

This is a top-level overview of a much deeper research study conducted in 2019 on KC Millennial Housing preferences borne out of the insatiable curiosity of Highline Partners, a firm that specializes in branding and marketing for places, spaces and transformational real estate projects.



Overview:

Highline Partners, a KC-based branding and marketing firm specializing exclusively on places, spaces and transformational real estate projects, conducts a semi-annual survey of KC Millennials to understand their neighborhood living preferences. This year's report is a follow up to the report that was widely covered in 2017.

The reason for the 2017 survey was based on our curiosity to see if broad themes that were covered nationally aligned with our understanding of the KC market. Whether it was home ownership vs. renting, car ownership vs. ride share, stability vs. flexibility, we noticed that many of the national trends didn't seem to be as dominant locally. Overall findings confirmed that the housing/living preferences of the Millennial population in Kansas City didn't completely align with national profiles. Additionally, we learned about where they preferred to live, their most (and least) desired amenities, and their ideas for improving their lifestyle overall in KC.

As a firm, tracking KC Millennials housing and neighborhood preferences over time allows us to better understand how the largest demographic in American history makes some of the biggest decisions of their lives, centered on where they want to live.

The 2019 study was conducted online, with 400 qualified respondents (KC residents born between 1980 - 2000.) Based on what we learned from the 2017 survey, we made changes to the 2019 survey to go deeper into questions that we believe are more useful for us and our clients.

How to use this survey:

While we surveyed 400 qualified respondents, this is not a study to be used in a strict scientific method. We are interested in broad trends and themes. As a firm specializing in places, spaces and transformational real estate, we are keenly interested in perceptions of areas that are undergoing transformation, such as Troost, West Bottoms, KCK and East Crossroads. We want to understand the brand *perceptions* of these areas even if the perceptions do not match reality (A neighborhood may be perceived as “unsafe” but may actually have less crime than others that are perceived as “safe.”) The perceptions uncovered in the survey responses can be used to influence message and communications strategies for these areas.

Areas like Troost and the West Bottoms are more interesting to us from a perception standpoint because we want to understand what the biggest challenges developers and the city is facing there. To go deeper into those areas, we focused the last 1/3rd of our survey specifically on those areas to see how Millennials’ “values” (determined in the early part of the survey) matched up with their perceptions of those neighborhoods.

This year’s survey was really interesting as we compared to the previous survey. As KC Millennials get older, they are more interested in owning vs. renting and their neighborhood preferences seem to evolve in a way that is consistent with their parents patterns.

