



FEDERAL RESERVE BANK *of* KANSAS CITY

State of Mortgages and Vacancy in the Greater Kansas City Area

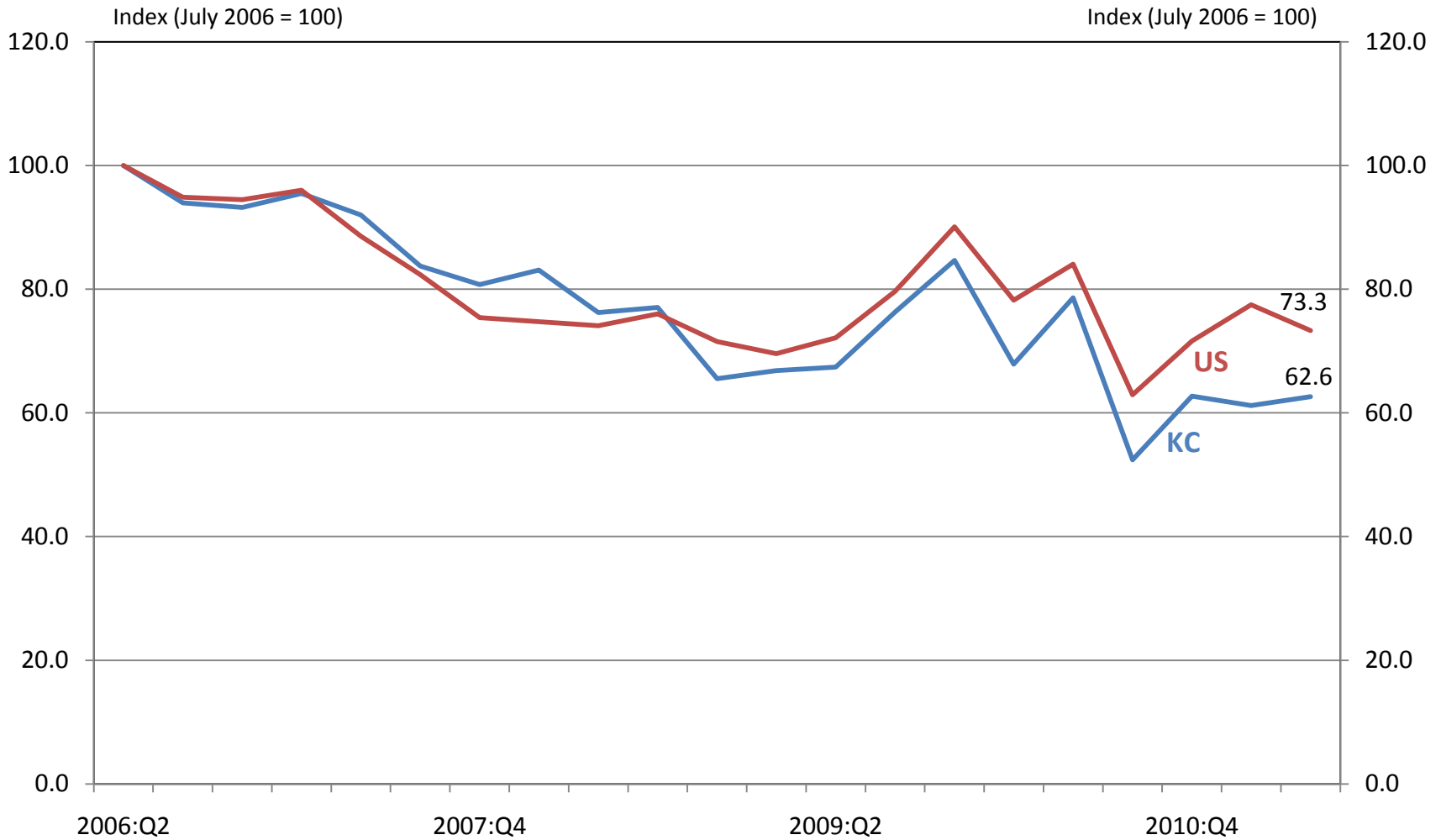
CCO Stakeholders Forum

Kelly D. Edmiston

Senior Economist

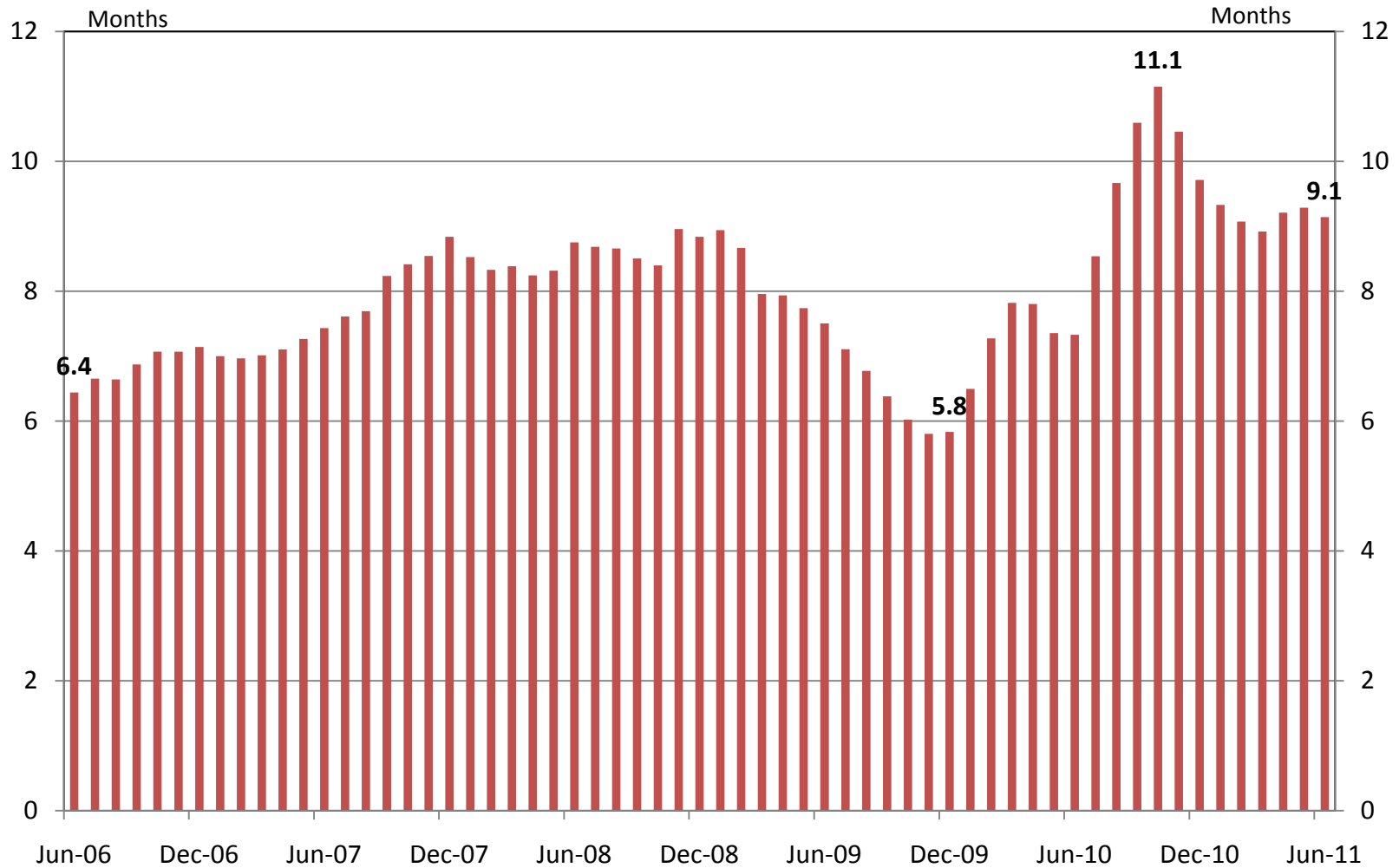
August 18, 2011

