



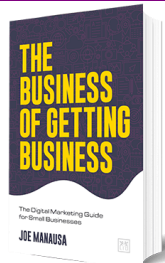
## Pent-Up Demand Is Growing

### Zillow's 2025 Housing Market Forecast

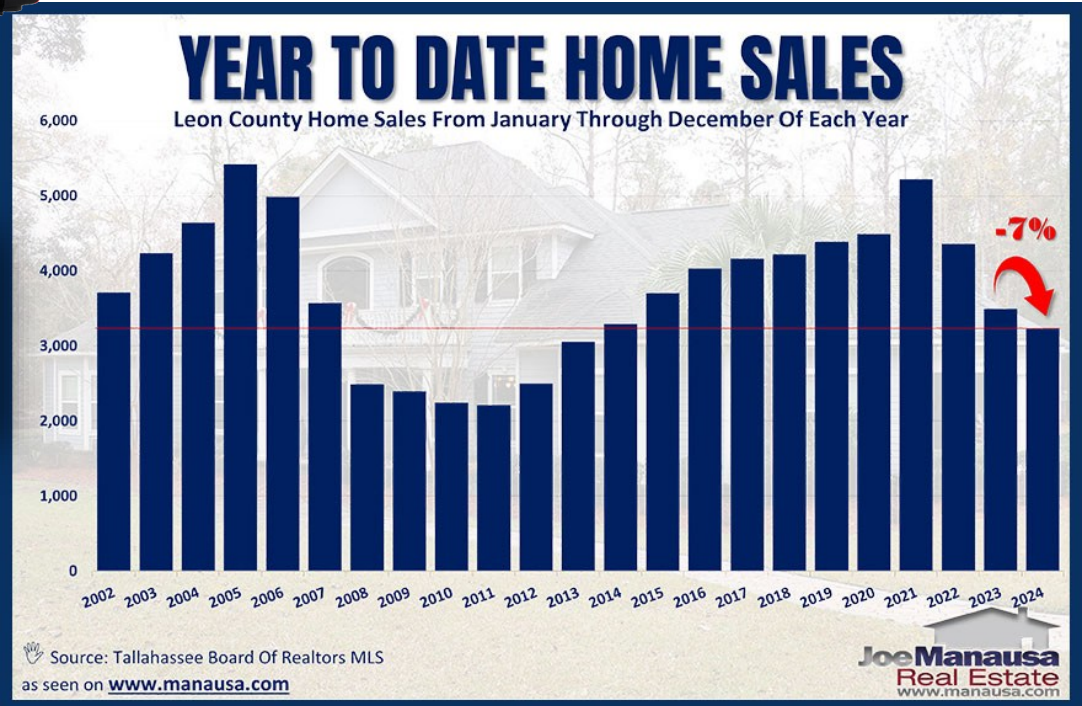


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The number of homes sold in 2024 fell by about 7% when compared to 2023, the third straight year of declines and the fewest sales in a calendar year since 2013.

Even with lower demand, the median home value grew by 3.9%, reaffirming our regular reports of too few homes to meet our growing population.

The median existing home price grew to \$290,000, while the median new home price increased to \$416,288.

### Pent Up Demand Is Growing

We typically see three categories of homebuyers in all market conditions: those who move by choice, those who move out of necessity, and investors who build wealth by accumulating houses. In most markets, two of these groups continue to buy at their usual pace while one group has dropped out.

Can you guess who pulled back?

Right now, discretionary buyers (those who move by choice) feel financially discouraged from moving. Most already have mortgages at about half the current interest rate, so move-up buyers face more than double their current payment and move-down buyers often see higher monthly costs unless they put 100% of their equity into the next purchase. This ongoing problem is now forming pent-up demand that will gradually creep back into the market.

Most real estate reporting organizations anticipate 2.5% to 5% growth in home sales for 2025, but it is very much interest-rate dependent. Should rates stay above the high-6% range, it could result in another down year. Should rates drop below 6%, I believe Tallahassee will report more home sales this year than was counted in 2024.

