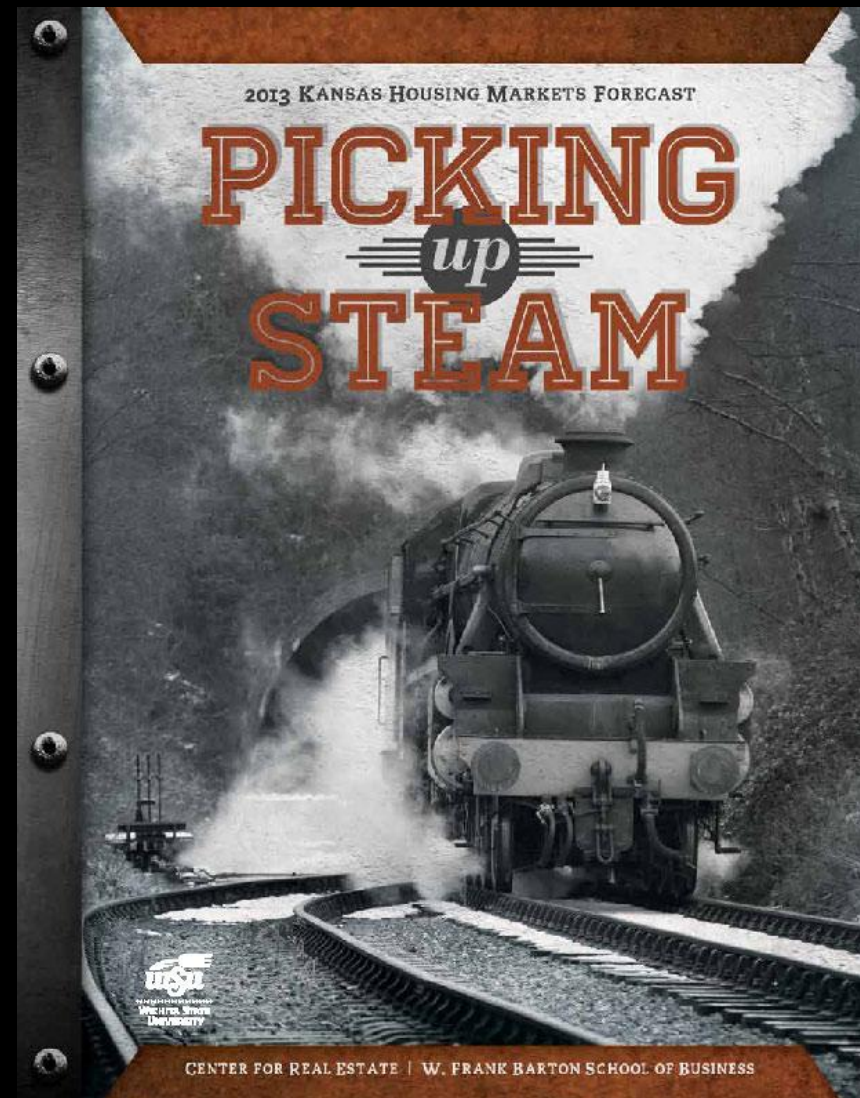


2013 Kansas Housing Markets Forecast

Dodge City Economic
Outlook Conference

October 22, 2012

Dr. Stanley D. Longhofer
WSU Center for Real Estate



WICHITA STATE
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Special thanks to...



Security 1st Title

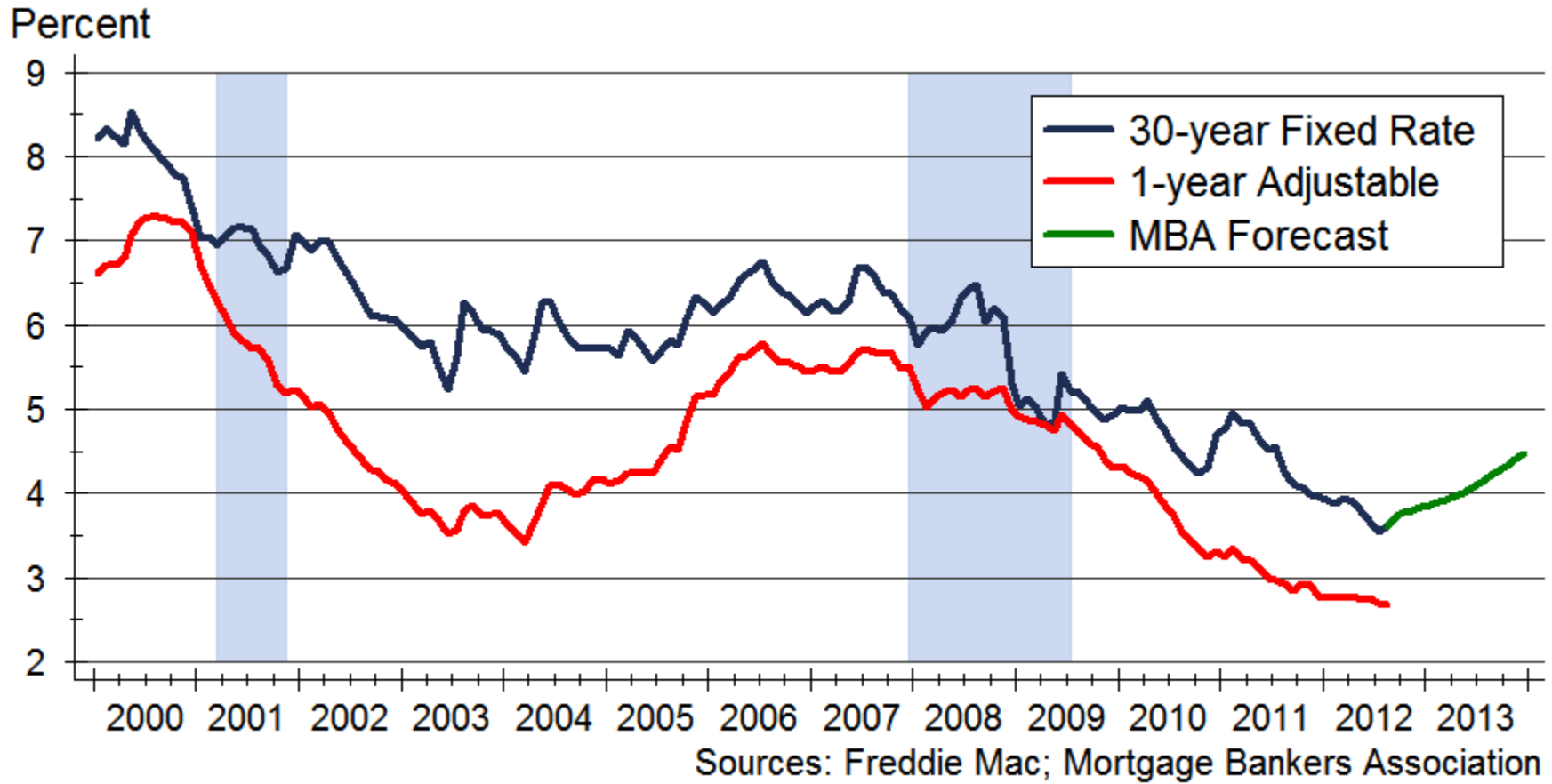
*for underwriting the cost of producing the
2013 Kansas Housing Markets Forecast*

