

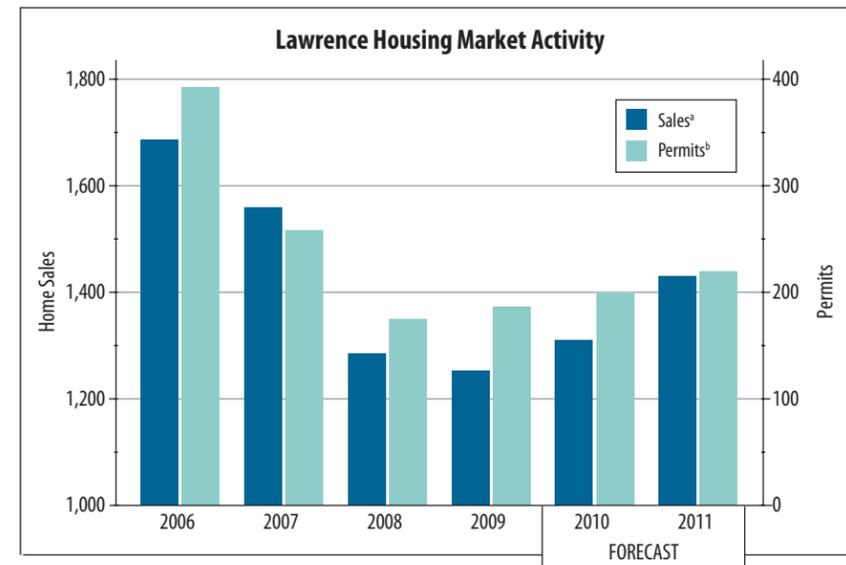
Lawrence Forecast

The Lawrence housing market has begun to show signs of improvement, with home sales on pace to increase by 4.6 percent this year. While construction activity fell 65 percent between 2003 and 2008, new single-family building permits actually rose by 6.9 percent last year. This trend should continue, with permits rising by another 7 percent in 2010 and 10 percent in 2011.

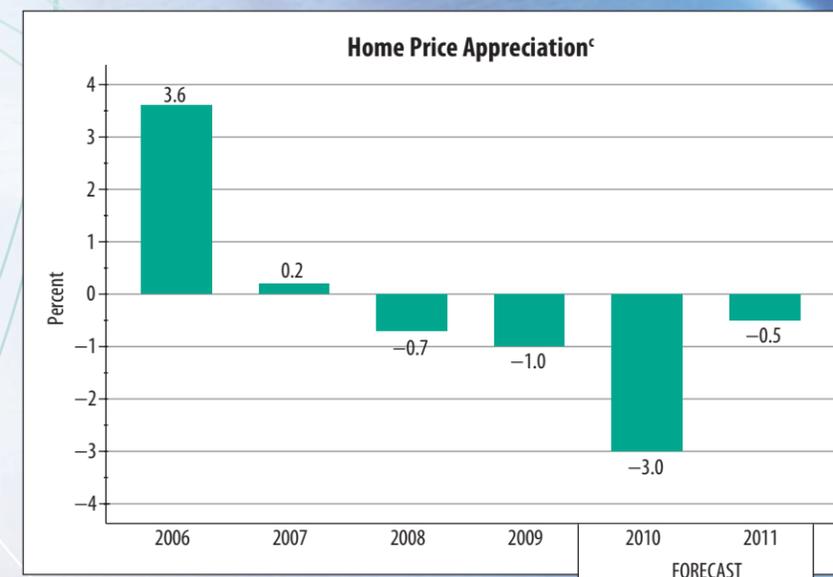
Lawrence area sales are on pace to rise by 4.6 percent in 2010 and another 9.2 percent in 2011.

New home construction appears to be on the rebound, with permits set to increase by 7 percent in 2010 and 10 percent in 2011.

Average home prices in the Lawrence area have continued to fall in 2010 and should end the year down 3 percent. Prices should stabilize in 2011, falling by a negligible 0.5 percent.



Buyers are in the market, but they expect to get a deal if they are going to sign purchase agreements. As a result, average home prices in Lawrence have fallen by about 5 percent over the past three years. Prices appear to be stabilizing, however, and should fall by a negligible 0.5 percent in 2011.



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-transactions housing price index for the Lawrence metropolitan area, as measured using 4th quarter values.