RESEARCH 2Q26

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

Industrial (Flex/Data) | New Century Commerce Center – Building B1

756,570 SF GLA – Sold for $64,100,000 ($85/SF)

South Johnson County | 16175 John Glenn Pkwy- Olathe, KS

Office (Medical) | NKC Medical Partners Medical Office Portfolio

79,150 SF GLA – Sold for $39,260,000 ($496/SF)

N Johnson Co.; E Jackson Co.; Northland | 4 Properties

Office | 2323 Grand

330,000 SF GLA – Sold for $38,000,000 ($115/SF)

Crown Center | 2323 Grand Blvd – Kansas City, MO

Retail | Village at Shoal Creek

80,090 SF GLA – Sold for $8,850,000 ($111/SF)

Northland | 8383 N Booth Ave – Kansas City, MO

Hospitality | Holiday Inn Express & Suites

72 Rooms – Sold for $5,386,500 ($74,813/Room)

South Jackson County | 12801 S 71 Highway – Grandview, MO

Capital Markets

KANSAS CITY MARKET OVERVIEW

Investment activity in the Kansas City market accelerated over the past four quarters, with total sales volume reaching $4.8 billion, an increase of 32.6% compared to the prior five-year average. Among the 13 largest Midwest markets, the Kansas City metropolitan area ranked fourth in total transaction volume over the past year, with multifamily and industrial assets accounting for a combined 68.0% of activity.

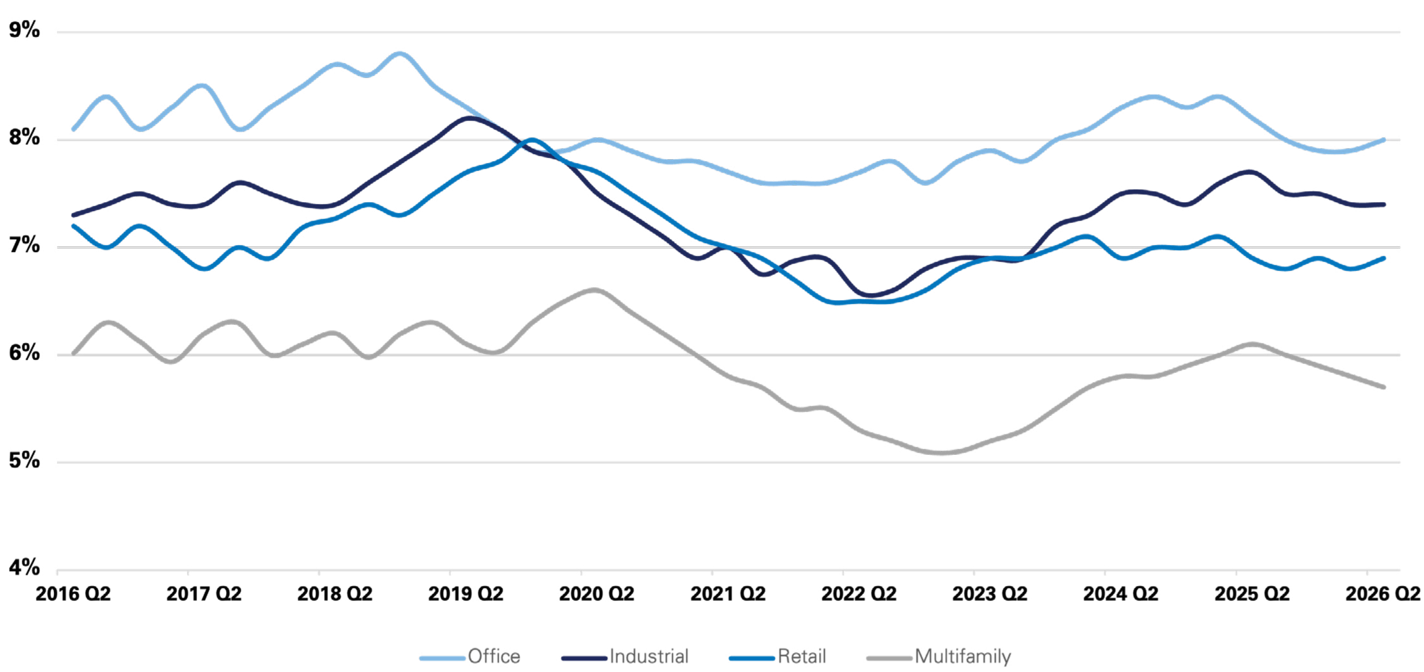
Capitalization rates compressed by 79 basis points year-over-year, reaching 6.2% in the second quarter of 2026. Net absorption across the industrial, office, and retail sectors totaled 4.0 million square feet over the past 12 months, representing a 66.3% decline from the prior year, largely attributable to an outsized 7.1 million square feet of industrial absorption recorded in the first quarter of 2025. In the multifamily sector, net absorption totaled 4,011 units, up 6.5% year-over-year.

