SELECT MARKET

KANSAS CITY

MULTIFAMILY MARKET REPORT | MID-YEAR

2025

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Jobs Added / Lost

LAST 12 MONTHS
-3,500

0.3% YOY

Unemployment

JUNE 2025
4.0%

30 BPS YOY

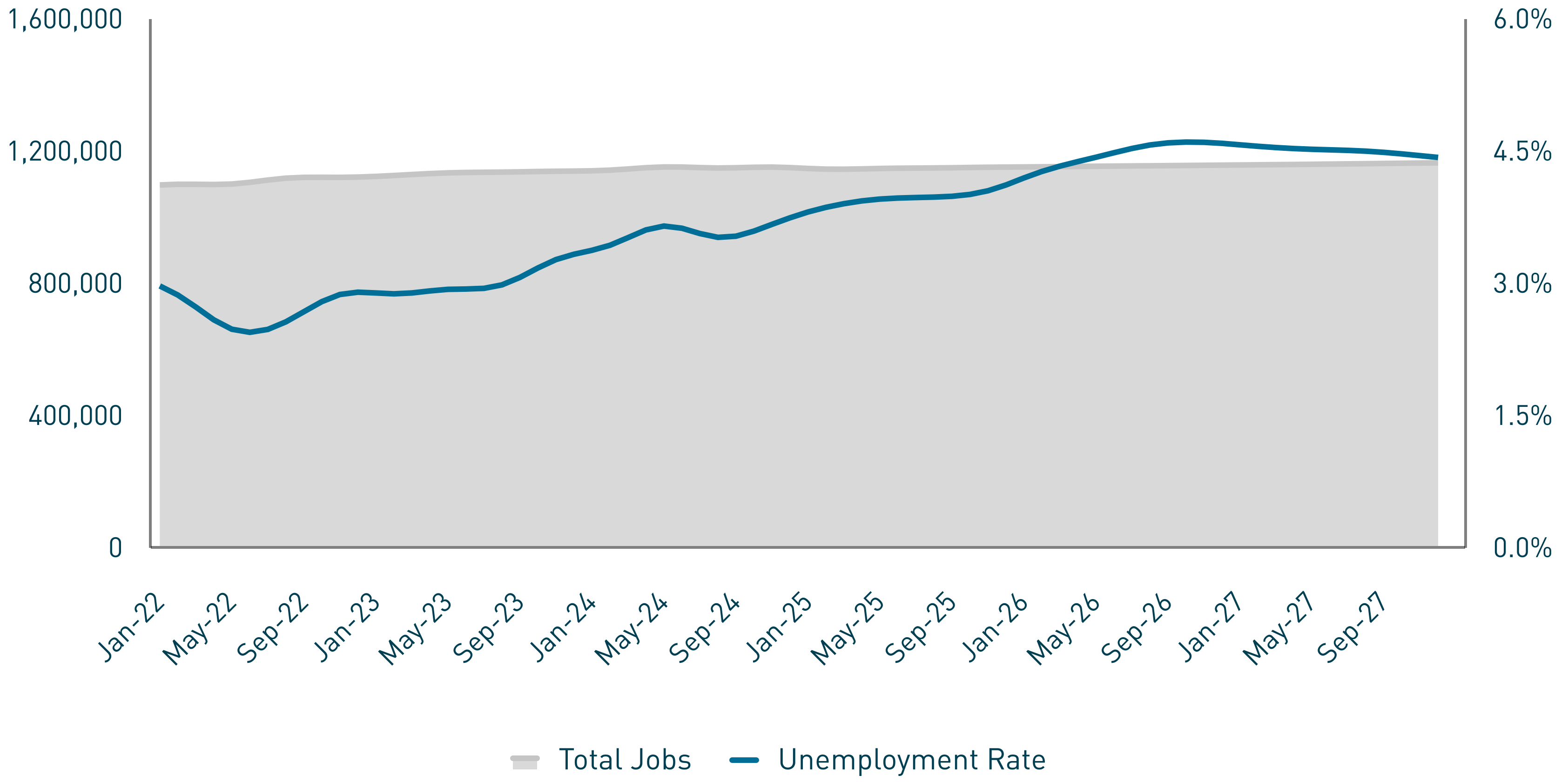
BERKADIA

Source: Moody's Analytics

Employment

Last year, Kansas City secured over $3.4 billion in private investments across 266 projects, with notable growth in the technology sector. It ranks as the third-fastest growing U.S. tech market by tech jobs per capita, with approximately 102,000 tech jobs and 3,900 tech firms. Since 2021, the tech workforce has expanded by 16%, contributing 9% to the city's economic output. Notable investments include Meta's $800 million data center, creating 100 jobs, and Google's $1 billion expansion, expected to open by October, both enhancing the region's economic vitality and job creation. Despite some signs of a year-over-year slowdown, long-term job growth and economic indicators remain positive. As of June 2025, metro employment reached 1,148,800 nonfarm workers, a 1.8% increase from the pre-pandemic peak, adding 20,500 jobs in the last year. The annual growth was primarily driven by the private education and healthcare sector, up 9.6%, and the manufacturing industry, up 8.0%. The manufacturing sector is bolstered by major companies like Ford and General Motors, which have invested over $1.5 billion locally. In July 2025, Panasonic Group began mass-producing EV batteries at its new DeSoto facility, expected to employ 4,000 people. Kansas City also has a thriving food production industry worth over $5 billion, hosting companies such as General Mills, Hormel, and Hills Pet Nutrition. Kansas City's employment is projected to grow by 0.6% over the next year, advancing payrolls by 6,400 net jobs, driven by significant gains in the professional and business services sector.

Employment Trends



Source: Moody's Analytics

In the News

KU Cancer Center to start work on $450M facility
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Master's Transportation opens first phase of $72M HQ
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Swope Health breaks ground on a $126M campus in Kansas City
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Deliveries & Absorption

