

FIGURES | KANSAS CITY INDUSTRIAL | Q3 2026

Vacancy rates decline as net absorption exceeds delivered speculative space



Note: Arrows indicate change from previous quarter.

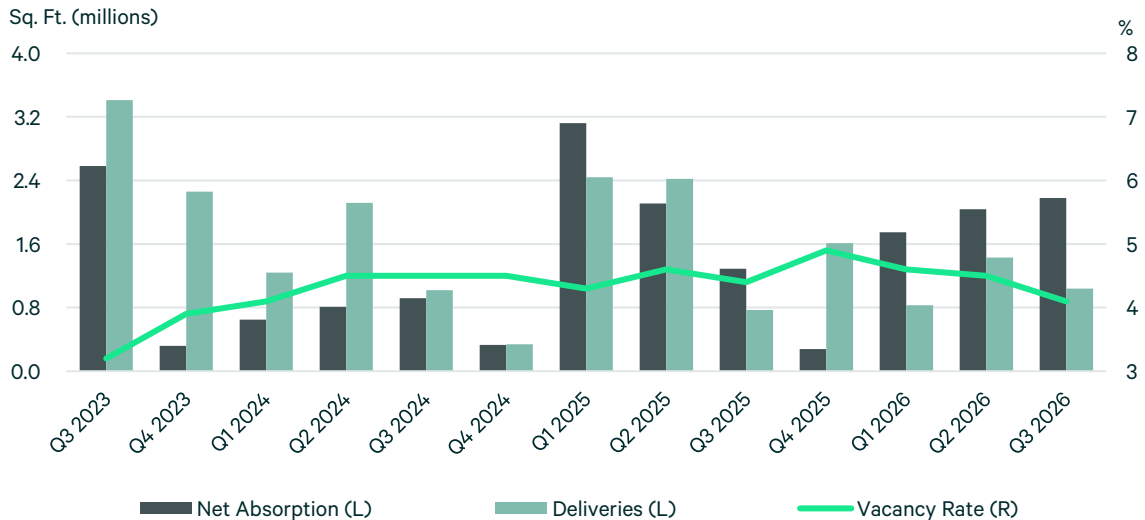
Market Overview

In Q3 2026, market conditions tightened as strong absorption reduced vacancy while rents edged higher. The 2.1 million sq. ft. net absorption total was the highest since Q1 2025 and was only partially offset by 0.97 million sq. ft. of vacant speculative deliveries in the quarter, resulting in vacancy decreasing from 4.5% to 4.1%.

Four new buildings were delivered in the quarter, all broke ground on a speculative basis. In total 1.0 million sq. ft. was completed in the quarter, with 94.0% of the space vacant as of the end of Q3 2026. Notably no new buildings broke ground for the quarter, resulting in under construction activity dropping to 3.8 million sq. ft. Space under construction includes 1.2 million sq. ft. of build-to-suit buildings and 2.6 million sq. ft. of speculative buildings (20.5% pre-committed as of the end of Q3 2026). Looking longer-term space under construction has declined from 6.4 million sq. ft. in Q3 2023 to 3.8 million sq. ft. in Q3 2026.

Asking rates increased 3.0% quarter-over-quarter to \$5.59 per sq. ft., driven largely by the delivery of new speculative product. Over the past three years, asking rents have risen 11.8% as demand has generally outpaced new supply amid declining construction activity.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy Rate

Vacancy rates declined for the third consecutive quarter, finishing Q3 2026 at 4.1% the lowest total since Q1 2024. Overall vacancy rates have remained at a healthy average staying below the 5% level since Q1 2022. Sublease vacancy remained a minor influence on the overall market with the sublease vacancy rate falling from 0.4% to 0.3%, representing only 0.8 million sq. ft. in the market.

