

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Lawrence, KS

Core-Based Statistical Area Code:

29940

The Lawrence, KS commercial real estate market is **not as strong** compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index* **28.0**

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is not as strong than nationally.

I. Economic and Demographic

Economic	Lawrence, KS			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	52	52	49	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	3	4	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	6.3%	7.5%	-5.7%	4.6%	4.7%	-4.4%	<i>Job creation is stronger than nationally</i>
Unemployment rate (%)	2.5%	2.7%	3.6%	3.6%	3.9%	6.0%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$824	\$777	\$788	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	4.5%	-2.9%	7.0%	4.7%	5.2%	6.9%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.8%	0.2%	2.9%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.3)	0.3	0.1	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Population ('000)	119	122	121	331,501	328,330	326,838	
Population growth (%)	-2.83%	0.78%	0.67%	0.97%	0.46%	0.53%	<i>Population growth is slower than nationally</i>

II. Multifamily

Demand indicators	Lawrence, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.2%	4.3%	5.7%	4.9%	4.8%	6.0%	<i>The area has a lower vacancy rate than nationally</i>
Absorption of units over the quarter	2	69	21	58,097	61,951	187,113	
Absorption of units in past 12 months	224	243	(19)	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	2.0%	2.1%	-0.2%	3.3%	4.1%	3.0%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$900	\$885	\$869	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	3.6%	2.3%	1.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$897	\$882	\$862	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	4.1%	2.6%	1.5%	12.2%	12.2%	1.8%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	12.5%	13.1%	12.6%	16.5%	16.3%	15.4%	<i>Renting is more affordable than nationally</i>
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	11,446	11,444	11,223	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	57	57	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	0.5%	0.5%	-	2.2%	2.3%	2.5%	
Units under construction	40	40	97	774,864	744,997	732,144	
Units under construction, as % of inventory	0.3%	0.3%	0.9%	4.5%	4.3%	4.4%	<i>Construction is weaker than nationally</i>
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	54.4	63.2	-	17.1	17.2	(15.9)	<i>More jobs per delivered units than nationally</i>
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$1	-	-	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	\$142,300	-	-	\$220,078	\$227,367	\$157,676	
Market cap rate	6.8%	6.8%	6.8%	5.1%	5.1%	5.2%	<i>Cap rates are higher than nationally</i>

III. Office

Demand indicators	Lawrence, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	10.1%	9.5%	7.8%	12.2%	12.1%	11.7%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(16,639)	(7,054)	41,897	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(35,848)	22,688	225,935	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-1.2%	0.8%	7.7%	0.1%	-0.6%	-1.7%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$20.7	\$20.6	\$20.4	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.4%	1.0%	-0.6%	0.8%	0.4%	-2.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.1)	(0.3)	0.0	1,153	1,161	(283)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	2,893,855	2,910,494	2,929,703	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	41,293	41,293	206,800	54,741,303	57,123,296	47,997,877	<i>More delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	1.4%	1.4%	7.1%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	4,000	4,000	41,293	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.1%	0.1%	1.4%	2.0%	2.0%	2.1%	<i>Construction activity is slower than nationally</i>
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	\$2	\$1	\$26,711	\$35,335	\$17,487	<i>Sales transactions are not rising as fast than nationally</i>
Transaction sale price per sq.ft.	\$0	\$635	\$329	\$324	\$295	\$325	<i>Prices are not rising as fast than nationally</i>
Market cap rate	9.2%	9.1%	9.1%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Lawrence, KS

Core-Based Statistical Area Code:

