

FIGURES | KANSAS CITY INDUSTRIAL | Q1 2026

Vacancy Rates Decline, a Result of Positive Net Absorption to Start 2026

▼ 4.6%

Vacancy Rate

▲ 1.7M

SF Net Absorption

▼ 833,715

SF Construction Delivered

▲ 5.1M

SF Under Construction

▶ \$5.49

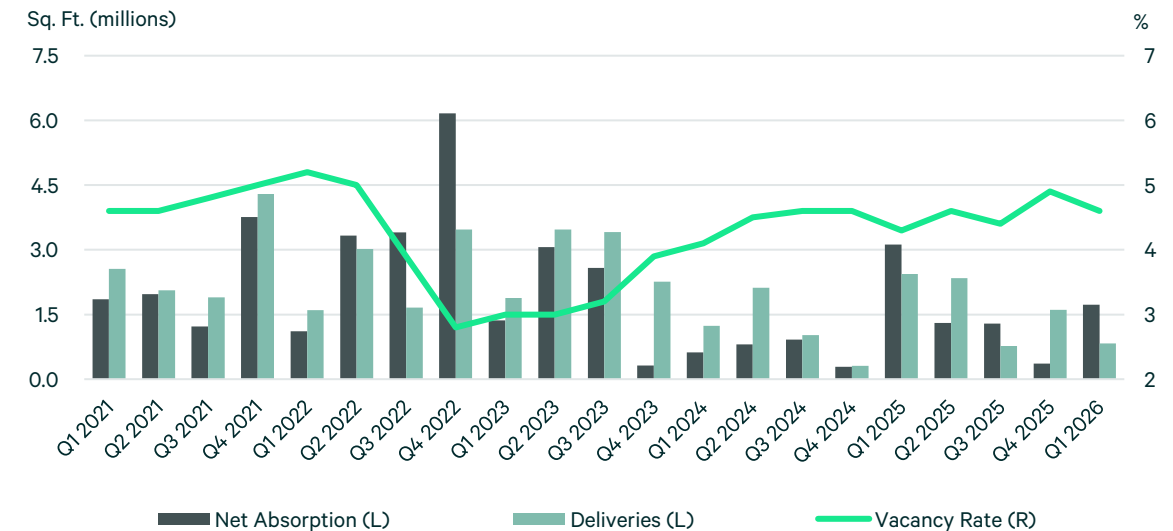
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

- Overall net absorption posted positive 1.7 million sq. ft. for Q1 2026, exceeding the Q4 2025 total of 360,000 sq. ft.
- Vacancy rates decreased from 4.9% to 4.6% quarter-over-quarter, and increased from 4.3% to 4.6% year-over-year.
- Two new buildings were delivered in Q1 2026, a 300,000 sq. ft. build-to-suit distribution warehouse and a 198,715 sq. ft. speculative distribution warehouse which was 100% pre-leased at completion.
- Asking lease rates in the overall market decreased 1.5% year-over-year (\$5.57 per sq. ft. to \$5.49 per sq. ft.). Over the previous three years the average asking lease rate increased 5.2% (\$5.22 per sq. ft. to \$5.49 per sq. ft.).

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Availability Rate

The Kansas City industrial market availability rate finished Q1 2026 at 5.2%, decreasing from the Q4 2025 average of 5.7%. Looking longer-term availability rates fell from 5.6% to 5.2% year-over-year, and increased from 4.4% to 5.2% over the previous three years.

The Cass County submarket had the lowest availability rate in the overall metro at 0.0% after Honeywell took the last 146,000 sq. ft. of primary space in the submarket. The Jackson County submarket had the highest availability rate at 6.9%, followed by Clay County with 6.3%.

Sublease space remained steady in Q1 2026, with an availability rate of 0.5%. In total there was approximately 1.5 million sq. ft. of sublease space on the market in Q1 2026, with an average size of 80,030 sq. ft.

Asking Rent

Asking lease rates decreased 1.5% (\$5.57 per sq. ft. to \$5.49 per sq. ft.) year-over-year.