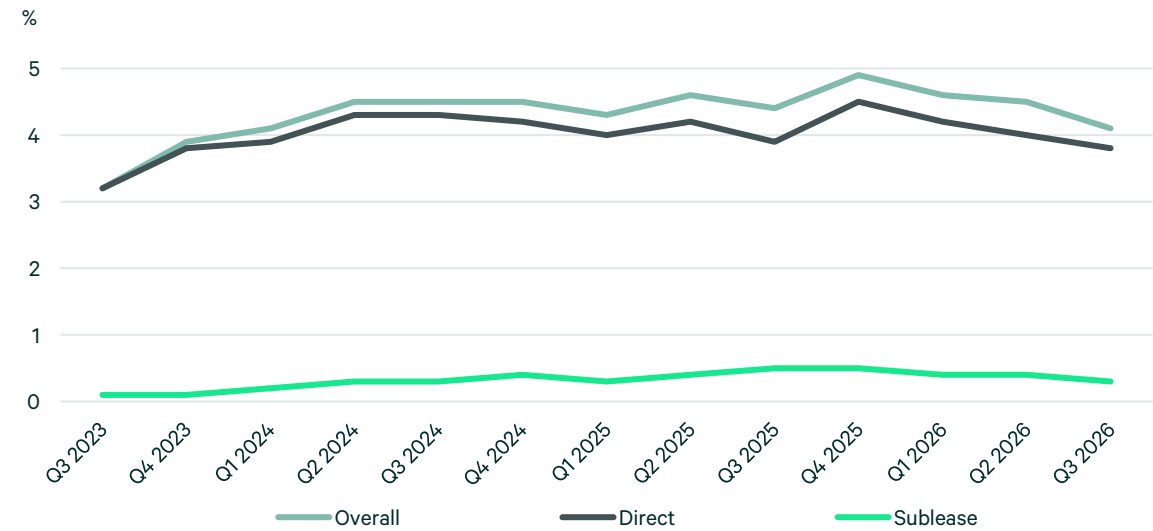
The Wyandotte County submarket had the lowest vacancy rate in the overall metro at 2.2%, with Cass County posting the highest vacancy rate at 10.2%. Cass County is a small submarket at only 10.2 million sq. ft. and highly influenced by current speculative development with 0.8 million sq. ft. of vacant space.

Asking Rent

Asking lease rates increased 3.0% (\$5.43 per sq. ft. to \$5.59 per sq. ft.) year-over-year. A total of 0.9 million sq. ft. of speculative space delivered for the quarter with an average estimated rate of \$6.96 per sq. ft. which had a strong influence on overall rates.

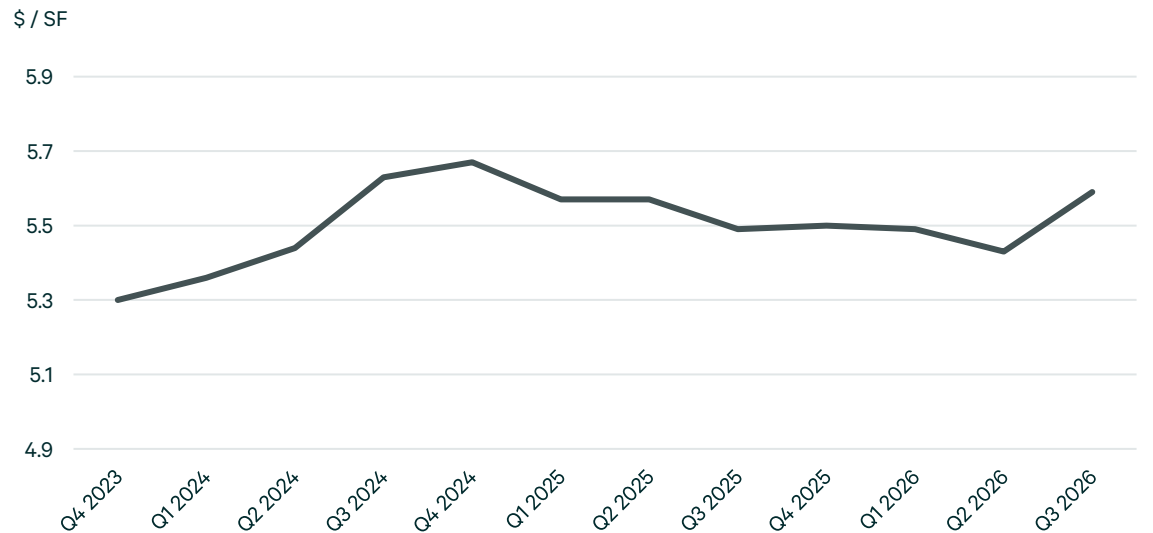
At the submarket level, Johnson and Cass recorded the highest average asking rents at \$6.89 per sq. ft. and \$6.75 per sq. ft., respectively. Platte and Wyandotte followed at \$6.37 per sq. ft. and \$5.81 per sq. ft., while Clay and Jackson offered the lowest rents at \$4.79 per sq. ft. and \$4.51 per sq. ft., providing occupiers and investors with clear cost differentiation across the metro.

Figure 2: Vacancy Rate



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

The Kansas City industrial market posted positive 2.1 million sq. ft. of net absorption for Q3 2026, marking the third consecutive quarter of increasing net absorption totals. Primary drivers for the market in Q3 2026 were Third-Party Logistics providers and suppliers supporting data center development. Positive net absorption was led by a confidential tenants lease of 920,000 sq. ft. at I-49 Industrial Center Bldg 7, Wagner Logistics lease of 516,000 sq. ft. at Liberty Commerce Center 2 and 317,000 sq. ft. at Liberty Heartland Logistics Center B, a confidential tenants lease of 284,000 sq. ft. at Carefree Industrial Park, Layton Construction’s lease of 233,000 sq. ft. at Flint Commerce Center Bldg C, and Ponce Ground Services lease of 210,000 sq. ft. at 6201 Stilwell St.

