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Wichita, Kan.  
1965

*Analysis of the*

**WICHITA, KANSAS  
HOUSING MARKET**

**as of February 1, 1965**

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A Report by the  
**FEDERAL HOUSING ADMINISTRATION**  
**WASHINGTON, D. C. 20411**

A constituent of the Housing and Home Finance Agency

July 1965

ANALYSIS OF THE  
WICHITA, KANSAS, HOUSING MARKET  
AS OF FEBRUARY 1, 1965

FIELD MARKET ANALYSIS SERVICE  
FEDERAL HOUSING ADMINISTRATION  
Housing and Home Finance Agency

## Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science the judgmental factor is important in the development of findings and conclusions. There will, of course, be differences of opinion in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst.

## Table of Contents

	<u>Page</u>
Summary and Conclusions	i
Housing Market Area	1
Map of Area	2
Economy of the Area	
Character and History	3
Employment	4
Principal Employers	6
Unemployment	7
Estimated Future Employment	8
Income	8
Demographic Factors	
Population	10
Households	11
Housing Market Factors	
Housing Supply	13
Residential Building Activity	14
Tenure	16
Vacancy	16
Sales Market	17
Rental Market	20
Mortgage Market	22
Urban Renewal Activity	22
Military Housing	24
Public Housing	24
Demand for Housing	
Quantitative Demand	25
Qualitative Demand	26

ANALYSIS OF THE  
WICHITA, KANSAS, HOUSING MARKET  
AS OF FEBRUARY 1, 1965

Summary and Conclusions

1. The economy of the Wichita area has risen and fallen with the fortunes of the dominant aircraft industry through two wars and post-war periods of adjustment within the last twenty-five years. Although the aircraft industry currently is less dominant than in previous years, it still accounts for 25 percent of all nonagricultural wage and salary employment in the area. The fact that over half of current employment in the industry is dependent on defense contracts contributes to instability of the Wichita economy.

2. The Kansas Employment Security Division estimated total nonagricultural wage and salary employment in the Wichita Housing Market Area (HMA) to be 123,500 workers as of December 1964. This figure does not fully reflect the layoff during December 1964 of 600 employees announced by the Boeing Company. Additional reductions of 1,200 workers in January and 1,200 in March 1965 have been announced by Boeing. Average nonagricultural wage and salary employment in 1964 was 121,250, up 3,450 from 1963. This represents the highest employment level achieved within the past five years, although it was 9.3 percent below the 1957 peak of 133,650 workers. Assuming no additional large-scale reductions in the aircraft industry, it is estimated that growth in employment during the next three years will average about 1,000 jobs a year, compensating for the cutback in aircraft employment, and resulting in an employment level of about 121,250 by 1968.

3. The current median family income, after deduction of Federal income taxes, is estimated at about \$7,000 for all families, and about \$5,650 for renter families. Current incomes are about 18 percent above the 1959 level and are expected to increase by an additional 10 percent by 1968.

4. The population of the Wichita HMA as of February 1, 1965 is approximately 349,400, an annual increase of 1,275 (0.4 percent) since April 1960. Population is expected to increase by 2,400 persons annually during the next three years to a total of 356,600 by February 1968. The current total of approximately 107,400 households represents a gain of 4,000, or 830 a year, since April 1960. During the next three years, households are expected to increase by about 800 a year to a total of approximately 109,800.

5. The current housing inventory totals about 115,000 units, a net increase of about 1,000 units since April 1960. Approximately 3,300 new units were added and about 2,300 units were lost through demolition, conversion, and catastrophe during the period. A total of 1,311 new units were authorized by building permits during 1964, including 20 duplex units and 487 units in structures with three or more units. New construction averaged about 700 units a year from 1961 through 1963, all in single-family homes with the exception of one 80-unit cooperative apartment, a smaller apartment development of 19 units, and about 70 units in duplexes.

6. There currently are approximately 5,900 vacant nondilapidated, non-seasonal units available for sale or rent in the area. About 1,650 are available for sale, representing a homeowner vacancy ratio of 2.3 percent and about 4,250 are available for rent, representing a rental vacancy ratio of 10.2 percent. These vacancy ratios are substantially above the respective ratios that are judged to represent a balanced demand-supply situation.

7. Although there is a large inventory of almost 2,400 acquired houses held by FHA and VA in the price ranges under \$12,000, the market for new houses priced above \$12,000 has been strong. New houses have been sold at a rate of from 600 to 700 a year during the past two years, and there has been no significant accumulation of an unsold inventory of new houses. The difficulty experienced in disposing of acquired properties is reflected in the fact that approximately two-thirds of the almost 2,400 houses held by the FHA and the VA are now occupied by renters.

8. To accommodate household growth and to allow for expected inventory and occupancy changes, a net of approximately 700 new housing units annually will be in demand during the next three years, slightly above the average of 680 new units a year added since 1960, but substantially below the 1,300 units authorized by building permits in 1964. Current market conditions indicate that all of the new units will be provided in the sales segment of the market at selling prices approximating the pattern shown in the table on page 26.

Since the rental market currently appears glutted, construction of additional rental units should be under-taken only if it is firmly established that they will meet demand of a type that clearly cannot be met from the existing inventory or from units now under construction. The number of units that could be justified on that basis appears to be very modest.

ANALYSIS OF THE  
WICHITA, KANSAS, HOUSING MARKET  
AS OF FEBRUARY 1, 1965

Housing Market Area

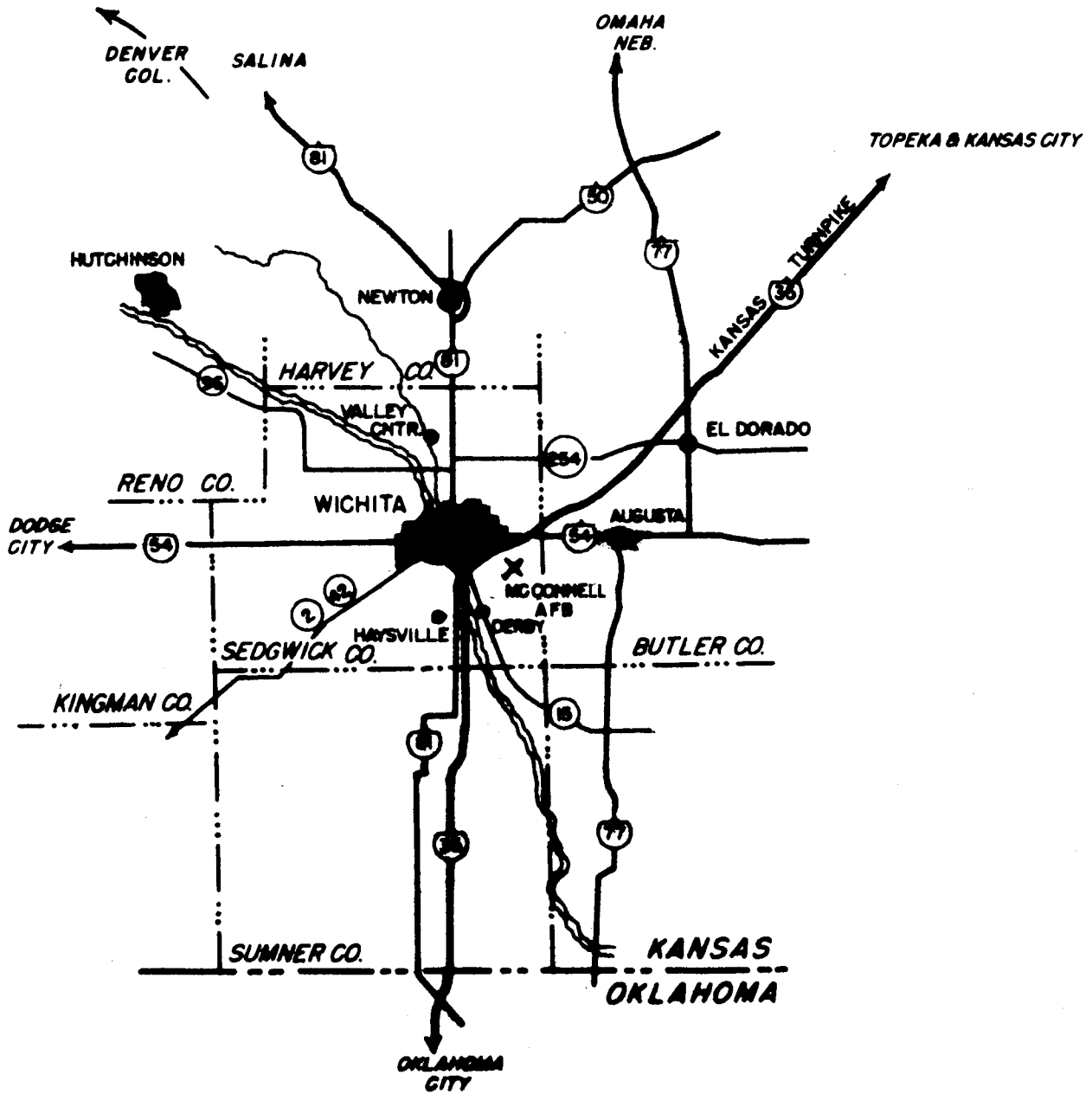
The Wichita Housing Market Area (HMA) is defined, as in previous analyses, to be coterminous with Sedgwick County, Kansas. The housing market area, as thus defined, is identical to the Wichita Standard Metropolitan Statistical Area (SMSA) as defined for use in the 1960 Censuses of Population and Housing. Butler County was added to the SMSA by the Bureau of the Budget in October 1963, but it does not, as yet, meet the criteria for inclusion in the housing market area.

