

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.3% Vacancy Rate	▼	▼
5.7M YTD Net Absorption, SF	▼	▬
\$5.93 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1,176.9K Kansas City Employment*	▲	▲
3.6% Kansas City Unemployment Rate*	▼	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS, Moody's Analytics
*Q3 2026

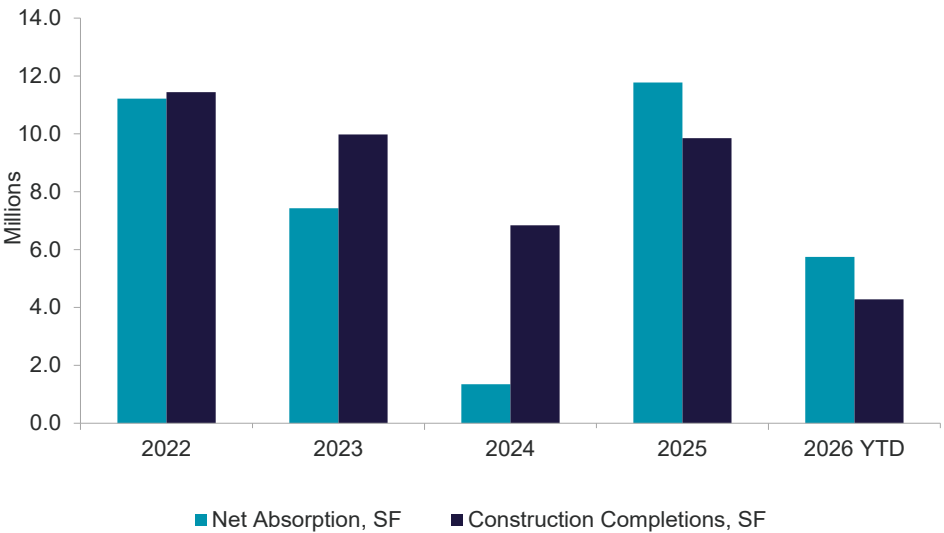
ECONOMY:

It has been a healthy first nine months of the year in the Kansas City commercial real estate market. On the office side, absorption has remained positive and earlier this year ground was broken on the largest new office project in more than a decade. For industrial, all signs have continued to point towards a new period of expansion. While office and industrial have had little in common over the past decade, one trend has become clear for both: older space has struggled. Class B office space continued to lag behind Class A, and older warehouse buildings have failed to backfill space vacated by tenants moving into new construction. Looking at the broader economy, one cannot ignore that inflation remains a primary concern. The Federal Reserve Bank of Kansas City publishes a monthly survey on manufacturing activity in the Tenth Federal Reserve District, and it includes a “Selected Manufacturing Comments” section. While there are examples of growth and optimism about the near- and mid-term future, every monthly report also cites increased costs, an inability to support wage growth, and genuine fear about energy costs and economic policy. The regional economy has remained resilient, and there are positives to be found, but it is clear that fundamental economic threats remain.

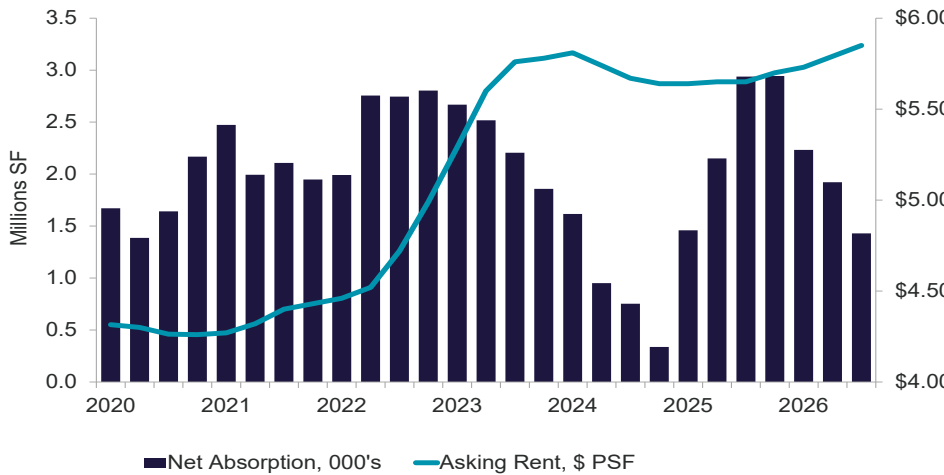
MARKET OVERVIEW:

Kansas City’s industrial market mirrored the national market as the previous expansion came to an end, with things slowing down during the later part of 2023 and then remaining muted during 2024 and 2025. The exception was the local absorption number in 2025, which was a record-setting 11.8 million square feet (msf). This was the result of large-scale, projects that had been under development for years delivering, as two buildings alone accounted for 4.2 msf of absorption. For leasing activity, 2025 was the fourth consecutive year the market recorded a decrease. There was optimism 2026 would see a reversal of that trend and the market would begin moving towards a new period of expansion. Nine

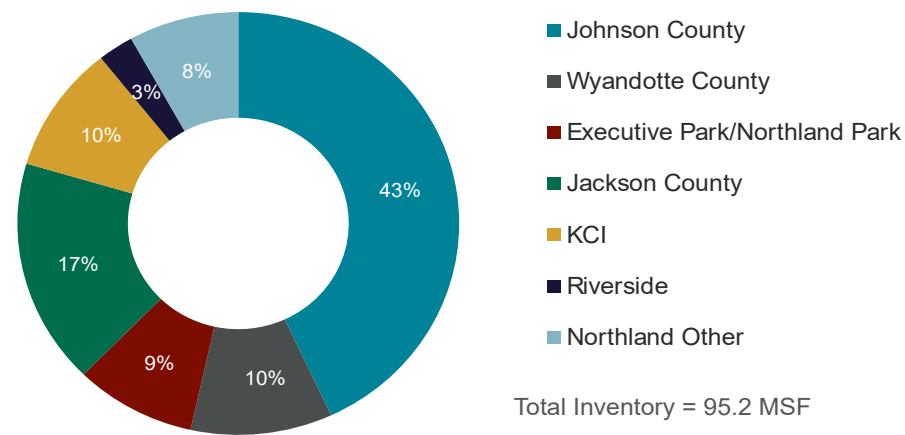
SPACE DEMAND / DELIVERIES



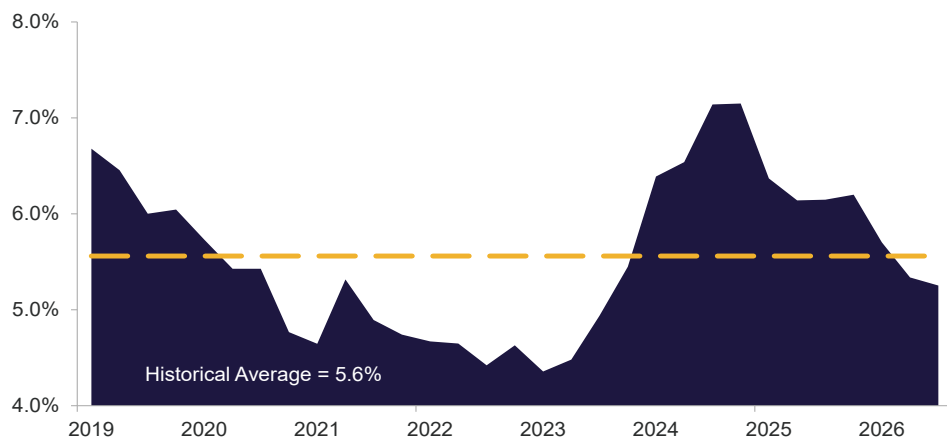
QUARTERLY NET ABSORPTION & ASKING RENT



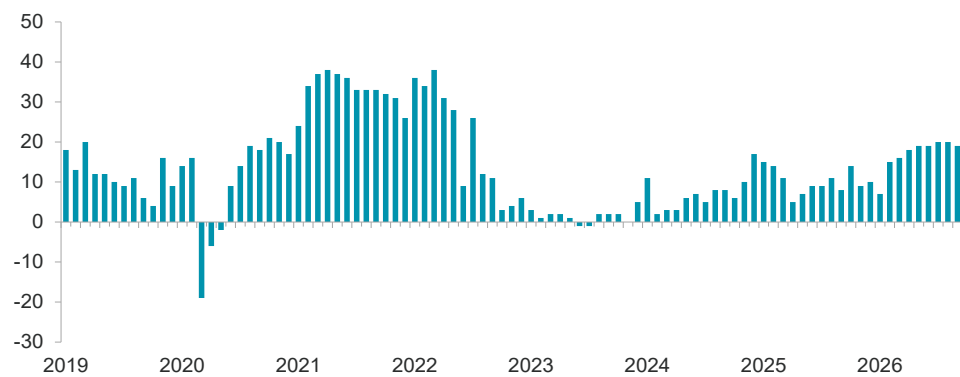
SHARE OF BULK DISTRIBUTION BY SUBMARKET



HISTORICAL OVERALL VACANCY



FEDERAL RESERVE 10TH DISTRICT MANUFACTURING SURVEY -- EXPECTED IN SIX MONTHS



months into the year, the data has been encouraging. Absorption has outperformed most expectations—due in large part to a single move-in of 920,000 square feet (sf) in Jackson County—and leasing activity has moved in the right direction. Even a modest fourth quarter will see this year surpass last year’s total, and if leasing activity in the final three months of the year matches this year’s pace it will be the highest total since 2021.