Positive net absorption for Q3 2026 was led by Jackson County with 1.5 million sq. ft., and Clay County with 456,000 sq. ft. Total net absorption for the first three quarters totaled nearly 6.0 million sq. ft., approaching the 2025 total net absorption of 6.1 million sq. ft. Net absorption totals was relatively evenly spread between Jackson, Johnson, Platte, and Wyandotte with each exceeding 1.0 million sq. ft. of net absorption year-to-date.

Construction Activity

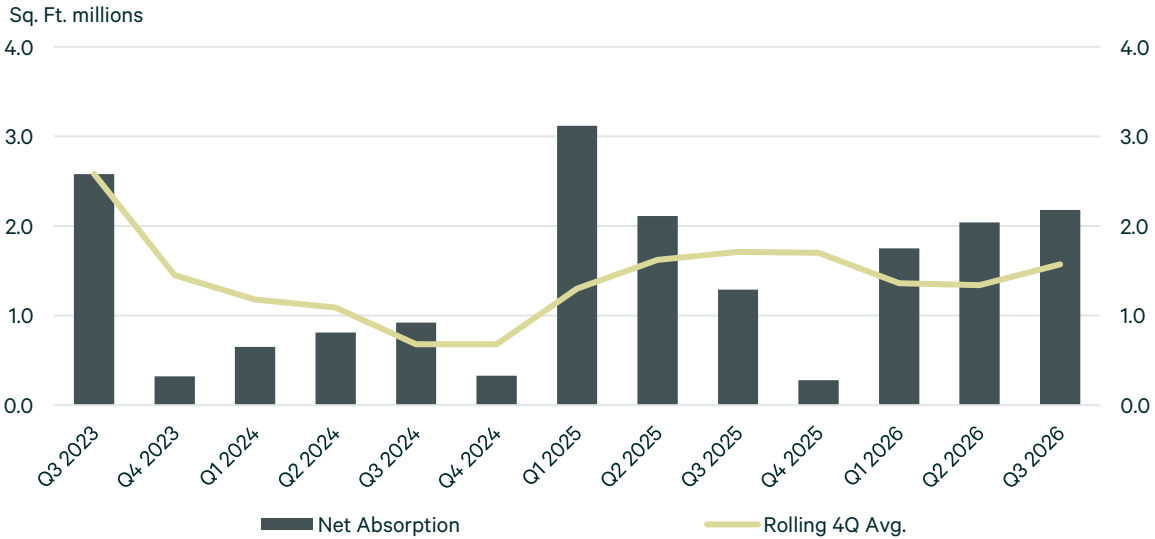
Four new buildings were delivered in Q3 2026, totaling 1.0 million sq. ft. As of the end of Q3 2026, space delivered in the quarter was 94.0% vacant.

Over the past three years the Kansas City market delivered 21.6 million sq. ft. of new industrial space. Deliveries over the time-period came from 63.0% (13.6) speculative projects and 37.0% (8.0) build-to-suit projects.

The total amount under construction fell to 3.8 million sq. ft. as no new major projects broke ground in the quarter. Most of the projects under construction broke ground on a speculative basis with a total of 2.6 million sq. ft. (68.4%), the remaining 1.2 million sq. ft. (31.6%) represent build-to-suit development.

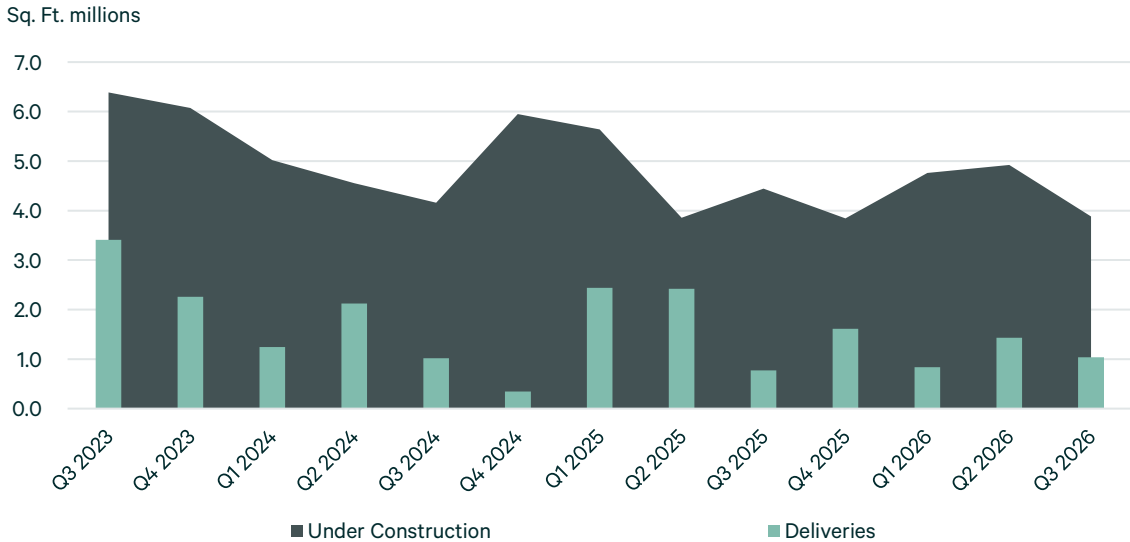
Faith Technologies announced plans for a 1.4 million sq. ft. expansion in Olathe, KS. Plans call for three new manufacturing facilities on 126 acres at the southwest corner of 167th Street and Lone Elm Road. The two-phase expansion will start with a 504,689 sq. ft. facility, followed by two 481,816 sq. ft. facilities.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



