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### ***WSU Center for Real Estate releases 2023 Kansas Housing Markets Forecast Series***

Kansas home values will end the year up 12.3 percent and then rise by another 5.4 percent next year according to the 2023 Kansas Housing Markets Forecast series 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 of the state.”

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

Highlights of the 2023 forecast include the following:

#### **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.

### **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.

### **Lawrence Forecast**

- **Home sales** – Lawrence area home sales are expected to fall by 4.9 percent this year to 1,470 units due to tight inventories and softening demand. Sales should rebound slightly in 2023, ending the year up 0.7 percent at 1,480 units.
- **Construction** – Single-family permitting activity in the Lawrence area has stabilized at about 270 units annually in recent years. This trend should continue for the foreseeable future, with Lawrence ending the year with 275 new single-family permits, followed by 265 new permits in 2023.
- **Home prices** – Extremely tight inventories have caused Lawrence home values to rise at an historically fast pace. Lawrence home values should end the year up 12.3 percent before slowing to a more-normal appreciation rate of 4.8 percent in 2023.

## Manhattan Forecast

- **Home sales** – Home sales activity in the Manhattan-Junction City metropolitan area is expected to decline by 9.3 percent this year to 2,030 units due to a lack of inventory coupled with higher mortgage rates. Sales should fall by another 2.5 percent in 2023 to 1,980 units.
- **Construction** – New home construction activity in the Manhattan-Junction City area is expected to rise by 3.4 percent to 275 units this year in spite of supply chain issues and a shortage of labor. This should continue in 2023, with permits increasing another 3.6 percent to 285 units.
- **Home prices** – Home values in the Manhattan-Junction City metropolitan area are on pace to rise by 9.3 percent this year. The market should normalize in 2023, with home values rising by a solid but more-typical 4.2 percent.

## Topeka Forecast

- **Home sales** – Topeka area home sales will end the year down 2.5 percent at 3,410 units. Sales should decline again just slightly in 2023, ending the year down 0.6 percent at 3,390 units.
- **Construction** – New home construction activity in the Topeka area has risen markedly over the past several years in spite of supply chain issues and labor market shortages. This trend should continue, with total single-family building permits rising 4.3 percent this year to 435 units. Construction should taper off somewhat in 2023, falling 2.3 percent to 425 units.
- **Home prices** – Extremely tight inventories continue to put upward pressure on Topeka-area home prices, which should end the year up 9.7 percent before slowing to a more-typical 3.3 percent gain in 2023.

## Wichita Forecast

- **Home sales** – Tight inventories and rising mortgage rates should cause Wichita-area home sales activity to fall by 4.9 percent this year to 11,560 units. Sales will rebound slightly in 2023, ending the year up 0.7 percent at 11,640 units.
- **Construction** – New home construction activity in the Wichita area is expected to rise 5.2 percent this year to 1,530 units. This trend should continue in 2023, with permitting activity rising another 2.6 percent to 1,570 units.
- **Home prices** – Wichita home price appreciation may be slowing from its torrid pace of the first part of the year but should still end the year up a remarkable 12.9 percent. Appreciation will return to a more-normal pace of 4.7 percent in 2023.

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](http://www.wichita.edu/realestate), or contact Longhofer at 316-516-6365 or [stan.longhofer@wichita.edu](mailto: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.