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RESEARCH 4Q24

# Kansas City Retail Report

**NEWMARK**  
ZIMMER



# Executive Summary

Newmark Zimmer is constantly monitoring market indicators, tracking and analyzing supply and demand drivers, cyclical patterns and industry trends. The following quarterly research report examines the multifaceted Kansas City retail market.

Newmark Zimmer research and analytics has established a system of data flow unique in our industry. Rather than rely on third party data sources, our data acquisition efforts involve inputs from advisors in the field, analysts and brokers executing transactions. Newmark Zimmer research converts market data and analysis into knowledge that creates value for our clients.

Our clients include market-leading landlords and distinguished institutions in and around the Kansas City area and the Midwest. Our market knowledge continues to expand as the market progresses and evolves.



## Select Market Transactions

### **Adams Dairy Landing Portfolio**

281,040 SF GLA – SOLD FOR \$39,800,000 (\$142/SF)  
East Jackson County | Blue Springs, MO - 8 properties total

### **Landmark Plaza Portfolio**

87,560 SF GLA – SOLD FOR \$5,430,000 (\$62/SF)  
Cass County | Harrisonville, MO – 2 properties total

### **Big O Tires | Shawnee, KS**

8,060 SF GLA – SOLD FOR \$3,800,000 (\$472/SF)  
North Johnson County | 15810 W 67th Street

### **CVS | Kearney, MO**

6,000 SF GLA – SOLD FOR \$3,245,000 (\$541/SF)  
Clay County | 601 S Jefferson Street

### **Don Chuy's Fresh Mex & Cantina | Lee's Summit, MO**

4,560 SF GLA – SOLD FOR \$1,600,000 (\$351/SF)  
Southeast Jackson County | 701 SE Melody Lane

# Retail

## KANSAS CITY MARKET OVERVIEW

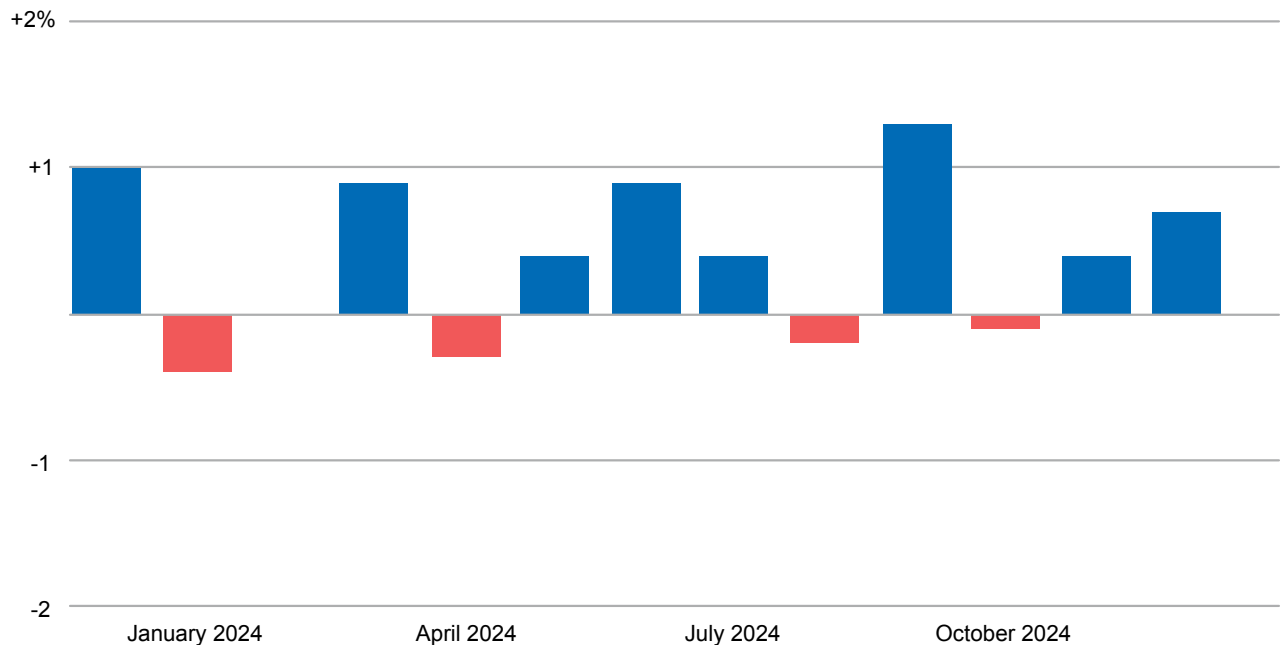
The Kansas City retail market remained stable in Q4 2024, with steady leasing activity and strong demand for retail space. Vacancy rates experienced minimal fluctuations, reflecting high occupancy levels, while rental rates saw moderate increases, particularly in high-traffic and mixed-use areas. Consumer spending remained solid, supported by holiday shopping, though inflationary pressures tempered overall growth. New retail developments were limited, with a primary focus on mixed-use projects, and investor interest persisted in well-performing submarkets.

