

FIGURES | KANSAS CITY OFFICE | Q1 2026

Sixth Consecutive Quarter of Positive Net Absorption

▼ 17.4%

Vacancy Rate

▼ 259,443

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▲ \$23.51

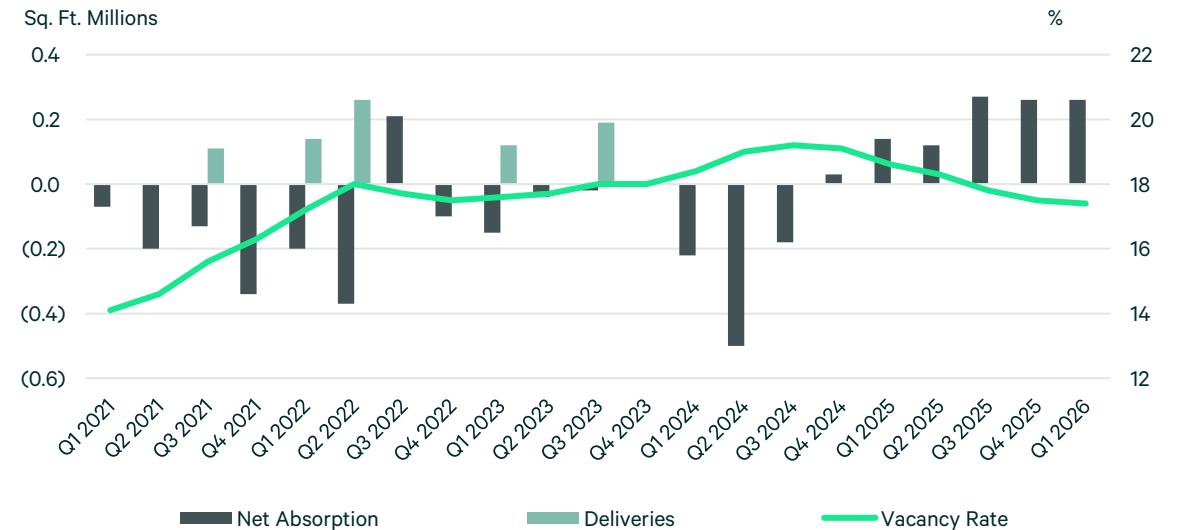
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

- Overall net absorption posted positive 259,443 sq. ft. for Q1 2026, marking the sixth consecutive quarter of positive net absorption. Positive net absorption came from both the suburban market (62,545 sq. ft.) and the downtown market (196,898 sq. ft.).
- Vacancy rates fell from 17.5% to 17.4% quarter-over-quarter in the overall market, a result of positive net absorption. Looking longer-term vacancy rates fell from 18.6% to 17.4% year-over-year. Vacancy rates have fallen slightly below the average from three years ago (Q1 2023) at 17.6%.
- Asking lease rates in the overall market increased 1.2% year-over-year (\$23.22 per sq. ft. to \$23.51 per sq. ft.). Over the previous three years the average asking lease rate increased 6.9% (\$21.99 per sq. ft. to \$23.51 per sq. ft.).

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Vacancy rates in the market decreased for the sixth consecutive quarter, during this time-period vacancy rates fell 180 bps (19.2% to 17.4%).

The submarket with the highest vacancy rate was Downtown at 21.1%, the next highest vacancy for a submarket was Kansas City, KS at 19.7%. The lowest vacancy rates were in Midtown and South Kansas City at 9.7%.

