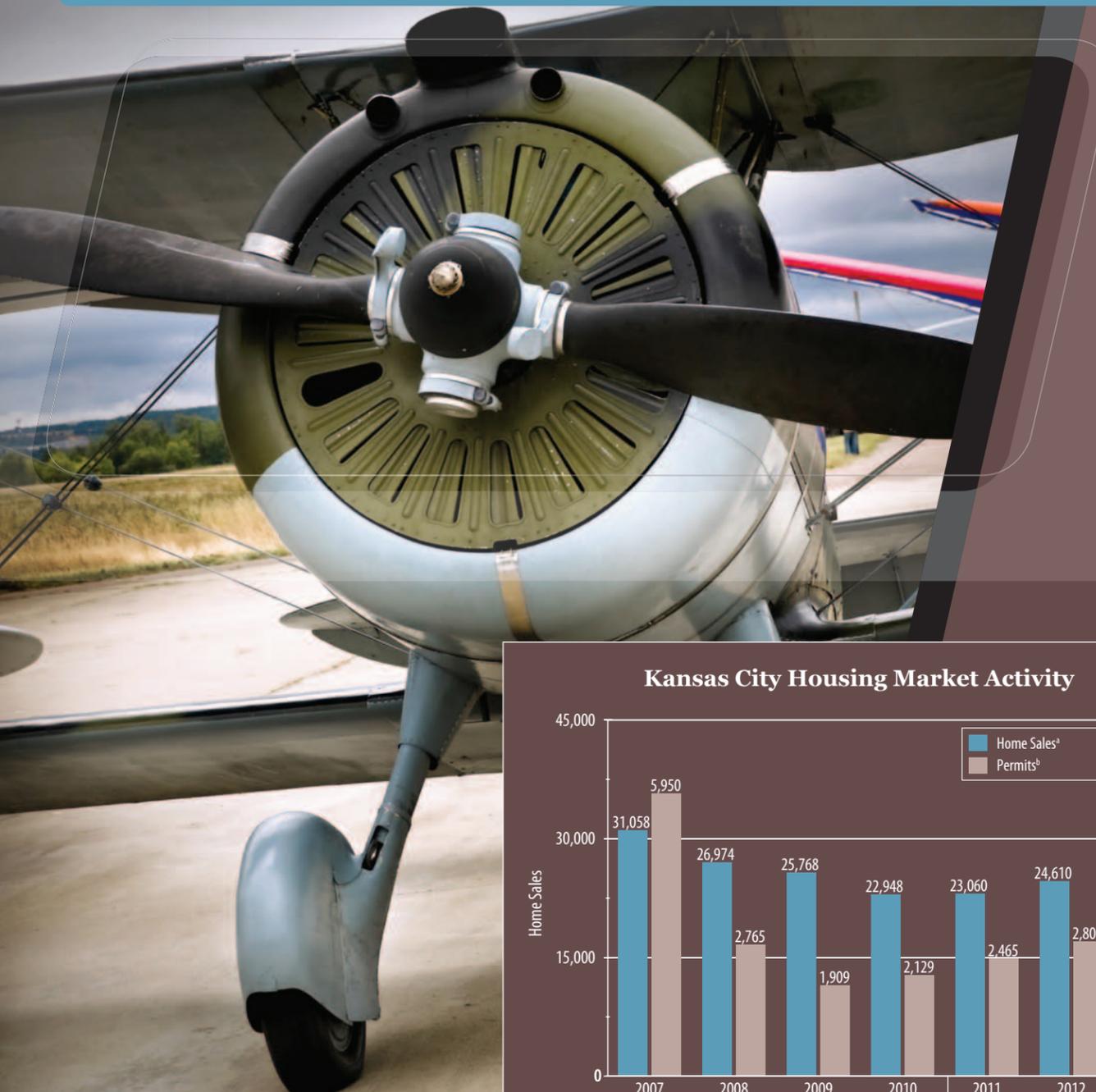


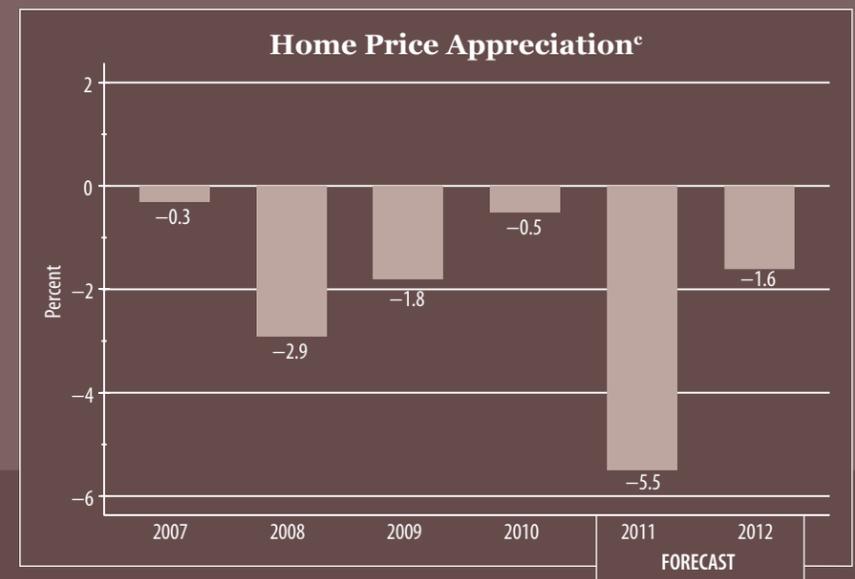
# Kansas City Forecast



Home sales in the Kansas City area are poised to rise by 6.7 percent in 2012. New home construction should increase by 13.6 percent next year.

As stormy as the market has been, the clouds appear to be breaking in Kansas City. Average home prices have fallen by more than 9 percent over the past four years, and sales have dropped by more than 30 percent. Recently, however, sales activity has begun to pick up and should rise by 6.7 percent in 2012, led by homes at the lower end of the market.

New home construction actually grew by 11.5 percent in 2010, and is poised to rise again both this year and next. Of course, the absolute level of building activity is still quite low.



As sales activity improves, home prices should begin to stabilize. Although average prices will fall by 5.5 percent this year, the pace of decline should slow to 1.6 percent in 2012.

Average home prices in the Kansas City area have continued to fall in 2011. The pace of decline should slow in 2012, with home prices falling 1.6 percent.

Kansas City Housing Market Activity



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) Year-over-year percentage change in the Federal Housing Finance Agency all-transaction housing price index for the Kansas City metropolitan area, as measured using 4th quarter values.