

FIGURES | KANSAS CITY OFFICE | Q4 2025

2025 finishes with over 800,000 sq. ft. of positive net absorption

▼ 17.5%

Vacancy Rate

▼ 264,409

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▲ \$23.46

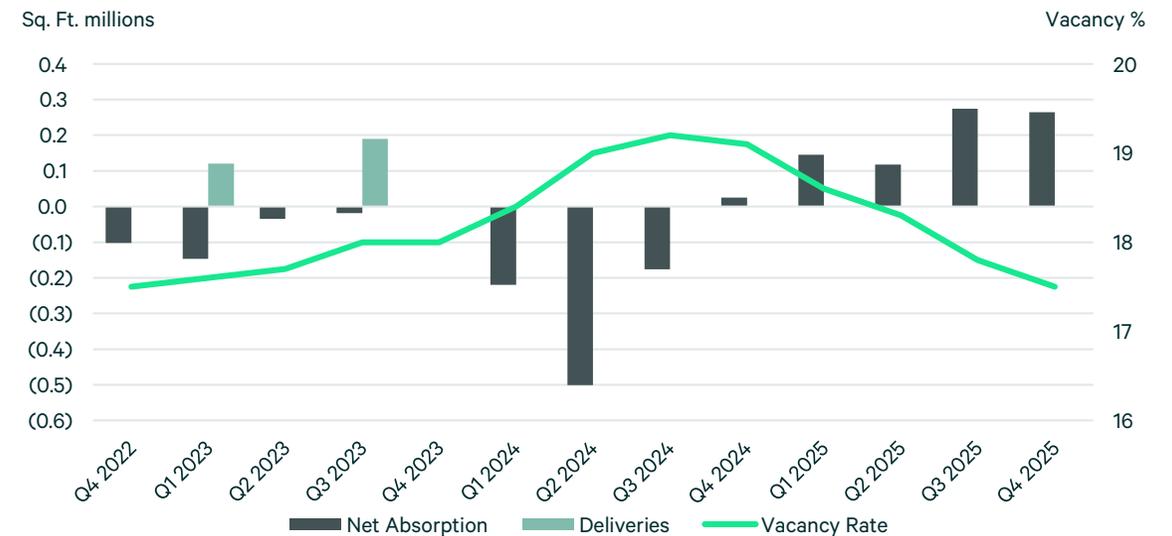
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

- Overall net absorption posted positive 264,409 sq. ft. for Q4 2025, marking the fifth consecutive quarter of positive net absorption. Positive net absorption came from both the suburban market (43,435 sq. ft.) and the downtown market (220,974 sq. ft.).
- Vacancy rates fell from 17.8% to 17.5% quarter-over-quarter in the overall market, a result of positive net absorption. Looking longer-term vacancy rates fell from 19.1% to 17.5% year-over-year. Vacancy rates have returned to the average from three years ago (Q4 2022) at 17.5%.
- No new multi-tenant space was delivered in Q4 2025, with no new projects currently under construction. Over the past three years 310,527 sq. ft. of new multi-tenant space was delivered from two buildings which were 94.5% occupied as of Q4 2025.
- Asking lease rates in the overall market increased 2.7% year-over-year (\$22.85 per sq. ft. to \$23.46 per sq. ft.). Over the previous three years the average asking lease rate increased 9.0% (\$21.52 per sq. ft. to \$23.46 per sq. ft.).

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

Vacancy

Vacancy rates in the market decreased for the fifth consecutive quarter, during this time-period vacancy rates fell 170 bps (19.2% to 17.5%).

The submarket with the highest vacancy rate was Downtown at 21.8%, the next highest vacancy for a submarket was South Johnson County at 19.9%. The lowest vacancy rates were in Midtown at 10.0% and South Kansas City at 10.4%.

Class A vacancy finished Q4 2025 with an average of 18.6%, decreasing 30 bps (18.9% to 18.6%) quarter-over-quarter. The Class B market finished Q4 2025 with an average vacancy of 18.3%, decreasing 30 bps (18.6% to 18.3%) quarter-over-quarter.

