RESEARCH 2Q25

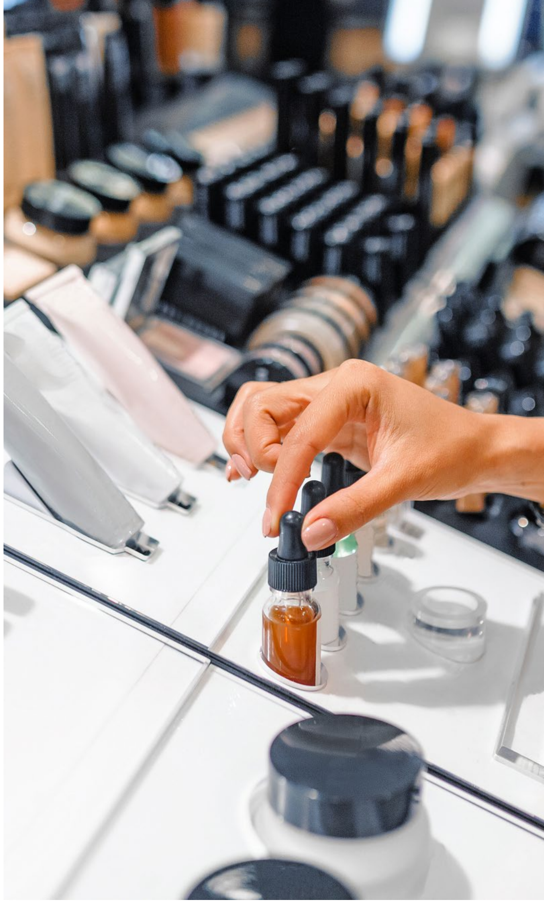
Kansas City Retail Report

Executive Summary

Newmark Zimmer is constantly monitoring market indicators, tracking and analyzing supply and demand drivers, cyclical patterns and industry trends. The following quarterly research report examines the multifaceted Kansas City retail market.

Newmark Zimmer research and analytics has established a system of data flow unique in our industry. Rather than rely on third party data sources, our data acquisition efforts involve inputs from advisors in the field, analysts and brokers executing transactions. Newmark Zimmer research converts market data and analysis into knowledge that creates value for our clients.

Our clients include market-leading landlords and distinguished institutions in and around the Kansas City area and the Midwest. Our market knowledge continues to expand as the market progresses and evolves.



Select Market Transactions

Sprouts Farmers Market | Lenexa, KS
86,280 SF GLA – SOLD FOR $11,500,000 ($133/SF)
North Johnson County | 8550 Maurer Road

Liberty Commons – Building F | Liberty, MO
14,740 SF GLA – SOLD FOR $6,050,000 ($411/SF)
Clay County | 201-217 S Stewart Road

Ace Hardware | Olathe, KS
14,840 SF GLA – SOLD FOR $4,700,000 ($317/SF)
South Johnson County | 15066 W 151st Street

Liberty Commons – Building E | Liberty, MO
14,740 SF GLA – SOLD FOR $3,425,000 ($232/SF)
Clay County | 211-229 S Stewart Road

Chipotle | Independence, MO
2,330 SF GLA – SOLD FOR $3,125,000 ($1,341/SF)
East Jackson County | 2500 S State Route 291

