



# 2025 KANSAS CITY



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# KANSAS HOUSING MARKETS FORECAST



WICHITA STATE  
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## FULL CIRCLE

This year marks the 25th anniversary of the WSU Center for Real Estate. As we celebrate this milestone, housing markets across the state appear to be returning to the “old normal” not seen since before the Financial Crisis in 2008. After years of turmoil, mortgage rates now seem to be settling into a range we have long thought to be ideal. And while inventories of homes available for sale remain quite tight, market conditions have become more balanced between buyers and sellers.

As the market comes full circle, it’s our pleasure to bring you the 2025 Kansas Housing Markets Forecast Series to help you prepare for all that may lie ahead.

**Dr. Stanley D. Longhofer**  
Director, WSU Center for Real Estate  
[wichita.edu/realestate](http://wichita.edu/realestate)



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# 25



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We are especially grateful to Security 1st Title and Capital Federal Savings for underwriting the cost of preparing this year’s Kansas City Housing Forecast.

Thanks also to the Kansas City Regional Association of REALTORS® the Heartland MLS, the Kansas Association of REALTORS® and participating multiple listing services across Kansas for providing much of the data used to prepare this forecast.

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

**Kipp Cooper** | KANSAS CITY REGIONAL ASSOCIATION OF REALTORS®

**Maranda DeSanto** | Kansas Association of REALTORS®

**Participants in the 2024 Kansas City Real Estate Roundtable**

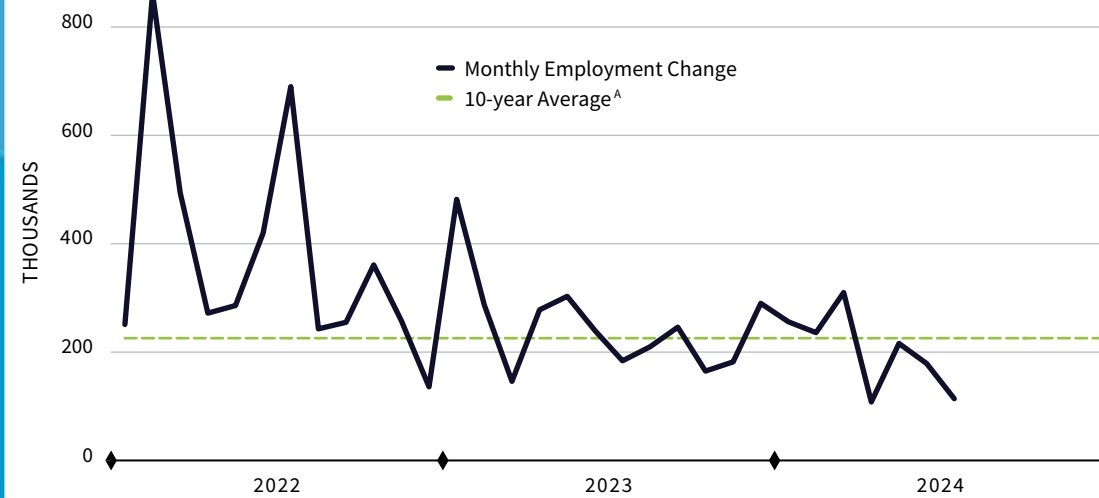


# ECONOMIC OVERVIEW

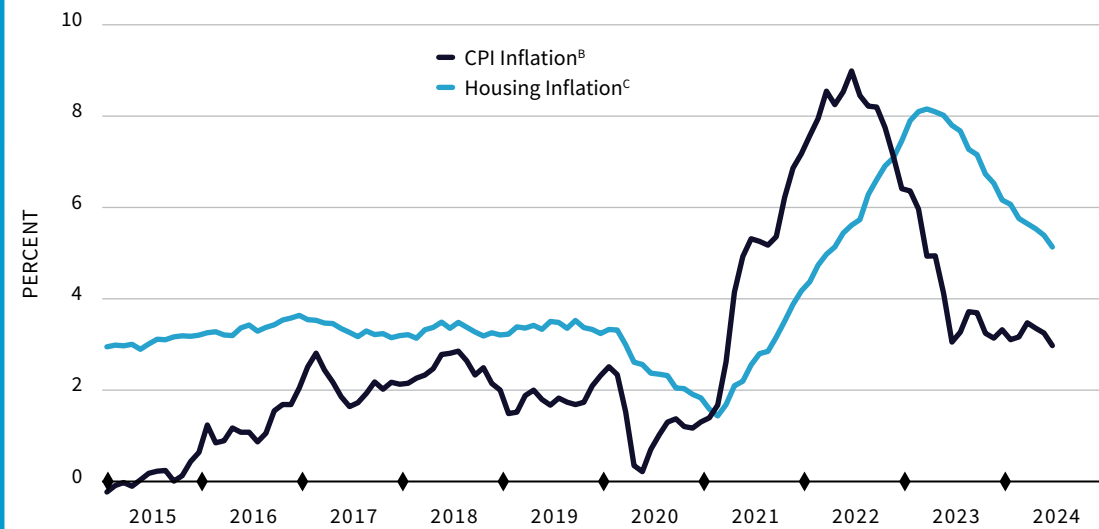
The major economic uncertainty of the day is when the Federal Reserve will lower short term interest rates and how far they will drop. Nationally, employment growth has slowed in recent months, giving the Fed more impetus to act. At the same time, while the inflation rate has dropped considerably from the highs seen in 2022, it remains stubbornly above the Fed's two percent target. Housing inflation – the result of nearly 15 years of underbuilding – has moderated recently but continues to help drive up the overall inflation number.

In balance, the Fed appears to be poised to begin lowering rates. At the time of this writing, financial markets expect the Federal Reserve to cut short-term rates by  $\frac{3}{4}$  of a percent by the end of 2024. If this happens, however, it does not mean that long-term mortgage rates will fall by the same amount. Indeed, the Mortgage Bankers Association is forecasting that mortgage rates will fall only slightly in the coming year, ending 2025 just below 6 percent. In our view, this is a good thing: Mortgage rates may finally be settling into the range we have always seen as consistent with a healthy market and low inflation.

