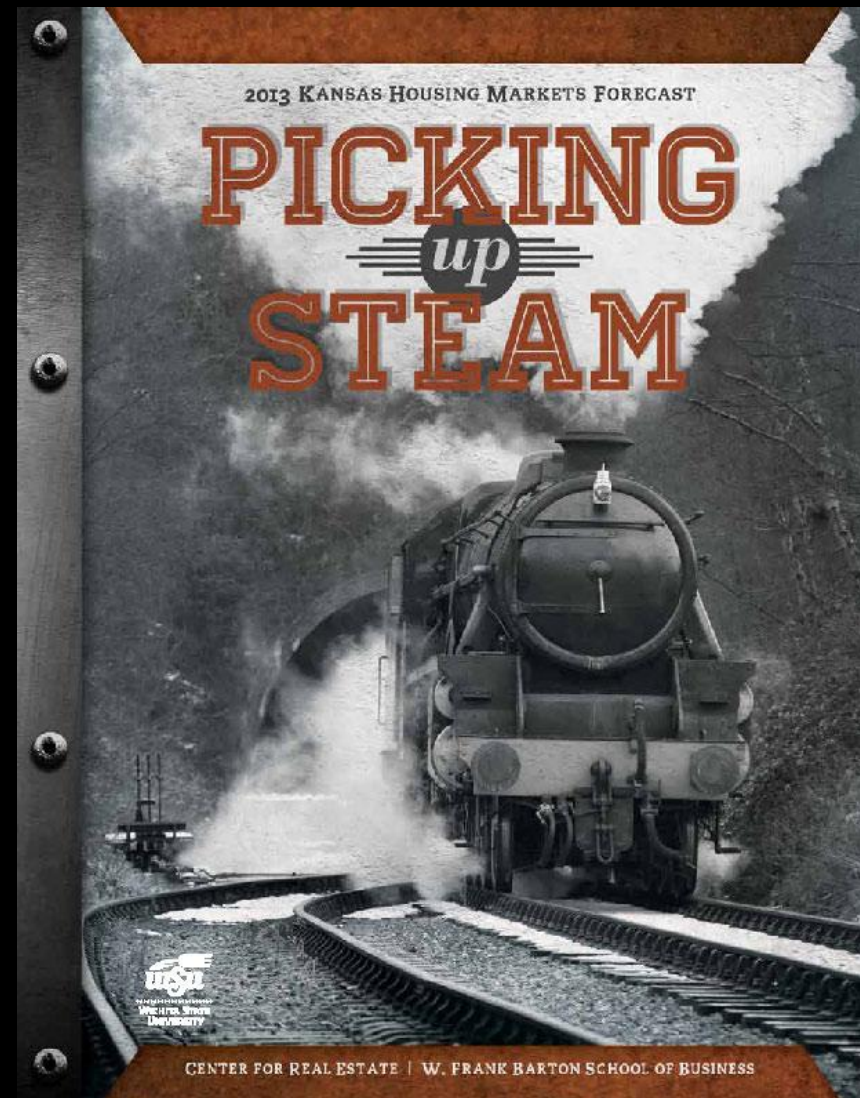


2013 Kansas Housing Markets Forecast

Emporia Economic
Outlook Conference

October 19, 2012

Dr. Stanley D. Longhofer
WSU Center for Real Estate



WICHITA STATE
UNIVERSITY

W. FRANK BARTON
SCHOOL OF BUSINESS



Special thanks to...



