

WSU News

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WSU Center for Real Estate releases 2022 Kansas Housing Markets Forecast Series

By WSU Strategic Communications



Kansas home prices will rise by 7.6% next year, according to the 2022 Kansas Housing Markets Forecast series published by the Wichita State University Center for Real Estate.

“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. 7, at the Kansas Association of Realtors Annual Conference at the Marriott in Wichita.

The 2022 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 2022. The series also includes Housing Outlooks for 22 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 2022 forecast include the following:

Kansas Statewide Forecast

- **Home sales** – Home sales across Kansas have continued to rise, in spite of historically low inventories across all price segments. Sales are expected to end the year up 3.1% and then rise another 6.2% in 2022 to 48,430 units.
- **Construction** – The lack of supply is spurring a surge in new home construction activity across much of the state. Single-family building permits should end the year at 7,545 units, a robust 26.3% gain. Permitting activity will continue to be strong in 2022, rising another 15.9% to 8,745 units.
- **Home prices** – In the face of strong demand and incredibly tight inventories, existing home prices are rising at a remarkable pace across most of the state. Prices are forecast to rise 10.5% this year followed by another 7.6% increase in 2022.

Wichita Forecast

- **Home sales** – Total home sales in the Wichita area continue to rise despite historically tight inventories. Sales are predicted to increase 5.5% in 2022 to 12,710 units.
- **Construction** – New home construction activity has exploded in the Wichita area in the face of strong demand and rapidly rising existing home prices. New single-family permitting activity should increase 6% in 2022 to 1,670 units, the highest level since 2008.
- **Home prices** – Wichita home values have been rising at their fastest pace since at least the late 1970s. Wichita-area home values should end the year up 10.9% and then rise by another 6.8% in 2022.

Kansas City Forecast

- **Home sales** – Total home sales in the Kansas City area have continued to rise despite historically tight inventories. Sales are predicted to increase 5.9% in 2022 to 46,990 units.
- **Construction** – New home construction in the Kansas City metropolitan area began to blast off last year, spurred by strong demand and rapidly rising existing home prices. New single-family permitting activity is expected to rise another 16.9% next year to 9,905 units, the highest level since 2005.
- **Home prices** – Kansas City home values have been rising at their fastest pace since at least the late 1970s. Strong appreciation is expected to continue, rising a remarkable 12.2% this year followed by another 9.2% increase in 2022.

Lawrence Forecast

- **Home sales** – Total home sales in the Lawrence area have been dropping this year due to increasingly tight inventories. Sales are predicted to rebound slightly in 2022, rising 1.9% to 1,600 units.
- **Construction** – New home construction activity in Lawrence remains stagnant because of a lack of developable land along with labor and material shortages. Permitting activity is expected end the year at 280 units and then fall slightly in 2022 to 275 units.
- **Home prices** – Lawrence home values have been appreciating at a historic pace. Area home values should end the year up 11.1%, followed by another 6.7% rise in 2022.

Manhattan Forecast

- **Home sales** – Home sales activity has exploded in the Manhattan-Junction City metropolitan area over the past year. After rising 22% last year, sales are expected to end the year at 2,120 units, an increase of 13.%. Sales should continue to rise in 2022, ending the year up 11.8% at 2,370 units.
- **Construction** – After dropping off in 2020, new home construction activity in the Manhattan-Junction City metropolitan area has picked up again this year. Single-family permitting activity is forecast to rise by 18.6% this year to 280 units, followed by another 3.6% rise in 2022 to 290 units.
- **Home prices** – Despite the strong sellers' market, home price appreciation in the Manhattan-Junction City metropolitan area has remained moderate. Area home values should end the year up 4.6% and then rise another 4% in 2022.

Topeka Forecast

- **Home sales** – The Topeka housing market remains white hot, with continuing strong demand. Tight inventories, however, are holding back sales activity. Sales are forecast to rise just 0.6% in 2022 to end the year at 3,530 units.

- **Construction** – New home construction activity in Topeka remains stagnant, due in part to labor and material shortages. Single-family permitting activity is expected to be flat this year and to rise only 5.3% to 400 units in 2022.
- **Home prices** – Topeka home values have been appreciating at their fastest pace ever. Strong appreciation is expected to continue, rising 8.3% this year followed by another 4.5% increase in 2022.

For more information and a copy of each of the publications in the 2022 Kansas Housing Markets Forecast series, go to www.wichita.edu/realestate, or contact Longhofer at 316-516-6365 or stan.longhofer@wichita.edu.