



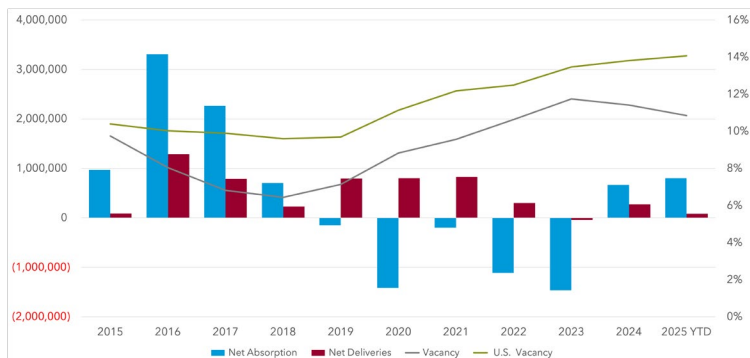
OFFICE MARKET OVERVIEW

MAX LAPKE, Vice President

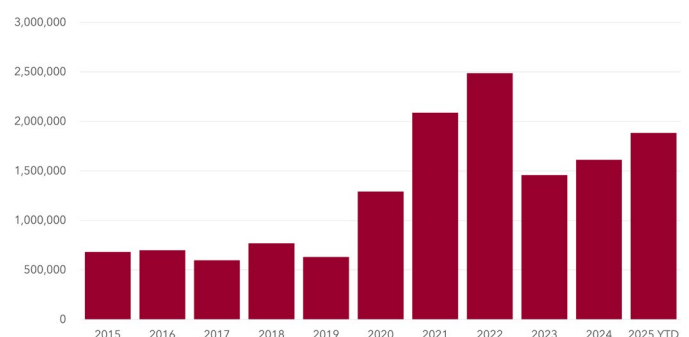
The Kansas City office market continues to show signs of strengthening with 12-month Net Absorption crossing 1.6 million square feet in the 3rd quarter. The average vacancy rate correspondingly dropped to approximately 10.83%. Market full-service asking rates have stayed consistent at slightly over \$23.00 PSF to accommodate for ballooning construction prices. Sales of office properties have diminished slightly, with most of the active buyers in the market have been private buyers. The average sale price (PSF) decreased this quarter to \$113 PSF (from \$115 PSF the previous quarter), which is still significantly lower than pre-pandemic levels.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	1,649,180	1,592,428	1,224,351	667,605	(390,166)
▼ Vacancy Rate	10.8%	11.2%	11.3%	11.4%	11.9%
▼ Avg NNN Asking Rent PSF	\$23.09	\$23.11	\$23.05	\$22.98	\$22.91
▼ Sale Price PSF	\$113.00	\$115.00	\$114.00	\$116.00	\$119.00
▲ Cap Rate	10.8%	10.7%	10.7%	10.6%	10.5%
▼ Under Construction	681,247	728,247	619,913	699,482	852,292
▼ Inventory	129,469,300	129,497,300	129,523,246	129,386,116	129,219,306

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2301 Main Street Kansas City, MO	201,493 SF	Undisclosed	Crain Company Blue Cross & Blue Shield Kansas Cty	Class B
818 Grand Boulevard Kansas City, MO	146,580 SF	Undisclosed	The BR Companies DLP Capital Holdings	Class B
11500 Ash Street Leawood, KS	127,340 SF	Undisclosed	DFW Land Real Estate KBS REIT III, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
16850 W. 119th Street Olathe, KS	94,512 SF	Karbank Real Estate Company	Undisclosed	Undisclosed
4900-4950 College Boulevard Leawood, KS	78,600 SF	Executive Hills Management, Inc.	Propio Language Services	Professional, Scientific, and Technical Services
17100-17150 W. 118th Terrace Olathe, KS	58,827 SF	Karbank Real Estate Company	Undisclosed	Undisclosed

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