

## Housing Preferences

The third major section of the survey assessed the housing preferences of respondents. These responses can help the city better understand the housing aspirations of its residents, and can help developers and builders better understand the market. The survey captured this information with regard to specific typologies and price points.

Detached single-family homes were the preferred typology (81 percent) among respondents. However, respondents did express interest in a broad range of typologies, with townhouse/duplex garnering the highest share, and condominiums being the least preferred typology.

The majority of the respondents (93 percent) interested in moving also indicated a strong interest in owning a home. These preferences to own and the lower interest in large multifamily housing typologies can be partly attributed to the survey respondents being skewed toward single-family homeowners.

While single-family homes were the preferred typologies among survey respondents, the expressed interest in other typologies reinforces what was heard through stakeholder engagement: that new housing development should include a range of housing types and price points.

The survey respondents also expressed desire for more recreational and entertainment amenities such as parks, and dining options, followed by grocery stores and quality schools.

Survey Table 04: Housing Challenges faced by Current Residents

	Responses
<b>What kind of housing does Independence need?</b>	
Single Family	81%
Townhouse/Duplex	34%
Apartment in a building with fewer than 6 units	27%
Apartment in a building with 6 units or more	19%
Condominium	16%
Other (please specify)	13%
<b>What price range of for-sale housing is needed the most?</b>	
Less than \$120,000	54%
\$120,000 to \$200,000	47%
\$200,000 to \$300,000	15%
\$300,000 to \$400,000	5%
More than \$400,000	3%
<b>What price range of rental housing is needed the most?</b>	
Less than \$650	37%
\$650 to \$850	49%
\$850 to \$1,100	25%
\$1,100 to \$1,300	8%
\$1,300 to \$1,700	5%
\$1,700 or more	4%
<b>Would you prefer to rent or own?</b>	
Rent	7%
Own	93%
<b>Which amenities would you like the most in your neighborhood?</b>	
Nice Park	49%
Dining Options	34%
Grocery Stores	33%
Quality Schools	30%





## Stakeholder Conversations

### Key Observations

Our team held a series of community stakeholder conversations to learn from local experts—community members who live and work in Independence—what housing challenges and needs exist today. We also asked about community assets and strengths to build on, as well as opportunities related to housing that would support the long term growth and sustainability of the city. We had conversations with approximately 30 individuals representing a broad range of perspectives, including landlords, major employers, Chamber of Commerce representative, economic development, social services, education, health care, developers, City Commissioners, philanthropy, and non-profits.

The following paragraphs summarize key themes and takeaways from those conversations.

### Needs & Challenges

Like many cities across the country, Independence faces a broad range of housing challenges. Many of the challenges identified by the stakeholders center on affordable housing—the need for new units, and the need to improve the quality of existing units. However, housing needs also exist across the affordability spectrum, including workforce housing, moderately-priced single-family homes, and higher-end market rate housing. It is clear to many stakeholders that housing touches all facets of the community, including attracting and retaining workers, neighborhood preservation, property values and the city's tax base, and the ability of seniors to

age in place. Needs exist for homeowners, those aspiring to be homeowners, renters, and even the unsheltered.

At a high level, there was broad agreement that Independence has a **housing quality issue**, particularly in the older western and northwestern neighborhoods. There was also concern expressed about the **slower pace of new development**, particularly single-family homes, compared to pre-recession development, as well as the pace of development in neighboring cities.

### Rental Housing

Many needs, challenges, and concerns were raised about rental housing in Independence. On the affordable end of the spectrum, there was broad agreement about the **lack of quality, safe rental housing for low-income households**, with particular concern about the condition of single-family rentals that have “affordable” rents, but are in poor condition. There was also concern expressed about the size of the existing affordable multi-family properties, and the impacts of continuing to concentrate poverty in specific locations.

