

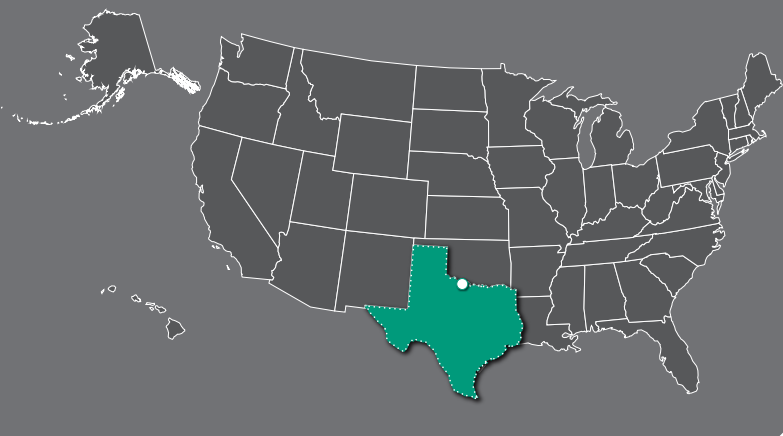
# HUD PD&R Housing Market Profiles

## Wichita Falls, Texas



### Quick Facts About Wichita Falls

- Current sales market conditions: balanced
- Current rental market conditions: slightly soft
- The Newby-McMahon building, built in 1919 and described by *Ripley's Believe It or Not!* as the world's littlest skyscraper, is in the Depot Square Historic District in downtown Wichita Falls, which is on the National Register of Historic Places.



By [Tim McDonald](#) | As of April 1, 2024

### Overview

The Wichita Falls metropolitan area is coterminous with the Wichita Falls Metropolitan Statistical Area and includes Archer, Clay, and Wichita Counties in northern Texas along the Red River and the Oklahoma border, about 140 miles northwest of Dallas, Texas. The metropolitan area is home to Sheppard Air Force Base, which is the largest employer, with 7,225 employees. Sheppard Air Force Base is the largest training base in the Air Education and Training Command for the U.S. Air Force and had a total economic impact of \$3.6 billion dollars locally in 2021 (Texas Comptroller of Public Accounts). The metropolitan area is also home to Midwestern State University, which has 6,100 students and 1,200 employees, making it the third largest employer.

- The population of the metropolitan area is currently estimated at 150,300, an average increase of 540, or 0.4 percent, annually since 2020. Net natural decrease of 30 people a year partly offset net in-migration averaging 570 people per year. From 2010 through 2020, the

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population declined by an average of 320 per year because of net out-migration of 630 people annually.

- Due to the large military base and university in the metropolitan area, 8 percent of the population is

between the ages of 20 and 24, which is higher than the national average of 6.7 percent.

- Approximately 69 percent of the population lives in the city of Wichita Falls.

## Economic Conditions

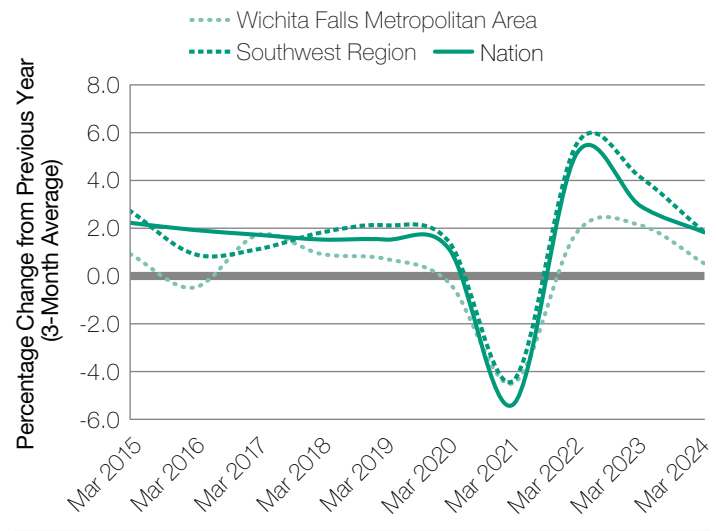
The economy in the Wichita Falls metropolitan area is relatively stable because job growth remained positive during the past 24 months, but nonfarm payrolls remained below the prepandemic first quarter peak levels recorded in 2019. Only 5 of the 11 nonfarm sectors have surpassed their 2019 payroll levels because the recovery from the COVID-19 downturn has been less robust in the metropolitan area compared with elsewhere in Texas. The unemployment rate during the 3 months ending March 2024 averaged 4.2 percent, unchanged from the same periods in 2023 and 2022.