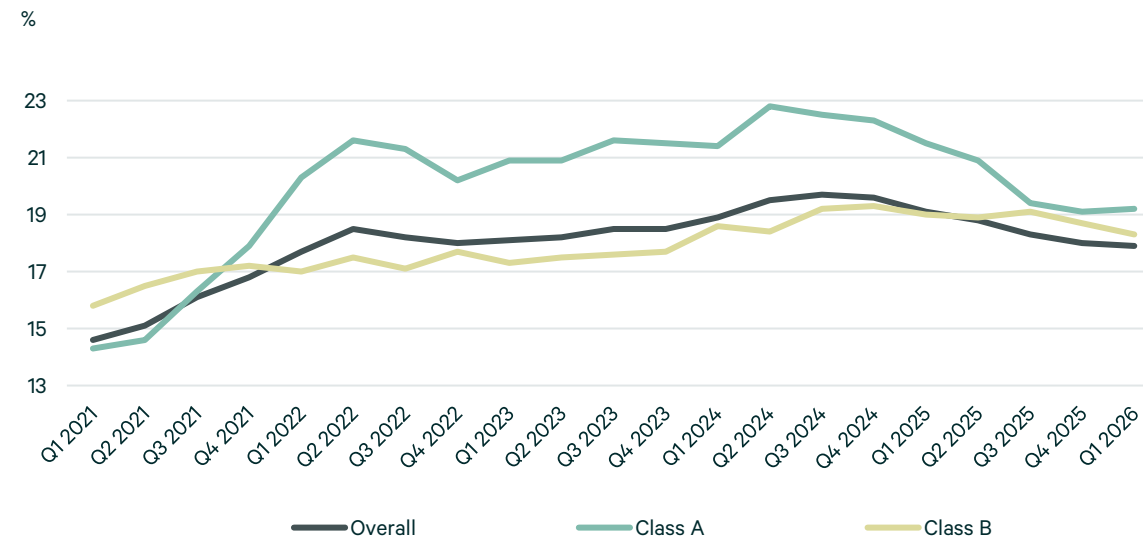
Class A vacancy finished Q1 2026 with an average of 18.7%, increasing 10 bps (18.6% to 18.7%) quarter-over-quarter. The Class B market finished Q1 2026 with an average vacancy of 17.8%, decreasing 40 bps (18.2% to 17.8%) quarter-over-quarter.

Asking Rent

In Q1 2026, the Kansas City Office market average asking lease rates increased 0.2% (\$23.46 per sq. ft. to \$23.51 per sq. ft.) quarter-over-quarter. Class A asking lease rates decreased 1.1% (\$26.20 per sq. ft. to \$25.91 per sq. ft.) quarter-over-quarter. Class B asking lease rates increased 0.9% (\$21.62 per sq. ft. to \$21.81 per sq. ft.) quarter-over-quarter.

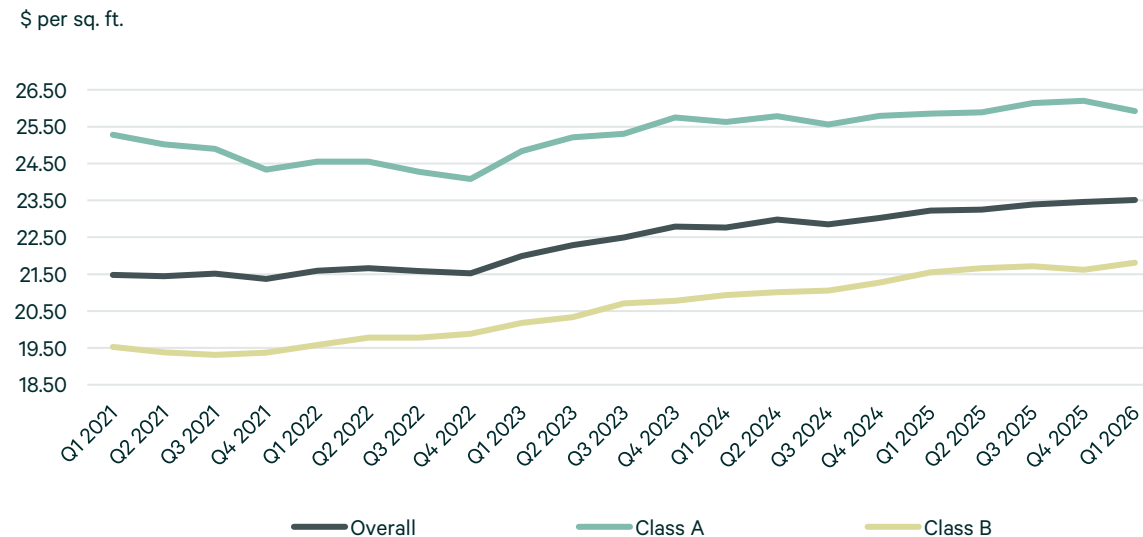
The Plaza submarket commanded the highest asking lease rates at \$27.54 per sq. ft., while Kansas City North had the lowest at \$17.90 per sq. ft. For Class A rates, the Plaza led the metro with an average Class A asking lease rate of \$29.03 per sq. ft. The lowest average Class A rates were in North Johnson County with an average asking lease rate of \$22.08 per sq. ft., followed by South Kansas City with an average Class A asking lease rate of \$22.12 per sq. ft.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