### Market News:

- Ollie's Bargain Outlet has plans to backfill the former Big Lots Stores, Inc. store at 4201 South Noland Rd. in the Marketplace Shopping Center in Independence. The 36,023-SF store will be Ollie's third location in the market. The firm has now acquired 15 former Big Lots store leases.
- Price Development Group received approval from the Lenexa City Council for the Renner 87 mixed-use project at 87th and Renner Blvd. The development will include 215 multifamily units along with 10,860 SF of commercial space offerings.
- Besos y Abrazos signed a 6,000-SF lease in the KC Power & Light District. The Latin-inspired dining and nightlife experience at 1323 Walnut St. is anticipated to open by Spring 2025. The KC Power & Light District announced over \$10 million in multi-venue upgrades in the district to be completed by Spring 2025.
- Grayson Capitol announced a new mixed-use development in the Crossroads district. Mohawk at 15 will include 189 multifamily units along with 6,000-SF of ground floor retail space. The building will include a rooftop deck, dog park, fitness center, and access to bike and car sharing. Mohawk at 15 is expected to open in 2026.

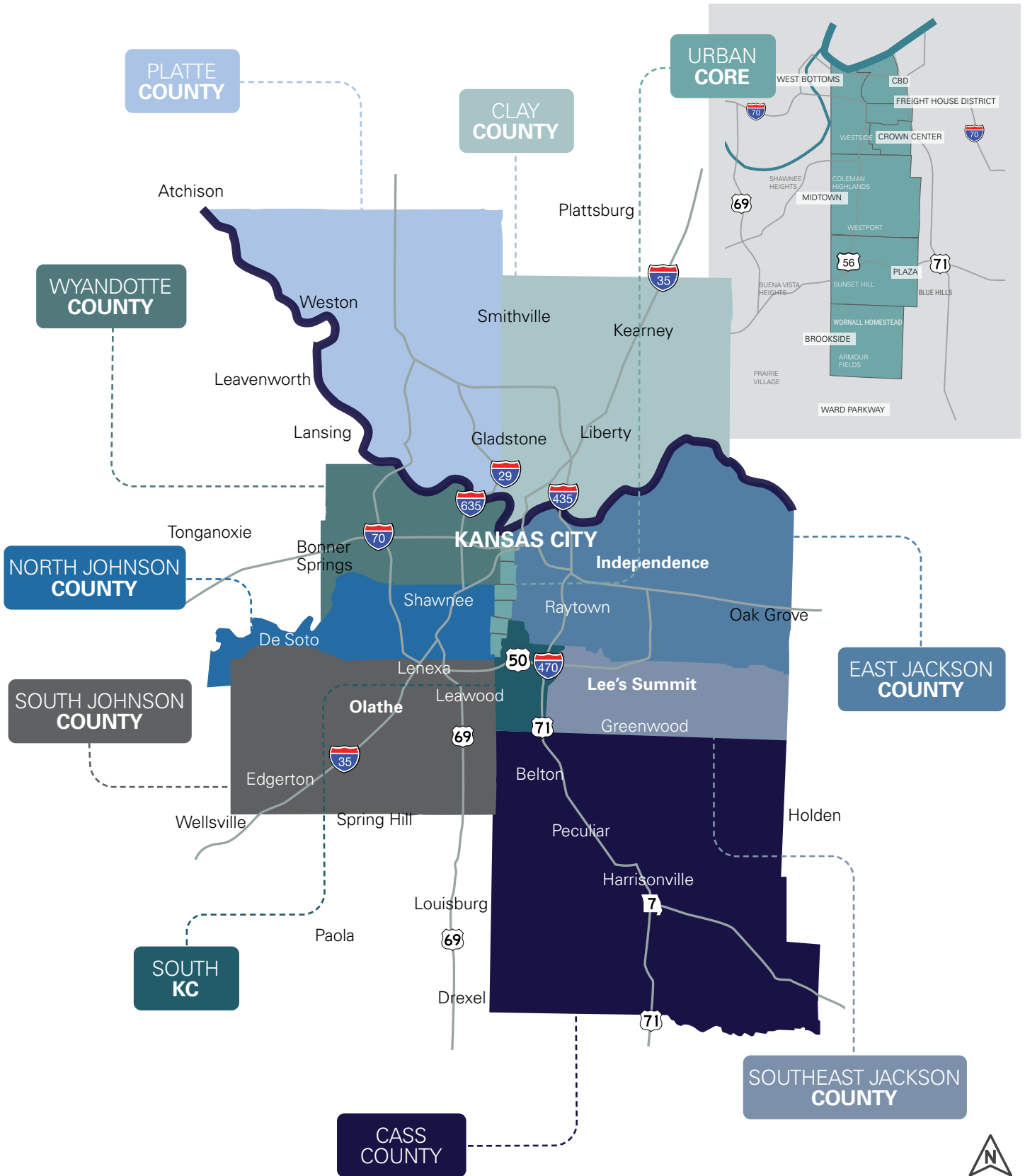
Looking ahead to Q1 2025, leasing demand is expected to remain strong, especially in essential retail and experiential sectors. Retailers will continue adapting to e-commerce growth by enhancing omnichannel strategies and integrating technology to improve customer experiences. Economic factors such as inflation and interest rates may influence spending patterns, but a stable labor market should provide support for retail performance. Additionally, the industry is likely to see an increased emphasis on sustainability initiatives and innovative store experiences as retailers seek to attract and retain customers in a competitive landscape.

### Monthly Change in US Core Retail Sales



# Submarket Maps

## DOWNTOWN & SUBURBS



This map was produced using reliable private and government sources. This information is provided without representation or warranty.

