

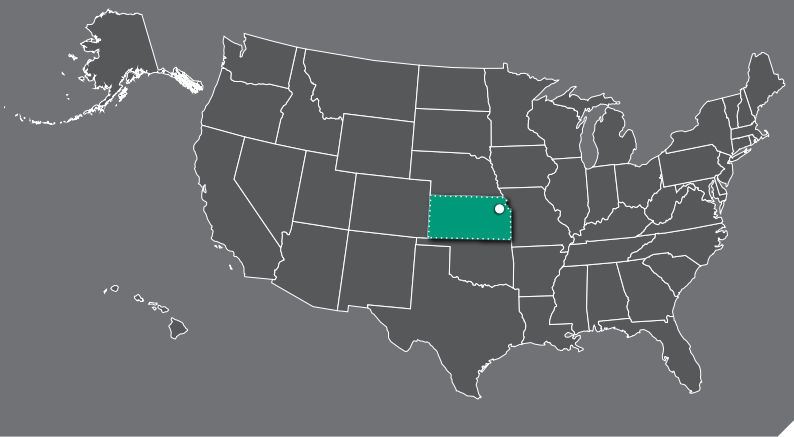
HUD PD&R Housing Market Profiles

Topeka, Kansas



Quick Facts About Topeka

- Current sales market conditions: balanced
- Current rental market conditions: slightly tight
- The Topeka Walmart fulfillment center is the largest distribution center in Kansas, with more than 1.8 million square feet. The facility, which opened in 2021 in the Kanza Fire Commerce Park, employs approximately 400 people and is expected to have an economic impact of \$635 million on the metropolitan area during the next 10 years.



By [Emilio Meneses](#) | As of April 1, 2025

Overview

The Topeka Metropolitan Statistical Area (hereafter, Topeka metropolitan area) includes Jackson, Jefferson, Osage, Shawnee, and Wabaunsee Counties in northeastern Kansas. The city of Topeka, in Shawnee County, is the state capital and the fifth most populous city in Kansas. The local economy is anchored by the government and the education and health services sectors, which combined account for approximately 41 percent of all nonfarm payrolls in the metropolitan area. The State of Kansas and Stormont-Vail Healthcare, Inc. are major employers in the metropolitan area and employ more than 14,300 people combined. Topeka is also a transportation hub because of its central location and proximity to major highways, including Interstate 70 (I-70) and U.S. Highway 75. In addition to the Walmart facility, Target and Home Depot have major distribution centers in the metropolitan area. Goods shipped from Topeka by truck can reach 25 percent of the U.S. population within 1 day and 90 percent within 2 days (GO Topeka). The Kanza Fire Commerce Park, a 1,000-acre industrial park south of Topeka, includes access to highways and the BNSF Railway and is adjacent to a 2,000-acre foreign trade zone at the Topeka Regional Airport, which includes a 12,500-foot runway offering heavy air freight access.

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- As of April 1, 2025, the population in the metropolitan area is estimated at 233,000, relatively unchanged from April 2020. During this period, net in-migration averaged 260 people annually, nearly offsetting net natural decline averaging 280 people annually (U.S. Census Bureau decennial census and estimates by the analyst).
- The components of population change have reversed compared with the 2010-to-2020 period, when net natural increase averaged 470 people annually and was more than

offset by net out-migration averaging 550 people annually, for an average population decline of less than 1 percent a year.

- Approximately 76 percent of the population of the metropolitan area resides in Shawnee County, the third most populous county in Kansas. From 2020 to 2024, the average annual population changes among counties in the metropolitan area ranged from a decline of 0.1 percent in Shawnee County to an increase of 0.8 percent in Wabaunsee County (U.S. Census Bureau population estimates as of July 1).

