

2010 Annual Report

Housing Market Statistics

Lawrence, Kansas





Our local housing market did not see the precipitous declines in sales and housing prices as did many other markets nationwide. However, we are not immune to the downturned housing market here in Lawrence. We, too, have seen declining numbers. Much of the decline in our local market is apparent in the reduced number of homes that have sold. This downward trend began back in 2005, long before the national “bubble” ever burst, indicating that our local market has slowly changed over time instead of experiencing the sudden collapse that many other markets have experienced. The good news is that the decline that we have seen has begun to level off. The number of homes sold dropped only 8% from 2009 to 2008 compared to a 26% drop from 2008 to 2007. The fourth quarter of 2009 showed a 52% increase in sales volume over the same quarter in 2008, even during some of the worst early winter weather in recent memory.

In 2009, 30-Year Fixed Rate Mortgages were at an all time low and the Housing Affordability Index experienced an all time high. This, combined with the \$8000 first-time home buyer tax credit and the \$6,500 existing homeowner tax credit, helped the housing market locally and nationally continue to repair itself.

The National Association of Real-

tors® Chief Economist, Lawrence Yun, believes that “the key to housing market recovery and sustainability is jobs, jobs, jobs.” A lot of what happens to the value of our homes in 2010 depends heavily on what happens in our local economy. The governing bodies of Lawrence and Douglas County have newfound progressive notions when it comes to economic growth. New initiatives are being developed at both the city and county levels that will prove helpful when attracting new businesses as well as in the retention of existing businesses and jobs. Officials at the Lawrence Chamber of Commerce have reported that new businesses looking at Lawrence and Douglas County as a landing place are finding the reception considerably warmer than they have in the recent past. This is great news for our local economy and, specifically, the housing market.

As we march forward into 2010, things are looking up. National measures of consumer confidence appear to be rebounding. Mortgage interest rates should remain favorable and the home buyer tax incentives will continue into the spring. We are optimistic that local companies looking to expand, as well as new companies considering new investments in our community, will continue to find a sincere and committed group of leaders eager and ready to make them feel welcome.

Residential Home Sales Data: A Decade in Review

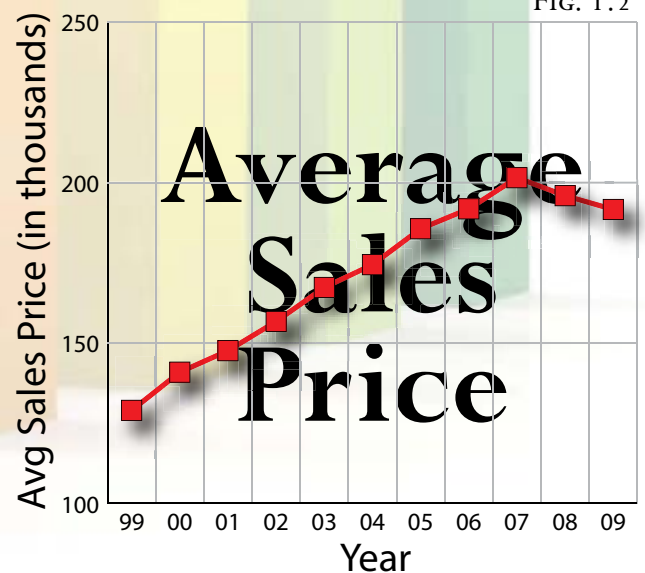
FIG. 1

Year	Number of Homes Sold	% Change	Total Dollar Value	% Change	Average Sales Price	% Change
1999	1506		\$194,274,954		\$129,001	
2000	1473	↓ 2%	\$207,607,271	↑ 7%	\$140,942	↑ 9%
2001	1609	↑ 9%	\$237,485,409	↑ 14%	\$147,598	↑ 5%
2002	1580	↓ 2%	\$247,563,603	↑ 4%	\$156,686	↑ 6%
2003	1749	↑ 11%	\$292,649,275	↑ 18%	\$167,324	↑ 7%
2004	1726	↓ 1%	\$301,091,961	↑ 3%	\$174,445	↑ 4%
2005	1702	↓ 1%	\$315,924,627	↑ 5%	\$185,620	↑ 6%
2006	1538	↓ 10%	\$295,015,318	↓ 7%	\$191,818	↑ 3%
2007	1431	↓ 7%	\$288,277,307	↓ 2%	\$201,452	↑ 5%
2008	1066	↓ 26%	\$208,784,430	↓ 28%	\$195,858	↓ 3%
2009	981	↓ 8%	\$187,942,898	↓ 10%	\$191,583	↓ 2%

FIG. 1.1



FIG. 1.2



Residential Home Sales Data: 2009

Home Sales By Price

FIG. 2

Price Range (In Thousands)	Count	Average Price	Median Price	Avg. Days on Market
\$0 - \$99	78	\$78,950	\$83,000	62
\$100-\$199	564	\$148,318	\$147,000	82
\$200 - \$299	167	\$238,163	\$232,500	106
\$300 - \$399	50	\$345,108	339,900	103
\$400 - \$499	17	\$436,376	\$437,000	156
\$500+	21	\$658,916	\$590,000	186

