Over 4.4 million sq. ft. of positive net absorption in the first half of 2025

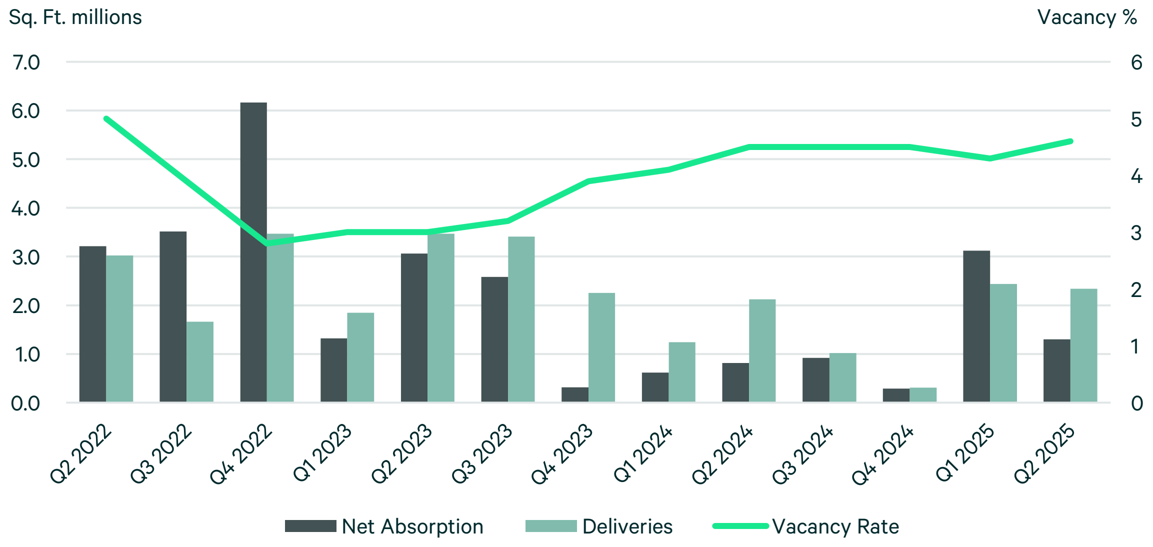
▲4.6%	▼1.3M	▼2.3M	▼3.5M	▶$5.57
Vacancy Rate	SF Net Absorption	SF Construction Delivered	SF Under Construction	NNN/YR Lease Rate

Note: Arrows indicate change from previous quarter.

SUMMARY

- Overall net absorption posted positive 1.3 million sq. ft. for Q2 2025, bringing the total for the first half of 2025 to 4.4 million sq. ft.
- Vacancy rates increased from 4.3% to 4.6% quarter-over-quarter. Looking longer-term vacancy rates increased from 4.2% to 4.6% year-over-year, and decreased from 4.9% to 4.6% over the previous three years.
- Five new buildings were delivered in Q2 2025, two build-to-suit projects totaling 1.8 million sq. ft., and three speculative projects totaling 562,059 sq. ft. (14% pre-leased at completion).
- CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market's most competitive buildings. Historical stats have been revised to reflect current industrial thresholds. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of each market.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2025

