



# KC Office Report Second Quarter, 2018

## Kansas City's Vacancy Decreases to 6.8% Net Absorption Positive 173,436 SF in the Quarter

The Kansas City Office market ended the second quarter 2018 with a vacancy rate of 6.8%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 173,436 square feet in the second quarter. Vacant sublease space decreased in the quarter, ending the quarter at 452,993 square feet. Rental rates ended the second quarter at \$19.27, an increase over the previous quarter. A total of three buildings delivered to the market in the quarter totaling 61,463 square feet, with 1,157,028 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall Kansas City office market was positive 173,436 square feet in the second quarter 2018. That compares to positive 282,686 square feet in the first quarter 2018, positive 275,114 square feet in the fourth quarter 2017, and positive 25,047 square feet in the third quarter 2017.

Tenants moving out of large blocks of space in 2018 include: Compass Minerals International, Inc. moving out of 50,181 square feet at 70 Corporate Woods; Terracon moving out of 40,000 square feet at 18001 W 106th St; and Lockton Affinity moving out of 39,188 square feet at 7300 College Blvd.

Tenants moving into large blocks of space in 2018 include: Spring Venture Group moving into 163,104 square feet at 12 Wyandotte Plaza; Rightsize Solutions moving into 60,000 square feet at 14425 College Blvd; and Essense of Australia moving into 59,642 square feet at 15500 W 113th St.

The Class-A office market recorded net absorption of positive 50,193 square feet in the second quarter 2018, com-

pared to positive 116,793 square feet in the first quarter 2018, positive 145,286 in the fourth quarter 2017, and positive 238,331 in the third quarter 2017.

The Class-B office market recorded net absorption of positive 101,909 square feet in the second quarter 2018, compared to positive 53,590 square feet in the first quarter 2018, positive 90,154 in the fourth quarter 2017, and negative (223,212) in the third quarter 2017.

The Class-C office market recorded net absorption of positive 21,334 square feet in the second quarter 2018 compared to positive 112,303 square feet in the first quarter 2018, positive 39,674 in the fourth quarter 2017, and positive 9,928 in the third quarter 2017.

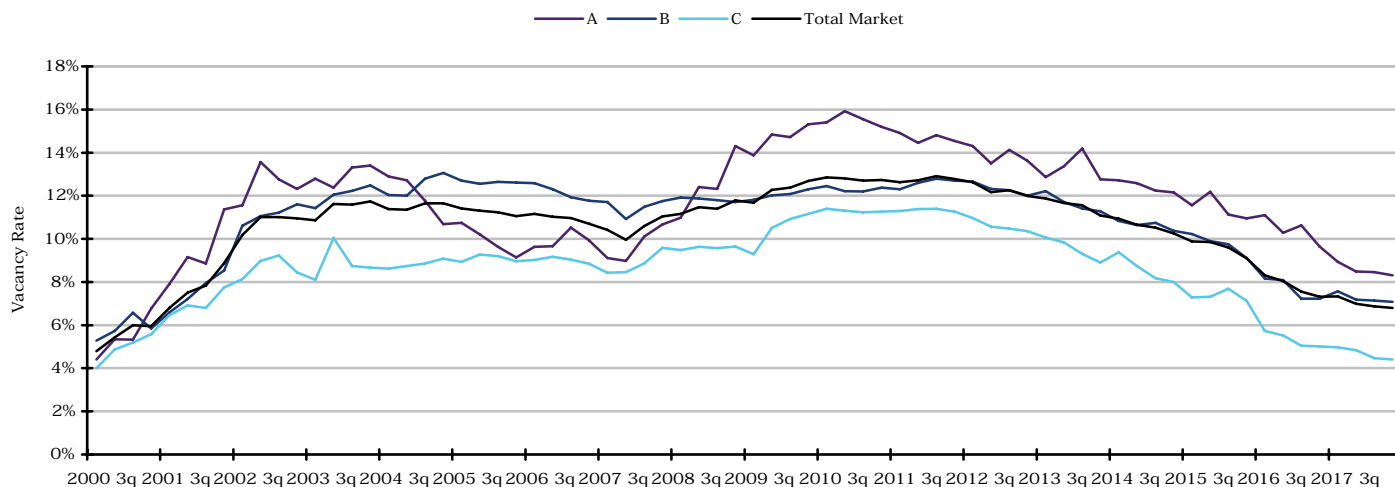
Net absorption for Kansas City's central business district was positive 18,621 square feet in the second quarter 2018. That compares to positive 146,145 square feet in the first quarter 2018, positive 66,898 in the fourth quarter 2017, and negative (201,077) in the third quarter 2017.

Net absorption for the suburban markets was positive 154,815 square feet in the second quarter 2018. That compares to positive 136,541 square feet in first quarter 2018, positive 208,216 in the fourth quarter 2017, and positive 226,124 in the third quarter 2017.

### Vacancy

The office vacancy rate in the Kansas City market area decreased to 6.8% at the end of the second quarter 2018. The vacancy rate was 6.9% at the end of the first quarter 2018, 7.0% at the end of the fourth quarter 2017, and 7.3% at the end of the third quarter 2017.

## Vacancy Rates by Class 2000-2018



Source: CoStar Property®

Class-A projects reported a vacancy rate of 8.3% at the end of the second quarter 2018, 8.5% at the end of the first quarter 2018 & fourth quarter 2017, and 8.9% at the end of the third quarter 2017.

Class-B projects reported a vacancy rate of 7.1% at the end of the second quarter 2018 and at the end of the first quarter 2018, 7.2% at the end of the fourth quarter 2017, and 7.6% at the end of the third quarter 2017.

Class-C projects reported a vacancy rate of 4.4% at the end of the second quarter 2018, 4.5% at the end of first quarter 2018, 4.8% at the end of the fourth quarter 2017, and 5.0% at the end of the third quarter 2017.

The overall vacancy rate in Kansas City's central business district at the end of the second quarter 2018 decreased to 6.9%. The vacancy rate was 7.0% at the end of the first quarter 2018, 7.8% at the end of the fourth quarter 2017, and 9.4% at the end of the third quarter 2017.

The vacancy rate in the suburban markets decreased to 6.8% in the second quarter 2018. The vacancy rate was 6.9% at the end of the first quarter 2018 and end of the fourth quarter 2017, and 7.0% at the end of the third quarter 2017.

### Largest Lease Signings

The largest lease signings occurring in 2018 included: the 176,838-square-foot lease signed by Quintiles Transnational Corp at 6700 W 115th St in the South Johnson County market; the 104,923-square-foot deal signed by KU Healthcare Systems at 11300 Corporate Ave in the South Johnson County market; and the 95,510-square-foot lease signed by PBI Gordon at 22701 W 68th Ter in the North Johnson County market.

### Sublease Vacancy

The amount of vacant sublease space in the Kansas City market decreased to 452,993 square feet by the end of the second quarter 2018, from 477,708 square feet at the end of the first quarter 2018. There was 453,086 square feet vacant

at the end of the fourth quarter 2017 and 369,531 square feet at the end of the third quarter 2017.

Kansas City's Class-A projects reported vacant sublease space of 255,128 square feet at the end of second quarter 2018, down from the 284,338 square feet reported at the end of the first quarter 2018. There was 240,822 square feet of sublease space vacant at the end of the fourth quarter 2017, and 180,750 square feet at the end of the third quarter 2017.

Class-B projects reported vacant sublease space of 194,783 square feet at the end of the second quarter 2018, up from the 189,638 square feet reported at the end of the first quarter 2018. At the end of the fourth quarter 2017 there was 203,588 square feet, and at the end of the third quarter 2017 there were 174,435 square feet vacant.

Class-C projects reported decreased vacant sublease space from the first quarter 2018 to the second quarter 2018. Sublease vacancy went from 3,732 square feet to 3,082 square feet during that time. There was 8,676 square feet at the end of the fourth quarter 2017, and 14,346 square feet at the end of the third quarter 2017.

Sublease vacancy in Kansas City's central business district stood at 84,204 square feet at the end of the second quarter 2018. It was 87,574 square feet at the end of the first quarter 2018, 51,924 square feet at the end of the fourth quarter 2017, and 17,500 square feet at the end of the third quarter 2017.

Sublease vacancy in the suburban markets ended the second quarter 2018 at 368,789 square feet. At the end of the first quarter 2018 sublease vacancy was 390,134 square feet, was 401,162 square feet at the end of the fourth quarter 2017, and was 352,031 square feet at the end of the third quarter 2017.

### Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$19.27 per square foot per year at the end of the second quarter 2018 in the Kansas City market area. This represented a 0.6% increase in quoted rental rates from the end of the first quarter 2018, when rents were reported at \$19.16 per square foot.

The average quoted rate within the Class-A sector was \$22.61 at the end of the second quarter 2018, while Class-B rates stood at \$18.59, and Class-C rates at \$14.80. At the end of the first quarter 2018, Class-A rates were \$22.85 per square foot, Class-B rates were \$18.26, and Class-C rates were \$14.60.

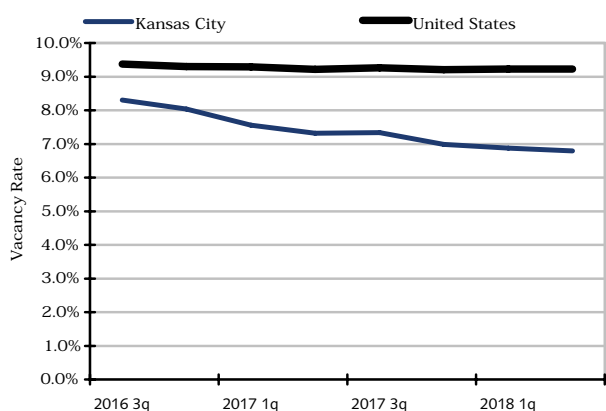
The average quoted asking rental rate in Kansas City's CBD was \$18.26 at the end of the second quarter 2018, and \$19.39 in the suburban markets. In the first quarter 2018, quoted rates were \$18.83 in the CBD and \$19.20 in the suburbs.

### Deliveries and Construction

During the second quarter 2018, three buildings totaling

## U.S. Vacancy Comparison

Past 8 Quarters



Source: CoStar Property®

61,463 square feet were completed in the Kansas City market area. This compares to three buildings totaling 182,985 square feet that were completed in the first quarter 2018, nothing completed in the fourth quarter 2017, and 74,716 square feet in five buildings completed in the third quarter 2017.

There was 1,157,028 square feet of office space under construction at the end of the second quarter 2018.

Some of the notable 2018 deliveries include: 5100 W 110th St, a 77,985-square-foot facility that delivered in first quarter 2018 and is now 34% occupied, and 10841 S Ridgeview Rd, a 65,000-square-foot building that delivered in first quarter 2018 and is now 100% occupied.

The largest projects underway at the end of second quarter 2018 were Children’s Research Institute at E 23rd St And Gillham Rd, a 375,000-square-foot building with 100% of its space pre-leased, and Overland One at I-435 And Nall Ave, a 121,615-square-foot facility that is 100% pre-leased.

### Inventory

Total office inventory in the Kansas City market area amounted to 138,820,567 square feet in 6,057 buildings as of the end of the second quarter 2018. The Class-A office sector consisted of 33,154,316 square feet in 196 projects. There were 2,556 Class-B buildings totaling 75,488,034 square feet, and the Class-C sector consisted of 30,178,217 square feet in 3,305 buildings. Within the Office market there were 359 owner-occupied buildings accounting for 18,294,411 square feet of office space.

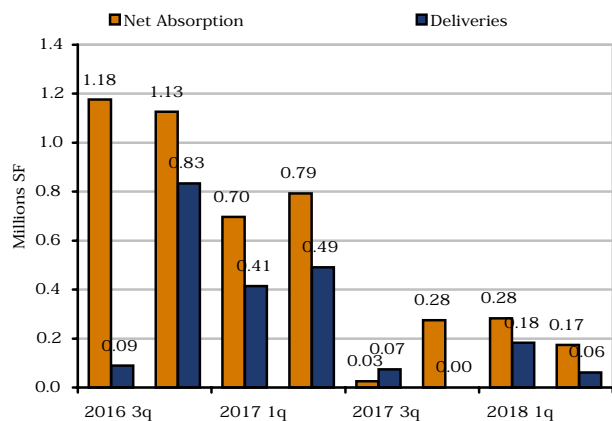
### Sales Activity

Tallying office building sales of 15,000 square feet or larger, Kansas City office sales figures rose during the first quarter 2018 in terms of dollar volume compared to the fourth quarter of 2017.

In the first quarter, nine office transactions closed with a total volume of \$73,630,000. The nine buildings totaled 702,417 square feet and the average price per square foot equated to \$104.82 per square foot. That compares to nine transactions totaling \$71,464,034 in the fourth quarter 2017. The total

## Absorption & Deliveries

Past 8 Quarters



Source: CoStar Property®

square footage in the fourth quarter was 678,109 square feet for an average price per square foot of \$105.39.

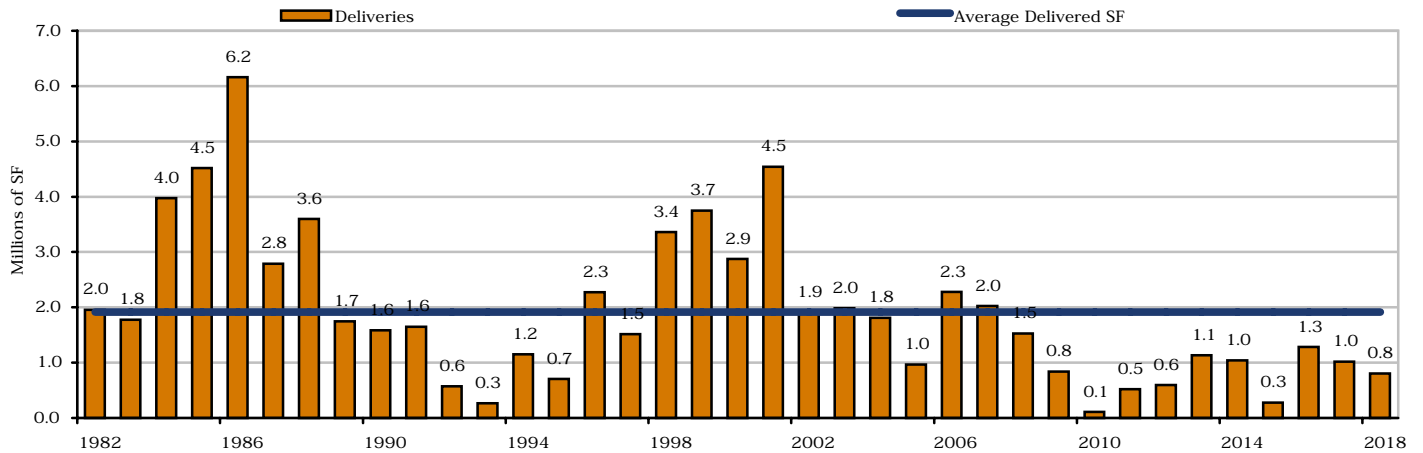
Total office building sales activity in 2018 was down compared to 2017. In the first three months of 2018, the market saw nine office sales transactions with a total volume of \$73,630,000. The price per square foot averaged \$104.82. In the same first three months of 2017, the market posted nine transactions with a total volume of \$128,693,750. The price per square foot averaged \$192.48.

Cap rates have been higher in 2018, averaging 9.30% compared to the same period in 2017 when they averaged 8.28%.

One of the largest transactions that has occurred within the last four quarters in the Kansas City market is the sale of Quintiles Transnational Building at 6700 W 115th St in Overland Park. This 239,366-square-foot office building sold for \$44,600,000, or \$186.33 per square foot. The property sold on 1/3/2018, at a 9.40% cap rate.

Reports compiled by: Andrew Desai, CoStar Research Manager.

## Historical Deliveries 1982 - 2018



Source: CoStar Property® \* Future deliveries based on current under construction buildings.