Asking Rent

In Q4 2025, the Kansas City Office market average asking lease rates increased 0.3% (\$23.39 per sq. ft. to \$23.46 per sq. ft.) quarter-over-quarter. Class A asking lease rates increased 0.2% (\$26.14 per sq. ft. to \$26.20 per sq. ft.) quarter-over-quarter. Class B asking lease rates decreased 0.4% (\$21.71 per sq. ft. to \$21.62 per sq. ft.) quarter-over-quarter.

The Plaza submarket commanded the highest asking lease rates at \$27.34 per sq. ft., while Kansas City North had the lowest at \$17.90 per sq. ft. For Class A rates, the Plaza led the metro with an average Class A asking lease rate of \$29.00 per sq. ft. The lowest average Class A rates were in North Johnson County with an average asking lease rate of \$21.88 per sq. ft., followed by South Kansas City with an average Class A asking lease rate of \$22.73 per sq. ft.

FIGURE 2: Vacancy Rates by Class



Source: CBRE Research, Q4 2025

FIGURE 3: Avg. Direct Asking Rate (FSG/YR) by Class



Source: CBRE Research, Q4 2025

Net Absorption

In Q4 2025, the Kansas City Office market recorded a net absorption of 264,409 sq. ft., and 800,660 sq. ft. for 2025. The positive absorption trend marks a significant improvement from the negative 869,692 sq. ft. recorded in 2024.

Six out of the metros nine submarkets posted positive net absorption for the quarter. Downtown led the overall market with 220,974 sq. ft., followed by the Plaza with 56,047 sq. ft. of positive net absorption for the quarter. Class B space was the primary driver for positive net absorption with 212,106 sq. ft. for the quarter, with 199,553 sq. ft. coming from the suburban class B market, and 12,553 sq. ft. coming from the downtown class B market.

Five consecutive quarters of positive net absorption was a favorable sign for the future of the Kansas City office market along with a trend of the quarterly leasing activity exceeding the previous years totals.

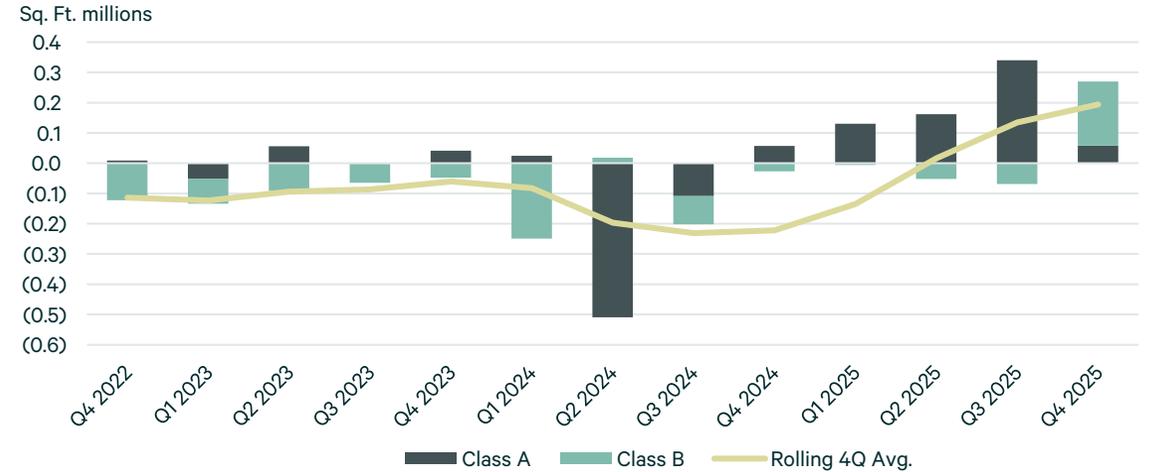
Construction Activity

No new multi-tenant space was delivered in Q4 2025, with no new projects currently under construction. Two projects were delivered over the past three years, totaling 310,527 sq. ft. of new multi-tenant space.

