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FOR IMMEDIATE RELEASE
TUESDAY, OCT. 9, 2018

WSU Center for Real Estate releases 2019 Kansas Housing Markets Forecast Series

Kansas home prices should rise by 6.3 percent next year according to the 2019 Kansas Housing Forecast published by the Wichita State University Center for Real Estate.

“Home prices across the state continue to climb at a strong pace in the face of tight inventories,” said Stan Longhofer, director of the WSU Center for Real Estate.

Longhofer will present the forecast at 9 a.m. Tuesday, Oct. 9, at the Kansas Association of Realtors Annual Conference and Education Expo at the DoubleTree by Hilton in Overland Park. He will be available for interviews at about 10:30 a.m. after his presentation.

The 2019 Kansas Housing Forecast Series reviews current housing market conditions in the major markets across the state – including Kansas City, Lawrence, Manhattan, Topeka and Wichita – and forecasts housing market activity through the end of 2019. The series also includes Housing Outlooks for 20 smaller markets across the state.

Copies of all of the forecasts and outlook publications in the series can be found at www.wichita.edu/realestate.

Highlights of the 2019 forecast include the following:

Statewide forecast

- **Home sales** – Home sales across Kansas have leveled off this year, held back by a lack of inventory. Sales across the state should end the year down 0.5 percent before rising 0.4 percent in 2019 to 40,840 units.

- **Construction** – After strong growth in 2017, new home construction activity has slowed this year. New single-family permitting across the state should fall 4.2 percent this year to 5,575 units and then drop another 1.3 percent in 2019 to 5,500 units.
- **Home prices** – Because inventories are so tight, competition is fierce for the limited number of homes available for sale. As a result, Kansas home prices should rise by 6.3 percent in 2019.

Kansas City forecast

- **Home sales** – After several years of strong growth, the impact of tight inventories is beginning to be show itself in the Kansas City market. Total home sales are forecasted to fall 0.4 percent in 2019 to 38,630 units.
- **Construction** – Following three years of double-digit increases, rising costs are beginning to take their toll on new home construction activity. New single-family permits in the Kansas City area are forecasted to fall 4 percent in 2019 to 5,535 units.
- **Home prices** – As inventories continue to decline, the competition is intense for the few homes that are on the market and home price appreciation continues to accelerate. This trend should continue for the foreseeable future, with prices rising 8 percent in 2019.

Lawrence forecast

- **Home sales** – Lawrence home sales activity has continued to rise in spite of tightening inventories. This growth should continue in 2019, with sales rising 2 percent to 1,550 units.
- **Construction** – After falling 22 percent last year, single-family permitting activity should decline another 12.6 percent to 180 units this year, before rebounding slightly to 190 units in 2019.
- **Home prices** – Lawrence home values are forecasted to rise by 4.8 percent this year, and another 3.9 percent in 2019.

Manhattan forecast

- **Home sales** – Manhattan housing market activity has been slowing this year in the face of weakening demand. Total home sales in the Manhattan metropolitan area are expected to drop by 0.7 percent this year to 1,340 units and then rebound modestly in 2019 to 1,380 units.

- **Construction** – Single-family permitting activity across the Manhattan metropolitan area has dropped significantly over the past several years. This trend is continuing, with permits forecasted to end the year down 12.6 percent to 235 units. Construction should rebound modestly in 2019, rising 6.4 percent to 250 units.
- **Home prices** – Home price appreciation in the Manhattan metropolitan area came to a standstill last year, but it appears there will be modest appreciation this year. Prices are forecasted to rise another 3.1 percent in 2019.

Topeka forecast

- **Home sales** – Tight inventories are beginning to hold back Topeka area home sales activity. Sales are forecasted to fall in 2019, dropping 1.6 percent to 3,150 units.
- **Construction** – New home construction activity in the Topeka metro area fell 8 percent in 2017. Single-family permitting activity is forecasted to rebound slightly this year and next, rising to 290 units in 2019.
- **Home prices** – Home price appreciation in the Topeka metropolitan area continues to accelerate. After rising 2.8 percent last year, prices are on pace to rise by 4 percent this year and another 3.5 percent in 2019.

Wichita forecast

- **Home sales** – Total home sales in the Wichita area continue to increase despite increasingly tight inventories. Sales are forecasted to rise 1.4 percent to 10,640 units in 2019.
- **Construction** – New home construction activity in Wichita remains stagnant, as rising construction costs continue to push buyers toward the existing home market. Next year should mark the sixth straight year that single-family permits in the Wichita area hover around the 1,000 unit level.
- **Home prices** – Wichita metropolitan area home prices are forecasted to end the year up 3.8 percent, and then rise another 4.6 percent in 2019.

For more information and a copy of each of the publications in the 2019 Kansas Housing Markets Forecast series, go to www.wichita.edu/realestate, or contact Longhofer at 316-516-6365 or stan.longhofer@wichita.edu.