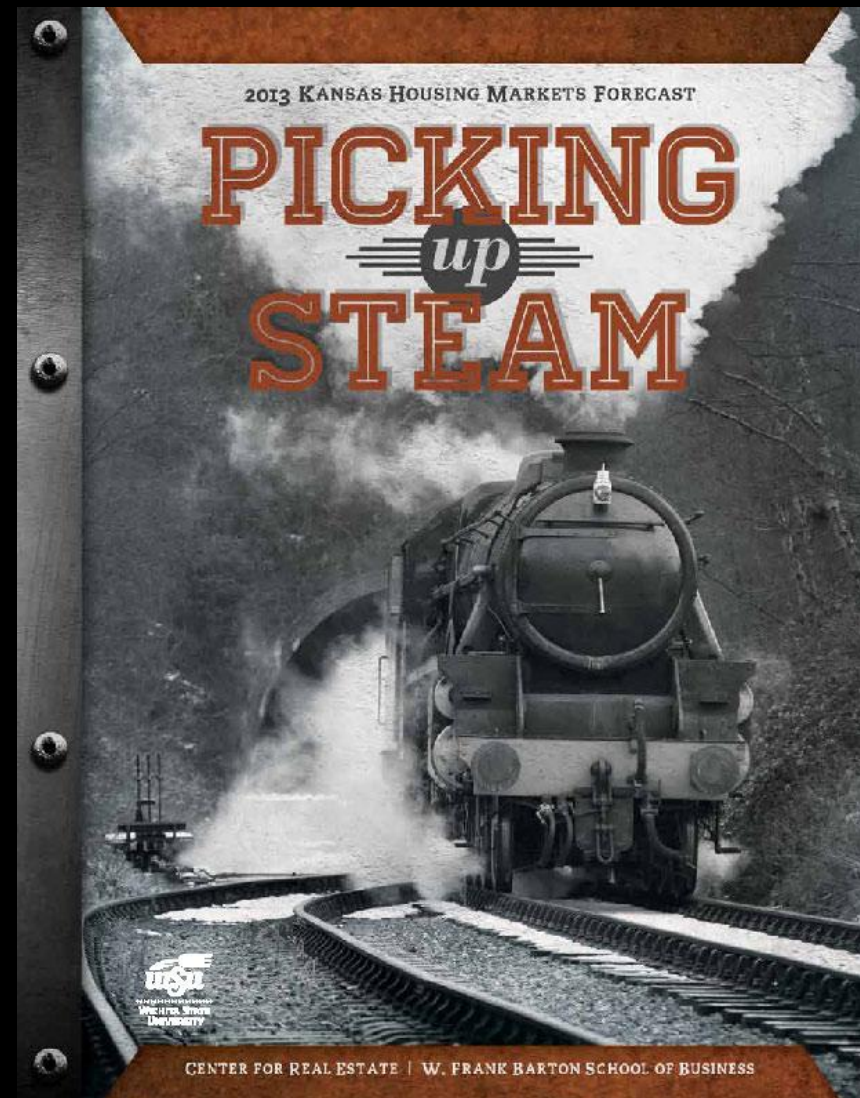


# 2013 Kansas Housing Markets Forecast

Hays Economic  
Outlook Conference

October 18, 2012

Dr. Stanley D. Longhofer  
WSU Center for Real Estate



WICHITA STATE  
UNIVERSITY