Security 1st Title

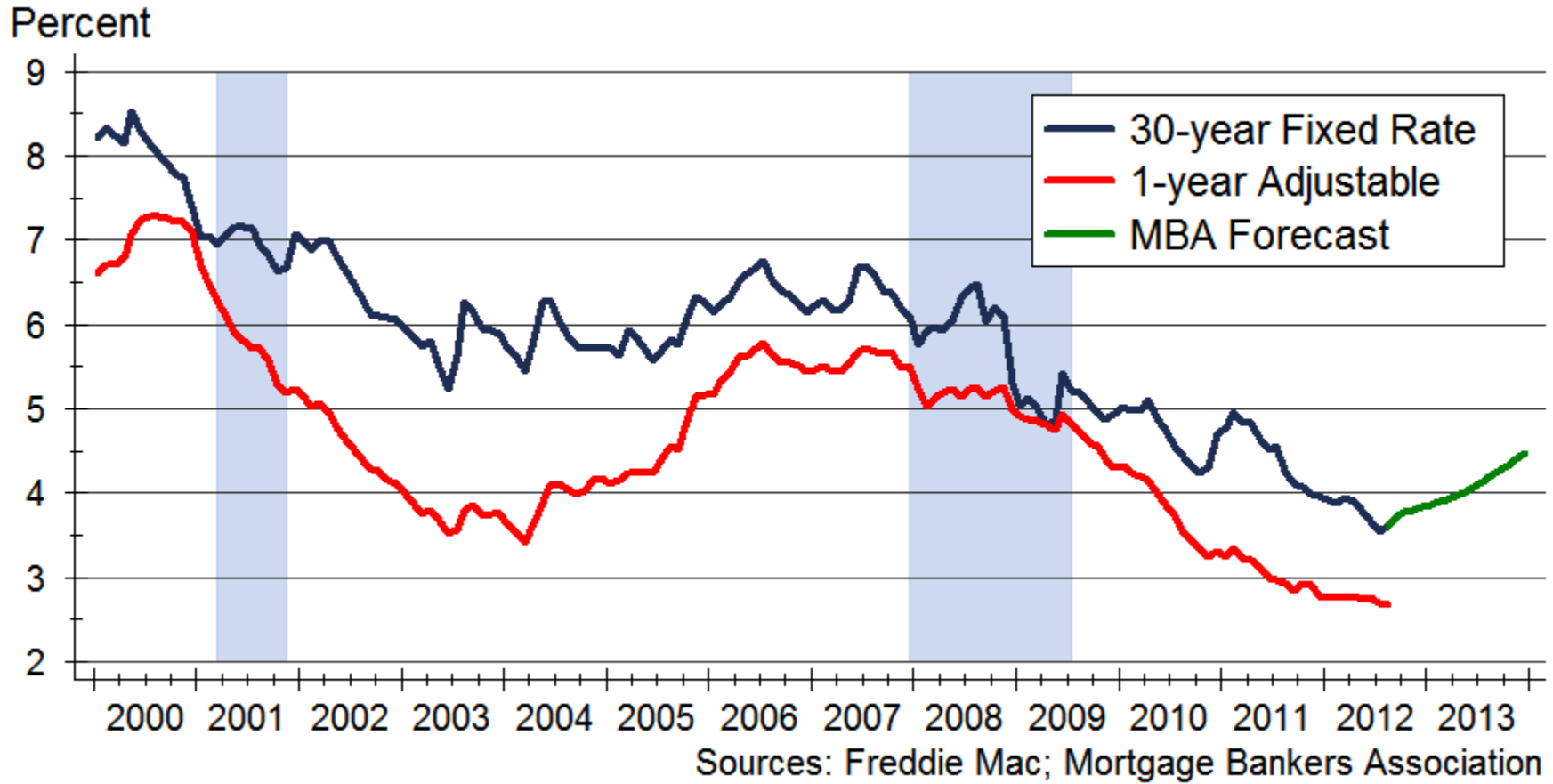
*for underwriting the cost of producing the
2013 Kansas Housing Markets Forecast*

Thanks also to...