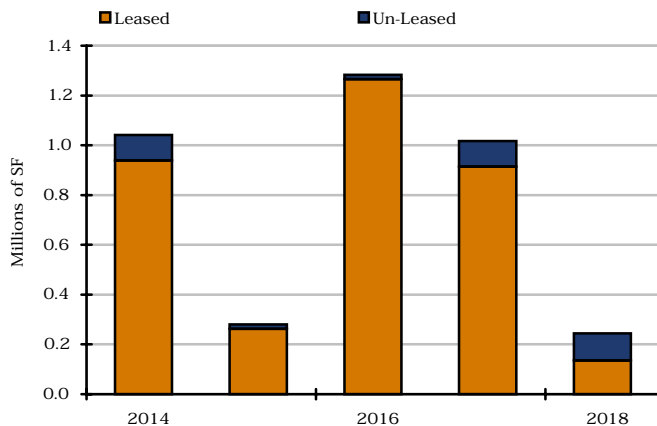
## CONSTRUCTION ACTIVITY Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Downtown	4	445,060	390,783	87.8%	64,810	111,265
South Johnson County	5	386,223	300,043	77.7%	34,414	77,245
North of the River	3	177,745	169,745	95.5%	19,594	59,248
North Johnson County	4	128,000	6,200	4.8%	18,879	32,000
South KC	1	20,000	20,000	100.0%	35,675	20,000
Lafayette	0	0	0	0.0%	3,829	0
Ottawa	0	0	0	0.0%	6,042	0
St Joseph	0	0	0	0.0%	12,681	0
Topeka	0	0	0	0.0%	19,737	0
Leavenworth County	0	0	0	0.0%	12,359	0
All Other	0	0	0	0.0%	14,186	0
<b>Totals</b>	<b>17</b>	<b>1,157,028</b>	<b>886,771</b>	<b>76.6%</b>	<b>22,919</b>	<b>68,060</b>

Source: CoStar Property®

## Recent Deliveries

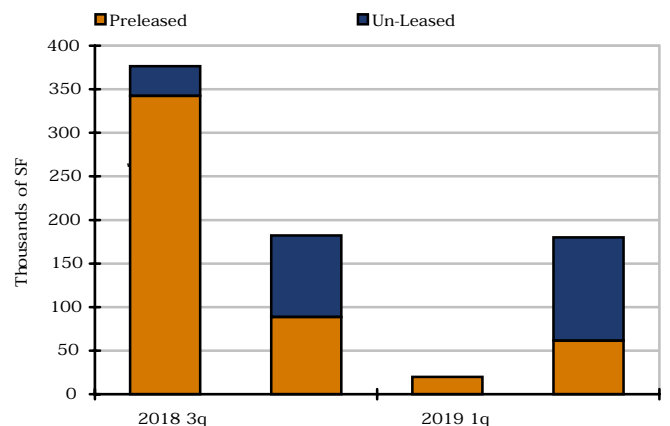
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

## Future Deliveries

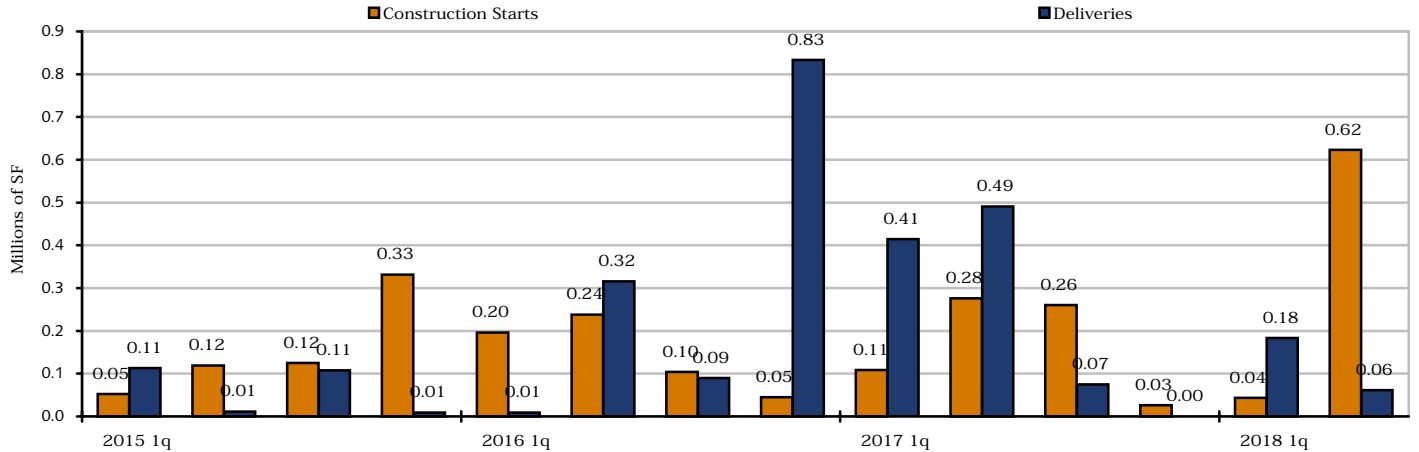
Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

## Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

## RECENT DELIVERIES BY PROJECT SIZE Breakdown of Year-to-Date Development Based on RBA of Project

Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	4	101,463	43,268	42.6%	\$25.86	0	101,463
50,000 SF - 99,999 SF	2	142,985	91,515	64.0%	\$0.00	65,000	77,985
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

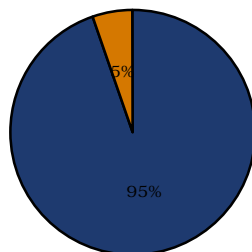
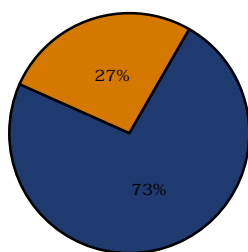
Source: CoStar Property®

## Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2018 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

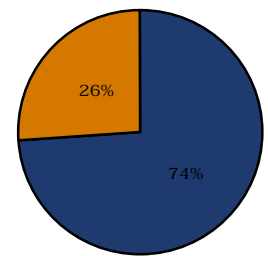
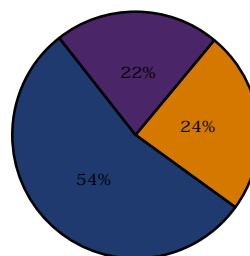
Source: CoStar Property®

## Existing Inventory Comparison

Based on Total RBA

By Class

By Space Type



■ Class A ■ Class B ■ Class C

■ Multi ■ Single

Source: CoStar Property®

## Select Top Under Construction Properties

Based on Project Square Footage

<b>1. E 23rd St And Gillham Rd</b> Submarket: <b>Downtown</b> RBA: <b>375,000</b> # Floors: <b>9</b> Class: <b>A</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Second Quarter 2018</b> Deliv Date: <b>First Quarter 2021</b> Leasing Co: <b>The Children's Mercy Hospital</b> Developer: <b>N/A</b> Architect: <b>Bsa Life Structures</b>	<b>2. I-435 And Nall Ave</b> Submarket: <b>South Johnson County</b> RBA: <b>121,615</b> # Floors: <b>5</b> Class: <b>A</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2017</b> Deliv Date: <b>Third Quarter 2018</b> Leasing Co: <b>Colliers International</b> Developer: <b>VanTrust Real Estate LLC</b> Architect: <b>N/A</b>	<b>3. College Blvd</b> Submarket: <b>South Johnson County</b> RBA: <b>120,000</b> # Floors: <b>4</b> Class: <b>A</b> Preleased: <b>50%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Second Quarter 2018</b> Deliv Date: <b>Second Quarter 2019</b> Leasing Co: <b>Block Real Estate Services</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>4. 000000 Rock Creek Pky</b> Submarket: <b>North of the River</b> RBA: <b>96,745</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Second Quarter 2017</b> Deliv Date: <b>Third Quarter 2018</b> Leasing Co: <b>Cerner Corporation</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>5. 5440 W 110th St</b> Submarket: <b>South Johnson County</b> RBA: <b>77,000</b> # Floors: <b>3</b> Class: <b>A</b> Preleased: <b>66%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Third Quarter 2017</b> Deliv Date: <b>Third Quarter 2018</b> Leasing Co: <b>Colliers International</b> Developer: <b>VanTrust Real Estate LLC</b> Architect: <b>N/A</b>	<b>6. 1903 Victory Dr</b> Submarket: <b>North of the River</b> RBA: <b>73,000</b> # Floors: <b>1</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Third Quarter 2017</b> Deliv Date: <b>Third Quarter 2018</b> Leasing Co: <b>City Of Liberty Missouri</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>7. City Center Dr &amp; Scarborough S</b> Submarket: <b>North Johnson County</b> RBA: <b>60,000</b> # Floors: <b>3</b> Class: <b>A</b> Preleased: <b>2%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Second Quarter 2018</b> Deliv Date: <b>Second Quarter 2019</b> Leasing Co: <b>Copaken Brooks</b> Developer: <b>Copaken Brooks</b> Architect: <b>N/A</b>	<b>8. W 135th St</b> Submarket: <b>South Johnson County</b> RBA: <b>39,900</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Second Quarter 2017</b> Deliv Date: <b>Fourth Quarter 2018</b> Leasing Co: <b>Scenic Development LLC</b> Developer: <b>Scenic Development LLC</b> Architect: <b>N/A</b>	<b>9. 135th St</b> Submarket: <b>South Johnson County</b> RBA: <b>27,708</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>Second Quarter 2017</b> Deliv Date: <b>Fourth Quarter 2018</b> Leasing Co: <b>Scenic Development LLC</b> Developer: <b>Scenic Development LLC</b> Architect: <b>N/A</b>
<b>10. 8789 Penrose Ln</b> Submarket: <b>North Johnson County</b> RBA: <b>25,000</b> # Floors: <b>5</b> Class: <b>B</b> Preleased: <b>20%</b> Quoted Rate: <b>\$35.00</b> Grnd Brk Date: <b>Second Quarter 2018</b> Deliv Date: <b>Fourth Quarter 2018</b> Leasing Co: <b>Copaken Brooks</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>11. 1881 Main St</b> Submarket: <b>Downtown</b> RBA: <b>23,596</b> # Floors: <b>3</b> Class: <b>B</b> Preleased: <b>24%</b> Quoted Rate: <b>\$38.00</b> Grnd Brk Date: <b>First Quarter 2018</b> Deliv Date: <b>Fourth Quarter 2018</b> Leasing Co: <b>Copaken Brooks</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>12. 1604 Locust St</b> Submarket: <b>Downtown</b> RBA: <b>23,464</b> # Floors: <b>2</b> Class: <b>B</b> Preleased: <b>0%</b> Quoted Rate: <b>\$21.16</b> Grnd Brk Date: <b>Fourth Quarter 2017</b> Deliv Date: <b>Fourth Quarter 2019</b> Leasing Co: <b>NorthPoint Development</b> Developer: <b>N/A</b> Architect: <b>N/A</b>
<b>13. 8711 Penrose Ln</b> Submarket: <b>North Johnson County</b> RBA: <b>23,000</b> # Floors: <b>4</b> Class: <b>B</b> Preleased: <b>0%</b> Quoted Rate: <b>\$36.00</b> Grnd Brk Date: <b>Second Quarter 2018</b> Deliv Date: <b>Fourth Quarter 2018</b> Leasing Co: <b>Copaken Brooks</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>14. 1125 Grand Blvd</b> Submarket: <b>Downtown</b> RBA: <b>23,000</b> # Floors: <b>2</b> Class: <b>A</b> Preleased: <b>44%</b> Quoted Rate: <b>Negotiable</b> Grnd Brk Date: <b>Second Quarter 2016</b> Deliv Date: <b>Fourth Quarter 2018</b> Leasing Co: <b>Block Real Estate Services</b> Developer: <b>N/A</b> Architect: <b>N/A</b>	<b>15. 13333 Holmes Rd</b> Submarket: <b>South KC</b> RBA: <b>20,000</b> # Floors: <b>2</b> Class: <b>A</b> Preleased: <b>100%</b> Quoted Rate: <b>N/A</b> Grnd Brk Date: <b>First Quarter 2018</b> Deliv Date: <b>First Quarter 2019</b> Leasing Co: <b>FishTech</b> Developer: <b>N/A</b> Architect: <b>N/A</b>

