



# KC Office Report Third Quarter, 2018

# Kansas City's Vacancy Increases to 6.8%

## Net Absorption Positive 77,069 SF in the Quarter

The Kansas City Office market ended the third quarter 2018 with a vacancy rate of 6.8%. The vacancy rate was up over the previous quarter, with net absorption totaling positive 77,069 square feet in the third quarter. Vacant sublease space decreased in the quarter, ending the quarter at 433,313 square feet. Rental rates ended the third quarter at \$19.62, an increase over the previous quarter. A total of two buildings delivered to the market in the quarter totaling 228,291 square feet, with 1,308,813 square feet still under construction at the end of the quarter.

### Absorption

Net absorption for the overall Kansas City office market was positive 77,069 square feet in the third quarter 2018. That compares to positive 235,083 square feet in the second quarter 2018, positive 350,432 square feet in the first quarter 2018, and positive 258,417 square feet in the fourth quarter 2017.

Tenants moving into large blocks of space in 2018 include: Spring Venture Group moving into 163,104 square feet at 120 W 12th St; Essense of Australia moving into 59,642 square feet at 15500 W 113th St; and Blue Cross and Blue Shield of Kansas City moving into 46,070 square feet in 2300 Main St.

The Class-A office market recorded net absorption of positive 148,082 square feet in the third quarter 2018, compared to positive 55,468 square feet in the second quarter 2018, positive 112,545 in the first quarter 2018, and positive 108,878 in the fourth quarter 2017.

The Class-B office market recorded net absorption of negative 113,192 square feet in the third quarter 2018, compared to positive 239,281 square feet in the second quarter

2018, positive 119,584 in the first quarter 2018, and positive 97,065 in the fourth quarter 2017.

The Class-C office market recorded net absorption of positive 42,179 square feet in the third quarter 2018 compared to negative 59,666 square feet in the second quarter 2018, positive 118,303 in the first quarter 2018, and positive 52,474 in the fourth quarter 2017.

Net absorption for Kansas City's central business district was positive 37,861 square feet in the third quarter 2018. That compares to positive 18,621 square feet in the second quarter 2018, positive 146,145 in the first quarter 2018, and positive 66,898 in the fourth quarter 2017.

Net absorption for the suburban markets was positive 39,208 square feet in the third quarter 2018. That compares to positive 216,462 square feet in second quarter 2018, positive 204,287 in the first quarter 2018, and positive 191,519 in the fourth quarter 2017.

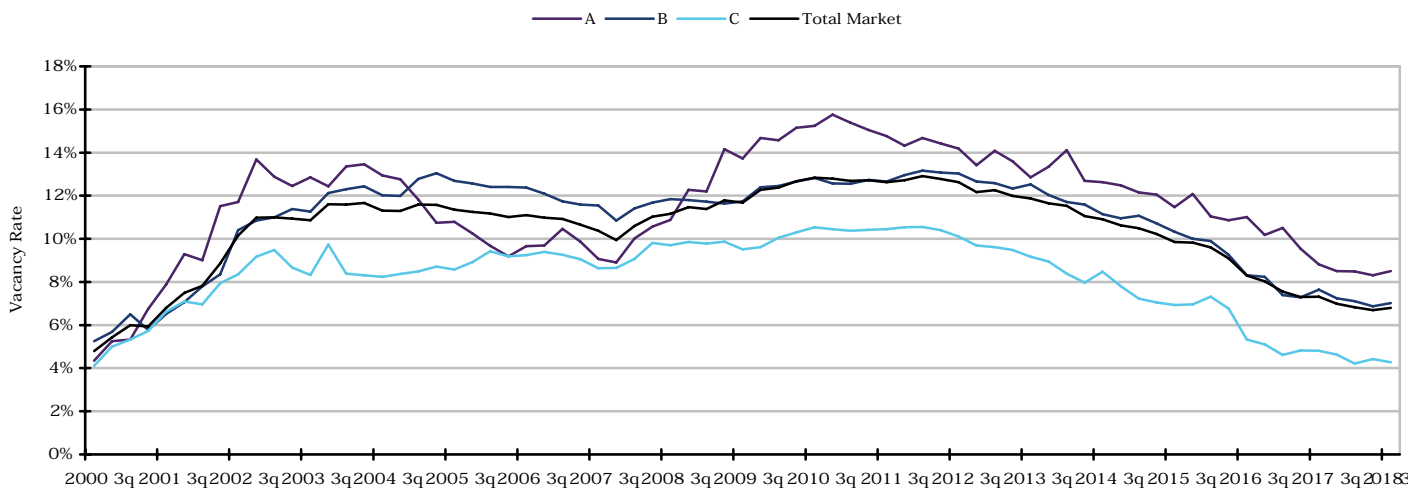
### Vacancy

The office vacancy rate in the Kansas City market area increased to 6.8% at the end of the third quarter 2018. The vacancy rate was 6.7% at the end of the second quarter 2018, 6.8% at the end of the first quarter 2018, and 7.0% at the end of the fourth quarter 2017.

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

Class-B projects reported a vacancy rate of 7.0% at the end of the third quarter 2018, 6.9% at the end of the second

## Vacancy Rates by Class 2000-2018



Source: CoStar Property®

quarter 2018, 7.1% at the end of the first quarter 2018, and 7.2% at the end of the fourth quarter 2017.

Class-C projects reported a vacancy rate of 4.3% at the end of the third quarter 2018, 4.4% at the end of second quarter 2018, 4.2% at the end of the first quarter 2018, and 4.6% at the end of the fourth quarter 2017.

The overall vacancy rate in Kansas City's central business district at the end of the third quarter 2018 decreased to 6.7%. The vacancy rate was 6.9% at the end of the second quarter 2018, 7.0% at the end of the first quarter 2018, and 7.8% at the end of the fourth quarter 2017.

The vacancy rate in the suburban markets increased to 6.8% in the third quarter 2018. The vacancy rate was 6.7% at the end of the second quarter 2018, 6.8% at the end of the first quarter 2018, and 6.9% at the end of the fourth quarter 2017.

### Largest Lease Signings

The largest lease signings occurring in 2018 included: the 176,838-square-foot lease signed by IQVIA 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 433,313 square feet by the end of the third quarter 2018, from 442,133 square feet at the end of the second quarter 2018. There was 473,141 square feet vacant at the end of the first quarter 2018 and 448,519 square feet at the end of the fourth quarter 2017.

Kansas City's Class-A projects reported vacant sublease space of 275,626 square feet at the end of third quarter 2018, down from the 278,692 square feet reported at the end of the second quarter 2018. There was 314,195 square feet of sublease

space vacant at the end of the first quarter 2018, and 270,679 square feet at the end of the fourth quarter 2017.

Class-B projects reported vacant sublease space of 155,437 square feet at the end of the third quarter 2018, down from the 160,359 square feet reported at the end of the second quarter 2018. At the end of the first quarter 2018 there was 155,214 square feet, and at the end of the fourth quarter 2017 there were 169,164 square feet vacant.

Class-C projects reported decreased vacant sublease space from the second quarter 2018 to the third quarter 2018. Sublease vacancy went from 3,082 square feet to 2,250 square feet during that time. There was 3,732 square feet at the end of the first quarter 2018, and 8,676 square feet at the end of the fourth quarter 2017.

Sublease vacancy in Kansas City's central business district stood at 66,704 square feet at the end of the third quarter 2018. It was 84,204 square feet at the end of the second quarter 2018, 87,574 square feet at the end of the first quarter 2018, and 51,924 square feet at the end of the fourth quarter 2017.

