HUD PD&R Regional Reports

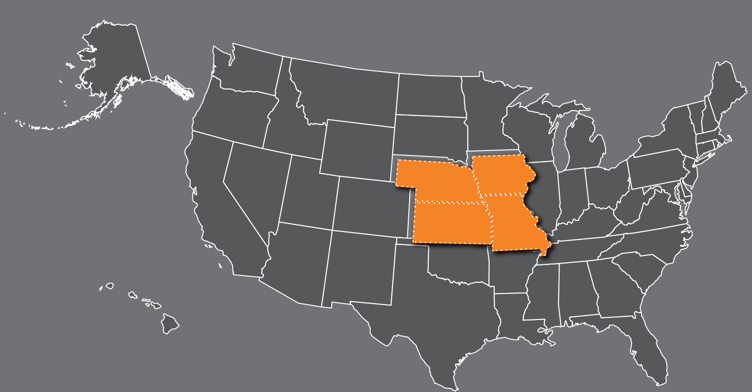
Region 7: Great Plains

Kansas City, Missouri

Quick Facts About Region 7

- **Sales market conditions—**
  Second quarter 2025: mixed (balanced to slightly soft)
  First quarter 2025: mixed (balanced to slightly soft)
  Second quarter 2024: mixed (balanced to slightly soft)

- **Apartment market conditions—**
  Second quarter 2025: mixed (balanced to slightly soft)
  First quarter 2025: mixed (balanced to slightly soft)
  Second quarter 2024: mixed (balanced to slightly soft)



By Mildred Jara | 2nd Quarter 2025

Overview

The economy in the Great Plains region expanded as of the second quarter of 2025, but similar to the nation, the rate of job growth decelerated from a year ago. As of the second quarter of 2025, nonfarm payrolls in the region rose 0.4 percent year over year, slowing from a 0.8-percent annual gain as of the second quarter of 2024. Job growth in the nation slowed from 1.4 to 1.1 percent during the same period. Sales market conditions throughout the region were mixed, ranging from balanced to slightly soft, similar to a year ago. Regionwide, home sales declined year over year during the 12 months ending May 2025, although at a slower rate than a year ago, and home sales price growth accelerated (Cotality, with adjustments by the analyst). Apartment market conditions in the region were mixed as of the second quarter of 2025, ranging from balanced to slightly soft, with vacancy rates increasing in three of the five metropolitan areas highlighted in this report (CoStar Group).

- As of the second quarter of 2025, average unemployment rates in all states in the region were below the 4.1-percent rate for the nation, ranging from 3.0 percent in Nebraska to 4.0 percent in Missouri.

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- Home sales in the region fell 5 percent to 263,100 homes sold during the 12 months ending May 2025, slowing from a 7-percent decline a year ago. The average home sales price rose 5 percent to $279,400, compared with a 3-percent increase during the 12 months ending May 2024 (Cotality, with adjustments by the analyst).
- Apartment market conditions were slightly soft in two of the five metropolitan areas highlighted in this report. Year-over-year growth of average rents ranged from virtually no change to a 3-percent increase as of the second quarter of 2025 (CoStar Group).

Economic Conditions

Nonfarm payrolls in the Great Plains region increased as of the second quarter of 2025, continuing the year-over-year job growth that began as of the second quarter of 2021, but the recent growth was slower than a year ago. Nonfarm payrolls in the region averaged 7.17 million jobs, reflecting an increase of 27,700 jobs, or 0.4 percent, from the second quarter of 2024, when payrolls rose 0.8 percent, or by 55,000 jobs, from a year earlier. Regional job growth as of the second quarter of 2025 was outpaced by the 1.1-percent year-over-year job gains nationally, which slowed from 1.4 percent a year earlier.