Wichita is located in south-central Kansas, in the heart of the winter wheat belt. The city is about 150 miles southeast of the geographical center of the continental United States. In relation to other major mid-west trade and distribution centers, Wichita is located 200 miles southwest of Kansas City, Missouri; 170 miles north of Oklahoma City, Oklahoma; 300 miles south and slightly west of Omaha, Nebraska; and 500 miles southeast of Denver, Colorado.

The Kansas Turnpike, a limited access toll road (Interstate 35), connects Wichita with Kansas City and the State capital at Topeka to the northeast, and with Oklahoma City to the south. U.S. highways 54 and 81 bisect the city in east-west and north-south directions, respectively, and several State highways provide direct routes to nearby Kansas towns. Five railroad lines and four major airlines provide passenger and freight service.

According to the 1960 Census of Population, 7,740 persons who lived outside the HMA commuted daily to work in the HMA. Offsetting in part the in-commutation, was the out-commutation of 2,649 residents of the area to places of employment outside the housing market area, indicating a net in-commutation of about 5,100 workers.

# WICHITA, KANSAS, HOUSING MARKET AREA





## Economy of the Area

### Character and History

Wichita is a relatively young city. The area was first settled by Indians of the same name in 1864. A trading post was established in the same year and trade provided the basis for early growth. In 1872, eight years after the initial settlement of the area, the railroad was extended to Wichita and the first cattle were driven over the Chisholm Trail to the city for shipment to markets in the East. Cattle trade dominated the economy of the Wichita area until about 1880. By this time, however, much of the land was settled by farmers who, encouraged by the Homestead Act of 1862, had moved west with the railroads, and agriculture and related trade assumed a dominance in the economy of the area which lasted until the beginning of World War II. The discovery of oil in the Wichita area in 1914 helped to broaden the economic base of the area, although employment in this industry has never been large because of the high degree of mechanization used in the refining process.

Early aviation enthusiasts produced the first airplane of Wichita in 1917 and by the mid-1920's there were more than a dozen small firms building planes in the area. The aircraft industry declined sharply during the 1929 depression; however, four companies survived, including Cessna and Stearman (the latter subsequently became a division of The Boeing Company), and Beech Aircraft was founded in 1932. The pre-World War II aircraft industry employed about 1,500 workers in early 1940.

During World War II about 10 percent of all U.S. warplanes were produced in Wichita plants and employment in the industry reached a peak of 54,000 in 1944. After the war aircraft employment dropped to a low of less than 5,000 in November 1945. The Korean War boosted employment in the area aircraft plants to over 30,000 in 1951, and a peak of nearly 45,000 in 1957, with a 1952 to 1958 average of approximately 39,000. Although current employment in the aircraft industry is down one-third from the 1957 peak, the change from production of B-47's to B-52's and recent modification work on the latter have sustained employment in this industry at a high level.

The aircraft industry presently accounts for 25 percent of all employment in the housing market area. Recent gains in food and kindred products manufacturing, services, and government have broadened and strengthened the economic base of the area. However, since over half of the employment in the aircraft industry is still dependent on defense contracts, the local economy cannot be assured of a reasonable level of stability until a much greater degree of diversification obtained.

## Employment

Employment Trend. The Kansas Employment Security Division estimated total nonagricultural wage and salary employment in the Wichita Housing Market Area (Sedgwick County) to be 123,500 as of December 1964. This figure, based on the pay period including the 12th of the month, does not fully reflect the December cutback of 600 Boeing employees announced by the company. During January 1,200 additional workers were laid off by Boeing. The December and January reductions are part of a planned cutback of 3,000 announced by the company, of which the remaining 1,200 are scheduled to be phased out by the end of March 1965.

Annual average nonagricultural wage and salary employment for 1964 was reported to be 121,250, up 3,450 from the annual average for 1963 and reflecting an increase of 2.9 percent. An increase of 3,050 jobs in the aircraft and parts industry accounted for 88 percent of the 1963 to 1964 gain. Minor increases in ten other industry groups, totaling 400, accounted for the remaining growth. Employment losses were recorded in contract construction, 550; miscellaneous durable goods manufacturing, 250; retail trade, 150; and finance, insurance, and real estate, 100.

The 1964 annual average level of wage and salary employment is the highest achieved in the Wichita area in the past five years but is below the annual average levels attained between 1956 and 1959.<sup>1</sup> The 1964 average of 121,250 is 2,850 (2.3 percent) less than the 1959 level of 124,100, and 12,400 (9.3 percent) below the 1957 peak of 133,650.

In the seven-year interval since 1957, annual average wage and salary employment declined in five years. Employment losses were attributable almost entirely to reductions in the aircraft industry which is heavily dependent on military contracts. Employment losses during this period were heaviest in 1958 and 1960. Losses of 6,750 aircraft and 1,200 other workers in 1958 constituted a 5.9 percent decline. Reductions two years later of 3,800 in aircraft and 1,200 in other industries resulted in a 4.0 percent decline. In 1959, 1961, and 1963 losses in the aircraft industry were partially offset by gains in other industries.

Overall, however, during the seven-year period aircraft employment dropped by 15,100 (34 percent), while all other employment showed a net increase of only 2,700 (3 percent). The most significant gains from 1957 to 1964 were in services, 3,550 (26 percent); government, 1,950 (16 percent); food and kindred products, 1,050 (31 percent); and finance, insurance, and real estate, 550 (11 percent). Substantial losses occurred in machinery, 1,750 (52 percent); contract construction, 2,100 (31 percent); and transportation, communications, and public utilities, 800 (11 percent). Year-to-year changes in annual average nonagricultural wage and salary employment by major industry groups

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<sup>1</sup>

Comparable employment data are available for the years 1956-1964 only.

from 1956 to 1964 are summarized in table I. Comparison of year-to-year changes in the aircraft industry with changes in all other categories of nonagricultural wage and salary employment since 1949 are shown in table II.

Distribution by Industry. During 1964 the aircraft industry continued to lead all others as the principal source of employment in the HMA, providing an average of 29,850 jobs which represented 24.6 percent of all nonagricultural wage and salary employment. Wholesale and retail trade, with an average of 26,650 employees, accounted for 22.0 percent of wage and salary employment. Retail trade workers outnumbered those in the wholesale category by nearly three to one. Services employed an average of 17,300 persons during the year, constituting 14.3 percent of wage and salary employment. Government ranked fourth in average number of workers with 14,500 (12 percent) followed by transportation, communications, and public utilities with 6,650 (5.5 percent). No other industry category accounted for as much as five percent of average total wage and salary employment during the year.

During the peak employment year of 1957, the aircraft industry share of average total nonagricultural wage and salary employment was 33.6 percent, which was nine percentage points more than the 1964 share. The decline in the aircraft industry share of wage and salary employment has been absorbed, primarily, by services, government, and wholesale and retail trade. These industries gained 4.0, 2.6, and 2.0 percentage points respectively during the period. Relative changes in other industry groups were minor.

Manufacturing employment, which is dominated by the aircraft industry, represented 36 percent of the average total nonagricultural wage and salary employment in 1964 compared with 44 percent in 1957. The decline in the relative importance of manufacturing during this period is attributable primarily to the decline in the aircraft industry. Employment also declined substantially in the machinery, and in the printing, publishing, and allied industries groups, which lost 1,750 and 400 workers, respectively. The only significant gains in manufacturing jobs were in the food and kindred products group which increased by 1,050. Nonmanufacturing, boosted by increases in employment in services, government, and finance, insurance, and real estate accounted for 64 percent of wage and salary employment in 1964 versus 56 percent in 1957.

