

# IN TOPEKA, THE HUNT IS ON



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# In Topeka, the Hunt is On!

As Topeka area home sales have risen over the past several years, new listings haven't kept pace. As a result, inventories are tight and competition among buyers is fierce to find the perfect home. Like a predator hunting its prey, buyers have to keep a watchful eye on the market and then pounce quickly when an opportunity arises.

Whether you're a buyer, a seller or a real estate professional, we've prepared this year's Topeka Housing Forecast to help you track your quarry. ***The Hunt is On!***

## Dr. Stanley D. Longhofer

Director, WSU Center for Real Estate  
[wichita.edu/realestate](http://wichita.edu/realestate)



Thanks to the many colleagues  
and friends who have helped  
make this forecast possible:

- Linda Briden, Sunflower Association of REALTORS®
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- Participants in the 2017 Topeka Real Estate Roundtable

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We are especially grateful to  
Security 1st Title for underwriting  
the cost of preparing this year's  
Topeka Housing Forecast.



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# Economic Overview

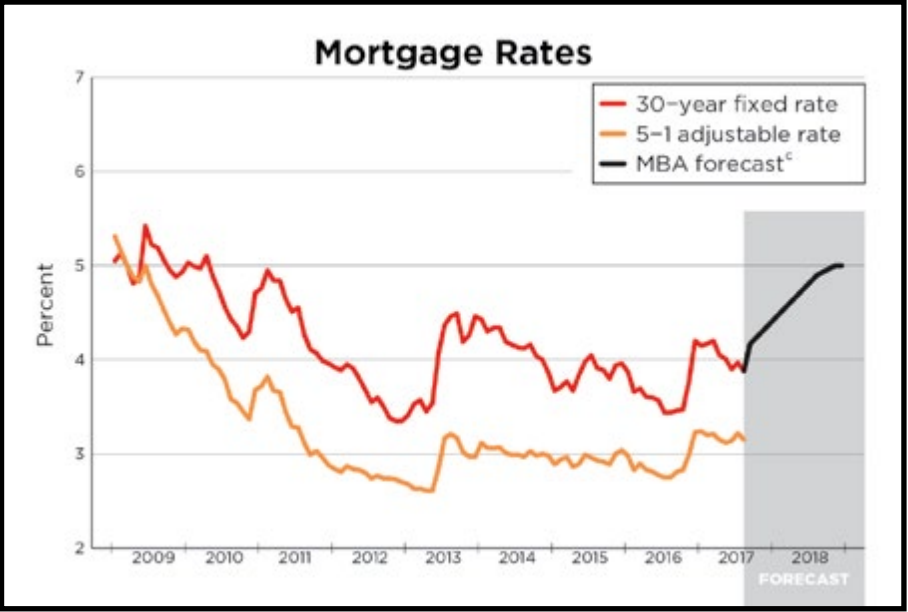
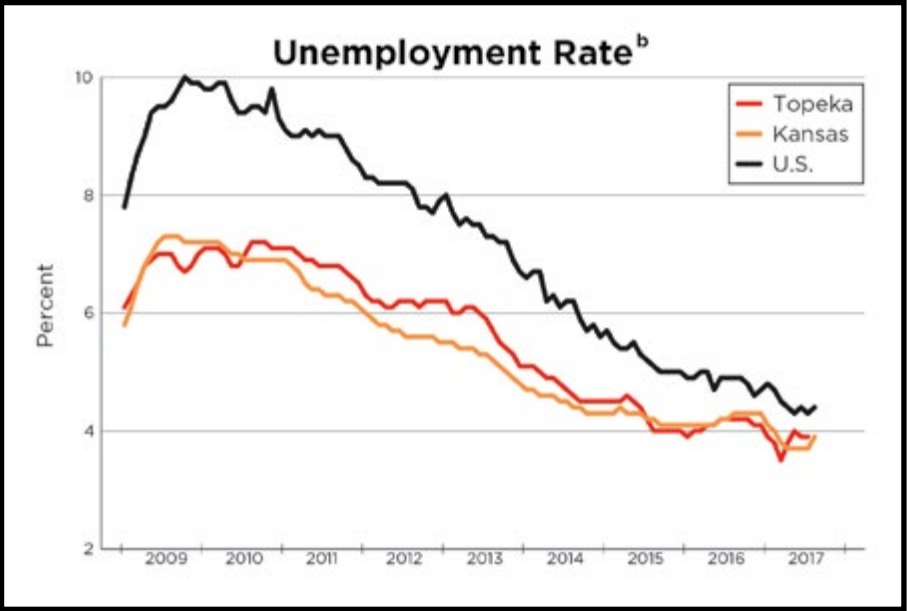
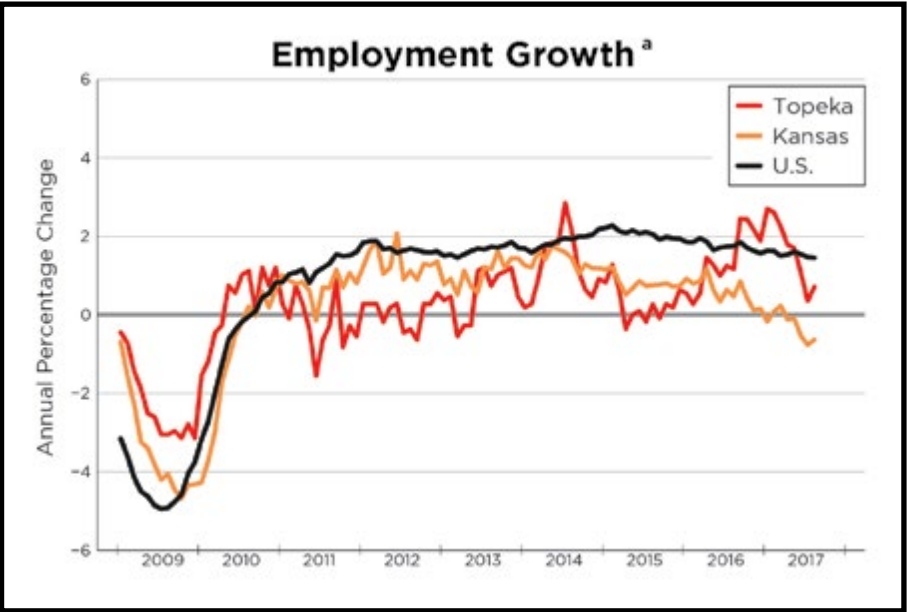
After lagging behind for several years, Topeka’s employment growth has outpaced the state as a whole since 2016. The WSU Center for Economic Development and Business Research is forecasting that Topeka’s employment will continue to grow in the coming year.

