

FIGURES | KANSAS CITY OFFICE | Q2 2026

Seventh Consecutive Quarter of Positive Net Absorption

▼ 17.1%

Vacancy Rate

▼ 57,000

SF Net Absorption

► 0

SF Construction Delivered

► 0

SF Under Construction

▲ \$23.69

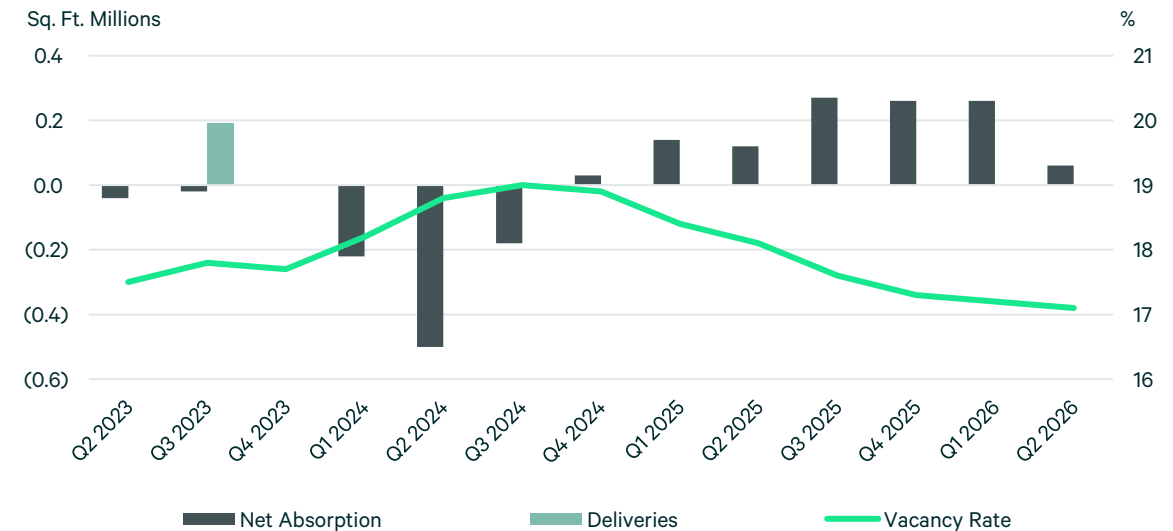
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

- Overall net absorption posted positive 57,000 sq. ft. for Q2 2026, marking the seventh consecutive quarter of positive net absorption. Positive net absorption came from the suburban market (73,000 sq. ft.), with most of the positive net absorption coming from South Johnson County (138,000 sq. ft.).
- Vacancy rates fell from 17.2% to 17.1% quarter-over-quarter in the overall market, a result of positive net absorption. Looking longer-term vacancy rates fell from 18.1% to 17.1% year-over-year. Vacancy rates have fallen slightly below the average from three years ago (Q2 2023) at 17.5%.
- Asking lease rates in the overall market increased 1.4% year-over-year (\$23.36 per sq. ft. to \$23.69 per sq. ft.). Over the previous three years the average asking lease rate increased 5.8% (\$22.39 per sq. ft. to \$23.69 per sq. ft.).

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

Vacancy rates in the market decreased for the seventh consecutive quarter, during this time-period vacancy rates fell 190 bps (19.0% to 17.1%).

The submarket with the highest vacancy rate was Downtown at 20.6%, the next highest vacancy for a submarket was South Johnson County at 18.9%. The lowest submarket vacancy rates were in the Plaza 11.2% and Midtown at 11.5%.

Class A vacancy finished Q2 2026 with an average of 17.8%, decreasing 60 bps (18.4% to 17.8%) quarter-over-quarter. The Class B market finished Q2 2026 with an average vacancy of 18.4%, increasing 40 bps (18.0% to 18.4%) quarter-over-quarter.

Asking Rent

In Q2 2026, the Kansas City Office market average asking lease rates increased 0.3% (\$23.62 per sq. ft. to \$23.69 per sq. ft.) quarter-over-quarter. Class A asking lease rates decreased 0.1% (\$25.91 per sq. ft. to \$25.88 per sq. ft.) quarter-over-quarter. Class B asking lease rates increased 1.1% (\$21.80 per sq. ft. to \$22.04 per sq. ft.) quarter-over-quarter.

