



LAWRENCE

2025 HOUSING FORECAST

Full Circle

Dr. Stanley D. Longhofer
October 10, 2025



The slides from today's presentation are available on the WSU Center for Real Estate website at

wichita.edu/realestate



2025 Lawrence Forecast Sponsors



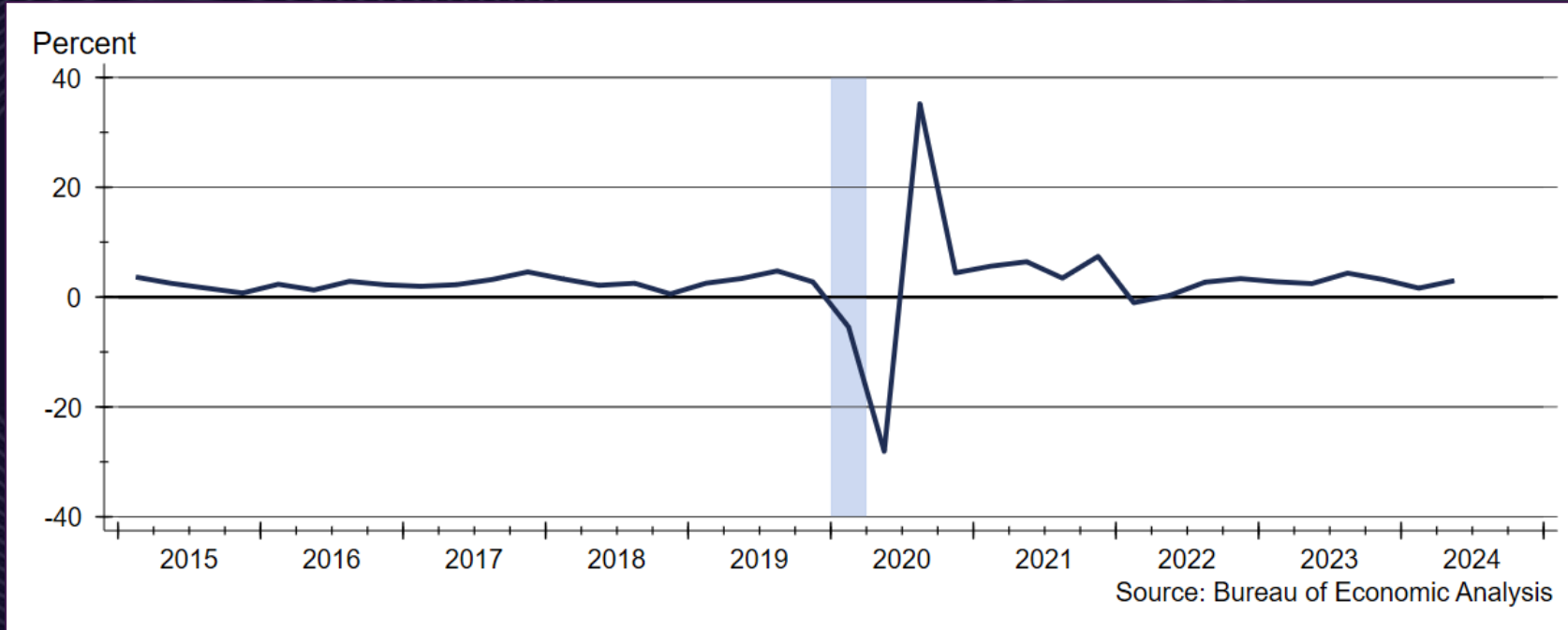
Security 1st Title



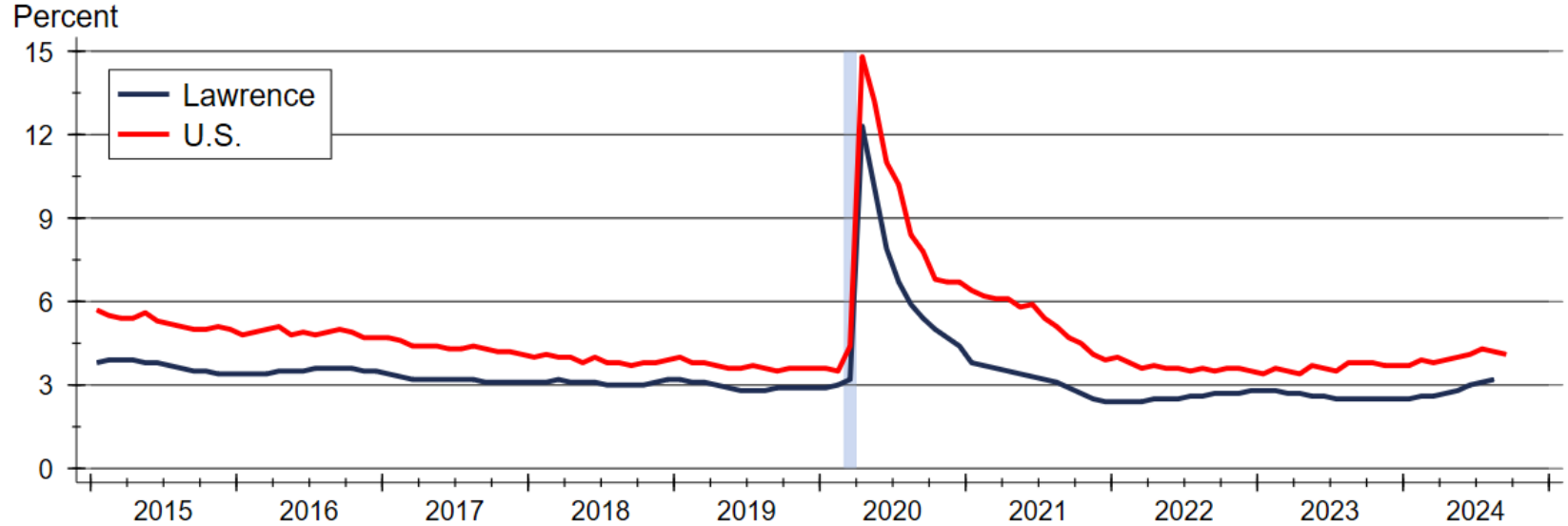
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Real GDP Growth is Remarkably Strong



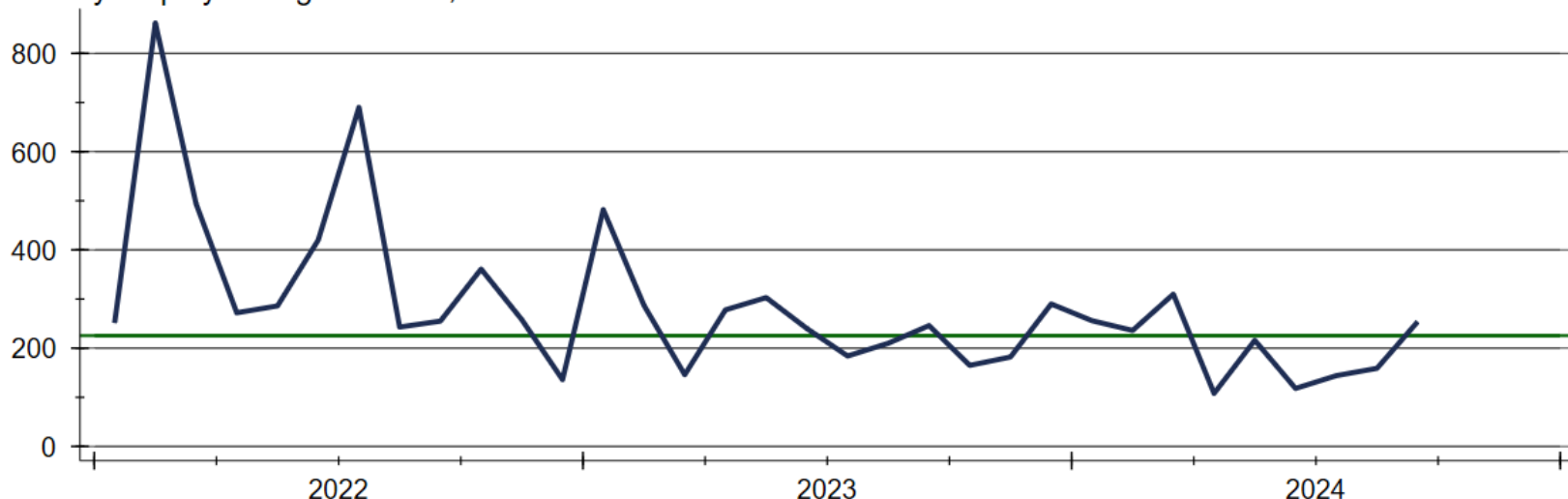
Unemployment Rate is Rising but Still Low



