

Housing Supply and Affordability in Kansas

Special Committee on Available and Affordable Housing
November 19, 2024

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WSU Center for Real Estate



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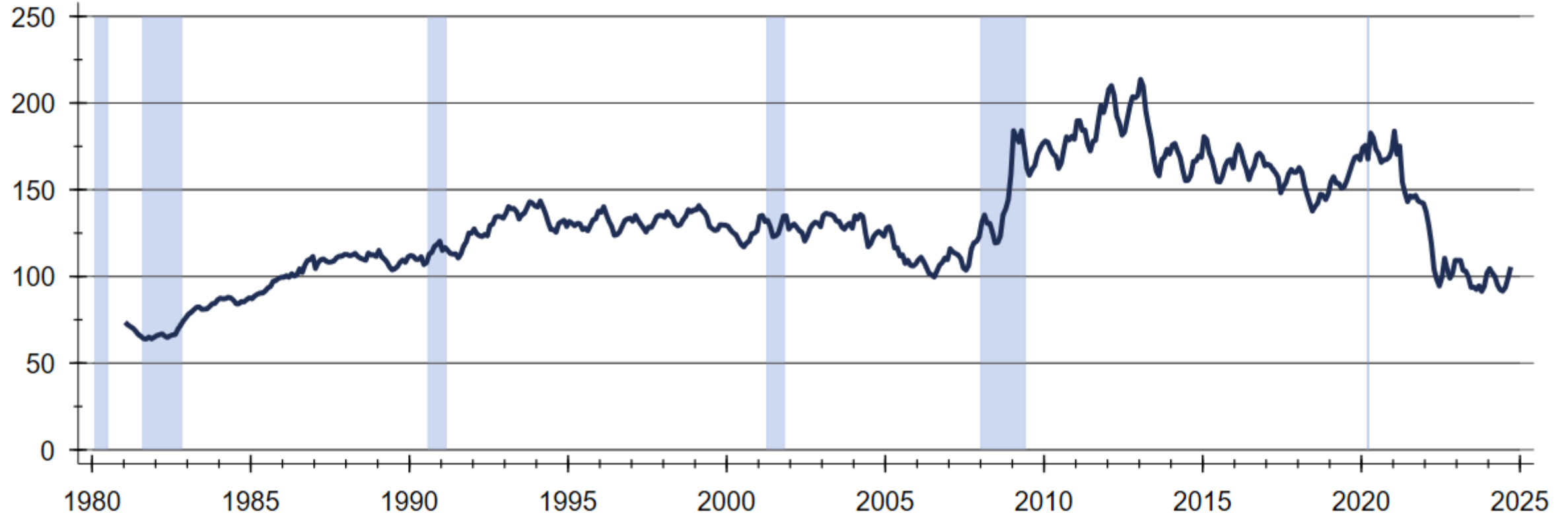


Measuring Housing Affordability

- The National Association of Realtors calculates a Housing Affordability Index (HAI)
 - Compares median family income with the income needed to purchase the median priced home
 - 20% downpayment
 - 25% housing expense ratio
 - A value of 125 means the median-income family has 25% more income than that needed to purchase the median-priced home

