

**CONSTRUCTION  
ACTIVITY**



UNDER CONSTRUCTION **7,048**

UNITS DELIVERED (YTD) **4,114**

**MARKET  
FUNDAMENTALS**



VACANCY RATE **7.0%**

YEAR-OVER-YEAR CHANGE **+70bps**

ASKING RENTS **\$1,257**

YEAR-OVER-YEAR CHANGE **+1.5%**

**TRANSACTION  
ACTIVITY (YTD)**



MEDIAN PRICE PER UNIT **\$146,000**

**KANSAS CITY MULTIFAMILY  
Q4 2025**

MARKET INSIGHTS

# Multifamily sales outpace 2024 levels

## HIGHLIGHTS

- Operating conditions for Kansas City multifamily properties softened slightly in the fourth quarter, with a modest rise in vacancy while rents inched lower. Construction activity remained in line with 2024, with approximately 4,100 units delivered.
- Vacancy continued to trend upward, inching 10 basis points higher in the fourth quarter to 7.0%. Since the end of 2024, the vacancy rate has increased by 70 basis points.
- Rents inched lower during the second half of the year, though the annual change remained positive. During the fourth quarter, asking rents dipped 0.3% to \$1,257 per month. On a year-over-year basis, rents are up 1.5%.
- Multifamily investment sales activity cooled in the fourth quarter, though the annual transaction count still reached a near-decade high. Pricing also trended higher, as the median price reached \$146,000 per unit during the past year, up 24% from 2024.

## KANSAS CITY MULTIFAMILY MARKET OVERVIEW

The Kansas City multifamily market recorded mixed operating conditions in 2025, with the vacancy rate climbing while asking rents improved. These shifts in fundamentals were driven by the flow of new inventory. Despite strong renter demand, deliveries continued to outpace absorption. There were roughly 3,100 net move-ins in 2025, the highest annual figure since 2021. Most of the units being absorbed are in Class A properties, consistent with recent years. This helped to support continued annual rent growth, even as vacancy ticked higher. There were a few submarkets where vacancy improved, such as Midtown and Independence. The Platte submarket performed especially well, with vacancy improving by 30 basis points annually while rent growth outpaced the rest of the market.

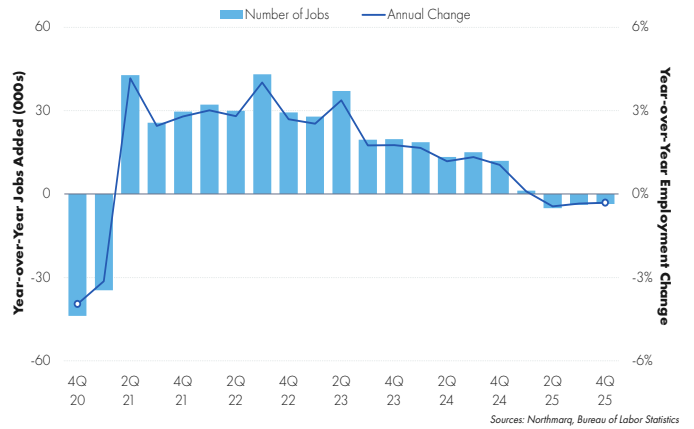
The multifamily investment market in Kansas City performed well during 2025. Even as the volume of sales slowed in the closing months of the year, the total number of transactions in 2025 still outpaced the trailing five-year average by 26%. Activity was spread out across the metro, with properties changing hands in both higher density urban areas and outlying suburbs. Pricing was elevated as well. The median sale price reached \$146,000 per unit after declining in the preceding two years. Although current pricing still trails the 2022 peak, an unusually large share of Class A assets that traded that year, inflating overall pricing. During the second half of 2025, Class C properties made up the largest share of transactions, pushing the average cap rate higher. Cap rates averaged roughly 6.0% in 2025, up from around 5.5% in 2024 and early 2025.

## EMPLOYMENT

- Kansas City employment continued to edge lower throughout the closing months of the year. In total, there was a net loss of approximately 3,600 jobs in 2025, a decrease of 0.3%.
- Despite the overall decline in employment, several sectors expanded. The mining, logging, and construction sector led growth, with employment rising 9.2% in the past year, adding approximately 5,600 jobs.
- Job gains were also concentrated in the health care and social assistance sector, where employment rose 4.8% year over year, representing an increase of approximately 7,600 positions.
- **FORECAST:** Employment growth in Kansas City is expected to return in 2026, though it will likely be moderate. By year-end, local employers are projected to hire an additional 10,000 workers, a gain of 0.9%.

