



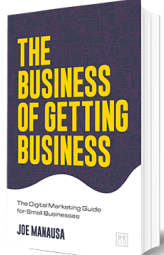
Builders Need To Adjust To Market

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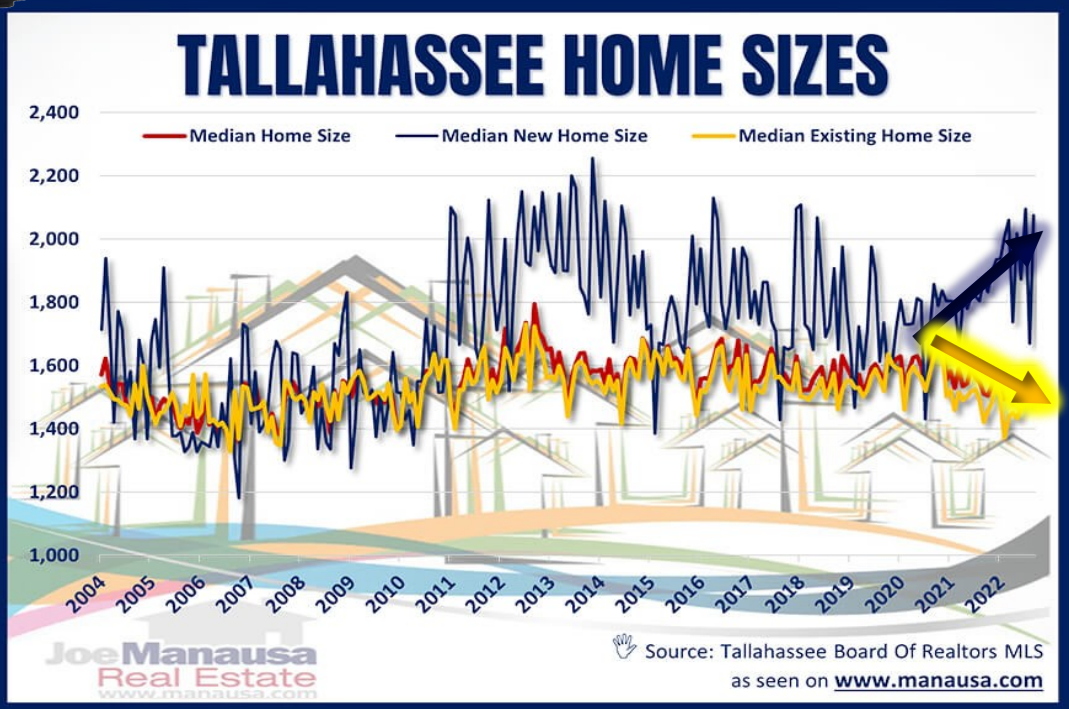


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New construction home prices are very high when compared to existing home prices, so builders should be building smaller homes.

In the graph above, the blue line plots the median new home size, the yellow line plots the median existing-home size, and the red line plots the overall median home size. The yellow line shows that the median existing-home size is falling in Tallahassee. So why is this so important?

New construction home prices are very high when compared to existing home prices, so builders should be building smaller homes.

After cheap money allowed homebuyers to purchase larger homes in 2021, we've seen the average existing home size plummet, all the while, new homes have been getting larger.

In Tallahassee, I'd like to see the bulk of new construction focus on 800 to 1,500 square foot homes rather than the 2,000+ size homes we're seeing today.

Much of the disconnect between what's being built (versus what is needed) has to do with planning. When today's homes were in the development stage, mortgage interest rates were at an all-time low, so buyers were purchasing larger homes. But as rates have risen, home affordability has declined, thus smaller homes are all buyers can afford.

Builders have a very tough time meeting the needs of the market. If you saw my video about NIMBYism, you know why builders require so many years to bring homes to the market. We all need to do our part and tell our politicians they need to un-meddle the development process so that builders can bring affordable homes to the market.

