



MULTIFAMILY REPORT

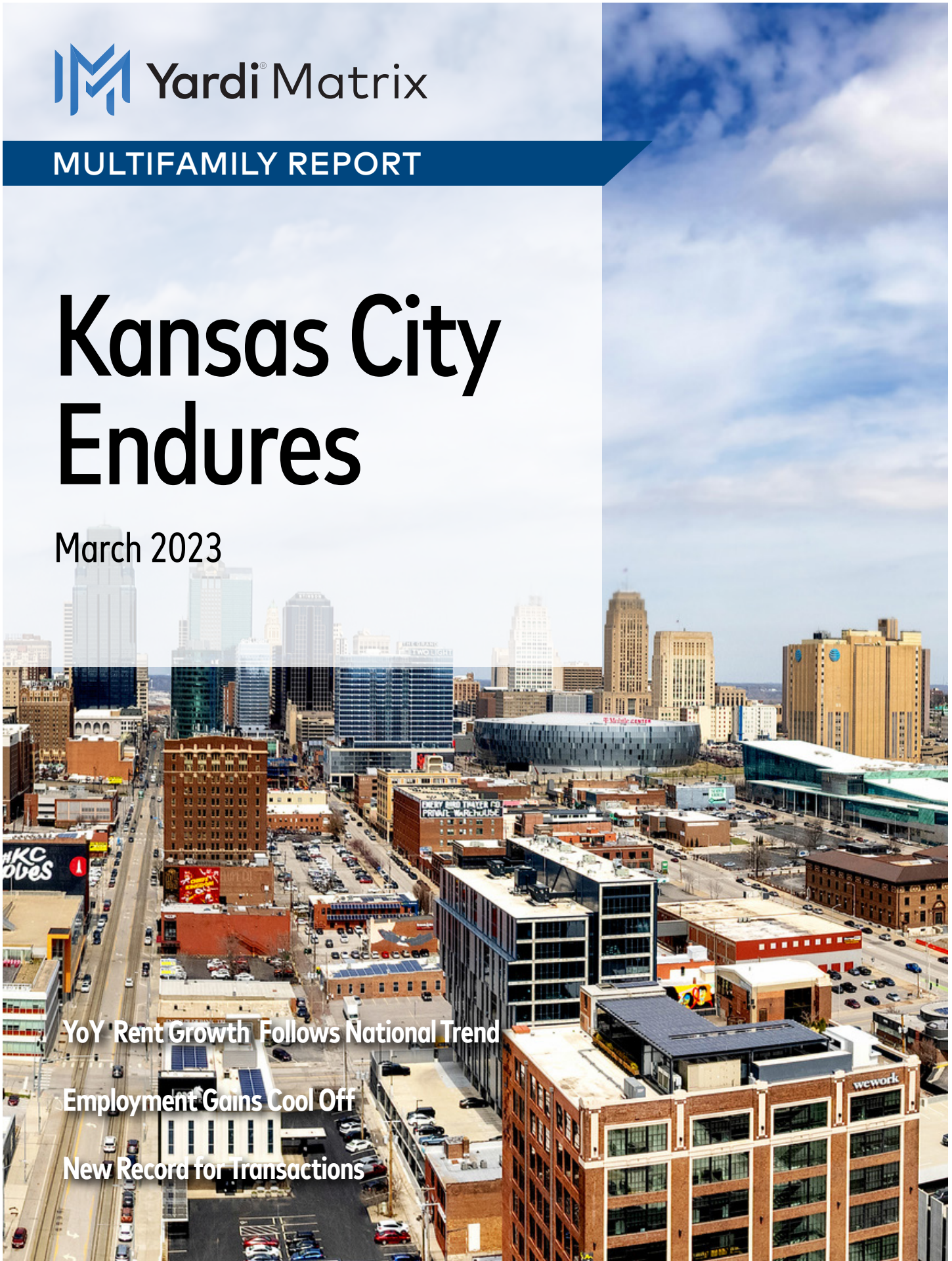
Kansas City Endures

March 2023

YoY Rent Growth Follows National Trend

Employment Gains Cool Off

New Record for Transactions



KANSAS CITY MULTIFAMILY



Market Stabilizes After Post-Pandemic Growth

Kansas City fundamentals returned to a more tempered rate of growth in the second half of 2022. On a trailing three-month basis through January, rent development followed national patterns, and rates declined 0.3%, to an average of \$1,199, with the metro remaining a more affordable alternative to larger markets. After an outside supply pipeline produced record delivery volume in 2021, Kansas City's overall occupancy in stabilized assets declined 50 basis points year-over-year, to 95.2%, as of December 2022.

The metro's job market remained on a positive track, with the average unemployment rate dropping 100 basis points since the beginning of the year, to 2.4% as of December, according to preliminary data from the Bureau of Labor Statistics. Over a 12-month period through November, Kansas City's labor pool expanded by 1.4%, with 26,300 jobs added. Growth diminished in the second half of the year, as concerns about a potential downturn halted expansion plans. The metro will soon debut its largest infrastructure project yet—the \$1.5 billion development of a new terminal at Kansas City International Airport, expected to accommodate an additional 20,000 passengers.

In 2022, the metro added 2,887 units to its stock. As of January, Kansas City had 6,453 units underway. Transactions reached a new high, at \$1.7 billion in sales, while the price per unit increased by 31.1%, to \$168,830.

Market Analysis | March 2023

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Recent Kansas City Transactions

The Residences at Park Place



City: Leawood, Kans.
Buyer: JRK Property Holdings
Purchase Price: \$58 MM
Price per Unit: \$224,985

Centennial Park



City: Overland Park, Kans.
Buyer: Greystar
Purchase Price: \$40 MM
Price per Unit: \$237,660

Jefferson Park



City: Liberty, Mo.
Buyer: GFI Capital Resources Group
Purchase Price: \$29 MM
Price per Unit: \$138,038

Province of Briarcliff



City: Kansas City, Mo.
Buyer: Peak Capital Partners
Purchase Price: \$24 MM
Price per Unit: \$198,333