

The Kansas Economy and Local Housing Markets

Kansas Housing Conference
August 22, 2023

Dr. Stanley D. Longhofer
WSU Center for Real Estate

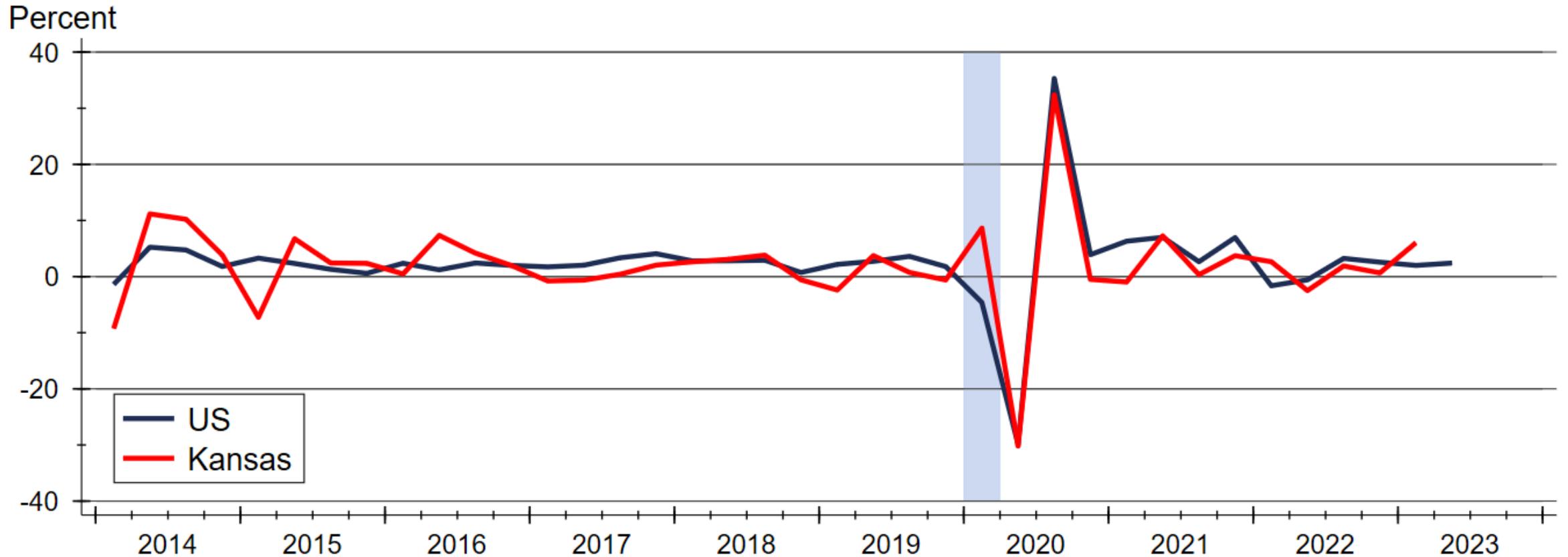


WICHITA STATE
UNIVERSITY
W. FRANK BARTON
SCHOOL OF BUSINESS



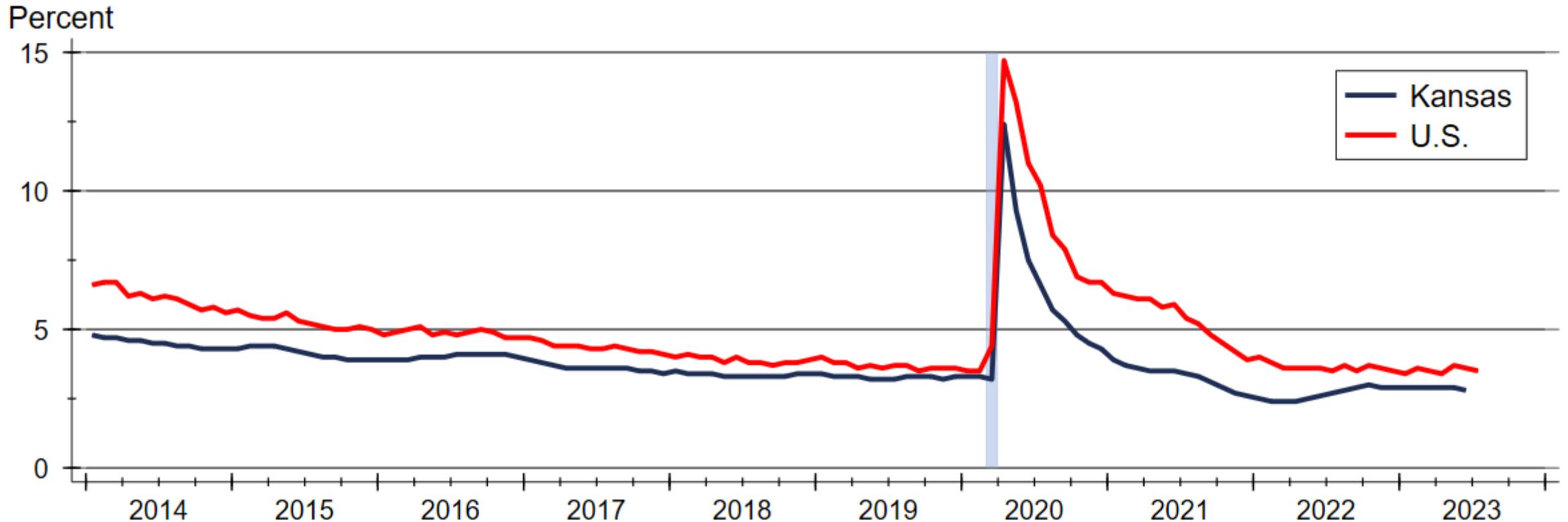
Quarterly Gross Domestic Product Growth

Will We Have a Recession?



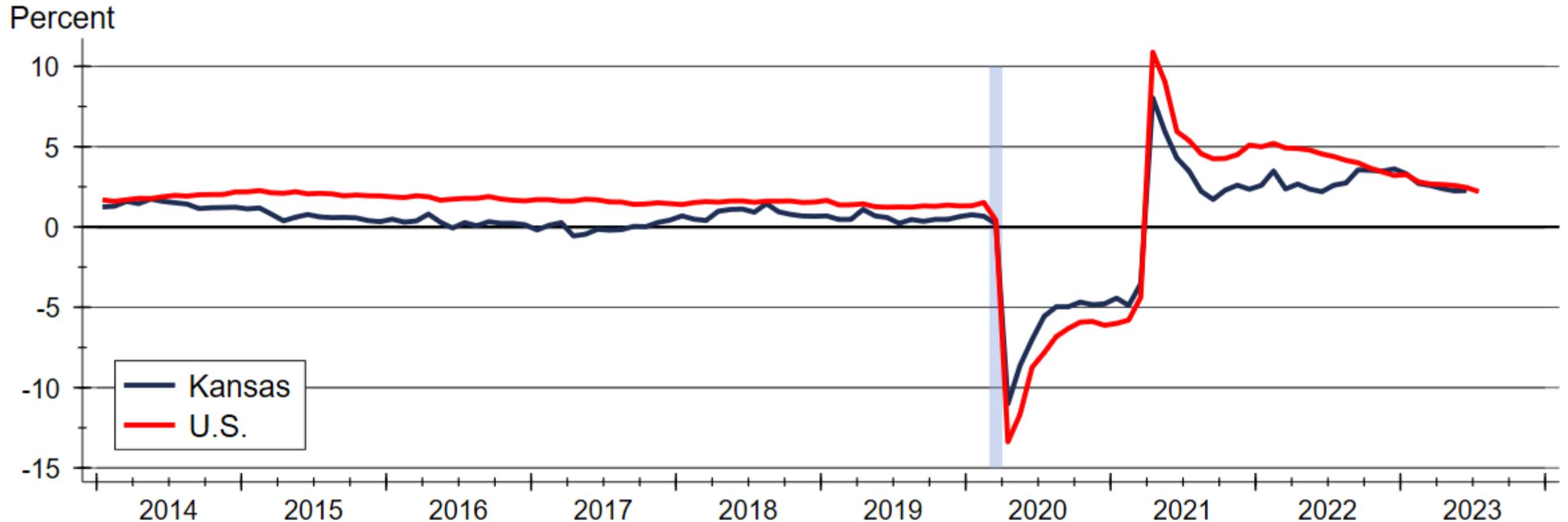
Source: Bureau of Economic Analysis

Unemployment Rates Remain Low



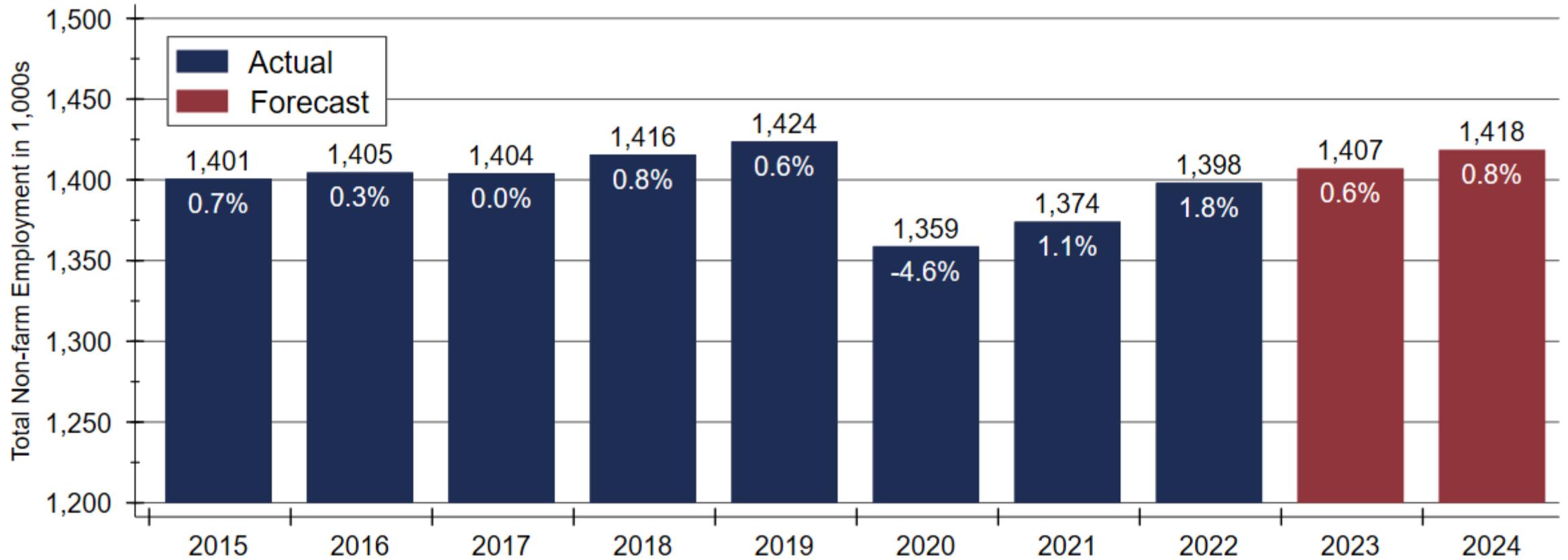
Source: U.S. Bureau of Labor Statistics
Data are seasonally adjusted