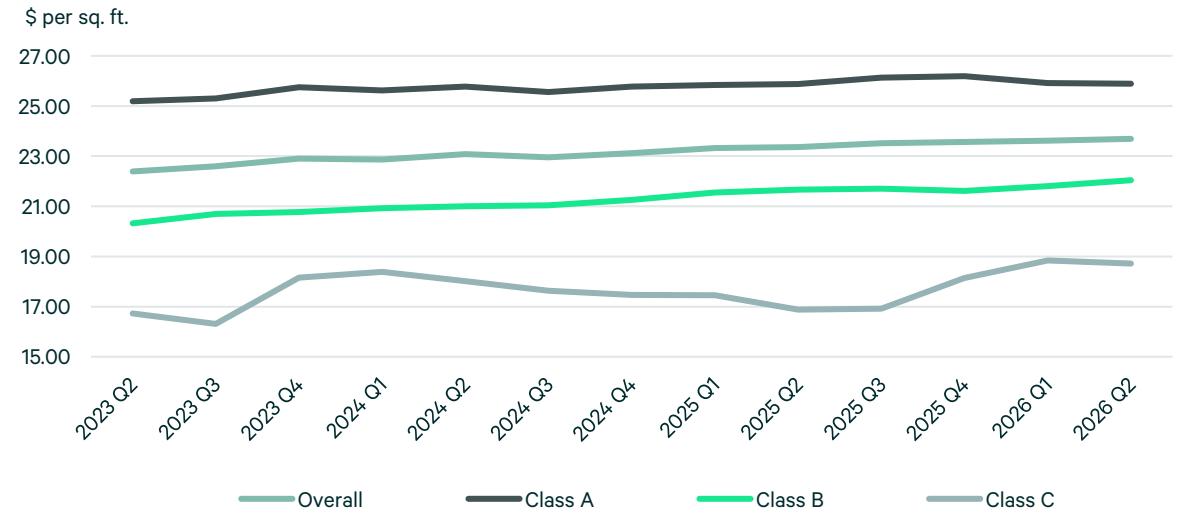
The Kansas City, KS submarket had the highest average rate at \$27.74 per sq. ft. due to space available at the former Cerner Continuous Campus, followed by The Plaza submarket with an average of \$27.53 per sq. ft. Kansas City North had the lowest at \$17.93 per sq. ft. For Class A rates, the Plaza led the metro with an average Class A asking lease rate of \$29.22 per sq. ft. The lowest average Class A rates were in South Kansas City with an average asking lease rate of \$21.17 per sq. ft., followed by North Johnson County with an average Class A asking lease rate of \$22.29 per sq. ft.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

In Q2 2026, the Kansas City Office market recorded positive net absorption of 57,000 sq. ft., bringing the year-to-date total to 316,000 sq. ft.

Three out of the metros nine submarkets posted positive net absorption for the quarter. South Johnson County led the overall market with 137,000 sq. ft., followed by North Johnson County with 33,000 sq. ft. of positive net absorption for the quarter. Class A space was the driver for positive net absorption with 140,000 sq. ft. for the quarter, with 147,000 sq. ft. coming from the Suburban class A market.

Seven consecutive quarters of positive net absorption was a favorable sign for the future of the Kansas City office market.

Construction Activity

No new multi-tenant space was delivered in Q2 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 Q2 2026.

