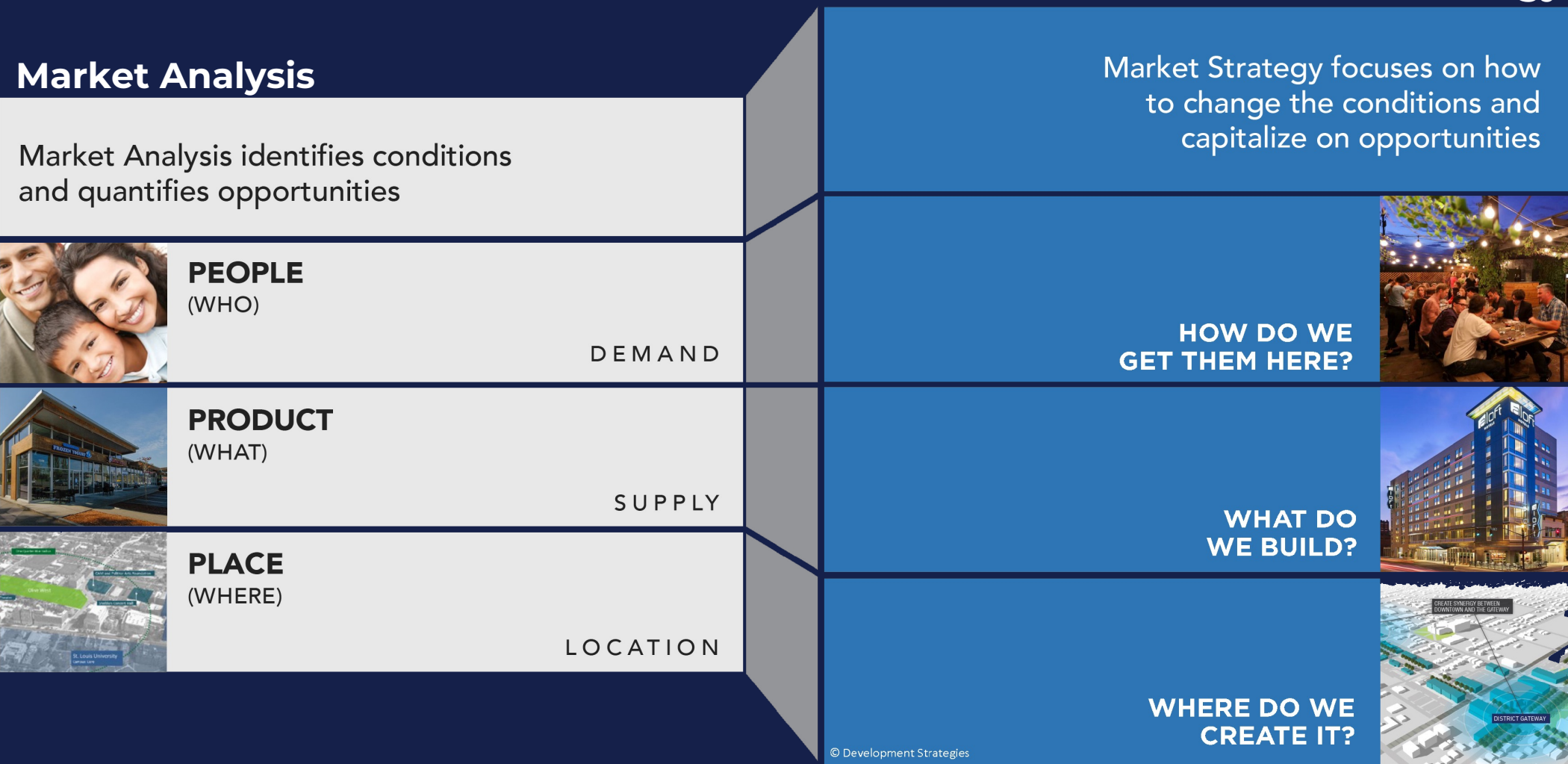


Approach: **Market Analysis**



© Development Strategies

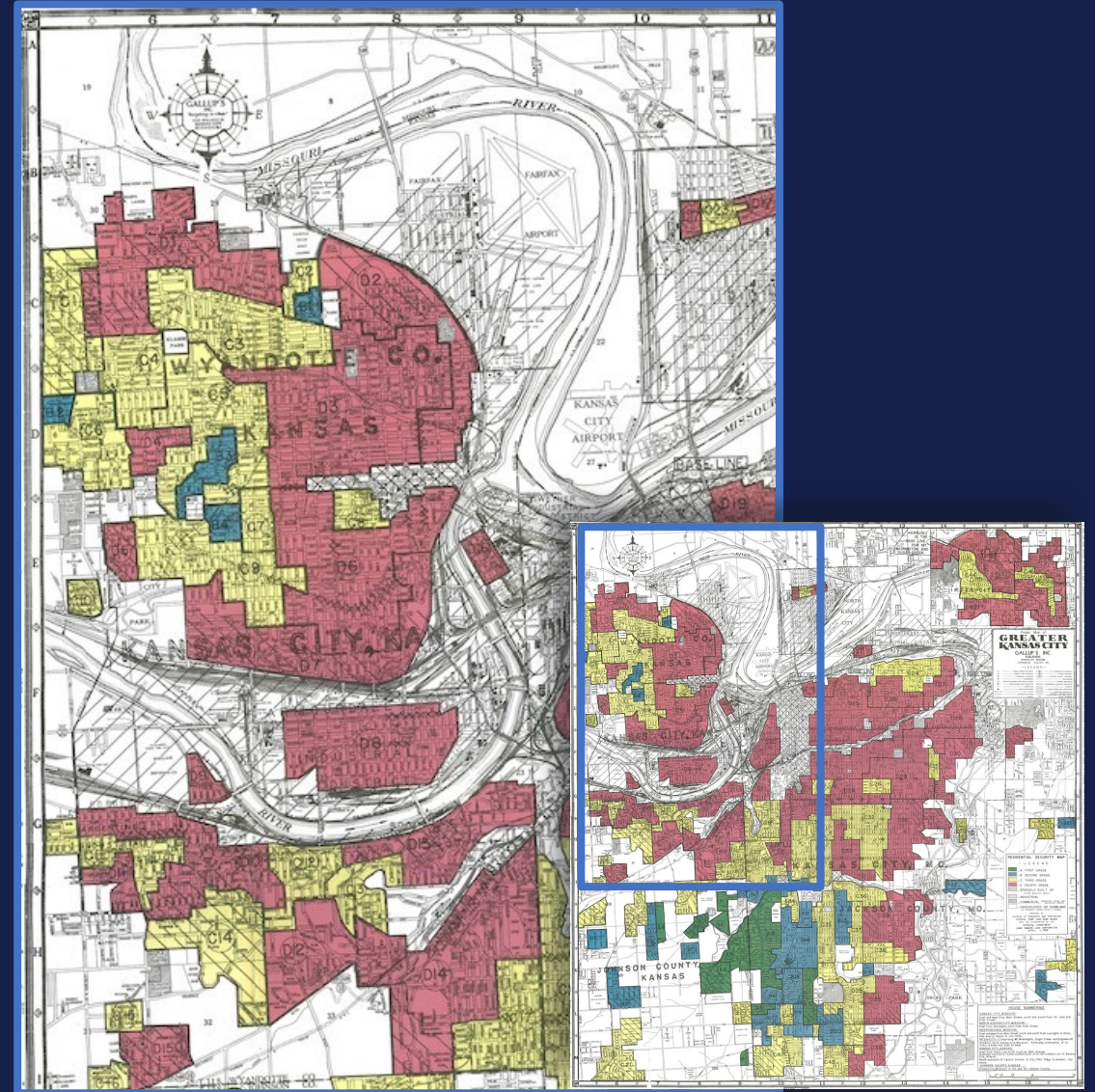
Historic Data

Redlining:

- Federal Policy enacted during the Great Depression that restricted residents' access to bank loans to buy or repair a home based on geography
- Limited access to insurance in “declining” and “hazardous” areas, mainly based upon demographic characteristics
- Encouraged investment in “new areas”
- Severely limited BIPOC residents' ability to gain and maintain intergenerational wealth



