



Real Estate Update

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October 2024

CoreLogic

2024: Just Waiting for Something to Happen

Will the housing market finally see some movement now that mortgage rates are dropping?

Economic backdrop: Monetary easing begins, inflation continues to cool, economic growth to slow and unemployment to inch up

Housing backdrop: Mortgage rates govern the housing market, decline anticipated to boost late year activity in refinancing and sales

Buyer demand still outpaces supply; investors still in the market; affordability considerably challenged with high rates, and insurance costs and property taxes

...Supply shows promising signs ahead including existing and new construction,

Home prices hitting new highs, expected to increase 4% in 2024; 2% in 2025; Rents up in most areas

Risks building in markets with rapidly rising non-mortgage costs and for homeowners with fixed income

Mortgage Rates Govern the Housing Market

But monetary easing begins and mortgage rates to end 2024 in low 6% range

30-year Fixed-Rate Mortgage

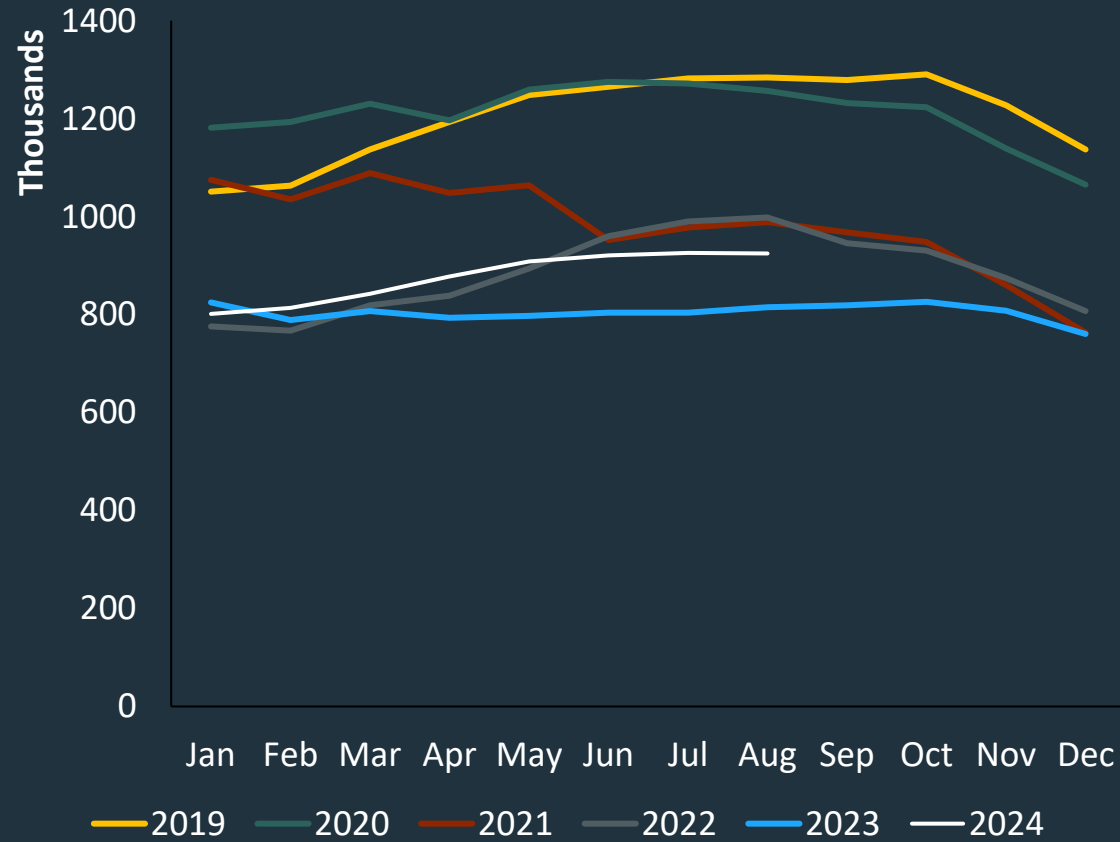


- Monetary easing begins – how fast and how much?
- Disinflation likely to continue with shelter component falling out, consumer spending and employment easing
- Rent of primary residences shows the smallest increase since 2021

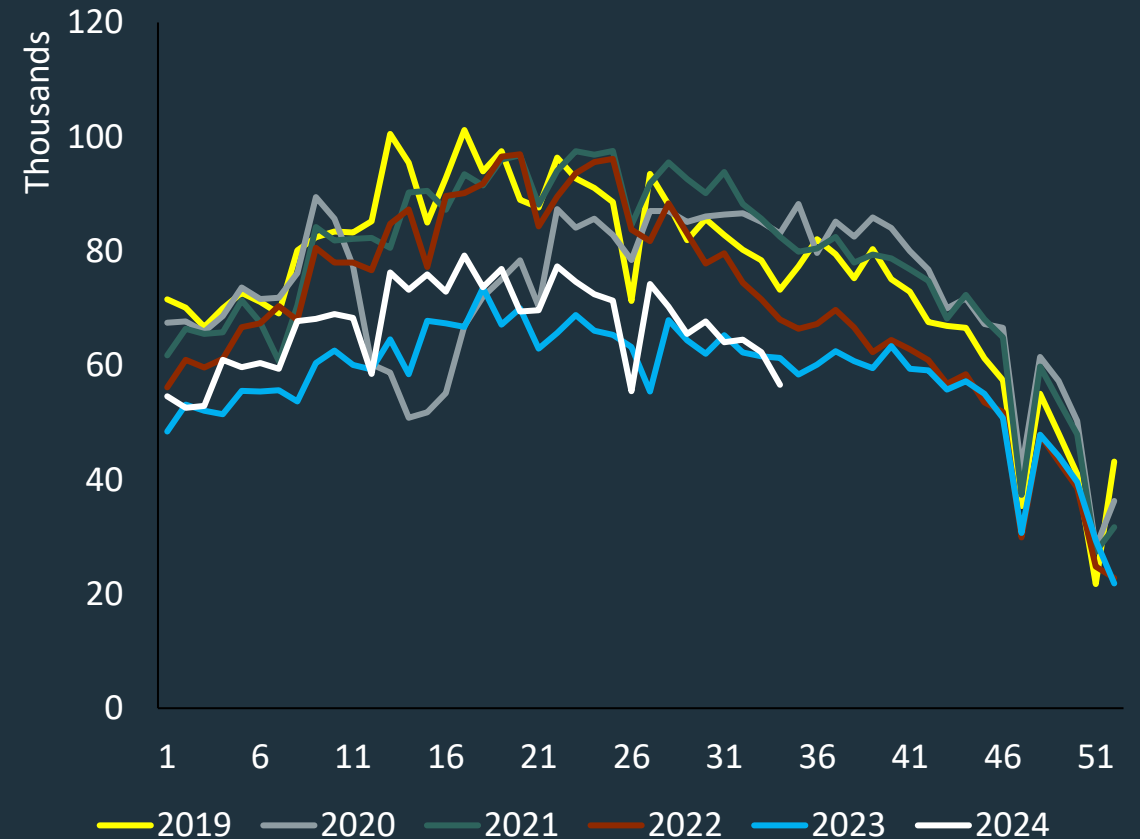
Supply Shows Promising Signs, Starts Out Above 2023

- August 2024 active inventory up 14% YOY, continuing the upward trend of 2024
- Weekly New Listings are trending 8% above 2023

