



MULTIFAMILY REPORT

Kansas City's Solid Footing

December 2024

Employment Mirrors Larger Trends

Rent Gains Among Nation's Strongest

Construction Starts Dwindle

KANSAS CITY MULTIFAMILY



Rent Movement Remains Positive

Kansas City continued to post solid fundamentals, but the metro did not escape the overall economic turbulence. The average advertised asking rate was up 0.2% on a trailing three-month basis through October, to \$1,301, while the U.S. figure dipped 0.1%. Year-over-year, Kansas City displayed some of the strongest gains among larger markets, at 3.7% as of October. Meanwhile, the metro's occupancy in stabilized assets marked a 20-basis-point uptick year-over-year, to 94.9%.

Kansas City added 19,300 net jobs in the 12 months ending in August. At 1.4%, the metro's rate of growth mirrored the national figure. Leisure and hospitality led gains with 7,100 jobs. Unemployment stood at 3.4% as of October, 70 basis points below the U.S. figure, according to preliminary data from the Bureau of Labor Statistics. The list of notable projects underway in the area includes data center and cloud provider Patmos' second campus, which will cost \$1 billion. The company will turn a vacant printing plant into a 100-megawatt facility.

Developers delivered 3,105 units across Kansas City during the first 10 months of 2024. And while the metro still had an additional 7,919 apartments underway as of October 2024, construction starts have significantly dropped. Meanwhile, investment remained scarce at just \$294 million in sales volume, marking the lowest figure of the past decade.

Market Analysis | December 2024

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Recent Kansas City Transactions

Summit Ridge



City: Lee's Summit, Mo.
Buyer: BH Equities
Purchase Price: \$77 MM
Price per Unit: \$178,697

Gallerie



City: Kansas City, Mo.
Buyer: Bow River Capital
Purchase Price: \$73 MM
Price per Unit: \$200,823

Burr Oak Woods



City: Blue Springs, Mo.
Buyer: Resource Management Group
Purchase Price: \$9 MM
Price per Unit: \$108,059

Holiday



City: Kansas City, Mo.
Buyer: Beyond Base Equity
Purchase Price: \$5 MM
Price per Unit: \$30,000