



High Appreciation Cripples Home Affordability

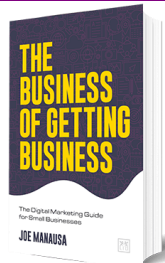


Housing Shortage Estimates Are Wrong!

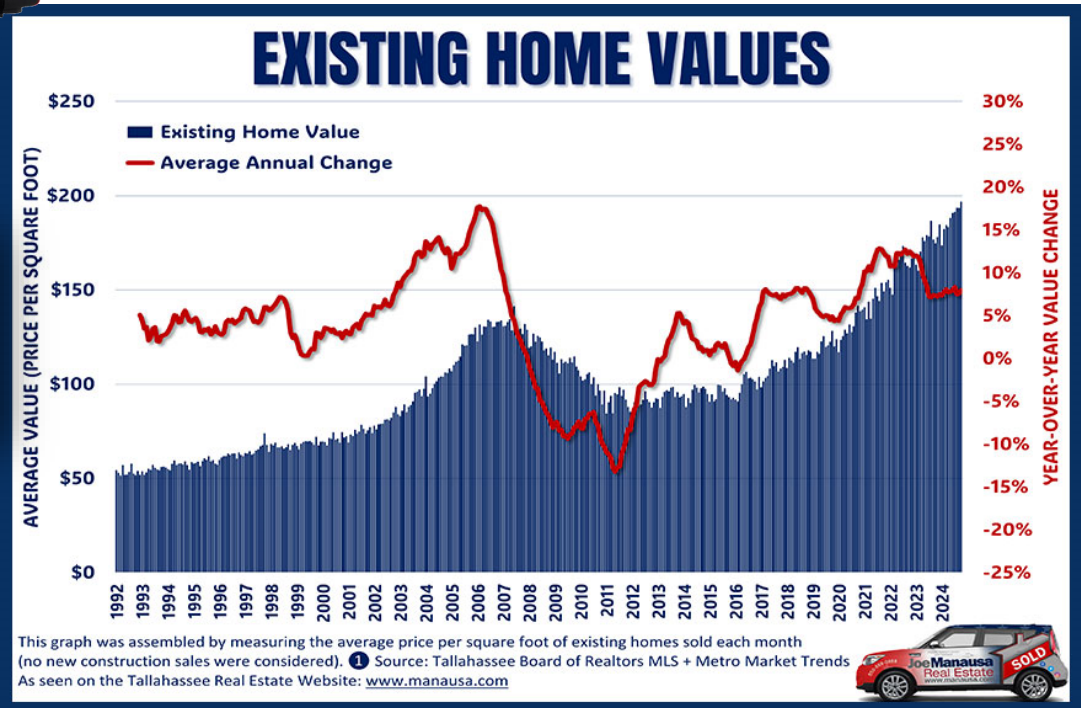


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The Tallahassee housing market has seen home sales plummet by 37% when compared to 2021, nevertheless, our appreciation rate continues to remain high.

Over the past twelve months ending in September, homes have appreciated 8% on average (only using existing home sales so that figures are not skewed by new home sales).

The home affordability crisis continues to worsen, even as the market heads toward an unsustainable equilibrium.

There are about 3.7 months supply of homes for sale at today's current rate of demand, representing a market that favors home sellers. As demand continues to decline, so does the inventory, so we're not seeing a lot of improvement in the supply and demand dynamic.

As many new apartment complexes come online in 2025, we should start to see traditional first time home buyers continue to rent, as home prices are out of reach.

To provide some perspective, let's compare the first time home buyer offerings of 2021 with today. In October of 2021, the average home price was \$257K and the FHA 30-year mortgage rate was 2.75%, resulting in a monthly P&I payment of \$1,781.

Today, that house would cost \$302K and the FHA 30-year mortgage rate is 6.1%, resulting in a monthly P&I payment of \$2,185, an increase of 23% in just 3 years. When you factor in the rising insurance premiums and increase in property taxes, it's getting tough for younger buyers and lower wage earners to afford the American Dream of homeownership.