### Class A Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	0	0	0	0	0.0%	0	0	0	\$0.00
Cass County	0	0	0	0	0.0%	0	0	0	\$0.00
Downtown	29	8,782,488	1,026,112	1,168,587	13.3%	84,801	0	398,000	\$20.10
East Jackson County	6	378,372	20,063	20,063	5.3%	(4,574)	0	0	\$25.37
Johnson County MO	0	0	0	0	0.0%	0	0	0	\$0.00
Kansas City KS	6	1,064,574	20,000	20,000	1.9%	20,000	40,000	0	\$27.41
Lafayette	0	0	0	0	0.0%	0	0	0	\$0.00
Lawrence	2	64,432	0	0	0.0%	2,884	0	0	\$20.00
Leavenworth County	0	0	0	0	0.0%	0	0	0	\$0.00
Midtown	17	3,487,718	100,900	126,128	3.6%	24,792	0	0	\$23.42
North Johnson County	21	2,283,357	184,294	189,167	8.3%	96,036	0	60,000	\$26.36
North of the River	10	1,223,052	248,545	248,545	20.3%	(16,646)	0	0	\$21.60
Ottawa	0	0	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas City	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying KC MO	0	0	0	0	0.0%	0	0	0	\$0.00
South Johnson County	82	11,479,392	849,916	932,468	8.1%	(82,698)	77,985	318,615	\$23.39
South KC	18	3,873,933	45,594	45,594	1.2%	42,355	0	20,000	\$19.98
Southeast Jackson County	3	128,104	5,285	5,285	4.1%	36	0	0	\$20.50
St Joseph	1	363,961	0	0	0.0%	0	0	0	\$0.00
Topeka	1	24,933	0	0	0.0%	0	0	0	\$19.50
<b>Totals</b>	<b>196</b>	<b>33,154,316</b>	<b>2,500,709</b>	<b>2,755,837</b>	<b>8.3%</b>	<b>166,986</b>	<b>117,985</b>	<b>796,615</b>	<b>\$22.61</b>

Source: CoStar Property®

### Class B Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	5	64,101	0	0	0.0%	0	0	0	\$0.00
Cass County	58	501,890	24,456	24,456	4.9%	4,697	0	0	\$18.19
Downtown	208	14,141,385	598,562	645,317	4.6%	(8,478)	0	47,060	\$18.54
East Jackson County	285	5,403,107	314,163	335,785	6.2%	(45,683)	0	0	\$16.96
Johnson County MO	18	113,323	2,314	2,314	2.0%	(1,214)	0	0	\$4.84
Kansas City KS	82	2,134,648	105,672	112,304	5.3%	14,469	0	0	\$16.07
Lafayette	11	58,638	4,000	4,000	6.8%	0	0	0	\$16.91
Lawrence	81	1,137,077	98,454	100,539	8.8%	14,348	0	0	\$17.65
Leavenworth County	30	642,450	92,370	92,370	14.4%	(1,866)	0	0	\$19.70
Midtown	146	4,411,133	161,425	161,425	3.7%	(15,510)	0	0	\$21.18
North Johnson County	284	7,677,533	537,928	552,513	7.2%	6,304	34,557	68,000	\$20.97
North of the River	299	7,962,034	1,048,516	1,089,972	13.7%	(44,577)	26,906	177,745	\$16.11
Ottawa	9	55,591	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas City	27	229,102	13,915	13,915	6.1%	(2,300)	0	0	\$11.77
Outlying KC MO	10	62,679	0	0	0.0%	0	0	0	\$0.00
South Johnson County	477	15,187,613	1,176,756	1,224,396	8.1%	267,147	65,000	67,608	\$21.28
South KC	103	4,440,669	473,056	487,064	11.0%	(19,211)	0	0	\$18.85
Southeast Jackson County	107	2,221,982	130,281	130,281	5.9%	7,337	0	0	\$18.61
St Joseph	86	1,274,520	115,784	115,784	9.1%	(2,276)	0	0	\$13.53
Topeka	230	7,768,559	248,587	248,587	3.2%	(17,688)	0	0	\$14.22
<b>Totals</b>	<b>2,556</b>	<b>75,488,034</b>	<b>5,146,239</b>	<b>5,341,022</b>	<b>7.1%</b>	<b>155,499</b>	<b>126,463</b>	<b>360,413</b>	<b>\$18.59</b>

Source: CoStar Property®



### Class C Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	12	83,562	4,800	4,800	5.7%	0	0	0	\$0.00
Cass County	69	231,945	8,109	8,109	3.5%	1,990	0	0	\$12.00
Downtown	192	4,879,718	115,733	117,983	2.4%	33,180	0	0	\$17.61
East Jackson County	494	4,089,711	173,599	173,599	4.2%	90,346	0	0	\$12.50
Johnson County MO	34	132,642	5,261	5,261	4.0%	(3,261)	0	0	\$0.00
Kansas City KS	198	1,858,049	115,192	115,192	6.2%	(8,554)	0	0	\$14.18
Lafayette	24	75,374	0	0	0.0%	1,800	0	0	\$0.00
Lawrence	188	1,569,755	62,105	62,937	4.0%	(29,990)	0	0	\$15.83
Leavenworth County	43	259,784	29,421	29,421	11.3%	(3,070)	0	0	\$13.98
Midtown	265	2,692,173	125,238	125,238	4.7%	11,057	0	0	\$15.76
North Johnson County	369	2,763,547	173,765	173,765	6.3%	14,056	0	0	\$14.82
North of the River	273	2,218,748	132,027	132,027	6.0%	4,823	0	0	\$14.33
Ottawa	26	155,882	1,120	1,120	0.7%	0	0	0	\$0.00
Outer South Kansas City	34	153,180	5,100	5,100	3.3%	(1,270)	0	0	\$12.09
Outlying KC MO	43	182,154	0	0	0.0%	0	0	0	\$14.33
South Johnson County	299	2,860,201	124,083	124,083	4.3%	54,873	0	0	\$16.89
South KC	139	960,988	38,390	38,390	4.0%	7,683	0	0	\$15.52
Southeast Jackson County	145	728,688	26,374	26,374	3.6%	(6,240)	0	0	\$14.66
St Joseph	140	1,240,196	83,590	83,590	6.7%	(1,891)	0	0	\$12.20
Topeka	318	3,041,920	101,430	101,430	3.3%	(31,895)	0	0	\$14.18
<b>Totals</b>	<b>3,305</b>	<b>30,178,217</b>	<b>1,325,337</b>	<b>1,328,419</b>	<b>4.4%</b>	<b>133,637</b>	<b>0</b>	<b>0</b>	<b>\$14.80</b>

