RESEARCH 2Q26

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

Village at Shoal Creek
80,090 SF GLA – SOLD FOR $8,850,000 ($111/SF)
Northland | 8383 N Booth Ave – Kansas City, MO

Caliber Collison
16,100 SF GLA – SOLD FOR $5,800,000 ($360/SF)
South Johnson County | 14939 Metcalf Ave – Overland Park, KS

Overland Crossing
28,160 SF GLA – SOLD FOR $4,285,000 ($152/SF)
South Johnson County | 12020 Metcalf Ave – Overland Park, KS

Walgreens
14,820 SF GLA – SOLD FOR $4,100,000 ($277/SF)
Wyandotte County | 550 S 129th St – Bonner Springs, KS

Town Center Plaza
9,390 SF GLA – SOLD FOR $3,675,000 ($391/SF)
South Johnson County | 4907-4917 Town Center Dr – Leawood, KS

Retail

KANSAS CITY MARKET OVERVIEW

Kansas City continues to outperform regional and national retail benchmarks as leasing activity exceeded new deliveries by nearly five-to-one in the past four quarters. Robust tenant demand combined with occupancy levels of 95.2% and limited new supply on the horizon for the remainder of 2026 reflect an expanding growth market. Retail investment volume for all-sized deals peaked at $1.01 billion over the past 12 months, a 157% 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:

- The $320 million Halo Ridge entertainment hub in Olathe is expected to begin infrastructure work this summer, with the project being delivered within the next two years. Plans include Michael's Wonder World, an all-abilities amusement park, along with a 5,000-seat multisport arena, a 150-room hotel and various retail and dining options.
- Thrift World will backfill the 25,440-SF former Save A Lot space at 17403 East Highway 24 in Independence, MO. The transaction removes an older-generation space that has been on the market for nearly a year. Black Friday Outlet signed a 10-year lease for 22,310 SF at Shawnee Marketplace, located at 6495 Quivira Rd. in Shawnee, KS. Growing consumer demand for lower-cost alternatives, including thrift stores, overstock outlets, warehouse clubs and e-commerce channels, relative to traditional retailers, is expected to continue over the next four quarters.
- Vuori will backfill the 4,560-SF former North Face space at Town Center Plaza in Leawood, KS. This will be the first location within the Kansas City area for the premium lifestyle and activewear retailer. Physical stores remain an important component of the premium activewear model. Rather than relying exclusively on e-commerce, newer brands such as Vuori are pursuing aggressive store expansion to build brand awareness, customer engagement and community presence.

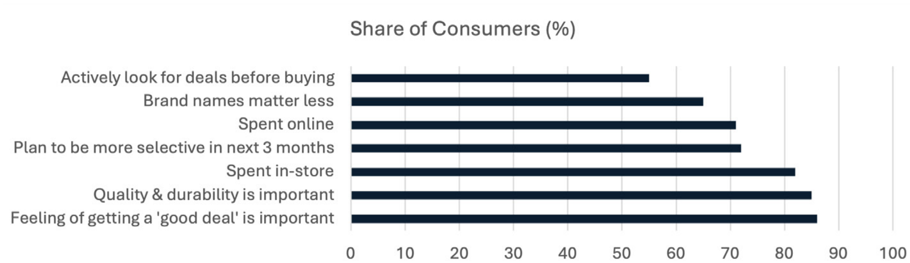
The New Retail Bifurcation: Value vs. Experience

Consumers are becoming increasingly selective about where and how they spend, creating a widening divide between value-oriented retailers and experience-driven concepts. While household budgets remain pressured by elevated prices, consumers have not abandoned discretionary spending in the first half of 2026. Instead, shoppers are placing greater emphasis on the perceived value of each purchase, with retailers competing through either price and affordability or differentiated products, services and experiences.

Recent ICSC research found that 86% of consumers consider getting a good deal important when deciding whether to spend, while 85% place importance on product quality and durability. At the same time, physical retail remains highly relevant: 82% of consumers recently spent money in a store, compared with 71% online.

The important distinction is that "value" does not necessarily mean low price. Deloitte estimates that as much as 40% of consumers' perception of value can come from factors other than price, including quality, service, checkout experience, loyalty and employee interactions. Retailers are increasingly winning by delivering either compelling economic value or a compelling experience, and the strongest concepts often deliver both.

