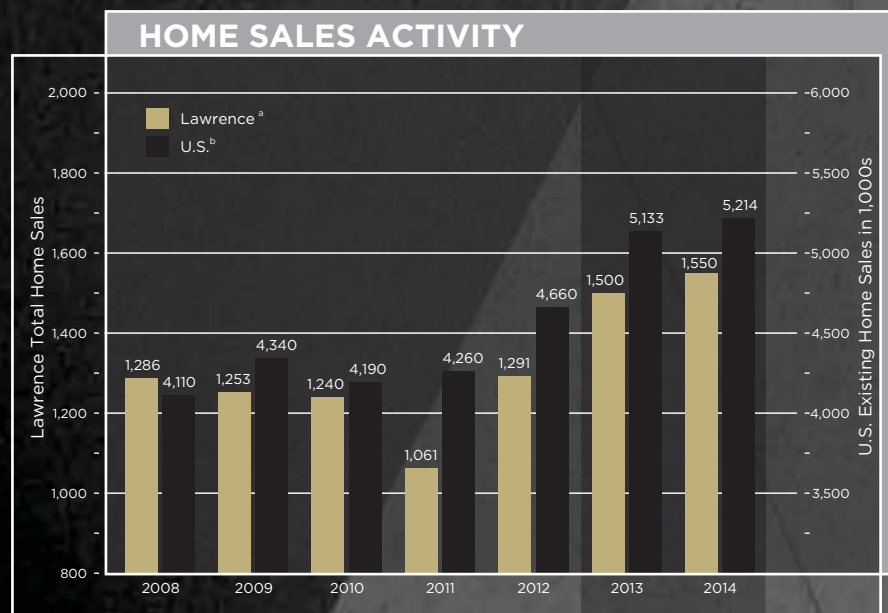


HOME SALES AND CONSTRUCTION

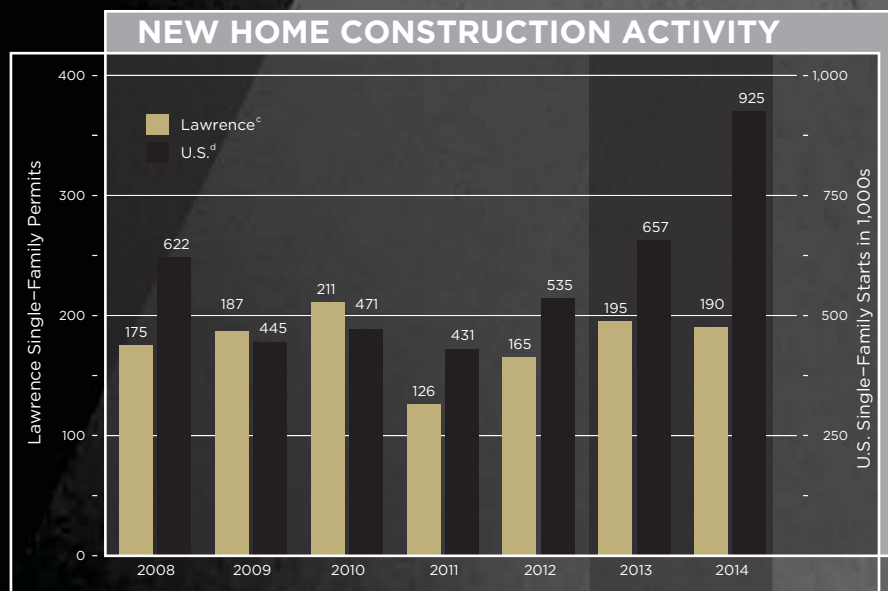
LAWRENCE HOME SALES SHOULD INCREASE BY 3.3 PERCENT IN 2014.

After a remarkable rebound in 2012, Lawrence area home sales are rising once again this year. We expect to end the year with sales up 16.2 percent at 1,500 units. A lack of inventory may constrain this growth next year, however, with sales forecast to rise by only 3.3 percent in 2014 to 1,550 units.

Total single family permits exceeded 400 units every year during the first half of the last decade before falling to a low of only 126 units in 2011. Last year, permits rebounded dramatically, rising 31.0 percent, and this year they are on pace to rise another 18.2 percent to 195 units. New home construction will fall off slightly next year, however, as financing difficulties constrain the new home market. We forecast new permits to fall 2.6 percent to 190 units in 2014.



FORECAST



FORECAST

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®
- 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