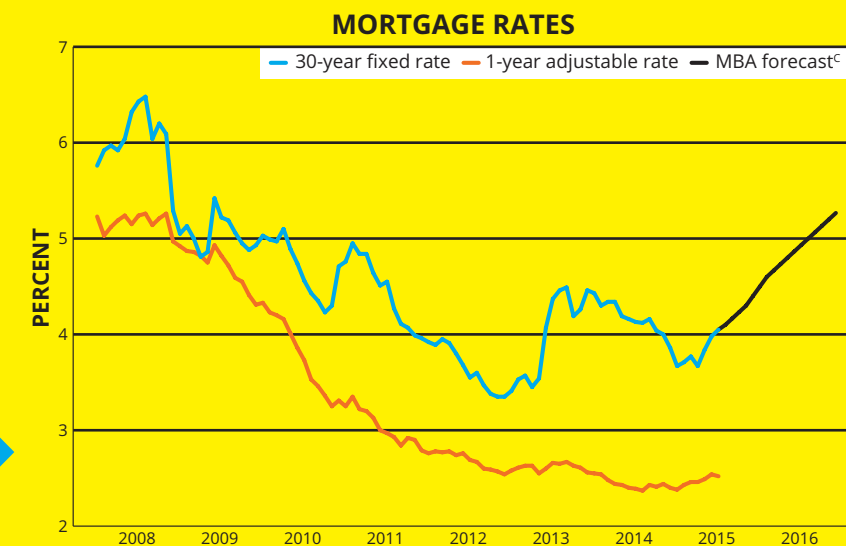
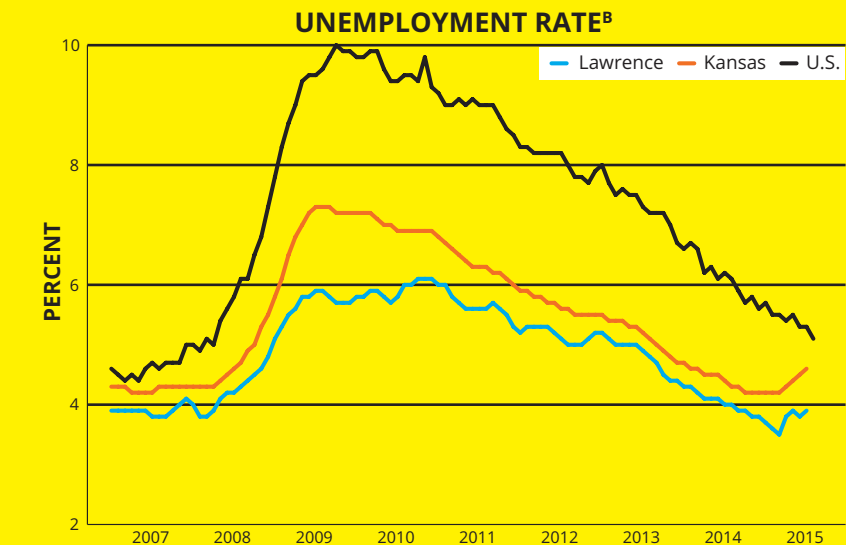
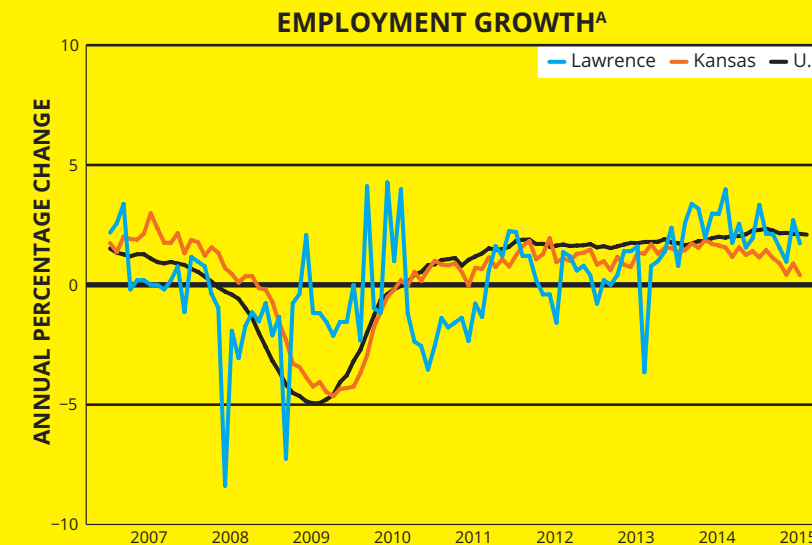


Economic Overview

While employment growth in Kansas has been slowing over the past year, the opposite has been happening in the Lawrence metropolitan area, where total employment so far this year is up more than 2 percent. The WSU Center for Economic Development and Business Research forecasts that total non-farm employment statewide will rise by 19,958 jobs in 2016, a 1.4 percent increase.

As job growth in Lawrence has improved, the unemployment rate has continued to decline, and is now back down below 4 percent, the level it was before the beginning of the Great Recession.

Although the Federal Reserve did not raise short-term interest rates during its September meeting, the question is when—not if—mortgage rates will begin to rise. Given low inflationary pressures, a modest increase in mortgage rates may actually help the housing market, strengthening the demand for starter homes that are now being bypassed by first-time buyers trying to stretch into more expensive homes given current low rates.



Sources:
Freddie Mac, Mortgage Bankers Association, U.S. Bureau of Labor Statistics

Notes:
A) Year-over-year percentage change in total, non-farm employment, seasonally adjusted
B) Seasonally adjusted
C) Mortgage Bankers Association August 2015 forecast of the 30-year conventional mortgage rate

**TOTAL
EMPLOYMENT
IN LAWRENCE
WAS UP
MORE THAN
2 PERCENT
OVER THE
FIRST HALF
OF THIS YEAR.**

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