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WSU Center for Real Estate releases 2013 housing forecast for the Lawrence market

Lawrence home sales will continue to strengthen in the coming year. So says the 2013 Kansas Housing Markets Forecast published by the Wichita State University Center for Real Estate.

“Although sales in the Lawrence area fell sharply in 2011 following the expiration of the tax credit, they have rebounded nicely this year and are on pace to rise by more than 13 percent in 2012,” said Stan Longhofer, director of the WSU Center for Real Estate. “Sales should be even stronger next year, rising by nearly 16 percent.”

Longhofer will present the Lawrence forecast at 10:30 a.m. Friday, Oct. 19, at the Lawrence Board of Realtors, 3838 W. 6th Street, Lawrence. He will be available for interviews prior to his presentation at about 9:30 a.m.

The 2013 Kansas Housing Markets Forecast reviews current housing market conditions in markets across the state – including Kansas City, Lawrence, Manhattan, Topeka and Wichita – and forecasts housing market activity through the end of 2013. The title of this year’s forecast is “Navigating the Turbulence,” reflecting the array of forces that have been buffeting housing markets recently.

Highlights of the 2013 Kansas Housing Markets Forecast include the following.

Lawrence market

- **Home sales** – Home sales in the Lawrence area are on pace to rise by more than 13 percent in 2012. Sales should continue to strengthen in 2013, rising by nearly 16 percent to 1,390 units.

- **Construction** – New home construction in the Lawrence area has risen somewhat in 2012. Permitting activity should rise another 3 percent in 2013 to 165 units, but will still remain well below the strong numbers seen in the early part of the last decade.
- **Home prices** – Lawrence home prices have begun to stabilize, and are forecast to rise by just over 2 percent in 2013, as inventories of homes available for sale settle into levels consistent with a balanced market.

Statewide forecast

- **Home sales** – Home sales across Kansas have fallen in each of the past three years. This trend will likely continue in 2011, with sales ending the year down 1.8 percent to 28,250 units. Sales should begin to rise in 2012, increasing by 8.8 percent to 30,740 units.
- **Construction** – Single-family residential building permits in Kansas rose by 3.9 percent in 2010 in response to the home buyer tax credit, but have declined since then. Home building activity will end 2011 down 11.4 percent at 3,370 units and then pick up again in 2012, rising 20.5 percent to 4,060 units.
- **Home prices** – Average home prices across the state will end 2011 down 3.6 percent, led by declines in the northeast part of the state. The pace of decline will slow in 2012, with average values falling 1.0 percent.

For more information and a copy of the entire 2013 Kansas Housing Markets Forecast, visit the Center for Real Estate website at <http://realestate.wichita.edu>, or contact Longhofer at (316) 978-7120 or realestate@wichita.edu.