

# Yardi® Matrix

## MULTIFAMILY REPORT

# Kansas City's Next Move

Winter 2020



**Occupancy Rates Still Robust**

**Average Rent Nears \$1K Mark**

**Developers Target Upscale Segment**

# KANSAS CITY MULTIFAMILY

Yardi® Matrix

## Demand Exceeds Supply

Kansas City's multifamily market continued its momentum last year, with rents increasing at a healthy rate, coupled with robust investment activity and a healthy job market. Developers were mostly focused on delivering upscale assets—2,855 of the 2,993 units that came online were in the Lifestyle segment. The metro's downtown saw the highest activity (2,675 units underway), followed by the Overland Park-Southeast submarket (1,176 units).

In the 12 months ending in November, the metro gained 15,500 jobs, up 1.5% year-over-year. The education and health services sector led employment gains by adding almost half of all new jobs (7,100). The largest year-over-year increase was seen in the mining, logging and construction sector—9.4% as of November. Kansas City's industrial and office markets are expanding exponentially, with Walmart's \$200 million distribution center in Topeka contributing to the construction sector's growth.

Deliveries in 2019 were lower than the previous three-year average, but development remains strong, as more than 7,800 units were underway as of December. As new inventory slowed, occupancy in stabilized properties leveled off, at 94.8% as of November.

## Market Analysis | Winter 2020

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### Recent Kansas City Transactions

#### Barrington Park Townhomes



City: Lenexa, Kan.  
Buyer: Block Real Estate Services  
Purchase Price: \$53 MM  
Price per Unit: \$130,718

#### Altitude 970



City: Kansas City  
Buyer: Sherman Residential  
Purchase Price: \$49 MM  
Price per Unit: \$167,604

#### The Lennox of Olathe



City: Olathe, Kan.  
Buyer: Briar Capital Management  
Purchase Price: \$44 MM  
Price per Unit: \$115,111

#### Perry 81



City: Overland Park, Kan.  
Buyer: Cohen-Esrey  
Purchase Price: \$43 MM  
Price per Unit: \$121,904