W. FRANK BARTON  
SCHOOL OF BUSINESS



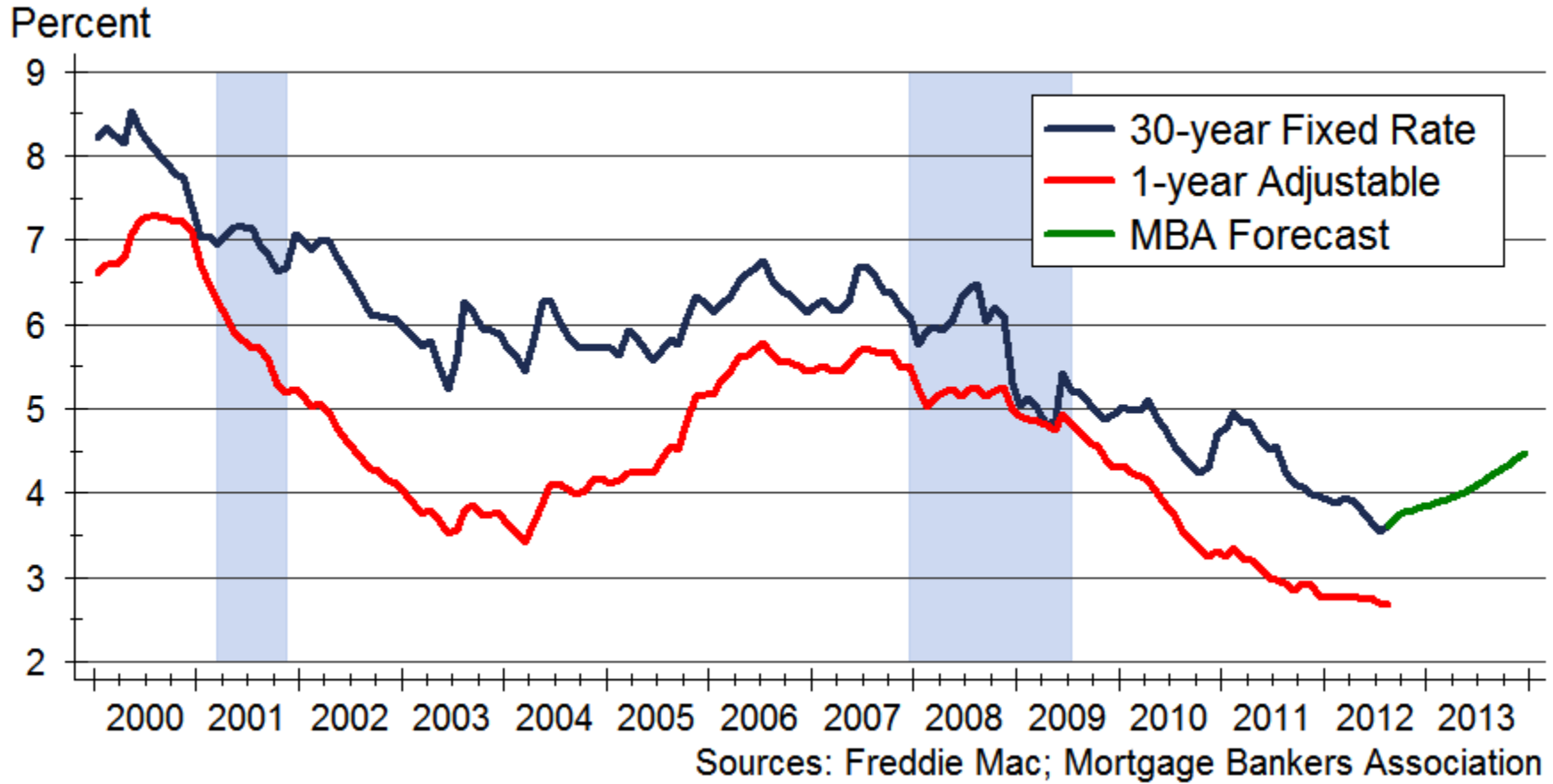
*Special thanks to...*



Security 1<sup>st</sup> Title

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

# Mortgage Rates

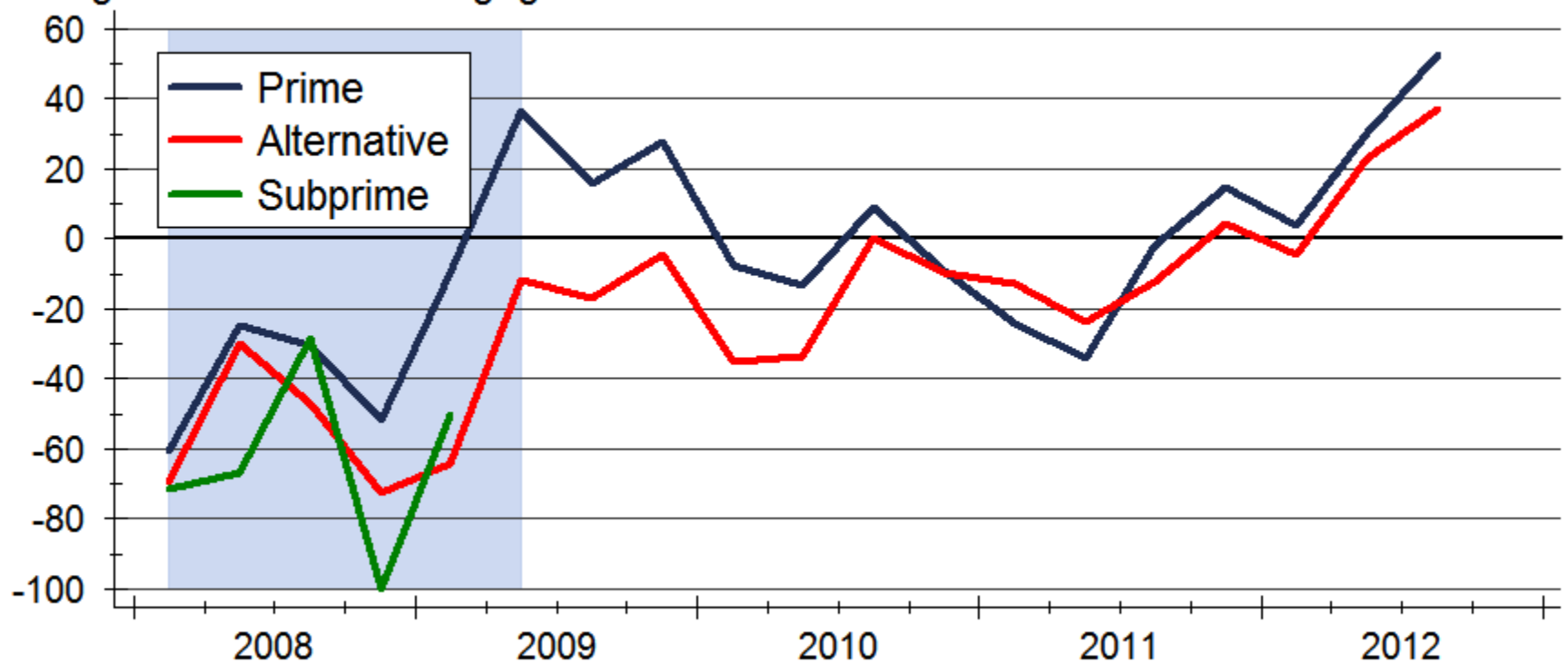