After rising sharply toward the end of last year, 30-year fixed mortgage rates have once again fallen below 4 percent. The Mortgage Bankers Association expects the 30-year rate to remain below 5 percent through the end of 2018.

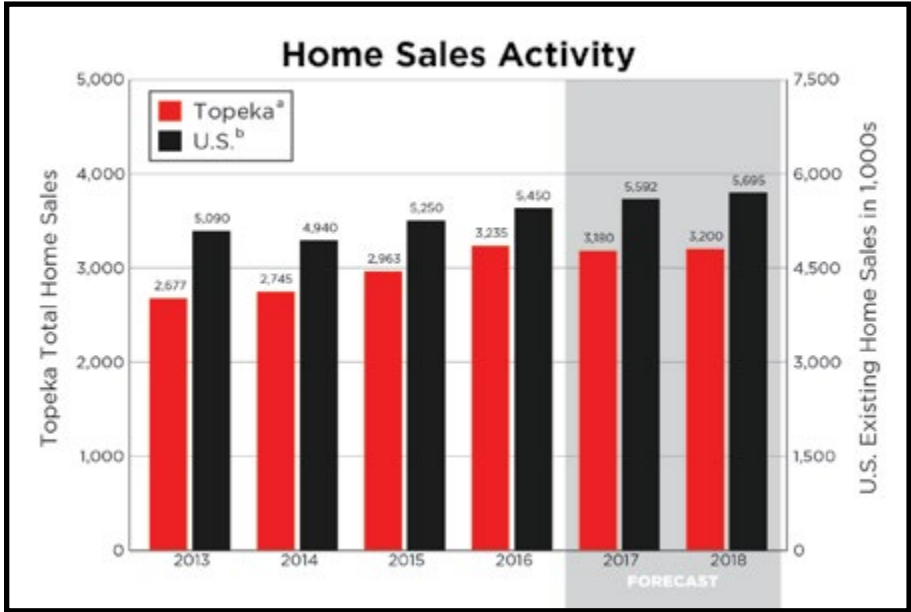
CEDBR’s  
2018 Topeka  
Employment  
Forecast: +0.8%