Source: CoStar Property®

### Total Office Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	17	147,663	4,800	4,800	3.3%	0	0	0	\$0.00
Cass County	127	733,835	32,565	32,565	4.4%	6,687	0	0	\$17.14
Downtown	429	27,803,591	1,740,407	1,931,887	6.9%	109,503	0	445,060	\$19.17
East Jackson County	785	9,871,190	507,825	529,447	5.4%	40,089	0	0	\$16.75
Johnson County MO	52	245,965	7,575	7,575	3.1%	(4,475)	0	0	\$4.84
Kansas City KS	286	5,057,271	240,864	247,496	4.9%	25,915	40,000	0	\$16.00
Lafayette	35	134,012	4,000	4,000	3.0%	1,800	0	0	\$16.91
Lawrence	271	2,771,264	160,559	163,476	5.9%	(12,758)	0	0	\$16.94
Leavenworth County	73	902,234	121,791	121,791	13.5%	(4,936)	0	0	\$18.05
Midtown	428	10,591,024	387,563	412,791	3.9%	20,339	0	0	\$20.41
North Johnson County	674	12,724,437	895,987	915,445	7.2%	116,396	34,557	128,000	\$21.83
North of the River	582	11,403,834	1,429,088	1,470,544	12.9%	(56,400)	26,906	177,745	\$16.87
Ottawa	35	211,473	1,120	1,120	0.5%	0	0	0	\$0.00
Outer South Kansas City	61	382,282	19,015	19,015	5.0%	(3,570)	0	0	\$11.91
Outlying KC MO	53	244,833	0	0	0.0%	0	0	0	\$14.33
South Johnson County	858	29,527,206	2,150,755	2,280,947	7.7%	239,322	142,985	386,223	\$22.08
South KC	260	9,275,590	557,040	571,048	6.2%	30,827	0	20,000	\$18.75
Southeast Jackson County	255	3,078,774	161,940	161,940	5.3%	1,133	0	0	\$18.06
St Joseph	227	2,878,677	199,374	199,374	6.9%	(4,167)	0	0	\$12.92
Topeka	549	10,835,412	350,017	350,017	3.2%	(49,583)	0	0	\$14.40
<b>Totals</b>	<b>6,057</b>	<b>138,820,567</b>	<b>8,972,285</b>	<b>9,425,278</b>	<b>6.8%</b>	<b>456,122</b>	<b>244,448</b>	<b>1,157,028</b>	<b>\$19.27</b>

Source: CoStar Property®

### Class A Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	0	0	0	0	0.0%	0	0	0	\$0.00
Brookside	1	58,194	0	0	0.0%	0	0	0	\$0.00
Cass County	0	0	0	0	0.0%	0	0	0	\$0.00
CBD	16	5,557,431	642,177	679,626	12.2%	190,506	0	23,000	\$19.43
College Blvd	69	10,254,323	705,115	787,667	7.7%	(50,332)	77,985	318,615	\$23.48
Country Club Plaza	15	2,865,214	100,900	126,128	4.4%	24,792	0	0	\$23.42
Crown Center	9	2,849,300	377,394	482,420	16.9%	(123,995)	0	375,000	\$20.57
Downtown Kansas KC K.	2	264,574	0	0	0.0%	0	0	0	\$0.00
East Jackson County	3	257,822	20,063	20,063	7.8%	(4,574)	0	0	\$22.83
Freight House Distri.	3	223,757	6,541	6,541	2.9%	18,290	0	0	\$27.02
I-29 Corridor	2	290,300	207,792	207,792	71.6%	(8,253)	0	0	\$18.50
I-35 Corridor	8	932,752	40,753	40,753	4.4%	(8,393)	0	0	\$27.00
Johnson County MO	0	0	0	0	0.0%	0	0	0	\$0.00
Kansas City KS	4	800,000	20,000	20,000	2.5%	20,000	40,000	0	\$27.41
Kansas City MO	3	120,550	0	0	0.0%	0	0	0	\$26.09
Lafayette County	0	0	0	0	0.0%	0	0	0	\$0.00
Lawrence	2	64,432	0	0	0.0%	2,884	0	0	\$20.00
Leavenworth County	0	0	0	0	0.0%	0	0	0	\$0.00
Midtown	1	564,310	0	0	0.0%	0	0	0	\$0.00
Northeast Johnson Co.	9	1,071,654	43,199	48,072	4.5%	6,280	0	0	\$35.56
Northwest Johnson Co.	12	1,211,703	141,095	141,095	11.6%	89,756	0	60,000	\$25.20
Ottawa	0	0	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas C.	0	0	0	0	0.0%	0	0	0	\$0.00
Outlying KC MO	0	0	0	0	0.0%	0	0	0	\$0.00
South Johnson County	13	1,225,069	144,801	144,801	11.8%	(32,366)	0	0	\$22.44
South Kansas City MO	9	1,963,396	0	0	0.0%	0	0	20,000	\$0.00
Southeast Jackson Co.	3	128,104	5,285	5,285	4.1%	36	0	0	\$20.50
St Joseph	1	363,961	0	0	0.0%	0	0	0	\$0.00
Topeka	1	24,933	0	0	0.0%	0	0	0	\$19.50
Ward Parkway	9	1,910,537	45,594	45,594	2.4%	42,355	0	0	\$19.98
West Bottoms	1	152,000	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>196</b>	<b>33,154,316</b>	<b>2,500,709</b>	<b>2,755,837</b>	<b>8.3%</b>	<b>166,986</b>	<b>117,985</b>	<b>796,615</b>	<b>\$22.61</b>

Source: CoStar Property®

### Class B Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	5	64,101	0	0	0.0%	0	0	0	\$0.00
Brookside	5	25,064	0	0	0.0%	0	0	0	\$0.00
Cass County	58	501,890	24,456	24,456	4.9%	4,697	0	0	\$18.19
CBD	108	9,159,295	423,899	470,654	5.1%	(34,785)	0	0	\$17.43
College Blvd	227	8,978,602	772,932	809,171	9.0%	201,173	0	0	\$21.50
Country Club Plaza	57	2,065,300	59,400	59,400	2.9%	4,607	0	0	\$25.72
Crown Center	26	2,406,564	73,083	73,083	3.0%	3,101	0	0	\$20.00
Downtown Kansas KC K.	26	889,451	50,136	50,768	5.7%	8,908	0	0	\$14.71
East Jackson County	229	3,468,599	277,683	299,305	8.6%	(59,137)	0	0	\$16.77
Freight House Distri.	51	1,395,955	58,703	58,703	4.2%	13,079	0	47,060	\$20.39
I-29 Corridor	97	3,148,331	633,728	648,038	20.6%	(40,778)	10,965	8,000	\$15.46
I-35 Corridor	202	4,813,703	414,788	441,934	9.2%	(3,799)	15,941	169,745	\$17.12
Johnson County MO	18	113,323	2,314	2,314	2.0%	(1,214)	0	0	\$4.84
Kansas City KS	56	1,245,197	55,536	61,536	4.9%	5,561	0	0	\$18.01
Kansas City MO	56	1,934,508	36,480	36,480	1.9%	13,454	0	0	\$18.95
Lafayette County	11	58,638	4,000	4,000	6.8%	0	0	0	\$16.91
Lawrence	81	1,137,077	98,454	100,539	8.8%	14,348	0	0	\$17.65
Leavenworth County	30	642,450	92,370	92,370	14.4%	(1,866)	0	0	\$19.70
Midtown	84	2,320,769	102,025	102,025	4.4%	(20,117)	0	0	\$16.36
Northeast Johnson Co.	168	5,154,048	409,887	414,623	8.0%	(2,116)	0	0	\$19.56
Northwest Johnson Co.	116	2,523,485	128,041	137,890	5.5%	8,420	34,557	68,000	\$23.69
Ottawa	9	55,591	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas C.	27	229,102	13,915	13,915	6.1%	(2,300)	0	0	\$11.77
Outlying KC MO	10	62,679	0	0	0.0%	0	0	0	\$0.00
South Johnson County	250	6,209,011	403,824	415,225	6.7%	65,974	65,000	67,608	\$20.84
South Kansas City MO	60	2,807,252	235,220	244,440	8.7%	8,057	0	0	\$18.93
Southeast Jackson Co.	107	2,221,982	130,281	130,281	5.9%	7,337	0	0	\$18.61
St Joseph	86	1,274,520	115,784	115,784	9.1%	(2,276)	0	0	\$13.53
Topeka	230	7,768,559	248,587	248,587	3.2%	(17,688)	0	0	\$14.22
Ward Parkway	43	1,633,417	237,836	242,624	14.9%	(27,268)	0	0	\$18.78
West Bottoms	23	1,179,571	42,877	42,877	3.6%	10,127	0	0	\$16.90
<b>Totals</b>	<b>2,556</b>	<b>75,488,034</b>	<b>5,146,239</b>	<b>5,341,022</b>	<b>7.1%</b>	<b>155,499</b>	<b>126,463</b>	<b>360,413</b>	<b>\$18.59</b>