The Johnson County submarket led the overall market for average asking lease rate at \$6.86 per sq. ft. Platte County had the highest year-over-year increase in lease rates, increasing 13.6% (\$5.68 per sq. ft. to \$6.45 per sq. ft.). Jackson County had the lowest average rates at \$4.93 per sq. ft., followed by Clay County with an average rate of \$5.06 per sq. ft.

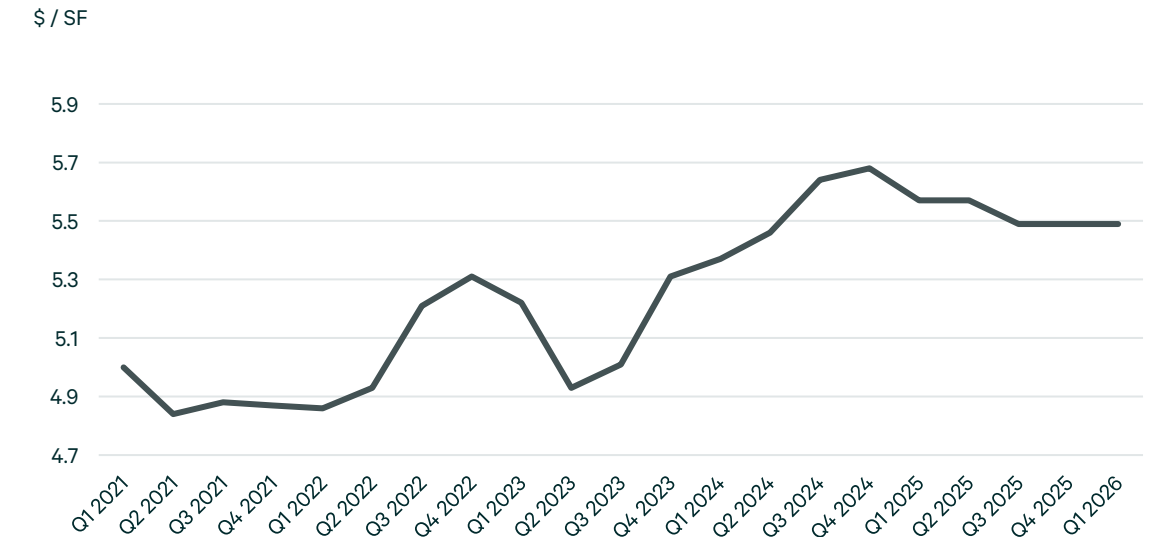
Asking rates vary between the three major industrial types with Distribution/Logistics average rate of \$5.31 per sq. ft., Manufacturing average rate of \$6.43 per sq. ft., and R&D/Flex average rate of \$12.92 per sq. ft.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

The Kansas City industrial market posted positive 1.7 million sq. ft. for Q1 2026, exceeding the 360,000 sq. ft. total from Q4 2025. Positive net absorption was led by Central Power Systems 526,502 sq. ft. lease of build-to-suit space at Platte International Commerce Center, JE Dunn’s lease of 400,828 sq. ft. at 7501 NW 106th Ter in Platte County, Fedex lease of 369,000 sq. ft. at Woodend Industrial Park, and P1 Group’s lease of 310,635 sq. ft. at 500 Sumner Way in New Century.

Positive net absorption for Q1 2026 was led by the Platte County submarket with 1.0 million sq. ft., and the Johnson County submarket with 630,000 sq. ft. for the quarter. Wyandotte County also posted positive net absorption with 430,000 sq. ft., followed by Cass County with 146,000 sq. ft. Two counties posted negative net absorption totals, Clay County with negative 309,000 sq. ft. and Jackson County with negative 179,000 sq. ft.

