RESEARCH 1Q25

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

Tiffany Springs MarketCenter Portfolio
208,240 SF GLA – SOLD FOR $19,275,000 ($93/SF)
Platte County | Kansas City, MO – 3 properties

Douglas Square Shopping Center Portfolio
62,040 SF GLA – SOLD FOR $11,500,000 ($185/SF)
Southeast Jackson County | Lee's Summit, MO – 4 properties

All American Indoor Sports | Lenexa, KS
60,750 SF GLA – SOLD FOR $5,000,000 ($82/SF)
North Johnson County | 8875 Rosehill Road

Towne Center Shopping Center | Raytown, MO
37,480 SF GLA – SOLD FOR $3,250,000 ($87/SF)
East Jackson County | 9033-9067 E Highway 350

Starbucks | Blue Springs, MO
2,310 SF GLA – SOLD FOR $2,580,000 ($1,117/SF)
East Jackson County | 3101 S Highway 7

Retail

KANSAS CITY MARKET OVERVIEW

The Kansas City retail market continued its resilient performance in the first quarter of 2025, marked by strong leasing activity and continued preference for well-located, experiential retail. Average asking rental rates increased significantly during the quarter from $20.02/SF to $20.43/SF in the South Johnson County submarket, demonstrating robust tenant demand in one of the Metro's largest submarkets.

Consumer foot traffic remained elevated as a result of milder winter weather, and essential services, discount retailers, and dining establishments continued to drive absorption. High-traffic nodes near dense residential areas and mixed-use developments saw the most competitive leasing.

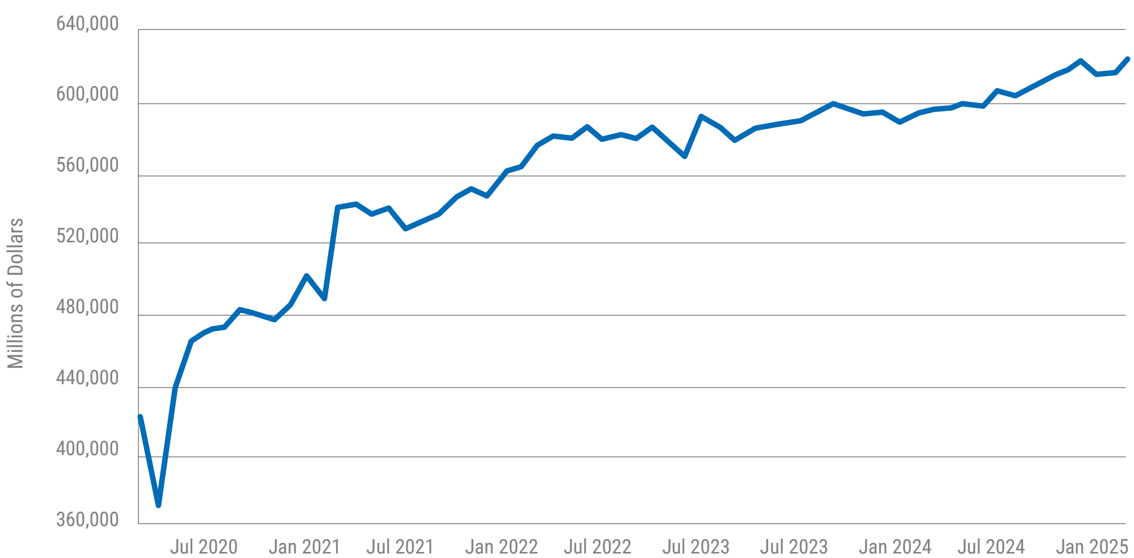
Market News:

- Prudential Growth Partners LLC purchased Douglas Square S/C, a four-building 62,040-SF portfolio for $11.5 million from Black Gate Partners. Located in the southwest quadrant of Interstate 470 and Douglas Street, the development contains a total of 18 local and national tenants including the B&B Theatres Lee's Summit 16 movie complex.
- A fundraising campaign to bring the Kansas City Automotive Museum to Midtown is halfway towards its goal of raising $30 million. The museum's plan calls for an expansion into a 40,000-SF building along with one acre of land to display a variety of classic and exotic cars. The new facility will also offer an indoor event space for 450 people, café, museum store, kid's area and an outdoor deck.
- A $7.0 million redevelopment on the 10,860-SF property at 114 North Cherry St. in Olathe is now underway. The property will be transformed into County Square Commons, a new multitenant restaurant hub with roof patios. Locally based Austin's Bar and Grill will anchor the project and occupy 3,600 SF.

