

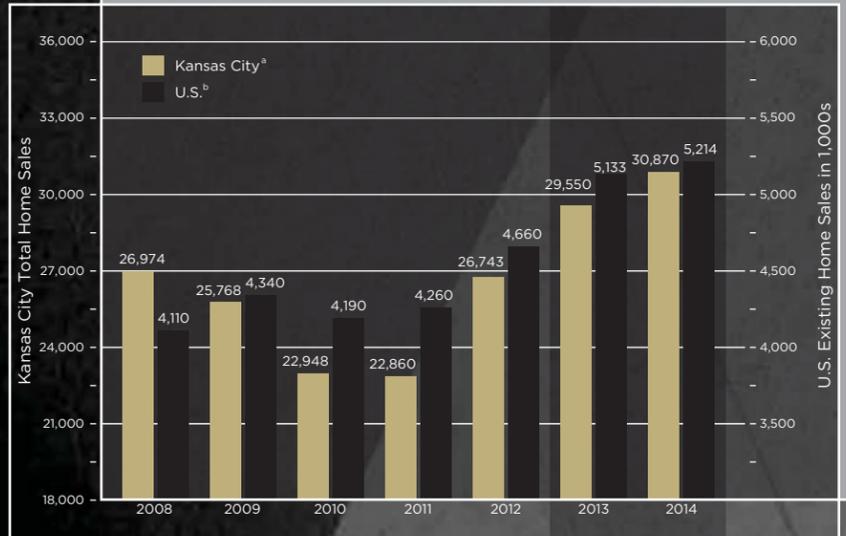
HOME SALES AND CONSTRUCTION

KANSAS CITY HOME SALES SHOULD INCREASE BY 4.5 PERCENT IN 2014.

The Kansas City housing market is clearly on the rebound. Total home sales rose last year by 17.0 percent, and this year they are on pace to rise by another 10.5 percent. This trend should continue in 2014, although the pace may slow somewhat. We forecast sales in the Kansas City area to rise by 4.5 percent next year to 30,870 units.

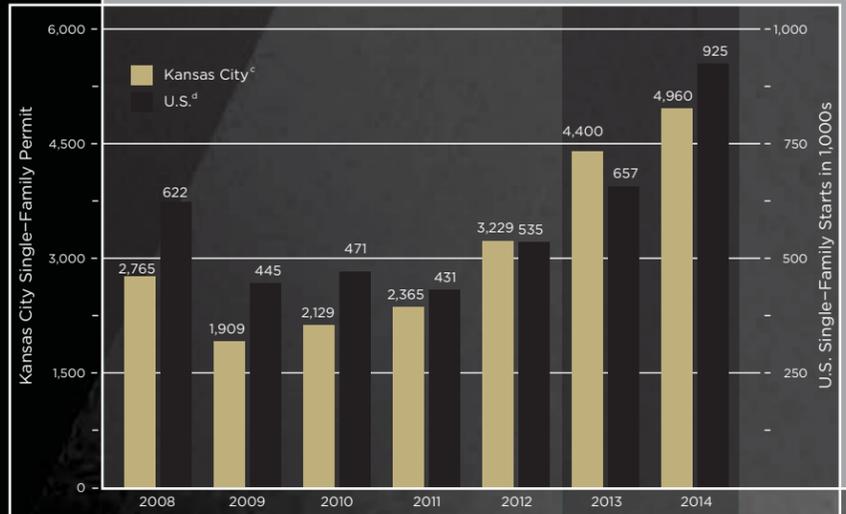
New home construction is accelerating as well, with permits for single-family homes in the Kansas City area expected to end the year up 36.3 percent. Nonetheless, permits are still well below what would be considered normal levels; even before the housing boom, Kansas City averaged more than 9,000 single-family permits per year. Next year, we expect new home construction to rise by another 12.7 percent to 4,960 units.

HOME SALES ACTIVITY



FORECAST

NEW HOME CONSTRUCTION ACTIVITY



FORECAST

Sources:
Heartland Multiple Listing Service; National Association of REALTORS[®];
U.S. Bureau of the Census; WSU Center for Real Estate

Notes:
a) Total home sales in the Kansas City area as reported by the Heartland Multiple Listing Service
b) U.S. existing home sales as reported by the National Association of REALTORS[®]
c) Single-family building permits issued in the Kansas City metropolitan area as reported by the U.S. Bureau of the Census
d) U.S. single-family housing starts as reported by the U.S. Bureau of the Census