



## Saying Goodbye To The American Dream

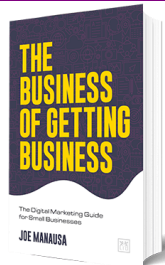


### Worst US Housing Crisis Ever?

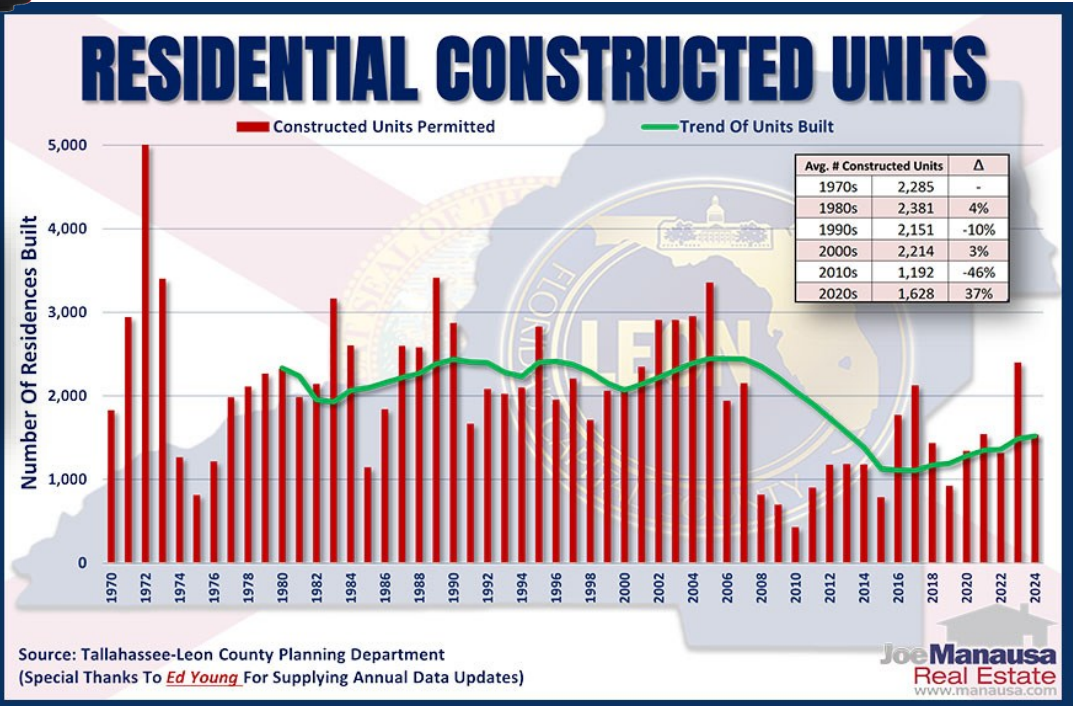


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Forecasting the future of Tallahassee home prices can be estimated by tracking the construction of new residence. Each year I reach out to Ed Young, the Deputy Director of the Tallahassee-Leon County Office of Economic Viability (OEV) for permit and sales figures, then construct a simple graph to see what's going on.

If we pay attention to our population growth and residential construction activity, then we simply ask ourselves "are we building enough places for our growing population to live?"

The graph in today's report shows that our rate of delivering constructed units has declined greatly. It plots the number of residential units built each year since 1970 and reveals the past fifteen years has seen a 38% reduction in completed units compared to the forty-year average prior, falling

from 2,258 to 1,410 per year.

Had we continued our previous rates of construction, we would have an additional 12,720 homes in Leon County, too many to absorb with our slowing population growth. But we are still growing. I suspect the true shortage right now could be as many as 4,000 homes.

The lack of available housing has resulted in both home values and rents soaring upward 41% in just the past four years.

### How Do We Resolve This Crisis?

Because construction expenses keep rising, we'll likely build more apartment complexes, and watch our homeownership rate erode. In 2023, we permitted more multi-family units than in any of the past 50 years, and last year was an above-average year too.

