
RESEARCH 4Q25

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

Camelot Court Shopping Center

190,090 SF GLA – SOLD FOR \$63,150,000 (\$332/SF)

South Johnson County | 11705-11851 Roe Avenue

Summit Fair Shopping Center

245,860 SF GLA – SOLD FOR \$40,000,000 (\$163/SF)

Southeast Jackson County | Portfolio (12)- Lee's Summit, MO

Life Time Fitness

112,110 SF GLA – SOLD FOR \$27,400,000 (\$244/SF)

North Johnson County | 16851 W 90th Street

The Shops at Boardwalk

122,400 SF GLA – SOLD FOR \$22,850,000 (\$187/SF)

Platte County | 8600-8660 N Boardwalk Avenue

Winchester Square Shopping Center

164,730 SF GLA – SOLD FOR \$20,190,000 (\$123/SF)

North Johnson County | Portfolio (5)- Lenexa, KS

Retail

KANSAS CITY MARKET OVERVIEW

Kansas City continues to outperform regional and national retail benchmarks as leasing activity exceeded new deliveries by six-to-one during 2025. The market ranked in the top 20 out of 75 markets in 3-year net absorption total; combined with limited new supply on the horizon for 2026, Kansas City is positioned as an expanding growth market. Retail investment volume for all-sized deals peaked at \$888 million over the past 12 months, a 55.4% increase year-over-year, with sustained activity in core infill areas and community shopping centers. National brands and local operators will continue to procure in-demand prime space in the Metro as the sector is expected to outperform historical fundamentals in 2026.

Market News:

- Significant capital markets transactions closed-out an active 2025 with purchases from both local and national investors: the 190,090-SF Camelot Court Shopping Center portfolio in Leawood, KS sold to the Georgetown Company for \$63 million and the 12-building Summit Fair Shopping Center in Lee’s Summit, MO sold to a Block & Company investment group for \$40 million.
- Halo Ridge, a \$320 million entertainment park located at the southwest corner of Renner Boulevard and 119th Street in Olathe, will begin construction in the first quarter of 2026. The development will include an all-abilities theme park, retail and restaurant sites, a 5,000-seat youth sports arena and a 150-room hotel.
- Quick service chain Bojangles signed three leases within the Metro with plans calling for up to 15 locations in the next five to seven years. Backfilling former restaurant spaces, Bojangles will open at 12005 Metcalf Ave. in Overland Park; 9101 Johnson Dr. in Merriam; and 808 NW Highway 7 in Blue Springs.

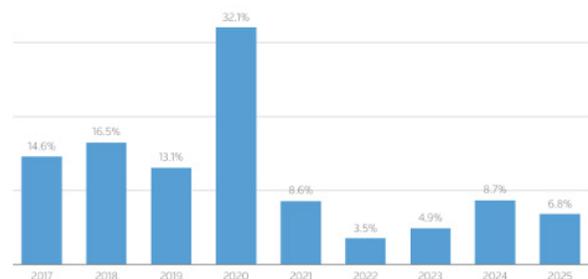
A strong holiday shopping season propelled retailers and restaurants with better-than-expected revenues to close-out 2025. The Mastercard Report stated that retail sales from November through December 21st increased 3.9% year-over-year with e-commerce sales gaining 7.4% and in-store rising 2.9%. The Visa Report detailed retail sales increased 4.2% year-over-year during a similar seven-week period with 73%-to-27% ratio of in-store to e-commerce spending.

Although consumer confidence has lowered by over 20% year-over-year, per the University of Michigan’s Surveys of Consumers, the U.S. retail sector remains cautiously optimistic for 2026. Bank of America’s Consumer Checkpoint for January 2026, reiterated “Consumers ended 2025 on a strong note” and upcoming tax refunds could release an additional \$65 billion into the hands of consumers, an increase of 18% compared to 2025. As vacancies from store closures in 2024 and early 2025 were quickly leased by expanding retailers, retail availability is expected to remain below long-term averages in 2026.

