RESEARCH 3Q26

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

Zona Rosa Portfolio
763,210 SF GLA – SOLD FOR $63,300,000 ($83/SF)
Platte County | 20 Properties – Kansas City, MO

Liberty Corners Portfolio
124,810 SF GLA – SOLD FOR $21,000,000 ($168/SF)
Clay County | 3 Properties – Liberty, MO

Wycliff West S/C Portfolio
75,470 SF GLA – SOLD FOR $7,200,000 ($95/SF)
South Johnson County | 3 Properties – Overland Park, KS

Walgreens
14,470 SF GLA – SOLD FOR $4,040,000 ($279/SF)
Leavenworth County | 2900 S 4th St – Leavenworth, KS

Trail West S/C
18,300 SF GLA – SOLD FOR $3,600,000 ($197/SF)
North Johnson County | 6701-6743 W 75th St – Overland Park, 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 95.1% and limited new supply on the horizon for the next four quarters reflect an expanding growth market. Retail investment volume for all-sized deals registered $695.8 million over the past 12 months, 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:

- Gardner, KS City Council approved preliminary rezoning for Velocity Arts LLC's proposed $1.55 billion entertainment campus along Interstate 35. The 214.5-acre mixed-use development is expected to include a 15,000-seat concert pavilion, 275,000 SF of commercial space, a performing arts center, sports arena, hotel, vacation villas and music college. Revised plans are expected to expand the project to 335 acres, with an anticipated opening in summer 2029.
- Going, Going, Gone! renewed its 48,7440-SF space at 11750 Strang Line Road in Olathe, KS. The off-price retailer and concept from Dick's Sporting Goods committed to a 10-year lease which will run through August 2031.
- Flight Crew Coffee, a Manhattan-based, aviation-themed coffee shop, plans to open a 1,579-SF location at 8025 Santa Fe Drive in downtown Overland Park, while Kansas City-based Tiki Taco opened its seventh location on October 13 in the former 2,300-SF Double Shift Brewing space at 412 E. 18th Street in the Crossroads Arts District. Both openings highlight continued expansion among local and regional food and beverage operators across the Kansas City market.

The Rise of High-Frequency Retail

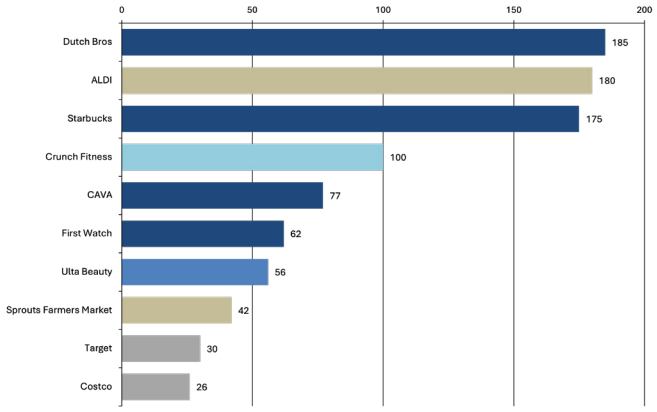
Retail expansion is increasingly being driven by uses that generate frequent visits and recurring trips, not simply traditional merchandise sales. An analysis of announced 2026 expansion plans by major retailers and consumer-service operators reveals a continued shift toward food, grocery, fitness, wellness and other high-frequency uses.

Food and beverage operators remain among the most aggressive physical expanders. Dutch Bros expects to open at least 185 shops by year-end 2026, while CAVA and First Watch are targeting approximately 75 and 60 new restaurants, respectively. Grocery remains a significant source of demand, with ALDI planning more than 180 new U.S. stores this year while other grocers are actively back-filling vacant or under-utilized big box space. Fitness and wellness concepts are increasingly utilizing smaller-format space and membership-based models that encourage repeat visits. WellBiz Brands, whose portfolio includes Drybar, Elements Massage, Fitness Together, Amazing Lash Studio and Radiant Waxing, signed 17 new-unit franchise agreements during the first quarter of 2026.

Food, fitness and retail services are difficult to replicate online and depend on physical proximity, convenience and recurring customer visits. For landlords, this creates opportunities to backfill second-generation space while strengthening traffic and tenant diversity within shopping centers.

