

2023 Kansas City Housing Outlook

Compass Realty Group
January 10, 2023

Dr. Stanley D. Longhofer
WSU Center for Real Estate

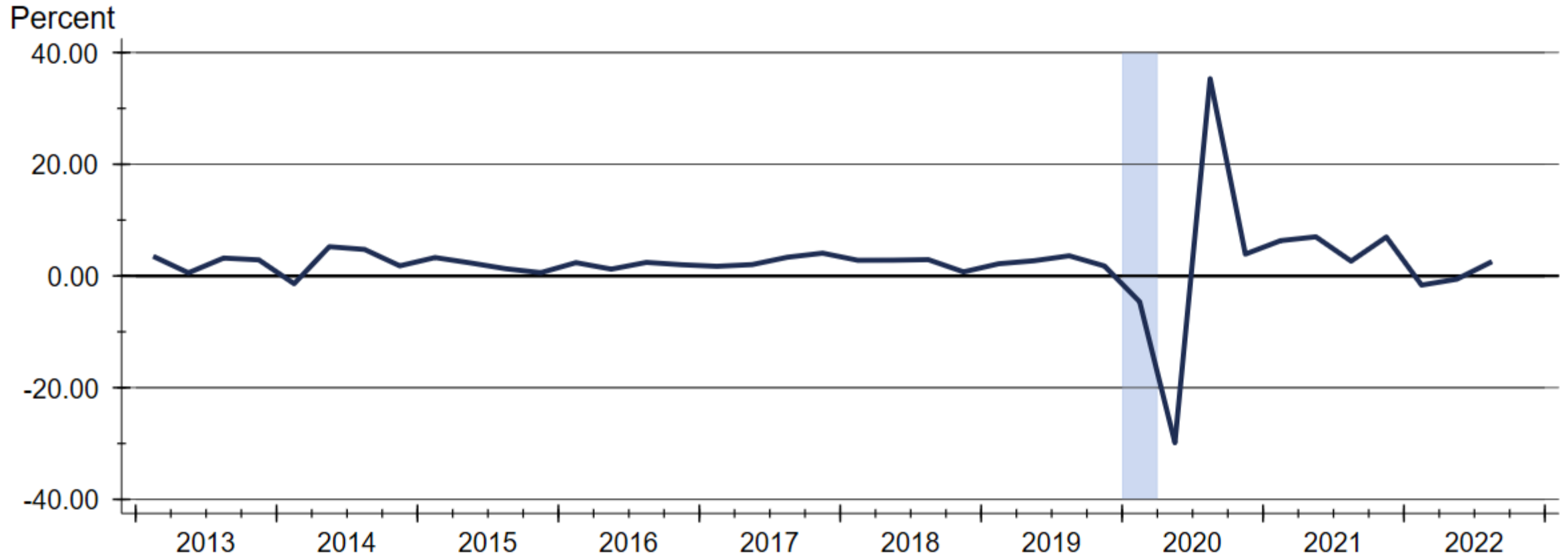


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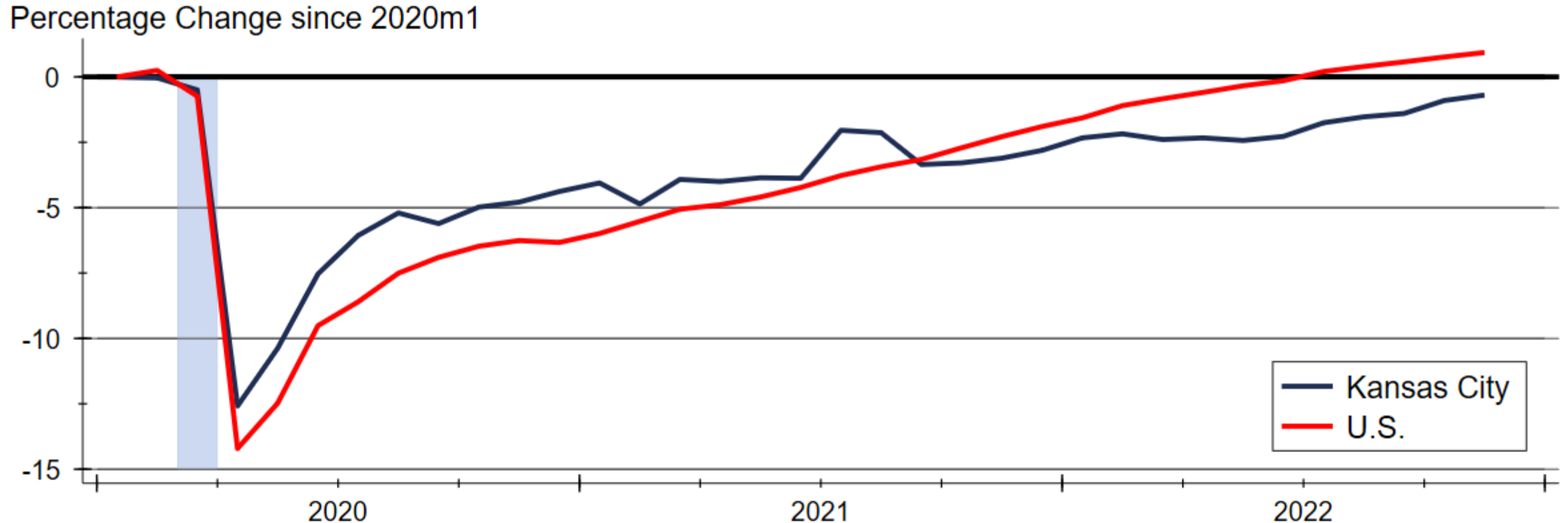
Quarterly Gross Domestic Product Growth

Are We in a Recession?