PLAN
KCK

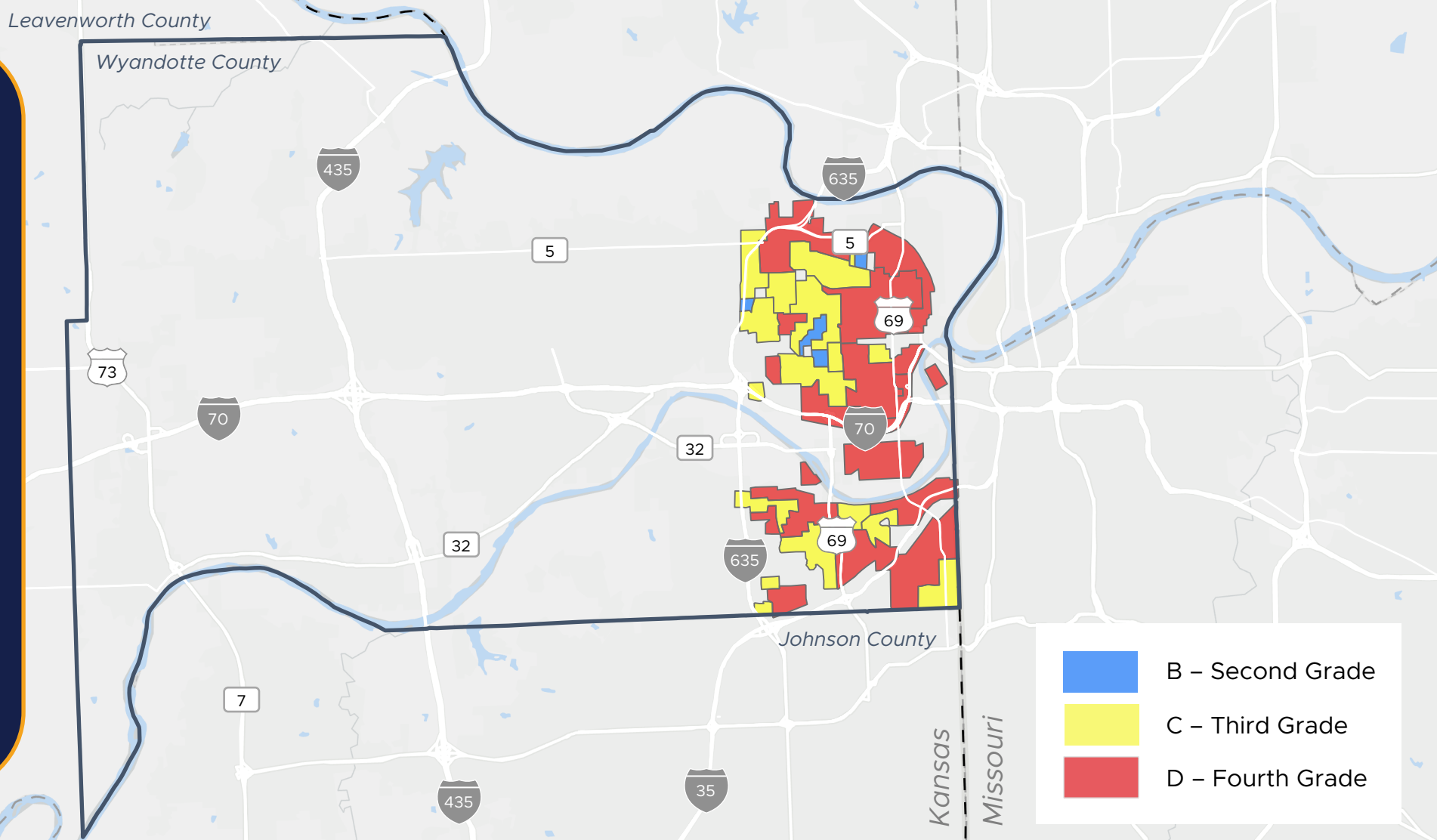


Source: Mapping Inequality: Redlining
in New Deal America

wycokck.org/planKCK

IMPACTS OF REDLINING

- Policy deemed most areas of urban Wyandotte County as “hazardous”
- Federal housing policy in post-WWII further incentivized suburban development, resulting in disinvestment in urban core
- Legacy of policies is apparent in current landscape: structures in the urban core are far older, while new market-driven development pushed westward



Market Analysis: **Post-COVID Trends**



OFFICE

Future office development will likely be smaller in scale and niche—**companies will still need office space, but less of it**

Limited Opportunity



RETAIL

Because of national shifts in retail preferences (e.g. online shopping, food delivery, etc.), consumers and tourists are seeking more **experiential retail opportunities**

Limited Opportunity



HOSPITALITY

The hospitality market has recovered from the pandemic and future hotel development will depend on **increasing business travel**.

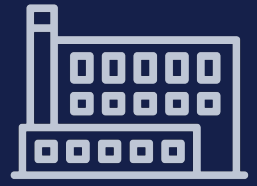
Medium Risk



MULTIFAMILY

The market for new and higher-quality multifamily **remains strong**

Lowest Risk



INDUSTRIAL

The market for warehousing/logistics **remains strong**, while future manufacturing will be dependent on niche and advanced manufacturing sectors

Lowest Risk

Development Summary: Land Use & Typology



TOTAL DELIVERIES <i>Kansas City MSA</i> 2010-July 2023	76M SF 23% increase	10.9M SF 6% increase	14.5M SF 4% increase	48,100 units 18% increase	8,500 rooms 22% increase
TOTAL DELIVERIES <i>Wyandotte County</i> 2010-July 2023	8.3M SF 18% increase	1.3M SF 19% increase	1.0M SF 10% decrease	1,800 units 12% increase	500 rooms 25% increase
% of MSA Growth	11%	12%	7%	4%	6%

Overview

Promising Growth Trends

Following decades of steady population decline, the county gained nearly **12,000 new residents** (+7.0%) since 2010

Strong Blue Collar Workforce

Leading industries in the county include **manufacturing, construction, and transportation/warehousing**, accounting for 32% of total jobs

The Population is Aging

Since 2010, the population aged 65 and older have **grown significantly**, while the number of residents under age 35 has **decreased**

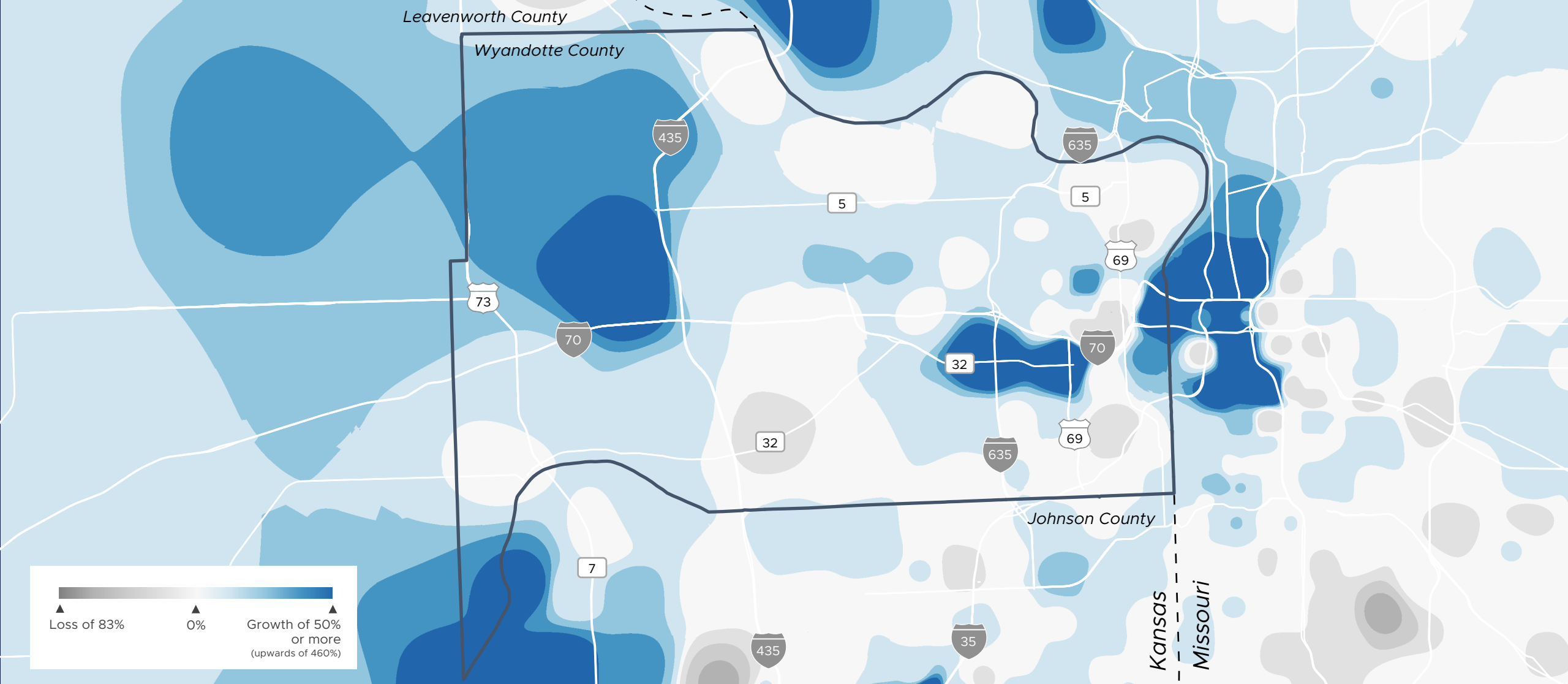
Low Levels of Educational Attainment

Just **21% of county residents have bachelor's degrees** compared to 40% of residents across the MSA

Unemployment Remains Low

The county has an **unemployment rate of 3.6%** (March 2023)—about equal to that of the nation (3.5%), though higher than in the MSA (2.8%)

