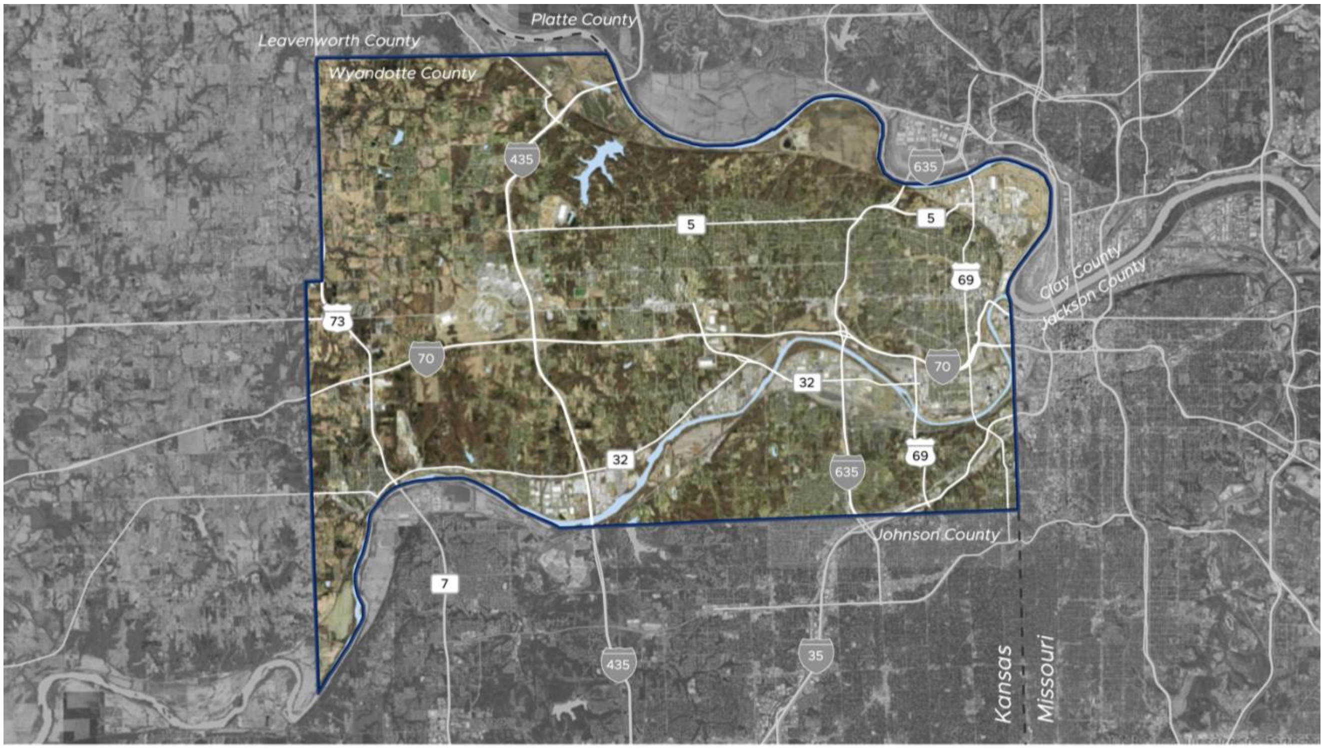


COUNTYWIDE MARKET ANALYSIS

Wyandotte County, Kansas

September 25, 2023

PREPARED FOR

Unified Government of
Wyandotte County and Kansas City, Kansas

DEVELOPMENT STRATEGIES®

TABLE OF CONTENTS

Project Description

Development Strategies was retained by the Unified Government of Wyandotte County and Kansas City, Kansas ("UG") to conduct a market analysis to determine the scale of demand for various land uses within the county. This information is intended to be used as part of the forthcoming citywide comprehensive plan (PlanKCK).

This study consists of key components:

- An analysis of existing conditions that impact demand for real estate. This includes property conditions, access, key tenants, population and income trends, and other factors. Occupancy and lease rates of existing uses were researched.
- Market analysis that asks the questions, "what is possible?" from a real estate market perspective. This includes an assessment of competitive developments and corridors, development trends, performance in terms of rents, occupancy, and absorption, and other considerations.

Market Conclusions

The market analysis seeks to take a long-term view—our analysis occurred during a period of unprecedented expansion of the multi-family and industrial markets, both regionally and nationwide. Simultaneously, the long-term effects of the COVID-19 pandemic and subsequent economic, social, and cultural impacts are still unfolding. These circumstances have led to significant disruption and rapid evolution of consumer habits, workplace norms, and lending practices, which have already left an imprint on the Wyandotte County real estate market. Hence, during a time of such great flux, present market conclusions may or may not retain applicability over the coming decade.

Wyandotte County contains Kansas City, Kansas, (KCK) one of the principle economic centers of the Kansas City Metropolitan Statistical Area (MSA). While strong growth among certain sectors is projected, demand for a variety of uses is finite because of current conditions in the city and activity in competitive regional markets.

Our primary conclusions are summarized in the following statements.

Physical Conditions

- Wyandotte County offers excellent regional connectivity and access to end markets, positioning it well for future retail and industrial uses.
- The county contains a strong divide between its urban core and suburban areas, generally west of the Turner Diagonal Parkway, such that the building stock is much older and economic conditions and access to retail and services is weaker on the urban side.
- The ready availability of vacant and underutilized land in the county poses opportunity for future development; additionally, the large number of older structures in the urban core create opportunity for historic rehab to serve the area's growing multi-family market.

Real Estate Trends

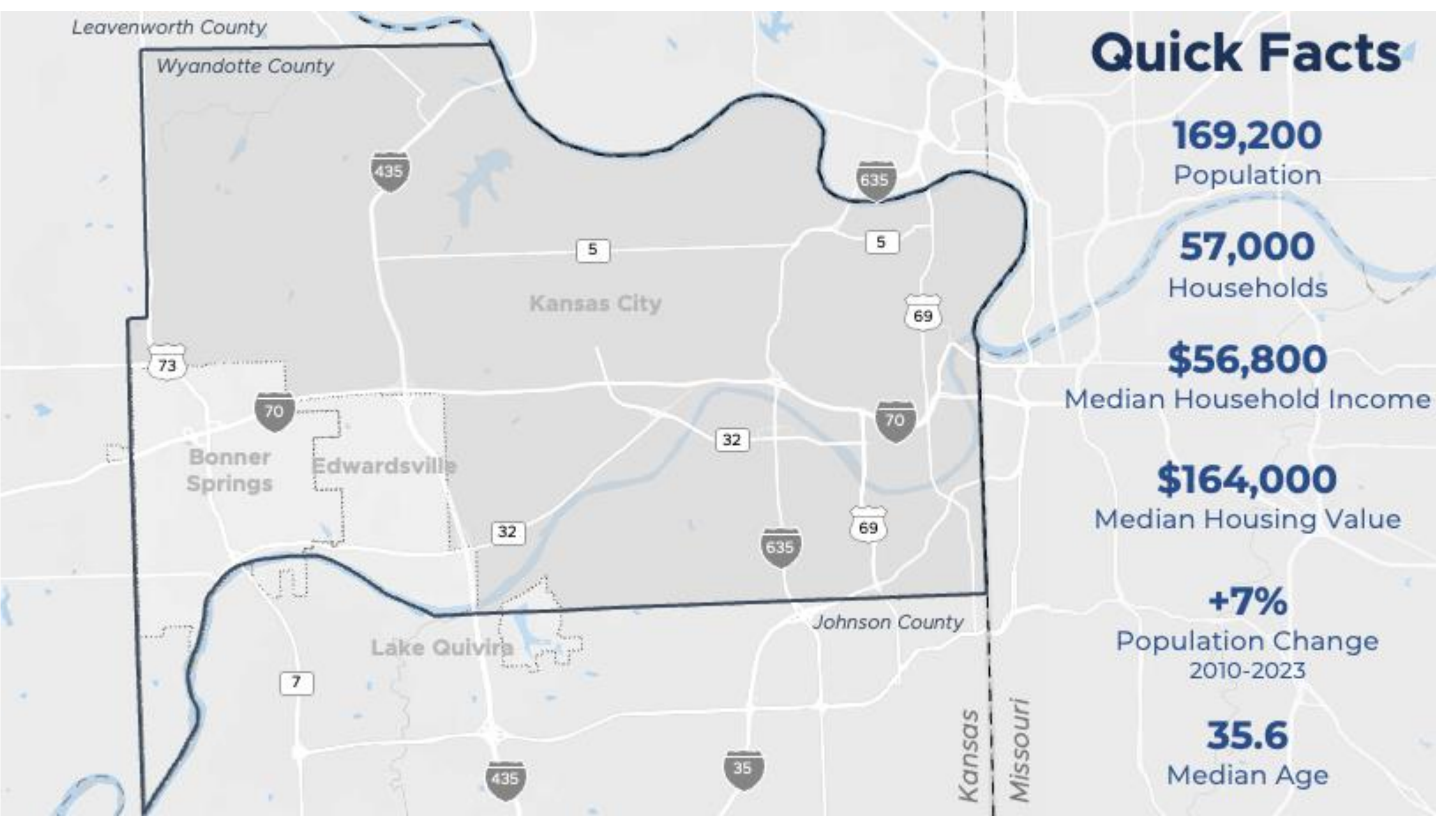
- There is strong opportunity for future multi-family development, with a strong development pipeline. The greatest under-served demand is among the workforce and high-income renter populations.
- Wyandotte County has a deep retail market that heavily serves demand outside the county, owing to The Legends Outlet and surrounding retail centers, which have grown rapidly in recent years.
- In the Kansas City, Kansas urban core, vital retail is currently deeply undersupplied; as current retail performance in the area centers is insufficient to propel future development, use of gap financing and a public funding strategy to develop such retail will be required.
- Future office development will be led by existing major tenants, such as the University of Kansas Medical Center. With current high occupancy rates and very low demand among users of Class A and B office space, we recommend repositioning existing space over new construction.
- The county is a primary target for hotel development, particularly around The Legends Outlets, which has expanded into a regional entertainment destination. That being said, with relatively low occupancy rates and a robust development pipeline, expansion of the market beyond what is in development should proceed cautiously.
- Nationwide, the warehousing and distribution market has boomed in recent years. Wyandotte County is no exception, having rapidly developed into a regional logistics hub, with robust recent activity. We predict that market-driven industrial development will continue in concert with the growing e-commerce market, as the county offers proximity to numerous end markets and transportation networks, though this is likely to slow as recently-delivered properties are absorbed.

County Overview

Situated just immediately to the west of the confluence of the Missouri and Kansas rivers, Wyandotte County encompasses 156 square miles and is characterized by its urban core, Kansas City, Kansas (KCK) surrounded by suburban communities. Part of the Kansas City Metropolitan Statistical Area (MSA), the county has a total population of around 169,000 residents, the vast majority of which reside in KCK. The region was settled initially in the 1820s, following the famed Louis and Clark Expedition. Named after the Wyandot people, the county was established in 1859, prior to Kansas' admission to the Union in 1861. Kansas City, Kansas, was incorporated shortly thereafter, in the 1870s, as an inner suburb of the older and more populous Kansas City, Missouri, after which it is named. In the 1890s through 1930s, the city saw significant growth in population as a streetcar suburb of Kansas City, Missouri. The city's population exceeded 100,000 in 1920, eventually rising to a peak of 168,000 in 1970. During this time, the city's industry was dependent on manufacturing, agriculture, and transportation. Additionally, the city boomed as the world's second-largest meat packing industry, second only to Chicago.

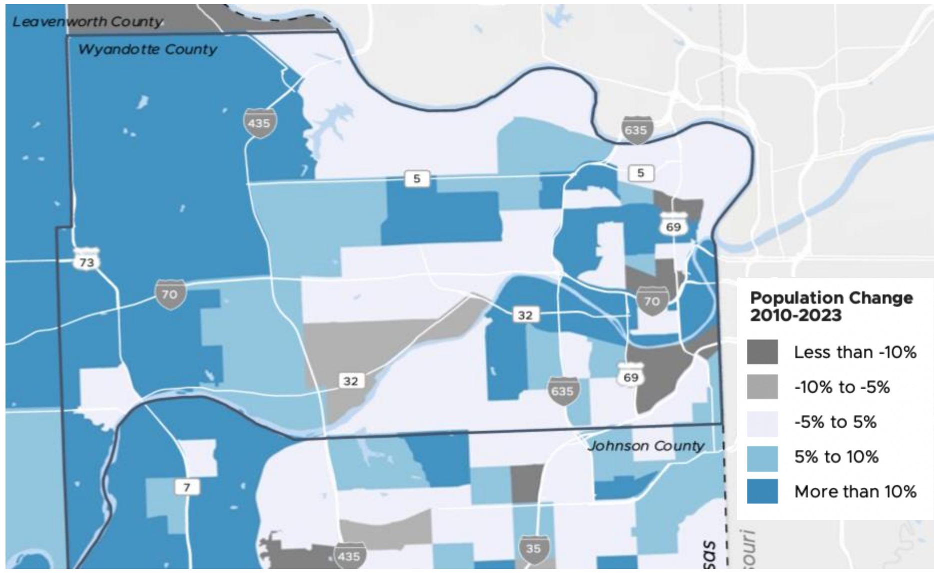
Beginning in the 1970s, the city and county populations declined, as the region faced the effects of deindustrialization coupled with White Flight. White Flight refers to the migration to the suburbs of middle- and upper-class white populations from downtown cores and surrounding areas that were becoming more racially diverse. Population decline continued through 2010, when the trend reversed and slow population growth resumed. Today, the city and county economies are increasingly diverse, reliant on healthcare, manufacturing, transportation, and educational services. The largest employer is the University of Kansas Medical Center, followed by the Kansas City public school system. The region has a growing transportation and logistics sector, with additional leading employers including the United Parcel Service and Amazon, as well as longstanding manufacturing plants like the General Motors Fairfax Assembly Plant. In 2011, the city saw a boost when Google selected Kansas City as the first city to be the site of an experimental fiber-optic network, built at no cost to the city.

Wyandotte County and KCK are known for their historic neighborhoods, such as Strawberry Hill, Parkwood, and Westheight Manor. The city features numerous historic homes and monuments, and newer tourist attractions like the Kansas Speedway. The region is also a shopping destination, featuring the regional mall, Legends Outlets Kansas City, adjacent to the Speedway and including over 110 retailers.



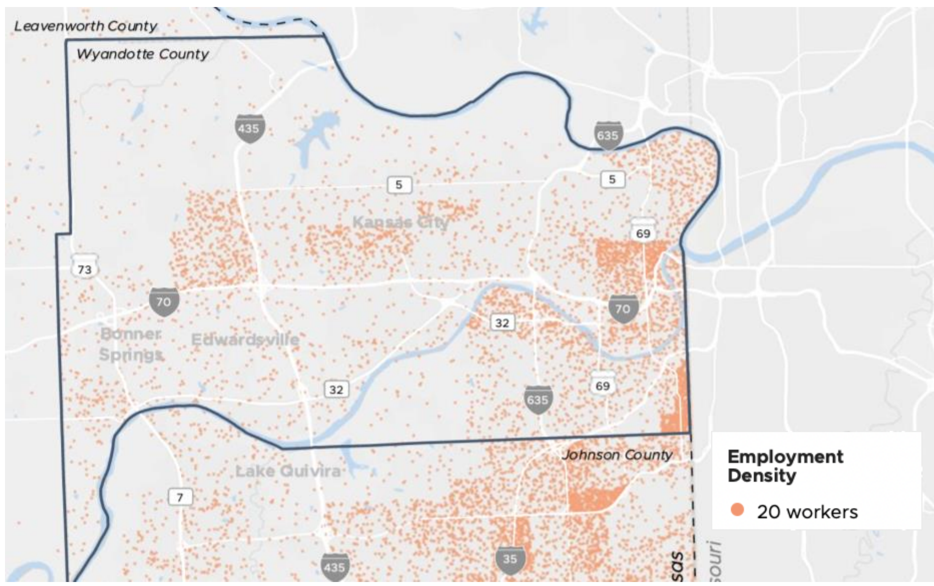
Population Change (2010 to 2023)

As shown in the map to the right, population gain has been strongest in suburban areas, largely west of Interstate 435, though significant growth was also observed in the Northwest, Bethel Welborn, and Strawberry Hill neighborhoods. Population decline was concentrated in census tracts around Shawnee Heights and Downtown Kansas City, Kansas.



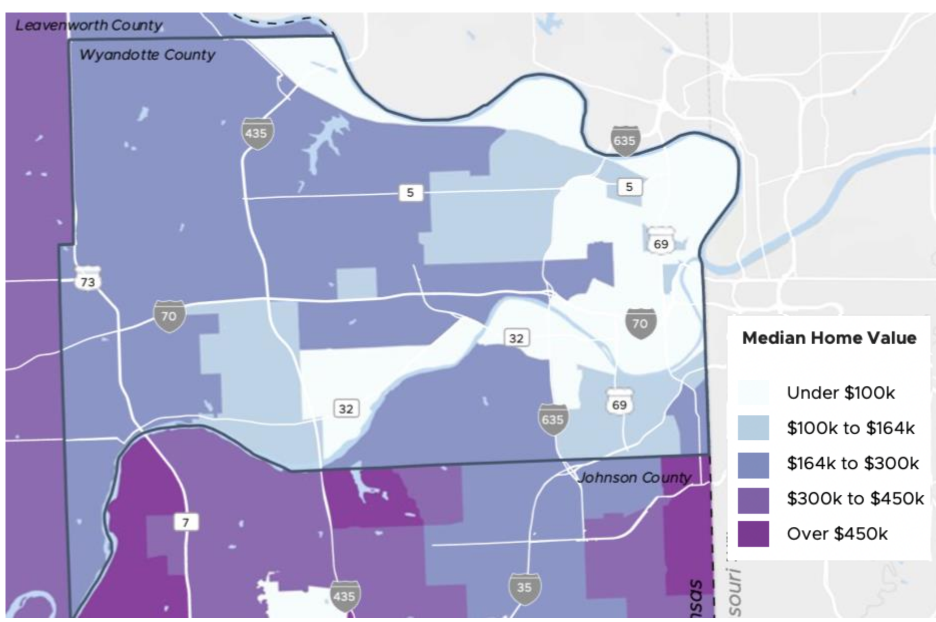
Employment Density

The second map to the right shows the geographic distribution of workers in the county, with one dot representing 20 workers. Employment concentration is greatest in Downtown Kansas City, Rosedale, the city's industrial districts, and around The Legends Outlets.



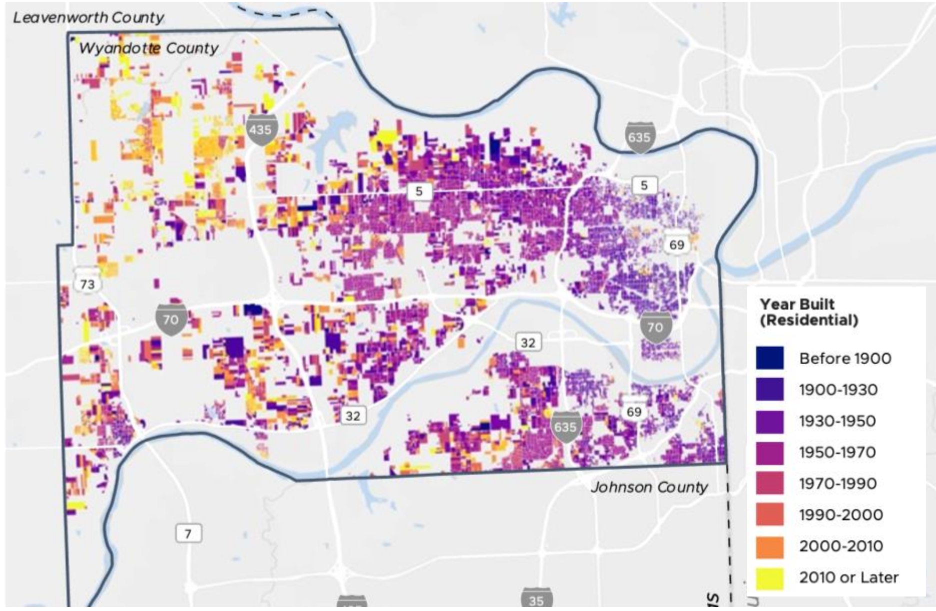
Median Home Value

The third map shows the distribution of median home values. Home values are highest in areas to the west and south, which also contain relatively newer housing stock. In contrast, values are persistently low in the urban core.



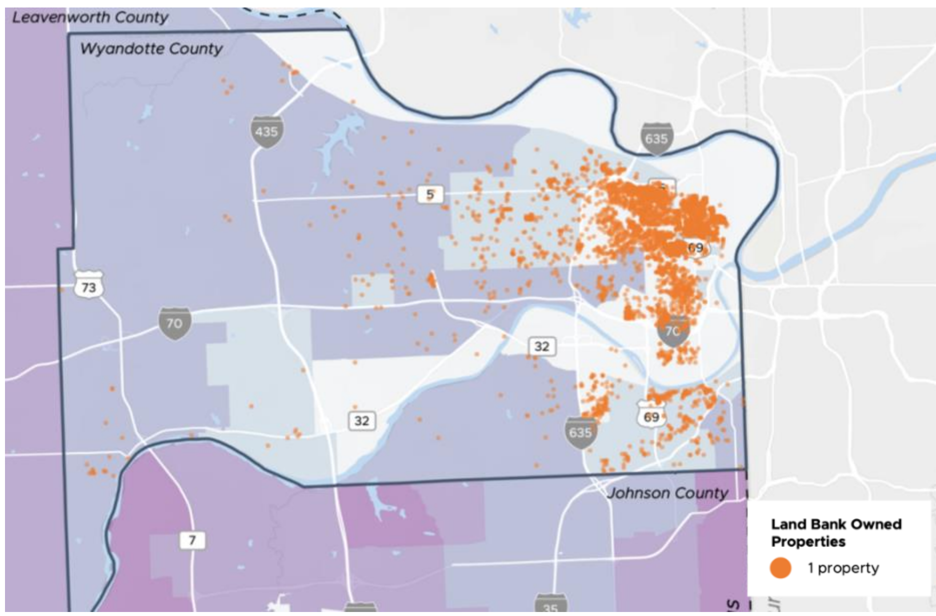
Age of Housing Stock

The fourth map shows the age of residential housing stock in the county. Older properties, dating before 1950, are heavily concentrated in the urban core, while more recently-constructed properties are located to the west and southwest. Across the county, 22 percent of all housing units were built before 1930. Just four (4) percent of residential development has been built since 2010.



Land Bank Owned Properties

The fifth map shows the concentration of parcels and properties owned by the Wyandotte County Land Bank, as overlayed with median home values. While land bank properties are scattered throughout the county, they are found in highest density in the Northeast, Central, and Rosedale neighborhoods. Altogether, the land bank owns over 4,600 properties across over 1,035 acres of land. This significant number of underutilized properties in the county impacts its overall marketability and the viability of future development.



Real Estate Market Conditions

This section provides a high-level summary of real estate market conditions in the county.

Multifamily Residential

Wyandotte County's multi-family market is comprised of approximately 15,500 units across approximately 250 buildings. The average asking rent is $954, or $1.12 per square foot—an increase of 33 percent since 2013. Vacancy rates in the county steadily diminished over the course of the last decade, from a high of 9.3 percent in 2013 to a low of 4.8 percent in 2021; however, due to the recent increase in deliveries, vacancy has since risen to around eight (8) percent.

Retail

Wyandotte County contains nearly 10 million square feet of retail space across approximately 1,020 buildings, accounting for about eight (8) percent of all retail space within the greater Kansas City MSA. Altogether, around 710,800 square feet has been added in the county since 2013, though overall the county experienced a net loss of retail space over the past decade. As of July 2023, the county has a vacancy rate of 3.1 percent and the current all service direct rent for retail space is $9.62 per square foot.

Office

Wyandotte County's office market is comprised of around 5,400,000 square feet of space across approximately 323 buildings. Since 2013, a total of 1,332,000 square feet were delivered in the county; however, the net increase in total office space was only around 230,000 square feet. Vacancy rates have largely remained stable over the last decade despite heightened delivery activity and the effects of the pandemic. While absorption rates have diminished in recent years, rents in the county have continued to rise. From 2013 to 2023, the county's base rent direct rose 8.8 percent to a current average rent of $17.33 per square foot per year.

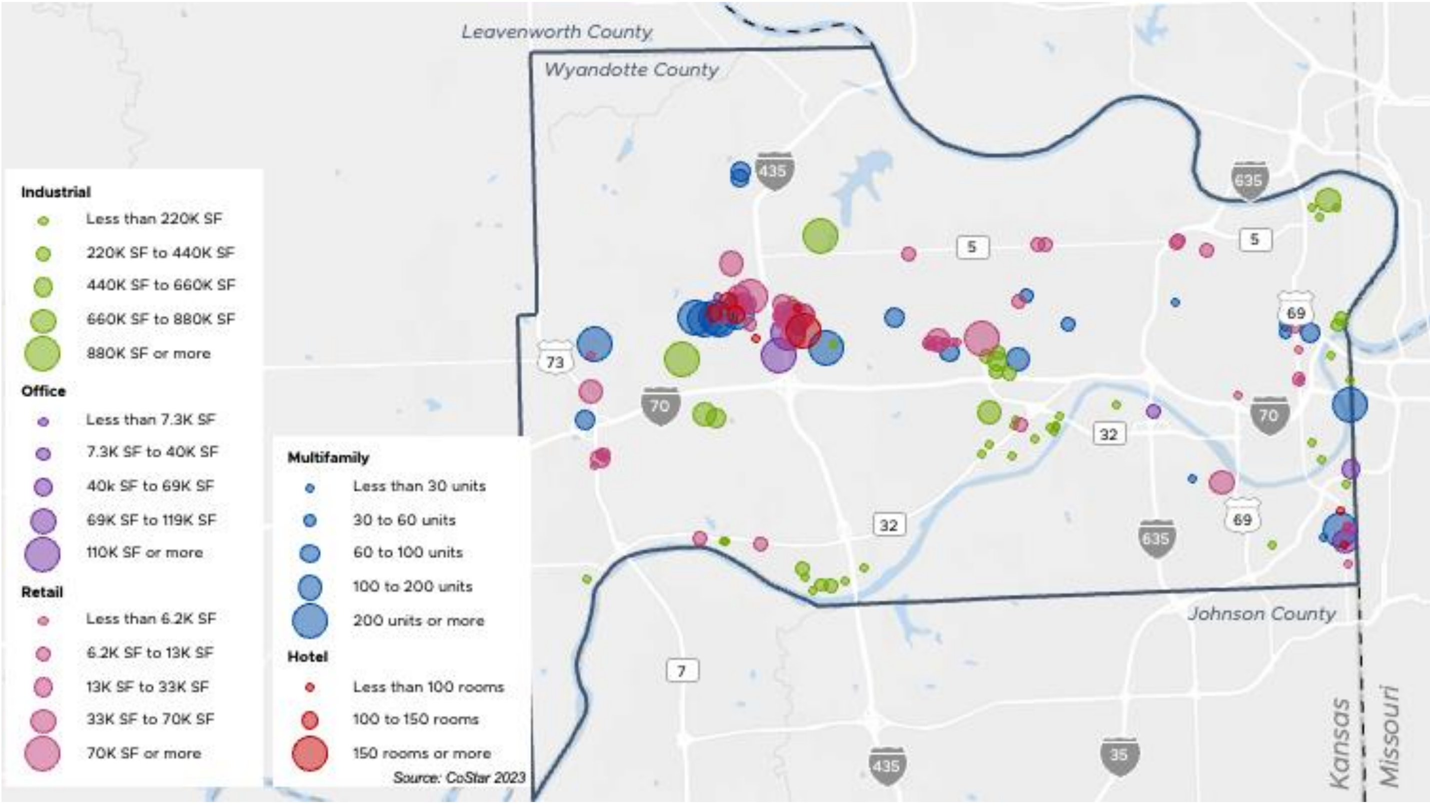
Hospitality

Wyandotte County has a total supply of approximately 2,087 rooms. Since 2017, around 394 rooms, or nine (9) percent of regional deliveries, were completed in the county. No rooms have been added since 2019. The average daily rate in the county is more than six (6) percent higher than that in the region, mostly due to the numerous hotels, more than 10, located adjacent to the Kansas Speedway and Legends Outlet attractions, bringing in premium rates. The remainder of hotels in the county are generally concentrated along State Avenue, the primary transportation commercial corridor in the county.

Industrial

Wyandotte County's industrial market is comprised of approximately 48.9 million square feet across 980 buildings. The county accounts for about 15 percent of industrial square footage in the entire Kansas City MSA. Deliveries have increased substantially each year over the past decade in both the MSA and the county. Of the 71 million square feet of industrial space delivered in the MSA in the last 10 years, eight (8) million square feet, or 11 percent, were in Wyandotte County. The average asking rent in the county is 18 percent below that of the MSA at $4.60 per square foot. Rents have increased 21 percent since 2013. The vacancy rate of 1.3 percent as of July 2023 is the lowest the county has seen in the past 20 years.

The following map depicts development trends in the county between 2010 and 2023.



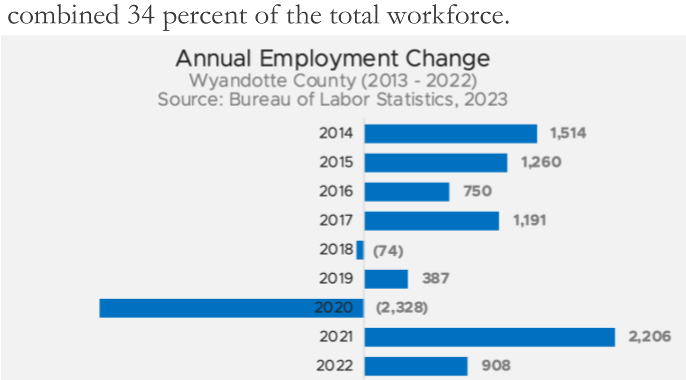
Demographic & Economic Overview

Economic Conditions

Over the prior decade, the State of Kansas experienced slow economic growth, with total employment growing 5.3 percent from 2014 to 2019, adding approximately 28,371 jobs. However, the statewide unemployment rate was consistently lower than the national average. Wyandotte County added around 4,000 jobs from 2013 to 2019, increasing total employment to 5.3 percent. Unemployment steadily declined in the county, from a pre-pandemic high of 6.8 percent in 2014 to a low of 4.5 percent by 2019, though was consistently higher compared to in the MSA and state.

In 2020, as a result of the COVID-19 pandemic, Wyandotte County lost roughly 2,209 jobs (three percent of total employment) in conjunction with a rise in the unemployment rate to 7.9 percent. Despite the acute impacts of the pandemic, the county recovered relatively quickly: in 2021, the unemployment rate lowered to 4.7 percent and 95 percent of the jobs lost the year prior were restored. As of the most recent data from the Bureau of Labor Statistics (April 2023), total employment in the county is 76,681 jobs, surpassing pre-pandemic totals. The county unemployment rate is 3.6 percent—lower than the national rate (3.7 percent), though still higher than rates in the MSA and Kansas (2.6 and 2.8 percent, respectively).

According to the Bureau of Economic Analysis, from 2010 to 2021, employment growth was heavily concentrated in the transportation and warehousing sector, strengthened nationally by the rapid expansion of e-commerce. Other industries that experienced significant expansion in the county were utilities, accommodation and food services, and professional, scientific, and technical services. In contrast, both manufacturing and government positions diminished considerably. Wyandotte County's leading industries by employment are manufacturing, healthcare and social assistance, and retail trade, employing a combined 34 percent of the total workforce.



KEY METRICS

Median Annual Wage

$46,410	$41,870
KANSAS CITY MSA	KANSAS

Job Gain (2014 to 2019)

5.3%	2.0%
WYANDOTTE COUNTY	KANSAS

Unemployment Rate (April 2023)

3.6%	2.8%
WYANDOTTE COUNTY	KANSAS

Bachelor's Degree or Higher

21%	36%
WYANDOTTE COUNTY	KANSAS

Largest Industry by Employment

	WYANDOTTE COUNTY	KANSAS
Manufacturing	12%	12%
Health Care/Social Assistance	11%	14%
Retail Trade	11%	10%
Construction	11%	6%

Relative to both the state and nation, the county has a larger share of employment in "blue collar" industry sectors, manufacturing, construction, and transportation and warehousing. Further, around one fifth of county residents have a Bachelor's degree or higher, compared to 40 percent and 36 percent of residents in the MSA and state, respectively.

