

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.1% Vacancy Rate	▲	▲
3.5K Net Absorption, units	▲	▲
\$1.46 Effective Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1,151.9K Kansas City Employment	▲	▲
3.4% Kansas City Unemployment Rate	▲	▲
1.1% Kansas City Household Growth Rate	▲	▲

Source: BLS

ECONOMY:

The year-over-year increase in Kansas City's total employment was 1.3% at the end of the third quarter, slightly below the national level of 1.5%. However, the unemployment rate in Kansas City remains lower than the national average by a decent amount—3.4% compared to 4.1%—and the prospects for a continued increase in local jobs remain strong. The local labor market, which is a critical component in the success of multifamily real estate, remains strong. Kansas City has significant development projects underway in multiple economic sectors, which points to continued job growth.

SUPPLY AND DEMAND:

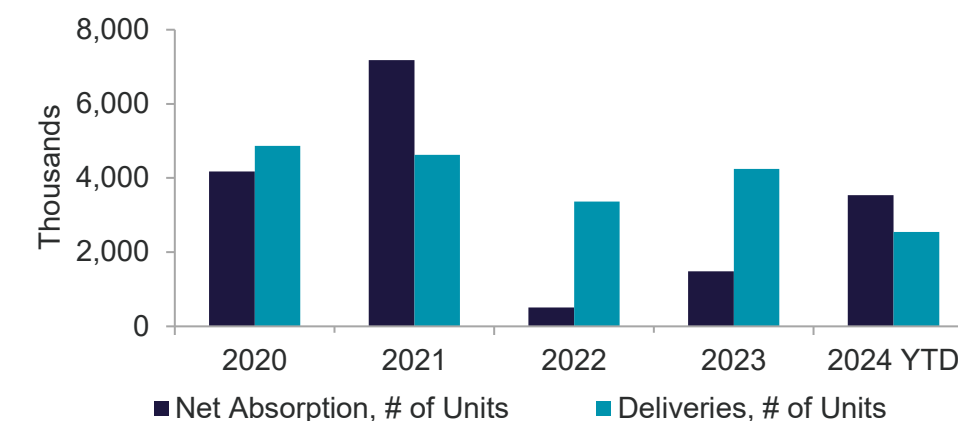
From a demand perspective, the Kansas City performed well over the first nine months of the year, with absorption of 3,500 units outpacing the delivery of 2,500 units. The year-over-year vacancy rate was essentially unchanged at the end of the third quarter but was roughly 70 basis points (bps) lower than it had been at the end of 2023. Seasonality plays a factor in that, although the market is going through a bit of ebb and flow following 24 months of aggressive rent growth.

Looking at the pipeline, there was a healthy number of units under construction at the end of the third quarter. One potential area for additional growth is Shawnee/Lenexa/Mission, which had a little over 1,000 units under construction but is a likely site for housing to support the 4,000 employees for Panasonic's new manufacturing facility in De Soto, KS that will come online in 2025. The Olathe/Gardner submarket, which had almost no construction activity at the end of the third quarter, could also see new projects focused on attracting those employees.

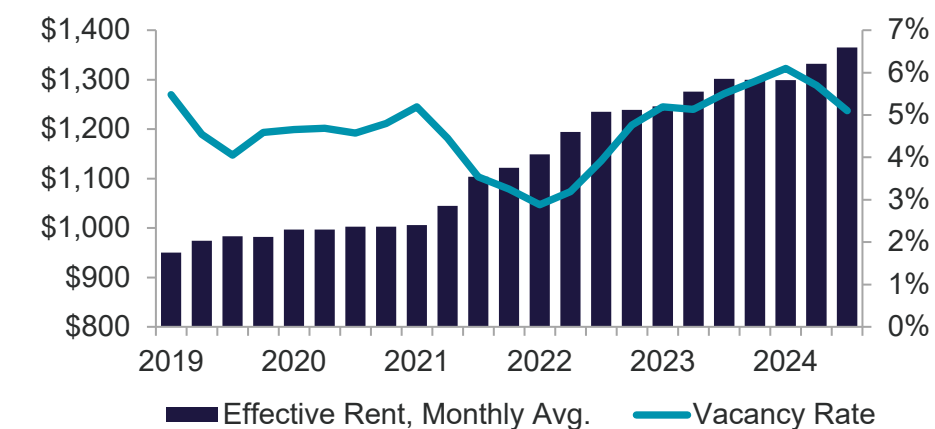
PRICING:

Pricing around the market has normalized. The year-over-year effective growth rate was 4.8%, down from 5.5% a year ago and 10.6% the year before that. Stable annual rent growth of between 2.0% and 3.5% is a reasonable expectation moving forward.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Central Kansas City	29,741	577	2.0%	1,847	357	7.5%	1.3%	\$1,591	\$1.87	6.5%
Clay County	22,058	376	1.7%	636	415	5.4%	0.0%	\$1,188	\$1.26	3.8%
Independence/East Kansas City	15,492	275	1.8%	240	350	6.7%	0.9%	\$1,178	\$1.39	4.0%
Lee's Summit/Blue Springs/Raytown	15,266	-	0.0%	791	97	5.6%	-0.8%	\$1,313	\$1.40	3.9%
North Overland Park	13,216	-	0.0%	649	203	4.0%	-0.9%	\$1,377	\$1.46	4.9%
Olathe/Gardner	11,289	608	5.7%	15	662	2.9%	-0.4%	\$1,385	\$1.53	9.7%
Platte County	10,600	140	1.3%	444	194	4.7%	-0.5%	\$1,271	\$1.38	3.3%
Shawnee/Lenexa/Mission	17,296	88	0.5%	1,065	225	3.4%	0.1%	\$1,456	\$1.48	5.1%
South Kansas City/Grandview	18,799	272	1.5%	283	629	6.5%	-0.8%	\$1,068	\$1.14	6.6%
South Overland Park	20,721	22	0.1%	809	218	4.3%	0.1%	\$1,613	\$1.62	5.3%
Wyandotte County/Leavenworth	13,652	189	1.4%	656	186	6.5%	0.2%	\$1,116	\$1.32	0.7%
MARKET	188,130	2,547	1.4%	7,435	3,536	5.1%	0.0%	\$1,365	\$1.46	4.8%

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	YEAR BUILT	AVG SF PER-UNIT	UNITS
Summit Ridge	Lee's Summit/Blue Springs/Raytown	2001	952	432
Gallerie Apartments	Central Kansas City	2020	889	418
The Donovan	Lee's Summit/Blue Springs/Raytown	2020	926	327
Altitude 970	Platte County	2017	988	291

KEY CONSTRUCTION COMPLETIONS Q3 2024

PROPERTY	SUBMARKET	DEVELOPER	AVG SF PER-UNIT	UNITS
Clearing at ONE28	Olathe/Gardner	Block Real Estate Services	1,011	318
Cendana Olathe	Olathe/Gardner	Davis Development	1,118	285
Ora	Clay County	Milhaus	930	275
Adirondack	Independence/East Kansas City	Case & Associates	1,089	275

KEY DEVELOPMENT PROJECTS Q3 2024

PROPERTY	SUBMARKET	DEVELOPER	DELIVERY	UNITS
Aspire	Wyandotte County/Leavenworth	NorthPoint	25 Q1	324
23rd & Swift	Clay County	Star Development	25 Q1	294
Leawood Village	North Overland Park	Flint Development	25 Q1	182
The Lanes I	Shawnee/Lenexa/Mission	Sunflower Development	24 Q4	176

MATT NEVINGER

Research Director

Tel: +1 816 412 0209

matt.nevinger@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.