



# The Seasonal Cycle In Real Estate

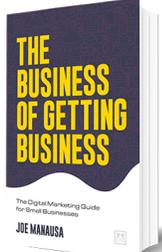


## New Foreclosure Crisis?



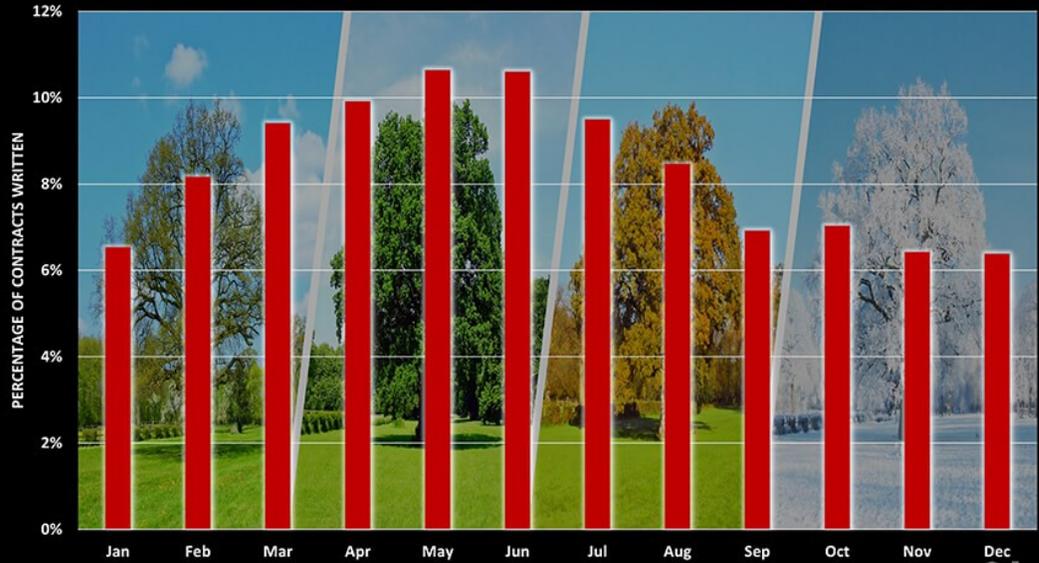
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# WHEN DO HOMEBUYERS BUY?



SOURCE: Tallahassee MLS  
 Home sales contracts (Each month's percentage of new contracts versus annual new contracts for homes that closed. Data from the Tallahassee MLS 2003 through 2022. As seen on the Tallahassee Real Estate Website [www.manausa.com](http://www.manausa.com))



There are traditional times of the year where the housing market is more active than the rest of the year. The ebb and flow of buyer activity in real estate is referred to as "seasonality" and we're in the heart of what is normally the most active time of the year.

The five months of March through July usually produces the same number of contracts as the seven months of August through February. The graph above plots the percentage of annual contracts written by month, so we're measuring the decision dates of buyers (as opposed to closing dates which usually occur about a month later).

The previous three years did not adhere to our traditional seasonal patterns in Tallahassee. When you consider we first were hit with COVID in March 2020,

followed by plunging mortgage interest rates at years' end and all throughout 2021, and finally a 2022 where mortgage interest rates doubled after the first quarter, it almost appears as if there was a conspiracy working against seasonality in the housing market.

### 2023 - Return To Normalcy?

It's too early to tell for sure, but 2023 appears as if we're following historical norms. Sure, the market is down about one-third from last year, but I suspect we'll see that be the general trend for most of the year.

It's been my experience that a large jump in mortgage interest rates takes about a year for the market to absorb, so expect slow and steady to win the race in 2023, at a painful pace of one-third fewer home sales than in 2022.

