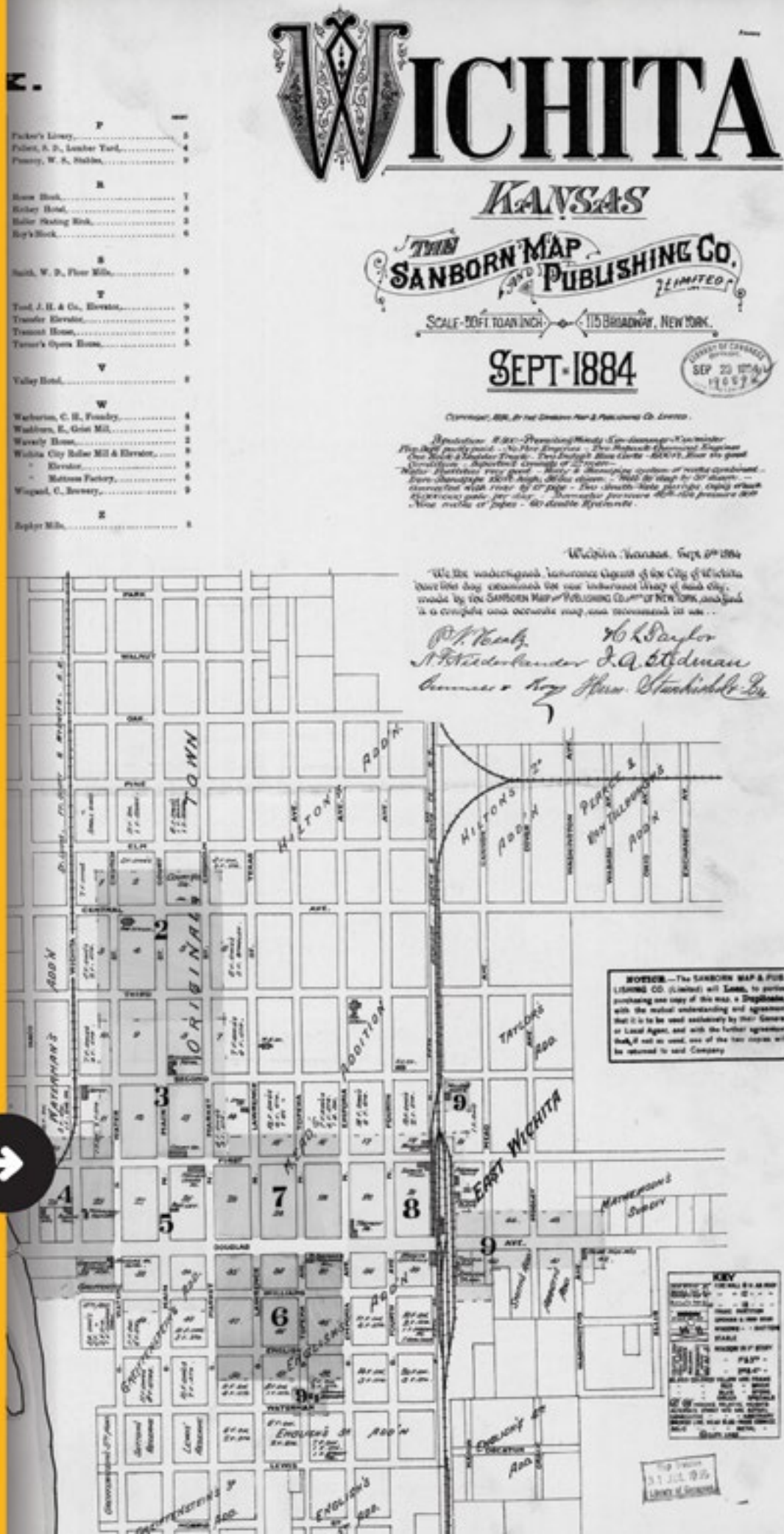


Wichita

2020 Kansas Housing Markets Forecast



Security 1st Title

All of your friends at Security 1st Title would like to thank you for your business. We take great pride in providing you with a consistent, friendly and professional experience. In the title industry, it is truly all about the service. Our team of local experts can assist you with your residential, commercial or multifamily transaction whether the property is located inside or outside of our local communities. When you think of title and closing companies, be sure to make us Your 1st Choice!

Meritrust HOME LOANS

Meritrust Credit Union has been helping our members do more with their money since 1935. We offer 17 retail branches providing advisory experiences, complemented by online, mobile and eATM technology allowing members to bank on their time. Our team of lending experts brings simplicity to the home-buying process, and in-house payments, processing and servicing continue to provide members peace of mind into the future. Meritrust has the products, services, tools and education members need to achieve their financial goals with confidence, including flexible mortgage programs. For more information, visit meritrusthomeloans.com. Equal housing lender. Federally insured by NCUA.



WICHITA STATE
UNIVERSITY
W. FRANK BARTON
SCHOOL OF BUSINESS



FRONT AND BACK COVER IMAGES COURTESY OF THE LIBRARY OF CONGRESS GEOGRAPHY AND MAP DIVISION, [HTTPS://WWW.LOC.GOV/ITEM/SANBORN03114_001/](https://www.loc.gov/item/sanborn03114_001/)



Wichita Housing Forecast

There's a proud history of real estate in Kansas. In this year's forecast, we offer you a glimpse of the scenes and images that laid the foundation for where we are today. As you look ahead to what's in store in the coming year, we hope you enjoy this look back at the past.