Participation Rate. The current employment participation rate (the ratio of nonagricultural employment to population) is estimated to be 34.71 percent compared with 36.16 percent in 1959. The average annual decline of 0.29 percentage points is slightly less than the average annual decline of 0.32 percentage points indicated by census data for the 1950 to 1960 decade when the ratio declined from 40.1 percent to 36.9 percent.

### Principal Employers

The 1964-65 Directory of Manufacturers published by the Industrial Department of the Withita Chamber of Commerce lists a total of 610 firms, of which eight employ over 500 workers and eight employ between 250 and 500. The eight largest manufacturing firms are The Boeing Company, Beech Aircraft Corporation, Cessna Aircraft Company, Lear-Jet Corporation, The Coleman Company, Cudahy Packing Company, Kansas Gas and Electric Company, and the Withita Eagle and Beacon Publishing Company.

The Boeing Company, one of the leading jet airplane manufacturers of the country, is the largest single employer in the area with about 16,000 Wichita employees as of February. Nationally, total Boeing business is about evenly divided between military and commercial. However, the Wichita operation is almost entirely military. Seventy percent of the Boeing Wichita work force is engaged in the B-52 modification program, 23 percent on Saturn V subassembly, and 7 percent on components for model 707 and 727 commercial jet transports of the company and on the **Boeing-Vetrol helicopter**. Wichita Boeing workers constitute only 20 percent of the total employment of the company, with the home plant in Seattle, Washington accounting for 55 percent, and the rest about evenly divided among missile work at New Orleans, Louisiana, and Huntsville, Alabama, and helicopter production at Morton, Pennsylvania. Most of the Wichita plant space of Boeing is leased from the U.S. Air Force.

The Beech Aircraft Corporation and the Cessna Aircraft Company, both originally founded in Wichita, produce about 60 percent of the world output of personal and executive type aircraft. Beech Aircraft Corporation has produced over 19,000 business and military planes since 1932. Company publications indicate a current employment level in excess of 6,000 in the Wichita area, with 9 types of commercial aircraft and a military jet trainer in production. Beech subcontract work includes components for the Lockheed C-141 Starlifter military jet transport, the McDonnell Phantom II, the Republic F-105 jet fighter, and the Bell HU-1D helicopter. The company also is doing work for the North American Space and Information Systems Division, a major Apollo Contractor, and has military contracts for a supersonic missile target and for bomb dispensers. The company operates a plant at Liberal, Kansas, for production of its Muscoteer model and a research laboratory at Boulder, Colorado.

Cessna Aircraft Company is estimated to have a current Wichita payroll of about 5,000 workers. The company, which specializes in light commercial aircraft for business and private use, also has facilities in Hutchison and Prospect, Kansas; Boonton, New Jersey; and Dayton, Ohio. About three-fourths of the company income is from private business;

however, recent military contracts have included production of the T-37 jet trainer, military versions of the commercial aircraft and helicopters of the firm, and components for the B-52, F-105 aircraft, and the Minuteman missile. An industrial division makes pumps, valves, and cylinders, mostly for the farm machinery industry.

Lear-Jer Corporation, which has been in Wichita for less than three years, produces a twin engine jet business plane and, reportedly, has received orders for 73 since the first plane was completed in the summer of 1964. Current employment is estimated at about 1,300, with about four planes coming out of the company plant each month. The industrial division produces a variety of equipment for the general aviation market.

The Coleman Company, well known manufacturer of lanterns, camp stoves, and portable coolers, produces numerous types of specialized oil, gas, and electric heating and cooling equipment. The nationally known Cudahy Packing Company is the largest of about twenty meat processing firms in the area and accounts for about two-thirds of the employment in this industry in Wichita.

Principal sources of nonmanufacturing employment include the City of Wichita, Sedgwick County, St. Francis Hospital, Wesley Hospital, and numerous wholesale and retail trade firms. In the trade category, Innes Department Store and Sears and Roebuck are probably the largest employers.

Military Installations. McConnell Air Force Base, located adjacent to the Boeing production facilities on the southeast edge of the city, was activated in 1951. The current mission of the base is to support two wings of operational F-105 fighters of the Tactical Air Command and a strategic missile wing composed of Titan II missile complexes. With approximately 6,500 military personnel and 500 civilian civil service employees, the base makes a substantial contribution to the economy of the Wichita area.

### Unemployment

The unemployment rate in Sedgwick County as of mid-February 1965 is estimated at 4.9 percent of the civilian work force, representing 6,950 unemployed persons. Following the layoffs by Boeing during December and January, the unemployment trend has been upward. The Kansas Employment Security Division reported an unemployment rate of 3.5 percent as of December 1964 when 4,950 persons were without jobs. About half of the increase in unemployment since December is due to the seasonal decline in retail trade. The current rate of unemployment is the highest since February 1963 when 5.2 percent of the civilian work force was reported as unemployed. Because of the steady decline in the size of the civilian work force, which decreased by more than 12 percent from 1957 to 1963, the year-to-year trend in the unemployment rate does not fully reflect the contraction in the economic base of the area resulting from the decline in the aircraft industry.

### Estimated Future Employment

Assuming no additional large-scale reductions in the aircraft industry, it is estimated that growth in employment during the next three years will average about 1,000 jobs a year, compensating for the recent cut-back in aircraft and parts employment and resulting in the return of nonagricultural wage and salary employment to a level of about 121,250 by 1968, which is the annual average recorded for the most recent twelve-month period.

Despite a relatively narrow economic base, Wichita has over the long-run, demonstrated a general capacity for growth. Employment other than aircraft, has shown a net increase in thirteen out of the last fifteen years with net losses reported only in 1958 and 1960, both of which were periods of national recession. Since 1960, increases in employment other than aircraft have averaged 900 a year.

The outlook in the aircraft industry is, of course, difficult to forecast. Based on the nature of present contracts, it is believed that employment by Beech, Cessna, and Lear probably will continue at about current levels throughout the forecast period. The situation at Boeing is more difficult to predict since 70 percent of the employment is based on the B-52 modification program, which is nearing completion. Change, if any, in Boeing employment during the forecast period, therefore, probably would be downward. Two military projects for which Boeing is a prime competitor, the CX-HLS super cargo plane and the SST supersonic transport, are still in the very early planning stages and would, in any case probably be assigned to the Seattle plant with a limited amount of subassembly at Wichita.

### Income

Manufacturing Wages. The average weekly earnings of manufacturing production workers in the Wichita area as of December 1964 was \$122.00 for an average work week of 42 hours at an average hourly wage of \$2.91. The December 1964 average weekly earnings were 22.8 percent above the December 1959 level of \$99.31. The rise in average weekly earnings over the five-year period is due to a 17.3 percent gain in average hourly earnings and a two hour longer average work week. The trend in average hours and earnings from 1959 to 1964 is shown in the following table.

Average Hours and Earnings of Production Workers  
on Manufacturing Payrolls  
Sedgwick County, Kansas, 1959-1964

<u>As of</u> <u>December</u>	<u>Average hourly</u> <u>earnings</u>	<u>Average weekly</u> <u>hours worked</u>	<u>Average weekly</u> <u>earnings</u>
1959	\$2.48	40.0	\$99.31
1960	2.54	40.3	102.36
1961	2.62	41.3	108.17
1962	2.70	42.2	113.72
1963	2.85	41.9	119.30
1964	2.91	42.0	122.00

Source: Department of Labor.

Family Income. The current median family income, after deduction of Federal income taxes, is estimated at about \$7,000 for all families in the Wichita housing market area, and at about \$5,650 for renter families. Current incomes are about 18 percent above the 1959 levels and are expected to increase by an additional 10 percent by 1968 at which time rental housing projects now under consideration should be completed and occupied. Estimated median after-tax incomes for all families and for renter families in 1965 and 1968 are presented in the table below. Percentage distributions of all families and of renter families by 1965 and by 1968 annual after-tax income are shown in table III.

Median Family Income After Federal Income Tax  
Wichita, Kansas, 1965 and 1968

<u>Year</u>	<u>All families</u>	<u>Renter families</u>
1965	\$7,000	\$5,650
1968	7,550	6,100

Source: Estimated by Housing Market Analyst.

## Demographic Factors

### Population

Current Estimate. The population of the Wichita HMA as of February 1, 1965 is approximately 349,400, which is an increase of 6,200, or 1.8 percent, over the April 1, 1960 population of 343,231 as reported by the Census Bureau. The rural-farm segment of the current population represents a relatively small proportion of the total population, about the same as in 1960 when it represented 2.0 percent of the total. The current population includes approximately 6,500 military personnel and about 9,000 dependents of military personnel which, together, represent 4.4 percent of the population of the area.