Sublease vacancy in the suburban markets ended the third quarter 2018 at 366,609 square feet. At the end of the second quarter 2018 sublease vacancy was 357,929 square feet, was 385,567 square feet at the end of the first quarter 2018, and was 396,595 square feet at the end of the fourth quarter 2017.

### Rental Rates

The average quoted asking rental rate for available office space, all classes, was \$19.62 per square foot per year at the end of the third quarter 2018 in the Kansas City market area. This represented a 0.8% increase in quoted rental rates from the end of the second quarter 2018, when rents were reported at \$19.46 per square foot.

The average quoted rate within the Class-A sector was \$22.59 at the end of the third quarter 2018, while Class-B rates stood at \$18.92, and Class-C rates at \$15.31. At the end of the second quarter 2018, Class-A rates were \$22.57 per square foot, Class-B rates were \$18.83, and Class-C rates were \$14.78.

The average quoted asking rental rate in Kansas City's CBD was \$18.68 at the end of the third quarter 2018, and \$19.74 in the suburban markets. In the second quarter 2018, quoted rates were \$18.26 in the CBD and \$19.59 in the suburbs.

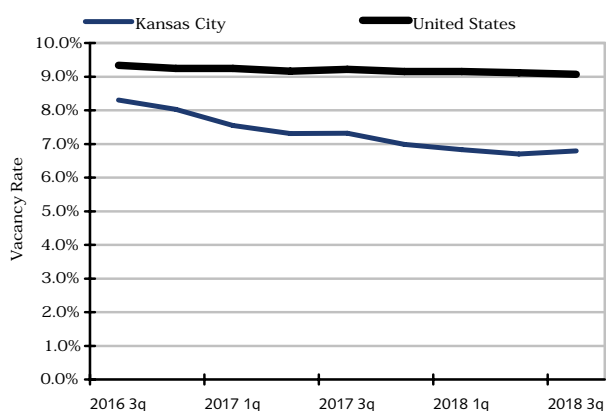
### Deliveries and Construction

During the third quarter 2018, two buildings totaling 228,291 square feet were completed in the Kansas City market area. This compares to four buildings totaling 134,193 square feet that were completed in the second quarter 2018, and three buildings totaling 182,985 square feet completed in the first quarter 2018.

There was 1,235,813 square feet of office space under construction at the end of the third quarter 2018.

## U.S. Vacancy Comparison

Past 9 Quarters



Source: CoStar Property®

Some of the notable 2018 deliveries include: 5454 W 110th St, a 121,615-square-foot facility that delivered in third quarter 2018 and is now fully occupied, and 5440 W 110th St, a 106,676-square-foot building that delivered in third quarter 2018 and is now 75% occupied.

The largest projects underway at the end of third quarter 2018 were E 23rd St and Gillham Rd, a 375,000-square-foot building that is fully pre-leased, and 4622 Pennsylvania Ave, a 220,000-square-foot facility that is 26% pre-leased.

### Inventory

Total office inventory in the Kansas City market area amounted to 139,133,529 square feet in 6,071 buildings as of the end of the third quarter 2018. The Class-A office sector consisted of 33,784,899 square feet in 201 projects. There was 2,566 Class-B buildings totaling 75,936,157 square feet, and the Class-C sector consisted of 29,412,473 square feet in 3,304 buildings. Within the Office market there was 340 owner-occupied buildings accounting for 18,188,126 square feet of office space.

### Sales Activity

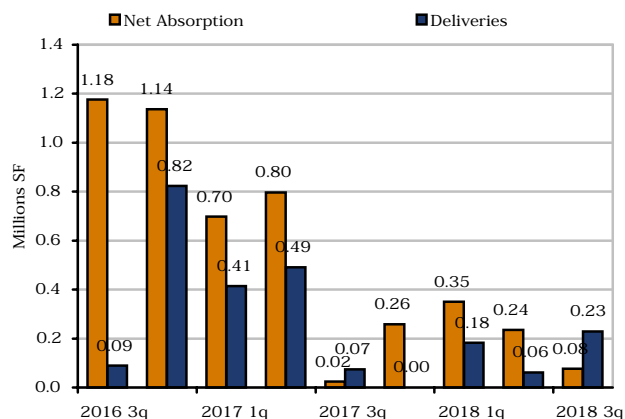
Tallying office building sales of 15,000 square feet or larger, Kansas City office sales figures fell during the second quarter 2018 in terms of dollar volume compared to the first quarter of 2018.

In the second quarter, eight office transactions closed with a total volume of \$41,832,500. The eight buildings totaled 376,217 square feet and the average price per square foot equated to \$111.19 per square foot. That compares to nine transactions totaling \$73,630,000 in the first quarter 2018. The total square footage in the first quarter was 702,417 square feet for an average price per square foot of \$104.82.

Total office building sales activity in 2018 was down compared to 2017. In the first six months of 2018, the market saw

## Absorption & Deliveries

Past 9 Quarters



Source: CoStar Property®

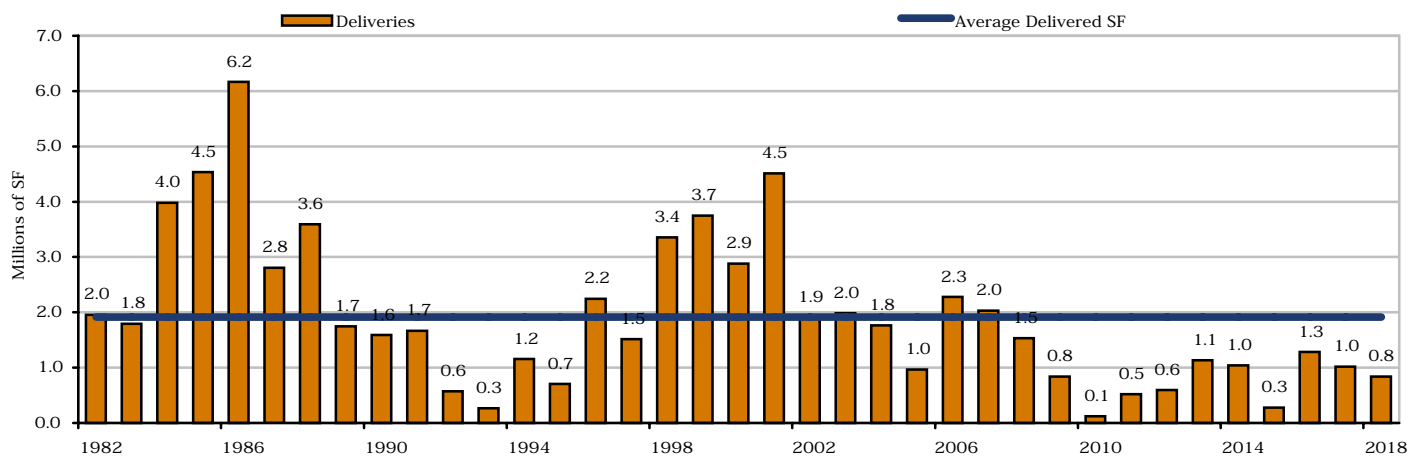
17 office sales transactions with a total volume of \$115,462,500. The price per square foot averaged \$107.05. In the same first six months of 2017, the market posted 16 transactions with a total volume of \$145,995,490. The price per square foot averaged \$161.30.

Cap rates have been lower in 2018, averaging 8.92% compared to the same period in 2017 when they averaged 8.97%.

One of the largest transactions that has occurred within the last four quarters in the Kansas City market is the sale of 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: Lauren Chesley, CoStar Research Manager and CoStar's Kansas City Research Team.

