Not everything we “know” turns out to be true. We begin to take the familiar for granted and fail to notice the changes happening around us. To see things more clearly, we sometimes need to look at things from A New Perspective.

This year’s Topeka Housing Market Forecast can help you do just that. By combining the latest economic and housing market data with our own unique insights and analysis, the WSU Center for Real Estate provides you with the new perspective you need to prepare and adapt to the changing housing market.

Dr. Stanley D. Longhofer
Director, WSU Center for Real Estate
WICHITA.EDU/REALESTATE
Special Thanks:

Faith Atteberry | WSU Center for Real Estate
Linda Briden | Sunflower Association of REALTORS®
Karen Gehle | Kansas Association of REALTORS®
Jeremy Hill | WSU Center for Economic Development and Business Research
Samuel Radaha | WSU Center for Real Estate
John Ringgold | Real Estate Business Resources

Participants in the 2015 Topeka Real Estate Roundtable

We are especially grateful to Security 1st Title for underwriting the cost of preparing this year’s Topeka Housing Market Forecast.

Security 1st Title

We are also grateful to the REALTOR® boards and multiple listing services that have provided much of the data used to prepare this forecast:
Center for Real Estate
The W. Frank Barton School of Business at Wichita State has been the driving force behind some of the brightest minds and biggest ideas of the past 100 years. Combining the widest range of undergraduate degrees in the state and virtually unlimited learning opportunities (thanks to Kansas’ largest business community), it’s no surprise that employers continue to show a preference for hiring Barton School graduates.

WICHITA.EDU/BUSINESS

Wichita State University has one of the oldest real estate programs in the country. Since its inception, the program has strived to maintain close connections with real estate professionals throughout the region.

The Center for Real Estate was established in 2000 to help deepen the connections between the professional real estate community and the academic programs at Wichita State University. Toward this end, the Center engages in a variety of activities that promote and enhance real estate markets and related industries:

- We maintain comprehensive databases of publicly-available information on Kansas real estate markets, and make many of these available on our website at wichita.edu/realestate. If there is data you need, let us know and we’ll see what we can do to help.

- We provide independent, expert analysis of area real estate markets and policy issues related to real estate.

- We conduct high-quality academic research on real estate, and then apply this research to develop practical resources that benefit real estate practitioners, policy makers and the general public. This forecast is just one example of this effort.

- We help students connect with area real estate professionals & organizations. If you have opportunities for current students or want to hire recent graduates, let us know and we’ll help you connect.
Economic Overview

Over the past year, Topeka employment growth has slowed along with the rest of the state. The WSU Center for Economic Development and Business Research forecasts that total non-farm employment statewide will rise by 19,958 jobs in 2016, a 1.4 percent increase.

In line with the tepid job growth, the Topeka unemployment rate has risen slightly over the course of this year, up to 4.7 percent in July compared to 4.4 percent in December.

Although the Federal Reserve did not raise short-term interest rates during its September meeting, the question is when—not if—mortgage rates will begin to rise. Given low inflationary pressures, a modest increase in mortgage rates may actually help the housing market, strengthening the demand for starter homes that are now being bypassed by first-time buyers trying to stretch into more expensive homes given current low rates.
TOPEKA JOB GROWTH HAS SLOWED OVER THE PAST YEAR.

FOR THE LATEST TRENDS AND STATISTICS, VISIT WICHITA.EDU/REALESTATE
Despite the weak labor market, home sales activity has rebounded nicely this year. After falling 1.3 percent in 2014, sales in the Topeka area are now on pace to rise by 10.6 percent this year to 3,280 units. We expect this trend to continue in 2016, with sales rising 4.6 percent to 3,430 units.

New home construction in Topeka has improved as well. Single-family building permits are on pace to rise by 16.4 percent this year. We expect this pace slow somewhat in 2016, with permits rising 3.3 percent to 315 units.
TOPEKA HOME SALES SHOULD RISE BY 4.6 PERCENT IN 2016.

