A Residential Market Study

Beacon Hill

Kansas City, Missouri

June 30, 2011

Prepared for:

Beacon Hill Developers, L.C.

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Executive Summary

Overview

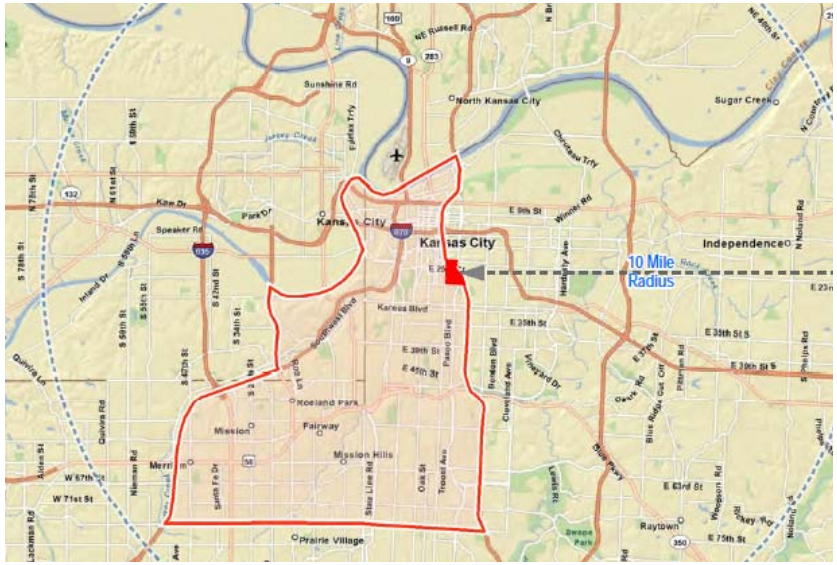
The Beacon Hill neighborhood of Kansas City is proposed for substantial redevelopment from a sharply deteriorated condition to a revitalized residential community comprised primarily of market rate housing and single-family homes. The redevelopment area contains about 90 acres of land area and is located just east of Hospital Hill and Crown Center, roughly two miles southeast of downtown. While some existing housing will remain, much of the neighborhood consists of vacant lots and homes, and a plan has been created to rebuild with a new urban housing mix that will attract higher income households to the area.

The purpose of this report is to identify potential market opportunities and constraints regarding the proposed development of 25 new single-family homes or townhomes within the overall redevelopment area. In this report, we concentrate on identifying likely buyers, establishing appropriate price points, and assessing market demand in order to inform the many various stakeholders associated with this project, thus adding clarity to their decision-making process.

Context

Although centrally located within the Kansas City region, Beacon Hill experienced a significant amount of disinvestment and population loss over the past 50 years. Currently much of the existing housing stock is in poor condition, while most of the residential lots in the neighborhood are vacant. While this story is not uncommon for many central city neighborhoods, Beacon Hill's population decline occurred disproportionately. Therefore, the redevelopment area currently has limited overall marketability and remains an unproven market.

Despite these characteristics, there is an opportunity to redevelop Beacon Hill into a vibrant high–quality urban neighborhood. As part of a much



larger redevelopment project, Beacon Hill Developers in partnership with the City of Kansas City and other public entities, has proposed the construction of 25 single-family homes or townhomes, which is planned to be a catalyst for additional development in the neighborhood.

Current Market Conditions

Existing conditions of the for-sale housing market, which have been highly publicized, remain depressed, adding additional hurdles to developing new single-family homes in a unproven location. Because of persistently high unemployment, a high number of foreclosures, and tighter lending standards, home prices have fallen annually since early 2008 and many analysts believe it will be at least another two years before the market is able to fully recover. Upon recovery, we estimate that the Kansas City region will reasonably add about 10,000 housing units per year.

Demographics and Marketing

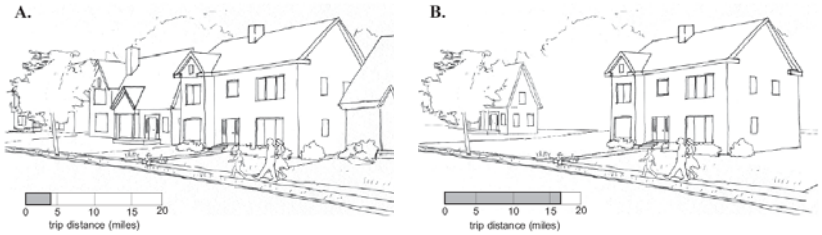
Given current and future demographic trends, as well as consumer preferences, there remains a great opportunity for urban redevelopments such as

this. Trends ranging from consumer preferences to rising oil prices play key roles in this potential sea change, but demographic shifts may play an even larger role.

- **Demographic Shift:** Over the past several decades (perhaps as far back as 1950), new housing has primarily targeted families, and has been located at the urban periphery, where land is cheapest. But projections reveal changing demographics (e.g. more seniors, more young adults, more singles) that is reducing the need for family housing. This will likely benefit cities and first-ring suburbs, which typically offer—or are capable of offering—smaller homes on smaller lots, in exchange for nearness to services, public spaces, and other amenities.

- **Consumer Preferences:** Consumer preferences will also benefit cities. Several surveys indicate that roughly one-third of the housing market today would prefer relatively dense, close-in neighborhoods over conventional suburbs. Yet perhaps only five to ten percent of the supply of new homes in a given region offers this type of product and lifestyle, creating a mismatch in supply and demand that could greatly benefit a project like Beacon Hill, since it would have relatively little competition in supplying an underserved market. Surveys of "Millennials" (a.k.a. "Generation Y"), as well baby boomers (those of middle age) indicate a strong likelihood that the percentage of demand for more urban communities will increase.

Changes in consumer demand manifested themselves in the past decade as downtowns from Cleveland to Los Angeles experienced housing booms. In Kansas City, more than 4,500 housing units were added to the Greater Downtown market since 2000. While development has slowed considerably during the recession, evidence indicates that urban real estate markets have fared better than their suburban counterparts during this period, suggesting that urban housing development was and is part of a fundamental shift in real estate markets that will resume following economic recovery.



More people prefer option A over option B, provided it is closer to the city center.

Based on attitudinal surveys, case studies, market segmentation/lifestyle research, and surveys of recent in-migrants to downtowns, we find the strongest base of support for the project will come from urban professionals. People in this group share similar characteristics such as an affinity for urban living, and tend to be highly educated.

Nevertheless, in order to capture demand for not just the initial 25 homes, but also the amount of development necessary to completely rebuild the neighborhood, Beacon Hill must attract a much broader "coalition" of lifestyle groups. These include groups that are culturally predisposed to urban living, are comfortable living in a diverse environment, and/or have the need or desire to trade space (i.e. home and lot size) for the lifestyle or convenience of living in the city.

In addition to urban professionals, we anticipate a significant amount of support will come from what we have dubbed as "Displaced Urbanites". This latter group consists of a broad range of lifestyle segments that, for reasons cultural or practical, are likely to be attracted an urban lifestyle, but the right product has not been available. In other words, this is the group of people who comprise the demand mismatch: They would be living an urban lifestyle, but for the lack of supply.

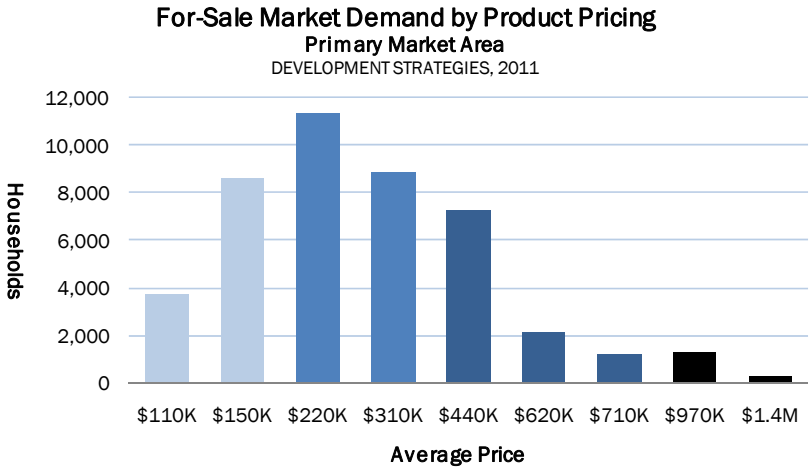
This group consists of empty nesters (parents whose children have moved out), luxury buyers (who have children, but send them to private schools and thus are unconcerned about the state of public schools), and other displaced urbanites (primarily families who genuinely want to live in the city, but want new housing, yards, safety, and good schools in which to raise their children).

Supply, Demand, and Development Strategy

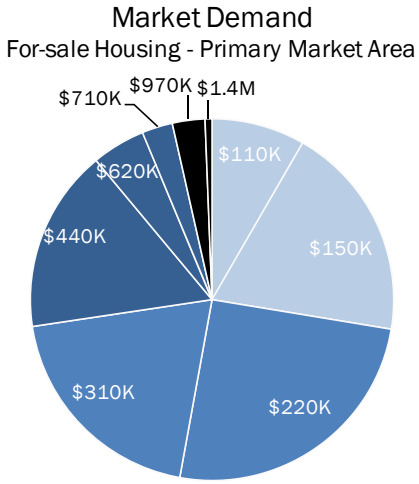
Based on our review of comparable sales in the area and demographic research, the market will support the construction of 25 new homes in the first phase of development and we recommend that these homes range in price from roughly $220,000 to $325,000. As our demand analysis indicates, this price range has the greatest market depth in the PMA and is well -represented by recent sales of single-family homes and townhomes in comparable city neighborhoods. According to this data, a limited number of homes in comparable urban neighborhoods of Kansas City sold at prices above $300,000, indicating that the market potential of Beacon Hill is limited and higher pricing will only lead to slower absorption.

Prices on a per-square-foot (psf) basis will vary greatly depending on market position. Midscale single-family homes and townhomes (that is, the majority of the homebuyer market) will sell for between $100-$125 psf. Upper midscale product will sell for $125-$150 psf, and so on. Generally speaking, the smaller the product type, the higher the price per square foot Condominiums, for example, generally sell at higher prices per square foot, while larger homes sell for much lower prices per square foot. Examples of products by market position and price are provided in the conclusions of the report.

Generally speaking, the homes should be urban in design and should incorporate quality building materials, detached rear garages, and high quality interior finishes. The group of likely buyers is seeking this type of newly constructed housing, which is generally not offered, as most new homes in the city are geared towards singles and smaller households or is provided in a more suburban location. New single-family home products such as Citadel Center and Renaissance Place indicate that new subdivisions can be successful in the city, but these types of homes would be less suitable for this location or this target market.



Top and Right: Our demand analysis of the Primary Market Area suggests that demand is greatest for homes priced at $220,000 and $310,000. This is validated by recent sales of homes in comparable urban neighborhoods located within the PMA.



Project Scope

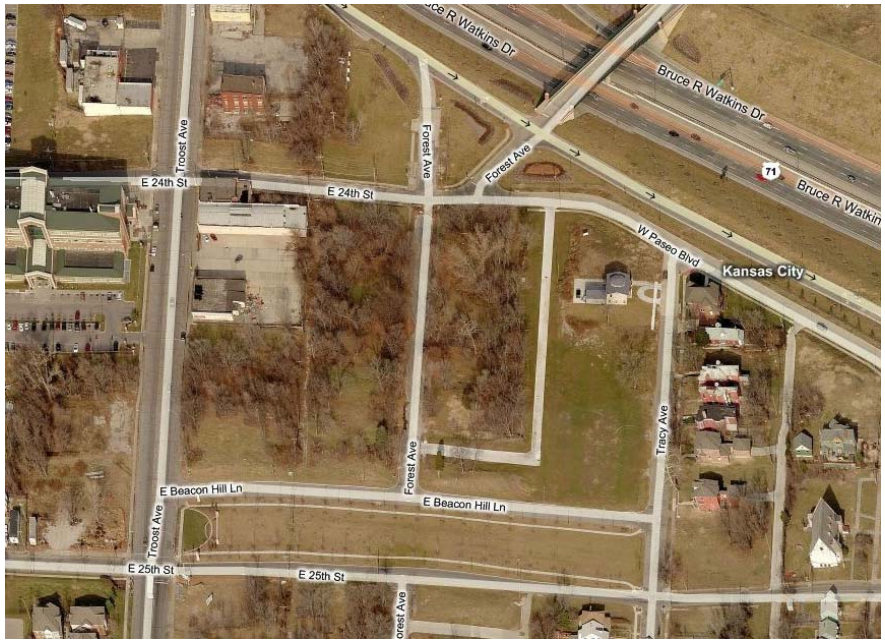
The opportunity is to capitalize on a.) the site's proximity to downtown, and b.) current and future demographic trends and lifestyle preferences; and convert Beacon Hill's numerous vacant lots into new, sustainable development in an attractive urban setting.

