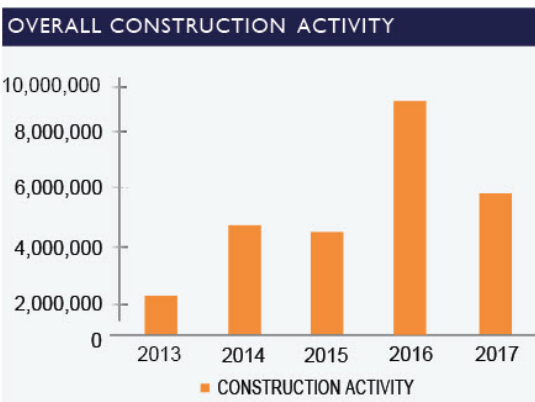
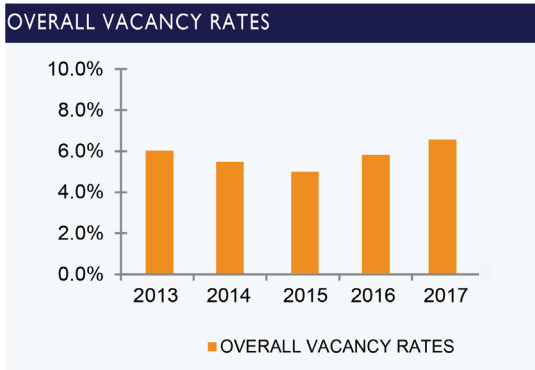
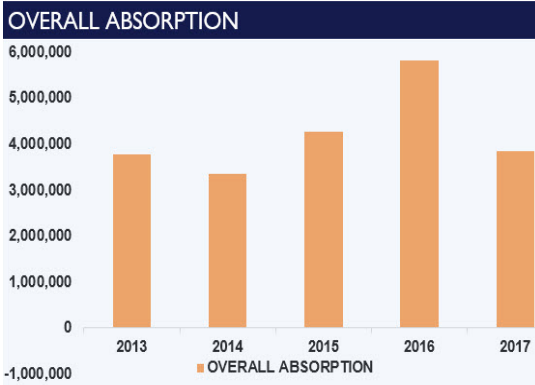


# Strong Industrial Market in 2017 Will Carry Momentum into 2018

STATS ON THE GO		
	2017	12 MONTH FORECAST
Overall Vacancy	6.1%	↕
Overall Absorption	3,735,451	▲



One obvious fact of the current economy is that e-commerce is here to stay and continues to grow and impact the industrial real estate market. It is a key contributing factor in rising rental rates, record setting absorption, and new construction of Class A warehouse all over the country. Kansas City's industrial market has benefitted greatly from this trend with multiple speculative developments that cover all parts of the metro area and, in some cases, are already at 100% capacity. From a national perspective, as wholesalers and third-party logistics firms try to keep up with the ever-increasing demand of retail e-commerce, the demand for Class A distribution is not expected to slow down.

One other factor in increasing demand for warehouse space will be the increased investment by logistics companies for "last mile" facilities as they seek to get their products closer to the customer base. And, finally, the proposed infrastructure spending could also have a huge impact. Should congress pass the legislation this year, the flow of raw materials and equipment for those projects could drive demand for warehousing throughout the sector.

### ***Kessinger/Hunter Behind New Spec Building in Olathe, Kansas***

Kessinger/Hunter's Dan Jensen isn't new to big-box spec development as he is embarking on his third spec building in Olathe, known as Building C at I-35 Logistics Park. KGPCo will occupy 251,873 square feet (SF) of the 567,155-SF building, leaving roughly 315,282 SF of speculative space slated to be available near year-end 2018.

Jensen developed Building B at I-35 Logistics Park, 821,663 SF, which is fully occupied by 1A Auto and S&S Activewear.

