



Appendix D

Economic and Market Analysis

The Economic and Market Analysis presents an independent analysis of the market forces at play in the City of Shawnee. This section addresses market opportunities and constraints; long-term demand projections for retail, office, industrial space, and residential housing units; and future development patterns. Based on this market analysis, recommendations for future land use patterns are also addressed.

The enclosed *Economic and Market Analysis* evaluates the historic, current, and future demographic, economic, and real estate market forces that influence the City of Shawnee's future urban growth patterns. In doing so the report consists of two sections, including: 1) Demographic and Economic Analysis and 2) Market Analysis. A market positioning strategy and land use recommendations will be addressed in a later document.

The *Demographic and Economic Analysis* section of the study assists in identifying the Planning Area's demographic and economic trends on the future demand for commercial, office and industrial space as well as residential housing units. Planning Area demographic characteristics and economic forces evaluated include population growth, household composition, age distribution, household income, educational attainment, and employment growth and composition.

The *Market Analysis* portion of the report evaluates competitive retail, employment, and residential market trends impacting the Planning Area. The market trends for each prospective land use were evaluated by quantifying such market forces as the current inventory of housing units and commercial/industrial space, construction activity, and development patterns.

Based on the study findings, the Planning Area's long-term demand projections are prepared quantifying the need for additional retail, office, and industrial space as well as residential housing units and land absorption estimates are provided.

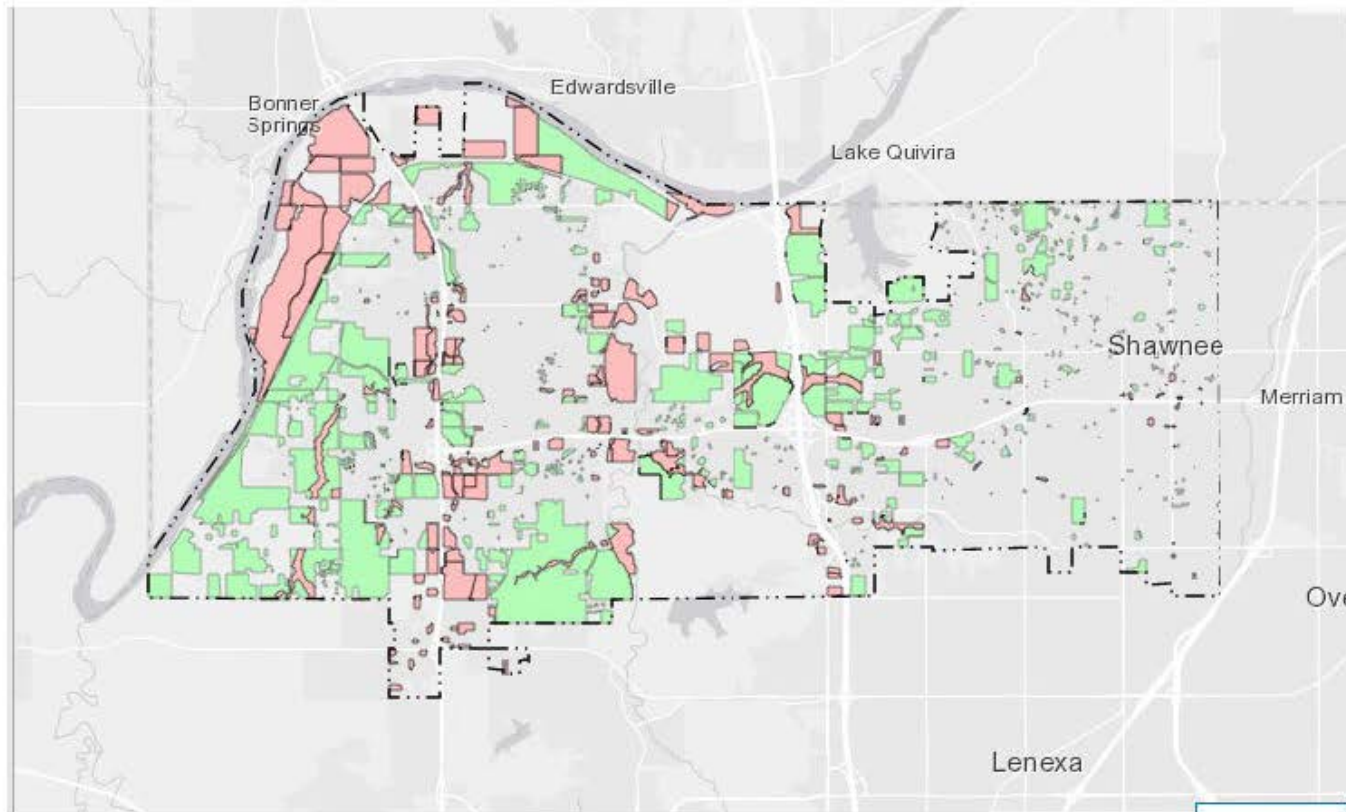
In addition, older commercial corridors and districts were identified that have the potential to adapt and support redevelopment and repositioning. Greenfield business center locations were identified designed to support the needs of the emerging economy.

Planning Area Defined

The City of Shawnee ("Planning Area") is located within northeast quadrant of the State of Kansas and is considered a portion of the Kansas City metropolitan statistical area ("MSA"). See **Figure 1.1**.

Shawnee occupies approximately 42.86 square miles of land area and is a landlocked community bounded by the Wyandotte County and Kansas River to the north, City of Lenexa to the south, Switzer Road and City of Merriam to the east, and the Kansas River to the west. Shawnee supports a current population of 67,626 residents and 26,544 residential dwelling units. An estimated 7,186 acres in the City of Shawnee remains available for future development.

As illustrated by the map, most of the undeveloped land in the City of Shawnee is located west of Interstate 435. The vacant residential land is depicted in "green" with vacant non-residential land highlighted in "red". Most of the vacant non-residential land is located within the Interstate 435 and K-7 corridors.



Shawnee's residential housing stock includes 18,722 detached single-family housing units, 6,723 multi-family dwelling units, and 1,099 duplex units. An estimated 4,866 acres of vacant land in the City of Shawnee is designated for residential use accommodating a maximum of 24,164 additional housing units.

Shawnee Mission Parkway serves as the city's principal commercial corridor with primary hubs located from Switzer Road west to Pflumm Road as well as the intersections at Maurer Road and K-7. Neiman Road in Downtown Shawnee also supports a concentration of commercial development. Highway 7 at Johnson Drive is an emerging commercial hub.

The City of Shawnee supports a modest inventory of industrial development with the principal concentration in the western region at the K-7 intersections at 47th Street on the north and 83rd Street to the south.

Approximately 7,186 acres within the City of Shawnee remains available for future development, equating to approximately one-quarter of the total land area. Future development is anticipated to occur in the western portion of Shawnee which supports most of the undeveloped land. Based on envisioned future land use, low-density residential is anticipated to account for 36.44 percent of future development, or 2,614 gross acres, followed by rural residential at 15.27 percent, or approximately 1,095 gross acres. A total of 1,049 acres are envisioned to be set aside for parks and open space. Industrial development is anticipated to account for just over 12 percent of future land development which is important in generating jobs and a municipal tax base.

Table D.1 quantifies existing and future land use for the City of Shawnee.

Table D.1 City of Shawnee, Kansas Land Use and Vacant Land Inventory

Existing Land Use / Perceived Highest & Best Use	Total Acres	% of Total Acreage	% of Vacant Land
Commercial	385	1.38%	5.36%
Farming/Ranch Land (No Improvements)	2,854	10.20%	39.72%
Farming/Ranch Land (With AG Improvements)	561	2.01%	7.81%
Farming/Ranch Operations (With Improvements)	1,211	4.33%	16.85%
Industrial	171	0.61%	2.38%
Institutional	55	0.20%	0.76%
Multifamily Residential	2	0.01%	0.02%
Nursey/Tree Production	30	0.11%	0.42%
Residential	1,877	6.71%	26.12%
Transportation/Utilities	15	0.05%	0.21%
Tribal Lands/Indian Reservation	20	0.07%	0.27%
Unused/Undeveloped Land	6	0.02%	0.08%
Shawnee Total Acreage	27,971	100.00%	
Total Vacant/Undeveloped Land	7,186	25.69%	100.00%
Future Land Use	Total Acres	% of Total Acreage	% of Vacant Land
Commercial	227	0.81%	3.16%
Office/Commercial	79	0.28%	1.10%
Office/Service	224	0.80%	3.13%
Warehouse Industrial	864	3.09%	12.04%
TSQ Mixed Use	3	0.01%	0.05%
Low Density Residential	2,614	9.35%	36.44%
Medium Density Residential	222	0.79%	3.09%
High Density Residential	103	0.37%	1.44%
Mixed Density Residential	213	0.76%	2.97%
Mixed Use/Destination	454	1.62%	6.32%

Rural Residential	1,095	3.92%	15.27%
Parks/Open Space	1,049	3.75%	14.62%
Public/Quasi-Public	24	0.09%	0.34%
Public/Quasi-Public (Schools)	0	0.00%	0.00%
Right of Way	2	0.01%	0.03%
Shawnee Total Acreage	27,971	100.00%	
Total Vacant/Undeveloped Land	7,174	25.65%	100.00%

Source: City of Shawnee, Kansas.

ECONOMIC AND DEMOGRAPHIC ANALYSIS

This section of the report examines the economic and demographic factors impacting real estate development trends in the City of Shawnee. It includes an analysis of population growth trends and projections, household composition, age distribution, household income, educational attainment, and employment trends. Historic demographic trends were provided by the *American Community Survey* published by the U.S. Census Bureau. Quantifying these economic and demographic characteristics will assist in forecasting the future demand in Shawnee for commercial space, industrial space, and residential housing units.

Population Growth Trends

Population growth has a direct impact on the demand for housing and retail space. Shawnee has benefitted from its location at the urban edge of the Kansas City MSA, adding over 37,000 residents since 1980. By 2020, the Shawnee population was estimated at 66,659 residents. The City of Shawnee Community Development Department estimates 4,866 acres of vacant land is designated for residential use accommodating up to 24,164 additional housing units.

The Johnson County Community Housing Study utilized population growth forecasts for Shawnee published by MARC of 74,233 residents by 2030. Carrying these forecasts forward, Shawnee’s population is estimated to reach 82,963 residents by 2040. The majority of future population growth will occur at the far western portion of Shawnee and a couple infill locations in the more established neighborhoods in the eastern portion of the city.

The City of Shawnee’s continued population growth will generate the need for retail goods and services, additional commercial and industrial space, and new residential housing units. In the bar chart below, U.S. Census Bureau population estimates are highlighted in “yellow” with future population projections highlighted in “green”.

Since the 1980's, Shawnee's population growth rate has significantly outpaced both the State of Kansas and United States. Population growth in Shawnee was particularly strong during the decades of the 1980's, 1990's, and 2000's.

Much of the City of Shawnee's sustained population growth can be attributed to its location at the path of urban growth, the availability of developable land, excellent transportation network, and convenient access to jobs. With an estimated 7,186 acres of undeveloped land, the City of Shawnee can support continued residential, commercial, and industrial development, most of which will occur west of Interstate 435.

Household Composition

Household formation and the mix of household types have a direct impact on the composition of retail sales and housing needs. According to the *American Community Survey* published by the U.S. Census Bureau, as of 2019 a reported 24,516 households resided in the Planning Area with an average household size of 2.66 persons. Family households accounted for 71.9 percent of all households with 35.6 percent of households having children present. Married couple families accounted for 58.1 percent of all households, of which 27.0 percent had related children.

Over the past six decades the average household size in the United States has declined steadily, from 3.33 persons in 1960 to 2.52 persons by 2019. This declining household size has played a factor in changing housing needs. The Planning Area's average household size of 2.66 persons is supported by the above average rate of families and married couples with children. For those families and married couples with children possessing the financial means the tendency is to reside in suburban communities with excellent school districts. **Table D.2** summarizes households by type for the Planning Area in 2019.

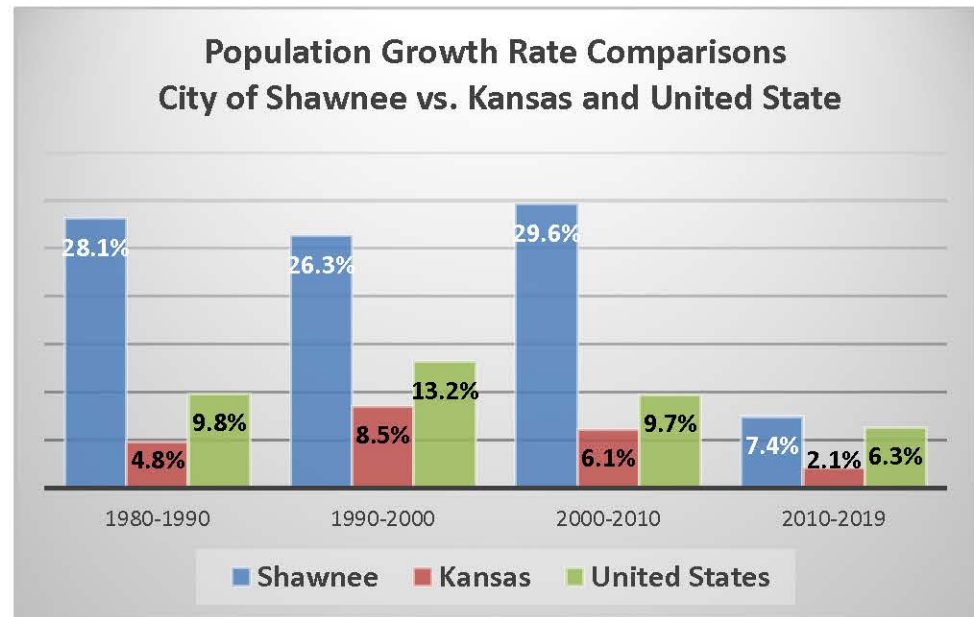
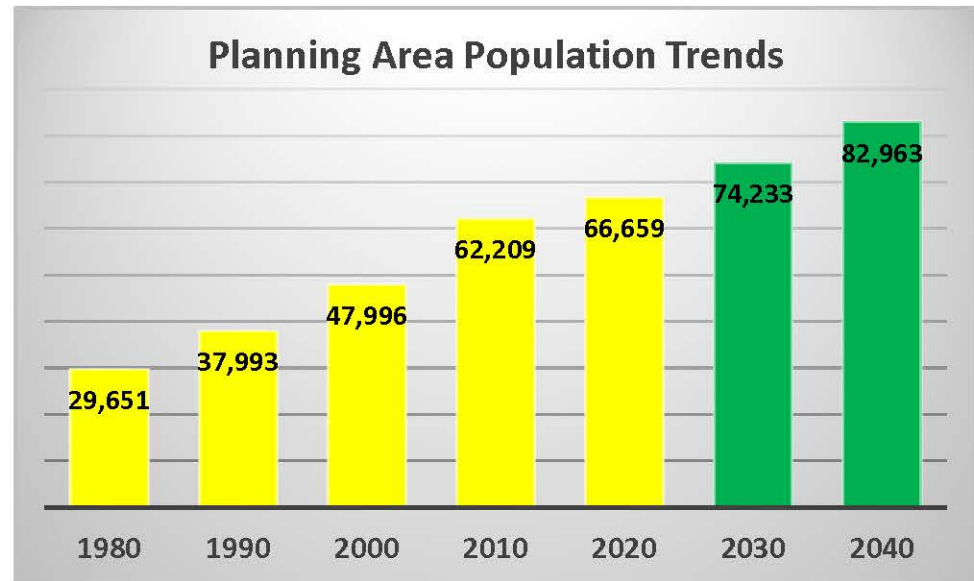


Table D.2 City of Shawnee Households by Type - 2019

Household Type	Planning Area	State of Kansas
Total Households	24,516	1,129,227
Family Households	71.9%	65.1%
With Children Under 18 Years	35.6%	29.2%
Married Couple	58.1%	50.6%
With Children Under 18 Years	27.0%	20.5%
Nonfamily Households	28.1%	34.9%
Householder Living Alone	24.2%	28.1%
65 Years and Older Living Alone	7.4%	11.4%
Average Household Size	2.66	2.51
Average Family Size	3.18	3.11

Source: American Community Survey, U.S. Census Bureau.

When compared to that of the State of Kansas, the Planning Area’s household composition possesses well above average rates for both of families with children and married couples with children and a below average senior population ages 65 years and over.

The Planning Area’s household composition characteristics would suggest a propensity for detached single-family housing and above average retail expenditures for household furnishings, groceries, clothing and accessories, sporting goods, books, and other family-related goods and services.

Population Age Distribution

Age is an important factor in consumer identity, since consumption patterns, housing needs, and financial situation change significantly throughout an individual's lifetime. Change in the relative proportions of age groups throughout the United States is expected to have an important impact on the retailing and housing industries.

The bar chart below depicts the Planning Area's population by six primary age groups, including children (0-14 years), adolescent (15-24 years), young adults (25 to 34 years), family/working adults (35-44 years); empty nesters (45-64 years) and elderly (65+ years). Each of the six age groups possesses distinctively different consumption and housing needs.

According to the U.S. Census Bureau, the median age of the Planning Area population of 38.5 years compares to the state average of 37.2 years. Empty nesters ages 45 to 64 years comprise the Planning Area's largest age group with 20.5 percent of the total population, followed by children ages 0 to 14 at 19.9 percent and elderly ages 65+ years at 17.7 percent. The large children and empty nester populations are consistent with the above average rates of families and married couples with children.

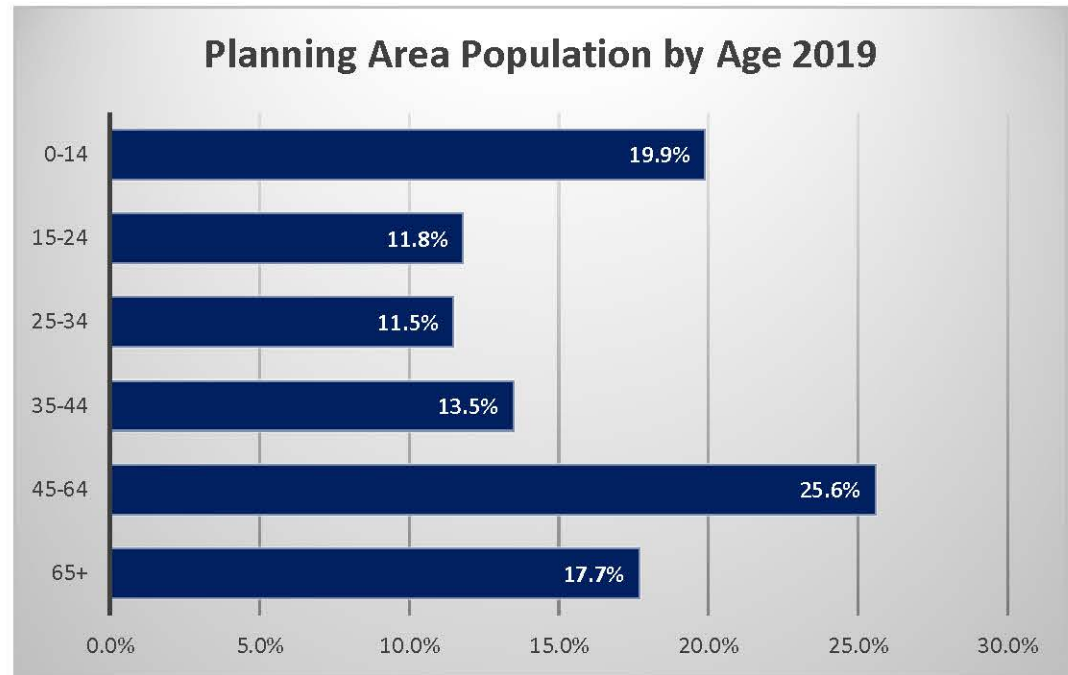
Children ages 0 to 14 years aren't generally consumers per say, but their presence within a household generates retail expenditures on such items as apparel and accessories and groceries. This age group accounts for 19.9 percent of the Planning Area population which is consistent with the statewide average.

The adolescent population ages 15 to 24 is key for supporting the sales of apparel and accessories, groceries, sporting goods, music, consumer electronics, eating and drinking places, and general merchandise. Adolescents account for 11.8 percent of the Planning Area population. By comparison, adolescents account for 14.1 percent of the Kansas population.

Young adults aged 25 to 34 years generally are new to the workforce. These tech savvy young adults are heavy consumers of electronics, apparel and accessories, entertainment, and rental housing. Young adults account for 11.5 percent of the Planning Area population and will have a growing impact on the local workforce, retail goods and services, and housing market. Young adults account for 13.0 percent of the Kansas population.

The population ages 35 to 44 are in their child raising and principal consumer years, with expenditures favoring hardware, furniture and home furnishings, consumer electronics, department stores, and eating and drinking places. Family/working adults account for 13.5 percent of the Planning Area population. The 35 to 44 age group comprises 12.4 percent of the statewide population. The Planning Area's above average family/working adult population may stem from the higher than average family and married couple with children households that seek suburban single-family homes in communities with excellent school districts.

The Planning Area's population ages 45 to 64 years account for 25.6 percent of the total population, compared to 23.4 percent statewide. People aged 45+ years are generally less consumers of apparel, consumer electronics, furniture, home furnishings, and entertainment than are younger consumers. This age



group provides opportunities for home downsizing, restaurants, entertainment, and travel and will also produce a growing need for healthcare services and continuum care housing facilities.

According to the U.S. Department of Labor, per capita retail expenditures by seniors 65+ years old is 18 percent lower than those under the age of 35 years and 41 percent lower than people ages 35 to 64 years. Residents 65+ years of age account for 17.7 percent of the Planning Area population, compared to 16.4 percent of the statewide population. The growing senior population will generate increased demand for healthcare, senior housing, and downsized housing.