Thanks also to...



**Dodge City Board
of REALTORS®**

Mortgage Rates

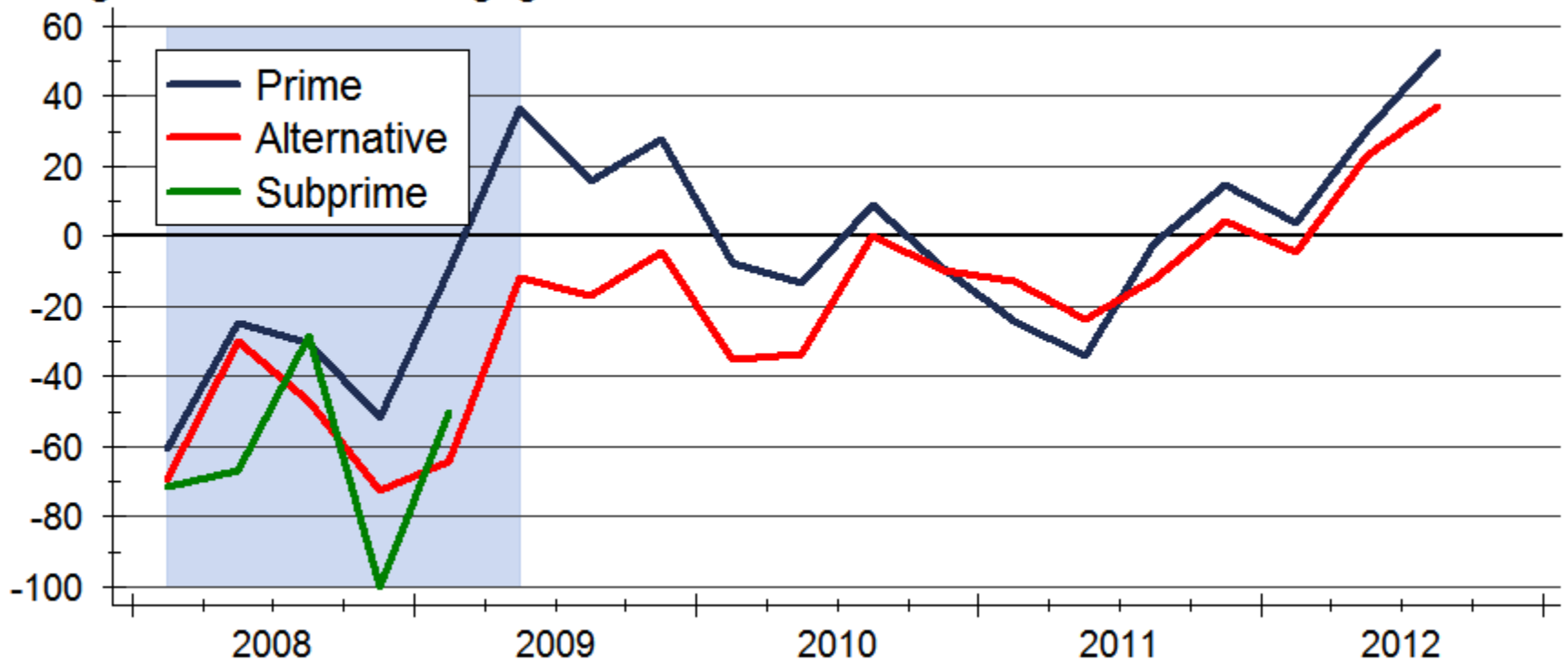


Mortgage Rates *Will* Rise

- The Federal Reserve is keeping mortgage rates artificially low through direct purchases of mortgage backed securities
 - This cannot continue forever, but when it will end is an open question
- Underwriting and regulatory restrictions continue to constrain mortgage markets