Sales of Existing Homes



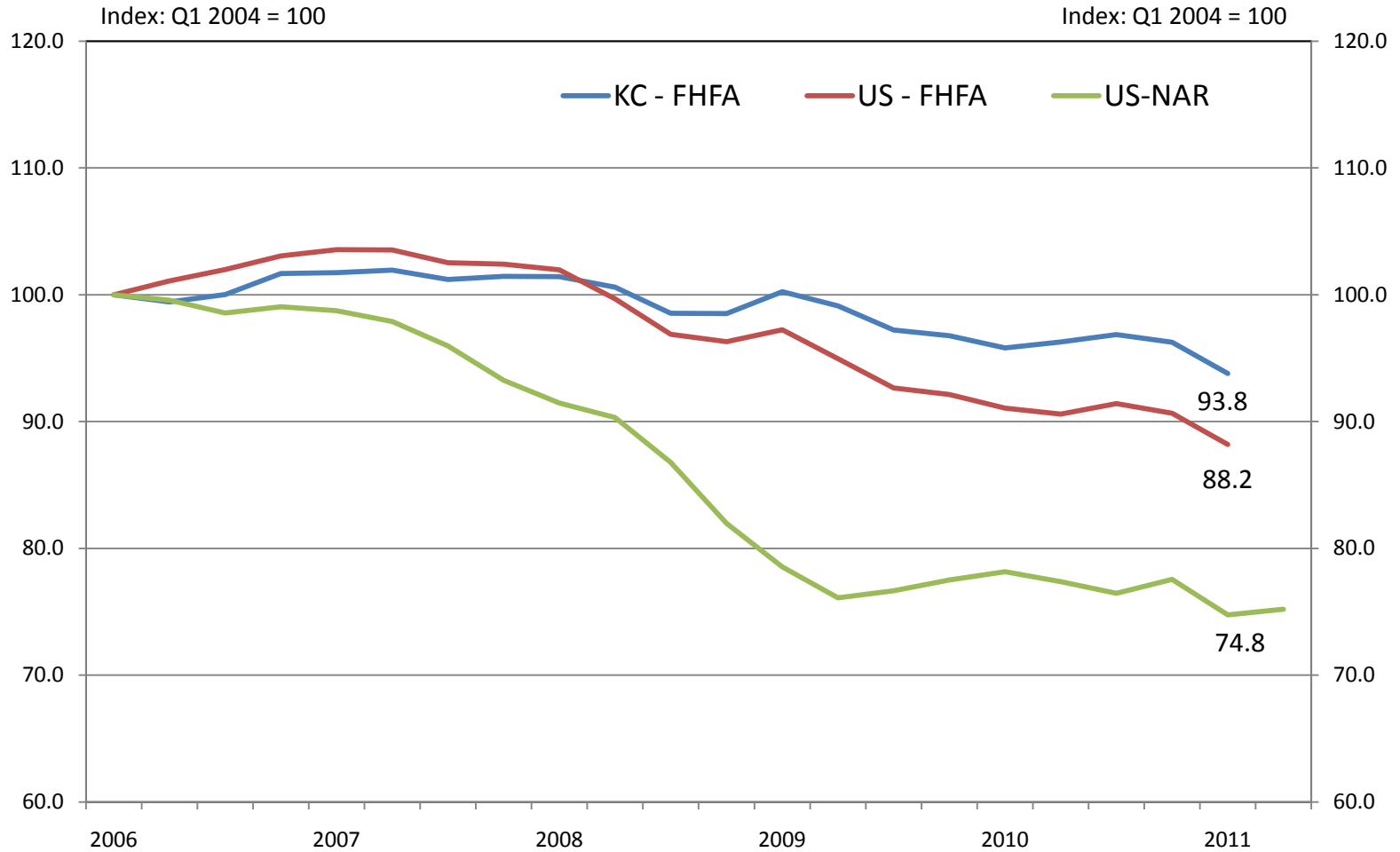
Source: National Association of Realtors and Kansas City Regional Association of Realtors

Months Supply of Existing Homes



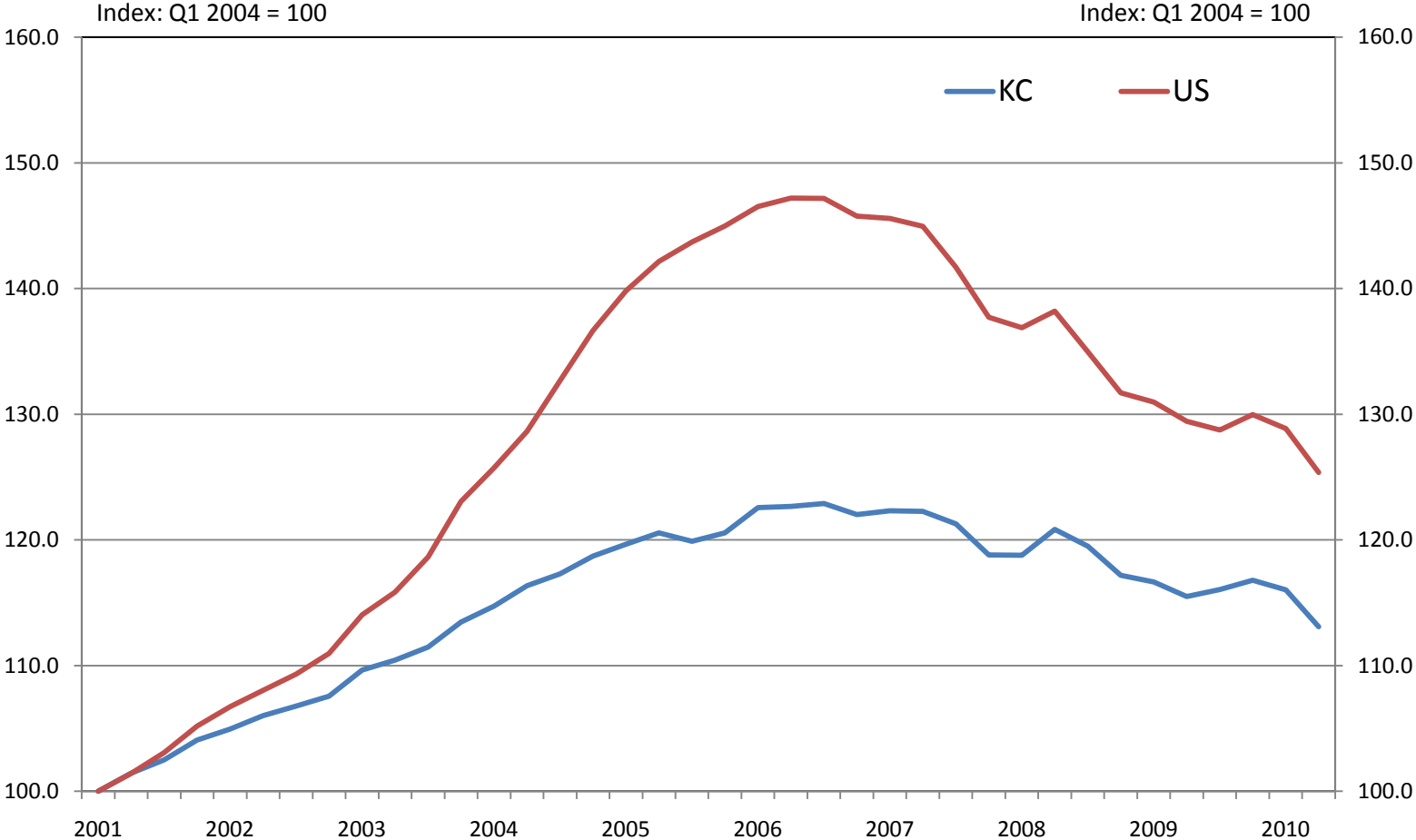
Source: Kansas City Regional Association of Realtors

