



# Manhattan Housing Forecast

There's a proud history of real estate in Kansas. In this year's forecast, we offer you a glimpse of the scenes and images that laid the foundation for where we are today. As you look ahead to what's in store in the coming year, we hope you enjoy this look back at the past.

## Dr. Stanley D. Longhofer

Director, WSU Center for Real Estate  
wichita.edu/realestate



WICHITA STATE  
UNIVERSITY  
W. FRANK BARTON  
SCHOOL OF BUSINESS

**BUILDING NO. 162,  
162 SCHOFIELD CIR,  
FORT RILEY, KS,  
1933**



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## Thanks to the many colleagues and friends who have helped make this forecast possible:

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WSU Center for Real Estate

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Participants in the 2019 Manhattan  
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↑  
**ISAAC GOODNOW HOUSE,  
 2301 CLAFLIN RD,  
 MANHATTAN, KS, 1958**  
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**CARPENTER COURT  
 APARTMENTS,  
 CARPENTER AVE  
 & CARPENTER PL,  
 RILEY, KS**

**We are also grateful to the REALTOR® boards and multiple listing services that have provided much of the data used to prepare this forecast:**



**FLINT HILLS  
 ASSOCIATION  
 OF REALTORS®**



**KANSAS ASSOCIATION  
 OF REALTORS®**

AND PARTICIPATING REALTOR®  
 MLS SYSTEMS ACROSS KANSAS

**We are especially grateful to Meritrust Credit Union for underwriting the cost of preparing this year's Manhattan Housing Forecast.**

**Meritrust  
 HOME LOANS**



DESIGN BY VISUAL FUSION GRAPHIC DESIGN STUDIO

# Economic Overview

Kansas Employment Rises at Slow, Steady Pace

Mortgage Rates to Remain Below 4 Percent



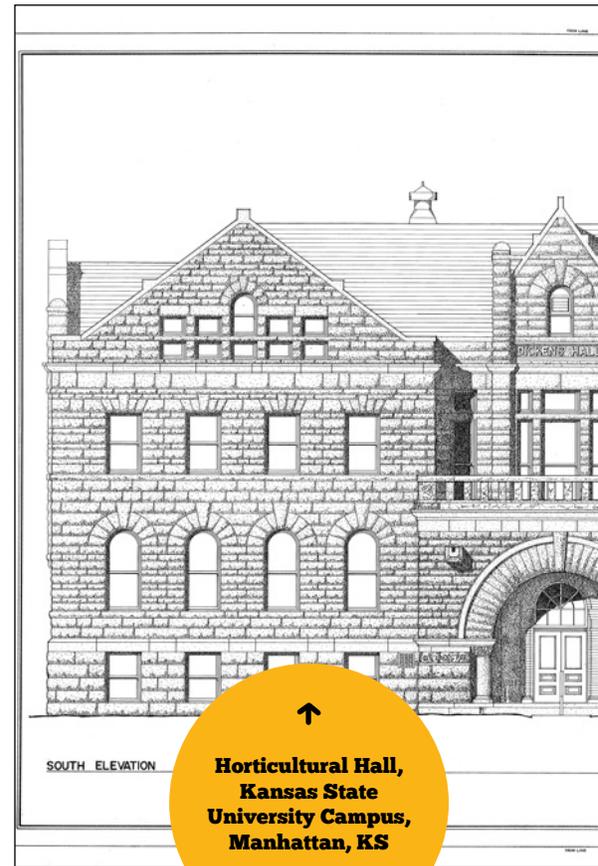
Kansas job growth continues at a slow but steady pace, and the WSU Center for Economic Development and Business Research forecasts that total employment in Kansas will end the year up 0.8 percent. The pace of growth is expected to slow slightly in 2020, with total employment rising by 0.6 percent.

A year ago, it looked like mortgage rates were finally headed to more “normal” levels. Since then, however, the 30-year fixed mortgage rate has dropped more than a full percent, and the Mortgage Bankers Association is forecasting that the rate will remain below 4 percent through the end of next year.

