

2023 Kansas City Housing Outlook

Compass Realty Group

January 10, 2023

Dr. Stanley D. Longhofer

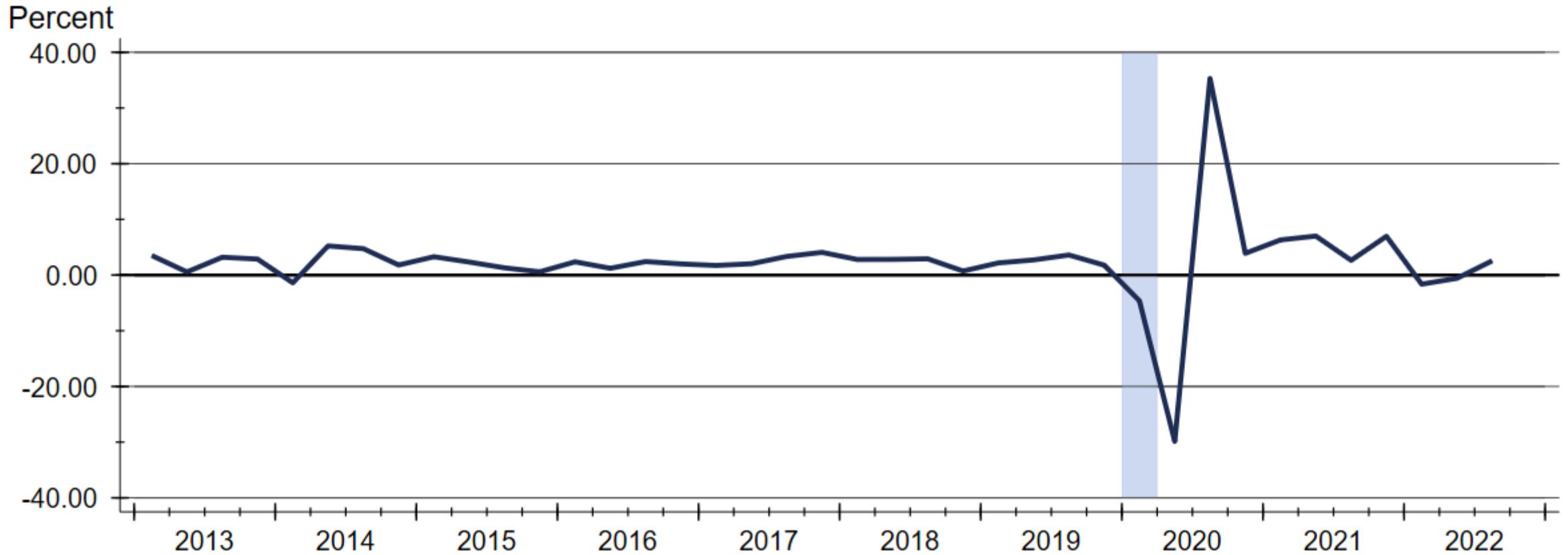
WSU Center for Real Estate



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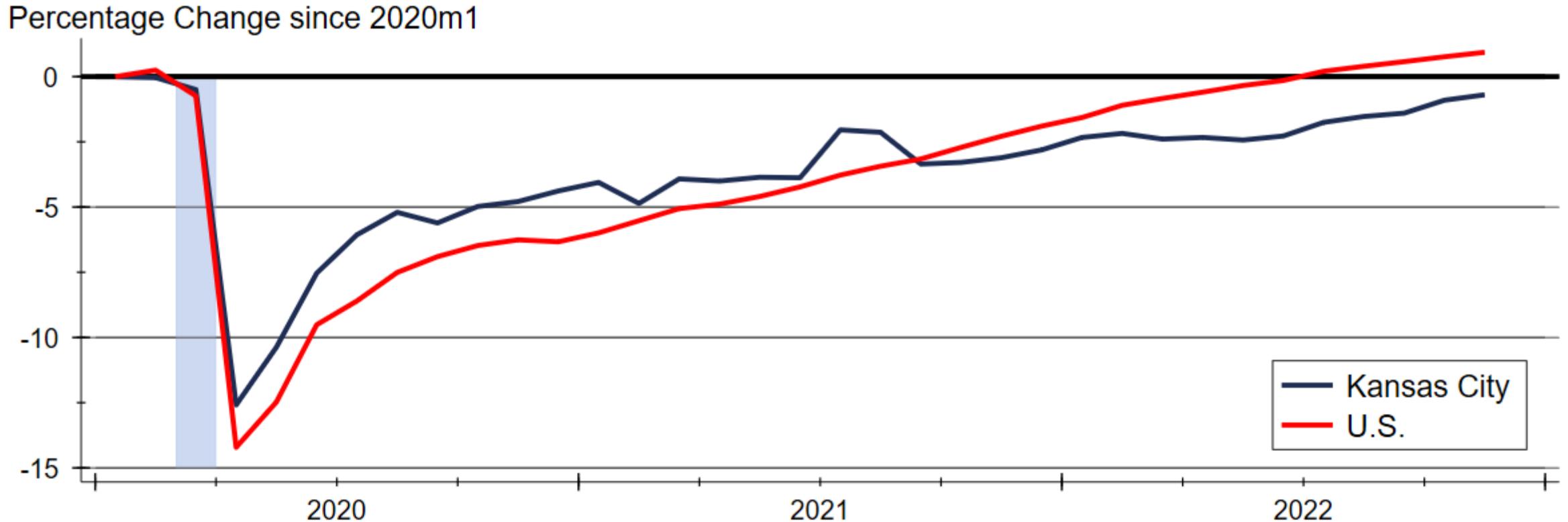


Quarterly Gross Domestic Product Growth Are We in a Recession?