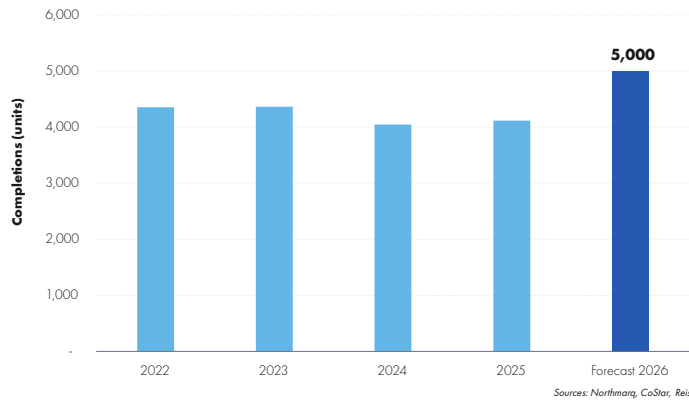
*The mining, logging, and construction sector led growth.*

### EMPLOYMENT OVERVIEW



*In 2025, just over 4,100 units were completed.*

### DEVELOPMENT TRENDS

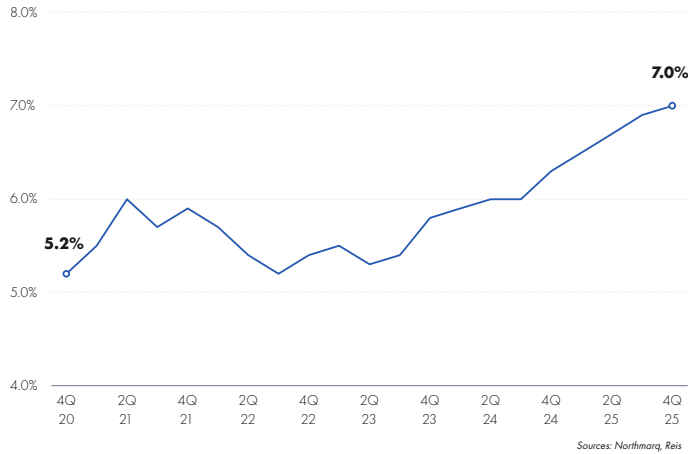


## DEVELOPMENT & PERMITTING

- Multifamily deliveries in Kansas City remained broadly consistent with recent trends. In 2025, just over 4,100 units were completed, similar to the market’s five-year average.
- The local construction pipeline expanded over the past year. As of the end of 2025, projects totaling 7,048 units were under construction in the area, a 7% increase from one year ago. Roughly half of all units under construction are in the Johnson County and Downtown areas.
- Multifamily permitting activity accelerated in 2025, reaching nearly 4,200 units, up 13% from the prior year. This marked the second-highest year for permitting in the past decade.
- **FORECAST:** In 2026, projects totaling roughly 5,000 units are on track for completion. This would mark just the second time in the past decade that completions reached 5,000 units. The only other occurrence was in 2020, when approximately 5,600 units were delivered.

## Annual net absorption jumped 41% in 2025.

### VACANCY TRENDS



### VACANCY

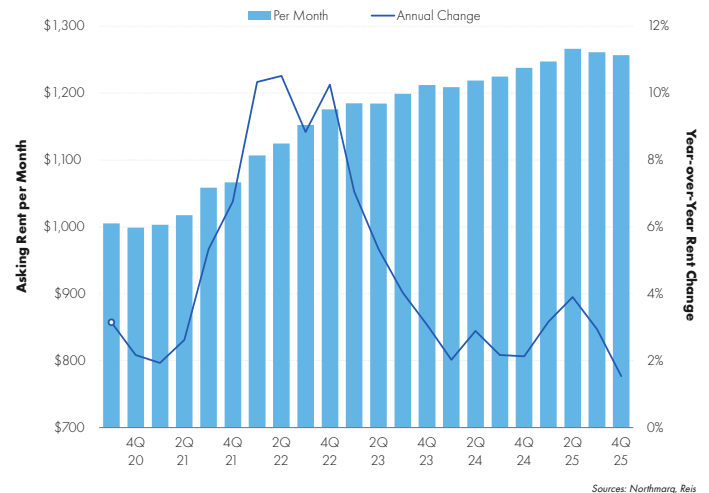
- Apartment vacancy in Kansas City inched higher in the fourth quarter, rising 10 basis points in the closing three months of the year to 7.0%. Year over year, the vacancy rate climbed 70 basis points.
- The Midtown submarket posted the largest vacancy improvement, falling 200 basis points in 2025 to 12.3%. The Independence submarket also posted a solid decrease, with vacancy declining 70 basis points during the past year to 5.7%.
- Leasing activity strengthened in the past year, even as the vacancy rate increased. Annual net absorption jumped 41% in 2025, reaching roughly 3,100 units. Compared to the trailing five-year average, absorption levels during the past year were up 12%.
- **FORECAST:** Deliveries are expected to continue outpacing absorption, putting further pressure on occupancy. In 2026, the vacancy rate is forecast to rise 50 basis points to 7.5%.

