

construction ::

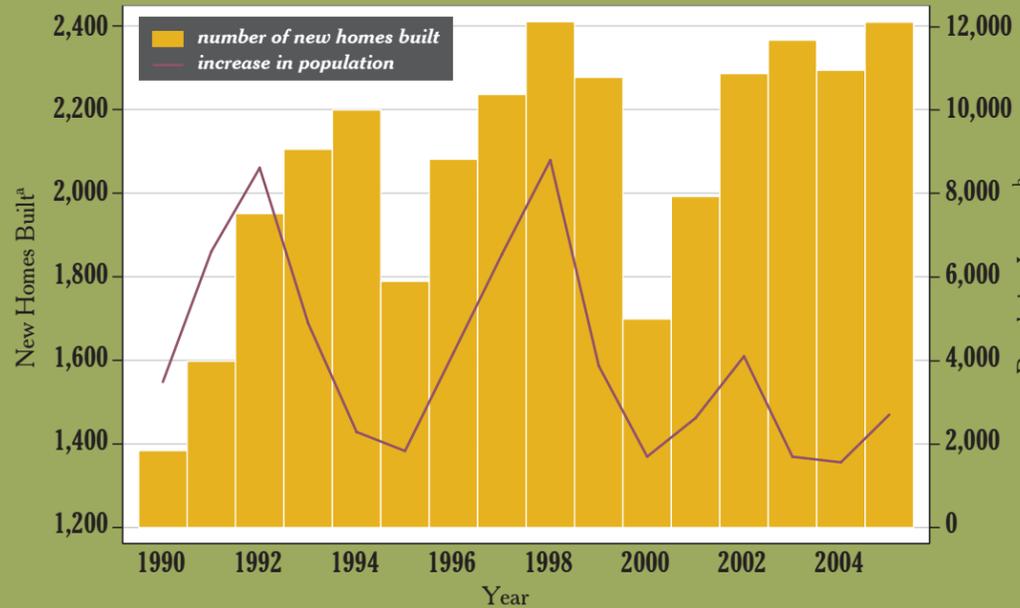
The Band Plays On

Driving around Wichita, it seems like countless new housing subdivisions keep springing up.

Wichita doesn't grow that fast, so where are all the buyers coming from?



"New home construction closely tracks area population growth."

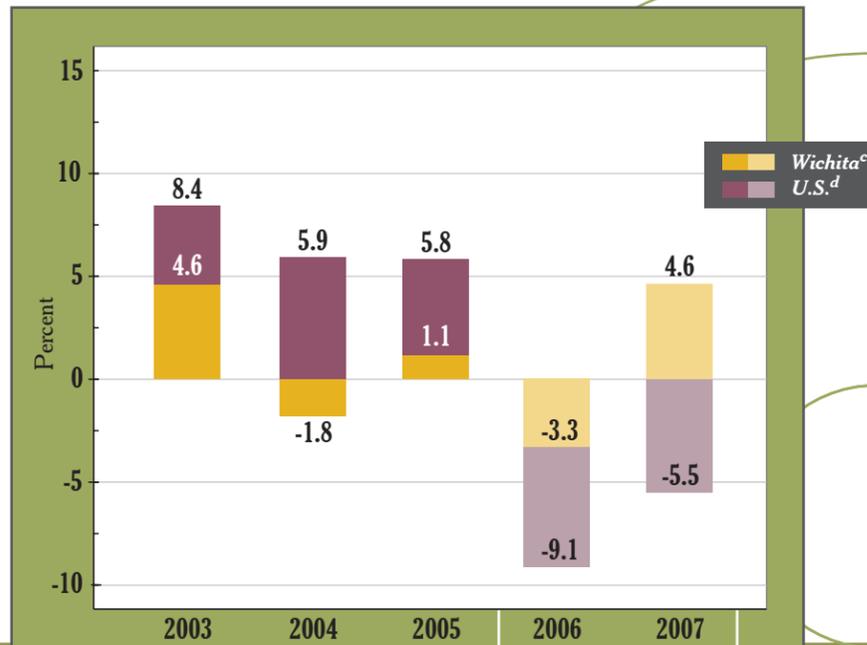


increase in Sedgwick County population and new home construction

Sources: ^aWichita Area Builders Association; U.S. Census Bureau; U.S. Department of Housing and Urban Development; WSU Center for Real Estate; National Association of REALTORS[®]

Notes: ^a Number of single-family residential building permits issued in Sedgwick County as collected by the Wichita Area Builders Association

^b Change in the U.S. Census Bureau's estimated population for Sedgwick County



change in new home construction

forecast^e

"Wichita new home construction is right on tempo with the market."

As it turns out, the pace of new home construction is right on tempo with the market. Last year the Wichita metro area population was just over 575,000. With about 2.5 people per household on average, even a modest 1 percent population growth rate means we need 2,300 new housing units this year just to keep even. Factor in the demolition of older homes that no longer meet modern housing needs, and it is clear that Wichita area new home construction is right on pace.

A mild winter resulted in strong construction growth during the last quarter of 2005 and the first quarter of this year. Now the market appears to be taking a breather, and new home construction should end the year down 3.3 percent at 2,595 units. Strong employment growth in the Wichita area should keep the music playing, however, resulting in 2,714 new units in 2007, a 4.6 percent increase over 2006.

Notes: ^c Single-family residential building permits in the Wichita area as collected by the Wichita Area Builders Association

^d New privately-owned housing units started (housing starts)

^e U.S. forecast is the National Association of REALTORS[®] August 2006 forecast of new housing starts