**Emporia Board
of REALTORS®**

Mortgage Rates

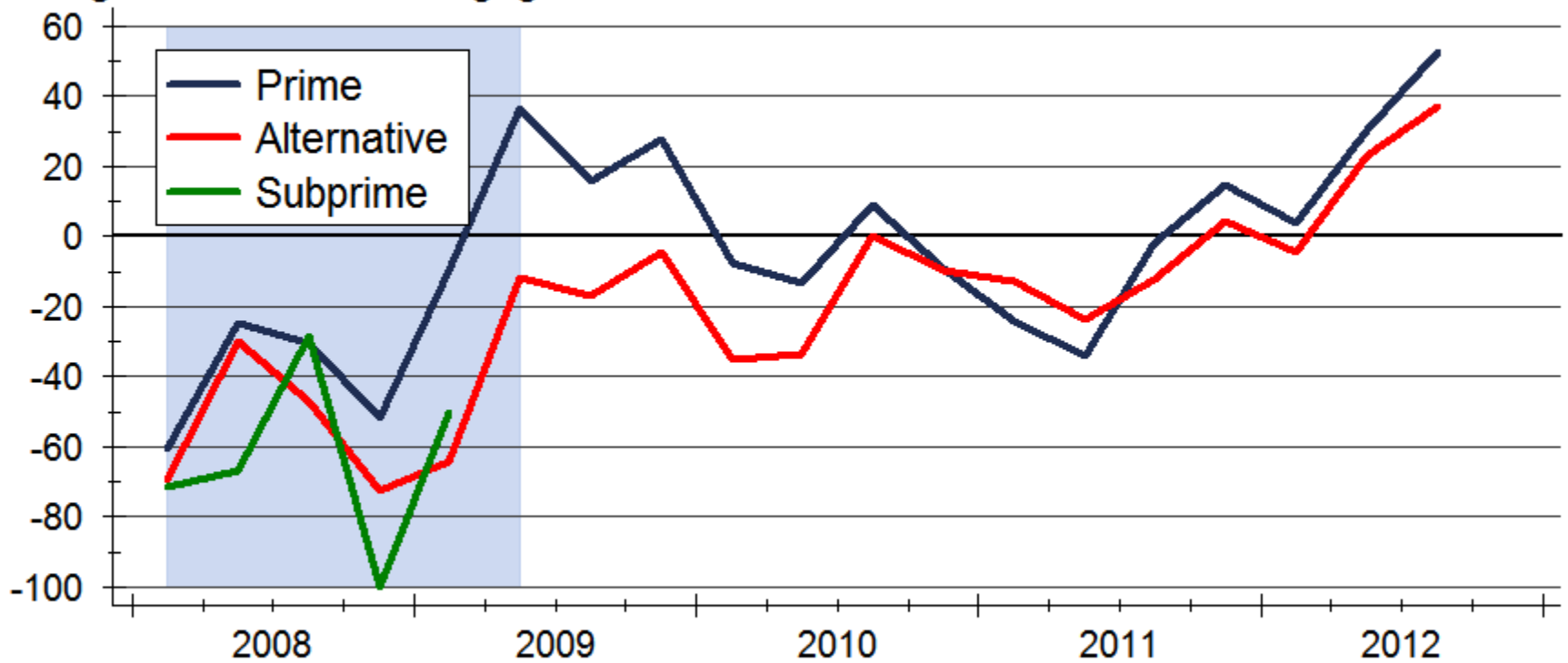


Mortgage Rates *Will* Rise

- 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

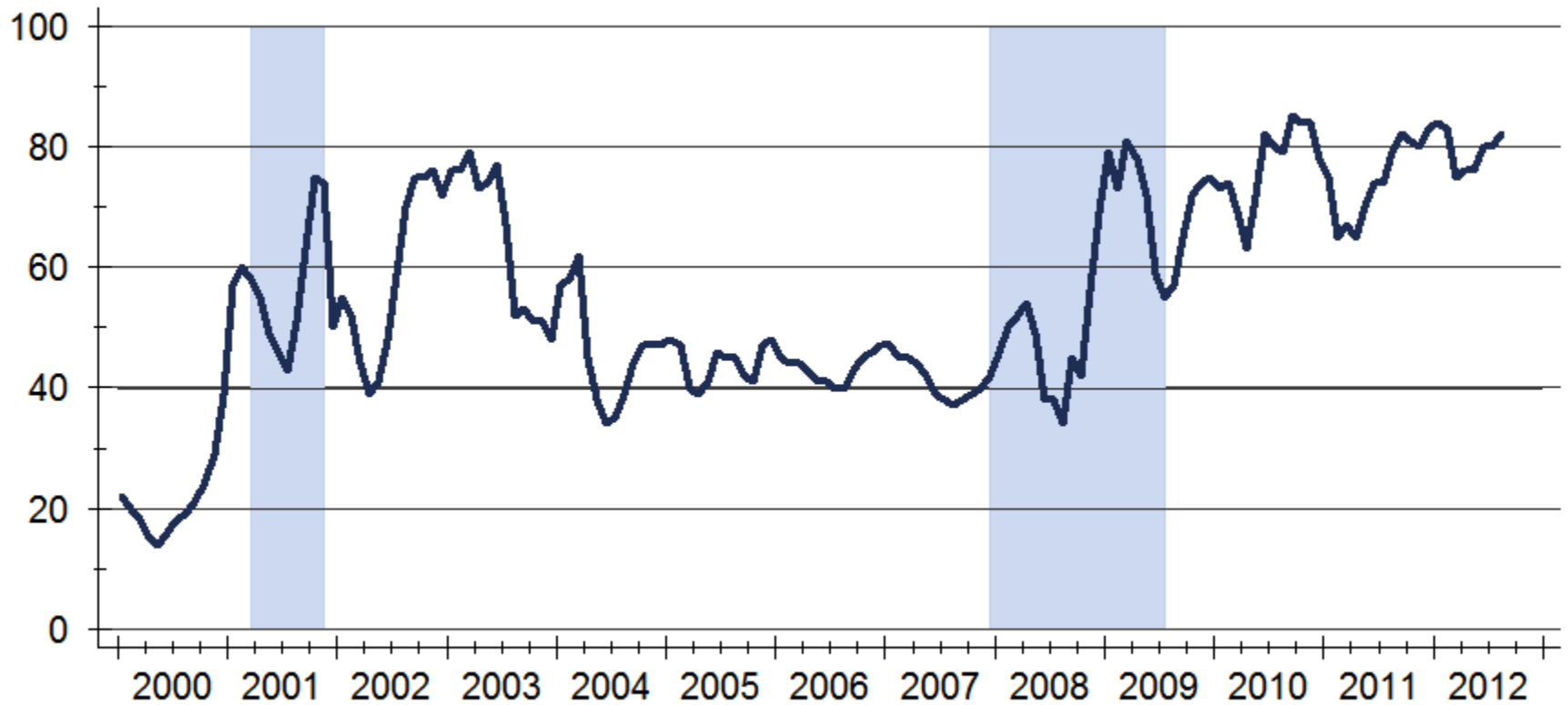
Net Percentage of Banks Reporting Stronger Demand for Mortgages