### RENTS

- Asking rents inched lower in the fourth quarter, decreasing 0.3% following a similar dip in the prior quarter. Year over year, rent growth remained positive. In 2025, asking rents increased 1.5% to \$1,257 per month.
- The North Kansas City submarket led the metro in rent growth, with asking rents increasing 7.7% year over year to \$1,119 per month. The Olathe/Gardner area also posted significant improvement, with rents in this area rising 4.6% annually to \$1,352 per month.
- Rent growth was mainly led by middle-tier and lower-tier properties. Combined rents for Class B and Class C apartments in Kansas City rose 2.6% in 2025 to \$950 per month. Rents in Class A assets increased by 0.3% on average, reaching \$1,513 per month.
- **FORECAST:** Kansas City asking rents are projected to rise at a similar rate in 2026 as they did in 2025. By the end of the year, rents are forecast to reach roughly \$1,275 per month, an annual increase of 1.5%.

## In 2025, asking rents increased 1.5%.

### RENTS TRENDS

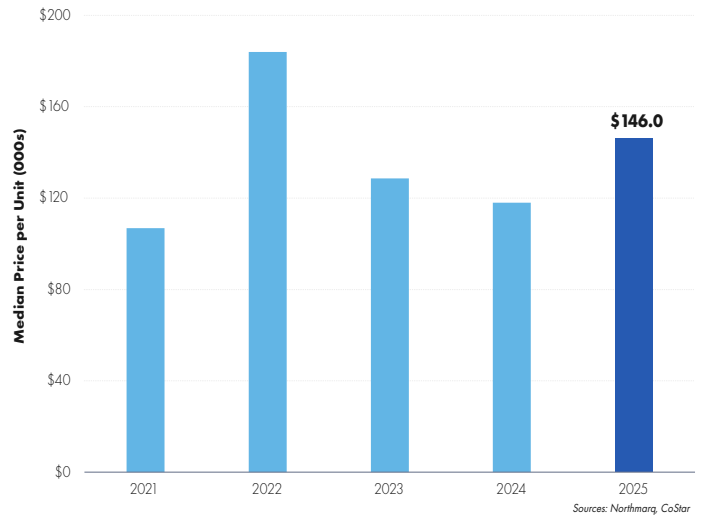


## MULTIFAMILY SALES

- Multifamily investment activity in Kansas City slowed at the end of the year, though the total number of transactions in 2025 remained elevated. In 2025, there was a 35% increase in multifamily trades from the prior year.
- Pricing remained elevated, though still below peak levels. The median sale price in Kansas City reached \$146,000 per unit in 2025, up 24% from the prior year. Median pricing peaked in 2022 at \$183,900 per unit.
- Cap rates inched higher as the year came to an end. The average cap rate in 2025 was around 6.0%. In the first half of the year, cap rates averaged closer to 5.5%.

*The median sale price in 2025 reached \$146,000 per unit.*

### INVESTMENT TRENDS



## RECENT TRANSACTIONS MULTIFAMILY SALES ACTIVITY

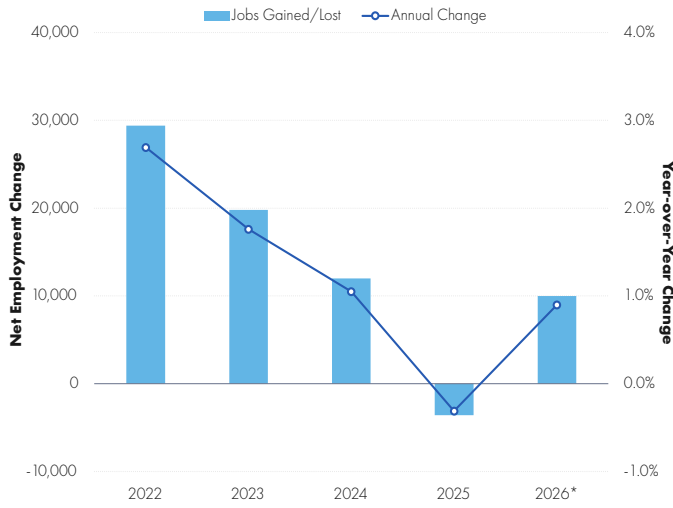
PROPERTY NAME	STREET ADDRESS	YEAR BUILT	UNITS	SALES PRICE	PRICE/UNIT
Union Berkley	1000 Berkley Parkway, Kansas City	2018	407	\$113,500,000	\$278,870
Eagle Ridge	1803 NW Hilltop Court, Grain Valley	2023	98	\$36,803,716	\$375,548
Northland Heights	3800 NW Barry Road, Kansas City	2001	400	\$69,000,000	\$172,500
The Clearing	805 SW Mill St., Lee's Summit	1972/1985	96	\$9,375,000	\$97,656

