



# KANSAS

## STATEWIDE HOUSING ASSESSMENT





### **A Note on Pandemic Influences**

The housing assessment was completed during ever-changing circumstances in 2021. The data presented in this report are based upon the most recent data sources at the time the study was conducted. Many realities influenced by the COVID-19 pandemic are not reflected in the data sources, a time of rapidly changing economic conditions. Rising housing construction costs partially attributed to the pandemic were prevalent through 2021. The short and long-term effects of this recession are still to be determined. The recommendations consider the current data, what stakeholders in the process said, and are a result of the author's expertise in housing market indicators.

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Kansas Housing Work Group

Kansas Housing Needs  
Assessment Technical  
Committee

# Introduction

Shelter is a basic need in life. Some do not often consider where they will live while others contemplate this issue daily. However, having a place to call home provides much more than shelter. A home provides community and a sense of place. And a home can look like many things – a rental unit/studio, a house, a condo community, and many other living situations.

Throughout the country and in many Kansas neighborhoods, having a home that increases quality of life is becoming more difficult to achieve. Rising prices, low wages, poor housing conditions, aging structures, and limited housing options are just a few factors that Kansans face in the market today.

A shortage of quality, affordable housing is an undeniable barrier to economic growth and development in any community, and particularly in rural communities in Kansas. Simply put, additional housing is needed to support workforce needs and to retain Kansas' best and brightest. The Kansas Department of Commerce is committed to strengthening the link between housing and economic development through close collaboration with the Kansas Housing Resources Corporation. The housing assessment is a critical part of efforts to encourage positive community growth and the quality of life that every Kansan deserves.

## Assessing Housing in Kansas

Many communities in Kansas have local housing assessments and studies that show market conditions and recommend housing-related policies. At the State level, many departments and organizations provide resources for Kansas communities to pursue their local housing policies. State level support is crucial for the success of Kansas communities.

The Kansas Housing Resources Corporation (KHRC) is a leader in providing housing resources to Kansas communities. “Unlocking Home” since 2003, the mission of KHRC is to help Kansas citizens access the quality affordable housing they need and the dignity they deserve. KHRC is a public corporation and operates independently from the State. KHRC serves as the housing finance agency (HFA) for Kansas. KHRC addresses housing issues and needs for the citizens of Kansas, by administering essential programs that allow communities and service organizations to help Kansans. KHRC is supported by many other organizations and agencies like the Kansas Department of Commerce and the Office of Rural Prosperity.

*There are many factors that influence the housing market. Some include:*



## Who Can Use The Assessment

This housing assessment provides a guide for validating, updating, and providing new directions on housing policy in Kansas. **The study is meant to guide decisions for many groups:**

### State-Level Organizations

Organizations like KHRC can use the assessment to request funding, legislative amendments, and programs.

### State Legislators

The assessment provides the data, evidence, public input, and expert knowledge to support housing policy and funding decisions.

### Local Elected & Appointed Officials

Regional and county level insights in the assessment provide a localized understanding of the market, where to focus lobbying efforts at the State level, and areas for further study.

### City, County, & Non-Profit Staff

The assessment can provide a baseline to begin considering local housing program amendments or new policies to assist the local housing market. The data indicators the assessment references can also provide the beginning steps when applying for various types of grants or other funding.

### Builders & Developers

The assessment provides evidence of housing demand throughout Kansas and education about possible programs builders and developers can use to make different types of housing projects viable.

### And Many Others

This list is not exhaustive; it shows only a few ways this assessment can be useful. Many agencies and organizations working across the state should also consult and pursue additional data sources and resources helping to address local and regional housing barriers.

## CRITICAL PARTNERS



## Organization of the Assessment

The amount of information that could be included in a statewide housing assessment is vast. People will have many uses for the document – from dissecting market data to marketing and promotion. The organization of the document allows users to quickly turn to the most pertinent sections and extract information without missing out on the section's context to the broader document. The information is broken into separate sections, each in its own document.

The information and data sources included in the assessment were reviewed in the context of many other data points and community insight, that for clarity and length may not be included. The assessment details the most important items when considering the recommendations.

## Section 1: A Profile of Kansas

**Chapter 1: Macroeconomic Indicators.** A detail of the nationwide trends leading up to 2020 and what these mean for Kansans.

**Chapter 2: Statewide Profile.** A look at housing data and trends across nine distinct regions in Kansas, including urban versus rural differences when important.

**Chapter 3: Statewide Perceptions.** Details and information gleaned from extensive public engagement in 2021 which included many surveys, community meetings, and small group listening sessions.

**Chapter 4: Statewide and Regional Themes.** A summary of the primary themes for each region of Kansas.

## Section 2: Strategic Housing Goals

The primary goals to help build policy are based on the opportunities, gaps, and issues the previous sections identify. The goals are addressed through programs, policies, and partnerships.

### Strategies Forward

Identifies the specific strategies, approaches, and recommendations to address the opportunities and challenges facing Kansas and its regions. The strategies include:

- Building on or further marketing existing programs at the state, regional, and local levels.
- Statewide policy initiatives.
- Regional policy initiatives.
- Priorities to get started.





### Section 3: Regional Snapshots

A separate section for each region that summarizes data and provides more context into regional conditions, opportunities, and challenges. The nine regions include:

- Northeast
- North Central
- Northwest
- Southwest
- South Central
- Southeast
- Shawnee/Douglas Counties
- Sedgwick County
- Kansas City Metro

### Appendix

A separate document that includes:

- Background material on the process and engagement.
- Expanded survey results.
- Expanded data tables and methodology as noted in the assessment.



Housing production throughout the country is primarily driven by the private market. Public policy can have significant impacts when the pure private market leaves many demands and needs unmet. The following sections begin to identify the reasons for the unmet demand.

This assessment is a tool to support the private market to stimulate investment when the private market may find it difficult to produce on its own. Strategies offered in this assessment provide incentives (or disincentives) that steer development in certain directions and help fill any gaps that inhibit the private market from meeting specific demands.



# Macroeconomic Indicators

The housing market is shaped by many factors. Households in 2021 faced unprecedented situations that are hard to compare to past experiences. This is compounded by the staggering and long-term effects being realized today from the 2008 recession. Kansans are not alone. These factors have considerable effects on housing affordability, choice, and quality of life.

## SELECT MACROECONOMIC INDICATORS:

POPULATION

HOUSING PRICE

CONSTRUCTION

INTEREST RATES

HOUSING OCCUPANCY

LABOR MARKET SHIFTS

INCOME & OTHER COSTS

## Population

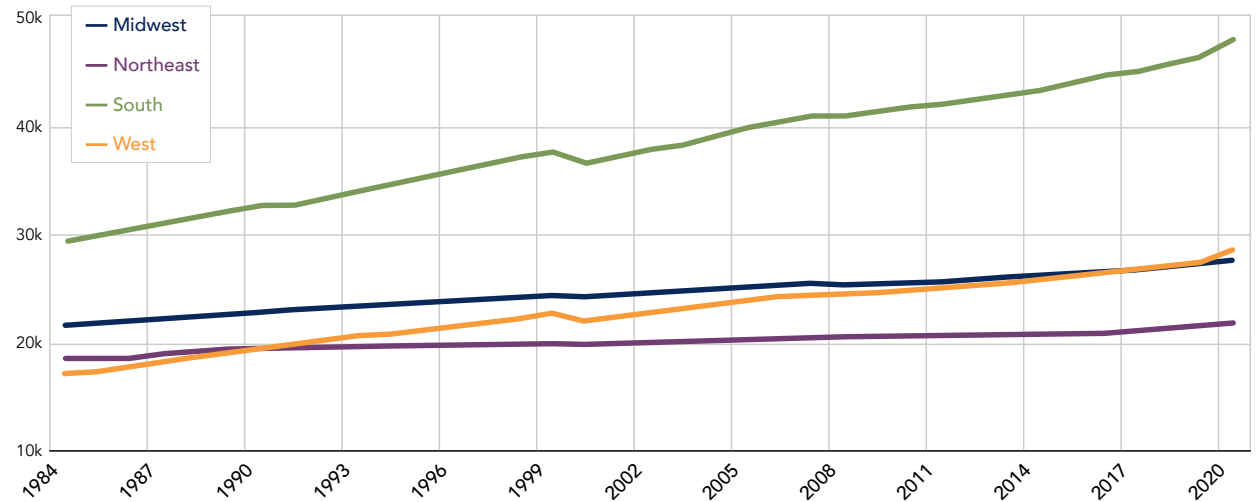
A growing population means a need for more places to live. However, not everyone has the means or ability to move. Some are forced to accept the housing available in a region.

The growth in the number of households is steady in the Midwest, but not as fast as other regions. The age of the population also indicates the type of housing needs. The amount of older households are increasing while younger households are decreasing.

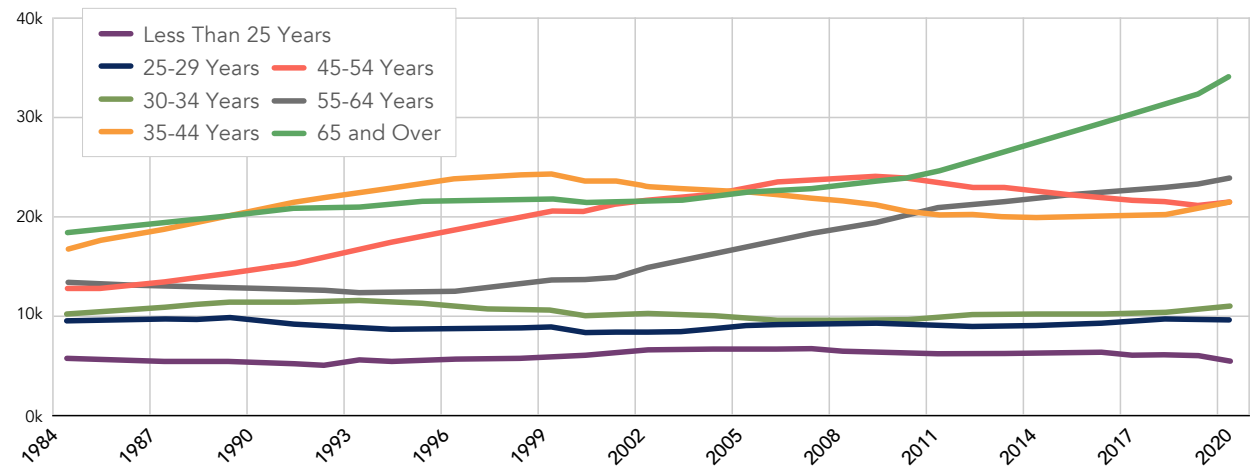
### FOR KANSANS, THIS MEANS:

- Kansas is on the regional border of the West and South. Trends in household growth in these areas may spill over into Kansas considering other factors detailed in this section.
- A significant national increase in 65+ year old households is leading to more people that desire smaller homes and low maintenance housing.

**Figure 1.1: Annual Households (1,000s) (by region)**



**Figure 1.2: Annual Households (1,000s) (by age)**



Source: HUD User; U.S. Census Bureau

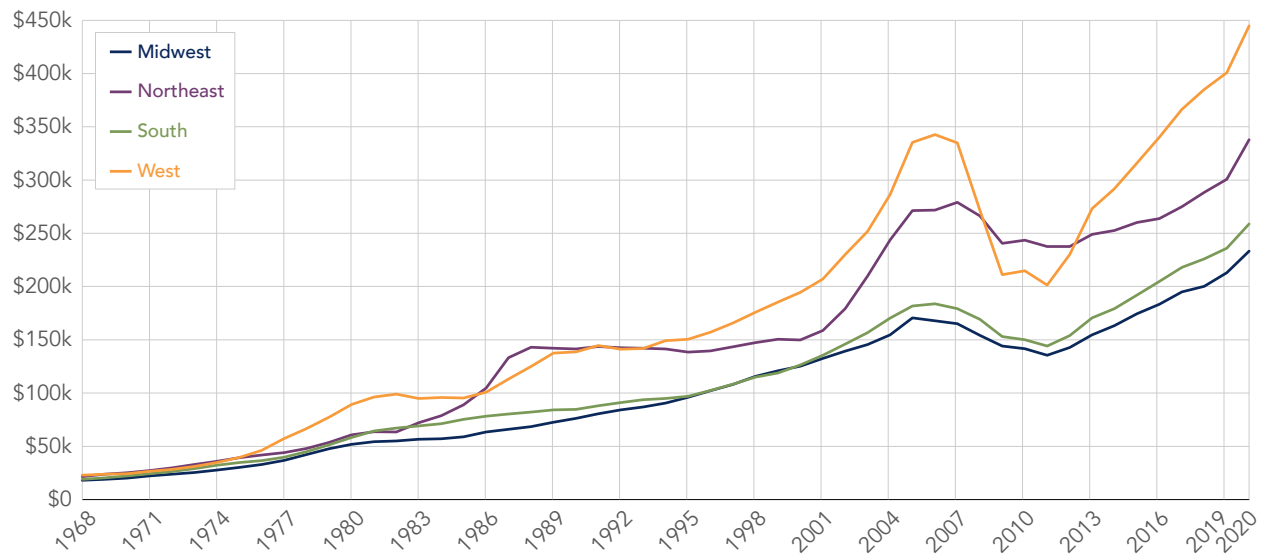
## Housing Price

After a decline during the 2008 recession, median prices of existing homes are increasing at a faster pace than ever before. The Midwest is no exception. While prices of existing homes in the Midwest are lower overall than in coastal cities, incomes are lower as well. The price of new homes remained stable from 2017 to the beginning of 2020.

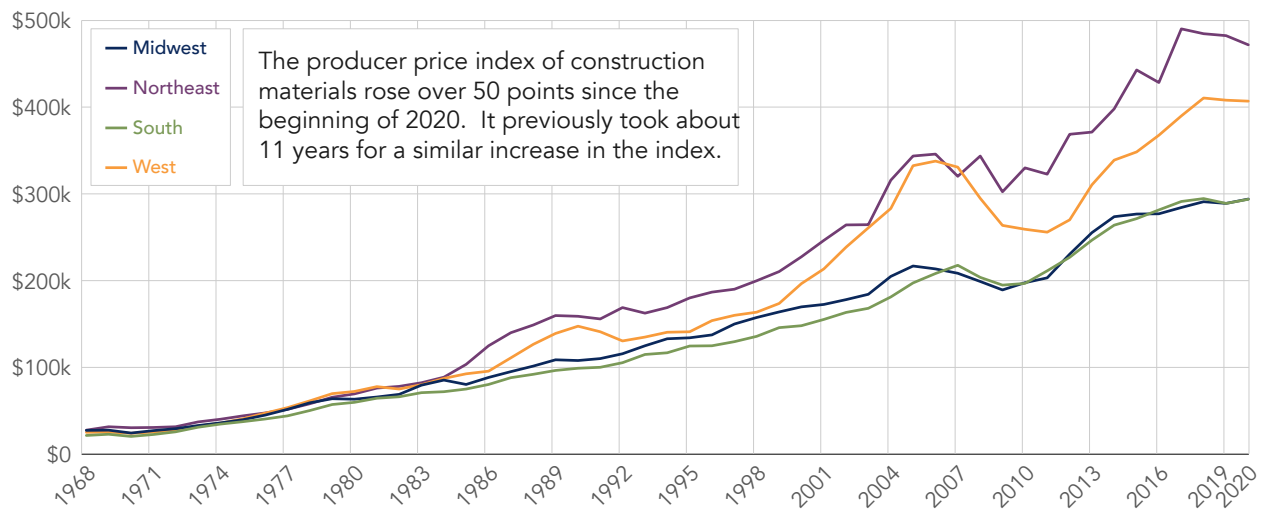
### FOR KANSANS, THIS MEANS:

- More money needed to purchase a home and save for a downpayment.
- The Midwest may seem more attractive based on housing prices, encouraging in-migration from individuals living in higher priced markets.
- Prior to the construction industry supply chain issues in 2020/2021, buying a new home may have started to become an option as incomes rose for some households.
- Despite the steep rise in existing home prices since 2012, purchasing an existing home remains affordable in many areas over purchasing a new home. In the Midwest, the average difference is about \$60,000.

**Figure 1.3: Median Existing Homes Prices (by region)**



**Figure 1.4: Median New Homes Price (by region)**



Source: HUD User, Office of Policy Development and Research; Realtor.org

## Construction

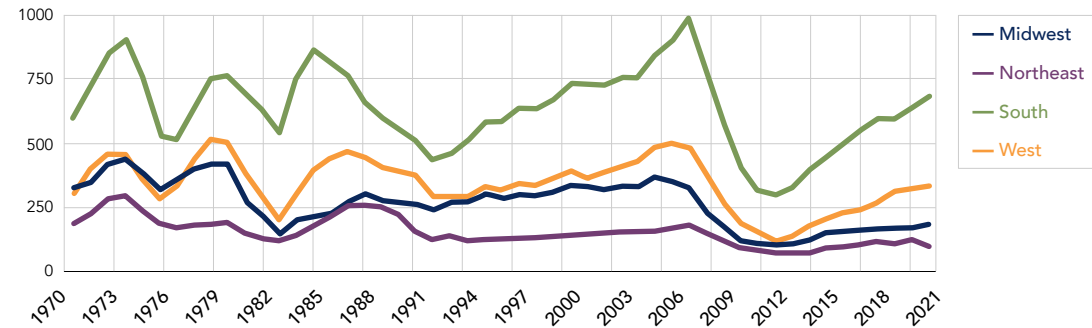
New housing construction patterns have emerged in the last few years:

- The Midwest and Northeast lag behind the West and South since the 2008 recession.
- Much of this construction activity is single-family and multi-family structures with five units and fewer medium density options such as attached housing, townhomes, small scale apartments, and multi-plexes.
- Development in Metropolitan Statistical Areas (MSAs) like Kansas City, Topeka, Lawrence, and Wichita has been stronger than more rural and non-MSA areas.

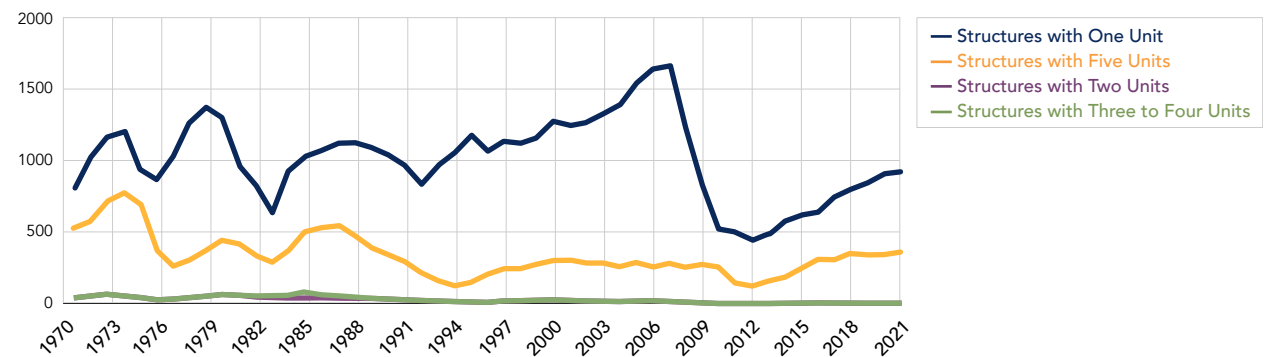
### FOR KANSANS, THIS MEANS:

- Fewer new housing options on the market as compared to before 2008. More people competing for the same units or moving out of the region.
- Builders and developers focusing efforts in cities where they can benefit from economies of scale with mass production.
- Potentially fewer home ownership options at medium densities, such as townhomes and duplexes.

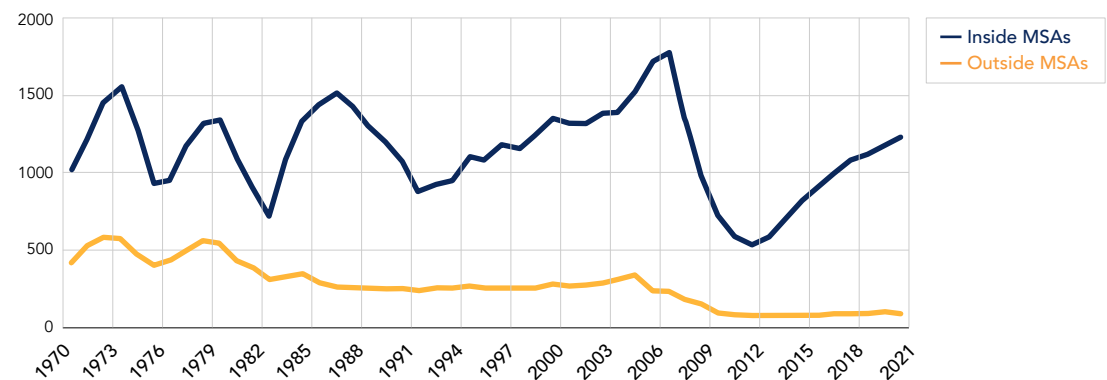
**Figure 1.5: Private Housing Units Complete (1,000s) (by region)**



**Figure 1.6: Private Housing Units Complete (1,000s) (by structure type)**



**Figure 1.7: Private Housing Units Complete (1,000s) (by MSA)**



Source: HUD User, [https://www.huduser.gov/portal/ushmc/hs\\_source.html](https://www.huduser.gov/portal/ushmc/hs_source.html); U.S. Census Bureau

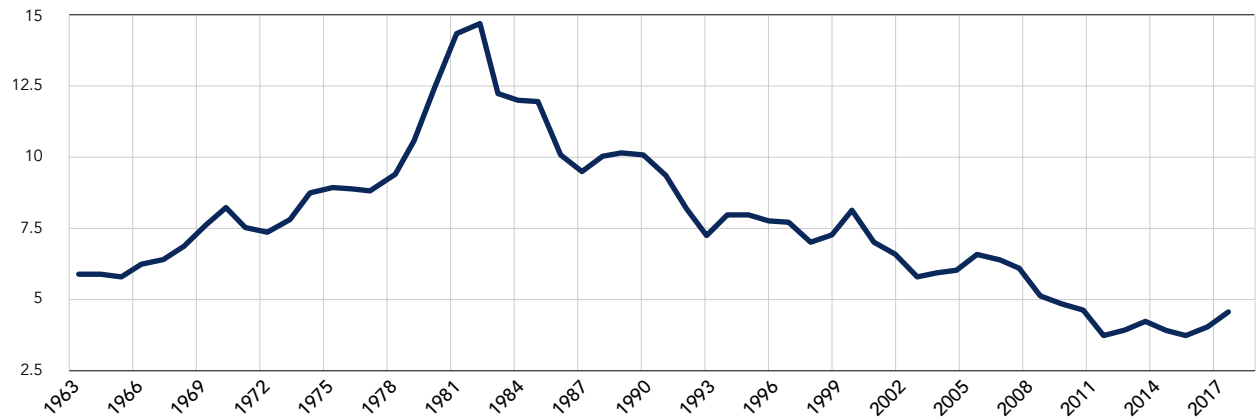
## Housing Financing

The ability to purchase a home goes beyond the sale price. The cost of financing is a substantial barrier for some. Financing to purchase a home has never been lower, assuming other factors like borrower credit score and debt-to-income ratios are in good standing. Fees and charges have risen since 2008, likely a result of added regulation caused by factors that led to the 2008 housing crisis. A decline of these fees in recent years may indicate efficiencies implemented by lenders.

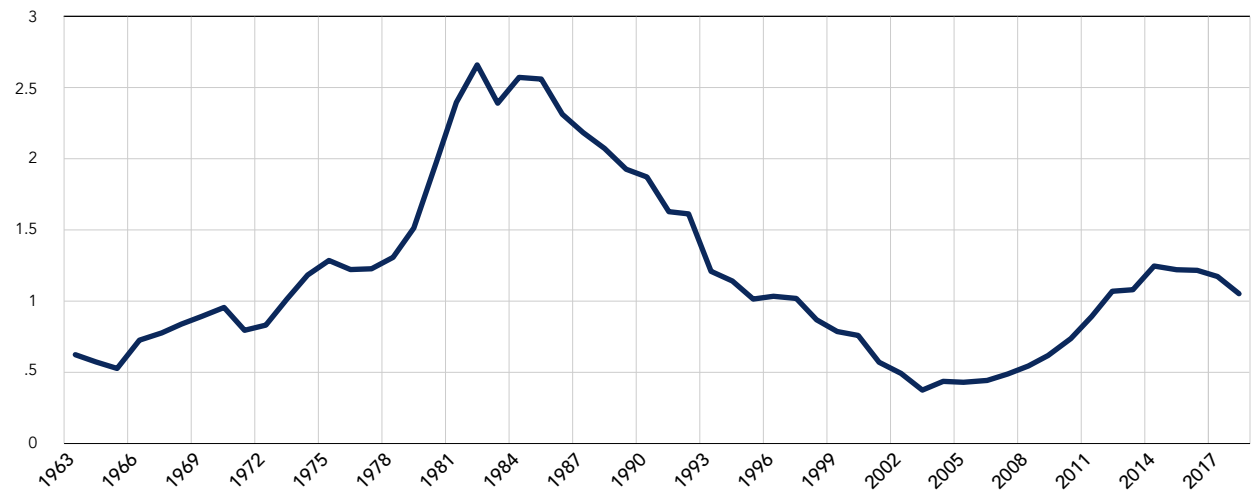
### FOR KANSANS, THIS MEANS:

- Lower interest rates can make homeownership within reach for many, even with a rapid increase in home prices. That is, if a home is available for purchase.
- Lower interest rates are on longer loan terms (30-year). While this means a lower monthly payment, the long-term interest costs are greater. The ability to have a larger upfront downpayment can reduce some of this long-term burden.

