



What's Driving the Current Housing Shortage?

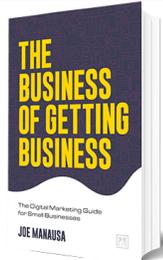
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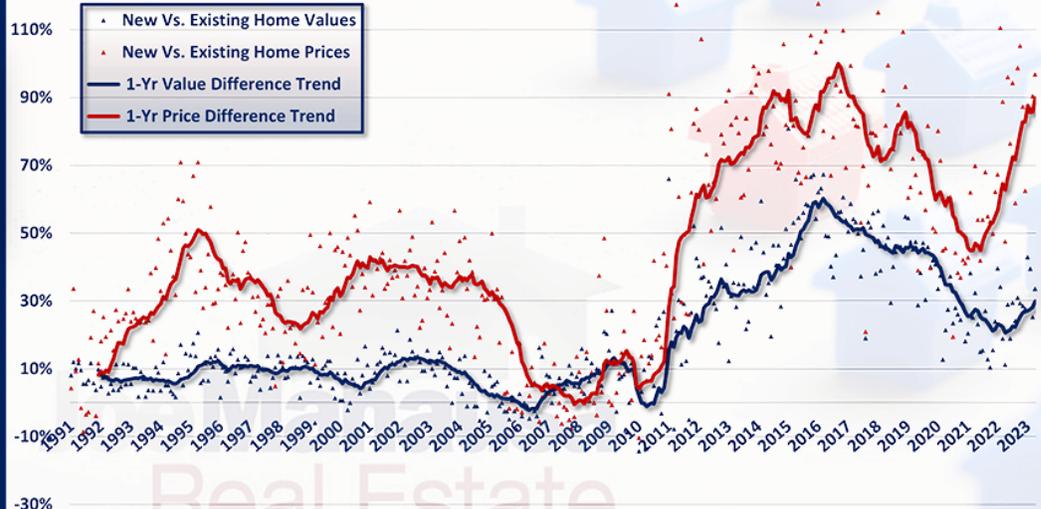
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NEW CONSTRUCTION VS. EXISTING HOMES

Tallahassee, Florida



Source: Tallahassee Board of Realtors MLS + Metro Market Trends
 As seen on the Tallahassee Real Estate Website: www.manausa.com

This graph is used to compare the sales price (aka Price) and sales price per square foot (aka Value) of new construction homes and existing homes, in order to identify any differences between the two

The US real estate market is facing a crisis with low inventory of homes for sale & rent. Over the past 15 years, builders have not kept up with our growing population, leaving us with a large shortage of homes.

The cost of construction materials likely won't be going back to pre-pandemic levels, as inflation and wages have shot up at rates well beyond historical norms.

The consensus is clear - we must adapt and find innovative solutions to keep the "new construction" real estate market thriving. With a void in new construction, existing homes are in high demand, and their values are skyrocketing.

It's time to bridge the gap and invest in new construction to meet the needs of the growing population. The graph above

reveals the added cost of new homes versus existing ones. This "new construction premium" had averaged about 10% for 15 straight years, but has shot out of control over the past 10 years.

Right now, the median new home is priced 90% higher than the median existing home (or 31% higher price per square foot of heated and cooled space).

We need innovative solutions to make new construction more affordable and accessible.

The solution for Tallahassee includes more multi-family and single-family attached homes, smaller units, and lower prices. Our population is going to be growing faster, so getting a fix on housing sooner is far better than later.