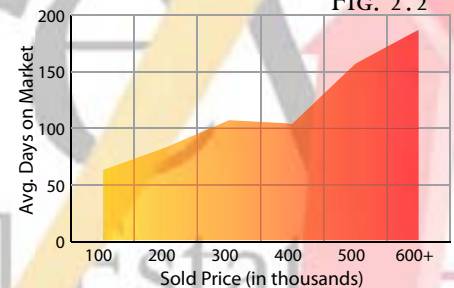
Number of Sales by Price

FIG. 2.1



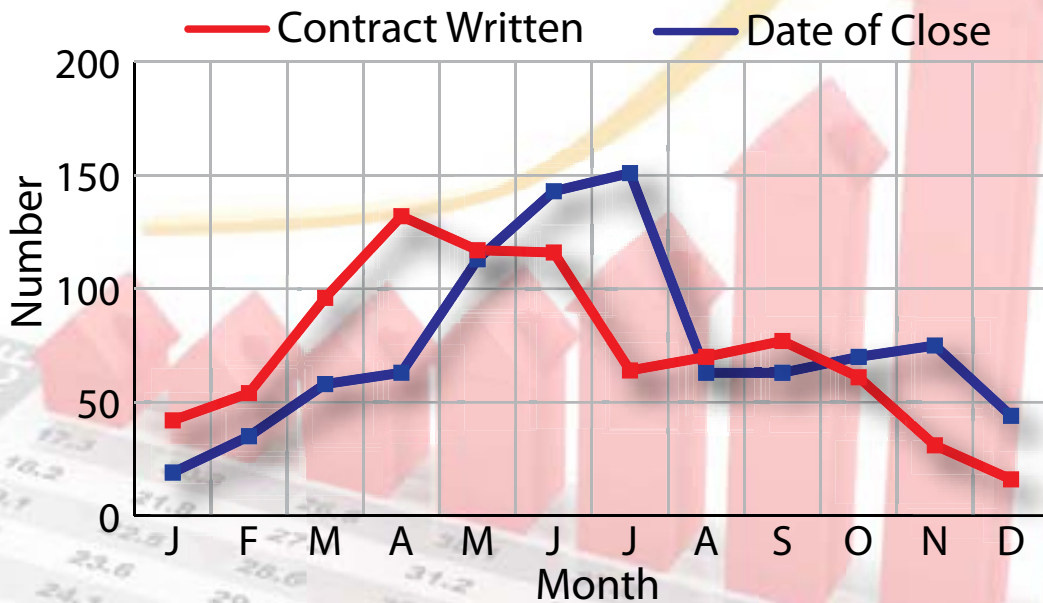
Sold Price Versus Time

FIG. 2.2



Contract Date versus Closing Date

FIG. 3



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Contract	42	54	96	132	117	116	63	70	77	61	31	16
Sold	19	35	58	63	113	143	151	63	63	70	75	44

