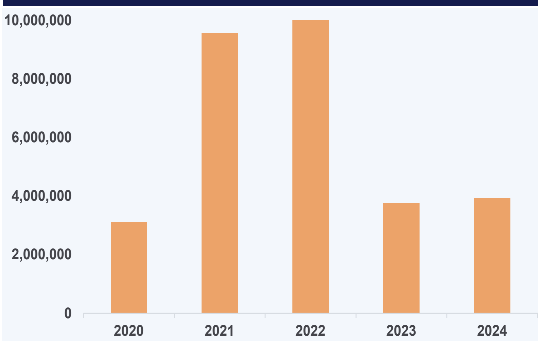
KANSAS CITY YEAR END 2024

KC INDUSTRIAL MARKET: NOT THE FASTEST GROWING, BUT ONE OF THE MOST RELIABLE

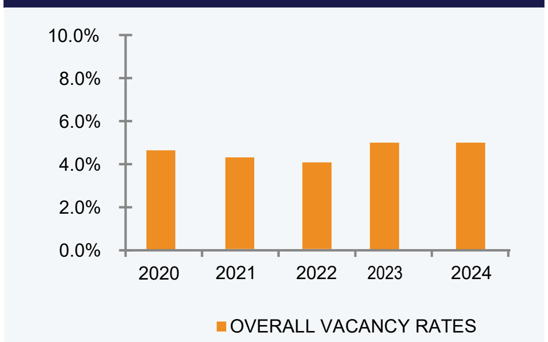
STATS ON THE GO

	2024	12 MONTH FORECAST
Overall Vacancy	5.6%	▼
Overall Absorption	3,926,782	▲

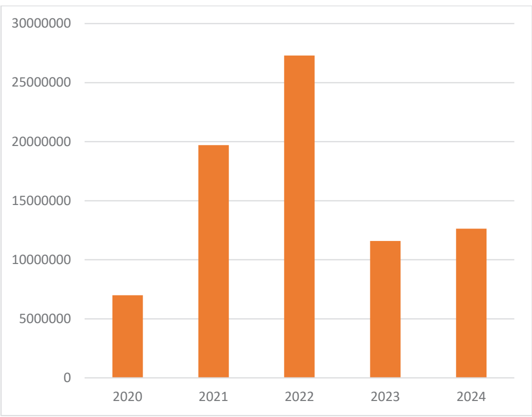
OVERALL ABSORPTION



OVERALL VACANCY RATES



OVERALL CONSTRUCTION ACTIVITY



Source: 2025 CoStar Group

Kansas City's industrial real estate market continues to hold its own, proving to be steady and resilient even as rent growth in the broader Midwest lags behind national trends. According to Yardi Matrix's December Industrial Report, national in-place industrial rents climbed 6.9% year-over-year in November, hitting an average of $8.27 per square foot. While Kansas City's 3.2% rent growth trails that figure, it's still a solid performance when viewed through a historical lens—and a clear sign that demand in this market remains strong.

One of Kansas City's biggest strengths is its balanced supply-and-demand dynamic. Unlike some coastal and high-density markets experiencing extreme rent spikes due to constrained supply, Kansas City has maintained steady, sustainable growth. This stability makes it an attractive location for industrial users looking for affordability and efficiency without the volatility of bigger markets. It also explains why, even though six of the eight slowest-growing industrial markets are in the Midwest—including St. Louis (2.7%), Detroit (3.6%), and Minneapolis/St. Paul (4.2%), Kansas City still stands out as a key distribution and logistics hub.

It's important to put the numbers in perspective. A 3.2% rent increase may not jump off the page compared to national averages, but for Kansas City, it's meaningful. Historically, this market has seen far more modest annual rent growth, so this uptick reflects sustained demand and a healthy leasing environment. Industrial users continue to choose Kansas City thanks to its central location, strong infrastructure, and competitive operating costs; factors that will keep driving demand in the years ahead.

Of course, inflation is a piece of the puzzle. Real rent growth, adjusted for inflation, is something to keep an eye on, but the bigger picture remains positive. Even as companies navigate cost pressures, Kansas City still offers a compelling value proposition: a strategic location, a robust transportation network, and rents that remain far more affordable than in coastal markets.

FEATURED PROPERTY

1001 Forest Avenue, KCMO

13,820± SF on 2.81± Acres

Conclusion

Looking forward, the fundamentals here are strong. Logistics, manufacturing, and e-commerce players continue to fuel demand, and while we may not be leading the country in rent growth, we're seeing steady, sustainable gains. Compared to where this market has been historically, we're in a great position. Kansas City industrial real estate isn't just holding steady, it's growing at a healthy, sustainable pace, and that's a win for both investors and occupiers.

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KANSAS CITY METRO INDUSTRIAL SUBMARKETS

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> Lennox leased 763,358± SF at LPKC in Edgerton, KS

> CPS leased 748,833± SF at Route 92, Kansas City, MO

> Excellerate leased 438,000± SF at 22150 W 167th St, Olathe, KS

> Patmos leased 344,130± SF at 1601 McGee, Kansas City, MO

> American Health International leased 254,840± SF at 1401 Shepherd Rd, Liberty, MO

> Federal AG Supply leased 131,784± SF at 11011 Lackman Rd, Olathe, KS

> Staffing by Starboard leased 144,390± SF at LLC East IV in Lenexa, KS

Market	Total Market Size	Market Vacancy	Under Construction	Deliveries	Absorption
Platte & Clay/ Northland	78,017,115± SF	4.7%	3,856,000± SF	1,151,135± SF	762,576± SF
Kansas City, KS	51,291,526± SF	1.9%	443,984± SF	361,169± SF	196,127± SF
Jackson/Cass	130,249,363± SF	5.9%	880,592± SF	1,234,407± SF	172,325± SF
Johnson	99,725,121± SF	7.8%	7,449,928± SF	3,422,910± SF	2,795,754± SF
Overall Market	359,283,125± SF	5.6%	12,630,504± SF	6,169,621± SF	3,926,782± SF

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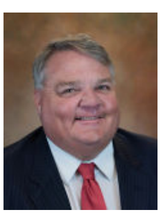
We are market leaders in all of our core businesses.

Industrial Specialists



Pat McGannon, SIOR

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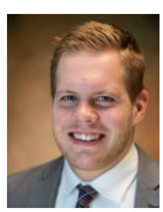

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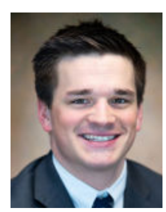
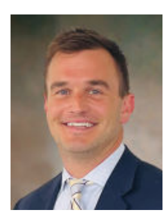
Member Associate



Kurt Jensen, SIOR



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