



Home Values Soaring Astronomically



Luxury Homes Sales Update

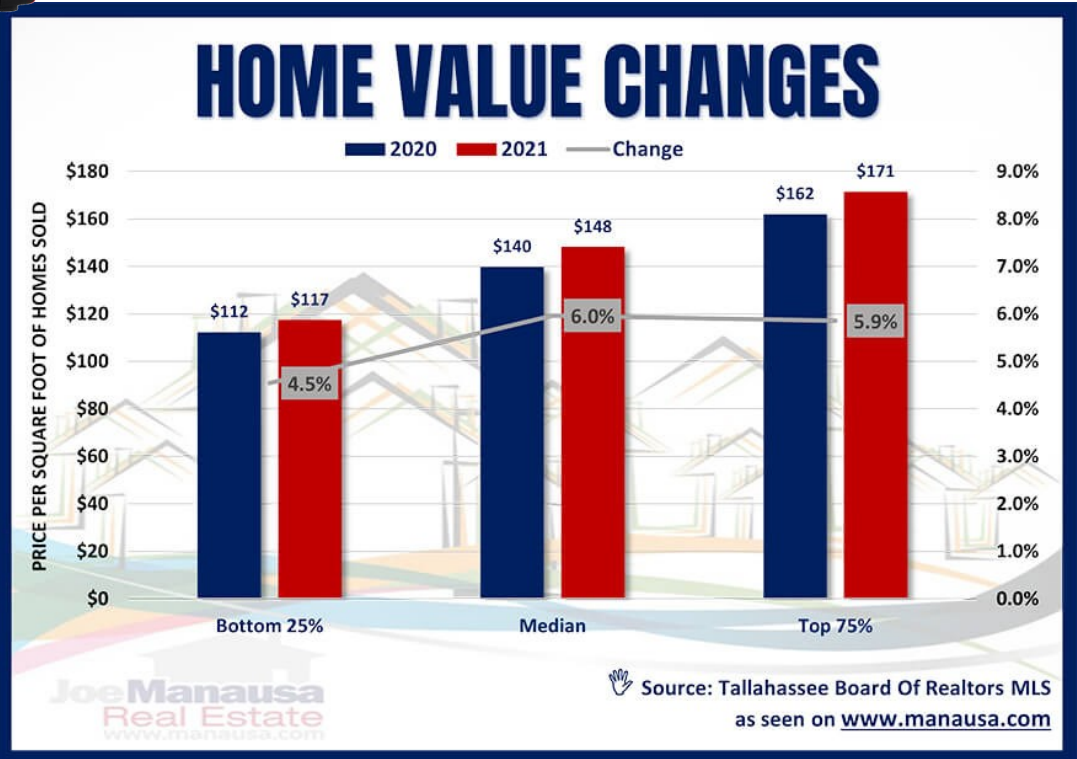


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The average price per square foot of homes sold in Tallahassee thus far in 2021 continues to soar. So just how far have they moved?

The graph above is a quartile analysis of the Tallahassee real estate market, examining the average price per square foot of each of the bottom 25% of the market, the middle of the market, and the top 25% of the market. Each quartile is growing far faster than the historic norm of 3.25% per year.

When we look at the middle of the market, values today are six percent higher than they were at the end of 2020, an annualized growth rate of 19.2%! While this measurement is not an estimate of appreciation as we used data from both new and existing homes, it does show us that buyers today are facing soaring costs when it comes to

finding a home to buy.

The bottom 25% of the market is moving up the slowest, albeit at an annualized rate that is more than 4 times the historic average. The top 25% is also screaming along at an alarming annualized rate of 18.9%.

What This Means For Tallahassee

If this rate of growth continued for 4 years, we would see the median home value move from \$148 per square foot today to a staggering \$356 per square foot in 2026, meaning the median home price would be about \$566,000!

If mortgage interest rates ONLY move up 1% in five years, that would mean the monthly mortgage payment for purchasing the median home in 2026 would be 173% higher than the payment for purchasing the median home today.