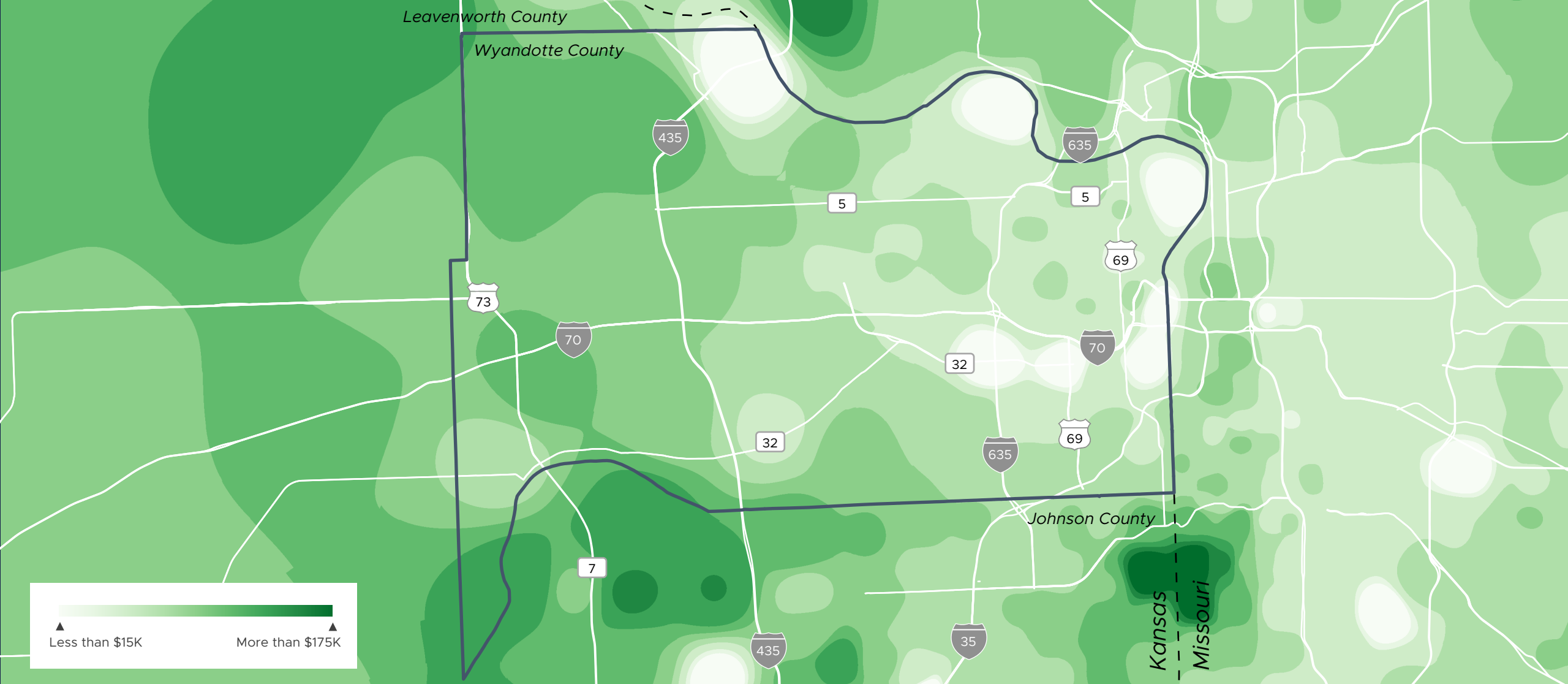
Source: Esri 2023, Bureau of Labor Statistics 2023



Population Change 2010-2023

Source: Esri 2023

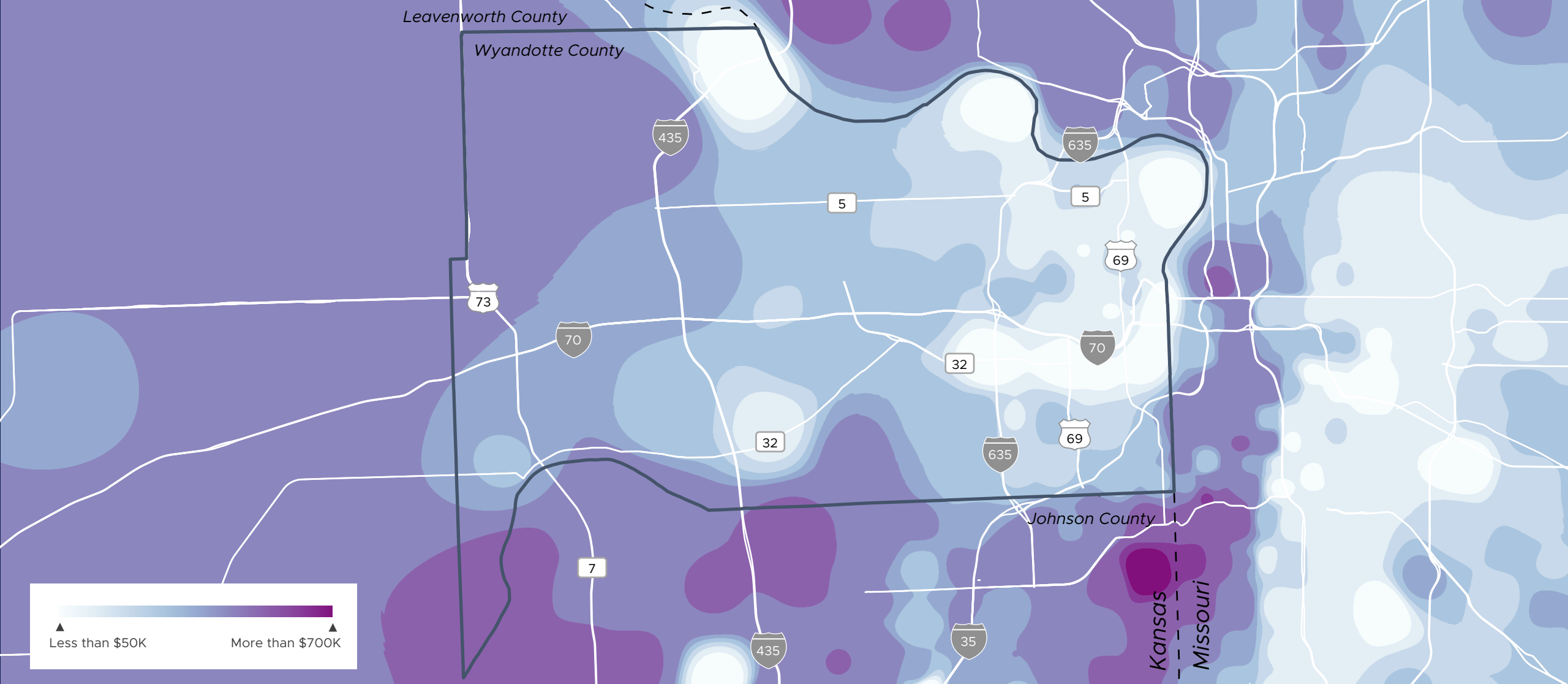
wycokck.org/planKCK



Median Household Income 2023

Source: Esri 2023

wycokck.org/planKCK

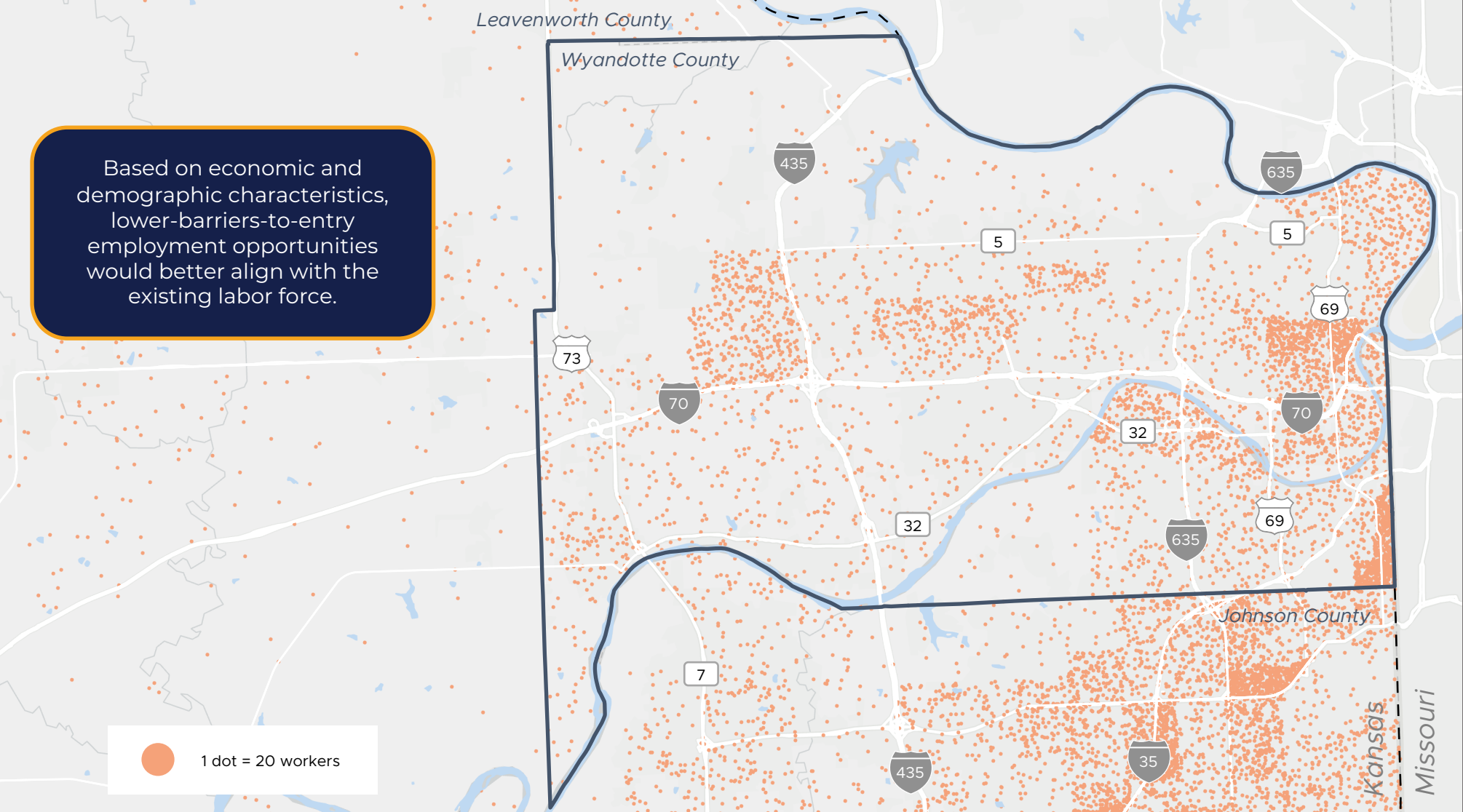


Median Home Value 2023

Source: Esri 2023



Based on economic and demographic characteristics, lower-barriers-to-entry employment opportunities would better align with the existing labor force.