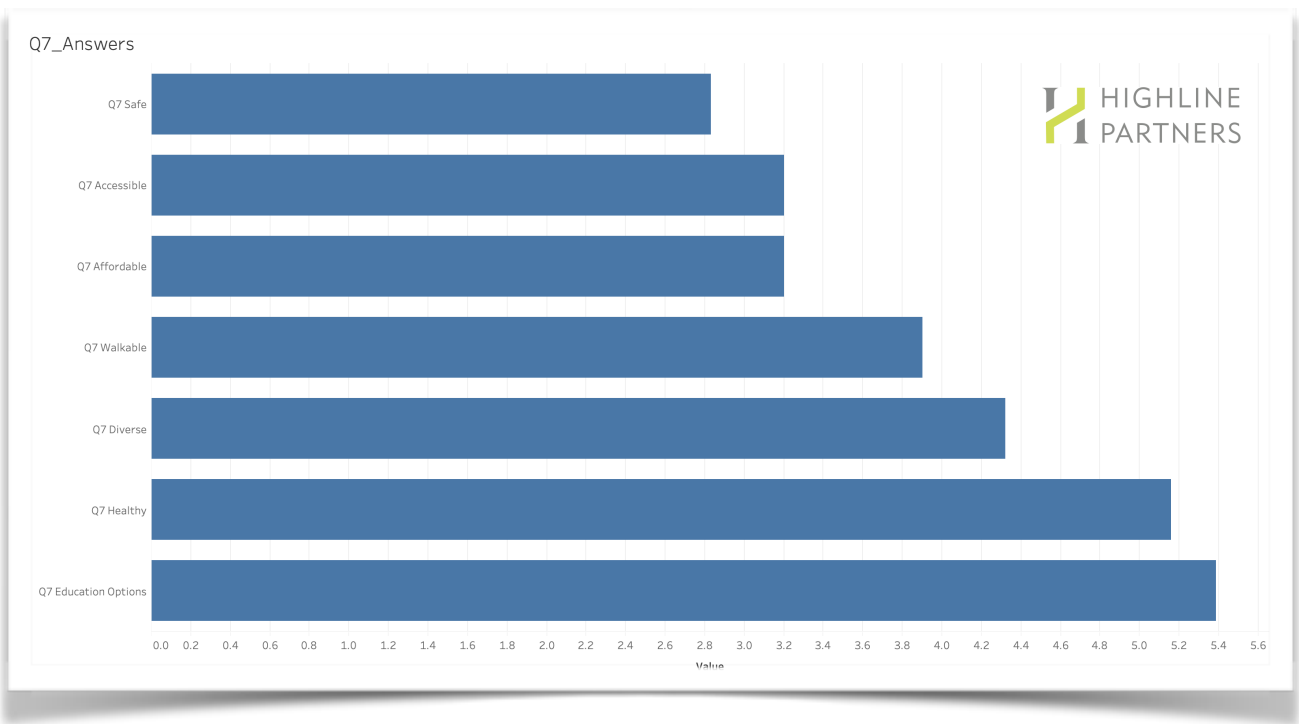
“Millennials are adults, just 10 years late” — this sentence could be the summary of our 2017 findings. In many ways pattern was reinforced by our findings in 2019. The pattern of living in an urban apartment while single or just married, then moving to a house in the near suburbs as kids enter the picture remains consistent.

However, because this year our goal was to learn more about their perceptions of specific KC neighborhoods, we wanted to learn how they perceive these areas relative to the qualities they said they valued - accessibility, diversity, healthiness, affordability, schools, and others.

Executive Summary of Key Questions:

1) Millennials Top Neighborhood Traits: What are they looking for in their neighborhoods?

We asked this question both directly and indirectly to test their answers to see if they were consistent across all their desires and it proved true. Overall “safe” was the top answer to the direct question, but as we dig into their answers to subsequent questions, we believe that there is an undercurrent that reveals “accessibility” (ease of transportation in and out of an area, as well as within the area) is actually *the most* influential quality.



2) Where do KC millennials want to move next, regardless of rent vs. own:

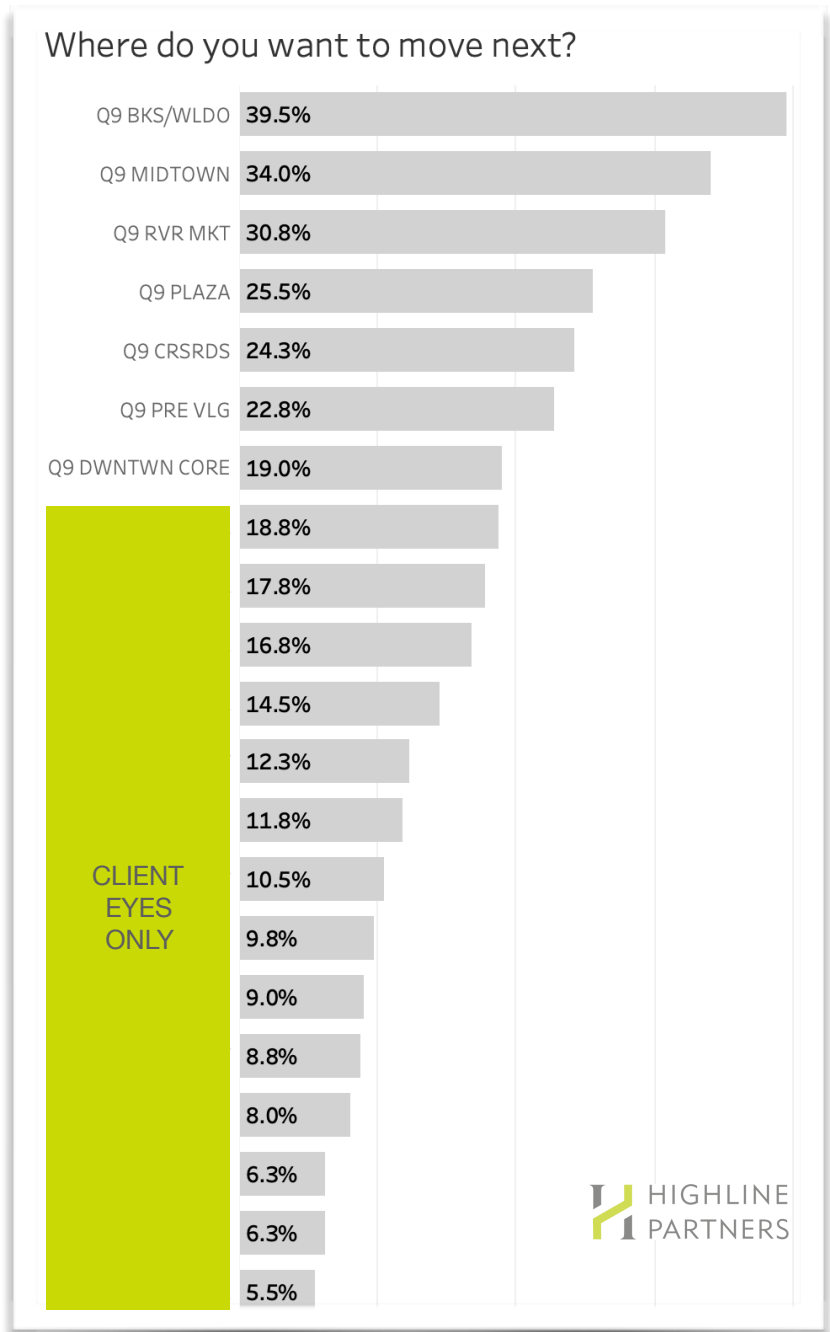
Overall, across age groups and income brackets, the Brookside/Waldo area and Midtown are especially popular. Brookside/Waldo was the most desired neighborhood for each age group except 35-39. It was in the top 5 for every income bracket.

The Plaza, River Market, and Crossroads are also quite popular across income brackets and age ranges, though they are more popular with the younger crowd (20-24). The popularity for these neighborhoods seems to decrease as age increases.

Prairie Village and the Downtown Core are not quite as popular as the other neighborhoods, but PV stays steadily popular at ~20-25% across age ranges and income brackets. The Downtown Core stays around ~13-26%.

North of the River is steadily popular across income brackets, but tends to be less popular as age increases. This encompasses a large area - North KC, Gladstone, Parkville, and others.

Overland Park was the most popular "suburb," though it was not popular with the 35-39 crowd or the \$91,000+ crowd.