In Q1 2026, the Kansas City Office market recorded a net absorption of 259,443 sq. ft., nearly matching the 264,409 sq. ft total in Q4 2025.

Six out of the metros nine submarkets posted positive net absorption for the quarter. Downtown led the overall market with 196,898 sq. ft., followed by South Johnson County with 64,494 sq. ft. of positive net absorption for the quarter. Class B space was the driver for positive net absorption with 263,414 sq. ft. for the quarter, with 150,480 sq. ft. coming from the Downtown class B market, and 112,934 sq. ft. coming from the suburban class B market.

Six 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 Q1 2026, 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.

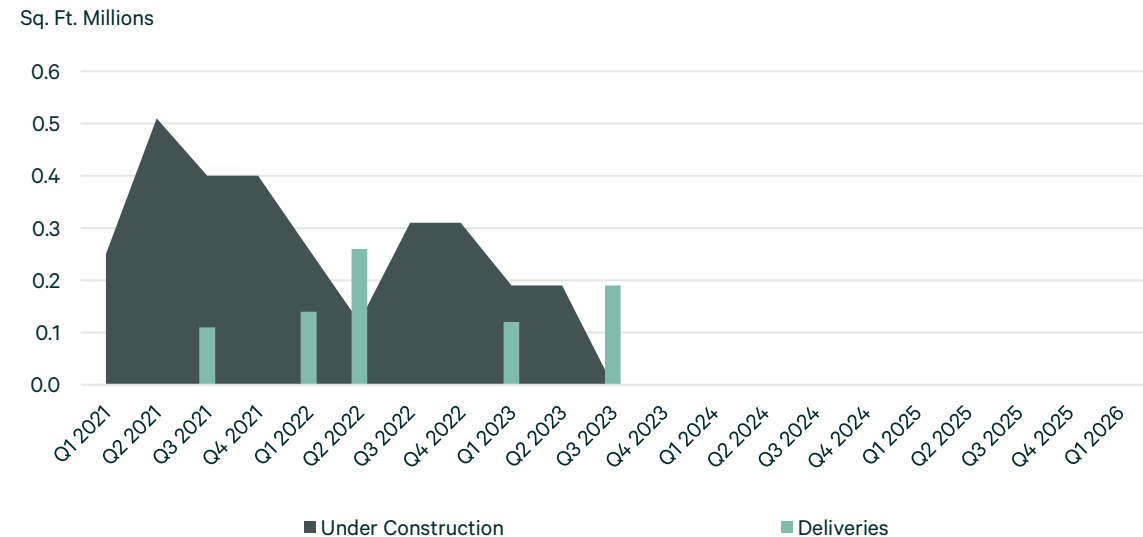
The market has experienced a current pause in multi-tenant development, reflecting broader economic conditions and market saturation.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Leasing Activity

Leasing activity in the Kansas City Office market totaled 586,000 sq. ft. for Q1 2026. The Class A market accounted for 39.2% (230,000 sq. ft.), with Class B/C space accounting for 60.8% (356,000 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 Q1 2026 with 47.4% of the total markets activity, followed by Downtown with 37.2%.

