

HOUSING ◉ FORECAST

manhattan



WICHITA STATE UNIVERSITY | W. FRANK BARTON SCHOOL OF BUSINESS | CENTER FOR REAL ESTATE



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WICHITA STATE
UNIVERSITY

Special Thanks to:

Faith Atteberry | WSU Center for Real Estate

Karen Gehle | Kansas Association of REALTORS®

Jeremy Hill | WSU Center for Economic Development and Business Research

Tennsui Khow | WSU Center for Real Estate

Danesh Kumar | WSU Center for Real Estate

Margaret Pendleton | Manhattan Association of REALTORS®

John Ringgold | Real Estate Business Resources

Participants in the 2014 Manhattan Real Estate Roundtable

We are also grateful to the REALTOR® boards and multiple listing services that have provided much of the data used to prepare this forecast:



We are especially grateful to Meritrust Credit Union for underwriting the cost of preparing this year's Manhattan Housing Market Forecast.

The Center for Real Estate receives no state funding. Our activities are supported entirely through gifts from generous supporters throughout the region:

Clark Real Estate Foundation

Meritrust Credit Union

Pulaski Bank Home Lending

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Walter Morris Endowment for Real Estate

Wichita Area Association of REALTORS®

MANHATTAN HOUSING FORECAST



Oracle of Delphi

It is with great pleasure that we present the 2015 Manhattan Housing Market Forecast. This is the 5th year we have prepared a forecast for the Manhattan market. As in the past, our goal is to provide you with the insights you need to understand and prepare for whatever the future may bring.

For all of the latest data and analysis of Manhattan real estate markets – and to view our forecasts for other markets across the state – we invite you to visit us at our website at WICHITA.EDU/REALESTATE.

Dr. Stanley D. Longhofer
Director, WSU Center for Real Estate



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Center for Real Estate

PUBLICATION DESIGN BY



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CENTER FOR

Wichita State University has one of the oldest real estate programs in the country. Since its inception, the program has strived to maintain close connections with real estate professionals throughout the region.

The Center for Real Estate was established in 2000 to help deepen the connections between the professional real estate community and the academic programs at Wichita State University. Toward this end, the Center engages in a variety of activities that promote and enhance real estate markets and related industries:

- We maintain comprehensive databases of publicly-available information on Kansas real estate markets, and make many of these available on our website at wichita.edu/realestate. If there is data you need, let us know and we'll see what we can do to help.
- We provide independent, expert analysis of area real estate markets and policy issues related to real estate.
- We conduct high-quality academic research on real estate, and then apply this research to develop practical resources that benefit real estate practitioners, policy makers and the general public. This forecast is just one example of this effort.
- We help students connect with area real estate professionals & organizations. If you have opportunities for current students or want to hire recent graduates, let us know and we'll help you connect.



