

An aerial photograph of the Kansas City skyline at sunset. The Kauffman Center for the Performing Arts is prominent in the foreground on the left, with its tall, slender tower. The city's downtown skyline is visible in the background, with various skyscrapers and buildings. A highway runs along the right side of the image, and a green park area is visible in the middle ground.

KANSAS CITY OFFICE MARKET

STATE OF SPACE REPORT

FALL 2025

STATE OF SPACE REPORT

The Fall 2025 State of Space Report is a snapshot of the current Kansas City office market and provides detailed information that is useful for both owners and occupiers of office space throughout the Kansas City metropolitan area.

WHAT YOU WILL FIND

- **Market Analysis and Summary**
- **Market Trends**
- **Available Space Report**
- **Recent Transactions**
- **Underwriting Report**
- **Average Tenant Expenses**
- **Newmark Zimmer Office Team**



KANSAS CITY OFFICE
MARKET SUMMARY

	Current Quarter	Prior Quarter	Prior Year	12-Month Forecast
Total Inventory	79.0M	79.0M	78.8M	↔
Vacancy Rate	16.2%	16.2%	17.3%	↓
Quarter Net Absorption	67,924	109,266	99,716	↑
Average Asking Rent	\$23.42	\$22.96	\$22.83	↑
Under Construction	84,500	84,500	36,000	↔
Deliveries	0	11,500	35,850	↑



2.6%

12 MONTH
RENT GROWTH
(COMPARED TO 0.5%
NATIONAL RENT GROWTH)



16.2%

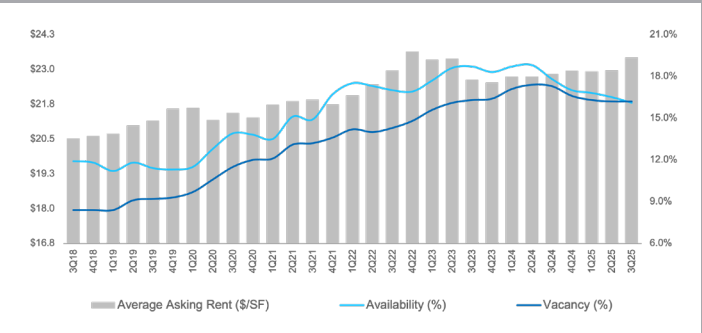
VACANCY RATE
(COMPARED TO 20.5%
NATIONAL VACANCY)

KANSAS CITY OFFICE
MARKET ANALYSIS

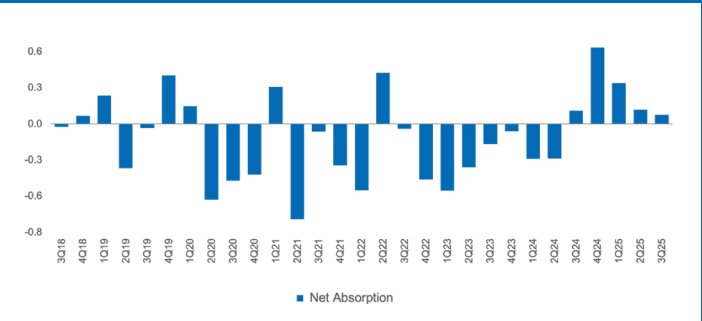
CURRENT MARKET TRENDS

The Kansas City office market has continued to demonstrate clear signs of strength and stability in 2025, with Q3 marking the fifth consecutive quarter of positive absorption. Overall vacancy declined 110 basis points year over year to 16.2%, positioning Kansas City well ahead of the U.S. national average of ±20%. Asking rents climbed to \$23.42 per square foot – an increase of more than 2.5% year over year- while many peer markets remain flat or in decline. The absence of new multi-tenant construction and the strategic conversion of outdated office assets are helping to maintain balance between supply and demand, creating a more favorable environment for continued rent growth and rising occupancy through 2026. Together, these fundamentals reflect a healthier, more resilient office market in Kansas City, particularly in well-located and amenity-rich buildings.

