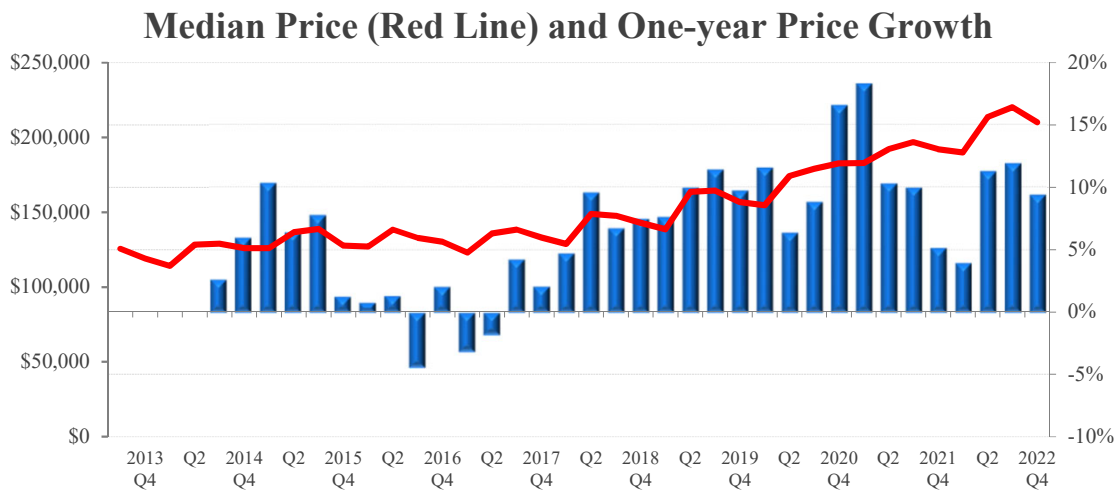


# Wichita Area

## Local Market Report, Fourth Quarter 2022

### Today's Market...



<b>Local Price Trends</b>			
Price Activity	Wichita	U.S.	<b>Local Trend</b>
Current Median Home Price (2022 Q4)	\$210,100	\$372,667	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2022 Q4)	9.4%	4.2%	
3-year (12-quarter) Appreciation (2022 Q4)	34.0%	36.9%	
3-year (12-quarter) Housing Equity Gain*	\$53,300	\$100,367	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$82,400	\$151,900	
9-year (36 quarters) Housing Equity Gain*	\$91,100	\$175,767	

\*Note: Equity gain reflects price appreciation only

	Wichita	U.S.	
<b>Conforming Loan Limit**</b>	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$472,030	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	29%	not comparable	

Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Wichita market is part of region 9 in the NAR governance system, which includes all of Missouri, Kansas, Arkansas, and Oklahoma. The 2023 NAR Regional Vice President representing region 9 is Steve LaRue.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



### Total Equity Gained\*\* through 2022 Q4 from quarter in which home was of purchased

Price Activity	Wichita	U.S.	Local Trend
1-year (4-quarter)	\$21,587	\$21,777	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$61,528	\$114,655	
5-year (20-quarter)*	\$88,791	\$147,773	
7-year (28 quarters)*	\$98,808	\$180,265	
9-year (36 quarters)*	\$110,547	\$207,943	