Figure 6: Leasing Activity Trend



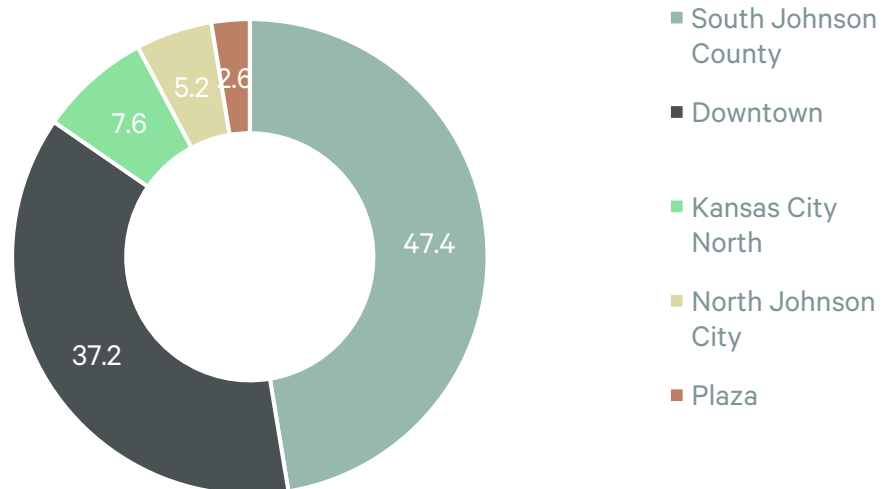
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Essense of Australia	60,880	Renewal	15500 W 113 th St	South Johnson County
Mid-America Regional Council	50,000	New Lease	801 Pennsylvania Ave	Downtown
Hill's Pet Nutrition	42,000	New Lease	6180 Sprint Pkwy	South Johnson County
Savion	34,000	New Lease	801 Pennsylvania Ave	Downtown
Hollis+Miller Architects	34,000	Renewal	1828 Walnut St	Downtown
Heico Construction Group	30,000	Renewal	10100 N Ambassador Dr	Kansas City North
Jack Henry & Associates	21,000	New Lease	7400 College Blvd	South Johnson County
Virtus Insurance	20,101	New Lease	9800 Metcalf Ave	North Johnson County

Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 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	15.67	16.7	18.1	15.9	2.1	26.93	(50,000)	(50,000)	0	0
Prime	2.64	9.0	10.9	10.9	0.0	30.85	(10,000)	(10,000)	-	-
Other Class A	13.02	18.2	19.5	17.0	2.5	26.43	(40,000)	(40,000)	-	-
Class B	23.34	17.6	19.7	19.1	0.6	21.58	113,000	113,000	0	0
Class C	2.78	1.9	2.4	2.3	0.0	17.47	0	0	0	0
Total	41.79	16.2	18.0	16.8	1.1	23.49	63,000	63,000	-	-

Source: CBRE Research, Q1 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	22.6	24.7	23.3	1.4	24.53	47,000	47,000	0	0
Prime	0.78	27.8	27.8	27.8	0.0	28.24	25,000	25,000	-	-
Other Class A	7.21	22.0	24.4	22.8	1.6	24.04	22,000	22,000	-	-
Class B	4.20	18.7	24.6	23.7	0.8	22.79	150,000	150,000	0	0
Class C	0.64	18.3	18.3	18.3	0.0	14.38	0	0	0	0
Total	12.84	21.1	24.4	23.2	1.2	23.55	197,000	197,000	-	-

Source: CBRE Research, Q1 2026

Figure 11: Metro Market Statistics by Index

	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)
SUBURBAN										
Class A	15.67	16.7	18.1	15.9	2.1	26.93	(50,000)	(50,000)	0	0
Class B	23.34	17.6	19.7	19.1	0.6	21.58	113,000	113,000	0	0
Class C	2.78	1.9	2.4	2.3	0.0	17.47	0	0	0	0
Total	41.79	16.2	18.0	16.8	1.1	23.49	63,000	63,000	0	0
DOWNTOWN										
Class A	7.99	22.6	24.7	23.3	1.4	24.53	47,000	47,000	0	0
Class B	4.20	18.7	24.6	23.7	0.8	22.79	150,000	150,000	0	0
Class C	0.64	18.3	18.3	18.3	0.0	14.38	0	0	0	0
Total	12.84	21.1	24.4	23.2	1.2	23.55	197,000	197,000	-	-
METRO										
Class A	23.67	18.7	20.3	18.4	1.9	25.91	(4,000)	(4,000)	0	0
Class B	27.54	17.8	20.5	19.8	0.6	21.81	263,000	263,000	0	0
Class C	3.42	5.0	5.3	5.3	0.0	15.49	0	0	0	0
Total	54.63	17.4	19.5	18.3	1.1	23.51	259,000	259,000	-	-

