

2023 KANSAS HOUSING FORECAST

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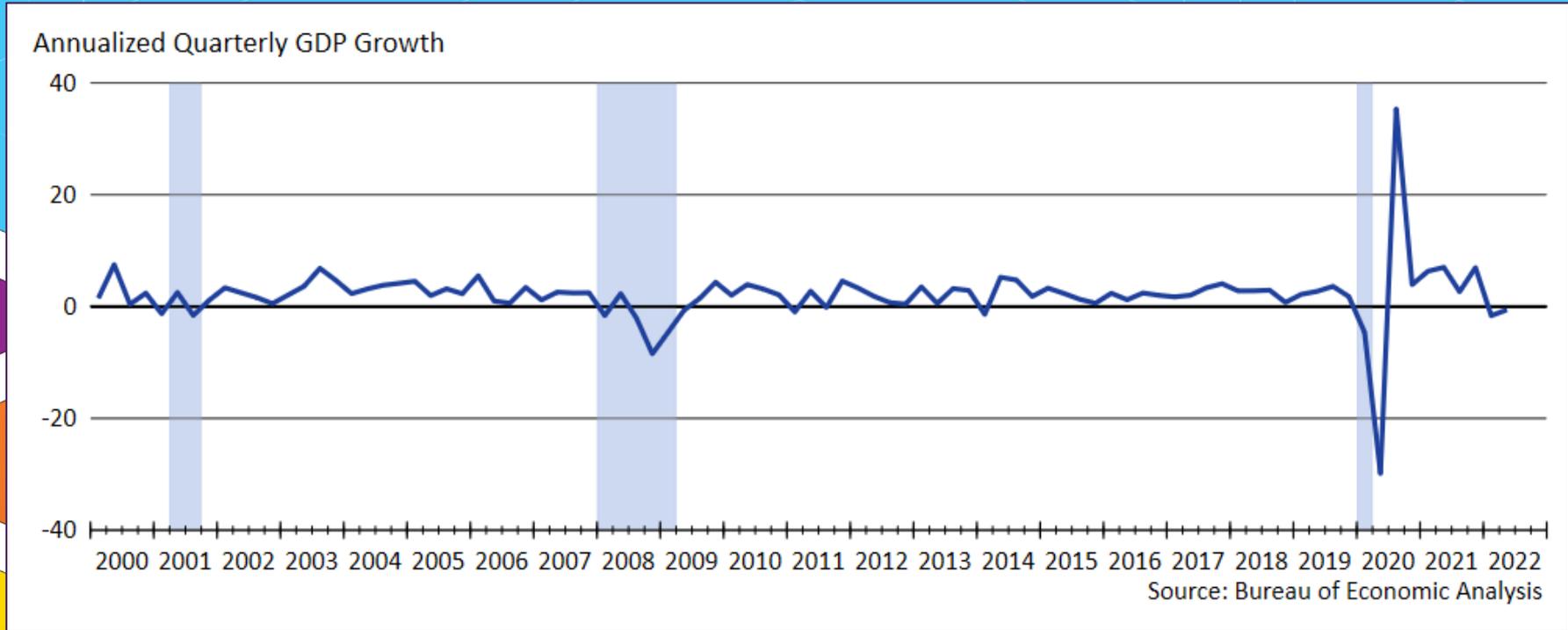
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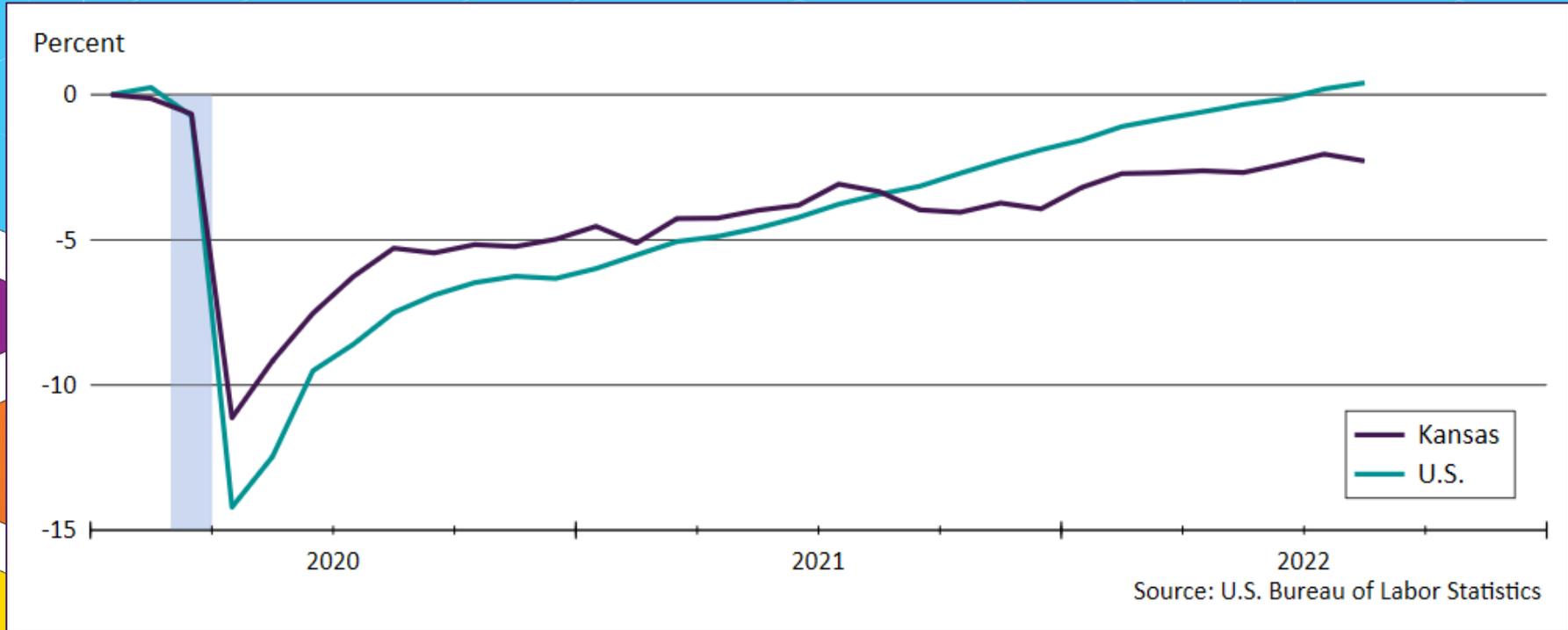


