City-Wide **Housing Study** in Independence, Missouri

80% REVIEW DRAFT

Prepared for
The City of Independence
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518

2 Housing Trends

National Trends & Challenges

Shifts in demographics and long-term economic trends, points to the need to provide a broader range of housing options for tomorrow's households.

Even as the US economy continues to recover from the COVID-19 outbreak, the inequalities amplified by the pandemic remain front and center. Households that weathered the crisis without financial distress are buying the limited supply of homes for sale, which has increasd prices and made it more difficult for low- and moderate- income households to afford homeownerhip. At the same time, millions of households that lost income are behind on their housing payments and on the brink of eviction or foreclosure.

Households across the nation face a myriad of housing-related challenges. Housing costs in many markets across the U.S. have increased at a much faster rate than wages. As a result, 46 percent of renter households are burdened by housing cost and 85 percent of potential buyers cannot afford a 3.5 percent down payment on a median-priced home. Forty percent of households cannot cover a $400 emergency expense. Meanwhile, construction costs rose by 26 percent during the past five years; which, combined with labor shortages and supply chain disrputions, has contributed to the recent escalation in home prices. While the homeownership rate rose for the first time since 2016, Millennials and Gen X generations lag behind their older counterparts in transitioning from renting to homeownership.

Financial Stability

of households do not have the savings to cover a $400 emergency

Source: Federal Reserve report on Economic Well-Being of U.S. Households, 2020

Cost Burden

of renter households are burdened by housing costs, compared to 21% of homeowners

Source: State of the Nation's Housing, 2020

Construction Costs

rise in construction costs since 2016

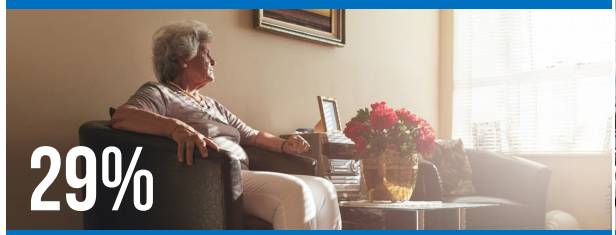
Source: Rider Levett Bucknall's National Construction Cost Index, Q2 2016 to Q2 2021

Single-Family Rental

spent by large investors 2008-2020 to acquire single-family homes as rental property

Source: The New York TImes, 2020

Demographics



share of sole-person households by 2030 - fastest growing household type, dominated by older adults

Source: FreddieMac, 2021

Barriers to Homeownership

of potential buyers lack the savings for a 3.5% downpayment on a median-priced home

Source: State of the Nation's Housing, 2019

The options available within the housing stock, is not keeping pace with the changing preferences of a shifting demography

While single-family homes comprise approximately 62 percent of the nation's current housing supply, demographic shifts are changing the complexion of the "traditional" household. Married couples with children comprise 19 percent of all households in the US dropping from almost a third in 1980, while average household size decreased from 2.76 to 2.53 persons between 1980 and 2020. In addition, according to the 2019 American Community Survey, the median age of owner-occupied homes is 39 years - a rise from 31 years in 2005 - signaling older stock built for a different era, needing rehabilitation, repair and replacement. Suburban three-bedroom and four-bedroom homes have been the dominant housing typology developed since the end of World War II. However, single-person households and roommates are increasingly common, while a range of factors such as marrying later, fewer children, aging in place, and student debt has decreased the overall demand for larger detached units in some markets.

Trends in Independence suggest the same mismatch between housing supply and the preferences of a changing demography. Independence has relatively slower growth rates, lower median household income and higher share of households living in poverty, representing challenges for the city to adapt its housing stock to meeting the needs of its residents.

SINGLE-FAMILY HOUSING & HOUSEHOLD TREND COMPARISON
USA, 1980-2020
Source: U.S Census, American Community Survey

	1980	2020	
Share of detached Single-Family homes	62%	62%	The share of single-family homes remained the same from 1980 to 2020
Share of married households with children	31%	19%	Yet, the share of married households with children, a primary market for single-family homes, declined substantially
Average Household Size	2.76	2.53	Household sizes also decreased, impacting consumer preferences about the size of housing units

Recent Trends

Investor-Driven Single-Family Rentals (SFR)

Single-family rental housing (attached and detached) makes up nearly one-third of the total rental housing stock nationally[1]. While the share of SFR to the total rental housing stock has been relatively consistent over the last decade, there has been a recent rise in institutional and investor-driven activity in the SFR market. From first quarter 2020 to first quarter 2021, investor purchases of single-family homes increased by five percent, comprising 14 percent of total single-family sales. In fact, investor-driven purchases captured more than 20 percent of lower-priced homes[2] (lower third of the housing stock in any locality in the US). Though the scale and overall impact of invester-owned SFR housing stock on local housing markets is still not fully understood, this will continue to be a critical and growing issue to follow across the nation and locally.

Short-Term Rentals

Some research indicates that short-term rentals (e.g. vacation rentals by owner) can boost tourism and local sales activity. There is also research demonstrating the adverse impacts of short-term rentals on a local housing market by decreasing the long-term rental housing supply and increasing overall housing prices. Other adverse impacts on communities include noise, parking issues, and the influx of transient visitors.[3] In some cases, units are purchased by investors, pricing out local buyers, to be converted to short-term rentals—the share of short-term rental "hosts" with 20 or more units nearly doubled from 2016 to 2020, increasing from nearly eight percent to just under 15 percent. Overall demand for short-term rentals decreased during the pandemic and is still well-below pre-COVID levels, especially in suburban areas. The number of active listings is not expected to fully recover until 2023.[4] Interestingly, it is projected that rural areas will experience the most growth in short-term rental supply.

Independence Overview

Independence is the fifth-largest city in Missouri, with 119,214 residents, and is the county seat of Jackson Coiunty. It is the largest suburb on the Missouri side of the Kansas City metropolitan area.

As the hometown of Harry S Truman, Independence attracts visitors from all across the country. Monuments and historic places such as the Harry S Truman Presidential Library and Museum, and the Harry S Truman National Historic Site are a few examples of attractions that remain in the City today.

Interstate 70 is a major east-west highway that passes through the city's southern boundaries and connects Independence to Kansas City (10 miles, west), Lawrence (50 miles, south-west), and Columbia (117 miles, east). Just west of the city, Interstate 435 connects the city to Overland Park (26 miles, south-west). Additionally, Interstate 470 follows state route 291 to Lee's Summit (17 miles, south). Independence's proximity to these cities gives residents access to jobs, recreation, and amenities. However, these cities also serve as competition for residents, due in part to a more varied housing stock with greater amenities.

Nearly 60 percent of housing in Independence was built in the decades between the 1940s and 1970s. As was the case across the United States at the time, most of the housing stock was constructed during the post-war population boom experienced by the city in 1950s. With much of the housing stock 50 to 80 years old, both the houses and the neighborhoods they are located in need significant upgrades in infrastructure and amenities, especially neighborhoods located in the northwest part of the city.

Independence, with its historic urban core and unique neighborhoods, as well as proportionally lower cost of living in the region, has the capacity to accommodate buyers of various income levels and interests and offer a decent quality of life.

Independence has multiple cultural assets, such as the Bingham-Waggoner Estate, and Vaile Mansion that showcase examples of Victorian architecture and serve as major tourist attractions in the region. Additionally, the Community of Christ Temple, is a focal point in the city's skyline and a popular destination for visitors. Independence Center, once one of the premier super-regional malls in the area, used to be a major draw for the city. Since anchor retailers like Sears and Macy's closed their stores at this location, the mall has been struggling with lower occupancy and is one of two indoor malls operating in the region.

QUICK FACTS

Land Area
78.4 sq. mi.

Population
119,200

Households (HH)
49,900

Average HH Size
2.37

Median HH Income
$53,500

Median Age
41.1

Share of Population below 18 yrs
21%

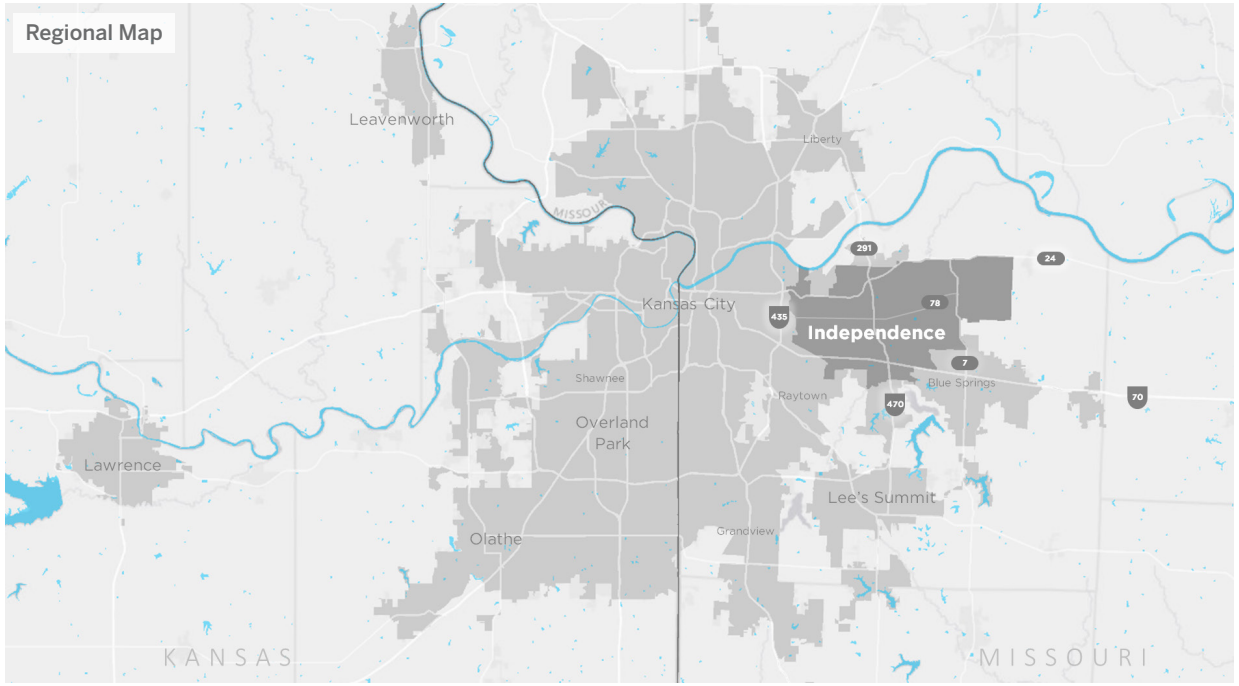
Source: ESRI, 2021

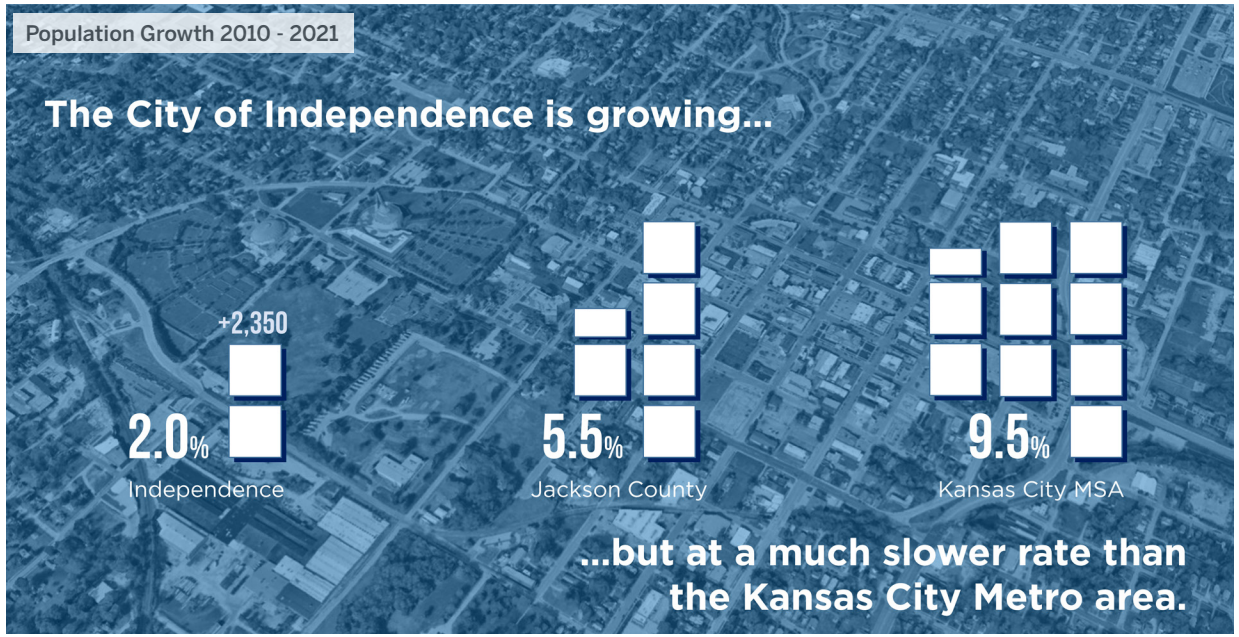
Regional Context

Independence added nearly 2,350 people since 2010, but lags the county and region in its growth rate.