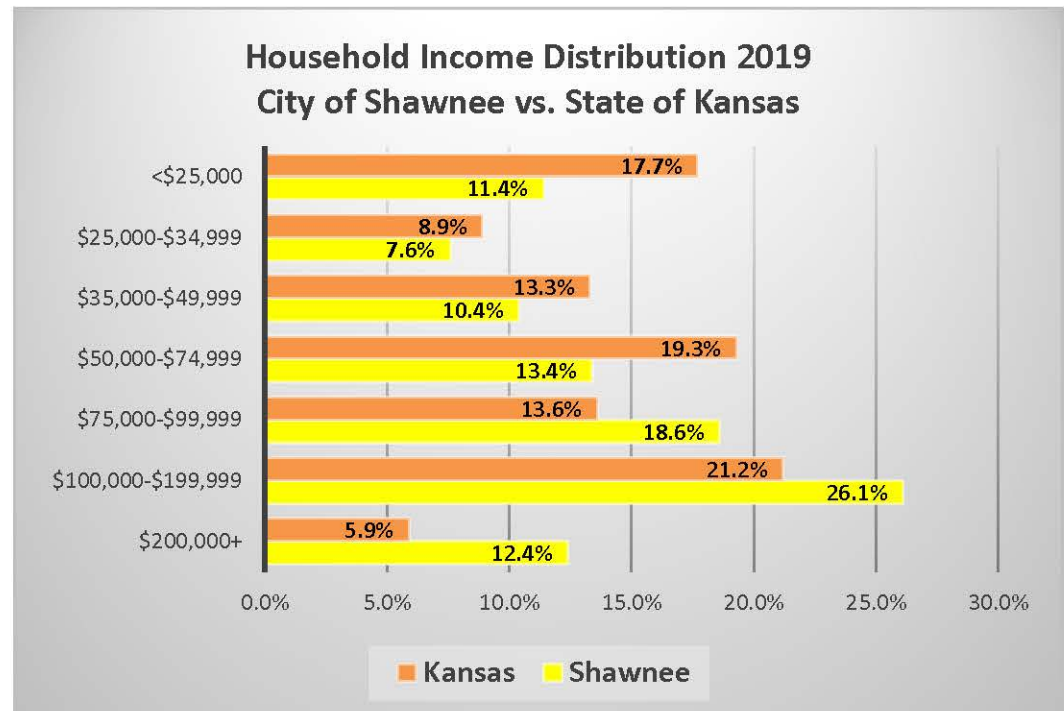
Among the six major age groups, those ages 35 to 64 possess the highest incomes and per capita consumer spending levels. According to the U.S. Department of Labor, people ages 35 to 64 possess an annual income 51 percent greater than those under the age of 35 years. Adults ages 35 to 64 years account for 39.1 percent of the Planning Area population and are in their peak spending years for housing, home furnishings, home improvements, clothing, and entertainment.

Household Income Distribution

Household income levels have a direct impact on retail sales volumes, housing demand, for-sale housing values, and residential rents. The Planning Area’s median household income of \$84,909 well exceeds that for Kansas of \$62,087 with a much lower rate of households earning less than \$35,000 and a much greater rate of high-income households earning \$100,000 or more. The Planning Area’s household income levels would suggest the ability to support above average retail sales per capita, housing values, and residential rents. A comparison of household income distribution estimates for the Planning Area and State of Kansas are outlined in the bar chart below.

An estimated 17.7 percent of Kansas households earn less than \$25,000 annually, compared to 11.4 percent of all Planning Area households, suggesting a modest need for income-based housing.

An estimated 7.6 percent of Planning Area households earn \$25,000 to \$34,999 annually compared to 10.2 percent for the State of Kansas. These households tend to be perpetual renters with the lowest income households potentially qualifying for some form of housing assistance. The median rent in the Planning Area of \$966 per month as reported by the U.S. Census requires annual household incomes within the upper end of the \$25,000 to \$34,999 income range. Household income levels suggest the Planning Area supports a below average demand for affordable housing rents.



The Planning Area’s entry-level housing valued between \$100,000 and \$199,999 accounts for 35 percent of the total housing stock. Based on standard lending practices, households earning \$50,000 to \$74,999 represent the entry-level, for-sale housing. According to the U.S. Census, an estimated 13.4 percent of Planning Area households earn \$50,000 to \$74,999, compared to 19.3 percent statewide.

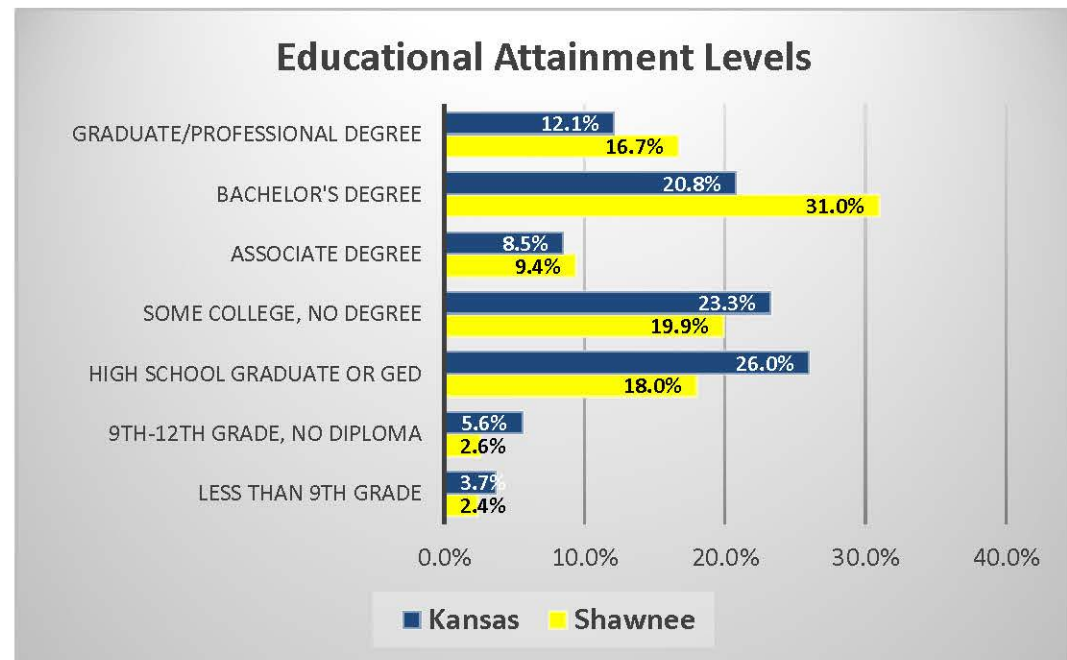
Approximately 9.4 percent of the Planning Area’s rental housing supports monthly rents ranging from \$1,500 to \$3,000, requiring a household income of approximately \$50,000 to \$99,999 annually. According to the U.S. Census, an estimated 32.0 percent of Planning households earn \$50,000 to \$99,999, suggesting the potential strong need for luxury rental housing.

High-income households with annual incomes of \$100,000 or more account for 38.5 percent of all Planning Area households compared to 27.1 percent for Kansas. These households represent potential demand for luxury for-sale housing priced in excess of \$500,000 as well as luxury automobiles, retail goods and services, travel, and entertainment.

Educational Attainment

Educational attainment levels of a market area’s labor pool are becoming increasingly important in the ability to attract and retain knowledge-based industries as well as the ability to support above average wages. The bar chart below provides a comparison of educational attainment levels between the Planning Area and State of Kansas as provided by the U.S. Census Bureau.

Educational levels have a direct impact on achievable income levels, retail expenditure patterns, housing values, and the demand for commercial space. The demand for retail space increases as income and retail sales levels rise. The type of retail space is also impacted as high-income households support increased demand for higher valued goods and services. The demand for office space improves at higher educational attainment levels as a larger percentage of residents are more likely to be employed in professional service and medical professions.



The Planning Area population is well educated with 47.7 percent of the population attaining a bachelor’s degree or higher compared to 32.9 percent statewide. Conversely, just 23.0 percent of Planning Area residents attained a high school diploma or less compared to 35.3 percent of the statewide population.

The Planning Area’s high educational attainment levels translate into the potential to support above average wages and spending on housing, personal services, apparel, household furnishings, entertainment, dining out, automobiles, and healthcare. The educational attainment levels may also improve the

Planning Area’s ability to meet the employment needs of the changing technology-based economy as well as increase the demand for professional office space.

Major Employers

Table D.3 identifies the largest employers operating in Shawnee as published in the City of Shawnee Annual Budget 2020. Transportation, healthcare, and retail are the key industries. FedEx is the City’s largest employer with a payroll of 575 employees, followed by Bayer Healthcare with 550 employees and the City of Shawnee with 350 employees. Principal retail employers include Walmart and Hy-Vee Food Stores.

Table D.3 Shawnee, Kansas Major Employers

Employer	Industry	# of Employees
FedEx Ground Package System, Inc.	Transportation / Parcel Delivery	575
Bayer Healthcare - Animal Division	Healthcare	550
City of Shawnee	Government	350
Harte-Hanks of Kansas City	Marketing Services Firm	300
Walmart	Retail	300
Nazdar	Printing Supplies	280
Hy-Vee Food Stores	Retail	245
KU MedWest	Healthcare	225
The Sweet Life at Rosehill	Assisted Living Facility	220
McAnany Construction	Construction	206

Source: County Economic Research Institute and Kansas Labor Information Center.

Shawnee Economic Development identified several additional major employers operating facilities in Shawnee, including Waste Management with over 500 employees, McLane Food Service (100-499 employees), Koller Products (100 to 499 employees), Amazon (100-499 employees), and PBI/Gordon Corporation (100 to 499 employees). Clearly, opportunity exists for Shawnee to attract additional logistics and light manufacturing firms.

Employment Trends

Since gains in employment generally fuel growth in population, income, and retail expenditures, job growth is a reliable indicator of general economic conditions and demand for housing and commercial space. Typically, households prefer to live near work for convenience. Affordable housing costs, reduced commute times, and higher quality of life can also motivate employees to relocate from elsewhere in a metropolitan area to the community where their job exists.

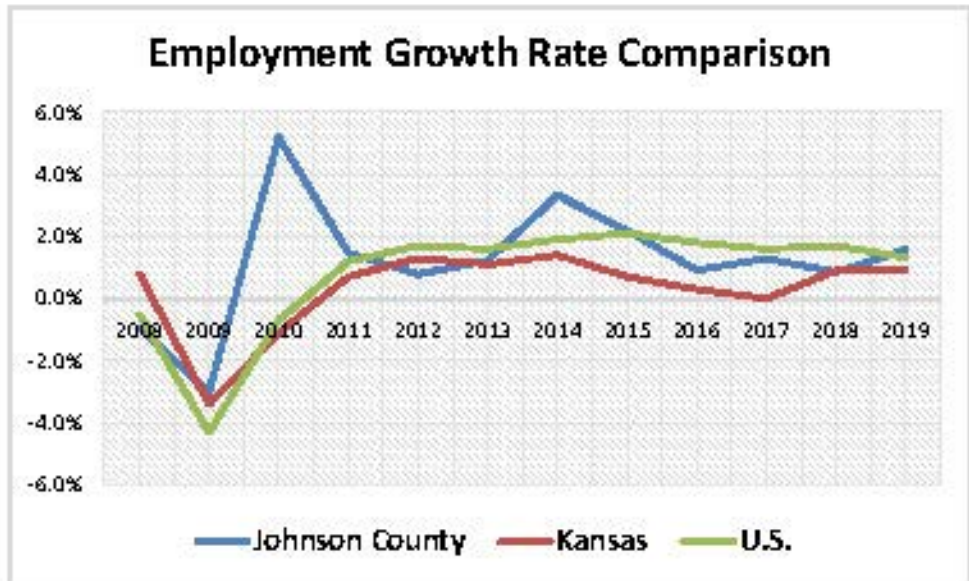
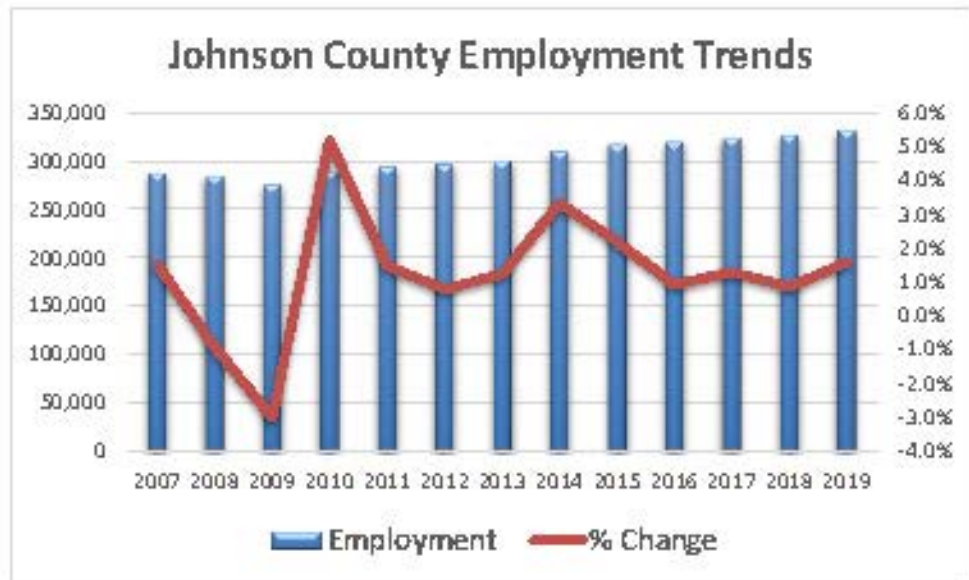
The City of Shawnee is in Johnson County. According to the Kansas Department of Labor, after peaking in 2007 at 287,351 jobs and an unemployment rate of 3.8 percent, in the wake of the national housing crisis and weakening economic conditions employment in Johnson County hit a low in 2009 of 276,096 jobs and an 6.5 percent unemployment rate. Through year-end 2019 the job market has steadily improved, adding over 56,000 new jobs and a healthy unemployment rate of 2.5 percent. Year-end employment levels for Johnson County from 2007 through 2019 are depicted in the bar chart below.

By March 2020, employment in Johnson County totaled 330,309 jobs and an unemployment rate of 2.5 percent. The COVID-19 pandemic reversed the decade long employment growth with the loss of nearly 31,000 jobs in April 2020, pushing the unemployment rate to 10.6 percent. By April 2021, employment in Johnson County had fully recovered adding approximately 40,000 new jobs, reducing the unemployment rate to 2.7 percent. Total employment in April 2021 of 339,407 jobs exceeded pre-pandemic levels.

Despite the adverse impacts of the pandemic on the national and state economies, according to the Kansas Department of Labor, the September 2020 unemployment rate for Johnson County stood at a healthy 4.7 percent which compares to 5.9 percent statewide. For September 2020, Johnson County's labor force was reported at 330,296, with employment of 314,617.

The U.S. Bureau of Labor Statistics reported as of 2020 Q2, Johnson County's average weekly wage of \$1,207 exceeded the national average of \$1,188. Johnson County is the only large county in Kansas to record wages above the national average.

Employment growth rate comparisons from 2008 through 2019 for Johnson County, State of Kansas, and United States are depicted in the bar chart below. Since 2008, annual job growth rate patterns for Johnson County have trended higher than both the statewide and national averages. Job growth for Johnson County has been strong since 2014 reporting annual growth rates of 0.9 percent to 3.3 percent. By comparison, since 2014 annual employment growth ranged from a 0.0 percent to 1.4 percent in Kansas and 1.3 percent to 2.1 percent nationally.



According to the U.S. Census Bureau, the Shawnee, Kansas employment base totals approximately 36,000 jobs, an increase of 3,200 jobs since 2010. Leading employment sectors in Shawnee include: 1) healthcare and education, 2) professional and business services, 3) retail trade, 4) entertainment, accommodations, and food service, and 5) finance, insurance, and real estate.

From 2021 through 2040, job growth in Shawnee is projected to increase at an average annual rate of approximately 1.0 percent to 1.1 percent, yielding an estimated 8,400 new jobs.

Compared to statewide averages, Shawnee supports a higher rate of employment for wholesale trade; information; finance, insurance, and real estate; professional and business services; and arts, entertainment, accommodations, and food service. Employment sectors where Shawnee lags behind statewide averages include construction; manufacturing; healthcare and education; other services; and public administration. Shawnee’s concentration of white-collar employment is reflective of the high educational attainment levels among its residents. **Table D.4** illustrates these trends.

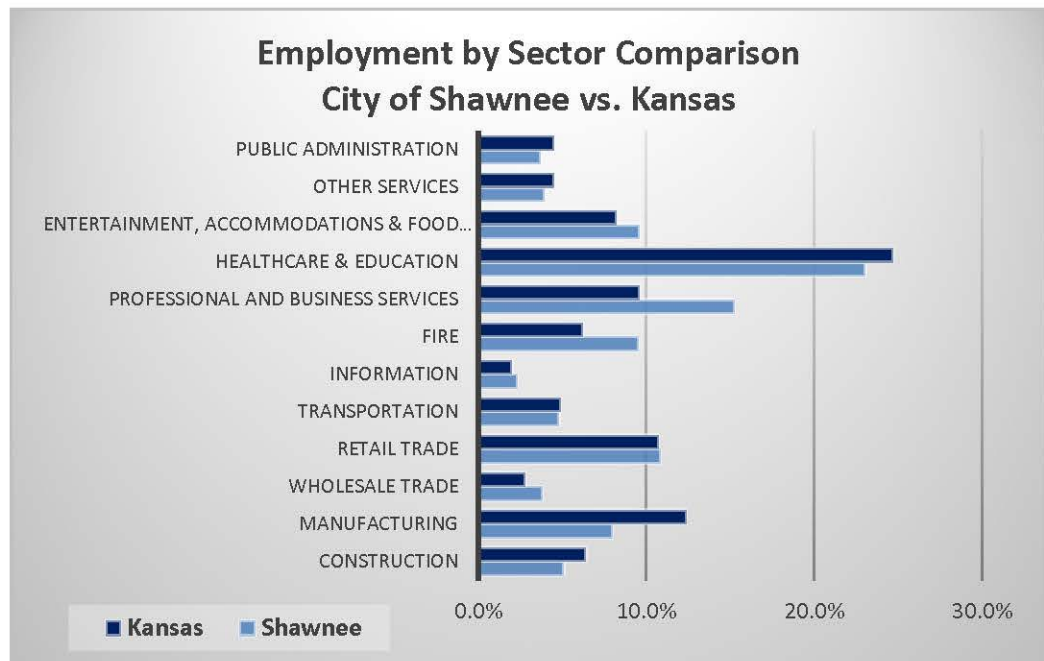
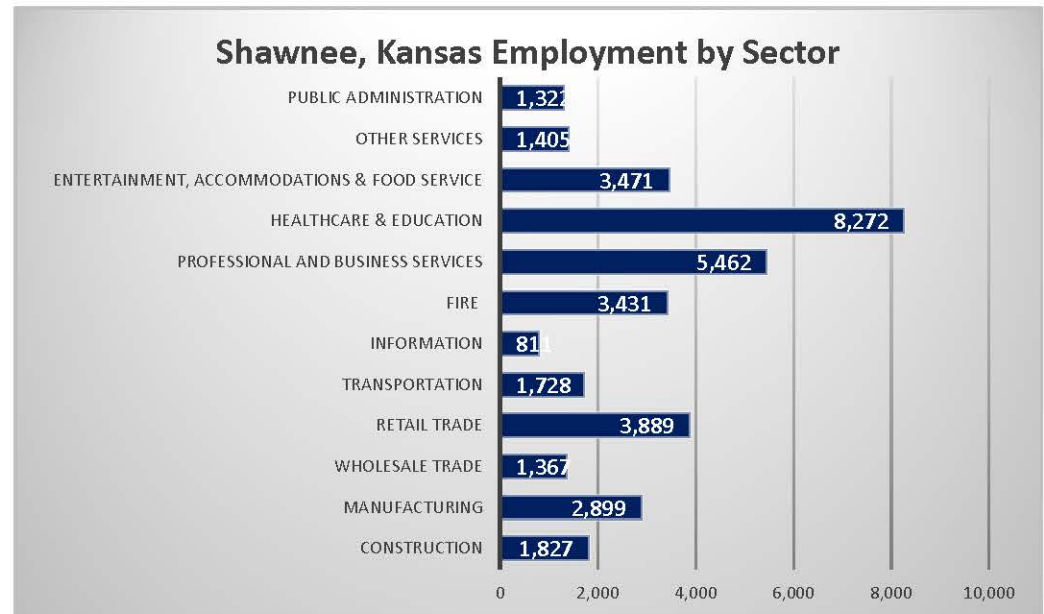


Table D.4 Employment by Sector Comparison City of Shawnee vs. State of Kansas

Industry	Planning # of Jobs	Area % of Total	Kansas % of Total
Construction	1,827	5.1%	6.4%
Manufacturing	2,899	8.0%	12.4%
Wholesale Trade	1,367	3.8%	2.8%
Retail Trade	3,889	10.8%	10.7%
Transportation, Warehousing & Utilities	1,728	4.8%	4.9%
Information	811	2.3%	2.0%
Finance, Insurance, and Real Estate	3,431	9.5%	6.2%
Professional and Business Services	5,462	15.2%	9.6%
Healthcare and Education	8,272	23.0%	24.7%
Arts, Entertainment, Accommodations & Food Service	3,471	9.6%	8.2%
Other Services	1,405	3.9%	4.5%
Public Administration	1,322	3.7%	4.5%

Source: U.S. Census Bureau.

Economic Development Factors

Based on interviews with economic development professionals, the bullet points below summarize the strengths and weaknesses in fostering economic development in Shawnee, Kansas.

Strengths/Assets

- Shawnee benefits from a regional economy centered on the Kansas City MSA. The region supports a diverse economy and is experiencing steady employment and population growth. Shawnee is located at the periphery of the Kansas City MSA and benefits from being within the path of urban growth.
- Shawnee benefits from access to an extensive interstate and state highway system and proximity to Kansas City International Airport. Interstate 435 and K-7 are emerging as employment corridors. The mean commute time for Shawnee residents is 21.5 minutes. The transportation network affords the opportunity to attract logistics and light manufacturing firms.
- Shawnee possess a business friendly environment with state and local incentives available for companies and new development.
- Shawnee’s population is well educated with a large percentage of residents attaining a bachelor’s degree or better. The high educational attainment levels afford Shawnee the opportunity to attract white-collar jobs.

- Shawnee benefits from convenient access to such post-secondary schools as Johnson County Community College, St. Luke's College, Rockhurst University, DeVry University, Park University, and University of Kansas.
- Shawnee maintains a high quality of life, marked by quality school, park and recreation facilities, low crime rate, and moderate cost of living.
- The City of Shawnee Parks and Recreation Department oversees more than 1,010 acres of city parks, Shawnee Town 1929 Museum, the Civic Centre, and the City's two state of the art aquatic facilities.
- Shawnee maintains a wide range of housing opportunities including rental apartments, townhomes, single-family homes, and large-lot rural homes.
- Johnson County supports a large and diverse employment base.
- Kansas is a right to work state with economic incentives available to qualified businesses.
- Actively developing business parks in Shawnee offer shovel-ready sites available for immediate development. The Heartland Logistics Park has commenced development and at build-out will support 2.0 million square feet of industrial space.
- Nieman Now! is a major infrastructure improvement project now underway bringing major beautification and structural improvements to downtown Shawnee. The Nieman Road Corridor sits within a Federally designated Opportunity Zone offering multiple blank slate parcels and a handful of vacant development sites.
- The rolling and tree covered topography of the western half of Shawnee provides for a unique setting for residential and recreational land uses.