and participating REALTOR® MLS
systems across Kansas

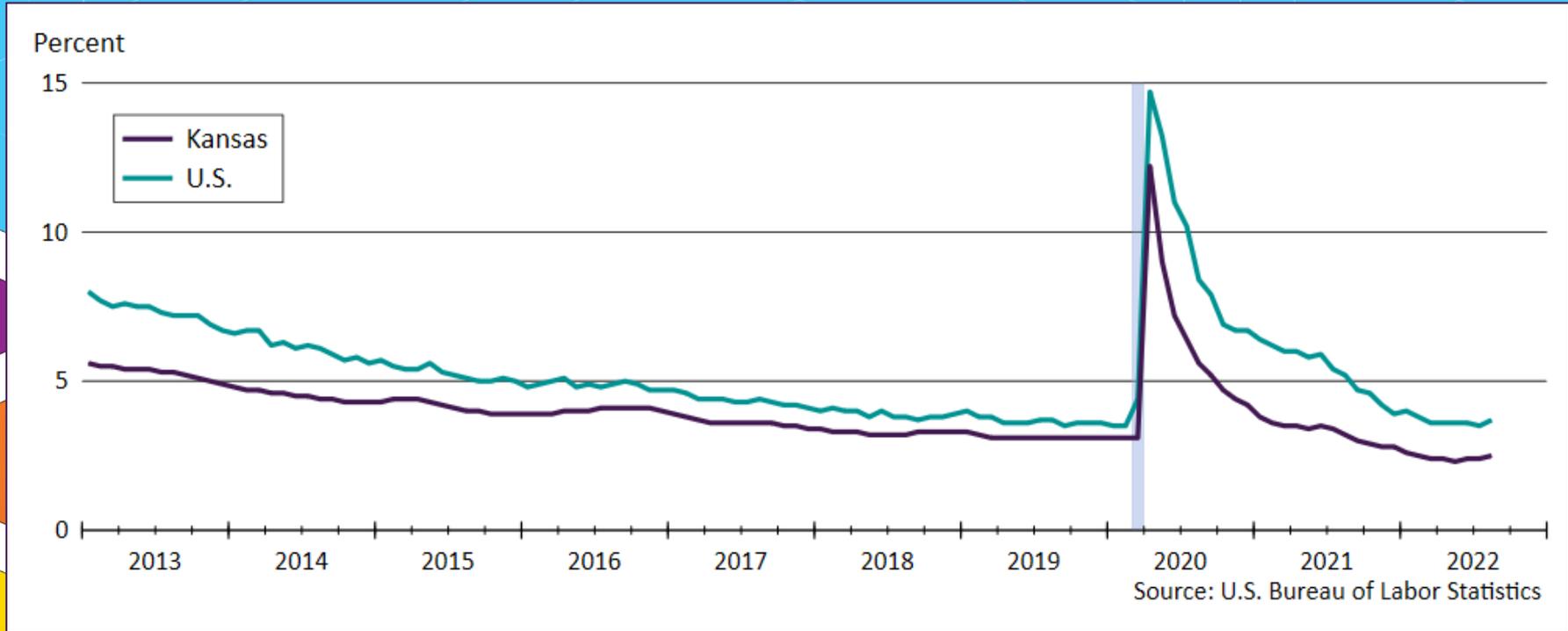
Are We in A Recession?