LABOR FORCE OVERVIEW

TOTAL LABOR FORCE

107K
County

1.1M
MSA

MEDIAN HH INCOME

\$57K
County

\$77K
MSA

LABOR FORCE CHARACTERISTICS

AT LEAST BACHELOR'S DEGREE

21%
County

40%
MSA

WHITE COLLAR

45%
County

56%
MSA

BLUE COLLAR

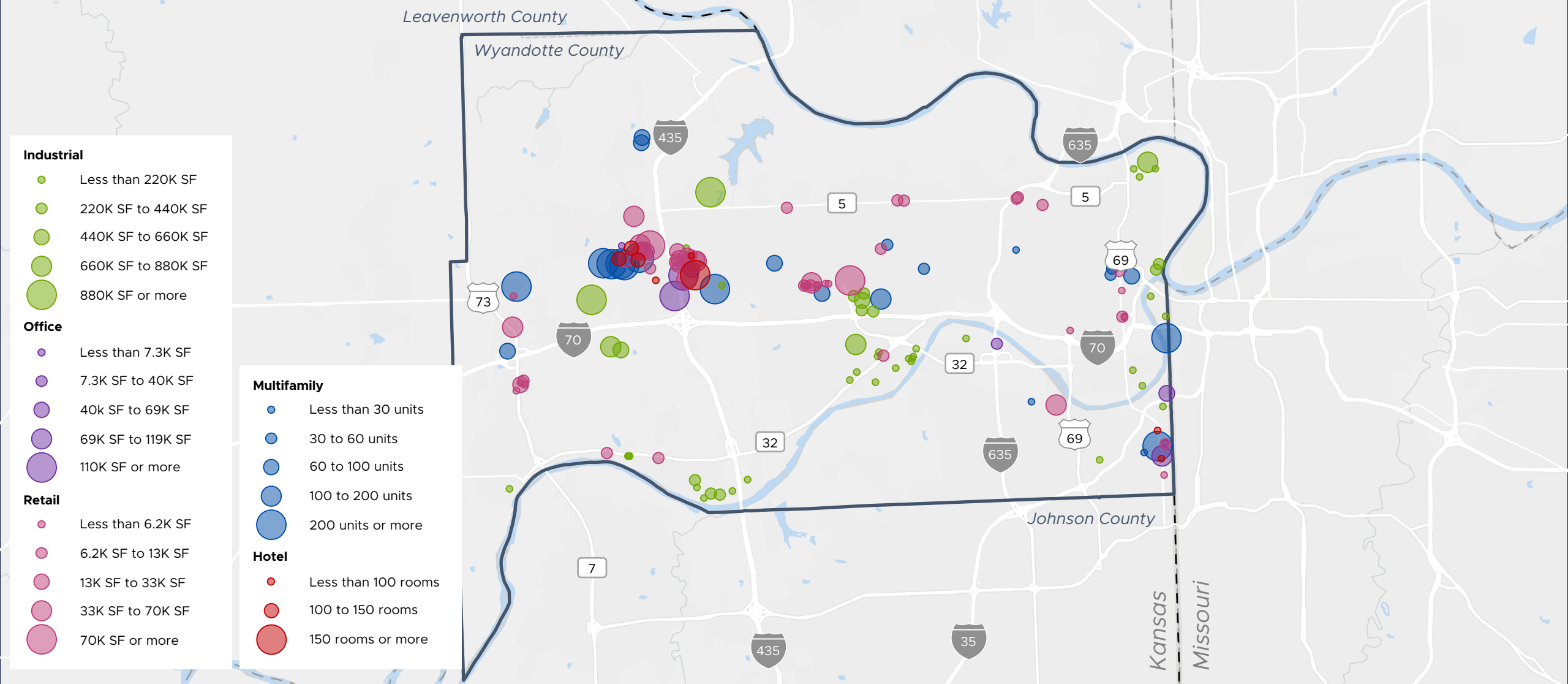
55%
County

44%
MSA

Employment Concentration
2023

Source: Esri 2023, CoStar 2023





Development Trends

Total Development from 2010-present

includes developments under construction and proposed future developments

Source: CoStar 2023

wycokck.org/planKCK

Summary of Findings: Industrial

Strong Industrial Market

The regional industrial market has been **very strong since 2010**

The MSA has added around **80 million SF** of industrial space, overall **increasing total inventory** by **23%**

Increasing Market Share

Wyandotte County has **captured** a large share of industrial growth

Wyandotte County has captured **over 10% of regional industrial deliveries** since 2010

The County makes up **8%** of the region's **blue collar jobs**

Supporter of Logistics Sector

The vast majority of new industrial development **supports the logistics sector**

Among industrial properties delivered in the County since 2010, **87%** of space are Warehouse and Distribution properties

Growth is expected to Continue

There will be **continued market pressure** for new industrial development

With the rise of e-commerce and continuous development of industrial stock, the County has positioned itself as a **regional logistics hub**

Source: CoStar 2023

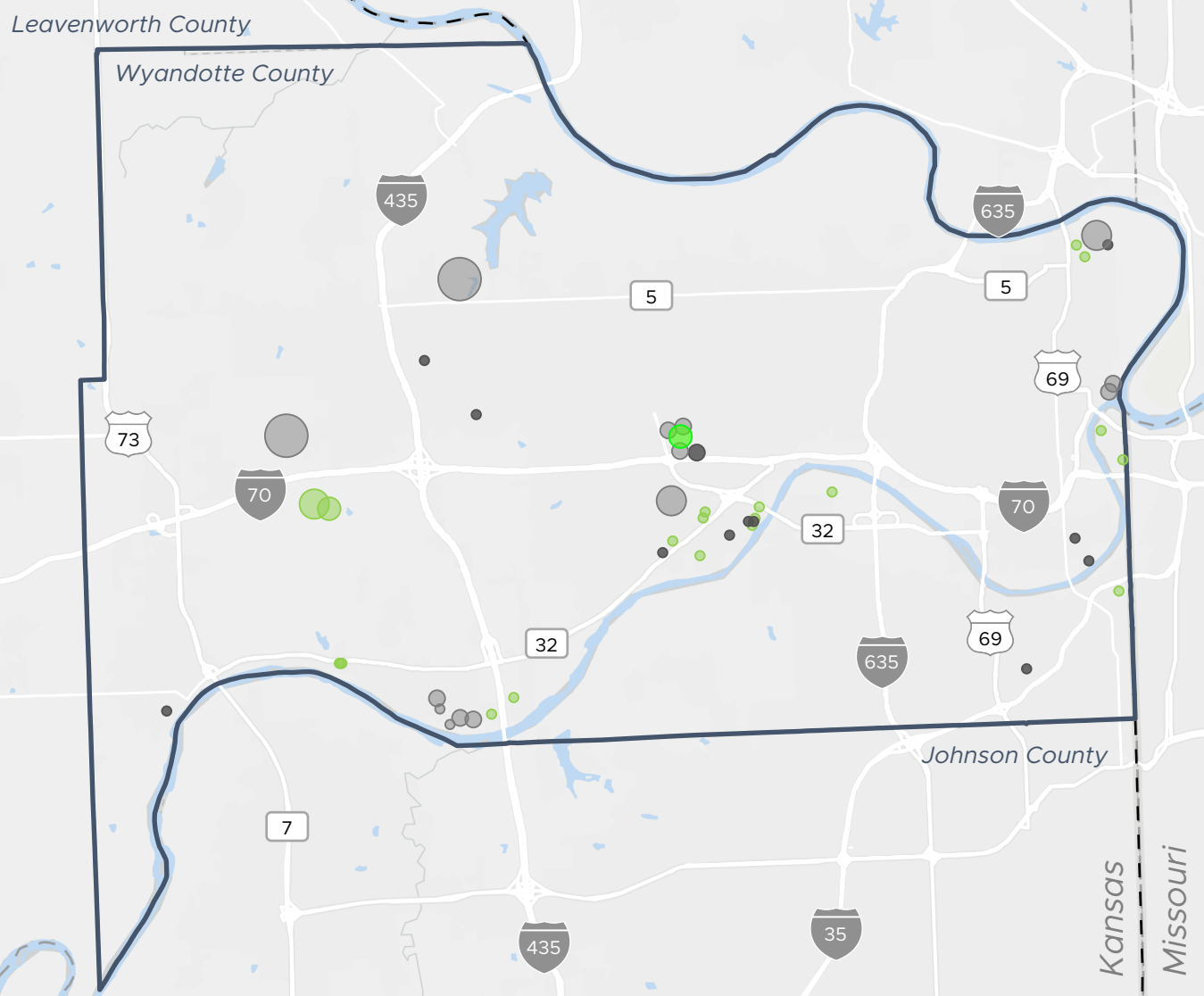
Industrial development has been very robust in recent years with the region adding more than 80 million square feet since 2010.

