

GLOBAL SPOTLIGHT

Wichita, Kansas



Healthy Hub Appears Promising in Heartland.

- Wichita is located directly in the center of the heartland and has a unique economy compared to the rest of the nation. The three major components of the local economy are energy, agriculture and aircraft. Each of these components is thriving today, resulting in low unemployment and healthy attitudes toward commerce and industry.
- The office market has been gaining strength through the conversion of obsolete offices. Many are now being turned into residential properties, thus the overall vacancy has decreased. Meanwhile, new office developments in the suburbs have attracted major office users from the downtown district leaving affordable opportunities in downtown.
- Retail rates have remained strong. Wichita has always been a popular test market for new restaurant concepts, and new chain restaurants are emerging here. The weakest market segment would be big-box centers, while lifestyle centers and open air convenience centers continue to prosper. The performance of enclosed malls is stable and new retail developments remain focused on higher-end product.
- Industrial development, particularly in aircraft manufacturing, is thriving. The major aircraft plants are backlogged in production, creating strong employment and a positive ripple effect to the aircraft sub-contractors. Due to a shortage of warehouse space, speculative development of industrial flex buildings has increased.
- Demand for local investment-grade properties far exceeds supply while local financing is still readily available for quality projects. In general, the local economy is strong and shows no sign of weakening.

Wichita At A Glance

Population	596,452 (MSA, 2007 estimate)
Location	Wichita Metropolitan Area
Interest	4.25% (10 year treasury)
Unemployment	3.5% (MSA, April 2008)

Property	Rent/SF/Year		Vacancy Rate
	Low	High	
Downtown Office Class A	\$12.00	\$16.00	10%
Suburban Office Class A	\$15.00	\$22.00	7%
Industrial Bulk Warehouse	\$3.50	\$6.00	8%
Retail Downtown	\$12.00	\$19.00	11%

NAI John T. Arnold Associates, Inc. offers local market expertise in Wichita, Kansas, including the surrounding counties of Sedgwick, Butler, Harvey and Sumner.

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At A Glance

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