Existing Single-Family Home Prices

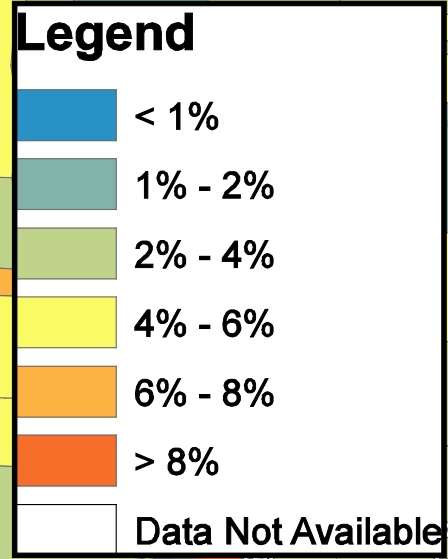
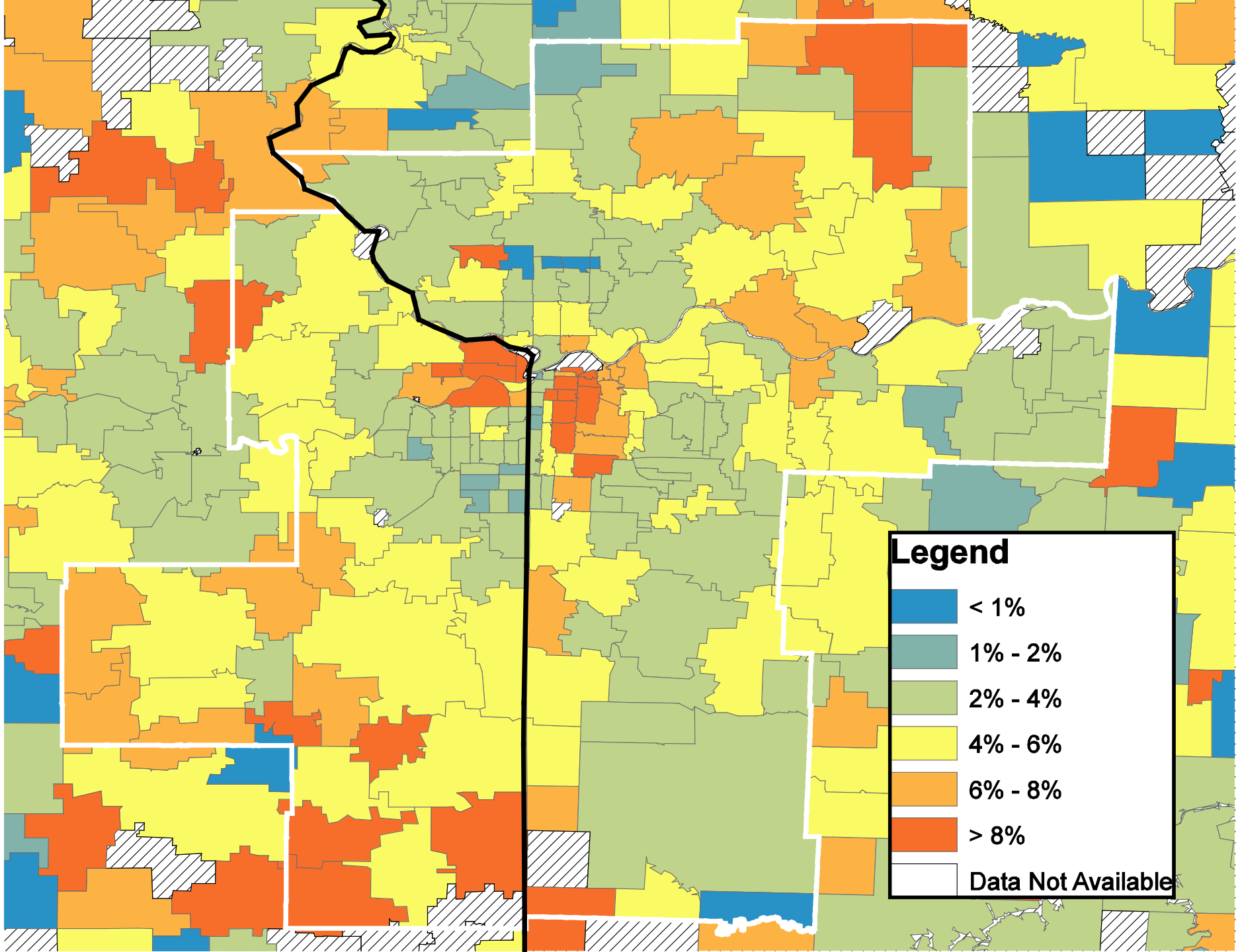


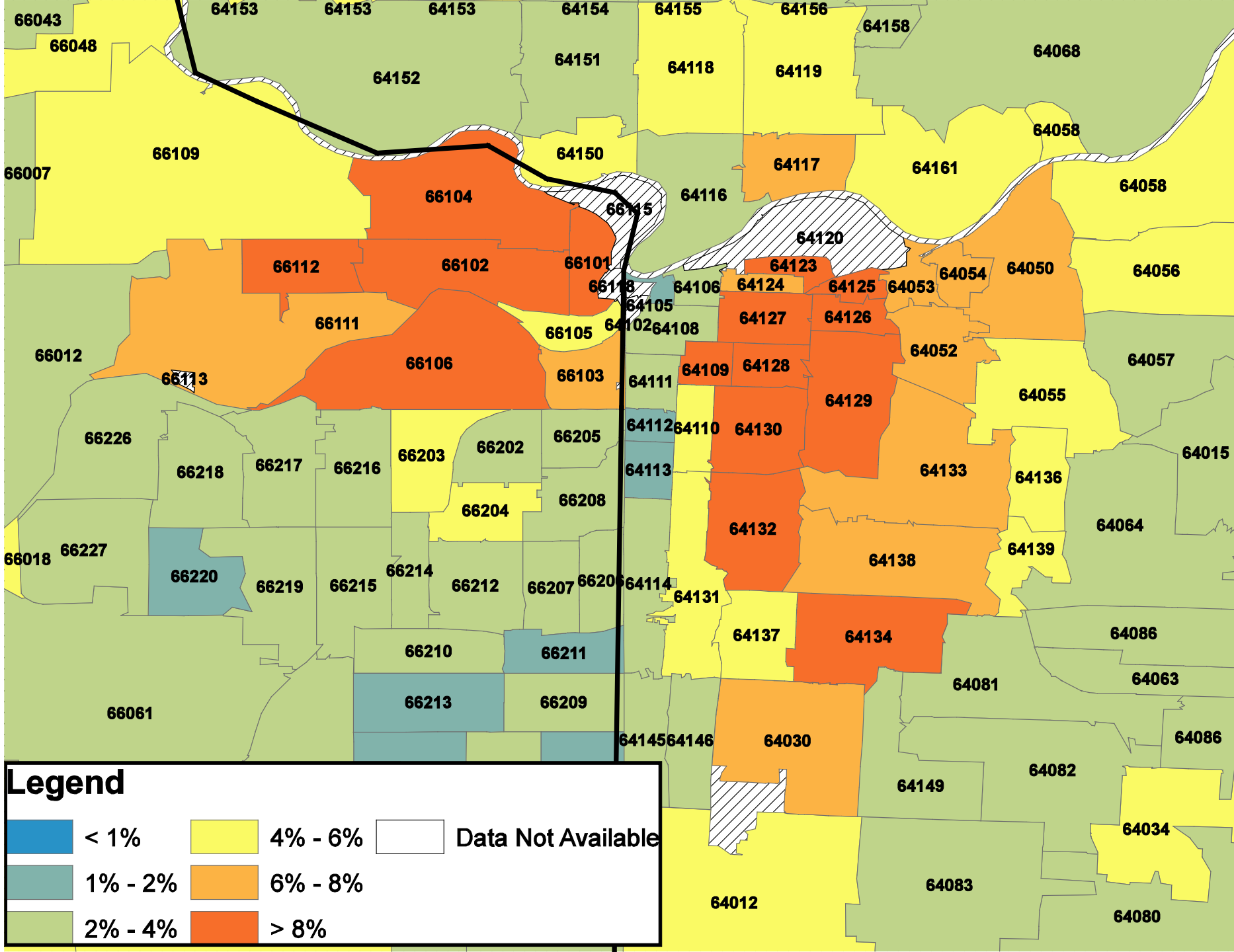
Source: U.S. FHFA; National Association of Realtors