Weakness/Liabilities

- Shawnee is landlocked with only about 25 percent of its land area remaining available for development. Some older portions of the City require reinvestment.
- Shawnee supports a modest inventory of land designated for industrial use.
- While the Shawnee population is well educated it is primarily a bedroom community with a limited number of large private employers.
- Many Interstate 435 and K-7 interchanges in Shawnee have been developed, placing a constraint in attracting major retail development.
- Shawnee's housing costs significantly exceed the metropolitan norm, placing affordability constraints for householders earning less than \$50,000 annually.
- While Johnson County supports a large and diverse employment base, the low unemployment rate places constraints on the availability of labor.
- Shawnee supports just 2.3 million square feet of industrial space with just 191,100 square feet vacant (8.5% vacancy rate) and available for immediate occupancy.
- The Shawnee office market supports approximately 5.0 million square feet of space operating at a cumulative vacancy rate of 8.8 percent. With just over 442,000 square feet of vacant space limits the options for companies considering a move to Shawnee or existing companies looking to expand.
- In attracting business Shawnee faces stiff competition from other cities within the Kansas City MSA.

Shawnee, Kansas possesses ample advantages for attracting businesses, jobs, and development activity. The principal economic development benefit lies within being located at the periphery of a growing regional economy whose assets include a large population; diverse economy, convenient highway, air and rail access; well educated population; and high quality of life. Economic development benefits offered by the City of Shawnee include shovel-ready building sites, efficient transportation network, excellent quality of life, and a well-educated population. Challenges facing future economic development efforts in Shawnee include a low unemployment rate that places constraints on the available labor force, limited inventory of industrial and office space available for immediate occupancy, and stiff competition from other cities within the Kansas City MSA.

Conclusions

Shawnee's urban growth is influenced by its excellent transportation network and location at the urban fringe of the Kansas City MSA. As the Kansas City region continues to grow Shawnee is anticipated to experience accelerated population and job growth, residential and commercial development activity, and increased demands for municipal and transportation services.

By 2040, Shawnee is forecast to add approximately 16,500 residents and 8,500 jobs, generating demand for new housing, retail goods and services, eating and drinking establishments, and commercial and industrial space.

Household income levels in Shawnee suggest a future need for a wide variety of housing products, including affordable, entry level, move up, and luxury housing.

Shawnee's high educational attainment levels bode well for attracting employers and supporting above average income levels, retail expenditures, and housing values and rents.

Shawnee's large Millennial population creates demand for rental housing, clothing, electronics, entertainment, and eating and drinking establishments.

Johnson County loss of nearly 31,000 jobs in early 2020 due to the COVID-19 pandemic. By April 2021, employment in Johnson County had fully recovered with total employment of 339,407 jobs exceeding pre-pandemic levels.

Forecast continued job creation in Shawnee will yield a growing demand for retail, professional office, medical office, and industrial space.

Shawnee, Kansas possesses ample advantages for attracting businesses, jobs, and development activity. The principal economic development benefit lies within being located at the periphery of a growing regional economy whose assets include a large population; diverse economy, convenient highway, air and rail access; well educated population; and high quality of life. Economic development benefits offered by the City of Shawnee include shovel-ready building sites, efficient transportation network, excellent quality of life, and a well-educated population. Challenges facing future economic development efforts in Shawnee include a low unemployment rate that places constraints on the available labor force, limited inventory of industrial and office space available for immediate occupancy, and stiff competition from other cities within the Kansas City MSA.

MARKET ANALYSIS

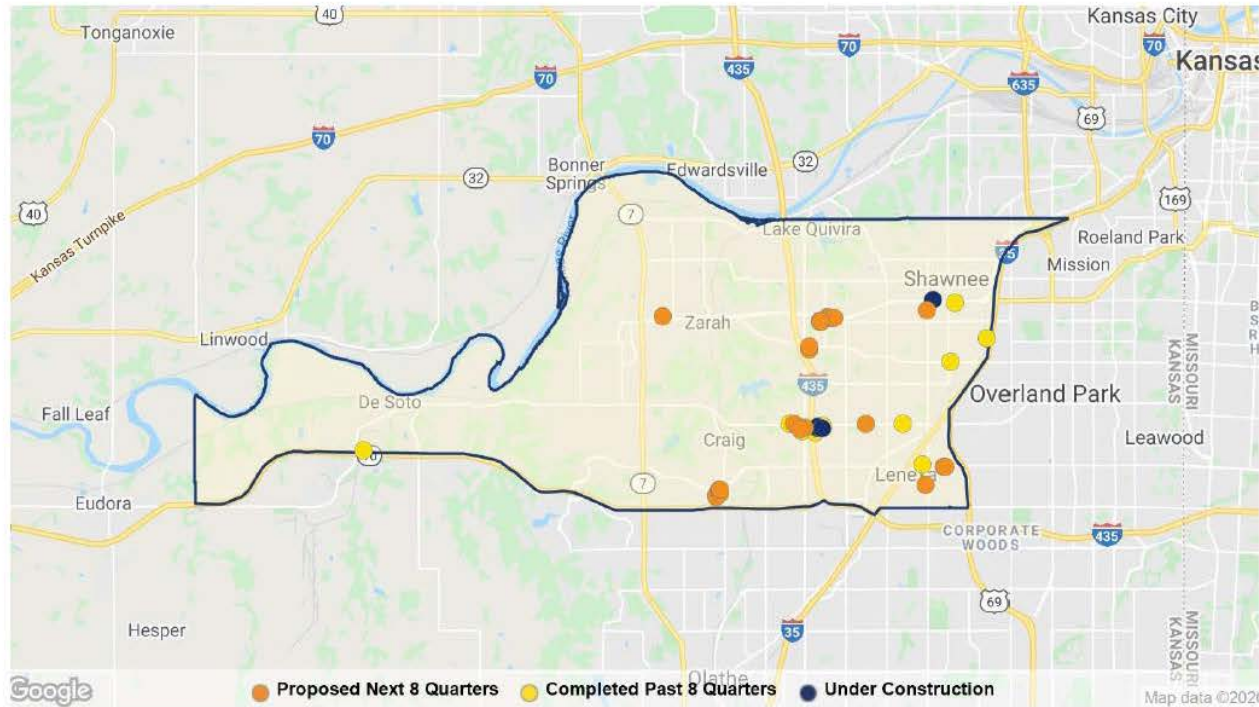
The *Market Analysis* portion of the study evaluated directly competitive retail, professional office, industrial, and housing market trends impacting the Planning Area. The market trends for each prospective land use were evaluated and the long-term need for additional commercial space, industrial space, and housing units was forecast to quantify the level of future real estate development in the Planning Area.

Retail Market Analysis

The *Retail Market Analysis* portion of the report evaluates directly competitive retail market trends impacting Shawnee and forecasts future demand for commercial space.

Retail Market Overview

According to the *Kansas City Retail Submarket Report* published by CoStar, Shawnee is located within the Northwest Johnson County submarket that consists of the communities of Shawnee and DeSoto as well as a portion of Lenexa.



By the fourth quarter 2020 the inventory of retail space in Northwest Johnson County totaled 10 million square feet, or 7.8 percent of the Kansas City MSA total. General retail and neighborhood shopping center space accounted for the bulk of the total inventory with 3.83 million square feet and 3.67 million square feet, respectively. Shawnee Mission Parkway serves as the submarket’s principal retail destination, housing such retailers as Walmart, Target, Home Depot, and Lowe’s.

At the close of the fourth quarter 2020, the Northwest Johnson County submarket was operating at a cumulative vacancy rate of 7.5 percent which is comparable to the metropolitan rate of 5.9 percent. The average asking rent of \$16.08 per square foot compares favorably to the metropolitan average of

\$15.60 per square foot. During 2020, Northwest Johnson County submarket absorbed negative 310,531 square feet of retail space. At year-end 2020, 17,712 square feet of retail space was under construction within the Northwest Johnson County submarket. Trends are illustrated in **Table D.5**.

Table D.5 Northwest Johnson County Retail Market Conditions; 2020 Q4

Center Type	Building Sq. Ft.	Vacancy Rate	Asking Rent	Absorption YTD	Space U/C
Malls	1,737,600	3.1%	\$15.55	-9,642	0
Power Centers	425,442	0.3%	\$22.79	2,303	0
Neighborhood Center	3,673,083	8.0%	\$15.76	-176,100	0
Strip Center	381,988	17.8%	\$16.24	2,338	0
General Retail	3,834,569	4.5%	\$15.86	-129,430	17,712
Totals	10,052,499	5.9%	\$16.08	-310,531	17,712

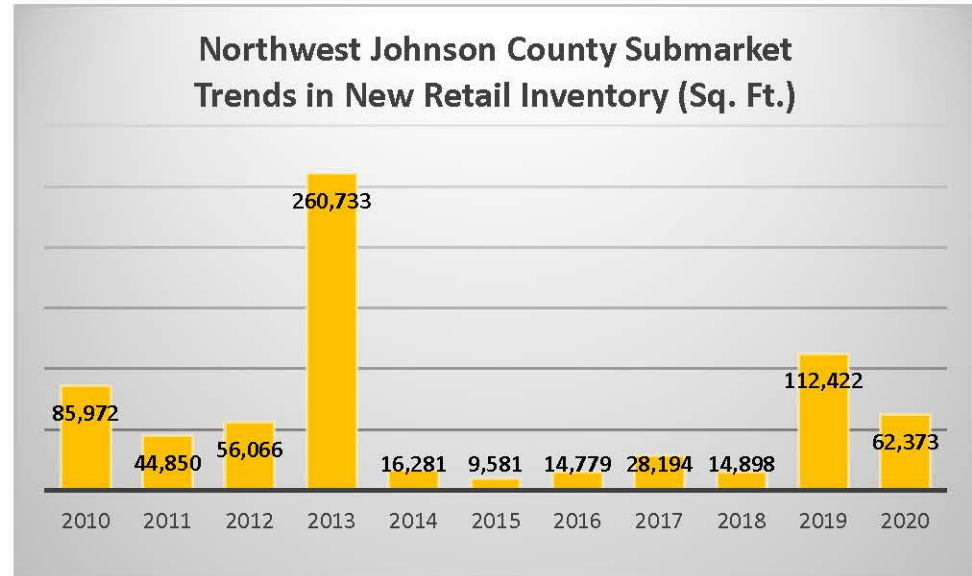
Source: CoStar.

Since 2010, Costar reported 706,149 square feet of retail space was constructed in the Northwest Johnson County submarket. Retail construction peaked in 2013 with the completion of 260,733 square feet of space. New retail construction has been modest since 2014.

The former Westbrooke Village Shopping Center at the northeast corner of 75th Street and Quivira Road is undergoing redevelopment with 343 apartment units and 107,600 square feet of neighborhood retail and restaurants. The apartment site has been cleared and ready for development.

Costar reported that 20 retail projects totaling 490,579 square feet of building area are proposed for future development in the Northwest Johnson County submarket. Legacy Development has plans to development Belmont Promenade, a 170,000 square foot power center, at the southwest norther of Shawnee Mission Parkway and Maurer Road in Shawnee.

Since 2010, Costar reported approximately 878,000 square feet of retail space was absorbed in the Northwest Johnson County submarket. Retail space absorption peaked in 2013 with the net occupancy of 340,217 square feet of space. Negative space absorption was reported in both 2018 (-18,248 SF) and 2020 (-310,531 SF).



With net space absorption outpacing new construction since 2010, the overall retail vacancy rate for the Northwest Johnson County submarket declined steadily from a high of 9.6 percent in 2010 and 2011 to a healthy 3.9 percent by year-end 2019. During 2020, the impact of on COVID-19 pandemic and ensuing business shutdown has had an adverse impact on the Northwest Johnson County retail submarket with net absorption of -310,531 square feet pushing the vacancy rate up to 7.5 percent by year-end.

To provide a more macro perspective of the competitive retail market the Costar database was searched for existing shopping centers and retail buildings in Shawnee. Bank branches, convenience stores, automotive, and fast food and sit-down restaurants were not included in the retail survey. The search identified 147 retail properties totaling approximately 3.2 million square feet of building area. As illustrated below, Shawnee Mission Parkway serves as Shawnee’s principal retail corridor.

As outlined in **Table D.6**, the Shawnee retail market supports approximately 3.2 million square feet of retail space operating at a cumulative vacancy rate of 10.6 percent. By comparison, the Kansas City MSA retail market is operating at a vacancy rate of just 5.6 percent. Freestanding buildings and big-box retailers account for nearly one-third of the total retail space inventory, or 1.0 million square feet. Neighborhood centers total 724,548 square feet of space, operating at a high vacancy rate of 29.9 percent. Community and power centers are operating at healthy vacancy rates of 4.1 percent and 6.4 percent respectively.

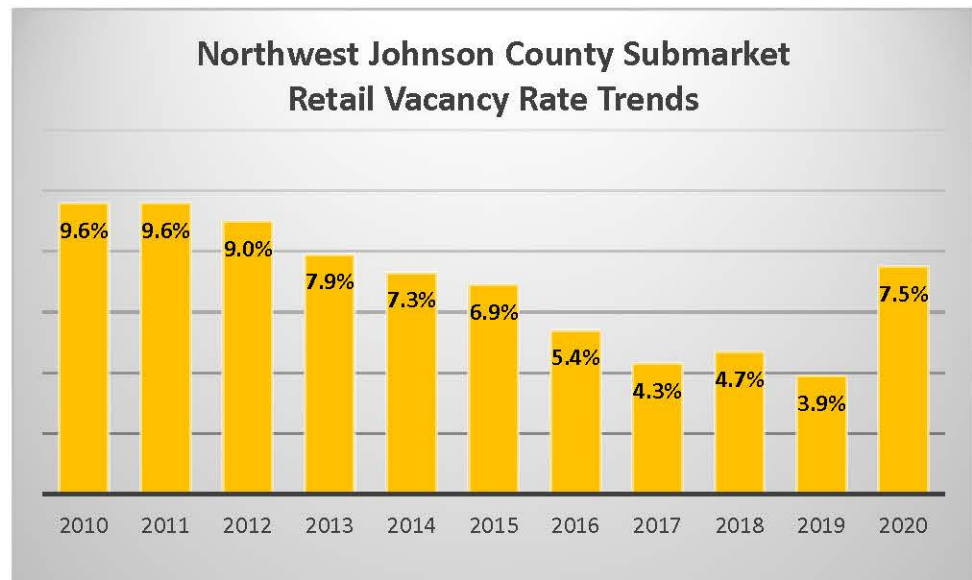
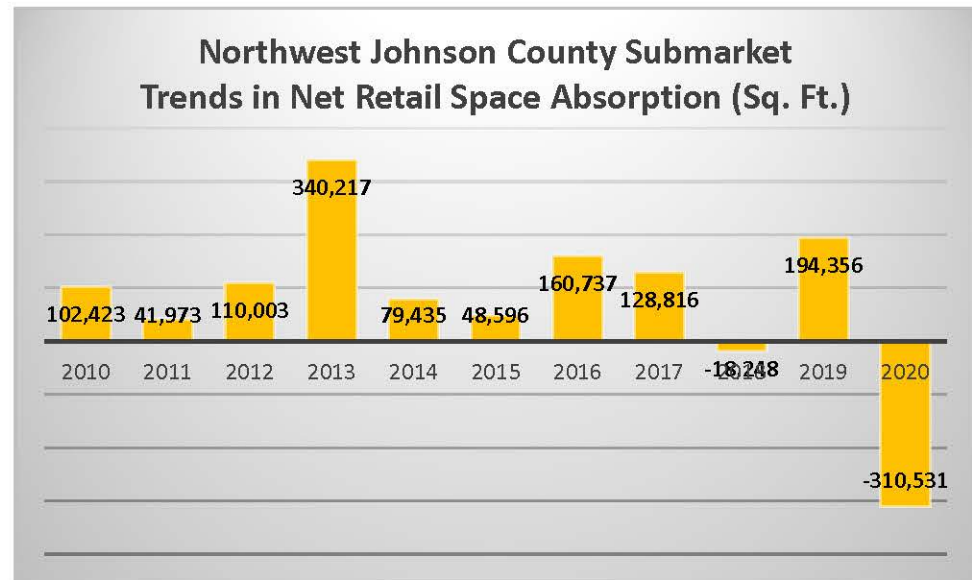


Table D.6 Shawnee Retail Market Conditions; 2020 Q4

Center Type	# of Buildings	Building Sq. Ft.	Vacant Space	Vacancy Rate
Power	3	406,337	16,747	4.1%
Community	24	559,889	35,844	6.4%
Neighborhood	22	724,548	216,707	29.9%
Strip	27	324,402	63,584	19.6%
Freestanding	40	1,015,043	0	0.0%
General Retail	31	188,354	8,863	4.7%
Totals	147	3,218,573	341,745	10.6%

Source: Costar.

Shawnee Station anchored by Target, Kohl’s, Michael’s, Petsmart, Maurices, and Bed Bath & Beyond. Other big-box retailers operating stores in this retail core include Walmart, Home Depot and Lowe’s. Legacy Development has plans to develop Belmont Promenade, a 170,000 square foot power center, at the southwest norther of Shawnee Mission Parkway and Maurer Road.

Highway 7 at Johnson Drive is an emerging commercial hub housing a Walmart, CVS Pharmacy, Walgreens, strip centers, and several freestanding retailers.

Neiman Road in downtown Shawnee also supports a concentration of commercial development. The Neiman Now! project by the City of Shawnee encompassed four stormwater projects and a major enhancement to Nieman Road between Shawnee Mission Parkway and 55th Street. Several other adjacent streets were upgraded to provide greater pedestrian and bicycle access throughout the entire area. The focal point of Nieman Now! was turning Nieman Road into a three-lane road with a bike and pedestrian path on one side and sidewalk on the other. Trees, benches, and signs were installed and streetlight fixtures were upgraded. Construction was completed in the summer 2020. These improvements will hopefully stimulate private sector investment in downtown.

Trade Area Capture

Information about a community’s retail trade area can help assess the ability of local merchants to attract and capture the retail business of local residents. The trade area capture (“TAC”) is an estimate of the number of people who shop in the local area during a certain period. TAC assumes that local residents will buy goods at the same rate as the state average, and that the only force that causes a variation in spending patterns is income. The formula for calculating TAC is:

$$TAC = \frac{\text{Community's Actual Retail Sales}}{\text{State Per Capita Sales} \times \text{Community's Per Capita Income} / \text{State Per Capita Income}}$$

Despite the well above average household income levels and steady population growth, Shawnee currently supports 41.5 square feet of occupied retail space per capita compared to 56 square feet per capita for the Kansas City MSA. This well below average supportable retail space may suggest Shawnee is experiencing retail sales leakage to other cities in the Kansas City MSA.

Shawnee Mission Parkway serves as the Shawnee’s principal commercial corridor running the length of the city. The original commercial core extends from Switzer Road west to Pflumm Road housing anchored shopping centers, strip centers, and a variety of freestanding retail businesses.

As the city grew westward the intersection of Shawnee Mission Parkway and Maurer Road emerged as a retail destination with the development of

If the TAC estimate is larger than the community's population it suggests: 1) the community is attracting customers outside its boundaries or 2) residents of the community are spending more than the state average. If the estimate is smaller than the community's population: 1) the community is losing its customers to other regions for retail purchases or 2) residents of the community are spending less than the state average.

According to the U.S. Census Bureau, Shawnee's 2019 population is estimated at 65,807 residents and per capita income of \$39,901. The Kansas Department of Revenue reported 2019 retail sales for the City of Shawnee of \$1.34 billion.

The U.S. Census estimated the 2019 population for Kansas at 2,913,314 residents and per capita income of \$30,757. According to the Kansas Department of Revenue the state's taxable retail sales for 2019 totaled approximately \$43.7 billion, equating to per capita retail sales of \$15,011.

$$\frac{\$1,341,844,160}{\$15,011 \times (\$39,901 / \$30,757)} = 68,905 \text{ Residents}$$

Shawnee's resident population of 65,807 and estimated TAC of 68,905 residents illustrates the City's slightly above average capture of shoppers from outside of the community.

Retail Pull Factor

Pull factors ("PF") measure a community's ability to attract shoppers, residents and non-residents alike, to make retail purchases within the community. A pull factor is a measure of the strength of a community's retail trade, based on a comparison of local spending in relation to that of a wider geographic area (e.g. the state), with a measure of 1.0 representing a perfect balance. A pull factor greater than 1.0 indicates that the community is pulling in retail sales from beyond its boundaries and the balance of trade is favorable. Alternatively, a pull factor less than 1.0 indicates that the community is not capturing local shoppers and is experiencing retail sales leakage. Pull factors are calculated by dividing the TAC by the community's population.

The Kansas Department of Revenue publishes an annual *County Trade Pull Factor Report* that calculates the retail pull factor for all cities in the state measured against the statewide average. Despite supporting a per capita income 30 percent above the statewide rate, according to the report the Shawnee suffers from retail sales leakage. In 2005, Shawnee's pull factor was measured at 1.11, indicating the city was capturing retail sales at a rate 11 percent higher than the statewide average. By 2014, the city's pull factor had declined to 0.93.

Shawnee's pull factor has since increased to a current rate of 0.98, indicating the city captures retail sales at a rate equal to 98 percent of the statewide average. Meanwhile, the neighboring communities of Mission (1.74), Lenexa (1.56), and Overland Park (1.37) support some of the highest pull factors in Kansas, suggesting Shawnee residents maybe shopping in these cities.

The Kansas Department of Revenue also calculates an income adjusted pull factor which accounts for a community's income level relative to the statewide average. Shawnee's average household income of \$84,507 compares to the statewide rate of \$57,422. Despite this household income disparity, since 2016, Shawnee's income adjusted pull factor has ranged from 0.75 to 0.76, indicating a retail sales capture rate of only 75 percent to 76 percent. This loss of retail sales to other city's has an adverse impact on both Shawnee's retail market and sales tax collections.

Shawnee's long-standing retail sales leakage maybe a symptom of a shallow local retail market, presence at the urban fringe, and proximity to larger and more diverse retail destinations in the Kansas City MSA.

Forecast Retail Space Demand

Approximately 227 acres of undeveloped land in Shawnee is designated for future commercial development. At an average floor-area-ratation of 20 to 23 percent, this inventory of commercial land could support the development of 2.0 million to 2.3 million square feet of retail space.

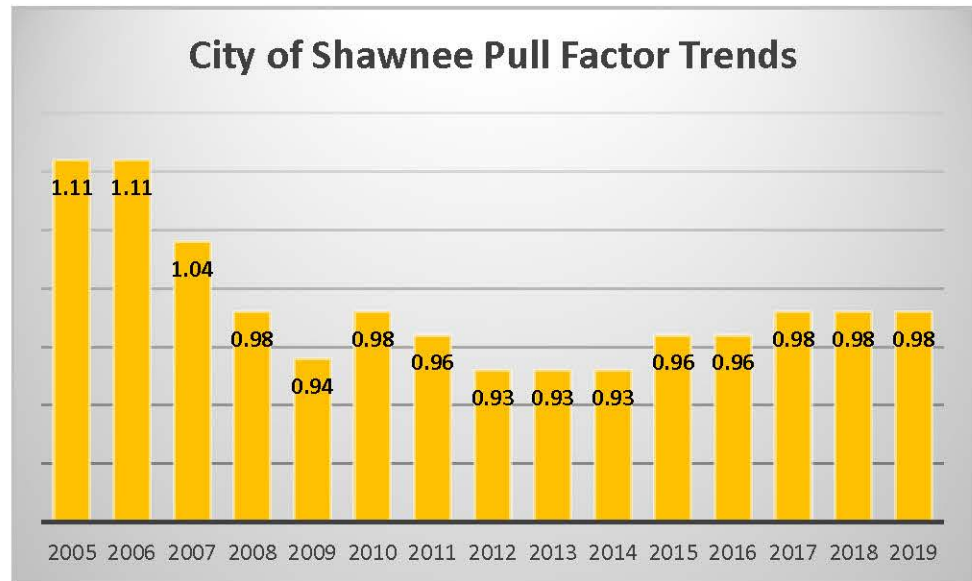
As of the fourth quarter 2020, Shawnee's inventory of 3.2 million square feet of retail space was operating at a cumulative vacancy rate of 10.6 percent, with an estimated 341,745 square feet of unoccupied space. A market equilibrium vacancy rate is generally considered to be in the 7.0 percent range. This section of the study provides conservative and optimistic retail space demand estimates through 2040 for the City of Shawnee.

