RESEARCH 3Q26

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 | Ace Hardware
1,536,050 SF GLA – Sold for $158,500,000 ($103/SF)
Northland | 13231 NW Roanridge Road – Kansas City, MO

Industrial | KCI Intermodal BusinessCentre - LogisticsCentre Portfolio
1,324,720 SF GLA – Sold for $103,000,000 ($78/SF)
Northland | 3 Properties – Kansas City, MO

Retail | Zona Rosa Portfolio
763,210 SF GLA – Sold for $63,300,000 ($83/SF)
Northland | 20 Properties – Kansas City, MO

Multifamily | Chestnut Heights Townhomes
160 Units – Sold for $40,400,000 ($252,500/Unit)
South Johnson County | 12500 S Constance Street – Olathe, KS

Retail | Liberty Corners Portfolio
124,810 SF GLA – Sold for $21,000,000 ($168/SF)
Northland | 3 Properties – Liberty, MO

Capital Markets

KANSAS CITY MARKET OVERVIEW

Investment activity in the Kansas City market strengthened over the past 12 months, with sales volume reaching approximately $4.0 billion, 8.6% above the preceding five-year average. Kansas City ranked fifth in transaction volume among the 13 largest Midwest markets, with multifamily and industrial properties accounting for a combined 69.3% of sales activity.

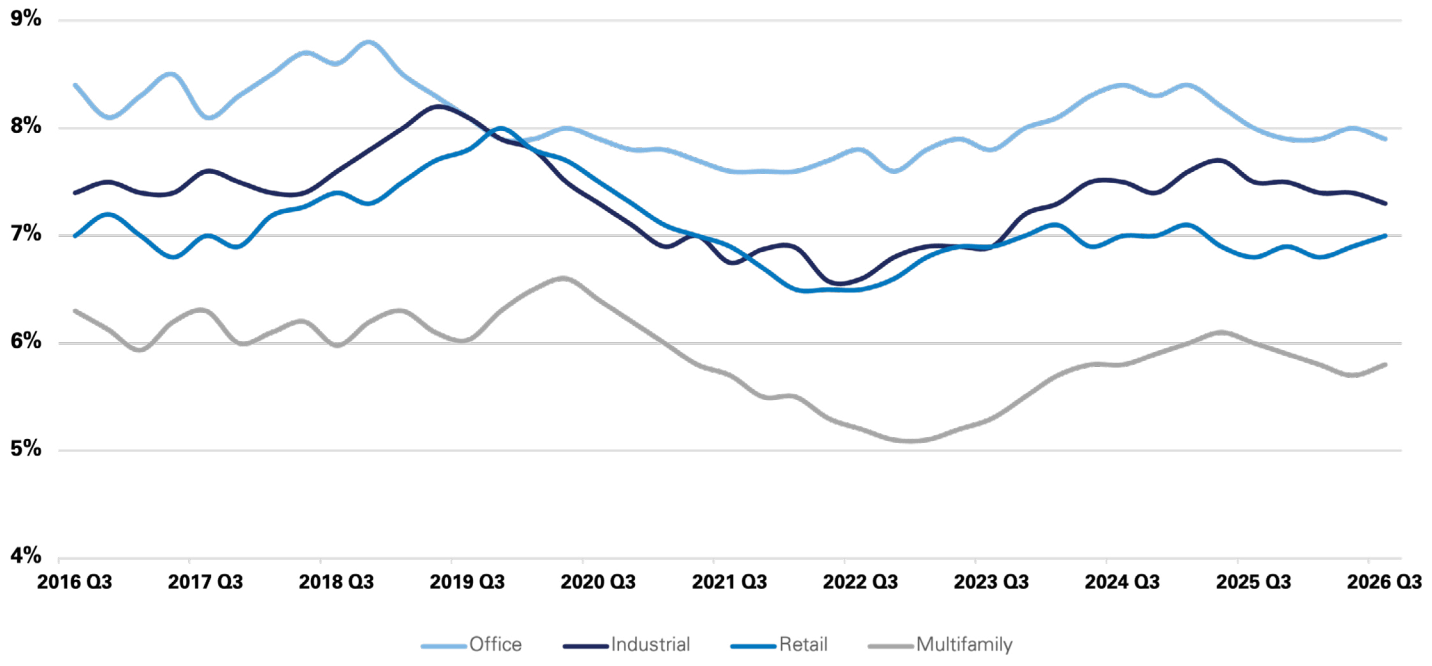
Average capitalization rates compressed 34 basis points year-over-year to 6.2% in the third quarter of 2026. Net absorption across the industrial, office, and retail sectors totaled 8.0 million square feet over the past 12 months, down 22.2% year-over-year. This decline was largely attributable to the strong 7.1 million square feet of industrial absorption recorded in the first quarter of 2025. Meanwhile, multifamily net absorption increased 30.2% year-over-year to 4,120 units.