**Figure 1.8: Closed Fixed-Rate Loans: Interest Rate (total)**



**Figure 1.9: Closed Fixed-Rate Loan: Fees and Charges (total)**



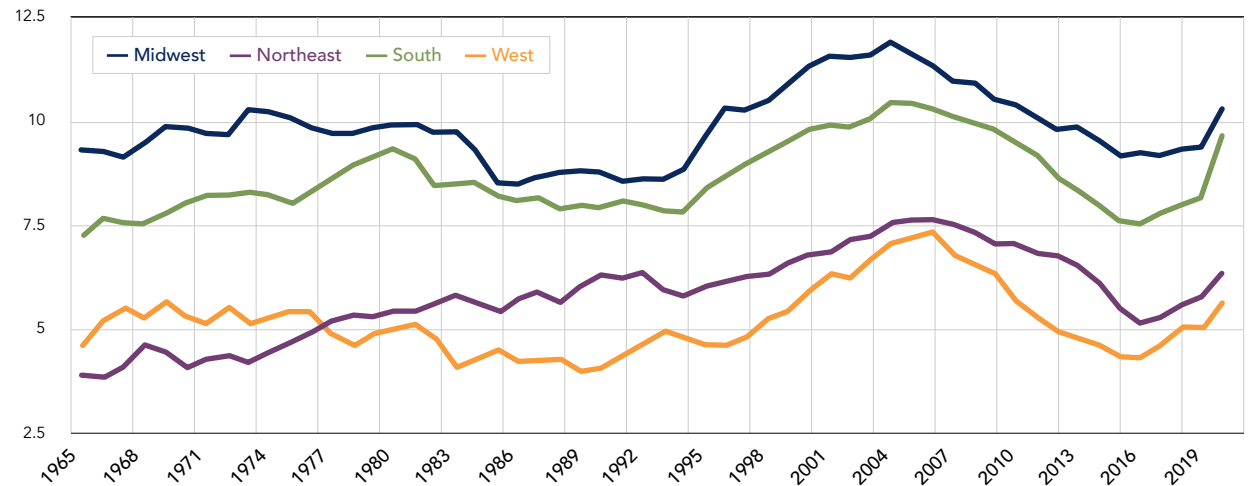
Source: HUD User; FHFA Closed Loan Mortgage Rates; Realtor.org

## Occupancy

Homeownership is not always the goal or appropriate for every household. However, steady or increasing homeownership rates can indicate a stable or more affordable market. The Midwest has the highest homeownership rate in the country.

The rate of rental vacancy (and total vacancies) is declining, especially for single unit homes. A higher rental vacancy for structures with more units is not uncommon as turnover is greater and needed to offer options in a local market.

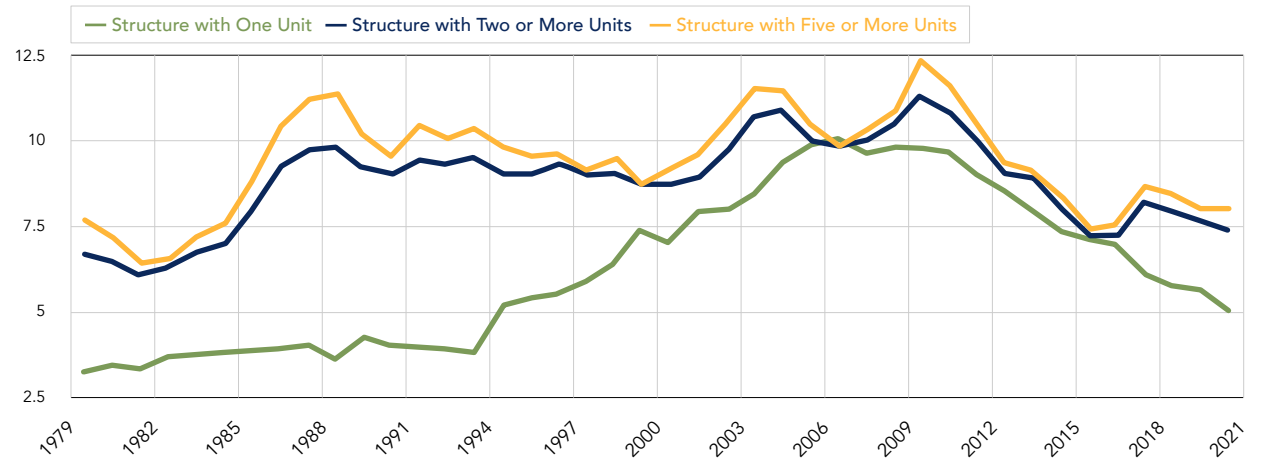
**Figure 1.10: Annual Homeownership Rate (by region)**



## FOR KANSANS, THIS MEANS:

- If ownership units are not available, people that want to own may have to rent, leading to more competition for rental units and declining vacancy rates and/or increased rents.
- Decreasing rental vacancy can reflect a lagging production of rental units and/or more people needing or wanting to rent because it takes time for the market to respond to demand. However, this does not indicate the condition of current units being rented.

**Figure 1.11: Annual Rental Vacancy Rate (by structure)**



Source: HUD User, [https://www.huduser.gov/portal/ushmc/hi\\_sources.html](https://www.huduser.gov/portal/ushmc/hi_sources.html); U.S. Census Bureau

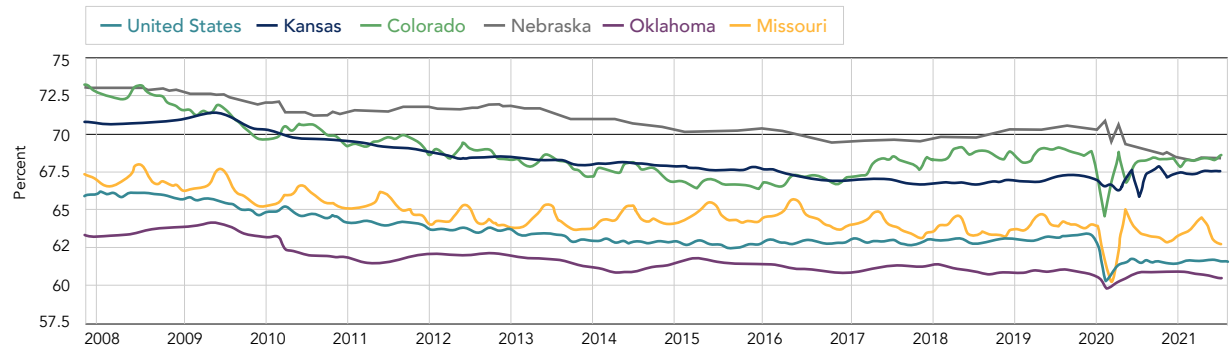
## Labor Market Shifts

Access to housing near jobs is essential for economic development. Additionally, jobs will not be filled if workers do not have a place to live.

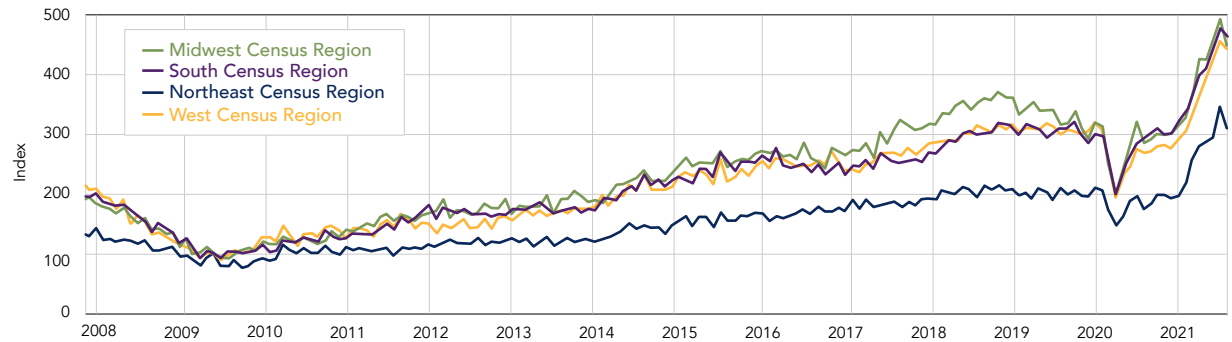
The labor force participation rate shows a drop in people actively looking for work during the 2020 recession. In Kansas, the drop was not as drastic compared to other states. It appears the participation rate is back to pre-2020 levels. Note, the labor force participation rate does not include people who retire and leave the workforce.

The Midwest has the highest increase in job openings from the end of the 2008 recession.

**Figure 1.12: Labor Force Participation Rate Comparison**



**Figure 1.13: Total Non-farm Job Openings - Index from June 2009**



Source: U.S. Bureau of Labor Statistics; U.S. Census, retrieved from FRED Federal Reserve Bank of St. Louis

## FOR KANSANS, THIS MEANS:

- More workers are needed to fill job openings than in the past.
- As of 2021, a stable labor force participation rate that was not as widely impacted by the pandemic. People are generally employed if they want to be employed.
- Many used the pandemic as a reason to change jobs or leave the workforce.



## Income & Other Costs

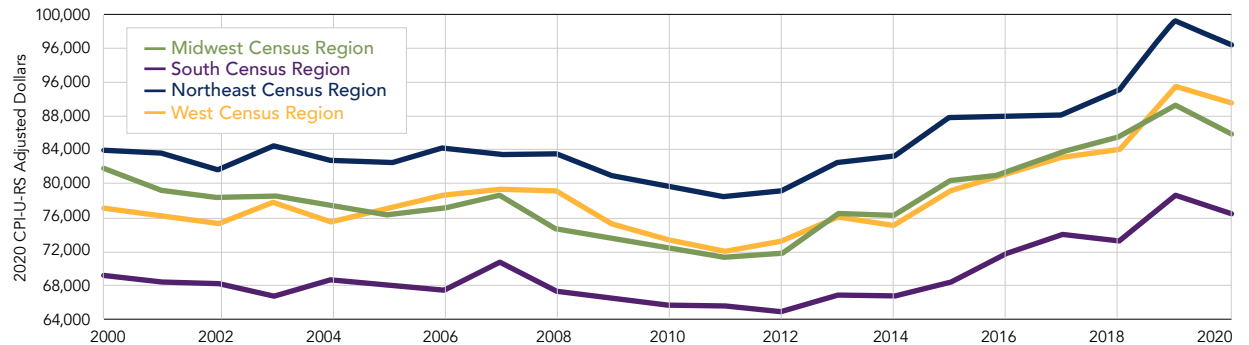
Housing costs and rental rates are increasing in Kansas and the Midwest. Increased incomes can offset some of these price increases. Accounting for inflation, real incomes rose since 2008 until the start of the 2020 pandemic, but at a faster rate in the Northeast and West.

Transportation, utility rates, childcare, and school debt add to the financial burden of a household. While a household may have adequate income, these costs play a role in “how much” house someone can afford.

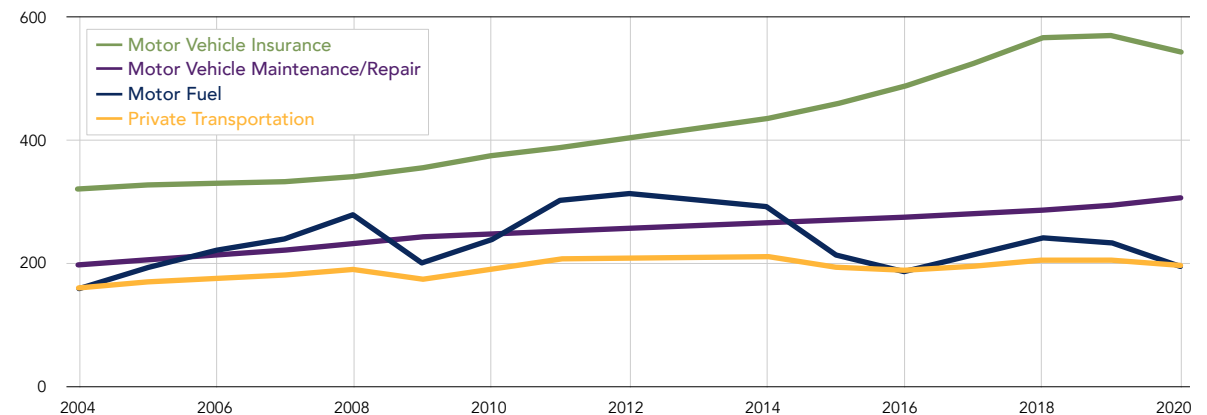
### FOR KANSANS, THIS MEANS:

- In Kansas, car ownership will continue to be a necessity, regardless of income level in the short-term. In the long-term, advancements in autonomous vehicle technology and its potential to influence public transit across more areas may shift this need.
- Young families may have higher burdens with the associated costs of children as a share of income.
- The decline of real income that began in 2020 has not rebounded as of the most recent data. The lasting impacts of lower real income affects low income households the most.

**Figure 1.14: Real Median Family Income Change (by region)**

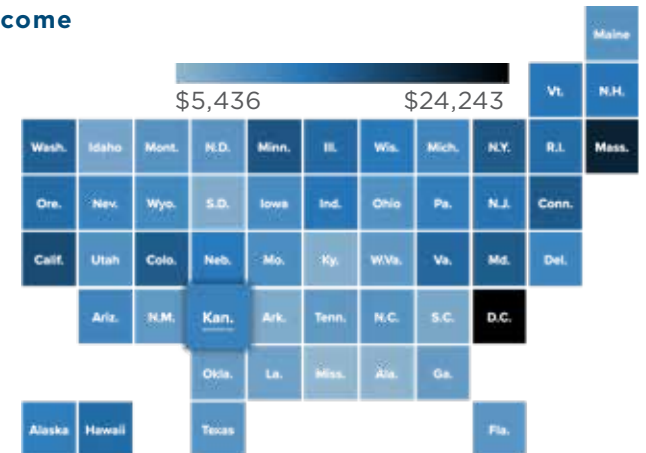


**Figure 1.15: Consumer Price Index for Transportation**



**Figure 1.16: Infant Care as Share of Median Income**

Infant care costs as a share of median family income in Kansas is 18.1%.



Source: FRED; 2019 American Community Survey; <https://www.epi.org/child-care-costs-in-the-united-states/>; U.S. Department of Transportation, Bureau of Transportation Statistics, Transportation Economic Trends (Washington, DC: 2020).

# Statewide Profile

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Kansas is a diverse state with different environmental features, market conditions, economic make-up, and housing markets. Understanding the differences and commonalities is crucial for adapting policy and programs to target needs across the state.

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## STATE INDICATORS

Many factors influence housing market conditions in Kansas. Each are interrelated and important to understand in the context of each other. **No single indicator tells the whole story.** The elements in this section present some of the most compelling data points that illustrate the housing opportunities and challenges facing Kansans.

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### Population

Population growth is tied to housing production. Excluding increases in household sizes, without readily available places for people to live, the population will not grow.

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### Age

County populations are aging. The type of housing one desires is often driven by their state in life. An aging population likely means evolving housing preferences and needs.

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### Race and Ethnicity

Kansas has an increasingly diverse population, representing a wide range of cultural experiences. Different populations may have culturally driven preferences for certain housing types and living arrangements, which can inform decisions about development.

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### Incomes

While incomes are generally increasing across Kansas, incomes in some areas are not increasing more than inflation, affecting the ability to afford housing.

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### Employment and Industries

While major industries are specialized across regions, employment opportunities are strong across the state with many openings. Anecdotally, participants shared stories of losing prospective employees due to a lack of appropriate housing.

# Statewide Profile (Cont'd)

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Kansas is a diverse state with different environmental features, market conditions, economic make-up, and housing markets. Understanding the differences and commonalities is crucial for adapting policy and programs to target needs across the state.

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## STATE INDICATORS

Many factors influence housing market conditions in Kansas. Each are interrelated and important to understand in the context of each other. **No single indicator tells the whole story.** The elements in this section present some of the most compelling data points that illustrate the housing opportunities and challenges facing Kansans.

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### Housing Occupancy

The mix of owners and renters in a city can indicate the housing types needed in the future. High vacancy rates can also indicate rehabilitation or demolition needs.

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### Housing Production

Production of housing units has slowly increased since the 2008 recession. However, in many locations housing production remains below pre-recession levels.

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### Housing Condition

Areas with lower production tend to have older housing stock, and thus, are more susceptible to below-average housing conditions.

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### Housing Costs

Input prices and low supply lead to housing price inflation, a situation in many cities.

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### Affordability

Many of these indicators have affordability implications for Kansans, along with the cost of other essential needs like transportation, utility rates, and childcare.

# Statewide Profile Insights

The population is converging toward Metropolitan counties in Kansas

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There will continue to be variations in the need for housing throughout the state. Micropolitan counties (see definition on page 21) are economic centers but may be missing out on population growth. These mid-sized cities have employment opportunities but are not maintaining population in several cases.

Kansans are aging: The 65-74 year old cohort grew the fastest since 2010

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More attention is needed for accessible options and housing to allow Kansans to age in place across the state.

Incomes are increasing but not at pace with inflation everywhere

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Income growth is not spatially equal across the state. When adjusted for inflation, some areas saw declines in real income since 2010.

The housing stock reflects the effects of aging

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Most of the housing stock across the state is older than 1960. Attention to housing condition is critical to maintain the largest housing asset in Kansas.

Relative to incomes, housing values are depressed in many rural areas

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Depressed housing values makes new construction difficult when appraisals may be lower than the cost to build. This phenomenon is more prevalent in rural areas.

Kansas renters are more cost burdened than owners since 2010

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Since 2010 the number of households that are housing cost burdened has increased. As a result, households are delaying homeownership. Additionally, the costs for other daily necessities such as transportation and child care are increasing.

Low production of housing units prevents households from moving in the market

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Many households with diverse incomes are competing for similarly priced units rather than having choice in options that match their incomes or stage in life.

## KANSAS REGIONS

For the purpose of organizing engagement, data analysis, and recommendations, the assessment splits Kansas into nine regions. These regions represent similar economic and geographic areas but are not meant to seclude recommendations to one particular region.

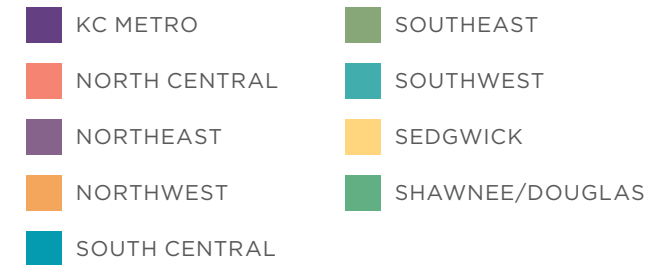
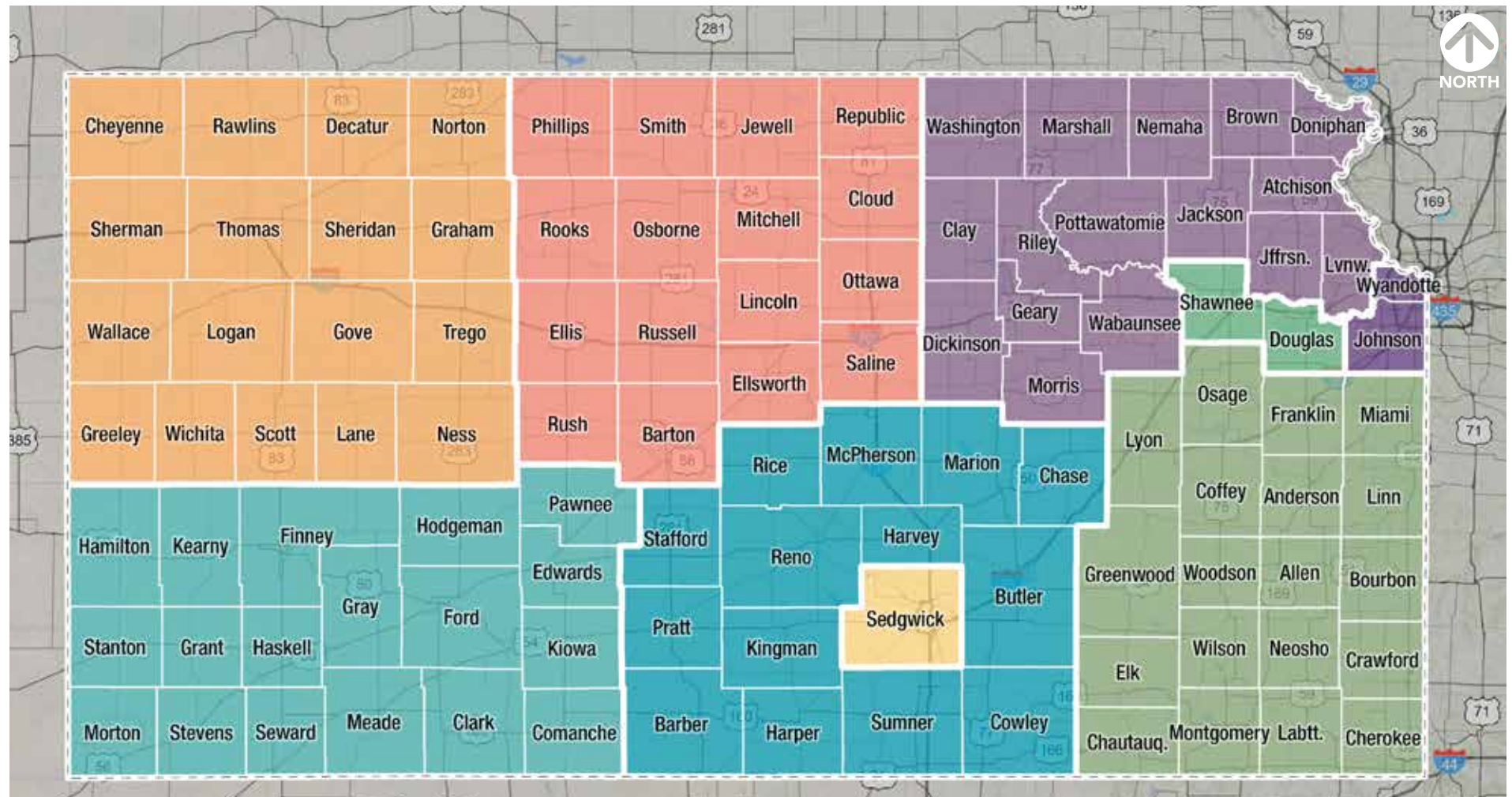


Figure 1.17: Kansas State Regional Assessment Map





## URBAN AREA DEFINITIONS

There are points in the assessment when looking at data by region alone does not tell the whole story. Many influencing factors on housing in Kansas differ greatly between urban and rural areas. For the purposes of defining these differences, the assessment uses **Metropolitan areas** (*50,000 or more population, plus adjacent areas with a high degree of social and economic integration with the core*) and **Micropolitan areas** (*at least one urban cluster of at least 10,000 but less than 50,000 population*) for analysis.

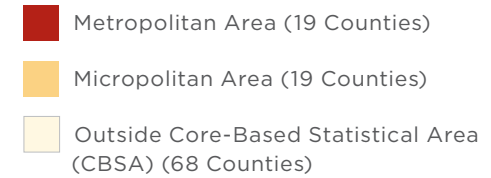
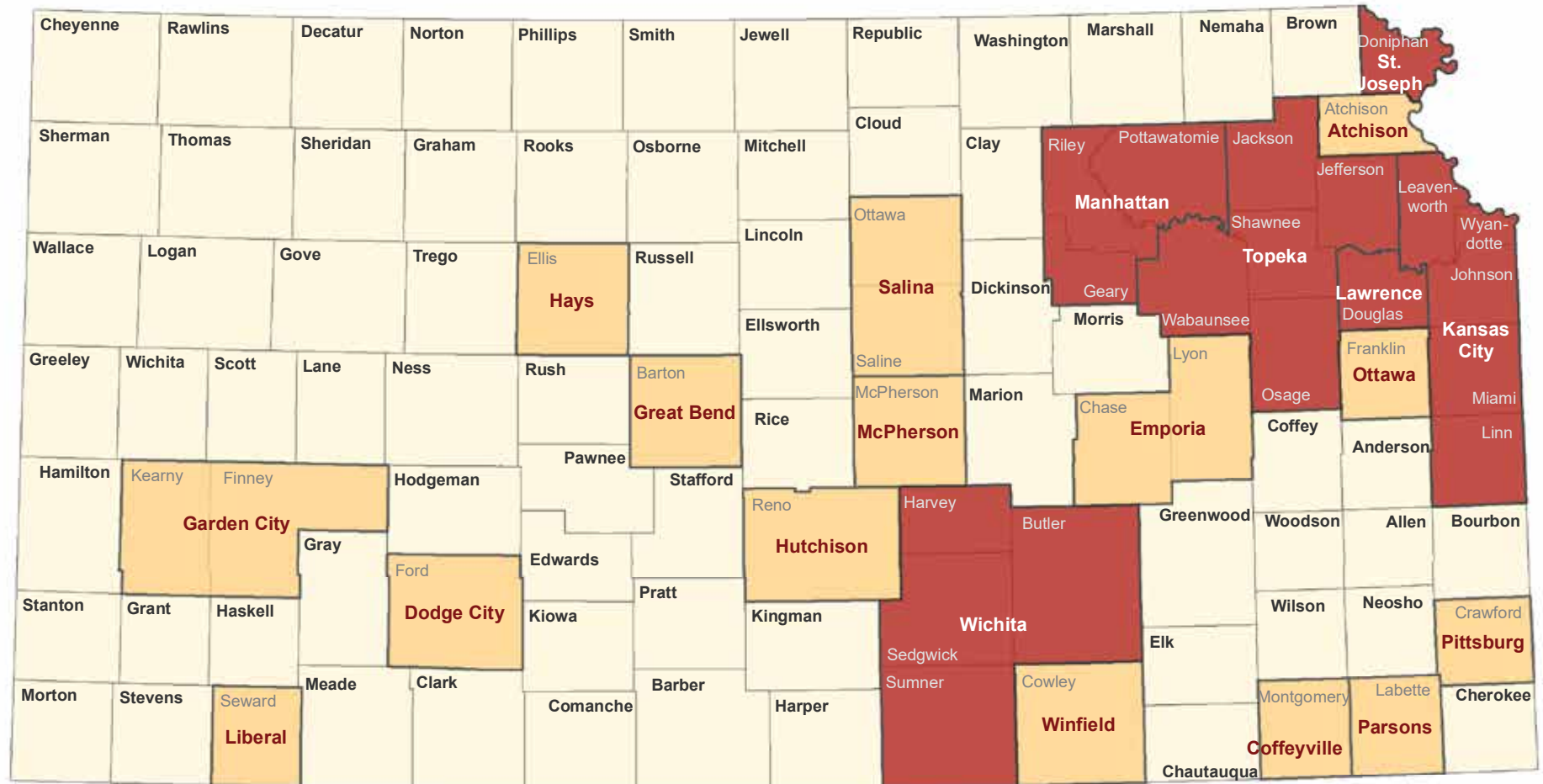


Figure 1.18: Metropolitan and Micropolitan Areas in Kansas



Source: Institute for Policy & Social Research, The University of Kansas; data from the Executive Office of the President, Office of Management and Budget, Bulletin 20-01 released 3/6/2020; U.S. Census Bureau, 2010 Census.

