
RESEARCH 4Q25

Kansas City Capital Markets

NEWMARK
ZIMMER



Executive Summary

Newmark Zimmer is continuously 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 investment 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 investors 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

Multifamily | Union Berkley Riverfront

407 Units – Sold for \$113,500,000 (\$278,870/Unit)

Downtown | 1000 Berkley Parkway

Multifamily | Kinsley Forest

328 Units – Sold for \$72,500,000 (\$221,037/Unit)

Northland | 5400 N Summit Street

Retail | Camelot Court Shopping Center

190,090 SF GLA – Sold for \$63,150,000 (\$332/SF)

South Johnson County | 11705-11851 Roe Avenue

Industrial | Clarion Portfolio

552,240 SF GLA – Sold for \$42,800,000 (\$78/SF)

Northland | Logistics Centre III & VI- KCI Intermodal BusinessCentre

Retail | Summit Fair Shopping Center

245,860 SF GLA – Sold for \$40,000,000 (\$163/SF)

Southeast Jackson County | Lee's Summit, MO

Capital Markets

KANSAS CITY MARKET OVERVIEW

The pace of investment activity in the Kansas City market increased during 2025, with sales volume totaling \$3.7 billion. As a leading second-tier market, the Kansas City Metropolitan area ranked sixth out of the largest 13 Midwest markets in total sales volume during the past 12 months, with multifamily and industrial assets combining 65.7% of the Metro's activity.

Capitalization rates decreased by 48 basis points compared with the past 12 months, registering 6.3% in the fourth quarter of 2025. Net absorption across the industrial, office, and retail sectors totaled 9.2 million SF in 2025, an increase of 71.7% compared with the preceding year. Multifamily realized 2,851 units of net absorption in 2025, a decrease of 35.5% compared to 2024.

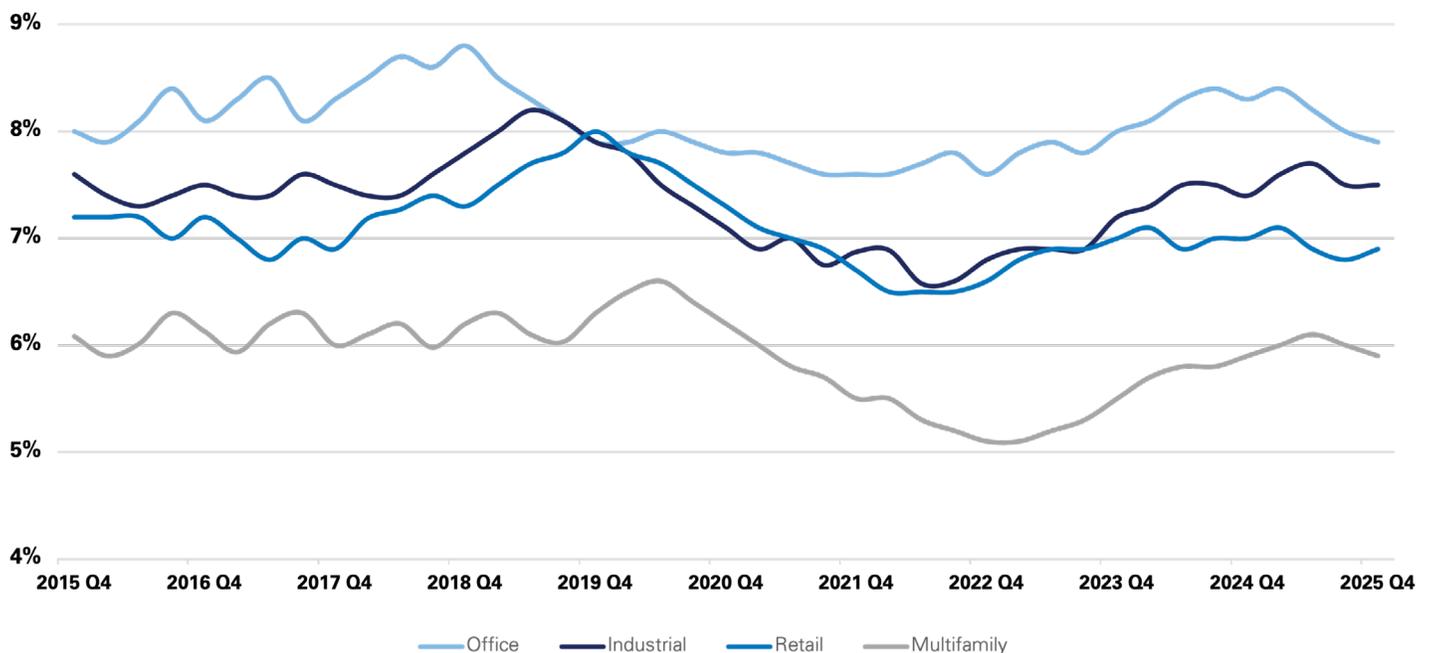
With speculative development kept in check and incentives offered to lock tenants in for longer lease terms, rental rates