Dr. Stanley D. Longhofer

Director, WSU Center for Real Estate
wichita.edu/realestate



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

Lucas Garces,
WSU Center for Real Estate

Karen Gehle,
Kansas Association of REALTORS®

Jeremy Hill,
WSU Center for Economic Development
and Business Research

Sheila Rumsey,
REALTORS® of South Central Kansas

Dr. Jay Price,
WSU Local and Community History Program

Wichita State University Libraries,
Special Collections and University Archives

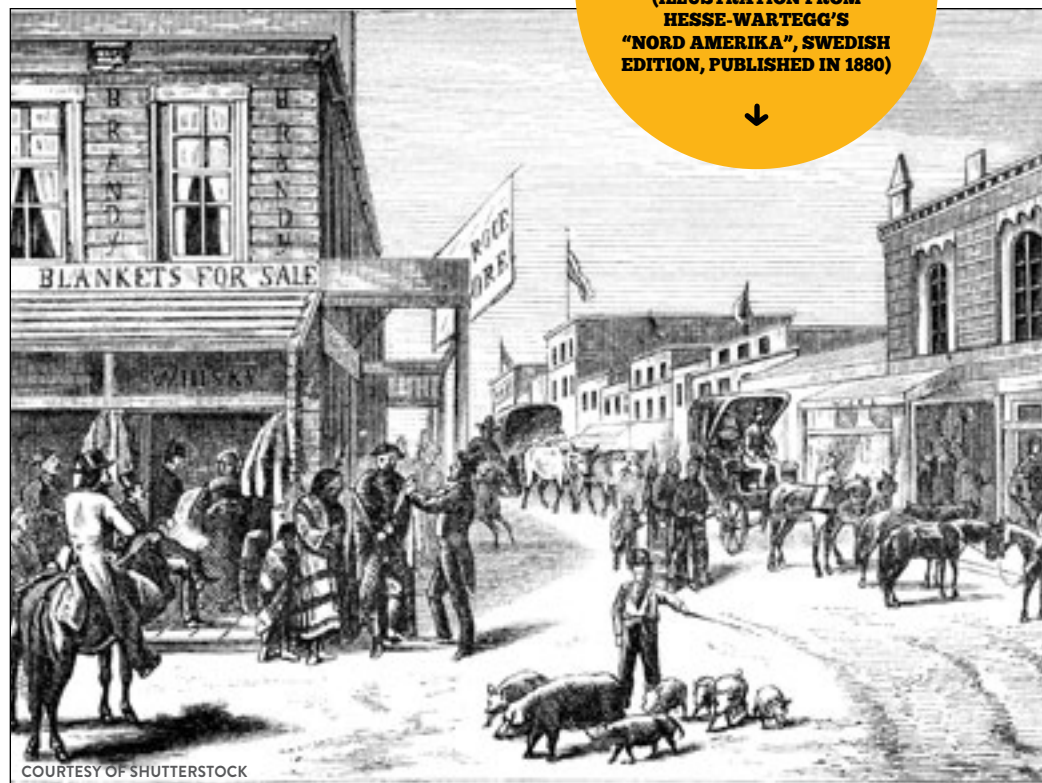
Participants in the 2019 Wichita
Real Estate Roundtable



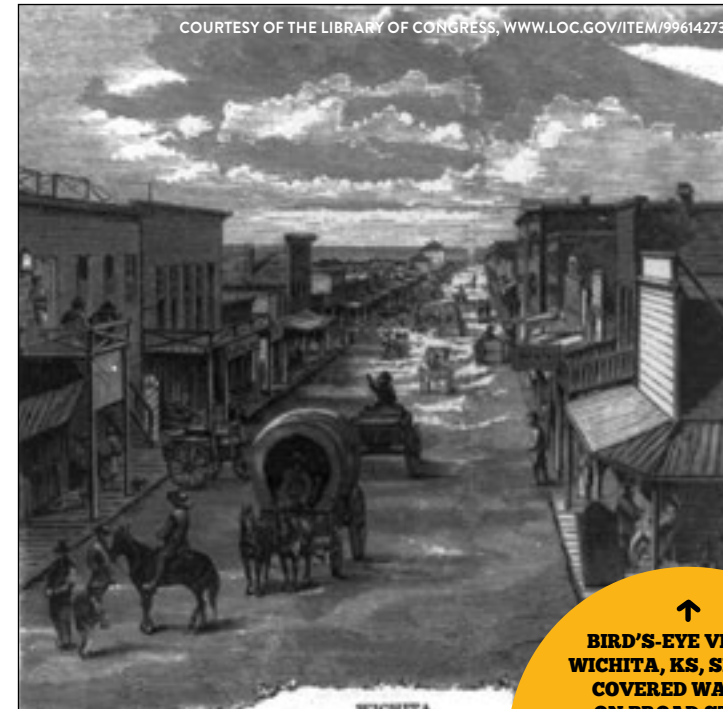
COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2002697706

