

REGIONAL DEVELOPMENT – JOHNSON COUNTY

Johnson County catches its breath as recession slackens from go-go growth pace

Premium content from **Kansas City Business Journal** by **Steve Vockrodt, Reporter**

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[Steve Vockrodt](#)

Reporter- *Kansas City Business Journal*

[Dean Palos](#) is happy to say he has time to breathe these days.

Before the recession hit, the director of Johnson County's Planning Department spent long hours presiding over stacks of permit applications and attending sometimes contentious annexation meetings linked to the county's spread southward.

But the recession has slowed Johnson County's growth, which leaves Palos more time for long-range planning for Johnson County's 198 square miles of unincorporated land.

"We're seeing very little in the way of residential development," said Palos, who has worked for the department since 1988. "What we're seeing is a lot more building permits in the form of remodels and additions."

The housing market in Johnson County, once known for its rapid and speculative development, was stagnated by a recession that affected nearly every region in the country.

In March 2006, before the recession, 1,066 single-family permits were issued in the Kansas City area, according to the Home Builders Association of Greater Kansas City. HBA Executive Vice President [Sara Corless](#) said Johnson County had some of the largest shares in permitting activity.



A monolithic combination of apartments and street-level shops nears completion at The Village of Mission Farms, a multifamily project across the street from the successful mixed-use Mission Farms development.

In March 2012, the 269 permits showed a modest rebound from the 180 pulled from the same month a year ago.

The single-family housing market, and the attendant commercial development that typically follows rooftops, also has been hampered by a strong multifamily housing market.

The apartment market in the Kansas City area rarely has been stronger, and many Johnson County residents pay rents for apartments that approach mortgage payments for modest homes.

A 2011 year-end report by research firm Hendricks & Partners shows apartment vacancy rates in south Overland Park were 4.2 percent, less than the metro average of 6.2 percent and down from the previous year's 5.3 vacancy rate.

The average monthly rent for south Overland Park apartments was \$979 at the end of 2011, up from \$967 the year before and well above the \$795 that the average apartment dweller paid on the Country Club Plaza.

Multifamily projects, like The Village at Mission Farms at Mission Road and Interstate 435, exemplify the so-called New Urbanism trend that has attracted millennials and empty-nesters who enjoy the flexibility of renting and place high stock in being able to walk to nearby amenities.

The project, across the street from the successful mixed-use Mission Farms development, boasts an urban-like setting deep in the suburbs.

[Steve Coon](#), a principal with Village at Mission Farms co-developer Land Development Strategies LLC, said the project will be nearly 50 percent pre-leased before it opens the third week of June.

"We hope to be leased up by the end of the year," he said.

Coon said a mix of young professionals and baby boomers who have time to travel and don't want the hassle of home maintenance have sought out the project.

"We call it renter-by-choice," he said.

A 1,000-square-foot apartment there draws about \$1,300 in monthly rent.

With southbound growth witnessing undeniable slowdown in the past three years, developers anticipate that growth eventually will return to Southern Johnson County, though at perhaps a more tepid clip than the fast-paced development of the past two decades.

"As far as residential needs, as the economy turns I think the continued movement of housing to the south along Interstate 35 will continue," said [Tom Riederer](#), president of the Southwest Johnson County Economic Development Corp. "But we probably won't go back to the real go-go '90s where they were building houses everywhere you looked."

Blue Valley Southwest High School opened in 2010 after the 2005 passage of a bond issue that figured southbound development would continue quickly.

Despite capacity for 1,600 students, enrollment during the current school year is 909.

[Al Hanna](#), deputy superintendent for the Blue Valley School District, said the district projects year-to-year enrollment increases for the foreseeable future. For the next school year, that figure is 980.

[Brian Rodrock](#), CEO of Rodrock Homes, said he's getting back into speculative housing development, with a planned 24 lots in May, though he said the development market slowed markedly in the preceding years.

"The pace is just the normalness of where the economy is at," he said. "As people start to move again, they're still going to seek out Overland Park. They're still going to seek Blue Valley schools."

Riederer said the BNSF Intermodal project in Edgerton also will encourage growth south of the Overland Park and Olathe city limits.

The project is expected to bring 7,000 full-time jobs to the region and already has drawn speculative industrial development, including Kessinger/Hunter & Co. LC's recently announced 821,000-square-foot industrial building in south Olathe.

"There are lots of opportunities in south Olathe and south Overland Park," said [Dave Clements](#), director of Olathe's planning department. "Those areas will develop."