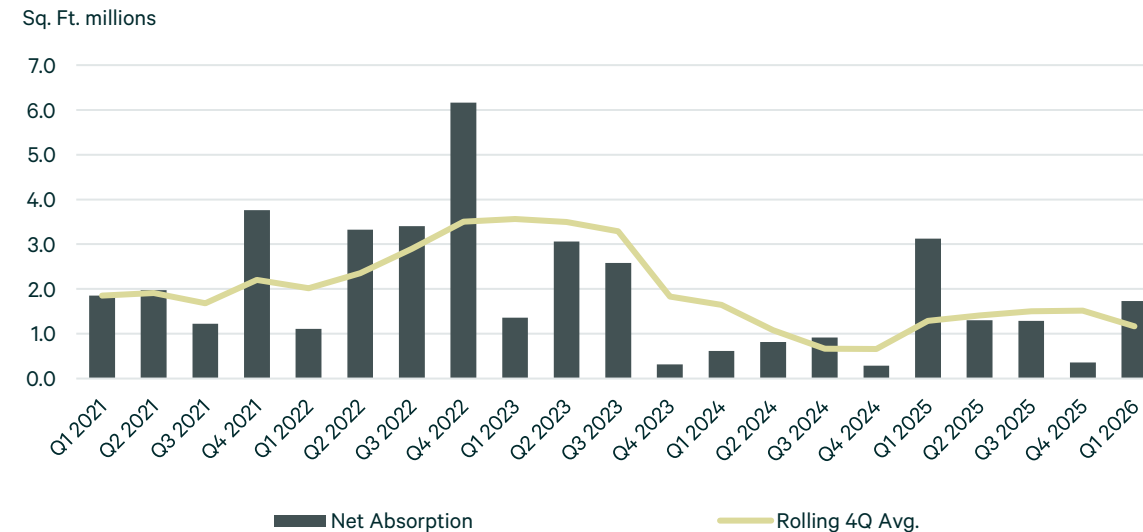
Construction Activity

Two new buildings were completed in Q1 2026 with a total of 498,000 sq. ft. which was 100% occupied as of the end of the quarter.

Over the past three years the Kansas City market delivered 21.9 million sq. ft. of new industrial space. Deliveries over this time-period came from 69% (15.2 million sq. ft.) speculative projects and 31% (6.7 million sq. ft.) build-to-suit projects.

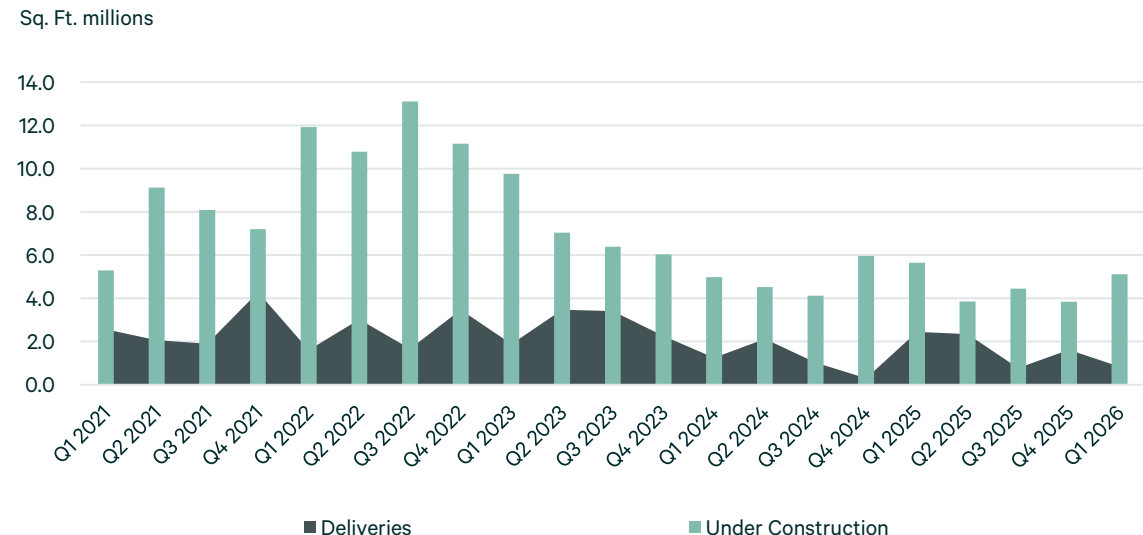
Seven new projects broke ground in Q1 2026 with 2.1 million sq. ft. of space, exceeding deliveries and resulting in the total amount under construction increasing to 5.1 million sq. ft. Most of the projects under construction broke ground on a speculative basis with a total of 3.5 million sq. ft. (67%), the remaining 1.6 million sq. ft. (33%) represent build-to-suit development.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Leasing Activity

