Overview and Outlook for Housing in Kansas City

Kansas City Mortgage Bankers Association

March 24, 2011

Ritz Charles
Overland Park, KS
Home Sales

Index (January, 2005 = 100)

Source: National Association of Realtors; Local realtors associations
Homebuyer Traffic

Slide not posted due to data confidentiality
Distressed Property

Slide not posted due to data confidentiality
Tightened Mortgage Lending Standards

Source: Federal Reserve Board of Governors Senior Loan Officers Survey
Homebuyers

Slide not posted due to data confidentiality
Home Purchase Financing

Slide not posted due to data confidentiality
Mortgage Rates

Source: Freddie Mac
Realtors Assoc. Home Prices

Index (December, 2004 = 100)

Source: Kansas City Realtors Association
Kansas City prices down 5.0 percent from peak

Source: Federal Housing Finance Agency
New Housing Permits

Index (January, 2005 = 100)

Source: U.S. Census Bureau
Months Supply of Homes

Source: National Association of Realtors; Local realtors associations
Serious Mortgage Delinquency

<table>
<thead>
<tr>
<th>Status</th>
<th>KC Metro</th>
<th>Jackson Co</th>
<th>Johnson Co</th>
</tr>
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<tbody>
<tr>
<td>30 PD</td>
<td>4.2</td>
<td>3.7</td>
<td>2.2</td>
</tr>
<tr>
<td>60 PD</td>
<td>1.9</td>
<td>1.6</td>
<td>0.8</td>
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<tr>
<td>90+ PD</td>
<td>3.7</td>
<td>3.6</td>
<td>1.6</td>
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<tr>
<td>Total PD</td>
<td>11.6</td>
<td>10.9</td>
<td>6.0</td>
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<tr>
<td>In Foreclosure</td>
<td>1.8</td>
<td>2.1</td>
<td>1.5</td>
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<tr>
<td>Seriously Delinquent</td>
<td>5.6</td>
<td>5.6</td>
<td>3.1</td>
</tr>
</tbody>
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Source: Lender Processing Services, Inc.
GDP Growth and Forecast

Source: Federal Reserve Board of Governors, Minutes of the Federal Open Market Committee (released Feb 16, 2011)
Summary

• Sales are weak and have been for some time
  – Uncertainty about jobs and economy
  – Fear of further price declines
  – Problems with closings on distressed properties
  – Tight lending
• But traffic is up
• Home prices have fallen significantly, but appear to have leveled off in Kansas City
• Expectation is for sales growth in Kansas City and flat or modest growth in prices
  – Large shadow inventory exists, but
  – The recovery seems to have firmed
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