ASKING RENT & VACANCY RATE



NET ABSORPTION (SF)





MARKET TRENDS

KANSAS CITY LEADS THE PACK – SIX QUARTERS OF STEADY GROWTH

Over the last couple of years, the Kansas City office market has steadily improved to a point where we are continuing to see positive absorption and reduced vacancy rates year over year. Kansas City has experienced six consecutive quarters of positive absorption totaling nearly 800,000 square feet. The vacancy rate has declined 110 basis points to 16.2% year-over-year. These figures compare very favorably to other peer markets.



SNAPSHOT OF PEER CITY PERFORMANCE

- KANSAS CITY**
- Current Vacancy: 16.2%
 - YTD Absorption: 800,000 SF

- INDIANAPOLIS**
- Current Vacancy: 21.5%
 - YTD Absorption: 87,000 SF

- MINNEAPOLIS**
- Current Vacancy: 20.2%
 - YTD Absorption: 238,635 SF

- CINCINNATI**
- Current Vacancy: 25%
 - YTD Absorption: 216,000 SF

- COLUMBUS**
- Current Vacancy: 24%
 - YTD Absorption: negative 230,000 SF

OFFICE INVESTMENT MOMENTUM – IS THE TIDE TURNING FOR OFFICE INVESTMENT SALES?

Capital is flowing back to office assets with investment sales volume up 25% and debt originations up 77% year over year nationally. This indicates growing investor and lender confidence in the sector driven by increasing demand with return to office mandates, very little new supply relative to historic norms, and conversions of obsolete office stock into alternative uses. Additionally, according to Newmark’s latest National Capital Markets report all sectors saw gains, including office, where 92% of markets across the U.S. recorded positive total returns with office offering the largest spread relative to US Treasuries. Now may be a good time for owner users and entrepreneurial investors seeking to deploy capital over the next 6-12 months to consider buying office today at a compelling yield and basis relative to alternative asset classes while there is still less competition in the market.

