

Borrowers Are Returning To The Housing Market



Video For Buyers



RESOURCES

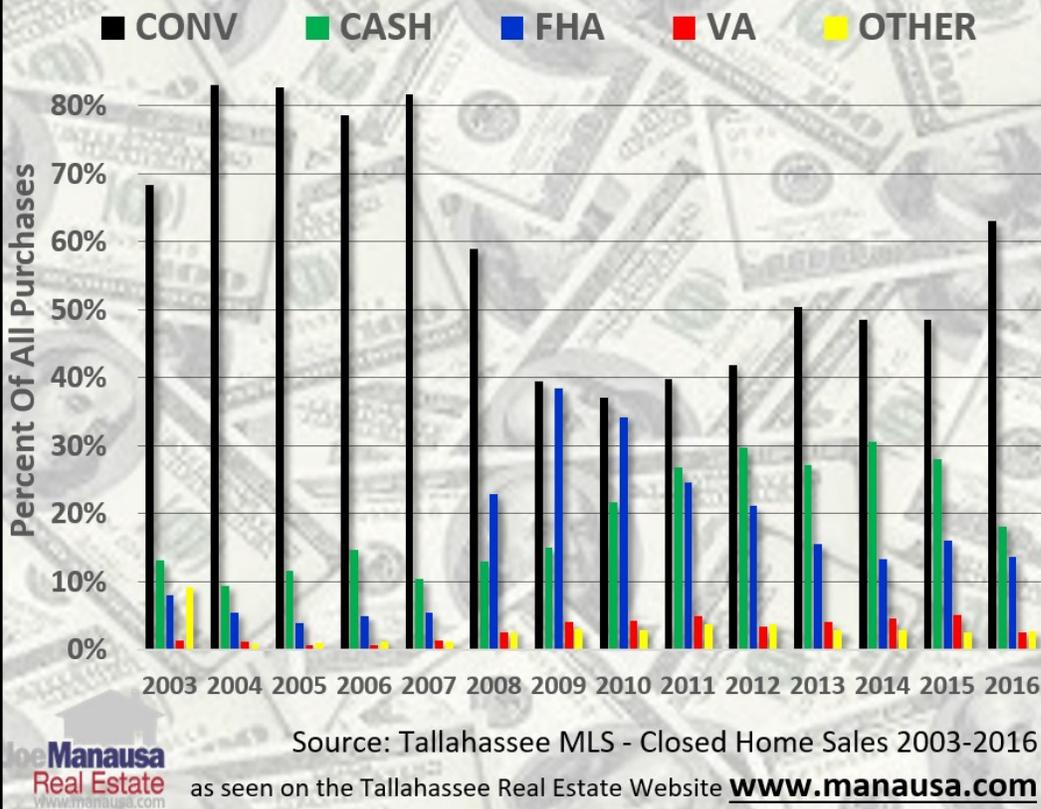
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CONTACT INFO

Joe Manausa, MBA
Joe Manausa Real Estate
2066 Thomasville Road
Tallahassee, FL 32308
(850) 424-1120
info@manausa.com
www.manausa.com

Source Of Funds For Home Purchases



Nearly two out of every 3 home purchases this year have been funded with a conventional loan while only 1 in 6 have been funded with cash.

In the graph above, we show the source of funds for all home sales closed in the Tallahassee MLS from 2003 through April 22, 2016.

For each year, the black line shows the percentage of homes that were funded with conventional loans, the green, blue, red and yellow lines show the percentage of homes that were funded with cash, FHA loans, VA loans, and other types of loans respectively.

I believe the jump in conventional loans

is a sign that our normal buyers are returning to the market. Many of been sitting on the sidelines waiting out the penalty period after having undergone a short sale but are now returning to the market.

The decline in the percentage of cash buyers is caused by several factors.

First, the market is growing while the number of people in Tallahassee who can pay cash is not really growing, thus the declining ratio.

Secondly, cash investors who were paying peanuts for homes are having a harder time finding the deals that made them want to invest in real estate,