



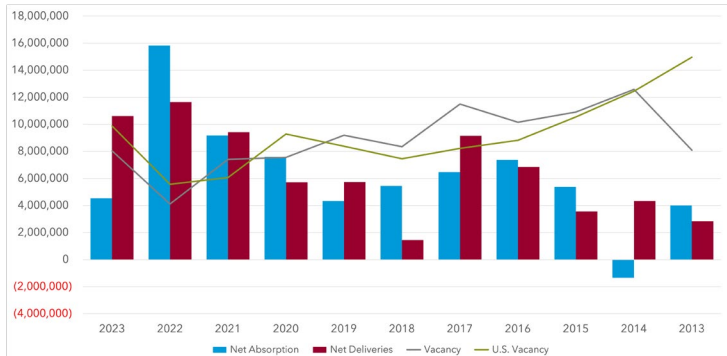
### OFFICE MARKET OVERVIEW

MAX LAPKE, *Senior Associate*

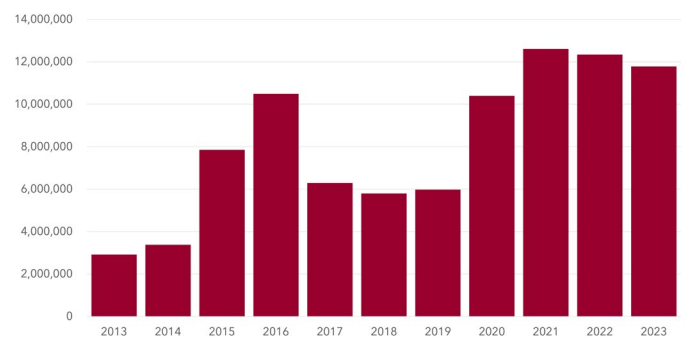
The Kansas City office market continues to grapple with remote work trends as the vacancy rate stays steady at 11.8% for the third quarter in a row. Asking rents are remaining fairly even with a slight increase to \$22.08 in Q4; an 8 cent increase over Q3. This is consistent with office landlords contending with high construction costs and requiring bolstered rents to offset them. The amount of office product under construction has dipped below 1 million square feet to 982,676. The class A office market continues to outperform the rest of the market with a flight-to-quality mentality still present with tenants and buyers.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	(1,304,675)	(2,007,965)	(2,541,440)	(1,686,649)	(1,275,311)
◀ ▶ Vacancy Rate	11.8%	11.8%	11.8%	11.3%	10.6%
▲ Avg FSG Asking Rate PSF	\$22.08	\$22.00	\$21.95	\$21.72	\$21.62
▼ SF Under Construction	982,676	1,035,432	1,081,343	1,132,632	1,131,437
▲ Inventory SF	127,942,472	127,833,862	127,805,951	127,750,462	127,720,852

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2345 Grand Boulevard Kansas City, MO	463,869 SF	Undisclosed	Ronald Mcdonald House Charities of KC Childrens Mercy Hospital	Class A
4520 Main Street Kansas City, MO	198,652 SF	Undisclosed	Mahler Properties, Inc. American Century Investments	Class A
9755 Ridge Drive Lenexa, KS	142,679 SF	Undisclosed	TPG TPG Angelo Gordon & Co., LP	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
11340 Nall Leawood, KS	40,000 SF	OPMOB Owner LLC	Sano Orthopedics	Health Care and Social Assistance
1201 Walnut Street Kansas City, MO	31,608 SF	Copaken Brooks - Square Deal Capital	Missouri Housing Development Commission	Public Administration
2301 Mcgee Street Kansas City, MO	19,602 SF	Crown Center Redevel- opment Corp-Hallmark	New WLX Holdings	Logistics

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