**WICHITA STATE
UNIVERSITY**

**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.

wichita.edu/business

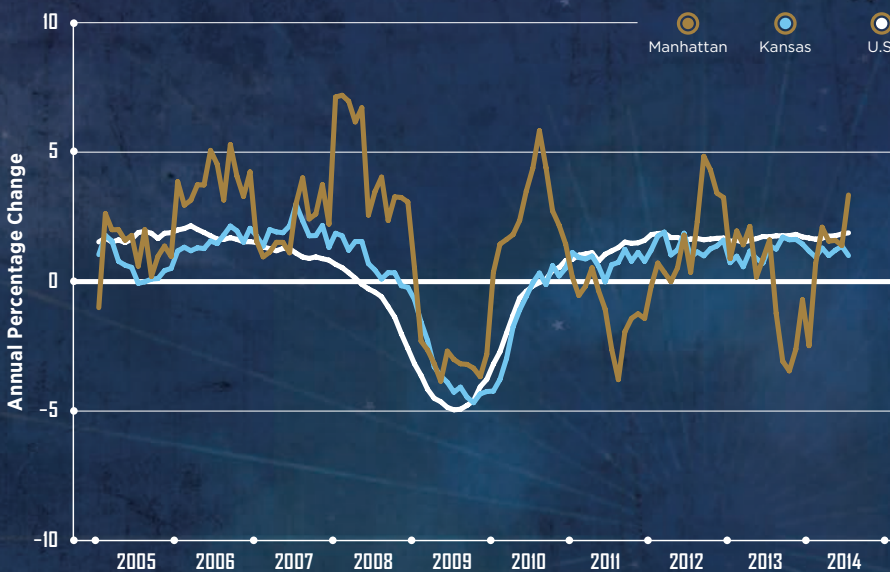
REAL ESTATE



Delphi

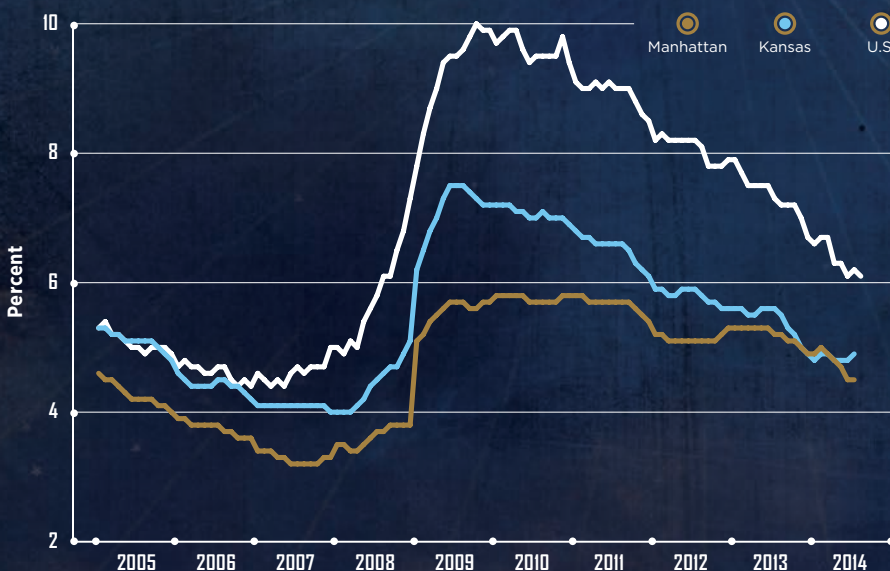
ECONOMIC OVERVIEW

EMPLOYMENT GROWTH^A



The Manhattan labor market remains one of the strongest in the state. Periods of job growth have more than offset any declines, so that average employment this year is now 6.6 percent higher than it was in 2007, before the Great Recession started.

UNEMPLOYMENT RATE^B

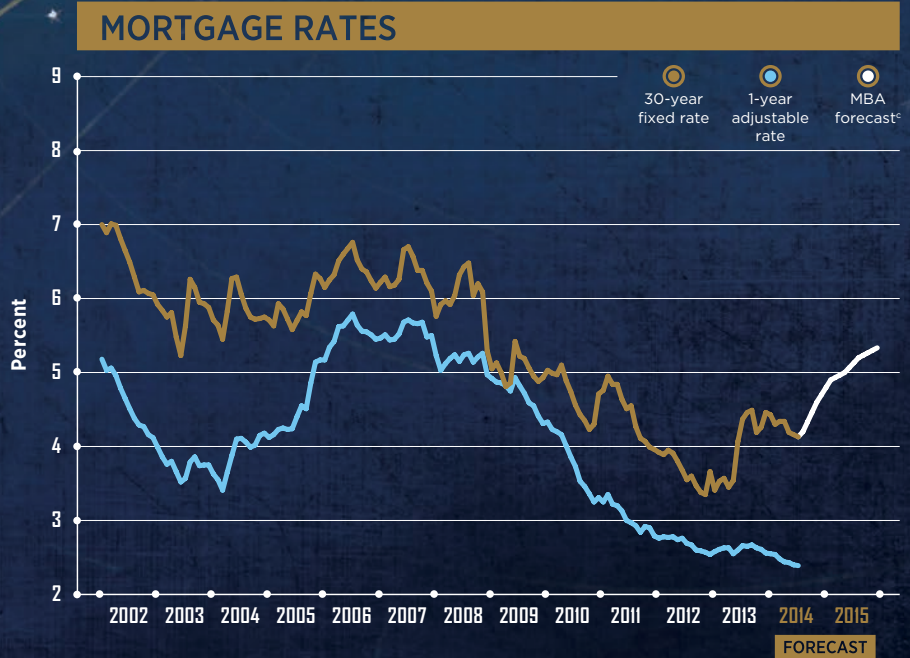


The Manhattan unemployment rate has continued to fall, with recent declines being driven by new entrants to the labor force finding work. All-in-all, the Manhattan labor market appears to be fairly healthy.