Source: U.S. Bureau of Labor Statistics
Data are seasonally adjusted

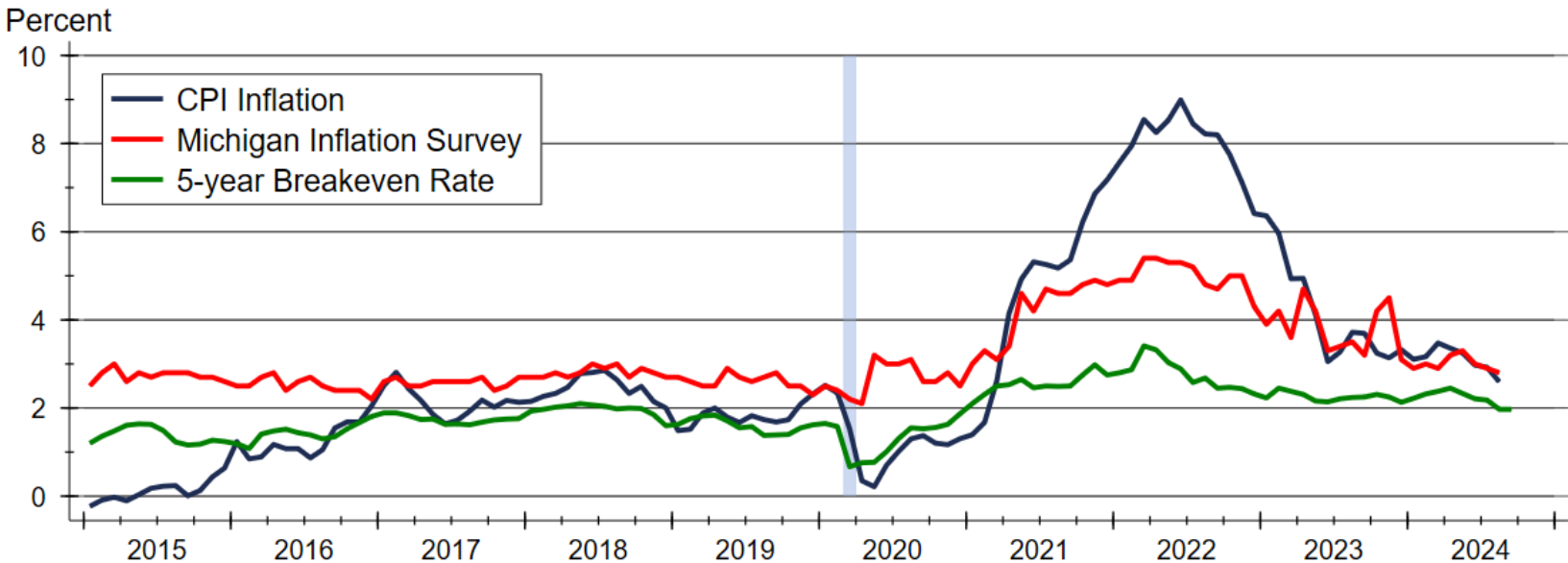
Employment Growth Suddenly Strengthened

Monthly employment growth in 1,000s



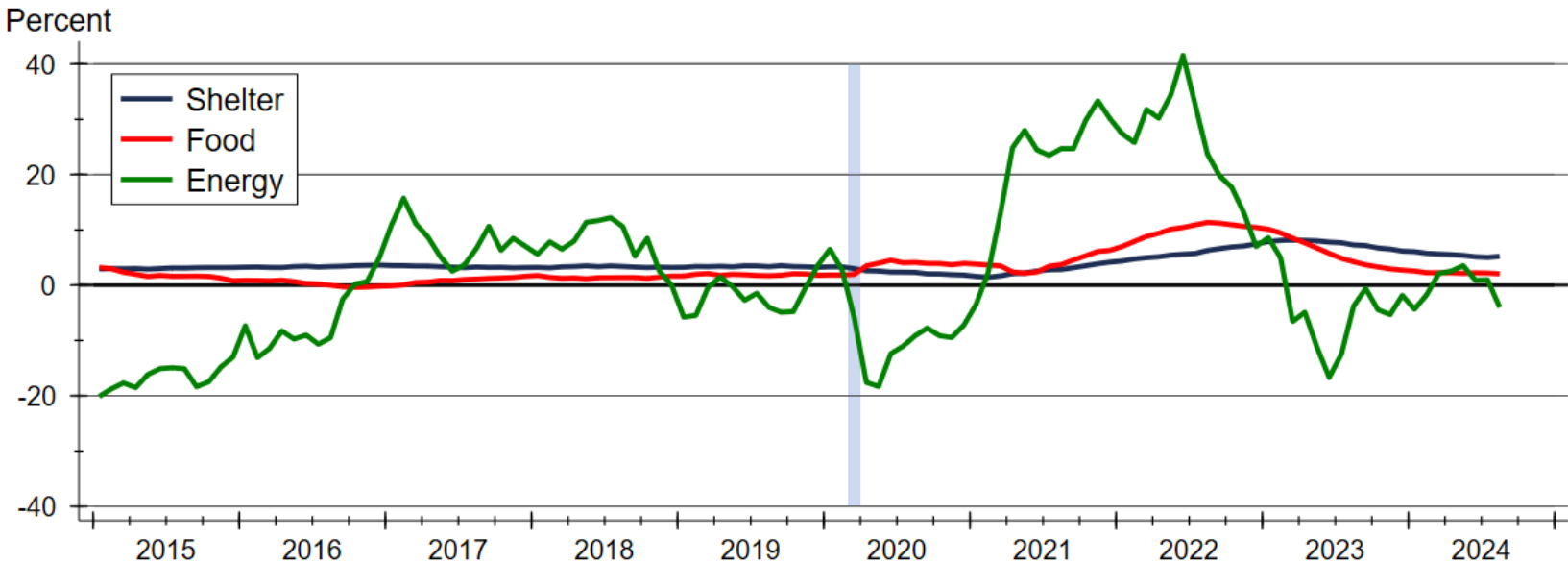
Source: U.S. Bureau of Labor Statistics
2020 and 2021 data excluded

Inflation Expectations are Moderating



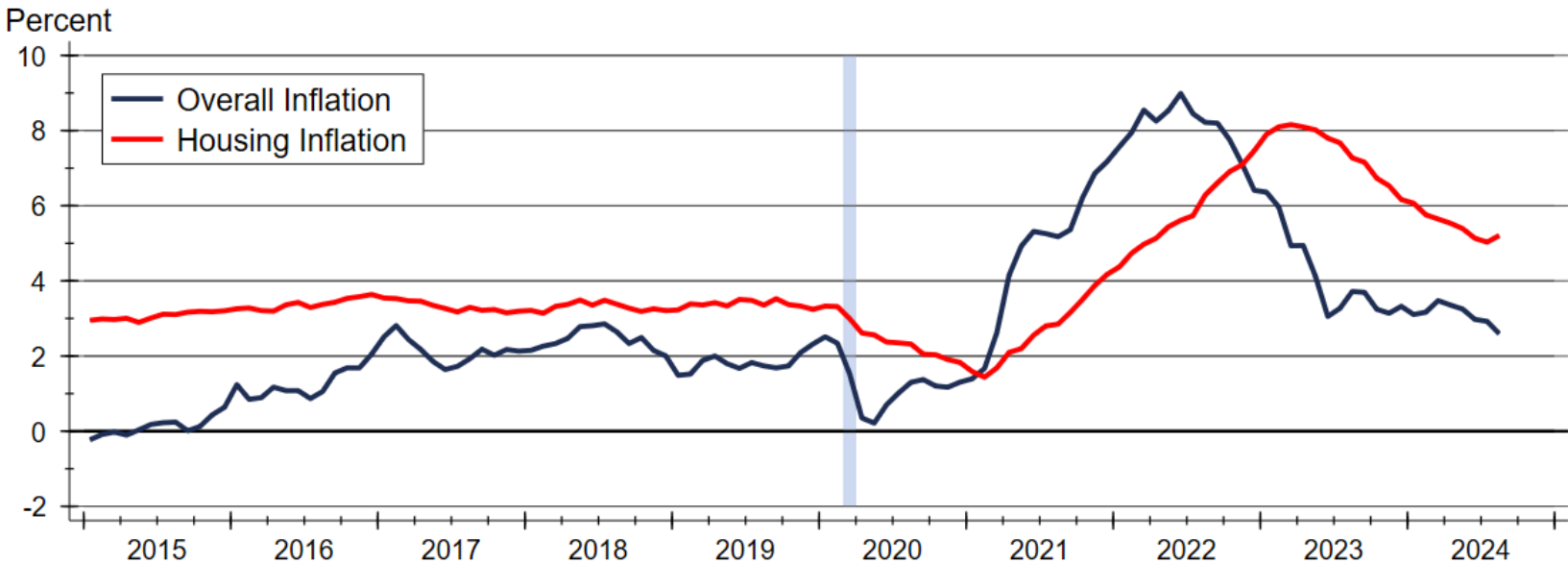
Sources: BLS; Federal Reserve Bank of St. Louis; University of Michigan