Source: CBRE Research, Q3 2026

Investment Sale Activity

Industrial investment sales volume in the Kansas City market decreased in Q3 2026 compared with both Q2 2026 and Q3 2025. Volume totaled \$263.53 million, down 10.1% quarter-over-quarter from \$293.13 million in Q2 2026 and down 10.9% year-over-year from \$295.93 million in Q3 2025. Year-to-date 2026 industrial sales volume through Q3 2026 amounted to \$878.88 million, comprised of \$322.22 million in Q1 2026, \$293.13 million in Q2 2026 and \$263.53 million in Q3 2026.

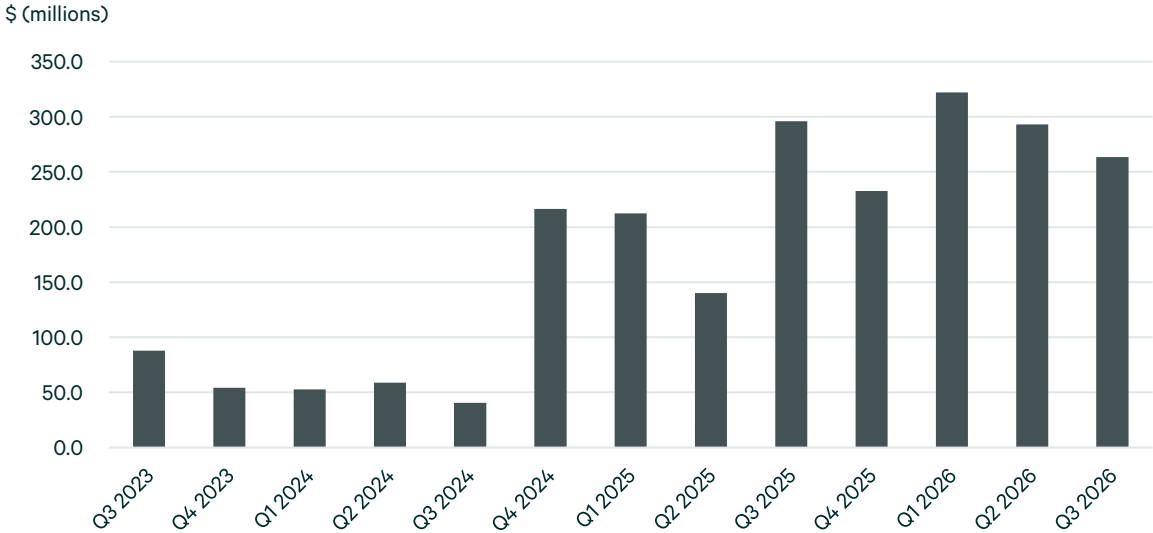
Institutional buyers recorded the highest share of investment sales at 60.1% of volume, followed by private buyers at 39.1% and user/other buyers at 0.8%. The largest transaction was the Ace Hardware Retail Support Center Building at KCI in Platte County, acquired by Morgan Stanley for \$158.50 million with 1.5 million sq. ft. at \$105.67 per sq. ft. Additional transactions included the Exide Punch Grid Plant in Platte County at \$8.20 million with 187,600 sq. ft. at \$43.58 per sq. ft.; 701 South 38th Street in Wyandotte County at \$6.20 million with 217,056 sq. ft. at \$28.43 per sq. ft.; 1900 E Kansas City Rd in Johnson County at \$5.70 million with 78,144 sq. ft. at \$72.94 per sq. ft.; and 7007 Northeast Parvin Road in Clay County at \$3.00 million with 70,333 sq. ft. at \$42.65 per sq. ft.

