



# Wichita 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



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

Lucas Garces,  
 WSU Center for Real Estate

Karen Gehle,  
 Kansas Association of REALTORS®

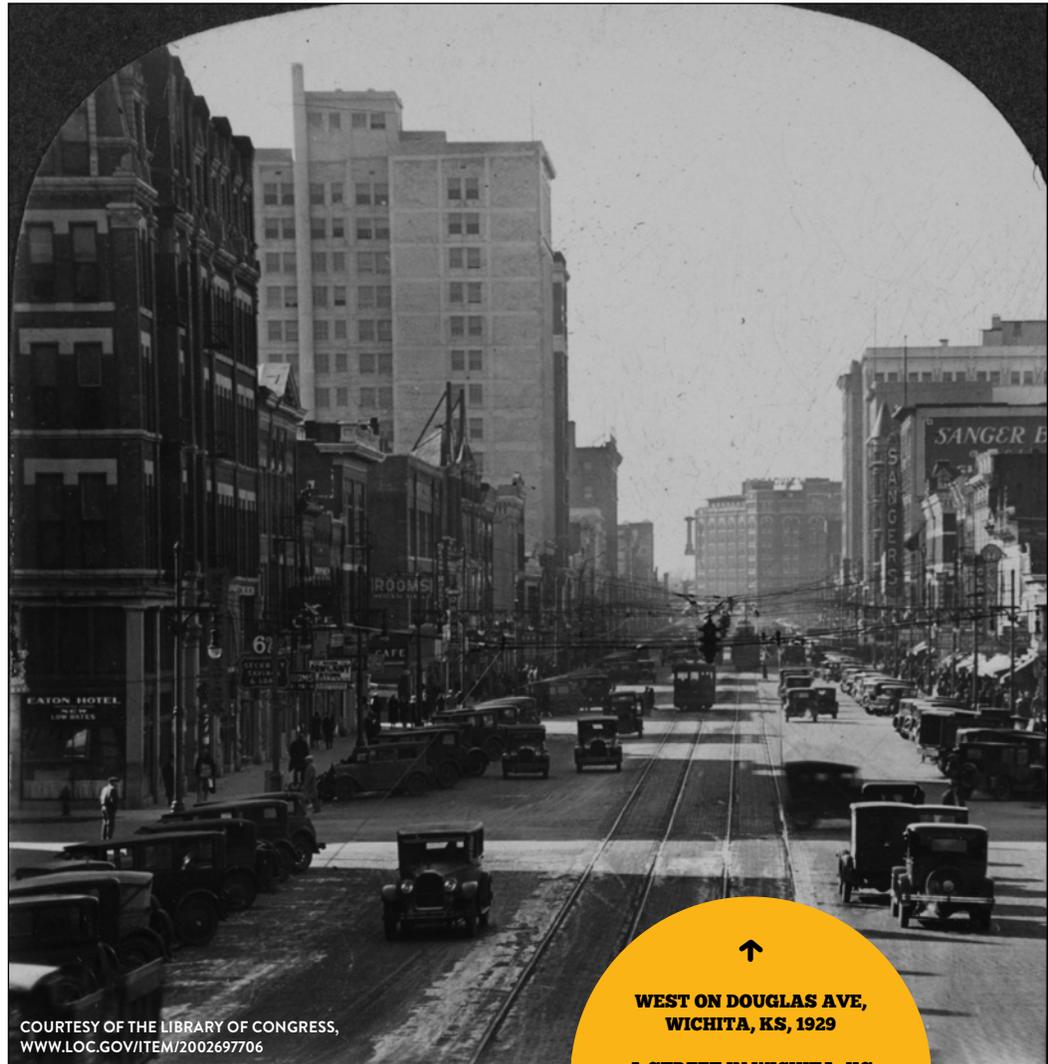
Jeremy Hill,  
 WSU Center for Economic Development and Business Research

