

## 3rd Quarter 2016

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

October Housing Reports have been completed and are posted at

[Recent Housing Reports](#)



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## Tallahassee Is Moving West!

*Home values are shifting demand in housing market activity*

Northeast Tallahassee has been dominating the attention of homebuyers for many years in Tallahassee.

The decline of the housing market which began in 2006 exacerbated the situation by reducing home values and reducing overall demand. The remaining demand in the market flocked to NE Tallahassee in order to take advantage of home values which had declined as much as 50% in some areas.

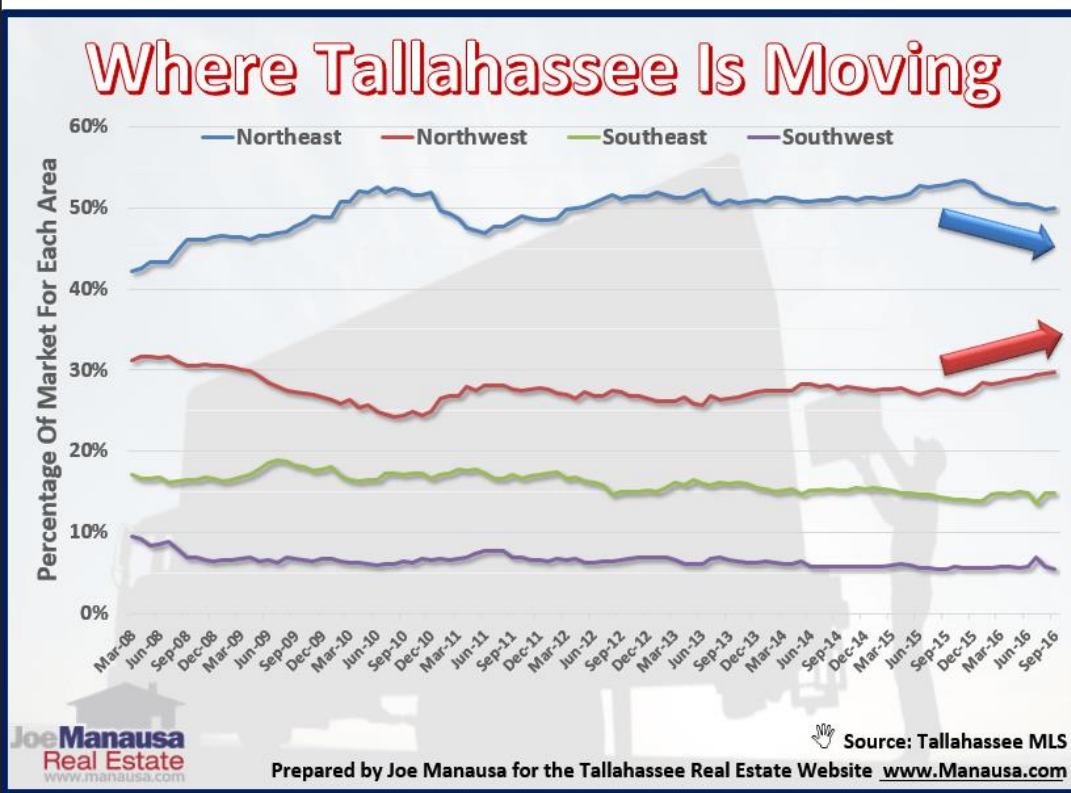
But home values are recovering and nowhere faster than what we are seeing in Northeast Tallahassee. This means

that buyers are more inclined to look around (especially when there is nothing available in NE Tallahassee).

The graph below shows the market share each quadrant of Leon County has held each month, and you'll notice NE Tallahassee has fallen from 53% to 50% of all home sales.

During the same time frame, NW Tallahassee has risen from 27% to 30%. Consider this a wake-up call that home buyers are willing to go west!

Expect more west side landlords to convert to sellers as values recover.



## Click For Information & Pictures Of Homes For Sale



Sweat Equity Potential



Low Price Large Home



Why Pay Extra For Big?



Edge Of Killearn



Ready To Occupy



Below \$180,000



Low Price - Won't Last



Like New - You Like!