U.S. Non-farm Employment has Recovered from the Pandemic Recession

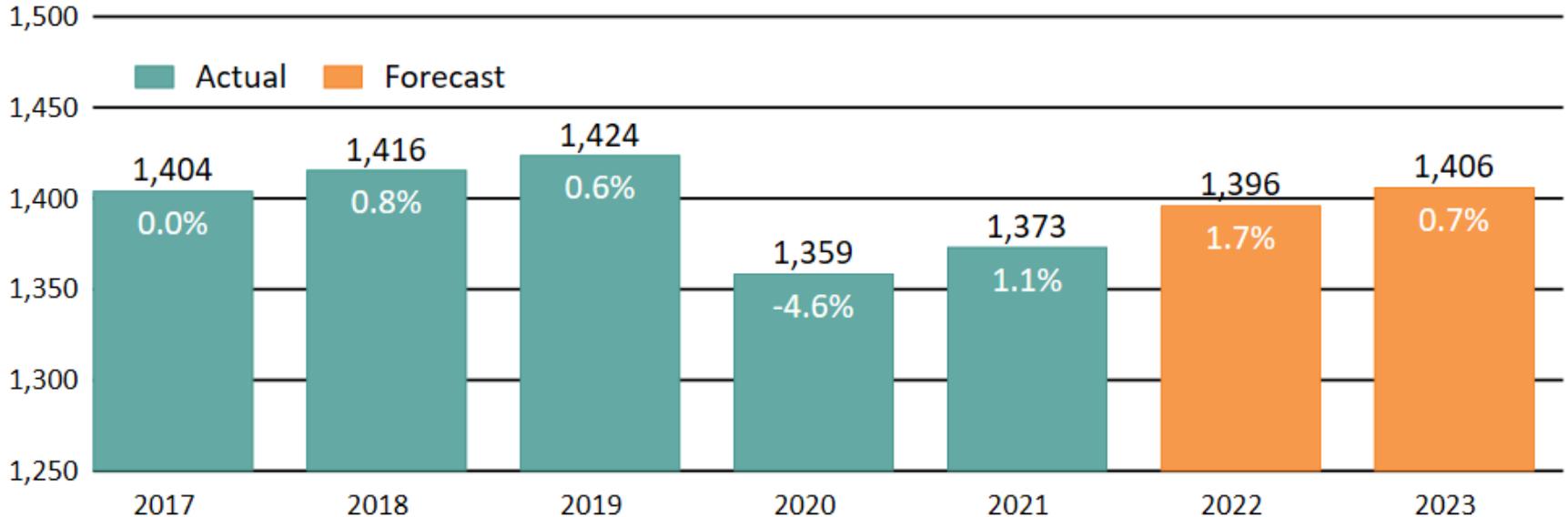


Unemployment Rates Are Near Historic Lows



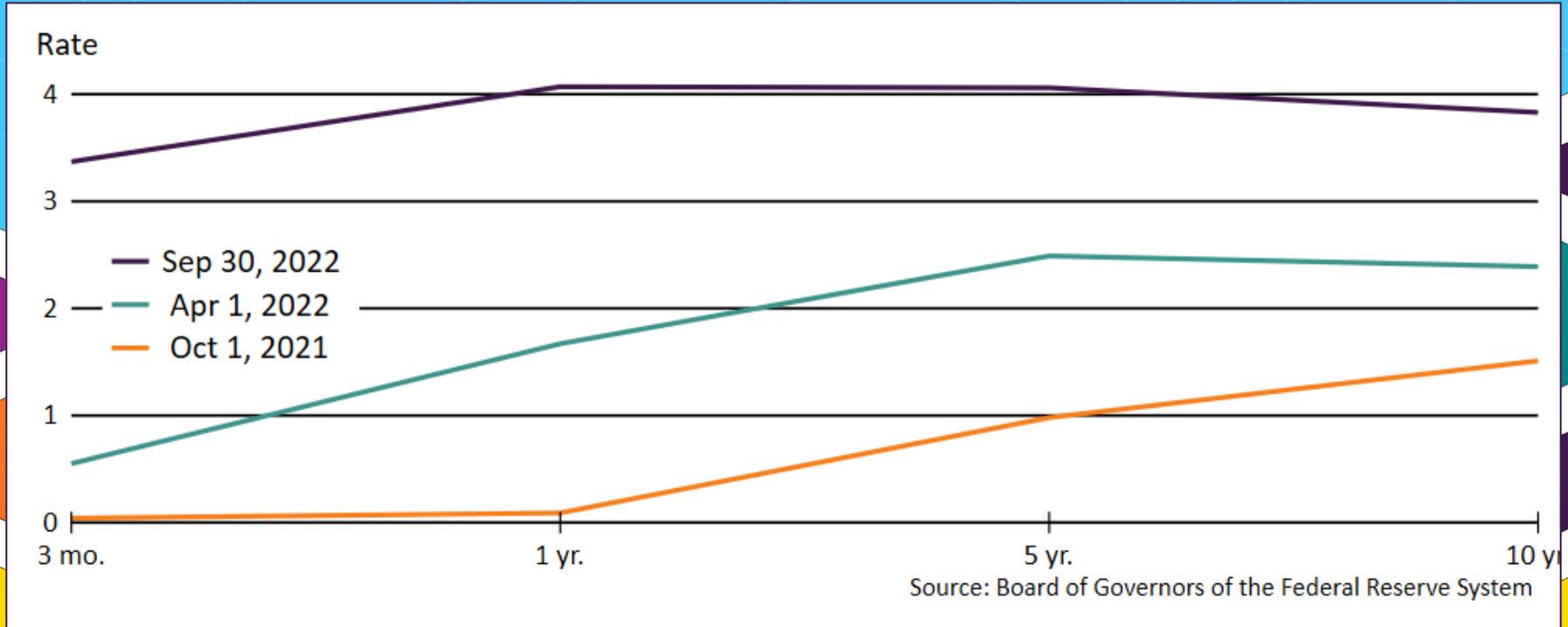
Kansas Employment Forecast

Employment in 1,000s

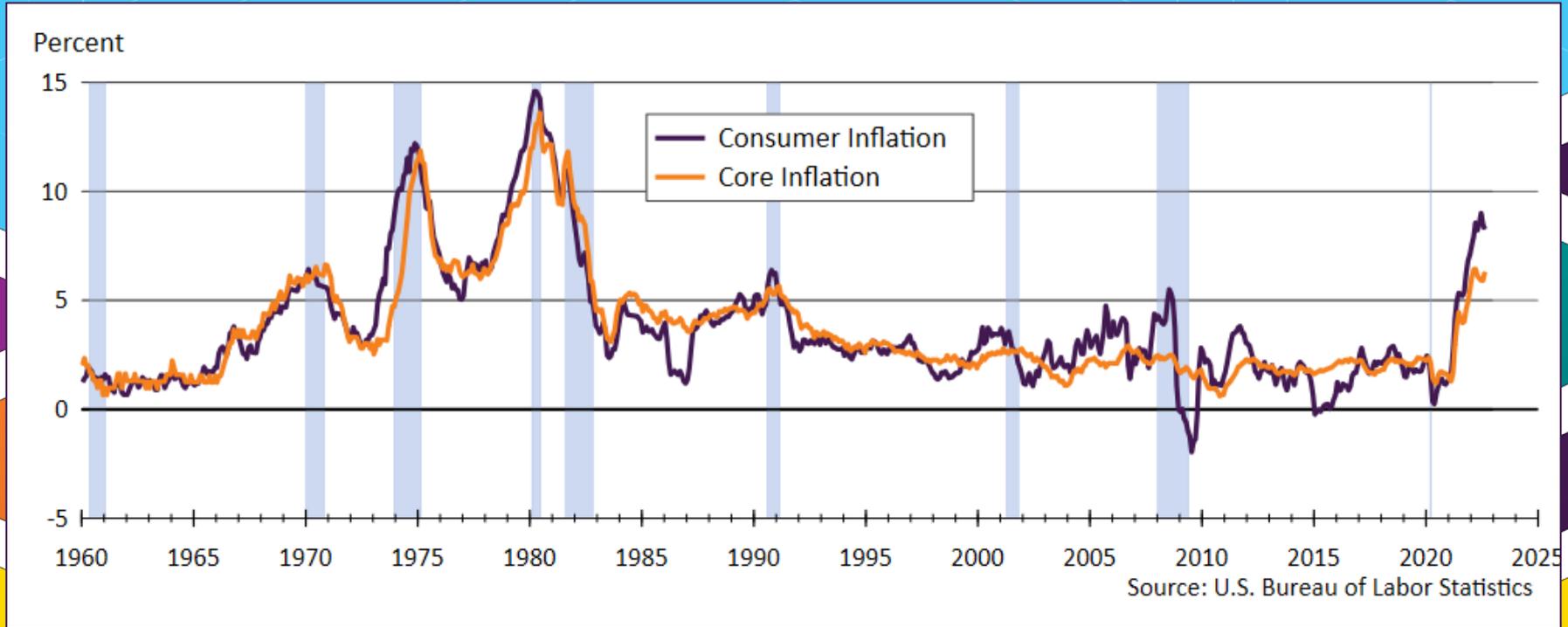


Sources: Kansas Department of Labor and WSU CEDBR

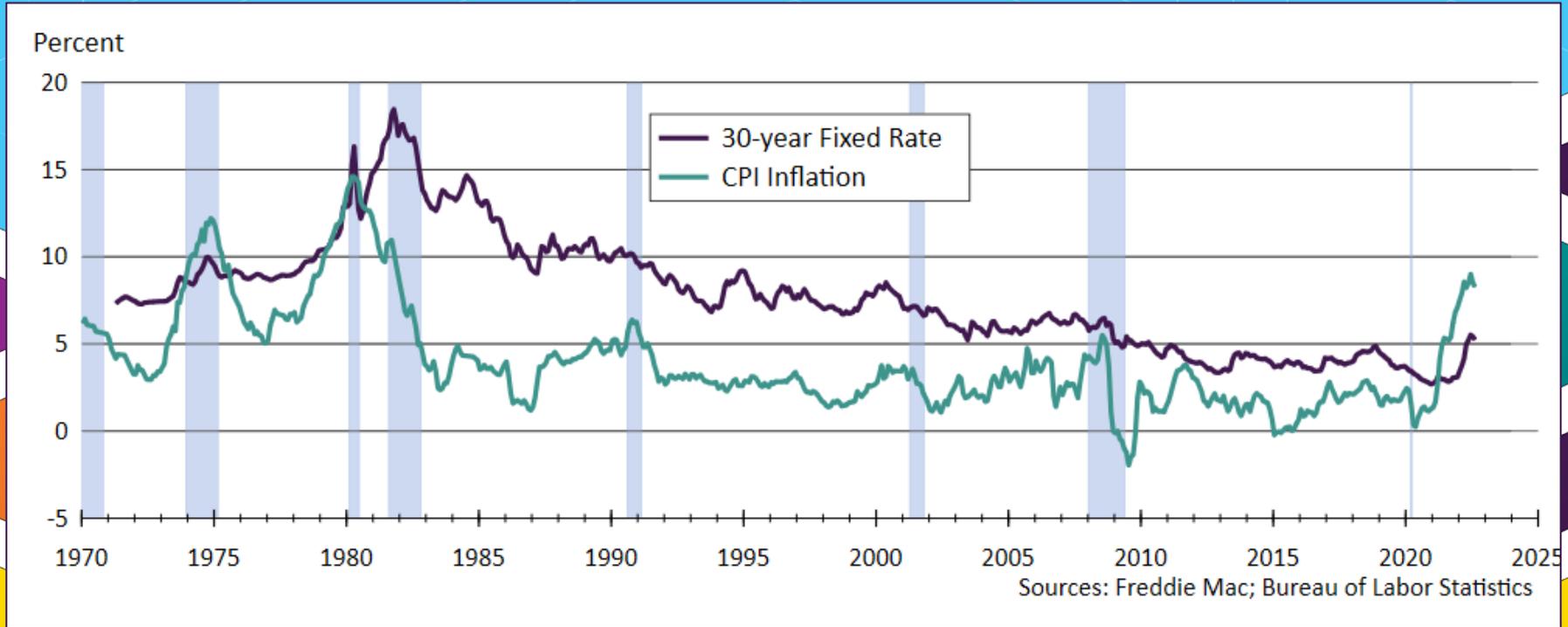
The Yield Curve has Inverted



