



KC Industrial Report Year-End, 2018

Kansas City's Vacancy Stays at 4.6% Net Absorption Positive 1,739,704 SF in the Quarter

The Kansas City Industrial market ended the fourth quarter 2018 with a vacancy rate of 4.6%. The vacancy rate was unchanged over the previous quarter, with net absorption totaling positive 1,739,704 square feet in the fourth quarter. Vacant sublease space decreased in the quarter, ending the quarter at 144,866 square feet. Rental rates ended the fourth quarter at \$4.62, an increase over the previous quarter. A total of nine buildings delivered to the market in the quarter totaling 1,695,402 square feet, with 2,977,994 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall Kansas City Industrial market was positive 1,739,704 square feet in the fourth quarter 2018. That compares to positive 1,178,047 square feet in the third quarter 2018, positive 1,803,461 square feet in the second quarter 2018, and positive 1,035,640 square feet in the first quarter 2018.

Tenants moving into large blocks of space in 2018 include: Hopkins Manufacturing Corporation moving into 406,426 square feet at 30900 W 183rd St, Turn5 moving into 363,063 square feet at 17700-17790 College Blvd, and Overstock.com moving into 329,000 square feet at 5300 Kansas Ave.

The Flex building market recorded net absorption of positive 35,407 square feet in the fourth quarter 2018, compared to positive 75,844 square feet in the third quarter 2018, negative 52,195 in the second quarter 2018, and positive 492 in the first quarter 2018.

The Warehouse building market recorded net absorption of positive 1,704,297 square feet in the fourth quarter 2018

compared to positive 1,102,203 square feet in the third quarter 2018, positive 1,855,656 in the second quarter 2018, and positive 1,035,148 in the first quarter 2018.

Vacancy

The Industrial vacancy rate in the Kansas City market area remained unchanged from the third quarter 2018, at 4.6%. The vacancy rate was 4.7% at the end of the second quarter 2018, and 4.9% at the end of the first quarter 2018.

Flex projects reported a vacancy rate of 8.0% at the end of the fourth quarter 2018, 8.2% at the end of the third quarter 2018, 8.3% at the end of the second quarter 2018, and 8.0% at the end of the first quarter 2018.

Warehouse projects reported a vacancy rate of 4.4% at the end of the fourth quarter 2018, 4.5% at the end of third quarter 2018, 4.6% at the end of the second quarter 2018, and 4.8% at the end of the first quarter 2018.

Largest Lease Signings

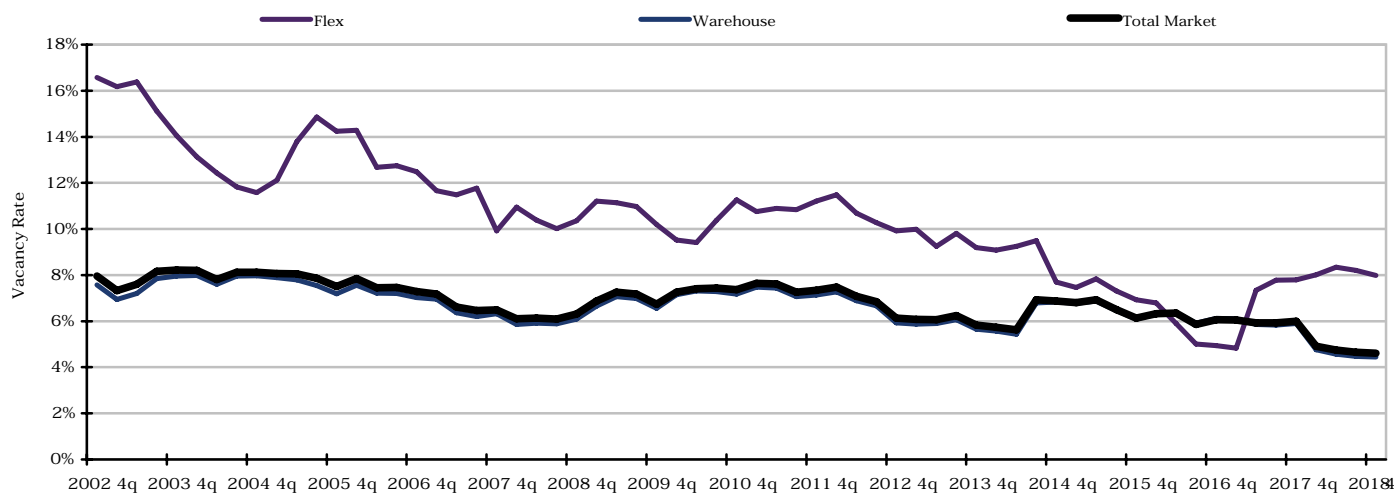
The largest lease signings occurring in 2018 included: the 517,000-square-foot lease signed by Overstock.com at 5300 Kansas Ave in the Wyandotte County market; the 363,063-square-foot deal signed by Turn5 Inc. at 17700-17790 College Blvd in the South Johnson County market; and the 345,379-square-foot lease signed by FedEx SmartPost at 22101 W 167th St in the South Johnson County market.

Sublease Vacancy

The amount of vacant sublease space in the Kansas City market decreased to 144,866 square feet by the end of the fourth quarter 2018, from 249,077 square feet at the end of

Vacancy Rates by Building Type

2000-2018



Source: CoStar Property®

the third quarter 2018. There was 246,065 square feet vacant at the end of the second quarter 2018 and 283,042 square feet at the end of the first quarter 2018.

Kansas City's Flex projects reported vacant sublease space of 45,657 square feet at the end of fourth quarter 2018, down from the 46,432 square feet reported at the end of the third quarter 2018. There were 17,820 square feet of sublease space vacant at the end of the second quarter 2018, and 17,820 square feet at the end of the first quarter 2018.

Warehouse projects reported decreased vacant sublease space from the third quarter 2018 to the fourth quarter 2018. Sublease vacancy went from 202,645 square feet to 99,209 square feet during that time. There were 228,245 square feet at the end of the second quarter 2018, and 265,222 square feet at the end of the first quarter 2018.

Rental Rates

The average quoted asking rental rate for available Industrial space was \$4.62 per square foot per year at the end of the fourth quarter 2018 in the Kansas City market area. This represented a 6.9% increase in quoted rental rates from the end of the third quarter 2018, when rents were reported at \$4.32 per square foot.

The average quoted rate within the Flex sector was \$9.37 per square foot at the end of the fourth quarter 2018, while Warehouse rates stood at \$4.36. At the end of the third quarter 2018, Flex rates were \$9.37 per square foot, and Warehouse rates were \$4.06.

Deliveries and Construction

During the fourth quarter 2018, eleven buildings totaling 2,422,244 square feet was completed in the Kansas City market area. This compares to seven buildings totaling 868,638 square feet that were completed in the third quarter 2018, five buildings totaling 1,290,808 square feet completed in the second quarter 2018, and 2,267,191 square feet in nine buildings

completed in the first quarter 2018.

There was 2,265,152 square feet of Industrial space under construction at the end of the fourth quarter 2018.

Some of the notable 2018 deliveries include: 202 NE County Rd E, a 951,686-square-foot facility that delivered in second quarter 2018 and is now fully occupied, and 15251-15351 S Green Rd, an 884,000-square-foot building that delivered in fourth quarter 2018 and is now 64% occupied.