for office (\$23.10/SF), industrial (\$6.08/SF), retail (\$14.92/SF) space and multifamily (\$1,368/unit) are all near record highs. Vacancy rates in two out of four industry sectors increased year-over-year with retail rising 40 bps to 4.1% and multifamily increasing 50 bps to 8.9%. The office sector decreased by 90 bps to 15.9% and the industrial sector decreased by 50 bps to 4.9%.

The Newmark Zimmer Midwest Capital Markets team anticipates an increase in sales volume in 2026, as buyers and sellers adjust to the current market conditions and the interest rate environment stabilizes. Allocations for commercial real estate investment continue to remain steady for industrial, neighborhood retail, multifamily and medical office with strong operating fundamentals. We continue to monitor the impact of lending conditions on leveraged buyers return expectations and valuations.

KANSAS CITY CAP RATES

Office **7.9%** Industrial **7.5%** Retail **6.9%** Multifamily **5.9%**



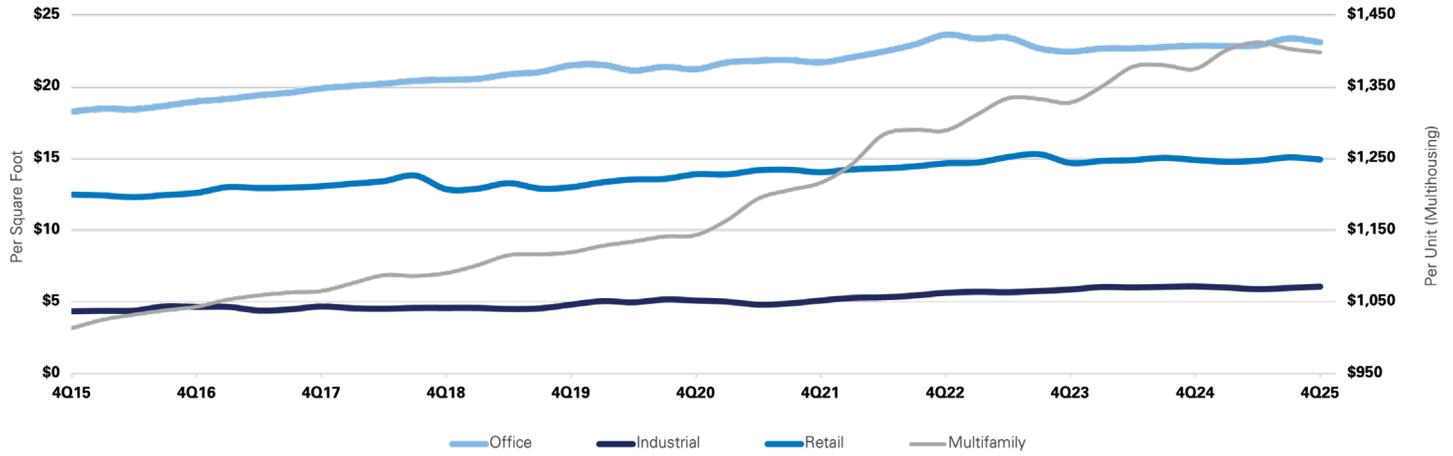
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