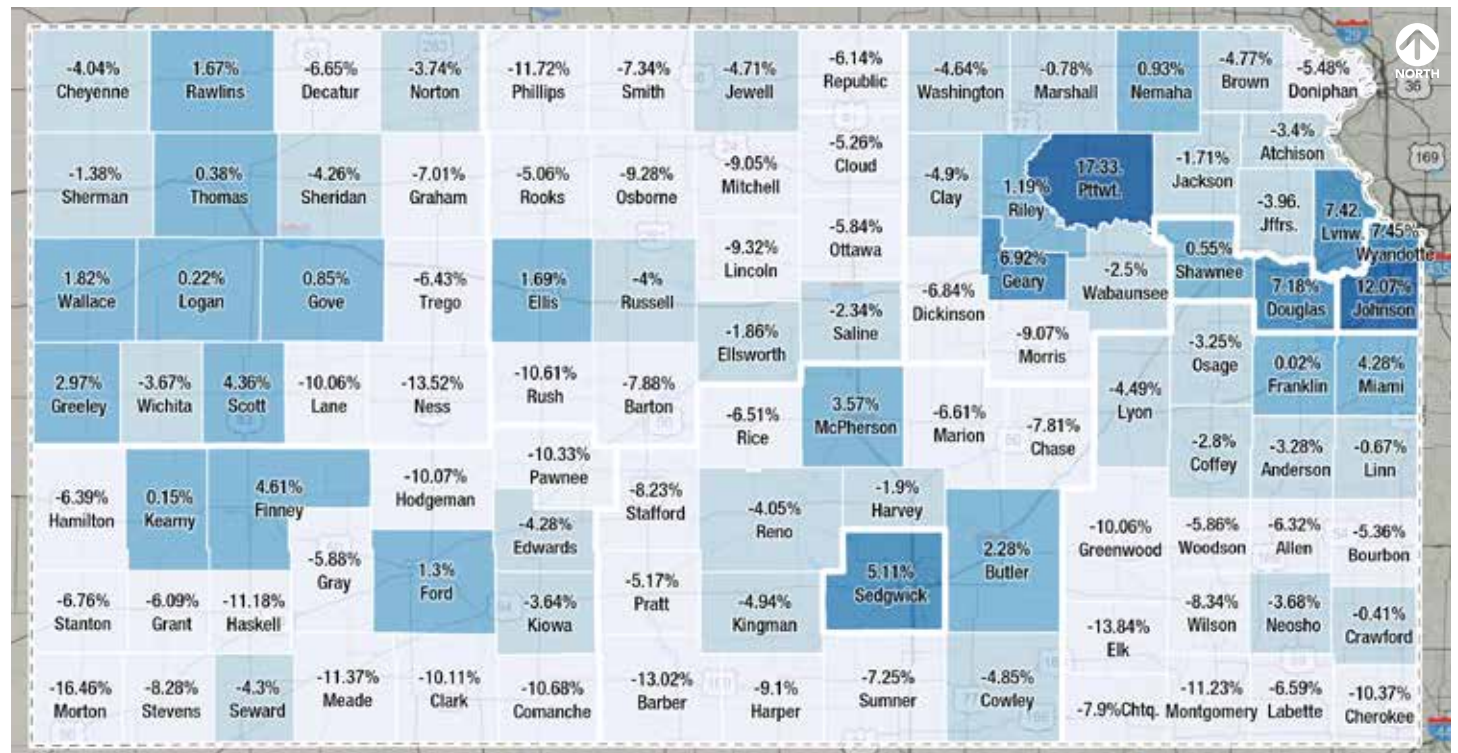
## Population

*Growth in areas with substantial job centers.*

- Following national trends, the population is growing in the urban areas like Wichita, Lawrence, Manhattan, the Kansas City area, and in some regional service and job centers like Dodge City and Garden City.
- Some micropolitan counties have struggled to attract population. Only the southwest micropolitan counties are growing.



Figure 1.19: Total Population Percent Change - 2010-2020





## Diversity

*Kansas is becoming more diverse, but localized to certain regions.*

Changing demographics influence housing demand. Different groups of people may have culturally different preferences for housing types and living arrangements, which can inform decisions about development.

- About 72% of the Kansas population is White, non-Hispanic or Latino.
- The Northwest had the largest percentage growth in minority populations.
- The Southwest had the largest change in minority population as a percent of total population.
- The Northeast, Shawnee/Douglas, and Sedgwick County grew in minority population, but not as much compared to the rest of the state.

Figure 1.21: Percent Change in Minority Populations - 2010-2020

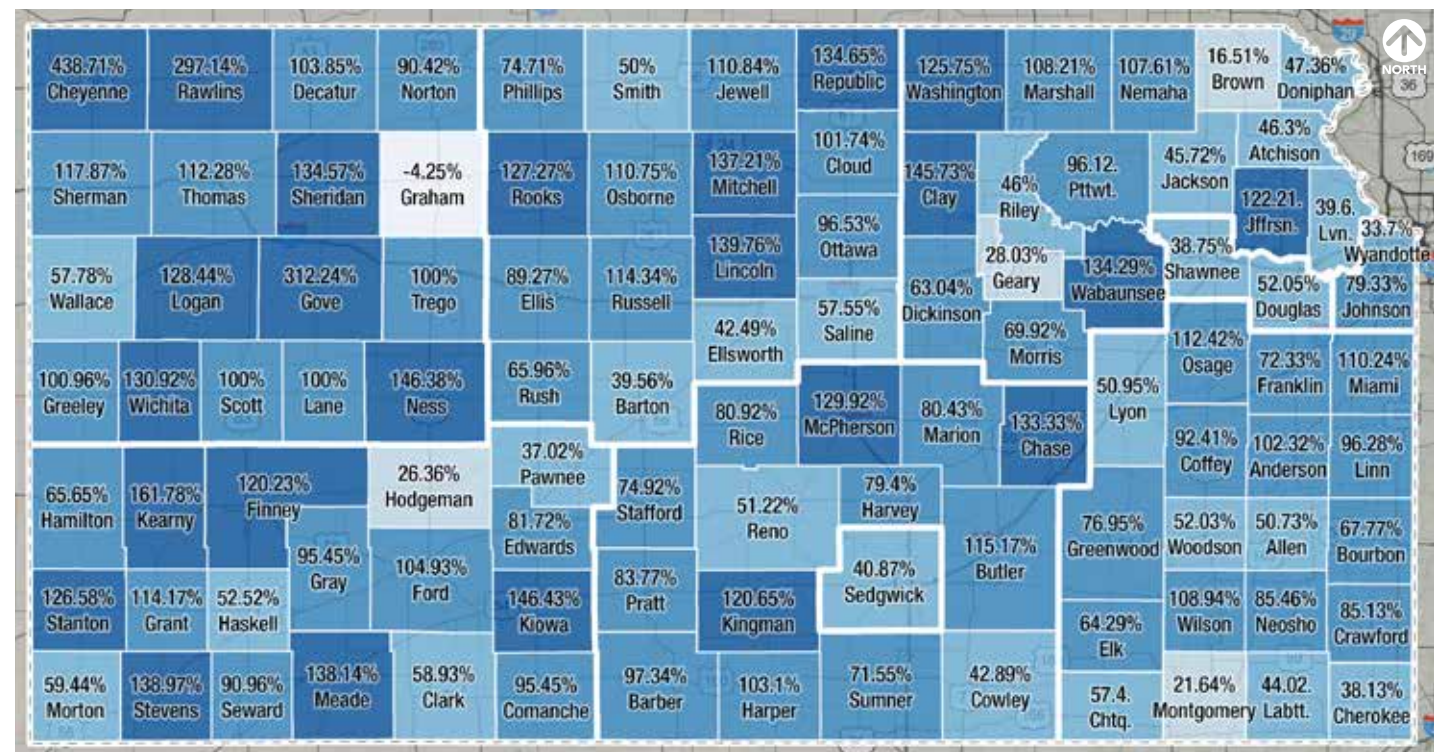
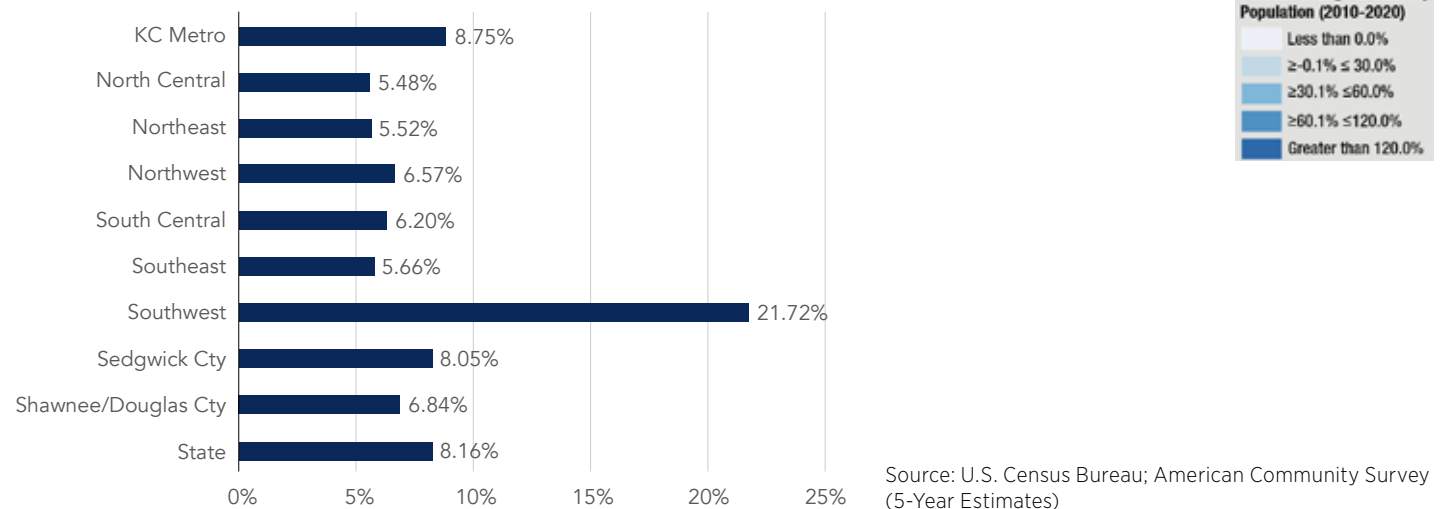


Figure 1.22: Percent Point Change in Minority Population by Region - 2010-2020

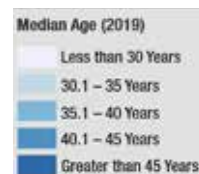
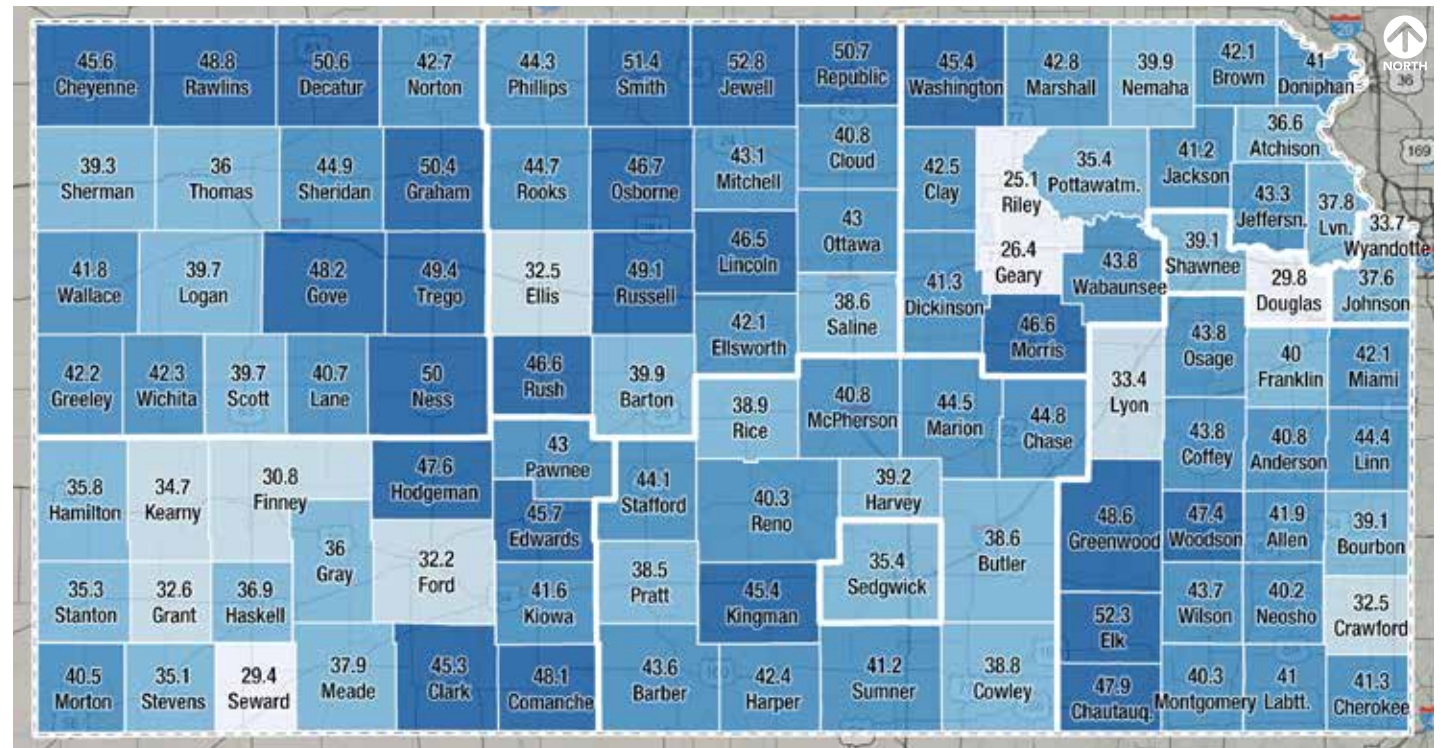


## Age

*Like other areas in the nation, the Kansas population is aging.*

- All regions experienced an increase in populations over the age of 55.
- All regions saw a decline in the 45-54 age cohort from 2010 to 2019. This reflects the last of the baby boomers moving into retirement years.
- The Northwest, Sedgwick County, the Northeast, and the Kansas City Metro experienced growth in the 35-44 age cohort.
- The only region in Kansas with growth in the 0-19 age cohort was the Kansas City Metro. The State of Kansas had an overall decline of 2.19% in 0-19 year olds since 2010.
- › This aligns with the national trend of smaller family sizes, but can also indicate fewer family households moving to the state.

Figure 1.23: Median Age - 2019



Source: U.S. Census Bureau;  
American Community Survey  
(5-Year Estimates)

Figure 1.24: Percent Change in Population by Age - 2010-2019

2010-2019 % change	0-19 YEARS	20-34 YEARS	35-44 YEARS	45-54 YEARS	55-64 YEARS	65-74 YEARS	75+ YEARS
<b>KC METRO</b>	2.6%	6.1%	6.2%	-5.4%	16.7%	53.5%	15.1%
<b>NORTH CENTRAL</b>	-6.0%	-0.1%	-0.2%	-24.5%	7.7%	21.4%	-4.3%
<b>NORTHEAST</b>	-2.2%	6.5%	2.6%	-19.4%	10.2%	28.3%	3.7%
<b>NORTHWEST</b>	-2.5%	7.6%	9.5%	-32.7%	8.0%	8.0%	-6.1%
<b>SEDGWICK</b>	-2.2%	3.5%	1.3%	-14.8%	16.5%	43.7%	8.2%
<b>SHAWNEE/DOUGLAS</b>	-0.8%	-0.5%	6.4%	-12.4%	8.6%	42.9%	12.5%
<b>SOUTH CENTRAL</b>	-5.4%	0.3%	-1.0%	-21.4%	8.8%	20.1%	-0.8%
<b>SOUTHEAST</b>	-7.5%	-2.0%	-6.4%	-20.4%	8.4%	18.9%	0.3%
<b>SOUTHWEST</b>	-5.2%	-1.5%	-6.2%	-13.1%	12.4%	22.1%	-0.9%
<b>STATE OF KANSAS</b>	-2.2%	2.8%	1.9%	-15.0%	12.1%	33.6%	5.0%



## Income

Overall, the incomes of Kansans grew since 2010.

- The largest percent growth in nominal median household incomes was in Cheyenne, Comanche, and Norton Counties.
- Grant and Greeley Counties were the only counties that saw nominal median household incomes decline.
  - › Note: when adjusted for regional inflation, 75 counties saw real median household income growth and 30 counties saw declines in median household incomes.

Figure 1.25: Median Household Income Percent Change - 2010-2019

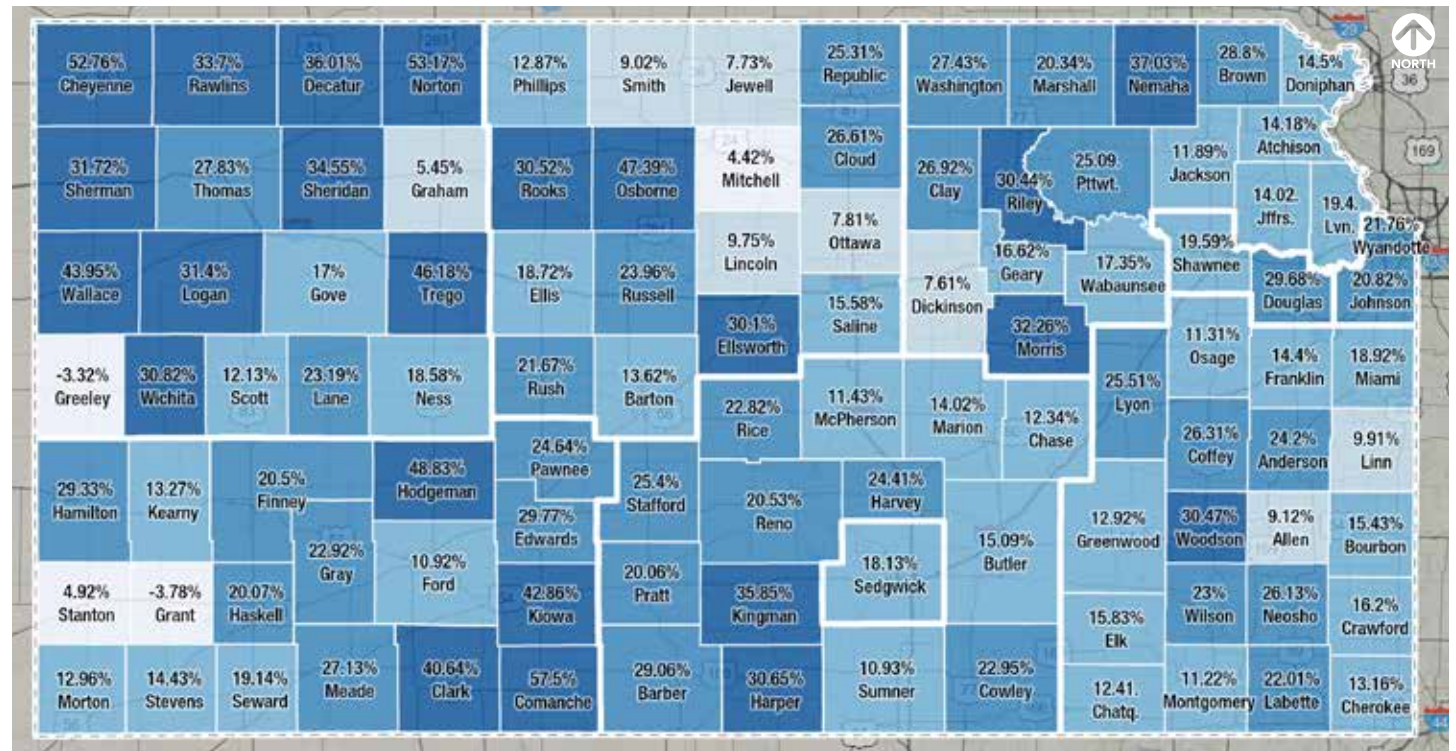
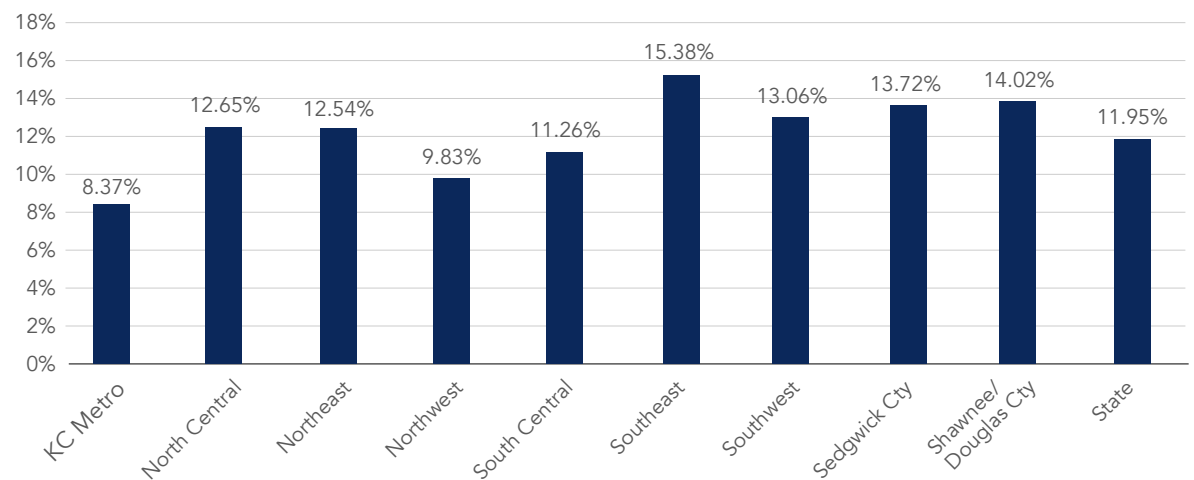


Figure 1.26: Percent of Population Below Poverty Level - 2019



Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)

## Income

*Income growth was not equally distributed throughout the state or equal between owners and renters. When adjusted for inflation, some areas have not experienced income growth since 2010.*

The inflation adjusted income change shown through 2019 does not account for the increased inflation in 2020-2021.

- Inflation from 2010-2019 meant that while incomes rose in all areas of Kansas, actual real income growth occurred most prominently in metropolitan areas and some micropolitan areas.
- Rural areas did not experience as much income growth, with the Southeast region having the lowest growth in incomes across the state.
- In every region, incomes of owner households grew by more than renter households.
  - › Later data illustrates the growing housing cost burden among renters. The weaker income growth among renters reinforces these trends.

**Figure 1.27: % of Counties with Median OWNER Household income Growth - 2010-2019**

REGION	TOTAL	METRO	MICRO	RURAL
<b>KC Metro</b>	<b>100%</b>	100%	-	-
<b>North Central</b>	<b>81%</b>	-	100%	75%
<b>Northeast</b>	<b>81%</b>	75%	100%	86%
<b>Northwest</b>	<b>88%</b>	-	-	88%
<b>Sedgwick County</b>	<b>100%</b>	100%	-	-
<b>Shawnee Douglas</b>	<b>100%</b>	100%	-	-
<b>South Central</b>	<b>79%</b>	67%	75%	86%
<b>Southeast</b>	<b>68%</b>	67%	60%	73%
<b>Southwest</b>	<b>72%</b>	-	75%	71%

**Figure 1.28: % of Counties with Median RENTER Household income Growth - 2010-2019**

REGION	TOTAL	METRO	MICRO	RURAL
<b>KC Metro</b>	<b>100%</b>	100%	-	-
<b>North Central</b>	<b>56%</b>	-	50%	58%
<b>Northeast</b>	<b>69%</b>	75%	100%	57%
<b>Northwest</b>	<b>59%</b>	-	-	59%
<b>Sedgwick County</b>	<b>100%</b>	100%	-	-
<b>Shawnee Douglas</b>	<b>100%</b>	100%	-	-
<b>South Central</b>	<b>71%</b>	67%	100%	57%
<b>Southeast</b>	<b>58%</b>	67%	60%	55%
<b>Southwest</b>	<b>67%</b>	-	75%	64%

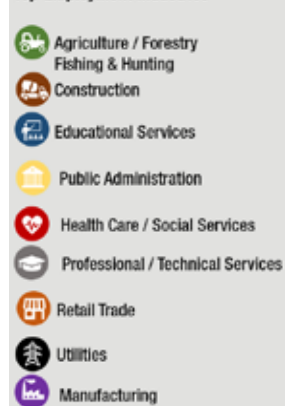
Source: U.S. Census Bureau; American Community Survey (5-Year Estimates); Bureau of Labor Statistics; RDG Planning & Design

## Industry

*Kansas is an economically diverse state with areas of industry concentration.*

- The employment trends generally correlate with population changes.
- The total number of employed people increased 3.6% across Kansas from 2010 to 2019. However, increases were secluded to the metro regions.
  - › The Kansas City Metro saw an 11.7% increase in employed persons.
- Concentrations of people working in a region correlate with regional assets and higher income levels.
  - › Employment industries are also important to understand the skills needed by employers. Many of the largest industries require workers with skilled trades experience. Attracting this specialized group of workers results in regions and counties competing for the same workers.

### Top Employment Industries



Source: U.S. Census Bureau;  
American Community Survey  
(5-Year Estimates)

Figure 1.29: Industry Where the Most Residents are Employed - 2019



Figure 1.30: Employment Change by Region - 2010-2019

	EMPLOYED '10	EMPLOYED '19	# CHANGE	% CHANGE
<b>KC Metro</b>	357,229	399,229	42,000	11.7%
<b>North Central</b>	93,779	87,754	-6,025	-6.4%
<b>Northeast</b>	152,844	158,664	5,820	3.8%
<b>Northwest</b>	28,403	27,506	-897	-3.2%
<b>Sedgwick County</b>	235,219	249,591	14,372	6.1%
<b>Shawnee/Douglas</b>	145,057	153,881	8,824	6.1%
<b>South Central</b>	150,290	144,412	-5,878	-3.9%
<b>Southeast</b>	154,733	147,024	-7,709	-5.0%
<b>Southwest</b>	73,065	72,392	-673	-0.9%
<b>State of Kansas</b>	1,390,619	1,440,453	49,834	3.6%



## Employment

*The civilian labor force is directly tied to population growth and the age of the population.*

- The civilian labor force is declining in many regions. Contributing factors are:
  - › Aging populations and retirements.
  - › Scarcity of workforce to match the job openings.
  - › General population declines.

*Often people are willing to travel to work if desired housing options are available elsewhere.*

- People are commuting to the major job centers for work. The darker colors in the map show areas where there are higher degrees of people commuting in to work in a county versus the county population.

