



KANSAS CITY OFFICE MARKET

STATE OF SPACE REPORT

SUMMER 2026

STATE OF SPACE REPORT

The Summer 2026 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	77.8M	77.8M	77.8M	↔
Vacancy Rate	15.2%	15.8%	16.5%	↓
Quarter Net Absorption	463,336	172,626	246,330	↑
Average Asking Rent	\$22.87	\$23.07	\$22.83	↓
Under Construction	56,660	116,660	96,000	↓
Deliveries	60,000	0	0	↑



2.3%

12 MONTH
RENT GROWTH
(COMPARED TO 0.8%
NATIONAL RENT GROWTH)



15.2%

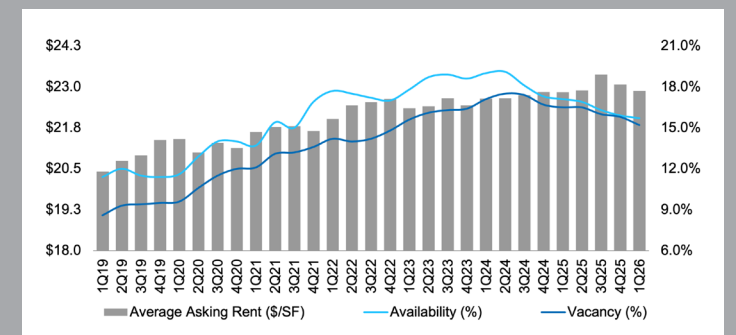
VACANCY RATE
(COMPARED TO 20.2%
NATIONAL VACANCY)

KANSAS CITY OFFICE MARKET ANALYSIS

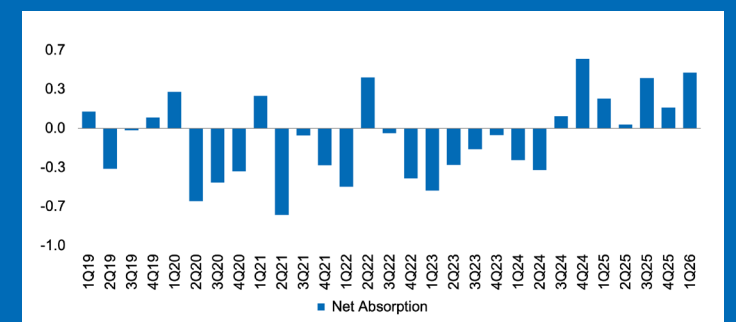
CURRENT MARKET TRENDS

The Kansas City office market tightened with 463,336 SF of net absorption in the quarter, equating to an impressive 1.1 MSF during the past four quarters. Leasing activity is expected to increase for the remainder of 2026, especially in the Class A segment, as tenants pursue favorable long-term strategies in prime spaces. Vacancy rates for Class A properties are above 18.0% in the Downtown/Crown Center, North Johnson Co., South Johnson Co. and Wyandotte Co. submarkets, offering various opportunities. Office to multifamily conversions in Downtown continue to lessen overall vacancy. Expansive amenity renovations and constant demand for prime Class A space is expected to sustain momentum in 2026. Average asking rents decreased \$0.20/SF to \$22.87/SF in 1Q26, registering a 0.2% YoY increase. Rental growth should approach the 2.50% to 3.25% range by year-end 2026.

ASKING RENT & VACANCY RATE



NET ABSORPTION (SF)





MARKET TRENDS

WORK ENVIRONMENT IMPORTANCE – FIVE TRENDS IMPACTING THE FUTURE OF WORKSPACE

When the workplace offers comfort, flexibility, and intentionality, it gives employees a meaningful reason to choose the office as a destination rather than an obligation. These five trends are helping shape the workspace of the future.

The first trend is **comfort** – an increasingly important priority in today’s corporate environment. At its core, this development reflects fundamental human needs. Many factors contribute to workplace comfort, including height-adjustable desks, highly ergonomic task chairs, warm finishes, sound masking, and personal task lighting.

Increasingly, workplaces that incorporate residential-inspired aesthetics, soft finishes, and lounge-style settings for informal meetings are seen as the most desirable. These environments more closely mirror the comfort and familiarity of home while still supporting productive work.