The largest projects underway at the end of fourth quarter 2018 were Highway 210 & N. Kimball Dr, a 575,000-square-foot facility that is available for pre-lease and 16001 S Outer Rd, a 454,489-square-foot facility that is available for pre-lease.

Inventory

Total Industrial inventory in the Kansas City market area amounted to 346,806,796 square feet in 8,350 buildings as of the end of the fourth quarter 2018. The Flex sector consisted of 16,333,829 square feet in 688 projects. The Warehouse sector consisted of 330,472,967 square feet in 7,662 buildings. Within the Industrial market there was 1,256 owner-occupied buildings accounting for 92,275,417 square feet of Industrial space.

Sales Activity

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

In the third quarter, 17 industrial transactions closed with a total volume of \$47,531,000. The 17 buildings totaled 1,427,020 square feet and the average price per square foot equated to \$33.31 per square foot. That compares to three transactions totaling \$6,700,000 in the second quarter. The total square footage was 106,375 for an average price per square foot of \$62.98.

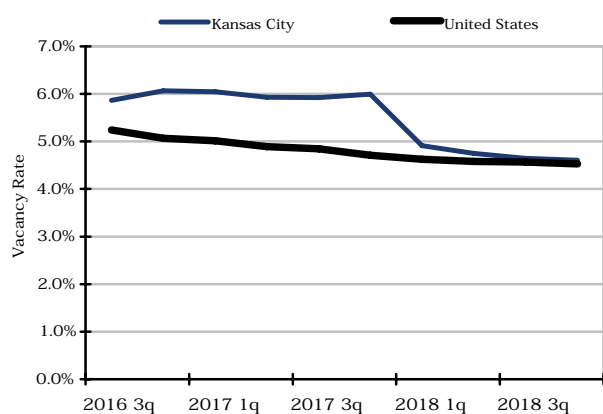
Total year-to-date industrial building sales activity in 2018 is down compared to the previous year. In the first nine months of 2018, the market saw 31 industrial sales transactions with a total volume of \$77,189,000. The price per square foot has averaged \$35.79 this year. In the first nine months of 2017, the market posted 42 transactions with a total volume of \$527,443,361. The price per square foot averaged \$54.62.

Cap rates have been lower in 2018, averaging 7.00%, compared to the first nine months of last year when they averaged 7.54%.

One of the largest transactions that has occurred within the last four quarters in the Kansas City market is the sale of 9140 Woodend Rd. This 213,059-square-foot industrial building sold on 11/17/2017 for \$32,700,000, or \$153.48 per square foot.

U.S. Vacancy Comparison

Past 10 Quarters

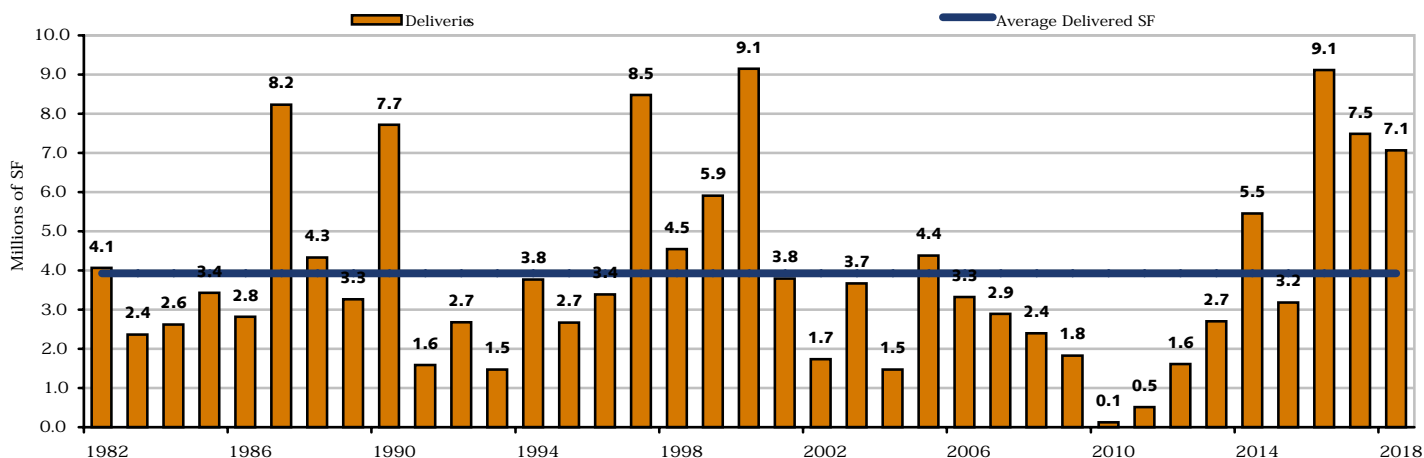


Source: CoStar Property®

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.

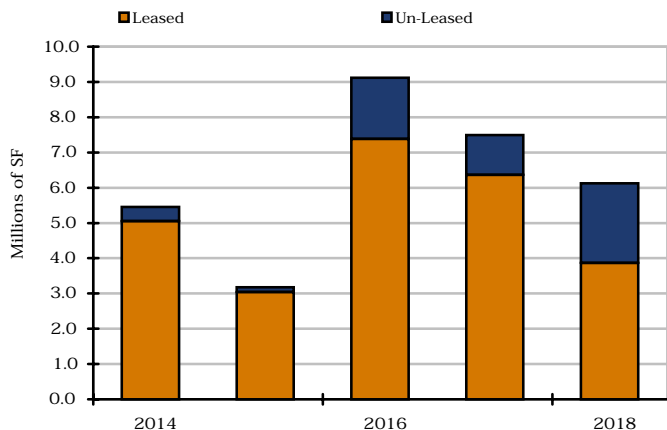
CONSTRUCTION ACTIVITY Markets Ranked by Under Construction RBA

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
North of the River Ind	4	1,139,799	27,692	2.4%	61,805	284,950
South Johnson County Ind	5	973,102	720,472	74.0%	50,491	194,620
Cass County Ind	1	454,489	0	0.0%	19,134	454,489
East Jackson County Ind	1	250,000	250,000	100.0%	47,266	250,000
North Johnson County Ind	1	140,604	0	0.0%	34,358	140,604
Topeka Ind	1	20,000	10,400	52.0%	31,711	20,000
Lafayette Ind	0	0	0	0.0%	18,525	0
St Joseph Ind	0	0	0	0.0%	43,560	0
Wyandotte County Ind	0	0	0	0.0%	44,370	0
Leavenworth County Ind	0	0	0	0.0%	58,416	0
All Other	0	0	0	0.0%	29,766	0
Totals	13	2,977,994	1,008,564	33.9%	41,534	229,076

Source: CoStar Property®

Recent Deliveries

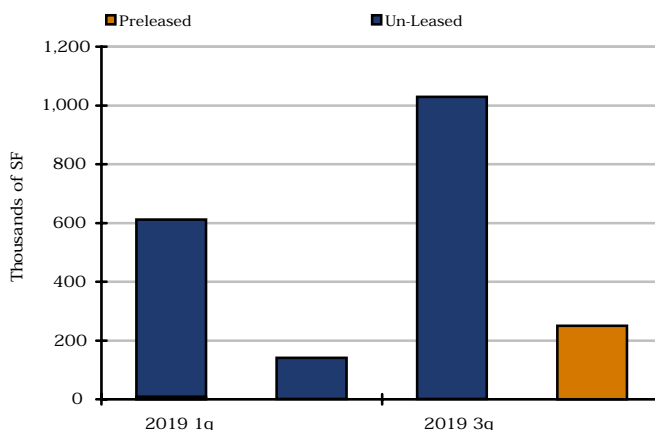
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