Independence grew by two percent over the past decade, compared to nine percent growth in nearby Lee's Summit and 9.5 percent growth in the Kansas City MSA. This slower growth rate is reflected in building permit data and the availability of newer homes—the pace of new construction in Independence also lags nearby cities and the region.

A key reason for this study is to measure demand for housing across the income and typology specturm. In doing so, it will be important to identify reasons why Independence is not growing as much as other areas and identify policies and/or programs that could help to change that trend.





Source: ESRI, 2021

People

Independence exhibits unique demographic characteristics compared to the region—it has a smaller average household size, a higher median age, and fewer family households. Each of these factors informs what kind of housing is needed.

Population

Independence's population slowly increased from 2010 to 2019 by 0.2 percent per year, increasing by about 2,350 people. During the same time, the area in the MSA but outside the city added about 176,900 people, growing at a rate four times higher than the city. Twenty percent of the regional growth (about 37,000 people) was within Jackson County. Missouri overall grew 0.4 percent annually in the same period, double the rate of the city.

Households

Household sizes in the city (2.36 persons per household) are small relative to the state (2.43), the MSA (2.50), and the county (2.39). The number of households increased at the same rate as population, adding about 1,150 new households since 2010.

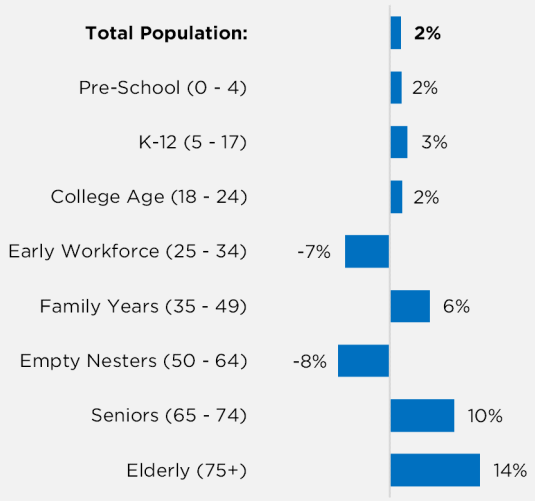
Compared to the MSA (36 percent), the city has more share of non-family households (39 percent), such as people living alone and two or more unrelated people living together. Although lower than county (41 percent), Independence's share of non-family households are significantly higher than its neighbors - Lees' Summit (28 percent) and Blue Springs (26 percent).

Age Distribution

The city of Independence has a median age of 41.1, older than Jackson County and the MSA, with median ages of 37.9 years and 38.3 years, respectively. The age distribution between Independence, Jackson County, and MSA are mostly similar, but the population skews older in the city, with higher shares of Empty Nesters (ages 50 to 64), Seniors (ages 65 to 74), and Elderly (ages 75 and up) cohorts.

Growth is projected in all age cohorts except Early Workforce (ages 25 to 34) and Empty Nesters (ages 50 to 64), which are expected to lose population by seven and eight percent, respectively. Consequently, the median age is projected to increase to 41.8.

PROJECTED POPULATION GROWTH
City of Independence, 2021-2026
Source: ESRI, 2021



KEY METRICS
INDEPENDENCE

2,350 population gained since 2010

0.3% projected annual growth rate 2021-26 (compared to 0.8% in the metro)

2.1% projected annual median household income growth 2021-26 (same as the metro)

54% of residents have college level education (compared to 67% in the metro)

21% of city's population is between 18 and 34 years old (compared to 22% in the metro)

22% of households with annual incomes of $25k or less (compared to 16% in the metro)

Source: ESRI, 2021

Seniors (62+)

Mirroring national trends, the senior (62+) population in Independence continues to grow, having increased by 29 percent in the past decade and expected to grow by about 10 percent over the next five years. In the past decade, the senior population in the MSA increased by 43 percent. The median income for seniors in the city is 17 percent ($9,100) less than the general population.

Additionally, according to the latest ACS data available, 15 percent of the residents in Independence have some type of disability. This share increases to 52 percent when looking at population older than 75 years, higher than both the MSA and the county. This indicates a need for suitable senior-oriented housing to provide options for aging in place.

Median Household Income

The median household income in Independence is $53,546, 23 percent lower than the region. Assuming 30 percent of income goes toward housing costs, this translates to an affordable monthly rent (including utilities) of up to $1,340 or a $230,000 mortgage for city residents. According to HUD, a decent two-bedroom market-rate apartment in the Kansas City MSA costs $1,021 (with $200 in utilities), which would be unaffordable to 43 percent of the residents of Independence. Additionally, slightly more than a fifth of the city's households earn less than $25,000 annually and can only afford an apartment with rent (including utilities) up to $625, without being cost-burdened (spending more than 30 percent of gross income for housing costs).

Education

The share of adult population in Independence with only a high school or equivalent education is 37 percent, compared to 29 percent in the county, and 26 percent in the region. This share is significantly lower in the neighboring communities of Blue Springs and Lee's Summit - at 26 percent and 18 percent, respectively. Only 21 percent of the adult population in Independence have at least a bachelor's degree - the level of education that in most cases, is attributable to better paying jobs and steady wage growth. This share is significantly higher in the neighboring communities of Blue Springs and Lee's Summit - at 36 percent and 50 percent, respectively. Consequently, the median household income in Independence is 30 percent lower than that of Blue Springs and 43 percent lower than that of Lee's Summit, showing the close link between educational attainment and median household incomes.

DEMOGRAPHIC SNAPSHOT

Household Income

43%

of households have incomes between $25K and $75K

37%

MSA average

Educational Attainment

21%

of population have bachelor's degrees

39%

MSA average

Senior Population

20%

of residents above the age of 65

16%

MSA average

Source: ESRI, 2021

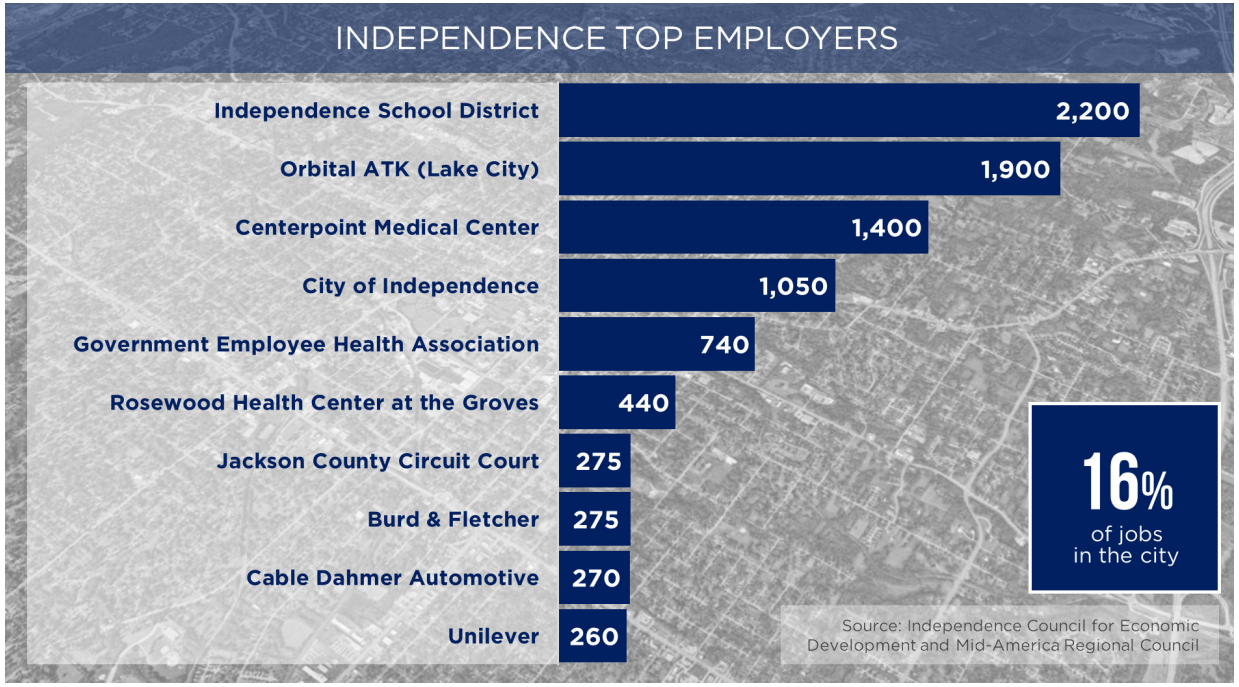
Economy

Major employers in Independence include the generally growing education and healthcare sectors, but a lot of jobs are also low-wage, which impacts housing affordability.

Employment

The top ten employers in Independence, including Independence School District, Orbital ATK, and Centerpoint Medical Center, employ nearly 16 percent of the city's workforce. Through the last decade, unemployment in Independence remained above the MSA, state and nation, however, the city caught up with Jackson county with the pandemic recovery. The unemployment rate in Independence was 6.6 percent. in June 2021. The city's current workforce increased from the previous year by roughly 2,450 jobs, indicating that the city's employment level is recovering from job losses caused by the pandemic.

The largest industry in Independence by far is health care/social assistance, which is also the sector that added the second highest number of jobs in the county during the past 20 years. However, with the exception of educational services, other industries that grew in the county during the same period consititute a lower share in the city when compared to the county.



