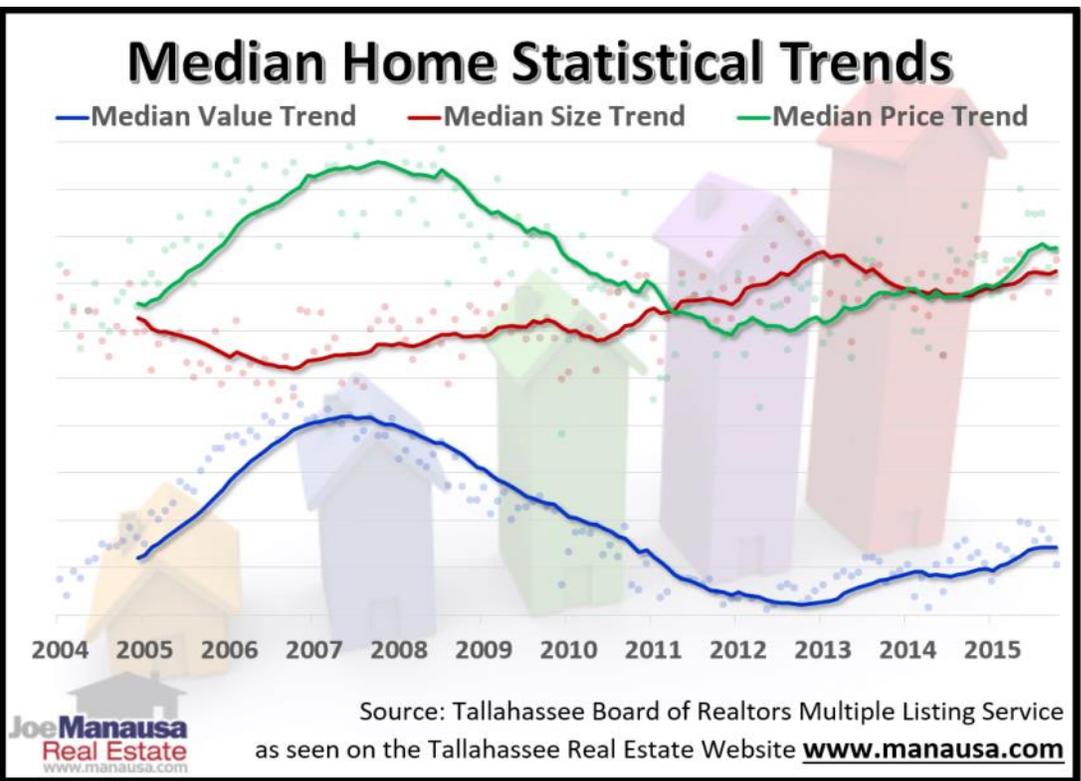
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[Search Homes](#)

### BANG 4 THE BUCK

The median home is changing, as today’s home buyer is getting more house for the money and can spend more due to low mortgage interest rates.



## Neighborhood Snapshots

### POPULAR WITH BUYERS

Killearn Lakes and Killearn Estates, both located in NE Tallahassee, lead the list of the top neighborhoods in Tallahassee

The next three pages lists the top neighborhoods in the Tallahassee real estate market (based upon the number of homes sold in 2015). For each neighborhood, we reveal the total number of home sales, the average price of those homes that sold, and the average value of the homes sold, measured as price per square foot.