Six of the 11 nonfarm payroll sectors in the region added jobs during the past year. As of the second quarter of 2025, the education and health services and the government sectors led year-over-year job gains, increasing by 37,500 and 17,000 jobs, or 3.3 and 1.5 percent, respectively. Job gains in the education and health services sector occurred in every state in the region, with growth ranging from 1.9 percent in Kansas to 4.3 percent in Nebraska. Jobs in the government sector also increased in all states in the region, ranging from a 1.3-percent increase in Iowa to a 1.8-percent rise in Nebraska. Losses in other sectors partly offset the job gains in the region. The manufacturing sector lost the most jobs as of the second quarter of 2025, declining by 14,500 jobs, or 1.8 percent, from the second quarter of 2024, when payrolls in the sector declined 0.4 percent from a year earlier. Declines in the sector occurred in all four states in the region, with the most significant declines in Iowa and Missouri, where job losses totaled 7,900 and 2,600 jobs, or 3.5 and 0.9 percent, respectively. Major layoffs contributed to job losses in the sector. In Iowa, more than 300 employees at three Deere & Company (John Deere) agricultural machinery manufacturing plants were laid off in the past 12 months, and the recreational vehicle manufacturer, Winnebago Industries, Inc., laid off nearly 200 employees at two plants during the second quarter of 2025. In Missouri, The Boeing Company announced layoffs of nearly 700 employees across the state in early 2025. In Kansas, approximately 1,700 workers at the General Motors Company Fairfax Assembly & Stamping facility in Kansas City were laid off in early 2025.

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As of the second quarter of 2025, 6 of the 11 nonfarm payroll sectors contributed to year-over-year job growth in the Great Plains region.

	Second Quarter		Year-Over-Year Change	
	2024 (Thousands)	2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	7,142.8	7,170.5	27.7	0.4
Goods-Producing Sectors	1,175.4	1,170.6	-4.8	-0.4
Mining, Logging, & Construction	385.2	395.0	9.8	2.5
Manufacturing	790.2	775.7	-14.5	-1.8
Service-Providing Sectors	5,967.4	5,999.8	32.4	0.5
Wholesale & Retail Trade	1,025.3	1,016.7	-8.6	-0.8
Transportation & Utilities	320.3	322.4	2.1	0.7
Information	100.5	97.3	-3.2	-3.2
Financial Activities	436.4	437.6	1.2	0.3
Professional & Business Services	821.5	810.1	-11.4	-1.4
Education & Health Services	1,140.8	1,178.3	37.5	3.3
Leisure & Hospitality	707.4	702.2	-5.2	-0.7
Other Services	263.3	266.4	3.1	1.2
Government	1,151.8	1,168.8	17.0	1.5

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics

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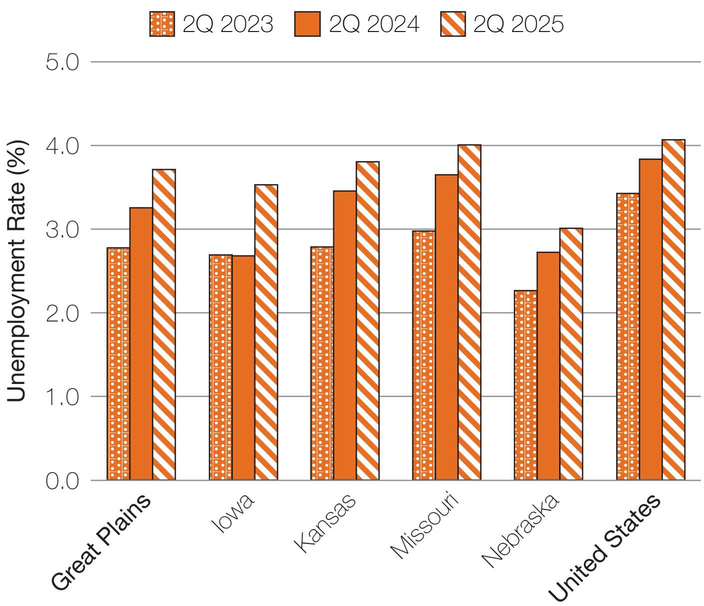
As of the second quarter of 2025, the unemployment rate in the region averaged 3.7 percent, increasing from 3.3 percent as of the second quarter of 2024. The regionwide unemployment rate was lower than the national rate of 4.1 percent, which was up from 3.8 percent a year earlier. Unemployment rates increased in all four states in the region, with the largest percentage increase in Iowa, where the rate rose 0.8 percentage point to 3.5 percent as of the second quarter of 2025. In Kansas and Nebraska, the respective unemployment rates were 3.8 and 3.0 percent, increasing from 3.5 and 2.7 percent a year ago. Missouri had the highest unemployment rate in the region as of the second quarter of 2025 at 4.0 percent, up from 3.7 percent as of the second quarter of 2024.