Employment Growth Remains Strong



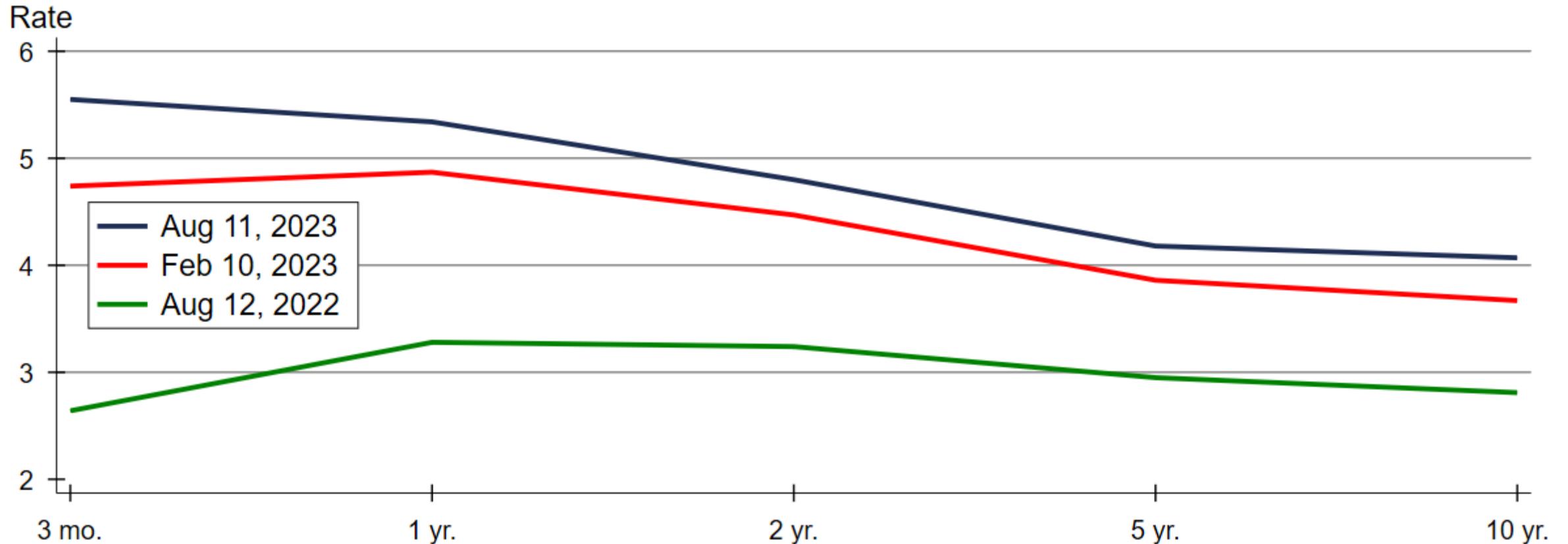
Source: U.S. Bureau of Labor Statistics
Data are seasonally adjusted

CEDBR Kansas Employment Forecast



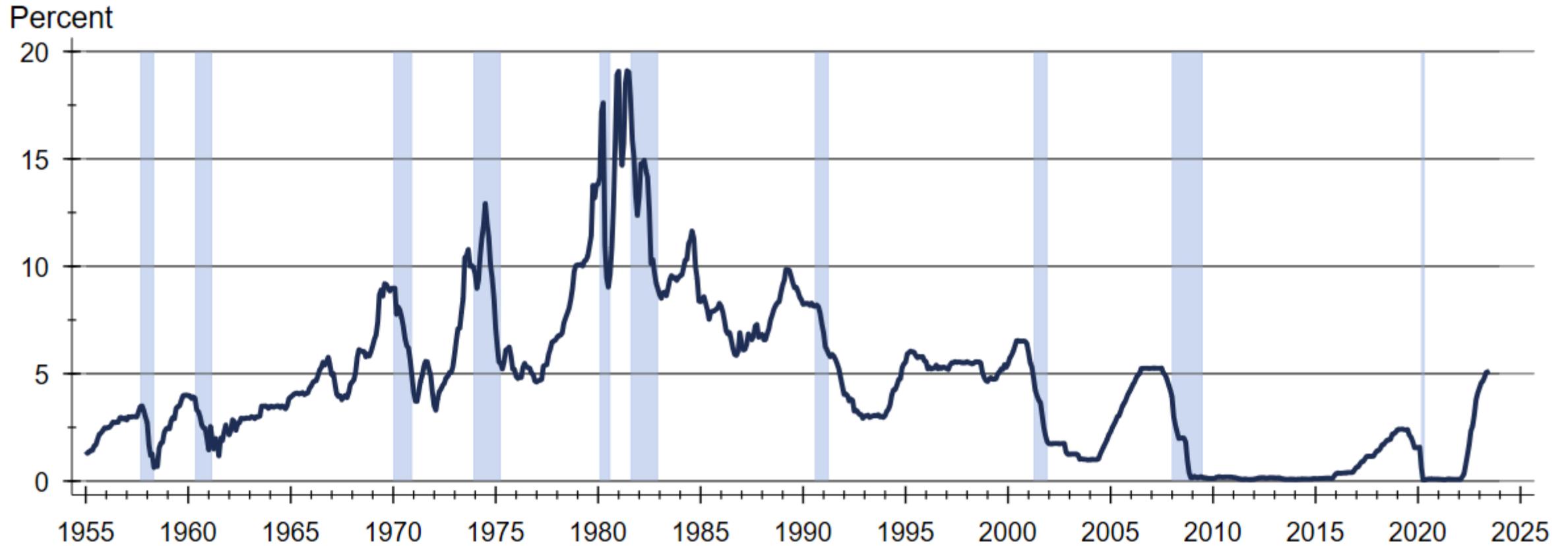
Sources: Kansas Department of Labor and WSU CEDBR

The Yield Curve Has Been Inverted for a Year



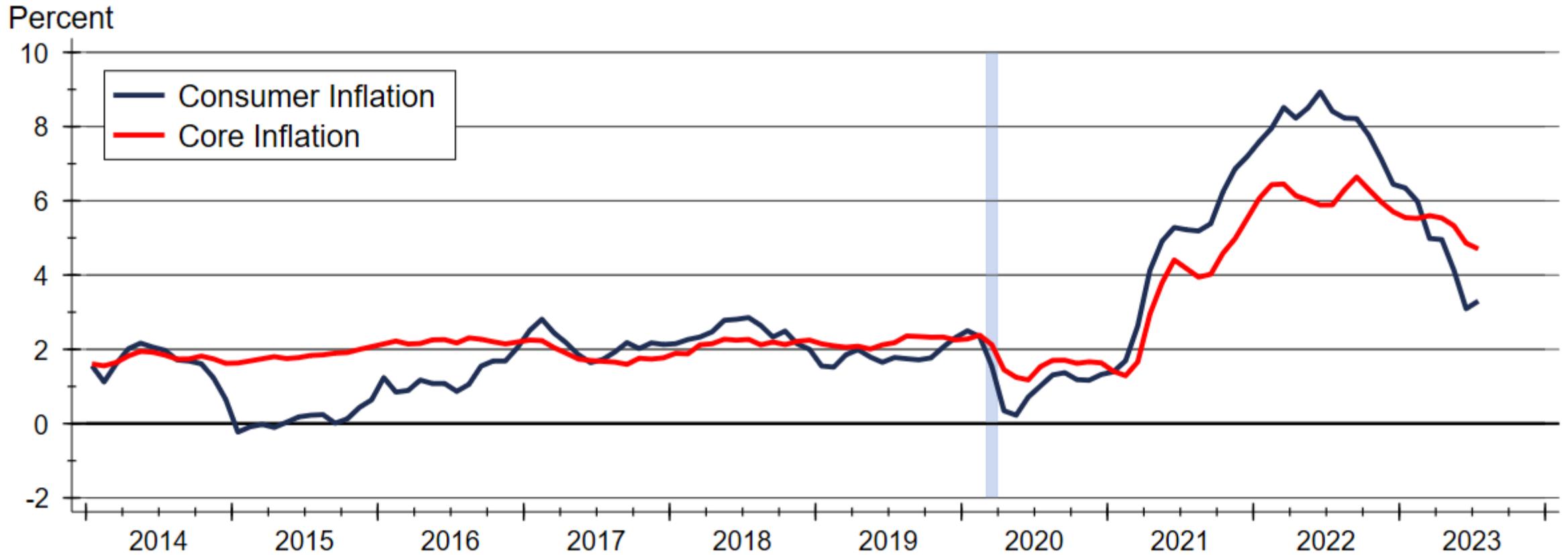
Source: Board of Governors of the Federal Reserve System