Monthly Active Inventory



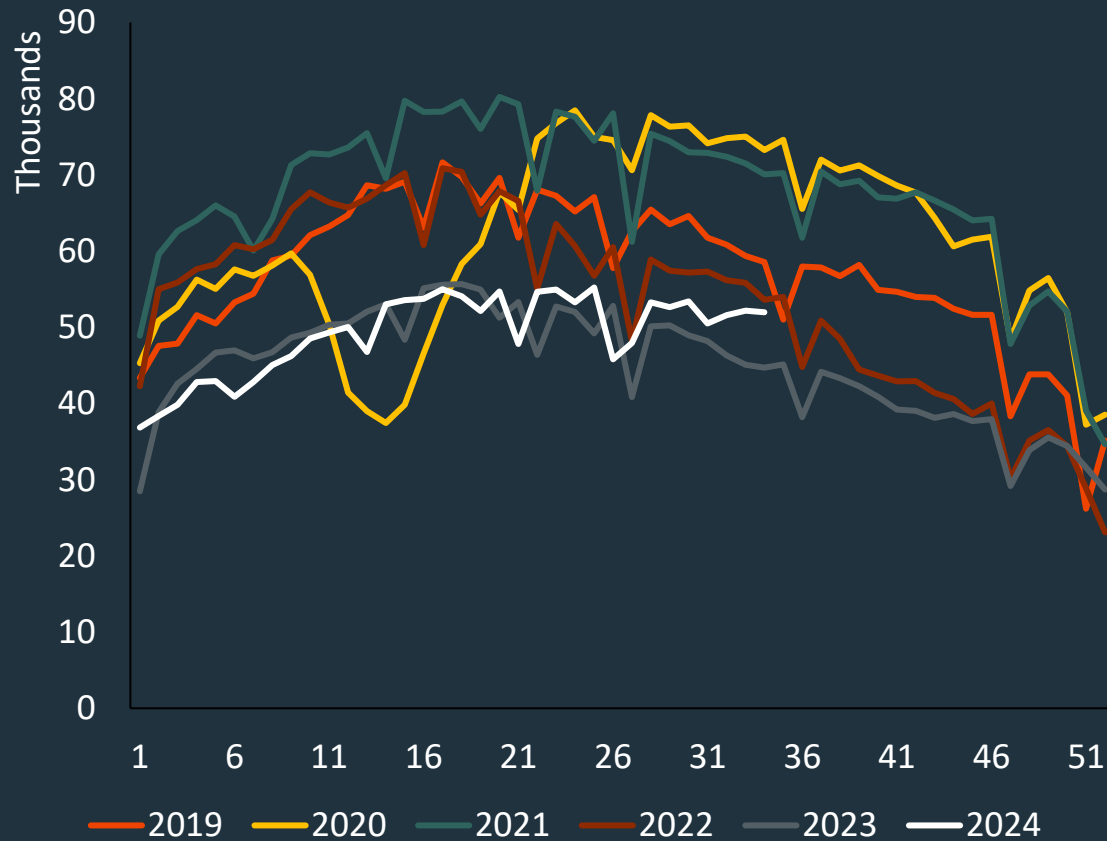
Weekly New Listings



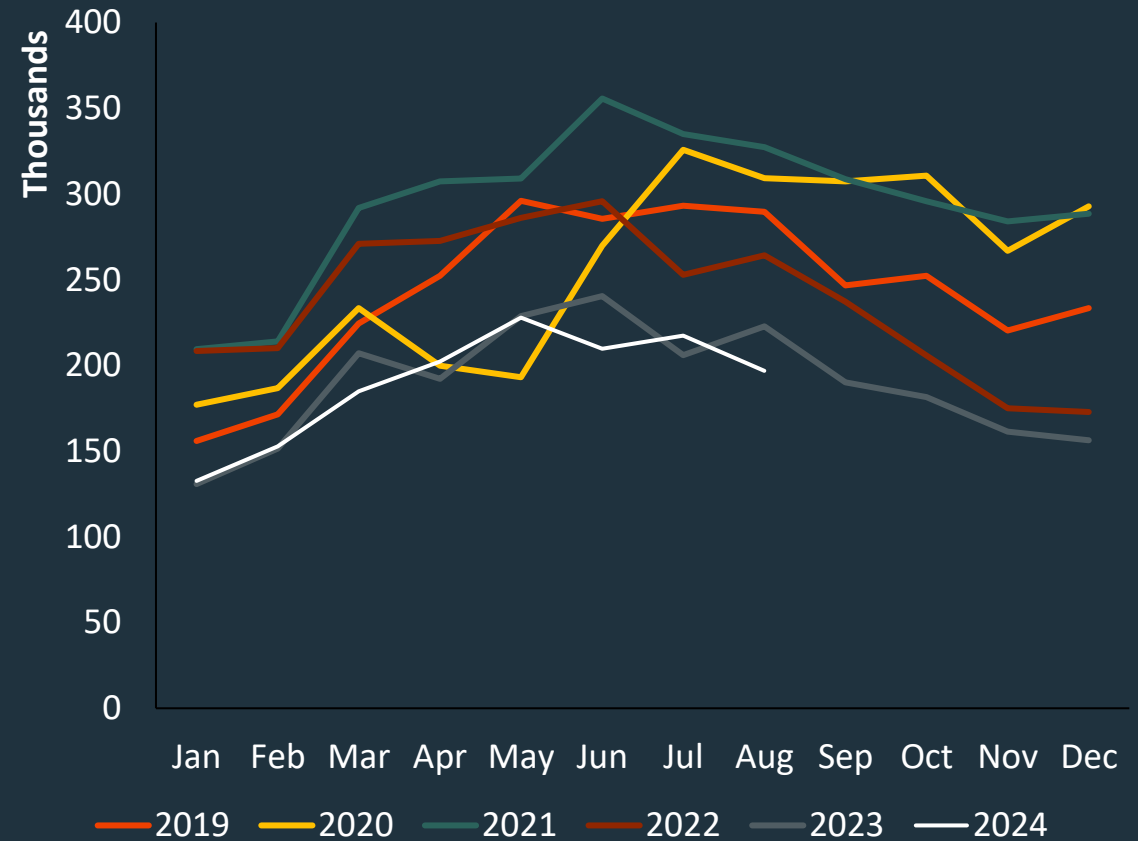
Supply and Low Affordability Hold Back Sales

- Monthly sales mostly tracking 2023 levels.
- Pending sales for 2024 are up 12% year-to-date, closed sales should follow

Weekly Pending Home Sales



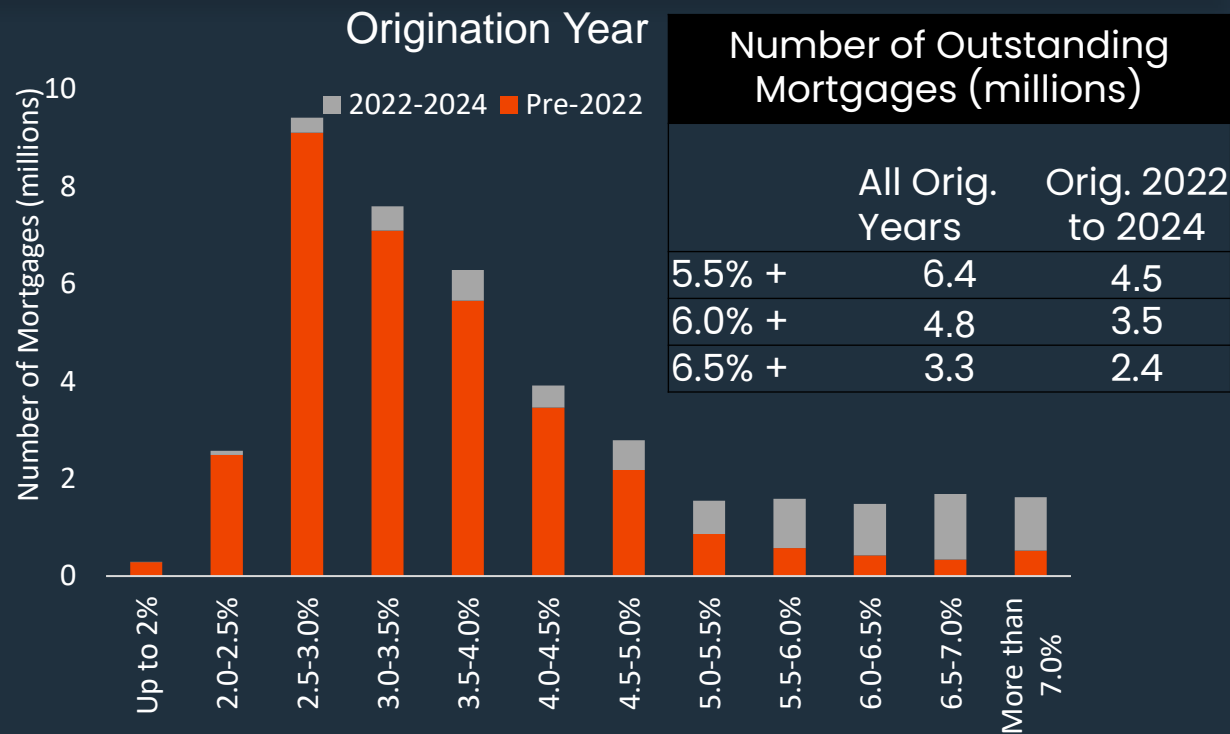
Monthly Sales



Lock-in Effect Holding Inventories Back

Mortgage Rate Decrease Puts Many Recent Borrowers In the Money – 8% of Outstanding Mortgages Have Rates > 6.5%

Mortgage Rate of Outstanding Mortgages As of July 2024



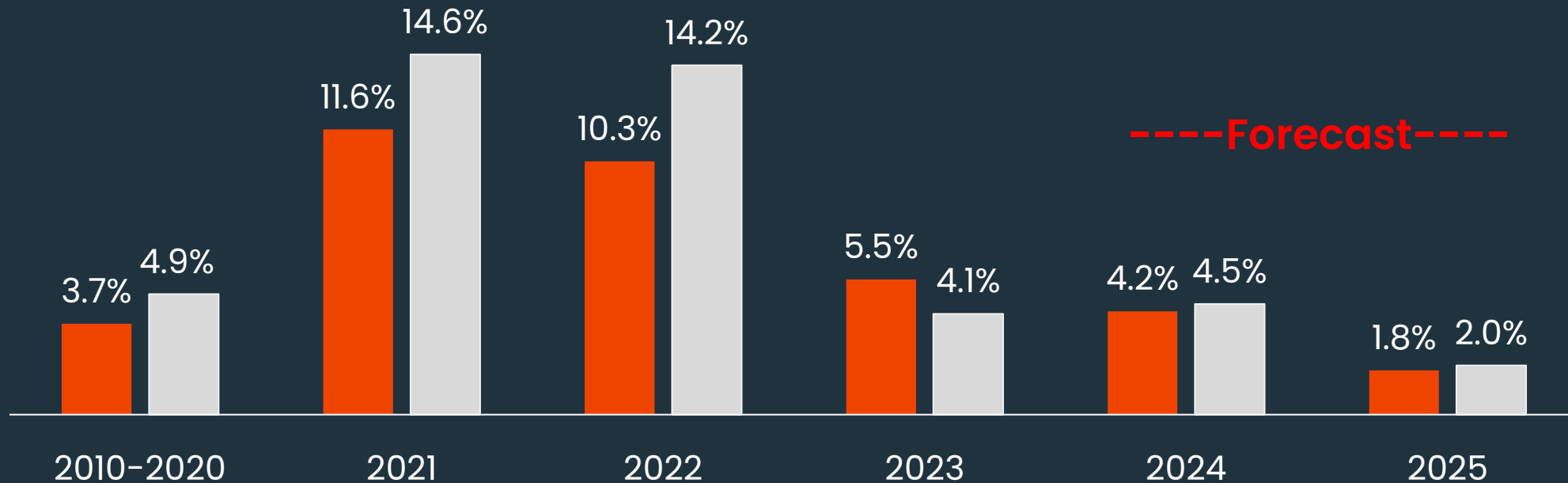
Source: CoreLogic TrueStanding Servicing as of July 2024

County	Share > 6.5%	WA Interest Rate
Douglas	8%	4.03%
Johnson	7%	3.93%
Leavenworth	9%	4.10%
Sedgwick	11%	4.20%
Shawnee	10%	4.11%
Wyandotte	14%	4.42%

Home Prices Continue to Move Up: 4% in 2024, and 2% in 2025

Home Price Index Growth (% change, annual rate)

■ Kansas ■ U.S.

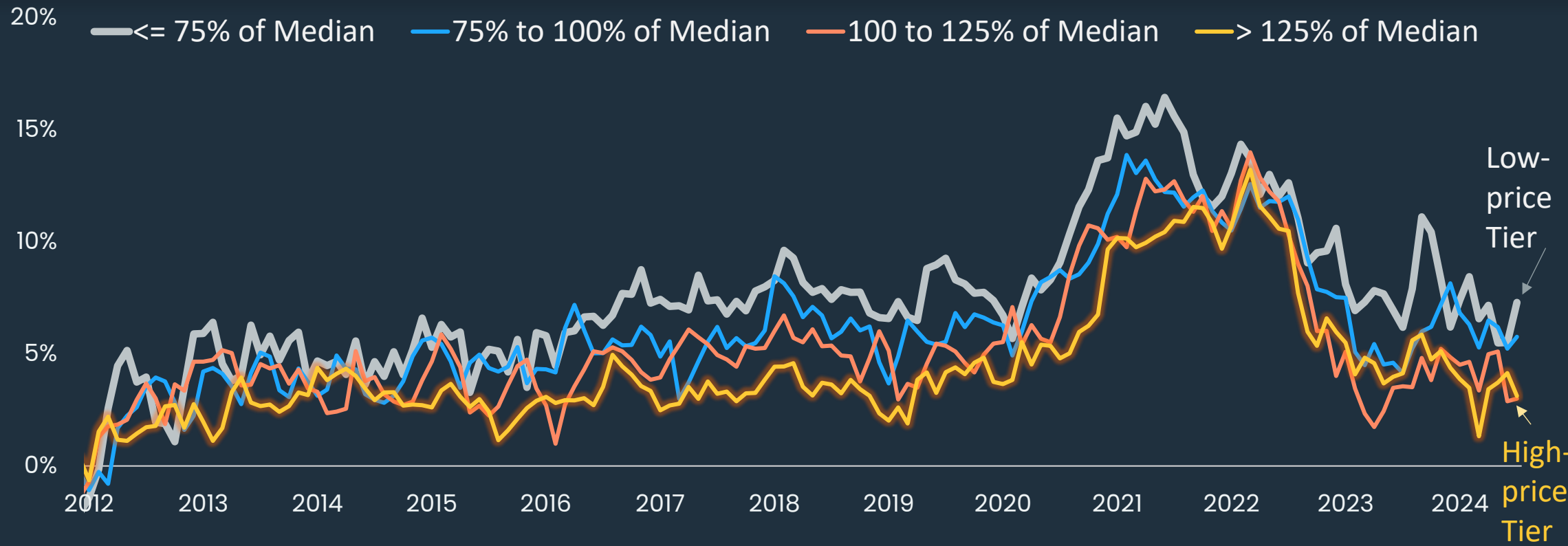


Source: CoreLogic Home Price Index (October 1, 2024)