# 4Q24 Kansas City

## RETAIL MARKET STATISTICS TABLE

	Type	# of Buildings	Total Inventory (SF)	Total Vacancy Rate	Qtr Absorption (SF)	Past 4 Qtrs. Absorption (SF)	Total Asking Rent (NNN)
CASS COUNTY	All	562	5,873,057	2.30%	-23,344	-6,568	\$14.69
	Small Shop	405	1,417,097	1.10%	13,240	21,669	\$17.18
	Big Box	157	4,455,960	2.70%	-36,584	-28,237	\$13.41
CLAY COUNTY	All	1,106	13,993,832	1.90%	14,390	127,021	\$16.25
	Small Shop	712	2,548,689	1.20%	3,974	6,640	\$20.60
	Big Box	394	11,445,143	2.00%	10,416	120,381	\$15.21
EAST JACKSON COUNTY	All	2,438	24,418,865	6.00%	132,599	104,311	\$11.45
	Small Shop	1,800	5,840,630	2.60%	3,991	12,713	\$18.34
	Big Box	638	18,578,235	7.10%	128,608	91,598	\$9.34
KC URBAN CORE	All	990	9,038,586	3.20%	-8,548	14,855	\$21.95
	Small Shop	663	2,292,439	2.90%	-5,169	953	\$22.16
	Big Box	327	6,746,147	3.30%	-3,379	13,902	\$21.83
NORTH JOHNSON COUNTY	All	1,195	18,793,292	3.40%	-72,145	216,790	\$17.18
	Small Shop	733	2,648,573	1.80%	-14,095	43,335	\$23.89
	Big Box	462	16,144,719	3.60%	-58,050	173,455	\$16.34
PLATTE COUNTY	All	427	6,673,197	4.00%	-7,902	-5,434	\$16.36
	Small Shop	263	1,055,016	1.60%	-6,908	2,927	\$22.18
	Big Box	164	5,618,181	4.40%	-994	-8,361	\$15.47
SOUTH JOHNSON COUNTY	All	1,289	21,523,170	3.20%	-2,132	427,389	\$18.93
	Small Shop	717	2,647,272	1.90%	-682	21,444	\$23.81
	Big Box	572	18,875,898	3.40%	-1,450	405,945	\$18.06
SOUTH KC	All	573	6,195,361	4.70%	-7,544	72,729	\$16.40
	Small Shop	400	1,190,119	2.30%	-6,960	11,500	\$18.00
	Big Box	173	5,005,242	5.30%	-584	61,229	\$15.65
SOUTHEAST JACKSON COUNTY	All	544	7,134,151	2.60%	-2,797	-60,981	\$19.39
	Small Shop	360	1,337,815	1.70%	-3,051	-17,039	\$20.69
	Big Box	184	5,796,336	2.90%	254	-43,942	\$18.82
WYANDOTTE COUNTY	All	1,033	10,428,484	4.50%	15,308	-123,828	\$9.92
	Small Shop	801	2,539,646	2.00%	6,878	14,855	\$17.44
	Big Box	232	7,888,838	5.30%	8,430	-138,683	\$8.50
TOTALS	All	10,157	124,071,995	3.70%	37,885	766,284	\$14.92
	Small Shop	6,854	23,517,296	2.10%	-8,782	118,997	\$20.04
	Big Box	3,303	100,554,699	4.10%	46,667	647,287	\$13.91

**Small Shop:** Retail buildings in which GLA is 7500 square feet or less. **Big Box:** Retail buildings in which GLA is 7501 square feet or more.

Examination and calculation of supply and demand determinants by building size uncovered statistically significant inflection points consistently at the 7,500-square-foot building size. For this reason, the division between small-shop and big-box occurs at 7,500 square feet.

# Market Indicators

## VACANCY RATE, ASKING RENT & NET ABSORPTION

### KC URBAN CORE

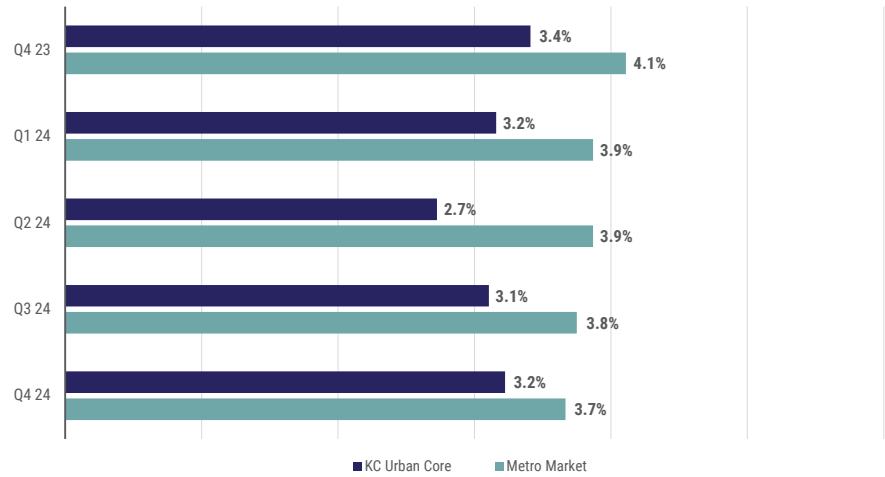
#### VACANCY RATE

The KC Urban Core vacancy rate displayed a downward trend, decreasing **20 basis points** over the past year.

