

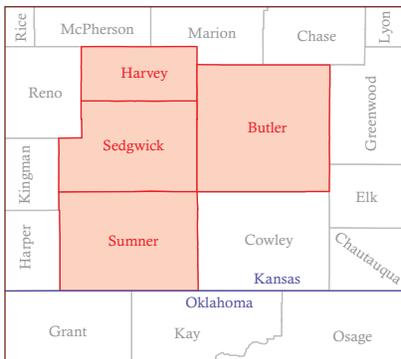


# Wichita, Kansas

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of September 1, 2014



## Housing Market Area



The Wichita Housing Market Area (HMA), which is coterminous with the Wichita, KS Metropolitan Statistical Area, consists of Butler, Harvey, Sedgwick, and Sumner Counties in south central Kansas. The central city of the HMA, Wichita, is the largest city in Kansas and is a center for aviation, with more than 50 companies in the aerospace parts and products industry. The HMA is also home to McConnell Air Force Base (AFB).

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## Summary

### Economy

Economic conditions in the Wichita HMA improved slightly during the 12 months ending August 2014 with nonfarm payrolls increasing by 2,000 jobs, or 0.7 percent, to 289,700 jobs. The unemployment rate in the HMA is currently 5.8 percent, which is an improvement from the 6.4-percent rate recorded 12 months earlier. Nonfarm payroll growth is expected to be moderate during the 3-year forecast period, with growth averaging 1.0 percent annually. Table DP-1 at the end of this report provides additional employment data.

### Sales Market

The sales housing market in the HMA is currently balanced, with an estimated vacancy rate of 2.3 percent, which is up from 2.2 percent in April 2010. During the 3-year forecast period, demand is estimated for 2,600 new homes (Table 1). The 270 homes currently under construction and a portion of the 10,500 other vacant units that may reenter the housing market are expected to satisfy some of the demand.

### Rental Market

Rental housing market conditions in the HMA are soft but improving, with an estimated 8.8-percent vacancy rate, which is down from 10.4 percent in 2010. The apartment market is slightly tight, with a 3.6-percent vacancy rate that is down from 4.4 percent 1 year earlier. The average rent is \$570 (Reis, Inc.). During the forecast period, demand is estimated for 1,175 rental units. The 1,050 units currently under construction are expected to satisfy a significant portion of the demand.

**Table 1. Housing Demand in the Wichita HMA During the Forecast Period**

	Wichita HMA	
	Sales Units	Rental Units
Total demand	2,600	1,175
Under construction	270	1,050

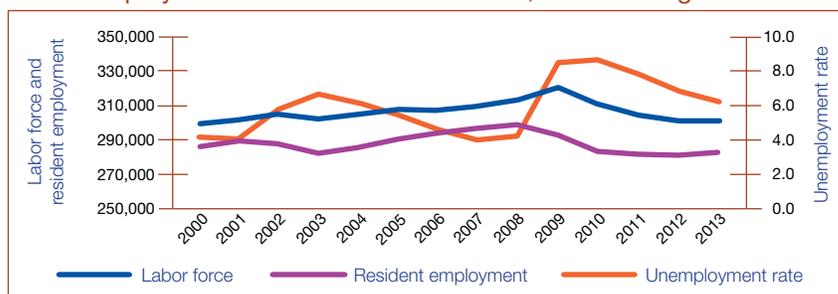
*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of September 1, 2014. A portion of the estimated 10,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is September 1, 2014, to September 1, 2017.*

*Source: Estimates by analyst*

# Economic Conditions

Economic conditions in the Wichita HMA are slowly improving. Nonfarm payrolls increased by 2,000 jobs, or 0.7 percent, annually to 289,700 during the 12 months ending August 2014. The local economy has been slowly expanding since 2011 after the impacts of the national recession, but nonfarm payrolls remain 18,200 jobs, or 5.9 percent, below the peak level of 307,900 nonfarm payroll jobs recorded in 2008. The unemployment rate in the HMA is currently 5.8 percent, down from the 6.4-percent rate recorded during the 12 months ending August 2013. Figure 1 shows the trends in labor force, resident employment, and the unemployment rate from 2000 through 2013.

