

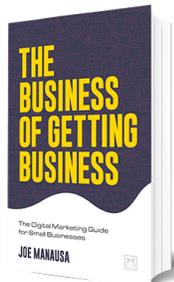


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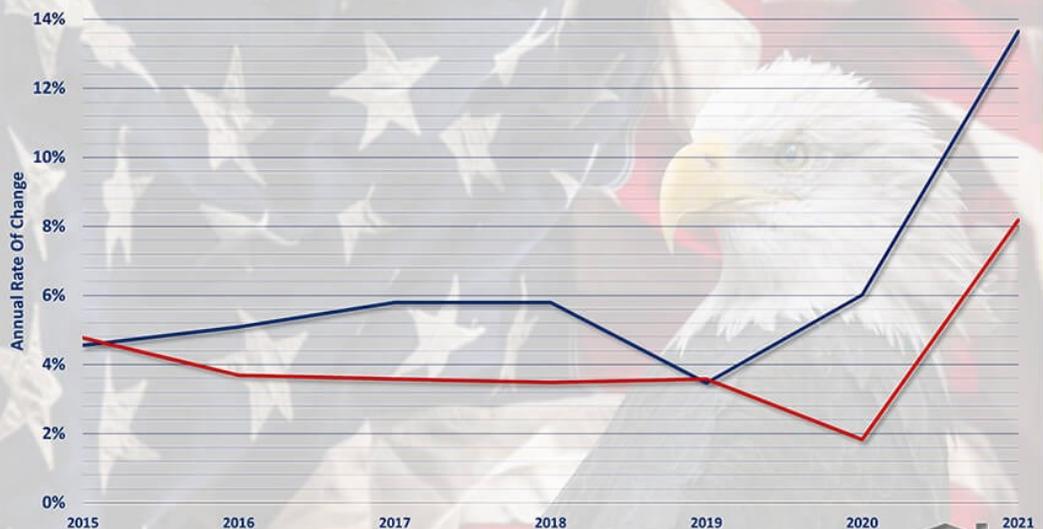
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Joe Manausa, MBA
info@manausa.com
 (850) 888-0888

Supply Shortage Is Biggest Story Of 2021

US HOUSING PRICE & RENT INFLATION



Sources: U.S. Home Price and Related data in Robert J. Shiller, Irrational Exuberance, 3rd Edition, Princeton University Press, 2015, as updated by author (1890 through June 2021) and Zillow Observed Rent Index (ZORI) <https://www.zillow.com/research/data/> As seen on the Tallahassee Real Estate Website www.manausa.com



The result of low supply and strong demand is soaring home prices and soaring rents too. We simply do not have enough shelter for our growing population, and I am gravely concerned that home affordability is tanking for tomorrow's renters and buyers.

Anybody who has endured a basic economics class can tell you that when supply is low and demand is high, prices rise. The graph above shows that home prices are up nearly 14% in 2021 and rents have risen more than 8%. What it does not show you is that the recent months' year-over-year gains in rents are now in the double-digits!

Out-of-control housing inflation is going to price many people out of the market all across the US. This is not merely buyers, it is renters too. I believe the

situation in housing is flying under the radar for most people, so there is going to be a shockwave when people realize they can neither afford to buy nor rent a place where they want to live!

Did you see the article in the Tallahassee Democrat ([online](#))? A Central-Florida investor bought the Sabal Palm mobile home park in Tallahassee and is doubling rents next year. How can he do that? It's all about supply and demand, and we no longer have the supply of residential housing to shelter our population.

So this is where the market is today. Soaring home prices. Soaring rental rates. Limited supply in both the "for sale" market as well as the "for rent" market. Check out [my forecast for 2022 and beyond](#), it spells everything out.