As of the second quarter of 2025—

- Nonfarm payrolls increased year over year in all states in the region except Iowa. Job growth moderated, however, in Missouri, Kansas, and Nebraska compared with the same quarter a year ago.
- Missouri added the most jobs in the region year over year, up by 16,900, or 0.6 percent, to 3.02 million jobs, and accounted for approximately 61 percent of the regionwide job gain, but growth slowed from an increase of 24,300 jobs, 0.8 percent, a year earlier. The education and health services sector led payroll growth, increasing by 20,300 jobs, or 3.9 percent, from a year ago, offsetting job losses in six other payroll sectors.
- Nonfarm payrolls in Kansas rose by 8,700, or 0.6 percent, to 1.47 million jobs, down from a gain of 14,000 jobs, or 1.0 percent, as of the second quarter of 2024. Much of the statewide slowdown occurred in the Wichita metropolitan area, which grew by 500 jobs, or 0.1 percent, compared with an increase of 5,400 jobs, or 1.7 percent, a year earlier.
- In Nebraska, nonfarm payrolls grew by 6,600, or 0.6 percent, to 1.07 million jobs, following a 0.9-percent gain as of the second quarter of 2024. Five of the 11 sectors added jobs, with the strongest gains in the education and health services and the government sectors, which increased by 7,100 and 3,300 jobs, or 4.3 and 1.8 percent, respectively, from a year ago.
- Job losses occurred in Iowa, where payrolls fell by 4,500, or 0.3 percent, to 1.61 million jobs, a reversal from the increase of 7,000 jobs, or 0.4 percent, as of the second quarter of 2024. A decline in the Des Moines-West Des Moines (hereafter, Des Moines) metropolitan area, where payrolls fell by 3,200 jobs, or 0.8 percent, from a year ago, accounted for 71 percent of the statewide loss.

All states in the Great Plains region had unemployment rates below the national rate as of the second quarter of 2025.



2Q = second quarter.
Source: U.S. Bureau of Labor Statistics

Sales Market Conditions

As of the second quarter of 2025, sales market conditions in the Great Plains region were mixed, ranging from balanced to slightly soft, similar to conditions as of the second quarter of 2024. Elevated mortgage interest rates continued to hamper sales demand in the region during the past year. The rate for a 30-year fixed-rate mortgage in the United States averaged 6.8 percent as of the second quarter of 2025, down slightly from the 7.0-percent average as of the second quarter of 2024 but well above the 3.0-percent average rate as of the second quarter of 2021 (Freddie Mac). New home construction increased during the past year. In addition, the inventory of homes for sale in the region rose from 29,150 homes in June 2024 to 31,600 homes in June 2025 (Redfin, a national real estate brokerage). This 8-percent increase in the region during the past year was slightly lower than the 9-percent national increase in the inventory of homes for sale. For-sale inventories rose in three of the four states in the region during the past year, ranging from an 8-percent increase in Kansas to an 11-percent rise in Missouri. The for-sale inventory declined 3 percent in Nebraska.

Moderating sales demand led to a decline in the number of homes sold in the region during the past year. During the 12 months ending May 2025, the number of home sales in the region fell 5 percent, to 263,100 homes, slowing from a

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Average home sales prices increased throughout the Great Plains region during the 12 months ending May 2025, whereas home sales declined in most areas in the region.

	12 Months Ending	Number of Homes Sold 2024	Number of Homes Sold 2025	Number of Homes Sold Percent Change	Price Average	Price 2024 ($)	Price 2025 ($)	Price Percent Change
Iowa	May	58,950	58,150	-1	AVG	$225,600	$238,900	6
Des Moines-West Des Moines, IA	May	15,050	15,250	1	AVG	$292,300	$305,300	4
Kansas	May	45,150	40,650	-10	AVG	$316,900	$329,200	4
Wichita, KS	May	13,250	12,150	-8	AVG	$260,100	$264,700	2
Missouri	May	139,100	130,500	-6	AVG	$268,400	$285,100	6
Kansas City, MO-KS	May	46,750	45,200	-3	AVG	$345,900	$361,500	5
St. Louis, MO-IL	May	57,050	53,400	-6	AVG	$254,800	$272,900	7
Nebraska	May	34,950	33,750	-3	AVG	$261,100	$269,100	3
Omaha-Council Bluffs, NE-IA	May	18,200	17,600	-3	AVG	$302,300	$308,600	2

