

Home Construction Activity

NEW HOME CONSTRUCTION IN THE WICHITA AREA continues at a remarkable pace. Last year, 2,702 single-family residential building permits were issued in the Wichita area, an increase of 41.54% from three years earlier. This construction has been spread throughout the metropolitan area, and even the drop in the south and west suburbs earlier this year appears to be only a statistical anomaly.

In response to recent sales activity, developers added 520 net new "buildable lots" in Sedgwick County last year. At the last year's construction pace, this leaves 1.4 years supply of platted lots that are ready for new homes.

The rate of new home construction may slow somewhat in the coming months. Mortgage rates are expected to rise in 2005. While this may not dampen demand among those consumers who want "the latest and greatest" in their homes, it will drive some buyers out of the market.

Home Construction Activity^a

	2000	2001	2002	2003	2004Q1	2004Q2
Wichita	1,037 -19.55%	1,245 20.06%	1,419 13.98%	1,454 2.47%	389 17.52%	453 24.45%
North Suburbs ^b	157 -31.14%	169 7.64%	225 33.14%	206 -8.44%	34 -15.00%	67 19.64%
West Suburbs ^c	107 24.42%	125 16.82%	146 16.80%	139 -4.79%	14 -44.00%	17 -55.26%
South Suburbs ^d	219 -30.91%	266 21.46%	296 11.28%	308 4.05%	46 -29.23%	61 -36.46%
Sedgwick County	179 -49.86%	187 4.47%	200 6.95%	259 29.50%	44 -12.00%	65 6.56%
Butler County Suburbs ^e	162 -25.00%	195 20.37%	237 21.54%	266 12.24%	72 24.14%	74 7.25%
Harvey County Suburbs ^f	48 -23.81%	53 10.42%	61 15.09%	70 14.75%	10 -28.57%	21 10.53%
Area Totals	1,909 -25.31%	2,240 17.34%	2,584 15.36%	2,702 4.57%	609 4.46%	758 7.82%

"The rate of new home construction may slow somewhat in the coming months."

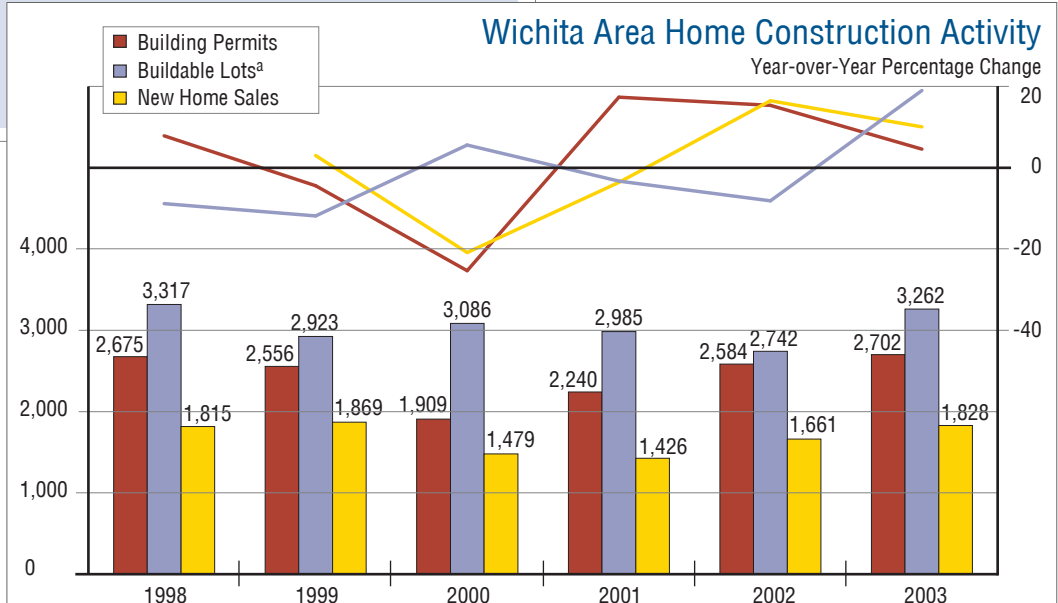
Source: Wichita Area Builders Association

Notes: a) Number of single-family residential building permits in Wichita and selected surrounding communities, and year-over-year percentage change

- b) Bel Aire, Kechi, Park City
- c) and Valley Center
- d) Goddard and Maize
- e) Derby, Haysville and Mulvane
- f) Andover, Augusta and El Dorado
- Newton

"There is 1.4 years supply of platted lots that are ready for new homes."

Wichita Area Home Construction Activity



Sources: Wichita Area Builders Association; Wichita/Sedgwick County Metropolitan Area Planning Department; Wichita Area Association of REALTORS® Multiple Listing Service

Notes: a) A lot is buildable if it has been zoned and platted for single-family residential use and has public water, sewer, and paved streets