As of the 3 months ending March 2024—

- Nonfarm payrolls increased by 300 jobs, or 0.5 percent, to 59,300 remaining jobs, or 0.3 percent, below the peak level during the 3 months ending March 2019, before the COVID-19-related economic downturn.
- The education and health services sector led job growth, increasing by 200 jobs, or 1.8 percent, from a year earlier.
- The manufacturing sector increased by 100 jobs, or 1.9 percent, to reach a recent peak of 5,500 jobs. Part of this

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**Nonfarm payroll growth in the Wichita Falls metropolitan area has been below the regional and national averages following the recovery from COVID-19-related job losses.**



Source: U.S. Bureau of Labor Statistics

**Only 5 of the 11 nonfarm payroll sectors in the Wichita Falls metropolitan area added jobs during the past year.**

	3 Months Ending		Year-Over-Year Change	
	March 2023 (Thousands)	March 2024 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	59.0	59.3	0.3	0.5
Goods-Producing Sectors	8.5	8.5	0.0	0.0
Mining, Logging, & Construction	3.1	3.1	0.0	0.0
Manufacturing	5.4	5.5	0.1	1.9
Service-Providing Sectors	50.5	50.7	0.2	0.4
Wholesale & Retail Trade	8.9	9.0	0.1	1.1
Transportation & Utilities	2.4	2.3	-0.1	-4.2
Information	0.5	0.5	0.0	0.0
Financial Activities	2.7	2.7	0.0	0.0
Professional & Business Services	3.7	3.6	-0.1	-2.7
Education & Health Services	11.2	11.4	0.2	1.8
Leisure & Hospitality	6.6	6.5	-0.1	-1.5
Other Services	2.3	2.4	0.1	4.3
Government	12.2	12.3	0.1	0.8
<b>Unemployment Rate</b>	4.2%	4.2%		

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

Source: U.S. Bureau of Labor Statistics

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increase was due to Triangle Brick Company opening a new facility and hiring 60 employees to meet the demand for new home construction materials throughout Texas.

- Job losses occurred in the leisure and hospitality, the professional and business services, and the transportation and utilities sectors, each losing 100 jobs, or respective declines of 1.5, 2.7, and 4.2 percent.

One of the largest upcoming construction projects in the metropolitan area is the \$452 million North Texas State Hospital, which will start in the summer of 2024 and is expected to support continued job growth. Pratt and Whitney, an aerospace manufacturer, recently announced a \$10 million expansion of

its facility in the city of Wichita Falls, which will add 30 full-time jobs when complete. Westlake Corporation also announced a \$134 million expansion of its plant that will create 70 new full-time jobs by 2027.

### Largest Employers in the Wichita Falls Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Sheppard Air Force Base	Government	7,225
United Regional Hospital	Education & Health Services	2,100
Midwestern State University	Government	1,200

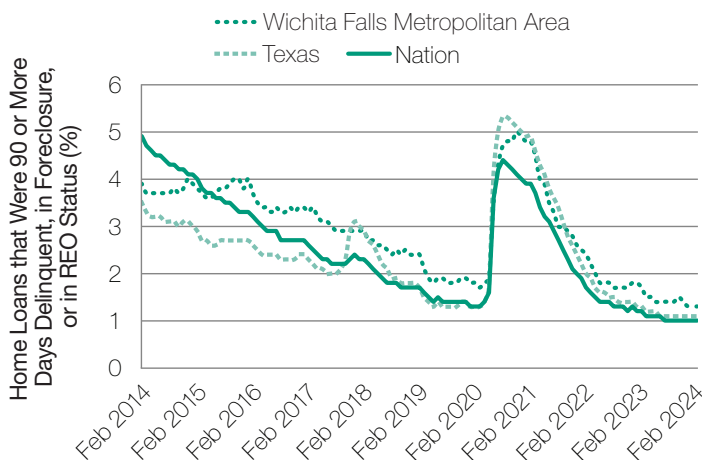
Notes: Excludes local school districts. Data include military personnel who are not counted in nonfarm payroll data.

