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FOR IMMEDIATE RELEASE
THURSDAY, OCT. 15, 2015

WSU Center for Real Estate releases 2016 Kansas Housing Markets Forecast series

Kansas home sales should rise by more than 8 percent in 2016 according to the 2016 Kansas Housing Markets Forecast series published by the Wichita State University Center for Real Estate.

“After a flat year in 2014, home sales activity across the state has rebounded strongly this year,” said Stan Longhofer, director of the WSU Center for Real Estate. “We forecast that sales across Kansas will rise by 8.6 percent in 2016, to 42,110 units.”

Longhofer will present the forecast at 10:15 a.m. Thursday, Oct. 15, at the Kansas Association of Realtors Annual Conference and Expo at the Capitol Plaza hotel in Topeka. He will be available for interviews at about 11:45 a.m. after his presentation.

The 2016 Kansas Housing Markets Forecast series reviews current housing market conditions in the major markets across the state – including Kansas City, Lawrence, Manhattan, Topeka and Wichita – and forecasts housing market activity through the end of 2016. Copies of all of the forecasts in the series can be found on the WSU Center for Real Estate website at www.wichita.edu/realestate.

Highlights of the 2016 Kansas Housing Markets Forecast Series include the following.

Statewide forecast

- **Home sales** – After remaining essentially flat in 2014, home sales across Kansas have risen sharply over the first half of the year. This trend should continue in 2016, with sales rising 8.6 percent to 42,110 units.

- **Construction** – After a slight decline last year, new home construction activity has rebounded strongly this year. This should continue in 2016, with total permits rising 8.3 percent to 5,530 units. This would be the highest level since 2007, but still less than half of the peak reached in 2005.
- **Home prices** – Markets all across the state are reporting tight inventories of homes available for sale, and this has begun to affect home values. We expect this appreciation to accelerate, with prices 4.7 percent in 2016.

Kansas City forecast

- **Home sales** – Kansas City home sales were essentially flat in 2014, rising just 0.6 percent. The market has been strong so far this year, however, and this trend should continue in 2016, with sale rising 7.3 percent to 38,280 units.
- **Construction** – New home construction in the Kansas City area has picked up this year, following a slight decline in 2014. Permitting should continue to rise next year, up 11 percent to 5,260 units.
- **Home prices** – Tight inventories of homes available for sale have resulted in strong home price gains in the Kansas City area. Average home values are expected to rise by 6.1 percent in 2015 and another 6.3 percent in 2016.

Lawrence forecast

- **Home sales** – Lawrence home sales grew at a solid pace in 2014. This trend has accelerated this year, and sales in 2016 should be up another 7.4 percent to 2,020 units, the highest level on record.
- **Construction** – Permitting activity fell 15.6 percent last year, and while recent figures point to a strong rebound this year, the forecast of 225 new units in 2016 is still less than half of the levels seen in the early 2000s.
- **Home prices** – The inventory of homes available for sale in the Lawrence market continues to tighten, as new listings fail to keep pace with increased sales. In response, Lawrence home values have begun to appreciate once again, with average values expected to rise by 2.7 percent this year, and another 3 percent in 2016.

Manhattan forecast

- **Home sales** – Manhattan home sales are on pace to set a new record this year. Sales should be even stronger in 2016, rising by 9.2 percent to 950 units.
- **Construction** – New home construction activity in the city of Manhattan has fallen off this year in part because of the limited number of affordable lots available for buildings. These supply constraints will continue to be an issue in 2016, limiting construction growth despite ample demand for new homes.

- **Home prices** – The inventory of homes available for sale in the Manhattan market remains fairly tight, as new listings are only just keeping pace with increased sales. This should cause Manhattan home prices to rise 4.9 percent in 2016.

Topeka forecast

- **Home sales** – After falling 1.3 percent in 2014, sales in the Topeka area are on pace to rise by 10.6 percent this year. This trend should continue in 2016, with sales rising 4.6 percent to 3,430 units.
- **Construction** – Single-family building permits in the Topeka area are on pace to rise by 16.4 percent this year. This pace should slow somewhat in 2016, with permits rising 3.3 percent to 315 units.
- **Home prices** – Despite the tightening inventories, there has been little upward pressure on home prices in the Topeka market. After appreciating by 1.8 percent in 2014, Topeka area home values should rise by just less than 1 percent in 2016.

Wichita forecast

- **Home sales** – After a slow first quarter, Wichita home sales are now on pace to increase 4.6 percent this year. This trend should continue in 2016, with sales rising 3.3 percent to 9,970 units.
- **Construction** – New home construction in the Wichita area rose last year to just above 1,000 units. This pace of activity should continue in the foreseeable future, with permits rising 4.9 percent in 2016 to 1,065 units.
- **Home prices** – Wichita area home prices are beginning to rise in the wake of tight inventories of homes available sale. Wichita home values are expected to rise by 3 percent in 2016.

For more information and a copy of each of the publications in the 2016 Kansas Housing Markets Forecast series, visit the Center for Real Estate website at www.wichita.edu/realestate, or contact Longhofer at **316-516-6365** or stan.longhofer@wichita.edu.