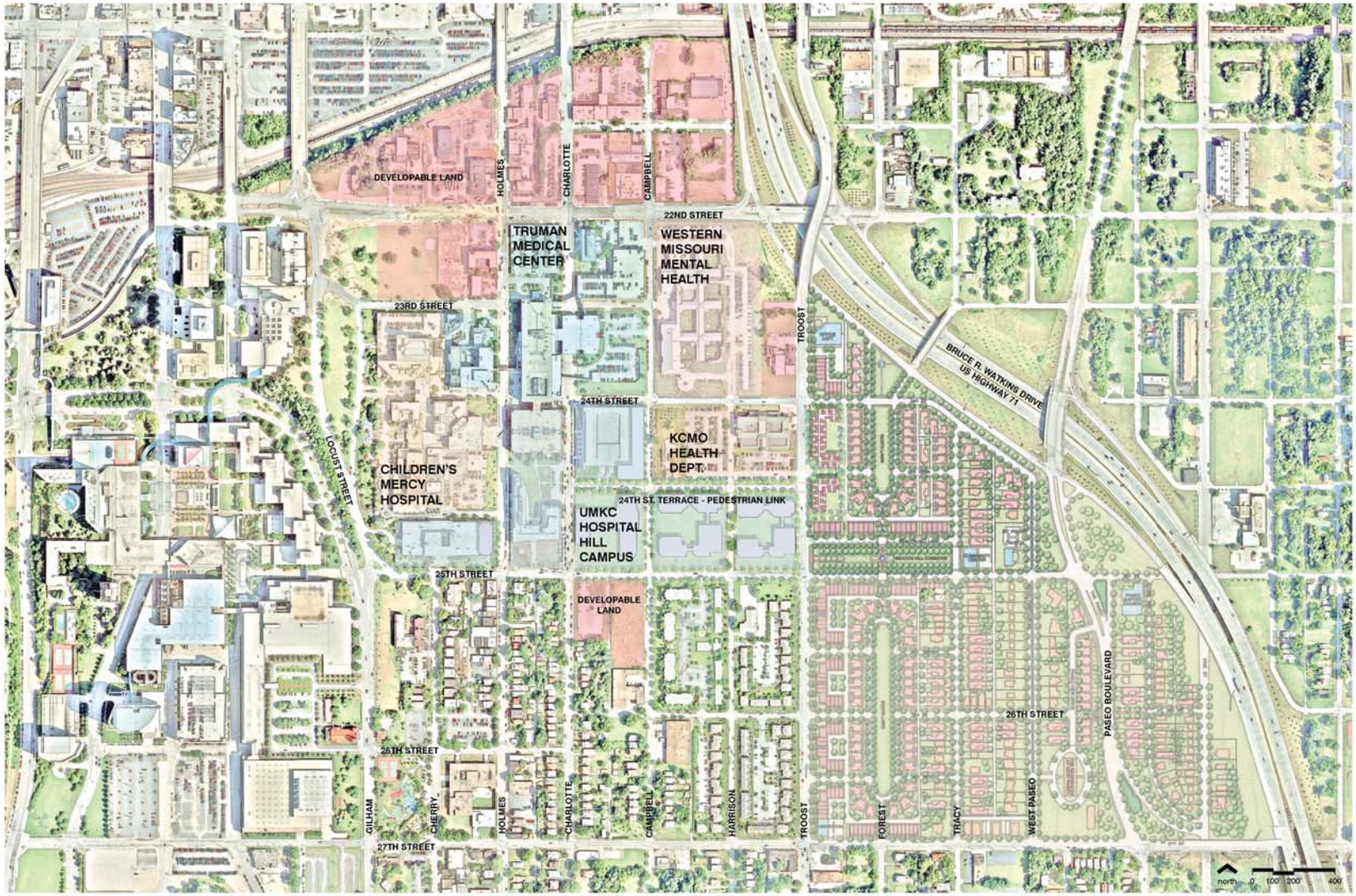
This study considers the residential market opportunities that exist for 25 new single-family homes and/or townhomes in the northwest quadrant of the Beacon Hill neighborhood, a roughly 90-acre area of Kansas City that is just southeast of downtown (see maps on following pages).

While Beacon Hill has suffered decades of decline in population and much of the neighborhood consists of vacant land or vacant buildings, Beacon Hill Developers, LC, a development group comprised of three Kansas City companies, has produced a Development Vision (shown in map on following page) for the neighborhood that proposes a comprehensive approach to transform the blighted portions of Beacon Hill into a new, vibrant, mixed-use community. The Vision calls for a community that is rich in public space, community amenities, and is pedestrian-oriented.

The successful long-term redevelopment of Beacon Hill will greatly enhance a neighborhood within close proximity to large concentrations of employment, services, and transportation nodes. While many social changes are necessary to fully revitalize the area, the new construction of 25 for-sale housing units would be an important catalyst for moving the developer's larger vision forward.

This study was commissioned by Beacon Hill Developers, LC to better understand what housing demand exists at the site and the type of for-sale housing product that should be offered to capture the market. The study considers site context, marketability opportunities and liabilities, socio-economic characteristics, and supply and demand. These analyses result in conclusions about future resident characteristics, the products that they will demand, and appropriate pricing levels.



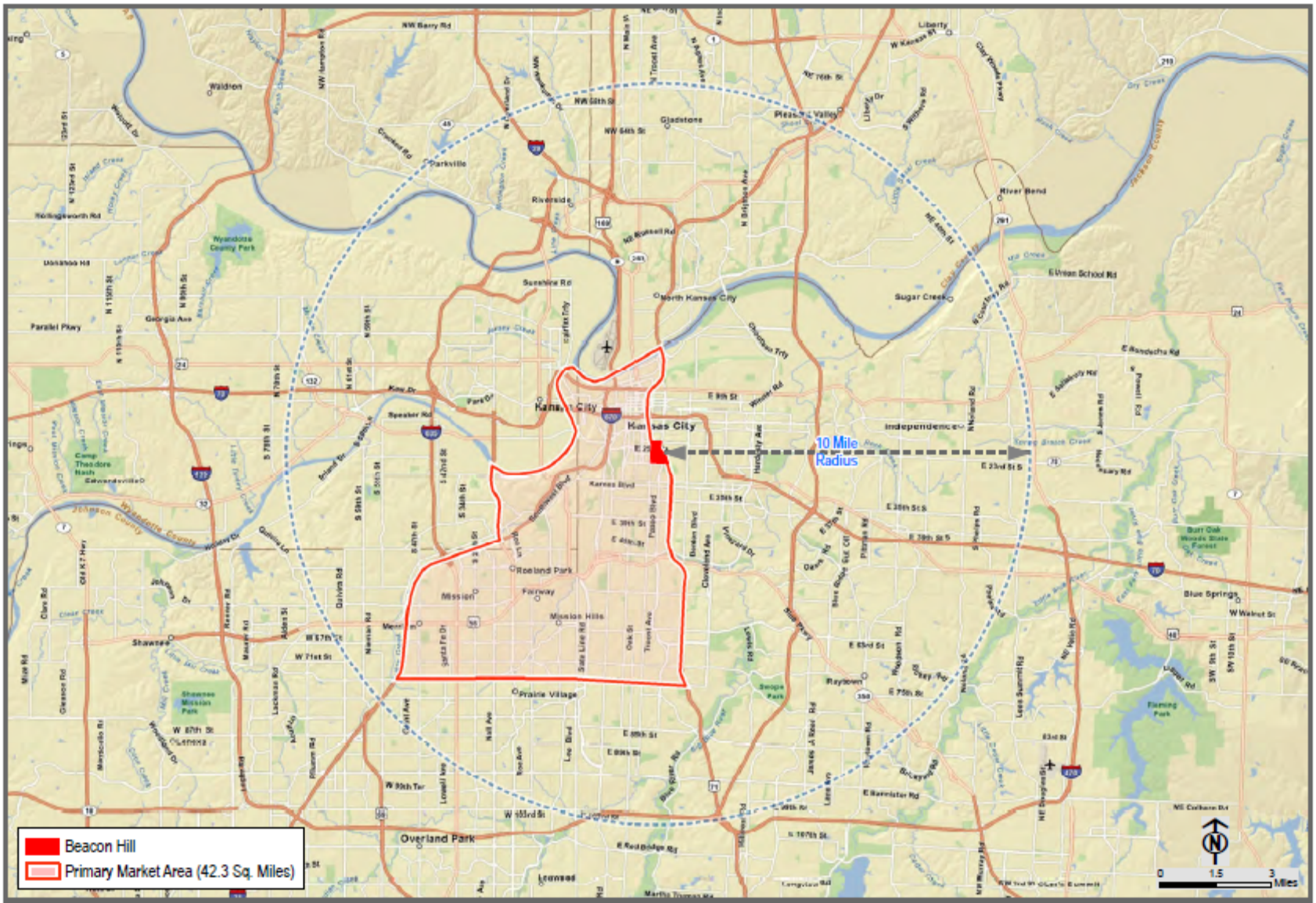


Beacon Hill Developers, LLC

GouldEvans

Kansas City, Missouri | **Hospital Hill-Beacon Hill Area Plan**

August 2009



REGIONAL LOCATION MAP

Beacon Hill Residential Market Study
Kansas City, Missouri

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Market Opportunity

The Kansas City region annually adds a net of roughly 8,800 households, and, prior to the recession, added an average of 14,000 housing units. The redevelopment of Beacon Hill creates a unique opportunity to attract new and existing households from throughout the region to the urban core.

This report documents the market opportunity that exists at Beacon Hill for 25 new single-family or two-family for-sale homes. Though current market conditions remain an obstacle and the market for new homes in the neighborhood generally remains unproven, Beacon Hill is uniquely positioned for new development that would completely rebuild and reposition a mostly vacated urban neighborhood.

A Different Market Paradigm: Typical market methodology involves the delineation—by a qualified market analyst—of a Primary Market Area; the PMA is the area from which the project can typically expect to draw 75 percent of its residents.

With new homes on Beacon Hill, the calculation is a bit different. Due to Beacon Hill's location, the scale and scope of the overall project, and the diverse range of people that it could target, the project will be able to draw from an unusually large, regional trade area. In addition, for all the reasons just mentioned, as well as the prominence that the project is likely to have (visibility, advertising, media coverage, etc.), it will draw an unusual amount of support from residents that are new to the region. This is not unlike the downtown housing market, with its stock of newly constructed and renovated lofts, which draws 27 percent of its residents from outside the Kansas City region[1].

"Net New" In-migration: This support from residents who are new to the region is significant. Census estimates (provided by ESRI, 2010) indicate that Metro Kansas City is adding a "net" of more than 21,000 people and about 8,800 households each year. This "net new" number considers in-migration, out-migration, births, and deaths. Each year roughly 75,000 residents enter the Kansas City MSA, and roughly the same amount leave (meaning most growth is driven by "natural increase"—i.e. the birth rate is greater than the mortality rate)[2].

Presently, most of these new residents diffuse throughout the region, often moving to areas where new housing is available. This represents one important opportunity for Beacon Hill and Kansas City: by rebuilding an entire neighborhood the City has an opportunity to capture recent in-migrants in a way that it has been unable to do for decades.

Given these numbers it is reasonable that Beacon Hill will attract a significant percentage of its residents from in-migrants.

Internal Mobility: The remaining support for the project will come from existing residents in the Kansas City region. This does not mean that the Beacon Hill project will essentially be "stealing" residents from other neighborhoods and communities. The reality is, Americans move a lot, for a variety of reasons. In the Kansas City region, roughly 275,000 existing residents move, in an average year, to other locations within the region. Renters move more frequently, at a rate of nearly 40 percent, compared to 7.3 percent by homeowners[4]. When residents move, their vacated units (the ones they just emptied), are most often inhabited by new residents. For example, homeowners typically do not move until they can find a willing buyer for their existing home. This "internal mobility" drives housing development.

Primary Market Area: While the PMA for Beacon Hill has a somewhat diminished role (since an above-average amount of residents will be coming from out-of-town, or elsewhere in the region), it is still significant. The PMA that we've defined for this project may only provide 40 to 50 percent of demand from existing residents, and perhaps even less, when considering out-of-town residents (i.e. in-migrants). Perhaps equally important, the residents in the PMA have characteristics that are most similar to those who are anticipated to live in Beacon Hill (more on that later in this report).

The PMA consists of roughly 76,000 households[3]. Of these, 48 percent rent and 52 percent own their homes. Given what is already known about the mobility of each of these populations, we can estimate that 14,600 renter households and nearly 3,200 owner households will move on a given year, or roughly 17,800 households in total. Beacon Hill can "capture" a small percentage of these households and it is unlikely to deplete residents from the PMA. Both rental and owner housing will be replenished with residents through internal mobility and in-migration from people who are new to the region.