The next trend is **privacy**. This doesn’t mean providing all employees with private offices. Instead, it means identifying the moments when privacy is needed and ensuring those opportunities are accessible to everyone. Privacy pods and phone rooms are powerful

amenities that directly address the need. Every employee has responsibilities beyond the workplace. Taking a call from a doctor, speaking with a child’s school, or simply stepping away for a moment of quiet are realities of modern life. Providing a private, comfortable space for employees can improve morale, support well-being, and help employees feel valued.

As the traditional 9-to-5 continues to evolve, **flexibility and choice** have become top priorities with employees placing greater value on choice in where and how they work throughout the day. When this flexibility is paired with the ability to move throughout the office to socialize, collaborate, focus, or simply recharge as needed, the workplace becomes a more enjoyable and desirable destination.

A major driver of everyday productivity and engagement is **access to light and nature** in a variety of forms. While this isn’t a new concept, it has become increasingly important as people grow accustomed to lunchtime walks and working from patios and home offices. A meaningful connection to the natural world is now essential to workplace positivity and performance.

Finally, there is **ownership** - the sense of knowing your space is truly yours. The number of unsuccessful unassigned desk investments isn’t surprising; many people will claim a desk or avoid coming into the office altogether if they don’t know where they’ll land each day. We are creatures of habit, and we have personal belongings. This doesn’t mean that employees should be able to fully decorate their desks without limits, but providing a place for a few personal items – a favorite pen, an award, or a photo of a child or pet creates a sense of belonging that goes a long way.

Article content credit: John A. Marshall Co.

1. **Comfort**
2. **Privacy**
3. **Flexibility and choice**
4. **Access to light and nature**
5. **Ownership**





MARKET TRENDS

OFFICE SECTOR'S FORWARD MOMENTUM – DOWNTOWN KC'S RESIDENTIAL RESURGENCE

Downtown Kansas City has quietly become one of the region's most compelling urban growth stories. Over the past decade, a wave of new construction and adaptive reuse conversions has dramatically expanded the downtown population. From a modest base to 33,000 residents today, a 147% increase since 2000. By 2035, that number is projected to reach 44,000, cementing the residential foundation that any thriving urban office market depends on.

What's notable is how directly that population density is driving office recovery. According to the Downtown Council, employees living within two miles of their downtown office are returning at 95% of pre-pandemic levels, compared to just 76% across the broader metro. Population growth, in other words, isn't just a quality-of-life story. It's a measurable, quantifiable driver of office demand.

That residential momentum is now being amplified by a series of landmark investments reshaping Downtown KC's physical fabric: Roy Blunt Luminary Park, the Current Landing at the Berkley Riverfront, the Barney Allis Plaza redevelopment, and the recently announced Kansas City Royals stadium and surrounding entertainment district within Crown Center. Collectively, these projects signal something significant: a downtown that has reached a true inflection point, where residential density is approaching critical mass, the urban

environment is being fundamentally upgraded, and broader investment is accelerating.

For tenants and investors, the window to get ahead of that momentum, before it's fully priced in, is open right now.

The office market data is beginning to reflect that shift in a meaningful way. Leasing activity in the Downtown/Crown Center submarkets has now surpassed pre-pandemic levels, and Class A rents have risen 5.2% since Q4 2023, a clear signal that demand is outpacing the available supply of quality space. Gross absorption in the Class A segment has been approaching six figures on a quarterly basis since early 2024, and the submarket has posted seven consecutive quarters of positive net absorption. That kind of sustained momentum is not noise, it's a market finding its footing.

One of the most closely watched new office opportunities is taking shape within the Current Landing. Yianni Vrentas of Palmer Square Real Estate Management, the district's master developer, points to two consistent themes in the interest they have received: frustration with the near-total absence of Class A product in Kansas City, and the rare opportunity to make a statement, adding company signage to the city's skyline. "The quality we intend to build, plus the opportunity to make a 'splash' in the market,"

Vrentas says, have been the primary drivers of inquiry. The office component will require 50% or more pre-leasing to move forward, but the first phase, luxury apartments and street-level retail, is already well underway.

The broader office opportunity is equally compelling. With Class A supply constrained and no speculative office product delivered since 2018, the conditions for a new development cycle are forming. The most likely path forward is office as part of a larger mixed-use program — one that captures the energy already building across downtown and positions Kansas City for the next chapter of its urban story.