Mortgage Demand

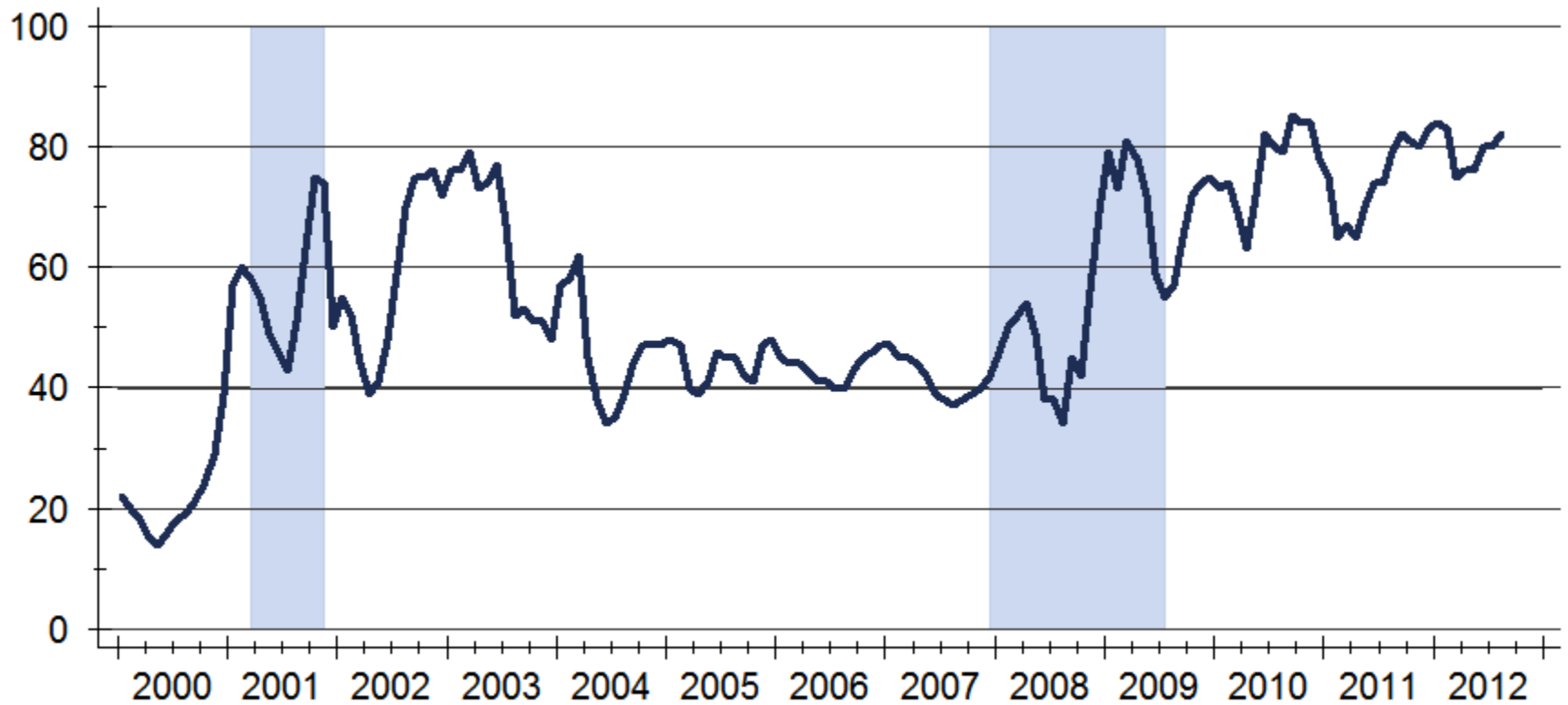
Net Percentage of Banks Reporting Stronger Demand for Mortgages