Source: Board of Governors of the Federal Reserve System

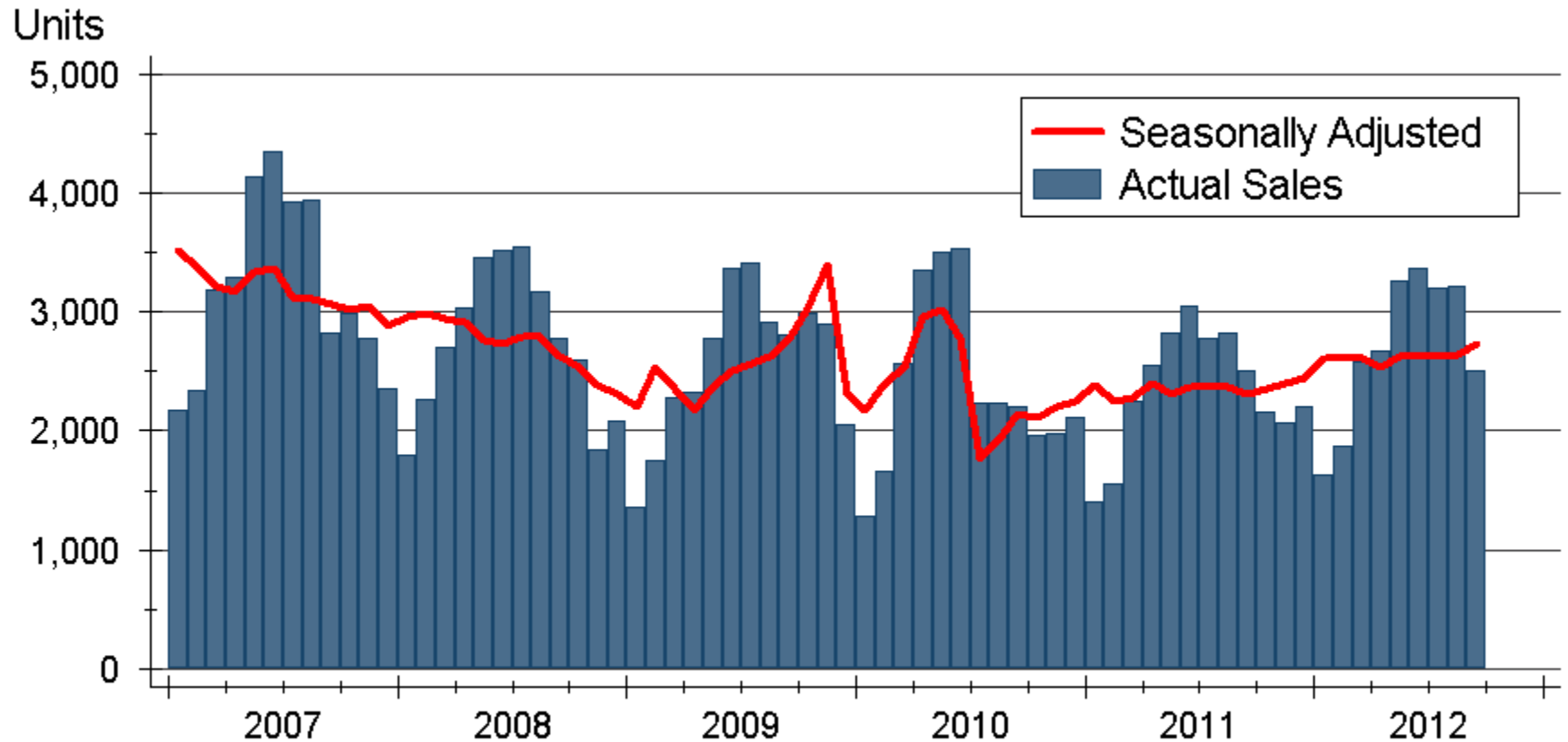
Mortgage Refinancing Activity

Refinance Share