Sources:  
Freddie Mac, Mortgage Bankers Association, U.S. Bureau of Labor Statistics

Notes:  
a) Year-over-year percentage change in total, non-farm employment, seasonally adjusted  
b) Seasonally adjusted  
c) Mortgage Bankers Association September 2017 forecast of the 30-year conventional mortgage rate

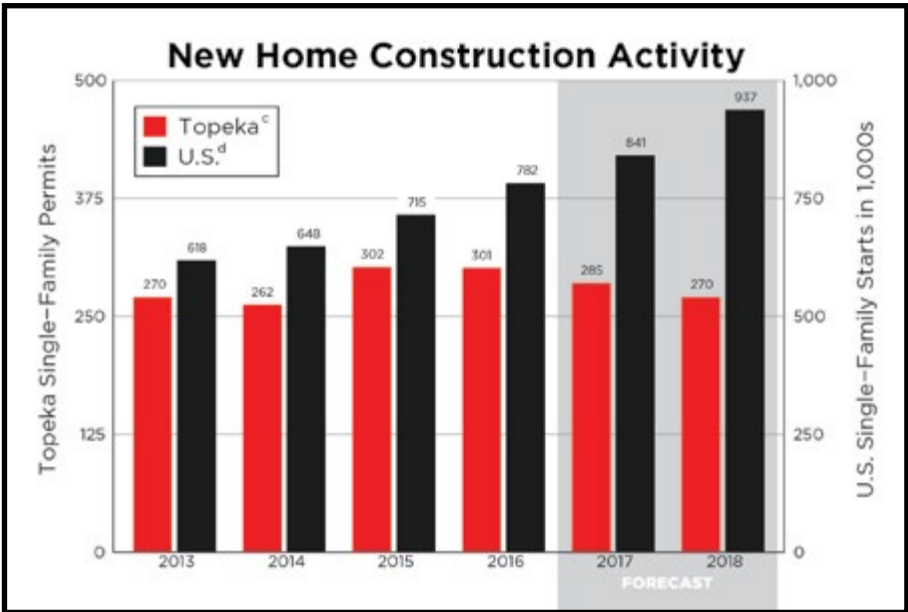






Sources:  
National Association of REALTORS®, Sunflower Association of REALTORS®, U.S. Bureau of the Census, WSU Center for Real Estate