Effective Fed Funds Rate



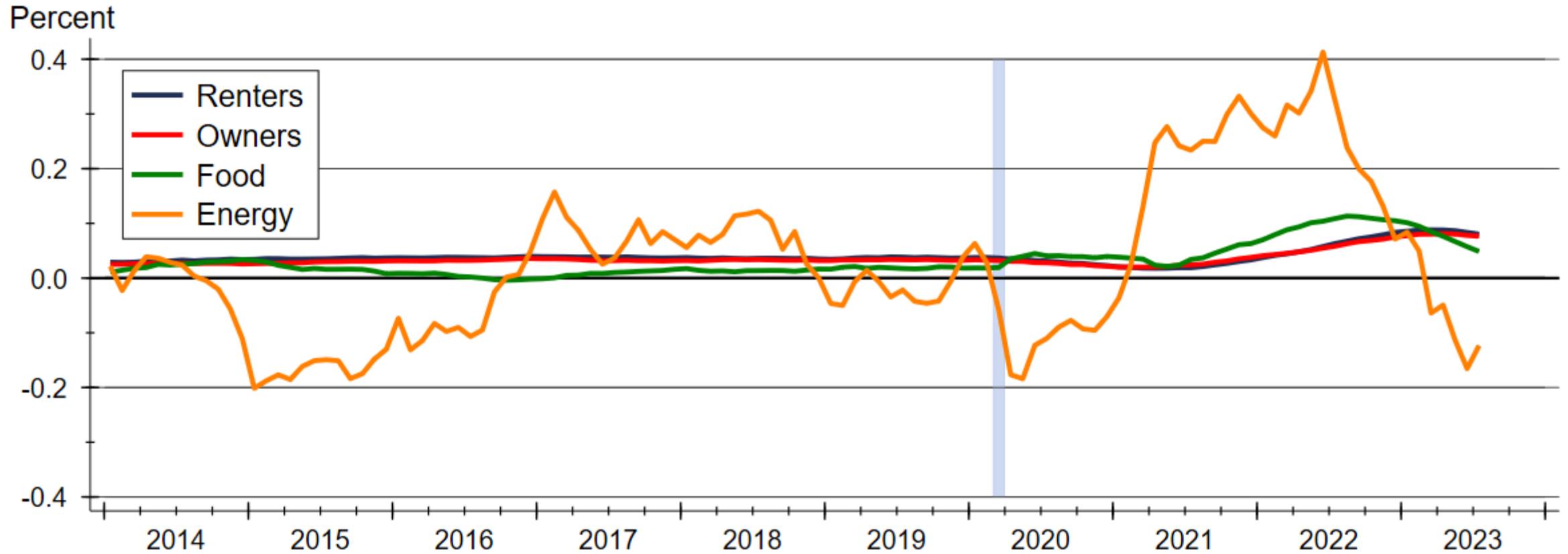
Source: Federal Reserve Board of Governors