↑
**WEST ON DOUGLAS AVE,
WICHITA, KS, 1929**

**A STREET IN WICHITA, KS
(ILLUSTRATION FROM
HESSE-WARTEGG'S
"NORD AMERIKA", SWEDISH
EDITION, PUBLISHED IN 1880)**



COURTESY OF SHUTTERSTOCK



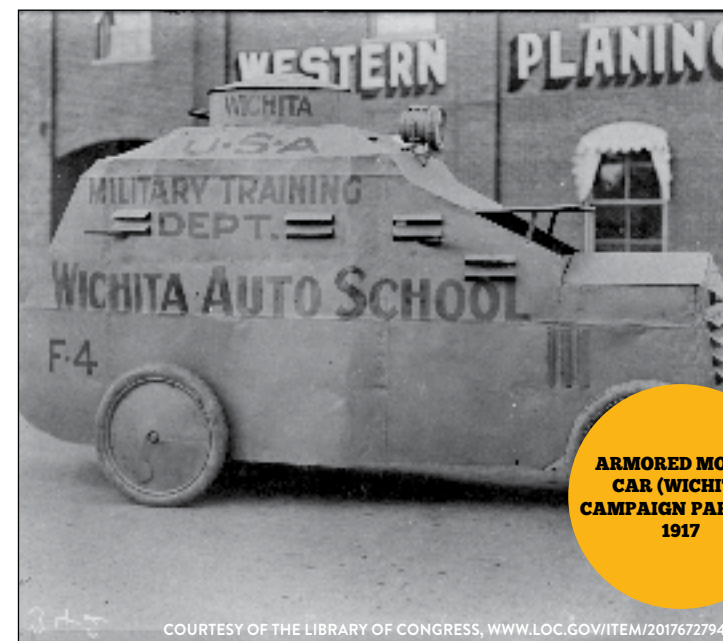
COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/99614273

↑
**BIRD'S-EYE VIEW OF
WICHITA, KS, SHOWING
COVERED WAGONS
ON BROAD ST, 1874**

**PANORAMIC AERIAL
VIEW OF VETERANS
ADMINISTRATION CENTER,
CITY OF WICHITA IN
BACKGROUND, 1933**



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/PICTURES/ITEM/KS0171.PHOTOS.209771P/



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017672794

**ARMORED MOTOR
CAR (WICHITA
CAMPAIGN PARADE),
1917**

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



AND PARTICIPATING REALTOR®
MLS SYSTEMS ACROSS KANSAS

We are especially grateful to Meritrust Credit Union and Security 1st Title for underwriting the cost of preparing this year's Wichita Housing Forecast.

Meritrust
HOME LOANS



Security 1st Title



DESIGN BY VISUAL FUSION GRAPHIC DESIGN STUDIO

Economic Overview

Wichita Employment Growth Solid;
Pace Expected to Slow in 2020

Mortgage Rates to Remain Below 4 Percent

→ Wichita job growth has been much stronger than anticipated over the past year-and-a-half, and the WSU Center for Economic Development and Business Research forecasts that total employment will end the year up 1.3 percent. The pace of growth is expected to slow in 2020, with total employment rising by only 0.5 percent.

A year ago, it looked like mortgage rates were finally headed to more “normal” levels. Since then, however, the 30-year fixed mortgage rate has dropped more than a full percent, and the Mortgage Bankers Association is forecasting that the rate will remain below 4 percent through the end of next year.