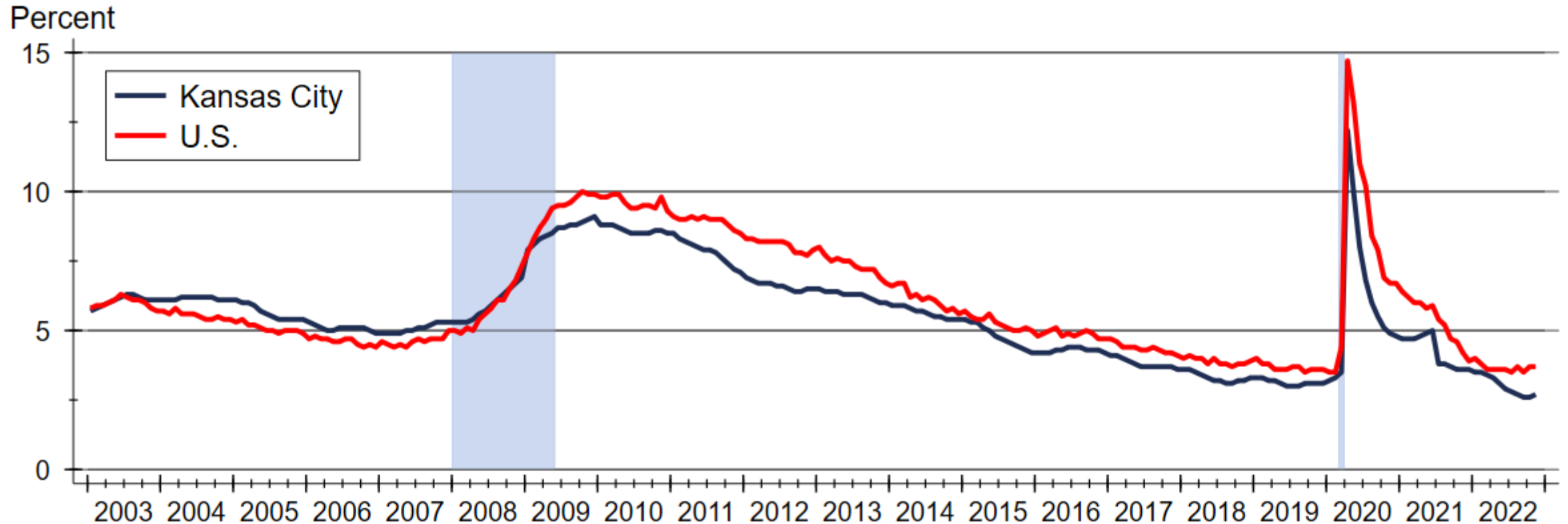
Source: Bureau of Economic Analysis

Change in Employment since January 2020



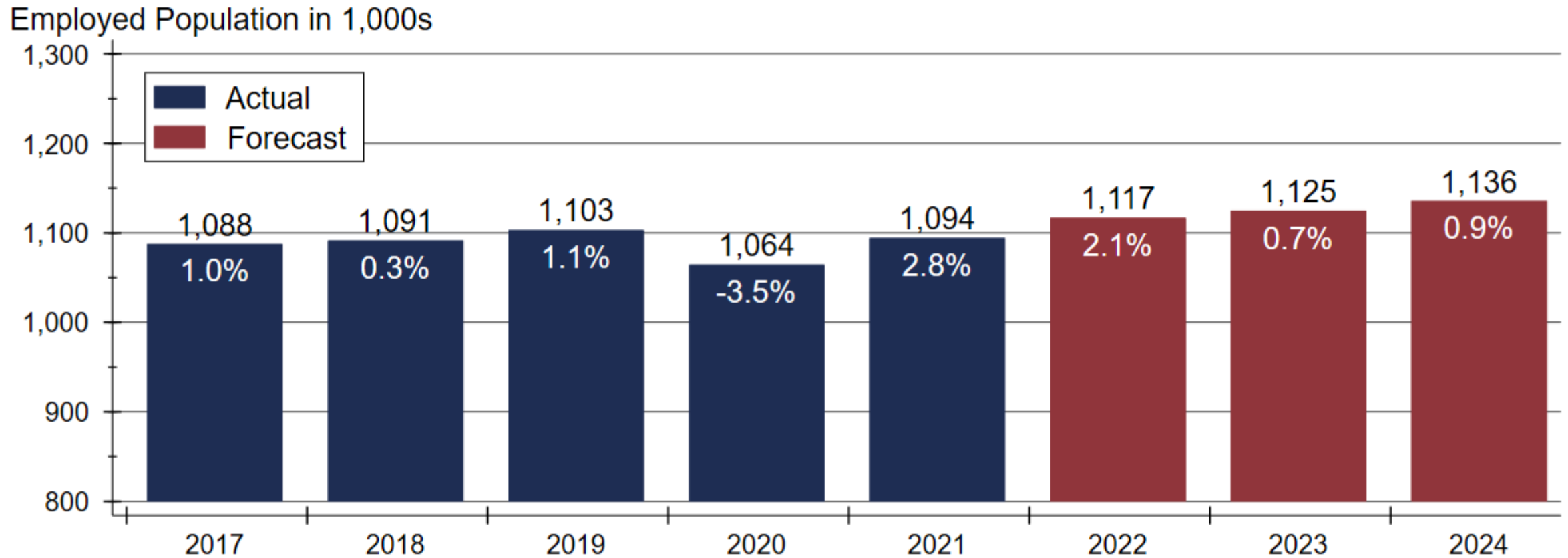
Source: U.S. Bureau of Labor Statistics
Index created from seasonally adjusted data

Unemployment is near Historic Lows



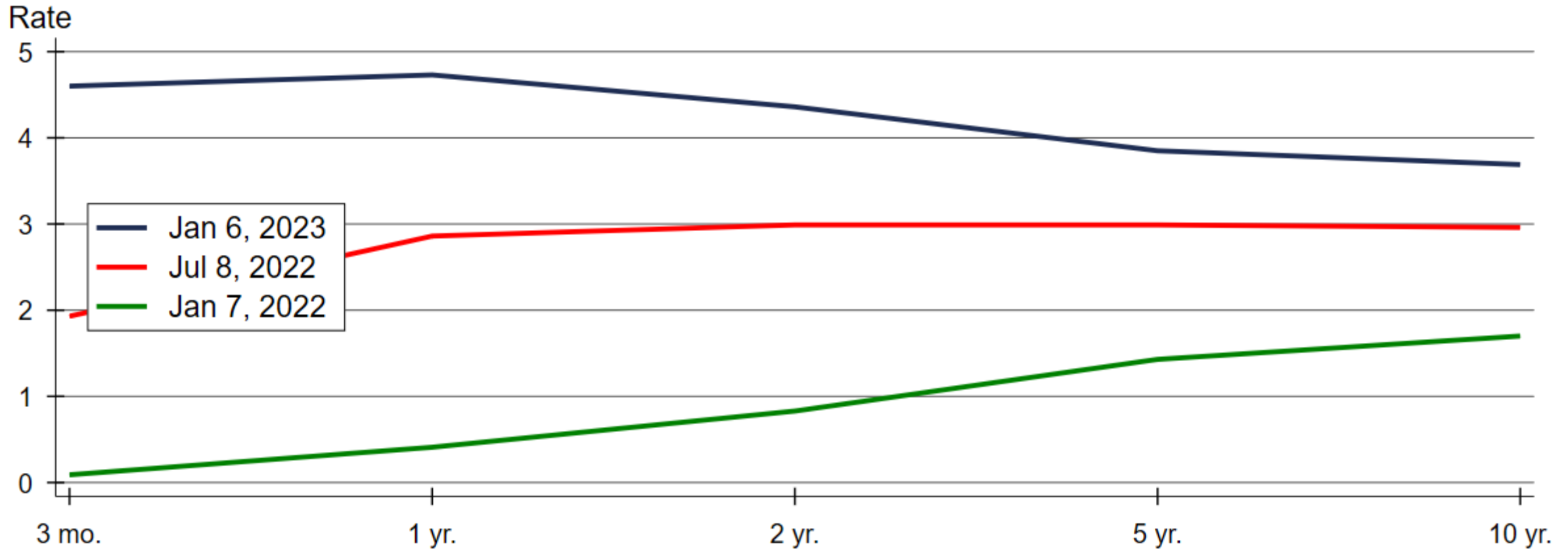
Source: U.S. Bureau of Labor Statistics
Data are seasonally adjusted