The largest recent delivery was 1400KC in the downtown market. Originally constructed as a \$140 Million build-to-suit for Waddell & Reed Financial, the building became available after Macquarie Asset Management purchased Waddell & Reed and chose not to occupy the building. 1400KC was not vacant for long as Blue KC (Blue Cross and Blue Shield of Kansas City) announced they would occupy the building in late 2022 under a long-term lease and relocate approximately 1,400 employees from an older Class B building at 2301 Main St. In September 2024, Populous announced it planned to move its company headquarters from the Plaza submarket and occupy approximately 100,000 sq. ft. in 1400KC.

The market has experienced a current pause in multi-tenant development, reflecting broader economic conditions and market saturation.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q4 2025

FIGURE 5: Construction Activity



Source: CBRE Research, Q4 2025

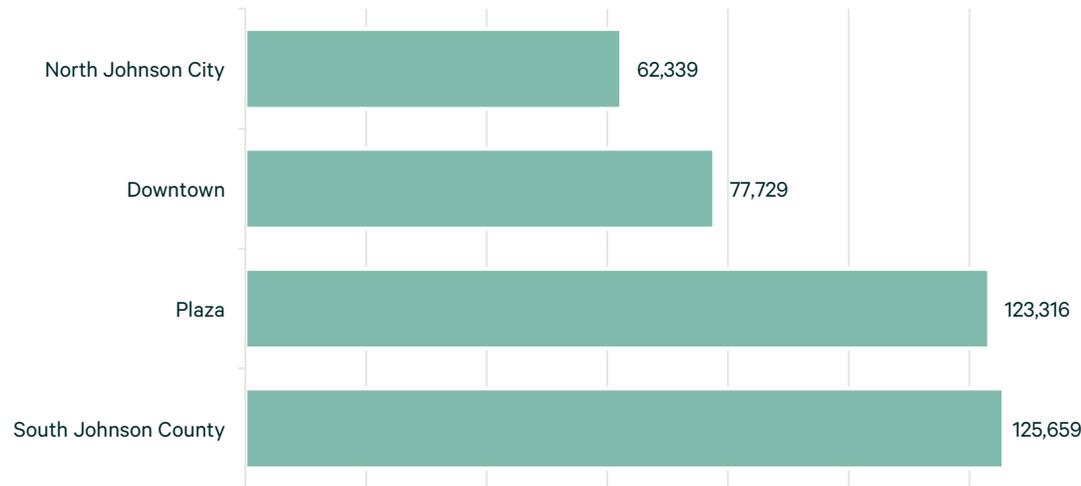
Leasing Activity

- BarkleyOKRP, one of Kansas City’s largest advertising firms announced they will relocate from 1740 Main St. to 75,841 sq. ft. in the former Kansas City Board of Trade building at 4800 Main St.
- A sale was approved for the 455,000 sq. ft. building at 600 New Century Pkwy formerly occupied by CenturyLink to Kansas City-based Sky Real Estate LLC.

Leasing activity in the Kansas City Office market totaled 639,996 sq. ft. for Q4 2025. The Class A market accounted for 38.3% (245,345 sq. ft.), with Class B space accounting for 56.0% (358,305 sq. ft.).

