ECONOMIC & MARKET ANALYSIS

Newton, Kansas Comprehensive Plan
February 2026

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CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

ECONOMIC AND MARKET ANALYSIS
CITY OF NEWTON COMPREHENSIVE PLAN
NEWTON, KANSAS

February 2026

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CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

February 9, 2025

Abby Newsham
Olsson, Inc.
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RE: Economic and Market Analysis
Newton, Kansas Comprehensive Plan

Abby,

The City of Newton, Kansas has retained Olsson, Inc. to prepare a Comprehensive Plan update identifying future land use patterns and policies for the city. As a sub-consultant to Olsson, Canyon Research Southwest has prepared an *Economic & Market Analysis* that evaluates Newton's long-term market potential and identifies development opportunities.

Based on the findings of the *Economic and Market Analysis*, the following topics were addressed: 1) 20-year need projections in Newton, Kansas for commercial and industrial space as well as residential housing units and 2) citywide land use patterns and development opportunities.

In support of the Comprehensive Plan Update, a *Housing Study and Needs Assessment* was also prepared and presented in a separate document. The objective of the study was to quantify both near-term owner-occupied and renter-occupied housing need for Newton and provide strategic plan recommendations to support a sustainable and diverse housing stock.

Upon review of the report, should any have questions or request additional information, contact me directly at (716) 327-5576.

Respectfully submitted,

CANYON RESEARCH SOUTHWEST, INC.

Eric S. Lander

Eric S. Lander, Principal

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SUMMARY OF MAJOR FINDINGS

Olsson, Inc. is preparing a Comprehensive Plan update for the City of Newton, Kansas. As a sub-consultant to Olsson, Canyon Research Southwest has prepared an *Economic and Market Analysis* that evaluates economic, demographic, and real estate market trends impacting future land use patterns in Newton, Kansas.

Based on the findings of the *Economic and Market Analysis* the following topics are addressed: 1) 20-year citywide need projections for commercial and industrial space as well as residential housing units and 2) citywide land use patterns and development opportunities. The study findings and recommendations are summarized in the text to follow.

Demographic and Economic Trends

The City of Newton is a rural community located at the northern edge of the Wichita MSA. Newton is a commuter community with a mean travel time to work of 20.5 minutes, with 32.7 percent of residents working outside of Harvey County. Therefore, employment growth in the Wichita MSA will play a key role in generating future population growth in Newton. According to the Bureau of Labor Statistics, following the COVID-19 pandemic, employment growth in the Wichita MSA has been steady, adding 15,459 jobs from 2021 to 2025. By December 2025, the Wichita MSA supported 329,300 jobs and an unemployment rate of 3.7 percent.

A community's changing demographic trends have a significant impact on the local retail and housing markets. Those population demographics playing a role in shaping the composition of local retail and housing markets include population size and growth, age distribution, household composition, educational attainment, and household income.

A slight decline in population since 2010 has placed a constraint on the ability of Newton to support new home construction. Future employment and population growth are necessary to foster a healthy new market for both owner-occupied and rental housing. Principal constraints in Newton's historically modest population growth include difficulty in attracting homebuilders, modest levels of new home construction, high construction costs, and limited availability of quality existing housing units. Newton's high rate of seniors living alone has placed a constraint on population growth. Over time housing units will become available to young couples and families, creating the opportunity for population growth.

The age composition of a community's population plays a significant role in the need for various housing types and retail goods and services. As a person ages their housing and retail needs change. The age composition of Newton's population suggests a need for affordable rental housing, entry-level and down-sizing for-sale housing, and senior housing.

Moving forward Newton's young adult (25 to 34 years) and family/working adults (35-44 years) populations will have an increasing impact on the city's retail market with expenditures favoring apparel and accessories, entertainment, hardware, furniture and home furnishings, consumer electronics, department stores, and eating and drinking places. For those young households with children present, retail expenditures will focus on apparel and accessories, groceries, sporting goods, music, consumer electronics, eating and drinking places, and general merchandise.

Compared to state-wide averages, Newton possesses above average rates for householders living alone, residents 65+ years old living alone, and householders with no spouse present but with children present. These household composition characteristics suggest a propensity for single-family housing and a potential growing need for senior housing.

Because income increases with advancing educational attainment, communities with high education levels tend to support higher rates of homeownership, housing values, and retail sales. The educational attainment levels of Newton residents suggest a need for both rental housing and homeownership. The need for rental housing is supported by the fact that the highest level of education for 35.5 percent of residents is a high school degree or less. Highly educated residents are more likely to be homeowners, with 30.0 percent of Newton residents possessing a bachelor's degree or better.

Newton's household income levels support the need for a wide variety of housing products, including income-based rental housing, affordable rental housing, move-up rental housing, and entry level and move up owner-occupied housing.

An estimated 22.4 percent of households in Newton earned less than $35,000 annually**.** These households tend to be renters with 12.4 percent of households earning less than $25,000 potential candidates for some form of housing assistance. The 11.6 percent of households earning $35,000 to $49,999 represent the primary need for market-rate rental housing and entry-level for-sale housing. The estimated 42.7 percent of Newton households possessing annual incomes of $75,000 or more support the need for move-up and luxury for-sale housing. Newton's homeownership rate of 67.5 percent exceeds that for both Kansas (66.9%) and the United States (65.1%).

In Newton, considerable income disparity exists between homeowner households and renter households. Households in Newton that are homeowners possess a median income of $82,220 annually compared to $44,136 for renter households. An estimated 56.2 percent of homeowners possess an annual income of $75,000 or more, compared to just 22.9 percent of renters.

Over 23 percent of Newton's renter households possess annual incomes of less than $25,000 and may qualify for some form of housing assistance. Households with annual incomes of $35,000 to $74,999 account for 34.0 percent of all renter-occupied housing inventory in Newton. High-income households of $100,000 or more account for just 7.4 percent of all renter-occupied housing units in Newton.

Real Estate Market Trends

The study evaluated the City of Newton's retail, office, industrial, and residential housing markets. The text to follow summarizes the major study findings.

Retail Market Overview

The Costar database identified 85 retail properties in Newton totaling 1.35 million square feet of building area. State Route 15 serves as Newton's principal retail corridor, which includes four concentrations of business activity. The intersection of 12th and Main Streets at the north end of Newton serves as a neighborhood retail destination anchored by Dillons and Walgreens. Downtown Newton serves as a specialty retail district, including such businesses as Norm's

Coffee, Prairie Harvest, Anderson's, Newton Et Cetera Shop, and Mostaza. The intersection of SE 14th Street and Washington Road is another neighborhood retail hub housing a second Dillons store. Newton's newest retail hub is located along Kansas Avenue south of U.S. 50 Highway, housing a Walmart Supercenter, Dollar General, Arby's, McDonalds, and Starbucks.

According to CoStar, from 2007 through 2025 Q3, a total of 41,769 square feet of new retail space was built in Newton, peaking in 2017 when 12,191 square feet of space was completed and again during 2025 with 15,000 square feet built. Since 2017, just 21,422 square feet of retail space was constructed in Newton.

Since 2007, Costar reported the Newton retail market absorbed 134,993 square feet of commercial space. Retail space absorption peaked in 2007 at 87,185 square feet and again from 2009 to 2010 with net occupancy of 86,083 square feet of space. Most recently, net retail absorption peaked from 2014 to 2016 with 48,257 square feet of space.

From 2007 through 2014, the Newton retail market operated at an overall vacancy rate ranging from a low of 3.8 percent in 2010 to a peak of 8.4 percent in 2014. With net space absorption significantly outpacing new retail supply from 2015 through 2024, Newton's retail market operated at a below market equilibrium vacancy rate, with year-end rates ranging from 2.4 percent to 6.3 percent. By the third quarter of 2025, the overall retail vacancy rate stood at just 2.6 percent, compared to 3.0 percent for the Wichita MSA. The limited supply of vacant space suggests Newton can support near-term additions to the retail inventory.

Newton serves as Harvey County's principal shopping destination. Despite this, Newton's retail market lacks size and depth. As a result, residents must travel to Wichita and other area communities to satisfy much of their shopping needs. According to the *City Trade Pull Factor Report*, over the past decade Newton has suffered from considerable retail sales leakage with pull factors ranging from 0.78 to 0.92. Newton's retail leakage is attributed to its modest population base and inventory of retail space, small number of big-box retailers, status as a commuter community, and proximity to Wichita which supports a much larger and more diverse retail market.

Through 2045, the City of Newton is estimated to support the need for 125,000 to 134,000 square feet of new retail space. Based on an average floor-area-ratio of 20 percent to 23 percent, the forecast retail space need through 2045 would absorb an estimated 12 to 15 acres of commercial land under the conservative scenario and 13 acres to 16 acres under the optimistic scenario.

Through 2045, retail development will focus on Kansas 15 Highway corridor with the principal concentration of new retail space and businesses located south of U.S. 50 Highway.

Office Market Overview

According to Esri Business Analyst, office-related employment in the City of Newton totals 1,054 jobs in the professional services, administrative, information, and finance, insurance, and real estate sectors, accounting for 10.7 percent of total employment. By comparison, office-related jobs account for 18.6 percent of employment in Kansas.

Newton's status as Harvey County's largest economic center and the county seat helps generate the need for professional office space. According to Costar, Newton's inventory of professional and medical office market consists of 35 properties totaling 371,997 square feet of building area. The principal concentrations of professional and medical office space are downtown and South Washington Road. With the presence of the NMC Health Medical Center, Kansas Avenue south of U.S. 50 Highway is anticipated to emerge as an office corridor.

Class B space is the predominant professional office product in Newton with 170,321 square feet of space, accounting for 45.8 percent of the total inventory. Class B office space is currently fully occupied. Class C buildings account for 34.6 percent of Newton's office space, operating at full occupancy. Newton does not support any Class A office space. Medical office space in Newton totals 72,854 square feet of space operating at a 3.3 percent vacancy rate. The presence of the NMC Health Medical Center assists in generating the need for medical office space.

According to Costar, since 2007, just three office buildings totaling 17,473 square feet of new space were constructed in Newton. New office construction peaked during 2012 when 10,000 square feet were completed. The Costar data indicated that since 2021, no office buildings have been constructed.

From 2007 through 2025 Q3, net office space absorption in Newton totaled 79,040 square feet of office space. Since 2023 net office space absorption totaled 25,045 square feet.

For most of the past decade, the Newton office market operated at vacancies well below market equilibrium. From a height of 7.4 percent in 2022, Newton's office market has improved gradually, reaching a low vacancy rate of 0.6 percent by the third quarter of 2025 with just 2,400 square feet of vacant space. By comparison, the Wichita MSA office market vacancy rate as of the third quarter 2025 was 5.2 percent. No office buildings are currently under construction in Newton. The limited supply of vacant space places a constraint on the ability of existing tenants to expand and new tenants to enter the Newton office market.

Through 2045, the City of Newton is estimated to support the need for 75,000 to 100,250 square feet of professional and medical office space. Development of the forecast office need will require an estimated 6 to 9 acres of land.

Industrial Market Overview

Industrial-related employment in Newton totals 1,907 jobs in the manufacturing, wholesale trade, transportation, and utilities sectors, equating to 19.4 percent of total employment. By comparison, industrial-related jobs account for 30.7 percent of employment in Kansas.

Newton's industrial inventory consists of 39 buildings totaling 1.2 million square feet of space. The principal concentrations of industrial space are located: 1) east of Interstate 135 along Spencer Road and the Newton Industrial Park and 2) along the railroad corridor in southwest Newton.

Warehouse space is the predominant industrial product type in Newton with 752,083 square feet of space, equating to 61.9 percent of the total inventory. Warehouse space is operating at a vacancy rate of 25.4 percent, with all the vacant space in three buildings. Manufacturing buildings account for 26.6 percent of Newton's industrial space, operating at full occupancy.

According to Costar, from 2007 to 2025 Q3, four new industrial buildings totaling 90,251 square feet of space were constructed in Newton. New construction peaked in 2008 with the completion of 66,301 square feet of space. Another 23,950 square feet of industrial space was built in 2013. Since 2014, no new industrial space has been built in Newton. GAF is currently under construction on a 275,000 square foot shingle factory within the Kansas Logistics Park east of Interstate 135.

Since 2007, net absorption of industrial space in Newton totaled 227,531 square feet of space. Net space absorption peaked in 2017 and 2018 at 367,881 square feet of newly occupied space. Industrial absorption peaked again from 2016 to 2019 with the occupancy of 324,719 square feet of space. Since 2020, net industrial space absorption totaled -201,900 square feet.

From 2017 through 2023, Newton's industrial vacancy rate ranged from 1.3 percent to 15.7 percent. By 2023, the vacancy rate stood at a healthy 1.3 percent. Since 2024, the Newton industrial market has experienced negative space absorption, driving by the closure of the MasterBrand Cabinets plant. The overall vacancy rate now stands at 19.6 percent. By comparison, the current vacancy rate for the entire Wichita MSA stands at just 4.0 percent.

From 2026 through 2045, projected industrial job growth in Newton would support the net absorption of 542,500 square feet to 903,000 square feet of industrial space. Given the current vacancy rate well above market equilibrium, from 2026 through 2045, the construction of 418,000 to 806,000 square feet of new industrial space will be needed, occupying an estimated 24 to 53 acres of land.

Housing Market Overview

Since 1970, the Newtown housing stock has increased steadily, adding 2,805 dwelling units, with most of the growth in inventory occurring between 1970 and 2010. Since 2010, the growth in the city's housing stock has slowed. By 2025, the Newton housing stock inventory totaled 8,411 dwelling units.

Newton's housing stock is older than the statewide average, with 42.8 percent of the existing inventory built since 1980 and 27.7 percent built prior to 1950. By comparison, 43.4 percent of the state's housing stock was built since 1980 with 20.6 percent built prior to 1950. Newer housing built since 2010 represents just 3.2 percent of Newton's total inventory, compared to 8.4 percent statewide. New home construction in Newton totaled 242 dwelling units from 2010 to 2019 and just 21 housing units built from 2020 to 2023. The median year that housing was built is 1965 in Newton and 1975 in Kansas.

Detached single-family homes now comprise 78.6 percent of Newton's housing stock, which is well above the statewide average of 72.0 percent. Multi-family housing accounts for 15.5 percent of Newton's housing stock compared to 19.0 percent for Kansas. Properties with 2 to 4 units account for 9.1 percent of Newton's housing stock. Large-scale multi-family properties with 20 or more dwelling units account for just 2.7 percent of Newton's housing stock compared to 5.2 percent for Kansas.

The 2020 Census reported that 6,872 housing units were occupied in Newton, including 5,246 owner-occupied units and 2,321 renter-occupied units. The housing tenure mix was comprised of 69.3 percent owner-occupied and 30.7 percent renter-occupied housing units.

From 2020 through 2025, Esri Business Analyst estimates the share of owner-occupied housing units declined to 65.1 percent with the inventory of occupied housing units declining by 317 dwelling units. Meanwhile, the share of renter-occupied housing units was estimated to improve significantly to 34.9 percent, with the inventory of occupied housing units in Newton increasing by 320 rental units.

From 2000 to 2020, housing occupancies for Newton outpaced the statewide average. By 2023, Newton's housing occupancy rate of 90.8 percent lagged the statewide average of 91.4 percent.

Since 2013, the median housing value in Newton lagged the statewide median and throughout the 11-year period the gap widened. The lower housing values are attributed to an older housing stock, modest new home construction over the past decade, and below average household income levels.

According to the U.S. Census Bureau, the median household income in Newton is $66,174, with homeowners possessing a median household income of $82,220 and renters of $44,136. The disparity in income levels of homeowners and renters is evident by housing affordability measured by housing costs as a percentage of income. A reported 58.5 percent of homeowners and 33.1 percent of renters in Newton pay less than 20 percent of their household income on housing expenses. Just 15.5 percent of homeowners spend more than 35 percent of household income on housing compared to 30.8 percent of renters.

For-Sale Housing Market

Newton's inventory of owner-occupied housing units totals 4,929 dwelling units, accounting for 67.4 percent of the occupied housing stock, compared to 66.7 percent for Kansas. Detached single-family homes account for 96.2 percent of Newton's owner-occupied housing stock, compared to 92.2 percent for Kansas. The predominance of owner-occupied detached single-family housing is common within rural communities.

Esri Business Analyst reported the average value of owner-occupied housing in Newton at $162,324. An estimated 27.1 percent of the owner-occupied housing stock in Newton is valued under $100,000. Housing valued at $100,000 to $199,999 accounts for 35.1 percent of Newton's housing stock and represents the market segment with the strongest buyer demand. The strength of Newton's owner-occupied housing market is entry-level housing priced under $200,000, which represents 62.2 percent of the housing stock.

Given the higher mortgage rates the Harvey County for-sale housing market has softened. Through July 2025, 220 homes sold in Harvey County, down 14.7 percent from the same 7-month period in 2024 and down 20.7 percent from 2023. Year-to-date total sales proceeds of $46.8 million are down 11.7 percent from 2024. The average days on the market thus far in 2025 of 37 days is up from 26 days in 2024 and 24 days in 2023. The median sales price in 2025 of $190,000 is up 1.9 percent from 2024. The average sales price was 98.3 percent of the list price.

The Multiple Listing Service reported that from January through July 2025, a total of 149 single-family homes sold in Newton, priced from $36,000 to $531,153, and averaging $189,387. The median price for the 149 home sales was $165,000.

The most active price ranges for home sales from January through July 2025 in Newton ranged from $100,000 to $149,999 with 43 sales, $150,000 to $199,999 with 29 sales, and $200,000 to $249,999 with 21 sales. Three-quarters of the homes sold were prices under $250,000, suggesting a strong starter home market. Conversely, only five homes sold for $400,000 or more.

According to Zillow, 60 single-family homes are listed for sale in Newton, priced from $90,000 to $600,000, averaging $228,887, with a median price of $219,000. Active listings include four newly built homes priced at $232,000 to $325,000. Two-thirds of the homes currently listed for sale are under $250,000, with only two homes priced at $500,000 or more.

Six active for-sale residential subdivisions in Newton offer a wide range of price points. The active subdivisions collectively have 61 vacant lots available for purchase and new home construction with vacant land capable of supporting the development of 473 additional lots.

Many prospective homebuyers to Newton relocating from outside of the area as well as those currently residing in the Wichita MSA are accustomed to residential subdivisions that offer a higher level of community amenities such as clubhouses, swimming pools, parks, and trails/open space that are not provided by active subdivisions in Newton. To be more competitive and attract homebuyers, future subdivisions in Newton could initially concentrate on providing entry-level housing with a modest common area amenity package before focusing on high-amenity residential communities. The success of Fox Ridge illustrates the need for new entry-level housing in Newton.

Rental Housing Market

Multi-family units account for 15.5 percent of Newton's housing stock, or 1,275 dwelling units. By comparison, multi-family housing accounts for 19.0 percent of the statewide housing stock. Properties with 3 or 4 dwelling units account for Newton's largest share of multi-family housing at 5.0 percent, compared to 3.6 percent statewide. Properties with 20 or more dwelling units account for just 2.7 percent of Newton's multi-family housing stock, compared to 5.2 percent for all of Kansas. This disparity in multi-family housing inventory and product type is common among rural communities.

Rental housing accounts for 32.6 percent of Newton's occupied housing stock, which is slightly below the statewide average of 33.8 percent. The inventory of renter-occupied housing units in Newton increased from 953 dwelling units in 2000 to 2,442 dwelling units by 2023.

Newton's rental housing stock is much older than that of Kansas. Only 14.4 percent of Newton's rental housing was built since 2000, compared to 24.6 percent statewide. Meanwhile, 41.9 percent of Newton's rental housing was built prior to 1960, compared to 27.6 percent statewide. As a result, much of Newton's rental housing stock is old and lacks the modern design and amenities of new properties.

The median rent in Newton of $599 per month lags the statewide median of $817, reflective of an older and lower quality housing stock. Of the occupied rental housing units, 8.5 percent rented for less than $500 per month compared to 17.0 percent statewide. Most of these low-cost rental units are income-based housing. Nearly 60 percent of Newton's rental stock support rents of $500 to $999 per month, compared to 51.2 percent statewide.

A household spending 30 percent or more of its income on housing is considered under housing stress. Given low-income levels, rental housing affordability is an issue in Newton. The gross rent for 31.7 percent of rental households in Newton accounts for 35 percent or more of household income. The elevated level of housing stress in Newton suggests a need for income-based rental housing.

Since 2012, Newton's apartment market vacancy rate outperformed the Wichita MSA. With a few exceptions, the Newton apartment market has operated at below market equilibrium, defined as a vacancy rate at or below 7.0 percent. From 2019 through 2024, the Newton apartment market operated at vacancies between 3.5 percent and 6.1 percent.

Eighteen (18) rental properties were surveyed in Newton totaling 706 dwelling units. Of the apartment properties surveyed, a reported eight units are currently unoccupied and available for rent, translating to a healthy overall occupancy rate of 98.9 percent. Interviews with apartment managers suggested that the Newton rental market is tight with limited vacancies available. Tenant demand for income-based apartments is particularly strong with many properties operating waiting lists or getting daily tenant inquiries as to apartment availability.

The primary barrier for prospective renters in Newton is the limited availability of quality market-rate and rental assistance housing units. A quality rental housing stock is a key component of fostering a healthy for-sale housing market by offering prospective residents the opportunity to live in the community before buying a home.

Study Conclusions

Based on the study findings, 20-year need projections for commercial and industrial space and residential housing units were forecast and citywide development opportunities identified.

Commercial, Industrial, and Residential Need Projections

Retail, office and industrial space and residential housing need was forecast for Newton, Kansas through the year 2045. Market forces driving future need for commercial space and housing include the growth in employment, population, and household income along with trends in average space per employee, household size, and household composition.

From 2026 through 2045, Newton is estimated to support the need for 125,000 to 134,000 square feet of new retail space, 75,000 to 100,250 square feet of professional and medical office space, and 418,000 to 806,000 square feet of industrial space.

Through 2045, Newton's forecast population growth is estimated to generate the need for 686 to 1,020 dwelling units, comprised of 553 to 807 single-family detached and attached housing units, 133 to 213 housing units in 2- to 9-unit structures, and 718 to 858 housing units in structures with ten or more units and mobile homes.

Forecast Real Estate Need
Newton, Kansas 2026 – 2045

Land Use	Forecast Need Low	Forecast Need High	Land Acres Low	Land Acres High
Retail	125,000 SF	134,000 SF	12 – 14	14 – 16
Office	75,000 SF	100,250 SF	6 – 7	8 – 9
Industrial	418,000 SF	806,000 SF	24 – 28	46 – 53
Residential	686 DUs	1,020 DUs	114 – 165	211 – 242
Totals			**156 – 214**	**279 – 320**

Source: Canyon Research Southwest, Inc.

Assuming an average floor-area-ratio ("FAR") of 0.2 to 0.4 for the retail, office and industrial space and average residential densities of 3.5 to 4.0 dwelling units per acre for single-family and 18 to 22 dwelling units per acre for multi-family, forecast real estate needs through 2045 for Newton, Kansas would require an estimated 156 to 214 acres of land under the conservative scenario and 279 to 320 acres of land under the optimistic scenario.

Future Land Use Patterns and Development Opportunities

Based on the study findings and 20-year need projections, future development sites in Newton, Kansas for retail, office, industrial, and housing have been identified.

The City of Newton is in the Wichita MSA. Over the past two decades urban growth within Newton was influenced by the continued expansion of the Wichita MSA and its location in the path of growth.

Forecast real estate needs through 2045 for the City of Newton would require an estimated 156 to 214 acres of land under the conservative scenario and 279 to 320 acres of land under the optimistic scenario. These land requirements will have a significant impact on Newton's urban landscape.

Given the availability of land and infrastructure, highway access, and existing land use patterns, over the next 20 years urban expansion will favor the portion of Newton south of U.S. 50 Highway, supporting the bulk of population growth and new home construction. Kansas Avenue will remain as the city's preferred location for future development of retail, professional office, and medical office. Industrial development activity will occur primarily east of Interstate 135 within the Newton Industrial Park and Kansas Logistics Park. The Newton City-County Airport will be an emerging industrial location.

The historic downtown is iconic to Newton's image and reputation. Downtown remains vibrant and is home to government offices and a mix of retail and professional office businesses. Infill development would strengthen the downtown core with potential opportunities including mixed-use and multi-family residential housing. The multi-story buildings on Main Street have the potential for adaptive reuse with office and residential over ground floor commercial space. Underutilized properties along West 5th Street and West 6th Street are candidates for redevelopment with mixed-use buildings with residential over first floor commercial space.

Retail Development Opportunities

Population growth through 2045 will support continued retail development opportunities focusing on greenfield sites along major arterial streets.

The City of Newton Zoning Map identifies seven concentrations of existing commercial zoning, including: 1) Old 81 Highway; 2) intersection of East 12th Street and Main Street; 3) downtown Newton; 4) intersection of East 1st Street and Spencer Road; 5) intersection of SE 14th Street and Washington Road; 6) intersection of West 1st Street and Meridian Road; and 7) Kansas Avenue from U.S. 50 Highway south to SE 36th Street.

Newton's newest retail hub is located along Kansas Avenue from U.S. 50 Highway south to SE 36th Street, housing a Walmart Supercenter, Dollar General, Goodwill, Arby's, McDonalds, Starbucks, Heartland Credit Union, and Peoples Bank. As part of the corridor, the intersection of SE 36th Street houses the Chisholm Trail Outlets, Tractor Supply Company, Nusser Fuels, and Burger King. With most of the new retail construction and platted residential lots in Newton located south of U.S. 50 Highway, the south Kansas Avenue corridor will serve as the principal location for future retail development with sufficient land to accommodate major and junior anchors, strip centers, and outparcels.

Within emerging residential neighborhoods retail nodes will be required to provide everyday goods and services. Potential neighborhood shopping center sites include the intersections of 1) North 12th Street and Meridian Road and 2) South 24th Street and Meridian Road.

The northwest and southwest corners of Broadway and Interstate 135 offer appropriate site characteristics to support highway commercial uses, featuring excellent access and visibility from Interstate 135.

The former Kmart store at the southeast corner of 1st Street and Merdian Road remains vacant. Given the large floor area, adaptive re-use would be challenging. Given its section-line corner location redevelopment with neighborhood retail uses is appropriate.

The Chisholm Trail Outlets property located southwest of 36th Street and Interstate 135 is a potential retail redevelopment site given its access and visibility via Interstate 135.

The vacant land at the northeast corner of I-135 and Broadway is a suitable location for hotel development, complimenting the adjacent Meridian Center, a city-owned event center with a seating capacity of 500 guests.

Professional Office Development Opportunities

The principal concentrations of professional and medical office space in Newton, Kansas include downtown Newton and along South Washington Road. Prospective locations for future professional office development in Newton are best located along major arterial roads such as Kansas Avenue, Main Street, Spencer Road, and Broadway Road. Prospective locations for future new professional office and medical office space construction in Newton are identified below.

1. With the presence of the NMC Health Medical Center and direct access from both Interstate 135 and U.S. 50 Highway, Kansas Avenue south of U.S. 50 Highway is anticipated to emerge as a professional and medical office corridor. Potential development sites include: 1) seven parcels totaling 23.11 acres at the southwest corner of Wheatridge Drive and Kansas Avenue south of the Walmart Supercenter; 2) 35.7-acre parcel zoned C-2 at the southwest corner of SE 24th Street and Kansas Avenue is zoned C-2 along the Kansas Avenue frontage; and 3) two parcels zoned C-2 totaling 16.33 acres at the southeast corner of SE 24th Street and Kansas Avenue.

2. The west side of Spencer Road from East 3rd Street north to Broadway is zoned C-2. Several vacant parcels of land are available for office development, featuring Interstate 135 access and visibility. Vacant parcels include: 1) two parcels at the southeast corner of 3rd Street and Interstate 135 of 0.89 acres and 0.95 acres and 2) 6.3 acres at the southwest corner of East 3rd Street and Spencer Road.

3. Northwest and southwest corners of Broadway and Interstate 135. These properties afford excellent access and visibility from Interstate 135.

4. Second floor space in buildings along Main Street could be converted into office space ideal for lawyers, insurance companies, financial planners, architects, engineers, nonprofit organizations, and other professional businesses. Domestic water and fire suppression improvements are needed to accommodate second floor commercial uses.

Industrial Development Opportunities

Creating employment opportunities should be a priority of the Newton Comprehensive Plan. Key future growth industries include light manufacturing, logistics, and warehouse operations.

The principal concentrations of industrial space are located: 1) east of Interstate 135 along Spencer Road and the Newton Industrial Park and 2) along the railroad corridor in southwest Newton. Any new land designated for industrial use should be located east of Interstate 135, offering convenient highway access and eliminating any land use conflicts with residential neighborhoods. The SE 36th Street and Interstate 135 interchange now under construction will enhance truck access to industrial land east of Interstate 135 and rail service is being extended that will assist in attracting logistics and light manufacturing companies.

Prospective sites suitable for future industrial development in Newton, Kansas are identified in the text below.

1. Newton Industrial Park is located at the northeast corner of SE 12th Street and Spencer Road is owned by the City of Newton. The city purchased the park in 2002. All utilities and roads have been extended into the second phase of the park and rail-served lots are available. Newton Industrial Park has 13 building sites ranging from 2.1 acres to 4.57 acres are available for future industrial development. A 79.85-acre parcel of land is located immediately to the north that could serve as an expansion of the Newton Industrial Park.

2. The Kansas Logistics Park is located at the intersection of SE 12th Street and Hillside Road. GAF has purchased 230 acres on the south side of SE 12th Street, and a 275,000 square

foot shingle plant is under construction. Rail service is being brought to the site. Approximately 200 shovel-ready acres are available for future industrial development north of SE 12th Street. Expansion land is available both north and west of the Kansas Logistics Park that could be incorporated to support future industrial development. A 39.94-acre parcel of land is located immediately north of the Kansas Logistics Park with another 154.9 acres are located west of the GAF property.

3. North side of 1st Street from Spencer Road east to Oliver Road (Newton City/County Airport). Property offers direct access to I-135 via the 1st Street interchange.

4. North side of 36th Street from Interstate 135 east to Hillside Road.

5. North side of 12th Street to Highway 50/Go Road 566 from Spencer Road east to Oliver Road. This property affords rail access important for warehouse and logistics companies.

6. Newton City/County Airport (designated EWK) occupies approximately 800 acres on the north side of 1st Street at Oliver Road. Approximately 100 acres of land west of the airport is available for future development. The airport is considering purchasing 300 to 350 acres of land east of the airport for future expansion and employment use.

Residential Development Opportunities

Providing the opportunity for the City of Newton to support a wide mix of both owner-occupied and rental housing products suitable for accommodating a broad population should be a priority. Future residential development should focus on providing a more diverse mix of housing products that may include detached single-family homes, duplexes, attached cluster housing, patio homes, tiny homes, modular housing, small apartment properties, and downtown housing. New housing construction can be accommodated through infill housing, adaptive reuse of existing structures, expansion of active subdivisions, and development of new residential subdivisions.

From 2026 through 2045, the portion of Newton south of U.S. 50 Highway will continue to be the preferred location for new home construction. This portion of Newton boasts shopping, recreation, health services, employment, convenient freeway access, and proximity to Wichita. Newton's northwest quadrant represents a long-term residential growth area.

Over the next 20 years the housing need will be insufficient to warrant large-scale master planned community development. Instead, a more cost-effective way to satisfy the need for detached single-family housing is the continued expansion of the existing active subdivisions that possess additional land with off-site street improvements and utilities.

The six active for-sale residential subdivisions in Newton offer a remaining lot inventory of 61 vacant lots available for new home construction that can satisfy the immediate need for new housing. Active subdivisions possess vacant land capable of supporting the development of 473 lots and new home construction. Therefore, the future new lot inventory could be accommodated within Newton's active subdivisions.

Examples of possible residential infill sites include: 1) southeast corner of Sherman and North 12th Streets; 2) southwest corner North 9th and Sherman Streets; 3) SEC SE 2nd and Pine Streets; and 4) NWC East 8th Street and Olive Street.

Over the next 20 years the need for rental housing will create development opportunities. Potential development sites for multi-family housing should afford sufficient access and visibility. Below is a list of prospective infill and greenfield multi-family development sites in Newton.

- Vacant land on the south side of Old 81 Highway west of Dollar General (Roanoke Lane)
- Vacant land on the north side of East 12th Street Pine Street
- Vacant commercial building surrounding the northeast corner of 3rd and Main Streets
- Vacant land at the northeast corner of Sharps Drive and South Meridian Road
- Vacant land at the northwest corner of South Meridian Road and U.S. 50 Highway
- Vacant land at the northeast corner of 14th Street and Logan
- Vacant land at the southwest corner of Anderson Avenue and U.S. 50 Highway
- Vacant land at the northeast corner of Anderson Avenue and Goldspike Court
- Vacant land west of the southwest corner of 24th Street and Kansas Avenue
- Vacant land at the northwest corner of 36th Street and Kansas Avenue
- Southeast corner of North 12th and Sherman Streets
- East side of Meridian Road and 1st Street
- SWC of SW 14th Street and Old Main Street

Potential Downtown Redevelopment Sites

Potential redevelopment and adaptive re-use sites designed to strengthen the central business district include the following:

1. Vacant 2.5-acre parcel at the northeast corner of East 3rd Street and Main Street. This "gateway" location is suitable for the use as a public activation site such as a farmers' market, performance space, restaurant, and pop-up retail or food trucks. Such an entertainment/public use would generate visitation downtown that would benefit existing merchants and stimulate new retail, restaurant, and entertainment establishments.

2. Commercial buildings at the northeast and northwest corners of West 5th and Poplar Streets.

3. Surface parking lot at the northeast corner of West 6th and Poplar Streets.

4. Commercial buildings at the southwest corner of West 6th and Poplar Streets.

5. Former gas station (now a dry cleaner) and vacant land at the southwest corner of Broadway and Poplar Street.

ECONOMIC AND MARKET ANALYSIS
CITY OF NEWTON COMPREHENSIVE PLAN
NEWTON, KANSAS

February 2026

INTRODUCTION

As a sub-consultant, Olsson, Inc. has retained Canyon Research Southwest, Inc. to assist in the preparation of the City of Newton, Kansas Comprehensive Plan Update. The sub-consultant agreement calls for the following scope of work.

1. An economic and market analysis that evaluates the potential for the City of Newton to support future development of a variety of land uses and housing types.

2. Identify and analyze the City of Newton's historical and existing residential, commercial, office, and industrial market conditions.

3. Forecast the City of Newton's future need for housing units and commercial/industrial space through 2045.

4. Future land use patterns and development opportunities resulting from the findings of the economic and market analysis, stakeholder interviews, and visioning workshop.