Source: CBRE Research, Q1 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	12.84	21.1	24.4	23.2	1.2	23.55	197,000	197,000	-	-
Class A	7.99	22.6	24.7	23.3	1.4	24.53	47,000	47,000	0	0
Class B	4.20	18.7	24.6	23.7	0.8	22.79	150,000	150,000	0	0
Class C	0.63	18.3	18.3	18.3	0.0	14.38	0	0	0	0
East Kansas City	2.88	14.0	14.3	14.3	-	19.95	14,000	14,000	-	-
Class A	0.10	0.0	0.0	0.0	0.0	-	0	0	0	0
Class B	2.23	17.1	17.4	17.4	0.0	20.08	23,000	23,000	0	0
Class C	0.53	4.0	4.0	4.0	0.0	17.74	(9,000)	(9,000)	0	0
Kansas City North	4.16	18.4	19.2	18.7	0.5	17.90	(42,000)	(42,000)	-	-
Class A	0.83	10.0	10.6	9.0	1.6	28.23	6,000	6,000	0	0
Class B	2.93	23.1	24.0	23.7	0.2	16.80	(49,000)	(49,000)	0	0
Class C	0.38	1.2	1.4	1.4	0.0	16.38	1,000	1,000	0	0
Kansas City, Kansas	1.23	19.7	19.7	19.7	-	27.25	(8,000)	(8,000)	-	-
Class A	0.33	60.1	60.1	60.1	0.0	29.00	0	0	0	0
Class B	0.40	9.6	9.6	9.6	0.0	20.14	(17,000)	(17,000)	0	0
Class C	0.48	0.9	0.9	0.9	0.0	12.00	9,000	9,000	0	0
Midtown	1.49	9.7	9.7	9.7	-	18.62	5,000	5,000	-	-
Class A	0.08	0.0	0.0	0.0	0.0	-	0	0	0	0
Class B	1.19	12.1	12.1	12.1	0.0	18.62	5,000	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	12.9	16.6	15.8	0.8	20.97	(33,000)	(33,000)	-	-
Class A	1.67	13.0	13.7	13.7	0.0	22.08	0	0	0	0
Class B	3.98	14.7	20.0	18.8	1.2	20.71	(31,000)	(31,000)	0	0
Class C	0.63	1.0	2.7	2.7	0.0	17.54	(1,000)	(1,000)	0	0
Plaza	3.32	11.5	12.7	12.7	0.0	27.54	39,000	39,000	-	-
Class A	2.01	11.1	12.5	12.5	0.0	29.03	12,000	12,000	0	0
Class B	1.26	12.6	13.4	13.4	0.0	25.33	27,000	27,000	0	0
Class C	0.03	0.0	0.0	0.0	0.0	-	0	0	0	0
South Johnson County	18.69	19.6	21.7	20.0	1.6	25.42	64,000	64,000	-	-
Class A	8.85	19.5	21.4	18.6	2.9	27.28	(68,000)	(68,000)	0	0
Class B	9.64	20.0	22.2	21.7	0.5	23.87	132,000	132,000	0	0
Class C	0.18	6.4	6.4	6.4	0.0	21.47	0	0	0	0
South Kansas City	3.73	9.7	10.5	7.9	2.6	21.52	25,000	25,000	-	-
Class A	1.75	9.3	9.3	5.8	3.5	22.12	0	0	0	0
Class B	1.67	11.6	13.2	11.2	2.0	21.43	25,000	25,000	0	0
Class C	0.29	1.5	1.5	1.5	0.0	12.00	0	0	0	0
Total	54.63	17.4	19.5	18.3	1.1	23.51	259,000	259,000	-	-