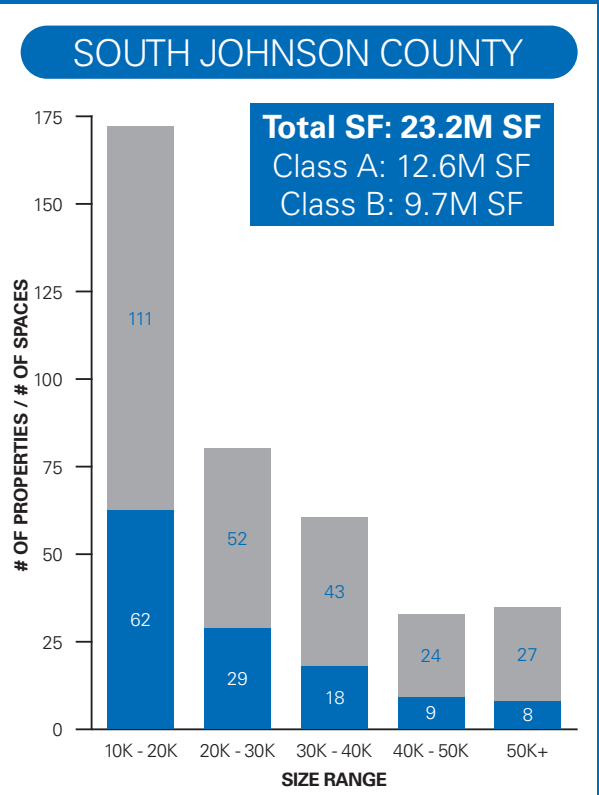
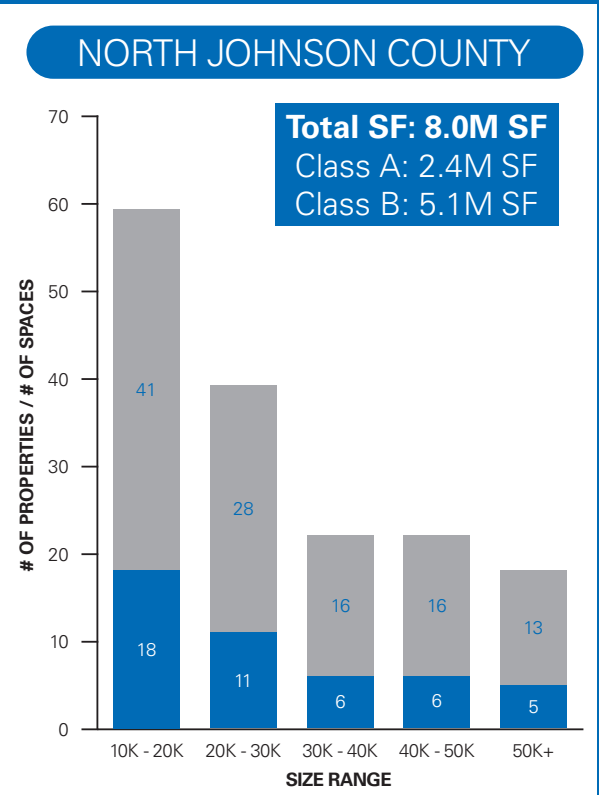
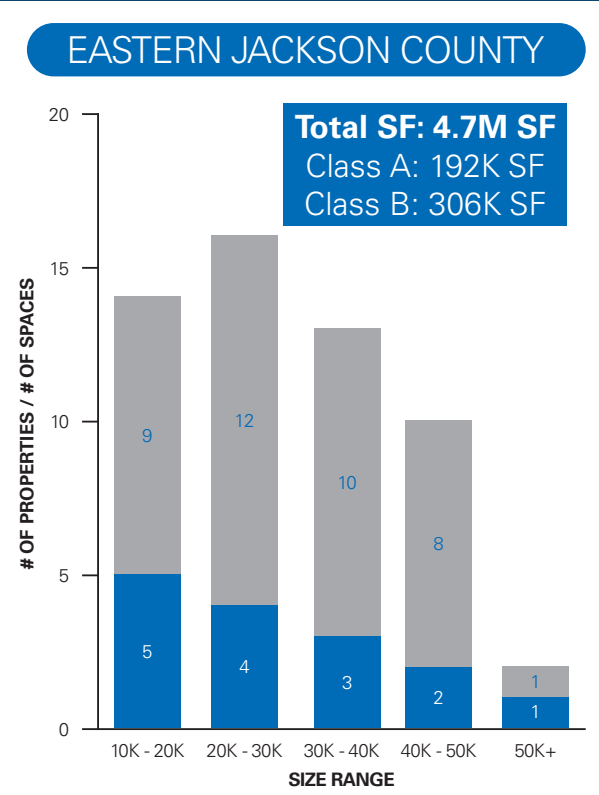
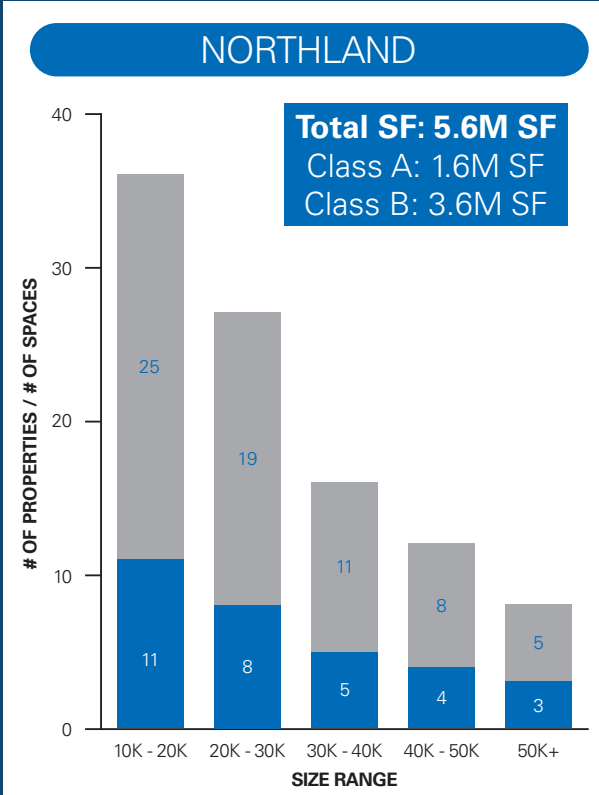