With speculative development remaining under control and landlords offering incentives to secure longer lease terms, rental rates have reached record highs in both the industrial ($6.28 per square foot) and multifamily ($1,456 per unit) sectors. Vacancy rates declined year-over-year in three of the four major property types, with office decreasing 120 basis points to 14.2%, industrial declining 40 basis points to 4.7%, and multifamily decreasing 20 basis points to 8.6%.

The Newmark Zimmer Midwest Capital Markets team anticipates sales volume to remain strong throughout 2026, as buyers and sellers adjust to the current market conditions and the interest rate environment remains stable. 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	Industrial	Retail	Multifamily
8.0%	7.4%	6.9%	5.7%



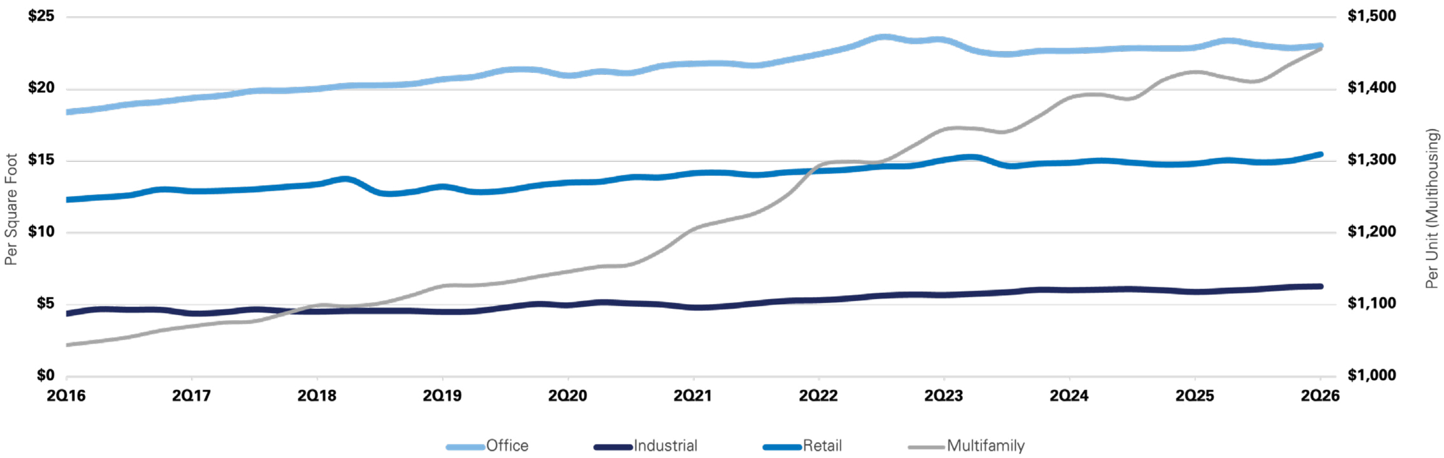
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