EMPLOYMENT CHANGE BY INDUSTRY

Jackson County, 2001-2019

Source: Bureau of Economic Analysis, 2021

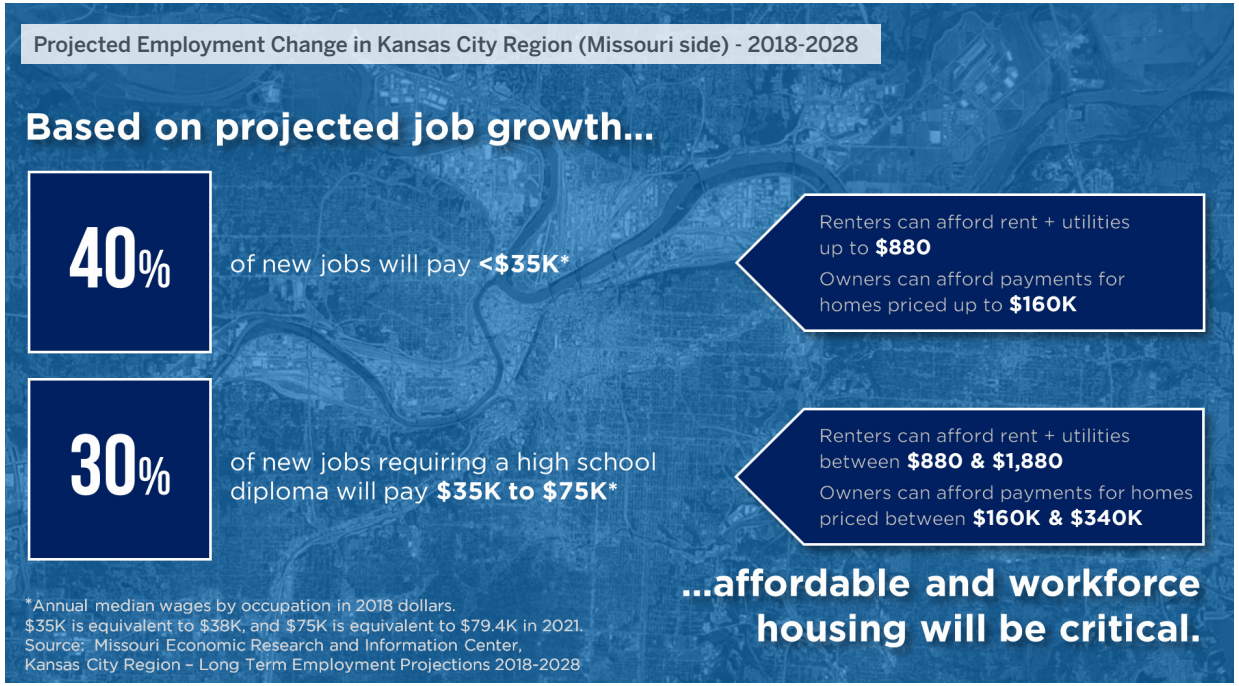
Top Growing Sectors	Net Change	Percent Change	Top Contracting Sectors	Net Change	Percent Change
Professional & Technical	20,500	65%	Information	-14,500	-62%
Healthcare & Social Assistance	15,900	36%	Admin & Support Services	-7,000	-24%
Accommodation & Food Services	7,800	25%	Manufacturing	-5,200	-17%
Real Estate	5,700	35%	Wholesale Trade	-4,200	-21%
Entertainment & Recreation	3,700	44%	Government	-2,800	-4%
Management of Companies	2,900	37%	Utilities	-1,700	-63%
Educational Services	2,600	34%	Retail Trade	-1,700	-4%
			Construction	-800	-3%

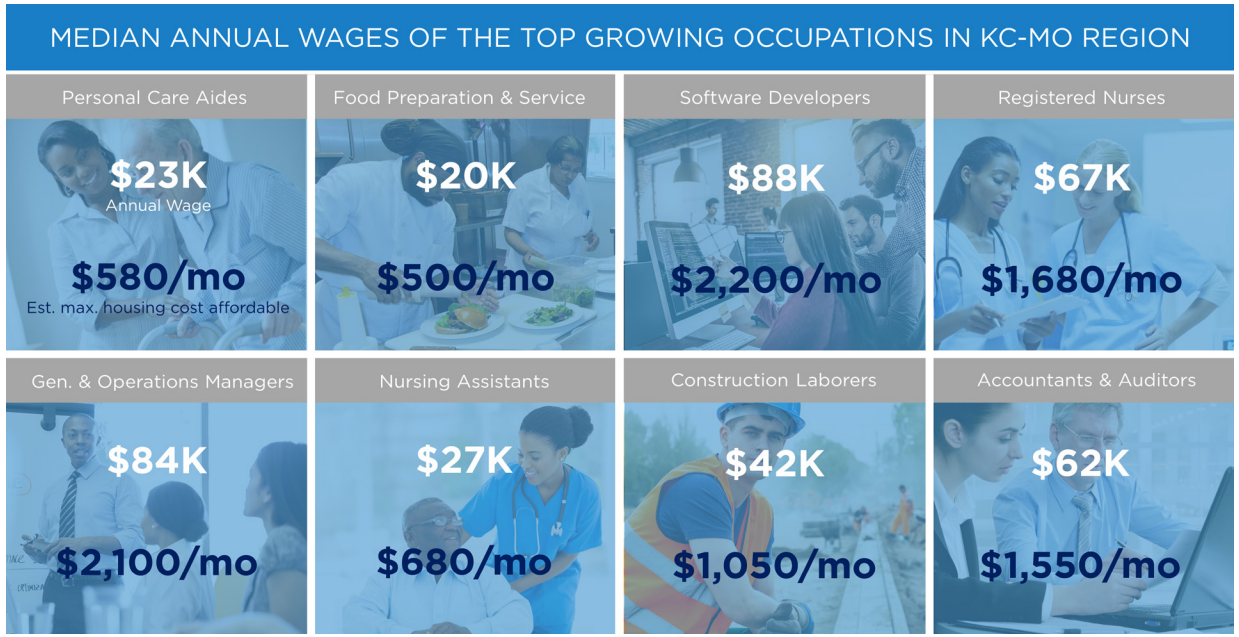
Job Growth

The Missouri Economic Research and Information Center publishes projected job growth for the Missouri side of the Kansas City MSA, which includes Independence. Projections indicate that 40 percent of new jobs will pay below $35,000 and nearly a third of new jobs requiring a high school diploma will pay between $35,000 and $75,000.

While high paying jobs like operations managers and software developers are growing, the fastest growing occupation is expected to be personal care aides, which has a median wage of $23,000. Many of the projected top growing jobs pay $20,000 to $30,000. As shown in the graphic to the right, there is a critical need for housing particularly in the workforce and affordable categories within the region. As the more affordable suburb in the region with close proximity to major regional employment areas, Independence remains an attractive city to move to for these workers. The demand for quality housing within the affordable and workforce ranges will continue to grow.

In addition, with significant historical assets, access to developable land, good regional connectivity, and stocked with the right products and amenities, the city of Indpendence has the potential to attract higher income workers as newer residents.





Source: Missouri Economic Research and Information Center, Kansas City Region 2021, Development Strategies, 2021

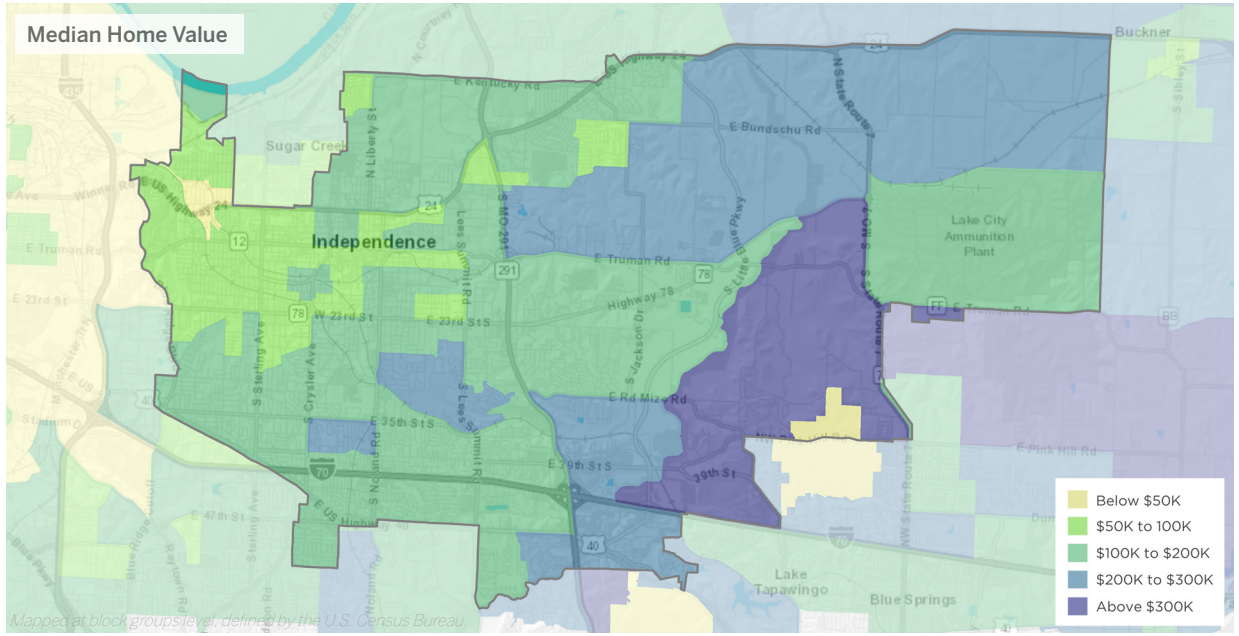
Housing

Slower growth has meant that newer development within the city is limited, but there are many opportunities for rehabilitation and redevelopment.

Character of Existing Stock

Much of the housing stock in Independence was built before 1980 and averages less than 1,200 square feet in size. Recent sales suggest that about half the homes sold in the last one year contain between 900 to 1,600 square feet and a majority of these were in the range of $90,000 to $150,000.

The median home value in Independence is about $140,000, lower than the county at $174,000, and the region at $218,000. As shown in the map on the right, median home values tend to increase as one moves south and east through the city, beginning from the northwest. This is well explained by the age, size and condition of structures, as much as with the demographics of residents. The City of Independence offers housing in a variety of architectural styles. Within single family, the city's historical neighborhoods has a plethora of architectural styles from Colonial revival to Folk Victorian, Italianate to Queen Anne, Mission to American Foursquare, and Neoclassical to Prairie Style. Other architectural styles found include Tudor Revival, Craftsman Bungalow, Spanish and French Eclectic. Post-1950s homes are dominated by Ranch, Split-Level and Cottage styles, and more recently, by conventional subdivisions and New Urbanism, promoted by New Town at Harmony, east of the city.



Source: ESRI, 2021

Year Built

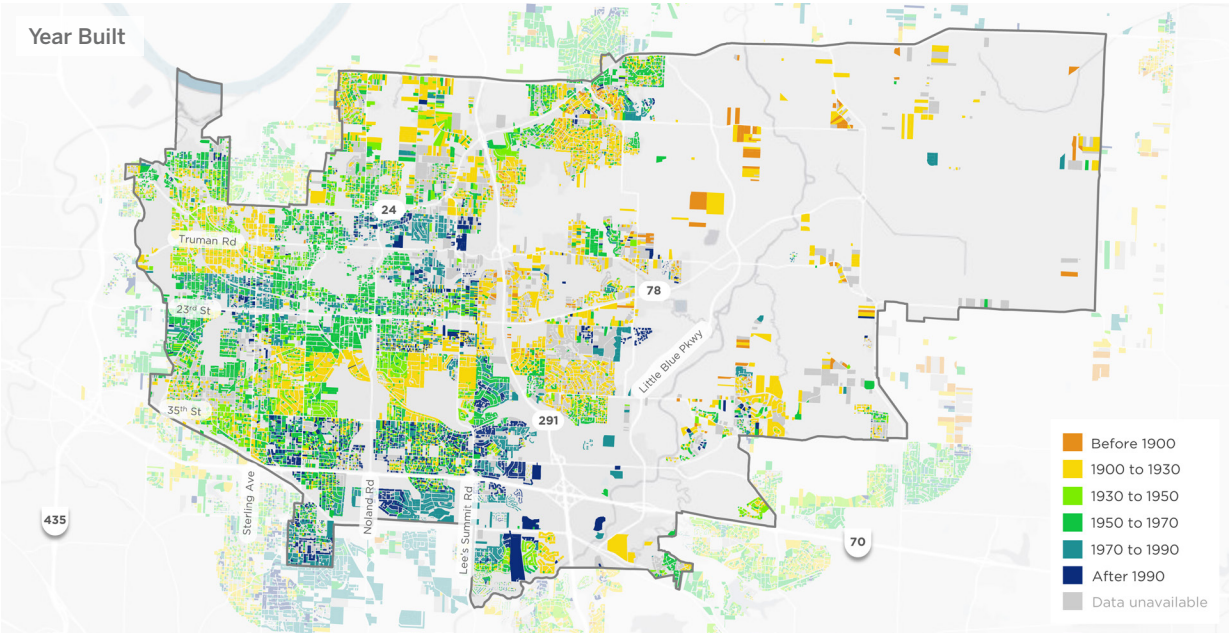
More than 40 percent of housing in Independence was built between 1960 and 1980, and almost 75 percent of homes were built before 1980. The map on the right shows the distribution of homes by age. Older homes often face challenges such as deferred maintenance, the need to upgrade systems like plumbing, HVAC, and electircal, and even structural repair. Due to their size, finishes, layout, and condition, they may not meeting the needs and preferences of the current housing market.