Key Drivers of Inflation are Easing

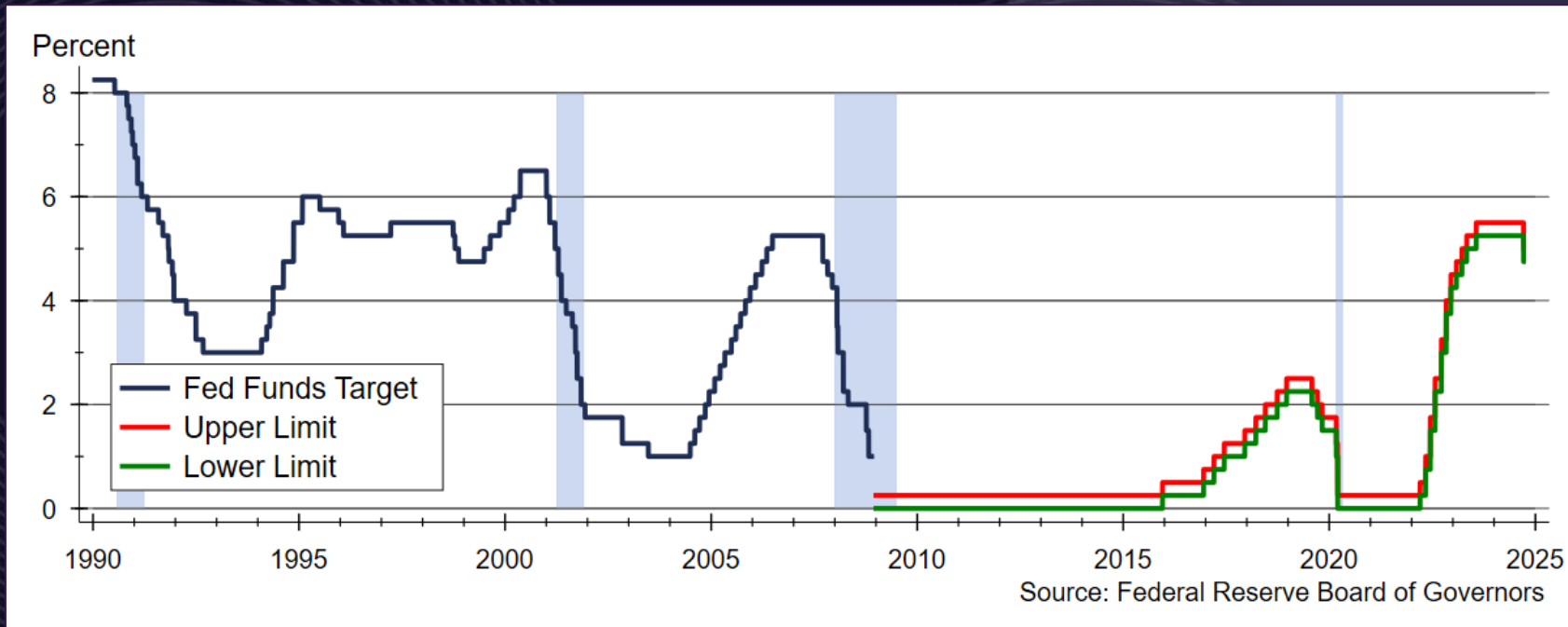


Source: U.S. Bureau of Labor Statistics

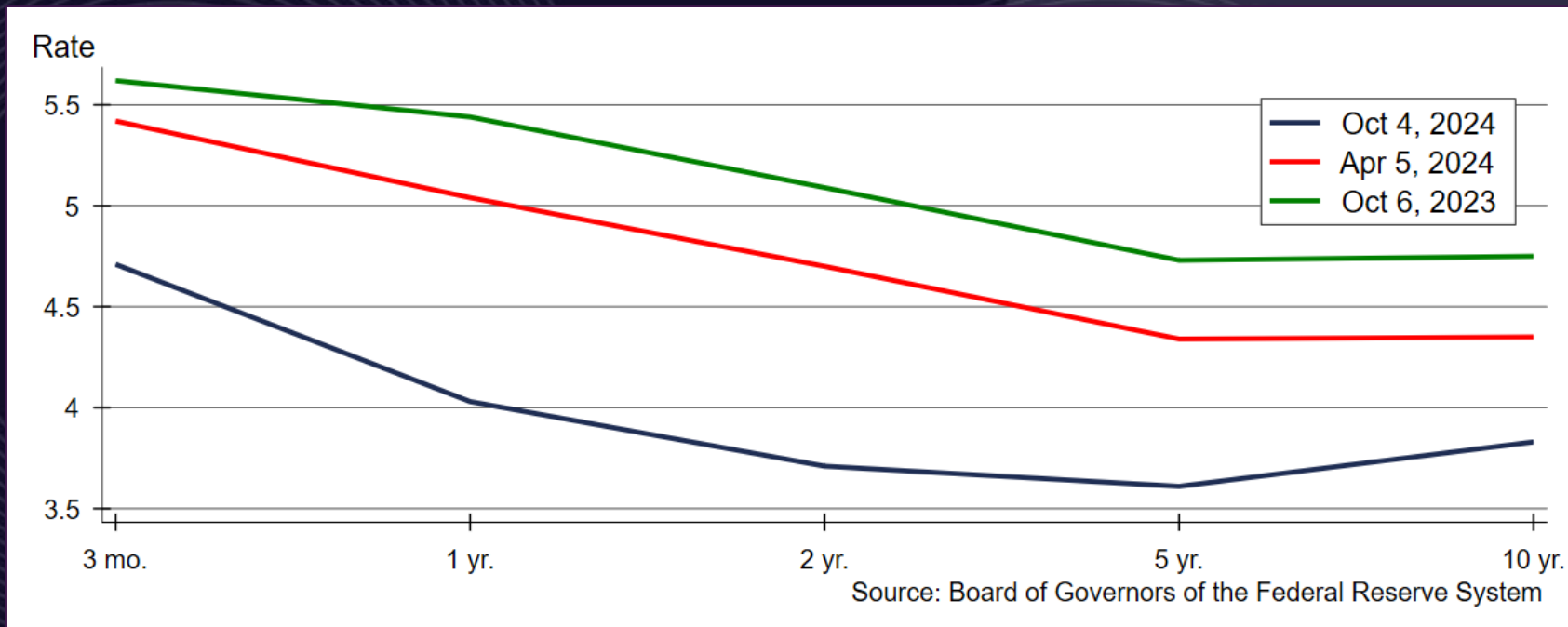
Housing Inflation is Still High



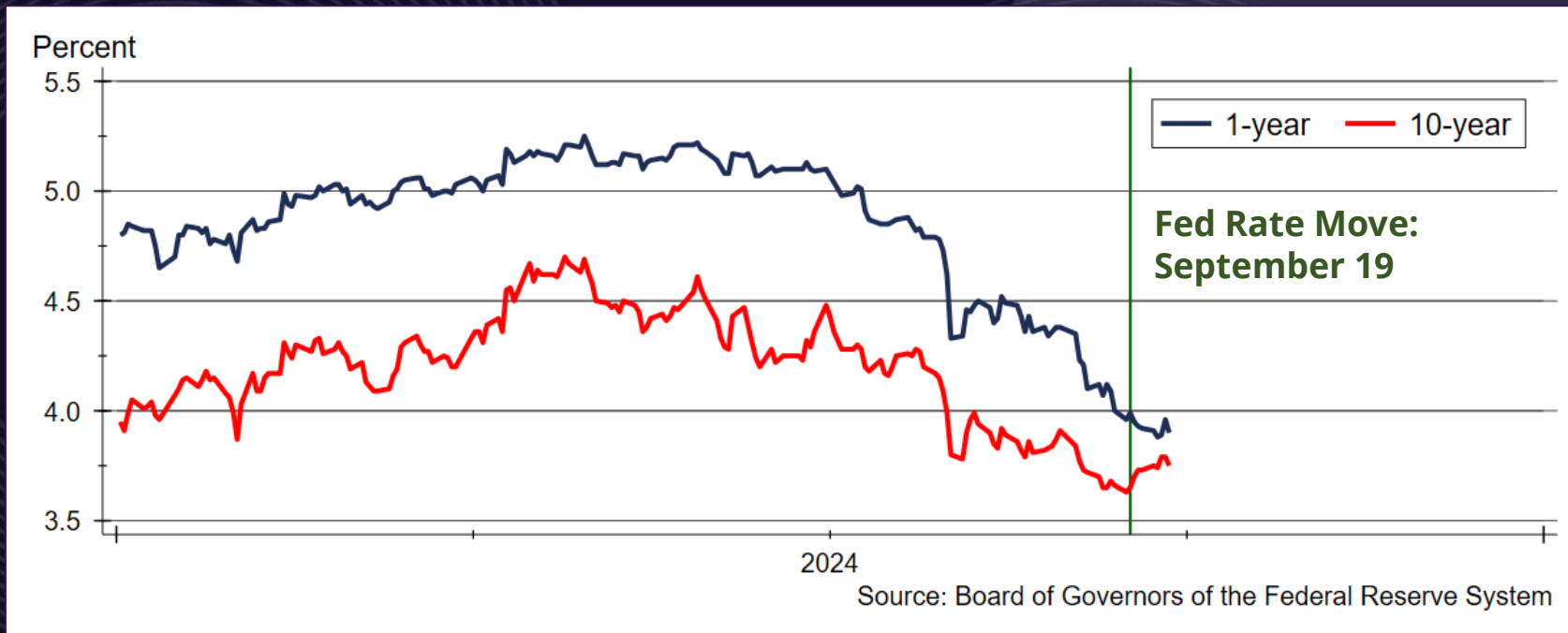
Fed Funds Target Rate



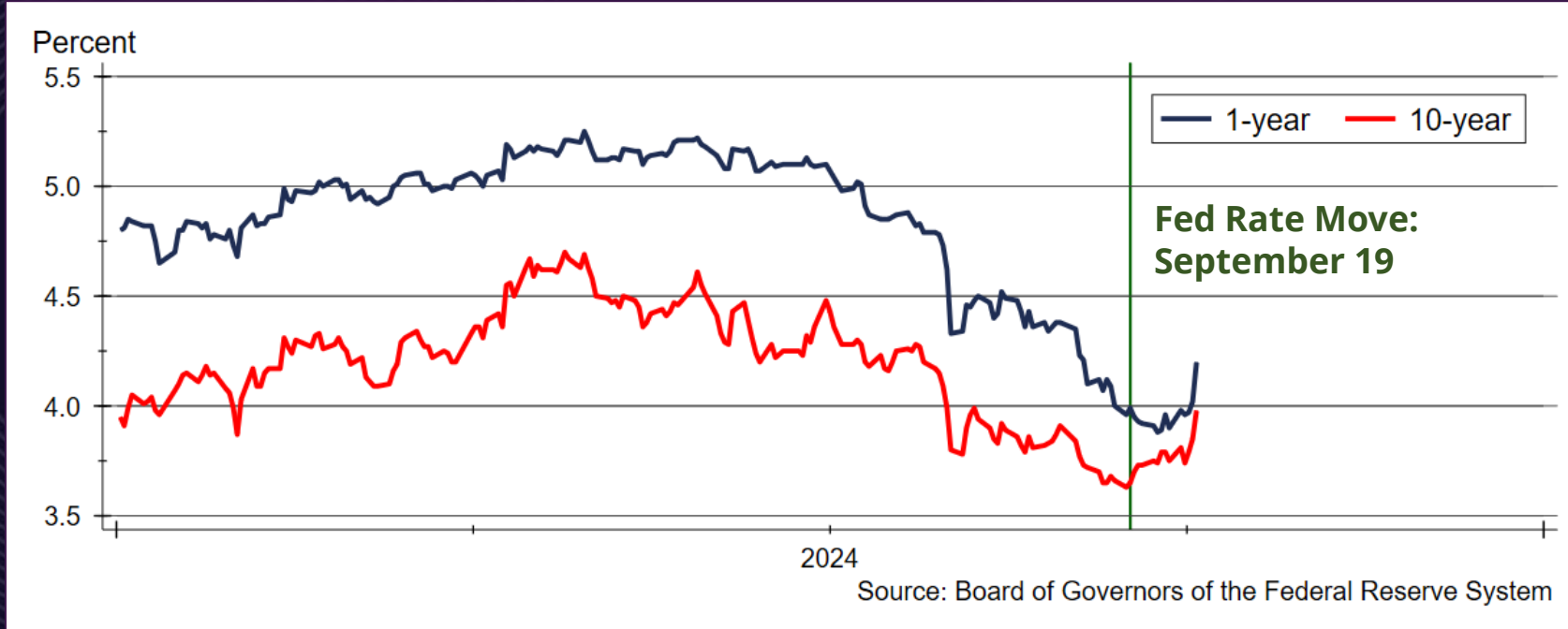
The Yield Curve is Flattening



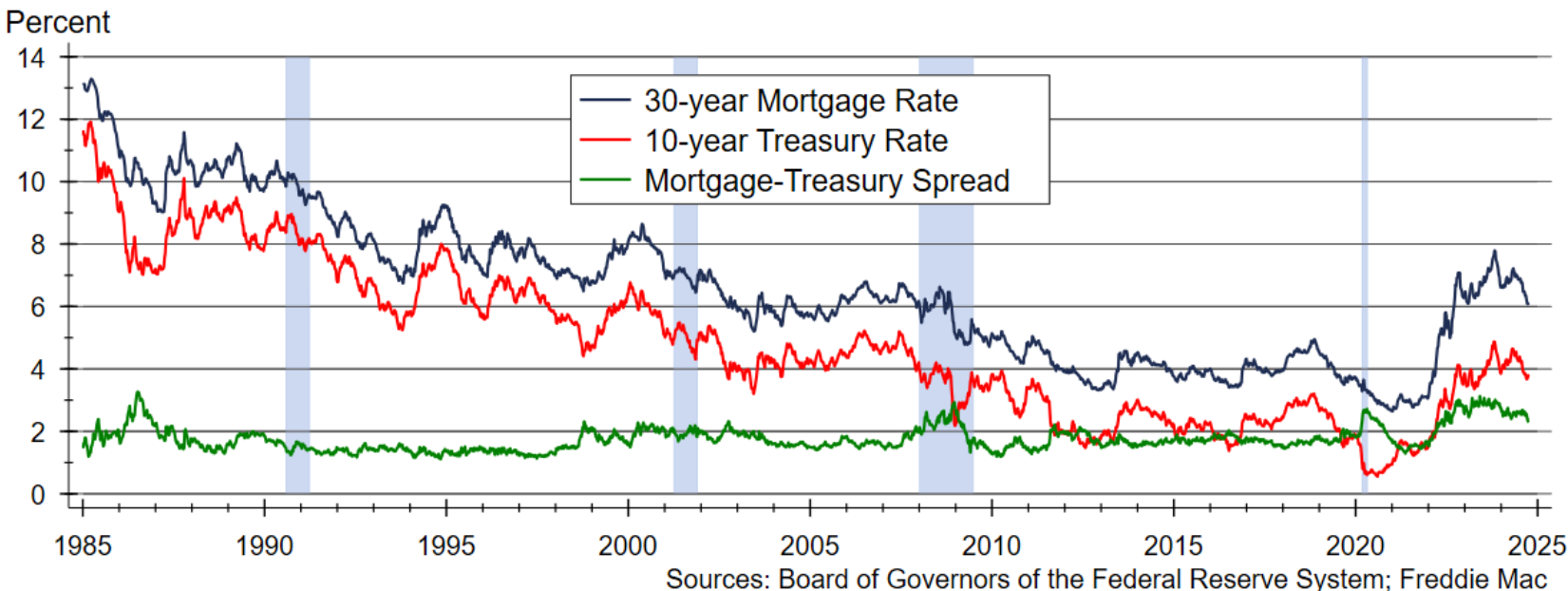
Treasury Rates Following Fed Move



Treasury Rates Following Fed Move and after Jobs Report