## 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	390,547	87.8%	64,576	111,265
North Johnson County	5	253,000	23,700	9.4%	18,908	50,600
Midtown	1	220,000	57,200	26.0%	24,774	220,000
South Johnson County	4	193,008	131,334	68.0%	34,605	48,252
North of the River	3	177,745	169,745	95.5%	19,445	59,248
South KC	1	20,000	20,000	100.0%	35,701	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%	12,802	0
Leavenworth County	0	0	0	0.0%	12,215	0
All Other	0	0	0	0.0%	13,554	0
<b>Totals</b>	<b>18</b>	<b>1,308,813</b>	<b>792,526</b>	<b>60.6%</b>	<b>22,918</b>	<b>72,712</b>

Source: CoStar Property®

## Recent Deliveries

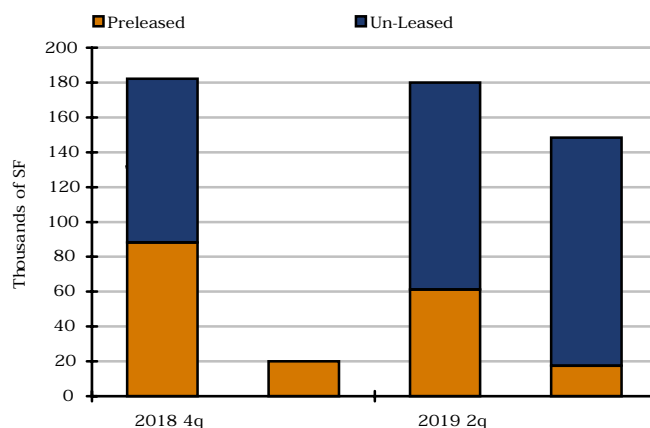
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

## Future Deliveries

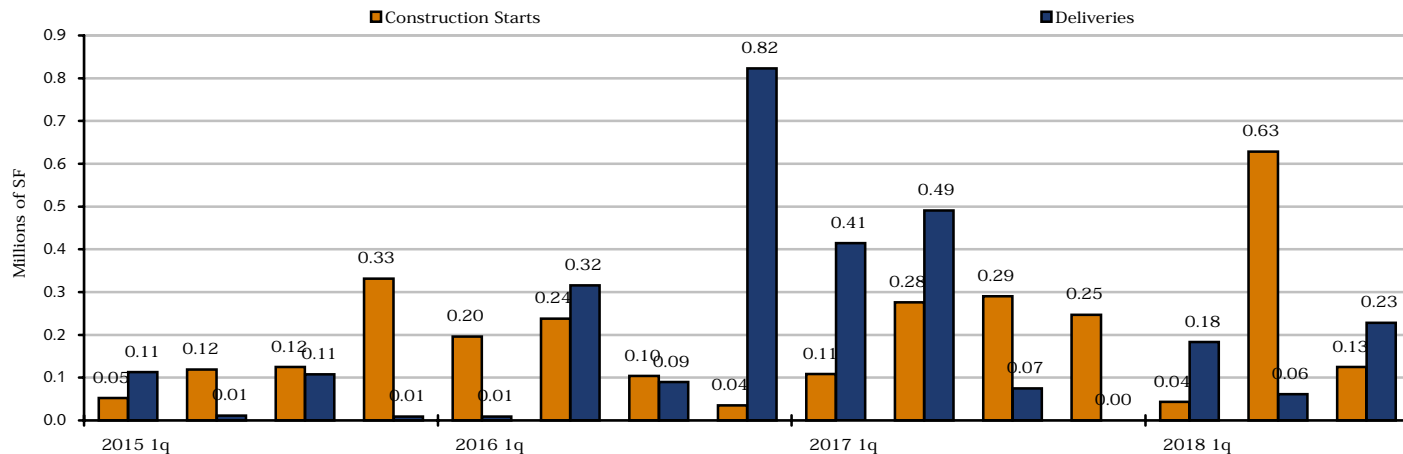
Preleased & Un-Leased SF in Properties Scheduled to Deliver



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	51,398	50.7%	\$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	2	228,291	201,622	88.3%	\$0.00	0	228,291
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

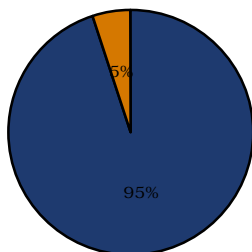
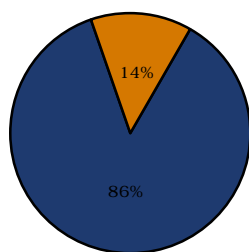
Source: CoStar Property®

## Recent Development by Tenancy

Based on RBA Developed for Single & Multi Tenant Use

2018 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

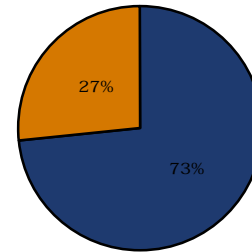
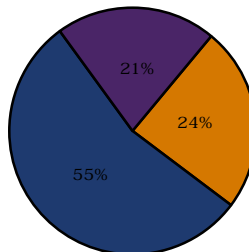
Source: CoStar Property®

## 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

<p><b>1. E 23rd St And Gillham Rd</b></p> <p>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></p>	<p><b>2. 4622 Pennsylvania Ave</b></p> <p>Submarket: <b>Midtown</b>                      RBA: <b>220,000</b>                      # Floors: <b>14</b>                      Class: <b>B</b>                      Preleased: <b>26%</b>                      Quoted Rate: <b>\$36.00</b>                      Grnd Brk Date: <b>Fourth Quarter 2017</b>                      Deliv Date: <b>Second Quarter 2020</b>                      Leasing Co: <b>Block Real Estate Services</b>                      Developer: <b>Block Real Estate Services LLC</b>                      Architect: <b>Hoefler Wysocki Architecture</b></p>	<p><b>3. 7321 W 80th St</b></p> <p>Submarket: <b>North Johnson County</b>                      RBA: <b>125,000</b>                      # Floors: <b>5</b>                      Class: <b>A</b>                      Preleased: <b>14%</b>                      Quoted Rate: <b>Negotiable</b>                      Grnd Brk Date: <b>Third Quarter 2018</b>                      Deliv Date: <b>Fourth Quarter 2019</b>                      Leasing Co: <b>AREA Real Estate Advisors</b>                      Developer: <b>Skw</b>                      Architect: <b>The Opus Group</b></p>
<p><b>4. College Blvd - Corporate Center III</b></p> <p>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></p>	<p><b>5. Rock Creek Pky - Cerner's Innovations Campus</b></p> <p>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>Fourth Quarter 2018</b>                      Leasing Co: <b>Cerner Corporation</b>                      Developer: <b>N/A</b>                      Architect: <b>N/A</b></p>	<p><b>6. City Center Dr &amp; Scarborough S</b></p> <p>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></p>
<p><b>7. W 135th St - Colonial Village Building A</b></p> <p>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</b>                      Developer: <b>Scenic Development</b>                      Architect: <b>N/A</b></p>	<p><b>8. 135th St - Colonial Village Building C</b></p> <p>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</b>                      Developer: <b>Scenic Development</b>                      Architect: <b>N/A</b></p>	<p><b>9. 8789 Penrose Ln</b></p> <p>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></p>
<p><b>10. 1881 Main St</b></p> <p>Submarket: <b>Downtown</b>                      RBA: <b>23,596</b>                      # Floors: <b>3</b>                      Class: <b>B</b>                      Preleased: <b>23%</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></p>	<p><b>11. 1604 Locust St</b></p> <p>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></p>	<p><b>12. 8711 Penrose Ln</b></p> <p>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></p>
<p><b>13. 1125 Grand Blvd</b></p> <p>Submarket: <b>Downtown</b>                      RBA: <b>23,000</b>                      # Floors: <b>2</b>                      Class: <b>A</b>                      Preleased: <b>44%</b>                      Quoted Rate: <b>\$20.24</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></p>	<p><b>14. 13333 Holmes Rd</b></p> <p>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></p>	<p><b>15. 8813 Penrose Ln</b></p> <p>Submarket: <b>North Johnson County</b>                      RBA: <b>20,000</b>                      # Floors: <b>4</b>                      Class: <b>B</b>                      Preleased: <b>0%</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></p>