Source: CoStar Property®

### Class C Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	12	83,562	4,800	4,800	5.7%	0	0	0	\$0.00
Brookside	31	427,338	38,276	38,276	9.0%	5,981	0	0	\$14.28
Cass County	69	231,945	8,109	8,109	3.5%	1,990	0	0	\$12.00
CBD	66	2,716,698	49,116	49,116	1.8%	9,045	0	0	\$17.44
College Blvd	80	1,470,757	45,196	45,196	3.1%	49,932	0	0	\$18.06
Country Club Plaza	49	311,977	3,230	3,230	1.0%	8,157	0	0	\$19.04
Crown Center	31	900,323	11,517	11,517	1.3%	(7,809)	0	0	\$0.00
Downtown Kansas KC K.	40	599,496	80,977	80,977	13.5%	(7,344)	0	0	\$12.90
East Jackson County	346	2,414,929	150,254	150,254	6.2%	38,284	0	0	\$13.20
Freight House Distri.	60	755,927	19,100	21,350	2.8%	31,944	0	0	\$18.35
I-29 Corridor	48	300,091	504	504	0.2%	2,508	0	0	\$10.85
I-35 Corridor	225	1,918,657	131,523	131,523	6.9%	2,315	0	0	\$14.54
Johnson County MO	34	132,642	5,261	5,261	4.0%	(3,261)	0	0	\$0.00
Kansas City KS	158	1,258,553	34,215	34,215	2.7%	(1,210)	0	0	\$15.64
Kansas City MO	148	1,674,782	23,345	23,345	1.4%	52,062	0	0	\$9.53
Lafayette County	24	75,374	0	0	0.0%	1,800	0	0	\$0.00
Lawrence	188	1,569,755	62,105	62,937	4.0%	(29,990)	0	0	\$15.83
Leavenworth County	43	259,784	29,421	29,421	11.3%	(3,070)	0	0	\$13.98
Midtown	185	1,952,858	83,732	83,732	4.3%	(3,081)	0	0	\$16.68
Northeast Johnson Co.	238	1,913,619	100,978	100,978	5.3%	21,539	0	0	\$16.28
Northwest Johnson Co.	131	849,928	72,787	72,787	8.6%	(7,483)	0	0	\$12.94
Ottawa	26	155,882	1,120	1,120	0.7%	0	0	0	\$0.00
Outer South Kansas C.	34	153,180	5,100	5,100	3.3%	(1,270)	0	0	\$12.09
Outlying KC MO	43	182,154	0	0	0.0%	0	0	0	\$14.33
South Johnson County	219	1,389,444	78,887	78,887	5.7%	4,941	0	0	\$16.21
South Kansas City MO	94	718,721	14,890	14,890	2.1%	(817)	0	0	\$16.15
Southeast Jackson Co.	145	728,688	26,374	26,374	3.6%	(6,240)	0	0	\$14.66
St Joseph	140	1,240,196	83,590	83,590	6.7%	(1,891)	0	0	\$12.20
Topeka	318	3,041,920	101,430	101,430	3.3%	(31,895)	0	0	\$14.18
Ward Parkway	45	242,267	23,500	23,500	9.7%	8,500	0	0	\$15.30
West Bottoms	35	506,770	36,000	36,000	7.1%	0	0	0	\$17.32
<b>Totals</b>	<b>3,305</b>	<b>30,178,217</b>	<b>1,325,337</b>	<b>1,328,419</b>	<b>4.4%</b>	<b>133,637</b>	<b>0</b>	<b>0</b>	<b>\$14.80</b>

Source: CoStar Property®

### Total Office Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	17	147,663	4,800	4,800	3.3%	0	0	0	\$0.00
Brookside	37	510,596	38,276	38,276	7.5%	5,981	0	0	\$14.28
Cass County	127	733,835	32,565	32,565	4.4%	6,687	0	0	\$17.14
CBD	190	17,433,424	1,115,192	1,199,396	6.9%	164,766	0	23,000	\$18.26
College Blvd	376	20,703,682	1,523,243	1,642,034	7.9%	200,773	77,985	318,615	\$22.53
Country Club Plaza	121	5,242,491	163,530	188,758	3.6%	37,556	0	0	\$24.27
Crown Center	66	6,156,187	461,994	567,020	9.2%	(128,703)	0	375,000	\$20.34
Downtown Kansas KC K.	68	1,753,521	131,113	131,745	7.5%	1,564	0	0	\$13.86
East Jackson County	578	6,141,350	448,000	469,622	7.6%	(25,427)	0	0	\$15.93
Freight House Distri.	114	2,375,639	84,344	86,594	3.6%	63,313	0	47,060	\$20.66
I-29 Corridor	147	3,738,722	842,024	856,334	22.9%	(46,523)	10,965	8,000	\$16.00
I-35 Corridor	435	7,665,112	587,064	614,210	8.0%	(9,877)	15,941	169,745	\$17.96
Johnson County MO	52	245,965	7,575	7,575	3.1%	(4,475)	0	0	\$4.84
Kansas City KS	218	3,303,750	109,751	115,751	3.5%	24,351	40,000	0	\$18.33
Kansas City MO	207	3,729,840	59,825	59,825	1.6%	65,516	0	0	\$19.90
Lafayette County	35	134,012	4,000	4,000	3.0%	1,800	0	0	\$16.91
Lawrence	271	2,771,264	160,559	163,476	5.9%	(12,758)	0	0	\$16.94
Leavenworth County	73	902,234	121,791	121,791	13.5%	(4,936)	0	0	\$18.05
Midtown	270	4,837,937	185,757	185,757	3.8%	(23,198)	0	0	\$16.48
Northeast Johnson Co.	415	8,139,321	554,064	563,673	6.9%	25,703	0	0	\$20.21
Northwest Johnson Co.	259	4,585,116	341,923	351,772	7.7%	90,693	34,557	128,000	\$23.31
Ottawa	35	211,473	1,120	1,120	0.5%	0	0	0	\$0.00
Outer South Kansas C.	61	382,282	19,015	19,015	5.0%	(3,570)	0	0	\$11.91
Outlying KC MO	53	244,833	0	0	0.0%	0	0	0	\$14.33
South Johnson County	482	8,823,524	627,512	638,913	7.2%	38,549	65,000	67,608	\$20.51
South Kansas City MO	163	5,489,369	250,110	259,330	4.7%	7,240	0	20,000	\$18.84
Southeast Jackson Co.	255	3,078,774	161,940	161,940	5.3%	1,133	0	0	\$18.06
St Joseph	227	2,878,677	199,374	199,374	6.9%	(4,167)	0	0	\$12.92
Topeka	549	10,835,412	350,017	350,017	3.2%	(49,583)	0	0	\$14.40
Ward Parkway	97	3,786,221	306,930	311,718	8.2%	23,587	0	0	\$18.69
West Bottoms	59	1,838,341	78,877	78,877	4.3%	10,127	0	0	\$17.09
<b>Totals</b>	<b>6,057</b>	<b>138,820,567</b>	<b>8,972,285</b>	<b>9,425,278</b>	<b>6.8%</b>	<b>456,122</b>	<b>244,448</b>	<b>1,157,028</b>	<b>\$19.27</b>