One phenomena impacting the single-family rental market in Independence, and across the country, is the rise of **commercially-owned rental properties**, owned and operated by companies located outside of the city, and even the state. The challenges posed by these investor-owned properties include lack of investment in maintenance, lack of property maintenance that visually impacts a neighborhood, and lack of accountability as a single, local point of contact is often hard to find. This issue also impacts the

availability of affordable for-sale properties, as a home is rarely brought back into the private housing mix once it is commercially-owned. This limits the ability to move stable, low and moderate-income households from renters into homeowners.

The out-of-state investors are commonly funded by **well-capitalized Real Estate Investment Trusts (REITS)**, which have the resources to pay cash for home, often out-bidding prospective homebuyers and investors. This has served to make the local housing market more competitive, in addition to the community challenges noted above.

Another issue is **landlord turnover** in the city, from those who had a long history of maintaining decent rental housing in the city, to newer landlords, many of whom are no longer accepting housing vouchers for low-income households.

On the market rate multi-family end of the spectrum, some expressed concern about the **number of new “luxury” units being added to the market would saturate the market** and cause long-term challenges. However, others expressed the opinion that the new, high-amenity multi-family product was needed to attract new, young professionals to the city, and that no new high-end apartments have been added to the market for years. The demand analysis (Chapter XX), explores the depth of demand for market-rate multifamily units to help inform this conversation.

In the face of the eviction moratorium and other housing challenges caused by COVID, evictions were not communicated as a major local challenge. However, there was an acknowledgement that more needs to be done to help those who have been evicted find new, stable, affordable housing. Community Services League maintains a list of landlords who will rent to households that have experienced eviction, but the list is not long enough to meet the demand.

### Homeless Population

Several stakeholders raised concern about the **homeless population in Independence**. There is a perception that the problem is growing, or at least becoming more visible as it spreads east and becomes more scattered throughout the city. There is a lack of shelter beds in or near Independence and a very limited supply of transitional and/or supportive housing for homeless and formerly homeless individuals and families. There is also a recognition that finding locations for such housing is challenging due to lack of resources and NIMBYism (not in my backyard). It will not only take financial resources to create the housing, but the political will that the city support transitional shelter and services for homeless people. Additionally, homelessness is seen as a regional issue, one requiring city officials to reach outside of Independence's border to collaborate on a sustainable solution, and requiring neighboring communities to do their part.



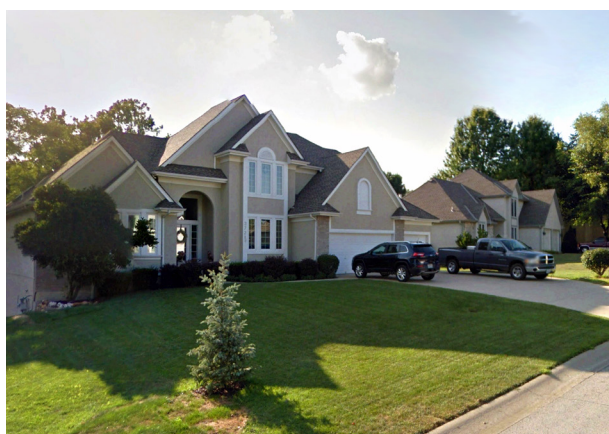


### Workforce Housing

There is an overall awareness that **the city needs more market-rate housing for moderate-income households**. Often called “workforce housing”, this is housing that is attainable by households headed by people working such jobs as teachers, police officers, and nurses, for example. Given the recent housing price spike experienced across the country, home values have increased at a pace that makes once-affordable homes unattainable by moderate-income households. Additionally, with the jump in construction costs, developers are not able to build new homes that fit this workforce attainable range—at least not without additional resources to help reduce the construction gap. As one person put it, “The naturally occurring affordable housing is getting less and less affordable.”