**CESSNA AIRCRAFT
EMPLOYEE
USING ALUMINUM
AS A MIRROR,
WICHITA, KS,
1940/1946**



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017700022



COURTESY OF SHUTTERSTOCK

**SERVICING AN
OLD OIL WELL NEAR
WICHITA, KS,
1941**

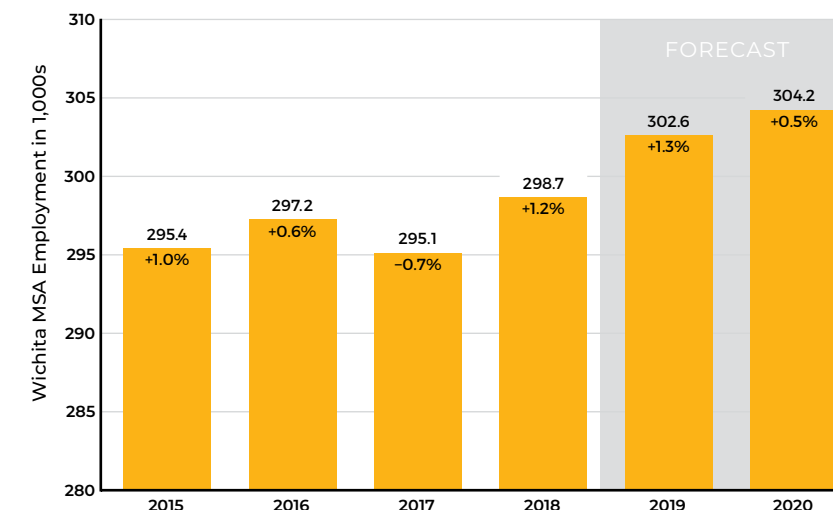


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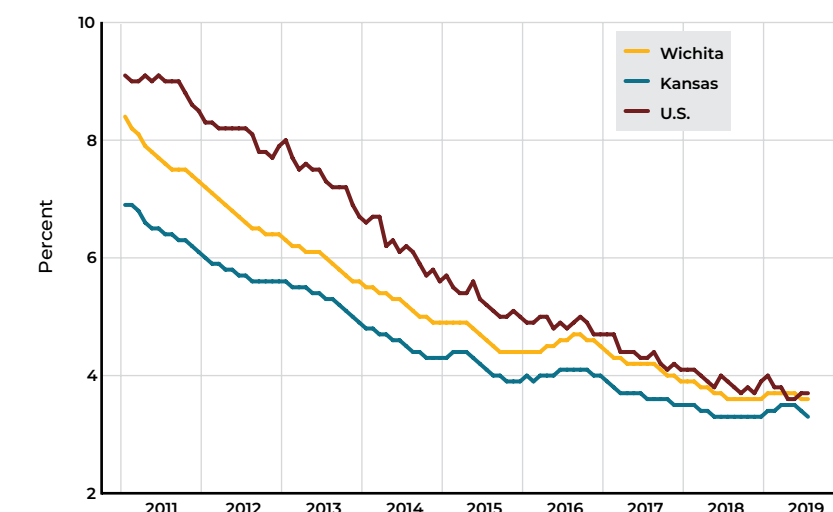
Sources: Freddie Mac, Mortgage Bankers Association, U.S. Bureau of Labor Statistics, WSU Center for Economic Development and Business Research

Notes:
a) Annual average of total, non-farm employment; forecast is by the WSU Center for Economic Development and Business Research
b) Seasonally adjusted
c) Mortgage Bankers Association August 2019 forecast of the 30-year conventional mortgage rate

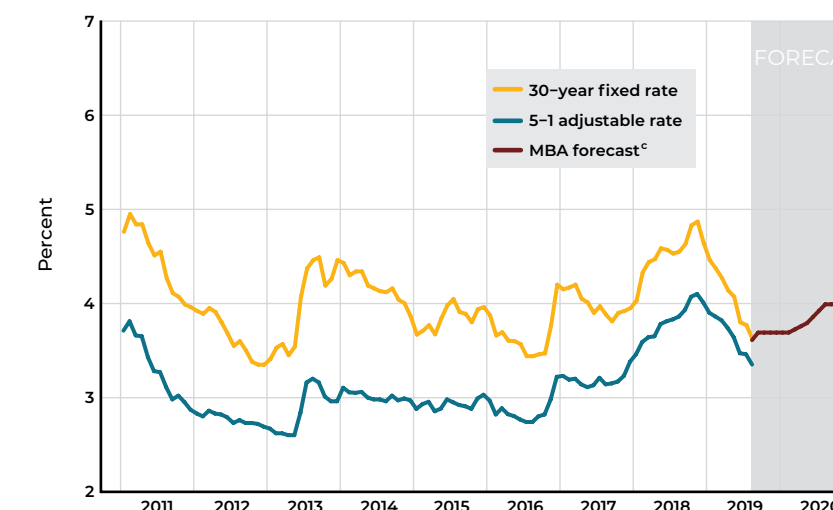
Wichita Employment Forecast ^a



Unemployment Rate ^b



Mortgage Rates





VETERANS
ADMINISTRATION
CENTER, OFFICERS
DUPLEX QUARTERS,
5500 EAST KELLOGG,
WICHITA, KS,
1943
←

Home Sales & Construction

Tight Inventories Holding Back Home Sales

New Home Construction Limited by High
Labor and Materials Costs



WICHITA FIRE DEPT
ENGINE HOUSE NO. 9,
4700 E KELLOGG ST,
WICHITA, KS

COURTESY OF THE LIBRARY OF CONGRESS,
WWW.LOC.GOV/PICTURES/ITEM/KS0169.PHOTOS.209690P



W. K. BOWMAN-O'NEAL
APARTMENT BUILDING,
4313 E KELLOGG ST,
WICHITA, KS, 1929

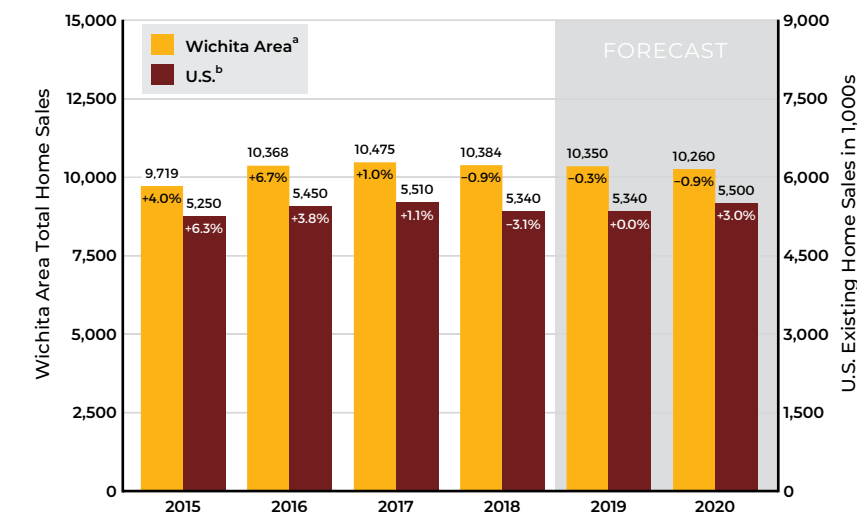
COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/RESOURCE/HHH.KS0170.PHOTOS/?SP=2

➔ Demand among homebuyers in the Wichita area remains strong, especially for homes priced below \$250,000.