4Q25 Kansas City

MARKET ANALYSIS

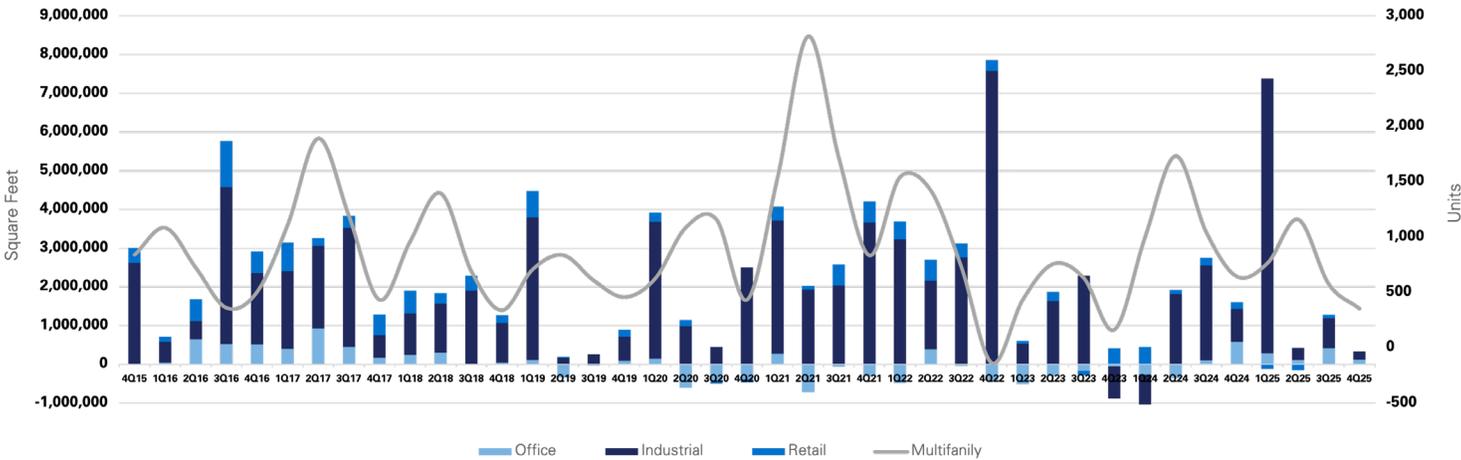
AVERAGE ASKING RENT

Office **\$23.10** Industrial **\$6.08** Retail **\$14.92** Multifamily **\$1,398**