**KANSAS  
FARMER,  
1936**

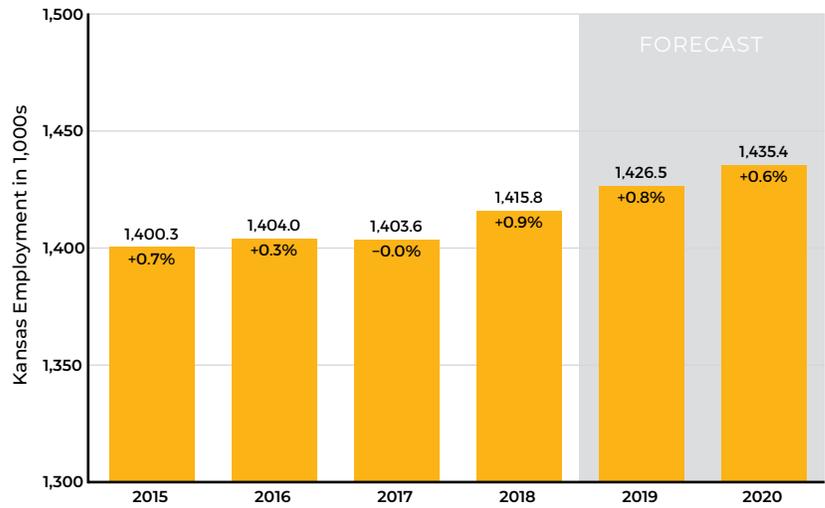


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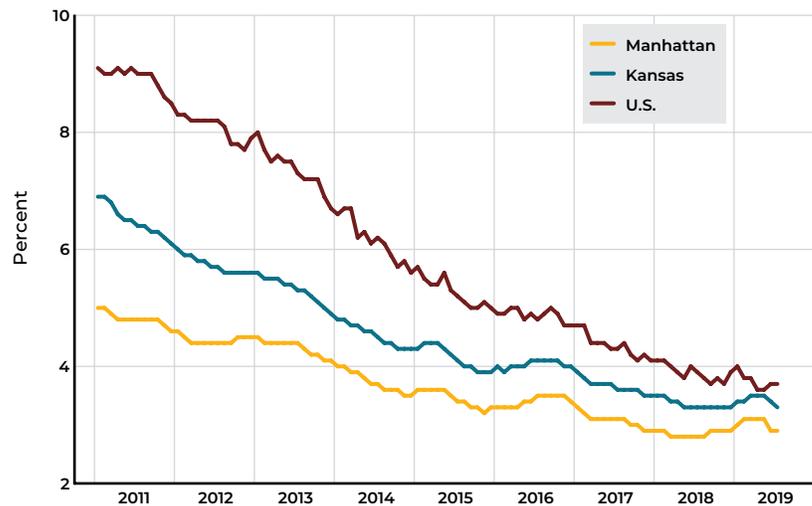