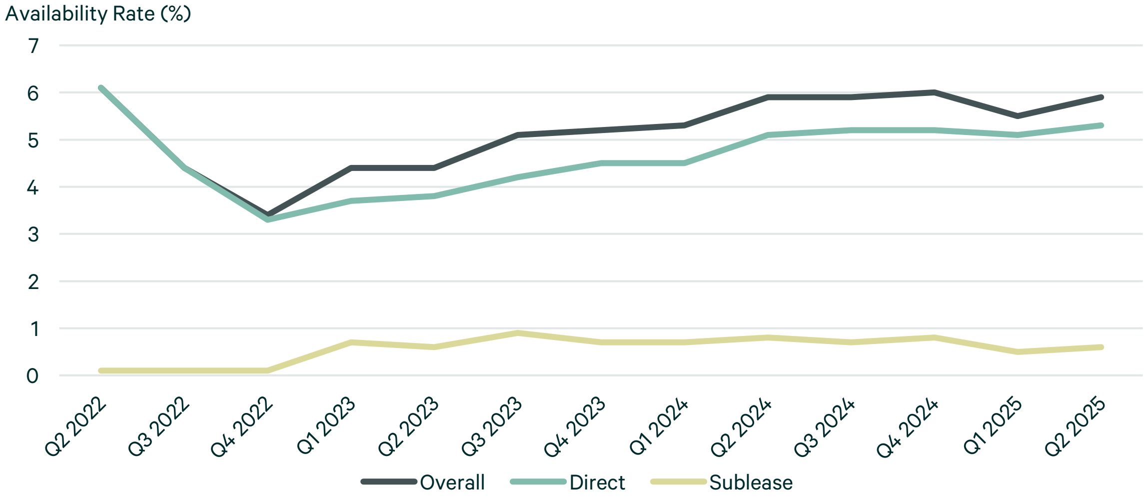
Availability Rate

The Kansas City industrial market availability rate finished Q2 2025 at 5.9%, an increase from the Q1 2025 average of 5.5%. Looking longer-term availability rates remained stable year-over-year, and decreased from 6.1% to 5.9% over the previous three years.

The Cass County submarket had the lowest availability rate in the overall metro at 3.3%, followed by Wyandotte County at 3.9%. The Platte County submarket had the highest availability rate at 9.1%, a significant amount of speculative development has had an especially large influence on Platte County due to its relatively small size.

Sublease space increased slightly in Q2 2025, with an availability rate of 0.6% compared to 0.5% in Q1 2025. In total there was approximately 1.6 million sq. ft. of sublease space on the market in Q2 2025.

FIGURE 2: Availability Rates



Source: CBRE Research, Q2 2025

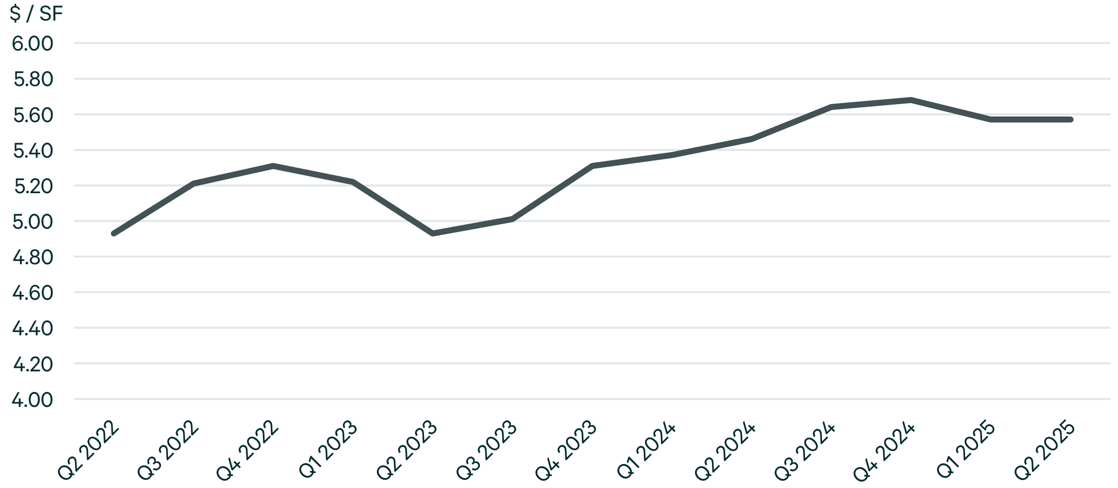
Asking Rent

Asking lease rates increased 2.0% ($5.46 per sq. ft. to $5.57 per sq. ft.) year-over-year.

The Johnson County submarket led the overall market for average asking lease rate at $5.97 per sq. ft. Wyandotte County had the highest year-over-year increase in lease rates, increasing 15.4% ($4.90 per sq. ft. to $5.79 per sq. ft.). Jackson County had the lowest average rates at $5.22 per sq. ft., followed by Clay County with an average rate of $5.23 per sq. ft.

Asking rates vary between the three major industrial types with Distribution/Logistics average rate of $5.53 per sq. ft., Manufacturing average rate of $5.43 per sq. ft., and R&D/Flex average rate of $13.74 per sq. ft.