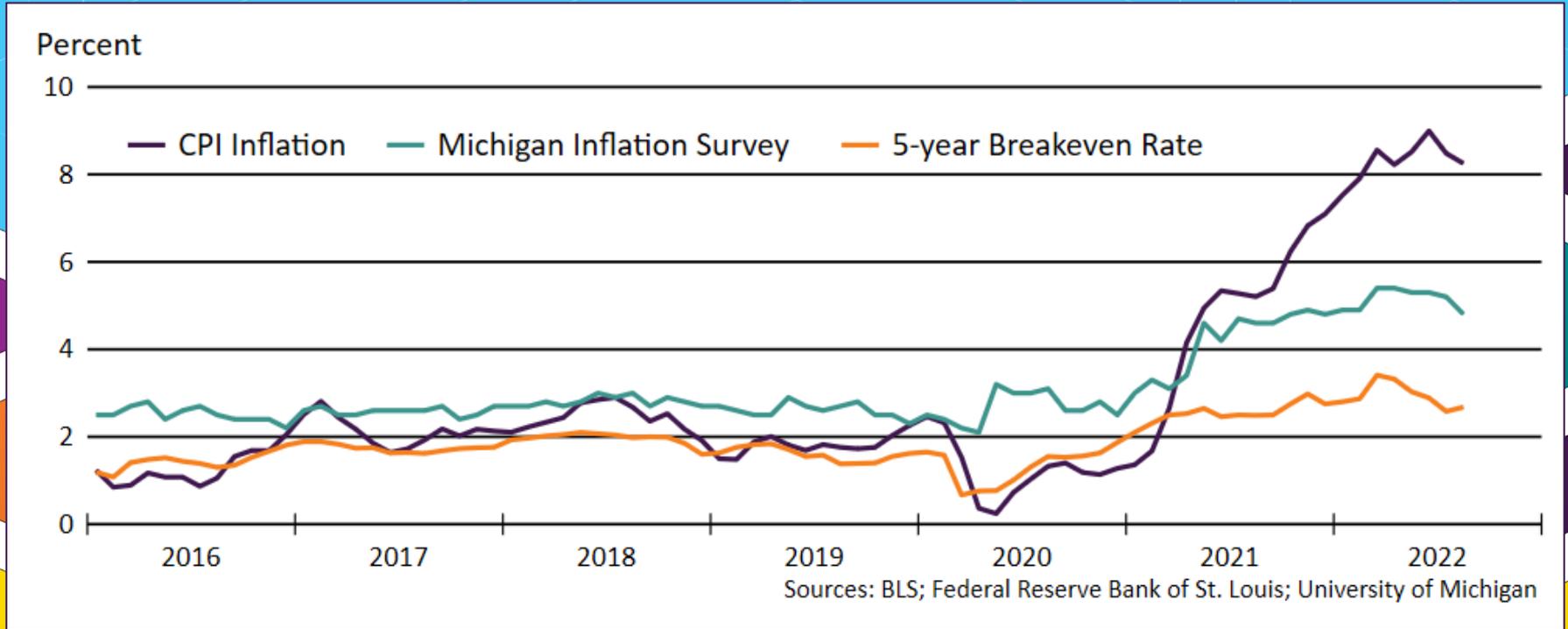
CPI Inflation since 1960



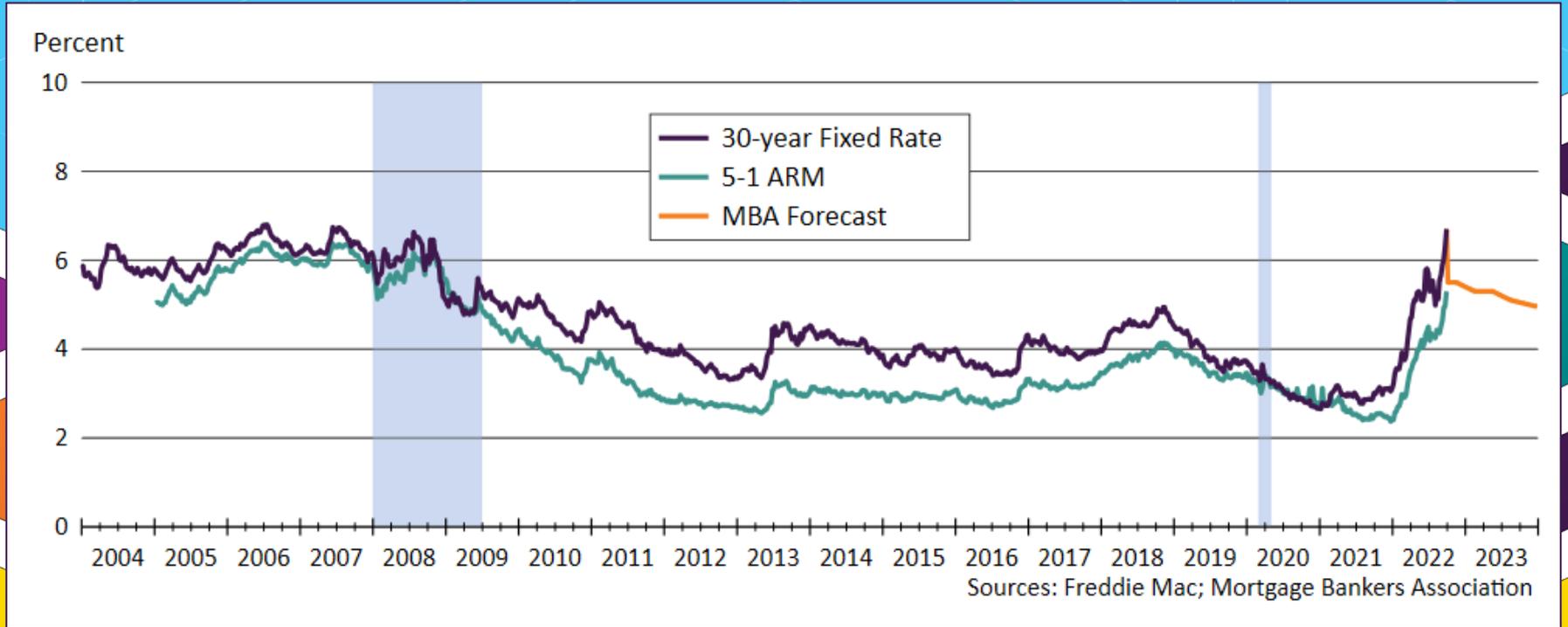
Mortgage Rates and Inflation



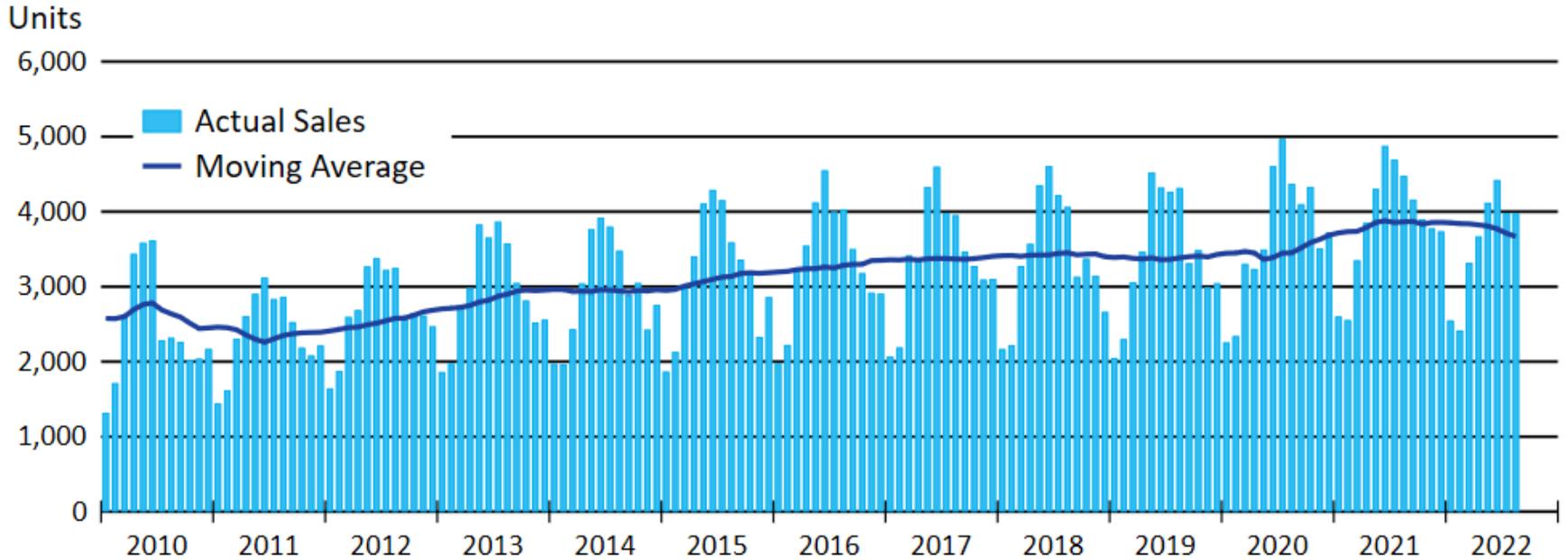
Inflation Expectations



MBA Mortgage Rates Forecast

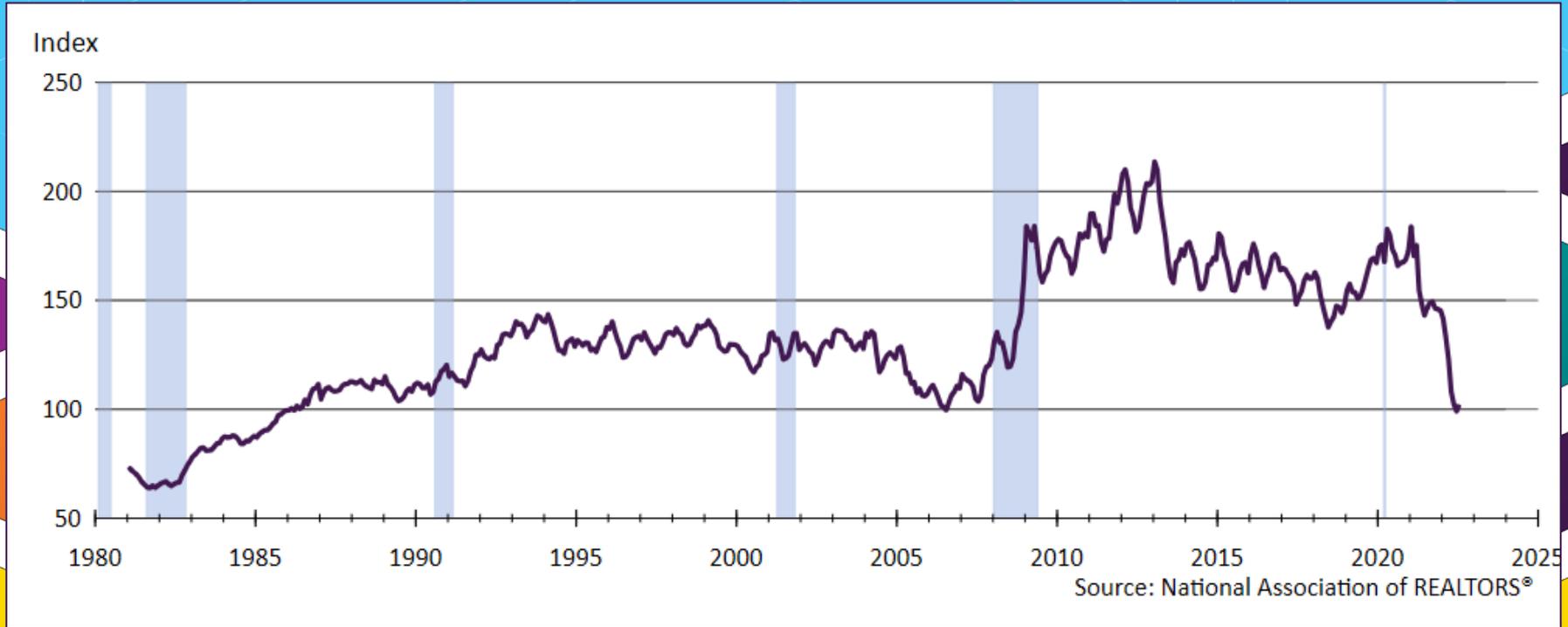


Kansas Home Sales Activity



Source: Participating Kansas REALTOR® MLS Systems

NAR Housing Affordability Index