Kansas City Employment Forecast



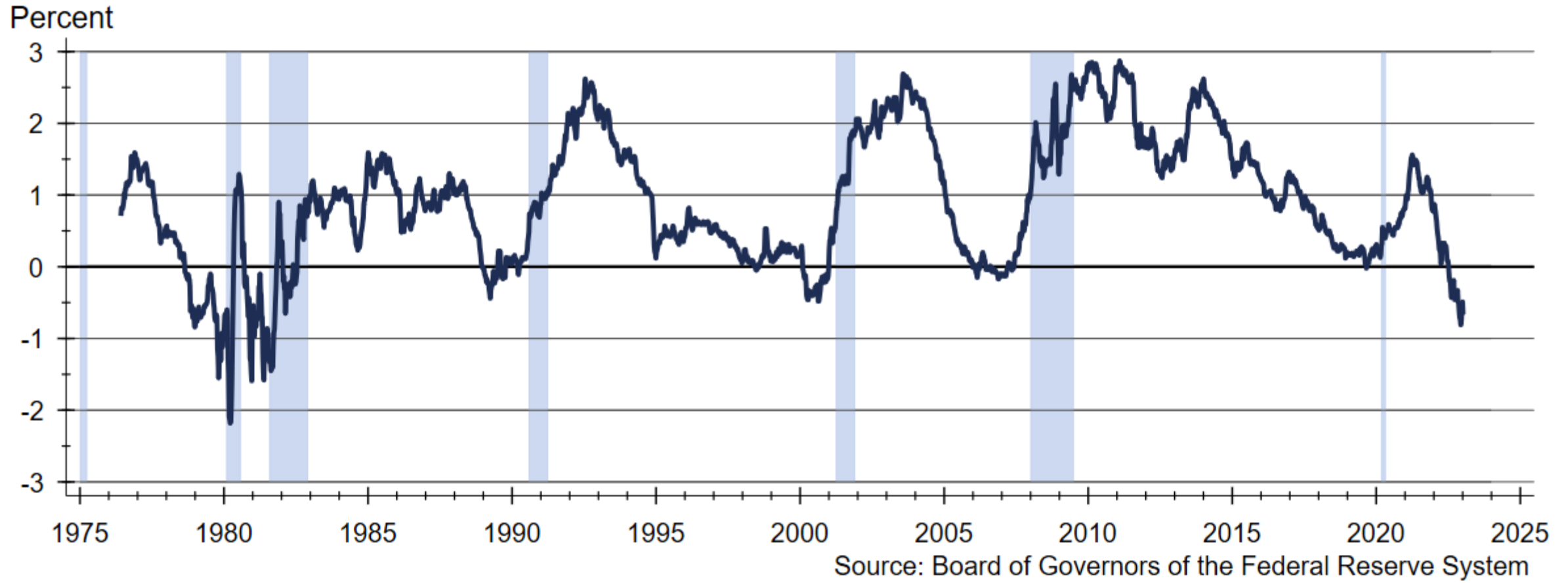
Sources: Bureau of Labor Statistics LAUS and WSU CEDBR