Sheila Rumsey,  
 REALTORS® of South Central Kansas

Dr. Jay Price,  
 WSU Local and Community History Program

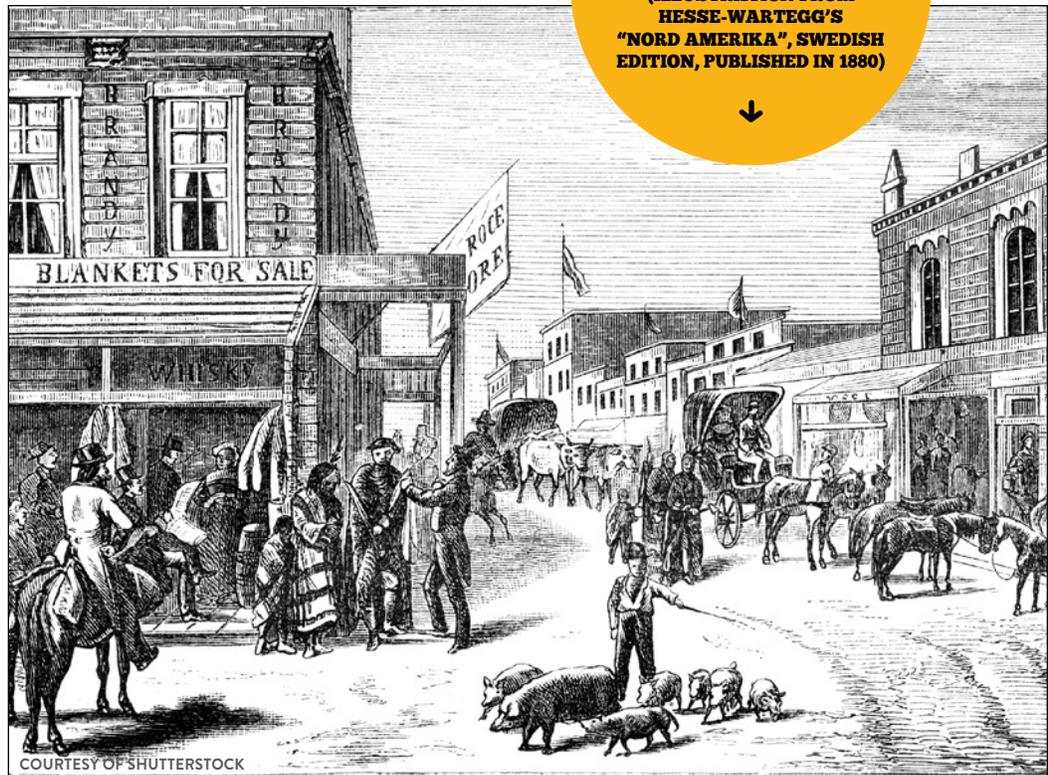
Wichita State University Libraries,  
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Participants in the 2019 Wichita Real Estate Roundtable



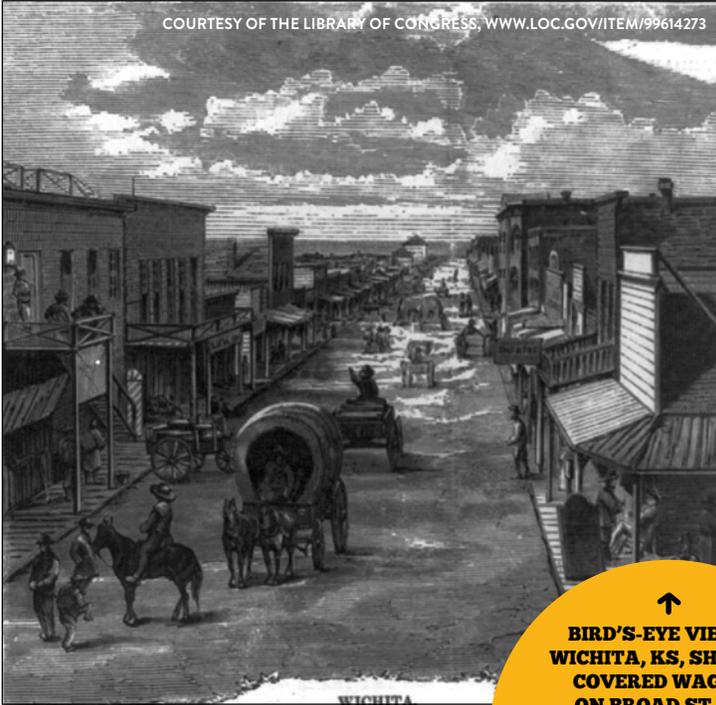
COURTESY OF THE LIBRARY OF CONGRESS,  
 WWW.LOC.GOV/ITEM/2002697706

↑  
**WEST ON DOUGLAS AVE,  
 WICHITA, KS, 1929**  
**A STREET IN WICHITA, KS  
 (ILLUSTRATION FROM  
 HESSE-WARTEGG'S  
 "NORD AMERIKA", SWEDISH  
 EDITION, PUBLISHED IN 1880)**  
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COURTESY OF SHUTTERSTOCK

COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/99614273



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**BIRD'S-EYE VIEW OF WICHITA, KS, SHOWING COVERED WAGONS ON BROAD ST, 1874**



**PANORAMIC AERIAL VIEW OF VETERANS ADMINISTRATION CENTER, CITY OF WICHITA IN BACKGROUND, 1933**  
↓

COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/PICTURES/ITEM/KS0171.PHOTOS.2007/117