Source: Board of Governors of the Federal Reserve System

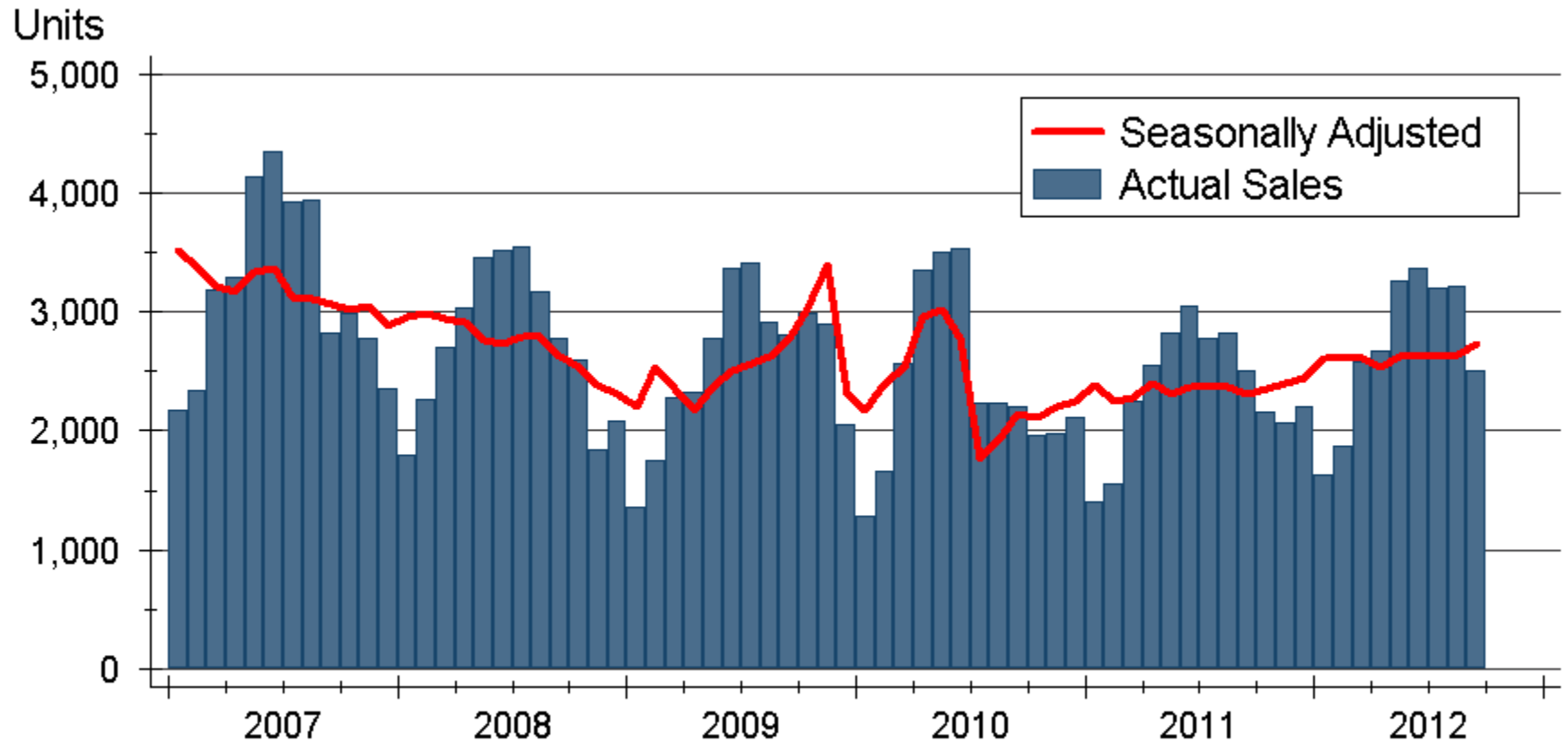
Mortgage Refinancing Activity

Refinance Share



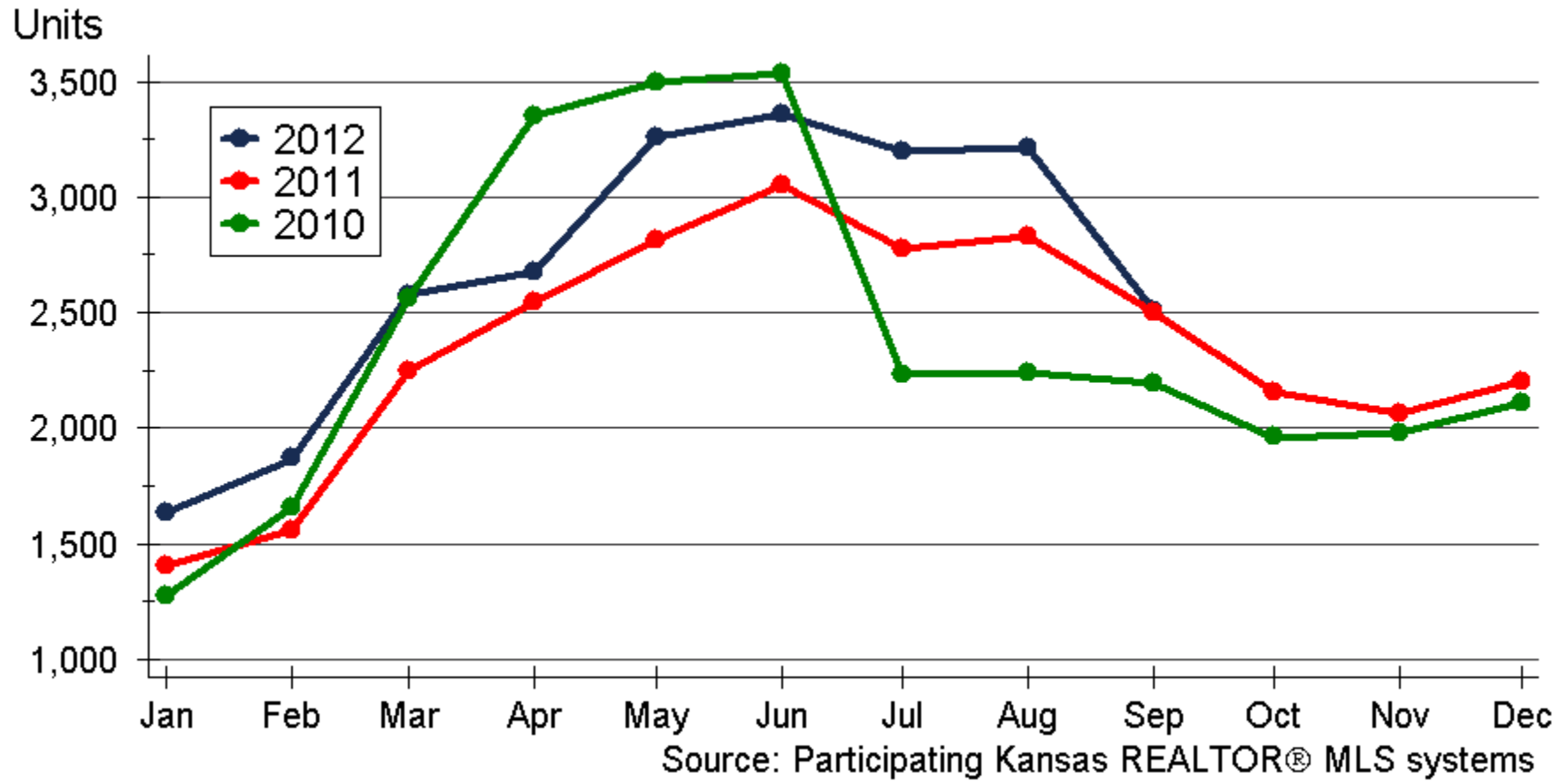
