



**MULTIFAMILY REPORT**

# Kansas City's Step-By-Step Approach

Fall 2020

**Consistent Rent Growth Persists**

**Investors Lock in on RBN Segment**

**Unemployment Rate Continues to Shrink**



# KANSAS CITY MULTIFAMILY



## Underlying Fundamentals Sustain Multifamily Sector

Several months into the economic deceleration, the national pattern of lower-cost metros outperforming primary markets is becoming apparent in Kansas City. While the crisis has undeniably impacted the metro's economy, Kansas City's multifamily fundamentals have endured, with overall rents up 0.4% to \$1,011 on a trailing three-month basis as of October, below the \$1,464 national average.

In line with national trends, leisure and hospitality was the most impacted sector in the metro, down 21,800 positions in the 12 months ending in September. Job gains occurred in construction and government, with the sectors adding a combined 3,800 positions. According to a forecast from the Center for Economic Development and Business Research, employment is projected to gradually rebound for the remainder of the year and into 2021. Contingent on national patterns and the pandemic's evolution, Kansas City is forecast to add 14,500 jobs through 2021, with leisure and hospitality expected to lead job gains.

As of October, 7,204 units were underway, with the bulk of those targeting high-income renters. Developers added 2,872 units to inventory year-to-date, accounting for 1.8% of existing stock. Some \$471 million in assets traded in 2020 through October. While deal velocity slowed, investors continued to deploy capital, with a strong focus on the Renter-by-Necessity segment.

## Market Analysis | Fall 2020

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### Recent Kansas City Transactions

#### Coach House



City: Kansas City  
Buyer: Landmark Realty  
Purchase Price: \$82 MM  
Price per Unit: \$100,991

#### Cold Storage Lofts



City: Kansas City  
Buyer: CLK Properties  
Purchase Price: \$32 MM  
Price per Unit: \$140,797

#### Town Center



City: Overland Park, Kan.  
Buyer: Town Management  
Purchase Price: \$29 MM  
Price per Unit: \$184,961

#### The Hudson



City: Independence, Mo.  
Buyer: Belmont Development Co.  
Purchase Price: \$13 MM  
Price per Unit: \$49,939