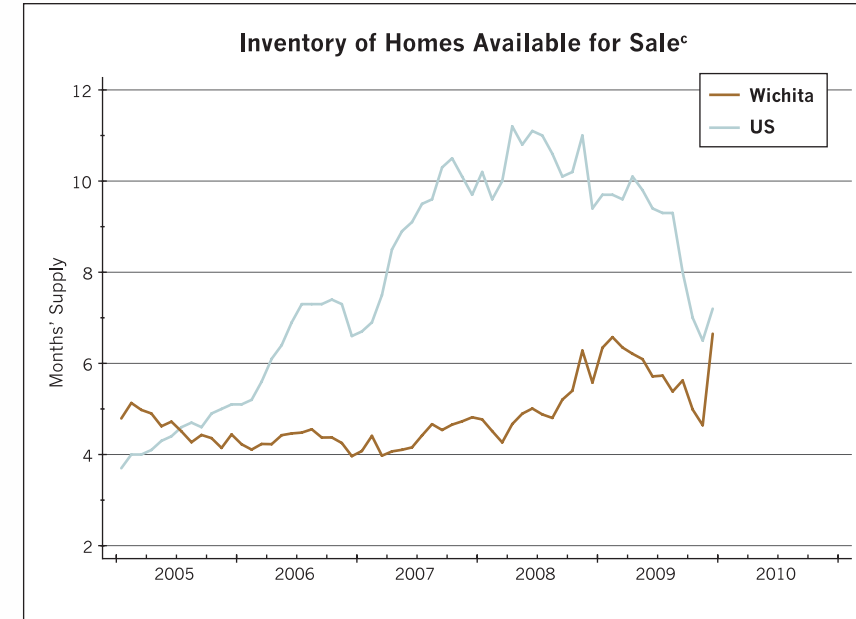
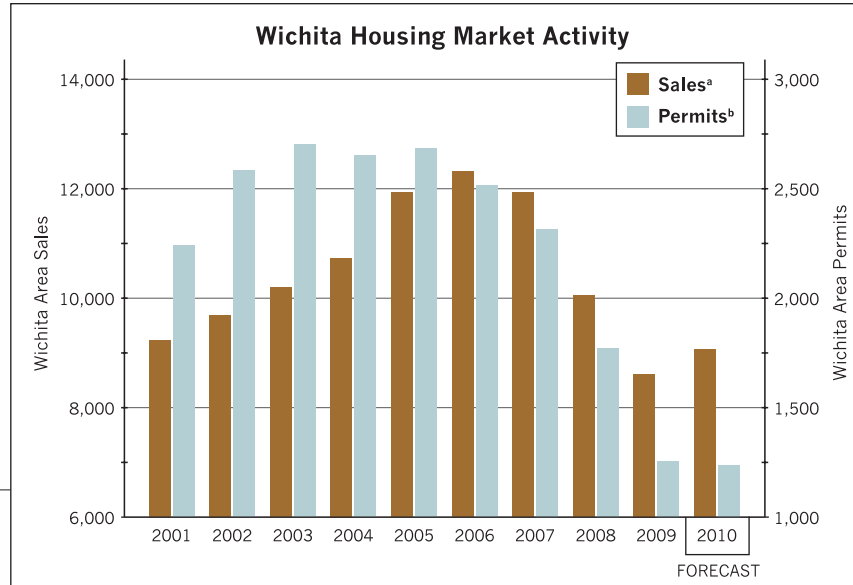


Wichita Forecast

New home construction activity will fall by 1.4 percent in 2010 to 1,239 units.

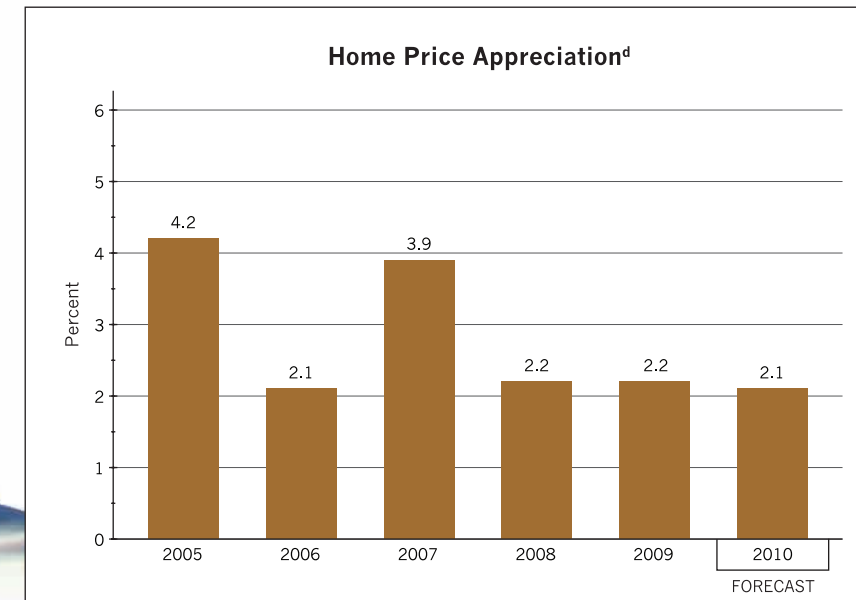
Wichita area home sales have fallen by more than 30 percent over the past three years. There are signs, however, that the market is beginning to thaw. On a seasonally-adjusted basis, sales actually began to rise in January of 2009, albeit slowly.

Wichita area home sales should rise by 5.1 percent to 9,059 units in 2010.



This caused inventories to fall throughout the year, with the December rise an anomaly due to the feared expiration of the homebuyer tax credit. As a result, home prices have continued to appreciate (slowly) throughout the downturn.

Home sales should rise during the first half of 2010 before leveling off in the latter part of the year. New home construction activity, however, will not see a measurable rebound until at least 2011.



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 as reported by the South Central Kansas Multiple Listing Service.
 b) Total single-family building permits issued in the Wichita area as compiled by the Wichita Area Builders Association.
 c) Ratio of active home listings to home sales, seasonally adjusted. Wichita figures combine new and existing homes.
 d) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions index for the Wichita MSA, as measured using 4th quarter values.

