

FIGURES | KANSAS CITY OFFICE | Q3 2026

Vacancy rates increase for the quarter attributable to Class B negative net absorption



Note: Arrows indicate change from previous quarter.

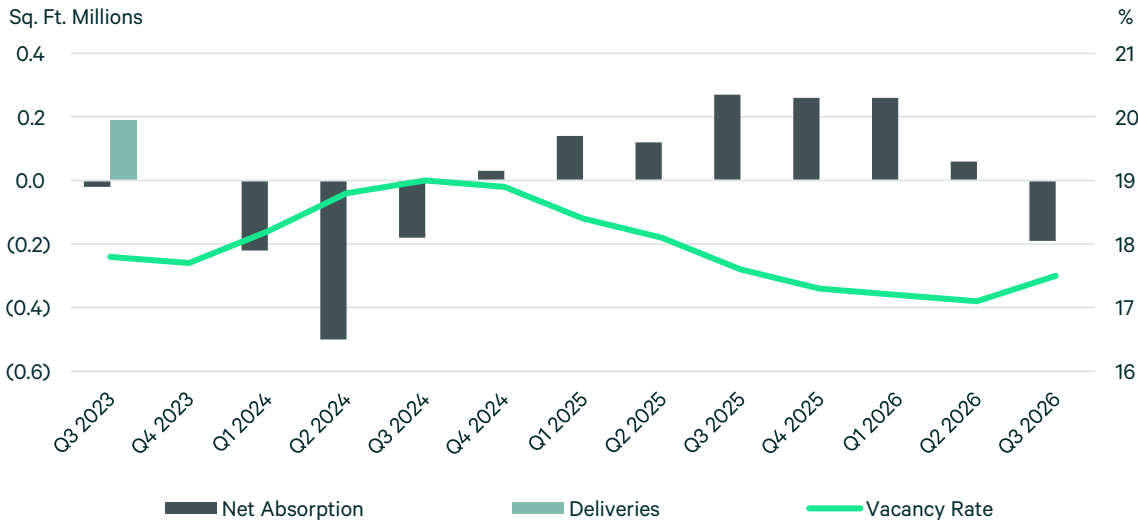
Market Overview

Overall net absorption posted negative 185,000 sq. ft. for Q3 2026, marking the first negative net absorption quarter in the last two years. Year-to-date net absorption remained positive at 131,000 sq. ft. with vacancy decreasing 10 basis points (bps) year-over-year, finishing at 17.5% for Q3 2026. Despite this moderation in demand, asking rents continued to edge higher, reaching \$23.76 per sq. ft. (1.1% increase year-over-year).

Strong market activity has fueled momentum in the market with tenants signing 3.44 million sq. ft. in 2024 and 3.89 million sq. ft. in 2025. Recently a trend of declining leasing activity has been apparent in the market with 0.86 million sq. ft. in Q1 2026, followed by 0.58 million sq. ft. and 0.50 million sq. ft. in Q2 2026 and Q3 2026. Year-to-date leasing activity totaled 1.94 million sq. ft. significantly trailing the 3.04 million sq. ft. total from the same time-period in 2025.

There have been no new multi-tenant office building deliveries since CityPlace Corporate Centre IV (190,000 sq. ft.) in Q3 2023. As of Q3 2026 there were no new multi-tenant office buildings under construction.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy

Vacancy rates in the market increased from 17.1% to 17.5% in the quarter. The increase broke a trend of declining vacancy rates, with vacancy rates remaining 150 bps below the high of 19.0% in Q3 2024.

The submarket with the highest vacancy rate was Downtown at 20.9%, followed by Kansas City, KS at 20.3% and Kansas City North at 20.0%. The lowest submarket vacancy rates were in the Midtown and Plaza each recording a vacancy rate of 11.3%, with North Johnson County close behind at 11.6%.