Lowest Priced Homes Appreciating Fastest In Kansas

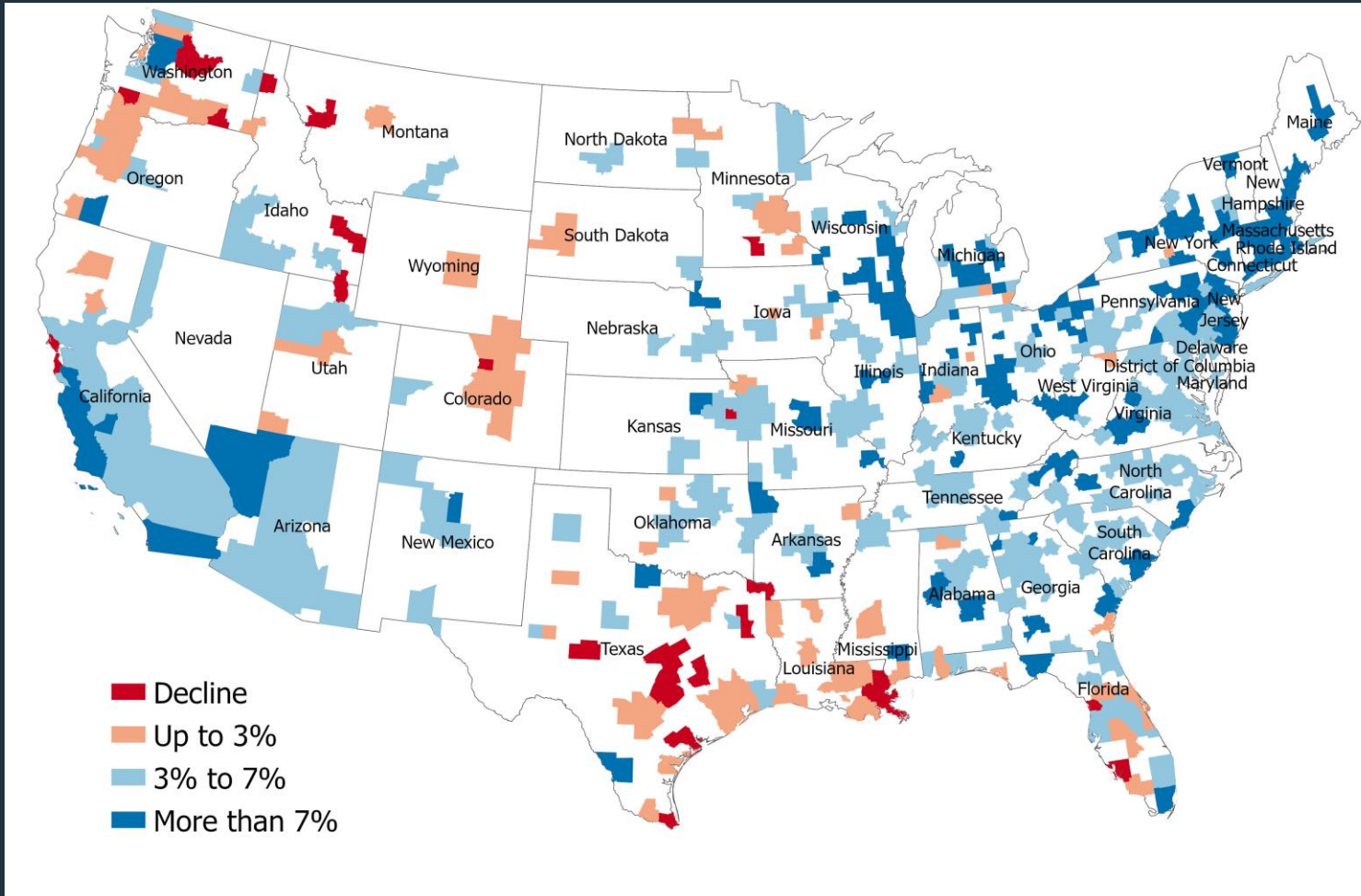
Low-price tier +48% since 2020, high price +32% since 2020

Year-Year Home Price Appreciation in Kansas by Price Tier



Markets in Northeast and West Driving Appreciation This Year (U.S. Gain Was 4% in August)

Year-over-year change in home prices



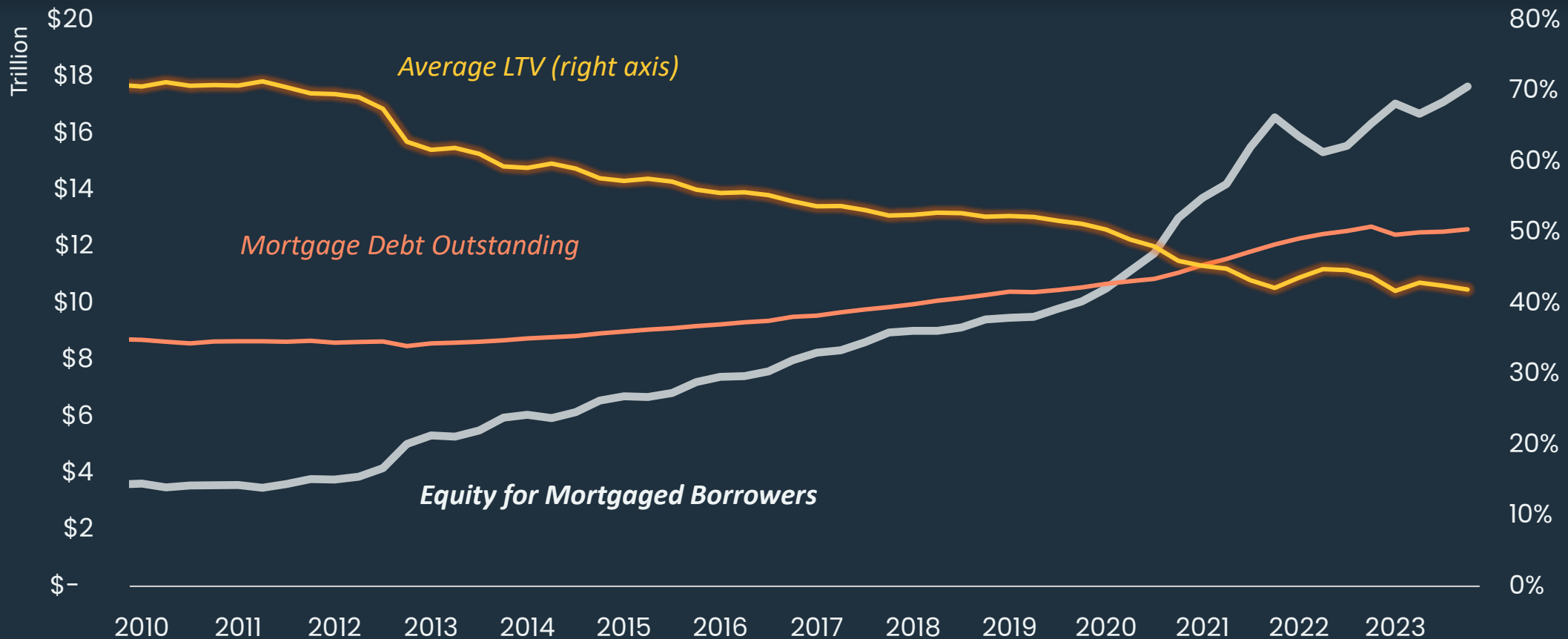
Metros with Largest 12 Month Change	August 2023-August 2024
Newark, NJ	10%
Syracuse, NY	10%
Hartford, CT	9%
Camden, NJ	9%
Miami, FL	9%
Providence, RI	9%
Anaheim, CA	9%
New Haven, CT	9%
Buffalo, NY	8%
Rochester, NY	8%

Kansas Metro 12 Month Change	August 2023-August 2024
Lawrence, KS	7%
Manhattan, KS	7%
Topeka, KS	6%
Kansas City MO-KS	4%
Wichita, KS	2%

Homeowners' Equity Provides Financial Buffer

Loan-to-value ratio falls to 43% as net home value rises

Net Homeowner Equity ~\$17T Among Mortgaged Borrowers, ~\$32T For All Homeowners



Average Borrower Gained \$25k in Equity Since Q2 2023

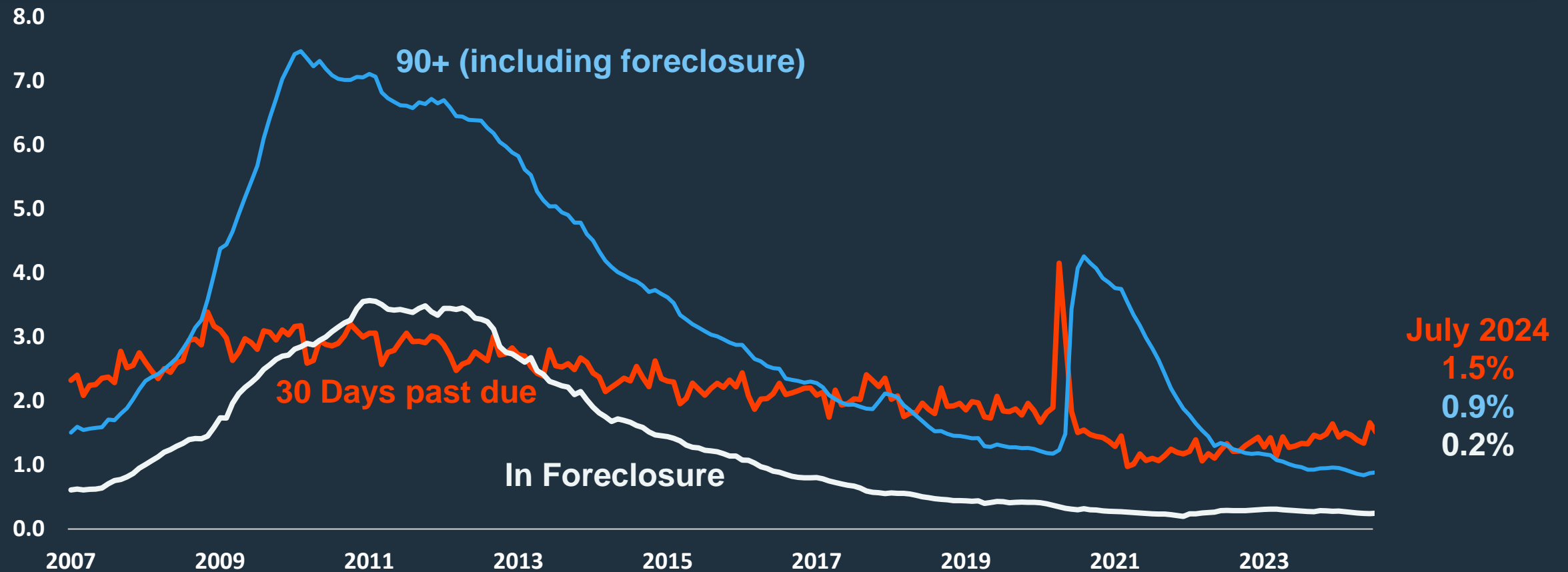
Most Kansas Areas Had Smaller Gains than U.S. – Lawrence Stands Out

