

Market Study - 500 Together.Homes KC - 202605

Market Study & Demand Analysis

500 Together.Homes KC / South Vine District

Prepared by: Scale-Built Housing KC / Together.Homes

Sponsor: Daniel Edwards, Eastside Lumber & Together.Homes

Version: 1.1 - Website Summary

Date: May 2026

Source alignment: Final restricted appraisal consultation by Todd Appraisal staff, File No. 25D049PVL40.01, report date May 1, 2026, effective date April 13, 2026.

Public Use and Reliance Note

This is a sponsor-prepared market-study summary for the Together.Homes website and investor data-room intake. It is not the full restricted appraisal consultation, not a USPAP appraisal, not a legal opinion, not a tax opinion, and not an offering document.

The May 1, 2026 Todd Appraisal report is a restricted client-use appraisal consultation. It supports the market-study framing, but the full restricted report and its appendices should remain in the controlled data room. This website version includes only the market findings necessary to explain demand, supply, pricing risk, absorption logic, and the coordinated-development thesis.

1. Executive Summary

The South Vine District is a transitional urban-core market near 18th & Vine, Hospital Hill, Crown Center, and downtown Kansas City. The final May 2026 appraisal consultation frames the assignment as a market, highest-and-best-use, development-scenario, and value-implication analysis rather than a conventional lending appraisal.

The controlling market conclusion is straightforward:

- Demand for attainable urban housing exists, but it is constrained by affordability and mortgage access rather than by lack of need.
- Kansas City remains supply-constrained, and Kansas City, Missouri has lagged in new-construction permitting relative to population.
- The urban core is materially different from suburban Kansas City: older housing stock, lower price points, higher renter concentration, thin land transaction data, and elevated redevelopment risk.
- South Vine is not a market that will automatically reprice because of nearby projects. It requires coordinated public-private execution, predictable approvals, and visible housing delivery.
- Isolated infill is not enough to reset the market. Coordinated development at meaningful scale is the mechanism that can create repeatable pricing, absorption confidence, and comparable-sales support.

500 Together.Homes KC is designed around that conclusion. The program's value is not only the number of homes. Its value is the coordination: consistent product, concentrated geography, phased delivery, and a single market signal strong enough to create the comparable-sales environment that the area currently lacks.

2. What This Version Includes

This public website version keeps the analysis focused on the items a lender, investor, municipal partner, or serious stakeholder needs to understand:

1. South Vine market position.
2. Kansas City and urban-core housing conditions.
3. Demand and supply imbalance.
4. Pricing and absorption logic.
5. Why coordinated development matters.
6. Beacon Hill as a useful analog and warning.
7. Chapter 353 as the sponsor's execution strategy.
8. What remains in the controlled data room.

What Is Intentionally Excluded

The final appraisal package includes additional appraiser material that is useful for the workfile but not necessary for the public website version. This summary does not include:

- The full restricted appraisal report.
- Appraiser invoice or administrative materials.
- Full USPAP certification pages, glossary, and limiting conditions.
- Raw trade-area reports and market-activity report pages.
- Detailed parcel-by-parcel probability-band tables.
- MicroTIF, co-op, New York permitting, and broader policy essays.
- Stadium-district spillover discussion except where it affects South Vine market positioning.

Those materials should remain organized in the market-study research folder or controlled data room.

3. Market Area and Competitive Position

The final appraisal consultation identifies the subject as the South Vine District within the 18th & Vine market area of Kansas City, Missouri. The report describes the area as transitional: close to major employment and cultural anchors, but still shaped by older housing stock, fragmented ownership, and limited sustained development momentum.

The market area should not be treated as a stabilized downtown submarket. It should be underwritten as an urban-core threshold market where value depends on execution. Location alone does not create the pricing signal. The market must see coordinated delivery before buyers, lenders, builders, and appraisers can rely on repeatable comps.

Key local conditions from the final report:

- The urban core has substantially lower estimated home values than the citywide market.
 - Housing stock in the area is old, with median age exceeding a century.
 - The area is renter-heavy and investor-influenced.
 - Renovated or income-producing properties can move quickly, while distressed or obsolete properties may sit longer.
 - Land transaction data is thin because meaningful activity often happens off-market through assemblages, partnerships, or public/institutional ownership.
 - A substantial share of available land in the immediate neighborhood is vacant or publicly controlled, making coordinated disposition and development strategy central to execution.
-

4. Demand and Supply Conditions

The Kansas City housing market is not demand-empty. It is affordability-constrained and supply-constrained.

The final report characterizes national and regional housing conditions as:

- Supply-constrained across most residential segments.
- Demand-constrained by affordability rather than lack of need.
- Increasingly segmented by price point and product type.
- Heavily influenced by capital markets and interest-rate policy.

In the Kansas City MSA, transaction volume declined during the higher-rate period, but pricing remained resilient. That divergence matters. It suggests a market where lower sales volume does not automatically mean weak demand. Supply constraints and rate lock have limited inventory.

For Kansas City, Missouri specifically, the report notes that new construction has not kept pace with need and that KCMO has issued relatively few permits compared with population size. That matters for South Vine because the urban core cannot rely on scattered private activity to correct a structural production gap.

For South Vine, the practical underwriting point is this:

The project does not need to prove that every household already exists as a signed buyer today. It needs to prove that the regional and local housing shortage is real, that the local supply gap is severe, and that a coordinated production program can convert latent demand into observable market acceptance.