Residential Home Sales Data: 2009

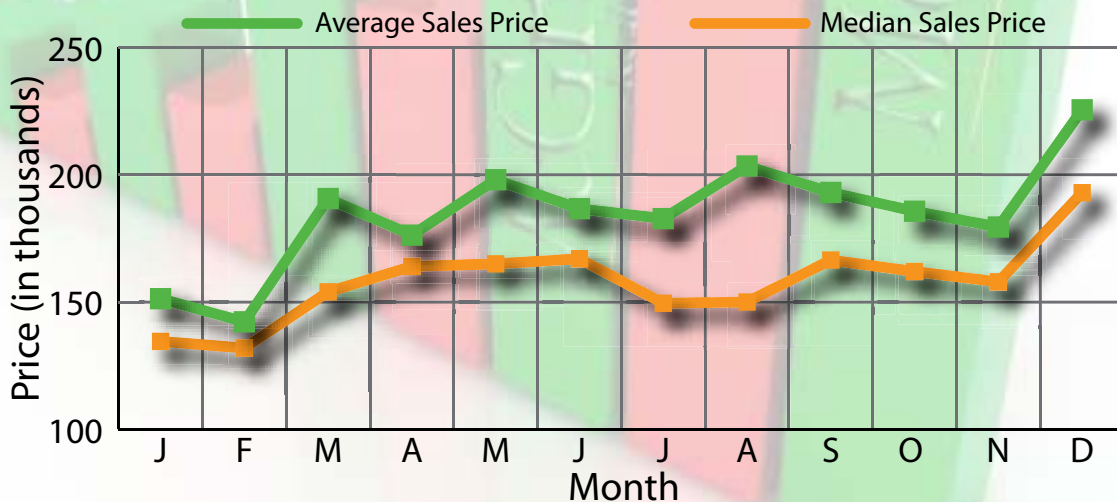
Sales by Geographic Area

FIG. 4



Average and Median Sales Prices

FIG. 5

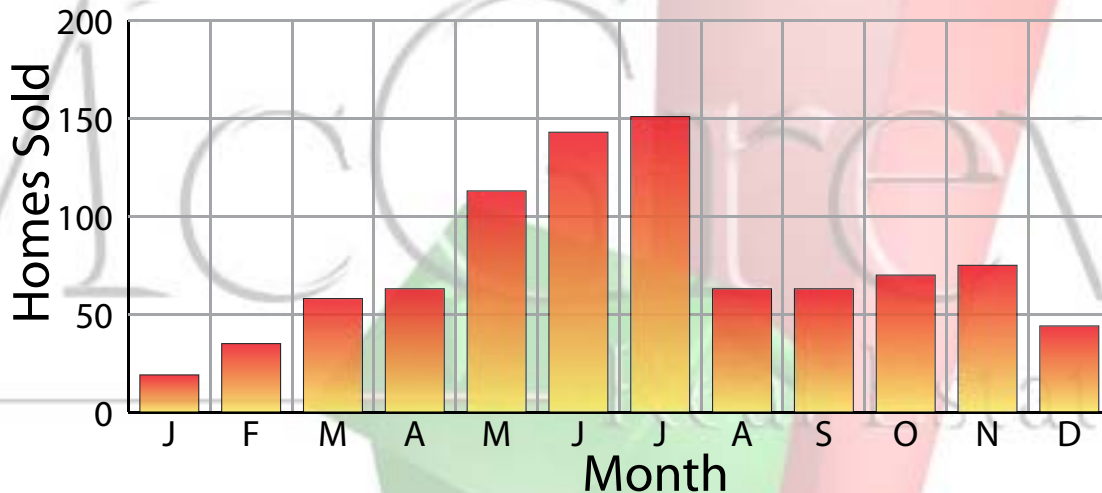


	Jan	Feb	Mar	Ap	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Average	\$151.3	\$142.2	\$190.7	\$176.3	\$198.1	\$186.7	\$182.8	\$203.5	\$193.1	\$185.7	\$179.6	\$225.7
Median	\$134.5	\$131.9	\$154.0	\$164.0	\$165.0	\$167.0	\$149.5	\$150.0	\$166.5	\$162.0	\$158.0	\$193.0