2025 Year to Date

DELIVERIES
2,200 UNITS

ABSORPTION
3,648 UNITS

2025 Total*

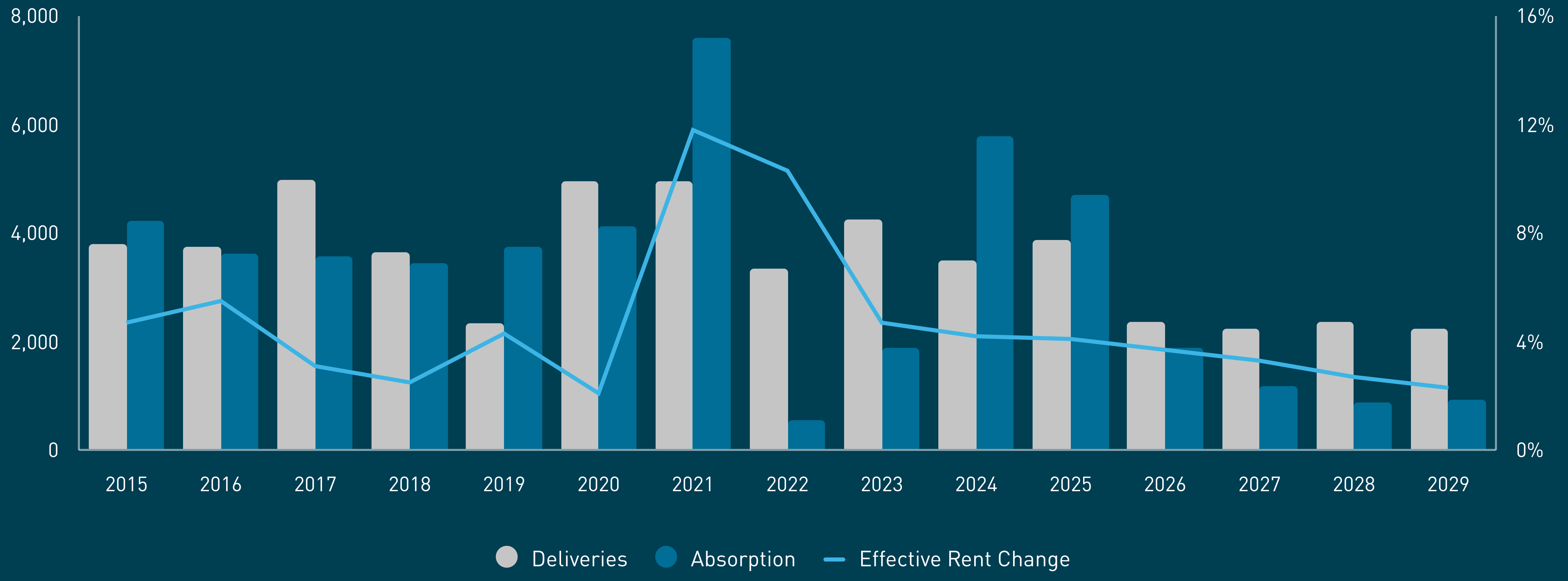
DELIVERIES
3,886 UNITS

ABSORPTION
4,703 UNITS

**Projected*
Source: RealPage

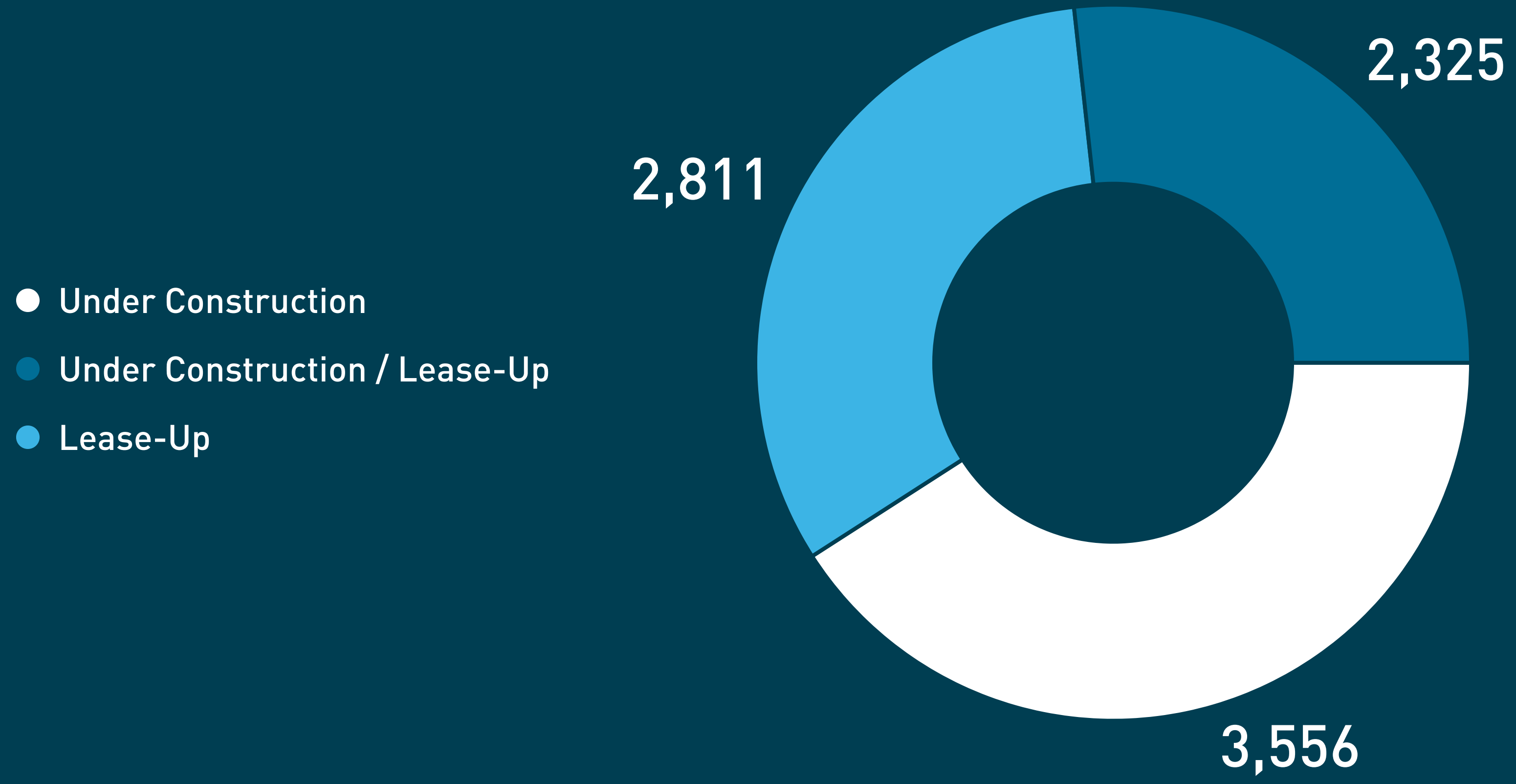
For the past 20 years, Greater Kansas City's southwest side has experienced expansive growth, like in Overland Park, Lenexa, and Shawnee. Beyond the metro's urban core, residents have access to an affordable cost of living and extensive highway systems that foster convenient commutes. The region's second-largest city, Overland Park, is among the hottest job markets attracting business relocations and expansions. Demonstrating their appeal to renters, South Overland Park and Shawnee/Lenexa/Mission led the metro in leasing activity, accounting for a combined 24% of the 7,798 units leased throughout the metro since mid-2024. Central Kansas City remains a top rental market, with annual demand more than doubling from last year. Young renters are attracted by its vibrant lifestyle, renowned food and drink scene, rich arts and culture, and entertainment options like the Power & Light District. The growing millennial and Gen Z population also fosters a strong sense of community for young professionals. On the construction front, Kansas City had 5,880 units under construction and or in the under construction/lease-up stage in the second quarter, representing 3.1% of current inventory, close to the national average of 3.4%. Builders delivered 4,078 units in the last year, a 25.7% year-over-year increase as builders worked to meet demand. North of downtown, new apartments are planned within a 23-acre, billion-dollar mixed-use development announced in April 2024 located on the Kansas City riverfront and KC Current’s CPKC Stadium.