Supportable retail sales are a function of consumer population and income levels. A trade area's total income is calculated by multiplying the total trade area population by the per capita personal income. Purchasing power, or total sales potential of the trade area, is then quantified by applying average retail expenditures as a percentage of total income.

The City of Shawnee's 2020 population is estimated at 66,659 residents and according to the U.S. Census Bureau the per capita income is estimated at \$39,901, yielding total personal income of approximately \$2.7 billion. Based on the *U.S. Census Bureau Annual Retail Trade Survey* and Shawnee's per capita income and retail sales levels, retail goods and services sales equate to a spending rate equivalent to approximately 40 percent of total personal income. The City's current income adjusted retail pull factor is 0.76.

By 2040, the City of Shawnee's population is forecast to increase by approximately 16,304 new residents. For this analysis per capita income and average retail sales per square foot remained constant. The variable will be Shawnee's achievable retail pull factor.

Under the conservative scenario the Shawnee's income adjusted pull factor remains at 0.76 throughout the projection period. By 2040, Shawnee is forecast to capture new retail goods and services sales of \$198 million, supporting approximately 860,000 square feet of new retail space.



The optimistic scenario assumes Shawnee’s population growth will lead to accelerated retail development and an improved retail pull factor, estimated at 0.85 through 2040. By 2040, Shawnee is forecast to capture new retail goods and services sales of \$221 million and approximately 962,000 square feet of new retail space. **Table D.7** illustrates these scenarios.

Table D.7 Retail Space Demand Projections Shawnee, Kansas; 2021 - 2040

Retail Sales Formula	Conservative Scenario	Optimistic Scenario
Residential Population Growth	16,304	16,304
Per Capita Income	\$39,901	\$39,901
Total Gross Personal Income	\$650,545,904	\$650,545,904
% Income Spent on Retail Goods and Services	0.40	0.40
Supportable Goods and Services by City Residents	\$260,218,362	\$260,218,362
City of Shawnee Pull Factor	0.76	0.85
Total Supportable Retail Goods & Services Sales	\$197,765,955	\$221,185,607
Average Retail Sales Per Sq. Ft.	\$230	\$230
Supportable Retail Space (Sq. Ft.)	859,852	961,677

Source: Canyon Research Southwest, Inc.; July 2021.

Accounting for the current inventory of vacant commercial space in Shawnee and a market equilibrium vacancy rate of 7.0 percent, through 2040 the City of Shawnee is estimated to support the development of approximately 800,000 to 909,000 square feet of new retail space. Based on an average floor-area-ratio of 20 percent to 23 percent, the forecast retail space need through 2040 would absorb an estimated 80 to 91 acres of commercial land under the conservative scenario and 92 acres to 104 acres under the optimistic scenario. Approximately 227 acres of undeveloped land in Shawnee is designated for future commercial development. **Table D.8** illustrates these scenarios.

Table D.8 Supportable New Retail Space Estimates Shawnee, Kansas; 2021 - 2040

City of Shawnee Retail Space Need 2021-2040	Conservative Scenario	Optimistic Scenario
Supportable New Retail Space Need		
Shawnee Inventory of Occupied Retail Space 2020 Q4	2,876,828	2,876,828
Forecast Retail Space Demand 2020-2040	859,852	961,677
Total Occupied Retail Space Inventory 2040	3,736,680	3,838,505
Market Equilibrium Retail Space Need	4,017,935	4,127,424
Less: Existing Inventory of Retail Space 2020 Q4	3,218,573	3,218,573
Supportable New Retail Space 2021-2040	799,362	908,851
Supportable Development Acres		
20% FAR	92	104
23% FAR	80	91

Source: Canyon Research Southwest, Inc.; July 2021.

Conclusions

Shawnee supports 3.2 million square feet of retail space with Shawnee Mission Parkway serving as the principal commercial corridor running the length of the city. The original commercial core extends from Switzer Road west to Pflumm Road. As the city grew westward the Shawnee Mission Parkway intersections at Maurer Road and K-7 Highway emerged as retail cores.

Despite the well above average household income levels and steady population growth, Shawnee currently supports 41.5 square feet of occupied retail space per capita compared to 56 square feet per capita for the Kansas City MSA.

Shawnee suffers from retail sales leakage. Shawnee’s current pull factor of 0.98 indicates the city captures retail sales at a rate equal to 98 percent of the statewide average. Meanwhile, the neighboring communities of Mission (1.74), Lenexa (1.56), and Overland Park support some of the highest pull factors in Kansas, suggesting Shawnee residents maybe shopping in these cities.

The income adjusted pull factor which accounts for a community’s income level relative to the statewide average, further illustrates the extent of Shawnee’s retail leakage. Shawnee’s income adjusted pull factor of 0.76 indicates a retail sales capture rate of only 76 percent. This loss of retail sales to other city’s has an adverse impact on both Shawnee’s retail market and sales tax collections.

Through 2040, the City of Shawnee is estimated to support the development of approximately 800,000 to 909,000 square feet of new retail space, resulting in the absorption of an estimated 80 to 91 acres of commercial land under the conservative scenario and 92 acres to 104 acres under the optimistic scenario. Approximately 227 acres of undeveloped land in Shawnee is designated for future commercial development.

Employment Market Analysis

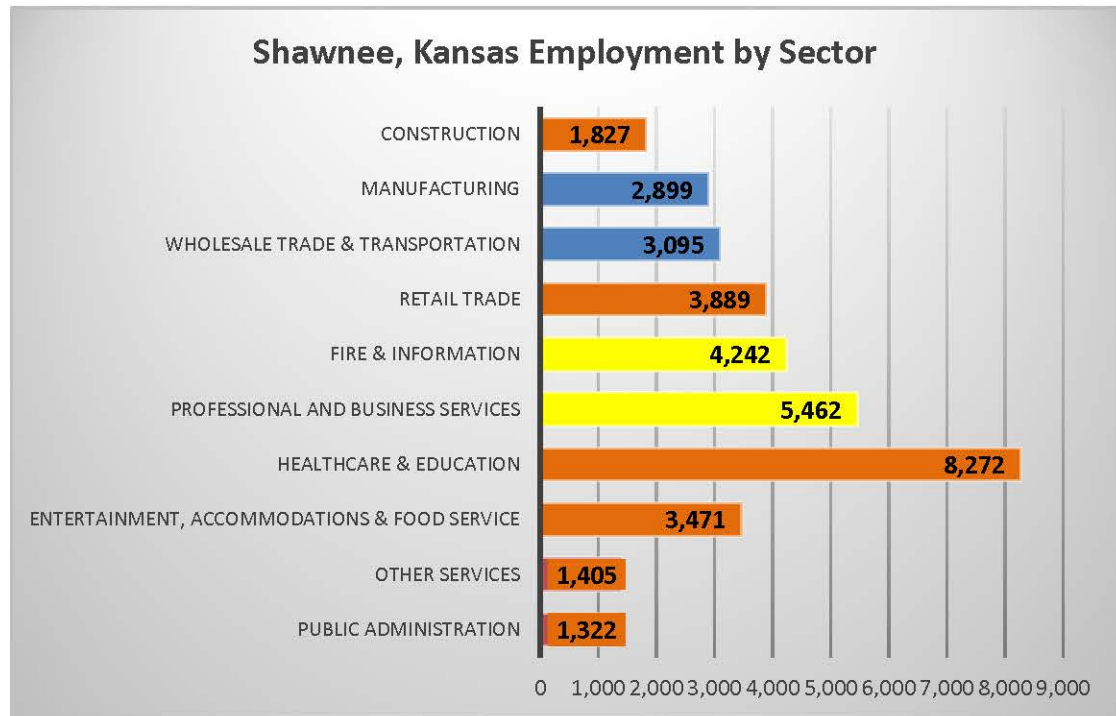
Undeveloped land in Shawnee available for employment-related development includes 79 acres designated office/commercial, 224 acres office/service, and 884 acres warehouse industrial. This section of the study evaluates office and industrial market conditions impacting Shawnee. The goal is to identify future opportunities for Shawnee to support employment-related development.

Employment-Related Business Mix

For this analysis industrial-related employment is defined as the manufacturing and wholesale trade & transportation sectors while office-related employment includes the FIRE and information, professional services and business services sectors. In the bar chart below industrial-related sectors are highlighted in “blue” with office-related sectors highlighted in “yellow”.

Office-related employment in Shawnee consists of 4,242 jobs in the FIRE and information sectors and 5,462 jobs in the professional and business services sectors. Collectively, these 9,704 jobs account for 27.0 percent of Shawnee’s total employment. By comparison, office-related jobs account for 18.1 percent of employment in Kansas. At an average space requirement of 200 to 225 square feet per employee, current employment levels can support approximately 1.9 million to 2.2 million square feet of occupied professional office space.

Industrial-related employment in Shawnee totals 5,994 jobs in the manufacturing and wholesale trade sectors, or 16.7 percent of Shawnee’s total employment. By comparison, industrial-related jobs account for 20.9 percent of employment in Kansas. At an average space requirement of 1,000 to 1,250 square feet per employee, current employment levels can support approximately 6.0 million to 7.5 million square feet of occupied industrial space.



Office Market Overview

According to the *Kansas City Office Submarket Report* published by CoStar, the Northwest Johnson County submarket consists of the cities of Shawnee, DeSoto, and a portion of Lenexa.

The *Kansas City Office Submarket Report* segments office buildings into three categories based on quality and amenities provided. These building categories include Class A, B, and C, each of which is defined below.

Class A Buildings

Class A office properties represent the newest and highest quality buildings in the market. Class A buildings possess high-quality building infrastructure, a desirable location with good access, and are professionally managed. Class A buildings attract the highest quality tenants and command the highest rents.

Class B Buildings

Class B buildings are generally a little older, but still have good quality management and tenants. Oftentimes, well-located Class B buildings can be returned to Class A status through renovations such as facade and common area improvements. Class B buildings are not be functionally obsolete and are well maintained.

Class C Buildings

Class C is the lowest classification of office building. These are older buildings located in less desirable areas and are often in need of extensive renovation. Architecturally, these buildings are the least desirable, and building infrastructure and technology is outdated. As a result, Class C buildings have the lowest rental rates, take the longest time to lease, and are often targeted as re-development opportunities.

Northwest Johnson County Submarket

According to CoStar, by the fourth quarter 2020 the inventory of office space in Northwest Johnson County totaled 5.1 million square feet, or 4.0 percent of the Kansas City MSA inventory. The I-35 corridor and Lenexa City Center at 87th Street and I-435 are the largest concentrations of office space in Northwest Johnson County. Lenexa City Center is a 200-acre mixed-use district supporting shopping, restaurants, entertainment, offices, apartments, and hotels.

During the fourth quarter 2020, the Northwest Johnson County office market was operating at an overall vacancy rate of 8.9 percent, an average rent of \$22.69 per square foot, and 2020 YTD net absorption of -55,952 square feet of space. By comparison, by the fourth quarter 2020, the 126.5 million square feet of office space in the Kansas City MSA was operating at an overall vacancy rate of 8.9 percent and an average rent of \$20.83 per square foot.

Class A properties account for the smallest inventory of space totaling 1.5 million square feet, or a 29.7 percent share. The modest inventory of Class A space places the Northwest Johnson County submarket at a competitive disadvantage against more established office markets in attracting tenants. Most of the Class A office space is located within Lenexa City Center. Class A space is operating at the highest vacancy rate (11.7%) and highest average rent of \$29.81

per square foot. Class B office properties possess the largest inventory of space totaling 1.9 million square feet of leasable space operating at an overall vacancy rate of 8.0 percent and an average rental rate of \$21.96 per square foot. Class C office space totals 1.69 million square feet, operating at an average vacancy rate of 7.4 percent and an average rent of \$17.17 per square foot. At year-end 2020, no office space was under construction in the Northwest Johnson County submarket. **Table D.9** shows this information.

Table D.9 Northwest Johnson County Office Market Conditions; 2020 Q4

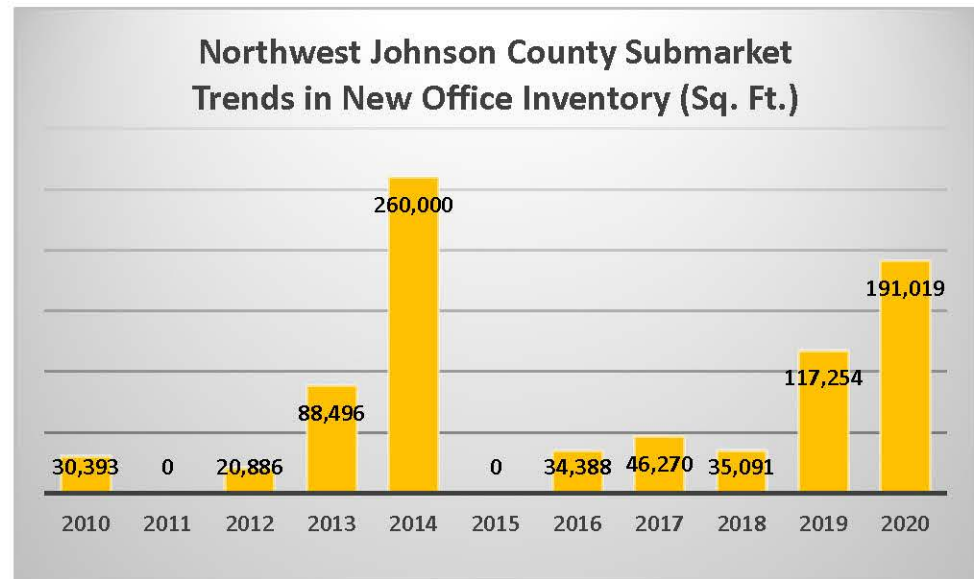
Classification	Building Sq. Ft.	Vacancy Rate	Market Rent	Absorption 2020 YTD	Space U/C
Class A	1,498,907	11.7%	\$29.81	58,295	0
Class B	1,900,281	8.0%	\$21.96	-41,321	0
Class C	1,686,020	7.4%	\$17.17	-72,926	0
Totals	5,085,208	8.9%	\$22.69	-55,952	0

Source: CoStar.

Since 2010, Costar reported 823,797 square feet of office space was added to the Northwest Johnson County submarket, accounting for 16.3 percent of the total inventory. New office construction peaked in 2014 with the completion of 260,000 square feet of space. Following four years of modest new office construction levels, during 2019 and 2020, construction activity has accelerated with the addition of 308,723 square feet of space. The most recently completed office property is Kiewit Power’s new 181,680 square foot office within Lenexa City Center.

Costar reported that eight office projects totaling 572,700 square feet of building area are proposed for future development in the Northwest Johnson County submarket. Most of the proposed office development is concentrated at Lenexa City Center.

Since 2010, Costar reported approximately 711,510 square feet of retail space was absorbed in the Northwest Johnson County submarket. Office space absorption peaked in 2014 with the net occupancy of 220,992 square feet of space and again in 2019 with 220,992 square feet of net absorption. During 2020, negative space absorption of 55,952 square feet was reported as business closures resulting from the COVID pandemic disrupted the office workforce environment.

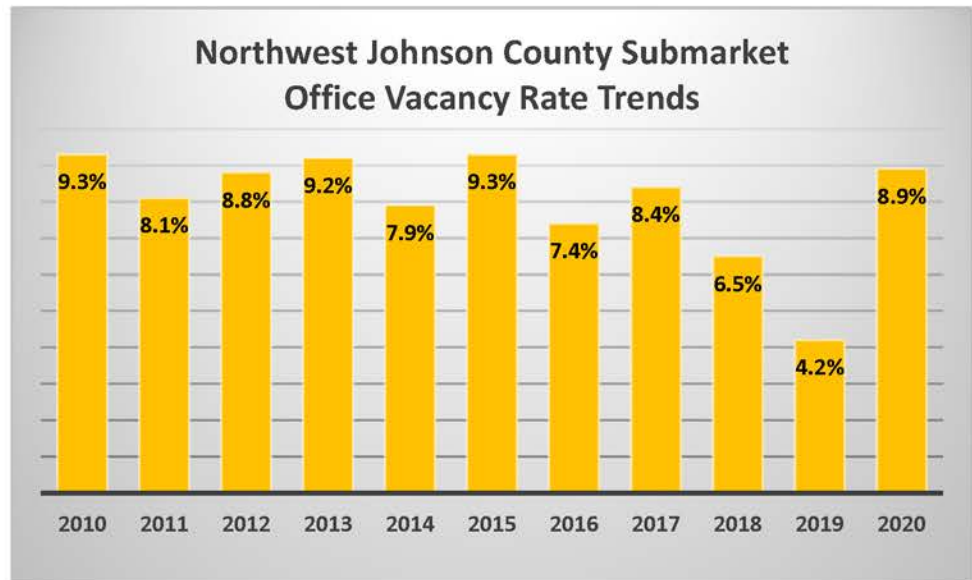
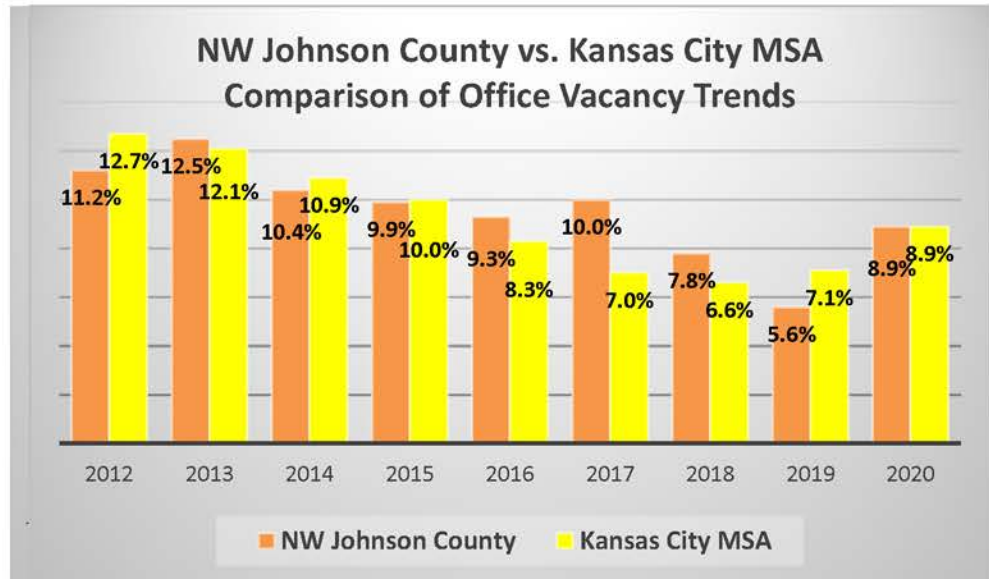


From 2010 through 2017, the overall office vacancy rate for the Northwest Johnson County submarket exceeded market equilibrium, ranging from a low of 7.4 percent in 2016 to a high of 9.3 percent in both 2010 and 2015. During 2018 and 2019, as net absorption outpaced new supply the overall vacancy rate moderated to a low of 4.2 percent. During 2020, the negative net absorption of 55,952 square feet pushing the vacancy rate up to 8.9 percent by year-end.

Since 2012, the vacancy rate patterns have been comparable for both the Kansas City MSA and Northwest Johnson County office markets. Following three years of above average vacancies, by 2019 the Northwest Johnson County office market vacancy rate of 5.6 percent outperformed the metro-wide market's rate of 7.1 percent. This trend has continued until the fourth quarter 2020.

From 2008 through 2011, the average office rent for the Northwest Johnson County submarket declined 4.9 percent as the national recession yielded a reduction in tenant demand. The market has since supported a steady upward trend in rents, increasing from an average of \$17.55 per square foot in 2012 to \$22.69 per square foot by year-end 2020. The Northwest Johnson County's current rent exceeds the Kansas City MSA rate of \$20.94 per square foot. Rent escalations peaked in 2014 and 2016 with annual growth of 5.0 percent and 6.4 percent, respectively.

For much of the past decade Kansas City's strong job market and the economic incentives Kansas and Missouri have offered employers promoted healthy tenant demand for office space. During April 2020, the COVID-19 pandemic yielded the loss of 15,300 information, financial, and professional and business services sectors in the Kansas City MSA. By April 2021, the Kansas City MSA office-user employment sectors gained 15,500 jobs, exceeding pre-pandemic employment levels. The office-related sectors for Kansas portion of the Kansas City MSA lost 6,900 jobs from February through April 2020 but have yet to fully recover adding just 2,300 new jobs through April 2021.



The COVID-19 pandemic has also adversely impacted employment in Johnson County resulting in the loss of nearly 31,000 jobs in April 2020. By April 2021, the Johnson County labor market had fully recovered adding approximately 40,000 new jobs,

To conclude, during early 2020 the Kansas City MSA and Johnson County office markets were adversely impacted from the COVID-19 pandemic as job losses and working from home will likely result in continued downsizing of office space by many companies. With office-related employment now fully recovered, the market fundamentals suggest long-term job growth and demand for office space.

Shawnee Office Market

Existing office buildings in the City of Shawnee were surveyed by consulting Costar. As the table below illustrates, Shawnee supports a modest inventory of office space with 108 properties totaling just over 1.1 million square feet of leasable area. Class A product accounts for just 155,052 square feet, or 14.0 percent of the total inventory. Class A space is operating at a healthy 2.7 percent vacancy rate and an average rent of \$23.50 per square foot.

