

MULTIFAMILY HOUSING DEMAND UPDATE

PREPARED FOR
The City of Independence

May 13, 2024

DEVELOPMENT STRATEGIES

PRESENTATION OUTLINE

INTRODUCTION AND CONTEXT

KEY FINDINGS: DEMOGRAPHICS & HOUSING

HOUSING DEMAND

Trends

Projections & Summary

2021 versus 2024

CONCLUSIONS

DEVELOPMENT STRATEGIES

Introduction: Why are we here today?

What has **changed** and how does it **impact demand for multifamily development in Independence?**

Introduction: Why are we here today?

A **lot has changed** in the past 3 years!

- Substantial multifamily activity
- Major industrial development
- Potential mall redevelopment

INTRODUCTION AND CONTEXT

WHAT HAS SHIFTED SINCE 2021?



INTRODUCTION AND CONTEXT

EASTGATE COMMERCE CENTER

Eastgate Commerce Center could add **10 million SF** of industrial buildings and up to **5,000 jobs**, which will impact housing demand in Independence.



Image source: NorthPoint Development, Cushman & Wakefield

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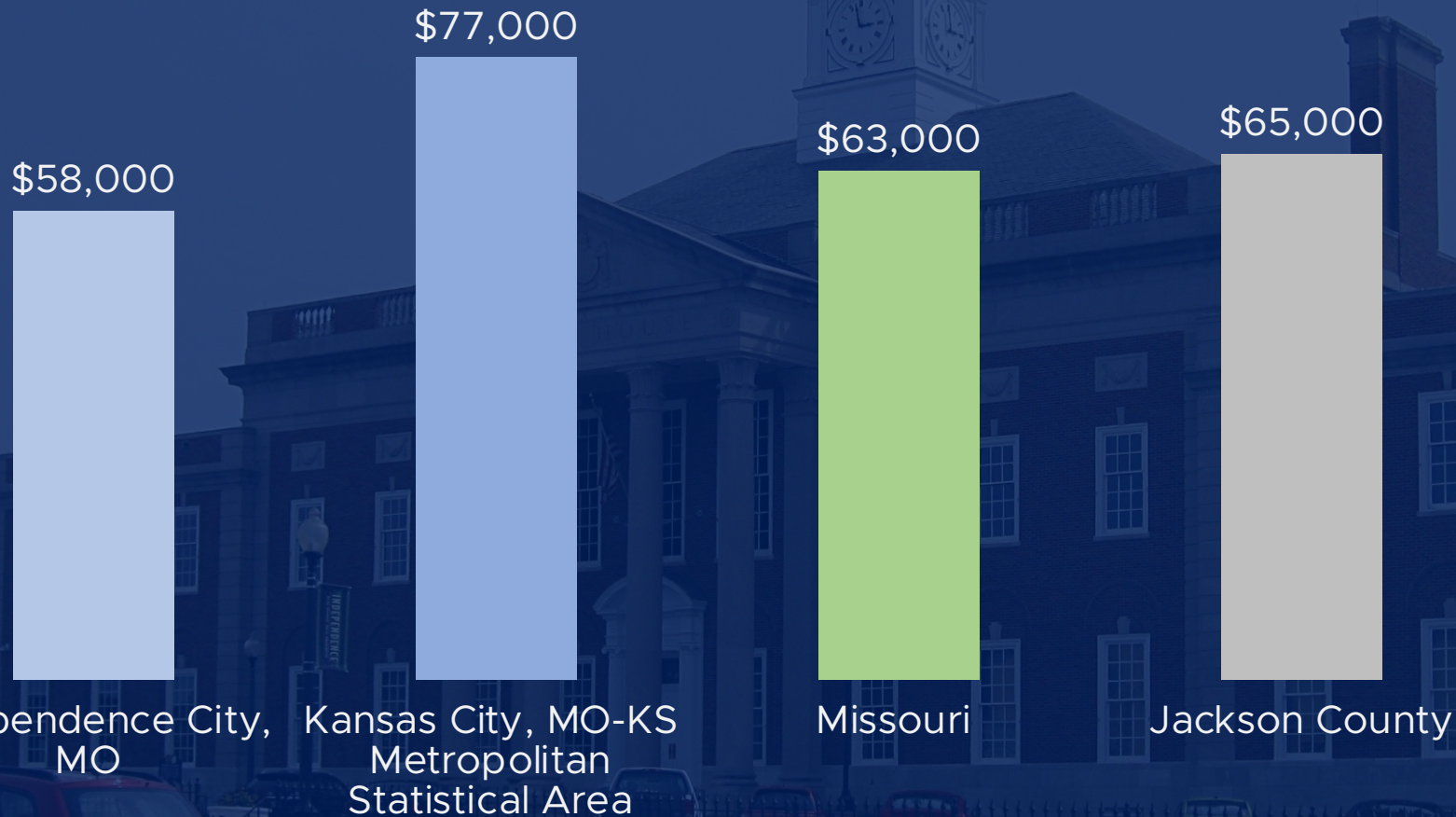
CONCLUSIONS