Future Deliveries

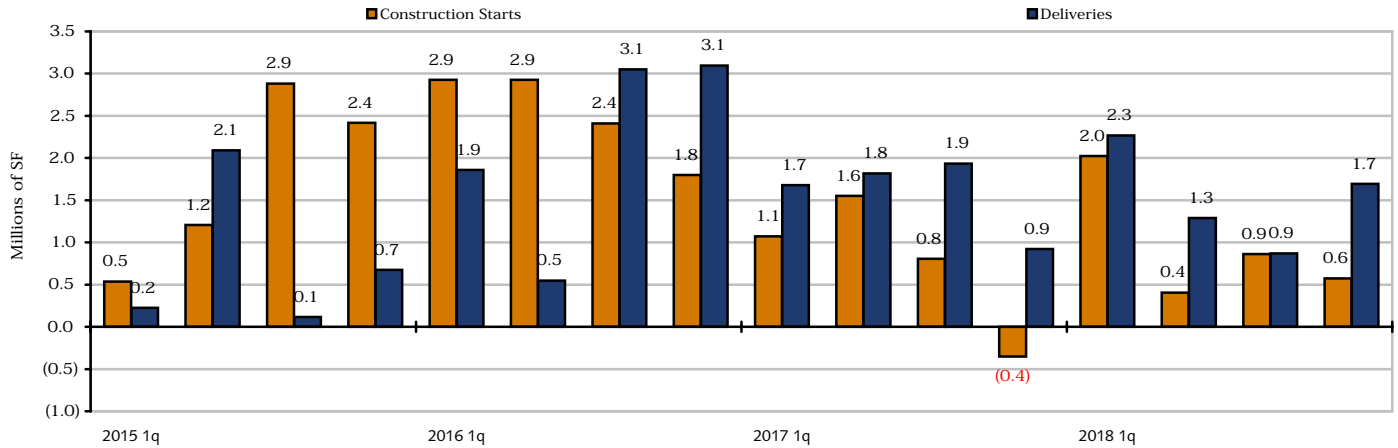
Preleased & Un-Leased SF in Properties Scheduled to Deliver



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	14	241,861	162,380	67.1%	\$9.03	14,000	227,861
50,000 SF - 99,999 SF	3	178,106	178,106	100.0%	\$0.00	0	178,106
100,000 SF - 249,999 SF	7	1,181,656	560,569	47.4%	\$5.09	198,424	983,232
250,000 SF - 499,999 SF	3	1,130,286	1,047,620	92.7%	\$4.37	0	1,130,286
>= 500,000 SF	4	3,390,130	1,921,601	56.7%	\$4.19	951,686	2,438,444

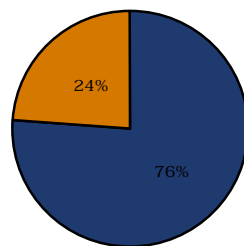
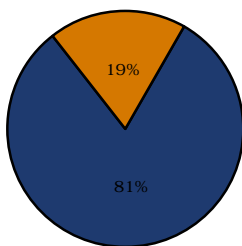
Source: CoStar Property®

Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2018 Deliveries

Currently Under Construction



■ Multi ■ Single

■ Multi ■ Single

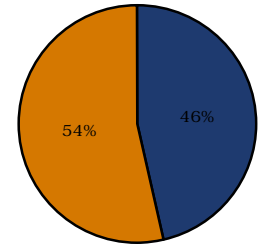
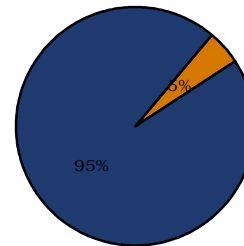
Source: CoStar Property®

Existing Inventory Comparison

Based on Total RBA

By Building Type

By Tenancy Type



■ Flex ■ Warehouse

■ Multi ■ Single

Source: CoStar Property®

Flex Market Statistics

Year-End 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison Ind	1	2,500	0	0	0.0%	0	0	0	\$0.00
Cass County Ind	20	230,075	0	0	0.0%	0	0	0	\$10.00
Downtown Ind	45	531,311	7,389	7,389	1.4%	9,749	0	0	\$14.01
East Jackson County Ind	88	1,979,941	202,859	209,171	10.6%	(20,552)	0	0	\$7.76
Johnson County MO Ind	5	28,316	0	0	0.0%	5,300	0	0	\$7.28
Lafayette Ind	1	2,000	0	0	0.0%	0	0	0	\$0.00
Lawrence Ind	30	496,958	43,715	51,455	10.4%	10,200	0	0	\$9.40
Leavenworth County Ind	2	17,600	0	0	0.0%	0	0	0	\$0.00
Midtown Ind	21	1,368,440	0	0	0.0%	6,980	0	0	\$8.39
Midtown South Ind	11	273,994	14,000	14,000	5.1%	4,000	0	0	\$18.50
North Johnson County Ind	105	2,420,174	245,320	245,320	10.1%	(59,211)	58,106	0	\$9.27
North of the River Ind	49	1,955,309	458,833	458,833	23.5%	49,643	0	0	\$9.12
Ottawa Ind	1	10,500	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas City In	10	93,625	7,000	7,000	7.5%	0	0	0	\$0.00
Outlying KC MO Ind	2	14,727	0	0	0.0%	0	0	0	\$0.00
South Jackson County Ind	53	1,115,306	77,723	77,723	7.0%	(5,204)	41,215	0	\$9.33
South Johnson County Ind	152	3,548,341	132,378	146,483	4.1%	62,794	0	15,260	\$11.72
St Joseph Ind	7	112,382	0	17,500	15.6%	(17,500)	0	0	\$3.25
Topeka Ind	44	1,215,651	25,425	25,425	2.1%	(20,680)	0	20,000	\$5.43
Wyandotte County Ind	41	916,679	43,719	43,719	4.8%	34,029	0	0	\$8.03
Totals	688	16,333,829	1,258,361	1,304,018	8.0%	59,548	99,321	35,260	\$9.37