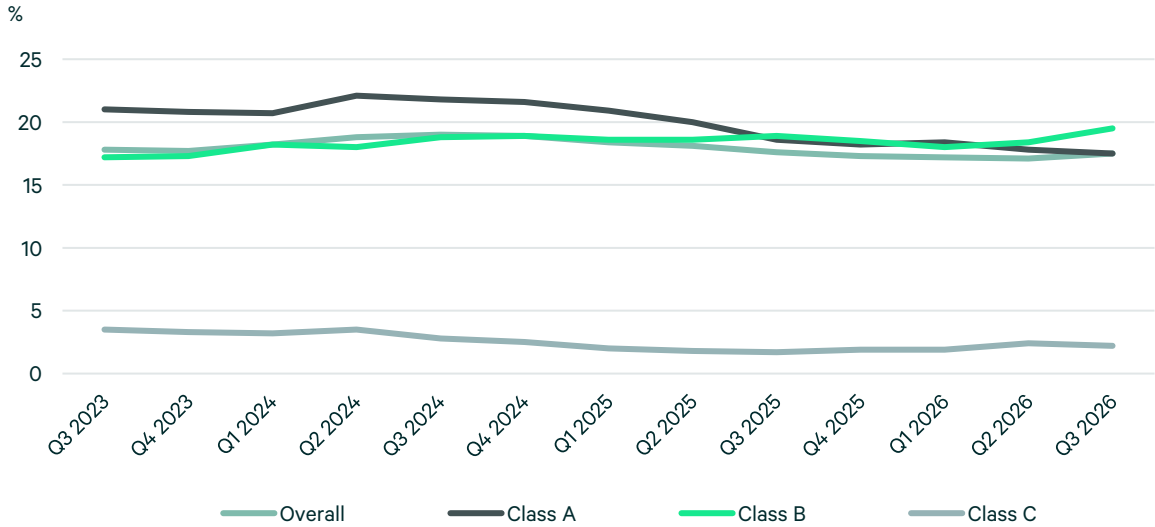
Class A vacancy finished Q3 2026 with an average of 17.5%, falling 30 bps (17.8% to 17.5%) quarter-over-quarter. The Class B market finished Q3 2026 with an average vacancy of 19.5%, increasing 110 bps (18.4% to 19.5%). Two submarkets primarily drove the Class B vacancy rate increase, East Kansas City with rates increasing 40 bps (18.3% to 22.3%) and Kansas City North with rates increasing 250 bps (22.7% to 25.2%).

Asking Rent

In Q3 2026, the Kansas City Office market average asking lease rates increased 0.3% (\$23.69 per sq. ft. to \$23.76 per sq. ft.) quarter-over-quarter. Class A asking lease rates decreased 0.1% (\$25.88 per sq. ft. to \$25.83 per sq. ft.) quarter-over-quarter. Class B asking lease rates increased 0.9% (\$22.04 per sq. ft. to \$22.86 per sq. ft.) quarter-over-quarter.

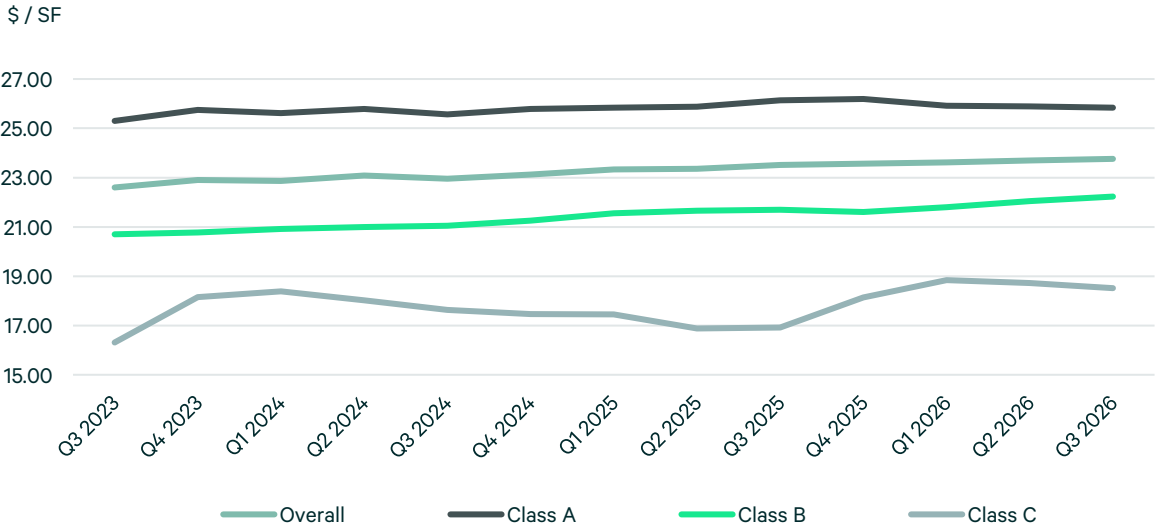
The Plaza submarket had the highest average rate at \$27.84 per sq. ft., followed by The Kansas City, KS submarket with an average of \$26.87per sq. ft. due to space available at the former Cerner Continuous Campus. Kansas City North had the lowest at \$18.45 per sq. ft. For Class A rates, the Plaza led the metro with an average Class A asking lease rate of \$29.71 per sq. ft. The lowest average Class A rates were in North Johnson County with an average asking lease rate of \$21.16 per sq. ft., followed by South Kansas City with an average Class A asking lease rate of \$22.17 per sq. ft.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

