



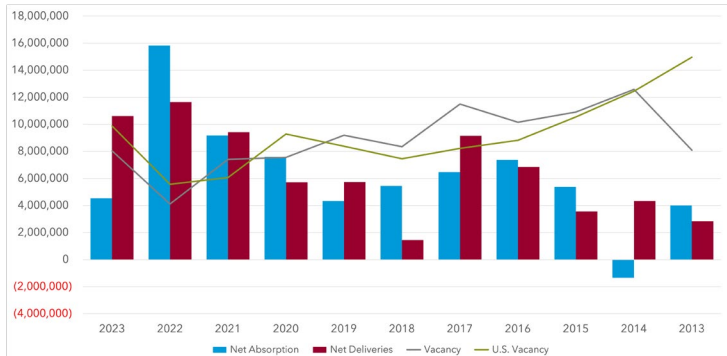
### OFFICE MARKET OVERVIEW

MAX LAPKE, *Senior Associate*

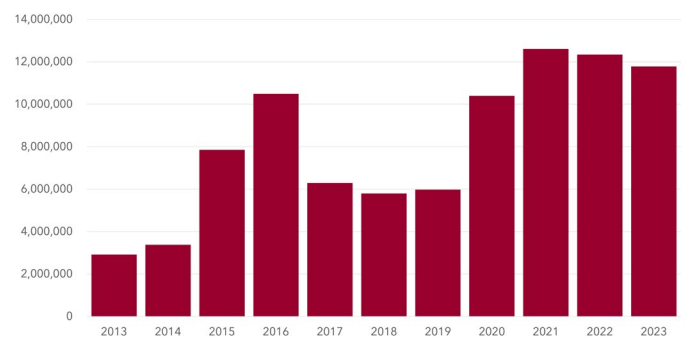
The Kansas City office market continues to grapple with remote work trends as the vacancy rate stays steady at 11.8% for the third quarter in a row. Asking rents are remaining fairly even with a slight increase to \$22.08 in Q4; an 8 cent increase over Q3. This is consistent with office landlords contending with high construction costs and requiring bolstered rents to offset them. The amount of office product under construction has dipped below 1 million square feet to 982,676. The class A office market continues to outperform the rest of the market with a flight-to-quality mentality still present with tenants and buyers.

| MARKET INDICATORS          | Q4 2023     | Q3 2023     | Q2 2023     | Q1 2023     | Q4 2022     |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ 12 Mo. Net Absorption SF | (1,304,675) | (2,007,965) | (2,541,440) | (1,686,649) | (1,275,311) |
| ◀▶ Vacancy Rate            | 11.8%       | 11.8%       | 11.8%       | 11.3%       | 10.6%       |
| ▲ Avg FSG Asking Rate PSF  | \$22.08     | \$22.00     | \$21.95     | \$21.72     | \$21.62     |
| ▼ SF Under Construction    | 982,676     | 1,035,432   | 1,081,343   | 1,132,632   | 1,131,437   |
| ▲ Inventory SF             | 127,942,472 | 127,833,862 | 127,805,951 | 127,750,462 | 127,720,852 |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF             | SIZE       | SALE PRICE  | BUYER / SELLER  | BUILDING CLASS |
|---|------------|-------------|---|----------------|
| 2345 Grand Boulevard<br>Kansas City, MO | 463,869 SF | Undisclosed | Ronald Mcdonald House Charities of KC<br>Childrens Mercy Hospital | Class A        |
| 4520 Main Street<br>Kansas City, MO     | 198,652 SF | Undisclosed | Mahler Properties, Inc.<br>American Century Investments           | Class A        |
| 9755 Ridge Drive<br>Lenexa, KS          | 142,679 SF | Undisclosed | TPG<br>TPG Angelo Gordon & Co., LP                                | Class B        |

| TOP LEASE TRANSACTIONS BY SF          | SIZE      | LANDLORD                                      | TENANT                                     | TENANT INDUSTRY                      |
|---------------------------------------|-----------|---|--|--------------------------------------|
| 11340 Nall<br>Leawood, KS             | 40,000 SF | OPMOB Owner LLC                               | Sano Orthopedics                           | Health Care and<br>Social Assistance |
| 1201 Walnut Street<br>Kansas City, MO | 31,608 SF | Copaken Brooks -<br>Square Deal Capital       | Missouri Housing Development<br>Commission | Public Administration                |
| 2301 Mcgee Street<br>Kansas City, MO  | 19,602 SF | Crown Center Redevel-<br>opment Corp-Hallmark | New WLX Holdings                           | Logistics                            |

