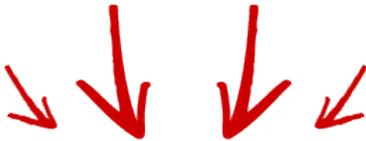




Relative Supply Of Homes Hits New Low

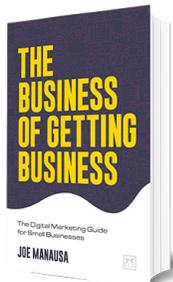


The Corona Virus Foreclosure Crisis?

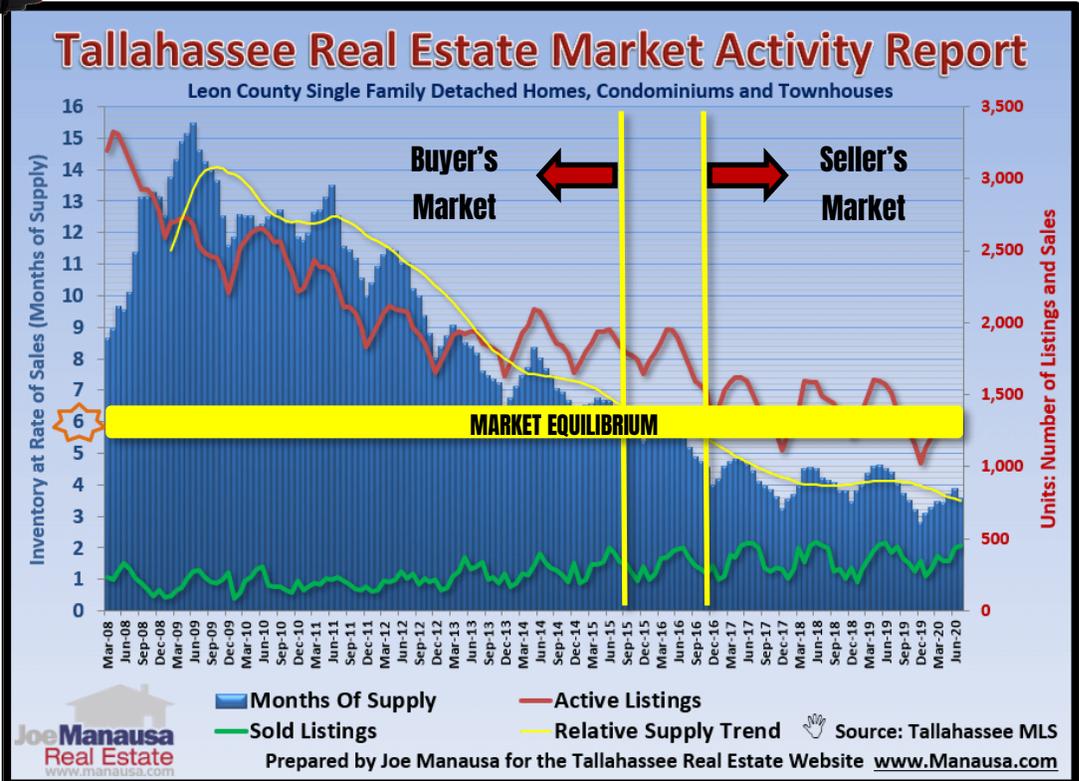


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Today's report shows the supply of homes relative to the current rate of demand (the relative supply of homes for sale). We measure relative supply in "months of supply," meaning the number of months it would take to consume the current supply of homes for sale.

In the graph above, the green line reports the number of homes sold each month and the red line shows the number of homes for sale each month. When we divided the demand into the supply, the result gives us the relative supply of homes shown in blue.

Finally, we take the one-year average of the relative supply to remove

seasonality and we can see this plotted in yellow. When the market is balanced, we refer to it as market equilibrium.

Look at how glutted the market was from 2006 through 2014, where the relative supply of homes peaked at nearly 14 months of supply. We spent very little time at equilibrium and now for the past 6 years, the overall market has favored home sellers.

As I've stated emphatically in [recent housing market reports](#), we need more homes. If you have a home you'd like to sell, the market needs you. If you are a home builder, please get busy building more homes. 😎