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

# Drivers of Local Supply and Demand...

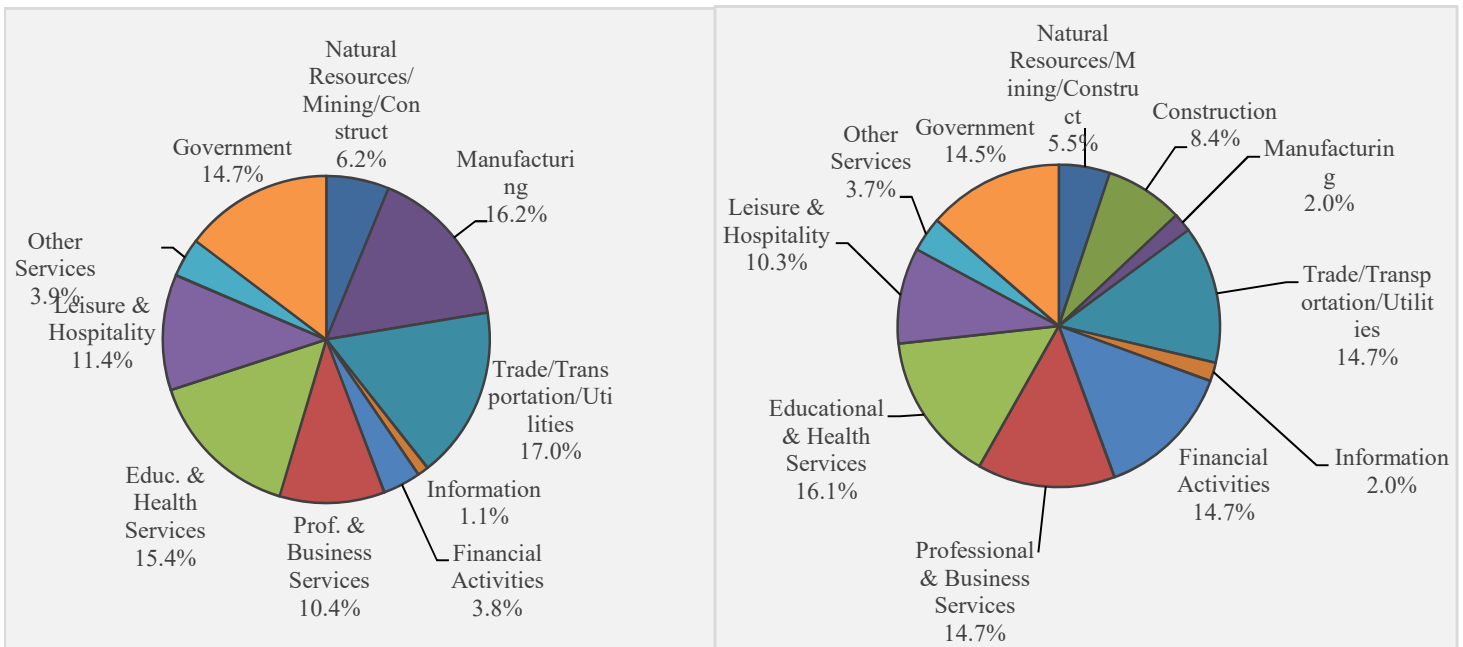


Local Economic Outlook	Wichita	U.S.	
12-month Job Change (Dec)	5,400	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Nov)	6,400	Not Comparable	
36-month Job Change (Dec)	-7,600	Not Comparable	Unemployment has risen since the same period last year, but Wichita's labor market has been more resilient than the national average
Current Unemployment Rate (Dec)	2.9%	3.5%	
Year-ago Unemployment Rate	2.6%	3.9%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	1.8%	4.3%	

## Share of Total Employment by Industry

Wichita Area

U.S.



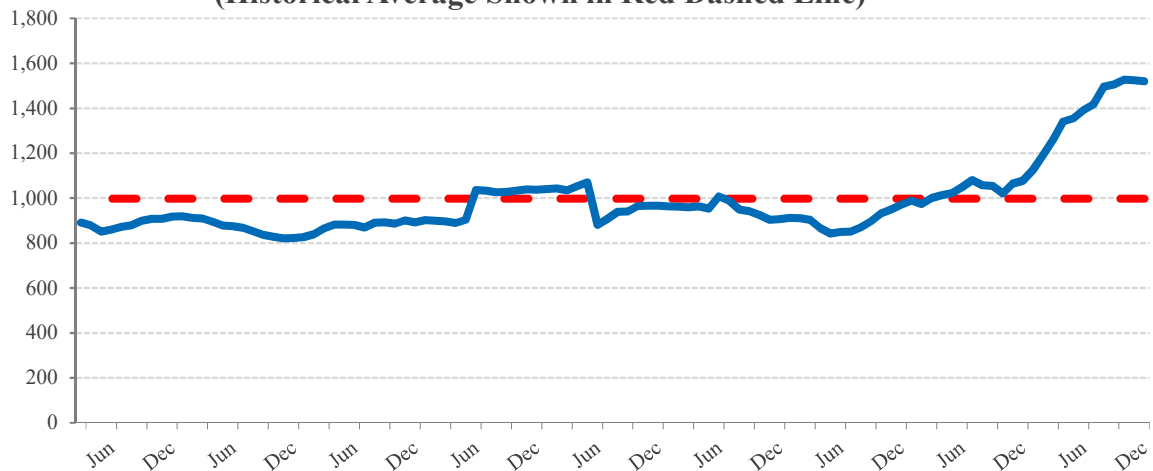
### 12-month Employment Change by Industry (Dec - 2022)

Goods Producing	NA	Information	100
Natural Resources/Mining/Construction	1,200	Financial Activities	-200
Natural Resources and Mining	NA	Prof. & Business Services	-2,900
Construction	NA	Educ. & Health Services	1,800
Manufacturing	2,400	Leisure & Hospitality	1,900
Service Providing Excluding Government	NA	Other Services	100
Trade/Transportation/Utilities	900	Government	1,100