In support of the Comprehensive Plan Update, a *Housing Study and Needs Assessment* was also prepared and presented in a separate document. The objective of the study was to quantify both near-term owner-occupied and renter-occupied housing need for Newton and provide strategic plan recommendations to support a sustainable and diverse housing stock.

Study Objective and Scope of Work

The *Economic and Market Analysis* evaluates the historic, current, and future demographic, economic, and real estate market forces that influence the City of Newton's ("Planning Area") future urban growth patterns. In doing so the study consists of two sections, including: 1) Economic and Demographic Analysis and 2) Market Analysis.

The *Economic and Demographic Analysis* section of the study identifies the economic trends and demographic characteristics that impact the Planning Area's future need for commercial and industrial space as well as residential housing units. Economic forces and demographic characteristics evaluated include employment growth and composition, population growth, household composition, age distribution, educational attainment, and household income.

The *Market Analysis* portion of the study evaluates competitive retail, employment, and residential market trends impacting the Planning Area. The market trends for prospective land use were evaluated by quantifying such market forces as the inventory of housing units and commercial/industrial space, historical construction activity, vacancy rates, rental rates, and recent development patterns. Potential development sites within the Planning Area were evaluated to identify future locations for the development of retail, office, industrial, and residential land uses.

Commercial corridors and districts were evaluated for the ability to compete in the future with emerging business locations and potential to adapt and support redevelopment and repositioning

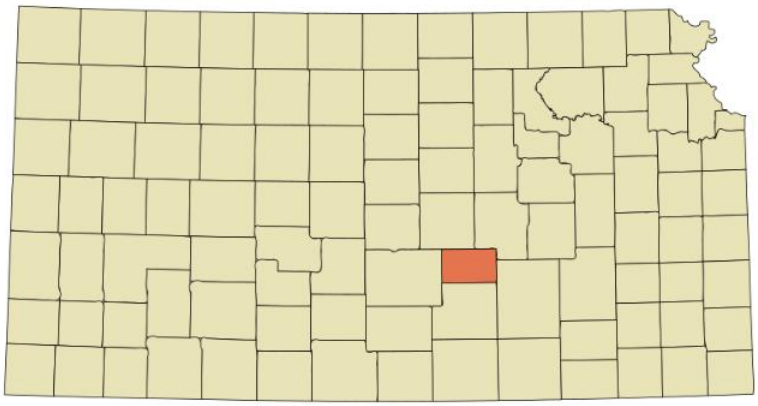
to remain viable and relevant. Newer greenfield development locations were evaluated to determine the ability to support the needs of emerging economy and define market positioning.

The Planning Area's housing market was researched for affordability, attainability, how to appropriately blend multiple formats, and how to balance new development with existing housing stock. The study's housing component takes a long-term and sustainable approach to understand and identify marketplace gaps and where existing stock satisfies need.

Based on the study findings, the Planning Area's long-term demand projections were prepared quantifying the need for additional commercial and industrial space as well as residential housing units and land absorption estimates. Based on the results of the long-term need projections, future land use patterns and development opportunities are identified.

Planning Area Defined

The City of Newton is the Harvey County seat. Harvey County is in South Central Kansas within the Wichita MSA, defined as the counties of Sedgwick, Butler, Harvey, and Sumner, with Wichita serving as the principal city. As of the 2024 *American Community Survey*, the Wichita MSA had a population of 661,217 residents. The City of Newton population totals 18,521 residents.



Newton is located at the intersection of Interstate 135, U.S. Route 50, and U.S. Route 81 highways. The city of North Newton. located immediately north, exists as a separate political entity.

A comparison of the Wichita MSA, Harvey County, and City of Newton demographic characteristics as published by the U.S. Census Bureau and Esri Business Analyst is provided in the table on page 4.

Newton's demographic composition relative to population size, age distribution, household composition, educational attainment, and household income will have a significant impact on the character of future urban growth, the composition of future job growth, and the need for housing.

From 2000 to 2025, the Wichita MSA population increased at an average annual rate of 0.58 percent, adding 84,517 residents. By comparison, since the 2000 Census, Harvey County's population has grown slowly at an average annual rate of 0.088 percent, adding just 723 residents.

Harvey County accounts for just 5.1 percent of the Wichita MSA population. Since 2000, the City of Newton population has increased at an average annual rate of 0.31 percent, adding 1,331 residents. The continued expansion of the Wichita MSA into Harvey County will fuel Newton's future population and urban growth given its convenient access to jobs in Wichita.

Compared to the Wichita MSA, Newton is slightly less of a traditional family community with family households accounting for 62.2 percent of all households and married couples with children representing 17.2 percent of all households. The percentage of Newton households with children present is 27.0 percent, compared to 28.4 percent for the entire Wichita MSA.

Age is a principal factor in consumer identity, since consumption patterns, housing needs, and financial situation can change significantly throughout an individual's lifetime. Newton's median age of 40.1 years is slightly younger than that of Harvey County and higher than the Wichita MSA of 37.1 years. Compared to the metropolitan Wichita area, Newton has a similar percentage of family/working adults ages 35 to 44 years and empty nesters ages 45 to 64 years. Newton has a lower percentage of children ages 0 to 14 years, adolescents ages 15 to 24 years, and young adults ages 25 to 34 years and a higher rate of elderly 65 years and older.

Newton's adult population is slightly less educated, with 42.3 percent of all residents ages 25+ attaining an associate's degree of better, compared to 43.1 percent for the Wichita MSA and 44.7 percent for Harvey County. An estimated 8.6 percent of Newton's adult population has not attained a high school diploma, compared to 8.5 percent for the Wichita MSA and 8.3 percent for Harvey County.

Given the below average educational attainment of Newton residents, the median household income lags both the Wichita MSA and Harvey County levels. Newton's median household income of $66,174 compares to $69,478 for the Wichita MSA $68,536 for Harvey County. A reported 22.4 percent of Newton households earn less than $35,000 annually, compared to 24.9 percent in the Wichita MSA and 20.1 percent in Harvey County. In addition, 26.4 percent of Newton households are high-income households with earnings of $100,000 or more, compared to 33.1 percent metro wide and 29.6 percent for Harvey County.

Wichita MSA, Harvey County, and Newton Demographic Trends

Demographic Characteristic	Wichita MSA	Harvey County	City of Newton
Population			
2000 Census	571,168	32,869	17,190
2010 Census	623,061	34,684	19,144
2020 Census	647,610	34,024	18,602
2025 Estimate	655,685	33,592	18,521
2030 Forecast	660,577	33,286	18,430
Households by Type (2025)			
Total Households	257,153	13,390	7,569
Family Households	62.8%	66.0%	62.2%
Married Couple Family	51.4%	53.5%	47.2%
With Own Children	18.6%	19.1%	17.2%
Householder Living Alone	29.2%	28.0%	31.2%
All Households with Children	28.4%	27.1%	27.0%
Distribution of Population by Age (2025)	**655,685**	**33,592**	**18,521**
0-14 Years	19.6%	17.8%	18.1%
15-24 Years	14.1%	13.3%	12.8%
25-34 Years	13.5%	11.3%	12.7%
35-44 Years	13.0%	12.0%	12.7%
45-64 Years	22.7%	22.9%	22.9%
65+ Years	17.1%	22.7%	20.8%
Households by Income (2025)	**257,153**	**13,390**	**7,569**
Less than $15,000	8.6%	6.1%	5.4%
$15,000 - $24,999	7.7%	6.2%	7.0%
$25,000 - $34,999	8.6%	7.8%	10.0%
$35,000 - $49,999	10.9%	13.3%	13.6%
$50,000 - $74,999	17.0%	21.3%	21.4%
$75,000 - $99,999	14.1%	15.8%	16.3%
$100,000 - $149,999	17.4%	17.8%	15.0%
$150,000 - $199,999	7.7%	7.6%	7.0%
$200,000+	8.0%	4.2%	4.4%
Median Household Income	$69,478	$68,536	$66,174
Educational Attainment for Residents 25+ Years (2025)			
Total Population 25+	434,633	23,142	12,792
Less than 9th Grade	3.6%	3.3%	2.7%
9th - 12th Grade, No Diploma	4.9%	5.0%	5.9%
High School Graduate	21.7%	20.3%	21.6%
GED/Alternative Credential	5.3%	4.6%	5.3%
Some College, No Degree	21.4%	22.1%	22.3%
Associate Degree	10.0%	12.6%	12.3%
Bachelor's Degree	21.0%	21.6%	21.6%
Graduate/Professional Degree	12.1%	10.5%	8.4%

Source: Esri Business Analyst and U.S. Census.

ECONOMIC AND DEMOGRAPHIC ANALYSIS

A community's population demographics play a significant role in the need for housing. Of specific importance to the level and composition of a community's future housing needs are population growth, age distribution, household composition, educational attainment, and household income. Future employment and population growth are necessary to foster a healthy new housing market for both owner-occupied and rental housing.

This section of the study examines the economic and demographic factors impacting urban development patterns in Newton, Kansas. Historic demographic trends were provided by the U.S. Census Bureau, with 2025 estimates and 2030 forecasts provided by Esri Business Analyst, an international supplier of geographic information systems and data. Quantifying Newton's economic trends and demographic characteristics will assist in forecasting the future need for commercial and industrial space as well as residential housing units.

Employment Trends

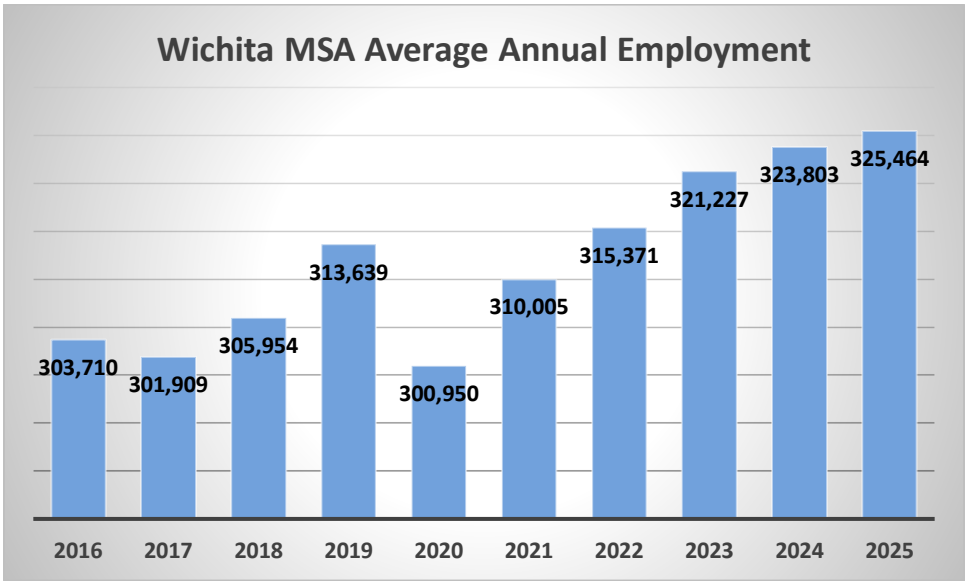
The Greater Wichita region is home to some of the world's most recognizable brands, including the two largest privately held companies in the U.S., Cargill Protein and Koch Industries. The area also hosts two of the top general aviation OEMs — Bombardier Learjet (1,100 employees) and Textron Aviation (9,000 employees), as well as Spirit AeroSystems (9,500 employees), the world's largest independent producer of commercial aircraft structures and the largest employer in the region. A list of the Wichita area's largest employers as published by the Greater Wichita Partnership is provided in the table below.

Wichita Area Major Employers

Company	FTE Jobs		Primary Services
Spirit AeroSystems	9,500		Aircraft Assemblies
Textron Aviation (Beechcraft and Cessna)	9,000		Aircraft Manufacturer
Unified School District 259 -- Wichita	5,600		Public School District
Ascension Via Christi	5,400		Health Care
U.S. Government (a)	5,200		Federal Government
McConnell Air Force Base	3,500		Air Force Base
Koch Industries	3,300		Global HQ -- Diversified
City of Wichita	2,800		Municipal Government
Sedgwick County	2,600		County Government
Wichita State University	2,100		Higher Education
State of Kansas	2,100		Higher Education and Government
Johnson Controls	2,000		Air Conditioning Manufacturing

Source: Greater Wichita Partnership.

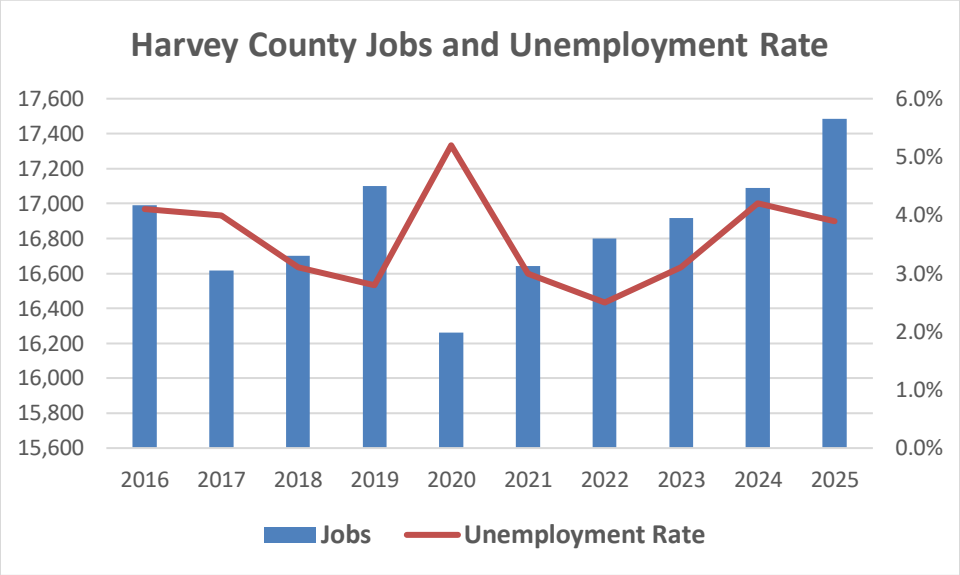
Newton is a commuter community with a mean travel time to work of 20.5 minutes, and 32.7 percent of residents work outside of Harvey County. Therefore, employment growth in the Wichita MSA will play a key role in generating future population growth in Newton. According to the Bureau of Labor Statistics, from 2016 through 2019 the Wichita MSA added 9.929 new jobs. Stemming from the COVID-19 pandemic, during April 2020 the Wichita MSA sustained the loss of 38,134 jobs. At year-end 2020, the Wichita MSA regained 30,442 of the jobs lost. By November 2021 total employment in the Wichita MSA exceeded the pre-pandemic level. Employment growth in the Wichita MSA was steady from 2021 to 2025, increasing 5.0 percent and adding 15,459 jobs. By December 2025, the Wichita MSA supported 329,300 jobs and an unemployment rate of 3.7 percent.



According to Harvey County Economic Development, key employment sectors in Harvey County include agribusiness and agricultural manufacturing, aviation and avionics, food and beverage processing, industrial products manufacturing, and transportation and logistics.

Beginning as a railroad hub for the Texas cattle trade, industry has continued to thrive in Harvey County. With two Class I railroads, Burlington Northern Santa Fe (BNSF) and Union Pacific, along with other local short line services, rail transportation serves a vital role in the county's economy and one of the largest employers. Located in Newton, the Kansas Logistics Park is one of only a few BNSF Certified Sites in the Midwest. Manufacturing accounts for 24 percent of Harvey County's employment and is home to companies including AGCO, Excel Industries, Mid-Continent Cabinetry, and Park Electrochemical.

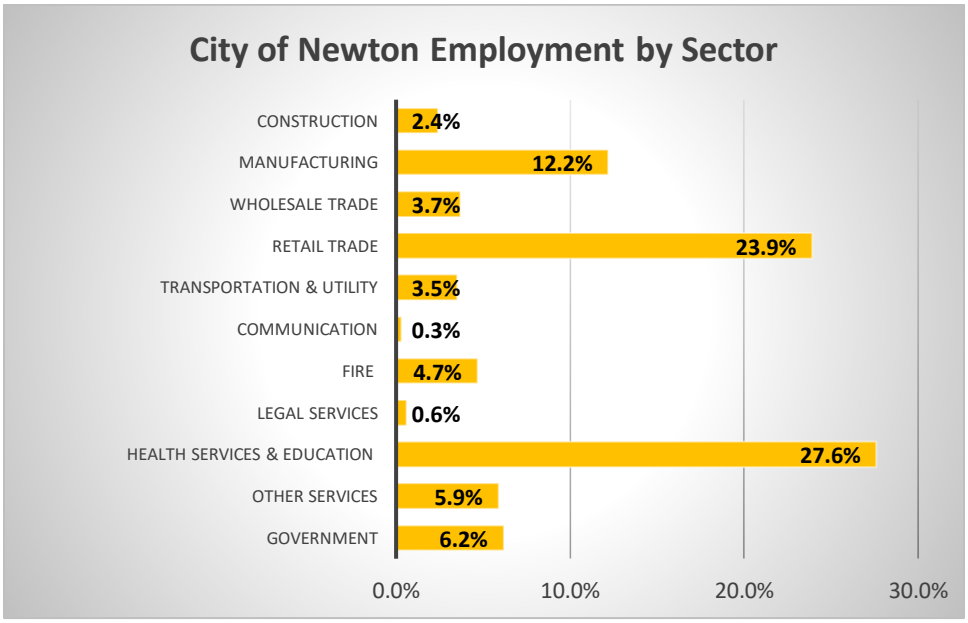
The bar chart on the following page illustrates annualized employment trends for Harvey County from 2016 through 2025 published by the U.S. Bureau of Labor Statistics. From 2016 through 2019, Harvey County employment increased 0.6 percent, adding 107 jobs. Prompted by the COVID-19 pandemic, during 2020 employment declined 4.9 percent with the loss of 838 jobs. The unemployment rate in 2020 rose to 5.2 percent, up from 2.8 percent in 2019. By 2021, job growth proceeded, adding 381 jobs. Job growth continued steadily from 2022 through 2024, increasing by1.7 percent, adding 290 jobs. By 2025, employment in Harvey County exceeded pre-pandemic levels.



By December 2025, the Harvey County employment totaled 17,484 jobs, accounting for just 5.4 percent of the Wichita MSA total. Harvey County's unemployment rate of 3.9 percent exceeded the Wichita MSA rate of 3.7 percent.

According to the U.S. Bureau of Labor Statistics, for the second quarter 2025 Harvey County supported an average weekly wage of $964. By comparison, the average weekly wage was $1,085 for Kansas and $1,206 for the United States. Harvey County's well-below average wages are indicative of its rural location and below average educational attainment levels.

Esri Business Analyst estimates 817 businesses operate in the City of Newton employing 9,850 workers. By SIC Code, the retail trade and health services and education sectors are the largest job generators, accounting for 51.5 percent of the total employment. Other leading employment sectors include manufacturing (12.2%) and government (6.2 percent).



GAF, North America's largest roofing and waterproofing manufacturer, is under construction on a 275,000 square foot shingle plant in the Kansas Logistics Park. The plant is scheduled to begin production in 2027 and reach full production capacity by mid-2029, creating more than 130 high-skilled manufacturing jobs in the region, spanning management, engineering, and operations.

Since 2021, GAF had optioned 230 acres of land in the Logistics Park at Southeast 12th and Hillside from the Tindall Corporation. The City had an option to purchase the property back from Tindall for its original price, $1.18 million. And the City, in turn, had an agreement to sell the property to GAF for approximately $1.84 million.

The City Commission approved a development agreement with GAF Materials and set the stage for its new manufacturing facility. In the agreement, the City commits to issuing up to $350 million in Industrial Revenue Bonds, which provide GAF with a 10-year, 100% property tax abatement on the new development as well as a sales tax exemption for construction materials and equipment financed by the bonds. Before GAF can receive those benefits, the company must invest at least $75 million in the project. GAF also agrees to hire at least 137 full-time employees within four years.

The development agreement also calls for the City of Newton to provide rail improvements to the project site. The City was awarded $3.04 million from the Kansas Department of Transportation for rail extension to serve the site, contingent upon GAF moving forward with its plans. The City also committed to pursue grant funding to pave Hillside between East First and Southeast 12th streets and approved rezoning the property to I-3 heavy industrial. The hope is that suppliers to GAF will open facilities in Newton.

From 2015 through July 2025, Harvey County's employment base added 573 new jobs, increasing at an annualized rate of 0.35 percent. The GAF plant now under construction is anticipated to stimulate job growth in Harvey County and Newton. Esri Business Analyst estimates 817 businesses operate in Newton employing 9,850 workers, amounting to 57.6 percent of the countywide employment base. At average annual growth rates of 0.5 percent to 0.7 percent, employment growth through 2045 is forecast at 1,033 to 1,475 jobs.

Business Location Factors

Interviews conducted with several local real estate agents, business owners, and government and economic development staff identified assets/opportunities and constraints/limitations of Newton as a business location. The bullet points below summarize the content of those interviews.

Assets / Opportunities

- Central location offering good highway access that affords convenient overnight trucking to a large geographic area and major metropolitan areas;
- Large inventory of low-cost fully improved industrial land available for development;
- Affordable housing costs for both owner-occupied and rental housing;

- Access to a large and skilled workforce and draw from a large geographic area that includes Wichita;

- A high quality of life featuring a small-town atmosphere, affordable cost of living, highest school district rating in Harvey County, a 2-year college, excellent parks system, and a low crime rate.

- Presence of NMC Health Medical Center;

- Diverse manufacturing base involving agriculture, food processing, and aerospace;

- Newton is located within 45 minutes of two airports;

- Newton and Harvey County offer excellent short-line and regional rail service as well as proximity to the Port of Catoosa; and

- Available economic incentives include tax abatement, low cost of industrial land with utilities, and state sponsored incentives.

Constraints / Limitations

- Limited inventory of available for-sale housing and quality rental housing;

- Limited housing available for high income earners;

- Limited selection of restaurants and a small and narrow retail base;

- A large elderly population and the need to attract younger residents;

- Wichita's boom and bust aviation industry makes employee recruitment more difficult;

- Lack of industrial and commercial building inventory;

- Poorly-rated public school district;

- Cost of electricity for industrial users is high; and

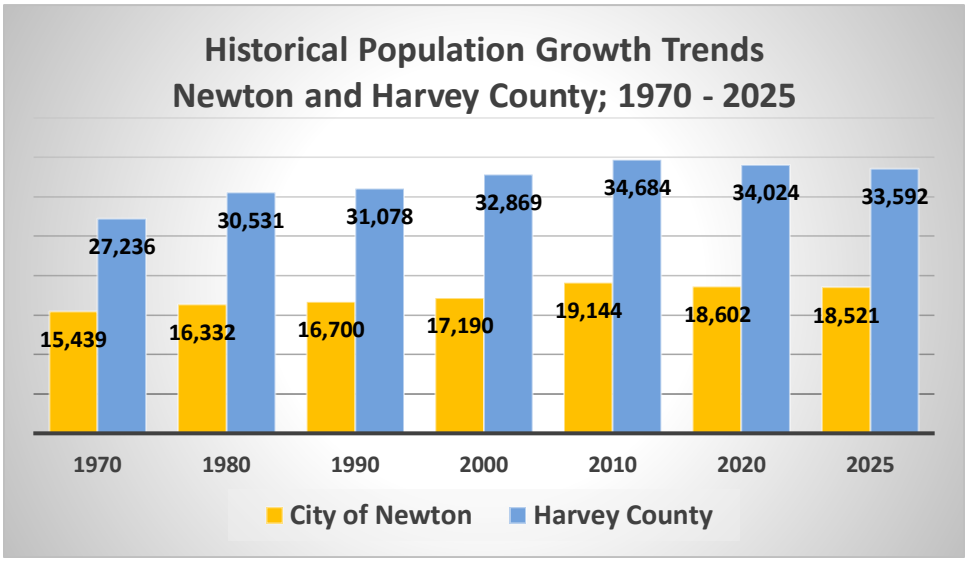
- Climate and natural disasters.

Newton possesses ample advantages for attracting businesses, jobs, and development activity. Interstate freeway and rail access, availability of fully serviced industrial land, and presence of several large manufacturers are favorable assets for attracting additional industry. Challenges facing future economic development efforts in Newton include a limited stock of available for-sale housing and quality rental housing, lack of available industrial building inventory, peripheral metropolitan location, difficulty in attracting young residents, and limited support goods and service.

Population Growth Trends

Population and household growth are key components for quantifying the current housing market size and forecasting future need. The City of Newton is in Harvey County. Harvey County's location at the urban edge of the Wichita MSA offers convenient access to jobs, shopping, and entertainment.

From 1970 through 2010, Harvey County recorded steady population gains, increasing by 27.3 percent, adding 7,448 residents. Since 2010, Harvey County has experienced a steady decline in population, losing 1,092 residents. Over the past 55 years, the City of Newton has experienced a similar population growth trend. From 1970 through 2010, Newton's population grew by 24.0 percent, adding 3,705 residents. From 2010 to 2025, Newton's population declined by an estimated 3.3 percent, losing 623 residents. Newton's declining population can be attributed to a large senior population and the lack of quality housing to accommodate new residents. By 2030, Ersi forecasts that both Harvey County and the City of Newton will continue to lose population.



Despite being Harvey County's largest city, from 1970 to 2025 Newton accounted for a declining share of the county's population. From 1970 to 2010 both Newton and Harvey County recorded steady population growth. During the 1970s and 1980s Newton's population increased by 5.8 percent and 2.3 percent, respectively. During the 1990s the city's growth rate increased to 2.9 percent during the 1990s and 11.3 percent from 2000 to 2010. From 2010 to 2020 the Newton population declined 2.8 percent while the Harvey County population declined by 1.9 percent. By 2025, Newton's population continued to decline, decreasing 0.4 percent by losing 81 residents. From 2020 to 2025, Harvey County lost 432 residents, a decline of 1.3 percent.

From 1970 through 2000, Newton's share of the county population declined steadily from 56.69 percent in 1970 to 52.3 percent by 2000. Over the past 25 years Newton's population as a share of Harvey County's population has rebounded, reaching 55.14 percent by 2025.

Historical Population Trends for the City of Newton and Harvey County

	Newton				Harvey County			
Year	Population	Change	Growth Rate		Population	Change	Growth Rate	Newton % of County
1970	15,439	562	3.8%		27,236	1,371	5.3%	56.69%
1980	16,332	893	5.8%		30,531	3,295	12.1%	53.49%
1990	16,700	368	2.3%		31,078	547	1.6%	53.74%
2000	17,190	490	2.9%		32,869	1,791	5.9%	52.30%
2010	19,144	1,954	11.3%		34,684	1,815	5.5%	55.20%
2020	18,602	-542	-2.8%		34,024	-660	-1.9%	54.67%
2025	18,521	-81	-0.4%		33,592	-432	-1.3%	55.14%

Source: U.S. Census Bureau and Esri.

A potential source of housing and retail space needs for Newton is the continued population growth and urban expansion of the Wichita MSA that includes the counties of Butler, Harvey, Sedgwick, and Sumner. As the table below illustrates, from 1980 through 2020 the Wichita MSA population increased by 38.74 percent, adding 180,838 new residents. Sedgwick County, which includes the City of Wichita, accounted for 87 percent of the metro area growth since 1980. From 1980 to 2020, Harvey County accounted for just 1.9 percent of the Wichita MSA population gains, increasing by 3,493 residents.

Wichita MSA Population Trends by County

	Population					Change
County	1980	1990	2000	2010	2020	1980-2020
Butler County	44,782	50,580	59,482	65,880	67,380	22,598
Harvey County	30,531	31,078	32,869	34,684	34,024	3,493
Sedgwick County	366,531	403,662	452,869	498,365	523,824	157,293
Sumner County	24,928	25,841	25,946	24,132	22,382	-2,546
Totals	**466,772**	**511,111**	**571,166**	**623,061**	**647,610**	**180,838**
Growth Rate		**9.50%**	**11.75%**	**9.09%**	**3.94%**	**38.74%**

Source: U.S. Census Bureau.

From 2000 to 2025, the Newton population grew at an average annual rate of 0.31 percent, adding 1,331 residents. Wichita State University's Center for Economic Development and Business Research forecasts from 2027 through 2052, the State of Kansas' population to increase at 5-year increments at annualized rates of 0.22 percent to 0.35 percent, averaging 0.30 percent. The University of Kansas forecasts the Harvey County population to decline 0.83 percent from 2026 to 2046. This Economic and Market Analysis forecasts Newton's population to grow at an average annual rate of 0.25 percent to 0.30 percent through 2045, adding 948 to 1,144 residents. This population growth over the next 20 years will fuel the need for new housing and commercial space.

Household Composition

Household formation and the mix of household types have a direct impact on the composition of housing needs. According to Esri Business Analyst, as of 2025 an estimated 7,569 households resided in Newton with an average household size of 2.39 persons. Family households account for 62.2 percent of all households with 27.0 percent of all households having children present. Married couple families account for 47.2 percent of all households, of which 17.2 percent have related children. The table below provides a comparison of households by type for the City of Newton versus Harvey County and the Wichita MSA.

Newton, Kansas Households by Type

Household Type	City of Newton	Harvey County	Wichita MSA
Total Households	7,569	13,390	257,153
Family Households	62.2%	66.0%	62.8%
Married Couple Households	47.2%	53.5%	51.4%
With Related Children	17.2%	19.1%	18.6%
Householder with No Spouse Present	45.8%	38.0%	46.3%
With Children Present	7.9%	6.6%	7.3%
Householder Living Alone	31.2%	28.0%	29.2%
All Households with Children	27.0%	27.1%	28.4%
Living Alone 65+ Years Old	13.9%	13.5%	11.0%
Average Household Size	2.39	2.42	2.49
Average Family Size	3.00	3.00	3.17

Source: Esri Business Analyst and U.S. Census.

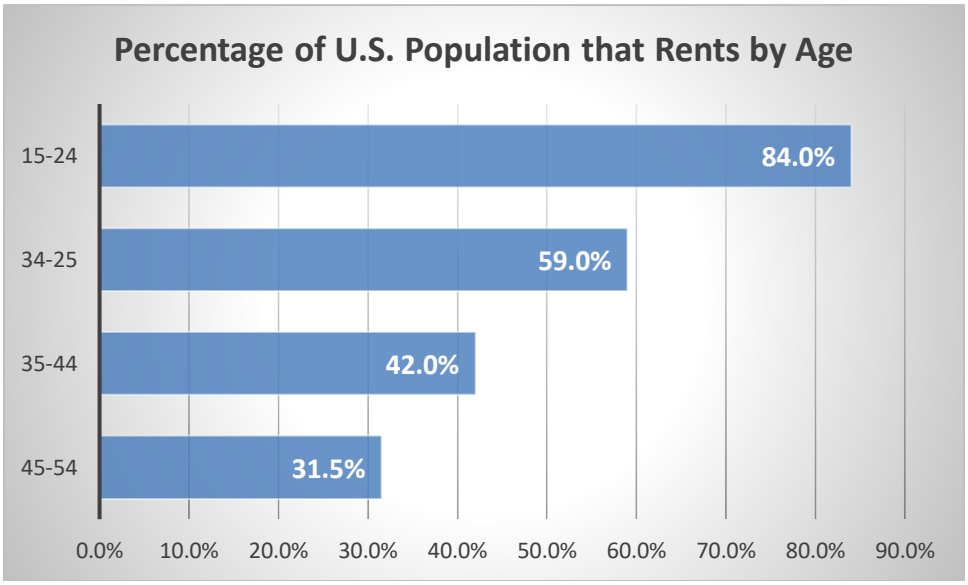
When compared to that of the Wichita MSA, Newton's household composition possesses above average rates for householders living alone, residents 65+ years old living alone, and householders with no spouse present but with children present. Conversely, Newton's population possesses below average rates for family households, married couples, married couples with children, and all households with children. Senior households are expected to have a growing impact on the Newton housing market, including an increase in the inventory of single-family homes on the market as residents pass or enter independent and assisted living facilities. The City of Newton's household composition characteristics indicate a propensity for single-family housing and a growing need for senior housing.

Newton's high rate of seniors living alone has placed a constraint on population growth. Over time housing units will become available to young couples and families, yielding population growth.

Population Age Distribution

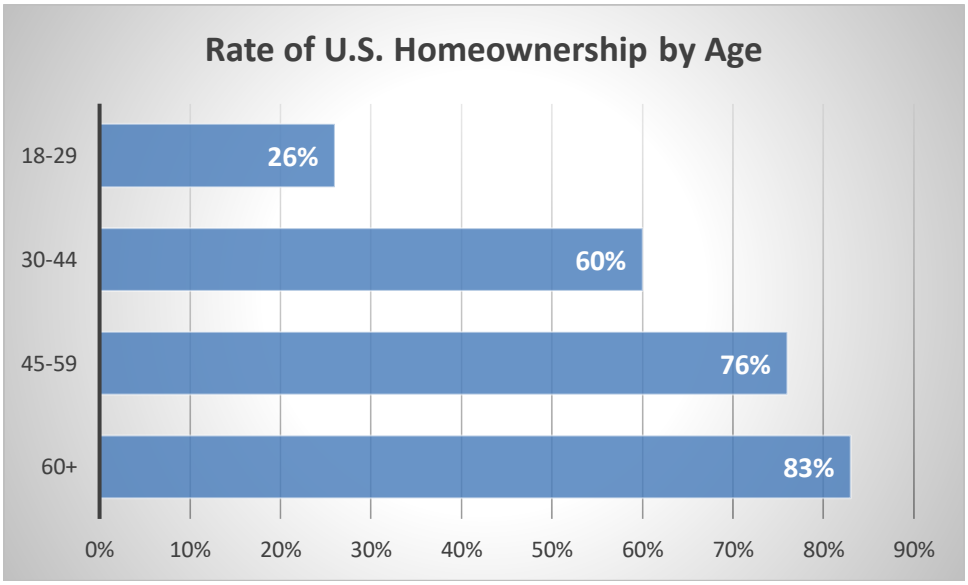
The age composition of a community's population plays a significant role in the need for various housing types. As a person ages their housing needs change. Each age group is at a different stage in life and possesses differing housing needs that include renting versus homeownership as well as the type of housing product (i.e., detached single family, attached townhouse/condominium, apartment, etc.).

Just above one-fourth of adults (27%) rented their home in 2023. Certain demographic groups – such as young adults and the lesser educated – have historically been more likely to rent than others. Young adults – those younger than 35 – continue to be the most likely of all age groups to rent. Approximately two-thirds (65.9%) of U.S. citizens under the age of 35 rent their homes. This is significantly higher compared to older age groups, with 42 percent of those aged 35-44 and 31.5 percent of those aged 45-54 renting. This data indicates a strong correlation between age and renting, with younger individuals significantly more likely to rent than own.