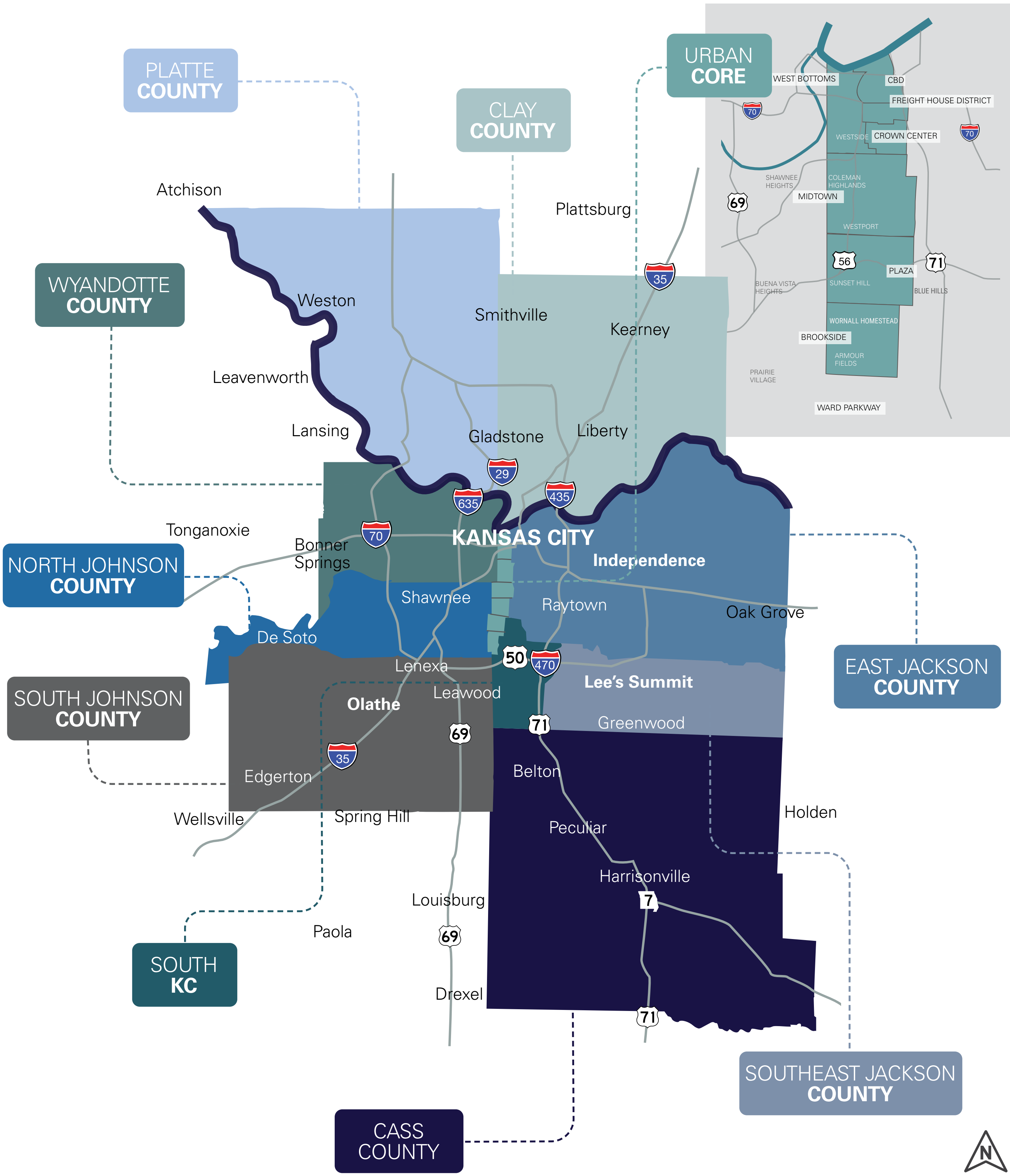
Consumers Remain Store-Oriented Despite Value Pressures



Source: ICSC, April 2026.