29940

IV. Industrial

	Lawrence, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.4%	3.5%	3.1%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	2,956	112,757	(624)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	149,923	146,343	126,415	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.7%	1.7%	1.4%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$8.0	\$7.8	\$7.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.4%	6.0%	3.4%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	8,868,840	8,865,884	8,718,917	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	186,330	186,330	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	2.1%	2.1%	-	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	-	-	186,330	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	2.1%	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	\$5	\$26	-	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	\$460	\$171	-	\$140	\$136	\$105	
Market cap rate	7.7%	7.7%	7.8%	6.3%	6.3%	6.3%	Cap rates are higher than nationally
V. Retail							
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.2%	4.4%	4.7%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	15,590	(13,068)	6,316	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	5,014	(4,260)	(18,883)	94,035,968	73,627,144	(22,757,808)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	0.1%	-0.1%	-0.3%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$15.6	\$15.4	\$15.1	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.9%	2.4%	1.0%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.10	0.00	0.10	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	6,238,276	6,222,686	6,233,262	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-29,647	-22,762	15,385	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	-0.5%	-0.4%	0.2%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	4,000	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.1%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$2	\$8	\$5	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$217	\$246	\$59	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.6%	7.6%	7.6%	6.8%	6.8%	6.8%	Cap rates are higher than nationally
VI. Hotel/Lodging							
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	6.6	6.6	5.8	14,939	14,804	12,876	
Y/Y change ('000)	0.8	1.2	(0.6)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	12.6%	12.8%	11.8%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



NAR Commercial Real Estate Metro Market Report | 2022.Q1

Manhattan, KS

Core-Based Statistical Area Code:

31740

The Manhattan, KS commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

33.3

Overall economic conditions are not as strong than nationally.
The apartment property market is not as strong than nationally.
The office property market is stronger than nationally.
The industrial property market is not as strong than nationally.
The retail property market is about the same than nationally.

I. Economic and Demographic

	Manhattan, KS			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Economic							
Total non-farm employment ('000)	40	40	39	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	1	1	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.5%	3.6%	-6.7%	4.6%	4.7%	-4.4%	<i>Job creation is weaker than nationally</i>
Unemployment rate (%)	2.3%	2.4%	3.0%	3.6%	3.9%	6.0%	<i>Unemployment rate is lower than nationally</i>
Average weekly wages	\$634	\$702	\$675	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-6.0%	-6.2%	-11.4%	4.7%	5.2%	6.9%	<i>Wages are rising at a slower pace than nationally</i>
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-0.9%	-3.3%	-0.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.6)	(4.6)	(1.5)	0	0	0	<i>Area is experiencing net domestic out-migration</i>
Population ('000)	134	129	132	331,501	328,330	326,838	
Population growth (%)	3.80%	-2.15%	0.05%	0.97%	0.46%	0.53%	<i>Population is growing faster than nationally</i>

II. Multifamily

	Manhattan, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	5.8%	6.0%	7.1%	4.9%	4.8%	6.0%	<i>The area has a higher vacancy rate than nationally</i>
Absorption of units over the quarter	8	(19)	(1)	58,097	61,951	187,113	
Absorption of units in past 12 months	66	57	84	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.3%	1.1%	1.7%	3.3%	4.1%	3.0%	<i>The area has lower absorption than nationally</i>
Market asking rent per unit	\$807	\$807	\$792	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	1.8%	2.4%	0.8%	11.4%	11.3%	2.4%	
Effective rent per unit	\$802	\$802	\$775	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	3.6%	2.6%	-0.6%	12.2%	12.2%	1.8%	<i>Rents are rising more slowly than nationally</i>
Rent as a percent of 2-person annual wage income	14.6%	13.1%	13.2%	16.5%	16.3%	15.4%	<i>Renting is more affordable than nationally</i>
Supply indicators							
Inventory	5,092	5,085	5,027	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$17	\$1	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	-	\$58,717	\$75,500	\$220,078	\$227,367	\$157,676	
Market cap rate	7.4%	7.4%	7.2%	5.1%	5.1%	5.2%	<i>Cap rates are higher than nationally</i>