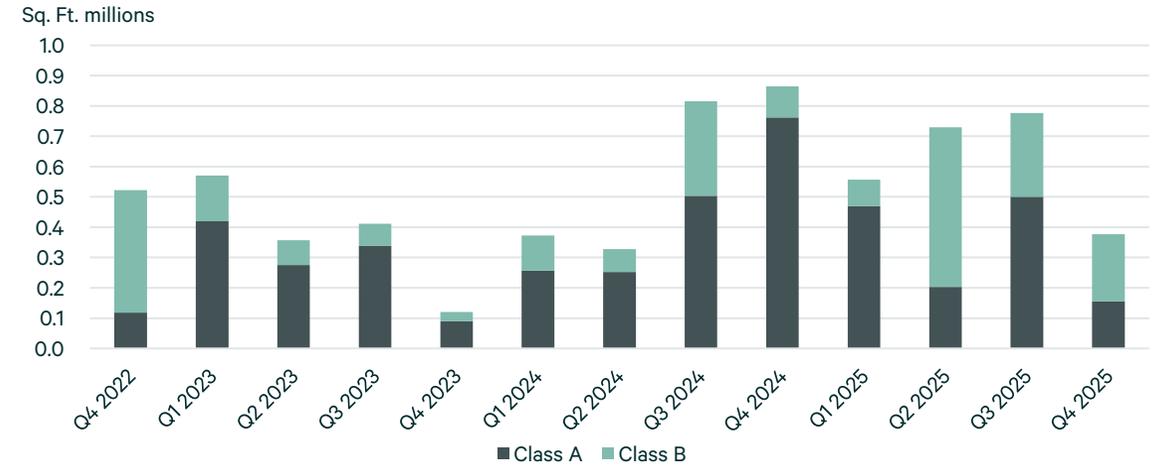
Total office leasing activity in 2025 exceeded 3.7 million sq. ft. Class A space represented 48.6% (1.8 million sq. ft.) of activity, with Class B space also accounting for 48.6% (1.8 million sq. ft.).

FIGURE 6: Leasing by Submarket – 10,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 7: Leasing Activity Trend – 10,000 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
BarkleyOKRP	75,841	New Lease	4800 Main St	Plaza
National Association of Childrens Hospital	62,339	New Lease	9351-9401 Renner Blvd	North Johnson City
RBC Medical	58,827	New Lease	17100 W 118th Ter	South Johnson County
KPMG	35,568	Renewal	1000 Walnut St	Downtown
Wagstaff & Cartmell	25,000	Renewal	4740 Grand Ave	Plaza
Rouse Frets White Goss Gentile Rhodes	16,721	New Lease	801 W 47th St	Plaza
People First Network	14,630	New Lease	11025-11091 Strang Line Rd	South Johnson County

Source: CBRE Research, Q4 2025

Market Statistics by Index

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
SUBURBAN										
Class A	15,787,760	16.2	17.3	15.3	2.0	26.85	(157,457)	296,327	0	0
Class B	23,492,121	18.0	20.9	19.9	1.0	21.56	199,553	58,699	0	0
Class C	2,882,526	1.9	2.5	2.5	0.0	17.40	1,339	36,826	0	0
Total	42,162,407	16.2	18.3	17.0	1.3	23.35	43,435	391,852	0	0

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
DOWNTOWN										
Class A	7,998,675	23.2	24.3	22.3	2.0	25.27	215,608	393,836	0	0
Class B	4,089,114	19.7	21.5	20.4	1.2	21.99	12,553	27,109	0	0
Class C	639,449	18.3	18.3	18.3	0.0	13.98	(7,187)	(12,137)	0	0
Total	12,727,238	21.8	23.1	21.5	1.6	23.74	220,974	408,808	0	0

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
METRO										
Class A	23,786,435	18.6	19.6	17.6	2.0	26.20	58,151	690,163	0	0
Class B	27,581,235	18.2	21.0	20.0	1.0	21.62	212,106	85,808	0	0
Class C	3,521,975	4.8	5.3	5.3	0.0	15.25	(5,848)	24,689	0	0
Total	54,889,645	17.5	19.4	18.0	1.4	23.46	264,409	800,660	0	0