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Wichita HMA, 2000 Through 2013



Source: U.S. Bureau of Labor Statistics

**Table 2.** 12-Month Average Nonfarm Payroll Jobs in the Wichita HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	August 2013	August 2014		
Total nonfarm payroll jobs	287,700	289,700	2,000	0.7
Goods-producing sectors	67,700	66,500	-1,200	-1.8
Mining, logging, & construction	14,700	15,600	900	6.1
Manufacturing	53,000	50,900	-2,100	-4.0
Service-providing sectors	220,000	223,200	3,200	1.5
Wholesale & retail trade	41,300	41,900	600	1.5
Transportation & utilities	9,000	9,200	200	2.2
Information	4,300	4,300	0	0.0
Financial activities	10,500	10,600	100	1.0
Professional & business services	30,700	32,400	1,700	5.5
Education & health services	43,700	44,400	700	1.6
Leisure & hospitality	29,100	29,600	500	1.7
Other services	10,700	10,700	0	0.0
Government	40,700	40,100	-600	-1.5

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through August 2013 and August 2014.

Source: U.S. Bureau of Labor Statistics

The mining, logging, and construction sector recorded the largest percentage gain in jobs during the 12 months ending August 2014, increasing 6.1 percent, or by 900 jobs, to 15,600 (Table 2), in part, because of an increase in residential construction activity in the HMA. In addition to the increase in housing construction, the city of Wichita school board approved \$370 million in bonds in 2008 for new school construction that is nearing completion. More than 2,100 oil wells in the HMA also contributed to employment in the mining, logging, and construction sector. The State of Kansas is the 10th largest producer of oil in the nation; oil production increased by 3.1 million barrels, or 7 percent, to 46.8 million barrels during 2013 (Kansas Geological Survey, a research and service division of the University of Kansas). Oil exploration in the HMA and slightly to the west of the HMA has resulted in increased engineering services and other scientific research jobs, such as geological surveying. These types of services are classified in the professional and business services sector, which led job growth in the HMA and increased by 1,700 jobs, or 5.5 percent, to 32,400 jobs during the 12 months ending August 2014. Temporary employees who work for employment services companies also are included in the professional and business services sector. Manufacturing companies using temporary workers to meet increased labor needs instead of hiring full-time workers directly is a recent nationwide trend. This trend is partially responsible for the decline in manufacturing jobs in the HMA. The manufacturing sector is the largest sector in the HMA, with 50,900 jobs, but this number is down slightly more than 30 percent from the 73,100 manufacturing jobs recorded

during 2000 in the HMA. During the 12 months ending August 2014, the manufacturing sector declined by 2,100 jobs, or 4 percent, the most job losses of any sector in the HMA during this period. Approximately 58 percent of the HMA's manufacturing employment is connected with the production of aircraft.

The HMA has been known as the air capital of the world since the 1920s, when aviation companies such as Beechcraft Corporation, Cessna-Roos Company and Stearman Aircraft Corporation were established in the city of Wichita. Aviation still dominates the HMA, and the aerospace manufacturing industry accounts for approximately 11 percent of all nonfarm payroll jobs in the HMA. Spirit AeroSystems, Inc., is the largest employer in the HMA, with 11,000 employees. Along with Spirit AeroSystems, Inc., Cessna Aircraft Company, Beechcraft Corporation, and Bombardier Inc. are the four largest employers in the aerospace industry in the HMA. These four companies directly employ approximately 23,000 people and represent 4 of the 10 largest employers in the HMA (Table 3). More than 50 percent of all commercial, general, or military aviation vehicles in the nation are manufactured or have

components produced in the HMA. A study completed by the National Center for Aviation Training in 2010 reported that the aviation industry's economic impact on Kansas is more than \$7 billion annually.

The aerospace manufacturing industry in the HMA is a large exporter of transportation equipment, including aircraft parts and products, to the international market. Nearly 28 percent of the HMA's economy was dependent on exports, the third highest percentage for U.S. metropolitan areas (Wichita Regional Export Planning Initiative: Global Cities Initiative: A Joint Project of Brookings—JPMorgan Chase & Co. [2014]). Most of these exports are in the transportation equipment industry, which includes aviation-related equipment and is in the manufacturing sector. During 2008, the value of transportation exports peaked at \$4.73 billion but declined by \$2.5 billion, or nearly 53 percent, to \$2.23 billion in 2012. Global demand for aircraft still has not recovered from the economic downturn in 2008, and this lack of demand has limited employment growth in this sector. Some firms are still downsizing. The Boeing Company closed its facilities in the HMA and laid off all 2,100 employees it directly employed at the end of 2013. Offsetting some of these job losses, Bombardier Inc. began a \$600 million expansion of its HMA facilities in April 2012 and is expected to add more than 1,000 new jobs by 2016. Global demand for new aircraft is also showing some positive signs as the Boeing Company, headquartered in Chicago, Illinois, announced it would increase production of the 737 aircraft. Although the Boeing Company no longer directly employs anyone in the HMA, it still has a significant impact because many