Kansas Home Sales Forecast

Sales

70,000

60,000

50,000

40,000

30,000

20,000

10,000

0

Actual Forecast

40,854

1.6%

40,786

-0.2%

41,135

0.9%

44,239

7.5%

46,277

4.6%

43,100

-6.9%

44,930

4.2%

2017

2018

2019

2020

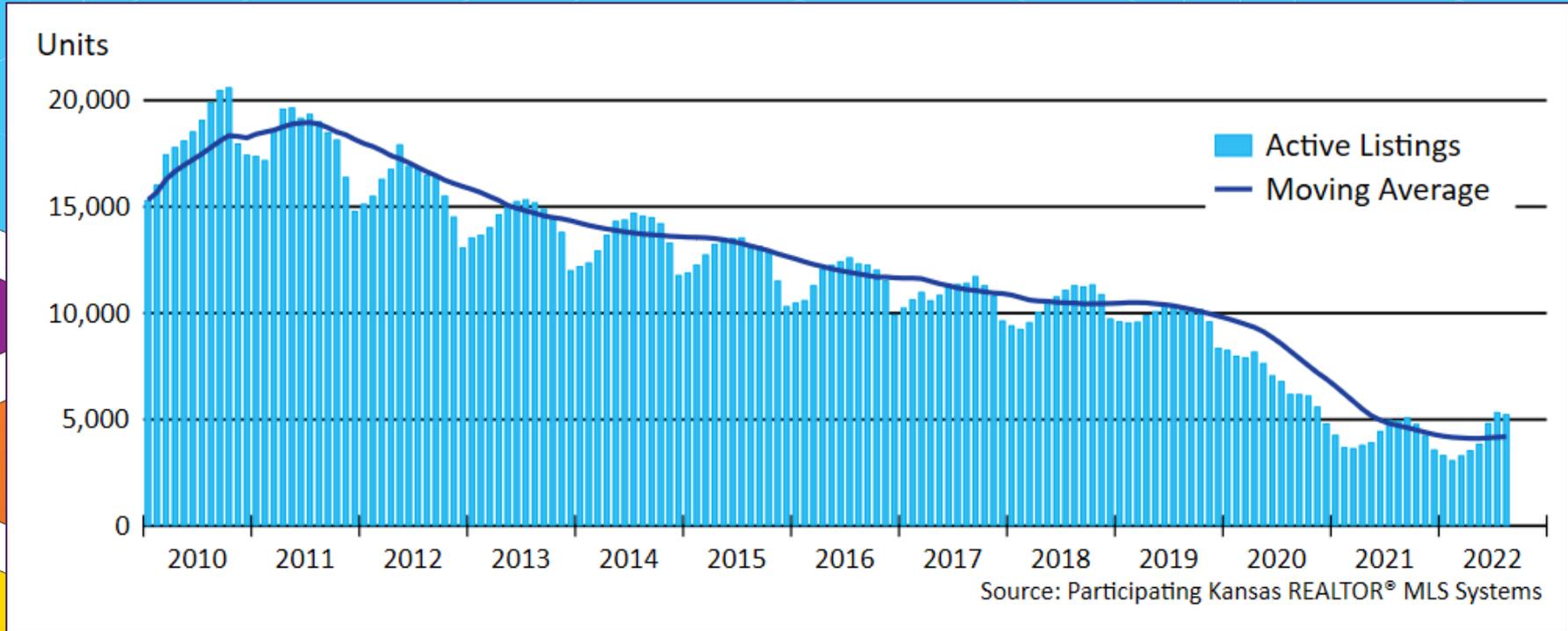
2021

2022

2023

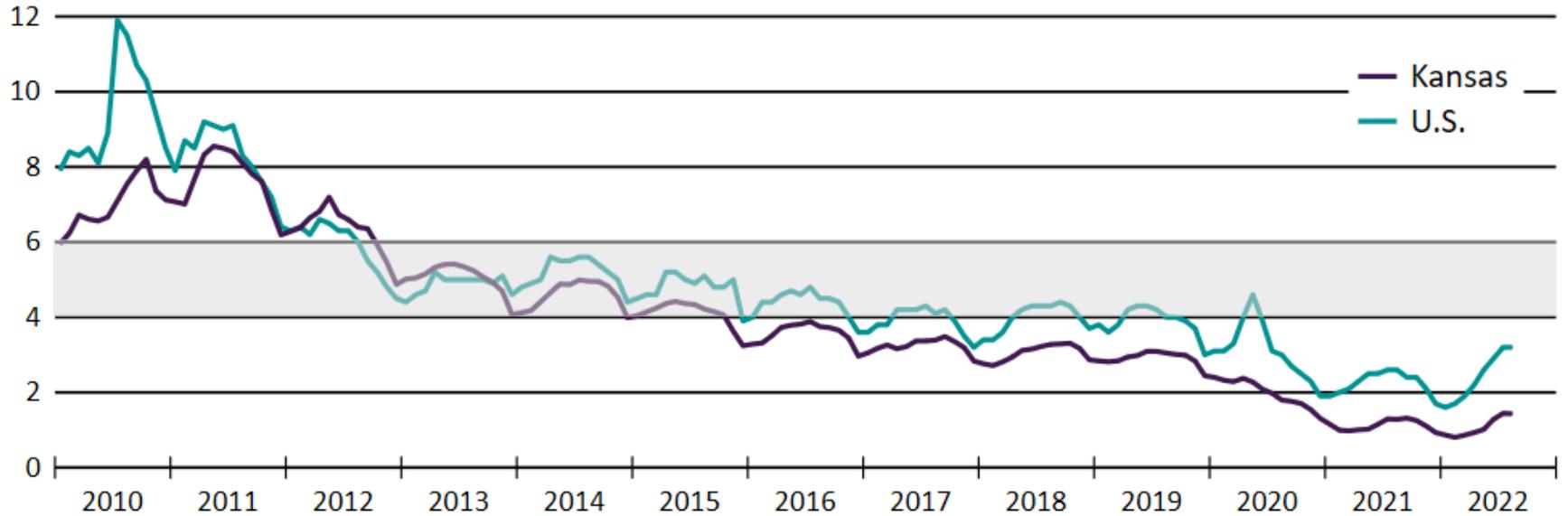
Sources: WSU Center for Real Estate and Participating Kansas REALTOR® MLS Systems