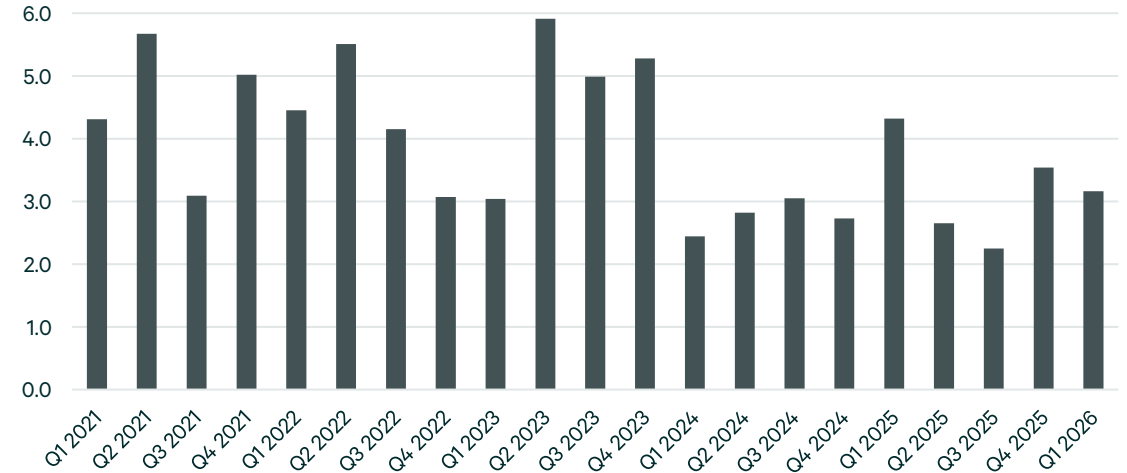
Leasing activity in the Kansas City industrial market totaled 3.2 million sq. ft. for Q1 2026, and 11.6 million sq. ft. for the trailing 4-quarters. The Johnson County submarket led the overall market with 1.1 million sq. ft. in Q1 2026, Johnson County also led the trailing 4-quarters with 3.3 million sq. ft.

Transactions greater than 300,000 sq. ft. made up 33% of the total space leased in the trailing 4-quarters with ten leases exceeding 300,000 sq. ft. during the time-period.

JE Dunn represented the largest new lease signed in the quarter, taking 401,000 sq. ft. at 7501 NW 106th Ter in the Platte County submarket, followed by P1 Group which took 311,000 sq. ft. at 500 Sumner Way in the Johnson County submarket.

Figure 6: Leasing Activity Trend

Sq. Ft. millions



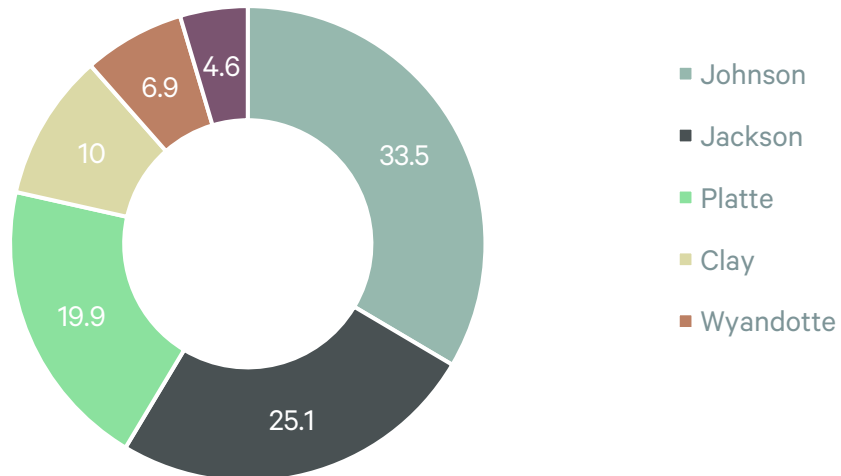
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
JE Dunn Construction Co.	401,000	New Lease	7501 NW 106th Ter	Platte
Medline	359,000	Renewal	1399 Universal Ave	Jackson
P1 Group	311,000	New Lease	500 Sumner Way	Johnson
eFulfillment Service	243,000	New Lease	30574-31452 W 183rd St	Johnson
Arco Construction	227,000	New Lease	Little Blue Parkway & RD Mize Rd	Jackson
Nefco Construction Supply	201,000	New Lease	110 S 110th St	Wyandotte
Sermmi	175,000	New Lease	24525 W 43rd St	Johnson
Grainger International	169,000	Renewal	4950 NW 42nd St	Platte

Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	YTD Net Absorption (MSF)	Under Construction (MSF)	Current Quarter Net Absorption (MSF)	Deliveries (SF)
Under 100,000 sq. ft.	59.96	2.2	2.9	2.7	0.2	6.97	0.12	0.21	0.12	-
100,000-199,999 sq. ft.	47.10	3.8	4.3	4.0	0.3	6.00	(0.03)	0.19	(0.03)	199,000
200,000-299,999 sq. ft.	33.85	8.2	8.4	7.9	0.5	5.78	(0.13)	1.12	(0.13)	-
300,000-499,999 sq. ft.	39.38	6.1	7.7	5.8	1.9	5.04	2.02	1.88	2.02	300,000
500,000-749,999 sq. ft.	32.09	4.5	4.5	4.5	-	5.79	0.19	1.71	0.19	-
750,000 sq. ft.	74.76	4.7	5.3	4.8	0.4	4.64	(0.44)	-	(0.44)	-
Total	287.13	4.6	5.2	4.7	0.5	5.49	1.73	5.11	1.73	499,000

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 10

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)	Under Construction (MSF)	Deliveries (SF)
Distribution/Logistics	218.15	5.4	6.0	5.5	0.6	5.31	1.69	1.69	5.06	499,000
Manufacturing - General	53.23	1.9	2.6	2.1	0.6	6.43	0.04	0.04	0.06	-
R&D/Flex	3.85	2.9	2.9	2.5	0.4	12.92	-	-	-	-
Other Industrial	11.90	2.7	3.2	3.2	-	8.60	-	-	-	-
Total	287.13	4.6	5.2	4.7	0.5	5.49	1.73	1.73	5.11	499,000

Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	YTD Net Absorption (MSF)	Under Construction (MSF)	Current Quarter Net Absorption (MSF)	Deliveries (SF)
Cass	5.05	-	-	-	-	-	0.15	0.58	0.15	-
Clay	49.86	4.5	6.3	5.8	0.5	5.06	(0.31)	0.81	(0.31)	-
Jackson	90.77	5.8	6.9	6.3	0.5	4.93	(0.18)	-	(0.18)	-
Johnson	80.96	4.3	4.4	3.9	0.5	6.86	0.64	1.90	0.64	199,000
Platte	19.14	4.2	4.6	2.4	2.1	6.45	0.99	1.24	0.99	-
Wyandotte	41.35	3.4	3.0	3.0	0.0	5.51	0.44	0.58	0.44	300,000
Total	287.13	4.6	5.2	4.7	0.5	5.49	1.73	5.11	1.73	499,000

Source: CBRE Research, Q1 2026

Modern Bulk Distribution Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	YTD Net Absorption (MSF)	Under Construction (MSF)	Current Quarter Net Absorption (MSF)	Deliveries (SF)
Cass	5.05	0.0	0.0	0.0	0.0	-	0.14	0.58	0.14	-
Clay	12.00	7.7	10.2	9.1	1.0	6.40	(0.10)	0.81	(0.10)	-
Jackson	13.86	16.9	16.0	15.7	0.2	6.26	(0.01)	-	(0.01)	-
Johnson	39.85	6.0	5.7	4.8	0.9	6.20	0.63	1.90	0.63	199,000
Platte	12.29	3.7	3.7	0.6	3.1	6.15	0.98	1.24	0.98	-
Wyandotte	8.74	4.9	2.1	2.1	0.0	5.50	0.66	0.48	0.66	300,000
Total	91.80	7.1	6.9	5.9	1.0	6.24	2.31	5.01	2.31	499,000