Residential Home Sales Data: 2009

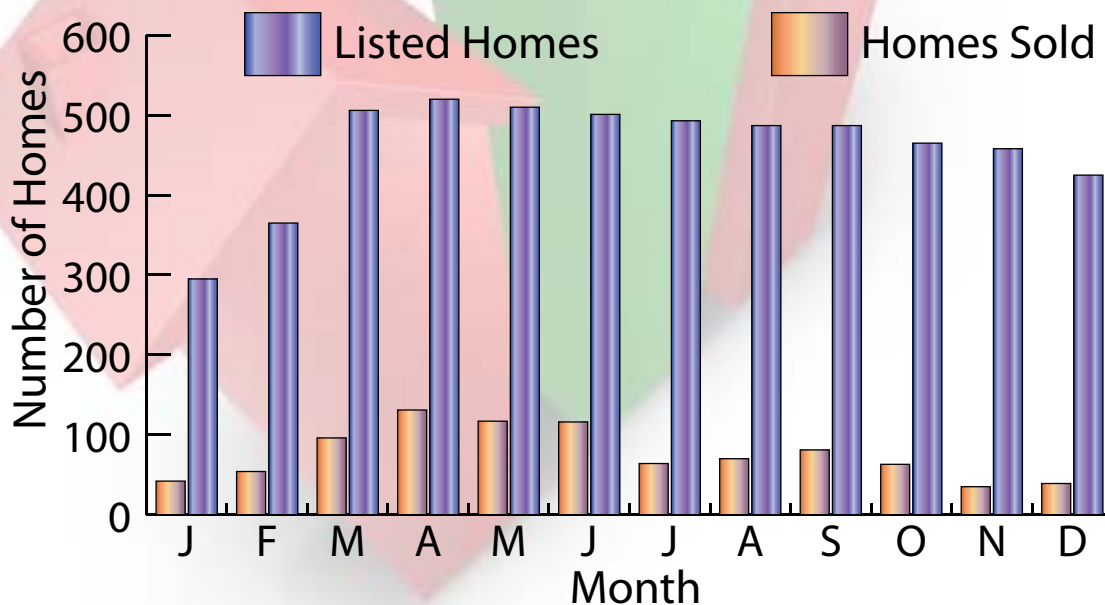
Number of Closed Sales By Month

FIG. 6



2009 Listed Homes Versus Contracts Written

FIG. 7

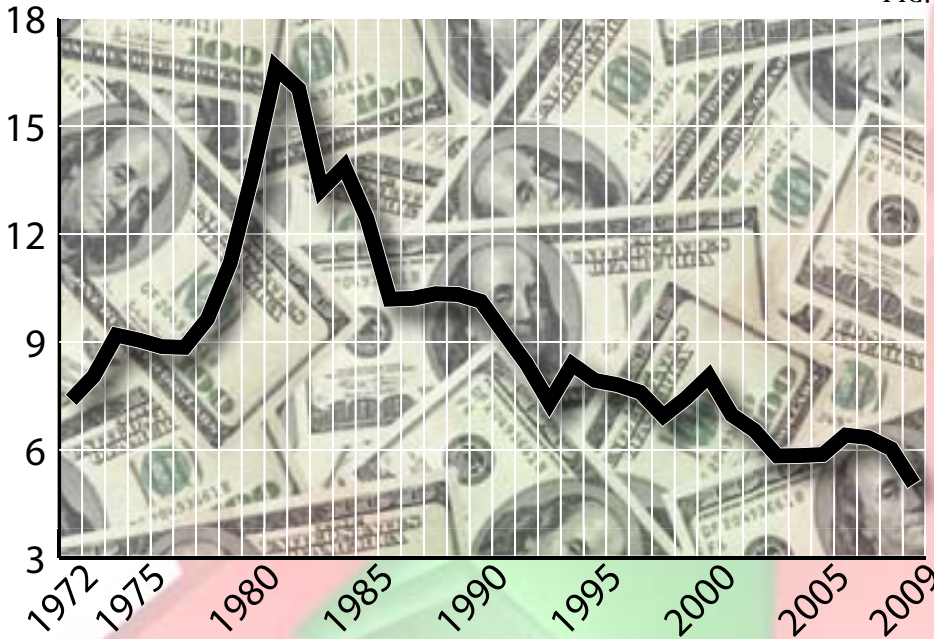


	Jan	Feb	Mar	Ap	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Listed	295	365	506	520	510	501	493	487	487	465	458	425
Sold	42	54	96	131	117	116	64	70	81	63	35	39

Mortgage Interest Rates

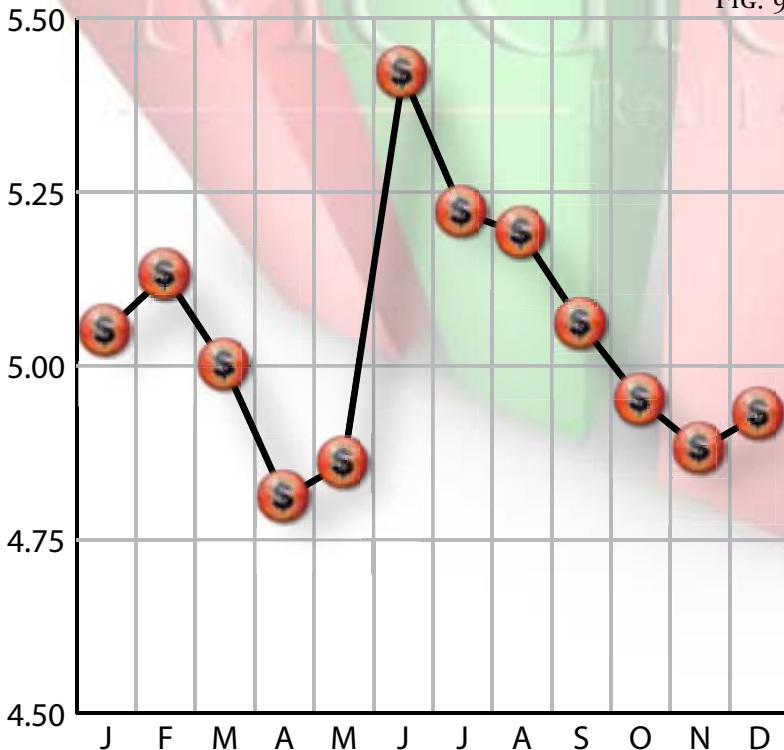
Mortgage Interest Rates 1972 - 2009

FIG. 8



2009 Mortgage Interest Rates

FIG. 9



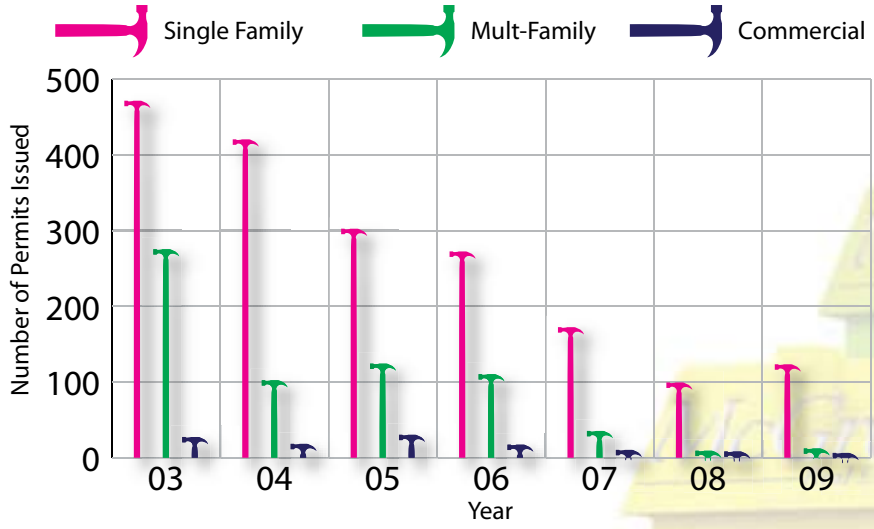
Year	Rate
1972	7.38
1973	8.04
1974	9.19
1975	9.05
1976	8.87
1977	8.85
1978	9.64
1979	11.2
1980	13.74
1981	16.63
1982	16.04
1983	13.24
1984	13.88
1985	12.43
1986	10.19
1987	10.21
1988	10.34
1989	10.32
1990	10.13
1991	9.25
1992	8.39
1993	7.31
1994	8.38
1995	7.93
1996	7.81
1997	7.6
1998	6.94
1999	7.44
2000	8.05
2001	6.97
2002	6.54
2003	5.83
2004	5.84
2005	5.87
2006	6.41
2007	6.34
2008	6.03
2009	5.04