THE MANHATTAN LABOR MARKET REMAINS HEALTHY.



Mortgage rates remain exceptionally low, and the Mortgage Bankers Association forecasts that the 30-year fixed rate will remain below 5.3 percent through the end of next year, suggesting that financing costs will not become a hindrance to the housing market any time soon.

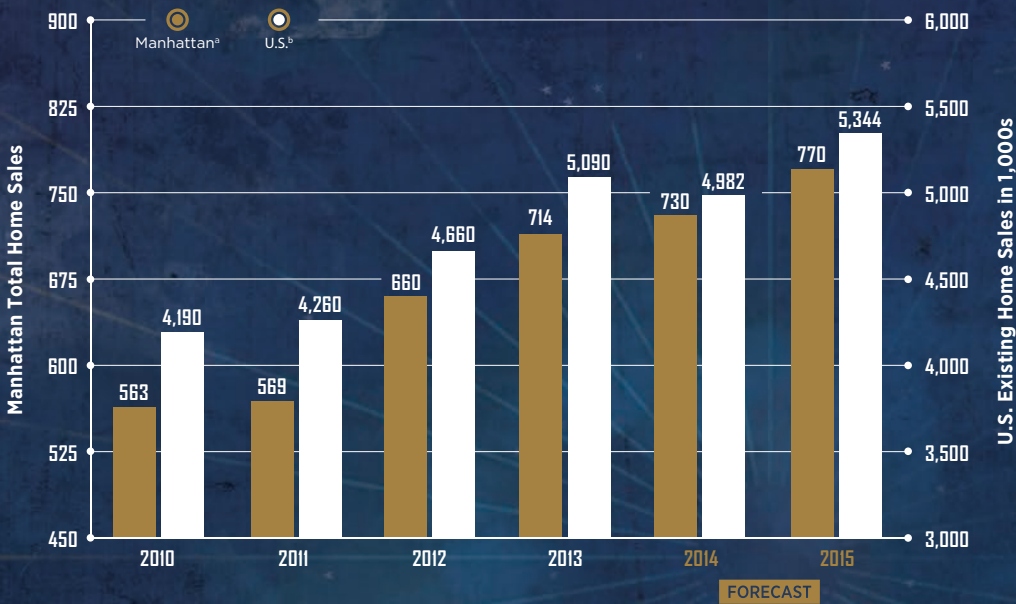


Sources: Freddie Mac; Mortgage Bankers Association; U.S. Bureau of Labor Statistics

Notes:
 a) Year-over-year percentage change in total, non-farm employment, seasonally adjusted
 b) Seasonally adjusted
 c) Mortgage Bankers Association August 2014 forecast of the 30-year conventional mortgage rate

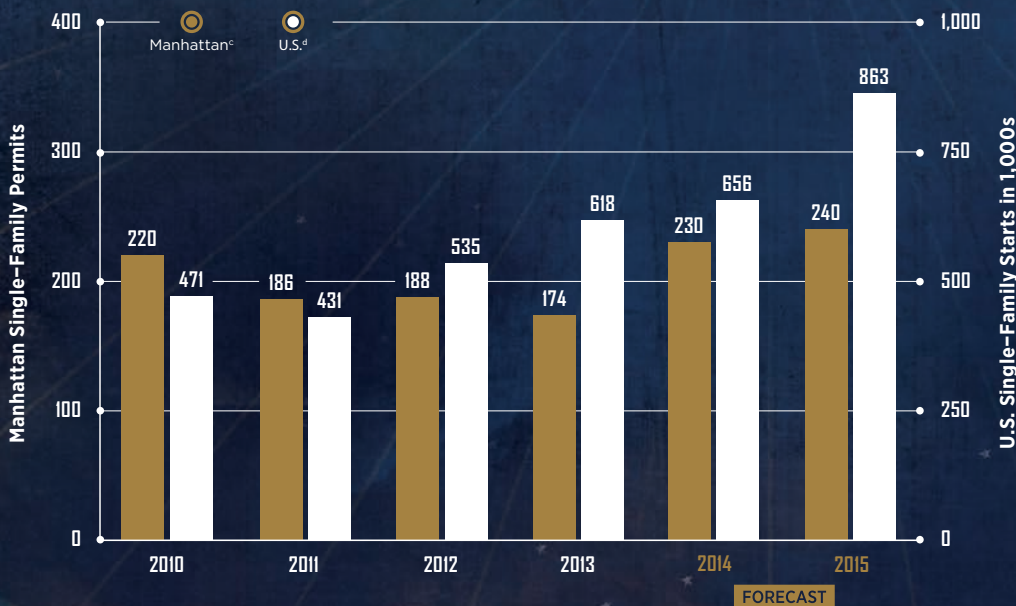
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HOME SALES ACTIVITY