Huge Lakefront Home



Rare Waverly Hills !!!



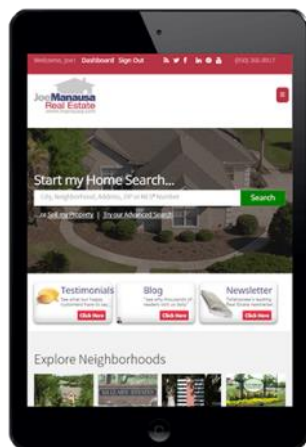
Below Appraisal!



Renovated & Ready



## BEST SEARCH



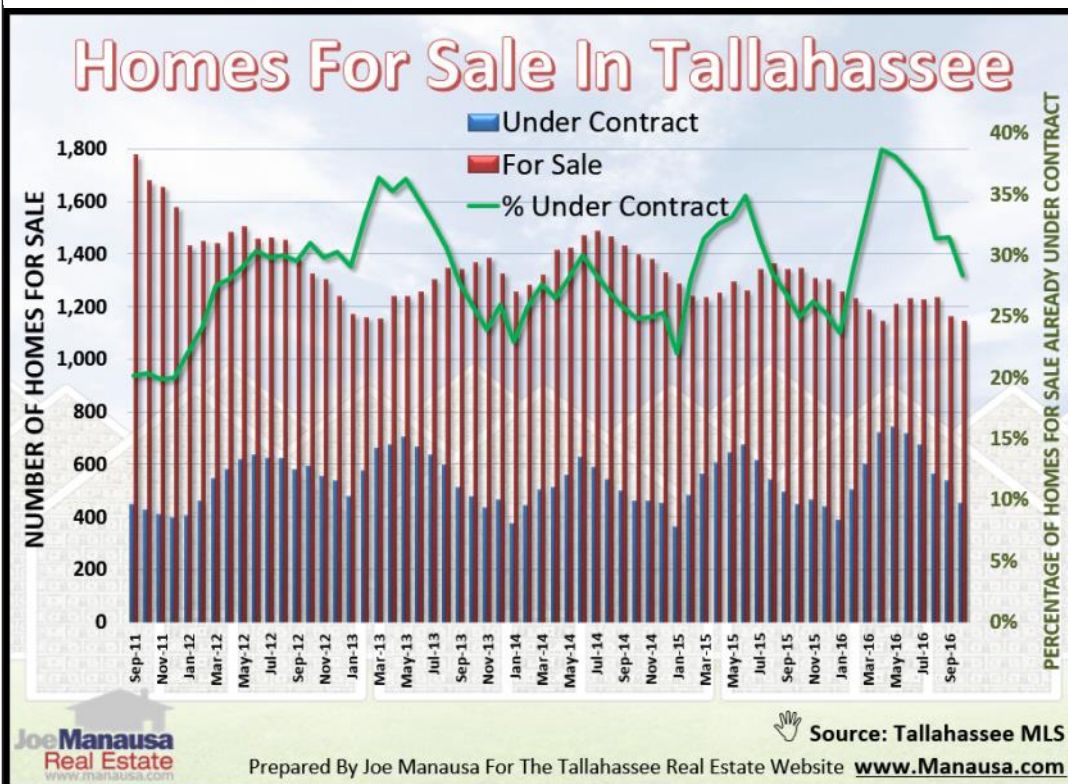
www.manausa.com

[Seller Resource](#)

## Video For Buyers



## Buyers Have Fewer Homes From Which To Choose



The total number of homes for sale has reached a ten year low in the Tallahassee real estate market.

Buyers today (below \$400,000) have the fewest choices since sometime around 2002 (based upon my memory as our data only goes back to 2011).

In the graph above, the red bars measure the number of homes for sale on the market that are available while the blue bars measure those that already have a contract in place with a buyer.

The green line measures the ratio of homes under contract with all homes on the market, and currently the ratio shows that more than 1 in every 4 homes for sale is already under contract.

Buyers in many price ranges are showing

up to see homes while other buyers are already there. Our Joe Manausa Real Estate listing team is getting multiple offers on a large percentage of our listings.