NAR Housing Affordability Index

Housing Affordability Index

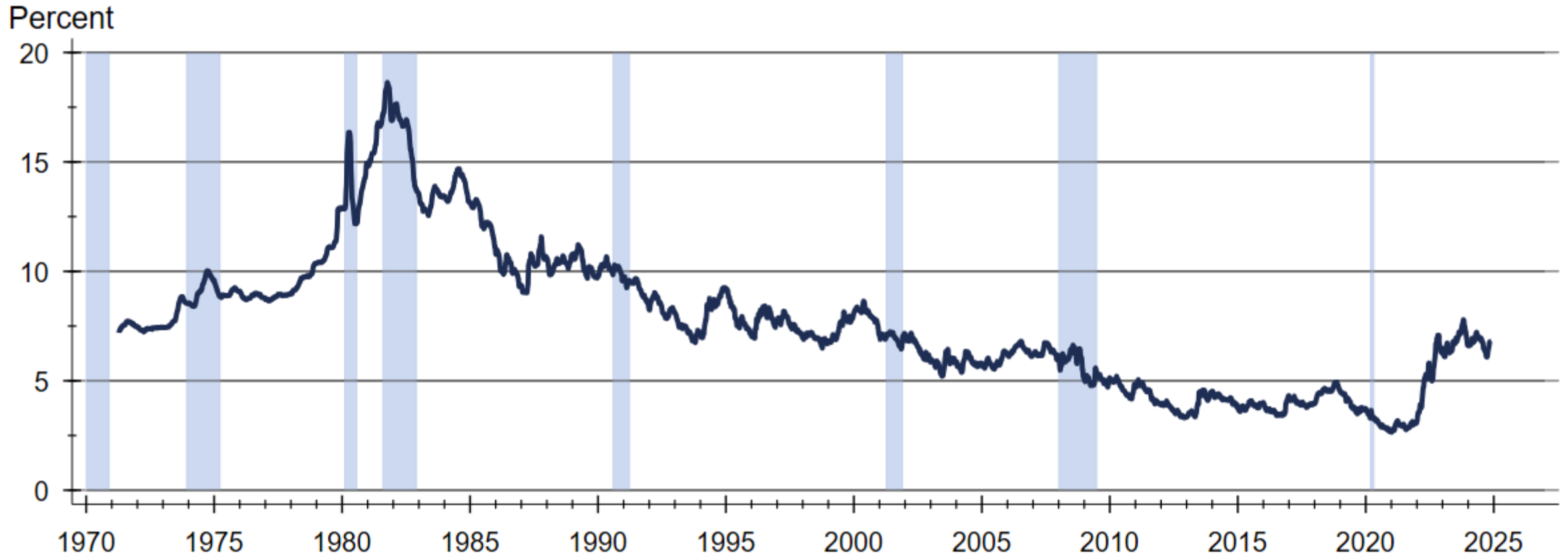


Source: National Association of Realtors

Housing Affordability Index Components

- The Housing Affordability Index is calculated using three inputs:
 - Median family income (currently estimated based on wage growth)
 - Current 30-year fixed mortgage rates
 - Median sale price of existing homes

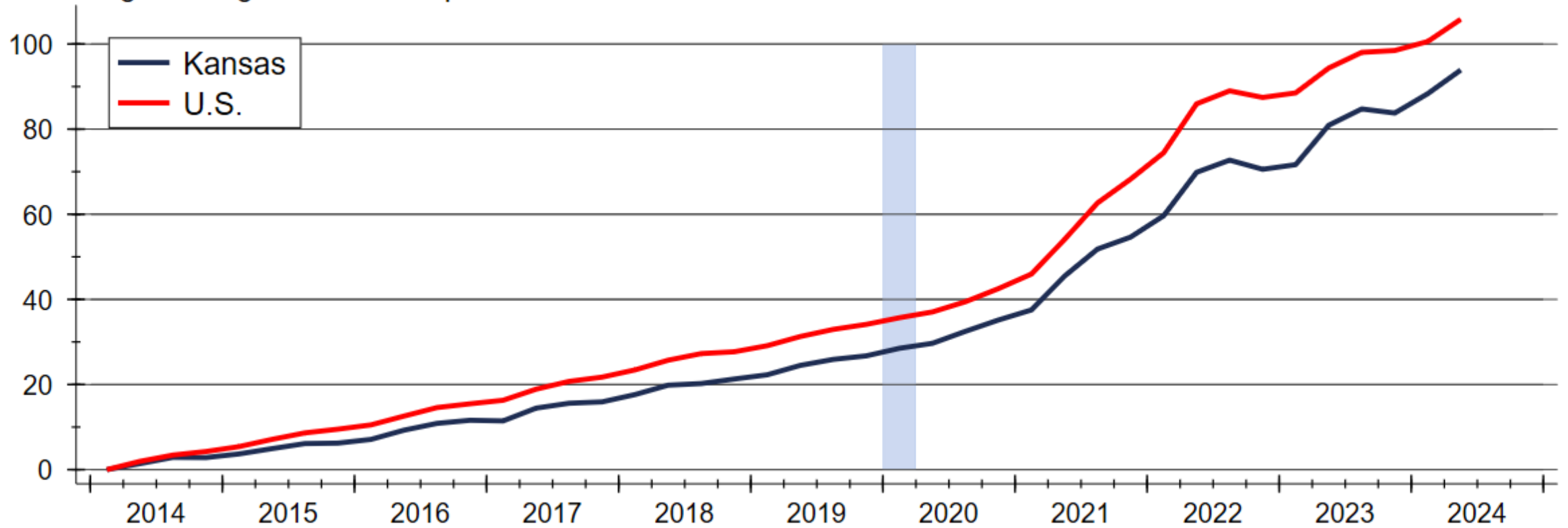
Mortgage Rates are Returning to "Normal"