Source: CBRE Research, Q1 2026

U.S. Economy Overview

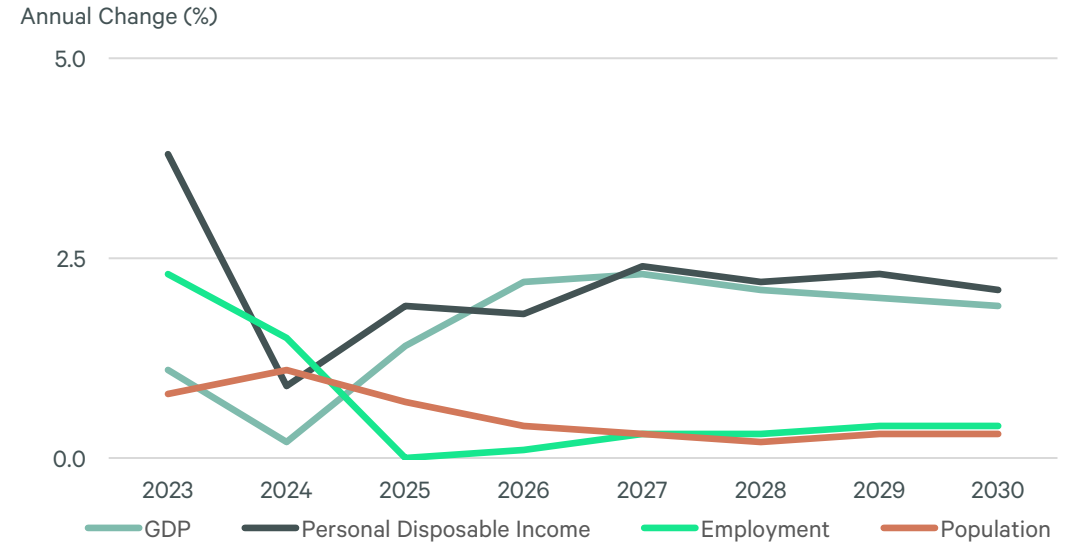
The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

Kansas City Economy Overview

According to Oxford Economics, Kansas City had a slight year-to-date job increase of 0.01% as of January 2026. Job growth was led by social services, health care, and finance. Kansas City’s 2025 GDP growth of 1.4% was below the US equivalent rate of 2.0%, led by real estate and tech, Oxford projects GDP growth of 2.1% in 2026 to 2030.

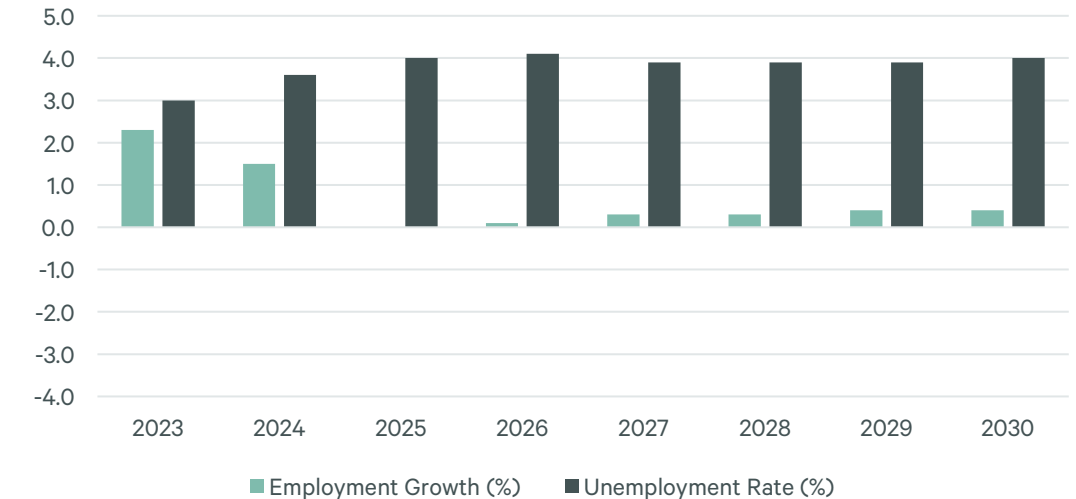
Kansas City’s median home prices grew by 2.1% year-over-year as of Q4 2025, with house prices projected to grow by 3.1%, on average, in 2026 through 2030. Kansas City’s real personal disposable income per capita is forecast to grow 1.3% per year in 2025 through 2029, while consumer spending is forecast to grow by 1.8% in 2026.