FOR THE LATEST TRENDS AND STATISTICS, VISIT WICHITA.EDU/REALESTATE

Sources:
National Association of REALTORS®, Sunflower Association of REALTORS®,
U.S. Bureau of the Census, WSU Center for Real Estate

Notes:
A) Total home sales in the Topeka area as reported by the Sunflower Association of REALTORS®
B) U.S. existing home sales as reported by the National Association of REALTORS®; forecast is the September 2015 forecast by the National Association of REALTORS®
C) Single-family building permits issued in the Topeka metropolitan area as reported by the U.S. Bureau of the Census; forecast is the September 2015 forecast by the National Association of REALTORS®
D) U.S. single-family housing starts as reported by the U.S. Bureau of the Census; forecast is the September 2015 forecast by the National Association of REALTORS®
The inventory of homes available for sale in the Topeka market has tightened in recent months as new listings have failed to keep pace with increased sales. Supplies are especially tight among mid-priced homes in popular neighborhoods, and real estate agents are regularly reporting listings that have sold in just a few days with multiple offers.

Despite the tightening inventories, there has been little upward pressure on home prices. After appreciating by 1.8 percent in 2014, average home values in the Topeka area are on track to rise only modestly this year. We expect Topeka area home values will rise by just less than one percent in 2016.

FOR THE LATEST TRENDS AND STATISTICS, VISIT WICHITA.EDU/REALESTATE
TOPEKA HOME VALUES WILL RISE ONLY MODESTLY IN 2016.

2016 KANSAS HOUSING MARKETS FORECAST  TOPEKA: HOME PRICES

INVENTORY OF HOMES AVAILABLE FOR SALE

HOME PRICE APPRECIATION

Sources:
Federal Housing Finance Agency, National Association of REALTORS®, Sunflower Association of REALTORS®, WSU Center for Real Estate

Notes:
A) Ratio of active listings to home sales, seasonally adjusted
B) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Topeka metropolitan area, as measured using 4th quarter values
After remaining essentially flat in 2014, home sales across Kansas have risen sharply over the first half of the year. As a result, we expect total home sales to reach 38,790 units by the end of the year, a 9.8 percent gain. This trend should continue in 2016, with sales rising another 8.6 percent to 42,110 units.

After a lull in 2014, new home construction activity has rebounded nicely this year. We expect total permits will rise another 8.3 percent in 2016 to 5,530 units. This is the highest level since 2007, but still less than half of the peak reached in 2005.

Markets all across the state are reporting tight inventories of homes available for sale, and this has begun to affect home values. Average home price appreciation across the state was 3.8 percent in 2014. We expect this pace to accelerate, with prices rising 4.0 percent in 2015 and another 4.7 percent in 2016.
KANSAS HOME PRICE APPRECIATION IS ACCELERATING.

HOME SALES ACROSS KANSAS WILL RISE BY 8.6 PERCENT IN 2016.

2016 KANSAS HOUSING MARKETS FORECAST

FOR THE LATEST TRENDS AND STATISTICS, VISIT WICHITA.EDU/REALESTATE
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:
City of Manhattan; Federal Housing Finance Agency; Heartland Multiple Listing Service; Kansas Association of REALTORS® and participating multiple listing services across Kansas; Lawrence Multiple Listing Service; Manhattan Association of REALTORS®; 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.
## 2016 Kansas Housing Markets Forecast
### Topeka: Forecast Summary

For the latest trends and statistics, visit [Wichita.edu/realestate](http://Wichita.edu/realestate)

<table>
<thead>
<tr>
<th>Year</th>
<th>Kansas</th>
<th>Kansas City</th>
<th>Lawrence</th>
<th>Manhattan</th>
<th>Topeka</th>
<th>Wichita</th>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Home Sales</td>
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<td>188</td>
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<td>1.8%</td>
<td>-0.6%</td>
<td>-1.1%</td>
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<td>Sales Volume (in millions)</td>
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<td>$4,859</td>
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<td>$137</td>
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<td>Average Price</td>
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<tr>
<td>Total Home Sales</td>
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<td>4.8%</td>
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<td></td>
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<tr>
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<td>0.4%</td>
<td>3.6%</td>
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<td><strong>2016</strong></td>
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<td>Total Home Sales</td>
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<td>Home Price Appreciation</td>
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<td>6.3%</td>
<td>3.0%</td>
<td>4.9%</td>
<td>0.9%</td>
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</table>

For the latest trends and statistics, visit [Wichita.edu/realestate](http://Wichita.edu/realestate)
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