2026 U.S. Retail Expansion: Who Is Taking the Space?

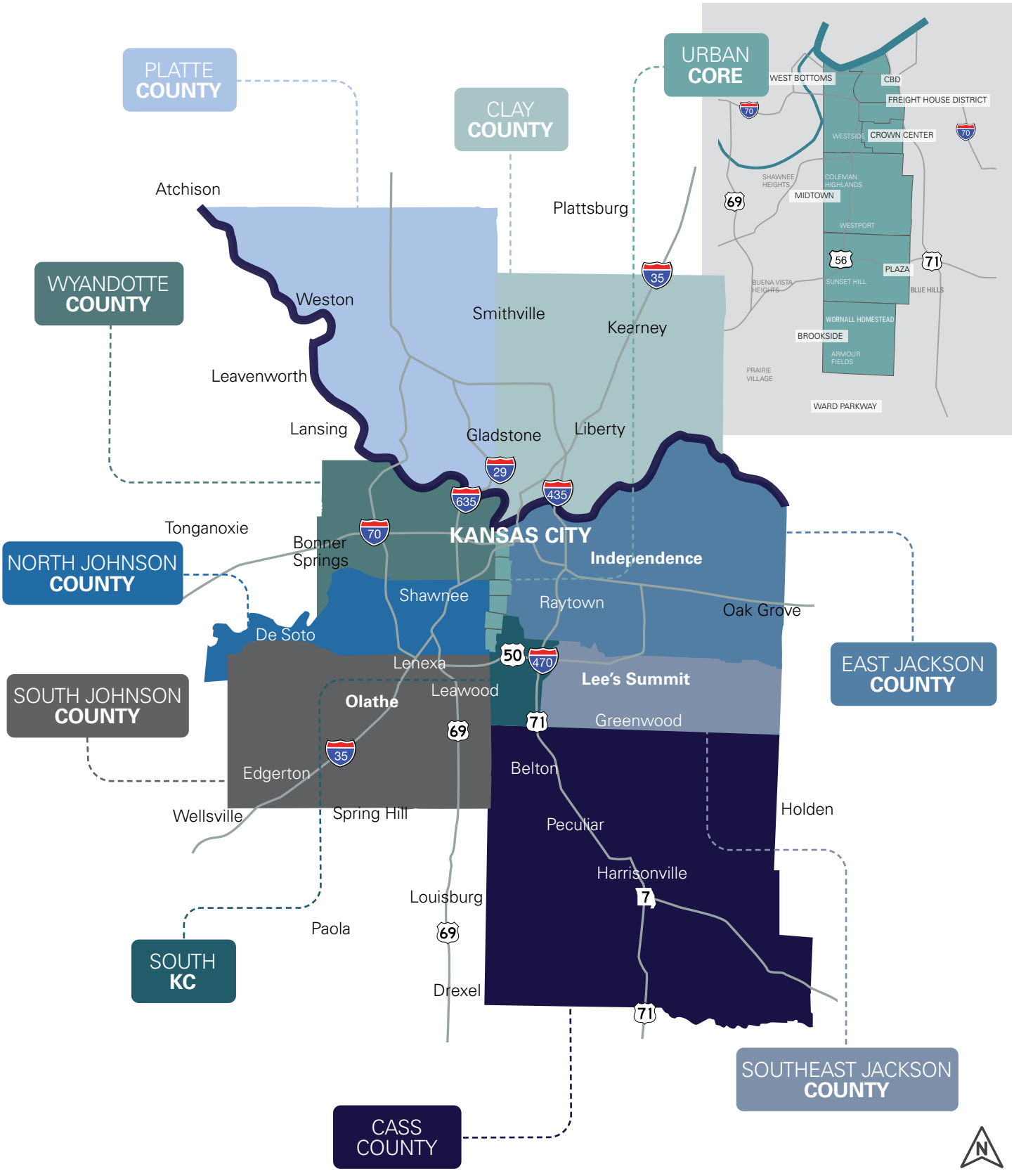
Selected food, grocery, fitness, beauty/wellness and general retail operators with announced 2026 opening plans



Sources: Company investor releases / filings and public company announcements, 2026.

