2025 Market Report

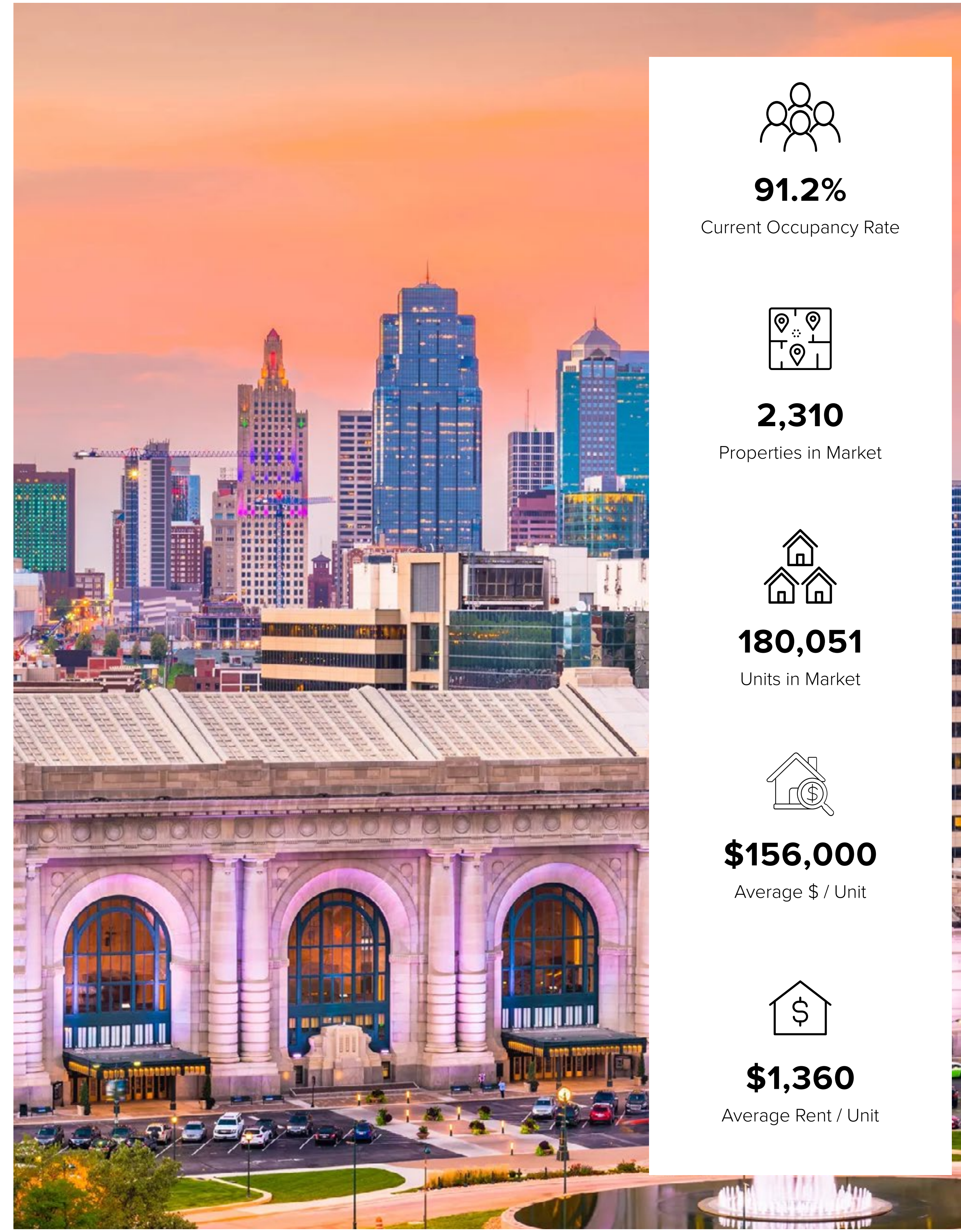
Kansas City, MO

Market Overview

Kansas City's multifamily market continues to demonstrate strong fundamentals, fueled by consistent population growth and renewed renter demand. The metro added nearly 25,000 new residents last year—approximately 30% more than in 2023—contributing to one of the strongest demographic tailwinds in the Midwest. This growth translated into absorption of roughly 5,000 units over the past 12 months, which is 20% above the five-year average and double the number absorbed the year prior. Johnson County remains the most active submarket, accounting for nearly one-third of total absorption.

