



### MARKET AT A GLANCE



**OCCUPANCY RATE** **94.3%**  
Down **40 bps** since 1Q18



**EFFECTIVE RENT** **\$935**  
Up **2.2%** since 1Q18

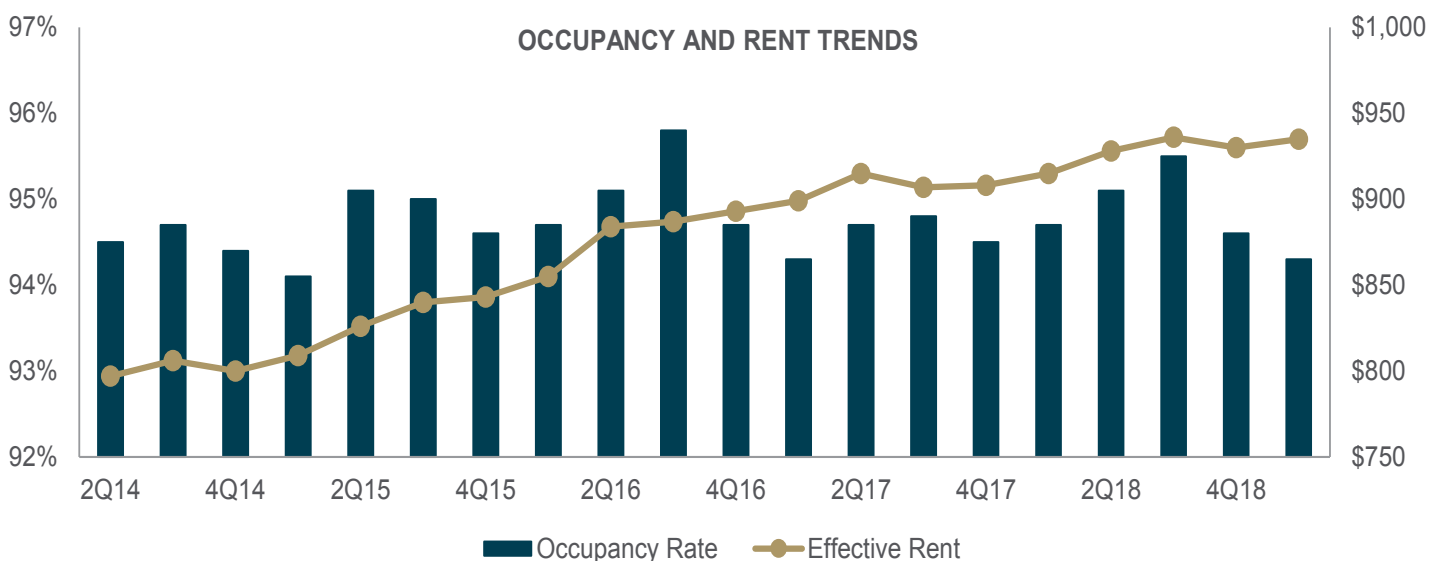


**TOTAL INVENTORY** **167,470**

### OCCUPANCY AND RENT TRENDS

## ACCELERATED MULTIFAMILY CONSTRUCTION ACCOMMODATES RISING DEMAND

Apartment builders focused development in the Central Kansas City and North Overland Park submarkets where leasing activity has been strong. Builders worked to meet rising demand in these two submarkets as construction completed on 2,268 units, 71% of metrowide deliveries. Supporting rental activity, Overland Park was among the hottest job markets in the area, home to the Sprint World Headquarters Campus and the 2.1 million-square-foot Corporate Woods Office Park. Of the 47 properties under construction metrowide, 17 reached lease-up in the past four quarters. The largest multifamily development to come online was the 361-unit Gallerie apartment community, near the world headquarters for Hallmark Cards Inc. in the central business district. Additional units came online at the 219-unit The Vue, a mixed-use redevelopment project in Downtown Overland Park. Above-average demand in the Central Kansas City and North Overland Park submarkets was insufficient to overcome supply-side pressure, a significant factor in the 40-basis-point, year-over-year decline in the metro's occupancy rate which ended first quarter of 2019 at 94.3%. Boosted by a 4.3% annual rise in household income and amenity-rich new supply, effective rent advanced 2.2% year over year to \$935 per month.