Past Trend. The average annual increase in population since 1960 has been about 1,280, or 0.4 percent, which is only one-tenth of that recorded between the 1950 and 1960 censuses when the population increased by an average of 12,100 persons, or 5.4 percent, annually. The 120,941 net increase in population between 1950 and 1960 included an increase of 2,521 in members of the armed forces and a decrease of 2,699 in the rural-farm segment. The decline in the rural-farm category is in part a result of a change in census definition.

Estimated Future Population. It is estimated that the population of the HMA will increase by 7,200 persons during the next three years, 2,400 annually, reaching a level of 356,600 by February 1968. This estimate of relatively modest growth is based on the expectation that increases in employment other than in the aircraft industry during the next three years will be just sufficient to compensate for anticipated further reductions in aircraft employment, and that the employment participation rate will decline by about 0.3 percentage points a year as it did between 1960 and 1965.

### Population Changes, Wichita, Kansas, HMA 1950 to 1968

<u>Date</u>	<u>Population</u>	<u>Change from prior period</u>	<u>Average annual change</u>	
			<u>Number</u>	<u>Percent</u>
Apr. 1950	222,290	-	-	-
Apr. 1960	343,231	120,941	12,094	5.4
Feb. 1965	349,400	6,169	1,276	.4
Feb. 1968	356,600	7,200	2,400	.7

Source: 1950 and 1960 Censuses of Population.  
1965 and 1968 estimated by Housing Market Analyst.



Natural Increase and Migration. Since 1960 net natural increase (excess of live births over deaths) in the HMA has totaled approximately 28,000. Comparison of net natural increase with the estimate of total population growth during the same period reveals an out-migration of about 21,800 persons. The current out-migration trend began about the beginning of 1958 following the decline in employment in the area which began in September of the previous year.

The outward movement of about 10,000 persons during the last two years of the 1950 to 1960 decade contrasts sharply with the high level of in-migration prevalent during the earlier part of the period as the aircraft industry expanded in response to the Korean Conflict. Net in-migration during the ten-year period totaled slightly over 51,000 persons, accounting for about 42 percent of the total increase in population. The number of military personnel stationed in the housing market area increased by 2,500, accounting for 5 percent of net total in-migration between 1950 and 1960.

Out-migration is projected to continue throughout the 1965 to 1968 forecast period of this analysis, but at a reduced rate. About 2,800 persons may be expected to leave the Wichita area each year, which is about 40 percent less than the average annual rate of out-migration experienced during the last six years.

#### Households

Current Estimate and Recent Trend. The number of households in the Wichita HMA as of February 1, 1965 is approximately 107,400 which is 4,000 more than reported by the census in April 1960, an annual gain of about 830. Most of the household growth has taken place within the last 12 to 18 months as increases in employment slowed the rate of out-migration. Military households have increased by about 1,400, representing 35 percent of the total household growth during the period. Between 1950 and 1960, the number of households in the HMA increased by 34,000, or 49 percent, an average gain of 3,400 a year. However, part of the increase in households between 1950 and 1960 resulted from a conceptual change from "dwelling unit" in 1950 to "housing unit" in the 1960 census.

Prospective Household Growth. Based on the anticipated growth in population and on the assumption that the average household size will decline slightly, about 800 households will be added annually to the HMA by February 1968, raising the total to 109,800. In view of the anticipated employment trend, household growth is expected to be somewhat lower than the average during the first half of the forecast period, and somewhat higher than the average during the last half of the period. The Department of the Air Force reports that military households will be maintained at about the present level over the next five years.

Household Size. The average household size in the Wichita HMA is calculated to have decreased moderately since 1960 and is now about 3.20 persons per household compared with 3.27 reported by the 1960 census. Between 1950 and 1960 average household size in the Wichita area increased from 3.12 to 3.27 persons per household. The recent trend toward smaller household size is expected to continue and the 1968 projections are based on an average household size of 3.19 persons.

## Housing Market Factors

### Housing Supply

Current Estimate. There are about 115,000 housing units in the Wichita Housing Market Area. The current inventory represents an increase of approximately 1,000 units over the 114,038 units reported by the 1960 Census of Housing. The net increase resulted from the construction of about 3,300 new units and a net loss of an estimated 2,300 units through demolition, conversion, and catastrophe. The increase in the housing inventory since 1960 has averaged only about 200 units a year compared with an increase averaging 4,000 units a year between 1950 and 1960.

Type of Structure. As of February 1, 1965 single-family houses account for about 81 percent of all housing units in the Wichita HMA, duplexes for almost six percent, larger multifamily structures for about 11 percent, and trailers for almost two percent. With a net addition of only 1,000 units, the distribution of the housing inventory by type of structure reflects very little change since the 1960 census. The net addition of 118 units in structures with three units or more does not reflect 340 new units of this size authorized during the last nine months of 1964 but not yet completed.

### Distribution of the Housing Inventory by Type of Structure

Wichita, Kansas, HMA

April 1960 and February 1965

<u>Type of structure</u>	<u>April 1960</u>		<u>February 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1 unit	92,533	81.1	93,380	81.2
2 units	6,705	5.9	6,730	5.8
3 and 4 units	7,018	6.2	7,020	6.1
5 or more units	5,704	5.0	5,820	5.1
Trailers	2,033	1.8	2,050	1.8
Total	113,993 <sup>a/</sup>	100.0	115,000	100.0

<sup>a/</sup> Differs slightly from count of all housing units (144,038), because units by type of structure were enumerated on a sample basis.

Source: 1960 Census of Housing.

1965 estimated by Housing Market Analyst.

Age of Structure. Based on the number of building permits issued since 1960 about three percent of the current housing inventory has been built since that date and is thus less than five years old. Adding the new units built since 1960 to the inventory shown by

the 1960 Census of Housing, and assuming that most of the units removed by demolition were built prior to 1930, it is found that 21.3 percent (24,500 units) of the current inventory is less than 10 years old, 64.2 percent (73,800 units) is less than 25 years old, 10.6 percent (12,200 units) is between 25 and 35 years old, and 25.2 percent (29,000 units) is over 35 years old. The distribution of the current housing inventory by year built is shown in the following table:

Distribution of the Housing Inventory by Year Built  
Wichita, Kansas, HMA  
as of February 1965

<u>Year built</u>	<u>Approximate age</u>	<u>Number of units</u>	<u>Percent of inventory</u>
April 1960-February 1965	Less than 5 years	3,300	2.9
1955-March 1960	5-10 years	21,200	18.4
1950-1954	10-15 years	26,700	23.2
1940-1949	15-25 years	22,600	19.7
1930-1939	25-35 years	12,200	10.6
1929 or earlier	35 years or more	<u>29,000</u>	<u>25.2</u>
Total		115,000	100.0

Source: Estimated by Housing Market Analyst.

Condition. As of April 1, 1960 the Census of Housing indicated that about 8.4 percent of the total housing stock in the HMA was dilapidated or lacked some or all plumbing facilities. A total of 3,332 units were listed as dilapidated and 6,217 others were described as lacking some or all plumbing facilities. In April 1950 the Census of Housing counted 15,827 units that were dilapidated or lacked some or all plumbing facilities, 21.4 percent of all units.<sup>1/</sup> About 75 percent of the dilapidated units in 1960 were occupied; 965 by owners and 1,588 by renters. Similarly, three-quarters of the units lacking some or all plumbing facilities were occupied; 1,235 by owners and 3,419 by renters. Assuming that all of the new units added to the housing inventory since 1960 were of good quality and that most of the units removed by demolition were in the substandard category, the number of units classified as dilapidated or lacking some plumbing facilities is estimated to have dropped to about 7,500 currently, or 6.5 percent of the current housing stock.

Residential Building Activity

Yearly Trend. As measured by building permits, new construction averaged 3,330 housing units a year from 1950 through 1955, then declined to an average of 1,660 units a year from 1956 through 1959. In 1960 only 412 units

<sup>1/</sup> Because the 1950 Census of Housing did not classify "deteriorating" units separately, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" by 1960 definition; but the improvement in the inventory is clearly impressive.

were authorized, after which construction stabilized at an annual rate of about 700 new units a year from 1961 through 1963. Improvement in the economic situation during 1964 encouraged a 78 percent increase in the rate of new construction over the previous year with a total of 1,311 units authorized in Sedgwick County.