Context and Site Marketability

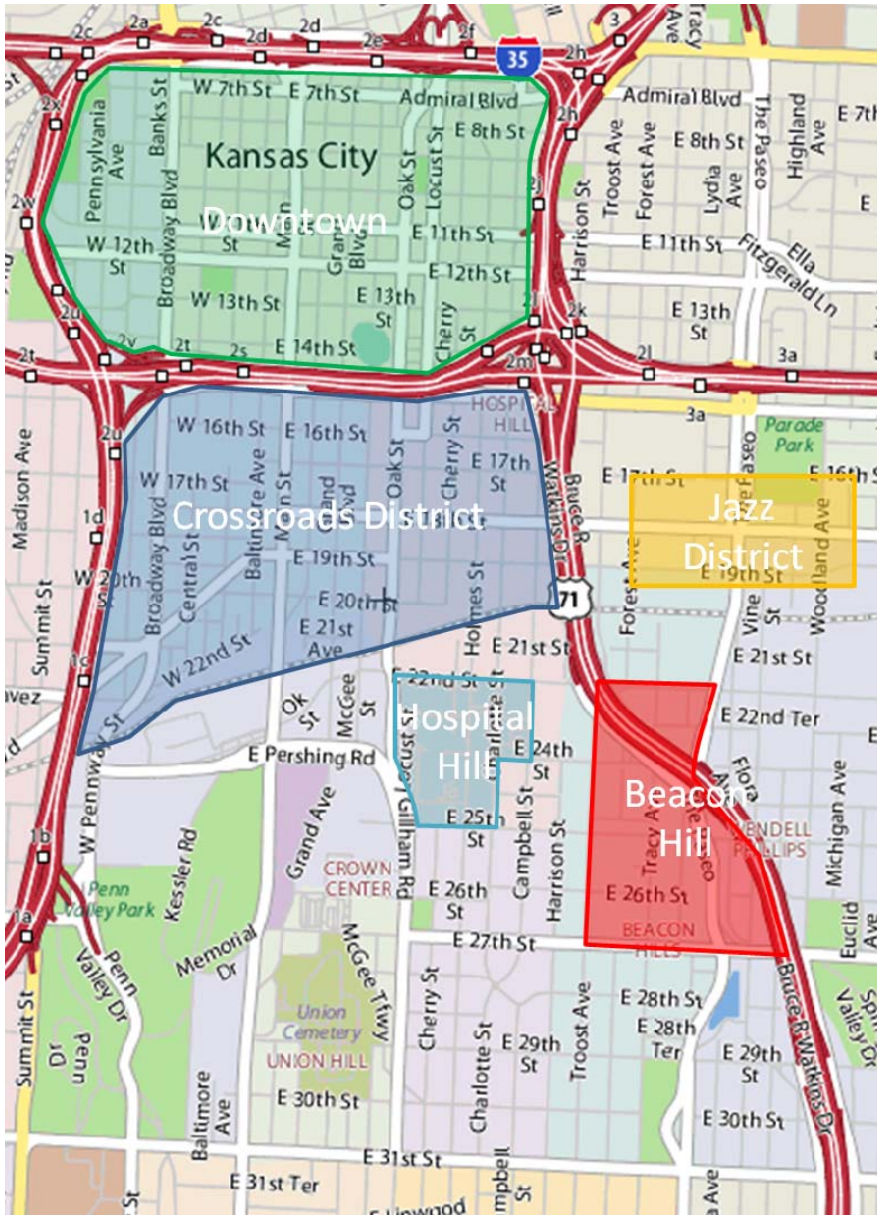
Neighborhood Location and Opportunity

The Beacon Hill neighborhood has been in decline for decades; it consists of a striking number of vacant lots. Its proximity to Downtown, Hospital Hill, and Crown Center, with 88,000 employees, is its greatest asset; linkages to it are pivotal. Other key assets include nearby stabilizing neighborhoods.

The Beacon Hill redevelopment area is located in the city's urban core, just southeast of downtown and immediately east of Hospital Hill. This proximity to the Greater Downtown area—an employment center with 88,000 workers—is Beacon Hill's greatest asset, an opportunity that needs to be capitalized upon. Beacon Hill is comprised of roughly 90 acres of land, much of it is vacant lots ready for redevelopment. It generally lies along the west side of Highway 71 and stretches west towards Hospital Hill, which contains Kansas City's largest concentration of medical employment.

Despite its proximity to these areas, Beacon Hill's existing competitive market position is dismal. Like much of eastern Kansas City, the neighborhood has struggled economically and socially for many decades. While some individual blocks consist of well-maintained homes, far more are spotty, with a mix of homes in poor condition and vacant lots. The same can be said for many neighborhoods to the east. However, an ambitious, large-scale redevelopment plan such as the one proposed is precisely what is needed to redefine and rebrand the neighborhood in a positive manner.

Some of the neighborhoods immediately west of Beacon Hill—Union Square and Longfellow/Dutch Hill—are somewhat of a bright spot, with some reinvestment occurring organically, as well as the development of the multi-phased Longfellow Heights apartment development, which has had a stabilizing effect on the area. Beacon Hill, while itself having just a handful of assets, can surely strengthen and draw upon numerous positive linkages with adjacent neighborhoods and employment centers; these are disproportionately found to the west.



Opportunities

Demographic shifts and changes in consumer preferences are bound to benefit Beacon Hill and other urban infill projects. Continued employment growth at Hospital Hill and new housing development has also helped stabilize nearby neighborhoods.

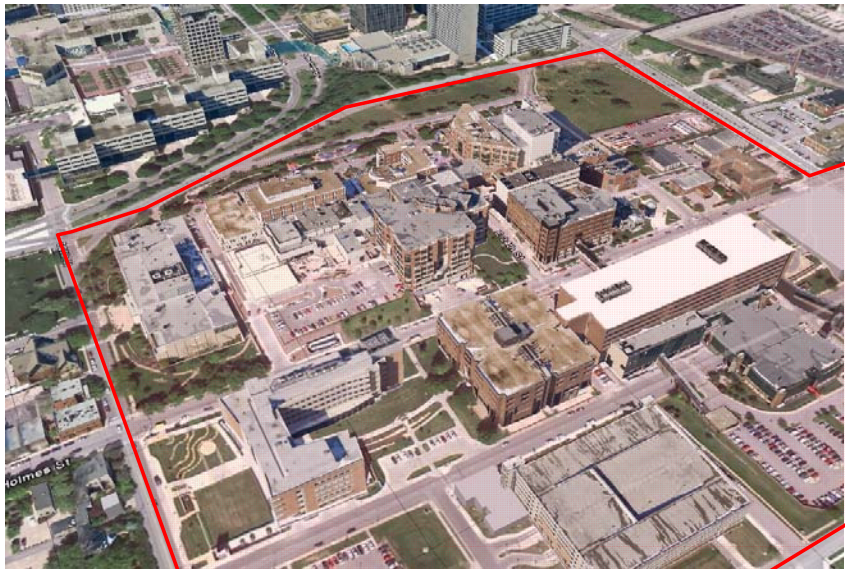
In addition to proximity to downtown and the presence of large tracts of vacant land, the site is benefitting, will benefit, or could benefit from the following:

- **Demographic Shift:** A demographic change is occurring nationally that will shift housing demand from large, suburban homes focused on families to smaller, more compact homes, with less emphasis on families. By 2040, an estimated 70 million homes will be built in the U.S. At the same time, the number of family households will significantly decline, and housing for singles will increase. (See Macro Trend Overview in the Demand Section.)

- **Change in Preferences:** Studies in the past decade show that roughly one-third of households would prefer to live in dense, walkable neighborhoods, as opposed to more conventional suburbs, yet most new home construction continues to fail to meet this demand. This is based on current demand, and does not take into account plausible future trends, such as rising gas prices. (See Macro Trend Overview.)

- **Nearby Employment:** Hospital Hill, a city neighborhood that includes the Truman Medical Center, Children's Mercy Hospital, and the University of Missouri-Kansas City School of Medicine, as well as other medical uses, is situated immediately west of Beacon Hill. These three hospitals alone comprise three of the city's largest employers in the area with more than 6,500 total employees and 2,500 students. Other major employment centers such as Crown Center, County Club Plaza, and downtown are also within four miles of Beacon Hill.

- **New Housing:** Efforts in the last 20 years to add new market rate and affordable housing have already helped to stabilize some neighborhoods within and near Beacon Hill; this demonstrates the viability of new developments in the area, if well planned and executed.



Top: Continued growth of the Hospital Hill medical district will increase demand for nearby housing. **Middle and Bottom:** New affordable and market rate housing has help stabilize adjacent neighborhoods.

Current Site Liabilities

Beacon Hill is impacted by numerous factors that impede its successful reintroduction into the market as a viable neighborhood. These include perceptions of high crime, low neighborhood marketability, and general blight.

The site has numerous liabilities that must be addressed for the project to succeed. We have summarized some key liabilities:

- **Neighborhood Marketability/"First One In":** Beacon Hill's market position as a residential location is presently low. While some areas west of the neighborhood have seen successful new for-sale or rental housing development, the general area as a whole has been largely ignored for many years. The larger Beacon Hill plan and its inclusion of new affordable rental housing has the potential to raise the profile (and thus marketability) of the neighborhood. That being said, by being the initial project or, the "first one in", the initial 25 homes may – if developed prematurely – not reap the benefits of investment that is committed by the city and Beacon Hill developers over longer periods of time.
- **Crime (perceived or real):** Portions of Kansas City, including Beacon Hill, have higher crime rates (as documented in the demographic section of the report). If crime and fear of crime are not successfully addressed, the project will have far greater difficulty meeting its market rate housing targets. However, studies have long shown that increasing pedestrian traffic (what Jane Jacobs called "eyes on the street") reduces crime.
- **Blight and Obsolescence:** The general appearance of much of the neighborhood—its vacant lots, dilapidated homes, and poor infrastructure—must be addressed to make the project more marketable. Obsolete buildings must be upgraded or replaced.
- **Other Issues:** A myriad of other liabilities, social, economic, and physical, are present in the area, including high unemployment, low educational attainment, poorly performing schools, low incomes, absentee landlords, and low homeownership—all of which is documented in the demographic section of this report.

Primary Market Area

The Primary Market Area—an area of significant social, economic, and ethnic diversity—could provide roughly 40 to 50 percent of the total demand for housing at Beacon Hill.

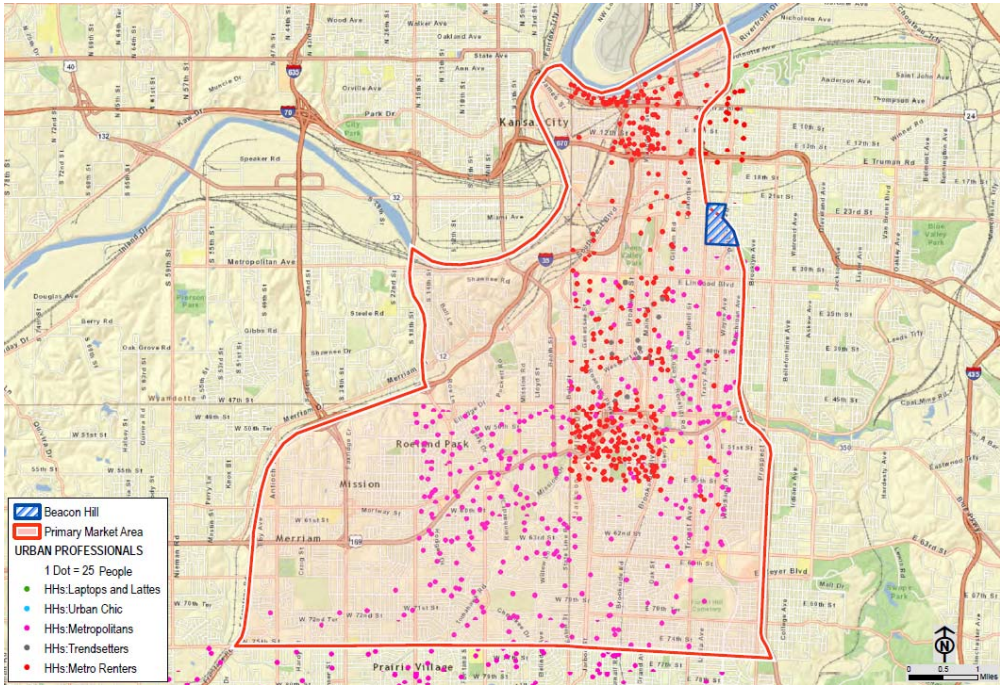
The Primary Market Area is defined as the smallest geographic area that typically generates between 70 to 80 percent of the support for a project. In this instance, we expect the PMA should generate roughly 40 to 50 percent of the total support for housing at Beacon Hill. This is because:

- The overall long-term project is large enough that it can market on a regional scale, well beyond typical sub-market boundaries;
- The project will be unique within the immediate area and thus may draw heretofore unlikely demographic groups (e.g. suburban families) back to the city; and
- In addition to marketing regionally, the project is likely to attract a disproportionate amount of households that have recently relocated to metro Kansas City (for example, roughly 27 percent of residents in Greater Downtown Kansas City relocated from outside the region[4]).