Most economic expansions require a clear driver, and in this case it has been the development of data centers. While these market statistics do not include the major data center projects of global corporations that have gathered so many headlines, the construction of those facilities requires significant resources. Leasing by construction firms has been exceptionally strong so far this year, while suppliers and companies who offer support for the build-out and operation of data centers have been rapidly expanding their presence throughout Kansas City. Cushman & Wakefield research has actively tracked at least seven new leases of 200,000 sf or more that are tied to data center support, operations, or construction just this year.

In fact, there are now concerns the market could become exceptionally tight in a very short period of time. A vacancy rate of 5.3% is already moving towards the previous cyclical low of 4.4%, and at the end of the third quarter development was not keeping pace. The quarter ended with just 4.2 msf of space under construction, of which 3.0 msf was speculative, and of that 3.0 msf one-third was already pre-leased. Keep in mind quarterly leasing activity this year has averaged 3.2 msf and quarterly absorption has been at 1.9 msf. The vacancy rate for Modern Distribution space stood at just 5.2% at the end of the third quarter, with more space absorbed so far this year (6.0 msf) than vacant (4.9 msf).

The one area that is holding back the market’s performance from being even stronger is older, Class B Warehouse product, where absorption has been negative 424,000 sf so far and the vacancy rate has risen to 9.6%. Throughout the previous cycle those buildings were able to successfully backfill space as tenants moved to newer construction, but that might not be the case going forward. Some of the construction firms looking for space have found these buildings appealing since they are attractively priced and the primary intent is the storage of materials, which minimizes the benefits associated with new industrial construction.

All evidence points towards the market having ended the third quarter in the early phases of a new expansion. With expectations that larger tenants remain active in the market looking for new space, plans moving forward on new owner-user development by firms that have already acquired land, and encouraging analytics to support speculative construction, Kansas City appears to be in a strong place. The fourth quarter could see these trends accelerate.

OUTLOOK

- Investor interest in product throughout Kansas City is an encouraging sign that the market is healthy and poised to grow even more.
- While the debate around data centers will continue, the leases associated with that kind of work in Kansas City are either attached to projects already in development or with companies who will supply facilities all over the country.
- The Johnson County, Northland, and KCI submarkets are the most likely sites for the substantial industrial development in the near future.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (OS)*	OVERALL WEIGHTED AVG NET RENT (W/D)*
Johnson County	95,246,302	4,964,168	5.2%	-206,740	1,462,343	2,064,454	1,212,631	\$6.99	\$10.49	\$5.60
Wyandotte County	37,056,949	1,302,532	3.5%	66,837	12,583	960,133	56,700	\$5.99	\$9.89	\$5.22
Executive Park / Northland Park	20,741,833	1,294,082	6.2%	180,697	122,166	646,440	306,556	\$5.84	\$7.53	\$4.85
Jackson County	69,203,444	3,632,201	5.2%	490,422	2,082,089	209,000	1,465,371	\$5.12	\$10.07	\$5.07
North Kansas City	14,732,706	1,329,854	9.0%	-213,587	(156,417)	0	0	\$10.35	\$6.94	\$4.51
KCI	13,153,824	208,869	1.6%	1,098,365	2,115,507	0	1,026,480	\$5.25	\$8.08	n/a
Riverside	6,851,090	696,557	10.2%	33,870	101,882	0	213,701	n/a	\$8.60	\$7.93
Northland	24,365,930	1,390,474	5.7%	370,329	8,526	400,000	0	n/a	\$12.00	\$6.15
Cass County	741,515	0	0.0%	0	0	0	0	n/a	n/a	n/a
Kansas City Totals	282,093,593	14,818,737	5.3%	1,820,193	5,748,679	4,280,027	4,281,439	\$5.90	\$9.88	\$5.23

PRODUCT TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*
Bulk Distribution & Warehouse	157,400,072	9,819,952	6.2%	2,147,130	5,738,145	3,726,387	4,031,151	\$5.23
Office/Warehouse	20,594,833	779,042	3.8%	74,535	172,611	38,000	116,588	\$9.44
Flex/R&D	5,402,881	315,627	5.8%	55,367	-50,542	32,000	32,000	\$10.85
Manufacturing	70,932,376	1,972,383	2.8%	-21,564	-79,897	483,640	101,700	\$5.90
Underground	27,763,431	1,931,733	7.0%	-435,275	-31,638	0	0	n/a