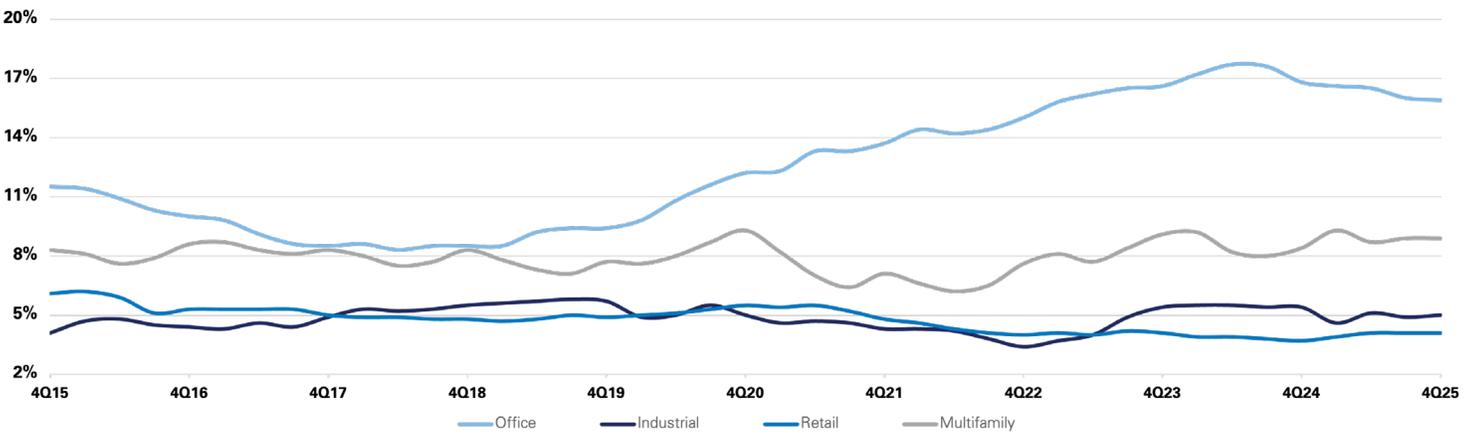
NET ABSORPTION

Office **114,978 SF** Industrial **218,829 SF** Retail **-307 SF** Multifamily **353 Units**



VACANCY RATE

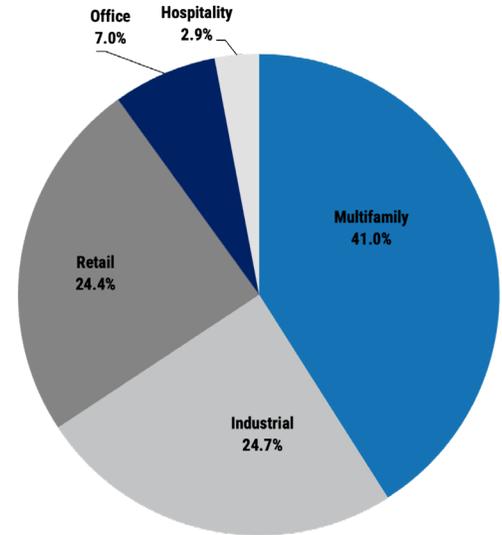
Office **15.9%** Industrial **5.0%** Retail **4.1%** Multifamily **8.9%**





SALES VOLUME BY PROPERTY TYPE

KANSAS CITY; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Multifamily	\$1.49 B	59
Industrial	\$900.4 M	58
Retail	\$887.7 M	38
Office	\$255.3 M	30
Hospitality	\$107.4 M	12
TOTAL	\$3.7 B	197

