

Yardi® Matrix

Good Times Are Rolling In Kansas City

Multifamily Report Winter 2019

Per Unit Prices
Reach New Peak

Demand for Housing
Remains Strong

Professional, Business
Services Lead Job Growth

KANSAS CITY MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Employment Gains Boost Demand

Despite tepid rent gains in 2018, the Kansas City multifamily market is in good shape, boosted by strong economic and demographic trends. Some 18,000 rental units have been delivered across the metro since 2014, with completions picking up throughout the second part of the cycle. Kansas City's assets continued to provide ample value-add appeal to investors, pushing the average per-unit price to \$100,000.

Kansas City's economy is improving at a strong rate, with the professional and business services sector accounting for one-third of all jobs added in the 12 months ending in October. Construction followed closely, with 4,700 jobs, for the largest year-over-year increase among all sectors: 9.3%. The metro's office and industrial sectors continued to have a sizable impact on the local economy, as more than 2.7 million square feet of industrial space was underway at the end of 2018, as were several office projects.

New multifamily units, located mostly in the urban core, are quickly being absorbed by young professionals drawn to the city's job market. Despite the aforementioned uptick in deliveries this cycle, demand for apartments is robust, which is reflected by a high occupancy—94.9% as of November. With roughly 3,000 units expected to come online this year, rent growth will likely continue at a good pace. We expect rents to rise 2.3% in 2019.

Recent Kansas City Transactions

Summit Ridge



City: Lee's Summit, Kan.
 Buyer: JVM Realty
 Purchase Price: \$65 MM
 Price per Unit: \$149,382

The Landing at Briarcliff



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

Summit on Quality Hill



City: Kansas City
 Buyer: JVM Realty
 Purchase Price: \$51 MM
 Price per Unit: \$202,380

909 Walnut St.



City: Kansas City
 Buyer: Worcester Investments
 Purchase Price: \$40 MM
 Price per Unit: \$263,157