Retail

KANSAS CITY MARKET OVERVIEW

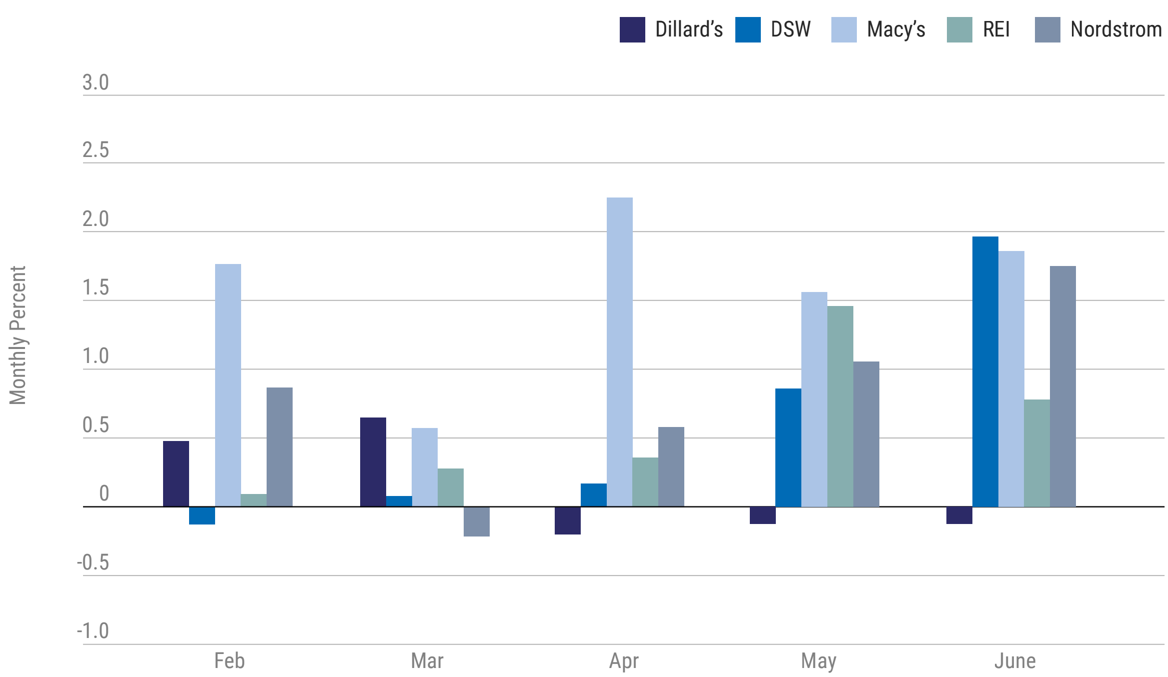
Kansas City continues to outperform regional and national retail benchmarks as leasing activity exceeded new deliveries by more than six-to-one during the past year. Occupancy levels of 95.9% combined with a 2.3% year-over-year rent increase reflect solid tenant demand and limited new supply. Retail investment volume for all-sized deals topped $520 million over the past 12 months, with sustained activity in core infill areas and community shopping centers. Leasing velocity remains robust across both national brands and local operators, with many tenants locking in terms of further tariff-induced price increases.

Market News:

- Loretto Properties has been granted a seven-month extension to begin construction on the $338 million mixed-use Olathe Gateway Project. The development's retail component will feature a Michael's Wonder World theme park, multi-use sports arena along with 67,000 SF of restaurant and retail space. The first phase is expected to open by mid-2026.
- Trader Joe's will open as an anchor tenant for the $102-million Merriam Grand State Marketplace development. The company will be the first grocer located in Merriam since Hen House left in 2018.
- Furniture Mall of Missouri will be opening a new store at 400 Northwest Barry Road upon signing a five-year lease for 150,000 SF. The company will backfill the former Macy's space at Metro North Mall and plans to open by September. In addition, NRG Adventure Park signed a lease for 46,000 SF within the same building and plans to open by October.

Despite macroeconomic uncertainty, Kansas City's retail fundamentals appear resilient. Consumers are still spending, particularly in discount and necessity-driven segments, and landlords are seeing stable performance in well-positioned assets. However, increased construction costs and extended negotiation timelines, largely tied to import tariffs and rising materials costs, are beginning to surface in ground-up development and tenant improvement conversations. Looking ahead, the expected 10%-30% price surge in back-to-school merchandise should bolster 3Q25 foot traffic and sales, offering a cushion against growing cost pressures. Notably, apparel prices have steadily risen across major U.S. retailers, visualized in the attached graphic, indicating broad-based inflationary trends likely to impact both consumers and operators in 3Q25.

