

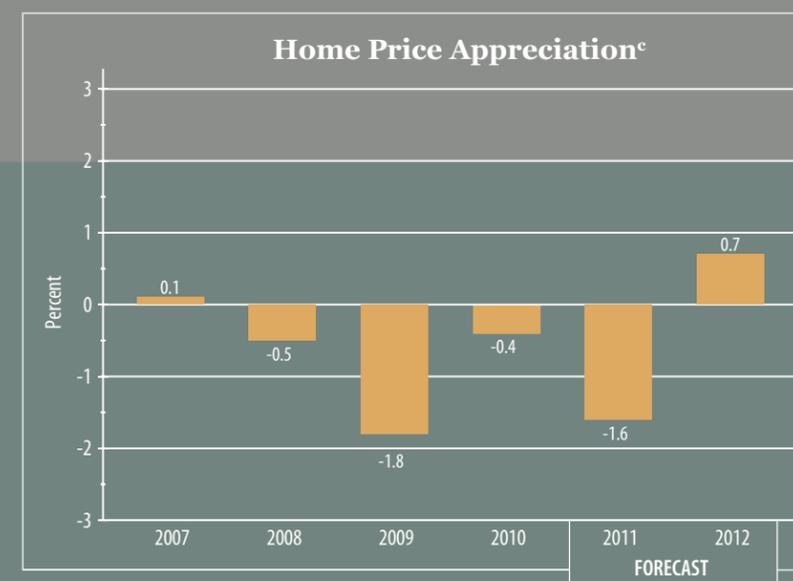
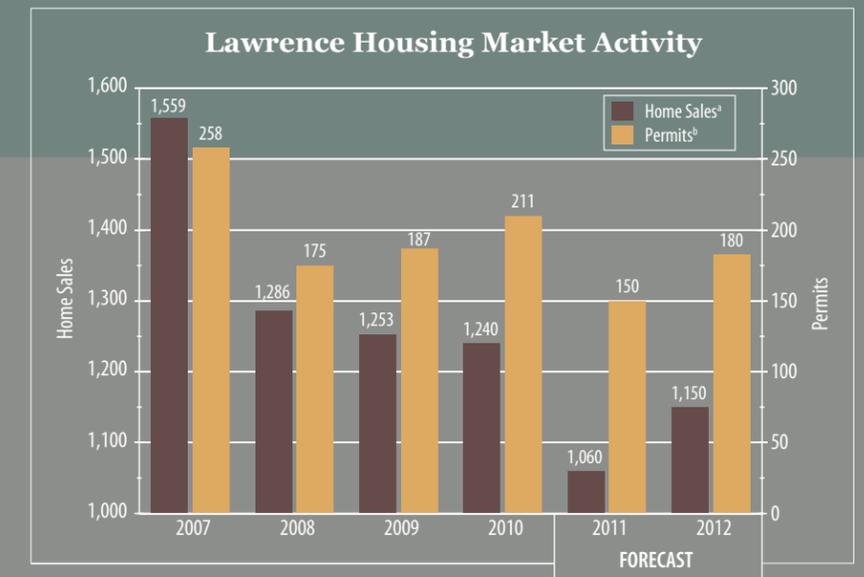
# Lawrence Forecast

The home buyer tax credit “hangover” in the Lawrence market has been deeper and longer than many anticipated. Nonetheless, the clouds do appear to be parting up ahead, with home sales activity picking up through the summer and early fall. Overall, sales will be down 14.5 percent in 2011, but should begin to rise again late next year, increasing by 8.5 percent in 2012.

New home construction continues to be sluggish, with permits activity in 2011 on pace to be the lowest figure on record. Next year will be only slightly better, with only 180 permits forecast for the year.

Overall, average Lawrence home prices have fallen by 5.4 percent since their peak at the beginning of 2007. Prices appear to be stabilizing, however, and should rise just slightly in 2012.

Lawrence area sales are on pace to fall by 14.5 percent in 2011, but should rebound in 2012, rising 8.5 percent.



Lawrence home prices will end the year down 1.6 percent in 2011 before rising slightly in 2012.

Sources: Lawrence Board of REALTORS®; U.S. Bureau of the Census; Federal Housing Finance Agency; WSU Center for Real Estate

Notes: a) Total home sales in the Lawrence Area as reported by the Lawrence Board of REALTORS®.

b) Total single-family building permits issued in the Lawrence Metropolitan Area as reported by the U.S. Bureau of the Census.

c) Year-over-year percentage change in the Federal Housing Finance Agency all-transaction housing price index for the Lawrence metropolitan area, as measured using 4th quarter values.