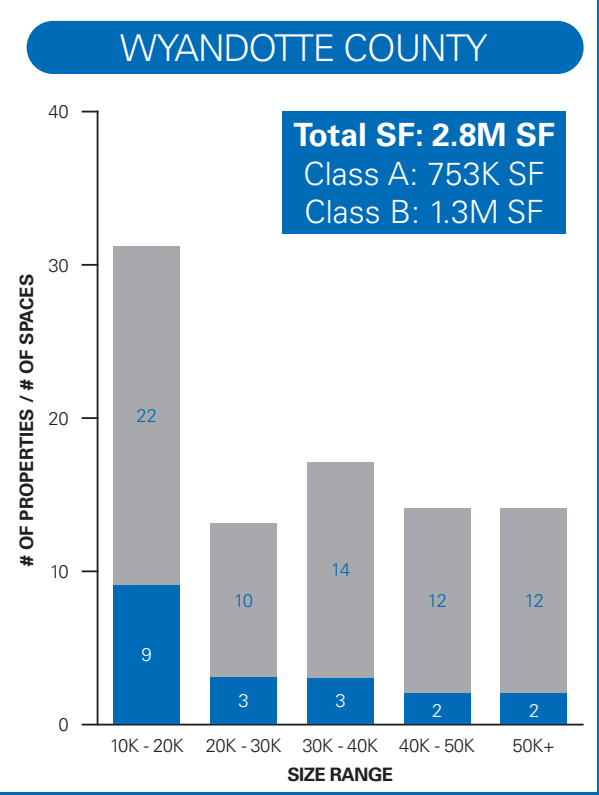
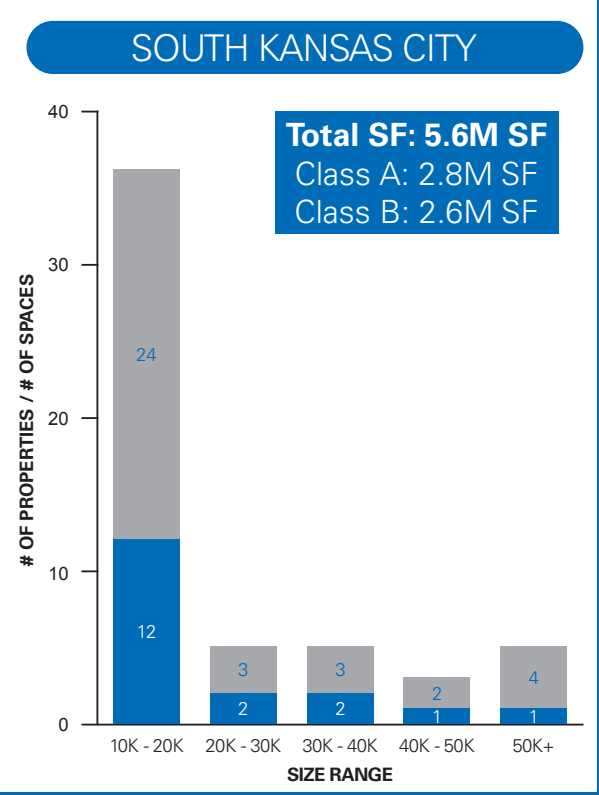
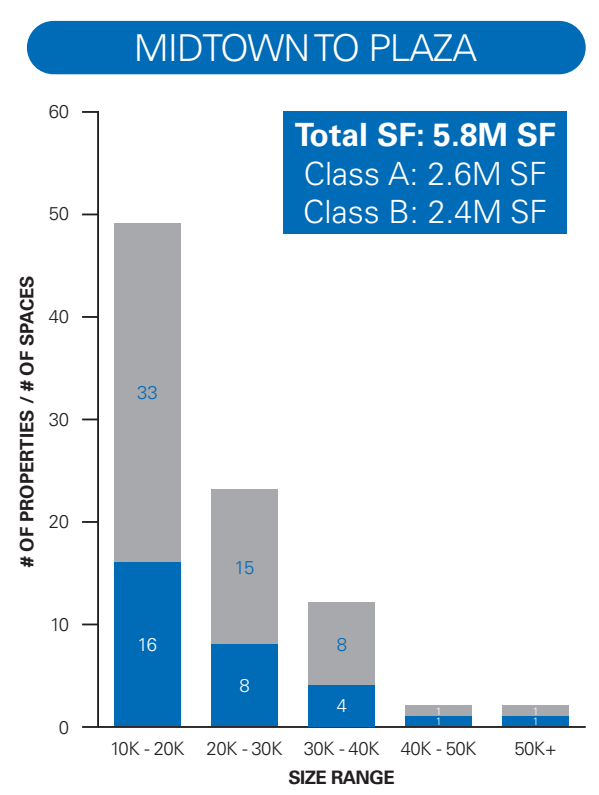
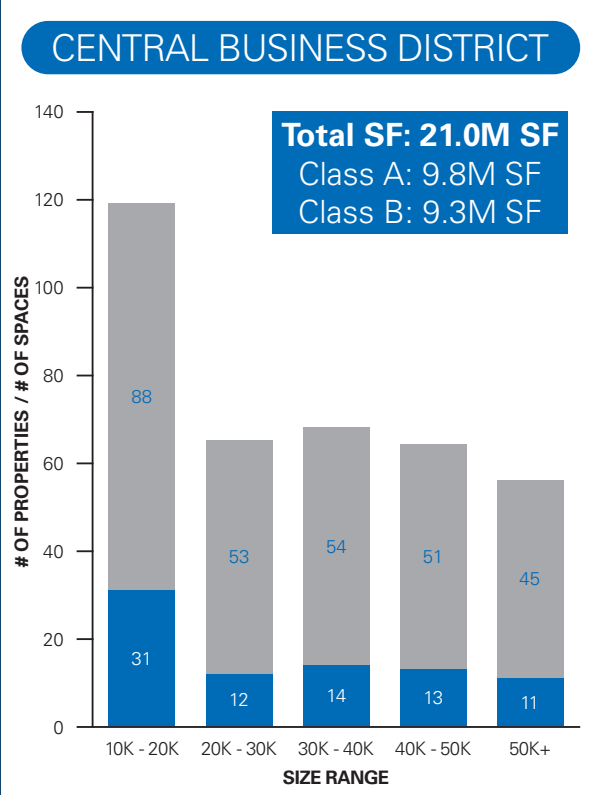
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92% of markets across the U.S. recorded positive total returns with office offering the largest spread relative to US Treasuries



