

MARKET AT A GLANCE



OCCUPANCY RATE

94.6%

Up 70 bps since 1Q19



EFFECTIVE RENT

\$709

Up 2.8% since 1Q19



DELIVERIES

0

Units YTD

MARKET IMPACT ANALYSIS

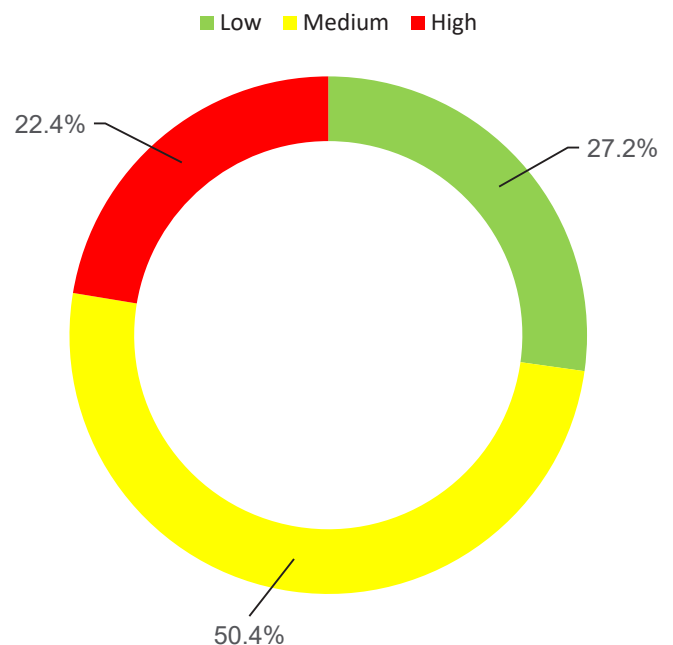
AREA LEADERS DISCUSSING TRANSITION TO ECONOMIC DIVERSITY

Wichita is known as the “Air Capital of the World” because of its numerous aerospace manufacturers which employ nearly 10% of workers in the metro area. However, the COVID-19 pandemic, the subsequent plunge in airline travel, and perpetual grounding of the Boeing 737 Max may threaten local aerospace manufacturing long after stay-at-home orders are lifted. The pandemic has flattened U.S. air travel, and some analysts predict 2019 air travel volume will not return until 2023. Airlines are already cancelling orders for new passenger jets, and Barclays analysts forecast manufacturing cuts of 30% to 40% at Boeing and Airbus through at least 2021. This reduced output will likely affect local Boeing suppliers. One silver lining: as of April 20, Spirit AeroSystems Inc., a major supplier to the Boeing Company and producer of 70% of the 737 Max, began recalling many of its 2,800 Wichita area workers laid off in January 2020. Local leaders are looking forward, discussing ways to diversify the economy so it is less vulnerable to fluctuations in the airline industry. But structural changes like these take at least several years to accomplish. For today, the current economic downturn may cause a temporary lull in apartment leasing activity, but a significant supply-demand imbalance is not anticipated in 2020 since no new apartments are scheduled for delivery until mid-2021.

INDUSTRY COMPOSITION

Risk Level	% of Market	National Avg
LOW		
Agriculture, forestry, fishing, & hunting	0.1%	1.1%
Finance & insurance	2.8%	4.7%
Health care & social assistance	15.3%	16.0%
Information	1.6%	2.2%
Mining, quarrying, & oil & gas extraction	0.3%	0.5%
Transportation & warehousing	3.6%	4.4%
Utilities	0.2%	0.4%
Wholesale trade	3.5%	4.7%
Total	27.2%	33.9%
MEDIUM		
Administrative & waste services	7.9%	7.4%
Educational services	1.8%	2.3%
Manufacturing	20.9%	10.1%
Other services, except public administration	3.1%	3.6%
Professional & technical services	4.7%	7.5%
Retail trade	12.1%	12.2%
Total	50.4%	43.1%
HIGH		
Accommodation & food services	10.7%	11.1%
Arts, entertainment, & recreation	2.0%	1.9%
Construction	6.2%	6.1%
Management of companies & enterprises	1.8%	1.9%
Real estate & rental & leasing	1.7%	1.8%
Unclassified	0.0%	0.1%
Total	22.4%	23.0%

JOBS EXPOSURE



Analysis based on RealPage Market Analytics' first quarter 2020 data, which sources more than 3 million units across more than 400 U.S. markets in real time. Data may be revised in future publications as additional information becomes available after the initial release. Risk level based on the percentage of essential vs. nonessential jobs for that sector, along with work-from-home opportunity and impacted revenue.



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