The Yield Curve has Inverted

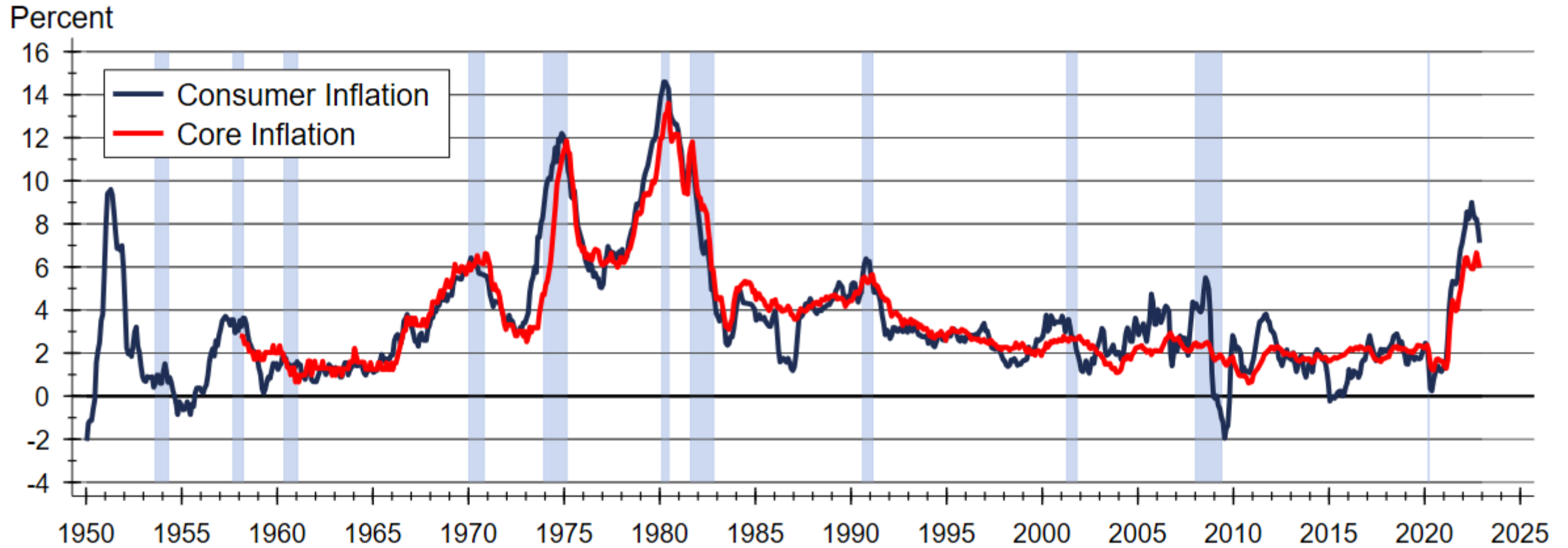


Source: Board of Governors of the Federal Reserve System

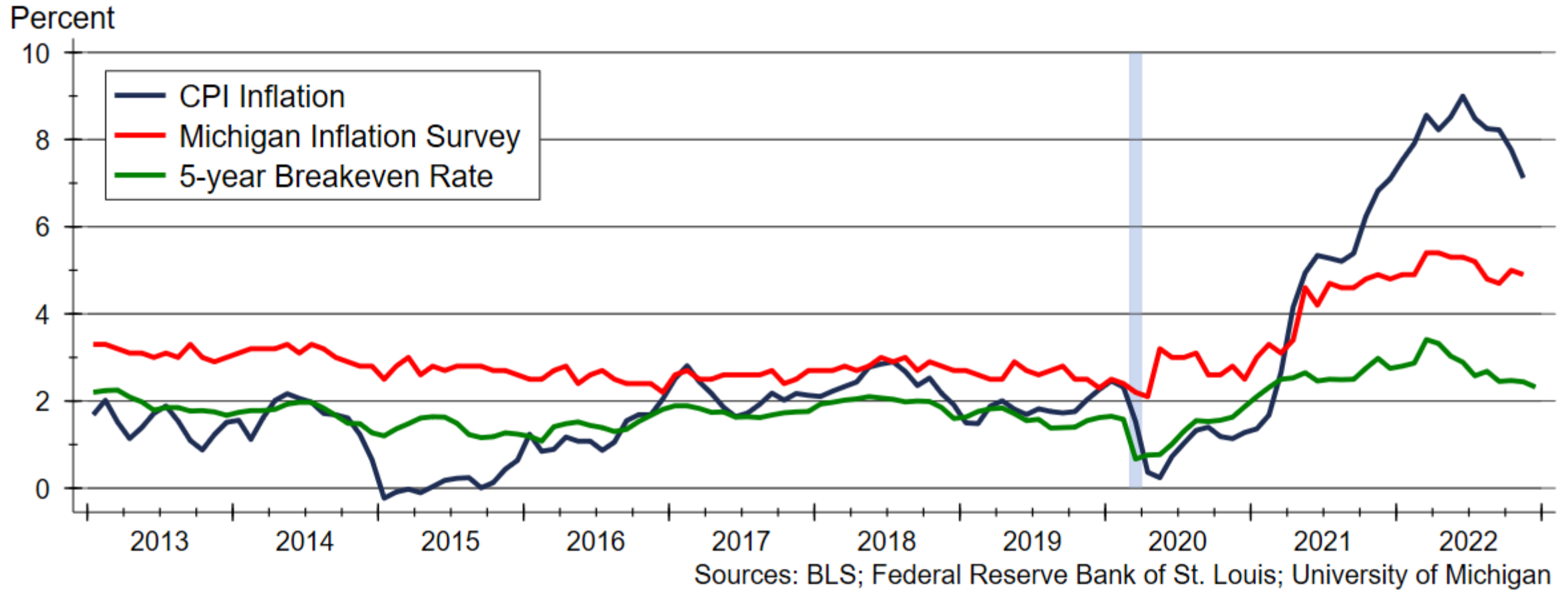
Inverted Yield Curves and Recessions



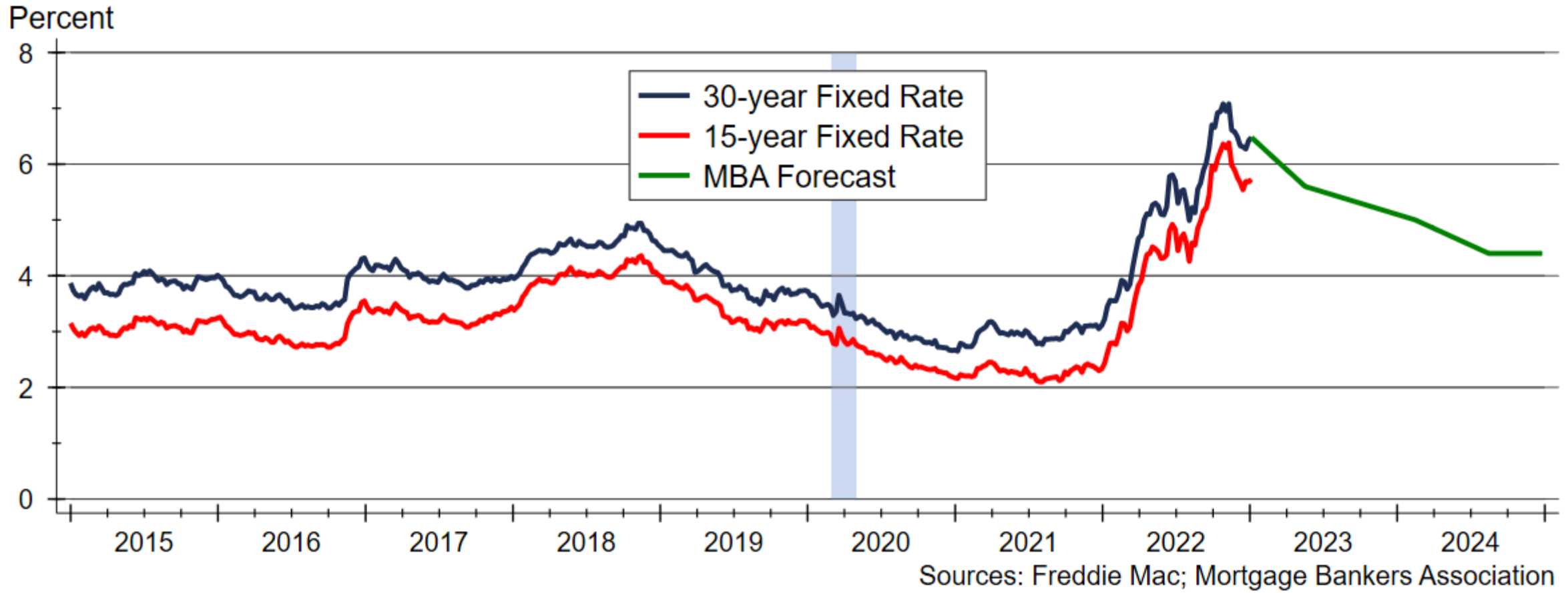
CPI Inflation since 1950



