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KANSAS CITY MULTIFAMILY

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Market Analysis

Summer 2017

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Kansas City continues to show signs of growth and modernization, with more tech-oriented businesses and Millennials settling in the Midwestern metro. Investments in public transportation and road infrastructure, coupled with the city's location, have contributed to pushing the unemployment rate below the 4.0% mark. Job growth has exceeded the national average and helps maintain a robust demand for apartments.

The metro is adding jobs in office-using segments such as professional and business services, which gained 12,000 positions in the year ending in June. Appealing workplaces, such as WeWork, are opening in Kansas City's core submarkets, attracting young professionals to live-work-play environments akin to those of larger metros. Public authorities are doing their share, with massive investments in infrastructure—such as the \$800 million comprehensive capital improvements program launched this year—while also offering incentives for new developments. The metro also continues to see high demand for industrial space. BMS Logistics Inc. leased 432,000 square feet at KCI Intermodal Business Centre.

Rent growth dipped to 1.8%, mostly due to new supply, as more than 4,200 units are slated to come online this year, marking an expected cycle high. Employment growth, the dynamic economy and investments in modernization will help the rate bounce back. We expect a 2.6% rent growth for the full year.

Recent Kansas City Transactions

Coach House



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



City: Overland Park, Kan. Buyer: CRES Management Purchase Price: \$62 MM Price per Unit: \$206,573

Cambridge Square



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

Northland Passage



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

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