Source: Freddie Mac

Kansas Home Sales

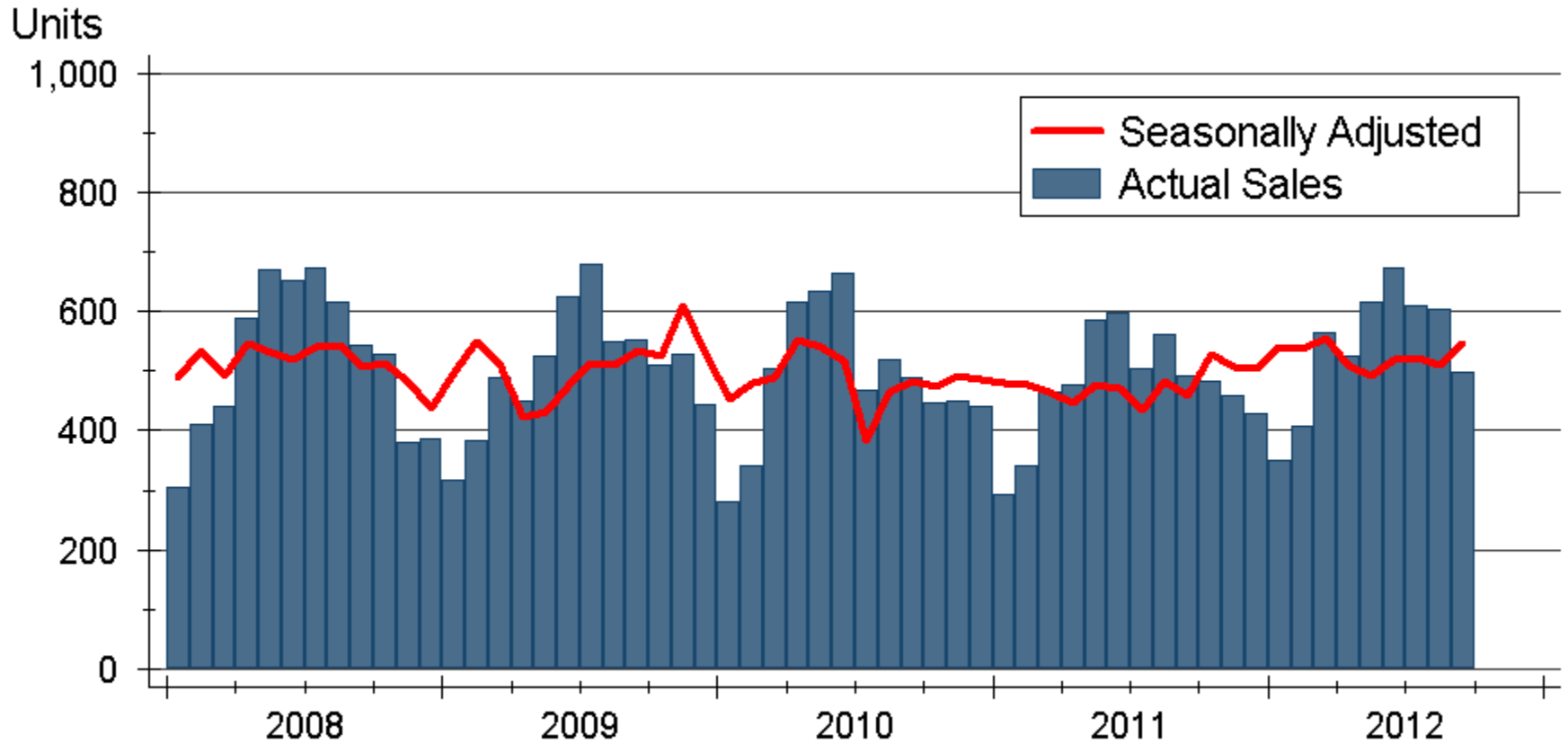


Source: Participating Kansas REALTOR® MLS systems

Kansas Home Sales

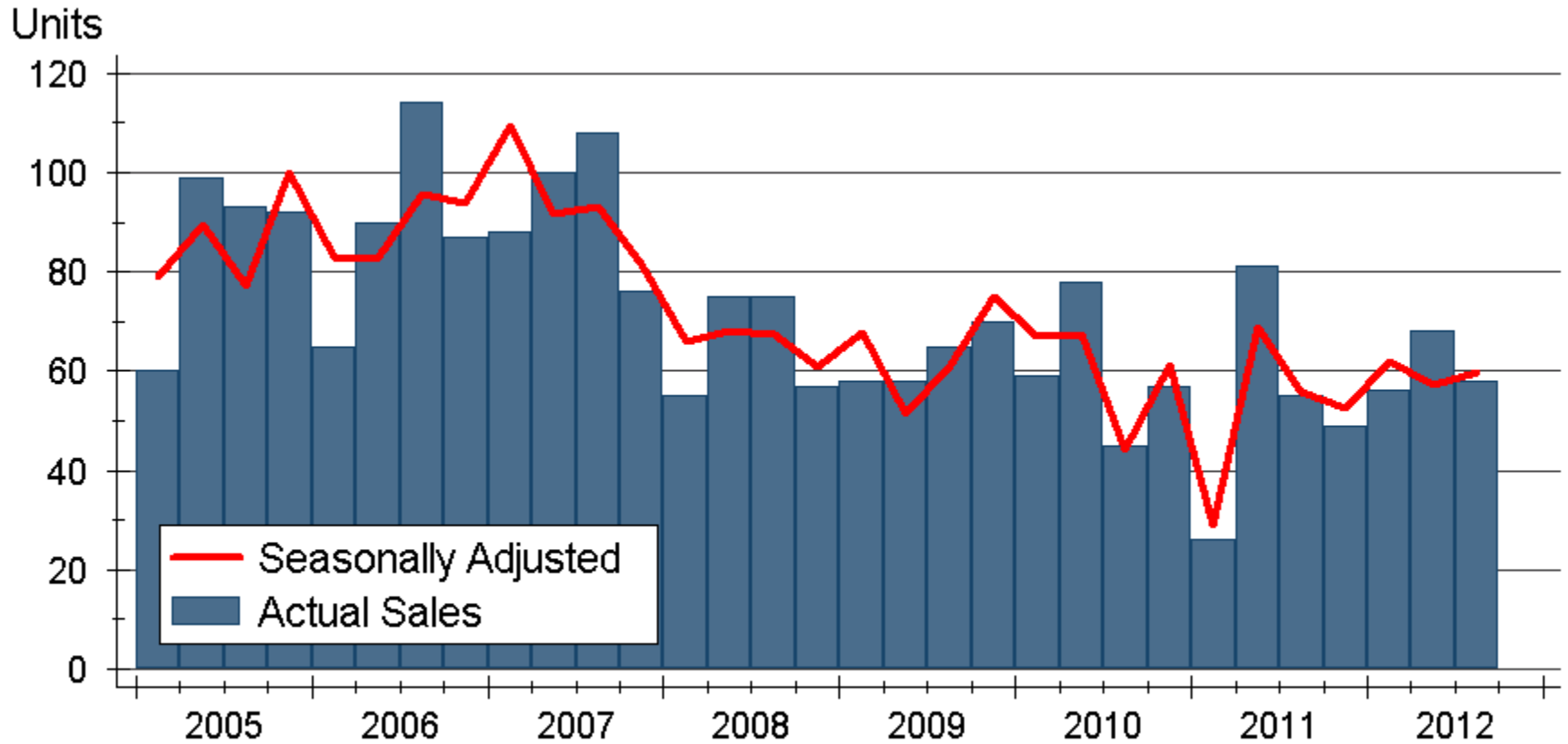