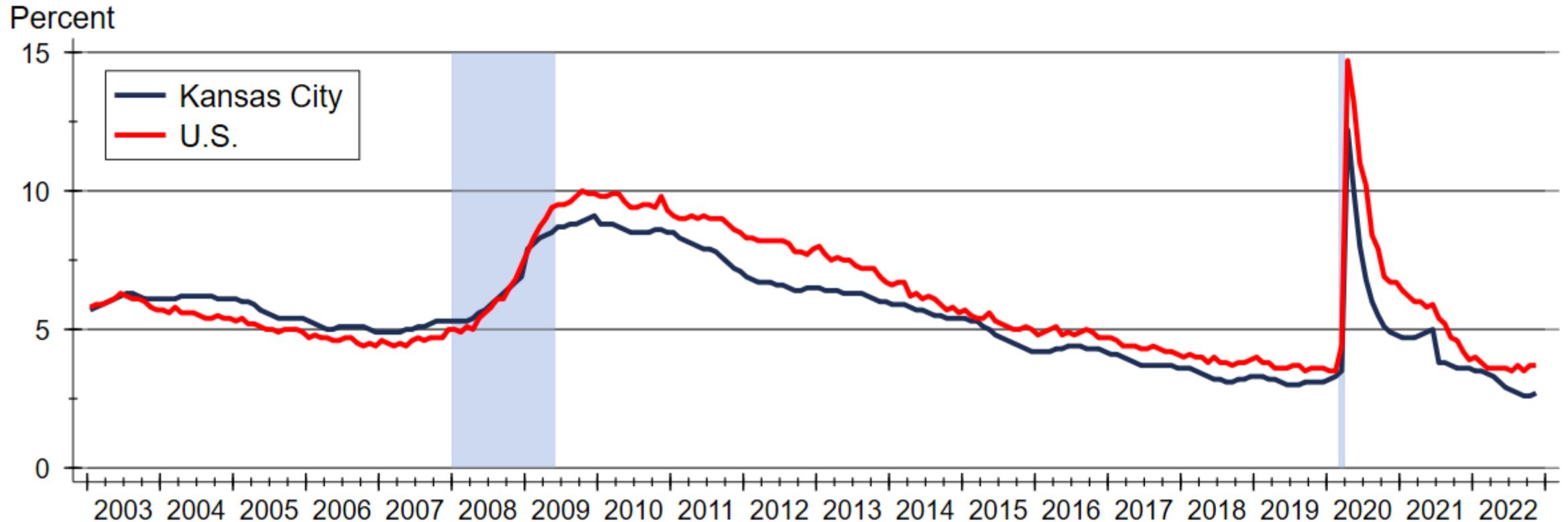
Source: Bureau of Economic Analysis

Change in Employment since January 2020



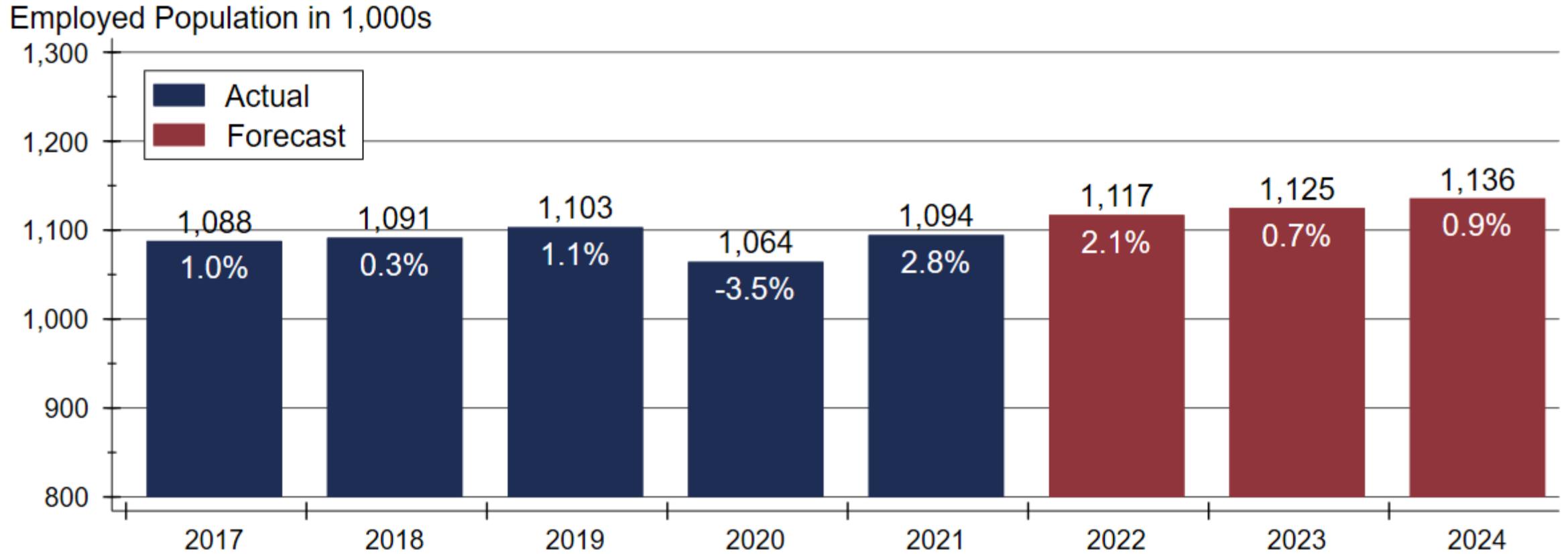
Source: U.S. Bureau of Labor Statistics
Index created from seasonally adjusted data

Unemployment is near Historic Lows



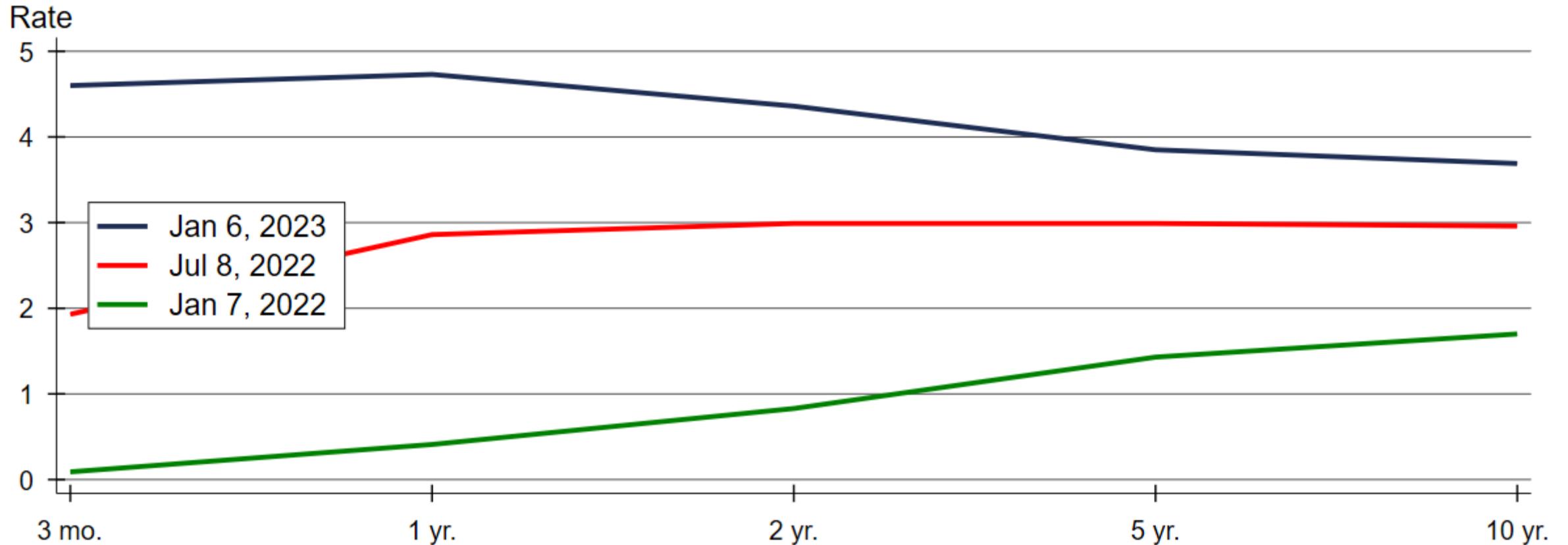
Source: U.S. Bureau of Labor Statistics
Data are seasonally adjusted