Demand is down, but the Real Problem is a Lack of Supply



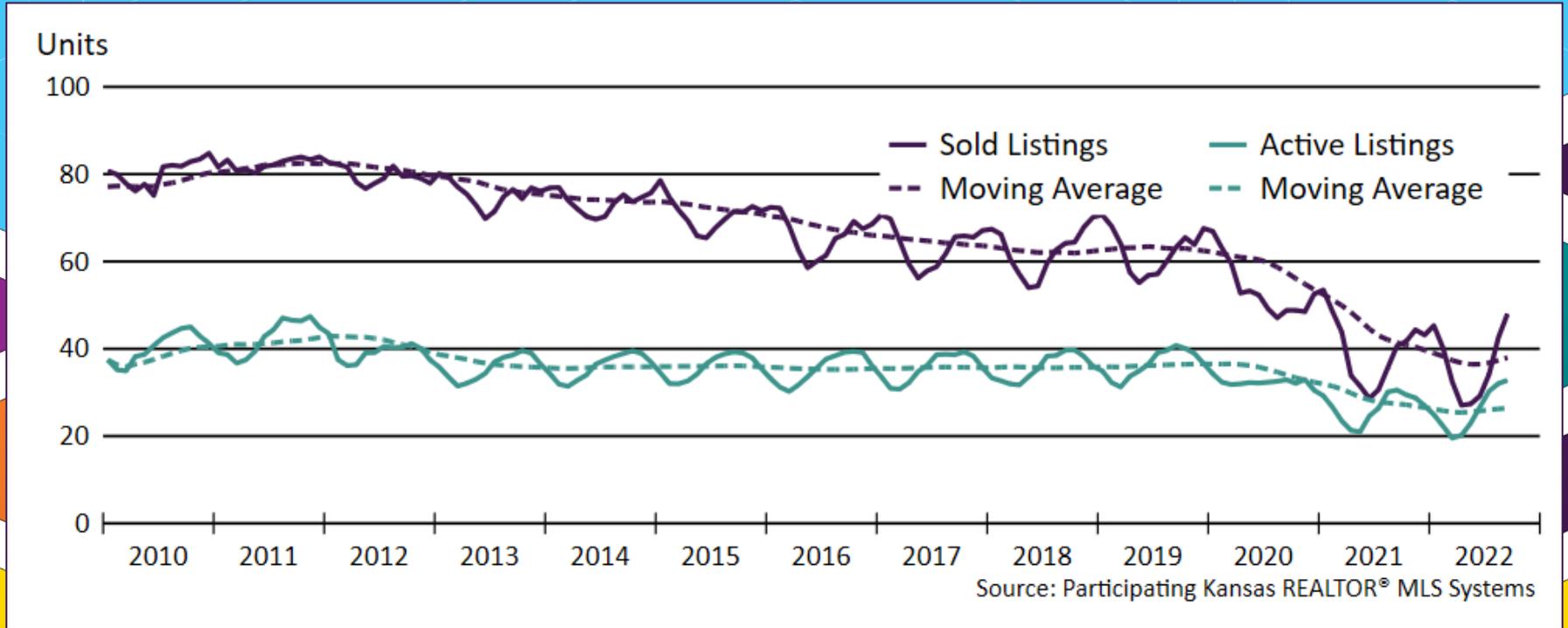
Even as Demand Softens, It Will Remain a Sellers' Market