Economic Conditions

Economic conditions in the Topeka metropolitan area are stable. Nonfarm payrolls averaged 113,900 as of the first quarter of 2025, an increase of 900 jobs, or 0.8 percent, from the first quarter of 2024, when payrolls were unchanged from the previous year. By comparison, the number of jobs in Kansas and the nation rose 0.4 and 1.3 percent, respectively, year over year as of the first quarter of 2025. In 2023, the metropolitan area recovered all the jobs lost during the COVID-19 pandemic, and current payrolls are 3.1 percent above the level during the first quarter of 2020, the most recent corresponding period before the pandemic-induced recession. The nation and the state of Kansas also fully recovered from pandemic-related job losses by 2023. The current nonfarm payrolls in the nation and the state exceed prepandemic levels by 2.3 and 5.0 percent, respectively.

As of the first quarter of 2025—

- The mining, logging, and construction and the transportation and utilities sectors added the most jobs, increasing by 400

jobs each, or 7.1 and 8.5 percent, respectively, compared with a year earlier. The growth in the mining, logging, and construction sector is partly due to the ongoing construction of a new I-70 viaduct in downtown Topeka, at a cost of approximately \$239 million, which is expected to be complete by 2027.

- The government sector, which is the largest nonfarm payroll sector in the metropolitan area, increased by 300 jobs, or 1.1 percent, from a year earlier. All the increase was in the state government subsector, which rose by 3.3 percent from the same period a year earlier.
- Declines in the manufacturing and the wholesale and retail trade sectors partially offset job gains, decreasing by 200 and 300 jobs, or 2.2 and 2.4 percent, respectively, year over year. Recent layoffs, including approximately 80 jobs lost due to the closure of an ORBIS Corporation plastic

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Nonfarm payrolls in the Topeka metropolitan area as of the first quarter of 2025 were up from a year earlier, with 5 of the 11 sectors contributing to job gains.

	3 Months Ending		Year-Over-Year Change	
	March 2024 (Thousands)	March 2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	113.0	113.9	0.9	0.8
Goods-Producing Sectors	14.9	15.0	0.1	0.7
Mining, Logging, & Construction	5.6	6.0	0.4	7.1
Manufacturing	9.3	9.1	-0.2	-2.2
Service-Providing Sectors	98.1	98.9	0.8	0.8
Wholesale & Retail Trade	12.6	12.3	-0.3	-2.4
Transportation & Utilities	4.7	5.1	0.4	8.5
Information	1.0	1.0	0.0	0.0
Financial Activities	7.3	7.3	0.0	0.0
Professional & Business Services	12.8	12.9	0.1	0.8
Education & Health Services	19.7	20.0	0.3	1.5
Leisure & Hospitality	8.4	8.4	0.0	0.0
Other Services	4.8	4.8	0.0	0.0
Government	26.9	27.2	0.3	1.1
Unemployment Rate	3.6%	4.1%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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packaging plant in Osage County, contributed to the slowdown in the manufacturing sector.

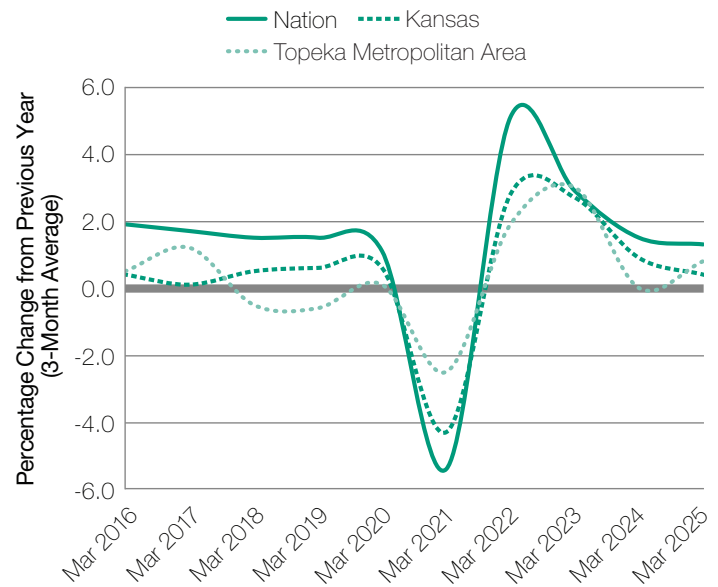
- The unemployment rate averaged 4.1 percent, up from 3.6 percent a year earlier but below the national rate of 4.4 percent.