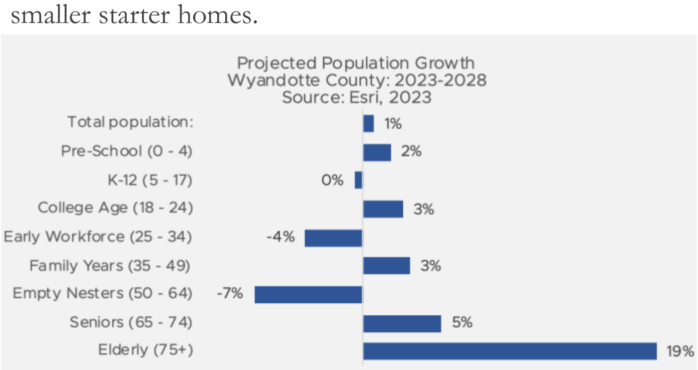
According to the Kansas Department of Labor's long-term industry projections, employment gains in the Kansas City, Kansas region between 2018 to 2028 will be concentrated in the "professional class" sectors, professional, scientific, and technical services, healthcare and social assistance, and administration and support services. Combined, these three industries are projected to account for around half of the over 30,000 jobs that will be added to the region. Consistent with trends from the prior decade, job losses are projected in the retail trade and manufacturing sectors, with an overall gain in total employment of 23,400 jobs.

Population

Wyandotte County saw moderate overall population growth over the prior decade, reflecting regionwide trends. According to Esri (a third-party provider of socioeconomic data from the census) estimates, from 2010 to 2023, the county's population grew by nearly 13,000 residents, for a present total of around 170,400. The majority (93 percent) of Wyandotte County residents live within the boundaries of Kansas City, Kansas, which grew 7.5 percent in population during the period. In contrast, the Kansas City MSA increased 11.4 percent, while statewide growth lagged behind at 3.5 percent.

The age distribution of the county's population skews slightly younger relative to the region. The county has a median age of 35.6 years, with larger shares of residents in the Pre-School (ages zero to four) and K-12 (ages five to 17) cohorts compared to the MSA and state. The MSA and state both have relatively greater proportions of residents in the Empty Nesters (ages 50 to 64), Seniors (ages 65 to 74), and Elderly (ages 75 and older) age cohorts, resulting in median ages of 38.7 years (MSA) and 37.9 years (state).

Per Esri projections, the populations of all studied areas are projected to increase minimally through 2028 (0.2 percent for city and county). Accordingly, the city's population is projected to gain approximately 2,000 residents during this same time period. Consistent with national trends, the fastest projected growth in the city will be among the Seniors and Elderly cohorts, increasing five percent and 19 percent, respectively, by 2028. The Pre-School (ages zero to four), College Age (ages 18 to 24), and Family Years (ages 35 to 49) cohorts are expected to rise slightly, whereas K-12, Early Workforce, and Empty Nesters are projected to decline or remain unchanged. Hence, the city has an aging population, increasing the median age to 35.8 years by 2028. These demographic trends strongly indicate a need for a mix of new housing types for seniors and the elderly, but also rental housing to attract young professionals and new families looking for smaller starter homes.



KEY METRICS
Wyandotte County

7.4% population growth since 2010

35.6 TO 37.9 median age relative to the state

40% TO 32% household rental rates compared to the state

$57K TO $65K median household income compared to the state

1.8% TO 2.6% expected annual growth in median income compared to the state

$164K median housing value

20% TO 17% population earning less than $25K a year compared to the state

Source: ESRI, 2023

Households & Housing

With a larger proportion of families with children, Wyandotte County also has larger household sizes. The mean household size in the county is 2.68 persons, whereas both the state and MSA have averages of 2.46 and 2.47 persons, respectively. The median household size in KCK is more similar to the county at 2.69 persons.

Since 2010, total households in the county have grown 6.1 percent, eclipsing the statewide increase (4.7 percent), yet falling short of that in the MSA (13 percent). Household generation in the city corresponded to population trends, increasing 6.2 percent since 2010. According to Esri, in the county, household generation over the next half decade will outpace slight population increases (0.7 percent), with no impact on household size.

The county has approximately 68,800 housing units. Of the county's 6,141 vacant units, the vast majority (95 percent) are in KCK. Hence the citywide occupancy rate is the same as the countywide rate (90 percent).

Within KCK, 78 percent of housing units are in single-family attached or detached structures, and multi-family units are roughly evenly distributed across small- to mid-sized developments. These rates are similar across all other studied areas, such as 79 percent in the county, 76 percent in the MSA, and 77 percent in the state. In the city, only seven (7) percent of total housing stock is in multi-family developments with 20 units or more. In the county, owners occupy 60 percent of housing units, lower than the owner-occupancy shares in the MSA (66 percent) and state (68 percent).

The median housing value in KCK is $159,000, just below the countywide median of $164,000. In comparison, Kansas has a median housing value of $205,000, while the MSA has the highest value at $268,000.

Income

KCK has a median household income of approximately $55,000—slightly lower than the countywide median ($57,000). Approximately one fifth (21 percent) of households in the city are very low income, earning less than $25,000 annually, compared to 20 percent of households in the county. Households in the larger study areas tend to be more affluent; the median household incomes in the MSA and state are $77,000 and $65,000 respectively.

Over the next half decade, the city and the county will see similar annual income growth at 1.7 and 1.8 percent, respectively. However, the MSA and the state will experience slightly higher income growth at 2.2 and 2.6 percent, respectively. Consequently, current income disparities between study areas will be remain the same over the next half decade.

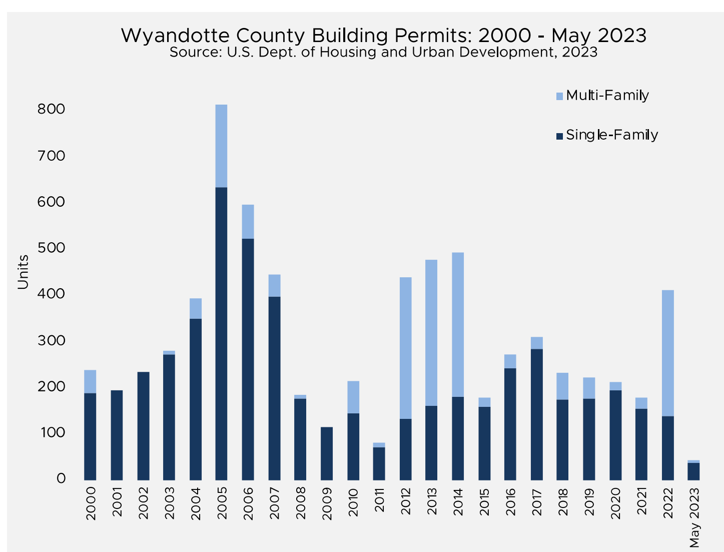
Housing Permit Activity

According to HUD, a total of 7,263 housing units have been permitted in Wyandotte County since 2000. Of these units, 74 percent are single-family homes, consistent with the county's owner majority. Permitting activity steadily increased from 2000 to 2005, when it peaked at 635 units, before lowering following the Great Recession. Activity resumed beginning in the early-2010s, with an increasing share of multi-family development. In the prior decade permitting activity peaked in 2014 with the delivery of 493 units. However, this activity diminished significantly in 2015, and remained at around 200 to 300 units permitted annually until 2022, in which rapid multi-family development led total permits to rise to over 400 units. As of the most recent HUD data (May 2023) just 44 units in primarily single-family structures have been permitted in the county year to date.

Population and Household Composition

Description	KCK	Wyandotte County	Kansas City, MO-KS MSA	Kansas
Population				
2028 Projection	158,077	170,464	2,273,700	2,960,000
2023 Estimate	156,671	169,200	2,238,600	2,952,400
2010 Census	145,770	157,505	2,009,300	2,853,100
Annual Change 2023-2028	0.2%	0.1%	0.3%	0.1%
Annual Change 2010-2023	0.6%	0.6%	0.8%	0.3%
Households				
2028 Projection	58,029	62,718	914,075	1,178,377
2023 Estimate	57,274	62,011	892,148	1,164,380
2010 Census	53,925	58,399	789,533	1,112,096
2000 Census	55,489	59,700	708,309	1,037,891
Annual Growth 2023-2028	0.3%	0.2%	0.5%	0.2%
Annual Growth 2010-2023	0.5%	0.5%	0.9%	0.4%
Average Household Size				
2028 Projection	2.68	2.67	2.45	2.44
2023 Estimate	2.69	2.68	2.47	2.46
2010 Census	2.68	2.67	2.51	2.49

© ESRI, 2023



Residential Analysis

Market Overview

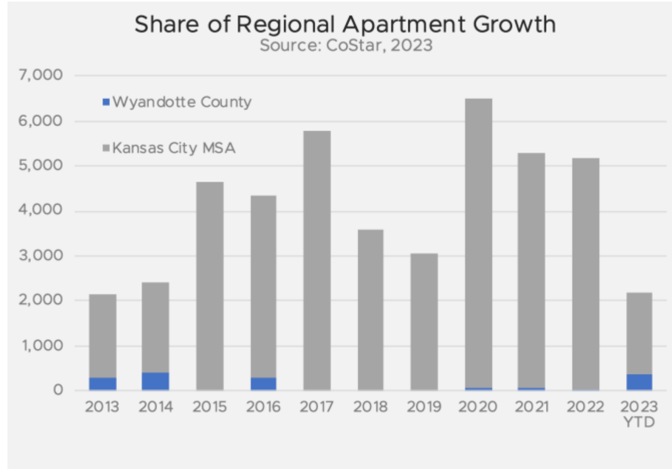
According to CoStar, a third-party source for commercial real estate information, Wyandotte County's multi-family market is comprised of approximately 15,500 units across approximately 250 buildings. The county accounts for just seven percent of multi-family residential units in the Kansas City MSA, which totals roughly 215,400 units within professionally-managed properties.

Of the over 45,000 units added to the MSA throughout the last decade, around 1,600, or 3.5 percent, were in Wyandotte County. From 2013 to 2017, the region added over 19,300 apartment units, then slowing in the following years as these units were absorbed. Likewise, the bulk of recent deliveries in Wyandotte County occurred during this time period, adding more than 1,000 units, followed by no deliveries in 2017 through 2019. Rapid expansion in the MSA resumed in 2020, as around 6,500 units were delivered, then continuing at a rate of approximately 5,200 units delivered annually in 2021 and 2022. As of July 2023, nearly 2,650 units were delivered in the year so far. In contrast, Wyandotte County only gained 160 units from 2020 to 2022, yet experienced a significant increase in activity in 2023, with 389 units delivered year to date. Per CoStar, an additional 1,100 units are currently under construction in the county, comprising 11 percent of the roughly 10,500 units under construction MSA-wide. This finding suggests that, relative to prior years' trends, multi-family development is expanding in the county, as the area is capturing an increasing number of deliveries regionwide.

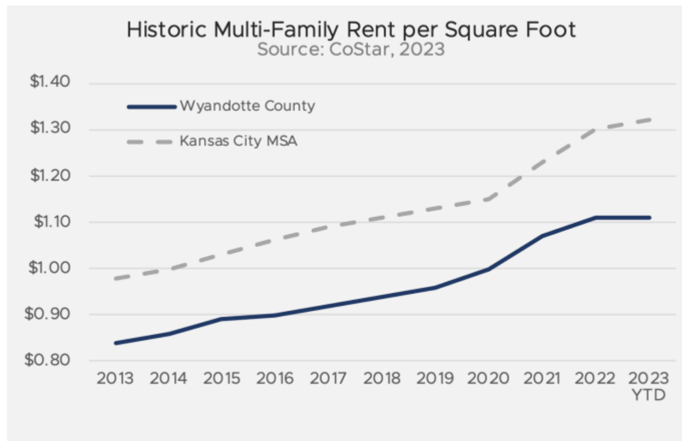
Rent growth in Wyandotte County occurred at a healthy pace in tandem with a general reduction in vacancy rates. The average asking rent is $954, or $1.12 per square foot—an increase of 33 percent since 2013 ($720, or $0.84 per square foot). This increase trails just behind regionwide rent growth, having increased 35 percent during the decade. The MSA has a comparatively high asking rent of $1,202, or $1.32 per square foot, as of mid-2023. Vacancy rates in the county steadily diminished over the course of the last decade, from a high of 9.3 percent in 2013 to a low of 4.8 percent in 2021; however, due to the recent increase in deliveries, vacancy has since risen to around eight percent. Relative to the county, the MSA has maintained a stable vacancy rate over the decade, generally hovering between seven (7) and eight (8) percent.

While the majority of Wyandotte County's housing is single-family, the county offers a wide variety of multi-family housing typologies. Newly-delivered properties are mainly found in suburbs, west of Interstate 435 in Village West in particular, and consist of townhome and amenity-rich mid-rise multi-family properties. Closer to Downtown KCK, the housing stock trends older, with mostly garden-style and low-rise properties dating from the 1940s to 1970s. Affordable properties are also more heavily clustered in and near the Interstate 70 and Interstate 435 corridors. They include traditional cement high-rises, in addition to townhome and garden-style developments. Kansas City contains a small number of historic properties rehabbed as market-rate and low-income lofts, mainly located west of Downtown.

The graphic on the following page depicts the location, scale, and target market for all properties delivered in the county since 2010.



**Data from July 2023; YTD reflects January to June 2023*



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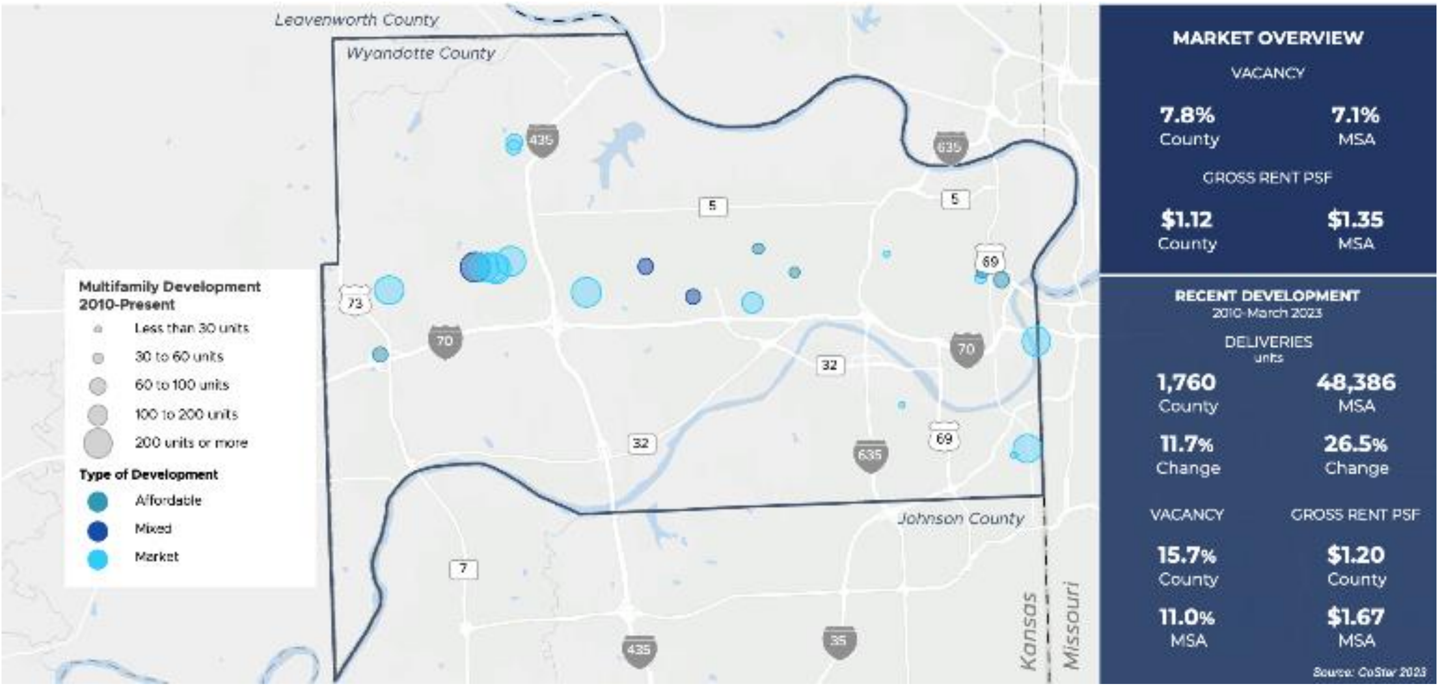


Competitive Supply

Multifamily properties in Wyandotte County vary significantly in age, building amenities, neighborhood amenities, and physical condition. The region is dominated by single-family homes, with many dating to as early as the early-twentieth century. However, the county features a growing multi-family market, characterized principally by high-end townhome and mid-rise properties. The newest, upscale properties are generally concentrated to the west near The Legends Outlet, which offers among the region's premier retail, dining, and entertainment amenities. Other newly-built multi-family properties can be found in the Rosedale neighborhood, adjacent to Kansas University Medical Center, or near River Bridge. The county also features older garden-style, low-rise, and select high-rise properties, largely dating to the midcentury. These properties are clustered in KCK neighborhoods near downtown and many are income restricted.

To establish achievable rents and absorption rates for new market rate multi-family development in the county, we surveyed six apartment properties in the county. These properties represent a range of market-rate development in the region, though are generally toward the top of the market, and all but one were built or rehabbed within the last decade. These are the upper end of the market for their respective locations and are therefore the best comparisons for a hypothetical, recently-built, market-rate multi-family property in the county.

The selected rental communities are fairly typical of modern suburban apartment communities. They mostly contain a mix of one-bedroom, two-bedroom, and three-bedroom units. The properties generally consist of two-story or three-story walk-up apartment buildings or townhomes with a community building and other amenities such as a swimming pool or a fitness center, and surface or garage parking.

The newest and highest-end market rate properties are clustered near the Kansas Speedway and Legends Outlet and include Switch Apartments, Prairie View at Village West, and Heights at Delaware Ridge. The 274-unit Switch Apartments opened in the April of 2023 and, as of July 2023, is occupied at 40 percent, giving a three-month absorption of about 37 units per month (including pre-lease). The mid-rise property offers a comprehensive in-unit and community amenity package and studio, one-, two-, and three-bedroom units with rents ranging from \$1.40 to \$1.80 per square foot. Built in 2016, Prairie View at Village West is a 311-unit mid-rise development featuring similar high-end amenities and one- and two-bedroom units renting for \$1.20 to \$1.70 per square foot. Lastly, the comparatively older Heights at Delaware Ridge, built in 2013, offers 228 one- through three-bedroom garden-style units, priced at \$1.15 to \$1.40 per square foot. Both of the latter two properties are occupied at about 94 percent.

The remaining three market-rate properties are located nearer to central KCK. Stonehedge Townhomes is a 138-

unit townhome community, located in the Coronado neighborhood, that was built in 2004. The property's two- and three-bedroom units are priced from $1.00 to $1.10 per square foot and is occupied at 96 percent; while the units offer relatively basic amenities, community amenities are competitive with other new development. A newer townhome development, 3809 South Thompson Street, is located in the Rosedale neighborhood, near Kansas University Medical Center. The 25-unit development was completed last year and includes three-bedroom townhomes priced at $1.50 per square foot, featuring attached garages, yet no community amenities. Kansas City has an increasing number of historic buildings that were recently rehabbed and converted to multi-family properties. Among these properties, we surveyed Horace Mann Lofts—a 30-unit redevelopment of a school building constructed in 1906. The low-rise development, which is occupied at 93 percent, includes a basic amenity package and one- and two-bedroom units renting for around $1.10 per square foot.

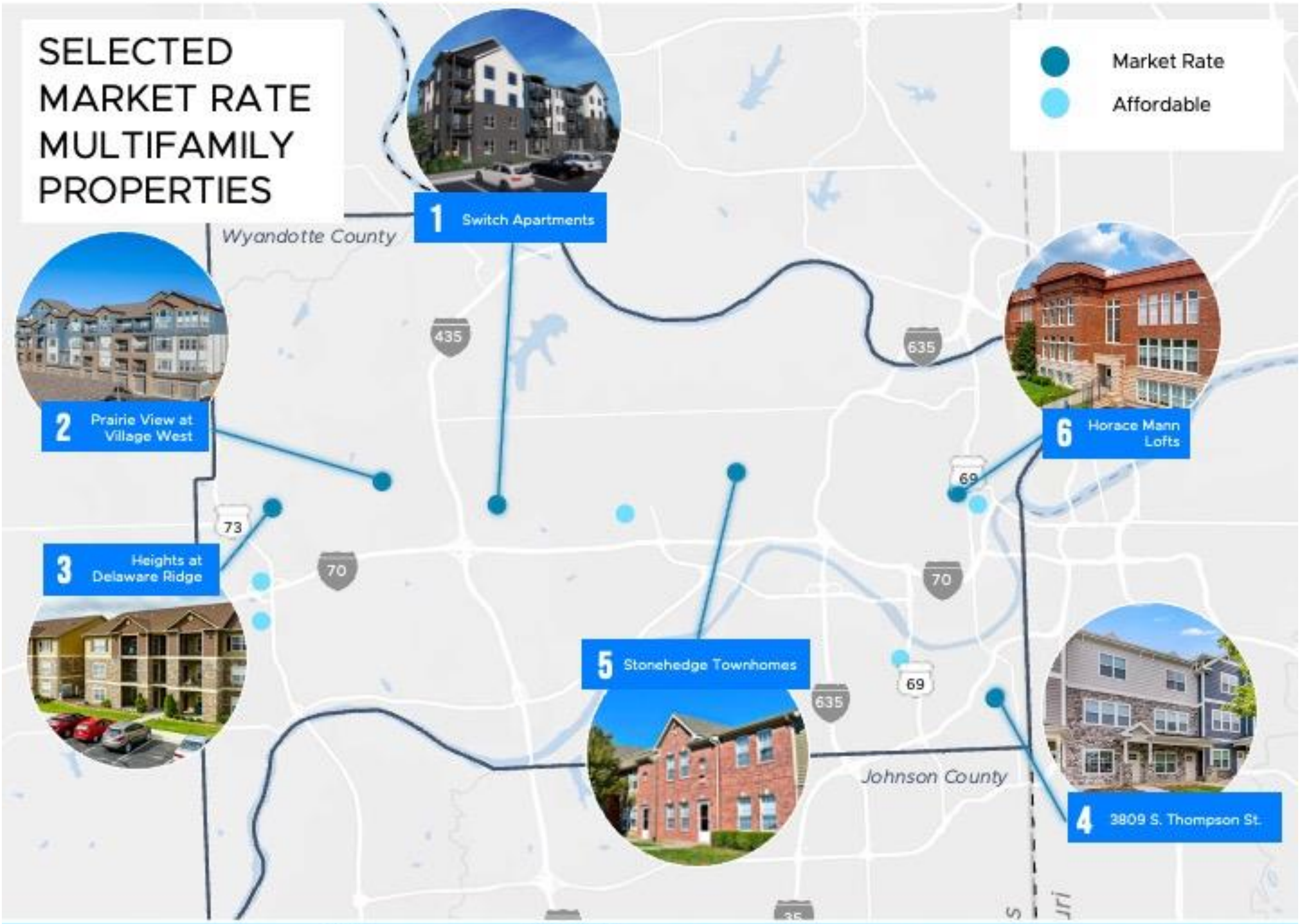
Unit sizes are relatively comparable across the surveyed market rate properties. Most one-bedroom units contain about 700 to 1,000 square feet, two-bedroom units contain 900 to 1,200 square feet, and three-bedroom units contain 1,400 to 1,700 square feet. Units in townhome properties are generally on the larger side, while those in loft-style and mid-rise developments trend smaller.

According to CoStar, affordable and mixed-income properties total around 4,640 units, accounting for just under one third of the county's multi-family inventory. Income restricted properties in the county tend to be older, with the majority dating having been built from 1960 to 1980, and most are clustered near downtown KCK and in the Coronado, Victory Hills, and Rosedale neighborhoods. To establish competitive rents and project performance for new affordable multi-family development in the county, we surveyed six income-restricted and mixed-income properties. The majority of properties contain one-, two-, and three-bedroom units and were developed under the Low-Income Housing Tax Credit (LIHTC) program, with tenancy restricted to households earning from 30 to 80 percent of the area median income (AMI).

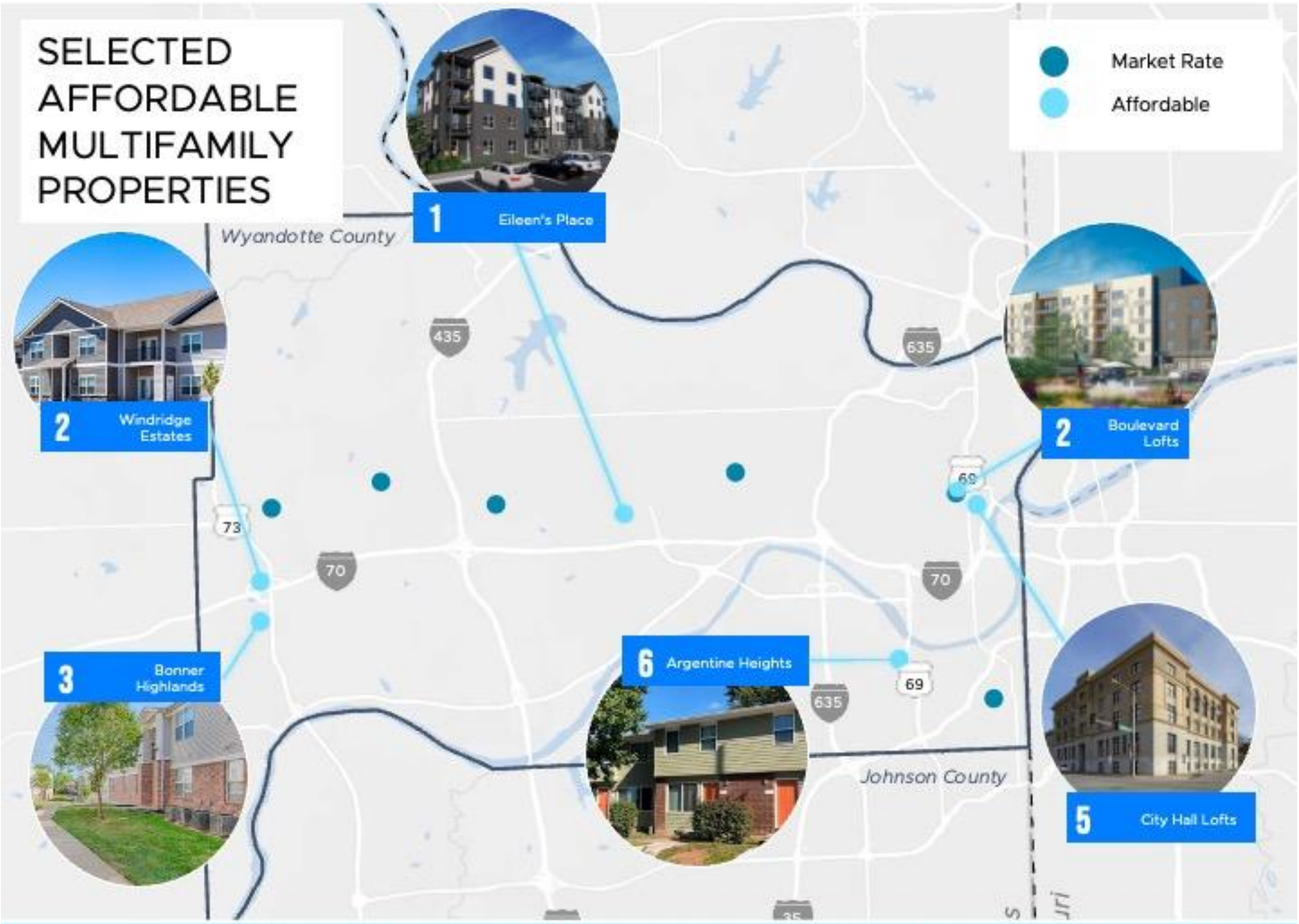
Located in Downtown KCK, Boulevard Lofts is the newest affordable development in the county. The 50-unit midrise development is currently under construction, with delivery anticipated in October 2023, and is preleased at 76 percent. Offering both market rate and affordable units, income-restricted one-, two-, and three-bedroom units are priced at $0.90 to $1.30 per square foot. Another nearby affordable development, City Hall Lofts, is a 42-unit rehab property, which formerly served as the City Hall of KCK. Built in 1911, the building was rehabbed in 2005, and offers studio, one-, and two-bedroom units, priced at $0.80 to $1.40 per square foot, all of which are currently occupied. In the Coronado neighborhood, Eileen's Place is a 60-unit newly-constructed property delivered in 2021 and includes one-, two-, and three-bedroom units renting at rates from $1.30 to $1.60 per square foot. Rents for Eileen's Place are comparatively elevated due to its strong amenity package and proximity to two shopping plazas and Kansas City Kansas Community College.

The three other income-restricted properties we surveyed are characteristic of contemporary suburban development. Located in the Argentine neighborhood, south of the Kansas River, Argentine Heights is a 160-unit garden-style community that was built in 1970 and renovated in 2021. The property offers two- and three-bedroom units, generally priced from $0.90 to $1.10 per square foot, with basic in-unit and no community amenities. We reviewed two developments in Bonner Springs, both located along Interstate 70. Bonner Highlands Apartments II was built in 2006 and offers a total of 36 garden-style one-, two-, and three-bedroom units. The nearby 72-unit Windridge Estates is newer, having been delivered in 2020, and includes two- and three-bedroom garden-style units. Both properties charge rent ranging from $0.90 to $1.00 per square feet, though Bonner Highlands' smaller units can reach up to $1.20 per square feet. Likewise, both properties offer relatively limited community amenities, though include playgrounds, shared laundry, and off-street parking. All three of these properties are performing well, with occupancy rates upwards of 92 percent, indicating high demand for affordable suburban multi-family development in the region.

The location and summary information for the properties is provided in the graphic on the following page.



		Year Built/Reno.	Total Units	Occupancy Rate	Unit Type	Average Rent	Avg. Size (SF)	Avg. Rent/SF
1	Switch Apartments	2023	274	40%	Studio	$1,051	584	$1.80
					1-BR/1-Ba	$1,299 - $1,449	705 - 913	$1.58 - $1.84
					2-BR/2-Ba	$1,545 - $1,745	1,026 - 1,191	$1.47 - $1.51
					3-BR/2-Ba	$1,950	1,384	$1.41
2	Prairie View at Village West	2016	311	94%	1-BR/1-Ba	$1,210 - $1,465	707 - 1,213	$1.21 - $1.71
					2-BR/2-Ba	$1,810 - $2,073	1,088 - 1,615	$1.28 - $1.66
3	Heights at Delaware Ridge	2013	228	94%	1-BR/1-Ba	$1,200	873	$1.37
					2-BR/2-Ba	$1,500	1,171	$1.28
					3-BR/2-Ba	$1,600	1,393	$1.15
4	3809 S. Thompson Street	2022	25	93%	3-BR/2.5-Ba (TH)	$2,250 - $2,450	1,536 - 1,678	$1.46
5	Stonehedge Townhomes	2004	138	96%	2-BR/2-Ba (TH)	$1,085 - $1,122	1,122	$0.97 - $1.00
					3-BR/2-Ba (TH)	$1,475 - $1,550	1,350 - 1,400	$1.09 - $1.11
6	Horace Mann Lofts	1906/2014	30	93%	1-BR/1-Ba	$745	667	$1.12
					2-BR/1-Ba	$1,028	920	$1.12



		Year Built/Reno.	Total Units	Occupancy Rate	Unit Type	Average Rent	Avg. Size (SF)	Avg. Rent/SF
1	Eileen's Place	2021	60	93%	1-BR/1-Ba	$965	600	$1.61
					2-BR/1-Ba	$1,033	800	$1.29
					3-BR/2-Ba	$1,505	1,000	$1.51
2	Boulevard Lofts	2023	50	76%*	1-BR/1-Ba	$650 - $940	707 - 1,213	$0.92 - $1.34
					2-BR/1-Ba	$910 - $995	979 - 990	$0.93 - $1.01
					3-BR/2-Ba	$1,275	1,291 - 1,410	$0.90 - $0.99
3	Bonner Highlands Apartments II	2006	36	94%	1-BR/1-Ba	$682 - $925	765	$0.89 - $1.21
					2-BR/1-Ba	$999	840	$1.19
					3-BR/1-Ba	$931 - $1,099	1,010	$0.92 - $1.09
4	Windridge Estates	2020	72	97%	2-BR/2-Ba	$991	1,034	$0.96
					3-BR/2-Ba	$1,142	1,240	$0.92
5	City Hall Lofts	1911/2005	42	100%	Studio	$772 - $888	560 - 646	$1.37 - $1.38
					1-BR/1-Ba	$911 - $1,104	684 - 1,086	$1.02 - $1.33
					2-BR/1-Ba	$1,064	1,126	$0.94

Competitive Market Position

To be competitive with new and existing supply in the county, any potential property should offer similar quality, condition, and amenities to the competitive apartments surveyed, depending on their location, target market, and style. Wyandotte County has a growing multi-family market, which has performed well in recent years, as evidenced by the surveyed properties' high occupancy rates and absorption.