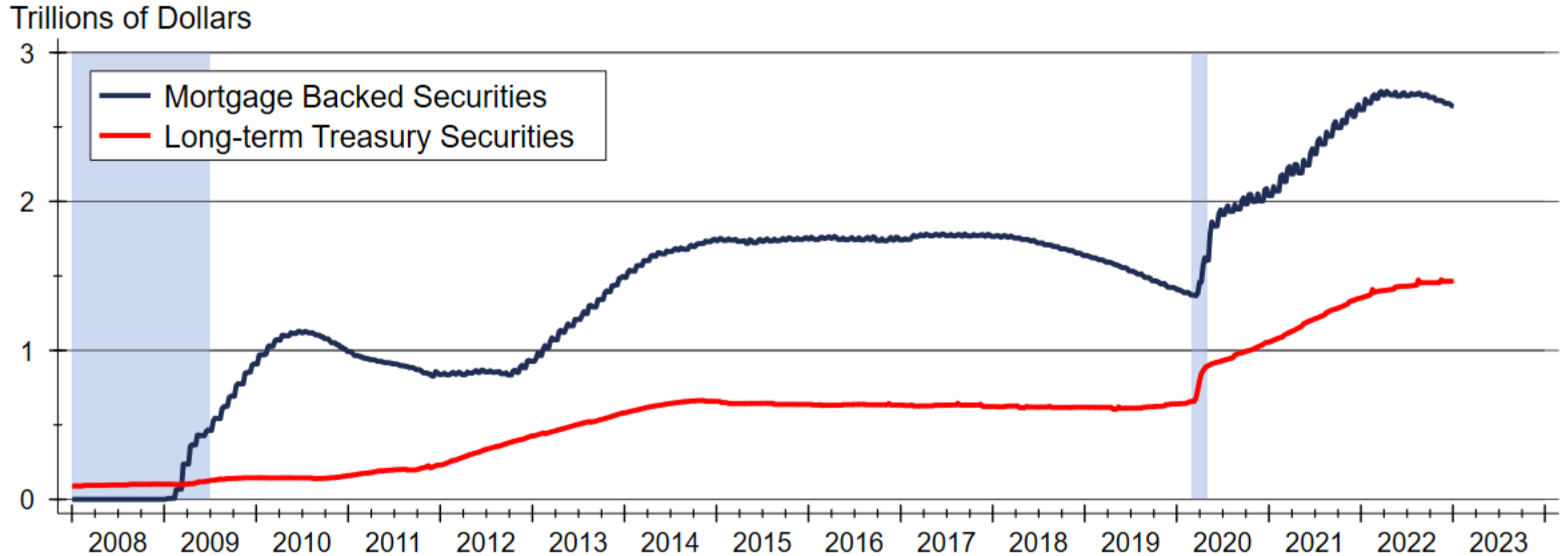
Inflation Expectations



MBA Forecasts that Mortgage Rates will Fall

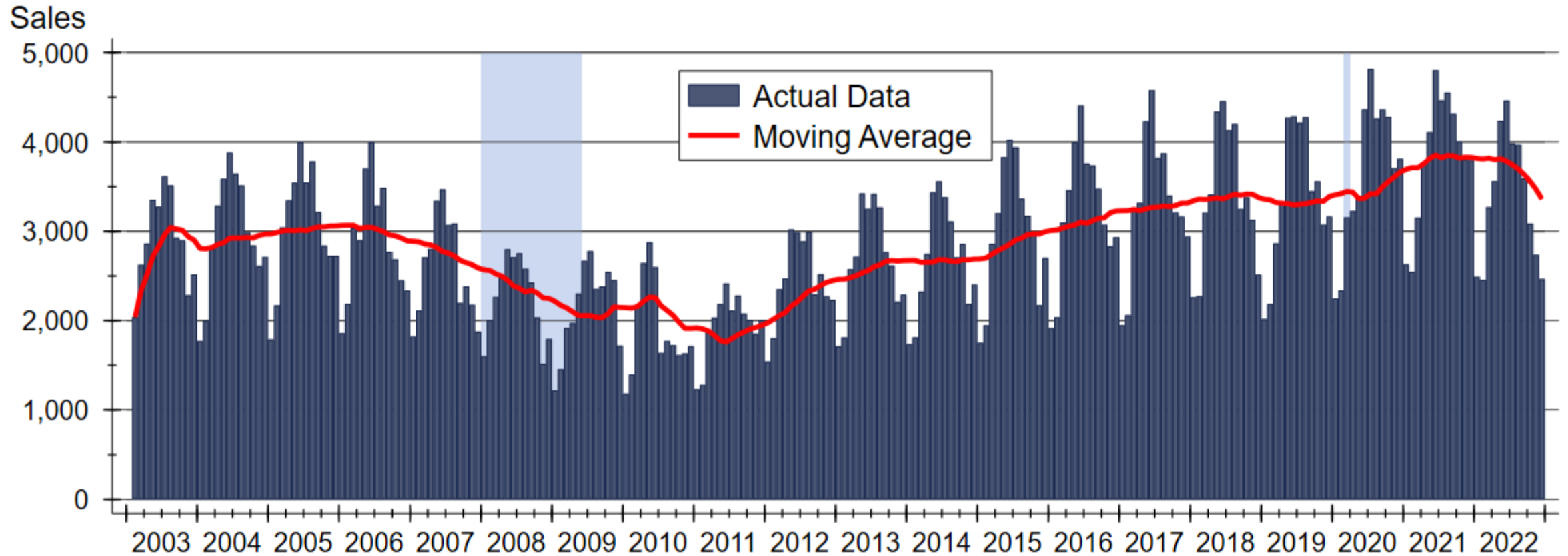


Federal Reserve Quantitative Tightening?



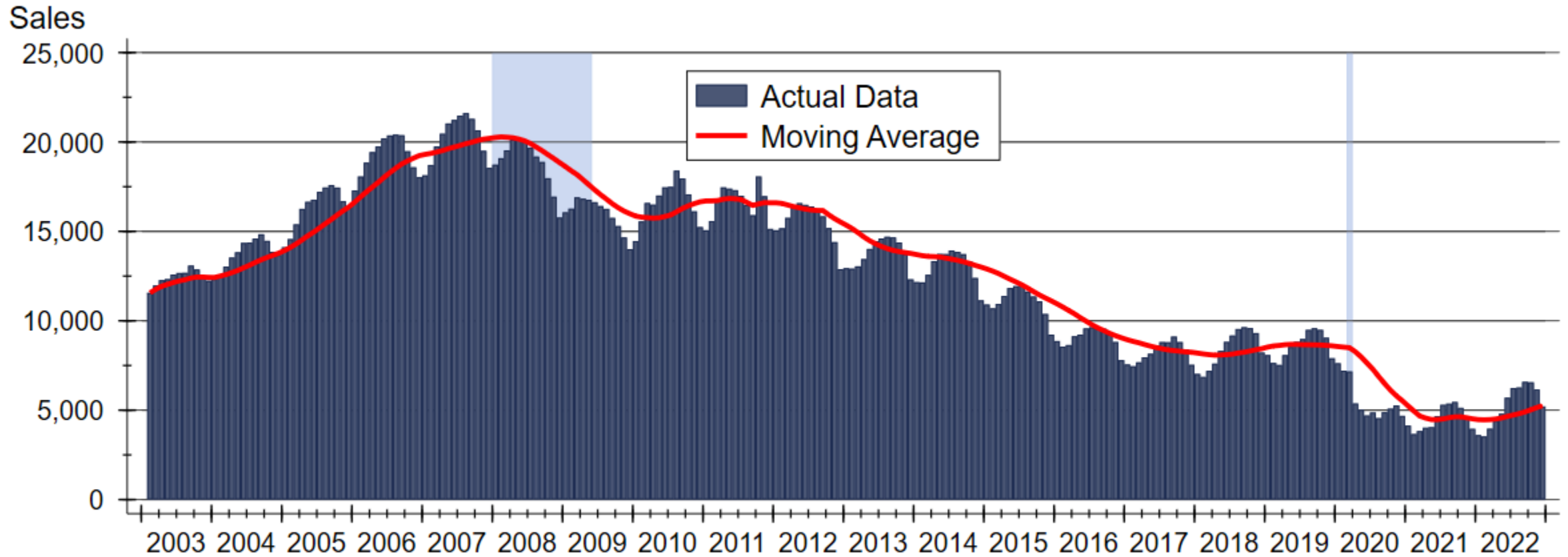
Source: Federal Reserve Board of Governors