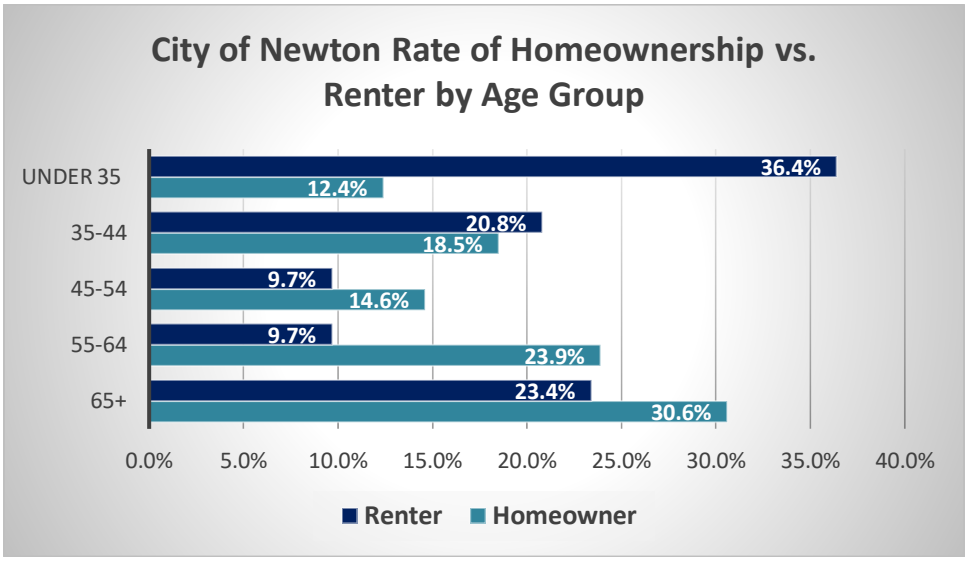
The Home Ownership Rate in the United States was reported at 65.7 percent in the fourth quarter of 2025. Home Ownership Rate in the United States reached an all-time high of 69.20 percent in the second quarter of 2004 and a record low of 62.90 percent in the second quarter of 1965. While overall rates are down, the homeownership rate for younger adults (under 35) has seen a rebound in recent years, according to the Census Bureau.

In the United States there is a strong correlation between the age of a household's family structure and homeownership. The rate of homeownership increases with the age of the householder up until age 65, when a slight decrease becomes visible. Only 26 percent of households with a householder under the age of 29 own a home, increasing to 60 percent for householders aged 30 to 44 years and 76 percent for householders aged 45 to 59 years. By comparison, 83 percent of those households over the age of 60 are homeowners.

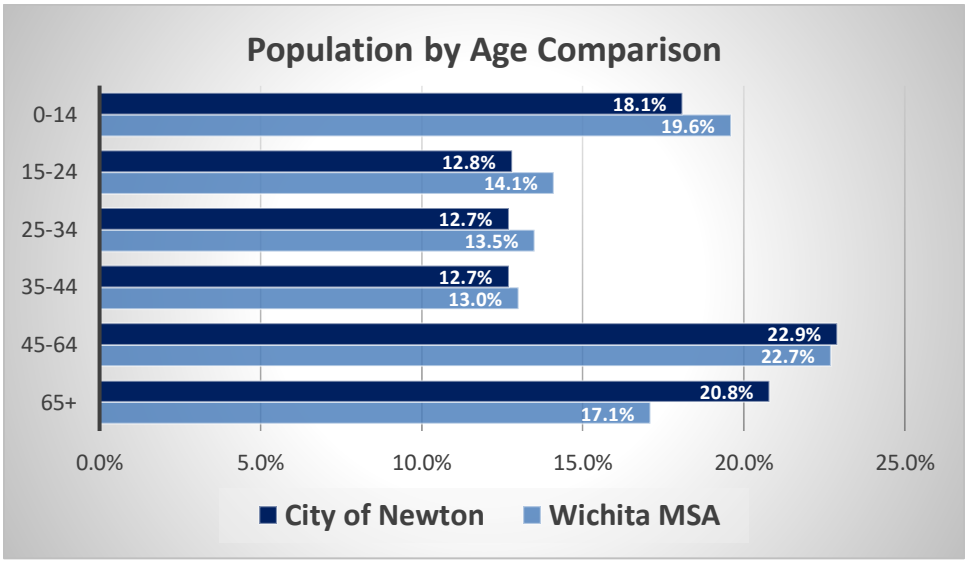


As a person ages their propensity to be a homeowner increases and renter occupancy declines. As the bar chart below illustrates, 36.4 percent of renters in Newton are under the age of 35 years. The share of renters declines to a low of 9.7 percent for residents ages 45 to 64 years. For those residents 65 years and older the share of renters increases to 23.4 percent, due in part to downsizing by empty nesters and increased occupancy of senior housing.

Meanwhile, Newton residents under the age of 35 account for just 12.4 percent of all homeowners. The share of homeownership in Newton increases from a low of 14.6 percent for residents aged 45 to 54 years to 30.6 percent for residents 65 years and older.



The bar chart below provides a comparison of the City of Newton and Wichita MSA population by six primary age groups, including children (0-14 years), adolescent (15-24 years), young adults (25 to 34 years), family/working adults (35-44 years); empty nesters (45-64 years) and elderly (65+ years). Each age group possesses distinctively different housing needs.



Age is a principal factor in consumer identity, since consumption patterns, housing needs, and financial situation can change significantly throughout an individual's lifetime. Newton's median age of 40.1 years is slightly younger than that of Harvey County and higher than the Wichita MSA of 37.1 years. Compared to the Wichita MSA, Newton has a similar percentage of family/working adults ages 35 to 44 years and empty nesters ages 45 to 64 years. Newton has a lower percentage of children ages 0 to 14 years, adolescents ages 15 to 24 years, and young adults ages 25 to 34 years and a higher rate of elderly 65 years and older.

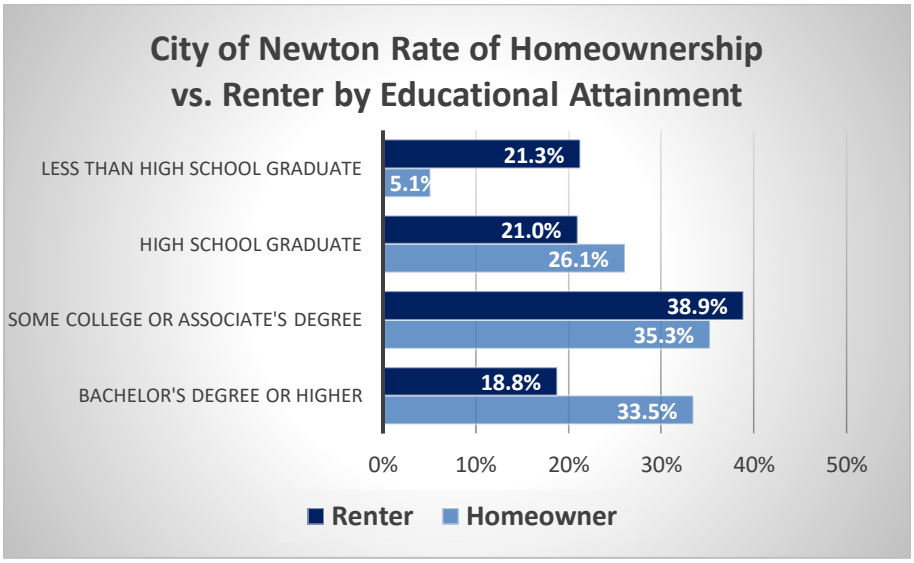
When compared to the Wichita MSA, these age demographics suggest that Newton can support a slightly lower rate of renters under the age of 35 years and an above average rate of homeownership among residents over the age of 35 years. With an above average rate of elderly residents, a growing need for senior housing can be supported in Newton.

Moving forward Newton's young adult (25 to 34 years) and family/working adults (35-44 years) populations will have an increasing impact on the city's retail market with expenditures favoring apparel and accessories, entertainment, hardware, furniture and home furnishings, consumer electronics, department stores, and eating and drinking places. For those young households with children present, retail expenditures will focus on apparel and accessories, groceries, sporting goods, music, consumer electronics, eating and drinking places, and general merchandise.

Educational Attainment

In the United States, homeownership rates increase with higher levels of educational attainment. Individuals with a bachelor's degree or higher tend to have a higher likelihood of owning a home compared to those with less education. This trend is evident across different age groups and persists even when considering factors like student loan debt.

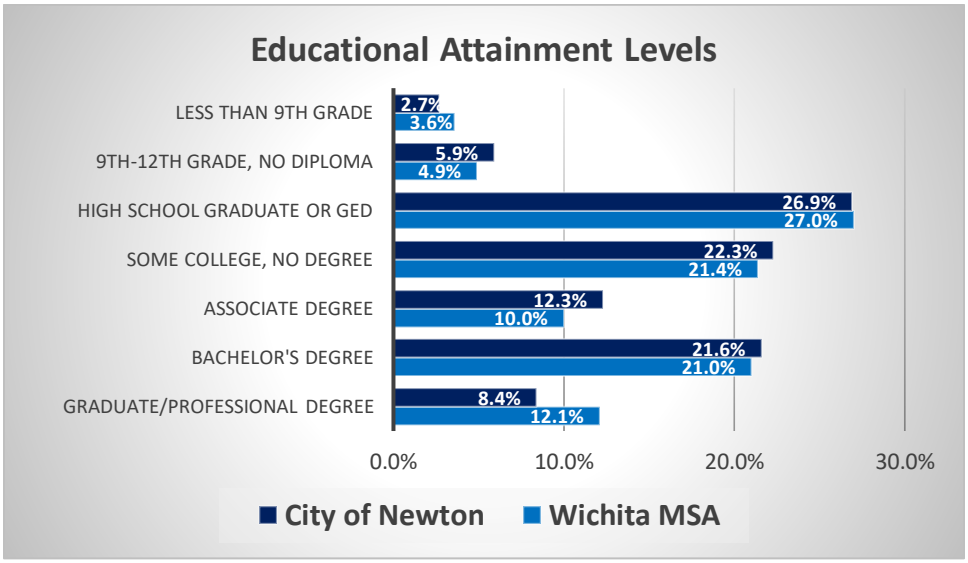
As a person's educational attainment increases, their propensity to be a homeowner increases and renter occupancy declines. As the bar chart below illustrates, Newton residents with less than a high school education account for 21.3 percent of renters and 5.1 percent of homeowners. High school graduates account for 21.0 percent of renters and 26.1 percent of homeowners. Residents with some college or an associate's degree account for 38.9 percent of renters and 35.3 percent of homeowners. Newton residents with a bachelor's degree or better account for 18.8 percent of renters and 33.5 percent of homeowners.



The bar chart on the following page provides a comparison of educational attainment levels between the City of Newton and the Wichita MSA as provided by Esri Business Analyst.

Households with higher levels of education, particularly those with a bachelor's degree or more, tend to have higher average incomes and, consequently, higher overall spending. This leads to greater expenditure on housing.

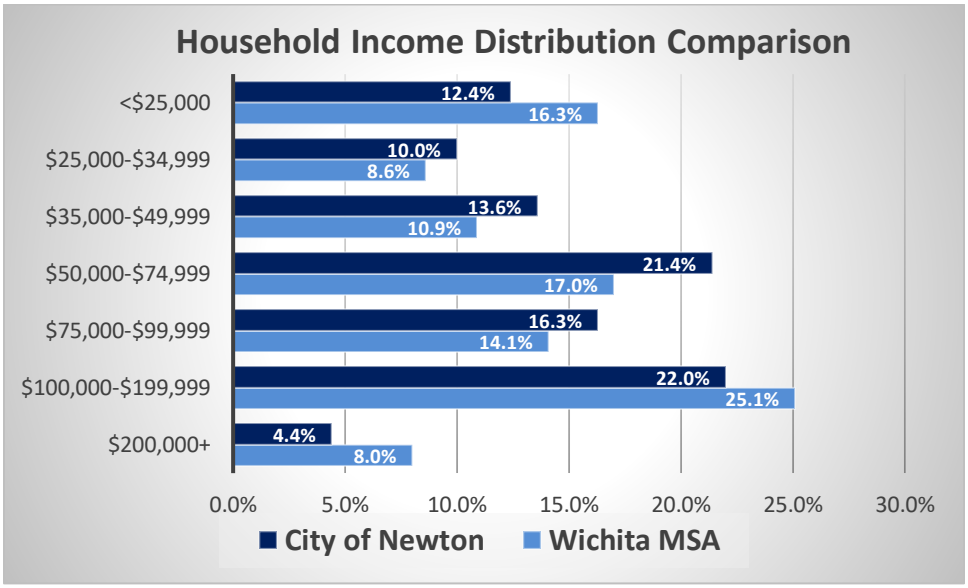
Compared to the Wichita MSA, Newton's adult population is slightly less educated, with 42.3 percent of all residents ages 25+ attaining an associate's degree of better, compared to 43.1 percent for the Wichita MSA and 44.7 percent for Harvey County. An estimated 8.6 percent of Newton's adult population has not attained a high school diploma, compared to 8.5 percent for the Wichita MSA and 8.3 percent for Harvey County.



The educational attainment levels of Newton residents suggest a need for both rental housing and homeownership. The need for rental housing is supported by the fact that the highest level of education for 35.5 percent of residents is a high school degree or less. Highly educated residents are more likely to be homeowners, with 30.0 percent of Newton residents possessing a bachelor's degree or better.

Household Income Distribution

Household income levels have a direct impact on retail expenditures, housing needs, for-sale housing values, and residential rents. A comparison of household income distribution estimates for the City of Newton and Wichita MSA is outlined in the bar chart below.



Homeownership rates correlate with income levels, with higher-income households having higher rates of homeownership. As household incomes rise higher housing costs can be supported for both for-sale and rental housing. Homeownership rates in the United States increase with household income. Lower-income households (those earning less than $50,000) have a homeownership rate of 36 percent, while higher-income households (earning $100,000 or more) have a rate of 87 percent. This disparity highlights the strong correlation between income and homeownership in the U.S.

Newton's median household income of $66,174 compares to $69,478 for the Wichita MSA. Given the below average educational attainment of Newton residents, the median household income lags the Wichita MSA level, with a slightly higher rate of households earning less than $50,000 and a much lower rate of high-income households earning $100,000 or more annually. An estimated 26.4 percent of Newton households are high-income households with earnings of $100,000 or more, compared to 33.1 percent metro wide. Newton's household income distribution levels will support below average housing values and rents, retail expenditures, and monetary savings and investment.

An estimated 12.4 percent of Newton households earn less than $25,000 annually, compared to 16.3 percent for the Wichita MSA. The median rent in Newton of $599 per month as reported by the U.S. Census requires an annual household income of approximately $20,000. With 5.4 percent of Newton households earning less than $15,000 annually, a need exists for income-based rental housing.

An estimated 10.0 percent of Newton households earn $25,000 to $34,999 annually compared to 8.6 percent for the Wichita MSA. These households tend to be perpetual renters with the lowest income households potentially qualifying for some form of housing assistance.

According to the U.S. Census Bureau, the median housing value in Newton is $151,800, compared to $219,800 statewide. Newton's housing valued under $150,000 accounts for 49.3 percent of the total housing stock. Based on standard lending practices, households earning $25,000 to $34,999 represent the city's entry-level for-sale and rental housing market.

According to the U.S. Census Bureau, 37.9 percent of housing in Newton is valued at $150,000 to $299,999. Based on standard lending practices, households earning $50,000 to $74,999 represent the move-up for-sale and rental markets. According to Esri Business Analyst, an estimated 21.4 percent of Newton households earn $50,000 to $74,999, compared to 17.0 percent for the Wichita MSA.

An estimated 16.3 percent of Newton households earn $75,000 to $99,999, compared to 14.1 percent for the Wichita MSA. These households represent potential demand for for-sale housing priced from $300,000 to $499,999. According to the U.S. Census Bureau, just 8.8 percent of housing in Newton is valued at $300,000 to $499,999.

High-income households with annual incomes of $100,000 or more account for 26.4 percent of all Newton households compared to 33.1 percent for the Wichita MSA. These households represent potential demand for housing priced at more than $500,000 as well as luxury automobiles, retail goods and services, travel, and entertainment. According to the U.S. Census Bureau, just 4.1 percent of owner-occupied housing in Newton is valued at $500,000 or more.

On average, renter households in Newton possess much lower income levels than owner-occupied households. The median income for owner-occupied households of $82,220 compares to just $44,136 for renter households, which supports the position that renter households possess lower income levels than homeowners.

A reported 23.8 percent of renter households in Newton possess annual incomes of less than $25,000, compared to just 7.0 percent for owner-occupied households. The renter-occupied households with annual incomes of less than $25,000 may qualify for some form of housing assistance. An estimated 12.4 percent of Newton households have an annual income of less than $25,000, suggesting a large market for affordable and income-based rental housing.

Newton Annual Household Income Levels
Homeowner versus Renter Households

Income Bracket	Owner-Occupied	Renter-Occupied
Less than $15,000	1.9%	13.5%
$15,000 to $24,999	5.1%	10.3%
$25,000 to $34,999	9.2%	19.4%
$35,000 to $49,999	12.0%	12.7%
$50,000 to $74,999	15.7%	21.3%
$75,000 to $99,999	21.9%	15.5%
$100,000 to $149,999	19.1%	4.7%
$150,000+	15.2%	2.7%
Median Income	**$82,220**	**$44,136**

Households earning $25,000 to $34,999 annually tend to be perpetual renters with the lowest income households potentially qualifying for some form of housing assistance. A reported 19.4 percent of renter households in Newton possess annual incomes of $25,000 to $34,999, compared to just 9.2 percent for owner-occupied households. An estimated 10.0 percent of Newton households possess an annual income of $25,000 to $34,999, indicating a market for entry-level for-sale and market-rate rental housing.

Households with annual incomes of $35,000 to $74,999 account for 34.0 percent of all renter-occupied housing inventory in Newton, and 27.7 percent of owner-occupied households. This income bracket includes move-up renters and first-time homebuyers. An estimated 35.0 percent of Newton households possess an annual income of $35,000 to $74,999, indicating a large market exists for move-up for-sale and market-rate rental housing.

High-income households of $100,000 or more account for just 7.4 percent of all renter-occupied housing units in Newton and 34.3 percent of owner-occupied housing. An estimated 26.4 percent of Newton households possess an annual income of $100,000 or more, indicating a market that exists for upscale and luxury for-sale housing.

Conclusions

The City of Newton is a rural community located at the northern edge of the Wichita MSA. Newton is a commuter community with a mean travel time to work of 20.5 minutes, and 32.7 percent of residents work outside of Harvey County. Therefore, employment growth in the Wichita MSA will play a key role in generating future population growth in Newton. According to the Bureau of Labor Statistics, following the COVID-19 pandemic, employment growth in the Wichita MSA has been steady, adding 15,459 jobs from 2021 to 2025. By December 2025, the Wichita MSA supported 329,300 jobs and an unemployment rate of 3.7 percent.

The age composition of a community's population plays a significant role in the need for various housing types and retail goods and services. As a person ages their housing and retail needs change. The age composition of Newton's population suggests a need for affordable rental housing, entry-level and down-sizing for-sale housing, and senior housing.

A slight decline in population since 2010 has placed a constraint on the ability of Newton to support new home construction. Future employment and population growth are necessary to foster a healthy new market for both owner-occupied and rental housing. Constraints in Newton's historically modest population growth have been the difficulty in attracting homebuilders, modest levels of new home construction, high construction costs, and limited availability of quality existing housing units.

The age composition of a community's population plays a significant role in the need for various housing types. As a person ages their housing needs change. The age composition of Newton's population suggests a need for affordable rental housing, entry-level and down-sizing for-sale housing, and senior housing.

Compared to state-wide averages, Newton possesses above average rates for householders living alone, residents 65+ years old living alone, and householders with no spouse present but with children present. These household composition characteristics suggest a propensity for single-family housing and a potential growing need for senior housing.

Because income increases with advancing educational attainment, communities with high education levels support higher rates of homeownership and housing values. The educational attainment levels of Newton residents suggest a need for both rental housing and homeownership. The need for rental housing is supported by the fact that the highest level of education for 35.5 percent of residents is a high school degree or less. Highly educated residents are more likely to be homeowners, with 30.0 percent of Newton residents possessing a bachelor's degree or better.

Newton's household income levels support the need for a wide variety of housing products, including income-based rental housing, affordable rental housing, move-up rental housing, and entry level and move up owner-occupied housing.

An estimated 22.4 percent of households in Newton earned less than $35,000 annually**.** These households tend to be renters with 12.4 percent of households earning less than $25,000 potential candidates for some form of housing assistance. The 11.6 percent of households earning $35,000 to $49,999 represent the primary need for market-rate rental housing and entry-level for-sale housing. The estimated 42.7 percent of Newton households possessing annual incomes of $75,000

or more support the need for move-up and luxury for-sale housing. Newton's homeownership rate of 67.5 percent exceeds that for both Kansas (66.9%) and the United States (65.1%).

Households in Newton that are homeowners possess a median income of $82,220 annually compared to $44,136 for renter households. An estimated 56.2 percent of homeowners possess an annual income of $75,000 or more, compared to just 22.9 percent of renters.

Over 23 percent of renter households in Newton possess annual incomes of less than $25,000 and may qualify for some form of housing assistance. Households with annual incomes of $35,000 to $74,999 account for 34.0 percent of all renter-occupied housing inventory in Newton. High-income households of $100,000 or more account for just 7.4 percent of all renter-occupied housing units in Newton.

MARKET ANALYSIS

The *Market Analysis* portion of the study evaluates competitive retail, professional and medical office, industrial, and housing market trends in Newton, Kansas. The real estate market trends for each prospective land use were evaluated, and the long-term space and housing needs were forecast to quantify the level of future urban development activity in the City of Newton.

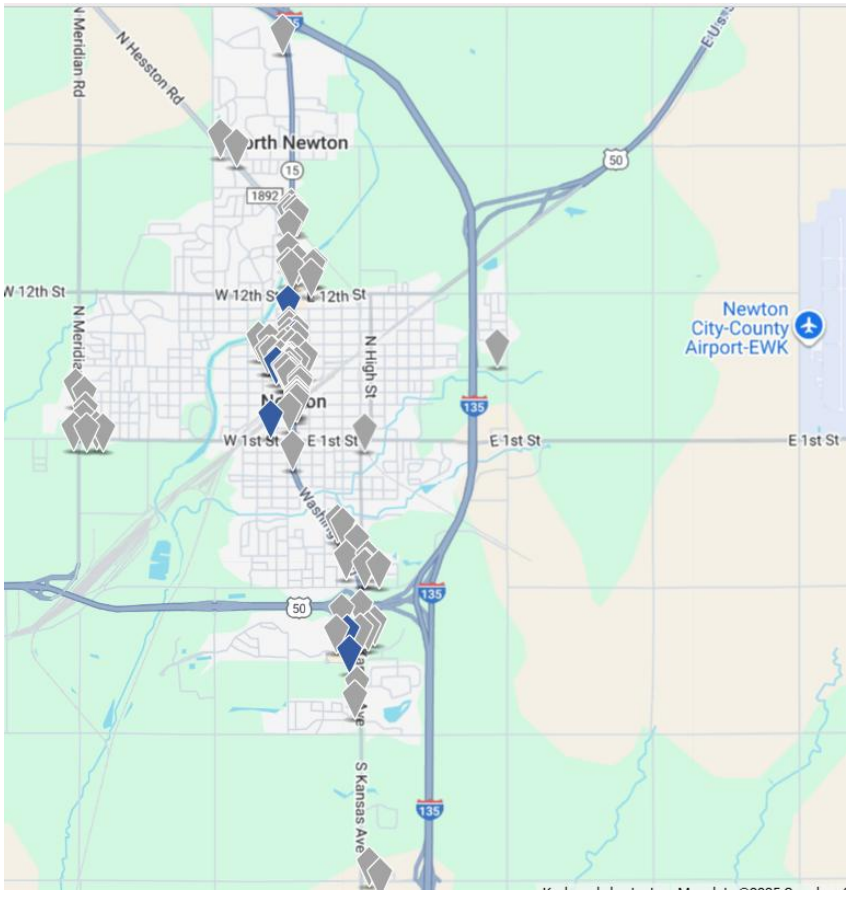
Retail Market Analysis

The *Retail Market Analysis* portion of the report evaluates competitive retail market trends impacting Newton, Kansas and forecasts the future need for commercial space.

Competitive Retail Market Trends

To provide a perspective on the Newton retail market, the Costar database was researched for existing shopping centers and retail buildings. Bank branches, convenience stores, freestanding restaurants and bars, day care, and automotive dealerships and repair businesses were omitted from the survey. The search identified 85 retail properties totaling 1.35 million square feet of building area. The map below depicts the location of retail properties in Newton, Kansas.

Newton, Kansas Retail Properties



State Route 15 serves as Newton's principal retail corridor, which includes four concentrations of business activity. The intersection of 12th and Main Streets at the north end of Newton serves as a neighborhood retail destination consisting of Dillons, Walgreens, McDonalds, Taco Bell, Wendy's, BMO Bank, and Citizens State Bank. Main Street through downtown Newton serves as a specialty retail district, including such businesses as Norm's Coffee, Prairie Harvest, Anderson's, Newton Et Cetera Shop, Mostaza, and Bella Neil Bridal Shop. The intersection of SE 14th Street and Washington Road is another neighborhood retail hub housing a second Dillons store, Auto Zone, Kwik Shop, and Union State Bank. Newton's newest retail hub is located along Kansas Avenue south of U.S. 50 Highway, housing a Walmart Supercenter, Dollar General, Goodwill, Arby's, McDonalds, Starbucks, Heartland Credit Union, and Peoples Bank.

The table below illustrates Newton's retail market trends from 2007 through 2025 Q3, outlining on an annualized basis the number of retail properties, retail building area, vacant space, vacancy rate, net space absorption, and average triple-net rent.

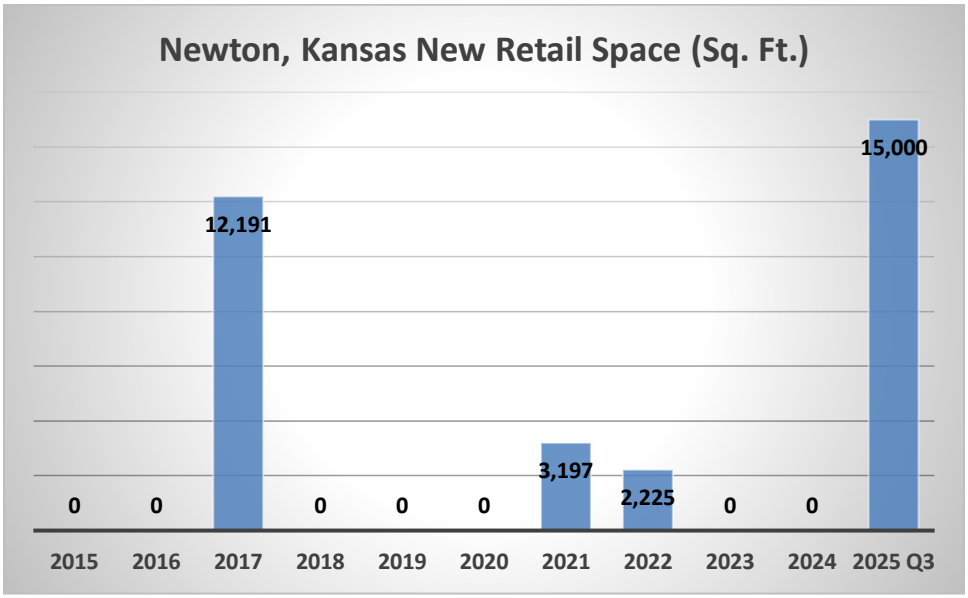
In September 2025, Newton's inventory of retail space was operating at a 2.1 percent vacancy rate with just 28,320 square feet of unoccupied space available for immediate occupancy. The modest inventory of vacant space serves as a barrier to accommodating the growth of existing businesses and new tenant entry into the Newton retail market.

Newton, Kansas Retail Market Trends; 2007-2025 Q3

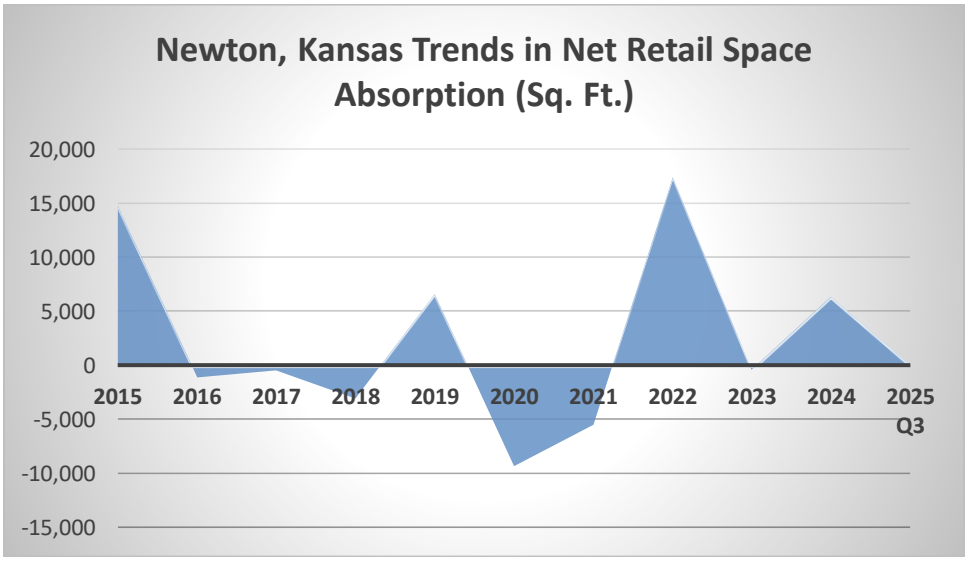
Year	# of Properties	Building Area (SF)	Vacant Space	Vacancy Rate	Net Space Absorption	Average NNN Rent (SF)
2007	80	1,309,109	34,359	2.6%	87,185	$16.23
2008	80	1,309,109	91,267	7.0%	-56,908	$4.83
2009	80	1,309,109	29,275	2.2%	61,992	$5.40
2010	81	1,318,265	14,340	1.1%	24,091	$11.49
2011	81	1,318,265	44,476	3.4%	-30,136	$8.25
2012	81	1,318,265	57,721	4.4%	-13,245	$7.84
2013	81	1,318,265	54,147	4.1%	3,574	$7.28
2014	81	1,318,265	38,987	3.0%	15,160	$6.96
2015	81	1,318,265	20,616	1.6%	18,371	$8.10
2016	81	1,318,265	5,890	0.4%	14,726	$10.48
2017	82	1,330,456	19,186	1.4%	-1,105	$12.53
2018	82	1,330,456	19,696	1.5%	-510	$13.15
2019	82	1,330,456	22,797	1.7%	-3,101	$12.90
2020	82	1,330,456	16,250	1.2%	6,547	$14.00
2021	83	1,333,653	28,790	2.2%	-9,343	$12.27
2022	84	1,335,878	36,550	2.7%	-5,535	$12.36
2023	84	1,335,878	19,180	1.4%	17,370	$14.35
2024	84	1,335,878	19,630	1.5%	-450	$15.65
2025 Q3	85	1,350,878	28,320	2.1%	6,310	$17.45

Source: CoStar.

According to CoStar, from 2007 through 2025 Q3, a total of 41,769 square feet of new retail space was built in Newton, peaking in 2017 when 12,191 square feet of retail space was completed and again during 2025 with 15,000 square feet built. Since 2018, just 21,422 square feet of retail space were constructed in Newton.

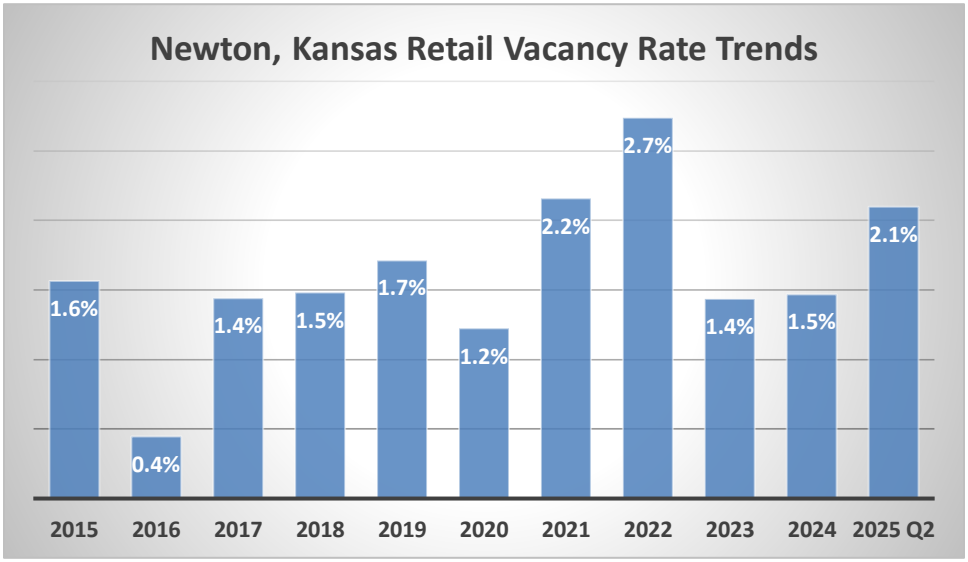


From 2007 through 2025 Q3, Costar reported the Newton retail market absorbed 134,993 square feet of commercial space. Retail space absorption peaked in 2007 at 87,185 square feet and again from 2009 to 2010 with net occupancy of 86,083 square feet of space. Most recently, net retail absorption peaked from 2014 to 2016 with 48,257 square feet of space.



From 2007 through 2014, the Newton retail market operated at an overall vacancy rate ranging from a low of 3.8 percent in 2010 to a peak of 8.4 percent in 2014. With net space absorption significantly outpacing new retail supplies from 2015 through 2025 Q3, Newton's inventory of retail space operated at a below market equilibrium vacancy rate, with year-end rates ranging from 2.4 percent to 6.3 percent. By the third quarter of 2025, the overall retail vacancy rate stood at just

2.6 percent, compared to 3.0 percent for the Wichita MSA. The limited supply of vacant space suggests Newton can support near-term additions to the retail inventory.



