

Why Homes Aren't Affordable: One Graph



**Response To Reports Of
Home Prices Crashing**



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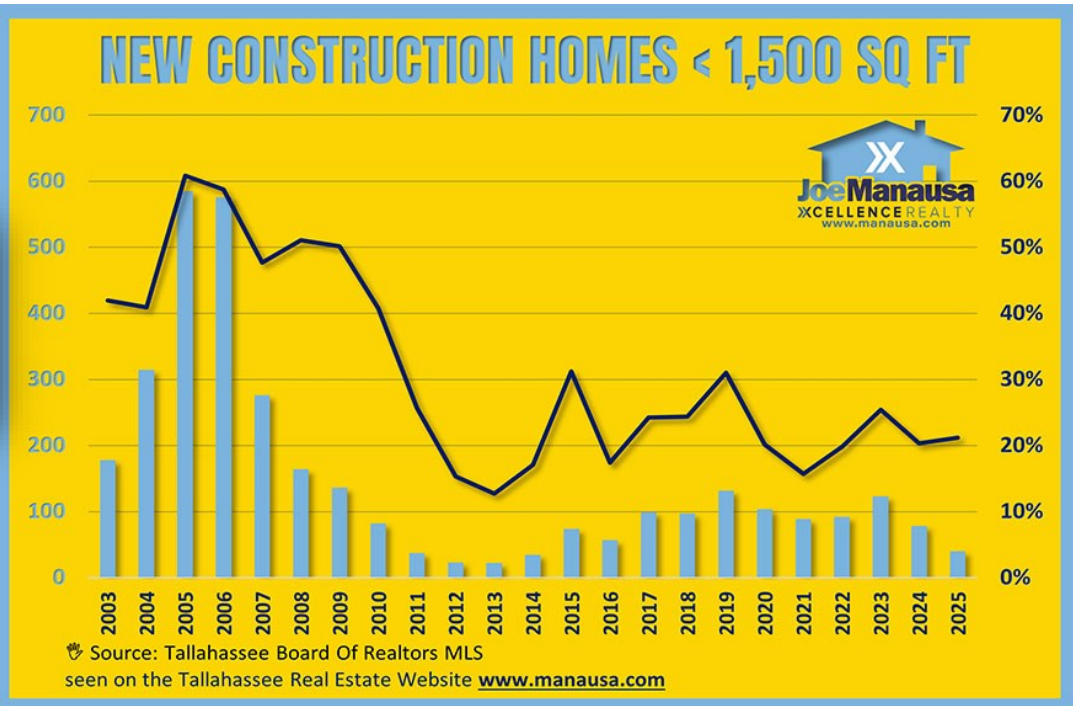
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If one image captures the heart of today's home affordability crisis, it's the graph above. It charts the number of new homes under 1,500 square feet built each year.

The blue bars represent how many were constructed annually, while the navy line tracks what percentage of total new homes these smaller, more affordable homes represent.

Notice how, in 2005 and 2006, builders had no trouble producing small homes—those under 1,500 square feet—in large numbers. More than half of all new homes built during those years fell into this category.

But in 2012, following the passage of Dodd-Frank, access to financing dried up for many younger, first-time buyers. Since then, only about one in five new homes have been this size.

Even more telling: while more than 500

affordable-sized homes were built each year before, that number has plummeted to fewer than 100. Multiply those 300 “missing” smaller homes per year over the past 15 years, and Tallahassee could now be short as many as 4,500 entry-level new homes.

And while we still call these “affordable,” today's new construction prices often place them out of reach for most first-time buyers.

It's Time For Action

The longer this goes on, the worse it is going to get. Unless you are prepared to see Tallahassee become a community of renters to large property holding companies, we need to motivate local leadership to sit down and get this fixed.

There are loads of good ideas to get this resolved, but if our politicians keep ignoring the problem, Tallahassee's charm and hominess will be replaced by large, ugly apartments.