### Neighborhoods

Neighborhoods are the lifeblood of any city, and Independence is no exception. Some neighborhoods have a great need for well-maintained, quality, affordable housing, yet are fighting a perception that investing in housing is a poor investment. Visible property maintenance issues, perceptions of crime and safety, and even lack of neighborhood infrastructure and amenities keep many potential developers from building and rehabilitating homes in certain parts of the city. Among some stakeholders, having community-based homeowner supports—local banking and financial resources, cultural relationships to link people to services, and help navigating the city’s regulatory processes—especially for the Hispanic community— would be a good way to help turn around some of these neighborhoods.





## Assets

Despite the many challenges, stakeholders were quick to point out that **the city has several strengths and assets** around which to build positive momentum to meet Independence's housing needs. First among the assets mentioned was the Independence School District (ISD). The majority of people said the adjustment of the school district boundaries that occurred in the late 2000's and the direction and quality education offered by ISD were a real positive feature around which the city could market, grow, and prosper. Indeed, quality housing and population growth often follow quality schools, and the school district is making significant investment in schools in the city.

Another asset is the **city-owned utilities**. By owning the utilities, the city can (and should, by some accounts) be more directly involved in the future growth and development of the city. By controlling the location and tap-on of the utilities, the city could play a direct role in incentivizing new housing construction.

Other assets include the **creative energy and development** happening in Englewood, new development happening in The Square, and the renovation of the Truman Library, as signs of positive energy and growth for the city to capitalize on. Little Blue parkway, as a prominent feature, and other trails are an amenity and a way to connect the different parts of the city in a community-focused and sustainable way.





## Opportunity

Building on the assets in Independence, stakeholders were also quick to point out **several opportunities for addressing housing challenges**. Despite the challenges that come with rehabilitating older, naturally occurring, affordable housing, the city has a lot of housing stock in the northwest portion of the city that could be improved. Coupled with that is a Hispanic community with an entrepreneurial spirit and a willingness to purchase homes and invest in their upkeep. Building relationships and creating deeper community ties between Hispanic residents and developer, financial, and services institutions could go a long way in fostering neighborhood resilience and maintaining quality, affordable housing.

Another opportunity that **targets more of the “missing middle”** type of housing—townhomes, apartments above retail, and small-scale multi-family—is to take advantage of the “good bones” available in neighborhoods such as The Square and Englewood. People pointed out the creative energy, the existing mixed-use areas, and the established density as characteristics that could really benefit new and renovated residential units of a quality and scale that appeals to a variety of owner and renter. Such characteristics were seen as an opportunity to diversify the housing stock and attract and retain a mix of residents. Such housing in these core areas of the city could be a way to provide high-amenity and easily accessible workforce housing. Many saw this as a key piece for a comprehensive in-fill development strategy.

Another opportunity open to the city is **the availability of land** toward the eastern half of Independence. While many saw this as the perfect spot for new, high-amenity single-family residences, others also comment that if economic development and employment develop further east, then some balance would need to be struck. Additionally, the presence of floodplain does limit some of the opportunity, but does not eliminate it entirely.

As people considered these various opportunities, they began to think about ways the city could support them. Some looked at this from the developer’s perspective, looking for ways to help defray costs to make in-fill development feasible. Others looked at it as an opportunity to build community capacity, and to find ways to let residents take more control of improving their homes. Some mentioned the need for a full-fledged in-fill strategy, one that considers the viability of a housing trust fund, updates to zoning and land use regulations, and the creation of a neighborhood preservation fund, all as ways to implement a broader inclusionary housing and community development policy for the city. This would help provide a vision, create a strategy, and provide tools and greater transparency in housing development and redevelopment.