DEVELOPMENT STRATEGIES

KEY FINDINGS: DEMOGRAPHICS & HOUSING

TREND 1: MEDIAN INCOMES LAG BEHIND THE REGION AND HAVE FALLEN SINCE 2021

Median Household Income, 2023

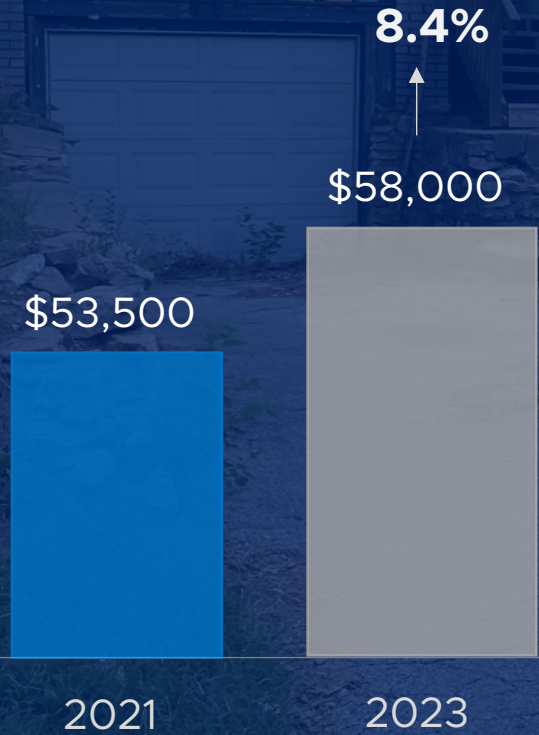


Independence's **median household income is 12 percent lower** than in the county and **33 percent lower** than in the MSA

KEY FINDINGS: DEMOGRAPHICS & HOUSING

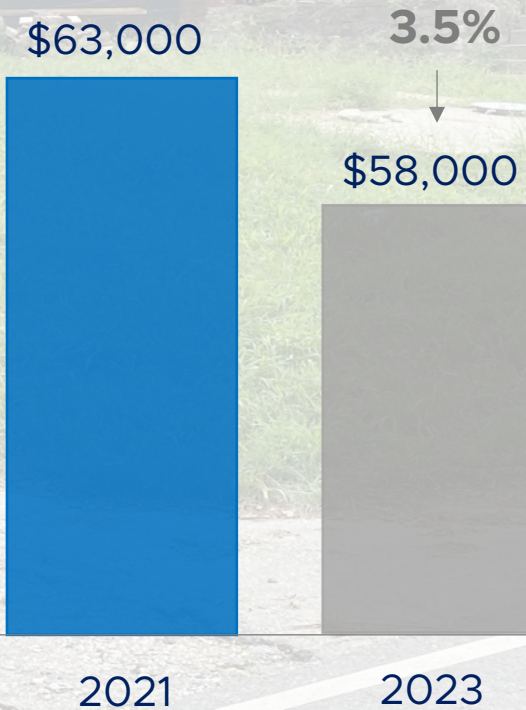
TREND 1: MEDIAN INCOMES LAG BEHIND THE REGION AND HAVE FALLEN SINCE 2021

Median household income appears to have increased from 2021...