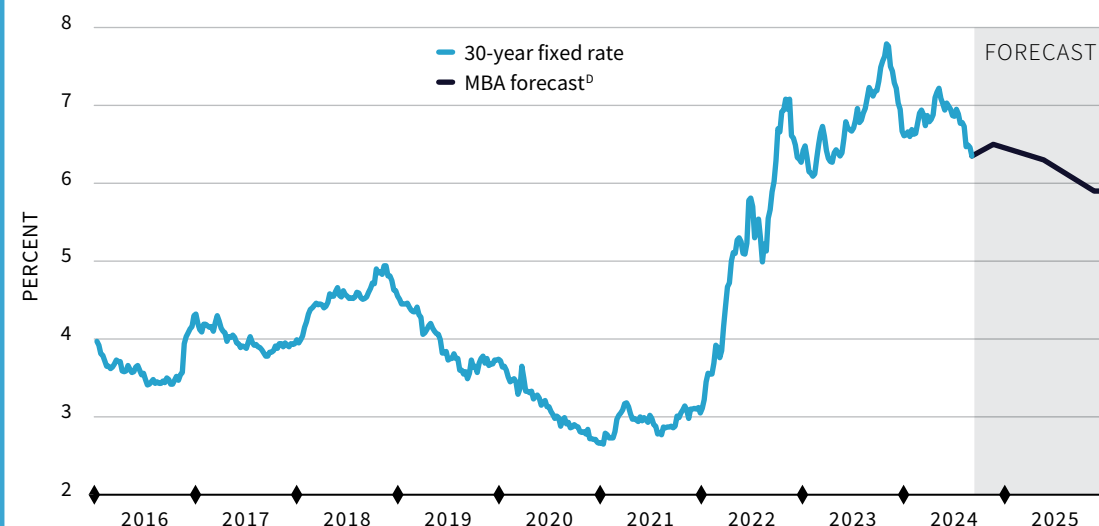
### U.S. EMPLOYMENT GROWTH



### CONSUMER INFLATION



### MORTGAGE RATES



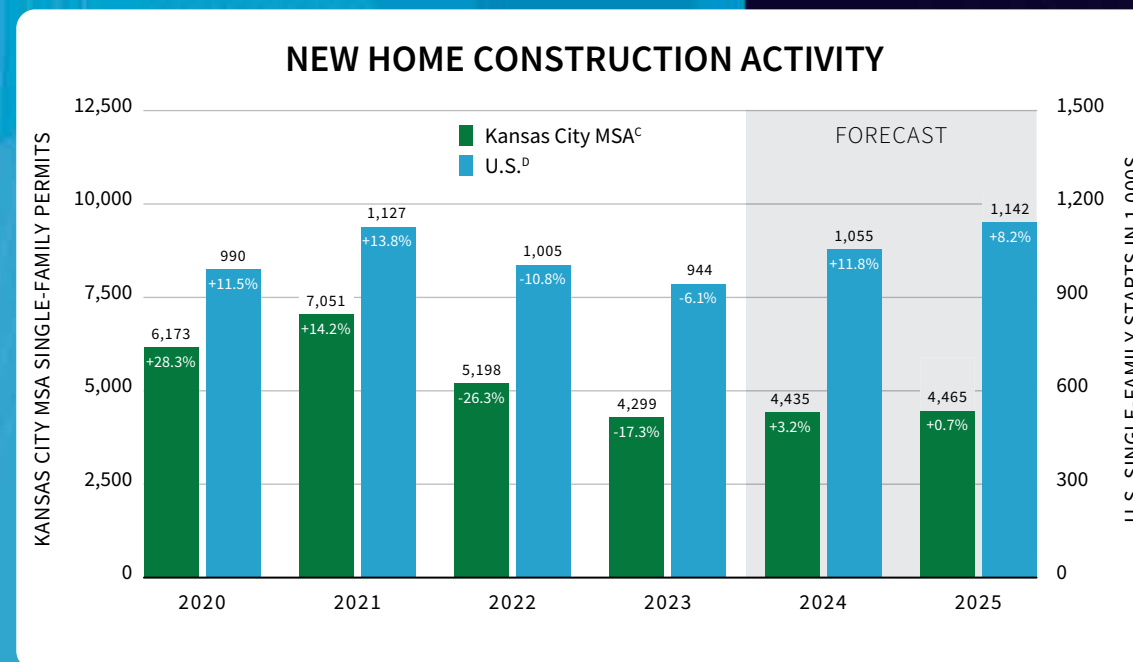