These challenges are often exacerbated in formerly redlined neighborhoods[6], where homeowners, particularly African American and other miniorities, did not have access to capital to purchase or maintain their homes. Many of Independence's neighborhoods built before 1940 were redlined, and these areas tend to have the most challenges in terms of housing condition.

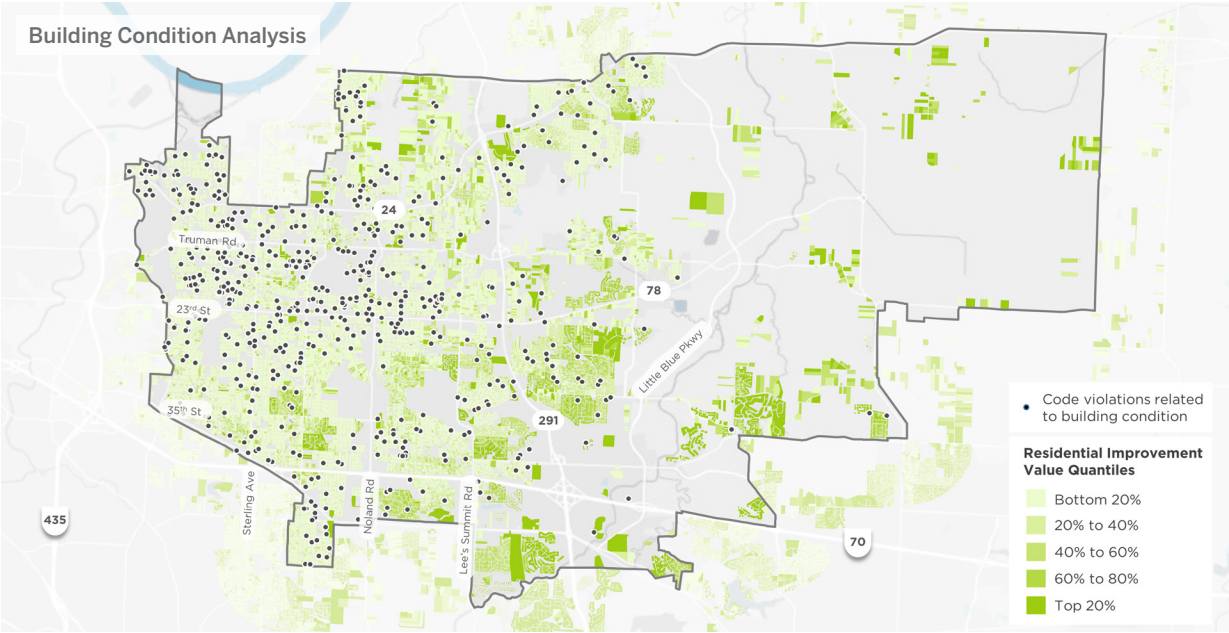
Building Condition

In the absence of building level data on quality of structure, code violations (filtered by those relating to the integrity of the building) mapped over residential improvement values becomes a viable proxy to measure quality and condition of buildings in the city. Where concentrations of code violations are clustered in areas with lower property values, these areas can generally be considered neighborhoods and housing stock with the greatest needs, and thus the lowest quality.

The map to the right illustrates areas where code violations occur and where values are the lowest. These challenges are generally concentrated in the western third of the city.



Source: City of Independence Parcel Dataset



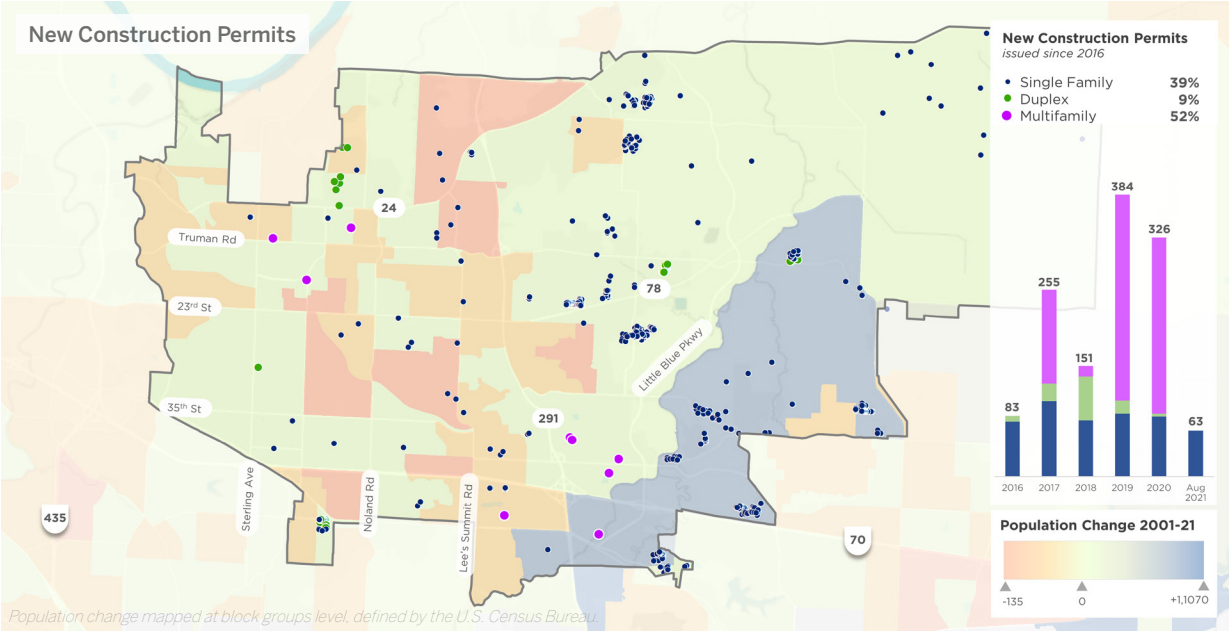
Source: City of Independence Parcel Dataset and Code Violations, Development Strategies, 2021

New Construction

Examining new construction permits issued by the city shows recent momentum in the housing market. As evident from the map on the right, most new construction since 2016 is located east of Route 291, mostly on previously undeveloped land. Infill developments in the city's denser neighborhoods have occured at a lower pace.

Two new market-rate multi-family developments are under way, and one more is proposed, near the I-70/Route 291 interchange. These developments make up 52 percent of the new units added to the city over the past five years.

The share of renters in the city is 35 percent of all households, which is on par with the County and MSA.

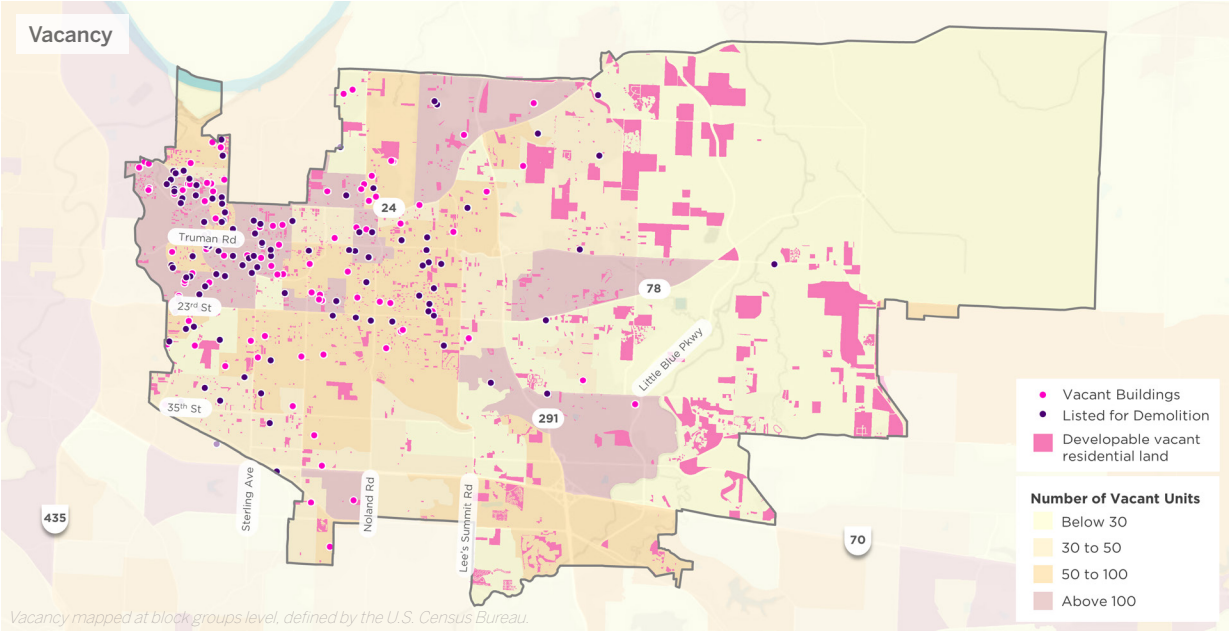


Source: City of Independence, U.S Department of Housing and Urban Development, ESRI, 2021

Vacancy

Vacant land and buildings, and deteriorated buildings listed for demolition, can be seen both as a symptom of reduced quality of the housing stock, as well as an opportunity for new infill housing that can expand housing choice within the city's older neighborhoods, and contribute to neighborhood revitalization. The parcels with buildings listed for demolition, together with the approximately 4,000 acres of developable vacant residential land, are areas in the city that can accommodate new residential units.

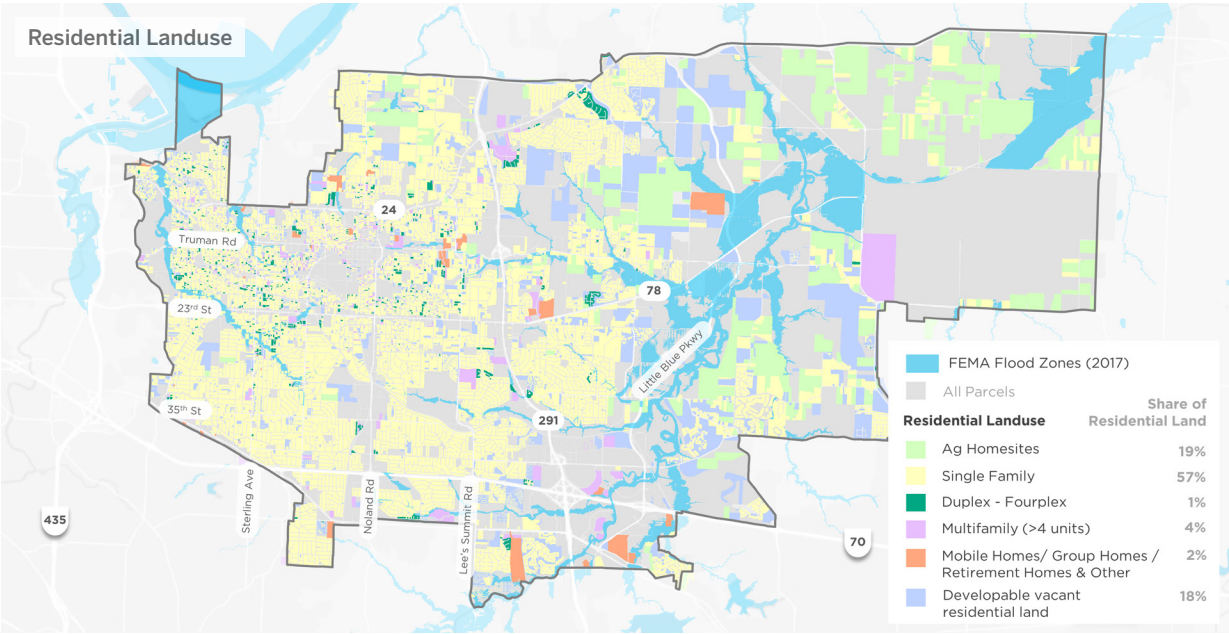
Housing vacancy is a particular challenge in northwest Independence, which is also the area that came up the most in terms of housing challenges in stakeholder conversations.



