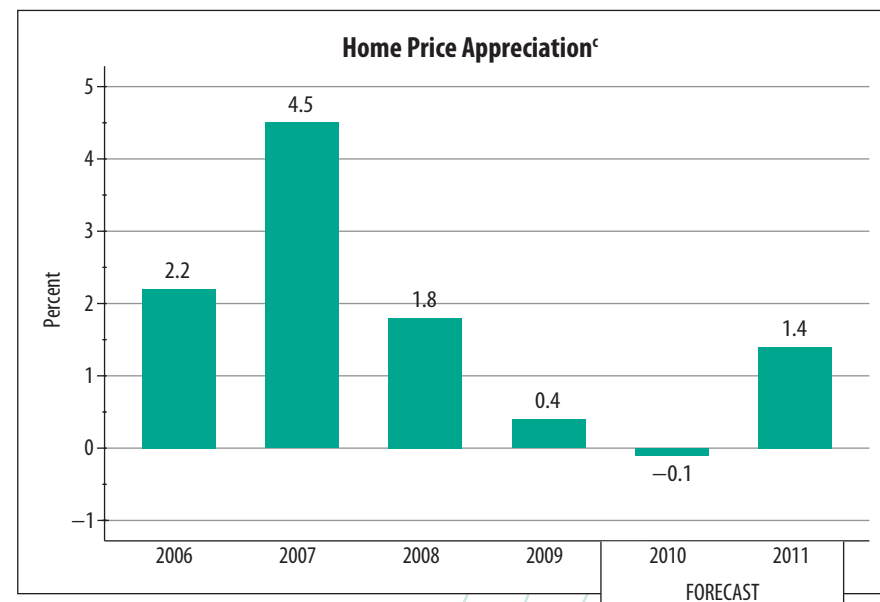
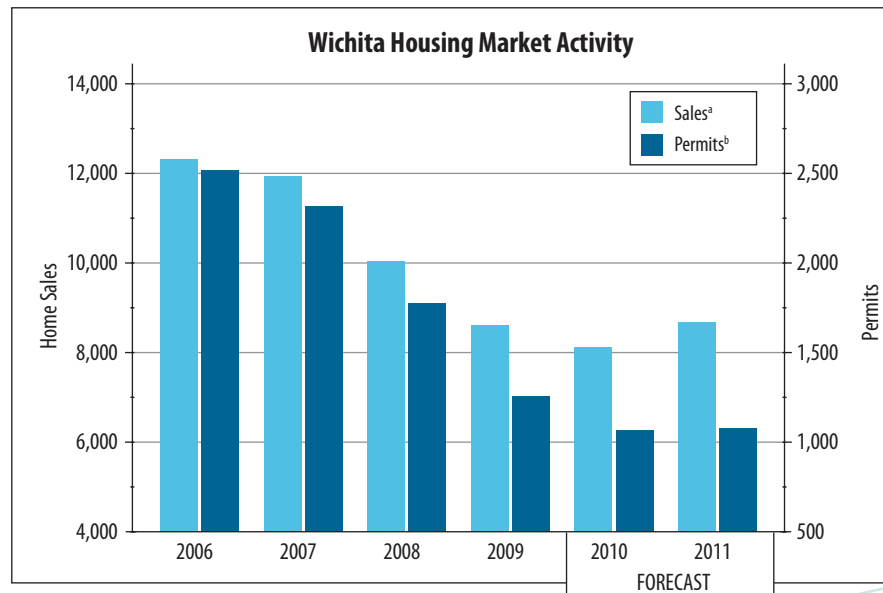


Wichita Forecast

Home sales in the Wichita area fell sharply following the expiration of the tax credit. As a result, it appears that total sales will be down once again in 2010, to 8,140 units. The tax credit "hangover," however, should end next year, and sales should rise by 6.6 percent in 2011.



Wichita area home sales will likely fall by another 5.5 percent in 2010 before rising by 6.6 percent in 2011.

Wichita home prices should remain essentially unchanged in 2010 and then rise by 1.4 percent in 2011.

New home construction activity has continued to fall in 2010 and should end the year down 14.8 percent. Next year permits should level off, rising by 0.9 percent.

The homebuyer tax credit appeared to have had almost no impact on new home construction activity. Permits have continued to decline over the past several months, and should end the year down 14.8 percent. As sales pick up, however, construction activity should stabilize, rising by 0.9 percent in 2011.

Wichita has continued to see positive, if slow, home price appreciation throughout the economic downturn. While prices may end the year down slightly (0.1 percent), they should rise once again next year.

Sources: South Central Kansas Multiple Listing Service; Wichita Area Builders Association; Federal Housing Finance Agency; WSU Center for Real Estate
 Notes: a) Total home sales in the Wichita area as reported by the South Central Kansas Multiple Listing Service.
 b) Total single-family building permits issued in the Wichita area as reported by local permitting offices and compiled by the Wichita Area Builders Association.
 c) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Wichita metropolitan area, as measured using 4th quarter values.