

Trends, Growth and Affordability in Rental Housing Panel Presentation

Kansas Housing Conference
August 24, 2016

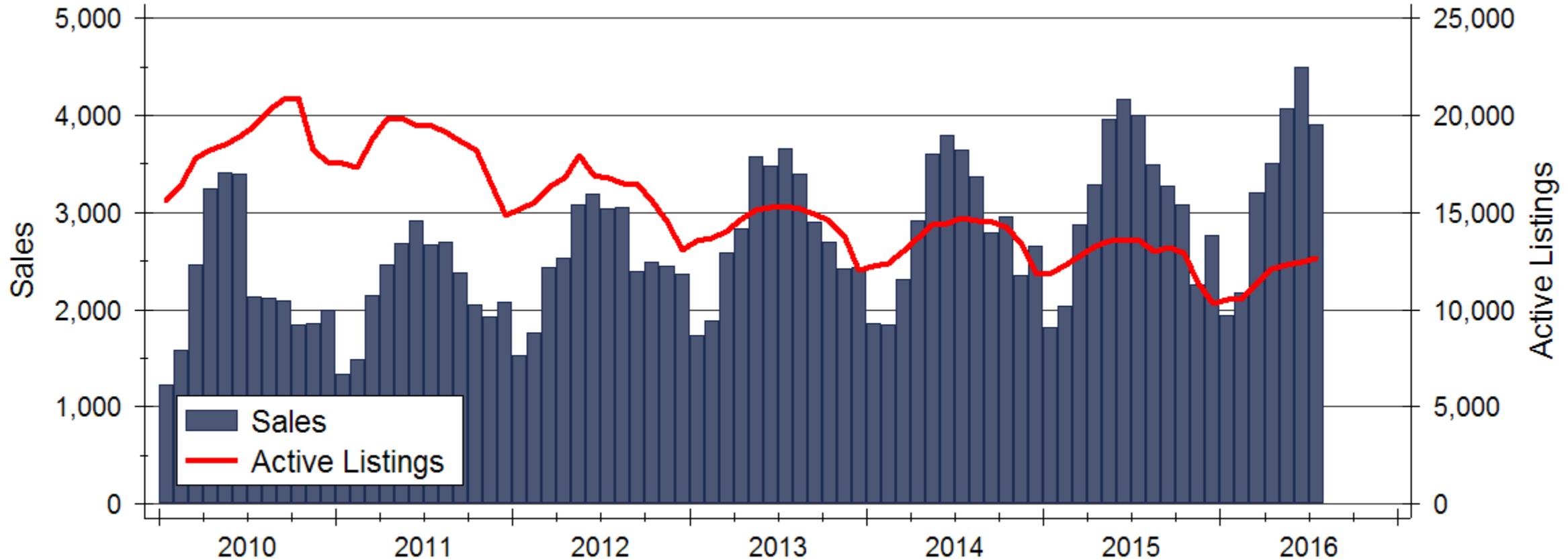
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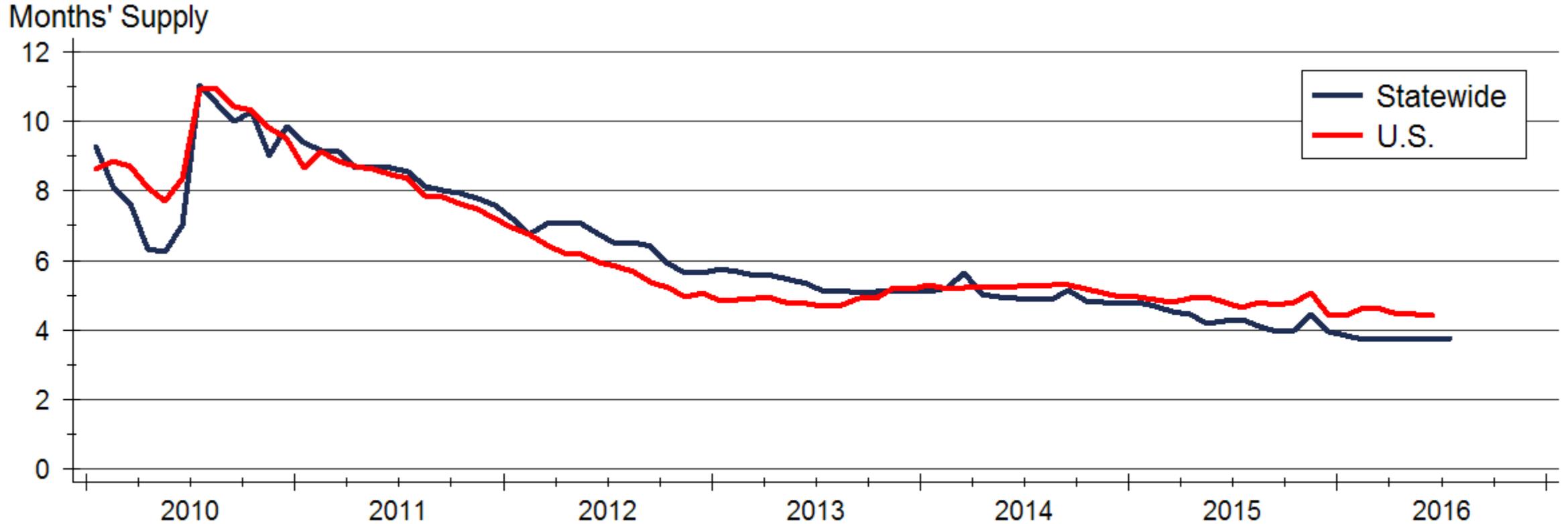