**ARMORED MOTOR CAR (WICHITA CAMPAIGN PARADE), 1917**

COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017672794

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



South Central Kansas MLS



KANSAS ASSOCIATION OF REALTORS®

AND PARTICIPATING REALTOR® MLS SYSTEMS ACROSS KANSAS

**We are especially grateful to Meritrust Credit Union and Security 1st Title for underwriting the cost of preparing this year's Wichita Housing Forecast.**

**Meritrust HOME LOANS**



Security 1st Title



DESIGN BY VISUAL FUSION GRAPHIC DESIGN STUDIO

# Economic Overview

Wichita Employment Growth Solid;  
Pace Expected to Slow in 2020

Mortgage Rates to Remain Below 4 Percent



Wichita job growth has been much stronger than anticipated over the past year-and-a-half, and the

WSU Center for Economic Development and Business Research forecasts that total employment will end the year up 1.3 percent. The pace of growth is expected to slow in 2020, with total employment rising by only 0.5 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.

**CESSNA AIRCRAFT  
EMPLOYEE  
USING ALUMINUM  
AS A MIRROR,  
WICHITA, KS,  
1940/1946**



COURTESY OF SHUTTERSTOCK



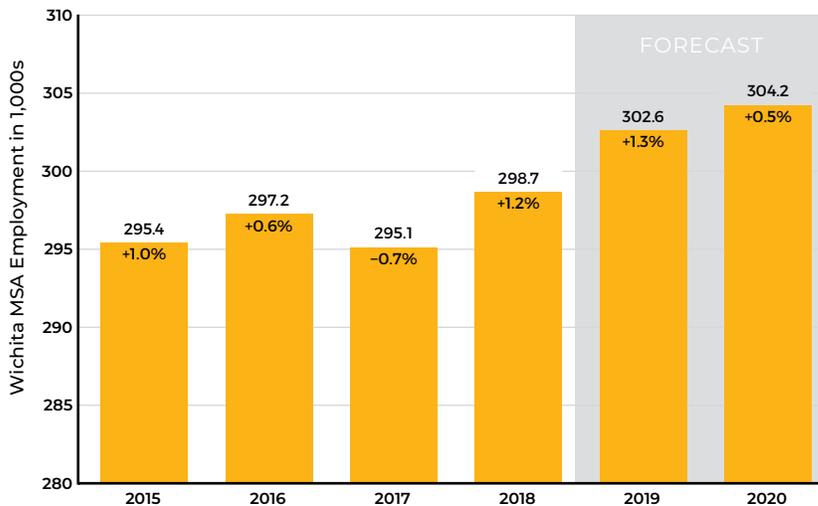
COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017700022



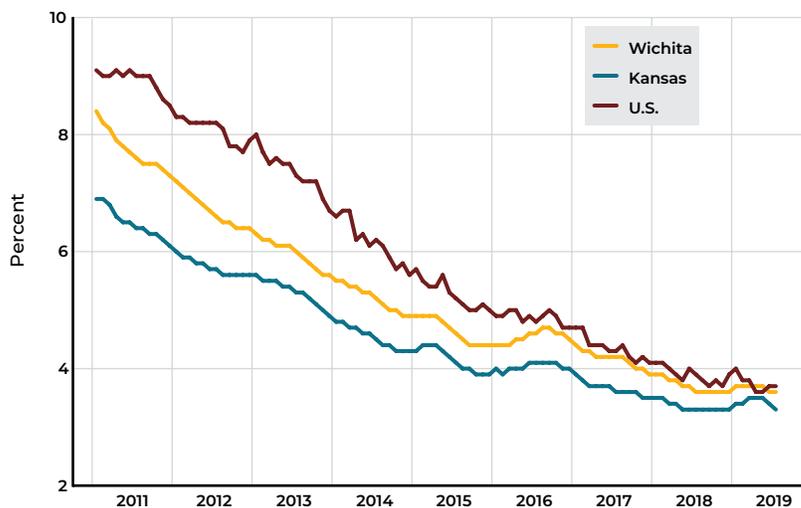
**SERVICING AN OLD OIL WELL NEAR WICHITA, KS, 1941**

COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017824246

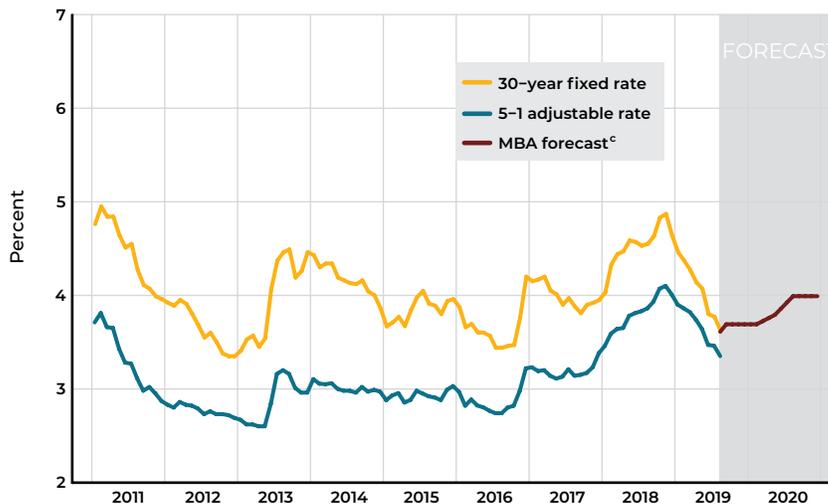
### Wichita Employment Forecast <sup>a</sup>



### 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



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/PICTURES/COLLECTION/HH/ITEM/KS0171.PHOTOS.209777P

**VETERANS  
ADMINISTRATION  
CENTER, OFFICERS  
DUPLEX QUARTERS,  
5500 EAST KELLOGG,  
WICHITA, KS,  
1943**  
←



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/PICTURES/ITEM/KS0169.PHOTOS.209690P

# Home Sales & Construction

## Tight Inventories Holding Back Home Sales

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



Demand among homebuyers in the Wichita area remains strong, especially for homes priced below \$250,000.

Sales have been down this year, however, due to the limited inventory of homes available for sale. We expect this trend to continue next year, with total home sales falling just slightly to 10,260 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 in the Wichita area are expected to remain around 1,000 units per year for the foreseeable future.



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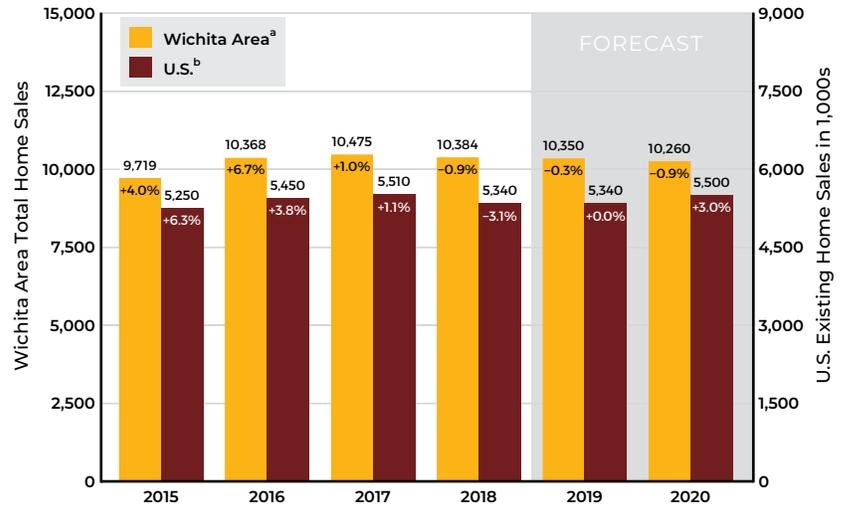


**WICHITA FIRE DEPT  
ENGINE HOUSE NO. 9,  
4700 E KELLOGG ST,  
WICHITA, KS**

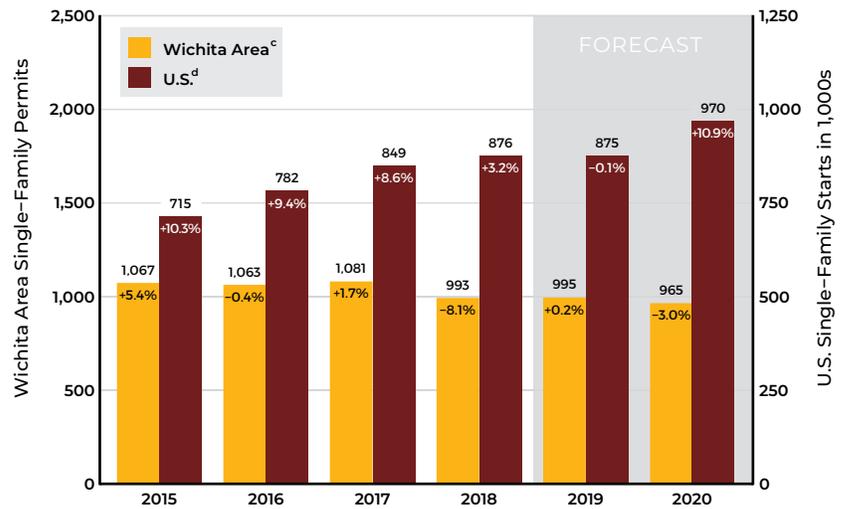


**W. K. BOWMAN-O'NEAL  
APARTMENT BUILDING,  
4313 E KELLOGG ST,  
WICHITA, KS, 1929**

### Home Sales Activity



### New Home Construction Activity



Sources: National Association of REALTORS®, South Central Kansas Multiple Listing Service, Wichita Area Builders Association, WSU Center for Real Estate

