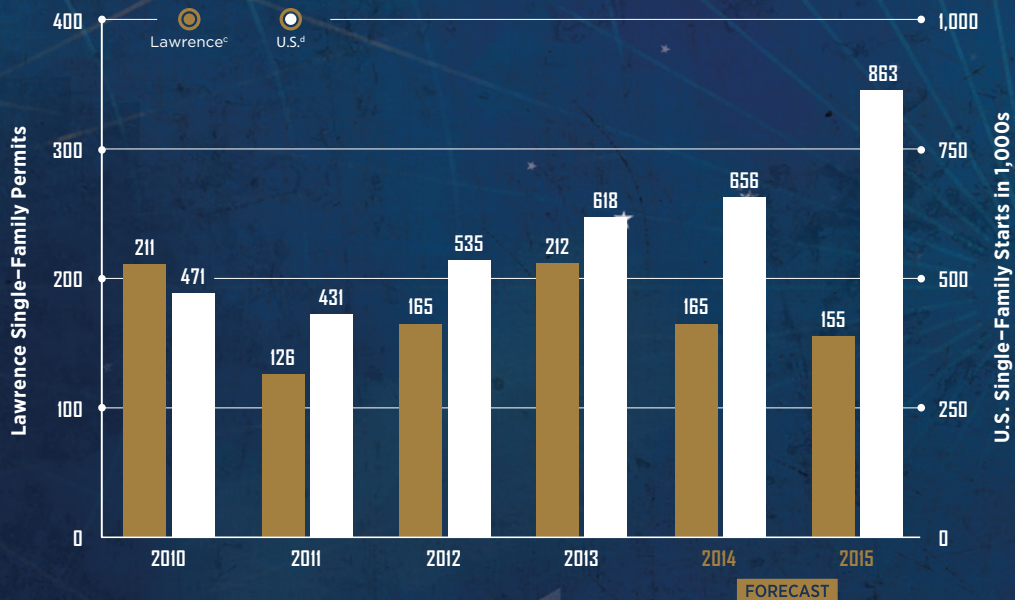




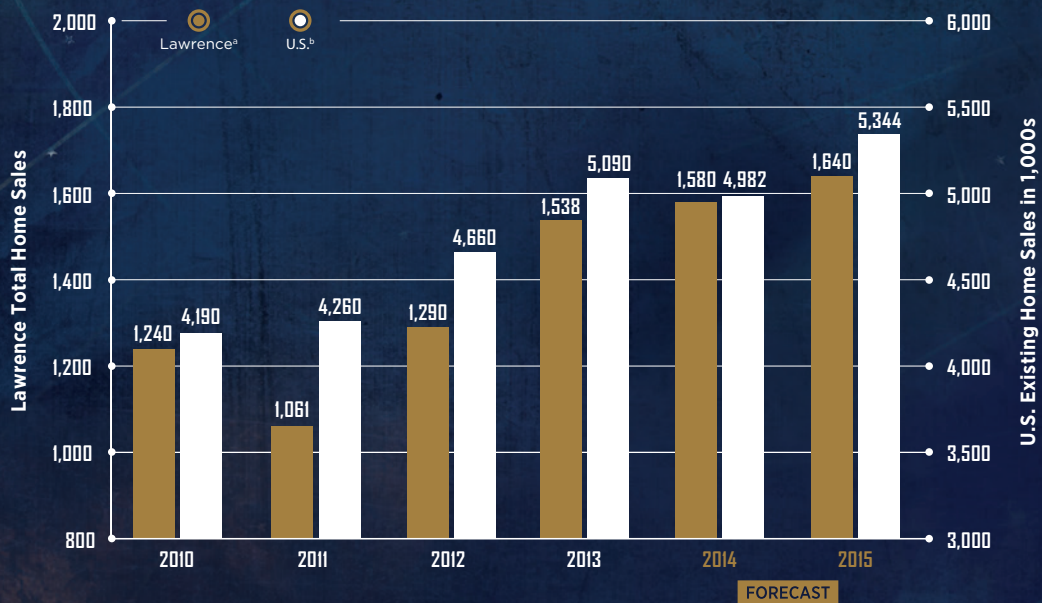
HOME SALES & CONSTRUCTION

NEW HOME CONSTRUCTION ACTIVITY



After two years of robust gains, the Lawrence housing market has cooled somewhat this year. The cold, wet winter led to a slow start to the spring selling season. Although sales picked up through the second quarter, we expect to end the year with only modest gains. Sales will continue to grow modestly in 2015, up 3.8 percent to 1,640 units.

HOME SALES ACTIVITY



LAWRENCE HOME SALES SHOULD RISE BY 3.8 PERCENT IN 2015.

NEW HOME CONSTRUCTION REMAINS THE MARKET'S ACHILLES HEEL.

Sources:
Lawrence Multiple Listing Service; National Association of REALTORS®;
U.S. Bureau of the Census; WSU Center for Real Estate

Notes:
a) Total home sales in the Lawrence area as reported by the Lawrence Multiple Listing Service
b) U.S. existing home sales as reported by the National Association of REALTORS®; forecast is the September 2014 forecast by the National Association of REALTORS®
c) Single-family building permits issued in the Lawrence 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 2014 forecast by the National Association of REALTORS®

New home construction remains the Achilles heel of the Lawrence housing market. After strong growth in 2012 and 2013, single-family building permits have dropped off substantially this year. We expect this trend to continue in 2015, falling by 6.1 percent to 155 units.