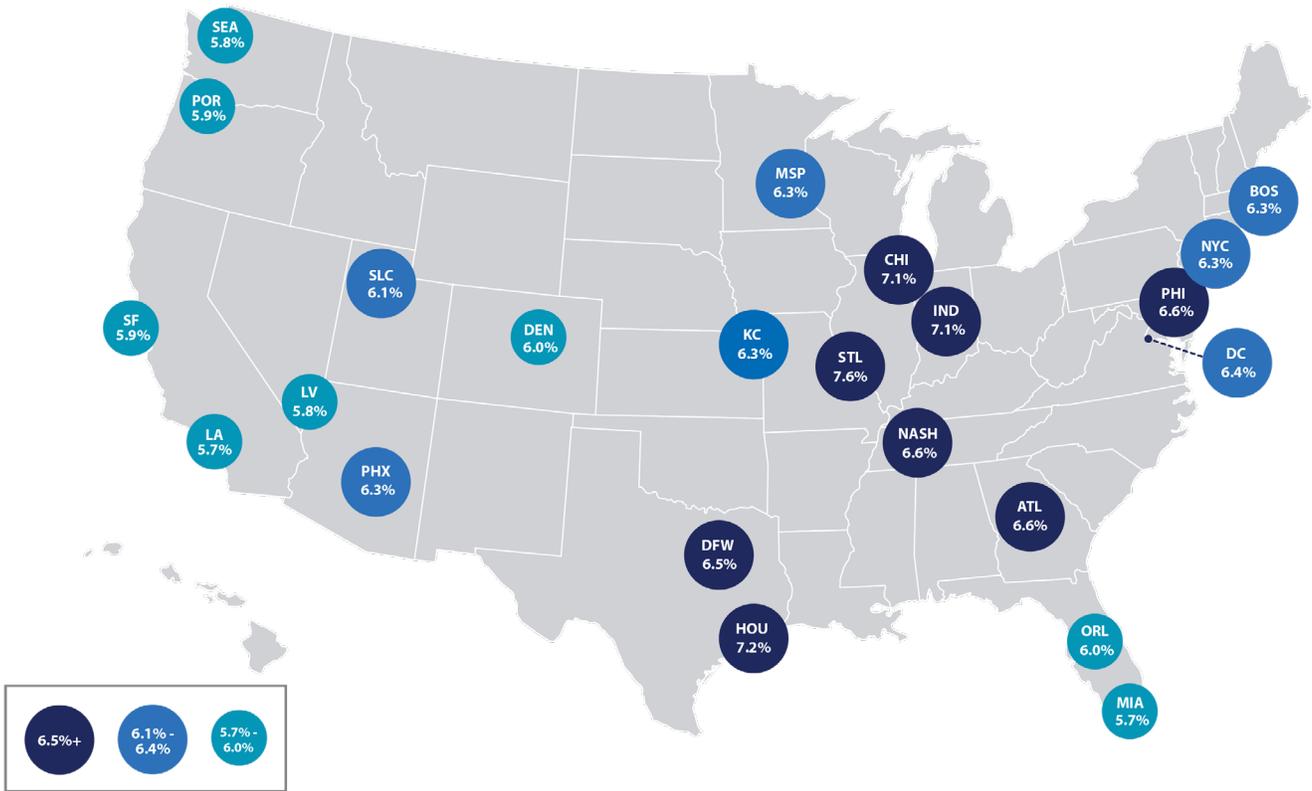
SELECT SALES TRANSACTIONS | FOURTH QUARTER OF 2025

Sector	Building	Submarket	Sale Price	Price Per SF/Unit ¹	SF/Units ²
Multifamily	Northland Heights 3800 NW Barry Road	Northland	\$70,500,000	\$176,250	400
Multifamily	Elm Groves 16661 Maybrook Drive	North Cass County	\$30,715,000	\$249,715	123
Retail	LifeTime Fitness 16851 W 90th Street	North Johnson County	\$27,400,000	\$244	112,110
Retail	The Shops at Boardwalk 8600-8660 N Boardwalk Avenue	Northland	\$22,850,000	\$187	122,400
Office	6201 College Boulevard	South Johnson County	\$22,000,000	\$142	154,700
Retail	Westchester Square S/C Portfolio (5)	North Johnson County	\$20,190,000	\$123	164,730
Hospitality	Courtyard Kansas City 4600 J.C. Nichols Parkway	Country Club Plaza	\$19,000,000	\$154,472	123
Industrial/Flex	Lenexa Place Portfolio (2)	North Johnson County	\$12,850,000	\$97	132,720
Retail	Streets of West Pryor 1020 NW Pryor Road	Southeast Jackson County	\$8,700,000	\$621	14,000
Industrial	9960 Lakeview Avenue	North Johnson County	\$6,880,000	\$89	77,660

¹ The price per unit/room is displayed for the Multifamily and Hospitality sectors. ² The number of total units/rooms is displayed for the Multifamily and Hospitality sectors.

