

**YARDI**® Matrix

# Kansas City's New Look

Multifamily Report Spring 2017

Rent Growth Stays Modest

Construction Activity Surges

Investors Target Overland Park



# KANSAS CITY MULTIFAMILY

**YARDI**® Matrix

## Market Analysis

Spring 2017

### 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

## A Feeling We're Not in Kansas Anymore

Kansas City is in the midst of a transformation, growing as a financial and research center, with increased investment in infrastructure, all of which support multifamily fundamentals. Demand is healthy as young professionals move into the city, although a wave of new supply is expected to moderate rent growth.

The metro is consolidating its status as a financial services hub. The sector added 4,500 jobs over the past year, leading all employment segments. Kansas City is also seeing a growth in tech-oriented businesses, the most notable being Cerner's Innovations Campus, which just completed the construction of its first two towers. The metro's central location and its status as one of the biggest rail centers in the U.S. attracted large e-commerce and distribution companies. In the past year, Amazon and Spectrum Brands leased a total of roughly 1.8 million square feet in Logistics Park Kansas City.

The vibrant and diverse economy is drawing in investors, which pushed the total transaction volume for multifamily properties to more than \$800 million in 2016. Rent growth will continue to be moderate. Demand should remain high—particularly in the urban core—but with 6,200 units under construction, new supply will dampen rent growth to 3.1% in 2017.

## Recent Kansas City Transactions

Coach House



City: Kansas City  
Buyer: Aragon Holdings  
Purchase Price: \$75 MM  
Price per Unit: \$93,416

ARIUM Overland Park



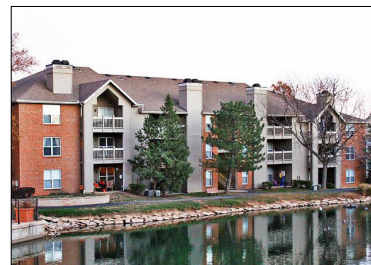
City: Overland Park, Kan.  
Buyer: Carroll Organization  
Purchase Price: \$69 MM  
Price per Unit: \$17,064

Cambridge Square



City: Overland Park, Kan.  
Buyer: Fogelman Properties  
Purchase Price: \$62 MM  
Price per Unit: \$150,980

Northland Passage



City: Kansas City  
Buyer: Hayman Co.  
Purchase Price: \$61 MM  
Price per Unit: \$101,678

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#### Hollie Zepke

Audience Development Specialist  
Hollie.Zepke@Yardi.com  
(800) 866-1124 x5389