

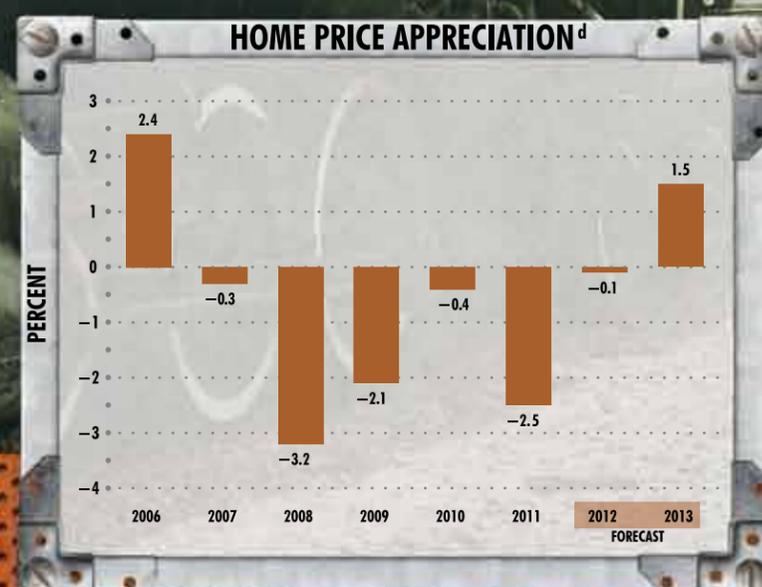
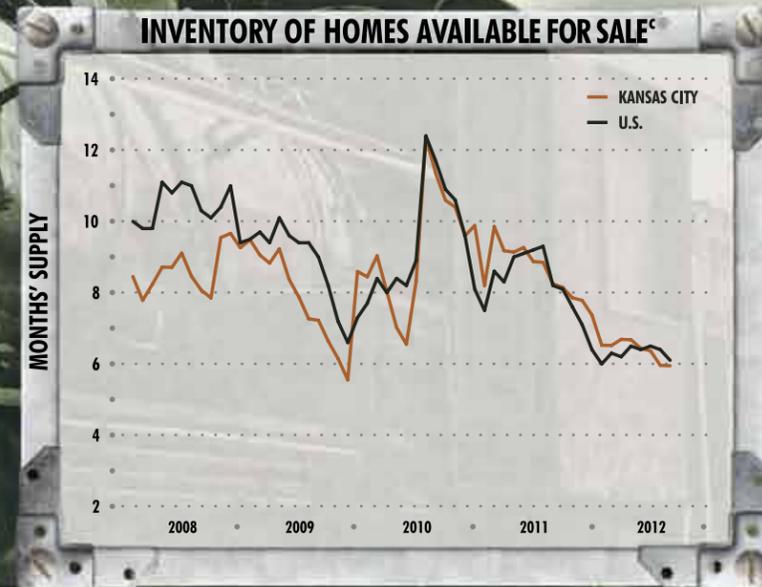
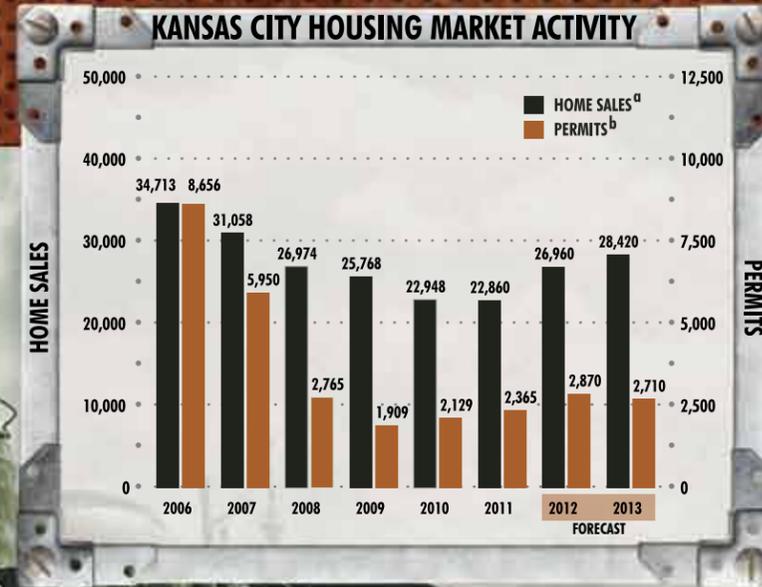
# KANSAS CITY

The Kansas City housing market appears to have turned the corner in 2012, with home sales on pace to increase by nearly 18 percent. This trend should continue in 2013, albeit at a slower pace, with sales rising by more than 5 percent to 28,420 units.

Average home prices in the Kansas City area have fallen more dramatically than in any other market across the state in recent years. Recently, however, tightening inventories of homes available for sale – at the end of August there was only a 5.9 months' supply – have begun to change the balance of the market. As a result, area home prices should begin to rise in 2013.

New home construction activity remains low. Although permits are on pace to rise this year, financing constraints for both builders and home buyers continue to hamper the new home market. As a result, permitting activity in the Kansas City area should fall slightly next year, far below its pre-crisis levels.

Sources: Heartland Multiple Listing Service; U.S. Bureau of the Census; Federal Housing Finance Agency; WSU Center for Real Estate  
 Notes: a) Total home sales in the Kansas City area as reported by the Heartland Multiple Listing Service.  
 b) Total single-family building permits issued in the Kansas City metropolitan area as reported by the U.S. Bureau of the Census.  
 c) Ratio of active home listings to home sales, seasonally adjusted. Kansas City figures combine new and existing homes.  
 d) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Kansas City metropolitan area, as measured using 4<sup>th</sup> quarter values.



## 2013 FORECAST

**SALES UP 5.4%**

**PRICES UP 1.5%**

**PERMITS DOWN 5.6%**