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New home construction continues across a broad front

Signs of cooling start to appear after five-year run-up

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Potential homebuyers got their first glimpse Tuesday of what condominium living could be like in downtown Kansas City, Kan.

City Vision Ministries held an open house at the former Kansas City Kansan building near Eighth Street and Armstrong Avenue, showcasing its recent efforts to bring a broad choice of housing to the downtown area.

The condo project is but one of many developments in urban and suburban Kansas City, Kan., that are fueling an unprecedented housing boom in a community that has been losing population for decades.

Tuesday's open house marked the beginning of a project that would bring downtown Kansas City, Kan., its first condos.

"This is the first chance for buyers to look at the building and see the floor plans," said John Harvey, president of City Vision Ministries. "We have some artist renditions so that they could see what the units would look like."

The building, erected in 1927, will be home to 15 residential units as well as artist's studios and a small commercial space. Harvey said the nonprofit organization was trying to get reservations on about half of the units so that construction could begin. The first units could be available next summer, he said.

"We have developed 100 housing units over the years, mostly leased product, and they have been very, very successful," Harvey said. "We are hoping to build on the success by building the condos. We are testing a new market in downtown."

The condos will range in price from \$93,000 to \$185,000 and will include covered and secured parking.

"We have tapped into a strong interest in housing in Kansas City, Kan.," Harvey said. "We think there is a strong opportunity for others to enter this market. As a not-for-profit, we felt we had to be the leader in an untested market and demonstrate that there is a strong housing opportunity here and try to attract others to downtown."

Downtown is not the only market that is thriving in the county. Of 10 metropolitan area cities with 300 or more housing permits issued in 2004, Kansas City, Kan., was the only one that has recorded increases over each previous year since 1999, when the city issued 147 permits.

However, the city's hot housing market might be showing signs of cooling. The number of single-family housing permits dipped 5.8 percent for the first nine months of this year. Through September, the county issued 340 permits, down 21 from 361 for the same period a year ago.

Still, that slight dip follows what were record years for the county. In 2003, the city issued a record 433 single-family housing permits. That number jumped to 476 in 2004.

Much of the city's growth can be attributed to the momentum created by the Kansas Speedway and the adjacent Village West retail development near Interstates 435 and 70. That has created a higher profile for the city, attracting shoppers and tourists from across the region, as well as commercial developments such as banks and doctors' offices that follow residential development.

The effect of the growth, however, has not been reflected in an increase in population numbers. In July, the U.S. Census

Bureau said Wyandotte County's population had dropped to an estimated 156,487, down 1,395 residents since 2000.

County officials, however, said they didn't think the estimate reflect the growth the county was seeing, and they believe that, at worst, the county's population had stabilized.

Not all of that growth has been in the city's western fringe; much has come from urban-core housing projects that have been on the rise.

Some of the more notable projects:

- Earlier this month, the board approved a tax increment financing district in the Turner area for a nearly 300-home, \$61 million development.

Called Turner Hills, the development would transform a 100-acre tract southeast of Riverview Avenue and 70th Terrace into one of the city's largest housing developments, featuring single-family homes that range from \$150,000 to \$185,000.

- In July, the board approved a redevelopment plan that would allow the first phase of the Peregrine Falcon housing development to move forward. Under the plan, 28 to 31 homes would be built in an area north of Quindaro Boulevard and just east of Seventh Street.

The homes, which would range from \$140,000 to \$160,000, would represent the first phase of a development that could have as many as 129 new homes, 18 "in-fill" homes, 21 townhomes and 40 renovated homes.

- Work continues on CHWC Inc.'s redevelopment of the St. Peter/Waterway neighborhood in the 1200 blocks of Sandusky Avenue and Grandview Boulevard.

The nonprofit organization also plans to build 120 new homes in an area roughly bordered by Waterway Park on the east, 14th Street on the west, Minnesota Avenue on the north and Grandview Boulevard on the south. It also will build 70 homes and a senior housing complex on the old Bethany Medical Center site.

For much of the past five years, developers Don Budd and Tim Zarda have been among the leading developers in western Kansas City, Kan. To be sure, developers from outside Wyandotte County have shown strong interest and are building hundreds of housing units.

But Zarda and Budd have arguably led the way. Their Delaware Ridge and Delaware Highlands development north of State Avenue between 126th and 134th streets should be completed in about two to three years.

As it stands, about a third of the 800 units — including single-family, attached homes and apartments — are built. Prices range from the \$110,000s to the low \$200,000s. And sales, Zarda said, are brisk, the slowdown in housing permits issued notwithstanding.

The same, he said, holds true for the pricier homes in Northridge of Piper Estates. A third of that development's 380 single-family homes is completed. Its prices range from \$180,000 to \$350,000.

"We have been fortunate because of our diverse prices," Zarda said. "We haven't seen much of a dip."

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