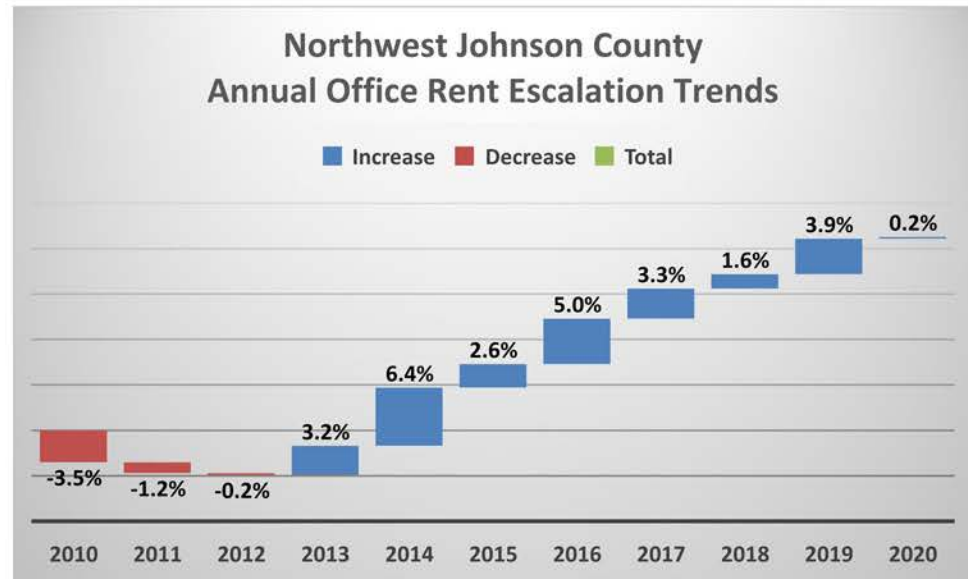
Shawnee’s modest inventory of Class A office space places it in at a competitive disadvantage when marketing to quality office tenants. An increased supply of Class A office space is needed for Shawnee to effectively compete in the Kansas City MSA office market.

Class B office space totals 575,875 square feet, amounting to 52.0 percent of the total inventory. Class B space is operating at an average vacancy rate of 10.4 percent and rent of \$19.84 per square foot. Shawnee’s highly educated population suggests a larger office market is supportable. See **Table D.10**.

Table D.10 City of Shawnee Office Market Conditions; 2020 Q4

Building Classification	# of Buildings	Building Sq. Ft.	Vacant Space	Vacancy Rate	Average Rent
Class A	3	155,052	4,227	2.7%	\$23.50
Class B	43	575,875	59,899	10.4%	\$19.84
Class C	62	377,219	5,172	1.2%	\$14.56
Totals	108	1,108,146	69,298	6.3%	\$18.19

Source: Costar.



Industrial Market Overview

Kansas City MSA continues to be a thriving industrial market due to its geographically centralized location in the United States, superior highway and rail infrastructure, and business-friendly foreign trade zone program. Home to the largest rail center in the United States by tonnage, Kansas City is ideally located at the crossroads of the east-to-west corridor and the route from Mexico to Canada. Transportation infrastructure and multiple intermodal facilities continue to spur development activity within the market. Four interstate systems converge upon Kansas City, resulting in more freeway-lane miles per capita than any other U.S. city, while allowing goods to be delivered to 85 percent of the nation's population within two days.

By year-end 2020, the Kansas City MSA maintained 320 million square feet of industrial space with an additional 12 million square feet under construction. Given Kansas City's central location and transportation network, warehouse and distribution space accounts for 72 percent of the total inventory of industrial space. The Kansas communities of Olathe and Lenexa collectively support over 71 million square feet of industrial space. By year-end 2020, the Kansas City industrial market was operating at a healthy vacancy rate of 5.0 percent.

Most of land designated for industrial use in Shawnee is located at the K-7 Highway intersections at 43rd Street to the far north and 87th Street to the far south. Undeveloped land in Shawnee available for industrial development totals 884 acres. Active industrial and business parks in Shawnee include the WestLink Business Center, Heartland Logistics Park, and Perimeter Park.

The WestLink Business Center at 43rd Street and K-7 Highway occupies 80 acres and is planned for 1.0 million square feet of warehouse and logistics space. Airtex, Inc. has constructed four, 170,000 square foot warehouse buildings in phases since 2014. All four buildings are fully occupied with Amazon recently expanded its 80,000 square foot distribution center at the WestLink Business Center by leasing an additional 170,000 square feet of space. The City of Shawnee issued industrial revenue bonds to support construction of the four existing buildings.

The Heartland Logistics Park is located at the northwest corner of 43rd Street and K-7 Highway. The 186-acre development is planned for four industrial warehouse buildings totaling approximately 1.9 million square feet of space. Construction on Building 1 totaling 272,882 square feet broke ground in June 2020. At build-out Heartland Logistics Park is anticipated to generate approximately 1,500 jobs. The City of Shawnee and KDOT teamed up to improve the public infrastructure for the area, including wastewater and public road improvements. The project's development team includes Colliers International, Brinkmann Constructors, GBA, and Burns & McDonnell/Blue Shawnee LLC.

The intersection of 83rd Street and K-7 Highway serves as Shawnee's largest concentration of existing industrial development. Perimeter Park located at the southwest corner of the intersection houses such tenants include the Kraft Tool Company, Ford, Weststar Energy, Nazdar, Hans Rudolph, Bio Microtics, Eiko, SPC, and QGC. Business operating at the northwest and northeast corners of the 83rd Street and K-7 Highway intersection include FedEx, Westmor, Raynor, and McLane.

According to the *Industrial Market Report* published by CoStar, by the fourth quarter 2020 the Shawnee supported 2.45 million square feet of industrial space consisting of 1.6 million square feet of warehouse and logistics space, 50,235 square feet of flex space, and 813,452 square feet of specialized industrial space. Shawnee's existing industrial supply accounts for just 0.7 percent of the Kansas City MSA's total inventory of space. A reported 504,000 square feet of industrial is under construction.

As of the fourth quarter 2020 the Shawnee industrial market was operating at a 7.9 percent vacancy rate which exceeds the Kansas City MSA average of 5.0 percent. Throughout 2020, net absorption of industrial space in Shawnee totaled 196,100 square feet of space. See **Table D.11**.

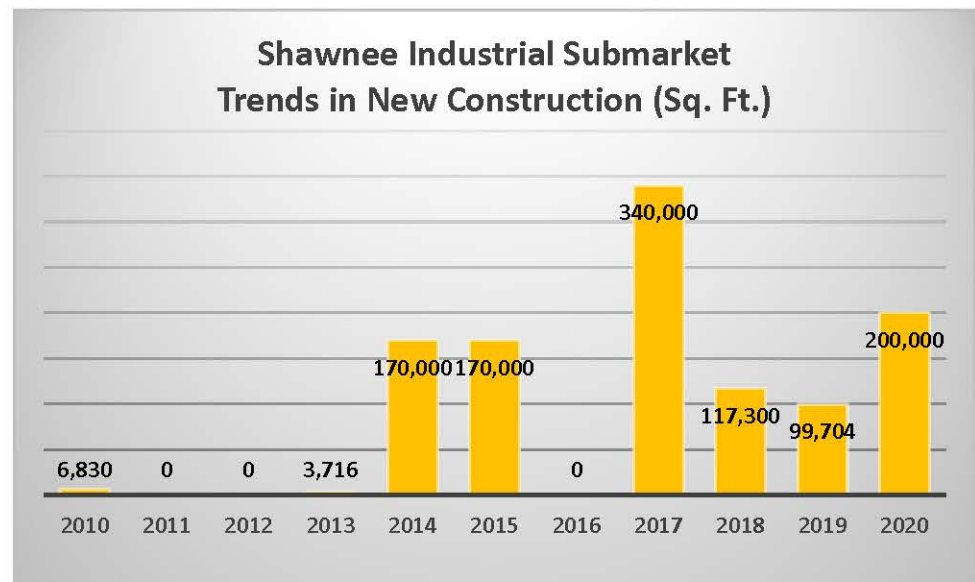
Table D.11 Shawnee Industrial Market Conditions; 2020 Q4

Property Type	Building Sq. Ft.	Vacancy Rate	Market Rent	Absorption 2020 YTD	Space U/C
Warehouse & Logistics	1,585,050	12.3%	\$6.05	195,000	504,000
Specialized Industrial	813,452	0.0%	\$6.18	1,100	0
Flex	50,235	0.0%	\$9.96	0	0
Totals	2,448,737	7.9%	\$6.14	196,100	504,000

Source: CoStar.

Since 2010, Costar reported 1.1 million square feet of new industrial space was constructed in Shawnee, accounting for 45 percent of the existing total inventory. New industrial construction peaked in 2017 with the completion of 340,000 square feet of space within the WestLink Business Center. Over the past three years new industrial construction in Shawnee has remained active totaling 417,004 square feet of space. Active new construction totals 504,000 square feet with 1.12 million square feet planned for future construction.

Since 2010, Costar reported 746,496 square feet of industrial space was absorbed in the Shawnee submarket. Industrial space absorption peaked from 2014 through 2017 with the net occupancy of 362,131 square feet of space and again in 2019 with 150,900 square feet of net absorption. Despite the COVID pandemic business disruption, during 2020 net absorption of 196,100 square feet was reported. Given the inventory of new industrial space under construction and Shawnee’s strong locational advantages, space absorption is anticipated to escalate leading into 2021.

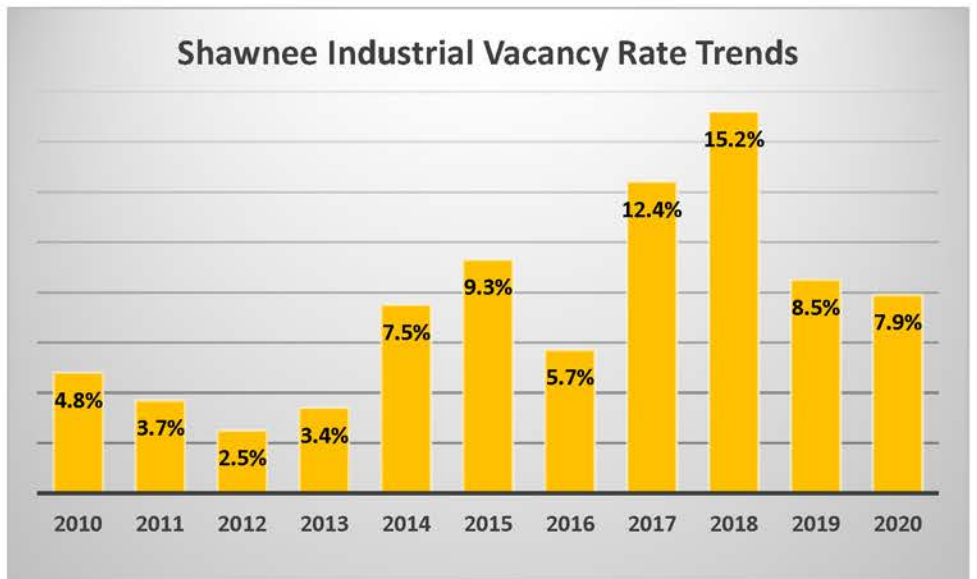
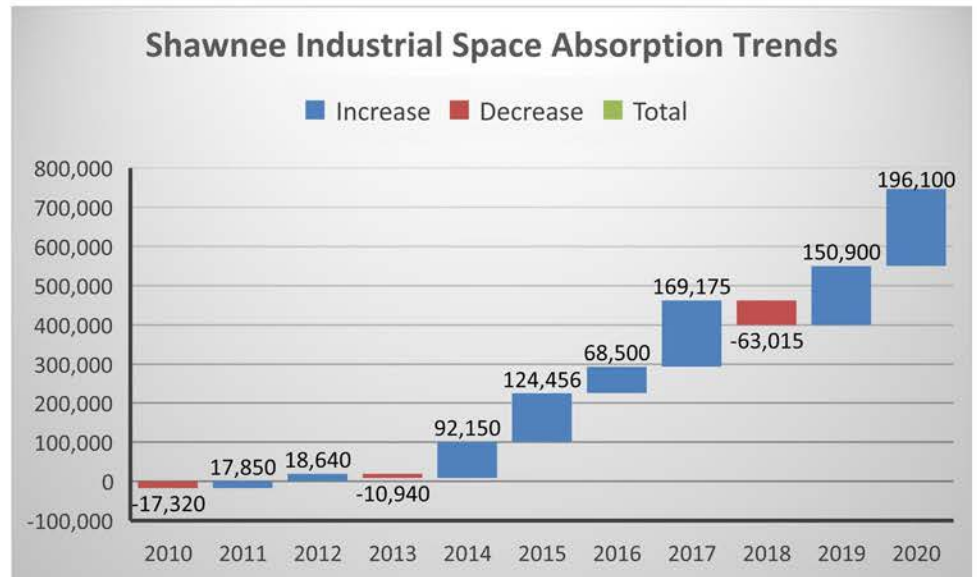


From 2010 through 2013, the overall industrial vacancy rate for the Shawnee submarket operated well below market equilibrium, ranging from a low of just 2.5 percent in 2012 to a high of 4.8 percent in 2010. Through 2018, as new supply outpaced net absorption of space the overall vacancy rate escalated to a high of 15.2 percent. Since 2019, the net absorption of 177,500 square feet reduced the vacancy rate to 8.5 percent by the third quarter 2020.

Since 2014, the average vacancy rate for industrial space in Shawnee has exceeded the Kansas City MSA average, though the gap has improved over the past several years. By year-end 2020, the Shawnee vacancy rate of 7.9 percent compared to the average for the Kansas City MSA of 5.0 percent.

By February 2020, the Kansas City MSA supported 297,400 manufacturing and trade, transportation, and utilities jobs, of which 139,800 jobs were located on the Kansas side of the metro area. The COVID-19 pandemic resulted in the loss of 32,400 manufacturing and trade, transportation, and utilities jobs in the Kansas City MSA from February through April 2020. By April 2021, the industrial employment sectors added 27,500 jobs, though total employment of 292,500 jobs still lagged pre-pandemic levels. The industrial sector for Kansas portion of the Kansas City MSA lost 13,800 jobs from February through April 2020, with job growth through April 2021 totaling 12,900 new jobs.

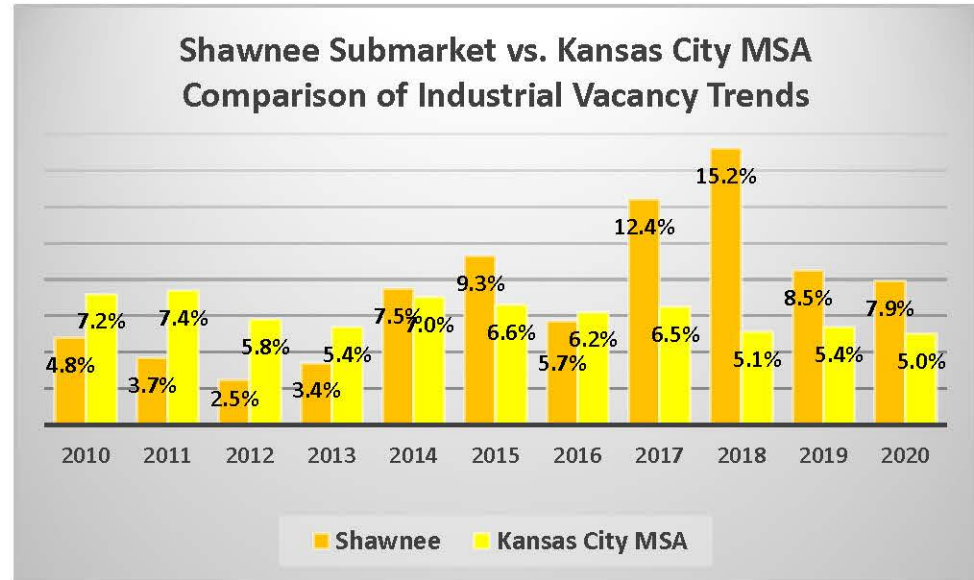
The Kansas City MSA industrial market has remained resilient throughout the COVID-19 pandemic, absorbing 7.48 million square feet of space 2020, compared to 1.56 million square feet for all of 2019. New industrial construction also accelerated during 2020 with 6.0 million square feet of space added, compared to 2.85 million square feet during 2019. The net result of the supply and demand balance was a slight reduction in the overall vacancy rate to 5.0 percent by the fourth quarter 2020. The short-term projections for the Kansas City MSA industrial market call for continued growth in employment, new construction, and net space absorption.



Undeveloped land in Shawnee available for industrial development totals 884 acres. The principal concentration of existing industrial development in Shawnee is located along the K-7 Highway corridor at the intersections at 43rd Street to the far north and 87th Street to the far south.

By the fourth quarter 2020, Shawnee supported a modest inventory of 2.45 million square feet of industrial space, of which nearly two-thirds consisted of warehouse space. The Shawnee industrial market too has remained resilient, posting new construction, positive net absorption of space, and a steadily improving overall vacancy rate.

By year-end 2020, existing industrial space was operating at an overall vacancy rate of 7.9 percent, slightly higher than the metro-wide average of 5.0 percent. Given Shawnee’s access to transportation it appears future industrial demand will originate from warehouse and logistics businesses. The K-7 Highway corridor is well positioned to support future industrial development.



Forecast Space Demand

Professional office and industrial space demand projections for the City of Shawnee through the year 2040 provide an understanding of future market conditions directly impacting the feasibility of supporting new employment-related development.

Professional Office Space

By year-end 2020, Shawnee supported 1.1 million square feet of office space. The demand for professional office space is closely correlated with expansion in office space using employment sectors. Future demand for professional office space was forecast utilizing an occupational employment-driven model. This model was designed using the variables of increased employment in categories of economic activity typically associated with demand for office space and average space requirements per employee. A share of regional demand is assigned to the submarket (and specific project) based on location, competition, access, project scale, etc.

According to the Bureau of Labor Statistics, office-related employment in the Kansas City MSA totals 282,600 jobs in the FIRE, information, and professional and business services sectors. Collectively, these sectors account for 26.4 percent of total employment. The portion of the Kansas City MSA in Kansas supports 49.2 percent of the total metropolitan employment including 138,900 jobs in the FIRE, information, and professional and business services sectors. Collectively, these sectors account for 29.5 percent of total employment.

Total employment in Johnson County rose from 257,983 jobs in January 2000 to 332,840 jobs by February 2020 (pre-pandemic), an increase of 74,857 jobs.

Through 2040, job growth in the City of Shawnee is projected to increase at an average annual rate of approximately 1.0 percent to 1.1 percent, yielding an estimated 8,400 new jobs. Office-related employment is forecast to account for 28 percent of total job growth, or 2,352 new jobs.

Office space demand created by the future growth in office-related employment was forecast by applying standard job creation ratios published by NAIOP of 1.0 job per 200 to 225 square feet of office space that accounts for both owner-occupied and speculative office space. From 2020 through 2040, office-related job growth in Shawnee is projected to support the need for approximately 470,400 to 529,200 square feet of owner-occupied and speculative office space. See **Table D.12**.

Table D.12 Forecast Professional Office Space Demand Shawnee, Kansas; 2021 to 2040

	Conservative Scenario	Optimistic Scenario
Shawnee, KS		
Office-Related Employment Growth	2,352	2,352
Net Office Space Demand (Sq. Ft.)	470,400	529,200
Average Annual Office Space Demand (Sq. Ft.)	23,520	26,460

Accounting for the current inventory of vacant office space in Shawnee and a market equilibrium vacancy rate of 7.0 percent, through 2040 the City of Shawnee is estimated to support the development of approximately 515,000 to 578,000 square feet of new office space. Based on an average floor-area-ratio of 25 percent to 30 percent, the forecast office space need through 2040 would absorb an estimated 39 to 47 acres of commercial land under the conservative scenario and 44 acres to 53 acres under the optimistic scenario. Approximately 303 acres of undeveloped land in Shawnee is designated for future office development. See **Table D.13**.

Table D.13 Supportable New Office Space Estimates Shawnee, Kansas; 2021 - 2040

	Conservative Scenario	Optimistic Scenario
Supportable New Office Space Need		
Shawnee Inventory of Occupied Office Space 2020 Q4	1,038,848	1,038,848
Forecast Office Space Demand 2021-2040	470,400	529,200
Total Occupied Office Space Inventory 2040	1,509,248	1,568,048
Market Equilibrium Office Space Need	1,622,847	1,686,073
Less: Existing Inventory of Office Space 2020 Q4	1,108,146	1,108,146
Supportable New Office Space 2021-2040	514,701	577,927
Supportable Development Acres		
25% FAR	47	53
30% FAR	39	44

Source: Canyon Research Southwest, Inc.; June 2021.

Industrial Space

By year-end 2020, Shawnee supported 2.45 million square feet of industrial space. Since 2010, Costar reported 746,496 square feet of industrial space was absorbed in Shawnee.

The demand for industrial space is a function of employment, investment, and technology. The U.S. Department of Labor defines industrial employment as jobs in the manufacturing, wholesale trade, and transportation and warehousing industries.

According to the Bureau of Labor Statistics, industrial employment in the Kansas City MSA during April 2021 totaled 292,500 jobs in the manufacturing and trade, transportation, and utilities sectors. Collectively, these industrial sectors account for 27.3 percent of total employment. The portion of the Kansas City MSA in Kansas supports 138,900 jobs in the manufacturing and trade, transportation, and utilities sectors, accounting for 29.5 percent of total employment.

Through 2040, Shawnee is forecast to add approximately 8,400 jobs. Industrial employment is forecast to account for 29 percent of total job growth, adding an estimated 2,350 new jobs.

According to Costar, by year-end 2020 the Kansas City MSA supported approximately 308 million square feet of occupied industrial space, equating to 1,053 square feet of occupied industrial space per employee. Given the net industrial job losses during 2020, a more conservative job to occupied space ratio of 1.0 job per 900 to 1,000 square feet of occupied industrial space was applied.

Space needs created by the future growth in industrial employment was forecast by applying standard job creation ratios of 1.0 job per 900 to 1,000 square feet of light manufacturing, warehouse and flex industrial space. These job creation rates account for both owner-occupied and speculative industrial space. See **Table D.14**.

Table D. 14 Industrial Space Demand Forecasts Shawnee, Kansas; 2021 to 2040

	Moderate Scenario	Optimistic Scenario
Shawnee, KS		
Industrial-Based Employment Growth	2,436	2,436
Industrial Space Demand (Sq. Ft.)	2,192,400	2,436,000
Average Annual Industrial Space Demand (Sq. Ft.)	109,620	121,800

Through 2040, industrial job growth in the City of Shawnee is projected to support the need for approximately 2.2 million to 2.44 million square feet of both owner-occupied and speculative industrial space.

Accounting for the current inventory of vacant industrial space in Shawnee and a market equilibrium vacancy rate of 7.0 percent, through 2040 the City of Shawnee is estimated to support the development of approximately 2.3 million to 2.6 million square feet of new industrial space. Based on an average floor-area-ratio of 30 percent to 35 percent, the forecast industrial space need through 2040 would absorb an estimated 153 to 179 acres of industrial land under the conservative scenario and 170 acres to 199 acres under the optimistic scenario. Approximately 864 acres of undeveloped land in Shawnee is designated for future industrial development. See **Table D.15**.