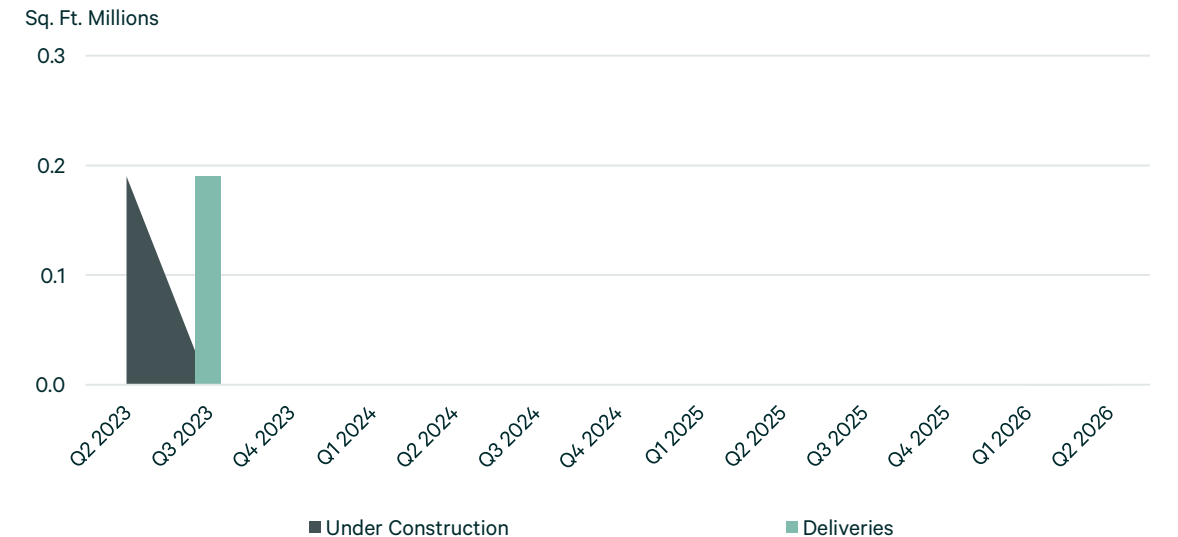
Lockton, the world’s largest privately held, independent insurance brokerage, began development on its future global headquarters in Leawood, KS. The multi-phase development is anchored by a 450,000 sq. ft. office tower to be occupied by Lockton in early 2030, with additional planned space for restaurants, 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



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

Leasing/User Sale Activity

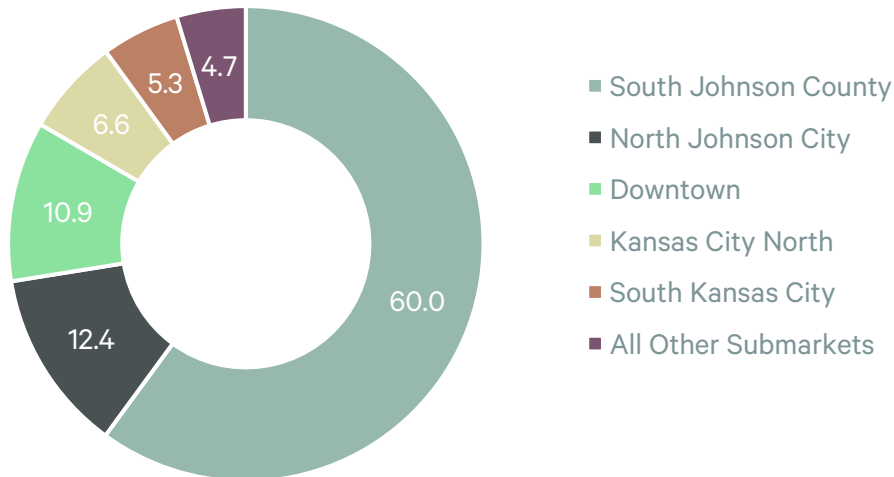
Leasing activity in the Kansas City Office market totaled 470,000 sq. ft. for Q2 2026. The Class A market accounted for 61.7% (290,000 sq. ft.), with Class B space accounting for 38.3% (180,000 sq. ft.).

Year-to-date office leasing totaled 1.31 million sq. ft. 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 Q2 2026 with 60.0% of the total markets activity, followed by North Johnson County with 12.4%.