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



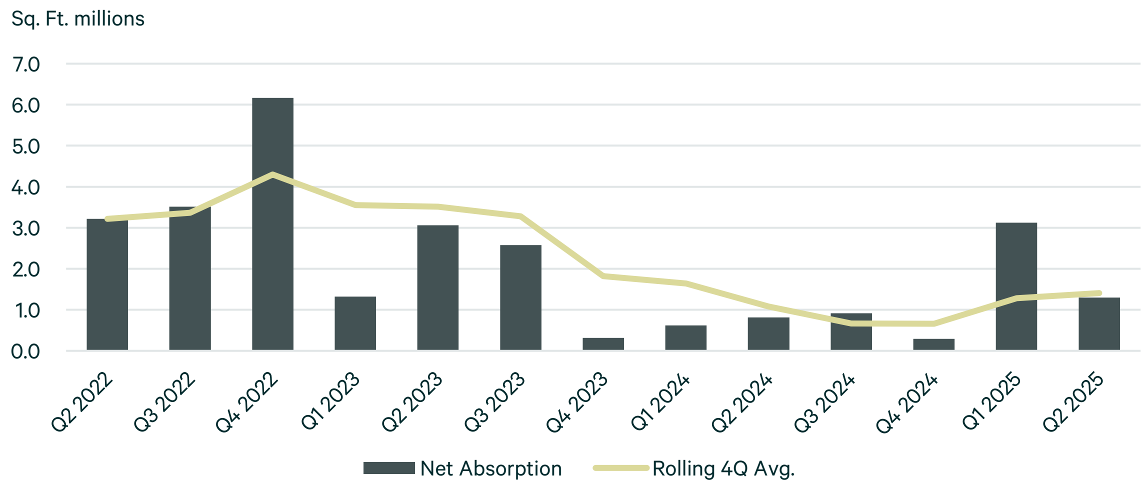
Source: CBRE Research, Q2 2025

Net Absorption

The Kansas City industrial market posted positive 1.3 million sq. ft. for Q2 2025, exceeding the 1.1 million sq. ft. total from Q2 2024. The net absorption total was greatly influenced by the completion of build-to-suit projects including Ace Hardware (1.5M sq. ft.), and Masters Transportation (320,000 sq. ft.).

Positive net absorption for Q2 2025 was concentrated primarily in the Platte County submarket with 863,509 sq. ft. for the quarter, and the Jackson County submarket with 782,889 sq. ft. Wyandotte County was the other county recording positive net absorption with 73,510 sq. ft. Two counties recording negative net absorption, Johnson County with negative 218,934 sq. ft., and Clay County with negative 199,070 sq. ft.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q2 2025

Construction Activity

Five new buildings were completed in Q2 2025 with a total of 2.4 million sq. ft. which was 80.0% occupied as of the end of the quarter.

Over the past three years the Kansas City market delivered 26.7 million sq. ft. of new industrial space. Deliveries over this time-period came from 71% (19.0 million sq. ft.) speculative projects and 29% (7.7 million sq. ft.) build-to-suit projects.

Two new projects broke ground in Q2 2025 with 754,586 sq. ft. of space, trailing deliveries and resulting in the total amount under construction decreasing to 3.5 million sq. ft. Most of the projects under construction broke ground on a build-to-suit basis with a total of 2.2 million sq. ft. (63%), the remaining 1.3 million sq. ft. (37%) represent speculative development.

FIGURE 5: Construction Activity

Source: CBRE Research, Q2 2025

Leasing/Owner User Activity

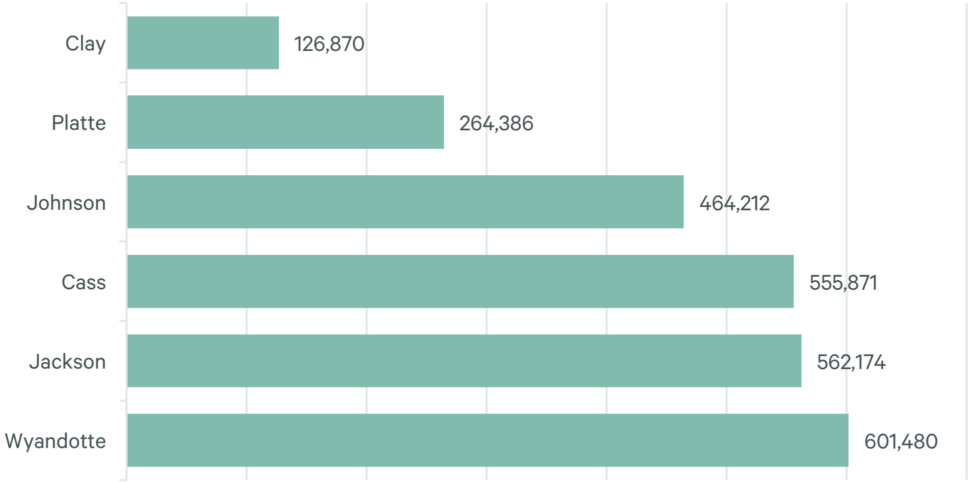
- A new 1.5 million sq. ft. build-to-suit distribution center was completed for Ace Hardware in Platte County, MO. The company will operate a retail support center which is expected to create 350 jobs.