Size of Development

- Less than 220K SF
- 220K SF to 440K SF
- 440K SF to 660K SF
- 660K SF to 880K SF
- 880K SF or more

Type of Development

- Manufacturing
- Warehouse
- Distribution
- Other



MARKET OVERVIEW

VACANCY

1.3%
County

4.4%
MSA

GROSS RENT PSF

\$4.04
County

\$5.42
MSA

RECENT DEVELOPMENT

2010-March 2023

DELIVERIES

8.3M SF
County

80M SF
MSA

17%
Change

26%
Change

VACANCY

0.0%
County

GROSS RENT PSF

\$5.84
County

10.0%
MSA

\$5.26
MSA



Industrial Development 2010-present

includes developments under construction and proposed future developments

Source: CoStar 2023

wycokck.org/planKCK

Summary of Findings: Office

Strong Office Market

Office development has been **strong** in Wyandotte County

Since 2010, **944,000 square feet** of office space has been delivered in the county, increasing total inventory by **18%**

Clustered Development

Recent office deliveries in the county are geographically **clustered**

Office development has principally occurred in areas near **KU Medical Center** and **The Legends Outlets**

Existing Employers Drive Development

Existing **major employers** and institutions have been the **primary drivers** of development

Large-scale office deliveries since 2010 include offices for **Cerner, Dairy Farmers of America, and KU Medical Center**

Office Vacancy is Increasing

Vacancy is a **growing issue** for Wyandotte County, the region, and nation

As **work-from-home** and **hybrid work** are **normalized**, office use has declined

The **recent vacancy** of the Cerner HQ was associated with a **large spike** in office vacancy in the County (also observable in the MSA)

Office development in the County has been limited to areas near The Legends and KU Medical Center.

Office

- Less than 7.3K SF
- 7.3K SF to 40K SF
- 40k SF to 69K SF
- 69K SF to 119K SF
- 110K SF or more

Type of Development

- Office Class A
- Office Class B
- Office (Medical)

MARKET OVERVIEW

VACANCY		VACANCY CLASS A	
17.7%	11.5%	62.5%¹	15.7%
County	MSA	County	MSA
GROSS RENT PSF		GROSS RENT PSF CLASS A	
\$19.50	\$21.73	\$27.91	\$24.26
County	MSA	County	MSA

RECENT DEVELOPMENT

2010-March 2023

DELIVERIES

944K SF	10.9M SF
County	MSA
17.6%	5.4%
Change	Change

VACANCY	GROSS RENT PSF
70.8%¹	\$27.91
County	County
12.1%	\$30.82
MSA	MSA

¹Vacancy rose significantly in 2023 due to the vacating of Cerner's HQ.

Source: CoStar 2023

Office Development

2010-present

includes proposed future developments



wycokck.org/planKCK

Summary of Findings: Retail

Robust Retail Market

Wyandotte County offers a **robust retail market**

The county has nearly **10 million square feet** of retail space and has added over one million square feet since 2010

Declining Inventory

Despite recent deliveries, the countywide retail inventory **declined 1%** since 2013

This was mainly due to the **demolition** of the **Indian Springs Mall** in 2016

Focused Development

New retail development has largely been built in western Wyandotte County

The **Legends Outlet** and **Kansas City Kansas Community College** has attracted recent retail development

Retail Gaps at Different Levels

While the **County** overall is **oversupplied** with retail, **many neighborhoods are underserved**

Communities in Kansas City's urban core have **significantly lower access** to essential retail, **creating supply gaps**

Retail Rents are Low

Rents within the County are around **37% lower** than the average rents across the Kansas City MSA

Lower-than-average retail rents in the county has also **limited** retail development

Source: CoStar 2023

Retail Development: Key Typologies

Regional/Super Regional Malls



Avg. Rents
\$26.14

Total Regional SF
727K SF

Avg. Acreage
35 ac

Avg. FAR
0.08

Vacancy
0.0%

Lifestyle Center & Power Centers



Avg. Rents
\$24.04

Total Regional SF
503K SF

Avg. Acreage
15 ac

Avg. FAR
0.12

Vacancy
0.0%

Community Centers



Avg. Rents
\$10.55

Total Regional SF
694K SF

Avg. Acreage
7 ac

Avg. FAR
0.35

Vacancy
20.3%

Neighborhood Centers



Avg. Rents
\$13.26

Total Regional SF
962K SF

Avg. Acreage
5 ac

Avg. FAR
0.16

Vacancy
10.0%

Strip / Convenience



Avg. Rents
\$10.86

Total Regional SF
346K SF

Avg. Acreage
2 ac

Avg. FAR
0.29

Vacancy
1.5%



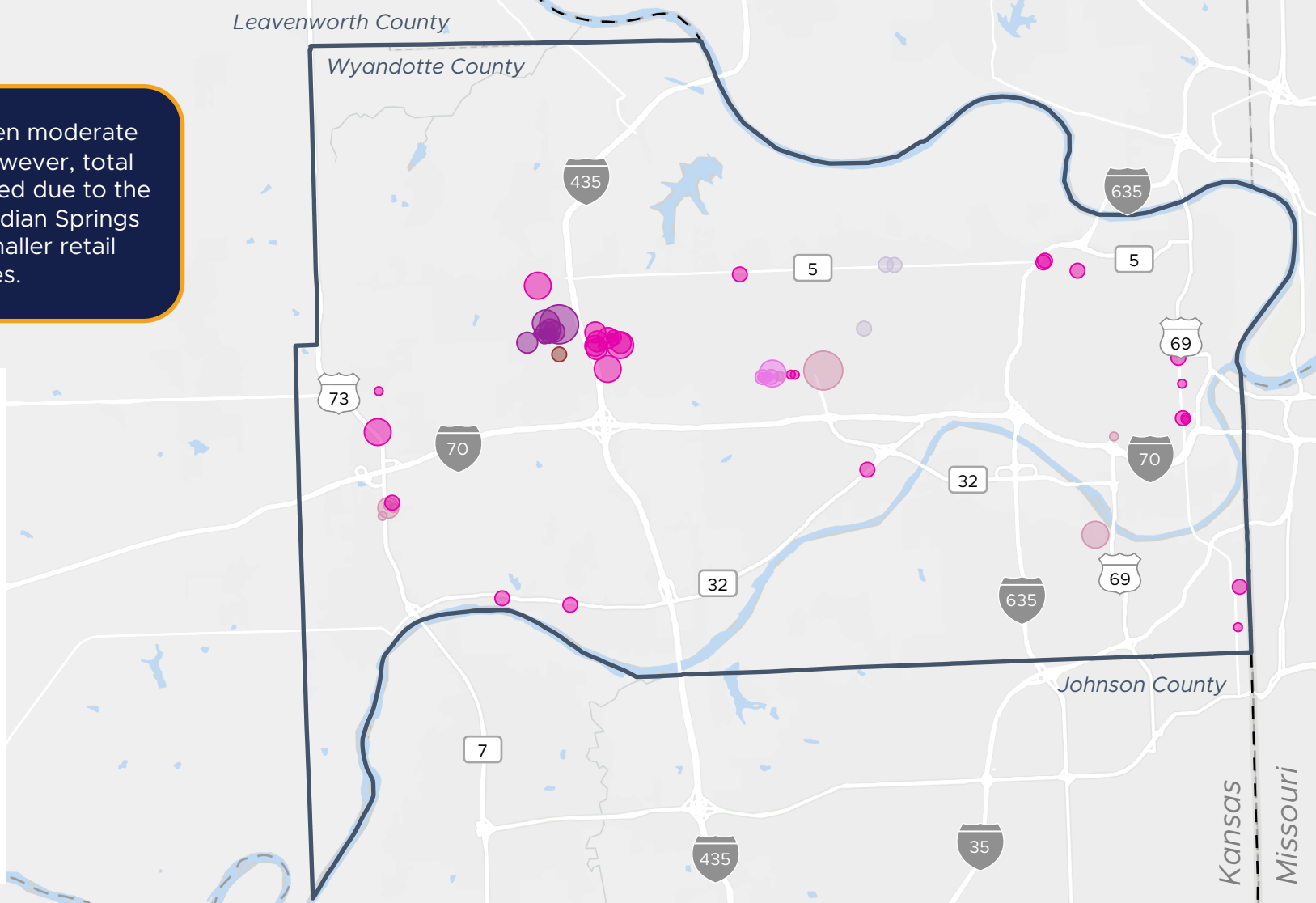
**PLAN
KCK**

Source: Urban Land Institute,
CoStar 2023

wycokck.org/planKCK

The County has seen moderate retail deliveries; however, total inventory has declined due to the demolition of the Indian Springs Mall and other smaller retail properties.