**Table 3. Major Employers in the Wichita HMA**

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Spirit AeroSystems, Inc.	Manufacturing	11,000
Via Christi Health System	Education & health services	6,300
McConnell Air Force Base	Government	6,100
Cessna Aircraft Company	Manufacturing	5,000
State of Kansas	Government	3,975
Beechcraft Corporation	Manufacturing	3,375
Bombardier Inc.	Manufacturing	3,200
City of Wichita	Government	2,950
Koch Industries, Inc.	Manufacturing	2,800
Sedgwick County	Government	2,650

*Notes: Excludes local school districts. The 5,200 military personnel included in the employee count at McConnell Air Force Base are not counted in nonfarm payroll numbers. Source: Greater Wichita Economic Development Coalition*

of the local manufacturers are contractors for the Boeing Company. The company recently announced it will increase production of the 737 aircraft to 47 planes a month by 2017 and 52 a month by 2018 from the current level of 42 a month. This increased production rate will positively affect the Wichita HMA as Spirit Aerosystems, Inc., currently builds about 70 percent of the 737 aircraft and ships the fuselage to Boeing facilities in the state of Washington for completion.

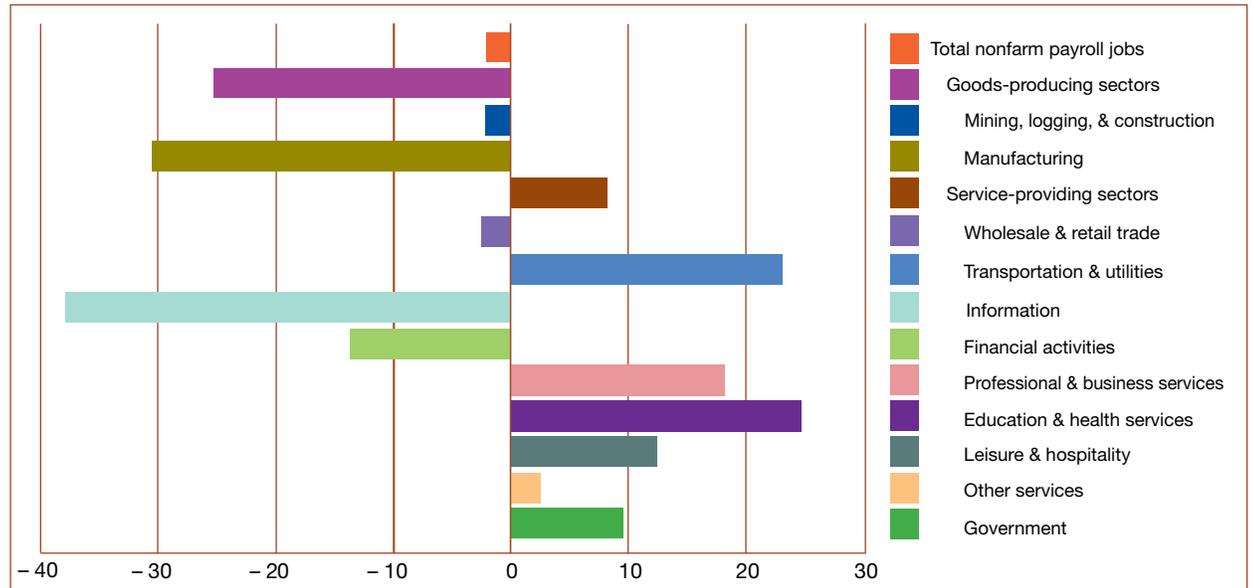
The aerospace parts and product manufacturing industry has historically affected overall employment in the HMA. During 2000 and 2001, nonfarm payrolls increased annually by an average of 2,050 jobs, or 0.7 percent, to reach 298,600 jobs by the end of 2001. Employment in the aerospace parts and product manufacturing industry peaked with 44,400 jobs in 2001. In the ensuing 2 years, nonfarm payrolls declined by an average of 8,800 jobs, or 3 percent, annually to 281,000 jobs. Most of this loss is attributable to job losses in the aerospace parts and product manufacturing industry, which declined after the September 11, 2001 terrorist attacks. During 2002 and 2003, jobs in the aerospace manufacturing industry declined by an average of 6,300 jobs, or 15.3 percent, annually, to 31,800 jobs at the end of 2003. Starting in 2004 the economy began to expand, led by a recovery of jobs in the aerospace parts and product manufacturing industry. During the 2004-through-2008 period, nonfarm payrolls grew by an average of 5,400 jobs, or 1.8 percent, annually, to a peak of 307,900 jobs. During this time, employment in the aerospace parts and product manufacturing industry increased by an average of 1,650 jobs, or 4.7 percent, annually

to 40,100 jobs. From the beginning of 2009 through 2011, the national economic downturn affected nonfarm payrolls, which declined by an average of 8,350 jobs, or 1.7 percent, annually. The aerospace parts and product manufacturing industry in the HMA also declined during these years by an average of 3,575 jobs, or 9.8 percent, annually to reach 29,400 jobs in 2011. Beginning in 2012 the Wichita HMA started to recover some of these job losses, increasing by 260 jobs, or 0.9 percent, but declined by 600 jobs, or 2 percent during 2013 with The Boeing Company's closure in the HMA to reach 29,000 jobs in the aerospace parts and product manufacturing industry.