Deliveries, Absorption, & Effective Rent Change



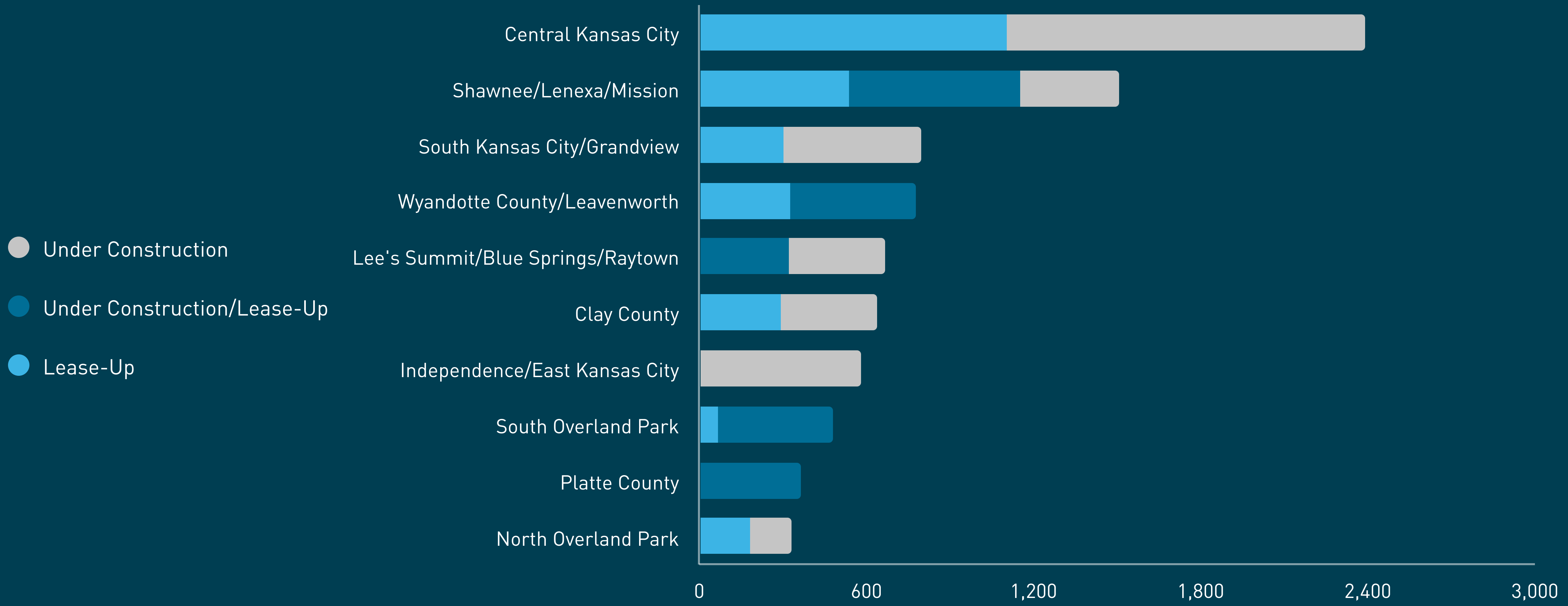
Source: RealPage

Kansas City Pipeline



Source: RealPage

Largest Submarket Pipelines



Source: RealPage

Effective Rent

Q2 2025
$1,405

4.9% YOY

Occupancy

Q2 2025
96.4%

210 BPS YOY

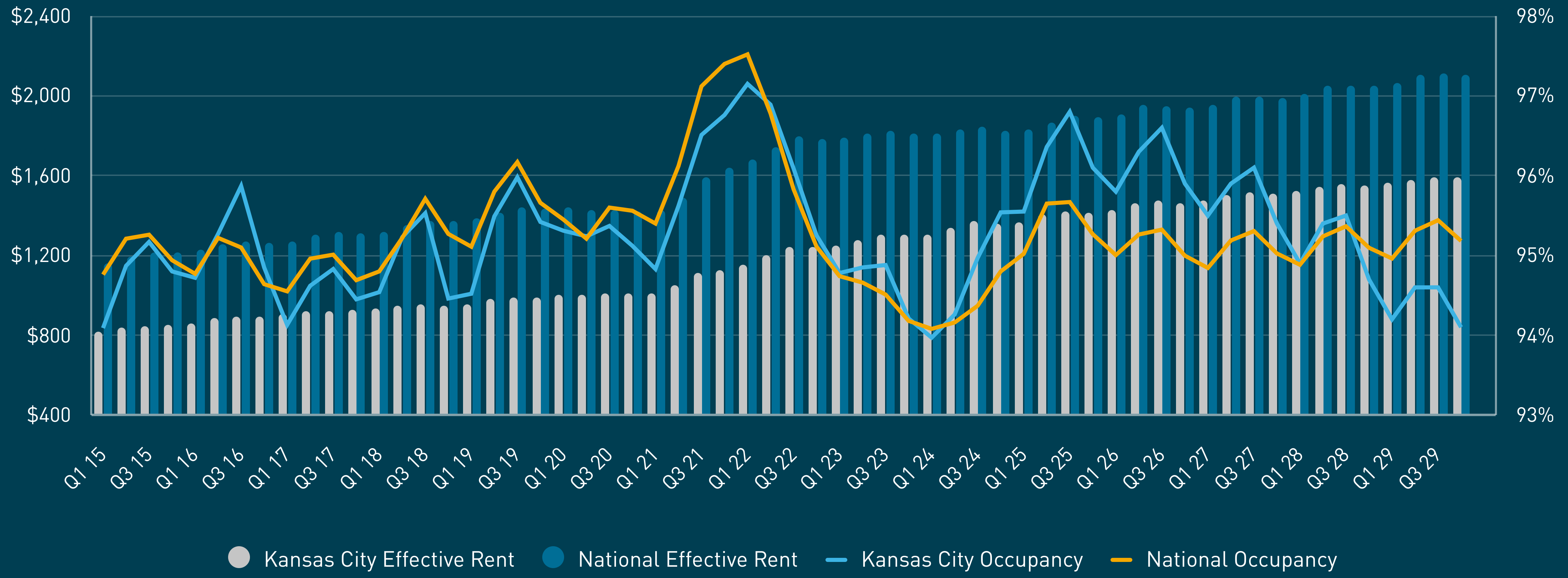
Source: RealPage

Rent & Occupancy

Kansas City is consistently recognized among the most affordable U.S. cities for renters. In the second quarter, the average effective rent rose by 4.9% annually, significantly exceeding the national average of 2.1% and building on the metro's 4.6% growth from the previous year. Even with the increase, at $1,405 per month, apartment rents were one-third less than the national average at mid-year. Rent growth was present in all classes of stock, with Class B properties recording the highest annual appreciation: Class A rose 4.5% to $1,789, Class B rose 6.1% to $1,383, and Class C rose 4.7% to $1,040. As Panasonic rapidly hires for its new $4 billion electric vehicle plant in Desota, landlords in the Olathe/Gardener submarket increased effective rent an average of 8.3% year over year in response to the elevated competition for apartments. Robust leasing activity that outpaced new supply increased the metro average occupancy rate to 96.4% in the second quarter of 2025. Submarkets with critical job hubs such as Olathe/Gardner, at 98.0%, and Shawnee/Lenexa/Mission, at 97.6%, retained the highest occupancy rates. The contiguous submarkets are home to major employers such as Garmin International, GEICO, Amazon, Thermo Fisher Scientific, and Overland Park Regional Medical Center. Furthermore, Olathe's $320 million Gateway district, with a 5,000-seat multisport complex, hotel, medical offices, and amusement park, is set to create over 1,200 jobs and boost local leasing.

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.

