

Kansas City, KS/MO

The **Kansas City Metropolitan Area**: In spite of some kudos from Wall Street, Sprint is no longer Kansas City's 2nd largest employer. Wal-Mart is now No. 2 with the Federal Government remaining the largest. Kansas City has benefitted from "flying below the radar" in that rampant foreclosure and liquidations have not yet occurred. Of Kansas City's troubled assets as reported by Real Capital Analytics, the hospitality sector comprises 50% of all troubled assets (in large part Lightstone's acquisition of Extended Stay America), 21% is retail and 14% is office. Industrial has been modestly affected by the recession, but we expect vacancy to increase before it improves. Apartments remain the strongest segment with new product now under construction.

Population

Kansas City Metro: 1.99 Million

▲ 0.9%

Source: NPA

Unemployment Rate

Kansas City MSA 8.4% ↓

Kansas 6.4% ↓

Missouri 9.3% ↓

Source: U.S. Department of Labor

Avg. Household Income

Kansas City Metro: \$69,208

United States: \$67,918

Missouri: \$58,753

Source: U.S. Department of Labor

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Metro Area Vital Signs

Inventory	45 M SF
Vacancy Rate	17.0%
Rental Rate Per SF	\$18.00
Annual Absorption	-200K SF
Average Op. Expense/SF	\$8.68
Cap Rate – Class A	8.75%
Cap Rate – Class B	9.5%

Inventory	118.0 K
Vacancy Rate	8.7%
Average Monthly Rent	\$698
Annual Absorption	-360Units
Operating Expense	51.0%
Cap Rate – Class A	7.5%
Cap Rate – Class B	8.5%

Inventory	43.9 M SF
Vacancy Rate	14.4%
Avg. Rental Rate Per SF	\$13.88 Net
Annual Absorption	-573 K SF
Average Op. Expense/SF	\$5.00
Cap Rate – Class A	8.5%
Cap Rate – Class B	9.5%

Inventory	230.1 M SF
Vacancy Rate	11.5%
Rental Rate Per SF	\$4.59 Net
Annual Absorption Rate	-1,425 K SF
Cap Rate – Class A	8.5%
Cap Rate – Class B	9.5%

Office

Multi-Family

Retail

Industrial