- Retail**
- Less than 6.2K SF
 - 6.2K SF to 13K SF
 - 13K SF to 33K SF
 - 33K SF to 70K SF
 - 70K SF or more
- Type of Development**
- Community Center
 - Neighborhood Center
 - Power Center
 - Freestanding Retail
 - Regional Mall
 - Strip Center



MARKET OVERVIEW

VACANCY

2.9% County
4.1% MSA

GROSS RENT PSF

\$9.50 County
\$14.99 MSA

RECENT DEVELOPMENT

2010-March 2023

DELIVERIES units

1,760 County
48,386 MSA

11.7% Change
26.5% Change

VACANCY

15.7% County

11.0% MSA

GROSS RENT PSF

\$1.20 County

\$1.67 MSA

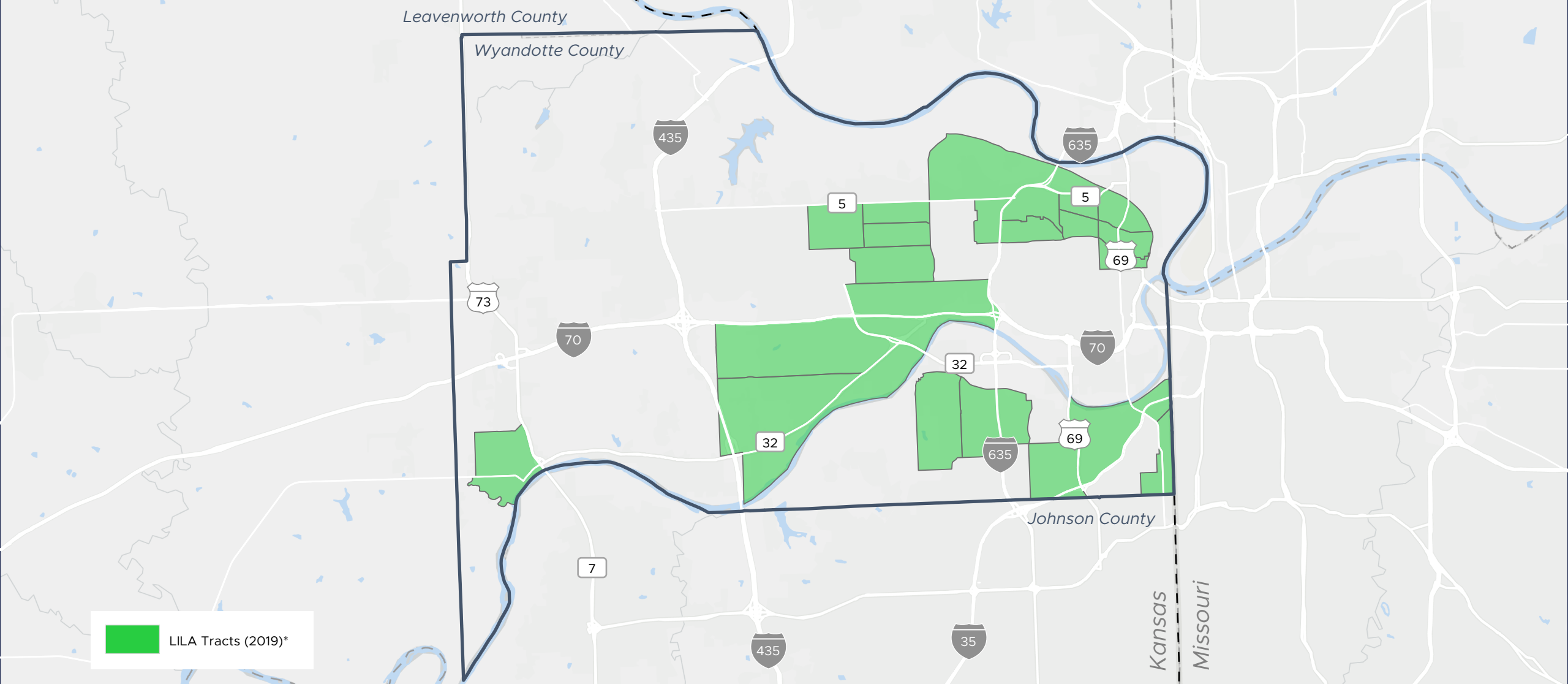


Retail Development 2010-present

includes developments under construction and proposed future developments

Source: CoStar 2023

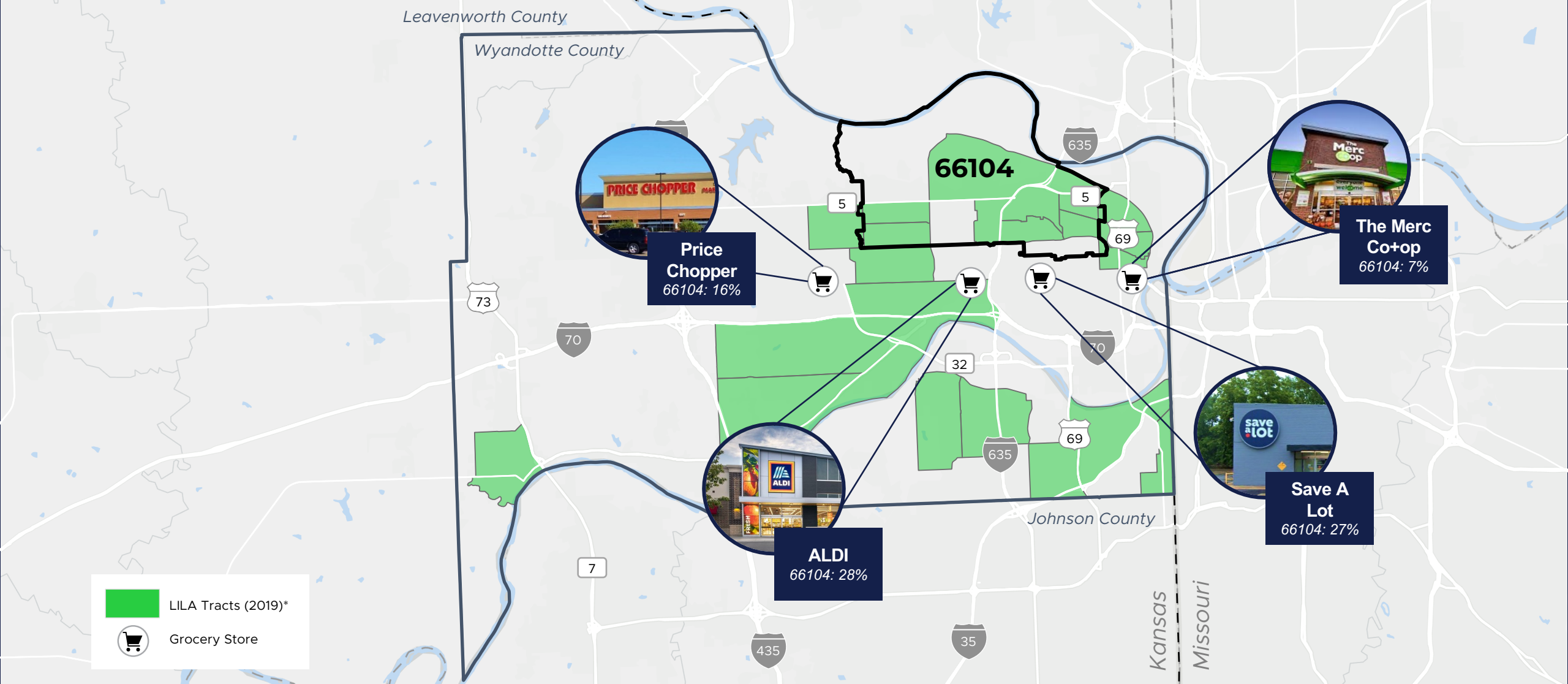
wycokck.org/planKCK



Food “Deserts” Low-income and low-access (LILA) Census Tracts

Source: USDA 2019
*prior to opening of The Merc Co+op

wycokck.org/planKCK



Food “Deserts”

Share of July 2022 - July 2023 Visits from 66104 Zip Code

Summary of Findings: Multifamily

Growing Population

Wyandotte County's population is growing, but has **lagged behind** that of the MSA

From 2010 to 2023, the county grew **7%**, while the Kansas City MSA population expanded **11%**

Suburban Development

Within Wyandotte County, new development was concentrated in the **suburbs**, particularly around The Legends Outlets

Since 2010, **1,760 units** have been delivered, nearly all located to the west I-635

Housing is Affordable

Housing in Wyandotte County is **relatively affordable**

Average rent in the county is **\$1.11 per SF** compared to **\$1.36 per SF** in the MSA

Development Continues

The multi-family pipeline is **robust**

As of August 2023, **over 1,400 units** are currently proposed or under construction

Changes in Development Needs

Projected population growth may **fall behind** construction trends

The population is expected to grow by **less than 1%** through 2028

Growth among the **renter population**—particularly moderate- to high-income earners—has **outpaced** general trends