Why? Because there is not enough good inventory to go around in the hotter areas and competitive price ranges.

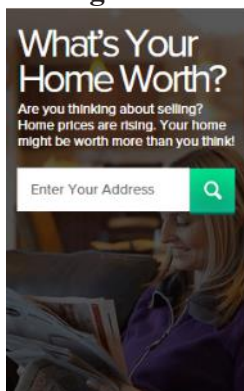
The City and County has made it very difficult for home builders to bring single family homes to our market at prices below \$300,000. It won't be long before you won't be able to find a newly built home for less than \$350,000.

This means that while demand for median homes (\$165,000) is at an all time high, the supply side (builders) are not able to produce it as a single family home. Expect multi-family to continue to increase its presence in Tallahassee.



[Get Answers Now](#)

### Selling A Home?



### Middle Age Funk

There has been a decline in the “40 to 60” age group which is in the heart of the home buying years.

## Year To Date Home Sales Remain Strong

The number of closed home sales through September in Tallahassee is higher in 2016 than in any year prior going back to 2007.

But all of the years from 2001 through 2007 recorded more existing homes sold from January through September than what we have seen this year, and we’ve only sold slightly more this year than what was recorded in 2000.

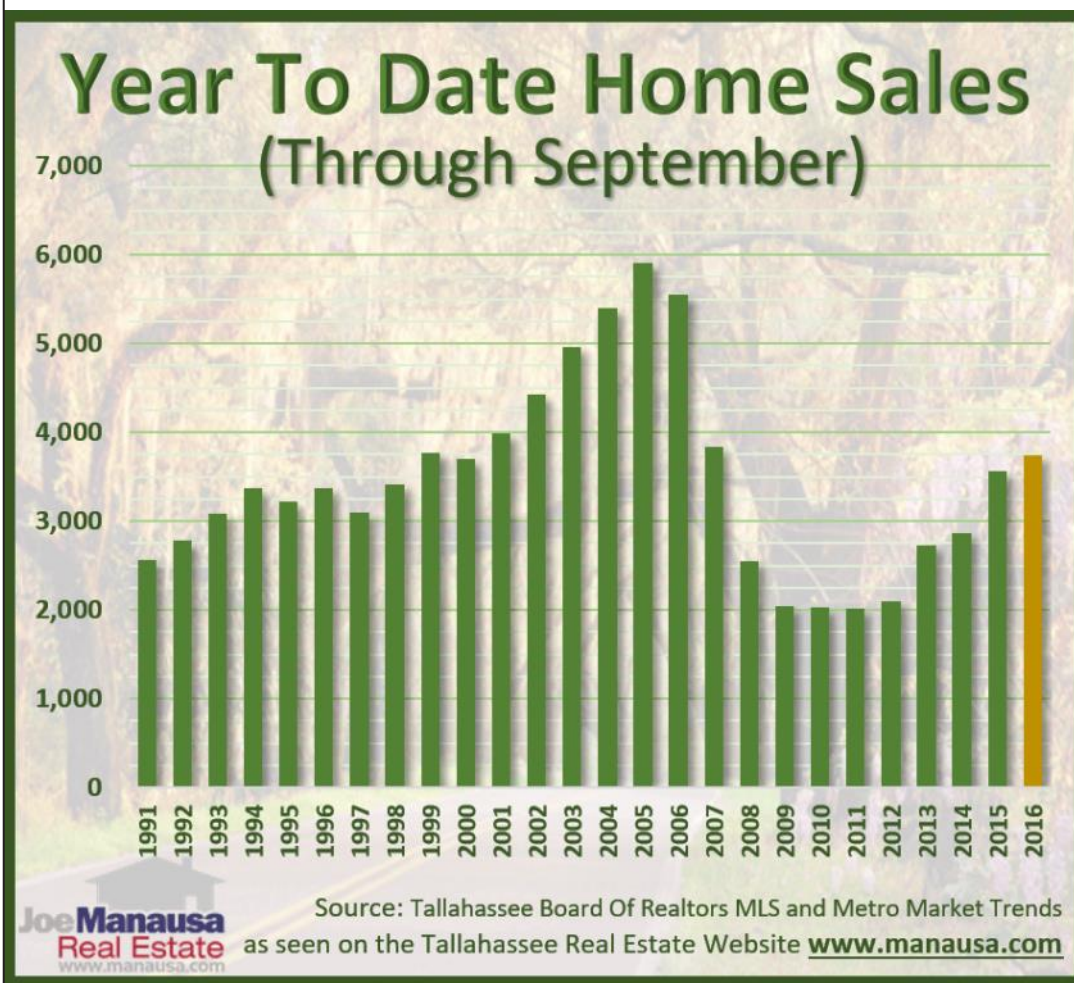
So what does this mean?