# Mortgage Rates *Will* Rise

- 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

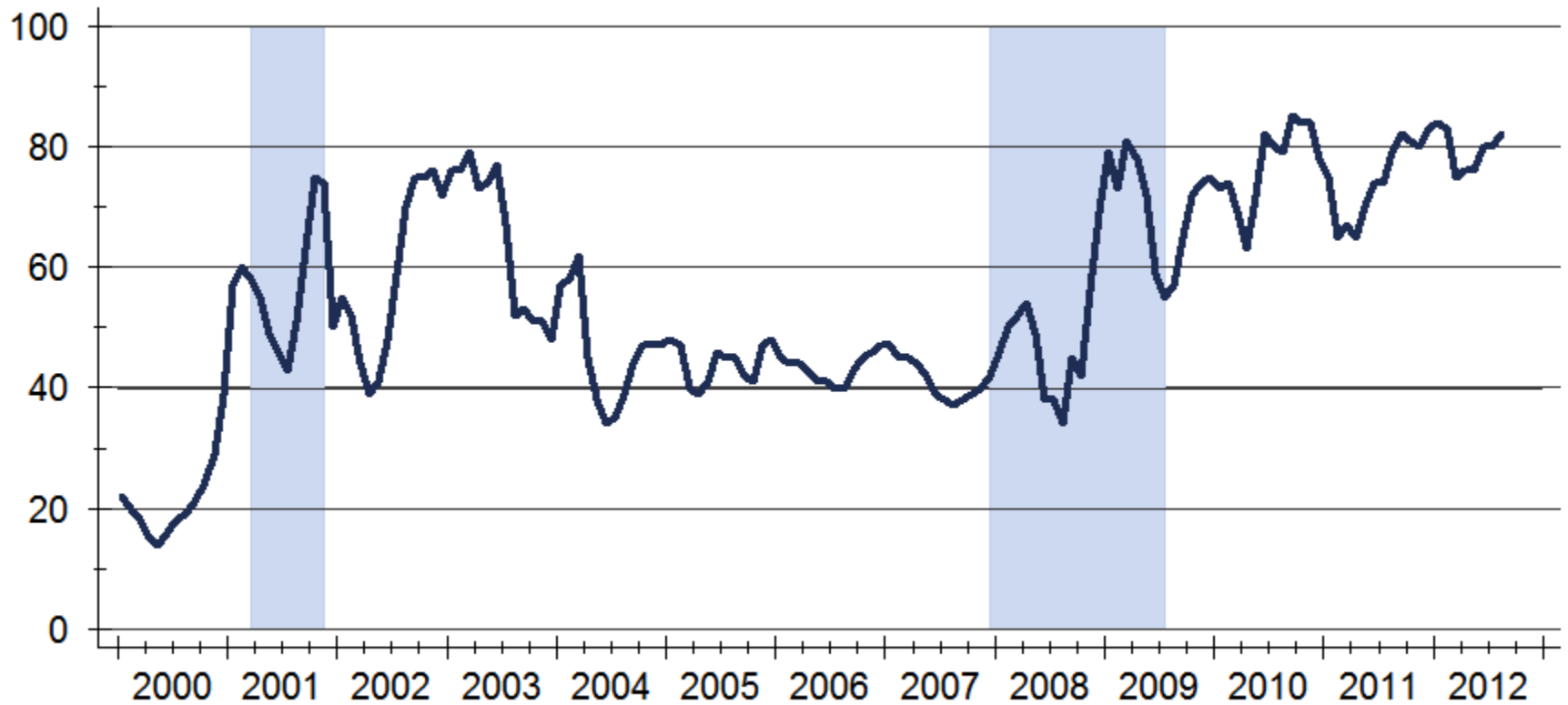
Net Percentage of Banks Reporting Stronger Demand for Mortgages