## LOOKING AHEAD

The multifamily market in Kansas City will likely be in a period of adjustment throughout much of 2026. In recent years, the pace of new construction has been predictably steady, with developers delivering about 4,200 units per year since 2022. In 2026, that pace should quicken, with completions forecast to total approximately 5,000 units. While much of the incoming supply will be concentrated in established urban neighborhoods and expanding suburban hubs, where renter demand has proven to be the strongest, there will likely be increased upward pressure on vacancy in the coming year. Despite the influx of new supply, the local economy is positioned for continued growth and area employers are expected to expand payrolls. This should support renter demand for units and allow for a similar pace of rent growth to what was posted in 2025.

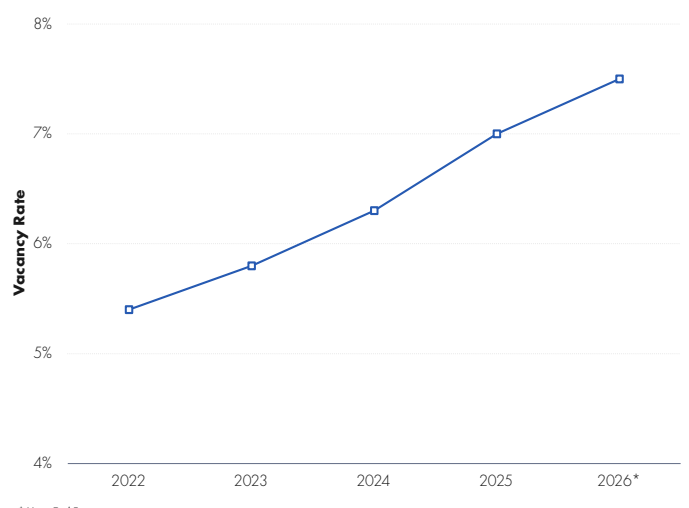
Multifamily investment activity in Kansas City is expected to remain elevated in 2026, with the overall number of properties changing hands staying above long-term historical averages. Several areas, including Overland Park and submarkets adjacent to the downtown core, could record heightened transaction counts, though investor interest is expected to remain broad-based across the metro. Class C properties accounted for roughly half of all sales in 2025 and are expected to represent the largest share of activity in the year ahead. Class B properties may record a greater number of sales in 2026 after accounting for roughly 15% of trades in 2025, though they are unlikely to outpace Class A trades by a significant margin.

### EMPLOYMENT FORECAST



\* Year End Forecast  
Sources: Northmarq, Bureau of Labor Statistics

### VACANCY FORECAST



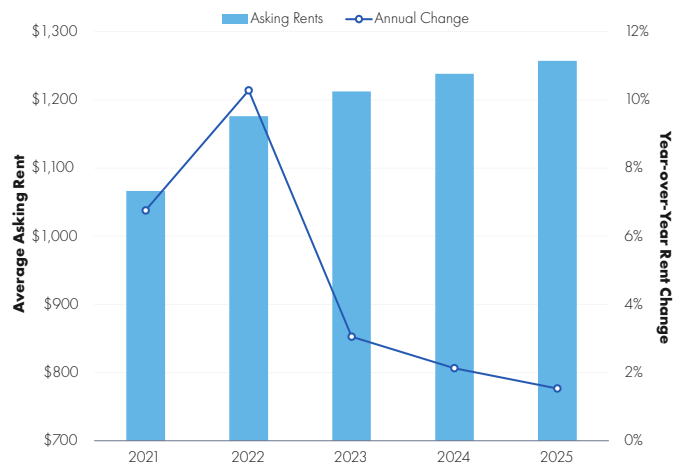
\* Year End Forecast  
Sources: Northmarq, Reis

### CONSTRUCTION & PERMITTING FORECAST



\* Year End Forecast  
Sources: Northmarq, Census Bureau, CoStar, Reis

### RENTS FORECAST



\* Year End Forecast  
Sources: Northmarq, Reis



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