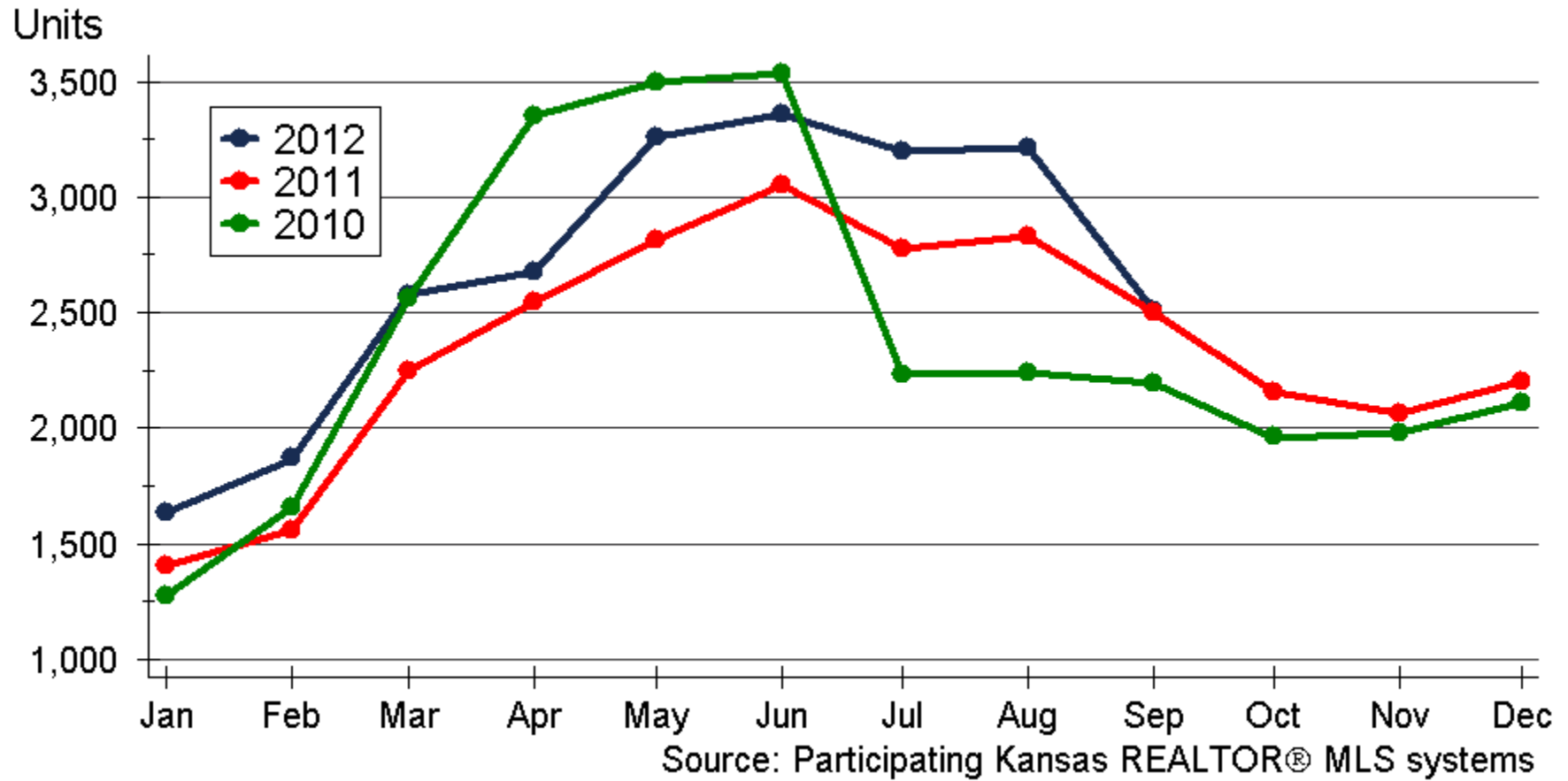
Source: Freddie Mac

Kansas Home Sales

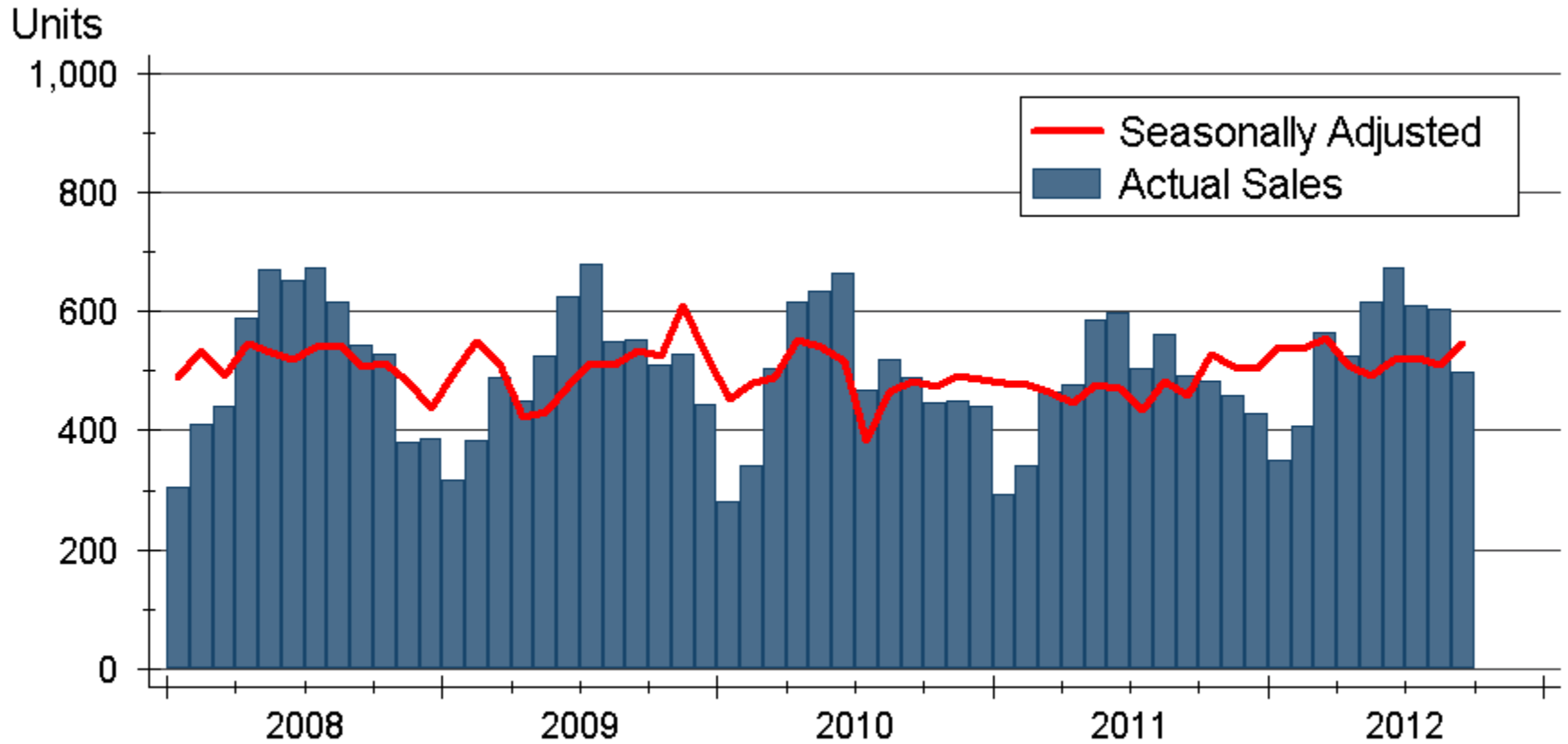


Source: Participating Kansas REALTOR® MLS systems