Since 2000, the fastest growing sectors in the HMA have been the education and health services and the transportation and utilities sectors, which increased 25 and 23 percent, respectively (Figure 2). Via Christi Health completed the construction of a new \$93 million hospital in 2010 that includes 72 beds and created 300 new full-time equivalent positions. Recently contributing to job growth in the transportation and utilities sector was Southwest Airlines Co., which began offering service at Wichita's airport during 2013. King of Freight, a freight brokerage firm headquartered in the city of Wichita, announced it was expanding its operations and creating 30 new jobs by the end of 2015.

The government sector currently accounts for 13.8 percent of all nonfarm payroll jobs in the HMA (Figure 3). McConnell AFB is home to the 22nd Air Refueling Wing and is the third largest employer in the HMA, with 6,100 employees. Of the base's 6,100 employees, 5,200 are members of the military and 930 are civilian employees.

**Figure 2. Sector Growth in the Wichita HMA, Percentage Change, 2000 to Current**

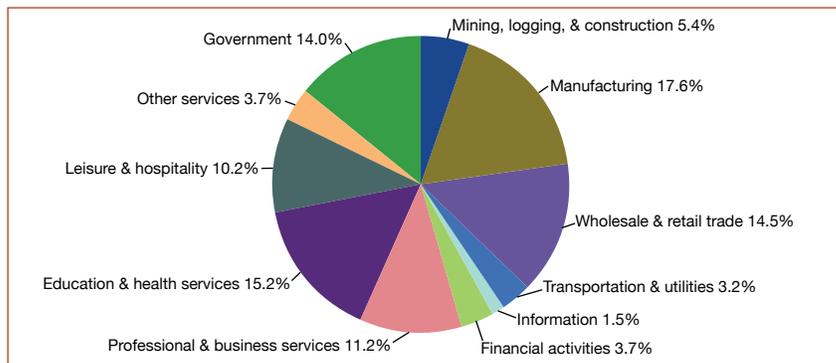


Note: Current is based on 12-month averages through August 2014.  
Source: U.S. Bureau of Labor Statistics

A recent U.S. Department of Defense study estimated that the base had a \$551 million impact on the local economy for fiscal year 2013. McConnell AFB was designated as the first base to receive the new KC-46A refueling tankers in 2017 that will replace the existing KC-135s. In anticipation of receiving the new tankers, the base approved nearly \$220 million in construction projects on the base to accommodate the new planes.

During the 3-year forecast period, the economy of the HMA is expected to continue to slowly expand. Nonfarm payrolls are expected to increase by an average of 1 percent annually with stronger growth in each successive year of the forecast period. In addition to employment increases associated with Boeing's 737 production increase and the expansion of McConnell AFB, Koch Industries, Inc. is expanding its corporate headquarters in the City of Wichita to accommodate their increasing workforce. Koch Industries, Inc., with \$115 billion in revenue, is the second largest privately held company in the nation with subsidiaries such as INVISTA, Georgia-Pacific, and several petrochemical companies. These projects will contribute to growth in the manufacturing and the mining, logging, and construction sectors.

**Figure 3. Current Nonfarm Payroll Jobs in the Wichita HMA, by Sector**



Note: Based on 12-month averages through August 2014.  
Source: U.S. Bureau of Labor Statistics