## Endnotes

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6. Mapping Inequality: Redlining in New Deal America. Robert K. Nelson, LaDale Winling, Richard Marciano, Nathan Connolly, et al., “Mapping Inequality,” American Panorama, ed. Robert K. Nelson and Edward L. Ayers, accessed October 20, 2021, <https://dsl.richmond.edu/panorama/redlining/#loc=13/39.087/-94.458&maps=0&city=greater-kansas-city-mo>





STUDIO  
ENGLEWOOD  
SALON

STUDIO  
ENGLEWOOD  
SALON

11026

HIGHLIGHTS

HAIR COLOR

HAIR CUTS

HAIR EXTENSIONS

333-5852

E Winner Rd 11000

E Walnut St 1100









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## Housing Market Analysis



## Market Analysis: A Process Overview

**Market analysis helps understand current conditions and opportunity—it identifies gaps that exist in the housing supply today and likely housing needs in the future, including the specific needs of different populations based on income, age, and physical ability.**

Market analysis can essentially be divided into the study of people, product, and place.

### Supply Analysis

The first step in housing market analysis is to document what exists today. This information tells us a great deal about what the market will support in terms of rents, sale prices, and lease rates. It indicates preferences for specific products or locations. Sometimes, analysis of the competitive market can reveal specific opportunities for types of housing that the city lacks by identifying newer, more competitive types of development that achieve product differentiation by focusing on quality, amenity, design, or service offerings. Supply analysis provides critical foundational information for market analysis and the strategic framework designed to meet critical housing needs.

### Demand Analysis

Demand analysis is fundamentally about people: who lives in the community today? Where do they live? What are their needs? Who is moving into the community. How many? This requires analysis of standard demographic data like household income, age, and population. It is important to analyze housing demand from multiple angles and for multiple populations. Seniors prefer different housing products than young professionals or families. Workforce housing looks different than upscale housing or housing for at-risk people. Demand analysis allows us to quantify how many units are needed at different price points and income levels.

### Housing Gap Analysis

Housing gap analysis is the comparison of supply and demand. It allows us to determine what is currently missing in the market and what is needed to provide the “right” kind of housing for all residents of Independence. This may mean more affordable units so that fewer households are cost burdened, or encouraging the development of more upscale single-family homes and multifamily units to keep higher-paid professionals from moving to Lee’s Summit or Blue Springs.

### 20-Year Demand Projections

Once the supply and demand analysis is complete, and key housing gaps are identified, detailed projections are made to close this gap, taking into account projected population and household growth for the next 20 years. This projection, coupled with the strategic framework for housing, provides a practical road map for the city to meet current and future demand, both in the short term and medium to long term. Demand projections are made by income level, housing tenure for each income group, and housing type, in five year increments differentiated by for-sale and rental housing.

This chapter follows this systematic process for market analysis, starting with current supply analysis, followed by demand analysis and identification of market gaps, and concluded with 20-year demand projections.

## Independence Housing Supply Overview

**A community-wide supply overview provides the baseline for the housing market analysis, and highlights the gaps in the range of housing products currently available to the residents of Independence.**

### Single-Family (For-Sale)



Approximately 30 percent of all homes in the city have a value of less than \$100,000. Much of the housing stock in Independence was built before 1980 and averages less than 1,200 square feet in size. Due to the size, finishes, layout, high cost of maintenance, dated utility systems, and condition, the stock in general often do not meet the needs and preferences of the current housing market. In general, larger and newer homes in good quality condition get sold at higher price points.

### Single-Family (Rental)



Investors have purchased a significant number of single-family homes in and around the more affordable neighborhoods, marketing them as rentals. While this can, at times, be a benefit in diversifying residential uses community-wide, speculative buyers in struggling areas may have little incentive to renovate properties until the surrounding neighborhood improves.

### Multifamily (Market-Rate)



While there is recent momentum in new larger scale multifamily units near the I-70/Route 291 interchange, much of Independence's existing market-rate rental supply consists of a mix of traditional low-rise garden-style apartment communities. Vacancy rates steadily declined over the past decade slipping below four percent in mid-2020, while asking rents grew close to 40 percent during the same period, indicating growing demand for market-rate multifamily units.

### Multifamily (Affordable)



Affordable housing is an important component of a larger strategy to ensure demographic, economic, and housing diversity throughout Independence. The city's supply of affordable rental options consists of a mix of LIHTC properties, public housing, and scattered, deeply-subsidized units totaling 4,860 affordable units.