Net Absorption

In Q3 2026, the Kansas City Office market recorded negative net absorption of 185,000 sq. ft., bringing the year-to-date total to 131,000 sq. ft. of positive net absorption.

Six out of the metros nine submarkets posted negative net absorption for the quarter. East Kansas City had the largest negative net absorption total with 98,000 sq. ft., followed by Kansas City North with 61,000 sq. ft. of negative net absorption for the quarter. Class A space posted 65,000 sq. ft. of positive net absorption for the quarter, with Class B space driving the decline with 259,000 sq. ft. of negative net absorption.

Seven out of the last eight quarters posted positive net absorption, with the Q3 2026 decline resulting primarily from some large blocks of Class B space added to the market. The next few quarters will demonstrate whether this quarter was a one-off occurrence or a shift in the market trend.

Construction Activity

No new multi-tenant space was delivered in Q3 2026, with no new projects currently under construction. One project was delivered over the past three years, CityPlace Corporate Centre IV in the South Johnson County submarket. The 190,000 sq. ft. multi-tenant development was 94.0% occupied as of the end of Q3 2026.

Lockton, the world’s largest privately held, independent insurance brokerage, recently began development on its future global headquarters in Leawood, KS. The multi-phase development is anchored by a 450,000 sq. ft. office tower to be occupied by Lockton in early 2030, with additional planned space for restaurants, a luxury hotel, retail space, childcare facility's, outdoor amenities, and multifamily housing. Additionally, a 110,000 sq. ft. five-story state-of-the-art office tower is being marketed as a potential build-to-suit or partial speculative office development.

Figure 4: Net Absorption Trend

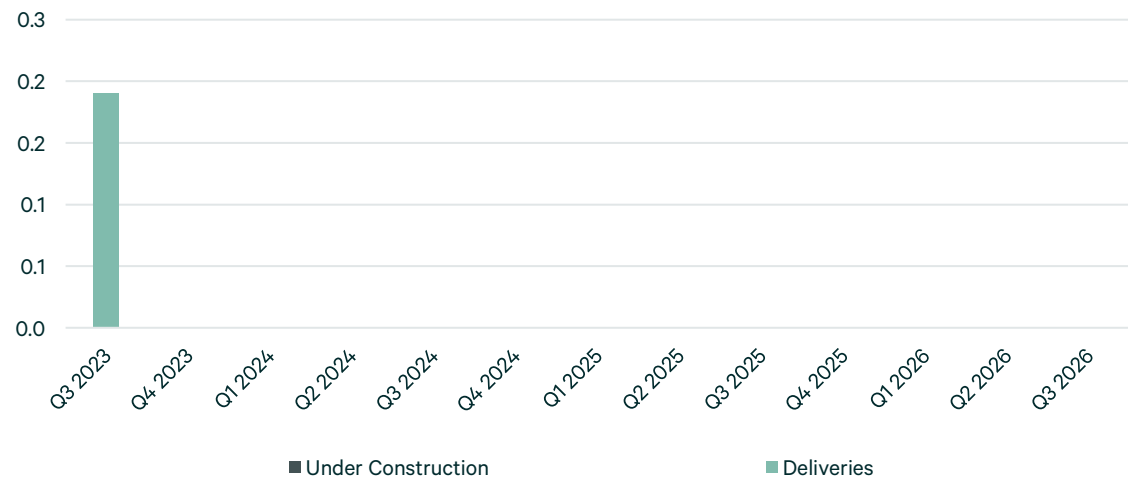
Sq. Ft. (millions)



