The Hunt is On!

2018 Wichita Housing Forecast

Dr. Stanley D. Longhofer – WSU Center for Real Estate
South Central Kansas Regional Chapter of IAAO
January 31, 2018
2018 Wichita Housing Forecast Sponsors

Security 1st Title

Meritrust

CRE
Wichita State University
W. Frank Barton School of Business
Thanks to:

KANSAS ASSOCIATION OF REALTORS®

KANSAS CITY REGIONAL ASSOCIATION OF REALTORS®

HEARTLAND MLS

LAWRENCE Board of REALTORS®

RSCK REALTORS®

OF SOUTH CENTRAL KANSAS

Manhattan Association of REALTORS®, Inc.

SUNFLOWER ASSOCIATION OF REALTORS®, INC.

Wichita State University
W. Frank Barton School of Business

and participating REALTOR® MLS systems across Kansas
Real GDP Growth

Source: Bureau of Economic Analysis

Percent


Source: Bureau of Economic Analysis
Unemployment across Kansas

Source: U.S. Bureau of Labor Statistics
Data are seasonally adjusted
Total Employment across Kansas

Index: 2008m1 = 100

- Kansas City
- Lawrence
- Manhattan
- Topeka
- Wichita

Source: U.S. Bureau of Labor Statistics
Indexes created from seasonally adjusted data
Wichita Employment Forecast

Sources: Kansas Department of Labor and WSU CEDBR

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>-5.0%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>2010</td>
<td>-3.2%</td>
<td>-3.2%</td>
</tr>
<tr>
<td>2011</td>
<td>-0.1%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2012</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>2013</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2014</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>2015</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2016</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2017</td>
<td>0.4%</td>
<td>0.4%</td>
</tr>
<tr>
<td>2018</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
Mortgage Rates Forecast

Sources: Freddie Mac; Mortgage Bankers Association
Real Short Term Interest Rates

Sources: Board of Governors of the Federal Reserve System and University of Michigan
30-Year Mortgage / 10-Year Treasury Spread

Sources: Board of Governors of the Federal Reserve System and Freddie Mac
Inventory of Homes for Sale

Months' Supply

Sources: NAR and South Central Kansas MLS
Note: Data are seasonally adjusted
Wichita Inventories by Price Range

Source: South Central Kansas MLS
Data are seasonally adjusted
Wichita Home Sales Forecast

Sources: WSU Center for Real Estate and South Central Kansas MLS
Buyers are snatching up available homes incredibly fast...
Wichita Home Price Appreciation

Source: Federal Housing Finance Agency (FHFA)
Home Price Appreciation across Kansas

Index: 2007q1 = 100

Source: Federal Housing Finance Agency (FHFA)
Home Price Appreciation Forecast

Year-over-Year Percent Change

Sources: WSU Center for Real Estate and Federal Housing Finance Agency
Appreciation calculated using 4th quarter values of the FHFA all-transactions house price index
Wichita Home Construction Forecast

Sources: WSU Center for Real Estate and Wichita Area Builders Association
## 2018 Wichita Forecast

<table>
<thead>
<tr>
<th></th>
<th>2015 Actual</th>
<th>2016 Actual</th>
<th>2017 Forecast</th>
<th>2018 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Home Sales</strong></td>
<td>9,719 units</td>
<td>10,368 units</td>
<td>10,465 units</td>
<td>10,450 units</td>
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<tr>
<td></td>
<td>+4.0%</td>
<td>+6.7%</td>
<td>+0.9%</td>
<td>-0.1%</td>
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<tr>
<td><strong>SF Building Permits</strong></td>
<td>1,067 units</td>
<td>1,063 units</td>
<td>1,081 units</td>
<td>1,030 units</td>
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<tr>
<td></td>
<td>+5.4%</td>
<td>-0.4%</td>
<td>+1.7%</td>
<td>-4.7%</td>
</tr>
<tr>
<td><strong>Home Price Appreciation</strong></td>
<td>+2.0%</td>
<td>+5.6%</td>
<td>+4.1%</td>
<td>+3.7%</td>
</tr>
</tbody>
</table>

Sources: South Central Kansas MLS; U.S. Bureau of the Census; Federal Housing Finance Agency; WSU Center for Real Estate
WSU Center for Real Estate

Laying a Foundation for Real Estate in Kansas

www.wichita.edu/realestate