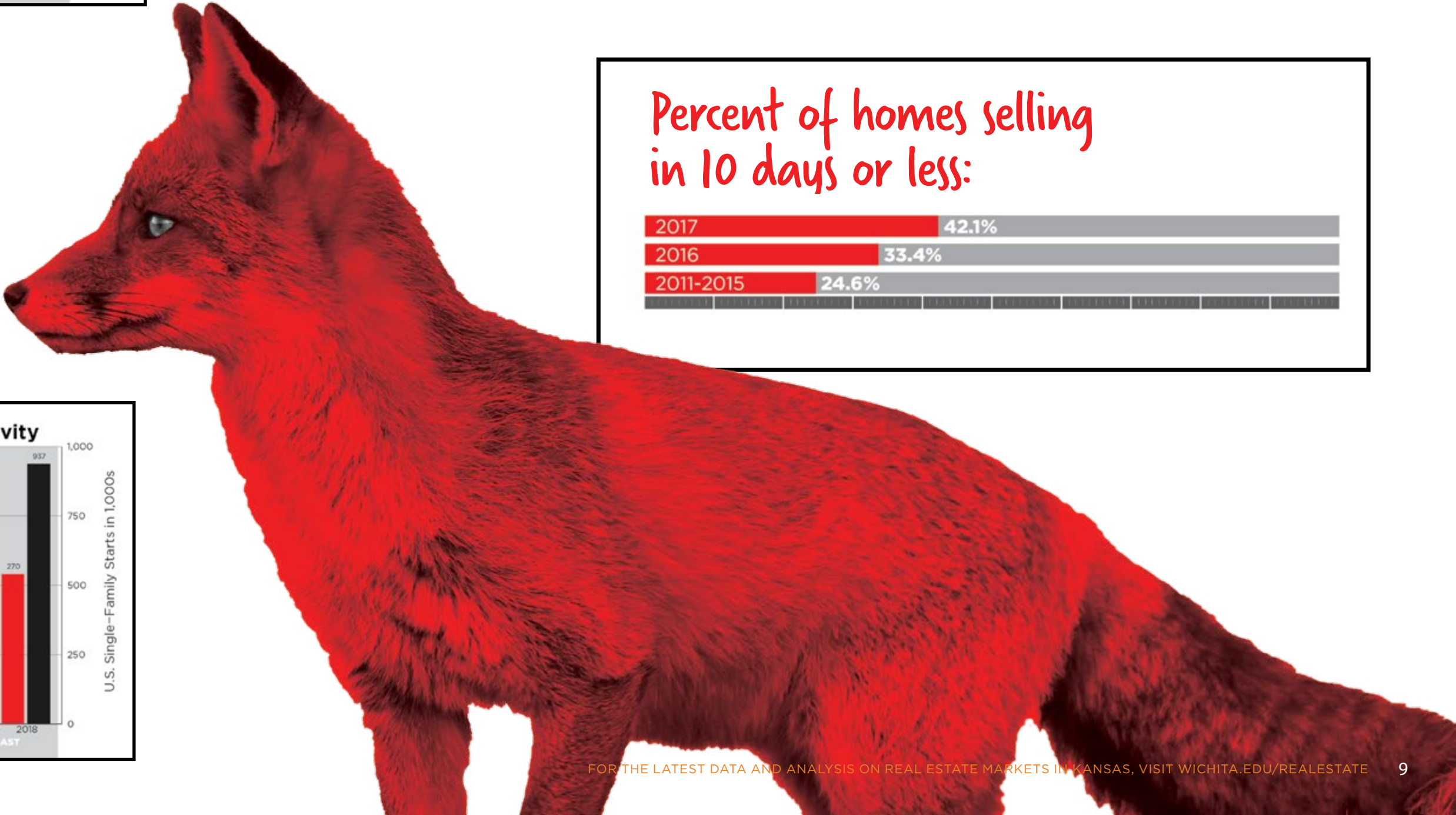
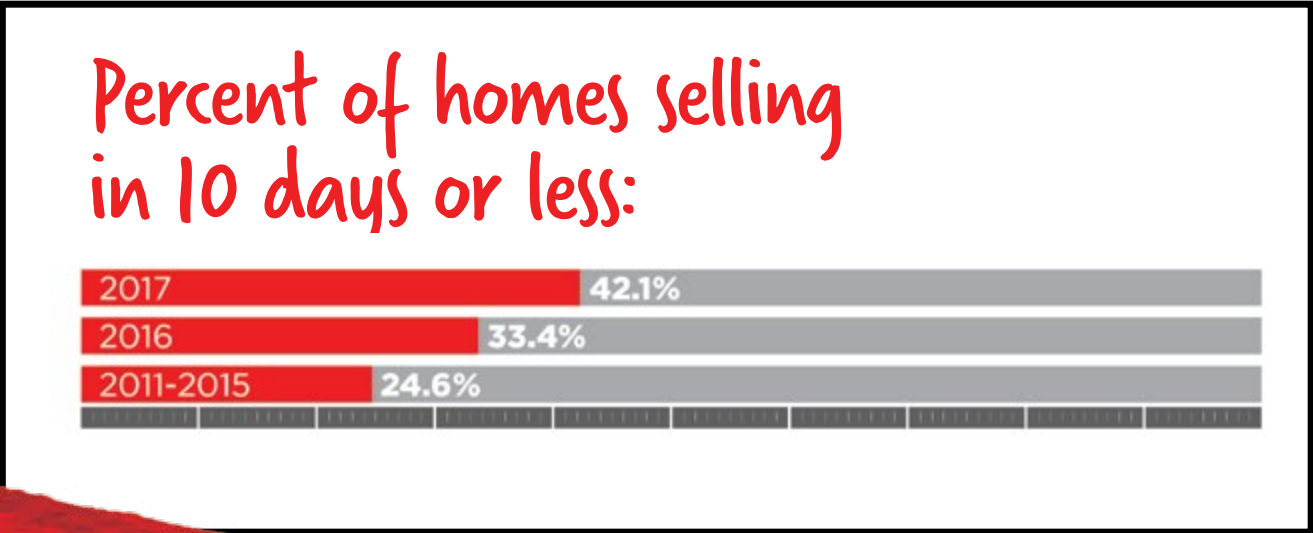
Notes:  
a) Total home sales in the Topeka area as reported by the Sunflower Association of REALTORS®  
b) U.S. existing home sales as reported by the National Association of REALTORS®; forecast is the August 2017 forecast by the National Association of REALTORS®  
c) Single-family building permits issued in the Topeka 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 August 2017 forecast by the National Association of REALTORS®