Month	Rate
Jan 09	5.05
Feb 09	5.13
Mar 09	5.0
Apr 09	4.81
May 09	4.86
Jun 09	5.42
July 09	5.22
Aug 09	5.19
Sept 09	5.06
Oct 09	4.95
Nov 09	4.88
Dec 09	4.93
2009	5.04

New Construction 2009

New Building Permits Issued

FIG. 10



Year	SF	MF	Comm
2003	474	278	30
2004	423	105	21
2005	305	127	33
2006	275	113	20
2007	175	38	13
2008	102	12	11
2009	126	16	9

New Construction Home Sales

FIG. 11

Year	Number of Homes Sold	% Change	Average Sales Price	% Change
2003	337		\$199,042	
2004	270	↓ 20%	\$193,050	↓ 3%
2005	280	↑ 4%	\$235,214	↑ 22%
2006	220	↓ 21%	\$269,642	↑ 15%
2007	152	↓ 31%	\$282,505	↑ 5%
2008	108	↓ 29%	\$261,223	↓ 8%
2009	74	↓ 31%	\$267,443	↑ 2%

FIG. 11.1

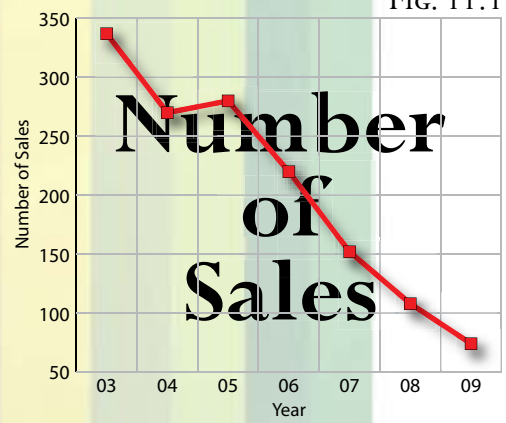
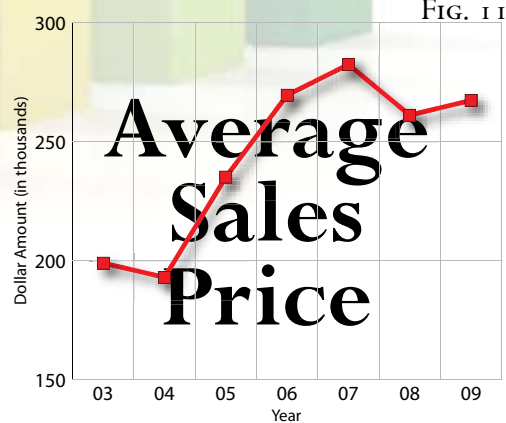