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity

Sq. Ft. Millions



Source: CBRE Research, Q3 2026

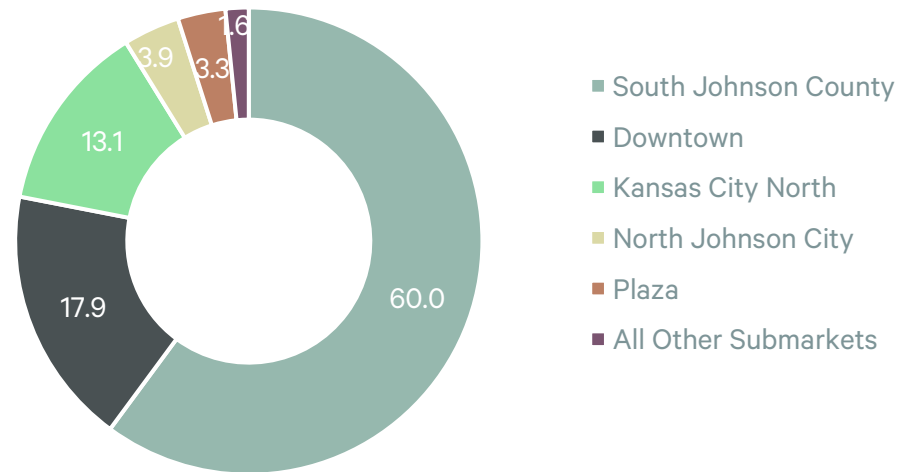
Leasing Activity

Leasing activity in the Kansas City Office market totaled 500,000 sq. ft. for Q3 2026. The Class A market accounted for 42.0% (210,000 sq. ft.), with Class B space accounting for 58.0% (290,000 sq. ft.).

Year-to-date office leasing totaled 1.94 million sq. ft., trailing the 2025 pace. Total office leasing activity in 2025 exceeded 3.7 million sq. ft. Class A space represented 48.6% (1.8 million sq. ft.) of activity, with Class B space also accounting for 48.6% (1.8 million sq. ft.).

South Johnson County led the market for leasing activity in Q3 2026 with 60.0% of the total markets activity, followed by Downtown with 17.9%.

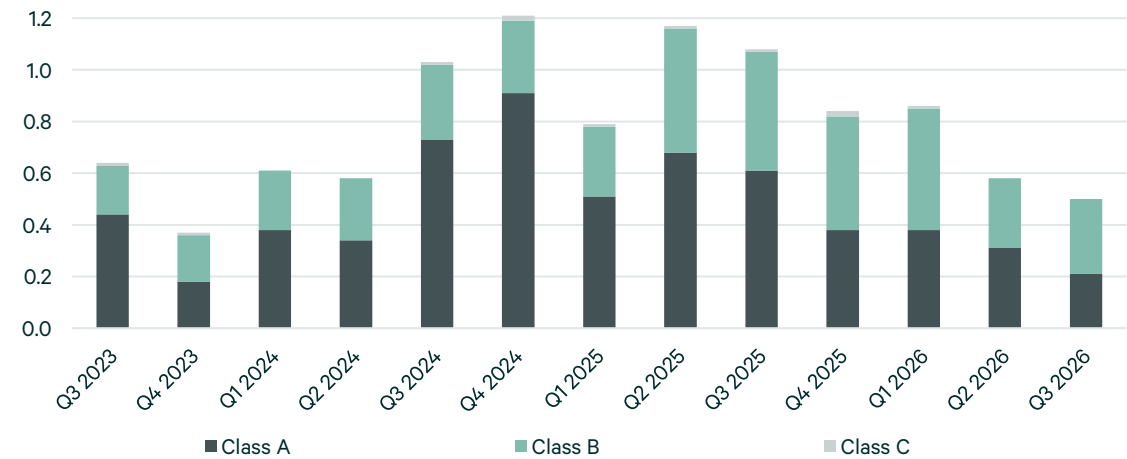
Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend

Sq. Ft. (millions)



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
United Healthcare Services	149,000	Renewal	6800 W 115th St	South Johnson County
EPR Properties	30,000	New Lease	1301 Main St	Downtown
Seigfreid Bingham	29,000	Renewal	2323 Grand Blvd	Downtown
Dollar Burns Becker Law Firm	22,000	Renewal	1100 Main St	Downtown
The CapFinancial Group	16,000	New Lease	4001 W 114th St	South Johnson County
Halbrook Law	13,395	New Lease	11300 Tomahawk Creek Pkwy	South Johnson County
Freedom 3 Capital	12,000	Renewal	4801 Main St	Plaza
Elessant	10,416	New Lease	9225 Indian Creek Pkwy	South Johnson County

Source: CBRE Research, Q3 2026

Investment Sale Activity

Investment sale activity in the Kansas City office market posted \$56.46 million in Q3 2026, and \$218.37 million year-to-date.