### Class A Market Statistics

Third Quarter 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	30	9,049,749	1,035,505	1,194,904	13.2%	92,908	0	398,000	\$20.65
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	3	114,257	10,864	10,864	9.5%	(5,896)	0	0	\$20.20
Leavenworth County	0	0	0	0	0.0%	0	0	0	\$0.00
Midtown	17	3,487,718	98,975	131,862	3.8%	19,058	0	0	\$22.95
North Johnson County	22	2,353,612	184,294	184,294	7.8%	105,341	0	185,000	\$26.33
North of the River	9	1,213,052	332,362	332,362	27.4%	(103,625)	0	0	\$20.99
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	85	11,732,634	842,562	925,902	7.9%	150,492	306,276	120,000	\$23.61
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>201</b>	<b>33,784,899</b>	<b>2,595,504</b>	<b>2,871,130</b>	<b>8.5%</b>	<b>316,095</b>	<b>346,276</b>	<b>723,000</b>	<b>\$22.59</b>

Source: CoStar Property®

### Class B Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	6	66,301	0	0	0.0%	0	0	0	\$0.00
Cass County	58	501,826	39,467	39,467	7.9%	(10,344)	0	0	\$18.59
Downtown	210	13,910,602	622,381	634,712	4.6%	(14,297)	0	47,060	\$18.10
East Jackson County	286	5,426,068	323,091	344,713	6.4%	(44,211)	0	0	\$16.88
Johnson County MO	18	113,323	10,072	10,072	8.9%	(8,972)	0	0	\$5.54
Kansas City KS	84	2,142,648	112,826	118,826	5.5%	7,947	0	0	\$16.27
Lafayette	11	58,638	4,000	4,000	6.8%	0	0	0	\$16.91
Lawrence	80	1,077,341	78,420	80,505	7.5%	32,298	0	0	\$17.19
Leavenworth County	30	641,619	101,806	101,806	15.9%	(12,133)	0	0	\$19.28
Midtown	146	4,423,533	133,901	135,671	3.1%	4,909	0	220,000	\$26.49
North Johnson County	283	7,613,326	537,475	544,153	7.1%	10,232	34,557	68,000	\$20.51
North of the River	301	7,934,493	1,021,161	1,055,802	13.3%	(16,365)	26,906	177,745	\$16.20
Ottawa	9	55,591	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas City	27	229,102	6,815	6,815	3.0%	4,800	0	0	\$11.77
Outlying KC MO	10	62,679	0	0	0.0%	0	0	0	\$12.00
South Johnson County	481	15,956,406	1,208,248	1,244,259	7.8%	346,001	65,000	73,008	\$21.22
South KC	103	4,442,964	474,678	488,686	11.0%	(20,833)	0	0	\$19.04
Southeast Jackson County	107	2,221,982	84,187	84,187	3.8%	53,431	0	0	\$18.76
St Joseph	86	1,289,156	126,436	126,436	9.8%	(12,928)	0	0	\$13.88
Topeka	230	7,768,559	284,470	304,761	3.9%	(73,862)	0	0	\$14.98
<b>Totals</b>	<b>2,566</b>	<b>75,936,157</b>	<b>5,169,434</b>	<b>5,324,871</b>	<b>7.0%</b>	<b>245,673</b>	<b>126,463</b>	<b>585,813</b>	<b>\$18.92</b>

Source: CoStar Property®



### Class C Market Statistics

Third Quarter 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	\$0.00
Downtown	191	4,871,981	107,362	109,612	2.2%	23,551	0	0	\$18.05
East Jackson County	495	4,122,318	119,017	119,017	2.9%	135,528	0	0	\$12.24
Johnson County MO	34	133,509	5,261	5,261	3.9%	(3,261)	0	0	\$0.00
Kansas City KS	197	1,852,049	112,301	112,301	6.1%	(5,663)	0	0	\$13.27
Lafayette	24	75,374	0	0	0.0%	1,800	0	0	\$0.00
Lawrence	188	1,543,943	67,282	67,282	4.4%	(33,835)	0	0	\$16.30
Leavenworth County	44	262,284	25,429	25,429	9.7%	1,422	0	0	\$13.27
Midtown	265	2,692,205	95,868	95,868	3.6%	40,427	0	0	\$22.91
North Johnson County	368	2,758,240	194,787	194,787	7.1%	(6,966)	0	0	\$14.98
North of the River	274	2,208,335	122,423	122,423	5.5%	14,427	0	0	\$15.02
Ottawa	26	155,882	2,500	2,500	1.6%	(1,380)	0	0	\$10.67
Outer South Kansas City	36	157,384	5,100	5,100	3.2%	(1,270)	0	0	\$12.85
Outlying KC MO	43	182,154	0	0	0.0%	0	0	0	\$0.00
South Johnson County	295	2,105,443	112,903	112,903	5.4%	(20,247)	0	0	\$16.70
South KC	139	965,488	56,190	56,190	5.8%	(10,117)	0	0	\$12.80
Southeast Jackson County	147	732,721	28,304	28,304	3.9%	(8,170)	0	0	\$14.87
St Joseph	139	1,240,208	99,464	99,464	8.0%	(7,365)	0	0	\$9.71
Topeka	318	3,037,448	89,590	89,590	2.9%	(20,055)	0	0	\$14.26
<b>Totals</b>	<b>3,304</b>	<b>29,412,473</b>	<b>1,256,690</b>	<b>1,258,940</b>	<b>4.3%</b>	<b>100,816</b>	<b>0</b>	<b>0</b>	<b>\$15.3</b>

Source: CoStar Property®

### Total Office Market Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	18	149,863	4,800	4,800	3.2%	0	0	0	\$0.00
Cass County	127	733,771	47,576	47,576	6.5%	(8,354)	0	0	\$18.59
Downtown	431	27,832,332	1,765,248	1,939,228	7.0%	102,162	0	445,060	\$19.41
East Jackson County	787	9,926,758	462,171	483,793	4.9%	86,743	0	0	\$16.81
Johnson County MO	52	246,832	15,333	15,333	6.2%	(12,233)	0	0	\$5.54
Kansas City KS	287	5,059,271	245,127	251,127	5.0%	22,284	40,000	0	\$15.60
Lafayette	35	134,012	4,000	4,000	3.0%	1,800	0	0	\$16.91
Lawrence	271	2,735,541	156,566	158,651	5.8%	(7,433)	0	0	\$17.00
Leavenworth County	74	903,903	127,235	127,235	14.1%	(10,711)	0	0	\$17.49
Midtown	428	10,603,456	328,744	363,401	3.4%	64,394	0	220,000	\$24.79
North Johnson County	673	12,725,178	916,556	923,234	7.3%	108,607	34,557	253,000	\$21.52
North of the River	584	11,355,880	1,475,946	1,510,587	13.3%	(105,563)	26,906	177,745	\$17.03
Ottawa	35	211,473	2,500	2,500	1.2%	(1,380)	0	0	\$10.67
Outer South Kansas City	63	386,486	11,915	11,915	3.1%	3,530	0	0	\$12.14
Outlying KC MO	53	244,833	0	0	0.0%	0	0	0	\$12.00
South Johnson County	861	29,794,483	2,163,713	2,283,064	7.7%	476,246	371,276	193,008	\$22.12
South KC	260	9,282,385	576,462	590,470	6.4%	11,405	0	20,000	\$18.62
Southeast Jackson County	257	3,082,807	117,776	117,776	3.8%	45,297	0	0	\$18.39
St Joseph	226	2,893,325	225,900	225,900	7.8%	(20,293)	0	0	\$11.88
Topeka	549	10,830,940	374,060	394,351	3.6%	(93,917)	0	0	\$14.94
<b>Totals</b>	<b>6,071</b>	<b>139,133,529</b>	<b>9,021,628</b>	<b>9,454,941</b>	<b>6.8%</b>	<b>662,584</b>	<b>472,739</b>	<b>1,308,813</b>	<b>\$19.62</b>

