



## Low Inventory Is Not A Local Issue



### Real Estate Inventory Report

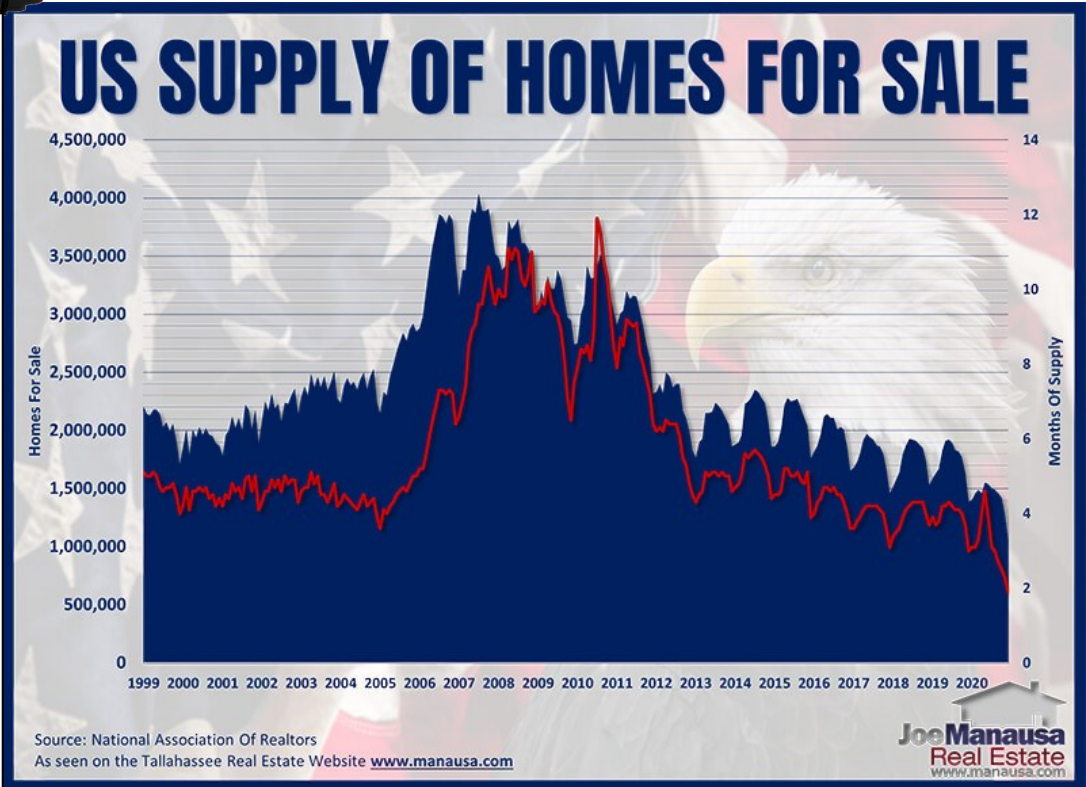


- [Selling A Home](#)
- [Home Valuation Tool](#)
- [Property Search](#)
- [The Word Is Out!](#)
- [Archives](#)
- [Testimonials](#)
- [Joe's New Book](#)

### Read Joe's Book?



**Joe Manausa, MBA**  
[info@manausa.com](mailto:info@manausa.com)  
 (850) 888-0888



You might have heard the phrase that says “real estate is local,” referring to the fact that local economic conditions, combined with local housing supply and demand are the factors that are going to impact the value of any given property. The phrase is as true today as the day it was coined.

Nevertheless, there are national trends that are often replicated at the local level, and that is why we can see much of the US working through the same issues in housing.

The graph above plots the supply of homes for sale in US markets each month in blue, and then measures the relative supply in red (supply, relative to the current rate of demand).

The red line shows clearly the relative

supply of homes for sale is at an all-time low. This is the reason that most markets are experiencing bidding wars on most properties priced below the top 15% of the market.

This historic-low level of inventory means that the market is nowhere near the condition it was in back in 2006 when demand began to fall. The supply of homes for sale back in 2006 and 2007 was approaching 4 million homes, whereas in December 2020, there were just over 1 million homes!

This market is grossly under-supplied, that's why the red line has collapsed to a frightening level below 2 months of supply. Even when demand begins to cool with rising mortgage interest rates, don't expect home values to decline, property values will still be rising!