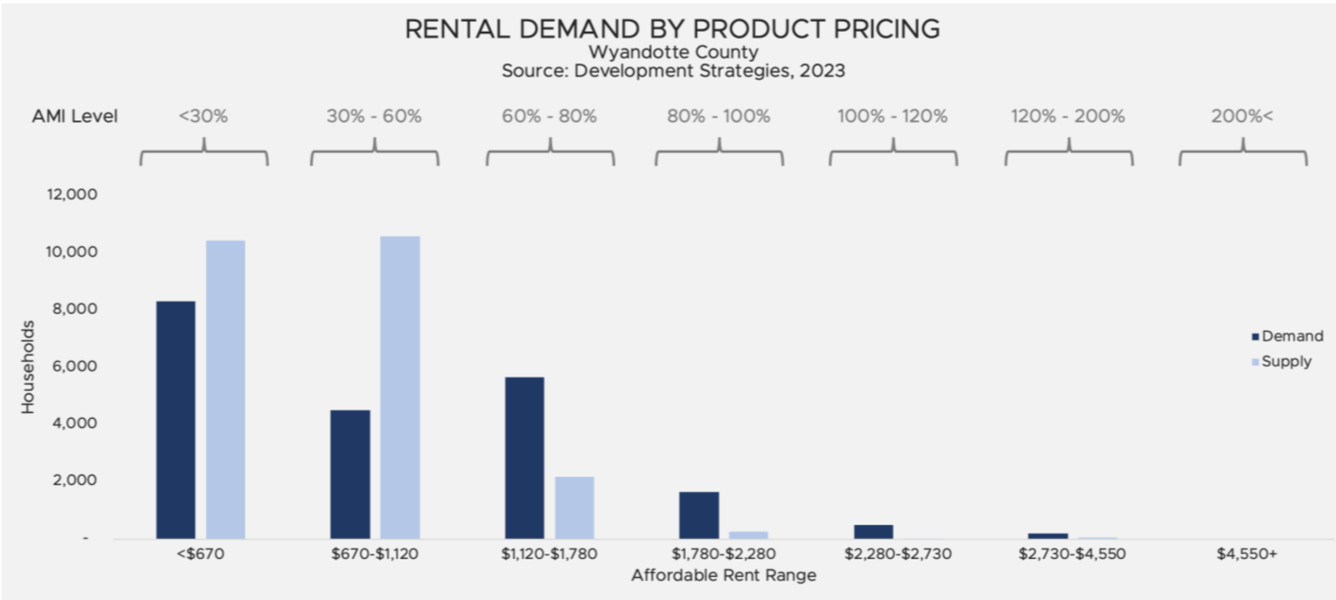
New competitive market-rate development is comprised primarily of large-scale garden-style and townhome communities, offering a wide array of community amenities, as well as high-end features like stainless steel appliances and attached garages. This type of development is in-demand in KCK's suburban neighborhoods, like Piper and Victory Hills, and in adjacent communities like Bonner Springs. Further, rents are particularly high in communities adjacent to The Legends Outlet. Significant swaths of vacant and underutilized land west of Interstate 635 and Interstate 435 also offer greater development opportunity for these large-scale developments. While these townhome-style developments compete with the area's large single-family rental market, they are generally far newer and more heavily-amenitized relative to surrounding for-rent homes.

Multi-family development opportunity is more limited in areas near downtown KCK. Properties in the city's urban neighborhoods cannot compete with comparable properties in Downtown Kansas City, Missouri, where rents can well exceed $2.00 per square foot, owing to superior walkability, amenities, and transportation access. However, the city's relative affordability and direct access to the Missouri side creates an opportunity for attracting new residents. Additionally, strong performance among recently-rehabbed income-restricted and market-rate historic properties indicates opportunity for future multi-family conversion, supplemented with Historic Tax Credits and/or LIHTC. Our analysis of the regional market hence suggests that the market most heavily supports new multi-family development in neighborhoods near shopping centers, transportation networks, and community assets. While there are strong opportunities for redevelopment and infill development closer to Kansas City's urban core, they may require use of additional incentive and gap financing.

Demand Analysis

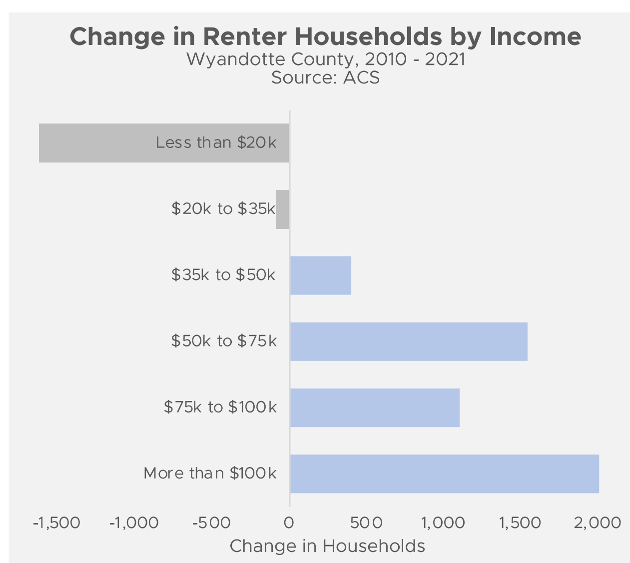
While the viability of a project is partially determined by its competitive market position, a demand analysis is also needed to ensure there is adequate depth in the market for a particular product or unit type. An analysis of household incomes and rental affordability helps determine the level of market support for units at different price points.

Demand can also be estimated by analyzing a number of demographic variables, including tenure (likelihood to rent versus own), age, and household size. Other variables, such as marital status, presence of children, and consumer preferences also serve a role in determining demand, but a conventional methodology that uses standard demographic variables is sufficient for most single-site projects. Using a demographic-based demand methodology, the number of qualified households for housing at various price points can be determined. This analysis uses household income data provided by Esri, as well as American Community Survey (ACS) data on household rent as a percentage of income and housing tenure by income. The resulting range of monthly rent affordability is then calculated. Supply was calculated utilizing contract rent data sourced from ACS 2021 five-year estimates. We assumed a scenario in which no household is housing cost burdened—that is, paying more than 30 percent of household income on rent. This scenario is an idealized one; in actuality, around 45 percent of renter households in Wyandotte County are housing cost burdened, according to the ACS. The distribution of households by rental housing price points within Wyandotte County is provided in the following chart:



With approximately 20,800 renter households in the county, the greatest demand is among the roughly 8,300 households earning less than 30 percent AMI. This group is currently oversupplied with affordable units, or those priced below $670 per month, which total over 10,400. The 30 to 60 percent AMI bracket, totaling 4,500 households, is also oversupplied with 10,570 attainable units, priced from $670 to $1,120. However, of consideration is that the data is agnostic to housing quality—units priced at these low rents may be undersized relative to tenant needs, in need of significant repair or updating, and even potentially hazardous. Furthermore, the roughly 5,700 households earning 60 to 80 percent AMI face a shortage of affordable units, priced from $1,120 to $1,730 per month, at just 2,200 units. A similar, though less severe, gap also exists for the 1,650 renter households earning 80 to 100 percent AMI (270 units) and the 500 renter households above 100 percent AMI (40 units). Consequently, market pressures may lead renter households earning at the 60 percent AMI level and above to rent out units priced below budget. This scenario can lead to an artificial shortage of affordable housing units, potentially leading to a rise in rents and increasing housing cost burden among low and very low-income renters.

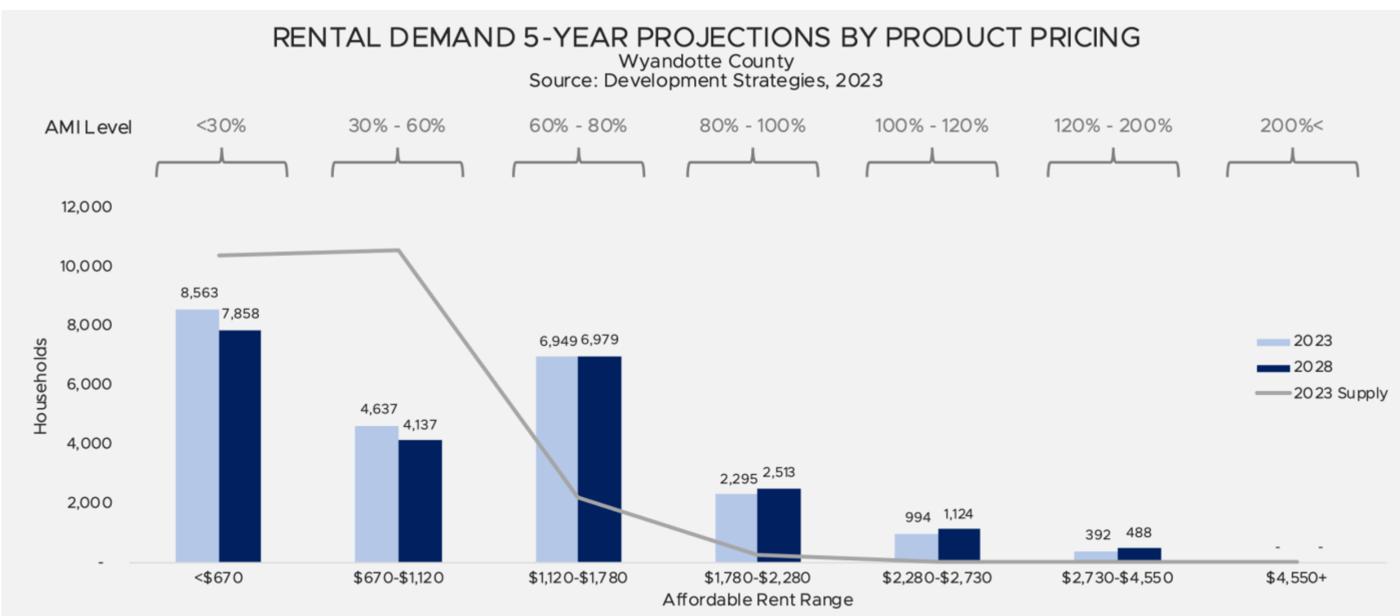
In our analysis, we utilized five-year population projections from Esri to quantify the change in housing demand through 2028. Overall, we found that the number of renter households earning below 60 percent AMI is projected to decline, thereby widening the gap between the current oversupply and demand. In contrast, renter households earning 60 percent AMI and above are projected to increase, resulting in a further strain on the county's limited supply of units priced appropriately for these households. This finding is consistent with trends from the ACS showing a significant increase in high-income renter households from 2010 to 2021, shown in the graph below. We then calculated the change in demand across income groups through the next five years. While demand among households earning less than 60 percent AMI is projected to decline, positive demand growth was observed among comparatively higher-income households. When accounting solely for positive demand growth, we calculated five-year demand for an additional 511 units, assuming a stabilized occupancy rate of 93 percent.



The greatest support for future multi-family development is among the "workforce" (60 to 80 percent AMI), with units priced from $1,120 to $1,780 per month. We estimate that this population could support an additional 260 units through 2028, given the current severe undersupply. Additional, albeit much more limited, support is also found among households earning 80 to 100 percent AMI and 100 to 120 percent AMI. Very few renter households in the county can afford rents upwards of $2,300, indicating minimal support of "luxury" class developments. Hence, an additional 250 units, primarily targeting the lower end of the rent and income range, could be supported over the next five years.

While oversupplied, affordable housing in Wyandotte County attainable to household earning less than 60 percent AMI is generally dated. Further, demand for new LIHTC properties is robust, as recently-built affordable properties have performed strongly, with competitive rents and rapid absorption. Rapidly rising housing costs regionally and nationally due to post-pandemic inflation has also greatly exacerbated need for affordable housing. Thus, our analysis suggests the strongest opportunity for developing mixed-income and midscale market rate housing, designed to serve the workforce, offer affordable alternatives to comparatively higher income households, and improve the quality of housing stock attainable to very low income households.

As of August 2023, there are 1,300 units that are expected to be delivered from 2023 to 2025 across market rate, mixed income, and income-restricted properties. These deliveries will be crucial to closing the gap between demand and supply among higher-income renters, while improving the quality of the available housing stock for lower-income renters. That being said, following this rapid expansion of the market, without robust population growth, multi-family development may slow in the latter half of the decade.



Retail Analysis

Market Overview

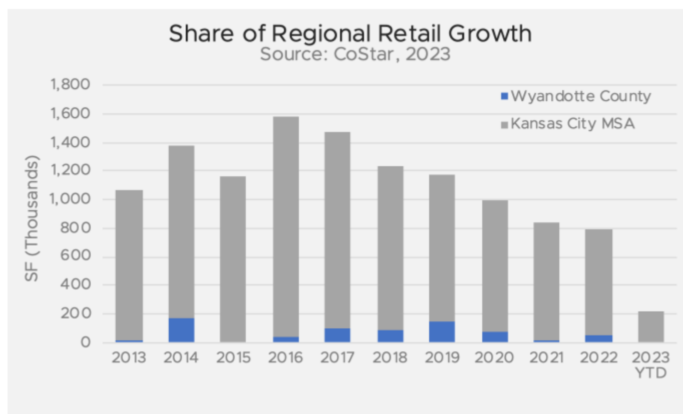
Wyandotte County contains nearly 10 million square feet of retail space across approximately 1,020 buildings, accounting for about eight (8) percent of all retail space within the greater Kansas City MSA, totaling 131,816,850 square feet. In the recent decades, deliveries in the county have fluctuated. In 2006, deliveries totaled over 450,000 square feet, or around 15 percent of MSA-wide deliveries that year. However, during the Great Recession, deliveries slowed considerably, adding an average of 67,600 square feet annually from 2007 to 2011. This trend was also observed in the MSA, such that the retail space delivered annually from 2007 to 2011 was roughly half that from prior to the recession. Following economic recovery, retail deliveries in the county ranged widely, from a low of 5,400 square feet delivered in 2015 to a high of 166,750 square feet completed in 2014. In contrast, the variability of deliveries in the MSA was less, from 787,450 square feet (2020) to 1,577,230 square feet (2014). Altogether, around 710,800 square feet has been added in the county since 2013, accounting for six percent of MSA-wide deliveries during the period. For future retail, around 6,400 square feet of retail space is under construction as of July 2023, representing a minute fraction of the over one million square feet currently being constructed in the MSA.

Despite recent deliveries, Wyandotte County has experienced a net loss of retail space over the past decade. In 2016, demolition of the Indian Springs Mall led to the loss of over 783,000 square feet, or more than what was added to the market over the course of the decade. Consequently, the county's inventory peaked in 2014 at 10,333,000 square feet. The demolition of such a large space was felt acutely in the county, though was also observed in the MSA, which endured a net loss of over 150,000 square feet of retail space from 2015 to 2016; however, the MSA has since gained around 2,561,000 square feet, while total space in the county still lags behind pre-demolition figures.

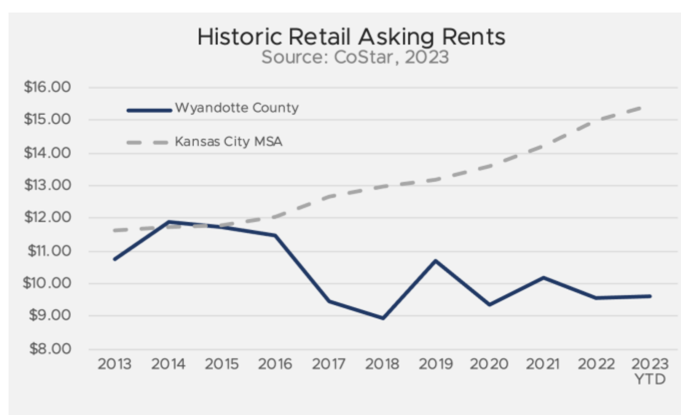
Historically, the county has sustained high retail vacancy rates, hovering around 11 percent, or two to three percentage points above regionwide vacancy. In 2016, Indian Springs' demolition sharply reduced vacancy to just 2.4 percent. From 2017 to 2022, vacancy ranged from 2.3 percent (2018) to 3.4 percent (2022)—consistently lower than simultaneous MSA-wide vacancy, which averaged 5.1 percent. As of July 2023, the county has a vacancy rate of 3.1 percent, still below that in the MSA (4.2 percent).

The current all service direct rent for retail space in the county is $9.62 per square foot, well below that in the MSA at $15.46 per square foot. During the past decade, rents have decreased in the county, having peaked in 2014 at $11.90 per square foot. Rents then dropped precipitously, from $11.50 in 2016 to $9.46 in 2017, coinciding with the mall demolition. Such a sharp decrease in rent during the period is counterintuitive—the loss of supply should theoretically increase demand, as evidenced by the diminished vacancy rate. This finding could suggest that rents at the now-demolished property were set above market rates, artificially driving up the cost of rent, and/or could reflect a decline in marketability of and traffic associated with other retail spaces in the county, particularly those located near the now-vacant mall site. It is unlikely that regionwide trends (as opposed to county- or site-specific trends) may have impacted market rents, as average rents in the MSA have consistently increased each year, overall growing 33 percent since 2013.

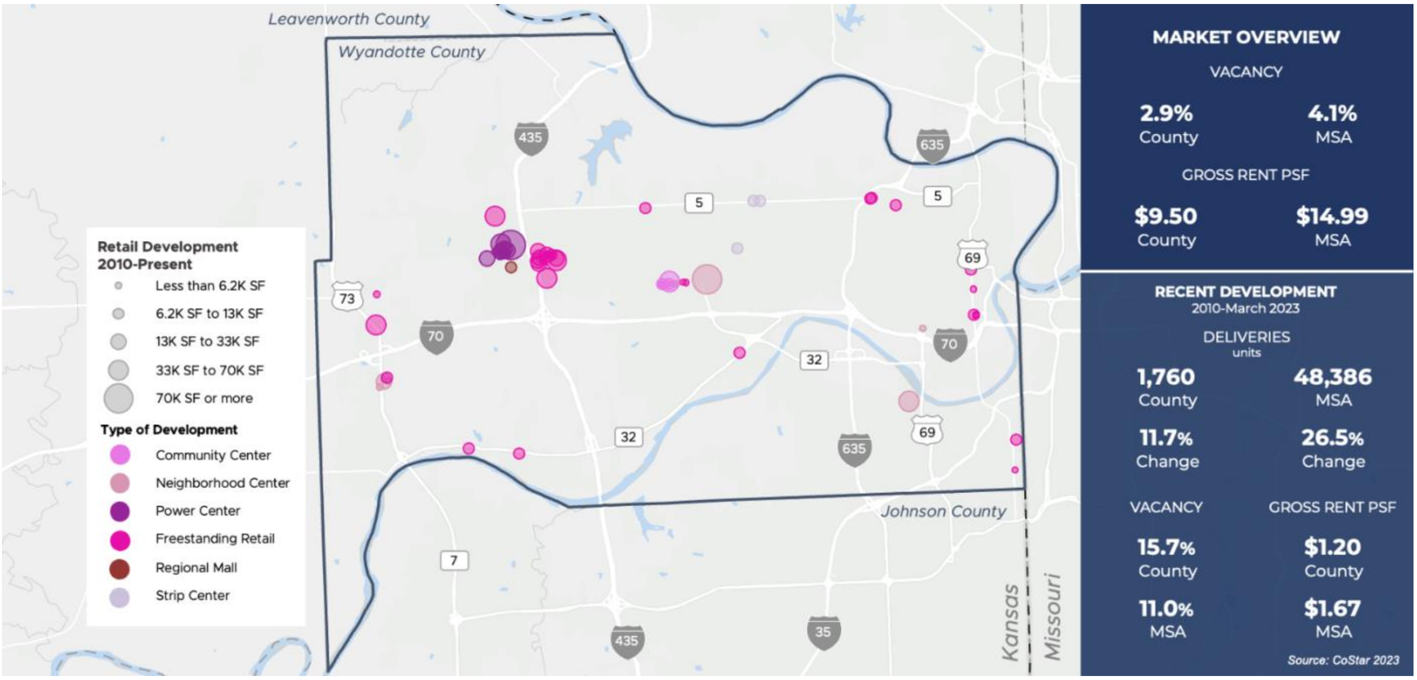
The graphic on the following page depicts the location and size of retail properties delivered in the county since 2010.



**Data from July 2023; YTD reflects January to June 2023*



**Data from July 2023; YTD reflects January to June 2023*



Competitive Supply

Of Wyandotte County's approximately 10 million square feet of retail space, around 38 percent was built since 2000. The majority of this space, however, was constructed from 2000 to 2010, totaling nearly 2.8 million square feet, while just over 950,000 square feet has been delivered since 2011. Properties built from 2000 to 2010 achieve triple-net rents at about $18 per square foot, or around double the countywide market rent. Interestingly, retail space built since 2011 achieves a lower triple-net rent of $14.50 per square foot. This disparity is a product of development trends over the decades; in the aughts, retail deliveries included large-scale shopping centers and a super-regional mall, The Legends Outlet. These centers offer a range of retailers, paying a premium for access to daily mall traffic. In contrast, retail developed in the 2010s includes primarily freestanding retail, located in and around existing shopping plazas and along major thoroughfares. Typical tenants for these properties are discount stores, fast food restaurants, auto and auto parts dealerships.

Retail development within Wyandotte County's urban core, or neighborhoods located within the Interstate 635 loop, is generally characterized by freestanding retail, clustered along commercial thoroughfares such as State Avenue, Central Avenue, North Seventh Street Trafficway, and Quindaro Boulevard. These properties are largely older, mainly dating to the first half of the twentieth century, interspersed with vacated lots and structures and limited recent infill development. Tenants include a high density of locally-owned small businesses serving the surrounding community, while typical chain retailers are discount stores.

Comparatively suburban areas located to the west of Interstate 635 have retail clustered in shopping plazas along Leavenworth Street, Parallel Parkway, and State Avenue. These centers date to the 1960s through 1980s, though some have since been renovated, and mainly consist of neighborhood and community centers, catering to everyday retail needs. Department store, clothing, and other large-scale retailers are near-exclusively found at Village West—a nearly 730,000-square foot super-regional mall completed in 2003 and renovated in 2018. To the west of the mall, additional smaller-scale shopping centers are found in Bonner Springs, adjacent to the interstate system, and interspersed to the south along Highway 32. In the Shawnee Heights area, retail clusters are located along Southwest Boulevard and Merriam Lane, and Rainbow Boulevard near Kansas University Medical Center. Lastly, Armourdale has a heavy concentration of retailers along Kansas Avenue and Osage Avenue, which are generally industrial in character.

Our analysis of the retail competitive environment has focused on showing the breadth of characteristics including their age, location, quality, scale and tenant-mix of properties within the county. We have surveyed and analyzed eight (8) competitive retail developments.

The aforementioned Legends Outlet contains some of the newest, highest-quality retail spaces in Wyandotte County.

The development is fully leased by 103 tenants, anchored by AMC Theatre, H&M, Old Navy, Forever 21, HomeGoods, and Nike. It is in a high-traffic area, owing to adjacent recreational attractions, such as the Kansas Speedway, Hollywood Casino, Children's Mercy Park, and Legends Field, which are home to sports teams, Sporting Kansas City and the Kansas City Monarchs, respectively. Consequently, rents are among the highest in the region, with triple-net rents ranging from $18.50 to upwards of $35 per square foot per year.

We reviewed three neighborhood centers, all located in suburban communities throughout the county. The newest property, Piper Plaza, is a 51,100-square foot center, constructed in 1999, and is leased at 96 percent. The center is anchored by a UPS Store and is adjacent to The Legends Outlet, leading to its comparatively high estimated rents of $19 to $23 per square foot per year (NNN). Triple Net Lease, or NNN, is a lease agreement in which the tenant or lessee agrees to pay all the expenses of the property including real estate taxes, building insurance, and maintenance; this is common for commercial real estate properties. Bonner Springs Plaza is located just south of the interchange of Interstate 70 and Highway 7 and is anchored by Ace Hardware, Dollar Tree, and the Salvation Army Family Store. The 101,770-square foot property was constructed in 1983 and renovated in 2011, is fully occupied, and is leased at estimated triple-net rents of $12 to $15 per square foot. Lastly, Northwoods Shopping Center is a 55,140-square foot development, constructed in 1962 and renovated in 2015, located along West 47th Avenue in the Rosedale neighborhood. The property is occupied at 94 percent, with spaces leased at $10 to $12 per square foot (NNN).

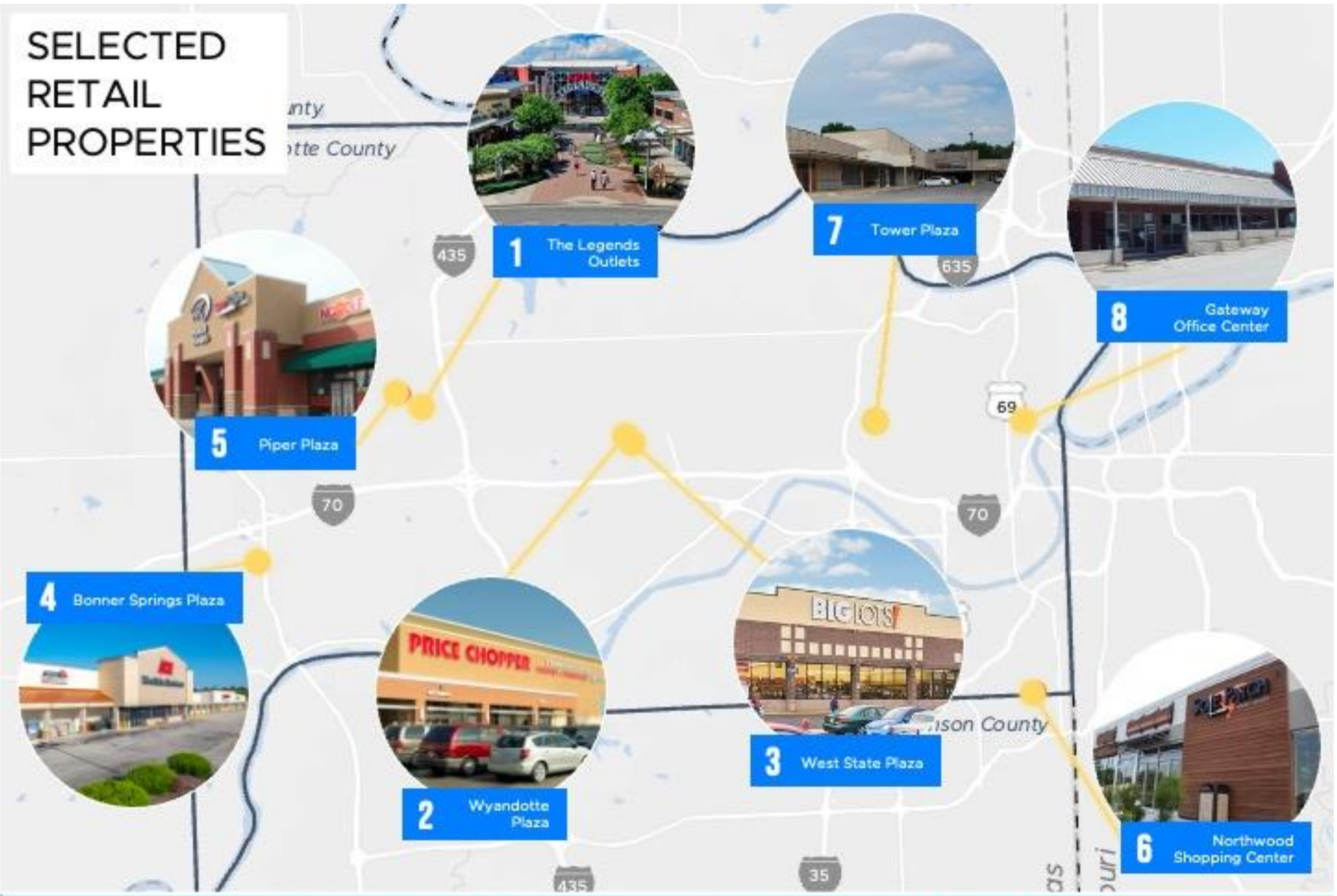
We reviewed further retail properties located in and near Kansas City's urban core, generally located on or near State Avenue. Tower Plaza Shopping Center is a 177,300-square foot community center located on State Avenue, immediately east of Interstate 635. The property is among the oldest surveyed, delivered in 1965 and has not since been renovated. It is anchored by Dollar General and CVS Pharmacy and has the lowest occupancy of all properties surveyed at just 24 percent. Consequently, its rents are quite low, ranging from $3.50 to $12 per square foot (NNN). Furthermore, we surveyed two strip centers, both located along State Avenue, adjacent to Kansas City Kansas Community College. Constructed in 1961 and renovated in 2015, Wyandotte Plaza is a 191,420-square foot center anchored by Price Chopper and PetSmart, which is occupied at 97 percent and has an average triple-net rent of $16 per square foot. West State Plaza is much smaller, totaling 99,300 square feet, and was constructed and renovated in 1984 and 2005, respectively. The property is anchored by Ace Hardware and Big Lots, occupied at 95 percent, and has estimated rents from $12 to $14 per square foot. Finally, we reviewed one storefront retail center in Downtown KCK. The Gateway Office Centre is a 20,730-squre foot property built in the early-1970s. Occupied at around 50 percent, it sustains a quite low average NNN rent of $9 per square foot, and is anchored by a mental healthcare provider and church.

The eight properties surveyed are summarized in the graphic on the following page.

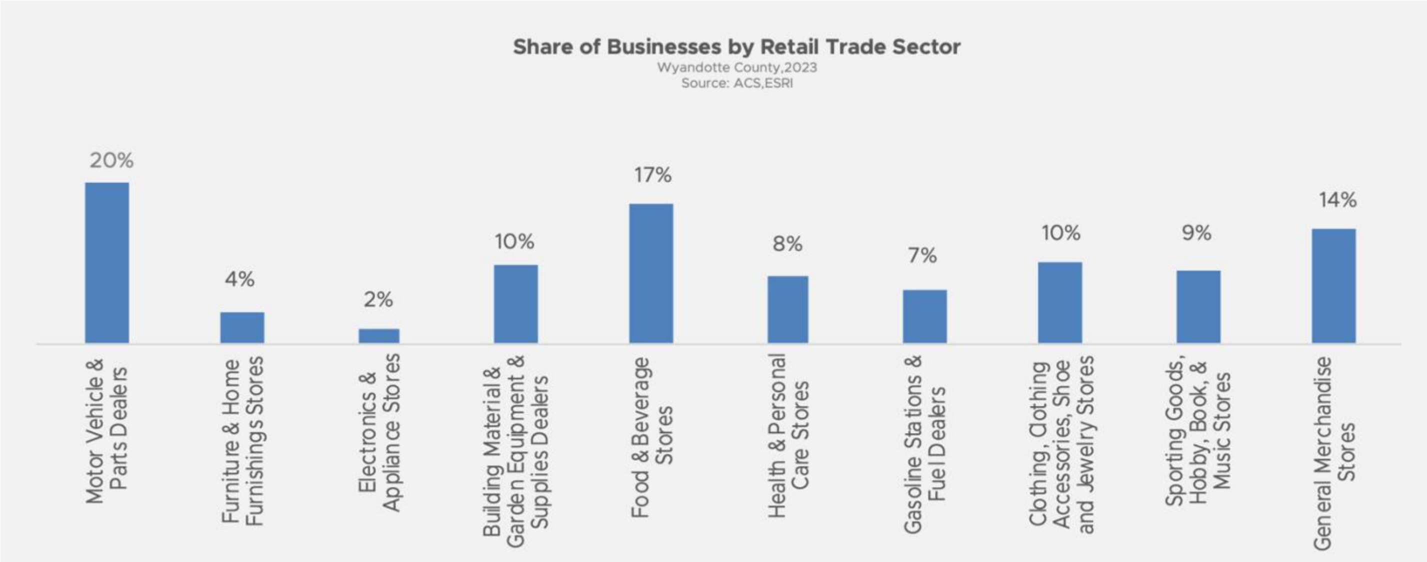
Competitive Position Analysis

Wyandotte County supports a highly competitive retail market, which is by far the strongest in its suburban communities. While multiple retail typologies can be found in the county, the highest performing properties are newer or recently-renovated neighborhood and regional centers located to the west of Interstate 435. Hence, future retail development would be most-heavily market-supported in these areas; however, recent trends suggest that the county retail market may be oversaturated, or at capacity, as the market-wide vacancy rate is low, yet rents are decreasing. This scenario is likely compounded by the growing e-commerce market, as well as long term economic hardship brought on by inflation and the pandemic.