Months' Supply

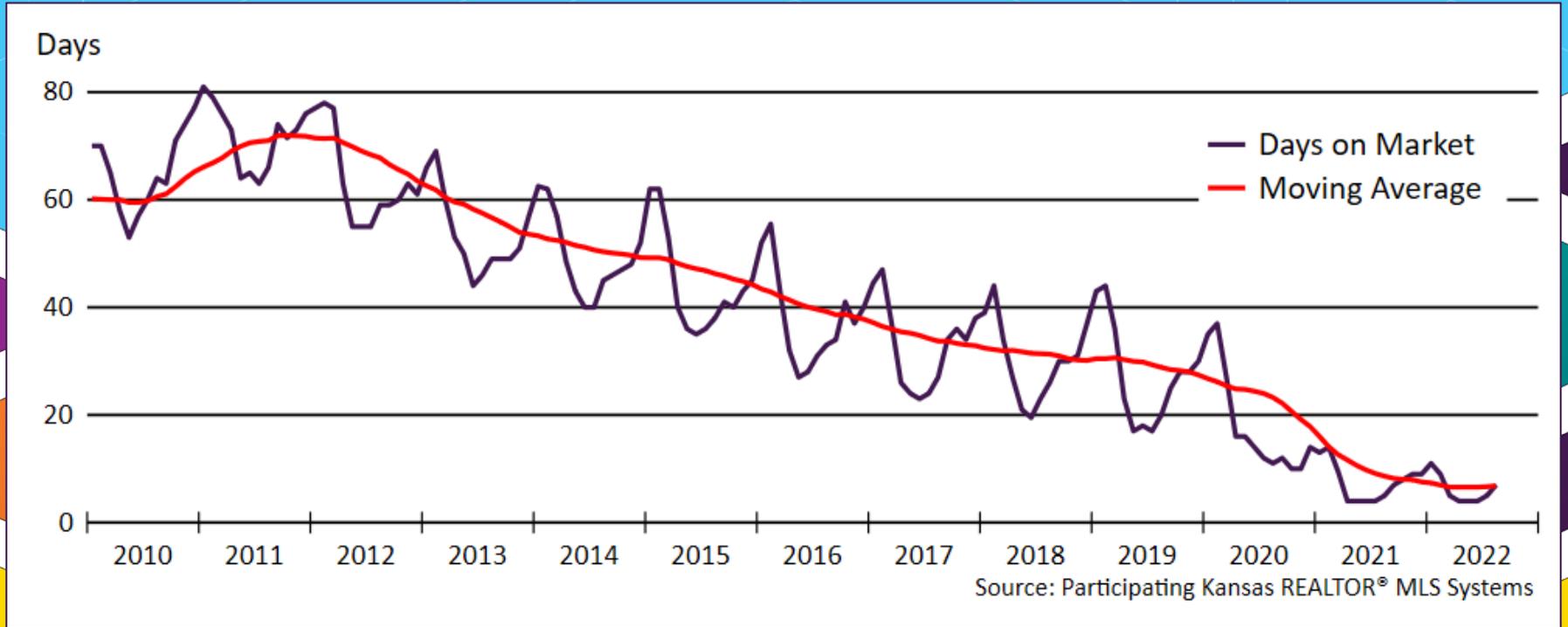


Sources: NAR and Participating Kansas REALTOR® MLS Systems

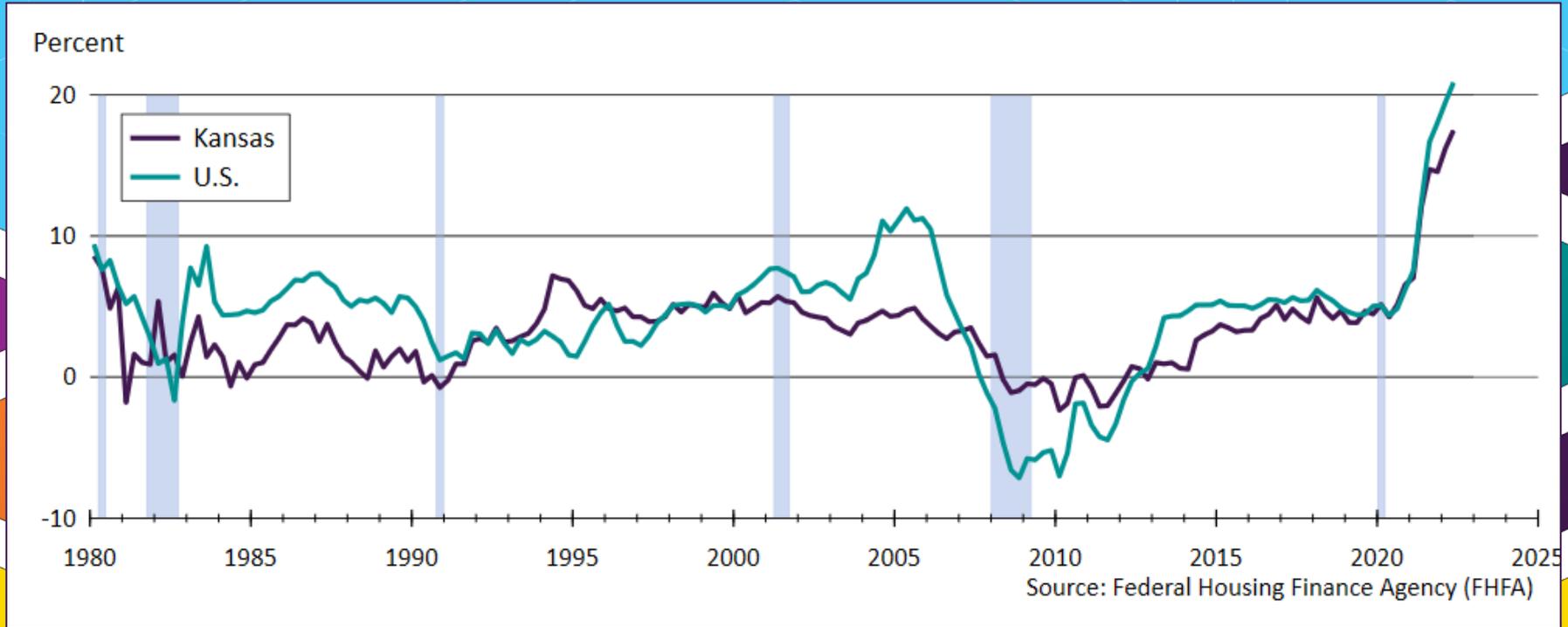
Fraction of Listings Discounted from Original Asking Price



