KANSAS CITY Mid-Year 2021

KANSAS CITY ANNOUNCEMENTS

Kansas City's largest private employer is preparing to list a third property for sale, further consolidating its office footprint amid its ongoing transition to a hybrid workforce. The two, 660,000-square-foot (sf), 9-story buildings known as "Continuous Campus," is located at 10200 Abilities Way in Kansas City, Kansas. Earlier in the year, Cerner listed buildings located at 3315 N. Oak Trafficway and Riverport property at 6711 NE Birmingham Road selling its Oak Campus to NorthPoint Development, where the industrial developer will undertake a full office renovation in relocating its headquarters from Riverside.

Concorde Career College will move a good portion of their operations, approximately 50,000 sf, from midtown Kansas City to the St. Joseph Medical Center near State Line Road and I-435 in South Kansas City, Missouri.

Optiv Security has signed a 97-month sublease for the entire three-story, 50,000-sf building located at 5100 W. 115th Street in Leawood's Park Place from Tortoise Capital Advisors. After the pandemic, Tortoise made the decision to work remotely.

CONSTRUCTION ACTIVITY

UMB Bank is working with VanTrust to redevelop the 4.32-acre corner of I-435 and State Line Road in South Kansas City, Missouri into an office building consisting of 105,000 sf with a 293-space parking garage. UMB will maintain 1 acre at the corner leaving 3.34 acres of the site for construction by VanTrust. The progress of the development at this point is dependent upon securing a tenant for a portion of the property.

KBP Investments is moving forward with building their new office headquarters in the Hallbrook Office Center, long owned by an affiliate of the Hall Family Foundation, at the SWC of College Boulevard and State Line Road, Leawood, Kansas. City Council approved an expression of intent to issue as much as $36 million in IRBs to finance construction of Three Hallbrook Place, a 4-story, approximately 120,000-sf office building. KBP expects to occupy approximately 50% of the building and lease the remaining 50% to would-be tenants.

The ex-Waddell & Reed's (W&R) 260,000-sf office tower has hit the market for sublease under the new name 1400KC located at 1400 Baltimore Avenue with a scheduled completion date of third quarter 2022. W&R was granted a $35 million, 15-year tax abatement to make the move from their Overland Park HQ and add 1,000 workers to the downtown area.

With the recent sale to Macquarie Asset Management, the announcement was made that W&R would not move into the building. A new tenant would need to qualify for the incentive program separately, as its benefits are specific to each company and its project.

RECENT SALE ACTIVITY

Since the pandemic, office investment has slowed significantly in Kansas City, with approximately $250 million in deals by the end of 2020. On average throughout the last 10 years, office investment has averaged well above that amount. With the exception of the Burns & McDonnell campus in May 2020, every deal had a price tag below $10 million. 2019 set a new record in the Kansas City market, as more than $750 million changed hands, with the largest sale being the 255,000-sf Plaza Vista that closed in May 2019 at a price of $118 million ($466/sf) from an out-of-state investment partnership. Polsinelli Law Firm occupies almost the entire property at the time of the sale.

Burns & McDonnell's older office building is now under the same oversight as the new offices on its 34-acre South Kansas City HQ campus. New York-based U.S. Realty Advisors, LLC acquired the company's 485,833-sf offices at 9300-9400 Ward Parkway for $121 million / $249.06/sf in May.

LARGE BLOCKS OF SPACE ON THE MARKET

- Waddell & Reed Campus (400,000 RBA / 361,683 sf Available 3Q 2022)*
- 1200 Main, KCMO (822,391 RBA / 100,000 sf Available)*
- 6800 W. 115th Street, Overland Park, KS (733,400 RBA / 70,383 sf Available)*
- 1100 Main, KCMO (663,656 RBA / 294,090 sf Available)
- 5200 Metcalf, OPKS (220,511 RBA / 100% Available)
- 2400-2480 Pershing Road, KCMO (596,011 RBA / 207,591 sf Available)
- 2001 NE 46th Street, KCMO (218,662 RBA / 52% Available)
- 2555 Grand Blvd., KCMO (183,555 sf Available)
- 9401 Renner Blvd., Lenexa, KS (150,910 RBA / 100% Available)
- 333 W 11th Street, KCMO (87,488 RBA / 100% Available)
- Former Sprint Campus / Third-Party (1,461,921 RBA / 319,590 sf Available in 7 buildings) *Total Campus 3.9 million sf