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (FSG/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Downtown	12,727,238	21.8	23.1	21.5	1.6	23.74	220,974	408,808	0	0
Class A	7,998,675	23.2	24.3	22.3	2.0	25.27	215,608	393,836	0	0
Class B	4,089,114	19.7	21.5	20.4	1.2	21.99	12,553	27,109	0	0
Class C	639,449	18.3	18.3	18.3	0.0	13.98	(7,187)	(12,137)	0	0
East Kansas City	2,897,686	14.4	15.3	15.3	0.0	20.39	53,517	85,875	0	0
Class A	126,307	0.0	4.0	4.0	0.0	-	0	1,107	0	0
Class B	2,235,411	18.2	18.8	18.8	0.0	20.36	56,345	69,942	0	0
Class C	535,968	2.2	3.3	3.3	0.0	18.11	(2,828)	14,826	0	0
Kansas City North	4,262,419	17.0	18.6	17.8	0.8	17.9	29,373	9,718	0	0
Class A	837,184	10.7	10.7	9.1	1.6	28.01	(941)	17,751	0	0
Class B	2,937,288	21.4	23.8	23.0	0.7	26.77	23,864	(21,523)	0	0
Class C	487,947	1.2	1.2	1.2	0.0	16.88	6,450	13,490	0	0
Kansas City, Kansas	1,227,236	19.0	20.4	20.4	0.0	26.89	0	129,633	0	0
Class A	330,000	60.0	60.0	60.0	0.0	-	0	132,000	0	0
Class B	408,714	5.3	9.4	9.4	0.0	20.14	0	(2,355)	0	0
Class C	488,522	2.9	2.9	2.9	0.0	15.75	0	(12)	0	0
Midtown	1,493,665	10.0	10.0	10.0	0.0	18.34	(2,239)	(15,307)	0	0
Class A	84,282	0.0	0.0	0.0	0.0	-	0	0	0	0
Class B	1,192,922	12.5	12.5	12.5	0.0	18.34	(2,239)	(15,307)	0	0
Class C	261,461	0.0	0.0	0.0	0.0	-	0	0	0	0
North Johnson County	6,478,756	12.0	16.2	14.6	1.6	20.40	27,953	(12,402)	0	0
Class A	1,749,138	12.5	13.0	13.0	0.0	21.88	3,022	32,443	0	0
Class B	4,097,842	13.5	19.7	17.2	2.6	20.06	24,931	(53,152)	0	0
Class C	631,776	0.8	1.9	1.9	0.0	16.15	0	8,307	0	0
Plaza	3,320,025	12.7	14.9	14.9	0.0	27.34	56,047	33,482	0	0
Class A	2,017,074	11.7	13.3	13.3	0.0	29.00	(12,112)	16,661	0	0
Class B	1,265,603	16.0	17.9	17.9	0.0	25.91	68,159	16,821	0	0
Class C	37,348	0.0	0.0	0.0	0.0	-	0	0	0	0
South Johnson County	18,755,689	19.9	21.9	20.3	1.6	25.18	(116,672)	57,437	0	0
Class A	8,856,575	18.7	20.0	17.3	2.7	27.03	(147,426)	7,769	0	0
Class B	9,702,659	21.2	23.9	23.2	0.7	23.81	33,037	51,253	0	0
Class C	189,560	6.7	8.7	8.7	0.0	20.51	(2,283)	(1,585)	0	0
South Kansas City	3,726,931	10.4	11.2	8.6	2.6	21.88	(21,265)	86,695	0	0
Class A	1,787,200	9.1	9.1	5.7	3.6	22.73	0	88,596	0	0
Class B	1,644,787	13.3	15.2	13.1	0.2	21.66	(21,265)	(3,701)	0	0
Class C	294,944	1.5	1.5	1.5	0.0	12.00	0	1,800	0	0
Total	54,889,645	17.5	19.4	18.0	1.4	23.46	264,409	800,660	0	0