Table D.15 Supportable New Industrial Space Estimates Shawnee, Kansas; 2021 - 2040

	Conservative Scenario	Optimistic Scenario
Supportable New Retail Space Need		
Shawnee Inventory of Occupied Industrial Space 2020 Q4	2,255,287	2,255,287
Forecast Industrial Space Demand 2021-2040	2,192,400	2,436,000
Total Occupied Industrial Space Inventory 2040	4,447,687	4,691,287
Market Equilibrium Industrial Space Need	4,782,459	5,044,394
Less: Existing Inventory of Industrial Space 2020 Q4	2,448,737	2,448,737
Supportable New Industrial Space 2021-2040	2,333,722	2,595,657
Supportable Development Acres		
30% FAR	179	199
35% FAR	153	170

Source: Canyon Research Southwest, Inc.; June 2021.

Conclusions

The Northwest Johnson County office market totals 5.1 million square feet space, or 4.0 percent of the Kansas City MSA inventory. The I-35 corridor and Lenexa City Center at 87th Street and I-435 maintain the largest concentrations of office space in Northwest Johnson County.

By year-end 2020, the Northwest Johnson County office market was operating at an overall vacancy rate of 8.9 percent, consistent with the Kansas City MSA rate of 8.9 percent. The COVID-19 pandemic adversely impacted the Northwest Johnson County office market in 2020 with negative absorption of - 55,952 square feet of space.

The COVID-19 pandemic likely will bring permanent changes to the office environment. The Kansas City area’s office vacancy rates are expected to spike around 10 percent in 2021, with the ultimate impact depending on the extent of sustained job losses, length of the COVID-19 pandemic, and the extent in which telecommuting is permanently implemented. Coming trends in office use and design will hinge on whether companies “right-size” and diminish office footprints as telecommuting increases or stake out more square footage per employee to meet social distancing needs, according to the report. Co-working office space maybe an increasing trend, providing companies flexibility in space needs, lease commitment, and occupancy costs.

Shawnee supports a modest inventory of office space totaling just over 1.1 million square feet of leasable area. Principal concentration of office space include: 1) Shawnee Mission Parkway corridor from Nieman Road west to Pflumm Road, 2) Shawnee Mission Parkway and I-435, and 3) I-435 and Midland Road

Class A product accounts for just 155,052 square feet of space operating at a healthy 2.7 percent vacancy rate. Class B office space totals 575,875 square feet of leasable space operating at a vacancy rate of 10.4 percent.

Through 2040, Shawnee is projected to support the need for approximately 515,000 to 578,000 square feet of office space, resulting in the absorption of an estimated 39 to 47 acres of commercial land under the conservative scenario and 44 acres to 53 acres under the optimistic scenario.

The COVID-19 pandemic resulted in the loss of 32,400 manufacturing and trade, transportation, and utilities jobs in the Kansas City MSA from February through April 2020. By April 2021, the industrial employment sectors added 27,500 jobs, though total employment of 292,500 jobs still lagged pre-pandemic levels.

Most of land designated for industrial use in Shawnee is located at the K-7 Highway intersections at 43rd Street to the far north and 83rd Street to the far south. Undeveloped land in Shawnee available for industrial development totals 884 acres.

By year-end 2020, Shawnee supported a modest inventory of 2.45 million square feet of industrial space, of which nearly two-thirds consisted of warehouse space. The Shawnee industrial market has remained resilient throughout 2020, posting new construction, positive net absorption of space, and a steady improving overall vacancy rate.

By year-end 2020, existing industrial space in Shawnee was operating at an overall vacancy rate of 7.9 percent, slightly higher than the metro-wide average of 5.0 percent. Given Shawnee's access to transportation it appears future industrial demand will originate from warehouse and logistics businesses. The K-7 Highway corridor is well positioned to support future industrial development.

From 2010 through 2019, just over 550,000 square feet of industrial space was absorbed in the Shawnee submarket. Despite the COVID pandemic business disruption, during 2020 the Shawnee submarket recorded net absorption of 196,100 square feet. Active new construction totals 504,000 square feet with 1.12 million square feet planned for future construction.

Through 2040, industrial job growth in Shawnee is projected to support the need for approximately 2.3 million to 2.6 million square feet of new industrial space. This forecast industrial space need would absorb an estimated 153 to 179 acres of industrial land under the conservative scenario and 170 acres to 199 acres under the optimistic scenario.

Residential Housing Market Analysis

Approximately 4,806 acres of vacant land in Shawnee is available for future residential development at a maximum of 24,164 additional housing units at build-out. Most of the vacant residential land is located west of Interstate 435. This section of the report evaluates the Shawnee's single-family and apartment markets with the goal is to identify new construction and redevelopment opportunities to support new housing stock.

Housing Stock Characteristics

To identify Shawnee's existing housing stock characteristics this section of the study addresses the total inventory of dwelling units, occupancies, age, and mix of housing types as well as trends in new housing construction activity.

Housing Inventory Trends

The 1980 Census reported the Shawnee housing stock at 11,137 dwelling units. By the 2010 Census the Shawnee's housing stock increased by 124 percent to 24,964 dwelling units. Shawnee's housing stock in 2019 was estimated at 25,834 dwelling units.

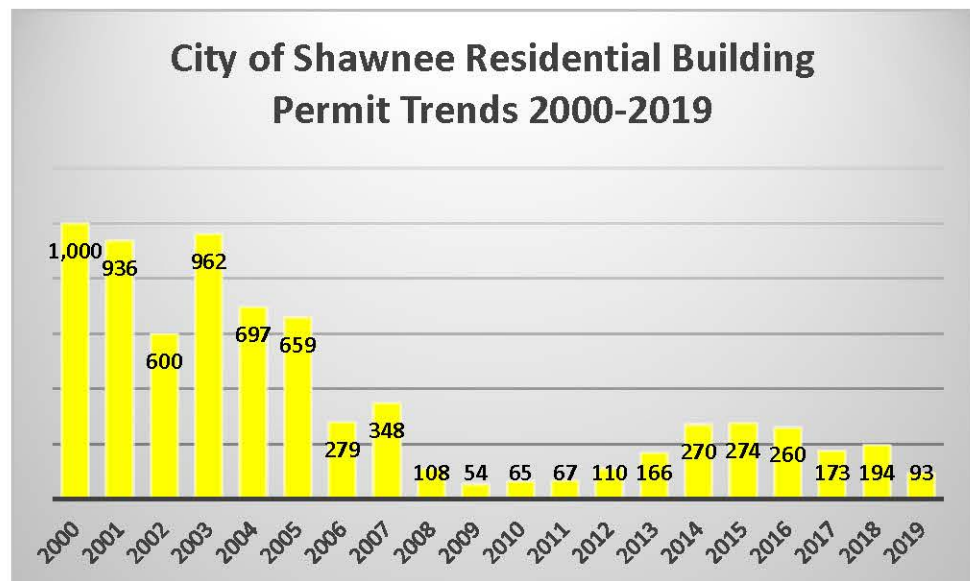
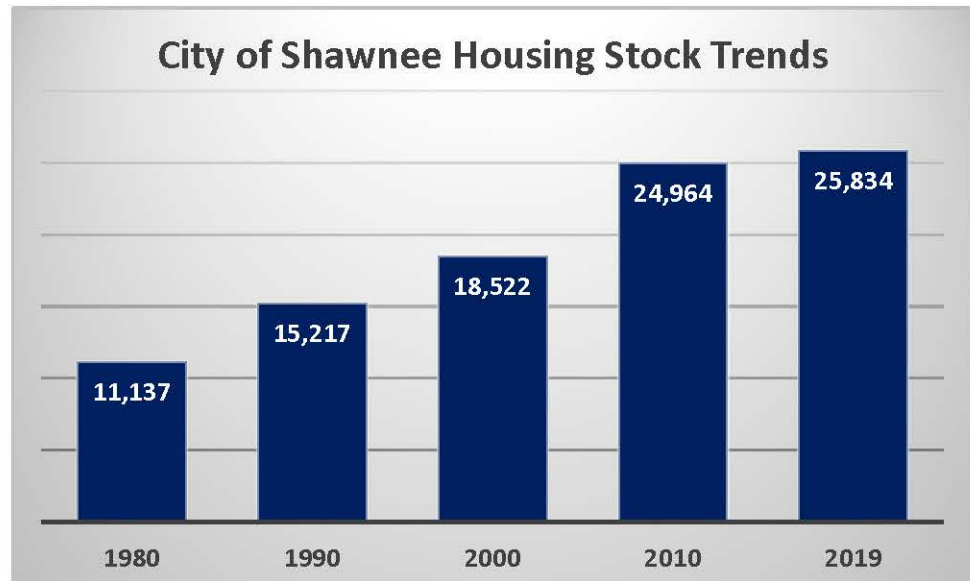
The bar chart on the following page depicts annual residential permitting volumes since 2000 issued by the City of Shawnee.

Over the past twenty years residential construction in Shawnee peaked from 2000 through 2005 when building permits were issued for a total of 4,854 dwelling units. In the wake of the national housing bust, annual permitting volumes steadily declined to a low of 54 housing units permitted during 2009. At the low point of that down cycle only 186 housing units were constructed from 2009 through 2011. Since 2012, housing construction activity has slowly improved but at a much slower velocity that during the prior cycle's peak. In fact, from a peak of 270 housing units permitted in 2014, the annual rate has steadily declined to 93 housing units in 2019.

Housing Tenure Trends

The 2000 Census reported that 18,522 housing units were occupied in Shawnee, including 13,775 owner-occupied units and 4,747 renter-occupied units. By the 2010 Census the occupied inventory had increased to 23,651 housing units. From 2000 to 2010, the number of owner-occupied housing units in Shawnee increased 25.5 percent to 17,283 units while the inventory of renter-occupied housing units rose 34.1 percent to 6,368 housing units.

By 2019, owner-occupied housing in Shawnee totaled 18,250 units, a 5.6 percent increase from 2010 while the 6,428 renter-occupied housing units represented a 0.9 percent increase.



From 2000 through 2019, the housing tenure for Shawnee increased by 4,475 owner-occupied housing units and 1,621 renter-occupied housing units. The share of owner-occupied housing declined from 74.4 percent in 2000 to 74.0 percent by 2019 while renter-occupied housing increased from 25.6 percent in 2000 to 26.0 percent by 2019.

Housing Occupancy Trends

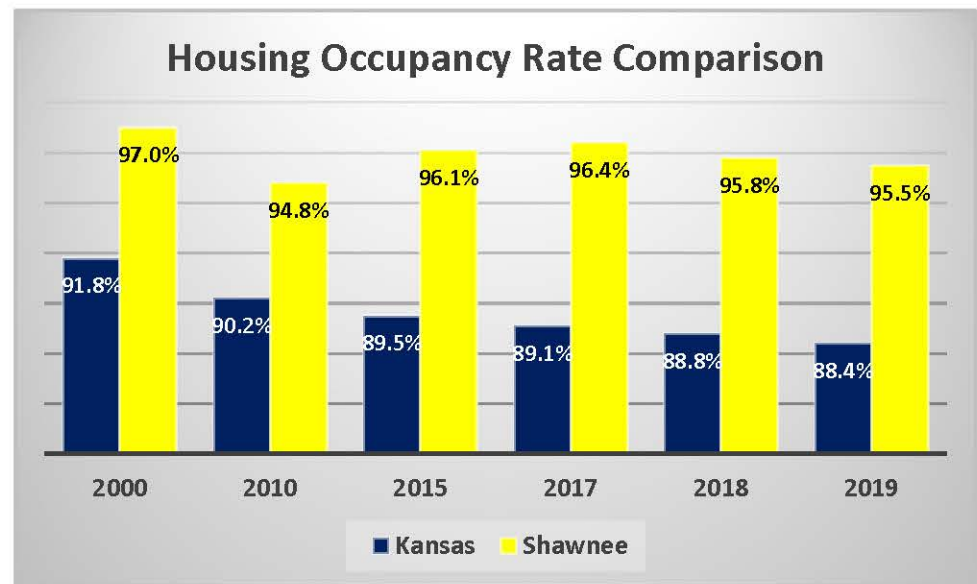
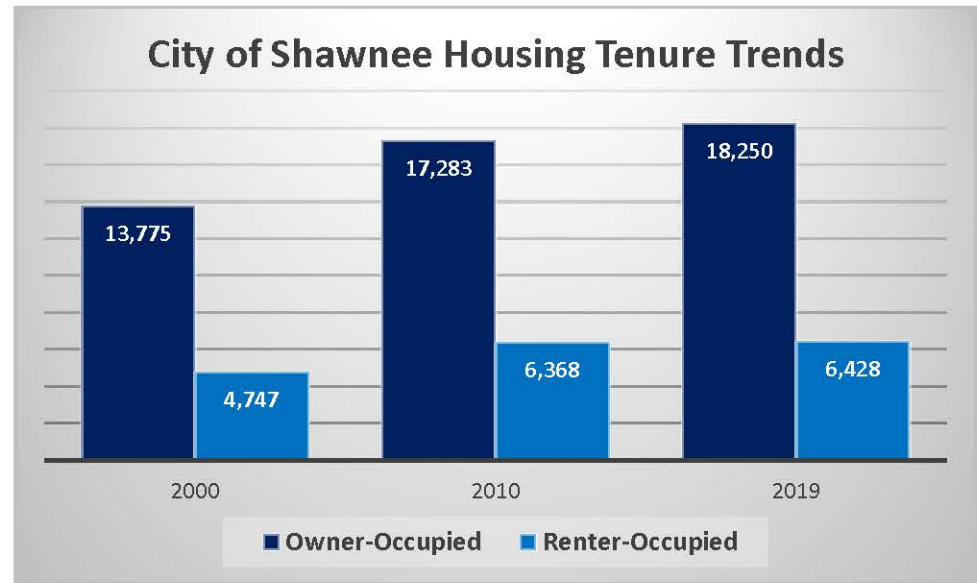
The U.S. Census reported the overall occupancy rate for existing housing in Shawnee declined slightly from 97.0 percent in 2000 to 94.8 percent by 2010. The net gain in occupied housing units over the decade totaled 5,129 dwelling units. Shawnee’s housing occupancy rate was reported at 96.1 percent in 2015, 96.4 percent in 2017, 95.8 percent in 2018, and 95.5 percent in 2019.

Throughout the past twenty years housing occupancies for Shawnee have significantly outpaced the statewide average. During 2000, Shawnee’s housing occupancy rate of 97.0 percent compared favorably against that of 91.8 percent for Kansas. By 2019, the disparity widened with Shawnee’s occupancy rate of 95.5 percent a full seven percentage points above the Kansas average of 88.4 percent.

Age of Housing Stock

The table on the following page compares the age of Shawnee’s housing stock with that of the State of Kansas as reported by the U.S. Census Bureau.

Shawnee’s housing stock is relatively new with 42.4 percent of the existing inventory built since 1990 and just 6.6 percent built prior to 1950. Most of Shawnee’s older housing stock is in the eastern portion of the city. By comparison, 29.8 percent of the state’s housing stock was built since 1990 with 21.8 percent built prior to 1950. Newer housing built since 2010 represents 6.3 percent of Shawnee’s total inventory, compared 6.5 percent statewide.



Over the past several decades new home construction in Shawnee has followed a westerly pattern with most of the recent activity occurring west on Interstate 435. Much of the existing housing at the far western portion of Shawnee remains rural in character. See **Table D.16**.

Table D.16 Shawnee, Kansas Housing Stock by Year Built; 2019

Year Structure Built	# of Units	% of Total	% of Kansas
Total Housing Units	25,834		1,288,430
Built 2014 or Later	1,085	4.2%	4.0%
Built 2010 to 2013	531	2.1%	2.5%
Built 2000 to 2009	4,861	18.8%	10.5%
Built 1990 to 1999	4,470	17.3%	12.8%
Built 1980 to 1989	2,896	11.2%	11.2%
Built 1970 to 1979	4,969	19.2%	15.2%
Built 1960 to 1969	2,953	11.4%	9.8%
Built 1950 to 1959	2,351	9.1%	12.2%
Built 1940 to 1949	293	1.1%	5.4%
Built 1939 or Earlier	1,425	5.5%	16.4%

Source: U.S. Census.

Housing Stock Mix

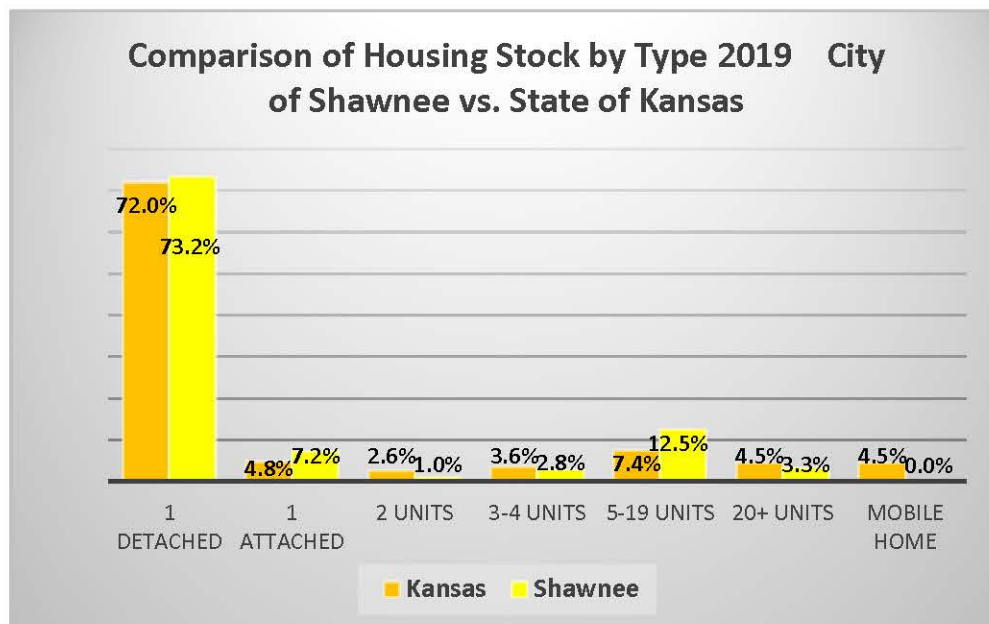
Shawnee’s housing stock mix is influenced by its suburban character whereby the inventory of single-family housing exceeds that for attached housing. Detached single-family homes account for 73.2 percent of Shawnee’s housing stock, exceeding the statewide average of 72.0 percent.

Multi-family housing accounts for 19.6 percent of Shawnee’s housing stock compared to 18.1 percent for Kansas. Properties with 5 to 19 dwelling units account for the majority of Shawnee’s multi-family housing stock, totaling 3,232 dwelling units. Large-scale multi-family properties with 20 or more dwelling units account for 3.3 percent of the Shawnee housing stock compared to 4.5 percent for Kansas. See **Table D.17**.

Table D.17 Shawnee, Kansas Housing Stock by Type - 2019

Units in Structure	# of Units	% of Total	Kansas %
1-Unit, Detached	18,919	73.2%	72.0%
1-Unit, Attached	1,862	7.2%	4.8%
2 Units	250	1.0%	2.6%
3 or 4 Units	720	2.8%	3.6%
5 to 9 Units	1,583	6.1%	3.8%
10 to 19 Units	1,649	6.4%	3.6%
20+ Units	851	3.3%	4.5%
Mobile Home	0	0.0%	4.5%
Boat, RV, Van, etc.	0	0.0%	0.0%
Total Housing Units	25,834	100.0%	100.0%

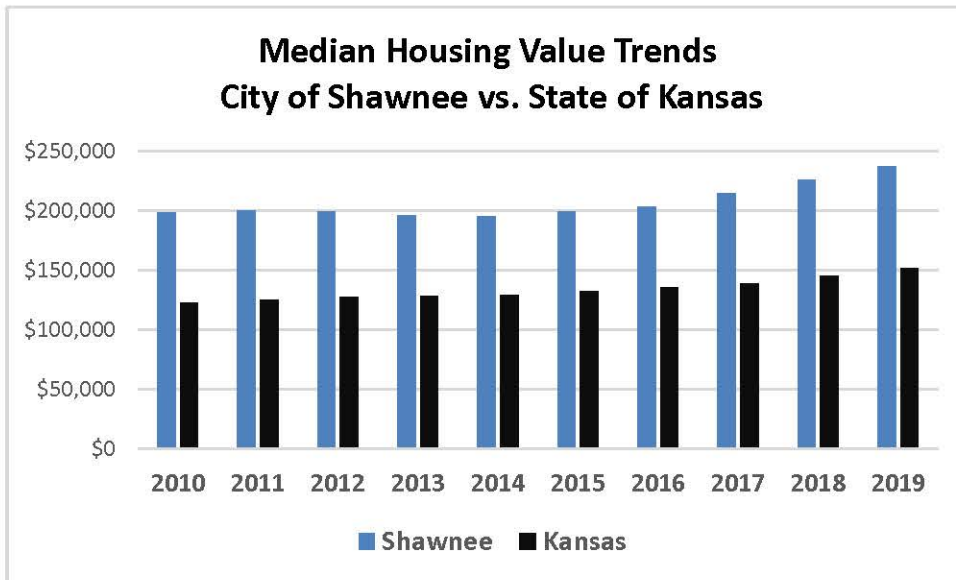
Source: U.S. Census Bureau.



Shawnee’s housing stock consist of medium-density single family and small-scale multi-family housing product. Within the far western portion of the city large-lot single-family homes are the predominant housing type.

Housing Values

According to the *American Community Survey*, during 2010 Shawnee’s median housing value of \$198,600 exceeded the statewide median of \$122,600. The disparity in housing values stems from Shawnee’s high level of new home construction over the past two decades and the predominance of more upscale housing product. From 2010 to 2019, the median home value in Shawnee escalated by 19.6 percent to \$237,500 which compares to the statewide median value of \$151,900. While Shawnee’s median housing value experienced slight declines from 2012 to 2014, strong value appreciation but has recorded since that time. A comparison of median housing value trends between Shawnee and the State of Kansas is depicted in the bar chart below.



Occupancy by Housing Type

Homeowners in Shawnee are more likely to occupy detached single-family housing while renters generally occupy attached multi-family housing. According to the U.S. Census Bureau, during 2019 owner-occupied housing in Shawnee accounted for 74.0 percent of the entire occupied housing stock with renter-occupied accounting for 26.0 percent. By comparison, owner-occupied housing accounts for 66.3 percent of Kansas’ total occupied housing stock with renter-occupied accounting for 33.7 percent. See **Table D.18**.

Table D.18 City of Shawnee Occupied Housing Stock by Type - 2019 Owner-Occupied vs. Renter-Occupied Housing

Housing Type	Total	Owner-Occupied	Renter-Occupied
Occupied Housing Units	24,678	18,250	6,428
Units in Structure			
1-Unit, Detached	74.3%	92.8%	21.6%
1-Unit, Attached	7.5%	5.7%	12.8%
2 Units	1.0%	0.5%	2.6%
3 or 4 Units	2.9%	0.0%	11.2%
5 to 9 Units	5.4%	0.7%	18.7%
10 or More Units	8.9%	0.4%	33.1%
Mobile Home and other Types of Housing	0.0%	0.0%	0.0%
Totals	100.0%	100.0%	100.0%

Source: U.S. Census Bureau.