Neighborhood	Units	Avg. Price	Avg. Value
Killearn Lakes	153	\$200,151	\$112
Killearn Estates	135	\$233,984	\$107
Southwood	126	\$286,897	\$138
Killearn Acres	65	\$175,177	\$106
Bull Run	52	\$319,947	\$151
Piney Z	45	\$204,702	\$115
Golden Eagle Plantation	40	\$453,166	\$140
Ox Bottom Manor	37	\$334,009	\$130
Summerbrooke	33	\$351,444	\$126
University Green	28	\$100,307	\$81
Indian Head Acres & Lehigh	23	\$151,557	\$99
Weems Plantation	22	\$166,340	\$122
Lakeshore Estates	22	\$156,175	\$93
Camelot Park	22	\$152,108	\$96
Plantation Woods	20	\$108,505	\$87
Foxcroft	17	\$194,615	\$106
Glen At Golden Eagle	16	\$184,338	\$118
Woodland Drives	16	\$210,313	\$106
Royal Oaks	16	\$217,931	\$110
Betton Hills	15	\$352,087	\$140
Waverly Hills	15	\$308,260	\$115
Shannon Forest	15	\$188,520	\$100
Forest Heights	15	\$125,993	\$69
Appalachee Ridge	15	\$39,915	\$37
Velda Oaks Plantation	15	\$269,469	\$163
Villas Of Westridge	14	\$41,925	\$46
Breckenridge On Park	14	\$79,072	\$82
Holly Hills	14	\$141,325	\$87
Betton Hill	14	\$322,765	\$128
Savannah Crossing	13	\$69,762	\$58
Arbor Hill	13	\$118,554	\$100
The Timbers	13	\$67,177	\$59
Timber Lake	13	\$107,473	\$87
Blairstone Forest	13	\$84,410	\$62
Plaza Tower	13	\$194,692	\$220
Wolf Creek	12	\$77,831	\$54
Hampton Creek	12	\$147,358	\$111

## 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](#)

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[Weems Plantation](#)

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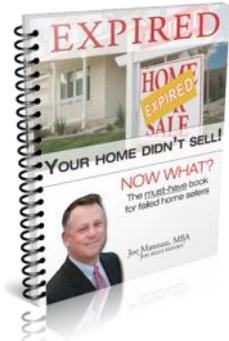
[Short Sales](#)

[Foreclosures](#)

[Waterfront Homes](#)

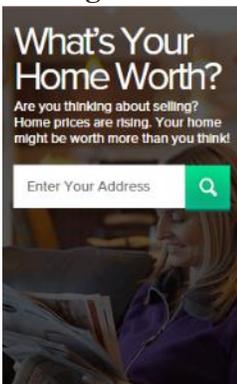
## Neighborhood Snapshots Continued

### Home Not Sold?



[Get Answers Now](#)

### Selling A Home?



### SMALLVILLE

Only 58 subdivisions in Tallahassee have reported double-digit home sales thus far in 2015



Neighborhood	Units	Avg. Price	Avg. Value
Settlers Creek	12	\$110,325	\$87
Pebble Brooke	12	\$130,987	\$103
Lake Jackson Heights	12	\$104,527	\$77
Buckhead	12	\$438,113	\$150
Melody Hills	12	\$174,396	\$100
Centerville Trace	12	\$189,311	\$112
Pine Tip Hills	12	\$353,825	\$133
The Tennyson	12	\$296,000	\$207
Huntington Woods	11	\$94,020	\$71
Park Charleston	11	\$246,445	\$132
Town N Country Park	11	\$126,055	\$82
Lakeside	11	\$149,921	\$95
Astoria Park	11	\$102,991	\$78
Chase's Ridge	11	\$97,427	\$100
Scotswood	11	\$141,627	\$108
Chemonie Crossing	11	\$361,182	\$123
Appalachee East	11	\$195,198	\$131
Woodbriar	10	\$90,890	\$67
Autumn Woods	10	\$74,990	\$71
Deerfield Plantation	10	\$197,740	\$115
San Luis Ridge	10	\$193,826	\$75
Summerchase Condos	9	\$70,928	\$53
Killearn Commons	9	\$184,669	\$114
Villages At Maclay	9	\$188,608	\$126
Sawgrass Plantation	9	\$132,156	\$97
Meadowbrook	9	\$151,214	\$95
Westover	9	\$84,967	\$63
Parkhill	9	\$68,697	\$59
Parkside	9	\$127,136	\$67
Russell's Pond	9	\$98,443	\$85
Buckwood	9	\$137,626	\$103
Settlers Springs	9	\$134,878	\$100
Lenox Mill	9	\$269,994	\$124
Natural Wells	9	\$82,822	\$60
Piedmont Park	9	\$230,756	\$108
Ox Bottom	9	\$545,556	\$150
Cortona Hills	9	\$336,068	\$163
Kingsmill	9	\$263,370	\$157
Terrence Heights	8	\$108,866	\$87
Lakewood Village	8	\$100,188	\$65
Capital Hills	8	\$133,000	\$109