Tenant demand has been especially concentrated in newly constructed 4 & 5 Star properties, with 3,300 units absorbed in that segment alone—marking the highest luxury absorption level in nearly three years. These top-tier assets are appealing to renters seeking modern amenities and locations near employment hubs. At the same time, demand in 3 Star properties also rebounded after a slowdown in 2023, indicating improving renter confidence across the market spectrum.

Despite the surge in demand, a wave of new deliveries has pushed the overall vacancy rate to 8.8%. Kansas City delivered 5,300 new units over the past year, including a record-setting 2,200 units in Q1 2025. This influx of inventory has temporarily elevated vacancy but brought the market in line with national trends. With fewer units scheduled for completion in the coming quarters and steady absorption expected to continue, the vacancy rate is projected to gradually decline by year-end.



91.2%
Current Occupancy Rate

2,310
Properties in Market

180,051
Units in Market

$156,000
Average $ / Unit

$1,360
Average Rent / Unit

Q3 2025 MARKET REPORT

KANSAS CITY

Rent Trends

Rent Growth Regains Momentum

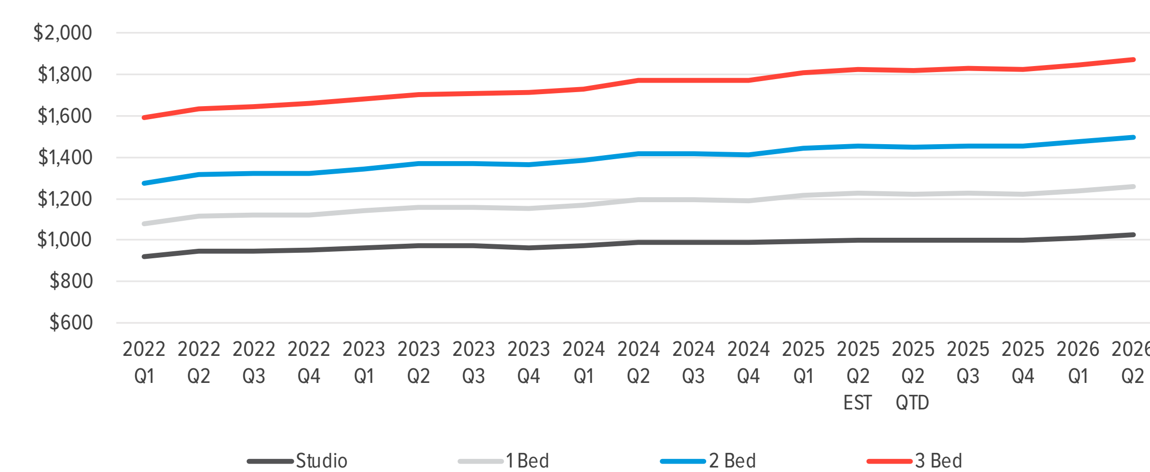
Rent growth in Kansas City has regained momentum, reaching 3.8% year-over-year through Q2 2025. This performance places the market in the top five nationally among metros with over 75,000 units and well ahead of the U.S. average of 1.2%. Rent gains are being driven by strong demand in both luxury and workforce housing segments, signaling that the recovery is not limited to high-end renters.

Across all asset classes, landlords have successfully pushed rates. 4 & 5 Star properties posted annual rent growth of 3.7%, while 3 Star properties led the market at 4.0%. Even lower-tier 1 & 2 Star communities saw rent increases of 3.5% as more renters seek affordability amid rising costs elsewhere. This growth trend is supported by rising occupancy and more measured new supply in key submarkets like Northland and Johnson County.