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison Ind	15	1,227,354	0	0	0.0%	0	0	0	\$0.00
Cass County Ind	131	2,659,224	41,180	41,180	1.5%	3,845	0	454,489	\$4.65
Downtown Ind	548	13,668,983	163,157	168,359	1.2%	315,595	0	0	\$5.61
East Jackson County Ind	1,338	65,421,430	2,059,786	2,059,786	3.1%	(18,607)	6,400	250,000	\$3.91
Johnson County MO Ind	23	2,064,314	0	0	0.0%	951,686	951,686	0	\$0.00
Lafayette Ind	44	831,620	26,528	26,528	3.2%	(18,028)	0	0	\$4.12
Lawrence Ind	269	8,193,738	297,890	297,890	3.6%	24,165	153,310	0	\$5.58
Leavenworth County Ind	70	4,188,377	18,875	18,875	0.5%	5,575	0	0	\$2.73
Midtown Ind	212	5,119,928	315,869	315,869	6.2%	39,906	0	0	\$5.28
Midtown South Ind	120	2,756,487	40,150	40,150	1.5%	7,077	0	0	\$3.73
North Johnson County Ind	685	24,722,358	1,455,443	1,472,973	6.0%	134,458	187,700	140,604	\$5.95
North of the River Ind	912	57,439,190	3,023,058	3,068,245	5.3%	1,156,872	1,771,510	1,139,799	\$4.10
Ottawa Ind	42	3,285,100	76,146	76,146	2.3%	(4)	0	0	\$3.30
Outer South Kansas City In	68	1,026,488	28,000	28,000	2.7%	(11,220)	0	0	\$2.87
Outlying KC MO Ind	47	1,925,006	50,000	50,000	2.6%	4,125	0	0	\$1.94
South Jackson County Ind	625	20,733,419	649,603	649,603	3.1%	276,170	6,000	0	\$4.32
South Johnson County Ind	839	46,488,451	4,287,156	4,310,646	9.3%	2,500,571	2,946,112	957,842	\$4.38
St Joseph Ind	210	9,340,195	192,645	192,645	2.1%	(69,749)	0	0	\$2.31
Topeka Ind	526	16,859,820	519,582	519,582	3.1%	80,954	0	0	\$3.59
Wyandotte County Ind	938	42,521,485	1,334,930	1,342,730	3.2%	313,913	0	0	\$4.15
Totals	7,662	330,472,967	14,579,998	14,679,207	4.4%	5,697,304	6,022,718	2,942,734	\$4.36

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Atchison Ind	16	1,229,854	0	0	0.0%	0	0	0	\$0.00
Cass County Ind	151	2,889,299	41,180	41,180	1.4%	3,845	0	454,489	\$4.68
Downtown Ind	593	14,200,294	170,546	175,748	1.2%	325,344	0	0	\$5.95
East Jackson County Ind	1,426	67,401,371	2,262,645	2,268,957	3.4%	(39,159)	6,400	250,000	\$4.14
Johnson County MO Ind	28	2,092,630	0	0	0.0%	956,986	951,686	0	\$7.28
Lafayette Ind	45	833,620	26,528	26,528	3.2%	(18,028)	0	0	\$4.12
Lawrence Ind	299	8,690,696	341,605	349,345	4.0%	34,365	153,310	0	\$6.29
Leavenworth County Ind	72	4,205,977	18,875	18,875	0.4%	5,575	0	0	\$2.73
Midtown Ind	233	6,488,368	315,869	315,869	4.9%	46,886	0	0	\$5.41
Midtown South Ind	131	3,030,481	54,150	54,150	1.8%	11,077	0	0	\$4.81
North Johnson County Ind	790	27,142,532	1,700,763	1,718,293	6.3%	75,247	245,806	140,604	\$6.27
North of the River Ind	961	59,394,499	3,481,891	3,527,078	5.9%	1,206,515	1,771,510	1,139,799	\$4.19
Ottawa Ind	43	3,295,600	76,146	76,146	2.3%	(4)	0	0	\$3.30
Outer South Kansas City In	78	1,120,113	35,000	35,000	3.1%	(11,220)	0	0	\$2.87
Outlying KC MO Ind	49	1,939,733	50,000	50,000	2.6%	4,125	0	0	\$1.94
South Jackson County Ind	678	21,848,725	727,326	727,326	3.3%	270,966	47,215	0	\$4.51
South Johnson County Ind	991	50,036,792	4,419,534	4,457,129	8.9%	2,563,365	2,946,112	973,102	\$4.80
St Joseph Ind	217	9,452,577	192,645	210,145	2.2%	(87,249)	0	0	\$2.38
Topeka Ind	570	18,075,471	545,007	545,007	3.0%	60,274	0	20,000	\$3.77
Wyandotte County Ind	979	43,438,164	1,378,649	1,386,449	3.2%	347,942	0	0	\$4.34
Totals	8,350	346,806,796	15,838,359	15,983,225	4.6%	5,756,852	6,122,039	2,977,994	\$4.62

Source: CoStar Property®

Flex Submarket Statistics

Year-End 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/N Platte Co .	14	871,240	47,843	47,843	5.5%	26,895	0	0	\$8.78
Armourdale Ind	14	451,379	27,319	27,319	6.1%	25,067	0	0	\$8.58
Atchison Ind	1	2,500	0	0	0.0%	0	0	0	\$0.00
Blue Springs Ind	29	302,661	60,694	60,694	20.1%	18,064	0	0	\$8.79
Bonner Springs Ind	5	58,000	2,500	2,500	4.3%	7,500	0	0	\$9.50
Cass County Ind	20	230,075	0	0	0.0%	0	0	0	\$10.00
Central KC KS/Fairfa.	3	22,465	0	0	0.0%	8,065	0	0	\$3.95
City of North KC Ind	10	190,192	8,200	8,200	4.3%	(8,200)	0	0	\$7.08
Claycomo Ind	6	644,641	402,790	402,790	62.5%	8,618	0	0	\$6.50
Downtown KC Ind	45	531,311	7,389	7,389	1.4%	9,749	0	0	\$14.01
East Bottoms KC Ind	3	359,600	35,500	35,500	9.9%	5,000	0	0	\$7.00
Executive Park Ind	11	290,872	27,083	33,395	11.5%	12,025	0	0	\$5.83
Grandview Ind	14	100,546	6,136	6,136	6.1%	1,944	0	0	\$8.78
Independence Ind	16	299,767	0	0	0.0%	2,500	0	0	\$7.99
Johnson County MO In.	5	28,316	0	0	0.0%	5,300	0	0	\$7.28
Kansas City KS Ind	5	38,861	0	0	0.0%	0	0	0	\$0.00
Lafayette County Ind	1	2,000	0	0	0.0%	0	0	0	\$0.00
Lawrence Ind	30	496,958	43,715	51,455	10.4%	10,200	0	0	\$9.40
Leavenworth County I.	2	17,600	0	0	0.0%	0	0	0	\$0.00
Lees Summit Ind	27	472,836	64,087	64,087	13.6%	352	41,215	0	\$10.07
Lenexa Ind	57	1,520,215	196,624	196,624	12.9%	(51,473)	58,106	0	\$9.37
Liberty Ind	12	152,920	0	0	0.0%	16,900	0	0	\$12.72
Merriam/Mission Ind	7	72,130	8,000	8,000	11.1%	(3,500)	0	0	\$7.88
Metcalfe/SE JoCo Ind	40	602,958	33,717	33,717	5.6%	1,577	0	15,260	\$11.95
Midtown Ind	21	1,368,440	0	0	0.0%	6,980	0	0	\$8.39
Midtown South Ind	11	273,994	14,000	14,000	5.1%	4,000	0	0	\$18.50
Northeast Clay Count.	2	6,700	0	0	0.0%	0	0	0	\$0.00
Olathe Ind	112	2,945,383	98,661	112,766	3.8%	61,217	0	0	\$11.68
Ottawa Ind	1	10,500	0	0	0.0%	0	0	0	\$0.00
Outer South Kansas C.	10	93,625	7,000	7,000	7.5%	0	0	0	\$0.00
Outlying KC MO Ind	2	14,727	0	0	0.0%	0	0	0	\$0.00
Overland Park Ind	35	777,594	40,696	40,696	5.2%	(5,738)	0	0	\$8.59
Raytown/Lakewood Inc	20	294,261	22,000	22,000	7.5%	(559)	0	0	\$6.71
Riverside/Parkville	5	89,616	0	0	0.0%	5,430	0	0	\$9.79
Shawnee Ind	6	50,235	0	0	0.0%	1,500	0	0	\$11.60
South KC Ind	12	541,924	7,500	7,500	1.4%	(7,500)	0	0	\$6.50
Sports Complex Ind	9	432,780	57,582	57,582	13.3%	(57,582)	0	0	\$0.00
St Joseph Ind	7	112,382	0	17,500	15.6%	(17,500)	0	0	\$3.25
Topeka Ind	44	1,215,651	25,425	25,425	2.1%	(20,680)	0	20,000	\$5.43
Turner Ind	14	345,974	13,900	13,900	4.0%	(6,603)	0	0	\$7.28
Totals	688	16,333,829	1,258,361	1,304,018	8.0%	59,548	99,321	35,260	\$9.37