Submarket Maps

DOWNTOWN & SUBURBS



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3Q26 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	595	6,044,257	3.60%	-13,576	-39,674	13,175	$13.45
	Small Shop	436	1,531,762	3.00%	-7,876	-14,628	13,175	$16.59
	Big Box	159	4,512,495	3.80%	-5,700	-25,046	0	$13.19
CLAY COUNTY	All	1,187	14,421,578	3.70%	-22,140	-24,237	127,102	$16.27
	Small Shop	776	2,798,201	1.90%	-3,790	20,939	11,093	$20.18
	Big Box	411	11,623,377	4.10%	-18,350	-45,176	116,009	$15.28
EAST JACKSON COUNTY	All	2,482	24,355,943	7.50%	-4,820	-184,023	11,487	$11.62
	Small Shop	1,838	5,980,748	3.30%	-21,668	-17,651	11,487	$18.28
	Big Box	644	18,375,195	8.90%	16,848	-166,372	0	$10.51
KC URBAN CORE	All	983	8,478,605	4.50%	-3,653	-35,605	0	$22.57
	Small Shop	659	2,286,871	3.80%	6,305	3,392	0	$23.55
	Big Box	324	6,191,734	4.80%	-9,958	-38,997	0	$21.92
NORTH JOHNSON COUNTY	All	1,204	18,763,960	4.60%	98,389	-88,737	61,677	$15.99
	Small Shop	737	2,661,696	3.30%	-12,205	-12,854	8,677	$20.55
	Big Box	467	16,102,264	4.90%	110,594	-75,883	53,000	$15.54
PLATTE COUNTY	All	450	6,807,377	4.20%	13,408	-254	38,772	$15.89
	Small Shop	284	1,141,393	2.30%	8,968	-6,418	0	$22.50
	Big Box	166	5,665,984	4.60%	4,440	6,164	38,772	$15.27
SOUTH JOHNSON COUNTY	All	1,298	21,649,545	3.00%	-11,996	39,369	25,596	$20.92
	Small Shop	724	2,660,440	2.30%	-8,142	-9,142	15,596	$25.39
	Big Box	574	18,989,105	3.10%	-3,854	48,511	10,000	$20.44
SOUTH KC	All	576	5,986,797	7.20%	-13,801	-93,535	54,518	$13.66
	Small Shop	409	1,225,981	4.20%	-7,727	2,564	14,518	$17.04
	Big Box	167	4,760,816	8.00%	-6,074	-96,099	40,000	$12.36
SOUTHEAST JACKSON COUNTY	All	561	7,357,766	4.80%	27,594	-26,543	92,237	$24.36
	Small Shop	367	1,346,499	3.30%	-9,626	-11,183	2,165	$25.95
	Big Box	194	6,011,267	5.20%	37,220	-15,360	90,072	$23.19
WYANDOTTE COUNTY	All	1,046	10,610,173	4.80%	-30,875	-14,460	29,942	$12.24
	Small Shop	812	2,564,655	3.20%	-9,346	5,529	9,942	$20.88
	Big Box	234	8,045,518	5.30%	-21,529	-19,989	20,000	$11.64
TOTALS	All	10,382	124,476,001	4.90%	38,530	-467,699	454,506	$15.79
	Small Shop	7,042	24,198,246	3.10%	-65,107	-39,452	86,653	$20.68
	Big Box	3,340	100,277,755	5.30%	103,637	-428,247	367,853	$14.92

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

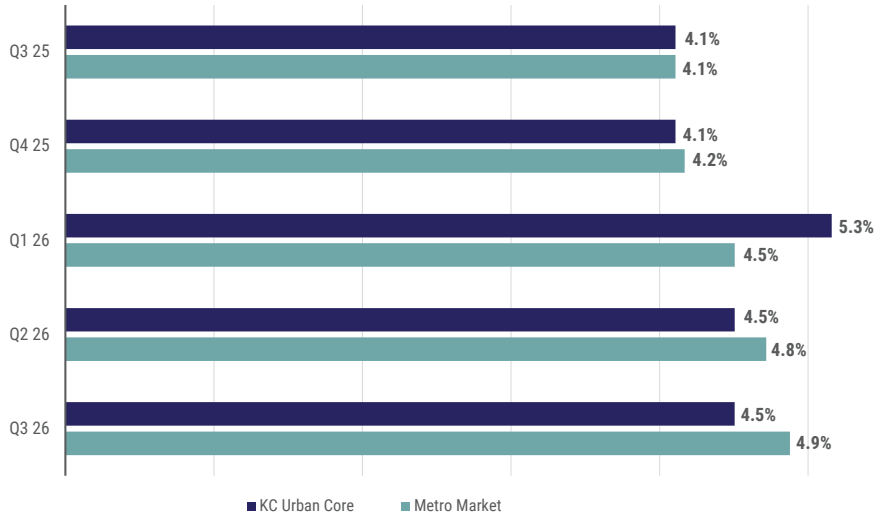
VACANCY RATE, ASKING RENT & NET ABSORPTION

KC URBAN CORE
VACANCY RATE

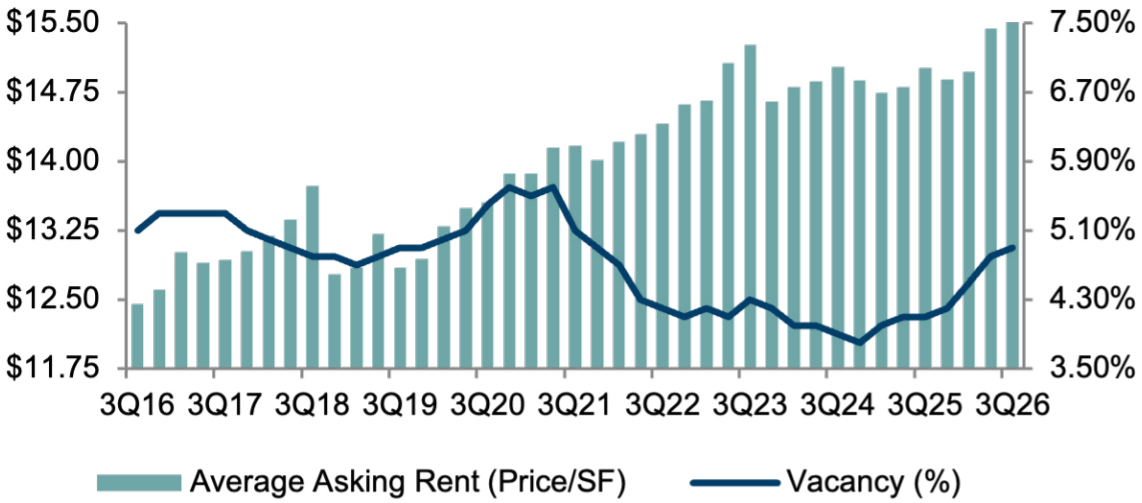
The KC Urban Core vacancy rate displayed an upward trend, increasing **40 basis points** compared to the past year.