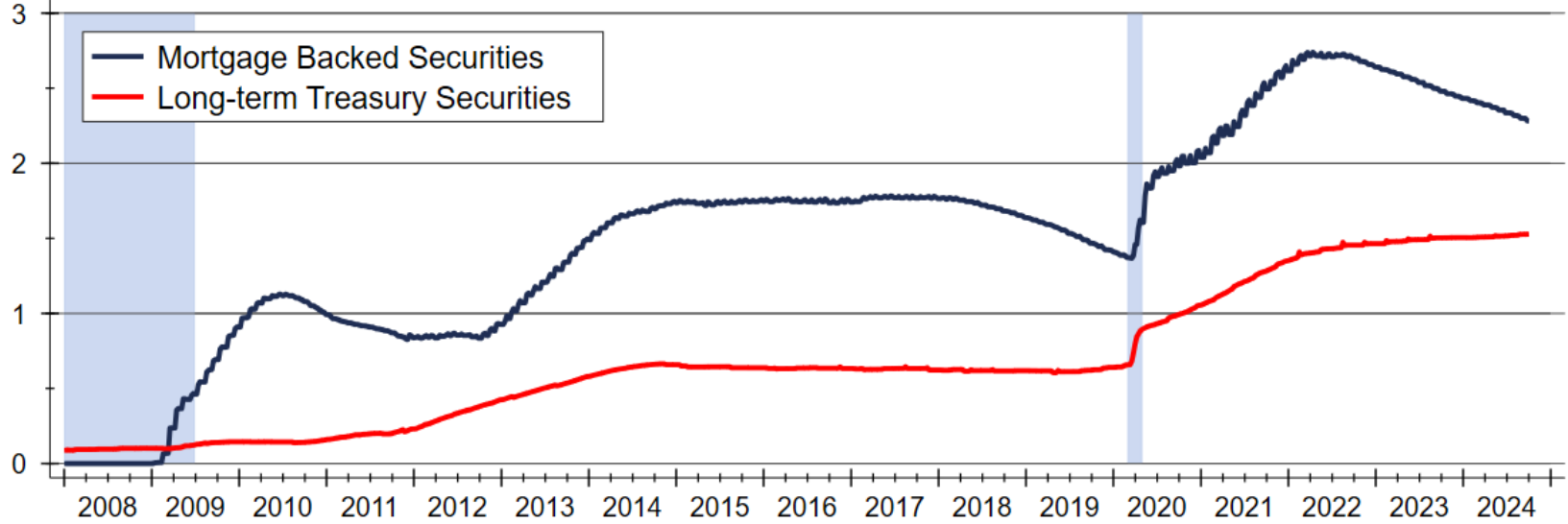


Mortgage Risk Premium Remains Higher than Normal



Federal Reserve is Reducing Its MBS Portfolio

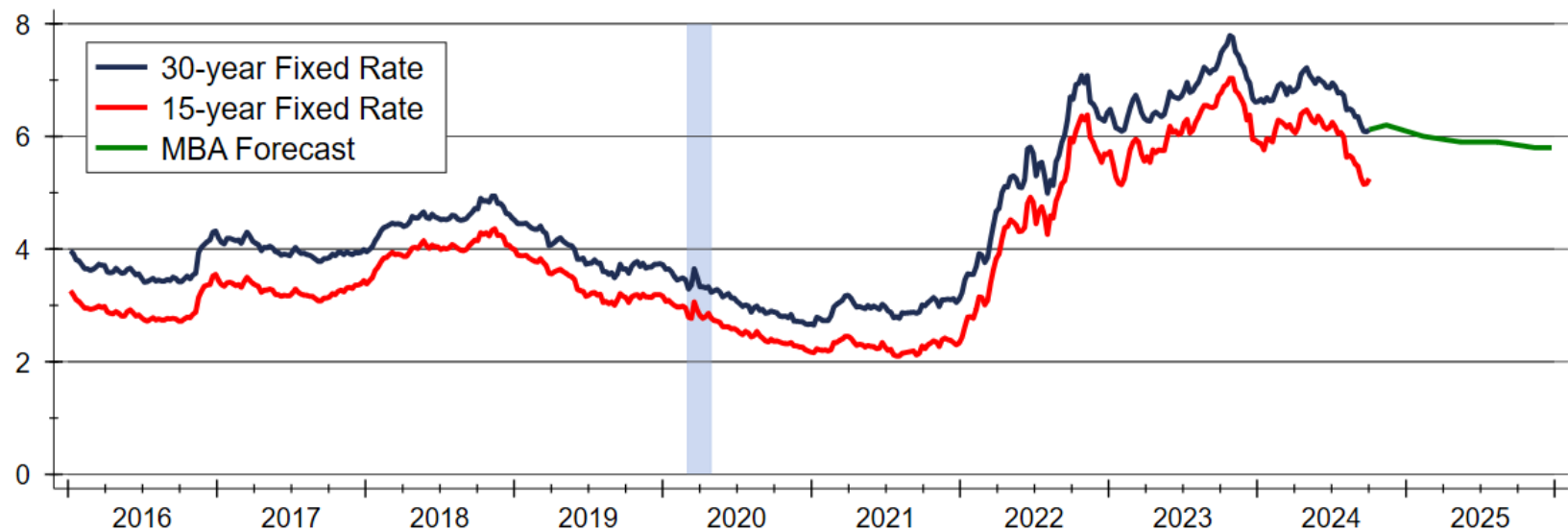
Trillions of Dollars



Source: Federal Reserve Board of Governors

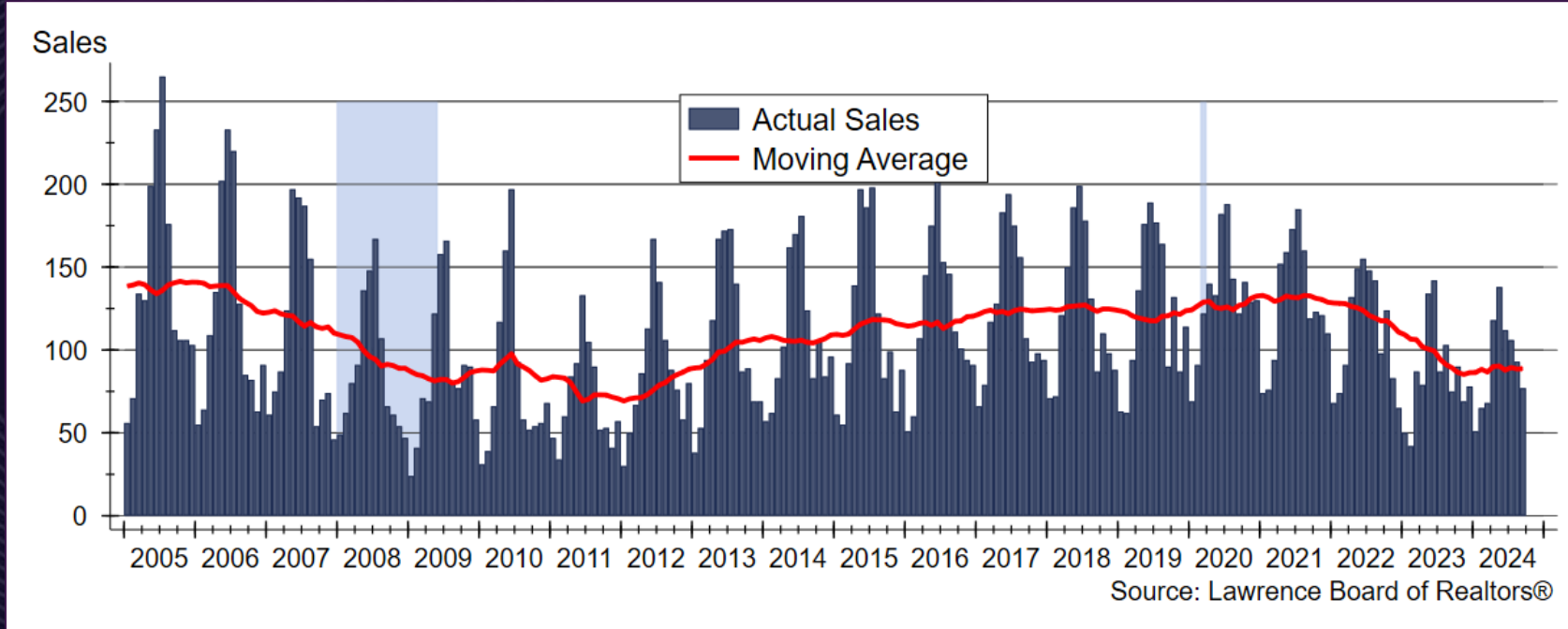
MBA Mortgage Rate Forecast

Percent

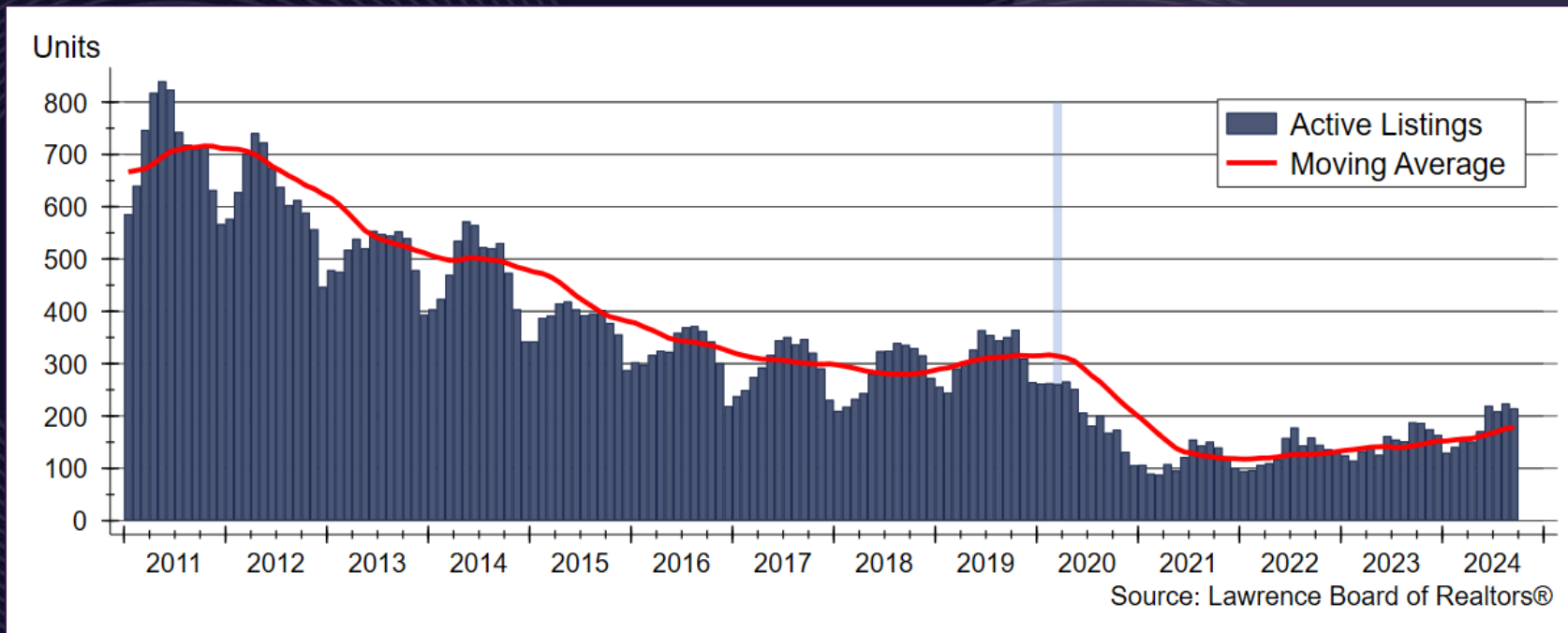


Sources: Freddie Mac; Mortgage Bankers Association

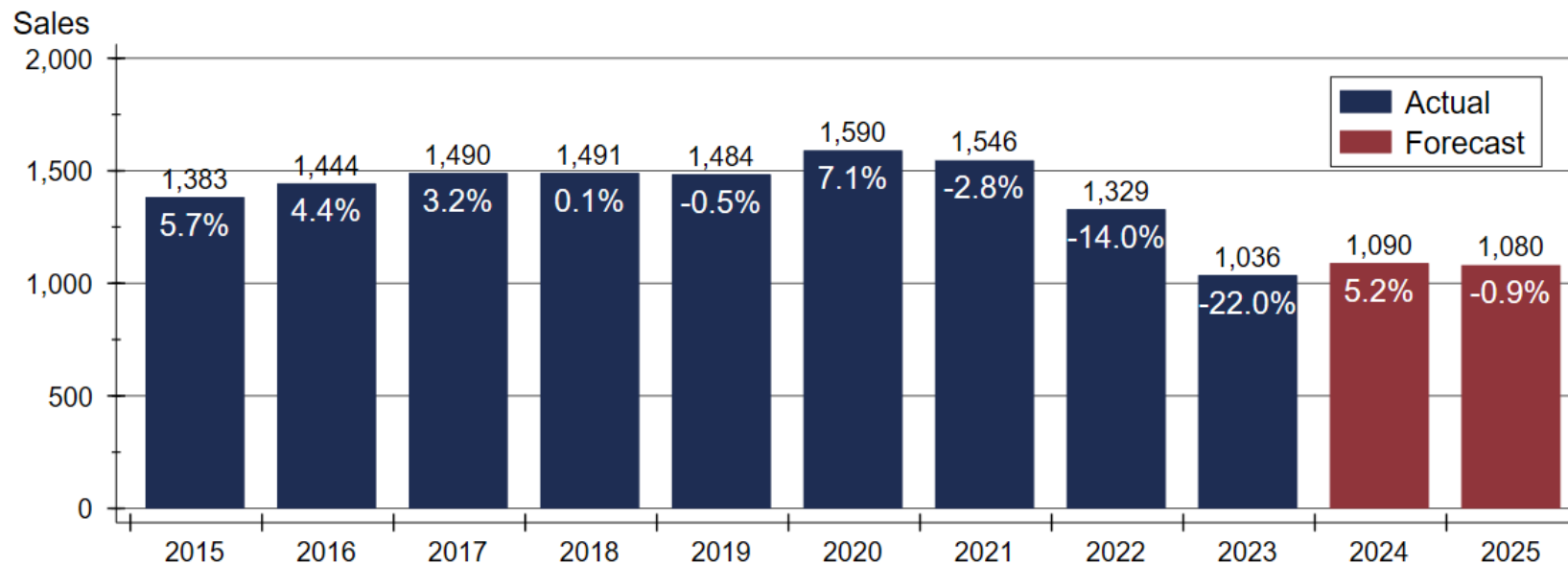
Lawrence Home Sales Activity