AVG = average.
Notes: All figures are rounded. Data include new and existing single-family homes, townhomes, and condominiums.
Source: Cotality, with adjustments by the analyst

7-percent decline during the 12 months ending May 2024 (Cotality, with adjustments by the analyst). Home sales fell in all states in the region during the past 12 months, with declines ranging from 1 percent in Iowa to 10 percent in Kansas. Despite declining home sales, average home sales prices rose throughout the region. The regionwide rate of home price growth, however, trailed the national rate. The average home price in the region during the 12 months ending May 2025 was $279,400, reflecting a 5-percent increase from a year earlier. By comparison, nationally, the average home price rose 6 percent from a year ago. Average home price increases among the states in the region ranged from a 3-percent rise in Nebraska, to $269,100, to 6-percent increases in Missouri and Iowa, to $285,100 and $238,900, respectively, with Iowa having the lowest statewide average home price in the region as of the second quarter of 2025.

Home sales fell in four of the five metropolitan areas cited in this report during the 12 months ending May 2025. Year-over-year decreases ranged from 3 percent in the Kansas City and Omaha-Council Bluffs (hereafter, Omaha) metropolitan areas to 8 percent in the Wichita metropolitan area. The only metropolitan area with increasing home sales during the past 12 months was Des Moines, where sales rose 1 percent year-over-year. Average home prices rose in all five metropolitan areas, ranging from increases of 2 percent each in the Omaha and Wichita metropolitan areas to 7 percent in the St. Louis metropolitan area.

The share of seriously delinquent mortgages and real estate owned properties was 0.9 percent in May 2025, up slightly from 0.8 percent in May 2024 but below the 1.2-percent rate in May 2019, before the COVID-19 pandemic (Cotality). By comparison, the national rate was 1.0 percent in May 2025, up slightly from 0.9 percent a year earlier but below the 1.4-percent rate in May 2019. Regionwide, the rates ranged from 0.8 percent in Iowa and Missouri to 0.9 percent in Kansas and Nebraska. The rates declined during the past year in Iowa, Missouri, and Nebraska, and the rate was unchanged from a year ago in Kansas.

As of the second quarter of 2025, homebuilding activity in the region, as measured by the number of single-family homes permitted, increased by 360 homes, or 4 percent, to 8,350 homes, compared with a 2-percent decline as of the second quarter of 2024 (preliminary data). Single-family home permitting increased in Iowa, Kansas, and Nebraska and decreased in Missouri as of the second quarter of 2025 compared with a year earlier.

As of the second quarter of 2025 (preliminary data)—

- Approximately 61 percent of the net increase in single-family home permitting in the region occurred in Kansas, where permitting totaled 1,725 homes, increasing by 220 homes, or 14 percent, from the second quarter of 2024, when permitting rose 11 percent from a year earlier. An increase of nearly 170 homes permitted, or 27 percent, in the Kansas portion of the Kansas City metropolitan area accounted for 77 percent of the net increase in single-family home permitting in the state, more than offsetting a decline of 20 homes permitted, or 5 percent, in the Wichita metropolitan area.
- In Iowa, single-family permitting rose by 120 homes, or 6 percent, to 2,200 homes, compared with a decline of