Source: City of Independence, ESRI, 2021

Residential Land Use

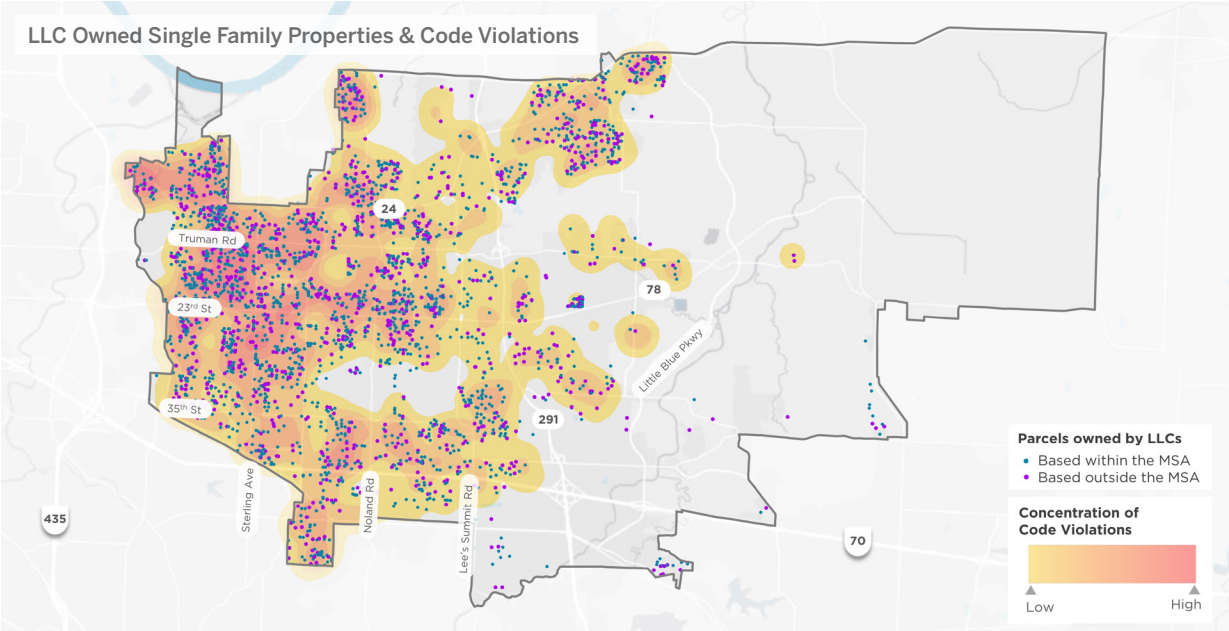
The use of residential land (including agricultural parcels with homes) through the lens of density (persons housed per acre of land) and tenure (owner versus renter) gives us a deeper understanding of how residents are housed within the city. As evident from the map on the right, over half the residential land in the city is single family housing. When combined with homesites in agricultural parcels, land area that house one 'dwelling unit' rises to 76 percent. Parcels with multiple dwelling units constitute only 7 percent of the residential land in the city. The rest of the land remains vacant. While renters occupy 35 percent of the units in Independence, they are housed on approximately 22 percent of the residential land.



Source: City of Independence Parcel Dataset, Development Strategies, 2021

Single-Family Rentals

The entry of large institutional investors into the single-family housing market is becoming a growing challenge for residents and cities across the country. There are around 3,000 single-family homes owned by LLCs in Independence, constituting less than 8 percent of all single-family homes in the city. However, 42 percent of them have incurred a code violation, in comparison to 17 percent amongst non-LLC owned single-family homes. Thus, LLC-owned homes have a propensity for code violations almost 2.5 times the city average. Interestingly, LLCs located within the city have only a slightly lower incidence of code violations than those LLCs located outside the KC metro area, 40 percent of homes with code violations versus 45 percent of the stock for LLCs outside the region.



Source: City of Independence Parcel Dataset and Code Violations, Development Strategies, 2021

Housing Affordability

Nearly 29 percent of households in Indeppendence are housing cost-burdened, and many are threatened by eviction.

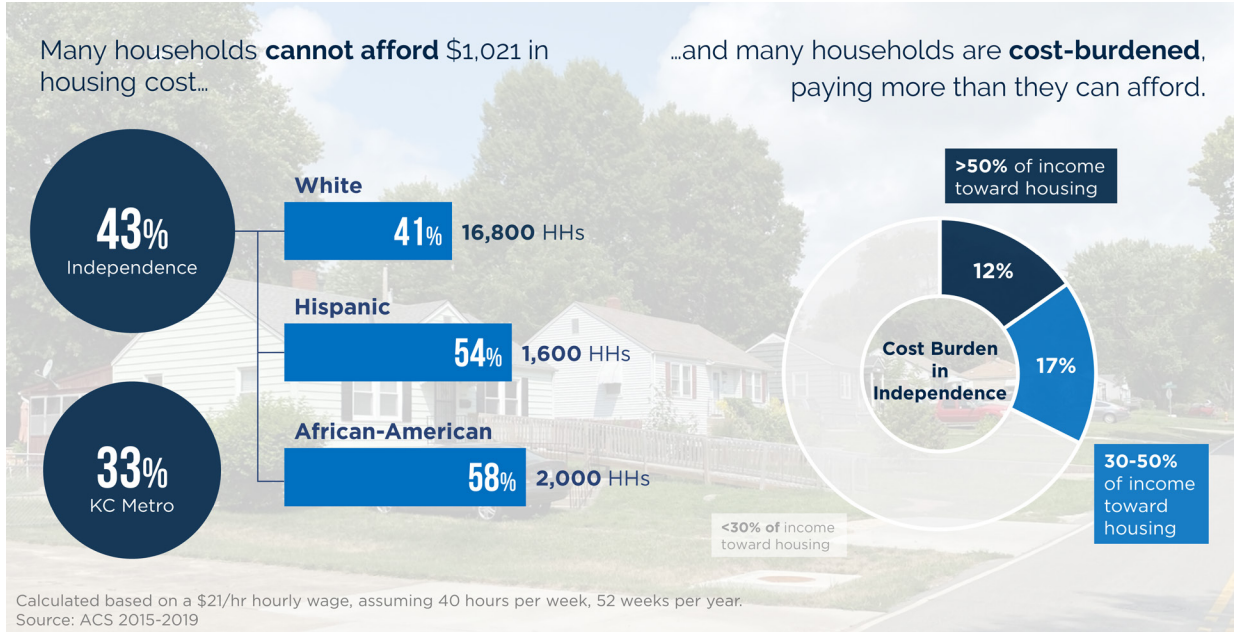
Definition

Housing is considered affordable if housing costs, including rent or mortgage payments and utility costs, are less than 30 percent of a household's income. Otherwise, a household is considered housing cost-burdened.

Affordable Housing in Independence

According to HUD, the fair market rent for a decent, safe 2-bedroom apartment is $1,021 per month (including approximately $200 in utilities). Nearly 45 percent of Independence households do not earn the $21 per hour required to afford such a home. Seventeen percent of households spend 30 to 50 percent of their income on housing, and another 12 percent spend more than 50 percent; 29 percent of households are housing cost-burdened. Low-income households may need to choose between spending a significant portion of their income on housing or living in substandard conditions—either way it is a difficult position to get out of without additional suitable housing options and supports.

African-Americans and Hispanics are more likely to be cost-burdened than the general population. Over half of Hispanics and and African-Americans do not earn the $43,680 required to afford the $1,021/month apartment.

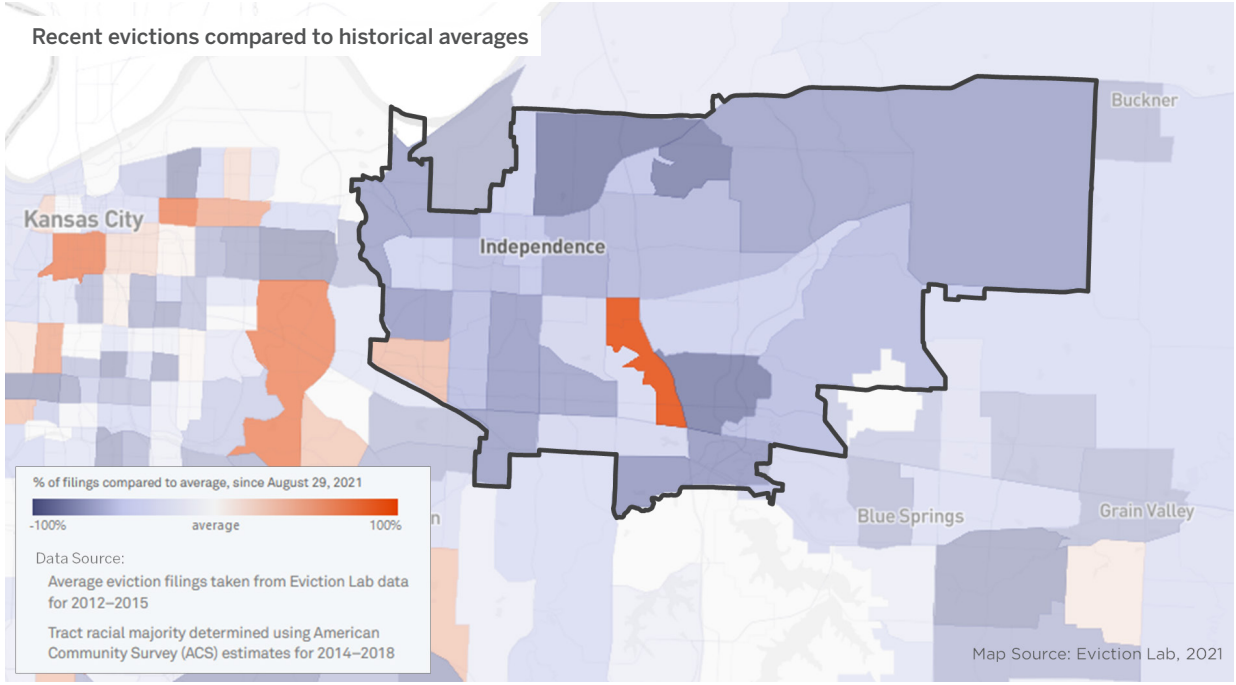


Evictions

In 2016, one in every 23 renter households in Independence experienced eviction, with a total of 740 evictions that year. Eviction filings dropped sharply in April 2020 due to the local moratorium on evictions that came into effect in March, 2020, as a response to the housing crisis posed by the pandemic. Cases have slightly increased since then but have remained below historic averages. Many landlords will not accept tenants with prior evictions, regardless of income, forcing many households into substandard housing or homelessness.

Homelessness

Each year a point-in-time count of homeless people in Jackson County occurs. In 2020, there were 1,730 homeless people and 1,140 homeless households. Nearly 25 percent of all homeless people were unsheltered. Additionally, 26 percent of the unsheltered homeless population was younger than 18 years of age. Not having a permanent home disrupts the rest of a person's daily life: it is harder to find jobs and private landlords may not rent to prospective tenants who lack a rental history. Homelessness has additional impacts on learning and educational attainment of children.