FIG. 11.2

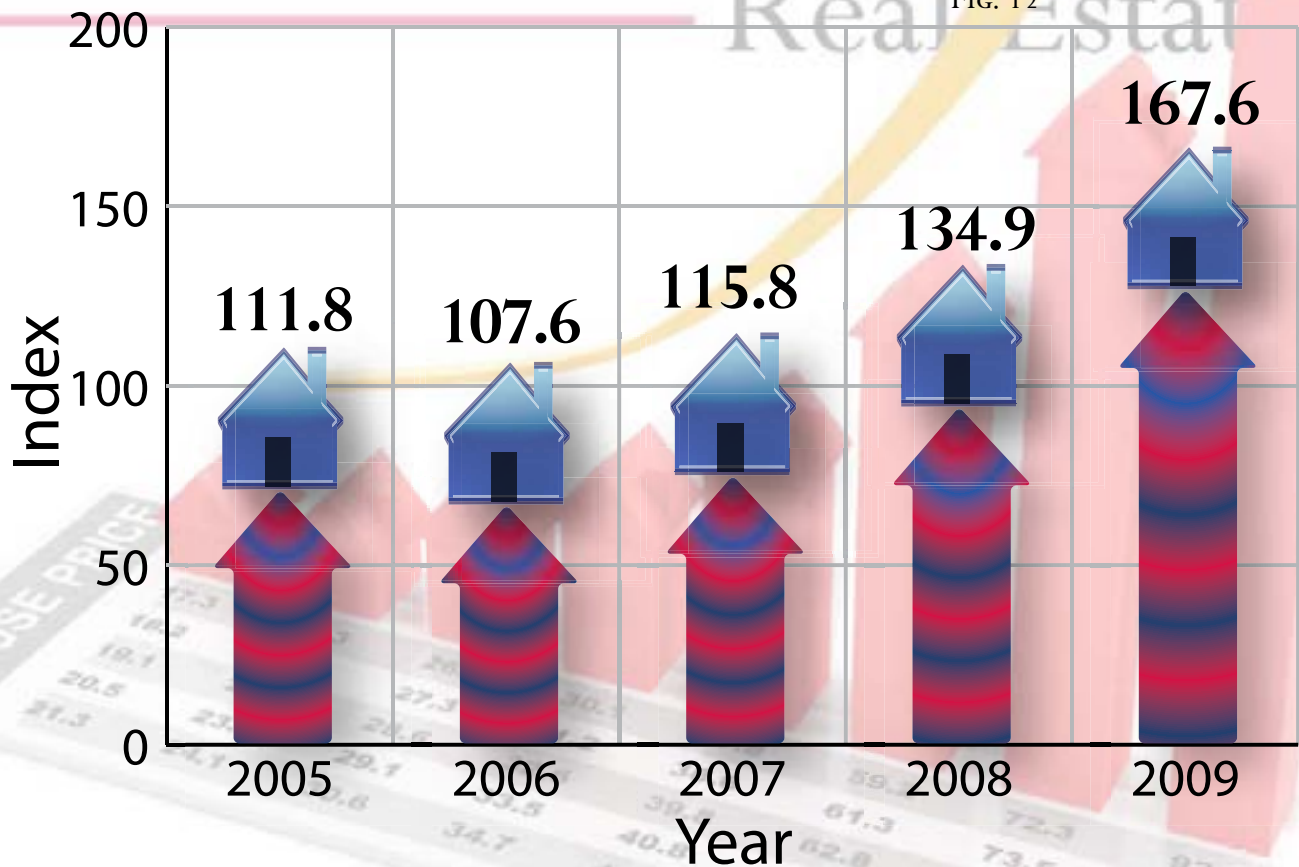


Housing Affordability Index

The Housing Affordability Index (HAI) measures whether or not a typical family could qualify for a mortgage loan on a typical home. A typical home is defined as the median-priced, existing single-family home. A typical family is defined as one earning the median family income. A value of 100 means that a family earning the median income has exactly enough income to qualify for a mortgage loan on a median priced home, assuming a 20% down payment. For example, a HAI of 120 means a family earning the median family income has 120% of the income necessary to qualify for a conventional loan covering 80% of a median-priced single-family home. An increase in the HAI, then, shows that this family is more able to afford the median priced home. The higher the HAI; the more home this family can buy for the money. The HAI is at an all time high.

Housing Affordability Index

FIG. 12



Residential Sales Data 1st Quarter 2009

1st Quarter Sales By Price Range

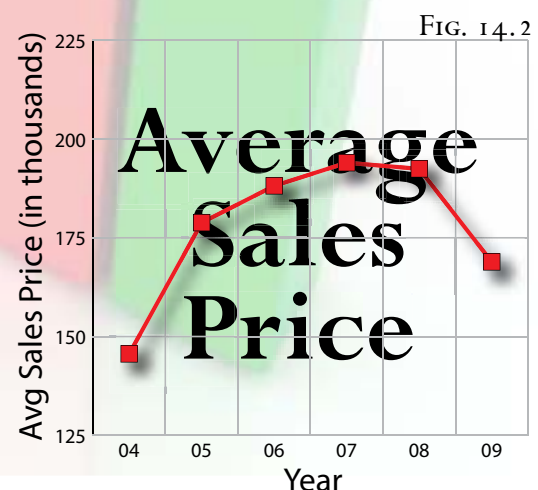
FIG. 13

Price Range (In Thousands)	Count	Average Price	Median Price	Average Days on Market*
\$0 - \$99	18	\$74,142	\$82,500	56
\$100-\$199	71	\$146,813	\$144,000	105
\$200 - \$299	14	\$243,875	\$241,250	174
\$300 - \$399	6	\$331,833	\$325,500	72
\$400 +	3	\$583,333	\$640,000	222
All 1 st Quarter MLS Sales	112	\$168,870	\$145,000	106

1st Quarter Sales 2004-2009 A Comparison

FIG. 14

Year	# Homes Sold	% Change	Total Sales Volume	% Change	Average Sales Price	% Change
2004	199		\$33,929,098		\$145,629	
2005	198	-0.5%	\$35,410,631	4.4%	\$178,842	22.8%
2006	174	-12.1%	\$32,735,065	-7.6%	\$188,133	5.2%
2007	191	9.8%	\$37,046,049	13.2%	\$193,958	3.1%
2008	163	-14.7%	\$31,359,125	-15.4%	\$192,387	-0.8%
2009	112	-31.3%	\$18,913,500	-39.7%	\$168,870	-12.2%



Residential Sales Data 2nd Quarter 2009

2nd Quarter Sales By Price Range

FIG. 15

Price Range (In Thousands)	Count	Average Price	Median Price	Average Days on Market*
\$0 - \$99	24	\$82,317	\$86,500	59
\$100-\$199	195	\$151,305	\$149,000	79
\$200 - \$299	90	\$224,804	\$221,000	90
\$300 - \$399	18	\$346,183	\$342,500	105
\$400 +	12	\$502,854	\$451,000	171
All 2 nd Quarter MLS Sales	319	\$188,708	\$165,000	86