Within the county's urban core, market support for new retail development is quite limited. Kansas City, Kansas, has a dearth of high-quality and large-scale retail, especially that which is walkable. Further, residents in the Northeast and Midtown neighborhoods lack access to needed daily retail, such as grocery stores and banks. That being said, Kansas City has strong local commercial corridors, supported by small-businesses that serve the local community, with two prominent corridors located along Central Avenue and Quindaro Boulevard, respectively. Weak market conditions thus demand the use of incentives and community-focused strategies to attract needed retail to the city, while preserving, strengthening, and improving infrastructure along small-business corridors.



	Development	Year Built/Reno.	Total Size (SF)	Lot Size (Acre)	Retail Type	Occupancy Rate	Total Tenants	Estimated NNN Lease Rate ($/SF)	Key Tenants
1	Legends Outlets Kansas City	2003/2018	726,544	621.42	Regional Mall	100%	103	$18.50 - $35	AMC, H&M, Old Navy, Forever 21, Books-A-Million, TJ Maxx
2	Wyandotte Plaza	1961/2015	191,420	26.10	Strip Center	97%	44	$16	Price Chopper, Dollar Tree, PetSmart, Marshalls, Five Below
3	West State Plaza	1984/2005	99,301	19.39	Strip Center	95%	11	$12 - $14	Ace Hardware, Big Lots
4	Bonner Springs Plaza	1983/2011	101,770	24.01	Neighborhood Center	95%	18	$12 - $15	Ace Hardware, Dollar Tree, The Salvation Army Family Store
5	Piper Plaza	1999	51,110	11.19	Neighborhood Center	96%	25	$16 - $19	First Watch, Jimmy John's
6	Northwood Shopping Center	1962/2015	55,143	8.08	Neighborhood Center	94%	9	$10 - $12	Junior Achievement of Kansas City
7	Tower Plaza Shopping Center	1965	177,316	11.44	Community Center	24%	11	$3.50 - $12	CVS Pharmacy, Dollar General, Adelante Thrift
8	Gateway Office Centre	1973	20,733	2.2	Storefront Retail	50%	6	$9	Behavioral Health Group – Kansas City, Berean Fellowship Church



Demand Analysis

Demand gap analysis helps to determine whether an area is underserved or oversaturated for various retail uses. By comparing the types of goods that households in a market area are buying with the actual stores located in a market area, gap analysis can determine whether supply is effectively meeting demand. While the analysis is useful in determining the level of existing residential support in the market, it fails to account for demand from nearby employment centers and office parks, tourists, or seasonal residents that will likely come from outside of the retail market area. To determine total retail spending in the county, we sourced retail sales data from the 2021 Wyandotte County Annual Comprehensive Financial Report. Next, to narrow down demand by retail sector category, we applied proportions of consumer spending by category as calculated for the nation for years 2017 to 2022; in other words, if households nationwide spend 23 percent of total retail expenditures on motor vehicle, accessories, and tire retailers, we apply the assumption that 23 percent of the total consumer retail sales in Wyandotte County were on motor vehicle, accessories, and tire retailers.

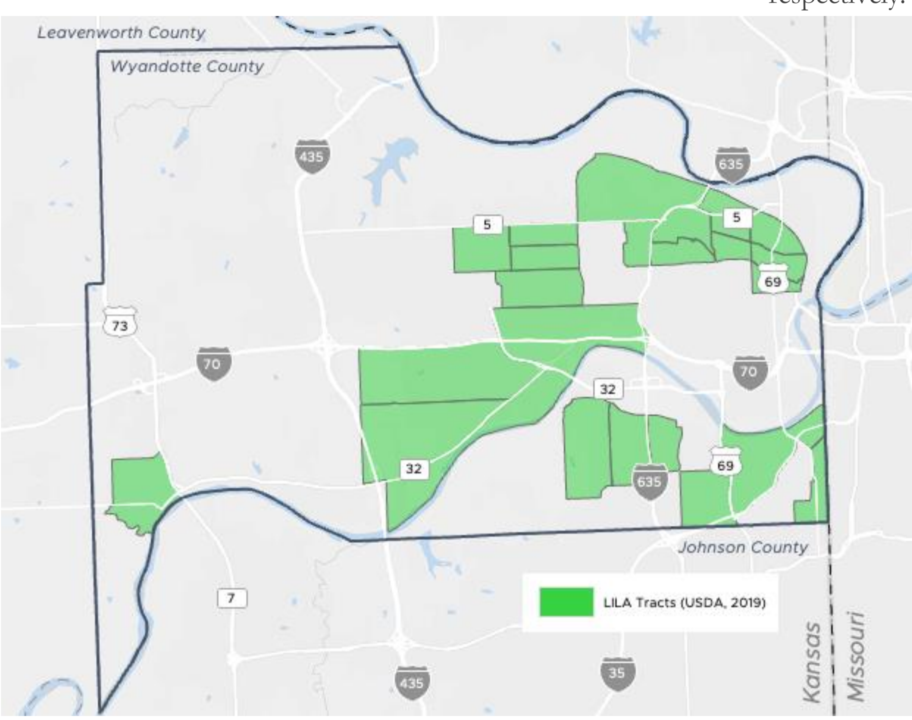
With major shopping centers and significant recent deliveries, Wyandotte County is a regional retail destination that attracts visitors throughout the MSA. For instance, according to data sourced from Placer.ai, approximately 37 percent of visitors to The Legends Outlet from July 2022

to July 2023 reside in Wyandotte County. Consequently, the county overall supports retail demand outside the county and, therefore, is heavily oversupplied across numerous categories. According to Esri, almost all retail sectors are "oversupplied" in the county, with the greatest excess inventory associated with automotive parts, accessories, and tire and general merchandise stores (e.g., Walmart). Of note is that this scenario is not uncommon within rapidly growing suburban areas, as most new retail development is anticipating future growth. That being said, the county could support up to 547 additional miscellaneous retail stores, such as gift stores, antique stores, and florists, as well as 322 specialty food and drink stores, 19 furniture and home stores, and nine (9) pharmacies.

Countywide analysis suggests a significant retail oversupply, which is consistent with the nearly one million square feet in retail space delivered since 2010. However, the vast majority of recently-completed retail space in the county is within suburbs, generally west of Interstate 635, with the strongest growth observed in Village West. Looking forward, the market is set to expand these existing retail centers to continue meeting regional retail demand. Simultaneously, Wyandotte County's urban core—loosely defined as areas within the Interstate 635 loop—have seen very minimal retail development. Of the retail properties located in the core, though particularly in northernly neighborhoods, many are older, dating to as early as the beginning of the 20th Century. Newer properties in the area are generally retailers that supply a limited range of goods, such as discount and convenience stores. As a result, numerous communities in Wyandotte County are left without adequate access to vital retail, such as grocery stores or pharmacies, creating a significant quality of life issue.

To quantify existing gaps in eastern Wyandotte County, we reviewed and mapped its "food deserts". The U.S. Department of Agriculture (USDA) defines food deserts as census tracts that are both "low income" and "low access". Within urban areas, "low income" tracts refer to those that have either a poverty rate about 20 percent or a median family income that is less than or equal to 80 percent of AMI. In this scenario, "low access" tracts have a sizable share of residents that live more than one mile from a full-service grocery store. The low income and low access tracts in Wyandotte County as of 2019 are illustrated in the map below.

As shown, food access is particularly poor in neighborhoods in northeast KCK, while gaps can also be observed in Muncie, Shawnee Heights, and Bonner Springs. In our analysis, we elected to focus on northern neighborhoods like the Northeast and Midtown north of State Avenue, as they have relatively high population density and acute lack of recent retail development. Based on trade area data from Placer.ai, area residents primarily shop at grocery stores located along State Avenue. At two of the closest properties, a Save-A-Lot and ALDI, residents of the 66104 zip code accounted for 28 percent and 27 percent of visits from July 2022 to July 2023, respectively. For reference, residents of the 66102 zip code, in which these two stores are located, accounted for 36 percent (ALDI) and 42 percent (Save A Lot) of visits.



The density of low-income households, high retail vacancy, and low rents in the urban core severely hinder market support for a future grocery store within or near currently underserved areas. It is therefore unlikely that development of a grocery store will occur organically. Strategy to improve grocery access will thereby require use of gap financing and incentives, coupled with community and stakeholder engagement. Within Wyandotte County, success of this approach has already been observed in The Merc Co+op—a community-owned

grocery store that opened in Downtown KCK in 2020. Since opening, the store has seen continuous growth in equity, netting a 1.71 percent profit in the 2022 fiscal year, according to the organization's annual impact report, and has significantly improved food access for residents living in or near Downtown KCK.

Despite gaps in access to retail, eastern KCK has numerous retail assets. Commercial corridors along Quindaro Boulevard and Central Avenue are home to longstanding locally-owned businesses and eateries, which serve the surrounding community, as well as reflect Kansas City's cultural identities. These areas are also assets for the county, attracting visitors throughout the region, and keep wealth within the community. In fact, based on data from Placer.ai, the total number of visitors to the Central Avenue Corridor has increased every year since 2020, with nearly 40 percent of total visits since the beginning of 2018 arising from residents living at least five miles away. Placer.ai is a third-party provider of aggregated cell phone location data used to provide insight on visitation to select public places, retailers, and other popular venues. Though it supports a much lower number of visitors, the Quindaro Boulevard Corridor has seen a significant increase in the number of monthly visits since 2019, even through 2020, and 45 percent of visits over the past five years come from individuals living at least five miles away. Further, based on our countywide analysis, there is a gap between demand and supply for miscellaneous store retailers, suggesting opportunity for expansion of these small businesses selling a variety of wares and services. Thus, the challenge for future development is to preserve and strengthen these businesses, while simultaneously attracting and retaining retailers that can provide access to needed goods.

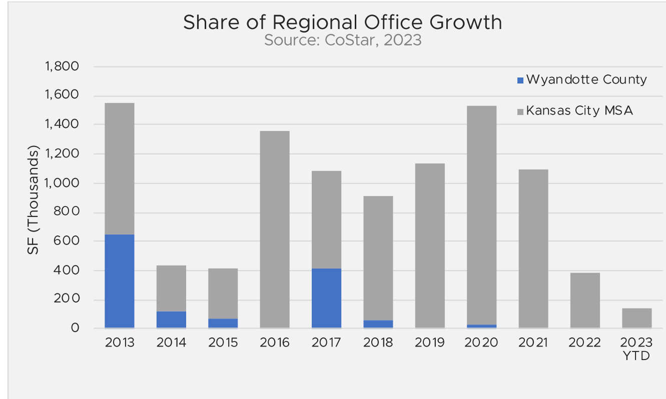
Office Analysis

Market Overview

Wyandotte County's office market is comprised of approximately 5,400,000 square feet of space across 323 buildings. Despite accounting for around eight (8) percent of the Kansas City MSA's population, it contains only four percent of the MSA's total office supply of around 128 million square feet. Since 2013, a total of 1,332,000 square feet were delivered in the county. Properties delivered in the MSA ranged heavily in size, from a 6,500-square foot medical office completed in 2020 to the nearly 650,000-square foot Cerner Campus delivered in 2013. During this period, the county captured 13 percent of MSA-wide deliveries, totaling approximately 10 million square feet through the decade. For the sake of comparison, the county only captured around two percent of the roughly 12 million square feet delivered in the MSA from 2003 to 2012. According to CoStar, as of July 2023, there are no office properties currently under construction in the county, while around 1,134,000 square feet is under construction in the MSA.

Although over one million square feet of space was delivered in the county in the last decade, the net increase in total office space was only around 230,000 square feet. This discrepancy is due to the delivery of renovated and rehabbed space. Further, significant demolition activity occurred over the course of the decade, whereby 11 properties, ranging in size from 1,000 to over 60,000 square feet, were demolished. In some cases, these properties were repurposed for other uses, such as housing.

Vacancy rates have largely remained stable over the last decade despite heightened delivery activity. From 2013 to 2016, vacancy rates averaged nine (9) percent. Beginning in 2017, vacancy lowered to between four to five percent, where it remained through 2022. Relative to the county, the MSA maintained high vacancy rates, ranging from 6.1 percent (2018) to 11.4 percent (2013), averaging 8.4 percent annually. Of note is that the county's office vacancy rate remained stable at about four percent through the beginning of the pandemic, while MSA-wide vacancy grew two percentage points from 2019 to 2020. This finding could indicate that the county has a greater proportion of "essential" industries, such as healthcare and government, compared to the MSA. That being said, in the first half of 2023, the countywide vacancy rate spiked to 17.2 percent due to a net negative absorption of nearly 670,000 square feet of space. This dip in absorption, which



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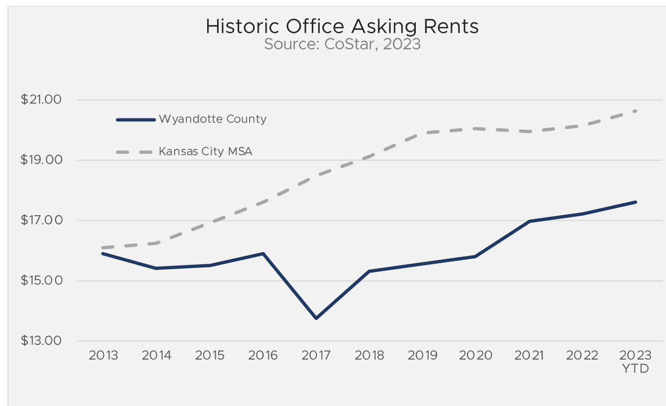
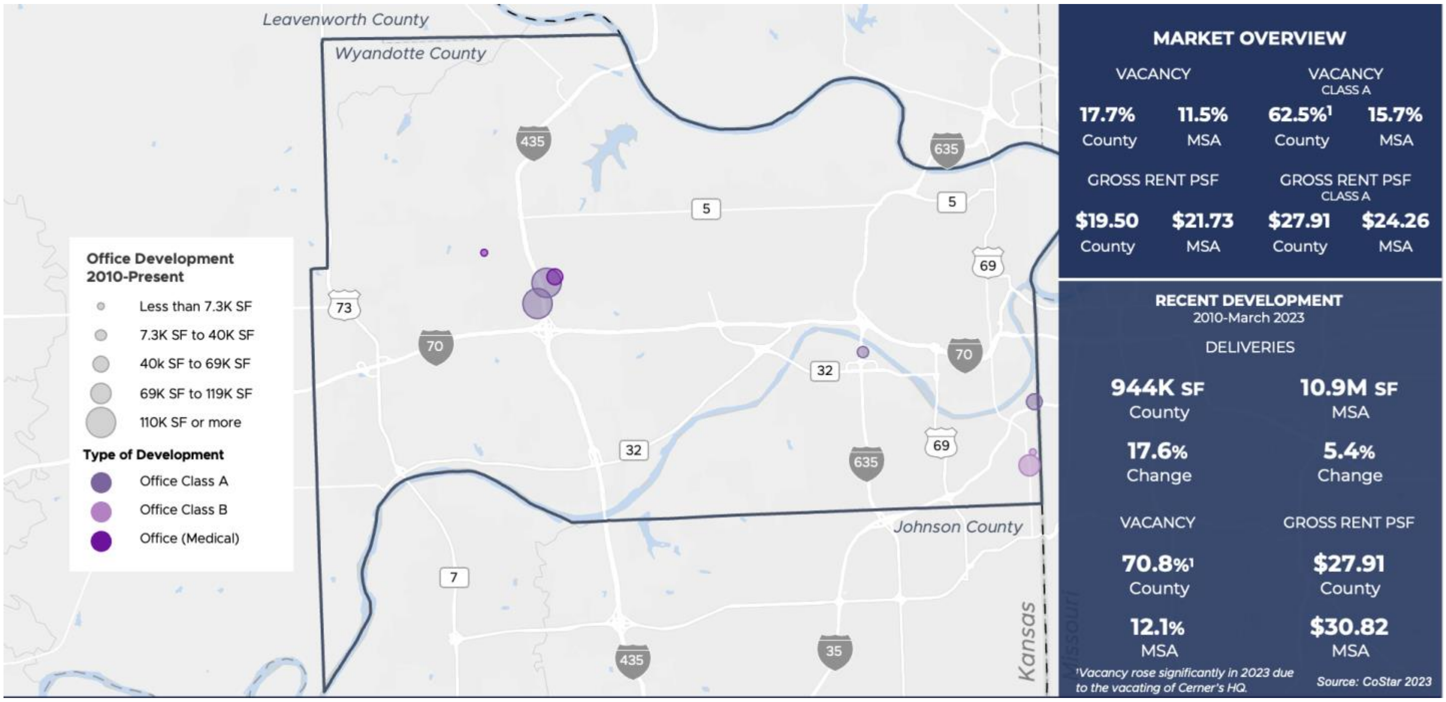


**Data from July 2023; YTD reflects January to June 2023*

was also observed in the MSA, was due to the closure of Cerner's nearly 650,000-square foot office center adjacent to The Legends Outlet. Coupled with negative net absorption in every year since 2020, trends in the larger MSA reflect the shrinking demand for office space throughout the region.

While absorption rates have diminished in recent years, rents in the county have continued to rise. From 2013 to 2022, the county's base rent direct rose 8.8 percent. With a current average rent of $17.33 per square foot per year, office space in the county is considerably more affordable than that in the MSA, which has a mean rent of $21.22 per square foot per year. Since 2013, the MSA's office rents have grown 31 percent—far more than in the county, indicating comparatively higher demand for office space across the MSA.

In recent years, a handful of sizable leases were signed for properties located in Wyandotte County. In 2022, the Environmental Protection Agency renewed its 20-year lease of 47,000 square feet at a downtown Kansas City property. In 2020, Vibrant Health leased approximately 16,730 square feet of medical office space in the Bethany Medical Building for $18.50 per square foot (NNN) for a



ten-year term. That same year, a large-scale law firm renewed its ten-year lease of over 30,000 square feet at an office property in the Rosedale neighborhood. According to CoStar, nearly all of the office spaces leased since 2018 were for less than 5,000 square feet.

The above graphic depicts the class, location, and size of office properties delivered in the county since 2010.

Competitive Supply

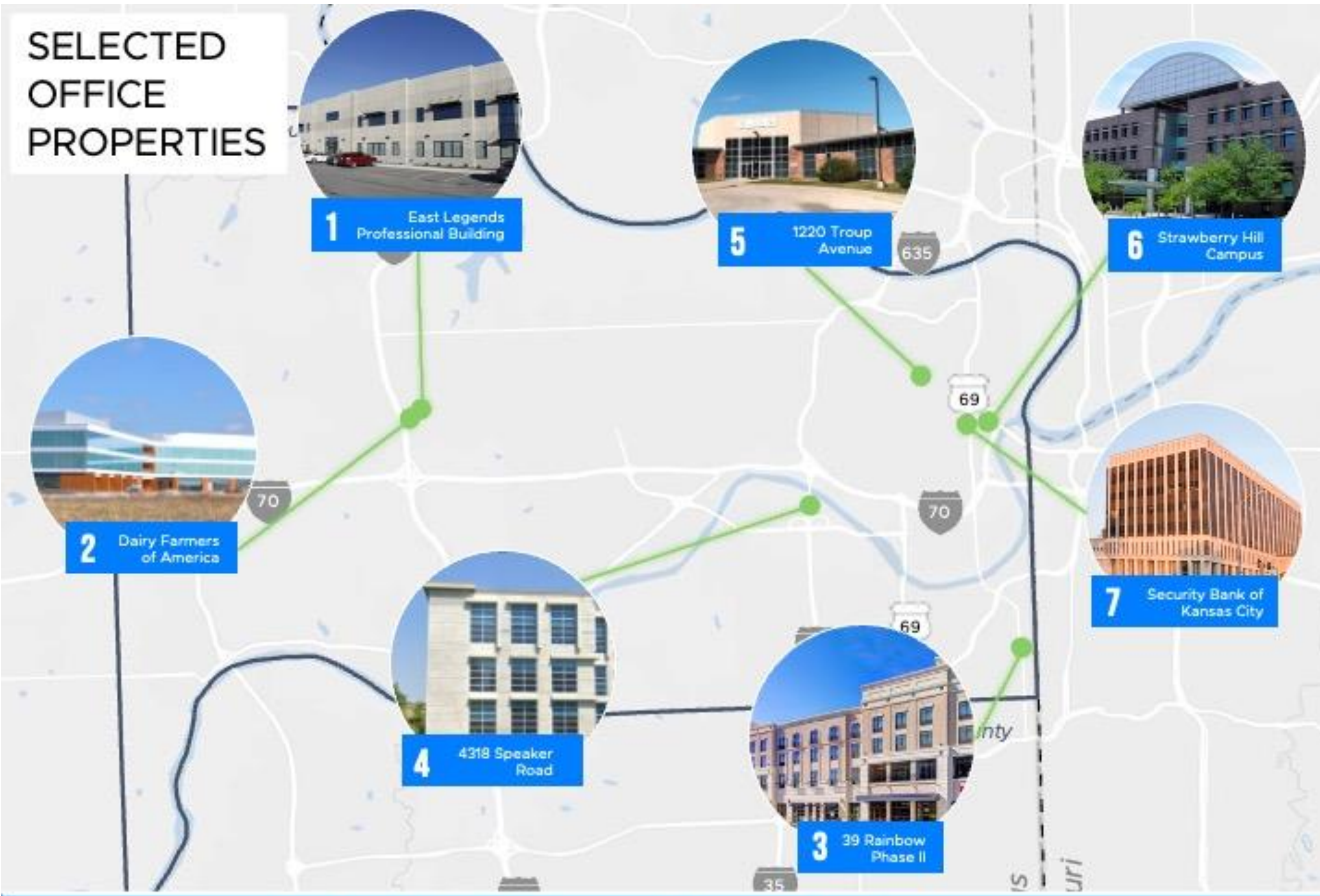
Wyandotte County has a moderate office supply, heavily occupied by healthcare, community service, and industrial organizations. Office development is generally clustered in Downtown KCK, along State Avenue and Parallel Parkway, in industrial areas, Santa Fe and Armourdale, and in the Rosedale neighborhood, near the University of Kansas Medical Center. Recent office development has been restricted to areas near the Medical Center, as well as in Village West. To illustrate office market conditions countywide, we reviewed seven (7) office developments, which reflect the breadth and range of uses, typologies, and submarket characteristics of office development in the county. The majority of these properties were built or renovated within the last decade and all are either Class A or Class B properties.

Three of the surveyed properties are located in KCK's urban core. Located immediately west of the Lewis and Clark Intercity Viaduct, the Strawberry Hill Campus of the University of Kansas Hospital is 192,600 square feet and was constructed and renovated in 1999 and 2019, respectively. The Class A property is fully occupied by the Hospital, with full-service rents estimated at $26 to $31 per square foot. Just three blocks west, the Security Bank Building is a multi-tenant 129,300-square foot Class B property, which is fully occupied. The development dates to the late-1970s and supports relatively low full-service estimated rents, ranging from $16 to $18 per square foot. Lastly, 1220 Troupe Avenue is a Class B 45,070-square foot development in the Northeast neighborhood. Occupied by the Boys & Girls Club of America, the multi-tenant property is 85 percent leased, with an average modified gross rent of $15 per square foot.

Two comparable properties are situated south of the Kansas River. Located in the Rosedale area, 39 Rainbow Phase II is one of multiple medical buildings that comprise the University of Kansas Medical Center. The multi-tenant Class B property is 109,200 square feet and was built in 2014. It is fully occupied, with the largest tenant being the university, and estimated lease rates range from $26 to $32 per square foot. The newest of all surveyed properties, 4318 Speaker Road is in the Santa Fe neighborhood and is occupied by an industrial firm. The single-tenant Class A property, delivered in 2020, is among the smallest of those surveyed at 21,590 square feet and sustains estimated full-service rents of $25 to $31 per square foot.

Finally, we surveyed two recently-delivered properties located within close proximity to The Legends Outlet. Completed in 2017, the Dairy Farmers of America headquarters is a 111,185-square foot Class A property, leased at an estimated full-service rate of $25 to $31 per square foot. East Legends Professional Building is a smaller, approximately 40,000-square foot property, that is currently occupied at 50 percent. The multi-tenant Class A property is leased by healthcare providers at a triple-net rate of $23 per square foot, positioning it below other healthcare offices surveyed.

Overall, the surveyed properties represent the higher end of the office market for their respective locations. They range significantly in size and all but two are fully occupied. Rents reach as high as $32 per square foot for properties near concentrations of medical and industrial uses, situated near Kansas City, Missouri. Rents for older and less advantageously-located properties are as low as $15 per square foot. Hence, future office development could achieve rents at the higher end of the range ($26 to $32) should it be positioned for use by a major employer, such as a healthcare provider, and located in an in-demand neighborhood surrounded by similar uses.



	Development	Year Built/Reno.	Total Size (SF)	Lot Size (Acre)	Class	Occupancy Rate	Tenancy Type	Lease Rate ($/SF)	Key Tenants
1	East Legends Professional Building	2018	40,016	5.21	A	50%	Multi	$23	Providence Hospital Physicians
2	Dairy Farmers of America	2017	111,185	13.51	A	100%	Single	$25 - $31	Dairy Farmers of America
3	39 Rainbow Phase II	2014	109,200	1.49	B	100%	Multi	$26 - $32	University of Kansas Hospital
4	4318 Speaker Road	2020	21,592	3.76	A	100%	Single	$25 - $31	Geiger Ready Mix Company
5	1220 Troup Avenue	2006	45,072	3.48	B	85%	Multi	$15	Boys & Girls Club of America
6	Strawberry Hill Campus	1999/2019	32,276	4.18	A	100%	Single	$26 - $31	University of Kansas Hospital
7	Security Bank Building	1978	129,287	0.83	B	100%	Multi	$16 - $18	Security Bank of Kansas City

Demand Analysis

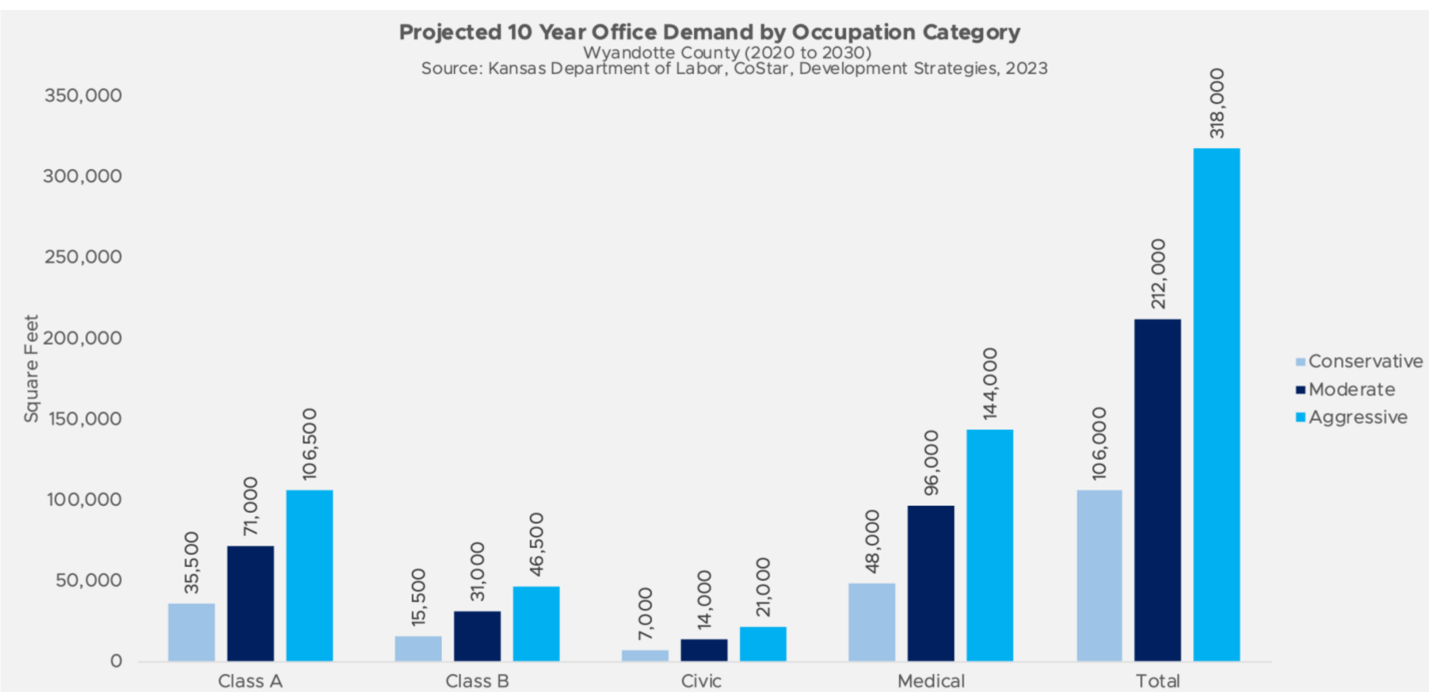
Determining future demand for office development involves evaluating a complex set of variables, including the desirability of the location, availability (and price) of land, existing industry clusters, and potential changes in consumer preferences and industry growth. A somewhat simpler method involves analyzing past office performance and calculating the regional share of office growth captured by the local market over the past decade and estimating future office demand using projected regional job growth in office-related industries.

The Kansas Department of Labor provides job projections for the Kansas City Area which includes Leavenworth, Wyandotte, Johnson and Miami counties. These projections show increase of roughly 29,700 jobs between 2020 to 2030, with roughly 16,800 in occupations that occupy various types of office space. Class A space is usually occupied by finance, law, architecture, and engineering occupations; while sales, arts and design, computer programming, and the sciences occupations tend to occupy Class B space. However, in recent years, the distinction between Class A and Class B office requirements by occupation have become blurred. Furthermore, following the adoption of work-from-home and hybrid work as a norm post-COVID, overall office utilization has declined; one result of this is that previous tenants of Class B and C offices are increasingly leasing smaller spaces within amenity-rich Class A properties.

From 2020 to 2030, occupations that historically occupy Class A space are projected to increase by over 2,800 employees, while occupations that occupy Class B space are projected to increase by approximately 5,000 employees. Medical-oriented occupations are projected to increase by an additional 5,200 jobs, while Civic occupations that use office space are projected to increase by around 3,800 jobs by 2030.

Based on estimates of roughly one employee per 150 to 250 square feet of office space, depending on occupation, these job figures imply regional demand for more than 2.1 million square feet of total office development through 2030. Demand by office type was calculated with additional weight on in-demand Class A space over comparatively poorly-performing Class B space. In the course of the decade, the region will see demand for 710,000 square feet of Class A space, 310,000 square feet of Class B space, 960,000 square feet of medical office space, and 140,000 square feet of civic office space.