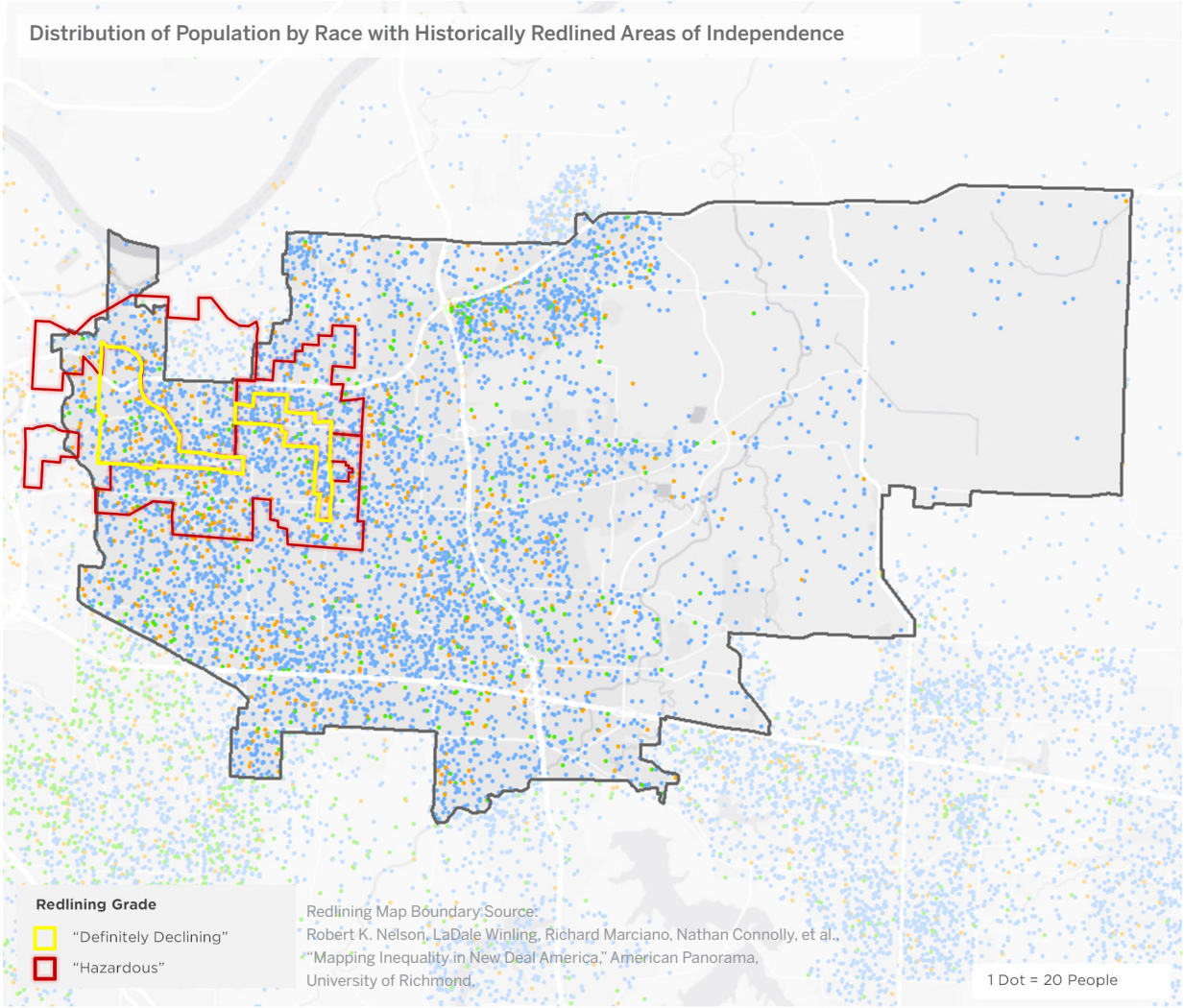


Race & Equity

Race and equity are important lenses through which to analyze housing challenges and opportunities. Historic policies such as redlining severely limited minority access to housing and financial tools and the long-term effects are still present today. Minorities and low-income households are more likely to be concentrated in areas with poor housing conditions.

Redlining & Its Legacy

The northwest neighborhoods of Independence continue to show the lasting impacts of historic policies like Redlining. Redlining systematically encouraged disinvestment in certain areas of cities on the basis of racial distribution. This practice restricted where residents could get a bank loan or buy a house by limiting access to insurance in "Declining" and "Hazardous" areas. This policy severely impacted the residents of these neighborhoods and their ability to acquire wealth. The resulting lack of investment in the housing stock in these areas contributes to many of the challenges present today.



49,900
TOTAL HOUSEHOLDS

77%
WHITE

5%
AFRICAN AMERICAN

8%
HISPANIC

Source: ESRI 2021

Race Distribution

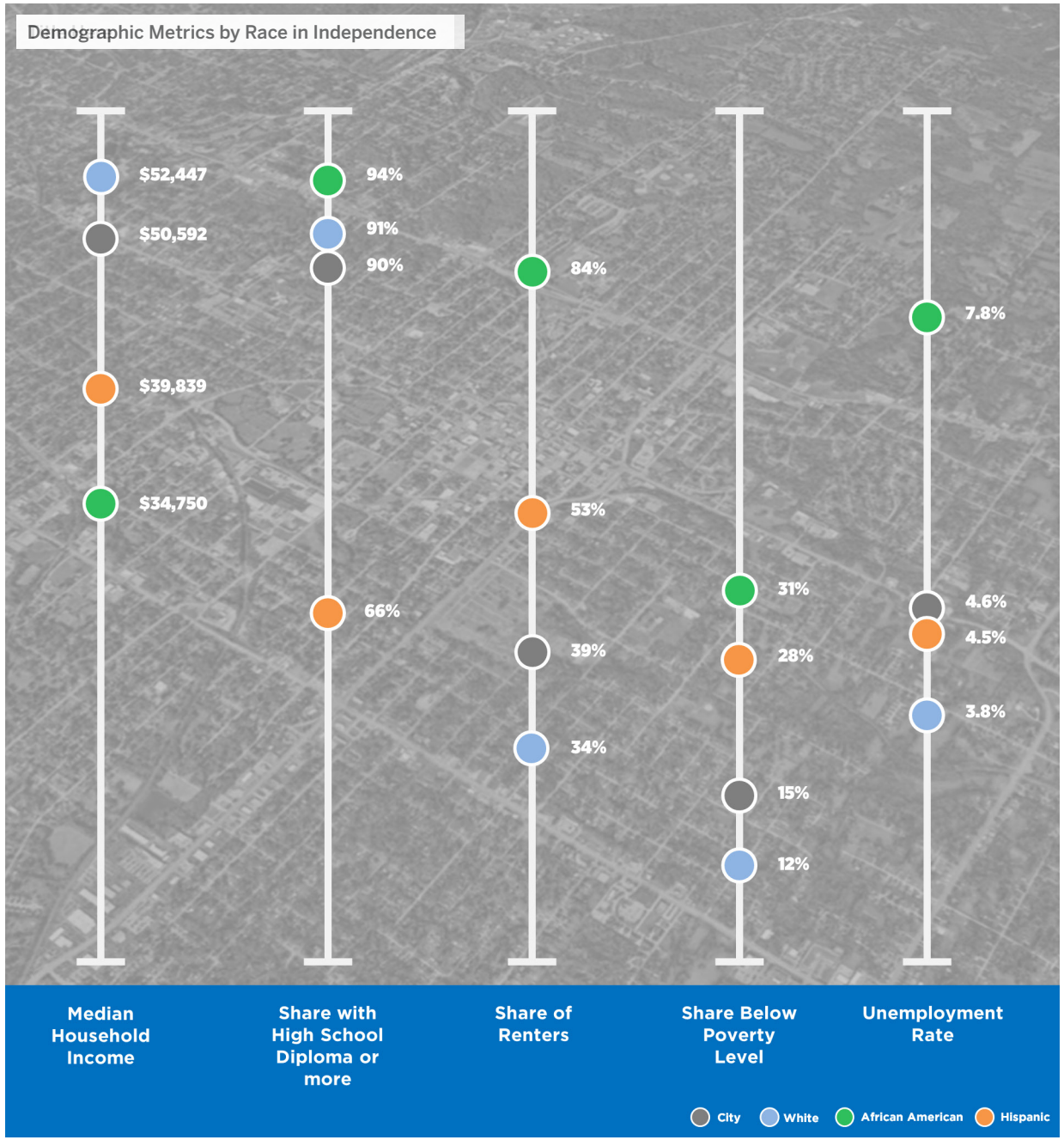
As of 2021, approximately five percent of the city's population is African-American, eight percent is of Hispanic origin, and 77 percent is White.

The median household income for African-American and Hispanic households in Independence are well-below the citywide levels. with the median for African-American households ($34,750) just over two-thirds of the citywide median ($50,592) and the median for Hispanic households ($39,839) just over three-quarters of the citywide median. This has broad implications regarding housing affordability and the need for equitable housing strategies.

Ninety percent of the population in Independence has at least a high-school diploma with shares among white as well as African-American households being just above the citywide share. At 66 percent, Hispanic households have the lowest share of high school diploma holders, 24 percent lower than the city average.

More than 80 percent of African-American households and more than half of all Hispanic households in Independence rent a home. This is higher than the citywide percentage for renter occupied housing (39 percent). Thus, providing access to quality rental housing options is very important for housing equity.

Households belonging to minority groups in Independence are experiencing poverty at a rate more than double White households (12 percent). More than a quarter of both African-American and Hispanic households in Independence are living below the poverty level, which significantly impacts access to quality housing.



Source: ACS 2019 5 Yr Estimates, PolicyMap 2021

Neighboring Peers

Independence's housing market is affordable, but its growth is weaker than its neighboring peers.

Comparing the housing markets of neighboring cities within the same regional context gives us an understanding of their unique role and function in the market, as well as their key differences. Raytown, Lee's Summit and Blue Springs were selected as the neighboring peers in Jackson County. Independence is the largest in both area and population, and the earliest to be settled. While Raytown is landlocked, Independence, Lee's Summit and Blue Springs lie along key regional highways with potential to grow towards the east.

Home Prices

According to ESRI, median home values in Independence are lower than all of its peers except Raytown. At $140,000, it is lower than Jackson County, the region and the state. Lee's Summit has the highest home value with its median at $256,000, nearly double that of Independence.

While low home values can indicate an affordable market, they can also make new development or repair of existing homes difficult and financially infeasible. This happens when construction and repair costs are higher than the resulting increase in market value from the improvement, meaning people are less willing to invest when they don't see the value. Home values also relate to household wealth, so lagging home values can slow the wealth building of Independence residents.

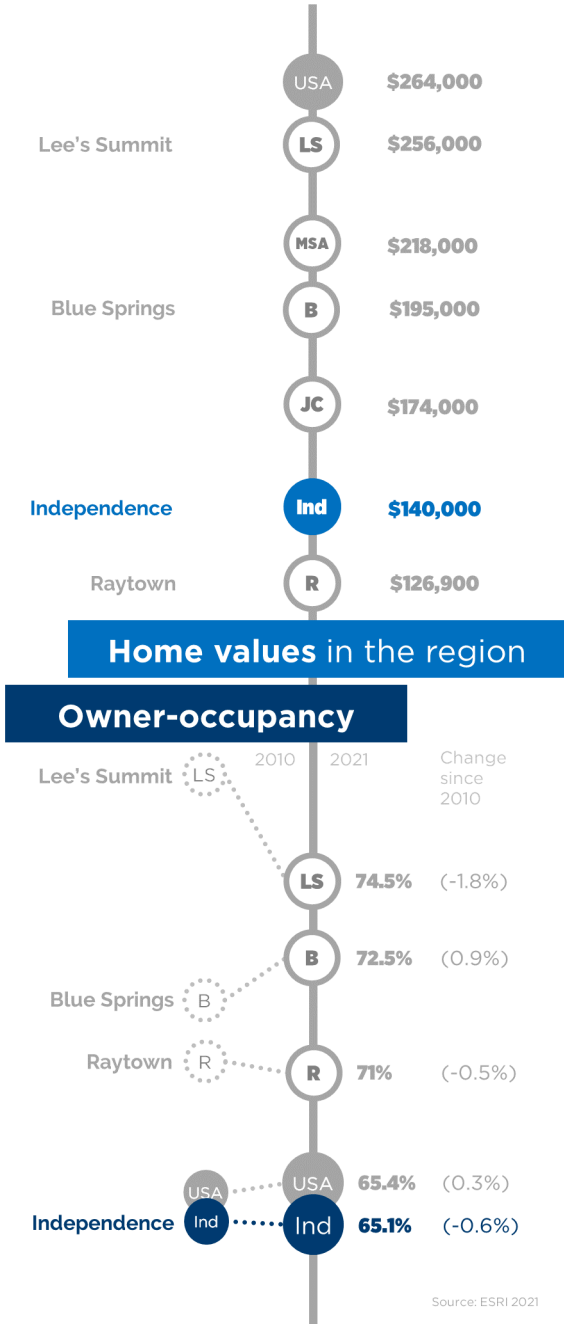
Key Comparison Points

Independence has the lowest median household income ($53,500) amongst its neighboring peers, and lower than the county, region and the state. Having a relatively low median household income and slow growth can make the city less resilient to changing markets. Rising rents and other housing costs wihtout equivalent income growth can overburden more households.