**Notes:**

- a) Total home sales in the Wichita area as reported by the South Central Kansas Multiple Listing Service
- 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 Wichita area as compiled by the Wichita Area Builders Association
- 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  
Rising at a Rapid  
Pace — Not All  
Market Segments  
Enjoying Gains



While it may be a sellers' market for modestly priced homes, it's a different story for homes in the upper end of the market. Above the \$500,000 threshold, there is more than a 10 months' supply of homes available for sale, and it is not unusual for these homes to take a long time to sell. For homes priced between \$250,000 and \$500,000, the market seems more balanced, with between a 4 and 5 months' supply of homes available.

On average, however, the tight inventories for modestly priced homes are causing average Wichita home prices to rise at a remarkably fast pace. We expect Wichita home values to rise by 7.1 percent this year followed by another solid increase in 2020.

Sources: Federal Housing Finance Agency, National Association of REALTORS®, South Central Kansas Multiple Listing Service, WSU Center for Real Estate

Notes:

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

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**WICHITA, KS,  
1912**

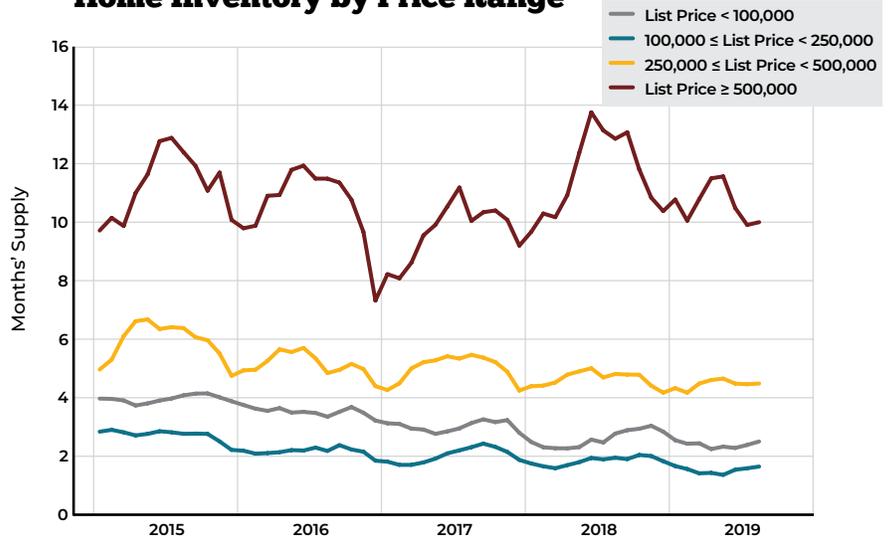


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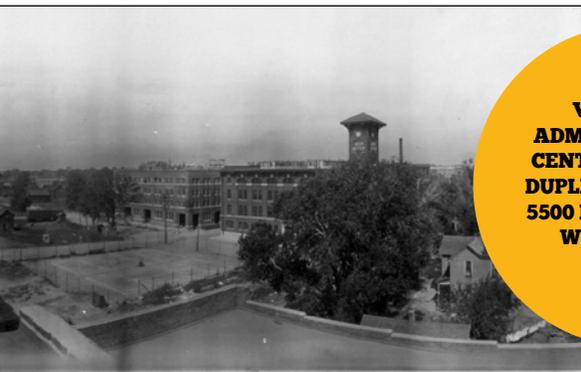
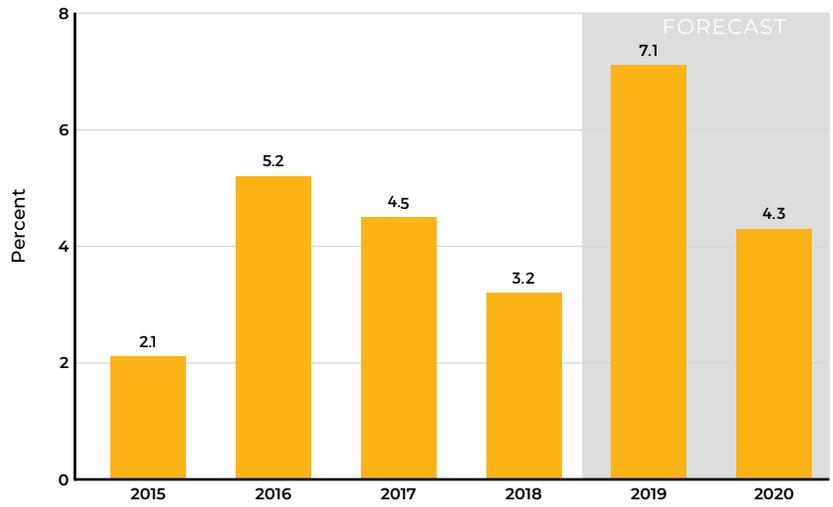