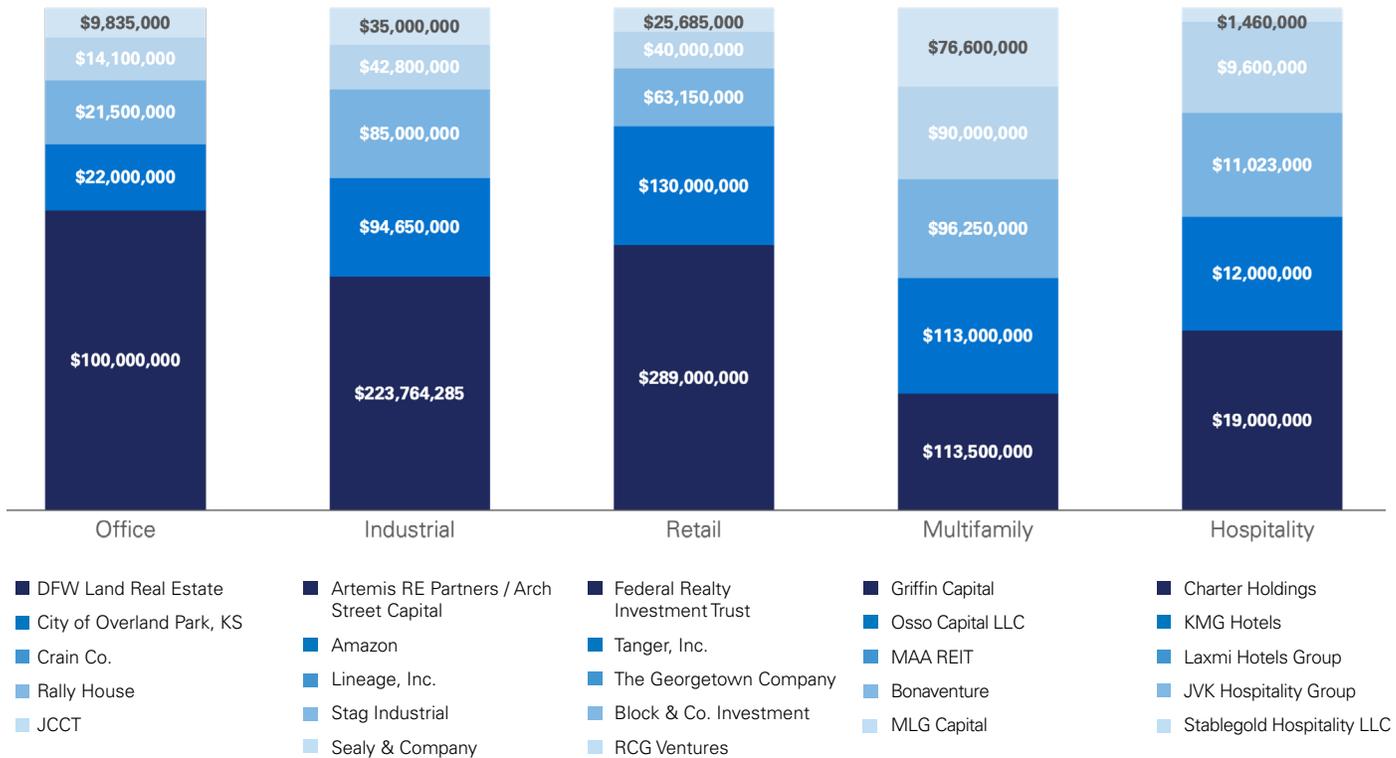
CAP RATES | ALL PROPERTY TYPES

12-MONTH AVERAGE, INCLUDES PROPERTY OR PORTFOLIO SALES \$2.5 MILLION OR GREATER



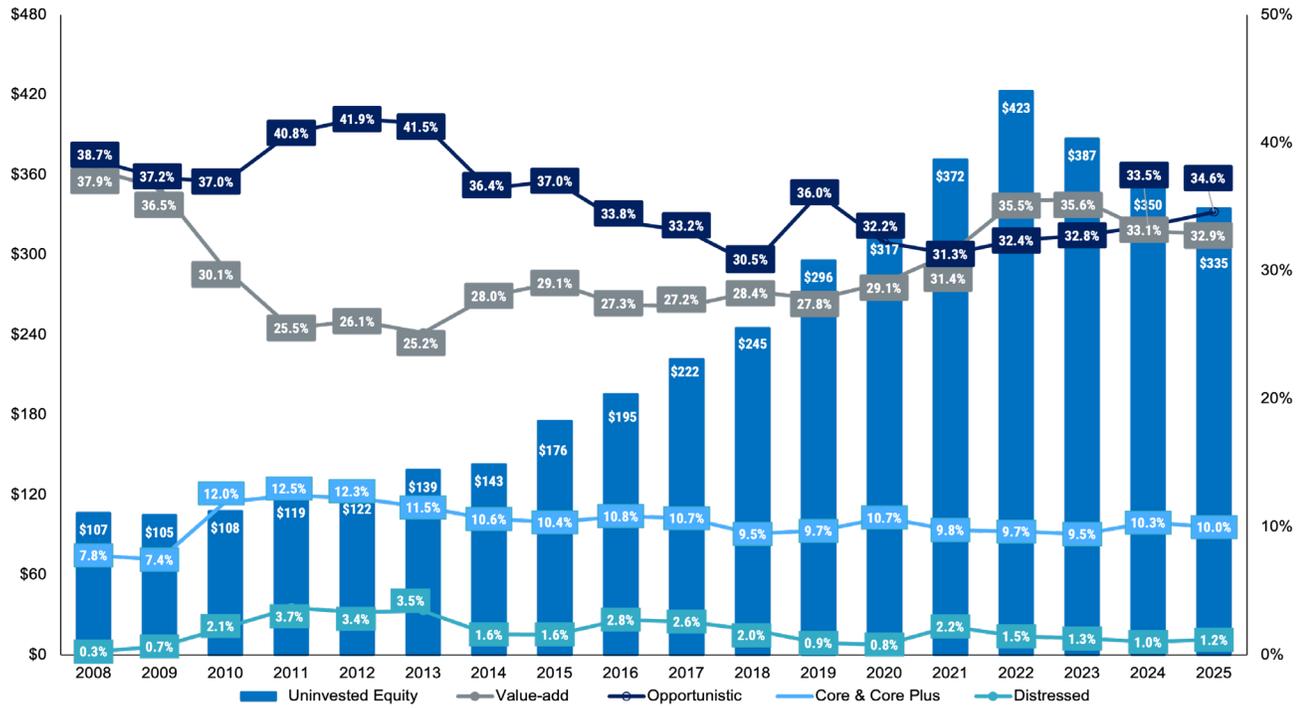
SELECT ACTIVE BUYERS IN THE KANSAS CITY MARKET BY ASSET TYPE

12-MONTH TOTALS



DRY POWDER

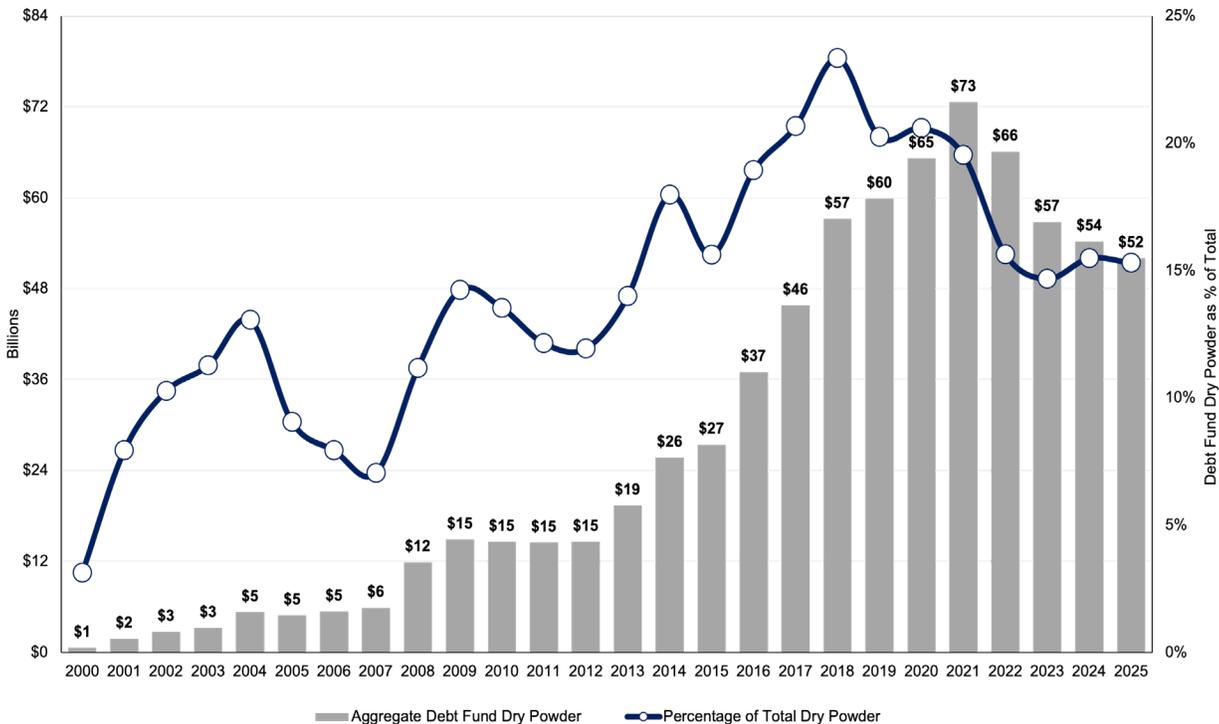
▶ Uninvested equity decreased to \$334.6 billion in 2025. Dry powder allocated to opportunistic deals increased 330 bps from 31.3% in 2021 to 34.6% in 2025 while value-add strategies increased 150 bps from 31.4% in 2021 to 32.9% in 2025.



Note: 'Uninvested Equity' includes Fund of Funds, Debt, Co-Investment and Secondaries, not displayed in the above graphic

Source: Newmark Research, Prequin

DEBT FUND DRY POWDER



Source: Newmark Research, Prequin

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



Michael VanBuskirk, SIOR, CCIM, CRE

Vice Chairman, Principal
mvanbuskirk@nzimmer.com
816-512-1010