METRO MARKET
VACANCY RATE

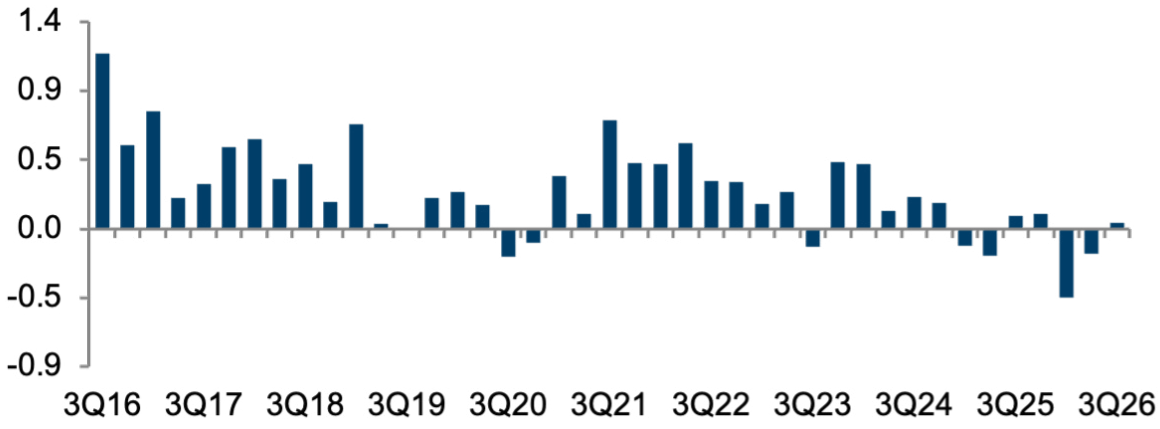
The metro market vacancy rate displayed an upward trend, increasing **80 basis points** compared to the past year.



ASKING RENT AND VACANCY



NET ABSORPTION
SQUARE FEET, MILLIONS



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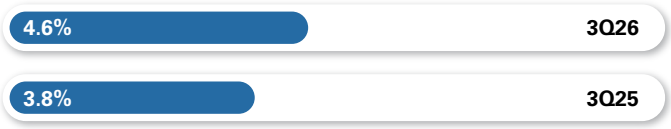


3Q26 Kansas City

SUBMARKET VACANCY RATE

NORTH JOHNSON COUNTY
VACANCY RATE

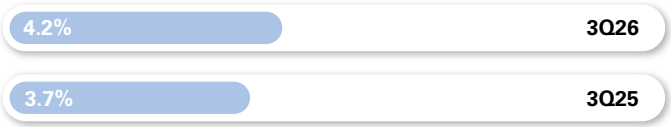
Worsened by **80 basis points** compared to the past year.



North Johnson County displayed the highest amount of net absorption in 3Q26.

PLATTE COUNTY
VACANCY RATE

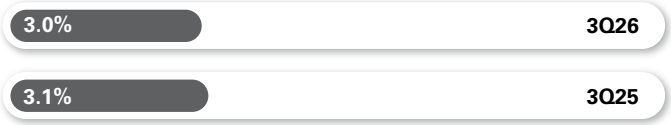
Worsened by **50 basis points** compared to the past year.



Platte County displayed the third-highest amount of net absorption in 3Q26.

SOUTH JOHNSON COUNTY
VACANCY RATE

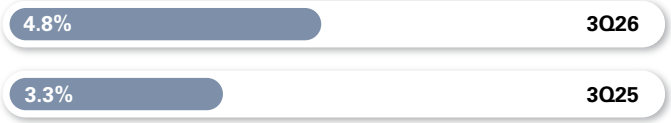
Improved by **10 basis points** compared to the past year.



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

SOUTHEAST JACKSON COUNTY
VACANCY RATE

Worsened by **150 basis points** compared to the past year.



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

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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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