



DOWNTOWN WICHITA

New Market Research Indicates Strong Opportunities for Growth in Downtown Wichita

Wichita, Kan., April 28, 2025—Downtown Wichita recently partnered with two leading economic firms to analyze market trends and provide projections for the future of the downtown district.

Findings from Zimmerman/Volk Associates (residential market forecast) and W-ZHA (office and hotel market forecast) indicate strong opportunities for growth in the next 5 to 10 years.

Both Zimmerman/Volk Associates and W-ZHA have worked with Downtown Wichita since 2009, and their past forecasts have consistently aligned with real-world outcomes, reinforcing their credibility and accuracy in assessing Wichita's market potential.

Downtown Wichita commissioned these reports in the fall of 2024 to establish a data-driven foundation to inform the development of the [Downtown Wichita Action Plan \(Action Plan\)](#). Sasaki, the global firm partnering with Downtown Wichita on the Action Plan, will incorporate the market research findings into a strategic vision for downtown's continued growth. The reports, finalized in Q1 2025, are also available to the public [here](#).

The Downtown Wichita Study Area covers the general area bounded by Murdock Street to the north, Washington Street to the east, Kellogg Avenue to the south and Seneca Street to the west, reflecting areas of ongoing investment in and around downtown.

Residential Growth Potential

The research suggests that downtown Wichita is poised for continued residential expansion, with an anticipated absorption of 3,130 to 3,765 new housing units over the next five years (626-753 units annually). Key takeaways include:

- The market for middle-income (earning 80% to 120% of Area Median Income, or AMI) housing remains strong, with a weighted average base rent of \$1,315/month.
- The vacancy rate has dropped; for new developments, occupancy is at or above 95%, which represents functional full occupancy.
- A limited number of luxury market-rate units can be supported, with rents starting at \$2,000 per month. The drivers of this emerging market are an increasing proportion of residents moving to Wichita from affluent counties across the U.S.
- New middle-income housing development will likely require development incentives, as incomes have not increased as much as construction costs.
- Location, walkability and proximity to downtown amenities (e.g., entertainment and retail) matter, providing an up to 10% premium for well-situated developments in the core.

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- While downtown has not experienced new for-sale housing development since 2009, the latest study indicates demand for for-sale condominiums and townhouses. The report suggests developers "start with small projects to test the market, e.g., mansion condominium buildings of six to eight condominiums, or sets of four to six fee-simple townhouses." These new housing types can help attract new households to Wichita and also retain downtown households as residents mature through their life cycle.

"The findings highlight a strong demand for a variety of housing options in downtown Wichita, particularly for-sale units—a segment that has been largely untapped since 2009," said Christopher Volk-Zimmerman of Zimmerman/Volk Associates. "By strategically introducing small-scale condominium and townhouse developments, Wichita can attract new residents while also providing opportunities for existing downtown residents to remain in the area as their housing needs evolve."

Office Market Insights

The office market analysis highlights a positive trajectory for downtown employment and workspace demand, including:

- Over the next decade, downtown is projected to absorb 658,000 to 825,000 square feet of multi-tenant office space.
- In addition, the analysis assumes a 250,000 to 350,000 square foot allowance for new owner-occupied office development over the next decade.
- Between 2017 and 2024, 90% of Wichita's office space absorption occurred downtown, totaling 714,000 square feet (average 102,000 square feet per year).
- While the office vacancy rate downtown matches the vacancy rate throughout Sedgwick County, Premium Class A office space is fully occupied, signaling an opportunity to create more higher-end office environments in the core.
- By upgrading existing spaces to Premium Class A and strategically locating new office construction, downtown can realize its full office market potential over the next decade.
- The cost to build new office space will require rental rates above current rents for premium office space. Public investment in strategically located shared-use parking facilities can bring down the overall capital costs of new construction and unlock the development potential of neighboring sites.

"For downtown Wichita to reach its full office market potential, strategic investment in infrastructure—particularly structured parking—will be essential," said Sarah Woodworth of W-ZHA. "Just as the city invests in utilities like water and sewer to support growth, parking should be viewed as a critical infrastructure investment that enables office investment and attracts businesses to the core."

Hotel Industry Expansion

The hospitality sector is also set for growth, driven by business, group and leisure travel:

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- Downtown hotels currently maintain a 69% occupancy rate, exceeding the industry's functional occupancy benchmark of 65%.
- Room rates downtown are 29% higher than rates for comparable quality hotels in suburban locations, highlighting the district's appeal and demand for higher-end accommodations.
- There are currently 1,279 rooms operating in the Study Area. In addition, the AC Marriott Hotel is expected to add 119 rooms this summer, and a study of downtown's convention business recommended an additional 100 rooms adjacent to Century II.
- In addition to the pipeline noted above, over the next 10 years, the hotel market is expected to support 430 to 560 new hotel rooms in the core.
- The 155-room Dream Hotel, which is under construction next to Equity Bank Park, will capture a portion of this demand when it opens.

Strategic Implications and Next Steps

These findings reinforce that continued investment in housing, office and hospitality development are critical to sustaining downtown Wichita's momentum. The Action Plan will incorporate these insights to guide strategic private investments, public-private partnerships and public infrastructure enhancements that drive economic vitality.

"Downtown Wichita is at a pivotal moment for growth," said Downtown Wichita Executive Director Heather Schroeder. "This research highlights the need for strategic development to ensure our downtown remains a dynamic, competitive district where businesses, residents and visitors can thrive."

Click [here](#) for more information and to access the full reports.

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About Downtown Wichita

Downtown Wichita is a private 501(c)(3) nonprofit corporation that amplifies the energy, capital and growth of downtown by empowering residents, visitors and businesses to explore the possibilities of the city's core. Collaborating with stakeholders, the organization stimulates continued investment and interest downtown and connects resources from the private sector and local government that allow commerce and culture to thrive. For more information visit:

<https://downtownwichita.org/home>.