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### **WSU Center for Real Estate releases its 4th quarter 2007 Home Price Index figures**

Sedgwick County home prices appreciated by **1.12 percent** between the fourth quarters of 2006 and 2007, according to new figures released by the Center for Real Estate at Wichita State University. For the quarter, home prices decline by **0.51 percent**, which translates into annualized decline of **2.04 percent**.

For the year, Wichita home prices appreciated at the slowest pace since 1990, when prices were essentially flat for the year.

“The slowdown at the end of the year was driven by declines at the lower end of the market,” says Stan Longhofer, director of the WSU Center for Real Estate. “In fact, sales of existing homes priced above \$100,000 rose by 4 percent in 2007, while sales of lower-priced homes *fell* by 4 percent. It appears that buyers for these lower-end homes have been constrained by tightening credit standards in the mortgage market.”

“Despite the slowdown at the end of last year, the fundamentals in the market remain strong. We believe that sales and prices will hold steady through 2008.”

Overall, home prices in Sedgwick County have risen at an average annual rate of **2.85 percent** during the past five years. In contrast, prices of other goods and services have risen by **3.00 percent** per year over the same time frame.

*Home Price Appreciation in Sedgwick County and Sectors of Wichita*

	<b>Annual Change<sup>1</sup></b>	<b>Quarterly Change (Annualized)<sup>2</sup></b>	<b>5-year Average Growth Rate<sup>3</sup></b>
<b>Sedgwick County</b>	<b>1.12%</b>	<b>-0.51% (-2.04%)</b>	<b>2.85%</b>
<b>East Sector</b>	<b>1.51%</b>	<b>-0.34% (-1.36%)</b>	<b>2.92%</b>
<b>Northeast Sector</b>	<b>0.67%</b>	<b>-0.68% (-2.69%)</b>	<b>2.85%</b>
<b>Northwest Sector</b>	<b>1.82%</b>	<b>-0.72% (-2.83%)</b>	<b>2.82%</b>
<b>Southeast Sector</b>	<b>0.10%</b>	<b>-0.54% (-2.14%)</b>	<b>2.44%</b>
<b>Southwest Sector</b>	<b>0.83%</b>	<b>-1.74% (-6.78%)</b>	<b>3.14%</b>
<b>West Sector</b>	<b>1.96%</b>	<b>0.74% (2.98%)</b>	<b>3.01%</b>
<b>Other goods and services<sup>4</sup></b>	<b>4.38%</b>	<b>1.23% (5.02%)</b>	<b>3.00%</b>

Sources: WSU Center for Real Estate using data provided by the Sedgwick County Appraiser's Office; U.S. Department of Labor, Bureau of Labor Statistics

Notes:

<sup>1</sup> Annual change is total average appreciation in home prices between the fourth quarter of 2006 and the fourth quarter of 2007.

<sup>2</sup> Quarterly change is the average change in home prices between the third quarter of 2007 and the fourth quarter of 2007; the annualized figure is the amount by which home prices would change in a year if the quarterly change were repeated four quarters in a row.

<sup>3</sup> 5-year average growth is the average annual increase in home prices over the past five years.

<sup>4</sup> Change in prices of other goods and services is measured using the U.S. city average consumer price index for all urban consumers less shelter.

## *Wichita Sector Definitions*

The six sectors for which home price indices are calculated are defined using minor MLS zones as established by the Wichita Area Association of REALTORS®. The sectors can be generally described as follows.

- West sector: Neighborhoods west of the Big Ditch.
- East sector: Newer subdivisions (less than 25 years of age) that wrap around Wichita's east side. This sector is intended to mirror the west sector.
- Northeast, northwest, southeast, and southwest sectors: Quadrants of older neighborhoods in Wichita as divided by Kellogg and Broadway.

For a downloadable version of the graphic image below (encapsulated postscript format) and a detailed description of the sectors, including the MLS zones that comprise each sector and street boundaries, please visit

[http://realestate.wichita.edu/research.housing.wsu\\_hpi.asp](http://realestate.wichita.edu/research.housing.wsu_hpi.asp).