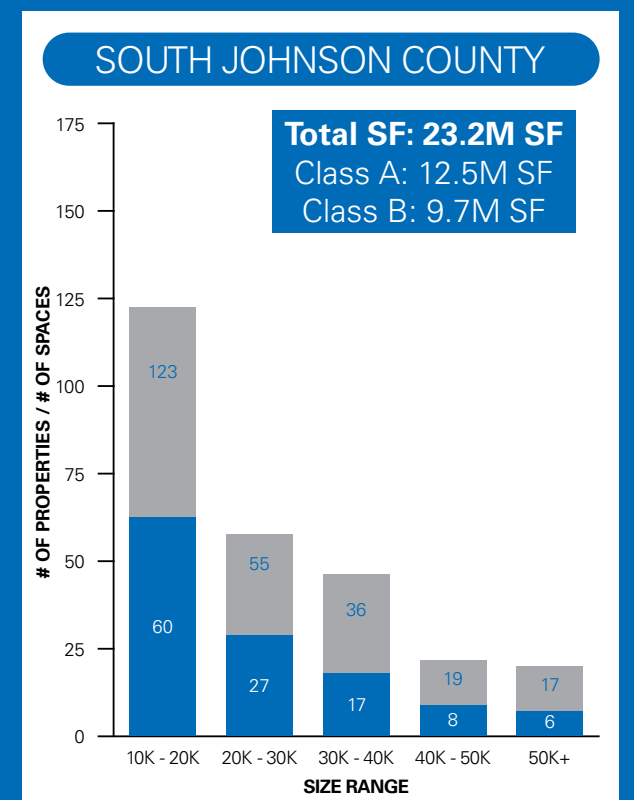
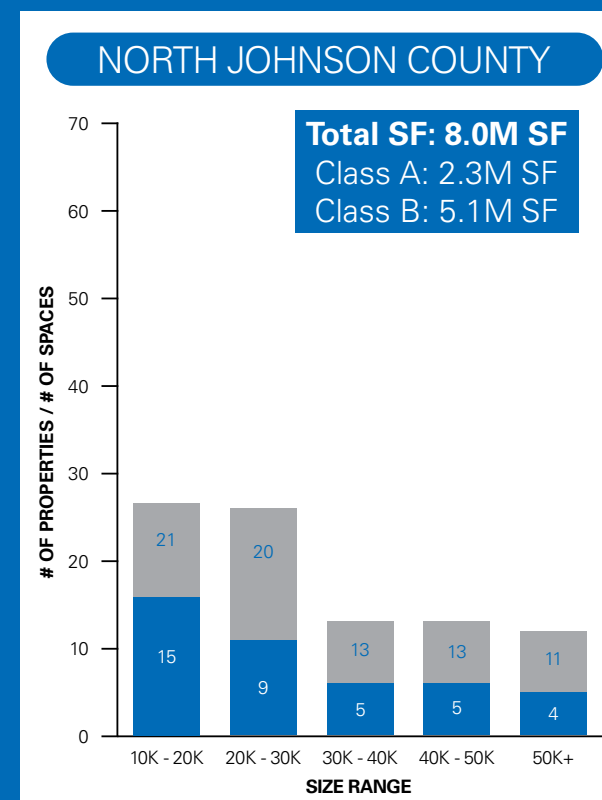
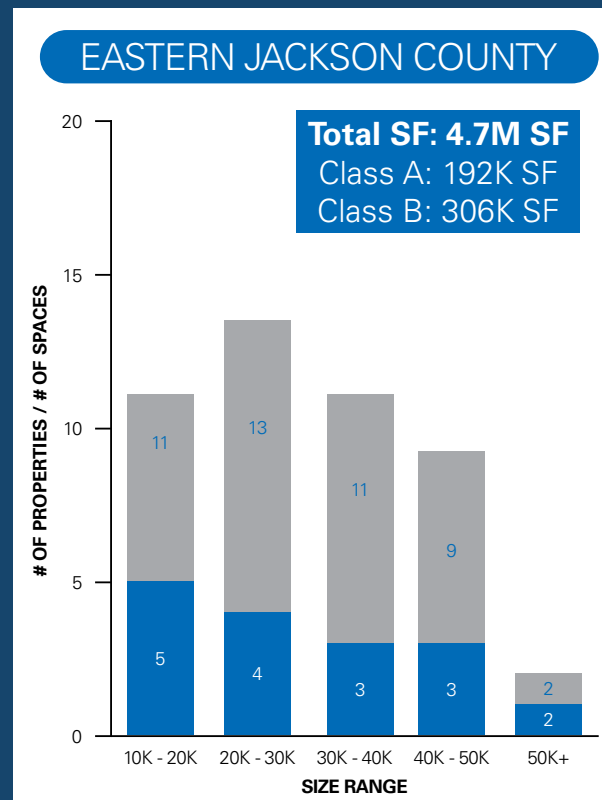
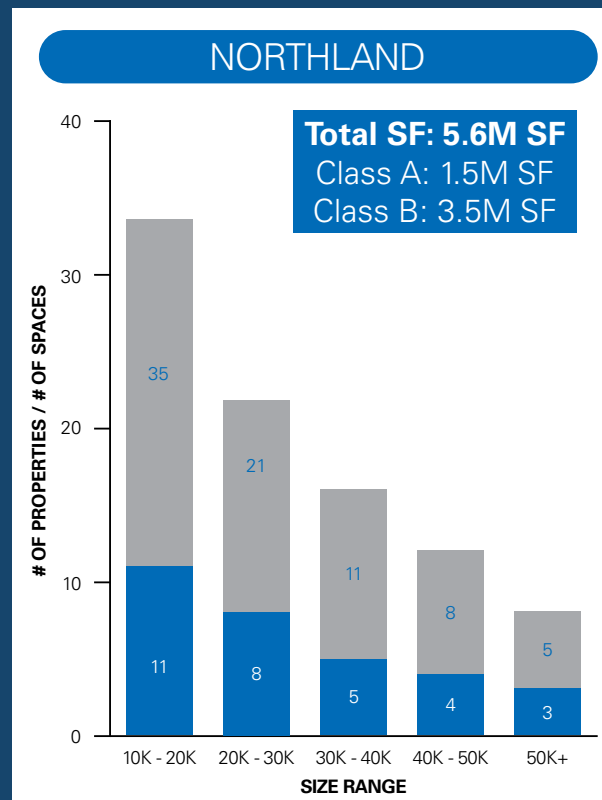