Kansas City Employment Forecast



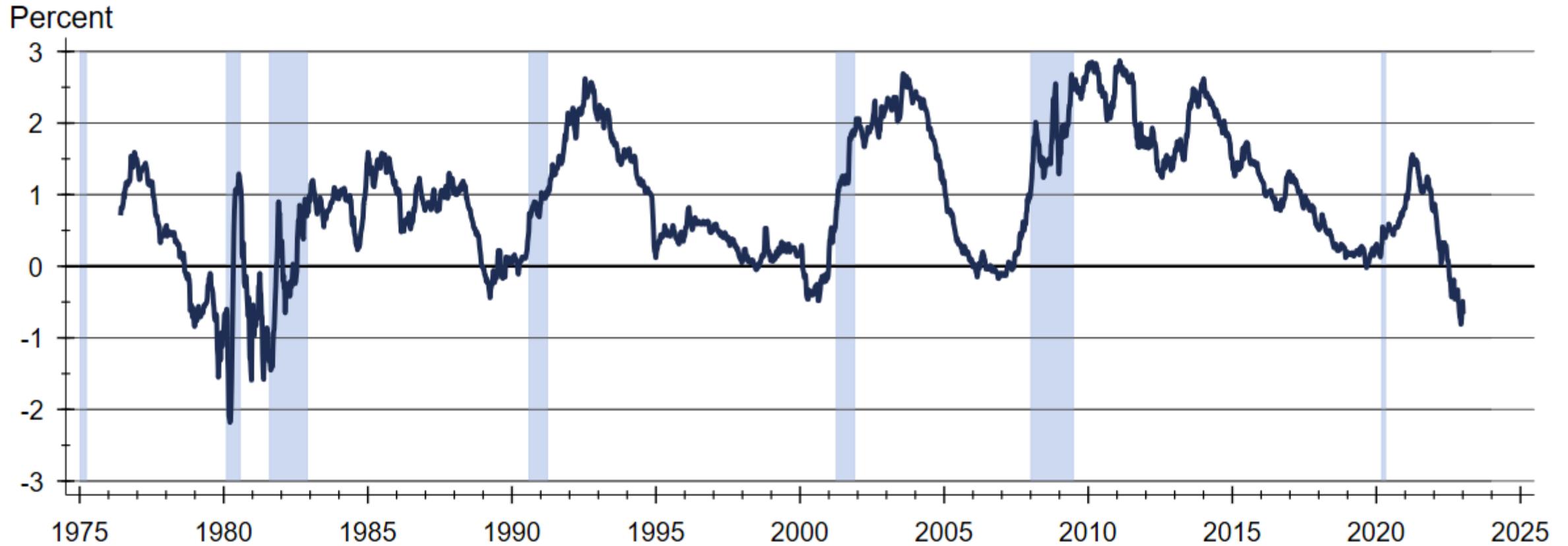
Sources: Bureau of Labor Statistics LAUS and WSU CEDBR

The Yield Curve has Inverted



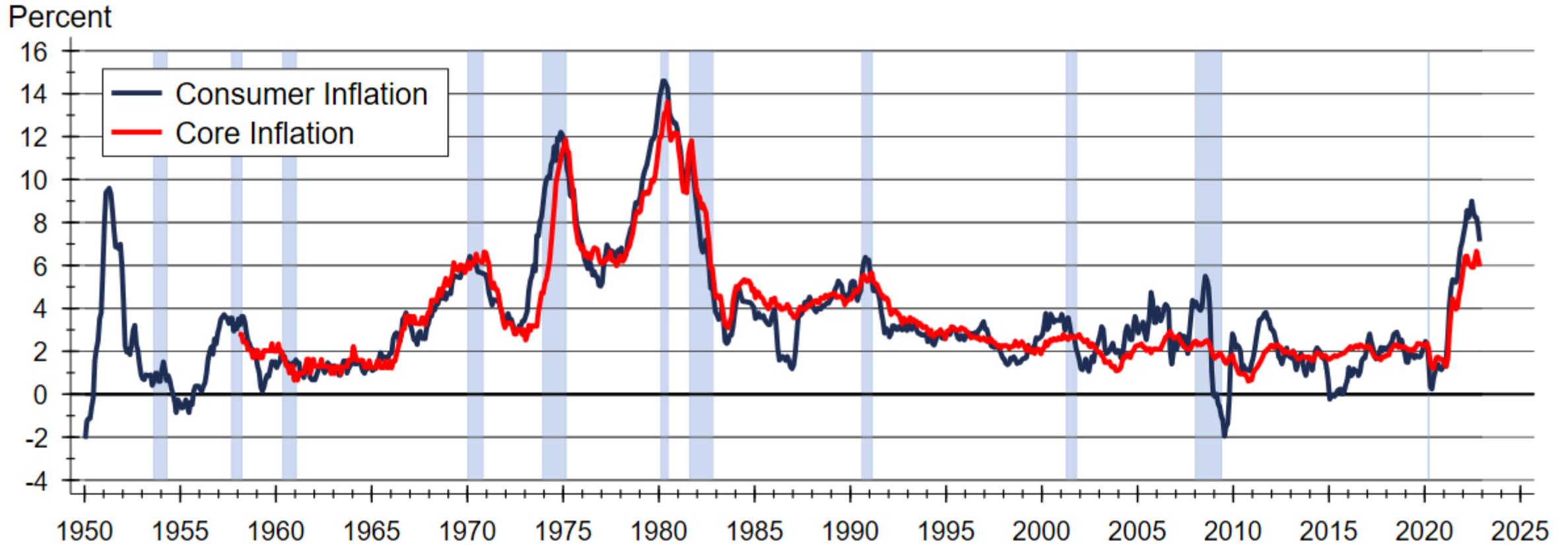
Source: Board of Governors of the Federal Reserve System

