



## MULTIFAMILY REPORT

# Kansas City Outperforms

August 2023

**Rent Growth Outpaces US**

**Construction Starts Pick Up**

**Investment Activity, PPU Decelerate**



# KANSAS CITY MULTIFAMILY



## Steady Demand Boosts Rent Growth

Kansas City displayed healthy fundamentals going into the third quarter, sustained by the metro's affordability and steady economy. Rents advanced 0.7% on a trailing three-month basis through June, and were up 5.2% year-over-year, marking one of the year's strongest performances. Yet with an average rent of \$1,241, the metro remained among the country's more affordable markets. Meanwhile, the occupancy rate in stabilized properties held up relatively well, declining by 60 basis points in the 12 months ending in June, to 95.1%.

The Kansas City unemployment rate stood at 2.8% in May, a 10-basis-point increase since the start of the year, according to data from the Bureau of Labor Statistics. While it trailed Missouri (2.5%) and Kansas (2.9%), the metro led the 3.7% national rate. The economy added 34,500 positions in the 12 months ending in April, the equivalent of a 3.2% expansion and ahead of the 2.9% national rate. All sectors gained jobs, led by leisure and hospitality (10,700 jobs). Job growth was aided by increased visitor volume, which in 2022 surpassed pre-pandemic levels.

Developers had 6,890 units underway as of June. The number of construction starts almost tripled year-to-date as of June from the same period last year. Meanwhile, investment activity tapered off, with just \$238 million in multifamily assets trading through June, for a price per unit that declined 22%.

## Market Analysis | August 2023

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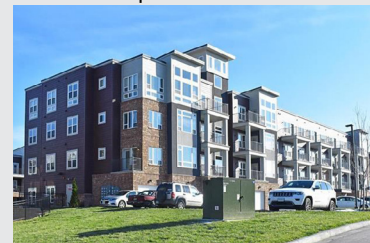
### Author

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### Recent Kansas City Transactions

#### Summit Square



City: Lee's Summit, Mo.  
Buyer: Avanti Residential  
Purchase Price: \$80 MM  
Price per Unit: \$259,740

#### Timberlane Village



City: Kansas City, Mo.  
Buyer: Ventera Realty  
Purchase Price: \$46 MM  
Price per Unit: \$101,856

#### Centennial Park



City: Overland Park, Kan.  
Buyer: Greystar  
Purchase Price: \$40 MM  
Price per Unit: \$237,660

#### Province of Briarcliff



City: Kansas City, Mo.  
Buyer: Peak Capital Partners  
Purchase Price: \$24 MM  
Price per Unit: \$198,333