Figure 7: Key Sales

Property	Sq. Ft. Leased	Buyer	Sale Price (\$)	Sale Price \$/PSF
Ace Hardware Retail Support Center	1.5M	Morgan Stanley	158.50M	105.67
Exide Punch Grip Plant	187,600	Diamond Properties	8.20M	43.58
701 S 38 th St	217,056	Leaday Holdings LLC	6.20M	28.43
1900 E Kansas City Rd	78,144	KC Residences LLC	5.70M	72.94
7007 NE Parvin Rd	70,333	Midway Ford Truck Center Inc	3.00M	42.65

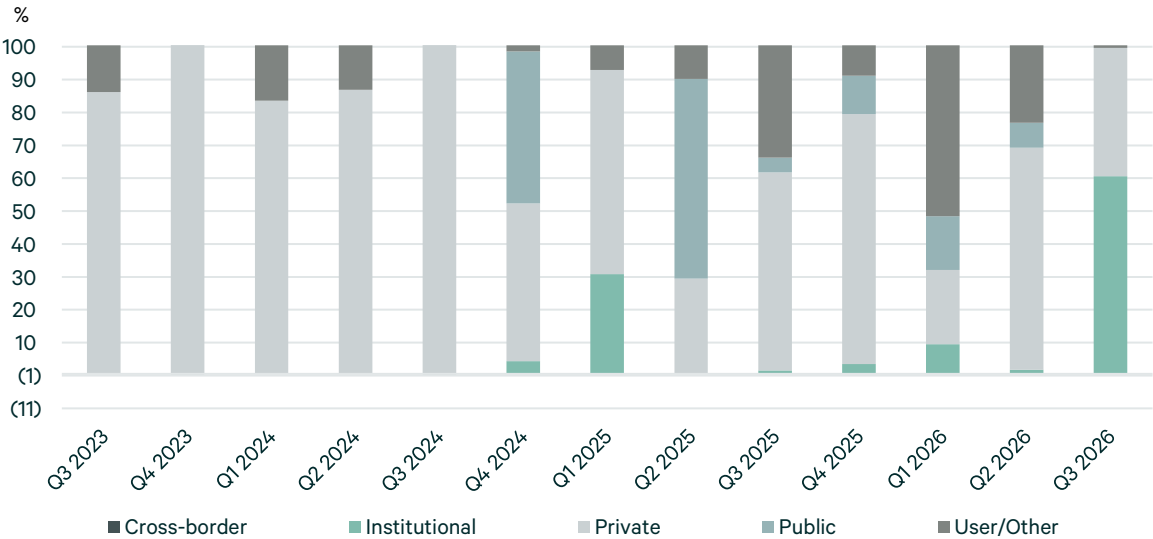
Source: MSCI Real Capital Analytics. Q3 2026

Figure 6: Quarterly Sales Volume



Source: MSCI Real Capital Analytics. Q3 2026

Figure 8: Buyer Composition



Source: MSCI Real Capital Analytics. Q3 2026

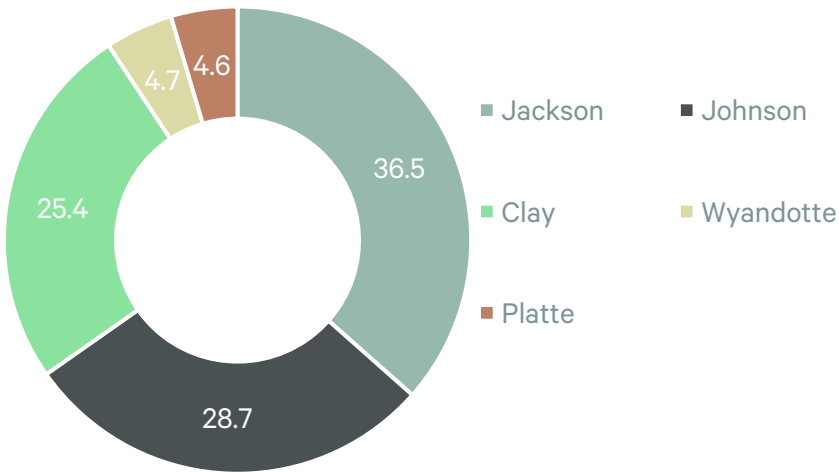
Leasing Activity

Leasing activity in the Kansas City industrial market totaled 4.04 million sq. ft. for Q3 2026, and 18.32 million sq. ft. for the trailing 4-quarters. The Jackson County submarket led the overall market with 1.48 million sq. ft. for Q3 2026, Jackson County also led the trailing 4-quarters with 7.3 million sq. ft. Year-to-date leasing activity totaled 14.90 million sq. ft. which exceeds the 2025 total leasing activity total of 12.85 million sq. ft.

