



MULTIFAMILY REPORT

Kansas City Perseveres

Summer 2021

Construction Starts More Than Double

Lifestyle Rent Growth Outpaces RBN

Hospitality Leads Employment Gains

KANSAS CITY MULTIFAMILY



Job Growth Underscores Recovery Efforts

On similar footing with other Midwest metros, Kansas City's multifamily fundamentals continued to make headway during the second quarter. As of June, rents were up 0.9% on a trailing three-month basis, to \$1,058, below the \$1,482 U.S. average. Year-over-year, Kansas City rents edged up by 5.2% as of June.

In the 12 months ending in May, the metro regained 82,100 net jobs, with leisure and hospitality leading growth—the sector added 30,300 positions for a 38.8% increase. As of May, unemployment stood at 4.2% in Missouri, 3.5% in Kansas and 5.0% in the metro, all below the 5.8% May national rate. The \$1.9 trillion stimulus package allocated \$195 million to metro Kansas City, with the funds to be distributed in two tranches and spent over the next two years. More than \$111 million is going toward replacing lost tax and fee revenue.

Kansas City had 7,695 units under construction as of June, 96% of which are in upscale communities. Yardi Matrix expects 3,712 units to come online across the metro this year, slightly exceeding 2019 and 2020 deliveries. The pipeline has been fairly consistent since 2014, with developers adding an average of 3,700 apartments per year. Meanwhile, investment sales amounted to \$285 million this year as of June, with some 3,000 units sold in the first half of 2021.

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Recent Kansas City Transactions

SouthRidge



City: Kansas City, Kan.
Buyer: Beitel Group
Purchase Price: \$48 MM
Price per Unit: \$130,273

79 Metcalf



City: Overland Park, Kan.
Buyer: 29th Street Capital
Purchase Price: \$46 MM
Price per Unit: \$165,750

West Hill



City: Kansas City, Mo.
Buyer: Canyon View Capital
Purchase Price: \$16 MM
Price per Unit: \$220,737

The Life at Highland Village



City: Kansas City, Mo.
Buyer: Olive Tree Holdings
Purchase Price: \$15 MM
Price per Unit: \$76,667