Kansas City vs. National Effective Rent & Occupancy



Source: RealPage

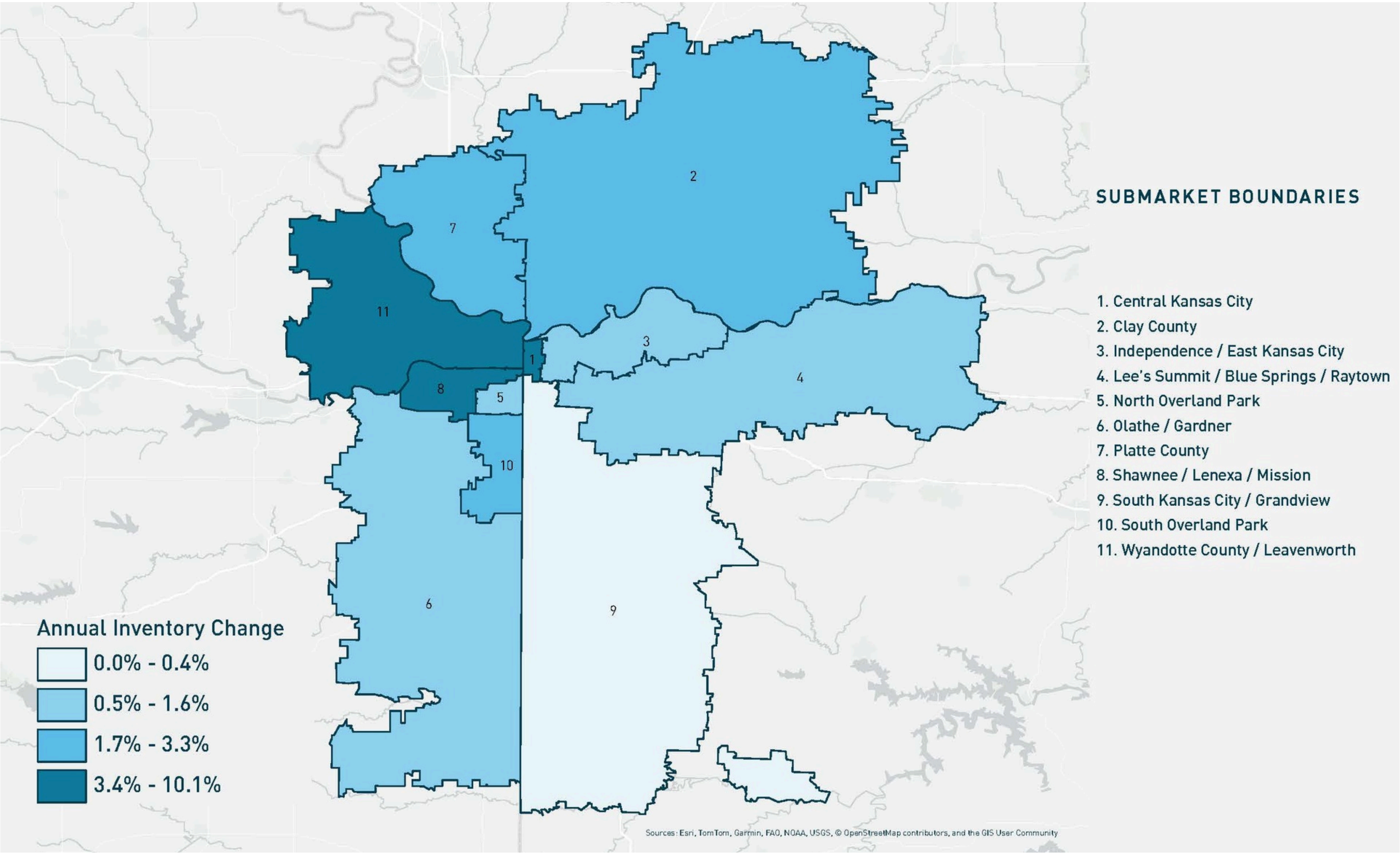
Rent & Occupancy

Submarket Performance

Submarket Name	Q2 25 Occupancy	YOY (BPS)	Q2 25 Effective Rent	YOY
Central Kansas City	94.0%	70	$1,636	6.4%
Clay County	96.7%	240	$1,231	4.8%
Independence/East Kansas City	94.4%	180	$1,253	9.2%
Lee's Summit/Blue Springs/Raytown	96.1%	200	$1,340	3.5%
North Overland Park	95.9%	120	$1,409	3.9%
Olathe/Gardner	98.0%	190	$1,449	8.3%
Platte County	97.1%	290	$1,311	3.7%
Shawnee/Lenexa/Mission	97.6%	170	$1,487	3.8%
South Kansas City/Grandview	95.3%	310	$1,120	3.3%
South Overland Park	97.5%	290	$1,639	5.3%
Wyandotte County/Leavenworth	95.7%	250	$1,180	6.6%