Despite recent job losses, the manufacturing sector has been the fastest growing sector in the metropolitan area since 2010, increasing by a total of 2,200 jobs, or 28.1 percent. The Topeka and Shawnee County Joint Economic Development Organization (JEDO) has provided incentives for capital investments, jobs, and workforce training to support growth. JEDO previously approved incentives of \$66,000 for the expansion of the Mars Wrigley North America plant, one of the largest chocolate manufacturing facilities in North America, which produces a variety of popular candies, such as Snickers, M&M's Peanut, and Twix. The plant, located in the Kanza Fire Commerce Park, has created approximately 500 jobs in the metropolitan area since it was built in 2014, and the company has invested more than \$750 million in the plant. Growth in the manufacturing sector is expected to resume in the near future. Haas Metal Engineering (HME, Inc.), a structural steel manufacturing company, recently announced that it will invest \$57 million, in addition to \$2.1 million in incentives from JEDO, to expand its Topeka facility. During the next decade, the expansion is expected to create approximately 300 jobs, with annual average wages of \$51,000, and generate an economic impact of \$1.2 billion for the metropolitan area. PTMW Inc., a prefabricated metal enclosures plant, is also expanding, with a \$47.2 million investment that includes JEDO funding of up to \$1.6 million. This expansion is expected to result in 182 new jobs, with salaries ranging from \$80,00 to \$120,000, and an economic impact of \$1.3 billion during the next 10 years. For context, the average annual wage for workers in the metropolitan area was \$58,463 in 2024 (Quarterly Census of Employment and Wages).

Sales Market Conditions

The home sales market in the Topeka metropolitan area is balanced. The sales vacancy rate is estimated at 1.2 percent, down slightly from 1.4 percent in 2020, when conditions were also balanced. The market tightened in 2021 and 2022, when low interest rates increased demand for sales housing, but has eased since then, with significantly higher interest rates putting downward pressure on sales demand. As of February 2025, the average interest rate for a 30-year, fixed-rate mortgage was 6.8 percent, unchanged from a year ago but well above the average of 2.8 percent in February 2021 (Freddie Mac). During the 12 months ending February 2025, new and existing home sales in the metropolitan area increased 1 percent year over year to 4,025 homes sold, compared with a 10-percent decrease a year earlier (Cotality, with adjustments by the analyst).

As of the first quarter of 2025, the rate of job growth in the Topeka metropolitan area was faster than the Kansas rate but slower than the national rate.



Source: U.S. Bureau of Labor Statistics

Major Employers in the Topeka Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Kansas	Government	9,925
Stormont-Vail Healthcare, Inc.	Education & Health Services	4,400
Hill's Pet Nutrition, Inc.	Manufacturing	3,450

Note: Excludes local school districts.

Source: City of Topeka, 2023 Annual Comprehensive Financial Report

- During the 12 months ending February 2025, the average sales price for new and existing homes in the metropolitan area was \$235,900, up 7 percent from a year earlier (Cotality, with adjustments by the analyst). By comparison, the average home price during the 12 months ending February 2024 was \$220,400, an increase of less than 1 percent from the previous 12 months.
- New home sales fell 21 percent to 50 homes sold during the 12 months ending February 2025 compared with a 10-percent decrease a year earlier. The average price for a new home fell 3 percent from a year earlier to \$271,300, partly due to builders offering sales incentives, including reduced interest rates and lower prices.