The Manhattan housing market has continued to strengthen this year. Although the cold, wet winter left the spring selling season off to a slow start, by mid-summer the market had made up the lost ground. By year end, we expect sales in the City of Manhattan to set another record. Sales should rise another 5.5 percent in 2015 to 770 units.

NEW HOME CONSTRUCTION ACTIVITY



After falling last year, new home construction in the City of Manhattan is on price to top 200 units this year. We expect permitting activity to increase another 4.3 percent in 2015, to 240 units.

SALES & CONSTRUCTION



MANHATTAN HOME SALES SHOULD SET ANOTHER RECORD IN 2015.

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

Notes:
a) Total home sales in the city of Manhattan (zip codes 66502 and 66503) as reported by the Manhattan Association of REALTORS®
b) U.S. existing home sales as reported by the National Association of REALTORS®; forecast is the September 2014 forecast by the National Association of REALTORS®
c) Single-family building permits issued in Manhattan as reported by the City of Manhattan
d) U.S. single-family housing starts as reported by the U.S. Bureau of the Census; forecast is the September 2014 forecast by the National Association of REALTORS®

HOME PRICES

As Manhattan home sales have risen, the supply of active listings has struggled to keep pace. As a result, only a four months' supply of listings are typically on the market at any given time, a level considered consistent with a sellers' market.

Nevertheless, home price appreciation in recent years has remained muted. We expect that will change in 2015, with average home values rising by 2.5 percent next year.

MANHATTAN
HOME VALUES
SHOULD RISE
BY 2.5 PERCENT
IN 2015.

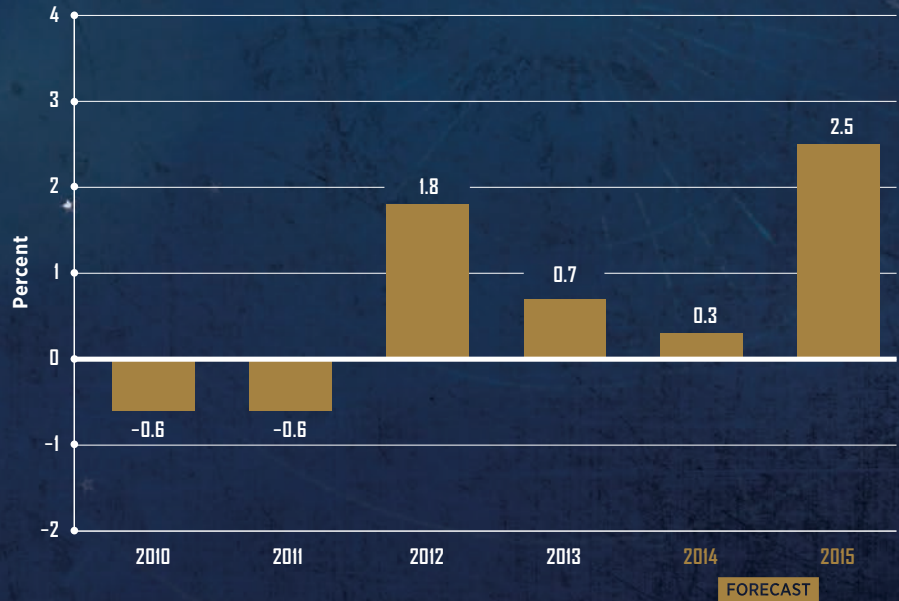
Icarus



INVENTORY OF HOMES AVAILABLE FOR SALE ^A



HOME PRICE APPRECIATION ^B



Sources:
 Federal Housing Finance Agency; Manhattan Association of REALTORS®;
 National 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 Manhattan metropolitan area, as measured using 4th quarter values