**WICHITA  
CAMPAIGN  
PARADE,  
1917**

### Home Inventory by Price Range <sup>a</sup>



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



**→  
VETERANS  
ADMINISTRATION  
CENTER, OFFICERS  
DUPLEX QUARTERS,  
5500 E KELLOGG ST,  
WICHITA, KS,  
1933**



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/KS0171

**EXHIBIT OF  
RED CROSS AT  
INTERNATIONAL  
WHEAT SHOW,  
WICHITA, KS,  
1920**

# 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.

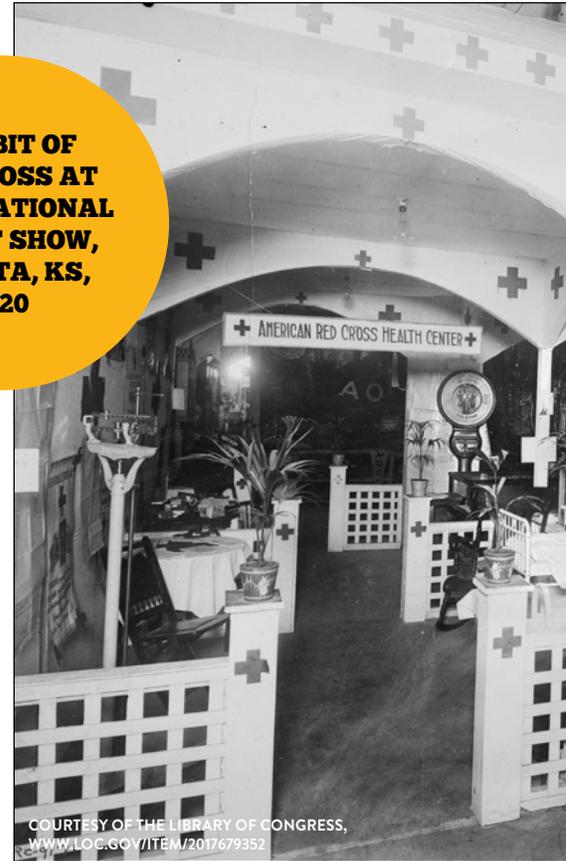
We project that sales across the state will end the year down 2.3 percent before rebounding modestly next year, rising 1.2 percent to 40,290 units.

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



COURTESY OF THE LIBRARY OF CONGRESS,  
WWW.LOC.GOV/ITEM/2017679352



COURTESY OF THE LIBRARY OF CONGRESS,  
WWW.LOC.GOV/ITEM/2017762711

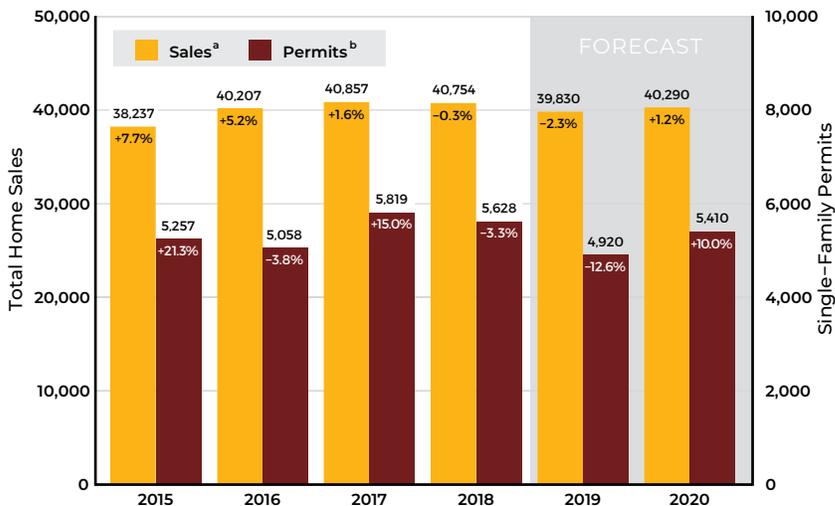


Sources:  
 Federal Housing Finance Agency,  
 National Association of REALTORS®,  
 Participating REALTOR® multiple listing  
 services across Kansas, U.S. Bureau of the  
 Census, WSU Center for Real Estate