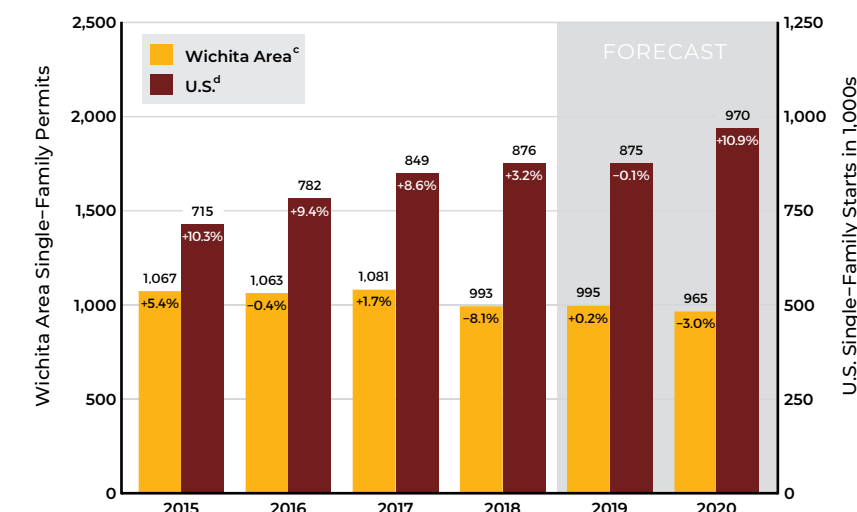
Sales have been down this year, however, due to the limited inventory of homes available for sale. We expect this trend to continue next year, with total home sales falling just slightly to 10,260 units.

Given the strong demand and tight inventories, one might expect new home construction to take off. Unfortunately, high labor and materials costs make it very difficult to build homes in the price segments in shortest supply. As a result, single-family building permits in the Wichita area are expected to remain around 1,000 units per year for the foreseeable future.

Home Sales Activity



New Home Construction Activity



Sources: National Association of REALTORS®, South Central Kansas Multiple Listing Service, Wichita Area Builders Association, WSU Center for Real Estate

Notes:
a) Total home sales in the Wichita area as reported by the South Central Kansas Multiple Listing Service
b) U.S. existing home sales as reported by the National Association of REALTORS®; forecast is the September 2019 forecast by the National Association of REALTORS®
c) Single-family building permits issued in the Wichita area as compiled by the Wichita Area Builders Association
d) U.S. single-family housing starts as reported by the U.S. Bureau of the Census; forecast is the September 2019 forecast by the National Association of REALTORS®

Home Prices

Home Prices
Rising at a Rapid
Pace — Not All
Market Segments
Enjoying Gains



While it may be a sellers' market for modestly priced homes, it's a different story for homes in the upper end of the market. Above the \$500,000 threshold, there is more than a 10 months' supply of homes available for sale, and it is not unusual for these homes to take a long time to sell. For homes priced between \$250,000 and \$500,000, the market seems more balanced, with between a 4 and 5 months' supply of homes available.

On average, however, the tight inventories for modestly priced homes are causing average Wichita home prices to rise at a remarkably fast pace. We expect Wichita home values to rise by 7.1 percent this year followed by another solid increase in 2020.