In Q3 2026, private buyers continued to account for nearly all activity. Key sales activity centered on larger assets with meaningful capital deployed across multiple Kansas City submarkets. Combined reported consideration for the trades reached \$56.40 million, led by the sale of One Pershing Square in Downtown to the Kansas City Royals for \$30.00 million across 201,493 sq. ft. Additional notable transactions included 1015 N 8th Street in Kansas City, Kansas at \$6.00 million for 58,305 sq. ft., 4731 South Cochise Drive in East Kansas City at \$3.60 million for 32,964 sq. ft.

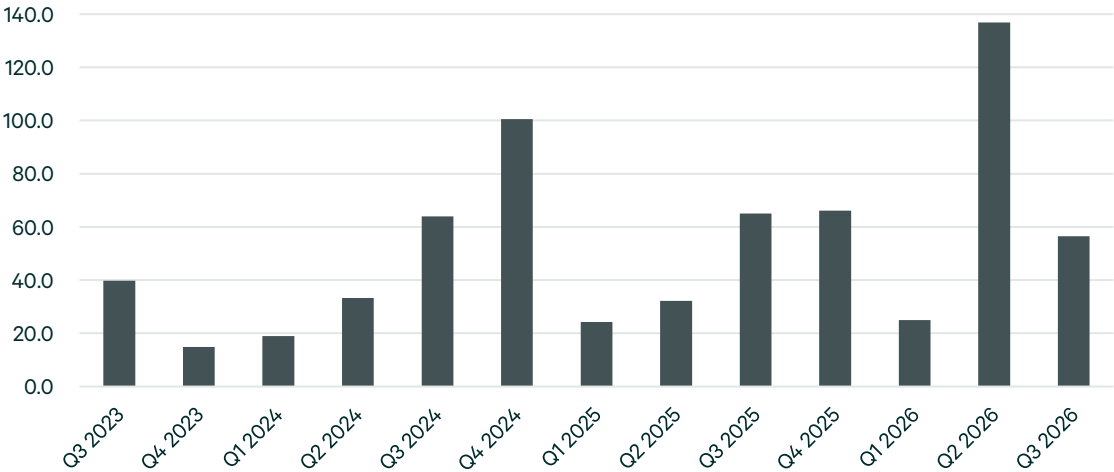
Figure 10: Key Sales

Property	Sq. Ft. Leased	Buyer	Sale Price (\$)	Sale Price \$/PSF
One Pershing Square	201,493	Kansas City Royals	\$30.00M	148.89
1015 N 8 th Street	58,305	Century Farms Development	\$6.00M	102.91
4731 S Cochise Dr	32,964	Kim Hyunh	\$3.60M	109.21

Source: MSCI Real Capital Analytics, Q3 2026

Figure 9: Quarterly Sales Volume

\$ (millions)



Source: MSCI Real Capital Analytics, Q3 2026

Figure 11: Buyer Composition

%



Source: MSCI Real Capital Analytics, Q3 2026

Market Statistics

Figure 12: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	16.00	15.1	16.0	15.0	0.9	26.88	39,000	136,000	-	-
Prime	2.65	8.9	10.3	9.8	0.5	30.56	8,000	(9,000)	-	-
Other Class A	13.35	16.4	17.1	16.1	1.0	26.44	31,000	145,000	-	-
Class B	22.26	19.1	20.3	19.9	0.5	22.09	(182,000)	(140,000)	-	-
Class C	2.78	2.2	3.2	3.2	-	16.90	2,000	(8,000)	-	-
Total	41.04	16.4	17.5	16.9	0.6	23.70	(141,000)	(6,000)	-	-

Source: CBRE Research, Q3 2026

Figure 13: Downtown Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	8.06	22.2	23.7	22.6	1.1	24.44	26,000	66,000	-	-
Prime	0.78	24.0	20.1	20.1	0.0	28.33	30,000	55,000	-	-
Other Class A	7.27	22.0	24.1	22.8	1.2	24.07	(4,000)	11,000	-	-
Class B	4.07	21.2	25.1	24.2	1.0	22.86	(77,000)	72,000	-	-
Class C	0.64	1.9	1.9	1.9	-	30.00	6,000	-	-	-
Total	12.76	20.9	23.0	22.0	1.0	23.92	(44,000)	137,000	-	-