The PMA is characterized in part by its concentration of urban and young professionals; indeed, we anticipate this group, along with Displaced Urbanites (empty nesters), to provide significant demand at the site. This is supported by discussions with area realtors and a recent survey of residents in the Greater Downtown Kansas City[4].

However, the PMA is by no means homogeneous; relative to the region, the PMA differs in the following ways:

- **Economic Diversity:** it has a higher proportion of people in the highest income brackets (above $250,000) *and* the lowest (below $30,000).
- **Ethnic Diversity:** the PMA has far greater minority representation (35 percent of residents are minority or of mixed race, compared to 251percent in the MSA).
- **Social Diversity:** it has significantly more college graduates (45 percent versus 32 percent), but a slightly higher proportion of persons without a high school diploma.



Beacon Hill
Primary Market Area
URBAN PROFESSIONALS
1 Dot = 25 People
HHs:Laptops and Lattes
HHs:Urban Chic
HHs:Metropolitans
HHs:Trendsetters
HHs:Metro Renters

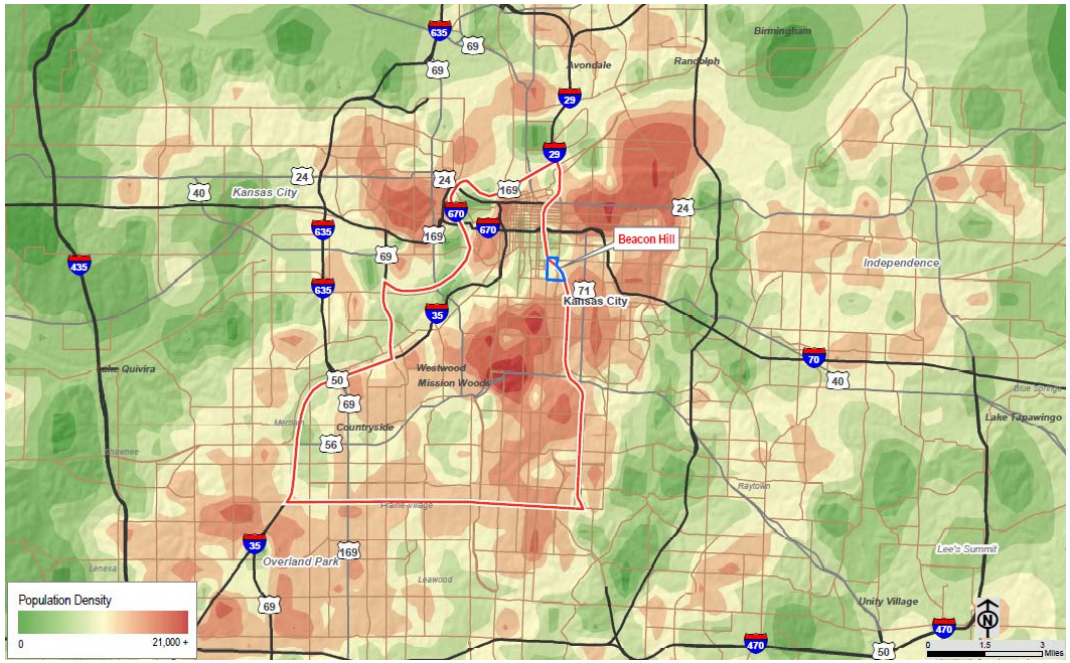
In defining the PMA, we relied partly on geo-demographic segmentation analysis, which considers not only conventional demographic variables like age and income, but also neighborhood preferences (i.e. geographic characteristics) and culture, values, and buying habits (psychographic variables). We plotted out the locations of urban and young professionals and used this as a guide to define the PMA, as shown above.

PMA Characteristics:
Population Density

Beacon Hill is one of the least-densely populated portions of Kansas City. An opportunity exists to develop the neighborhood at an urban density, allowing more people to benefit from its central location.

The map at right shows the rough outlines of the PMA, which includes some of the densest areas in metro Kansas City. As a result of this density, many of the neighborhoods within the PMA are among the region's most walkable and most transit-supporting. These communities also have high shares of multifamily housing, and single family homes tend to be on relatively small lots. All of these characteristics can (and probably should) be mimicked, in order to appeal to the broadest possible market.

A closer view of the City of Kansas City (bottom right) reveals a significant trend that directly impacts Beacon Hill. As the map shows, most of the city is colored in darker shades of red—indicating that these are among the densest neighborhoods in the region. However, there are a few exceptions, the first of which are areas along the rivers that are comprised primarily of industrial uses. The other is the area immediately south of downtown, which includes Beacon Hill. While this is partially due to heavy concentrations of non-residential uses, it is primarily because of significant de-population. Given this area's central location between some of the region's most heavily populated areas and downtown, there is clearly an impetus for further development of Beacon Hill, increasing its density so that more can enjoy the advantages of its central location.

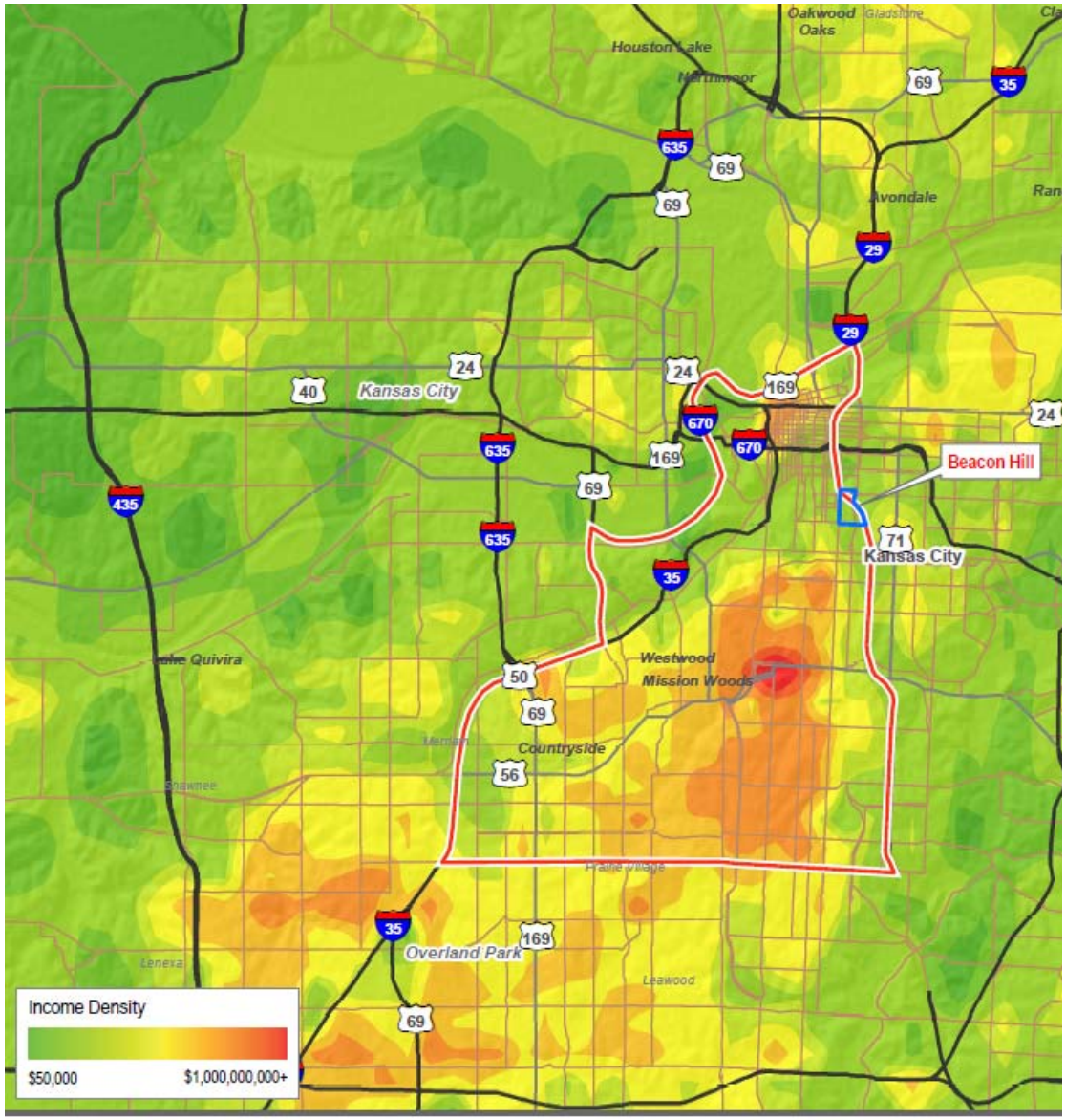


PMA Characteristics:
Income

Though household incomes may be more modest than other suburban areas in the Kansas City region, the PMA has high income density. The opportunity at the site is to generate high returns though density, as opposed to affluence.

The map on the right shows income density, which is based on the total amount of income in a given square mile. Based on this measure, the PMA consists of some of the most income-rich communities and neighborhoods in the region. While some suburban communities have high incomes on a per capita basis, the PMA has relatively more people per square mile (due to more multifamily housing and more compact single family lots), and thus greater income density. This has many advantages, including the encouragement of more pedestrian-oriented retail.

This indirectly explains a well-known principle in real estate development: density generates higher returns. A home on a nearly one acre lot in Mission Hills might sell for $800,000, but it would appeal to a relatively small pool of buyers. Six townhomes or smaller single-family homes might each be sold for $250,000 on the same area of land, resulting in cumulative sales of $1.5 million. Plus, the market is much deeper because more people can obviously afford housing at the lower price. It also underscores the enormous market opportunity at Beacon Hill: its proximity to downtown and the city's central corridor means it is marketable at an urban density; this allows it to appeal to a broad market while yielding high returns.



INCOME DENSITY
Beacon Hill Residential Market Study
Kansas City, Missouri

Demographic Analysis

Demographic analysis reveals many significant ways in which the PMA differs from Beacon Hill, and how both differ from metro Kansas City. In the instance of the PMA, this information is highly useful in understanding a large portion of the likely market for housing at Beacon Hill.

Population and Age

Successful national and local efforts and trends have led to a stronger, more stable urban housing market; demand for housing in Kansas City has increased.

Population: The most significant population trend is that, after a decade of minimal population growth, Kansas City's population grew during the past decade and is projected to grow another three percent through 2015.

The PMA experienced different, yet also positive, trends. It experienced a decrease in population between 1990 and 2000 but is projected to have stabilized in the past decade. The PMA is projected to generally maintain its current populations through 2015. These positive trends can be attributed to a number of factors, including: renewed interest in city living; changing demographic trends, including an increase in college age residents and empty nesters; and successful human-scaled affordable housing development, which have simultaneously removed institutional housing and stabilized neighborhoods.

Missouri's historic tax credit program has also removed barriers to reuse and development.

Areas near Beacon Hill have been enhanced by a mix of market rate and affordable redevelopment schemes, which have brought some stability to parts of the neighborhood. However, little market-rate housing has been introduced in Beacon Hill; doing so will require even greater efforts.

Metro Kansas City also experienced notable growth throughout the past two decades. Its population grew twelve percent between 1990 and 2000 and ESRI estimates another eleven percent throughout the past ten years. Household growth in the region occurred at an even faster pace, contributing substantially to the demand for single-family developments.

Age: The middle chart shows a fairly even age distribution in the PMA, meaning various housing types should be provided to appeal to people of different ages. The College Age (18-24), Early Workforce (25-34), and Family Years (35-49) groups are somewhat larger than the metro average, so proportionally, more housing should target these age groups than say, a standard suburban development. Empty Nesters (50-64), Seniors (65-74), and Elderly (75+) are comparable in number to the regional average, yet school age children are under-represented, meaning many of the Family Years households do not have children. Thus, while a market for family households exists, it is less than one would expect to find in a conventional suburban development. Seniors comprise an average market today, but will grow faster than any other group though 2015.