Small Kansas Market Home Sales



Source: Participating Kansas REALTOR® MLS systems

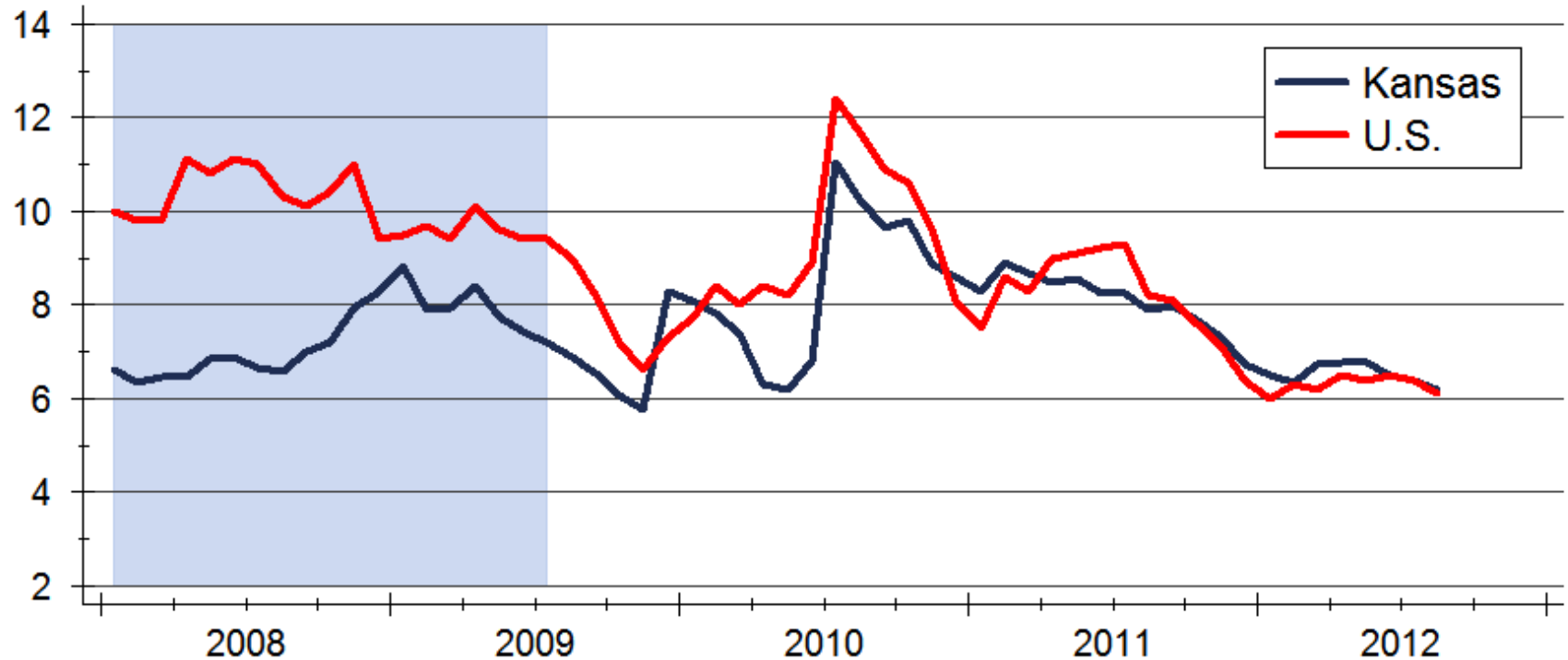
Dodge City Home Sales



Source: Dodge City Board of REALTORS®