	Average Equity per Borrower	Change in Avg. Equity Q2 '23 to Q2 '24	Negative Equity Share
U.S.	\$ 315,000	\$ 25,000	1.7%
Kansas	\$ 199,000	\$ 15,000	1.3%
Kansas City, MO-KS	\$ 217,000	\$ 16,000	1.5%
Lawrence, KS	\$ 171,000	\$ 2,000	2.0%
Wichita, KS	\$ 153,000	\$ 11,000	1.1%
Manhattan, KS	\$ 150,000	\$ 31,000	1.6%
Topeka, KS	\$ 141,000	\$ 11,000	1.3%
St. Joseph, MO-KS	\$ 131,000	\$ 5,000	1.8%

Share of Loans in Foreclosure At Record Low

New delinquencies creeping up from historical lows

Delinquency Rate (Percent of Active Loans)



Mortgage Performance Strong in Kansas

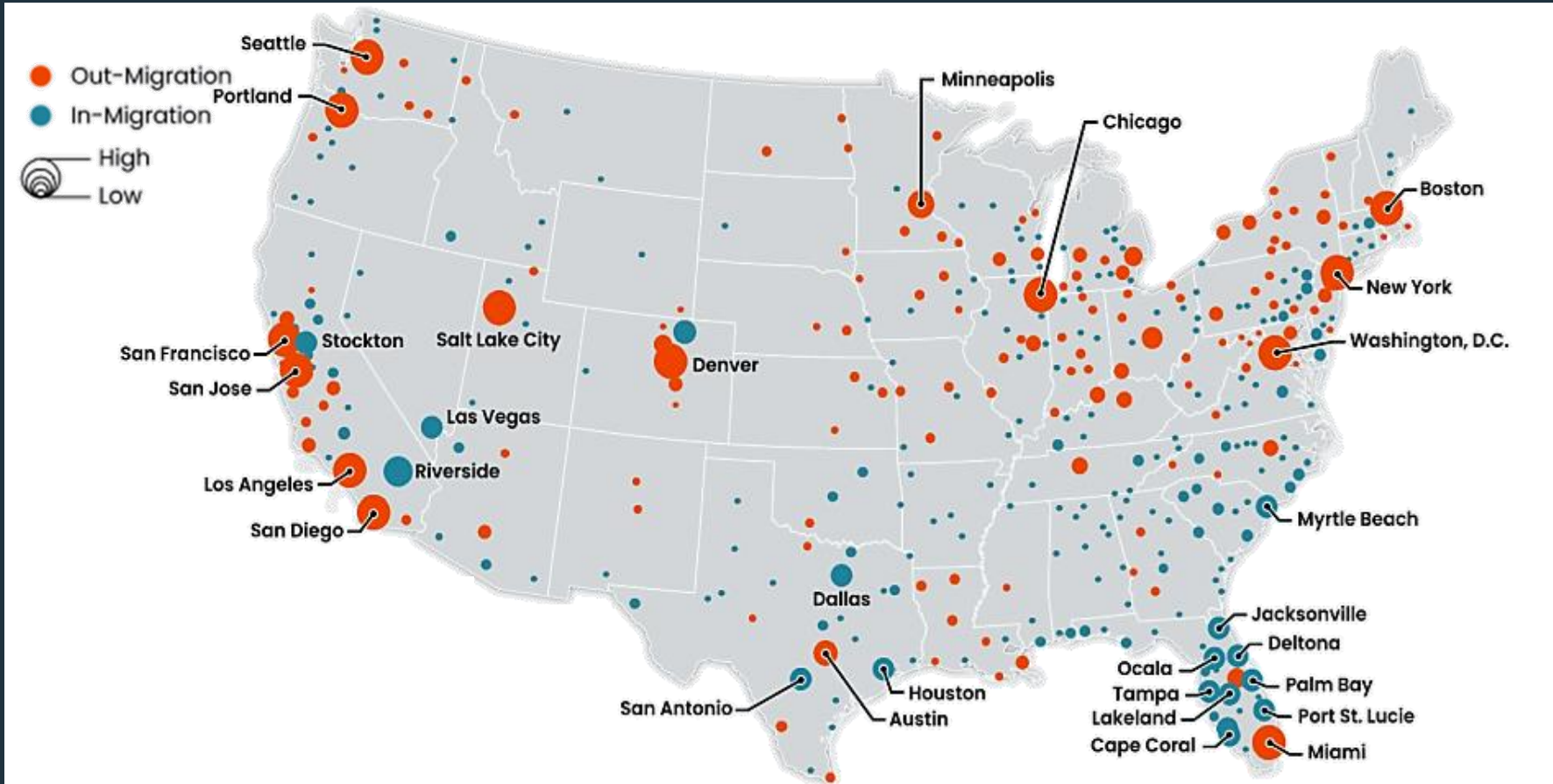
As with U.S. some small increases in early delinquencies

	30+ Delinquency Rate July 2024 (%)	90+ Delinquency Rate July 2024 (%)	Foreclosure Rate July 2024 (%)	30 Days or More Delinquency Rate July 2023 (%)	Serious Delinquency Rate July 2023 (%)	Foreclosure Rate July 2023 (%)
U.S.	2.8%	0.9%	0.2%	2.7%	1.0%	0.3%
Kansas	2.9%	0.8%	0.2%	2.7%	0.9%	0.2%
Kansas City MO-KS	2.7%	0.7%	0.1%	2.5%	0.8%	0.2%
Lawrence KS	1.9%	0.6%	0.1%	1.7%	0.6%	0.1%
Manhattan KS	2.5%	0.9%	0.3%	2.5%	1.1%	0.3%
St. Joseph MO-KS	3.7%	1.0%	0.2%	3.5%	0.9%	0.2%
Topeka KS	3.7%	1.1%	0.2%	3.5%	1.1%	0.3%
Wichita KS	3.4%	0.9%	0.2%	3.2%	1.0%	0.3%

Source: CoreLogic TrueStandings Servicing

Price Drivers: Movement From Higher Cost to Lower Cost Areas Can Push Up Prices

U.S. Metro Areas Based on Net In-Migration and Out-Migration of Homebuyers in 2023



Top 5 Metros for Kansas City moving from:

- Los Angeles
- Denver
- San Francisco-Oakland
- San Diego
- Seattle

Top 5 Metros for Kansas City moving to:

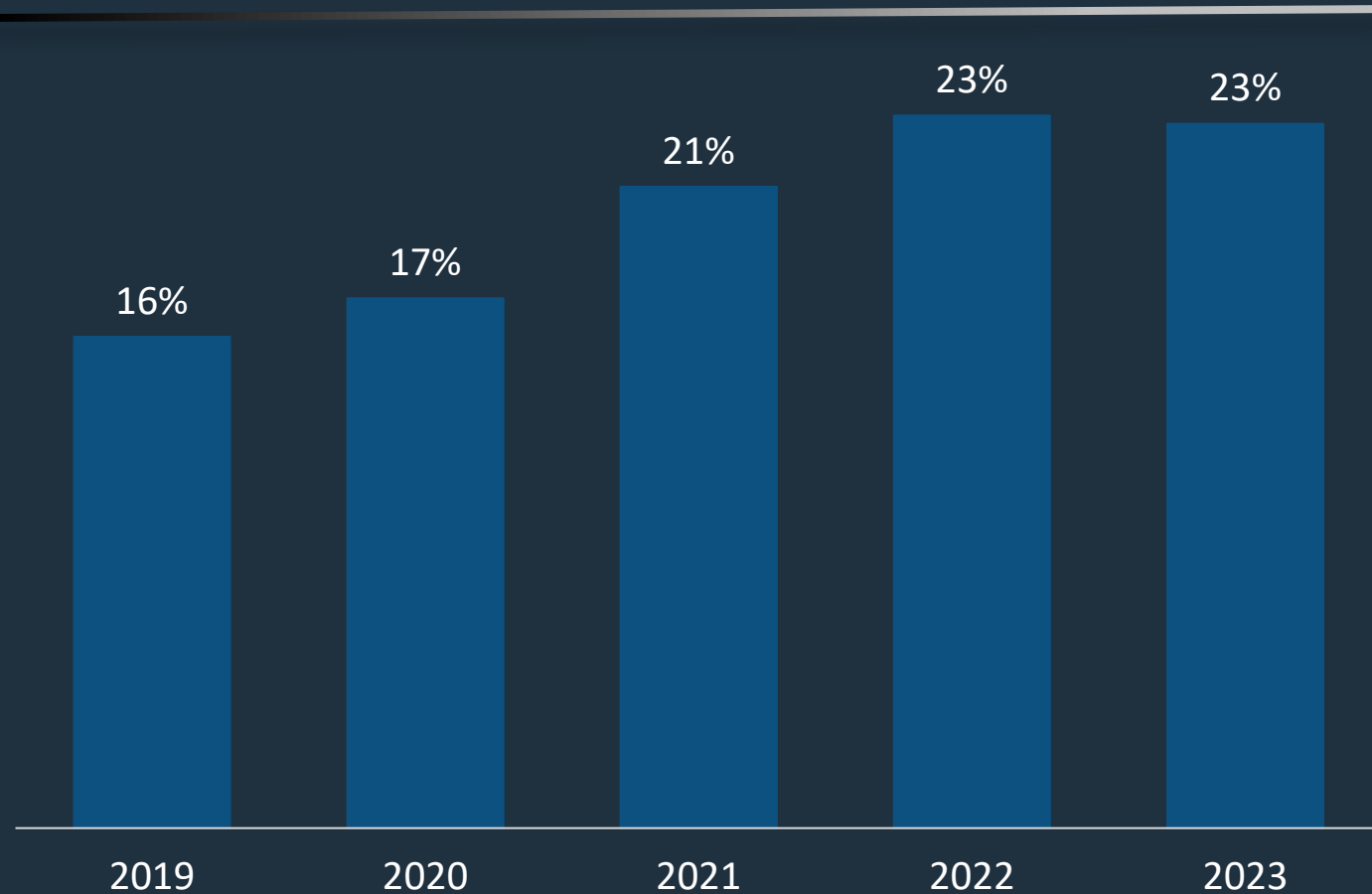
- Warrensburg, MO
- Tampa, FL
- Northport-Sarasota
- Dallas Fort Worth
- Ottawa, KS

Source: CoreLogic Fraud Consortium Loan Application data; Note: net out-migration means that the number of outbound applications exceeds the number of inbound applications and net in-migration indicates that the number of inbound applications exceeds the number of outbound applications