Home Price Bubble and Burst

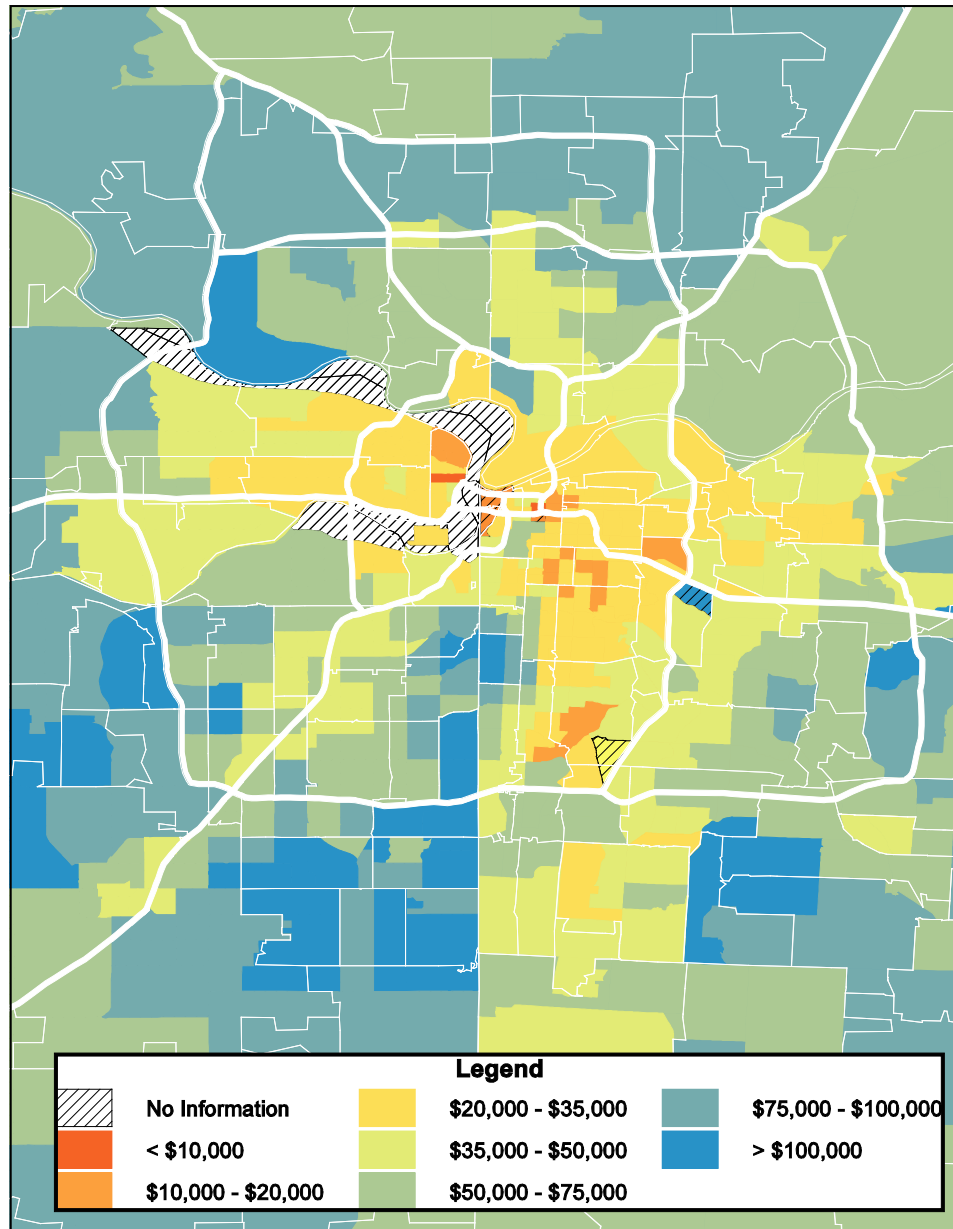
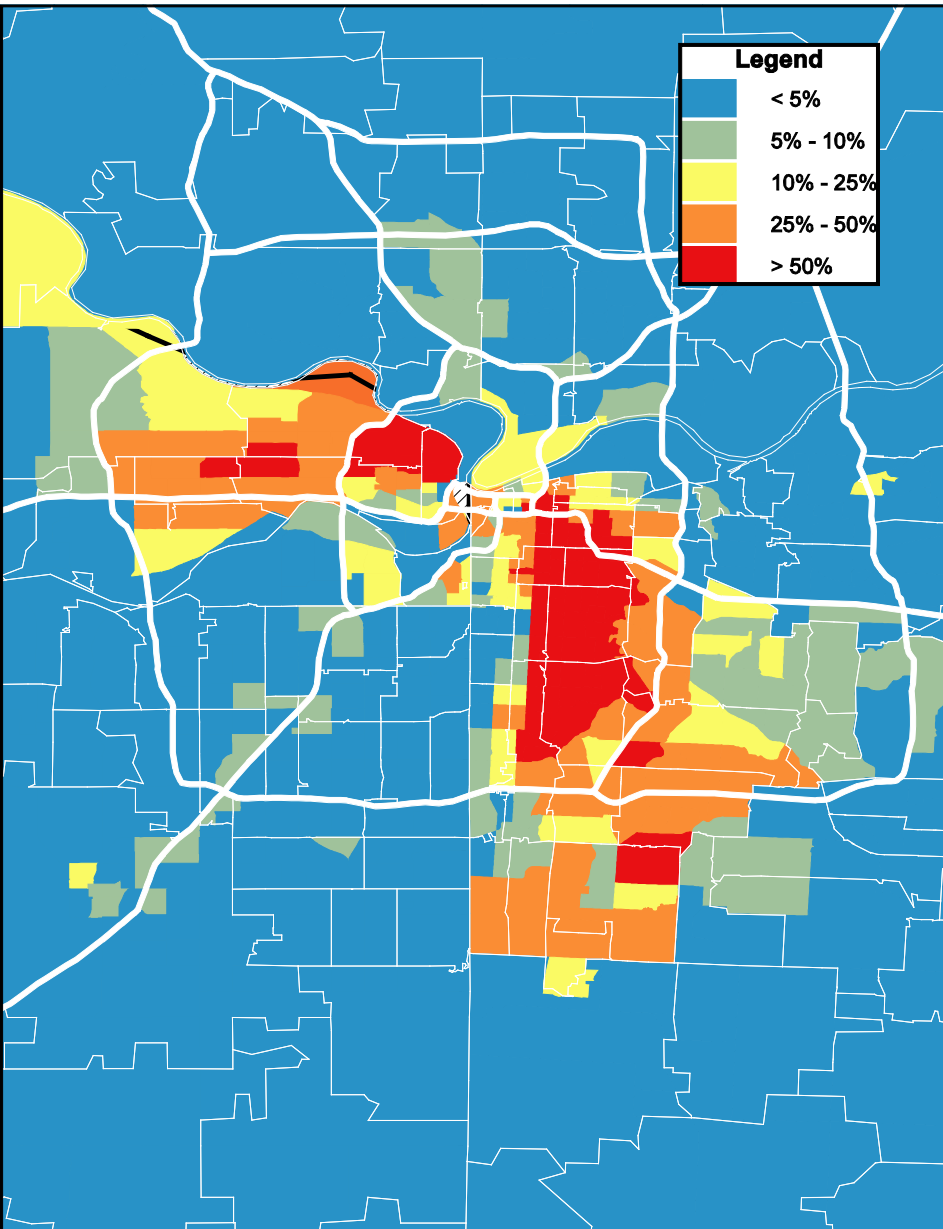