Kansas City Home Sales Activity

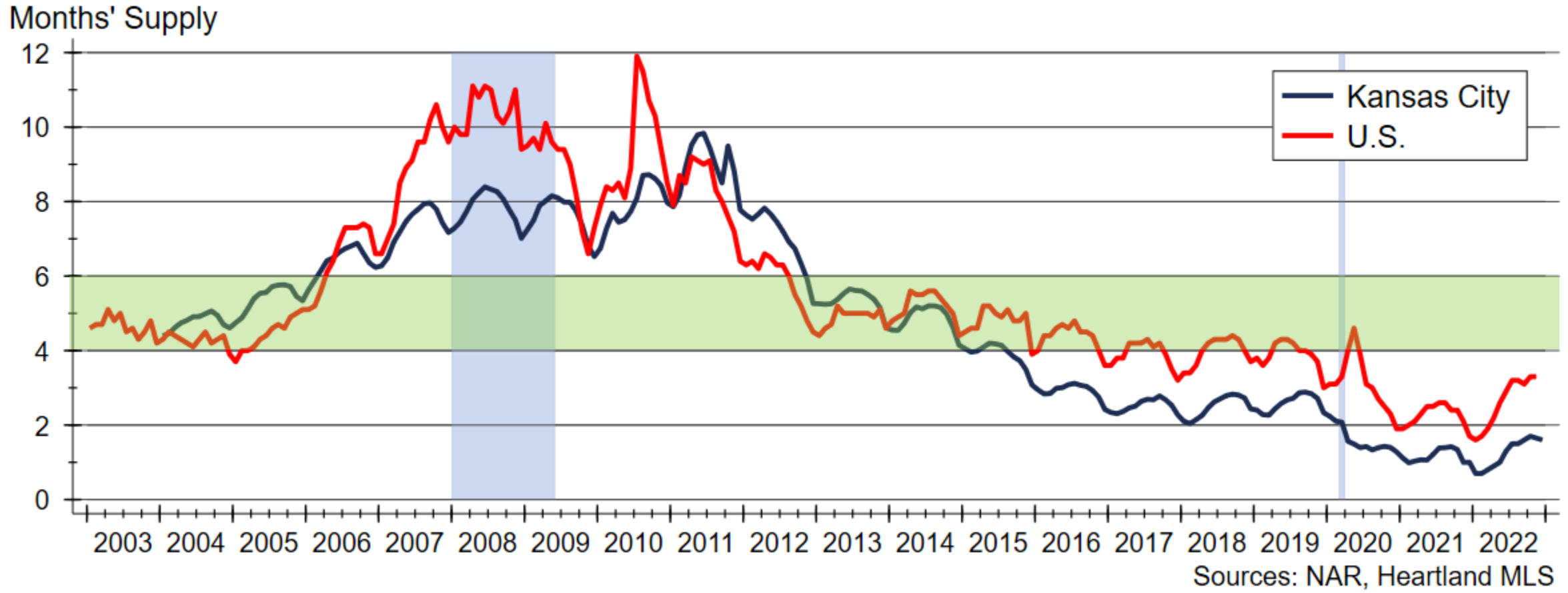


Source: Heartland MLS

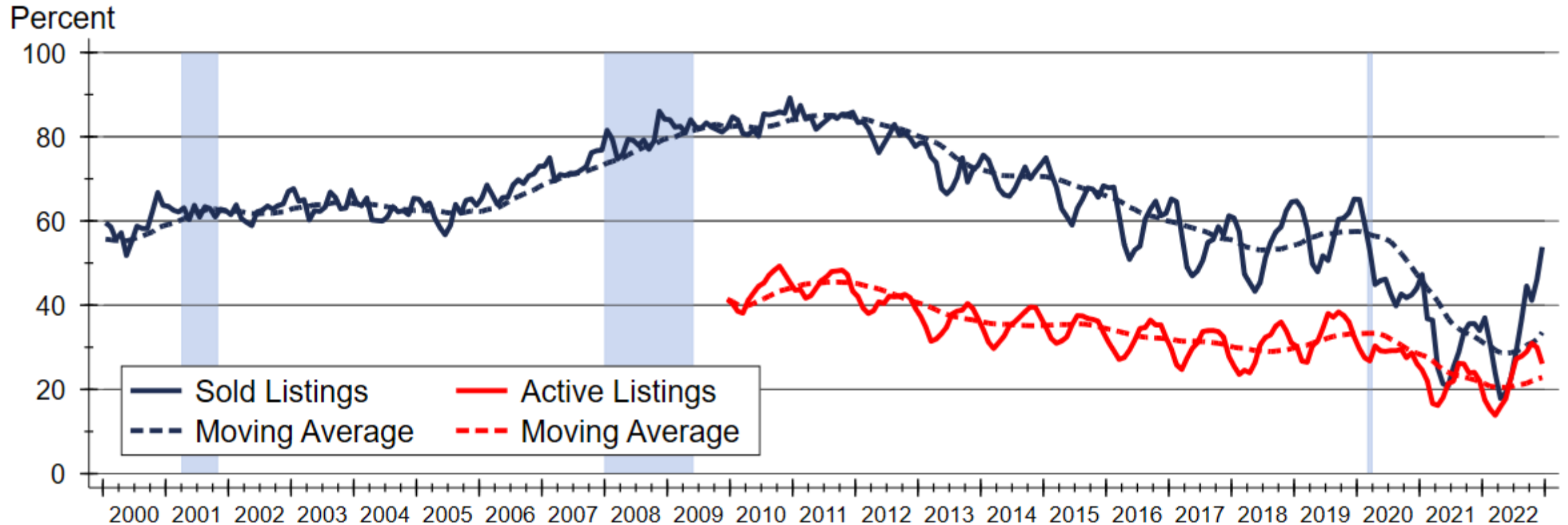
Homes Available for Sale in



Months' Supply of Homes for Sale



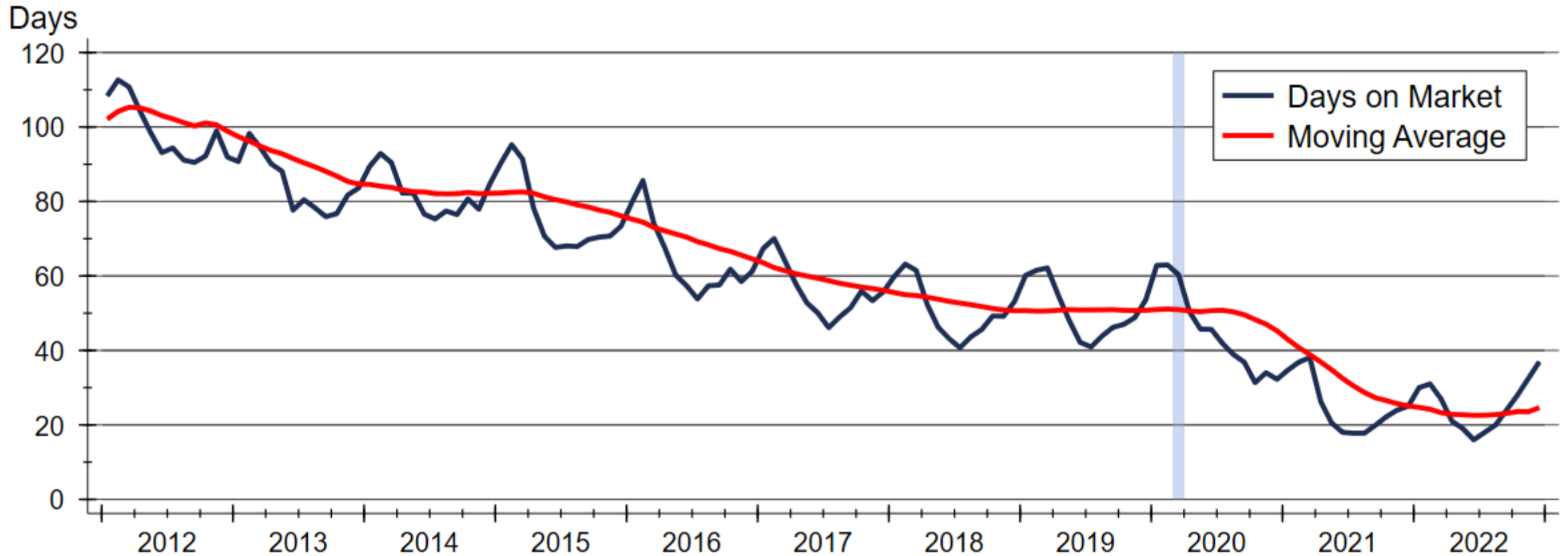
Fraction of Kansas-side Listings Discounted from Original Asking Price