### Senior



Independence has around 970 units dedicated to senior living, with nearly half-half split between affordable and market-rate prices. However, the distribution of these properties within the city is uneven, with much of the market-rate options concentrated around the I-70/Route 291 interchange, in close proximity to CenterPoint Medical Center, while the affordable options are scattered across the city.



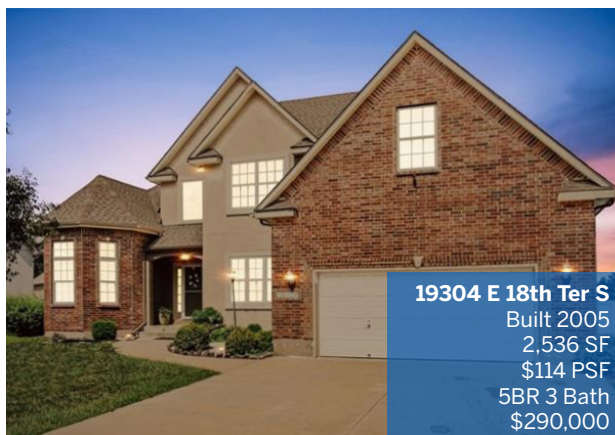
## Existing Supply: For-Sale

**An aging stock of for-sale homes and a lack of diversity in housing typologies that meets the needs and preferences of the current housing market has limited the overall marketability of the city's housing stock.**

Low-cost homes comprise a significant portion of Independence's overall housing supply. According to ACS data, approximately 30 percent of all homes in the city have a value of less than \$100,000. Even well-maintained homes at these price points face marketability issues, including limited neighborhood amenities, discontinuous utility networks, lack of sidewalks, and the poor condition of many nearby homes. The 2020 Census puts the count of vacant units in the city at around 4,500 units - more than doubling from about 2,000 units in 2010.

Much of the housing stock in Independence was built before 1980 and averages less than 1,200 square feet in size. The variety of architectural styles found in older neighborhoods are an asset, but will need investments to upgrade to meet today's market needs. Due to the size, finishes, layout, high cost of maintenance, dated utility systems, and condition, the stock in general often does not meet the needs and preferences of the current housing market.

Most new construction since 2016 is located east of Route 291, mostly on previously undeveloped land. On the right are a few sales of homes that occurred in the past year at varying price points. In general, larger and newer homes in good quality condition get sold at higher price points.



Source: Zillow 2021, Redfin 2021, Development Strategies 2021



## Recent Housing Sales Trends

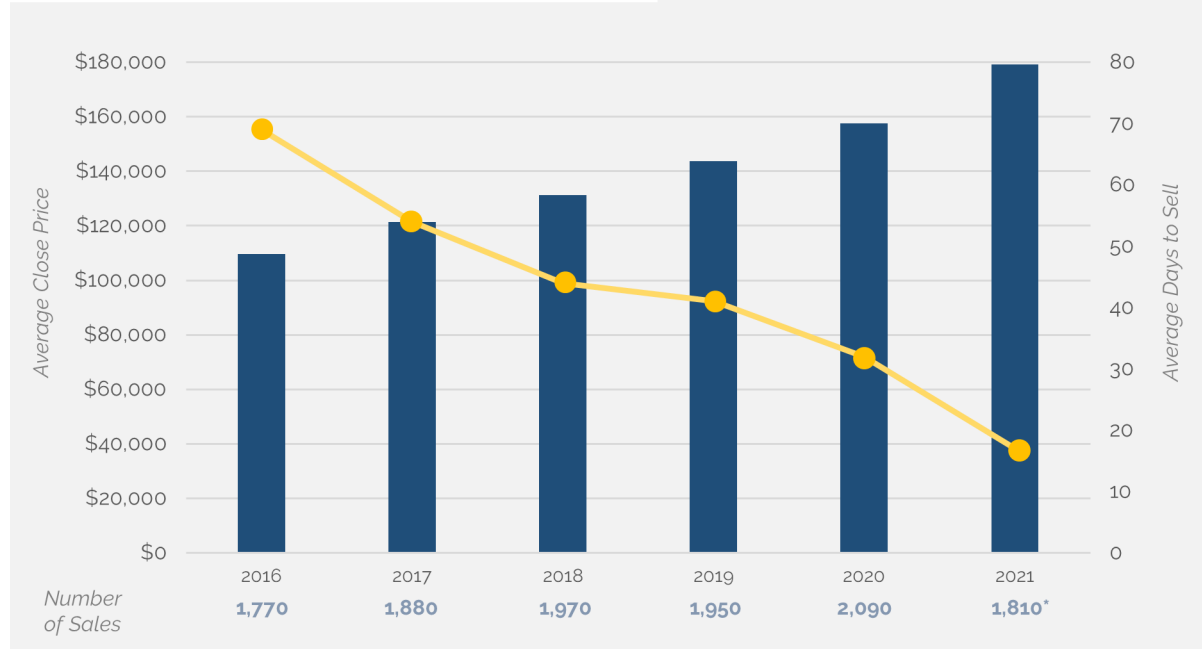
**Independence has a strong and increasingly tightening for-sale housing market.**