Historical holiday sales (in billions)

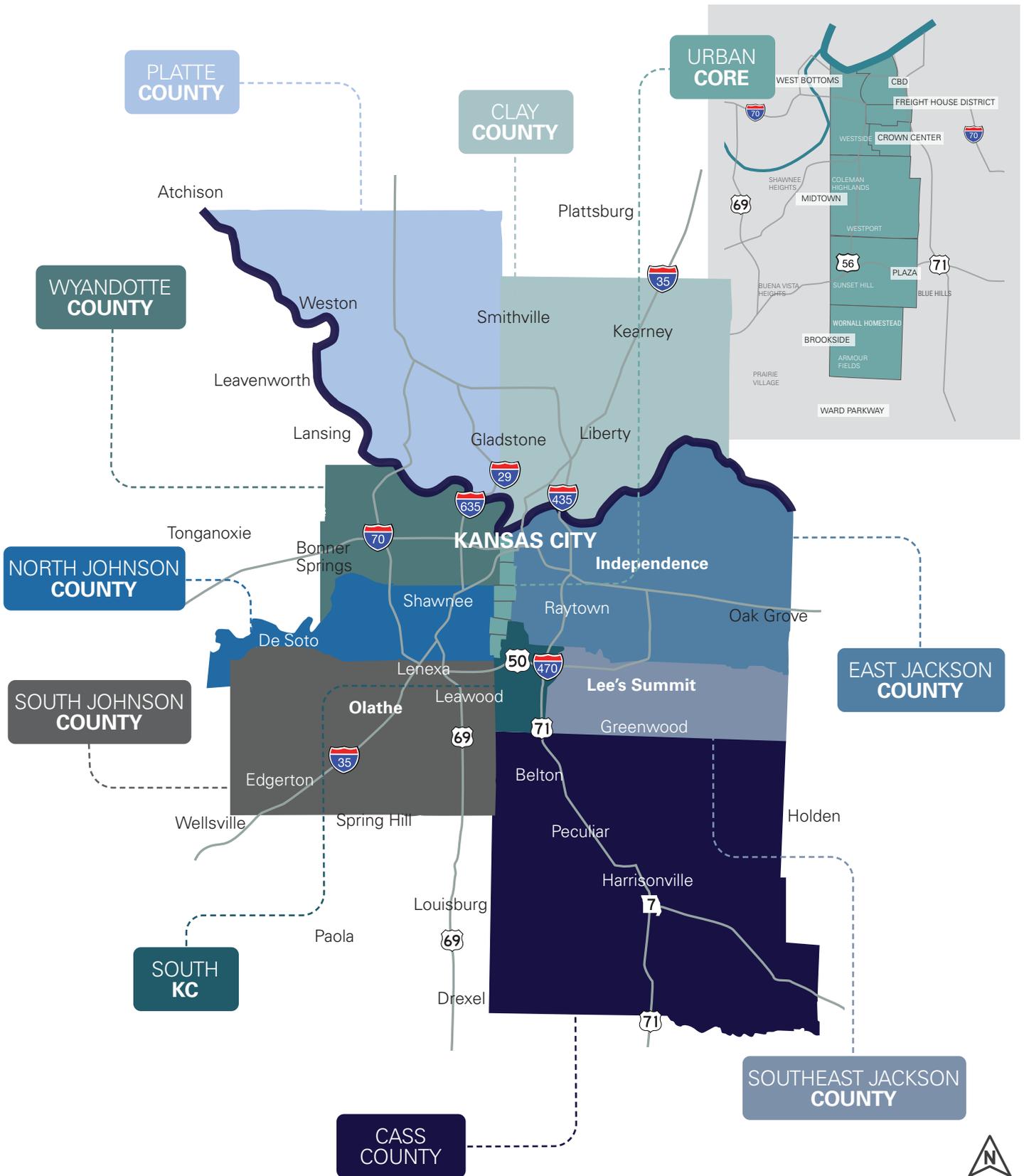


2025 Holiday Season | E-Commerce Sales, Growth % Per Year



Submarket Maps

DOWNTOWN & SUBURBS



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4Q25 Kansas City

RETAIL MARKET STATISTICS TABLE

	Type	# of Buildings	Total Inventory (SF)	Total Vacancy Rate	Qtr Absorption (SF)	Past 4 Qtrs. Absorption (SF)	Past 4 Qtrs. Deliveries (SF)	Total Asking Rent (NNN)
CASS COUNTY	All	563	5,849,795	2.60%	16,674	-7,782	9,000	\$13.88
	Small Shop	410	1,433,562	1.30%	-256	-4,451	0	\$15.16
	Big Box	153	4,416,233	3.00%	16,930	-3,331	9,000	\$13.45
CLAY COUNTY	All	1,124	13,962,980	2.50%	23,717	-62,438	23,749	\$16.98
	Small Shop	723	2,585,478	2.50%	-1,101	-18,196	11,749	\$22.34
	Big Box	401	11,377,502	2.50%	24,818	-44,242	12,000	\$15.90
EAST JACKSON COUNTY	All	2,453	24,182,517	6.60%	-79,371	-117,776	28,027	\$10.55
	Small Shop	1,813	5,882,411	2.80%	3,903	-7,341	12,313	\$16.54
	Big Box	640	18,300,106	7.90%	-83,274	-110,435	15,714	\$9.41
KC URBAN CORE	All	976	8,410,232	4.10%	-23,028	-81,968	17,918	\$21.52
	Small Shop	662	2,301,063	4.50%	-12,171	-45,347	0	\$22.50
	Big Box	314	6,109,169	4.00%	-10,857	-36,621	17,918	\$20.76
NORTH JOHNSON COUNTY	All	1,203	18,879,525	4.00%	-40,643	-85,442	83,891	\$15.70
	Small Shop	741	2,684,546	3.20%	-8,743	-27,615	12,450	\$21.59
	Big Box	462	16,194,979	4.20%	-31,900	-57,827	71,441	\$14.88