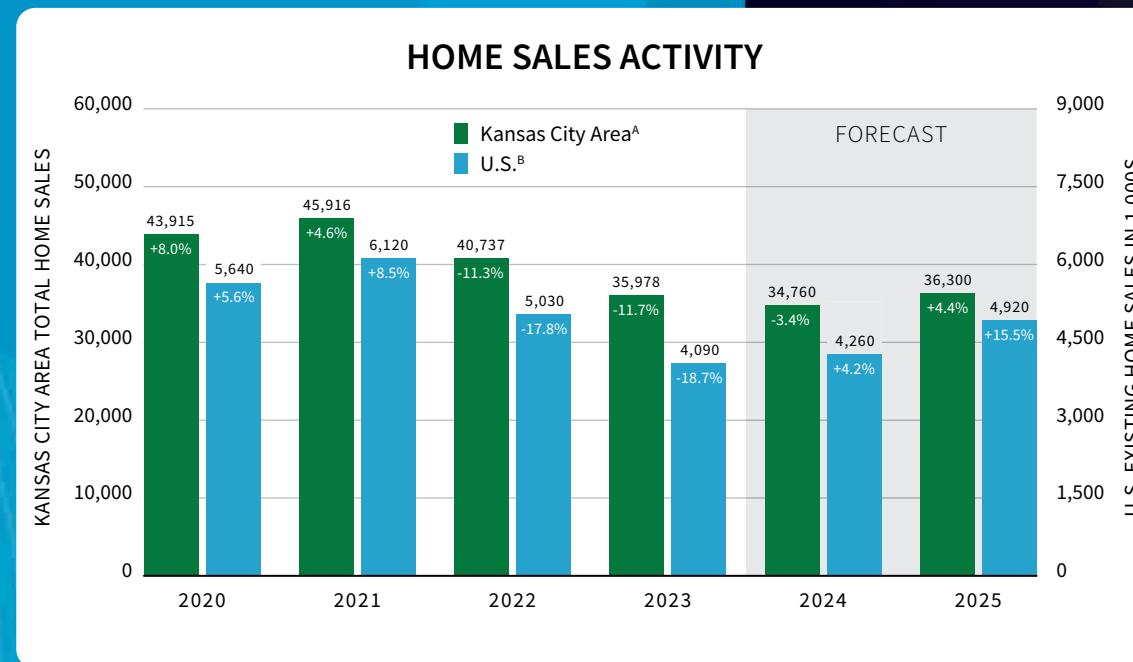
SOURCES:  
FREDDIE MAC  
MORTGAGE BANKERS ASSOCIATION  
U.S. BUREAU OF LABOR STATISTICS

