

The Housing Bubble in the Kansas City Metropolitan Area

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The Housing Bubble in the Kansas City Metropolitan Area

Table 1: The Mismatched Growth of Supply and Demand 2000-2007-2010

<i>Item</i>	<i>Census 2000</i>		<i>American Community Survey 2007</i>		<i>Census 2010</i>	
Demand						
Total households	666,004	100%	712,248	100%	745,163	100%
Owner households	449,778	68%	493,662	69%	496,726	67%
Renter households	216,226	32%	218,568	31%	248,437	33%

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Supply						
Total housing units	709,929		788,016		822,149	
Owner housing units	460,620		510,456		513,323	
Rental housing units	238,169		251,882		278,785	
Other	11,141		25,677		30,041	

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Vacant	43,925		75,786		76,986	
For sale or sold	10,842		16,794		16,597	
For rent or rented	21,943		33,314		30,348	
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Vacancy rate	6.2%		9.6%		9.4%	
Vacancy rate owner	2.4%		3.3%		3.2%	
Vacancy rate renter	9.2%		13.2%		10.9%	

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Table 2: The Scale of the Bubble 2000-2007-2010

<i>Item</i>	<i>2000 to 2007</i>	<i>2007 to 2010</i>
Growth in households		
Total households	46,244	32,915
Owner households	43,884	3,064
Renter households	2,342	29,869

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Growth in housing units		
Total housing units	78,087	34,134
Owner units	49,837	2,867
Renter units	13,714	26,903
Other	14,536	4,364

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Rate of growth of units to growth in households		
Total units	169%	104%
Owner units	114%	94%
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Total units	169%	104%
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Surplus units added		
Total housing units	31,843	1,219
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Scale of the surplus 2010		
Maintained the 2000 level of vacancy 6.2%		31,699
Achieved the ideal level of vacancy 3.0%		54,400

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Table 3: Income and Price Matchup 2000-2007-2010

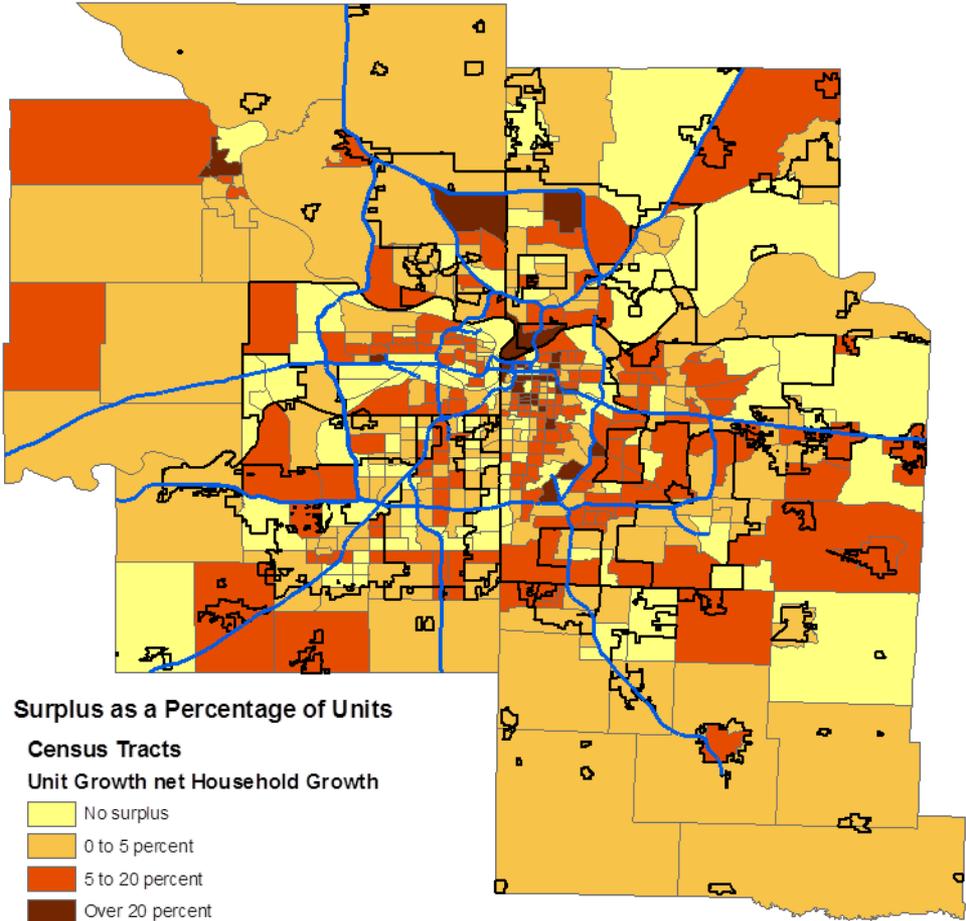
<i>Item</i>	<i>Census 2000</i>	<i>American Community Survey 2007</i>	<i>Census 2010</i>
Median Gross Rent	\$ 575	\$ 722	\$ 759
Median Renter Income	\$ 29,441	\$ 30,321	\$ 29,141
Median Home Value	\$ 104,700	\$ 152,500	\$ 158,000
Median Owner Income	\$ 56,242	\$ 67,295	\$ 65,204

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Median Owner Income	\$ 56,242	\$ 67,295	\$ 65,204
Growth and decline in income and prices		2000 to 2007	2007 to 2010
Median Gross Rent		26%	5%
Median Renter Income		3%	-4%
Median Home Value		46%	4%
Median Owner Income		20%	-3%
CPI		17%	6%

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Bubble formed in our housing market 2000 to 2007

Unsustainable pace of construction

Bubble burst and the correction has been meager 2007 to 2010

Contraction has been slow

Prices continue to rise

Metropolitan area has too little demand to fill the supply

Damage is widespread