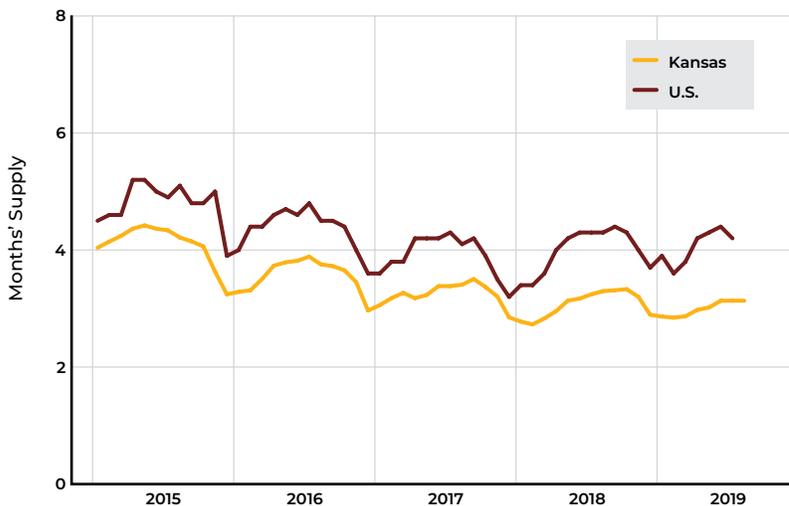
Notes:  
 a) Total home sales in Kansas as reported  
 by participating REALTOR® multiple  
 listing services across the state  
 b) Single-family building permits  
 issued in Kansas as reported by the  
 U.S. Bureau of the Census  
 c) Active listings divided by the 12-month  
 trailing moving average 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

←  
**FARMER'S DAUGHTER,  
 REPUBLIC COUNTY, KS, 1938**  
  
**OLD WINDMILL AND SHED  
 ON ABANDONED FARM  
 NEAR SYRACUSE, KS, 1939**  
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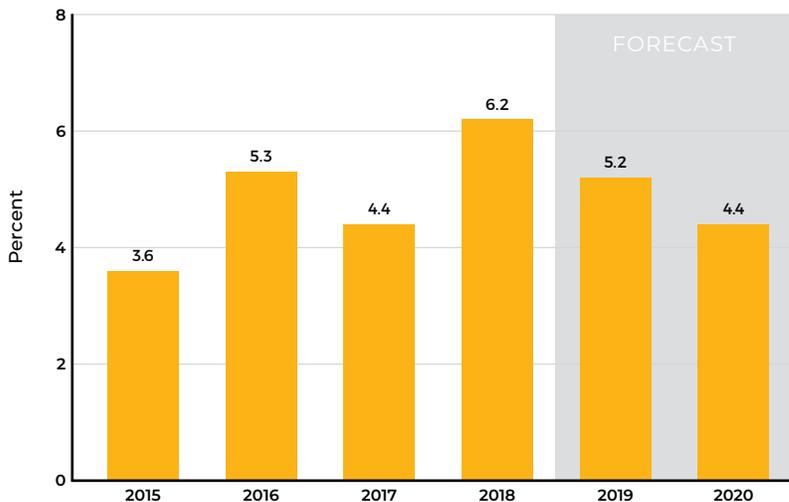
### Kansas Housing Market Activity