Source: CBRE Research, Q3 2026

Figure 14: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	24.06	17.5	18.6	17.6	1.0	25.84	66,000	202,000	-	-
Prime	3.43	12.4	12.5	12.2	0.4	29.71	38,000	46,000	-	-
Other Class A	20.63	18.4	19.6	18.5	1.1	25.40	27,000		-	-
Class B	26.33	19.5	21.1	20.5	0.6	22.23	(259,000)	(63,000)	-	-
Class C	3.42	2.2	3.0	3.0	-	18.51	8,000	(8,000)	-	-
Total	53.81	17.5	18.8	18.1	0.7	23.76	(186,000)	131,000	-	-

Source: CBRE Research, Q3 2026

Figure 15: Market Statistics by Submarket

	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Downtown	12.76	20.9	23.0	22.0	1.0	23.92	(44,000)	137,000	-	-
Class A	8.06	22.2	23.7	22.6	1.1	24.44	26,000	66,000	0	0
Class B	4.07	21.2	25.1	24.2	1.0	22.86	(77,000)	72,000	0	0
Class C	0.64	1.9	1.9	1.9	-	30.00	6,000	0	0	0
East Kansas City	2.82	18.2	18.5	18.5	-	20.11	(98,000)	(97,000)	-	-
Class A	0.10	S	0.0	0.0	0.0	-	0	0	0	0
Class B	2.18	22.3	22.4	22.4	0.0	20.35	(92,000)	(82,000)	0	0
Class C	0.53	5.2	6.4	6.4	0.0	16.79	(6,000)	(15,000)	0	0
Kansas City North	3.84	20.0	18.8	18.5	0.3	18.45	(62,000)	(108,000)	-	-
Class A	0.78	10.7	11.3	10.3	1.0	28.31	0	6,000	0	0
Class B	2.67	25.2	23.4	23.2	0.2	17.15	(68,000)	(110,000)	0	0
Class C	0.38	2.3	2.3	2.3	0.0	19.57	6,000	(4,000)	0	0
Kansas City, Kansas	1.23	20.3	20.3	20.3	-	26.87	(21,000)	(9,000)	-	-
Class A	0.33	60.1	60.1	60.1	0.0	29.00	0	0	0	0
Class B	0.40	11.4	11.4	11.4	0.0	18.86	(21,000)	(18,000)	0	0
Class C	0.48	0.9	0.9	0.9	0.0	16.00	0	9,000	0	0
Midtown	1.35	11.3	11.3	11.3	-	18.65	2,000	(3,000)	-	-
Class A	0.08	0.0	0.0	0.0	0.0	-	0	0	0	0
Class B	1.05	14.5	14.5	14.5	0.0	18.65	2,000	(3,000)	0	0
Class C	0.26	0.0	0.0	0.0	0.0	-	0	0	0	0
North Johnson County	6.12	11.6	12.7	12.2	0.5	21.29	49,000	50,000	-	-
Class A	1.67	12.2	12.2	12.2	0.1	21.16	(10,000)	14,000	0	0
Class B	3.80	13.0	14.3	13.6	0.7	21.51	58,000	38,000	0	0
Class C	0.63	1.1	4.0	4.0	0.0	17.66	1,000	(2,000)	0	0
Plaza	3.32	11.3	12.3	11.7	0.6	27.84	(3,000)	32,000	-	-
Class A	2.01	11.0	11.6	10.5	1.0	29.71	(11,000)	0	0	0
Class B	1.26	12.2	13.8	13.8	0.0	25.56	8,000	16,000	0	0
Class C	0.03	0.0	0.0	0.0	0.0	-	0	0	0	0
South Johnson County	18.63	18.8	20.6	19.9	0.7	25.53	21,000	222,000	-	-
Class A	9.24	16.3	17.6	17.0	0.6	27.42	61,000	162,000	0	0
Class B	9.19	21.7	24.1	23.3	0.8	24.15	(40,000)	50,000	0	0
Class C	0.18	0.8	1.9	1.9	0.0	17.50	0	10,000	0	0
South Kansas City	3.73	12.7	13.3	11.6	1.7	21.18	(30,000)	(86,000)	-	-
Class A	1.75	11.8	11.8	8.3	3.5	21.17	0	(44,000)	0	0
Class B	1.67	15.2	16.4	16.4	0.0	21.63	(30,000)	(34,000)	0	0
Class C	0.29	4.2	4.2	4.2	0.0	12.18	0	(8,000)	0	0
Total	53.97	17.5	18.8	18.1	0.7	23.76	(186,000)	131,000	-	-