**Horticultural Hall,  
Kansas State  
University Campus,  
Manhattan, KS**

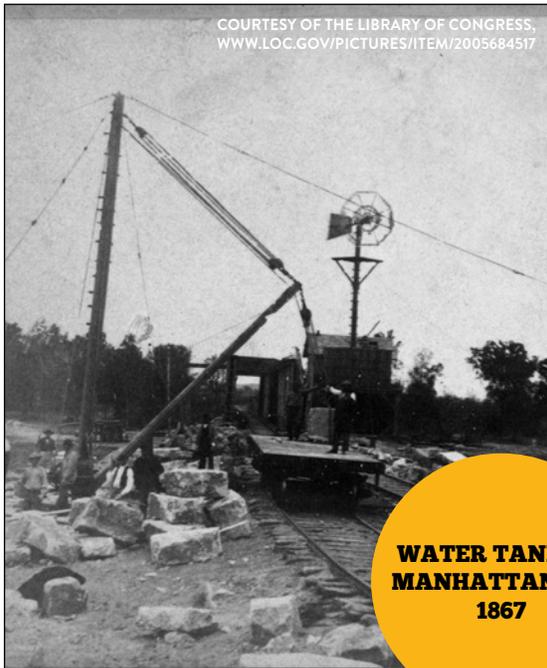
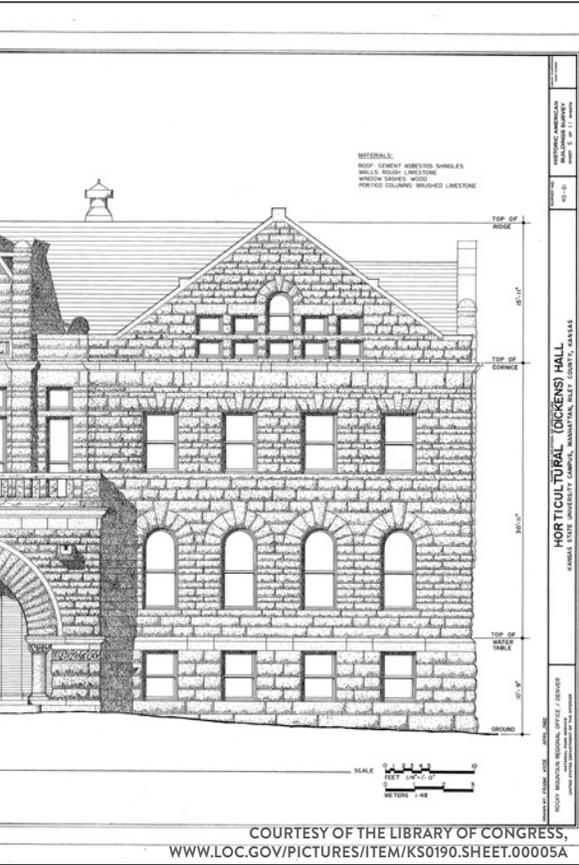
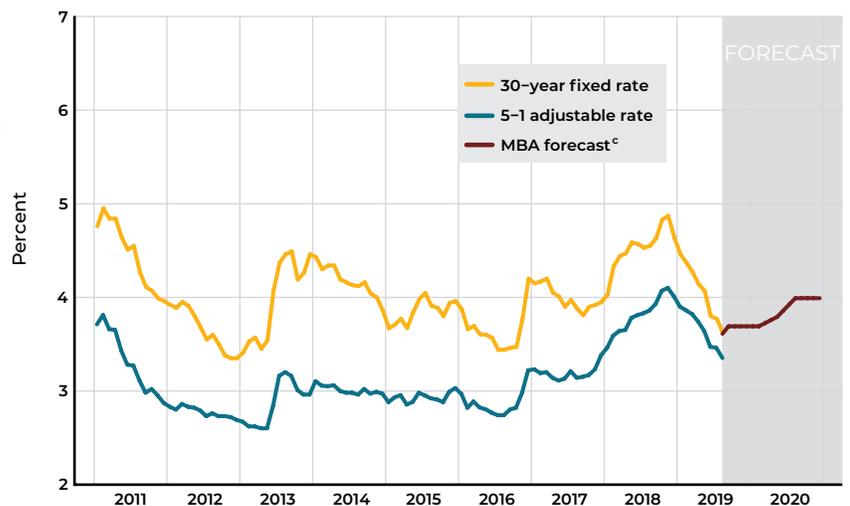
### Kansas Employment Forecast <sup>a</sup>



### Unemployment Rate <sup>b</sup>



### Mortgage Rates



Sources: Freddie Mac, Mortgage Bankers Association, U.S. Bureau of Labor Statistics, WSU Center for Economic Development and Business Research

Notes:  
 a) Annual average of total, non-farm employment; forecast is by the WSU Center for Economic Development and Business Research  
 b) Seasonally adjusted  
 c) Mortgage Bankers Association August 2019 forecast of the 30-year conventional mortgage rate

**BUILDING NO. 4,  
4 BARRY AVE,  
FORT RILEY, KS,  
1933**

# Home Sales & Construction

Flint Hills Home Sales Expected to Rise in 2020

**New Home Construction Limited by High  
Labor and Materials Costs**



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[WWW.LOC.GOV/ITEM/KS0103](http://WWW.LOC.GOV/ITEM/KS0103)



After strong gains in 2018, home sales activity in the Flint Hills region has slowed slightly this year. We expect sales in the Manhattan metropolitan area to end the year down 0.5 percent at 1,450 units. Sales should rebound solidly in 2020, rising 9.7 percent to 1,590 units.