I believe it means there remains significant upside in the Tallahassee real estate market.

Current buyer activity is consistent with what we saw 16 years ago, yet our population level is much higher.

It should be noted that the real population growth has been from the “under 30 crowd” and the “over 60 crowd.” There has actually been a decline in the “40 to 60” age group which is in the heart of the home-buying years.

Local leaders need to help immunize us from State and Federal job cuts by stimulating and supporting local business. These are the jobs that can help restore the 40 to 60 age group.







## Hot Market

MORE people can afford high end homes than ever, and MORE people are buying and building high end homes.



## 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](#).

## Luxury Market At 8 Year High



For five straight years, the high end homes market in Tallahassee has seen increasing demand.

Interest rates have dropped and buyer activity has soared, yet many luxury home sellers appear to be having trouble selling their homes.

Right now, mortgage interest rates are less than a quarter percent above the ABSOLUTE LOWEST at which any living human has ever borrowed.

House payments are likely as low as they can go, and it has created a fire in the market.

MORE people can afford high end homes than ever, and MORE people are buying and building high end homes.

Unfortunately for existing homeowners, there is a high demand for

"shiny and new" in the high end homes market, and that means that even though demand is near an all-time high, the supply of homes for sale above \$500K is not declining like the rest of the market.

If you own a luxury home and have been waiting for the market to improve, you need to take heed. It has improved. It is fantastic. In fact, it is highly unlikely that it will ever get much better.

And when it gets worse (and it will get worse when mortgage interest rates begin to move higher), then the supply of existing high end homes will be many years worth of homes.

There are a lot of high end home sellers doing "the wrong thing" right now, and they are losing ground in a highly active market. **Advice:** Beware the slow down.

## Median Home Price Moves Higher

The median home price trend in Tallahassee has been rising at a consistent pace since establishing a bottom at the end of 2011.

Currently, the median price of a home sold in Tallahassee this year is \$165,000, but the growth each month has been significant enough that we should expect this to move higher as the year closes out.

These home sales include all existing single family detached homes, condominiums, and townhouses (meaning the data is for all sales, not merely those recorded by Realtors).

Interest rates creeping lower mean that buyers have stronger purchasing power.

As the majority of owner occupants in Tallahassee finance their homes, low interest rates mean less money needs to be spent on interest so more can be spent on the home.

I would expect the median home price in Tallahassee to begin leveling off after the election, and should interest rates spike up higher, it is possible we'll see another decline in the median home price.

However, a hindrance against a decline in the median home price is the fact that the median new home being built is well above \$400K, so as supply declines and more new homes are built, we can expect to see this propel the median price higher too.

### 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	Mean Price	Min Price	Max Price
Single Family Detached	10	\$165,000	\$175,000	\$140,000	\$200,000
Condominiums	5	\$120,000	\$130,000	\$100,000	\$150,000
Townhouses	3	\$110,000	\$120,000	\$90,000	\$140,000
<b>Total</b>	<b>18</b>	<b>\$145,000</b>	<b>\$155,000</b>	<b>\$110,000</b>	<b>\$180,000</b>