Source: CoStar Property®

Warehouse Submarket Statistics

Year-End 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/N Platte Co .	73	6,598,679	753,965	753,965	11.4%	(443,634)	232,800	0	\$4.34
Armourdale Ind	416	12,354,888	381,751	389,551	3.2%	84,940	0	0	\$4.30
Atchison Ind	15	1,227,354	0	0	0.0%	0	0	0	\$0.00
Blue Springs Ind	240	3,706,088	72,200	72,200	1.9%	15,303	6,400	250,000	\$6.76
Bonner Springs Ind	96	6,017,606	159,963	159,963	2.7%	(11,275)	0	0	\$5.98
Cass County Ind	131	2,659,224	41,180	41,180	1.5%	3,845	0	454,489	\$4.65
Central KC KS/Fairfa.	189	15,525,943	344,279	344,279	2.2%	(99,234)	0	0	\$3.96
City of North KC Ind	399	18,577,540	973,647	1,018,834	5.5%	(271,197)	0	0	\$3.87
Claycomo Ind	149	19,246,894	588,107	588,107	3.1%	1,236,278	1,130,286	792,783	\$3.94
Downtown KC Ind	548	13,668,983	163,157	168,359	1.2%	315,595	0	0	\$5.61
East Bottoms KC Ind	482	16,656,916	782,720	782,720	4.7%	11,392	0	0	\$3.42
Executive Park Ind	193	18,206,455	502,814	502,814	2.8%	2,010	0	0	\$4.14
Grandview Ind	303	10,991,765	423,601	423,601	3.9%	128,744	6,000	0	\$3.60
Independence Ind	182	19,699,113	648,379	648,379	3.3%	(165,620)	0	0	\$3.73
Johnson County MO In.	23	2,064,314	0	0	0.0%	951,686	951,686	0	\$0.00
Kansas City KS Ind	87	1,671,678	19,800	19,800	1.2%	(10,434)	0	0	\$9.00
Lafayette County Ind	44	831,620	26,528	26,528	3.2%	(18,028)	0	0	\$4.12
Lawrence Ind	269	8,193,738	297,890	297,890	3.6%	24,165	153,310	0	\$5.58
Leavenworth County I.	70	4,188,377	18,875	18,875	0.5%	5,575	0	0	\$2.73
Lees Summit Ind	236	5,374,022	158,029	158,029	2.9%	(66,494)	0	0	\$6.06
Lenexa Ind	349	17,886,115	962,360	972,290	5.4%	260,941	187,700	140,604	\$5.89
Liberty Ind	122	5,084,119	291,927	291,927	5.7%	67,671	110,000	0	\$4.29
Merriam/Mission Ind	182	2,574,953	66,492	66,492	2.6%	(41,092)	0	0	\$6.97
Metcalfe/SE JoCo Ind	69	1,280,108	8,100	8,100	0.6%	(8,100)	0	0	\$7.37
Midtown Ind	212	5,119,928	315,869	315,869	6.2%	39,906	0	0	\$5.28
Midtown South Ind	120	2,756,487	40,150	40,150	1.5%	7,077	0	0	\$3.73
Northeast Clay Count.	58	2,000,229	21,000	21,000	1.0%	6,800	0	0	\$6.17
Olathe Ind	770	45,208,343	4,279,056	4,302,546	9.5%	2,508,671	2,946,112	957,842	\$4.37
Ottawa Ind	42	3,285,100	76,146	76,146	2.3%	(4)	0	0	\$3.30
Outer South Kansas C.	68	1,026,488	28,000	28,000	2.7%	(11,220)	0	0	\$2.87
Outlying KC MO Ind	47	1,925,006	50,000	50,000	2.6%	4,125	0	0	\$1.94
Overland Park Ind	96	2,088,539	86,591	94,191	4.5%	(21,476)	0	0	\$6.27
Raytown/Lakewood Inc	100	1,793,215	14,328	14,328	0.8%	25,257	0	0	\$7.31
Riverside/Parkville .	111	5,931,729	394,412	394,412	6.6%	560,954	298,424	347,016	\$4.45
Shawnee Ind	58	2,172,751	340,000	340,000	15.6%	(63,915)	0	0	\$5.91
South KC Ind	86	4,367,632	67,973	67,973	1.6%	213,920	0	0	\$4.45
Sports Complex Ind	141	5,359,643	39,345	39,345	0.7%	93,051	0	0	\$4.62
St Joseph Ind	210	9,340,195	192,645	192,645	2.1%	(69,749)	0	0	\$2.31
Topeka Ind	526	16,859,820	519,582	519,582	3.1%	80,954	0	0	\$3.59
Turner Ind	150	6,951,370	429,137	429,137	6.2%	349,916	0	0	\$3.73
Totals	7,662	330,472,967	14,579,998	14,679,207	4.4%	5,697,304	6,022,718	2,942,734	\$4.36