# Home Sales & Construction

Topeka area home sales growth has slowed this year in the face of tight inventories. We expect sales to end the year at 3,180 units, 1.7 percent less than 2016. Demand remains strong, however, and we forecast that sales will rise 0.6 percent in 2018 to 3,200 units.

New home construction activity in the Topeka area, however, continues to struggle, with permits likely to fall 5.3 percent to 285 units this year. This trend should continue next year, falling another 5.3 percent to 270 units.



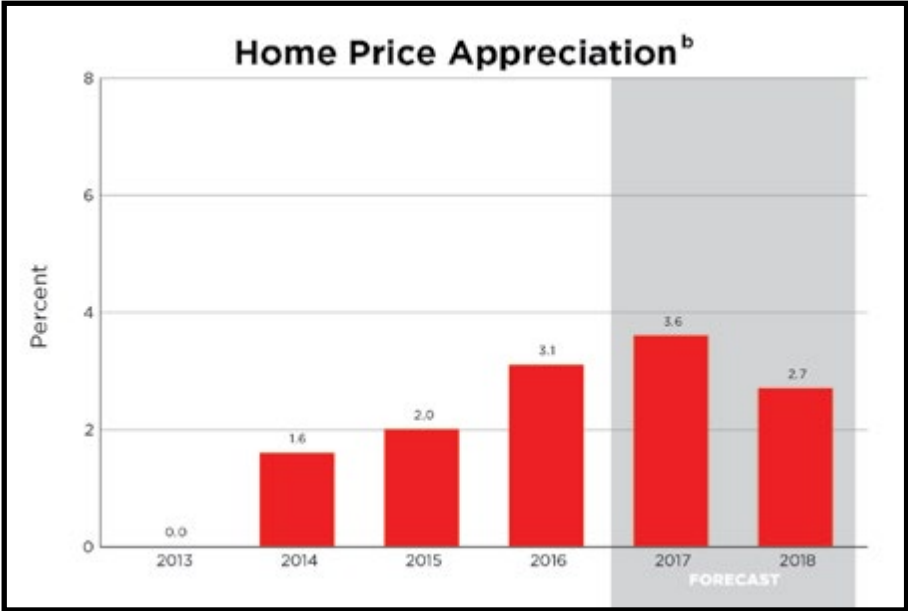


# Home Prices

Competition is fierce among buyers for the limited inventory of homes on the market. This is especially true for homes priced between \$100,000 and \$250,000, where supply may be better measured in days, rather than months.