Source: CoStar 2023

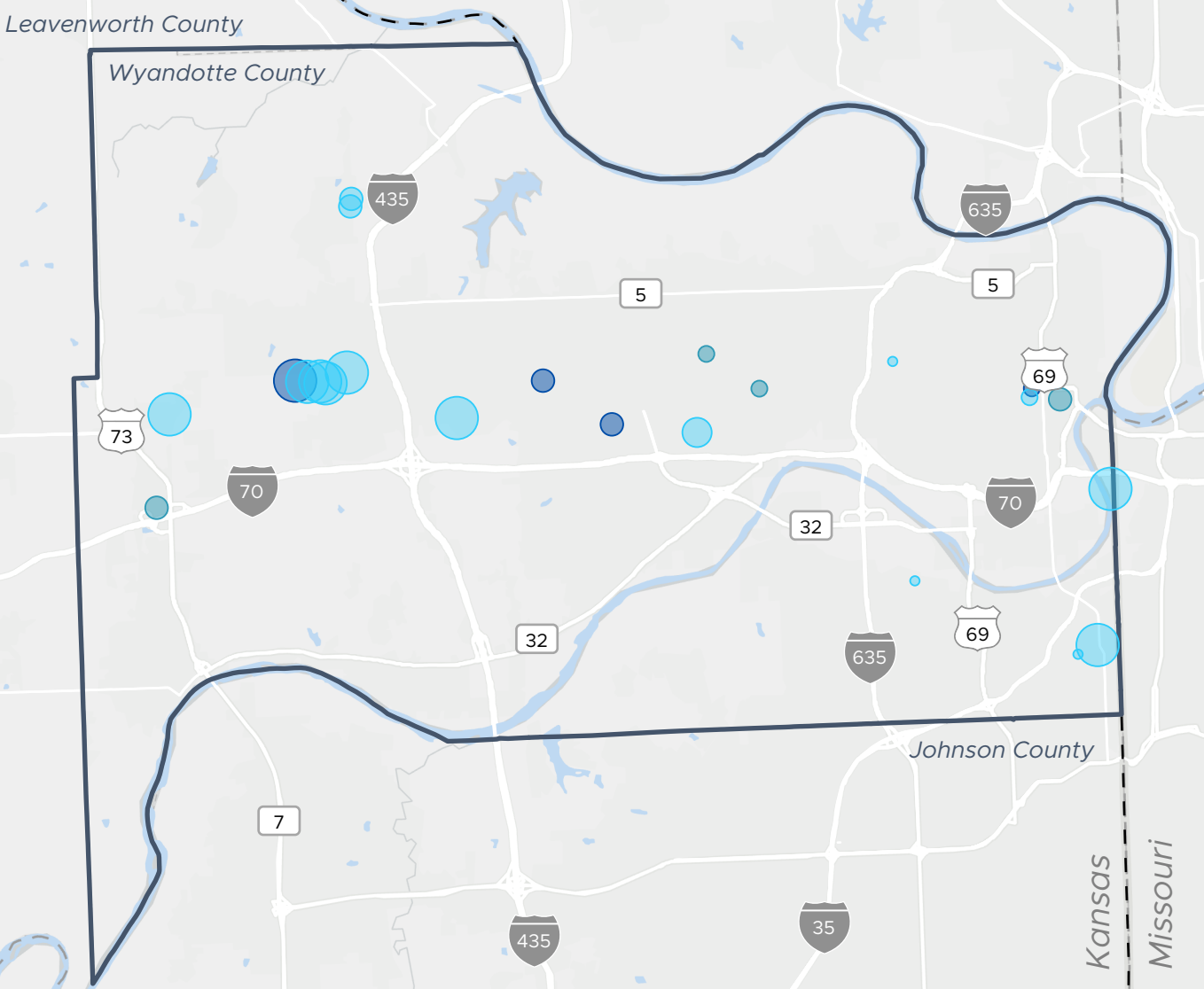
Wyandotte County has captured only a small fraction of the robust recent multi-family growth seen across the MSA.

Multifamily

- Less than 30 units
- 30 to 60 units
- 60 to 100 units
- 100 to 200 units
- 200 units or more

Type of Development

- Affordable
- Mixed
- Market



MARKET OVERVIEW

VACANCY

7.8%
County

7.1%
MSA

GROSS RENT PSF

\$1.12
County

\$1.35
MSA

RECENT DEVELOPMENT 2010-March 2023

DELIVERIES
units

1,760
County

48,386
MSA

11.7%
Change

26.5%
Change

VACANCY

15.7%
County

GROSS RENT PSF

\$1.20
County

11.0%
MSA

\$1.67
MSA



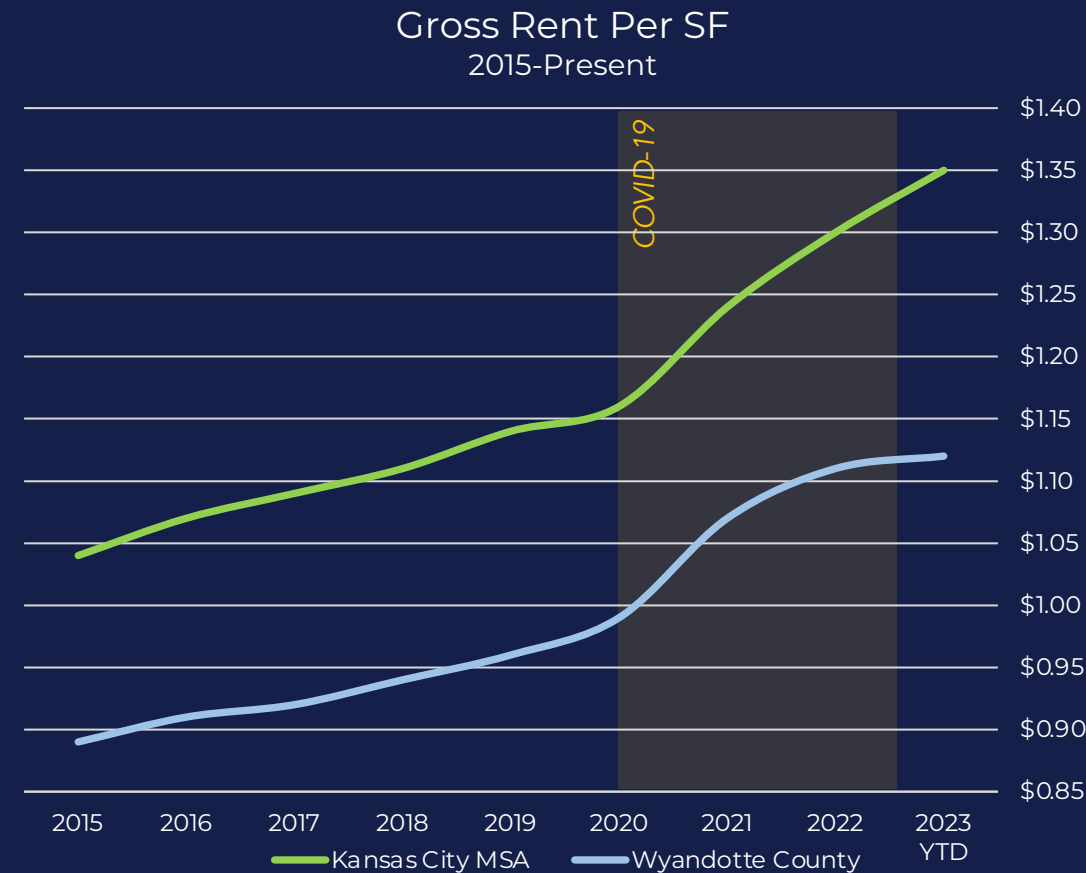
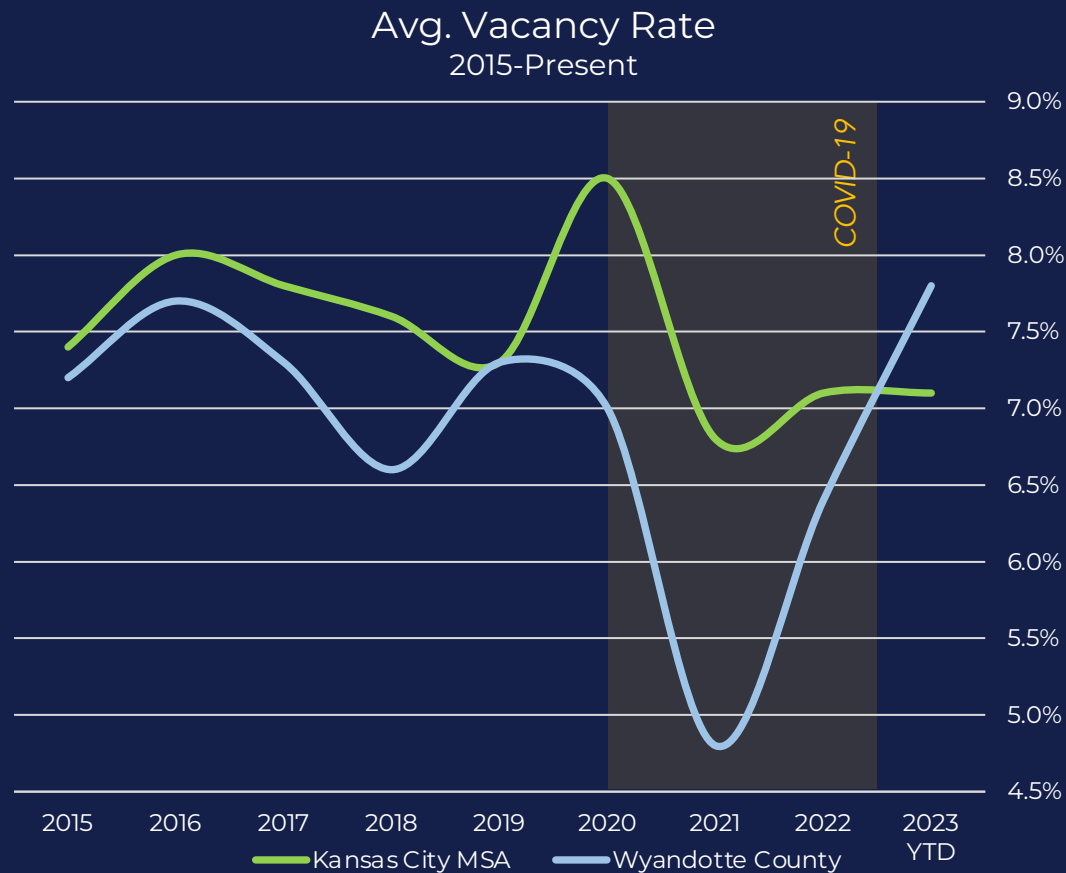
Multifamily Development 2010-present

