KANSAS CITY, MO

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
94.7%	$1,339	19.7%
UP 10 BPS YOY	UP 3.3% YOY	UP 10 BPS YOY

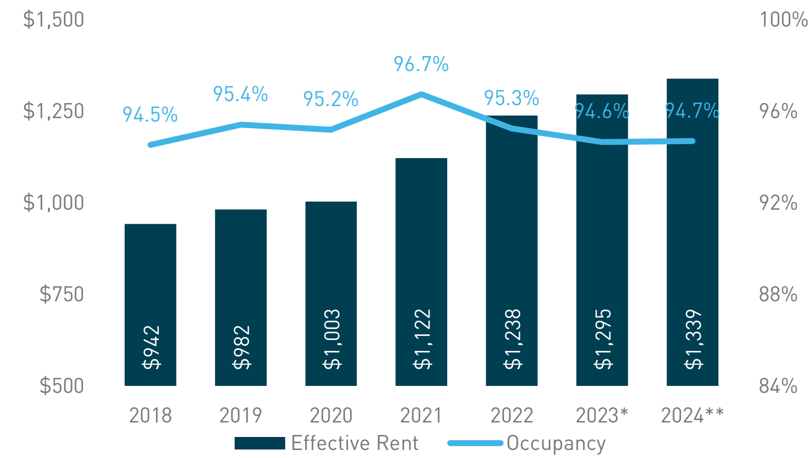
New Residents and Competitive Homeownership Environment Driving Apartment Demand

Kansas City has become a popular relocation destination, contributing to persistent household formation in recent years. Since 2020, the Federal Reserve Bank of Cleveland tracked more people moving to Kansas City from high-cost, large metropolitan areas than moved out, reversing the trend from 2013 to 2019. An attractive feature of Kansas City is the lower cost of living, scoring 6.5% under the national average. For individuals and families relocating to Kansas City, potential homeowners were faced with a more competitive market as active listings last year were approximately 39% lower than the pre-pandemic average. As a result, many new residents turned to apartments for housing to contribute to a rise in leasing activity. Another benefit of the local apartment market was affordability. Greater Kansas City monthly effective rent averaged $1,295 in the fourth quarter of 2023, compared to $1,827 nationally. A lower cost of living combined with growing households is expected to continue this year, benefiting apartment operators. Accelerating leasing activity combined with more than 50% of existing renters renewing will result in an uptick in occupancy. The increase in occupancy will come as more than 5,500 units come online, eclipsing the previous annual high of nearly 4,900 deliveries in 2020. Additions will be focused on the urban core with more than 1,400 units scheduled for completion over the next four quarters. The additions will be met with pent-up demand, as more net units are forecast to be absorbed over the next four quarters than any other submarket.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