As speculative development remained relatively restrained and landlords continued offering concessions to secure longer lease commitments, average asking rents reached reported highs in the industrial ($6.49/SF), office ($23.76/SF), and retail ($15.79/SF) sectors. Vacancy rates declined year-over-year in three of the four major property sectors. Industrial vacancy fell 100 basis points to 3.7%, multifamily vacancy declined 30 basis points to 8.7%, and office vacancy decreased 20 basis points to 15.1%. Retail was the exception, with vacancy increasing from 4.1% to 4.9%.

The Newmark Zimmer Midwest Capital Markets team anticipates sales volume to be flat through the last quarter of 2026 as buyers and sellers adjust to the current market conditions. We anticipate 2027 allocations for commercial real estate investment continue to remain steady for industrial, neighborhood retail, multifamily and medical office with strong operating fundamentals. We will continue to monitor the impact of lending conditions on leveraged buyers return expectations and property valuations.

KANSAS CITY CAP RATES

Office	Industrial	Retail	Multifamily
7.9%	7.3%	7.0%	5.8%



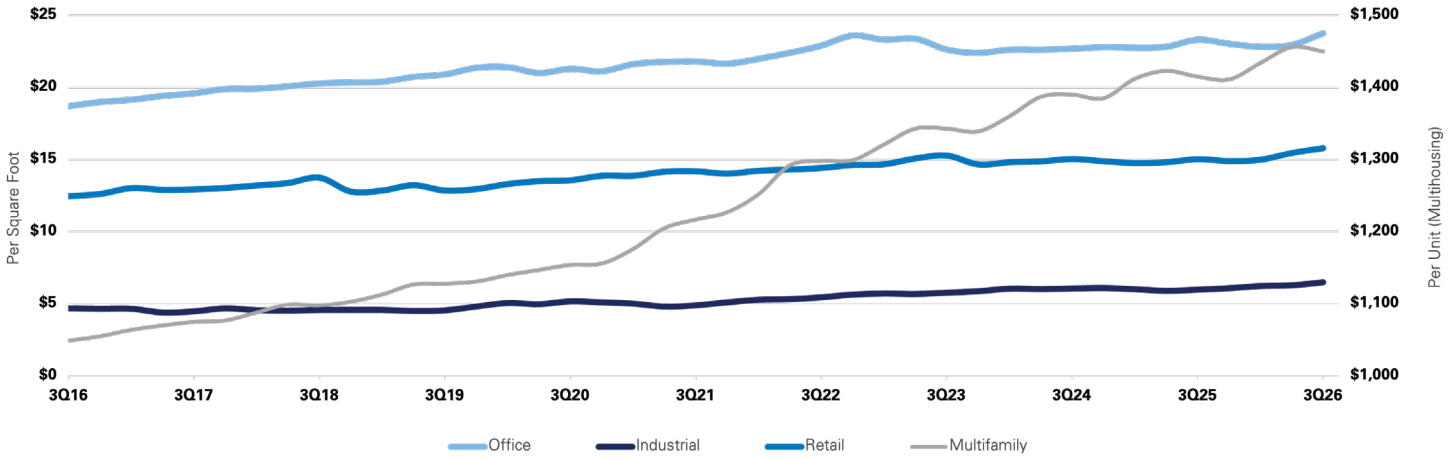
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