Kansas Home Sales and Active Listings



Source: Participating Kansas REALTOR® MLS systems

Inventory of Homes Available for Sale



Sources: NAR and Participating Kansas REALTOR® MLS systems

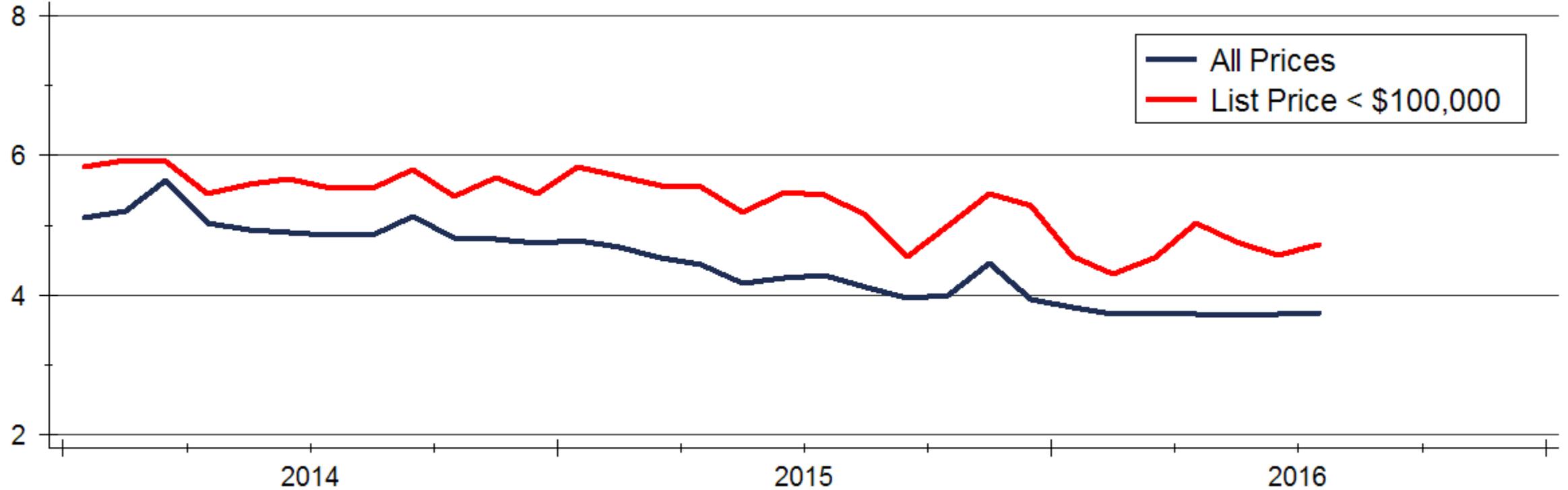
Note: Data are seasonally adjusted

2015 Home Sales Activity by Price Range

Price Range	Sales	Days on Market	Percent of List	Active Listings	Days on Market	Months' Supply
Below \$50,000	3,682	46	91.3%	1,139	77	3.7
\$50,000-\$99,999	6,429	49	96.9%	2,484	88	4.6
\$100,000-\$149,999	7,484	36	98.3%	1,700	77	2.7
\$150,000-\$199,999	6,990	31	98.9%	1,281	77	2.2
\$200,000-\$249,999	4,270	33	99.0%	833	83	2.3
\$250,000-\$299,999	2,752	32	99.2%	683	84	3.0