Cross State Migration Driving Home Price Strength

Out-Migration remains elevated with movers having higher incomes than locals

Out of Metro Applicant Share



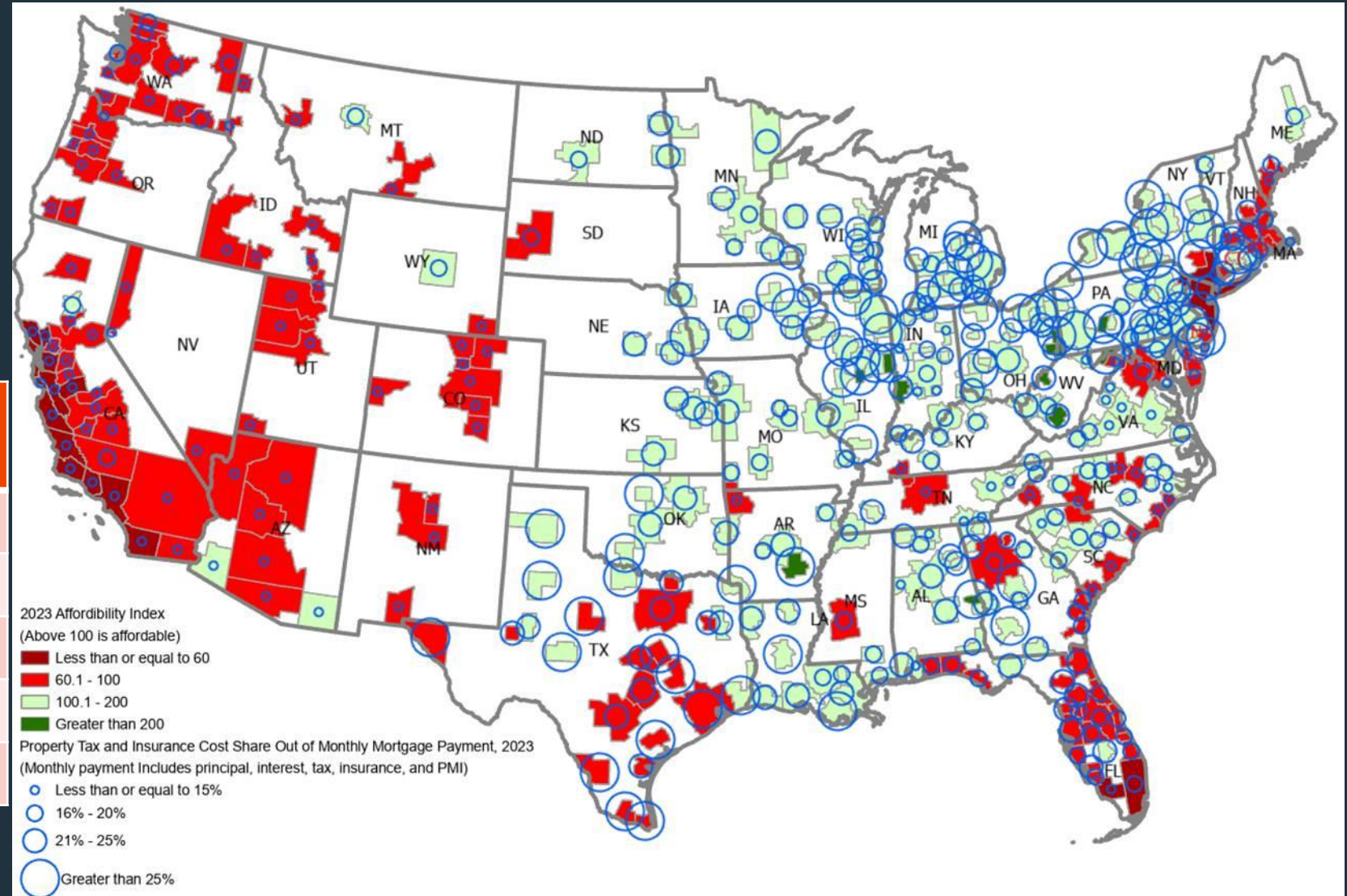
Top metros with largest income gap for in-migrating residents

Des Moines, IA	65%
Grand Rapids, MI	63%
Louisville, KY-IN	60%
Miami, FL	59%
Cincinnati, OH-KY-IN	56%
Kansas City, MO-KS	51%
Salisbury, MD-DE	50%
Reno, NV	50%
Boise City, ID	50%
Nashville, TN	48%
Cleveland-Elyria, OH	47%
Memphis, TN-MS-AR	47%
Pittsburgh, PA	44%
St. Louis, MO-IL	42%
Naples-Marco Island, FL	43%
Las Vegas, NV	41%
Oklahoma City, OK	41%
Columbus, OH	39%
Anchorage, AK	39%
Phoenix, AZ	37%

Affordability Also Depends on Non-Mortgage Costs (Insurance, Utilities, Property Taxes)

Index ≥ 100 : a family making the median income qualifies for a median-priced home in their metro area

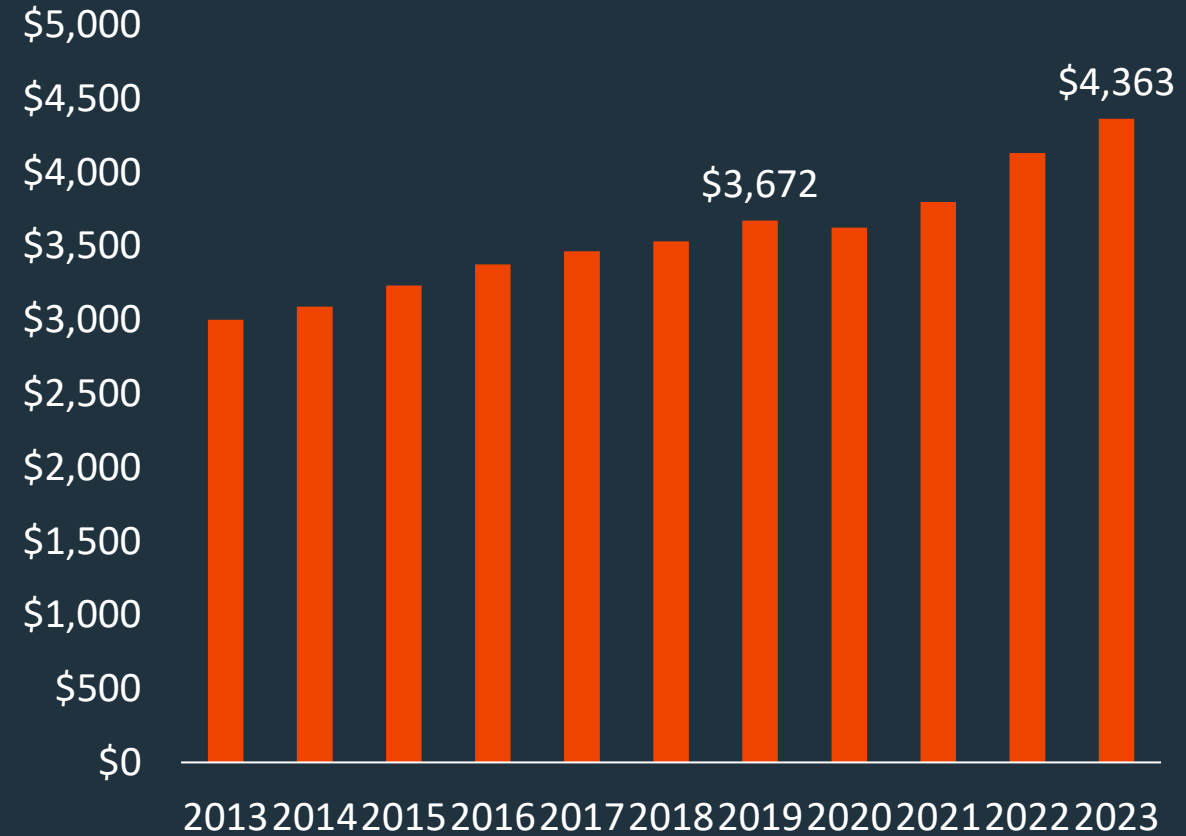
	Affordability Index
Lawrence, KS	104
Manhattan, KS	109
Kansas City, MO-KS	112
Wichita, KS	133
Topeka, KS	137



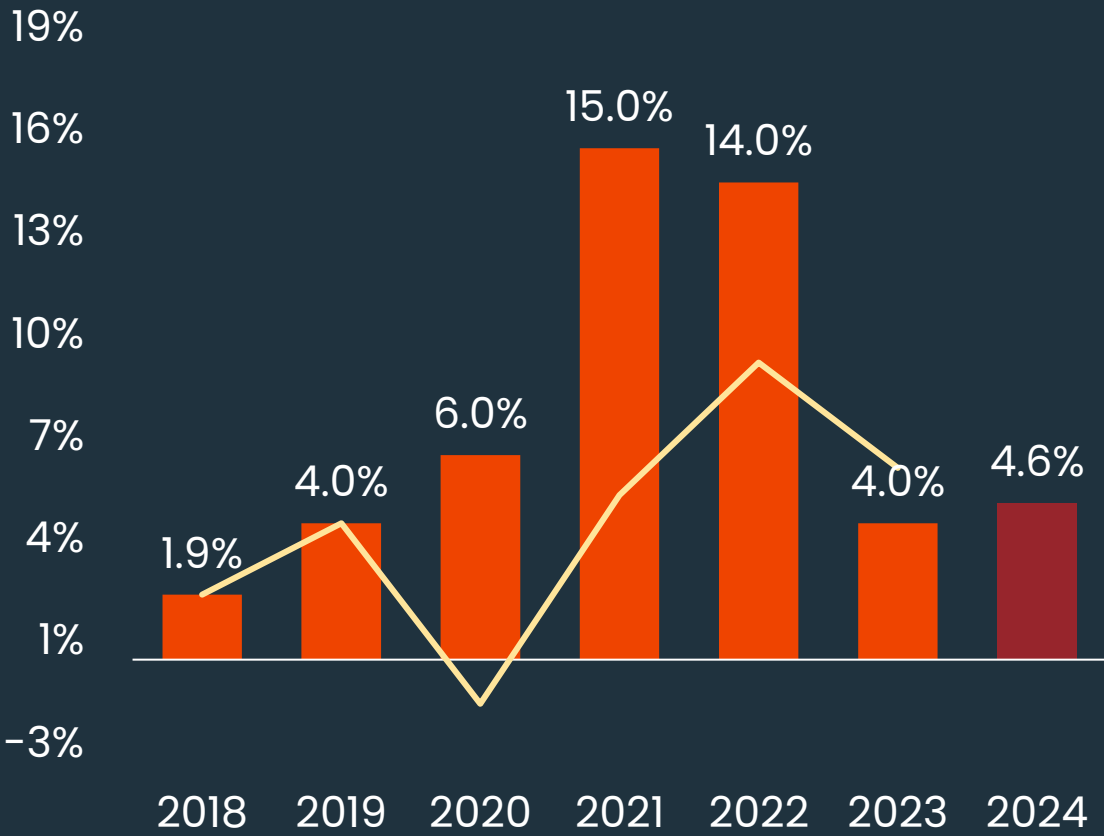
The T in PITI: Property Taxes Up As Home Prices Surge