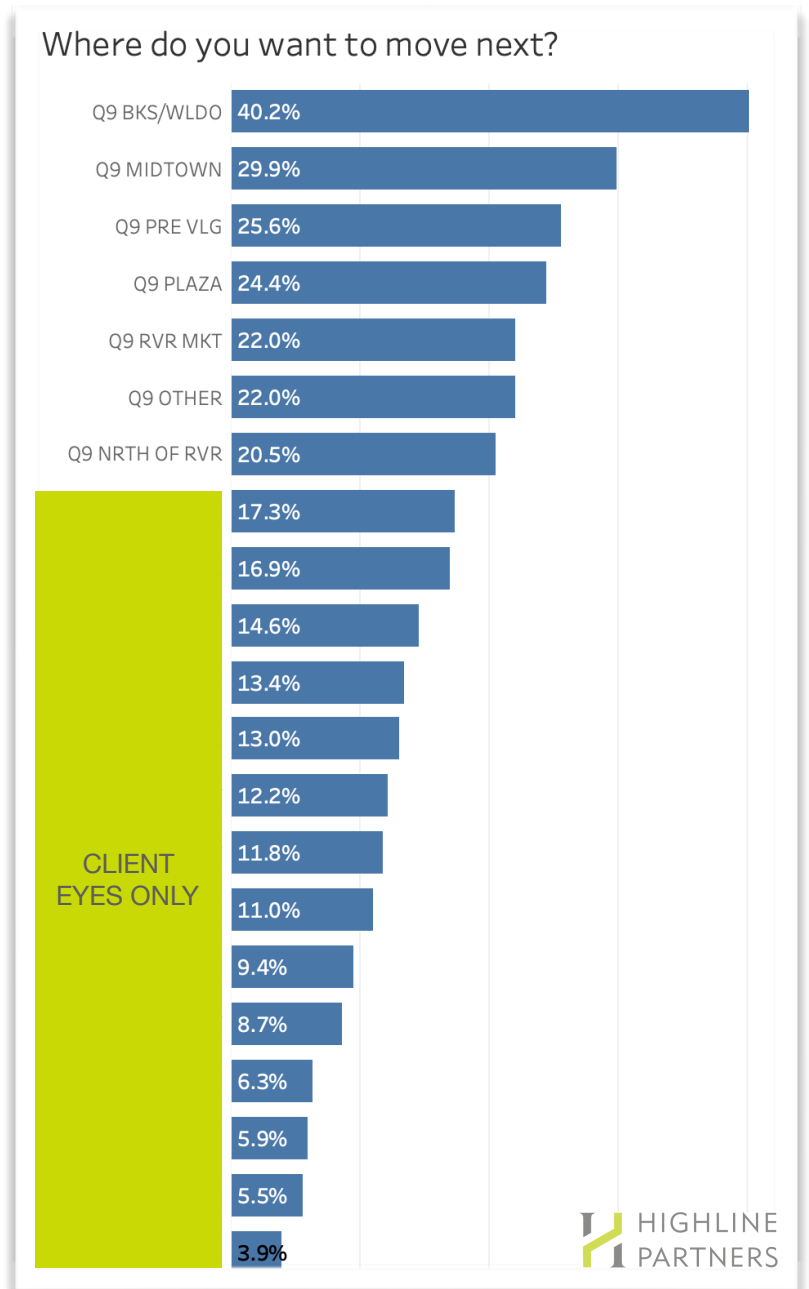


3) Where do you want to move next if you're planning on owning your next home:

When limiting respondents to only those who said they wanted to own their next home, the Brookside/Waldo neighborhood increased its lead over other neighborhoods. It's definitely more popular with higher income brackets, but it's popular across all age ranges.

Midtown remains in second, though it is FAR more popular as age increases. Midtown is popular with the higher and lower income respondents; not the middle income.

Prairie Village jumps to third among potential owners. It is more popular with the \$91,000+ crowd, but interestingly it is more popular among the 20-24 age group. It almost simply traded places with the River Market.



4) Where do you want to move next if you're planning on renting:

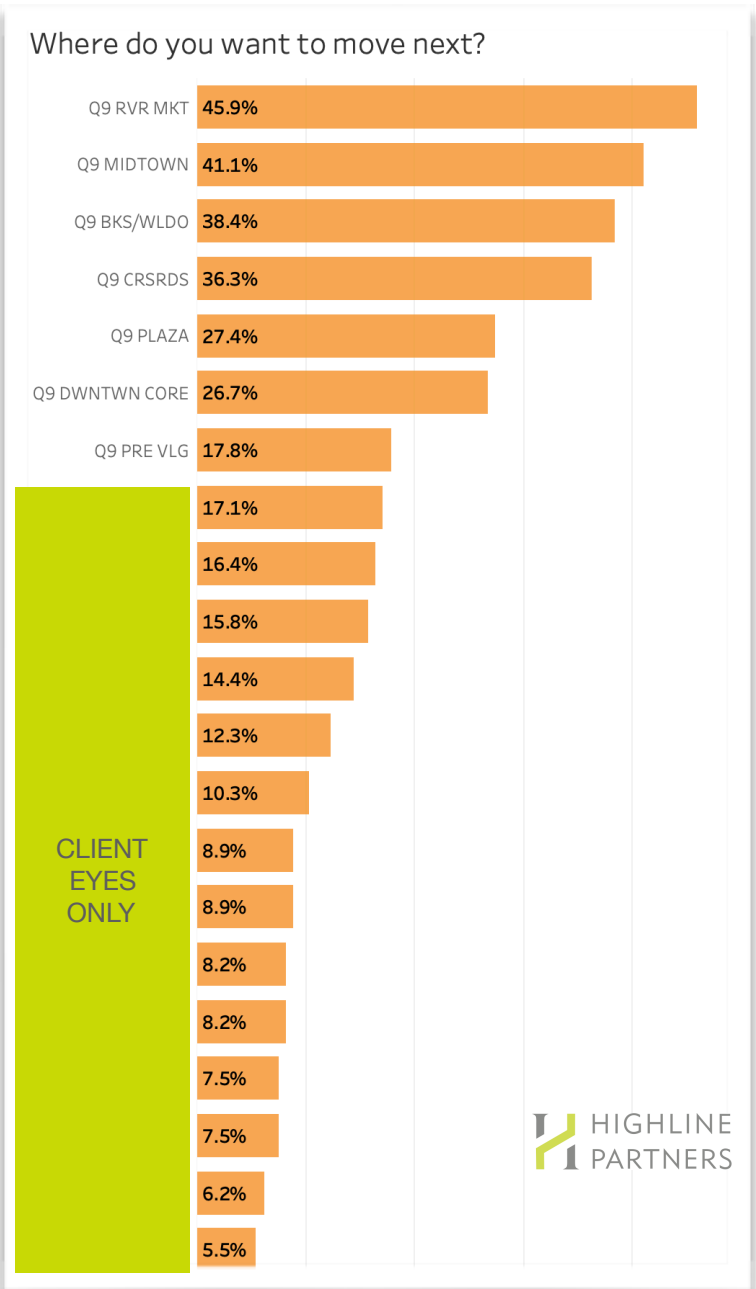
Among those who want to rent their next home, the Brookside/Waldo area finally gets knocked off its perch with the River Market as the most popular neighborhood to rent next. However, the River Market is not quite as popular with higher income brackets.

Midtown is the second most popular area to rent, though with interesting trends. In the highest income bracket, a whopping 63% of respondents said Midtown was among their top 3. Among the second highest, however, only 26% of respondents said the same. The popularity increases again with lower income brackets. The 25-29 crowd rated Midtown noticeably lower than the other age groups.

Brookside/Waldo was still quite popular at third, but there are very few apartments to rent in the area. Indeed, when splitting by apt/condo/house, BKS/Waldo is tied for first in the house subset. However, it is fourth among those who said an apartment was next.

The Crossroads remains popular, but it naturally gets less popular as age bracket increases, same for the Plaza. The Plaza also gets less popular as income increases.

The Downtown Core is especially popular with the 25-29 age group. It was third behind the River Market and Crossroads. This could be its proximity to jobs; the 20-24 group may still have some people in school. There is a strong age-out starting at 30-34.



5) How do their values affect their decisions?

Across the accessibility board, from not very accessible to very accessible, people highly rated accessible neighborhoods (BKS/Waldo, River Market, Plaza, Midtown, etc.) as their next desired neighborhood.

While “safety” is universally rated as the most desired trait, their answers throughout our survey reveal that accessibility may be more influential in their decision-making. For example, comparing Troost and West Bottoms, respondents rated Troost as less safe, but more accessible, and Troost was rated as a more desirable place for their next move.

Key learning: If the West Bottoms wants to increase its number of residents, it will need to get over its perceptions of low accessibility. If Troost wants to continue the momentum, it will benefit from promoting accessibility. Additionally, we believe that if Troost can also improve its “safety” perception, it will benefit.