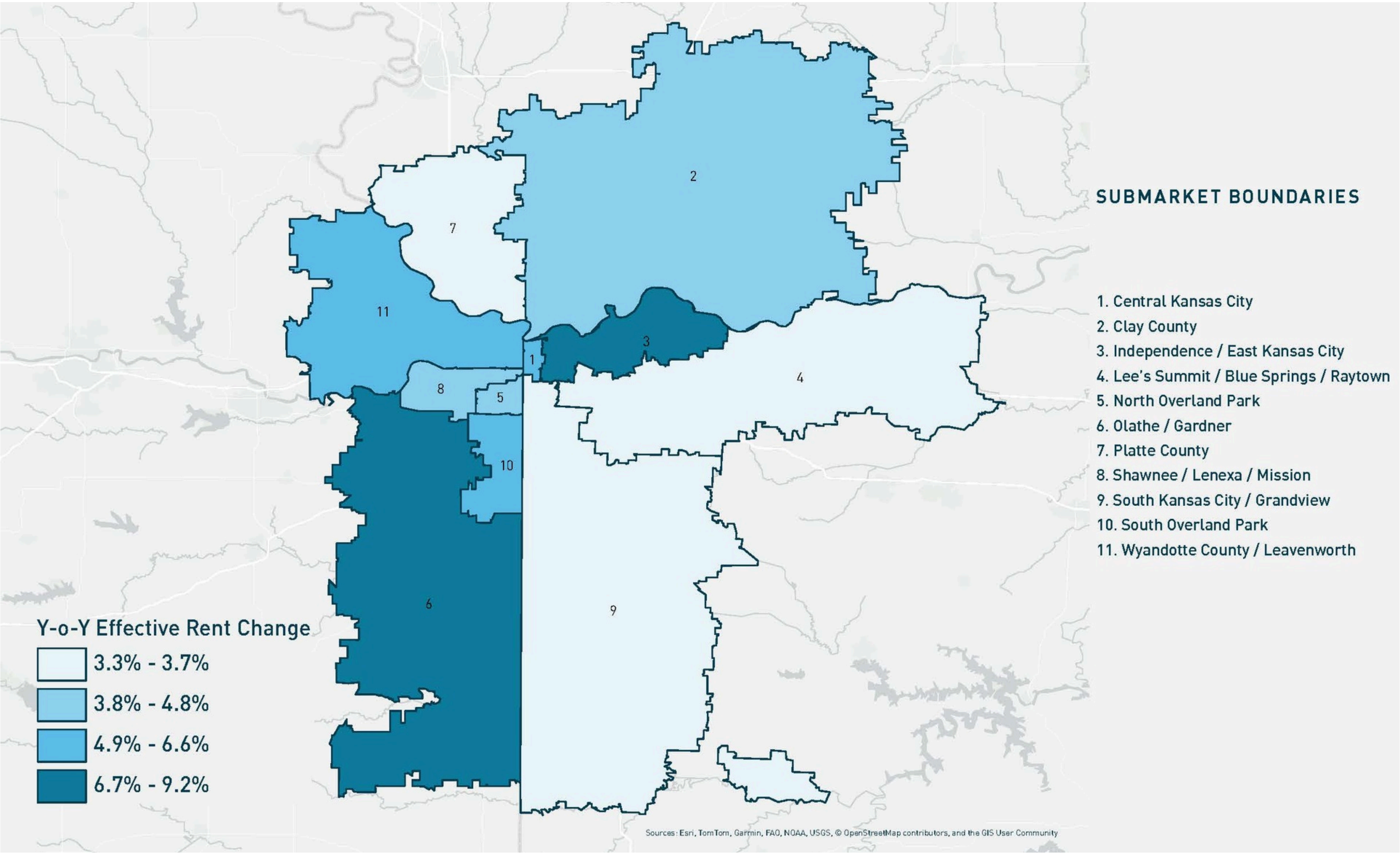
Source: RealPage

Submarket Mid-Year 2025 Annual Inventory Change



Source: RealPage

Submarket Mid-Year 2025 Annual Effective Rent Change



Source: RealPage

Sales

2025 Year to Date*		What's Trading?*	
Volume $271.5M	Price Per Unit (Avg) $133,325	Units (Avg) 108	Year Built (Avg) 1960s
Transactions 17	Cap Rate (Avg) 5.7%	Buildings (Avg) 6	Acres (Avg) 4.48

$2.5M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

Sales

Top Buyers*

Buyer	Location
MLG Capital	Brookfield, WI
GSL Properties	Portland, OR
PPR Capital Management	Tredyffrin, PA
Read Property Group	Brooklyn, NY
Overland at Merriam	Topeka, KS

Top Sellers*

Seller	Location
Worcester Investments	Kansas City, MO
BREIT	New York, NY
Burlington Capital Properties	Omaha, NE
Varia US Properties	Zug Zug, CHE
Land & Apartments	Maplewood, MO

$2.5M+ Transactions

Sources: MSCI Real Capital Analytics; CoStar Group; Berkadia Research

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