As a result, Topeka area home prices rose last year at their fastest pace since 2005. We are forecasting even stronger growth for 2017, with prices rising by 3.6 percent. Prices should rise another 2.7 percent in 2018.

Total Home Price Appreciation  
since 2013: 11.8 percent



Sources:  
Federal Housing Finance Agency, National Association of REALTORS®,  
Sunflower Association of REALTORS®, WSU Center for Real Estate

Notes:  
a) Ratio of active listings to home sales, seasonally adjusted  
b) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Topeka metropolitan area, as measured using 4th quarter values

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FOR A  
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QUARRY  
ESCAPE

# Kansas Forecast

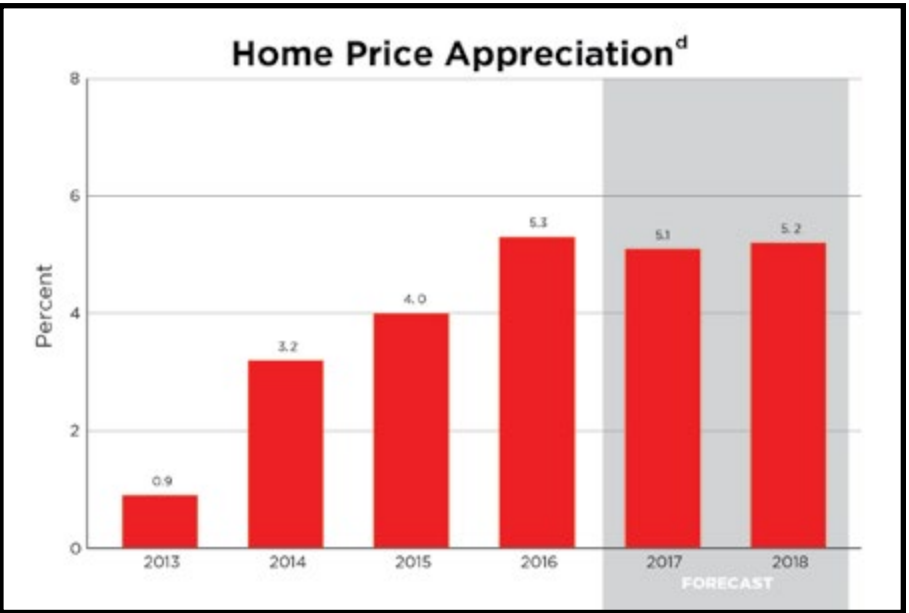
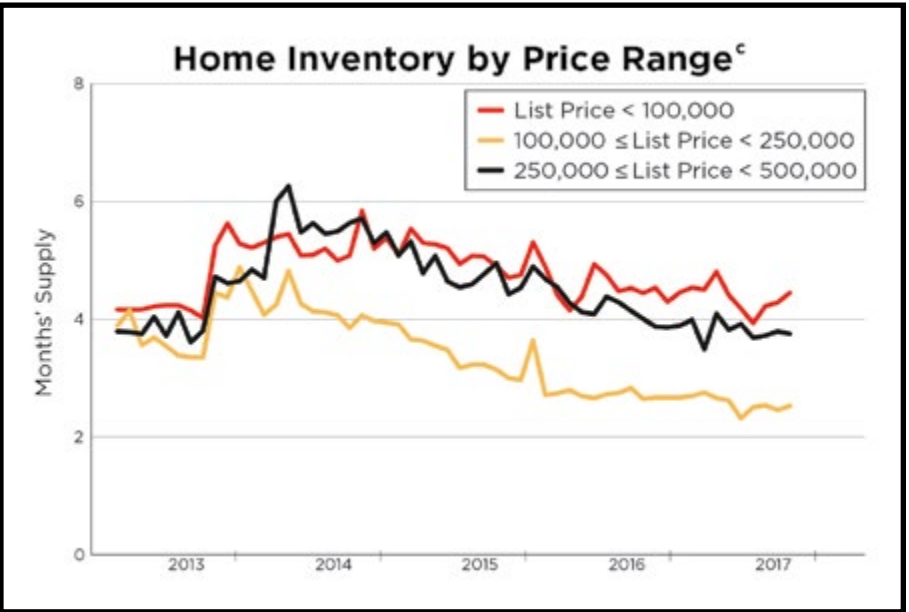
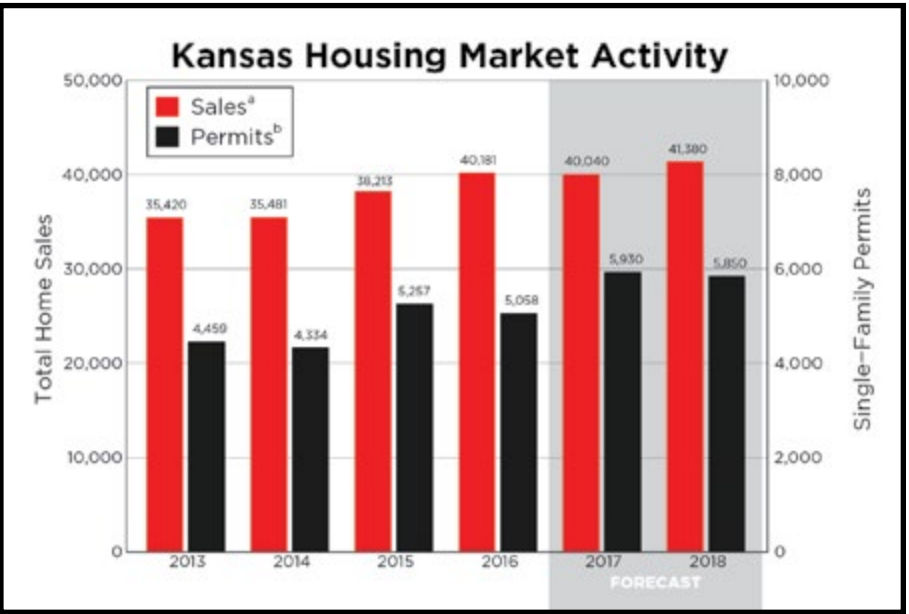
Home sales across Kansas have plateaued this year, largely due to a lack of inventory among the most popular, mid-priced homes. We forecast that statewide sales will end the year down 0.4 percent at 40,040 units, and then rebound in 2018, rising 3.3 percent to 41,380 units.

