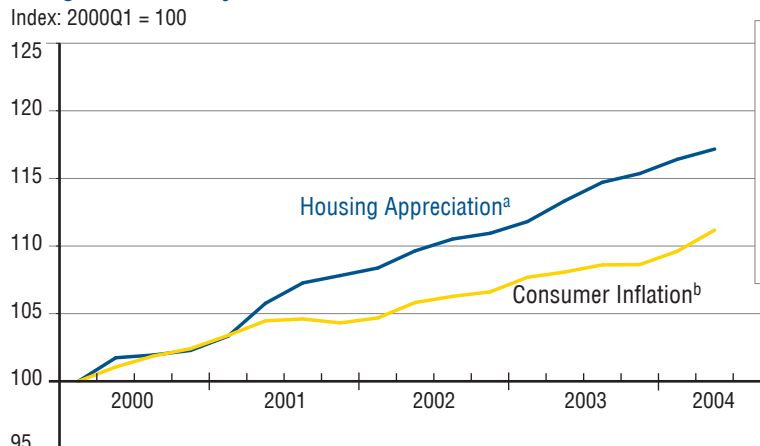


# WSU Home Price Index

OVER THE PAST SEVERAL MONTHS, THE CENTER for Real Estate has been hard at work on revising its Home Price Index (HPI) for the Wichita area using data made available by the Sedgwick County Appraiser's Office. In this forecast we are pleased to present the newly revised WSU HPI.

The WSU HPI shows the percentage change in Sedgwick County home prices relative to a base quarter (in this case, the first quarter of 2000). Thus, the HPI value of 117.17 for the second quarter of 2004 means that the typical home in Sedgwick County has appreciated by 17.17% since the beginning of the decade. In comparison, consumer prices (inflation) have only risen by 11.18% over this same time frame.

## Sedgwick County Home Price Index



Sources: WSU Center for Real Estate, using data provided by the Sedgwick County Appraiser's Office; U.S. Department of Labor: Bureau of Labor Statistics  
 Notes: (a) WSU Home Price Index for Sedgwick County  
 (b) Quarterly average of the Consumer Price Index for All Urban Consumers

## Sedgwick County Home Price Appreciation

	2000	2001	2002	2003
Home Price Appreciation <sup>a</sup>	2.84%	5.41%	2.90%	3.98%
Consumer Inflation <sup>a</sup>	3.43%	1.86%	2.20%	1.90%
Real Home Price Appreciation	-0.59%	3.55%	0.70%	2.08%

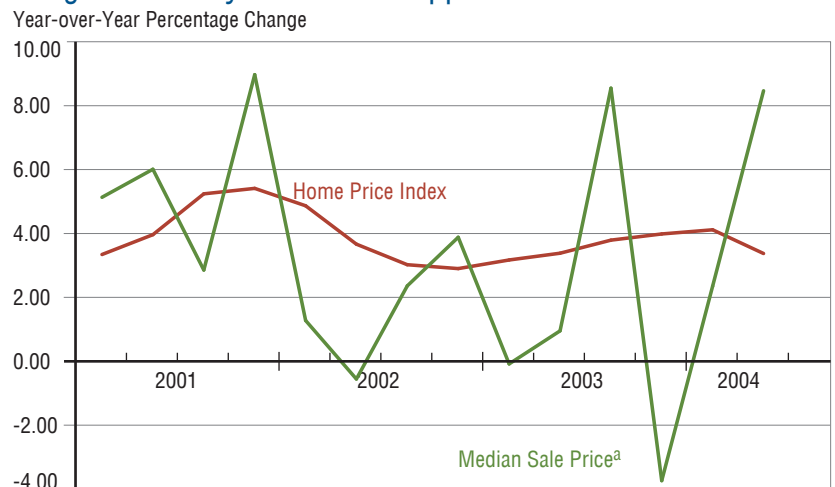
Sources: WSU Center for Real Estate, using data provided by the Sedgwick County Appraiser's Office; U.S. Department of Labor: Bureau of Labor Statistics  
 Note: a) Year-over-year percentage change as measured using 4th quarter values

“The WSU Home Price Index shows how Sedgwick County home prices have changed over time.”

The WSU HPI is a "constant quality" index, meaning that it accounts for the physical characteristics of the homes that have sold each quarter. In contrast, a median sale price figure is strongly influenced by the composition of homes that have sold during the quarter. As a result, in any given quarter the median sale price can dramatically misrepresent overall housing appreciation (see graph on the right).

For more detailed information about the WSU HPI, including further analysis, historical data back to 1985, and a description of the methodology used to calculate the index, visit the Center for Real Estate website at [REALESTATE.WICHITA.EDU](http://REALESTATE.WICHITA.EDU).

## Sedgwick County Home Price Appreciation



Sources: WSU Center for Real Estate, using data provided by the Sedgwick County Appraiser's Office; Wichita Area Association of REALTORS® Multiple Listing Service  
 Notes: (a) Year-over-year percentage change in median sale price of existing home sales in Sedgwick County