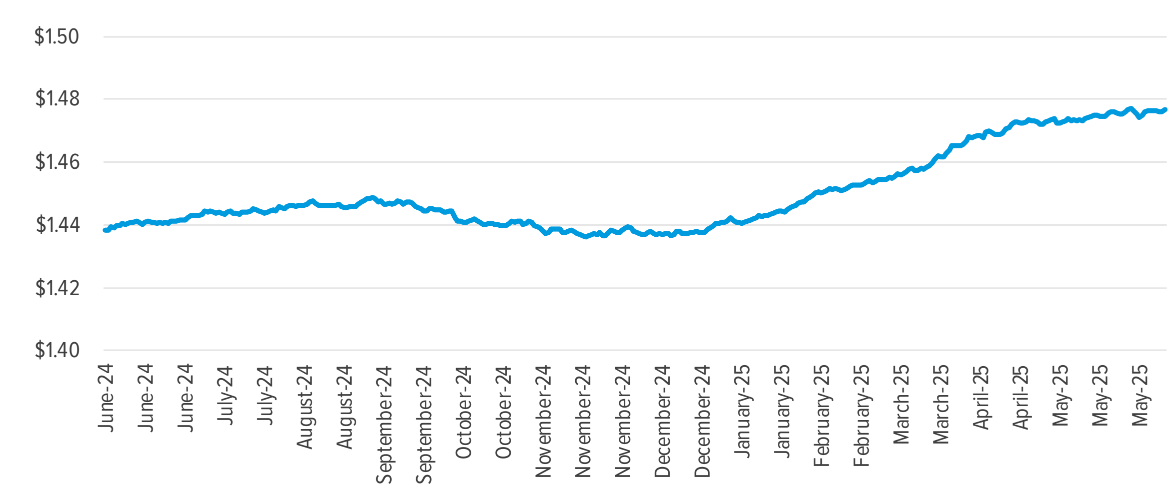
Kansas City's rents are rising across all asset classes, with current growth ranking among the nation's highest.

Average asking rents now sit at $1,360/month, an all-time high for the Kansas City metro and up nearly $110 from three years ago. Downtown Kansas City commands the highest rates—over $1,600/month on average—while newly delivered luxury units are asking as much as $3,500/month. Renters in areas like Johnson County have shown a willingness to pay for newer product, resulting in annual rent growth exceeding 5% in that submarket. Rent growth is projected to remain healthy, averaging around 3% annually through the end of 2025.

Market Rent per Unit by Bedroom



Daily Asking Rent per SF



Inventory & Development

Pipeline Expands in Prime Growth Areas

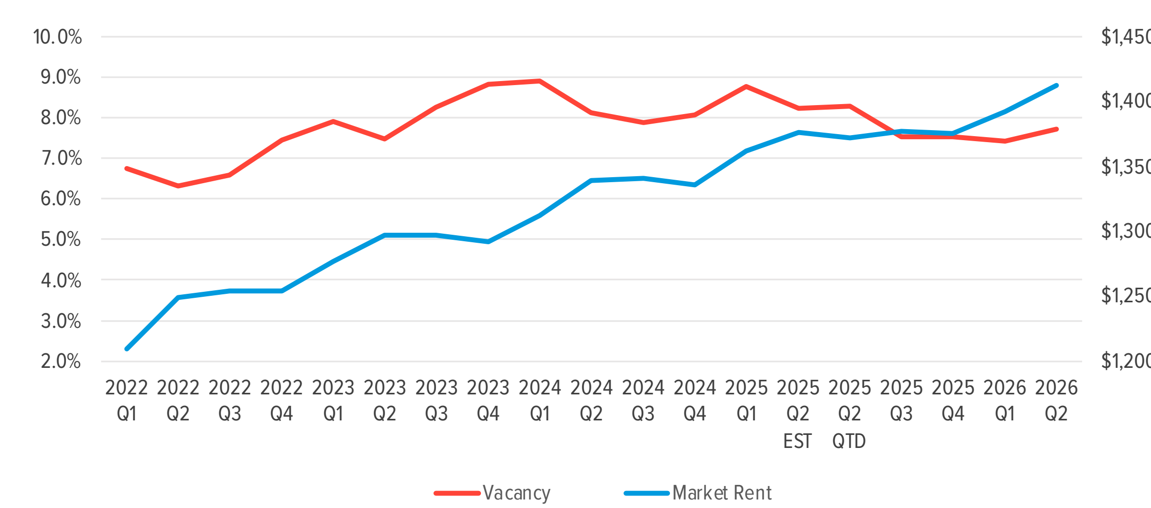
Kansas City's multifamily pipeline remains active, with 5,900 units currently under construction—representing 3.3% of existing inventory and aligning closely with the national average. While this is well below the metro's historical peak, construction activity has picked up in recent quarters. Developers have re-entered the market selectively, pushing forward projects in submarkets with strong fundamentals like Johnson County and Downtown.

The metro added 5,300 new units over the past year, in line with its five-year average. About 60% of new deliveries were concentrated in Johnson County, Northland, and Outlying Jackson County. These areas continue to attract development due to their population growth, available land, and strong employment bases. Notably, Cass County has emerged as an expansion zone, increasing its inventory by 55% since 2022 through developments near industrial job centers.