Based on trends from the past two decades, Wyandotte County captures roughly 10 percent of total office development in the Kansas City Area, indicating demand for about 212,000 square feet of new development within the county. Assuming capture rates between five percent (conservative) and 15 percent (aggressive) yields an overall projected ten-year office demand between 106,000 to 318,000 square feet of office space in the county. Applying moderate capture rates, expected demand is 71,000 square feet of Class A space, 31,000 square feet Class B, 14,000 square feet civic, and 96,000 square feet medical. When accounting for space delivered since 2020, the demand for Class A office space lowers to between 13,900 to 35,500



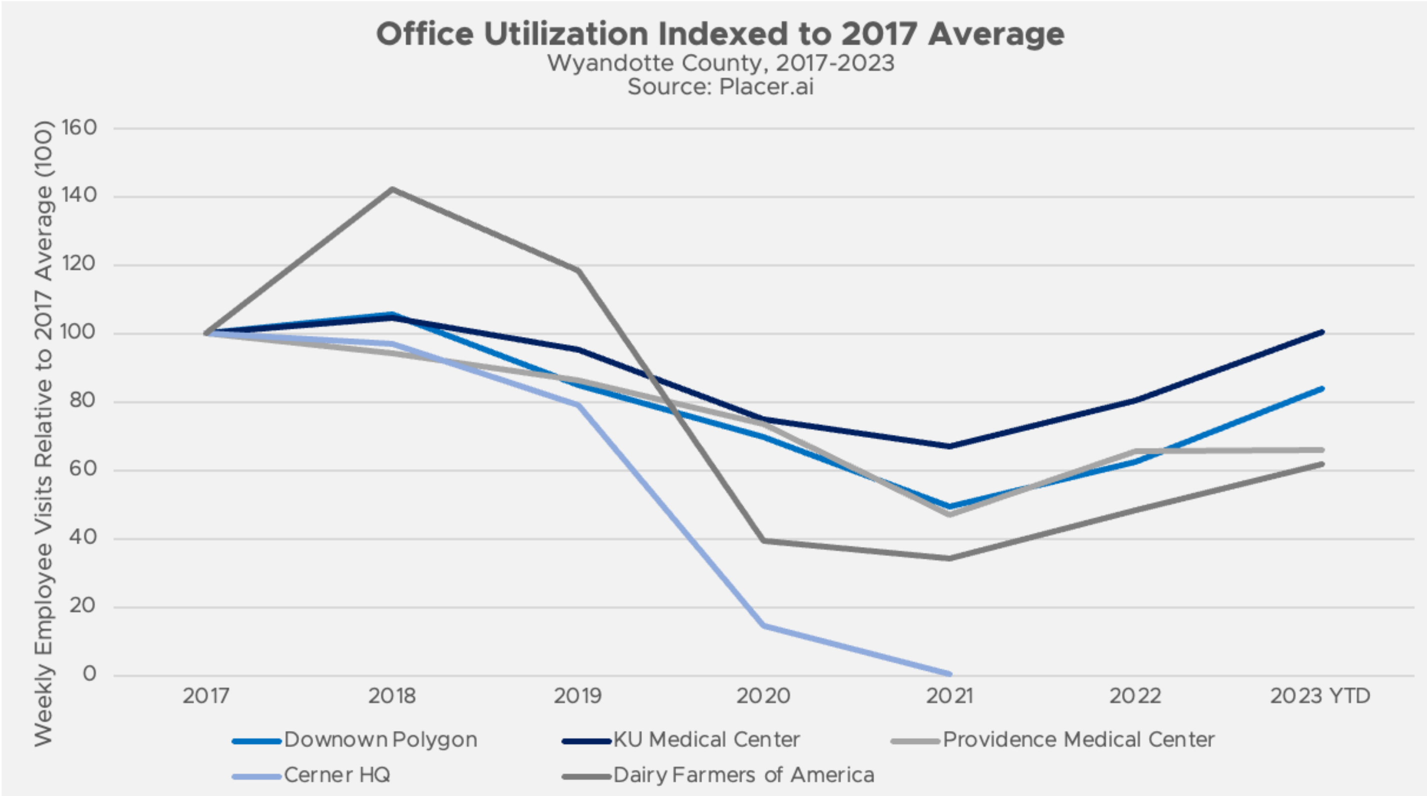
square feet, while demand for Class B diminishes to 9,000 to 40,000 square feet.

In the wake of the pandemic, office demand in the nation has declined significantly, with users increasingly moving towards higher-quality, smaller spaces. In Wyandotte County, this trend is partially evident—while overall vacancy rates remained relatively low through the pandemic, ranging from four to five percent, the current (July 2023) vacancy rate is 17 percent. That being said, occupancy offers only limited information on utilization; an office may be fully "occupied" without only few workers physically present in the building. Poor utilization can foreshadow vacancy, heavily impacting the long-term viability of a property.

To assess office utilization in Wyandotte County, we reviewed employee visit trends within four properties and one office-dense area within the county using data from Placer.ai. The properties—two medical and two Class A buildings—represent high-quality, recently developed office space in the region. The analysis area is approximately five million square feet of land within Downtown KCK, bound by Washington Boulevard to the north, North 10th and 9th streets to the west, Armstrong Avenue to the south, and North 5th Street to the east. We could not review all comparable properties, including those in Downtown, due to a lack of data availability. For those selected, we indexed the number of weekly by employees to the average from 2017, the earliest year available. The indices of weekly visits by employees for the years 2017 to 2023 is shown in the graphic below.

All but one of the sites have not returned to pre-pandemic utilization levels. According to CoStar, the Cerner Camps in Village West was formally vacated in 2023, though Placer.ai data indicates that it had been poorly occupied since the onset of the pandemic. Excluding this property, current utilization ranges from around 60 percent of 2017 averages to 100 percent. The strongest performing properties are the University of Kansas Medical Center and those in the Downtown area, which has a high density of public administration and government offices. In comparison, the two properties near The Legends Outlet (Dairy Farmers of America and Providence Medical Center) sustain relatively low utilization rates.

This data, combined with currently very high vacancy among existing Class A properties, suggest that countywide strategy should focus on the preservation and improvement of existing Class A and Class B space. Medical offices have opportunity to expand in the county and they likely will; recently, the University of Kansas announced the development of a $143-million cancer research center adjacent to its medical center in Rosedale, with expected completion in 2025. Other future office development will be spurred by institutional users, like the local government, which have seen relatively strong returns to offices. Speculative development will remain quite risky and should be directed toward high-amenity, small office spaces at heavily-trafficked and easily-accessible locations.


Office Utilization Indexed to 2017 Average
Wyandotte County, 2017-2023
Source: Placer.ai
Weekly Employee Visits Relative to 2017 Average (100)
160
140
120
100
80
60
40
20
0
2017
2018
2019
2020
2021
2022
2023 YTD
Downown Polygon
KU Medical Center
Providence Medical Center
Cerner HQ
Dairy Farmers of America

Hospitality Analysis

Market Overview

According to Visit KC, there are more than 36,000 hotel rooms within the Kansas City MSA, accommodating roughly 10.9 million annual overnight visitors. A diverse and growing economy, as well as increasing annual visitation will help bolster the performance of existing and new hotels within the region. Per CoStar, Wyandotte County has a total supply of about 2,087 rooms, accounting for just six percent of the MSA's total supply.

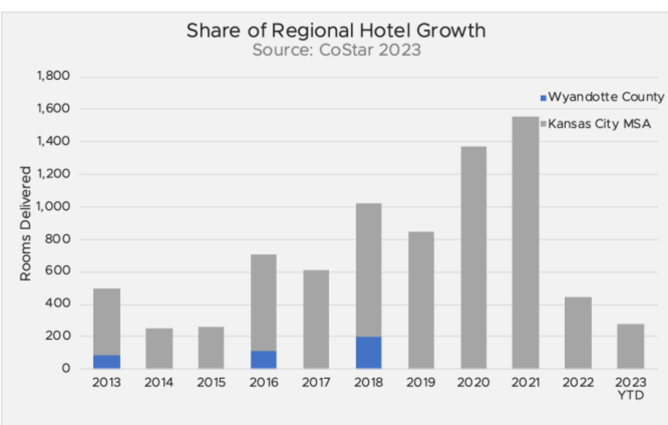
Prior to the pandemic, hotel demand in Wyandotte County and the MSA steadily grew. From 2013 to 2017, hotel demand in the county grew 22 percent, peaking at 466,000 annual room-nights in 2017. Demand remained fairly stable at 460,000 room-nights through February 2020, before plummeting to a decade-low of 308,000 room-nights in February 2021. As the effects of the pandemic waned, countywide hotel demand has resumed; as of May 2023, annual demand reached 442,000 room-nights.

Hotel trends have been similar in the larger MSA. Demand for hotel rooms in the Kansas City region peaked at 7.6 million room-nights in 2019, but fell drastically in 2020 and 2021 to a low of 4.8 million room-nights annually. In 2022, demand escalated rapidly to 7.3 million room-nights. This pattern continues into 2023, indicating that the hospitality market is beginning to return to pre-pandemic levels. Current demand for hotels in the Kansas City MSA is stronger than it was a decade ago, in 2013, when it totaled 6.3 million room-nights, another positive sign of growth.

Despite a downturn in hotel demand throughout the past few years, the supply of hotel rooms in the Kansas City MSA has increased steadily. From 2017 to 2022, the hotel supply grew from 31,637 rooms to 36,187 rooms. Of the roughly 4,500 rooms that have been added to the market since 2017, only around 394 rooms, or nine (9) percent of regional deliveries, were completed in Wyandotte County.

The Kansas City MSA saw a hotel construction boom between 2017 and 2020, with an average of 10 buildings, or 984 rooms, added each year. Construction starts have fallen to half that level since 2021 in the wake of the pandemic. Four buildings were added in 2022 and just one building thus far in 2023. Despite the construction downturn, new developments in the region are significant; deliveries totaled nearly 500 rooms in 2022 and 276 rooms thus far in 2023. Wyandotte County has seen similar trends in the past decade. A record 197 rooms were added in 2018 followed by an additional 108 rooms in 2019. Home2Suites by Hilton Kansas City KU Medical Center, an upper midscale hotel with 89 guest rooms, was added in 2018. Homewood Suites by Hilton Kansas City Speedway, an upscale hotel with 108 guest rooms, was added in 2019. It is located within The Legends Outlets. Construction stalled in 2020 and has remained stagnant since then. No rooms have been added in the county since 2019 as of collecting this data. A new hotel is currently under construction (2023) at Parallel Parkway and 98th street in KCK.

Of the 7,356 total hotel rooms added in the Kansas City region in the past decade, approximately 585, or around eight percent, have been in Wyandotte County. The bulk of new hotels in the region have been located in Kansas City, Missouri. Despite its lack of recent hotel additions, Wyandotte County is expected to see a large development, Vacation Village, on the site of the old Schlitterbahn Water Park, which closed in 2018. The site is located across Interstate 435 from the Kansas Speedway near the intersection of State Avenue and North 94th Street. Construction has begun on this $838 million development, which will include athletic training facilities through Homefield Kansas City, Big Shots Golf, Atlas 9 Museum, and



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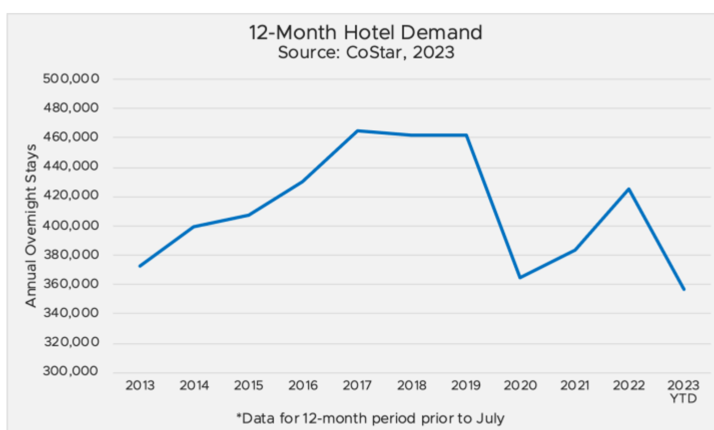


**Data from July 2023; YTD reflects January to June 2023*

a 55,000 square foot entertainment arena. The development will also include Margaritaville Resort, a $145 million hotel project bringing 250 guest rooms, a themed restaurant, and a small waterpark.

With the exception of a slight dip in 2021, the Kansas City MSA's hospitality market has seen steady price growth for the past decade. The average daily rate (ADR) in the MSA grew consistently from $86.77 in 2013 to $103.80 in 2019. Similarly, the ADR in Wyandotte County increased from $89.68 in 2013 to $107 in 2019. Rates plummeted in 2020 and 2021 due to the pandemic, falling to a low of $79.82 in the MSA in March 2021 and a low of $87.27 in the county in the same month, respectively. Rates have steadily rebounded since 2022 and are currently an average of $114.16 per night in the MSA and $121.50 per night in the county. The ADR in the county is more than six percent higher than that in the region, mostly due to the numerous hotels, more than 10, located adjacent to the Kansas Speedway and Legends Outlet attractions, bringing in premium rates. The remainder of hotels in the county are generally concentrated along State Avenue, one of the largest commercial corridors in the area.

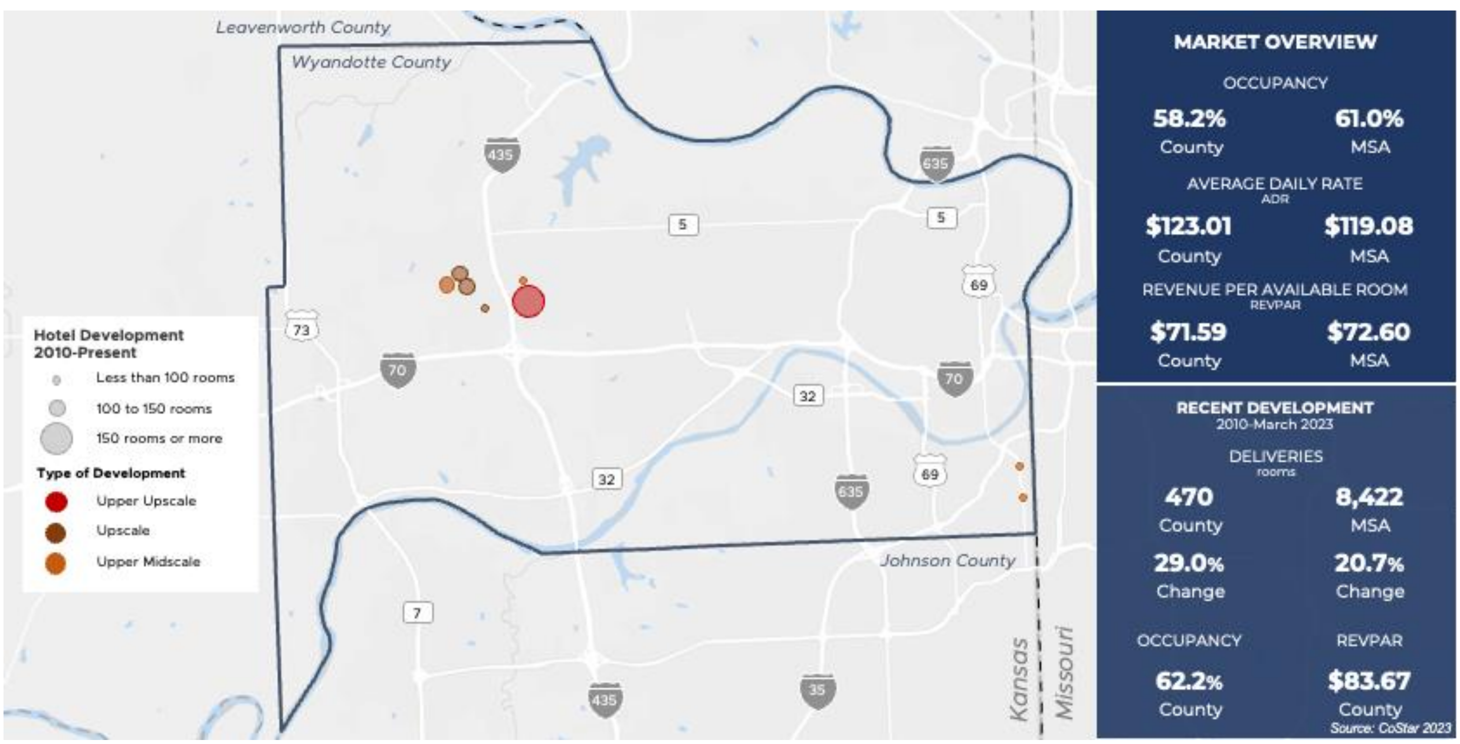
The graphic below depicts the location and size of hotel properties delivered in the county since 2010.

Competitive Supply

Wyandotte County contains approximately 2,100 hotel rooms. Roughly 21 percent of the supply has been built since 2010, but only 173 rooms, or eight (8) percent, have been built in the past five years. Hotels in the county are concentrated around the Kansas Speedway and Legends Outlet, near the University of Kansas Medical Center, along State Avenue, a major commercial thoroughfare, and along the Kansas City Turnpike. Our analysis of the hospitality competitive environment within Wyandotte County has focused on showing pertinent hotel characteristics including age, location, quality, and daily rates. We have surveyed and analyzed six competitive hotels.

According to CoStar, the average daily rate (ADR) among hotels in the county is $121.50, up 26 percent from $89.68 in 2013. Newer hotels in the area, built in the past decade, bring in $139 to $161 per night on weekdays and $209 to $248 per night on weekends. Home2Suites by Hilton Kansas City KU Medical Center, an upper midscale hotel, was built in 2018 and contains 89 guest rooms. It averages $139 per night on weekdays and $248 per night on weekends. Residence Inn Kansas City at The Legends, an upscale hotel, was built in 2016 and contains 108 guest rooms. It averages $161 per night on weekdays and $209 per night on weekends. These prices reflect summer rates, which are generally higher than in the winter.

Older hotels, built around 2000, typically range from $104 per night on weekdays to $119 per night on weekends. Hilton Garden Inn Kansas City/Kansas, an upscale hotel, was built in 2002 and contains 147 guest rooms. It charges $156 per night on weekdays and $163 per night on weekends. Quality Inn I-70, a midscale hotel, was built in 1998 and contains 45 guest rooms. It averages $104 per night on weekdays and



$119 per night on weekends. Like prices at the newer hotels, these prices also reflect summer rates, which are generally higher than in the winter.

Location also plays a large part in hotel rates in Wyandotte County. Hotels located by the Kansas Speedway and Legends Outlet attractions and the University of Kansas Medical Center draw a premium. Best Western Premier KC Speedway Inn & Suites includes 82 guest rooms and averages $155 per night on weekdays and $240 per night on weekends. Residence Inn Kansas City at The Legends, averages $161 per night on weekdays and $209 per night on weekends.

Similarly, hotels near the Medical Center draw high rates. Home2Suites by Hilton Kansas City KU Medical Center, located about three blocks north of the hospital, is priced at $139 per night on weekdays and $248 per night on weekends. Holiday Inn Express & Suites Kansas City KU Medical Center, an 83-room upper midscale hotel located directly across from the Medical Center, averages $146 per night on weekdays and $219 per night on weekends. This is in contrast to hotels located along State Avenue and the Kansas City Turnpike. Hilton Garden Inn Kansas City, considered an upscale hotel situated at State Avenue and North 5th Street near the Kansas-Missouri border, draws a similar weeknight rate ($156 per night) but is in far less demand on the weekends, charging $163 per night. Similarly, Quality Inn I-70, located farther from area attractions at the Kansas City Turnpike and North 78th Street, averages $104 per night on weekdays and $119 per night on weekends. These rates also represent summer prices, which are generally higher than in the winter.

New hotel construction in Wyandotte County includes Fairfield Inn, located at 98th Street and Parallel Parkway in Village West which will offer 87 rooms and is planned to be completed by 2024. Just south of that development is the planned Margaritaville Resort, which is expected to include a 230-room resort hotel.

The hotel properties surveyed are summarized in the graphic on the next page.

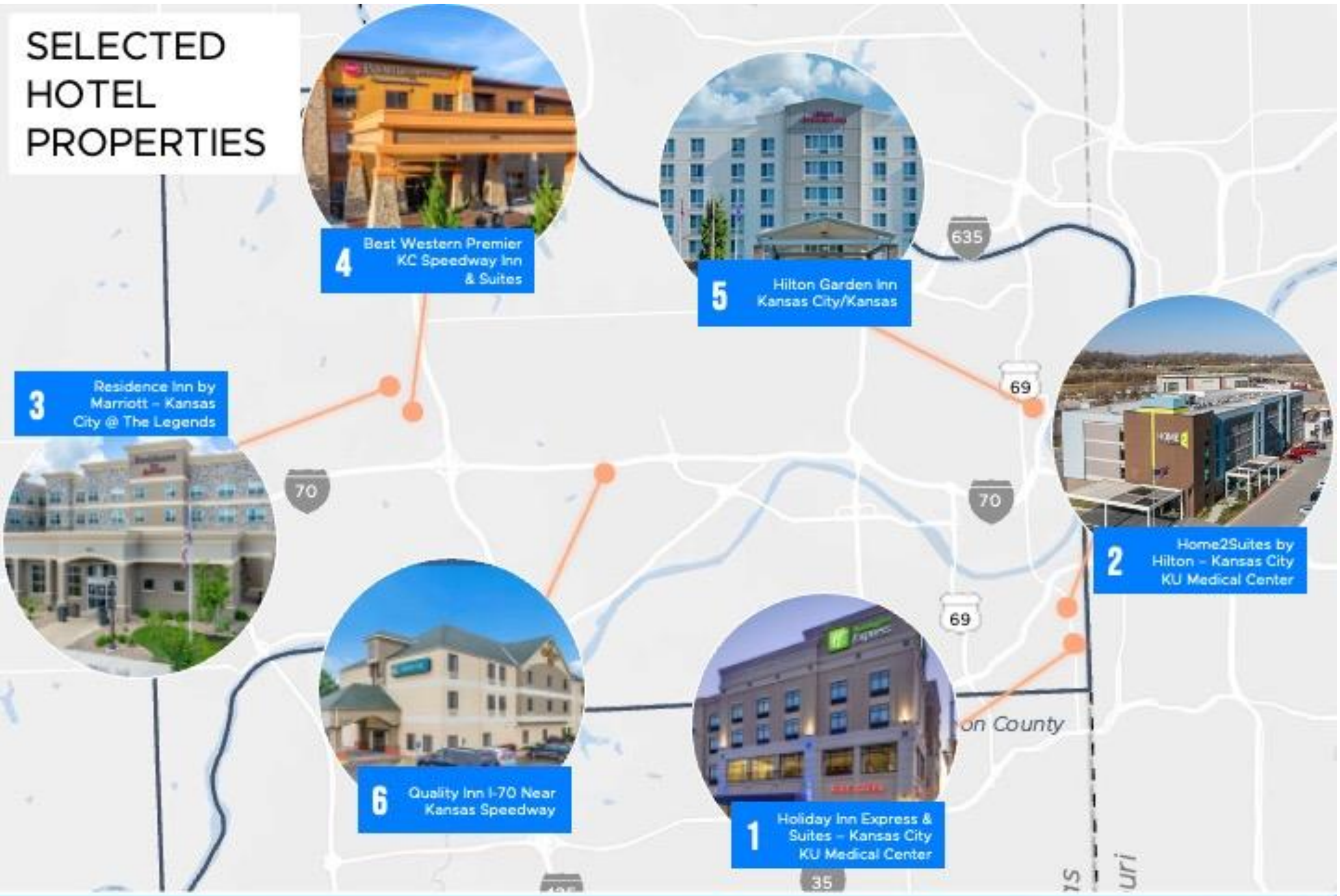
Competitive Market Position

Wyandotte County's hospitality market was thriving prior to the pandemic. It took a downward turn in March 2020 and witnessed decreasing demand through March 2021. Since then, the market has been slowly building back, with both demand and average daily rates increasing through May 2023. Hotels of all ages and classes can be found in the county, with newer hotels and those located in desirable locations near the Kansas Speedway and University of Kansas Medical Center drawing the highest daily rates. Thus, future hotel development is market-supported in those areas. That being said, long-term economic hardship caused by the pandemic and inflation is changing the nature of travel; leisure travel is on the decline while business travel remains strong. Hence, hotel development near large corporations in the county, specifically near KCK's urban core and along Interstate 70, is also market-supported.

A number of the county's largest employers, including Kansas City Kansas Community College, the Unified Government of Wyandotte County and Kansas City, Kansas and Associate Wholesale Grocers, are located along the Interstate 70 corridor. Hotels in this area draw much lower average daily rates than hotels to the west near the Kansas Speedway, despite being conveniently located directly off the highway. Many of these hotels are older and largely outdated, and newer, more attractive options will be in demand as business travel begins to drive the hospitality market.

In addition to shifting travel patterns, tighter lending practices are increasing demand for the use of incentives and community-led and-focused strategies to attract needed hotel development to the county, particularly in under-served neighborhoods in mid-county.

SELECTED HOTEL PROPERTIES



	Hotel	Year Built	Class	Number of Rooms	Weekday Rate per Night*	Weekend Rate per Night*
1	Holiday Inn Express & Suites – Kansas City KU Medical Center	2012	Upper Midscale	83	$146	$219
2	Home2Suites by Hilton – Kansas City KU Medical Center	2018	Upper Midscale	89	$139	$248
3	Residence Inn by Marriott – Kansas City @ The Legends	2016	Upscale	108	$161	$209
4	Best Western Premier KC Speedway Inn & Suites	2011	Upscale	82	$155	$240
5	Hilton Garden Inn Kansas City/Kansas	2002	Upscale	147	$156	$163
6	Quality Inn I-70 Near Kansas Speedway	1998	Midscale	45	$104	$119

Source: Hotels.com, CoStar

*These figures represent rates for standard two-bed rooms for the month of July

Demand Analysis

Determining future demand for hotels involves evaluating many variables, including the desirability of the location, price per room, occupational projections, and tourism trends. A somewhat simpler method involves analyzing historical room nights and average annual growth to project future room nights and demand, then using an occupancy rate of 75 percent to project the future number of additional rooms that could be supported to determine supply.

The Kansas Department of Labor provides job projections for the Kansas City Area which includes Leavenworth, Wyandotte, Johnson and Miami counties. These projections show an increase of roughly 29,700 jobs between 2020 to 2030, with roughly 16,800 in professional occupations such as finance, law, architecture, engineering, sales, computer programming, and the sciences. These occupations are generally the most likely to require business travel, indicating the need for out-of-town workers to utilize hotel space. Other strong drivers of hotel demand are universities, medical schools, and hospitals. While students themselves do not typically utilize hotel space, their families make up a sizable component of annual hotel demand. The University of Kansas Medical School, located just east of Rainbow Boulevard in the Hanover Heights neighborhood, educates nearly 3,700 students each year, with about 14 percent, or 518 students, hailing from states other than Kansas.

Similarly, the University of Kansas Medical Center reports a large contingent of out-of-state visitors. Of the nearly 3.1 million visits to the medical center each year, approximately 140,000, or five percent, are from those who live outside of Kansas and Missouri.

According to Visit Kansas City KS, the city welcomes more than 12 million visitors annually. In addition to business travelers, school travelers, and those seeking medical care, another top driver of hotel demand in Wyandotte County is tourists. A 2018 economic impact and visitor profile of the Kansas City region showed that in Wyandotte County alone, nearly $209 million in direct tourism spending was recorded with an overall economic impact of $340 million. In particular, visitors flock to Kansas Speedway, Hollywood Casino Kansas Speedway, and The Legends Outlets. Based on information from the same study, Hollywood Casino Kansas Speedway is one of the top overnight attractions in the region, drawing about 13 percent of all overnight tourists. A study conducted by the Kansas City Sports Commission shows that events at the Kansas Speedway contribute nearly $250 million annually to the local economy, with 70 percent of that spending coming from residents outside of the metro area. The Legends Outlets are also a top tourist destination. Legacy Development released a report showing the average drive to the outlets is more than 81 miles in all directions. Just 37 percent of Legends visitors are Wyandotte County residents. Hotels near these top attractions should continue to see high demand.

Another, somewhat simpler, way to calculate future hotel demand in the county is to use demand calculations. The number of hotel rooms in Wyandotte County as of 2023 totals 2,087. Average occupancy for these rooms hovers around 58 percent. The estimated number of overnight stays in the county in 2023 is 442,000. Overnight stays grew approximately 4.6 percent each year from 2013 to 2019.

Pandemic years (2020 to 2022) have been excluded from this analysis for accurate projection purposes. Using this figure to calculate growth in overnight stays results in a projected total of 554,756 overnight stays in 2028. Comparing this number to overnight stays in 2023 results in total growth of 112,756 overnight stays. When compared to the total estimated room nights in 2023, this number implies a 26 percent share of demand. Using this growth projection and dividing by a 75 percent occupancy rate results in an estimated 412 hotel rooms that could be supported through 2028. That is 20 percent of the current share of supply. We have also calculated the penetration rate to confirm there is sufficient support for new rooms within Wyandotte County. The penetration rate is the ratio of a particular property's actual room nights captured versus its fair share. Fair share is the number of the property's rooms relative to the number of rooms in the market.

A penetration rate above 100 percent indicates that a hotel must capture more than its fair share of existing hotel demand, which is typical for better quality brand-name hotels. The penetration rate in our county-wide analysis, 129, indicates that the hotel to be developed will need to capture slightly above its fair share. Although there is continued growth in demand throughout the market, lower occupancy rates indicate that the market is somewhat oversaturated. To capture more than its fair share, the development of 412 new hotel rooms should be carefully developed—perhaps at a later phase—within the context of a larger, well-established mix of development.

The demand calculations are displayed in the table below.

Demand Calculations	
Existing Supply	**Hotel Rooms**
Total Hotel Rooms in Wyandotte County in 2023	2,087
Occupancy (2023)	58%
Historical Demand	**Overnight Stays**
Estimated Room Nights in 2023	442,000
Avg. Annual Growth (2013-19)	4.6%
Projected Demand	**Overnight Stays**
Proj. Room Nights in 2028	554,756
Proj. Growth in Room Nights (2023-28)	112,756
Proj. Hotel Rooms in 2028 @75% occ.	412
Fair Share of Supply	20%
Fair Share of Demand	26%
Overall Penetration Rate	129%

During the pandemic, hotel demand in the nation declined significantly, with tourism and other forms of travel coming to an abrupt halt. In Wyandotte County, this trend is particularly evident—total overnight stays dropped sharply from 461,361 in 2019 to 343,523 in 2021. Despite this decline, recovery was quick. Overnight stays grew more than 22 percent in 2022, to 420,204, and have continued to grow to 442,000 stays in 2023, which is just 4.5 percent less than pre-pandemic highs. Strong recovery can foreshadow occupancy, impacting the long-term growth of the sector.

Annual growth data of overnight stays coupled with strong indicators from the local tourism sector suggest that hotel development can be supported in the next five years, and the best strategy will be to develop near major tourist attractions or the medical center corridor.

Industrial Analysis

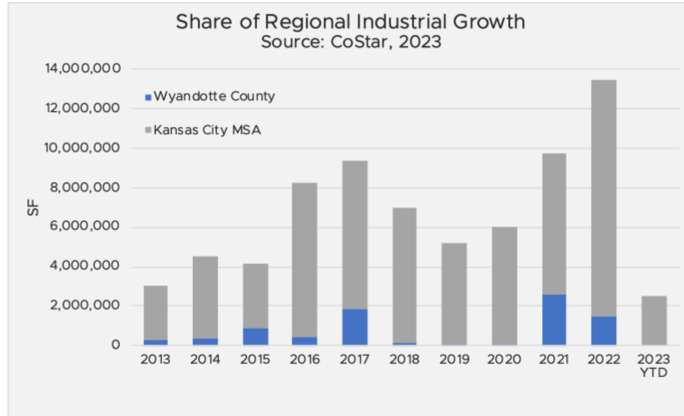
Market Overview

The industrial market in both the Kansas City MSA and Wyandotte County remains strong, with rents increasing, vacancies decreasing, and units being added. According to CoStar, Wyandotte County's industrial market is comprised of approximately 48.9 million square feet across 980 buildings. The county accounts for about 15 percent of industrial square footage in the Kansas City MSA, which totals roughly 333.9 million square feet within 6,871 buildings.

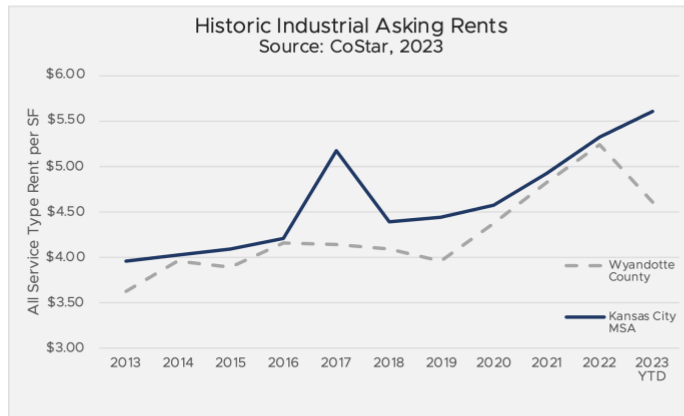
Deliveries have increased substantially each year over the past decade in both the MSA and the county. Of the 71 million square feet of industrial space delivered in the MSA in the last 10 years, eight (8) million square feet, or 11 percent, were in Wyandotte County. Deliveries in the MSA grew from just three million square feet within 17 buildings added in 2013 to seven (7) million square feet across 53 buildings added in 2018. Deliveries slowed in 2019 and 2020 as those units were absorbed and increased again to 9.7 million square feet in 2021 and a decade-high of 13.5 million square feet in 2022.

Likewise, deliveries in Wyandotte County grew from just 280,000 square feet in one building added in 2013 to 1.8 million square feet in nine (9) buildings added in 2017. The majority of these buildings are located north and south of the Interstate 70/Turner Diagonal Freeway interchange. At least half are distribution facilities, while another half are warehouse buildings. Countywide development stalled between 2018 and 2020, adding just 193,000 square feet. In 2021 and 2022, deliveries began increasing again, with the delivery of 2.6 million square feet within 12 buildings and 1.5 million square feet in three buildings, respectively. As of July 2023, 2.5 million square feet across 11 buildings have been added in the Kansas City MSA this year, of which less than one percent, or 2,500 SF, is located in Wyandotte County. Per CoStar, an additional two buildings, totaling 80,000 SF, are currently under construction in the county, comprising five percent of the 10.3 million square feet under construction region-wide. These numbers indicate that deliveries in the county have slowed, while deliveries elsewhere in the region remain on pace with that of the last five years.