**WICHITA
CAMPAIGN
PARADE,
1917**

COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017672792



**WICHITA, KS,
1912**

COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2007662159

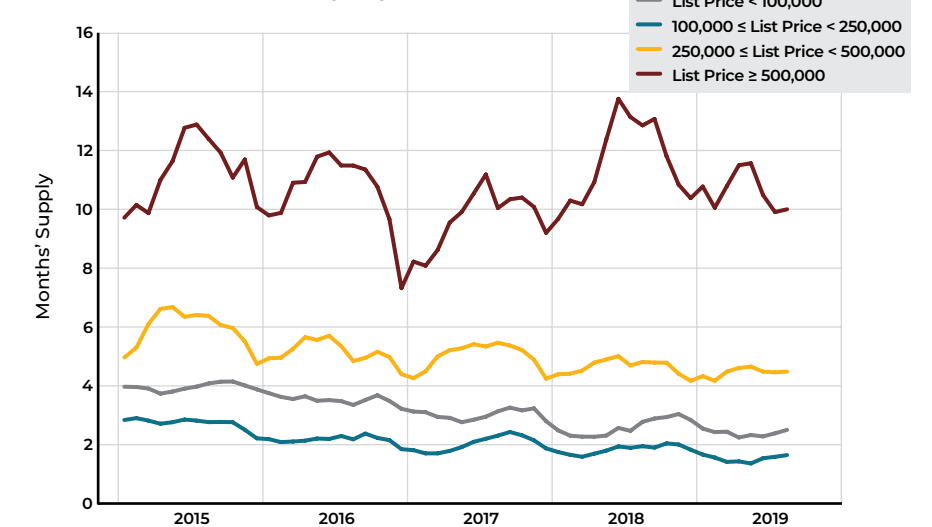


**VETERANS
ADMINISTRATION
CENTER, OFFICERS
DUPLEX QUARTERS,
5500 E KELLOGG ST,
WICHITA, KS,
1933**

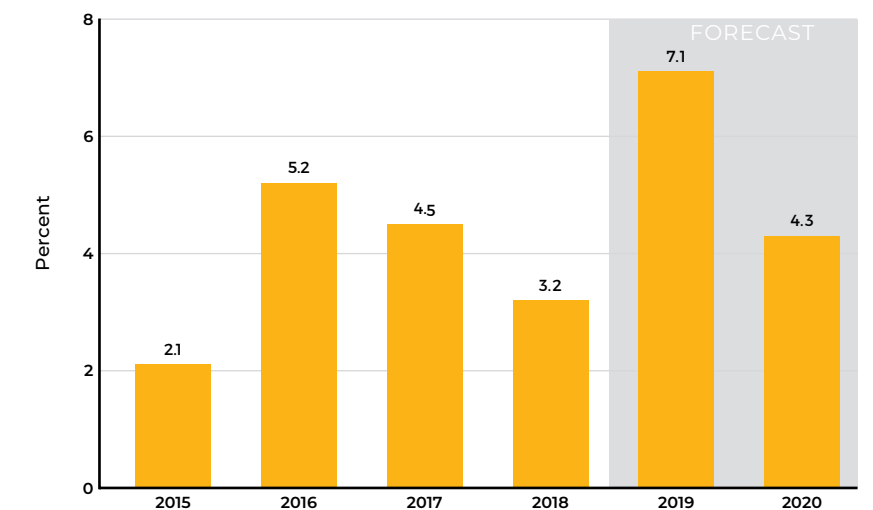


COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/KS0171

Home Inventory by Price Range^a



Home Price Appreciation^b



Sources: Federal Housing Finance Agency, National Association of REALTORS®, South Central Kansas Multiple Listing Service, WSU Center for Real Estate

Notes:

a) Active listings divided by the 12-month trailing moving average of sales, segmented by list price

b) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Wichita metropolitan area, as measured using 4th quarter values

Kansas Forecast

Kansas Home Sales Limited by Tight Inventories

Home Prices Rise in Response



Kansas home sales continue to be hampered by limited inventory in many markets across the state.

We project that sales across the state will end the year down 2.3 percent before rebounding modestly next year, rising 1.2 percent to 40,290 units.

New home construction in Kansas has dropped further this year as rising construction costs make it difficult to build the entry-level new homes that are most in demand. We forecast a modest rebound in 2020, but not enough to offset the declines from this year.

Home price appreciation across the state remains strong due to tight inventories in the most popular neighborhoods and price ranges. We expect this trend will continue for the foreseeable future, with prices rising 5.2 percent this year and another 4.4 percent in 2020.



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017784226

**EXHIBIT OF
RED CROSS AT
INTERNATIONAL
WHEAT SHOW,
WICHITA, KS,
1920**



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017679352



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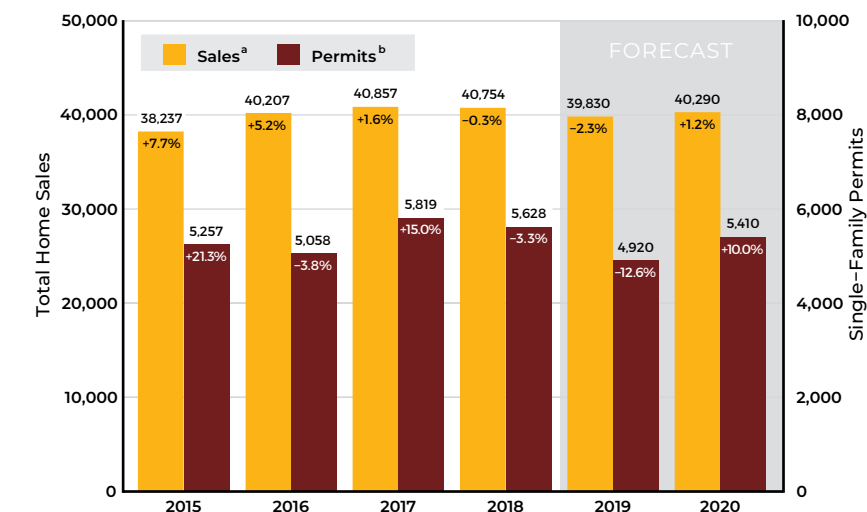
Sources:
Federal Housing Finance Agency,
National Association of REALTORS®,
Participating REALTOR® multiple listing
services across Kansas, U.S. Bureau of the
Census, WSU Center for Real Estate

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) Active listings divided by the 12-month
trailing moving average of sales
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