Figure 1.31: County Employment Per 1,000 Residents - 2020

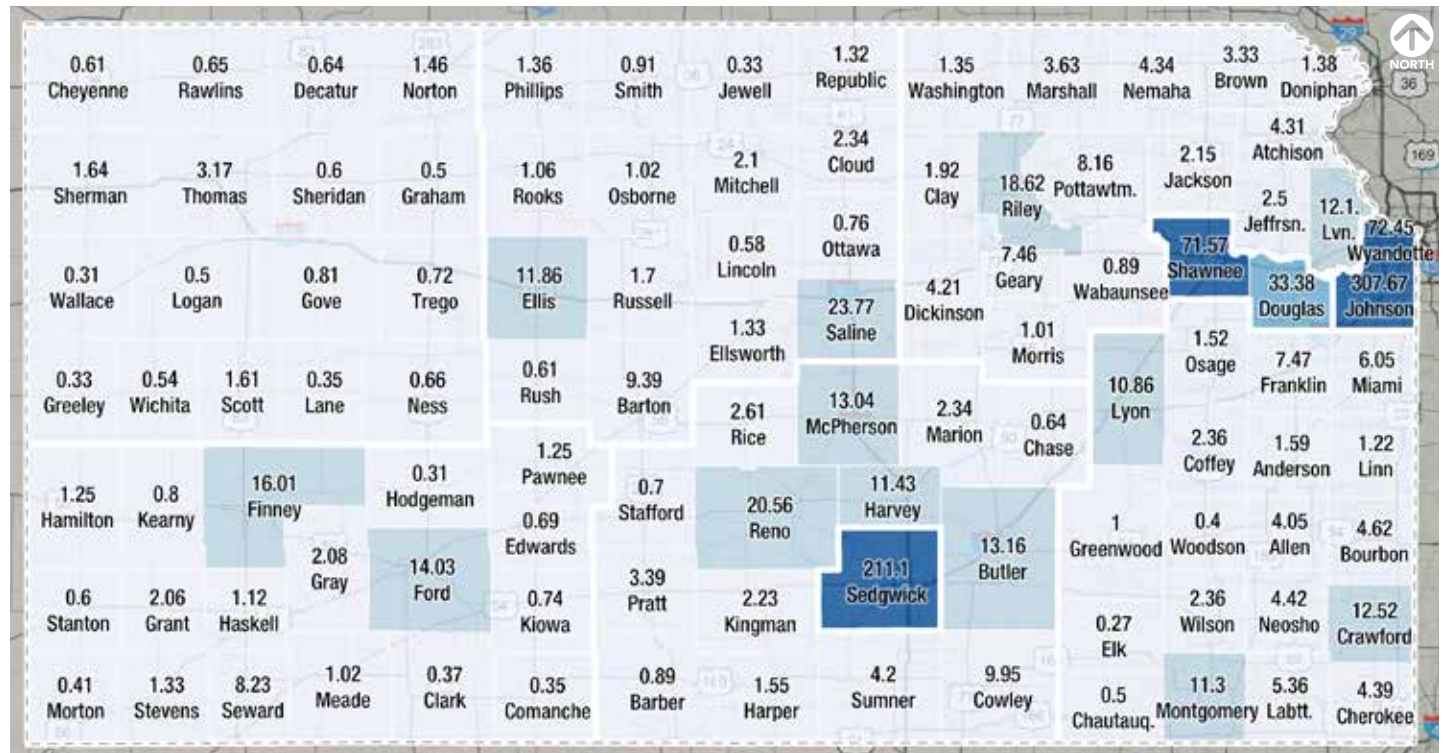
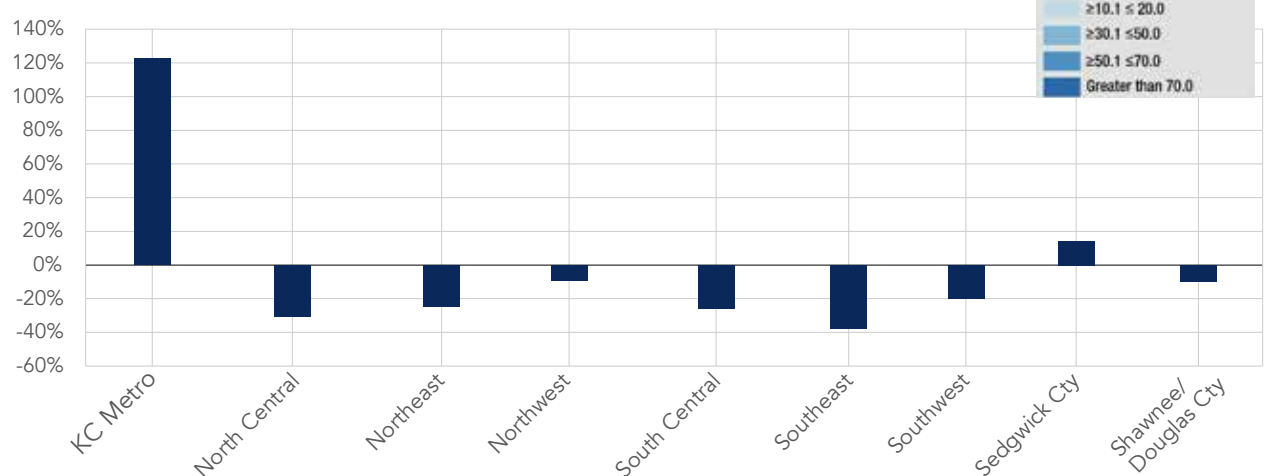


Figure 1.32: Civilian Labor Force Change - 2010-2020



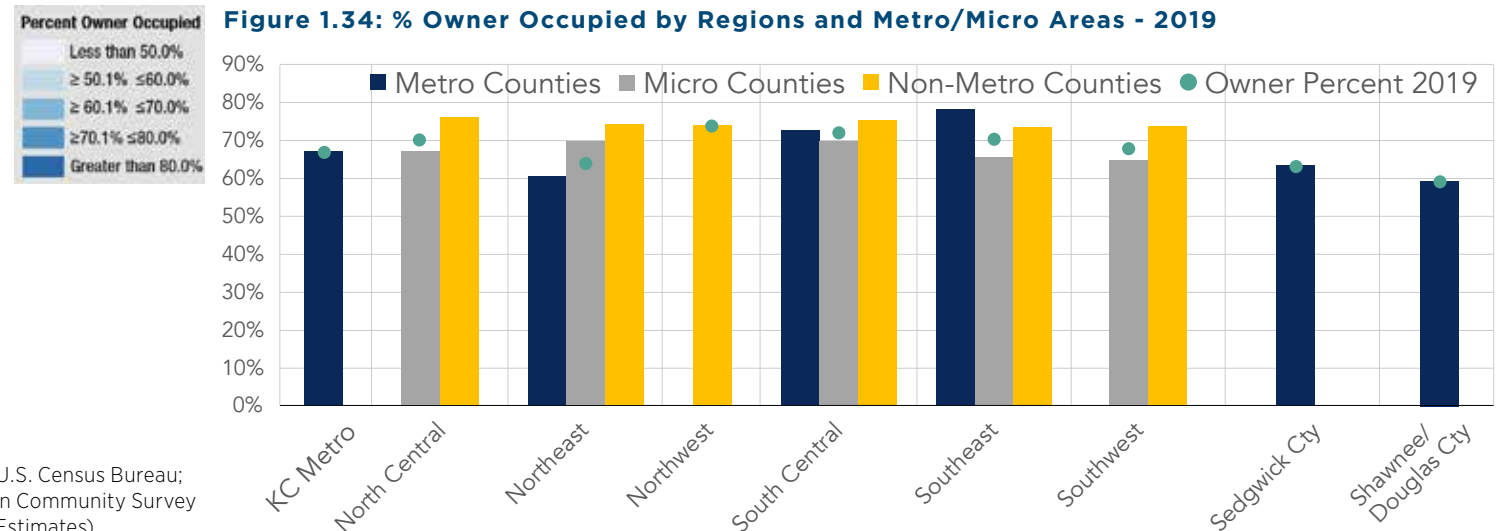
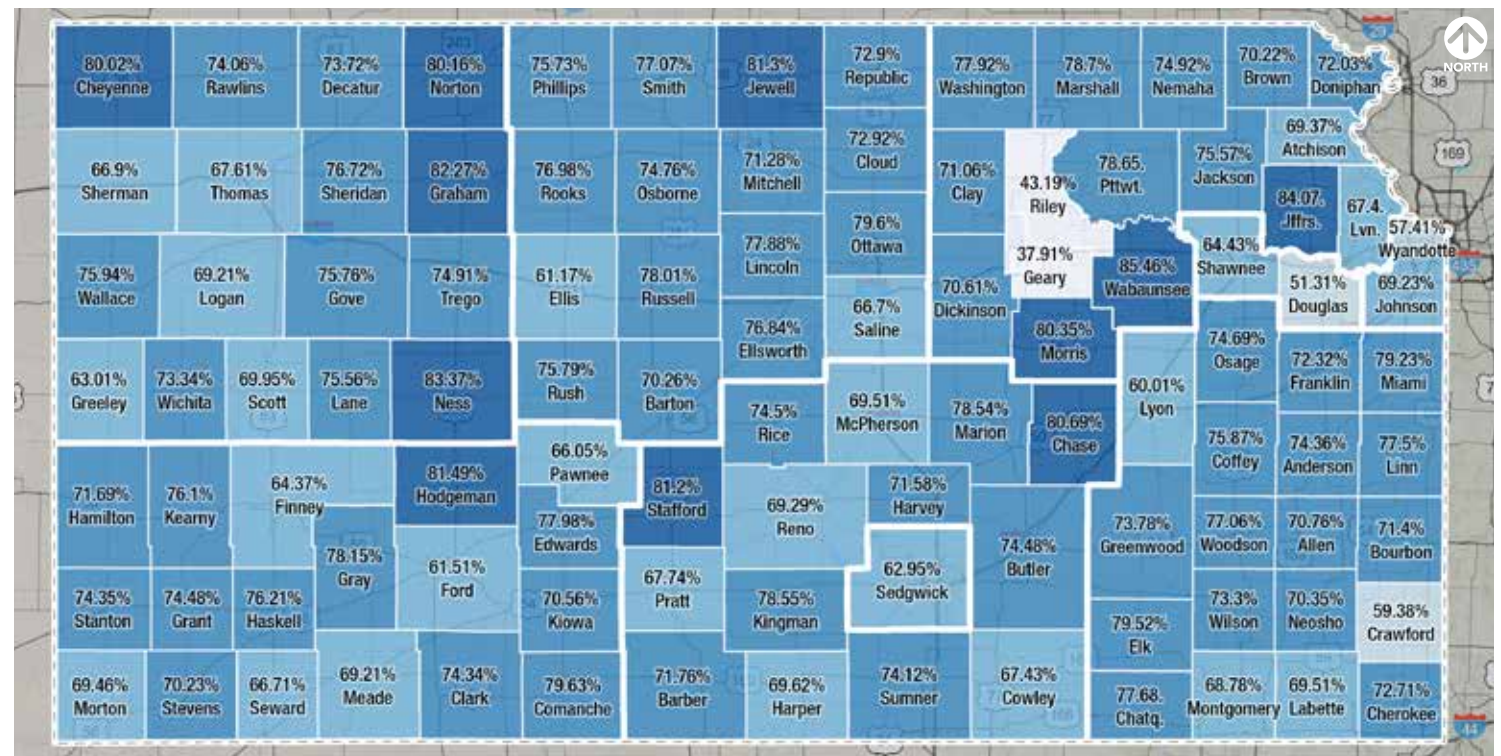
Source: U.S. Census Bureau; American Community Survey (5-Year Estimates); Bureau of Labor Statistics

## Housing Occupancy

Rental occupancy rates are increasing, but the percent of owner housing is still the majority in many areas.

- Owner occupancy rates in Kansas are similar to those in the Midwest.
- Owner occupancy rates are highest in rural regions, where multi-family construction is lower.
- Since 2010, the percent of homeowners decreased in all regions except the Kansas City Metro.
- The Kansas City Metro (in Kansas) also had the largest increase in renters from 2010, followed by Sedgewick County.

Figure 1.33: Percent Owner-Occupied Households - 2019



Source: U.S. Census Bureau;  
American Community Survey  
(5-Year Estimates)

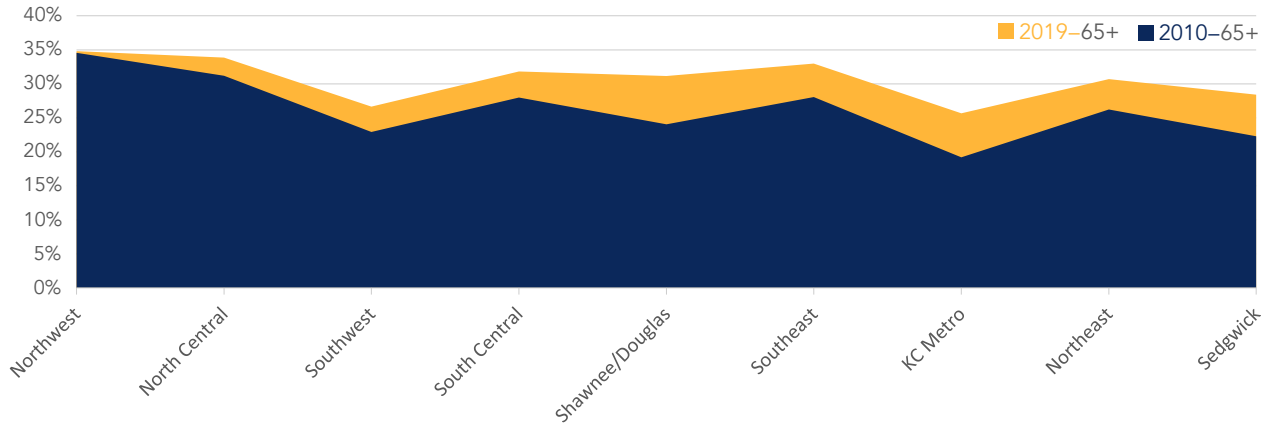


## Age of Ownership

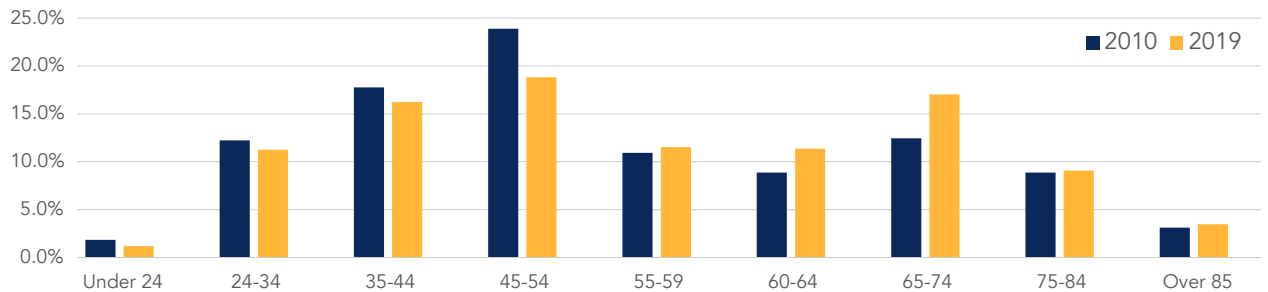
*Younger households appear to be delaying home ownership.*

- Since 2010, the percent of homeowners at retirement age increased in all regions.
- The rate of homeownership fell for all family forming and young professional age cohorts. This may be because of preference, but also tied to housing prices and incomes.
- As shown previously, the incomes of renter households are not increasing in many areas, meaning it will take a longer time to save for purchasing a home.
- Note, some people prefer to rent and there is national level research that indicates younger people are choosing to rent longer. Renting offers more flexibility to move, less maintenance, and other amenities that may be provided with rentals. However, discussions with people throughout Kansas indicate this is not the most common reason people rent. Over 60% of renter survey respondents in every region said they rent because of necessity.

**Figure 1.35: % Owner-Occupied Households Over 65 Years Old - 2010-2019**



**Figure 1.36: Age of Owner Occupied Householder - 2010-2019**



**Figure 1.37: Percent Change in Tenure - 2010-2019**

	OWNER-OCCUPIED HOUSING	RENTER-OCCUPIED HOUSING
<b>KC Metro</b>	+2.9%	+19.8%
<b>North Central</b>	-6.8%	+4.7%
<b>Northeast</b>	-0.1%	+11.7%
<b>Northwest</b>	-3.3%	+4.9%
<b>Sedgwick County</b>	-2.8%	+15.8%
<b>Shawnee/Douglas</b>	-1.7%	+9.9%
<b>South Central</b>	-5.2%	+11.6%
<b>Southeast</b>	-6.4%	+8.9%
<b>Southwest</b>	-6.1%	+9.9%
<b>State of Kansas</b>	-2.2%	+13.2%

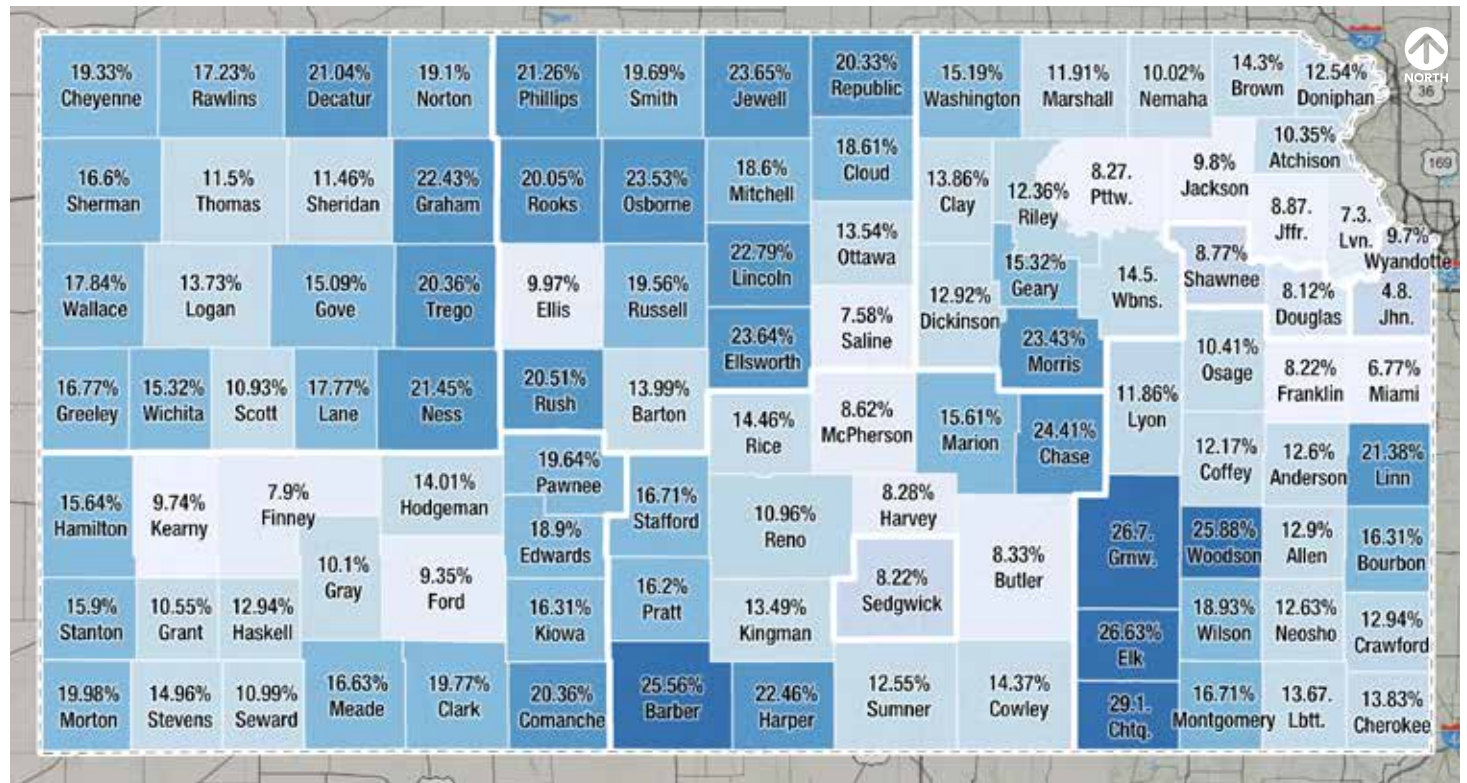
Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)

## Vacancy

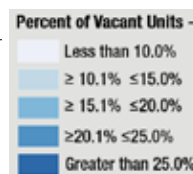
Vacancy rates appear to be increasing in many areas and are abnormally high in rural areas.

- A vacancy rate from 5% to 7% offers variety in the market and options for individuals entering the market.
- While the Kansas City Metro, particularly in Johnson County, had a large increase in vacancy on a percentage basis, the total rate remains stable at about 5.9% (4.8% in Johnson County).
- High vacancy rates of greater than 10% are reported in rural regions.
  - › Vacant units include those that are seasonally occupied (snowbirds) and units being held by families of deceased individuals. While these units are in a community, they are technically not available.

Figure 1.38: Vacancy Rate (rental and owner) - 2020



Source: U.S. Census Bureau



At the time this assessment was released, 2020 Census data was available for the total number of vacant units. Data was not yet released on why units were vacant. Discussions with stakeholders indicate low vacancy throughout Kansas. However, stakeholders also said there are vacant units that are not habitable, used as part-time residences, and situations of families not selling units after a relative passes away. The data presented requires more investigation at the local level.

Figure 1.39: Regional Vacancy Rates - 2010-2020

	% CHANGE IN VACANCY 2010-2020	2020 VACANCY RATE
<b>KC Metro</b>	42.3%	5.9%
<b>North Central</b>	17.3%	14.0%
<b>Northeast</b>	55.5%	11.3%
<b>Northwest</b>	6.1%	16.5%
<b>Sedgwick County</b>	25.2%	8.2%
<b>Shawnee/Douglas</b>	71.7%	8.5%
<b>South Central</b>	32.6%	11.7%
<b>Southeast</b>	22.0%	13.7%
<b>Southwest</b>	28.4%	11.7%
<b>State of Kansas</b>	33.2%	9.7%

## Housing Conditions

*Rural areas experience poorer housing conditions than other areas.*

- Data from the Kansas Property Valuation Division provides the assessor condition rating of all properties in Kansas.
- Poor housing stock is often associated with older housing stock. This is not always the case, but regions like North Central have some of the oldest housing and fewest units rated good to excellent.
- Homes in the poorest condition are the most critical to rehabilitate, if not already beyond repair. Often this housing is owned or rented by lower income households or elderly households who may not have funds available to spend on repair or even maintenance.

Figure 1.40: Housing Condition-Poor or Below - 2020

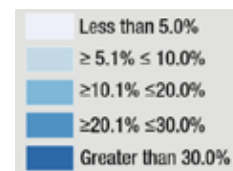
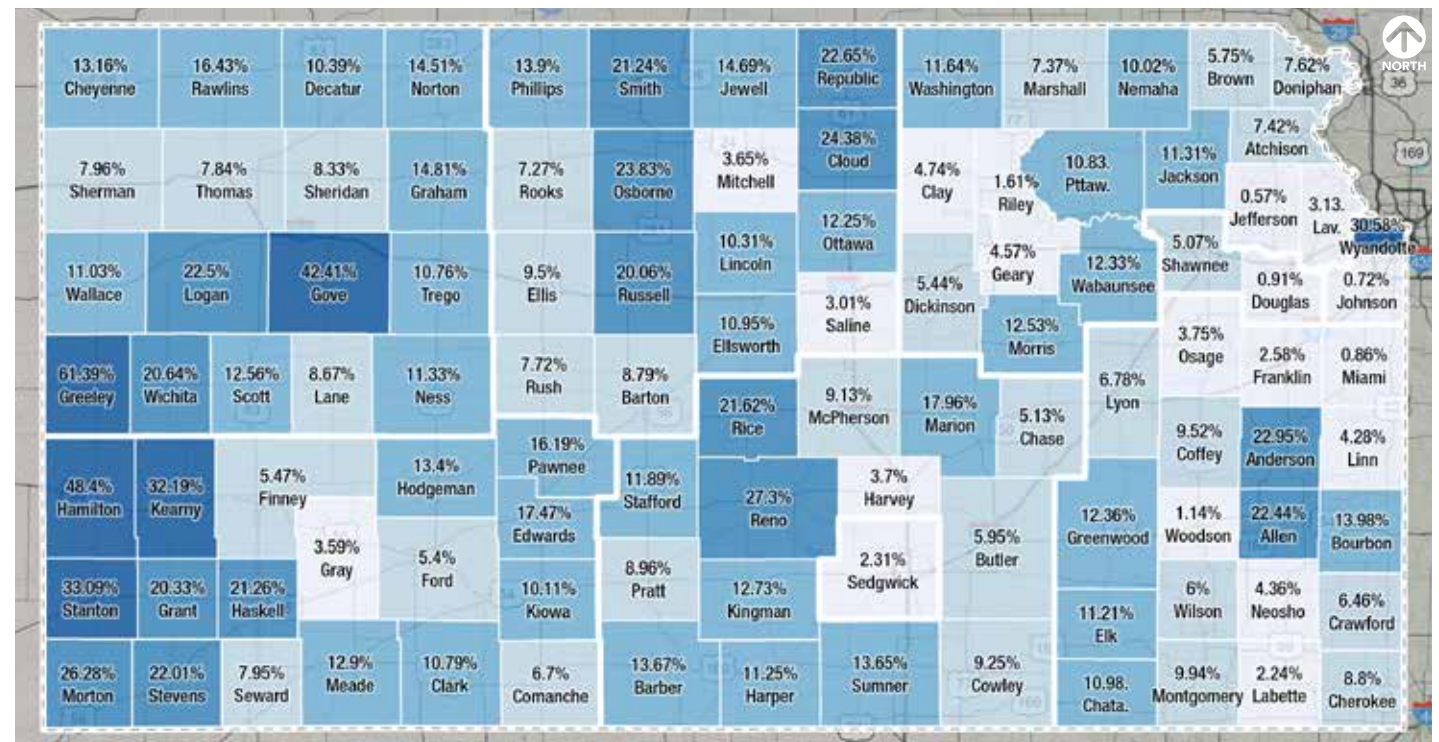
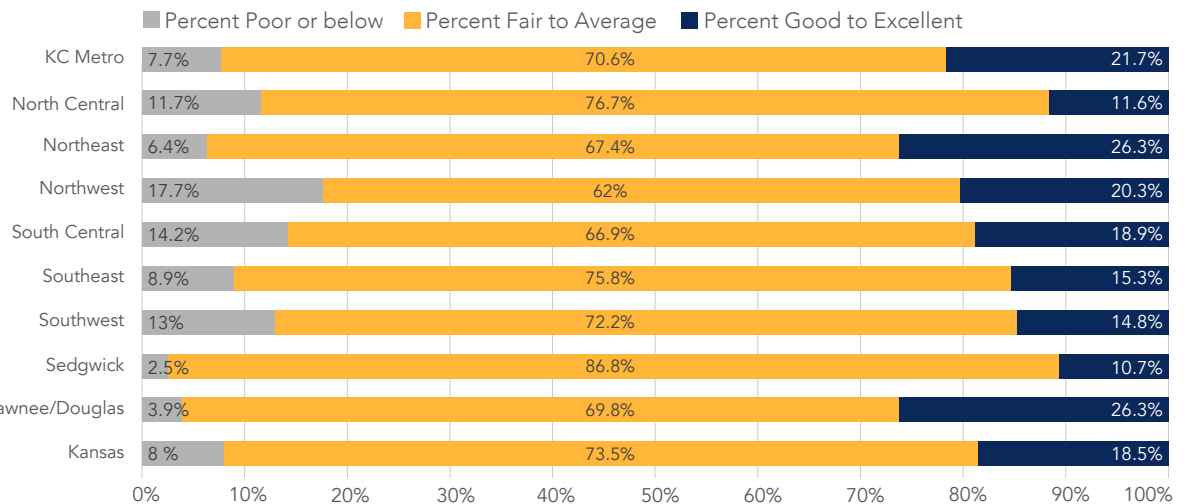