Inverted Yield Curves and Recessions



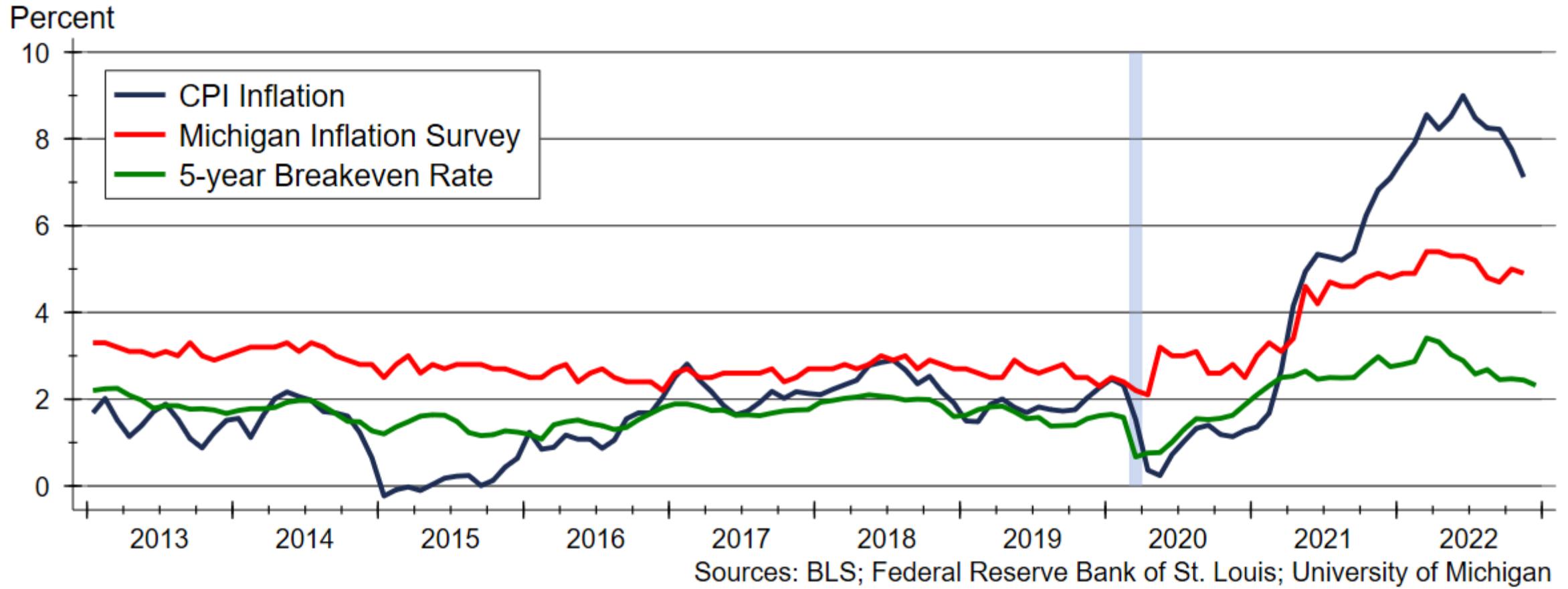
Source: Board of Governors of the Federal Reserve System