## Neighborhood Snapshots Continued

Neighborhood	Units	Avg. Price	Avg. Value
Park Terrace	8	\$123,372	\$85
Dyrehaven	8	\$263,375	\$122
Centerville Conservation	8	\$660,050	\$182
Goose Creek	7	\$228,000	\$123
Cameron Chase	7	\$214,214	\$119
Hartsfield Woods	7	\$91,879	\$89
Mabry Manor	7	\$44,143	\$41
Woodgate	7	\$173,429	\$98
Adiron Woods	7	\$278,664	\$137
Highgrove	7	\$490,814	\$125
Emerald Acres	7	\$217,357	\$109
Summerlake	7	\$175,561	\$122
Oak Valley	7	\$114,929	\$83
Mission San Miguel	7	\$359,973	\$166
Meadows At Woodrun	6	\$116,542	\$100
Stoney Creek Crossing	6	\$275,417	\$127
Continental Oaks	6	\$54,958	\$59
Park Brook Crossing	6	\$74,483	\$81
Lafayette Oaks	6	\$273,692	\$97
Avondale	6	\$217,750	\$110
Scenic Heights	6	\$118,500	\$73
Lakewood Estates	6	\$64,000	\$65
Renegade Condominiums	6	\$50,575	\$85
Runnymede	6	\$93,558	\$71
Edinburgh Estates	6	\$179,363	\$93
Indian Village	6	\$95,917	\$86
Bobbin Trace	6	\$624,000	\$171
Arvah Branch	6	\$220,833	\$102
Hartsfield Plantation	6	\$221,650	\$106
Sedgefield	6	\$184,667	\$112
Lakebreeze	6	\$286,238	\$104
Suburban Hills	6	\$140,583	\$87
Highlands At Northampton	6	\$193,100	\$124
Sagebrook Mill	6	\$178,575	\$120
Sandcastle	6	\$114,517	\$92
Kirkwood	6	\$155,150	\$92
Golf Terrace	6	\$67,325	\$66
Mcbride Hills	6	\$421,817	\$130
Tippecanoe Hills	6	\$216,903	\$127
Kinsail	6	\$152,583	\$112
Enclave	6	\$264,100	\$119

### DID YOU KNOW?

Tallahassee has more than 1,800 subdivisions that can be tracked through the [Tallahassee Board of Realtors MLS?](#)