- Master's Transportation completed a new 320,000 sq. ft. facility in Kansas City, MO. The company plans to add an additional 100 jobs by the end of 2025, expanding on the company's current workforce of 170.

Leasing activity in the Kansas City industrial market totaled 2.7 million sq. ft. for Q2 2025, and 14.8 million sq. ft. for the trailing 4-quarters. The Wyandotte County submarket led the overall market with 601,480 sq. ft. in Q2 2025, Johnson County led the trailing 4-quarters with 5.7 million sq. ft.

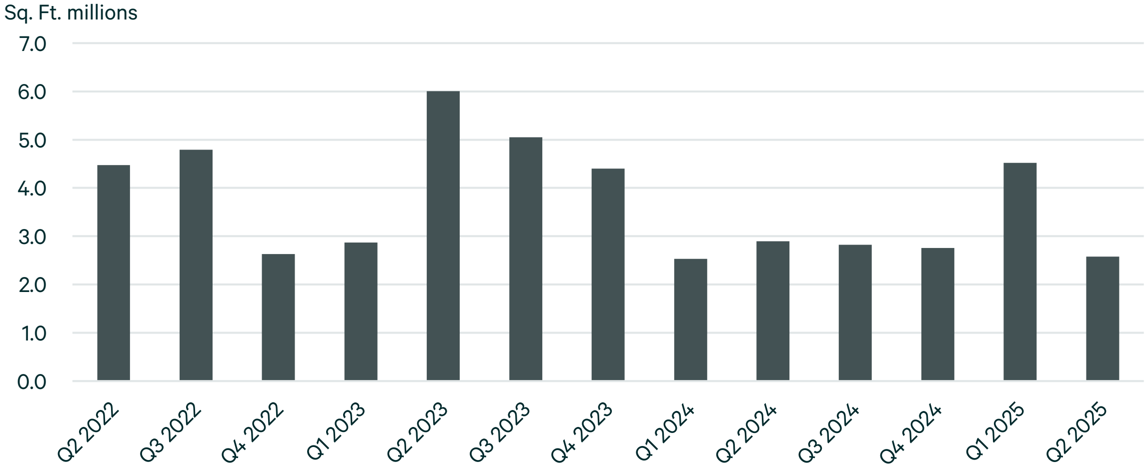
Transactions greater than 300,000 sq. ft. made up 44% of the total space leased in Q2 2025 with three leases exceeding 300,000 sq. ft. for the quarter.

FIGURE 6: Leasing Activity by Submarket



Source: CBRE Research, Q2 2025

FIGURE 7: Leasing Activity Trend



Source: CBRE Research, Q2 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Church & Dwight	555,871	New Lease	195th St & I-49	Cass
Origin Point Brands	325,651	New Lease	5300-5350 Kansas Ave	Wyandotte
Holganix	300,000	New Lease	1550 E 94th St	Jackson
E-Shipping	202,240	New Lease	7501 NW 106th Ter	Platte
ProPak Logisitcs	175,464	Renewal	5101-5203 Speaker Rd	Wyandotte
Regal Distributing Co.	126,129	New Lease	11280-11350 Britton St	Johnson
American Box & Tape	111,981	New Lease	14000 Marshall Dr	Johnson
Ground Effects	110,000	New Lease	8250 NE Underground Dr	Clay
Electrical Corp. of America	89,141	New Lease	8701 71 Hwy	Jackson
WEG Electric	78,365	Renewal	9601 Woodend Rd	Wyandotte