NOTES:  
A. AVERAGE MONTHLY EMPLOYMENT CHANGE SINCE AUGUST 2014, EXCLUDING THE 2020-2021 COVID YEARS  
B. YEAR-OVER-YEAR PERCENTAGE CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS  
C. YEAR-OVER-YEAR PERCENTAGE CHANGE IN THE SHELTER COMPONENTS OF THE CONSUMER PRICE INDEX  
D. MORTGAGE BANKERS ASSOCIATION AUGUST 2024 FORECAST OF THE 30-YEAR FIXED MORTGAGE RATE

# HOME SALES AND CONSTRUCTION

Home sales activity in the Kansas City area has rebounded in recent months but continues to lag behind 2023 for the year as a whole. The recent drop in mortgage rates has brought some buyers back into the market, but the limited inventory of homes available for sale continues to constrain the market. We project that Kansas City area home sales will end the year down slightly and then rebound in 2025, rising 4.4 percent to 36,300 units.

New home construction in the Kansas City metropolitan area has strengthened somewhat this year, buoyed by the recent drop in mortgage rates. Still, permitting activity remains far below what will be needed to bring housing markets back into balance. We expect that total single-family building permits across the metropolitan area will end the year at 4,435 units, up 3.2 percent compared to 2023. Activity should level off in 2025, ending the year up just slightly at 4,465 units.



SOURCES:  
 HEARTLAND MULTIPLE LISTING SERVICE  
 NATIONAL ASSOCIATION OF REALTORS®  
 U.S. BUREAU OF THE CENSUS  
 WSU CENTER FOR REAL ESTATE