Given the strong demand and tight inventories, one might expect new home construction to take off. Unfortunately, high labor and materials costs make it very difficult to build homes in the price segments in shortest supply. As a result, single-family building permits across the Manhattan metropolitan area are expected to remain at just over 200 units for the next several years.

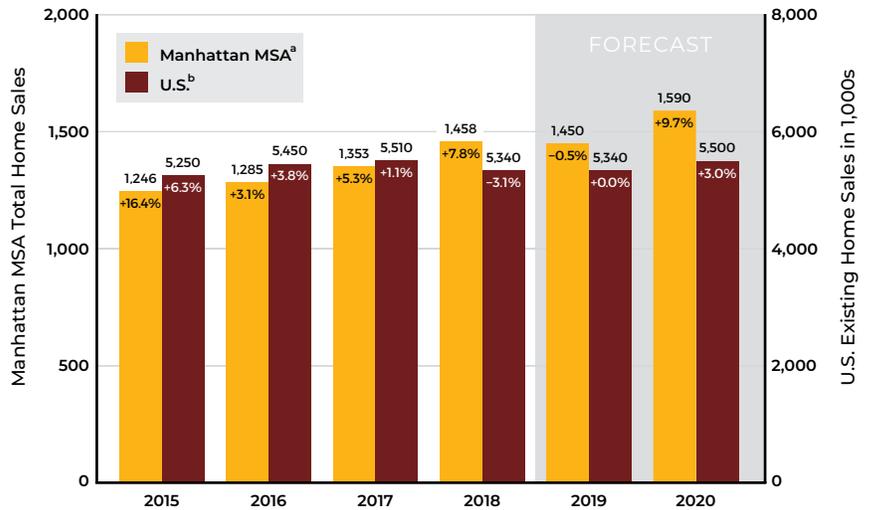


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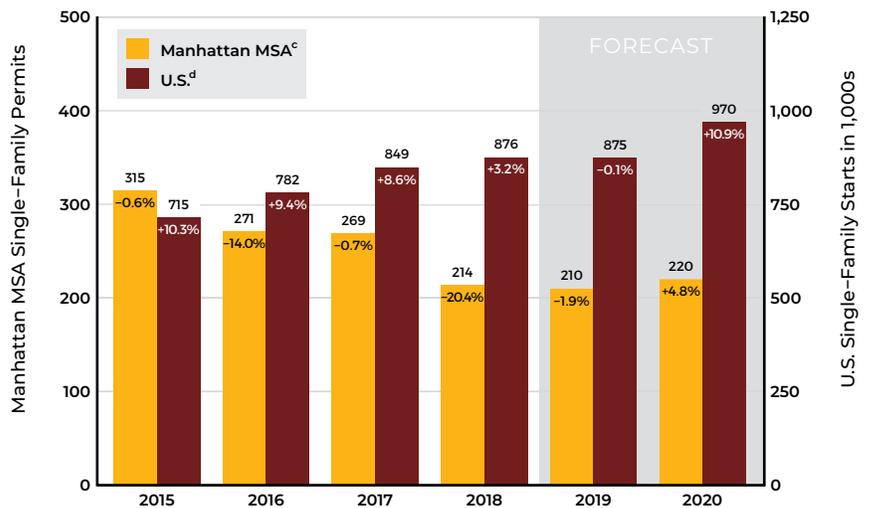


**PEAK HOUSE,  
322 S SECOND ST,  
MANHATTAN, KS**

### Home Sales Activity



### New Home Construction Activity



Sources: Flint Hills Association of REALTORS®; National Association of REALTORS®; U.S. Bureau of the Census; WSU Center for Real Estate

**Notes:**

- a) Total home sales in the Manhattan metropolitan area as reported by the Flint Hills Association of REALTORS®
- b) U.S. existing home sales as reported by the National Association of REALTORS®; forecast is the September 2019 forecast by the National Association of REALTORS®
- c) Single-family building permits issued in the Manhattan metropolitan area as reported by the U.S. Bureau of the Census
- d) U.S. single-family housing starts as reported by the U.S. Bureau of the Census; forecast is the September 2019 forecast by the National Association of REALTORS®

# Home Prices

## Home Prices Expected to Rise Modestly Next Year



Unlike other parts of the state, total inventories of homes available for sale across the Manhattan metropolitan area remain fairly flush. This is especially true for Geary County, where there was over a 9 months' supply of homes for sale at the end of the summer.