Chris Robertson, CCIM

Executive Managing Director, Principal
crobertson@nzimmer.com
816-512-1014

Raegen Kersey, CCIM

Associate
rkersey@nzimmer.com
816-512-1005

Sammy Basler

Financial Analyst/Transaction Manager
sbasler@nzimmer.com
816-268-4235

Andrew Garten

Senior Director, Research
agarten@nzimmer.com
816-256-4288

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.

DISCLAIMER

All information contained in this publication (other than that published by Newmark) is derived from third party sources. Newmark (i) has not independently verified the accuracy or completeness of any such information, (ii) does not make any warranties or representations, express or implied, concerning the same and (iii) does not assume any liability or responsibility for errors, mistakes or inaccuracies of any such information. Further, the information set forth in this publication (i) may include certain forward-looking statements, and there can be no guarantee that they will come to pass, (ii) is not intended to, nor does it contain sufficient information, to make any recommendations or decisions in relation to the information set forth therein and (iii) does not constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of any offer to buy, or any recommendation with respect to, any securities. Any decisions made by recipient should be based on recipient's own independent verification of any information set forth in this publication and in consultation with recipient's own professional advisors. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains with any third party. This publication is for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter. If you received this publication by mistake, please reply to this message and follow with its deletion, so that Newmark can ensure such a mistake does not occur in the future.

RESEARCH

Newmark Zimmer research reports are also available at nmrkzimmer.com