Figure 1.41: Non-Commercial Residential Condition - 2020



Source: Kansas Department of Revenue, Property Valuation Division

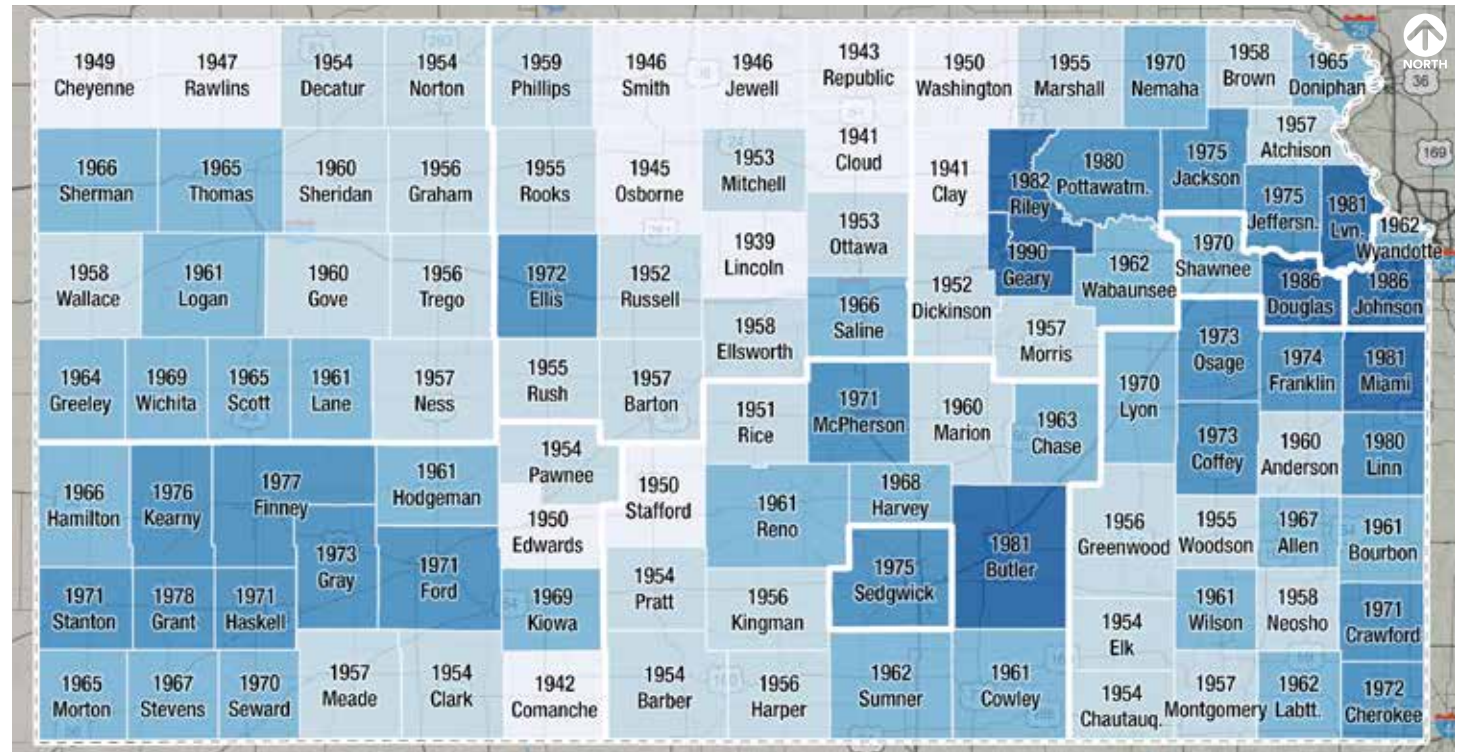


## Housing Age

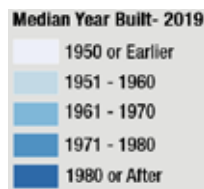
*The age of detached units reflect low building activity since 2000.*

- The median year built for residential units is higher in areas reporting more recent building activity. Many counties have a median housing stock older than 1960.
- The age of multi-family units is newer, reflecting more activity in apartment construction over detached units.
- North Central Kansas has the oldest housing stock while Sedgwick County has the oldest multi-family housing stock.

Figure 1.42: Median Year Built Housing Structures - 2019

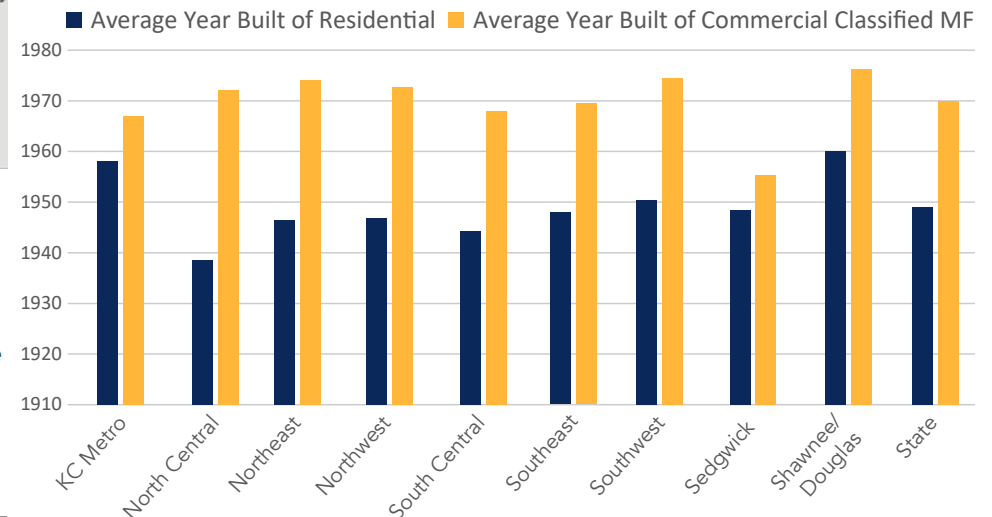


Source: U.S. Census Bureau;  
American Community  
Survey (5-Year Estimates)



**Figure 1.43: Average Year Built by Region - 2020**

Source: Kansas Department of Revenue, Property Valuation Division

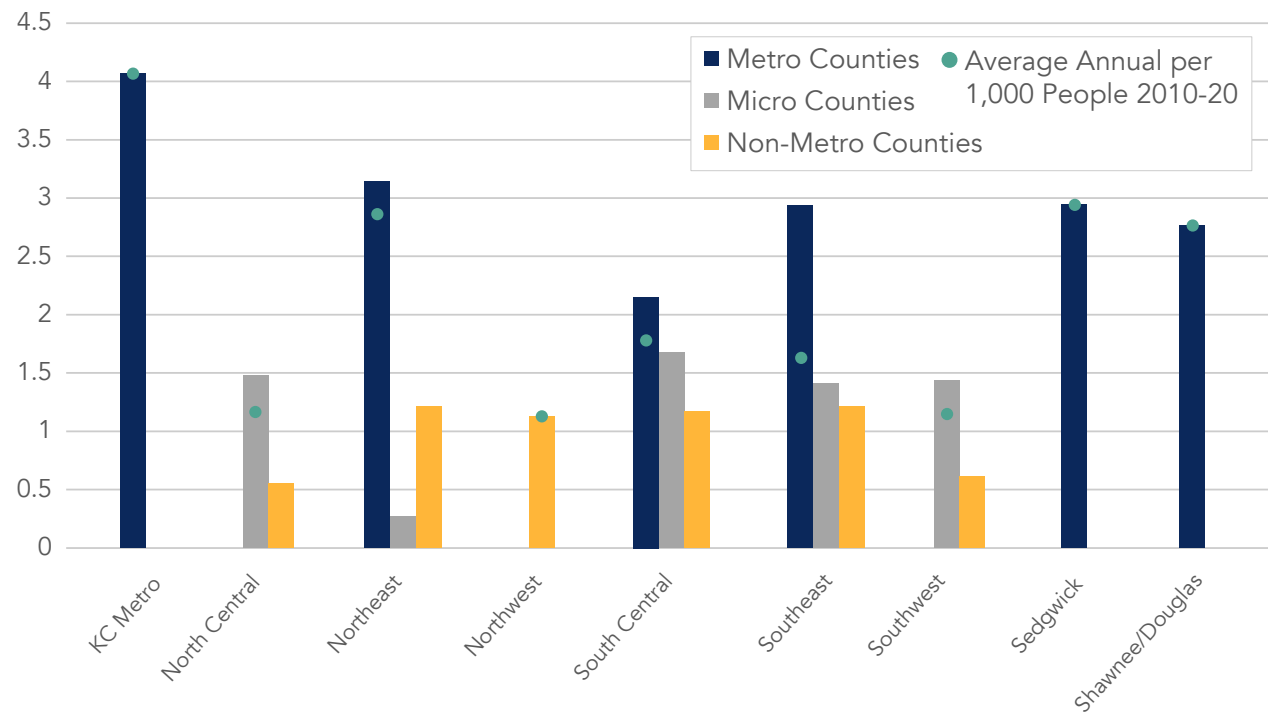


## HOUSING PRODUCTION

*Housing construction has predominately occurred in urban areas on a per capita basis.*

- Clearly, larger cities will experience more annual permits for housing construction. To see how construction activity is distributed throughout Kansas, the annual permit activity in each region was calculated per 1,000 people living in the region.
- On a per capita basis, the Kansas City Metro experienced the most construction activity, followed by Sedgwick County.
  - All metropolitan counties experienced the greatest amount of building activity. Micropolitan counties followed next, and rural counties experienced the least per capita residential building activity.
- This information reinforces the comments heard throughout the process that builders have difficulty achieving economies of scale in rural areas, that is further complicated by travel costs and appraisal gaps between the cost for new construction.
- The building permit data also provides some verification that urban areas have a higher average year built of housing units shown previously.

**Figure 1.44: New Private Housing Permits per 1,000 People, Annual Average - 2010-2020**



Source\*: U.S. Census Bureau; Kansas Department of Revenue, Property Valuation Division

\*Multiple data sources were combined to determine permit activity by region. State of Kansas Property Valuation Division data was used to capture activity in counties that do not require permitting. Due to reporting methods, there may be slight differences in the actual number of units built but not significant differences.





## Affordable Housing

Since 2017, over 4,400 affordable units have requested to leave the LIHTC program early.

- Depending on the type of tax credit, units can be in the program for up to 30 years.
- In the last several years the number of new units being produced has not matched the number leaving the program.
- Preservation of tax credit units may be easier than trying to find the capital to finance the construction of new LIHTC units.

Figure 1.45: Low Income Housing Tax Credit Housing (LIHTC)



**Year Placed in Service  
Low Income Tax Credits  
Projects (LIHTC) - 2019**

- 1987 - 1990
- 1991 - 2000
- 2001 - 2010
- 2011 - 2015
- 2016 - 2019

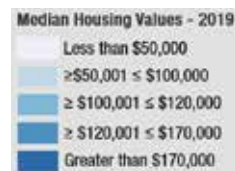
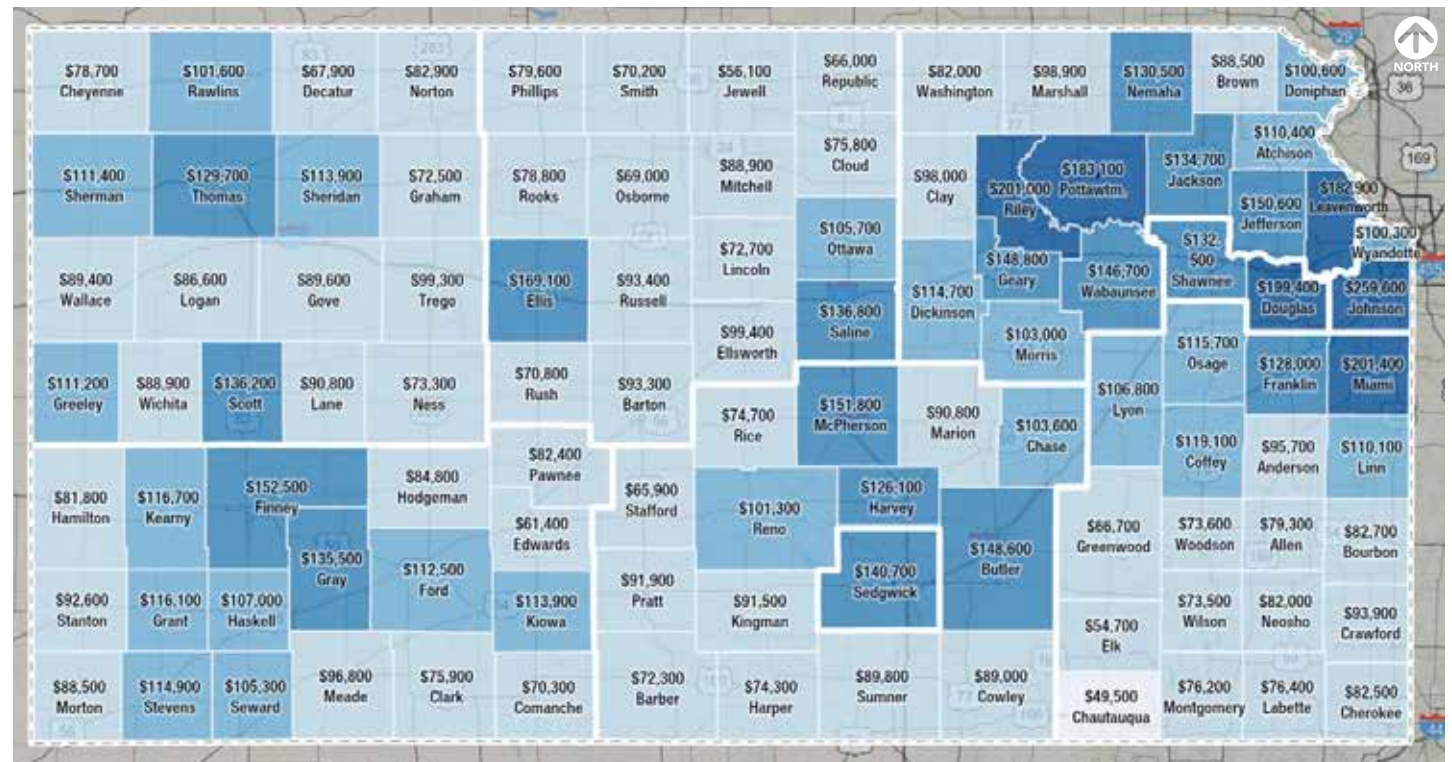
## Housing Values

Note, this data does not include the rapid price increases experienced during and after the 2020 pandemic. As the previous “Macroeconomic Indicators” section shows, homes were experiencing historic price increases at the time of this assessment. The survey respondents and listening session participants expressed similar sentiments, illustrated in the next section.

### *Home values are rising faster than incomes in most counties.*

- When adjusted for regional inflation, home values rose in over 82% of counties since 2010.
  - › Home values increased at a greater rate than owner incomes in 64% of counties.
  - › People with higher incomes have more mobility to choose where to live and may self-select to markets with higher home values (new construction).
- The increase in home values in rural areas often reflects low supply.

Figure 1.46: Median Housing Value - 2019



Source: U.S. Census Bureau;  
American Community Survey  
(5-Year Estimates)

Figure 1.47: Counties with Inflation Adjusted Median Home Value Growth - 2010-2019

	TOTAL	METRO	MICRO	RURAL
<b>KC Metro</b>	50%	50%	-	-
<b>North Central</b>	94%	-	100%	92%
<b>Northeast</b>	81%	75%	100%	86%
<b>Northwest</b>	94%	-	-	94%
<b>Sedgwick County</b>	100%	100%	-	-
<b>Shawnee/Douglas</b>	50%	50%	-	-
<b>South Central</b>	86%	67%	100%	86%
<b>Southeast</b>	58%	67%	40%	64%
<b>Southwest</b>	89%	-	100%	86%
<b>State of Kansas</b>	82%	68%	83%	85%



## Housing Values

*Relative to incomes, housing values are depressed in many rural areas, even with the increase in values experienced since 2010.*

There are several metrics used to understand the affordability of housing in a county. These include not only the direct cost of housing but also local incomes and other costs like transportation and utilities.

**A value to income ratio is one measure for the viability of a market for new ownership construction.** This metric can be adapted to evaluate the affordability of housing markets in cities, regions, and states. Values below 2.0 can indicate an undervalued market where new market rate construction is less viable. Values approaching 3.0 and above can indicate general affordability issues for people wanting to buy or currently owning homes.

- Other factors that can result in higher ratios include high student populations or retiree populations. Both groups have lower incomes but may otherwise have adequate housing, such as family members helping to pay rent or retirees who may own their homes out-right.
- The ratio for Kansas and many counties indicates the housing market is not significantly out of sync with local incomes but may still present affordability and availability issues in certain segments of the population, shown in other metrics in this section.
- Many areas have values below 2.0 and match the sentiments heard about the undervaluation of existing housing and its influence on new home construction.



Figure 1.48: Housing Value to Income Ratio - 2019

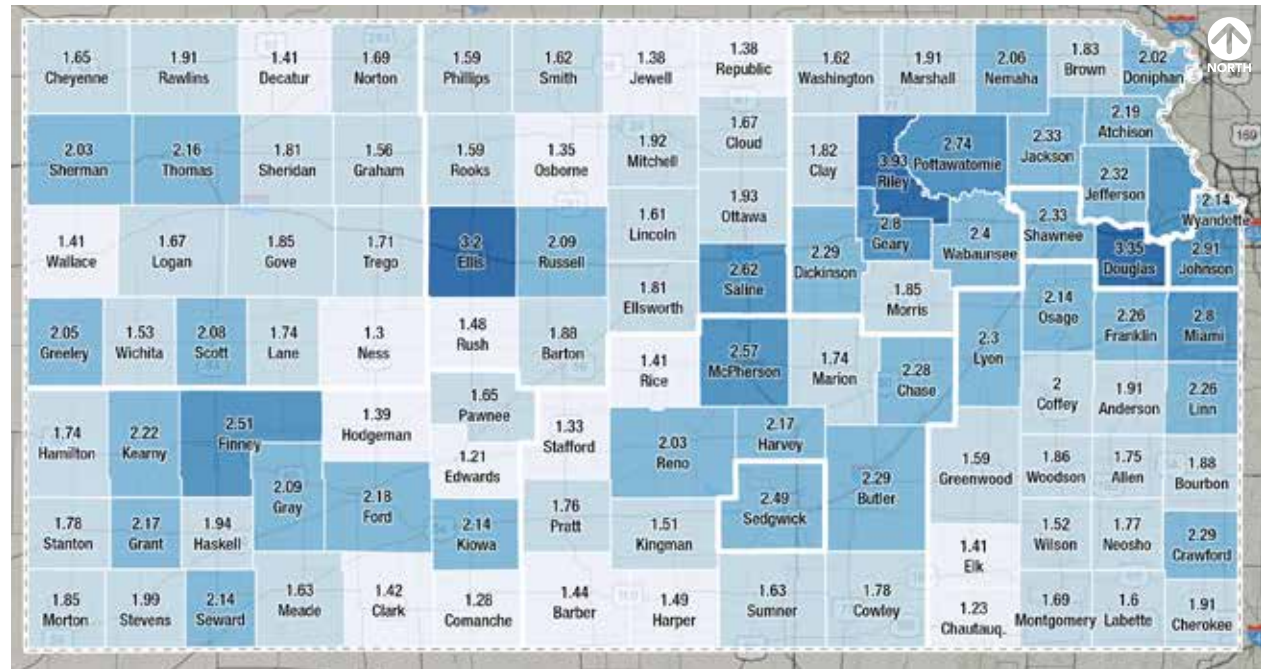
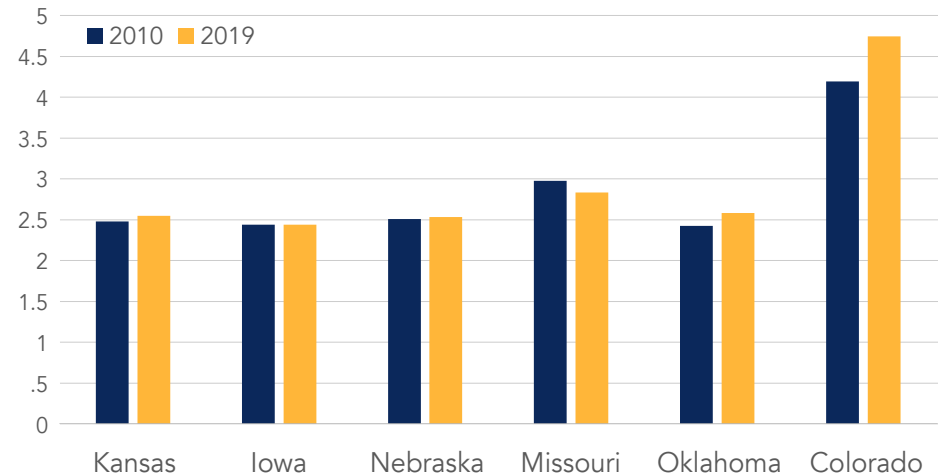


Figure 1.49: Value to Income Ratio in Surrounding States - 2010-2019



Note that housing value as tracked by the Census differs from the market rate sales price of homes. Value typically trails median sale prices because it includes all owner-occupied units in the area of study. Older units that may not have been on the market for many years will drive the value lower.

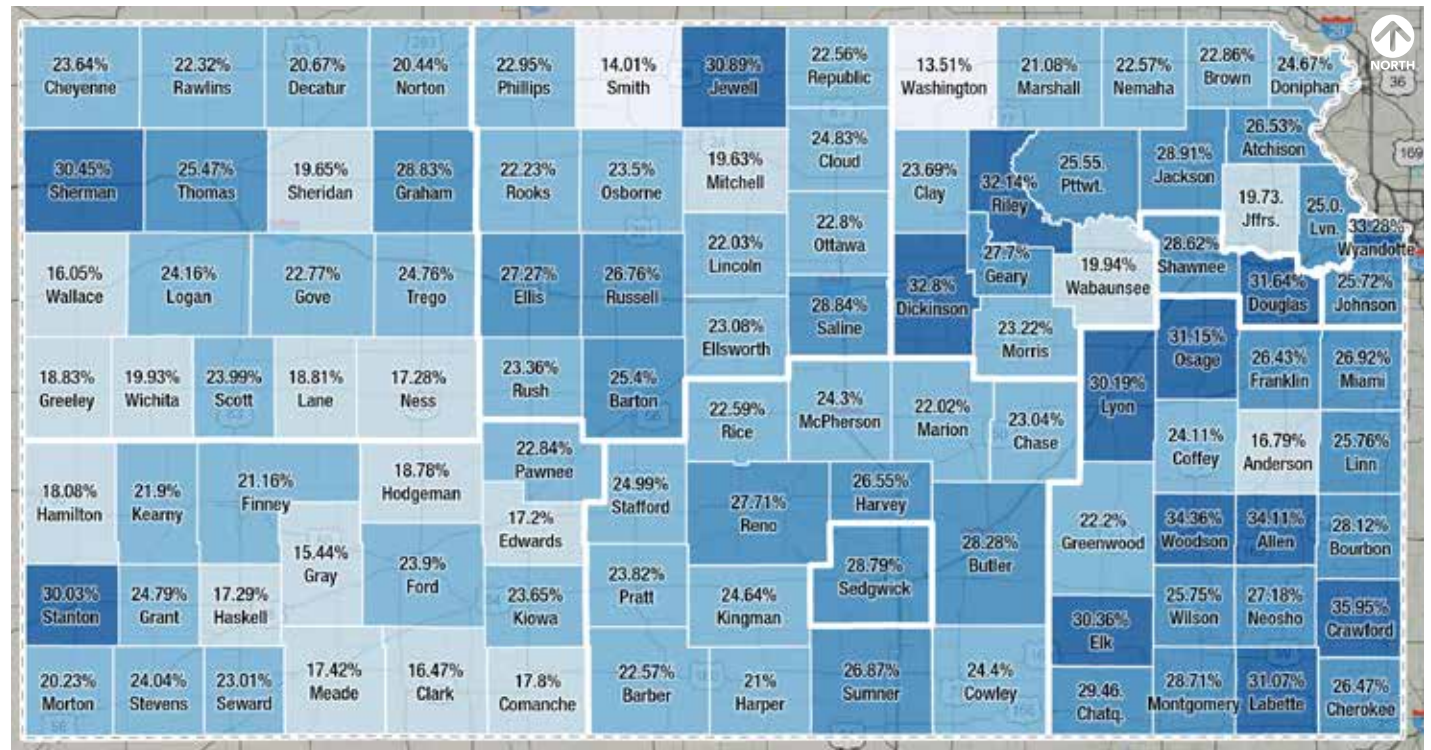
Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)

## Rental Costs

*Relative to incomes, renters in medium sized cities are universally paying more for rent.*

- Universally, there is a baseline rent that must be met to cover taxes, loans, and upkeep by the landlord.
- For example, the Southeast region has lower incomes but rents are similar to other rural regions.
- Compared to other states, Kansas has similar rent costs related to income.
- Several micropolitan areas have higher median gross rents versus income, perhaps indicating a competitive rental market but also the need for these units where rentals are the only option for hourly wage earners and young adults with student loans, or preferred by demographics seeking middle management positions.
- › Of note, four of the counties within the highest bracket of gross rents versus income (Crawford, Douglas, Riley, and Lyon) have a 4-year university. This constant supply of renters with lower incomes drives up the percentages in these counties.