Inflation Has Been Slowing



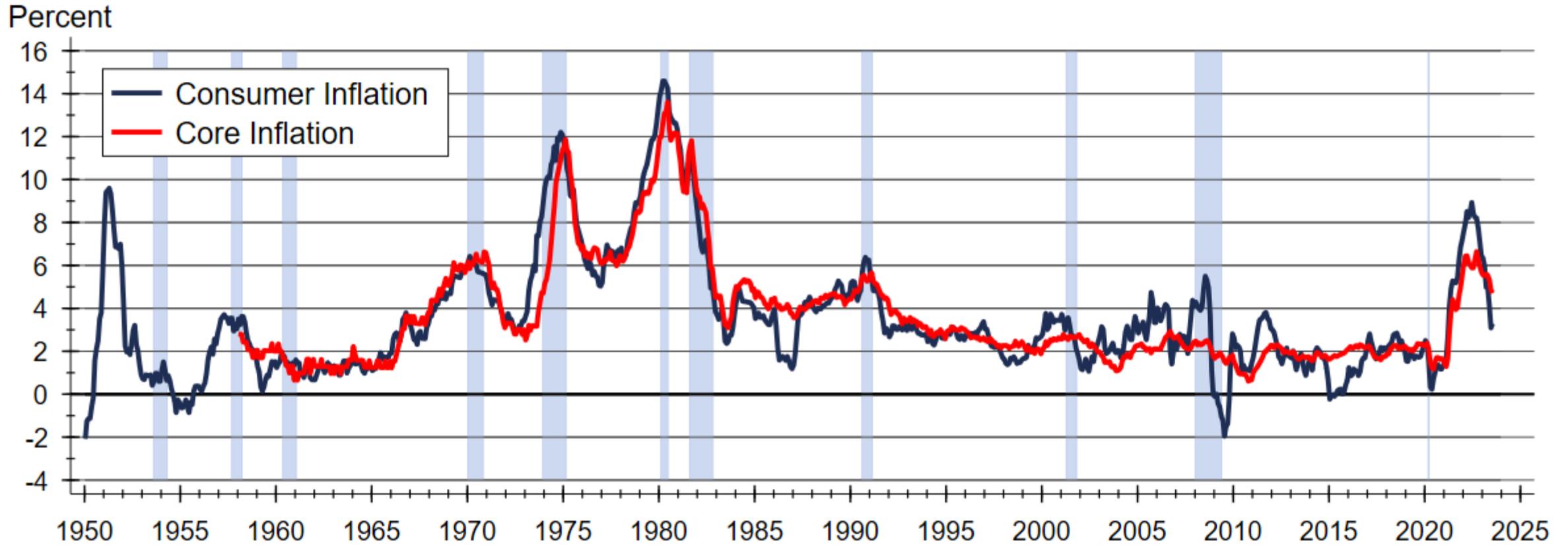
Source: U.S. Bureau of Labor Statistics

CPI Components



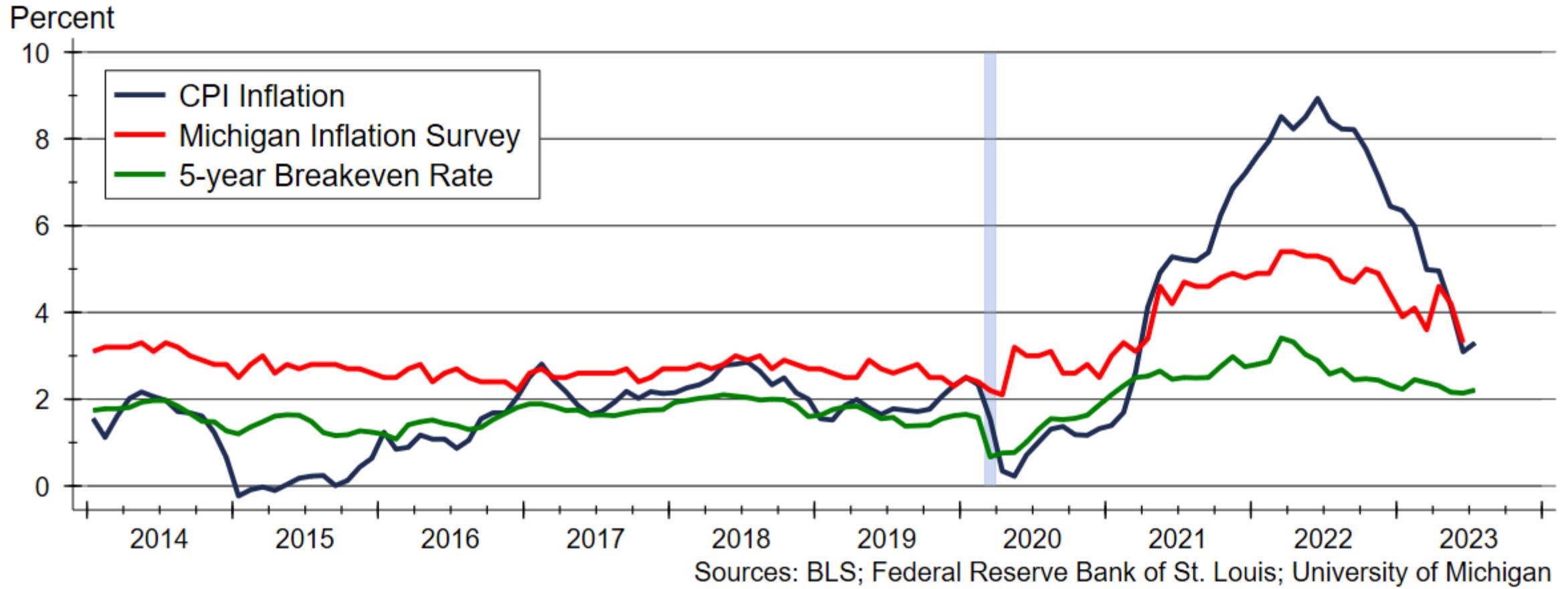
Source: U.S. Bureau of Labor Statistics

CPI Inflation since 1950

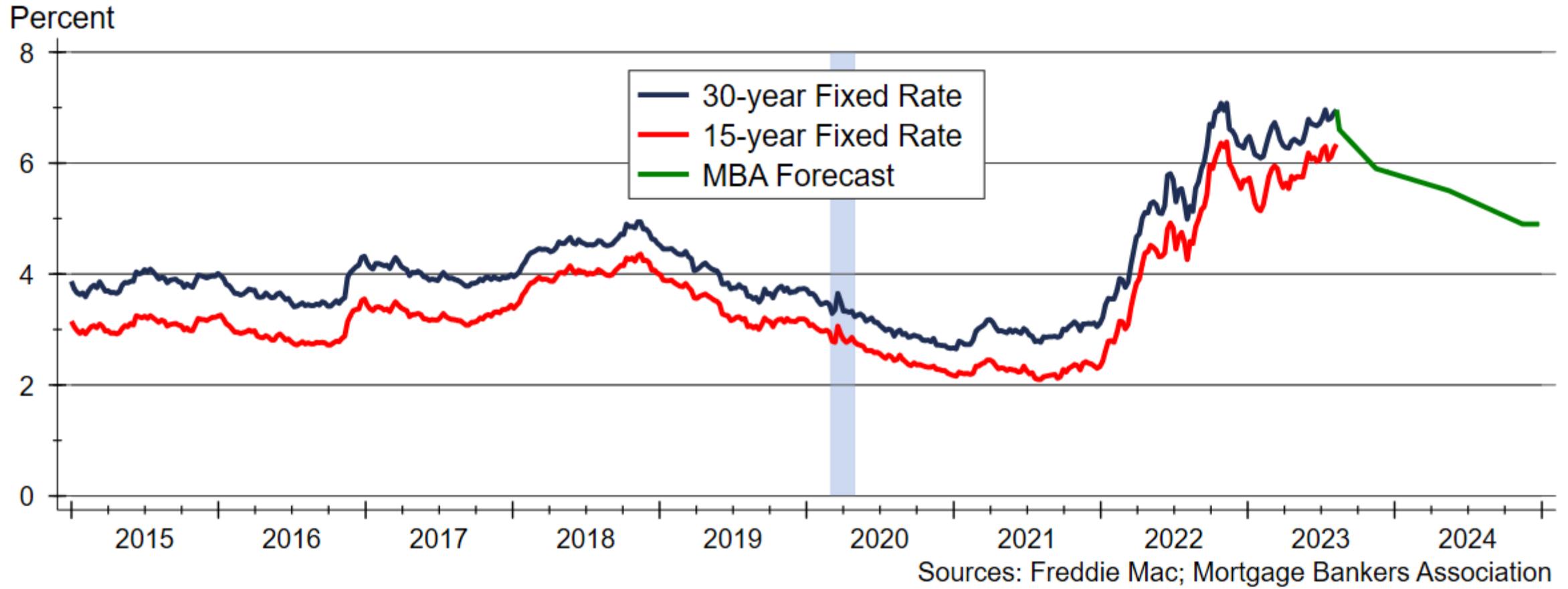


Source: U.S. Bureau of Labor Statistics

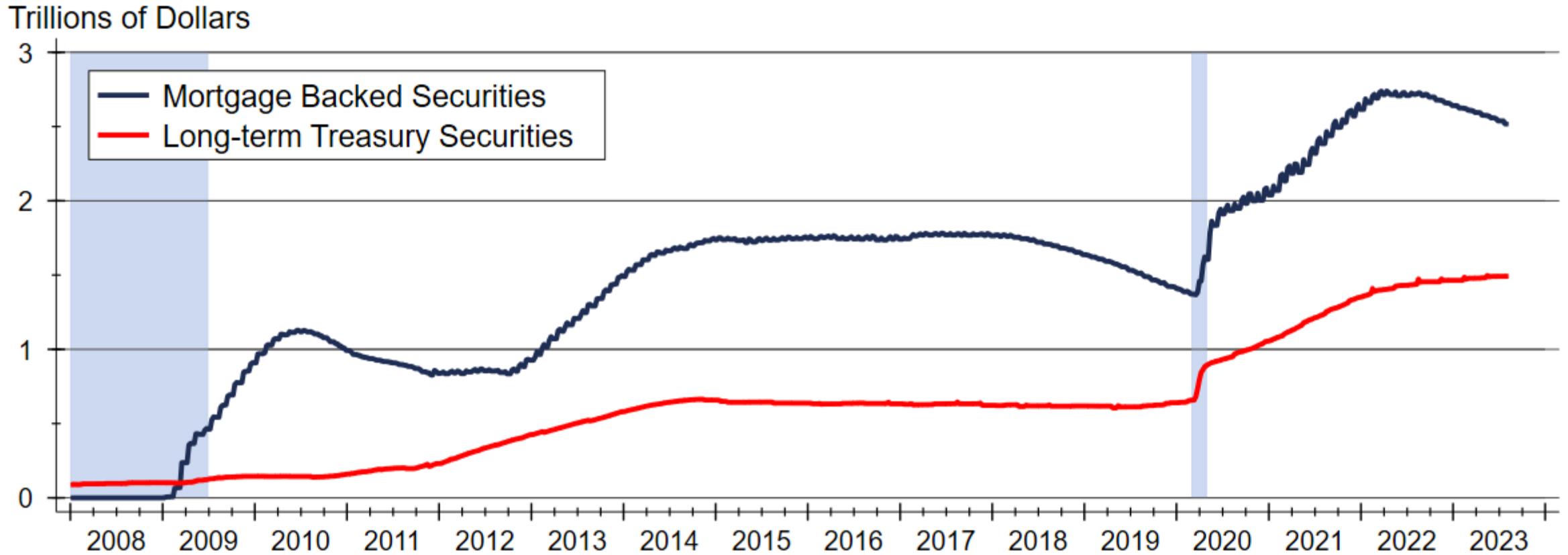
Inflation Expectations



MBA Forecasts that Mortgage Rates will Fall

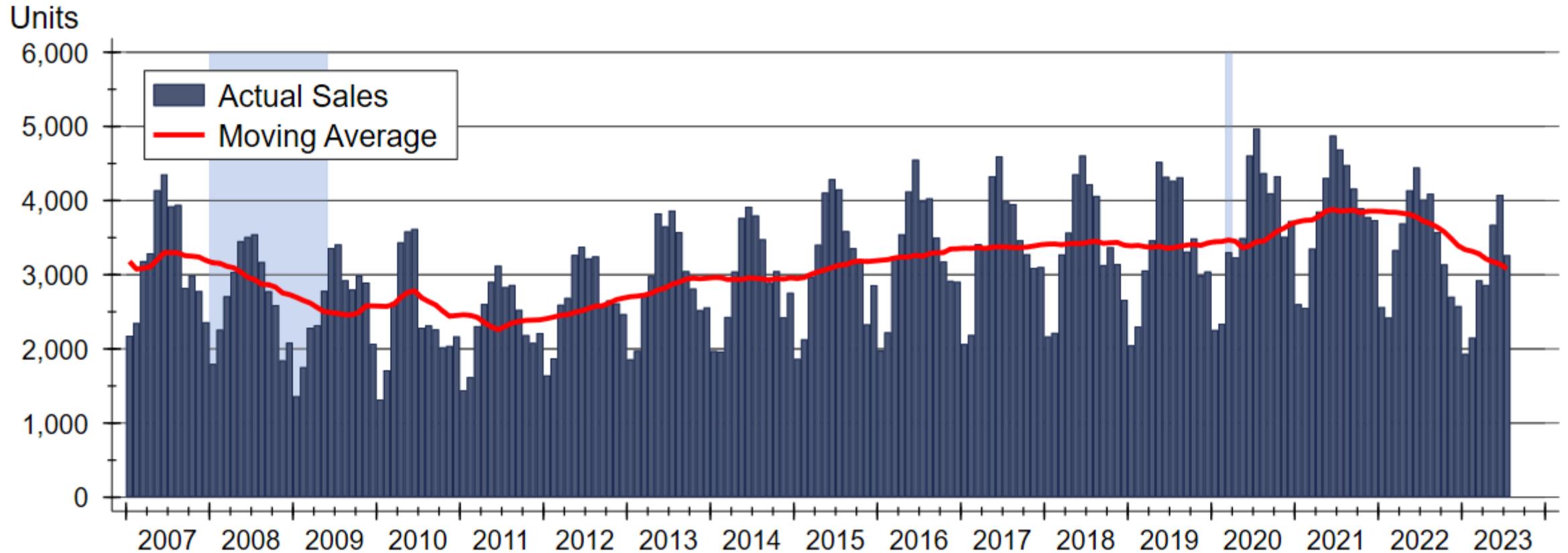


Federal Reserve MBS Holdings



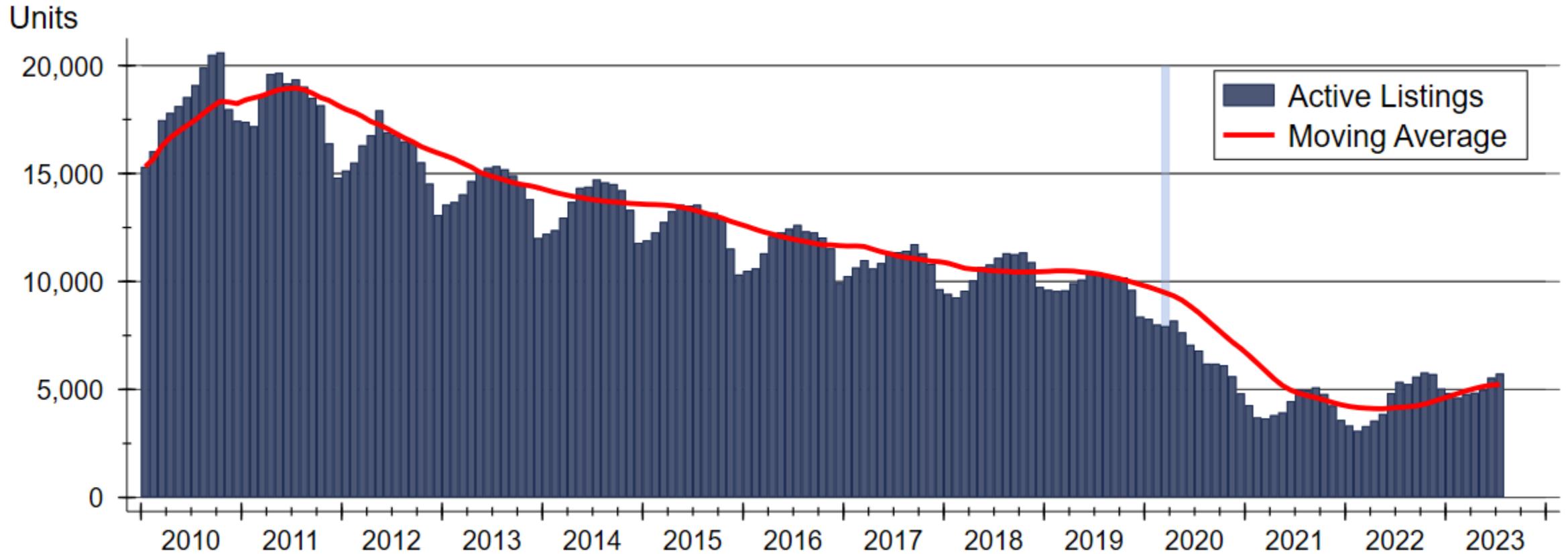
Source: Federal Reserve Board of Governors