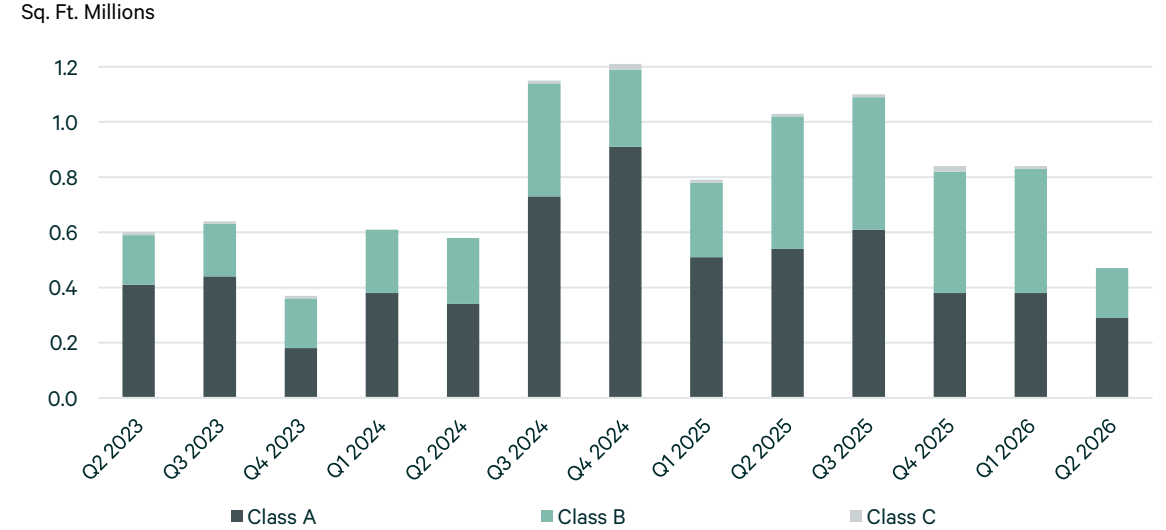
Two substantial owner user sales were completed in Q2 2026. Ability KC purchased a 130,000 sq. ft. building at 715 Kirk Drive formerly occupied by HNTB. The non-profit group is planning a \$57 redevelopment for the property located in Downtown’s Quality Hill neighborhood. The second was the Mainstreet Credit Union purchase of a 60,000 sq. ft. building formerly occupied by Jack Henry & Associates at 10910 W 87th Street in the North Johnson County submarket.

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



Source: CBRE Research, Q2 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

Figure 8: Key Lease/User Sale Transactions

Tenant/Occupier	Sq. Ft. Leased	Transaction Type	Address	Submarket
Ability KC	130,000	User Sale	715 Kirk Dr	Downtown
Mainstreet Credit Union	60,000	User Sale	10910 W 87 th St	North Johnson County
North American Savings Bank	36,000	New Lease	6240 Sprint Pkwy	South Johnson County
Mariner Wealth	30,000	Renewal	5700 W 112th St	South Johnson County
Alliance Shippers	23,000	New Lease	6700 Antioch Rd	North Johnson City
FAS Wealth Partners	23,000	New Lease	11625 Rosewood St	South Johnson County
Dioszeghy Henry Deenihan Ijei	21,000	Renewal	1001 E 101st Ter	South Kansas City
Navitas	20,000	New Lease	25501 W Valley Pkwy	South Johnson County

Source: CBRE Research, Q2 2026

Market Statistics

Figure 9: 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	16.05	15.3	16.1	15.1	1.0	26.99	147,000	97,000	0	0
Prime	2.64	9.2	10.4	9.7	0.6	30.47	(7,000)	(17,000)	-	-
Other Class A	13.41	16.5	17.2	16.1	1.1	26.58	154,000	114,000	-	-
Class B	23.43	18.3	20.2	19.6	0.6	21.88	(64,000)	49,000	0	0
Class C	2.78	2.3	3.0	3.0	0.0	16.65	(10,000)	(10,000)	0	0
Total	41.27	16.0	17.5	16.7	0.7	23.61	73,000	136,000	-	-

Source: CBRE Research, Q2 2026

Figure 10: 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	7.99	22.7	24.0	22.9	1.1	24.40	(7,000)	40,000	0	0
Prime	0.78	27.8	24.0	24.0	0.0	28.27	0	25,000	-	-
Other Class A	7.21	22.1	24.0	22.8	1.2	23.96	(7,000)	15,000	-	-
Class B	4.06	19.3	24.4	23.5	1.0	22.79	(2,000)	148,000	0	0
Class C	0.64	2.9	2.9	2.9	0.0	-	(6,000)	(6,000)	0	0
Total	12.70	20.6	23.1	22.1	1.0	23.88	(15,000)	182,000	-	-