During the ten-year period from 1950 through 1959 less than 15 percent of all dwelling units authorized were in multifamily structures. Of the total of 26,627 units for which permits were issued during this period, 22,786 (85.6 percent) were single-family units, 1,506 (5.7 percent) were in duplexes, and only 2,335 (8.7 percent) were in buildings with three units or more. From 1960 through 1963, multifamily construction was even more limited with 76 units in duplexes and 103 units in structures with three units or more, representing only seven percent of the total of 2,544 units authorized. In contrast with previous years, 38.7 percent of all new construction authorized during 1964 was in multifamily structures, with 487 units in three-or more-unit structures and 20 in duplexes out of a total of 1,311 new units. New dwelling units authorized by building permits in Sedgwick County from 1950 through 1964 are shown by type of structure in table IV.

Units Currently Under Construction. The postal vacancy survey conducted on February 1, 1965 revealed a total of 526 dwelling units under construction, of which 273 were residences and 253 were apartment units. A personal check of major projects under construction or recently completed, compared with building permits, indicates that there are now 285 apartment units under construction and that the residences reported under construction by the postal carriers closely approximate the number under construction at the present time.

Demolitions. Based on records of the Building Inspection Division, Department of Public Works of the City of Wichita and estimates for Sedgwick County, it is calculated that about 2,300 dwelling units have been demolished in the Wichita HMA since 1960. Demolitions recorded within the city of Wichita during this period totaled 1,840 and it is estimated that about 460 units were similarly removed from the inventory throughout the rest of Sedgwick County. Demolitions were fairly evenly distributed throughout the five-year period.

The Urban Renewal Agency of the Wichita Metropolitan Area reports that about 640 dwelling units are scheduled for demolition in the Park Plaza renewal area by mid-1966 and about 100 units will be cleared in the Civic Center renewal area in the near future. Demolitions have been completed in the Glenn Village area and only commercial buildings are involved in the Skyline project area. Based on these known plans and allowing for units that will be lost through fire, change of use, conversion, and other actions, it is estimated that demolitions in the HMA will total about 1,500 during the next three years, or about 500 a year.

### Tenure

As of February 1, 1965 approximately 34.9 percent of the 107,400 occupied housing units in the Wichita HMA are renter-occupied, compared with an April 1960 renter-occupancy rate of 33.4 percent. The increase in renter occupancy in recent years is a reversal of the trend shown between 1950 and 1960, when owner occupancy increased from 57.5 percent to 66.6 percent. The uncertainty of employment, particularly in the aircraft industry, and the availability for rent of a very large supply of good quality single-family dwelling units, many offered by FHA and the Veterans Administration, were factors encouraging and facilitating a higher level of renter occupancy. The increase in renter occupancy is expected to continue during the next several years, but at a lower rate than recorded between 1960 and the beginning of 1965.

#### Distribution of Occupied Dwelling Units by Tenure Wichita, Kansas, HMA 1950, 1960, and 1965

<u>Tenure</u>	<u>April 1950</u>		<u>April 1960</u>		<u>February 1965</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total	69,426	100.0	103,422	100.0	107,400	100.0
Owner occupied	39,928	57.5	68,924	66.6	69,900	65.1
Renter occupied	29,498	42.5	34,498	33.4	37,500	34.9

Source: 1950 and 1960 Censuses of Housing.  
1965 estimated by Housing Market Analyst.

### Vacancy

Last Census. In April 1960 there were 10,616 total vacant housing units in the Wichita HMA with 2,154 units listed as available for sale, and 5,995 available for rent. Not available for either sale or rent were 2,467 units classified as seasonal, dilapidated, rented or sold awaiting occupancy, or held for occasional use or for other reasons. Excluding the unavailable vacancies, the over-all vacancy rate in the area was 7.3 percent. The larger proportion (over 73 percent) of available vacancies were in rental units. The rental vacancy rate was 14.8 percent and the sales vacancy rate was 3.0 percent. Of the available vacancies, 37 sales units and 1,214 rental units lacked some or all plumbing facilities. Almost half (44 percent) of the vacant units available for rent were in single-family houses.

Postal Vacancy Survey. A postal vacancy survey, requested by FHA, was conducted on February 3, 1965 by the Wichita, Derby, Haysville, and Valley Center Post Offices covering 106,741 possible deliveries, or

about 92.8 percent of the estimated total dwelling units in the housing market area. The survey indicates an overall vacancy rate of 5.5 percent in the survey area, with an 11.8 percent vacancy in apartments, and a 4.5 percent vacancy in residences. The results of the survey are summarized in table V.

With the exception of 1963, the Wichita Post Office has conducted vacancy surveys annually since 1956 at the request of the Fidelity Title Company and the Wichita Association of Homebuilders. This series of surveys indicates a rather high level of vacancies throughout the entire period with a peak in 1961 when the vacancy rate was 4.8 percent in residences and 17.3 percent in apartments. The most recent survey in this series was made in April 1964, and revealed a vacancy level of 4.9 percent in residences and 15.4 percent in apartments. A comparison of vacancy rates as indicated by this series of surveys and the February 1965 survey is shown in table VI.

Vacancies in FHA-Insured Rental Projects. As of March 15, 1964 the annual occupancy reports on FHA-insured rental projects indicated a total of 222 vacancies out of 1,808 units covered, or a vacancy rate of 12.3 percent. Excluding five FHA-acquired projects totalling 436 units, the vacancy rate was 8.9 percent. Based on 1,707 units for which occupancy reports were filed each year for 1962, 1963, and 1964, vacancy rates of 9.9, 9.1 and 9.4 percent, respectively, were recorded.

Current Estimate. There were approximately 7,600 vacant dwelling units in the Wichita HMA as of February 1, 1965, of which 5,900 were nondilapidated, nonseasonal units available for sale or rent. There were 1,650 vacant units available for sale, constituting a homeowner vacancy rate of 2.3 percent and 4,250 vacant units available for rent, representing a rental vacancy rate of 10.2 percent. Approximately 50 of the vacant sales units and 900 of the vacant rental units lacked some or all plumbing facilities.

Both the sales and rental vacancy rates in the Wichita area currently are substantially above satisfactory levels, particularly inasmuch as this is an area where the prospective growth in population is expected to be quite moderate. Vacancy trends are summarized in table VII.

### Sales Market

General Market Conditions. Following four years of limited new construction, the sales market in the Wichita area expanded along with the rest of the economy during 1964. About 600 new homes were sold, and FHA and VA sales of acquired properties exceeded new acquisitions by about 350 units during the year (not counting the sale of 741 FHA-acquired units in the Oaklawn area to an investor for use as rental

properties). Most new homes, in recent years, have been produced to sell at \$15,000 or above. A large surplus of homes for sale priced at \$12,000 or under was built-up between the middle of 1960 and late 1963. Approximately 2,375 single-family homes selling below \$12,000 currently are offered for sale by FHA and VA, although approximately two-thirds of the units are now rented.

Major Subdivision Activity. At present major subdivision activity is in the northwest section of the city; the area north of Thirteenth Street between the Little Arkansas River and Interstate Highway 235, and the area west of Interstate Highway 235 and north of U.S. Highway 54. However, lots with street improvements and utility services in place are available in large quantity in all sections of the city.

Speculative Building. About 45 percent of the new homes completed in 1964 were built speculatively; in 1963 over 65 percent were built on a speculative basis. Less than 20 percent of the speculative units were unsold at the end of each year, and no more than four of the units remaining unsold at the end of either year had been vacant longer than three months. Over two-thirds of all new homes sold in 1964 were in the \$20,000 or above price range.

Unsold Inventory of New Houses. In January 1965, the Topeka FHA Insuring Office surveyed 31 subdivisions in the Wichita area in which five or more houses had been completed in 1964. The survey revealed a total of 570 houses completed during the year, of which 252 (44 percent) had been sold before the beginning of construction. Of the 318 houses built speculatively, 56 (18 percent) remained unsold at the time of the survey.

The largest number of houses completed was in the \$20,000 to \$25,000 price range which accounted for 23 percent of all completions. Almost as many units were built in the next two higher price ranges, 18 percent in the \$25,000 to \$30,000 range, and almost 20 percent in the \$30,000 to \$35,000 range.

New Sales Houses Completed in the Past Twelve Months, Number Sold, and Number Unsold, Withita, Kansas, HMA, January 1, 1965

<u>Sale price</u>	<u>Total completions</u>	<u>Sold before start of construction</u>	<u>Speculative construction</u>			
			<u>Total</u>	<u>Number sold</u>	<u>Number unsold</u>	<u>Percent unsold</u>
\$12,500 - 14,999	7	0	7	7	0	0
15,000 - 17,499	70	22	48	43	5	10
17,500 - 19,999	106	30	76	69	7	9
20,000 - 24,999	132	62	70	59	11	16
25,000 - 29,999	104	53	51	38	13	25
30,000 - 34,999	112	59	53	35	18	34
35,000 and over	39	26	13	11	2	15
Total	570	252	318	262	56	18

Source: FHA Inventory of Unsold New Houses, January 1965.