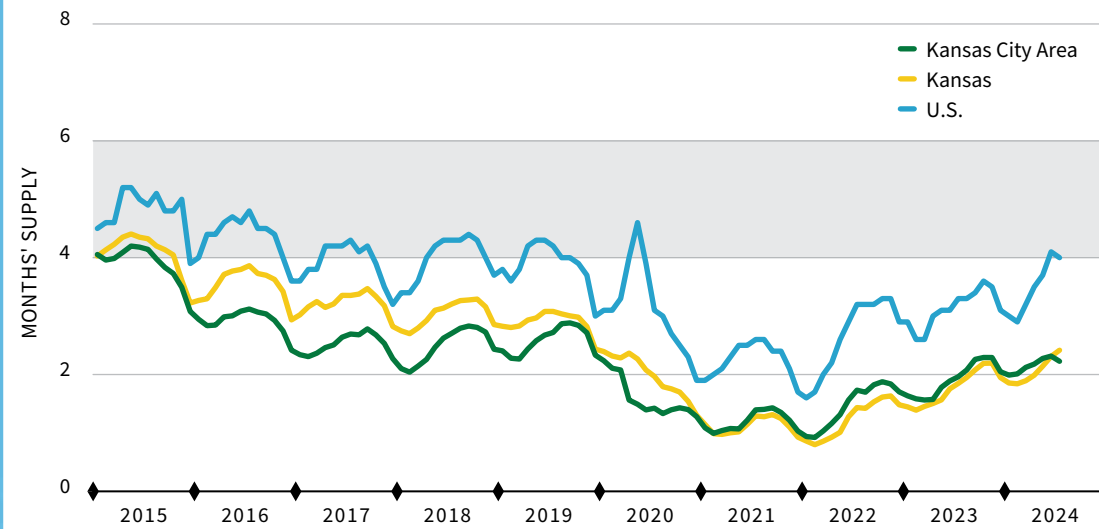
NOTES:  
 A. TOTAL HOME SALES IN THE KANSAS CITY AREA AS REPORTED BY THE HEARTLAND MULTIPLE LISTING SERVICE  
 B. U.S. EXISTING HOME SALES AS REPORTED BY THE NATIONAL ASSOCIATION OF REALTORS®; FORECAST IS THE JULY 2024 FORECAST BY THE NATIONAL ASSOCIATION OF REALTORS®  
 C. SINGLE-FAMILY BUILDING PERMITS ISSUED IN THE KANSAS CITY METROPOLITAN AREA AS REPORTED BY THE U.S. BUREAU OF THE CENSUS  
 D. U.S. SINGLE-FAMILY HOUSING STARTS AS REPORTED BY THE U.S. BUREAU OF THE CENSUS; FORECAST IS THE JULY 2024 FORECAST BY THE NATIONAL ASSOCIATION OF REALTORS®

# HOME PRICES

Demand for homes in the Kansas City area continues to outpace supply, with the inventory of homes available for sale still well below the 4 to 6 months' supply typically associated with a balanced market. Nevertheless, buyers remain cautious in the face of higher home prices and financing costs and appear willing to pass on homes they deem overpriced or in less than perfect condition.

Although home price appreciation has slowed dramatically from the stunning rates posted in 2021 and 2022, it remains quite strong by historical standards. Given the tight supply conditions, we project that Kansas City home values will end the year up 6 percent in 2024 and then rise another 5.6 percent in 2025.

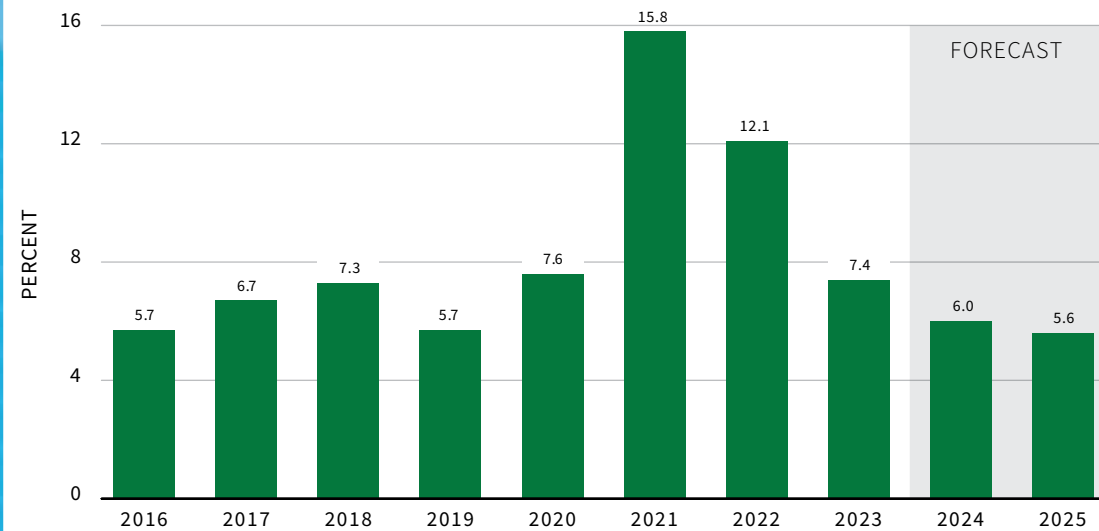
INVENTORY OF HOMES AVAILABLE FOR SALE<sup>A</sup>