Source: FHFA

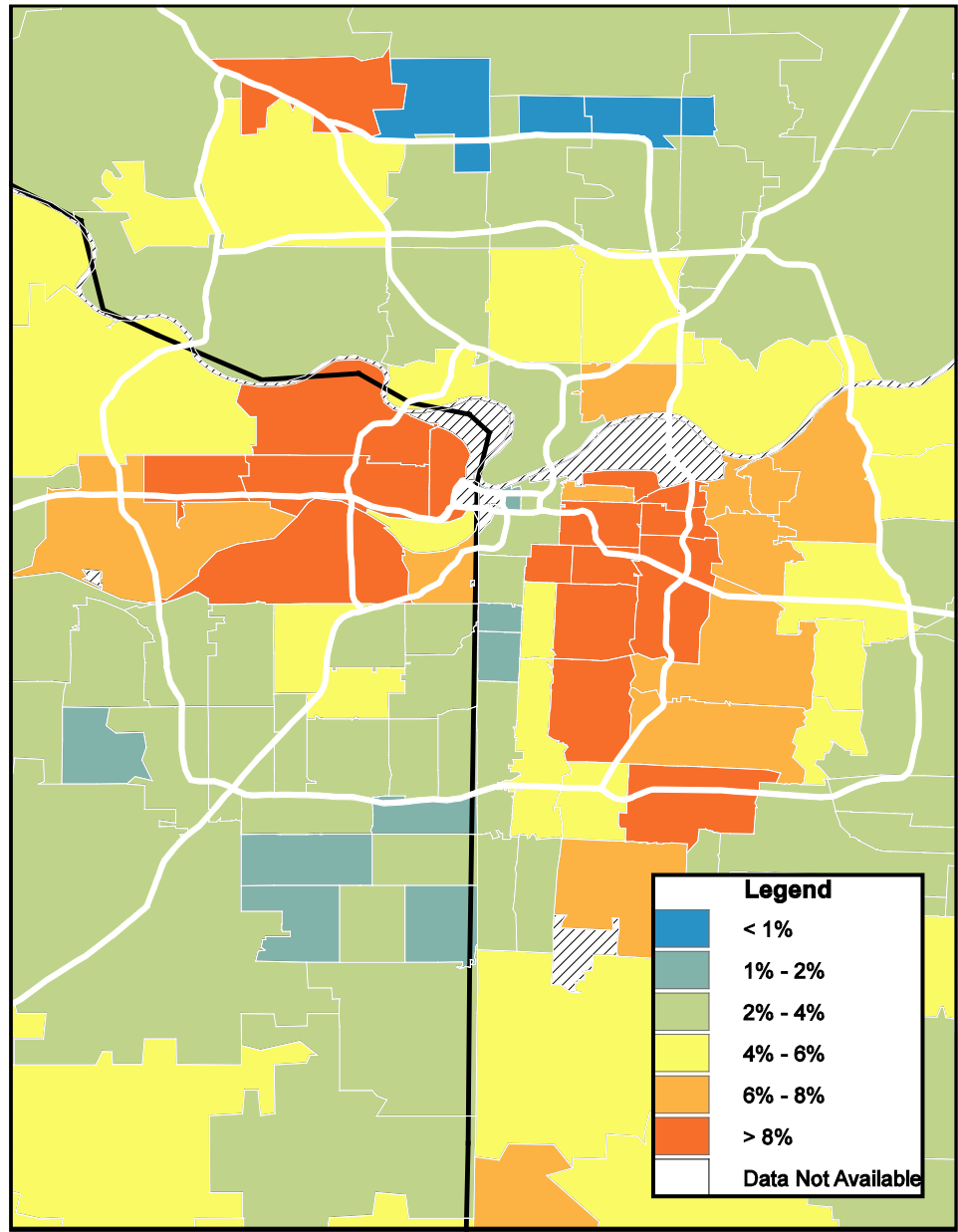
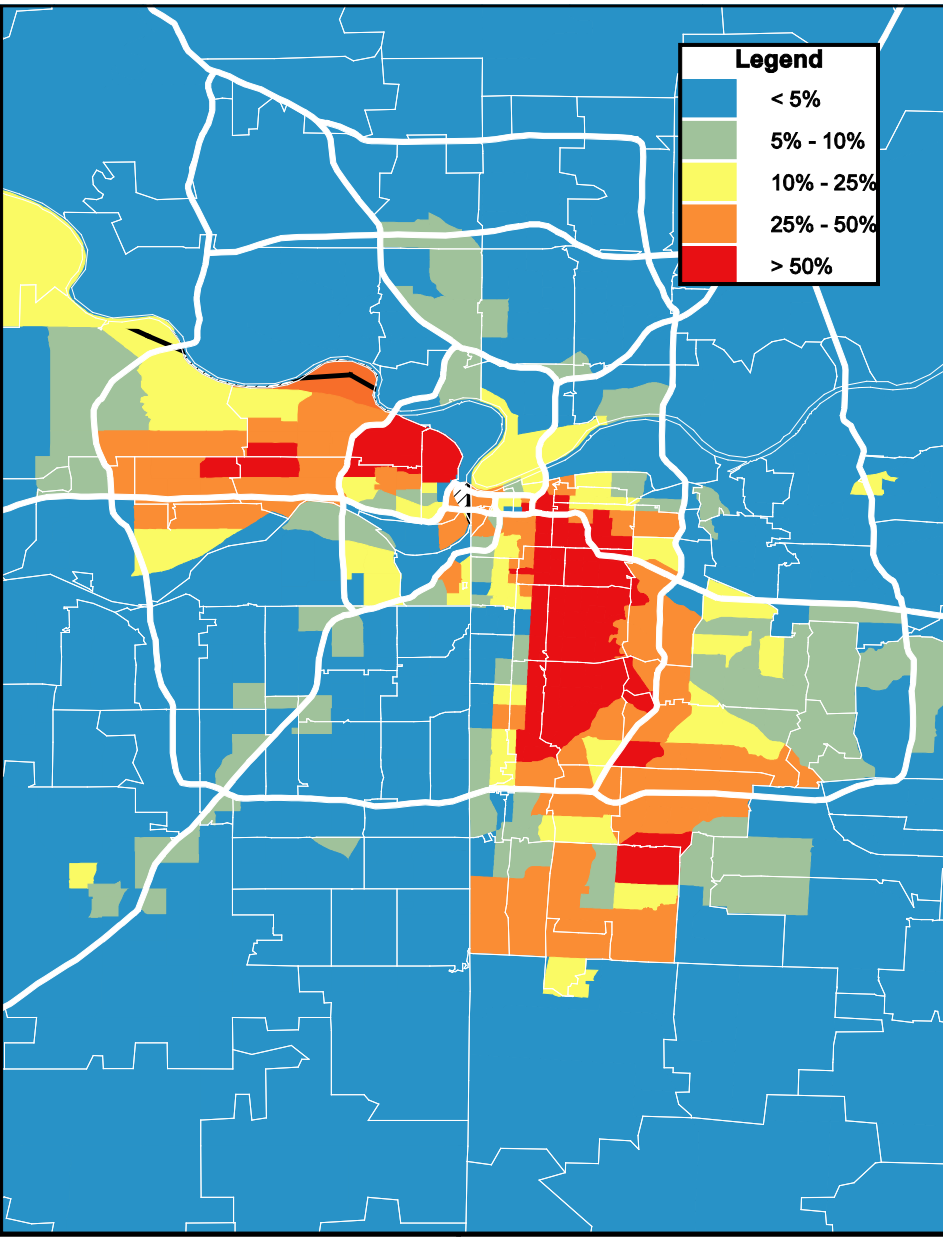