Source: CBRE Research, Q2 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	62,440,320	2.1	2.9	2.6	0.3	6.66	234,384	274,012	0	135,364
100,000-199,999 sq. ft.	48,246,325	2.4	4.0	3.2	0.8	5.87	(130,215)	(49,432)	0	198,715
200,000-299,999 sq. ft.	34,349,714	8.0	8.9	8.4	0.5	6.05	(4,220)	263,771	483,409	443,984
300,000-499,999 sq. ft.	39,641,355	6.8	10.0	8.5	1.5	4.96	(211,634)	656,850	320,000	1,662,756
500,000-749,999 sq. ft.	31,604,324	2.8	3.0	2.8	0.2	5.81	(57,089)	803,829	0	1,082,373
750,000 sq. ft.	74,761,470	6.0	7.1	6.8	0.3	5.21	1,470,677	2,475,149	1,536,045	0
Total	**291,043,508**	**4.6**	**5.9**	**5.3**	**0.6**	**5.57**	**1,301,903**	**4,424,179**	**2,339,454**	**3,523,192**

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	218,688,319	5.7	7.3	6.5	0.7	5.53	1,286,587	3,063,399	2,339,454	3,466,492
Manufacturing	56,599,878	1.2	1.7	1.7	0.0	5.43	(72,989)	1,270,955	0	56,700
R&D / Flex	3,980,291	2.4	2.4	2.0	0.4	13.74	88,305	52,029	0	0
Other Industrial	11,775,020	0.3	0.5	0.5	0.0	5.13	0	37,796	0	0
Total	**291,043,508**	**4.6**	**5.9**	**5.3**	**0.6**	**5.57**	**1,301,903**	**4,424,179**	**2,339,454**	**3,523,192**

Market Statistics by Class

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Class A	42,366,376	9.1	11.6	10.4	1.1	6.12	(45,839)	641,502	0	0
All Other Buildings	248,677,132	3.8	4.9	4.4	0.5	5.35	1,347,742	3,782,677	2,339,454	3,523,192
Total	**291,043,508**	**4.6**	**5.9**	**5.3**	**0.6**	**5.57**	**1,301,903**	**4,424,179**	**2,339,454**	**3,523,192**

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Cass	4,493,695	3.3	3.3	3.3	0.0	5.75	0	0	0	555,871
Clay	50,850,582	2.2	3.8	3.5	0.3	5.23	(199,070)	(208,783)	0	306,556
Jackson	93,444,196	5.0	5.9	5.6	0.3	5.22	782,889	1,071,332	320,000	300,000
Johnson	81,797,613	5.7	7.5	6.6	0.8	5.97	(218,935)	2,360,664	200,194	954,915
Platte	18,685,377	9.9	9.1	7.1	2.0	5.50	863,509	1,040,758	1,536,045	526,502
Wyandotte	41,772,045	2.3	3.9	3.5	0.4	5.79	73,510	160,208	283,215	879,348
Total	**291,043,508**	**4.6**	**5.9**	**5.3**	**0.6**	**5.57**	**1,301,903**	**4,424,179**	**2,339,454**	**3,523,192**

Modern Bulk Distribution Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Cass	4,493,695	3.3	3.3	3.3	0.0	5.75	0	0	0	555,871
Clay	12,006,633	4.1	4.9	4.3	0.6	7.12	0	0	0	306,556
Jackson	13,566,490	17.3	17.3	17.1	0.3	6.30	704,921	730,239	241,350	300,000
Johnson	39,295,931	9.4	11.4	10.2	1.2	5.87	47,185	2,259,889	200,194	554,915
Platte	11,771,685	11.3	9.6	6.4	0.3	5.49	1,158,823	1,323,823	1,536,045	526,502
Wyandotte	8,196,406	3.5	8.0	4.7	0.8	6.25	0	0	283,215	743,984
Total	**89,330,840**	**9.3**	**10.5**	**9.4**	**1.0**	**6.06**	**1,910,929**	**4,313,951**	**2,260,804**	**2,987,828**

Modern Bulk Distribution includes distribution/warehouse facilities 100,000 sq. ft. or greater, built in 1990 or later, with a 28' clear height or greater

U.S. Economy Overview

Policy announcements and the news cycle—not economic fundamentals— are driving sentiment today. Q2 2025 began with the Liberation Day tariffs and subsequent escalation that caused growth expectations to plummet. But by the top of Q3 2025, both the trade war rhetoric and effective tariff rate have softened. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a more steady economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025. Barring further disruptions this provides upside risk for hiring in coming quarters.

