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KESSINGER HUNTER
commercial real estate

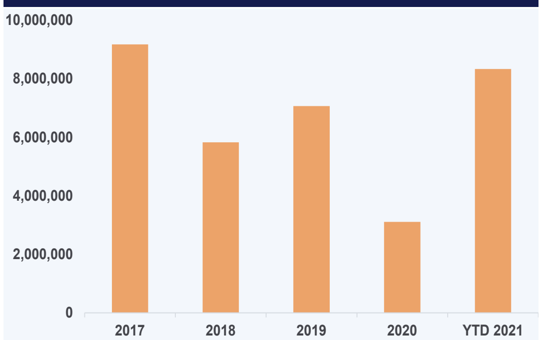
KANSAS CITY
4Q 2020

COVID-19 AFFECTING E-COMMERCE SURGE

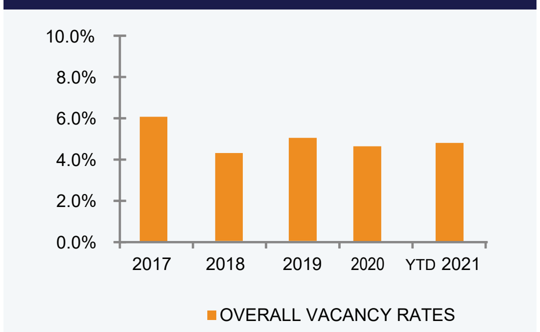
STATS ON THE GO

	YTD 2021	12 MONTH FORECAST
Overall Vacancy	4.9%	
Overall Absorption	8,334,435	

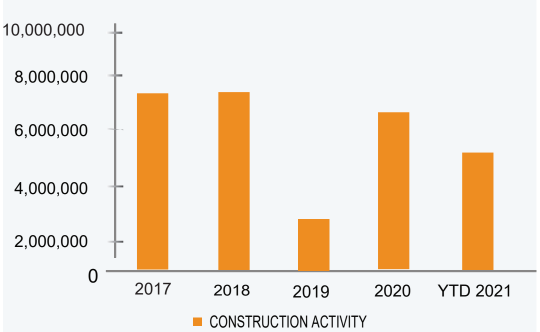
OVERALL ABSORPTION



OVERALL VACANCY RATES



OVERALL CONSTRUCTION ACTIVITY



E-commerce has been driving a massive adjustment in retail due to changing demographics, increasing competition, and rising customer expectations. While e-commerce still only represented 16 percent of total global retail value in early 2020, it will continue to expand, and ultimately take the lion's share of growth in the retail industry.

COVID-19's impact on online shopping demand has only added to mounting pressures facing retailers. Lockdown mandates and self-isolation practices are dramatically changing consumption behavior. According to eMarketer, nearly half of consumers have shifted their spending towards online channels, across all categories ranging from grocery to apparel to electronics. Online orders are seeing two to three times year-on-year growth, with some retailers seeing increases of more than 20 times. Even online grocery, notable for its slow rate of customer adoption, has seen a massive increase in popularity over the past few months, driven by the desire for a contactless shopping experience.

While some retailers may be thinking this shift is a short-term storm to weather, the research shows otherwise. It indicates that up to a third of grocery customers who began online shopping in response to the virus have a desire to continue shopping online even after the pandemic passes. The data also points strongly to a rise in online penetration beyond grocery, as other industries follow suit, such as medical, household goods, and health and wellness. This fundamental shift in consumer preference will only become more pronounced the longer COVID-19-related restrictions stay in place. - Source, Oliver Wyman

FEATURED PROPERTY

3141 W Heartland Dr, Liberty, MO

New Speculative Industrial Space for Lease

24,000± SF - 181,321± SF

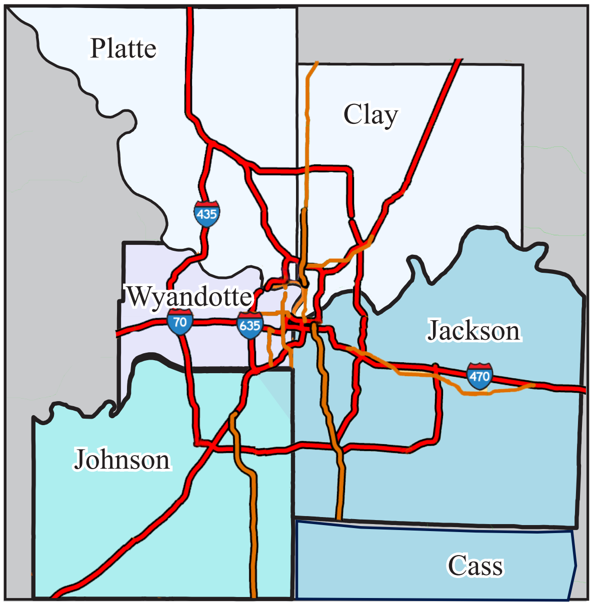
An Opus Development

2021 Outlook - With over 16 million square feet of industrial development either completed or started in 2020, Kansas City continues to bolster its standing as one of the country's leaders in the industrial market. Virtually all submarkets of the KC Metro are now served by recently constructed, Class A distribution space. The ability for these developments to be created across the metro area is a testament to Kansas City's efficient highway system and one of the big reasons we have been so successful in attracting new business to the area.

We anticipate continued growth and activity for Kansas City's industrial market in 2021. While demand for warehousing has grown as a result of the e-commerce surge, we anticipate even more growth as people's lives get back to normal hopefully by the third/fourth quarter. The current low vacancy rate of 4.9% will remain steady as inventory for quality industrial real estate stays low.

KANSAS CITY 4Q 2020

Kansas City Metro Industrial Submarkets



Top Transactions

G&I Industries KS LLC long-term lease renewal of Schlage Lock (253,440 SF) in Olathe, Kansas.

Pepsico Global leased space at Logistics Park Kansas City (952,956± SF) in Edgerton, Kansas where they will distribute their popular Gatorade product line.

Kenco Logistics, one of the top ten logistics companies in the world, leased space at Liberty Logistics Park (295,000± SF) in Liberty, Missouri.

Logoplaste, a designer and manufacturer of plastic packaging products, renewed space at Executive Park (160,000± SF) in Kansas City, Missouri.

Wabtec, a leading supplier of freight car and locomotive products, leased space at Executive Park (100,000± SF) in Kansas City, Missouri.

Plastic Packaging Technologies, leased space at Turner Logistics Center (130,000± SF) in Kansas City, Kansas where they will open a Center of Excellence for Flexible Pouching.

Market	Total Market Size	Market Vacancy	Under Construction
Platte & Clay/Northland	65,256,132± SF	4.9%	2,183,036± SF
Wyandotte	44,621,565± SF	3.3%	1,880,186± SF
Jackson/Cass	120,659,127± SF	3.9%	1,840,299± SF
Johnson	81,158,854± SF	7.4%	1,876,936± SF
Overall Market	311,695,678± SF	4.9%	7,780,457± 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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