Source: CoStar Property®

Total Industrial Submarket Statistics

Year-End 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Airport/N Platte Co .	87	7,469,919	801,808	801,808	10.7%	(416,739)	232,800	0	\$4.86
Armourdale Ind	430	12,806,267	409,070	416,870	3.3%	110,007	0	0	\$4.64
Atchison Ind	16	1,229,854	0	0	0.0%	0	0	0	\$0.00
Blue Springs Ind	269	4,008,749	132,894	132,894	3.3%	33,367	6,400	250,000	\$7.58
Bonner Springs Ind	101	6,075,606	162,463	162,463	2.7%	(3,775)	0	0	\$6.05
Cass County Ind	151	2,889,299	41,180	41,180	1.4%	3,845	0	454,489	\$4.68
Central KC KS/Fairfa.	192	15,548,408	344,279	344,279	2.2%	(91,169)	0	0	\$3.96
City of North KC Ind	409	18,767,732	981,847	1,027,034	5.5%	(279,397)	0	0	\$3.89
Claycomo Ind	155	19,891,535	990,897	990,897	5.0%	1,244,896	1,130,286	792,783	\$3.94
Downtown KC Ind	593	14,200,294	170,546	175,748	1.2%	325,344	0	0	\$5.95
East Bottoms KC Ind	485	17,016,516	818,220	818,220	4.8%	16,392	0	0	\$3.47
Executive Park Ind	204	18,497,327	529,897	536,209	2.9%	14,035	0	0	\$4.20
Grandview Ind	317	11,092,311	429,737	429,737	3.9%	130,688	6,000	0	\$3.82
Independence Ind	198	19,998,880	648,379	648,379	3.2%	(163,120)	0	0	\$3.95
Johnson County MO In.	28	2,092,630	0	0	0.0%	956,986	951,686	0	\$7.28
Kansas City KS Ind	92	1,710,539	19,800	19,800	1.2%	(10,434)	0	0	\$9.00
Lafayette County Ind	45	833,620	26,528	26,528	3.2%	(18,028)	0	0	\$4.12
Lawrence Ind	299	8,690,696	341,605	349,345	4.0%	34,365	153,310	0	\$6.29
Leavenworth County I.	72	4,205,977	18,875	18,875	0.4%	5,575	0	0	\$2.73
Lees Summit Ind	263	5,846,858	222,116	222,116	3.8%	(66,142)	41,215	0	\$6.54
Lenexa Ind	406	19,406,330	1,158,984	1,168,914	6.0%	209,468	245,806	140,604	\$6.31
Liberty Ind	134	5,237,039	291,927	291,927	5.6%	84,571	110,000	0	\$4.52
Merriam/Mission Ind	189	2,647,083	74,492	74,492	2.8%	(44,592)	0	0	\$7.06
Metcalfe/SE JoCo Ind	109	1,883,066	41,817	41,817	2.2%	(6,523)	0	15,260	\$10.82
Midtown Ind	233	6,488,368	315,869	315,869	4.9%	46,886	0	0	\$5.41
Midtown South Ind	131	3,030,481	54,150	54,150	1.8%	11,077	0	0	\$4.81
Northeast Clay Count.	60	2,006,929	21,000	21,000	1.0%	6,800	0	0	\$6.17
Olathe Ind	882	48,153,726	4,377,717	4,415,312	9.2%	2,569,888	2,946,112	957,842	\$4.72
Ottawa Ind	43	3,295,600	76,146	76,146	2.3%	(4)	0	0	\$3.30
Outer South Kansas C.	78	1,120,113	35,000	35,000	3.1%	(11,220)	0	0	\$2.87
Outlying KC MO Ind	49	1,939,733	50,000	50,000	2.6%	4,125	0	0	\$1.94
Overland Park Ind	131	2,866,133	127,287	134,887	4.7%	(27,214)	0	0	\$6.66
Raytown/Lakewood Inc	120	2,087,476	36,328	36,328	1.7%	24,698	0	0	\$7.09
Riverside/Parkville .	116	6,021,345	394,412	394,412	6.6%	566,384	298,424	347,016	\$4.53
Shawnee Ind	64	2,222,986	340,000	340,000	15.3%	(62,415)	0	0	\$5.92
South KC Ind	98	4,909,556	75,473	75,473	1.5%	206,420	0	0	\$4.46
Sports Complex Ind	150	5,792,423	96,927	96,927	1.7%	35,469	0	0	\$4.62
St Joseph Ind	217	9,452,577	192,645	210,145	2.2%	(87,249)	0	0	\$2.38
Topeka Ind	570	18,075,471	545,007	545,007	3.0%	60,274	0	20,000	\$3.77
Turner Ind	164	7,297,344	443,037	443,037	6.1%	343,313	0	0	\$3.86
Totals	8,350	346,806,796	15,838,359	15,983,225	4.6%	5,756,852	6,122,039	2,977,994	\$4.62

Source: CoStar Property®

Flex Market Statistics

Year-End 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 4q	688	16,333,829	1,258,361	1,304,018	8.0%	35,407	0	2	35,260	\$9.37	
2018 3q	688	16,333,829	1,292,993	1,339,425	8.2%	75,844	1	58,106	2	35,260	\$9.37
2018 2q	687	16,275,723	1,339,343	1,357,163	8.3%	(52,195)	0	0	2	78,106	\$9.05
2018 1q	687	16,275,723	1,287,148	1,304,968	8.0%	492	1	41,215	1	58,106	\$8.97
2017 4q	686	16,234,508	1,246,425	1,264,245	7.8%	18,946	1	7,600	2	99,321	\$8.67
2017 3q	684	16,211,308	1,249,911	1,259,991	7.8%	(69,968)	0	0	4	122,521	\$8.66
2017 2q	684	16,211,308	1,190,023	1,190,023	7.3%	(384,270)	1	24,000	3	114,921	\$8.94
2017 1q	683	16,187,308	780,128	781,753	4.8%	26,831	1	9,000	2	82,106	\$8.77
2016	682	16,178,308	797,664	799,584	4.9%	389,803	2	74,000	2	33,000	\$8.85
2015	680	16,104,308	1,115,387	1,115,387	6.9%	123,784	0	0	1	50,000	\$8.76
2014	680	16,104,308	1,224,929	1,239,171	7.7%	605,283	1	400,000	0	0	\$8.36
2013	679	15,704,308	1,430,212	1,444,454	9.2%	124,582	1	13,716	1	400,000	\$8.25
2012	678	15,690,592	1,516,070	1,555,320	9.9%	212,360	1	10,000	0	0	\$8.61
2011	677	15,680,592	1,646,132	1,757,680	11.2%	75,634	2	74,441	1	10,000	\$8.21
2010	675	15,606,151	1,685,650	1,758,873	11.3%	(111,106)	1	50,000	1	62,541	\$8.06
2009	673	15,541,823	1,553,328	1,583,439	10.2%	164,589	4	115,659	1	14,328	\$8.51

Source: CoStar Property®

Warehouse Market Statistics

Year-End 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 4q	7,662	330,472,967	14,579,998	14,679,207	4.4%	1,704,297	9	1,695,402	11	2,942,734	\$4.36
2018 3q	7,653	328,777,565	14,485,457	14,688,102	4.5%	1,102,203	7	810,532	19	4,063,136	\$4.06
2018 2q	7,646	327,967,033	14,751,528	14,979,773	4.6%	1,855,656	5	1,290,808	21	4,025,792	\$4.04
2018 1q	7,640	326,666,225	15,279,399	15,544,621	4.8%	1,035,148	8	2,225,976	24	4,932,600	\$4.02
2017 4q	7,633	329,540,249	19,261,344	19,453,793	5.9%	1,147,409	3	915,428	22	5,133,854	\$4.04
2017 3q	7,627	328,077,616	18,940,802	19,138,569	5.8%	2,026,273	8	1,935,266	24	6,385,591	\$3.99
2017 2q	7,616	326,016,048	18,961,286	19,103,274	5.9%	2,654,534	6	1,793,252	28	7,521,203	\$3.97
2017 1q	7,607	324,049,257	19,469,856	19,791,017	6.1%	1,617,668	10	1,669,964	30	7,818,816	\$4.00
2016	7,597	322,379,293	19,437,572	19,738,721	6.1%	7,579,806	28	8,477,448	33	8,476,492	\$4.07
2015	7,572	314,191,898	19,010,434	19,131,132	6.1%	5,075,773	14	3,107,645	24	6,953,005	\$3.91
2014	7,561	311,243,433	20,913,891	21,258,440	6.8%	1,000,931	22	5,013,205	12	3,069,278	\$3.83
2013	7,544	306,307,685	17,144,028	17,323,623	5.7%	3,325,350	11	2,654,634	16	2,964,556	\$3.79
2012	7,537	303,677,276	17,589,660	18,018,564	5.9%	5,092,268	6	1,539,102	9	2,435,719	\$3.68
2011	7,531	302,134,613	20,916,547	21,568,169	7.1%	367,165	4	419,106	5	1,551,538	\$3.77
2010	7,526	301,837,413	20,776,121	21,638,134	7.2%	(1,953,608)	3	55,025	4	967,271	\$3.86
2009	7,524	301,976,372	19,505,211	19,823,485	6.6%	159,693	6	1,658,718	4	60,481	\$3.97