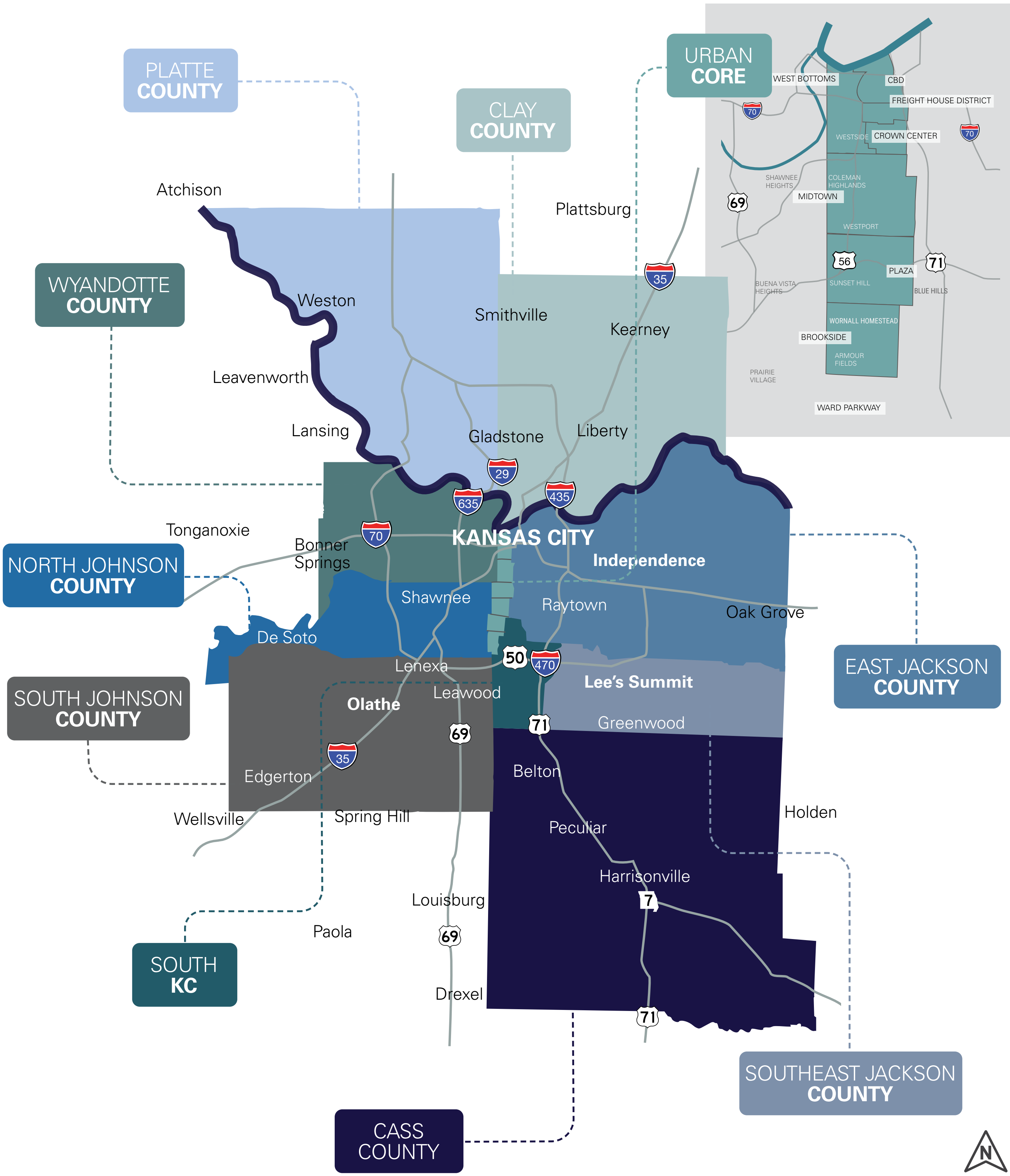
Monthly Price Changes in Apparel at U.S. Retailers
February – June 2025



Source: Dataweave, CNBC

Submarket Maps

DOWNTOWN & SUBURBS



This map was produced using reliable private and government sources.
This information is provided without representation or warranty.