Source: CBRE Research, Q2 2026

Figure 11: Metro Market Statistics by Class

Property Class	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)
Class A	24.05	17.8	18.7	17.7	0.9	25.88	140,000	136,000	0	0
Class B	26.50	18.4	20.8	20.2	0.6	22.04	(67,000)	196,000	0	0
Class C	3.42	2.4	3.0	2.7	0.0	18.72	(16,000)	(16,000)	0	0
Total	53.97	17.1	18.8	18.0	0.7	23.69	57,000	316,000	-	-

Source: CBRE Research, Q2 2026

Figure 12: 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	12.70	20.6	23.1	22.1	1.0	23.88	(15,000)	182,000	-	-
Class A	7.99	22.7	24.0	22.9	1.1	24.40	(7,000)	40,000	0	0
Class B	4.06	19.3	24.4	23.5	1.0	22.79	(2,000)	148,000	0	0
Class C	0.64	2.9	2.9	2.9	0.0	-	(6,000)	(6,000)	0	0
East Kansas City	2.82	14.7	14.9	14.9	-	20.14	(13,000)	1,000	-	-
Class A	0.10	0.0	0.0	0.0	0.0	-	0	0	0	0
Class B	2.18	18.1	18.4	18.3	0.0	20.28	(13,000)	10,000	0	0
Class C	0.53	4.0	3.9	3.9	0.0	17.57	0	(9,000)	0	0
Kansas City North	3.89	18.1	18.6	18.2	0.3	17.93	(4,000)	(46,000)	-	-
Class A	0.83	10.0	10.7	9.7	1.0	28.32	0	6,000	0	0
Class B	2.67	22.7	23.2	23.0	0.2	16.56	7,000	(42,000)	0	0
Class C	0.38	4.1	4.1	4.1	0.0	17.60	(11,000)	(10,000)	0	0
Kansas City, Kansas	1.23	18.6	18.6	18.6	-	27.74	14,000	6,000	-	-
Class A	0.33	60.1	60.1	60.1	0.0	29.00	0	0	0	0
Class B	0.40	6.2	6.2	6.2	0.0	20.00	14,000	(3,000)	0	0
Class C	0.48	0.9	0.9	0.9	0.0	16.00	0	9,000	0	0
Midtown	1.35	11.5	11.5	11.5	-	18.74	(10,000)	(5,000)	-	-
Class A	0.08	0.0	0.0	0.0	0.0	-	0	0	0	0
Class B	1.05	14.7	14.7	14.7	0.0	18.74	(10,000)	(5,000)	0	0
Class C	0.26	0.0	0.0	0.0	0.0	-	0	0	0	0
North Johnson County	6.29	12.4	15.4	14.6	0.8	21.08	33,000	1,000	-	-
Class A	1.67	11.6	10.2	10.0	0.3	22.29	24,000	24,000	0	0
Class B	3.98	14.4	19.4	18.2	1.2	20.93	11,000	(20,000)	0	0
Class C	0.63	1.3	4.1	4.1	0.0	17.47	(2,000)	(3,000)	0	0
Plaza	3.32	11.2	12.1	11.7	0.4	27.53	(4,000)	35,000	-	-
Class A	2.01	10.4	11.3	10.7	0.06	29.22	(1,000)	11,000	0	0
Class B	1.26	12.8	13.6	13.6	0.0	25.40	(3,000)	24,000	0	0
Class C	0.03	0.0	0.0	0.0	0.0	-	0	0	0	0
South Johnson County	18.63	18.9	20.6	19.8	0.8	25.50	137,000	201,000	-	-
Class A	9.24	17.0	18.3	17.5	0.9	27.39	169,000	101,000	0	0
Class B	9.19	21.3	23.4	22.6	0.7	24.06	(42,000)	90,000	0	0
Class C	0.18	1.0	2.1	2.1	0.0	17.50	10,000	10,000	0	0
South Kansas City	3.73	11.9	12.3	10.5	1.9	21.17	(81,000)	(56,000)	-	-
Class A	1.75	11.8	11.8	8.3	3.5	21.17	(44,000)	(44,000)	0	0
Class B	1.67	13.3	14.3	13.8	0.4	21.66	(29,000)	(4,000)	0	0
Class C	0.29	4.2	4.2	4.2	0.0	12.18	(8,000)	(8,000)	0	0
Total	53.97	17.1	18.8	18.0	0.8	23.69	57,000	316,000	-	-