Newton serves as Harvey County's principal shopping destination. Notable national and regional retailers operating stores in Newton include Walmart, Walgreens, True Value, Ace Hardware, Orscheln Farm & Homes Supplies, Dillons, Sherwin Williams, Auto Zone, and O'Reilly Auto Parts. Newton also supports a vibrant downtown. Despite this, Newton's retail market lacks a wide range of goods and services, forcing residents to travel to Wichita for such items as men's and women's clothing, electronics, houseware, dining, and entertainment.

Downtown Newton is designated as a historic district that features a concentration of historic structures along Main Street. While Main Street serves as downtown's principal corridor, the downtown area encompasses three blocks off Main Street in both directions. A host of events are held downtown, including Taste of Newton, Christmas parade, Third Thursday, and a car show. To accommodate some events either Main Street is closed to traffic, or the library lawn is used. The one-block of Main Street between 6th Street and Broadway Street is the most vibrant section of downtown, occupied by such notable specialty businesses as Norm's Coffee, Prairie Harvest, Anderson's, Newton Et Cetera Shop, Mostaza, and Bella Neil Bridal Shop.

Issues hindering downtown include a lack of parking, absentee landlords, many buildings in poor condition, high rents, most businesses close by 6:00 pm, restaurants are not open late, absence of an event center or hotel, and the prevalence of financial service firms and nonprofits that don't generate significant foot traffic.

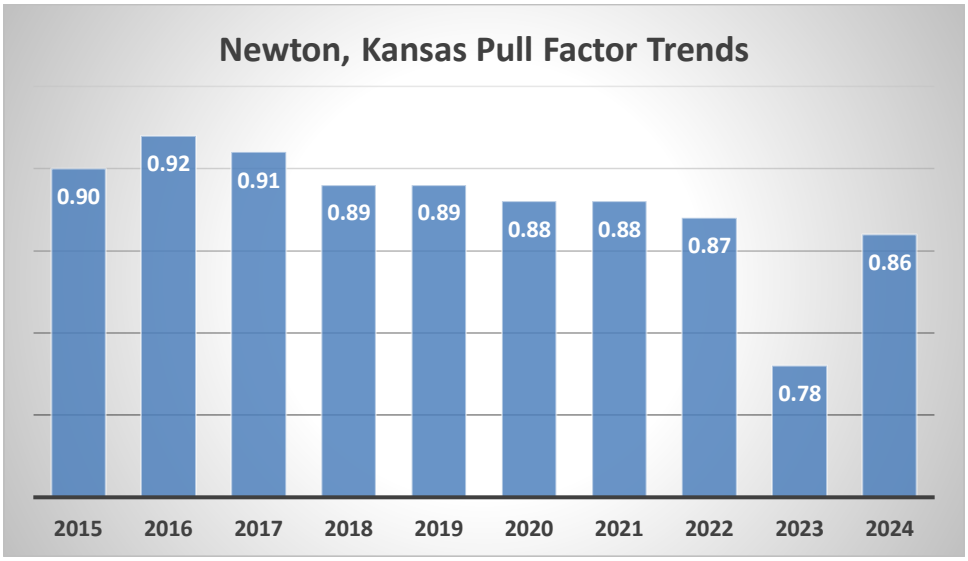
While Newton's downtown is a healthy commercial district, recommendations to improve its market positioning include: 1) uniform signage and streetscape improvements; 2) creation of a public event space; 3) a late night activator such as a brewery or pickleball venue; 4) increased code enforcement for derelict buildings; 5) activate more second floor space with apartments or office space; 6) levy fines on absentee landlords of vacant building; and 7) continue façade improvement program.

Retail Pull Factor

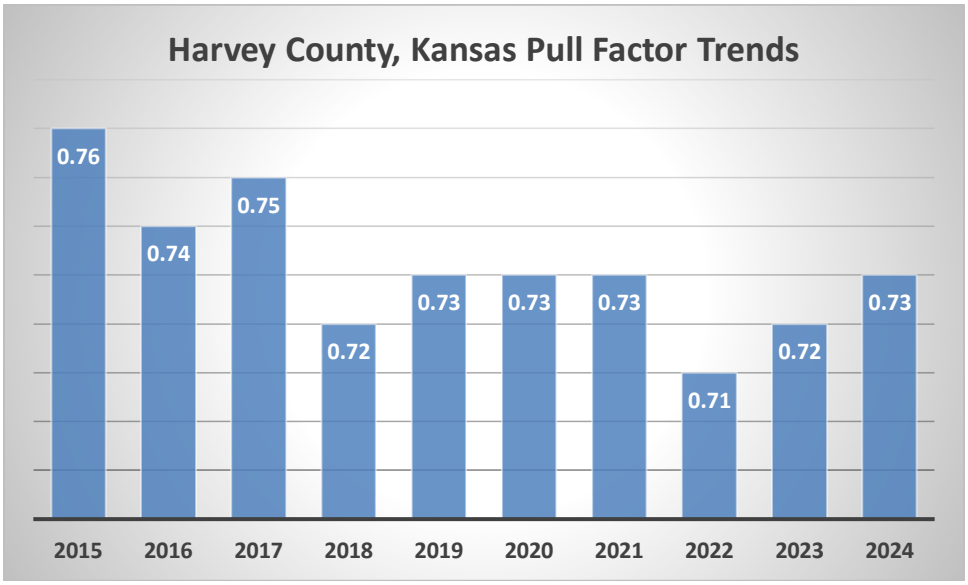
Pull factors ("PF") measure a community's ability to attract shoppers, residents, and non-residents alike, to make retail purchases within the community. A pull factor is a measure of the strength of a community's retail trade, based on a comparison of local spending in relation to that of a wider geographic area (e.g., the state), with a measure of 1.0 representing a perfect balance. A pull factor greater than 1.0 indicates that the community is pulling in retail sales from beyond its boundaries and the balance of trade is favorable. Alternatively, a pull factor less than 1.0 indicates that the community is not capturing local shoppers and is experiencing retail sales leakage. Pull factors are calculated by dividing the TAC by the community's population.

The Kansas Department of Revenue publishes an annual *City Trade Pull Factor Report* that calculates the retail pull factor for all the counties in the state measured against the statewide average. According to the report, over the past decade Newton has suffered from considerable retail sales leakage with pull factors ranging from 0.78 to 0.92. Newton's retail leakage is attributed to its modest population base and inventory of retail space, small number of big-box retailers, status as a commuter community, and proximity to Wichita which supports a much larger and more diverse retail market.

Newton's 2024 pull factor of 0.86 indicates the city captures retail sales at a rate of 86 percent of the statewide average. Newton's pull factor has declined over the past decade, from a high of 0.92 in 2016 to 0.86 by 2024.



The Kansas Department of Revenue also published the *County Trade Pull Factor Report 2024* that calculates pull factors for all the counties in the state. Harvey County's pull factor was reported at 0.73, indicating the county captures retail sales at a rate of 73 percent of the statewide average. As the bar chart on the following page illustrates, since 2018 the pull factor for Harvey County has remained steady, ranging from 0.71 to 0.73.



The need for retail space and supportable retail sales is predicated on population and household income levels. The larger the population and higher household income levels the retail space a market area can support. Modest population and household income levels for both Harvey County and the City of Newton limit the amount of supportable retail space and sales activity. Growth in population and household income levels are needed for Newton to support a larger and deeper retail market.

Trade Area Capture

Information about a community's retail trade area can help assess the ability of local merchants to attract and capture the retail business of residents. The trade area capture ("TAC") is an estimate of the number of people who shop in the local area during a certain period. TAC assumes that residents will buy goods at the same rate as the state average, and that the only force that causes a variation in spending patterns is income. The formula for calculating TAC is:

$$\text{TAC} = \frac{\text{Community's Actual Retail Sales}}{\text{State Per Capita Sales X Community's Per Capita Income/State Per Capita Income}}$$

If the TAC estimate is larger than the community's population suggests: 1) the community is attracting customers outside its boundaries or 2) residents of the community are spending more than the state average. If the estimate is smaller than the community's population: 1) the community is losing its customers to other regions for retail purchases or 2) residents of the community are spending less than the state average.

The annual *City Trade Pull Factor Report* published by the Kansas Department of Revenue also calculates the trade area capture for all the counties in the state measured against the statewide average. According to the 2024 report, Newton's population of 18,251 residents and estimated TAC of 15,754 people illustrates that residents do a significant amount of shopping outside of the city. The report does confirm Newton's status as Harvey County's principal retail destination, capturing two-thirds of the county's retail activity.

The pull factor and trade area capture rates for Newton, Kansas indicate that the city is experiencing significant retail sales leakage to Wichita and other metropolitan communities that support a larger and deeper retail market. Population and household income growth in Harvey County and City of Newton will support increased retail sales and trade area capture.

Retail Space Need Estimates

As of year-end 2024, the City of Newton's inventory of 1.34 million square feet of retail space was operating at an overall vacancy rate of 1.5 percent with just 19,360 square feet of unoccupied space. The market equilibrium vacancy rate is in the 7.0 percent range, suggesting pent-up retail demand exists in Newton. This section of the study provides conservative and optimistic retail space need estimates from 2026 to 2045 for the City of Newton.

Supportable retail sales are a function of consumer population and income levels. A trade area's total income is calculated by multiplying the total trade area population by the per capita personal income. Purchasing power, or total sales potential of the trade area, is then quantified by applying the average retail expenditure as a percentage of total income.

Newton's 2025 population of 18,521 residents and per capita income of $33,422 yields total personal income of $619 million. Based on the *U.S. Census Bureau Annual Retail Trade Survey* and Newton's per capita income and retail sales levels, retail goods and services expenditures equate to 40 percent of total personal income. During 2024, e-commerce accounted for 16.0 percent of total retail sales in the United States. Accounting for e-commerce sales, retail sales in Newton were adjusted to 34 percent of total personal income.

The City of Newton's retail pull factor is 0.86. Given the city's recent trend in pull factor levels, this analysis assumed a constant retail pull factor of 0.86 growth through 2045.

The Kansas Department of Revenue reported FY 2024 taxable retail sales for Harvey County of $392,941,960. At year-end 2024, Costar estimated Harvey County's inventory of retail space of 1,735,709 square feet (including all retail space except car dealerships, auto repair shops, bank branches, and day care centers), equating to average sales of $226 per square foot.

Esri Business Analyst estimated Newton's 2025 population at 18,521 residents. By 2045, Newton's population is forecast to increase by 948 to 1,144 residents. For this analysis per capita income, average retail sales per square foot, and pull factor remained constant.

Under the conservative scenario, by 2045 Newton's population growth is forecast to capture new retail goods and services sales of $9.27 million, supporting 41,018 square feet of occupied retail space.

The optimistic scenario assumes stronger population growth will yield increased retail space demand. By 2045, the City of Newton is forecast to capture new retail goods and services sales of $11.2 million and 49,498 square feet of occupied retail space.

Forecast Retail Space Need from Population Growth
Newton, Kansas; 2026 – 2045

Retail Sales Formula	Conservative Scenario		Optimistic Scenario
Residential Population Growth (2026-2045)	948		1,144
Per Capita Income	$33,442		$33,442
Total Gross Personal Income	$31,703,016		$38,257,648
% Income Spent on Retail Goods and Services	0.34		0.34
Supportable Goods and Services by City Residents	$10,779,025		$13,007,600
Pull Factor	0.86		0.86
Total Supportable Retail Goods & Services Sales	$9,269,962		$11,186,536
Average Retail Sales Per Sq. Ft.	$226		$226
Retail Space Need 2026-2045 (Sq. Ft.)	**41,018**		**49,498**

Source: Canyon Research Southwest, Inc.

By year-end 2024, the Newton retail market supported 1,335,878 square feet of commercial space operating at an overall vacancy rate of just 1.5 percent with 19,630 square feet of vacant space.

As outlined in the table on the following page, accounting for the current inventory of vacant commercial space in Newton and a market equilibrium vacancy rate of 7.0 percent, through 2045 population growth in the city is estimated to support the need for 124,677 to 133,795 square feet of new retail space.

Based on an average floor-area-ratio of 20 percent to 23 percent, the forecast retail space need through 2050 would absorb an estimated 12 to 15 acres of commercial land under the conservative scenario and 13 acres to 16 acres under the optimistic scenario.

Through 2045, retail development will focus on Kansas 15 Highway corridor with the principal concentration of new retail space and businesses located south of U.S. 50 Highway.

Supportable New Retail Space Estimates
Newton, Kansas; 2026 – 2045

	Conservative Scenario		Optimistic Scenario
Supportable New Retail Space Need			
Newton Inventory of Occupied Retail Space 2024 Q4	1,331,248		1,331,248
Population Growth Retail Space Need 2026-2045	41,018		49,498
Total Occupied Retail Space Inventory 2045	1,372,266		1,380,746
Market Equilibrium Retail Space Need (7% Vacancy)	1,475,555		1,484,673
Less: Existing Inventory of Retail Space 2024 Q4	-1,350,878		-1,350,878
Supportable Retail Space from Population Growth 2026-2045	124,677		133,795
Supportable Development Acres			
20% FAR	14.31		15.36
23% FAR	12.44		13.35

Source: Canyon Research Southwest, Inc.

Retail Site Evaluation

Retail developers and retailers evaluate potential retail locations based on a series of site-specific criteria, including parcel size, visibility and exposure, accessibility, infrastructure, traffic counts, traffic signal access, and direct competition. Using these site selection criteria, potential retail development locations in the City of Newton were identified.

The City of Newton Zoning Map identifies seven concentrations of existing commercial zoning, including: 1) Old 81 Highway; 2) intersection of East 12th Street and Main Street; 3) downtown Newton; 4) intersection of East 1st Street and Spencer Road; 5) intersection of SE 14th Street and Washington Road; 6) intersection of West 1st Street and Meridian Road; and 7) Kansas Avenue from U.S. 50 Highway south to SE 36th Street.

Commercially zoned land along Old 81 Highway extends from NW 22nd Street northwest to past Anderson Avenue. A 11.3-acre vacant parcel located at the southeast corner of Old 81 Highway and Meridian Avenue possesses the size, access, and visibility to support anchored shopping center development. However, given its peripheral location multi-family housing is the property's highest-and-best-use.

Main Street from Old 81 Highway south to East 12th Street is an established commercial corridor housing such businesses as Dillons, Walgreens, Billy Sim's BBQ, Burger Garage, McDonalds, Taco Bell, Wendy's, BMO Bank, and Citizens State Bank. The corridor is built out with redevelopment of some underutilized properties possible.

Downtown Newton is an established commercial district with no greenfield sites available for future development. Redevelopment of underutilized properties is possible, with ideal candidates including: 1) the train station at East 5th Street and Main Street; 2) a vacant commercial building on 2.3 acres surrounding the northeast corner of East 3rd Street and Main Street; 3) commercial buildings at the northeast and northwest corners of West 5th Street and Poplar Street; 4) surface parking lot at the northeast corner of West 6th Street and Poplar Street; 5) commercial buildings at the southwest corner of West 6th Street and Poplar Street; and 6) former gas station (now a dry cleaner) and vacant land at the southwest corner of Broadway and Poplar Street.

The west side of Spencer Road from East 3rd Street north to Broadway is zoned C-2. Existing businesses include two hotels, Kwik Trip, Phillips 66, JumpStart, Roadsters, Applebee's Bar & Grill, and Conklin Automotive Group. Vacant parcels include: 1) two parcels at the southeast corner of 3rd Street and Interstate 135 of 0.89 acres and 0.95 acres; 2) 6.3 acres at the southwest corner of East 3rd Street and Spencer Road; 3) two vacant parcels of land owned by the Conklin Automotive Group south of the Chevy dealership west of Manchester Avenue and east of the Chrysler, Dodge, Jeep, Ram, and Ford dealerships fronting onto Spencer Road.

The intersection of SE 14th Street and Washington Road serves as a neighborhood commercial hub.

housing a second Dillons store, Auto Zone, Pizza Hut, Kwik Shop, and Union State Bank. A 5.5-acre parcel of land zoned C-2 is located on the north side of SE 14th Street between High Street and Logan Street. While zoned for commercial use, this property's highest-and-best use might be multi-family residential. A 1.68-acre commercial parcel on the north side of SE 14th Street west of

Washington Road is suitable for a restaurant or retail shops. Several underutilized commercial buildings on the west side of Washington Road north of SE 14th Street are candidates for redevelopment.

The intersection of West First Street and Meridian Road is a secondary retail hub housing Caseys General Store, Meridian Grocery, Car Quest Auto Parts, and Sunshine Laundry. A 7.1-acre commercial parcel at the northwest corner of West 1st Street and Meridian Road offers the size, access, and visibility to support development of a grocery store, drug store, retail shops, and outparcels. The 42.59-acre parcel at the northeast corner of Sharps Drive and Meridian Road is zoned C-2 along the Meridian Road frontage that can support strip retail development. A vacant commercial building on 5.5 acres at the southeast corner of West 1st Street and Meridian Road is suitable for redevelopment.

Newton's newest retail hub is located along Kansas Avenue from U.S. 50 Highway south to SE 36th Street, housing a Walmart Supercenter, Dollar General, Goodwill, Arby's, McDonalds, Starbucks, Heartland Credit Union, and Peoples Bank. As part of the corridor, the intersection of SE 36th Street houses the Chisholm Trail Outlets, Tractor Supply Company, Nusser Fuels, and Burger King. With most of the new retail construction and platted residential lots in Newton located south of U.S. 50 Highway, the south Kansas Avenue corridor will serve as the principal location for future retail development with sufficient land to accommodate major and junior anchors, strip centers, and outparcels. Commercial development sites along south Kansas Avenue are identified below.

1. Seven parcels zoned C-2 totaling 23.11 acres at the southwest corner of Wheatridge Drive and Kansas Avenue south of the Walmart Supercenter. The property offers the size, access, and visibility to accommodate development of major and junior anchors, strip centers, and outparcels.

2. The 35.7-acre parcel at the southwest corner of SE 24th Street and Kansas Avenue is zoned C-2 along the Kansas Avenue frontage. The property offers the size, access, and visibility to accommodate development of major and junior anchors, strip centers, and outparcels.

3. Two parcels totaling 16.33 acres at the southeast corner of SE 24th Street and Kansas Avenue are zoned C-2. A commercial structure occupies the immediate corner. The property offers the size, access, and visibility to accommodate development of major and junior anchors, strip centers, and outparcels.

4. The 63.06-acre commercial parcel at the northwest corner of SE 36th Street and Kansas Avenue offers the size, access, and visibility to support development of a power center featuring major and junior anchors, shop space, and outparcels.

5. The 12.26-acre parcel at the southwest of SE 36th Street and Kansas Avenue has the size, access, and visibility to support development of a power center featuring a grocery store, drug store, junior anchors, shop space, and outparcels.

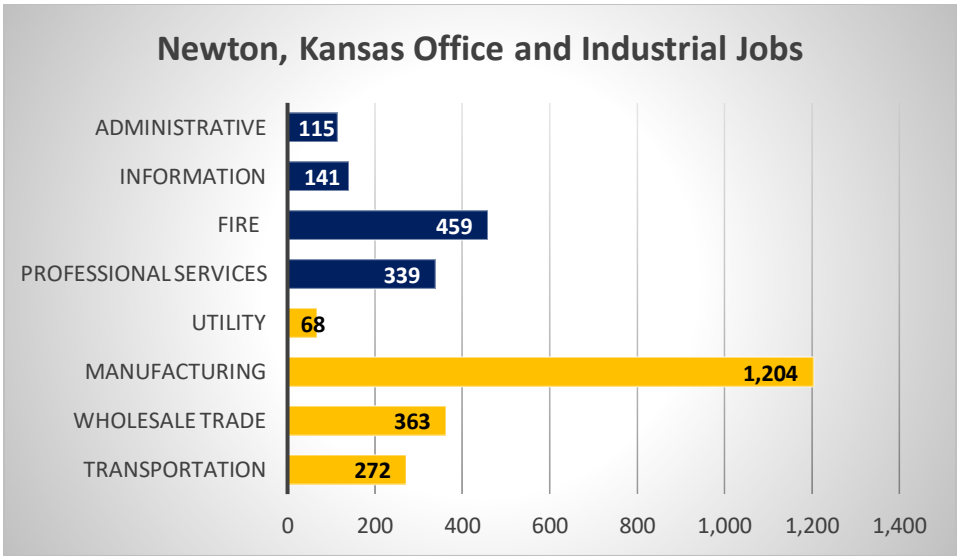
6. The Chisholm Trail Outlets occupy a 20.7-acre parcel of land. Most of the original outlet stores have vacated and the center is now occupied by a variety of stores and is a candidate for redevelopment.

Employment Market Analysis

This section of the study evaluates the City of Newton's professional office and industrial market conditions. The goal is to identify future opportunities for Newton to support additional employment-related development.

Employment-Related Business Mix

Industrial-related employment includes the manufacturing, wholesale trade, and transportation sectors while office-related employment includes the legal and finance, insurance, and real estate (FIRE) sectors. In the bar chart below, industrial-related sectors are outlined in "yellow" with office-related sectors in "purple."



According to Esri Business Analyst, office-related employment in Newton totals 1,054 jobs in the professional services, administrative, information, and finance, insurance, and real estate sectors, accounting for 10.7 percent of total employment. By comparison, office-related jobs account for 18.6 percent of employment in Kansas. At an average space requirement of 200 to 225 square feet per employee, current employment levels can support the need for 210,800 to 237,150 square feet of occupied professional office space.

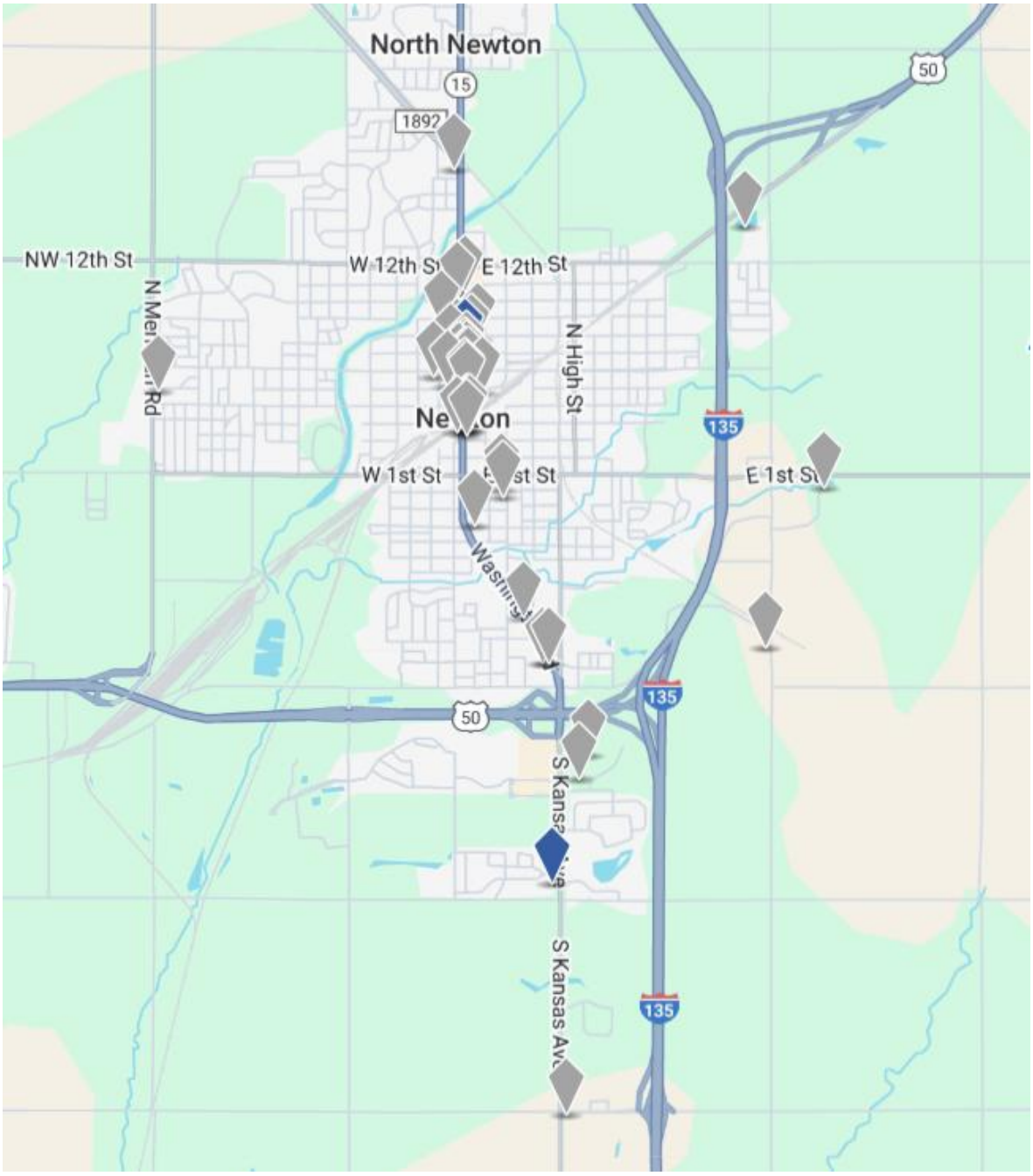
Industrial-related employment in Newton totals 1,907 jobs in the manufacturing, wholesale trade, transportation, and utilities sectors, or 19.4 percent of total employment. By comparison, industrial-related jobs account for 30.7 percent of employment in Kansas. At an average space requirement of 800 to 1,000 square feet per employee, current employment levels can support the need for 1,525,600 to 1,907,000 square feet of occupied industrial space.

Continued population and job growth in Newton and Harvey County will generate the need for additional professional office space and industrial space.

Competitive Office Market Trends

This section of the study provides historic office market trends for Newton, Kansas. According to Costar, Newton's inventory of professional and medical office space consists of 39 properties totaling 371,997 square feet of building area. As illustrated on the map below, the principal concentrations of professional and medical office space in Newton are located along Main Street in downtown and South Washington Road. With the presence of the NMC Health Medical Center, Kansas Avenue south of U.S. 50 Highway is anticipated to emerge as an office corridor.

Newton, Kansas Office Properties



The table below illustrates Newton's office market trends from 2007 through 2025 Q3, outlining on an annualized basis the number of properties, building area, vacant space, vacancy rate, net space absorption, and average monthly rent.

Newton, Kansas Office Market Trends; 2007-2025 Q3

Year	# of Properties	Building Area (SF)	Vacant Space	Vacancy Rate	Net Space Absorption	Average Rent (SF)
2007	36	354,524	132,861	37.5%	-68,894	$12.42
2008	36	354,524	95,510	26.9%	37,351	$11.43
2009	36	354,524	44,797	12.6%	50,713	$10.02
2010	37	358,397	44,788	12.5%	3,882	$13.58
2011	37	358,397	38,678	10.8%	6,110	$16.85
2012	38	368,397	27,708	7.5%	20,970	$13.60
2013	38	368,397	21,050	5.7%	6,658	$13.99
2014	38	368,397	21,420	5.8%	-370	$5.81
2015	38	368,397	20,420	5.5%	1,000	$3.33
2016	38	368,397	20,020	5.4%	400	$8.64
2017	38	368,397	17,520	4.8%	2,500	$17.29
2018	38	368,397	17,520	4.8%	0	$18.50
2019	38	368,397	10,320	2.8%	7,200	$19.05
2020	39	371,997	23,166	6.2%	-9,246	$17.99
2021	39	371,997	16,320	4.4%	6,846	$18.65
2022	39	371,997	27,445	7.4%	-11,125	$14.37
2023	39	371,997	16,915	4.5%	10,530	$9.19
2024	39	371,997	4,084	1.1%	12,831	$5.74
2025 Q3	39	371,997	2,400	0.6%	1,684	$9.76

Source: CoStar.

Class B space is the predominant professional office product in Newton with 170,321 square feet of space, accounting for 45.8 percent of the total inventory. Class B office space is currently fully occupied. Class C buildings account for 34.6 percent of Newton's office space, operating at full occupancy. Newton does not support any Class A office space. Newton's status as Harvey County's largest economic center and the county seat helps generate the need for professional office space.

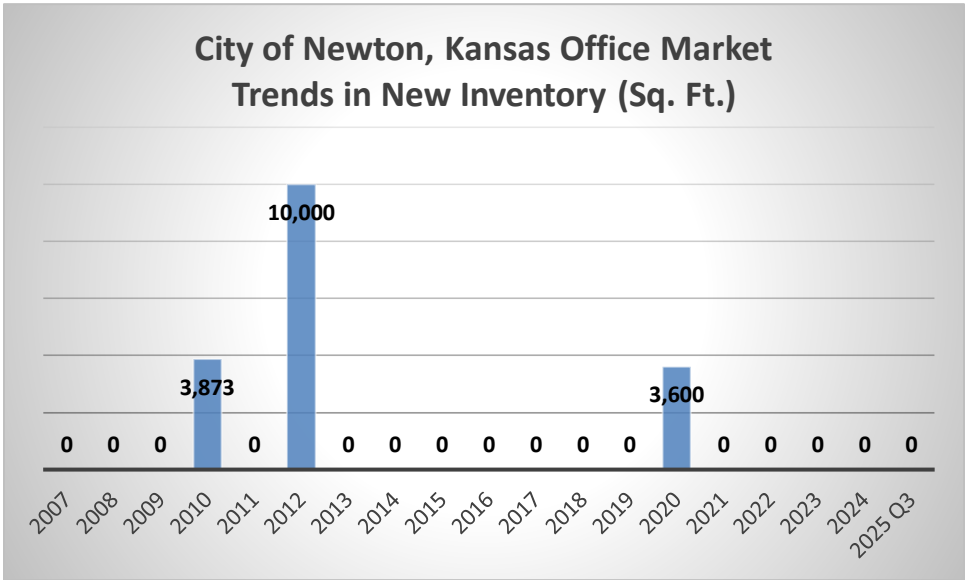
Medical office space in Newton totals 72,854 square feet of space operating at a 3.3 percent vacancy rate. The presence of the NMC Health Medical Center assists in generating the need for medical office space.

Newton, Kansas Office Inventory; 2025 Q3

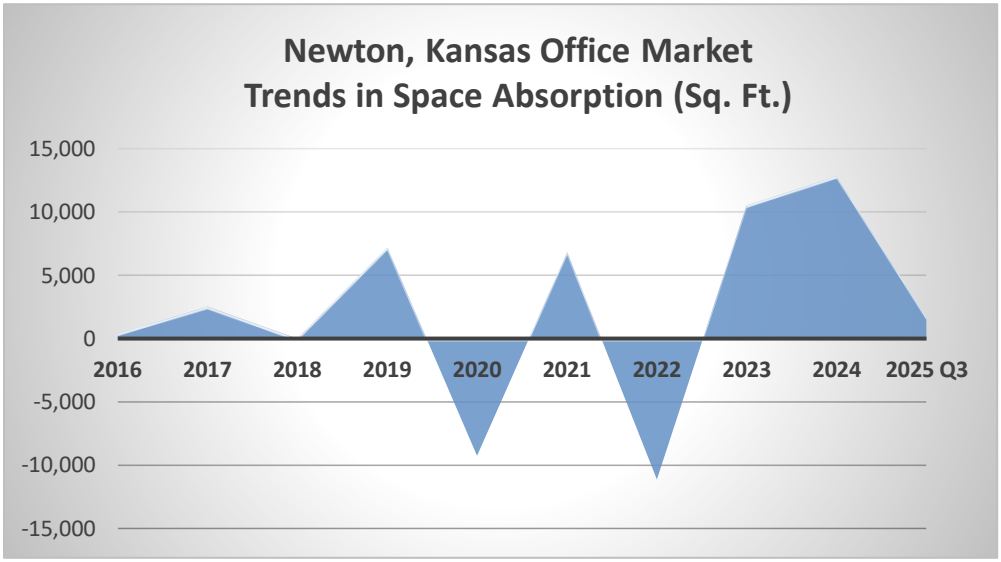
Building Type	# of Buildings	Building Sq. Ft.	Vacant Space	Vacancy Rate
Class A	0	0	0	0.0%
Class B	11	170,321	0	0.0%
Class C	19	128,822	0	0.0%
Medical	9	72,854	2,400	3.3%
Totals	**39**	**371,997**	**2,400**	**0.6%**

Source: Costar.

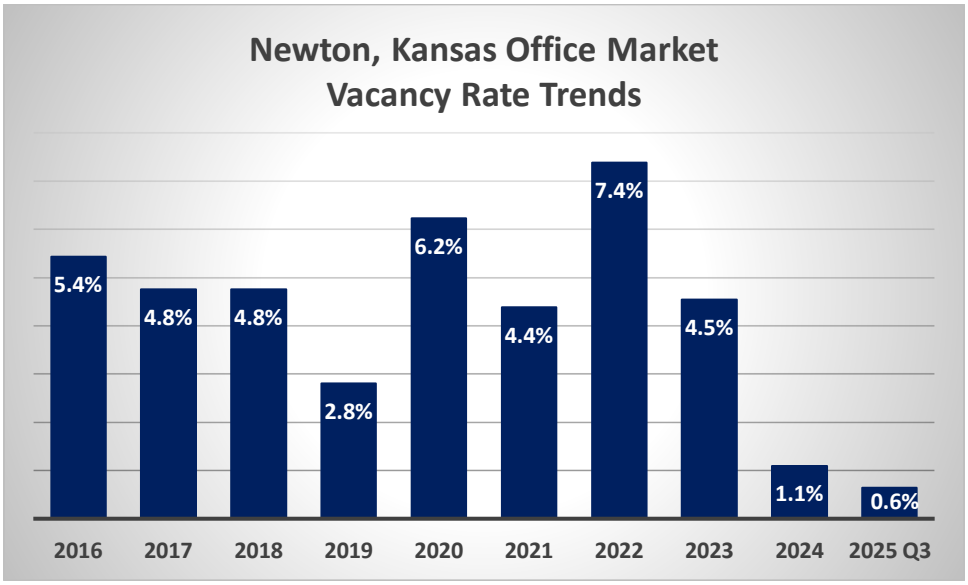
From 2007 through 2025 Q3, just three office buildings totaling 17,473 square feet of new space were constructed in Newton. New office construction peaked during 2012 when 10,000 square feet were completed. No office buildings have been constructed since 2021.



From 2007 through 2025 Q3, net office space absorption in Newton totaled 79,040 square feet of office space. Since 2023 net office space absorption totaled 25,045 square feet.



For most of the past decade, the Newton office market has operated at vacancies well below market equilibrium. From a height of 7.4 percent in 2022, Newton's office market has improved gradually, reaching a low vacancy rate of 0.6 percent by the third quarter of 2025 with just 2,400 square feet of vacant space. By comparison, the Wichita MSA office market vacancy rate as of the third quarter 2025 was 5.2 percent. No office buildings are currently under construction in Newton. The limited supply of vacant space places a constraint on the ability of existing tenants to expand and new tenants to enter the Newton office market.