As a result, home prices in Manhattan have been appreciating at a much slower pace over the past two years than have other parts of the state. We project that typical home values across the metropolitan area will end the year up 3.7 percent and rise by another 3.6 percent in 2020.

Sources: Federal Housing Finance Agency; Flint Hills Association of REALTORS®; National Association of REALTORS®; WSU Center for Real Estate

#### Notes:

- a) Active listings divided by the 12-month trailing moving average of sales
- b) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Manhattan metropolitan area, as measured using 4th quarter values



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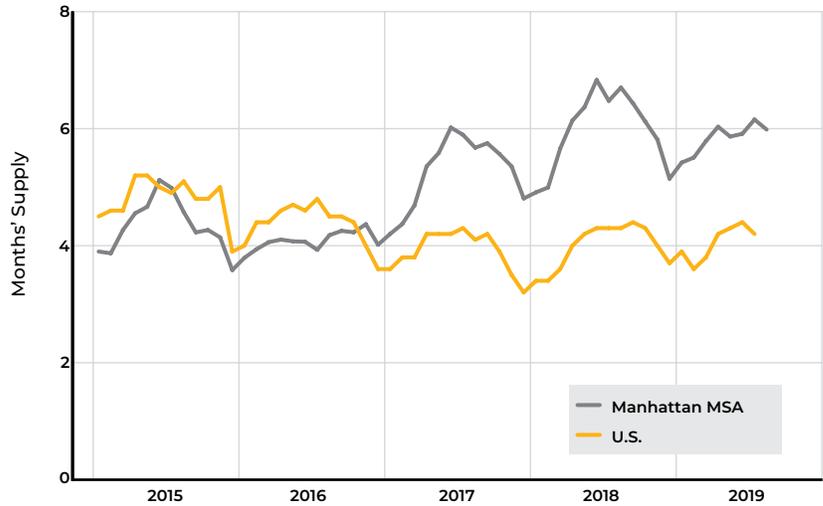
**BUILDING NO. 373,  
373 STONE CT,  
FORT RILEY, KS,  
1933**



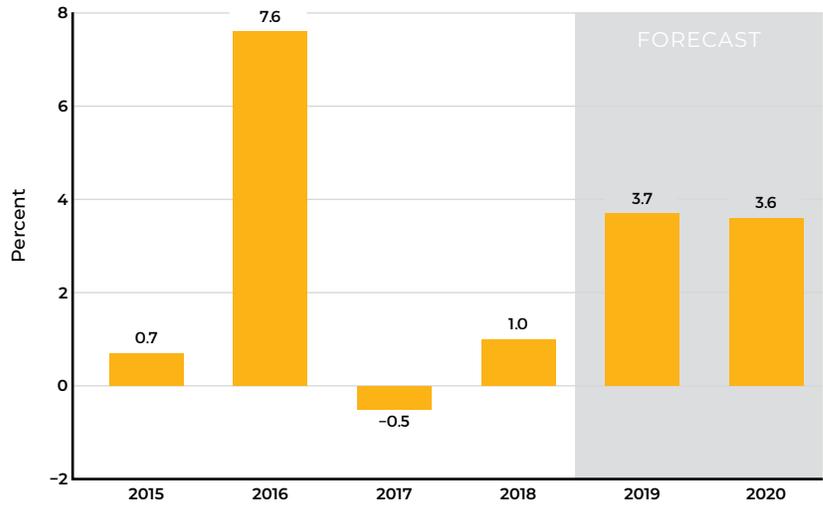
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### Inventory of Homes Available for Sale<sup>a</sup>



### Home Price Appreciation<sup>b</sup>



**ARTILLERY  
PARADE GROUNDS,  
FORT RILEY, KS**



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**CONTRALTO OPERA  
SINGER ERNESTINE  
SCHUMANN-HEINK,  
(1861-1936) AT  
CAMP FUNSTON AT  
FORT RILEY, 1917/1918**

# Kansas Forecast

## Kansas Home Sales Limited by Tight Inventories

### Home Prices Rise in Response



Kansas home sales continue to be hampered by limited inventory in many markets across the state.