Kansas Home Sales



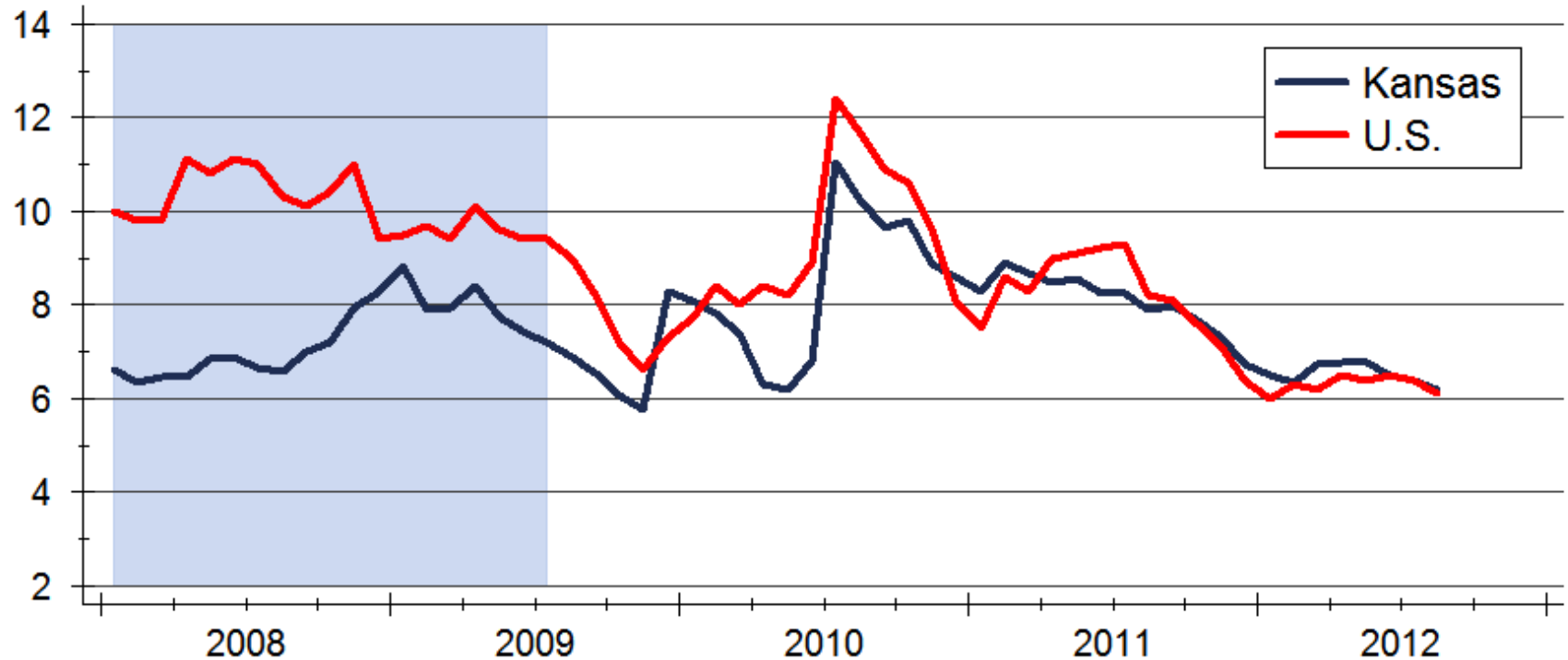
Small Kansas Market Home Sales



Source: Participating Kansas REALTOR® MLS systems

Inventories of Homes for Sale

