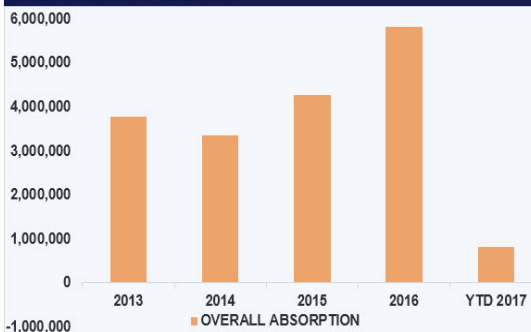


The Heartland Becoming America's Distribution Mecca

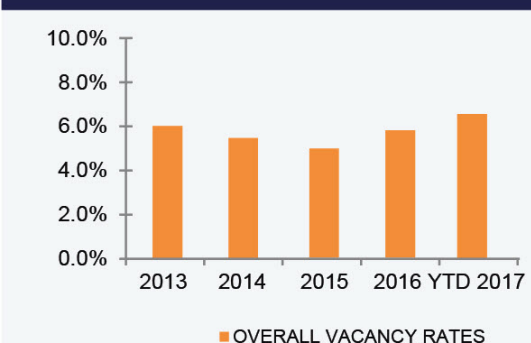
STATS ON THE GO

	2016	YTD 2017	12 MONTH FORECAST
Overall Vacancy	6.1%	6.3%	↕
Overall Absorption	5,826,246	813,205	▲

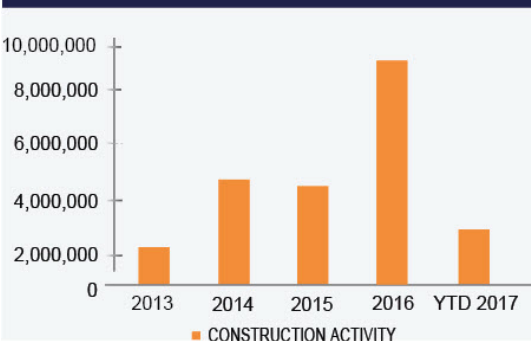
OVERALL ABSORPTION



OVERALL VACANCY RATES



OVERALL CONSTRUCTION ACTIVITY



A continued consolidation of retailers, wholesalers and 3PLs logistic providers to the US Heartland is part of a migration movement sweeping the country, according to a recent announcement from JOC.com and reported by KCSmartPort.

Amazon, Dollar Tree and QVC are among the companies locating in the region. And, UPS is acting on its \$220 million investment in the area.

According to the JOC statement about these moves, the purpose is to, "consolidate into larger, centralized, state-of-the-art facilities to cut transportation costs and meet the needs of a growing demand of e-commerce."

"Kansas City's central Midwest location and transportation network offers companies great logistical advantages," said Chris Gutierrez, President of KC SmartPort. The region is home to the largest rail center in the United States, by tonnage, and is located at the intersection of four of the nation's major interstate highways and placed on the largest navigable inland waterway.

- IBNewsmag

Industrial Market Summary

The industrial real estate sector's strength has continued from 2016 into 2017. Vacancy rates rose slightly in the second quarter 2017 to 6.4%, up 0.8% from first quarter 2017 and 0.7% from fourth quarter 2016. Vacant sublease space has reduced by 163,798 square feet (sf) from first quarter 2017, ending 2nd quarter at 155,988 sf. Average rents did not see a change for first and second quarters with the rate sitting at \$4.29 psf. A total of 13 buildings were delivered totaling 3,188,818 sf for mid-year 2017.

Source: CoStar

FEATURED PROPERTY

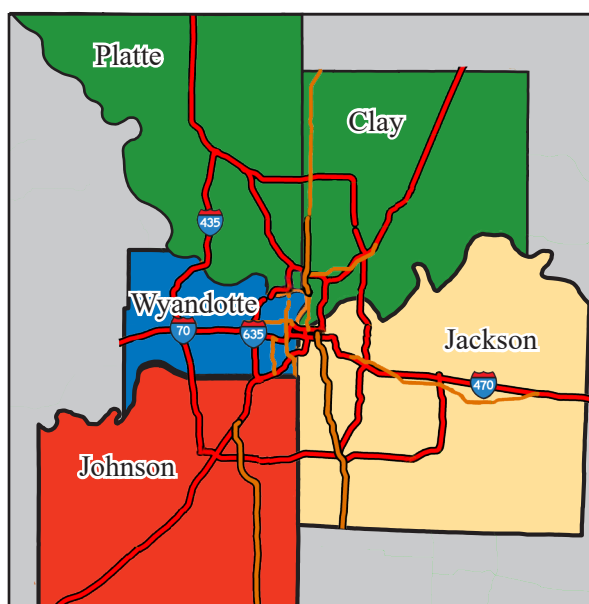


14720 W. 99TH STREET
51,900± SF REMAINING
\$3.75 PSF NET

Industrial Outlook for 2017

As expected, the first half of 2017 continued to show signs of growth in the Kansas City industrial market. That growth is evidenced in the number of new construction starts, rising property values and higher rental rates, and increased overall demand for quality buildings, both for lease and purchase. The industrial market, both locally and nationally, has seen a great run the last several years and shows no real signs of slowing down anytime soon. Bolstered by the strength of e-commerce businesses, as well as positive growth from manufacturing, the second half of the year should continue to see strong activity in what continues to be a healthy landlord and seller market.

Kansas City Metro Industrial Submarkets



Top Transactions Mid-Year 2017

Spectrum Brands HHI leased 927,112± sf in Edgerton, Kansas.

Geodis Logistics leased 226,576± sf in Kansas City, Missouri.

Pro-Pak leased 155,000± sf in Lenexa, Kansas.

Murphy Warehouse leased 100,879± sf in Kansas City, Missouri.

Cargill leased 70,000± sf in Kansas City, Kansas.

CMC Foods leased 65,000± sf in Kansas City, Missouri.

Capital Electric leased 54,300± sf in Kansas City, Kansas.

Linn Star Transfer leased 45,000± sf in Kansas City, Kansas.

Harvest Graphics leased 32,572± sf in Lenexa, Kansas.

Overall absorption of 813,205± sf through 2017 is as follows:

1,540,193± sf in 1Q17, (726,988±) sf in 2Q17

Market	Total Market Size	Market Vacancy	2017 New Construction
Platte & Clay	53,730,702± sf	5.7%	840,000± sf
Wyandotte	42,806,731± sf	4.6%	0± sf
Jackson	118,813,137± sf	4.68%	654,320± sf
Johnson	72,706,242± sf	7.25%	1,694,498± sf
Overall Market	288,056,812± sf	5.56%	3,188,818± sf

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.



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