2Q25 Kansas City

RETAIL MARKET STATISTICS TABLE

	Type	# of Buildings	Total Inventory (SF)	Total Vacancy Rate	Qtr Absorption (SF)	Past 4 Qtrs. Absorption (SF)	Total Asking Rent (NNN)
CASS COUNTY	**All**	563	5,854,896	3.10%	8,874	-44,118	$14.83
	Small Shop	409	1,430,608	1.70%	9,517	-9,793	$15.53
	Big Box	154	4,424,288	3.60%	-643	-34,325	$14.64
CLAY COUNTY	**All**	1,115	13,971,422	2.70%	-73,542	-70,523	$16.84
	Small Shop	719	2,579,531	2.50%	-9,604	-5,945	$21.54
	Big Box	396	11,391,891	2.70%	-63,938	-64,578	$15.34
EAST JACKSON COUNTY	**All**	2,441	24,349,346	5.70%	126,613	216,481	$10.44
	Small Shop	1,802	5,846,615	2.60%	-2,248	6,384	$16.04
	Big Box	639	18,502,731	7.00%	128,861	210,097	$9.40
KC URBAN CORE	**All**	983	8,786,587	3.30%	-35,091	-23,684	$21.21
	Small Shop	662	2,289,487	3.50%	-16,235	-32,355	$22.75
	Big Box	321	6,497,100	3.30%	-18,856	8,671	$20.25
NORTH JOHNSON COUNTY	**All**	1,200	18,704,588	4.00%	-119,274	-71,229	$16.14
	Small Shop	738	2,674,807	2.70%	-7,485	8,632	$24.56
	Big Box	462	16,029,781	4.30%	-111,789	-79,861	$15.25
PLATTE COUNTY	**All**	434	6,724,667	4.50%	-29,658	10,953	$15.04
	Small Shop	269	1,079,026	1.30%	5,581	3,189	$23.28
	Big Box	165	5,645,641	5.10%	-35,239	7,764	$14.27
SOUTH JOHNSON COUNTY	**All**	1,291	21,450,807	3.00%	1,165	125,614	$19.35
	Small Shop	717	2,623,738	2.20%	-13,231	11,263	$27.01
	Big Box	574	18,827,069	3.10%	14,396	114,351	$18.33
SOUTH KC	**All**	570	6,106,939	5.20%	-17,538	17,726	$13.80
	Small Shop	400	1,192,817	3.40%	-10,720	-15,032	$18.90
	Big Box	170	4,914,122	5.50%	-6,818	32,758	$12.79
SOUTHEAST JACKSON COUNTY	**All**	545	7,106,198	4.00%	-59,883	-137,076	$17.45
	Small Shop	361	1,336,532	2.70%	-14,995	-24,046	$21.27
	Big Box	184	5,769,666	4.30%	-44,888	-113,030	$16.49
WYANDOTTE COUNTY	**All**	1,036	10,392,111	4.60%	9,621	8,414	$9.93
	Small Shop	805	2,548,374	2.40%	-812	-13,618	$23.30
	Big Box	231	7,843,737	5.30%	10,433	22,032	$8.80
TOTALS	**All**	10,178	123,447,561	4.10%	-188,713	32,558	$14.91
	Small Shop	6,882	23,601,535	2.60%	-60,232	-71,321	$21.10
	Big Box	3,296	99,846,026	4.50%	-128,481	103,879	$13.75

Small Shop: Retail buildings in which GLA is 7,500 square feet or less. **Big Box:** Retail buildings in which GLA is 7,501 square feet or more.

Examination and calculation of supply and demand determinants by building size uncovered statistically significant inflection points consistently at the 7,500-square-foot building size. For this reason, the division between small-shop and big-box occurs at 7,500 square feet.