Income and Mortgage Delinquency

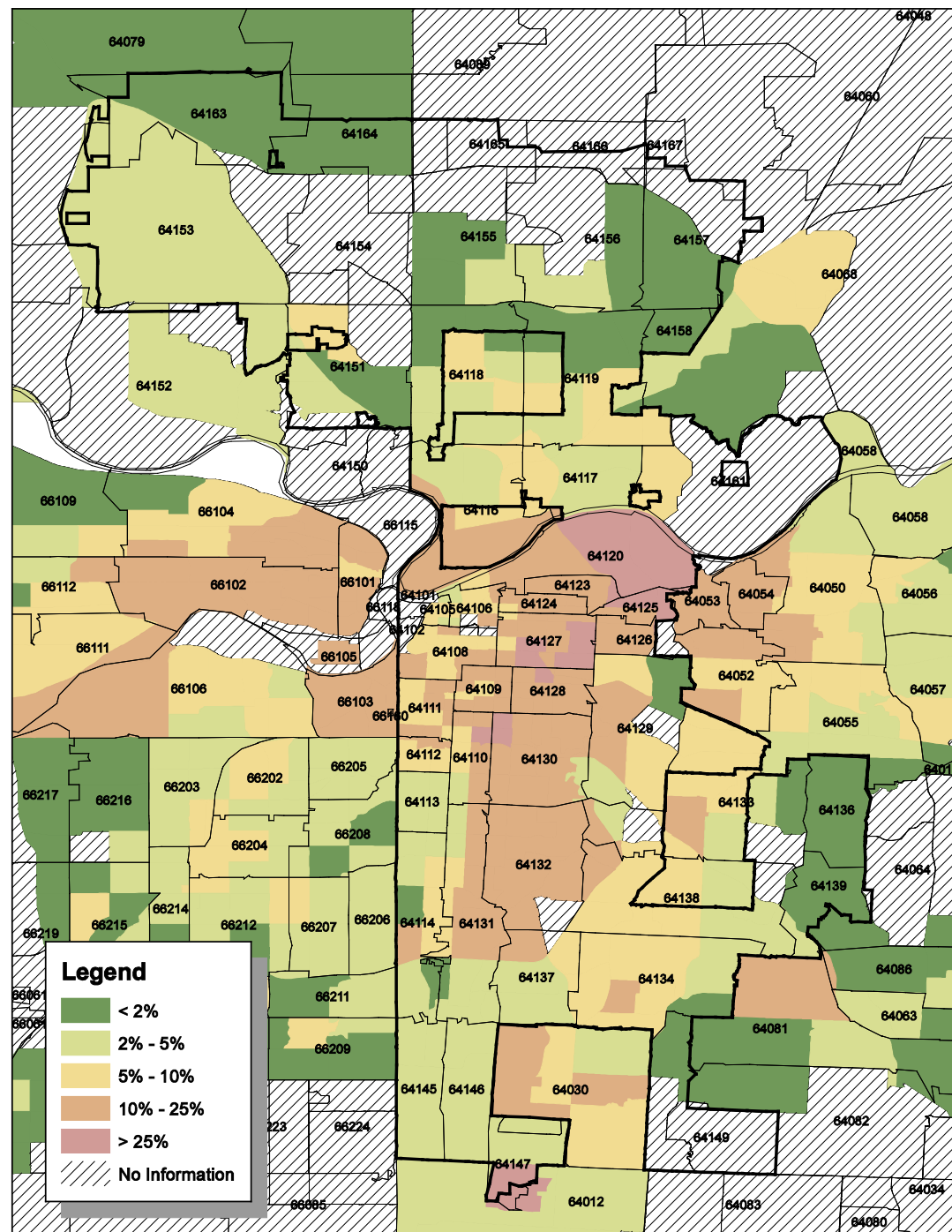


Race and Mortgage Delinquency

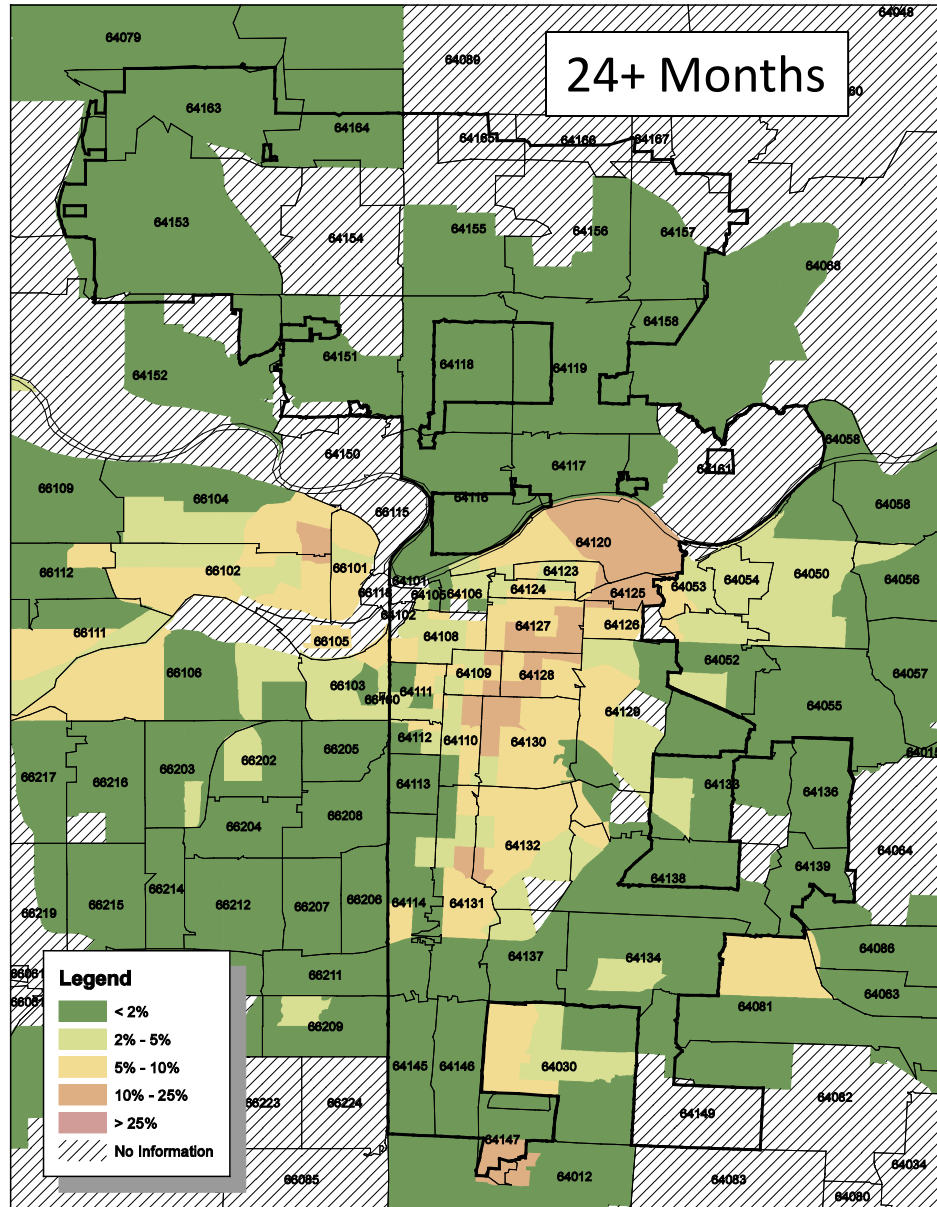
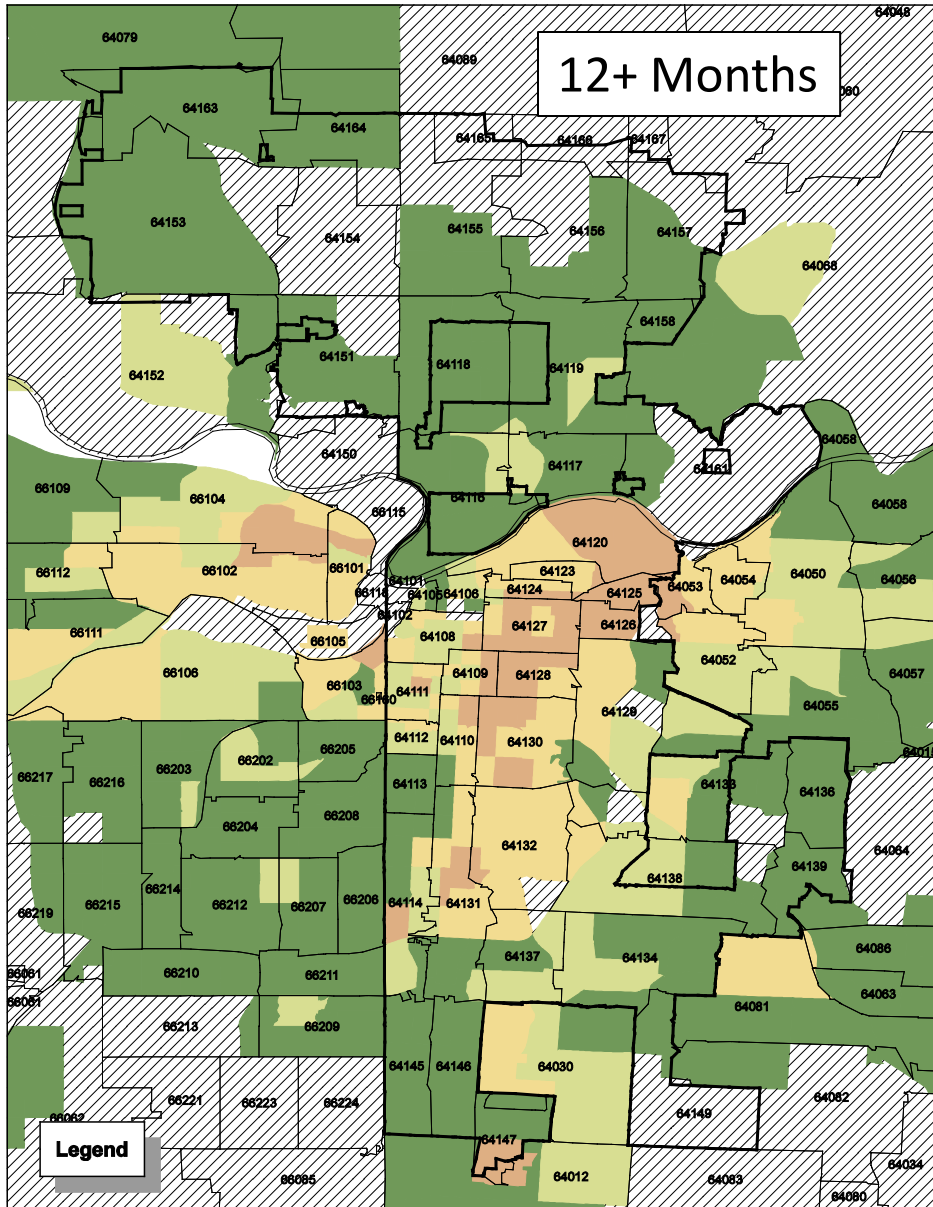


Residential Vacancy Rates (September, 2010)

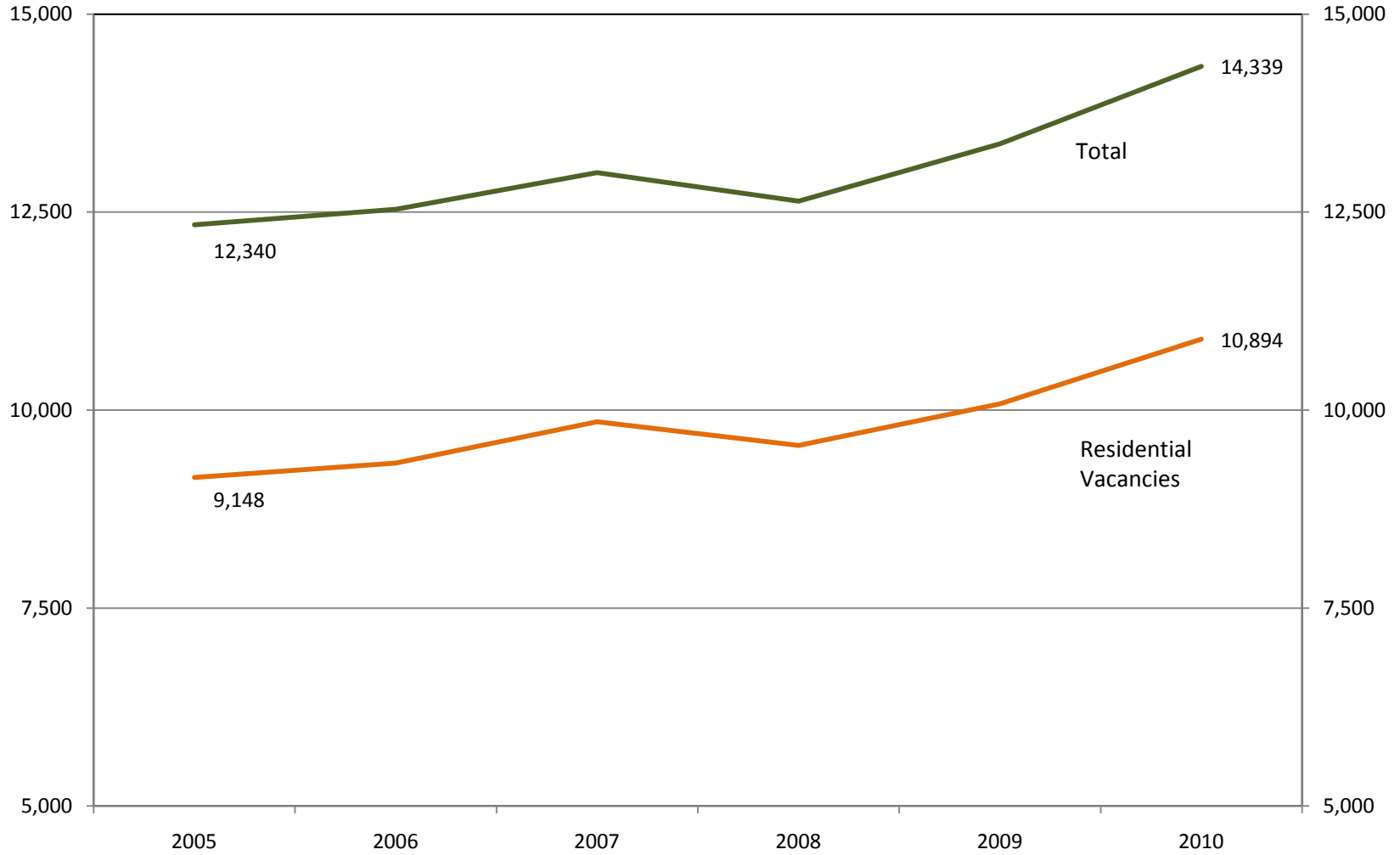
- 10,894 residential structures identified as vacant in Sep. 2010 using USPS data (estimate)
 - 10.4 percent vacancy rate
- KCMO water records show 12,077 vacancies in Sep. 2010
 - 8.4 percent vacancy rate
- The vacancy rate for single family dwellings in the U.S. as a whole was 3.8 percent (estimate) for single family structures