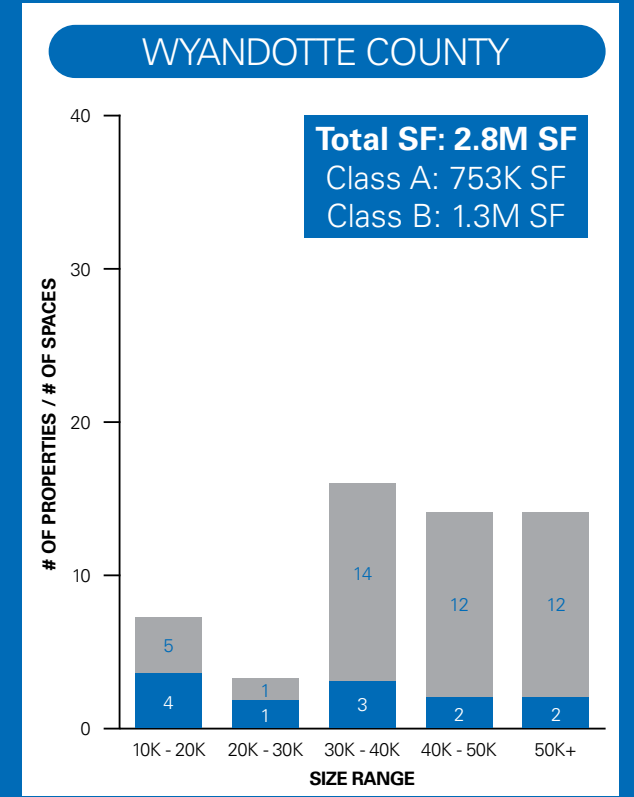
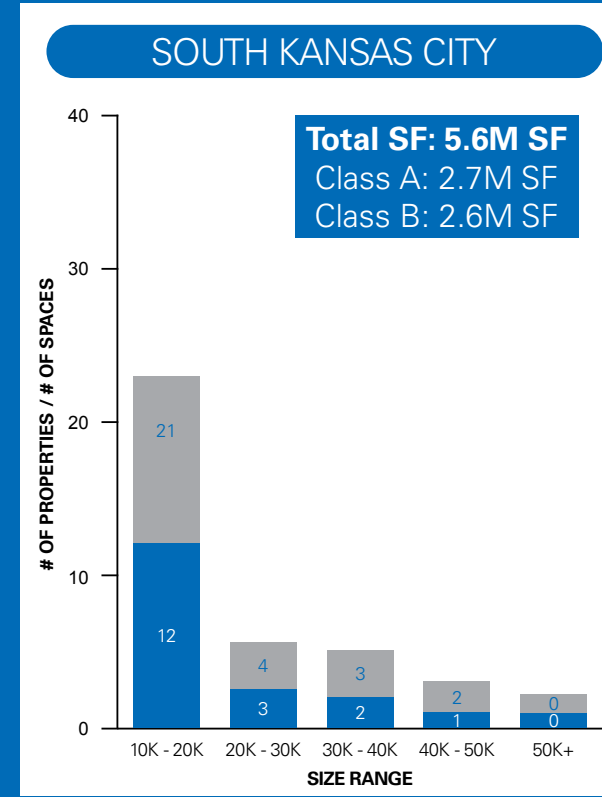
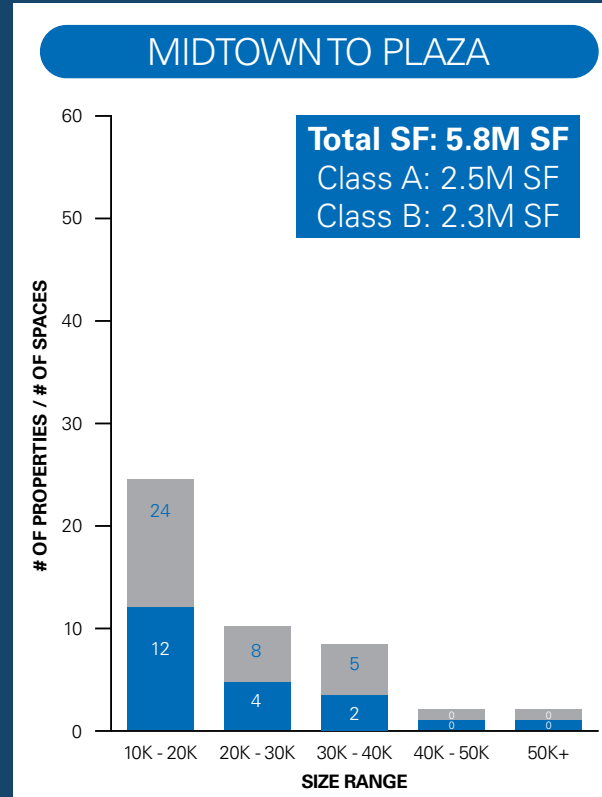
