



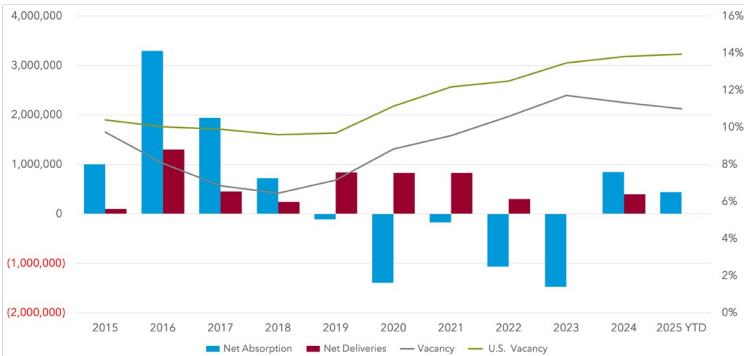
OFFICE MARKET OVERVIEW

MAX LAPKE, *Senior Associate*

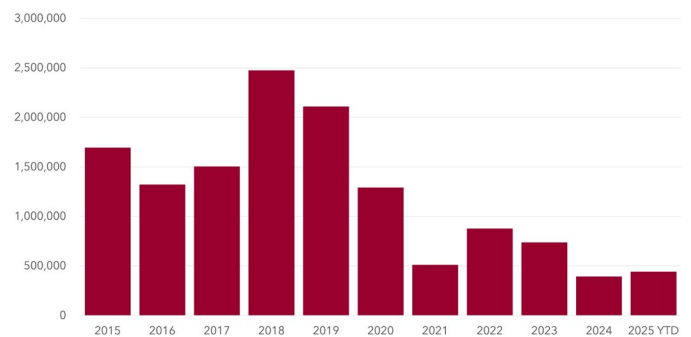
The Kansas City office market is continuing to show signs of recovery at the start of 2025 with a massive increase in 12-month net absorption reaching a positive 1.6 million SF. The vacancy rate is also trending consistently lower to 11.1%. The amount of sublease space on the market is also reducing each quarter and is now around 50% of the national average. The average lease rate has also steadily increased to over \$23.00 PSF to accommodate for the substantial increase in construction costs over the past 4-5 years. Office building sales are predominantly seen amongst owner-users accounting for close to 30% of recent sales.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▲ 12 Mo. Net Absorption SF	1,634,222	847,209	(520,229)	(1,040,245)	(1,360,180)
▼ Vacancy Rate	11.1%	11.3%	11.9%	12.2%	12.0%
▲ Avg NNN Asking Rent PSF	\$23.12	\$23.04	\$23.01	\$22.94	\$22.84
◀ ▶ Sale Price PSF	\$116	\$116	\$118	\$120	\$121
◀ ▶ Cap Rate	10.6%	10.6%	10.5%	10.3%	10.1%
▲ Under Construction	442,654	394,154	786,554	861,104	831,954
▲ Inventory	129,993,040	129,992,410	129,600,010	129,513,960	129,491,714

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
9351-9401 Renner Boulevard Lenexa, KS	150,958 SF	\$16,605,380 \$110.00 PSF	Rally House Block Real Estate Services	Class A
11460 Tomahawk Creek Parkway Leawood, KS	105,603 SF	Undisclosed	Burlington Associates LLC Michael J. Rainen Trust	Class A
3675 S. Noland Road Independence, MO	42,714 SF	\$1,437,500 \$33.65 PSF	Thomas McReynolds RG Capital Partners	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8600 Renner Boulevard Lenexa, KS	177,000 SF	RBPL LH LLC	Kiewit	Construction
6800 W. 115th Street Overland Park, KS	116,811 SF	City of Overland Park	Undisclosed	Undisclosed
6300 Lamar Avenue Overland Park, KS	108,410 SF	Macquarie Holdings (U.S.A.), Inc.	Southwind	Professional, Scientific, and Technical Services

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