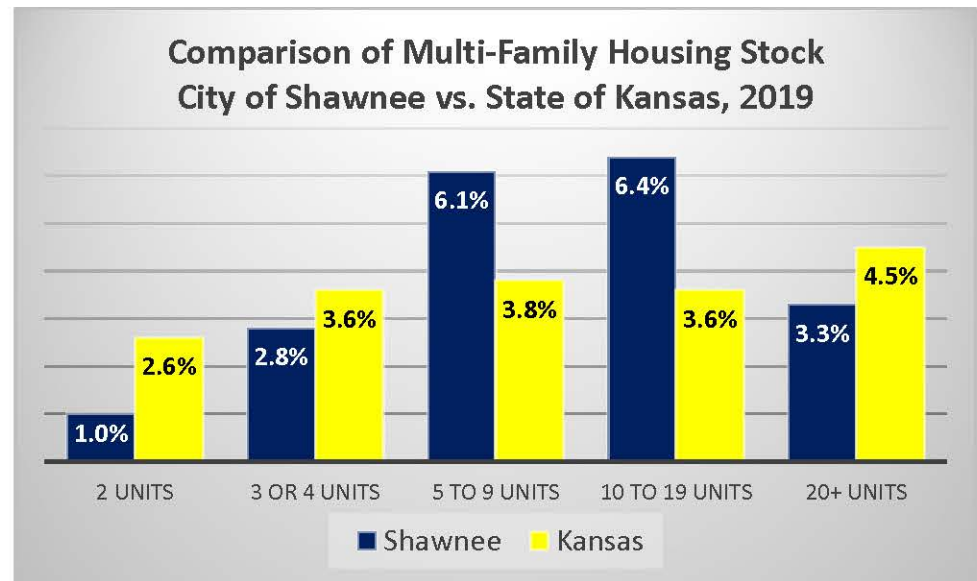
For 2019, according to the U.S. Census Bureau, of Shawnee's total housing stock of 29,368 dwelling units, an estimated 24,678 dwelling units were occupied, including 18,250 owner-occupied housing units and 6,428 renter-occupied housing units. Detached single-family homes accounted for 92.8 percent of all occupied owner-occupied housing units. Meanwhile, renters were much less likely to occupy detached single-family homes accounting for just 21.6 percent of all occupied rental units.

Properties with 10 or more rental units were the most popular attached housing product for renters accounting for 33.1 percent of all renter-occupied units. Properties with 5 to 9 dwelling units account for 18.7 percent of all renter-occupied units., while structures with 3 to 4 rental units accounted for 11.2 percent of all renter-occupied units. Duplexes account for just 2.6 percent of all renter-occupied housing units.

Shawnee Apartment Market

According to the U.S. Census Bureau, as of 2019, Shawnee's inventory of multi-family housing totaled 5,053 dwelling units, or 19.6 percent of the city's total housing stock. By comparison, multi-family housing accounts for 18.1 percent of the Kansas housing stock. Shawnee's multi-family properties consisting of 5 to 19 dwelling units account for 12.5 percent of Shawnee's total inventory of housing units, compared to 7.4 percent statewide. Duplexes account for just 1.0 percent of Shawnee's total housing stock. Large-scale apartment properties with 20 or more units account for just 3.3 percent of Shawnee's total housing stock.

According to the *American Community Survey* since 2010 Shawnee's rental housing market has operating at a vacancy rate below that for Kansas. From 6.8 percent in 2010, Shawnee's rental housing vacancy rate steadily declined to a low of 4.5 percent by 2015. While the overall vacancy rate has increased since 2015, it has remained well below market equilibrium. These healthy vacancy rate trends suggest Shawnee may be able support additional new rental unit stock.

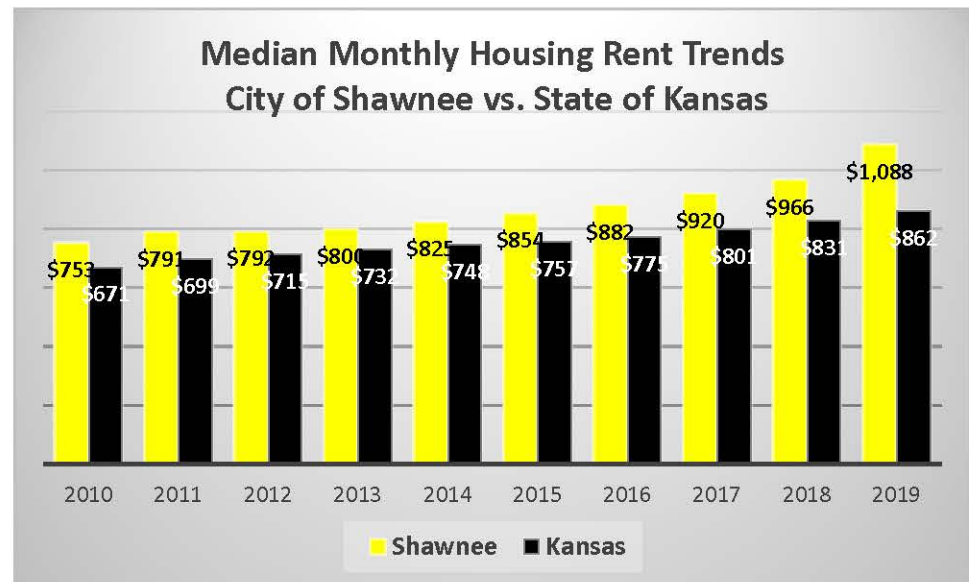
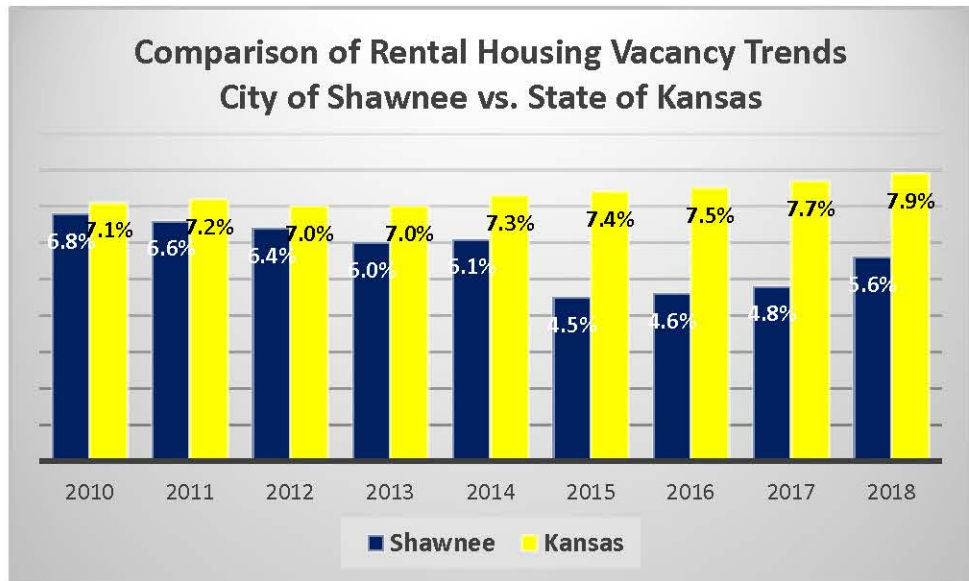


From 2010 to 2019, Shawnee’s median monthly rent exceeded the statewide median. Since 2010, Shawnee’s median monthly rent increased 44.5 percent to \$1,088 by 2019. Kansas’ median rent in 2019 of \$862 per month was 20.8 percent below the median for Shawnee.

According to the *American Community Survey 2018* the median rent in Shawnee of \$966 per month is well above the statewide average of \$831, suggesting a higher quality housing product. Of Shawnee’s occupied rental housing units, just 3.8 percent rented for less than \$500 per month compared to 13.1 percent statewide. This disparity in rents suggest Shawnee may support a lower rate of affordable and income-based rental housing.

Half of Shawnee’s rental stock support rents of \$500 to \$999 per month. Housing units renting for \$1,000 to \$1,499 per month account for an above average 34.9 percent of Shawnee’s rental market while 10.4 percent of the housing stock renting for excess of \$1,500 per month.

Housing stress occurs when the cost of housing (either as rental or as a mortgage) is high relative to household income. A household spending 30 percent or more of its income on housing can be considered under housing stress. The gross rent for 51.6 percent of renter households in Shawnee accounts for 30 percent or more of total income compared to 42.3 percent statewide, suggesting an above average need for income-based rental housing.



Large-Scale Apartment Properties

Current rental housing market conditions in Shawnee, Kansas were identified by conducting a search on CoStar for large-scale apartment properties of 100 or more dwelling units. According to CoStar, Shawnee has 23 large-scale apartment properties totaling 5,444 dwelling units. Half of the existing properties are in the more mature sections of Shawnee east of Quivira Road. Eighteen apartment properties totaling 4,615 dwelling units are market-rate with five affordable properties totaling 829 dwelling units.

Shawnee supports 23 large-scale apartment properties total 5,444 rental units. With only 220 apartment units constructed over the past decade, much of Shawnee’s large-scale apartment stock is older and is not competitive with the large stock of new apartments in the neighboring communities of Lenexa and Overland Park. Since 2010, Shawnee’s existing apartment properties have operated at a health vacancy rate well below market equilibrium. Rents in recent years have surpassed the metro-wide average. Despite these favorable market conditions, no new large-scale apartments have been built in Shawnee since the 220-unit Prairie Pines came online in 2016. See **Table D.19**.

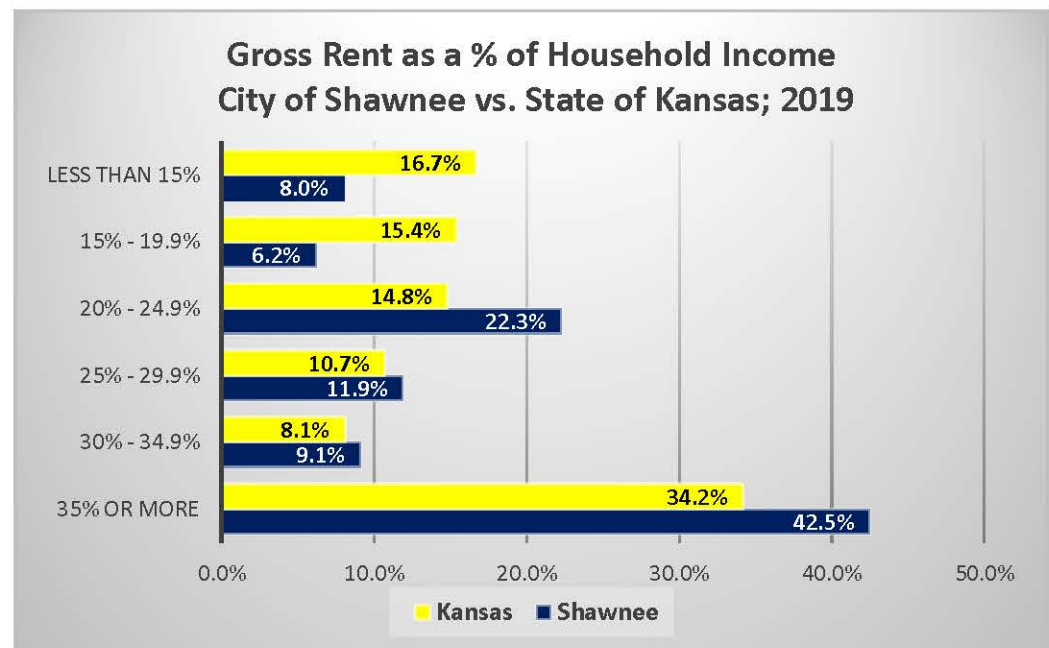
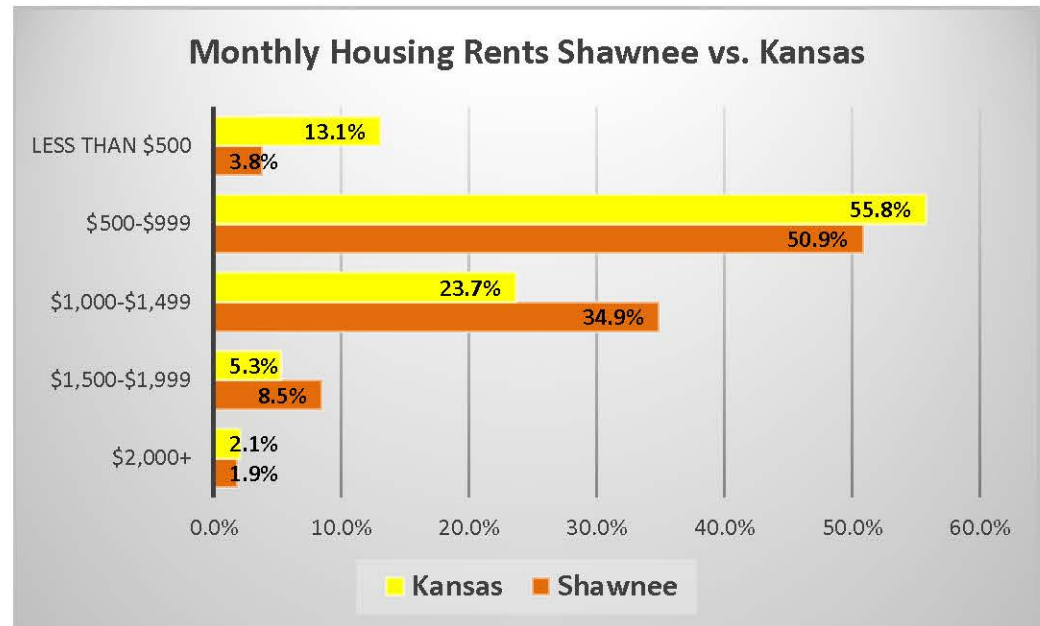
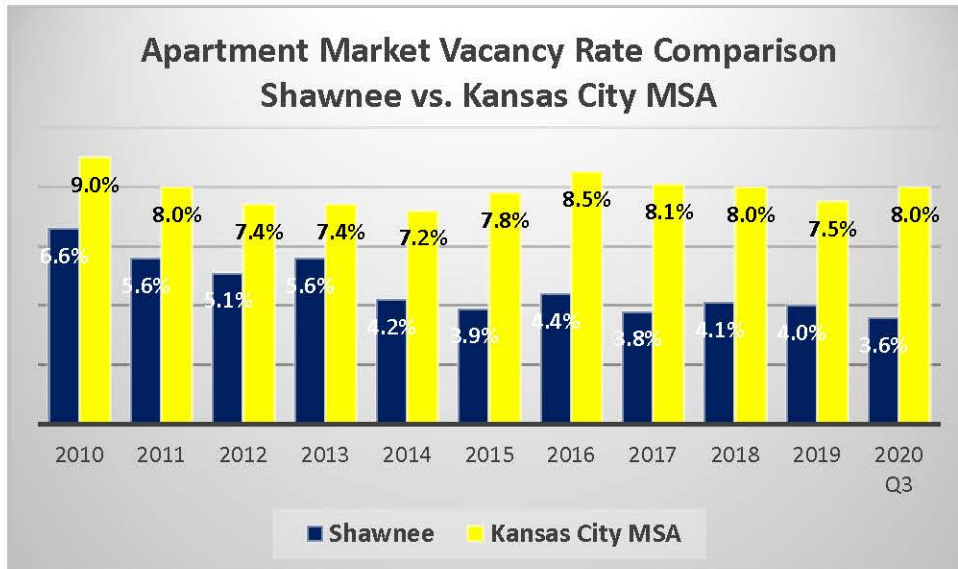


Table D.19 Shawnee Apartment Market Trends

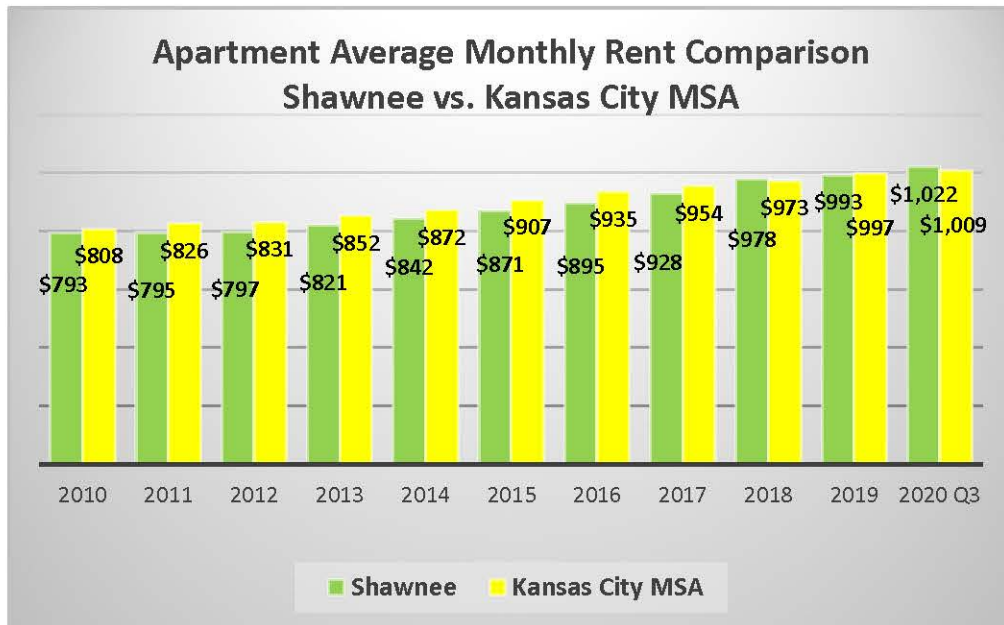
Year	Inventory Units	New Supply	Net Absorption	Vacancy Rate	Average Rent
2010	5,224	0	50	6.6%	\$793
2011	5,224	0	55	5.6%	\$795
2012	5,224	0	25	5.1%	\$797
2013	5,224	0	-26	5.6%	\$821
2014	5,224	0	74	4.2%	\$842
2015	5,224	0	16	3.9%	\$871
2016	5,444	220	179	4.4%	\$895
2017	5,444	0	32	3.8%	\$928
2018	5,444	0	-14	4.1%	\$978
2019	5,444	0	-11	4.0%	\$993
2020 Q3	5,444	0	24	3.6%	\$1,022

Source: Costar.



Throughout the past decade Shawnee’s apartment market vacancy rate has significantly outperformed the Kansas City MSA. From an average vacancy rate of 6.1 percent in 2010, the Shawnee apartment market steadily improved to a low of 3.9 percent by 2015. The addition of 220 apartment units in 2016, pushed the vacancy rate to 4.4 percent by year-end. Positive net absorption has since improved the vacancy rate to just 3.6 percent by the third quarter 2020.

Shawnee’s average monthly apartment rent rose from \$793 in 2010 to \$1,022 by the third quarter 2020. However, from 2010 through 2017 Shawnee’s apartment rents lagged behind the Kansas City MSA average. As the bar chart below illustrates, during 2018 the average rent of \$978 per month for Shawnee exceeded the metro norm of \$973 per month. By the third quarter 2020 the gap had widened, with Shawnee’s average monthly rent of \$1,022 exceeding the metro average of \$1,009 per month.



The unit mix for Shawnee’s large-scale apartment properties is dominated by 1- and 2-bedroom models with respective market shares of 39 percent and 46 percent of the total inventory. Three bedroom models account for 12 percent of Shawnee’s total inventory of apartment units with studios accounting for 2 percent and 4-bedroom models accounting for only 1 percent. Average monthly rents for studios and 3-bedroom models exceed the metro averages. See **Table D.20**.

Table D.20 Shawnee Large-Scale Apartment Properties Unit Mix and Average Rents

Unit Type	Unit Mix	Average Rent/Mo.	Metro Rent/Mo.
Studio	2%	\$880	\$779
1 Bedroom	39%	\$879	\$906
2 Bedroom	46%	\$1,059	\$1,063
3 Bedroom	12%	\$1,364	\$1,338
4 Bedroom	1%		
Totals	100%	\$1,022	\$1,009

Source: Costar.

Shawnee’s large-scale apartment properties are generally older, with nearly two-thirds of the existing dwelling units built prior to 1990. Seven apartment properties were built from 2001 through 2007, totaling 1,499 dwelling units, or 27.5 percent of the total inventory. Just 220 apartment units were constructed since 2010.

Future Additions to Supply

Favorable market conditions have spurred recent apartment construction activity in Shawnee. A total of 441 apartment units are currently under construction in Shawnee with an additional 710 apartment units approved for future development. Continued development of quality apartment properties will assist improving Shawnee’s competitive positioning in Johnson County.

Three large-scale apartment properties are actively under construction in Shawnee. Two projects are market-rate senior communities, including the 134-unit Season at Shawnee at 7200 Silverheel Street and the 240-unit Veterans Park Senior Village at 62nd Street and Pflumm Road.

Developer Kevin Tubbesing is underway of Sixty16, a 67-unit luxury apartment complex on a 2.7-acre parcel northeast of Nieman and Roger roads in downtown Shawnee.



Four apartment projects totaling 710 dwelling units are planned for future development in Shawnee. A brief description of each is provided in the text below.

MP Westbrooke North LLC, an affiliate of Kansas City-based Mission Peak Capital, has plans to redevelop the former Westbrooke Village Shopping Center at the northeast corner of 75th Street and Quivira Road. The project plan calls for redevelopment of the 31.73-acre site with 343 apartment units and 107,600 square feet of neighborhood retail and restaurants. The apartment site has been cleared and ready for development. The Shawnee City Council authorized the issuance of up to \$24 million in industrial revenue bonds to support development of the apartment complex to be built by NorthPoint Development.

The Enclave of Mill Creek at 15600 Midland Drive has received City approval for the development of 30, duplex and four-plex units on a 9.4-acre parcel.

The Belmont Promenade is a mixed-use project planned by Legacy Development for 23 acres at the southwest corner of Shawnee Mission Parkway and Maurer Road. The project plan calls for a 185,750 square foot shopping center on 16.87 acres and 148 apartments on a 6-acre site.

The Sunflower Development Group has plans to build the 5700 King Apartments on the 5700 block of King Street. The project plan calls for 189 apartment units.

In summary, 441 apartment units are currently under construction in Shawnee with an additional 710 apartment units approved for future development (as seen in **Table D.21**).

Table D.21 Apartment Supply Pipeline in Shawnee, Kansas

Project	# of Units
Under Construction	
Season at Shawnee - 7200 Silverheel Street	134
Veterans Park Senior Village - 62 nd Street and Pflumm Road	240
Sixty16 Apartments - Nieman and Rogers Roads	67
Proposed Development	
Westbrooke Green - 75 th Street and Quivira Road	343
The Enclave at Mill Creek - 15600 Midland Drive	30
Bellmont Promenade Residential - Shawnee Mission Parkway & Maurer Road	148
5700 King Apartments - 5700 King Road	189
Total Units Under Construction	441
Total Units Approved	710

Source: Costar and City of Shawnee.

