



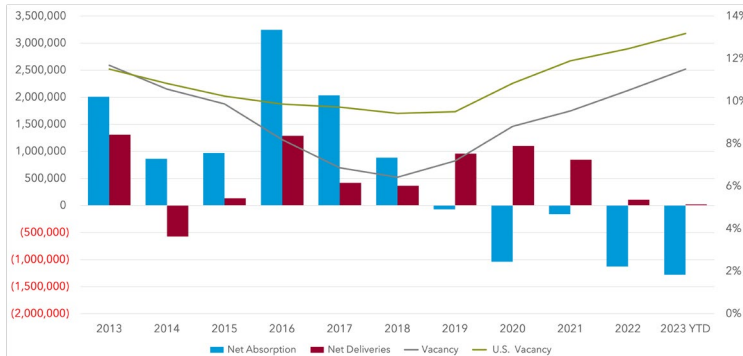
OFFICE MARKET OVERVIEW

MAX LAPKE, *Senior Associate*

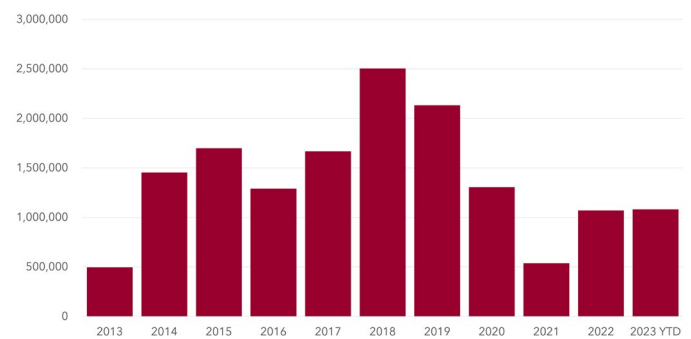
As tenants continue to investigate options to right-size their offices, vacancy rates resume their increase throughout the market. The market has experienced an annual absorption of negative 2.2 MSF, the largest occupancy loss in a decade. Kansas City still falls below the national average in office vacancy with a YTD rate of 11.51% compared to the national average of 13.18%. The availability of sublease space has increased to approximately 2.0 MSF currently available. Sales volume in the market has been lackluster, reaching only \$134 million over the past year. The low sales activity can be attributed to increased interest rates, higher vacancy, and a significant price disparity between buyers and sellers. Development interest has slowly started to return with approximately 1.08 MSF of property under construction YTD.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	(2,276,754)	(1,510,703)	(1,128,715)	(599,484)	141,981
▲ Vacancy Rate	11.5%	11.2%	10.5%	10.0%	9.8%
▲ Avg FSG Asking Rate PSF	\$21.77	\$21.66	\$21.62	\$21.64	\$21.61
▼ SF Under Construction	1,081,965	1,090,454	1,070,059	849,937	280,408
▲ Inventory SF	128,089,102	128,080,613	128,070,203	128,053,474	128,189,060

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1600 Genessee Street Kansas City, MO	213,751 SF	Undisclosed	Undisclosed Tenfold Investment Group	Class B
1200 E. 104th Street Kansas City, MO	68,224 SF	\$2,999,000 \$43.96 PSF	West 103rd Street Enterprises LLC Group RMC	Class B
10301 Hickman Mills Drive Kansas City, MO	34,648 SF	\$3,950,000 \$114.00 PSF	Hickman Mills School District Pinnacle Career Institute	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1111 Main Street Kansas City, MO	108,955 SF	Copaken Brooks	NAIC	Insurance
9221 Ward Parkway Kansas City, MO	102,490 SF	Group RMC	Honeywell	Manufacturing
4801 Main Street Kansas City, MO	94,239 SF	Copaken Brooks	Husch Blackwell LLP	Legal