Source: Wichita Falls Chamber of Commerce

## Sales Market Conditions

The home sales market in the Wichita Falls metropolitan area is currently balanced, with a 1.9-percent vacancy rate, down from 2.2 percent in 2020 and 2.6 percent in 2010, when conditions were soft. The metropolitan area had the lowest median sales price of any metropolitan area in Texas at \$185,000 during March 2024 (Texas A&M Real Estate Research Center). As of March 2024, the metropolitan area had a 3.5-month supply of for-sale inventory, up from 1.9 months a year ago. The metropolitan area had approximately 540 active listings as of March 2024, an increase of 220, or nearly 69 percent, from March 2023. As of February 2024, 1.3 percent of all home loans in the metropolitan area were seriously delinquent or in real estate owned status, down from 1.5 percent during February 2023 (CoreLogic, Inc.). That rate was the lowest in the metropolitan area since 2001.

The rate of seriously delinquent home loans and REO properties in the Wichita Falls metropolitan area surpassed the rate for the state of Texas during October 2021.

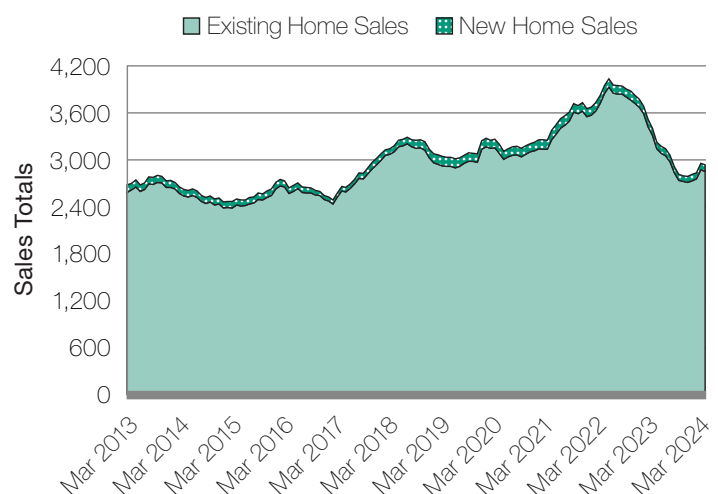


As of the 12 months ending March 2024—

- New home sales totaled 80, down by 5, or nearly 6 percent, from the previous 12 months (Zonda, with adjustments by the analyst).
- The average sales price of a new home was \$327,100, a decline of \$7,300, or more than 2 percent, from the previous 12 months.
- Existing home sales totaled 2,850, a decline of 450, or nearly 14 percent, from the previous 12 months.
- The average sales price of an existing home sale was \$196,600, up \$13,500, or more than 7 percent, from the previous 12 months.

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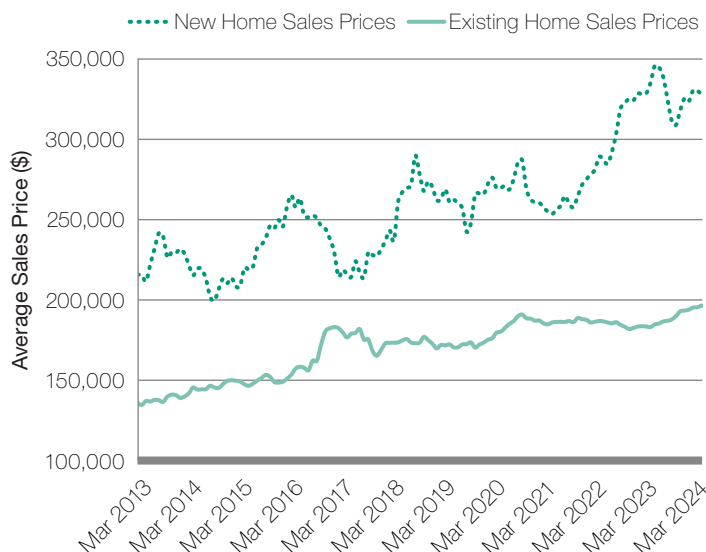
Home sales reached an all-time peak during 2022 but have fallen because rising interest rates have limited demand.