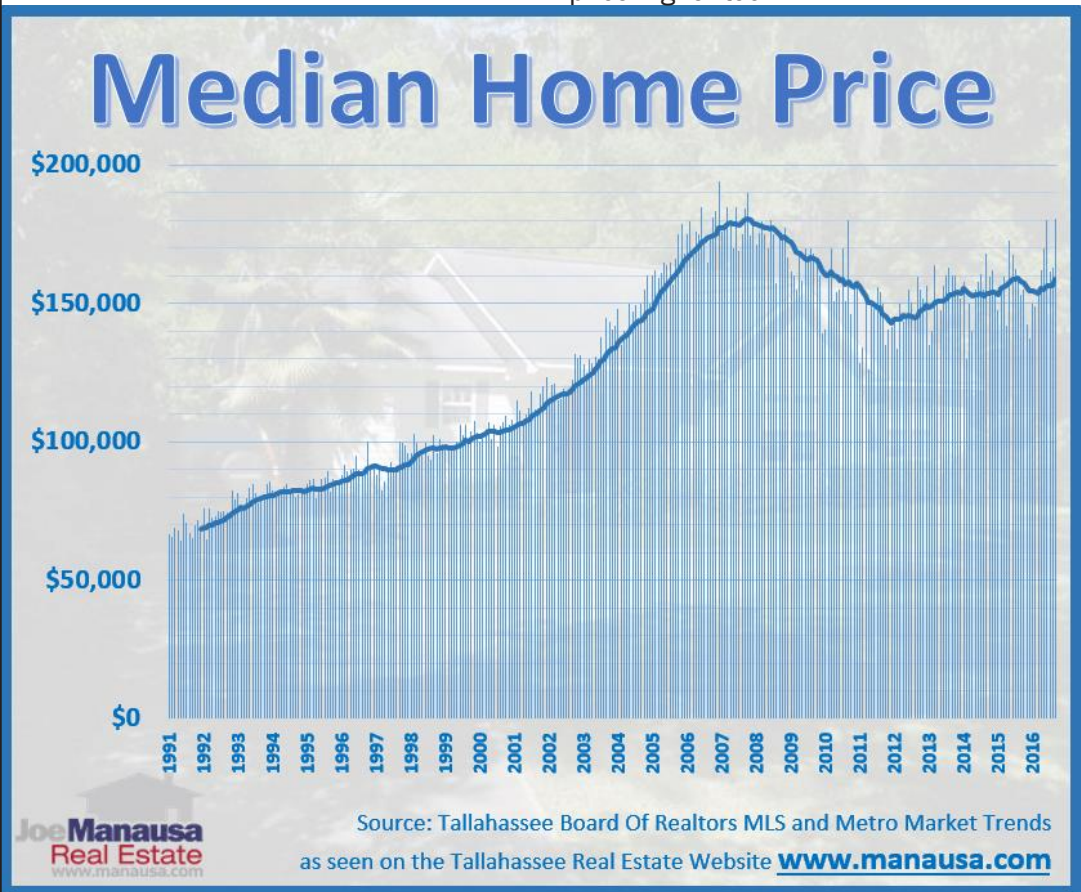
[Click Here For Free Download](#)



[Search Homes](#)

### Middle Ground

The median price of a home sold in Tallahassee this year is \$165,000





## Declining Supply To Push Home Values Higher

### Catching Up

Current home values remain lower than those in the years from 2005 through 2010.

## Home Search

[Betton Homes](#)

[The "Bobbins"](#)

[Buckhead](#)

[Midtown](#)

[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](#)