3Q26 Kansas City

MARKET ANALYSIS

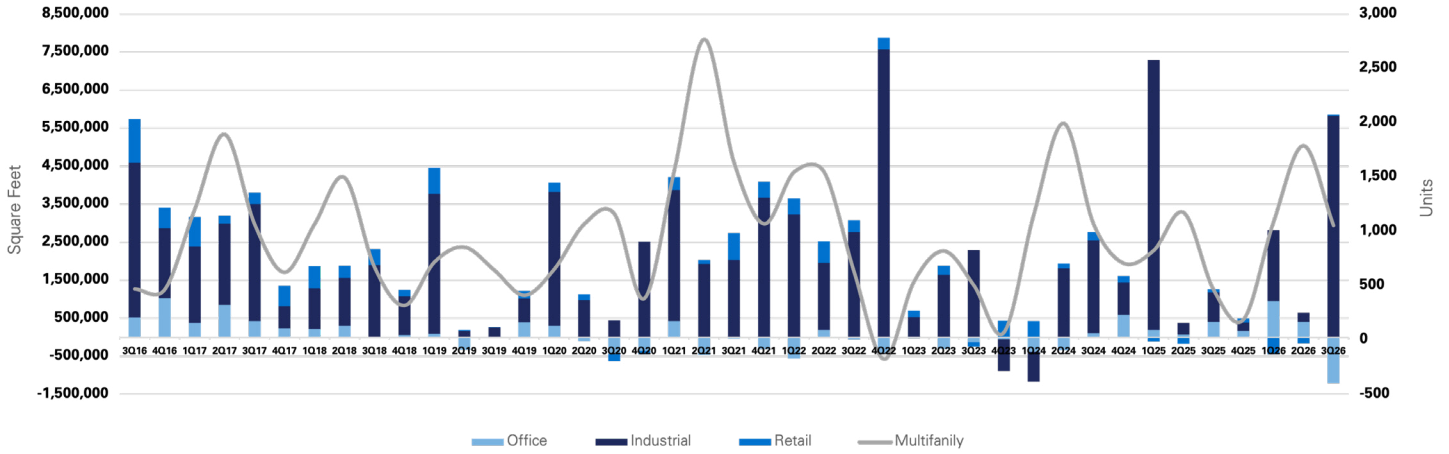
AVERAGE ASKING RENT

Office	Industrial	Retail	Multifamily
$23.76	$6.49	$15.79	$1,450



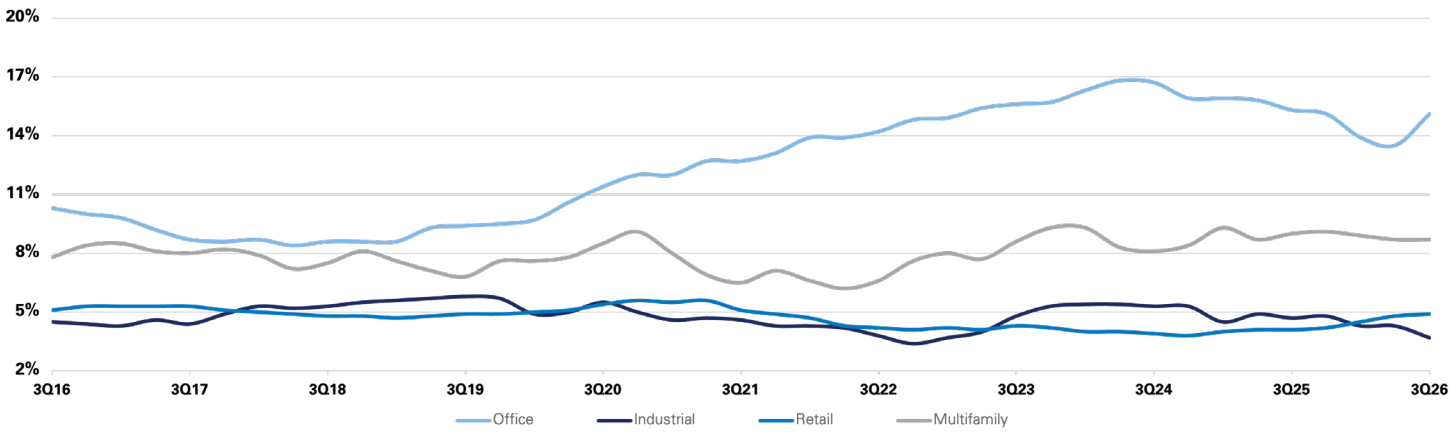
NET ABSORPTION

Office	Industrial	Retail	Multifamily
-1,214,104 SF	5,821,262 SF	38,530 SF	1,055 Units