Source: Board of Governors of the Federal Reserve System

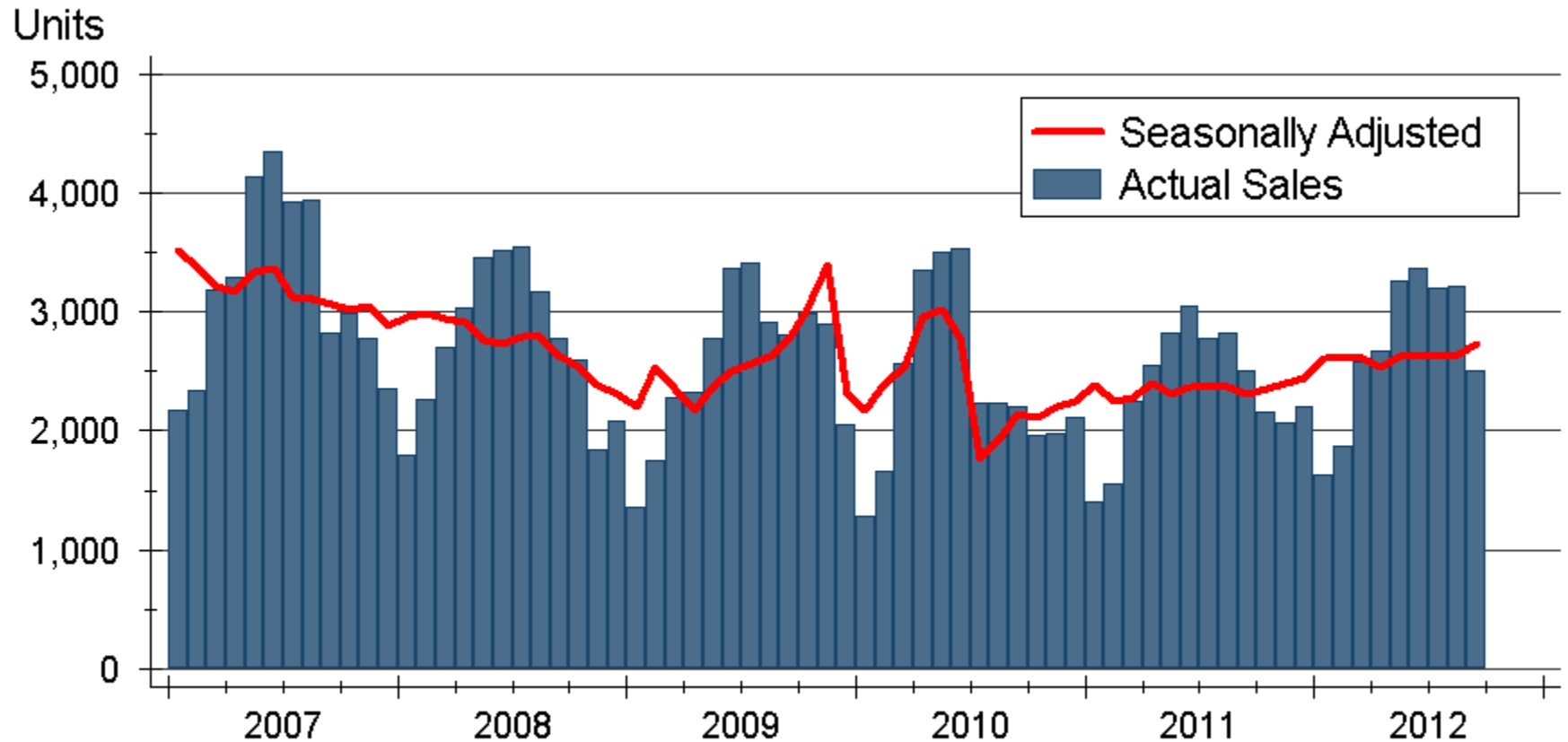
# Mortgage Refinancing Activity

Refinance Share