\$300,000 and up	5,385	46	98.8%	2,196	112	4.9
All Homes	36,992	39	98.4%	10,316	88	3.3

Inventory of Homes Available for Sale

Months' Supply



Sources: Participating Kansas REALTOR® MLS systems

Note: Data are seasonally adjusted

Are Sub-\$100,000 Homes Affordable?

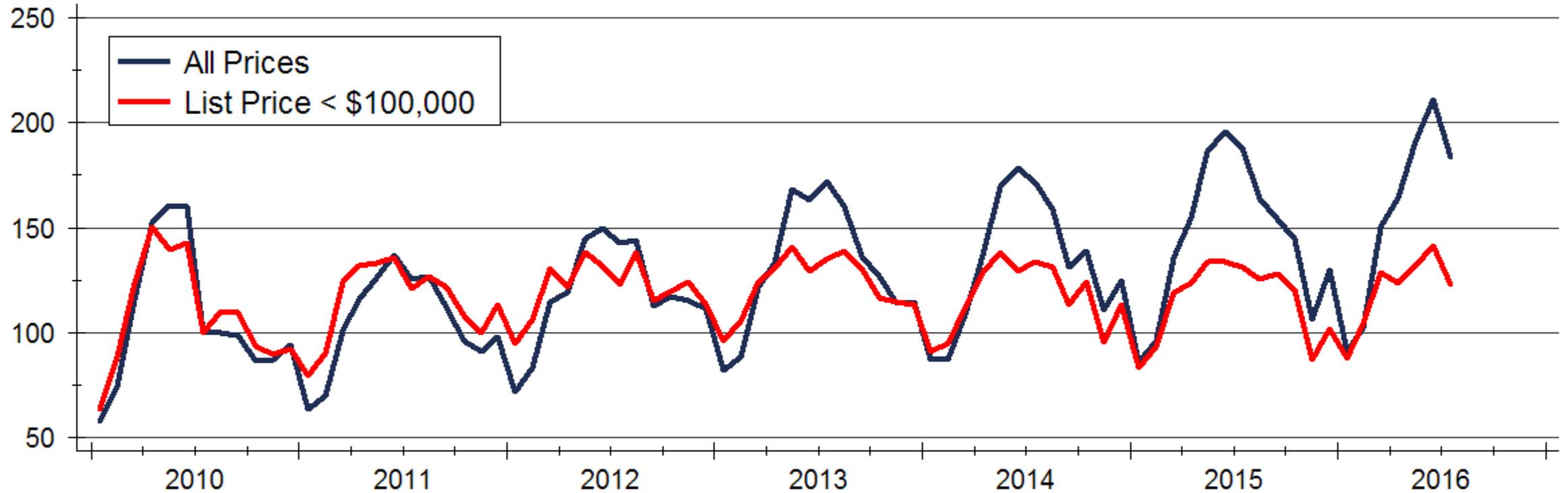
- Last week, the national average rate for 30-year fixed mortgages was 3.43%
 - Monthly payment on a \$100,000 mortgage: \$445.15
 - Annual income required at 25% payment ratio: \$21,367
- Even if a borrower doesn't qualify for prime mortgage rates, the required payment for a sub-\$100,000 is still quite low
 - Payment @ 5.50% rate: \$567.79
 - Annual income required: \$27,254