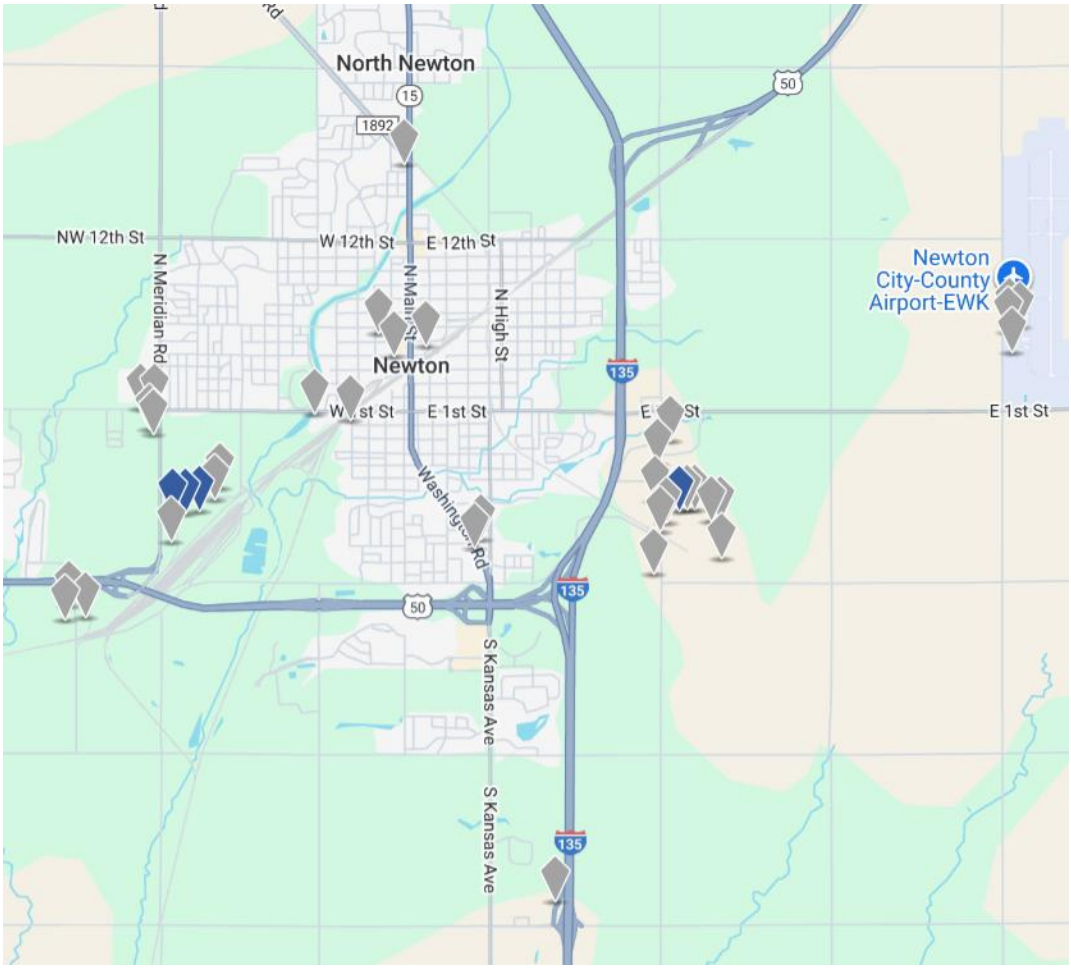


To conclude, given Newton's peripheral location within the Wichita MSA, it maintains a modest inventory of office space. Much of the office space in Newton is occupied by government offices and service professionals catering to the local population. As the Harvey County and City of Newton populations grow the need for professional and medical services will accelerate, prompting the need for additional office space.

Competitive Industrial Market Trends

According to Costar, by 2025 Q3, Newton's industrial inventory included 39 buildings totaling 1.2 million square feet of space. The principal concentrations of industrial space are located: 1) east of Interstate 135 along Spencer Road and the Newton Industrial Park and 2) along the railroad corridor in southwest Newton. Building locations are depicted on the map below.

Newton, Kansas Industrial Properties



Warehouse space is the predominant product type in Newton with 752,083 square feet of space, equating to 61.9 percent of the total inventory. Warehouse space is operating at a vacancy rate of 25.4 percent, with all the vacant space in three buildings. Manufacturing buildings account for 26.6 percent of Newton's industrial space, operating at full occupancy. Large industrial businesses operating in Newton include Full Vision (101,412 square feet), Standridge Color Corporation (68,086 square feet), Bunting (67,912 square feet), Park Aerospace (52,000 square feet), and Heartland Bedding (43,500 square feet).

GAF, North America's largest roofing and waterproofing manufacturer, is under construction on a 275,000 square foot shingle plant in the Kansas Logistics Park. The plant is scheduled to begin production in 2027 and reach full production capacity by mid-2029, creating more than 130 high-skilled manufacturing jobs in the region, spanning management, engineering, and operations.

Newton, Kansas Industrial Inventory; 2025 Q3

Building Type	# of Buildings	Building Sq. Ft.	Vacant Space	Vacancy Rate
Warehouse	19	752,083	238,700	25.4%
Manufacturing	13	323,689	0	0.0%
Industrial	6	126,467	0	0.0%
Showroom	1	13,000	0	0.0%
Totals	**39**	**1,215,239**	**238,700**	**19.6%**

Source: Costar.

As of the third quarter of 2025, Newton's industrial market was operating at a vacancy rate of 19.6 percent with 238,700 square feet of space vacant and available for immediate occupancy. All the vacant space is in three buildings at 810 and 813 S. Columbia Avenue and 900 S. Meridian Road vacated upon closure of the MasterBrand Cabinets plant.

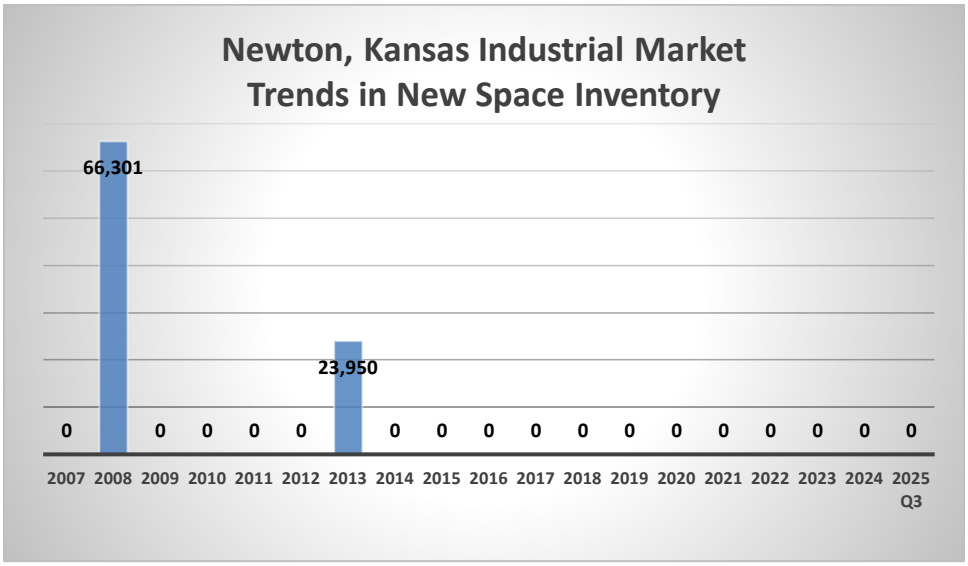
The table below summarizes Newton's industrial market trends from 2007 through 2025 Q3, outlining on an annual basis the number of properties, building area, vacant space, vacancy rate, net space absorption, and average monthly rent.

Newton, Kansas Industrial Market Trends; 2007-2025 Q3

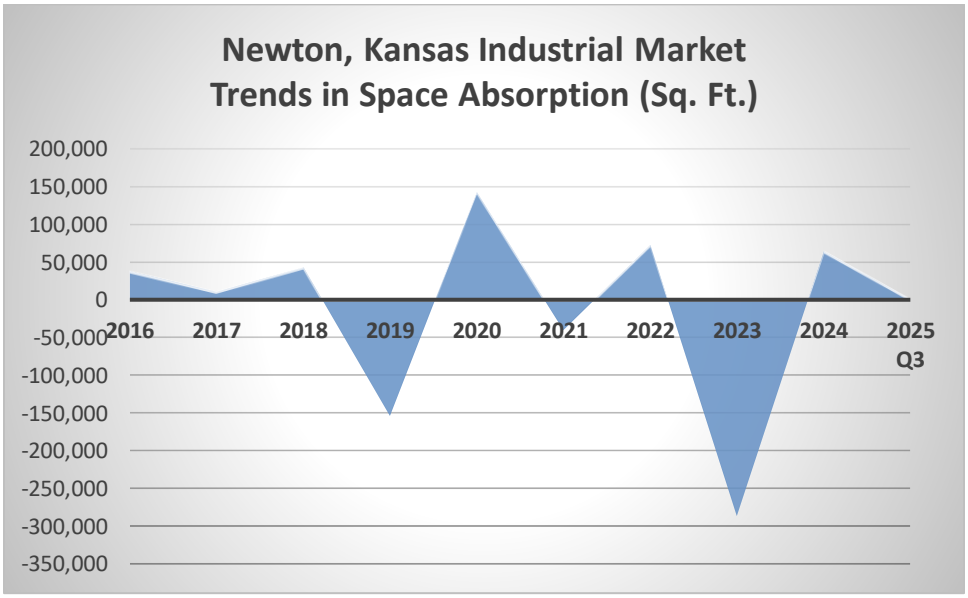
Year	# of Properties	Building Area (SF)	Vacant Space	Vacancy Rate	Net Space Absorption	Average Rent (SF)
2007	35	1,124,988	365,380	32.5%	10,600	$2.59
2008	37	1,191,289	74,400	6.2%	357,281	$2.59
2009	37	1,191,289	97,500	8.2%	-23,100	$2.41
2010	37	1,191,289	0	0.0%	97,500	$2.59
2011	37	1,191,289	237,959	20.0%	-237,959	$2.58
2012	37	1,191,289	193,799	16.3%	44,160	$2.97
2013	38	1,215,239	187,619	15.4%	30,130	$2.96
2014	39	1,215,239	361,519	29.7%	-173,900	$2.82
2015	39	1,215,239	215,519	17.7%	146,000	$2.82
2016	39	1,215,239	127,619	10.5%	87,900	$2.81
2017	39	1,215,239	90,259	7.4%	37,360	$3.16
2018	39	1,215,239	79,355	6.5%	10,904	$3.53
2019	39	1,215,239	36,800	3.0%	42,555	$3.81
2020	39	1,215,239	190,607	15.7%	-153,807	$4.25
2021	39	1,215,239	48,260	4.0%	142,347	$4.97
2022	39	1,215,239	88,260	7.3%	-40,000	$5.05
2023	39	1,215,239	16,000	1.3%	72,260	$4.50
2024	39	1,215,239	302,601	24.9%	-286,601	$3.40
2025 Q3	39	1,215,239	238,700	19.6%	63,901	$4.42

Source: CoStar.

From 2007 to 2025 Q3, four new industrial buildings totaling 90,251 square feet of space were constructed in Newton. New construction peaked in 2008 with the completion of 66,301 square feet of space. Another 23,950 square feet of industrial space was built in 2013. Since 2014, no new industrial space has been built in Newton.

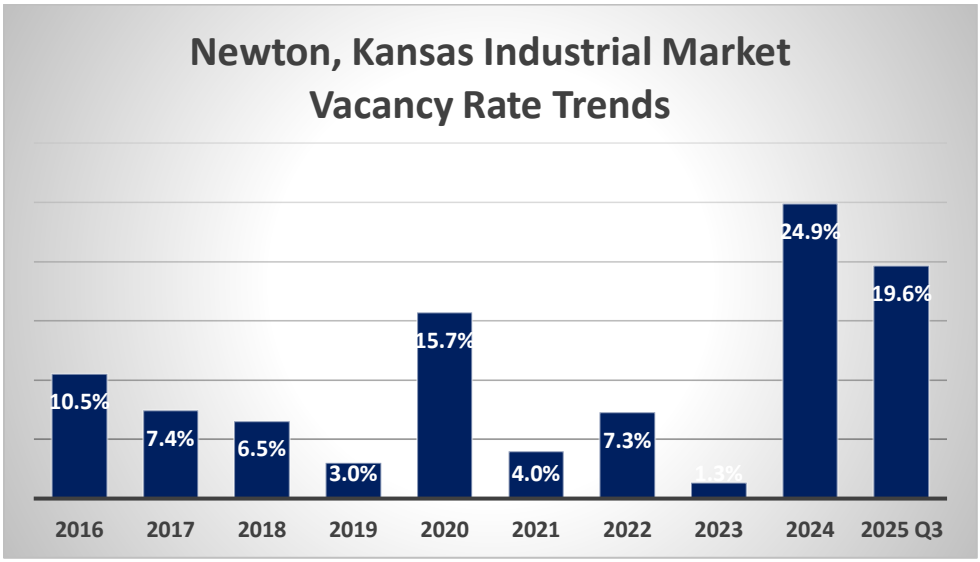


From 2007 to 2025 Q3, net absorption of industrial space in Newton totaled 227,531 square feet of space. Net space absorption peaked in 2017 and 2018 at 367,881 square feet of newly occupied space. Industrial absorption peaked again from 2016 to 2019 with the occupancy of 324,719 square feet of space. Since 2020, net industrial space absorption totaled -201,900 square feet. The bar chart below illustrates annual industrial space absorption trends in Newton since 2016.



At the close of 2007, Newton's industrial vacancy rate stood at 32.5 percent. By 2010, the market was operating at full occupancy. From 2011 to 2015, the Newton industrial market suffered with double-digit vacancies ranging from 15.4 percent in 2013 to 29.7 percent in 2014. By the close of 2015, the overall vacancy rate was 17.7 percent.

As illustrated in the bar chart below, from 2017 through 2023, Newton's industrial vacancy rate ranged from 1.3 percent to 15.7 percent. By 2023, the vacancy rate stood at a healthy 1.3 percent. Since 2024, the Newton industrial market has experienced negative space absorption, driven the closure of the MasterBrand Cabinets plant. The overall vacancy rate now stands at 19.6 percent. By comparison, the current vacancy rate for the entire Wichita MSA stands at just 4.0 percent.



The Newton industrial market's greatest opportunity for growth stems from the availability of fully improve building lots within the Newton Industrial Park and Kansas Logistics Park, both located east of Interstate 135. This industrial hub offers convenient access to Interstate 135 and rail service that will assist in attracting logistics and manufacturing companies. The 36th Street and Interstate 135 interchange now under construction will enhance truck access to both industrial parks.

Notable businesses operating facilities within the Newton Industrial Park include Standbridge Color Corporation, MCI, Barkman Honey, Tribune Harvester, and Continental Agra Equipment. Bunting and Future Form operate facilities on Spencer Road. Newton Industrial Park has 13 shovel ready sites ranging from 2.1 acres to 4.57 acres are available for development priced at $15,000 to $20,000 per acre.

Completion of the 275,000 square foot initial phase of the GAF facility offers the opportunity to attract suppliers to the Kansas Logistics Park which offers about 200 acres of shovel ready sites priced at $15,000 to $20,000 per acre. Rail service is being extended to the GAF property and the SE 36th Street and Interstate 135 interchange now under construction will enhance truck access to both the Newton Industrial Park and Kansas Logistics Park.

The Newton City/County Airport (designated EWK) occupies approximately 800 acres on the north side of 1st Street at Oliver Road. EWK primarily serves Harvey County as a transport facility but has been designated by the FAA as a general aviation reliever airport for Wichita's Mid-Continent Airport. The airport has over 14 businesses supporting approximately 500 jobs. Principle airport businesses include Park Aerospace, Avcon Industries, and Ballard Aviation. There are 85 T-hangars and over 135 based aircraft. Approximately 100 acres of land in the Airport Industrial Park west of the airport is available for future development. The airport is considering purchasing 300 to 350 acres of land east of the airport for future expansion and employment use.

To conclude, Newton, Kansas supports 1.2 million square feet of industrial space with warehouse and manufacturing space accounting for 88.5 percent of the total inventory. Much of the existing industrial inventory consists of single-tenant buildings. Since 2007, four new industrial buildings totaling 90,251 square feet of space were constructed in Newton with net absorption totaling 227,531 square feet of space. The current vacancy rate is 19.6 percent. Completion of the initial phase of the GAF plant is anticipated to have a profound impact on Newton's industrial market.

Forecast Space Need

Professional office, medical office, and industrial space need projections for Newton, Kansas through the year 2045 provide an understanding of future market conditions directly impacting the feasibility of supporting new employment-related development.

Professional Office Space

By 2025 Q3, Newton supported 371,997 square feet of office space operating at a 0.6 percent vacancy rate with just 2,400 square feet of unoccupied space. From 2007 through 2025 Q3, just 17,473 square feet of new office space was built in Newton and net office space absorption totaled 79,040 square feet of office space.

The future need for professional office space was forecast utilizing an occupational employment-driven model. This model was designed using the variables of increased employment in categories of economic activity typically associated with demand for office space and average space requirements per employee. A share of regional demand is assigned to the submarket (and specific project) based on such factors as location, competition, access, and project scale.

According to Esri Business Analyst, office-related employment in Newton totals 1,054 jobs in the professional services, administrative, information, and finance, insurance, and real estate sectors, accounting for 10.7 percent of total employment. By comparison, office-related jobs account for 18.6 percent of employment in Kansas.

At an average space requirement of 200 to 225 square feet per employee, current employment levels can support 210,800 to 237,150 square feet of occupied professional office space. By the close of 2024, Newton supported 369,597 square feet of occupied office space.

From 2016 through 2025, Harvey County's employment base added 492 new jobs, increasing at an annualized rate of 0.32 percent. By December 2025, the Harvey County employment totaled 17,484 jobs, accounting for just 5.4 percent of the Wichita MSA total.

Newton serves as Harvey County's principal economic and business center. Esri Business Analyst estimates 817 businesses operate in Newton employing 9,850 workers, amounting to 57.6 percent of the countywide employment base. At average annual growth rates of 0.5 percent to 0.7 percent, employment growth through 2045 is forecast at 1,033 to 1,475 jobs. Over the next 20 years the share of office-related employment in Newton is forecast to account for 18 percent to 20 percent of total job growth, yielding 186 to 295 new jobs.

Office space need created by the future growth in office-related employment was forecast by applying standard job creation ratios published by NAIOP of 1.0 job per 200 square feet of office

space that accounts for both owner-occupied and speculative office space. From 2026 through 2045, office-related job growth in Newton is projected to support the need for 37,200 square feet to 59,000 square feet of professional office space.

Forecast Professional Office Space Need
Newton, Kansas; 2026 to 2045

	Conservative Scenario	Optimistic Scenario
Newton, Kansas		
Office-Related Employment Growth	186	295
Net Office Space Need (Sq. Ft.)	37,200	59,000
Average Annual Office Space Demand (Sq. Ft.)	1,860	2,950

Source: Canyon Research Southwest, Inc.

Accounting for the current inventory of vacant office space in Newton and a market equilibrium vacancy rate of 7.0 percent, through 2045, Newton is estimated to support the need for 65,419 square feet to 88,860 square feet of new professional office space.

Based on an average floor-area-ratio of 25 percent to 30 percent, the forecast professional office space need through 2045 would absorb an estimated 5.0 acres to 6.0 acres of commercial land under the conservative scenario and 6.8 acres to 8.2 acres under the optimistic scenario.

Supportable New Office Space Estimates
Newton, Kansas; 2026 – 2045

	Conservative Scenario	Optimistic Scenario
Supportable New Office Space Need		
Newton Inventory of Occupied Office Space 2025 Q3	369,597	369,597
Forecast Office Space Need 2026-2045	37,200	59,000
Total Occupied Office Space Inventory 2045	406,797	428,597
Market Equilibrium Office Space Need	437,416	460,857
Less: Existing Inventory of Office Space 2025 Q3	-371,997	-371,997
Supportable New Office Space 2026-2045	65,419	88,860
Supportable Development Acres		
25% FAR	6.00	8.20
30% FAR	5.00	6.80

Source: Canyon Research Southwest, Inc.

Medical Office Space

Medical office space need is a function of expansion in medical practices and associated needs, which is related to growth in population. While population growth trends are associated with economic trends, the fluctuations are less pronounced and demand for this market segment is less cyclical. The need for medical office space is typically highly specific geographically, with healthcare services gravitating to locations at or near hospitals.

The need for medical office space is forecast via a methodology that includes a determination of medical employment per capita for the trade area which is then multiplied by the average square footage required per medical employee to derive a total medical office square footage per capita coefficient. This local area coefficient is applied to current (future) estimates of area population to generate an estimate of current (future) medical space need, excluding demand related to acute care hospitals and other more specialized surgical centers.

According to physician census data compiled by the Federation of State Medical Boards (FSMB) in 2023, the number of licensed physicians in the United States totaled 1,044,734. The United State population of 334.9 million, equating to 312 licensed physicians per 100,000 population. The 13,870 licensed physicians in Kansas amount to an average of 472 physicians per 100,000 residents.

Esri Business Analyst estimating the 2025 population for Newton, Kansas at 18,521 residents. The University of Kansas forecasts the Harvey County population to decline 0.83 percent from 2026 to 2046. This *Economic and Market Analysis* forecasts Newton's population to grow at an average annual rate of 0.25 percent to 0.30 percent through 2045, adding 948 to 1,144 residents.

The statewide average for physician density and forecast population growth produces the need by 2045 for 5 to 6 additional physicians. The Medical Group Management Association ("MGMA") in its annual costs survey reported that for family practices, the median medical office space need is approximately 1,900 square feet per full-time equivalent physician.

Based on the statewide average, from 2026 through 2045, Newton's forecast population growth is estimated to support the need for 9,500 square feet to 11,400 square feet of medical office space.

Forecast Medical Office Space Need
Newton, Kansas; 2026 to 2045

	Moderate Scenario	Optimistic Scenario
Forecast Population Growth; 2025 - 2050	948	1,144
Need in New Physicians	5	6
Net Medical Office Space Demand (Sq. Ft.)	9,500	11,400
Average Annual Space Demand (Sq. Ft.)	475	570

Based on an average floor-area-ratio of 25 percent to 30 percent, the forecast medical office space need through 2045 would absorb an estimated 0.73 acres to 0.87 acres of commercial land under the conservative scenario and 0.87 acres to 1.05 acres under the optimistic scenario.

Industrial Space

By 2025 Q3, Newton supported 1.2 million square feet of industrial space operating at a vacancy rate of 19.6 percent with 238,700 square feet of vacant space, all of which is due to the closure of the MasterBrand Cabinets plant. From 2007 to 2025 Q3, Costar reported that 90,251 square feet of industrial space was built in Newton, Kansas, and net absorption totaled 227,531 square feet.

The need for industrial space is a function of employment, investment, and technology. The U.S. Department of Labor defines industrial employment as jobs in the manufacturing, wholesale trade, and transportation and warehousing industries. According to Esti Business Analyst, industrial-related employment in Newton, Kansas totals 1,907 jobs, or 19.4 percent of total employment. By comparison, industrial-related jobs account for 30.7 percent of employment in Kansas.

At an average space requirement of 800 to 1,000 square feet per employee, current employment levels can support the need for 1,525,600 to 1,907,000 square feet of occupied industrial space. By the close of 2024, Newton supported 912,638 square feet of occupied industrial space.

Esri Business Analyst estimates 817 businesses operate in Newton employing 9,850 workers, amounting to 57.6 percent of the countywide employment base. At average annual growth rates of 0.5 percent to 0.7 percent, employment growth through 2045 is forecast at 1,033 to 1,475 jobs. Over the next 20 years the share of industrial-related employment in Newton is forecast to account for 30 percent to 35 percent of total job growth, yielding 310 to 516 new jobs.

Space needs created by the future growth in industrial employment were forecast by applying standard job creation ratios for warehouse and light manufacturing space. Typical warehouses operate at 1,500 to 3,000 square feet of building area per employee, e-commerce warehouses at 1,000 to 2,000 square feet per 1.0 employee, and light manufacturing at 800 to 1,200 square feet per 1.0 employee. Given the predominance of warehouse and manufacturing space in Newton, a ratio of 1.0 employee per 1,750 square feet of space was applied.

From 2026 through 2045, industrial job growth in Newton, Kansas is projected to support the net absorption of 542,500 square feet to 903,000 square feet of industrial space.

Industrial Space Demand Forecasts
Newton, Kansas; 2026 to 2045

	Conservative Scenario	Optimistic Scenario
Industrial-Based Employment Growth	310	516
Industrial Space Need (Sq. Ft.)	542,500	903,000
Average Annual Industrial Space Demand (Sq. Ft.)	27,125	45,150

Source: Canyon Research Southwest, Inc.

Accounting for the current inventory of vacant industrial space in Newton, Kansas, and a market equilibrium vacancy rate of 7.0 percent, through 2045, the county is forecast to support 418,100 to 805,800 square feet of new industrial space.

Supportable New Industrial Space Estimates
Newton, Kansas; 2026 – 2045

	Conservative Scenario	Optimistic Scenario
Supportable New Industrial Space Need		
Newton Inventory of Occupied Industrial Space 2025 Q3	976,539	976,539
Forecast Industrial Space Need 2026-2045	542,500	903,000
Total Occupied Industrial Space Inventory 2045	1,519,039	1,879,539
Market Equilibrium Industrial Space Need (7% Vacancy)	1,633,375	2,021,010
Less: Existing Inventory of Industrial Space 2025 Q3	-1,215,239	-1,215,239
Supportable New Industrial Space 2026-2045	418,136	805,771
Supportable Development Acres		
35% FAR	27.43	52.85
40% FAR	24.00	46.24

Source: Canyon Research Southwest, Inc.

Based on an average floor-area-ratio of 35 percent to 40 percent, the forecast industrial space need through 2045 would absorb an estimated 24.0 to 27.4 acres of industrial land under the conservative scenario and 46.2 acres to 52.9 acres under the optimistic scenario.

Conclusions

Based on employment growth projections, from 2026 through 2045, the professional office, medical office, and industrial sectors in Newton, Kansas are estimated to absorb 42 acres to 48 acres of land under the conservative scenario and 68 acres to 78 acres under the optimistic scenario.

Forecast Land Absorption
Newton, Kansas; 2026 – 2045

Land Use	Conservative Scenario	Optimistic Scenario
Retail	12.4 - 13.4	14.3 – 15.4
Professional Office	5.0 – 6.0	6.8 – 8.2
Medical Office	0.7 – 0.9	0.9 – 1.1
Industrial	24.0 - 27.4	46.2 – 52.9
Totals	**42.1 – 47.7**	**68.2 – 77.6**

Site Evaluation

Office and industrial developers evaluate potential development sites based on a series of site-specific criteria, including parcel size, visibility and exposure, accessibility, infrastructure, availability to a large and diverse labor pool, proximity to customers, and availability of support goods and services. Using these site selection criteria, prospective future office and industrial development sites in Newton, Kansas have been identified.

Potential Office Sites

The principal concentrations of professional and medical office space in Newton, Kansas include downtown Newton and along South Washington Road. Prospective locations for future professional office development in Newton are best located along major arterial roads such as Kansas Avenue, Main Street, Spencer Road, and Broadway Road. Prospective locations for future new professional office and medical office space construction in Newton, Kansas include:

1. With the presence of the NMC Health Medical Center and direct access from both Interstate 135 and U.S. 50 Highway, Kansas Avenue south of U.S. 50 Highway is anticipated to emerge as a professional and medical office corridor. Potential development sites include: 1) seven parcels totaling 23.11 acres at the southwest corner of Wheatridge Drive and Kansas Avenue south of the Walmart Supercenter; 2) 35.7-acre parcel zoned C-2 at the southwest corner of SE 24th Street and Kansas Avenue is zoned C-2 along the Kansas Avenue frontage; and 3) two parcels zoned C-2 totaling 16.33 acres at the southeast corner of SE 24th Street and Kansas Avenue.

2. The west side of Spencer Road from East 3rd Street north to Broadway is zoned C-2. Several vacant parcels of land are available for office development, featuring Interstate 135 access and visibility. Vacant parcels include: 1) two parcels at the southeast corner of 3rd

Street and Interstate 135 of 0.89 acres and 0.95 acres and 2) 6.3 acres at the southwest corner of East 3rd Street and Spencer Road.

3. Northwest and southwest corners of Broadway and Interstate 135. These properties afford excellent access and visibility from Interstate 135.

4. Second floor space in buildings along Main Street could be converted into office space ideal for lawyers, insurance companies, financial planners, architects, engineers, nonprofit organizations, and other professional businesses. Domestic water and fire suppression improvements are needed to accommodate second floor commercial uses.

Potential Industrial Sites

The principal concentrations of industrial space are located: 1) east of Interstate 135 along Spencer Road and the Newton Industrial Park and 2) along the railroad corridor in southwest Newton. Any new land designated for industrial use should be located east of Interstate 135, offering convenient highway access and eliminating any land use conflicts with residential neighborhoods. The SE 36th Street and Interstate 135 interchange now under construction will enhance truck access to industrial land east of Interstate 135 and rail service is being extended that will assist in attracting logistics and light manufacturing companies. Prospective sites suitable for future industrial development in Newton, Kansas include:

1. Newton Industrial Park is located at the northeast corner of SE 12th Street and Spencer Road is owned by the City of Newton. The city purchased the park in 2002. All utilities and roads have been extended into the second phase of the park and rail-served lots are available. Newton Industrial Park has 13 building sites ranging from 2.1 acres to 4.57 acres are available for future industrial development. A 79.85-acre parcel of land is located immediately to the north that could serve as an expansion of the Newton Industrial Park.

2. The Kansas Logistics Park is located at the intersection of SE 12th Street and Hillside Road. GAF has purchased 230 acres on the south side of SE 12th Street, and a 275,000 square foot shingle plant is under construction. Rail service is being brought to the site. Approximately 200 shovel-ready acres are available for future industrial development north of SE 12th Street. Expansion land is available both north and west of the Kansas Logistics Park that could be incorporated to support future industrial development. A 39.94-acre parcel of land is located immediately north of the Kansas Logistics Park with another 154.9 acres are located west of the GAF property.

3. North side of 1st Street from Spencer Road east to Oliver Road (Newton City/County Airport). Property offers direct access to I-135 via the 1st Street interchange.

4. North side of 36th Street from Interstate 135 east to Hillside Road.

5. Newton City/County Airport (designated EWK) occupies approximately 800 acres on the north side of 1st Street at Oliver Road. Approximately 100 acres of land west of the airport is available for future development. The airport is considering purchasing 300 to 350 acres of land east of the airport for future expansion and employment use.

Residential Housing Market Analysis

This section of the report evaluates the City of Newton's residential housing market with the goal of identifying current and future opportunities to support new housing stock.

Housing Stock Characteristics

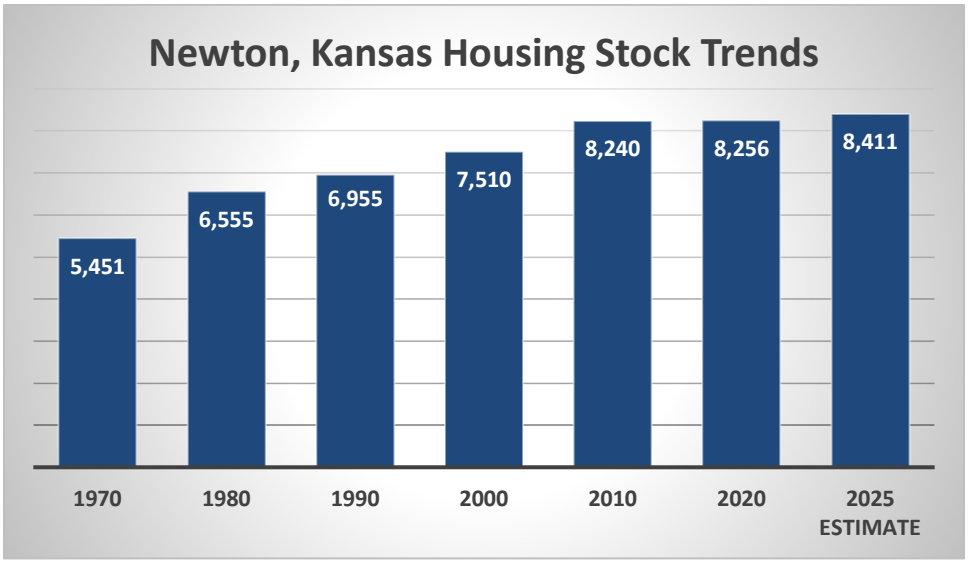
Utilizing U.S. Census Bureau data, this section of the study evaluates Newton's housing stock by identifying such characteristics as total inventory of dwelling units, housing types and mix, occupancies, age of housing stock, and housing values. The goal is to identify current and future opportunities to support new housing stock in Newton.

Housing Stock Inventory Trends

Since 1970, Newton's housing stock has increased steadily, with most of the growth in inventory occurring between 1970 and 2010. Since 2010, the growth in the city's housing stock has slowed considerably.

The 1970 Census reported the Newton housing stock at 5,451 dwelling units. By the 2000 Census Newton's housing stock totaled 7,510 dwelling units, an increase of 37.8 percent over the 1970 inventory. Over the 30-year timeframe a total of 2,059 dwelling units were added to Newton's housing stock. By the 2010 Census the Newton housing stock increased by 9.7 percent, adding 730 dwelling units for a total of 8,240 dwelling units.

From 2010 through 2020, the Newton housing stock increased by just 16 dwelling units for a total inventory of 8,256 dwelling units. By 2025, the Newton housing stock inventory was estimated at 8,411 dwelling units. The Fox Ridge subdivision began completing homes in 2025 and the high volume of new construction bodes well for Newton's future new housing market.



Age of Housing Stock

The table below compares the age of Newton's housing stock with that of the State of Kansas as reported by the *American Community Survey* published by the U.S. Census Bureau. Newton's housing stock is older with 42.8 percent of the existing inventory built since 1980 and 27.7 percent built prior to 1950. By comparison, 43.4 percent of the state's housing stock was built since 1980 with 20.6 percent built prior to 1950. Newer housing built since 2010 represents just 3.2 percent of Newton's total inventory, compared to 8.4 percent statewide. New home construction in Newton totaled 242 dwelling units from 2010 to 2019 and 21 housing units built since 2020. The median year that housing was built is 1965 in Newton and 1975 in Kansas.