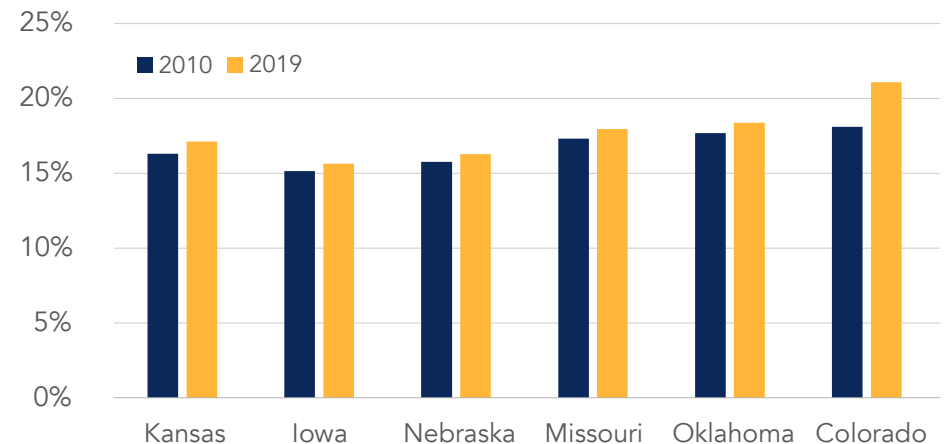
Figure 1.50: Median Gross Rent as a % of Renter Household Income - 2019



Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)



Figure 1.51: Median Gross Rent as a % of Median Income in Surrounding States - 2010-2019





## Other Costs

*The costs of traveling to work and other services are factors in the ability to afford housing.*

- When factoring typical regional transportation costs with housing costs, rural households face a larger burden.
- Many of the counties with major job centers that draw employees from surrounding counties have less housing + transportation cost burden than rural counties. The total burden is especially higher for counties the furthest from these job centers.
- For example, Smith County has lower housing costs compared to incomes, but the addition of transportation costs drives the county into the middle cost tier relative to other counties in Kansas.
- Other costs such as childcare, food, and medical expenses are additional. These costs are increasing and often fixed, meaning you cannot choose less expensive options, reducing the amount a household can spend on housing.

Figure 1.52: Housing and Transportation Costs as a Percent of Income - 2019

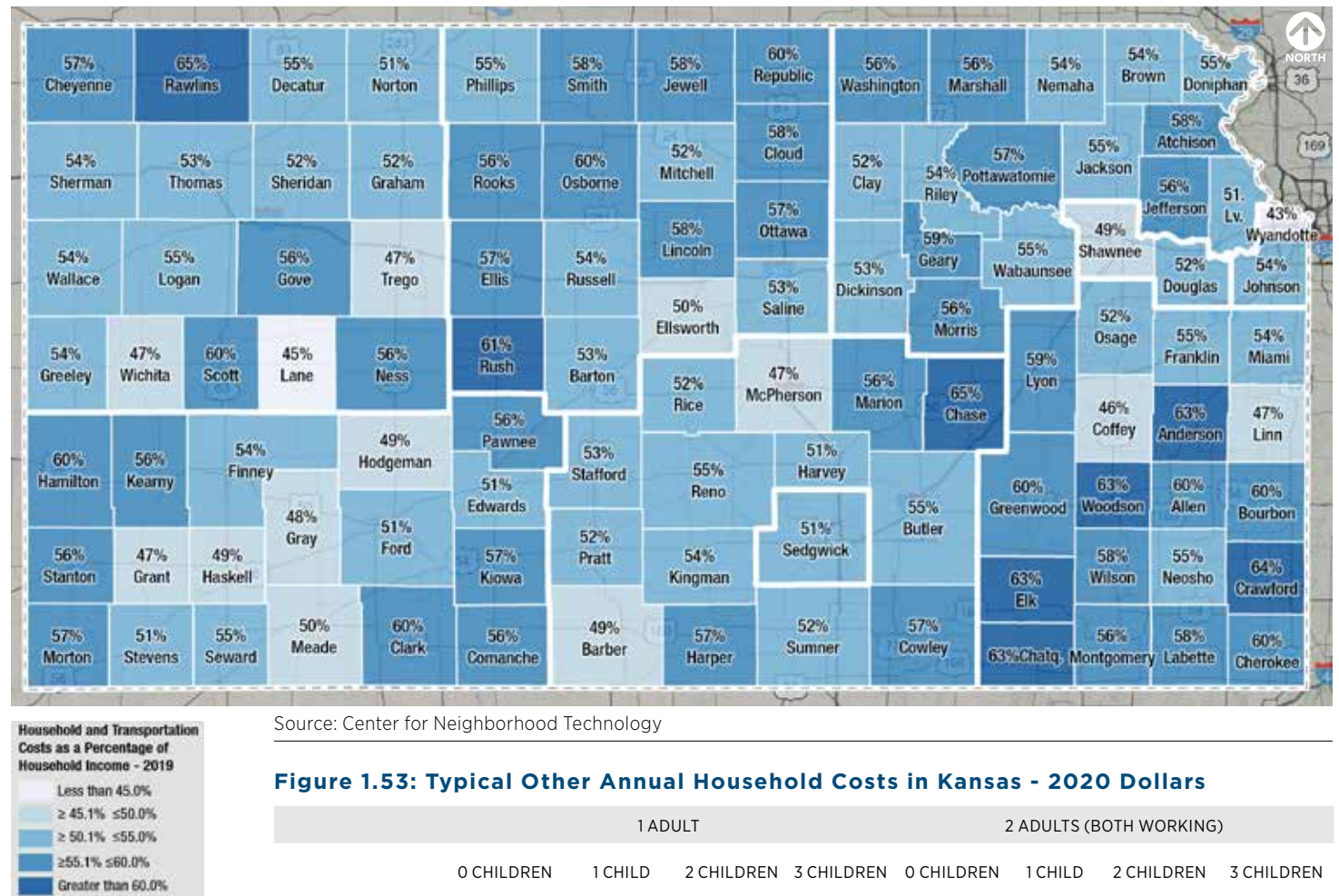


Figure 1.53: Typical Other Annual Household Costs in Kansas - 2020 Dollars

	1 ADULT				2 ADULTS (BOTH WORKING)			
	0 CHILDREN	1 CHILD	2 CHILDREN	3 CHILDREN	0 CHILDREN	1 CHILD	2 CHILDREN	3 CHILDREN
<b>Food Costs</b>	\$3,246	\$4,771	\$7,141	\$9,494	\$5,950	\$7,394	\$9,505	\$11,589
<b>Childcare Costs</b>	\$0	\$7,023	\$14,046	\$21,069	\$0	\$7,023	\$14,046	\$21,069
<b>Medical Costs</b>	\$2,543	\$7,842	\$7,530	\$7,670	\$5,899	\$7,530	\$7,670	\$7,323
<b>Civic Costs</b>	\$1,956	\$4,200	\$3,838	\$4,457	\$4,200	\$3,838	\$4,457	\$4,300
<b>Living wage per adult</b>	\$13.51	\$28.39	\$35.17	\$45.15	\$11.27	\$15.59	\$19.48	\$22.67

Source: Glasmeier, Amy K. Living Wage Calculator. 2020. Massachusetts Institute of Technology. [livingwage.mit.edu](https://livingwage.mit.edu).

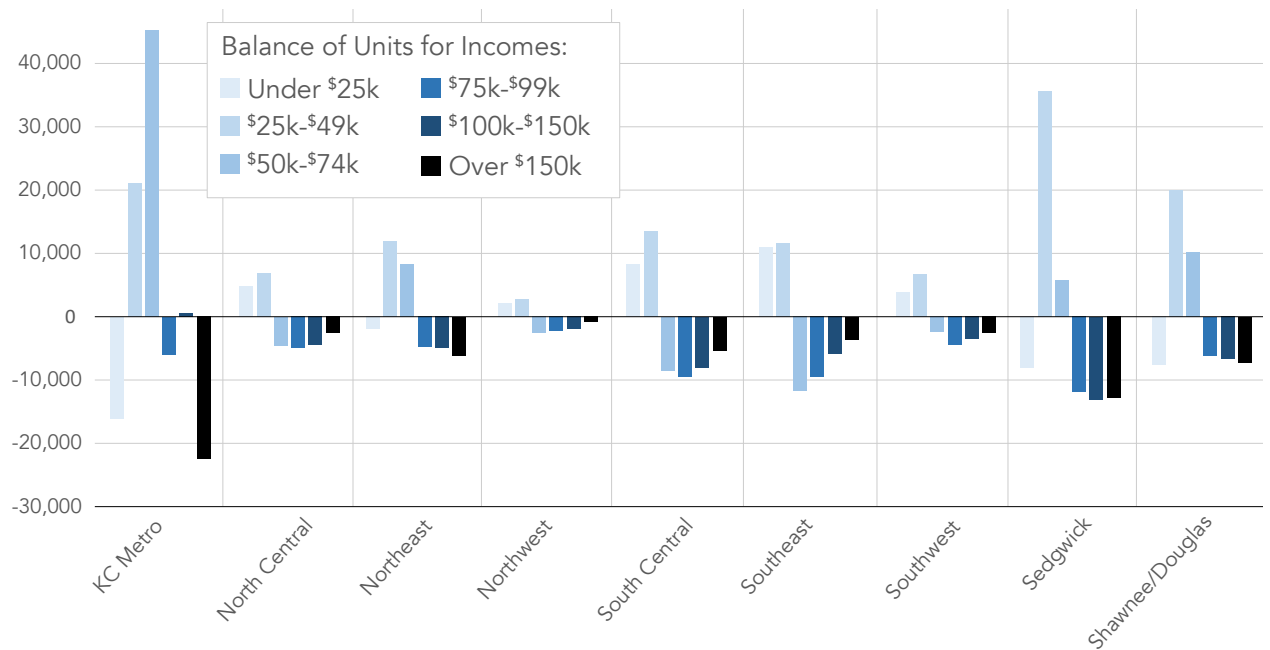
## Supply of Housing Based on Kansans' Incomes

*In many regions the lack of housing at the higher and lower ends means that households are competing for the same units – those typically most attainable to middle income households.*

By comparing the distribution of household incomes with housing costs, a lens of what is “affordable” to different income groups takes shape. An affordable cost of housing is calculated at 2-3 times the household income. Lower income households tend to spend a higher percentage of their income on housing and higher income households tend to spend a lower percentage of their total income on housing. An affordable rental would be less than 30 percent of household income.

The figure on this page shows the number of households by income and by region, and the number of owner and renter units available based on affordable ranges requiring households to pay no more than 30 percent of household income towards housing. The analysis will show larger trends in how existing units are being occupied. **It does not demonstrate exact market demand in certain price ranges.**

**Figure 1.54: Existing Housing Stock Attainable to Income Groups - 2019**



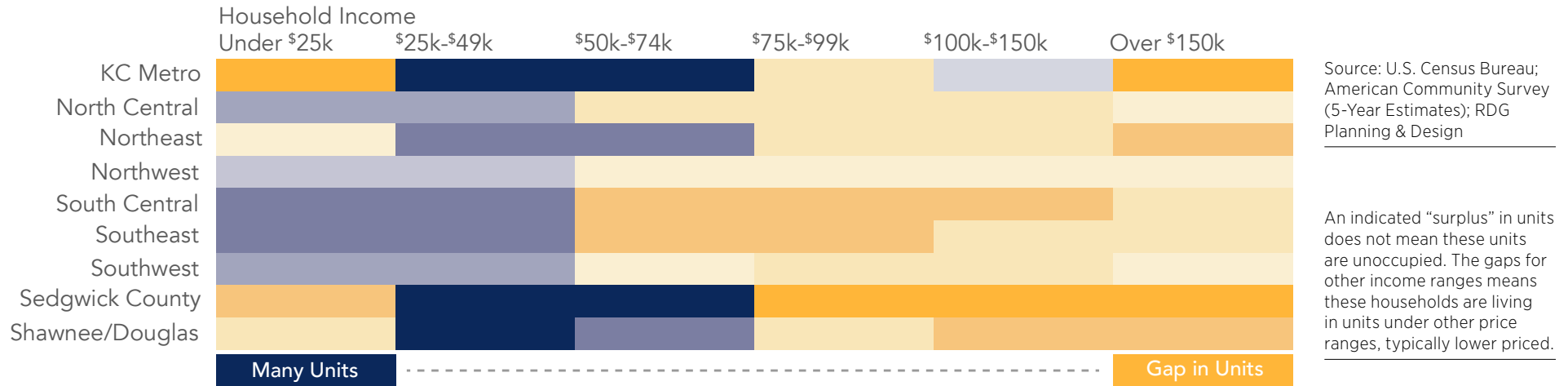
Source: U.S. Census Bureau; American Community Survey (5-Year Estimates); RDG Planning & Design

There are a number of ways to interpret this data:

- If the number of households in an income range exceeds the number of units available, those households must seek options in other affordability ranges.
- If the number of units exceeds the number of households, it indicates that the units are occupied by households from other income ranges.





**Figure 1.55: Balance of Existing Housing Stock That Would be Attainable to Income Groups - 2019****High Level Regional Insights:**

A few notes of caution when interpreting the figures that show the amount of housing stock against available household income:

- The data shows a snapshot in time of value of housing and median household incomes as reported by the Census.
- The definition of 'affordable housing' is determined by a household's income. What is affordable to one income bracket is not necessarily affordable to another.
- Deficits/gaps shown for households making under \$25,000 will not be met through new construction. This price point requires additional subsidies to construct. The Kansas City Metro, Shawnee/Douglas Counties, and Sedgwick County show gaps for this income range.

- › Households making less than \$25,000 include some retirees living on fixed incomes with no mortgages remaining and students receiving assistance with housing from family, loans, or grants. Units for this income bracket may also require additional services like senior support, homelessness prevention, medical services, accessibility needs.
- Most of the existing units correlate to older housing stock and are considered affordable for households that fit the following:
  - › Metropolitan regions, between \$25,000 and \$75,000 a year.
  - › Micropolitan regions, between \$0 and \$50,000 a year.
- When there are gaps for households making more than \$75,000, this typically means that households are living in homes less expensive than their income would

suggest. The desire to minimize housing burden and stay in their homes, helps explain the deficit of owner-occupied housing in lower price points. Expanding the supply of higher priced housing might encourage some of these households to "move up." Some may not have the ability to move up due to other expenses such as school loans or other personal debt. Greater product variety that meets evolving lifestyle needs may have an impact.

- › There is a gap in all regions of Kansas, but most prominent in metro areas.
- › New permit activity is not enough to balance the existing housing stock in areas like the Kansas City Metro. If the area can complete additional new construction, many households currently in lower priced units will find moving up appealing and will vacate the lower priced units.

## Owner Affordability

*Households who are able to own their homes are facing less burden than in 2010.*

A cost burdened household is defined by HUD as one that spends more than 30 percent of their adjusted gross income on rent or mortgage (including utilities, taxes, and insurance).

- Rural counties have experienced a higher increase in cost burdened owners than other areas.
- The decrease in the number of owner-occupied households that are cost burdened in many counties likely reflect:
  - › The change in lending practices following the 2008 housing crash.
  - › The recovery from the 2008 recession.
  - › Low mortgage interest rates from 2010-2019. (as low as a 3.65% average in 2016 for a 30-year fixed rate).

Figure 1.56: Housing Cost Burdened Owners - 2019

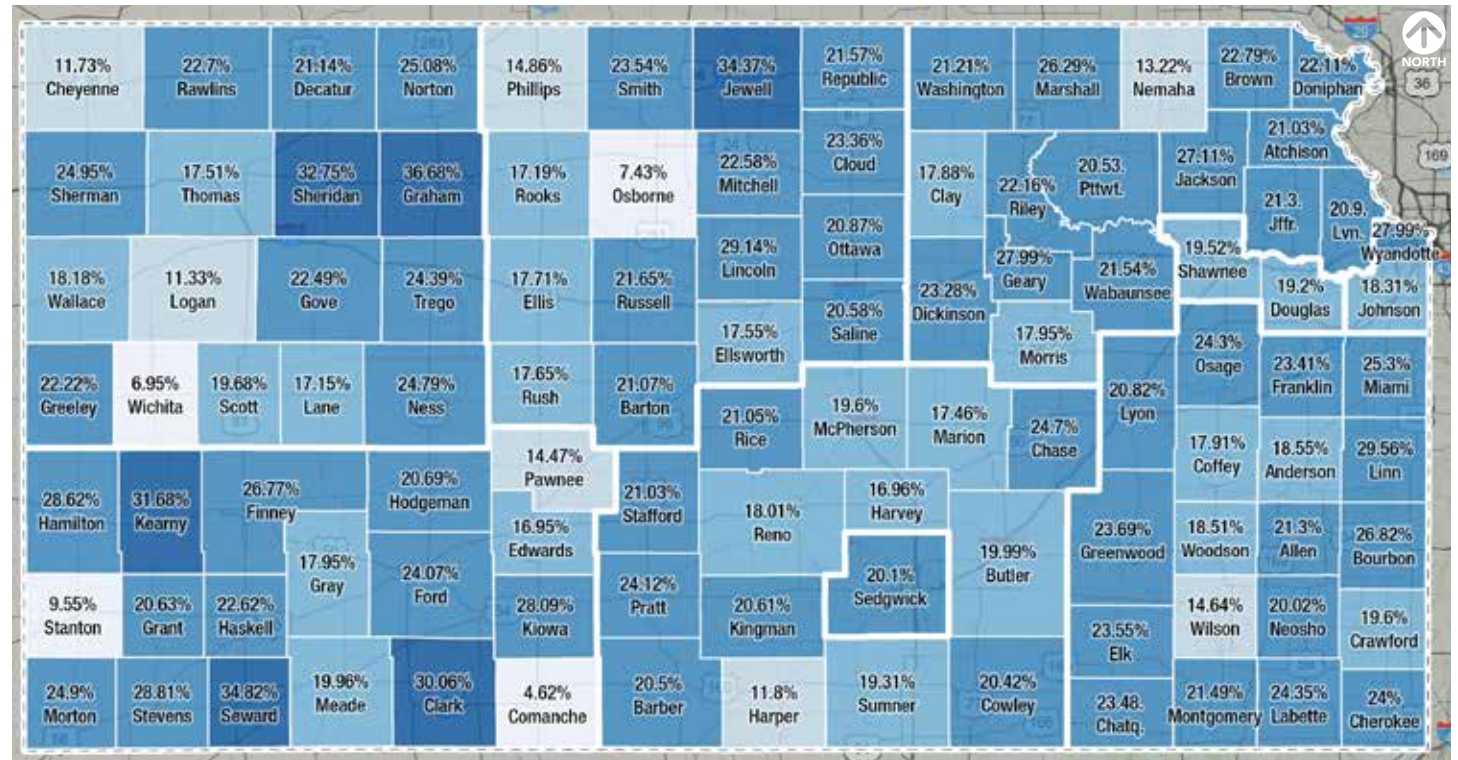


Figure 1.57: % of Counties with Increase in Share of Cost Burdened Owners - 2010-2019

REGION	TOTAL	METRO	MICRO	RURAL
<b>KC Metro</b>	0%	0%	-	-
<b>North Central</b>	38%	-	25%	42%
<b>Northeast</b>	19%	25%	0%	14%
<b>Northwest</b>	29%	-	-	29%
<b>Sedgwick County</b>	0%	0%	-	-
<b>Shawnee/Douglas</b>	0%	0%	-	-
<b>South Central</b>	21%	0%	33%	25%
<b>Southeast</b>	21%	0%	20%	27%
<b>Southwest</b>	56%	-	50%	57%
<b>State of Kansas</b>	30%	11%	29%	35%

Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)



## Renter Affordability

*Cost burdened renters are increasing in many areas.*

- Counties with college student populations have some of the highest percentage of cost burdened renters. Students who rent and have low incomes are included in the calculation.
- Outside of counties with large student populations, several counties across the state have higher rates. This can be driven by either side of the equation:
  - Low incomes.
  - Higher rentals rates from significant new construction or heavy competition from a shortage of units.

Figure 1.58: Housing Cost Burdened Renters - 2019

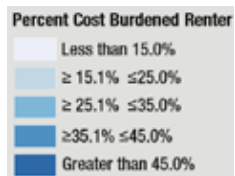
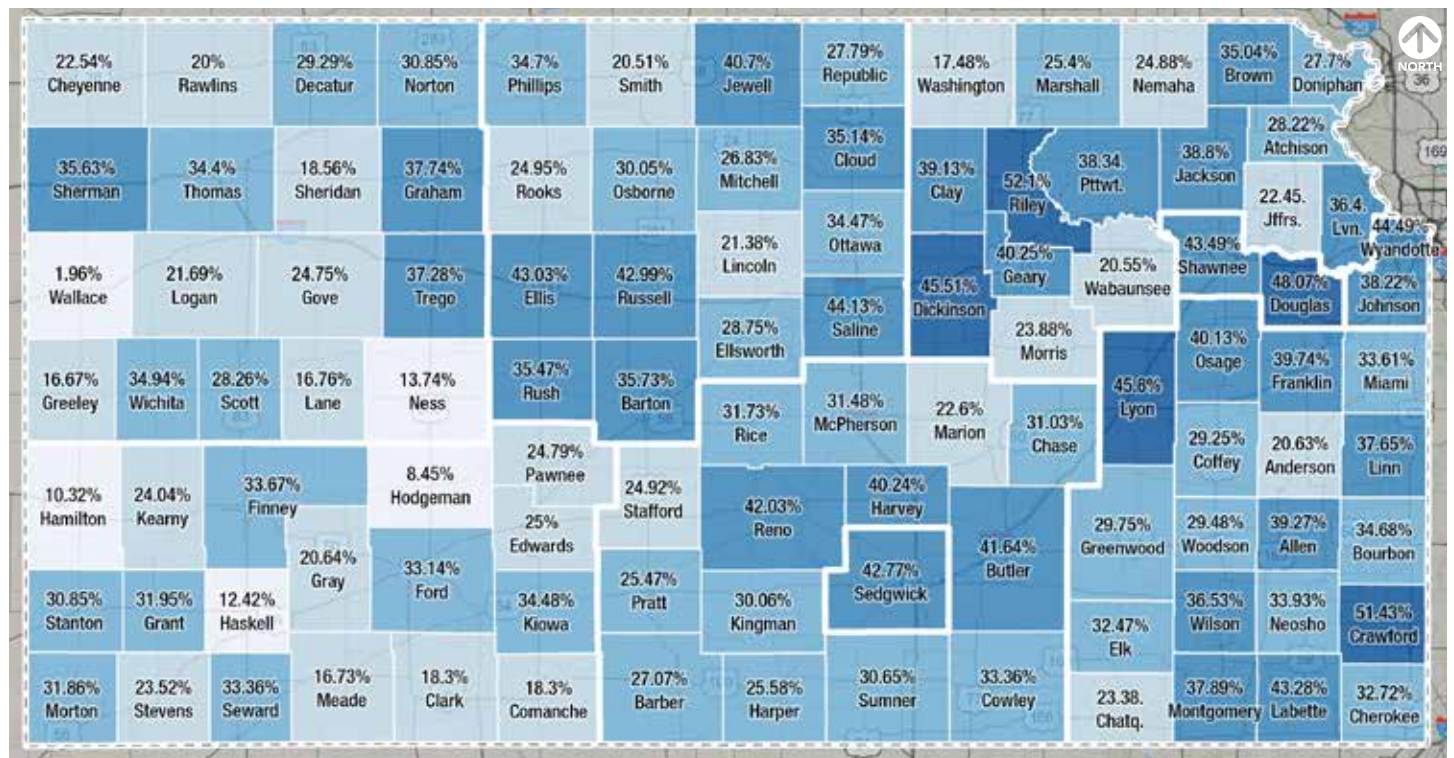


Figure 1.59: % of Counties with Increase in Share of Cost Burdened Renters - 2010-2019

REGION	TOTAL	METRO	MICRO	RURAL
<b>KC Metro</b>	50%	50%	-	-
<b>North Central</b>	69%	-	75%	67%
<b>Northeast</b>	63%	63%	0%	71%
<b>Northwest</b>	65%	-	-	65%
<b>Sedgwick County</b>	0%	0%	-	-
<b>Shawnee/Douglas</b>	50%	50%	-	-
<b>South Central</b>	43%	33%	67%	38%
<b>Southeast</b>	58%	67%	60%	55%
<b>Southwest</b>	50%	-	50%	50%
<b>State of Kansas</b>	61%	53%	59%	58%

Source: U.S. Census Bureau; American Community Survey (5-Year Estimates)

# Statewide Perceptions

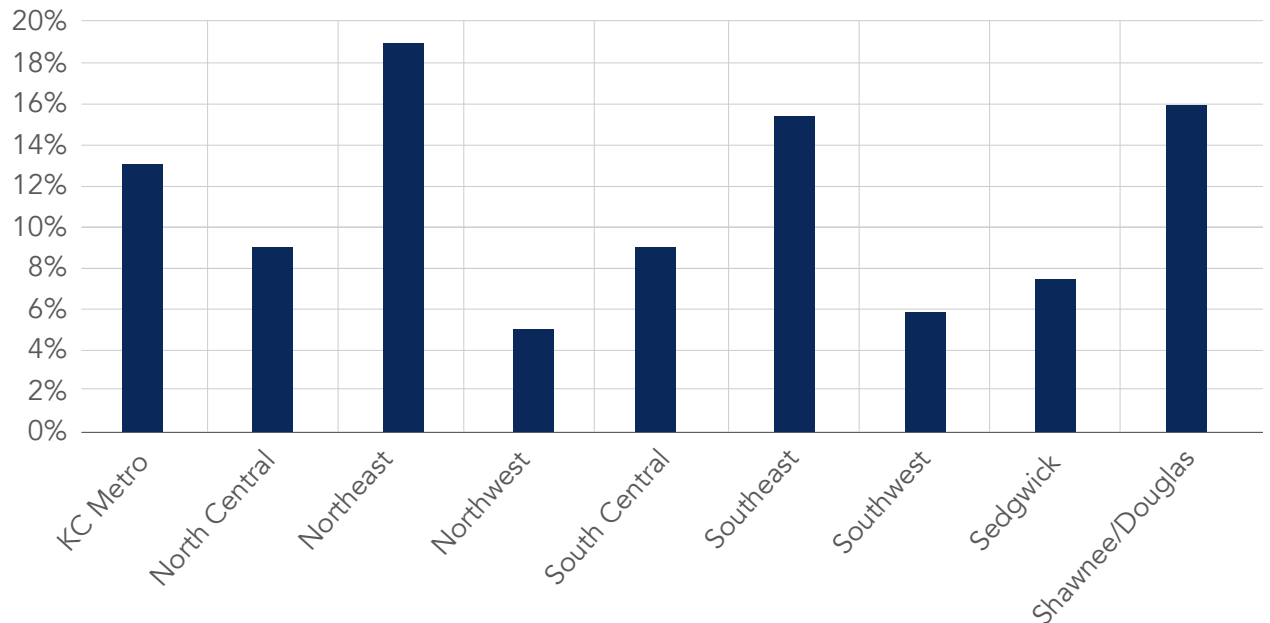
Data indicators provide a baseline understanding of the housing market. The people that experience the market every day provide an even greater understanding of the unique situations in each community. Voices from local officials, builders, real estate professionals, non-profits, chambers, seniors, and many other Kansans provide additional context to the data.