5. Pricing and Market Acceptance

The final report does not present the South Vine market as a simple comparable-sales market. It presents it as a market where conventional data is limited and where value must be interpreted through ranges, dispersion, parcel scale, development readiness, and likely use.

That is the right frame. In a thinly traded redevelopment market, precision can be misleading. A single point estimate can imply a level of certainty that the market does not support. A range-based framework is more defensible.

The most important pricing principle is not a specific land-value number. It is the relationship between market acceptance and repeatable pricing:

- Before coordinated delivery, each project is evaluated in isolation.
- After repeated, visible, successful delivery, buyers and lenders begin to price the area as a functioning market.
- As acceptance improves, pricing dispersion should narrow and comparable-sales support should become more reliable.

500 Together.Homes KC is built to create that repeatable pricing environment. It is not relying only on existing distressed-sale comps. It is designed to produce the new-construction comparable set that the market currently lacks.

6. Coordinated Development Thesis

The final report’s strongest market-study conclusion is that isolated infill is insufficient to materially shift value in the Primary Market Cohort. It may improve individual parcels, but it does not create a pricing framework that lenders, buyers, or appraisers can consistently use.

Coordinated development changes the analysis. When new homes are delivered with consistency in geography, design, timing, and market positioning, the development itself can create demand by changing perception and reducing uncertainty.

The report’s development-risk framework can be summarized this way:

Development pattern	Market effect	Underwriting implication
Isolated infill	Participates in existing market conditions	Limited comp reset; low system impact
Clustered development	Begins to create market pattern	Some pricing support, still execution-dependent
Coordinated development at scale	Creates market acceptance and repeatable comps	Strongest path to value formation

This is the core Together.Homes thesis. South Vine does not need a scatter of unrelated infill projects. It needs a coordinated production system capable of becoming the market signal.

7. Beacon Hill: Useful Analog, Incomplete Model

Beacon Hill is the most useful nearby analog because it proves that East Side land can absorb coordinated reinvestment. The final appraisal report describes Beacon Hill as a redevelopment that turned a distressed neighborhood into active reinvestment, including new home construction, multifamily development, retail, and hotel activity.

The key market lesson is positive:

Beacon Hill demonstrated that East Side land could again command capital, absorb new housing, and support a premium tax base.

But Beacon Hill is also a warning. Its market success outpaced its distributive design. It proved value could be restored, but it did not fully solve ownership continuity, affordability preservation, or broad participation in the upside.

500 Together.Homes KC should therefore use Beacon Hill as a market proof point, not as a complete civic model. The South Vine strategy should preserve the market-reentry lesson while building a broader ownership and attainability strategy from the beginning.

8. Chapter 353 Execution Strategy

The Chapter 353 strategy is sponsor-provided and should be kept distinct from the appraiser's restricted report. It remains necessary to the market study because it affects feasibility, timing, cost basis, and the ability to coordinate development at scale.

The current execution strategy is:

- Chapter 353 is the primary redevelopment tool.
- The community is already designated as blighted, so the strategy does not depend on proving blight from scratch.
- Phase 1 begins within existing zoning and does not require zoning changes to start.
- While the first 50 homes are under production, the Chapter 353 process proceeds in parallel.
- The goal is to secure the broader redevelopment benefits needed for later phases, including property-tax abatement, sales-tax exemption on construction materials, master-developer structure, and zoning/planning rights.

This should be presented as an execution strategy, not as a legal conclusion. Counsel and municipal review remain necessary for formal documents.

9. Underwriting Implications

For lenders and investors, the market study supports four practical conclusions:

Demand

Demand is supported by regional housing shortage, urban-core affordability constraints, nearby employment anchors, renter-heavy tenure patterns, and the lack of attainable new-construction supply.

Supply

Supply is constrained by old housing stock, limited new construction, thin land transaction data, environmental and redevelopment uncertainty, and execution friction.

Pricing

Pricing should be understood as range-based and acceptance-dependent. The strongest pricing support comes from creating a coordinated comparable-sales environment rather than waiting for the existing distressed comp pool to solve itself.

Execution

Execution quality matters more here than in a stabilized suburban subdivision. South Vine's market response will depend on visible delivery, phasing discipline, permitting predictability, and the sponsor's ability to create market confidence through completed homes.

10. Source Files and Data-Room Positioning

The public website should link to this sponsor-prepared market-study summary, not the full restricted appraisal consultation.

The controlled data room can include the full source bundle as support for qualified reviewers:

- Final Todd Appraisal restricted consultation report, May 1, 2026.
- Appraiser source sections and exhibits.
- Sponsor financial summary.
- Production schedule.
- South Vine site plans.
- Chapter 353 strategy materials when ready.
- Demand-documentation exhibits as collected after term-sheet outreach.

The website should remain concise. The data room can remain complete.

11. Next Data-Room Updates

The next useful updates are operational, not more narrative:

1. Add the current Chapter 353 process memo once counsel/municipal path is clearer.
 2. Add waitlist, employer LOI, and pre-sale/reservation exhibits as they are collected.
 3. Add the map portfolio already specified in `market-study-research/05-map-specifications.md`.
 4. Keep the final restricted appraisal package in the `market-study-research/source` folder for audit trail and qualified diligence review.
-

End of Market Study & Demand Analysis, v1.1 Website Summary, May 2026.