Active Listings are Still Well-Below Pre-Pandemic Levels



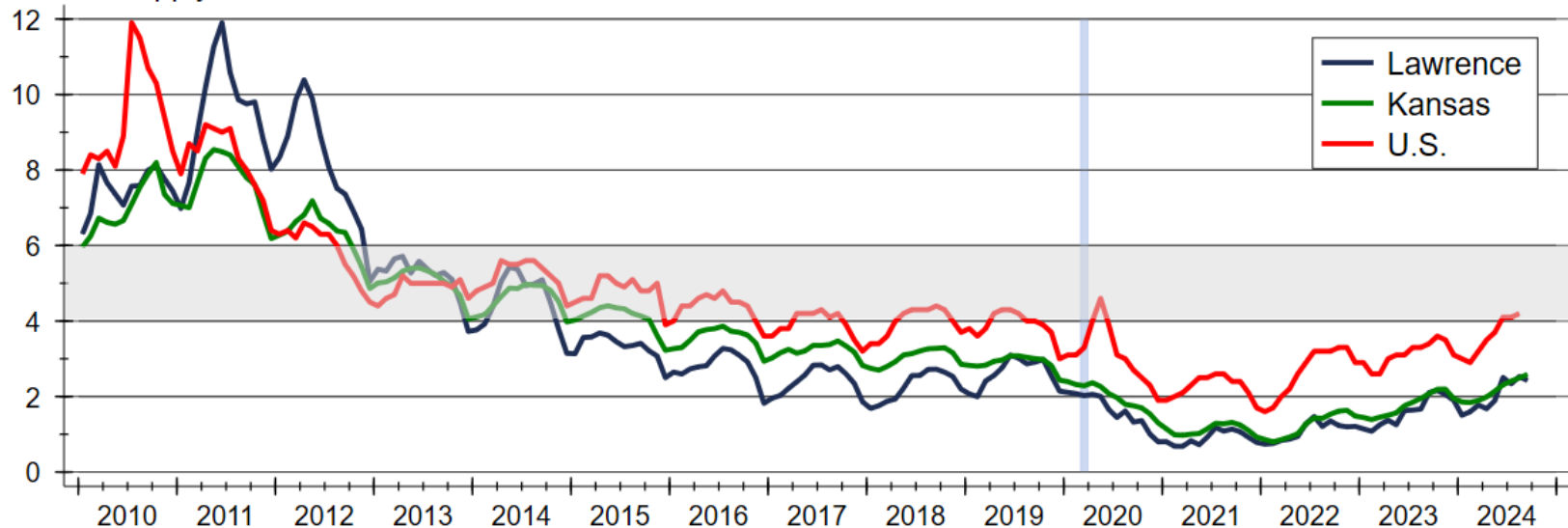
Lawrence Home Sales Forecast



Sources: WSU Center for Real Estate and Lawrence Board of REALTORS®

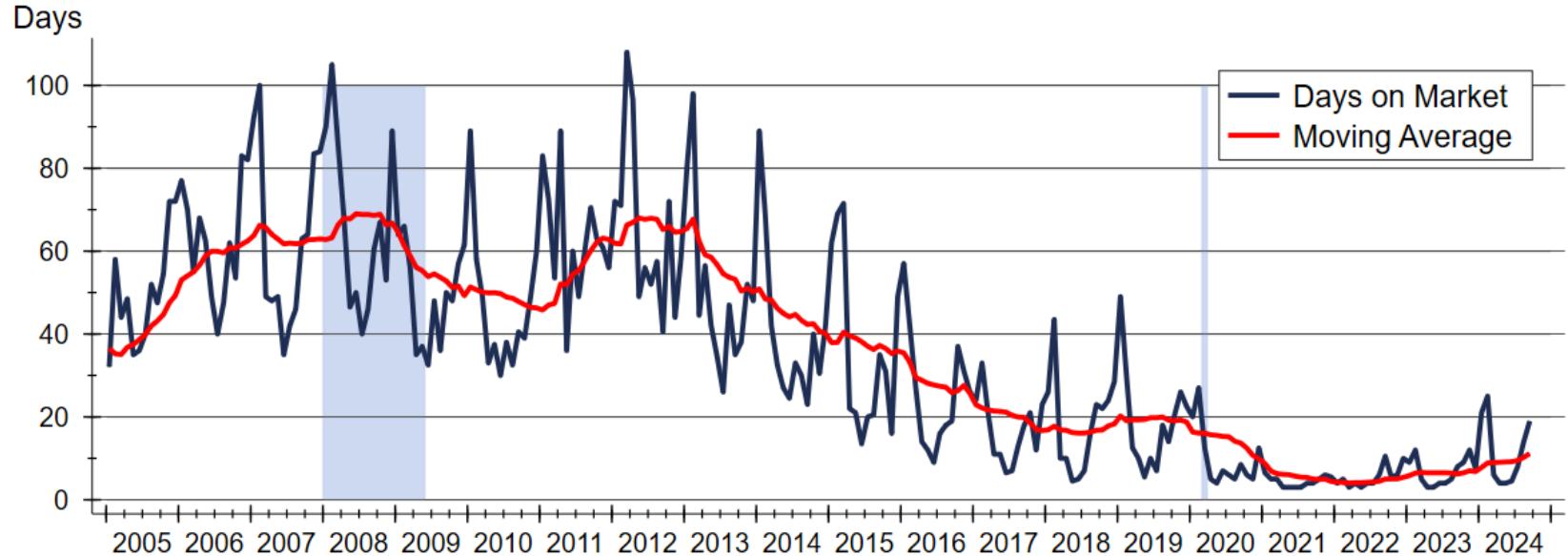
Inventory of Homes Available for Sale

Months' Supply

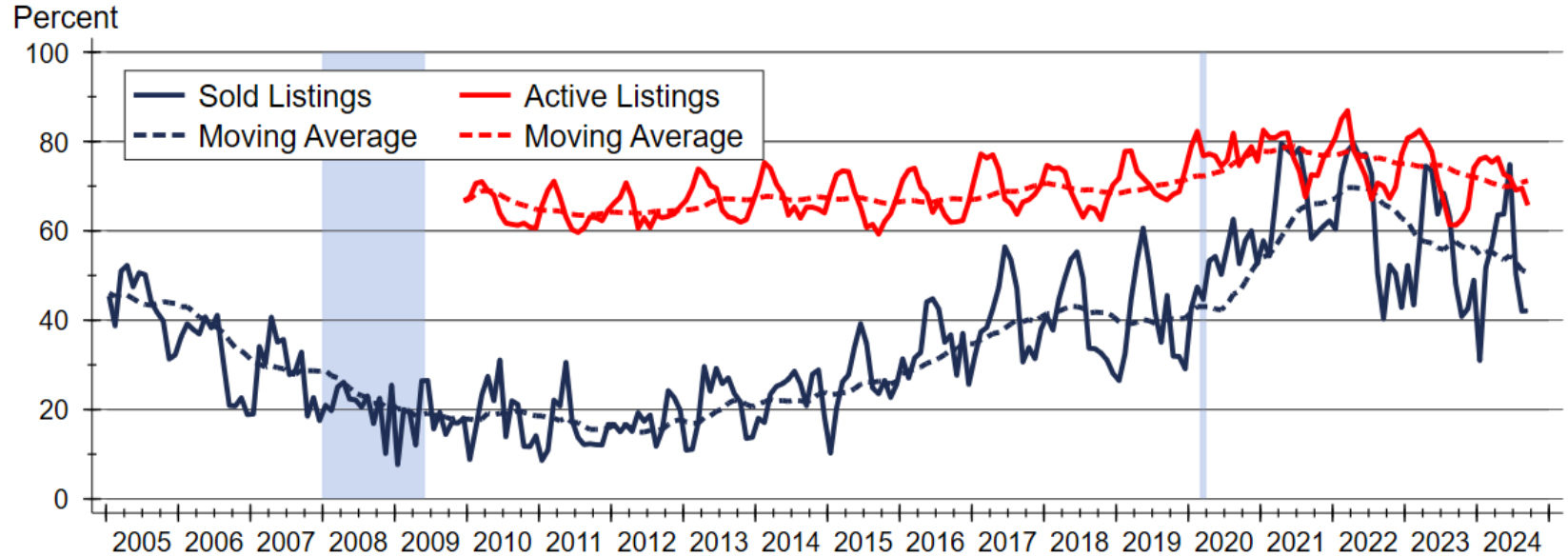


Sources: NAR, KAR and Lawrence Board of Realtors®

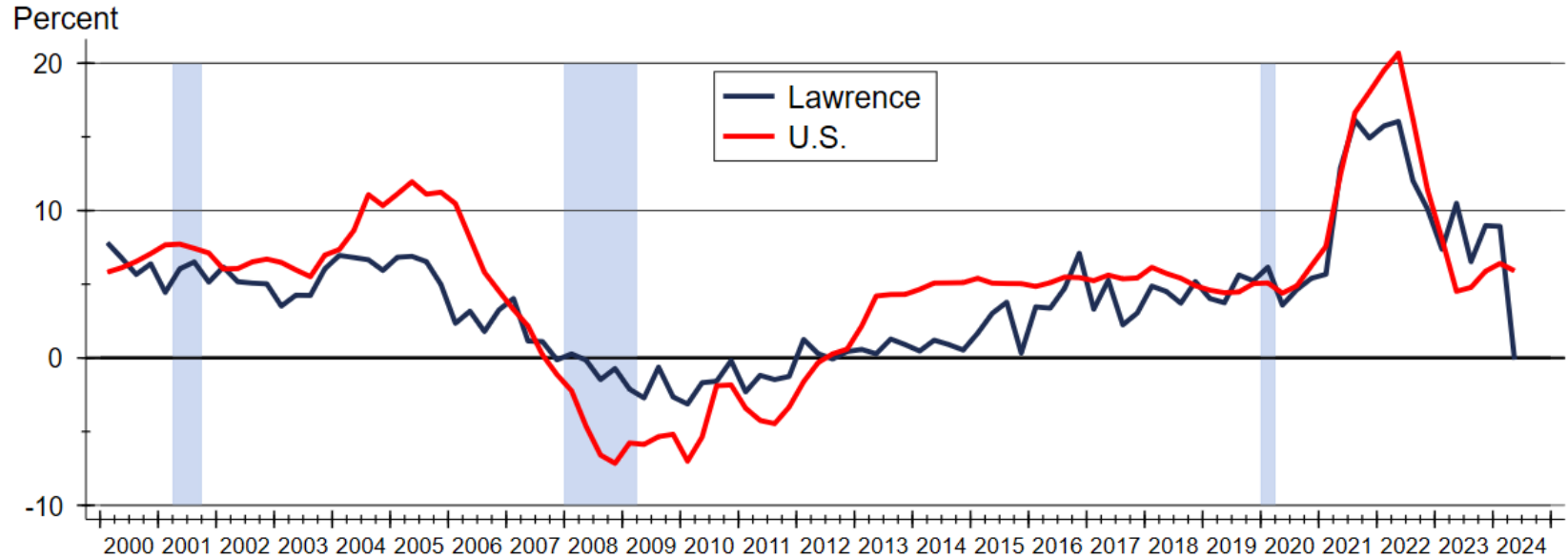
Median Number of Days On Market



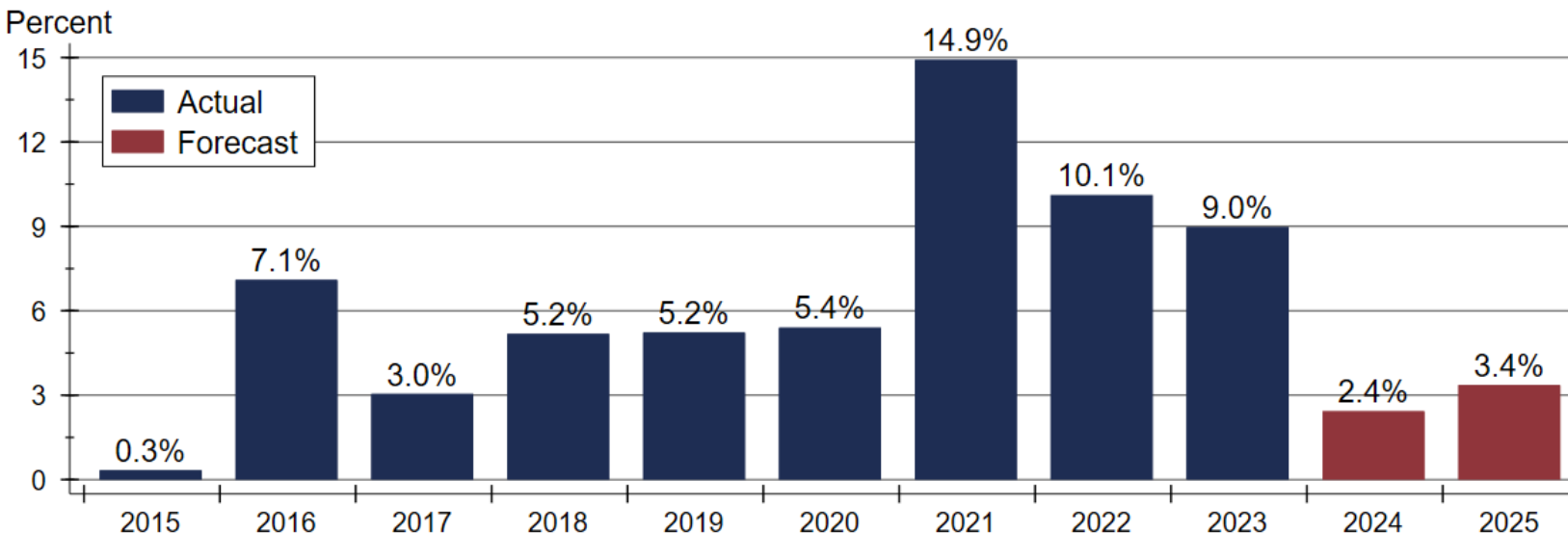