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- During the 12 months ending February 2025, existing home sales, which include regular resales and real estate owned (REO) sales, increased 1 percent to 3,975 homes sold, compared with a 10-percent decline a year earlier. The average price of \$235,500 for existing homes was up 7 percent compared with a year earlier, when the average price increased 1 percent to \$219,700.
- The share of seriously delinquent mortgages and real estate owned (REO) properties in the metropolitan area increased slightly to 1.3 percent in February 2025, up from 1.2 percent a year earlier (Cotality). The rate of seriously delinquent mortgages and REO properties reached a recent high of

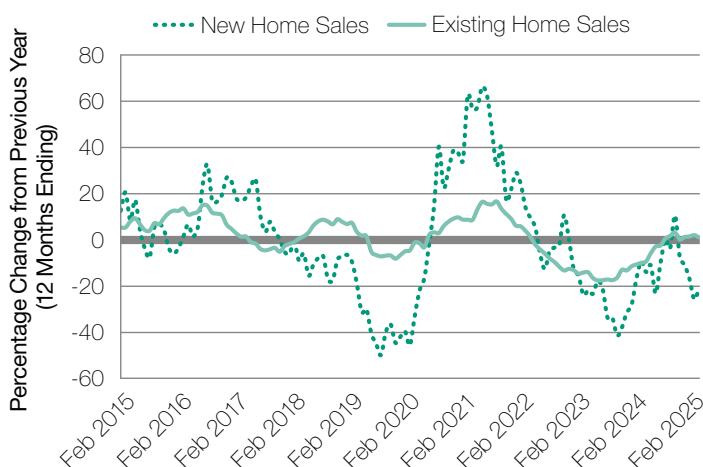
3.5 percent in October 2020, when job losses due to the pandemic-related economic contraction made staying current on mortgage payments more difficult for many homeowners.

Construction of sales housing in the metropolitan area, as measured by the number of homes permitted, rose slightly during the past year because the initial shocks from rising home mortgage interest rates during 2022 and 2023 waned. Even with the increase during the past year, construction is below the levels during 2021 and 2022, when significantly lower interest rates contributed to robust demand for new homes.

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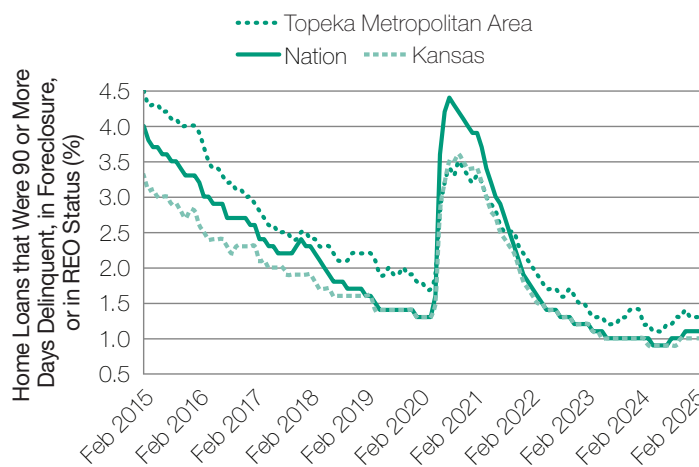
Home sales rose slightly in the Topeka metropolitan area during the past year because an increase in existing home sales more than offset a decline in new home sales.

The percentage of home loans 90 or more days delinquent, in foreclosure, or in REO status in the Topeka metropolitan area has been higher than in the state of Kansas and in the nation since October 2021.



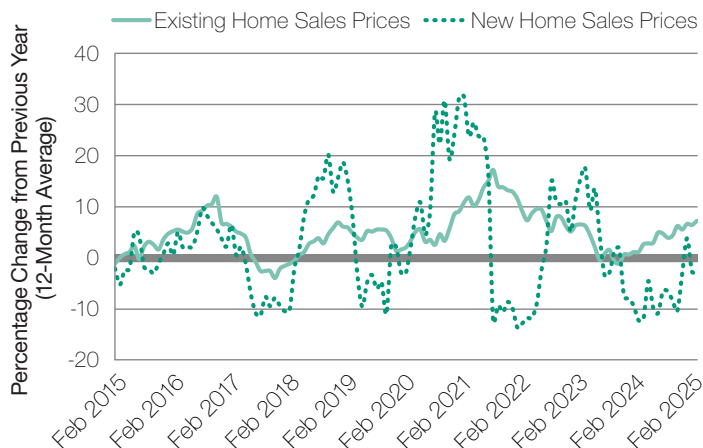
Note: Includes single-family homes, townhomes, and condominiums.
Source: Cotality, with adjustments by the analyst

In the Topeka metropolitan area, existing home sales prices rose during the 12 months ending February 2025, whereas new home sales prices fell.

