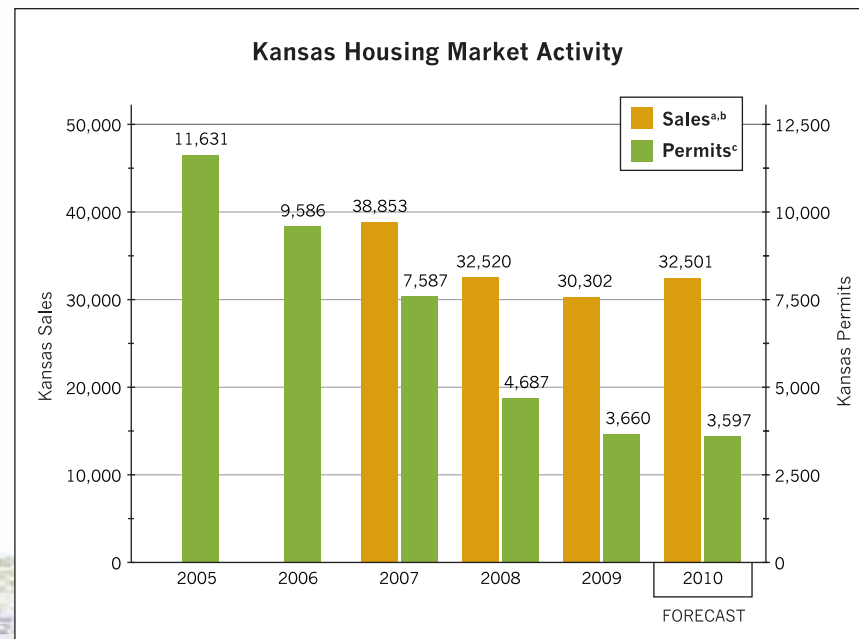


Kansas Forecast

Kansas home sales should rise by 7.3 percent in 2010 to 32,501 units.

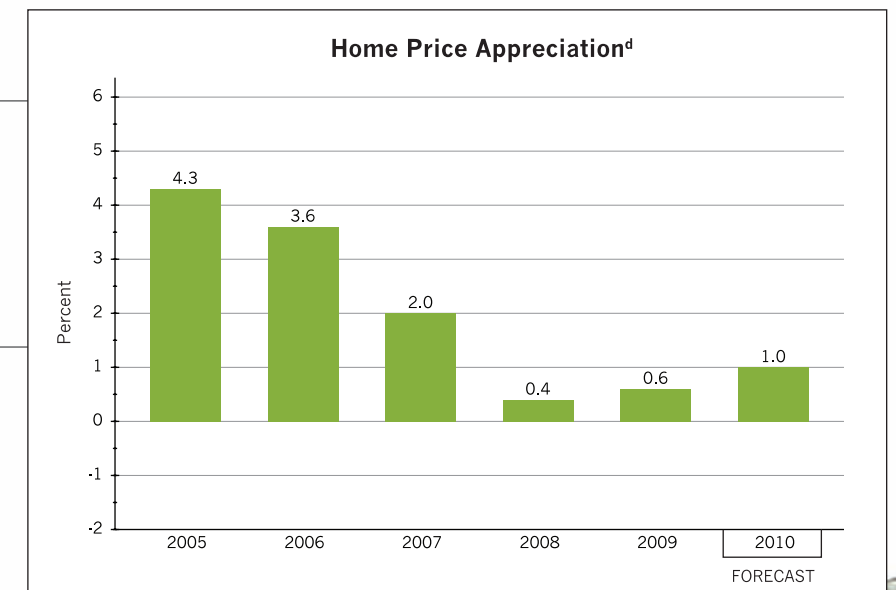


Although total home sales in Kansas have fallen by 22 percent since 2007, there are signs that spring may be just around the corner. Even before the new homebuyer tax credit was enacted last year, many markets across the state had begun to stabilize. We expect that the extended tax credit will cause sales to increase sharply in the second quarter, and while activity may fall off slightly after that, total sales for the year should be up 7.3 percent.

Home prices in Kansas should rise by about 1 percent in 2010.

The decline in construction activity also appears to be slowing. In fact, building permits actually increased in the fourth quarter of last year, and are likely to be up again in the first half of 2010 as well. For the year, however, we expect permits to be down just slightly (1.7 percent) from 2009. A sustained rebound in new home construction will likely have to wait until at least 2011.

A sustained increase in new home construction across Kansas will not occur until 2011 or later.



Sources: Kansas Association of Realtors and participating multiple listing service systems across Kansas; U.S. Bureau of the Census; Federal Housing Finance Agency; WSU Center for Real Estate

Notes: a) Total home sales in Kansas as reported by multiple listing services across the state.

b) Complete home sales figures for Kansas are not available prior to 2007.

c) Total single-family building permits issued in Kansas as reported by the U.S. Bureau of the Census.

d) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions index for Kansas, as measured using 4th quarter values.