Recent sales trends are great indicators of the level of market demand. Shown on the graphs on the right are average closing price of home sales since 2016, average days it took for the sale to occur, and the total number of sales that occurred for both resale of existing homes, as well as new construction homes. Note that 'average days to sell' includes both "active" list status and the time buyers took to do inspections, appraisals, etc. while negotiating the contract through their real estate agents.

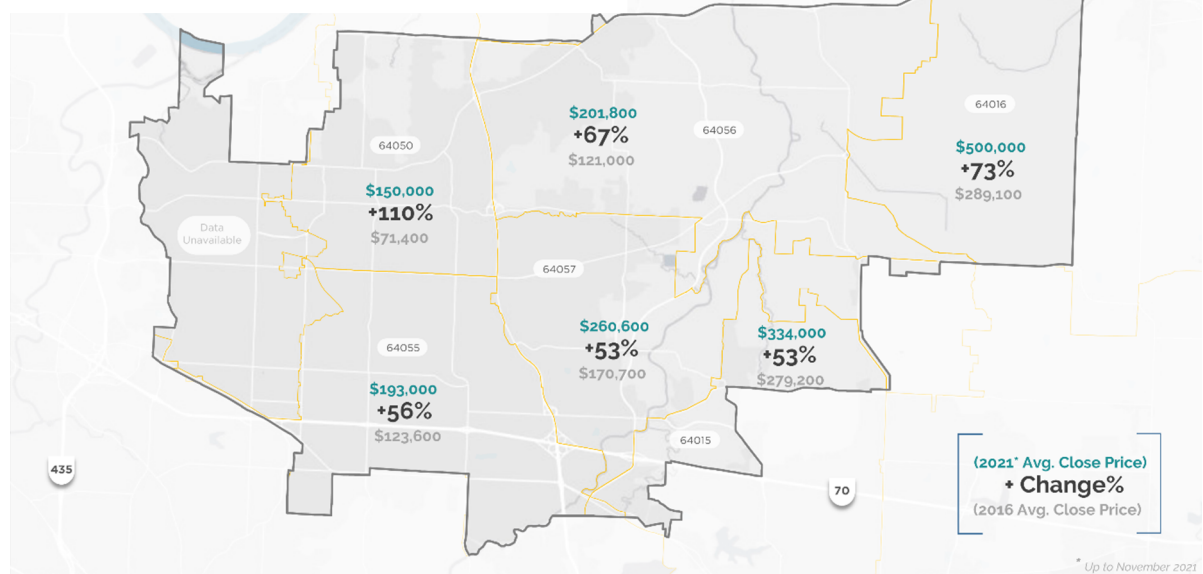
The average close price has been growing rapidly and consistently in the past five years – increasing by around 63% or \$69,400. Average days to sell has declined significantly from 69 to 17 days. The number of sales peaked in 2020 during the early stages of the ongoing COVID-19 pandemic, which had induced and accelerated the nationwide housing supply shortage. Shorter days to sell combined with rising closing prices indicate a tightening market and a longer term increase in demand for higher-than-median quality homes in Independence.