2010 Vacancy Rates, by time vacant (estimates)

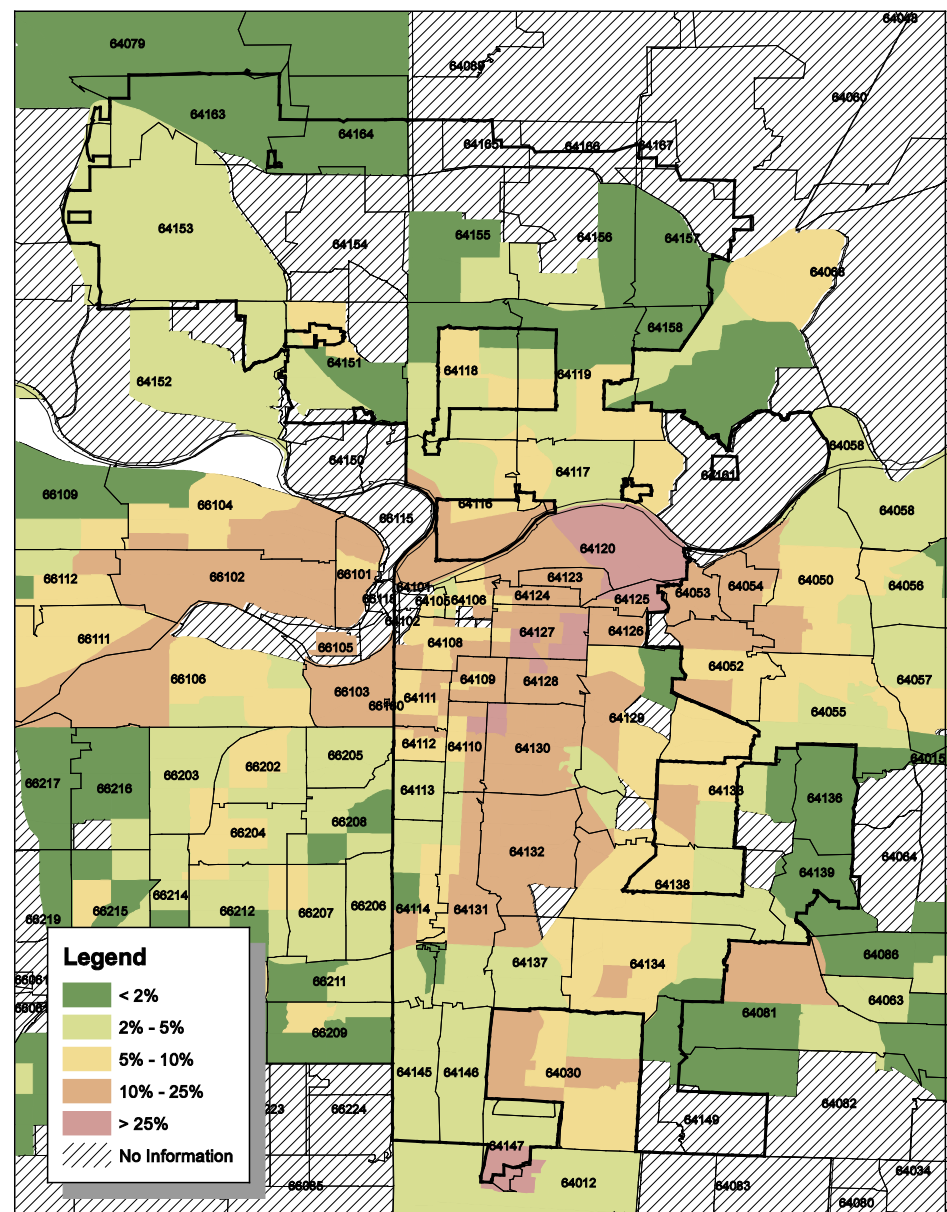
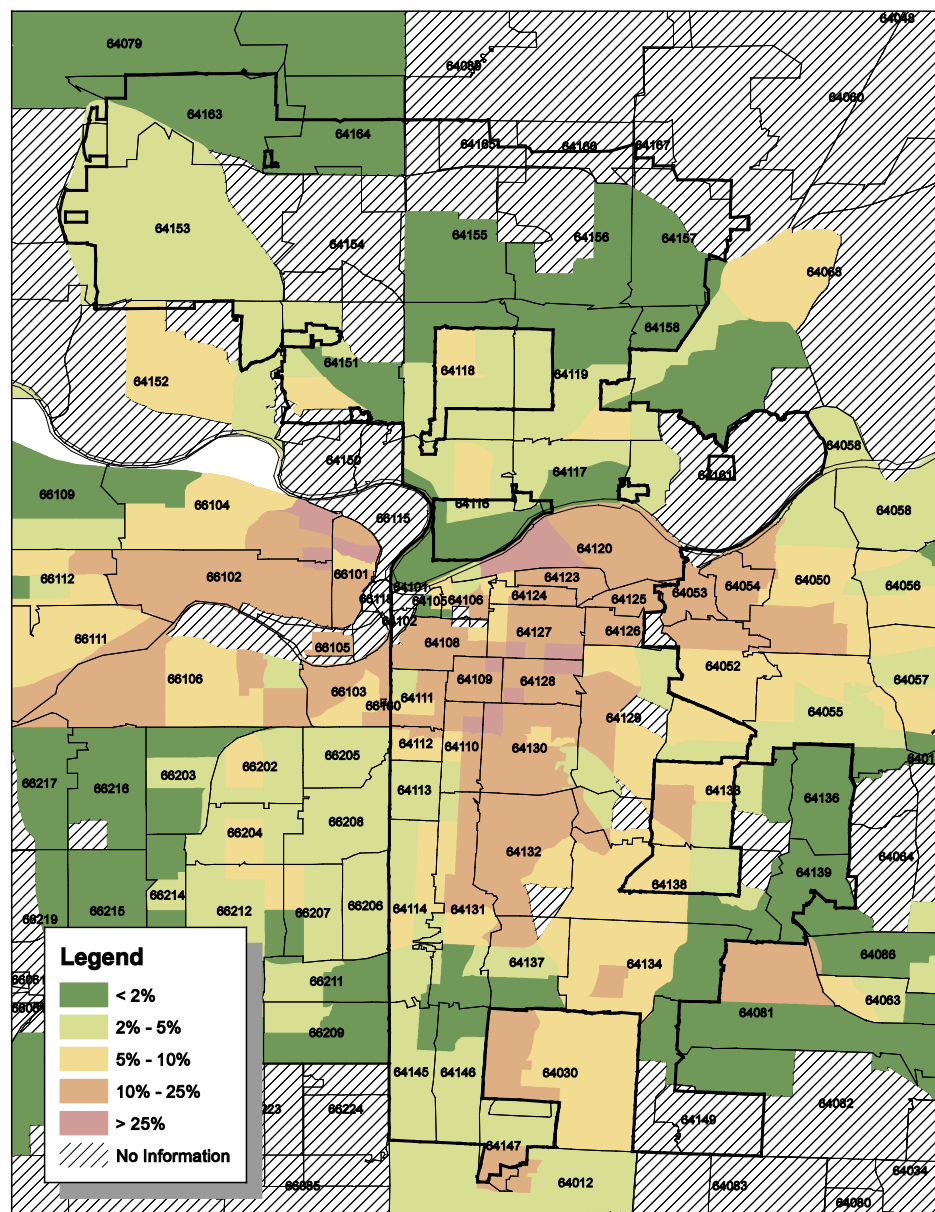