Source: CoStar Property®

Total Industrial Market Statistics

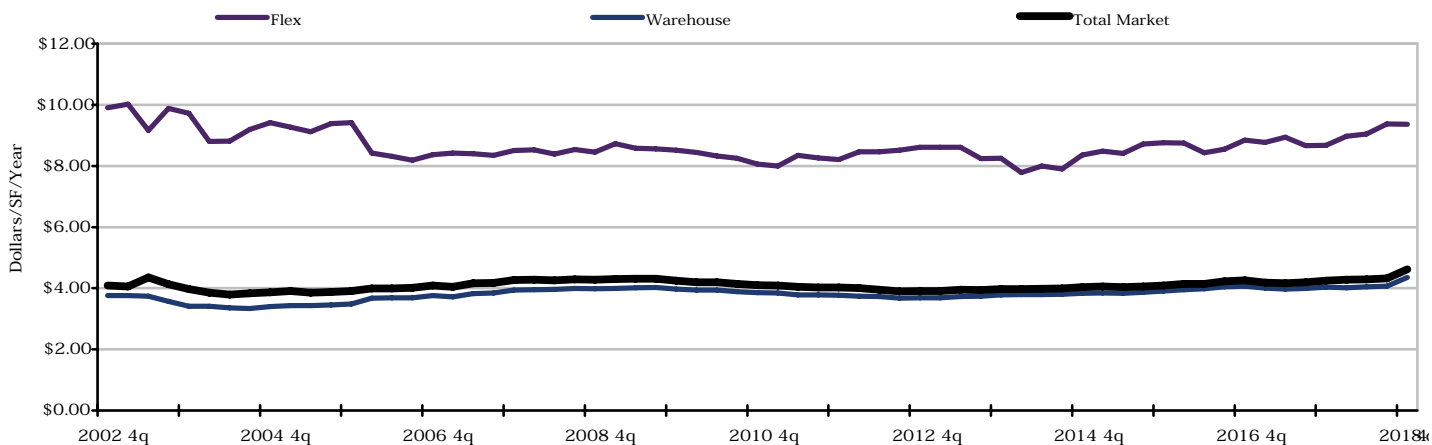
Year-End 2018

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 4q	8,350	346,806,796	15,838,359	15,983,225	4.6%	1,739,704	9	1,695,402	13	2,977,994	\$4.62
2018 3q	8,341	345,111,394	15,778,450	16,027,527	4.6%	1,178,047	8	868,638	21	4,098,396	\$4.32
2018 2q	8,333	344,242,756	16,090,871	16,336,936	4.7%	1,803,461	5	1,290,808	23	4,103,898	\$4.29
2018 1q	8,327	342,941,948	16,566,547	16,849,589	4.9%	1,035,640	9	2,267,191	25	4,990,706	\$4.28
2017 4q	8,319	345,774,757	20,507,769	20,718,038	6.0%	1,166,355	4	923,028	24	5,233,175	\$4.25
2017 3q	8,311	344,288,924	20,190,713	20,398,560	5.9%	1,956,305	8	1,935,266	28	6,508,112	\$4.19
2017 2q	8,300	342,227,356	20,151,309	20,293,297	5.9%	2,270,264	7	1,817,252	31	7,636,124	\$4.16
2017 1q	8,290	340,236,565	20,249,984	20,572,770	6.0%	1,644,499	11	1,678,964	32	7,900,922	\$4.18
2016	8,279	338,557,601	20,235,236	20,538,305	6.1%	7,969,609	30	8,551,448	35	8,509,492	\$4.26
2015	8,252	330,296,206	20,125,821	20,246,519	6.1%	5,199,557	14	3,107,645	25	7,003,005	\$4.09
2014	8,241	327,347,741	22,138,820	22,497,611	6.9%	1,606,214	23	5,413,205	12	3,069,278	\$4.03
2013	8,223	322,011,993	18,574,240	18,768,077	5.8%	3,449,932	12	2,668,350	17	3,364,556	\$3.97
2012	8,215	319,367,868	19,105,730	19,573,884	6.1%	5,304,628	7	1,549,102	9	2,435,719	\$3.91
2011	8,208	317,815,205	22,562,679	23,325,849	7.3%	442,799	6	493,547	6	1,561,538	\$4.02
2010	8,201	317,443,564	22,461,771	23,397,007	7.4%	(2,064,714)	4	105,025	5	1,029,812	\$4.10
2009	8,197	317,518,195	21,058,539	21,406,924	6.7%	324,282	10	1,774,377	5	74,809	\$4.24

Source: CoStar Property®

Historical Rental Rates

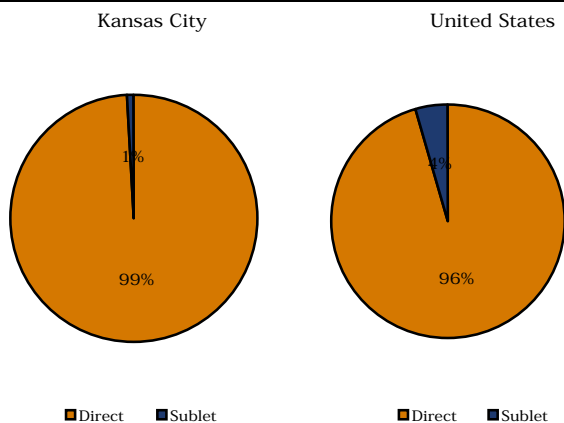
Based on Quoted Rental Rates



Source: CoStar Property®

Vacancy by Available Space Type

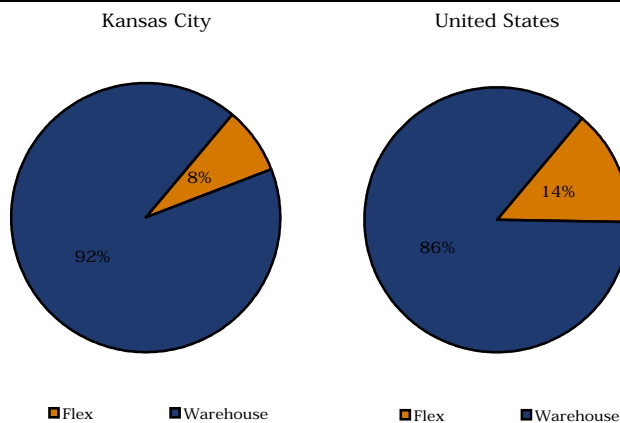
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