KANSAS FORECAST

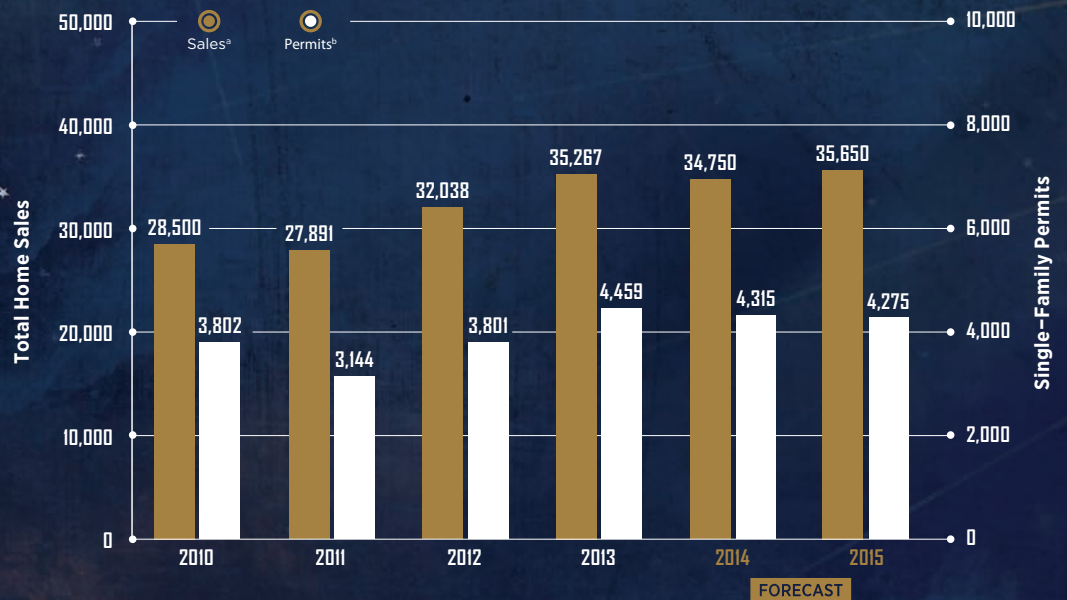
Housing markets across the state have improved steadily over the past two years, but the rate of growth appears to be slowing. We expect sales across the state to fall slightly this year, before rising 2.6 percent in 2015 to 35,650 units.



Prometheus

KANSAS HOME VALUES WILL RISE BY 2.2 PERCENT NEXT YEAR.

KANSAS HOUSING MARKET ACTIVITY



HOME SALES ACROSS KANSAS WILL RISE BY 2.6 PERCENT IN 2015.



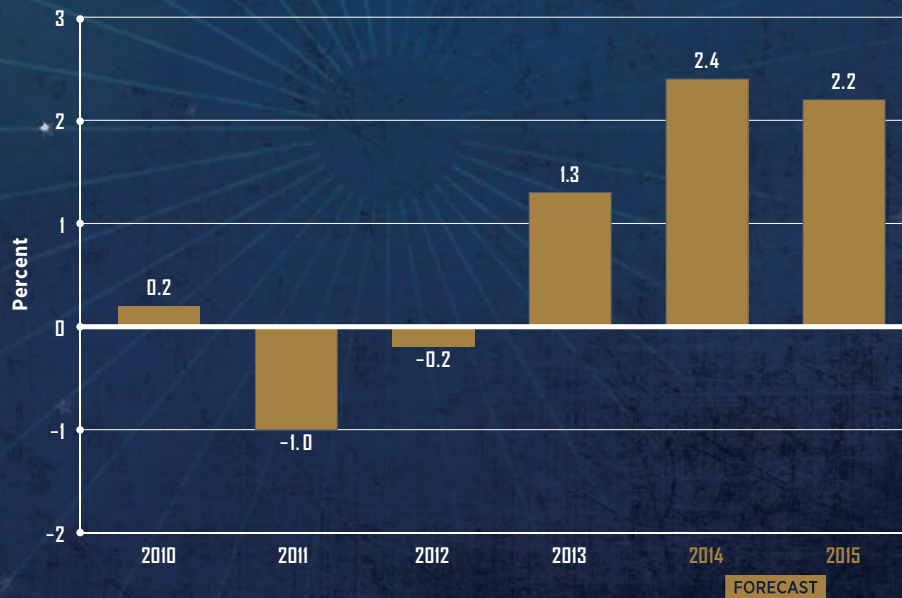
Permitting activity is experiencing a similar lull, especially because of the slowing of the large Kansas City market. We expect Kansas single-family building permits will remain level in 2015, at 4,275 units.