2Q26 Kansas City

MARKET ANALYSIS

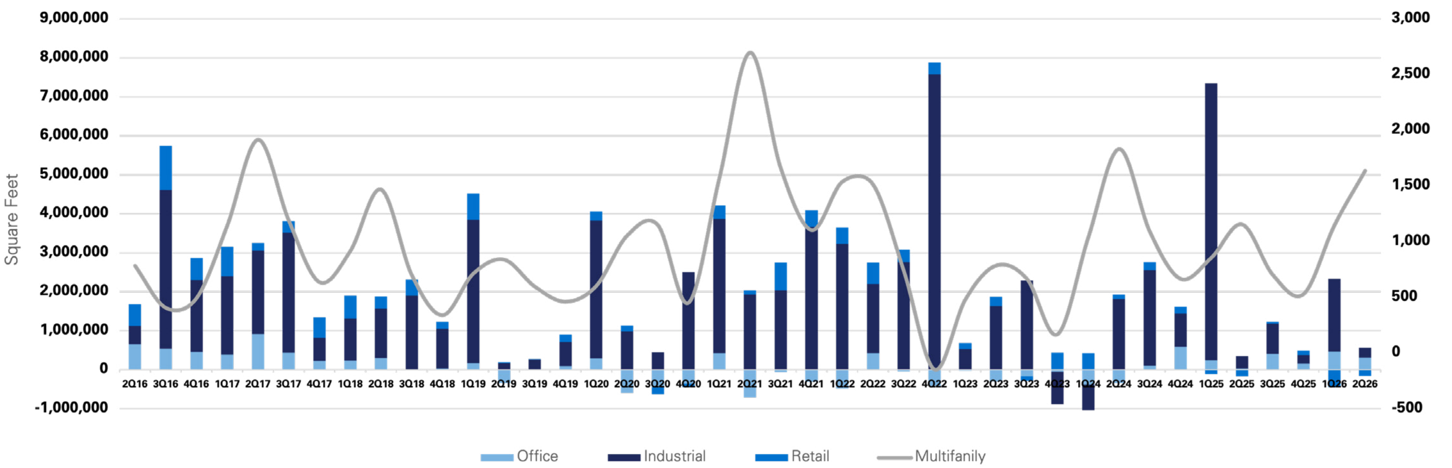
AVERAGE ASKING RENT

Office	Industrial	Retail	Multifamily
$23.02	$6.28	$15.47	$1,456



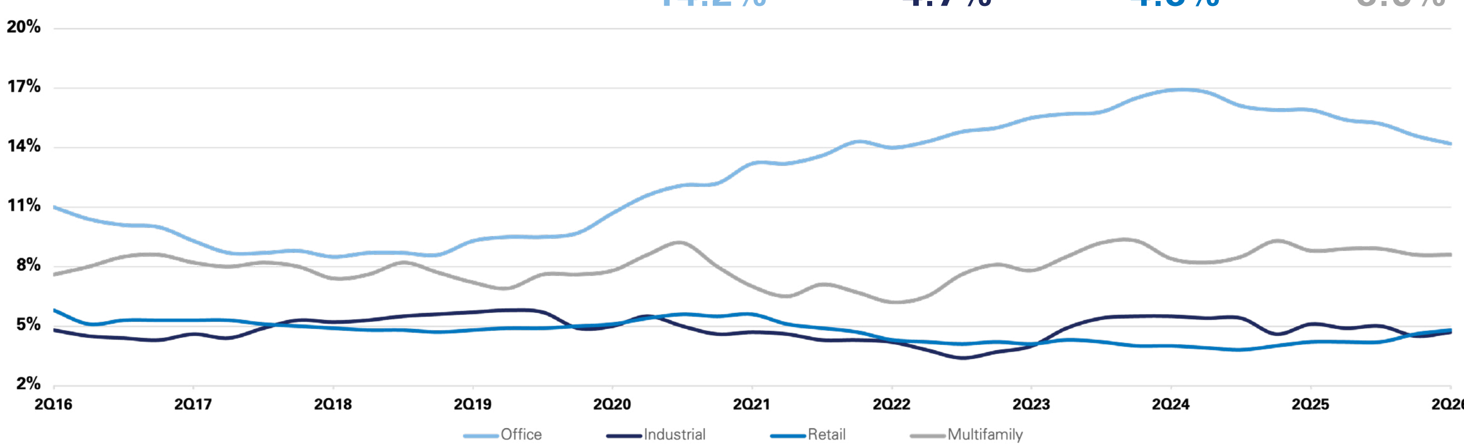
NET ABSORPTION

Office	Industrial	Retail	Multifamily
314,025 SF	242,003 SF	-153,565 SF	1,635 Units