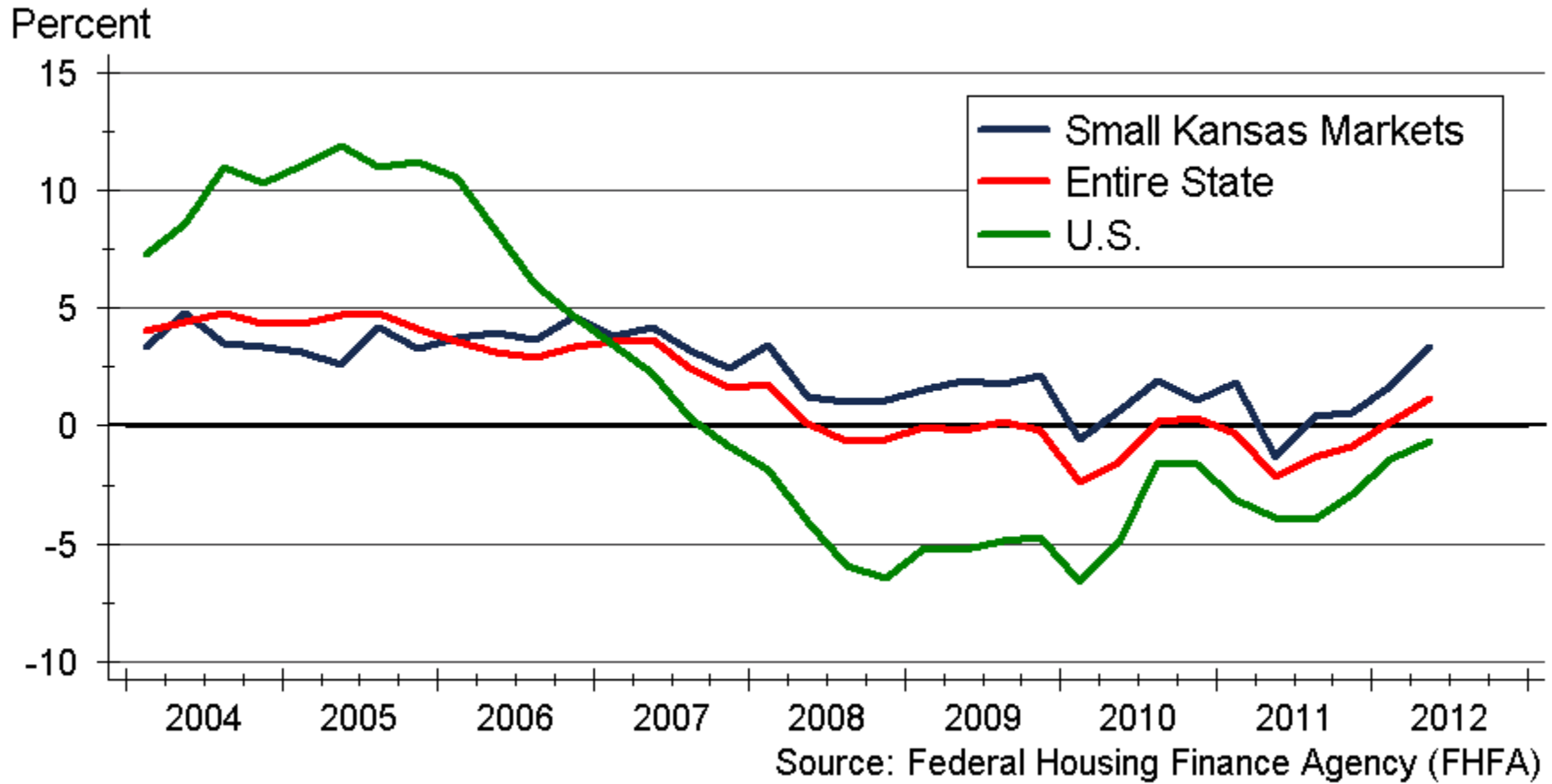
Months' Supply



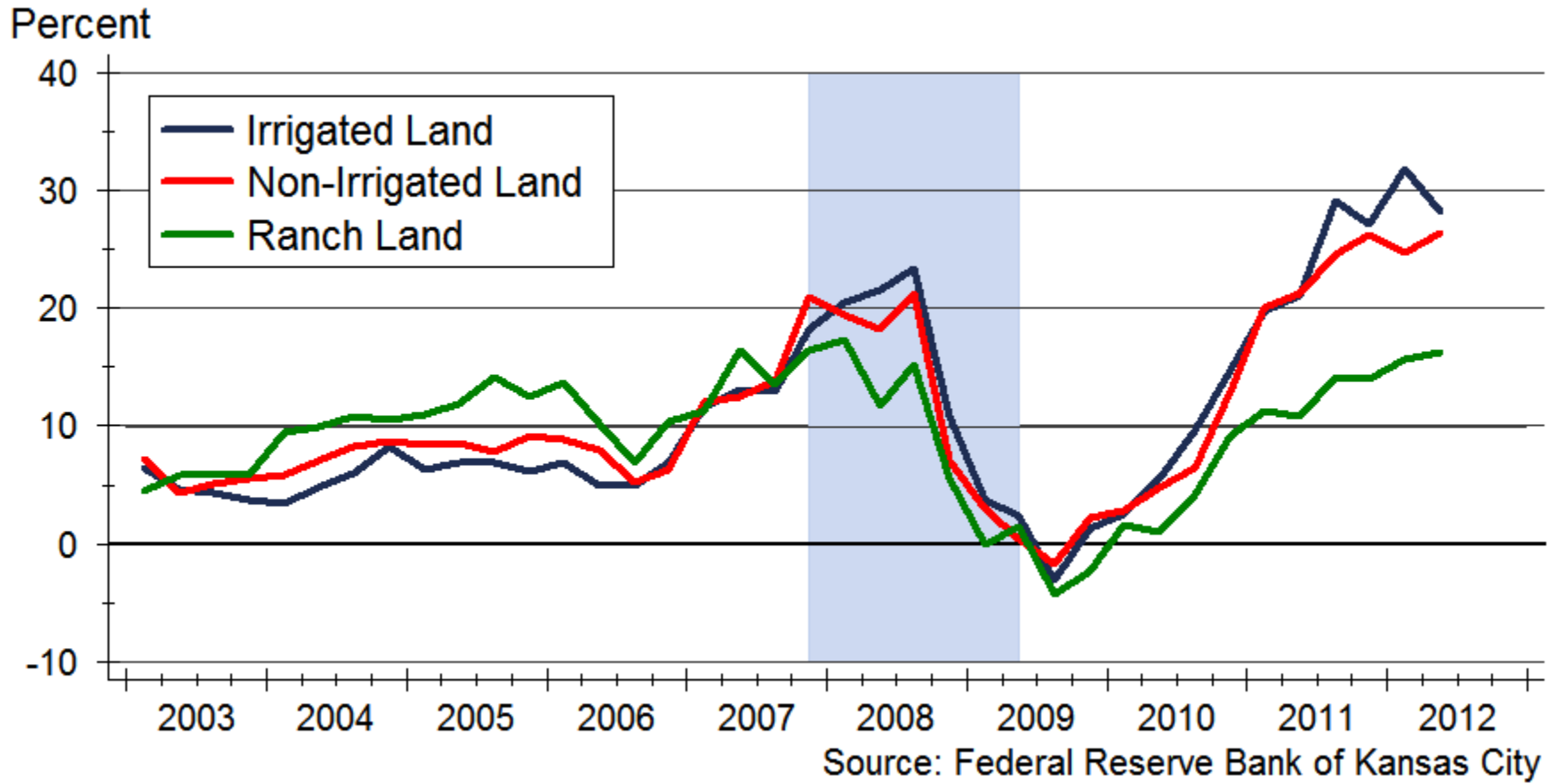
Source: NAR and participating Kansas REALTOR® MLS systems