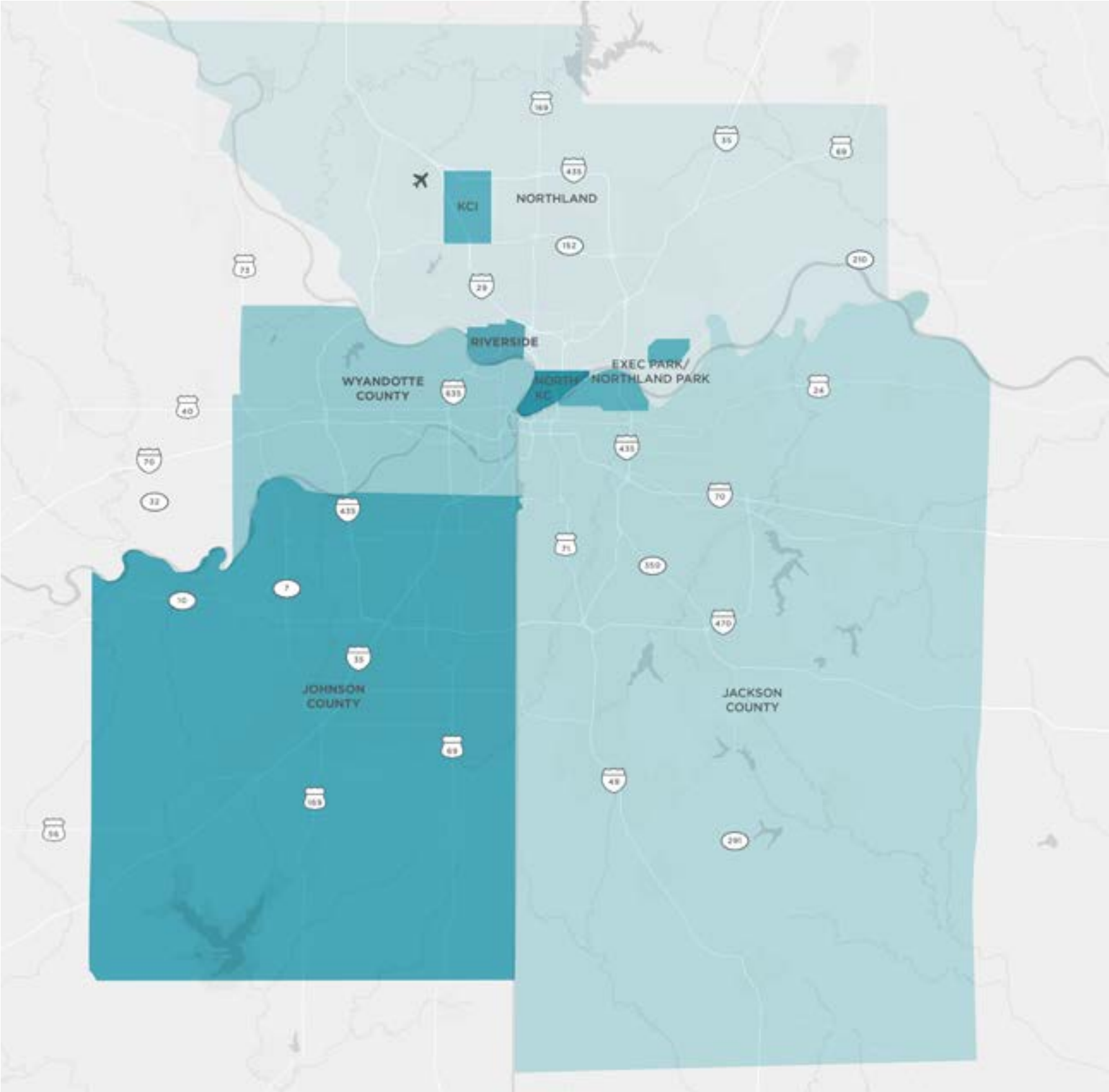
*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
14901 Botts Rd	Jackson County	Google	920,400	New Lease
2500 N Lightbourne	Northland	Wagner Logistics	317,151	New Lease
10200 Edgerton Rd	Johnson County	Layton Construction	254,880	New Lease
1100 NW Main	Jackson County	Graham Packaging	215,730	New Lease
6900 Stilwell	Executive Park	Logoplaste	203,009	Renewal
1601 Fairfax	Wyandotte County	eGourmet Solutions	192,417	New Lease
405 S Leonard	Northland	Suburban Automotive Services	151,065	New Lease
12501 NE 40th St	Northland Park	Cardinal Health	150,774	Renewal

*Renewals not included in leasing statistics

SUBMARKETS



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