Source: CoStar Property®

### Class A Submarket Statistics

Third Quarter 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	17	5,808,906	608,146	662,519	11.4%	242,037	0	23,000	\$20.51
College Blvd	72	10,506,267	703,357	783,144	7.5%	180,815	306,276	120,000	\$23.66
Country Club Plaza	15	2,865,214	98,975	131,862	4.6%	19,058	0	0	\$22.95
Crown Center	9	2,865,086	420,818	525,844	18.4%	(167,419)	0	375,000	\$20.64
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	273,617	273,617	94.3%	(74,078)	0	0	\$18.50
I-35 Corridor	7	922,752	58,745	58,745	6.4%	(29,547)	0	0	\$27.33
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	3	114,257	10,864	10,864	9.5%	(5,896)	0	0	\$20.20
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.	10	1,141,909	43,199	43,199	3.8%	15,585	0	125,000	\$35.35
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	1,226,367	139,205	142,758	11.6%	(30,323)	0	0	\$22.57
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>201</b>	<b>33,784,899</b>	<b>2,595,504</b>	<b>2,871,130</b>	<b>8.5%</b>	<b>316,095</b>	<b>346,276</b>	<b>723,000</b>	<b>\$22.59</b>

Source: CoStar Property®

### Class B Submarket Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	6	66,301	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	501,826	39,467	39,467	7.9%	(10,344)	0	0	\$18.59
CBD	108	8,887,512	438,911	451,242	5.1%	(49,797)	0	0	\$15.97
College Blvd	230	9,727,434	766,081	785,615	8.1%	304,629	0	5,400	\$21.56
Country Club Plaza	57	2,065,300	37,257	38,517	1.9%	20,155	0	220,000	\$32.48
Crown Center	26	2,406,564	65,095	65,095	2.7%	11,089	0	0	\$20.28
Downtown Kansas KC K.	26	889,451	51,095	51,095	5.7%	8,581	0	0	\$14.66
East Jackson County	230	3,491,560	298,387	320,009	9.2%	(69,441)	0	0	\$16.73
Freight House Distri.	53	1,436,955	80,308	80,308	5.6%	9,474	0	47,060	\$20.22
I-29 Corridor	97	3,098,064	646,231	660,541	21.3%	(62,401)	10,965	8,000	\$15.64
I-35 Corridor	204	4,836,429	374,930	395,261	8.2%	46,036	15,941	169,745	\$16.96
Johnson County MO	18	113,323	10,072	10,072	8.9%	(8,972)	0	0	\$5.54
Kansas City KS	58	1,253,197	61,731	67,731	5.4%	(634)	0	0	\$19.32
Kansas City MO	56	1,934,508	24,704	24,704	1.3%	25,230	0	0	\$19.13
Lafayette County	11	58,638	4,000	4,000	6.8%	0	0	0	\$16.91
Lawrence	80	1,077,341	78,420	80,505	7.5%	32,298	0	0	\$17.19
Leavenworth County	30	641,619	101,806	101,806	15.9%	(12,133)	0	0	\$19.28
Midtown	84	2,333,169	96,644	97,154	4.2%	(15,246)	0	0	\$17.00
Northeast Johnson Co.	167	5,085,275	436,765	443,443	8.7%	(35,368)	0	0	\$18.98
Northwest Johnson Co.	116	2,528,051	100,710	100,710	4.0%	45,600	34,557	68,000	\$23.44
Ottawa	9	55,591	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas C.	27	229,102	6,815	6,815	3.0%	4,800	0	0	\$11.77
Outlying KC MO	10	62,679	0	0	0.0%	0	0	0	\$12.00
South Johnson County	251	6,228,972	442,167	458,644	7.4%	41,372	65,000	67,608	\$20.53
South Kansas City MO	60	2,807,252	230,494	239,714	8.5%	12,783	0	0	\$19.26
Southeast Jackson Co.	107	2,221,982	84,187	84,187	3.8%	53,431	0	0	\$18.76
St Joseph	86	1,289,156	126,436	126,436	9.8%	(12,928)	0	0	\$13.88
Topeka	230	7,768,559	284,470	304,761	3.9%	(73,862)	0	0	\$14.98
Ward Parkway	43	1,635,712	244,184	248,972	15.2%	(33,616)	0	0	\$18.86
West Bottoms	23	1,179,571	38,067	38,067	3.2%	14,937	0	0	\$16.56
<b>Totals</b>	<b>2,566</b>	<b>75,936,157</b>	<b>5,169,434</b>	<b>5,324,871</b>	<b>7.0%</b>	<b>245,673</b>	<b>126,463</b>	<b>585,813</b>	<b>\$18.92</b>

Source: CoStar Property®

### Class C Submarket Statistics

Third Quarter 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	428,338	2,016	2,016	0.5%	42,241	0	0	\$29.31
Cass County	69	231,945	8,109	8,109	3.5%	1,990	0	0	\$0.00
CBD	66	2,716,698	47,774	47,774	1.8%	10,387	0	0	\$17.56
College Blvd	77	722,399	46,426	46,426	6.4%	(31,198)	0	0	\$18.03
Country Club Plaza	49	311,977	6,257	6,257	2.0%	5,130	0	0	\$19.03
Crown Center	31	909,372	26,588	26,588	2.9%	(22,880)	0	0	\$0.00
Downtown Kansas KC K.	40	599,496	77,710	77,710	13.0%	(4,077)	0	0	\$12.87
East Jackson County	347	2,447,536	114,693	114,693	4.7%	64,445	0	0	\$12.62
Freight House Distri.	59	737,957	0	2,250	0.3%	33,044	0	0	\$19.33
I-29 Corridor	48	300,091	8,158	8,158	2.7%	(5,146)	0	0	\$12.85
I-35 Corridor	226	1,908,244	114,265	114,265	6.0%	19,573	0	0	\$15.07
Johnson County MO	34	133,509	5,261	5,261	3.9%	(3,261)	0	0	\$0.00
Kansas City KS	157	1,252,553	34,591	34,591	2.8%	(1,586)	0	0	\$13.65
Kansas City MO	148	1,674,782	4,324	4,324	0.3%	71,083	0	0	\$9.92
Lafayette County	24	75,374	0	0	0.0%	1,800	0	0	\$0.00
Lawrence	188	1,543,943	67,282	67,282	4.4%	(33,835)	0	0	\$16.30
Leavenworth County	44	262,284	25,429	25,429	9.7%	1,422	0	0	\$13.27
Midtown	185	1,951,890	87,595	87,595	4.5%	(6,944)	0	0	\$17.28
Northeast Johnson Co.	238	1,914,209	116,679	116,679	6.1%	5,838	0	0	\$16.67
Northwest Johnson Co.	130	844,031	78,108	78,108	9.3%	(12,804)	0	0	\$13.11
Ottawa	26	155,882	2,500	2,500	1.6%	(1,380)	0	0	\$10.67
Outer South Kansas C.	36	157,384	5,100	5,100	3.2%	(1,270)	0	0	\$12.85
Outlying KC MO	43	182,154	0	0	0.0%	0	0	0	\$0.00
South Johnson County	218	1,383,044	66,477	66,477	4.8%	10,951	0	0	\$15.89
South Kansas City MO	94	723,221	32,690	32,690	4.5%	(18,617)	0	0	\$10.14
Southeast Jackson Co.	147	732,721	28,304	28,304	3.9%	(8,170)	0	0	\$14.87
St Joseph	139	1,240,208	99,464	99,464	8.0%	(7,365)	0	0	\$9.71
Topeka	318	3,037,448	89,590	89,590	2.9%	(20,055)	0	0	\$14.26
Ward Parkway	45	242,267	23,500	23,500	9.7%	8,500	0	0	\$15.38
West Bottoms	35	507,954	33,000	33,000	6.5%	3,000	0	0	\$17.32
<b>Totals</b>	<b>3,304</b>	<b>29,412,473</b>	<b>1,256,690</b>	<b>1,258,940</b>	<b>4.3%</b>	<b>100,816</b>	<b>0</b>	<b>0</b>	<b>\$15.3</b>