Transactions greater than 300,000 sq. ft. made up 49.1% of the total space leased in the trailing 4-quarters with 16 leases during the time-period.

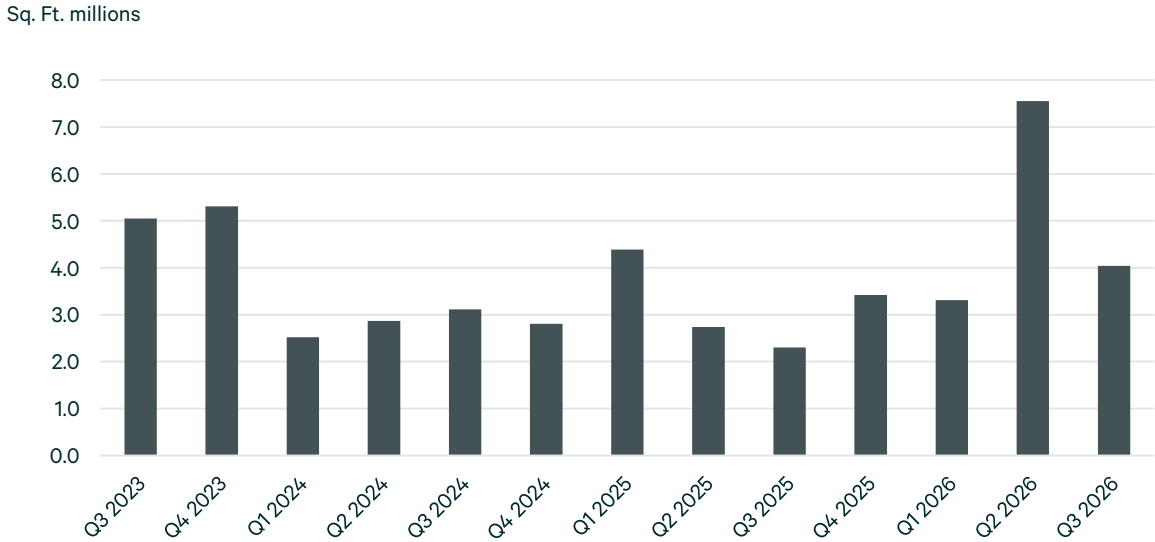
A confidential tenant represented the largest new lease signed in the quarter, taking 920,000 sq. ft. at I-49 Industrial Center Bldg 7 in the Jackson County submarket, followed by Owens Corning’s lease of 505,000 sq. ft. at HMBC Logistics VII.

Figure 10: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Figure 9: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 11: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	920,000	New Lease	4001 E 149th St	Jackson
QTS Procurement	757,000	Renewal	16175 JOHN GLENN PKWY	Johnson
Owens Corning Insulating Systems	505,000	New Lease	Parvin Rd & Kentucky Ave	Clay
Ponce Ground Service	210,000	New Lease	6201-6301 Stilwell St	Jackson
Confidential Tenant	192,000	New Lease	5300-5350 Kansas Ave	Wyandotte
Suburban Automotive Services	151,000	New Lease	401-407 S Leonard St	Clay
Banner Logistics	101,000	Renewal	1251-1253 Quebec St	Clay
Vayan	101,000	New Lease	5208 Stilwell St	Jackson

Source: CBRE Research, Q3 2026

Market Statistics by Product Type

Figure 12

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
Distribution/Logistics	222.53	4.8	5.7	5.1	0.6	5.36	2.17	5.66	1.04	3.88
Manufacturing - General	53.33	2.0	2.9	2.3	0.6	6.49	0.1	0.04	-	-
R&D/Flex	3.95	3.1	3.2	2.8	0.4	13.00	(0.02)	0.01	-	-
Other Industrial	11.88	0.7	1.0	0.9	0.1	10.95	0.02	0.27	-	-
Total	291.69	4.1	5.0	4.4	0.6	5.59	2.18	5.98	1.04	3.88

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 13

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
Below 50K SF	23.99	2.7	3.8	3.3	0.4	8.41	0.01	(0.09)	0.05	0.03
50K-99,999 SF	37.35	2.3	2.8	2.4	0.4	6.58	0.02	0.63	-	-
100K-249,999 SF	66.95	3.9	4.8	4.2	0.5	6.06	0.54	1.17	0.42	0.39
250K-499,999 SF	54.61	8.1	9.3	8.0	1.3	5.22	(0.30)	1.73	-	2.31
500K-749,999 SF	34.02	4.0	5.3	4.0	1.3	5.94	0.47	1.48	0.57	1.15
750,000 SF +	74.76	2.7	3.3	3.3	-	4.21	1.48	1.06	-	-
Total	291.69	4.1	5.0	4.4	0.6	5.59	2.18	5.98	1.04	3.88

