



## MULTIFAMILY REPORT

# Kansas City Treads Lightly

Summer 2020

**Employment Takes Hit, Still Above Nation**

**Workforce Inventory Leads Rent Gains**

**Construction Slows, Doesn't Stop**



# KANSAS CITY MULTIFAMILY



## Rent Expansion Powers Through

The Kansas City multifamily market proved resilient during the second quarter of 2020. Amid consistent demand, the impact of the health crisis was relatively mild when compared to coastal and leisure-oriented metros; this difference helped maintain positive rent performance. The average Kansas City rent climbed 0.2% on a trailing three-month basis through June. In the meantime, the U.S. average slid 0.3%.

Kansas City job growth turned negative in April, when stringent stay-at-home measures curtailed economic activity. As of May, employment had contracted by 105,900 positions on a year-over-year basis. Construction was the only sector to add jobs during the pandemic, with development deemed an essential service. In a few quick months, unemployment went from a tight 3.5% in March to 11.3% in April, before a slight rebound to 10.8% in May. While the metro's economy was initially impacted less than many coastal cities, the evolution of the pandemic and the continued fluctuation in the number of coronavirus cases remain deciding factors.

Year-to-date through June, some 774 units were completed in the metro and another 7,700 apartments were underway. Following last year's cycle high of \$941 million in transactions, sales volume amounted to only \$159 million in the first two quarters of 2020, marking a 63% drop compared to the same interval last year.

## Market Analysis | Summer 2020

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### Recent Kansas City Transactions

#### The Sovereign at Overland Park



City: Overland Park, Kan.  
Buyer: Sherman Residential  
Purchase Price: \$43 MM  
Price per Unit: \$170,667

#### Copper Ridge



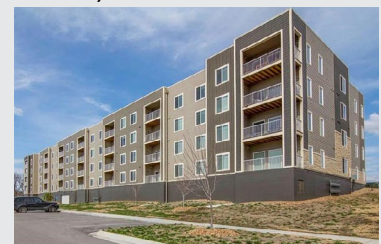
City: Liberty, Mo.  
Buyer: Justus Cos.  
Purchase Price: \$33 MM  
Price per Unit: \$113,128

#### Knollwood



City: Kansas City, Mo.  
Buyer: Brookhaven Property Group  
Purchase Price: \$31 MM  
Price per Unit: \$98,624

#### Fairway Flats



City: Lawrence, Kan.  
Buyer: Bridge Partners  
Purchase Price: \$28 MM  
Price per Unit: \$169,159