We project that sales across the state will end the year down 2.3 percent before rebounding modestly next year, rising 1.2 percent to 40,290 units.

New home construction in Kansas has dropped further this year as rising construction costs make it difficult to build the entry-level new homes that are most in demand. We forecast a modest rebound in 2020, but not enough to offset the declines from this year.

Home price appreciation across the state remains strong due to tight inventories in the most popular neighborhoods and price ranges. We expect this trend will continue for the foreseeable future, with prices rising 5.2 percent this year and another 4.4 percent in 2020.



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[WWW.LOC.GOV/ITEM/2017784226](http://WWW.LOC.GOV/ITEM/2017784226)



COURTESY OF THE LIBRARY OF CONGRESS,  
[WWW.LOC.GOV/ITEM/2017762711](http://WWW.LOC.GOV/ITEM/2017762711)



COURTESY OF THE LIBRARY OF CONGRESS.  
WWW.LOC.GOV/PICTURES/ITEM/2014705708



**Sources:**

Federal Housing Finance Agency, National Association of REALTORS®, Participating REALTOR® multiple listing services across Kansas, U.S. Bureau of the Census, WSU Center for Real Estate

**Notes:**

- a) Total home sales in Kansas as reported by participating REALTOR® multiple listing services across the state
- b) Single-family building permits issued in Kansas as reported by the U.S. Bureau of the Census
- c) Active listings divided by the 12-month trailing moving average of sales
- d) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for Kansas, as measured using 4th quarter values

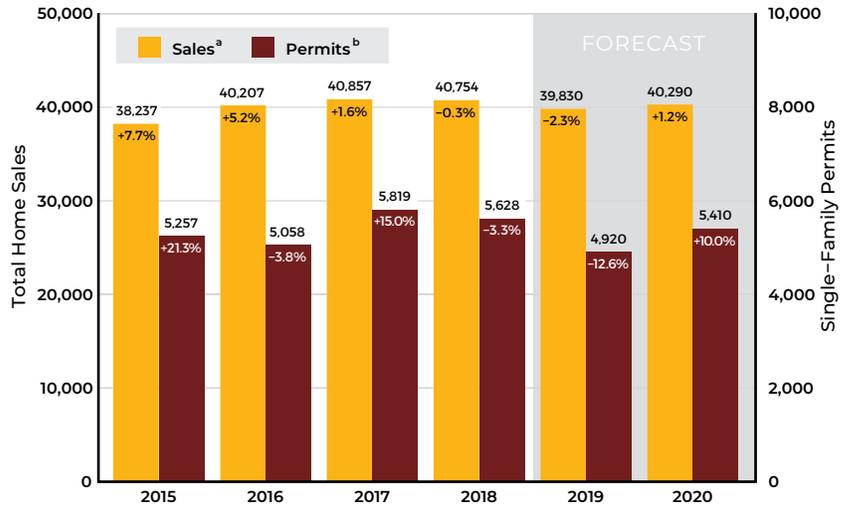
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**FARMER'S DAUGHTER,  
REPUBLIC COUNTY, KS, 1938**