Other notes:

Brookside/Waldo continue to be strong, universally rated as desirable and cited as a next possible destination. This was true across all slices – age ranges, current neighborhood traits, income levels, everything. We don’t think this is groundbreaking – Brookside/Waldo have long been one of the most desired destinations for residents of the KC Metro area.

In general, the traits “education options” and “healthy” don’t seem to be very influential in their decision making. We are curious to see if “education options” becomes more important as Millennials have more kids who are entering school age years. If so, Kanas City, MO may face challenges, as in the past, due to the poor performance of their public school district. This will be very interesting in future surveys.

By age group, younger people (20-24) overwhelmingly see the River Market as a desirable neighborhood. The desirability and percent of respondents citing River Market as a place they would live next decreases as age increases.

6) Up and coming neighborhoods – who’s winning?

In every city there are the hot edges — neighborhoods where property values are low and developers start buying properties and hope to make a new market where their investments will grow. This approach has its critics. Some of us are old enough to remember the backlash of “Die yuppie scum” graffiti that covered the walls as development increased in places like Williamsburg, Brooklyn.

These hot neighborhoods often attract artists and hipsters who have been displaced when their current neighborhoods become “cool.” So, as we created this survey, we were particularly curious to understand millennials perceptions of four key areas that appear to be the new “hot spots” for developer investment: West Bottoms, the Troost corridor, East Crossroads and Kansas City, KS. We want to understand the communication challenges facing civic leaders and developers.

The short story:

- West Bottoms is seen as desirable but not accessible.
- KCK is seen as affordable but not desirable.
- East Crossroads is seen as desirable, but expensive.
- Troost is seen as accessible and affordable but not safe.

For example, the challenge facing Troost is that it’s perceived as “unsafe,” whether or not it is *actually* unsafe. As we dig into the perceptions of each area, there are specific communication campaigns that can be employed to help communicate the truth of each area.

West Bottoms, for example, may be just as accessible as other neighborhoods, but without effective communications to the KC Millennial audience, it may remain low on the list as a desired destination.

Some interesting comments from the survey:

In one of our last questions, we wanted to give respondents the opportunity to share what they believed could improve their neighborhood. After reviewing all comments, we believe the verbatim comments below are representative of their overall desires.

Question 13: What ONE thing do you think any given neighborhood could do to be a better place to live?

“Make the neighborhood more walkable and social.”

“When you have more people naturally out and about and building connections, the neighborhood will naturally become safer. Residents more invested in their neighborhoods will be less likely to litter and more likely to band together to demand improvements like repairs to streetlights or graffiti removal.”

“Help residents get to know each other better / help residents foster a sense of community”

“Walkability and proximity to real food (NOT convenience stores, restaurants, or liquor) and public spaces will organically make a neighborhood more social.”

“Landscaping/Hardscaping needs to be a high priority as well. (trees need to be trimmed and deadwood removed, grass mown and uniform, beds have nice color and variety, etc.) Have utilities underground, uniform signage, nice lighting, etc.”

“This place has so many empty lots that look dirty and run down. A lot of yards have deep shade and not enough room for a real garden. Take the lots that are in land banks and start community gardens. Make grants available for neighborhoods to put in spigots and drip irrigation systems. Grocery stores could pitch in their rotting product for compost. Anyone serving community service could do it pulling weeds and doing chores. Extra produce can go to the food banks and neighborhoods will improve their diets. Neighborhood kids that never have enough to eat can get what they need right there, no problem. We need a lot more community gardens and public art. Cities like Philadelphia stand out for its history and Phoenix for its stunning public art. Kansas City doesn't do a lot to play that up. This city needs a facelift and a marketing campaign.”

Many of these comments use words like “social” and “community,” which we find interesting. Another study earlier this year came out with findings that indicated Millennials are the loneliest generation. This feels like a great opportunity for developers, civic leaders, religious organizations and others to create communities where connections are deep and real. The Millennial Generation is the largest in human history and their voice matters.

And finally, this comment:

“Invest in and support area schools” — this is a comment that we hypothesize will become more important as Millennials start to have more school-age kids. Looking forward to 2021!

Thanks for your interest.

Brett Posten and Kathryn Jones
Highline Partners