Household growth in Independence is low compared to its peers. Annual growth rates are at levels that are around half or even a quarter of its peers and the region overall, meaning the city is underperforming in attracting new residents. The city also has a high median age compared to its peers, county, region and state, further indicating the city's limited attraction of younger families.

Owner-occupancy rates are lower in Independence compared to its neighbors, and the rate has only marginally changed in the past decade. Owner-occupancy rates have fluctuated significantly more in Lee's Summit and Blue Springs while at the same time outpacing Independence in attracting new residents.

Independence remains the affordable place to own compared with its neighbors. However, the quality of the available stock and its slow growth makes it less desirable for resident to remain, and for prospective buyers to enter the market. Upgrading the housing stock through repairs and renovations, and attracting newer developments that meet the housing needs of today, are pivotal in positioning Independence as a desirable and affordable place to live, as well as, a place of opportunity and wealth creation for all.



CITY/GEOGRAPHY	TOTAL POPULATION 2021	ANNUAL POP. GROWTH SINCE 2010	HOUSEHOLDS 2021	ANNUAL HH GROWTH SINCE 2010	MEDIAN HOUSEHOLD INCOME	MEDIAN HOME VALUE	SHARE OF OWNER OCCUPIED UNITS	MEDIAN AGE
Independence	**119,200**	**0.20%**	**49,900**	**0.20%**	**$53,500**	**$140,100**	**65%**	**41.1**
Raytown	30,000	0.20%	12,300	0.10%	$57,600	$126,900	71%	42.0
Blue Springs	55,500	0.50%	20,800	0.50%	$80,100	$195,400	72%	37.5
Lee's Summit	99,600	0.80%	37,600	0.80%	$93,700	$255,600	75%	39.0
Jackson County	711,200	0.50%	292,600	0.60%	$58,400	$174,400	59%	37.9
KC Metro	2,188,600	0.80%	864,800	0.80%	$70,100	$218,100	66%	38.3
State of Missouri	6,250,000	0.40%	2,497,300	0.40%	$56,700	$184,100	68%	39.6

Source: ESRI 2021

Permitting Activity

The share of new housing units that Independence is capturing within the county has declined substantially.

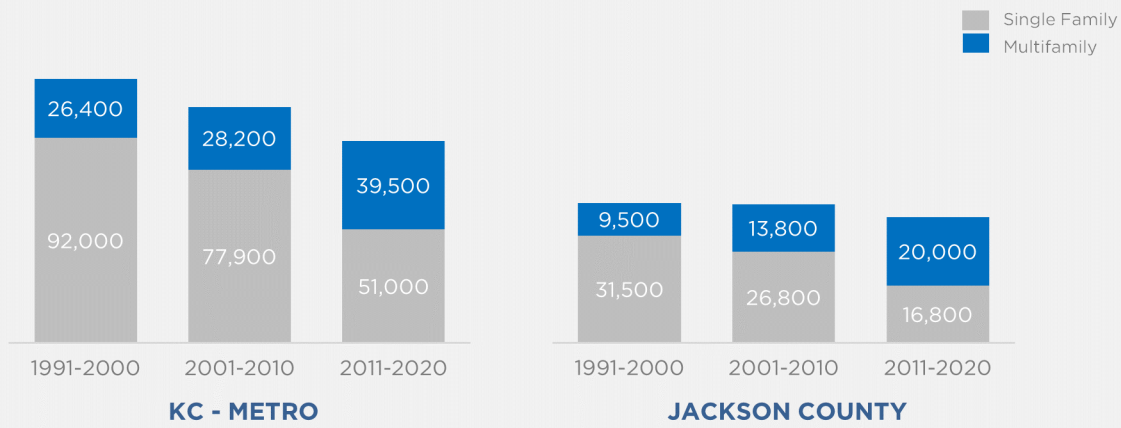
New construction housing permits are a significant indicator for regional competitiveness in attracting new housing developments, and therefore new residents. Tracking new construction permits helps us to understand the desirability of the city as a destionation of real estate investments and ease of doing business. Along with renovating older units, adding new housing units is essential to replenish the city's ageing housing stock.

Regional Permitting Trends

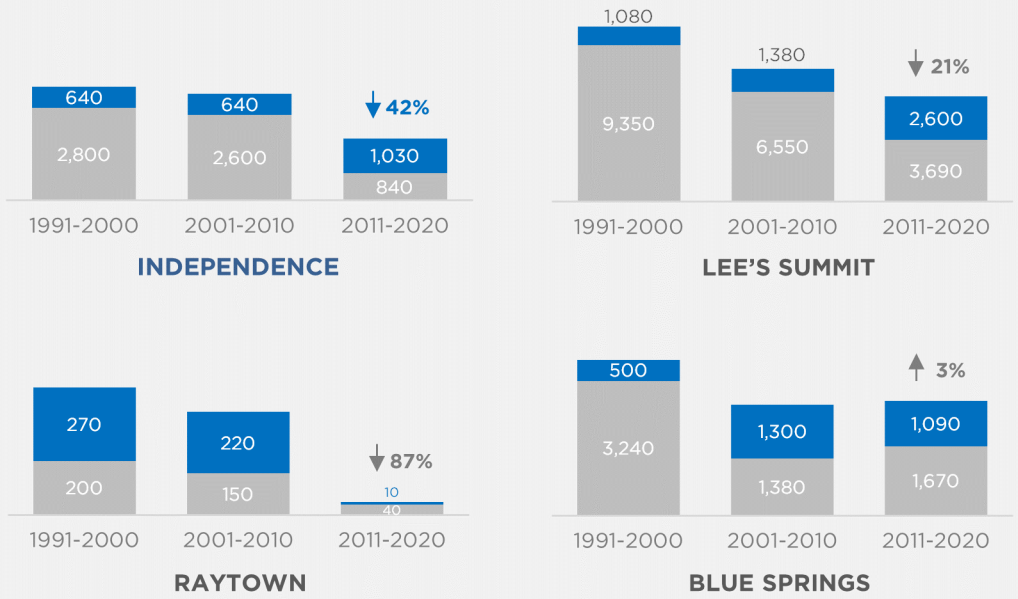
The economic prospects of Independence are closely tied to the economic performance of Kansas City metro. With its close proximity to local and regional job centers, and the ability to grow towards the east, Independence is well positioned to capture a significant portion of the region's economic output. Tracking housing trends in the region is crucial to understanding how to position Independence to compete with its neighboring peers and capture growth in the future.

The graphic on the right shows the decadal addition of new housing units in the region and the county, separated out by single family and multifamily. New construction permits issued have declined substantially in the past three decades in the region. However, Jackson County has been able to sustain a respectable rate of permitting activity despite the regional decline.

The decadal addition of new construction housing is declining across the region...



Newer housing added are increasingly denser across the region.
This trend is reflected in Independence and its neighbors...



Source: HUD SOCDS Permit Dataset 2021

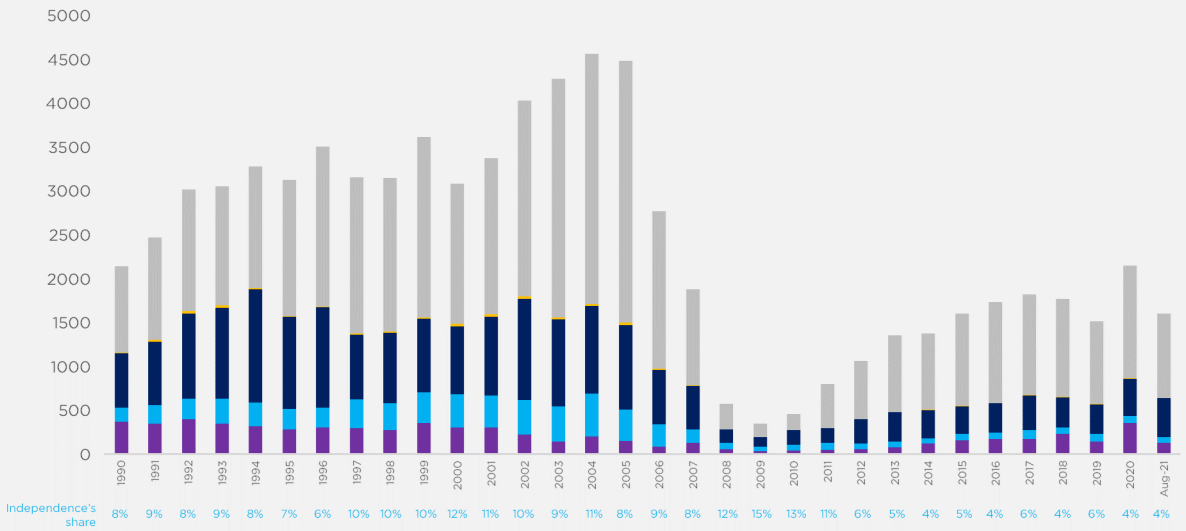
The last decade has seen a significant jump in multifamily units in the region - especially in Jackson County, where it has outpaced single family units. Thus, as overall new housing construction is declining across the region, the new housing being added is increasingly multifamily and therefore, denser.

Trends of Neighboring Peers

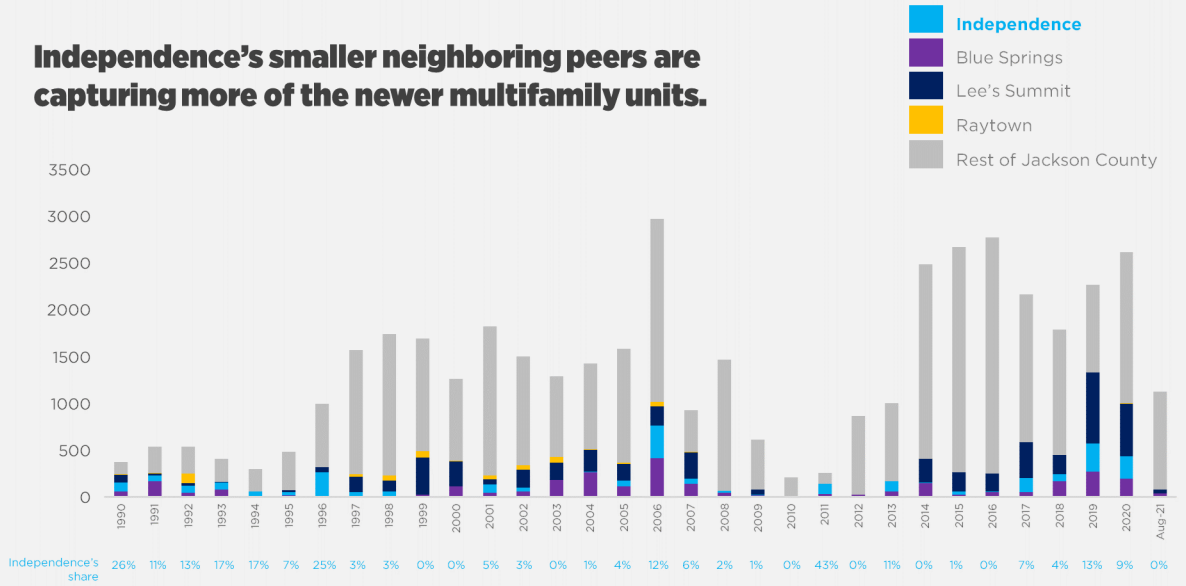
The regional housing trends are generally reflected in the performance of Independence and its neighboring peers, but with some key differences. Unlike Raytown, Independence is not land-locked and has room to grow towards the east. Additionall, our analysis shows that around 18% of the developable residentially zoned land in Independence is vacant, reflecting considerable capacity for new growth. However, in the last decade, new construction permitting activity has declined substantially in Independence compared to its smaller neighbors of Lee's Summit and Blue Springs. Both communities have significantly higher permitting activity, attracting both single family and multifamily developments, and are also capturing a higher share of the growth in new multifamily units in the county in the past two decades.

Independence's share of single family permits issued in Jackson County has declined substantially. Independence's smaller neighboring peers are capturing more of the newer multifamily units. While Independence and its neighboring peers have together largely kept up with capturing single family permits in the county, communities in the rest of Jackson County have significantly outpacing them in multifamily unit capture in the last decade.