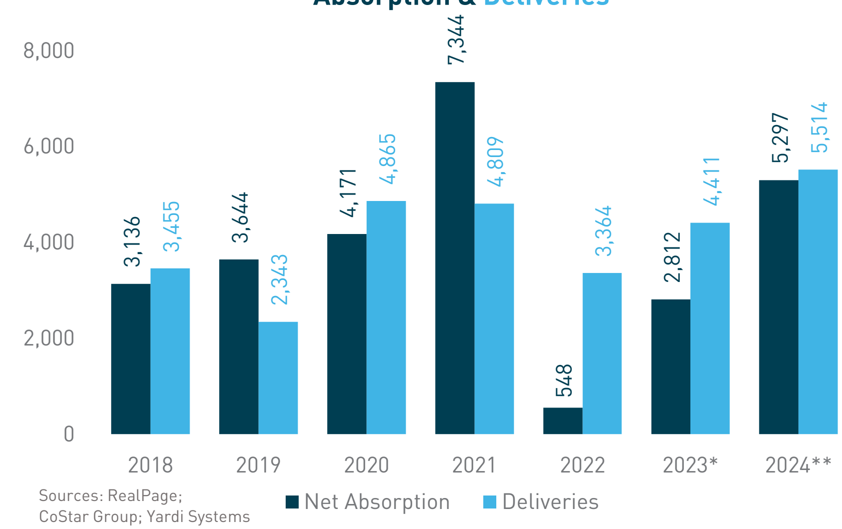


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries

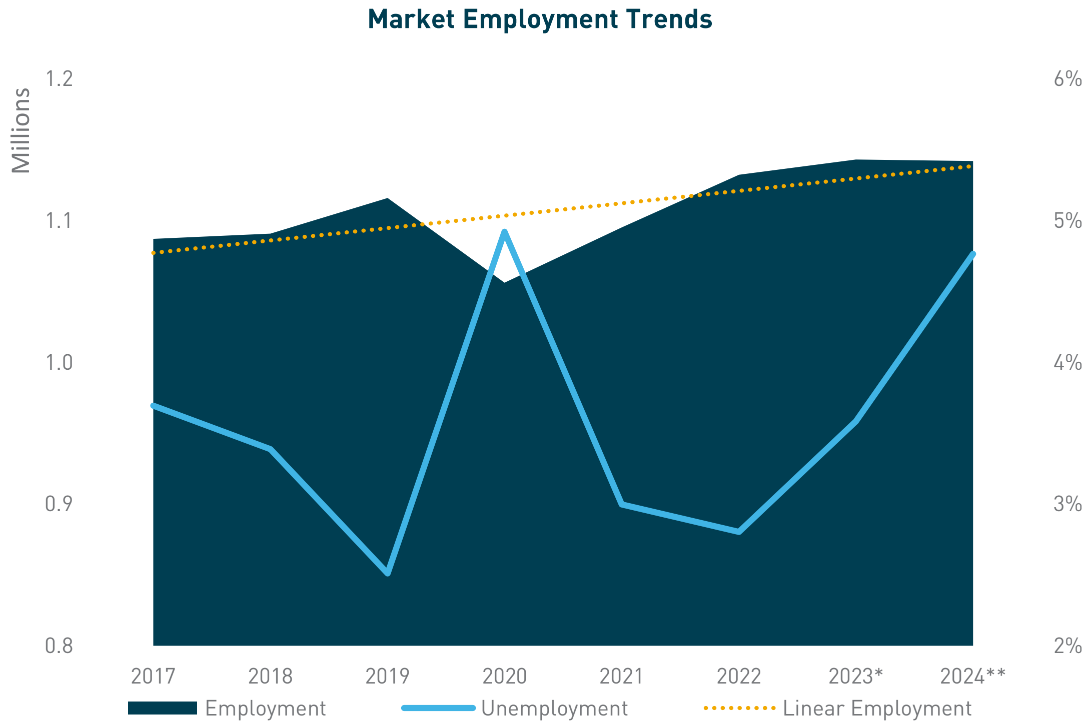


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

KANSAS CITY, MO

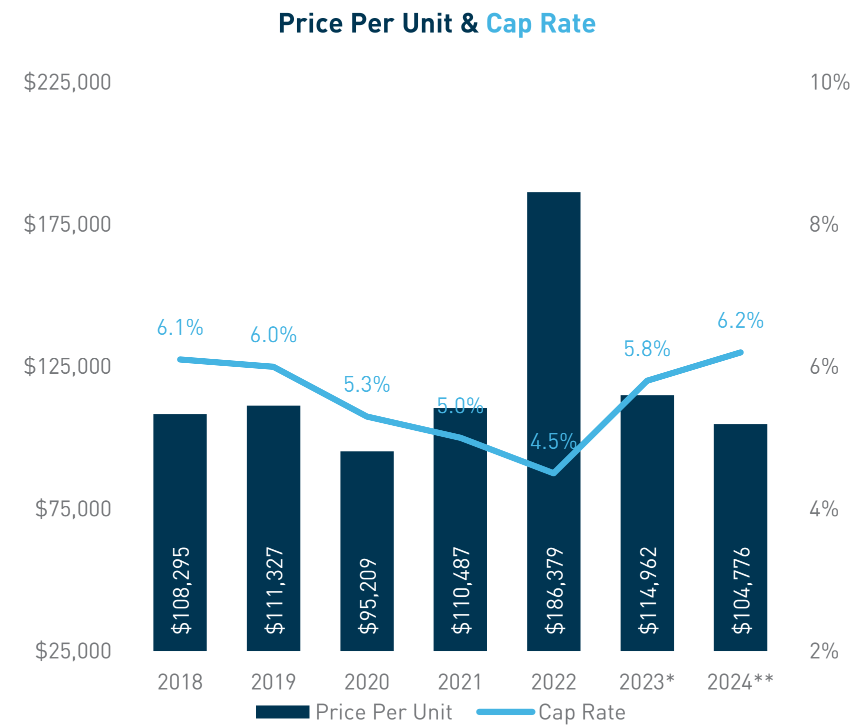
EMPLOYMENT TRENDS



Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
1,142,100	4.8%	$81,473	$104,776	6.2%
DOWN 0.1% YOY	UP 120 BPS YOY	UP 2.9% YOY	DOWN 8.9% YOY	UP 40 BPS YOY