### 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 On Steady Decline

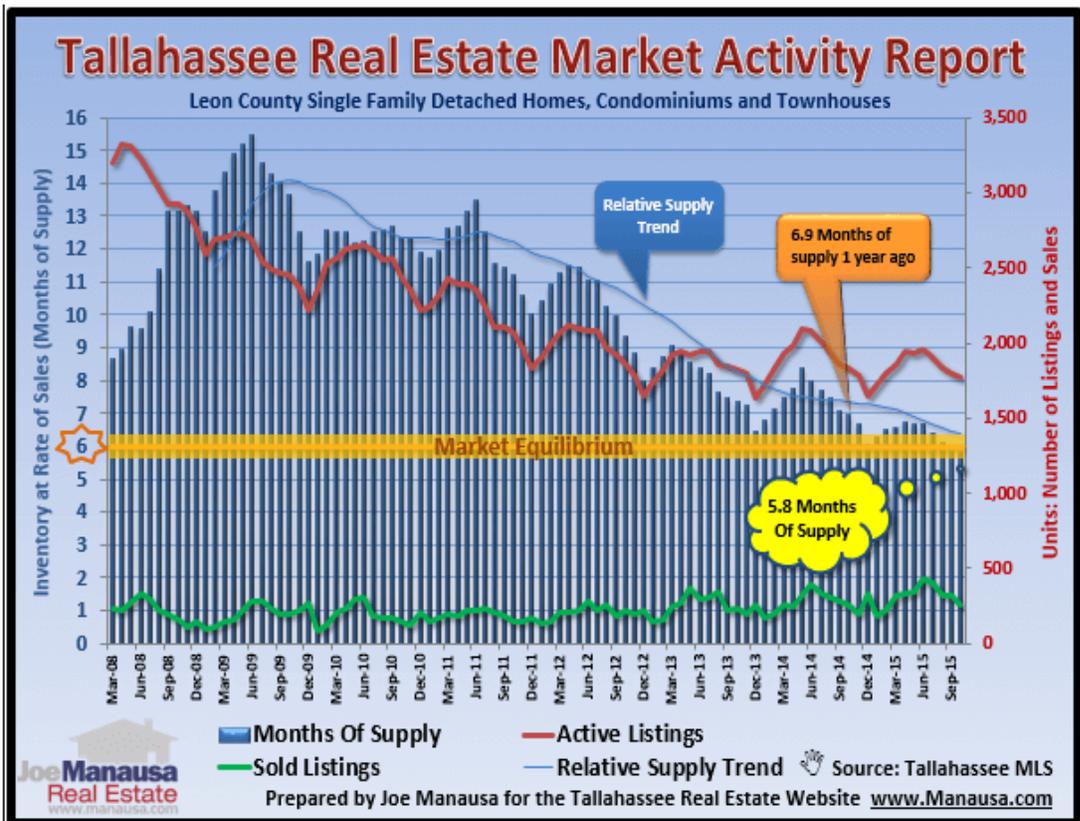


### Buyers Welcome

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



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 6.3 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.



**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 \$300,000 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 in 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 - November 2015**

Chart Information	NE	NW	SE	SW	ALL
\$0-\$75,000	3.3	5.6	5.1	6.0	5.4
\$75,000-\$100,000	4.7	7.4	7.7	15.2	7.6
\$100,000-\$125,000	4.4	7.5	7.4	11.0	6.7
\$125,000-\$150,000	3.5	7.7	9.4	4.6	5.9
\$150,000-\$200,000	3.5	7.8	5.5	9.9	4.7
\$200,000-\$250,000	4.6	10.6	6.3	9.6	5.5
\$250,000-\$300,000	4.3	4.3	4.1	8.0	4.3
\$300,000-\$500,000	6.0	8.4	7.2	84.0	6.5
\$500,000-\$750,000	9.8	6.0	24.0	No Sales	10.7
\$750,000+	10.7	18.0	36.0	No Sales	12.0
All Price Ranges	4.7	7.1	6.6	8.4	5.8

Information in the report above shows relative home supply (months of supply based upon the current rate of sales). For example, there are 4.6 months of supply of homes priced between \$200K and \$250K in the Northeast, but 10.6 months of supply of the same priced homes in the Northwest.

**Can We Help?**



**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**

**Year Over Year Home Sales Move Higher In October**

Year over year home sales in Tallahassee posted gains again in October. This marks the 14th consecutive month where sales from the current year exceeded sales from the same month in the prior year.

Take a look at this month's graph and you will gain a clear visualization of a real estate market on the mend. [\[Read more\]](#)

**7 Questions You Will Ask Your Mortgage Lender**

As a real estate agent with 25 years in the business, I can tell you that lending rules and mortgage loan programs have changed greatly over the past ten years due to the housing market collapse. So even if you fancy yourself a seasoned buyer of homes, you still might pick up something new in this mortgage Q&A. [\[Read more\]](#)

**Real Estate Supply And Demand November 2015**

The month of November is well under way, so today we'll take a current look at real estate supply and demand in the Tallahassee real estate market.

Every month we compile a list of all the homes for sale in Tallahassee and compare it to the total number of home sales over the past twelve months. [\[Read more\]](#)

**Pine Tip Hills Home Sales Report**

Pine Tip Hills is a relatively small neighborhood in Northwest Tallahassee that contains relative large homes.

In fact, we often say that this is a hidden gem for homeowners who want to be close to town and live in a large home. It is "hidden" because it is a few hundred yards west of the east/west boundary in Tallahassee, so many homebuyers overlook

this subdivision because of their desire to be in NE Tallahassee. [\[Read more\]](#)

**Tell Google You Like Our Newsletter**

The internet has really changed the way that businesses conduct themselves, both in terms of customer service as well as with marketing and sales.

Anybody who has owned a business for a while will tell you that the best and most consistent form of business comes from "word of mouth," which at first blush might not sound like "an internet thing." But it most certainly is today.

Word of mouth for my business used to mean one person telling another about why they should work with Joe Manausa Real Estate. People looking to sell a home or buy a home would call us and say "Mary Jones told us to call your company to help us with our Tallahassee real estate transaction" ... or something to that effect. That is how business reputation traveled. [\[MORE\]](#)

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