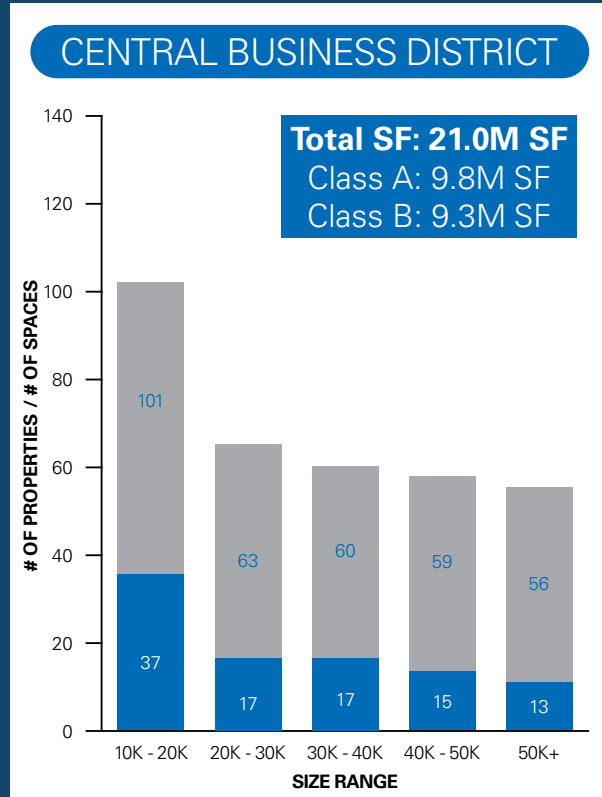
From a modest base to 33,000 residents today, a 147% increase since 2000. By 2035, that number is projected to reach 44,000...



