

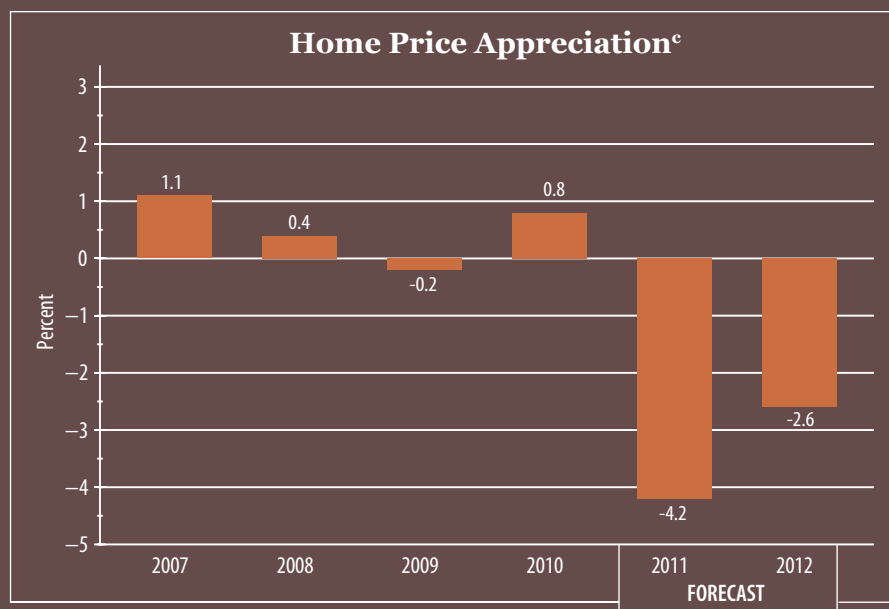
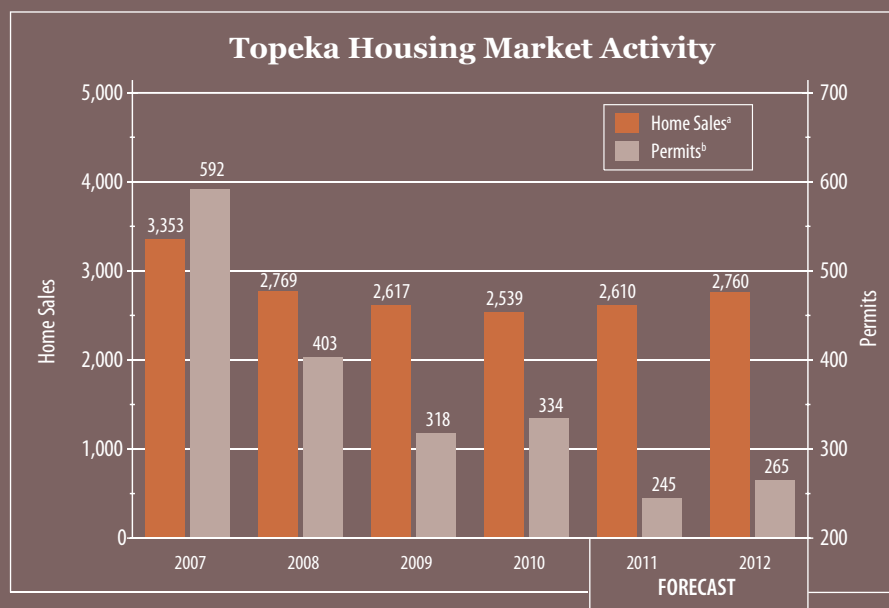
# Topeka Forecast

Topeka home sales are on pace to rise by 2.8 percent this year, but remain at very low levels. The pace of sales should pick up a bit in 2012, rising by 5.8 percent.

Declining employment, however, is still putting downward pressure on home prices, which will likely end the year down 4.2 percent and then fall an additional 2.6 percent in 2012.

After a modest bump last year due to the homebuyer tax credit, new home construction has dropped off considerably this year. We expect only 245 building single-family building permits will be issued in the Topeka area in 2011, the lowest figure on record. Next year will be slightly better, with permits rising 8.2 percent.

Home prices in the Topeka area will continue to fall this year and next.



Home sales activity appears to be bottoming out. Sales should end 2011 up 2.8 percent and then rise by 5.8 percent in 2012.

Sources: Topeka Area Association of REALTORS®; U.S. Bureau of the Census; Federal Housing Finance Agency; WSU Center for Real Estate  
 Notes: a) Total home sales in the Topeka area as reported by the Topeka Area Association of REALTORS®.  
 b) Total single-family building permits issued in the Topeka 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 Topeka metropolitan area, as measured using 4th quarter values.