

LAWRENCE

2013 FORECAST

SALES UP 15.8%

PRICES UP 2.1%

PERMITS UP 3.1%

Sources: Lawrence Board of REALTORS®; U.S. Bureau of the Census; Federal Housing Finance Agency; WSU Center for Real Estate

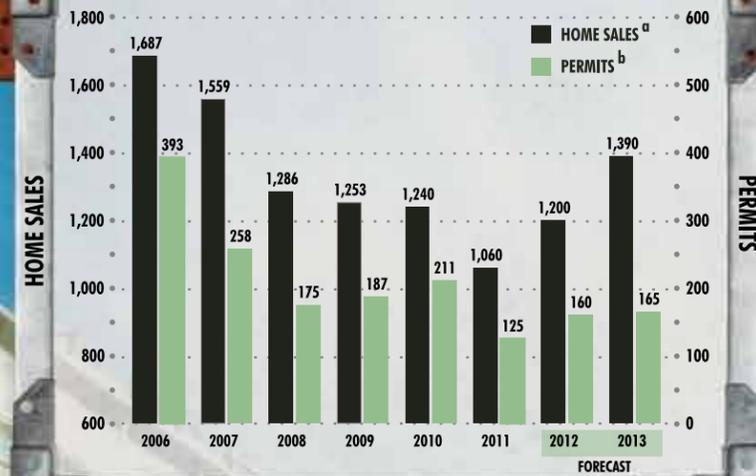
Notes: a) Total home sales in the Lawrence area as reported by the Lawrence Board of REALTORS®.

b) Total single-family building permits issued in the Lawrence metropolitan area as reported by the U.S. Bureau of the Census.

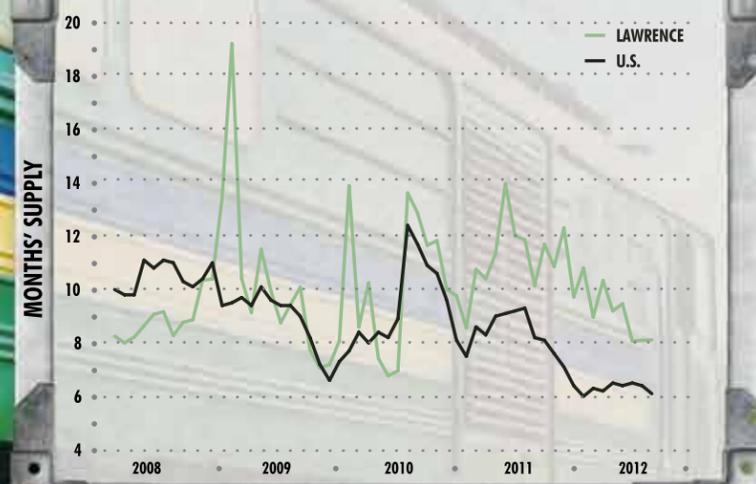
c) Ratio of active home listings to home sales, seasonally adjusted. Lawrence figures combine new and existing homes.

d) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Lawrence metropolitan area, as measured using 4th quarter values.

LAWRENCE HOUSING MARKET ACTIVITY



INVENTORY OF HOMES AVAILABLE FOR SALE^c



HOME PRICE APPRECIATION^d



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. Sales should continue to strengthen in 2013, rising by nearly 16 percent to 1,390 units.

Lawrence home prices have begun to stabilize as well, and are forecasted to rise by just over 2 percent in 2013, as inventories of homes available for sale settle into levels consistent with a balanced market.

New home construction in the Lawrence area has risen somewhat in 2012 as well, although still far below the strong numbers in the early part of the last decade. Although there is pent-up demand for new homes, financing challenges will prevent a full rebound in this segment of the market for some time to come.