AVAILABLE SPACE REPORT

PROPERTIES SPACES

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



CRAIN COMPANY

2323 Grand Avenue
Kansas City, MO

320,976 SF



SKY REAL ESTATE

600 New Century Parkway
New Century, KS

455,098 SF



ARNOLD DEVELOPMENT

330 W 9th Street
Kansas City, MO

264,074 SF



ARNOLD DEVELOPMENT

210 W 10th Street
Kansas City, MO

228,616 SF



BLOCK REAL ESTATE SERVICES

5700 Broadmoor Street
Mission, KS

174,647 SF



NBKC BANK

7400 W 110th Street
Overland Park, KS

127,370 SF



KC RESIDENCE

12980 Foster Street
Overland Park, KS

119,143 SF



MONBEG HOLDINGS, LLC

7501 NW Tiffany Springs Parkway
Kansas City, MO

88,373 SF



KARBANK REAL ESTATE

2001 Shawnee Mission Parkway
Mission, KS

47,102 SF



NEW ERA COMPANIES

8550 Marshall Drive
Lenexa, KS

43,712 SF



APOLLOS NEXT FRONTIER

4901 NE Lakewood Way
Lee's Summit, MO

26,895 SF



12800 FOSTER STREET, LLC

12800 Foster Street
Overland Park, KS

185,000 SF

RECENT TRANSACTIONS | LEASES



GFT INFRASTRUCTURE, INC

1301 Main Street
Kansas City, MO

30,300 SF



RUBIN BROWN, LLP

1301 Main Street
Kansas City, MO

30,300 SF



SAVION

801 Pennsylvania Avenue
Kansas City, MO

34,100 SF



MARC

801 Pennsylvania Avenue
Kansas City, MO

49,000 SF



UNIVERSITY HEALTH

3315 N Oak Trafficway
Kansas City, MO

45,000 SF



LAUFER GROUP INTERNATIONAL

11500 NW Ambassador Drive
Kansas City, MO

16,500 SF



ROUSE FRETTS WHITE GOSS GENTILE RHODES, P.C.