Data are seasonally adjusted

Home Price Appreciation

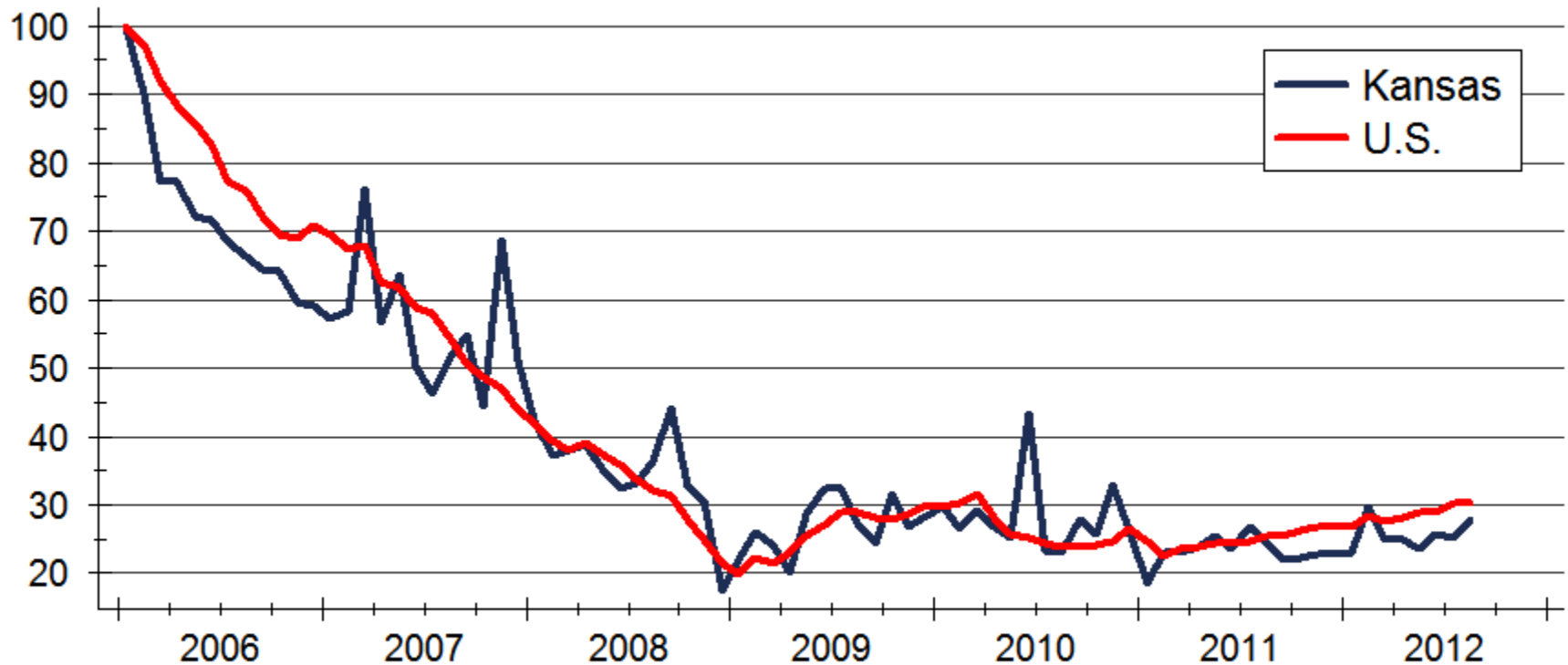


Rural Land Prices



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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