A comparable survey of unsold new houses for the year 1963 reported 360 completions of which 124 (34 percent) were sold before construction started. Only 14 percent of speculatively built units remained unsold at the end of 1963 compared with 18 percent at the end of 1964. The lower percentage in 1963 reflects 34 houses remaining unsold out of a total of 236 units built on a speculative basis during the year.

Foreclosures. A summary of real estate activity published by The Fidelity Title Company indicates that there were 501 foreclosures recorded in the Federal and District Courts of Sedgwick County during 1964, eight fewer than the 509 recorded during the previous year. There were almost twice as many foreclosures in 1964 as in 1957 when the economy was at its highest level, but only about one-third as many as in 1960 when foreclosures reached a high of 1,471. The number of foreclosures recorded in recent years is shown in the following table.

Trend of Foreclosures  
Wichita, Kansas, HMA, 1957-1964

<u>Year</u>	<u>Foreclosures</u>	<u>Year</u>	<u>Foreclosures</u>
1957	283	1961	1,063
1958	403	1962	750
1959	650	1963	509
1960	1,471	1964	501

Source: Summary by Fidelity Title Company.

Acquisitions of homes by FHA reached a peak of 862 in 1961; acquisitions by the Veterans Administration were highest in fiscal year 1961 when 1,065 homes were acquired.

FHA sales of acquired properties exceeded new acquisitions for the first time during 1964, and the Veterans Administration reports that monthly sales have exceeded new acquisitions since August 1963. A comparison of sales with acquisitions and the year-end inventories of acquired properties for the two agencies is shown below.

Sales and Acquisitions by FHA and VA  
Wichita, Kansas, HMA, 1960-1964

<u>Federal Housing Administration</u>				<u>Veterans Administration</u>			
<u>Calendar</u> <u>year</u>	<u>Acquisi-</u> <u>tions</u>	<u>Sales</u>	<u>Inventory</u> <u>at end</u> <u>of year</u>	<u>Fiscal</u> <u>year</u>	<u>Acquisi-</u> <u>tions</u>	<u>Sales</u>	<u>Inventory</u> <u>at end</u> <u>of year</u>
1960	505	80	859	1960	577	373	470
1961	862	165	1,556	1961	1,065	407	1,128
1962	603	322	1,837	1962	925	502	1,551
1963	442	200	2,079	1963	649	408	1,792
1964	297	1,160	1,216	1964	544	701	1,635
				1965	260	415	1,480

Source: Veterans Administration and Federal Housing Administration.

Rental Market

General Market Conditions. The current high level of vacant rental units suggests a continuing soft rental market, despite the fact that at least 1,200 rental units were marketed during the past year including about 50 newly constructed units. There are still about 4,250 vacant rental units, many of good quality and location, offered at attractive prices. The large number of acquired homes that has been put on the rental market by the FHA and the VA has contributed to the continuing excess of rental units.

Almost 60 percent of the rental inventory is in single-family houses. Most of the multifamily rental units are in garden-type projects, consisting of four-plexes and six-plexes. Very few multifamily rental units have been built in the last 10 years. An average of about 60 units a year were authorized from 1955 through 1959. Only one four-plex and four larger multifamily projects totaling 178 units have been completed since 1960.

New Rental Housing. A conventionally-financed cooperative of the luxury high-rise type, completed in late 1962, is now offering units on a regular rental basis. The price of cooperative units starts at \$20,000 plus monthly maintenance charges of \$78 for efficiencies, and runs to over \$34,000 plus monthly maintenance charges of \$142 for some three-bedroom units. Regular monthly rental rates range from \$200 to \$220 for

efficiencies, \$230 to \$255 for one-bedroom units, and \$295 to \$315 for two-bedroom units. A garage is available at \$10 more a month. The building offers air conditioning, individual balconies with all apartments, and roof-top sun deck, but no swimming pool.

A 41-unit garden-type project with swimming pool, located about 10 blocks from the center of the downtown business district, was completed in October 1964. Monthly rental rates in this project start at \$130 for efficiencies, \$150 for one-bedroom units, and \$185 for two-bedroom units, plus electricity. A 38-unit garden-type project in an attractive area overlooking the Little Arkansas River, and located not far from the central business district, has been completed just recently.

Single-family houses in the rental market start at \$60 a month for two-bedroom units and \$70 a month for three-bedroom units. The newer garden-type apartments built in the early 1950's are offered at \$65 to \$75 a month plus utilities for one-bedroom units, \$70 to \$85 for two-bedroom units, and \$80 to \$100 for three-bedroom units.

Three older high-rise apartment buildings, one a cooperative, provide a total of 368 rental units. Rents in these units range from \$85 a month for efficiencies to about \$225 a month for some one-bedroom units. Many of the occupants of these projects are older persons who are long-time residents and vacancies have been negligible.

Rental Housing Under Construction and Proposed. Six new rental projects totalling 285 units are now under construction and will be on the market within a few months. All of these projects are semi-luxury garden-type. Two of the developments plan to add units if the first sections are successful. The additions would total 186 units. In addition to the units now under construction, building permits have been issued for 112 multifamily units. Five other projects totalling 350 units to be produced with conventional financing have been proposed but are still in the discussion stage.

Over 2,170 rental units are known to be in the planning stage in the Wichita area at the present time in addition to the 285 conventionally financed units now under construction.

Foreclosures. Three rental projects totalling 158 units are currently held by FHA as a result of foreclosure. One 118-unit rental project which had been acquired was sold in October 1964.

### Mortgage Market

Ample mortgage funds are available in the Wichita area at the present time. Statistics compiled by the Fidelity Title Company indicate that mortgage loans totaled \$95.8 million during 1964, of which approximately \$67.6 million was for residential construction. A total of 6,590 mortgages were recorded, of which 4,812 (73 percent) were conventional, 1,264 (19 percent) were FHA, and 514 (8 percent) were VA. During the year, 1,470 mortgages initiated by local lenders on property in the HMA were transferred to other mortgagees including 354 to the Federal National Mortgage Association.

### Urban Renewal Activity

The Urban Renewal Administration has approved assistance for a community renewal program, a feasibility study, a general neighborhood renewal plan, and five urban renewal projects in the Wichita area. The neighborhood renewal plan and five renewal projects are described below:

Glenn Village (Kansas R-10). This urban renewal project, located in the southwest section of Wichita, consists of a 20 square block area bounded by Pawnee Avenue on the north, Glenn Avenue on the east, 27th Street on the south, and Bennett Avenue on the west. The area originally contained a predominance of deteriorating single-family dwelling units. Over 200 lots were cleared during 1961. About 10 new single-family homes have been built in the area and several more lots have been sold. The renewal area will include a church, school, playground, and fire station.

The Federal Housing Administration has received a request for pre-application analysis of a proposed multifamily housing project to be insured under Section 221(d)(3) to be located in this urban renewal area. The proposal, totaling 175 units, consists of 14 one-bedroom units at \$83 a month, 109 two-bedroom units at \$92 a month, 26 three-bedroom units at \$98, and 26 four-bedroom units at \$103. The rents specified include ranges, refrigerators, exhaust fans, and garbage disposals in the kitchen and include water and ground maintenance. The buildings proposed are row-type with brick veneer and aluminum siding.

Skyline (Kansas R-11). The Skyline renewal area is located within the central business district and includes the northern half of the one square block area bounded by First Street, Water Street, Main Street, and Douglas Avenue. The major proposals for this area are the development of a luxury-type high rise apartment building, a parking garage, and an office building. The Federal Housing Administration has received an application for mortgage insurance under Section 220 on a luxury-type high-rise project proposed for this renewal area.

Park Plaza (Kansas R-13). This general neighborhood renewal plan was completed in November 1962. The area surveyed consists of about 139 acres located on the northwestern edge of the central business district. This is one of the oldest sections of the city and is currently occupied by deteriorating residential, commercial, and light industrial structures, most of which are fifty to sixty years old. The Wichita Urban Renewal Agency has acquired about one-half of the 643 residential properties in the area and expects to acquire the remainder this year, which will involve the relocation of about 300 more families. The area is scheduled to be cleared by the summer of 1966. Proposals for the re-use of this land have recommended the allocation of about 55 percent for residential use, 30 percent for commercial and local business, and 15 percent for public use.