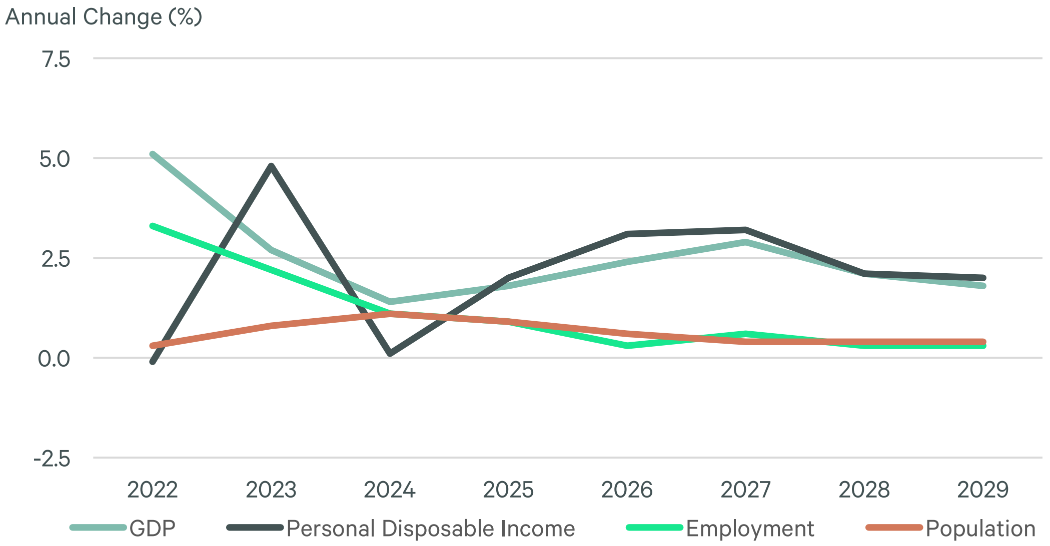
Commercial real estate markets are taking these changes in stride. On the occupier side, continued growth translates into positive absorption for many sectors and markets, including offices. Regarding capital markets, investment volume is on track to exceed 2023 and 2024 levels. This is supported by credit issuance making a turnaround and credit spreads falling back to pre-April 2 levels.

Kansas City Economy Overview

According to Oxford Economics, Kansas City recorded a job growth rate of 1.5% year-over-year as of Q1 2025. Industries forecast to lead growth in the future in include arts and recreation, social services, and retail trade.

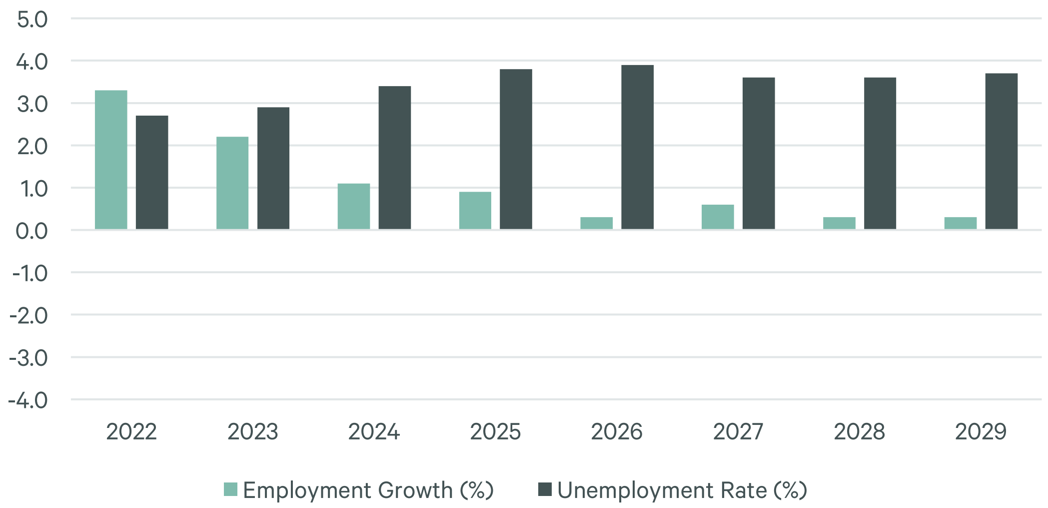
Kansas City's home prices grew by 8.1% year-over-year as of Q1 2025, with house prices projected to grow by 4.3%, on average, in 2025 through 2029. Kansas City's median disposable income per capita was approximately $51,000 as of March 2025, declining 0.9% over the year. Spending growth is expected to decelerate to 2.2%, on average, in 2025 to 2029.