Estimated KCMO Building Vacancies (2005 – 2010)



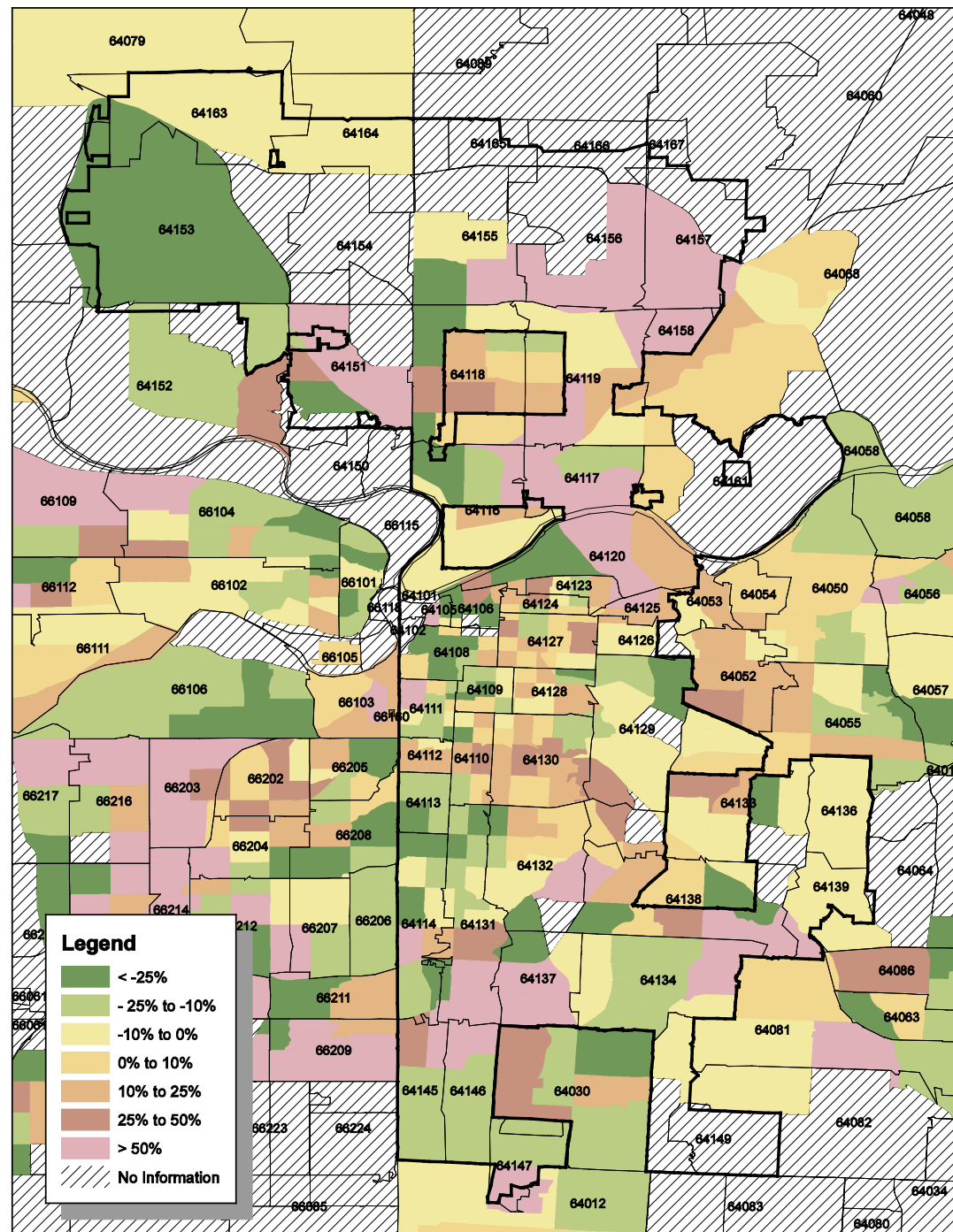
Source: Estimate generated from data provided by the U.S. Department of Housing and Urban Development and the U.S. Census Bureau

Vacancy Rates, 2007 and 2010 (estimates)



Change in Vacancy Rates 2007 – 2010

- Kansas City vacancies increased by about 1,800 (19.1 percent)
- The Kansas City vacancy rate increased from 8.9 percent to 10.4 percent
- Significant variation in growth (decline) in vacancy rates across KCMO is evident

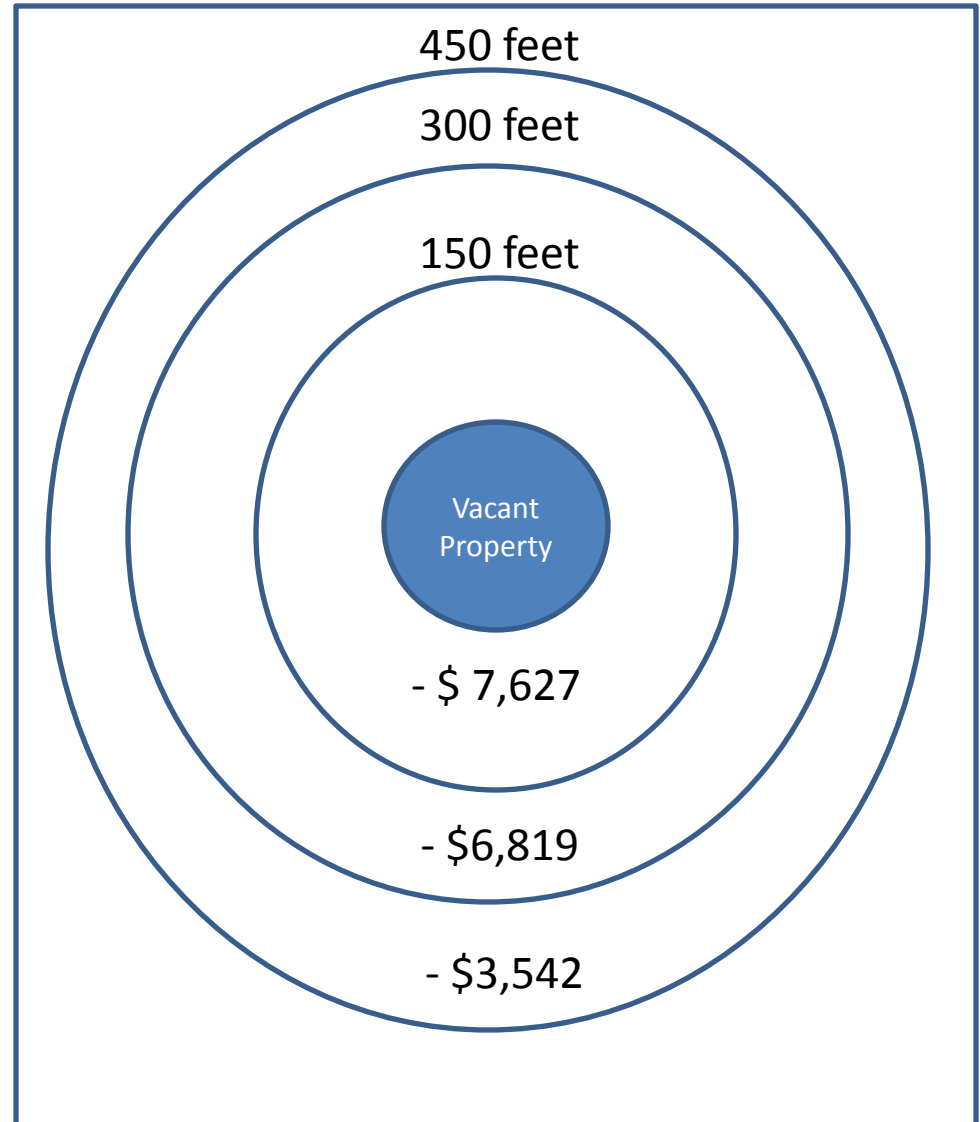


Warning Signs for Abandonment

- Mortgage arrears / Foreclosure
- Outstanding code violations / Poor physical condition
- Tax arrears
- Utility arrears
- Characteristics of nearby properties / Property values
- Absentee ownership

Costs of Vacancy to Homeowners

- Reduced property values
- Higher insurance premiums
- Poorer quality of life



Wider Costs of Vacant Properties

To the community

- Crime
- Fires
- Public nuisances and health issues
 - Trash / dumping
 - Rat infestations

To cities

- Lost tax revenues
 - Lower property values
 - Delinquency
- Cost of disposal
 - Estimates of \$6 - \$15 per square foot



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