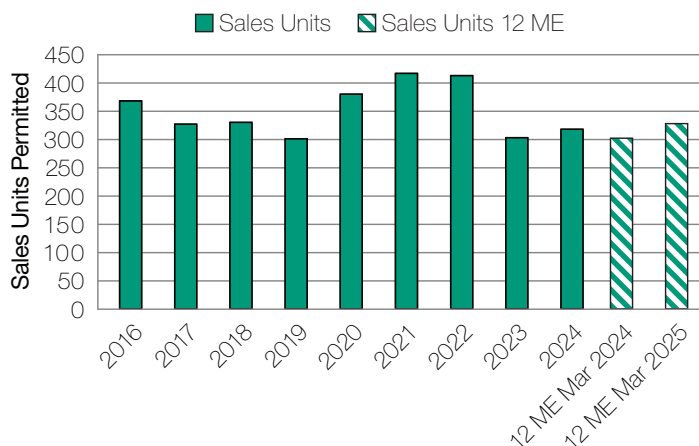


REO = real estate owned.
Source: Cotality

The number of sales units permitted in the Topeka metropolitan area increased slightly during the most recent 12 months but remained below the recent high levels from 2020 through 2022.



Note: Includes single-family homes, townhomes, and condominiums.
Source: Cotality, with adjustments by the analyst



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- Approximately 330 sales units were permitted during the 12 months ending March 2025, up 9 percent from the previous 12 months (preliminary data, with adjustments by the analyst).
- Homebuilding activity averaged 340 sales units permitted each year from 2010 through 2020 before rising to a recent peak of 420 units in 2021, when demand for new homes was strong.
- Within the metropolitan area, recent permitting has been concentrated in Shawnee and Jefferson Counties, which,

combined, accounted for 69 percent of all sales units permitted during the 12 months ending March 2025.

- New home construction in Shawnee County includes New Heights at Fremont Hill, a 48-unit, mixed-income, single-family home community in southeast Topeka. Construction of roads and other infrastructure is underway, and the first 10 homes are expected to break ground later in 2025, with prices starting at \$185,000 for three- and four-bedroom homes.

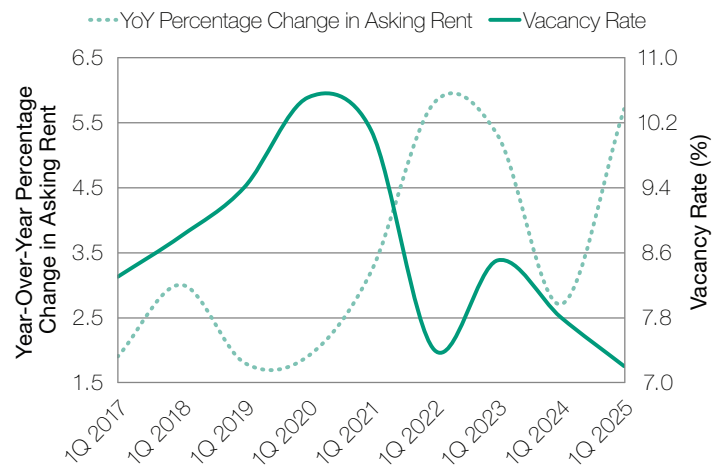
Rental Market Conditions

The rental market in the Topeka metropolitan area is slightly tight. The estimated vacancy rate for all rental units—including single-family homes, mobile homes, apartments, and other rental housing—is 7.4 percent as of April 1, 2025, down from 9.9 percent in April 2020, when conditions were balanced. Single-family homes accounted for approximately 44 percent of all renter-occupied units in 2023 (American Community Survey 1-year data). Rental units in structures with five or more units, typically apartments, accounted for 42 percent of all renter-occupied units in 2023.

