



MARKET AT A GLANCE



OCCUPANCY RATE **95.3%**
Down **50 bps** since 3Q19



EFFECTIVE RENT **\$1,005**
Up **1.9%** since 3Q19



RENT PAYMENT TRACKER (Oct. 1-13) **90.0%**
Up **50 bps** since Sept. 1-13

OCCUPANCY AND RENT TRENDS

APARTMENT DEMAND EXCEEDS DELIVERIES AFTER COVID-19 SLUMP

Apartment demand shifted up occupancy in the Kansas City metropolitan area during the third quarter. Residents newly occupied 1,986 net units during the last three months--the Central Kansas City area led leasing activity with 913 units absorbed. Downtown KC has developed into a hub for working millennials attracted to the city's River Market, Brookside shops, and Crossroads Arts District. Developers worked to meet heightened demand in the submarket, though the 876 units delivered fell short and caused occupancy to rise to 94.0%. This trend was reflected across Greater Kansas City as the 1,678 deliveries trailed leasing activity to push up occupancy 20 basis points from the second quarter to an average of 95.3% in the third quarter. With occupancy up quarter over quarter, operators advanced effective rent 0.7% to \$1,005 per month. To help drive demand in the Central Kansas City submarket amid rising competition because of new inventory, operators increased concessions as effective rent lowered to an average of \$1,266 per month in September from \$1,291 per month in June. Underpinning the metro's resilient rental market were nearly 6,000 new or recovered jobs added in July and August, aided by tapering coronavirus restrictions.



KANSAS CITY

MULTIFAMILY REPORT

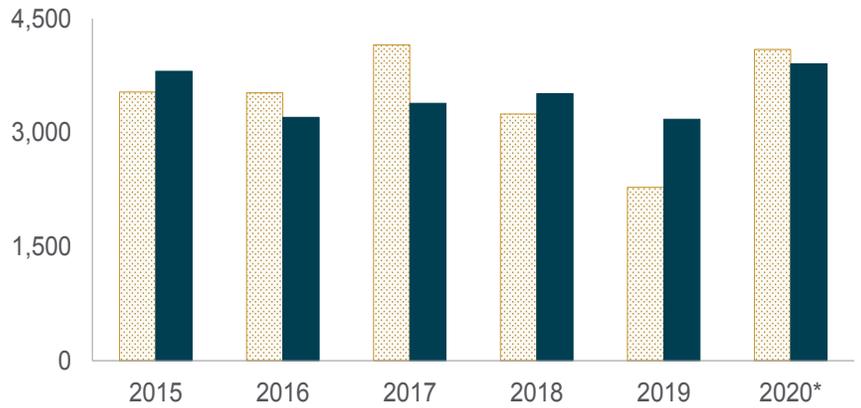
DELIVERIES AND DEMAND



DELIVERIES 4,094
Units YTD



NET ABSORPTION 3,906
Units YTD



*Year to date

■ Deliveries ■ Demand

ECONOMIC TRENDS

2019 3.1% UNEMPLOYMENT* 2020 7.1%
400 BPS CHANGE

2019 1.1m EMPLOYMENT* 2020 1.1m
-4.1% CHANGE

2019 44.7k EXISTING SFH SALES** 2020 48.1k
7.6% CHANGE

2019 2.2m POPULATION** 2020 2.2m
0.7% CHANGE

2019 1.70% 10-YEAR TREASURY** 2020 0.68%
-100 BPS CHANGE

*August; **September



KANSAS CITY

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

| SUBMARKET NAME | OCCUPANCY | | | EFFECTIVE RENT | | | NET ABSORPTION | | DELIVERED UNITS | |
|-----------------------------------|--------------|--------------------|--------------------|----------------|--------------|--------------|----------------|--------------|-----------------|--------------|
| | 3Q20 | Q-o-Q Change (BPS) | Y-o-Y Change (BPS) | 3Q20 | Q-o-Q Change | Y-o-Y Change | 3Q20 | Annual | 3Q20 | Annual |
| Central Kansas City | 94.0% | 30 | -70 | \$1,266 | -1.9% | -2.7% | 913 | 1,892 | 876 | 2,197 |
| Clay County | 95.9% | 20 | 20 | \$923 | 1.4% | 3.8% | 42 | 40 | 0 | 0 |
| Independence/East Kansas City | 95.2% | -50 | -130 | \$848 | 2.0% | 6.6% | -68 | -193 | 0 | 0 |
| Lee's Summit/Blue Springs/Raytown | 95.7% | -10 | -50 | \$958 | 2.7% | 3.6% | 203 | 506 | 226 | 596 |
| North Overland Park | 96.5% | 10 | 10 | \$981 | 0.5% | 0.9% | 13 | 120 | 0 | 116 |
| Olathe/Gardner | 96.7% | 0 | -60 | \$988 | 0.8% | 3.1% | 191 | 172 | 198 | 238 |
| Platte County | 94.8% | 80 | -60 | \$960 | 1.4% | 2.0% | 129 | 27 | 58 | 86 |
| Shawnee/Lenexa/Mission | 96.0% | 80 | -100 | \$1,064 | 1.1% | 1.1% | 251 | 70 | 120 | 240 |
| South Kansas City/Grandview | 94.6% | 20 | 70 | \$806 | 2.6% | 3.2% | 34 | 107 | 0 | 0 |
| South Overland Park | 94.8% | 0 | -160 | \$1,146 | -0.3% | 0.7% | 190 | 701 | 200 | 1,040 |
| Wyandotte County/Leavenworth | 95.4% | 70 | 70 | \$853 | 1.1% | 1.9% | 87 | 170 | 0 | 88 |
| TOTALS | 95.3% | 20 | -50 | \$1,005 | 0.7% | 1.9% | 1,986 | 3,610 | 1,678 | 4,601 |

BERKADIA[®]

CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax: (646) 600-7838
www.Berkadia.com

a Berkshire Hathaway and Jefferies Financial Group company

© 2020 Berkadia Proprietary Holding LLC
Berkadia[®] is a trademark of Berkadia Proprietary Holding LLC.
Axiometrics[®] is a trademark of Axiometrics Inc.

Commercial mortgage loan origination and servicing businesses are conducted exclusively by Berkadia Commercial Mortgage LLC and Berkadia Commercial Mortgage Inc. This website is not intended to solicit commercial mortgage loan brokerage business in Nevada. Investment sales and real estate brokerage businesses are conducted exclusively by Berkadia Real Estate Advisors LLC and Berkadia Real Estate Advisors Inc. For state licensing details for the above entities, visit: www.berkadia.com/legal/licensing.aspx

The information contained in this flyer has been obtained from sources we believe to be reliable; however, we have not conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. While we do not doubt its accuracy, we have not verified it and neither we, nor the Owner, make any guarantee, warranty or representation of any kind or nature about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example and do not necessarily represent past, current or future performance of the property. You and your advisors should conduct a careful and independent investigation of the property to determine to your satisfaction the suitability of the property and the quality of its tenancy for your records.