Up ~20% (\$620) on average since 2019

Average Tax Obligation Per Property



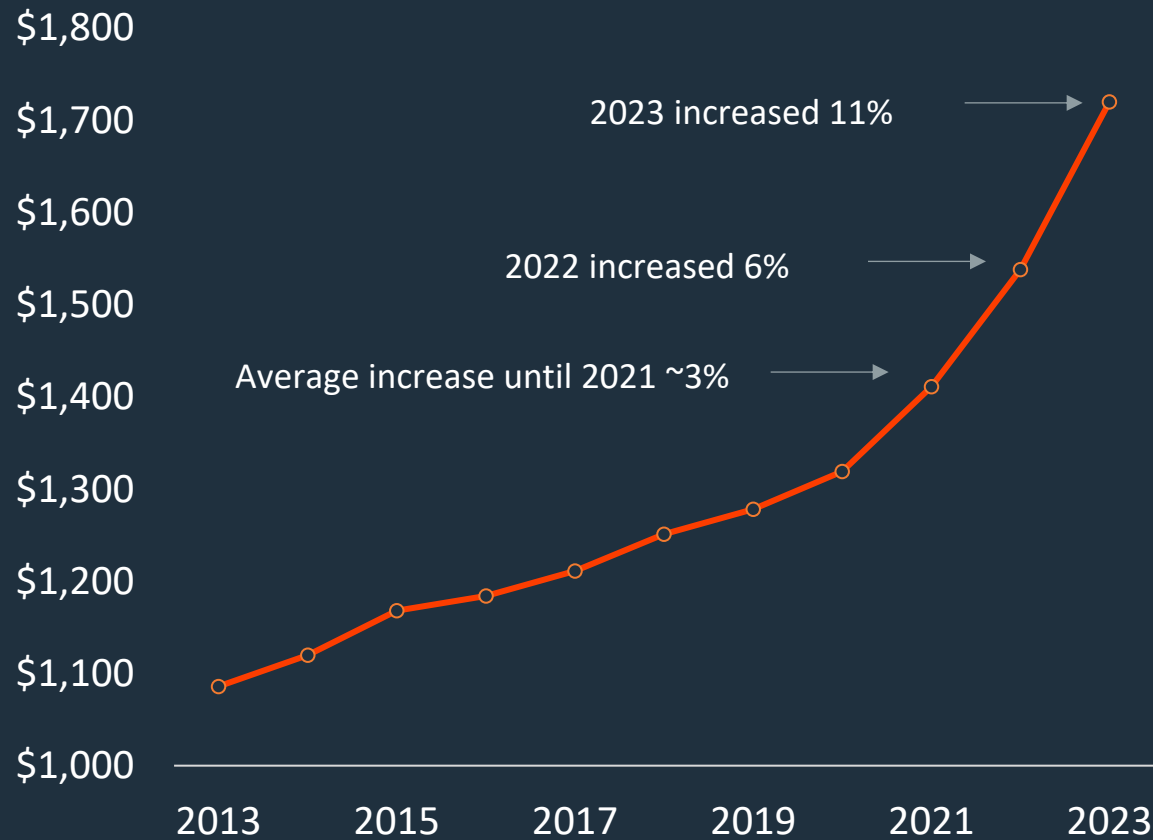
Home Price Index Growth (% change, annual rate)
YOY Change in Tax Obligation



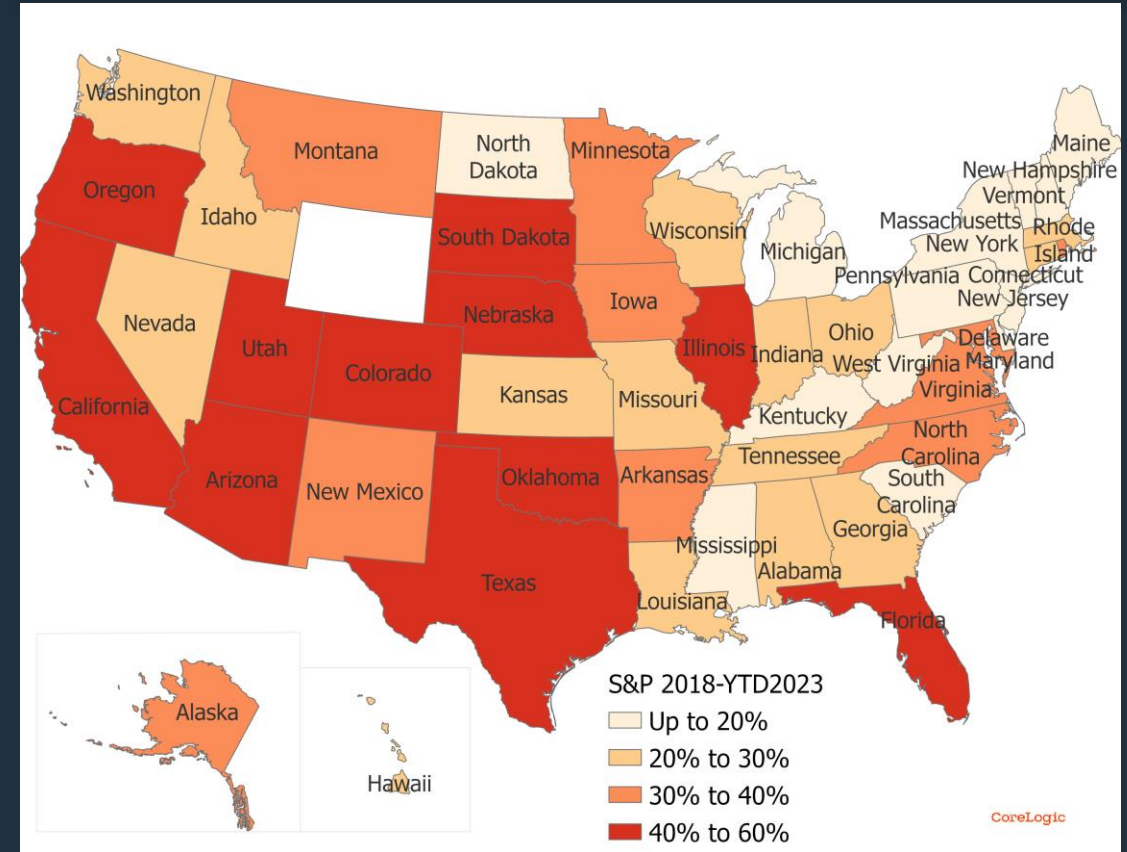
Source: CoreLogic

The Other I in PITI: Rising Property Insurance Impacts Housing Affordability

Average Insurance Premium



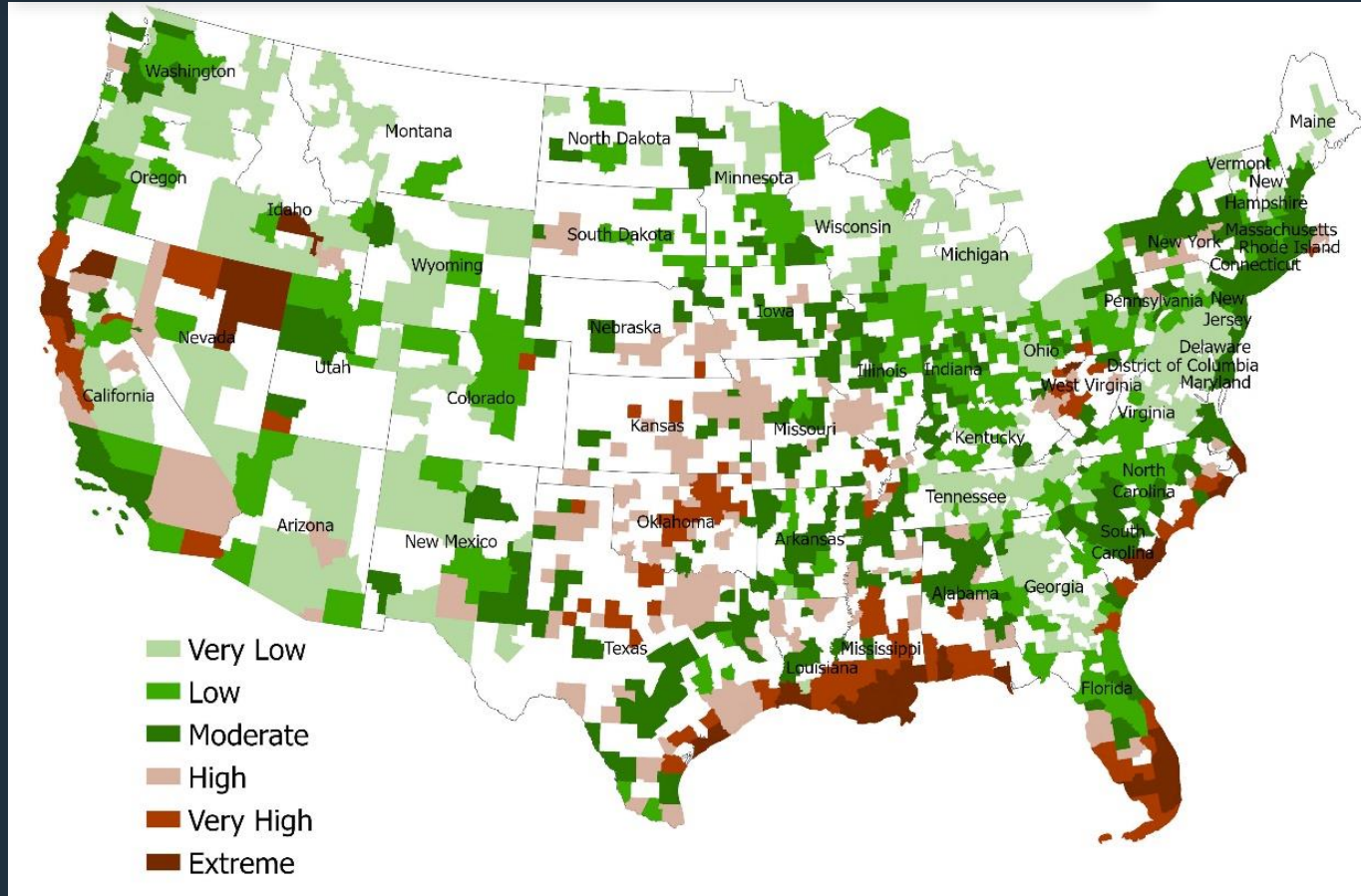
Homeowner Insurance Premium % Change Since 2018