Market Indicators

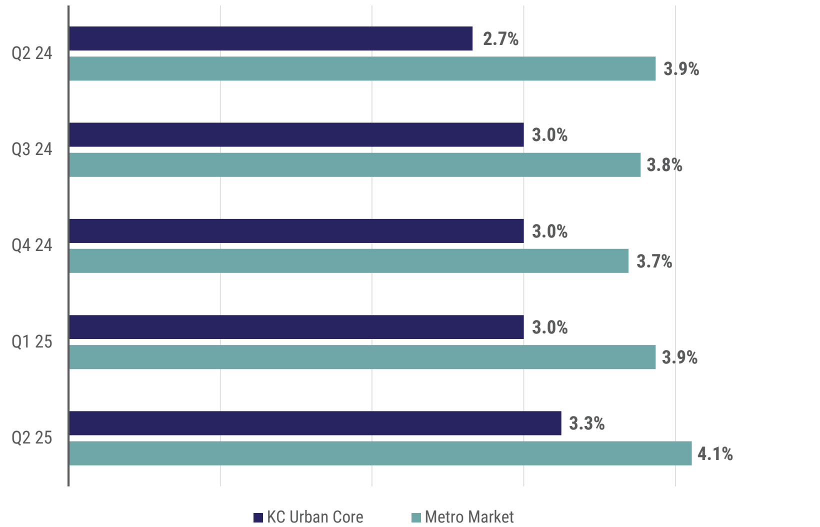
VACANCY RATE, ASKING RENT & NET ABSORPTION

KC URBAN CORE
VACANCY RATE

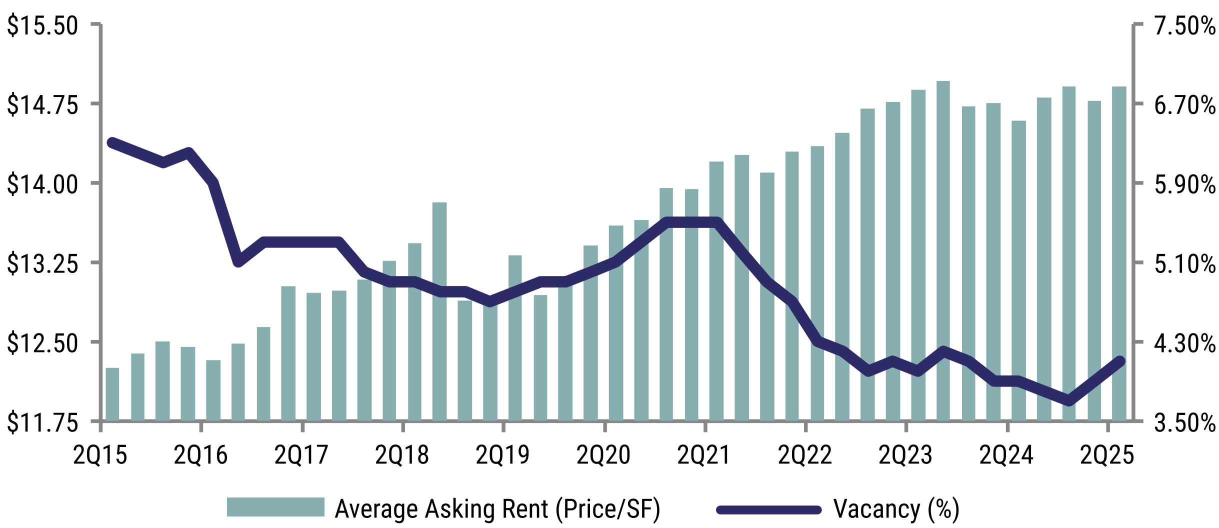
The KC Urban Core vacancy rate displayed an upward trend, increasing **60 basis points** over the past year.