U.S. Economy Overview

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

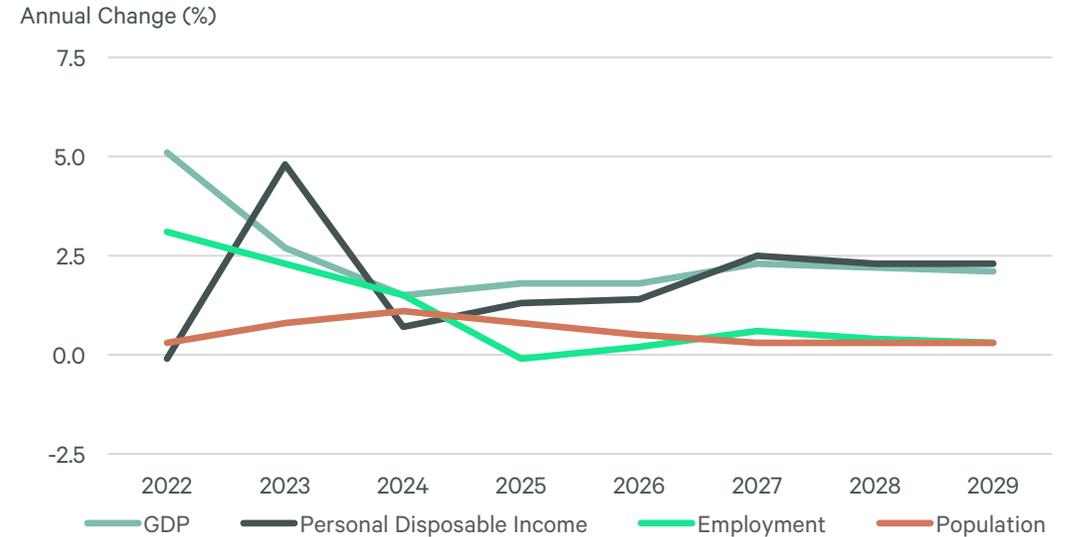
The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

Kansas City Economy Overview

According to Oxford Economics, Kansas City had a year-to-date job decline of 0.3% as of October 2025. The decline is largely due to Kansas City's large federal government sector which has suffered from job cuts and buyouts. Kansas City's year-to-date GDP growth of 1.1% was below the US equivalent rate of 1.3%, led by data processing, real estate, and tech-related sectors. Future GDP growth is forecast at 2% in 2025 to 2029.

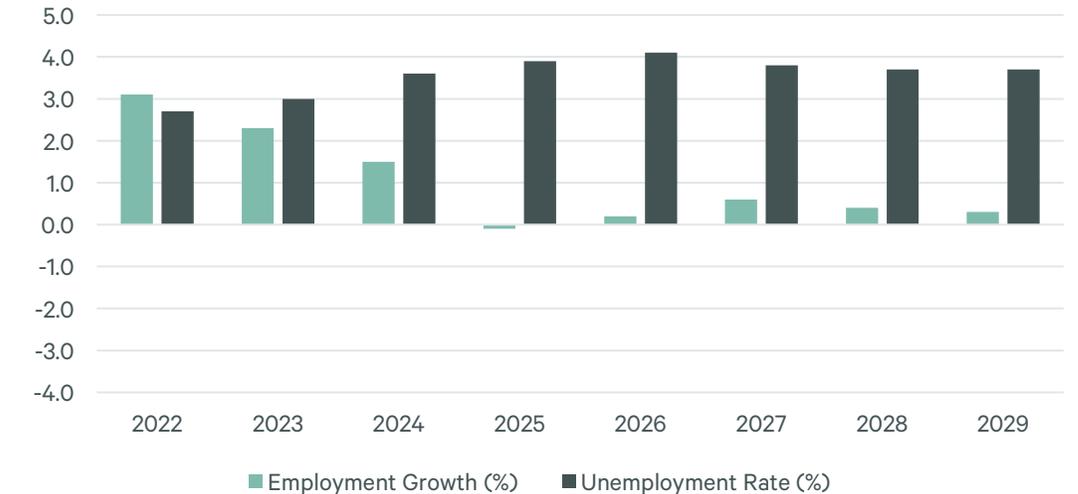
Kansas City's median home prices grew by 1.1% year-over-year as of Q3 2025, with house prices projected to grow by 3.1%, on average, in 2025 through 2029. Kansas City's real personal disposable income per capita is forecast to grow 1.5% per year in 2025 through 2029, while consumer spending is forecast to grow by 1.8% per year over the same period.