# Population and Households

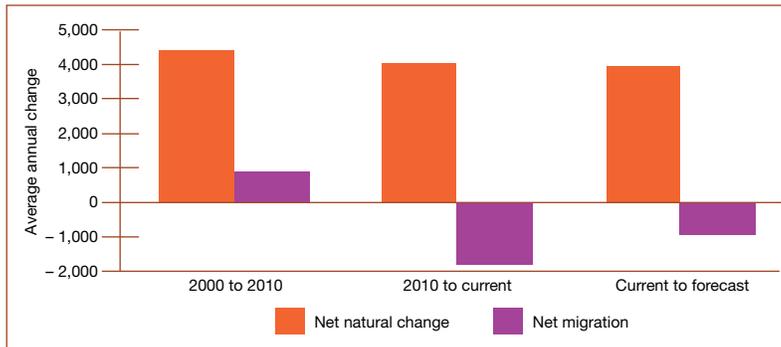
As of September 1, 2014, the population of the Wichita HMA was estimated to be 632,700, an increase of approximately 2,175 people, or 0.3 percent, annually since the 2010 Census. Since 2010, net out-migration has reached 1,825 people annually because slow job growth has not provided a catalyst for people to move to the HMA. The out-migration from the HMA is a reversal of the trend that existed from July 2005 through July 2009 when net in-migration averaged nearly 3,275 people a year as stronger employment growth attracted people to the HMA. Peak population growth in the HMA averaging 7,825 people, or 1.3 percent, annually occurred during

this time. By comparison, from 2000 to 2005 population growth averaged 3,150 people, or 0.5 percent, annually and net out-migration averaged about 1,000 people a year. Population growth and migration patterns to the HMA are significantly tied to employment growth in the aerospace manufacturing industry. Figure 4 shows the components of population change from 2000 to the forecast date.

Approximately 506,400 people, or 80 percent of the population in the HMA, reside in Sedgwick County, which includes the principal city of Wichita. Nearly 100 percent of all growth in population and households has occurred in Sedgwick County, as the populations of Butler, Harvey, and Sumner Counties have remained relatively flat since 2010. During the forecast period, the population of the HMA is expected to increase by 2,975, or 0.5 percent, annually as net out-migration declines during each successive year of the forecast period in response to the improving economy.

An estimated 244,300 households are in the HMA as of September 1, 2014, an increase of 890 households, or 0.4 percent, annually since the 2010 Census. By comparison, between the 2000 Census and the 2010 Census, the number of households increased by 2,000, or 0.9 percent, annually. Figure 5 shows population and household growth in the HMA from the year 2000 to the forecast date. The homeownership rate declined from 67.2 percent in 2010 to 66.1 percent currently because of weak economic and sales housing market conditions. The shift from ownership to renting expanded the number of renter households in the HMA, resulting in the number of renter households increasing

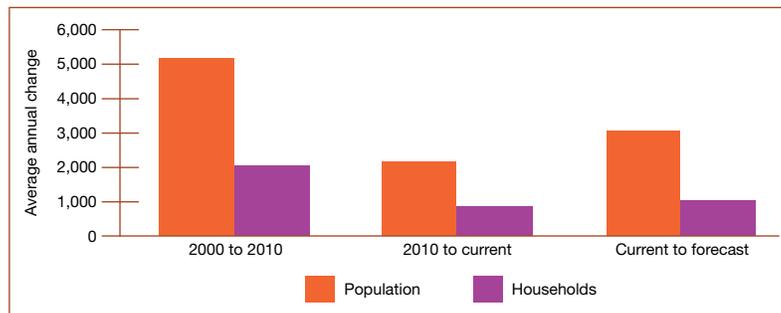
**Figure 4. Components of Population Change in the Wichita HMA, 2000 to Forecast**



Notes: The current date is September 1, 2014. The forecast date is September 1, 2017.

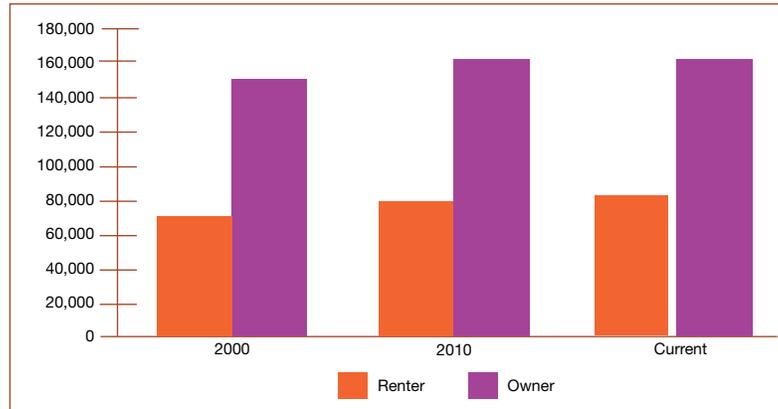
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5. Population and Household Growth in the Wichita HMA, 2000 to Forecast**



Notes: The current date is September 1, 2014. The forecast date is September 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 6.** Number of Households by Tenure in the Wichita HMA, 2000 to Current

Note: The current date is September 1, 2014.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

from 78,850 households in 2010 to a current estimate of 82,700 households; a slightly more than 1-percent annual average increase in the number of renter households that accounted for nearly 90 percent of all household growth during the period. During the forecast period, the number of households is expected to increase by 1,175 households, or 0.5 percent, annually with most of the growth being renter households. Figure 6 shows the number of households by tenure in 2000, 2010 and the current date.