Comparison of Housing Stock by Year Built
City of Newton vs. State of Kansas

Year Structure Built	City of Newton	% of Total		State of Kansas	% of Total
Total Housing Units	**8,259**			**1,285,221**	
Built 2020 or Later	21	0.3%		10,564	0.8%
Built 2010 to 2019	242	2.9%		97,625	7.6%
Built 2000 to 2009	1,027	12.4%		145,421	11.3%
Built 1990 to 1999	712	8.6%		153,822	12.0%
Built 1980 to 1989	823	10.0%		150,404	11.7%
Built 1970 to 1979	829	10.0%		182,989	14.2%
Built 1960 to 1969	917	11.1%		125,320	9.8%
Built 1950 to 1959	1,400	17.0%		154,162	12.0%
Built 1940 to 1949	393	4.8%		66,106	5.1%
Built 1939 or earlier	1,895	22.9%		198,808	15.5%

Source: U.S. Census Bureau.

Housing built prior to 1959 accounts for 44.7 percent of the city's total housing stock, compared to 32.6 percent statewide. The oldest housing built prior to 1940 accounts for 27.7 percent of Newton's existing housing stock compared to 20.6 percent state-wide. While these older housing units are typically smaller in size and lack the modern amenities of newer housing, they represent an option for first-time homebuyers.

Older housing stock is typically less expensive than new housing and is ideally suited for renovation/investment catering to entry-level buyers. The large inventory of housing units in Newton constructed prior to 1950 may provide the potential opportunity to foster entry-level for-sale housing through property investment and renovation efforts. Given the large stock of older housing, Newton may also benefit from a small home repair program offering low interest loans or grants to income-qualifying households.

Housing Stock Mix

Newton's housing stock mix is influenced by its rural character whereby the demand for single-family housing exceeds that for attached rental housing. According to the U.S. Census, detached single-family housing accounts for 78.6 percent of Newton's housing stock which exceeds the statewide rate of 72.0 percent. Newton's above average inventory of detached single-family housing units is attributed in part to its rural location.

A common characteristic of outlying and rural area's housing mix is a modest inventory of multi-family housing units. Multi-family housing accounts for 15.5 percent of Newton's housing stock compared to 19.0 percent for Kansas. Properties with 2 to 4 units account for 9.1 percent of Newton's housing stock, totaling 750 dwelling units. Large-scale multi-family properties with 20 or more dwelling units account for just 2.7 percent of Newton's housing stock compared to 5.2 percent for Kansas.

Comparison of Housing Stock by Type
City of Newton vs. State of Kansas

Units in Structure	# of Units	% of Total	Kansas %
1-Unit, Detached	6,489	78.6%	72.0%
1-Unit, Attached	397	4.8%	4.9%
2 Units	335	4.1%	2.6%
3 or 4 Units	415	5.0%	3.6%
5 to 9 Units	203	2.5%	3.8%
10 to 19 Units	97	1.2%	3.8%
20+ Units	225	2.7%	5.2%
Mobile Home	98	1.2%	4.1%
Boat, RV, Van, etc.	0	0.0%	0.1%
Total Housing Units	**8,259**	**100.0%**	**100.0%**

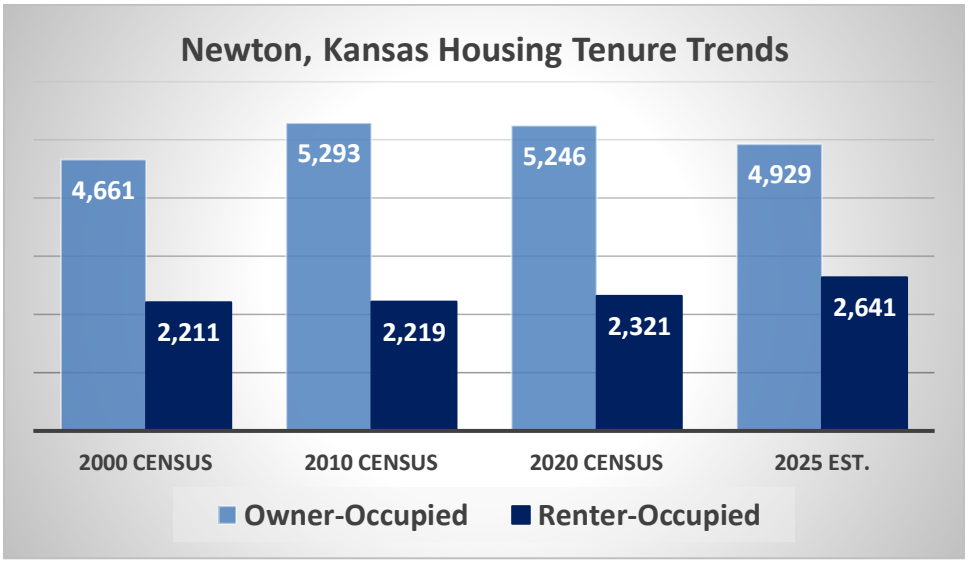
Source: U.S. Census Bureau.

Mobile homes account for just 1.2 percent of Newton's housing stock, compared to 4.1 percent statewide.

Housing Tenure Trends

The 2000 Census reported 6,872 occupied housing units in Newton, including 4,661 owner-occupied units and 2,211 renter-occupied units. The housing tenure mix was comprised of 67.8 percent owner-occupied and 32.2 percent renter-occupied housing units.

From 2000 to 2010, the number of owner-occupied housing units in Newton increased 13.6 percent to 5,293 units while the inventory of renter-occupied housing units increased by just 0.4 percent to 2,219 housing units. As a result, the share of owner-occupied housing increased to 70.5 percent and renter-occupied housing units decreased to 29.5 percent.



By 2020, the number of occupied housing units in Newton increased by just 55 dwelling units with the share of owner-occupied housing units declining slightly to 69.3 percent with rental housing increasing to 30.7 percent.

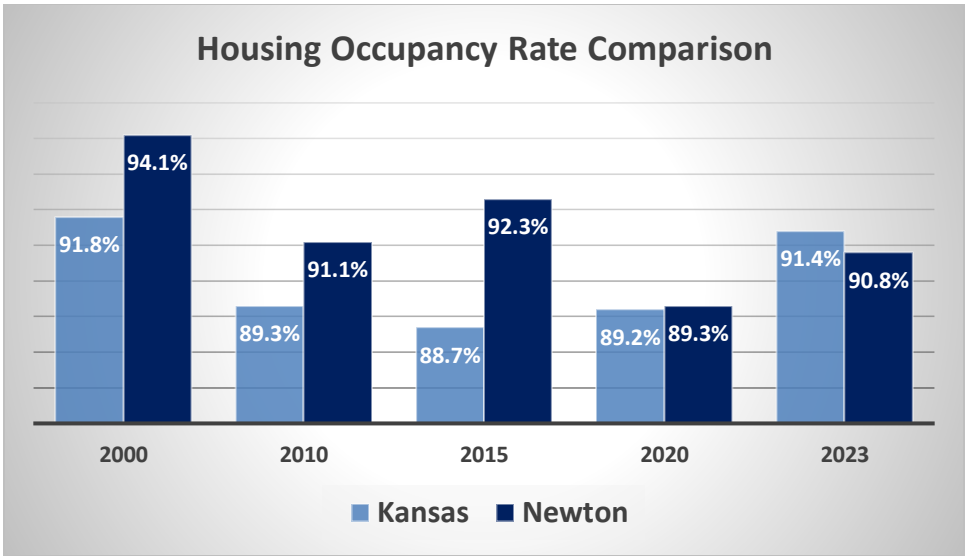
From 2020 through 2025, Esri Business Analyst estimates the share of owner-occupied housing units declined to 65.1 percent with the inventory of occupied housing units declining by 317 dwelling units. Meanwhile, the share of renter-occupied housing units was estimated to improve significantly to 34.9 percent, with the inventory of occupied housing units in Newton increasing by 320 rental units.

Housing Occupancy Trends

According to the 2000 Census, the overall occupancy rate for existing housing in Newton of 94.1 percent was slightly higher than the statewide average of 91.8 percent. By the 2010 Census, Newton's overall housing occupancy rate declined slightly to 91.1 percent, but still outpaced the statewide average of 89.3 percent.

Newton's occupancy rate improved from 2010 to 2015, reaching 92.3 percent. During 2015, the statewide housing occupancy rate was 88.7 percent. Over the ensuing five years Newton's housing occupancy rate declined significantly, reaching 89.3 percent by 2020. By comparison, the overall occupancy rate for Kansas increased from 88.7 percent in 2015 to 89.2 percent by 2020.

By 2023, the overall occupancy rate for housing equaled 90.8 percent for Newton and 91.4 percent for Kansas.



From 2000 to 2020, housing occupancies for Newton outpaced the statewide average. By 2023, Newton's housing occupancy rate of 90.8 percent lagged the statewide average of 91.4 percent.

Occupancy by Housing Type

Homeowners in Newton are more likely to occupy detached single-family housing while renters occupy attached multi-family housing. According to the U.S. Census Bureau, during 2023 owner-occupied housing in Newton accounted for 67.4 percent of the entire occupied housing stock with renter-occupied accounting for 32.6 percent. By comparison, during 2023 the tenure of occupied housing in Kansas amounted to 66.2 percent owner-occupied housing units and 33.8 renter-occupied housing units.

For 2023, according to the U.S. Census Bureau, of Newton's housing stock an estimated 7,502 dwelling units were occupied, including 5,060 owner-occupied housing units and 2,442 renter-occupied housing units. Detached single-family homes accounted for 80.8 percent of all occupied housing units in Newton, followed by attached single-family homes and structures with 10 or more housing units at 4.3 percent.

Detached single-family homes account for 96.2 percent of all occupied owner-occupied housing units. Meanwhile, renters were less likely to occupy detached single-family homes, accounting for 48.8 percent of all occupied rental units.

Attached single-family homes account for 2.5 percent of owner-occupied housing units, with mobile homes accounting for 1.1 percent and properties with 10 or more dwelling units accounting for 0.2 percent.

Rental housing in Newton possesses a much more diverse mix of occupied housing types. Properties with ten or more dwelling units account for 12.9 percent of all renter-occupied housing

units, followed by attached single-family homes at 11.1 percent, duplexes at 10.2 percent, 3 or 4-unit structures at 9.9 percent, and 5 to 9-unit properties at 6.4 percent.

The table below identifies Newton's occupied housing stock by type as published in 2023 by the U.S. Census Bureau.

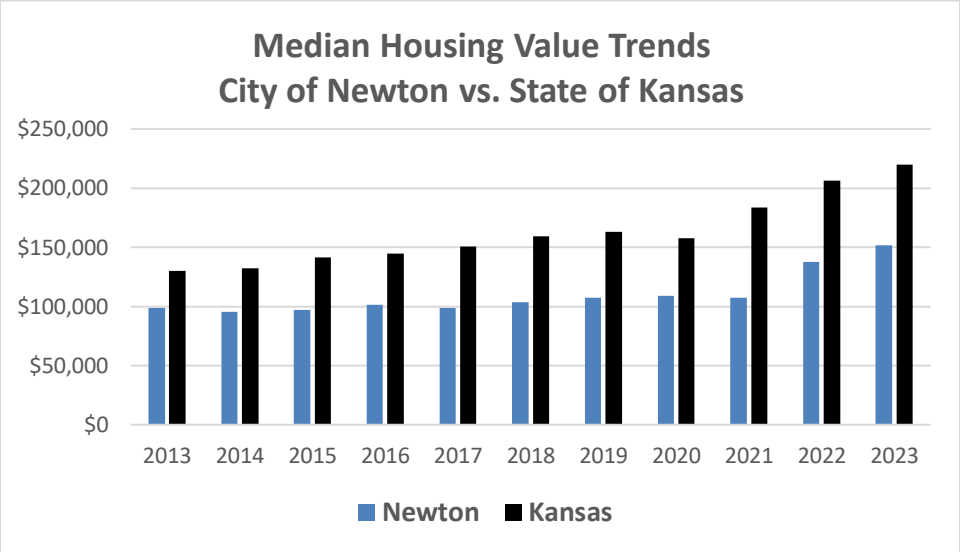
Newton, Kansas Occupied Housing Stock by Type – 2023
Owner-Occupied vs. Renter-Occupied Housing

Housing Type	Total	Owner-Occupied	Renter-Occupied
Occupied Housing Units	**7,502**	**5,060**	**2,442**
Units in Structure			
1-Unit, Detached	80.8%	96.2%	48.8%
1-Unit, Attached	5.3%	2.5%	11.1%
2 Units	3.3%	0.0%	10.2%
3 or 4 Units	3.2%	0.0%	9.9%
5 to 9 Units	2.1%	0.0%	6.4%
10 or More Units	4.3%	0.2%	12.9%
Mobile Home and other Types of Housing	1.0%	1.1%	0.8%
Totals	100.0%	100.0%	100.0%

Source: U.S. Census Bureau.

Housing Value Trends

According to the *American Community Survey*, during 2013 Newton's median housing value of $98,900 lagged the statewide median of $130,100. The median housing value for both Newton and the State of Kansas increased steadily from 2013 through 2023. From 2013 to 2023, the median home value in Newton rose by 53.5 percent to $151,800 by 2023 compared to a 68.9 percent increase for Kansas to $219,800. Since 2013, the median housing value in Newton lagged the statewide median and throughout the 11-year period the gap widened. The lower housing values are attributed to an older housing stock, modest new home construction over the past decade, and below average household income levels. The bar chart below provides a comparison of median housing values for the City of Newton and the State of Kansas from 2013 to 2023.



Housing Costs Comparison

A comparison of monthly housing costs in Newton for owner-occupied versus renter-occupied housing units as published by the *American Community Survey* is summarized in the table on the following page.

The median housing cost for both homeowners and renters in Newton is $937 per month. The monthly housing costs for 14.6 percent of occupied housing units in Newton are under $500. Monthly housing costs of $500 to $999 account for 40.6 percent of occupied housing units, 26.8 percent from $1,000 to $1,499, and 9.8 percent from $1,500 to $1,999. Only 8.2 percent of occupied housing units in Newton possess monthly costs of $2,000 or more.

The housing cost for a reported 48.9 percent of homeowners in Newton ranges from $300 to $999 per month, which primarily represents the first-time homebuyer market. Another 36.6 percent of Newton homeowners incur monthly housing costs of $1,000 to $1,999 and represent the bulk of the move-up housing market. Just 11.1 percent of homeowners incur monthly housing costs of $2,000 or more. The median housing cost for homeowners in Newton is $1,018 per month.

The median housing cost for renters in Newton is $903 per month. A reported 36.2 percent of renters pay housing costs of less than $800 per month, many of whom may qualify for some type of rental assistance. Rental housing costs ranging from $800 to $1,499 per month account for 58.4 percent of all occupied rental units, with rental costs of $1,500 or more accounting for just 5.4 percent.

Newton, Kansas Monthly Housing Costs 2023
Owner-Occupied vs. Renter-Occupied Housing

Monthly Housing Costs	Total	Owner Occupied	Renter Occupied
Less than $300	5.5%	7.1%	2.3%
$300 to $499	9.1%	10.4%	6.2%
$500 to $799	25.0%	23.6%	27.7%
$800 to $999	15.7%	7.8%	32.0%
$1,000 to $1,499	26.8%	27.0%	26.4%
$1,500 to $1,999	9.8%	12.9%	3.2%
$2,000 to $2,499	4.9%	6.4%	1.8%
$2,500 to $2,999	1.4%	2.1%	0.0%
$3,000+	1.9%	2.6%	0.4%
Median Monthly Cost	**$937**	**$1,018**	**$903**

Source: U.S. Census.

The median household income in Newton is $66,174, with homeowners possessing a median household income of $82,220 and renters of $44,136. The disparity in income levels of homeowners versus renters is evident by housing affordability measured by housing costs as a percentage of income. A reported 58.5 percent of homeowners and 33.1 percent of renters in Newton pay less than 20 percent of their household income on housing expenses. Just 15.5 percent of homeowners spend more than 35 percent of household income on housing compared to 30.8 percent of renters.

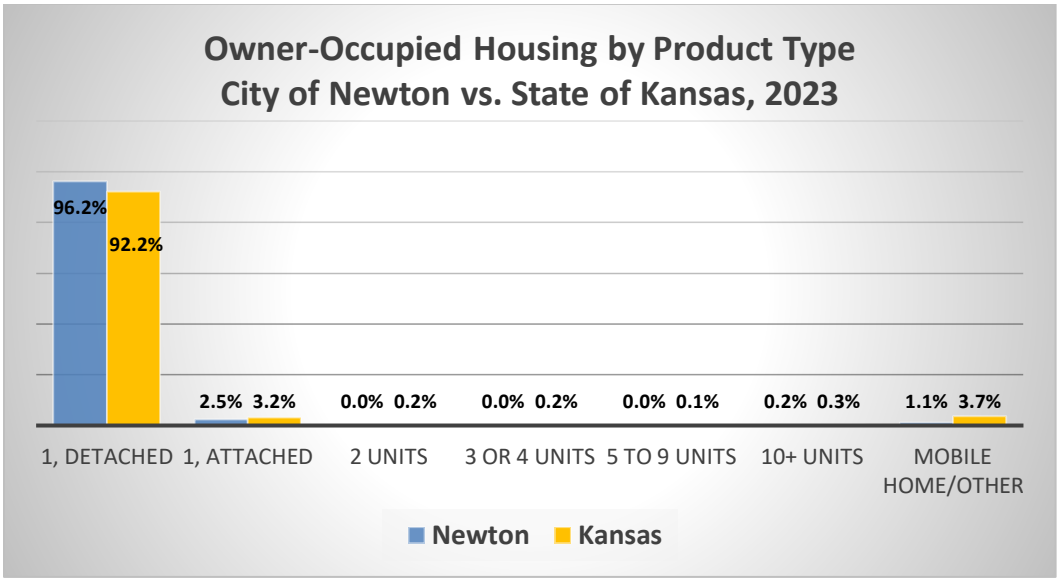
Housing Costs as a Percentage of Household Income
Newton, Kansas 2023

% of Household Income	Owner-Occupied		Renter-Occupied
Less than 20%	58.5%		33.1%
20.0% to 24.9%	12.5%		14.2%
25.0% to 29.9%	6.1%		13.0%
30.0% to 34.9%	7.4%		8.9%
35.0%+	15.5%		30.8%

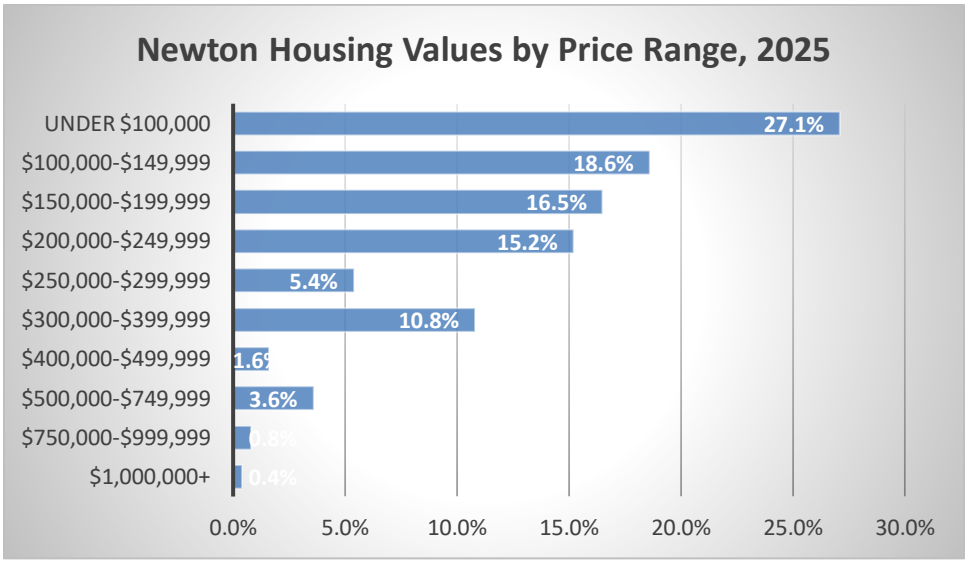
Source: American Community Survey.

For-Sale Housing Market

According to the *American Community Survey*, during 2023 owner-occupied housing in Newton accounted for 67.4 percent of the occupied housing stock, compared to 66.7 percent for Kansas. Detached single-family homes accounted for 96.2 percent of Newton's owner-occupied housing stock, compared to 92.2 percent for Kansas. One-unit attached housing units accounted for 2.5 percent of Newton's owner-occupied housing with properties of 10 or more dwelling units at 0.2 percent and mobile homes accounting for 1.1 percent.



For 2025, Esri Business Analyst reported the average value of owner-occupied housing in Newton at $162,324. An estimated 27.1 percent of the owner-occupied housing stock in Newton is valued under $100,000. Housing valued at $100,000 to $199,999 accounts for 35.1 percent of Newton's housing stock and represents the market segment with the strongest buyer demand. Collectively, homes priced under $200,000 represent 62.2 of Newton's housing stock.

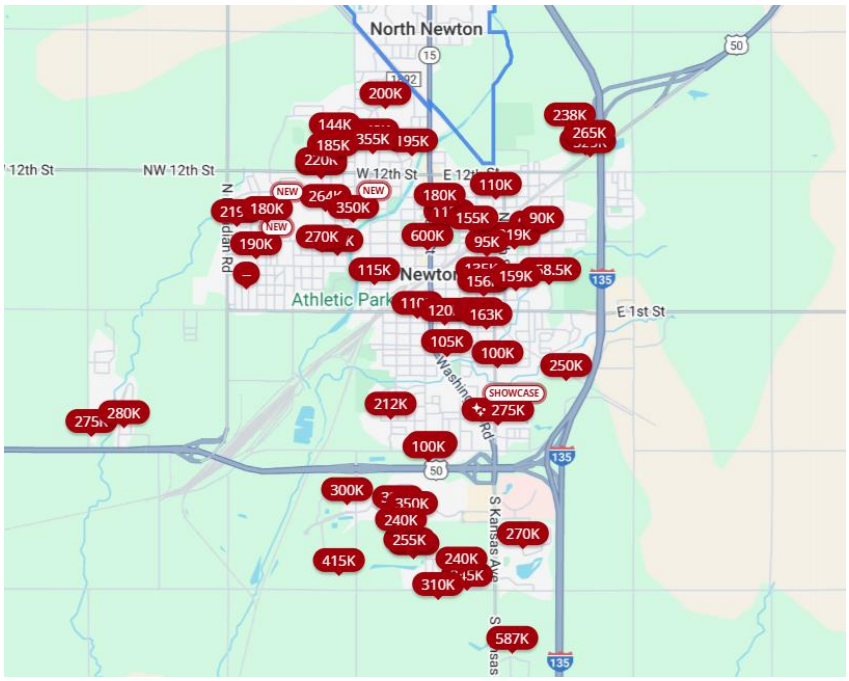


Housing valued at $200,000 to $299,999 accounts for 20.6 percent of Newton's housing stock with housing priced at $300,000 to $399,999 accounting for 10.8 percent of the housing stock. Housing valued at $400,000 to $749,999 accounts for just 5.2 percent of the housing stock and represents Newton's move-up market segment. Housing valued at $750,000 and above represents Newton's luxury housing market and accounts for just 1.2 percent of the entire housing stock.

Homes Actively Listed for Sale

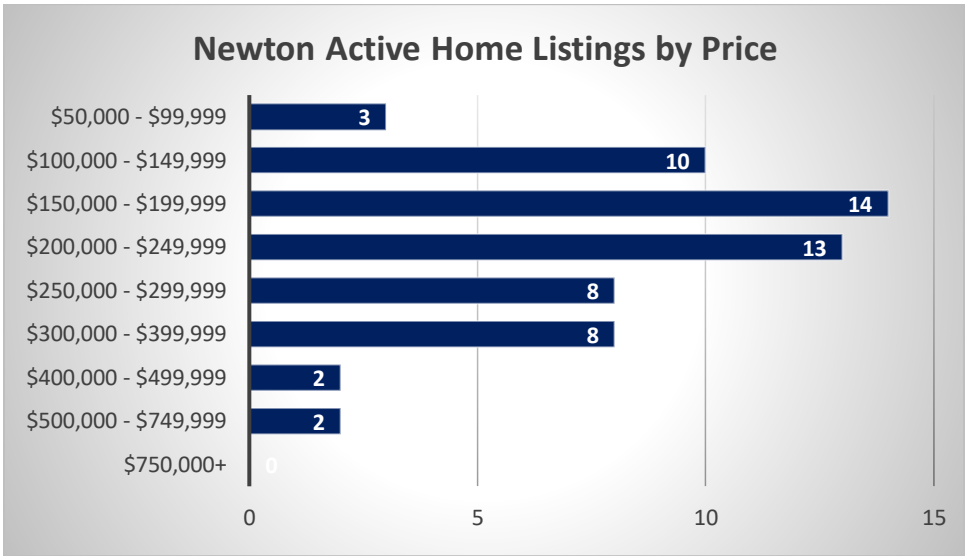
According to Zillow, 60 single-family homes are listed for sale in Newton, priced from $90,000 to $600,000, averaging $228,887, with a median price of $219,000. The location of each active home listing in Newton is illustrated on the map below.

Location of Active Home Listings in Newton



The most active price ranges for current home listings in Newton are from $150,000 to $199,999 with 14 listings, and $200,000 to $249,999 with 13 listings. Two-thirds of the homes on the market are listed for under $250,000, suggesting a strong starter home market. Conversely, only two homes are listed for sale priced at $500,000 or more.

Active listings include four newly built homes priced at $232,000 to $325,000, averaging $265,000, with a median price of $295,000.



The table below summarizes listing prices by the number of bedrooms for the 60 homes listed for sale in Newton. The most active listings are for 3- and 4-bedroom homes, accounting for 65 percent of the homes on the market in Newton. This is consistent with a housing market catering to families with children. Three-bedroom homes are listed for sale at $95,000 to $350,000, with a median price of $212,000. Four-bedroom homes are listed for sale at $100,000 to $355,000, with a median price of $252,250. Two, 5-, and 6-bedroom homes account for 35 percent of all active listings in Newton.

Newton, Kansas Active Single-Family Homes
Active Listing by Number of Bedrooms

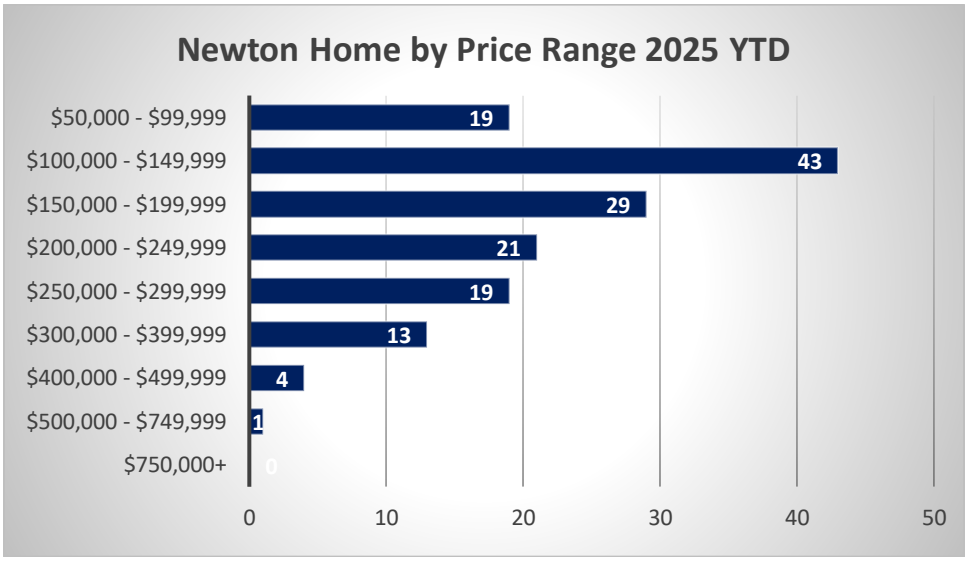
# of Bedrooms	# of Listings	Price Range	Average Price	Median Price
2 Bedrooms	11	$90,000 - $230,000	$127,273	$115,000
3 Bedrooms	23	$95,000 - $350,000	$204,609	$212,000
4 Bedrooms	16	$100,000 - $355,000	$232,969	$252,250
5 Bedrooms	8	$219,000 - $586,906	$356,213	$337,500
6 Bedrooms	2	$450,000 - $600,000	$525,000	$525,000
Totals	**60**	**$50,000 - $860,000**	**$262,558**	**$220,000**

Source: Multiple Listing Services.

Recent Home Sales

Housing sales data published by the South-Central Kansas MLS was consulted to ascertain recent single-family home sales trends for the City of Newton. From January through July 2025, a total of 149 single-family homes were sold in Newton, priced from $36,000 to $531,153, averaging $189,387. The median price for the 149 home sales was $165,000.

The most active price ranges for home sales from January through July 2025 in Newton ranged from $100,000 to $149,999 with 43 sales, $150,000 to $199,999 with 29 sales, and $200,000 to $249,999 with 21 sales. Three-quarters of the homes sold were prices under $250,000, suggesting a strong starter home market. Conversely, only five homes sold for $400,000 or more.



The table below summarizes home sales by the number of bedrooms for the 149 homes sold in Newton from January through July 2025. The most active listings are for 3- and 4-bedroom homes, accounting for 70 percent of the homes sold in Newton. Three-bedroom homes sold for $36,000 to $531,153, with a median price of $157,100. Four-bedroom homes sold for $61,000 to $375,000, with a median price of $227,833.

Newton Single-Family Home Sales by Number of Bedrooms

# of Bedrooms	# of Listings	Price Range	Average Price	Median Price
1 Bedroom	1	$46,000	$46,000	$46,000
2 Bedrooms	33	$52,000 - $259,000	$115,825	$115,000
3 Bedrooms	63	$36,000 - $531,153	$184,348	$157,100
4 Bedrooms	41	$61,000 - $375,000	$229,497	$227,833
5 Bedrooms	10	$198,000 - $464,000	$308,296	$301,132
6 Bedrooms	1	$244,200	$242,200	$242,200
Totals	**60**	**$536,000 - $531,153**	**$189,387**	**$165,000**

Source: Multiple Listing Services.

Active Residential Subdivisions

Since the 1990's six single-family subdivisions have been developed in Newton, all of which are actively developing. All the subdivisions but one of which are south of U.S. 50 Highway. Each residential subdivision was surveyed to identify the lot inventory, housing product, and pricing. A brief description of each residential subdivision is provided in the text that follows.

Infrastructure is completed on 528 lots within the six active subdivisions in Newton. To date, 412 homes have been built, 55 homes are under construction, and 61 vacant lots remain available for new home construction. Future phases call for the development of 473 additional lots.

Active Residential Subdivisions – Newton, Kansas

Subdivision	Improved Lots	Homes Built	Homes U/C	Vacant Lots	Future Lots
Sand Creek Station					
Iron Horse	32	32	0	0	
Coachman	85	77	3	5	
Gateway Crossing	24	24	0	0	
Future Phases					136
Autumn Glen					
Phases 1 & 2	74	70	0	4	
Phase 3	20	4	0	16	26
Fox Ridge Phase 1					
Single Family Homes	27	9	0	18	
Duplexes & Triplexes	100	48	50	2	
Phase 2					70
Spring Lake					
Phase 1	48	45	0	3	
Future Phases					113
Summer Crossing					
Phase 1	63	51	2	10	
Future Phases					
					138
Stone Creek Estates					
Phase 1	55	52	0	3	
Future Phases					20
Totals	**528**	**412**	**55**	**61**	**473**

Source: Canyon Research Southwest, Inc.

Sand Creek Station

The Sand Creek Station Golf Course opened on July 1, 2006, located on Anderson Road one-half mile south of Highway 50. The Jeff Brauer-designed 18-hole links-style course has received much acclaim. Shortly after the opening of the golf course J. Russell Communities commenced construction on 140 single family lots in two subdivisions, Iron Horse and Coach Crossing.

During the first several years new home sales were attributed to pent-up demand for move-up housing among Newton residents with annual sales of 10 to 12 homes at an average price of approximately $225,000. To date 136 homes have sold at Sand Creek Station with three homes under construction. Eight home sites are currently for sale priced from $16,000 to $20,000.

Iron Horse is a 32-lot upscale subdivision along the north side of Meadowbrook Drive with lots fronting onto the golf course. The Iron Horse subdivision has achieved build-out.

Coach Crossing is an 85-lot subdivision on the south side of Meadowbrook Drive offering more affordable housing. To date, 77 homes have been constructed with three homes under construction and five ¼-acre lots available for sale priced at $16,000 to $20,000. Two homes are listed for sale at $399,000 and $476,000.

Gateway Crossing is a 24-lot subdivision east of the Iron Horse subdivision offering golf course living that has achieved build-out. Two houses are listed for sale at $269,000 to $284,000.

In December 2025, the City of Newton approved 71 lots at Sand Creek Station located at the northwest corner of Andersen Road and SW 24th Street. According to Gilbert Properties, the homes are expected to be priced at $380,000 to $400,000.

Two parcels of land surrounding the Sand Creek Station Golf Course are available for future residential development. Lange Real Estate has purchased 30 acres on the west side of the golf course with plans for 65 single-family lots. Another 125 acres are available for large-lot development on the west side of the golf course.

Autumn Glen

Ron Harder is developing Autumn Glen located on the east side of South Kansas Avenue south of 24th Street. Phases 1 and 2 total 74 lots, with four lots available for sale priced at $53,500 to $59,500. Constructed infrastructure includes streets, curbs and gutter, and streetlights. Phase 3 is subdivided for 46 lots with infrastructure completed on 20 lots and a playground built. Available lots are priced in the upper $40's. Four spec homes have been built priced from $430,000 to $600,000. Eight waterfront lots were also constructed with three homes built and four lots sold.

Fox Ridge

Fox Ridge is a newly developed residential community being built on the former Fox Ridge Golf Course at SE 14th Street and Country Club Drive. The City Commission approved rezoning the property to multi-family residential (R-3) from the previous single-family (R-S) and commercial (C-2) zoning. Bryan Legaly Homes is developing the community, with the initial phase designed for 27 single-family homes, 50 duplex lots, and a 5.5-acre parcel designed for a 120-unit apartment complex. The 10th Street Terrace at Fox Ridge at the south end of the property features 2- and 3-

bedroom duplexes available for rent at $1,350 to $1,595 per month with twelve duplexes built and five under construction. On the northern portion of the property nine single-family homes and twelve duplexes have been built with 20 duplexes under construction. Four single-family homes are for sale priced at $232,000 to $325,000 with ten duplex units priced at $185,000 to $195,000. Fox Ridge is being built in two phases, with the initial phase comprised of the area east of the drainageway that splits the property. Phase 2 is planned for 70 lots.