Sources: Freddie Mac

Kansas Home Price Appreciation

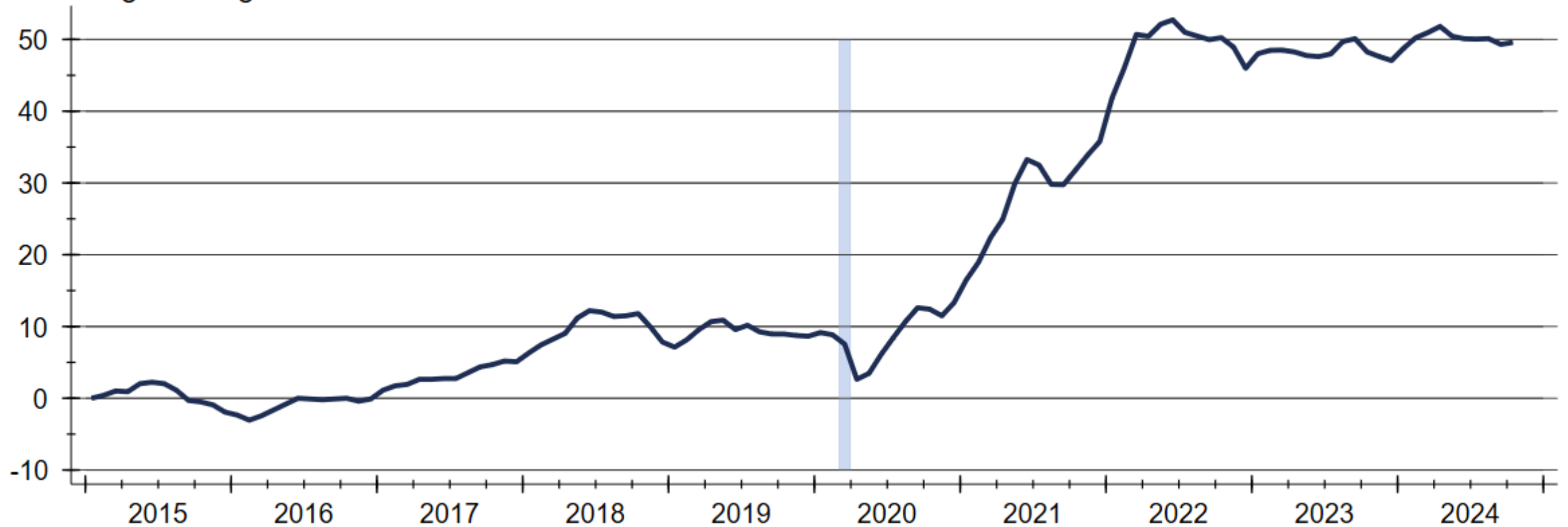
Percentage Change Since 2014q1



Source: Federal Housing Finance Agency (FHFA)