## Housing Market Trends

### Sales Market

The sales housing market in the Wichita HMA is currently balanced with an estimated sales vacancy rate of 2.3 percent, which is up slightly from 2.2 percent in April 2010. The sale of new and existing homes, which includes single-family homes, townhomes, and condominiums, totaled 8,925 homes during the 12 months ending August 2014, an increase of 200 homes, or slightly more than 2 percent, compared with the 12 months ending August 2013 (Wichita Area Association of Realtors). The average sales price of a new and existing home in the Wichita HMA is \$143,300, which is up \$5,200, or less than 4 percent, from the previous 12 months. The market currently has 3.7 months of inventory, which is down slightly from the 4.0 months recorded September 1, 2013. In August 2014, 4.4 percent of all mortgage loans in the HMA were 90 or more days delinquent, were in foreclosure, or transitioned to REO (Real Estate Owned). This figure was

down from 4.6 percent in August 2013 and is less than the peak level of 5.5 percent that was recorded in January 2010 (Black Knight Financial Services, Inc.).

The sale of existing homes increased by 110 homes, or slightly more than 1 percent, to 8,350 homes during the 12 months ending August 2014. This rate of growth in sales is much less than the increase of nearly 13 percent, or 920 existing home sales, which occurred during the 12 months ending August 2013. The average sales price of an existing home was \$133,600 during the 12 months ending August 2014, an increase of \$3,250, or nearly 3 percent from the previous 12 months. The economic expansion that began in 2012 has helped provide confidence to local consumers and this confidence has contributed to continuing increases in existing home sales that began in 2012 when the number of home sales increased by 740 homes sold, or nearly

## Housing Market Trends

### Sales Market *Continued*

11 percent. The number of existing home sales totaled 6,950 homes sold in 2001 and increased every year through 2007 by an average of 500 homes sold, or slightly more than 6 percent annually, to peak at nearly 10,000 homes sold. From 2001 through 2007 the average sales price of an existing home increased by an average of \$3,150, or nearly 3 percent, annually growing from \$98,800 in 2001 to \$117,800 by the end of 2007. Beginning in 2008 and continuing through 2011, the number of existing home sales steadily declined by an average of 780 homes sold, or nearly 9 percent, annually, to 6,850 homes sold in 2011. The average sales price of existing homes did not decline along with sales. During 2008, the average sales price of an existing home increased \$4,800, or more than 4 percent, to \$122,600. From 2009 through 2011, the sales price of an existing home remained relatively stable and increased by an average of \$470, or less than 1 percent, annually to \$124,000.

The number of new homes sold totaled 570 during the 12 months ending August 2014, which was an increase of nearly 90 sales, or 18 percent from the previous 12 months. This number is an improvement from the increase of 40 sales, or 9 percent, during the 12 months ending August 2013. The average sales price of a new home was \$284,700 during the 12 months ending August 2014, an increase of \$14,900, or nearly 6 percent from the previous 12 months. The new home sales market in the Wichita HMA was impacted much more severely during the past recession than the market for existing homes. From 2001 through 2005, the number of new home sales increased by an average of 200 homes sold, or 13 percent, annually to reach a peak of 2,000 homes sold during

2005 and the average home sales price increased by an average of \$8,950, or more than 5 percent, annually to reach \$196,600 during 2005. During 2006, the number of new home sales declined by 25 homes sold, or approximately 1 percent, to 1,975 homes sold and the price of a new home increased by \$6,200, or more than 3 percent. In 2007, the number of new home sales in the HMA started to drop significantly and declined by an average of 250 homes sold, or 22 percent, annually from 2007 through 2012, when only 460 new homes sold. Although the number of home sales declined, the average home sales price increased from 2007 through 2012 by an average of \$9,650, or 4 percent, annually to \$260,600.