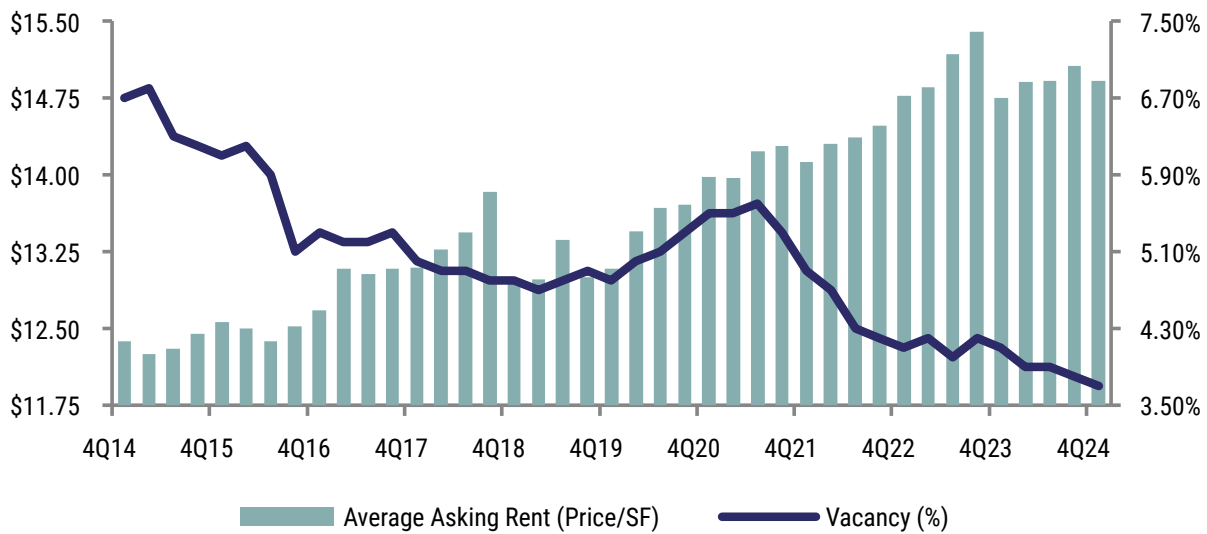
### METRO MARKET

#### VACANCY RATE

The metro market vacancy rate displayed a downward trend, decreasing **40 basis points** compared to the past year.