VACANCY RATE

Office	Industrial	Retail	Multifamily
15.1%	3.7%	4.9%	8.7%

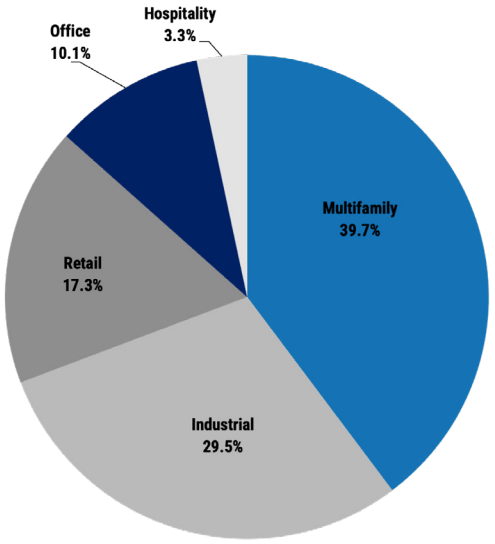


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SALES VOLUME BY PROPERTY TYPE

KANSAS CITY; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Multifamily	$1.60 B	59
Industrial	$1.19 B	68
Retail	$695.8 M	59
Office	$405.9 M	47
Hospitality	$134.6 M	21
TOTAL	**$4.02 B**	**254**

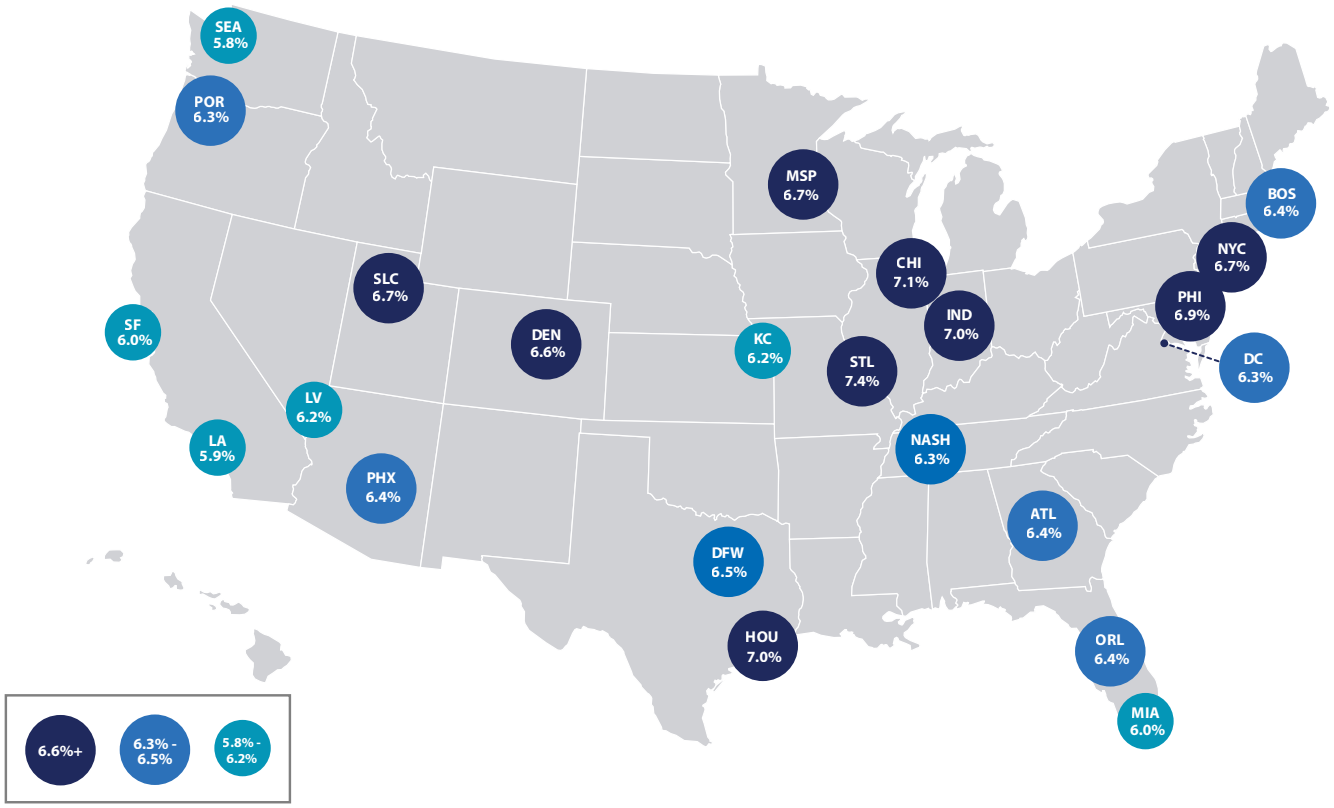
SELECT SALES TRANSACTIONS | THIRD QUARTER OF 2026