Hazard Risk Plays a Part in Rising Insurance Rates

Population Shifts Add to Costs

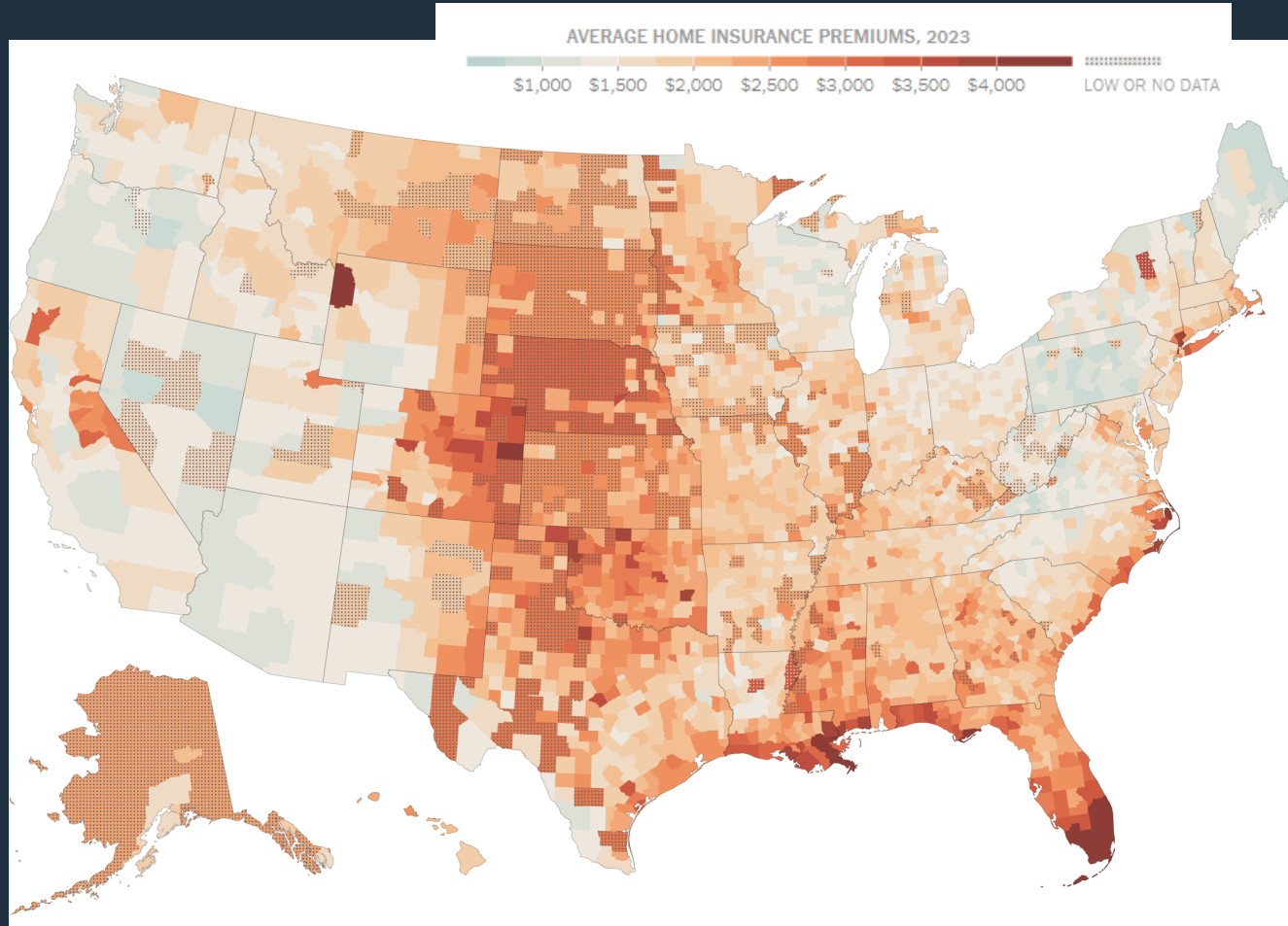
Composite Risk Score by Metro



- Rising costs of disasters reflects population increases in hazardous areas
- A rise in exposure values and replacement costs, represented both by continued construction in high-hazard areas
- People living in high wildfire risk areas doubled over the past two decades (now 1 in 6). Top hurricane-exposed states FL, SC, GA, and DE all had double-digit population growth between 2010–2020.

Insurance Premium Increases Depend on More Than Hazard Risk

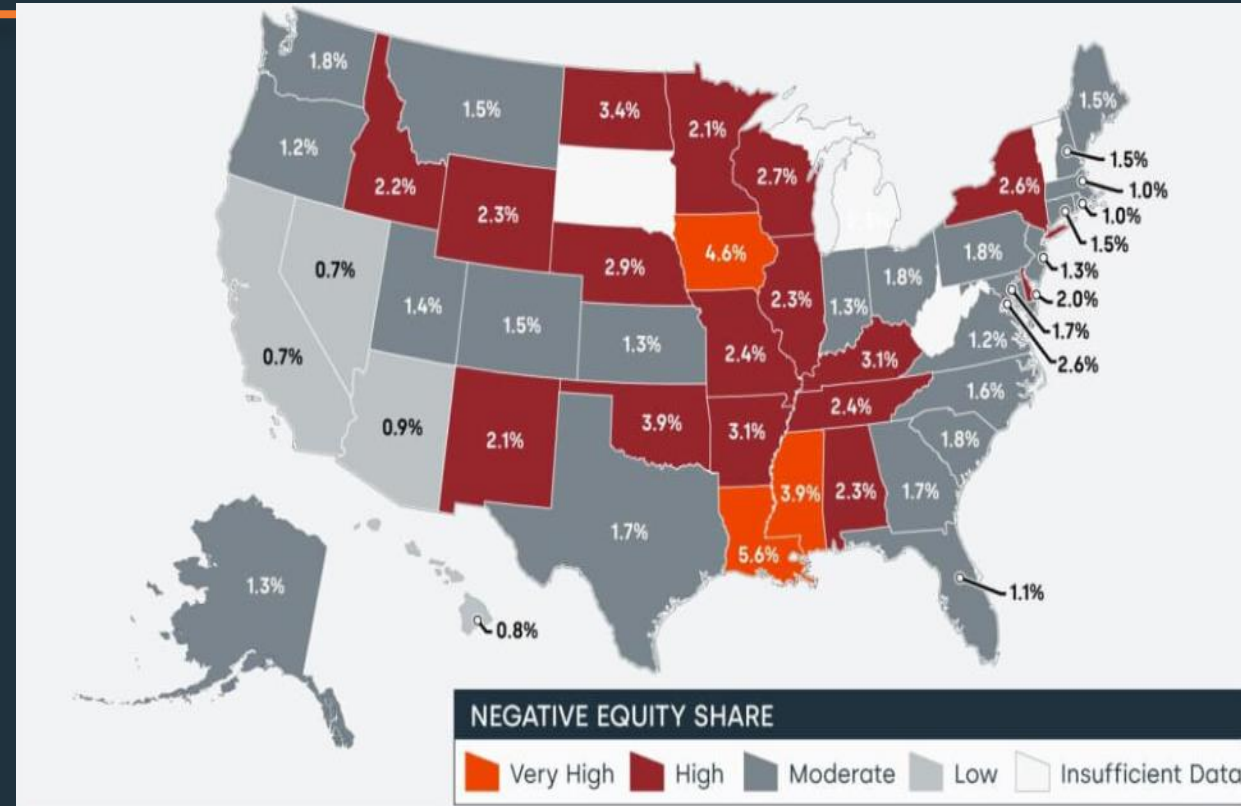
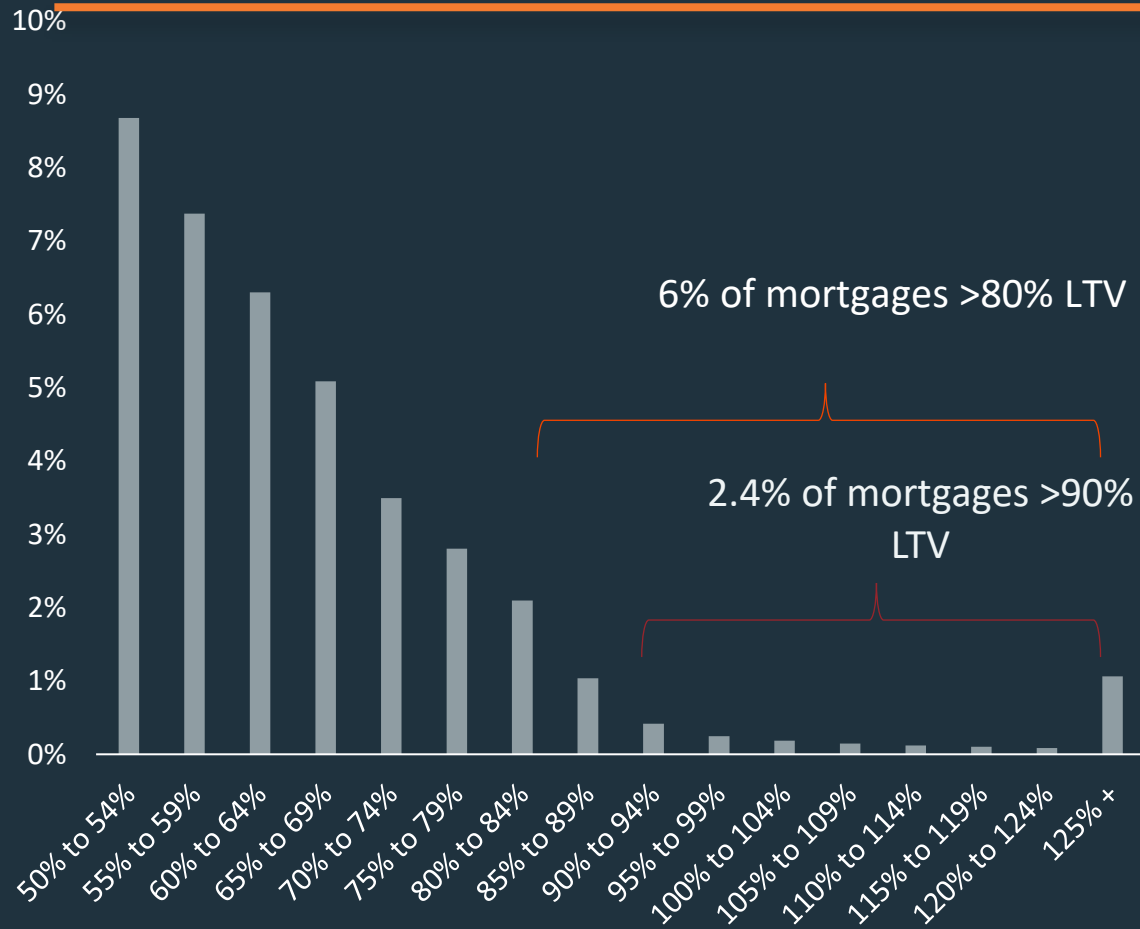
Higher premiums in states where regulators apply less scrutiny to requests for rate increases



- Inflation: Construction and materials costs hit a 50-year high in 2022
- Legal system: FL has 9% of homeowner property claims but accounts for *79% of lawsuits filed nationwide*
- Regulation: Tight regulation in some states pushes increases to others; can create incentive to locate in high risk/low insurance rate areas