Submarket Maps

DOWNTOWN & SUBURBS



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2Q26 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	580	5,978,263	3.40%	-41,667	-9,506	11,501	$14.02
	Small Shop	423	1,486,073	2.50%	-8,675	-1,286	11,501	$18.57
	Big Box	157	4,492,190	3.70%	-32,992	-8,220	0	$13.19
CLAY COUNTY	All	1,177	14,341,179	3.30%	48,205	2,090	104,952	$16.41
	Small Shop	767	2,757,652	1.80%	13,276	25,958	11,093	$21.05
	Big Box	410	11,583,527	3.70%	34,929	-23,868	93,859	$15.50
EAST JACKSON COUNTY	All	2,482	24,411,111	7.50%	-58,420	-303,836	14,937	$11.30
	Small Shop	1,837	5,959,139	2.90%	3,928	-6,904	14,937	$17.77
	Big Box	645	18,451,972	9.00%	-62,348	-296,932	0	$10.37
KC URBAN CORE	All	982	8,452,404	4.50%	67,396	-72,687	0	$22.46
	Small Shop	659	2,287,282	4.10%	22,522	-8,280	0	$23.62
	Big Box	323	6,165,122	4.70%	44,874	-64,407	0	$21.51
NORTH JOHNSON COUNTY	All	1,201	18,713,020	4.90%	-98,963	-153,764	9,677	$16.17
	Small Shop	737	2,663,952	2.90%	-4,614	3,424	9,677	$21.11
	Big Box	464	16,049,068	5.20%	-94,349	-157,188	0	$15.58
PLATTE COUNTY	All	448	6,797,707	4.40%	-3,581	47,643	43,372	$16.08
	Small Shop	282	1,131,723	3.10%	-923	-13,539	4,600	$22.46
	Big Box	166	5,665,984	4.70%	-2,658	61,182	38,772	$15.79
SOUTH JOHNSON COUNTY	All	1,299	21,709,203	3.00%	6,183	83,383	88,812	$20.81
	Small Shop	723	2,657,095	2.00%	-1,244	8,662	15,596	$26.52
	Big Box	576	19,052,108	3.10%	7,427	74,721	73,216	$20.15
SOUTH KC	All	573	5,974,755	7.00%	-82,002	-59,662	54,518	$13.68
	Small Shop	407	1,223,539	3.60%	-12,100	11,821	14,518	$17.51
	Big Box	166	4,751,216	7.90%	-69,902	-71,483	40,000	$12.35
SOUTHEAST JACKSON COUNTY	All	559	7,353,521	5.20%	-14,303	2,934	99,867	$20.57
	Small Shop	365	1,342,254	2.60%	-7,004	10,068	9,795	$24.00
	Big Box	194	6,011,267	5.80%	-7,299	-7,134	90,072	$22.16
WYANDOTTE COUNTY	All	1,043	10,590,488	4.50%	23,587	26,566	29,942	$11.72
	Small Shop	810	2,559,445	3.00%	-8,714	-6,090	9,942	$22.02
	Big Box	233	8,031,043	5.00%	32,301	32,656	20,000	$9.17
TOTALS	All	10,344	124,321,651	4.80%	-153,565	-436,839	457,578	$15.47
	Small Shop	7,010	24,068,154	2.80%	-3,548	23,834	101,659	$20.75
	Big Box	3,334	100,253,497	5.30%	-150,017	-460,673	355,919	$14.67

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

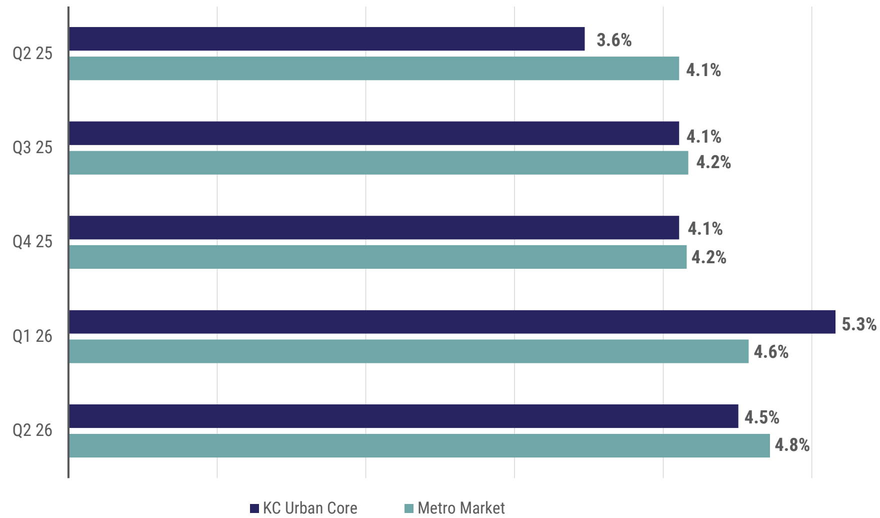
VACANCY RATE, ASKING RENT & NET ABSORPTION