- Professionally managed single-family homes, which are a small portion of the rental market, have notably lower vacancy rates than the overall rental market, and in February 2025, the vacancy rate was 3.5 percent, down from 3.7 percent a year earlier (Cotality). The average rent for a three-bedroom, single-family home was \$1,215, up nearly 11 percent from a year ago.
- The apartment market in the metropolitan area was slightly tight as of the first quarter of 2025, with a 7.2-percent apartment vacancy rate, down from 7.8 percent a year earlier (CoStar Group). The average apartment rent was \$941, up 6 percent from the first quarter of 2024.
- First quarter rent growth for apartment units averaged 5 percent annually from 2022 to 2024. For context, from 2010 to 2020, first quarter rent growth averaged 2 percent each year.
- Rents are relatively higher in Shawnee County and lower in outlying parts of the metropolitan area, partly because of the concentration of jobs in and around the city of Topeka. Average monthly apartment rents in the metropolitan area as of the first quarter of 2025 ranged from \$480 in Jefferson County to \$952 in Shawnee County.

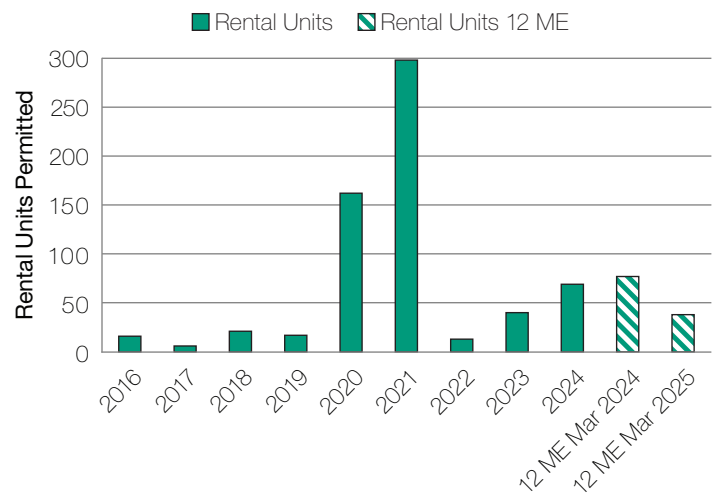
Rental construction activity in the metropolitan area has historically been very limited; however, low interest rates in 2020 and 2021 contributed to a sharp increase in rental permitting. Since then, developers have pulled back on the construction of rental units due to rising interest rates, which added considerable costs to construction financing.

As of the first quarter of 2025, year-over-year average apartment rent growth in the Topeka metropolitan area accelerated in response to the declining vacancy rate.



1Q = first quarter. YoY = year-over-year.
Source: CoStar Group

Rental permitting activity in the Topeka metropolitan area declined after peaking in 2021.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- Approximately 40 rental units were permitted during the 12 months ending March 2025, down 51 percent from 75 units permitted during the previous 12 months (preliminary data).
- Rental construction activity averaged 15 units a year from 2016 through 2019 and increased to an annual average of 230 units during 2020 and 2021. Construction then declined to an annual average of 25 units during 2022 and 2023.
- Within the metropolitan area, recent rental permitting activity has been heavily concentrated in Shawnee County, which has accounted for 97 percent of all rental units permitted in the metropolitan area since 2020. Rental construction in Shawnee County includes Wheatfield Village, a 173-unit luxury apartment complex that started construction in 2021 and opened in June 2023. The property has rents ranging from \$1,299 for studio units to \$2,747 for two-bedroom units.
- Connect 55+ Topeka, a 134-unit senior housing development in the city of Topeka, is under construction and expected to open by the fall of 2025. When complete, monthly rents for the one- and two-bedroom apartments are expected to range from \$1,750 to \$1,975.

Terminology Definitions and Notes

A. Definitions

Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Increase	Resident births are greater than resident deaths.
Net Natural Decline	Resident deaths are greater than resident births.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
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