Park Plaza A (Kansas R-17). Park Plaza A is the first section to be developed in the Park Plaza general neighborhood renewal area. The Park Plaza A area lies between the Little Arkansas River and the new Sedgwick County Court House. The proposed re-use of this area is for predominantly multifamily residential construction, with provision for additional public park area and a right of way for a proposed inner loop expressway.

The Federal Housing Administration has received a request for pre-application analysis of a proposal for construction of a rental project to be insured under Section 220 in this area. This project is proposed as a mixture of high-rise, medium-rise, garden-type, and town house structures.

Civic Center (Kansas R-19). The Civic Center renewal area lies between the Big Arkansas River and Main Street and is bordered on the north by First Street and on the south by Waterman Street. A new city building, public library, and auditorium are planned for the Civic Center. A study contracted for by the Urban Renewal Area recommends inclusion of a transient housing facility, retail and service facilities, office space, parking facilities, and approximately 100 units of semi-luxury type apartments.

North Industrial Park (Kansas R-21). This project located north and east of the Union stockyards is in the early stage of planning and no specific proposals have been made for the development of the area.

### Military Housing

McConnell Air Force Base, located on the southeast edge of Wichita, provides on-base family housing for 499 military families in public quarters. With the recent addition of a second fighter wing at the base, it is estimated that approximately 3,400 military families currently are occupying private housing off base. A survey of military family housing made by the base on March 31, 1964 indicated that of the 2,495 military families living off-base, at that time, 1,928 rented housing, 390 owned homes, and 177 owned trailers. The survey was made prior to the assignment of the second fighter wing which increased the total military strength by about 1,500 personnel. In view of the adequacy of housing in the community support area, the Department of the Air Force reports that there are no present plans to request additional on-base military family housing.

### Public Housing

There are no public housing units in the Wichita area and there have been no proposals for housing of this type for the area.

## Demand for Housing

### Quantitative Demand

Quantitative demand for additional housing during the three-year period from February 1, 1965 to February 1, 1968 is based on an expected increase of about 800 households annually, on the need to replace housing units that will be lost from the inventory, and on the need to reduce substantially the level of vacancies. Currently there are approximately 2,800 vacant housing units in excess of the number that would represent a balanced demand-supply situation in the market; this excess supply affects the rental market primarily, but may have a depressing effect upon the sales market, as well.

To accommodate household growth and to allow for expected inventory and occupancy changes, a net of approximately 700 new housing units annually will be in demand during the next three years. The suggested addition of 700 units a year is slightly above the average of about 680 new units a year added since 1960; but is substantially below the 1,300 units authorized by building permits in 1964.

Current market conditions indicate that additions to the inventory should be concentrated in the sales segment of the market. Although there is a large inventory of unsold houses held by the FHA and the VA in price ranges under \$12,000, the market for new houses priced above \$12,000 has been strong. New houses have been sold at a rate of from 600 to 700 a year during the past two years, and there has been no significant accumulation of an unsold inventory of new houses.

The rental market, however, continues to be over-supplied with adequate units. The rental vacancy ratio has remained high for several years, despite the fact that only a very small volume of rental housing has been built during the past ten years. Currently there are approximately 2,600 vacant rental units in excess of the number that would represent a balanced quantitative demand-supply situation. About 800 foreclosed single-family units are included in the excess of 2,600 vacant available rentals, inasmuch as the foreclosed inventory appears to have had a greater appeal to potential renters rather than owners. About 1,600 single-family houses acquired by the FHA and the VA are now occupied by renters. Although those houses still are available for sale, it appears likely that they will remain a part of the rental inventory indefinitely. The major portion of the demand for rental units in the Wichita area historically has been supplied through change in occupancy of single-family houses from owners to renters. It is probable that a major part of future rental demand also will be supplied from that source.

The continuing high level of rental vacancies precludes a finding of a net quantitative demand for additional rental units during the next three years, or until the volume of excess vacancies has been substantially reduced. However, construction of new rental units will not cease entirely because of the lack of quantitative demand. Approximately 300 rental units are now under construction and about 100 have been authorized by building permits, but have not been started. Others are in the planning stage. If no other rental units are built, the foregoing projects would add materially to the rental inventory during the forecast period.

In view of these facts, it appears that construction of additional rental units could be justified only in the case of housing which will meet demand of a type that clearly is not being met from the existing inventory or from units now under construction. Since the rental market appears glutted at present, demand for additional units should be firmly established before they are begun. In any case, the number of units that could be justified appears to be very modest.

#### Qualitative Demand

Sales Housing. Based on the ability to pay, as measured by the relationships between family income and purchase price typical in the area, and by recent market experience, 700 units of new sales housing annually during the next three years will be absorbed most readily if distributed by price classes approximately in accordance with the pattern indicated in the following table.

#### Estimated Annual Demand for New Sales Houses Wichita, Kansas, HMA, 1965-1968

<u>Sales price</u>	<u>Number of units</u>
\$12,000 - \$13,999	60
14,000 - 15,999	130
16,000 - 17,999	180
18,000 - 19,999	110
20,000 - 24,999	100
25,000 - 29,999	50
30,000 - 34,999	40
35,000 and over	30
Total	<u>700</u>



The foregoing distribution differs from that on page 18, which reflects only selected subdivision experience during the year 1964. It must be noted that the 1964 data do not include new construction in subdivisions with fewer than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower value homes, are concentrated in the smaller building operations which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Table I

Annual Average Nonagricultural Wage and Salary Employment  
by Major Industry Group  
Wichita, Kansas (Sedgwick County), 1956-1964  
(in thousands)

<u>Industry group</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
All industries	<u>124.4</u>	<u>133.7</u>	<u>125.7</u>	<u>124.1</u>	<u>119.1</u>	<u>117.5</u>	<u>119.3</u>	<u>117.8</u>	<u>121.3</u>
Manufacturing	<u>52.3</u>	<u>59.4</u>	<u>51.4</u>	<u>48.5</u>	<u>44.5</u>	<u>42.4</u>	<u>43.3</u>	<u>40.4</u>	<u>43.8</u>
Durable goods	<u>45.6</u>	<u>52.8</u>	<u>44.0</u>	<u>40.8</u>	<u>36.8</u>	<u>34.9</u>	<u>35.6</u>	<u>32.8</u>	<u>36.0</u>
Primary metals	.7	.6	.4	.4	.4	.4	.4	.5	.5
Fabricated metal prods.	2.8	2.7	2.2	2.4	2.4	2.2	2.3	2.4	2.5
Machinery (incl. elec.)	3.2	3.4	2.4	1.8	1.5	1.6	1.5	1.5	1.6
Transportation equipment	37.9	45.0	38.3	35.3	31.5	29.4	29.8	27.0	30.1
Aircraft and parts	(37.9)	(45.0)	(38.2)	(35.1)	(31.3)	(29.2)	(29.6)	(26.8)	(29.9)
All other durable goods <sup>b/</sup>	1.0	1.1	.8	1.0	1.0	1.4	1.7	1.6	1.4
Nondurable goods	<u>6.7</u>	<u>6.7</u>	<u>7.4</u>	<u>7.7</u>	<u>7.7</u>	<u>7.5</u>	<u>7.7</u>	<u>7.6</u>	<u>7.8</u>
Food and kindred products	3.5	3.4	4.0	4.3	4.3	4.3	4.4	4.4	4.5
Meat products	(1.7)	(1.6)	(1.6)	(1.7)	(1.8)	(1.7)	(1.7)	(1.7)	(1.8)
Grain mill products	(.6)	(.6)	(.6)	(.6)	(.6)	(.6)	(.6)	(.7)	(.7)
Printing pub., & allied inds.	1.8	1.9	1.7	1.7	1.7	1.5	1.4	1.5	1.5
Petrol., & nondur. goods <sup>b/</sup>	1.4	1.4	1.7	1.8	1.8	1.8	1.9	1.8	1.9
Nonmanufacturing	<u>72.1</u>	<u>74.3</u>	<u>74.3</u>	<u>75.6</u>	<u>74.6</u>	<u>75.1</u>	<u>76.0</u>	<u>77.4</u>	<u>77.5</u>
Mining	1.9	1.9	1.8	1.9	1.7	1.8	1.5	1.7	2.0
Contract construction	8.0	6.8	6.8	6.6	5.6	5.3	5.4	5.3	4.7
Transportation, comm., & util.	7.5	7.5	7.4	7.3	7.0	6.7	6.5	6.6	6.7
Wholesale and retail trade	<u>26.0</u>	<u>26.8</u>	<u>26.0</u>	<u>26.6</u>	<u>26.4</u>	<u>26.2</u>	<u>26.3</u>	<u>26.8</u>	<u>26.7</u>
Wholesale trade	(7.1)	(7.3)	(7.2)	(7.1)	(7.1)	(7.2)	(7.2)	(7.5)	(7.5)
Retail trade	(18.9)	(19.5)	(18.8)	(19.5)	(19.3)	(19.0)	(19.2)	(19.3)	(19.2)
Finance, ins., & real estate	4.8	5.1	5.4	5.6	5.8	5.9	5.8	5.8	5.7
Services	12.6	13.8	14.0	14.5	14.8	15.6	16.3	17.1	17.3
Government	11.3	12.6	13.1	13.3	13.5	13.8	14.4	14.4	14.5

<sup>a/</sup> Detail may not add because of rounding.