Population Trends

Description	Beacon Hill	PMA	Kansas City	Kansas City MSA
Population				
2015 Projection	400	160,000	489,000	2,140,000
2010 Estimate	400	161,000	473,000	2,050,000
2000 Census	400	161,000	442,000	1,840,000
1990 Census	600	173,000	436,000	1,640,000
Growth 2010-2015	0%	-1%	3%	4%
Growth 2000-2010	0%	0%	7%	11%
Growth 1990-2000	-33%	-7%	1%	12%

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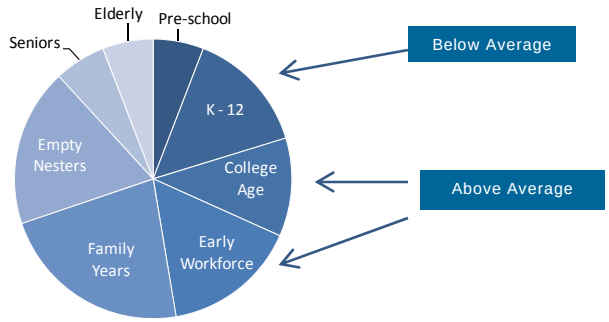
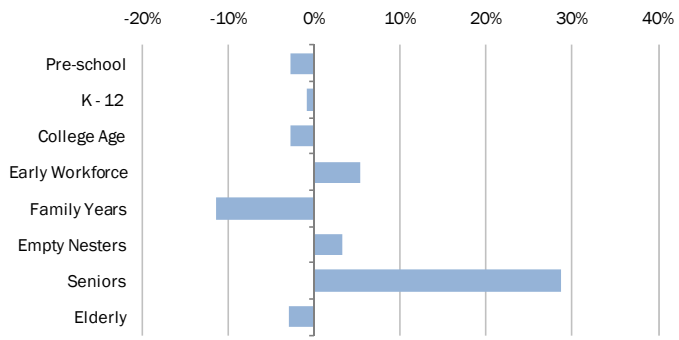
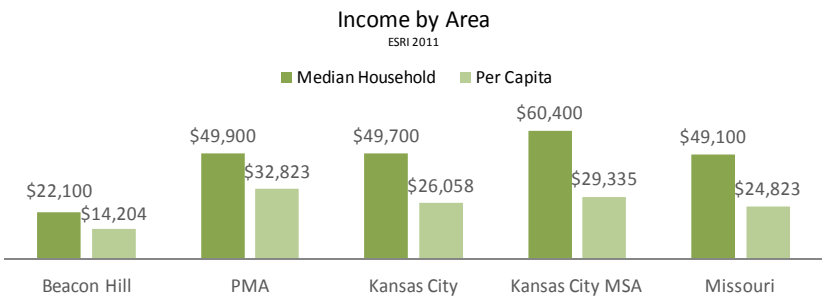


Population Distribution by Age
PMA: 2010
Source: ESRI



Income

Presently, Beacon Hill provides few households that qualify for market-rate housing. Some new residents will come from the PMA; many will share the following similar characteristics: disproportionately single, educated, earn above-average incomes, and desire smaller-than-average homes and lots.



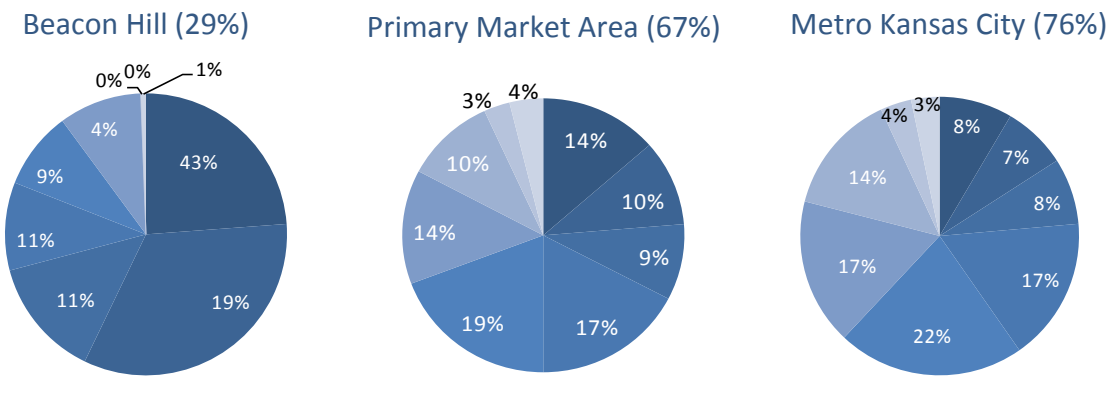
Income: The PMA is very economically diverse; though on average, it is less affluent and contains fewer well-educated professionals relative to the region. As the chart to the right shows, the median household income of the PMA ($49,900) is less than that of the region by 17 percent. However, on a per capital basis, it actually has a higher income ($32,823) than the region, by eleven percent. This is explained by the high percentage of singles in the PMA.

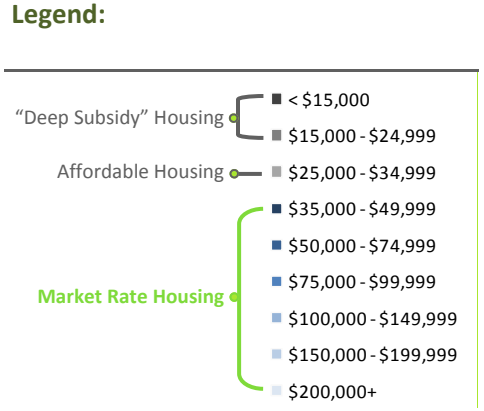
In other words, housing demand is strong in the PMA, despite lower median household incomes. Many residents do, however, require a different type of housing, which could include a smaller home, smaller yard, a one-car garage, and/or fewer bedrooms.

As the pie charts show, a large portion of the PMA is income-qualified for market rate housing (67 percent), though not as much as the regional figure.

Market Demand: Income analysis shows that a paradigm shift will be necessary for Beacon Hill. Despite being located within an area of the region where 67 percent of households would qualify for market rate housing, just 29 percent of existing households in Beacon Hill would qualify for market rate housing. This troubling indicator of the economic situation of many of the neighborhood's current residents will likely be one of the greatest challenges to its redevelopment, as many affluent homebuyers could easily look elsewhere in the city's urban core.

Given the neighborhood conditions and the need to draw residents from outside the immediate area, the neighborhood will need to provide housing that represents a substantial "value" from other competitive neighborhoods in the city. As our supply analysis will show, homes in some of the city's more established urban neighborhoods have an average home price of about $250,000. In order to attract market rate buyers, the homes should be comparably built, but maybe priced below the competition in these neighborhoods by about $25,000 to $50,000.





Households and Housing

Data points to less demand for single unit, homeowner, family-targeted housing products than can be found in more conventional developments, which are typically located at the regional periphery.

Typical households in the PMA differ from those in the broader region in significant ways. This provides insight into the proportion of housing products that should be offered at Beacon Hill, relative to conventional suburban development, both in the short-term and long-term.

- The PMA has a much lower percentage of homeowners (52 percent, compared to 68 percent for the region).
- The PMA also has a significantly lower percentage of family households (two or more related persons), when compared with the region (48 versus 67 percent).
- Single family housing units are far more common in the region (74 percent), compared to the PMA (59 percent).
- Households are much smaller in the PMA (2.04 persons per household), compared to a typical regional household (2.50 persons per household). This is not surprising, given that fewer households in the PMA are comprised of families. In fact, 42 percent of all households in the PMA consist of singles, compared to just 27 percent throughout the region.

These data all point to the same conclusion: the PMA is comprised disproportionately of singles who are more inclined to rent, and more likely to live in multifamily housing.

That being said, there is still ample opportunity for single-family homes targeting families at Beacon Hill. After all, nearly half of all homes in the PMA are comprised of families, and one-fifth have children (or 48 percent of all families). Also, it may be that more families have not moved to the city because new housing development has not targeted them. Since Beacon Hill already comprised of a relatively large proportion (67 percent) of single-family homes, it represents a unique opportunity to provide a product that is lacking in the PMA.

However, the PMA demographics offers a lesson for the redevelopment project over the long-term. That is, by no means, should Beacon Hill be comprised exclusively of single unit, family -oriented housing.

Household Overview

Description	*Beacon Hill*	*PMA*	*Kansas City*	*Kansas City MSA*
2010 Housing Units	200	89,800	231,000	890,000
2010 Occupied Households	200	76,400	198,000	810,000
Occupancy Rate	79%	85%	86%	90%
Percent Owner-Occupied Units	48%	52%	57%	68%
Percent Family Households	49%	48%	58%	67%
Average Household Size	2.33	2.04	2.34	2.50
Children Present (<19)	23%	23%	27%	28%

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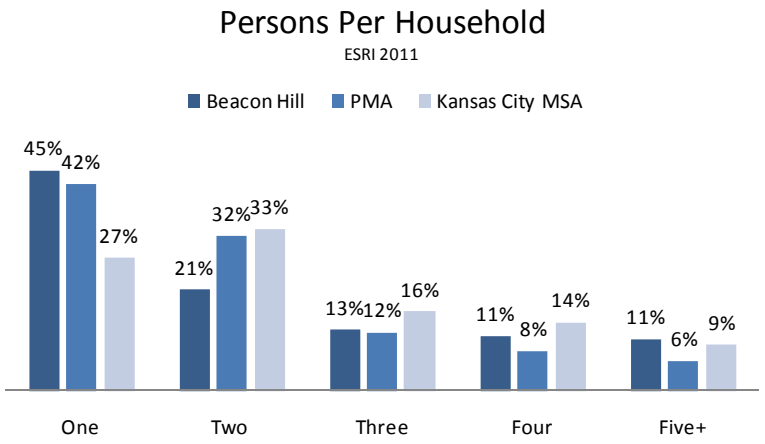
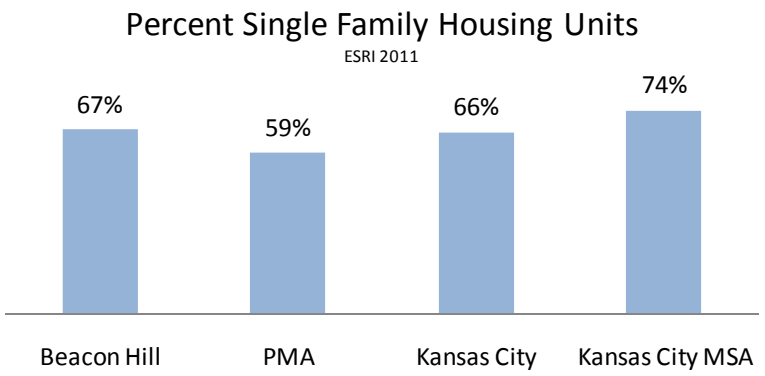




Other Demographic Data

Beacon Hill's greatest marketability or image issues are schools and crime. The residential market for the site will be well-educated and value culture, diversity, transit, architecture, public space, and location.

Schools: Schools are one of the biggest marketability hurdle for the project, particularly in attracting families with children. The City's public school district ranks 447th out of 478 in the state of Missouri.[5]

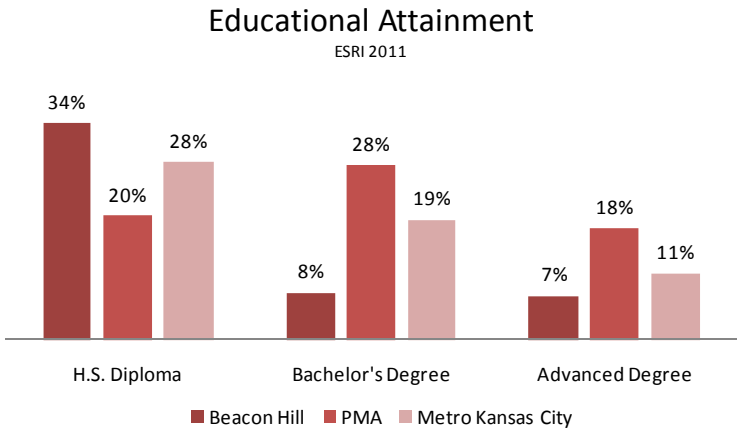
Crime: Fear of crime is also a marketability issue for the project. Kansas City ranks near the top of crime lists in the U.S. The Greater Downtown neighborhood has a crime index of 309 (with 100 being the national average).