III. Office

	Manhattan, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.3%	6.1%	6.8%	12.2%	12.1%	11.7%	<i>The area has a lower vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	27,235	7,425	8,471	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	41,792	23,028	(34,581)	5,610,472	(41,726,112)	(119,807,672)	<i>The area has stronger absorption than nationally</i>
Absorption in past 12 months as % of inventory	2.8%	1.5%	-2.3%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$19.3	\$19.3	\$19.1	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.4%	1.3%	0.4%	0.8%	0.4%	-2.1%	<i>Rents are rising faster than nationally</i>
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	-	-	-	1,153	1,161	(283)	
Supply indicators							
Inventory in sq. ft.	1,513,381	1,486,146	1,471,589	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	3,500	3,500	-	54,741,303	57,123,296	47,997,877	<i>More delivered space relative to inventory than nationally</i>
Net delivered units, as % of inventory	0.2%	0.2%	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	3,500	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	0.2%	2.0%	2.0%	2.1%	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	\$1	\$0	\$26,711	\$35,335	\$17,487	
Transaction sale price per sq.ft.	\$0	\$122	\$0	\$324	\$295	\$325	
Market cap rate	9.0%	9.0%	9.0%	7.0%	7.0%	7.0%	<i>Cap rates are higher than nationally</i>

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Manhattan, KS

Core-Based Statistical Area Code:

31740

IV. Industrial

	Manhattan, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	5.4%	7.8%	7.1%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	31,575	(21,875)	5,000	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	23,000	(3,575)	(41,606)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.8%	-0.3%	-3.3%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$7.0	\$6.9	\$6.6	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	6.5%	5.3%	2.9%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	1,265,465	1,233,890	1,242,465	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	-	-	-	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	-	-	-	\$140	\$136	\$105	
Market cap rate	8.4%	8.4%	8.3%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Manhattan, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.1%	3.4%	5.8%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	9,473	64,025	9,831	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	109,380	109,738	(17,473)	94,035,968	73,627,144	(22,757,808)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	2.9%	2.9%	-0.5%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$16.4	\$16.2	\$15.9	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.5%	2.8%	1.1%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg. in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	570.90	382.90	(187.70)	
Supply indicators							
Inventory in sq. ft.	3,797,298	3,787,825	3,687,918	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	3,600	3,600	-	19,624,738	21,905,704	37,703,262	Less delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.1%	0.1%	-	0.2%	0.2%	0.3%	
Under construction in sq.ft.	70,000	70,000	73,600	54,194,816	56,052,512	54,297,696	Construction activity is more robust than nationally
Under construction, as % of inventory	1.8%	1.8%	2.0%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$6	-	\$22,755	\$33,245	\$12,773	
Transaction sale price per sq.ft.	-	\$78	-	\$219	\$226	\$182	
Market cap rate	8.2%	8.2%	8.1%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)
Leisure and hospitality payroll workers ('000)	-	-	-	14,939	14,804	12,876
Y/Y change ('000)	-	-	-	2,063.0	2,337.0	(2,869.0)
% share to nonfarm payroll employment	-	-	-	10.0%	9.8%	9.0%

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at
<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



NAR Commercial Real Estate Metro Market Report | 2022.Q1

Topeka, KS

Core-Based Statistical Area Code:

45820

The Topeka, KS commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

16.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is not as strong than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Topeka, KS			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	109	107	109	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	0	(2)	(2)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	0.3%	-1.7%	-1.6%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	2.5%	2.7%	3.3%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$816	\$844	\$788	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	3.5%	6.0%	1.3%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-0.1%	-2.1%	3.9%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(1.2)	(0.6)	(1.1)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	233	232	232	331,501	328,330	326,838	
Population growth (%)	0.38%	-0.15%	-0.36%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Topeka, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	9.3%	9.9%	11.9%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	53	37	36	58,097	61,951	187,113	
Absorption of units in past 12 months	244	227	24	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	2.9%	2.7%	0.3%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$781	\$770	\$732	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	6.7%	6.7%	3.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$778	\$767	\$726	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.1%	6.8%	3.3%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	11.0%	10.5%	10.6%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	8,463	8,411	8,221	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	16	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	0.2%	2.2%	2.3%	2.5%	
Units under construction	173	173	-	774,864	744,997	732,144	
Units under construction, as % of inventory	2.0%	2.1%	-	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	(112.5)	17.1	17.2	(15.9)	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$18	-	\$0	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$108,130	-	\$24,444	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	7.3%	7.5%	7.5%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Topeka, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.8%	6.1%	4.8%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(89,239)	(26,185)	47,928	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(238,942)	(101,775)	(195,181)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-2.1%	-0.9%	-1.7%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$16.6	\$16.6	\$16.3	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.8%	1.6%	0.4%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.3	(1.3)	0.8	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	11,172,588	11,261,827	11,411,530	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	5,922	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	0.1%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$16	\$9	\$0	\$26,711	\$35,335	\$17,487	
Transaction sale price per sq.ft.	\$138	\$61	\$0	\$324	\$295	\$325	
Market cap rate	8.9%	8.9%	8.9%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Topeka, KS

Core-Based Statistical Area Code:

45820

IV. Industrial

	Topeka, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.6%	4.5%	5.4%	4.1%	4.2%	5.3%	<i>The area has higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(21,389)	87,638	172,930	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	181,643	375,962	346,421	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	0.9%	1.9%	1.8%	3.1%	3.1%	1.6%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$4.8	\$4.7	\$4.5	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.2%	5.6%	3.2%	11.0%	9.3%	5.5%	<i>Rent growth is slower than nationally</i>
Supply indicators							
Inventory in sq. ft.	19,515,112	19,536,500	19,333,468	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	22,000	22,000	27,077	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.1%	0.1%	0.1%	1.9%	1.8%	1.8%	<i>Less deliveries relative to inventory than nationally</i>
Under construction in sq.ft.	21,000	21,000	10,000	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.1%	0.1%	0.1%	3.5%	3.2%	2.4%	<i>Less delivered space relative to inventory than nationally</i>
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$18	-	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	\$125	\$292	-	\$140	\$136	\$105	
Market cap rate	8.2%	8.2%	8.0%	6.3%	6.3%	6.3%	<i>Cap rates are higher than nationally</i>

V. Retail

	Topeka, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	6.3%	4.8%	6.7%	4.5%	4.7%	5.1%	<i>The area has a higher vacancy rate than nationally</i>
Absorption in sq.ft. over the quarter	(199,402)	109,266	416,393	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	52,327	668,122	141,269	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.4%	5.3%	1.1%	0.8%	0.7%	-0.2%	<i>The area has lower absorption than nationally</i>
Market rent per sq.ft.	\$10.4	\$10.3	\$10.1	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.5%	2.1%	1.0%	3.9%	3.1%	1.1%	<i>Rent growth is slower than nationally</i>
Y/Y chg.in retail trade payroll employment ('000) <i>(as of latest available month of the quarter)</i>	0.20	0.00	(0.30)	570.90	382.90	(187.70)	<i>The area has stronger retail trade job creation than nationally</i>
Supply indicators							
Inventory in sq. ft.	12,429,494	12,628,896	12,377,167	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	7,178	29,111	21,933	19,624,738	21,905,704	37,703,262	<i>Relatively fewer units delivered than nationally</i>
Net delivered units, as % of inventory	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	<i>Less delivered space relative to inventory than nationally</i>
Under construction in sq.ft.	-	-	2,178	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.0%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$20	\$13	\$7	\$22,755	\$33,245	\$12,773	<i>Sales transactions are rising faster than nationally</i>
Transaction sale price per sq.ft.	\$35	\$430	\$161	\$219	\$226	\$182	<i>Prices are not rising as fast than nationally</i>
Market cap rate	8.7%	8.5%	8.4%	6.8%	6.8%	6.8%	<i>Cap rates are higher than nationally</i>