Premium Listings and Sales



Lawrence Home Price Appreciation Slowed Dramatically in the 2nd Quarter

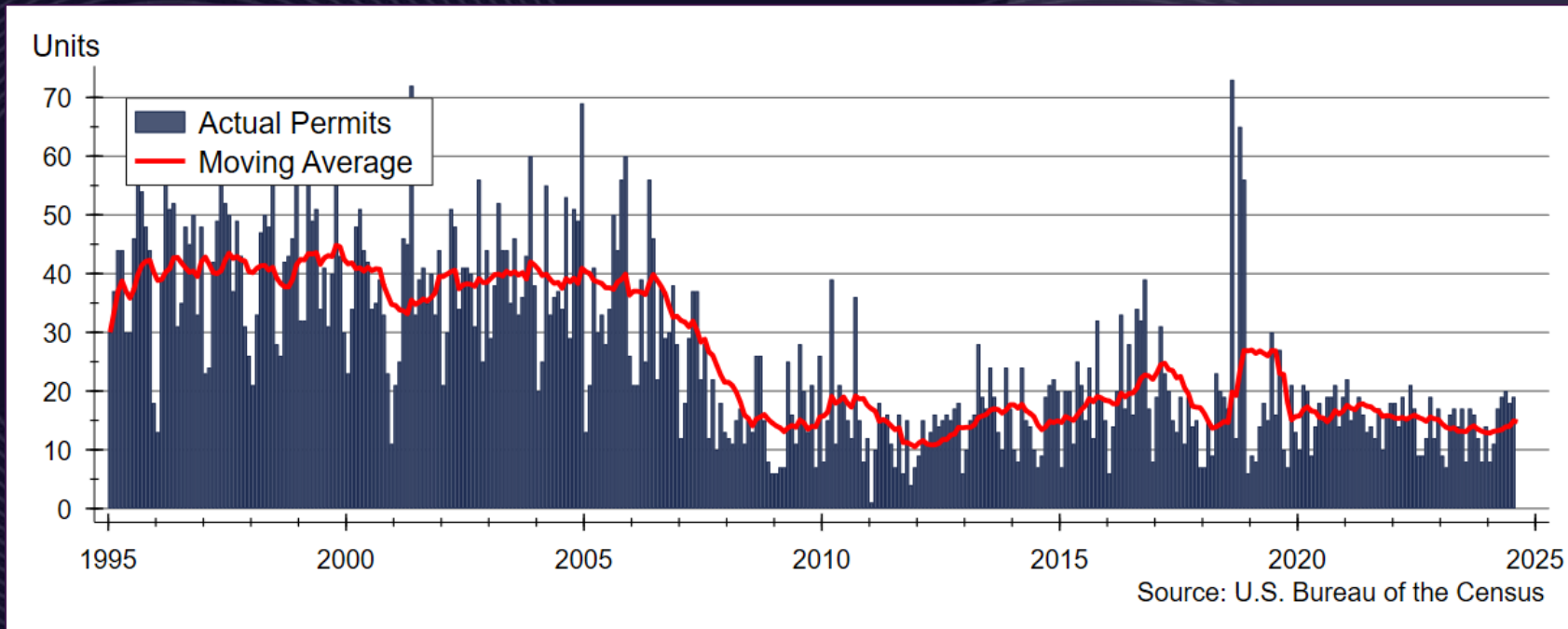


Lawrence Home Price Appreciation Forecast

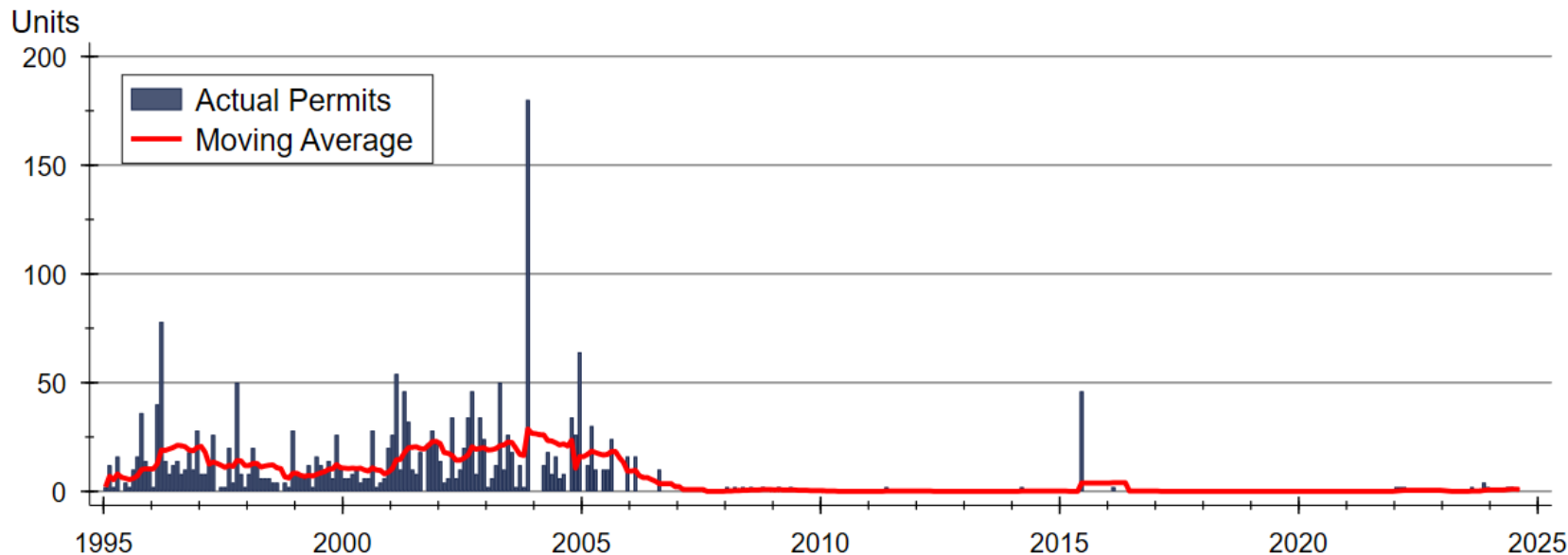


Sources: WSU Center for Real Estate and Federal Housing Finance Agency
Appreciation calculated using 4th quarter values of the FHFA all-transactions house price index

Lawrence MSA Single-Family Building Permits

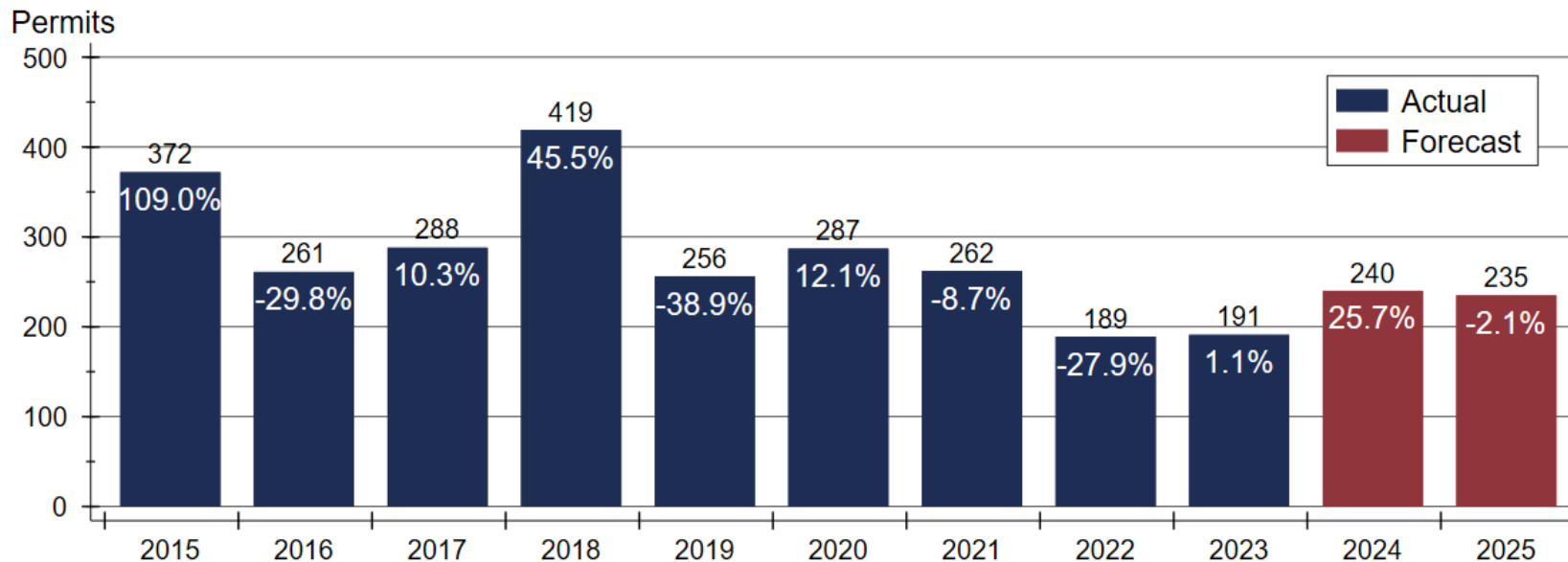