Although lending conditions remain tight, well-positioned projects are moving forward. For example, The OsLo—a 413-unit luxury community in Overland Park—is commanding rents 30% above market averages with a wellness-oriented design. Johnson County leads the metro with the most units under construction, driven by its demographic strength and development-friendly environment. Market observers expect delivery volumes in 2025 and 2026 to remain on par with recent years, though fewer new starts are anticipated.

Despite higher capital costs, developers continue to prioritize high-demand submarkets, keeping the pipeline stable.

Vacancy & Market Asking Rent / Unit



Sales Volume

Market Rebounds With Value-Focused Activity

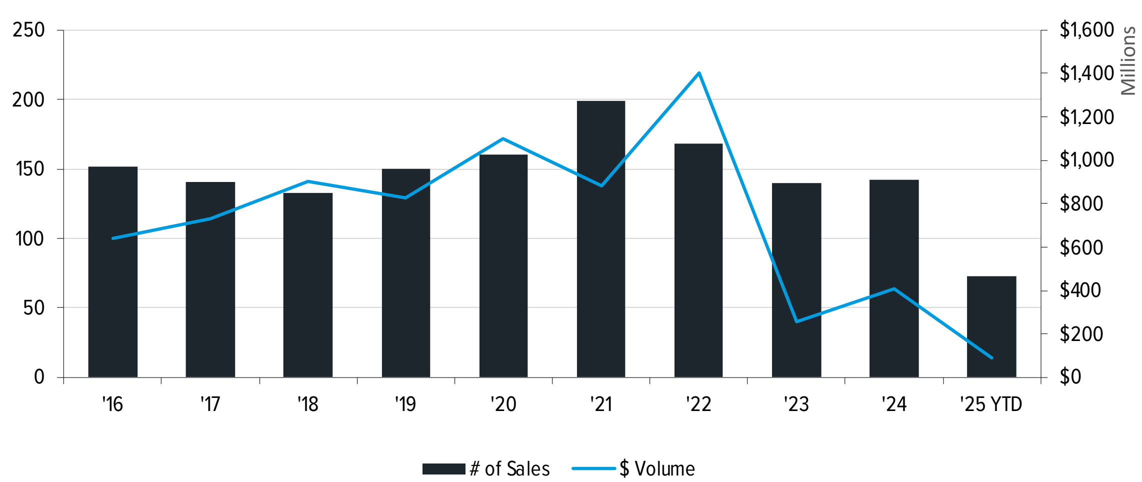
Sales activity in Kansas City's multifamily sector is showing early signs of recovery after a prolonged slowdown. Over the past 12 months, transaction volume totaled $469 million—up significantly from the $135 million low recorded in mid-2024. While still trailing the three-year market average by roughly 40%, the upward trend in both dollar volume and deal count signals rising investor confidence.

Transaction activity has largely centered on smaller 1 & 2 Star assets, which made up over 60% of all sales. These properties typically traded in the $1 million–$2.5 million range, with cap rates in the mid-to-upper 7% range. Institutional capital has been less active, accounting for only 15% of recent acquisitions—down from 25% over the past five years. However, increased bidding on stabilized assets suggests capital is beginning to re-enter the market selectively.

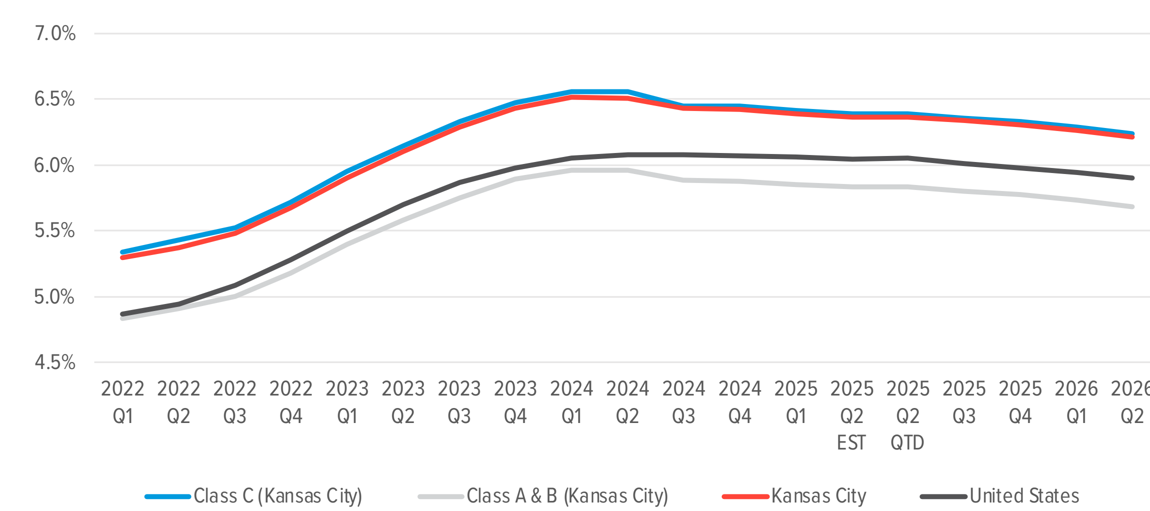
That said, high-quality properties are starting to attract renewed attention. The sale of The Sovereign at Overland Park, a 253-unit Class A asset, closed for $62 million ($245K/unit) and reflects growing interest from institutional buyers. As pricing expectations normalize and financing conditions stabilize, Kansas City is expected to see continued momentum in sales through late 2025, particularly in growth-oriented submarkets.