<sup>b/</sup> Other durable and nondurable goods manufacturing prorated by Housing Market Analyst from combined listings for years 1956 through 1958.

Source: Kansas Employment Security Division.

Table II

Annual Average Nonagricultural Wage and Salary Employment  
Wichita, Kansas, (Sedgwick County), 1949-1964

<u>Year</u>	<u>Total employment</u>	<u>Aircraft employment</u>	<u>Employment changes</u>		
			<u>Total</u>	<u>Aircraft</u>	<u>All others</u>
1949	76,200	12,650	-	-	-
1950	80,750	15,200	4,550	2,550	2,000
1951	102,850	32,200	22,100	17,000	5,100
1952	116,650	41,150	13,800	8,950	4,850
1953	117,700	38,750	1,050	-2,400	3,450
1954	119,150	38,150	1,450	-600	2,050
1955	120,900	36,950	1,750	-1,200	2,950
1956	124,350	37,850	3,450	900	2,550
1957	133,700	44,950	9,350	7,100	2,250
1958	125,700	38,200	-8,000	-6,750	-1,250
1959	124,100	35,100	-1,600	-3,100	1,500
1960	119,100	31,300	-5,000	-3,800	-1,200
1961	117,500	29,200	-1,600	-2,100	500
1962	119,300	29,550	1,800	350	1,450
1963	117,750	26,800	-1,500	-2,750	1,250
1964 <sup>a/</sup>	121,250	29,850	3,500	3,050	450

a/ Preliminary.

Source: Kansas Employment Security Division.

Table III

Percentage Distribution of Estimated Family Income by Tenure  
After Deduction of Federal Income Tax  
Wichita, Kansas, HMA, 1965 - 1968

<u>Income</u>	<u>All families</u>		<u>Renter families</u>	
	<u>1965</u>	<u>1968</u>	<u>1965</u>	<u>1968</u>
Under \$2,000	6	5	11	9
\$2,000-2,999	4	4	7	8
3,000-3,999	7	6	11	9
4,000-4,999	8	7	12	10
5,000-5,999	11	9	14	13
6,000-6,999	14	12	15	14
7,000-7,999	12	12	11	12
8,000-8,999	10	10	7	8
9,000-9,999	7	9	4	6
10,000-14,999	16	20	8	11
15,000 and over	5	6	1	1
Total	100	100	100	100
Median:	\$7,000	\$7,550	\$5,650	\$6,100

Source: Estimated by Housing Market Analyst.

Table IV

New Dwelling Units Authorized by Building Permits  
Wichita, Kansas, HMA  
1950 - 1964

<u>Year</u>	<u>Total units</u>	<u>One family</u>	<u>Two family</u>	<u>Three family or more</u>
1950	3,892	2,778	150	964
1951	3,007	2,334	314	359
1952	3,648	2,832	380	436
1953	2,365	2,212	122	31
1954	3,943	3,409	298	236
1955	3,125	2,869	134	122
1956	1,976	1,895	26	55
1957	1,570	1,498	28	44
1958	1,826 <u>a/</u>	1,742	32	52
1959	1,275	1,217	22	36
1960	412	408	4	0
1961	687	593	14	80
1962	710	678	32	0
1963	735	686	26	23
1964	1,311	804	20	487

a/ Includes 490 units of Public Housing (military).

Source: Bureau of the Census, Construction Report C40;  
and local building permit offices.

Table V

Wichita, Kansas, Area Postal Vacancy Survey  
February 3, 1965

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
The Survey Area Total	106,741	5,891	5.5	5,710	181	526	92,121	4,170	4.5	4,055	115	273	14,620	1,721	11.8	1,655	66	253	2,052	85	4.1
Wichita City	101,457	5,540	5.5	5,364	176	504	86,861	3,825	4.4	3,715	110	253	14,596	1,715	11.7	1,649	66	251	2,006	83	4.1
Main Office	9,261	705	7.6	664	41	51	4,736	168	3.5	162	6	5	4,525	537	11.9	502	35	46	51	3	5.9
Stations:																					
Chisholm	7,263	370	5.1	347	23	35	7,214	365	5.1	342	23	35	49	5	10.2	5	-	-	591	7	1.2
Hillside	11,330	571	5.0	562	9	29	9,932	475	4.8	466	9	29	1,398	96	6.9	96	-	-	58	14	24.1
Midland	8,544	615	7.2	610	5	10	8,298	522	6.3	517	5	9	246	93	37.8	93	-	1	606	10	1.7
Munger	10,437	337	3.2	311	26	151	9,428	185	2.0	160	25	82	1,009	152	15.1	151	1	69	75	1	1.3
North Wichita	11,539	833	7.2	823	10	18	10,697	724	6.8	714	10	18	842	109	12.9	109	-	-	77	10	13.0
Southeast	11,008	902	8.2	872	30	4	10,276	623	6.1	621	2	4	732	279	38.1	251	28	-	80	15	18.8
Washington St.	13,034	465	3.6	461	4	2	9,280	174	1.9	172	2	2	3,754	291	7.8	289	2	-	54	8	14.8
West Wichita	19,041	742	3.9	714	28	204	17,000	589	3.5	561	28	69	2,041	153	7.5	153	-	135	414	15	3.6
Suburban Area	5,284	351	6.6	346	5	22	5,260	345	6.6	340	5	20	24	6	25.0	6	-	2	46	2	4.3
Derby	2,401	77	3.2	74	3	17	2,392	74	3.1	71	3	15	9	3	33.3	3	-	2	8	-	-
Haysville	1,698	212	12.5	210	2	-	1,687	209	12.4	207	2	-	11	3	27.3	3	-	-	1	-	-
Valley Center	1,185	62	5.2	62	-	5	1,181	62	5.2	62	-	5	4	-	-	-	-	-	37	2	5.4

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i.e., a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).

Table VI

Comparison of Vacancy Ratios and Units Under Construction  
as Revealed by Postal Vacancy Surveys  
Wichita, Kansas, 1956 - 1965 <sup>a/</sup>

<u>Date</u>	<u>Vacancy rates</u>		<u>Units under construction</u>
	<u>Residences</u>	<u>Apartments</u>	
Apr. 1956	3.0	7.7	1,091
Apr. 1957	2.8	9.4	645
Apr. 1958	2.8	7.8	634
Apr. 1959	3.5	11.3	875
Jul. 1960	4.8	17.1	263
Jul. 1961	4.8	17.3	190
Dec. 1962 <sup>b/</sup>	4.7	12.1	206
Apr. 1964	4.9	15.4	249
Feb. 1965	4.5	11.8	526

<sup>a/</sup> 1956-1964 data applicable to area served by the Wichita Post Office only.  
 1965 data include area served by the Wichita, Derby, Haysville, and Valley Center Post Offices.

<sup>b/</sup> In the December 1962 survey an unknown number of vacant inadequate housing units were omitted.

Source: Postal vacancy surveys conducted by collaborating postmasters.

Table VII

Trend of Vacancies  
Wichita, Kansas, HMA, 1950-1965

<u>Occupancy and tenure</u>	<u>April 1950<sup>a/</sup></u>	<u>April 1960</u>	<u>February 1965</u>
Total dwelling units	<u>73,829</u>	<u>114,038</u>	<u>115,000</u>
Total occupied units	69,426	103,422	107,400
Total vacant units	<u>4,403</u>	<u>10,616</u>	<u>7,600</u>
Vacant available for sale	980	2,154	1,650
Homeowner vacancy rate	2.4%	3.0%	2.3%
Vacant available for rent	1,962	5,995	4,250
Rental vacancy rate	6.2%	14.8%	10.2%
Other vacant units <sup>b/</sup>	1,461	2,467	1,700

<sup>a/</sup> Includes 205 nonresident dwelling units.

<sup>b/</sup> Includes seasonal units, dilapidated units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners and other reasons.

Source: 1950 and 1960 Censuses of Housing and estimates of Housing Market Analyst.