



### MARKET AT A GLANCE



**OCCUPANCY RATE** **94.5%**  
Unchanged since 1Q17



**EFFECTIVE RENT** **\$939**  
Up 2.2% since 1Q17

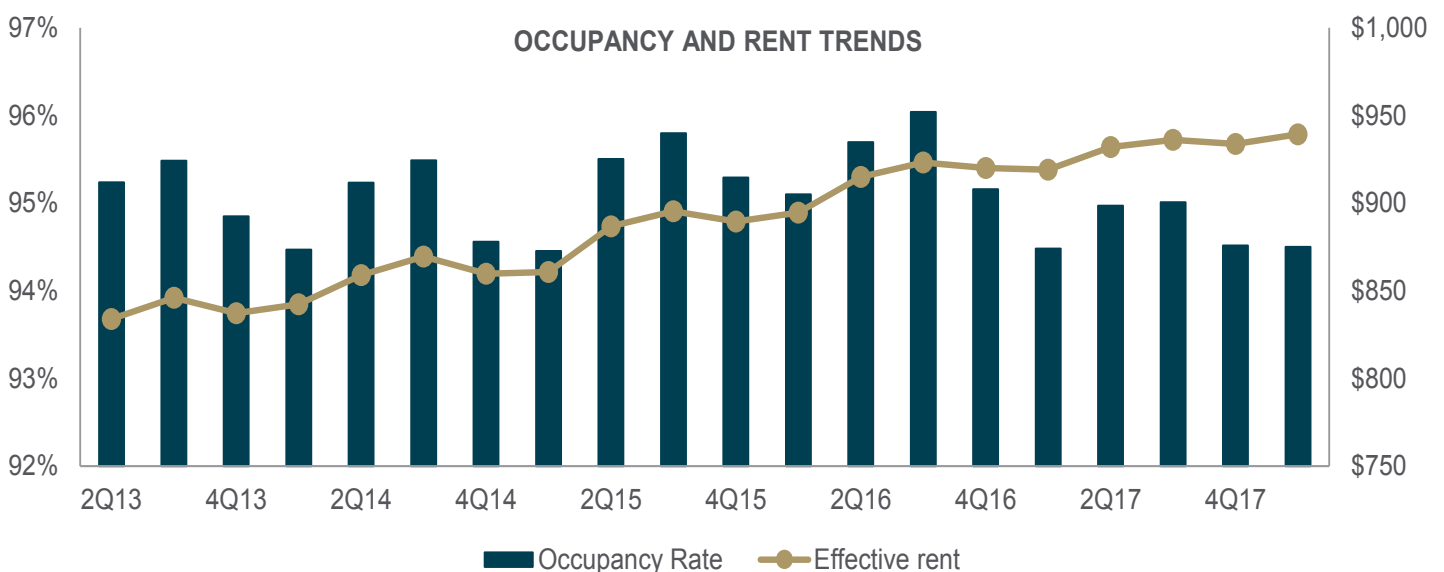


**TOTAL INVENTORY** **146,540**

### OCCUPANCY AND RENT TRENDS

## ACCELERATED MULTIFAMILY CONSTRUCTION ACCOMMODATES RISING DEMAND

Leasing activity in the Kansas City metropolitan area was brisk to start 2018. The 1,008 newly rented apartments since December represented the greatest first quarter absorption in more than 15 years. The latest leasing activity was part of 3,382 units absorbed annually, up from 2,554 units absorbed during the preceding year. Leasing activity was greatest in the Overland Park South submarket, home to Sprint/Nextel campus, and the employment hub in the Downtown/East Kansas City submarket. Builders worked to meet rising demand as construction completed on 3,451 units during the past 12 months. The latest additions were focused around the Downtown/East KC submarket, with 1,082 new units since March 2017. While occupancy declined from 97.4% in March 2017 to 93.6% in March 2018 due to supply-side pressure, operators decelerated annual rent growth 0.7% to \$1,241 per month to help drive demand in downtown's urban revival. Metrowide, the average apartment occupancy of 94.5% in March 2018 was consistent with the year-ago rate. Operators raised the average effective rent to \$939 per month, up 2.2% year over year.