Source: CBRE Research, Q3 2026

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

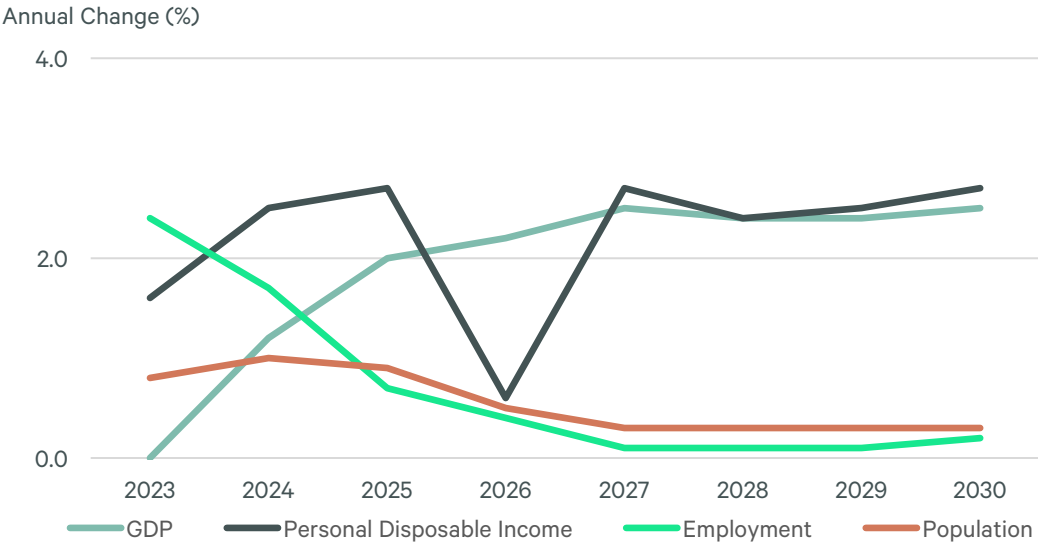
The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Kansas City Economy Overview

According to Oxford Economics, Kansas City job growth is forecast at 0.4% for 2026. Job growth is led by restaurants and state/local government employment. Kansas City’s H1 2026 GDP growth of 0.9% was below the US equivalent rate of 1.1%, led by real estate, tech, and finance, Oxford projects GDP growth of 2.4% in 2026 to 2030.

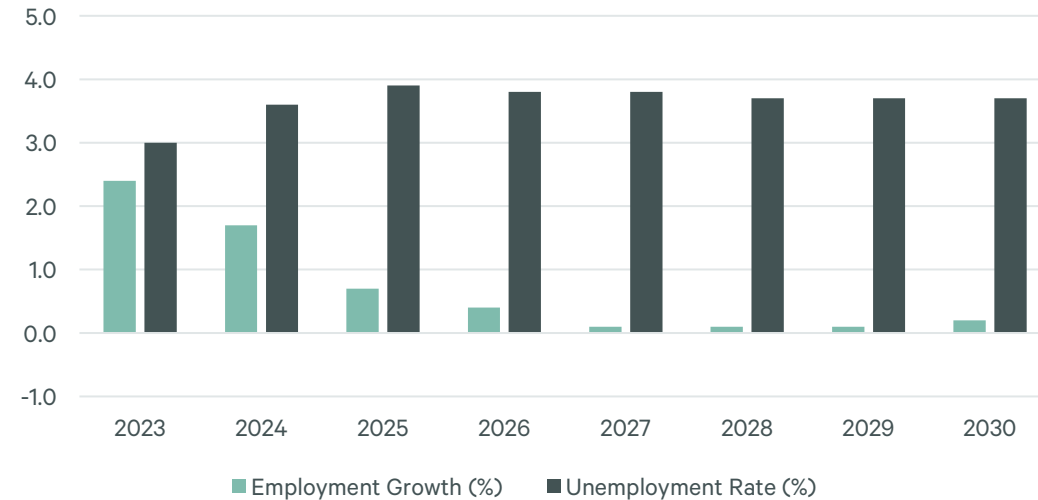
Kansas City’s median home prices grew by 8.7% over Q2 2025, with house prices projected to grow by 3.3%, on average, in 2026 through 2030. Kansas City’s real personal disposable income per capita is forecast to grow 1.8% per year in 2026 through 2030, while consumer spending is forecast to grow by 1.8% on average over the same period.