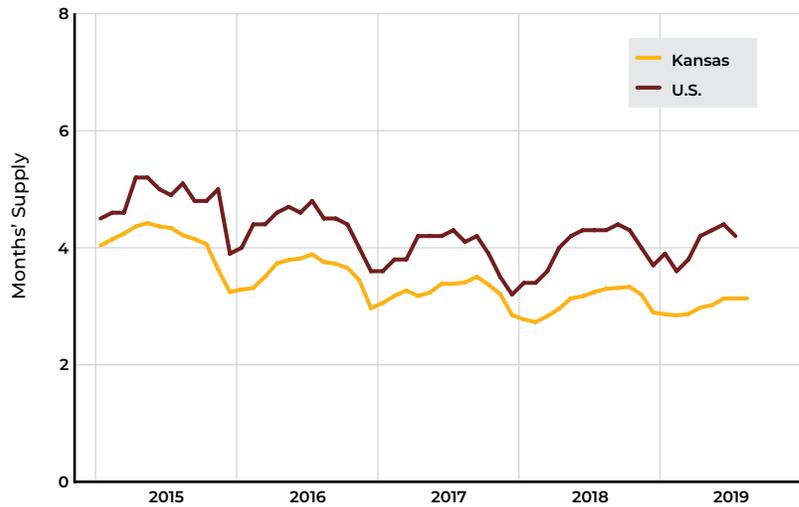
**OLD WINDMILL AND SHED  
ON ABANDONED FARM  
NEAR SYRACUSE, KS, 1939**

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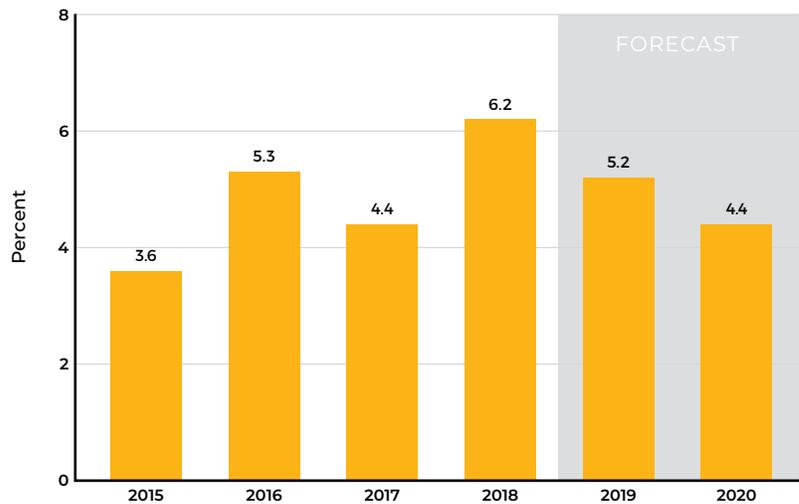
### Kansas Housing Market Activity



### Inventory of Homes Available for Sale<sup>c</sup>



### Home Price Appreciation<sup>d</sup>



# Forecast Summary

The WSU Center for Real Estate prepares housing market forecasts for each of the major markets across the state. A summary of those forecasts is provided here. To download a copy of the complete forecast for each market, visit our website at [wichita.edu/realestate](http://wichita.edu/realestate). While there, you can also explore the wealth of additional data and analysis we provide on housing markets across the state.

## The WSU Center for Real Estate

### Laying a Foundation for Real Estate in Kansas

Sources: Federal Housing Finance Agency; Flint Hills Association of REALTORS®; Heartland Multiple Listing Service; Kansas Association of REALTORS® and participating multiple listing services across Kansas; Lawrence Multiple Listing Service; South Central Kansas Multiple Listing Service; Sunflower Association of REALTORS®; U.S. Bureau of the Census; Wichita Area Builders Association; WSU Center for Real Estate

Notes: Total home sales, average price and sales volume figures include both existing and new home sales. Building permits reflect single-family residential building permits. Home price appreciation figures are the year-over-year percentage change in the Federal Housing Finance Agency all-transactions house price index, as measured using 4th quarter values. Kansas City figures include transactions from both Kansas and Missouri.