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### New home prices increased much faster than existing home prices during the past 3 years.



Note: Sales prices are for single-family homes, townhomes, and condominiums.  
Source: Zonda, with adjustments by the analyst

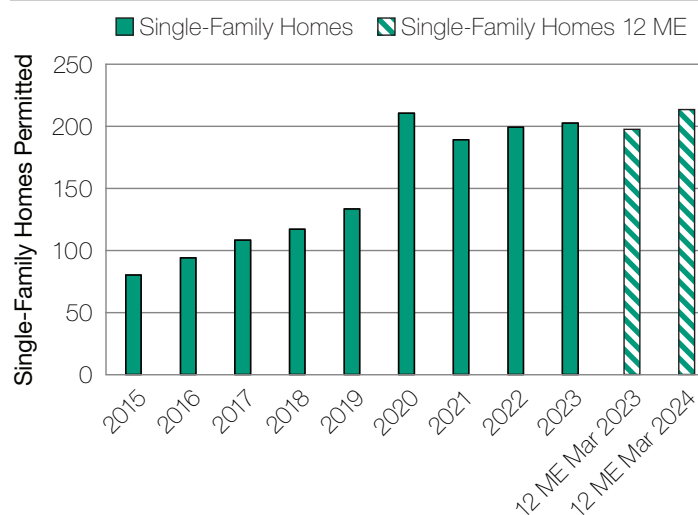
Homebuilding activity, as measured by the number of sales units permitted, increased significantly in 2020 and has remained elevated in the metropolitan area. Demand for new housing has increased because the metropolitan area has had stronger population growth since 2020 compared with previous years.

- Based on preliminary data, 210 new single-family homes were permitted during the 12 months ending March 2024, up by 10 homes, or 5 percent, from the previous 12 months.
- Wichita County accounted for 82 percent of all single-family homes permitted in the metropolitan area during the 12 months

ending March 2024, up from 78 percent since 2020 but down from 86 percent from 2015 through 2019.

- Homebuilding activity has increased significantly in Archer County recently and has averaged 40 single-family homes permitted annually since 2020, up from the average of fewer than 10 annually from 2014 through 2019.
- One of the newest developments in the city of Wichita Falls is Expressway Village, a 26-home development nearing completion. A three-bedroom, two-bathroom single-family home starts at \$284,900.

### Single-family home permitting activity in the Wichita Falls metropolitan area reached its highest level in more than 15 years during the 12 months ending March 2024.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

## Rental Market Conditions

The rental market in the Wichita Falls metropolitan area, which includes renter-occupied single-family homes, mobile homes, and apartment units, is slightly soft, with a 12.2-percent vacancy rate, down from 12.6 percent in 2020 and 12.8 percent during 2010. Nearly 48 percent of renter households in the Wichita Falls metropolitan area live in single-family homes, and 22 percent live in structures with two to four units, according to the 2022 American Community Survey 1-year data.