801 W 47th Street
Kansas City, MO

16,700 SF



JACK HENRY & ASSOCIATES

7400 College Boulevard
Overland Park, KS

25,000 SF



QISG

12900 Foster Street
Overland Park, KS

31,400 SF



MUSE FREIGHT

5000 College Boulevard
Overland Park, KS

9,500 SF



ALLIANCE SHIPPERS

6700 Antioch Road
Merriam, KS

23,300 SF



VIRTUS INSURANCE

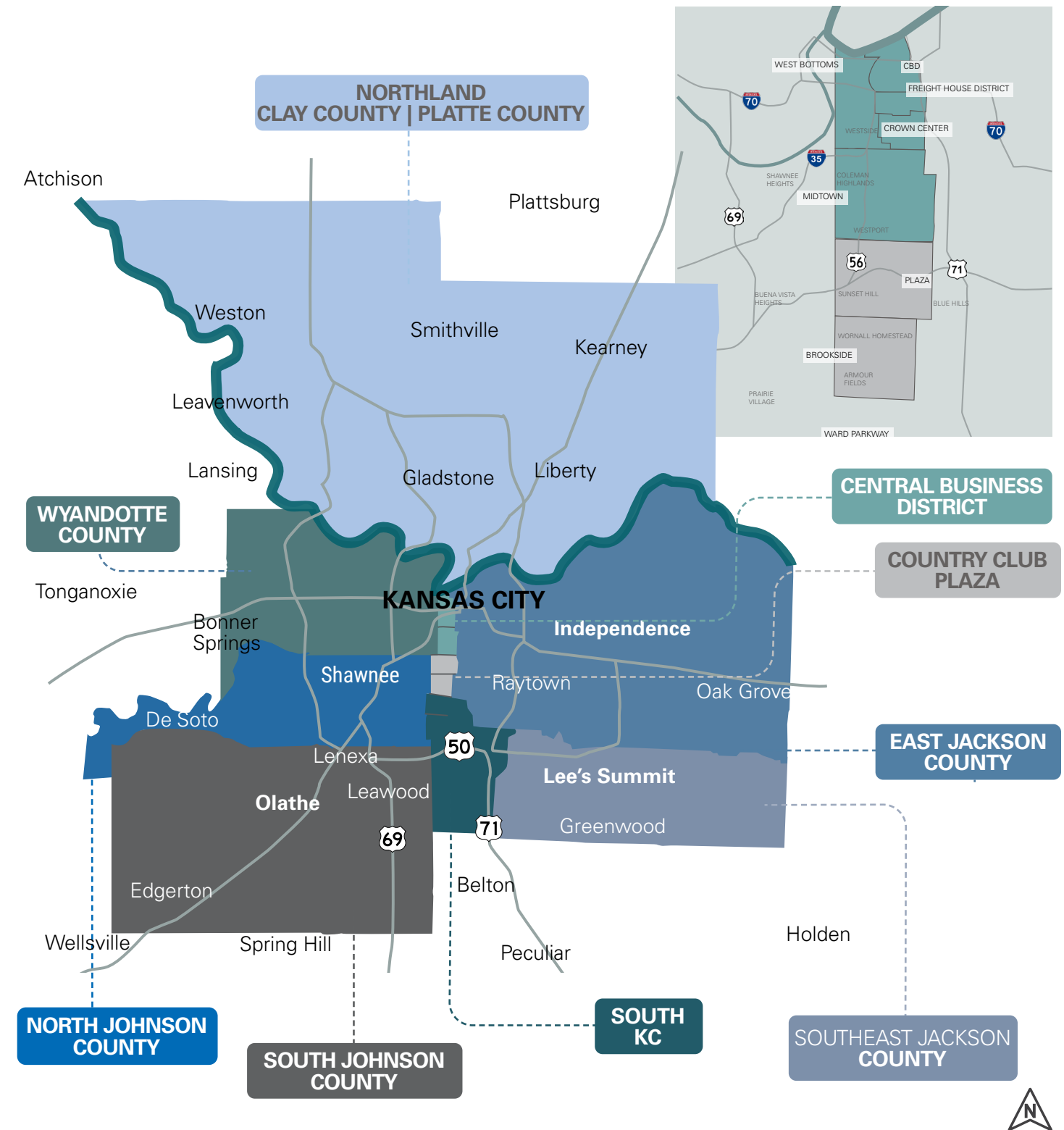
9800 Metcalf Avenue
Overland Park, KS

20,100 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%







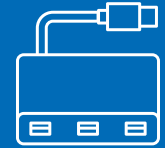



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TENANT ADVISORY PROCESS



AVERAGE TENANT EXPENSES

 <p>WORKSTATIONS BUDGET: High-End: \$5,000 Mid-Tier: \$3,000 Budget/Used-Tier: \$1,000</p>	 <p>PRIVATE OFFICE FURNISHINGS: High-End: \$7,500 plus Mid-Tier: \$2,500 - \$4,000 Budget/Used-Tier: \$1,200 - \$1,900</p>
 <p>CONFERENCE ROOM: (TABLE & CHAIRS) High-End: \$1000 plus per seat Mid-Tier: \$450 per seat Budget/Used-Tier: \$325 per seat</p>	 <p>SEATING: High-End: \$900 plus per chair Mid-Tier: \$350 - \$550 per chair Budget/Used-Tier: \$300 per chair</p>
 <p>INSTALLATION COST: Ranges from 10 - 20% of total furniture cost. The larger the project, typically the smaller the percentage.</p>	 <p>AVERAGE MOVING COST: \$2.50/SF (can vary based on tenants use)</p>
 <p>INTERNET/ PHONE CABLING INSTALLATION: \$3.00 - \$5.00+ /SF (Pricing may increase depending on tenant requirements)</p>	 <p>BASIC CONSTRUCTION COSTS: Paint: \$1.25 - \$1.65/SF Carpet: \$4.00 - \$8.00/SF</p>

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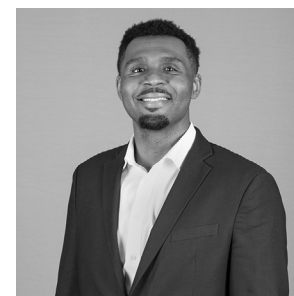
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