**Available for Sublease*

Kessinger Hunter & Company
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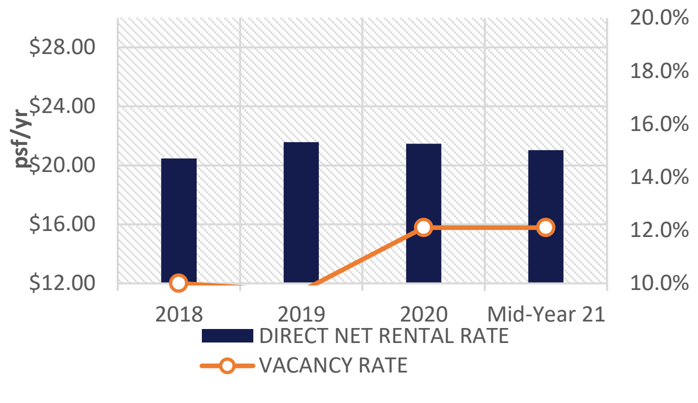
KESSINGER HUNTER OFFICE TRANSACTIONS Mid-Year 2021:

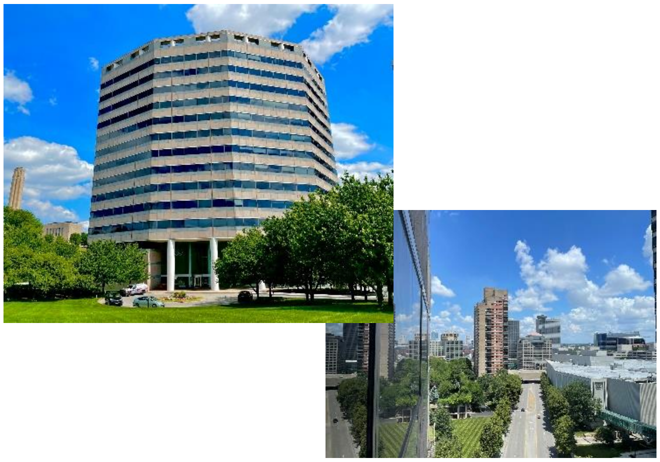
- Aerotek (20,450 sf)
- Demars Pension Consulting (8,365 sf)
- Multivac, Inc. (6,800 sf)
- Piper Sandler & Company (5,839 sf)
- EPCOR (5,128 sf)
- Seniorkare, LLC (5,029 sf)
- Midwest Pathology Associates (4,275 sf)
- Thilges & Bernhardt (3,899 sf)
- Kansas City Pediatric Cardiology (3,751 sf)
- Bartle Marcus Law (2,912 sf)
- Zoe's House Adoption Agency (2,728 sf)
- Bath & Edmonds (2,650 sf)
- Oliver & Reichel (2,493 sf)

DIRECT RENT VS. VACANCY RATES



	Existing Inventory		Vacancy			
Market	# Buildings	Total RBA	Total SF Available	% Vacant	YTD Net Absorption	Average Rents
Downtown/CBD	75	11,585,564	1,569,251	13.5%	(123,436)	$20.91
East Jackson County	70	2,455,189	465,182	18.9%	(233,782)	$16.14
Kansas City, KS	15	1,038,002	33,164	3.2%	(2,014)	$16.97
Midtown	45	3,810,249	543,338	14.3%	19,398	$26.66
North Johnson County	139	5,729,383	654,437	11.4%	(21,638)	$20.92
North of the River	60	3,377,492	909,253	26.9%	(84,755)	$16.18
South Johnson County	195	14,765,876	1,899,505	12.9%	(242,997)	$23.31
South Kansas City	53	3,684,811	345,802	9.4%	(11,025)	$19.12
Southeast Jackson County	3	1,096,769	41,166	3.8%	26,144	$19.37
Subtotal of Non-CBD	580	35,957,771	4,891,847	13.7%	(550,669)	$21.32
Totals = CBD + Non-CBD	655	47,543,335	5,757,715	13.6%	(674,105)	$21.21

Kessinger Hunter's subset includes buildings 10,000 sf & greater, non-owner/user, non-medical, and non-government



Featured Property

THE 2600 GRAND BUILDING – Kessinger Hunter is pleased to announce they have been awarded the leasing of 2600 GRAND, the crown jewel of office space in Crown Center. The building has 1,000 – 58,000 sf in total available office space. 2600 GRAND offers an urban office setting while providing suburban-like amenities, including convenient parking, spectacular architecture, beautiful landscaping, and countless services.

Crown Center is an ideal location for quality-conscious firms, as it was designed by ***Henry N. Cobb, partner, Pei Cobb Freed & Partners of New York.*** The building owner, Crown Center Redevelopment Corporation, is a subsidiary of Hallmark Cards, Inc., one of the country's most respected companies.

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