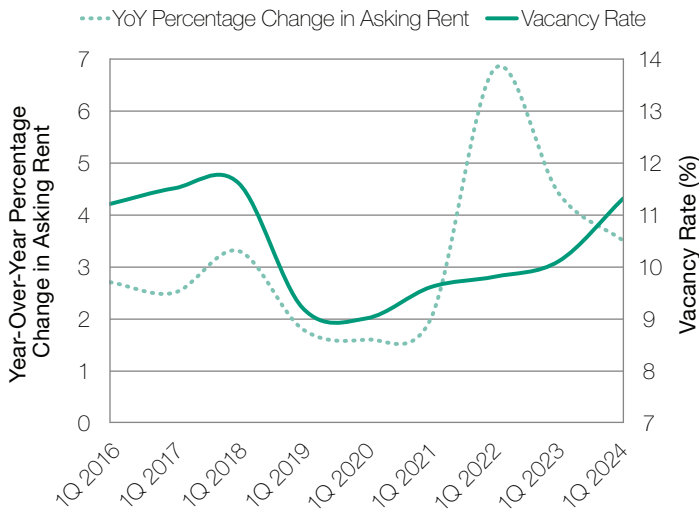
- The apartment market is also slightly soft, partly due to a new property, the 216-unit Brook Hollow Apartments, entering the market. As of the first quarter of 2024, the apartment vacancy rate in the metropolitan area was 11.3 percent, up from 10.1 percent 1 year earlier (Costar Group).

- The average rent for an apartment as of the first quarter of 2024 was \$880, an increase of \$30, or nearly 4.0 percent, from 1 year earlier. The metropolitan area has the second lowest average apartment rent among all metropolitan areas in the state of Texas.
- Off-campus student housing, including apartments rented by the bedroom, totaled 1,395 beds during the first quarter of 2024, with an 8.0-percent vacancy rate, up from 6.6 percent during the first quarter of 2023.
- The single-family rental market is balanced, with a 6.1-percent vacancy rate as of February 2024, up from 5.9 percent 1 year earlier (CoreLogic, Inc.).

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Rent growth in the Wichita Falls metropolitan area reached an all-time peak during the first quarter of 2022, similar to trends in other metropolitan areas in the state of Texas.



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

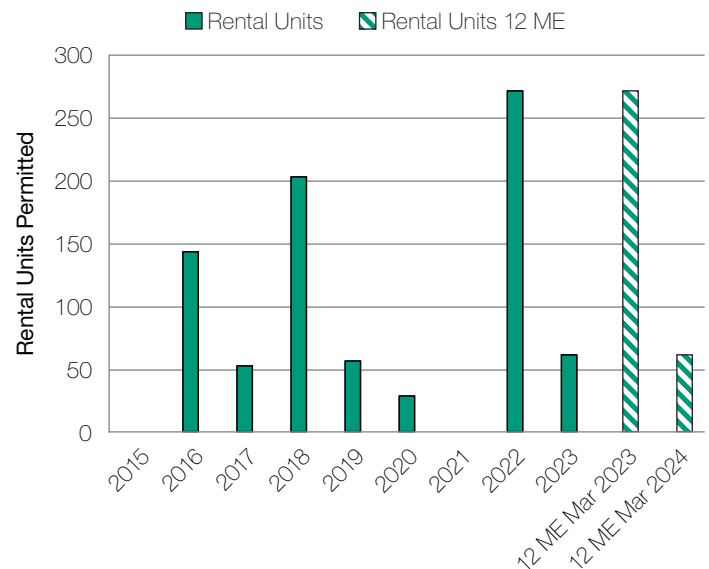
Construction of new rental units has been limited in the metropolitan area because slow population growth or population declines until recently limited the need for additional rental units. The metropolitan area has a relatively old apartment stock; nearly 72 percent of all apartment units are more than 40 years old, which contributes to a vacancy rate that is normally high (ALN Apartment Data).

- During the 12 months ending March 2024, 60 rental units were permitted, down from 270 units permitted during the previous 12 months.
- The 216-unit Brook Hollow Apartments is nearing completion in the city of Wichita Falls and includes 90 one-bedroom units

and 126 two-bedroom units that will rent for \$1,279 and \$1,573 per month, respectively.

- Since 2014, approximately 43 percent of all rental units built in the metropolitan area have been subsidized affordable housing.
- Only two rental properties have been built in the metropolitan area outside Wichita County since 2014, the 48-unit Abbington Vista of Henrietta and the 49-unit Pioneer Crossing Henrietta; both are in Clay County and are affordable properties.

The 270 rental units permitted during 2022 were the most rental units permitted in a year in the Wichita Falls metropolitan area since 2007.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2015–23—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

## 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 regular resales and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Decrease	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 April 10, 2018.
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