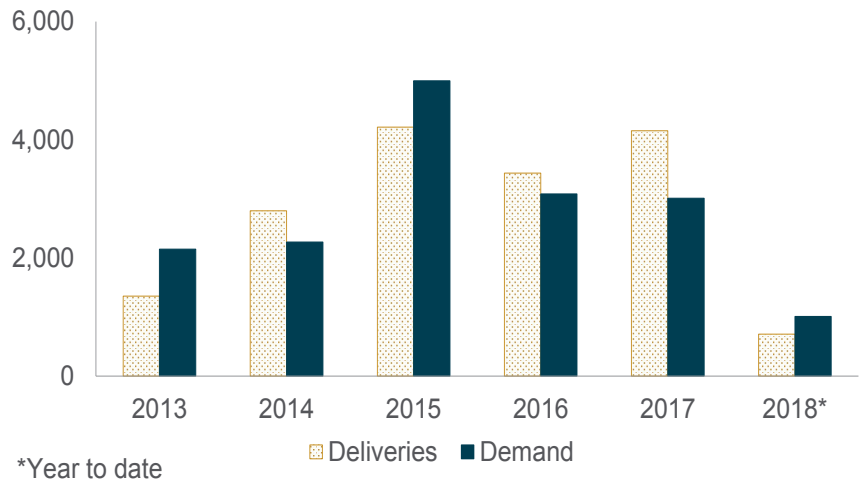
## DELIVERIES AND DEMAND



**DELIVERIES** 710  
Units YTD



**NET ABSORPTION** 1,008  
Units YTD



## ECONOMIC TRENDS

2017	<b>UNEMPLOYMENT*</b>	2018
4.1%	<b>-40 BPS CHANGE</b>	3.7%

2017	<b>EMPLOYMENT*</b>	2018
1.08m	<b>1.5% CHANGE</b>	1.09m

2017	<b>EXISTING SFH SALES**</b>	2018
44.5k	<b>-3.4% CHANGE</b>	43.0k

2017	<b>MEDIAN SFH PRICE**</b>	2018
\$192.7k	<b>2.8% CHANGE</b>	\$198.0k

2017	<b>10-YEAR TREASURY**</b>	2018
2.40%	<b>30 BPS CHANGE</b>	2.74%

\*January; \*\*March

Total nonfarm employment expanded by 16,600 jobs as employers accelerated hiring across Kansas City. Local annual job growth of 1.5% was on par with the U.S. average increase since January 2017. Professional and business services employers added a metro-leading 7,600 personnel, to expand 4.0%. Part of the additions came when Honeywell hired approximately 800 workers at the Kansas City National Security Campus, which brought its total local employment to 3,600 people. Most of the new hires were high-paid engineers and professionals. Hiring was also robust in the trade, transportation and utilities sector—Kansas City’s largest employment sector—which expanded 1.3% with 2,800 new jobs. In the education and health services segment, headcounts grew 2.1% with 3,000 jobs added year over year. UnitedHealth Group launched an aggressive hiring campaign in 2017 and began adding 500 new employees. Further sector growth is anticipated when Excelligence Learning Corporation relocates to Gardner, Kansas, hiring 250 workers by year-end.



# KANSAS CITY

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q17	1Q18	1Q17	1Q18	1Q17	1Q18	1Q18	ANNUAL	1Q18	ANNUAL
Cass County	98.6%	98.1%	-	2.6%	\$950	\$975	-4	-8	0	0
Downtown/East KC	97.4%	93.6%	4.9%	0.7%	\$1,233	\$1,241	156	606	324	1,082
Gladstone/Liberty	92.2%	94.8%	1.3%	3.5%	\$817	\$846	141	475	0	214
Grandview/Far South	93.2%	93.6%	-0.7%	3.0%	\$797	\$821	-10	37	0	0
Independence	95.0%	94.9%	2.3%	3.9%	\$760	\$790	-19	-6	0	0
Jackson County/Other	96.1%	95.7%	3.9%	4.2%	\$943	\$982	88	220	84	220
Johnson County/Other	97.1%	95.6%	7.6%	1.0%	\$833	\$841	-3	-16	0	0
Merriam/Mission/Prairie Village	96.1%	96.0%	-1.4%	5.7%	\$835	\$882	-10	-6	0	0
Miami County	97.3%	99.2%	2.0%	2.1%	\$661	\$675	-1	11	0	0
Midtown	95.6%	96.1%	7.5%	-1.0%	\$952	\$942	216	147	21	101
North Kansas City	92.8%	94.9%	2.4%	1.0%	\$885	\$894	147	386	108	292
Olathe	95.4%	96.3%	2.3%	1.9%	\$933	\$951	-8	68	0	0
Overland Park North	96.5%	95.5%	5.8%	1.1%	\$867	\$877	29	166	0	261
Overland Park South	93.3%	94.8%	3.1%	1.9%	\$1,088	\$1,108	50	808	38	548
Platte	95.5%	93.9%	4.6%	1.6%	\$909	\$924	63	318	66	445
Raytown	95.6%	94.7%	2.8%	7.1%	\$671	\$718	67	-44	0	0
Shawnee/Lenexa	94.8%	95.7%	2.5%	3.3%	\$934	\$965	91	378	48	267
Southwest Kansas City	93.4%	91.5%	0.2%	7.9%	\$650	\$701	-13	-44	0	0
University/Plaza	95.1%	93.6%	1.9%	-6.2%	\$1,227	\$1,151	42	-89	21	21
Wyandotte	93.1%	92.9%	2.4%	3.7%	\$769	\$797	-15	-23	0	0
<b>TOTALS</b>	<b>94.5%</b>	<b>94.5%</b>	<b>2.7%</b>	<b>2.2%</b>	<b>\$919</b>	<b>\$939</b>	<b>1,008</b>	<b>3,382</b>	<b>710</b>	<b>3,451</b>



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