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KESSINGER HUNTER

commercial real estate

Celebrating 141 Years

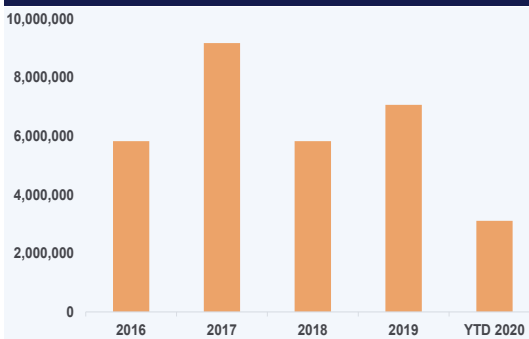
2020 "POST COVID-19" INDUSTRIAL OVERVIEW

KANSAS CITY
1Q 2020

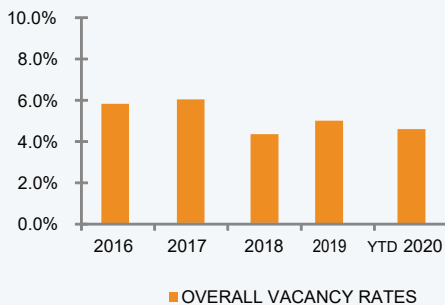
STATS ON THE GO

	YTD 2020	12 MONTH FORECAST
Overall Vacancy	4.7%	◆◆
Overall Absorption	3,111,598	◆◆

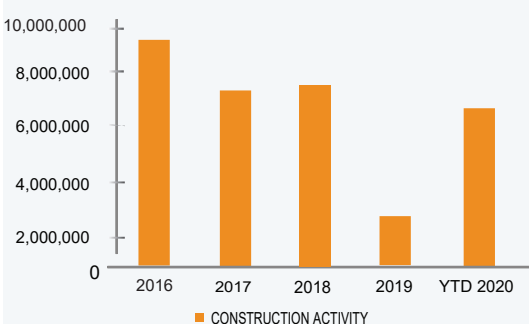
OVERALL ABSORPTION



OVERALL VACANCY RATES



OVERALL CONSTRUCTION ACTIVITY



Kessinger Hunter's Dan Jensen, the originator of speculative big box distribution in Kansas City, believes the industrial marketplace, specifically the warehouse/distribution logistics marketplace, is set for explosive growth once the COVID-19 pandemic passes.

Before diving into detail regarding the state of the market "post COVID-19," it is important to share that Kessinger Hunter associates and brokers are working remotely and doing their very best to stay active and engaged in business while taking care of their families, communities and clients first.

Many industry experts have been discussing what the commercial real estate world will look like once the virus passes and all the "stay-at-home" orders are lifted. Many of the national brokerage houses have held calls pontificating about the difficult times ahead for commercial real estate once the pandemic has passed. However, leaders and their discussions around the industrial space are concurring, and Kessinger Hunter agrees, that the bulk industrial marketplace will be stronger than ever.

Market conditions suggest three things are going to drive industrial real estate. All will put upwards pressure on space demand as well as rents.

- **E-Commerce** - Companies lacking online capabilities or an online presence are missing sales during the stay-at-home orders and are going to be proactive in establishing online capabilities for customers and clients moving forward. Exponential growth is expected in the space these companies lease. Real estate economists project for each \$1 billion of new e-commerce business that is created, it drives an estimated need for 1.25 million SF of new industrial space. This growth alone is expected to create another 900 million SF of demand.

FEATURED PROPERTY

720 N. Agnes Ave, KCMO



32,000± SF | \$1,150,000

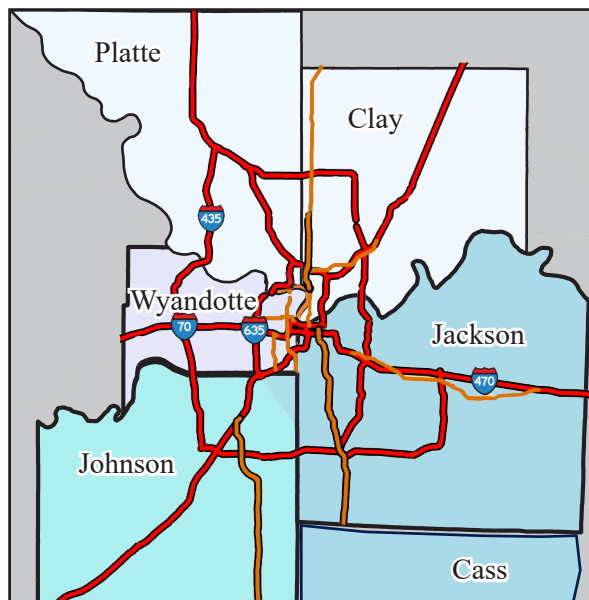
**Freestanding
Manufacturing/Warehouse for Sale**

- **Just-in-Time Warehouses** - These warehouses typically only maintain enough inventory on hand to be able to deliver "just-in-time" to the end users. It is anticipated that these operators will add about 5% to their inventory on hand in the future. This is projected to create new demand for 1.2 billion SF of additional warehouse space.

- **Near Shoring** - This group of businesses has been hurt by having manufacturing outside of North America. These companies are predicted to bring more manufacturing to the US which will give them greater control over their logistics. This will especially affect the Midwest area of the U.S. where the north-south supply chains go from Mexico to Canada.

It is for these main reasons that Kansas City, and the entire country at large, will see explosive growth once the world returns to "the new normal." While industrial brokers and developers ride out this difficult time and prioritize taking care of family, the community, and clients, they must also be prepared to keep up with the new industrial norm.

KANSAS CITY METRO INDUSTRIAL SUBMARKETS



KANSAS CITY 1Q 2020

TOP TRANSACTIONS

G&I X Industrial KS LLC purchased 601,829± SF at 22101 W. 67th Street in Olathe, Kansas.

G&I X Industrial KS LLC purchased the Benchmark Regional Distribution Center (299,520± SF) in Olathe, Kansas.

STAG Industrial purchased Building A (230,000± SF) at 56 Commerce Center in Olathe, Kansas.

Procter & Gamble leased 574,500± SF in Kansas City, Kansas.

FedEx Ground leased 548,560± SF in Claycomo, Missouri.

Pure Fishing leased 542,640± SF in Kansas City, Missouri.

Propak leased 124,743± SF in Olathe, Kansas.

Market	Total Market Size	Market Vacancy	Under Construction
Platte & Clay/Northland	61,733,434± SF	5.8%	2,791,835± SF
Wyandotte	43,608,178± SF	3.6%	406,000± SF
Jackson/Cass	118,585,709± SF	3.5%	1,574,680± SF
Johnson	79,660,574± SF	6.3%	1,846,388± SF
Overall Market	303,587,895± SF	4.7%	6,618,903± 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.



Left to right:

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 Michael Watson
 Wally Rist
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