



MULTIFAMILY REPORT

Kansas City Presses On

March 2024

Employment Gains Spotty

Rent Growth Outperforms US

Construction Starts Double

KANSAS CITY MULTIFAMILY



Stable Rent Growth Despite Pipeline Boom

Taking all economic factors into account, Kansas City multifamily fared well in 2023. The metro recorded moderate rent growth but managed to outperform most of the country last year. On a trailing three-month basis through January, rents were flat, at \$1,253, while the U.S. rate was down 0.2%. The metro's average occupancy in stabilized assets, however, fell 80 basis points year-over-year, to 94.5%, as of January. Both working-class Renter-by-Necessity and Lifestyle rates declined.

Kansas City employment expanded 2.4%, or 14,400 net jobs, in the 12 months ending in November, 20 basis points above the U.S. rate. The government sector led growth, with 10,400 positions added, for a 6.3% increase. The area's unemployment rate stood at 2.5% as of December, 120 basis points lower than the U.S. average, according to preliminary data from the Bureau of Labor Statistics. A longer-term boost could come from the development of a \$2 billion new ballpark, announced by the Kansas City Royals.

Developers had 8,236 units underway as of January across metro Kansas City, with an additional 53,000 units in the planning and permitting stages. The number of construction starts doubled in 2023, with 5,119 units breaking ground, up from 2,505 in 2022. The sales slowdown continued, with multifamily deals totaling just \$414 million in 2023.

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Recent Kansas City Transactions

Westley on Broadway



City: Kansas City, Mo.
Buyer: Seminole Tribe of Florida
Purchase Price: \$41 MM
Price per Unit: \$160,938

Parkville Place



City: Parkville, Mo.
Buyer: Land & Apartments
Purchase Price: \$17 MM
Price per Unit: \$99,206

Willowind



City: Kansas City, Mo.
Buyer: Oak IQ Investments
Purchase Price: \$8 MM
Price per Unit: \$83,333

Oakwood Garden



City: Kansas City, Mo.
Buyer: Appreciate
Purchase Price: \$4 MM
Price per Unit: \$80,000