AVAILABLE SPACE REPORT

The charts included in this Available Space Report describe the number of available spaces within buildings that are designated Class A & B in each submarket. The charts then identify the number of available spaces within certain size ranges.



RECENT TRANSACTIONS | SALES



**DFW
LAND**

Park Place Development
Leawood, KS

484,980 SF



**CRAIN
COMPANY**

2301 Main Street
Kansas City, MO

201,493 SF



**CITY OF
OVERLAND PARK**

6201 College Boulevard
Overland Park, KS

154,700 SF



**WALZ
TETRICK**

5201 Johnson Drive
Mission, KS

83,298 SF



**LOTUS
HOSPITALITY**

423 W 8th Street
Kansas City, MO

77,551 SF



**THE ACCURSO
LAW FIRM**

4700 Belleview Avenue
Kansas City, MO

76,000 SF



**ELECTRICAL CORP
OF AMERICA**

5200 W 110th Street
Overland Park, KS

51,178 SF



**WIRED
KC**

6330 Lamar Avenue
Overland Park, KS

48,990 SF



**MOLZER
DEVELOPMENT**

7905 Quivira Road
Kansas City, MO

41,000 SF



JCCT

4601 Madison Avenue
Kansas City, MO

33,175 SF



**ONE AMBASSADOR
PLAZA, LLC**

10525 NW Ambassador Drive
Kansas City, MO

32,046 SF



**GLENWOOD
PROPERTY, LLC**

10990 Quivira Road
Overland Park, KS

26,206 SF

RECENT TRANSACTIONS | LEASES



**PROPIO LANGUAGE
SERVICES**

4900 College Boulevard
Leawood, KS

78,600 SF



**RBC
MEDICAL**

17100W 119th Terrace
Olathe, KS

58,827 SF



**STATE OF
KANSAS**

7905 Quivira Road
Lenexa, KS

50,200 SF



CONEXON

2323 Grand Boulevard
Kansas City, MO

48,830 SF



US BANK

7045 College Boulevard
Overland Park, KS

40,000 SF



**MACQUARIE
CAPITAL**

6301 Glenwood Street
Overland Park, KS

28,405 SF



ACERTUS

6301 Glenwood Street
Overland Park, KS

27,426 SF



**SOUTHERN
GLAEZER'S**

4026 Central Street
Kansas City, MO

24,000 SF



**WAGTSAFF &
CARTMELL, LLP**

4740 Grand Avenue
Kansas City, MO

25,234 SF



**MY FREIGHT
WORLD**

6130 Sprint Parkway
Overland Park, KS

25,500 SF



**KC CHAMBER OF
COMMERCE**

30 W Pershing Road
Kansas City, MO

20,654 SF



TAFS

8050 Marshall Drive
Lenexa, KS

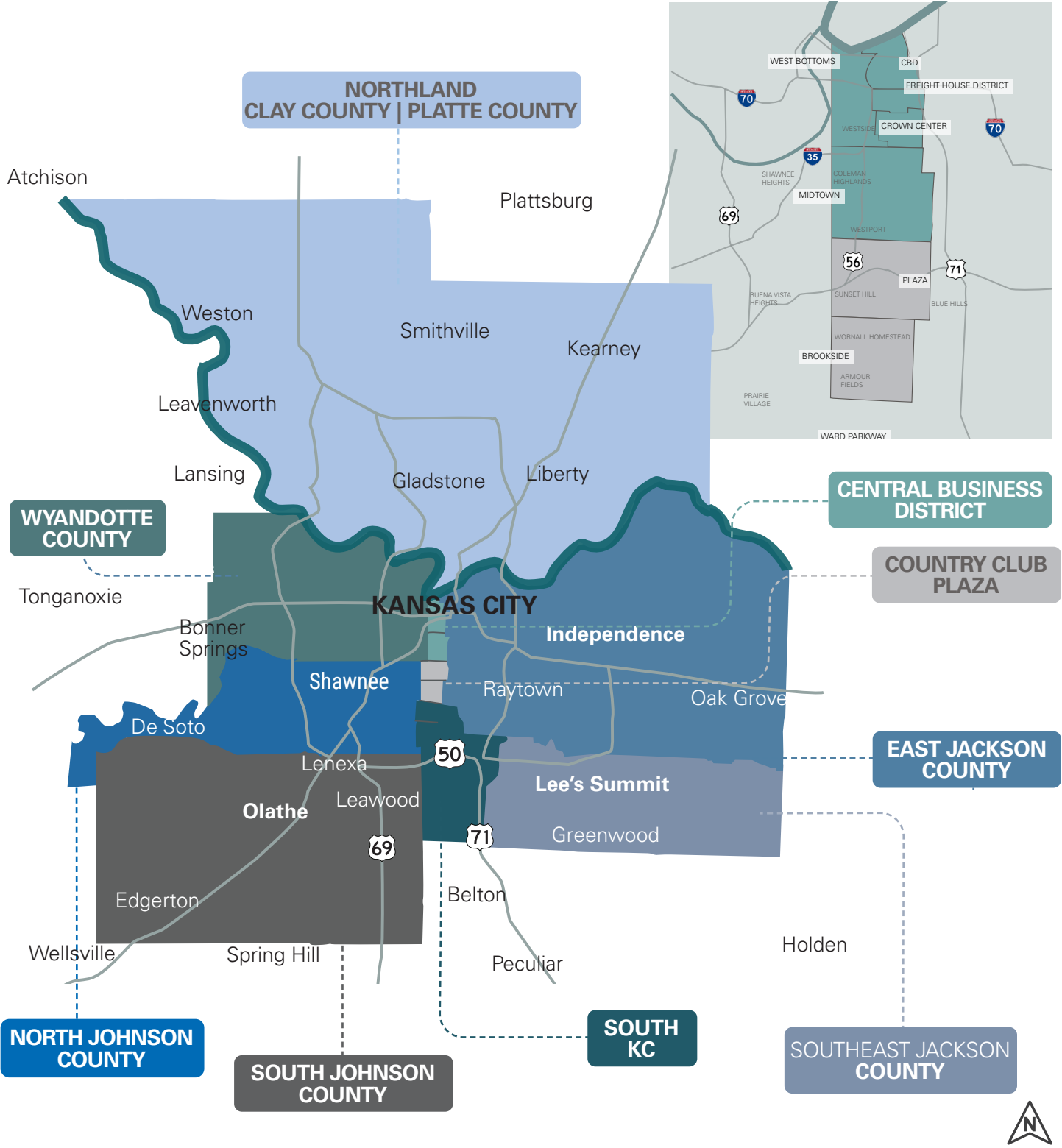
20,001 SF

KANSAS CITY OFFICE

UNDERWRITING REPORT

The table below describes certain statistics related to average lease terms across different submarkets in the Kansas City Metropolitan area.