SOURCES:  
FEDERAL HOUSING FINANCE AGENCY  
HEARTLAND MULTIPLE LISTING SERVICE  
WSU CENTER FOR REAL ESTATE

NOTES:  
A. ACTIVE LISTINGS DIVIDED BY THE 12-MONTH TRAILING MOVING AVERAGE OF SALES  
B. YEAR-OVER-YEAR PERCENTAGE CHANGE IN THE FEDERAL HOUSING FINANCE AGENCY ALL-TRANSACTIONS HOUSING PRICE INDEX FOR THE KANSAS CITY METROPOLITAN AREA, AS MEASURED USING 4TH QUARTER VALUES

HOME PRICE APPRECIATION<sup>B</sup>



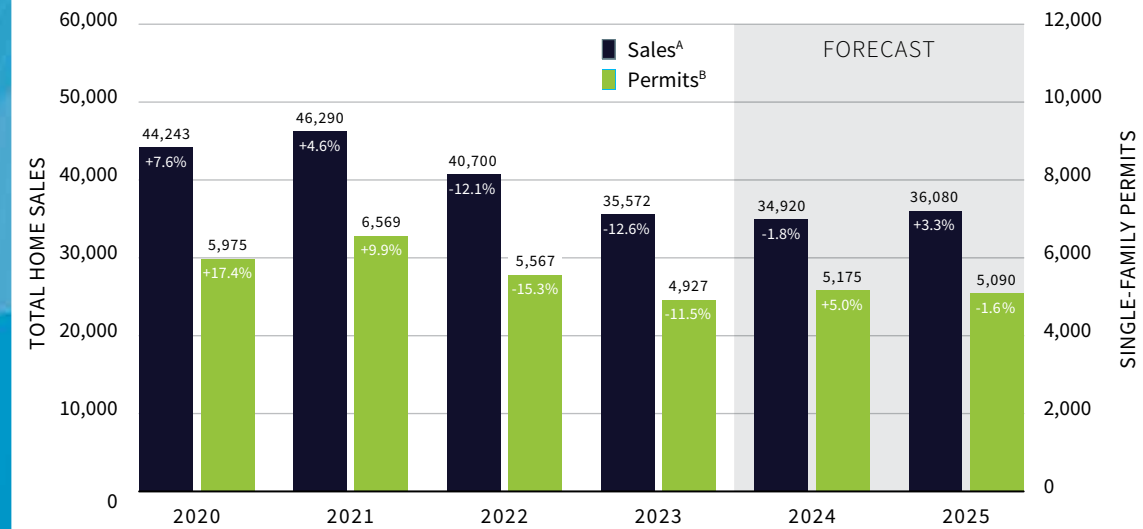
# KANSAS FORECAST

After falling for the past two years in the face of rising mortgage rates, home sales activity across Kansas has stabilized during the first half of 2024. Inventories remain very tight in most markets, but higher home prices and mortgage rates are holding back buyers, making for a relatively balanced market. We expect that sales across the state will fall slightly this year and then rebound in 2025, rising 3.3 percent to 36,080 units.