Forecast Housing Demand

Residential housing demand estimates for the City of Shawnee through the year 2040 were forecast based on anticipated demographic and economic trends for the community. Key input to the model includes historical patterns in annual residential building permit activity and projected population and household growth, average household formation rates, households by income levels, and population by age.

Demographic characteristics and historic population growth trends for Shawnee were provided by the U.S. Census Bureau. Housing characteristics for Shawnee were provided by the *American Community Survey*. Population growth projections for Shawnee were generated by Canyon Research Southwest based on historic growth patterns, location at the fringe of the Kansas City MSA, existing employment base, and economic development factors.

According to the *American Community Survey 2019*, Shawnee’s residential housing stock totals 25,834 dwelling units, operating at an overall occupancy rate of 95.5 percent. The occupied housing stock included 18,250 owner-occupied units (74%) and 6,428 renter-occupied units (26%). A total of 1,156 vacant housing units were reported. Shawnee’s average household size is 2.65 persons.

According to the City of Shawnee, from 2000 through 2019 building permits were issued for a total of 7,315 new residential housing units.

Shawnee’s 2020 population was estimated at 66,659 residents. By 2040, Shawnee’s population is forecast to reach 82,963 residents, generating the need for additional housing units.

Supportable residential housing absorption over the next twenty years will be a function of resident population growth and latent demand while income levels and age composition will dictate the type and mix of housing product.

Housing Need from Population Growth

Net population and household growth are the largest single drivers of the need for new housing units. Through 2040, the City of Shawnee population is forecast to increase by 16,304 new residents. According to the U.S. Census Bureau, the City of Shawnee's average household size is 2.65 persons. The City of Shawnee's forecast population growth through 2040 is estimated to yield an estimated 6,152 new households and occupied housing unit.

Latent Housing Demand

Another housing needs component considers the number of units a market requires to offer balanced market conditions. Vacant housing units are necessary to accommodate the turnover of the housing stock as people move for family, work-related, or financial reasons. Latent demand occurs when the inventory of available housing is severely constrained.

A housing market operating at equilibrium generally supports a 92 percent to 95 percent occupancy rate. Healthy markets require approximately 5 percent to 8 percent of the housing stock to be available to allow for inner-market mobility and encourage competitive housing prices and rental rates. Markets with vacancy rates below a healthy rate often suffer from escalating home values and rents, minimal tenant turnover, residents being forced into housing situations that do not meet their housing needs, and the inability of nonresidents to enter the market. According to the *American Community Survey 2019*, 1,156 residential housing units were vacant, equating to an overall occupancy rate of 95.5 percent.

Shawnee's residential housing stock totals 24,678 occupied dwelling units. Through 2040, population growth is anticipated to result in the need for 6,242 additional housing units, bringing the total inventory to 30,920 occupied housing units.

At market equilibrium occupancy rate of 93 to 95 percent, by 2040 Shawnee's housing stock would total 32,547 to 33,247 dwelling units, of which 1,627 to 2,327 dwelling units would vacant and available for sale or rent. Subtracting out the current inventory of 1,156 vacant housing units yields a latent demand for 476 to 1,176 housing units in Shawnee through 2040.

Total Housing Demand

Through 2040, the City of Shawnee population growth and latent housing demand is forecast to create the need for an estimated 6,628 to 7,328 new housing units. Shawnee's current mix of occupied housing units is approximately 74 percent owner-occupied and 26 percent renter occupied. Given the city's population age composition, household income levels, and existing housing stock, from 2020 through 2040 the housing demand is estimated to be segmented 73.5 percent owner-occupied and 26.5 percent renter occupied. Therefore, by 2040 the mix of new housing inventory is estimated at 4,872 to 5,386 homeownership units and 1,756 to 1,942 rental units.

The City of Shawnee's mix of future housing demand is best determined by evaluating the City's population demographics with that of the various housing life-cycle stages. Emphasis is placed on age, education, and income.

Entry-level householders are generally single or couples without children in their early 20's and often prefer to rent basic, inexpensive apartments. Residents 15 to 24 years of age account for 17.8 percent of the City of Shawnee population with those 25 to 34 years of age accounting for 12.0 percent. Individuals with high school degrees or less are more likely to be renters than homeowners. An estimated 23.0 percent of Shawnee residents are high school graduates or less. Shawnee's population demographics provide a strong market for entry-level rental housing.

An estimated 19.6 percent of households in Shawnee (4,803 households) earn less than \$35,000 annually with 6.6 percent of households (1,619 households) earning less than \$15,000. These households tend to be perpetual renters with the lowest income households potentially qualifying for some form of housing assistance. Shawnee's resident profile suggests an additional need for rental housing with an emphasis on affordable and income-based product.

First-time homebuyers and move-up renters are usually married or cohabitating couples in their mid-20's or 30's, some with children, but most are without children. These individuals prefer to purchase modest-priced single-family homes or rent more upscale apartments. An estimated 8,116 residents of the City of Shawnee are 25 to 34 years of age with 4,084 residents attaining an associate degree and 13,429 residents possess a bachelor's degree. An estimated 2,197 households earn \$35,000 to \$49,999 annually (9.0%) and 3,937 households earn \$50,000 to \$74,999 annually (16.1%). The City of Shawnee possesses sizable markets for first-time homebuyers with homes priced from \$125,000 to \$275,000 and move-up renters.

Move-up homebuyers are typically in their late 30's to 40's, married with children. There is a total of 8,722 households in the City of Shawnee with children. An estimated 9,500 residents of Shawnee are 35 to 44 years of age (14.6%) with 13,429 residents attaining a bachelor's degree and 7,235 residents possessing a graduate or professional degree. An estimated 3,139 households earn \$75,000 to \$99,999 annually (12.8%); 5,767 households earn \$100,000 to \$149,999 annually (23.5%); and 4,667 households earn \$150,000 or more annually (19.1%). Shawnee possesses a sizable move-up market for housing priced at \$300,000 and more.

Table D.22 summarizes the forecast housing mix by homeownership and rental units and by product type.

	2019 Estimate		2040 Forecast	
	# of Units	# of Total	# of Units	# of Total
Total Housing Units	25,834		6,628 - 7,328	
Occupied Housing Units	24,678			
Home Ownership Units	18,250	74.0%	4,872 - 5,386	73.5%
Rental Units	6,428	26.0%	1,756 - 1,942	26.5%
Vacant Housing Units	1,156			
Single Family Detached	18,919	73.2%	4,838 - 5,349	73.0%
Single Family Attached	1,862	7.2%	265 - 293	4.0%
2 to 4 Units	970	3.8%	133 - 147	2.0%
5 to 9 Units	1,583	6.1%	133 - 147	2.0%
10 or More Units	2,500	9.7%	1,259 - 1,392	19.0%

Source: U.S. Census and Canyon Research Southwest, Inc.

activity since 20125 has slowly improved but at a much slower velocity that during the prior cycle’s peak.

From 2000 through 2019, the housing tenure for Shawnee increased by 4,475 owner-occupied housing units and 1,621 renter-occupied housing units. By 2019, owner-occupied housing totaled 18,250 units while renter-occupied housing totaled 6,428 units.

Throughout the past twenty years housing occupancies for Shawnee have significant outpaced the statewide average, with annual rates ranging from 95.5 percent to 97.0 percent.

Shawnee’s housing stock mix is influenced by its suburban character whereby the demand for-sale single-family housing exceeds that for attached rental housing. Detached single-family housing accounts for 73.2 percent of Shawnee’s housing stock, exceeding the statewide rate of 72.0 percent. Multi-family dwellings accounts for 19.6 percent of Shawnee’s housing stock compared to 18.1 percent for Kansas.

During 2010 Shawnee’s median housing value of \$198,600 exceeded the statewide median of \$122,600. The disparity in housing values stems from Shawnee’s high level of new home construction over the past two decades and the predominance of more upscale housing product. From 2010 to 2018 the median home value in Shawnee escalated by 13.7 percent to \$225,900.

Table D.22 Forecast Housing Demand by Product Type Shawnee, Kansas; 2021-2040

Through 2040, the market share for single-family housing in Shawnee is expected to remain relatively consistent to trends over the past twenty years. The market share of 2- to 9-unit multi-family structures is anticipated to drop off in favor of large-scale apartment development.

Conclusions

Approximately 4,806 acres of vacant land in Shawnee is available for future residential development at a maximum of 24,164 additional housing units at build-out. Most of the vacant residential land is located west of Interstate 435.

From 2000 through 2019, the City of Shawnee issued building permits for a total of 7,315 new residential housing units.

Residential construction peaked from 2000 through 2005 when building permits were issued for a total of 4,854 dwelling units. Following the national housing bust, housing construction

During 2019 owner-occupied housing in Shawnee accounted for 74.0 percent of the entire occupied housing stock with renter-occupied accounting for 26.0 percent. By comparison, owner-occupied housing accounts for 66.3 percent of Kansas' total occupied housing stock with renter-occupied accounting for 33.7 percent.

Shawnee has 23 large-scale apartment properties totaling 5,444 dwelling units. Half of the existing properties are in the older sections of Shawnee east of Quivira Road. Eighteen apartment properties totaling 4,615 dwelling units are market-rate with five affordable properties totaling 829 dwelling units. Since 2010, the existing apartment properties have operated at a health vacancy rate well below market equilibrium and rents now surpass the metro-wide average. These favorable market conditions have spurred recent apartment construction activity in Shawnee.

A total of 441 apartment units are currently under construction in Shawnee with an additional 710 apartment units approved for future development.

Through population growth and latent demand, new housing demand through 2040 in the City of Shawnee is estimated at 6,628 to 7,328 dwelling units. Given the City of Shawnee's demographic profile and existing housing composition, this report estimates that through 2040, the mix of new housing demand is estimated at 4,872 to 5,386 home ownership dwelling units and 1,756 to 1,942 rental units.

STUDY CONCLUSIONS

The primary objective of the *Economic and Market Analysis* was to evaluate the impact of demographic, economic, and real estate market trends on future urban development patterns in Shawnee, Kansas. Based on the study findings, demand was forecast through 2040 in Shawnee for new retail, office, and industrial space as well as residential housing by product type. Land absorption estimates were calculated based on the commercial space and residential housing demand projections.

Older commercial corridors and districts were identified that have the potential to adapt and support redevelopment and repositioning. Greenfield business center locations were identified designed to support the needs of the emerging economy.

Forecast Commercial, Industrial and Residential Demand

Retail, office and industrial space and residential housing unit demand was forecast for Shawnee, Kansas through the year 2040. Market forces driving future demand for commercial space and housing include the growth in employment, population, and income along with trends in average space per employee, household size, and household composition.

By 2040, Shawnee's increased population is forecast to generate additional retail sales capable of supporting approximately 800,000 to 909,000 square feet of new retail space by 2040.

Through 2040, office-related job growth in Shawnee is projected to support the need for approximately 515,000 to 578,000 square feet of owner-occupied and speculative office space.

By 2040, industrial job growth in Shawnee is projected to support the need for approximately 2.3 million to 2.6 million square feet of owner-occupied and speculative industrial space.

Through 2040, Shawnee’s population growth and latent housing demand is forecast to generate the need for 6,628 to 7,328 residential dwelling units, as shown in **Table D.23**.

Table D.23 Forecast Retail, Office, Industrial and Residential Demand Shawnee, Kansas; 2021 to 2040

	Population Growth	Employment Growth	Net Conservative	Gain Optimistic
Retail	16,304		800,000 SF	909,000 SF
Office		2,352	515,000 SF	578,000 SF
Industrial		2,436	2,330,000 SF	2,600,000 SF
Housing	16,304		6,628 Units	7,328 Units
Ownership Units			4,872 Units	5,386 Units
Rental Units			1,756 Units	1,942 Units

Assuming an average floor-area-ratio (“FAR”) of 0.2 to 0.4 for the retail, office and industrial space and an average density of 4.0 to 5.0 dwelling units per acre, through 2040 the City of Shawnee is estimated support the development of approximately 1,598 to 2,188 acres of land, as shown in **Table D.24**.

Table D.24 Forecast Land Area Absorption in Acres Shawnee, Kansas; 2021 to 2040

Land Use	Conservative Scenario	Optimistic Scenario
Retail	80 - 91	92 - 104
Office	39 - 47	44 - 53
Industrial	153 - 179	170 - 199
Residential	1,326 - 1,657	1,466 - 1,832
Total Acres	1,598 - 1,974	1,772 - 2,188

Redevelopment and Greenfield Development

Older corridors and commercial cores in the City of Shawnee that are deemed candidates for future redevelopment include:

- Downtown Shawnee
- 75th Street corridor from Switzer Road (city limits) west to Quivira Road
- Shawnee Mission Parkway from Switzer Road west to Pflumm Road

Downtown Shawnee

Downtown Shawnee runs along Nieman Road from Shawnee Mission Parkway north to approximately 57th Street. The Nieman Now! Project was designed to improve the downtown area's infrastructure and enhance its future economic viability. Nieman Now! encompassed four stormwater projects and a major enhancement to Nieman Road between Shawnee Mission Parkway and 55th Street. Additionally, several other adjacent streets were upgraded to provide great pedestrian and bicycle access throughout the entire area. The focal point of Nieman Now! was turning Nieman Road into a three-lane road with a bike and pedestrian path on one side and sidewalk on the other. Trees, benches, and signs have been installed and streetlight fixtures upgraded. Construction was finished up in summer 2020. Activity centers in downtown Shawnee include the City Hall, Aztec Theatre, Mason Lodge, Splash Cove, a school, and several churches.

The recent improvements to Neiman Road as well as suitable access and exposure provides the opportunity to support new mixed-use development along the corridor north of Shawnee Mission Parkway. Several vacant lots and under-utilized properties exist along Neiman Road that are suitable for redevelopment. Downtown Shawnee could benefit from appropriate scale multi-family development along Nieman Road to provide for increased pedestrian activity and customers for local merchants. Additional specialty retail and office space designed for smaller personal service and creative class tenants is also supportable along Nieman Road. A dedicated open space would be ideal for hosting public events and festivals which would assist in creating a brand for downtown and generate business for merchants and eating and drinking places.

75th Street Corridor

The 75th Street corridor between Switzer and Quivira roads abuts the Shawnee city limits and is an older, established section of town. Existing land uses fronting onto 75th Street include anchored shopping centers, strip commercial, several older large-scale apartment complexes, single-family homes, and Shawnee Elementary School.

In January 2020, the City of Shawnee prepared the Re-Imagine 75th Street, identifying the corridor as the next segment for Complete Streets improvements. The existing five-lane corridor serves up to 30,000 vehicles per day. The vision to create a vibrant, connected, and green Complete Street. The City of Shawnee received County Assistance Road Systems (CARS) funding from Johnson County to begin some improvements in 2020. The City also allocated \$3 million for construction of enhancements in the six-year Capital Improvement Plan (CIP) to accomplish this goal.

The former Westbrooke Village Shopping Center at the northeast corner of 75th Street and Quivira Road is being redeveloped in a 343-unit apartment complex and 107,600 square feet of neighborhood retail and restaurant space. The apartment site at the north end of the property has been razed and is ready for development. Other key redevelopment sites along the 75th Street corridor include:

Southwest corner of 75th Street and Switzer Road serves as a gateway into the City of Shawnee. Existing land uses include a QuikTrip and strip center.

The northeast corner of 75th Street and Nieman Road is occupied by the Tomahawk Center anchored by a Walmart Neighborhood Market. The shopping center could use some capital investment in the form of a new façade, parking lot, landscaping, and lighting.

The northwest corner of 75th Street and Nieman Road is occupied by the Trailridge Shopping Center anchored by Big Lots, Dollar General, and Antique Mall. The 117,000 square foot shopping center was built in 1974. The 37-acre site is an ideal redevelopment site offering good access, visibility, and infrastructure as well as the land area to accommodate mixed-use development.

The southeast corner of 75th Street and Nieman Road is occupied by a Phillips 66 convenience store, Pressure Wash, office building, and McDonalds restaurant.

Four large-scale apartment properties operate along the 75th Street corridor, including the 515-unit Fox Run built in 1979, 131-unit Haverford West built in 1984, 189-unit Westbrooke Glen built in 1967, and 195-unit Arbor Square built in 1971. Given the age and design of these apartment communities they are all classified as Class C properties. To remain competitive capital investment maybe needed in the form of building façade and community amenity upgrades and apartment unit remodeling.

Shawnee Mission Parkway

The section of Shawnee Mission Parkway from Switzer Road west to Pflumm Road is a mature commercial corridor with existing land uses including anchored shopping centers, strip centers, restaurants, bank branches, and freestanding retail. Potential redevelopment sites include: 1) Parkway Shopping Center at the southwest corner of Shawnee Mission Parkway and Nieman Road and 2) the Mill Creek Shopping Center at the northeast corner of Shawnee Mission Parkway and Pflumm Road.

Built in 1985, the 157,883 square foot Parkway Shopping Center occupies a 12.5-acre site at the southwest corner of Shawnee Mission Parkway. Anchor tenants include Jo-Ann Fabrics, Harbor Freight, and City Thrift. The Genesis Health Club recently closed. The shopping center serves as a gateway to both Shawnee and the downtown area and its long-term highest-and-best use may not be as an anchored shopping center.

Built in 1987, the 182,927 square foot Mill Creek Shopping Center occupies a 19.32-acre site at the northeast corner of Shawnee Mission Parkway and Pflumm Road. The center is anchored by Planet Fitness and Christ Community Church. This highly visible property is a candidate for future redevelopment with a mix of commercial and high-density residential uses.

Future greenfield development corridors in the City of Shawnee include the I-435 and K-7 highway corridors.

Interstate 435 Corridor

Interstate 435 runs north-south through the City of Shawnee creating the opportunity to support retail and employment uses that would generate jobs for city residents and a fiscal benefit for City government. The Interstate 435 corridor is also a suitable location for multi-family residential development. Interstate

435 interchanges exist in Shawnee at Johnson Drive, Shawnee Mission Parkway, and Midland Drive. While all three interchanges have experienced urban development, greenfield development sites still exist with employment and retail uses viewed as the highest-and-best use.

Considerable vacant land is available for future urban development at the interchange of Interstate 435 and Johnson Drive. Existing development on the east side of the interchange is limited to the City of Shawnee Fire, Police, and Court Complex. Vacant land at the northeast and southeast corners of the interchange is designated for Median Density Residential and Mixed Use / Destination. Given the characteristics of these two corners, prospective future uses include patio homes, apartments, and professional office. The City landfill at the northwest corner of Interstate 435 and Johnson Drive is designated for future Warehouse Industrial and Office / Service uses. The landfill is forecast to reach capacity by 2043. Depending on any environmental issues adaptive reuse of all or a portion of the landfill site might be possible with a master planned business park a prospective use. Vacant land at the southwest corner of Interstate 435 and Johnson Drive is suitable for single-family housing and apartments, though its development potential maybe delayed until closure of the City landfill.

A major retail core operates immediately east of the Interstate 435 and Shawnee Mission Parkway interchange anchored by the 425,422 square foot Shawnee Station anchored by Target, Kohl's, Michael's, PetSmart, and Bed Bath & Beyond. Other big-box retailers operating stores in this retail core include Walmart, Home Depot and Lowe's. Land immediately west of Lowe's is designated for future commercial development and Legacy Development has plans to develop Belmont Promenade, a 170,000 square foot power center, at the southwest norther of Shawnee Mission Parkway and Maurer Road. Vacant land at northeast and northwest corners of the intersection of Interstate 435 and Shawnee Mission Parkway is designated for Mixed Use/ Designation with prospective future uses including medium-density residential, apartments, and professional office.

Additional developable land could be manufactured by reconfiguring the Interstate 435 and Shawnee Mission Parkway interchange into a diamond interchange. Doing so would free up land for future development, most notably at the northeast and northwest corners of the interchange. This reclaimed land would be ideal for mixed-use development with possible land uses including employment, retail, and high-density residential. Given the existing mix of land uses in the immediate area, the interchange of Interstate 435 and Shawnee Mission Parkway interchange has the potential to evolve into one of Shawnee's principal employment centers.

The intersection of Interstate 435 and Midland Drive is largely built out supporting a mix of retail, office, hotel, and park uses. Future retail and employment-related development opportunities still exist along the northside of Midland Drive east of Renner Road and at the northwest corner of Interstate 435 and Midland Drive. The 71,958 square foot B&B Theatres occupies a 14.29-acre site and maybe an ideal candidate for future adaptive reuse or redevelopment.

K-7 Highway Corridor

The K-7 Highway runs north-south through the City of Shawnee with major interchanges at 55th Street/Johnson Drive, Shawnee Mission Parkway, and 83rd Street. The signalized intersection at 43rd Street is emerging as an industrial core. While all four interchanges have experienced urban development, green development sites still exist with retail and employment uses viewed as the highest-and-best use.

Most of greenfield land designated for industrial use in Shawnee is located at the intersection of K-7 Highway and 43rd Street. Active industrial and business parks include the WestLink Business Center and Heartland Logistics Park. Considerable industrial land remains available for future development at the northwest corner of K-7 Highway and 43rd Street. Warehouse and logistics space appear to be the most suitable industrial development formats.

The K-7 Highway and 55th Street/Johnson Drive interchange has emerged as a retail core with development on three corners including the 74,340 square foot Oak Valley Shopping Center, Grey Oak Place anchored by Walmart, and several freestanding businesses including CVS Pharmacy, Walgreens, Security Bank, and Auto Zone. Greenfield sites designated for commercial use are available for future development at both the southeast and southwest corners of K-7 Highway and 55th Street/Johnson Drive. The acreage and supportable building yield of the vacant commercial properties appears suitable to service future residential growth in the area.

Much of the K-7 Highway and Shawnee Mission Parkway interchange has been built-out. The eastern side of the interchange has been developed with a mix of retail and office uses. Shawnee Crossing is located at the southeast corner consisting of the VA Clinic and freestanding restaurants, bank branches, and retail space. The 167,017 square foot Monticello Village at the northeast corner is anchored by Price Chopper and Dollar Tree. Vacant property at the southeast corner of K-7 Highway and Shawnee Mission Parkway is suitable for low-scale office development while available land at the northeast corner offers the characteristics suitable for high-density residential or mixed-use.

The western half of the K-7 Highway and Shawnee Mission Parkway interchange consists of housing and a golf course. Remaining vacant properties are suitable for medium and high-density residential housing. The intersection of K-7 Highway and 83rd Street serves as Shawnee's largest concentration of existing industrial development supporting approximately 1.36 million square feet of building area. Perimeter Park located at the southwest corner of the intersection houses such tenants include the Kraft Tool Company, Ford, Weststar Energy, Nazdar, Hans Rudolph, Eiko, SPC, and QGC. Business operating at the northwest and northeast corners of the 83rd Street and K-7 Highway intersection include FedEx, Westmor, Raynor, and McLane. Little developable land remains available at the intersection of K-7 Highway and 83rd Street.

The land west of K-7 Highway to the Shawnee city limits is under low density residential use. Future residential development should remain low density residential in character.

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