



Will Inflation Add Fuel To The Fire?

COST OF CONSTRUCTION MATERIALS



* each point on the graph reports the ten-year average (monthly) rate of change for construction material costs

Source: FRED: Federal Reserve Economic Data & U.S. Bureau of Labor Statistics
 Producer Price Index by Commodity: Special Indexes: Construction Materials, Not Seasonally Adjusted
 As seen on the Tallahassee Real Estate Website www.manausa.com

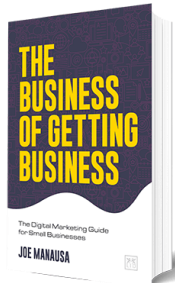


The Blame For ↑ Prices Goes Here



- [Selling A Home](#)
- [Home Valuation Tool](#)
- [Property Search](#)
- [The Word Is Out!](#)
- [Archives](#)
- [Testimonials](#)
- [Please Review Our Newsletter](#)

Read Joe's Book!



Joe Manausa, MBA
info@manausa.com
 (850) 888-0888

There are many people who believe a price correction in housing is imminent, and I must admit that my instincts are to feel the same way. But the reason I'm so studious regarding available housing data is because I don't want to rely on feelings, I want to rely on facts.

Here are some facts that do not add up:

- 1 There are too few homes in Tallahassee. We need our builders to deliver more residential units to the market. Both rents and home prices are soaring from a lack of inventory. We need more homes to slow or reverse this reality.
- 2 Home prices and rents are the least affordable ever. At this rate of growth, who will be able to afford to live here?

The reason that rents and prices are out of control is that the supply cannot keep up with even below-normal demand. Can you imagine our demand for rental homes and homes for purchase once Amazon and North American Aerospace put several thousand new workers in the market?

Today's graph shows how builders have been hand-tied with cost increases approaching 50% over the past two years. How do you deliver inexpensive homes to the market when costs are soaring?

In the 1970s and 80s when inflation soared, building costs went through the roof. The large increase in money supply during COVID (and now) might be as bad or worse than 50 years ago, so imagine how that will impact home affordability!