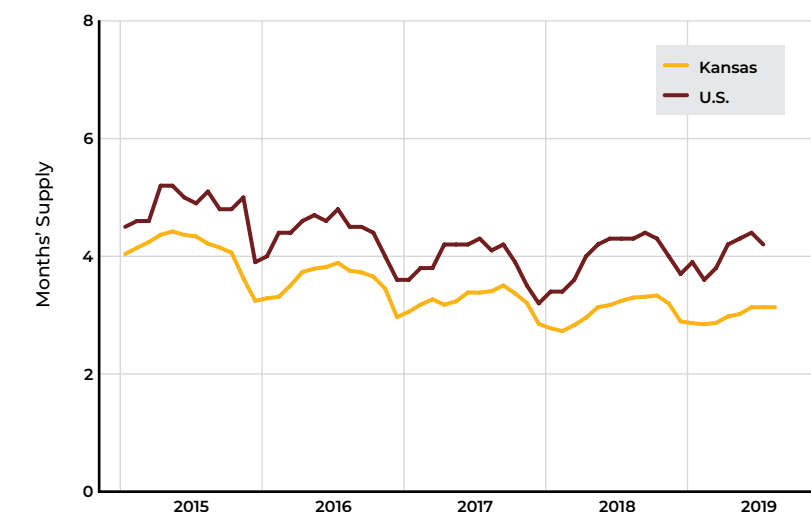
**FARMER'S DAUGHTER,
REPUBLIC COUNTY, KS, 1938**

**OLD WINDMILL AND SHED
ON ABANDONED FARM
NEAR SYRACUSE, KS, 1939**

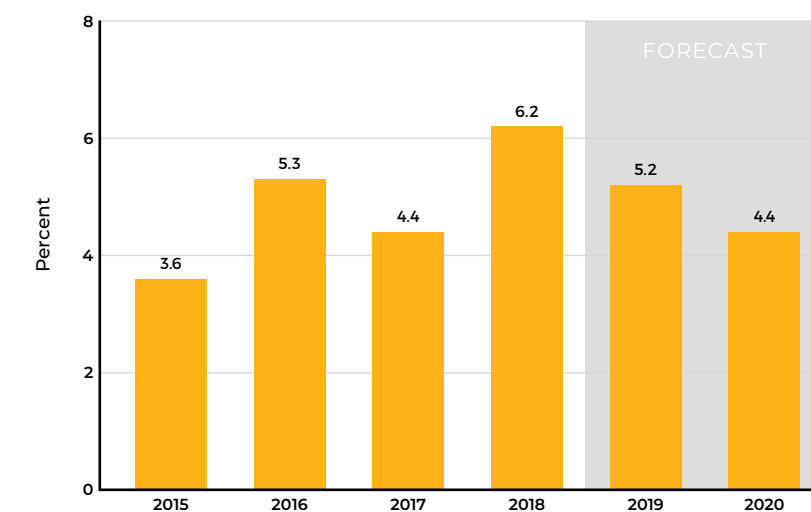
Kansas Housing Market Activity



Inventory of Homes Available for Sale^c



Home Price Appreciation^d



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. While there, you can also explore the wealth of additional data and analysis we provide on housing markets across the state.

