



MULTIFAMILY REPORT

Kansas City: Bright Spot

August 2024

Rent Growth Outperforms Nation

New Construction Dwindles

Investment Activity Slows



KANSAS CITY MULTIFAMILY



Advertised Rents Improve, New Development Wanes

Kansas City's multifamily market posted a healthy performance during the first half of 2024, surpassing the metro's Sun Belt counterparts. The average advertised asking rent picked up the pace during the second quarter, up 0.6% on a trailing three-month basis through June, to \$1,292. That was double the national pace of growth, which brought the U.S. figure to \$1,739. Meanwhile, Kansas City occupancy marked a 100-basis-point decline year-over-year through May, decreasing from 95.0%, to 94.3%.

Kansas City added 19,100 net jobs in the 12 months ending in April, for a 1.2% expansion. Unemployment stood at 3.5% in May, outperforming the national rate by 50 basis points. Three sectors contracted for 4,900 jobs combined—professional and business services, information and construction. Gains were led by education and health services (8,200 jobs) and government (5,200 jobs). Several billion-dollar projects are underway in the metro, including the \$2 billion redevelopment of Brookridge in Overland Park and the AdventHealth Sports Park at Bluhawk.

During the first six months of 2024, developers delivered 1,134 units. While another 7,919 units were underway in June, the volume of new projects is dropping. Investment is also lagging, with just \$71 million in multifamily assets trading during the first half, for a price per unit that decreased slightly, to \$120,402.

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Recent Kansas City Transactions

Fairways Apartment Homes



City: Lee's Summit, Mo.
Buyer: CRES Management
Purchase Price: \$50 MM
Price per Unit: \$167,518

Emerald Hills



City: Kansas City, Mo.
Buyer: WAO Properties
Purchase Price: \$14 MM
Price per Unit: \$81,753

Flats at Wildwood



City: Raytown, Mo.
Buyer: Sharpline Equity
Purchase Price: \$11 MM
Price per Unit: \$76,912