Since the 2008 recession, housing continues to be top of mind for many people. The 2020 pandemic further escalated housing-related pressures on many households. A robust tour and outreach in Kansas communities throughout 2021 supported many of the statewide indicators and provided direction on where to focus housing policy and programs going forward.

## Online and Paper Perception Survey Responses

- 2,600+ Community members
- 515 City and county staff and elected officials
- 341 Builders and developers
- 338 Real estate professionals
- 351 Housing service providers

**Figure 1.60: Where Survey Respondents Live**



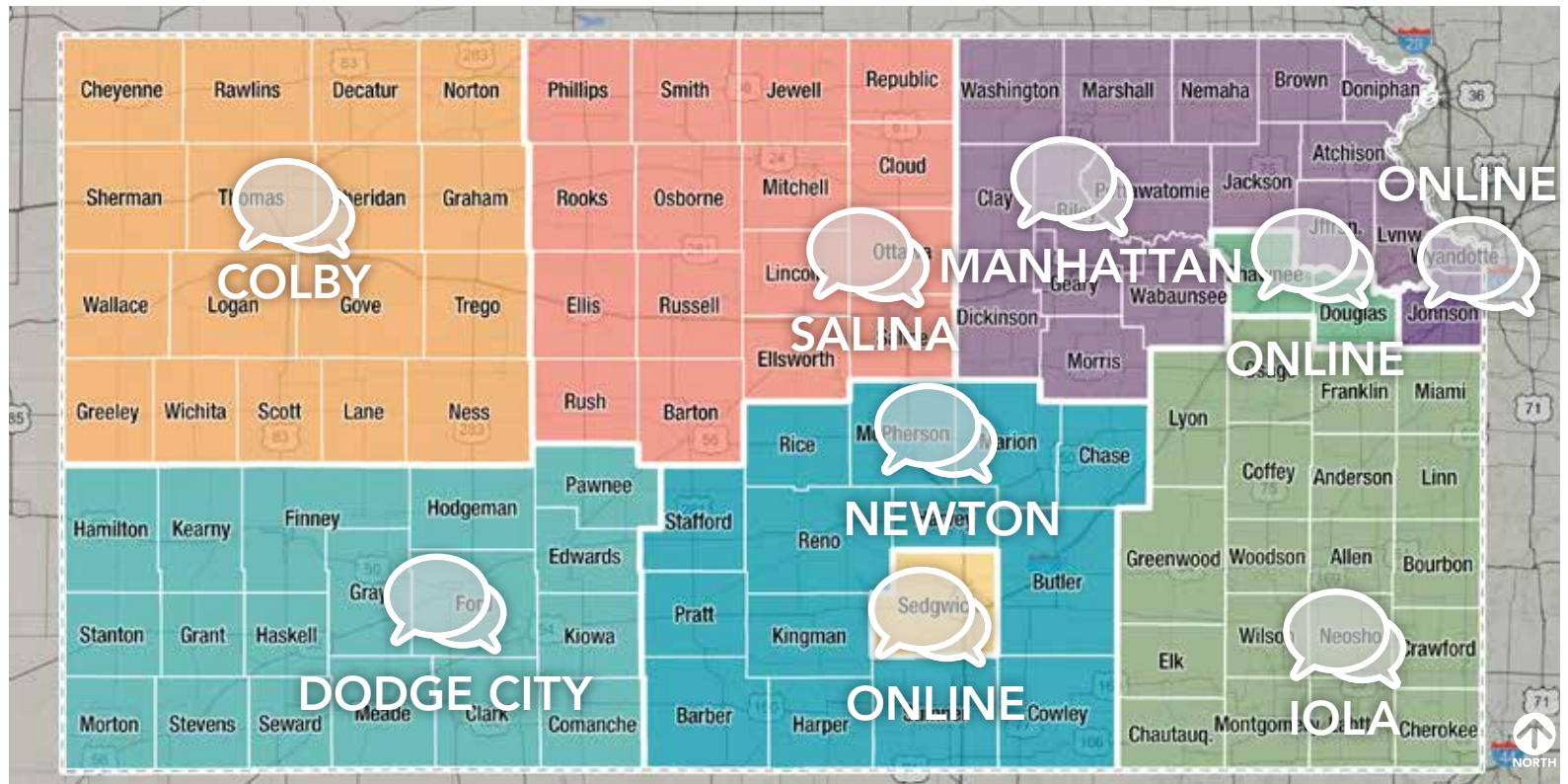


## PUBLIC FORUM ROAD TOUR - APRIL AND MAY 2021

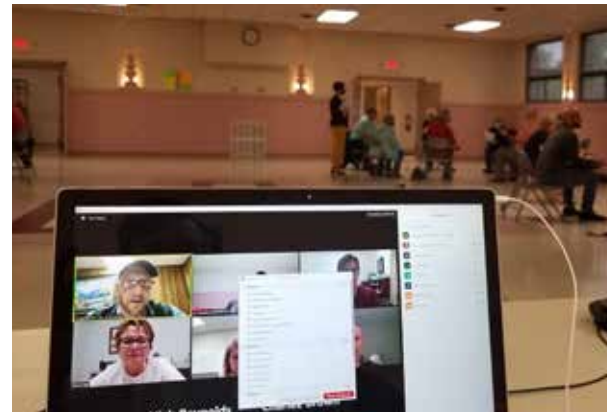
### Regional Listening Sessions

Seventy-one total online listening sessions across Kansas reached over 425 people.

An open in-person and virtual public forum in each of the nine regions offered further understanding and inventory of local communities.



A public forum session in Iola.



Listening sessions and public forums offered both in-person and online opportunities to participate.



## WHAT THE COMMUNITY SURVEY PARTICIPANTS SAID

### *Housing Price and Quality Rose to the Top.*

Respondents shared many ideas on what could be done to improve housing quality and costs. Many noted the need for direct help buying a home, but other popular ideas included assistance to fix up existing homes. For example, about 62% of respondents felt public funds were needed to remove dilapidated housing.

### *Opportunities for Seniors*

Discussions often dove into accessible and Universal Design for an aging population.

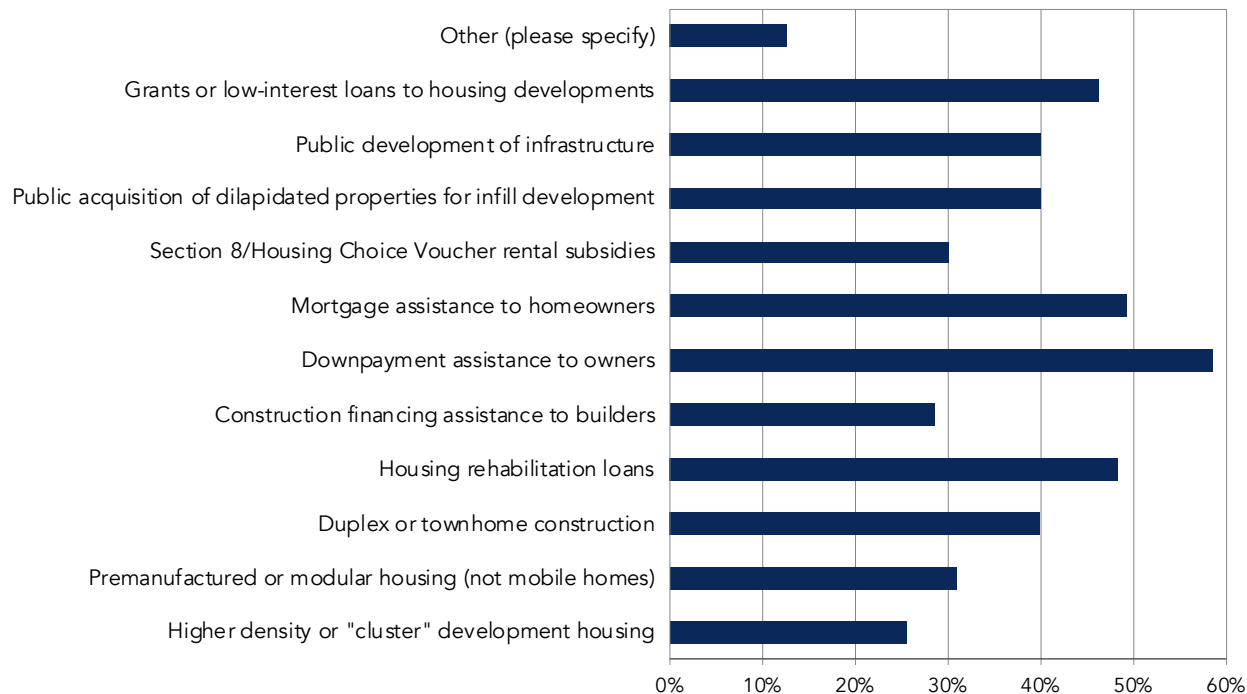
When asked what housing types seniors and elderly might be interested in, those who were 65 years and older compared to all respondents:

- 10% more interested in an owner-occupied home with shared maintenance.
- 11% more interested in an apartment with additional services available.
- 9% were interested in a residence attached/adjacent to the home of a family member.

### *Opportunities to Improve Quality of Life*

About 59% of survey respondents indicated they would consider looking for a new place to live in the next three years. The highest reason for looking to move was “to a different community for quality of life reasons.” Housing strategies also need to focus on jobs, amenities, and other community features beyond adequate housing options.

**Figure 1.61: Which types of housing solutions would you support to reduce the cost of housing in your county (select all that apply)?**



## SURVEY DEMOGRAPHICS

- About 17% are single households, 55% 2-3 person households and 28% over 4-person households.
- Average age of survey respondents was between 45-54 years old.
- About 84% of survey respondents are white alone and about 5% identified as Hispanic or Latino.
- About 70% own their home, 23% rent, and 7% have other living arrangements.
- Of those renting, 60% rent by necessity rather than by choice.
- The average household income of respondents was around \$75,000.
- The average reported mortgage or rent payment of respondents that are not living rent or mortgage free (25% were), was between \$500 and \$999 a month.

## WHAT ECONOMIC DEVELOPMENT EXPERTS SAID

Economic development professionals from chambers, cities, and similar organizations were invited to participate in small group listening sessions to share their knowledge of the market and consumer preferences.

### Common Themes:

- Infill development is nearly impossible in many areas for many reasons including zoning, achieving economies of scale, and the ability to get banks, developers, and cities on the same schedule.
- There is a need to educate and communicate various local housing programs across regions and cities.
- The challenges that are faced in rural areas and distressed urban areas are similar.
- There is a gap in programs for middle income households. For example, homes are too expensive for their income, but they make too much income to qualify for programs.
- Few employers are directly involved in housing programs. Those that are, are predominantly in rural areas.
- Perception from some that local regulations create challenges.
- Programs separated by urban and rural areas should be combined.
- There is not a huge demand for assisted living. Older adults are aging in place if the unit meets their needs.

### Rural Counties

- Lack of skilled contractors to do work.
- Transportation costs are too much to bring new contractors to rural areas.
- Potential workers are turning down job offers because they cannot find housing.
- Areas with good broadband have an advantage for attracting people.
- Low rents in many areas are associated with low quality units.
- Incomes do not match the cost of new construction in most areas.
- Need for financing mechanisms to build 5-10 homes at a time, not large scale. For example, one project for 10 homes required six different funding sources.

### Urban Counties

- More “Not In My Backyard” (NIMBY), resident conflicts (density, “low income” opposition).
- The future of the office environment and remote work will determine future housing preference and add to already increasing home sizes.



Themes and sentiments here were paraphrased by the author from consolidated survey responses and listening session discussions with 40+ economic development professionals.



## WHAT KANSAS REAL ESTATE PROFESSIONALS SAID

338 real estate licensees took a survey about their knowledge of the market and consumer preferences. Real estate licensees were also invited to participate in small group listening sessions to share their knowledge. These reflect responses at the beginning of 2021.

### Common Themes:

- There have been a near record number of sales year over year. However, at any given time, inventories are down 20%-60% from a year ago. There is a shortage at all price points and home types.
- People seem to be moving back to Kansas.
- There were mixed feelings on lasting influences of the pandemic.
- Some felt that buyers are starting to get in over their heads again. A potential repeat of the 2008 housing crisis.
- Sellers are taking advantage of the market and purposely creating bidding wars.
- There are fewer “flippers” to improve housing quality as prices increase.
- Many felt there is no need for more buyer incentives. Instead, focus on the selling and development side.

### Rural Counties

- Homes under \$200,000 are an affordable ownership market in most rural areas.
- Seniors may be exiting rural areas to find appropriate housing.
- Issues with low appraisals versus home construction/sale price.
- People are willing to pay more rent if units are better quality.

### Urban Counties

- More people are asking about walkable areas to live and community amenities.
- Perhaps no large-scale lot development for fear of owning the lots for too long.
- Disconnect between housing goals and approving projects. For example, willingness to implement comprehensive plan goals (Johnson County) or too much stringency to goals (Lawrence).
- Infill development/redevelopment opportunities include rethinking old commercial centers but the risk for developers will need to be reduced.
- Same gap financing issues in older inner-city neighborhoods as rural areas.

## REAL ESTATE PROFESSIONALS' INSIGHTS

- Respondents represented all regions of the state, with most working in a region for 3-5 years.
- The largest group of respondents were 25-34 (44%) years old.
- Most respondents generally agreed there were fewer units on the market in the previous 12 months than the last several years. Almost none of the real estate licensees representing the Northeast region and Shawnee/Douglas Counties felt there were more units on the market.
- Most felt the quality of owner units in their region were average, although real estate licensees in Shawnee/Douglas Counties, the Northwest, and South Central regions leaned more toward “Fair” quality.

## CONCERN FOR PEOPLE BUYING IN THIS MARKET

Real estate licensees reflected on their experience in the current market in '20-'21. There are never before seen conditions and uncertainty in what this would mean in the future for buyers in this market when prices stabilize.

Themes and sentiments here were paraphrased by the author from consolidated survey responses and listening session discussions with 40+ real estate professionals in Kansas.

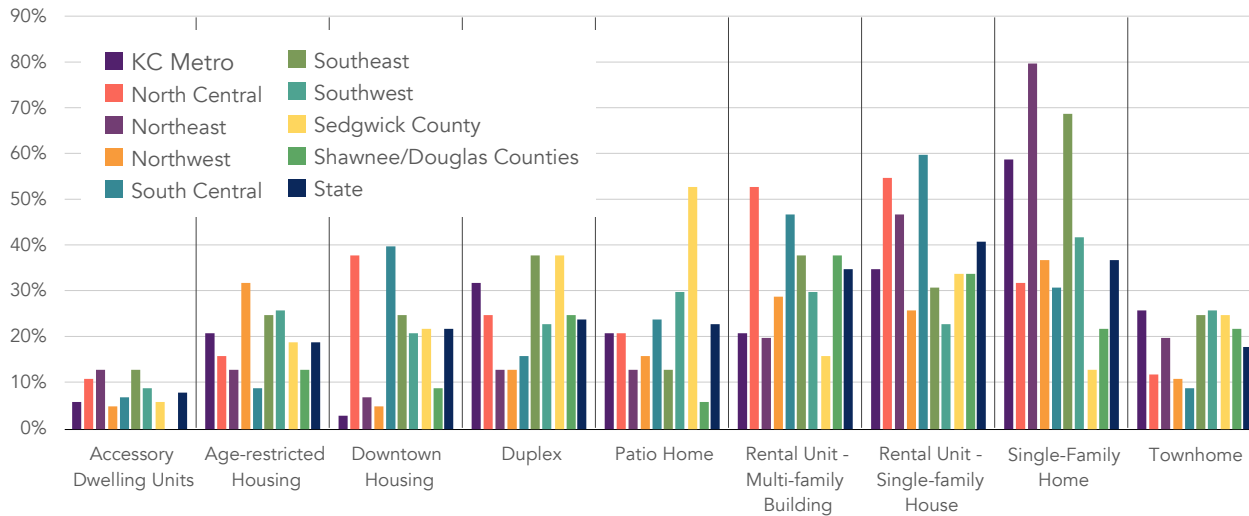


Real estate licensees' survey responses correlated with the sentiments heard in the listening session discussions:

**Real estate licensees are hearing more from people in eastern Kansas about lack of single-family homes.**

**Figure 1.62: What are the most frequently requested home types that are in low supply or don't exist in your market today? (check all that apply)**

These responses align with community survey responses about which housing types would be most successful in their communities. However, community survey respondents did not favor larger homes with four or more bedrooms.

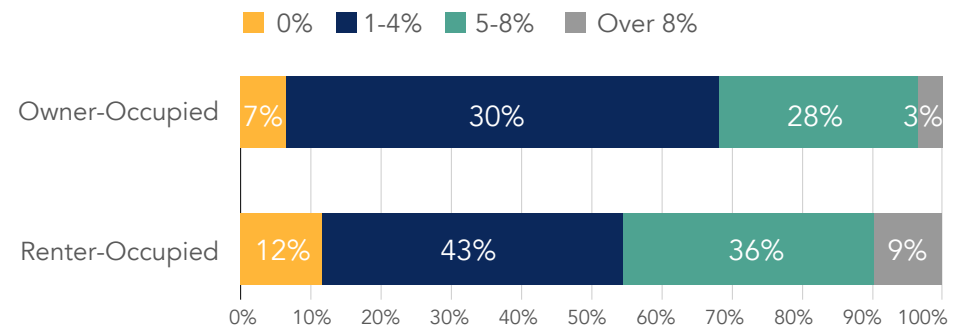


**WHEN BREAKING DOWN THE TYPES OF AMENITIES THAT PEOPLE REQUEST THE MOST, REAL ESTATE LICENSEE RESPONDENTS REPORT:**

- Households 65 years and older: Near parks (47%) and more than two bedrooms (45%).
- Young professionals (single/partner, no children): Reliable internet access (56%) and more than two bedrooms (50%).
- Households with children: Near schools (72%), more than two bedrooms (60%), near parks (60%), and reliable Internet access (43%).

**Figure 1.63: What percentage of all renter or owner-occupied units do you think are vacant in your region/county? (Vacant because the unit is not habitable, not filled because demand doesn't exist, or being held by a family or an estate.)**

Less than 9% felt rental vacancy rates were above 8% and less than 3% felt owner-occupied vacancy rates were above 8%. This contradicts what Census data shows, as was discussed previously in the Statewide Indicators section.



## WHAT BUILDERS AND DEVELOPERS SAID

341 builders and developers of different scales and experience took a tailored survey related to their knowledge. Builders and developers were also invited to participate in small group listening sessions to share their knowledge.

### Common Themes:

- A standardization of codes across Kansas would help. Projects could be done more easily and efficiently between towns.
- Working with the State has generally been very nice, with common sense discussions and feedback.
- There is a negative misconception with the word “affordable housing.”
- Property taxes are high compared to nearby Missouri or Oklahoma. A change in the way that affordable properties are assessed may be needed – not a market rate approach.
  - › It should be noted that many local officials struggle with balancing rising costs (like all businesses) and the dependence on property and sales tax to cover basic costs. Local communities were often concerned about additional requirements that limit their revenue sources.

### Rural Counties

- Small local government zoning is out of date, which hinders doing some project types like manufactured housing.
- There is a large communication and education gap in getting people to understand the types of incentives available. The incentives need to be greater and more accessible.
- Any community with a full-time planner is an exception, but most cities have a poor understanding of their zoning code.
- There are few comparables available to be used to get financing for new construction.

### URBAN COUNTIES

- Some said they do not want to fight zoning anymore so instead avoid communities with known zoning challenges.
- Larger cities have longer processes and more steps for approval, which is less concerning if the process helps overcome “Not In My Backyard” (NIMBY) issues.

## BUILDER & DEVELOPER INSIGHTS

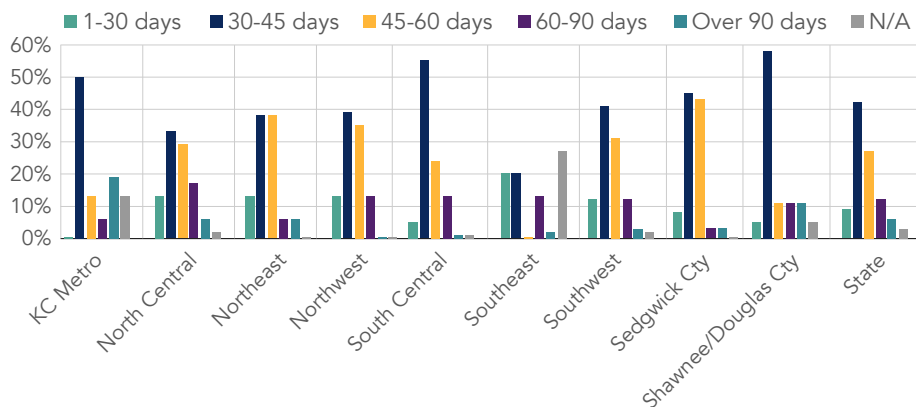
- Respondents represented builders of all housing types ranging from single-family residential to multi-family complexes. Most tend to focus on multi-family construction or single-family residential alone.
- Most respondents are relatively small scale, building/developing 10-50 units a year. However, many reported fewer units built in 2020 compared to previous years.
- The reported costs for multi-family construction vary by region, much more than in the past. Costs per square foot are higher in urban areas and areas near urban centers.
- Similarly, single-family home construction costs vary but are typically reported between \$125-\$149 per square foot in rural regions and \$150-\$174 per square foot in urban regions.

Themes and sentiments here were paraphrased by the author from 341 consolidated survey responses and listening session discussions with 40+ builders and developers.

Builders and developers expressed many viewpoints. Some aligned with similar questions asked of city/county staff and officials and others did not. For example, builder and developer respondents tended to feel that building design standards and infrastructure requirements added the most to housing costs. Other insights related to regulations included:

**The typical time frame for approval of multi-family projects is 30-45 days. City and county representatives felt the same, except for the Kansas City Metro where over 90 days was reported. This difference may be a result of the type of housing survey respondents are building.**

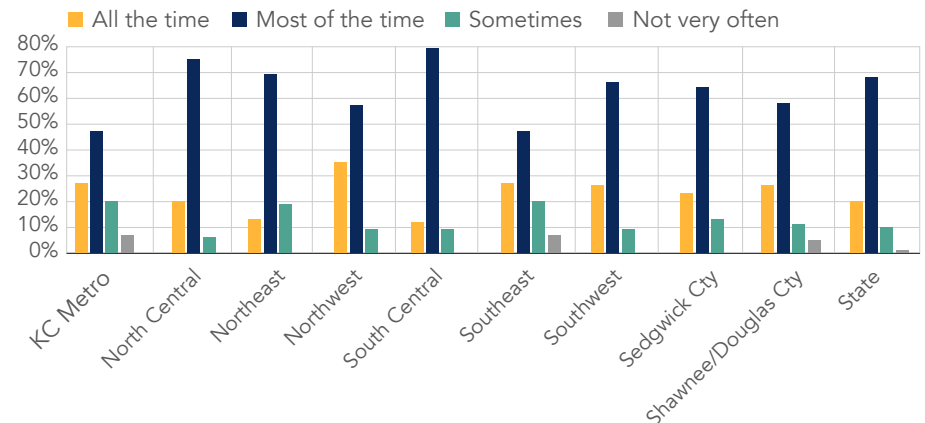
**Figure 1.64: How long does it take for the local government to approve a multi-family/multi-unit site plan? (from initial meeting with the city/county)**



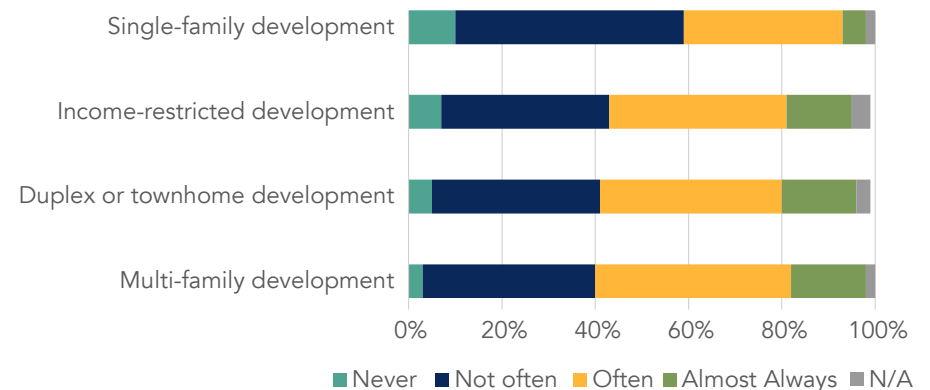
Like city and county representatives, builders and developers also felt multi-family proposals had a higher chance of facing public opposition. Often these housing products are the ones needed to house a community's most vulnerable but also the individuals who protect, teach, and heal residents. Reasons for opposition to these products vary but concerns over impact to quality of life and value of personal homes are the biggest factors.

**Respondents mostly feel that regulations are applied consistently all or most of the time (88%). The variation gets more uncertain in the Southeast region and Kansas City Metro.**

**Figure 1.65: Do you feel local regulations are applied consistently based on the residential projects?**



**Figure 1.66: In your experience, how often are residential projects denied because of public opposition?**



## WHAT CITY/COUNTY STAFF AND OFFICIALS SAID

515 city and county staff, elected officials, and appointed officials took a tailored survey related to their knowledge. Various staff and officials were also invited to participate in small group listening sessions to share their experiences.

### Common Themes:

- We do not need to reinvent programs, what is successful in other states that we could apply to Kansas?
- A need for more choices for programs from KHRC and other state agencies. Not just LIHTC and Moderate Income Housing (MIH).
  - › Note: There are other programs, but this comment may illustrate a knowledge gap between communities and available resources.
- Uniform codes and permits could encourage builders to move more freely between areas, especially small cities.

### Rural Counties

- Difficulty finding developers to come to a rural area and build affordable homes.
- One of the biggest challenges for Kansas is the mindset of residents. The days of building a \$150,000 home are gone. We need to better communicate this to the public.
- Some of the rules and regulations of programs could be simplified to make them easier to monitor.
- We have created RFPs, we have land to give away, but still don't generate interest from builders.