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 14

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
Cass	5.66	10.2	10.2	10.2	-	6.75	-	0.14	0.58	-
Clay	50.11	4.0	5.2	4.5	0.6	4.79	0.45	0.01	-	0.81
Jackson	91.14	3.7	4.9	4.4	0.4	4.51	1.48	1.86	-	0.20
Johnson	82.74	4.7	5.7	4.8	0.9	6.89	0.23	1.14	0.25	1.48
Platte	20.17	5.4	5.8	4.2	1.6	6.37	(0.11)	1.55	0.21	0.39
Wyandotte	41.86	2.2	2.4	2.4	-	5.81	0.13	1.28	-	1.0
Total	291.69	4.1	5.0	4.4	0.6	5.59	2.18	5.98	1.04	3.88

Source: CBRE Research, Q3 2026

Modern Bulk Distribution Market Statistics by Submarket

Figure 15

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (MSF)	Under Construction (MSF)
Cass	5.62	10.3	10.3	10.3	0.0	6.75	0.00	0.14	0.57	-
Clay	12.00	3.5	5.0	3.5	1.0	5.41	0.51	0.41	-	0.81
Jackson	15.96	5.5	4.8	4.8	0.0	5.59	1.16	1.68	-	0.20
Johnson	41.66	5.7	6.6	5.5	1.2	6.55	0.24	1.30	0.25	1.47
Platte	13.92	4.4	5.0	4.7	0.3	6.49	0.07	1.68	0.22	0.40
Wyandotte	10.16	2.7	2.7	2.7	0.0	5.50	0.00	1.01	-	1.00
Total	93.70	5.2	5.7	5.0	0.7	6.24	1.98	6.22	1.04	3.88

Source: CBRE Research, Q3 2026. Modern Bulk includes Distribution/Warehouse buildings 100,000 sq. ft. or greater, built 1990 or later, with 28’ clear height or greater.

U.S. 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.

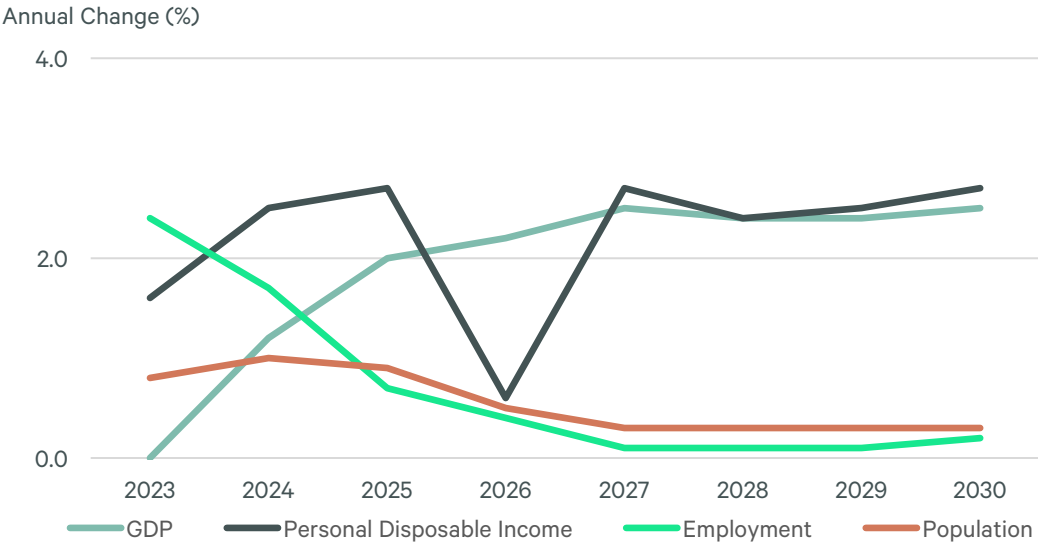
The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated 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.