Median Household Income in Independence, MO

...but **actually decreased** when adjusted for inflation

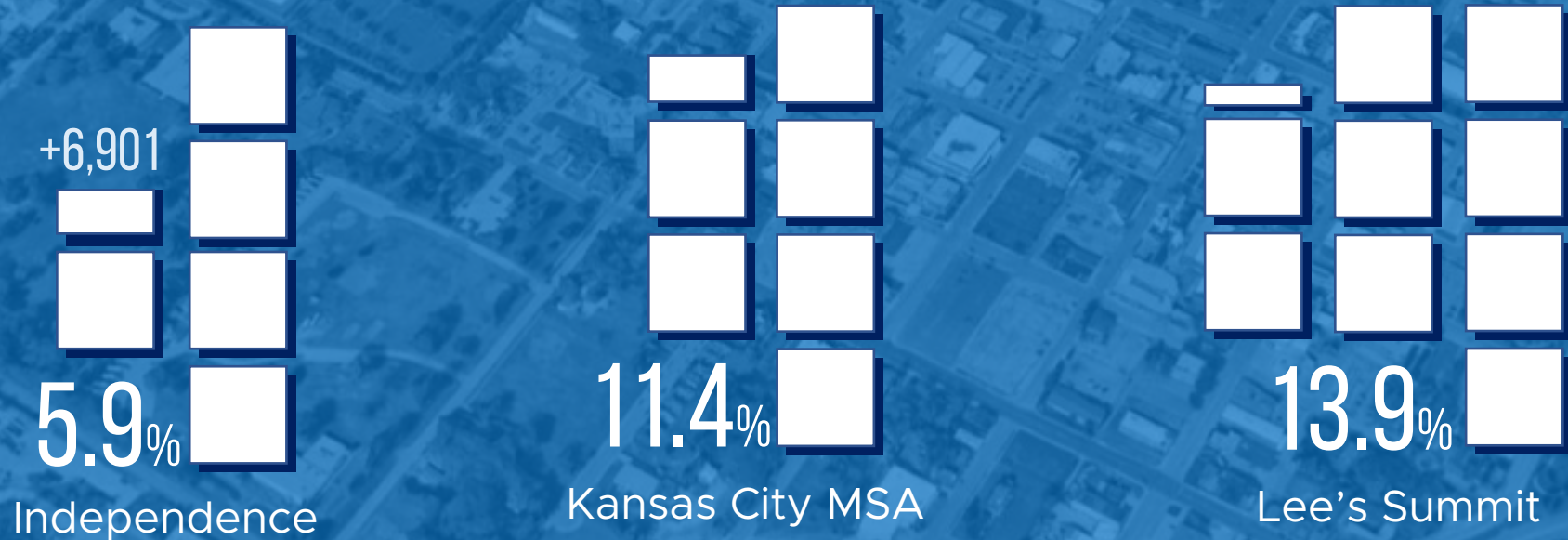


Median Household Income in Independence, MO (Inflation Adjusted)

KEY FINDINGS: DEMOGRAPHICS & HOUSING

TREND 2: INDEPENDENCE IS GROWING MORE SLOWLY THAN THE REGION AND HAS AN AGING POPULATION

Independence is **growing**, but at a **slower rate** than the region. It could capture more regional growth with the right housing products.