PLATTE COUNTY	All	434	6,628,114	3.40%	19,358	64,202	5,070	\$15.83
	Small Shop	273	1,093,577	1.90%	-1,200	3,513	5,070	\$23.87
	Big Box	161	5,534,537	3.70%	20,558	60,689	0	\$14.88
SOUTH JOHNSON COUNTY	All	1,294	21,586,914	3.00%	51,407	76,440	93,662	\$20.24
	Small Shop	721	2,652,184	1.60%	3,305	21,532	20,446	\$27.04
	Big Box	573	18,934,730	3.20%	48,102	54,908	73,216	\$19.08
SOUTH KC	All	565	5,851,246	4.70%	9,350	23,796	1,500	\$13.20
	Small Shop	402	1,194,753	2.70%	9,373	4,567	1,500	\$17.99
	Big Box	163	4,656,493	5.20%	-23	19,229	0	\$12.06
SOUTHEAST JACKSON COUNTY	All	555	7,291,545	4.00%	16,244	-11,437	77,815	\$17.89
	Small Shop	362	1,331,613	1.90%	7,291	5,291	7,815	\$23.26
	Big Box	193	5,959,932	4.50%	8,953	-16,728	70,000	\$16.67
WYANDOTTE COUNTY	All	1,039	10,430,478	4.40%	5,985	17,006	8,000	\$10.02
	Small Shop	808	2,555,460	2.70%	15,354	-9,349	8,000	\$23.26
	Big Box	231	7,875,018	5.00%	-9,369	26,355	0	\$8.01
TOTALS	All	10,206	123,073,346	4.10%	-307	-185,399	348,632	\$14.92
	Small Shop	6,915	23,714,647	2.70%	15,755	-77,396	79,343	\$20.95
	Big Box	3,291	99,358,699	4.50%	-16,062	-108,003	269,289	\$13.70

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

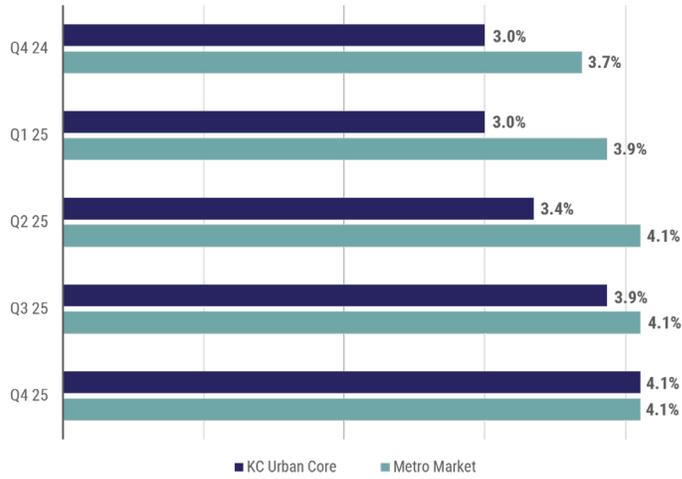
VACANCY RATE

The KC Urban Core vacancy rate displayed an upward trend, increasing **110 basis points** compared to the past year.