Independence's share of single-family permits issued in Jackson County has declined substantially.



Independence's smaller neighboring peers are capturing more of the newer multifamily units.



Source: HUD SOCDS Permit Dataset 2021

Housing Preference & Needs Survey

The Housing Survey was a component of the market analysis designed to complement other data sources with data on community experience and perspectives.

The survey focused on collecting responses which can be tabulated, but also provided opportunities for open-ended comments. The survey was conducted in both English and Spanish languages to include the diverse population of Independence. Key findings from the survey are summarized below.

Purpose

The survey was designed and administered to understand the housing needs and preferences of current residents of various neighborhoods in the City of Independence. This survey was crafted to inform key questions about the challenges faced by residents and to assess community interests for different housing products.

The insights from the survey provide a broad community perspective to suppliment the analytical insights from the market analysis.

Organization & Implementation

The survey included 21 questions organized into three sections:

- "Tell us about your home," to understand respondents' current housing situation, conditions, and location;
- "Housing preferences and challenges," which focused on residents' housing challenges and experiences, and the factors likely to drive their future housing preferences.
- "Tell us a little about yourself," which asked a number of optional demographic questions.

The survey was made available in both English and Spanish, and administered primarily through the web-based survey platform SurveyMonkey.

Initial promotion about the survey opportunity was through the City's social media (including Facebook, Instagram, Nextdoor, and LinkedIn), the city's website, through word of mouth of community members, and through neighborhood stakeholders. To expand participation among initially under-represented groups — partiularly the Hispanic community — the study team partnered with Culture Journey, an Hispanic-owned community organization, to conduct follow-up outreach.

Spanish Poster displayed at restaurant 'Hacienda Vieja'

About 470 people participated in the survey, with the majority of participants (96 percent) being residents of Independence and the rest living outside of the city.

While survey participants were not perfectly representative of the City's demographic profile, their responses helped provide a fuller understanding of the housing needs, preferences, and opportunities in Independence.

Challenges faced during Outreach

After the initial push for survey responses, the study team took additional steps to reach under-represented residents. The study team created new posters, and Culture Journey translated them into Spanish and displayed them in locations such as restaurants, churches, and shopping areas frequented by the Hispanic community. Feedback from owners of the sites surfaced concerns from community members about the lack of relationship and trust and questions such as "Who has access to our information?" Ultimatley, the second push for survey responses yielded some more, but still a lower than expected participation rate. Going forward, as part of implementing projects and programs, the city will need to take concentrated efforts in engaging the under-represented groups through trusted community members and organizations.

Who Participated in the Survey?

Demographic Characterstics

Comparing the age profile of survey participants with city demographics, it is observed that the younger population was slightly under-represented while the older folks participated more actively. Overall, good representation across ages was observed.

In general terms, the survey respondents were more likely to be above the age of 55, relatively settled in the community, a home-owner, and white. Therefore, in certain sections of this summary, responses have been cross-tabulated with resident background or preference to better represent a broader range of preferences and needs.

Household income shows poor representation of very low-income residents, especially those living below poverty line, and who face the highest vulnerability to housing issues. A majority of the respondents indicated the $50,000 to $100,000 income bracket at a level higher than city average.

While the majority of the survey respondents were white, overall participation rates from all racial groups were largely representative of the city's residents.

Survey Table 01: **Demographic Profile of Respondents`**

	Survey Respondents	City of Independence
Tenure		
Own	79%	65%
Rent	17%	35%
Rent to own	1%	categories not available in data sources
Staying with family/friends	3%	
Age		
Under 25	3%	29%
25-34	16%	13%
35-44	19%	12%
45-54	19%	11%
55-64	20%	14%
65 or older	23%	20%
Race/Ethnicity		
African-American	3%	5%
American Indian	2%	1%
Asian	0%	1%
Hispanic/Latinx	5%	8%
White	86%	77%
Other	4%	9%
Household Income		
Under $25,000	11%	22%
$25,000 - $50,000	27%	25%
$50,000 - $75,000	26%	19%
$75,000 - $100,000	17%	14%
Over $100,000	20%	21%

Similar to city averages, many survey respondents were in their early workforce years (aged 25 to 34 years) and family years (aged 35 to 44 years). The survey received significant participation (43 percent) from people aged 55 years or above, a higher proportion when compared to the city (34 percent). Participation from the younger demographic (less than 24 years of age) was very low compared to the city.

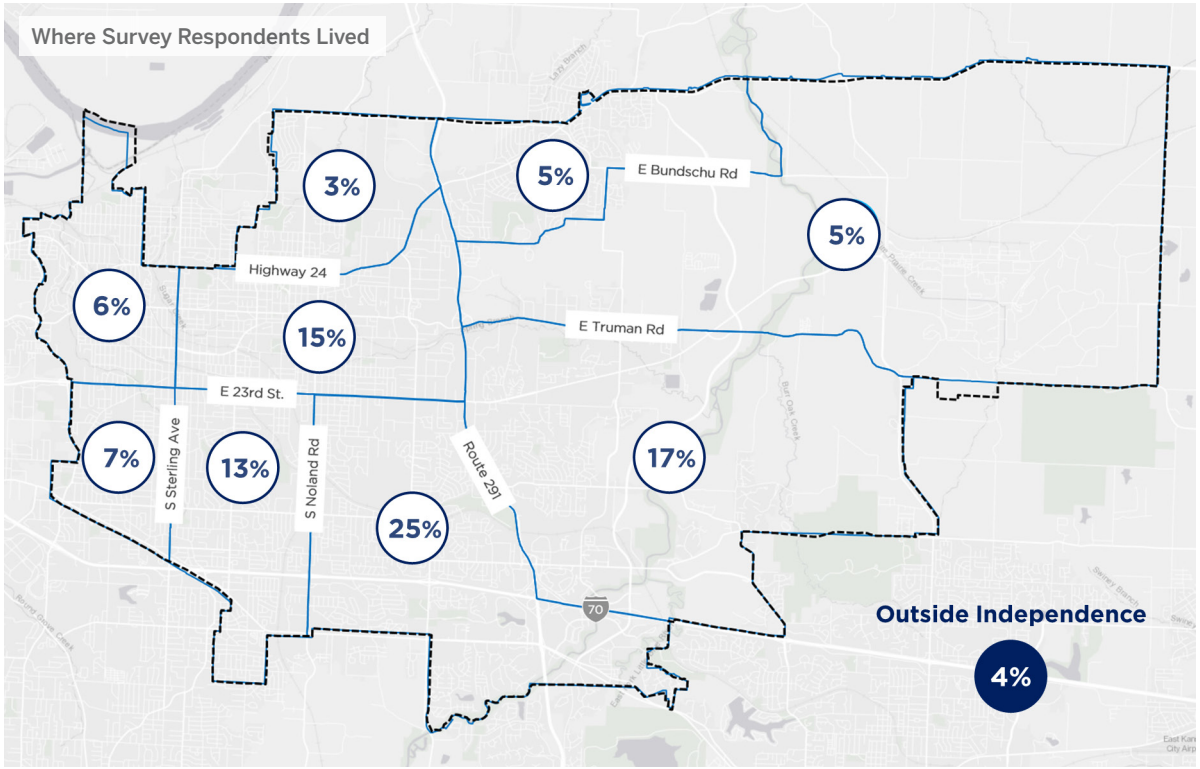
The employment status revealed that the survey representation was heavily skewed towards retirees, whereas uemployed residents were under-represented.

The survey received higher levels of participation from residents living west of Rte 291, south of 23rd Street, and east of Sterling Avenue, as well as, from residents living east of Rte 291 and south of Truman Rd. Combined, they represent 55 percent of the respondents of the survey.

The demographic tables and summary that follow detail the demographics of respondents in comparison to those of residents living in Independence.

Survey Table 01: **Demographic Profile (continued)**

Employment Status		
Employed	64%	
Retired	26%	
Other (please specify)	8%	
Unemployed	2%	



Respondents' Current Housing Situation

Most respondents have lived in their current homes between 1 to 4 years or over 20 years; suggesting that the survey was able to capture both short and long term residents.

The majority of survey respondents (87 percent) live in single family homes. Merely 5 percent of the survey takers indicated currently living in apartments. This suggests that responses collected through this survey may best indicate the preferences of current single-family detached home-owners.

Considering only residents who rent, a total of 71 respondents (47 percent of the renters) live in single family homes, closely followed by 27 percent renting a townhome. Of these, approximately 62 percent of the renters have lived in their current home between 1-4 years.

Respondents' current housing costs (including a household's rent or mortgage, utilities etc.) were mainly distributed between $650 and $1,300, with the largest group of respondents (21 percent) spending between $850 and $1,100 per month. Twenty One percent of respondents indicated paying no mortgage or rent. Cross-tabulating with retirees indicated that this is largely due to housing being paid off by retired residents. The average asking rent for respondents is $890 per month.

Survey Table 02: **Current Housing Situaition of Respondents`**

	Survey Respondents
Longevity of Stay in Independence	
Less than 1 year	7%
1 - 4 years	31%
5 - 9 years	17%
10 - 19 years	20%
20 years or longer	26%
Type of Current Home	
Single Family	87%
Townhouse/Duplex	5%
Apartment in a building with 6 units or more	4%
Other (please specify)	3%
Apartment in a building with fewer than 6 units	1%
Condominium	1%
Current Monthly Housing Cost	
No Mortgage/Rent	21%
Less than $650	13%
$650 to $850	18%
$850 to $1,100	21%
$1,100 to $1,300	13%
$1,130 to $1,700	9%
$1,700 or more	4%

Housing Challenges faced by Respondents'

A little more than half the respondents on this survey (53 percent) indicated that they had faced challenges in finding suitable housing in Independence. The majority attributed their housing challenges to be related either to high rents/mortgages/utilities or finding a healthy and safe home in an affordable price range.

Of all the respondents, a majority (45 percent) indicated that their homes needed some repairs. A similar share of people also expressed concerns about their homes requiring improvements related to energy efficiency and/or weatherization. Since this question indicated select all that apply, the total tallies to more than a 100 percent.

Among concerns related to health and safety in homes, 30 percent of the respondents faced at least one issue from the survey selection. However, residents shared some concern regarding fire alarms, carbon monoxide monitors, pest control, and mold in homes.

Similarly, 26 percent of the survey takers indicated they faced financial challenges; mainly with their utilities, rent, and taxes.

Survey Table 03: **Housing Challenges faced by Current Residents**

	Responses
Primary factors affecting finding suitable housing (top 5 responses only)	
I have never found it challenging to find suitable housing	47%
Rent/mortgage payment was too high	33%
My utilities costs were too high	22%
I could not find a healthy, safe home in my price range	19%
My neighborhood had a lot of crime	16%
Physical/Structural Needs	
Maintenance or repairs for my home	45%
Improvements to my home's energy efficiency / weatherization	43%
Improvements to make my home more accessible to me / my household	11%
Renovation to add additional space	11%
Health and Safety Related Issues	
None of the above	70%
Fire alarms and carbon monoxide detectors	12%
Pest control	12%
Mold removal	12%
Radon testing	9%
Other (please specify)	3%
Lead Remediation	3%
Financial Challenges	
None of the above	74%
Help with utilities	15%
Help with my rent	11%
Help with my property taxes	11%
A more responsive/proactive landlord	5%
Other (please specify)	4%
Assistance to avoid eviction	2%

Independence lacks affordable rentals for young people and young families. The average price for a 1 bedroom apartment in the greater Kansas City area is about $1200 a month. This is far out of reach for young people trying to make it on their own with wages in many jobs being so low.

Senior citizen assistance to improve their homes would be helpful.

Zoning to allow families with special needs children to be able to house their children on the property in separate housing (small cottage, tiny home, small camper).

Our neighborhoods are well designed but because there isn't good infrastructure like sidewalks and the housing is outdated, the houses aren't marketable to professionals or retirees.

New construction should focus on the needs of people -- safety and sense of community like the new apartments that are being built with lots of amenities, near trails, restaurants,