

Kansas City, KS

Tenant's Guide ■ North American Markets ■ Second Quarter 2010

Overview

The Kansas City office market ended the second quarter of 2010 with a vacancy rate of 13.9%, which was unchanged from the previous quarter. Absorption equaled negative 23,760 SF compared to negative 737,597 SF in the last quarter of 2009. Vacant sublease space decreased in the quarter, ending at 513,304 SF. Rental rates ended the quarter at \$18.34.

Market Trends

- Kansas City vacancy remains at 13.9%.
- Overall Kansas City office market absorption was negative 23,760 SF.
- Vacant sublease space decreased to 513,304 SF.

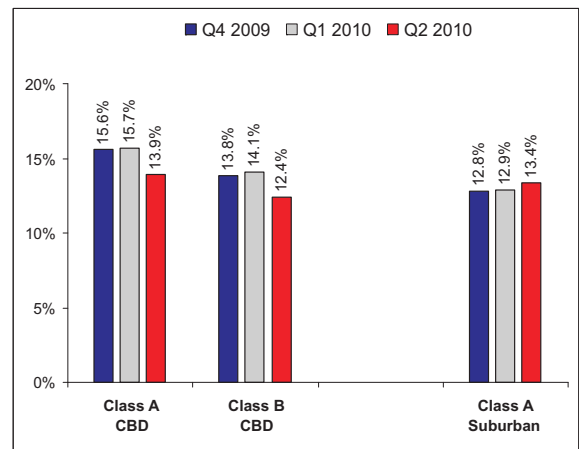
Tenant's Perspective

In our opinion the long-term leases will continue to grow in 2010. Stable companies in the marketplace will want to capitalize on their situation and look for opportunities in long-term leasing. Companies under duress will continue to focus on downsizing within the market. We are seeing more three-year term leases vs. five-year term leases. We expect vacancy rates to continue to climb even with the growth of long-term leases.

Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Federal Aviation Admin.	204,605	Office	Lease
Haake Insurance	35,000	Office	Lease
Baker University	26,592	Office	Lease

Vacancy Rate



Average Rental Rates

	Q4 2009	Q1 2010	Q2 2010
CBD			
Class A Office	\$21.54	\$21.58	\$18.19
Class B Office	\$17.30	\$17.09	\$17.55
Suburban			
Class A Office	\$21.00-23.00	\$21.00-23.00	\$18.39
Class B Office	\$18.00-20.00	\$18.00-20.00	\$18.27

Prepared By CresaPartners
8675 West 96th Street, Ste 209, Overland Park, KS 66215
913.322.0500 ■ www.cresapartners.com