Single Family Construction Materials Costs

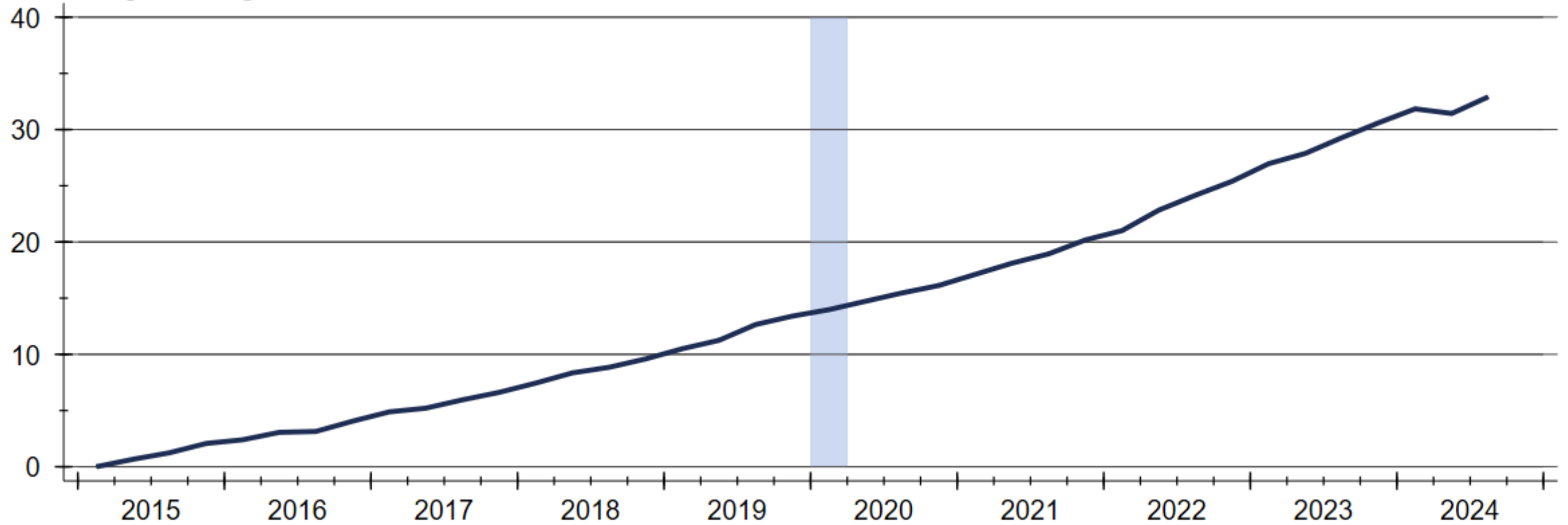
Percentage Change Since Jan. 2015



Source: U.S. Bureau of Labor Statistics

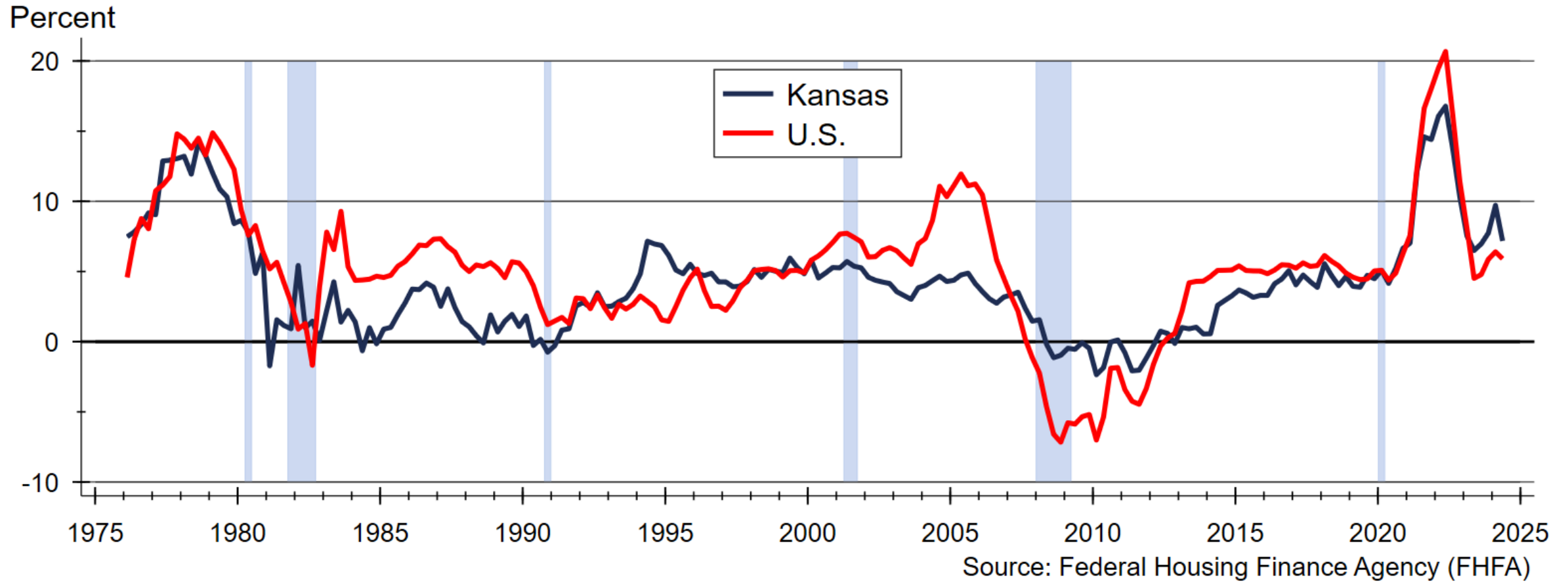
Construction Labor Costs