includes developments under construction and proposed future developments

Source: CoStar 2023

wycokck.org/planKCK

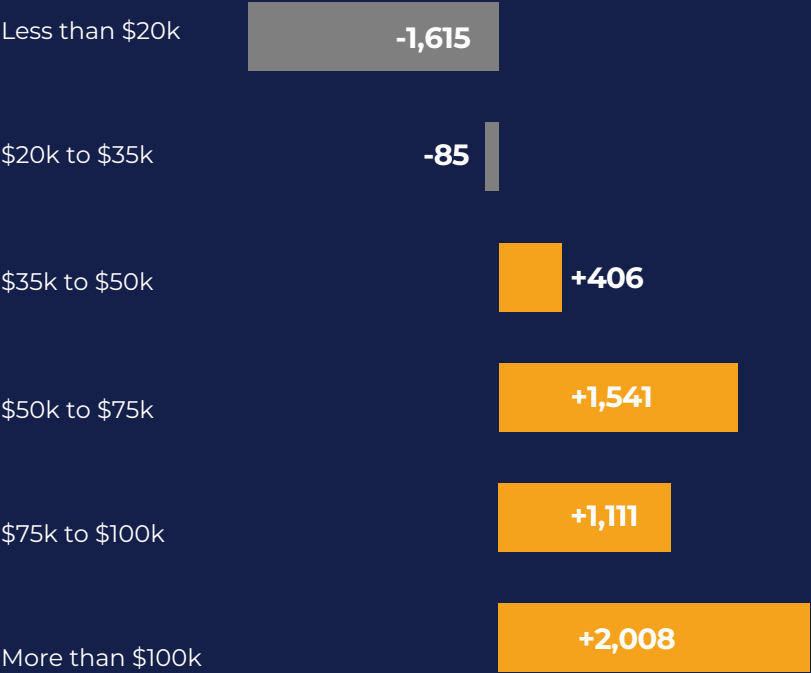
Multifamily Vacancy & Gross Rent PSF



Source: CoStar 2023

Multifamily Regional Projections

Change in Renter Households by Income
2010 to 2021, Wyandotte County



Wyandotte County is projected to grow slowly, adding around **2,300 new residents** over the next decade.

From 2010 to 2020, there was a net increase of nearly **4,700 renter-occupied households earning more than \$50,000**



Source: CEDBR 2016, ACS 2017-2021

Summary of Findings: Hotel

Hotel Market has Rebounded

The hotel market has **recovered** from the COVID-19 pandemic

While average occupancy for quality hotels is still below pre-pandemic levels, 12-month average daily rate (ADR) and overall room nights are **higher** given higher room rates and increased supply

Hotel Development is Clustered

Countywide hotel development activity has been **concentrated**

Of 5 properties delivered since 2010, all are located near **KU Medical Center** or **The Legends Outlets**

Hospitality Market Expected to Grow

Wyandotte County is well-positioned as a **regional entertainment and shopping destination**

With **over 400 hotel rooms** currently **under construction or proposed**, the county's hospitality market is expected to continue **expanding**, as seen in the last decade

Source: CoStar 2023

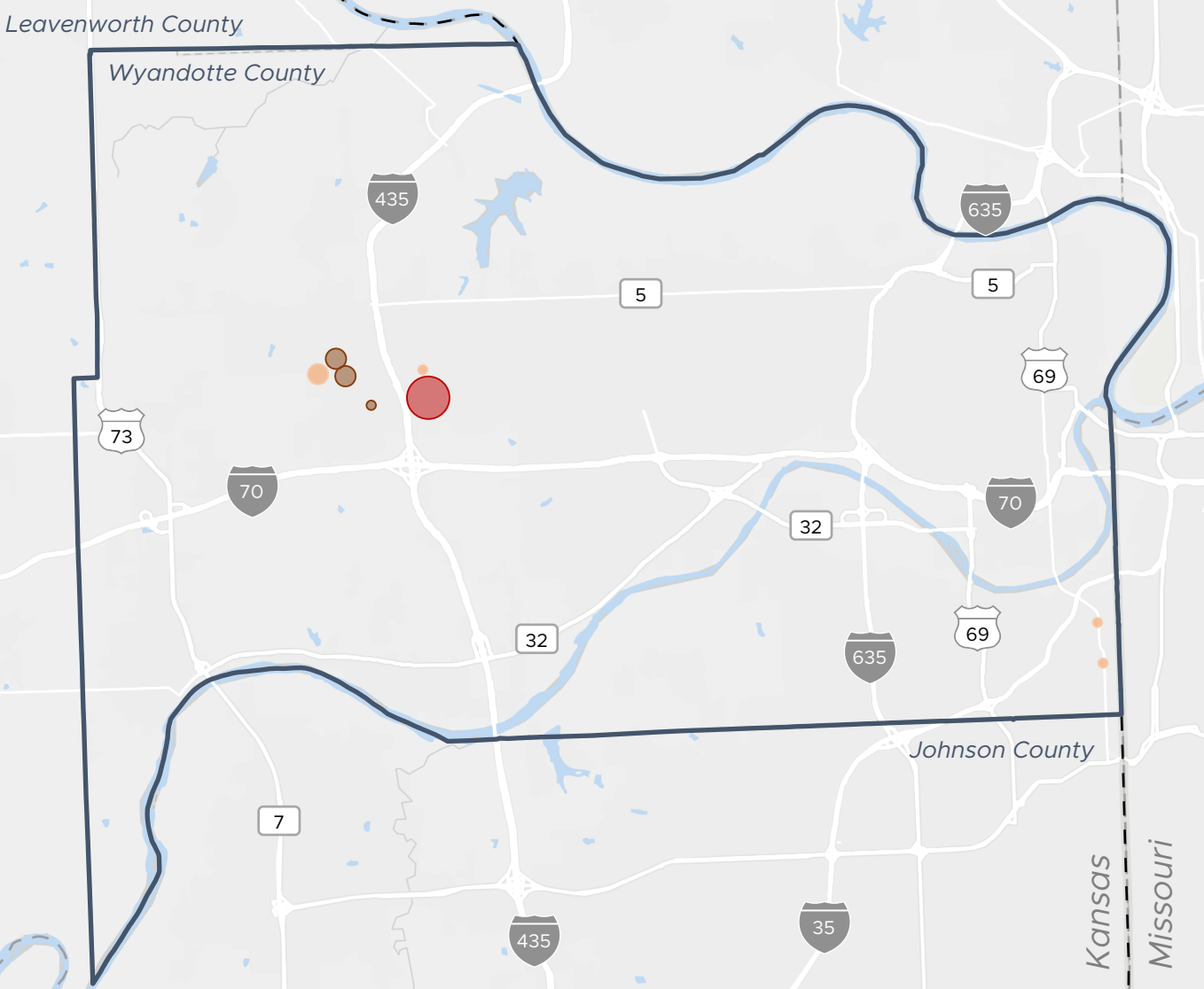
Wyandotte County has seen strong recent hotel development, generally concentrated around the Legends Outlet/Speedway and KU Medical Center

Hotel

- Less than 100 rooms
- 100 to 150 rooms
- 150 rooms or more

Type of Development

- Upper Upscale
- Upscale
- Upper Midscale



MARKET OVERVIEW

OCCUPANCY

58.2%	61.0%
County	MSA

AVERAGE DAILY RATE ADR

\$123.01	\$119.08
County	MSA

REVENUE PER AVAILABLE ROOM REVPAR

\$71.59	\$72.60
County	MSA

RECENT DEVELOPMENT

2010-March 2023

DELIVERIES rooms

470	8,422
County	MSA

29.0%	20.7%
Change	Change

OCCUPANCY	REVPAR
62.2%	\$83.67
County	County



Hotel Development 2010-present

includes developments under construction and proposed future developments

Source: CoStar 2023

wycokck.org/planKCK

Demand Summary: Context & Marketability

	Industrial	Office	Retail	Multifamily	Hotel
					
COUNTYWIDE MARKET CONDITIONS	VERY STRONG	LIMITED	MODERATE	STRONG	MODERATE
WYANDOTTE COUNTY FUTURE DEMAND	Up to 1.7 million SF	Up to 320K SF	Urban Core Retail Strategy	Up to 500 new multi-family units	Up to 400 new rooms
WYANDOTTE COUNTY MARKETABILITY	Regional market Workforce Undeveloped land	Institutional office Future medical office	Regional shopping destination Demand for misc. store retailers Stable small business corridors	Strong regional access Historic rehab New construction Relative affordability	Legends KU Medical Center Downtown core Future events
WYANDOTTE COUNTY MARKETABILITY CHALLENGES	Regional competition Land use compatibility Current demand is met	High vacancy Low worker utilization Regional competition from Class A/A+ space	Food deserts in KCK Local socio-economic conditions Preservation of small businesses	Regional competition Transit connectivity Low projected population growth	Recent low occupancy rates Lack of walkability and non-car transportation Regional competition