FIGURE 9: Kansas City Economic Forecast



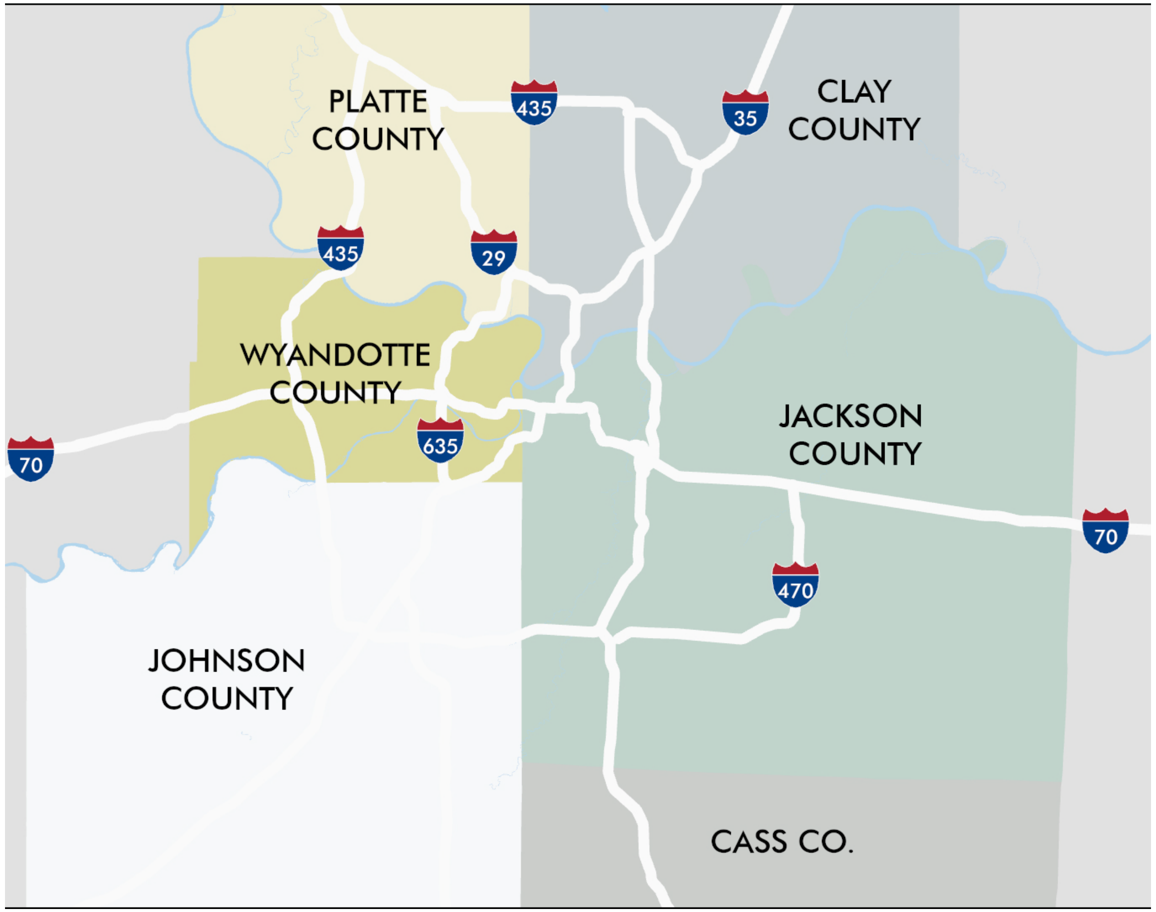
Source: BLS, US Census Bureau, Oxford Economics, March 2025.

FIGURE 10: Kansas City Employment Forecast



Source: BLS, US Census Bureau, Oxford Economics, March 2025.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32' or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all competitive industrial buildings 30,000 sq. ft. and greater in size in Johnson County (KS), Wyandotte County (KS), Platte County (MO), Clay County (MO), Jackson County (MO), and Cass County (MO). Buildings under construction includes buildings which have begun development beyond initial site work.

Updated Tracked Criteria

CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market's most competitive buildings. Historical stats have been revised to reflect current industrial thresholds. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of each market.

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