Percentage Change Since 2015 Q1

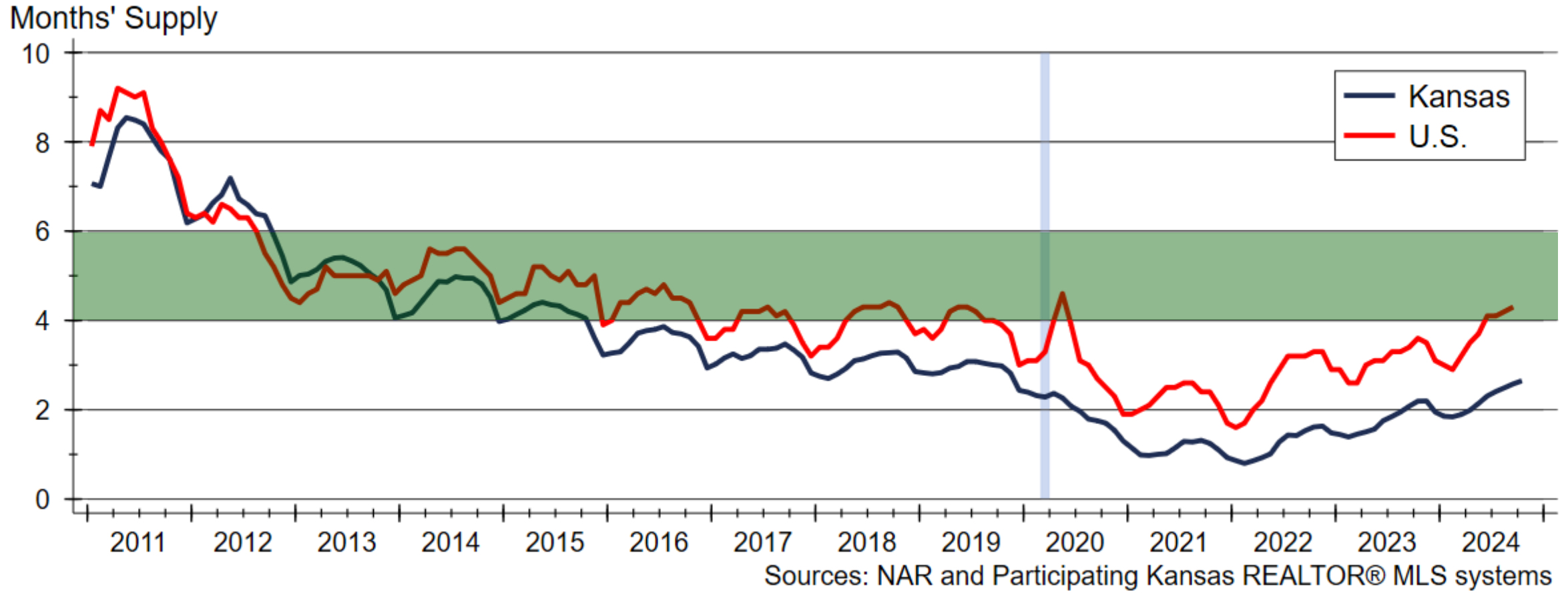


Source: U.S. Bureau of Labor Statistics

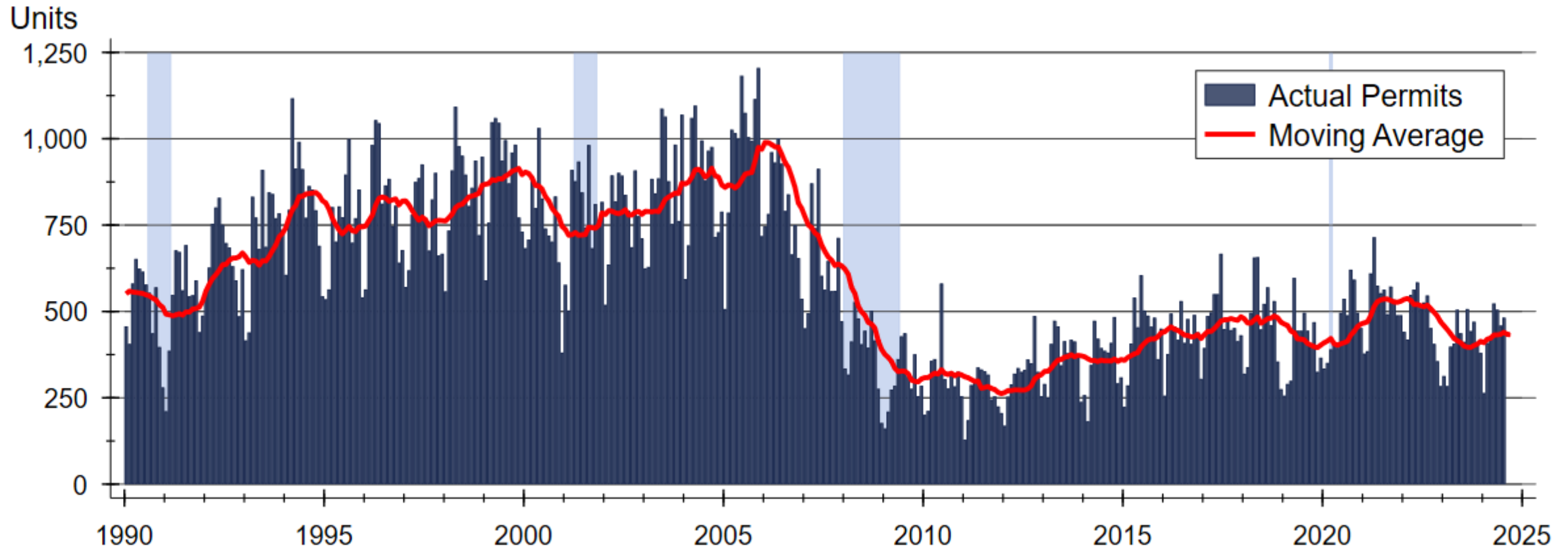
Annual Home Price Appreciation



Balance in the Housing Market



Kansas Single-Family Building Permits



Source: U.S. Bureau of the Census

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Laying a Foundation for Real Estate in Kansas

www.wichita.edu/realestate



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