CPI Inflation since 1950

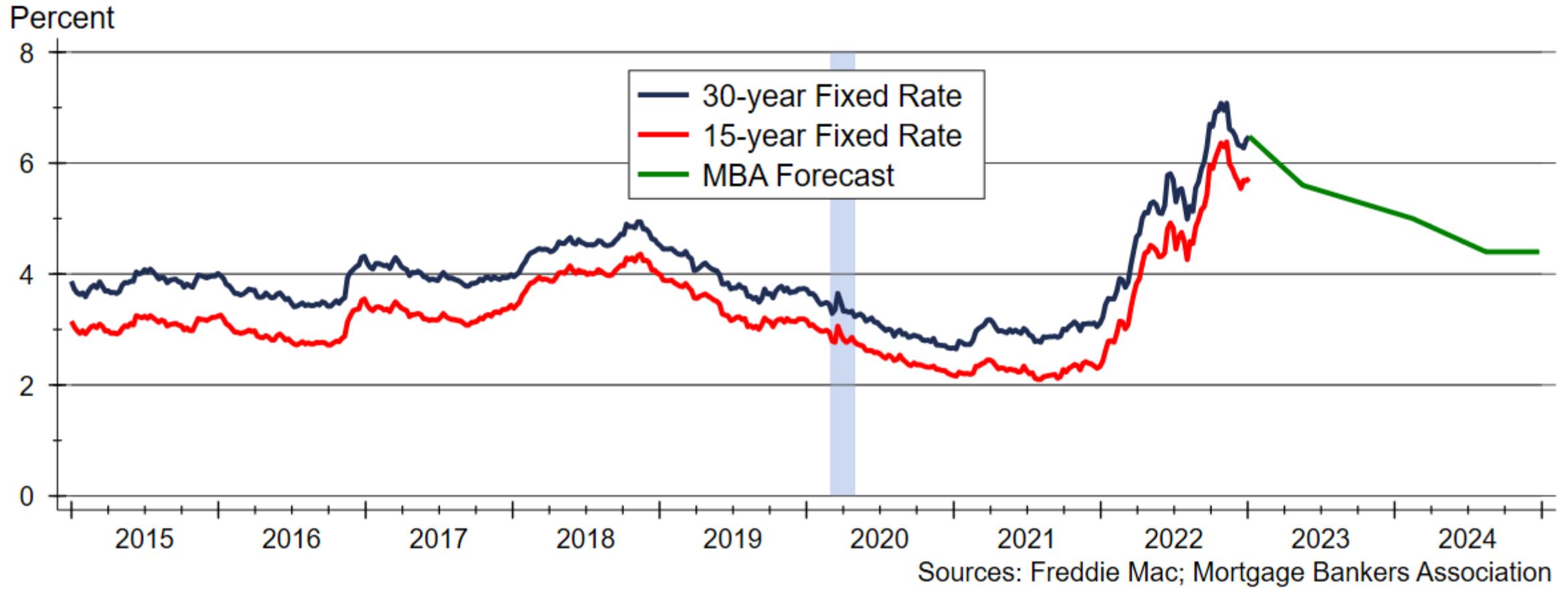


Source: U.S. Bureau of Labor Statistics

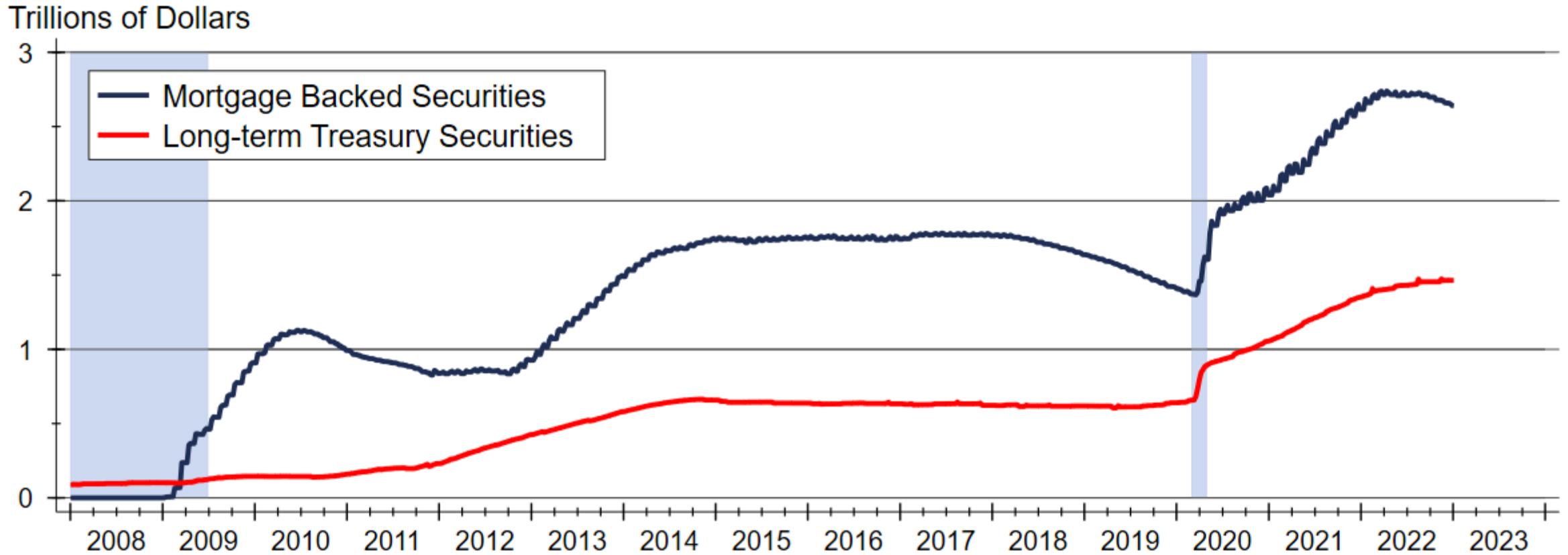
Inflation Expectations



