

YARDI **M**ATRIX
Data provided by **Pierce**-Eisen

Steady Growth in Kansas City

Multifamily Summer Report 2015



**Office-Using Segments
Spur Job Growth**

**Urban Submarkets Lead
Moderate Rent Growth**

KANSAS CITY MULTIFAMILY

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Market Analysis

Summer, 2015

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Growth in Kansas City Remains Steady

Strengthening multifamily fundamentals and an improving economy have helped the Kansas City market to produce moderate growth. Population has been growing at a steady pace for the past two years, but only marginally better than the national average. Employment has been expanding in professional sectors, while traditional growth segments are lagging. The education and health services sector added only 1,500 new jobs over the past year, and the public sector even managed to lose some.

However, the local economy is expected to improve in the near future as large employers such as Cerner Corp., HCA Midwest Health, and The University of Kansas Hospital have announced significant expansion plans. The information sector, which also took a noticeable hit this year, should recover as well as the state recently passed legislation that would provide incentives to open data centers.

Apartment metrics are positive, but not frothy. Supply is up, but at about half the national growth rate. Transaction volume has grown from the trough, but the metro hasn't seen as big an uptick as other markets. With demand for multifamily units continuing to increase and investment activity already on par with previous highs, we expect rent growth will stabilize at around 4% this year.

Recent Kansas City Transactions

Carrington Park



City: Kansas City, MO
Buyer: Steadfast Companies
Purchase Price: \$39 MM
Price per Unit \$132,483

Haven at Prairie Trace



City: Overland Park, KS
Buyer: MAA
Purchase Price: \$45 MM
Price per Unit: \$159,107

Cloverleaf



City: Grandview, MO
Buyer: Fouad M. Al Katan
Purchase Price: \$6 MM
Price per Unit: \$28,137

The Mansion



City: Independence, MO
Buyer: Aragon Holdings
Purchase Price: \$37 MM
Price per Unit: \$68,034