2nd Quarter Sales 2004-2009 A Comparison

FIG. 16

Year	# Homes Sold	% Change	Total Sales Volume	% Change	Average Sales Price	% Change
2004	587		\$94,121,907		\$175,273	
2005	481	-10%	\$85,461,677	-9%	\$177,675	1%
2006	480	-.3%	\$94,569,006	11%	\$197,018	11%
2007	437	-9%	\$82,854,339	-12%	\$189,598	-4%
2008	333	-24%	\$64,411,662	-22%	\$193,428	2%
2009	319	-4%	\$60,198,084	-7%	\$188,708	2%

FIG. 16.1



FIG. 16.2



Residential Sales Data 3rd Quarter 2009

3rd Quarter Sales By Price Range

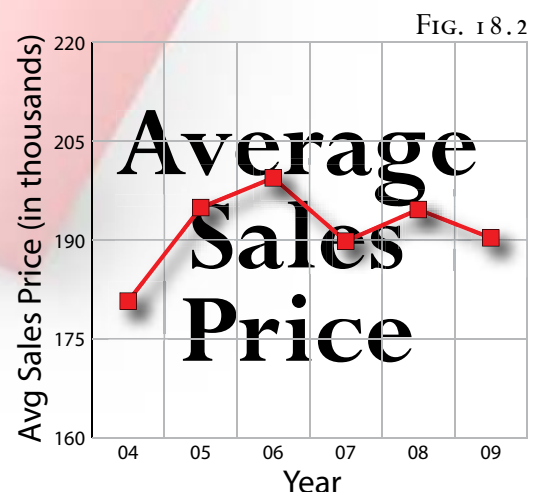
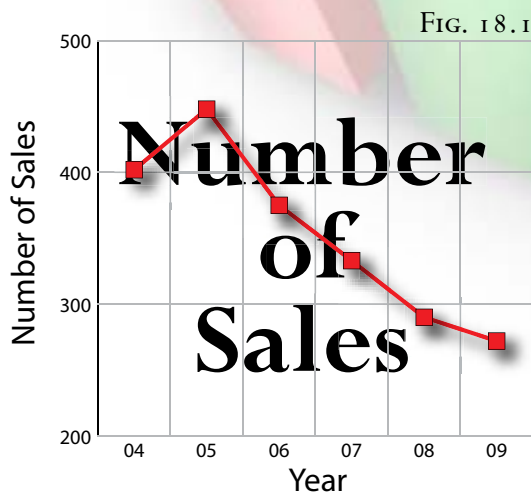
FIG. 17

Price Range (In Thousands)	Count	Average Price	Median Price	Average Days on Market*
\$0 - \$99	19	\$75,993	\$79,500	50
\$100-\$199	180	\$144,115	\$140,000	83
\$200 - \$299	44	\$241,687	\$236,000	91
\$300 - \$399	15	\$347,073	\$339,900	103
\$400 +	14	\$609,071	\$510,000	149
All 3 rd Quarter MLS Sales	272	\$190,264	\$150,250	86

3rd Quarter Sales 2004-2009 A Comparison

FIG. 18

Year	# Homes Sold	% Change	Total Sales Volume	% Change	Average Sales Price	% Change
2004	402		\$72,624,850		\$180,658	
2005	448	11%	\$87,303,067	20%	\$194,872	8%
2006	375	-16%	\$74,759,367	-14%	\$199,358	2%
2007	333	-11%	\$63,190,532	-15%	\$189,761	-5%
2008	290	-13%	\$56,424,596	-11%	\$194,567	3%
2009	272	-6%	\$51,751,977	-8%	\$190,264	-2%



Residential Sales Data 4th Quarter 2009

4th Quarter Sales By Price Range

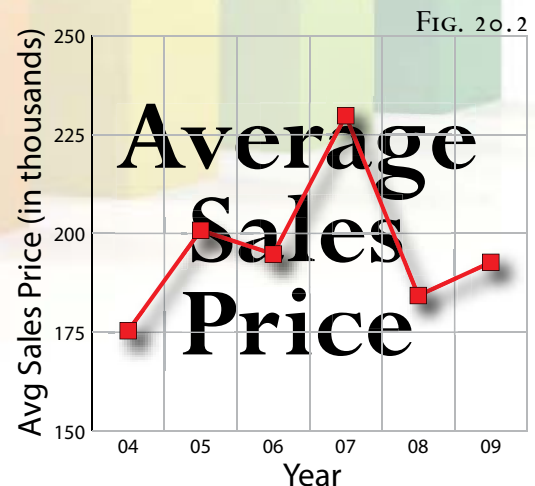
FIG. 19

Price Range (In Thousands)	Count	Average Price	Median Price	Average Days on Market*
\$0 - \$99	17	\$82,594	\$83,000	86
\$100-\$199	113	\$150,476	\$152,100	76
\$200 - \$299	38	\$238,223	\$230,000	125
\$300 - \$399	11	\$347,900	\$339,500	117
\$400 +	9	\$549,377	\$549,000	193
All 4 th Quarter MLS Sales	188	\$192,722	\$163,500	94