If Risk Capitalized in Home Prices, Equity Remains Robust, But Not Everywhere

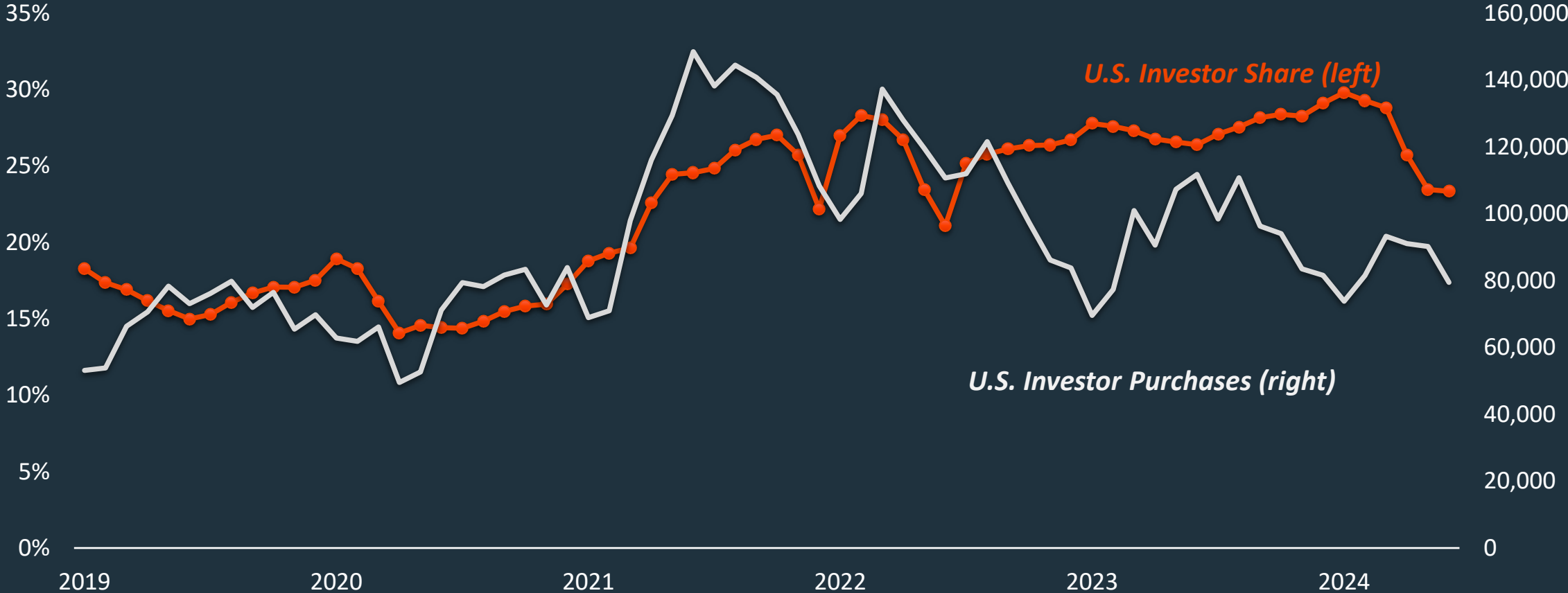
Loan-to-Value Ratio in Q2 2024



Single-Family Investor Share Remains Elevated

Total monthly purchases remain close to 80,000 in Q2 2024; 23% Share

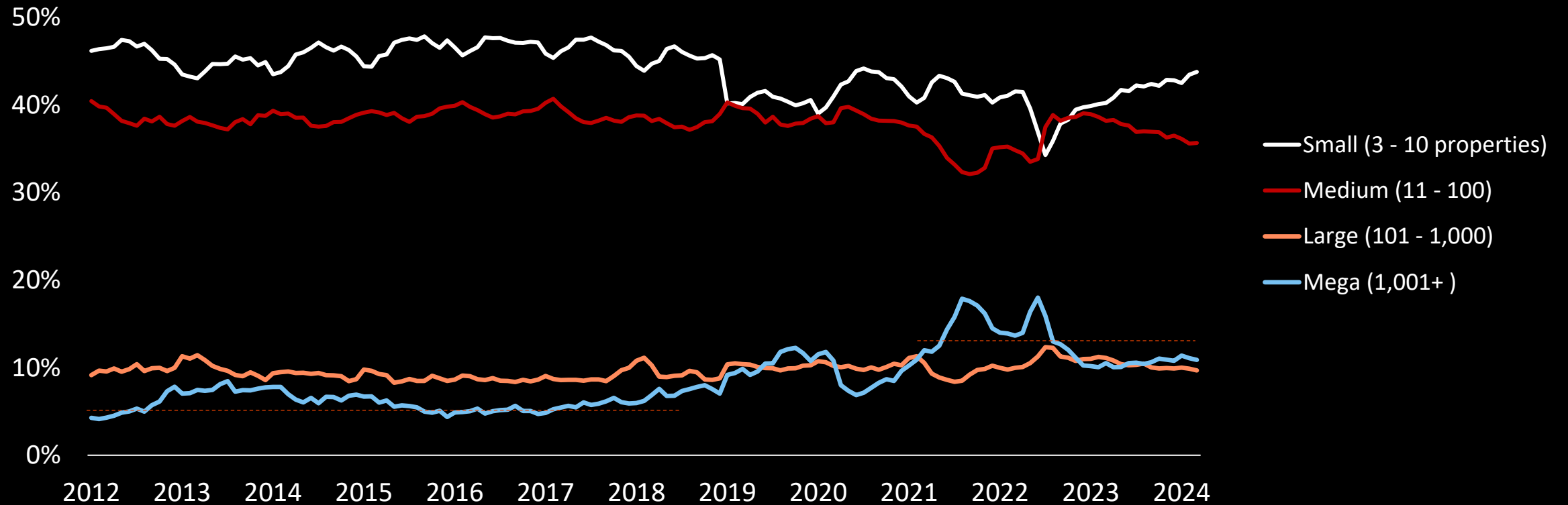
Investor Share/Purchases of Single-Family Homes



Source: CoreLogic public records

80% of Investors are Small or Medium," But Mega Increased Share in 2021

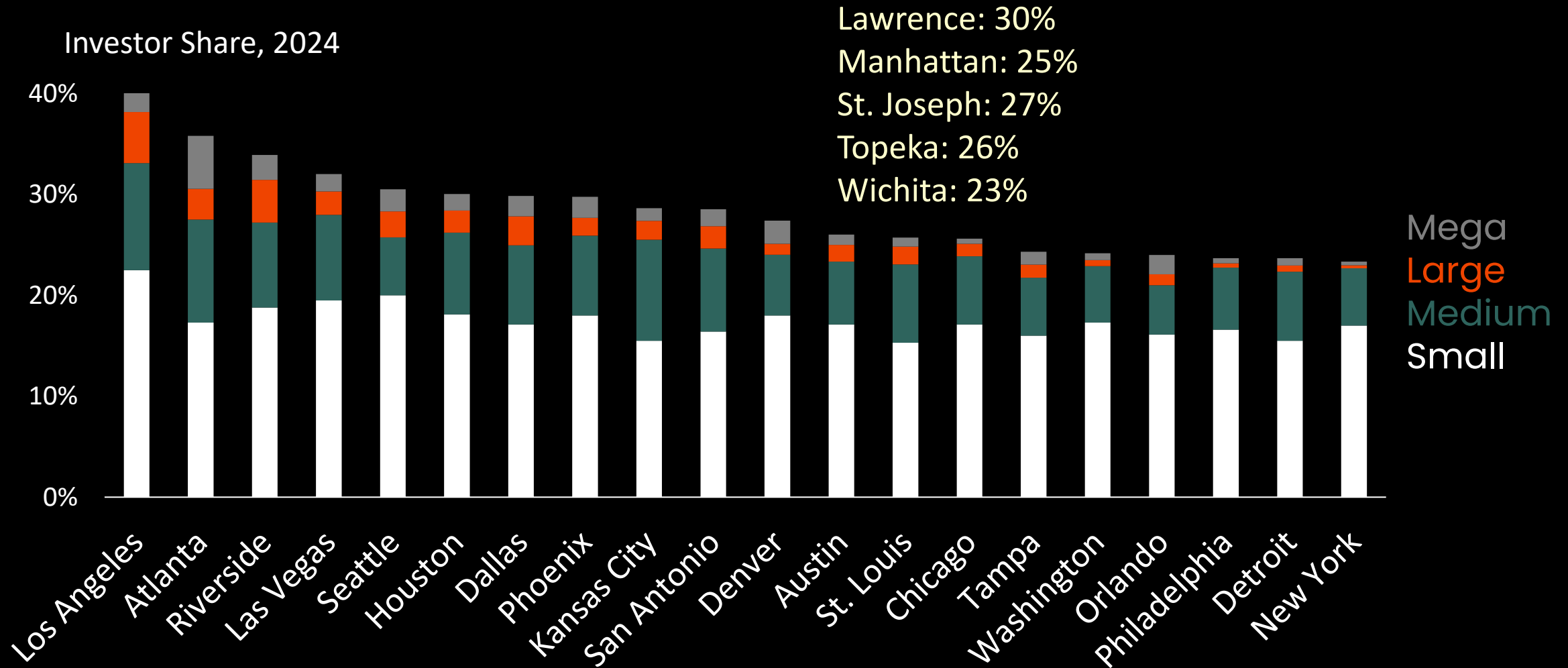
Share of Investor Purchases by Investor Size, 2012 to 2023



Source: CoreLogic public records.

California and Texas Most Popular Spots for Investors

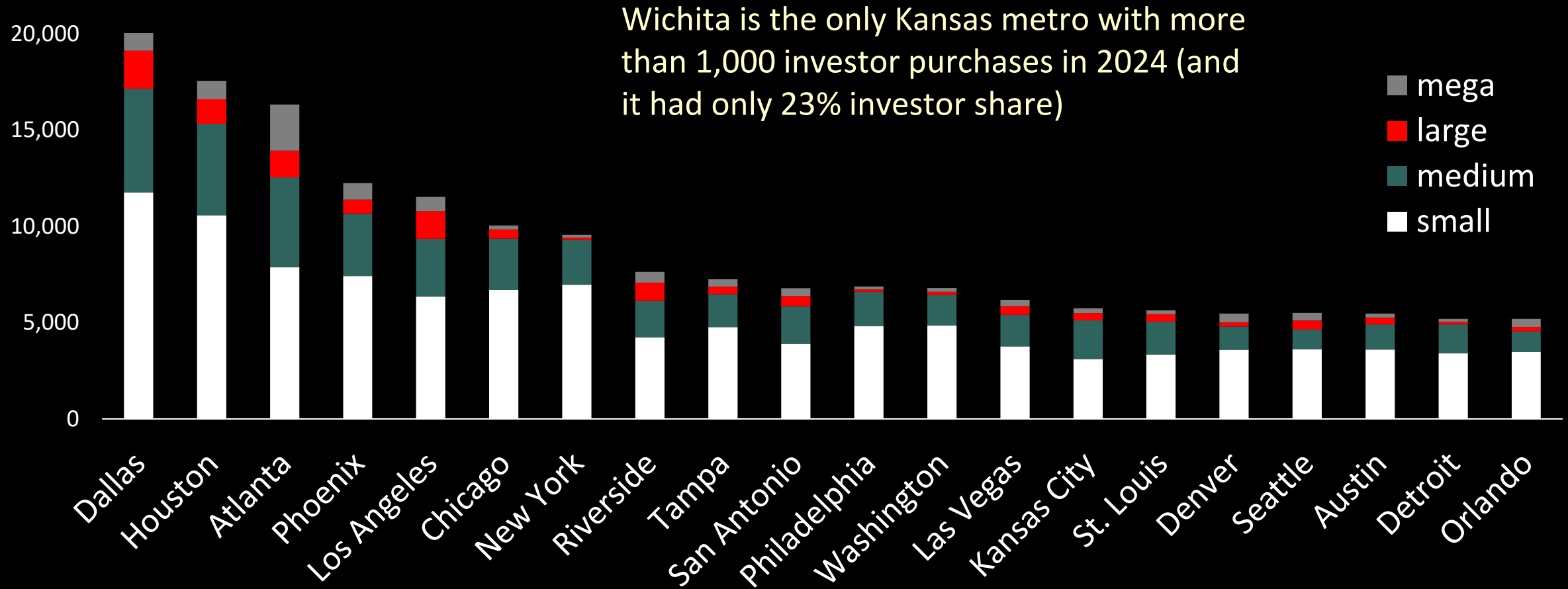
Atlanta, with second-highest investor share, driven by mega investor activity



Texas and Atlanta Dominate by Number of Investors

Big Shares for California Metros, but Small Number

Number of Investors, 2024



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