Vacancy by Building Type

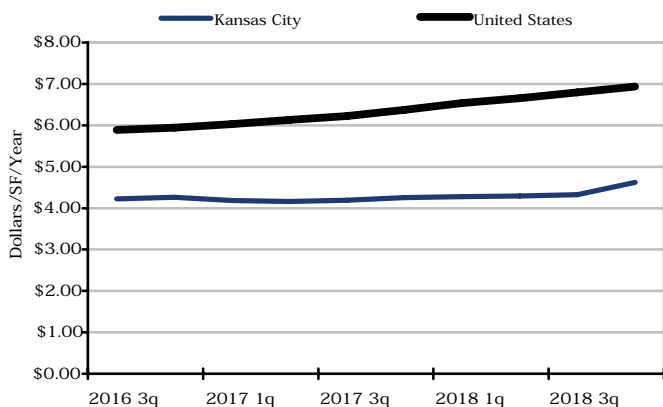
Percent of All Vacant Space by Building Type



Source: CoStar Property®

U.S. Rental Rate Comparison

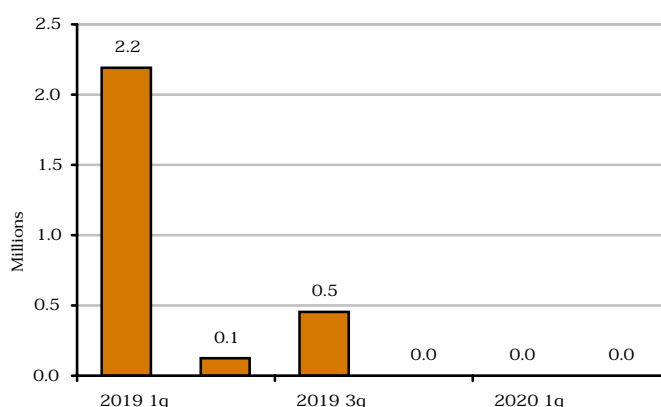
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*

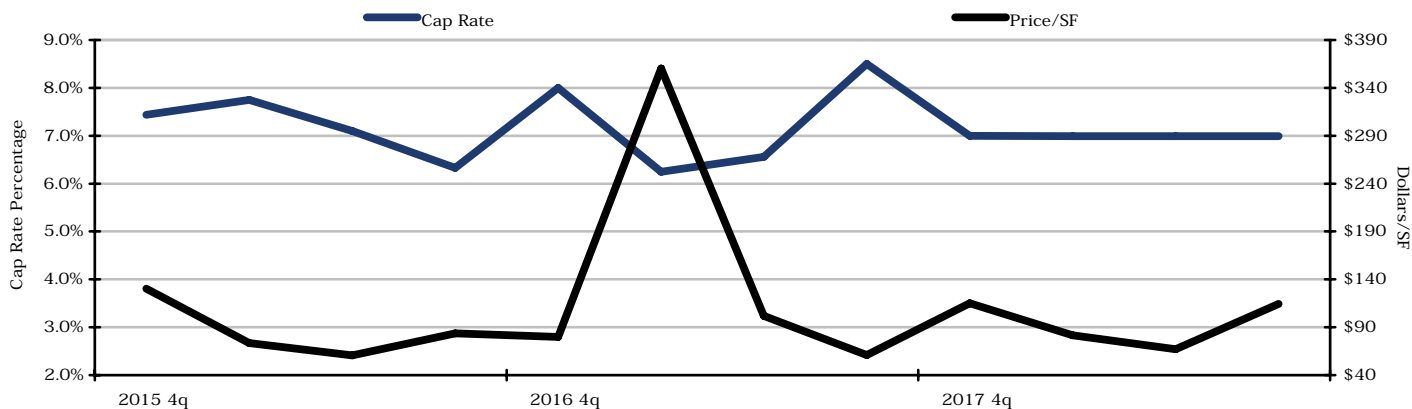


Source: CoStar Property®

* Includes Under Construction Space

The Optimist Sales Index

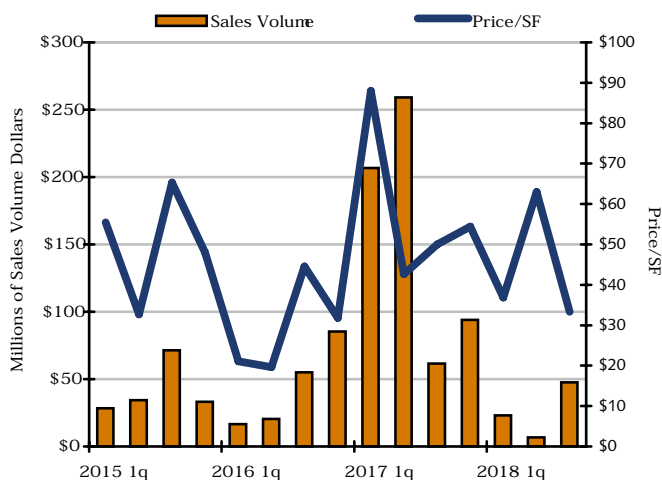
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

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



Source: CoStar COMPS®

Sales Analysis by Building Size

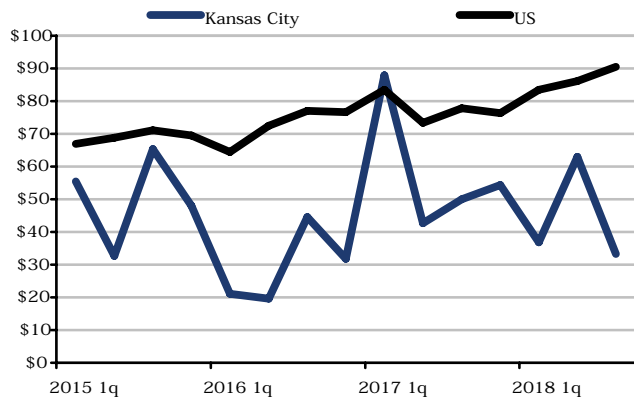
Based on Industrial Bldg Sales From Oct. 2017 - Sept. 2018

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	31	439,031	\$38,662,641	\$ 88.06	7.40%
25K-99K SF	21	942,325	\$35,590,683	\$ 37.77	-
100K-249K SF	5	784,599	\$48,473,000	\$ 61.78	7.00%
>250K SF	3	1,948,643	\$72,000,000	\$ 36.95	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

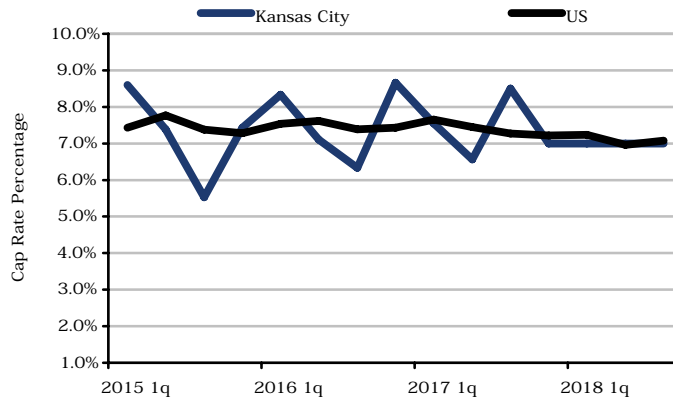
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

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



Source: CoStar COMPS®