Inventories of Homes for Sale

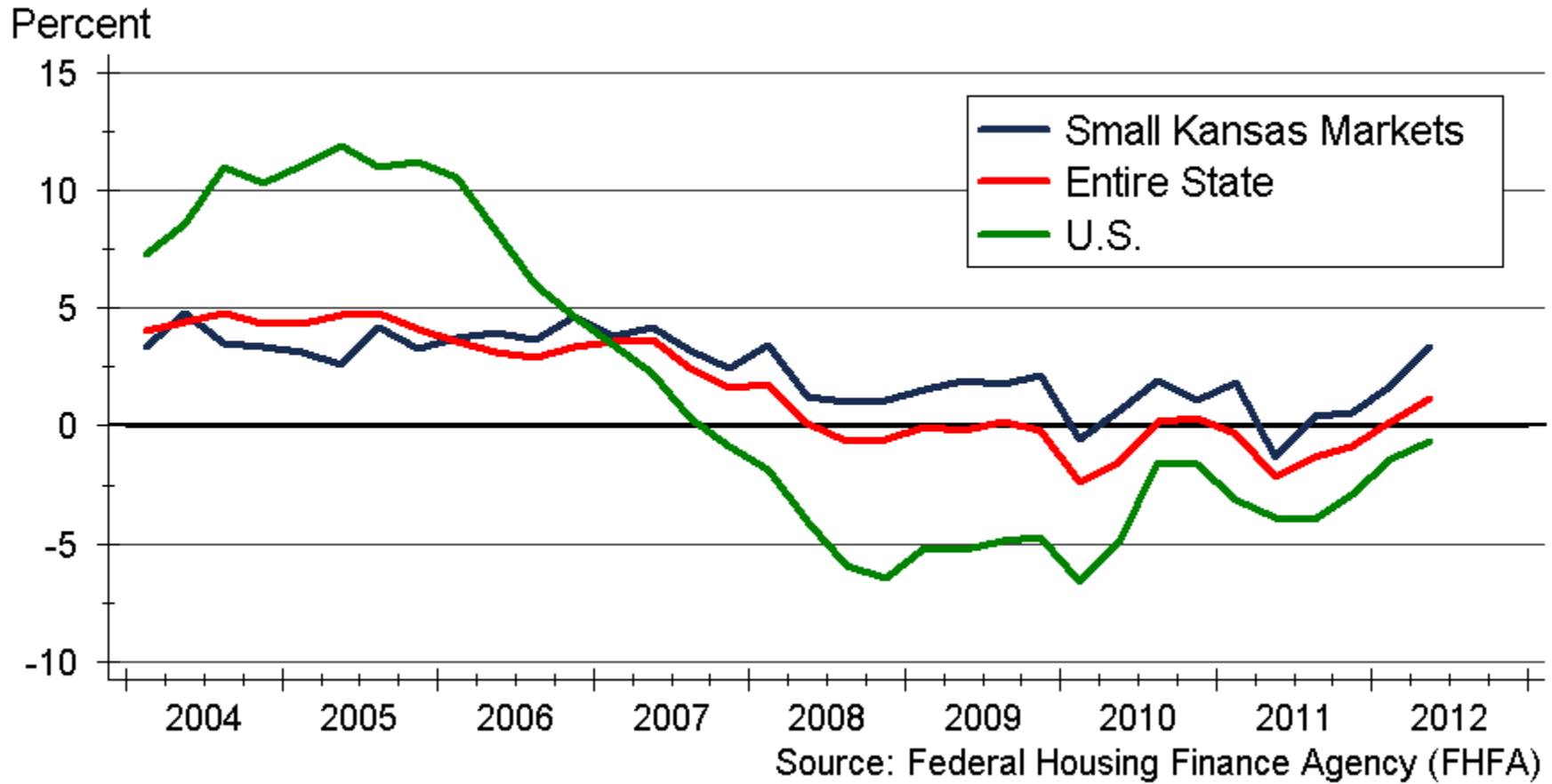
Months' Supply



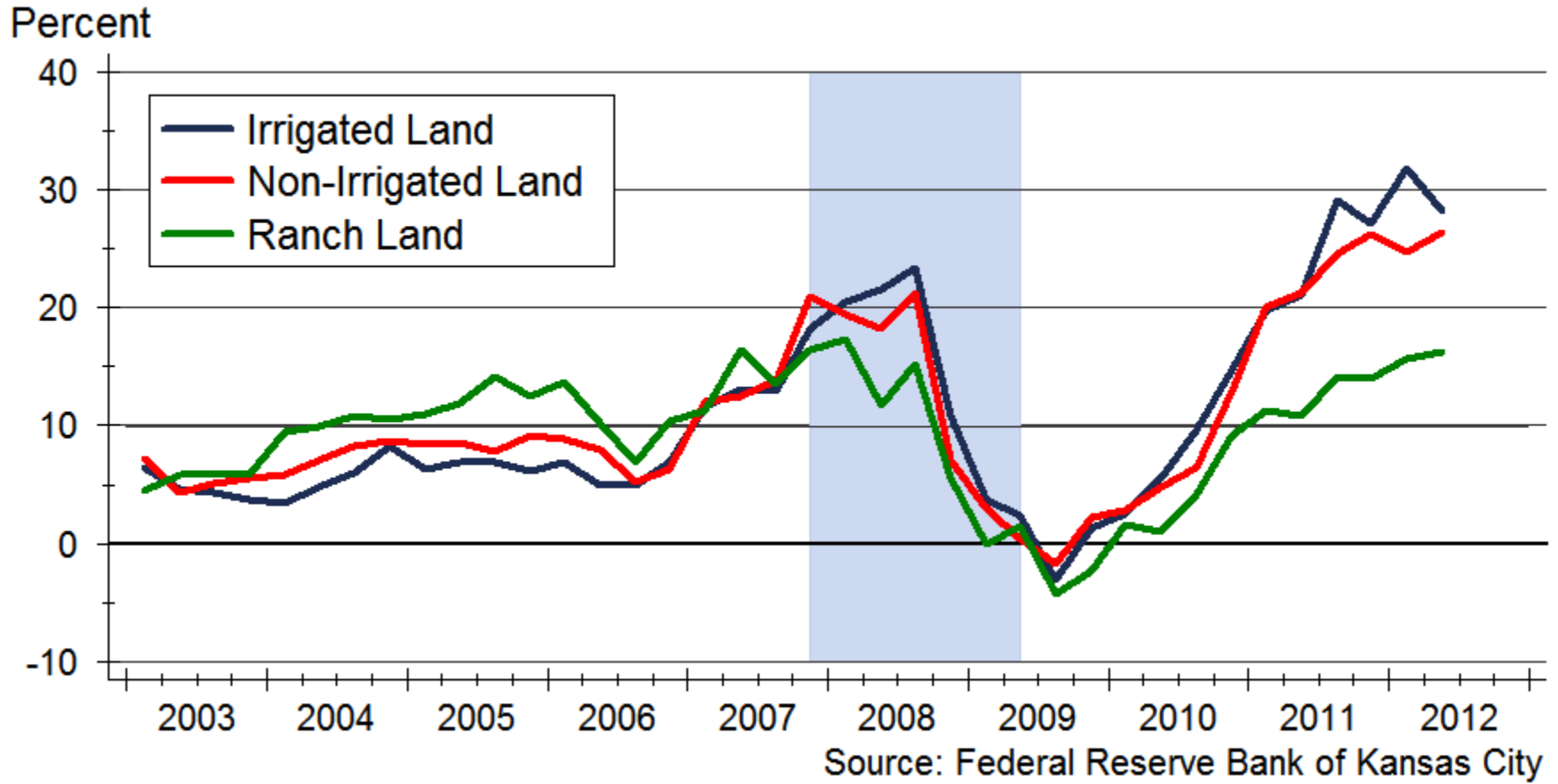
Source: NAR and participating Kansas REALTOR® MLS systems

