

Yardi® Matrix

Keeping Up With Kansas City

Multifamily Report Fall 2018

New Supply Slows Rent Growth

Thriving Business Sector Fuels Demand

Investment Competition Drives Up Per-Unit Prices

KANSAS CITY MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Alexandra Pacurar

Senior Writer

KC Poised for More Growth

Kansas City's new rental housing stock has led to a slowdown in rent growth, but the addition of high-earning jobs should lead to quick absorption of the high-end units slated to come online. The metro's downtown is seeing the most development activity, followed by surging construction activity in Johnson County. The two submarkets account for roughly half of the 8,200 total units now underway.

Employment growth was strongest in professional and business services, as companies expand or relocate to the metro. Shamrock Trading Corp. is looking to consolidate its presence in the Midwest by building three new office towers in Overland Park. More than 1,000 employees are expected to join the company in the next five years. Kansas City's industrial sector is also thriving. CVS Health opened a new retail distribution center that will house 360 employees once fully operational, while Kubota Tractor Corp. will build two logistics facilities totaling 2 million square feet in Phase II of Logistics Park Kansas City in Edgerton.

Significant job gains—27,400 in the 12 months ending in June—draw a consistent number of young professionals looking for well-positioned rental units. With roughly 2,400 units anticipated for completion, rent growth in the metro is expected to come in at about 2.2% for the whole year.

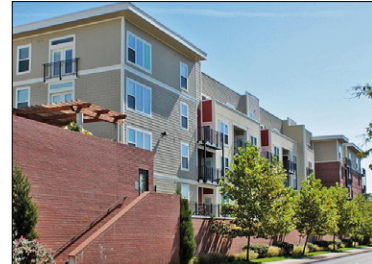
Recent Kansas City Transactions

The Landing at Briarcliff



City: Kansas City
Buyer: JVM Realty
Purchase Price: \$55 MM
Price per Unit: \$160,784

45 Madison



City: Kansas City
Buyer: PRG Real Estate
Purchase Price: \$26 MM
Price per Unit: \$197,980

Pinecrest



City: Olathe, Kan.
Buyer: Block Real Estate Services
Purchase Price: \$23 MM
Price per Unit: \$160,833

Pinegate



City: Merriam, Kan.
Buyer: Apartment Management
Purchase Price: \$23 MM
Price per Unit: \$102,378