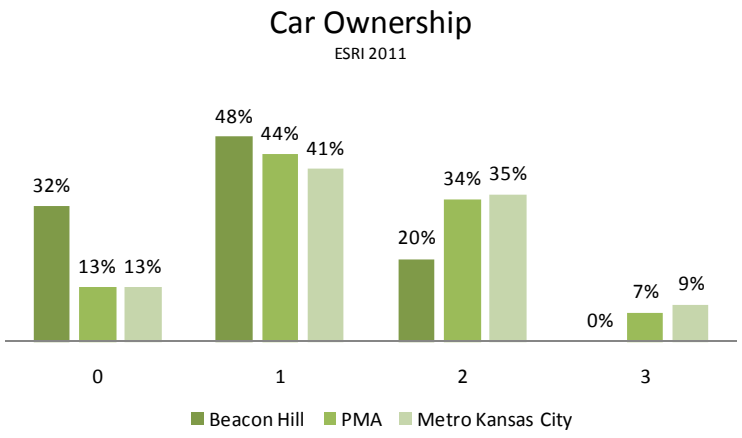
It is not impossible for even high crime areas to foster successful real estate projects. Roanoke Valentine and Rock Hill, with crime rates comparable to the overall city rate, have some of the highest real estate values—on a per square foot basis—in the Kansas City region. The lesson in urban real estate is that sometimes a great location trumps fears of crime. Some may express concern that increases in population density correlate with increases in crime. This is unfounded, as it is often a host of other variables (e.g. unemployment rate, graduation rate, gang activity) that go hand-in-hand with high crime. The table at bottom right shows that Hyde Park is much more dense than the Greater Downtown, yet crime is actually lower.

Education: Data suggest that the market for housing at Beacon Hill will consist of highly-educated households. Just eight percent of current Beacon Hill residents hold a bachelor's degree, and only seven percent have advanced degrees; however, more than a quarter of residents in the larger PMA hold bachelor's degrees, and nearly a fifth hold advanced degrees.

Based on this and the high level of education of new residents moving to the urban core of Kansas City, we anticipate over half of Beacon Hill's residential base will be college-educated. This will likely be accompanied by an emphasis on children's education, cultural amenities, the environment, public transit, architecture, and trade-offs of space for better design, materials, and location.

Auto-orientation: Residents in Beacon Hill and the PMA are less dependent upon cars, primarily because they have fewer persons per household, but also because they are more likely to use public transit. One-car garages will still be marketable to many households, and two-car garages are likely to be the maximum necessary to market any particular home.





Crime Index and Density

Selected Zip Codes and Jurisdictions

Community	Greater Downtown	Roanoke Valentine	Hyde Park	Rock Hill
Zip Code	64108	64111	64109	64110
Total Crime Index	309	369	289	382
Personal Crime Index	372	383	327	403
Density (pop./sq. mi.)	2,206	6,311	5,563	5,601

Sources: OnBoard LLC, Census 2000. Crime index uses national average -- set at 100-- as a benchmark

Supply Analysis

Housing Overview

The regional housing market was greatly affected by the recession and its aftermath. This has in turn affected short-term potential at the site. Long-term prospects are much better; we estimate a recovered regional economy—some years ahead—can likely support over 10,000 new units annually.

The national housing bubble began to "burst" in metro Kansas City in 2007. Building permits dropped from nearly 13,300 in 2006 to less than 8,200 in 2007, a 38 percent decrease. By 2009, annual permits dropped to just over 3,400 (or roughly a 74 percent decline from 2006), and fell to 2,600 permits in 2010.

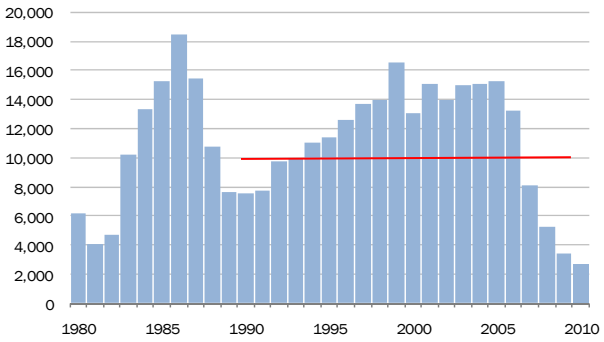
Home prices have also faired poorly. According the Federal Housing Finance Authority, the average home price in the first quarter of 2011 in metro Kansas City declined 2.8 percent from the previous year. While this is nowhere near the 30 to 40 percent declines that some markets experienced post-recession, it has had a significant impact on the economy. Overall, the median home value in metro Kansas City stood at $139,900 in 2010.

As the middle chart shows, there is a discernable pattern in permitting activity for Kansas City. The number of permits issued increased between 2000 and 2005 before plummeting in 2007. At its decade-high in 2005, the city issued 3,365 permits, but by 2007, that number had fallen to just over 1,000. Just 280 total permits were issued in 2010. The chart also demonstrates that multifamily development comprises a significant percentage of the total residential development activity in the city, or 44 percent, to be precise.

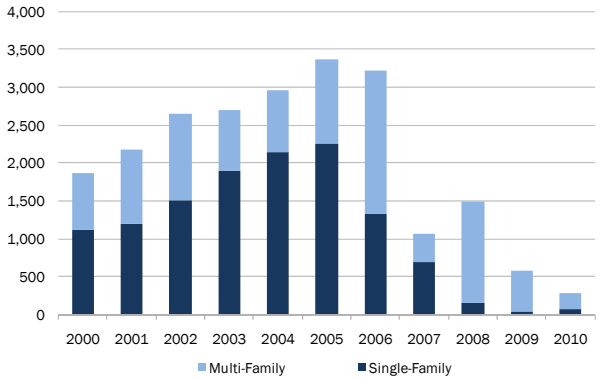
The current economic free-fall makes analyzing real estate markets difficult at this time. Pricing is complicated, but this can generally be addressed by relying on sound market fundamentals, such as demographic support (i.e. income and households) for a project. What is more difficult is estimating absorption. If current trends are relied upon, absorption projections will look bleak, since there is little buyer activity at the moment. Absorption trends from several years ago are not reliable; they were distorted by the housing bubble. We assume the ten-year regional average of about 10,000 units per year is a reasonable estimate of homebuilding activity, once the market recovers.

The FHFA's housing price index figures shown at bottom indicate a dismal for-sale housing market. In addition to these types of figures, a considerable amount of data points to a slow recovery, including: persistently high unemployment, tightened lending standards, high foreclosure numbers. Many national analysts predict recovery probably won't occur until at least 2013 and market is able to achieve the estimated 10,000 units per year.[6]

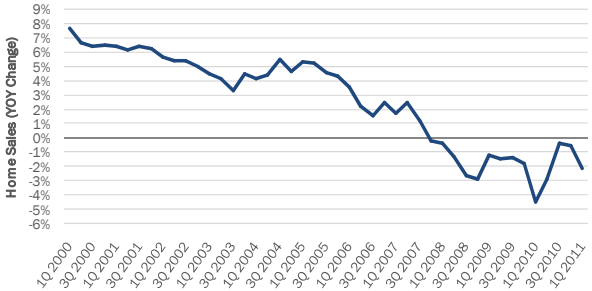
Kansas City MSA Building Permits
1980-2010
Source: U.S. Dept. of Housing and Urban Development, 2011



Kansas City Building Permits: 2000-2010
Source: U.S. Dept. of Housing and Urban Development, 2011



Metro Kansas City Housing Price Index
Source: Federal Housing Finance Authority, 2011



For-Sale Supply

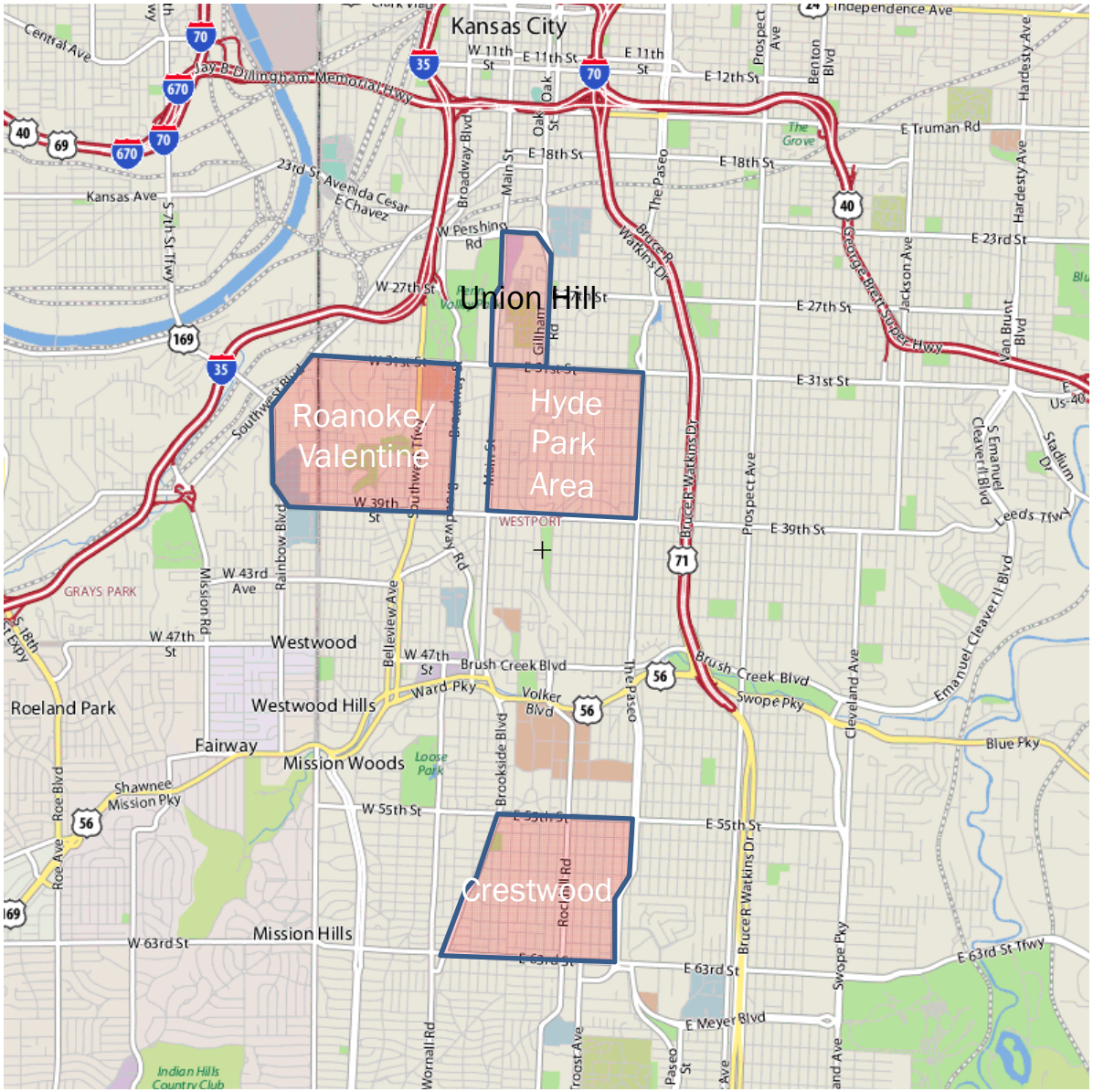
With no true comparable developments, supply is evaluated in three ways: case study, survey of key infill projects, and evaluation of single family housing in select neighborhoods.

With no true comparable projects in the Kansas City region to choose from, we have employed two techniques in evaluating housing supply as it relates to Beacon Hill.

- **Single Family and Townhome Sales:** we evaluate sales in three comparable neighborhoods: Union Hill, Roanoke/Valentine, Crestwood, and Hyde Park.

- **Infill:** we evaluate selected infill projects in Kansas City.

In the second approach, we selected properties that we find most relevant to Beacon Hill (aggregate data were not adequately meaningful, because there is too much variation in quality, condition, and pricing of individual homes).



For-Sale Supply: Union Hill and Hyde Park Neighborhoods

Union Hill

We have identified numerous sales of single-family homes or townhomes in the Union Hill neighborhood, which is just west of Beacon Hill. Home prices in this neighborhood range dramatically because some homes in the neighborhood are in poor to below average condition. However, a typical range for recently built or well maintained homes is $150,000 to $350,000, or about $80 to $140 per square foot.

Most of the homes we identified are either fairly new or have been well maintained and are in relatively good condition. The homes typically include two, three, or four bedrooms with at least two bathrooms. Additionally, the homes typically have attached rear parking 2-car garages, hardwood flooring, and appropriate appliances. The homes also generally have quality exteriors such as brick or hardi-board siding.

Representative Properties - Union Hill

Address	Type	Sale Price	BR	s.f.	$/s.f.	Year Built
2919 Grand Ave.	TH	$161,000	2	1,624	$99	1987
2920 Grand Ave.	SF	$285,000	3	2,300	$124	1998
2623 Charlotte	SF	$179,000	5	2,100	$85	1910
3028 Grand Ave.	SF	$272,500	2+	2,038	$134	1889
116 E. 30th St.	SF	$307,500	2+	2,580	$119	1984

Source: Heartland Multiple Listing Service

3028 Grand Ave.

2920 Grand Ave.

2623 Charlotte

Hyde Park

The Hyde Park neighborhood, which is listed in the National Register of Historic Places is situated just southwest of Beacon Hill. It contains some of the city's oldest and most stately homes. However, almost no homes are able to achieve sale prices that exceed $100 per square foot. Despite sizes that typically exceed 3,000 square feet, well maintained homes in this neighborhood typically range from $175,000 to $400,000.