Kansas Home Sales Activity



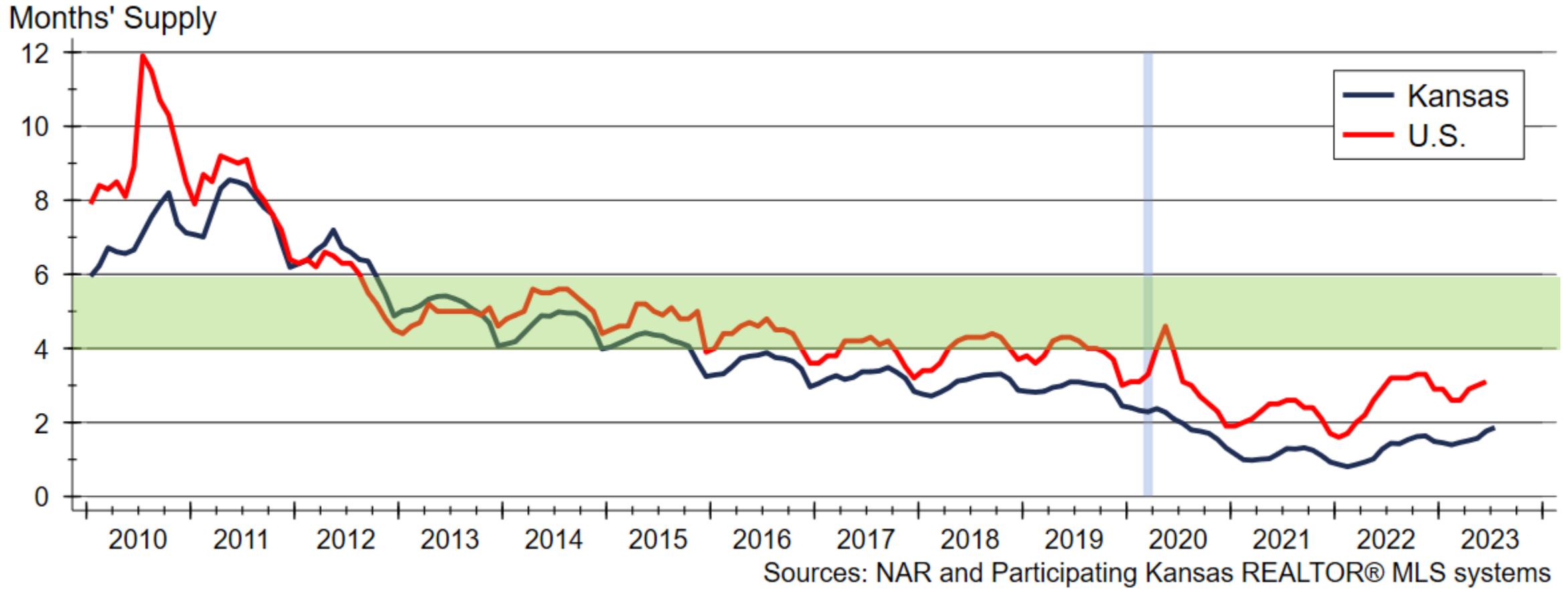
Source: Participating Kansas REALTOR® MLS systems

Homes Available for Sale in Kansas

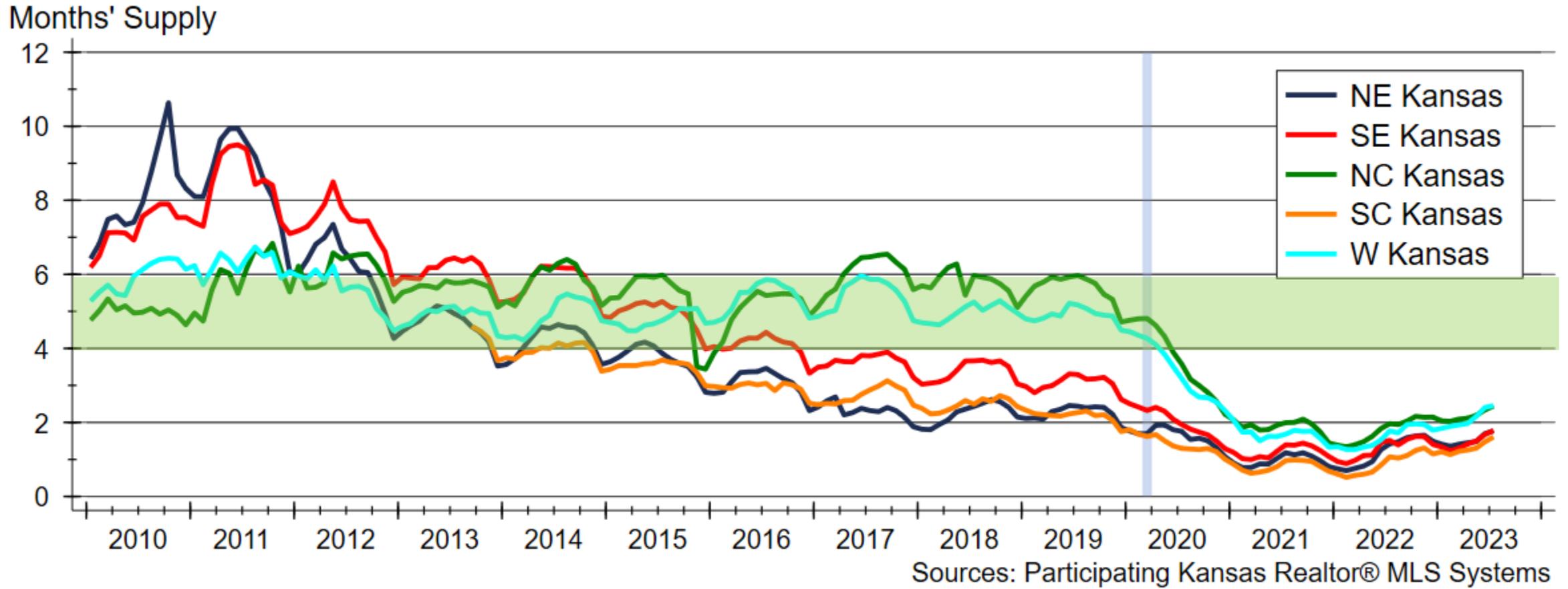


Source: Participating Kansas REALTOR® MLS systems

Months' Supply of Homes for Sale



Months' Supply across Kansas Regions



What is Normal?

	First-Half of Year Figures			End-of-June Figures	
	<u>Sales</u>	<u>Average Sale Price</u>	<u>Sales Volume</u>	<u>Active Listings</u>	<u>Months' Supply</u>
2023	17,553	\$296,165	\$5.198b	5,547	1.8

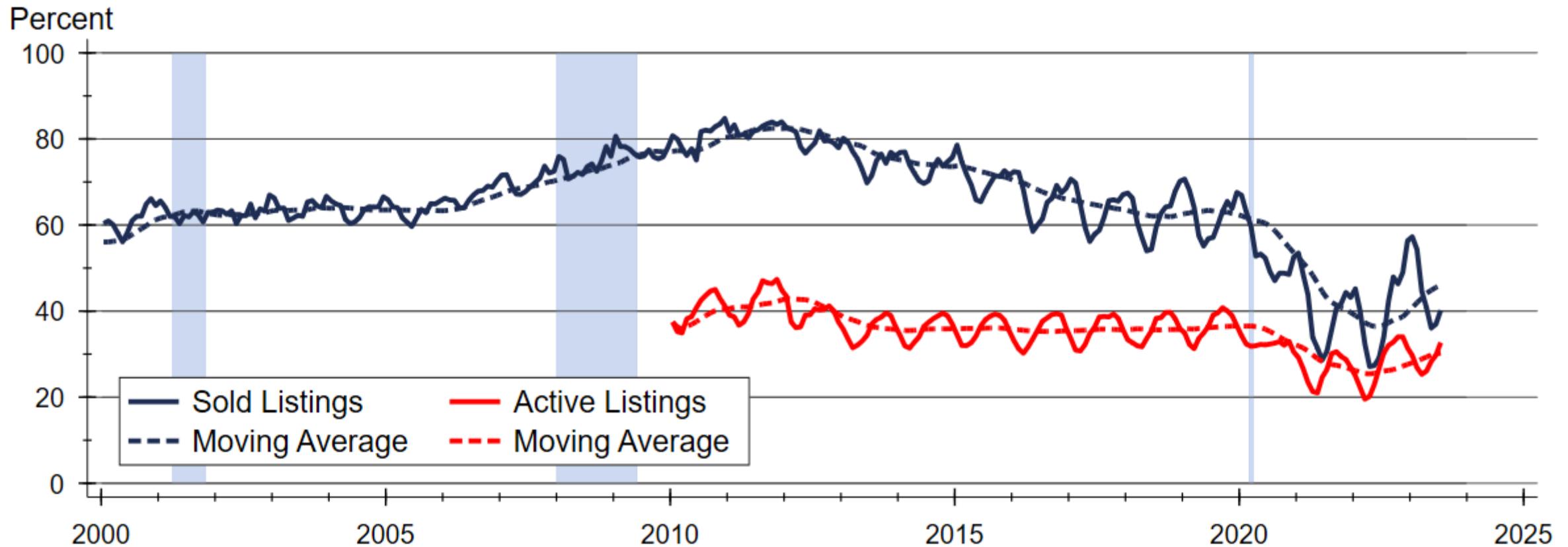
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2022	20,595	\$285,659	\$5.882b	4,836	1.3
	-14.8%	+3.7%	-11.6%	+14.7%	+38.5%

What is Normal?