Source: CoStar Property®

### Total Office Submarket Statistics

Third Quarter 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison	18	149,863	4,800	4,800	3.2%	0	0	0	\$0.00
Brookside	37	511,596	2,016	2,016	0.4%	42,241	0	0	\$29.31
Cass County	127	733,771	47,576	47,576	6.5%	(8,354)	0	0	\$18.59
CBD	191	17,413,116	1,094,831	1,161,535	6.7%	202,627	0	23,000	\$18.68
College Blvd	379	20,956,100	1,515,864	1,615,185	7.7%	454,246	306,276	125,400	\$22.65
Country Club Plaza	121	5,242,491	142,489	176,636	3.4%	44,343	0	220,000	\$27.78
Crown Center	66	6,181,022	512,501	617,527	10.0%	(179,210)	0	375,000	\$20.49
Downtown Kansas KC K.	68	1,753,521	128,805	128,805	7.3%	4,504	0	0	\$13.84
East Jackson County	580	6,196,918	433,143	454,765	7.3%	(9,570)	0	0	\$15.77
Freight House Distri.	115	2,398,669	86,849	89,099	3.7%	60,808	0	47,060	\$20.54
I-29 Corridor	147	3,688,455	928,006	942,316	25.5%	(141,625)	10,965	8,000	\$16.35
I-35 Corridor	437	7,667,425	547,940	568,271	7.4%	36,062	15,941	169,745	\$17.88
Johnson County MO	52	246,832	15,333	15,333	6.2%	(12,233)	0	0	\$5.54
Kansas City KS	219	3,305,750	116,322	122,322	3.7%	17,780	40,000	0	\$17.53
Kansas City MO	207	3,729,840	29,028	29,028	0.8%	96,313	0	0	\$21.38
Lafayette County	35	134,012	4,000	4,000	3.0%	1,800	0	0	\$16.91
Lawrence	271	2,735,541	156,566	158,651	5.8%	(7,433)	0	0	\$17.00
Leavenworth County	74	903,903	127,235	127,235	14.1%	(10,711)	0	0	\$17.49
Midtown	270	4,849,369	184,239	184,749	3.8%	(22,190)	0	0	\$17.08
Northeast Johnson Co.	415	8,141,393	596,643	603,321	7.4%	(13,945)	0	125,000	\$19.81
Northwest Johnson Co.	258	4,583,785	319,913	319,913	7.0%	122,552	34,557	128,000	\$23.05
Ottawa	35	211,473	2,500	2,500	1.2%	(1,380)	0	0	\$10.67
Outer South Kansas C.	63	386,486	11,915	11,915	3.1%	3,530	0	0	\$12.14
Outlying KC MO	53	244,833	0	0	0.0%	0	0	0	\$12.00
South Johnson County	482	8,838,383	647,849	667,879	7.6%	22,000	65,000	67,608	\$20.18
South Kansas City MO	163	5,493,869	263,184	272,404	5.0%	(5,834)	0	20,000	\$18.42
Southeast Jackson Co.	257	3,082,807	117,776	117,776	3.8%	45,297	0	0	\$18.39
St Joseph	226	2,893,325	225,900	225,900	7.8%	(20,293)	0	0	\$11.88
Topeka	549	10,830,940	374,060	394,351	3.6%	(93,917)	0	0	\$14.94
Ward Parkway	97	3,788,516	313,278	318,066	8.4%	17,239	0	0	\$18.76
West Bottoms	59	1,839,525	71,067	71,067	3.9%	17,937	0	0	\$16.87
<b>Totals</b>	<b>6,071</b>	<b>139,133,529</b>	<b>9,021,628</b>	<b>9,454,941</b>	<b>6.8%</b>	<b>662,584</b>	<b>472,739</b>	<b>1,308,813</b>	<b>\$19.62</b>

Source: CoStar Property®

### Class A Market Statistics

Third Quarter 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 3q	201	33,784,899	2,595,504	2,871,130	8.5%	148,082	2	228,291	6	723,000	\$22.59
2018 2q	199	33,556,608	2,512,229	2,790,921	8.3%	55,468	0	0	7	826,291	\$22.57
2018 1q	199	33,556,608	2,532,194	2,846,389	8.5%	112,545	2	117,985	4	271,291	\$22.81
2017 4q	197	33,438,623	2,570,270	2,840,949	8.5%	108,878	0	0	5	369,276	\$22.31
2017 3q	197	33,438,623	2,773,644	2,949,827	8.8%	241,693	0	0	5	369,276	\$22.10
2017 2q	197	33,438,623	2,882,097	3,191,520	9.5%	560,890	4	264,695	3	140,985	\$21.88
2017 1q	193	33,173,928	3,141,140	3,487,715	10.5%	171,476	3	312,463	6	365,680	\$21.70
2016	190	32,861,465	3,031,660	3,346,728	10.2%	1,681,511	4	1,205,000	8	600,158	\$21.57
2015	186	31,656,465	3,520,431	3,823,239	12.1%	210,743	2	94,924	7	1,470,000	\$21.00
2014	184	31,561,541	3,671,197	3,939,058	12.5%	1,027,569	4	870,000	5	1,209,924	\$20.04
2013	180	30,691,541	4,030,791	4,096,627	13.3%	942,919	5	1,064,720	4	870,000	\$19.97
2012	175	29,626,821	3,903,615	3,974,826	13.4%	569,418	1	352,099	6	1,465,720	\$19.81
2011	174	29,274,722	4,073,017	4,192,145	14.3%	538,630	1	48,268	1	352,099	\$20.21
2010	171	29,136,515	4,269,576	4,592,568	15.8%	(314,941)	0	0	2	99,207	\$21.07
2009	171	29,136,515	3,938,669	4,277,627	14.7%	(162,132)	5	614,940	0	0	\$20.77
2008	166	28,521,575	3,257,786	3,500,555	12.3%	(130,775)	5	389,139	5	614,940	\$21.26