Data are seasonally adjusted

Home Price Appreciation

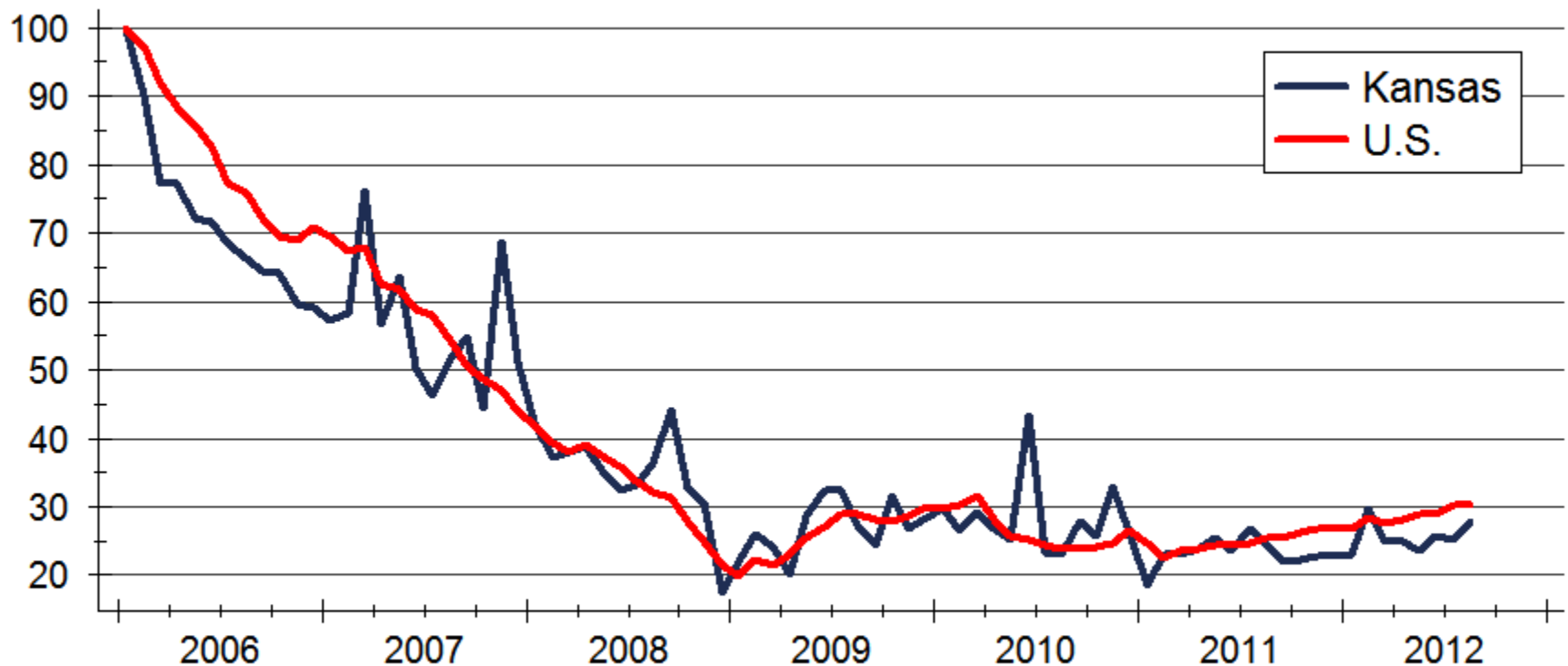


Rural Land Prices



New Home Construction

Index: 2006m1 = 100



Source: U.S. Bureau of the Census
Data are seasonally adjusted annual rates

Kansas Forecast

	2010 Actual	2011 Actual	2012 Forecast	2013 Forecast
Total Home Sales	28,603 units -7.5%	28,155 units -1.6%	31,670 units +12.8%	33,760 units +6.3%
Building Permits	2,802 units +3.9%	3,144 units -17.3%	3,325 units +5.8%	3,095 units -6.9%
Home Price Appreciation	+0.3%	-0.9%	+1.7%	+1.5%

Sources: Participating Kansas REALTOR® MLS Systems; U.S. Bureau of the Census; Federal Housing Finance Agency; WSU Center for Real Estate

Kansas Housing Markets Forecast

- We forecast housing market activity for every major market in the state:
 - Kansas City, Lawrence, Manhattan, Topeka and Wichita, in addition to the state as a whole
- Analysis of these markets can be found at the end of this presentation and on the Center for Real Estate's website at

www.wichita.edu/realestate

WSU Center for Real Estate

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