Lawrence MSA Two-Family Building Permits



Source: U.S. Bureau of the Census

Lawrence Single-Family Home Construction Forecast



Sources: WSU Center for Real Estate and U.S. Bureau of the Census

2025 Lawrence Housing Forecast

	2022 <u>Actual</u>	2023 <u>Actual</u>	2024 <u>Forecast</u>	2025 <u>Forecast</u>
Total Home Sales	1,329 units -14.0%	1,036 units -22.0%	1,090 units +5.2%	1,080 units -0.9%
SF Building Permits	189 units -27.9%	191 units +1.1%	240 units +25.7%	235 units -2.1%
Home Price Appreciation	+10.1%	+9.0%	+2.4%	+3.4%

2025 Major Markets Forecast

	<u>KC</u>	<u>Lawrence</u>	<u>Manhattan</u>	<u>Topeka</u>	<u>Wichita</u>
Total Home Sales	36,300 units +4.4%	1,080 units -0.9%	1,800 units +11.1%	2,840 units -0.7%	9,550 units +2.0%
SF Building Permits	4,465 units +0.7%	235 units -2.1%	255 units +2.0%	365 units +2.8%	1,285 units +4.9%
Home Price Appreciation	+5.6%	+3.4%	+4.9%	+4.2%	+7.7%



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