MBA Forecasts that Mortgage Rates will Fall

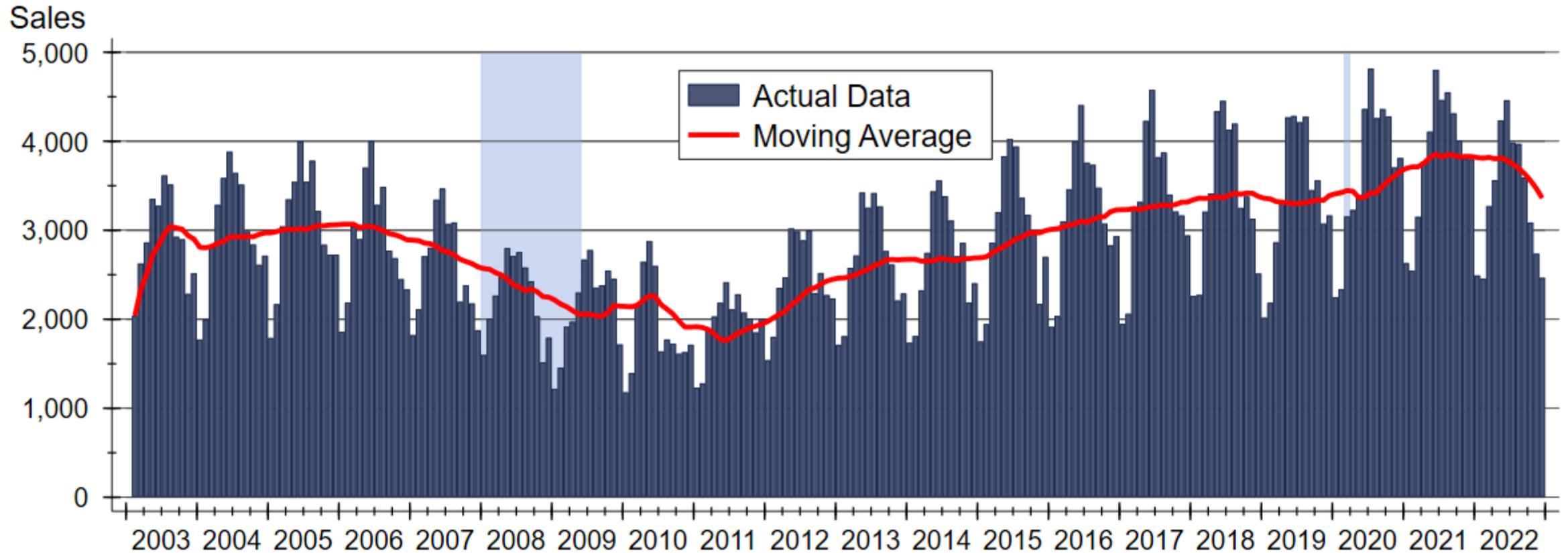


Federal Reserve Quantitative Tightening?



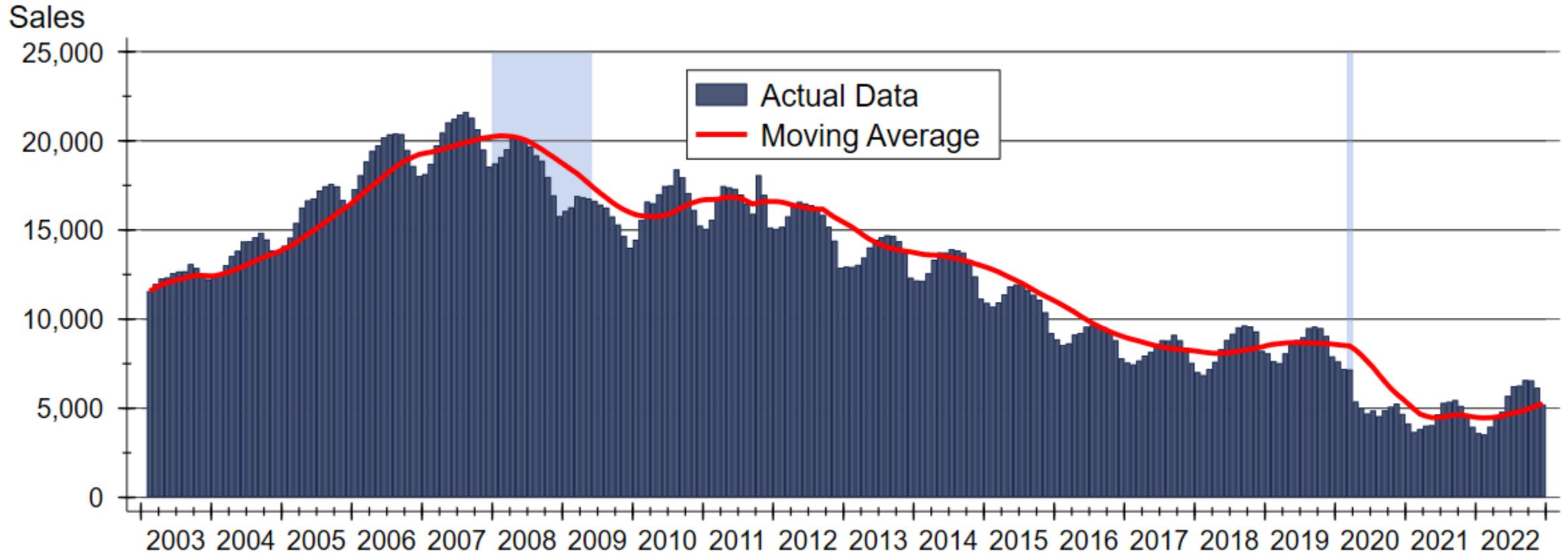
Source: Federal Reserve Board of Governors