## FEATURED PROPERTY

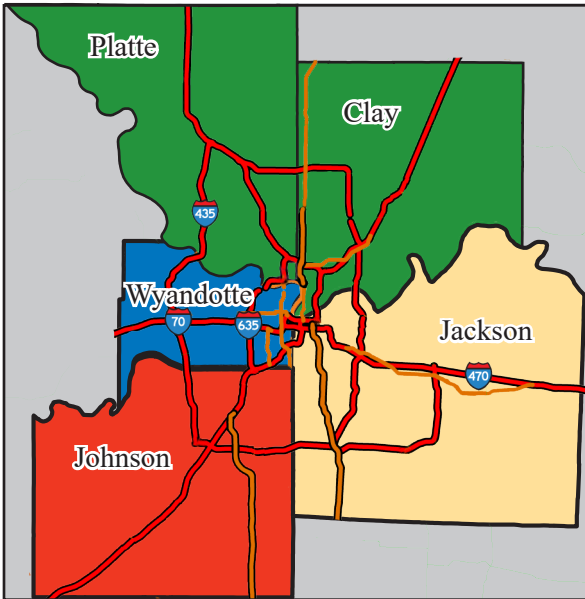
**14720 W. 99TH STREET**  
**51,900± SF REMAINING**  
**\$3.75 PSF NET**

### ***Industrial Outlook for 2018***

This will be another strong start to the year for the Kansas City Metro Industrial Market. Whether or not that momentum will sustain itself through the end of the year is difficult to say. Talk of increasing interest rates and a volatile legislative climate could quickly derail the confidence and demand that has propelled the kind of growth we've experienced over the last couple of years. However, as stated before, e-commerce is no longer a new buzz word in the industry; it is simply the new reality in how people operate in the marketplace, and Kansas City is doing its part in establishing itself as a critical player in the supply chain.



## Kansas City Metro Industrial Submarkets



## Top Transactions Year-End 2017

- BMS Logistics, Inc.** leased 432,000± sf in Olathe, Kansas.
- Bushnell Performance Optics** leased 256,000± sf in Olathe, Kansas.
- Woodstream Corporation** leased 256,000± sf in St. Joseph, Missouri.
- Victory Packaging** leased 140,000± sf in Claycomo, Missouri.
- Murphy Warehouse** leased 136,000± sf in Kansas City, Missouri.
- Amazon Logistics** leased 80,000± sf in Shawnee, Kansas.
- NovationiQ** leased 62,923± sf in Shawnee, Kansas.
- Orizon** purchased 205,000± SF in Olathe, Kansas.
- Smart Warehousing** leased 305,000 SF in Edgerton, Kansas.

Overall absorption of **3,735,451± SF** through 2017 is as follows:

1,588,851± SF in 1Q17, (622,604±) SF in 2Q17  
 1,611,448± SF in 3Q17, and 1,157,756± SF in 4Q17

Market	Total Market Size	Market Vacancy	2017 New Construction
Platte & Clay	56,963,936± sf	5.2%	1,472,808± sf
Wyandotte	43,633,694± sf	3.9%	840,000± sf
Jackson	119,989,848± sf	4.58%	1,195,974± sf
Johnson	73,342,552± sf	8.05%	2,411,337± sf
<b>Overall Market</b>	<b>293,930,030± sf</b>	<b>5.43%</b>	<b>5,920,119± sf</b>

Kessinger/Hunter & Company is the premier commercial real estate services firm in Kansas City. Our firm represents multinational corporations, pension funds, REITs, developers, entrepreneurs, government entities, small and mid-size companies, and financial institutions worldwide. We are market leaders in all of our core businesses.



Left to right:

- Patrick McGannon, SIOR, Director
- Dan Jensen, SIOR
- Jerry Fogel, SIOR
- Matthew Severns, SIOR, CCIM
- Michael Watson
- Wally Rist
- Andy Taylor
- Kurt Jensen
- Leonard Popplewell, MRED