Source: CRE using data from Heartland MLS

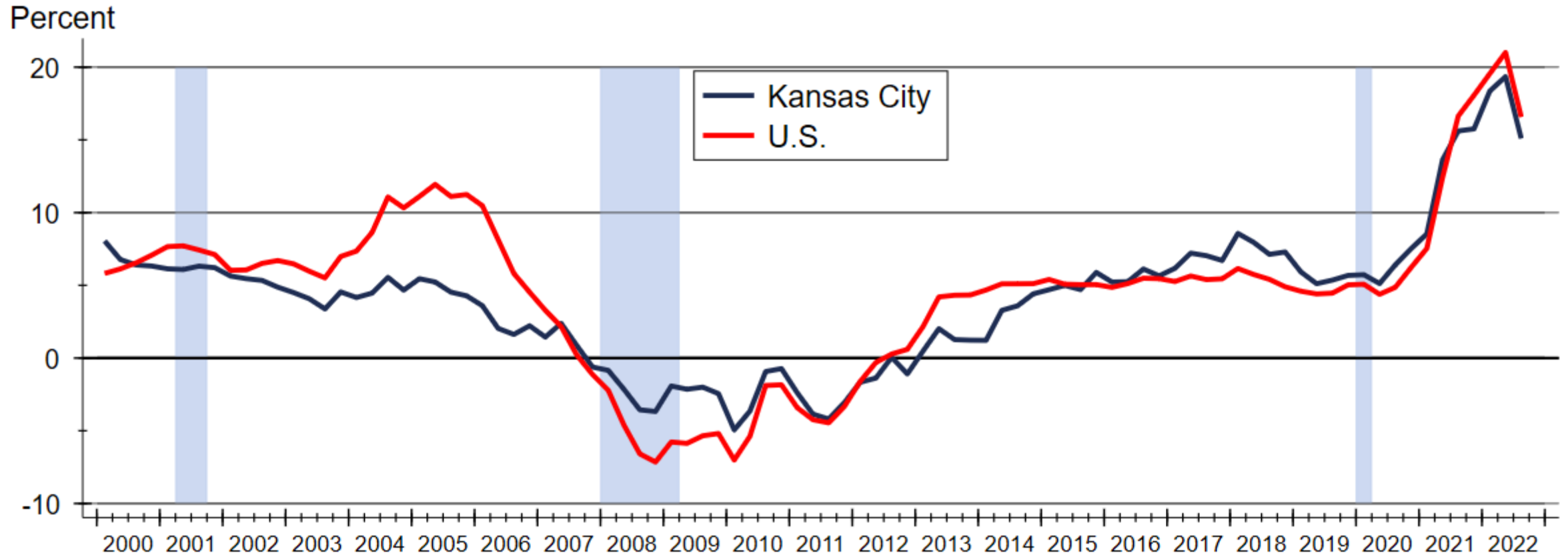
Note: Kansas side only

Kansas City Average Days on Market



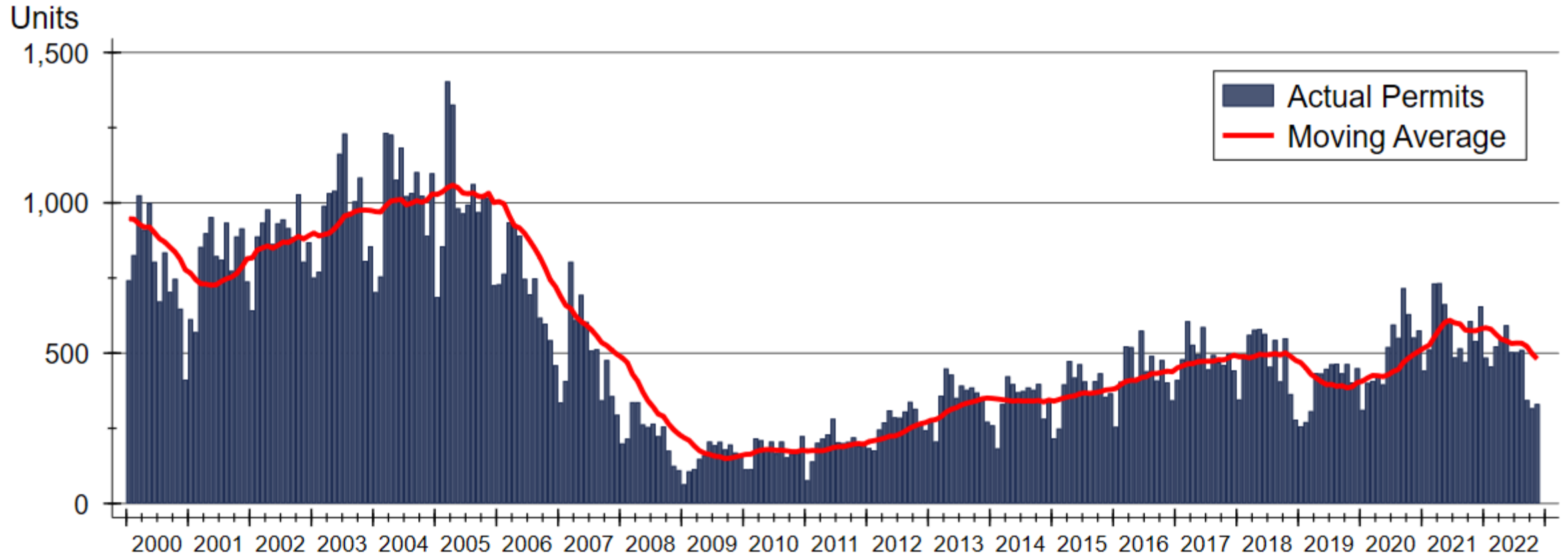
Source: Heartland MLS

Home Price Appreciation



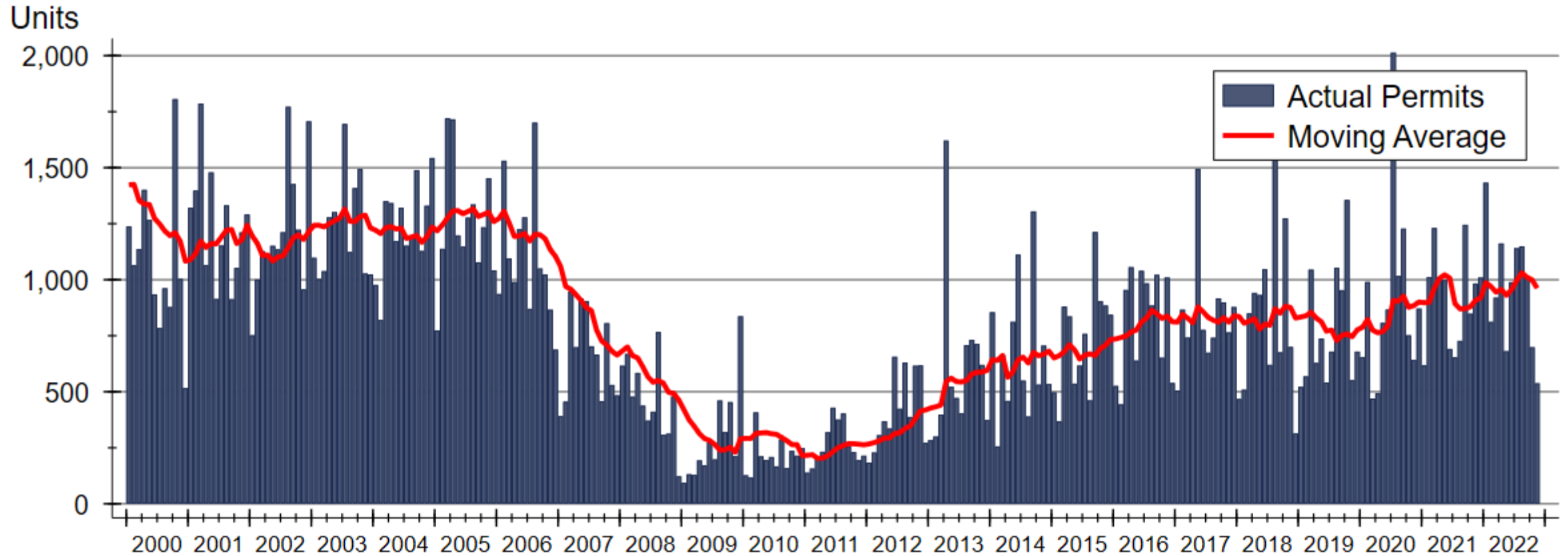
Source: Federal Housing Finance Agency (FHFA)

Kansas City Single-family Building Permits



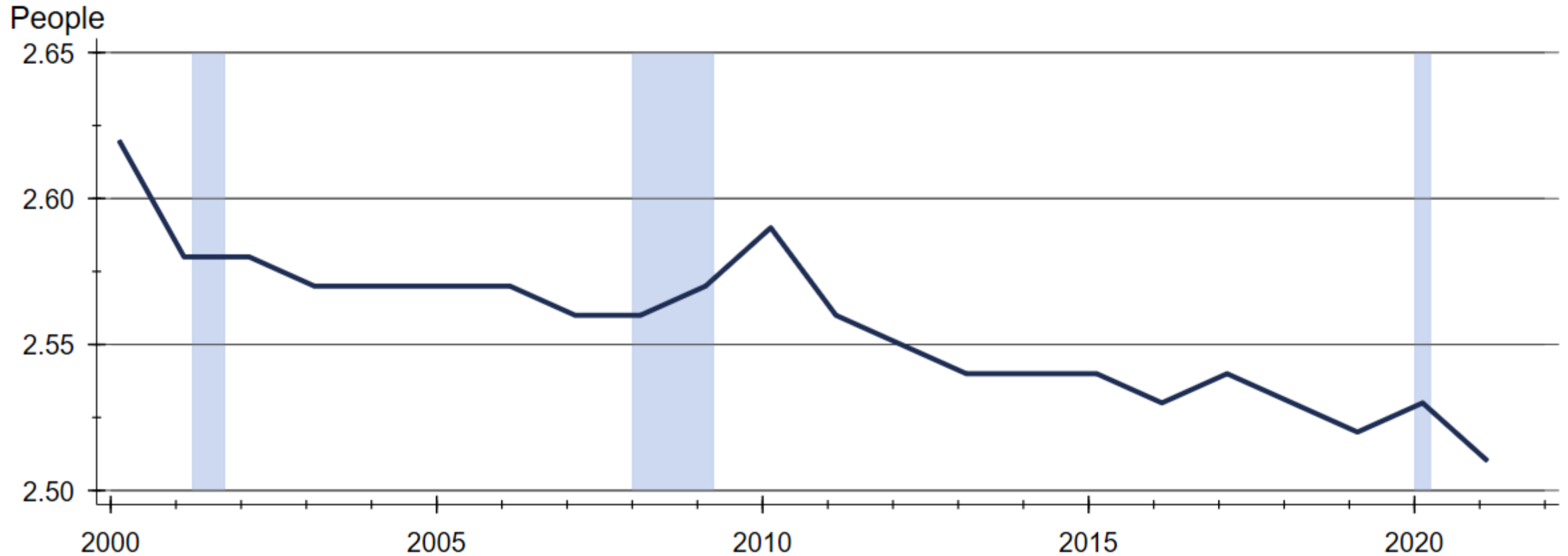
Source: U.S. Bureau of the Census

Kansas City Total Residential Building Permits



Source: U.S. Bureau of the Census

U.S. Average Household Size



Source: CRE using data from U.S. Census Bureau

2023 Kansas City Housing Forecast

	2020 <u>Actual</u>	2021 <u>Actual</u>	2022 <u>Forecast</u>	2023 <u>Forecast</u>
Total Home Sales	44,004 units +8.2%	45,726 units +3.9%	41,940 units -8.3%	44,290 units +5.6%
SF Building Permits	6,173 units +28.3%	7,051 units +14.2%	6,295 units -10.7%	6,185 units -1.7%
Home Price Appreciation	+7.5%	+15.8%	+13.8%	+6.5%

WSU Center for Real Estate

Laying a Foundation for Real Estate in Kansas

www.wichita.edu/realestate



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