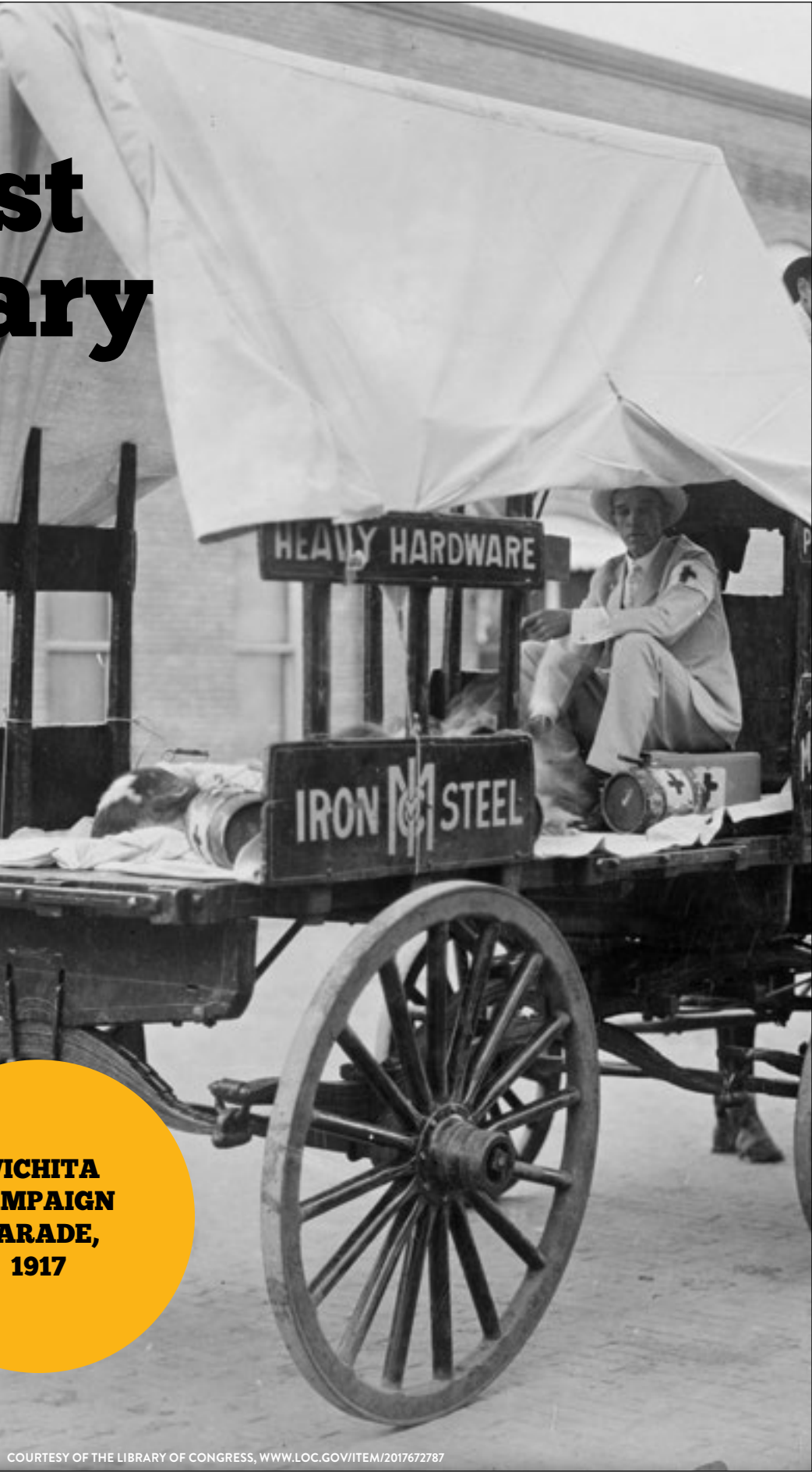
The WSU Center for Real Estate

Laying a Foundation for Real Estate in Kansas

Sources: Federal Housing Finance Agency; Flint Hills Association of REALTORS®; Heartland Multiple Listing Service; Kansas Association of REALTORS® and participating multiple listing services across Kansas; Lawrence Multiple Listing Service; 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.

WICHITA
CAMPAIGN
PARADE,
1917



COURTESY OF THE LIBRARY OF CONGRESS, WWW.LOC.GOV/ITEM/2017672787

	2015	2016	2017	2018	2019	2020
Kansas (Statewide)						
Total Home Sales	38,237	40,207	40,857	40,754	39,830	40,290
Building Permits	5,257	5,058	5,819	5,628	4,920	5,410
Home Price Appreciation	3.6%	5.3%	4.4%	6.2%	5.2%	4.4%
Sales Volume (in millions)	\$7,094	\$7,745	\$8,123	\$8,485		
Average Price	\$185,528	\$192,630	\$198,822	\$208,192		
Kansas City Area (KS & MO)						
Total Home Sales	35,954	38,733	39,821	40,375	38,140	38,540
Building Permits	4,550	5,258	5,920	5,714	4,675	5,440
Home Price Appreciation	6.1%	6.0%	6.9%	9.2%	6.2%	4.9%
Sales Volume (in millions)	\$7,279	\$8,296	\$8,956	\$9,623		
Average Price	\$202,440	\$214,189	\$224,898	\$238,329		
Lawrence MSA						
Total Home Sales	1,383	1,444	1,490	1,490	1,440	1,390
Building Permits	221	264	206	322	220	225
Home Price Appreciation	0.1%	7.2%	4.8%	5.8%	4.3%	3.7%
Sales Volume (in millions)	\$277	\$309	\$327	\$356		
Average Price	\$200,569	\$213,734	\$219,273	\$238,745		
Manhattan MSA						
Total Home Sales	1,246	1,285	1,353	1,458	1,450	1,590
Building Permits	315	271	269	214	210	220
Home Price Appreciation	0.7%	7.6%	-0.5%	1.0%	3.7%	3.6%
Sales Volume (in millions)	\$245	\$260	\$276	\$288		
Average Price	\$196,674	\$202,121	\$204,323	\$197,789		
Topeka Area						
Total Home Sales	2,963	3,236	3,217	3,320	3,140	3,080
Building Permits	302	301	277	276	255	255
Home Price Appreciation	1.9%	2.8%	2.7%	6.6%	4.4%	2.9%
Sales Volume (in millions)	\$401	\$460	\$487	\$505		
Average Price	\$135,240	\$142,168	\$151,242	\$151,981		
Wichita Area						
Total Home Sales	9,719	10,368	10,475	10,384	10,350	10,260
Building Permits	1,067	1,063	1,081	993	995	965
Home Price Appreciation	2.1%	5.2%	4.5%	3.2%	7.1%	4.3%
Sales Volume (in millions)	\$1,463	\$1,631	\$1,651	\$1,721		
Average Price	\$150,501	\$157,286	\$157,650	\$165,780		
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.



Keep in touch with us online

Web: www.wichita.edu/realestate

Facebook: [WSURealEstate](https://www.facebook.com/WSURealEstate)

Twitter: [@WSURealEstate](https://twitter.com/WSURealEstate)



↑
FAIRMOUNT
COLLEGE CAMPUS,
WICHITA, KS, 1906



↓
FAIRMOUNT
COLLEGE CAMPUS,
WICHITA, KS,
CIRCA 1920

W. Frank Barton School of Business

The W. Frank Barton School of Business is home to some of the best programs, brightest minds and biggest opportunities in Kansas. From the largest selection of AACSB-accredited programs in the state to the limitless opportunities for applied learning in Kansas' business hub, Barton School students have everything they need for career success.

TOWERING PAPIER MACHE
WUSHOCK WATCHES OVER
VETERANS FIELD AT WSU,
WICHITA, KS,
1968



Center for Real Estate Contributors

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



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