Rents within the industrial market in both Wyandotte County and the Kansas City MSA have increased steadily in tandem with a general reduction in vacancy rates. The average asking rent in the MSA is $5.61 per square foot—a nearly 30 percent increase since 2013, when rents averaged



**Data from July 2023; YTD reflects January to June 2023*

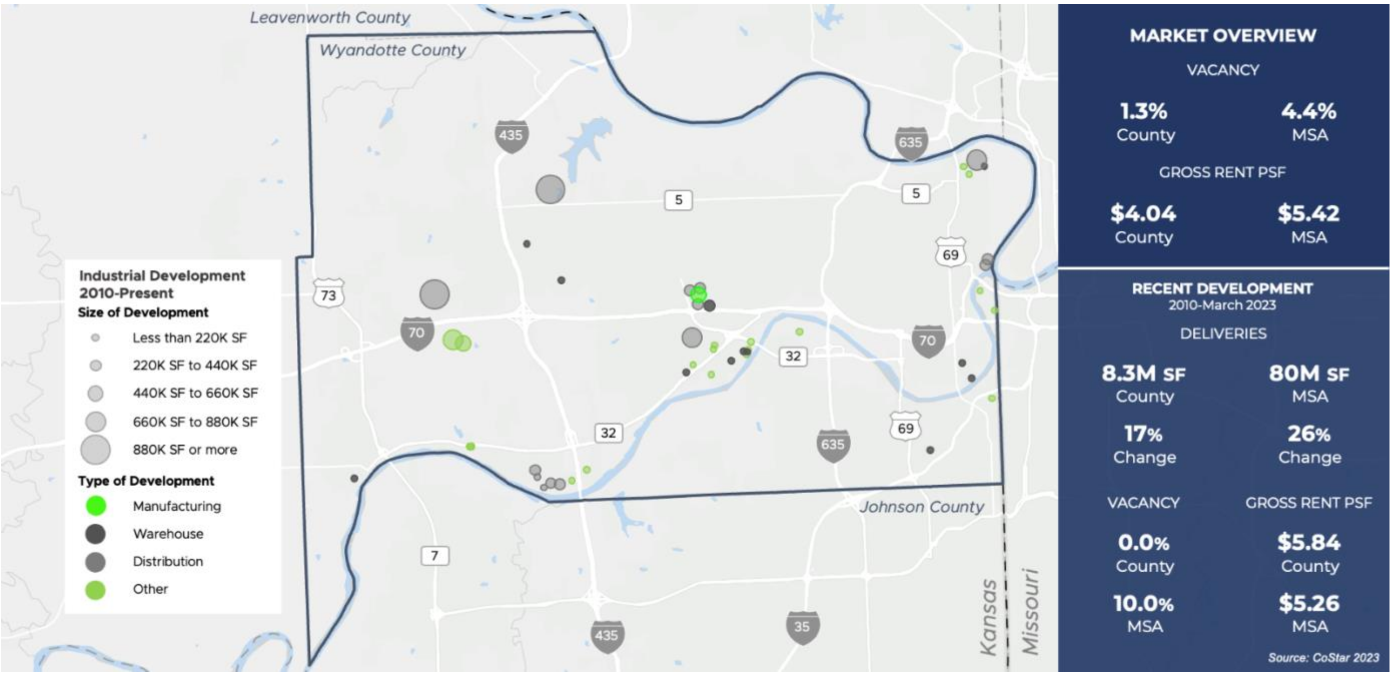


**Data from July 2023; YTD reflects January to June 2023*

$3.96 per square foot. The average asking rent in the county is 18 percent below that of the MSA at $4.60 per square foot. Rent growth in the county has been comparable, having increased 21 percent since 2013.

Vacancy rates in Wyandotte County have steadily diminished over the last decade. The county saw high vacancy rates of 4.1 percent in 2013, which fell to 3.1 percent by 2020. Vacancy rates increased in 2021, to 4.6 percent, due to the pandemic, but fell to 2.9 percent by 2022. The vacancy rate of 1.3 percent as of July 2023 is the lowest the county has seen in the past 20 years. Similarly, vacancy rates in the Kansas City MSA have largely declined since 2014. Vacancy rates fell from 6.6 percent in 2014 to five percent in 2018 and 2019, respectively. Despite the effects of the pandemic, vacancy rates in the MSA remained low, or 4.4 percent and 4.5 percent in 2020 and 2021, respectively. The MSA's current vacancy rate of 3.2 percent is the same as in 2022 and is the lowest vacancy rate in the region in 20 years.

The graphic on the following page depicts the location and size of industrial properties delivered in the county since 2010.



In Wyandotte County, several sizeable leases have been signed since 2022. Two have been in the Armourdale neighborhood, including Stryten Energy for 124,000 square feet and CED for 107,000 square feet; five have been in the Interstate 435 West neighborhood, including Amazon Fulfillment Center for 1.1 million square feet; and two have been in Bonner Springs, including the county's largest, an Urban Outfitter's headquarters, for over 880,000 square feet.

Competitive Supply

Wyandotte County contains approximately 49 million square feet of industrial space. Roughly 19 percent of the supply has been built since 2000, and eight (8) percent of that has been in the past five years. Industrial properties are spread throughout the county, with several expansive distribution facilities added in the past two years. Our analysis of the industrial competitive environment within Wyandotte County focuses on age, size, and average rent. We have surveyed and analyzed seven (7) competitive industrial properties, summarized in the graphic on the following page.

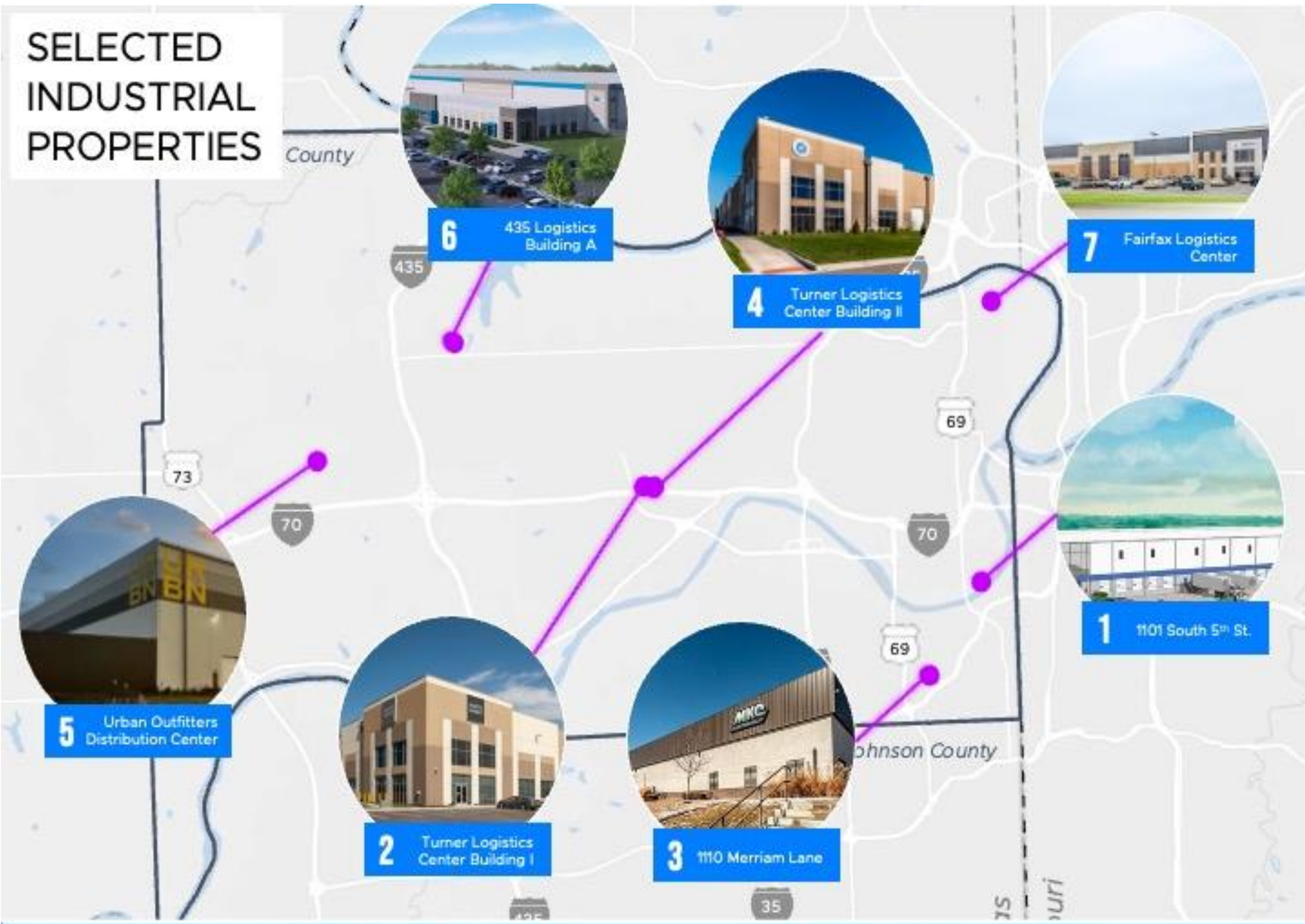
According to CoStar, the average rental rates among industrial properties in the county is $4.60 per square foot, up from $3.63 per square foot a decade ago. Newer industrial properties, built in the past decade, lease for an average of four to five dollars per square foot. Some of the smaller, more niche industrial facilities in the county lease for as much as seven (7) dollars per square foot.

The Turner Logistics Center is the largest industrial deliverable in Wyandotte County in the past decade, boasting a total of 1.5 million square feet over five buildings. The buildings range from 346,826 square feet to 543,554 square feet across 250 acres. The development was built in stages between 2021 and 2022 and is just north of Interstate 70 at the Turner Diagonal Freeway.

Other large industrial facilities in Wyandotte County include the Urban Outfitters Distribution Center, built in 2022 and comprising over 880,000 square feet of space. The property is located adjacent to the highly-trafficked Legends Outlet. Another large-scale property, the 435 Logistics Center Building A, was built in 2021 and comprises 1.1 million square feet of space. The warehouse, located just east of the intersection of interstates 70 and 435, is fully leased as an Amazon Warehouse. It is part of a larger 400-acre master-planned logistics park that will include five additional buildings ranging from 100,000 to 855,000 square feet at the former Woodlands race track site. The Fairfax Logistics Center is one of the county's largest, built in 2017 and comprising 840,000 square feet of space. The logistics center houses Comprehensive Logistics Company. Another notable industrial facility in the county, the 1101 South 5th Street Warehouse building, was built in 2021 and is comprised of nearly 75,000 square feet occupied by PepsiCo. It is located at Levee Road and South 7th Street, just north of the Kansas River in the Armourdale neighborhood. All four of these industrial facilities are single-tenant buildings and lease for five dollars per square foot triple net.

Smaller, more specialized facilities in the county include 1110 Merriam Lane, a 14,000-square foot warehouse building built in 2016. It is home to a single tenant, Buck Roofing Construction LLC, and leases for $7.50 per square foot. It is located in a highly developed area just north of Interstate 35 along a busy commercial and industrial corridor.

Scannell Properties is in the process of converting the former Woodlands Racetrack in Wyandotte County to a master-planned logistics park consisting of 3.4 million square feet of space across six buildings. The development is located just east of the intersection of Interstate 435 and Leavenworth Road. As aforementioned, one building has been built and is occupied by Amazon. The other five buildings are speculative and are build-to-suit to lease or build-to-suit to own. They sit on parcels of roughly 35 to 40 acres each. Marvin Companies, a Minnesota-based window manufacturer, is in the permitting stages to build one of the buildings, which will comprise a 406,960 square feet manufacturing facility.



	Development	Year Built/Reno.	Total Size (SF)	Lot Size (Acre)	Type	Percent Leased	Total Tenants	Average Rent (SF/yr)	Key Tenants
1	1101 South 5th Street	2021	74,256	11.1	Warehouse	100%	1	$5	PepsiCo
2	Tuner Logistics Center Building I	2021	406,000	23.98	Warehouse	100%	2	$4.50	Harte Hanks
3	1110 Merriam Lane	2016	14,000	1.12	Warehouse	100%	1	$7.50	Buck Roofing Construction
4	Turner Logistics Center Building II	2021	375,536	9.00	Distribution Center	100%	4	$5	Elko, Plastic Packaging Technology
5	Urban Outfitters Distribution Center	2022	880,254	553.8	Distribution Center	100%	1	$5	Urban Outfitters
6	435 Logistics Building A	2021	1,100,000	382.02	Distribution Center	100%	1	$5	Amazon Fulfillment Center
7	Fairfax Logistics Center	2017	840,000	51.25	Distribution Center	100%	1	$4	Comprehensive Logistics Co.

Competitive Market Position

Wyandotte County's industrial market continues to witness strong demand, driven by the global shift to e-commerce and the increasing need for distribution centers. Industrial facilities of all ages and types can be found in the county, and nearly all are at 100 percent occupancy with rents averaging four to five dollars per square foot. Numerous newer distribution centers and warehouse facilities are located to the north and south of the Interstate 70/Turner Diagonal Freeway interchange as well as to the west along Interstate 435 near the Kansas Speedway. Future industrial development will be space-dependent; vacant industrial land in the county is heavily concentrated along Interstate 635 south of Metropolitan Avenue in the Sandifer Industrial Park. A handful of other industrial-zoned plots are located near Interstate 435 and Kaw Drive. Recent trends suggest growing demand for industrial properties in the county, with rents remaining stable for the past four years and the vacancy rate falling to the lowest it has been in 20 years. Despite the pandemic, or perhaps in part because of it, the industrial market benefits from the shift to e-commerce. However, the threat to the county industrial market going forward will be tighter lending standards for construction loans and a reduction of greenfield opportunities; as of 2023, industrial deliveries in the county are down sharply from that of 2021, a sign that lending practices could already be impacting the market.

Wyandotte County is well-positioned for future industrial development, given its historically strong market, strategic location, and excellent access to regional and national end markets. The county benefits from its proximity to multiple modes of transportation, including by rail, water, vehicle, and air. Location adjacent to Downtown KCK Missouri, and its comparatively significant concentration of undeveloped land gives the county a competitive edge over other locations in the MSA. Further, nearby major medical centers, such as the University of Kansas Medical Center, and offices of organizations like the Environmental Protection Agency position the county to benefit from recent increased federal investment into reshoring jobs in bioscience and pharmaceutical and medical device manufacturing. The Kansas Speedway has also precipitated development of distribution centers and warehouses—a trend that is expected to escalate with the growing e-commerce market. Perhaps most notably, Wyandotte County boasts direct interstate connections to regional cities, like Topeka and Columbia, Missouri, as well as large metropolitan centers like St. Louis, Oklahoma City, Denver, and Minneapolis.

One of every three jobs in Wyandotte County is within industries centered around industrial sectors, including manufacturing, warehousing, and transportation. This finding underscores the importance of preserving the sector's growth. Several of the county's new industrial and logistics park, including the 435 Logistics Center located just east of the intersection of Interstate 435 and Leavenworth Road, have build-to-suit spaces still available, while industrial construction in the county has fallen consistently since 2020. Tighter lending practices are increasing demand for the use of incentives and community-led and-focused strategies to attract manufacturing companies to the county, which will bolster both industry and job growth going forward.

Demand Analysis

To quantify industrial demand through the next decade, we employed occupational projections for the Kansas City Region, inclusive of Wyandotte, Johnson, Leavenworth, and Miami counties. We then isolated occupations that utilize industrial space, which include production and transportation and material moving occupations. Through 2030, the region is expected to gain nearly 4,000 new industrial jobs of these types. As of 2021, Wyandotte County accounted for around 45 percent of regionwide industrial positions.

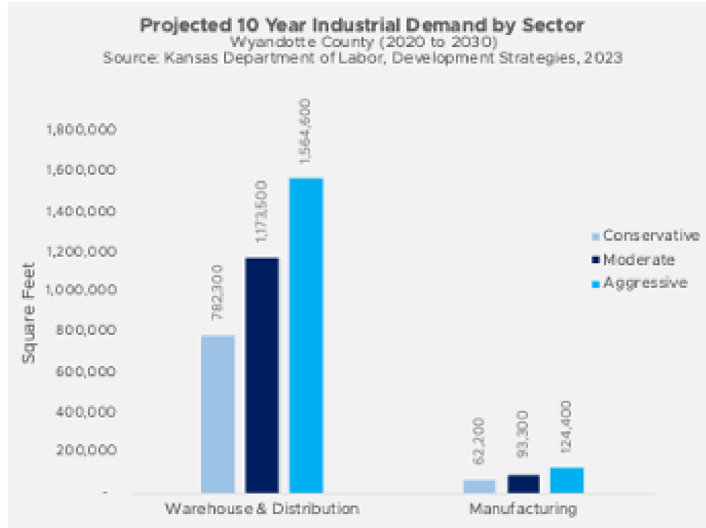
Industrial space utilization per worker varies heavily based on use, geography, and machinery, among many other factors. In Wyandotte County, from 2011 to 2021, the addition of one industrial worker was associated with the delivery of 991 square feet of industrial space, per data from CoStar. When selecting only transportation and material moving occupations, which comprise the lion's share of recent industrial job growth, this association increases to 1,117 square feet per worker. According to the U.S. Energy Information Administration, as of the most recent data available (2018), the mean utilization rate in distribution centers is around 2,000 square feet per worker. Given such a wide range of utilization rates, we applied three assumptive scenarios: 1,000 square feet per employee (conservative), 1,500 square foot per employee (moderate), and 2,000 square foot per employee (aggressive). From the period of 2000 to 2010, then 2011 to 2021, Wyandotte County consistently captured 21 percent of industrial deliveries in the four-county Kansas City region. Hence, we applied the stable capture rate of 21 percent to projected future industrial supply.

Based on 10-year employment projections, the region can support the delivery of between 3,964,000 square feet to 7,928,000 square feet of industrial space. Of this space, between 3,782,000 to 7,564,000 square feet will be within warehouse and distribution centers, while 182,000 to 364,000 square feet will be in manufacturing properties. Wyandotte County is expected to be able to support between 844,500 to 1,689,000 square feet of additional industrial space through 2030, assuming that the county captures a consistent share of regionwide growth. The majority of this space, between around 780,000 to 1,564,000 square feet, will be in warehouse and distribution centers, with between 62,000 to 124,000 square feet delivered in manufacturing facilities.

In our analysis, we calculated the projected delivery of up to around 1.7 million square feet for the period of 2020 to 2030, however, since 2020 alone, the county has added over three million square feet within 22 new warehouse and distribution properties, indicating that existing projections constitute a significant underestimate of 10-year growth. This discrepancy may be the product of a variety of factors. Firstly, regional occupational projections for 2020 to 2030 could have underestimated job growth within the transportation and warehousing sector, as they were potentially calculated prior to the meteoric rise of the e-commerce sector around the pandemic. According to data from the Bureau of Economic Analysis, this sector gained only around 1,000 employees from 2011 to 2016, before adding upwards of 5,000 employees between 2017 to 2021. Consistent with this massive growth, the industrial market in Wyandotte County expanded rapidly in the following years—a trend that could slow significantly in coming years, as these recently-delivered properties are absorbed and the market cools. Next, another potential factor is that our assumption of the ratio of industrial space to worker is inaccurate. With increasing automation and considerable technological advancement since utilization rates were last published in 2018, the current ratio of space to worker may have increased. For example, the 1,100,000-square foot Amazon Fulfillment Center FOE1, delivered in 2021, employs around 1,100 workers, giving a utilization rate of 1,000 square feet per employee.

Finally, one other possibility is that we have underestimated Wyandotte County's capture rate of regional industrial deliveries. Although the county consistently captured around 20 percent of regional development historically, from 2020 to the present, it accounted for 28 percent of total deliveries. In other words, Wyandotte County is growing into a more competitive regional e-commerce center.

Located centrally in the country, with strong connections to end markets throughout the Midwest and South via rail, water, interstate, and air, Wyandotte County is very well positioned for future growth of the transportation and



warehousing industry. Hence, future trends will be heavily dependent on continued growth of the e-commerce market. Growth hinges on the popularity of existing major employers with significant real estate footprints, including Amazon and Urban Outfitters. It will also depend on the stability of longstanding manufacturing centers like the General Motors Fairfax Assembly Plant. Among the greatest barriers to future industrial development is the availability of unimproved land. As space within longstanding industrial districts along the riverfront becomes scarce, industrial deliveries have been creeping northward. For instance, clusters of recently developed warehouses and distribution centers have arisen along the Turner Diagonal Freeway in the Coronado neighborhood, as well as near The Kansas Speedway. Such migration of industrial deliveries has the potential to conflict with surrounding uses and disrupt neighborhood conditions, demanding proactive and community-oriented strategy for the selection and approval of future industrial space development.

Altogether, Wyandotte County has a strong and growing industrial market, which has already surpassed 10-year delivery estimates. While this growth is likely to slow in coming years, the county is well-positioned as a regional center for e-commerce and logistics.

Demand Summary

The table on the following pages summarizes a prospective development program consisting of retail, multi-family, hospitality, and office uses.

As indicated, demand is estimated for:

- approximately **500 units** of affordable and market-rate housing,
- more than **320,000 square feet of retail and office space**
- up to **400 hotel rooms**, and
- over **1.7 million square feet of industrial space**

Demand Summary: Context & Marketability

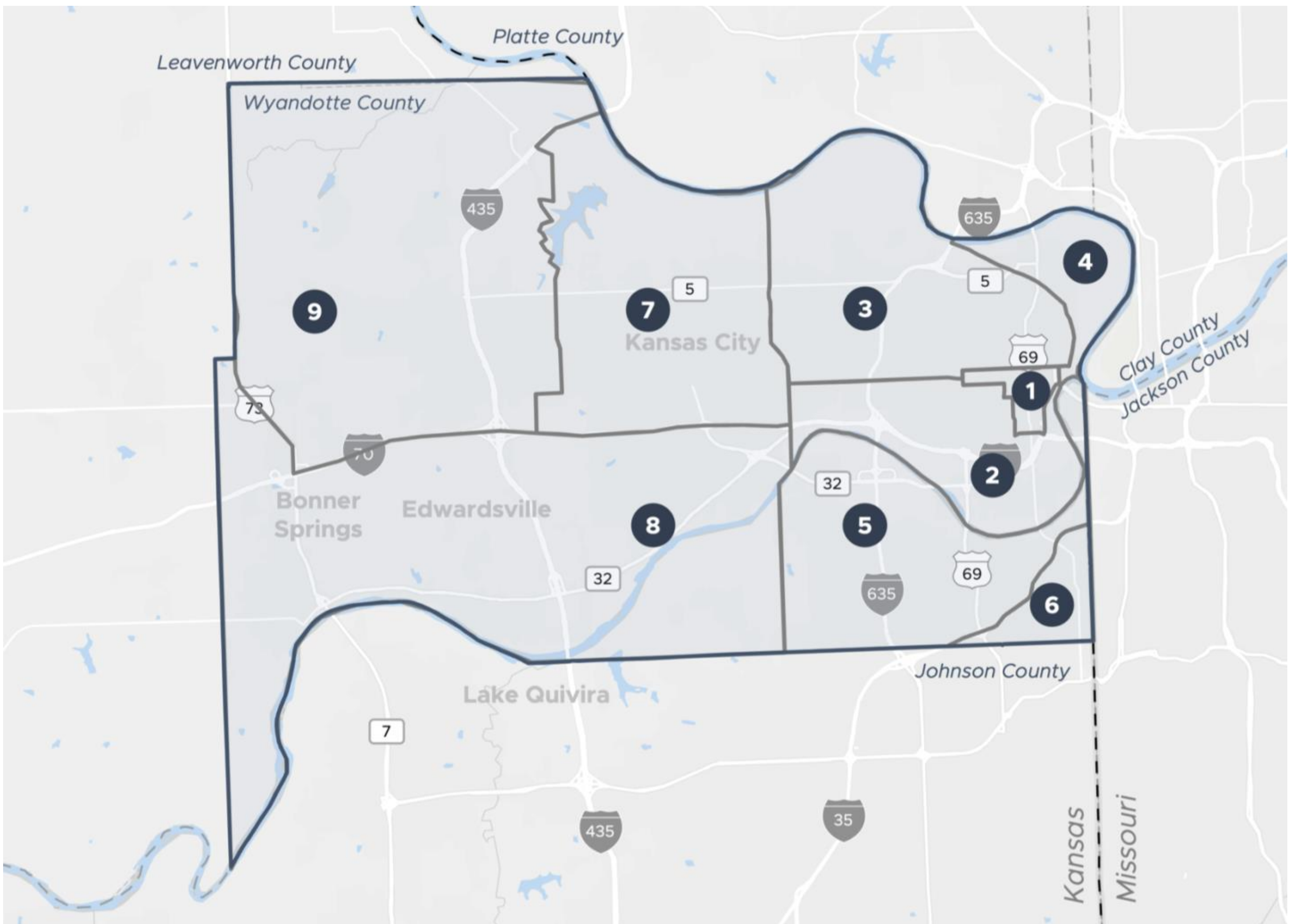
	Industrial	Office	Retail	Multifamily	Hotel
COUNTYWIDE MARKET CONDITIONS	VERY STRONG	LIMITED	MODERATE	STRONG	MODERATE
WYANDOTTE COUNTY FUTURE DEMAND	Up to 1.7 million SF	Up to 320K SF	Urban Core Retail Strategy	Up to 500 new multi-family units	Up to 400 new rooms
WYANDOTTE COUNTY MARKETABILITY	Regional 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

Subarea Analysis

Introduction to Subareas

For the purposes of clarifying existing market conditions in Wyandotte County, we carved the county into nine (9) distinct subareas. These areas were identified through analysis of recent development trends, demographic and economic conditions, employment activity, real estate and neighborhood characteristics, and shared history and identity. They were refined further via discussion with local policy and planning officials. Borders between subareas were drawn with respect to natural and manmade boundaries, such as roadways. While the subareas vary significantly in geographic size and population, they are comprised of similar neighborhoods and communities that demand a coordinated approach to future development.

A map of the identified subareas is shown below.

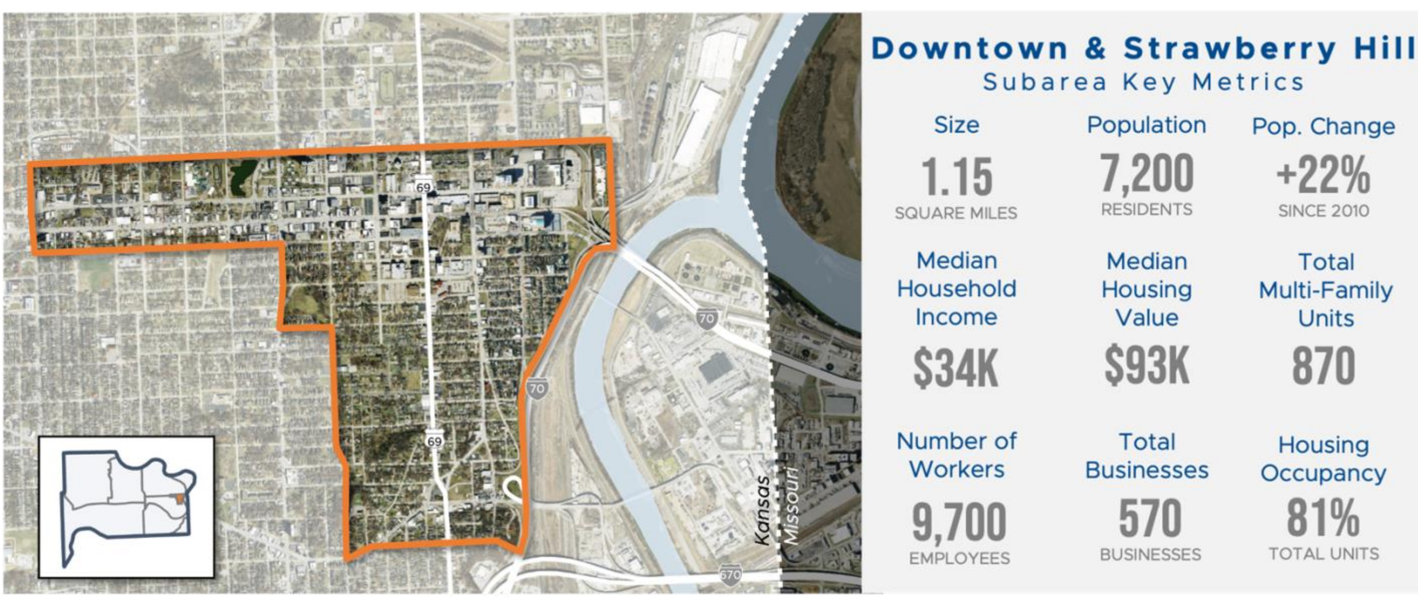


Subarea One: Downtown & Strawberry Hill

The 1.15-square mile subarea encompasses Downtown Kansas City, Kansas and the Strawberry Hill neighborhood. The area captures the State Avenue commercial corridor to 18th Street, as well extensive commercial development along 7th Street. The subarea serves as the "gateway" to the city from the east and is the city's principle economic center. Downtown features a variety of museums, parks, and entertainment venues, including Memorial Hall and the 7th Street Casino, while Strawberry Hill is dominated by locally-owned retail and single-family homes. It is the most densely populated subarea, with 7,200 residents, as well as one of the fastest growing, having expanded 22 percent since 2010.

The subarea has a high density of economic activity. Workers outnumber permanent residents, with 9,700 workers across approximately 570 businesses. These businesses represent a diverse range of industry sectors and have particularly strong employment in the health care and social assistance, professional, scientific and tech services, wholesale trade, and real estate sectors, altogether employing over a quarter (2,500) of the area's workforce. Additionally, the subarea is a major center of the public sector, and nearly 40 percent (3,800) of all employees work in public administration.

According to the 2021 ACS, housing units in the subarea are generally older, with 1944 as the median year of structure built. Nearly half (46 percent) of units were built prior to 1939, as the subarea includes some of the oldest neighborhoods in Wyandotte County.



Demographic Overview

According to current Esri estimates, the subarea has a population of around 7,200 residents, having grown 22 percent since 2010. Though the vast majority (73 percent) of the subarea's 2,140 households contain one or two people, it has an average household size of 2.76 persons. According to Esri, the subarea's population is projected to rise 0.9 percent annually through 2028.

Housing units are occupied at just 81 percent. Half of all units are detached or attached single-family homes, while occupied multi-family units predominantly contain upwards of 20 units. The median housing value is $93,000 and the majority (65 percent) of householders are renters.

The subarea's median age is 37.7 years. The largest age cohorts are the Family Years (ages 35 to 49) and Empty Nesters (ages 50 to 64) at 21 percent and 18 percent of residents, respectively. Around 18 percent of residents have attained Bachelor's degrees or higher. Households have relatively low incomes, with a median household income of $34,000, and 39 percent earn below $25,000 annually.

Residential Market Overview

Downtown has a limited multi-family supply totaling 870 units within 24 buildings. In the past decade, only one property has been delivered: the 30-unit historic rehab, Horace Mann Lofts, completed in 2014. The majority of the subarea's multi-family developments are historic low-rise properties, built as early as the turn of the 20th Century, and contain fewer than 20 units. Larger-scale properties are generally affordable and public housing developments erected in the 1960s and 70s. The current market rent of $953 per month has risen 18 percent since 2013, when it was $803 per month.

Office Market Overview

The Downtown Subarea has a total inventory of 1,840,580 square feet of office space within 66 buildings. Over the last decade, no new office properties have been added, while one building was demolished. The current market vacancy rate is 8.5 percent, with an average base rent of $13.85 per square foot. Most office buildings in the subarea are older, dating from around 1930 to 1980. Office properties are clustered predominantly around State Avenue and Huron Park, and are mostly leased by institutional and government entities.

Retail Market Overview

The retail in the subarea is highly concentrated along commercial corridors, State Avenue, Central Avenue, and South 6th Street, and is mainly comprised of storefront retail properties under 5,000 square feet. Like other sectors, most properties are older, built from the 1920s to 1960s, though some have been renovated more recently. Since 2013, the subarea has gained three new retail properties, totaling 11,700 square feet, while three buildings at a combined 95,100 square feet were demolished. As of August 2023, the average NNN direct rent is $13.94 per square foot, having increased by over 300 percent since 2013, when it totaled just $3.27 per square foot. Vacancy rates have remained quite low since 2015, generally below three percent. The current vacancy is just 0.4 percent, indicating a very tight market.