Source: CBRE Research, Q2 2026

U.S. Economy Overview

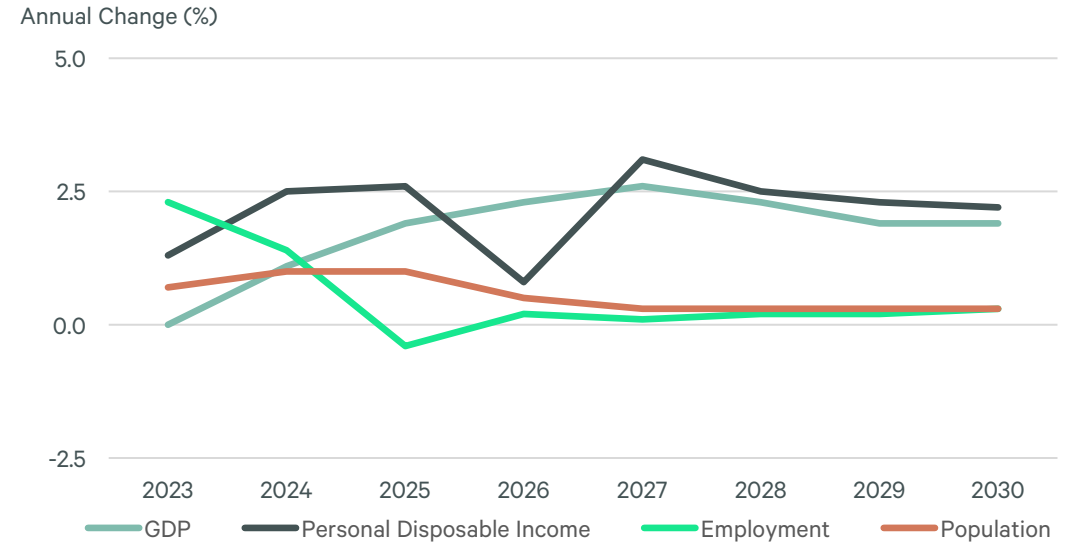
The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue. The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Kansas City Economy Overview

According to Oxford Economics, Kansas City job growth is forecast at 0.2% for 2026. Job growth is projected to be led by construction, healthcare, and finance/insurance. Kansas City's 2025 GDP growth of 1.9% was below the US equivalent rate of 2.1%, led by tech, auto manufacturing, and real estate, Oxford projects GDP growth of 2.2% in 2026 to 2030.

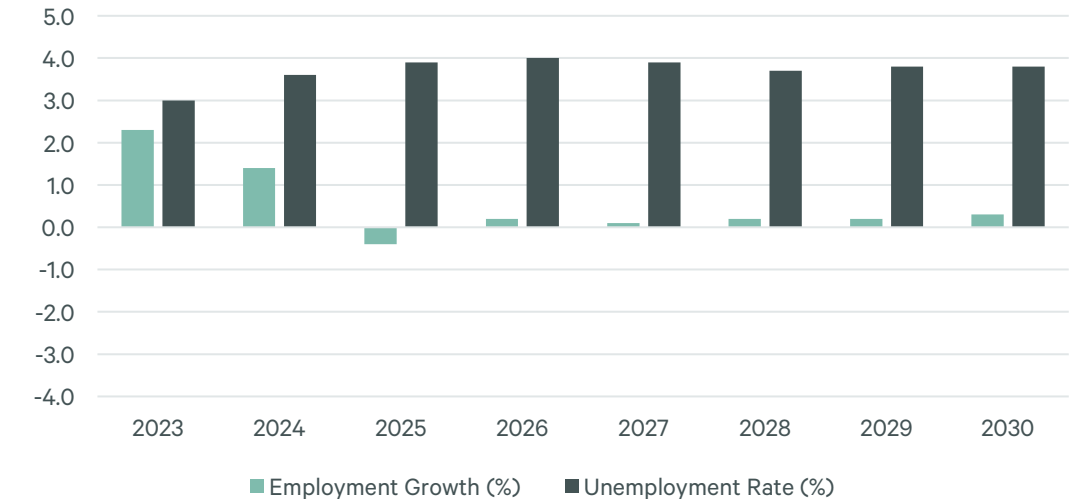
Kansas City's median home prices grew by 4.1% over Q1 2025, with house prices projected to grow by 3.3%, on average, in 2026 through 2030. Kansas City's real personal disposable income per capita is forecast to grow 1.8% per year in 2026 through 2030, while consumer spending is forecast to grow by 2.0% on average over the same period.