Source: CBRE Research, Q1 2026

U.S. Economy Overview

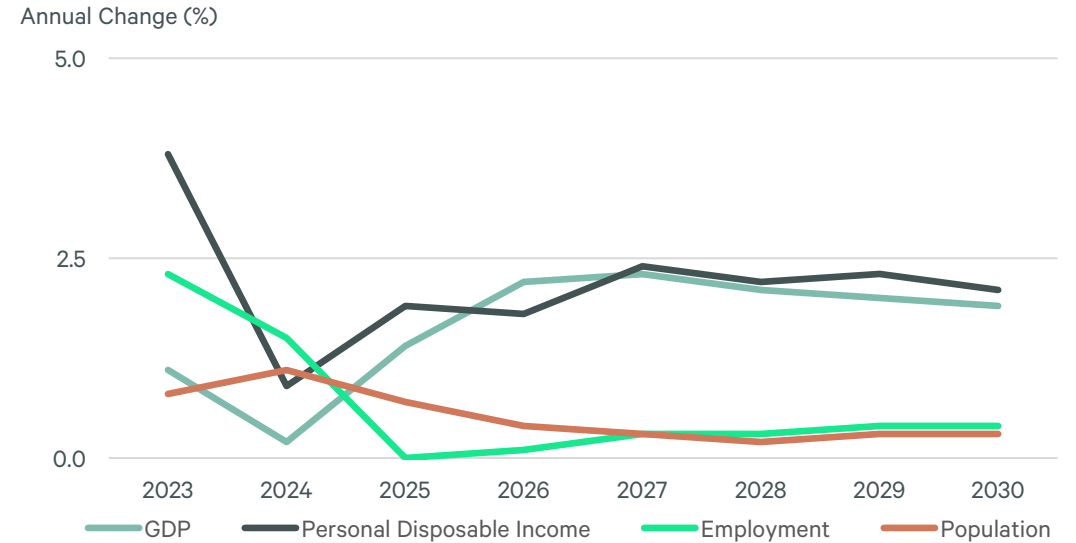
The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of 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.

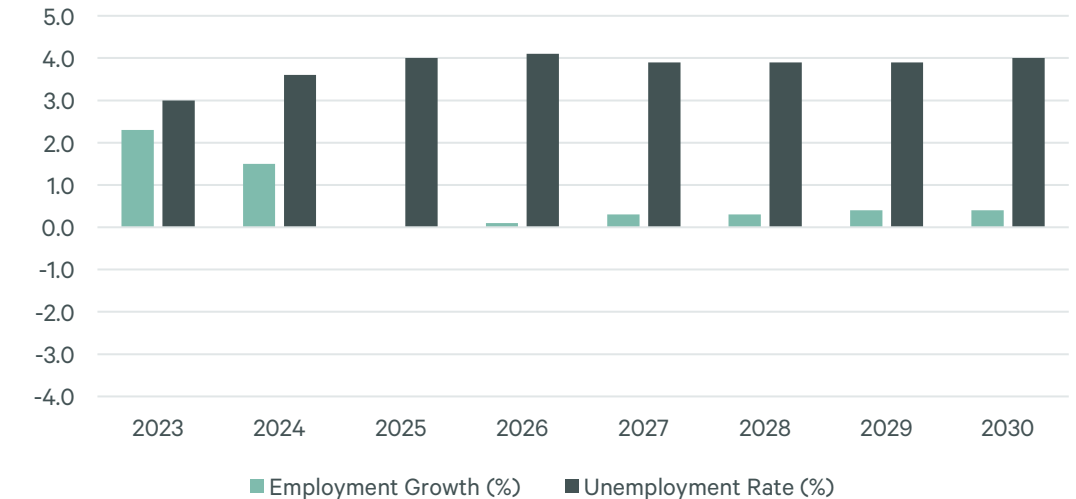
Kansas City’s median home prices grew by 2.1% year-over-year as of Q4 2025, with house prices projected to grow by 3.1%, on average, in 2026 through 2030. Kansas City’s real personal disposable income per capita is forecast to grow 1.3% per year in 2025 through 2029, while consumer spending is forecast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

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.

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