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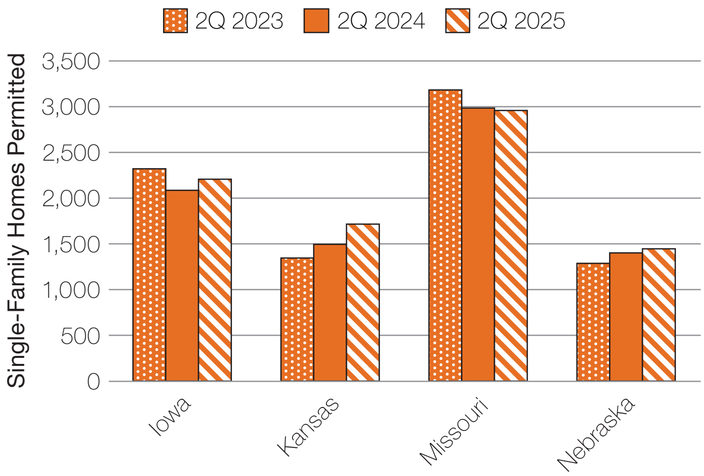
10 percent as of the second quarter of 2024. A 3-percent decline in the Des Moines metropolitan area was more than offset by increases elsewhere in the state, including a 20-percent increase in single-family home permitting in the Iowa portion of the Omaha metropolitan area.

- A total of 1,450 homes were permitted in Nebraska, reflecting an increase of 45 homes, or 3 percent, compared with a 9-percent increase as of the second quarter of 2024. Single-family home permitting in the Lincoln metropolitan area rose by 65 homes, or 27 percent, from a year ago, more than offsetting a decline of 45 homes, or 6 percent, in the Nebraska portion of the Omaha metropolitan area.
- Single-family home permitting fell 1 percent in Missouri, to 2,975 homes permitted, compared with 3,000 homes a year ago. The number of homes permitted in the Missouri portion of the St. Louis metropolitan area fell by 120 homes, or 16 percent, from a year ago, offsetting the increase of 80 homes, or 14 percent, in single-family home permitting in the Missouri portion of the Kansas City metropolitan area.

As of the second quarter of 2025, single-family home permitting increased year over year in the Great Plains region, with increases in Iowa, Kansas, and Nebraska offsetting a decline in Missouri.



2Q = second quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey

Apartment Market Conditions

Apartment market conditions in the Great Plains region ranged from balanced to slightly soft as of the second quarter of 2025, similar to conditions in the region a year ago. Apartment vacancy rates increased in three of the five metropolitan areas highlighted in this report during the past year, mainly because of many new apartment completions, which outpaced absorption. Average apartment rents increased or were virtually unchanged in all five metropolitan areas as of the second quarter of 2025. In all highlighted areas, recent rent growth was slower or relatively unchanged from the rate of growth a year ago.

As of the second quarter of 2025, conditions were slightly soft in the Des Moines and St. Louis metropolitan areas. In the Des Moines metropolitan area, the apartment vacancy rate was 9.0 percent as of the second quarter of 2025, reflecting a 0.9-percentage-point increase from a year ago, the largest increase among all metropolitan areas highlighted in this report (CoStar Group). The vacancy rate rose because the completion of 1,725 units during the past year outpaced the absorption of 1,025 units. The average rent in the metropolitan area was $1,171 as of the second quarter of 2025, relatively unchanged from a year ago, when the average rent rose 2 percent from the previous year. In the St. Louis metropolitan area, the vacancy rate rose from 9.9 to 10.5 percent as of the second quarter of 2025, partly because the 2,975 units completed during the past year outpaced the absorption of 1,675 units. The average rent rose 2 percent to $1,293, slowing from a 3-percent increase a year ago.

Apartment conditions in the Kansas City metropolitan area were balanced as of the second quarter of 2025, with a vacancy rate of 8.4 percent, up slightly from 8.2 percent a year ago. The average rent rose 2 percent to $1,373, the highest average rent among the metropolitan areas cited in this report, slowing from a 3-percent increase as of the second quarter of 2024. Apartment market conditions in the Omaha and Wichita metropolitan areas were also balanced, with vacancy rates in both areas as of the second quarter of 2025 declining from a year ago. The vacancy rate in the Omaha metropolitan area fell from 6.5 to 6.3 percent as of the second quarter of 2025. The slight decline was partly due to absorption that was 1 percent greater than the number of units completed during the past year. The Omaha metropolitan area had the fastest growth of apartment rents among the five metropolitan areas highlighted in this report, at 3 percent. The Wichita metropolitan area had the largest percentage decrease in the vacancy rate, declining from 7.7 to 7.1 percent as of the second quarter of 2025, because the absorption of nearly 410 units during the past year outpaced the 230 units completed.