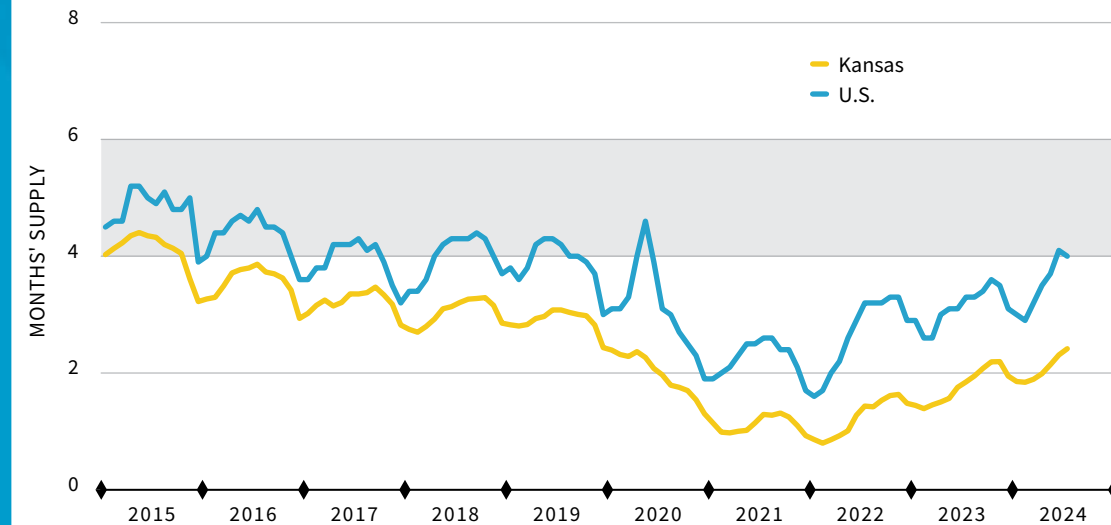
The current inventory shortage is ultimately the result of 15 years of too little new home construction, especially at more modest price points. Unfortunately, high construction and financing costs make it difficult for move-up buyers to afford the type of homes we need to build in order to resolve the inventory problem.

The double-digit home price appreciation we experienced in 2021 and 2022 now appears to have slowed. Nevertheless, limited inventories are still putting strong upward pressure on home prices in most markets across the state. We project that Kansas home values will continue to appreciate at an above-normal rate for the foreseeable future, rising 7.9 percent this year, followed by another 6 percent gain in 2025.

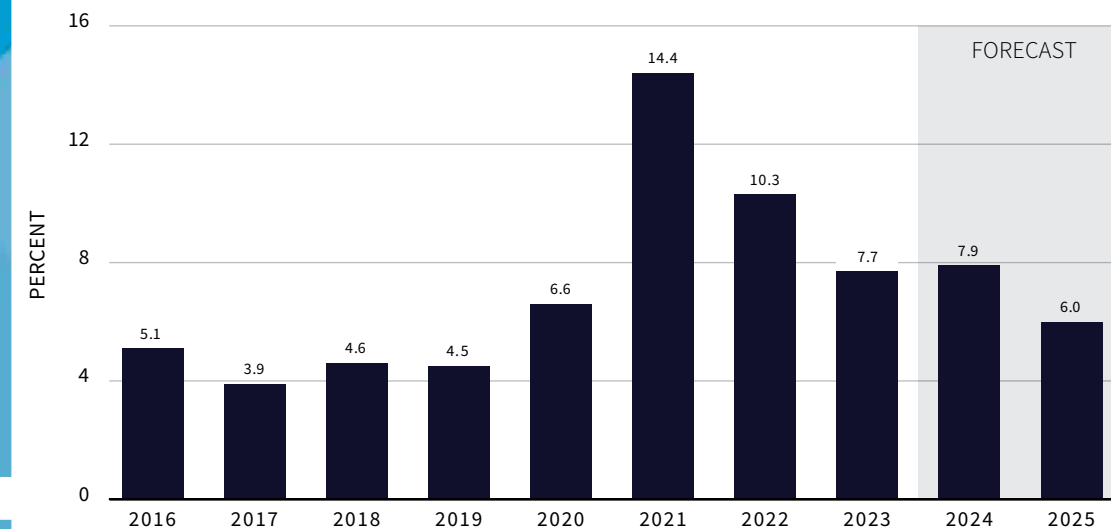
### KANSAS HOUSING MARKET ACTIVITY



### INVENTORY OF HOMES AVAILABLE FOR SALE<sup>C</sup>



### HOME PRICE APPRECIATION<sup>D</sup>



SOURCES:  
 FEDERAL HOUSING FINANCE AGENCY  
 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

# 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](http://wichita.edu/realestate). While there, you can also explore the wealth of additional data and analysis we provide on housing markets across the state.

**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 home sales, sales volume, and average price figures include all closed transactions reported in the Heartland Multiple Listing Service; Kansas City building permit and home price appreciation figures are for the Kansas City, KS-MO Metropolitan Statistical Area.