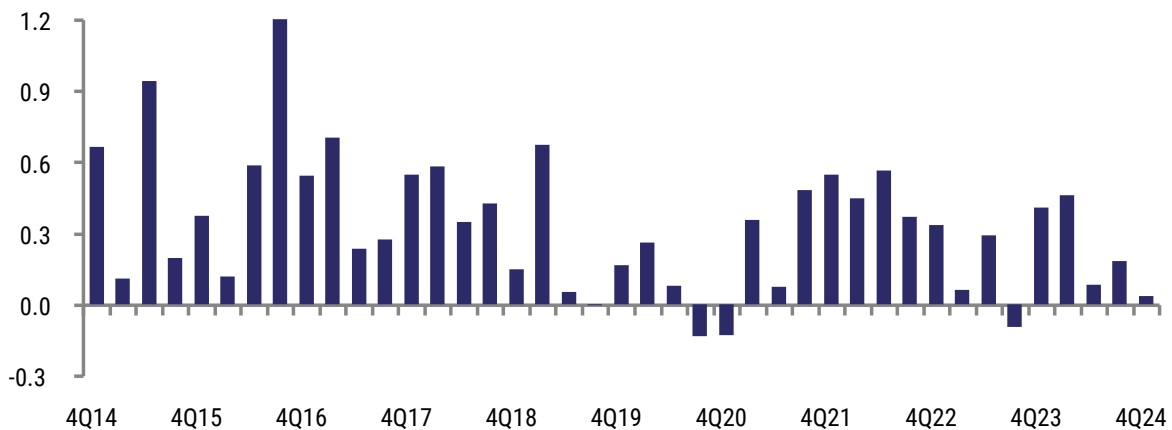


## ASKING RENT AND VACANCY



## NET ABSORPTION

SQUARE FEET, MILLIONS





# 4Q24 Kansas City

## SUBMARKET VACANCY RATE

### NORTH JOHNSON COUNTY

VACANCY RATE

Improved by **80 basis points** over the past year.

3.4%

4Q24

4.2%

4Q23

North Johnson County displayed the second highest amount of net absorption in the market during the year.

### PLATTE COUNTY

VACANCY RATE

Worsened by **10 basis points** compared to the past year.

4.0%

4Q24

3.9%

4Q23

Platte County displays the lowest 'Small Space' vacancy rate in the market at 1.6%.

### SOUTH JOHNSON COUNTY

VACANCY RATE

Improved by **140 basis points** over the past year.

3.2%

4Q24

4.6%

4Q23

South Johnson County displayed the highest amount of net absorption in the market during the past four quarters.

### SOUTHEAST JACKSON COUNTY

VACANCY RATE

Worsened by **120 basis points** over the past year.

2.6%

4Q24

1.4%

4Q23

Southeast Jackson County displays the second highest average asking rental rate in the market.

For more information:

### Kansas City, MO

1220 Washington Street, Suite 300  
Kansas City, MO 64105  
816-474-2000

### Eastern Jackson County

1485 SW Market Street  
Lee's Summit, MO 64081  
816-474-2000

[nmrkzimmer.com](http://nmrkzimmer.com)



### Justin Beal

*Executive Managing Director, Principal*

t 816-268-4241  
[jbeal@nzimmer.com](mailto:jbeal@nzimmer.com)

### Victor Cascio

*Managing Director*

t 816-268-4234  
[vcascio@nzimmer.com](mailto:vcascio@nzimmer.com)

### Philip J. Botana

*Associate Director*

t 816-512-1008  
[pbotana@nzimmer.com](mailto:pbotana@nzimmer.com)

### Kassie Murphy

*Associate Director*

t 816-471-3571  
[kmurphy@nzimmer.com](mailto:kmurphy@nzimmer.com)

### Nicole Gutesha

*Associate Director*

t 816-268-4215  
[ngutesha@nzimmer.com](mailto:ngutesha@nzimmer.com)

### Matt McCauley

*Associate*

t 816-268-4202  
[mmccauley@nzimmer.com](mailto:mmccauley@nzimmer.com)

### Andrew Garten

*Senior Director, Research*

t 816-474-2000  
[agarten@nzimmer.com](mailto:agarten@nzimmer.com)

# We transform untapped potential into limitless opportunity.

**We don't just adapt to what our partners need—we adapt to what the future demands.**

Since our start, we've faced forward, predicting change and pioneering ideas. Almost a century later, the same strategic sense and audacious thinking still guide our approach. Today our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies.

**Tapping into smart tech and smarter people, we bring ingenuity to every exchange and transparency to every relationship.**

We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

## TERMS AND DEFINITIONS

**Gross Leasable Area (GLA)** – Expressed in square feet. It is the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines. It is the standard measure for determining the size of retail spaces, specifically shopping centers, where rent is calculated based on GLA occupied. There is no real difference between RBA (Rentable Building Area) and GLA except that GLA is used when referring to retail properties while RBA is used for other commercial properties.

**Vacancy Rate** – The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant.

**Net Absorption** – The net change in physically occupied space over a period of time.

**Average Asking Rent** – The dollar amount asked by landlords for available space expressed in dollars per square foot per year. Retail rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a prorata basis. The asking rent for each building in the market is weighed by the amount of available space in the building.

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