Looking ahead, Kansas City's retail market is expected to maintain its momentum through the second quarter of 2025, with experiential, service- oriented, and neighborhood retail centers continuing to outperform. Tech integration, store-in-store formats, and hybrid fulfillment models will be increasingly prevalent, as tenants seek to optimize customer experiences in both physical and digital environments.

Despite economic uncertainty, retail sales in the U.S. continue to trend upwards approaching $625.8 billion as of March 2025, equating to an increase of 5.0% year over year.

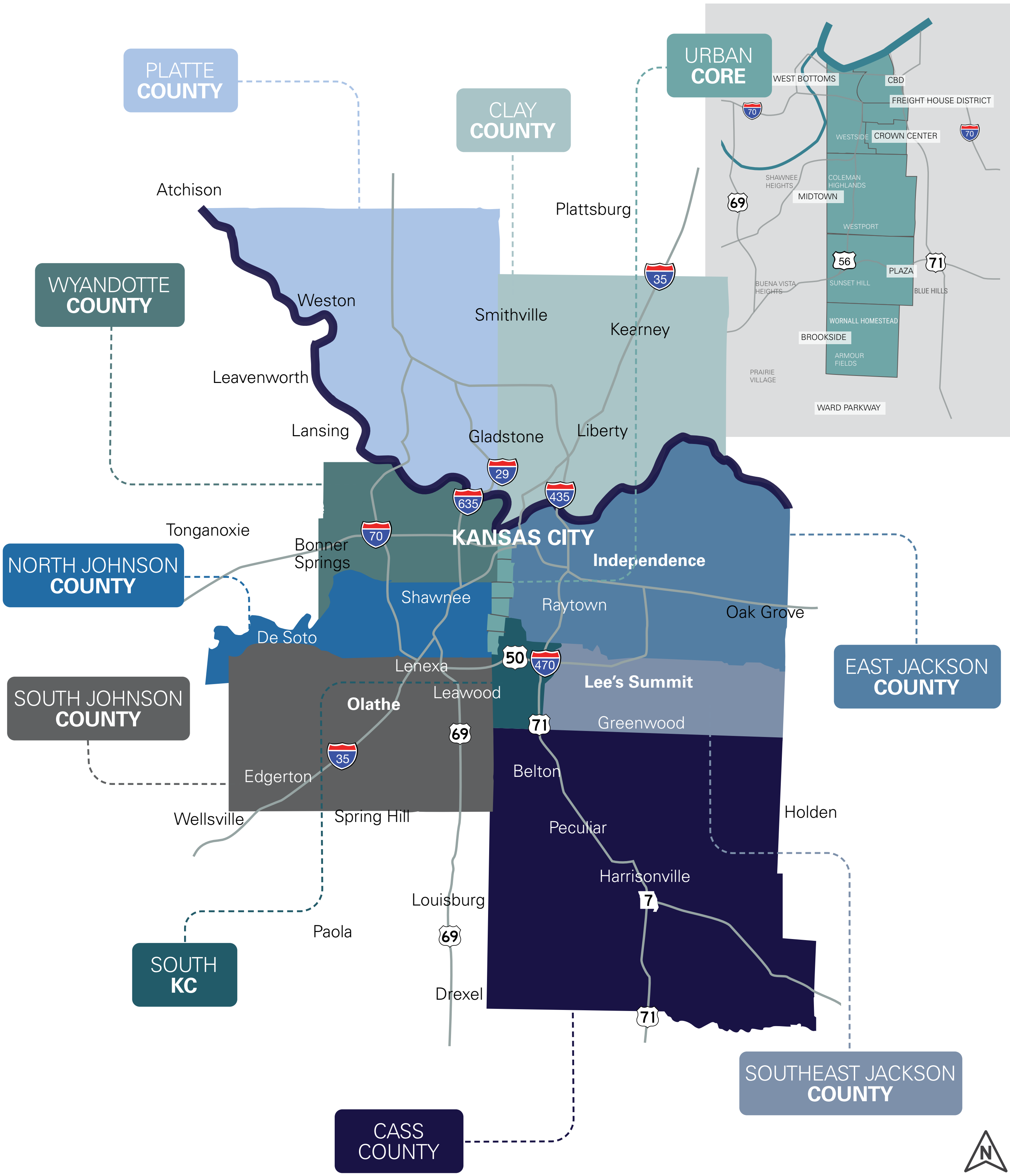
U.S. Monthly Retail Sales: Retail Trade



Source: U.S. Census Bureau via FRED

Submarket Maps

DOWNTOWN & SUBURBS



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1Q25 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**	564	5,867,583	2.80%	-31,077	-15,199	$13.41
	Small Shop	409	1,429,295	2.50%	-21,677	-56	$16.74
	Big Box	155	4,438,288	2.90%	-9,400	-15,143	$12.11
CLAY COUNTY	**All**	1,107	13,987,498	2.00%	-17,411	45,156	$15.39
	Small Shop	714	2,556,507	1.80%	-10,483	703	$20.15
	Big Box	393	11,430,991	2.10%	-6,928	44,453	$14.69
EAST JACKSON COUNTY	**All**	2,440	24,298,611	6.00%	-4,512	73,442	$12.63
	Small Shop	1,804	5,850,169	2.60%	2,533	14,318	$18.13
	Big Box	636	18,448,442	7.10%	-7,045	59,124	$9.59
KC URBAN CORE	**All**	991	9,053,188	3.00%	46,989	54,458	$20.66
	Small Shop	664	2,304,105	2.60%	6,458	-3,205	$21.92
	Big Box	327	6,749,083	3.20%	40,531	57,663	$19.84