FIGURE 16: Kansas City Economic Forecast



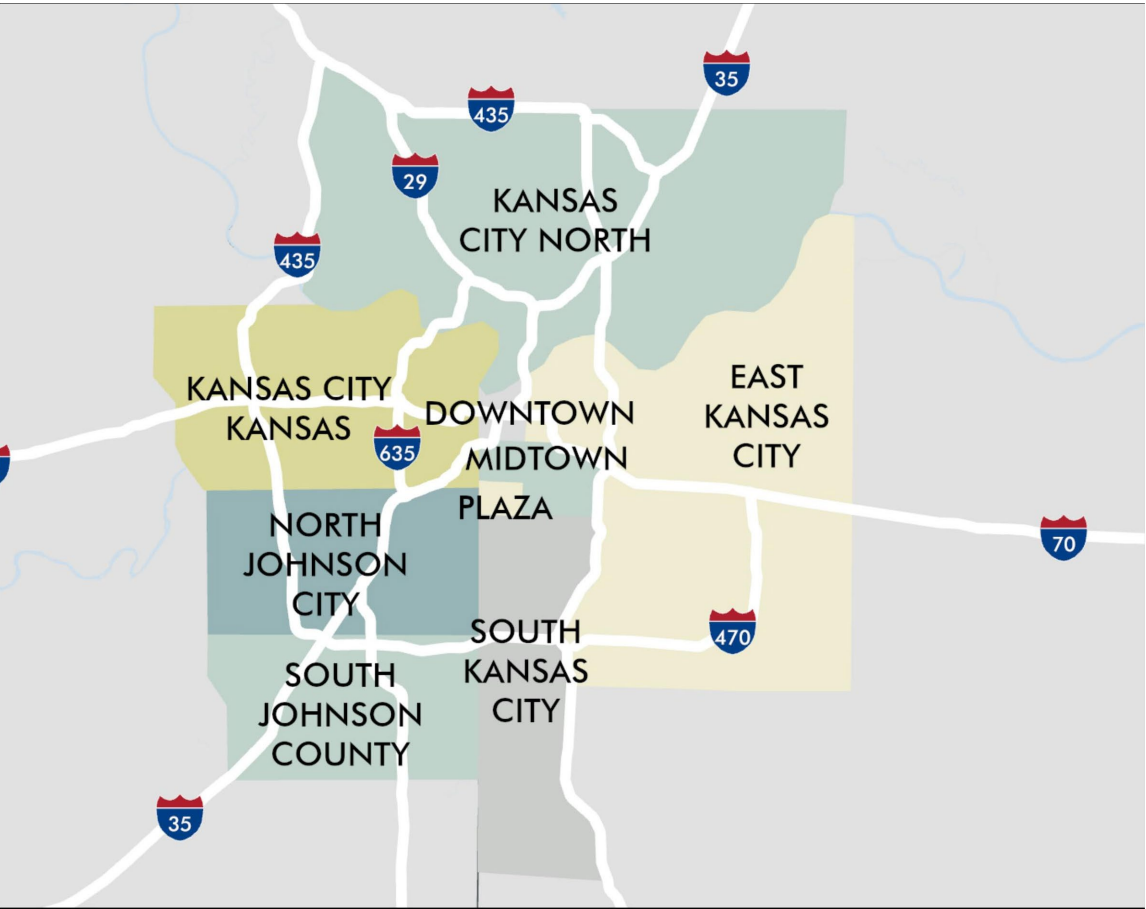
Source: BLS, US Census Bureau, Oxford Economics, July 2026.

FIGURE 17: Kansas City Employment Forecast



Source: BLS, US Census Bureau, Oxford Economics, July 2026.

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

Office buildings 10,000 sq. ft. or greater. Excludes single-tenant, owner occupied buildings, government owned and occupied buildings, or medical buildings. Geographic area includes Johnson County (KS), Wyandotte County (KS), Platte County (MO), Clay County (MO), Jackson County (MO). Buildings under construction includes buildings which have begun development beyond initial site work.

Contacts

David Ronsick
Senior Research Analyst
+1 816 968 5879
david.ronsick@cbre.com

Marissa Oberlander
Research Director
+1 312 540 4686
marissa.oberlander@cbre.com