	2021	2022	2023	2024	2025
<b>KANSAS</b> Statewide	TOTAL HOME SALES 46,290	40,700	35,572	34,920	36,080
	PERCENT CHANGE 4.6	-12.1	-12.6	-1.8	3.3
	BUILDING PERMITS 6,569	5,567	4,927	5,175	5,090
	PERCENT CHANGE 9.9	-15.3	-11.5	5.0	-1.6
	HOME PRICE APPRECIATION 14.4	10.3	7.7	7.9	6.0
	SALES VOLUME (IN MILLIONS) 12,161	11,736	10,654		
	AVERAGE PRICE 262,713	288,350	299,510		
<b>KANSAS CITY</b> Area (KS & MO)	TOTAL HOME SALES 45,916	40,737	35,978	34,760	36,300
	PERCENT CHANGE 4.6	-11.3	-11.7	-3.4	4.4
	BUILDING PERMITS 7,051	5,198	4,299	4,435	4,465
	PERCENT CHANGE 14.2	-26.3	-17.3	3.2	0.7
	HOME PRICE APPRECIATION 15.8	12.1	7.4	6.0	5.6
	SALES VOLUME (IN MILLIONS) 13,980	13,615	12,364		
	AVERAGE PRICE 304,474	334,211	343,656		
<b>LAWRENCE</b> MSA	TOTAL HOME SALES 1,546	1,329	1,036	1,090	1,080
	PERCENT CHANGE -2.8	-14.0	-22.0	5.2	-0.9
	BUILDING PERMITS 262	189	191	240	235
	PERCENT CHANGE -8.7	-27.9	1.1	25.7	-2.1
	HOME PRICE APPRECIATION 14.9	10.1	9.0	2.4	3.4
	SALES VOLUME (IN MILLIONS) 466	441	353		
	AVERAGE PRICE 301,658	331,883	340,954		
<b>MANHATTAN</b> MSA	TOTAL HOME SALES 2,239	1,940	1,619	1,620	1,800
	PERCENT CHANGE 19.3	-13.4	-16.5	0.1	11.1
	BUILDING PERMITS 266	242	215	250	255
	PERCENT CHANGE 12.7	-9.0	-11.2	16.3	2.0
	HOME PRICE APPRECIATION 7.5	9.8	6.3	7.7	4.9
	SALES VOLUME (IN MILLIONS) 497	460	414		
	AVERAGE PRICE 222,137	237,095	255,569		
<b>TOPEKA</b> Area	TOTAL HOME SALES 3,486	3,154	2,795	2,860	2,840
	PERCENT CHANGE 0.8	-9.5	-11.4	2.3	-0.7
	BUILDING PERMITS 417	413	303	355	365
	PERCENT CHANGE 9.7	-1.0	-26.6	17.2	2.8
	HOME PRICE APPRECIATION 16.6	10.6	6.6	5.6	4.2
	SALES VOLUME (IN MILLIONS) 667	655	610		
	AVERAGE PRICE 191,245	207,807	218,424		
<b>WICHITA</b> Area	TOTAL HOME SALES 12,152	10,570	9,461	9,360	9,550
	PERCENT CHANGE 5.7	-13.0	-10.5	-1.1	2.0
	BUILDING PERMITS 1,455	1,352	1,226	1,225	1,285
	PERCENT CHANGE 4.2	-7.1	-9.3	-0.1	4.9
	HOME PRICE APPRECIATION 14.6	11.1	10.8	8.0	7.7
	SALES VOLUME (IN MILLIONS) 2,616	2,503	2,323		
	AVERAGE PRICE 215,276	236,774	245,583		

# CENTER FOR REAL ESTATE CONTRIBUTORS:

The Center for Real Estate was created to help deepen the connections between the region's professional real estate community and the academic programs at Wichita State University. Whether you need to better understand the area's real estate markets or would like to engage our students as interns or full-time employees, the WSU Center for Real Estate is your go-to resource.

## BARTON SCHOOL OF BUSINESS

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.



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