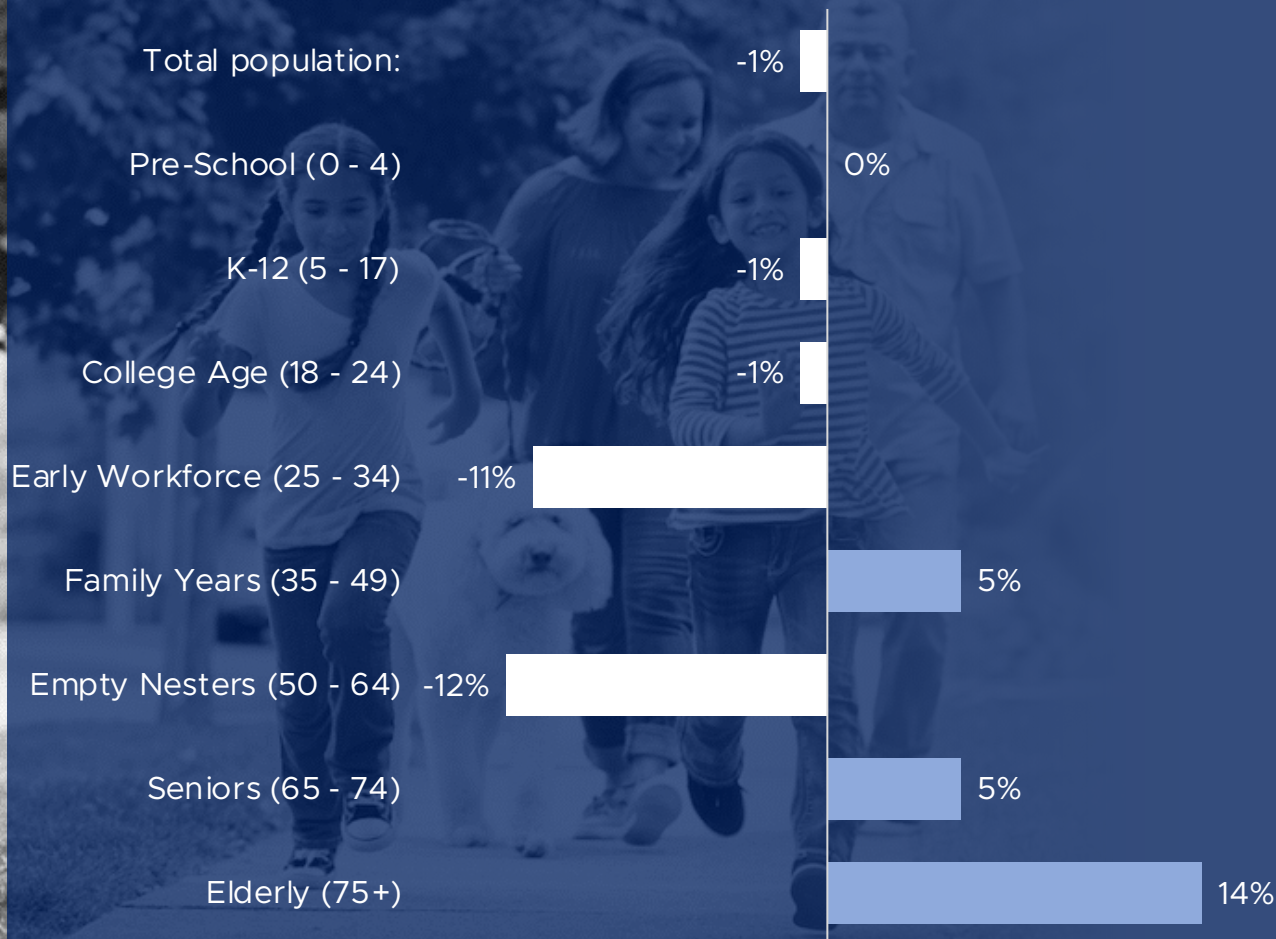


Population Change 2010-2023

KEY FINDINGS: DEMOGRAPHICS & HOUSING

TREND 2: INDEPENDENCE IS GROWING MORE SLOWLY THAN THE REGION AND HAS AN AGING POPULATION

Projected Population Growth Independence: 2023-2028



Source: Esri 2024



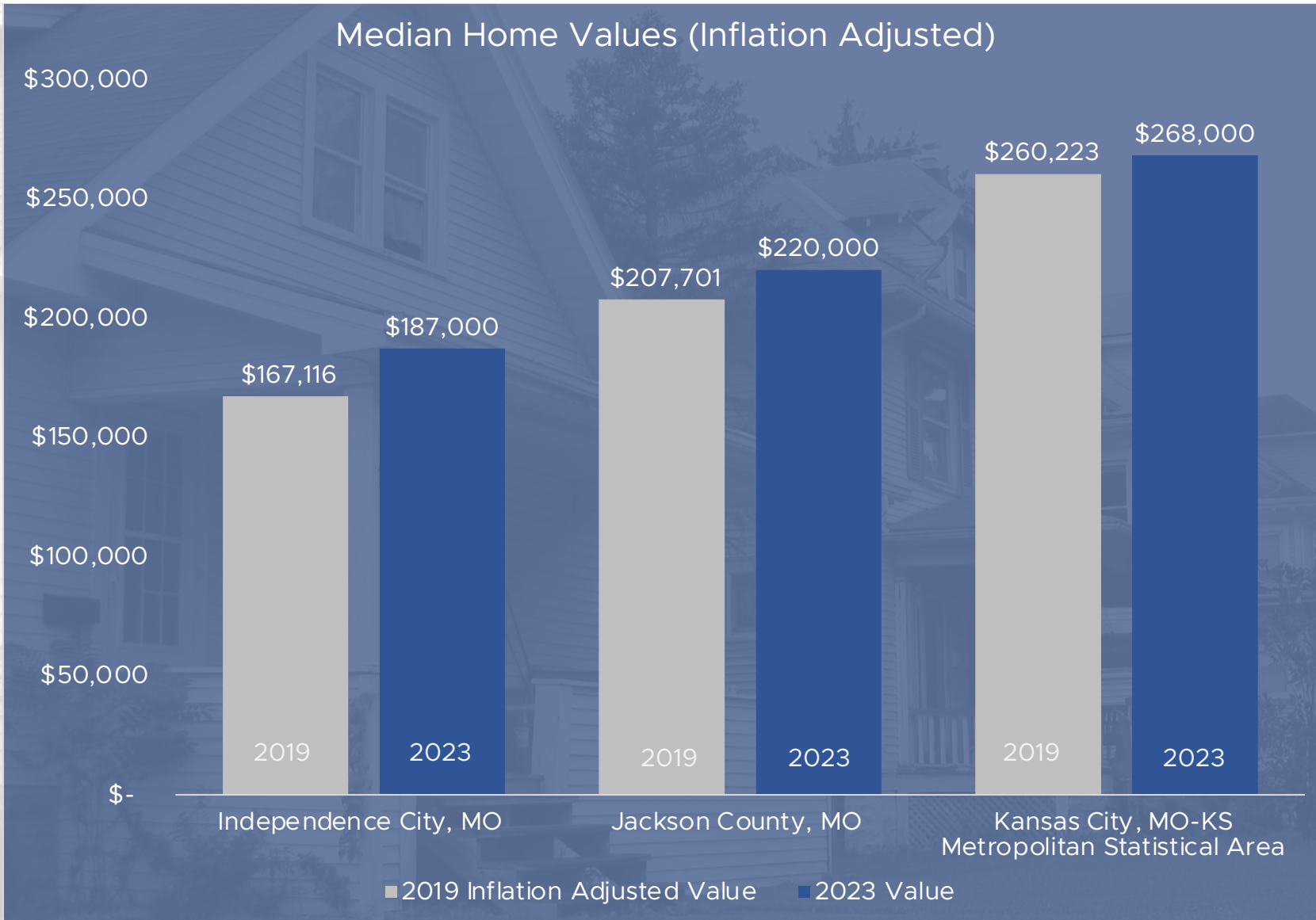
Large growth among Seniors and Elderly reflects that the population is aging

51%

of senior households fall below 60% AMI

KEY FINDINGS: DEMOGRAPHICS & HOUSING

TREND 3: HOME VALUES IN INDEPENDENCE ARE INCREASING FASTER THAN INFLATION



Median home values increased significantly across all study areas, while inflation-adjusted incomes decreased. This is straining some households in terms of maintaining and finding attainable housing.