Median Days on Market in Kansas

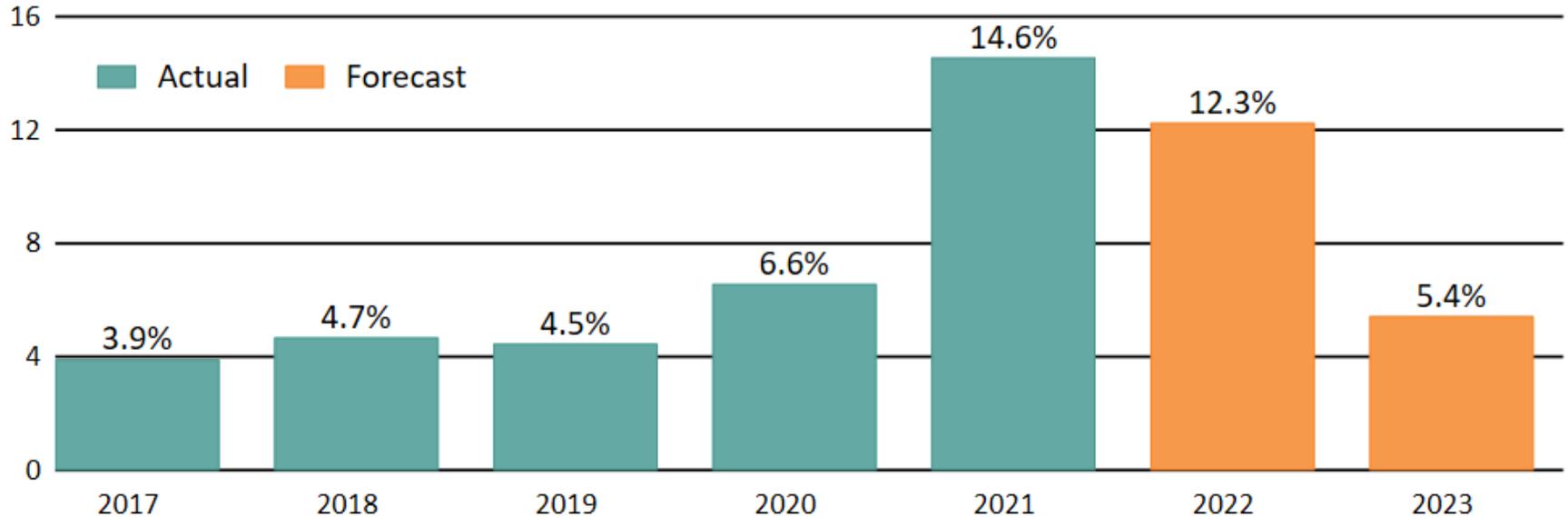


Annual Home Price Appreciation



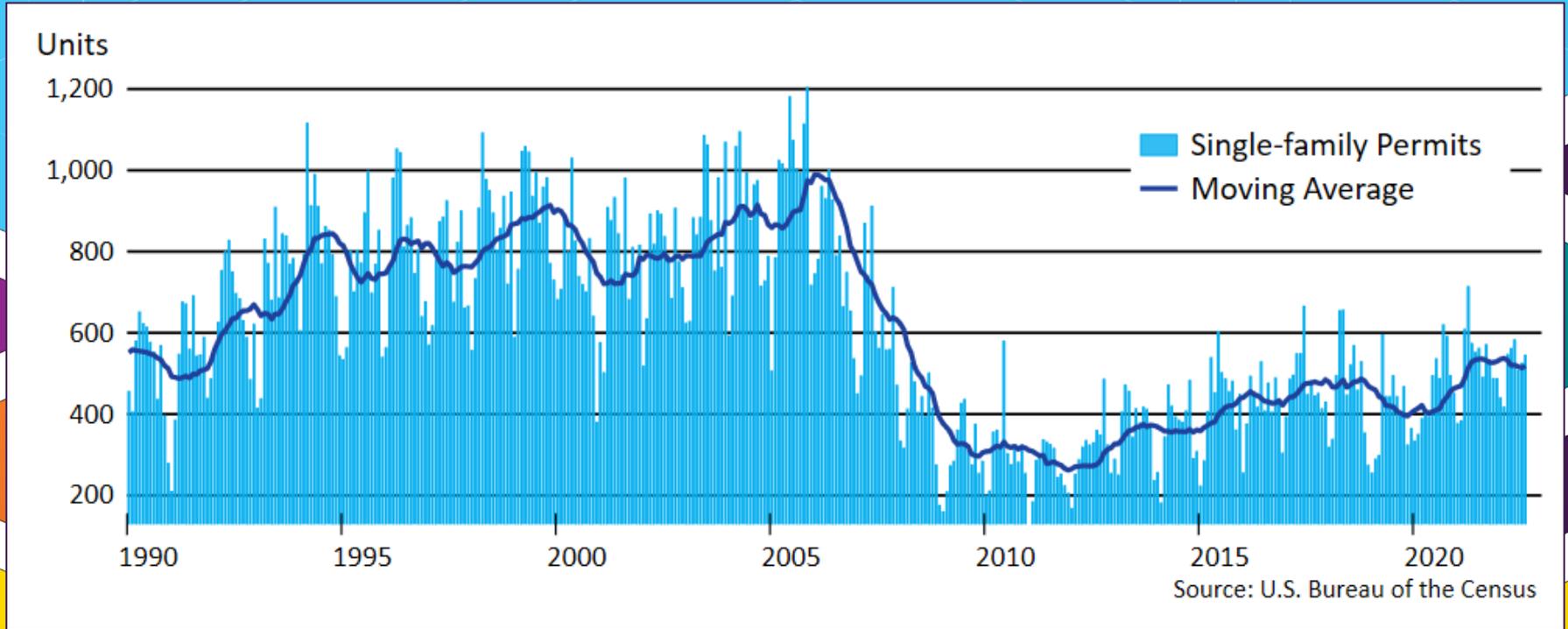
Home Price Appreciation Forecast

Percent



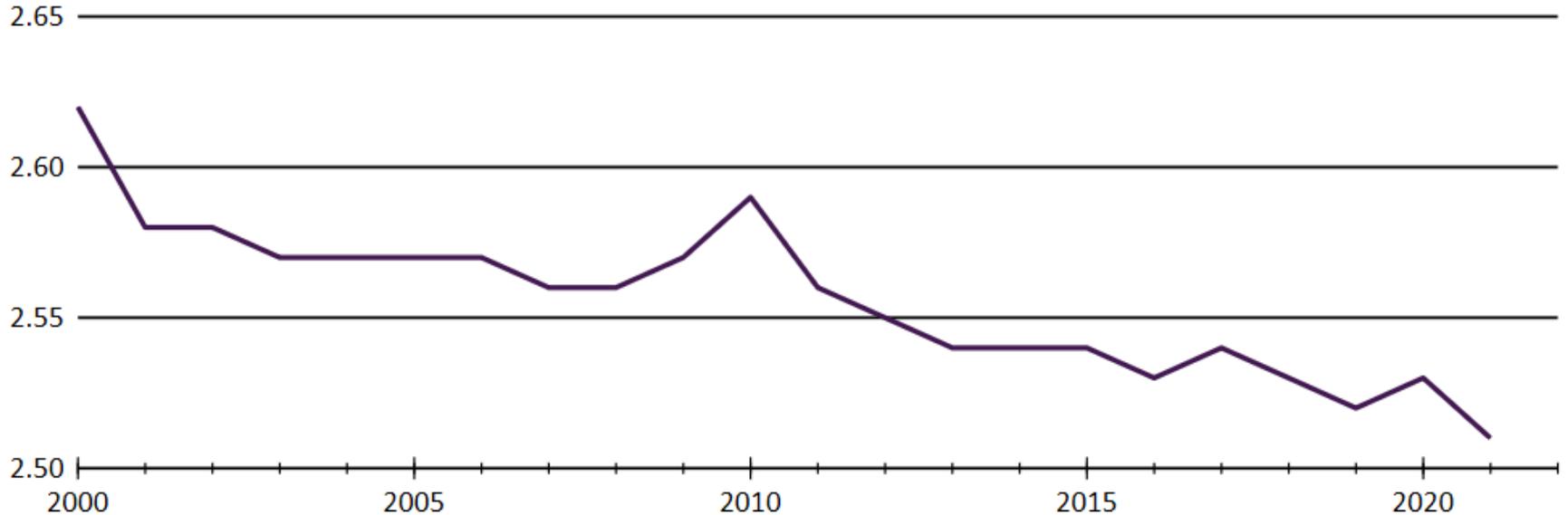
Sources: Federal Housing Finance Agency; WSU Center for Real Estate

Kansas New Home Construction



Households Continue to Get Smaller

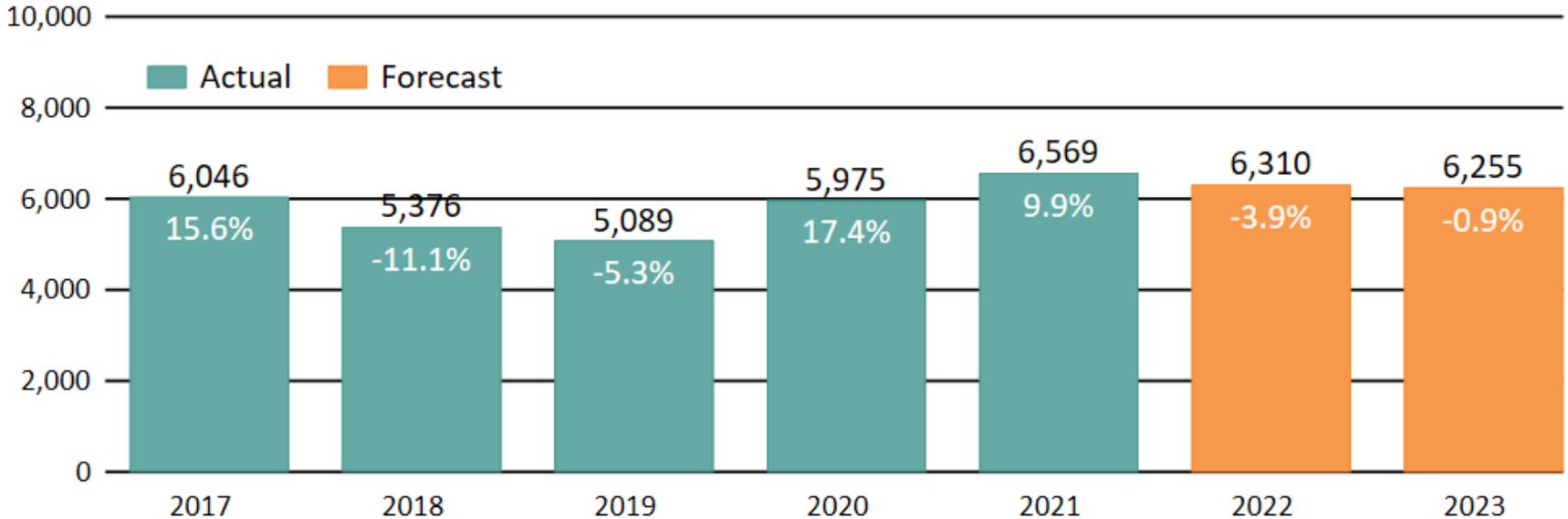
People per Household



Source: U.S. Census Bureau

Kansas New Home Construction Forecast

Single-family Permits



Sources: U.S. Bureau of the Census; WSU Center for Real Estate

2023 Kansas Housing Forecast

| | 2020 <u>Actual</u> | 2021 <u>Actual</u> | 2022 <u>Forecast</u> | 2023 <u>Forecast</u> |
|-------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Total Home Sales | 44,239 units +7.5% | 46,272 units +4.6% | 43,100 units -6.9% | 44,930 units +4.2% |
| SF Building Permits | 5,975 units +17.4% | 6,569 units +9.9% | 6,310 units -3.9% | 6,255 units -0.9% |
| Home Price Appreciation | +6.6% | +14.6% | +12.3% | +5.4% |

2023 Major Markets Forecast

| | <u>KC</u> | <u>Lawrence</u> | <u>Manhattan</u> | <u>Topeka</u> | <u>Wichita</u> |
|-------------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| Total Home Sales | 44,290 units +5.6% | 1,480 units +0.7% | 1,980 units -2.5% | 3,390 units -0.6% | 11,640 units +0.7% |
| SF Building Permits | 6,185 units -1.7% | 265 units -3.6% | 285 units +3.6% | 425 units -2.3% | 1,570 units +2.6% |
| Home Price Appreciation | +6.5% | +4.8% | +4.2% | +3.3% | +4.7% |

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