NORTH JOHNSON COUNTY	**All**	1,196	18,870,506	3.40%	-34,923	59,821	$16.82
	Small Shop	734	2,650,070	2.40%	-18,380	-6,840	$25.44
	Big Box	462	16,220,436	3.60%	-16,543	66,661	$15.84
PLATTE COUNTY	**All**	430	6,695,870	3.60%	-3,866	41,173	$16.03
	Small Shop	265	1,061,789	1.40%	1,716	5,259	$23.03
	Big Box	165	5,634,081	4.00%	-5,582	35,914	$15.07
SOUTH JOHNSON COUNTY	**All**	1,292	21,507,996	3.10%	6,132	197,161	$20.43
	Small Shop	716	2,634,869	1.70%	7,873	39,706	$25.40
	Big Box	576	18,873,127	3.30%	-1,741	157,455	$18.46
SOUTH KC	**All**	572	6,131,899	4.70%	5,533	31,401	$15.95
	Small Shop	400	1,191,441	2.60%	992	-8,280	$18.25
	Big Box	172	4,940,458	5.20%	4,541	39,681	$15.28
SOUTHEAST JACKSON COUNTY	**All**	549	7,200,891	3.30%	-31,791	-71,158	$17.92
	Small Shop	363	1,342,597	1.80%	600	-10,600	$19.86
	Big Box	186	5,858,294	3.60%	-32,391	-60,558	$16.43
WYANDOTTE COUNTY	**All**	1,033	10,417,868	4.60%	-27,775	-98,917	$10.36
	Small Shop	801	2,541,112	2.60%	-16,058	-4,631	$17.65
	Big Box	232	7,876,756	5.30%	-11,717	-94,286	$9.53
TOTALS	**All**	10,174	124,031,910	3.80%	-92,701	317,338	$14.78
	Small Shop	6,870	23,561,954	2.40%	-46,426	26,374	$20.19
	Big Box	3,304	100,469,956	4.10%	-46,275	290,964	$13.76

Small Shop: Retail buildings in which GLA is 7,500 square feet or less. **Big Box:** Retail buildings in which GLA is 7,501 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

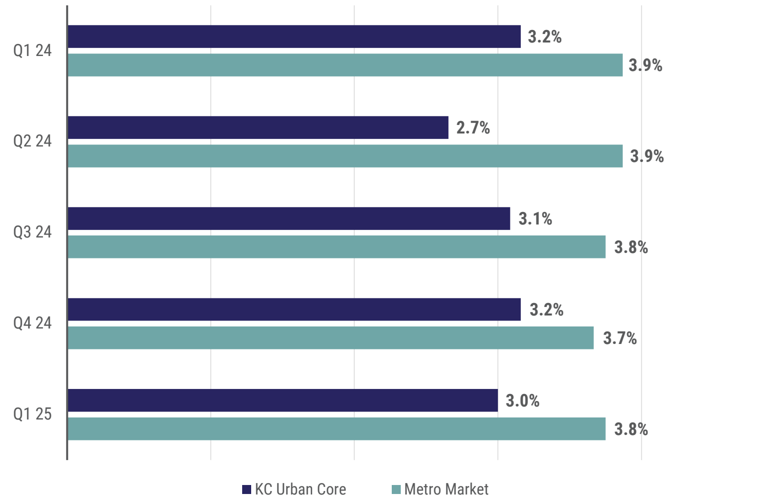
VACANCY RATE, ASKING RENT & NET ABSORPTION