# KANSAS CITY

MULTIFAMILY REPORT

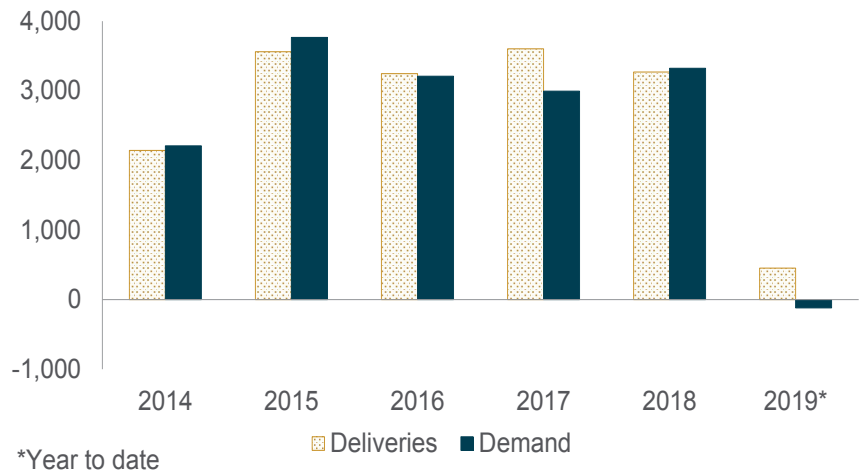
## DELIVERIES AND DEMAND



**DELIVERIES** 452  
Units YTD



**NET ABSORPTION** -118  
Units YTD



## ECONOMIC TRENDS

2018 **UNEMPLOYMENT\*** 2019  
3.8% ..... -60 BPS ..... 3.2%  
CHANGE

2018 **EMPLOYMENT\*** 2019  
1.09m ..... 1.2% ..... 1.11m  
CHANGE

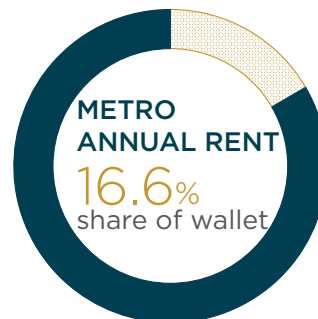
2018 **EXISTING SFH SALES\*\*** 2019  
42.7k ..... -5.6% ..... 40.3k  
CHANGE

2018 **MEDIAN SFH PRICE\*\*** 2019  
\$208.7k ..... -1.1% ..... \$206.4k  
CHANGE

2018 **10-YEAR TREASURY\*\*** 2019  
2.84% ..... -30 BPS ..... 2.57%  
CHANGE

\*January; \*\*March

Kansas City employers continued to hire at a healthy clip, buoying rental demand during the last year. Total nonfarm employment expanded 1.2% annually, or by 13,500 workers, between January 2018 and January 2019. In the Lee's Summit/Blue Springs/Raytown submarket where annual rental demand outmatched new supply, Cerner Corporation moved 3,000 software engineers into the first two buildings of what will become a 4.7 million-square-foot Innovations Campus and plans to add as many as 16,000 new IT employees by the final phase of construction slated for 2025. Two major building projects in Lenexa and Edgerton greatly increased the footprint of United Parcel Service Inc. in Johnson County. The 100 jobs added by UPS, however, was a small counterweight to the 1,400 jobs shed in the trade, transportation, and utilities sector. The \$26.5 billion merger of Sprint and T-Mobile will create 1,000 new jobs to the Overland Park campus. This bodes well for the 1,100 apartment deliveries in the South Overland Park submarket scheduled in the next four quarters and will simultaneously boost the information employment sector.



# KANSAS CITY

## MULTIFAMILY REPORT

### SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q19	ANNUAL	1Q19	ANNUAL
Central Kansas City	94.5%	94.4%	-4.5%	0.6%	\$1,157	\$1,164	181	1,410	140	1,518
Clay County	94.3%	93.8%	3.7%	3.1%	\$844	\$870	60	-101	0	0
Independence/East Kansas City	95.0%	94.0%	1.9%	2.1%	\$713	\$728	-160	241	0	407
Lee's Summit/Blue Springs/Raytown	94.0%	94.4%	4.4%	3.1%	\$829	\$855	-76	225	0	186
North Overland Park	95.5%	94.9%	6.2%	2.4%	\$924	\$946	168	638	217	750
Olathe/Gardner	96.9%	96.3%	0.6%	3.1%	\$902	\$930	-37	-55	0	0
Platte County	94.2%	94.3%	-0.3%	2.7%	\$894	\$918	58	10	0	0
Shawnee/Lenexa/Mission	94.6%	95.2%	5.3%	2.4%	\$967	\$990	13	284	95	201
South Kansas City/Grandview	94.2%	93.5%	3.9%	0.5%	\$772	\$776	-114	-114	0	0
South Overland Park	94.9%	94.3%	0.8%	2.2%	\$1,081	\$1,105	-91	-29	0	85
Wyandotte County/Leavenworth	94.1%	92.9%	1.9%	2.0%	\$796	\$812	-121	-136	0	27
<b>TOTALS</b>	<b>94.7%</b>	<b>94.3%</b>	<b>1.8%</b>	<b>2.2%</b>	<b>\$915</b>	<b>\$935</b>	<b>-118</b>	<b>2,374</b>	<b>452</b>	<b>3,174</b>



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