Source: CoStar Property®

### Class A Market Statistics

Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 2q	196	33,154,316	2,500,709	2,755,837	8.3%	50,193	0	0	7	796,615	\$22.61
2018 1q	196	33,154,316	2,521,692	2,806,030	8.5%	116,793	2	117,985	4	241,615	\$22.85
2017 4q	194	33,036,331	2,564,016	2,804,838	8.5%	145,286	0	0	5	339,600	\$22.33
2017 3q	194	33,036,331	2,769,374	2,950,124	8.9%	238,331	0	0	5	339,600	\$22.08
2017 2q	194	33,036,331	2,874,465	3,188,455	9.7%	557,123	4	264,695	3	140,985	\$21.86
2017 1q	190	32,771,636	3,134,308	3,480,883	10.6%	168,447	3	312,463	6	365,680	\$21.67
2016	187	32,459,173	3,021,799	3,336,867	10.3%	1,684,028	5	1,215,000	8	600,158	\$21.54
2015	182	31,244,173	3,503,087	3,805,895	12.2%	206,967	2	94,924	7	1,470,000	\$20.97
2014	180	31,149,249	3,650,077	3,917,938	12.6%	1,001,265	4	870,000	5	1,209,924	\$20.04
2013	176	30,279,249	3,983,367	4,049,203	13.4%	959,560	5	1,064,720	4	870,000	\$19.96
2012	171	29,214,529	3,872,832	3,944,043	13.5%	578,794	1	352,099	6	1,465,720	\$19.79
2011	170	28,862,430	4,051,610	4,170,738	14.5%	542,930	2	99,207	1	352,099	\$20.20
2010	167	28,724,223	4,252,469	4,575,461	15.9%	(314,141)	0	0	1	48,268	\$21.06
2009	167	28,724,223	3,922,362	4,261,320	14.8%	(159,777)	5	614,940	0	0	\$20.76
2008	162	28,109,283	3,243,834	3,486,603	12.4%	(133,023)	5	389,139	5	614,940	\$21.26
2007	154	27,199,097	2,301,221	2,443,394	9.0%	1,044,685	4	344,947	10	1,184,125	\$21.57

Source: CoStar Property®

### Class B Market Statistics

Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 2q	2,556	75,488,034	5,146,239	5,341,022	7.1%	101,909	3	61,463	10	360,413	\$18.59
2018 1q	2,553	75,426,571	5,191,830	5,381,468	7.1%	53,590	1	65,000	10	353,876	\$18.26
2017 4q	2,552	75,391,106	5,210,495	5,414,083	7.2%	90,154	0	0	10	395,280	\$17.99
2017 3q	2,552	75,614,243	5,552,939	5,727,374	7.6%	(223,212)	5	74,716	9	368,731	\$17.78
2017 2q	2,546	75,566,522	5,285,568	5,456,441	7.2%	227,466	4	226,339	14	381,652	\$17.80
2017 1q	2,541	75,331,135	5,297,018	5,448,520	7.2%	501,924	5	101,946	14	371,745	\$17.55
2016	2,538	75,486,497	6,009,425	6,105,806	8.1%	1,421,873	5	33,104	16	443,265	\$17.45
2015	2,533	75,422,505	7,351,329	7,463,687	9.9%	677,099	11	146,623	6	238,871	\$16.92
2014	2,521	75,291,818	7,915,591	8,010,099	10.6%	645,525	7	161,332	8	112,704	\$16.42
2013	2,517	75,468,792	8,683,997	8,832,598	11.7%	494,209	5	57,017	9	231,020	\$16.17
2012	2,512	75,429,156	9,077,780	9,287,171	12.3%	323,818	5	216,932	8	178,836	\$16.38
2011	2,508	75,300,798	9,349,846	9,482,631	12.6%	51,227	6	251,293	4	150,026	\$16.49
2010	2,496	74,920,890	9,031,145	9,153,950	12.2%	(59,777)	7	73,831	10	359,422	\$16.99
2009	2,486	74,819,734	8,851,245	8,993,017	12.0%	75,983	10	176,808	11	210,082	\$17.07
2008	2,472	74,612,354	8,752,145	8,861,620	11.9%	(194,591)	30	395,710	12	305,781	\$16.84
2007	2,431	74,034,084	7,951,992	8,088,759	10.9%	1,879,021	34	547,441	36	526,544	\$16.34

Source: CoStar Property®

### Total Office Market Statistics

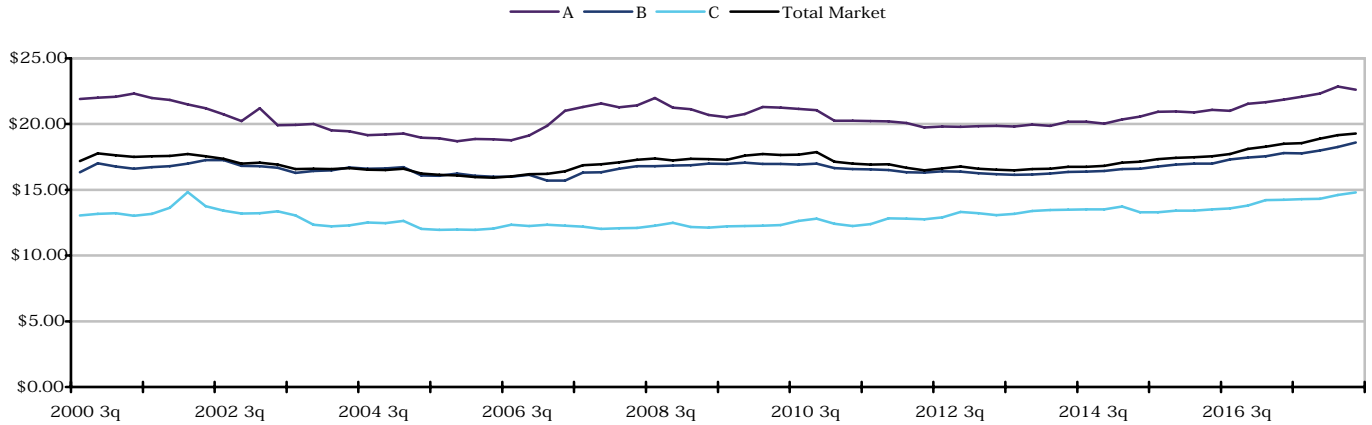
Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %		# Blds	Total RBA	# Blds	Total RBA	
2018 2q	6,057	138,820,567	8,972,285	9,425,278	6.8%	173,436	3	61,463	17	1,157,028	\$19.27
2018 1q	6,054	138,759,104	9,059,543	9,537,251	6.9%	282,686	3	182,985	14	595,491	\$19.16
2017 4q	6,051	138,605,654	9,227,891	9,680,977	7.0%	275,114	0	0	15	734,880	\$18.89
2017 3q	6,051	138,828,791	9,809,697	10,179,228	7.3%	25,047	5	74,716	14	708,331	\$18.56
2017 2q	6,046	138,782,030	9,669,569	10,157,514	7.3%	792,863	8	491,034	17	522,637	\$18.50
2017 1q	6,037	138,281,948	9,949,968	10,450,295	7.6%	696,925	8	414,409	20	737,425	\$18.29
2016	6,034	138,247,951	10,697,824	11,113,223	8.0%	3,634,874	10	1,248,104	24	1,043,423	\$18.11
2015	6,025	136,989,059	13,052,789	13,489,205	9.8%	1,315,966	13	241,547	13	1,708,871	\$17.44
2014	6,011	136,763,448	14,194,841	14,579,560	10.7%	1,799,666	11	1,031,332	13	1,322,628	\$16.81
2013	6,007	136,270,298	15,637,289	15,886,076	11.7%	1,686,091	10	1,121,737	13	1,101,020	\$16.57
2012	5,996	135,151,942	16,136,679	16,453,811	12.2%	1,146,973	6	569,031	15	1,658,556	\$16.77
2011	5,992	134,678,634	16,845,089	17,127,476	12.7%	568,381	8	350,500	7	517,586	\$16.95
2010	5,977	134,160,519	16,695,821	17,177,742	12.8%	(606,484)	7	73,831	11	407,690	\$17.86
2009	5,964	134,048,613	15,850,852	16,459,352	12.3%	(336,410)	15	791,748	14	220,832	\$17.59
2008	5,942	133,209,788	14,811,507	15,284,117	11.5%	(674,325)	38	810,539	17	920,721	\$17.23
2007	5,890	131,708,131	12,824,599	13,108,135	10.0%	3,224,215	41	912,056	49	1,736,359	\$16.94