### Urban Counties

- Large-scale development is still not back from 2008.
- There is public opposition to all types housing other than single-family detached units in many cities.
- There is a coordinated understanding and effort to work more closely with developers in some cities.

## City/County Officials Insights

Most responses came from representatives of areas under 5,000 or between 20,000 and 50,000.

- When asked if lots are available for residential development today, staff and officials from the Kansas City Metro responded with the most availability. Those in the North Central region responded with the least. However, Sedgwick County representatives indicated the least availability of lots zoned for residential and lots served with infrastructure.
- Over half of the respondents indicate their jurisdiction offers rehabilitation grants/assistance to residents.
- The most popular assistance for developers/builders are waived or reduced fees and free or reduced cost lots. Only 16% indicated they provide affordable housing funding.

### A refocus on priorities may be necessary

While many discussions and survey comments allude to the desire for more housing types and development, critical responses do not correlate, such as missing-middle projects not getting approved, too strict building design standards, and lack of programs targeted directly at affordable housing.

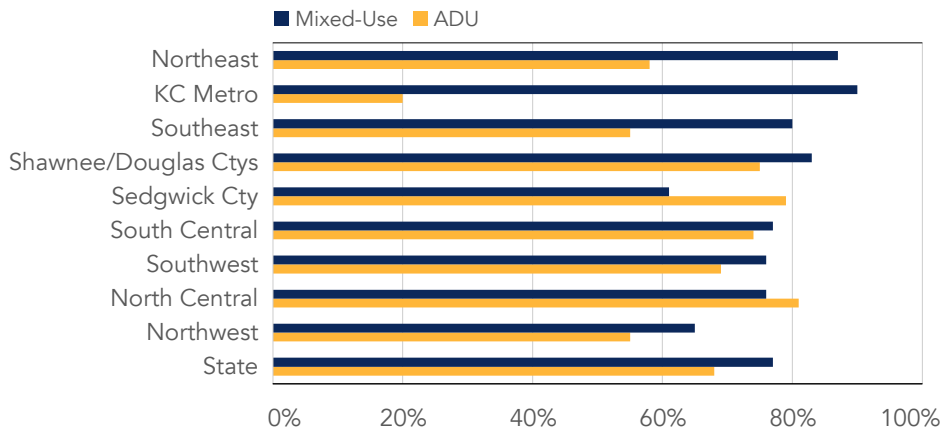
Themes and sentiments here were paraphrased by the author from consolidated 515 survey responses and listening session discussions with 50+ city/county representatives.



Survey responses generally supported the listening session discussions. However, there are a few notable details related to sentiments on regulations and allowed uses:

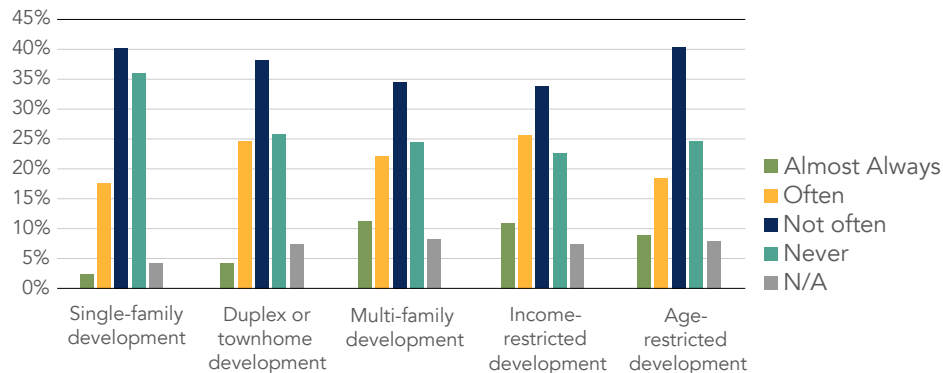
**A decent number of staff and officials do not know whether their jurisdictions allow accessory dwelling units or mixed-use development. Of those that knew, the responses differ by region.**

**Figure 1.67: Does your city/county allow accessory dwelling unit or mixed-use development?**



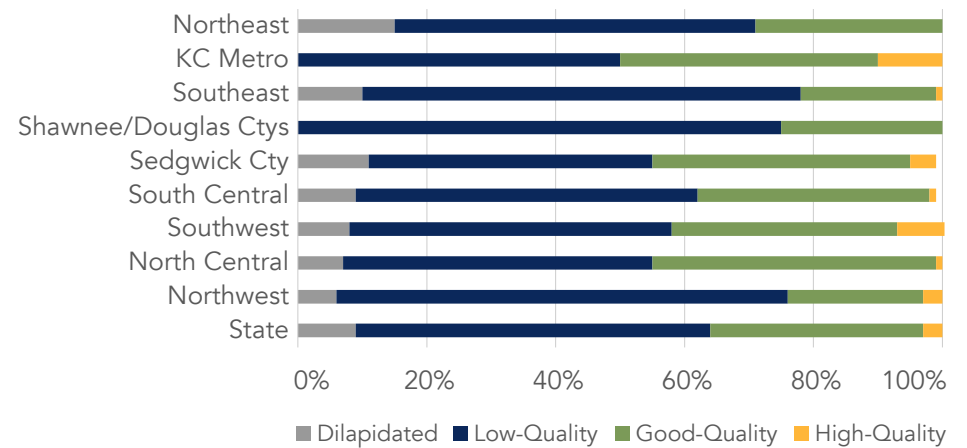
**The housing types selected as most needed by city/county staff and community members are those that most often face public opposition.**

**Figure 1.69: In your experience, how often are residential projects denied because of public opposition?**

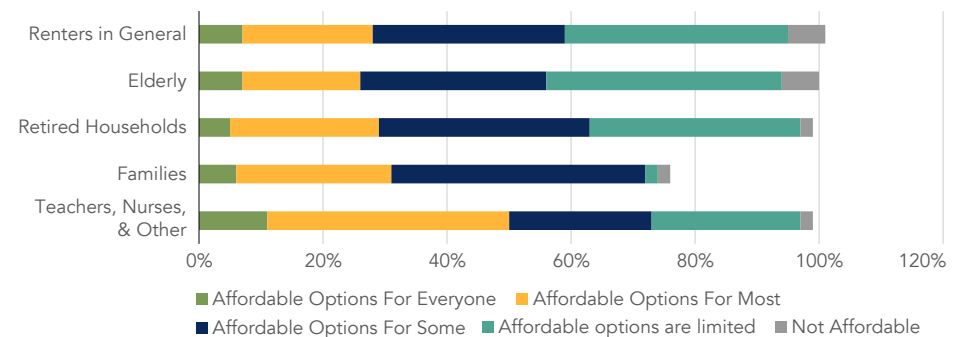


**Sentiments about rental unit quality are similar to the data in the Statewide Profile. Most rated the rental quality in their jurisdiction as low quality. But affordable options are seen as limited for renters and the elderly.**

**Figure 1.68: How would you rate the quality of rental units in your community/county on average?**



**Figure 1.70: How affordable do you feel a quality housing unit is in your city/county for the following people? (“quality housing” is generally considered a unit that is up to code with working fixtures, a maintained appearance, and free of hazardous materials).**



## WHAT HOUSING SERVICE PROVIDERS SAID

351 housing service providers like Habitat for Humanity, transitional services, and other non-profits took a tailored survey related to their knowledge. Many across the state were also invited to participate in small group listening sessions to share their knowledge.

### Common Themes:

- Major challenges are related to making projects work financially.
- There are issues with households having an income that puts them on the border of receiving assistance. If they were to get a raise, the assistance would be lost, but they still may not be able to afford housing in the community. A tiered assistance system may be an improvement.
- Reporting requirements and paperwork can be a burden, especially with the high demand for assistance.
- Tax credit program income restrictions eliminate many people that need help such as people making just above income requirements but still facing housing insecurity.
- The rental eviction moratorium in place during the pandemic may create future problems. Most that would use the benefit are on fixed incomes and cannot afford to pay later.
- We need to continue to educate residents about these needs with the goal of garnering support.

### Rural Counties

- It takes staff to administer vouchers, a resource limited in many places.
- Homelessness is overlooked. Many people do not realize the number of homeless that are not “visible” such as those living in a car.
- Overall, services are limited to cities creating transportation issues for people to access the services.

### Urban Counties

- Trending toward thinking about accessible housing and Universal Design, but few areas require these design features.
- Housing and rent price increases are exacerbating the need for assistance. More people and leaders are starting to take notice.
- Housing assistance, like vouchers, are available but fewer housing providers will accept them.
- Many service providers are seeing the need to scale up their services to reach more people using a coordinated and collaborative approach among many different agencies.

## SERVICE PROVIDER INSIGHTS

Respondents to the service provider survey work in many different areas including homelessness, low-income households, housing programs, Habitat for Humanity, or similar organizations.

- Respondents represented all regions in Kansas, with the largest share serving a region for over ten years.
- Most felt there is an undersupply of units affordable to households making less than \$50,000 a year. As indicated in the Statewide Profile, this may be due to higher income households competing for the same units.
- Survey comments focus on the need for housing assistance to serve low-income renters and those needing physical or mental health assistance.

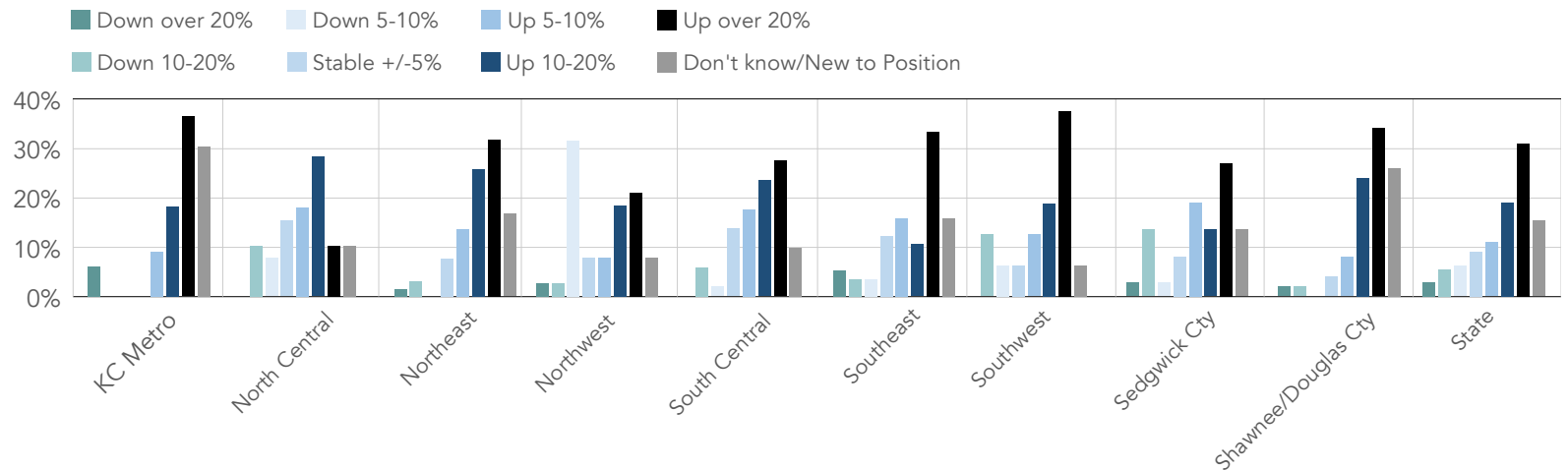
### Specialized housing needs

The ability to continue serving those most in need of assistance cannot be a one-size-fits-all approach. Each vulnerable population has different types of housing needs, all of which require some subsidy. It is clear that the need for these services will only grow, which includes counseling, clinical, and other services in addition to stable housing. As one participant said, “Affordable housing is not a capital expense, it is a habitable expense.”

Themes and sentiments here were paraphrased by the author from 351 consolidated survey responses and listening session discussions with 50+ service providers.

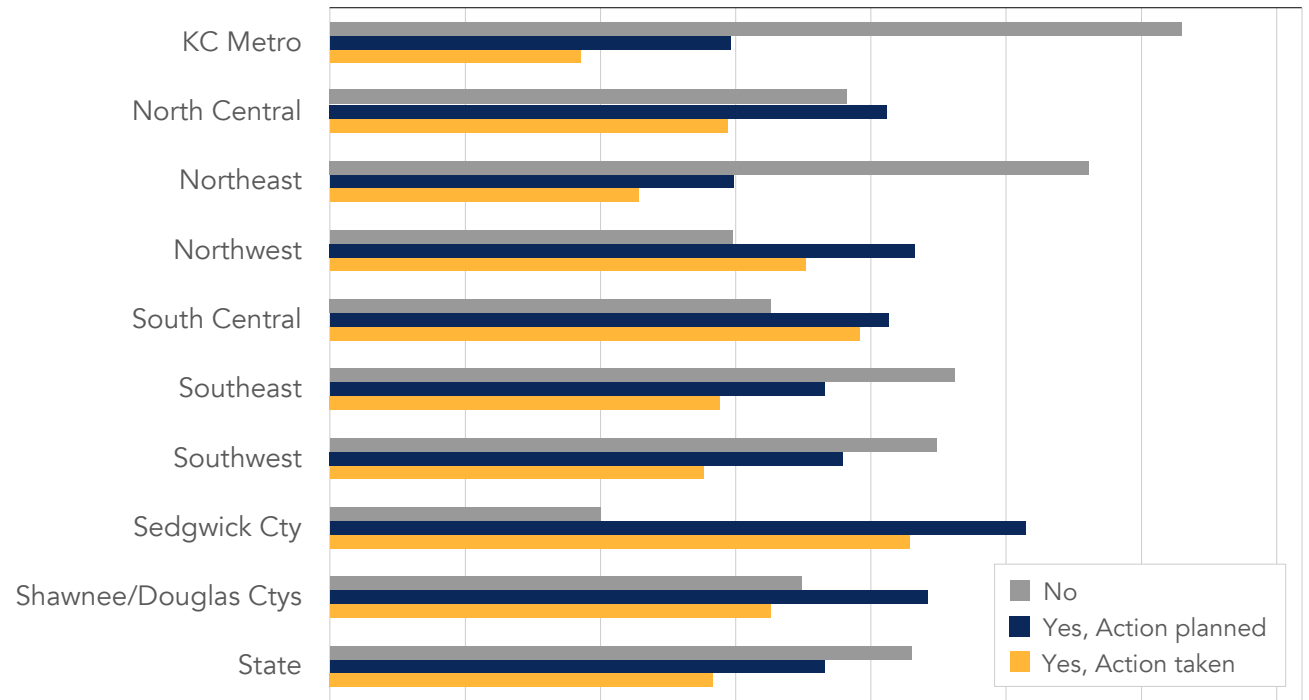
The demand that respondents have for their services has increased across the board in the last 5-10 years. This aligns with the listening session discussions.

**Figure 1.71: How has the demand for services/products you provide changed in the last 5-10 years?**



**Figure 1.72: Have communities in the region or county where you serve made efforts to address housing for low-income households?**

There are sentiments that some regions are not taking appropriate action based on needs, particularly the Northeast, Southeast, and Kansas City Metro. These also might be the areas where the need is more visible to residents.



# Statewide Themes

*The data, input, and analysis unveil several consolidated themes. While there are more specific details for each region and county, these themes represent the primary assessment across the state.*

## Demand for Middle Income Housing

The market cannot provide units under \$200,000 without assistance. To remain affordable for even middle-income households (80%-120% AMI), owner-occupied housing will need to diversify beyond the traditional detached home on a large subdivision lot to smaller lots, attached units, townhomes, rowhouses, and condominiums. Survey respondents and discussions verified the demand for these types of units is widespread throughout Kansas. Hybrid forms like owner-occupied duplexes and accessory dwelling units on single-family lots also have roles to play and are gaining interest in some areas of the state. **Given current market conditions and demographics, affordable to moderate and middle-income households will gravitate toward these alternative configurations over time.** Similarly, rental housing environments may evolve away from large buildings and apartment blocks to small footprint structures with limited common space and corridors – partially the result of the pandemic experience to be determined.

## Older and Aging Housing Stock

The majority of statewide affordable housing inventory is already on the ground and existing homes represent the state's largest single capital asset.

The age of the housing stock is not an immediate issue in every area. In fact, there are many communities with an older housing stock in good condition. But specific problems exist, including areas in a community with one or two deteriorated houses on a block that have an effect on neighborhood value. In other areas, there are concentrations of housing that, while occupied, are in poor condition. This presents a significant policy question. In these situations is the best long-term course of action a rehabilitation or redevelopment strategy?

## Gap Between Cost of Construction and Valuations

The COVID-19 pandemic and associated supply chain challenges have exacerbated the construction costs/valuation difference, but areas were already experiencing issues before the pandemic. This theme, expressed by builders and developers, made clear that they would consider building in areas if valuations supported the cost to build.



# Statewide Themes (Cont'd)

*The data, input, and analysis unveil several consolidated themes. While there are more specific details for each region and county, these themes represent the primary assessment across the state.*

## Labor Shortage in Building Trades

Builders in Kansas, similar to most parts of the country, report a full workload. Their ability to ramp up production is limited sometimes by preference, but more often by shortages of workers and skilled craftspeople. Programs at local high schools, colleges, and organizations like Habitat for Humanity add some capability, but not enough to meet demand. Also, experienced contractors are aging and further reducing capacity.

A much longer-term, sustainable solution includes attracting more younger people to the building trades or investing in new technologies that reduce the number of workers required.

## Desire for Variety in Types of Housing

Some alternative forms of housing are gaining interest at local levels, primarily to achieve greater affordability. This includes builders and developers, but again, only in certain locations (primarily in the larger cities). The one exception that is more widespread is the adaptive reuse of upper story downtown buildings.

Another heavily desired form are units that allow people to age in place. This generates a demand for a variety of single level units with common space, community facilities, and included maintenance. Addressing this market both provides a setting that meets the needs of a substantial population and makes available existing homes that are suitable for younger households.

## Desire to Share Successes Across the State

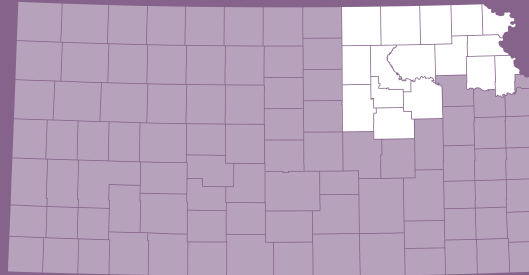
The discussions and surveys with hundreds of Kansans unveiled one undeniable fact - many communities are taking housing solutions into their own hands. This is not in spite of the State level programs available, but rather the increasing needs.

While what is working for one community is not always a feasible solution for another community, there are still lessons to learn. Kansans want to learn from other Kansans and have a “we are in this together” attitude. Many would appreciate a medium to share these successes and learn new ideas.

# Regional Themes

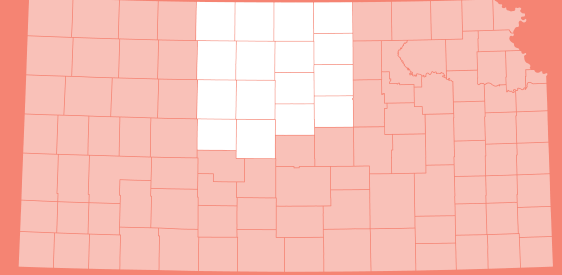
*The input provided in the previous sections begins to reveal regional themes. Many of these themes are reinforced in the regional overviews provided with this study.*

Regional differences are not all that different. Differences in housing conditions and experiences are better identified as urban versus rural differences rather than regional differences.



## NORTHEAST

- Lack of “down-sizing” options.
- Competition and gains from adjacent larger markets.
- Lack of consistent code enforcement.
- Enforcement versus people having the money to fix the deficiencies.
- Need in some areas to finance lot development.

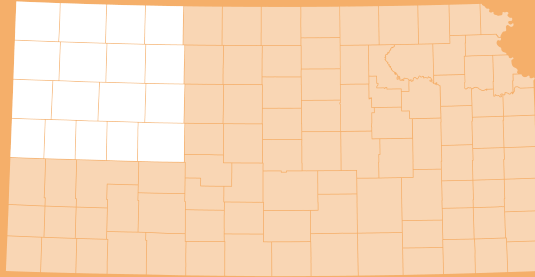


## NORTH CENTRAL

- Retirees and remote workers interested in moving to the area.
- Mixed housing quality mostly due to age.
- Desire for greater regional knowledge sharing.
- Demand for greater housing variety.
- Labor shortage in building trades and developers.

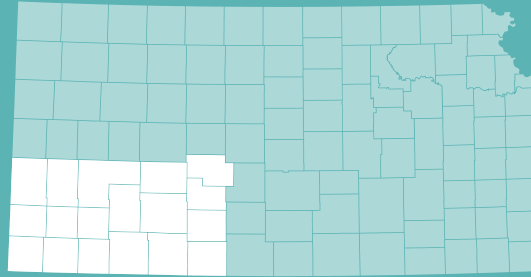
# Regional Themes

*The input provided in the previous sections begins to reveal regional themes. Many of these themes are reinforced in the regional overviews provided with this study.*



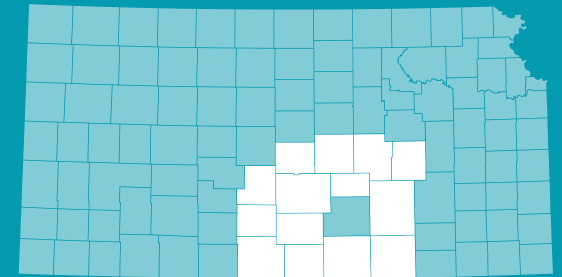
## NORTHWEST

- There are good paying jobs that can support housing costs but still a lack of people that live in the region.
- An older housing stock and a gap in housing that is 20 to 40 years old.
- Mixed housing quality by city.
- Several cities have a well maintained housing stock but there are pockets of disinvestment.
- Retirees and remote worker interest in the area. These are mostly “new” retirees and empty-nesters.
- Need for greater housing variety.
- Options that allow for downsizing for those new to the area.
- Regional planning efforts have helped spearhead incentive programs in some areas.



## SOUTHWEST

- There is competition with markets in Oklahoma.
- Older housing with more wide-spread housing condition issues.
- Lack of access to affordable building materials.
- More costs to travel between housing and jobs.
- Lower housing values and larger financing gaps.
- Lack of modern rental options even with a demand for these products.
- Labor shortage in building trades and developers compared to the total need.

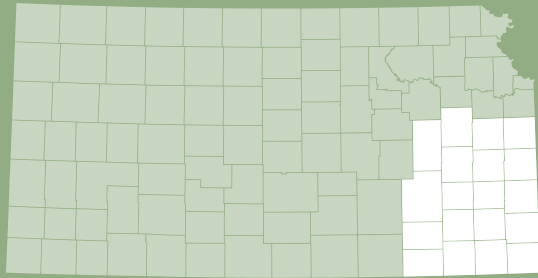


## SOUTH CENTRAL

- Labor shortage in building trades and developers.
- Many areas have had years of little to no development.
- Lack of housing variety, especially rental & retiree options.
- Areas that compete with markets in Oklahoma.

# Regional Themes

*The input provided in the previous sections begins to reveal regional themes. Many of these themes are reinforced in the regional overviews provided with this study.*



## SOUTHEAST

- Some competition with markets in Oklahoma and Missouri.
- An older housing stock and gap in housing value to new construction.
- Mis-match between wages and housing costs.
- Lack of modern rental options.



While Douglas County and Shawnee County are combined as one analysis region in the assessment, their themes and appropriate policy will differ at times. These different approaches are noted where necessary.

## DOUGLAS COUNTY

- Inconsistent review and approval process at times.
- There can be a mis-match between the cost of an approval process to the desired outcomes of the process.
- High cost of site development - topography and utility service.
- Unmet demand for smaller and lower maintenance options.
- Large special assessments and expenses to develop (some perception, some reality).

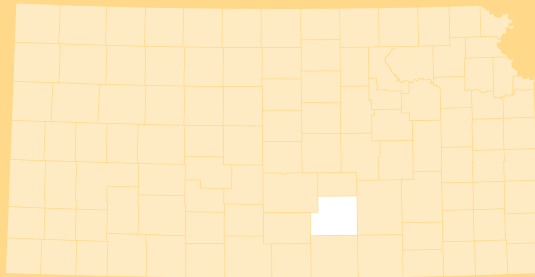
## SHAWNEE COUNTY

- Appraisal gap within older neighborhoods.
- Unmet demand for smaller and lower maintenance options.
- A trending preference for people that work in Shawnee County (Topeka) to live in Douglas County (Lawrence).
- Increased needs for social services and associated housing.



# Regional Themes

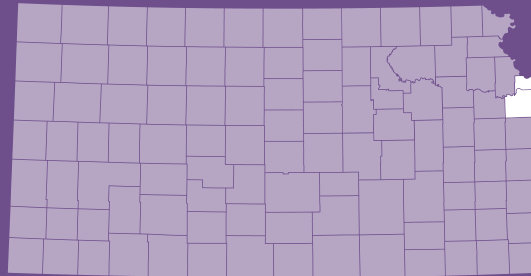
*The input provided in the previous sections begins to reveal regional themes. Many of these themes are reinforced in the regional overviews provided with this study.*



## SEDGWICK COUNTY

- Demand for rental housing variety beyond apartments.
- A desire to create neighborhoods with new subdivision development.
- New options are either downtown living or larger home subdivisions in the outer rings.
- Appraisal gap within older neighborhoods. This includes neighborhoods predominately of color.
- Demand for smaller footprint and lower-maintenance options.
- The middle ring around downtown has older neighborhoods that are not being replicated elsewhere. However, "small lot" is relative to the region.

## KANSAS CITY METRO



While the Kansas City metro is influenced by similar market forces, Johnson County and Wyandotte County are considerably different in the housing challenges they face. A housing study for Johnson County was completed in 2020 and sheds light on their housing priorities. Wyandotte County will have different priorities and those are noted where necessary.

## JOHNSON COUNTY

- The need to develop self-sustaining neighborhoods or small community clusters.
- Frequent opposition to housing variety and NIMBYism toward new housing types.
- More access between essential jobs and attainable housing. Affordable housing is not adjacent to jobs and jobs are not adjacent to affordable housing.

## WYANDOTTE COUNTY

- Appraisal gap in older neighborhoods. This includes neighborhoods predominately of color.
- The need to develop self-sustaining neighborhoods or small community clusters.
- High need for social services and associated housing.
- More access between essential jobs and attainable housing. Affordable housing is not adjacent to jobs and jobs are not adjacent to affordable housing.