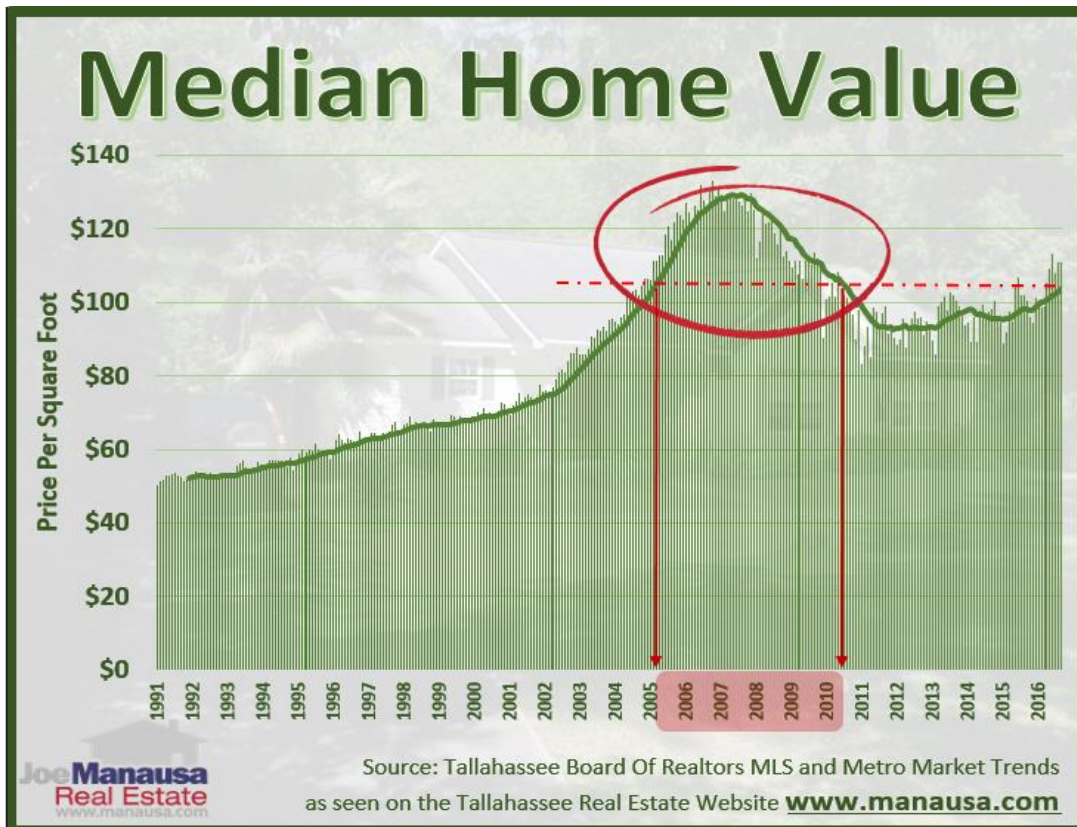
[Arms Length Homes](#)

[Golf Course Homes](#)

[Short Sales](#)

[Foreclosures](#)

[Waterfront Homes](#)



Unlike median home prices (which tell us how much buyers are spending), we look to median home values to determine whether or not home owners are gaining equity in their homes. It is not uncommon to see one moving higher while the other moves lower.

Fortunately, median home values have been on a strong run for the past two years.

With the inventory of existing homes finally declining to a level where buyers and sellers are on equal footing, today's buyers are finding that you have to act fast if a home is priced correctly.

And unlike prices which will fluctuate greatly with interest rates and changes

in the local economy, values are still far below replacement cost and will almost certainly move higher.

Current values remain lower than those in the "red zone" above, the years from 2005 through 2010. But each month we are seeing this zone condense.

Home value appreciation/depreciation is determined by the balance of supply and demand.

Demand continues to rise as more "damaged" borrowers from the past are regaining their ability to acquire a mortgage loan.

The growth of supply is limited by builder costs, so expect a continuation of declining supply and rising demand to push home values higher.



### 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 \$350,000 is looking healthy. Unfortunately, the market above \$400,000 still has a long way to go in the recovery [\[Full Report\]](#)

### 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 six month's supply of homes on the market, with just homes priced above \$400,000 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 year 2000. 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 \$400,000.



## Leon County Home Inventory Report

### Residential Home Supply - October 2016

Chart Information	NE	NW	SE	SW	ALL
\$0 - \$100,000	3.4	4.2	4.5	5.2	4.3
\$100,000 - \$150,000	3.6	4.7	4.9	9.3	4.6
\$150,000 - \$200,000	3.8	5.1	4.2	8.2	4.3
\$200,000 - \$250,000	3.1	6.1	4.8	36.0	3.8
\$250,000 - \$300,000	5.4	13.7	6.2	21.0	6.2
\$300,000 - \$350,000	3.5	6.0	3.5	0.0	3.7
\$350,000 - \$400,000	5.9	6.0	5.7	36.0	6.1
\$400,000 - \$450,000	6.6	8.0	12.0	No Sales	7.1
\$450,000 - \$500,000	9.5	36.0	10.0	No Sales	10.3
\$500,000 - \$550,000	11.5	No Sales	8.0	No Sales	12.0
\$550,000 - \$600,000	11.0	24.0	0.0	No Sales	9.2
\$600,000 +	17.5	14.4	10.0	No Sales	16.5
All Price Ranges	4.7	4.9	4.8	6.8	4.9