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	7.9	7.9	7.5	14,939	14,804	12,876	
Y/Y change ('000)	0.4	0.7	(0.8)	2,063.0	2,337.0	(2,869.0)	<i>Job creation in the leisure industry is stronger than nationally</i>
% share to nonfarm payroll employment	7.3%	7.4%	6.9%	10.0%	9.8%	9.0%	<i>Lower fraction of workers in leisure industry than nationally</i>

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at
<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



NAR Commercial Real Estate Metro Market Report | 2022.Q1

Wichita, KS

Core-Based Statistical Area Code:

48620

The Wichita, KS commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

44.0

Overall economic conditions are stronger than nationally.

The apartment property market is not as strong than nationally.

The office property market is stronger than nationally.

The industrial property market is not as strong than nationally.

The retail property market is not as strong than nationally.

The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Wichita, KS			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	298	298	290	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	8	8	(16)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.8%	2.8%	-5.3%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.3%	3.6%	5.1%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$878	\$889	\$825	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	6.4%	7.2%	2.2%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-5.9%	1.8%	-0.3%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.7	(0.0)	(2.9)	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	648	641	638	331,501	328,330	326,838	
Population growth (%)	1.12%	0.44%	0.02%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Wichita, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.2%	6.2%	6.9%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	51	(62)	370	58,097	61,951	187,113	
Absorption of units in past 12 months	424	743	590	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.3%	2.3%	1.9%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$763	\$754	\$714	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	6.8%	6.3%	2.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$759	\$749	\$710	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	7.0%	6.5%	2.7%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	10.0%	9.7%	9.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	31,707	31,656	31,282	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	202	152	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	0.6%	0.5%	-	2.2%	2.3%	2.5%	
Units under construction	588	266	470	774,864	744,997	732,144	
Units under construction, as % of inventory	1.9%	0.8%	1.5%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	40.6	53.9	-	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$9	\$45	-	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	\$32,321	\$50,767	-	\$220,078	\$227,367	\$157,676	
Market cap rate	7.1%	7.0%	6.9%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Wichita, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	7.2%	7.4%	8.3%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	68,364	(176,535)	(51,514)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	301,027	181,149	(50,563)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.2%	0.7%	-0.2%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$17.4	\$17.4	\$17.0	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	2.2%	2.0%	0.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.2)	0.1	(1.1)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	25,337,004	25,268,640	25,035,978	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	3,600	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	0.0%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	10,000	10,000	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.0%	0.0%	-	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$11	\$8	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$60	\$158	\$162	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.7%	9.5%	9.6%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Wichita, KS

Core-Based Statistical Area Code:

48620

IV. Industrial

	Wichita, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.1%	3.0%	4.1%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(29,050)	202,811	388,850	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	1,544,713	1,962,613	586,730	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.6%	3.3%	1.0%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.0	\$5.9	\$5.6	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	7.2%	5.6%	3.2%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	59,160,556	59,189,608	57,615,844	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	943,734	978,634	1,026,530	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	1.6%	1.7%	1.8%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	237,780	263,560	917,954	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.4%	0.4%	1.6%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$19	\$16	\$6	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$75	\$67	\$48	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	8.7%	8.7%	8.4%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Wichita, KS			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	3.6%	4.2%	5.3%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	288,627	41,843	159,687	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	817,861	688,921	(164,411)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	1.8%	1.5%	-0.4%	0.8%	0.7%	-0.2%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$12.9	\$12.7	\$12.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.8%	1.8%	0.6%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	1.20	(0.10)	(0.50)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	45,605,976	45,317,348	44,788,112	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	61,666	80,570	149,735	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.2%	0.3%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	11,110	21,531	66,004	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.0%	0.0%	0.1%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$23	\$69	\$23	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$217	\$205	\$228	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.5%	7.6%	7.7%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	31.3	32.8	29.8	14,939	14,804	12,876	
Y/Y change ('000)	1.5	3.8	(2.5)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	10.5%	11.0%	10.3%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at <https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>