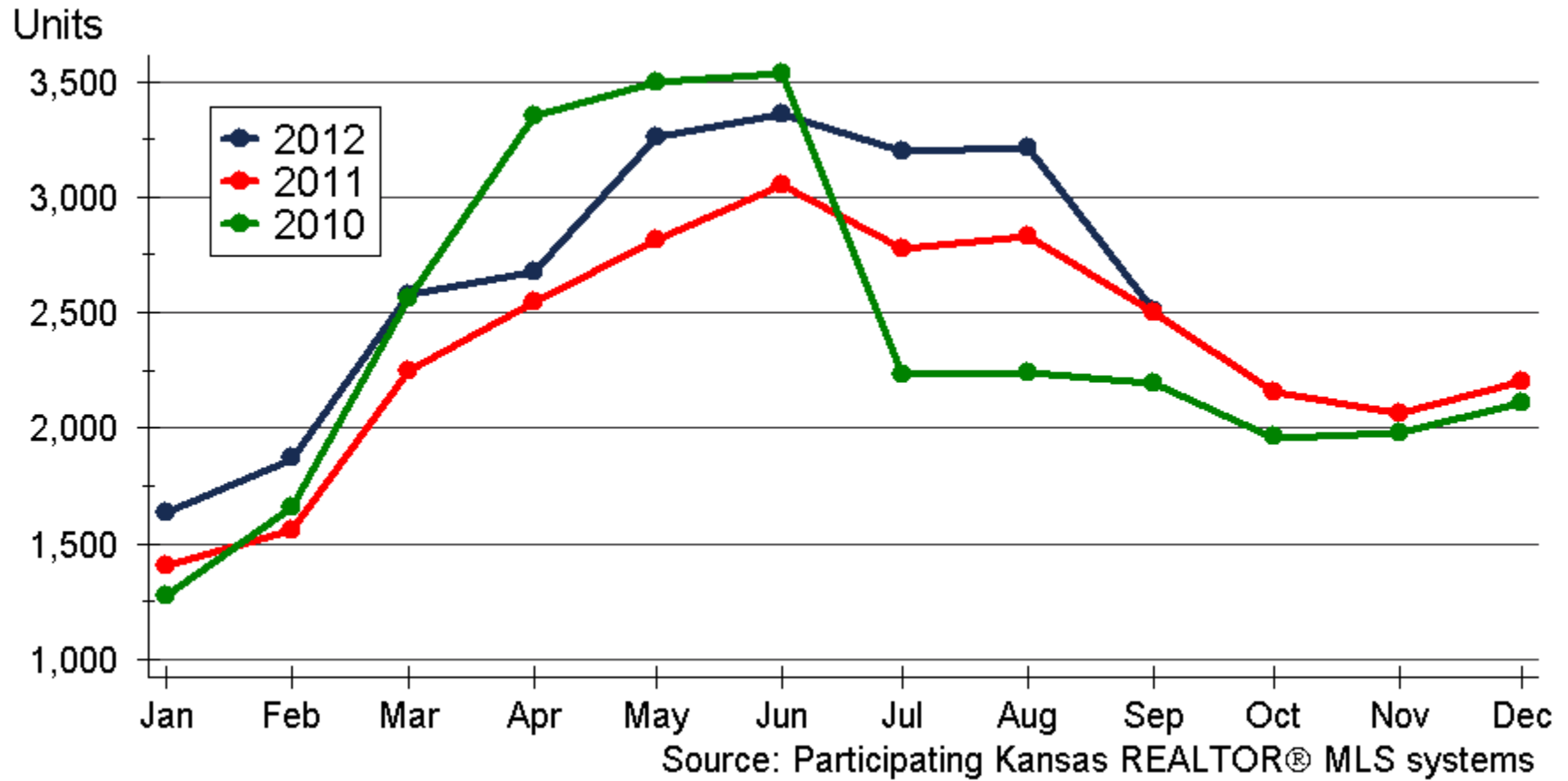
Source: Freddie Mac

# Kansas Home Sales



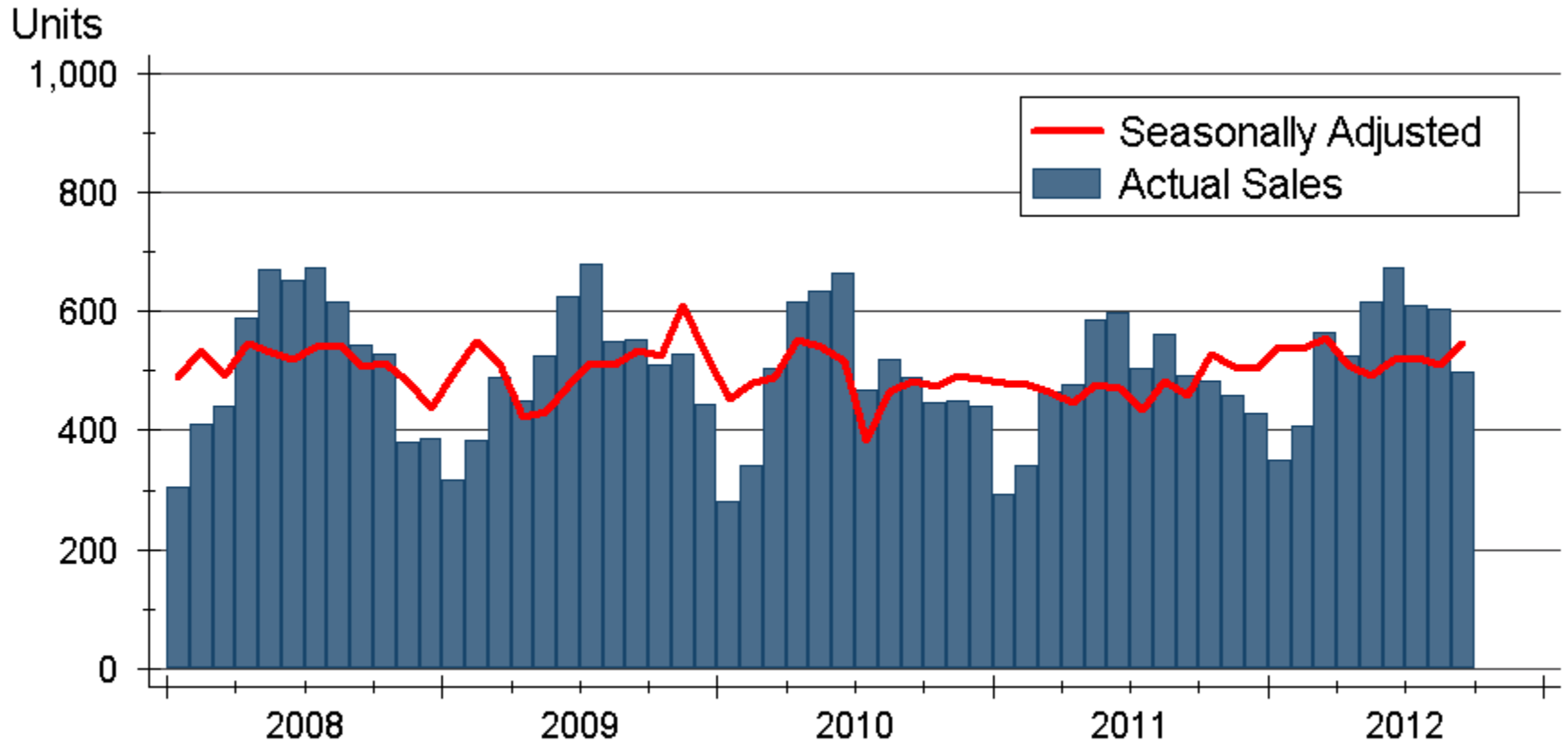
Source: Participating Kansas REALTOR® MLS systems

