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commercial real estate

Cold Storage Heats Up!

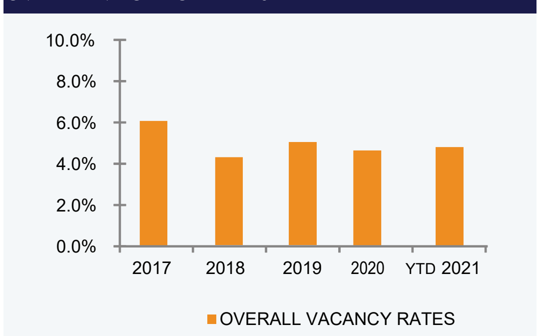
KANSAS CITY
MID-YEAR 2021

STATS ON THE GO

	YTD 2021	12 MONTH FORECAST
Overall Vacancy	4.3%	▲
Overall Absorption	4,093,184	▲

OVERALL ABSORPTION

OVERALL VACANCY RATES



OVERALL CONSTRUCTION ACTIVITY

Langan's e-Commerce Expertise Helps Developers Deliver Food Fast

While the pandemic put many things on pause, it also sped up certain aspects of life as we know it. Cold storage - e-Commerce fulfillment centers that stow and send food direct to customers and retailers - experienced exponential growth.

Factors such as rising food sales and increasing online grocery shopping are driving growth. Add in the pandemic and we've created demand that shows no signs of declining. In fact, industry experts estimate an additional 100 million square feet of cold storage space will be needed over the next five years.

"Online, direct-to-customer food distribution is the new normal," said Keith Ottes, Senior Associate, Langan. "Our clients are capitalizing on this trend, and fortunately they recognize that Langan's e-commerce experience, national footprint, and integrated technical services brings them bring them measurable value, especially when it comes to speed to market, no matter where the market is."

Langan experts are helping clients overcome a variety of unique cold storage challenges. For instance, cold storage facility height can exceed 100 feet, which requires special permitting expertise. Optimal sites covering 40-60 acres with rail and road access bring with them myriad site and regulatory issues that Langan manages routinely around the country. Also, cold storage power demands are substantial, so such projects are best handled by consultants well-versed in utility design for such energy-intensive buildings.

- Source, Mark Devaney, LEED AP, Langan

FEATURED PROPERTY

3141 W Heartland Dr, Liberty, MO

New Speculative Industrial Space for Lease

24,000± SF - 181,321± SF

An Opus Development

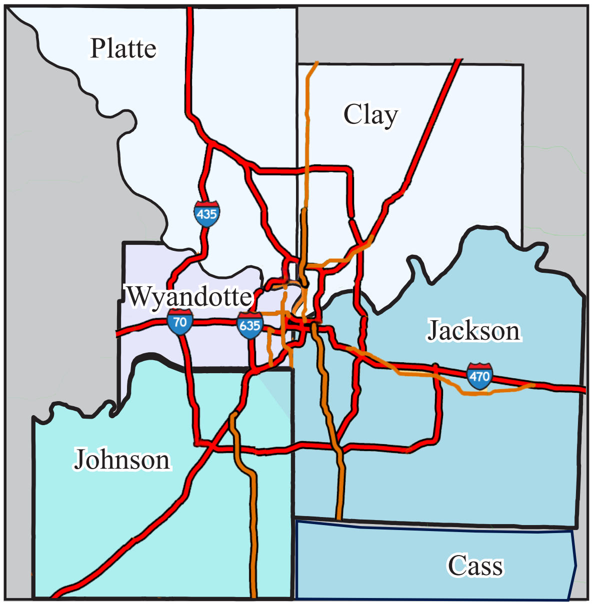
2021 Outlook - Between tailwinds in the economy caused by the consistent growth of e-commerce and just-in-time delivery, and the demand shock produced by the coronavirus pandemic, industrial real estate has been booming. CBRE Senior Research Director, Industrial & Logistics James Breeze said the past six months have been "crazy," the busiest six months on record between sky-high rental rate growth, construction expansion, and pre-leasing. He predicts this year will break the record for overall net absorption. Much of the continued spike in warehouse activity comes from the pandemic boom, Colorado State University assistant professor of Supply Chain Management Zac Rogers said. E-commerce shot up 45% last year, instead of the predicted 15%, and since supply chains for stores and online merchants are lean by design, there wasn't a lot of slack in the system.

- Source, Bisnow National

We expect warehouse demand to continue to be very strong through the end of the year and into 2022. Even with an increase in pricing, both for sale and lease rates, users are demonstrating a willingness to pay the price for the right real estate. We also expect industrial development in Class A construction to continue to remain strong for the foreseeable future; the only threat to that development continues to be the inflation of material pricing and availability of materials and equipment.

KANSAS CITY MID-YEAR 2021

Kansas City Metro Industrial Submarkets



Top Transactions

Amazon MCIA leased space at KCI Intermodal Business Centre | LogisticsCentre VI (349,440 SF) in Kansas City, Missouri.

1A Auto renewed its lease at I-35 Logistics Park (347,689 SF) in Olathe, Kansas.

ASM leased space at Lenexa Logistics Center E#4 (303,000 SF) in Olathe, Kansas.

Schlage Lock Company renewed its lease at 2119 E. Kansas City Road (253,440 SF) in Olathe, Kansas.

Murphy Warehouse leased space at 1500 Warren Street (249,465 SF) in North Kansas City, Missouri.

Spartan Logistics leased space at Executive Park (226,576 SF) in Kansas City, Missouri.

Ryerson leased space at 101 E. 9th Avenue (221,175 SF) in North Kansas City, Missouri.

Market	*Total Market Size*	*Market Vacancy*	*Under Construction*
Platte & Clay/Northland	***67,107,347± SF***	***6%***	***2,709,810± SF***
Wyandotte	***45,836,962± SF***	***4.5%***	***3,303,522± SF***
Jackson/Cass	***121,288,536± SF***	***5.5%***	***2,853,449± SF***
Johnson	***82,580,535± SF***	***5%***	***2,606,275± SF***
Overall Market	***316,813,380± SF***	***4.3%***	***11,473,056± 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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