Hospitality Market Overview

As tracked by CoStar, the 146-room Hilton Garden Inn south of State Avenue is the only hotel property in the subarea.

Industrial Market Overview

The subarea has a number of older, small-scale warehouse and manufacturing facilities, totaling 37 properties at a combined 429,000 square feet. Almost all of these properties date to before 1970, owing to the city's industrial history, and no new properties have delivered since 2001. Industrial properties are scattered throughout the subarea, though congregate around the State Avenue corridor. The subarea has a current all-service type asking rent of $6.59, and market vacancy of 5.5 percent, up from that of recent years.

Subarea One Overview

- **Strengths:** Subarea One is the historic and cultural core of Kansas City, Kansas. The area is highly accessible from throughout the Kansas City region and offers a great diversity of local businesses, institutions, and greenspaces. It has maintained relatively strong office occupancy, owing to the stable tenancy of institutions like the Environmental Protection Agency and Unified Government, and a robust and stable retail market, primarily tenanted by locally-owned restaurants and retailers. Among the more densely population areas in the county, the subarea has seen significant population growth over the last decade.
- **Weaknesses:** The subarea has seen minimal recent development in tandem with demolition of office and retail properties. These factors contribute to the area's preponderance of vacant and underutilized lots. The area is adjacent to major regional thoroughfare, Lewis and Clark Viaduct, which carries 20,000 to 25,000 vehicles per day, per Placer.ai; however, most travelers bypass Downtown. Very low incomes among residents in the subarea also limit market-driven support for retail and multi-family development.
- **Opportunities:** Benefitting from its central location, Subarea One is relatively walkable and has a high-density of daily retail and services. Paired with the area's strong recent rent and population growth, it is well-suited for future multi-family development. Due to its relative affordability, the area has the opportunity to attract residents from neighboring Kansas City, Missouri. While its housing stock is older, the numerous underutilized historic structures create significant opportunities for redevelopment as market-rate and/or affordable housing. Further, the subarea is well-positioned to preserve existent and support future small-scale, locally-owned retail, owing to concentrations of businesses along State Avenue and North 7th Street Trafficway.
- **Threats:** Among all subareas, Subarea One competes most directly with Downtown Kansas City, Missouri, which has seen far greater development activity in recent years and has fewer vacant or underutilized sites. Additionally, the area's large stock of office buildings makes it particularly vulnerable to the effects of declining office utilization. Despite positive population trends, the number of residents under age 35 has declined. As a result, the population is rapidly aging, with the median age increasing from 32.3 years in 2010 to 37.7 years at present, creating potential obstacles to maintaining the area's workforce and resident base in the long term.

Subarea Two: Kensington, Riverview, & Armourdale

The subarea is characterized by older single-family homes, bordering alongside industrial development south of and commercial development along Interstate 70. The 9.37-square mile subarea has a stable population of around 21,700 residents. Additionally, the Central Avenue commercial corridor is a gastronomic and cultural destination, with a multitude of restaurants and other small businesses serving the local Hispanic community. The area is a home to City Park and Westlawn Cemetery, in addition to Donnelly College and the Kansas National Guard.

With over 720 businesses and 10,740 employees, the subarea is a major employment hub. These businesses represent a diverse range of industry sectors and have particularly strong employment in the wholesale trade, manufacturing, construction, and retail trade sectors, altogether employing over half (5,360) of the area's workforce.

According to the 2021 ACS, housing units in the subarea are generally older, with 1942 as the median year of structure built. Nearly half (48 percent) of units were built prior to 1939, and only 10 percent of units have been delivered since 1980.

Demographic Overview

According to current Esri estimates, the subarea has a population of around 22,128 residents, a two percent decrease since 2010. Of the subarea's 7,190 households, half (50 percent) contain one or two people. However, it has an average household size of 2.99 persons, the highest of all studied subareas. According to Esri, the subarea's population is projected to rise 0.4 percent annually through 2028.

Housing units are occupied at just 88 percent. The majority (71 percent) of housing units are detached or attached single-family homes, and only seven (7) percent of units are contained in structures with more than 20 units. The median housing value is $90,000, and just under half (46 percent) of householders are renters.

The subarea has a younger population with a median age of 29.7 years. The largest age cohorts are the K-12 (ages 5 to 17) and Family Years (ages 35 to 49) at 23 percent and 20 percent of residents, respectively. Around 12 percent of residents have attained Bachelor's degrees or higher. Households have relatively low incomes, with a median household income of $46,000, and 25 percent earn below $25,000 annually.

Residential Market Overview

The majority of multi-family properties in the subarea are located in the Kensington and Riverview neighborhoods. They generally consist of small-scale older properties, with some upwards of 80 years old, and larger scale garden-style and low-rise developments constructed in the mid 20th Century. It also contains a handful of high-rise affordable properties developed in the 1970s. The subarea has a total supply of 1,267 units across 30 buildings. With vacancy currently at 2.6 percent, the market asking rent of $766 has increased 29 percent since 2013. Over the last decade, no new units have been added to the subarea.

Office Market Overview

Office development is scattered along the Central Avenue corridor, State Avenue, and within central Armourdale. Properties within Armourdale were nearly all constructed

from the 1930s to 1960s and consist of freestanding properties under 10,000 square feet, associated with adjacent industrial uses. Riverview and Kensington have a greater number of larger-scale office properties, many of which are medical offices built in the latter half of the 20th Century. Altogether, the subarea has a total inventory of 469,000 square feet within 47 buildings, which has remained unchanged since the mid-2000s. Properties are currently occupied at over 99 percent with a base rent of $14.50 per square foot—up 19 percent since 2013.

Retail Market Overview

The subarea has a total retail supply of 1.34 million square feet within 226 buildings. In the past decade, the total supply endured a net decrease of nearly 800,000 square feet due to the 2016 demolition of the Indian Springs Mall, which contributed to a steep decline in market vacancy from 39 percent (2015) to just 2.7 percent at present. Existent retail in the subarea is mainly comprised of free-standing properties clustered along Central Avenue, State Avenue, and Kansas Avenue. Retail development occurred in waves, such that properties generally date either to before 1930, the 1960s, or 1980s, with limited additional development in the early 2000s. Retail along commercial corridors are heavily tenanted by local small businesses, particularly restaurants, while shopping plazas along State Avenue contain a higher density of chain retailers. The subarea's current NNN rent is $10.27, having increased substantially in recent years.

Hospitality Market Overview

The subarea has one hotel, the 60-room Regency Inn, which was constructed in 1956. The economy class hotel is adjacent to the former Indian Springs mall site.

Industrial Market Overview

Armourdale features densely-packed industrial development, including warehouse, manufacturing, and distribution facilities ranging heavily in size and uses. The industrial area was largely built up in the 1940s through 1970s, though two large-scale warehouses have been added over the last decade. Altogether, the subarea has 8.69 million square feet of industrial space across 269 buildings, with a vacancy rate of 3.5 percent. The current all-service type rent is $5.56 per square foot, having steadily increased in the last three years following fluctuation.

Subarea Two Overview

- **Strengths:** Subarea Two offers residents and visitors unique cultural assets and a high density of locally-owned businesses. The area is relatively stable, with a steady population and office properties that are mostly tenanted by longstanding industrial and medical entities that are more resilient to post-pandemic trends. The Central Avenue Corridor is also a draw to the region, attracting visitors from throughout the MSA. As a result, occupancy rates within both retail and office properties are notably high, while rent rates across all commercial real estate sectors have consistently risen. Like Subarea One, the area benefits from strong transportation connectivity and public transit access.
- **Weaknesses:** With an aging stock, the subarea has seen the delivery of only industrial properties in the last decade. Simultaneously, it endured the demolition of the Indian Springs Mall, which drastically reduced overall retail supply and created a more than 60-acre vacant site alongside the interstate. The median housing value and market rent in the subarea are among the lowest in the county, limiting market support for future development.
- **Opportunities:** Armourdale has a large-scale industrial district, situated along the riverfront and adjacent to the railroad. Resultantly, it is well-positioned for future industrial development that can continue to grow this district. The Central Avenue Corridor also presents opportunities to stabilize and strengthen the existing retail market, while potentially supporting small-scale infill retail development with similar tenants. Although the Indian Springs Mall site detracts from the area's marketability, it presents a clean slate for the development of both market-rate and affordable multi-family as part of a mixed-use district.
- **Threats:** While rent growth across all sectors contribute to the marketability of the area, such growth could potentially displace the small businesses that contribute massively to the area's character and vibrancy. Industrial opportunity is strong in the subarea; however, available space in the district has declined, such that development will likely be restricted to smaller properties, such as those under 100,000 square feet, whereas the countywide market has trended toward very large-scale distribution and warehouse properties. Finally, the legacy of the Indian Springs Mall and its eventual demolition could challenge perceptions of the viability of future development of all types, though especially retail.

Subarea Three: Northwest & Quindaro

The subarea includes Kansas City neighborhoods, Northeast, Northwest, Quindaro Bluffs, and Nearman, as well as portions of Bethel Welborn and Coronado. The area, totaling 17.8 square miles, is predominately residential in character, with scattered commercial development. Boasting a population of 36,270, the subarea is relatively densely populated and has experienced moderate growth (seven (7) percent) since 2010. It features a major archeological site, the Quindaro Townsite—the footprint of a town settled in the 1850s as an abolitionist stronghold and stop on the Underground Railroad. Quindaro Boulevard is one of the area's primary corridors, featuring a select number of locally-owned restaurants and retailers.

The subarea has a moderate density of economic activity with 4,070 workers across roughly 490 businesses. These businesses represent a diverse range of industry sectors and have particularly strong employment in the health care and social assistance, education services, retail trade, and construction sectors, altogether employing over half (2,089) of the area's workforce.

According to the 2021 ACS, the median year of a housing structure built is 1954. The area experienced an uptick in housing development in the 1950's and 60's, with 38 percent of all units built between 1950 and 1969.

Demographic Overview

According to current Esri estimates, the subarea has a population of around 36,266 residents, having grown 6.8 percent since 2010. Though the majority (58 percent) of the subarea's 12,659 households contain one or two people, it has an average household size of 2.86 persons. According to Esri, the subarea's population is projected to fall 0.2 percent annually through 2028.

Housing units are occupied at just 86 percent. The vast majority (87 percent) of all housing units are detached or attached single-family homes, and only four (4) percent of units are contained in structures of 10 units or more. The median housing value is $99,000 and the majority (58 percent) of householders are owners.

The subarea's median age is 34.2 years. The largest age cohorts are the K-12 (ages 5 to 17) and Family Years (ages 35 to 49) at 20 percent and 18 percent of residents, respectively. Around 13 percent of residents have attained Bachelor's degrees or higher. Households have relatively low incomes, with a median household income of $45,000, and 27 percent earn below $25,000 annually.

Residential Market Overview

Multi-family properties are scattered throughout the Northeast, Northwest, and Bethel Welborn neighborhoods. The subarea is dominated by garden-style and townhome developments erected in the 1960s and 70s, though pockets of comparatively recent development can be found along State Avenue and Meadowlark Lane. Overall, multi-family properties in the area contain a total of 2,307 units in 55 buildings, with a current asking rent of $765, up 19.9 percent since 2013. The subarea has a high vacancy rate of 9.6 percent, which has remained relatively steady over the past half decade. Although no units have been delivered in the past 10 years, one 50-unit income-restricted property—Boulevard Lofts—is currently under construction and partially opened.

Northwest & Quindaro
Subarea Key Metrics

Size	Population	Pop. Change
17.8 SQUARE MILES	36,270 RESIDENTS	+7% SINCE 2010
Median Household Income	**Median Housing Value**	**Total Multi-Family Units**
$45K	$99K	2,307
Number of Workers	**Total Businesses**	**Housing Occupancy**
4,070 EMPLOYEES	490 BUSINESSES	86% TOTAL UNITS

Office Market Overview

Office space is limited in the subarea, totaling just 193,640 square feet in 18 buildings. Most office properties are toward the southern and western edges of the subarea and consist of office park properties, developed in the 1970s to 2000s, in addition to smaller freestanding properties built in the 1930s to 1950s. They are mainly tenanted by small firms. The office market has a relatively high vacancy of 15.6 percent and has ranged from 13.5 to 21.8 percent since 2014. No new offices properties have been added since 2006.

Retail Market Overview

The subarea has a high density of free-standing retail development along Quindaro Boulevard, as well as within shopping plazas and strip malls along Leavenworth Road, State Avenue, and Parallel Parkway. Strip mall development was mainly constructed in the mid 20th Century, with a limited number of structures developed in the 2000s. Freestanding retail is generally older, dating to the 1930s and 40s. The subarea has a total retail inventory of 730,650 square feet across 123 buildings. Vacancy fluctuated heavily over the past decade, reaching a peak of 19.2 percent as of August 2023. Two properties, totaling 16,640 square feet, were delivered in the past decade, while three properties at around 18,500 square feet total were demolished. The subarea average NNN rent is $4.45, having fluctuated widely, though overall declining since 2013.

Hospitality Market Overview

According to CoStar, the subarea has one hotel, the Relax Inn, located on State Avenue near Kensington Park. The economy class property has 27 rooms and was constructed in 1995.

Industrial Market Overview

Industrial properties are primarily found in the Northeast neighborhood, near Downtown Kansas City, Kansas totaling 756,000 square feet. Of the 35 industrial properties, most are smaller warehouses less than 20,000 square feet. Larger properties, upwards of 50,000 square feet, are within close proximity to the Fairfax industrial district. All properties are dated, mainly constructed in the 1940s to 1960s, and none have been added since a warehouse was renovated in 2000. The market has a vacancy rate of 5.2 percent—a historic high, following years of close to one percent vacancy. The current asking rent is unknown; CoStar gives a most recent market rent of $3.56 per square foot from 2017.

Subarea Three Overview

- **Strengths:** Subarea Three boasts unique historic assets, strong community organizations, a variety of retail and housing typologies, and excellent access to extensive greenspace and Downtown KCK. The area has among the highest rates of homeowners of all subareas, indicating relative stability of population. In fact, the subarea population grew 6.8 percent since 2010. The Quindaro Boulevard Corridor is a draw to the region, as it offers diverse retail and dining options. While incomes are generally higher in areas to the west, the subarea has the highest median household income of all subareas in Wyandotte County's urban core.
- **Weaknesses:** Per CoStar, the subarea has seen very limited to no recent development across all sectors. Further, vacancy rates are persistently high, especially among the retail and office markets. These patterns are evident within the subarea's primary commercial corridor, Quindaro Boulevard, which has numerous derelict and abandoned retail and single-family properties and vacant lots. Due to poor market conditions, the area sees massive gaps in access to vital retail, leading much of the subarea to qualify as a "food desert".
- **Opportunities:** Although the subarea's significant vacancy may hinder marketability, it also presents opportunity for future redevelopment. The area has extensive undeveloped land to the northwest, though strategy should foremost focus on improving existing conditions within the urban core. Quindaro Boulevard is a prime candidate for infill retail and multi-family development, while stabilizing and strengthening existing businesses. Additionally, areas to the northeast, along the Fairfax Trafficway, are well-positioned for future industrial development, as consistent and appropriate with surrounding uses.
- **Threats:** The subarea faces weak market conditions generally, with relatively low rents and occupancy rates. Consequently, future development is unlikely to be purely market-driven; instead, community development and incentive-based approaches will be needed. As a result, multi-family development will likely be restricted to tax credit properties, while a potential grocery store would need public subsidy, more rooftops, and/or increased household incomes.

Subarea Four: Fairfax

Fairfax is a 4.28-square mile district along the Missouri River, separated from Kansas City, Kansas by the railroad. The subarea is the city's leading industrial center, featuring one of the region's largest employers, General Motors. The area is near-exclusively industrial, with 163 businesses employing 7,100 workers, predominantly in the manufacturing, logistics, and wholesale trade sectors. As such, it has no permanent residents.

The subarea is the manufacturing center of KCK, and the majority (57 percent) of employment is concentrated in the manufacturing sector. Businesses in the manufacturing sector account for 18 percent of all businesses in the subarea, and employ over 4,000 workers across 30 businesses. Remaining employment is distributed among the retail trade, wholesale trade, and construction sectors, which all together employ 27 percent of the workforce.

The area is utilized almost exclusively for industrial uses. Despite high levels of employment, there are no residents or housing units in the area. Employees commute from surrounding neighborhoods to work in the Fairfax district.

Residential Market Overview

According to CoStar, there are no multi-family apartment buildings in this subarea.

Office Market Overview

According to CoStar, there are no office buildings in this subarea.

Retail Market Overview

According to CoStar, there are no retail buildings in this subarea.

Hospitality Market Overview

According to CoStar, there are no hotels in this subarea.

Industrial Market Overview

Industrial properties are primarily concentrated on the western edge of the subarea west of Fairfax Trafficway and total about 15 million square feet. Of the 126 industrial properties, about 40 percent are small warehouses under 30,000 square feet while another 40 percent are medium warehouses between 30,000 and 100,000 square feet. Larger properties of more than 100,000 square feet are spread throughout the subarea, while the largest, with more than 3.2 million square feet, is located at the northeastern edge of the subarea off Levee Road. Most properties are dated, mainly constructed in the 1940s to 1980s with some having been renovated in the past 10 years, and five have been added since 2000. The market has a vacancy rate of 0.8 percent—a historic low, following years of 1.5 to 3.5 percent vacancy. The current average asking rent is $4.39 per square foot, which is the highest it has been in a decade.

Fairfax
Subarea Key Metrics

Size	Population	Pop. Change
4.3 SQUARE MILES	0 RESIDENTS	- SINCE 2010
Median Household Income	**Median Housing Value**	**Total Multi-Family Units**
-	-	-
Number of Workers	**Total Businesses**	**Housing Occupancy**
7,100 EMPLOYEES	163 BUSINESSES	- TOTAL UNITS

Subarea Four Overview

- **Strengths:** Subarea Four is one of the principal employment hubs in Wyandotte County. It is a longstanding industrial center, with very low vacancy rates and strong recent rent growth. The area has a diverse array of industrial businesses, thereby reducing reliance on the area's largest employer, General Motors. While Fairfax has no permanent residents, it has a daytime population of upwards of 7,000 people, according to Esri. Located across the river from North Kansas City, Missouri, the district has ready access to the region via multiple modes of transportation. The clustering of the region's industrial uses within the Fairfax district and those like it isolates and reduces resident exposure to externalities associated with industrial activity.

- **Weaknesses:** The subarea is comprised near-exclusively of industrial properties, with retail limited to a handful of gas stations and banks. This scenario leads to leakage, such that workers have to exit the district to access daily retail. Subarea Four is contained by the railroad and, as a result, has few entry and exit points, creating potential congestion. Furthermore, relative to other industrial centers in the county, Fairfax has an older inventory, has seen limited recent development, and has a smaller concentration of businesses in the growing e-commerce sector.

- **Opportunities:** As a regional manufacturing center, Subarea Four is well-positioned to benefit from public and private investment in the advanced manufacturing sector. Additionally, growing post-pandemic investment in "reshoring", or bringing previously outsourced jobs back to the nation, creates opportunity for growth within the manufacturing industry. With good regional connectivity, the subarea can also capitalize on the county's burgeoning e-commerce sector. Although there is little to no data on the local retail market, there appears to be a built-in, underserved market for a small freestanding retailer, such as a convenience store or deli.

- **Threats:** Future development in Fairfax will be limited by the shrinking availability of undeveloped land and the area's few access points to the rest of the city and region. Such restrictions will particularly curtail development of warehouses and distribution centers, given their high demand on transportation infrastructure. Expansion of the logistics market in the district would increase resiliency in the wake of long-term employment declines within and future uncertainty regarding the manufacturing industry.

Subarea Five: Santa Fe, Argentine, & Shawnee Heights

This subarea comprises KCK neighborhoods south of the Kansas River and north of Interstate 35, bordered by 59th Street to the west. It includes industry-dominated neighborhoods, Santa Fe and the Central Industrial District, which are separated from residential communities to the south by the railroad. These areas feature some of the region's largest employers, including the Burlington Northern-Santa Fe Railroad, Associate Wholesale Grocers, and United Parcel Service. Altogether, the 15.5-square mile area has a workforce of 15,860 across 822 businesses. With a steady population of around 26,340 residents, the area includes mainly single-family homes, in addition to significant commercial development along Merriam Lane and Interstate 635. The historic Argentine neighborhood, once a separate city, retains its own unique community identity to this day.

The subarea's 822 businesses represent a diverse range of industry sectors and have particularly strong employment in the wholesale trade, transportation and warehousing, manufacturing, and educational services, altogether employing over half (8,600) of the area's workforce.

According to the 2021 ACS, the median year of a housing structure built is 1957. Nearly half (44 percent) of units were built between 1950 and 1969, and only about six percent of units have been built since 1990.

Demographic Overview

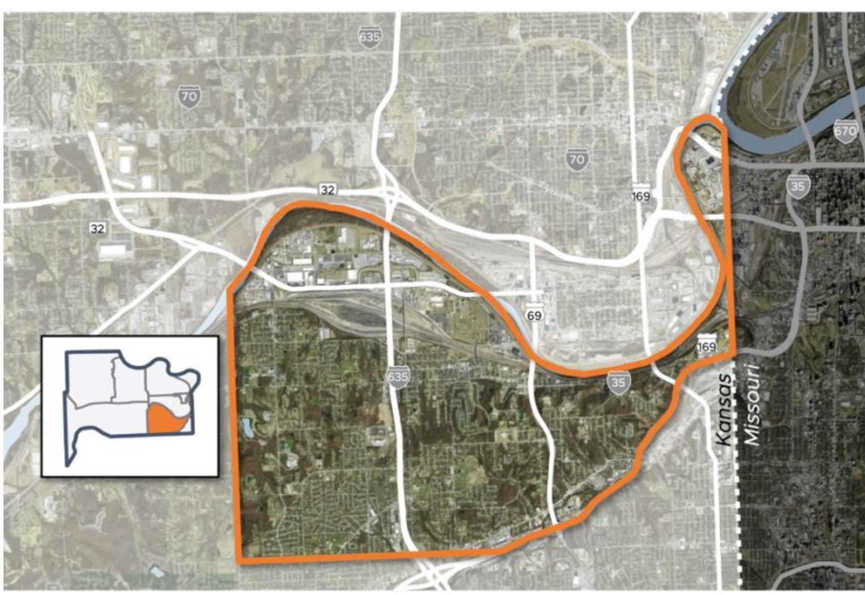
According to current Esri estimates, the subarea has a population of around 26,343 residents, having grown 1.5 percent since 2010. Though the majority (59 percent) of the subarea's 9,294 households contain one or two people, it has an average household size of 2.83 persons. According to Esri, the subarea's population is projected to decline 0.4 percent annually through 2028.

Housing units are occupied at 92 percent. The vast majority (87 percent) of all units are detached or attached single-family homes, while only three percent of occupied multi-family units contain upwards of 20 units. The median housing value is $161,000, and the majority (65 percent) of householders are owners.

The subarea's median age is 34.6 years. The largest age cohorts are the K-12 (ages 5 to 17) and Family Years (ages 35 to 49) at 19 percent of residents each. Around 15 percent of residents have attained Bachelor's degrees or higher. Households have average incomes, with a median household income of $59,000, and 17 percent earn below $25,000 annually.

Residential Market Overview

Multi-family properties are scattered throughout the subarea. They are predominantly garden-style developments erected prior to 1970, though one development located just south of the Kansas River was built in 2010 and one development located at the Missouri/Kansas border is currently under construction in an emerging mixed use district in the Historic West Bottoms that is unlike the rest of the subarea. Overall, multi-family properties in the area contain a total of 915 units in 16 buildings, with a current asking rent of $909, up 22.2 percent since 2013. The subarea has a low vacancy rate of 4.8 percent, which is nearly double that of last year, 2.6 percent, but significantly lower than the eight percent vacancy rate in 2021. Although no units have been delivered in the past ten



Santa Fe, Argentine, & Shawnee Heights
Subarea Key Metrics

Size	Population	Pop. Change
15.5 SQUARE MILES	26,340 RESIDENTS	+1.5% SINCE 2010
Median Household Income	**Median Housing Value**	**Total Multi-Family Units**
$59K	$161K	915
Number of Workers	**Total Businesses**	**Housing Occupancy**
15,860 EMPLOYEES	822 BUSINESSES	92% TOTAL UNITS

years, one 232-unit market-rate property—The Yards—is currently under construction.

Office Market Overview

Office space is abundant in the subarea, totaling just 543,000 square feet in 46 buildings. Many of the office properties are toward the southern and northern edges of the subarea with another handful in the middle of the subarea along Metropolitan Avenue. They consist of mainly single-tenant buildings, developed prior to the 1980s, with a handful of multi-tenant office buildings built in the 1970s to early 2000s. The office market has a relatively low vacancy rate for the region, 6.6 percent, but it is much higher than in the past decade, which has ranged from less than one (1) percent to 4.8 percent. One office property was added in 2019, while the Cambridge Business Park is a proposed office park with 68,400 square feet that would be located near the Missouri/Kansas border.

Retail Market Overview

The subarea has a high density of free-standing retail development along Metropolitan Avenue, as well as within neighborhood centers along Merriam Lane, Shawnee Drive and North James Avenue near Downtown. Retail development in the subarea was mainly constructed prior to 1980, with one or two structures developed in the early 2000s. The subarea has a total retail inventory of 768,000 square feet across 129 buildings. Vacancy fluctuated heavily over the past decade, reaching a peak of 5.9 percent in Q3 2021, but falling to 0.8 percent as of August 2023. One property, totaling 41,670 square feet, was delivered in the past decade, while 10 properties at a combined 57,000 square feet were demolished. The subarea average NNN rent is $12.90, which has increased steadily since 2013.

Hospitality Market Overview

According to CoStar, the subarea has one hotel, the Clark Motel, located on Merriam Lane near the 18th Street Expressway. The economy class property has 15 rooms and was constructed in 1953.

Industrial Market Overview

Industrial properties are concentrated to the south along Merriam Lane, to the north along Turner Diagonal Freeway, and in the Central Industrial District neighborhood in the Historic West Bottoms. Overall, the subarea has a total of 9.3 million square feet of industrial space. Of the 254 industrial properties, most are small to medium warehouses less than 100,000 square feet. Larger properties over 100,000 square feet are nearly all within Santa Fe. Most of the properties are dated, mainly constructed in the 1950s to 1980s, and two have been added in the past 10 years. The market has a decade-low vacancy rate of 1.7 percent, which has been fairly consistent since 2021, but is substantially lower than the 10 years prior to that. The current asking rent is $3.69 per square foot, which is down from $5.39 in 2022, yet is similar to rates between 2018 and 2021.

Subarea Five Overview

- **Strengths:** Subarea Five is characterized by a diverse array of neighborhoods and real estate typologies. Argentine, in particular, has a unique identity, owing to its history as an independent city. The subarea's population is relatively stable and includes a large share of family households. The Santa Fe and Historic West Bottoms areas are home to many of the area's largest employers and feature excellent access to regional transportation, especially railroads. The subarea has a range of retail typologies, including auto-oriented strip and neighborhood centers and comparatively walkable freestanding retailers. Industrial and retail vacancy rates are both notably low, while office and multi-family vacancy are low for the region.
- **Weaknesses:** Strong Avenue, just south of Santa Fe, has a concentration of walkable retail and restaurants, though these are interspersed with underutilized and abandoned retail structures. Merriam Lane, another significant thoroughfare, is lined with small-scale industrial properties and retailers and also contains numerous vacant lots and structures. Conditions on the roadway also greatly improve toward and within Johnson County. Future industrial development within Santa Fe will be restricted by the BNSF railway lines. The area's multi-family market is very limited and dated, leaving few options for area renters.
- **Opportunities:** Following stabilization of existing businesses, the Strong Avenue commercial corridor is a good candidate for multi-family and infill retail development, as it has good access to transit networks, many undeveloped lots, and is within close proximity to daily retail and services. Along Merriam Lane, there is a market for small-scale industrial development. For both corridors, strategy should focus on repositioning existing vacant and underutilized stock, which is relatively intact, combined with new multi-family construction. The Historic West Bottoms has opportunity for market rate, loft-style development not seen elsewhere in Wyandotte County. Depending on amenities, finish, and location, such a development could achieve rents comparable to that in Kansas City, Missouri. Lastly, Santa Fe has a handful of large unimproved parcels, which could

support future warehouse or distribution center development.

- **Threats:** Subarea Five has seen minimal recent development activity, limited solely to office and industrial properties. The area also faces direct competition from Overland Park and Merriam to the south and west, which have relatively affluent populations and high density of retail, while the Historic West Bottoms competes with bordering in Kansas City, Missouri. The sprawling pattern of development has favored new construction in growing suburbs to the south, leaving properties in the subarea's northern communities to decay. Most development is heavily auto-oriented and the area has limited transit connectivity. Lastly, with a sizable office market, rising office vacancy and decreasing utilization leave the future of these properties uncertain.

Subarea Six: Rosedale

The area is 2.64 square miles and located southeast of Interstate 35 to the southeastern border of Wyandotte County. The area is foremost defined by the University of Kansas Medical Center—Wyandotte County's largest employer, with a workforce of around 6,500 employees, accounting for over half of the 12,145 workers in the area. In fact, workers outnumber the 10,000 residents, making it the second most densely-populated of all subareas. Consequently, the subarea has a particularly high density of multi-family housing. It has seen significant recent office, hotel, retail, and multi-family development, principally clustered along Rainbow Boulevard and associated with the medical center. Additionally, the subarea features community amenities, Rosedale Park and Fisler Park.

The subarea has a high density of economic activity. Workers outnumber permanent residents, with 12,145 workers across roughly 418 businesses. The majority of employment is concentrated in the professional, scientific, and tech services sector and the health care and social assistance sector, which employ 53 percent and 25 percent of the workforce, respectively. Together, the sectors employ over 9,500 workers.

According to the 2021 ACS, housing units in the subarea area relatively newer, with 1969 as the median year of structure built. Approximately 340 units (17 percent) have been delivered since 1990.

Demographic Overview

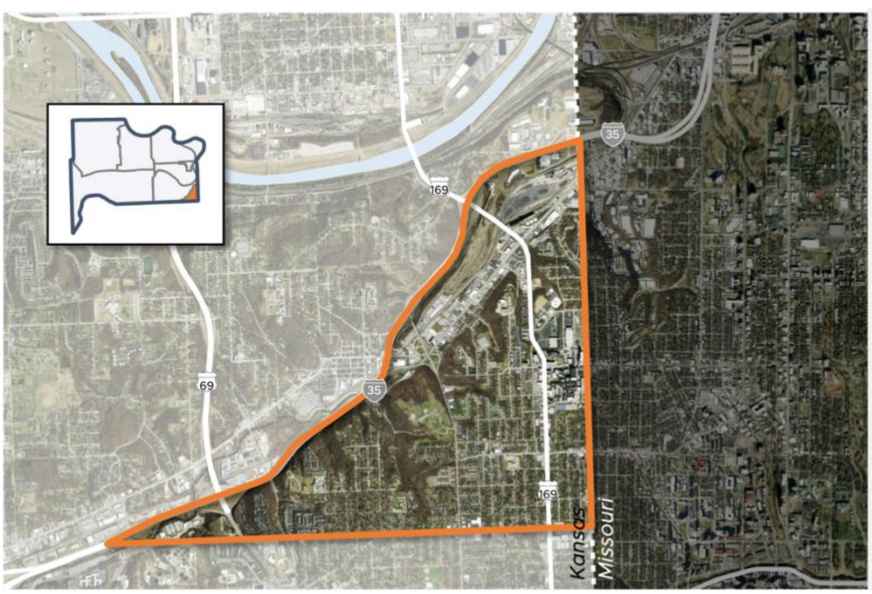
According to current Esri estimates, the subarea has a population of around 10,000 residents, having remained stagnant since 2010. The vast majority (79 percent) of the subarea's 2,140 households contain one or two people, resulting in an average household size of 1.93 persons. According to Esri, the subarea's population is projected to rise 1.1 percent annually through 2028.

Housing units are occupied at 90 percent. Half of all units are detached or attached single-family homes, while occupied multi-family units predominantly contain between 5 to 19 units. The median housing value is $174,000, and the majority (73 percent) of householders are renters.

The subarea's median age is 32.4 years. The largest age cohorts are the Early Workforce (ages 24 to 34) and Family Years (ages 35 to 49) cohorts at 23 percent and 20 percent of residents, respectively. Around 41 percent of residents have attained Bachelor's degrees or higher. Households have average incomes, with a median household income of $52,000, and 23 percent earn below $25,000 annually.