Information in the report above shows relative home supply (months of supply based upon the current rate of sales). For example, there are 5.4 months of supply of homes priced between \$250K and \$300K in the Northeast, but 13.7 months of supply of the same priced homes in the Northwest.



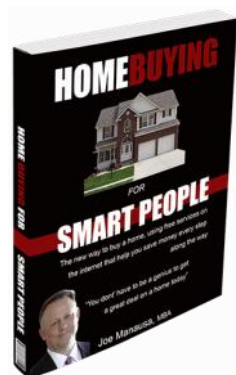
## Sell A Home



### Buyers Welcome

We consider a market with 6.0 months of supply of homes a balanced market, so we are now at market equilibrium

### A Smarter Way



### FREE LIST OF HOMES

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

## Supply Of Homes Approaching Sellers' Market



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

The graph tracks 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).

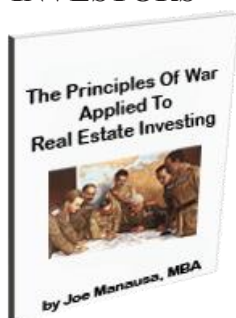
The blue line measures the one-year trend of the relative supply of homes. We consider a market with 6.0 months of supply of homes a balanced market, and this trend is now moving from a balanced market to one that will soon favor home sellers (seller's market).

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.

It does not specifically apply to any one house or one area in particular, rather it is the sum of the entire Tallahassee housing market.

As most people have just one home that they want to sell, overall market conditions are not nearly as important as are the conditions specific to the home that one is trying to sell.

But it is good to know how other areas and other price ranges will impact the sale of a specific home. Additionally, the relative supply of homes is an important element of our modeling used to forecast the future of our market.

**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****Southwood Listings & Home Sales**

If you are shopping homes for sale in Southeast Tallahassee, you will inevitably run into listings in Southwood.

Southwood consistently ranks among the top 5 neighborhoods in town (based upon the number of annual home sales) and it totally dominates all other neighborhoods on the south side of town. [\[Read More\]](#)

**Tallahassee Zip Codes Where Most Homes Sell**

Ninety four percent (94%) of all homes sold in Tallahassee occur in one of ten zip codes.

This report provides an in-depth view of the existing home sales market in these zip codes, and identifies which zip codes are carrying the load for the housing market recovery in Tallahassee. [\[More\]](#)

**Golden Eagle Listings & Home Sales**

There is no time and no place better for playing golf than October in Tallahassee in Golden Eagle Plantation.

With an assortment of construction styles, even non golfers should consider looking within the gates of Golden Eagle if in the market for a home priced above \$500,000. [\[Read More\]](#)

**Bull Run Listings & Home Sales**

Unlike the majority of neighborhoods in Northeast Tallahassee, home sales have slowed for the usually popular Bull Run neighborhood.

As one of the rare locations featuring new construction through all the years of

**You'll Never Believe The Pictures They Used To Market These Homes**

The most critical aspect of marketing a home for sale is its proper promotion on the internet.

And nothing peaks a buyer's interest in a home more than exceptional images that make the buyer want to see more of the home. [\[Read More\]](#)

the housing market recovery, it typically has the "shiny and new" types of homes that buyers favor these days. [\[More\]](#)

**Summerbrooke & Ox Bottom Listings & Home Sales Report**

Summerbrooke and Ox Bottom Manor are two popular neighborhoods in the 32312 zip code and sit in the heart of the Northeast Tallahassee real estate market.

These subdivisions offer brick and stucco executive homes ranging in price from just below \$300,000 to some that exceed \$600,000, and right now buyers are jumping on aggressively priced homes. [\[Read More\]](#)