KC URBAN CORE
VACANCY RATE

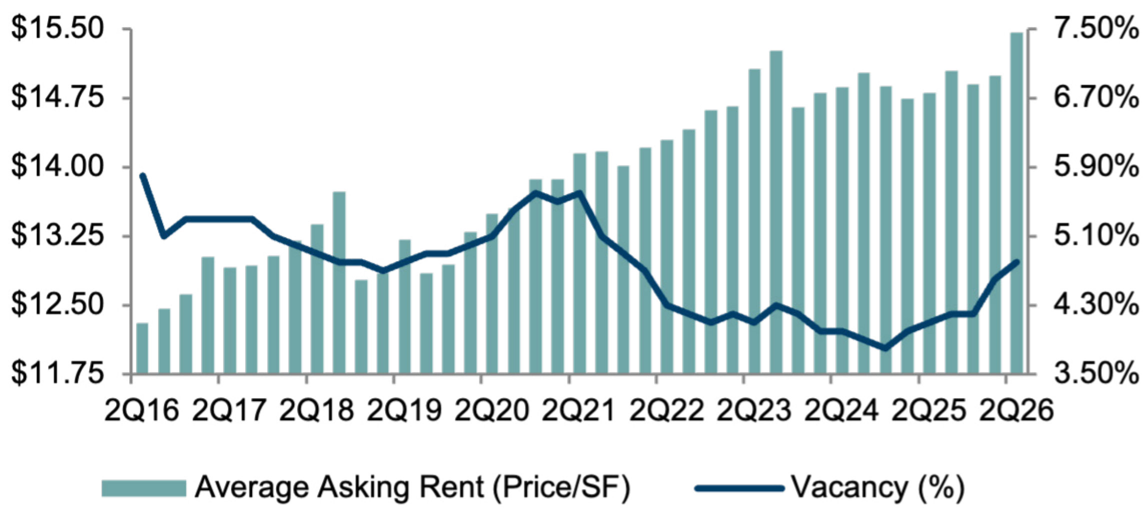
The KC Urban Core vacancy rate displayed an upward trend, increasing **90 basis points** compared to the past year.

METRO MARKET
VACANCY RATE

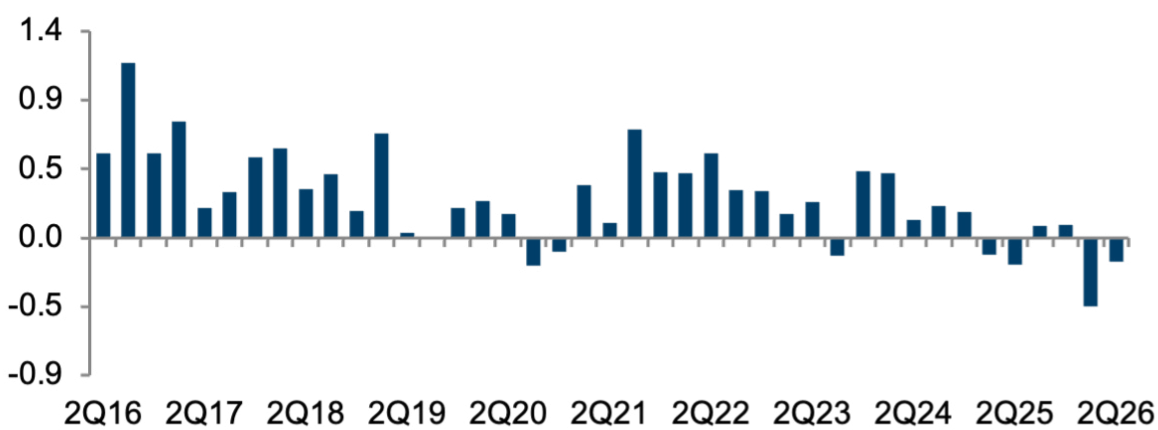
The metro market vacancy rate displayed an upward trend, increasing **70 basis points** compared to the past year.



ASKING RENT AND VACANCY



NET ABSORPTION
SQUARE FEET, MILLIONS



2Q26 Kansas City

SUBMARKET VACANCY RATE

NORTH JOHNSON COUNTY
VACANCY RATE

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

4.9%	2Q26
4.0%	2Q25

North Johnson County displayed the second-highest amount of negative absorption during the past four quarters.

PLATTE COUNTY
VACANCY RATE

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

4.4%	2Q26
4.5%	2Q25

Platte County displayed the second-highest amount of net absorption during the past four quarters.

SOUTH JOHNSON COUNTY
VACANCY RATE

Remained flat compared to the past year.

3.0%	2Q26
3.0%	2Q25

South Johnson County displayed the lowest vacancy rate in the market.

SOUTHEAST JACKSON COUNTY
VACANCY RATE

Worsened by **130 basis points** compared to the past year.

5.2%	2Q26
3.9%	2Q25

Southeast Jackson County displays the third-highest average asking rental rate in the market.

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

Justin Beal, CRRP
Executive Managing Director, Principal
t 816-268-4241
jbeal@nzimmer.com

Victor Cascio
Managing Director
t 816-268-4234
vcascio@nzimmer.com

Philip Botana
Associate Director
t 816-512-1008
pbotana@nzimmer.com

Alexander Klaus
Associate
t 816-268-4215
aklaus@nzimmer.com

Andrew Garten
Senior Director, Research
t 816-474-2000
agarten@nzimmer.com

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

RESEARCH

Newmark Zimmer research reports are also available at **nmrkzimmer.com**

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