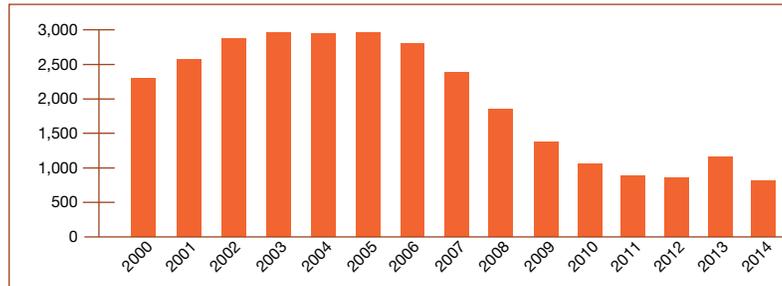
During the 12 months ending August 2014, the number of single-family homes permitted increased by 50, or nearly 6 percent, to 950 homes, compared with the number of homes permitted during the 12 months ending August 2013 (preliminary data). Homebuilding activity has started to increase in the HMA while job growth continues and residents feel more confident in their current economic situation to purchase a home. This increased confidence has led to an increase in homebuilding activity, which is up by 80 homes, or 9 percent from the average of 870 single-family homes permitted annually during 2011 and 2012. This recent increase in home production is still much less than the previous level of production. From 2000 through 2007 an average of 2,700 units were permitted annually (Figure 7).

Some recent developments include the 24-lot Patio Homes at Waterfront. This upper end development has home prices starting at \$500,000. Of the 24

## Housing Market Trends

Sales Market *Continued*

**Figure 7.** Single-Family Homes Permitted in the Wichita HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through August 2014.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Wichita HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
115,000	134,999	180	7.0
135,000	149,999	420	16.0
150,000	199,999	650	25.0
200,000	249,999	550	21.0
250,000	299,999	520	20.0
300,000	399,999	160	6.0
400,000	499,999	100	4.0
500,000	and higher	25	1.0

Notes: The 270 homes currently under construction and a portion of the estimated 10,500 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is September 1, 2014, to September 1, 2017.

Source: Estimates by analyst

lots, 10 have been developed, with buildout of the development expected by 2016. Another recently started development, Falcon Falls, has 250 lots currently for development, with 24 homes built since the opening of the development, with another 250 lots slotted for a second phase. Home sales prices start at \$120,000 in this development.

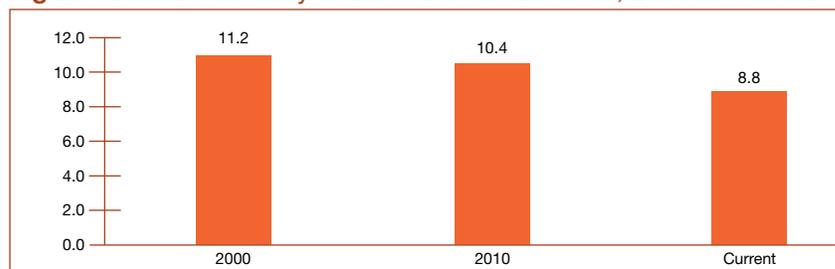
Demand is expected for 2,600 new homes in the HMA during the 3-year forecast period (Table 1). New home sales demand is expected to increase slightly during each successive year of the forecast period. The 270 homes currently under construction will meet part of the demand during the first year. A portion of the 10,500 other vacant units in the HMA may reenter the market and satisfy some of the forecast demand. Demand is expected to be greatest in the \$150,000-to-\$199,999 price range. Table 4 shows estimated demand by price range for new market-rate sales housing in the HMA.

## Rental Market

The overall rental housing market in the HMA, including single-family homes, mobile homes, and other rental units, is currently soft with an estimated rental vacancy rate of 8.8 percent. Although the market is soft, this rate

is an improvement from the 10.4-percent vacancy rate recorded in 2010 (Figure 8). The apartment market in the HMA is tight with a 3.6-percent vacancy rate as of September 1, 2014, which is down from 4.4 percent 1 year earlier (Reis, Inc.). The significant variation between the overall rental vacancy rate and the apartment vacancy rate is partly because apartments constitute only about 36 percent of all occupied rental units in the HMA (2012 American Community Survey). The average rent for an apartment in the HMA is currently \$570, which is up \$15, or nearly 3 percent, from 1 year earlier. The apartment market has

**Figure 8.** Rental Vacancy Rates in the Wichita HMA, 2000 to Current



Note: The current date is September 1, 2014.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

improved much faster than the overall rental market. The apartment vacancy rate has declined from 7.8 percent at the end of the first quarter of 2010 because of limited apartment production from 2009 through 2011 and an increase in demand. Tightening apartment conditions have encouraged developers to respond by increasing production of multifamily units in the HMA in recent years.