FIGURE 13: Kansas City Economic Forecast



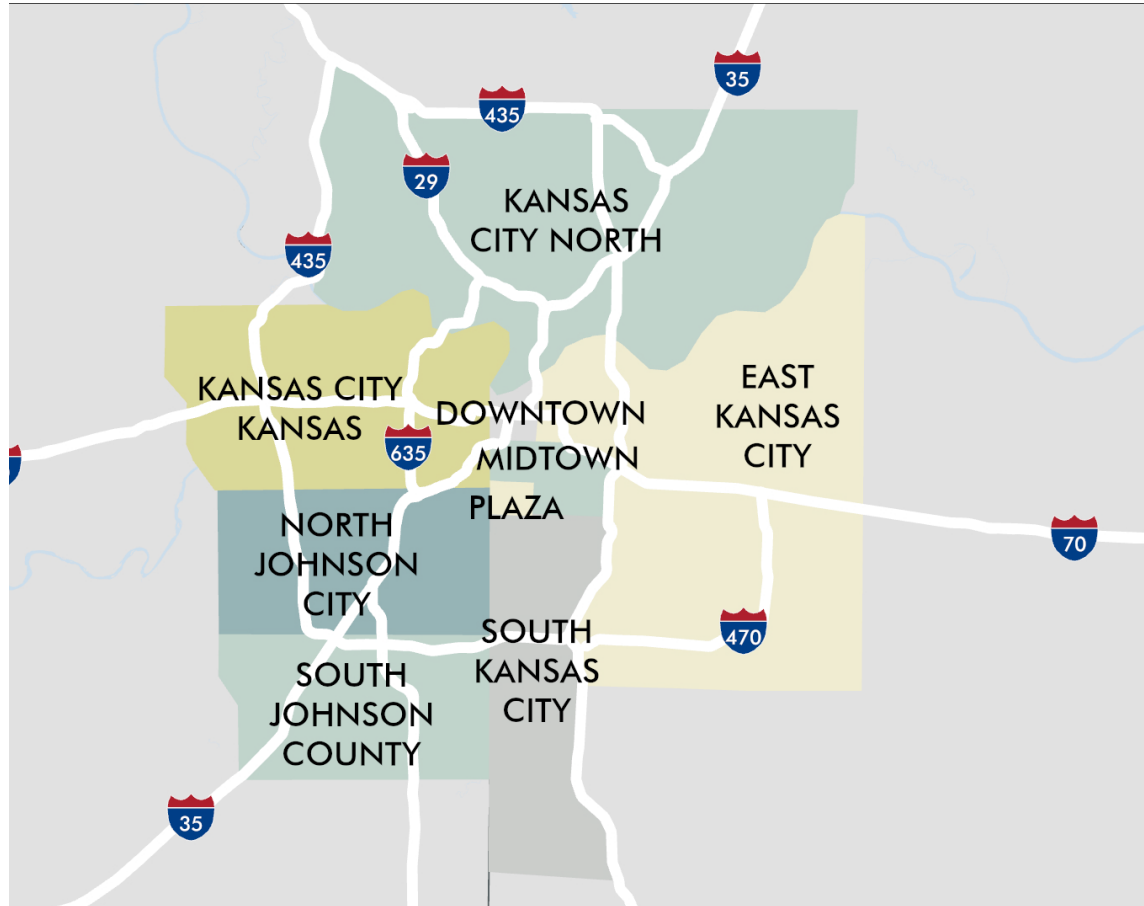
Source: BLS, US Census Bureau, Oxford Economics, January 2026.

FIGURE 14: Kansas City Employment Forecast



Source: BLS, US Census Bureau, Oxford Economics, January 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