Source: CoStar Property®

### Class B Market Statistics

Third Quarter 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 3q	2,566	75,936,157	5,169,434	5,324,871	7.0%	(113,192)	0	0	12	585,813	\$18.92
2018 2q	2,566	75,936,157	5,051,320	5,211,679	6.9%	239,281	3	61,463	12	585,813	\$18.83
2018 1q	2,563	75,874,694	5,234,283	5,389,497	7.1%	119,584	1	65,000	11	573,876	\$18.50
2017 4q	2,562	75,839,229	5,318,942	5,488,106	7.2%	97,065	0	0	11	615,280	\$18.23
2017 3q	2,562	76,062,366	5,633,873	5,808,308	7.6%	(223,159)	5	74,716	9	368,731	\$17.69
2017 2q	2,556	76,014,645	5,366,555	5,537,428	7.3%	298,912	4	226,339	14	381,652	\$17.71
2017 1q	2,551	75,779,258	5,449,451	5,600,953	7.4%	497,381	5	101,946	14	371,745	\$17.45
2016	2,548	75,934,620	6,157,315	6,253,696	8.2%	1,403,821	5	33,104	16	443,265	\$17.34
2015	2,542	75,860,628	7,471,167	7,583,525	10.0%	842,453	11	146,623	6	238,871	\$16.83
2014	2,530	75,729,941	8,200,783	8,295,291	11.0%	662,090	7	161,332	8	112,704	\$16.38
2013	2,526	75,906,915	8,985,754	9,134,355	12.0%	511,623	5	57,017	9	231,020	\$16.11
2012	2,521	75,867,279	9,396,951	9,606,342	12.7%	331,315	5	216,781	8	178,836	\$16.33
2011	2,517	75,739,072	9,676,665	9,809,450	13.0%	46,554	6	251,293	4	149,875	\$16.46
2010	2,505	75,359,164	9,353,291	9,476,096	12.6%	(45,665)	7	73,831	10	359,422	\$16.98
2009	2,495	75,258,008	9,187,503	9,329,275	12.4%	(262,647)	10	176,808	11	210,082	\$17.05
2008	2,481	75,050,628	8,753,323	8,859,248	11.8%	(202,369)	30	395,710	12	305,781	\$16.83

Source: CoStar Property®

### Total Office Market Statistics

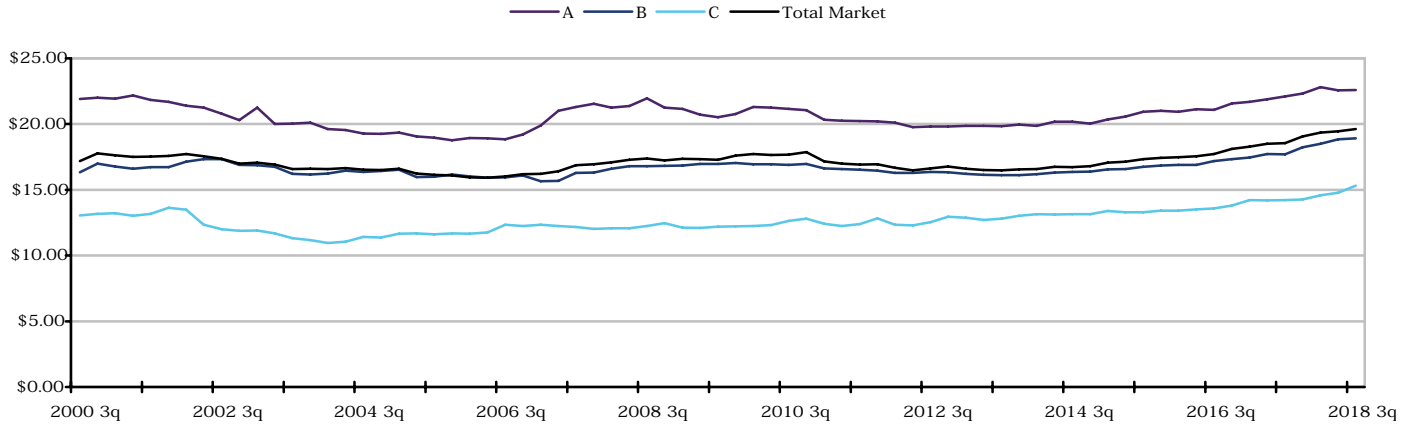
Third Quarter 2018

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 3q	6,071	139,133,529	9,021,628	9,454,941	6.8%	77,069	2	228,291	18	1,308,813	\$19.62
2018 2q	6,069	138,905,238	8,861,586	9,303,719	6.7%	235,083	3	61,463	19	1,412,104	\$19.46
2018 1q	6,066	138,843,775	9,004,198	9,477,339	6.8%	350,432	3	182,985	15	845,167	\$19.35
2017 4q	6,063	138,690,325	9,240,292	9,688,811	7.0%	258,417	0	0	16	984,556	\$19.07
2017 3q	6,063	138,913,462	9,805,401	10,170,365	7.3%	24,226	5	74,716	14	738,007	\$18.56
2017 2q	6,058	138,866,701	9,664,452	10,147,830	7.3%	796,630	8	491,034	17	522,637	\$18.51
2017 1q	6,049	138,366,619	9,944,051	10,444,378	7.5%	698,047	8	414,409	20	737,425	\$18.29
2016	6,046	138,332,622	10,693,029	11,108,428	8.0%	3,613,089	9	1,238,104	24	1,043,423	\$18.11
2015	6,037	137,073,730	13,026,209	13,462,625	9.8%	1,306,116	13	241,547	13	1,708,871	\$17.44
2014	6,023	136,848,119	14,158,411	14,543,130	10.6%	1,841,766	11	1,031,332	13	1,322,628	\$16.80
2013	6,019	136,354,969	15,642,959	15,891,746	11.7%	1,691,782	10	1,121,737	13	1,101,020	\$16.56
2012	6,008	135,236,613	16,148,040	16,465,172	12.2%	1,145,002	6	568,880	15	1,658,556	\$16.77
2011	6,004	134,763,456	16,854,630	17,137,017	12.7%	556,108	7	299,561	7	517,435	\$16.95
2010	5,989	134,245,341	16,693,089	17,175,010	12.8%	(586,191)	8	87,492	12	458,629	\$17.86
2009	5,975	134,119,774	15,854,752	16,463,252	12.3%	(337,960)	15	791,748	15	234,493	\$17.59
2008	5,953	133,280,949	14,817,407	15,286,467	11.5%	(675,493)	38	810,539	17	920,721	\$17.23