Kansas City Home Sales Activity



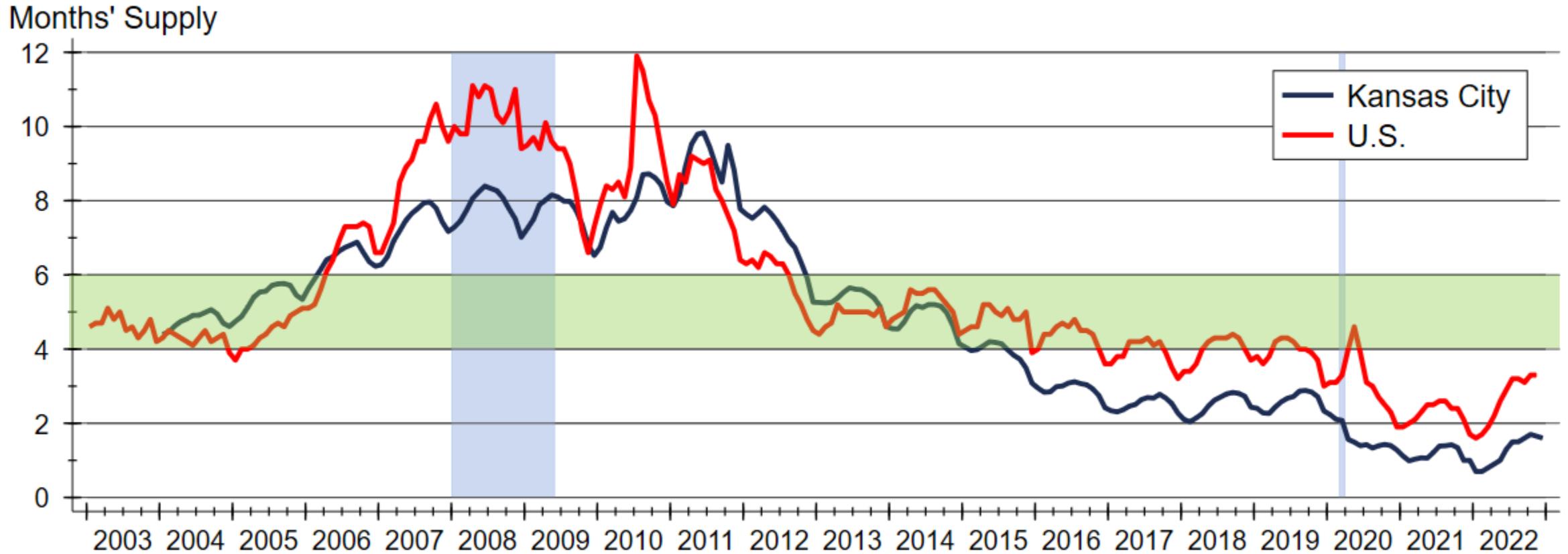
Source: Heartland MLS

Homes Available for Sale in



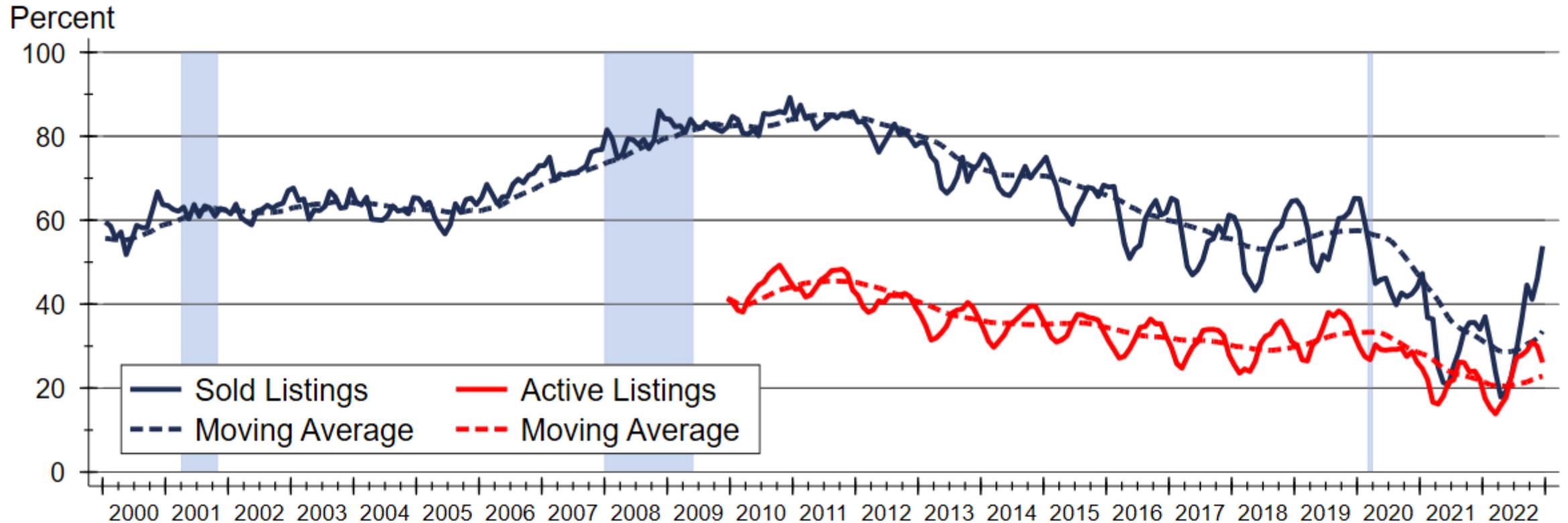
Source: Heartland MLS

Months' Supply of Homes for Sale



Sources: NAR, Heartland MLS

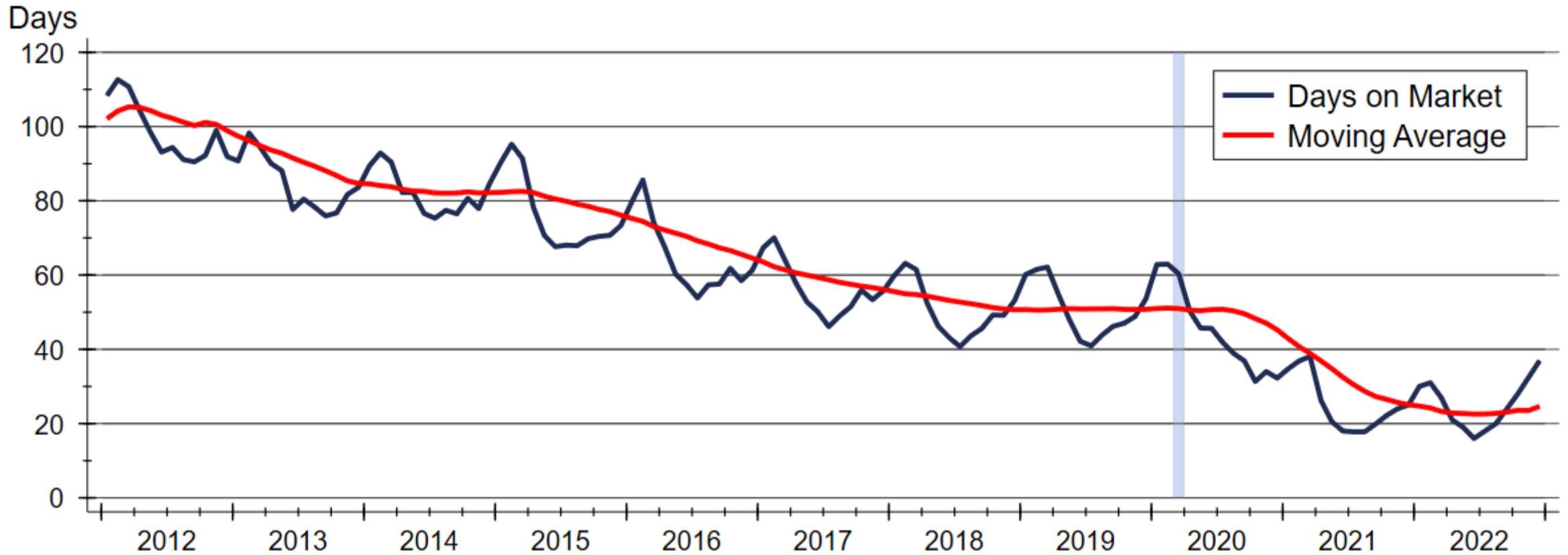
Fraction of Kansas-side Listings Discounted from Original Asking Price