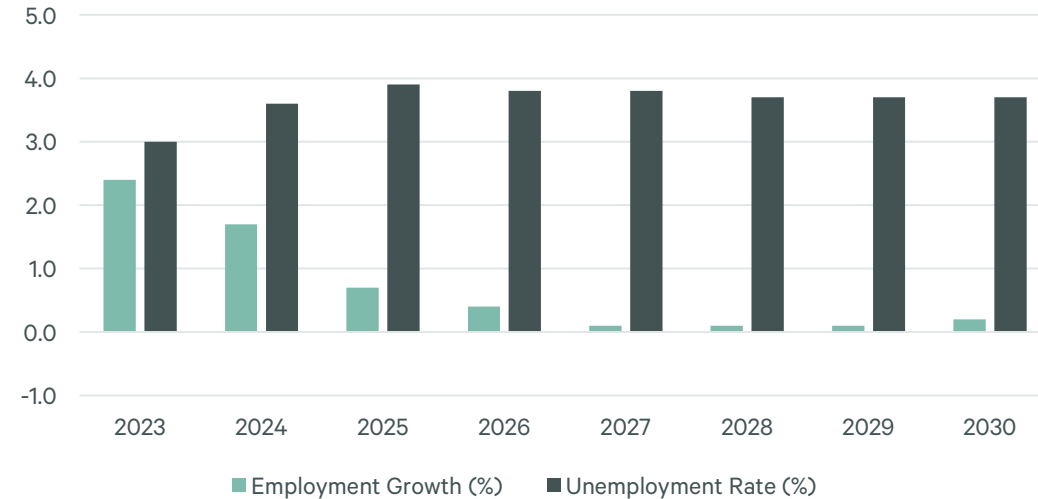
Kansas City’s median home prices grew by 8.7% over Q2 2025, with house prices projected to grow by 3.3%, on average, in 2026 through 2030. Kansas City’s real personal disposable income per capita is forecast to grow 1.8% per year in 2026 through 2030, while consumer spending is forecast to grow by 1.8%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

FIGURE 16: Kansas City Economic Forecast



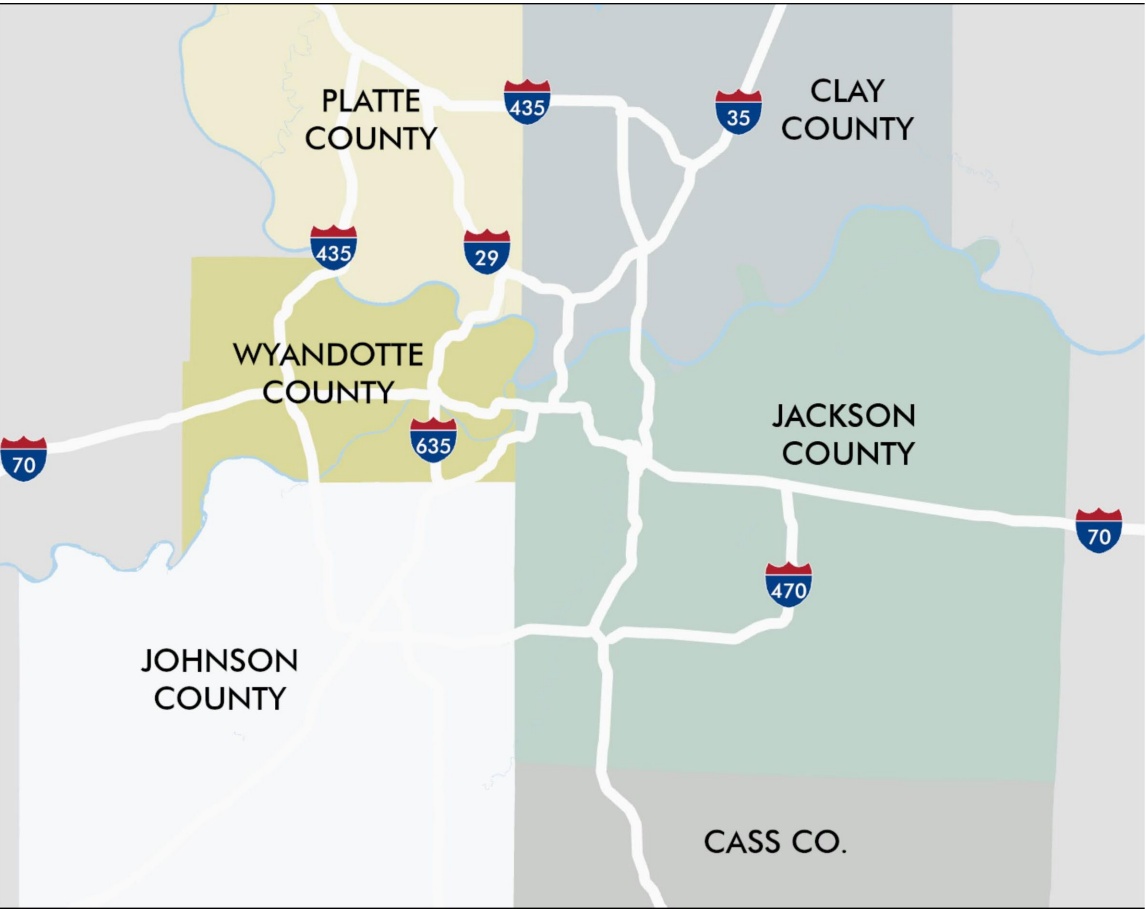
Source: BLS, US Census Bureau, Oxford Economics, July 2026.

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

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.

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