# Kansas Home Sales





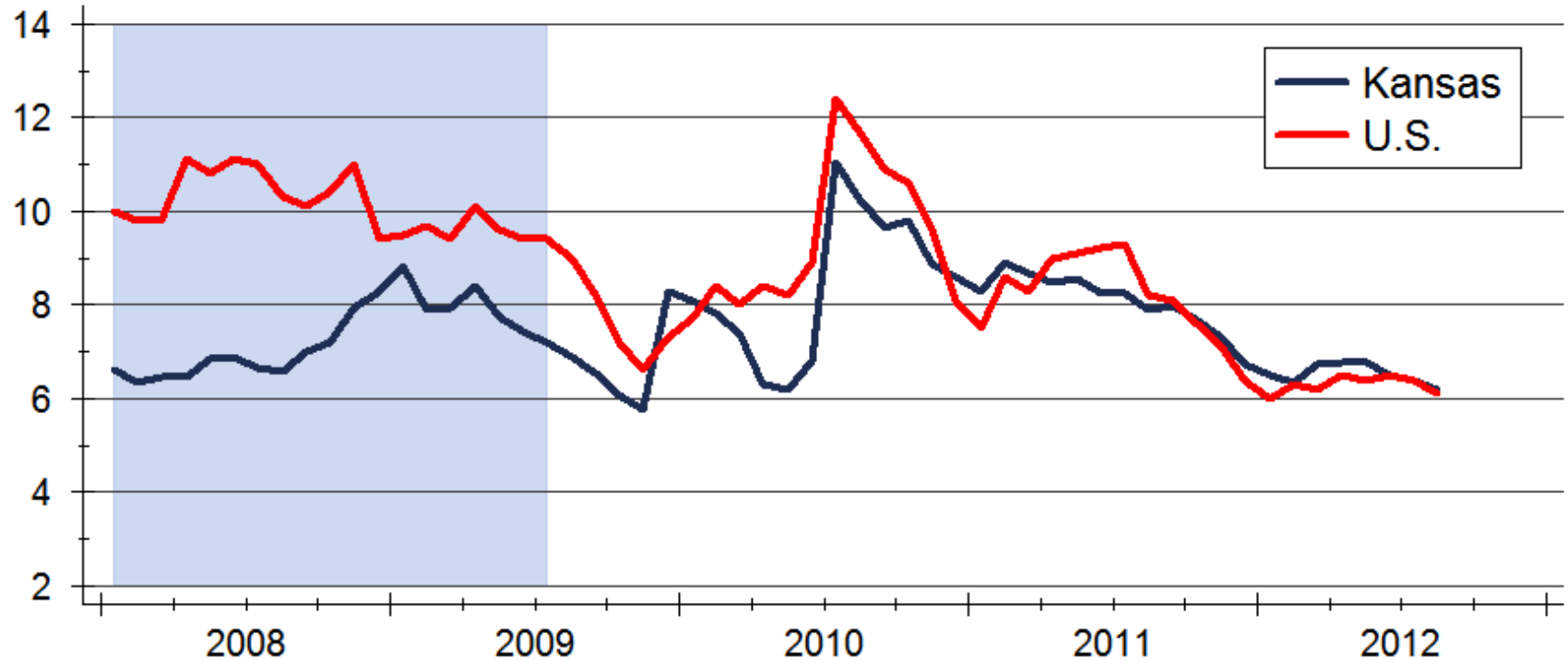
# Small Kansas Market Home Sales



Source: Participating Kansas REALTOR® MLS systems