Sector	Building	Submarket	Sale Price	Price Per SF/Unit [1]	SF/ Units [2]
Multifamily	Fieldstone Apartments | 15502-15532 W 133rd Street	South Johnson County	$34,000,000	$157,407	216
Multifamily	Lincoln Townhomes | 714-750 E Lincoln Lane	South Johnson County	$16,275,000	$161,139	101
Industrial/Flex	Cerris Systems | 13800 Wyandotte Street	South Jackson County	$15,653,812	$207	75,550
Industrial	7601 NW 107th Terrace	Northland	$10,700,000	$57	187,600
Retail	Wycliff West S/C Portfolio	South Johnson County	$7,200,000	$95	75,470
Office (Medical)	11301 Ash Street	South Johnson County	$6,370,000	$477	13,350
Office	1-3 Armour Boulevard	Midtown	$5,750,000	$151	38,200
Retail	Walgreens | 2900 S 4th Street	Leavenworth County	$4,040,000	$279	14,470
Retail	Trail West S/C | 6701-6743 W 75th Street	North Johnson County	$3,600,000	$197	18,300
Hospitality	Motel 6 Kansas City- Airport | 8230 NW Prairie View Road	Northland	$2,750,000	$33,133	83

[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.

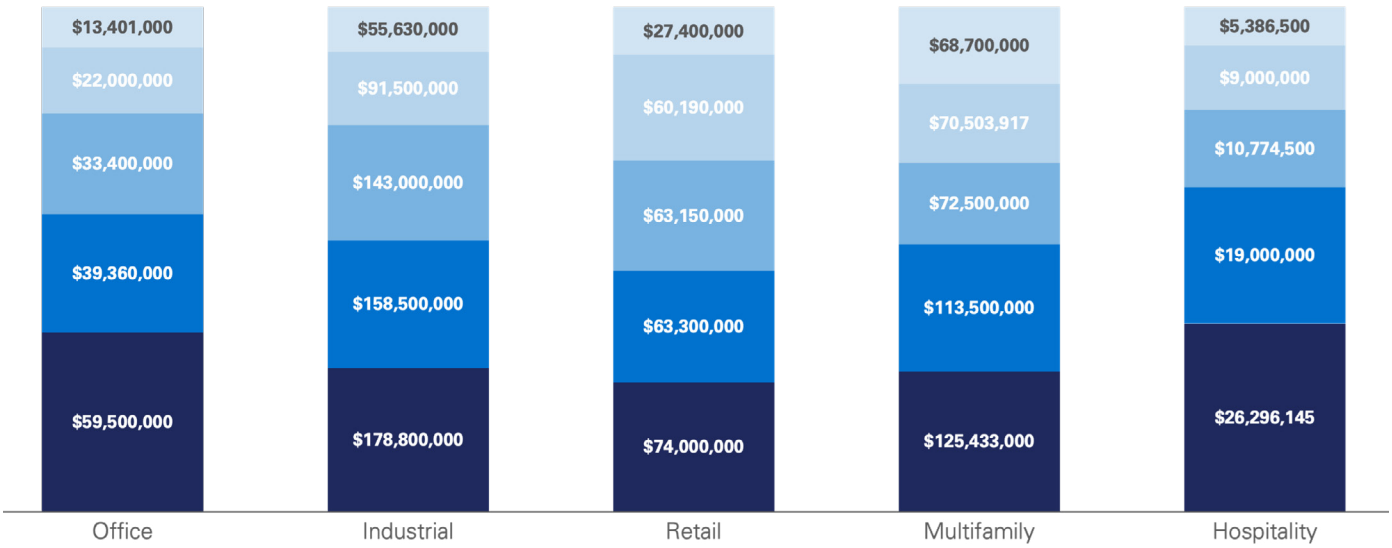
CAP RATES | ALL PROPERTY TYPES

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

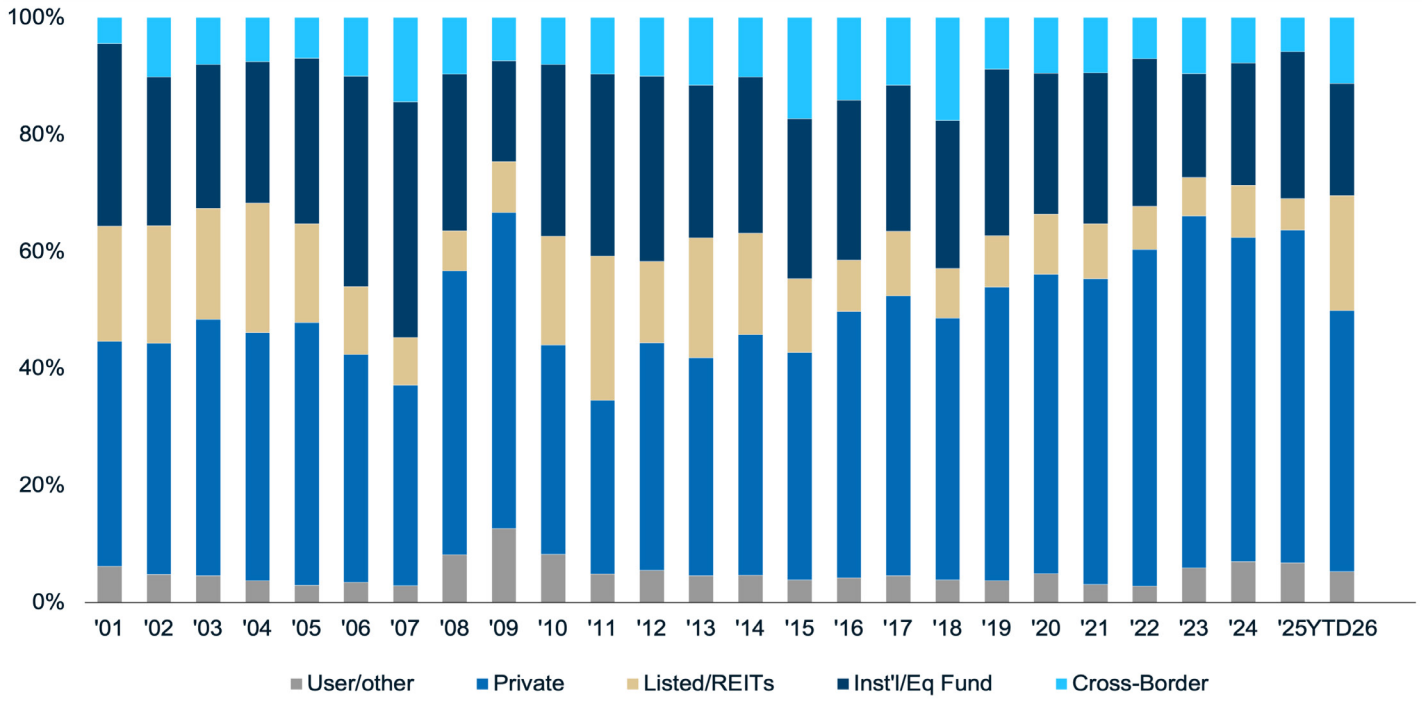


- Crain Co.
- Montecito Medical
- AdventHealth
- City of Overland Park, KS
- University of Kansas Medical Center
- Stag Industrial
- Morgan Stanley & Co.
- NorthPoint Development
- Urban Outfitters
- Ares Management
- Lane4 Property Group, Inc.
- CTO Realty Growth, Inc.
- The Georgetown Company
- Block & Co Investment / Block Real Estate Svcs.
- L2 Partners