The vast majority of homes in this neighborhood were built between 1890 and 1910. The homes typically include three, four, or five bedrooms with at least two bathrooms. The homes also generally have detached 2-car garages located in the rear, historic features, and masonry facades.

Representative Properties - Hyde Park

Address	Type	Sale Price	BR	s.f.	$/s.f.	Year Built
3641 Holmes St.	SF	$382,000	4	3,999	$96	1909
3322 Campbell St.	SF	$197,000	3	2,300	$86	1898
3334 Harrison St.	SF	$347,500	4	4,515	$77	1890
3540 Campbell St.	SF	$209,900	5	3,085	$68	1910
3335 Campbell St.	SF	$196,000	4	3,143	$62	1909

Source: Heartland Multiple Listing Service

3641 Holmes St.

3334 Harrison St.

3335 Campbell St.

For-Sale Supply: Roanoke/Valentine and Crestwood Neighborhoods

Roanoke/Valentine

Sales of homes in the Hyde Park neighborhood, which is southwest of Beacon Hill, are able to achieve higher price points than some of the other neighborhoods in our analysis. Homes in this neighborhood typically range from $150,000 to $350,000, or about $80 to $140 per square foot. Because some homes in the area are in poor to below average condition, aggregate information is not representative of sale prices for new or well-maintained homes.

Most of the homes are either fairly new or have been well maintained and are in relatively good condition. The homes typically include two, three, or four bedrooms with at least two bathrooms. Additionally, the homes typically have attached rear parking 2-car garages, hardwood flooring, and appropriate appliances. The homes also generally have quality exteriors such as brick or hardiboard siding.

Crestwood

The Crestwood neighborhood is located in central Kansas City roughly three miles south of Beacon Hill. Homes in this neighborhood were generally built during the 1920s and have been very well maintained. Recent sales prices generally range from $250,000 to $350,000, with representative sales ranging from $265,000 to $320,000, or $93 to $154 per square foot.

Homes in this neighborhood typically include three or four bedrooms with at least 1.5 bathrooms. Additionally, the homes typically have detached 2-car garages located in the rear, hardwood flooring, and appropriate appliances. The homes also generally have quality exteriors such as brick, stucco, or hardiboard siding, with some historic features.

Representative Properties - Roanoke/Valentine

Address	Type	Sale Price	BR	s.f.	$/s.f.	Year Built
3660 Madison Ave.	SF	$350,000	4	3,155	$111	1905
3669 Jefferson St.	SF	$282,000	5	3,220	$88	1911
3677 Jefferson St.	SF	$250,000	3	1,928	$130	1915
3747 Valentine Rd.	SF	$405,000	5	2,798	$145	1922

Source: Heartland Multiple Listing Service

Representative Properties - Crestwood

Address	Type	Sale Price	BR	s.f.	$/s.f.	Year Built
439 E. 55th St.	SF	$290,000	4	2,380	$122	1924
5559 Crestwood Dr.	SF	$320,000	4	3,424	$93	1920
518 E. 56th St.	SF	$265,000	3	1,726	$154	1921
5420 Cherry St.	SF	$267,000	3	2,161	$124	1920

Source: Heartland Multiple Listing Service

3669 Jefferson St.

3660 Madison Ave.

3747 Valentine

439 E. 55th St.

5420 Cherry St.

518 E. 58th St.

For-Sale Supply

Though not necessarily the market for Beacon Hill, more affordable low and midscale homes will sell for roughly $75 to $100 psf.

A few large-scale infill developments have occurred in the for-sale market in Kansas City near the PMA in the past two decades. Though none of these projects are perfectly comparable to what should be developed at Beacon Hill, they do lend insight into achievable sale prices for products in lower market positions and illustrates that new for-sale product has been successful in other, less desirable areas of the city.

Although all sectors of the housing market have struggled recently, low to midscale product has performed better than higher-priced housing. Barring an dramatic paradigm shift within the next few years, we do not currently consider Beacon Hill an appropriate location for luxury and upscale product, but we do consider it appropriate for upper midscale. The products in this analysis—Renaissance Place, Renaissance Coves, and Citadel Center—are geared towards lower and mid-level buyers, most of which had moderate household incomes of roughly $35,000 to $70,000. The homes in each development ranged in size from 1,400 square feet to 3,000 square feet and typically contained three bedrooms, two bathrooms, two-car garages, and ample living space.

While the likely buyer for homes at Beacon Hill will prefer homes at higher points, these developments provide examples of successful new for-sale housing developments within Kansas City's inner city and an alternative to our recommended development strategy if the housing market continues to struggle beyond the next few years. These projects are also good illustrations of the type of housing that certain buyers are looking for and demonstrate that carefully planned subdivisions within controlled environments can address many of the lingering hurdles facing urban development, such as crime, schools, etc.

Citadel Center

Renaissance Cove

Renaissance Place

Beacon Hill Residential Development
Summary of Selected For Sale Housing Properties

				Two-Bedroom			Three-Bedroom		
	Year Finished	% Sold	# of Units	Avg. Price	Size (SF)	Price PSF	Avg. Price	Size (SF)	Price PSF
Residential Developments				-	-	-	**$152,000**	**1,990**	**$76**
1 Citadel Center	2003	100%	202	-	-	-	$156,833	2,000	$78
2 Renaissance Coves	2002	100%	35	-	-	-	$175,000	2,200	$80
3 Renaissance Place	1996	100%	102	-	-	-	$133,250	1,900	$70

Averages are rounded

Demand Analysis

Macro Trend Overview

Surveys show that one-third of residents would prefer a more urban product that often is not supplied. In Atlanta, over half would "trade down" on lot size for a location that is closer to employment. These data become starting points for determining demand on Beacon Hill.

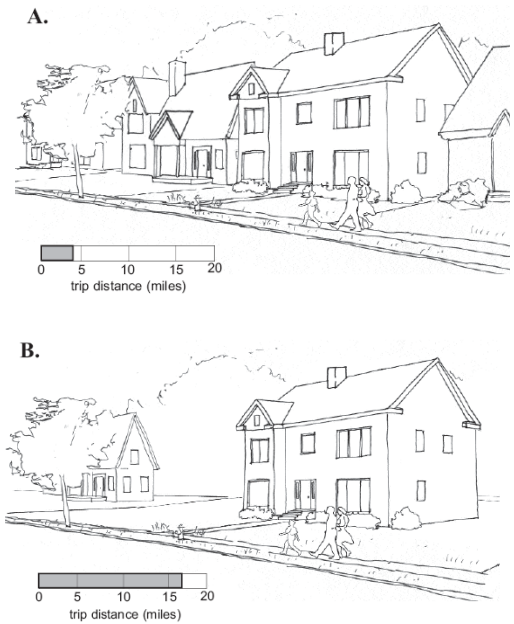
The current state of the economy notwithstanding, a number of trends are converging that will likely lead to increased demand for urban housing over the next several decades, benefitting some of Kansas City's Uptown neighborhoods greatly. Following are four separate studies that support this:

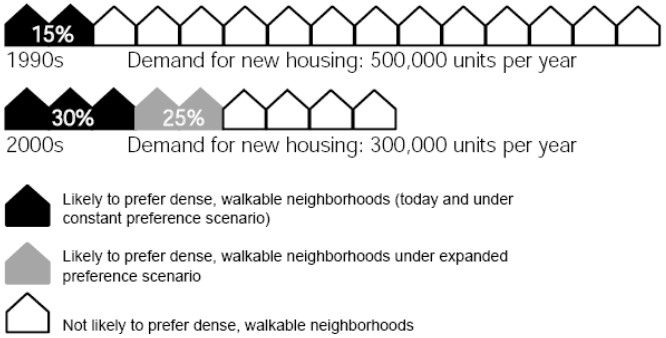
New Urbanism Market Study: University of Southern California 2001[7]

- 30 to 55 percent of homebuyers would prefer to live in "dense, walkable" environment.

Atlanta Study: SMARTRAQ 2007[8]

- 33 percent of residents in conventional suburbs prefer a more walkable environment.
- 49 percent prefer a neighborhood where they can walk to nearby shopping.
- 20 to 40 percent of residents showed a preference to compact, walkable neighborhoods, but only five percent live in such an environment.
- 55 percent would prefer shorter commutes, even if it means living in a higher density environment with smaller lot sizes.
- 55 percent would accept a smaller house if it meant more options to walk, cycle, or take transit.
- 53 percent prefer closer proximity to work over living on a cul-de-sac.





Top: Image from visual preference survey presented to Atlanta residents. 55 percent of respondents preferred the denser, closer-in option A over option B. **Bottom:** A study showed current demand for dense, walkable neighborhoods to be 30 percent of survey respondents—a significantly greater proportion than that which is being supplied in the market.

Residential Demand: Macro Trend Overview

Nationally, 70 million homes are projected to be built over the next thirty years. Demand will be greatest from singles and families without school-age children, meaning demand for large, single family homes will recede, and demand for more compact housing will increase. The devaluation of homes following the housing bubble has not hit urban areas as hard as suburban areas.

Home Values Following the Housing Bubble Devaluation/Gas Price Spike: CEO's for Cities 2008[9]

- Between the fourth quarter of 2006 and 2007, home prices in distant neighborhoods (those 13 miles from downtown) lost value at a greater rate than close-in neighborhoods (less than three miles from downtown).
- In some instances, close-in neighborhoods gained value, even as the regional market declined.

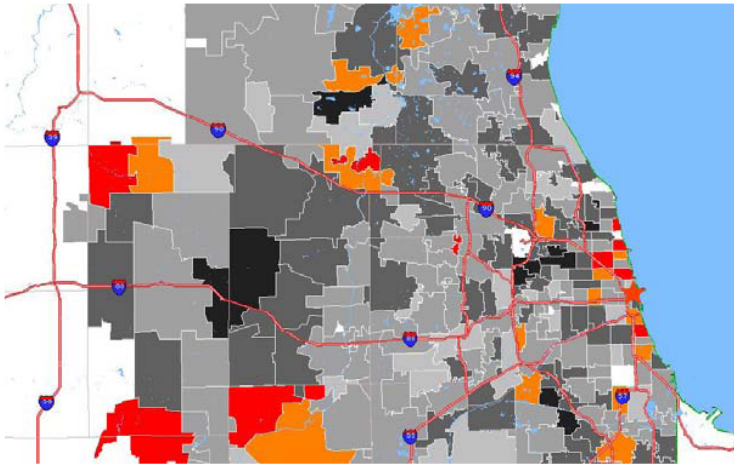
Future Population Growth: The Next 100 Million: Virginia Polytechnic Institute 2007[10]

- The U.S. will reach 400 million people around 2040, up 100 million from 2005.
- The next 100 million people will require 40 million homes. Add 30 million replacement homes, and 70 million homes will be constructed between 2005 and 2040, for an average of two million homes per year.
- The population is aging; 41 million of the next 100 million will be over 65.
- Households are becoming more diverse. In 1970, 44 percent of households had children. By 2040, this number will be reduced to 27 percent.
- In 1970, 17 percent of all housing units were occupied by a single person. This had increased to 26 percent in 2006, and is projected to remain constant through 2040.
- Housing preferences are changing. The current supply of large, single family homes is already in oversupply for the next decade.

Change in Housing Prices Last 12 Months

Metro Area	Region-wide Average	Close-In Neighborhoods	Distant Neighborhoods
Chicago	-4%	0%	-4%
Los Angeles	-11%	-6%	-10%
Pittsburgh	0%	2%	-5%
Portland	-1%	3%	-5%
Tampa	-13%	-9%	-14%

Chicago



Top: A study revealed that urban neighborhoods in five metro regions have faired better than their suburban counterparts. **Bottom:** Map of home value changes in metro Chicago between the fourth quarters of 2006 and 2007. Areas in red and orange increased in value; these areas are located disproportionately in Chicago's center, along its lakefront, where transit is most accessible.

Market Rate For-Sale Demand: Micro Analysis

Housing at four price points are most in demand in the PMA: $150,000, $220,000, $310,000, and $440,000.