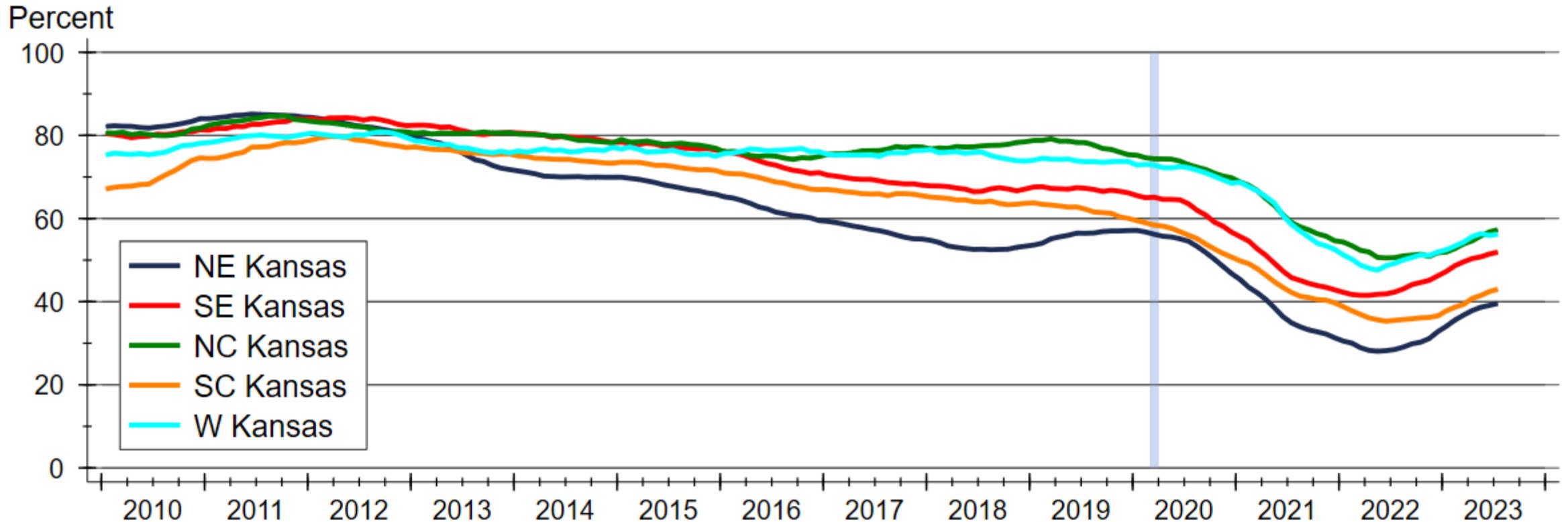
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2019	19,717	\$213,015	\$4.200b	10,394	3.1
	-11.0%	+39.0%	+23.8%	-46.6%	-42.9%