FIGURE 9: Kansas City Economic Forecast



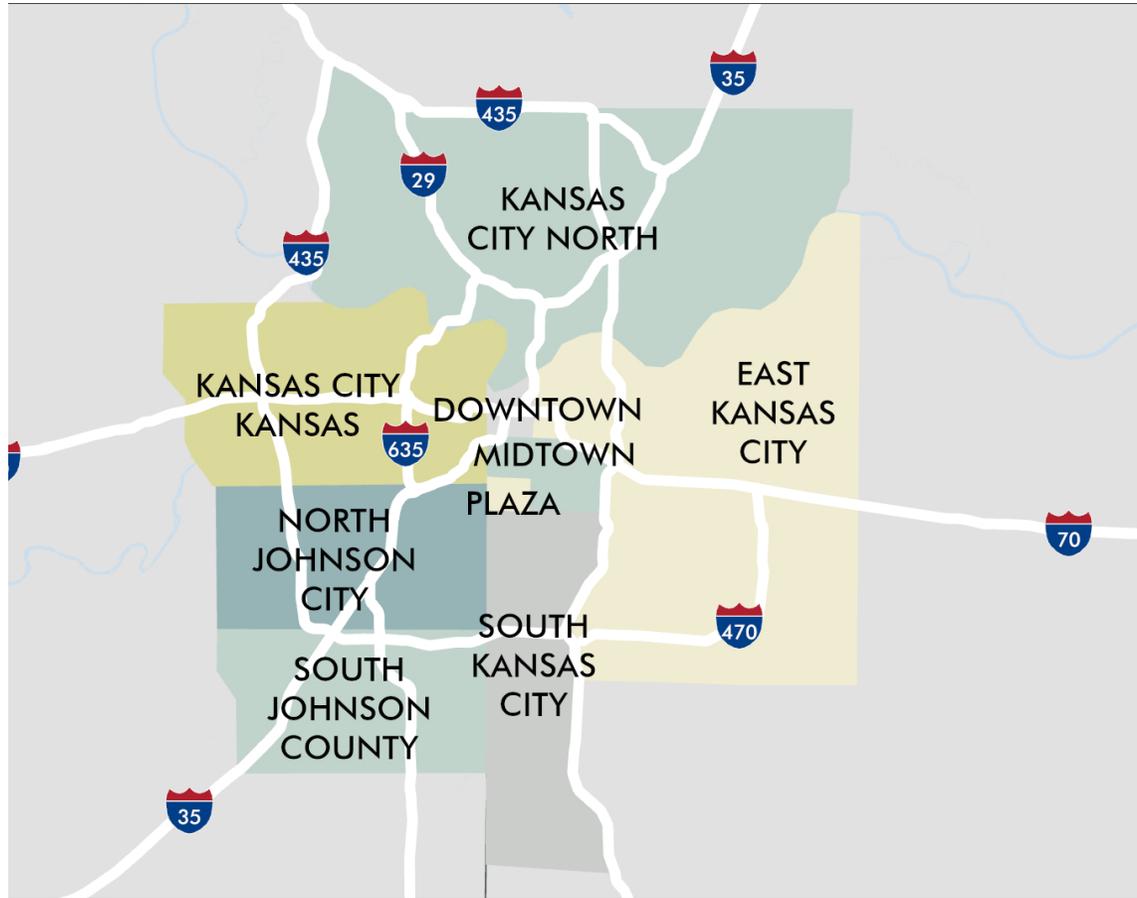
Source: BLS, US Census Bureau, Oxford Economics, October 2025.

FIGURE 10: Kansas City Employment Forecast



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

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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