4th Quarter Sales 2004-2009 A Comparison

FIG. 20

Year	# Homes Sold	% Change	Total Sales Volume	% Change	Average Sales Price	% Change
2004	242		\$42,438,328		\$175,364	
2005	235	-3%	\$47,185,718	11%	\$200,790	15%
2006	191	-19%	\$37,204,665	-21%	\$194,788	-3%
2007	159	-17%	\$36,542,717	-2%	\$229,828	18%
2008	129	-19%	\$23,778,047	-35%	\$184,325	-20%
2009	188	46%	\$36,231,857	52%	\$192,722	5%



Residential Sales Data 1st Quarter 2010

1st Quarter Sales By Price Range

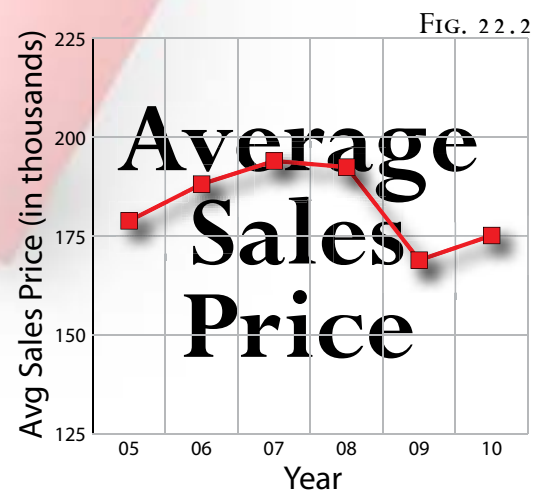
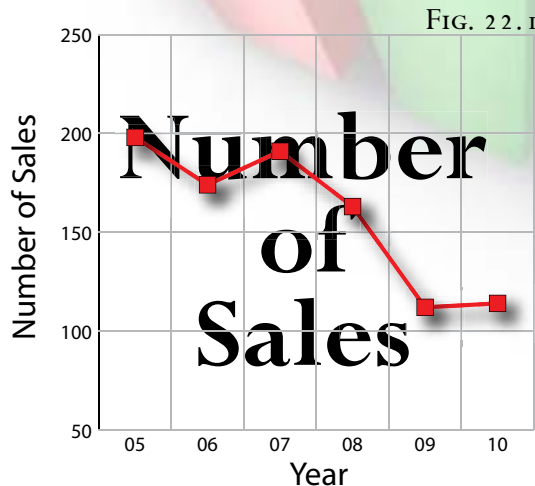
FIG. 21

Price Range (In Thousands)	Count	Average Price	Median Price	Average Days on Market*
\$0 - \$99	13	\$75,519	\$80,000	80
\$100-\$199	71	\$146,748	\$142,500	92
\$200 - \$299	17	\$226,447	\$221,000	118
\$300 - \$399	10	\$321,571	\$311,905	165
\$400 +	3	\$480,000	\$460,000	263
All 1 st Quarter MLS Sales	114	\$175,072	\$149,950	105

1st Quarter Sales 2005-2010 A Comparison

FIG. 22

Year	# Homes Sold	% Change	Total Sales Volume	% Change	Average Sales Price	% Change
2005	198	-0.5%	\$35,410,631	4.4%	\$178,842	22.8%
2006	174	-12.1%	\$32,735,065	-7.6%	\$188,133	5.2%
2007	191	9.8%	\$37,046,049	13.2%	\$193,958	3.1%
2008	163	-14.7%	\$31,359,125	-15.4%	\$192,387	-0.8%
2009	112	-31.3%	\$18,913,500	-39.7%	\$168,870	-12.2%
2010	114	1.8%	\$19,958,226	5.5%	\$175,072	3.7%



Sources

Lawrence Multiple Listing Service, Douglas County Appraiser's Office, City of Lawrence Dept of Building Inspections, Department of Housing and Urban Development, Freddie Mac, National Association of Realtors, Kansas Department of Labor

Definitions

Residential Home Sales include properties sold within the city limits of Lawrence, KS.

Fig 1, 11,14, 16, 18, 20, 22. Percent of change is rounded to the nearest one percent.

Fig 2, 2.2, 13, 15, 17, 19, 21: Average Days on Market means the number of days between the date the home was contractually listed for sale and the date that the home went "Under Contract."

Fig.3: Date of Contract is defined as the date that a legally binding contract between buyer and seller was fully executed. Closing Date is defined as the date of the settlement of the obligations of the seller and buyer to each other within the purchase contract, including the payment of the purchase price to seller , and the delivery to buyer of a Deed in proper form for recording.

Fig 7: Listed Homes is defined as homes that are actively listed for sale within the Lawrence MLS System at a given point during each month.

Fig. 8-9: Interest rates published here are based on Conventional, Conforming, 30-Year Fixed Rate Mortgages.

All information is deemed reliable but not guaranteed.

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