METRO MARKET
VACANCY RATE

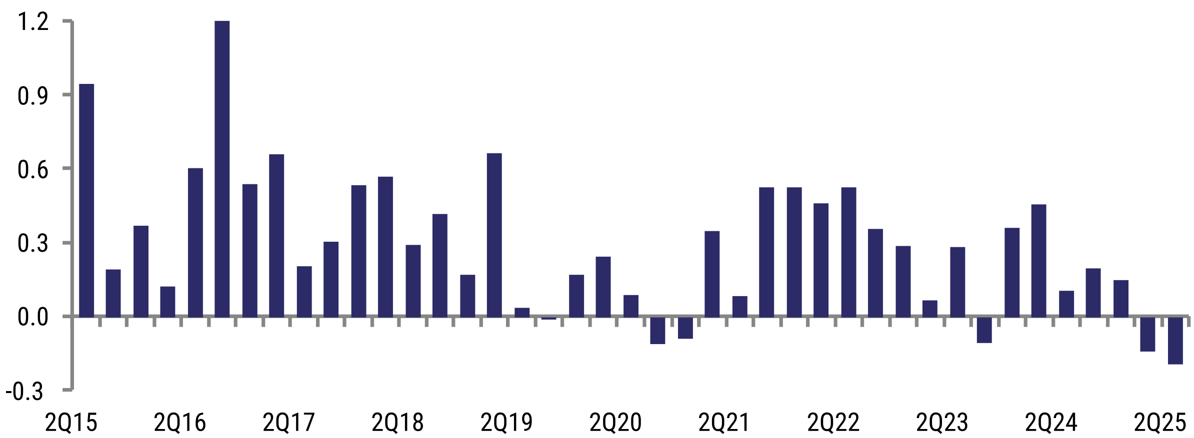
The metro market vacancy rate displayed an upward trend, increasing **20 basis points** compared to the past year.



ASKING RENT AND VACANCY



NET ABSORPTION
SQUARE FEET, MILLIONS



2Q25 Kansas City

SUBMARKET VACANCY RATE

NORTH JOHNSON COUNTY
VACANCY RATE

Worsened by **100 basis points** over the past year.

4.0%	2Q25
3.0%	2Q24

North Johnson County displayed the second highest 'Small Shop' average asking rental rate in the market.

PLATTE COUNTY
VACANCY RATE

Improved by **30 basis points** over the past year.

4.5%	2Q25
4.8%	2Q24

Platte County displays the lowest 'Small Shop' vacancy rate in the market at 1.3%.

SOUTH JOHNSON COUNTY
VACANCY RATE

Improved by **40 basis points** over the past year.

3.0%	2Q25
3.4%	2Q24

South Johnson County displayed the second highest amount of net absorption in the market during the past four quarters.

SOUTHEAST JACKSON COUNTY
VACANCY RATE

Worsened by **190 basis points** over the past year.

4.0%	2Q25
2.1%	2Q24

Southeast Jackson County displays the third highest average asking rental rate in the market.

For more information:

Kansas City, MO
1220 Washington Street, Suite 300
Kansas City, MO 64105
816-474-2000

Eastern Jackson County
1485 SW Market Street
Lee's Summit, MO 64081
816-474-2000

nmrkzimmer.com

Justin Beal
Executive Managing Director, Principal
t 816-268-4241
jbeal@nzimmer.com

Victor Cascio
Managing Director
t 816-268-4234
vcascio@nzimmer.com

Philip Botana
Associate Director
t 816-512-1008
pbotana@nzimmer.com

Nicole Daugherty
Associate Director
t 816-268-4215
ndaugherty@nzimmer.com

Matt McCauley
Associate
t 816-268-4202
mmccauley@nzimmer.com

Andrew Garten
Senior Director, Research
t 816-474-2000
agarten@nzimmer.com

NEWMARK ZIMMER

We transform untapped potential into limitless opportunity.

We don't just adapt to what our partners need—we adapt to what the future demands.

Since our start, we've faced forward, predicting change and pioneering ideas. Almost a century later, the same strategic sense and audacious thinking still guide our approach. Today our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies.

Tapping into smart tech and smarter people, we bring ingenuity to every exchange and transparency to every relationship.

We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

TERMS AND DEFINITIONS

Gross Leasable Area (GLA) – Expressed in square feet. It is the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines. It is the standard measure for determining the size of retail spaces, specifically shopping centers, where rent is calculated based on GLA occupied. There is no real difference between RBA (Rentable Building Area) and GLA except that GLA is used when referring to retail properties while RBA is used for other commercial properties.

Vacancy Rate – The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant.

Net Absorption – The net change in physically occupied space over a period of time.

Average Asking Rent – The dollar amount asked by landlords for available space expressed in dollars per square foot per year. Retail rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a prorata basis. The asking rent for each building in the market is weighed by the amount of available space in the building.

RESEARCH

Newmark Zimmer research reports are also available at **nmrkzimmer.com**