# Inventories of Homes for Sale

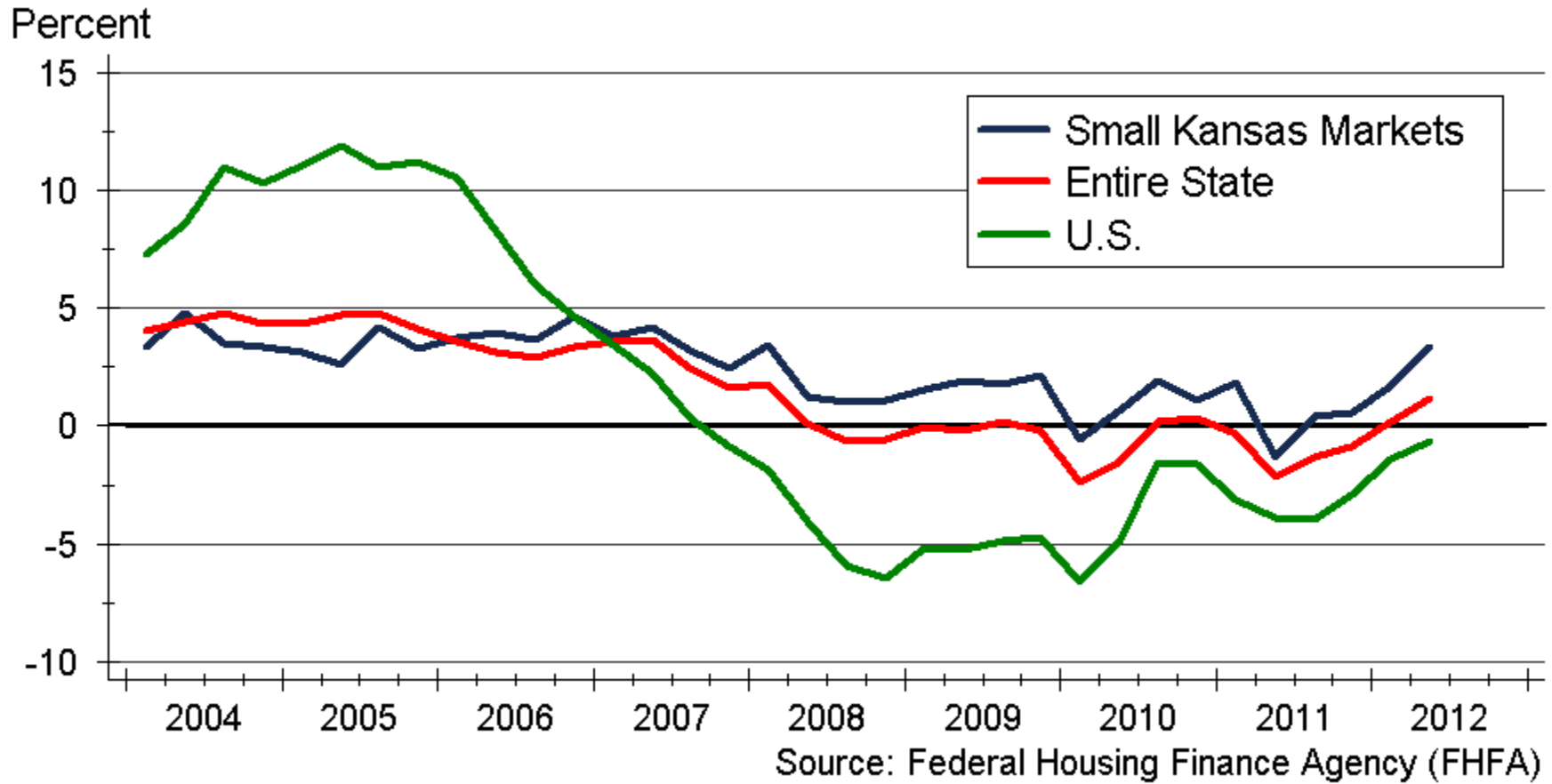
Months' Supply



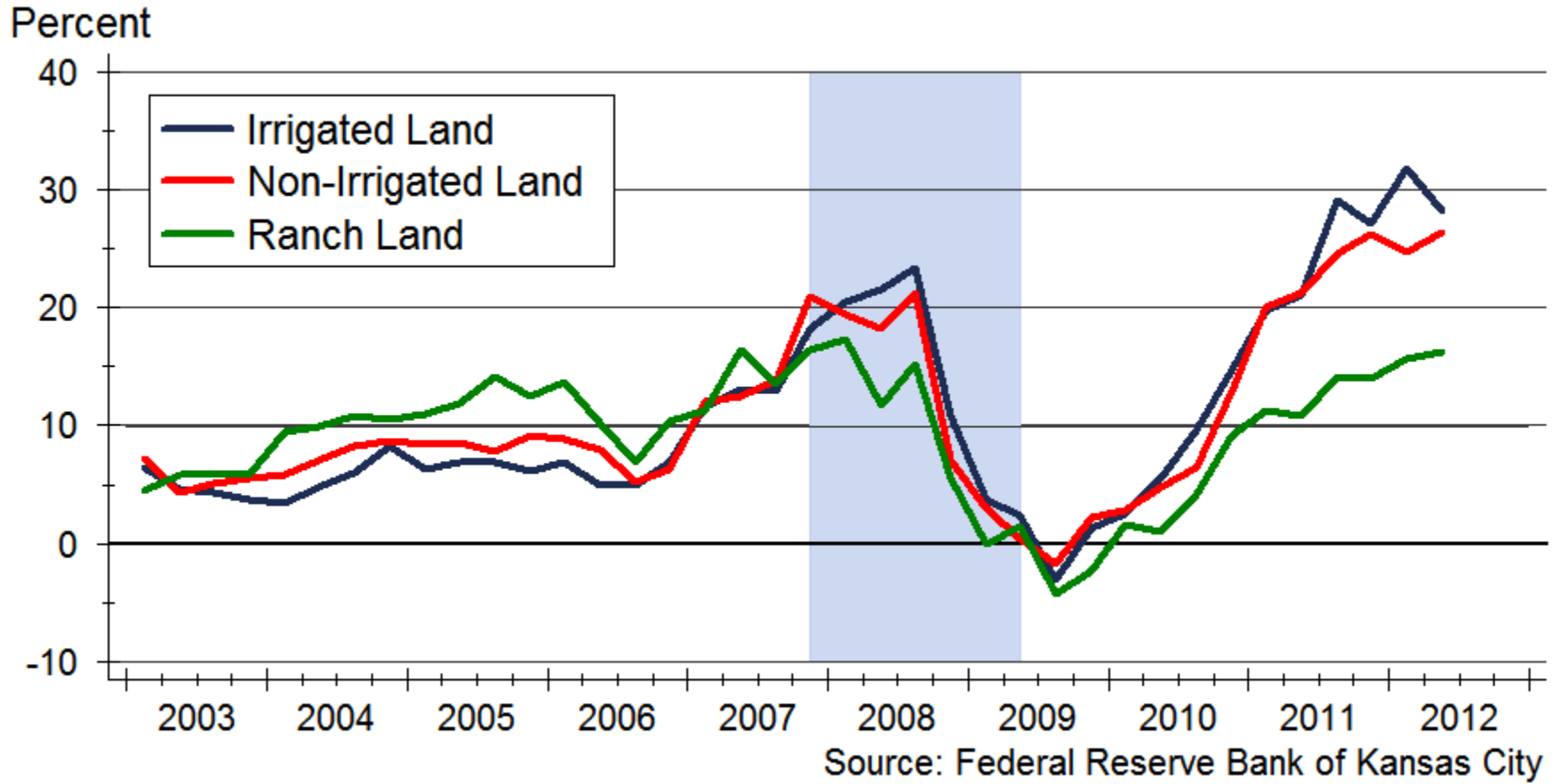
Source: NAR and participating Kansas REALTOR® MLS systems

