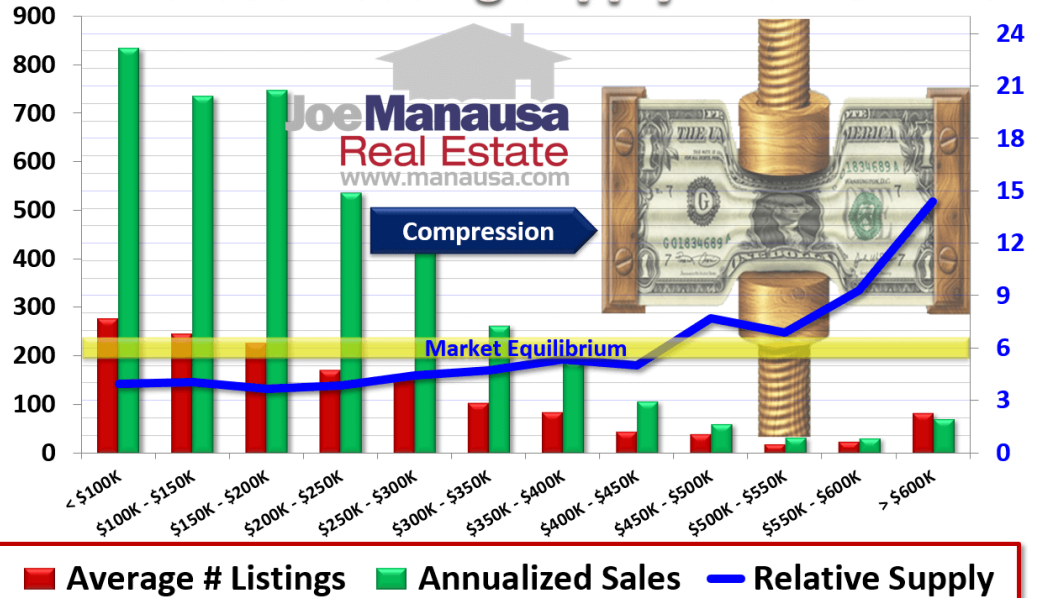


Cost Of Construction Creates Twist In Demand

Tallahassee Housing Supply And Demand



12 Month Trend - Listings & Sales In The Tallahassee MLS

As Seen On The Tallahassee Real Estate Website



Source: Tallahassee MLS

www.Manausa.com

There is a segment of our housing market that is dealing with an interesting dynamic which is likely to stabilize home values for a lengthy period of time.

The graph above shows the average number of listings each month by price range, the total number of homes over the past year within the same price ranges, and the measure of the relative supply of homes (measured in months of supply).

The blue line represents this relative supply of homes. The yellow band is the “normal” range, which we refer to as market equilibrium because sellers and buyers (within this range) are negotiating on equal footing.

Below the yellow band is a seller’s

market where demand far-outweighs supply, and the opposite is true above the yellow band.

The problem right now in real estate is builders cannot build what the market is demanding, so they build at the higher end of the price range. This is adding to the supply at the top 5% of the market and doing little for the demand south of \$200K.

When interest rates rise and demand at the highest end cools, we will have 10+ years of supply of these homes, while at the low end shortages will remain.

Market Will Shift To Multi-Family

The solution in Tallahassee will mirror solutions found in other metro areas. Builders will require multi-family in order to deliver product affordably.



Barbara Corcoran’s
Advice in Tallahassee



RESOURCES

- [Selling A Home](#)
- [Home Valuation Tool](#)
- [Property Search](#)
- [The Word Is Out!](#)
- [Archives](#)
- [Testimonials](#)



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