Characteristics of 2015 “Affordable” Home Sales

	Kansas	Lawrence	Manhattan	Topeka	Wichita
2015 Sales	10,111 27.3%	250 12.5%	81 7.0%	1,350 41.2%	3,122 33.9%
Total SF	1,247	1,058	1,293	1,250	1,252
Bedrooms	3	3	3	3	3
Bathrooms	1	1.5	1	1.5	1
Age	64	53	65	63	62

Kansas Home Sales by Price Range

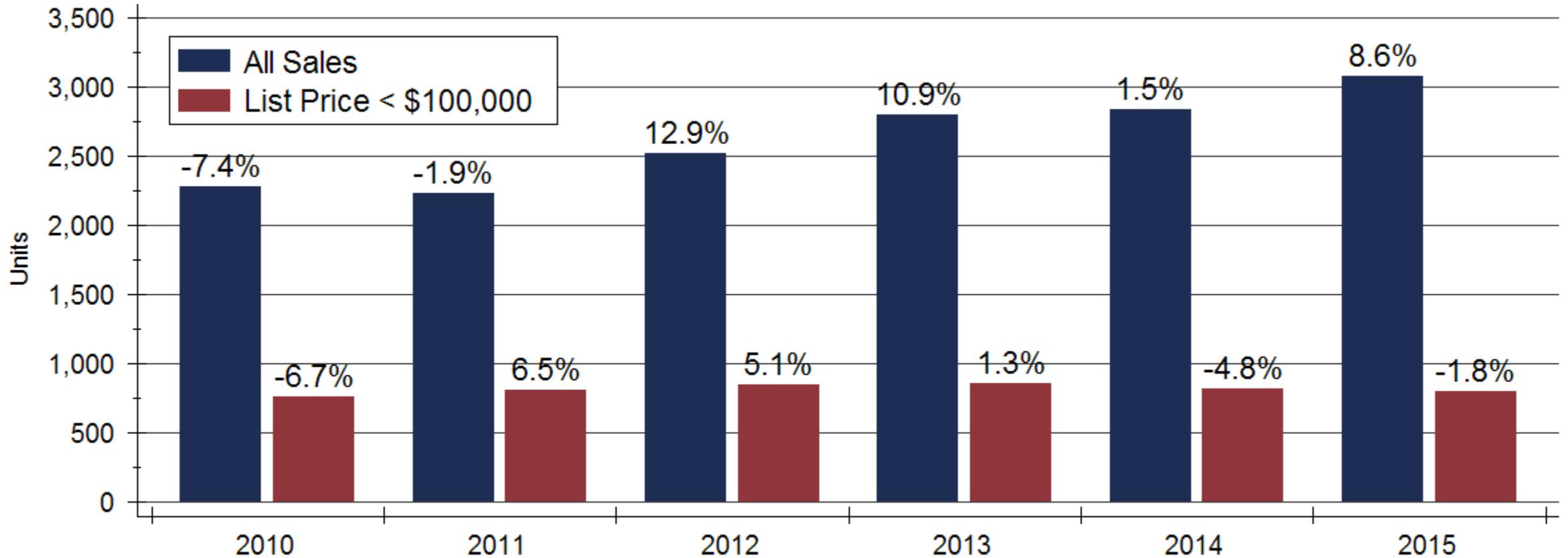
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Sources: Participating Kansas REALTOR® MLS systems

Note: Data are seasonally adjusted

Kansas Home Sales



Sources: Participating Kansas REALTOR® MLS systems

Challenges to “Affordable” Homeownership

- Homeownership is only right for “stable” households
 - Income stability
 - Locational stability
- Even though the monthly payments may be low compared to rents, qualifying for a mortgage may be challenging
 - Down payment and closing costs
 - Credit blemishes
- Many (most?) of these “affordable” homes have substantial deferred maintenance and high ongoing costs
- Some markets have more affordable housing stock than others

Characteristics of “Affordable” Home Listings

	Kansas	Lawrence	Manhattan	Topeka	Wichita
Listings	3,992 31.7%	42 7.3%	34 8.1%	474 47.3%	767 32.0%
Total SF	1,248	1,047	1,342	1,280	1,221
Bedrooms	3	2.5	3	3	3
Bathrooms	1	1	1	1	1
Age	75	46	72	65	66

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Laying a Foundation for Real Estate in Kansas



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