Data are seasonally adjusted

# Home Price Appreciation

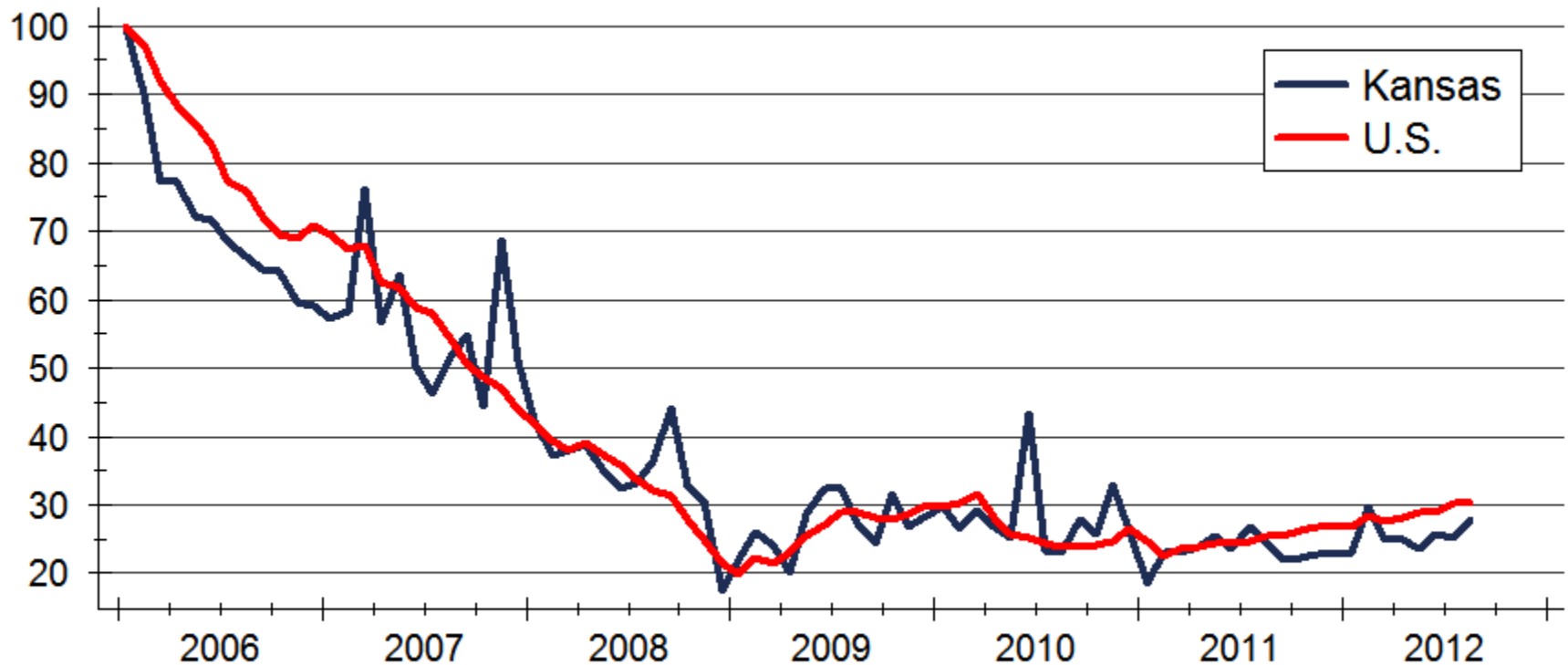


# Rural Land Prices



# New Home Construction

Index: 2006m1 = 100



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

# Kansas Forecast

	<b>2010 Actual</b>	<b>2011 Actual</b>	<b>2012 Forecast</b>	<b>2013 Forecast</b>
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](http://www.wichita.edu/realestate)

# WSU Center for Real Estate

## Laying a Foundation for Real Estate in Kansas



WICHITA STATE  
UNIVERSITY

W. FRANK BARTON  
SCHOOL OF BUSINESS