The average prices indicate mostly resale of homes in zip codes west of Little Blue River, with average closing prices more than doubling in zip code 64050 in the past five years. The price range and growth of average close price indicates demand for quality homes in Independence - both existing and new.

### FOR-SALE MARKET TRENDS 2016-21



### AVERAGE CLOSE PRICE CHANGE BY ZIPCODE



Source: Heartland Multiple Listing Service Jan 2016 to Nov 2021, Development Strategies 2021

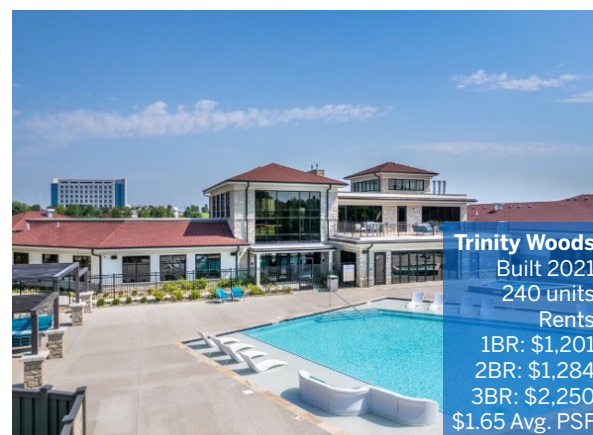
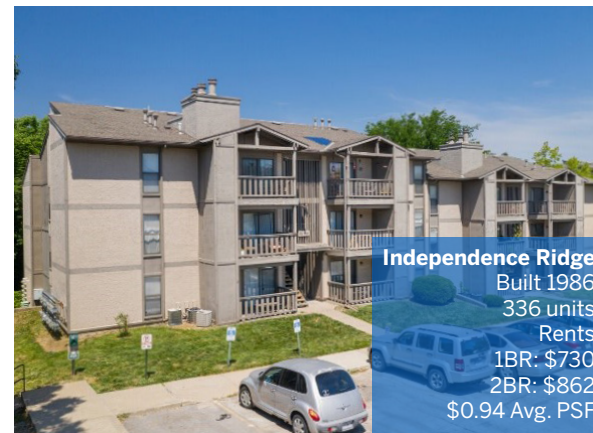


## Existing Supply: Market Rate Rental

While there is recent momentum in new larger-scale multifamily units near the I-70/Route 291 interchange, much of Independence's existing market-rate rental supply consists of a variety of traditional low-rise garden-style apartment communities.

The city has a current inventory of roughly 6,500 market-rate multifamily units, contained primarily within suburban-style garden apartment communities. Only about 520 new units were added since 2010. However, there has been recent momentum in adding new multifamily units with two new market-rate multi-family developments under way, and one proposed, near the I-70/Route 291 interchange. Vacancy rates steadily declined over the past decade slipping below four percent in mid-2020, while asking rents grew close to 40 percent during the same period, indicating growing demand for market-rate multifamily units.

Newer developments fetch healthy market rents, ranging from \$1,200 for one-bedroom to upwards of \$2,200 for three-bedroom units at around \$1.60 per square foot. Older multifamily units in the Lower-Midscale level receive rents at around \$0.90 per square foot, while rents in Midscale apartments in Independence are at around \$1.10 per square foot. Though they vary widely in terms of condition and age, the large majority of the current rental supply consist of 10- to 20-unit two-story and three-story buildings situated around ample surface parking with centralized community amenities.



Source: CoStar 2021, Development Strategies 2021