FIGURE 13: Kansas City Economic Forecast



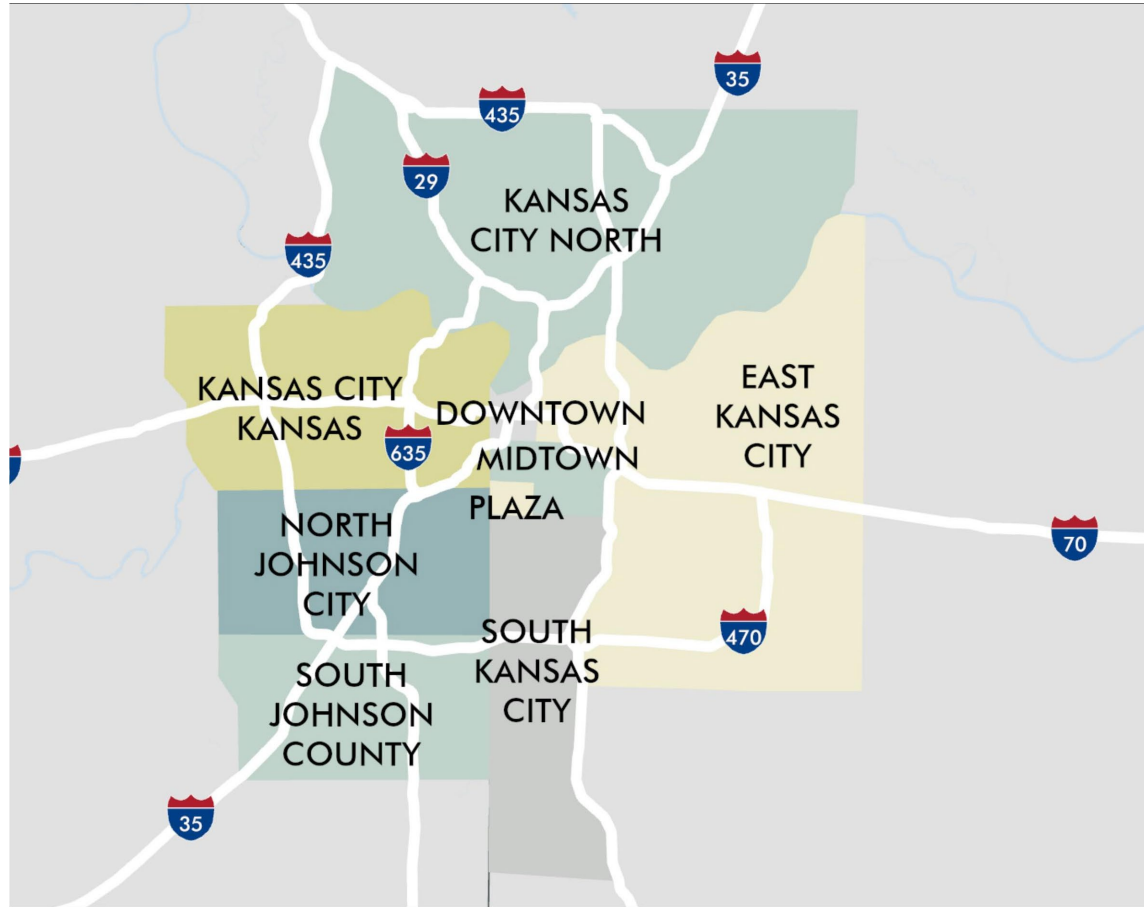
Source: BLS, US Census Bureau, Oxford Economics, April 2026.

FIGURE 14: Kansas City Employment Forecast



Source: BLS, US Census Bureau, Oxford Economics, April 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.

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