



MULTIFAMILY REPORT

Kansas City Maintains Course

Winter 2021

Rents Face Dip Following Consistent Gains

Modest Job Growth Forecast for 2021

Investors Favor Lifestyle Segment

KANSAS CITY MULTIFAMILY



Slow-Paced Recovery Expected for Metro

As vaccine distribution efforts gradually move forward, Kansas City is preparing for a much-anticipated recovery, contingent on a host of factors including federal financial assistance and an abatement in new coronavirus cases. While the metro's rental market endured and expansion was consistent through most of 2020, the effects of economic hardship started to manifest at the end of the year and carried over into 2021. Rents were down 0.2% to \$1,008 on a trailing three-month basis as of January, below the \$1,466 U.S. average.

As of December, the unemployment rate was 3.8% in Kansas, 5.8% in Missouri and 4.9% in metro Kansas City. In the 12 months ending in November, the metro lost a combined 44,600 jobs. Recovery is expected to advance at a slow pace, with 1.3% of employment growth forecast for 2021, according to the Center for Economic Development and Business Research. On Feb. 11, Gov. Mike Parson signed a bill to provide more than \$324 million in federal funding to Missouri renters and landlords.

Kansas City had 7,177 units under construction as of January, 93% of which are aimed at high-income renters. The largest share—76%—of the pipeline is set to deliver during 2021. Investment sales were off to a strong start in 2021, as two assets traded for \$87 million in January.

Market Analysis | Winter 2021

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Recent Kansas City Transactions

Prairie View at Village West



City: Kansas City, Mo.
Buyer: Avanti Residential
Purchase Price: \$62 MM
Price per Unit: \$198,862

The Reserve at South Pointe



City: Kansas City, Mo.
Buyer: Hudson Equities Management
Purchase Price: \$25 MM
Price per Unit: \$82,569

The Arbors of Grandview



City: Grandview, Mo.
Buyer: Monarch Investment and Management Group
Purchase Price: \$22 MM
Price per Unit: \$73,154

Westowne



City: Liberty, Mo.
Buyer: Harris Investment Group
Purchase Price: \$15 MM
Price per Unit: \$104,434