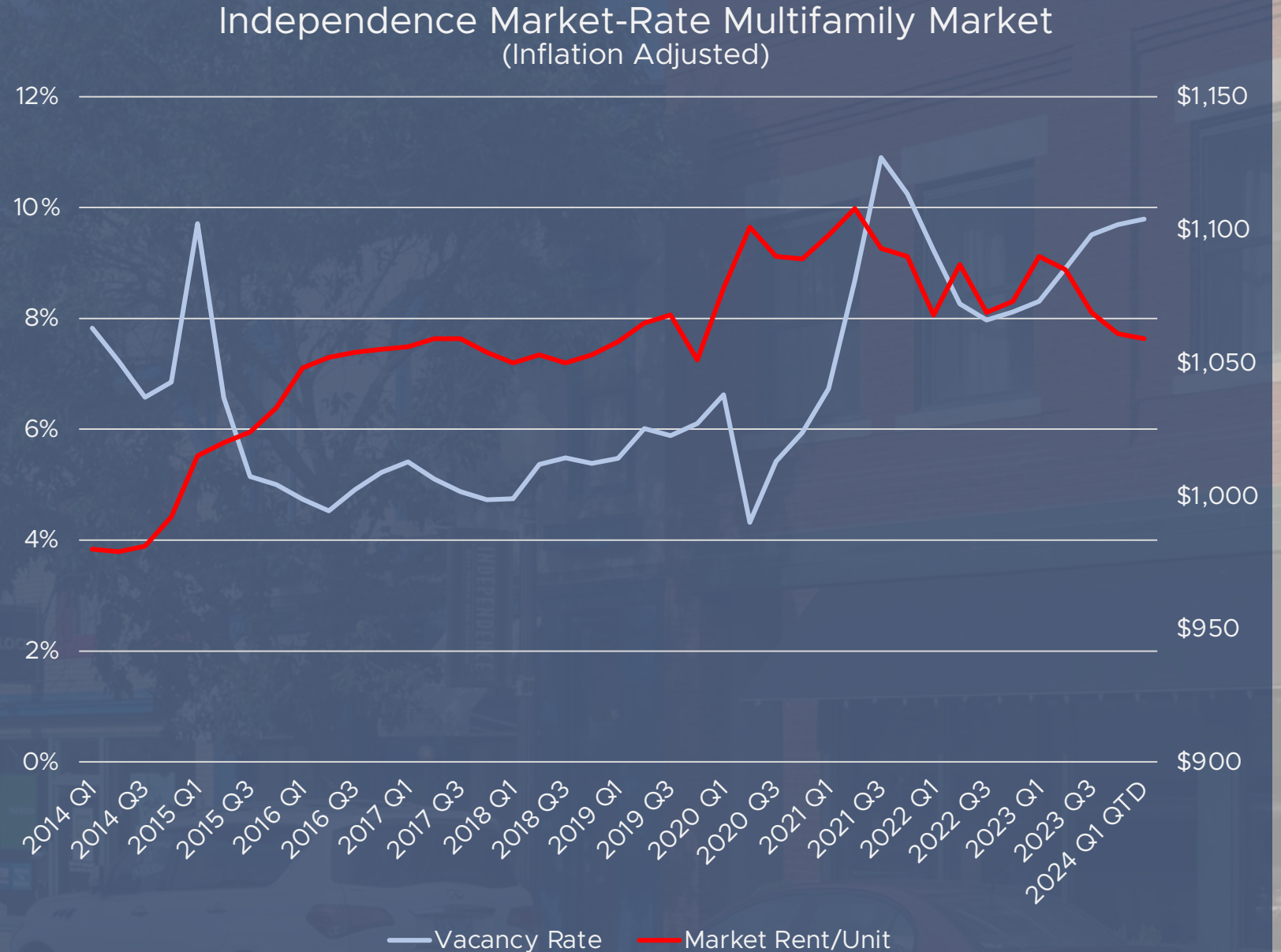
KEY FINDINGS: DEMOGRAPHICS & HOUSING

TREND 4: MARKET-RATE MULTIFAMILY VACANCY HAS BEEN HIGH SINCE 2021 RELATIVE TO HISTORIC RATES

Market-rate multifamily vacancy rate spiked in 2021 to 10.3 percent following the delivery of 520 units

Asking rents grew 50 percent since 2010, or a six percent increase when adjusted for inflation