KC URBAN CORE
VACANCY RATE

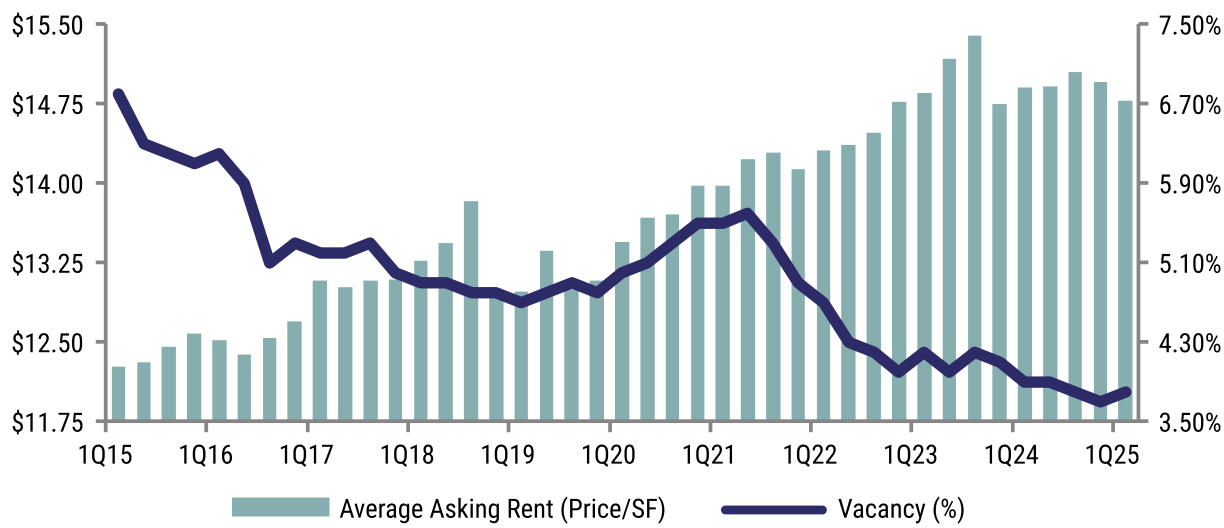
The KC Urban Core vacancy rate displayed a downward trend, decreasing **20 basis points** over the past year.

METRO MARKET
VACANCY RATE

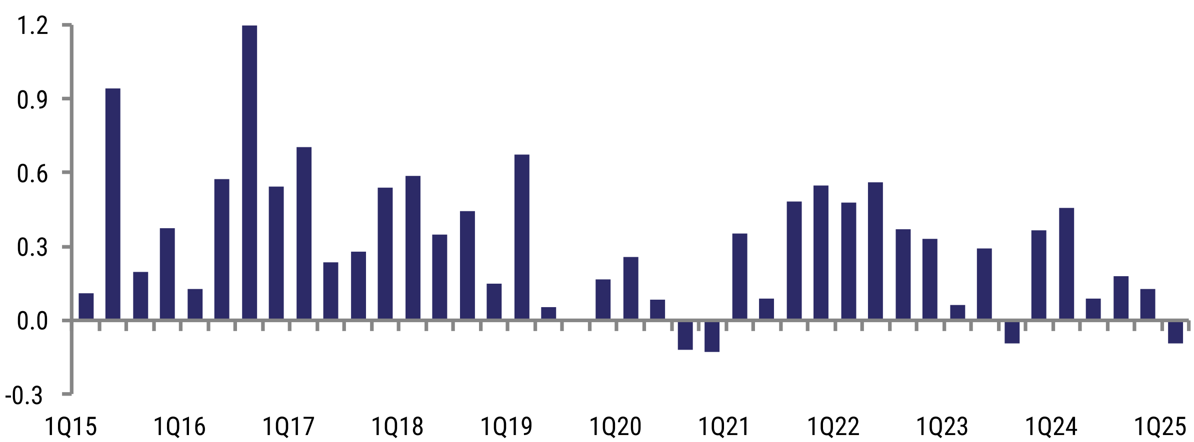
The metro market vacancy rate displayed a downward trend, decreasing **10 basis points** compared to the past year.



ASKING RENT AND VACANCY



NET ABSORPTION
SQUARE FEET, MILLIONS



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SUBMARKET VACANCY RATE

NORTH JOHNSON COUNTY
VACANCY RATE

Improved by **10 basis points** over the past year.

3.4% 1Q25

3.5% 1Q24

North Johnson County displayed the highest 'Small Shop' average asking rental rate in the market.

PLATTE COUNTY
VACANCY RATE

Improved by **60 basis points** over the past year.

3.6% 1Q25

4.2% 1Q24

Platte County displays the lowest 'Small Space' vacancy rate in the market at 1.4%.

SOUTH JOHNSON COUNTY
VACANCY RATE

Improved by **70 basis points** over the past year.

3.1% 1Q25

3.8% 1Q24

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 **130 basis points** over the past year.

3.1% 1Q25

3.8% 1Q24

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

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Kansas City, MO 64105
816-474-2000

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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.

RESEARCH

Newmark Zimmer research reports are also available at **nmrkzimmer.com**

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