- Price Brothers
- Griffin Capital
- Bam Capital
- Mills Properties / Aligned Equity Group
- Nolan Real Estate
- Three Wall Capital
- Charter Holdings
- American Inn Motels
- Sunflower Hospitality
- Yogi Hotels, LLC

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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,

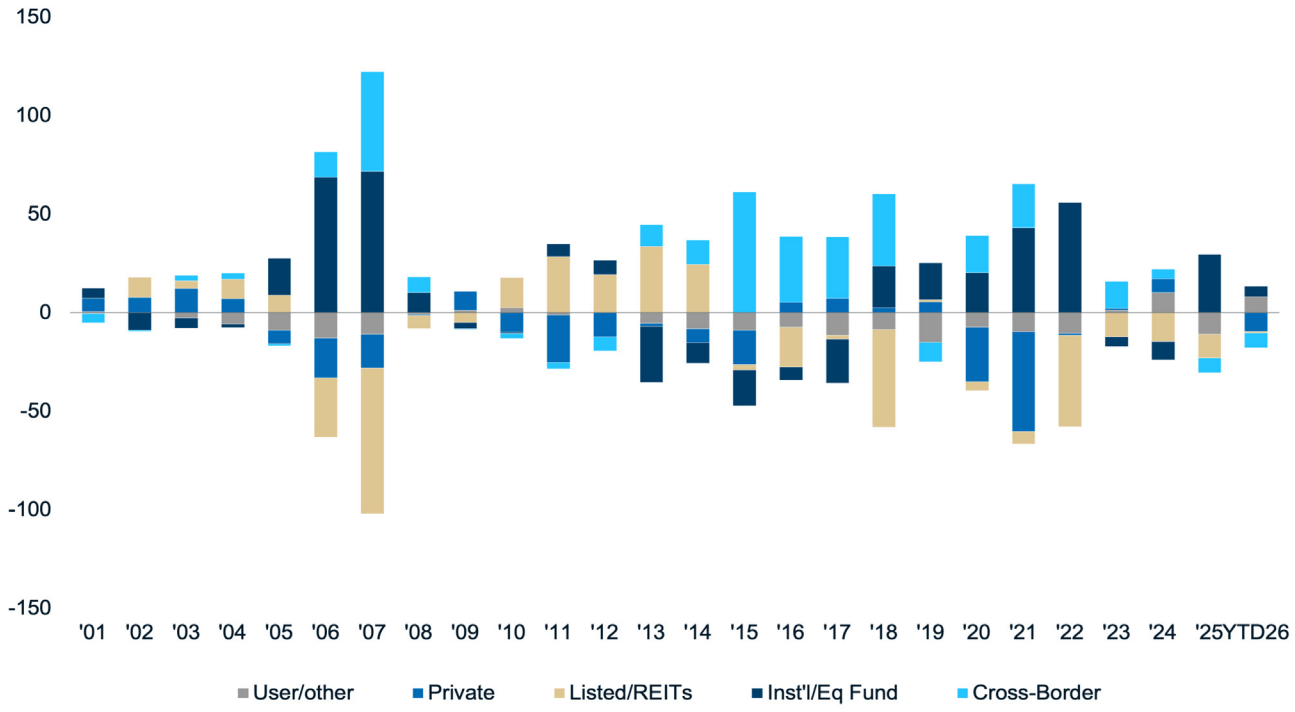


Note: Includes properties and portfolios sold for at least $2.5 million within the United States for all property types

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 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.

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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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