Following a decline a year ago, multifamily building activity in the Great Plains region, as measured by the number of multifamily units permitted, reversed to a sharp increase as of the second quarter of 2025. Multifamily permitting surged in all states in the region during the past year.

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As of the second quarter of 2025, average apartment rents increased or remained relatively unchanged throughout the major metropolitan areas in the Great Plains region.

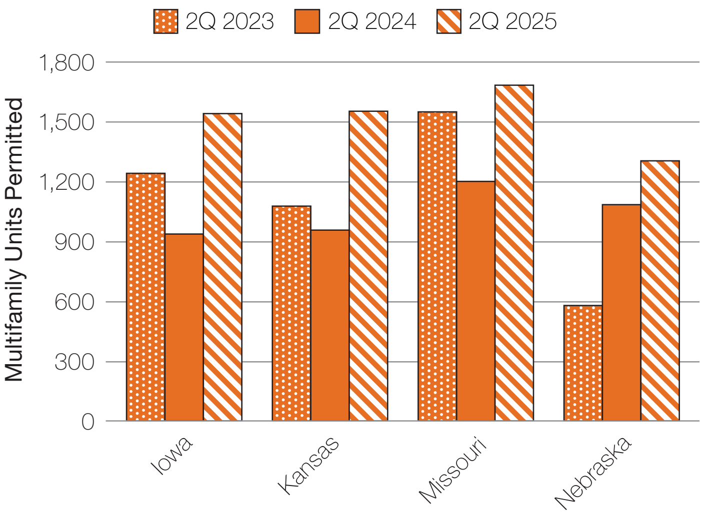
	Market Condition	Vacancy Rate			Average Monthly Rent		
		2Q 2024 (%)	2Q 2025 (%)	Percentage Point Change	2Q 2024 ($)	2Q 2025 ($)	Percent Change
Des Moines-West Des Moines, IA	Slightly Soft	8.1	9.0	0.9	1,169	1,171	0
Kansas City, MO-KS	Balanced	8.2	8.4	0.2	1,340	1,373	2
Omaha-Council Bluffs, NE-IA	Balanced	6.5	6.3	-0.2	1,228	1,268	3
St. Louis, MO-IL	Slightly Soft	9.9	10.5	0.6	1,271	1,293	2
Wichita, KS	Balanced	7.7	7.1	-0.6	906	924	2

2Q = second quarter.
Sources: Market condition—Economic and Market Analysis Division; vacancy rate and average monthly rent—CoStar Group

As of the second quarter of 2025 (preliminary data)—

- Approximately 6,100 multifamily units were permitted in the region, reflecting an increase of 1,900 units, or 45 percent, from the second quarter of 2024, when multifamily permitting fell 6 percent from a year earlier.
- The largest increases in multifamily units permitted were in Iowa and Kansas, where permitting rose by approximately 600 units each, or 64 and 62 percent, respectively. A strong increase in multifamily permitting in the Des Moines metropolitan area, where permitting rose by 430 units, or 322 percent, to 570 units and in the Kansas portion of the Kansas City metropolitan area, where permitting rose by 140 units, or 39 percent, from a year ago to 500 units, contributed to the increases in the respective states.
- The number of multifamily units permitted in Missouri increased by 480 units, or 40 percent, to 1,675 units, compared with a 22-percent decline as of the second quarter of 2024. Permitting rose by 330 units, or 41 percent, in the Missouri portion of the Kansas City metropolitan area and by nearly 120 units, or more than 200 percent, in the Missouri portion of the St. Louis metropolitan area, accounting for a combined 94 percent of the net increase in the state.
- In Nebraska, the number of multifamily units permitted rose by 220 units, or 20 percent, to 1,300 units, after an 88-percent increase a year earlier. A surge in multifamily permitting in the Lincoln metropolitan area, which rose by 510 units to 620 units, more than offset a decline of 340 units permitted, to 540 units, in the Nebraska portion of the Omaha metropolitan area.

Multifamily permitting increased sharply throughout the Great Plains region as of the second quarter of 2025.



2Q = second quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey

Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up. A property is stabilized once it reaches a 90-percent occupancy rate or at least 18 months have passed since the property was changed from “under construction” to “existing” on the CoStar Group website.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.