Despite the slowing pace of sales, declining inventories of homes on the market have begun to turn the tide for home prices. We expect average home values across the state to rise by 2.4 percent this year and another 2.2 percent in 2015.

INVENTORY OF HOMES AVAILABLE FOR SALE^C



HOME PRICE APPRECIATION^D



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 these forecasts is provided here.

To download a copy of the complete forecast for each market, visit our website at 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

Pandora's Box

Sources:

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

Notes:

Total home sales and average price 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. Sales volume includes both existing and new home sales and is measured in millions of dollars. Kansas City figures include transactions from both Kansas and Missouri.

FOR THE LATEST TRENDS AND STATISTICS, VISIT WICHITA.EDU/REALESTATE

2011 2012 2013 2014 2015

FORECAST

KANSAS

Total Home Sales	27,891	32,038	35,267	34,750	35,650
Building Permits	3,144	3,801	4,459	4,315	4,275
Home Price Appreciation	-1.0	-0.2	1.3	2.4	2.2
Sales Volume	4,256	5,094	6,002		
Average Price	152,579	158,988	170,190		

KANSAS CITY

Total Home Sales	22,860	26,743	29,014	28,920*	29,470
Building Permits	2,365	3,229	4,209	*4,205	4,300
Home Price Appreciation	-2.8	-1.0	1.4	*3.3	2.8
Sales Volume	3,576	4,503	5,323		
Average Price	156,430	168,375	183,479		

LAWRENCE

Total Home Sales	1,061	1,290	1,538	1,580	1,640
Building Permits	126	165	212	165	155
Home Price Appreciation	-0.7	-0.2	1.9	1.6	2.5
Sales Volume	196	235	299		
Average Price	184,900	181,947	194,646		

MANHATTAN

Total Home Sales	569	660	714	730	770
Building Permits	186	188	174	230	240
Home Price Appreciation	-0.6	1.8	0.7	0.3	2.5
Sales Volume	109	133	147		
Average Price	191,492	200,877	205,358		

TOPEKA

Total Home Sales	2,603	2,787	3,003	2,990	2,960
Building Permits	228	263	270	240	220
Home Price Appreciation	-0.5	-0.8	1.0	-1.3	0.1
Sales Volume	306	333	374		
Average Price	117,668	119,422	124,387		

WICHITA

Total Home Sales	7,480	8,183	8,994	9,180	9,810
Building Permits	702	783	995	940	990
Home Price Appreciation	-0.9	-1.1	0.4	0.2	1.3
Sales Volume	998	1,080	1,262		
Average Price	133,470	132,023	140,288		

Meritrust Credit Union is open to the public with 15 branches in metro-Wichita, Junction City, Lawrence and Manhattan, Kansas. We offer members the products, services and tools needed to achieve financial goals with confidence, including flexible mortgage programs with local servicing. Meritrust brings simplicity to the home-buying process. On the Meritrust path to homeownership, we're here for you, every step of the way. No runaround. No unnecessary delays. No surprises.

For more information, visit meritrusthomeloans.com.

The Meritrust logo consists of a red, rounded rectangular shape with a white border. Inside the shape, the word "Meritrust" is written in a white, bold, sans-serif font.

Meritrust

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