



WICHITA STATE
UNIVERSITY
W. FRANK BARTON
SCHOOL OF BUSINESS



Center for Real Estate
Wichita State University
W. Frank Barton School of Business
1845 Fairmount
Wichita, KS 67260-0077

Contact: Stanley D. Longhofer
director, Center for Real Estate
stan.longhofer@wichita.edu
www.wichita.edu/realestate
316-978-7163

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WSU Center for Real Estate releases 2023 Kansas City Housing Forecast

Kansas City home values will end the year up 13.8 percent and then rise by another 6.5 percent next year according to the 2023 Kansas City Housing Forecast published by the Wichita State University Center for Real Estate.

“Home price appreciation is slowing, but the supply of homes available for sale remains near historic lows,” said Stan Longhofer, director of the WSU Center for Real Estate. “Although bidding wars may not be as intense as they were earlier this year, it will continue to be a sellers’ market across most market segments.”

Longhofer will present the forecast at 10:15 a.m. Thursday, Oct. 6, at the Kansas Association of Realtors Annual Conference at the Marriott in Overland Park. He will be available for interviews after his presentation at about 11:30 a.m.

The Kansas City Housing Forecast is a part of the 2023 Kansas Housing Markets Forecast series that 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 2023. The series also includes Housing Outlooks for 23 smaller markets across the state.

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

Highlights of the 2023 forecast include the following:

Kansas City Forecast

- **Home sales** – Total home sales in the Kansas City area should end the year down 8.3 percent at 41,940 units due to a combination of a lack of inventory and softening demand. Sales activity should rebound in 2023, rising 5.6 percent to 44,290 units.

- **Construction** – Single-family permitting activity in the Kansas City metropolitan area slowed over the first half of this year due to supply chain issues and labor shortages. Kansas City should end the year with 6,295 single-family permits, down 10.7 percent from 2021. Permitting activity should drop again slightly in 2023, falling 1.7 percent to 6,185 units.
- **Home prices** – The frenzied demand that characterized the market through the early part of this year appears to have eased. Nevertheless, extremely tight inventories will continue to put upward pressure on home prices. Kansas City values should end the year up 13.8 percent before slowing to 6.5 percent in 2023.

Kansas Statewide Forecast

- **Home sales** – Home sales activity across Kansas was slowing this year even before mortgage rates began to rise. Sales are expected to end the year down 6.9 percent at 43,100 units. Home sales should rebound to 44,930 units in 2023, an increase of 4.2 percent.
- **Construction** – New single-family building permits in Kansas are expected to fall by 3.9 percent this year to 6,310 units. Construction activity should stabilize in 2023, dropping a modest 0.9 percent to 6,255 units.
- **Home prices** – Home prices across the state rose by 14.6 percent last year as surging demand ran headlong into supply constraints that have been building for years. While demand has eased with rising mortgage rates, Kansas home values should still end the year up 12.3 percent. The pace of appreciation should slow next year, to a still-strong 5.4 percent.

For more information and a copy of each of the publications in the 2023 Kansas Housing Markets Forecast series, go to www.wichita.edu/realestate, or contact Longhofer at 316-516-6365 or stan.longhofer@wichita.edu.

Located in Kansas' business hub and with significant ties to the business community, the W. Frank Barton School of Business provides extensive applied learning opportunities. With in-person and online options, Barton School undergraduate and graduate programs are tailored to transform the lives of its students. It also holds a double AACSB accreditation for business and accounting, which puts it in the top 1% of business schools worldwide. The Barton School was established as the university's College of Business Administration and Industry in 1926 and has thousands of graduates around the world.