Spring Lake

Ron Harder is developing Spring Lake located at the northwest corner of 24th Street and Old Main Street. Spring Lake is a continuation of Stratford Place to the immediate east which has achieved built-out. The community's primary features include a man-made lake, Springlake Park and walking paths. Spring Lake is subdivided for 163 lots with Phase 1 consisting of 50 single family lots and two lots dedicated for the construction of Springlake Park. Constructed infrastructure includes streets, curbs and gutters, streetlights, and a park. To date, 45 homes have been built with no new construction underway. One home is listed for sale at Spring Lake priced at $350,000. Three lots are available for sale priced at $24,500 to $26,500, plus the cost of the special assessment. The standard lot size is 75 to 85 feet wide and 120 to 130 feet deep.

Summer Crossing

Summer Crossing located immediately north of Spring Lake on the west side of Old Main Street is subdivided for 289 single family lots. Ron Harder is currently under construction on Phase 1 totaling 63 lots. A total of 51 homes are completed with two homes currently under construction. Ten lots are available for sale priced $20,500 to $26,900, plus the special assessment. Two homes are currently for sale within Summer Crossing, priced at $255,000 and $314,900. Most homes in Summer Crossing are selling for over $300,000.

Stone Creek Estates

Stone Creek Estates is a 75-lot single family home subdivision located on the northeast corner of South Kansas Avenue and 24th Street. Phase 1 totals 55 lots with 52 homes now constructed. Installed infrastructure includes streets, curbing, and streetlights.

Of the six active residential subdivisions in Newton, Sand Creek Station and Stone Creek Estates are the most upscale targeting move-up home buyers. Spring Lake is positioned as a slightly more affordable residential community with Summer Crossing, Spring Lake, and Fox Ridge targeting entry-level home buyers.

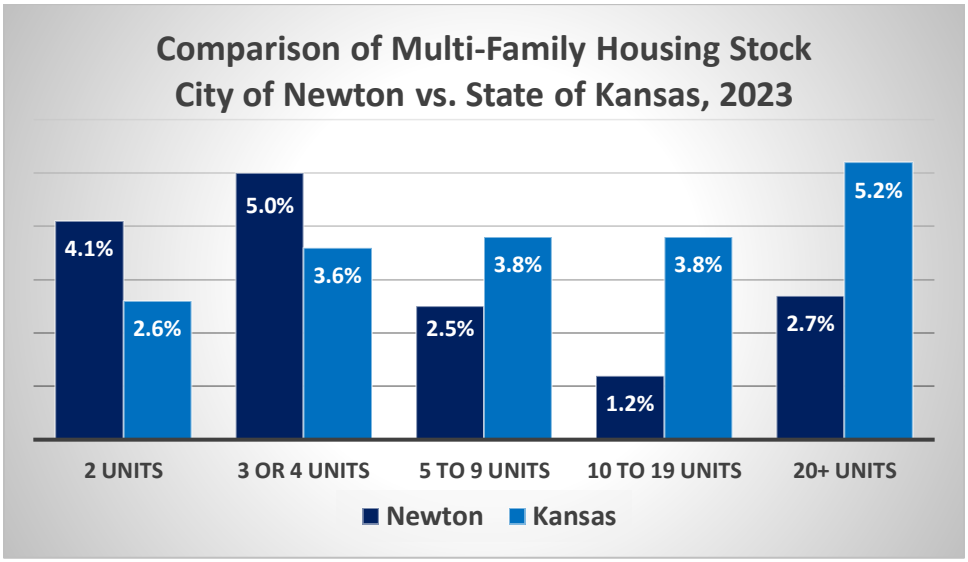
To conclude, the six active for-sale residential subdivisions in Newton offer a wide range of price points. The active subdivisions collectively have 61 improved lots available for purchase and new home construction with 473 lots planned for future development and new home construction. Many prospective homebuyers to Newton relocating from outside of the area as well as those currently residing in the Wichita MSA are accustomed to residential subdivisions that offer a higher level of community amenities that are not provided by active subdivisions in Newton. To be more competitive and attract homebuyers, future subdivisions in Newton should initially concentrate on providing entry-level housing with a modest common area amenity package before focusing on high-amenity residential communities.

Rental Housing Market

This section of the study provides an overview of the Newton, Kansas multi-family housing market, and a survey of large-scale apartment properties.

Newton Multi-Family Housing Market Characteristics

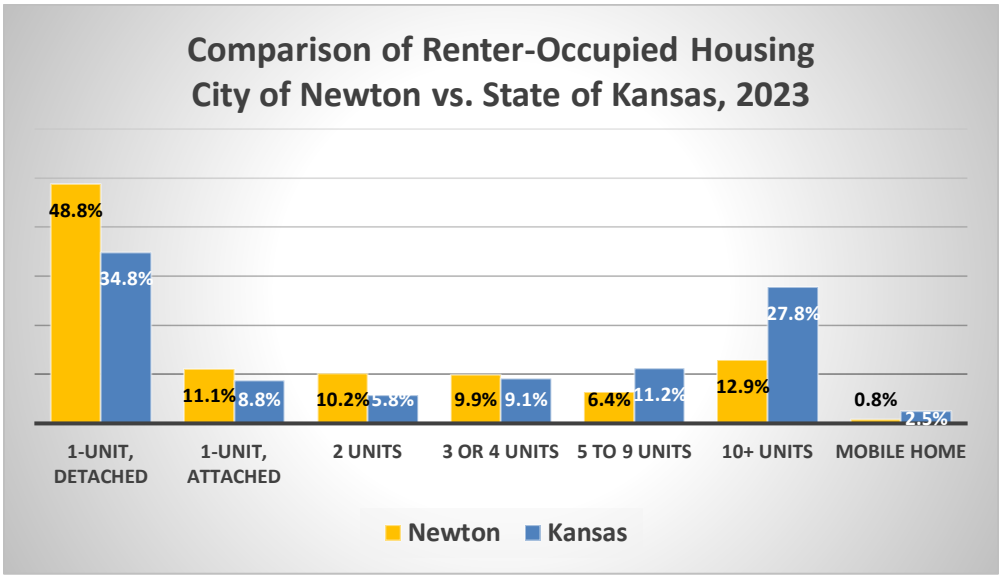
According to the *American Community Survey,* during 2023 multi-family units accounted for 15.5 percent of Newton's housing stock, or 1,275 dwelling units. By comparison, multi-family housing accounts for 19.0 percent of the statewide housing stock. Properties with 3 or 4 dwelling units account for Newton's largest share of multi-family housing at 5.0 percent, compared to 3.6 percent statewide. Large properties with 20 or more dwelling units account for just 2.7 percent of Newton's multi-family housing stock, compared to 5.2 percent for all of Kansas. This disparity in multi-family housing inventory and product type is common among rural communities.



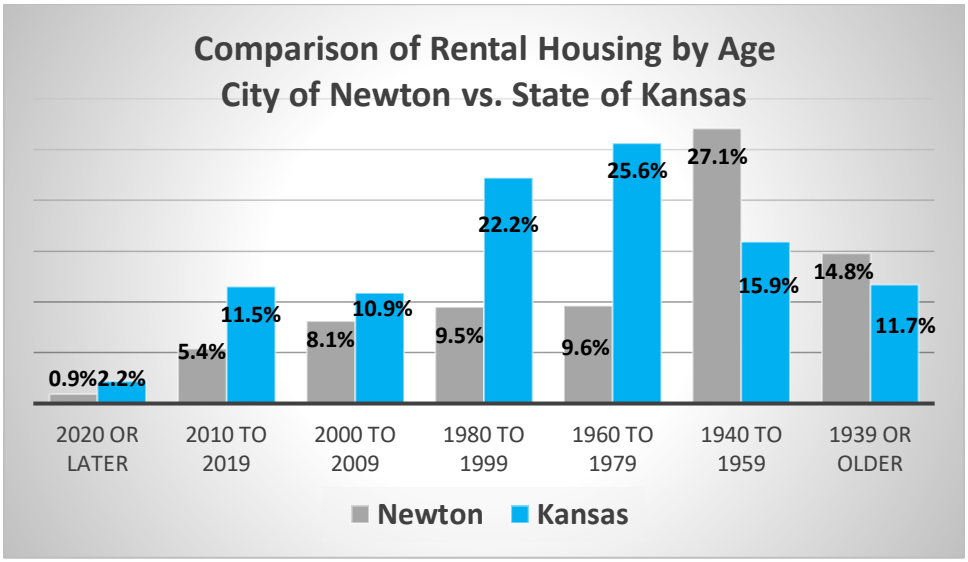
According to the *American Community Survey*, rental housing accounts for 32.6 percent of Newton's occupied housing stock which is slightly below the statewide average of 33.8 percent. The inventory of renter-occupied housing units in Newton increased from 953 dwelling units in 2000 to 2,442 dwelling units by 2023.

One-unit detached and attached housing accounts for 48.8 percent of Newton's occupied rental housing stock. Multi-family properties in Newton with two dwelling units account for 10.2 percent of all renter-occupied units while large-scale properties with ten or more dwelling units account for 12.9 percent.

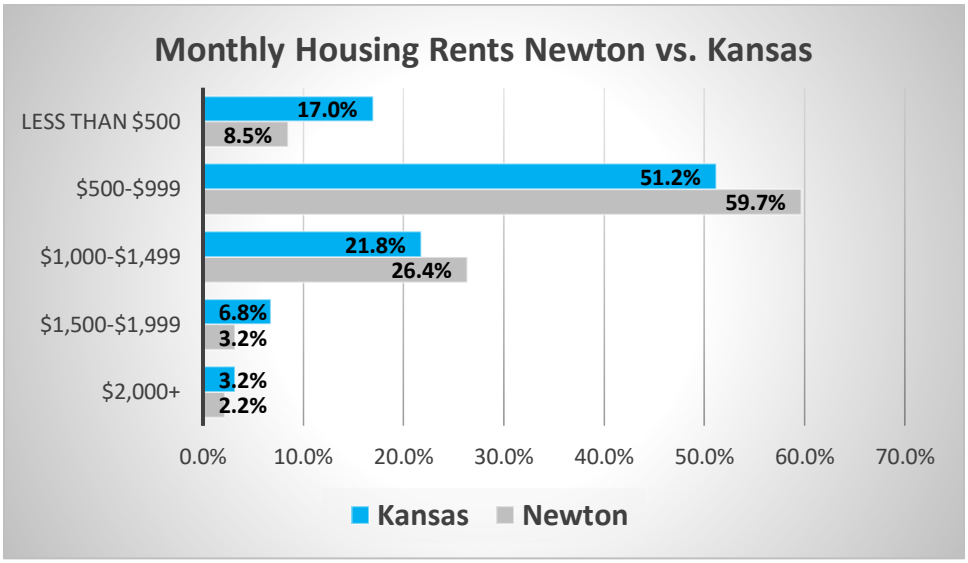
By comparison, the State of Kansas' rental housing market consists of 43.6 percent in one unit detached and attached housing and 27.8 percent in structures with 10 or more dwelling units.



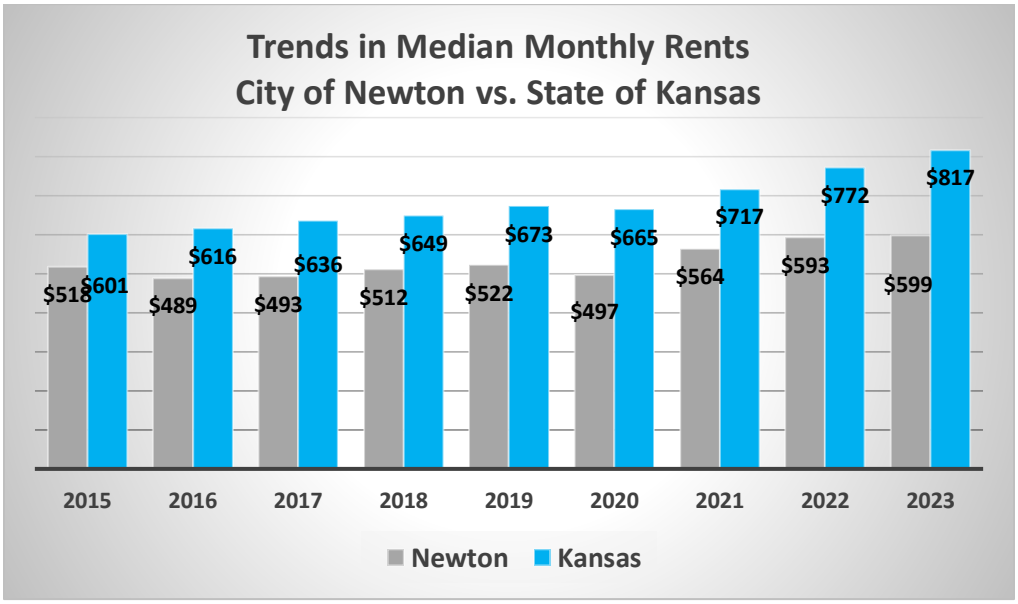
Realtors interviewed indicated a shortage of quality rental properties exist in Newton with single family homes accounting for much of the market-rate stock. Newton's stock of rental housing is much older than that of the State of Kansas. Only 14.4 percent of Newton's rental housing was constructed since 2000, compared to 24.6 percent statewide. Meanwhile, 41.9 percent of Newton's rental housing was built prior to 1960, compared to 27.6 percent statewide. As a result, much of Newton's rental housing is old and lacks the modern design and amenities of new properties.



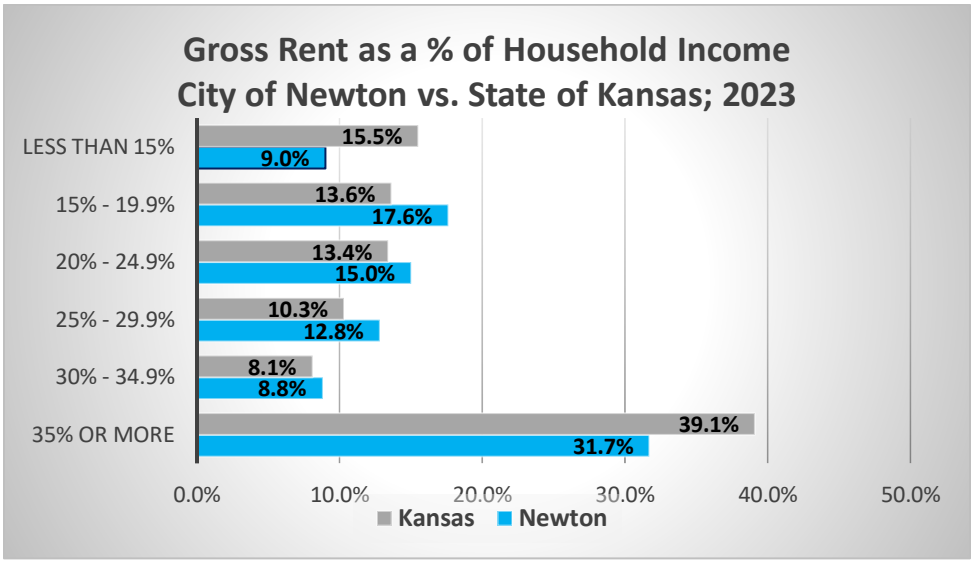
According to the *American Community Survey 2023,* the median rent in Newton of $599 per month lags the statewide median of $817, reflective of an older and lower quality housing product. Of the occupied rental housing units, just 8.5 percent rented for less than $500 per month compared to 17.0 percent statewide. Most of these low-cost rental units are income-based housing. Nearly 60 percent of Newton's rental stock support rents of $500 to $999 per month, compared to 51.2 percent statewide. Housing units renting for $1,000 to $1,499 per month account for an above average 26.4 percent of Newton's rental market while only 5.4 percent of the housing stock rents for $1,500 or more per month, indicating the lack of quality rental housing in Newton.



According to the *American Community Survey*, since 2015 the median rent in Newton as lagged below the statewide median. From 2015 to 2023, the median rent in Newton increased by 15.6 percent compared to 35.9 percent statewide. By 2023, the median rent in Newton of $599 per month was 26.7 percent below the statewide median of $817 per month. The disparity in median rents may be linked to Newton's older and lower quality housing stock and below average household income.



Housing stress occurs when the cost of housing (either as rental, or as a mortgage) is high relative to household income. A household spending 30 percent or more of its income on housing can be considered under housing stress. Given low-income levels, rental housing affordability is an issue in Newton. The gross rent for 40.5 percent of renter households in Newton accounts for 30 percent or more of household income. The elevated level of housing stress in Newton suggests a need for income-based rental housing.



The U.S. Department of Housing and Urban Development ("HUD") publishes fair market rents ("FMRs") that are primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment ("HAP") contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), and to serve as a rent ceiling in the HOME rental assistance program. HUD annually estimates FMRs for 530 metropolitan areas and 2,045 nonmetropolitan county areas. The table below outlines historical trends in FMRs for Newton, Kansas (zip code 67114) by the number of bedrooms.

Fair Market Rents for All Bedroom Sizes
Newton, Kansas; FY 2021 to FY 2026

Fiscal Year	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
2021	$530	$620	$800	$1,080	$1,320
2022	$510	$600	$770	$1,040	$1,280
2023	$550	$630	$830	$1,100	$1,340
2024	$630	$710	$930	$1,220	$1,500
2025	$640	$710	$920	$1,210	$1,480
2026	$730	$800	$1,030	$1,350	$1,670
% Increase	37.7%	29.0%	28.8%	25.0%	26.5%

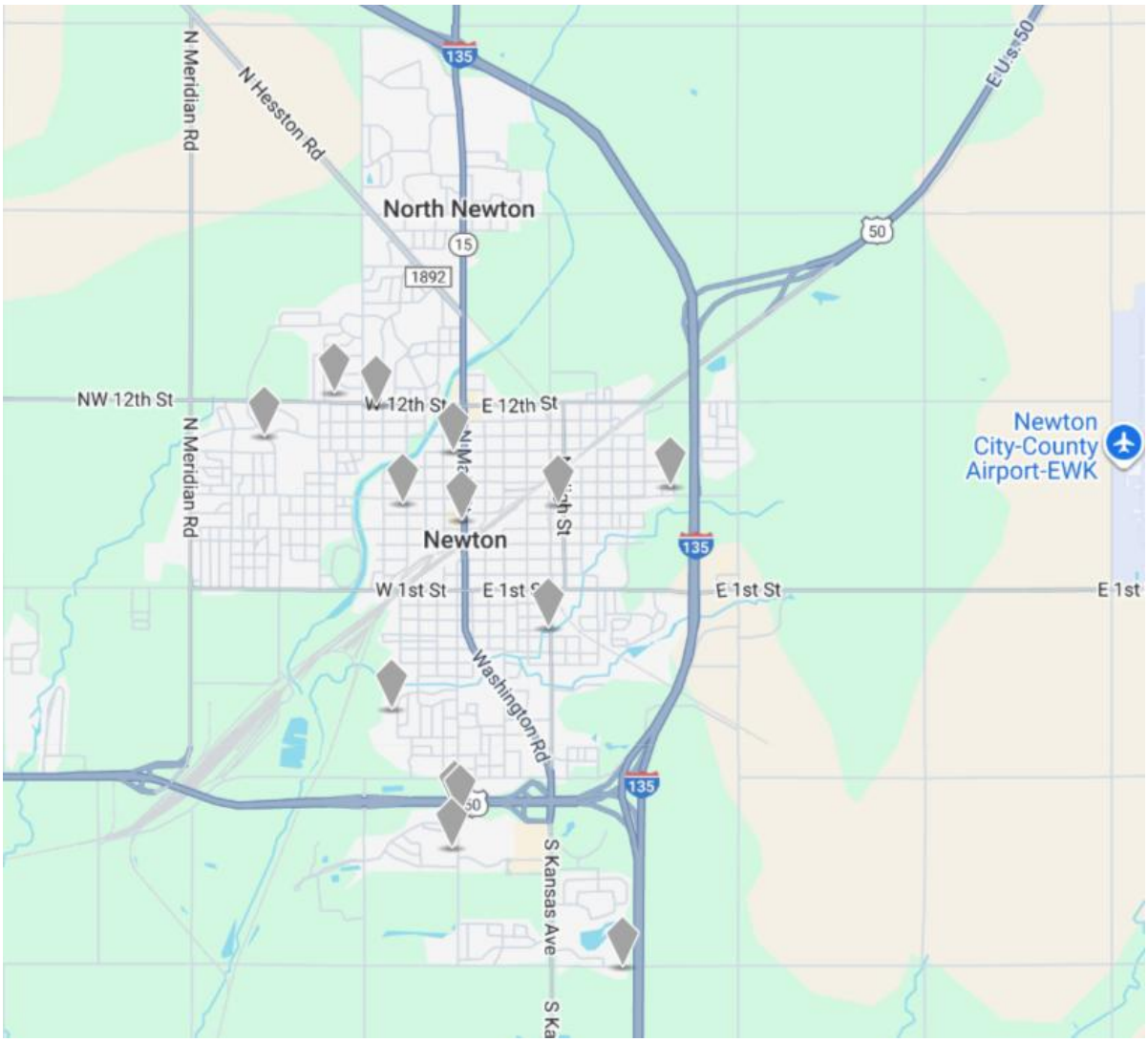
Source: U.S. Department of Housing and Urban Development.

For FY 2026 FMRs for Newton, Kansas equal $730 for efficiency units, $800 for one-bedroom units, $1,030 for two-bedroom units, $1,350 for three-bedroom units, and $1,670 for four-bedroom units. Since FY 2021, monthly rents have increased significantly for each bedroom type ranging from 25.0 percent for 3-bedroom units to 37.7 percent for efficiency units. Recent rent increases have placed growing financial stress on Newton renters, particularly for lower-income households. As reported earlier, 31.7 percent of renter households in Newton spend 35 percent or more of their household income on rent.

Newton Apartment Market Trends

Apartment properties with 10 or more rental units in Newton, Kansas were identified by conducting a search on Costar. Newton has 14 large-scale apartment properties concentrated primarily in the central portion of the city totaling 545 rental units. The map below depicts the location of the apartment properties in Newton.

Newton, Kansas Apartment Properties



Newton's inventory of rental apartments includes nine (9) market-rate, three (3) income-based, and two (2) senior properties.

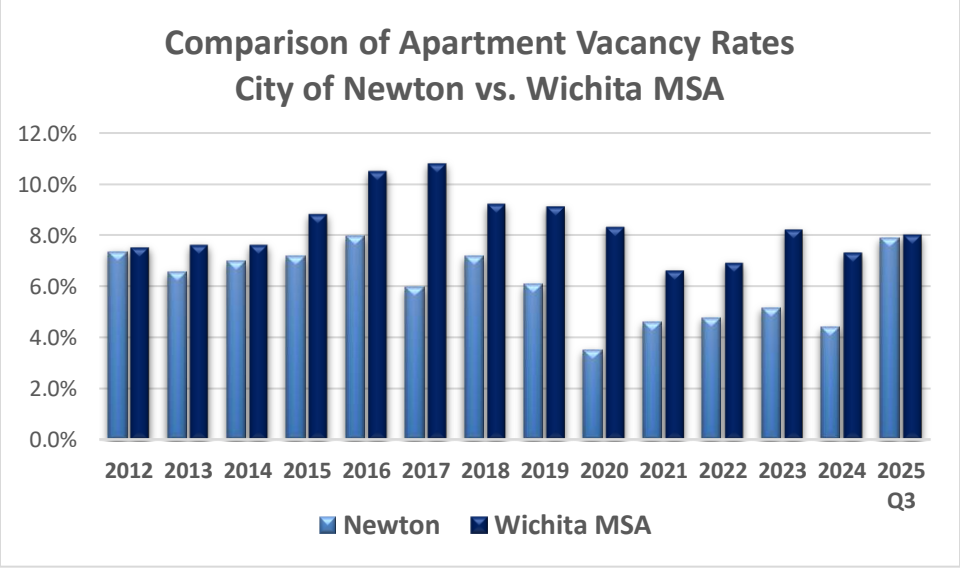
The table on the following page summarizes annual operating trends since 2012 for the large-scale apartment properties in Newton. Newton's apartment inventory is older with no new apartment properties constructed since 2018. The 42-unit Cottonwood Crossing was the last apartment property to be built, opening in 2017. All but four apartment properties were built prior to 2000.

Newton, Kansas Apartment Market Trends

Year	# of Properties	# of Units	New Supply	Vacant Units	Vacancy Rate	Average Rent/Mo.	Wichita Vacancy	MSA Rent/Mo.
2012	1	503	0	37	7.4%	$555	7.5%	$664
2013	13	503	0	33	6.6%	$567	7.6%	$670
2014	13	503	0	35	7.0%	$561	7.6%	$680
2015	13	503	0	36	7.2%	$576	8.8%	$697
2016	13	503	0	40	8.0%	$593	10.5%	$706
2017	13	503	0	30	6.0%	$604	10.8%	$720
2018	14	545	42	39	7.2%	$609	9.2%	$732
2019	14	545	0	33	6.1%	$626	9.1%	$745
2020	14	545	0	19	3.5%	$619	8.3%	$763
2021	14	545	0	25	4.6%	$659	6.6%	$816
2022	14	545	0	26	4.8%	$714	6.9%	$863
2023	14	545	0	28	5.1%	$754	8.2%	$892
2024	14	545	0	24	4.4%	$832	7.3%	$904
2025 Q3	14	545	0	43	7.9%	$960	8.0%	$933

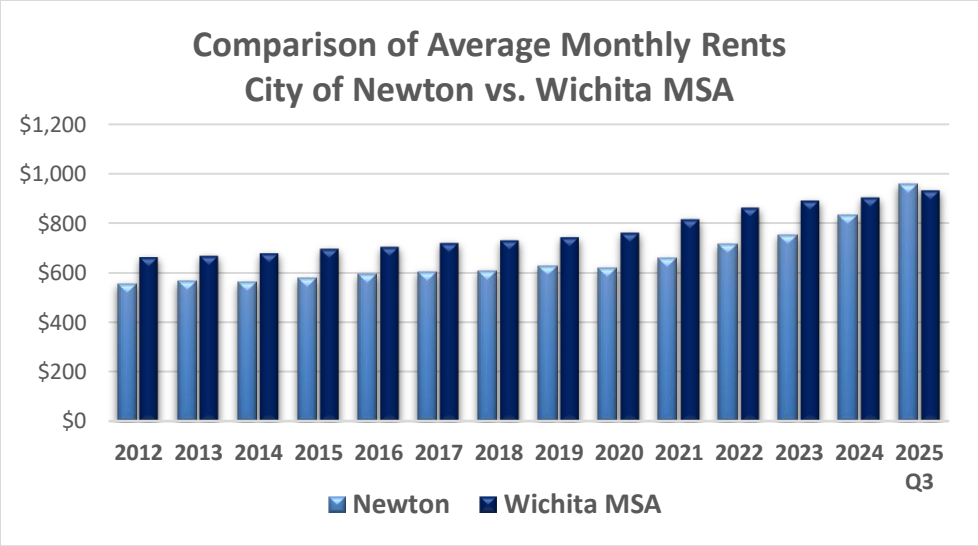
Source: CoStar.

As illustrated by the bar chart below, from 2012 through 2025 Q3 Newton's apartment market vacancy rate outperformed the Wichita MSA. Since 2012, with a few exceptions, the Newton apartment market has operated at below market equilibrium, defined as a vacancy rate at or below 7.0 percent. From 2019 through 2024, the Newton apartment market operated at vacancies between 3.5 percent and 6.1 percent.



Since 2012, the average monthly apartment rent in Newton increased by 73.0 percent, reaching $960 per month by 2025 Q3. Meanwhile, over the same timeframe the average monthly rent for the Wichita MSA increased 40.5 percent to a current rate of $933 per month.

As the bar chart below illustrates, from 2012 through 2024 Newton's average monthly apartment rent lagged the metropolitan Wichita average, due primarily to an abundance of older, low-amenity properties. From 2012 through 2021, Newton's average apartment rent increased steadily. However, commencing in 2022 the average monthly rent began to escalate in response to escalating occupancy levels. The average rent in Newton increased 8.3 percent in 2022, 5.6 percent in 2023, and 10.3 percent in 2024. Through 2025 Q3, despite rising vacancies, the average rent rose 15.4 percent to $960 per month and now exceeds the Wichita MSA average of $933 per month.



No apartment properties are currently under construction in Newton and according to the City Planning Department no apartment communities are approved for future construction. Given the absence of no new short-term inventory of future inventory, the Newton apartment market conditions are forecast to tighten throughout the remainder of 2025 and into 2026, marked by healthy occupancy rates and escalating rental rates.

Rental Housing Survey

To identify current rental housing market conditions in Newton, Kansas, a survey was conducted of larger rental properties. In addition, interviews were conducted with real estate agents and rental housing management firms. For purposes of the analysis, rental properties were classified into three groups, including: 1) market-rate apartments; 2) income-based apartments; and 3) income-based senior housing. The property data was compiled via the Harvey County parcel search and by contacting property managers and leasing agents. Findings of the competitive apartment survey are outlined in the table on page 74.

Eighteen (18) rental properties were surveyed in Newton totaling 706 dwelling units. Of the apartment properties surveyed, a reported eight units are currently unoccupied and available for rent, translating to a healthy average occupancy rate of 98.9 percent. Interviews with apartment managers suggested that the Newton rental market is considered tight with limited vacancies available. Tenant demand for income-based apartments is particularly strong with many properties operating waiting lists or getting daily tenant inquiries as to apartment availability.

Market-Rate Apartments

The housing survey identified eight market-rate apartment properties in Newton maintaining a total inventory of 234 dwelling units. Properties range in size from 12 units to 48 units. The properties surveyed are old with most built from 1965 to 1984. Furthermore, all but one of surveyed properties are considered Class "C" product, lacking in unit features (i.e., upgraded appliances, washer/dryer, security system, walk-in closet, etc.) and community amenities (i.e., clubhouse, swimming pool, recreational amenities, etc.). One-, two- and three-bedroom models are available with monthly rents for the older properties range from $550 to $1,535 per month. Despite the age and lower quality of the market-rate properties surveyed, they are currently 98.7 percent occupied. The above market equilibrium occupancy rate suggests pent-up demand for market-rate rental housing currently exists in Newton.

The absence of quality rental properties in Newton results in higher income households seeking housing to look elsewhere. A quality rental housing stock is a key component of fostering a healthy for-sale housing market by offering prospective residents the opportunity to live in the community before buying a home.

In January 2018, Cottonwood Crossing opened on the south side of 24th Street east of South Kansas Avenue, featuring two apartment buildings totaling 32 units and five twin homes totaling 10 units. The property achieved full occupancy by September 2018 and currently remains fully occupied. The apartments include 750 square foot one bedroom/one bath units renting for $965 per month and 1,000 square foot two bedroom/two bath units renting for $,170 to $1,195 per month. The 2- and 3-bedroom twin homes rent for $1,300 to $1,535 per month. The property is typically fully occupied but now has three vacant units. The high rents, quick lease-up, and continued high occupancy of Cottonwood Crossing illustrate the pent-up demand for quality rental housing in Newton.

Duplexes for rent in Newton are popular with families and have proven successful. The 10th Street Terrace at Fox Ridge is an excellent example of a new duplex community with 2-bedroom 2 bath models with a 1-car garage renting for $1,350 per month and 3-bedroom 2.5 bath models with a 1-car garage renting for $1,595. Another example is The Enclave featuring seven duplexes on SE 14th Court, with 3-bedroom models renting for $1,450 per month and 4-bedroom models at $1,550.

To conclude, most of the existing market-rate apartment properties in Newton are classified as Class "C" offering dated design and modest community amenities and unit features. Despite offering of lower-grade rental housing the surveyed properties are currently operating at full occupancy. The low vacancy rates despite inferior, older product and continued lease-up of Cottonwood Crossing bode well for the opportunity to support construction of additional market-rate apartment properties in Newton.

Income-Based Rental Apartments

An estimated 409 households in Newton earn less than $15,000 annually, with another 530 households earning $15,000 to $14,000 annually, creating a strong need for income-based rental assistance. Affordable housing assistance in Newton takes the form of a Tax Credit Program, the Department of Housing and Urban Development's ("HUD") subsidized housing through its Section 8 Housing Choice Voucher Program, and the Newton Housing Authority.

The Multifamily Tax Subsidy Projects income limits are applied to determine qualification levels and to set rental rates for low-income housing tax credit or tax-exempt bond projects. Section 42 of the Internal Revenue Service's tax code, also known as the Low-Income Housing Tax Credit (LIHTC), exists to serve high-need households in qualified Census Tracts with an income level at 60 percent of the local median income in distressed housing areas, both for residential purposes and through other community services. Eligibility for the Section 42 Tax Credit Program is determined based on maximum income limits set annually by HUD as a percentage of area median income adjusted for household size.

Eligibility for the Section 8 Choice Voucher Program and public housing is determined based on the total annual gross income and family size limits established by HUD and is limited to U.S. citizens and specified categories of non-citizens who have eligible immigration status. All Section 8 programs use the very low-income or low-income standards of the median income for the county or metropolitan area in which the eligible household chooses to live. Based on the Wichita HUD Metro FMR Area median household income, for FY 2025 the maximum very low-income limit (50% of median income) ranges from $32,850 annually for a one-person household to $61,950 annually for an 8-person household. The low-income limit (80% of median income) ranges from $52,550 annually for a one-person household to $91,100 annually for an 8-person household. For FY 2025 FMRs for Newton, Kansas equal $740 for efficiency units, $820 for one-bedroom units, $1,070 for two-bedroom units, $1,400 for three-bedroom units, and $1,710 for four-bedroom units.

Six (6) income-based apartment properties operate in Newton totaling 292 rental units. The apartments target singles and families by offering one-, two- and three-bedroom models. Conversations with managers and leasing agents indicated that demand for affordable rental housing is strong marked by low vacancies. Collectively the six income-based properties surveyed currently operate at a healthy occupancy rate of 98.3 percent.

The 68-unit Prairie Fire Residences is the latest income-based, tax credit rental community to be built in Newton, opening in April 2018. Nine units operate at market-rate rents. The 2 bedroom/1 bath units are in single-story buildings with the 3 bedroom/2.5 bath units are in two-story buildings. Monthly rents are $515 to $1,309 for two-bedroom models and $858 to $1,600 for 3-bedroom models. According to the leasing agent no apartment units were available for rent and while no waiting list is maintained, prospective tenants call daily about apartment availability. The continued full occupancy of this property illustrates the strong demand for quality income-based rental properties in Newton.