Source: CRE using data from Heartland MLS

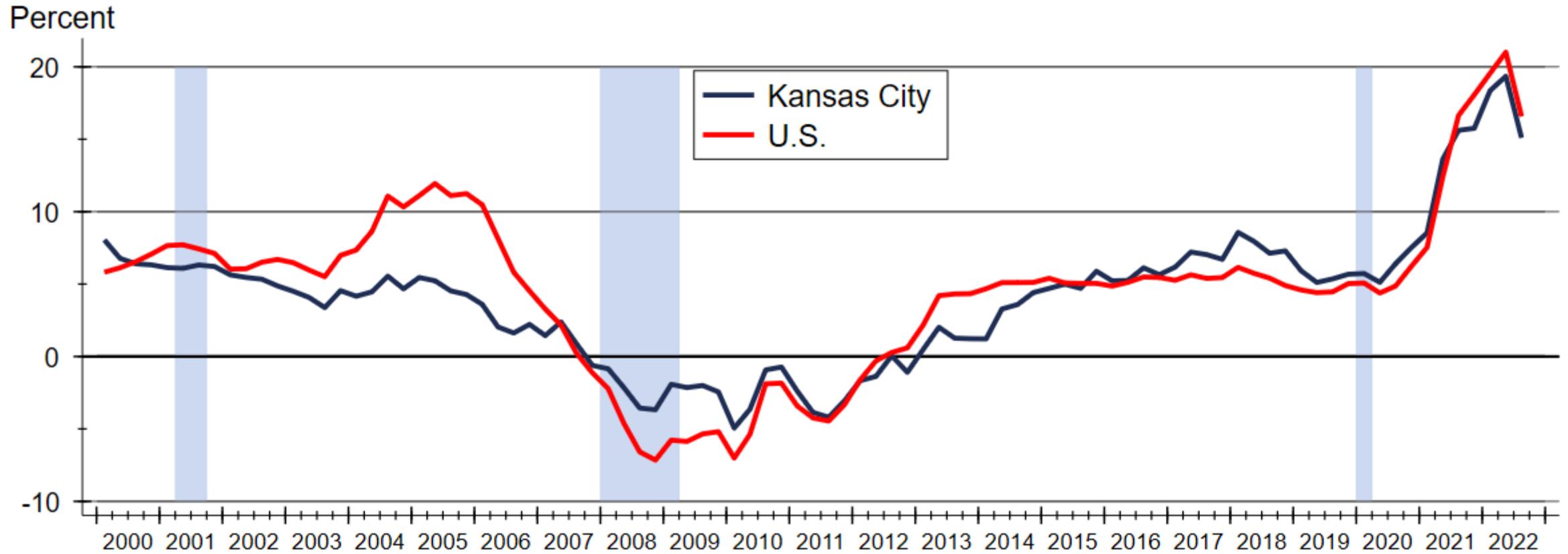
Note: Kansas side only

Kansas City Average Days on Market



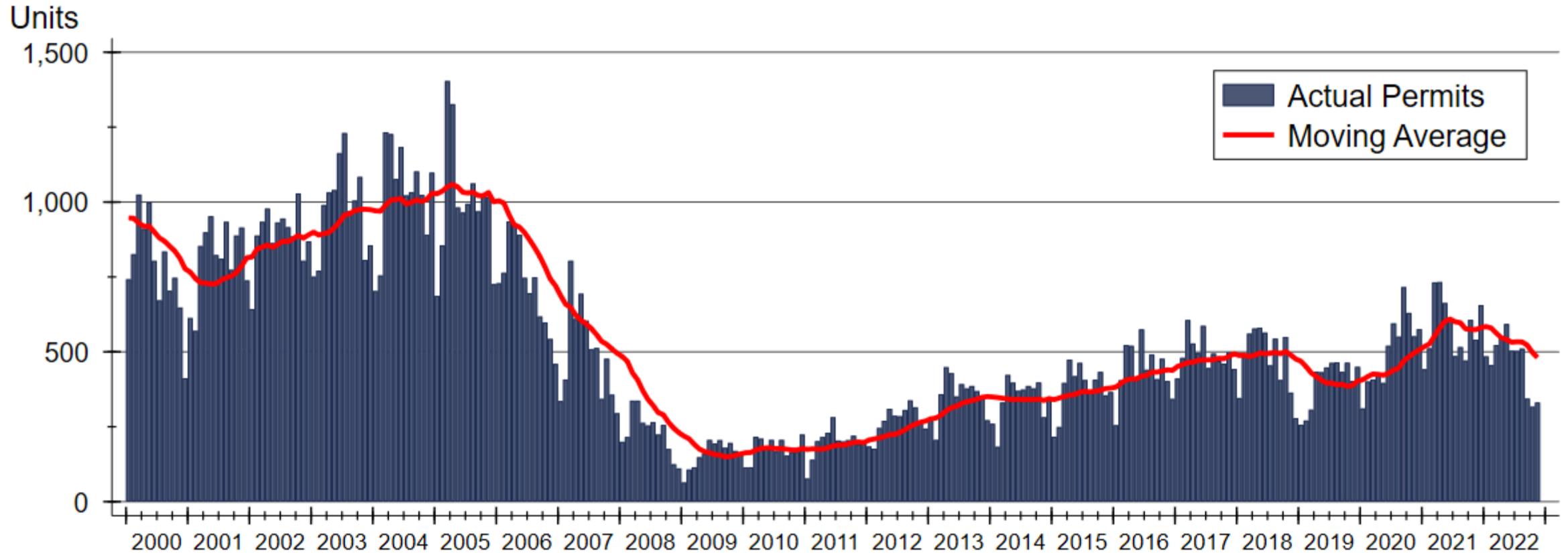
Source: Heartland MLS

Home Price Appreciation



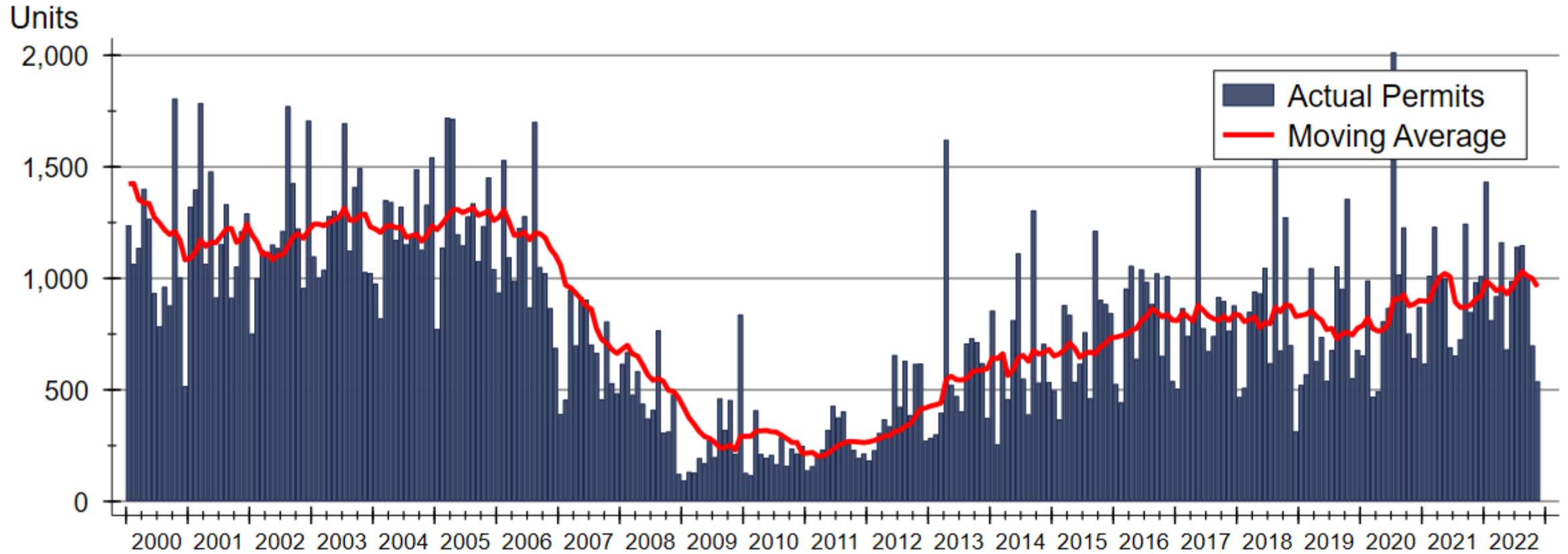
Source: Federal Housing Finance Agency (FHFA)

Kansas City Single-family Building Permits



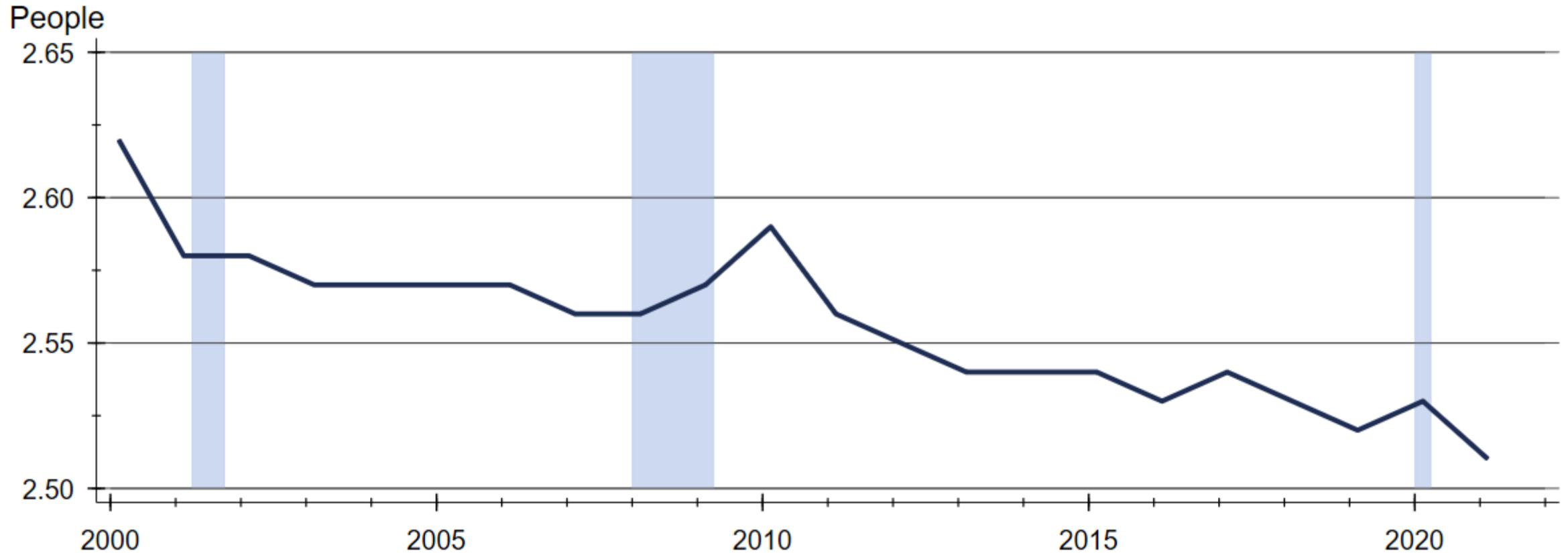
Source: U.S. Bureau of the Census

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% |

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Laying a Foundation for Real Estate in Kansas

www.wichita.edu/realestate



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