Source: CoStar 2024

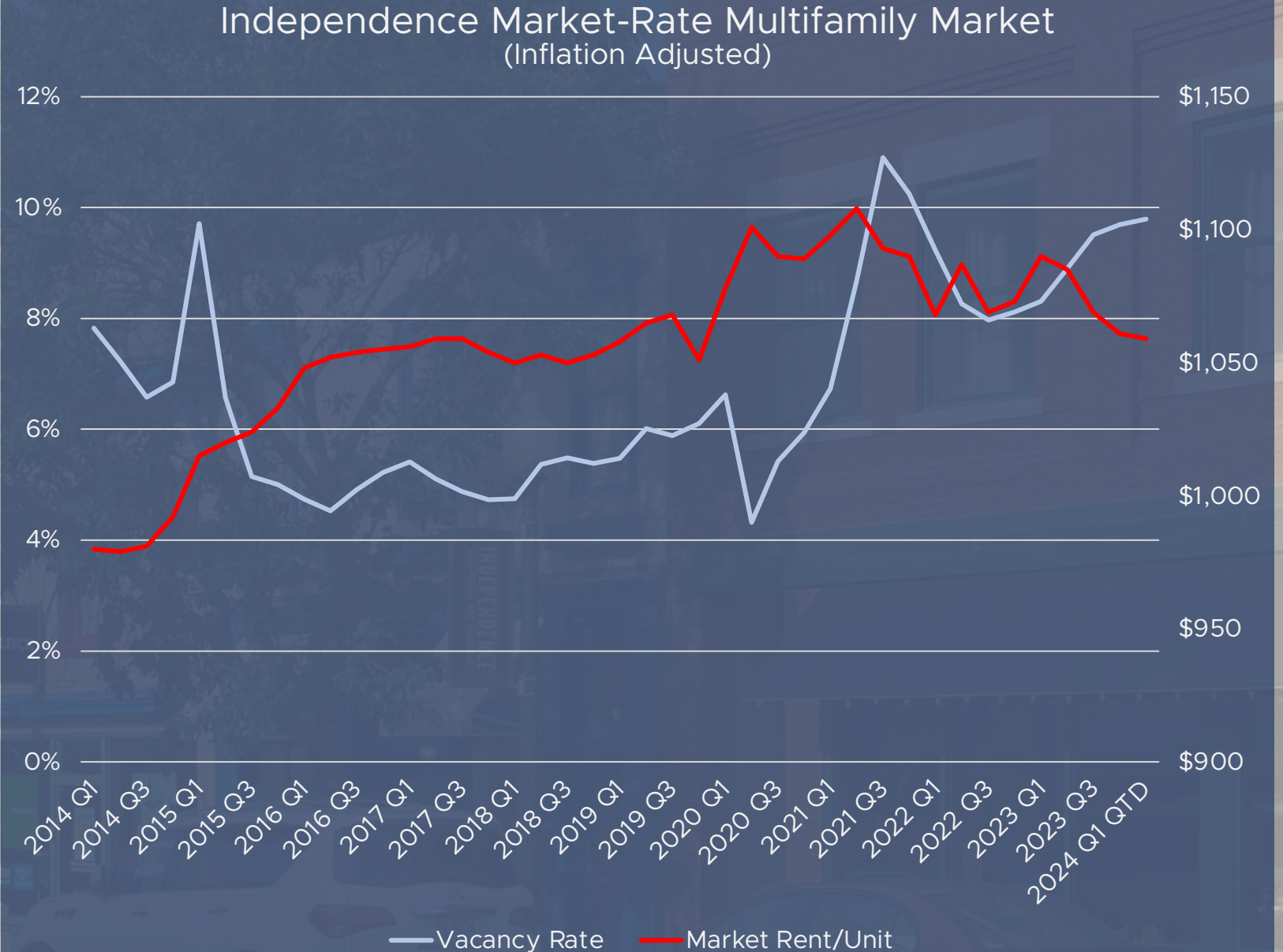


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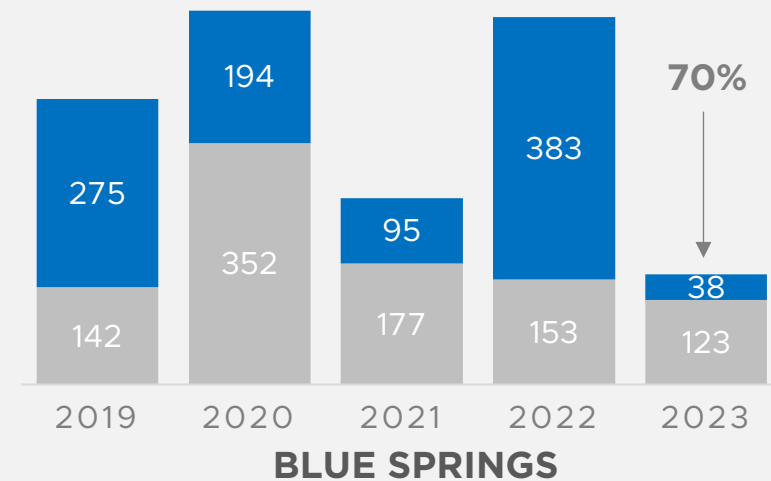
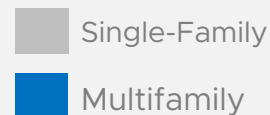
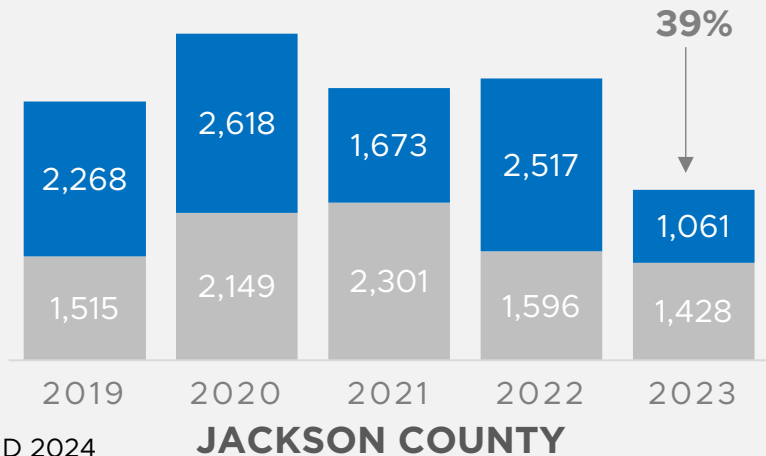
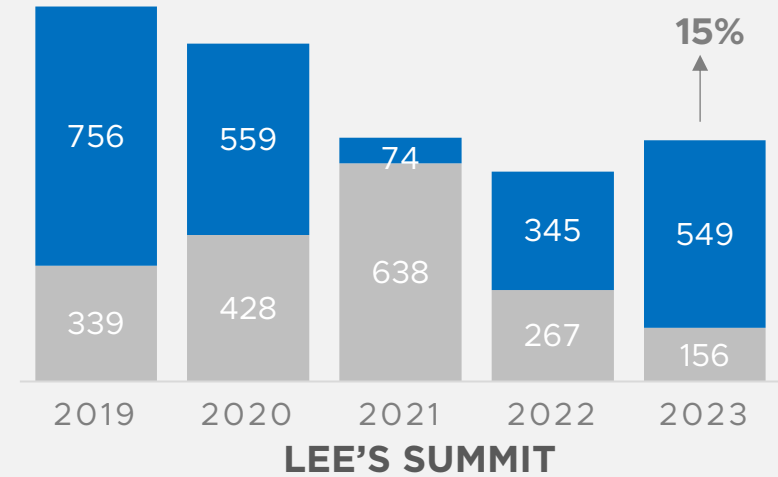
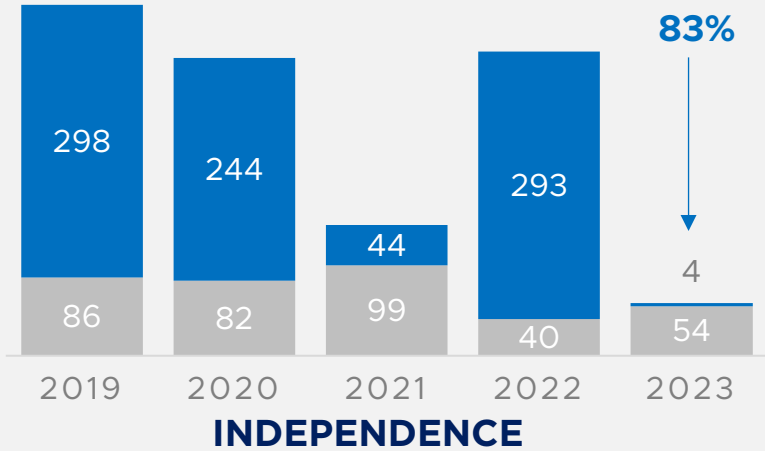
Source: CoStar 2024



KEY FINDINGS: DEMOGRAPHICS & HOUSING

TREND 6: IN 2023, PERMITTING DIPPED SIGNIFICANTLY IN INDEPENDENCE AND THE REGION

This past year saw a **significant dip in permitting activity in Independence** and across the region, while activity in neighboring Lee's Summit remains steady.



Source: HUD 2024