The Newton Housing Authority manages the City's public housing units and administers Section 8 federally subsidized housing vouchers for privately owned housing. The authority owns and operates two income-based rental properties totaling 36 dwelling units. These properties include the 16-unit Roanoke Court and 20-unit Parkview Villas, offering duplexes with 1-, 2-, 3- and 4-bedroom apartments.

The largest income-based rental property in Newton is the 128-unit South Park Apartments, of which 104 units operate under the Section 42 Tax Credit Program with the remaining 24 units leased at market-rate. Phase 1 consisting of 60 dwelling units was built in 1994 with the 68-unit Phase 2 completed in 2001. South Park offers 1-, 2- and 3-bedroom units renting market-rate apartments for $920 to $1,345 per month. All the 1-bedroom units are offered under the Section 42 Tax Credit Program.

The 50-unit Sunset Townhomes also operate under the Section 42 Tax Credit Program. Built in 1972, in 2004 the property's 2- and 3-bedroom apartments were remodeled and now include fully equipped kitchens, spacious closets and storage space, full basements, private patios, and washer/dryer connections. As of the date of this report the on-site manager indicated just one apartment is vacant and available for rent.

Income-Based Senior Housing

Four income-based senior apartment properties operate in Newton totaling 180 dwelling units. The 98-unit Midtown Towers, operated by the Newton Housing Authority, is the largest senior property in Newton, consisting exclusively of one-bedroom units. The 24-unit Lincoln Park is a former school converted to senior housing in 2002. The four existing income restricted senior apartment properties in Newton are fully occupied.

In 2023, Mennonite Housing completed construction of Harvest Pointe at 1249 West 1st Street, a 32-unit income-based rental community for adults aged 55 years and older. The first phase of Harvest Pointe has a waiting list of over 100 names, prompting a second phase. In May 2025, the City of Newton approved Phase 2 for 28 additional rental apartments.

Three continuing care retirement communities operated by non-profit organizations are also located in Newton offering independent living, assisted living and skilled nursing options. These senior communities include Kansas Christian Home, Presbyterian Manor, and Asbury Park. Kansas Christian Manor offers 89 duplex, patio home, single family homes, and apartments for sale or rent as well as 98 skilled nursing beds. Presbyterian Manor offers townhomes, cottages and apartments for sale and rent as well as a 60-bed skilled nursing facility. The 34-acre Asbury Park campus offers for sale and rental housing as well as a 99-bed skilled nursing facility.

Kidron Bethel Village is a continuing care retirement community located in North Newton. Independent and assisted living is offered in single family homes, town homes, and apartments. A 60-bed skilled nursing facility is also located at Kidron Bethel Village.

Survey of Newton Market-Rate and Income-Based Rental Apartment Properties

Apartment Community	Year Built	Tax Credit Project	# 0f Units	1 Bedroom 1 Bath	2 Bedroom 1 Bath	2 Bedroom 2 Bath	3 Bedroom 2 Bath	Vacant Units
Market-Rate								
Cottonwood Crossing	2018							
Apartments			32	$965		$1,170-$1,195		3
Twin Homes			10		$1,300		$1,535	0
Sky View Apartments	1971		20		$549-$799	$549-$899		0
Studios at 501	1915		47					0
Moorlands	2010		23			$816		0
Bethel Apartments	1965		21	$550			$873	0
Fox Meadows	1974		48					0
Walnut Meadows	1986		12		$543			0
217 Muse Street	1965		21	$598				
Total Market Rate Units			**234**					**3**
Income-Based								
South Park Apartments	1994/2001	Section 42	128	$920-$945	$1,020-$1245		$1,320-$1,345	3
Garden Walk	1982	Section 515	20					1
Sunset Townhouses	1970	Section 8/42	50		$877		$1,083	1
Northview Housing	1993	Section 811	14					0
Northview Residences	1993	Section 811	12					0
Prairie Fire Residences	2018	Section 42	68		$515-$1,309		$858-$1,600	0
Total Income-Based Units			**292**					**5**
Senior Housing								
Midtown Towers	1974	Public Housing	98					0
Newton Plaza	1975	Section 8	46					0
Lincoln Park	1917/2002	Section 42	24	$650	$775			0
Meadowlark Housing	1989	Section 202	12	$208-$491				0
Total Senior Housing Units			**180**					**0**
Grand Total Units			**706**					**8**

Source: Harvey County Assessor and Canyon Research Southwest, Inc.

Forecast Housing Need

Residential housing demand estimates for the City of Newton through the year 2045 were forecasted based on anticipated demographic and economic trends for the community. Key input to the model includes historical patterns in annual residential building permit activity and projected population and household growth, average household formation rates, households by income levels, and population by age.

Demographic characteristics and historic population growth trends for Newton, Kansas were provided by the U.S. Census Bureau, while Esri Business Analyst provided employment and housing data. The *American Community Survey* provided housing characteristics for Newton. Population growth projections for Newton were based on historic growth patterns, forecast employment growth, and availability of developable land.

Ersi Business Analyst estimated Newton's 2025 residential housing stock at 8,411 dwelling units and population at 18,521 residents. By 2045, Newton's population is forecast to add 948 to 1,144 residents. Newton's forecast population growth will generate the need for additional housing units.

Supportable residential housing absorption through 2045 will be a function of resident population growth and latent demand while income levels and age composition will dictate the type and mix of housing product.

Housing Need from Population Growth

Net population and household growth are the largest single drivers of the need for new housing units. From 2025 through 2045, Newton's population is forecast to increase by 948 to 1,144 new residents. Newton's average household size is 2.39 people. Newton's forecast population growth through 2045 is estimated to yield an estimated 397 to 479 new households and occupied housing units.

Latent Housing Need

Another housing needs component considers the number of units a market requires to offer balanced market conditions. Vacant housing units are necessary to accommodate the turnover of the housing stock as people move for family, work-related, or financial reasons. Latent demand occurs when the inventory of available housing is severely constrained.

Housing markets operating at a healthy supply and demand balance support an average vacancy rate of 5 to 8 percent which allows for a sufficient housing inventory for households to secure housing and encourage competitive housing prices and rental rates. Markets with vacancies below a healthy rate often suffer from escalating home values and rents, minimal tenant turnover, residents being forced into housing situations that do not meet their housing needs, and the inability of non-residents to enter the market. At market equilibrium, of Newton's existing housing stock of 8,411 dwelling units, 421 to 673 dwelling units would be vacant and available for sale or rent.

As of September 2025, just 60 housing units were listed for sale in Newton, and eight (8) rental units were vacant and available for rent among the surveyed apartment properties. In addition, 17 single-family homes and apartment units within small properties were advertised for rent in

Newton. Fifty-five single-family homes are currently under construction within Newton's six active residential subdivisions. Therefore, as of September 2025 an estimated 132 housing units were vacant in Newton, equating to an overall vacancy rate of just 1.6 percent. The constrained supply of available housing serves as a barrier of entry for those individuals and households interested in moving to Newton.

Based on Newton's existing housing stock, current availability of for-sale and rental housing, current 1.6 percent vacancy rate, and a balanced housing market vacancy rate of 5 to 8 percent, latent housing demand in Newton is estimated 289 to 541 additional housing units.

According to the Harvey County Economic Development Council approximately 7,500 Newton residents work outside of the city and approximately 6,000 non-residents commute into Newton for work. This large influx of workers commuting into Newton represents a source of prospective future residents. Realtors cited the lack of affordable quality housing as a principal reason why local employees live elsewhere.

Total Housing Need

From 2026 through 2045, the City of Newton's forecast population growth and latent housing demand will create the need for an estimated 686 to 1,020 housing units.

Forecast Residential Housing Need
Newton, Kansas; 2026-2045

	Conservative Scenario	Optimistic Scenario
Existing Housing Stock (2025)	8,411	8,411
Less: Vacant Housing Units	-132	-132
Occupied Housing Units	8,279	8,279
Population Growth Housing Need		
Population Growth 2026-2045	948	1,144
Average Household Size	2.39	2.39
New Occupied Housing Units	397	479
Latent Housing Need		
Existing Housing Units 2025	8,411	8,411
Market Equilibrium Vacant Units	421	673
Less: Vacant Housing Units 2025	-132	-132
Estimated Latent Housing Need	289	541
Total Housing Unit Need 2026-2050	**686**	**1,020**

Source: Canyon Research Southwest, Inc.

Given Newton's current mix of occupied housing units, household composition, age and household income distribution, level of housing stress, and the above average need for affordable rental housing, through 2045 owner-occupied housing is estimated to account for 65 percent of the housing inventory with renter-occupied housing accounting for the remaining 35 percent. Therefore, through 2045 the mix of housing needs is estimated at 446 to 663 owner-occupied units and 240 to 357 rental units.

According to the U.S. Census, detached single family homes accounted for 94.5 percent of all occupied owner-occupied housing units and 47.8 percent of all occupied rental units in Newton. Meanwhile, multi-family housing accounts for no owner-occupied housing and 43.7 percent of renter-occupied housing.

The table on page 78 provides a comparison of Newton's housing stock by housing type against the statewide averages and that of Wichita area cities. The comparable cities include Park City, Bel Aire, Maize, Goddard, Augusta, Andover, and Derby. The housing data was provided by the *American Community Survey.*

Newton's housing stock is dominated by detached single-family homes that account for 78.6 percent of the total inventory. By comparison, detached single-family housing units account for 72.0 percent of Kansas' housing stock. For the seven comparable cities, single-family housing accounts for 53.3 percent to 88.1 percent of the total housing stock, averaging 76.2 percent. Andover and Derby, which are most comparable in population to Newton, support a housing stock consisting of 71.7 percent to 78.8 percent detached single-family. This analysis suggests that Newton supports an above average proportion detached single-family housing units.

Small multi-family properties with 2 to 9 dwelling units comprise 11.6 percent of Newton's housing stock. By comparison, 2 to 9 dwelling unit structures account for 10.0 percent of Kansas' housing units. For the seven comparable cities 2 to 9 dwelling unit structures account for 3.4 percent to 13.8 percent of the total housing stock, averaging 7.8 percent. Structures with 2 to 9 dwelling units account for 5.7 percent and 9.6 percent of the housing stock of Andover and Derby. This analysis suggests that Newton supports a disproportionately high percentage of multi-family properties with 2 to 9 dwelling units.

Multi-family properties with 10 or more dwelling units comprise 3.9 percent of Newton's housing stock, compared to 9.0 percent of Kansas' housing stock. For the seven comparable cities, structures with 10 or more dwelling units account for 1.3 percent to 18.0 percent of the total housing stock, averaging 7.0 percent. This analysis suggests that Newton supports a well below average percentage of multi-family properties with 10 or more dwelling units.

The mix of future housing demand is best determined by evaluating Newton's population demographics with that of the various housing life-cycle stages. Emphasis is placed on age, education, and income.

Housing Stock Mix Comparison
City of Newton vs. State of Kansas and Comparable Cities

	Housing Mix as % of Total Housing Stock									City
Units in Structure	**Newton**	**Kansas**	**Augusta**	**Park City**	**Bel Aire**	**Maize**	**Goddard**	**Andover**	**Derby**	**Averages**
Population	18,443	2,940,547	9,252	8,333	8,262	5,990	5,361	15,508	25,801	**11,215**
Median Household Income	$67,015	$70,333	$60,581	$70,317	$93,128	$68,750	$92,220	$106,676	$82,089	**$81,966**
Housing Units	8,259	1,299,931	3,875	2,974	3,076	2,623	1,805	5,468	10,770	**4,370**
1-Unit, Detached	78.6%	72.0%	78.3%	82.4%	80.8%	53.3%	88.1%	78.8%	71.7%	**76.2%**
1-Unit, Attached	4.8%	4.9%	1.5%	0.8%	7.5%	14.8%	2.4%	8.0%	5.9%	**5.8%**
2 Units	4.1%	2.6%	6.6%	0.4%	1.2%	2.4%	1.9%	2.2%	1.7%	**2.3%**
3 or 4 Units	5.0%	3.6%	1.8%	1.2%	2.4%	4.1%	1.7%	2.3%	2.9%	**2.3%**
5 to 9 Units	2.5%	3.8%	1.8%	1.8%	1.5%	7.3%	3.6%	1.2%	5.0%	**3.2%**
10 to 19 Units	1.2%	3.8%	1.7%	0.9%	3.6%	8.7%	0.0%	2.1%	10.2%	**3.9%**
20+ Units	2.7%	5.2%	2.4%	0.4%	3.0%	9.3%	2.0%	2.0%	2.4%	**3.1%**
Mobile Home	1.2%	4.1%	5.6%	12.1%	0.0%	0.0%	0.3%	3.3%	0.3%	**3.1%**

Source: U.S. Census Bureau.

Entry-level householders are typically single or couples without children in their early 20's and often prefer to rent basic, inexpensive apartments. According to Esri Business Analyst, Newton's population of 15 to 24 years of age is currently estimated at 2,371 residents and forecast to decline slightly to 2,248 residents by 2030. Individuals with high school degrees or less are more likely to be renters than homeowners. An estimated 30.2 percent of Newton residents have attained a high school degree or less. This age cohort serves as a potential source for rental housing in Newton.

First-time homebuyers and move-up renters are usually married or cohabitating couples in their mid-20's or 30's, some with children, but most are without children. These individuals prefer to purchase moderate-priced single-family homes or rent more upscale apartments. An estimated 2,352 residents of Newton are 25 to 34 years of age with 12.3 percent of residents 25 years and older attaining an associate degree and 21.6 percent of residents possessing a bachelor's degree. An estimated 13.6 percent of households earn $35,000 to $49,999 annually and 21.4 percent of households earn $50,000 to $74,999 annually. This age cohort serves as a potential source for rental housing and entry-level, for-sale housing in Newton.

Move-up homebuyers are typically in their late 30's to 40's, married with children. An estimated 27 percent of households in Newton have children at home. An estimated 12.7 percent, or 2,352 residents of Newton are 35 to 44 years of age. Of those residents 25 years and older, 21.6 percent have attained a bachelor's degree and 8.4 percent of residents possessing a graduate or professional degree. An estimated 16.3 percent of households earn $75,000 to $99,999 annually, 15.0 percent earn $100,000 to $149,999 annually, and 11.4 percent earn $150,000 or more annually. This age cohort serves as a potential source for move-up, for-sale housing in Newton.

Newton has a large senior population that has aged in place. Newton residents 65+ years of age account for 20.8 percent of the total population, or 3,852 residents. Esri Business Analyst forecasts by 2030 seniors will account for 21.9 percent of Newton's population, or 4,036 residents. Some senior residents as they age will move out of their single-family homes into independent or assisted living communities, effectively increasing the entry-level housing stock.

An estimated 22.4 percent of households in Newton earn less than $35,000 annually with 5.4 percent earning less than $15,000. These households tend to be perpetual renters with the lowest income households potentially qualifying for some form of housing assistance.

Population demographics suggest Newton possesses a sizable market for first-time homebuyers and market-rate and income-based renters. Newton possesses a modest move-up market for housing priced at $250,000 or more. Newton's growing senior population suggests a need for independent and continuum care housing.

The table on the following page provides estimates of Newton's housing need through 2035 by occupancy and housing type. Through 2035 the mix of housing needs is estimated at 382 to 612 owner-occupied units and 206 to 330 rental units.

According to the U.S. Census Bureau, owner-occupied housing in Newton is comprised of 96.2 percent detached single-family, 2.5 percent attached single-family, 0.2 percent multi-family properties with 10+ dwelling units, and 1.1 percent mobile home. Renter-occupied housing is more diverse, with 48.8 percent detached single-family, 11.1 percent attached single-family, 26.5 percent structures with 2 to 9 dwelling units, 12.9 percent structures with 10 or more dwelling units, and 0.8 percent mobile home.

Through 2045, owner-occupied housing needs through 2045 are estimated at 379 to 565 detached single-family homes and 67 to 98 attached single-family units (like the duplexes offered at the Fox Ridge subdivision). Rental housing needs through 2045 are estimated at 107 to 144 detached single-family homes, 36 to 55 dwelling units in 2- to 9-unit structures, and 97 to 158 dwelling units in structures with ten or more units.

Forecast Housing Need by Product Type
Newton, Kansas; 2026-2045

Housing Type	Owner Occupied Low	Owner Occupied High	Renter Occupied Low	Renter Occupied High
Detached Single-Family	379	565	107	144
Attached Single Family	67	98	0	0
2 to 9 Units	0	0	36	55
10+ Units	0	0	97	158
Total Housing Units	**446**	**663**	**240**	**357**

At an average density of 3.5 to 4.0 dwelling units per acre for single-family homes and 18 to 22 dwelling units per acre for multi-family housing, the forecast housing need through 2045 for Newton, Kansas would require an estimated 114 acres to 165 acres of land under the conservative scenario, and 211 acres to 242 acres of land under the optimistic scenario.

Residential Site Evaluation

The criteria used to evaluate the suitability of property as a future residential housing development site include site location; parcel size and configuration; availability of infrastructure; entitlements; access; visibility and exposure; and proximity to housing demand generators and services.

Over the coming 20 years Newton's housing needs will create development opportunities for both owner-occupied and rental housing. A significant need exists in Newton for entry-level, for-sale housing and both income-based and market-rate rental housing. A modest housing market targeting high-income earners is needed to assist in attracting industry to Newton and provide adequate housing to attract and retain professional and skilled professions.

Future residential development in Newton should focus on providing a more diverse mix of housing products that may include detached single-family homes, duplexes, attached cluster housing, patio homes, tiny homes, modular housing, small apartment properties, and downtown housing. New housing construction can be accommodated through infill housing, adaptive reuse of existing structures, expansion of active subdivisions, and new residential subdivisions.

Greenfield residential development comes at an excessive cost in the form of utility extensions and subdivision infrastructure. The infrastructure for new residential subdivisions is funded through special assessments paid by the homeowner. The cost of vertical construction and the special assessments make building affordable housing financially challenging.

A goal of infill housing should be to provide a wider selection of detached and attached housing products priced under $250,000. The renovation of existing older housing stock and new infill construction can assist in satisfying the need for entry-level for-sale housing. To achieve the necessary price point, the construction of 1,100 square foot to 1,400 square foot 2- and 3-bedroom homes, tiny homes, and modular housing are options for infill development.

While the Newton Planning Department indicated the inventory of infill vacant lots is modest, the portion of the city with the oldest housing stock is best suited for new infill housing. The renovation of older houses, while not adding to the housing inventory, improves the quality of the housing stock and can satisfy the need for entry-level housing. Given Newton's large senior population, over the next 20 years a growing inventory of older housing may come on the market that is suitable for satisfying the need for entry level for-sale housing.

Infill housing can be facilitated in a variety of ways, including constructing homes on vacant lots, the demolition of derelict homes, and redevelopment of under-utilized properties such as homes on large lots, mobile homes, and self-storage facilities. Higher density housing should be concentrated along high traffic volume major arterial and collector streets. The downtown area offers the potential to provide residential over first floor commercial space and new detached and attached housing along surrounding streets.

Examples of possible residential infill sites in Newton include: 1) southeast corner of Sherman and North 12th Streets; 2) southwest corner North 9th and Sherman Streets; 3) SEC SE 2nd and Pine Streets; and 4) NWC East 8th Street and Olive Street.

From 2026 through 2045, the portion of Newton south of U.S. 50 Highway will continue to be the preferred location for new home construction. This portion of Newton boasts shopping, recreation, health services, employment, convenient freeway access, and proximity to Wichita. One lacking community service is the absence of an elementary school. Newton's northwest quadrant represents a long-term residential growth area.

Over the next 20 years the housing need will be insufficient to warrant large-scale residential subdivision development. Instead, a more cost-effective way to satisfy the near-term need for detached single-family housing is the continued expansion of the existing subdivisions that possess additional land with off-site street improvements and utilities.

The six active for-sale residential subdivisions in Newton offer a remaining lot inventory of 61 vacant lots available for new home construction that can satisfy the immediate need for new housing. Active subdivisions possess vacant land capable of supporting the development of 473 lots and new home construction. Therefore, the future new lot inventory could be accommodated within Newton's active subdivisions.

The City of Newton operates a landbank that can be an important source for future residential development sites. As an incentive, the landbank could market properties at an affordable price with the requirement that affordable rental housing or entry level for-sale housing be constructed. The City of Newton could offer additional incentives to attract single-family builders. Examples of incentives include: 1) place a 2-year hold on special assessments for infrastructure improvements; 2) establish a Rural Housing Incentive District (RHID) to assist in the cost of infrastructure improvements; 3) waiving building permit fees; 4) waiving municipal water, sewer and trash fees until a new home is sold and occupied; and 5) property tax abatement.

Over the next 20 years the demand for rental housing will create development opportunities. Potential sites for multi-family housing development should afford sufficient access and visibility. Below is a list of potential infill and greenfield multi-family development sites in Newton.

- Vacant land on the south side of Old 81 Highway west of Dollar General (Roanoke Lane)
- Vacant land on the north side of East 12th Street Pine Street
- Vacant commercial building surrounding the northeast corner of 3rd and Main Streets
- Vacant land at the northeast corner of Sharps Drive and South Meridian Road
- Vacant land at the northwest corner of South Meridian Road and U.S. 50 Highway
- Vacant land at the northeast corner of 14th Street and Logan
- Vacant land at the southwest corner of Anderson Avenue and U.S. 50 Highway
- Vacant land at the northeast corner of Anderson Avenue and Goldspike Court
- Vacant land west of the southwest corner of 24th Street and Kansas Avenue
- Vacant land at the northwest corner of 36th Street and Kansas Avenue
- Southeast corner of North 12th and Sherman Streets
- East side of Meridian Road and 1st Street
- SWC of SW 14th Street and Old Main Street

STUDY CONCLUSIONS

The *Economic and Market Analysis* evaluated the ability of Newton, Kansas ("Planning Area") to accommodate future development of a variety of retail, office, industrial, and residential uses. Study conclusions and recommendations include the following:

1 Quantify supportable long-term demand for new commercial and industrial space as well as residential housing units.

2 Identify future land use patterns and development opportunities.

Forecast Real Estate Need

Retail, office and industrial space and residential housing unit need was forecast for Newton, Kansas through the year 2045. Market forces driving future need for commercial space and housing include the growth in employment, population, and income along with trends in average space per employee, household size, and household composition.

From 2026 through 2045, Newton, Kansas is estimated to support the need for 125,000 to 134,000 square feet of new retail space, 75,000 to 100,250 square feet of professional and medical office space, and 418,000 to 806,000 square feet of industrial space.

Through 2045, Newton's forecast population growth is forecast to generate the need for 686 to 1,020 dwelling units, consisting of 553 to 807 single-family detached and attached housing units, 133 to 213 housing units in 2- to 9-unit structures, and 718 to 858 housing units in structures with ten or more units and mobile homes.

Forecast Real Estate Need
Newton, Kansas 2026 – 2045

	Forecast Need			Land Acres	
Land Use	Low	High		Low	High
Retail	125,000 SF	134,000 SF		12 – 14	14 – 16
Office	75,000 SF	100,250 SF		6 – 7	8 – 9
Industrial	418,000 SF	806,000 SF		24 – 28	46 – 53
Residential	686 DUs	1,020 DUs		114 – 165	211 – 242
Totals				**156 – 214**	**279 – 320**

Source: Canyon Research Southwest, Inc.

Assuming an average floor-area-ratio ("FAR") of 0.2 to 0.4 for the retail, office and industrial space and average residential densities of 3.5 to 4.0 dwelling units per acre for single-family and 18 to 22 dwelling units per acre for multi-family, forecast real estate needs through 2045 for Newton, Kansas would require an estimated 156 to 214 acres of land under the conservative scenario and 279 to 320 acres of land under the optimistic scenario.

Future Land Use Patterns and Development Opportunities

Based on the study findings and future need projections, future development sites in Newton, Kansas for retail, office, industrial, and housing have been identified.

The City of Newton is included in the Wichita MSA. Over the past two decades urban growth within Newton has been influenced by the continued expansion of the Wichita MSA and its location in the path of growth.

Forecast real estate needs through 2045 for the City of Newton would require an estimated 156 to 214 acres of land under the conservative scenario and 279 to 320 acres of land under the optimistic scenario. These land requirements will have a significant impact on Newton's urban landscape.

Given the availability of land and infrastructure, highway access, and existing land use patterns, over the next 20 years urban expansion will favor the portion of Newton south of U.S. 50 Highway, supporting the bulk of population growth and new home construction. Kansas Avenue will remain as the city's preferred location for future development of retail, professional office, and medical office. Industrial development activity will occur primarily east of Interstate 135 within the Newton Industrial Park and Kansas Logistics Park.

The historic downtown square is iconic to Newton's image and reputation. Downtown remains vibrant and is home to government offices and a mix of retail and professional office businesses. Infill development would strengthen the downtown core with potential opportunities including mixed-use and multi-family residential housing. The multi-story buildings on Main Street have the potential to accommodate office and residential over ground floor commercial space. Underutilized properties along West 5th Street and West 6th Street are candidates for redevelopment with retail and office space and mixed-use buildings with residential over first floor commercial space.

Retail Development Opportunities

Population growth through 2045 will support continued retail development opportunities focusing on development of greenfield sites along major arterial streets.

The City of Newton Zoning Map identifies seven concentrations of existing commercial zoning, including: 1) Old 81 Highway; 2) intersection of East 12th Street and Main Street; 3) downtown Newton; 4) intersection of East 1st Street and Spencer Road; 5) intersection of SE 14th Street and Washington Road; 6) intersection of West 1st Street and Meridian Road; and 7) Kansas Avenue from U.S. 50 Highway south to SE 36th Street.

Newton's newest retail hub is located along Kansas Avenue from U.S. 50 Highway south to SE 36th Street, housing a Walmart Supercenter, Dollar General, Goodwill, Arby's, McDonalds, Starbucks, Heartland Credit Union, and Peoples Bank. As part of the corridor, the intersection of SE 36th Street houses the Chisholm Trail Outlets, Tractor Supply Company, Nusser Fuels, and Burger King. With most of the new retail construction and platted residential lots in Newton located south of U.S. 50 Highway, the south Kansas Avenue corridor will serve as the principal location for future retail development with sufficient land to accommodate major and junior anchors, strip centers, and outparcels.

Within emerging residential neighborhoods retail nodes will be required to provide everyday goods and services. Potential neighborhood shopping center sites include the intersections of 1) North 12th Street and Meridian Road and 2) South 24th Street and Meridian Road. A neighborhood retail redevelopment site includes the former big-box retailer building at the southeast corner of 1st Street and Meridian Road.

The northwest and southwest corners of Broadway and Interstate 135 offer appropriate site characteristics to support highway commercial uses, featuring excellent access and visibility from Interstate 135.

The former Kmart store at the southeast corner of 1st and Merdian Streets remains vacant. Given the large floor area, adaptive re-use would be challenging. Given its section-line corner location redevelopment with neighborhood retail uses is appropriate.

The Chisholm Trail Outlets property located southwest of 36th Street and Interstate 135 is a potential retail redevelopment site given its access and visibility via Interstate 135.

The vacant land at the northeast corner of I-135 and Broadway is a suitable location for hotel development, complimenting the adjacent Meridian Center, a city-owned event center with a seating capacity of 500 guests.

Professional Office Development Opportunities

The principal concentrations of professional and medical office space in Newton, Kansas include downtown Newton and along South Washington Road. Prospective locations for future professional office development in Newton are best located along major arterial roads such as Kansas Avenue, Main Street, Spencer Road, and Broadway Road. Prospective locations for future new professional office and medical office space construction in Newton, Kansas include:

1. With the presence of the NMC Health Medical Center and direct access from both Interstate 135 and U.S. 50 Highway, Kansas Avenue south of U.S. 50 Highway is anticipated to emerge as a professional and medical office corridor. Potential development sites include: 1) seven parcels totaling 23.11 acres at the southwest corner of Wheatridge Drive and Kansas Avenue south of the Walmart Supercenter; 2) 35.7-acre parcel zoned C-2 at the southwest corner of SE 24th Street and Kansas Avenue is zoned C-2 along the Kansas Avenue frontage; and 3) two parcels zoned C-2 totaling 16.33 acres at the southeast corner of SE 24th Street and Kansas Avenue.

2. The west side of Spencer Road from East 3rd Street north to Broadway is zoned C-2. Several vacant parcels of land are available for office development, featuring Interstate 135 access and visibility. Vacant parcels include: 1) two parcels at the southeast corner of 3rd Street and Interstate 135 of 0.89 acres and 0.95 acres and 2) 6.3 acres at the southwest corner of East 3rd Street and Spencer Road.

3. Northwest and southwest corners of Broadway and Interstate 135. These properties afford excellent access and visibility from Interstate 135.

4. Second floor space in buildings along Main Street could be converted into office space ideal for lawyers, insurance companies, financial planners, architects, engineers, nonprofit organizations, and other professional businesses. Domestic water and fire suppression improvements are needed to accommodate second floor commercial uses.

Industrial Development Opportunities

Creating employment opportunities should be a priority of the Newton Comprehensive Plan. Key future growth industries in Newton include light manufacturing, logistics, and warehouse operations.

The principal concentrations of industrial space are located: 1) east of Interstate 135 along Spencer Road and the Newton Industrial Park and 2) along the railroad corridor in southwest Newton. Any new land designated for industrial use should be located east of Interstate 135, offering convenient highway access and eliminating any land use conflicts with residential neighborhoods. The SE 36th Street and Interstate 135 interchange now under construction will enhance truck access to industrial land east of Interstate 135 and rail service is being extended that will assist in attracting logistics and light manufacturing companies. Prospective sites suitable for future industrial development in Newton, Kansas are identified in the text below.

1. Newton Industrial Park is located at the northeast corner of SE 12th Street and Spencer Road is owned by the City of Newton. The city purchased the park in 2002. All utilities and roads have been extended into the second phase of the park and rail-served lots are available. Newton Industrial Park has 13 building sites ranging from 2.1 acres to 4.57 acres are available for future industrial development. A 79.85-acre parcel of land is located immediately to the north that could serve as an expansion of the Newton Industrial Park.

2. The Kansas Logistics Park is located at the intersection of SE 12th Street and Hillside Road. GAF has purchased 230 acres on the south side of SE 12th Street, and a 275,000 square foot shingle plant is under construction. Rail service is being brought to the site. Approximately 200 shovel-ready acres are available for future industrial development north of SE 12th Street. Expansion land is available both north and west of the Kansas Logistics Park that could be incorporated to support future industrial development. A 39.94-acre parcel of land is located immediately north of the Kansas Logistics Park with another 154.9 acres are located west of the GAF property.

3. North side of 1st Street from Spencer Road east to Oliver Road (Newton City/County Airport). Property offers direct access to I-135 via the 1st Street interchange.

4. North side of 36th Street from Interstate 135 east to Hillside Road.

5. North side of 12th Street to Highway 50/Go Road 566 from Spencer Road east to Oliver Road. This property affords rail access, which is important for warehouse and logistics companies.

6. Newton City/County Airport (designated EWK) occupies approximately 800 acres on the north side of 1st Street at Oliver Road. Approximately 100 acres of land west of the airport is available for future development. The airport is considering purchasing 300 to 350 acres of land east of the airport for future expansion and employment use.

Residential Development Opportunities

Providing the opportunity for the City of Newton to support a wide mix of both owner-occupied and rental housing products suitable for accommodating a broad population should be a priority. Future residential development should focus on providing a more diverse mix of housing products that may include detached single-family homes, duplexes, attached cluster housing, patio homes, tiny homes, modular housing, small apartment properties, and downtown housing. New housing construction can be accommodated through infill housing, adaptive reuse of existing structures, expansion of active subdivisions, and development of new residential subdivisions.

From 2026 through 2045, the portion of Newton south of U.S. 50 Highway will continue to be the preferred location for new home construction. This portion of Newton boasts shopping, recreation, health services, employment, convenient freeway access, and proximity to Wichita. Newton's northwest quadrant represents a long-term residential growth area.

Over the next 20 years the housing need will be insufficient to warrant large-scale master planned community development. Instead, a more cost-effective way to satisfy the near-term need for detached single-family housing is the continued expansion of the active subdivisions that possess additional land with off-site street improvements and utilities.

The six active for-sale residential subdivisions in Newton offer a remaining lot inventory of 61 vacant lots available for new home construction that can satisfy the immediate need for new housing. Active subdivisions such as Fox Ridge, Autumn Glen, Sand Creek Estates, Spring Lake, and Summer Crossing all possess vacant lots and vacant land for future lot development and new home construction. Therefore, the future new lot inventory could be accommodated within Newton's active subdivisions.

Examples of possible residential infill sites in Newton include: 1) southeast corner of Sherman and North 12th Streets; 2) southwest corner North 9th and Sherman Streets; 3) SEC SE 2nd and Pine Streets; and 4) NWC East 8th Street and Olive Street.

Large-scale apartment sites are best located along major transportation corridors and in proximity to retail hubs and employment centers. Over the next 20 years the need for rental housing will create development opportunities. Potential development sites for multi-family housing should afford sufficient access and visibility. Below is a list of prospective infill and greenfield multi-family development sites in Newton.

- Vacant land on the south side of Old 81 Highway west of Dollar General (Roanoke Lane)
- Vacant land on the north side of East 12th Street Pine Street
- Vacant commercial building surrounding the northeast corner of 3rd and Main Streets
- Vacant land at the northeast corner of Sharps Drive and South Meridian Road
- Vacant land at the northwest corner of South Meridian Road and U.S. 50 Highway
- Vacant land at the northeast corner of 14th Street and Logan
- Vacant land at the southwest corner of Anderson Avenue and U.S. 50 Highway
- Vacant land at the northeast corner of Anderson Avenue and Goldspike
- Vacant land west of the southwest corner of 24th Street and Kansas Avenue
- Vacant land at the northwest corner of 36th Street and Kansas Avenue

- Southeast corner of North 12th and Sherman Streets
- East side of Meridian Road and 1st Street
- SWC of SW 14th Street and Old Main Street

Potential Downtown Redevelopment Sites

Potential redevelopment and adaptive re-use sites designed to strengthen the central business district include the following:

1. Vacant 2.5-acre parcel at the northeast corner of East 3rd Street and Main Street. This "gateway" location is suitable for the use as a public activation site such as a farmers' market, performance space, restaurant, and pop-up retail or food trucks. Such an entertainment/public use would generate visitation downtown that would benefit existing merchants and stimulate new retail, restaurant, and entertainment establishments.

2. Commercial buildings at the northeast and northwest corners of West 5th and Poplar Streets.

3. Surface parking lot at the northeast corner of West 6th and Poplar Streets.

4. Commercial buildings at the southwest corner of West 6th and Poplar Streets.

5. Former gas station (now a dry cleaner) and vacant land at the southwest corner of Broadway and Poplar Street.