Strong permitting growth in the Kansas City area has more than offset sluggish activity in other areas of the state. New single family permits should rise by 17.2 percent this year before falling slightly to 5,850 units in 2018.

Tight inventories, especially of homes priced between \$100,000 and \$250,000, are leading to healthy home price appreciation in major markets across the state. We forecast that Kansas home prices will rise by 5.1 percent this year, followed by another 5.2 percent gain in 2018.

Sources:  
Federal Housing Finance Agency,  
National Association of REALTORS®,  
Participating REALTOR® multiple listing  
services across Kansas, U.S. Bureau of the  
Census, WSU Center for Real Estate

- Notes:
- a) Total home sales in Kansas as reported by participating REALTOR® multiple listing services across the state
  - b) Single-family building permits issued in Kansas as reported by the U.S. Bureau of the Census
  - c) Ratio of active listings to home sales, seasonally adjusted
  - d) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for Kansas, as measured using 4th quarter values





# Forecast Summary

The WSU Center for Real Estate prepares housing market forecasts for each of the major markets across the state. A summary of those forecasts is provided here. To download a copy of the complete forecast for each market, visit our website at [wichita.edu/realestate](http://wichita.edu/realestate). While there, you can also explore the wealth of additional data and analysis we provide on housing markets across the state.

## The WSU Center for Real Estate:

Laying a Foundation for Real Estate in Kansas



Sources:  
Federal Housing Finance Agency;  
Heartland Multiple Listing Service;  
Kansas Association of REALTORS® and  
participating multiple listing services across  
Kansas; Lawrence Multiple Listing Service;  
Manhattan Association of REALTORS®; South  
Central Kansas Multiple Listing Service; Sunflower  
Association of REALTORS®; U.S. Bureau of the  
Census; Wichita Area Builders Association;  
WSU Center for Real Estate

Notes:  
Total home sales, average price and sales volume figures include both existing and new home sales. Building permits reflect single-family residential building permits. Home price appreciation figures are the year-over-year percentage change in the Federal Housing Finance Agency all-transactions house price index, as measured using 4th quarter values. Kansas City figures include transactions from both Kansas and Missouri.

	2013	2014	2015	2016	2017	2018
Kansas						
Total Home Sales	35,420	35,481	38,213	40,181	40,040	41,380
Building Permits	4,459	4,334	5,257	5,058	5,930	5,850
Home Price Appreciation	0.9%	3.2%	4.0%	5.3%	5.1%	5.2%
Sales Volume (in millions)	\$6,012	\$6,252	\$7,093	\$7,742		
Average Price	\$169,725	\$176,203	\$185,608	\$192,674		
Kansas City						
Total Home Sales	32,059	32,270	35,955	38,268	37,170	38,520
Building Permits	4,209	4,129	4,550	5,258	5,890	6,005
Home Price Appreciation	1.5%	4.3%	6.4%	5.9%	7.2%	6.6%
Sales Volume (in millions)	\$5,863	\$6,206	\$7,280	\$8,203		
Average Price	\$182,866	\$192,305	\$202,471	\$214,363		
Lawrence						
Total Home Sales	1,269	1,309	1,383	1,444	1,500	1,560
Building Permits	212	179	221	264	265	250
Home Price Appreciation	1.0%	0.9%	0.6%	7.3%	5.7%	4.4%
Sales Volume (in millions)	\$256	\$256	\$277	\$309		
Average Price	\$202,084	\$195,685	\$200,569	\$213,734		
Manhattan						
Total Home Sales	765	791	923	931	920	1,010
Building Permits	307	317	315	271	260	275
Home Price Appreciation	0.0%	3.8%	0.1%	7.0%	0.0%	3.2%
Sales Volume (in millions)	\$153	\$163	\$189	\$196		
Average Price	\$199,950	\$206,090	\$205,122	\$210,108		
Topeka						
Total Home Sales	2,677	2,745	2,963	3,235	3,180	3,200
Building Permits	270	262	302	301	285	270
Home Price Appreciation	0.0%	1.6%	2.0%	3.1%	3.6%	2.7%
Sales Volume (in millions)	\$346	\$346	\$401	\$460		
Average Price	\$129,162	\$126,164	\$135,240	\$142,170		
Wichita						
Total Home Sales	9,137	9,342	9,719	10,369	10,300	10,450
Building Permits	997	1,012	1,067	1,063	1,040	1,030
Home Price Appreciation	0.0%	2.7%	2.0%	5.6%	4.1%	3.7%
Sales Volume (in millions)	\$1,270	\$1,356	\$1,463	\$1,631		
Average Price	\$139,000	\$145,202	\$150,501	\$157,272		

FORECAST

# Center for Real Estate

The Center for Real Estate was established in 2000 to bring Wichita State’s education and research programs together with the real-world experience of professionals throughout the region. Not only do we maintain a comprehensive collection of real estate data for markets across Kansas, we help you understand how it impacts your business through our expert analysis and original research. Let us help guide you on your hunt though Kansas’ real estate markets.

**Keep in touch with us online:**

Web: [www.wichita.edu/realestate](http://www.wichita.edu/realestate)

Facebook: Wichita State University Center for Real Estate

Twitter: @WSURealEstate



# W. Frank Barton School of Business

The W. Frank Barton School of Business at Wichita State has been the driving force behind some of the brightest minds and biggest ideas of the past 100 years.

Combining the widest range of undergraduate degrees in the state and virtually unlimited learning opportunities (thanks to Kansas’ largest business community), it’s no surprise that employers continue to show a preference for hiring Barton School graduates.

# Center for Real Estate Contributors

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