Source: CoStar Property®

## Historical Rental Rates

Based on Full-Service Equivalent Rental Rates



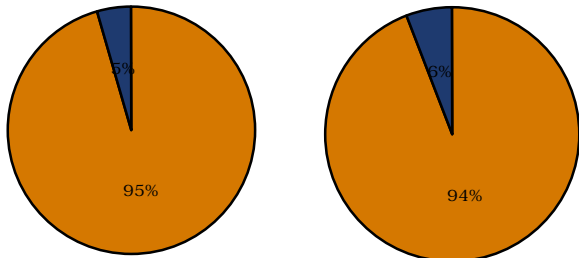
Source: CoStar Property®

## Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

Kansas City

United States



Direct Sublet

Direct Sublet

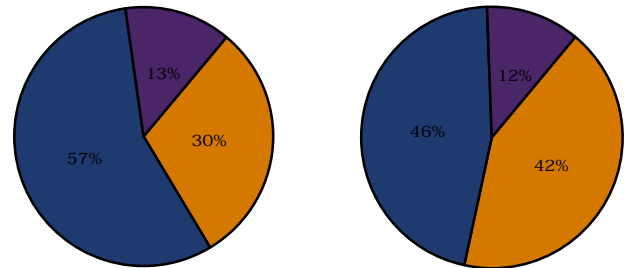
Source: CoStar Property®

## Vacancy by Class

Percent of All Vacant Space by Class

Kansas City

United States



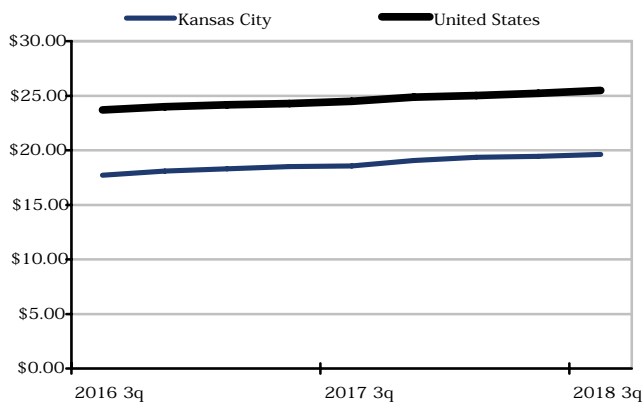
Class A Class B Class C

Class A Class B Class C

Source: CoStar Property®

## U.S. Rental Rate Comparison

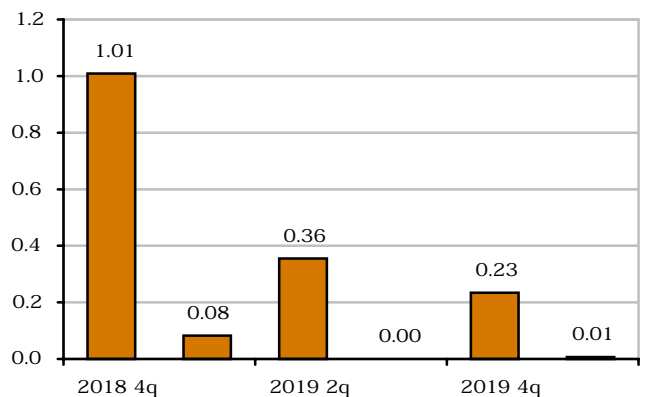
Based on Full-Service Equivalent Rental Rates



Source: CoStar Property®

## Future Space Available

Space Scheduled to be Available for Occupancy\*

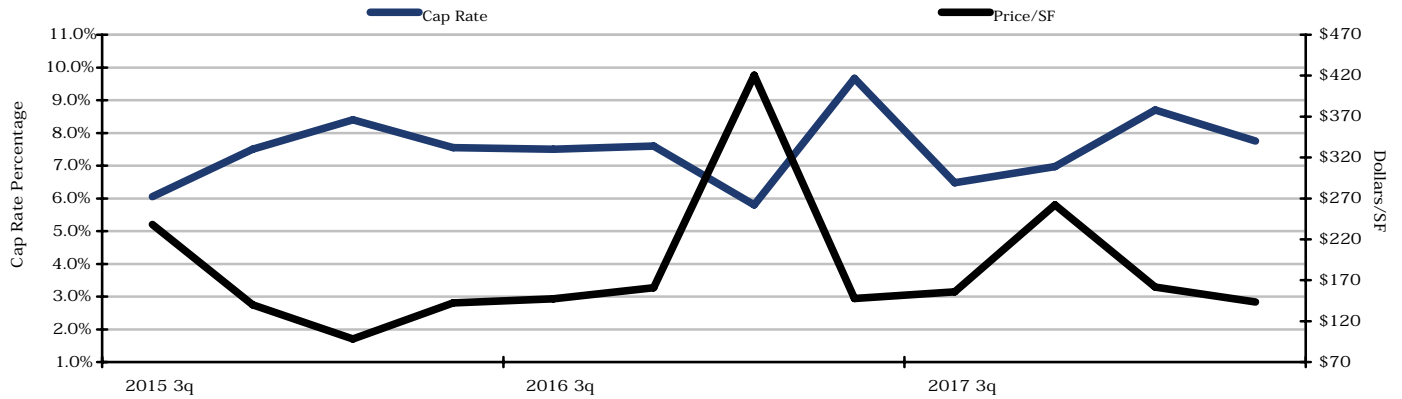


\* Includes Under Construction Spaces

Source: CoStar Property®

## The Optimist Sales Index

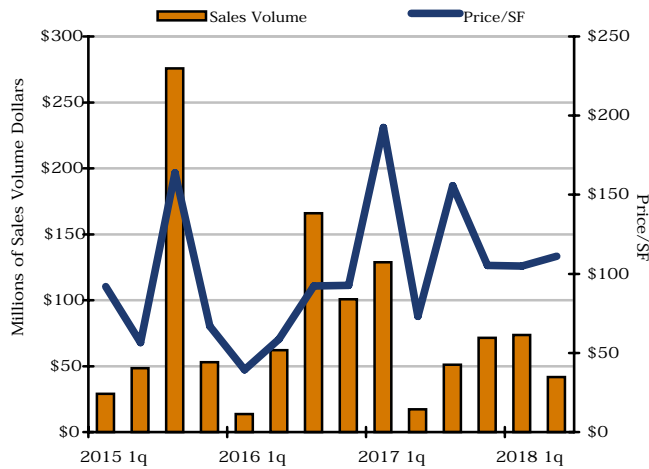
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



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

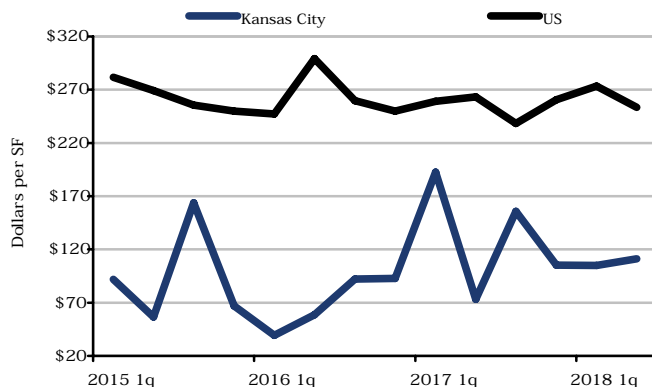
Based on Office Building Sales From July 2017 - June 2018

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 50,000 SF	39	767,517	\$102,949,053	\$ 134.13	8.53%
50K-249K SF	11	1,480,694	\$173,270,000	\$ 117.02	8.37%
250K-499K SF	-	-	-	\$ -	-
>500K SF	-	-	-	\$ -	-

Source: CoStar COMPS®

## U.S. Price/SF Comparison

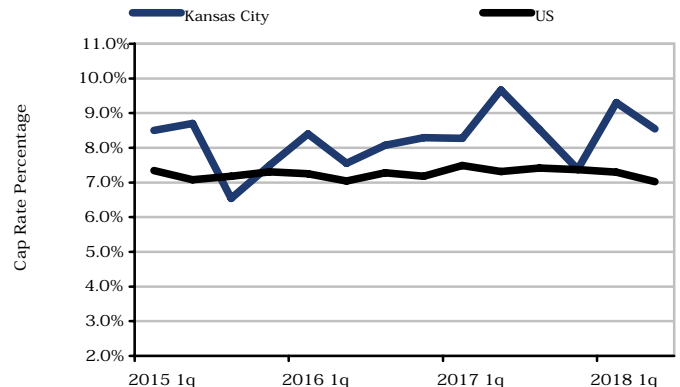
Based on Office Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## U.S. Cap Rate Comparison

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



Source: CoStar COMPS®