**LOOKING NORTH ON  
FORSYTH AVENUE  
FROM STATUE,  
FORT RILEY, KS**

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	2015	2016	2017	2018	2019	2020
<b>Kansas (Statewide)</b>						
Total Home Sales	38,237	40,207	40,857	40,754	39,830	40,290
Building Permits	5,257	5,058	5,819	5,628	4,920	5,410
Home Price Appreciation	3.6%	5.3%	4.4%	6.2%	5.2%	4.4%
Sales Volume (in millions)	\$7,094	\$7,745	\$8,123	\$8,485		
Average Price	\$185,528	\$192,630	\$198,822	\$208,192		
<b>Kansas City Area (KS &amp; MO)</b>						
Total Home Sales	35,954	38,733	39,821	40,375	38,140	38,540
Building Permits	4,550	5,258	5,920	5,714	4,675	5,440
Home Price Appreciation	6.1%	6.0%	6.9%	9.2%	6.2%	4.9%
Sales Volume (in millions)	\$7,279	\$8,296	\$8,956	\$9,623		
Average Price	\$202,440	\$214,189	\$224,898	\$238,329		
<b>Lawrence MSA</b>						
Total Home Sales	1,383	1,444	1,490	1,490	1,440	1,390
Building Permits	221	264	206	322	220	225
Home Price Appreciation	0.1%	7.2%	4.8%	5.8%	4.3%	3.7%
Sales Volume (in millions)	\$277	\$309	\$327	\$356		
Average Price	\$200,569	\$213,734	\$219,273	\$238,745		
<b>Manhattan MSA</b>						
Total Home Sales	1,246	1,285	1,353	1,458	1,450	1,590
Building Permits	315	271	269	214	210	220
Home Price Appreciation	0.7%	7.6%	-0.5%	1.0%	3.7%	3.6%
Sales Volume (in millions)	\$245	\$260	\$276	\$288		
Average Price	\$196,674	\$202,121	\$204,323	\$197,789		
<b>Topeka Area</b>						
Total Home Sales	2,963	3,236	3,217	3,320	3,140	3,080
Building Permits	302	301	277	276	255	255
Home Price Appreciation	1.9%	2.8%	2.7%	6.6%	4.4%	2.9%
Sales Volume (in millions)	\$401	\$460	\$487	\$505		
Average Price	\$135,240	\$142,168	\$151,242	\$151,981		
<b>Wichita Area</b>						
Total Home Sales	9,719	10,368	10,475	10,384	10,350	10,260
Building Permits	1,067	1,063	1,081	993	995	965
Home Price Appreciation	2.1%	5.2%	4.5%	3.2%	7.1%	4.3%
Sales Volume (in millions)	\$1,463	\$1,631	\$1,651	\$1,721		
Average Price	\$150,501	\$157,286	\$157,650	\$165,780		

**FORECAST**

# Center for Real Estate

The Center for Real Estate was established in 2000 to bring Wichita State’s education and research programs together with the real-world experience of professionals throughout the region. Not only do we maintain a comprehensive collection of real estate data for markets across Kansas, we help you understand how it impacts your business through our expert analysis and original research.



## Keep in touch with us online

Web: [www.wichita.edu/realestate](http://www.wichita.edu/realestate)

Facebook: [WSURRealEstate](https://www.facebook.com/WSURRealEstate)

Twitter: [@WSURRealEstate](https://twitter.com/WSURRealEstate)



COURTESY OF WICHITA STATE UNIVERSITY

↑  
**FAIRMOUNT COLLEGE CAMPUS, WICHITA, KS, 1906**  
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**FAIRMOUNT COLLEGE CAMPUS, WICHITA, KS, CIRCA 1920**  
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COURTESY OF WICHITA STATE UNIVERSITY

## W. Frank Barton School of Business

The W. Frank Barton School of Business is home to some of the best programs, brightest minds and biggest opportunities in Kansas. From the largest selection of AACSB-accredited programs in the state to the limitless opportunities for applied learning in Kansas’ business hub, Barton School students have everything they need for career success.

↑  
**TOWERING PAPIER MACHE WUSHOCK WATCHES OVER VETERANS FIELD AT WSU, WICHITA, KS, 1968**  
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# Center for Real Estate Contributors

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Security 1<sup>st</sup> Title



# Meritrust HOME LOANS

Meritrust Credit Union has been helping our members do more with their money since 1935. We offer 17 retail branches providing advisory experiences, complemented by online, mobile and eATM technology allowing members to bank on their time. Our team of lending experts brings simplicity to the home-buying process, and in-house payments, processing and servicing continue to provide members peace of mind into the future. Meritrust has the products, services, tools and education members need to achieve their financial goals with confidence, including flexible mortgage programs. For more information, visit [meritrusthomeloans.com](http://meritrusthomeloans.com). Equal housing lender. Federally insured by NCUA.



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