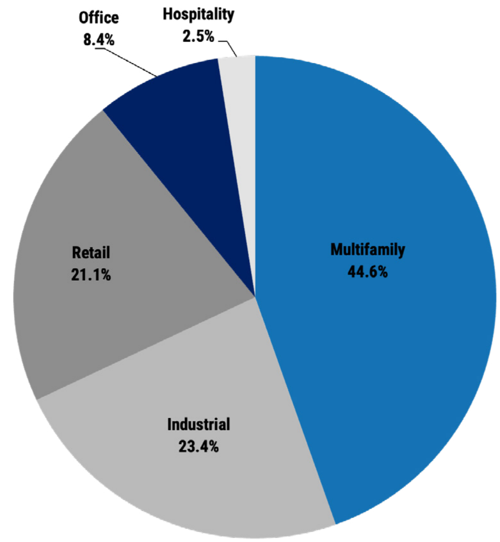
VACANCY RATE

Office	Industrial	Retail	Multifamily
14.2%	4.7%	4.8%	8.6%



SALES VOLUME BY PROPERTY TYPE

KANSAS CITY; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Multifamily	$2.12 B	73
Industrial	$1.12 B	76
Retail	$1.01 B	55
Office	$401.1 M	44
Hospitality	$117.4 M	17
TOTAL	**$4.76 B**	**265**

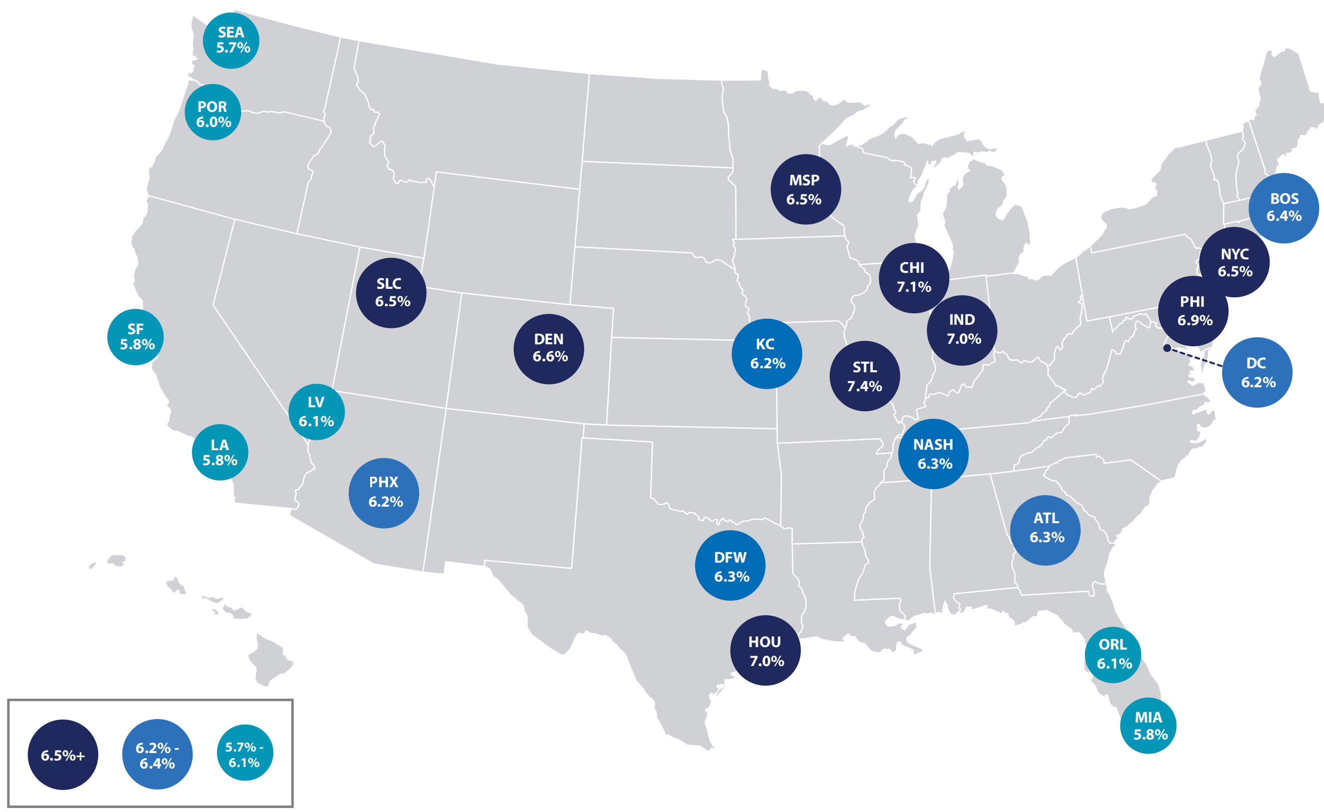
SELECT SALES TRANSACTIONS | SECOND QUARTER OF 2026