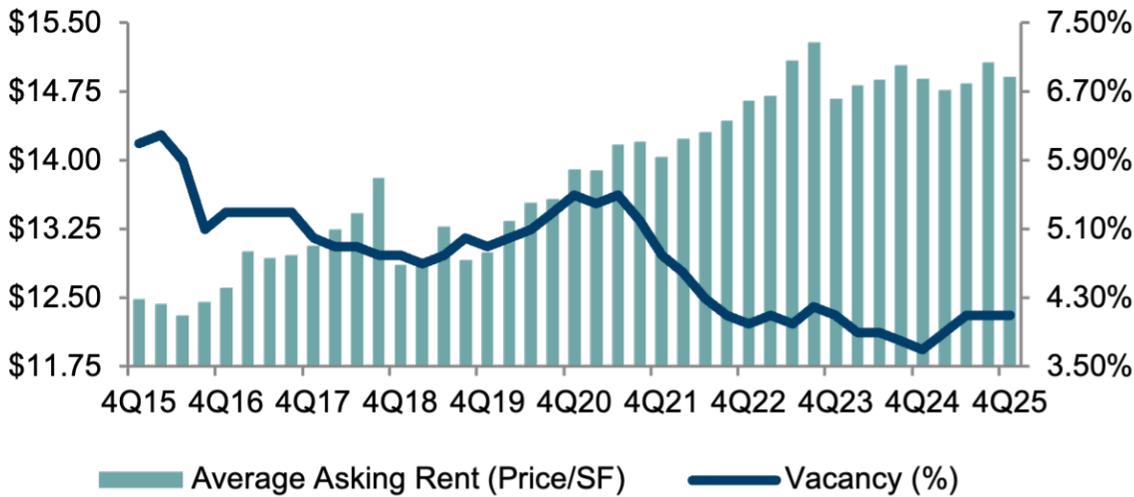
METRO MARKET

VACANCY RATE

The metro market vacancy rate displayed an upward trend, increasing **40 basis points** compared to the past year.

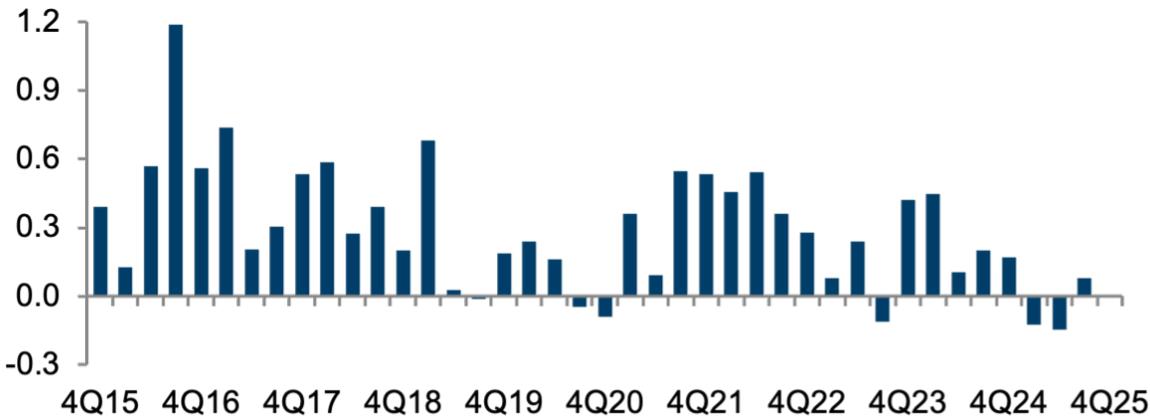


ASKING RENT AND VACANCY



NET ABSORPTION

SQUARE FEET, MILLIONS





4Q25 Kansas City

SUBMARKET VACANCY RATE

NORTH JOHNSON COUNTY

VACANCY RATE

Worsened by **90 basis points** compared to the past year.

4.0%

4Q25

3.1%

4Q24

North Johnson County displayed the second highest amount of net absorption in 2025.

PLATTE COUNTY

VACANCY RATE

Improved by **70 basis points** compared to the past year.

3.4%

4Q25

4.1%

4Q24

Platte County displays the third lowest 'Small Shop' vacancy rate in the market at 1.9%.

SOUTH JOHNSON COUNTY

VACANCY RATE

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

3.0%

4Q25

2.9%

4Q24

South Johnson County displayed the highest amount of net absorption in 2025.

SOUTHEAST JACKSON COUNTY

VACANCY RATE

Worsened by **120 basis points** compared to the past year.

4.0%

4Q25

2.8%

4Q24

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

Eastern Jackson County

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Lee's Summit, MO 64081
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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.

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