

COMMERCIAL REAL ESTATE REPORT Q4 2023

Topeka, KS Metro Area

Select a Metro Area
Topeka, KS Metro Area

Demographics and Economy

Demographics

-0.4%	30.4%	2.4%	Net Migration in Kansas
population growth (2022)	share of renters (2022)	renter household formation (2022)	-642 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	-1,486 (2022)

Economy

6.6%	600	0.5%	4.5%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$46,010	2.9%	12.5%	International Migration in Kansas
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	3,932 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	5,518 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-76,516	-227,454	1.4%	\$18	7.3%
2022 Q4	-604,332	-437,762	4.0%	\$18	9.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	11,651,143	11,447	-491,516	\$0.00M	10.3%
2022 Q4	12,142,659	0	0	\$1.87M	9.7%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	22.0	149.0	1.5%	\$862	\$854	8.2%
2022 Q4	-2.0	49.0	5.1%	\$849	\$844	9.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	9,810	0	0		8.2%	
2022 Q4	9,810	173	173		7.4%	

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	25,523	114,155	2.2%	\$11	3.8%
2022 Q4	-14,966	14,136	2.4%	\$11	4.4%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	13,609,305	8.8%	\$2.42M	\$501	
2022 Q4	13,584,301	8.8%	\$5.21M	\$340	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	36,934	376,054	4.5%	\$6	2.8%
2022 Q4	-48,211	49,971	7.2%	\$5	4.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	21,164,556	64,000	131,700	9.3%	\$0.00M
2022 Q4	21,032,856	0	21,000	8.8%	\$0.70M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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Wichita, KS Metro Area

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Wichita, KS Metro Area

Demographics and Economy

Demographics

0.3%	32.9%	-4.7%	Net Migration in Kansas
population growth (2022)	share of renters (2022)	renter household formation (2022)	-642 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	-1,486 (2022)

Economy

11.2%	-100	0.0%	7.5%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$53,030	3.2%	7.9%	International Migration in Kansas
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	3,932 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	5,518 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	90,997	53,386	1.6%	\$18	7.2%
2022 Q4	132,226	311,234	4.3%	\$18	7.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	27,029,297	0	5,990	\$0.00M	11.4%
2022 Q4	27,023,307	0	191,813	\$3.86M	10.8%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	49	175	2.6%	\$852	\$846	8.4%
2022 Q4	-206	-97	6.2%	\$831	\$826	7.2%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	35,029	0	638		7.7%	
2022 Q4	34,391	0	118		7.2%	

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-120,546	6,103	2.2%	\$14	4.0%
2022 Q4	61,931	141,246	2.8%	\$13	4.0%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	48,308,831	7.4%	\$21.79M	\$316	
2022 Q4	48,281,359	7.4%	\$46.52M	\$251	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-266,903	-753,472	4.4%	\$7	5.4%
2022 Q4	825,502	511,007	7.2%	\$7	2.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	63,747,334	14,400	942,531	10.0%	\$0.22M
2022 Q4	62,804,803	73,582	279,030	9.3%	\$7.18M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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