### 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.

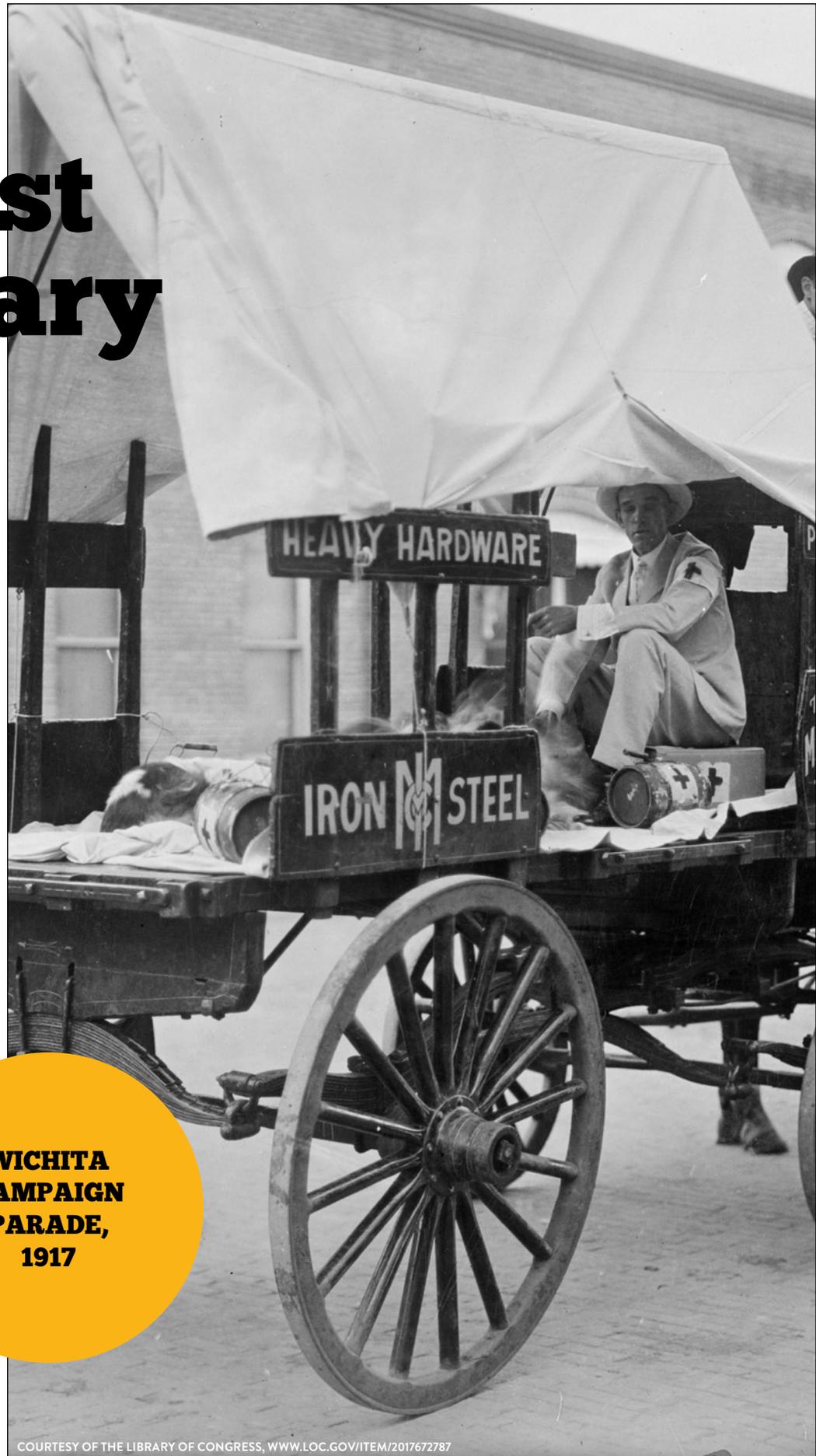
## The WSU Center for Real Estate

### 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.

**WICHITA  
CAMPAIGN  
PARADE,  
1917**



COURTESY OF THE LIBRARY OF CONGRESS, [WWW.LOC.GOV/ITEM/2017672787](http://WWW.LOC.GOV/ITEM/2017672787)

	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)



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**FAIRMOUNT COLLEGE CAMPUS, WICHITA, KS, 1906**  
 FAIRMOUNT COLLEGE CAMPUS, WICHITA, KS, CIRCA 1920  
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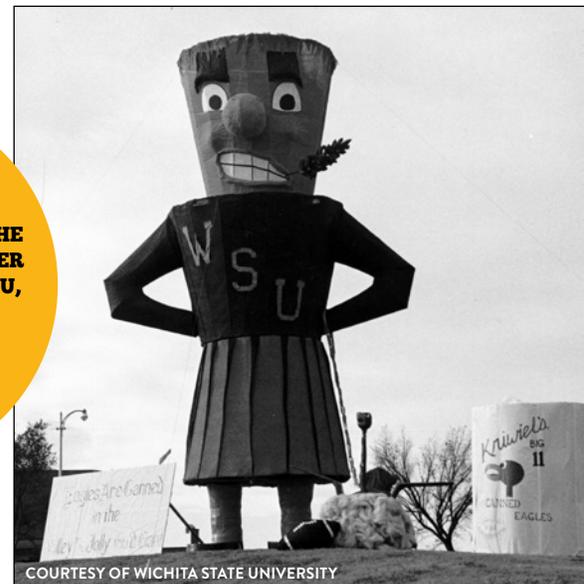


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## W. Frank Barton School of Business

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

The Center for Real Estate receives no state funding. Our activities are supported entirely through gifts from generous supporters throughout the region:



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All of your friends at Security 1st Title would like to thank you for your business. We take great pride in providing you with a consistent, friendly and professional experience. In the title industry, it is truly all about the service. Our team of local experts can assist you with your residential, commercial or multifamily transaction whether the property is located inside or outside of our local communities. When you think of title and closing companies, be sure to make us Your 1st Choice!

# 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.



**WICHITA STATE  
UNIVERSITY**  
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