Sales volume is trending upward, with investor focus shifting to value-add and stabilized suburban opportunities.

Sales Volume by Year



Market Cap Rate



GREA

Overview

— WHO WE ARE

GREA is an investment sales platform led by a nationwide network of top advisors with decades of experience arranging the purchase, sale and financing of multifamily properties. United by a shared mission, we offer investors a boutique brokerage model on a national scale. Through our unified platform, we provide unrivaled local market insights and contacts, delivering superior results across the United States.

— WHAT SETS US APART

- **National Network of Local Experts:** out focus is deep and our expertise is wide providing you with specialized knowledge of local markets.
- **Entrepremeurial Flexibility:** We're nimble and independent, equipped with the experience and skills to craft flexible solutions that traditional corporate models can't match.
- **Tailored Service:** our marketing strategies are customized to meet your specific needs, ensuring success in achieving your investment objectives.

— WHY GREA

- **Multifamily Specialists:** we're exclusively dedicated to multifamily investments, offering guidance tailored to this unique asset class.
- **Unmatched Market Insights:** With extensive local experience, we provide valuable insights into trends and potential opporunities.
- **Client Centric Approach:** Clients always come first. We're independent, meaning our loyalty is solely with you. We work relentlessly to meet your goals and exceed expectations.
- **National Reach:** Our consistently high-quality brokerage services are available nationwide to support your needs.

— BY THE NUMBERS

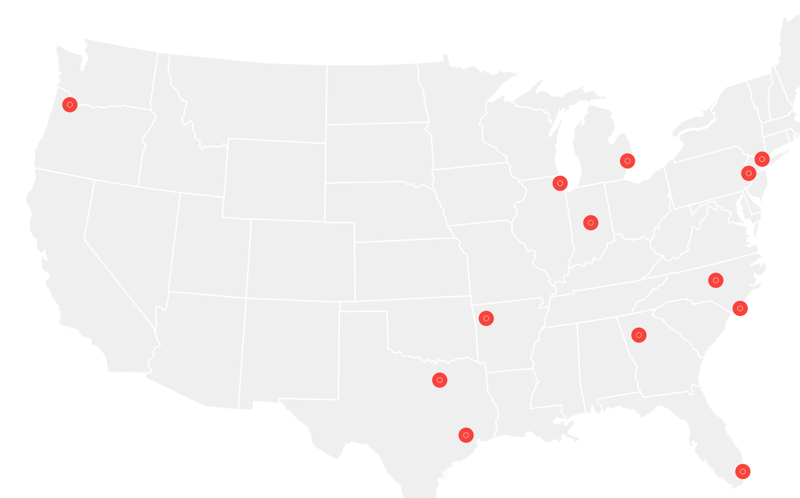
13	100+	$14 Billion+	$1.5 Billion+
OFFICES	BROKERS	SALES VOLUME 2021-2024	DEBT VOLUME 2021-2024

— SERVICES

- Conventional
- Pre-Stabilized
- Student
- SFR / BTR
- Senior
- Land
- Affordable
- NNN
- Debt & Equity

— OFFICES

- Atlanta
- Chicago
- Dallas
- Detroit
- Fayetteville
- Hilton Head Island
- Houston
- Indianapolis
- Miami
- New York City
- Philadelphia
- Portland
- Raleigh



GRE

GET IN TOUCH

(479) 388.0947

www.grea.com

ZAC THOMAS
Managing Director

(479) 388.0947
zthomas@grea.com

Sources: GREA Research; RealPage; National Multifamily Housing Council; Moody's; CoStar; TREPP; YARDI

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