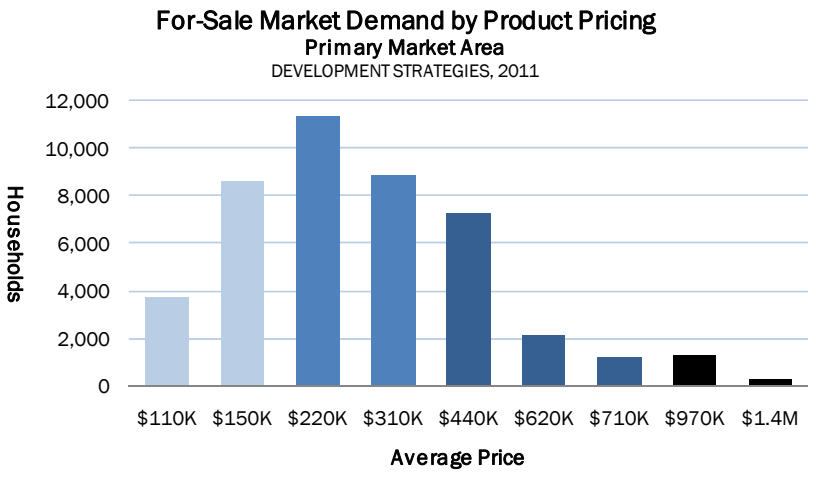
Analysis of incomes and mortgage affordability helps determine the level of market support for housing at different price points. The table below indicates households in the PMA by income, and their corresponding mortgage affordability.

As adjacent charts indicate, there is considerable market depth for housing at a number of price points, particularly at $220,000 and $310,000 range (including maintenance, taxes, utilities, etc.). The majority of for-sale homes should be offered at these price points. There is also considerable support for homes priced at $440,000.

Homes priced around $150,000 are also in demand; offerings at this price point might include townhomes or smaller single-family homes, which would target smaller households of one or two people. Given the repositioning of the neighborhood and the need for this initial phase to be a catalyst for future development, these types of products should be offered in later phases.

Legend: Market Position

Luxury | Upscale | Midscale | Affordable



Homeownership Market Demand

Primary Market Area

Income Range	Households	Maximum Payment [1]	Monthly Mortgage Affordability	Mortgage Affordability [2]	% Homeowner [3]	Homeowner Market
< $25,000	18,100	40%	- -	- -	-	-
$25,000 - $34,999	6,800	35%	$700 - $1,000	$100,000 - $125,000	55%	3,750
$35,000 - $49,999	13,300	30%	$900 - $1,200	$130,000 - $165,000	65%	8,660
$50,000 - $74,999	14,700	30%	$1,300 - $1,900	$165,000 - $270,000	77%	11,350
$75,000 - $99,999	10,200	30%	$1,900 - $2,500	$270,000 - $350,000	87%	8,890
$100,000 - $149,999	8,000	30%	$2,500 - $3,700	$350,000 - $520,000	92%	7,330
$150,000 - $199,999	2,260	30%	$3,800 - $5,000	$530,000 - $700,000	95%	2,150
$200,000 - $249,000	1,290	27%	$4,500 - $5,600	$630,000 - $790,000	95%	1,230
$250,000 - $499,999	1,380	23%	$4,200 - $9,600	$590,000 - $1,350,000	95%	1,310
> $500,000	300	20%	$9,500+	$1,400,000+	95%	280

[1]American Community Survey 2009 - Kansas City MSA; 6% interest rate, 30 year term, 25% maintenance/condo fees, taxes, insurance, utilities, 10% down; [3]American Community Survey 2009 - Kansas City MSA; Income and Household data provided by ESRI 2011

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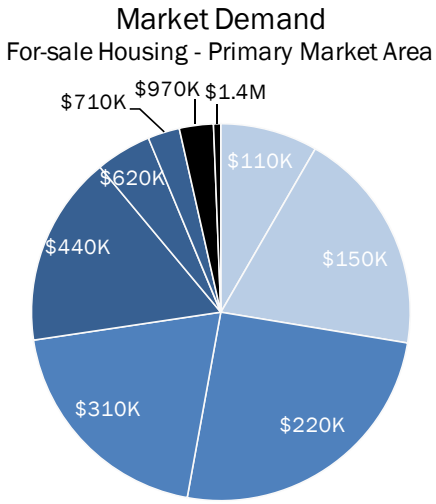


Conclusions: Price Points

New homes at Beacon Hill should be reasonably priced in the $220,000 to $325,000 range. With limited sales of homes above $300,000 in generally superior urban neighborhoods of Kansas City, building new product at higher price points is not an appropriate development strategy. However, because new homes are generally able to achieve higher pricing, the homes should be able to adequately compete with pricing of roughly $125 to $150 per square foot. The table below illustrates appropriate price levels for new homes at Beacon Hill.

For-sale Product by Market Position

Beacon Hill

Product Position	*Pricing (psf)*	*Square Feet per Unit*				
		1,250	*1,750*	*2,200*	*2,600*	*3,000*
Luxury	$225+	-	$390,000 2 BR Condo, TH	$495,000 3 BR Condo, SF, TH	$585,000 4 BR SF	$675,000 4 BR SF
Upscale	$150-$200	$250,000 2 BR Condo, TH, SF	$350,000 2-3 BR Condo, TH, SF	$385,000 3 BR TH, SF	$455,000 4 BR TH, SF	$525,000 4 BR TH, SF
Upper Midscale	$125-$150	$185,000 2 BR Condo, TH, SF	$220,000 2-3 BR TH, SF	$275,000 3 BR SF	$325,000 4 BR SF	$375,000 4 BR SF
Midscale	$100-$125	$155,000 2 BR TH, SF	$175,000 2-3 BR TH, SF	$220,000 3-4 BR SF	$260,000 3-4 BR SF	$300,000 3-4 BR SF
Below Midscale	$75-$100	-	$165,000 2-3 BR TH, SF	$175,000 3 BR SF	$195,000 3-4 BR SF	$225,000 3-4 BR SF

psf = price per square foot; TH = Townhome, SF = Single Family

DEVELOPMENT STRATEGIES

Conclusions: Parking, Amenities, and Finishes

Beacon Hill homes should have fairly high quality finishes and should provide a modern array of interior amenities that is typical of new urban housing.

Construction: The homes should use quality construction materials and be designed in a manner that is architecturally appealing. Given the historic nature of the area, predominant use of masonry or hardi-plank siding is recommended for all sides of the exterior. Traditional, classic architecture is preferred in this market. However, new modernist architectural styles may be appropriate in some settings.

Garage/Parking: Each home should have a two-car garage located either to the rear of the home or are prominently placed in the front. We recommend detached garages, though many homebuyers may prefer attached garages, which would not detract from the marketability of the home, but is less consistent with quality urban design. Detached garages are less costly to construct, are better for fire safety, and may promote insurance savings.

Finishes: Interiors should feature a large kitchen with a kitchen island, better quality appliance package, and brand-name profile oven/ranges. Granite or hard surface countertops are unnecessary, but could add additional value to the home. The flooring in all units should be good quality laminate or hard wood (real wood preferred) in the living and dining areas, ceramic tile or high quality vinyl sheet flooring in the kitchens and bathrooms, and carpet in the bedrooms. Bathrooms should have attractive laminate countertops, linen closets, tall vanities, combination bath/tubs, and ceramic tile flooring and tub/shower surrounds. Master bathrooms should have double-bowl vanities and upgraded finishes.

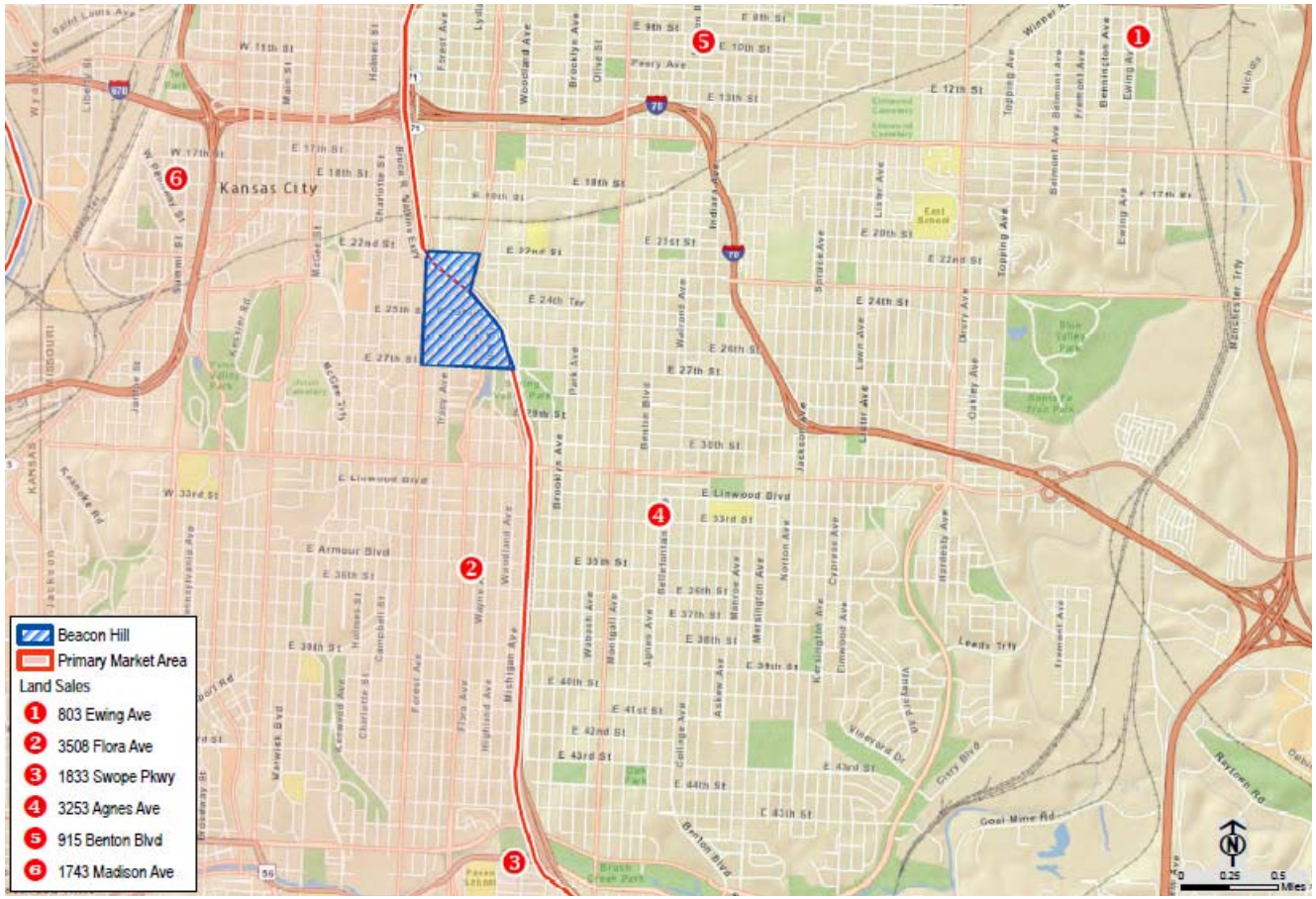
Lot Pricing

Recent sales of residential lots throughout Kansas City indicates lot pricing of about $40,000 to $50,000 per lot, or roughly $6.00 per square foot would be appropriate for Beacon Hill. Any lot with new infrastructure in place or unique viewpoints could achieve greater price points.

Area Residential Lot Sales

Address	Lot Size	Sale Price	Price/SF	Price/Acre	Date of Sale
1743 Madison Ave.	5,227 SF	$32,500	$6.22	$270,844	Aug-10
915 Benton Blvd.	5,662 SF	$23,750	$4.19	$182,718	Dec-10
3253 Agnes Ave.	5,227 SF	$57,937	$11.08	$482,827	Mar-11
1833 Swope Pkwy	6,969 SF	$117,500	$16.86	$734,438	Dec-10
803 Ewing Ave.	4,356 SF	$11,875	$2.73	$118,750	Jun-11
3508 Flora Ave.	6,534 SF	$60,743	$9.30	$404,953	Jul-07
Total/Avg.:	5,663 SF	$50,718	$8.96	$365,755	Jun-10

Data provided by LoopNet, June 2011



Endnotes

[1]Downtown Council of Kansas "2010 Downtown Kansas City Resident Survey Results". 2010.

[2]U.S. Census Bureau, 2009 American Community Survey

[3]ESRI, 2011

[4]Downtown Council of Kansas "2010 Downtown Kansas City Resident Survey Results". 2010.

[5]National Center for Education Statistics.

[6]Simon Ruth; Silver-Greenberg, Jessica. "Why It's Time To Buy", Wall Street Journal, June 4-5, 2011.

[7]Myers, Dowell et al. "The Coming Demand", University of Southern California, 2001.

[8]Frank, Lawrence et al. "New Data for a New Era", SMARTRAQ, 2007.

[9]Cortright, Joe. "Driven to the Brink", CEO's for Cities, 2008

[10]Nelson, Arthur; Lang, Robert. "The Next 100 Million", Planning Magazine, January 2007.

Note: Development Strategies has made every effort to credit sources in this document. Each table or chart has been sourced. In the body of the document, where credit has not been given for demographic data, ESRI is the source. Unless otherwise stated, market data (i.e. rents, sale prices, occupancy, absorption…) was collected by Development Strategies.

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