Fraction of Kansas Listings Discounted from Original Asking Price



Source: CRE using data from participating Kansas REALTOR® MLS systems

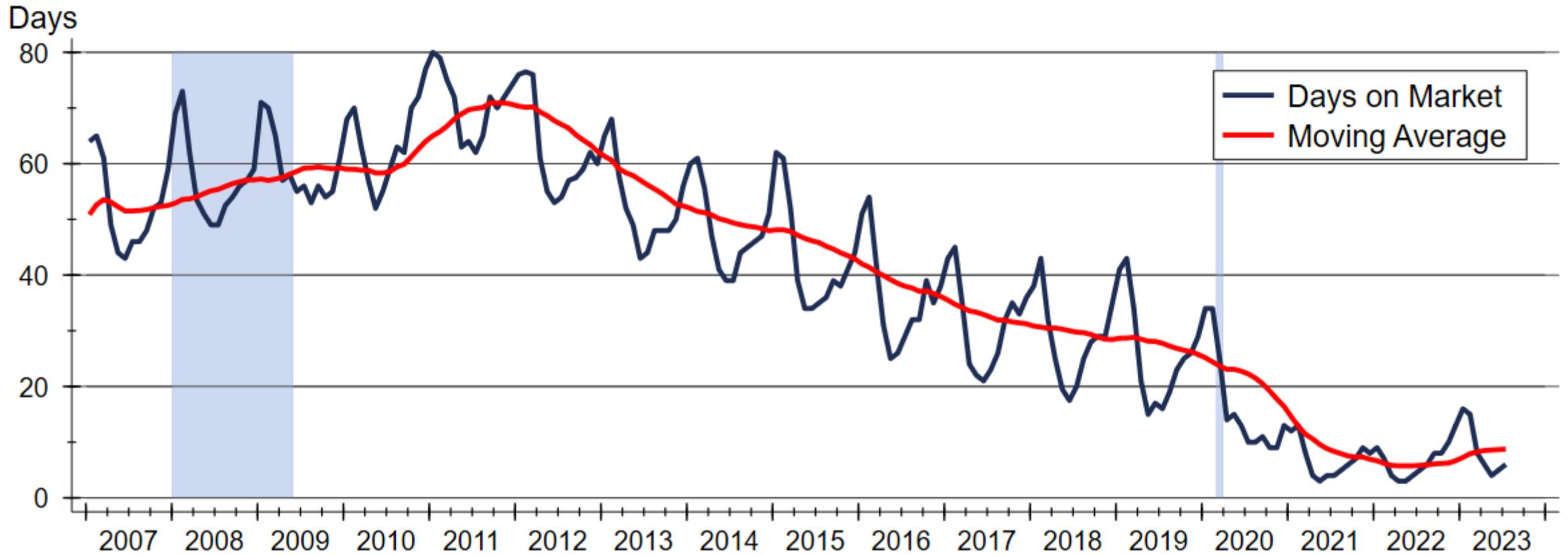
Discounted Sales by Kansas Region



Source: CRE using data from participating Kansas REALTOR® MLS systems

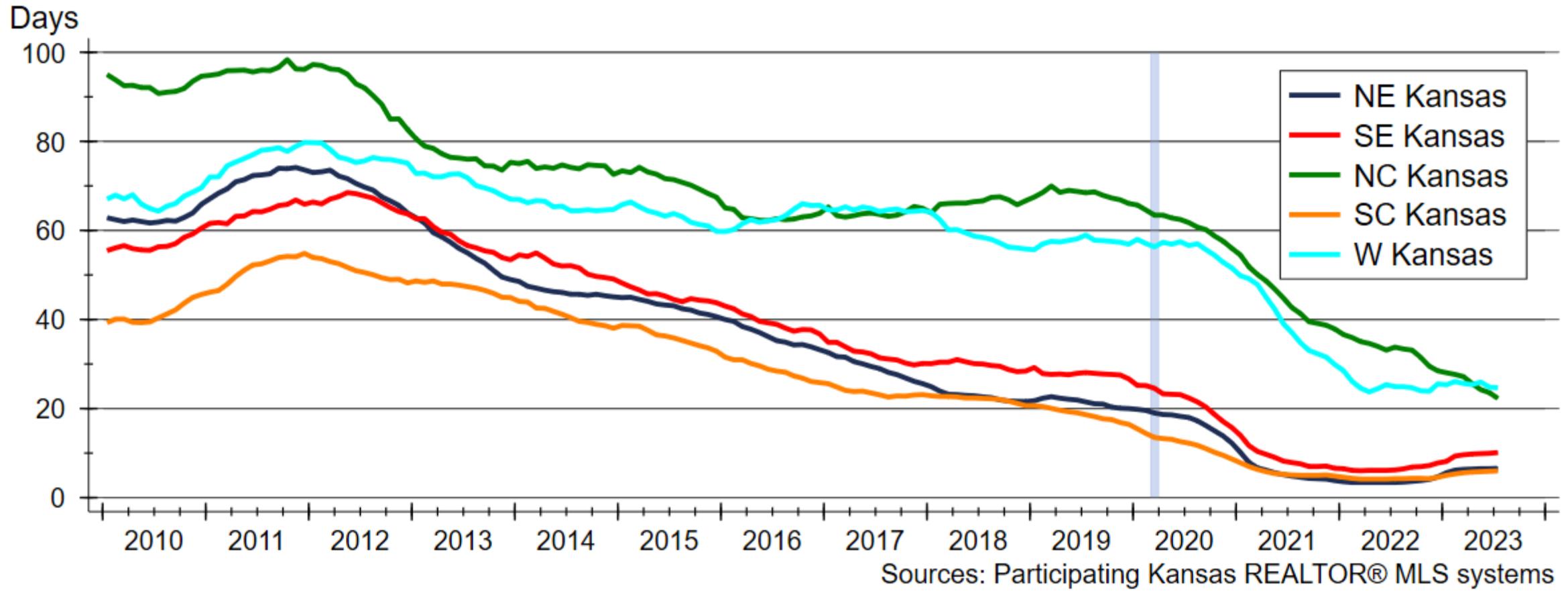
Data are moving averages

Kansas Median Days on Market

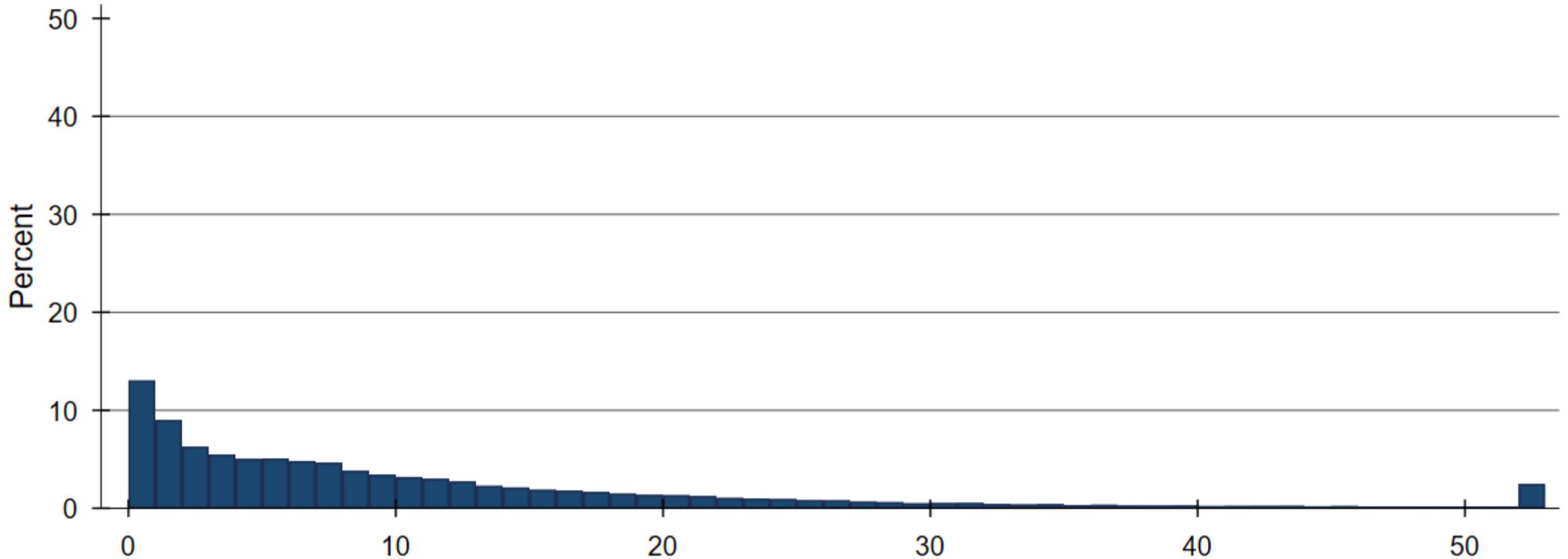


Sources: Participating Kansas REALTOR® MLS systems

Median Days on Market across Kansas Regions

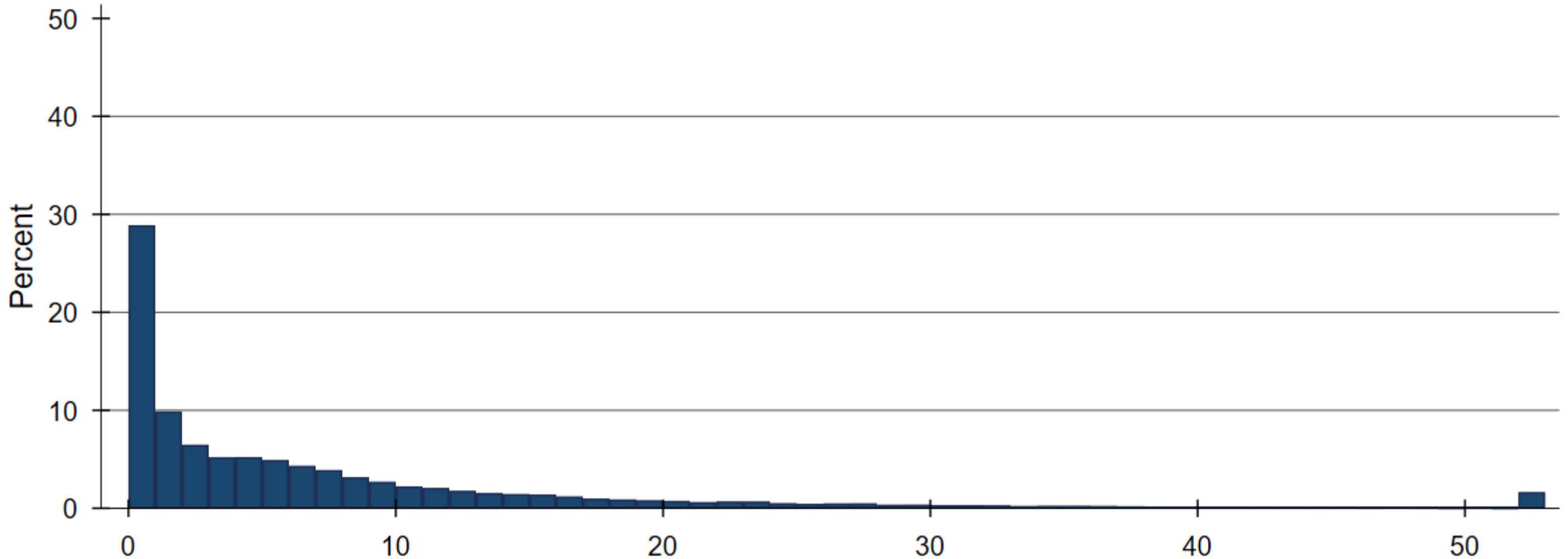


Distribution of Weeks on Market in 2013



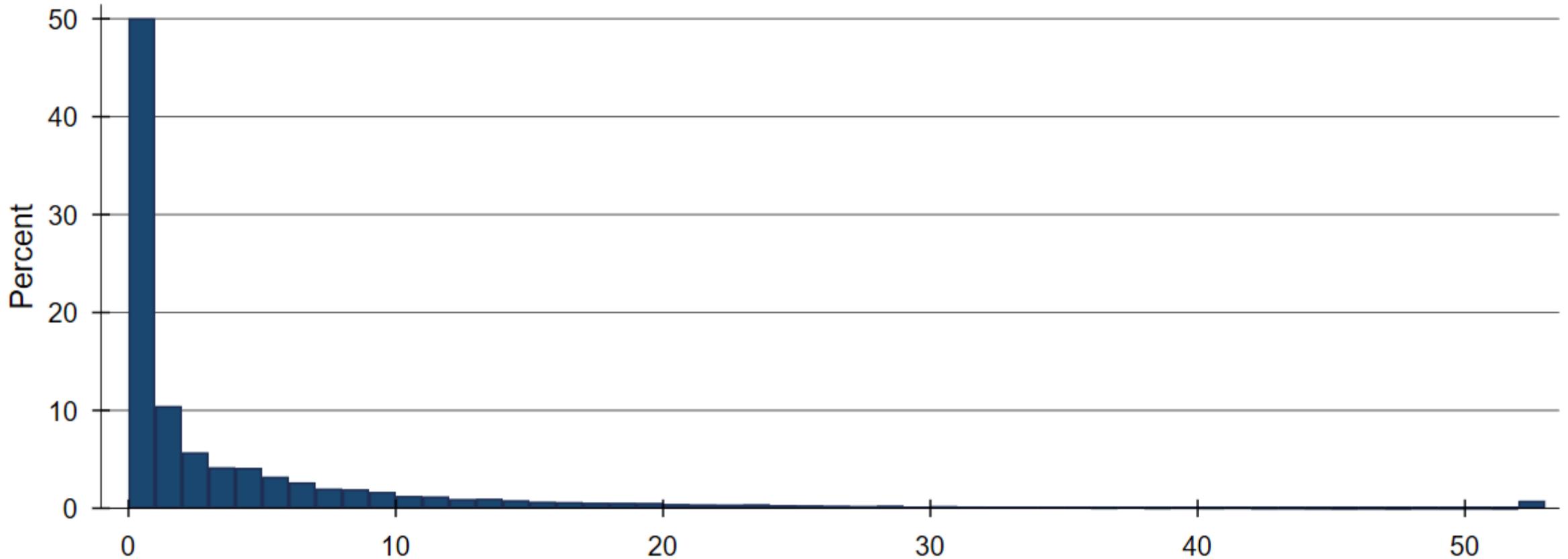
Note: Final bin includes all homes on market longer than a year.

Distribution of Weeks on Market in 2018



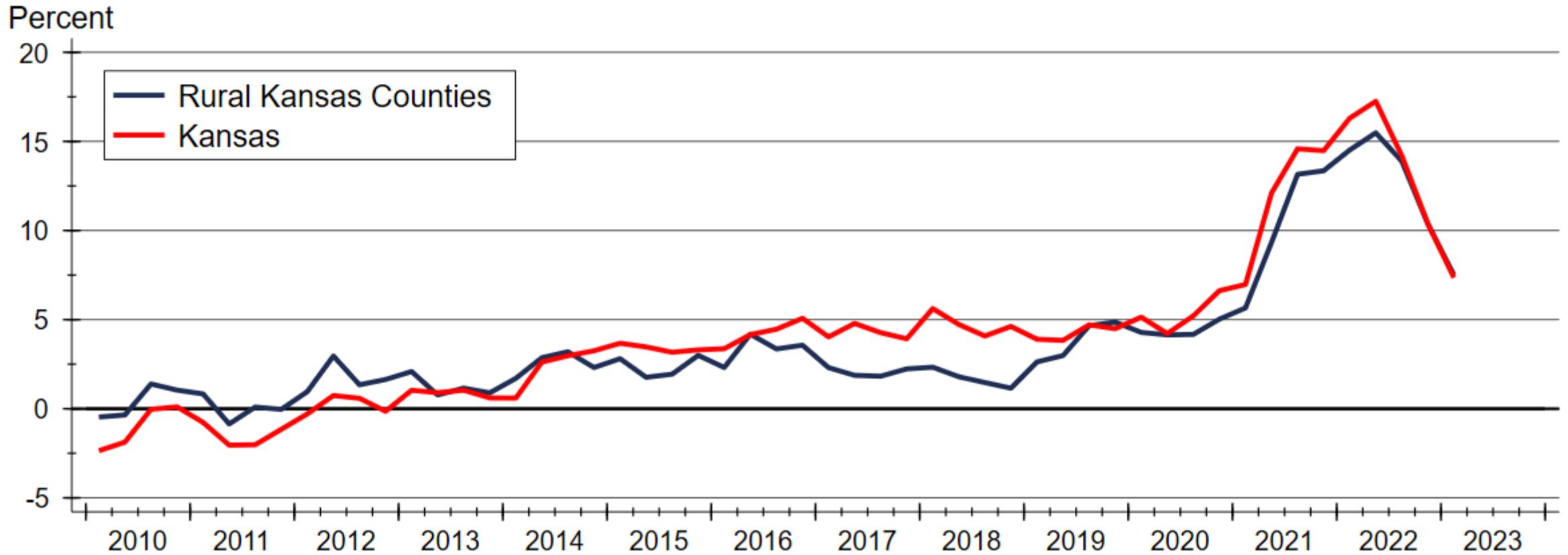
Note: Final bin includes all homes on market longer than a year.