Sector	Building	Submarket	Sale Price	Price Per SF/Unit [1]	SF/ Units [2]
Office (Medical)	Highlands III Medical Center | 10730 Nall Avenue	South Johnson County	$17,500,000	$321	54,570
Office	Commerce Plaza II | 7400 W 110th Street	South Johnson County	$10,700,000	$85	126,450
Multifamily	Danish Village | 6921 W 79th Street	North Johnson County	$8,800,000	$172,549	51
Multifamily	Tiffany Springs | 3800 NW 93rd Street	Northland	$6,633,000	$331,650	20
Office	11601 Granada Road	South Johnson County	$6,250,000	$189	33,000
Industrial	6850 W 47th Terrace	North Johnson County	$5,500,000	$121	45,450
Retail	Overland Crossing | 12020 Metcalf Avenue	South Johnson County	$4,285,000	$152	28,160
Retail	Walgreens | 550 S 129th Street	Wyandotte County	$4,100,000	$277	14,820
Retail	Town Center Plaza | 4907-4917 Town Center Drive	South Johnson County	$3,675,000	$391	9,390
Retail	16175 W 135th Street	South Johnson County	$2,000,000	$137	14,560

[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.

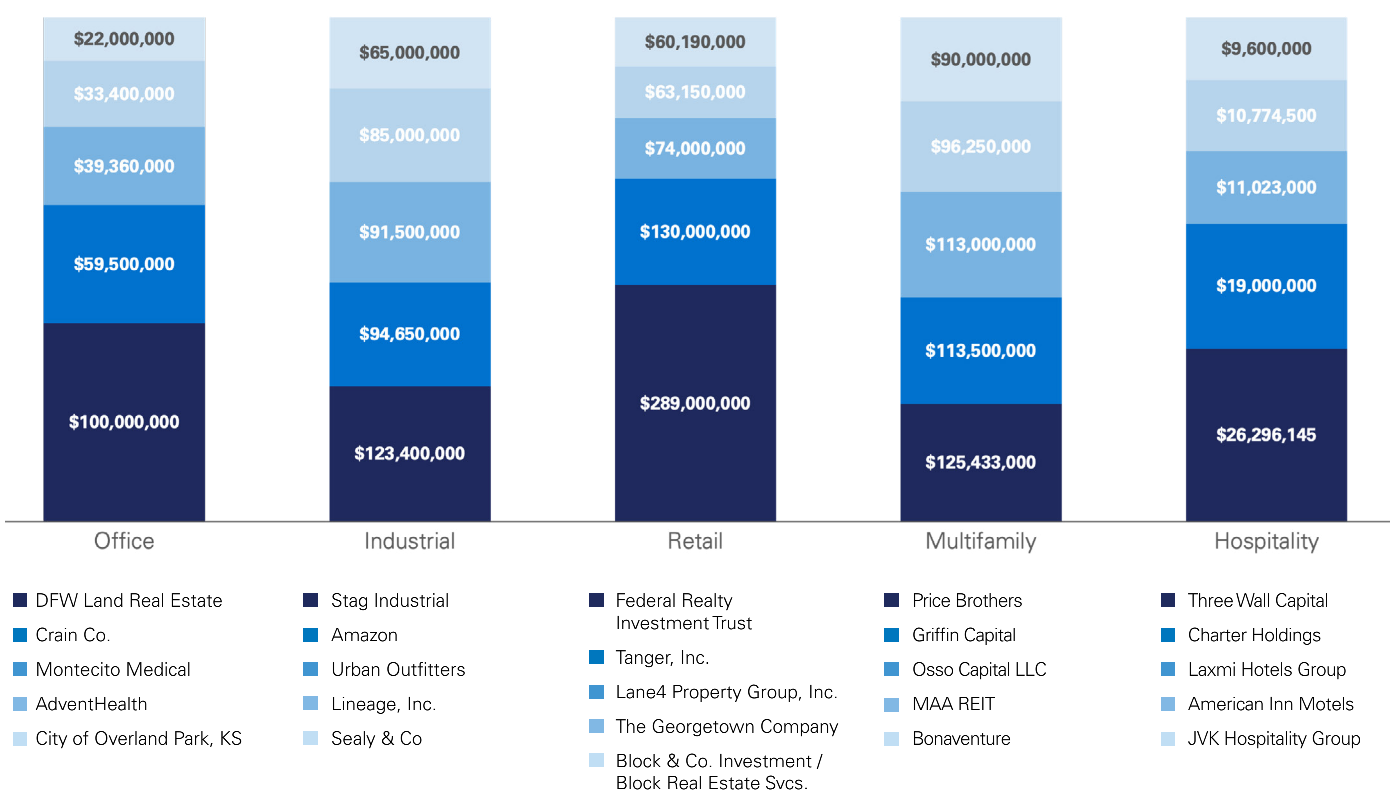
CAP RATES | ALL PROPERTY TYPES

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



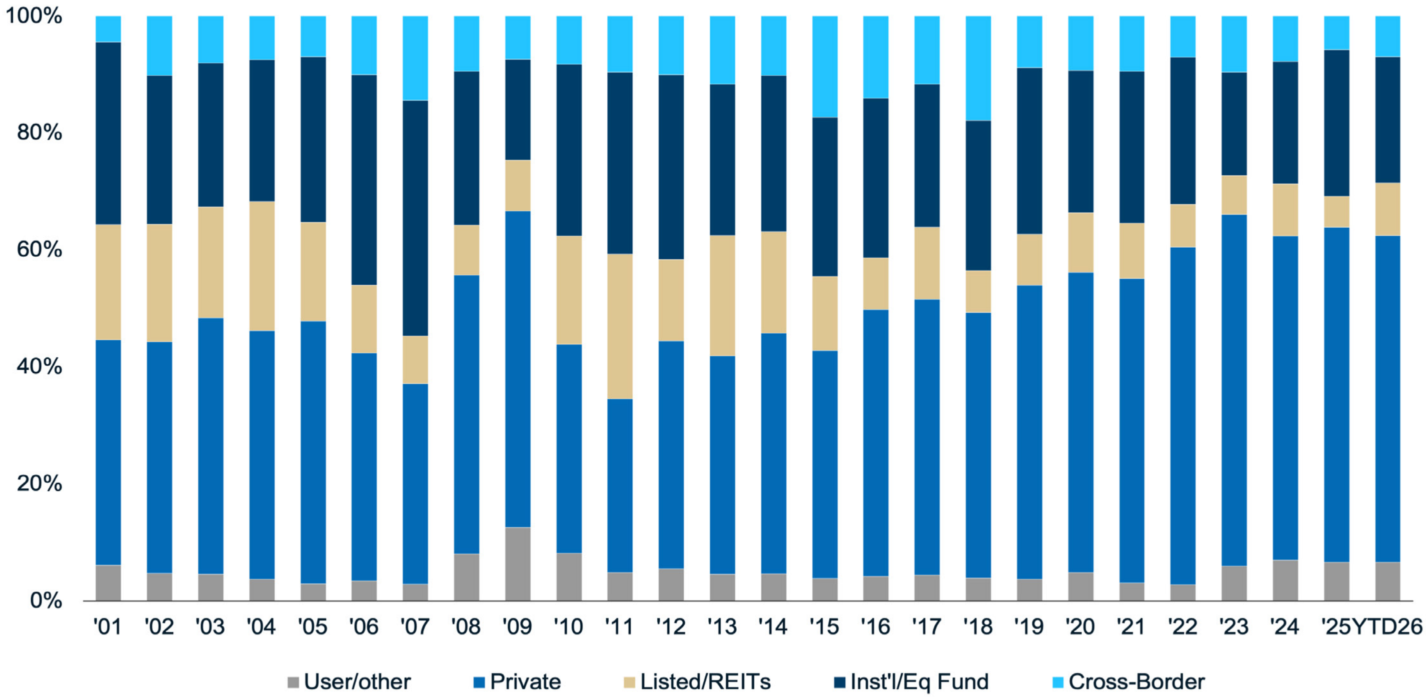
SELECT ACTIVE BUYERS IN THE KANSAS CITY MARKET BY ASSET TYPE

12-MONTH TOTALS



DISTRIBUTION OF BUYERS

Private Equity continues to dominate transaction volume, with Institutional Equity Funds re-emerging as a strong second amid a 2025 rebound. Capital concentration is increasing among top buyer groups,

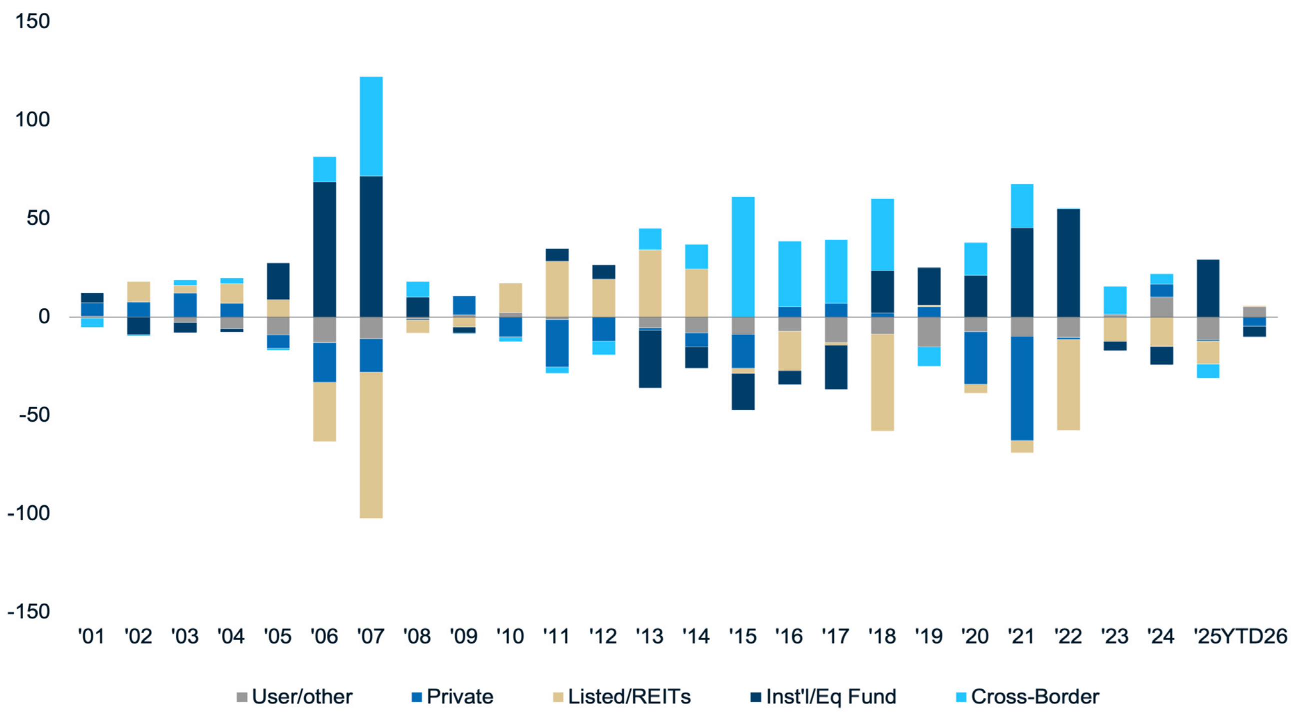


Note: Includes properties and portfolios sold for at least $2.5 million within the United States for all property types

Source: Newmark Research, MSCI

NET ANNUAL ACQUISITIONS

Institutional Equity Funds led net acquisitions in 2025, signaling renewed deployment after two years of suppressed activity. REITs remain consistent net sellers, extending a decade-long disposition trend and reshaping ownership dynamics.



Note: Includes properties and portfolios sold for at least $2.5 million within the United States for all property types

Source: Newmark Research, MSCI

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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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