	Average Class A Rental Rate	Average TI Allowance per Year of Lease Term	Average Lease Size	Average Lease Term	Annual Rent Escalations	Absorption	Vacancy Rate	Commissions (New & Renewal)
NORTHLAND CLAY & PLATTE COUNTY	\$25.26/SF	New Deal: \$3-\$5/SF Renewal Term: \$2/SF	3,000 SF	3-5 years	1.5%	12-18 months	10.40%	6%
CENTRAL BUSINESS DISTRICT	\$24.50/SF	New Deal: \$5/SF Renewal Term: \$2/SF	6,000 SF	5 years	2%	6-9 months	20.00%	6%
COUNTRY CLUB PLAZA	\$28.57/SF	New Deal: \$5/SF Renewal Term: \$2/SF	4,000 SF	5 years	2%	6-9 months	10.70%	6%
EAST JACKSON COUNTY	\$26.25/SF	New Lease: \$4/SF Renewal Term: \$1.50/SF	3,200 SF	3-5 years	1.5%	12-18 months	10.10%	6%
SOUTHEAST JACKSON COUNTY	\$24.79/SF	New Lease: \$5/SF Renewal Term: \$2/SF	3,900 SF	3-5 years	1.5%	9-12 months	6.00%	6%
SOUTH KANSAS CITY	\$22.85/SF	New Lease: \$5/SF Renewal Term: \$2/SF	5,700 SF	3-5 years	1.5%	9-12 months	8.00%	6%
NORTH JOHNSON COUNTY	\$24.43/SF	New Lease: \$5/SF Renewal Term: \$1.50/SF	4,300 SF	3-5 years	2%	6-9 months	16.50%	6%
SOUTH JOHNSON COUNTY	\$26.51/SF	New Lease: \$5/SF Renewal Term: \$2/SF	8,000 SF	5 years	2.5%	6-9 months	18.50%	6%
WYANDOTTE COUNTY	\$23.20/SF	New Lease: \$4/SF Renewal Term: \$1.50/SF	4,000 SF	3-5 years	1.5%	12-18 months	26.10%	6%



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TENANT ADVISORY PROCESS



AVERAGE TENANT EXPENSES

WORKSTATIONS BUDGET:
High-End: \$5,000
Mid-Tier: \$3,000
Budget/Used-Tier: \$1,000

PRIVATE OFFICE FURNISHINGS:
High-End: \$7,500 plus
Mid-Tier: \$2,500 - \$4,000
Budget/Used-Tier: \$1,200 - \$1,900

CONFERENCE ROOM:
(TABLE & CHAIRS)
High-End: \$1000 plus per seat
Mid-Tier: \$450 per seat
Budget/Used-Tier: \$325 per seat

SEATING:
High-End: \$900 plus per chair
Mid-Tier: \$350 - \$550 per chair
Budget/Used-Tier: \$300 per chair

INSTALLATION COST:
Ranges from 10 - 20% of total furniture cost. The larger the project, typically the smaller the percentage.

AVERAGE MOVING COST:
\$2.50/SF (can vary based on tenants use)

INTERNET/ PHONE CABLING INSTALLATION:
\$3.00 - \$5.00+ /SF (Pricing may increase dependent on tenant's requirement)

BASIC CONSTRUCTION COSTS:
Paint: \$1.25 - \$1.65/SF
Carpet: \$4.00 - \$8.00/SF

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