Distribution of Weeks on Market in 2023



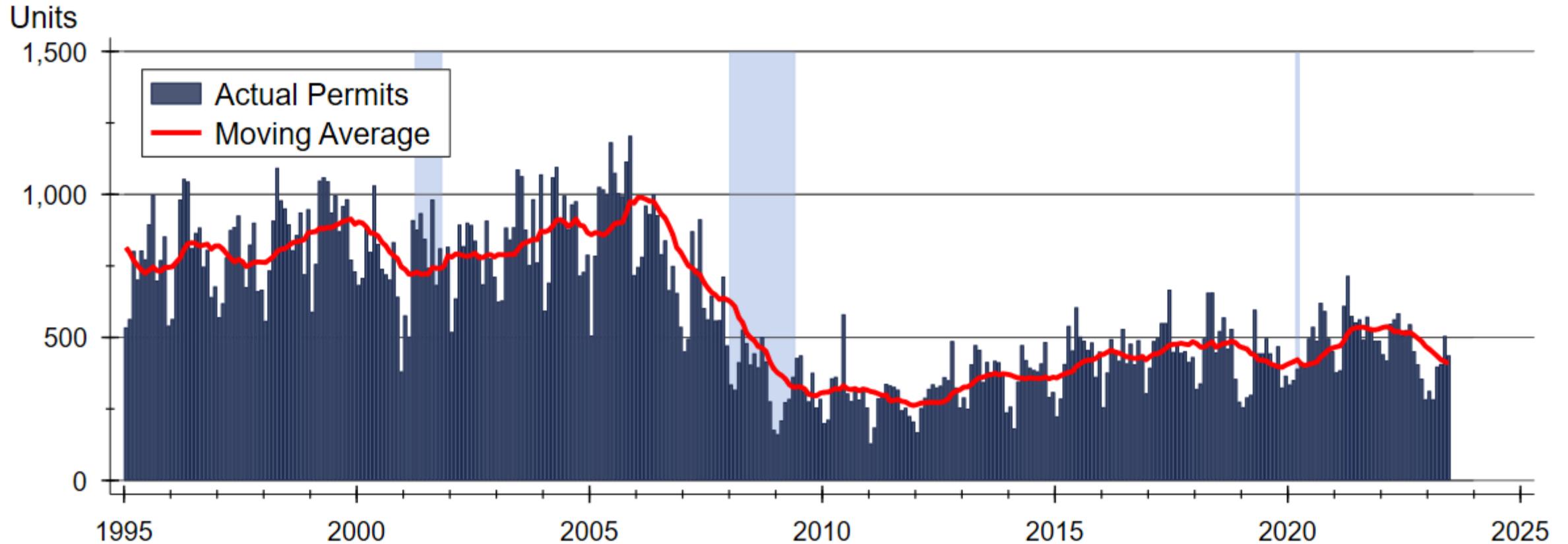
Note: Final bin includes all homes on market longer than a year.

Home Price Appreciation



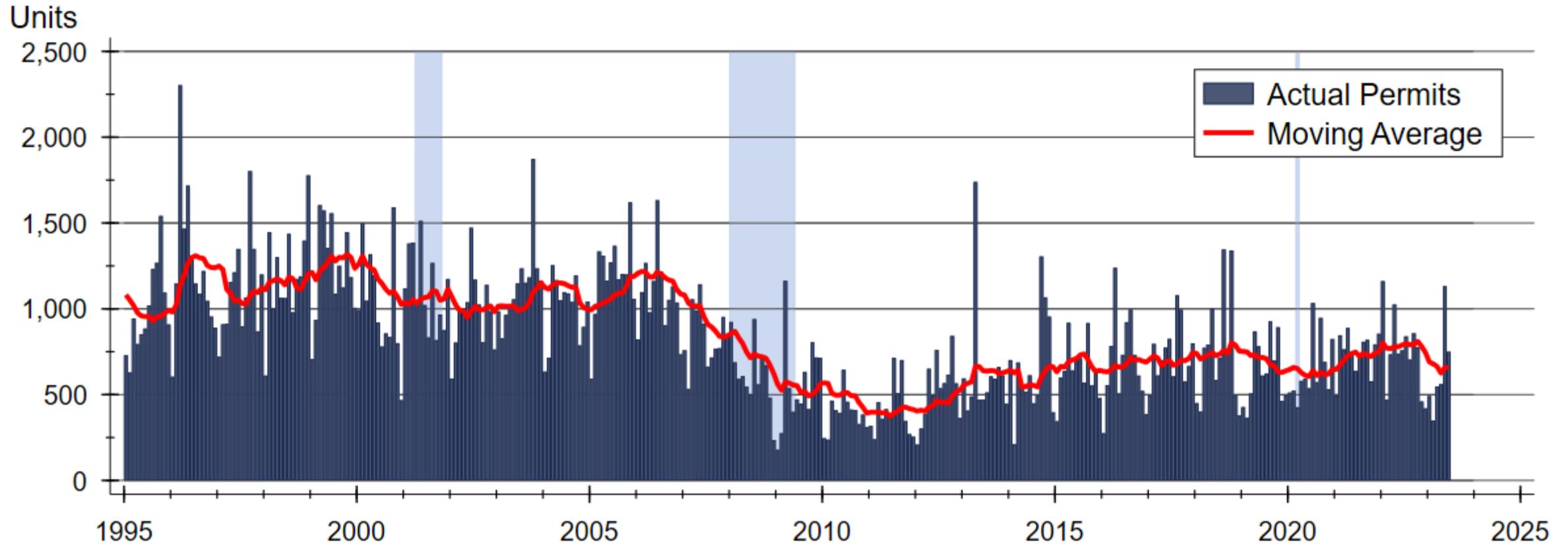
Source: Federal Housing Finance Agency (FHFA)

Kansas Single-family Building Permits



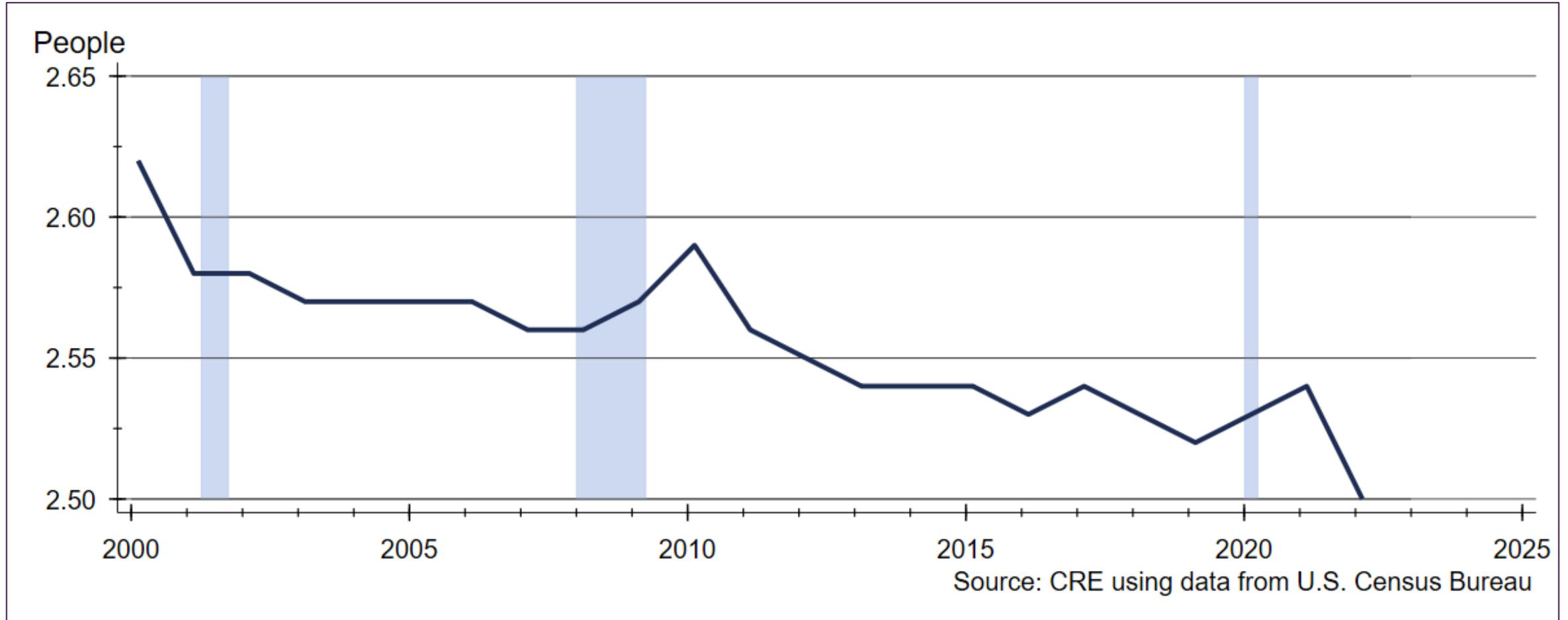
Source: U.S. Bureau of the Census

Kansas Total Residential Building Permits



Source: U.S. Bureau of the Census

Households Continue to Get Smaller



WSU Center for Real Estate

Laying a Foundation for Real Estate in Kansas

www.wichita.edu/realestate



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