

Yardi[®] Matrix

MULTIFAMILY REPORT

Kansas City's Next Move

Winter 2020



Occupancy Rates Still Robust

Average Rent Nears \$1K Mark

Developers Target Upscale Segment

KANSAS CITY MULTIFAMILY

Yardi® Matrix

Demand Exceeds Supply

Kansas City's multifamily market continued its momentum last year, with rents increasing at a healthy rate, coupled with robust investment activity and a healthy job market. Developers were mostly focused on delivering upscale assets—2,855 of the 2,993 units that came online were in the Lifestyle segment. The metro's downtown saw the highest activity (2,675 units underway), followed by the Overland Park-Southeast submarket (1,176 units).

In the 12 months ending in November, the metro gained 15,500 jobs, up 1.5% year-over-year. The education and health services sector led employment gains by adding almost half of all new jobs (7,100). The largest year-over-year increase was seen in the mining, logging and construction sector—9.4% as of November. Kansas City's industrial and office markets are expanding exponentially, with Walmart's \$200 million distribution center in Topeka contributing to the construction sector's growth.

Deliveries in 2019 were lower than the previous three-year average, but development remains strong, as more than 7,800 units were underway as of December. As new inventory slowed, occupancy in stabilized properties leveled off, at 94.8% as of November.

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Recent Kansas City Transactions

Barrington Park Townhomes



City: Lenexa, Kan.
Buyer: Block Real Estate Services
Purchase Price: \$53 MM
Price per Unit: \$130,718

Altitude 970



City: Kansas City
Buyer: Sherman Residential
Purchase Price: \$49 MM
Price per Unit: \$167,604

The Lennox of Olathe



City: Olathe, Kan.
Buyer: Briar Capital Management
Purchase Price: \$44 MM
Price per Unit: \$115,111

Perry 81



City: Overland Park, Kan.
Buyer: Cohen-Esrey
Purchase Price: \$43 MM
Price per Unit: \$121,904