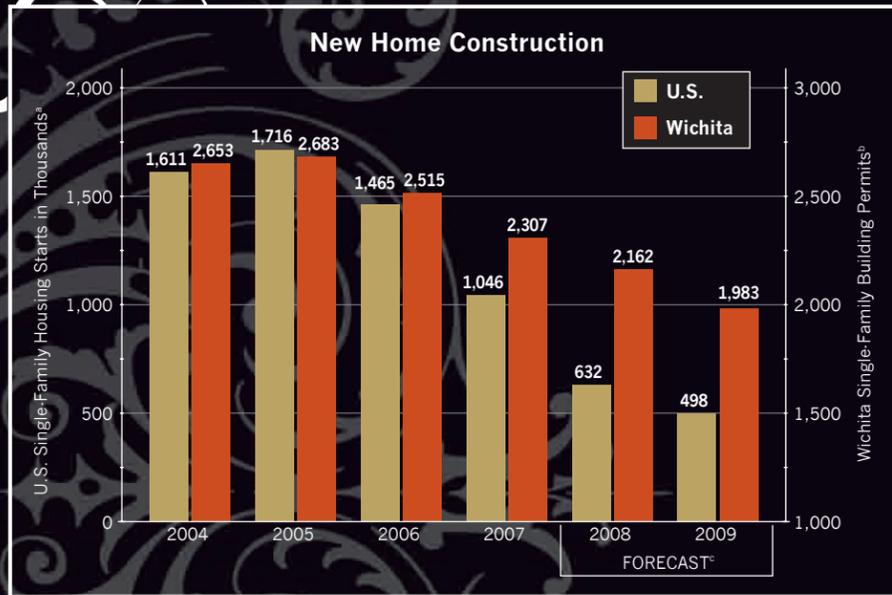


New Homes Escaping the Trap



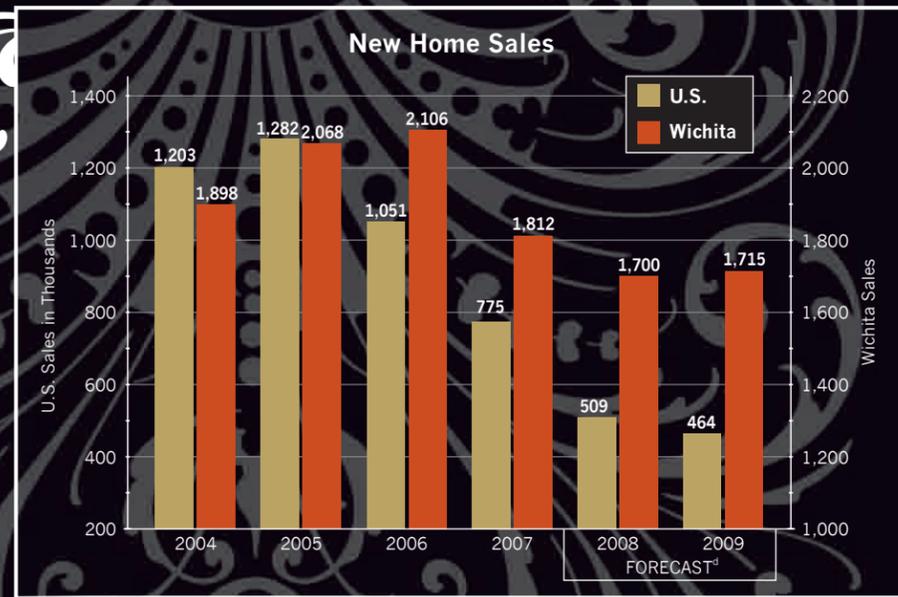
Lately it seems that Wichita's new home market has been chained in a trap. New home sales have fallen sharply since 2006 as fears about the credit crunch and a possible recession have discouraged many potential buyers.



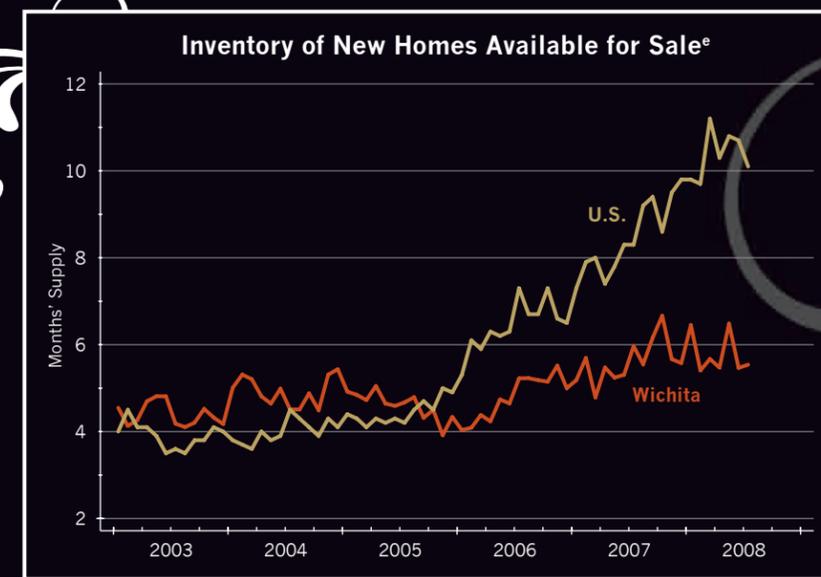
“Construction growth will resume once new home sales rebound, which should begin in 2009.”

Although inventories have risen over the past three years, the current five to six months' supply is not excessive and shouldn't present the long-term overhang problems that will be felt in some markets across the U.S.

When will we escape the trap we're in? The first step is for new home buyers to recognize that the problems in other parts of the country are not all that relevant for us in Wichita.



“The current new home inventory shouldn't present the long-term overhang problems that will be felt in some markets across the U.S.”



Sources: Wichita Area Builders Association; U.S. Census Bureau/U.S. Department of Housing and Urban Development; National Association of REALTORS®; South Central Kansas MLS; WSU Center for Real Estate

Notes: a) New privately owned single-family housing units started (housing starts)
 b) Single-family residential building permits in the Wichita area as collected by the Wichita Area Builders Association

Notes: c) U.S. forecast is the National Association of REALTORS® August 2008 forecast of national single-family housing starts
 d) U.S. forecast is the National Association of REALTORS® August 2008 forecast of national new single-family home sales
 e) Ratio of active new home listings to new home sales, seasonally adjusted