Residential Market Overview

Rosedale has a deep multi-family market, totaling roughly 2,900 units within 59 properties. These properties are clustered heavily to the west of Rainbow Boulevard, adjacent to the University of Kansas Medical Center, as well as along Eaton Street. Properties in the subarea are largely mid-rise and garden-style developments constructed in the 1960s to 1980s, with a handful of older and recently-built developments. One property with 25 units was delivered over the last decade. Since 2013, the total unit inventory has declined slightly due to the demolition of a 49-unit property, to be replaced by a 228-unit property that is currently under construction. Market vacancy has remained relatively stable, hovering from seven (7) to eight (8) percent. With a current asking rent of $964, the area has seen particularly strong rent growth, increasing 52 percent since 2013.



Rosedale
Subarea Key Metrics

Size	Population	Pop. Change
2.7 SQUARE MILES	10,000 RESIDENTS	<0.5% SINCE 2010
Median Household Income	**Median Housing Value**	**Total Multi-Family Units**
$52K	$174K	2,900
Number of Workers	**Total Businesses**	**Housing Occupancy**
12,150 EMPLOYEES	418 BUSINESSES	90% TOTAL UNITS

Office Market Overview

Excluding healthcare properties (note, CoStar provides only partial data on healthcare properties), the subarea has a total office inventory of 763,760 square feet within 38 buildings. Office properties are generally located to the east of Rainbow Boulevard, particularly around KU Medical Center. While the area was principally built up in the 1970s to 1990s, a few larger, multi-tenant properties have been added in the past decade. Large-scale office developments ranging from 50,000 to 100,000 square feet surround the campus and are principally tenanted by related medical providers. According to CoStar, the current vacancy rate is low, under one (1) percent, and the average base rent is $27 per square foot, having increased by over 56 percent just within the past half decade.

Retail Market Overview

Retail properties in the subarea are heavily concentrated along Rainbow and Southwest Boulevards. The dominant typology is freestanding retail, under 5,000 square feet. Retail near the medical center was largely built concurrently with office properties, while remaining developments are generally older, dating to the mid 20th Century. Currently, the subarea has a total inventory of 357,490 square feet within 72 buildings. Around 8,300 square feet has been delivered since 2013, though roughly 15,000 square feet was demolished. Retail properties have a vacancy rate of 3.8 percent and NNN market rent of $22 per square foot.

Hospitality Market Overview

The subarea has a relatively strong hotel market, bolstered by the medical center. Inventory totals 279 rooms within three properties, one of which (Home2 Suites) was built in 2018. All hotels are midscale or upper midscale and are located near Rainbow Boulevard.

Industrial Market Overview

Numerous small-scale warehouses and service centers, dating to the latter half of the 20th Century, line Southwest Boulevard. Altogether, the subarea has 1.36 million square feet of industrial space across 65 buildings, with one 16,000-square foot property added in the last decade. Vacancy has historically remained very low—around one (1) percent—while rents have risen to $10 per square foot, up 67 percent since 2013.

Subarea Six Overview

- **Strengths:** Subarea Six is a unique area of the county, as it functions much like an extension of Kansas City, Missouri, directly bordering to the east and not physically or psychologically separated by bluffs or rivers like much of the rest of the border. Recent development in the subarea has almost exclusively been associated with KU Medical Center along the Rainbow Boulevard corridor. Consequently, the area has among the highest quality newly-delivered office, retail, and multi-family properties. The subarea has seen very high rent growth within the multi-family and office sectors and low vacancy across all commercial sectors. Further, the area has a concentration of hotels, supported by visitors to the medical campus, and a built-in market from staff and students at the medical center. The area workforce is also highly educated, as 41 percent of residents have at least four-year college degrees.
- **Weaknesses:** While the area has seen recent construction of multiple high-end properties, particularly along Rainbow Boulevard, much of the existing multi-family stock is comprised of aged, garden-style developments dating to the mid 20th Century. The subarea has a wide disparity in the quality of stock and neighborhood conditions between areas around the medical center and those located to the south and west. Further, Southwest Boulevard—the other primary commercial corridor in Rosedale—features a hybrid of industrial and retail development that is heavily oriented toward wholesale and auto shops, though also includes coffee shops, restaurants, and well-maintained single-family homes.
- **Opportunities:** Given its inclusion of the medical center and strong recent development velocity, the subarea is one of the few areas of the county that could support future office development, ideally related to medical use. In fact, the medical center recently released plans to develop a $143-million cancer research center within its Rosedale campus, to begin construction in the fall of 2024. Additionally, the area could feasibly support hotel development; although it would be near-exclusively dependent on traffic to the medical center, it is not far from Downtown Kansas City, Missouri, and could potentially capture visitors. Finally, having seen rapidly rising rents, the subarea has among the greatest market support for future market rate multi-family development.
- **Threats:** The disparity of conditions within and outside of the Rainbow Boulevard corridor could limit expansion of future development. Furthermore, the unparalleled rise in rents within multi-family and office properties have the potential to displace longstanding residents and businesses. Hence, strategy will need to balance expansion of uses related to the medical center with the needs of the local community—one that is likely to include a greater proportion of transitory or impermanent residents who are students and/or staff at the medical center.

Subarea Seven: Victory Hills

The subarea incorporates the neighborhoods of Victory Hills, Nearman Hills, and Pomeroy. The 20.7-square mile subarea has 30,170 residents, up from 27,800 in 2010, and features a mix of single-family and multi-family residential, with density increasing with closer proximity to central thoroughfares, State Avenue and Parallel Parkway. The area features extensive retail along State Avenue, particularly near Kansas City Kansas Community College (KCKCC) and has nearly 650 businesses, employing 9,800 workers. Recent development has largely been industrial, dominated by the completion of the multi-building Turner Logistics Center immediately north of Interstate 70. At the subarea's northwestern edge, Wyandotte County Lake Park offers 1,500 acres of rugged parkland and an extensive trail system.

Employment is highly concentrated in the health care and social assistance and educational services sector, which employ 28 percent and 22 percent of the workforce, respectively. Together, these sectors employ over 4,800 workers, or around half (49 percent) of the area's workforce.

According to the 2021 ACS, housing units in the subarea are generally newer, with 1968 as the median year of structure built. Half of all housing units in the subarea were built between 1960 and 1979, and about 12 percent of units have been built since 1990.

Demographic Overview

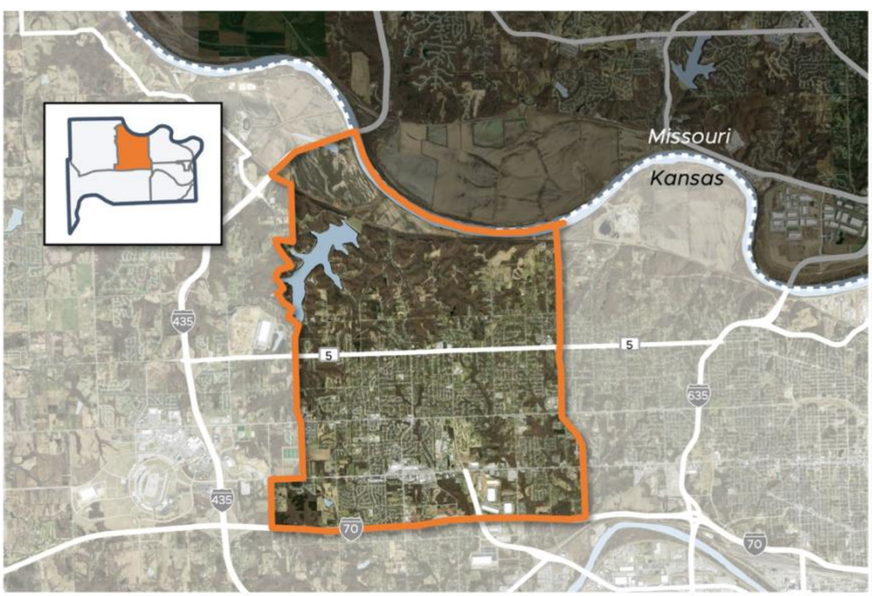
According to current Esri estimates, the subarea has a population of around 30,166 residents, having grown 8.6 percent since 2010. Although the majority (65 percent) of the subarea's 11,417 households contain one or two people, the average household size in the subarea is 2.6 persons. According to Esri, the subarea's population is projected to rise 0.1 percent annually through 2028.

Housing units are occupied at 91 percent. The vast majority (79 percent) of units are detached or attached single-family homes, while just nine (9) percent of occupied multi-family units contain upwards of 20 units. The median housing value is $168,000, and the majority (63 percent) of householders are owners.

The subarea's median age is 39.4 years. The largest age cohorts are the Family Years (ages 35 to 49) and Empty Nesters (ages 50 to 64) at 18 residents each. Around 21 percent of residents have attained Bachelor's degrees or higher. Households have average incomes, with a median household income of $58,000, and 18 percent earn below $25,000 annually.

Residential Market Overview

Victory Hills has a strong multi-family market, totaling nearly 3,000 units within 42 properties. These properties are clustered heavily to the south of Leavenworth Road, with many adjacent to KCKCC. Properties in the subarea are largely mid-rise and garden-style developments constructed in the 1960s to 1980s, with a handful of older and more recently-built developments. One property with 60 units was delivered in 2021, while another with 115 units, Davidson's Landing, was delivered this year (2023). Market vacancy has fluctuated greatly over the past decade, ranging from 2.5 percent to 10.6 percent and currently sits at 7.1 percent. With a current asking rent of $928, the area has seen particularly strong rent growth, increasing 28 percent since 2013.



Victory Hills
Subarea Key Metrics

Size	Population	Pop. Change
20.7 SQUARE MILES	30,166 RESIDENTS	+8.6% SINCE 2010
Median Household Income	**Median Housing Value**	**Total Multi-Family Units**
$58K	$168K	3,000
Number of Workers	**Total Businesses**	**Housing Occupancy**
9,800 EMPLOYEES	650 BUSINESSES	91% TOTAL UNITS

Office Market Overview

The subarea has a total office inventory of 396,000 square feet within 48 buildings. Office properties are generally located along the east-west corridors of Leavenworth Road, Parallel Parkway, and State Avenue. Nearly all were built prior to 1990, with just a few being added around 2000. The majority of office buildings are less than 20,000 square feet with only the Wyandotte Providence Hospital surpassing 50,000 square feet. According to CoStar, the current vacancy rate is high, about 12.7 percent, and the average base rent is $19.95 per square foot, having increased about 18 percent within the past decade.

Retail Market Overview

Retail properties in the subarea, like the office buildings, are heavily concentrated along Leavenworth Road, Parallel Parkway, and State Avenue. The dominant typology is freestanding retail, under 5,000 square feet, and neighborhood centers between 50,000 and 100,000 square feet. Much of the retail dates to the mid 20th Century, but 11 properties totaling around 275,000 square feet have been delivered since 2013. Currently, the subarea has a total inventory of 1.8 million square feet within 149 buildings. Retail properties have a vacancy rate of 5.0 percent and NNN market rent of $12.23 per square foot.

Hospitality Market Overview

The subarea has just three hotels, all located near State Avenue in the Coronado neighborhood. Inventory totals 104 rooms, one of which (Days Inn Near Kansas City Speedway) was built in 2022. All three hotels are economy.

Industrial Market Overview

Numerous small-scale warehouses and service centers, primarily built in the 1970s and 1980s, are concentrated at State Avenue and North 64th Terrace. The Turner Logistics Center, located near State Avenue and the Turner Diagonal Freeway, is the subarea's large-scale industrial development with five buildings ranging from 248,000 to 543,000 square feet. Altogether, the subarea has 2.1 million square feet of industrial space across 23 buildings, with four buildings from the Turner Logistics Center added in the last decade. Vacancy has historically remained very low—around one (1) percent—with the exception of periods of absorption from the new buildings, while rents have risen to $5.51 per square foot, up 28 percent since 2013.

Subarea Seven Overview

- **Strengths:** Subarea Seven has a number of retail centers located along State Avenue, which were built in the 1960s to 1980s, though have all been recently renovated and expanded. As a result, the subarea has captured a significant share of the recent retail deliveries in the county. The area has a relatively high density of multi-family development, which is also clustered around retail centers. There is a growing logistics sector, with the subarea including the Turner Logistics Center—one of the largest recent warehouse and distribution centers in the county, which has been delivered in phases since 2021. Due to this development, the subarea maintains relatively high industrial rents.
- **Weaknesses:** The subarea is highly suburban in character, as most uses are heavily auto-oriented and walkability is limited. As such, retail is limited to strip and neighborhood centers, tenanted by chain retailers and big-box stores. Both these properties and the area's aged suburban office developments are particularly vulnerable to changing consumer and tenant preferences toward accessibility and density.
- **Opportunities:** With good availability of unimproved land, the subarea is well-positioned to support future large-scale development. In particular, the area's proximity to The Legends Outlet and major thoroughfares could allow logistics uses to continue expansion. Large-scale multi-family development would be appropriate around existing shopping centers and thoroughfares; accessibility to such amenities positions the area well to support new construction of senior and/or affordable housing.
- **Threats:** The delivery of the Turner Logistics Center and an Amazon distribution center to the south indicates a trend of industrial development creeping northward from its historic location along the riverfront. As these buildings demand large footprints and can create significant congestion, pollution, and other negative externalities, such patterns of development may conflict with surrounding uses, community needs, and future housing or retail development. While most retail along State Avenue is well occupied, the area includes a handful of now vacated big-box stores. These "grayfields" detract from the community and are exceedingly challenging to reposition given their large floorplates and construction quality.

Subarea Eight: Southwest Wyandotte

At 44.6 square miles, this subarea is the largest by area and has a population of 20,720 residents. Comprising Kansas City's southwestern neighborhoods, Muncie and Morris, as well as suburbs, Edwardsville, Sunflower, and Bonner Springs, the vast majority of the subarea is made up of low-density single-family homes. Industrial uses—mainly warehouses and logistics facilities—dominate to the south of Kaw Drive along the riverfront, employing a significant portion of the subarea's 11,340 workers within 683 businesses. Retail and other commercial development cluster around the town centers of Edwardsville and Bonner Springs and at the intersection of Interstate 70 and State Route 7. Further, the subarea is home of the Grinter Place Historic Site, a farmhouse dating to the 1850s.

The subarea's 683 businesses represent a diverse range of industry sectors and have particularly strong employment in the wholesale trade, retail trade, transportation and warehousing, and information sectors, altogether employing around half (5,400) of the area's workforce.

According to the 2021 ACS, housing units in the subarea are generally newer, with 1975 as the median year of structure built. The area saw a significant amount (12 percent) of units delivered between 2000 and 2009, indicating a large amount of recently developed housing stock.

Demographic Overview

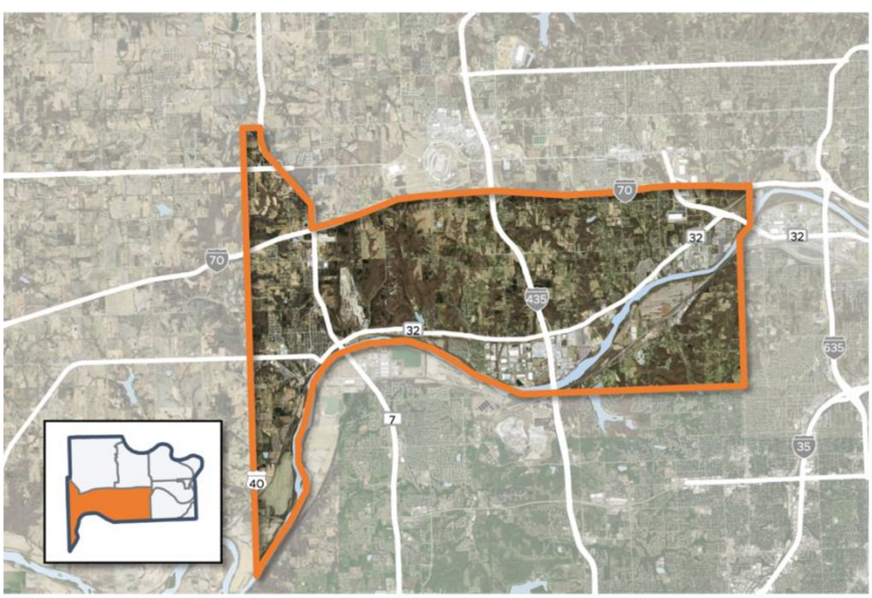
According to current Esri estimates, the subarea has a population of around 20,700 residents, having grown 3 percent since 2010. The majority (62 percent) of the subarea's 8,040 households contain one or two people, and it has an average household size of 2.55 persons. According to Esri, the subarea's population is projected to decline 0.1 percent annually through 2028.

Housing units are occupied at 93 percent. The vast majority (72 percent) of all units are detached or attached single-family homes, while a significant portion of the population is housed in mobile homes (17 percent). The median housing value is $189,000 and the majority (73 percent) of householders are owners.

The subarea's median age is 38.5 years. The largest age cohorts are the Family Years (ages 35 to 49) and Empty Nesters (ages 50 to 64) at 19 percent of residents each. Around 23 percent of residents have attained Bachelor's degrees or higher. Households have relatively high incomes, with a median household income of $70,000, and 15 percent earn below $25,000 annually.

Residential Market Overview

Southwest Wyandotte's multi-family developments are concentrated in Bonner Springs, Edwardsville, and Muncie. Inventory totals nearly 3,000 units within 25 properties. Properties in the subarea are largely mid-rise and garden-style developments constructed in the 1960s to 1980s. One property with 72 units, Windridge Estates, was delivered in 2020, but there have been no other deliveries in the past decade. Market vacancy has fluctuated greatly over the past decade, ranging from 3.5 percent to 8.3 percent and currently sits at 6.5 percent. With a current asking rent of $874, the area has seen strong rent growth, increasing 22 percent since 2013.



Southwest Wyandotte
Subarea Key Metrics

Size	Population	Pop. Change
44.6 SQUARE MILES	20,720 RESIDENTS	+3% SINCE 2010
Median Household Income	**Median Housing Value**	**Total Multi-Family Units**
$70K	$189K	3,000
Number of Workers	**Total Businesses**	**Housing Occupancy**
11,340 EMPLOYEES	683 BUSINESSES	93% TOTAL UNITS

Office Market Overview

The subarea has a total office inventory of 190,000 square feet within 26 buildings. Office properties are generally to the west of Kaw Drive in the Bonner Springs neighborhood with a handful along Kaw Drive. Nearly all were built prior to 1980, with a few century properties located in Downtown Bonner Springs, and the majority are less than 10,000 square feet. According to CoStar, the current vacancy rate is low, about three (3) percent, and the average base rent is $17.47 per square foot, having increased about 20 percent within the past decade.

Retail Market Overview

Retail in Southwest Wyandotte is strong and heavily concentrated in the Bonner Springs, Loring, and Edwardsville neighborhoods and in an area just south of the Turner Diagonal Freeway. The dominant typology is freestanding retail, under 5,000 square feet, and neighborhood centers between 10,000 and 20,000 square feet. Numerous fast-food chain restaurants are located along State Highway 7 in Bonner Springs. Much of the retail on the western edge of the subarea is newer, built since 1990, while most of the inventory to the east was built prior to 1990. Four buildings have been delivered in the past decade with the most recent added in 2022. Currently, the subarea has a total inventory of 803,000 square feet within 98 buildings. Retail properties have a vacancy rate of 0.7 percent and NNN market rent of $13.35 per square foot.

Hospitality Market Overview

The subarea has eight (8) hotels primarily located along the Interstate-70 corridor. Inventory totals 349 rooms, two of which were renovated in the past five years. The hotels range in type from economy to upper midscale, including one bed and breakfast.

Industrial Market Overview

The industrial market in Southwest Wyandotte is deep, concentrated along Kaw Drive, with particularly dense pockets at the intersection of Interstate-435 and to the northeast near Turner Diagonal Freeway. The majority of industrial product are warehouses with less than 100,000 square feet. Compass 70 Business Park is located at the northern edge of the subarea just south of Interstate 70 and consists of an 806,000 square foot building, a 600,000 square foot building that is under construction, and a planned 672,000 square foot building. Altogether, the subarea has 7.4 million square feet of industrial space across 184 buildings, with 12 buildings added in the last decade. Vacancy has historically remained very low—around one (1) percent—with the exception of periods of absorption from the new buildings, while rents have risen to $7.56 per square foot, up 32 percent since 2013.

Subarea Eight Overview

- **Strengths:** Subarea Eight has a stable population, largely residing within single family, suburban communities. The area has strong industrial districts along the riverfront, predominantly occupied by logistics and small-scale manufacturing firms. These districts captured a significant share of recent industrial deliveries, including the Amazon MKC6 distribution center, and industrial rents are among the highest of all subareas. There are strong retail centers clustered around major thoroughfares, which have low vacancy rates and strong rent growth, and the area has generally high housing values and relatively newer homes. Visitors are drawn to the subarea by its extensive camping areas and small downtowns in Edwardsville and Bonner Springs.
- **Weaknesses:** Excluding industrial deliveries, the area has seen minimal recent development, having added just one multi-family and one retail property since 2015. Further, the subarea has a relatively high median household income, yet significant wealth disparity. It also has a high density of mobile homes, with few other affordable housing options, and these are largely found alongside industrial districts.
- **Opportunities:** Market support for future development is by far strongest in the industrial sector. The subarea is well-suited for further industrial development, as its existing districts feature large, currently unutilized parcels, and immediate proximity to the riverfront, Kaw Drive, and Village West. With relatively strong rent growth, the area can also support townhome-style or otherwise low-density multi-family housing.
- **Threats:** The subarea faces very strong competition from the high-quality retail, housing, and office space recently developed around The Legends Outlets. For multi-family housing, in particular, offerings are high-amenity and centrally located, with which proposed properties in the subarea would be unlikely to be able to compete. Additionally, while the area has existing large-scale industrial centers, future industrial development could creep into residential communities, creating conflict between uses.

Subarea Nine: Piper & Speedway

The subarea is defined by the presence of super-regional mall, The Legends Outlets, and the Kansas Speedway, making it among the most popular entertainment and shopping destinations in the region. Since opening in the early-2000s, extensive retail development surrounding the mall has been added, expanding the district's footprint from Interstate 70 to the south to Georgia Avenue to the north. The mall is flanked by recently-developed for-sale subdivisions and high-end apartment communities, contributing to the subarea's addition of over 5,000 residents since 2010, giving a present population of 16,720. The area has also seen recent industrial development, such as the Amazon Fulfillment Center, and boasts a total workforce of 10,850 employees across 538 businesses. Beyond the Legends, density in the 40-square mile subarea drops precipitously, such that communities towards its northwestern edge become increasingly rural in character.

Because of the presence of a super-regional mall, a significant proportion (38 percent) of the subarea's employment is concentrated in retail trade, employing over 4,000 workers. The second top industry in the subarea is accommodation and food services, also uplifted by the presence of the outlet mall and ancillary retail development. The accommodation and food services sector accounts for 20 percent of employment in the area, employing over 2,000 workers.

According to the 2021 ACS, housing units in the subarea are very new, with 2002 as the median year of structure built. Over half (58 percent) of housing units were built after 2000, signifying this area is very recently developed.

Demographic Overview

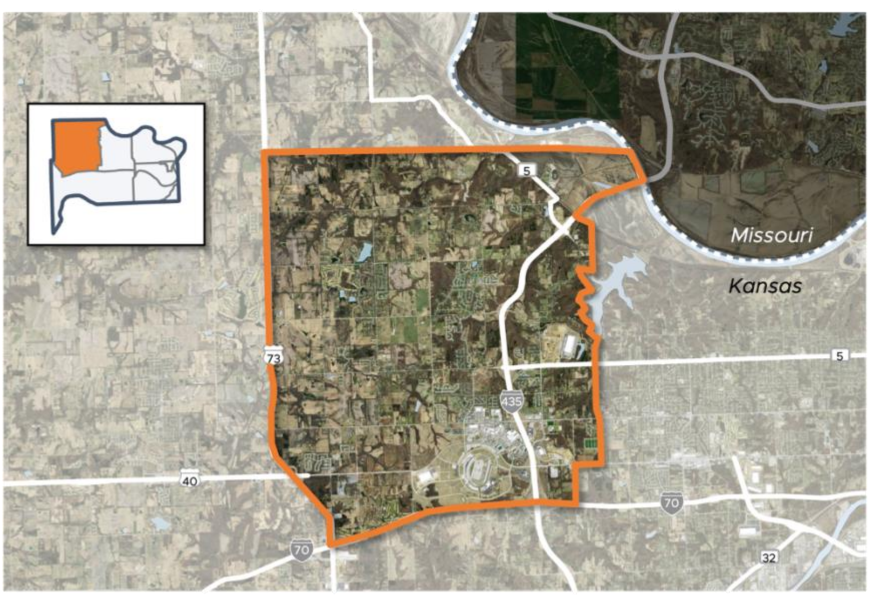
According to current Esri estimates, the subarea has a population of around 16,700 residents, having grown 44 percent since 2010. The majority (55 percent) of the subarea's 6,711 households contain one or two people, and it has an average household size of 2.62 persons. According to Esri, the subarea's population is projected to rise 0.9 percent annually through 2028.

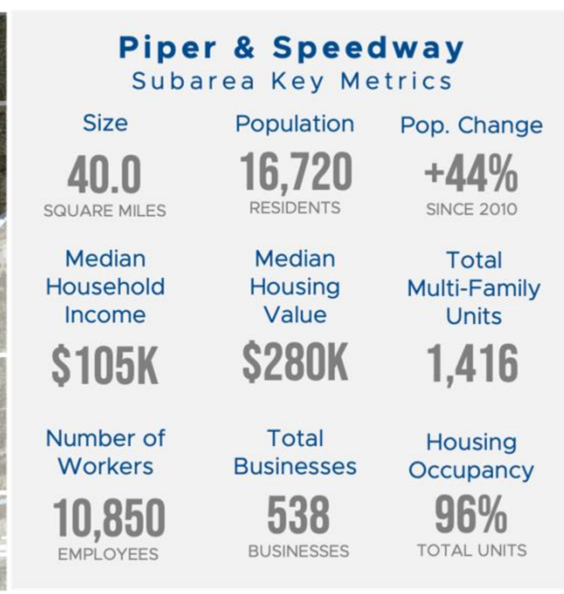
Housing occupancy is high at 96 percent. The vast majority (85 percent) of all units are detached or attached single-family homes, while only nine (9) percent of occupied multi-family units contain upwards of 20 units. The median housing value is $280,000, and the majority (73 percent) of householders are owners.

The subarea's median age is 39.2 years. The largest age cohorts are the Family Years (ages 35 to 49) and Empty Nesters (ages 50 to 64) at 21 percent and 19 percent of residents, respectively. Around 42 percent of residents have attained Bachelor's degrees or higher. Households have very high incomes, with a median household income of $105,000, and only five (5) percent earn below $25,000 annually.

Residential Market Overview

Multi-family development in the Piper & Speedway subarea is mostly new, built since 2000, and is concentrated around the Kansas Speedway and Legends Outlets, as well as along State Avenue near Wyandotte County Park. Inventory totals 1,416 units within 14 properties. Properties in the subarea are mostly mid-rise and townhome developments. Six properties have been delivered in the past decade, one of which, Switch, was added in early 2023 delivering 274 units. Two properties are currently under construction, both located near the





Kansas Speedway, and will provide a combined 500 units. Market vacancy has generally remained around 5.0 percent throughout the past decade, but currently sits at 18.7 percent as the new units from Switch are absorbed. With a current asking rent of $1,417, the area has seen strong rent growth, increasing 21 percent since 2013.

Office Market Overview

The subarea has a total office inventory of 954,000 square feet within 18 buildings. Office properties are concentrated along Parallel Parkway to the east and west of Interstate-435. All but three were built since 2000, and the majority are smaller, less than 40,000 square feet. The Dairy Farmers of America maintain their headquarters within the subarea, and it is located just northwest of State Avenue and Interstate-435 and consists of 111,185 square feet. A large Cerner Corporation campus was just west of this, containing nearly 650,000 square feet, but it has recently closed and is currently for sale. According to CoStar, the vacancy rate has remained between one (1) and three (3) percent over the past decade, but is now 70 percent due to the Cerner building closure. The average base rent is $27.16 per square foot, an increase of about 26 percent in the past decade.

Retail Market Overview

Retail properties in the subarea, like office buildings, are heavily concentrated along Parallel Parkway with the largest contingent located in Village West near the Kansas Speedway and Legends Outlets. The typology is a mix of fast-food restaurants, gas stations, and freestanding retail surrounding The Legends Outlets, a regional mall containing more than 1.2 million square feet of space that was built in 2005. Nearly all of the inventory has been built since 2000, and 11 properties totaling around 312,000 square feet have been delivered since 2015. Currently, the subarea has a total inventory of 3.2 million square feet within 93 buildings, and 640,000 SF of inventory is under construction. Retail properties have a vacancy rate of 0.6 percent and NNN market rent of $24.14 per square foot, which has increased consistently since 2013.

Hospitality Market Overview

The subarea has 13 hotels, 10 of which are near the Kansas Speedway and The Legends Outlets and three of which are to the east of Interstate 435. Ten hotels have been built since 2000, while the remaining three are under construction or in the planning stages. Fairfield by Marriott Inn & Suites will open by the end of the year and provide 87 rooms. TownePlace Suites by Marriott is in the final planning stages and is slated to open in 2025 with 101 rooms. Margaritaville Kansas City hotel is also in the final planning stages and is set to open in 2026 with 230 rooms. Inventory totals 1,106 rooms, and the hotels range in type from midscale to upscale.

Industrial Market Overview

Industrial facilities in the subarea are mainly concentrated to the east of Interstate 435, north and south of Leavenworth Road. The majority are distribution centers with large footprints. Urban Outfitters maintains its headquarters in the subarea, with an 880,000-square feet distribution center located along State Avenue near the Kansas Speedway. The 435 Logistics Center, built in 2021, comprises 1.1 million square feet of space located along Leavenworth Road to the east of Interstate-435 and is fully leased as an Amazon Warehouse. It is part of a larger 400-acre master-planned logistics park that will include five additional buildings ranging from 100,000 to 855,000 square feet. Altogether, the subarea has 2.1 million square feet of industrial space across nine (9) buildings, with five buildings proposed or under construction. Vacancy has historically remained very low—less than one (1) percent—with the exception of periods of absorption from the new buildings, while rents have risen to $5.46 per square foot, up 31 percent since 2013.

Subarea Nine Overview

- **Strengths:** Subarea Nine is the most rapidly growing part of Wyandotte County, with population having increased by over 5,000 residents since 2010. The area is highly affluent and contains a relatively new housing stock. As such, the median housing value is quite high ($280,000). Owing to The Legends and Speedway, the area has captured among the highest-quality recent retail, multi-family, and office development, leading to significant increases in market rents across all sectors. Additionally, the subarea added new industrial development, with two large-scale distribution centers. The area's economic prosperity is heavily tied to The Legends Outlets and its associated uses, the number of visits to which have almost entirely recovered from the pandemic. According to Placer.ai, as the westernmost retail center in the region, Village West is able to capture visitors from across the eastern portion of the state and sees strong visitation from as far as Topeka.
- **Weaknesses:** The subarea's development has nearly entirely been shaped by The Legends and Speedway, leading to little activity elsewhere. As a result, the subarea has massively uneven population distribution, with very low density to the northwest. These developments, which only occurred in the last two decades, have led the area to experience a rapid change in identity. Furthermore, nearly

all retail is comprised of brand name chains, and it is heavily auto dependent.

- **Opportunities:** Given strong recent development velocity, Subarea Nine is expected to continue acting as a leading entertainment and retail destination within the county. Planned expansions of attractions in the area will drive visitation, retail sales, and hotel occupancy. Simultaneously, positive projected population growth can support additional multi-family development, particularly catering to the county's growing high-income renter market. While heavily built out, The Legends is still surrounded by a handful of empty parcels, giving it room to expand. Altogether, these factors suggest that the market will continue to drive hospitality, office, retail, and multi-family development.
- **Threats:** Market conditions in the subarea are generally strong and are expected to propel future development. That being said, the mall features steep competition from shopping centers across the region. Further, evolving shopping preferences among consumers and the closure of a single anchor store could (and would) deeply impact the long-term vitality of the mall. The subarea also saw the delivery of new large office properties in the last decade that are now performing poorly, with low occupancy and utilization. Lastly, multi-family rents and for-sale housing prices in the subarea are exceedingly high, pricing out existing low-to moderate-income residents and the workforce within the mall and surrounding attractions.