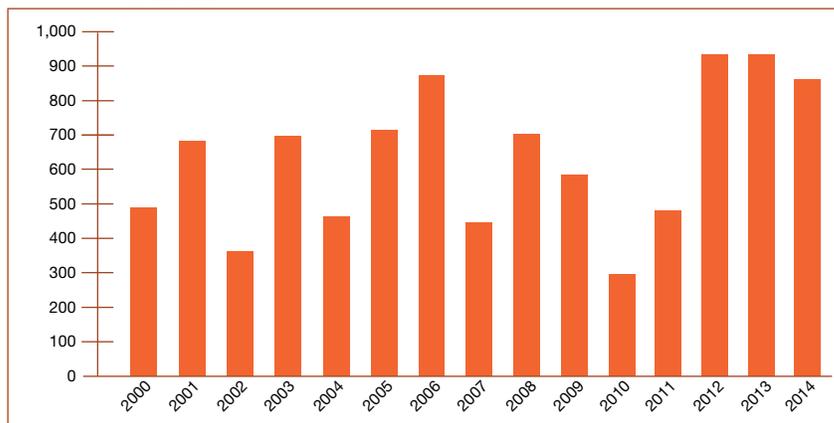
Building activity, as measured by the number of multifamily units permitted remained relatively unchanged during the 12 months ending August 2014 at 880 units compared with 890 a year ago. The level of multifamily construction during the past 24 months is significantly higher, however, than during any previous period in the HMA since 2000. An average of 540 units were permitted annually from

2000 through 2004, but with improvements in the economy and increased population growth because of net in-migration, multifamily production increased to an average of 680 units annually from 2005 through 2008. With a downturn in the local economy, net out-migration from the HMA, and an increasing rental vacancy rate, apartment construction declined from 2009 through 2011. During this time, the number of multifamily units permitted averaged 450 units permitted annually, a decline of 230 units permitted from the average for 2005 through 2008 (Figure 9).

Recent developments include The Lux, an 86-unit development that is occupying the old Kansas Gas and Electric Building downtown in the city of Wichita. Rents start at \$650 for a studio unit, \$1,000 for a one-bedroom unit, and \$1,100 for a two-bedroom unit. In northeast Wichita, the Chisholm Lake apartments were recently completed. This project consists of 208 units with rents starting at \$795, \$1,010, and \$1,260 for one-, two-, and three-bedroom units, respectively.

During the 3-year forecast period, demand is estimated for 1,175 new market-rate rental units (Table 1). Demand is expected to be strongest for two-bedroom units with rents that range from \$965 to \$1,164 (Table 5). The 1,050 units currently under construction will meet most of the forecast demand.

**Figure 9.** Multifamily Units Permitted in the Wichita HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through August 2014.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Wichita HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
650 or more	25	800 to 999	380	965 to 1,164	500	1,100 to 1,299	35
		1,000 to 1,199	60	1,165 to 1,364	95	1,300 to 1,499	35
		1,200 or more	10	1,365 or more	30	1,500 or more	15
<b>Total</b>	<b>25</b>	<b>Total</b>	<b>450</b>	<b>Total</b>	<b>630</b>	<b>Total</b>	<b>85</b>

Notes: Numbers may not add to totals because of rounding. The 270 units currently under construction will likely satisfy some of the estimated demand. The forecast period is September 1, 2014, to September 1, 2017.

Source: Estimates by analyst

# Data Profile

**Table DP-1. Wichita HMA Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	286,604	283,942	283,100	-0.1	-0.1
Unemployment rate	4.2%	8.7%	5.8%		
Nonfarm payroll jobs	295,200	283,100	289,700	-0.4	0.6
Total population	571,166	623,061	632,700	0.9	0.3
Total households	220,440	240,359	244,300	0.9	0.4
Owner households	150,061	161,503	161,600	0.7	0.0
Percent owner	68.1%	67.2%	66.1%		
Renter households	70,379	78,856	82,700	1.1	1.1
Percent renter	31.9%	32.8%	33.9%		
Total housing units	238,564	263,043	266,600	1.0	0.3
Owner vacancy rate	1.9%	2.2%	2.3%		
Rental vacancy rate	11.2%	10.4%	8.8%		
Median Family Income	\$50,700	\$62,900	\$63,200	2.2	0.1

*Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through August 2014. Median Family Incomes are for 1999, 2009, and 2013. The current date is September 1, 2014.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

## Data Definitions and Sources

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2000: 4/1/2000—U.S. Decennial Census  
2010: 4/1/2010—U.S. Decennial Census  
Current date: 9/1/2014—Analyst's estimates  
Forecast period: 9/1/2014–9/1/2017—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated December 1, 2009, and does not reflect changes defined by the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are

not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [http://www.huduser.org/publications/pdf/CMARtables\\_WichitaKS\\_15.pdf](http://www.huduser.org/publications/pdf/CMARtables_WichitaKS_15.pdf).

## Contact Information

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to  
[www.huduser.org/portal/ushmc/chma\\_archive.html](http://www.huduser.org/portal/ushmc/chma_archive.html).