Source: CoStar Property®

## Historical Rental Rates

Based on Full-Service Equivalent Rental Rates



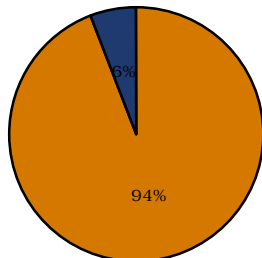
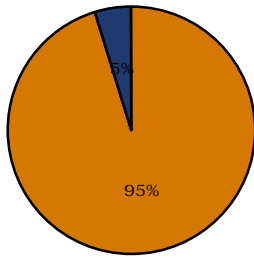
Source: CoStar Property®

## Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Kansas City

United States



■ Direct ■ Sublet

■ Direct ■ Sublet

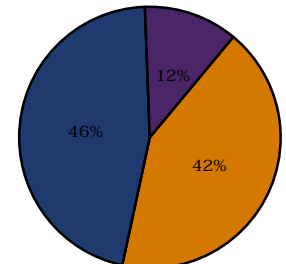
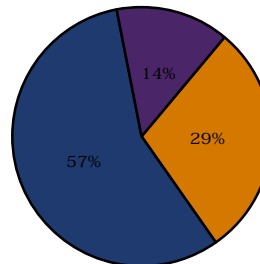
Source: CoStar Property®

## Vacancy by Class

Percent of All Vacant Space by Class

Kansas City

United States



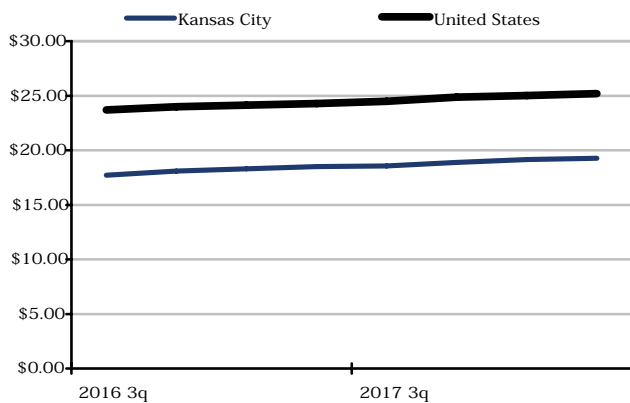
■ Class A ■ Class B ■ Class C

■ Class A ■ Class B ■ Class C

Source: CoStar Property®

## U.S. Rental Rate Comparison

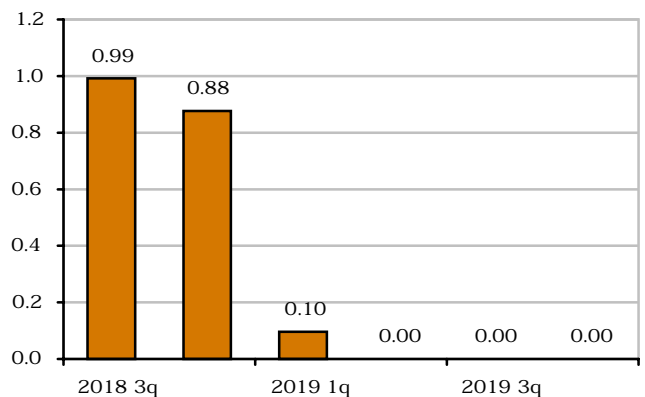
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

## Future Space Available

Space Scheduled to be Available for Occupancy\*

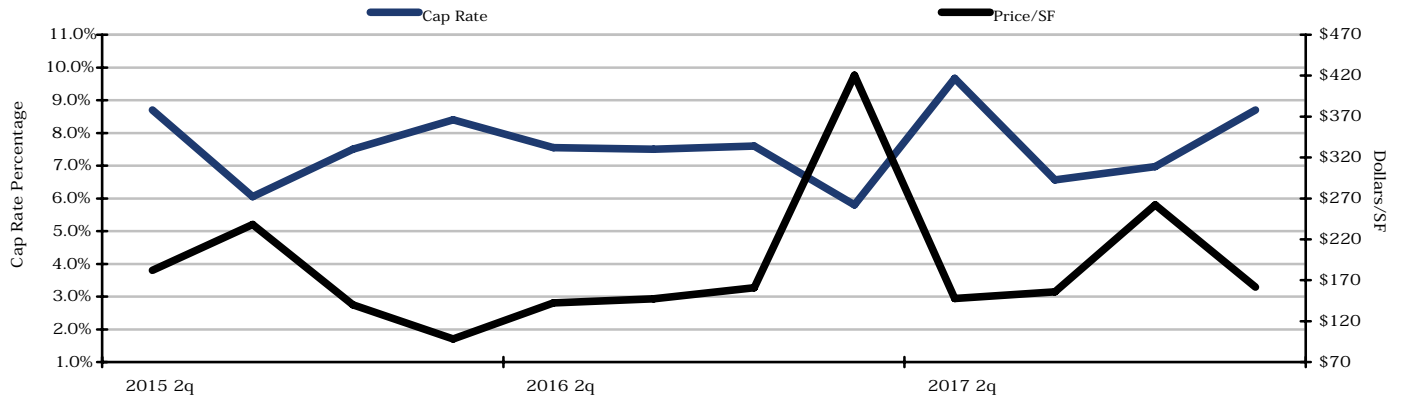


\* Includes Under Construction Spaces

Source: CoStar Property®

## The Optimist Sales Index

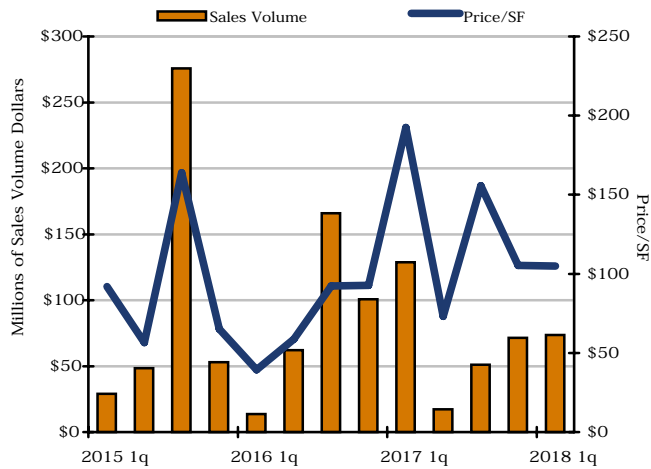
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

## Sales Volume & Price

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Sales Analysis by Building Size

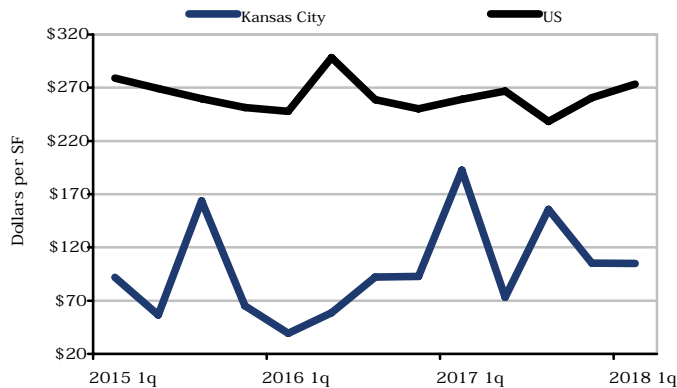
Based on Office Building Sales From April 2017 - March 2018

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	35	692,934	\$92,809,468	\$ 133.94	8.51%
50K-249K SF	10	1,388,773	\$155,686,650	\$ 112.10	9.20%
250K-499K SF	-	-	-	\$ -	-
>500K SF	-	-	-	\$ -	-

Source: CoStar COMPS®

## U.S. Price/SF Comparison

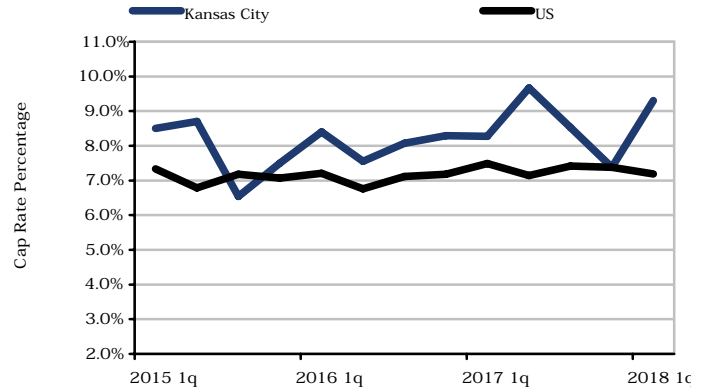
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## U.S. Cap Rate Comparison

Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®