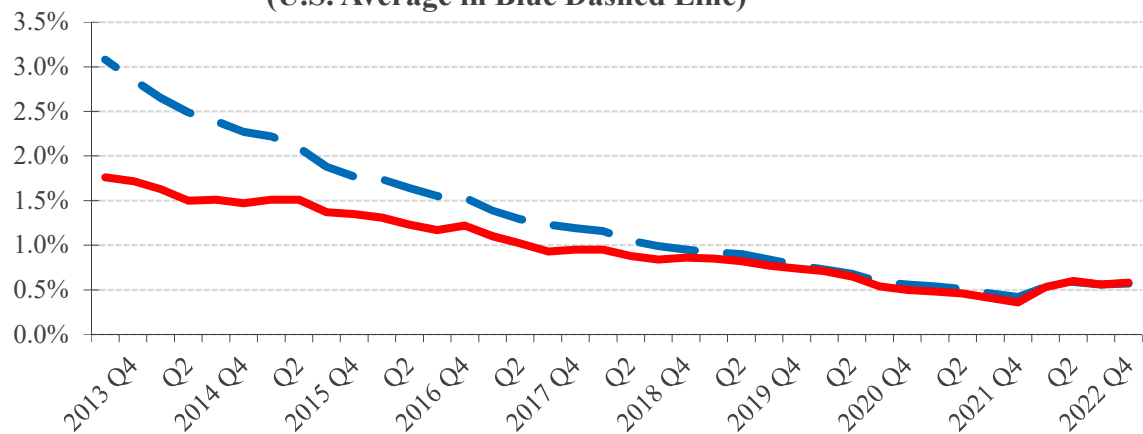
State Economic Activity Index	Kansas	U.S.	
12-month change (2022 - Dec)	2.2%	4.1%	Kansas's economy is growing, but decelerated from last month's 2.44% change and lags the rest of the nation
36-month change (2022 - Dec)	6.2%	5.4%	

New Housing Construction			
Local Fundamentals	Wichita	U.S.	
12-month Sum of 1-unit Building Permits through Dec	1,521	not comparable	The current level of construction is 52.5% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	997	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Dec) 12-month sum vs. a year ago	41.2%	-13.2%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized

**Construction: 12-month Sum of Local Housing Permits**  
(Historical Average Shown in Red Dashed Line)

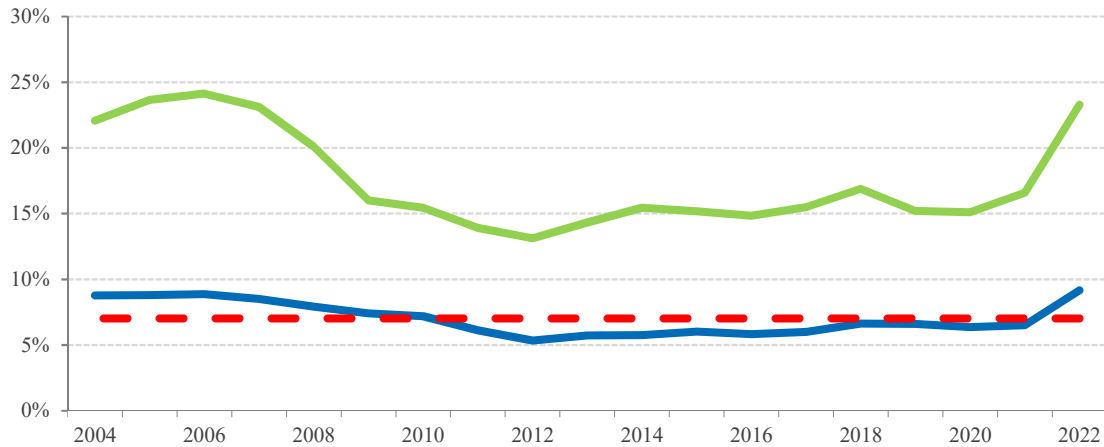


**State Total Foreclosure Rate vs. U.S Average**  
(U.S. Average in Blue Dashed Line)



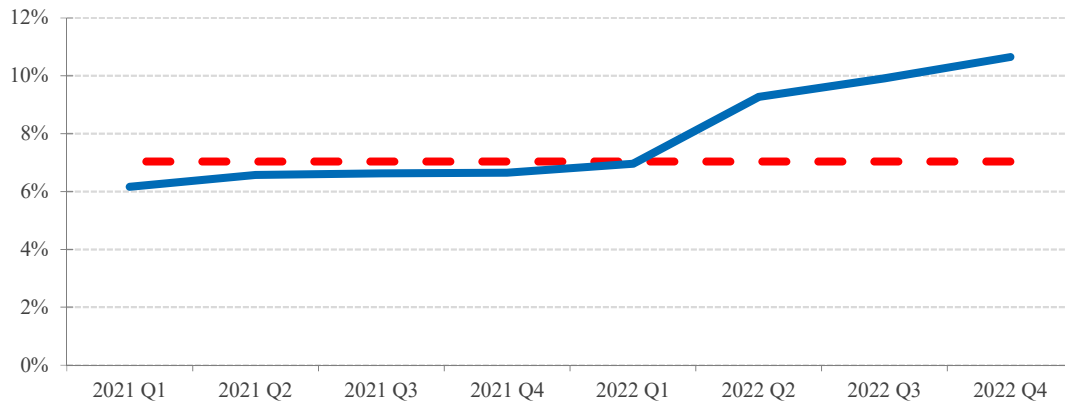
# Affordability

**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)

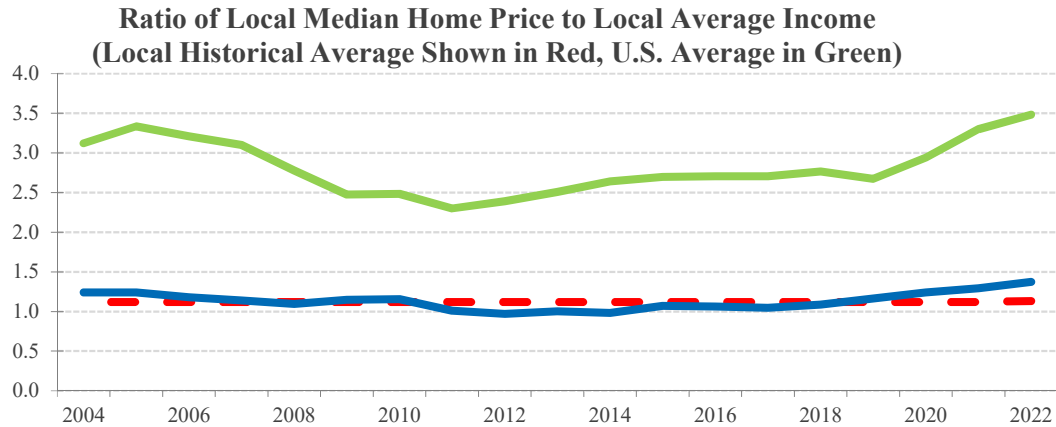


Monthly Mortgage Payment to Income	Wichita	U.S.	
Ratio for 2022	9.2%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2022 Q4	10.7%	24.5%	
Historical Average	7.0%	17.8%	More affordable than most markets

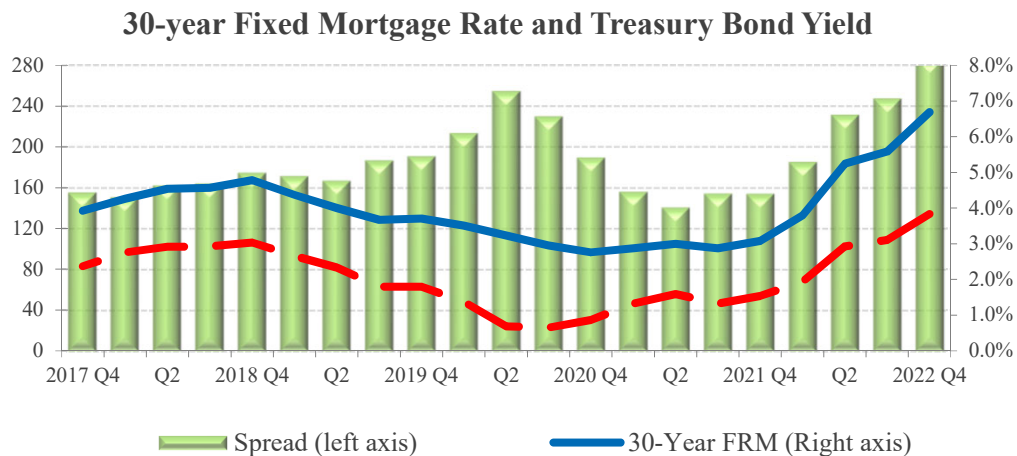
**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Wichita	U.S.	
Ratio for 2022	1.4	3.5	The price-to-income ratio eased, but could be better
Ratio for 2022 Q4	1.4	3.2	
Historical Average	1.1	2.8	Affordable compared to most markets



## The Mortgage Market



In the last quarter of 2022, mortgage rates surpassed twice the 7 percent threshold. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate rose to 6.7 percent in Q4 2022 from 3.1 percent a year earlier. However, rates started to move down in December as inflation slowed down. For the first-time in the last couple of years, inflation rate was lower than a year ago. Prices continue to increase but slower than the previous year. As long as inflation eases, mortgage rates will continue to drop. NAR forecasts the 30-year fixed mortgage rate to average 6.1 percent in Q1 2023.

## Geographic Coverage for this Report

The Wichita area referred to in this report covers the geographic area of the Wichita metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Butler County, Harvey County, Kingman County, Sedgwick County, and Sumner County

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)

