

Subject Property

5225 NE Chouteau Tfwy

5225 NE Chouteau Tfwy 
 Kansas City, MO 64119 - I-35 Corridor



OWNER

Purchased 3/28/2011

Not Disclosed

TRAFFIC COUNTS

N Chouteau Trfy/NE 53 St	6.7K
6612/NE 53 St	8.4K
N Chouteau Trfy/NE 50 Ter	7.2K
8032/NE 50 Ter	7.7K

LOCATION

Location Score:	Good Location (52)
Walk Score®:	Somewhat Walkable (60)
Transit Score®:	Some Transit (26)

PROPERTY

Type:	Freestanding	Tenancy:	1 Tenant
Center:	-	Construction:	Reinforced Concrete
GLA:	8,780 SF	Land AC:	1.28 AC
Year Built/Renov	-	Building FAR:	0.16
Floors:	1	Total Expenses:	-
Loading Docks:	None		
Parking	57 Surface Spaces are available; Ratio of 6.49/1000 SF		
Features:	-		
Frontage:	300' on Chouteau Tfwy (with 2 curb cuts)		

VACANCY

Current:	0%
Last Quarter:	0%
Year Ago:	0%
Peers:	0%
Submarket:	2.1%

NNN ASKING RENTS PER SF

Current:	\$18-22 (Est)
Last Quarter:	-
Year Ago:	-
Peers (Market Rent):	\$16.36
Submarket (Market Rent):	\$16.81

12 MO. LEASING SF ACTIVITY

Property:	-
Peers Total:	-
Peers Count:	17
Peers Avg:	-
Submarket:	170,853

AVAILABLE SPACES

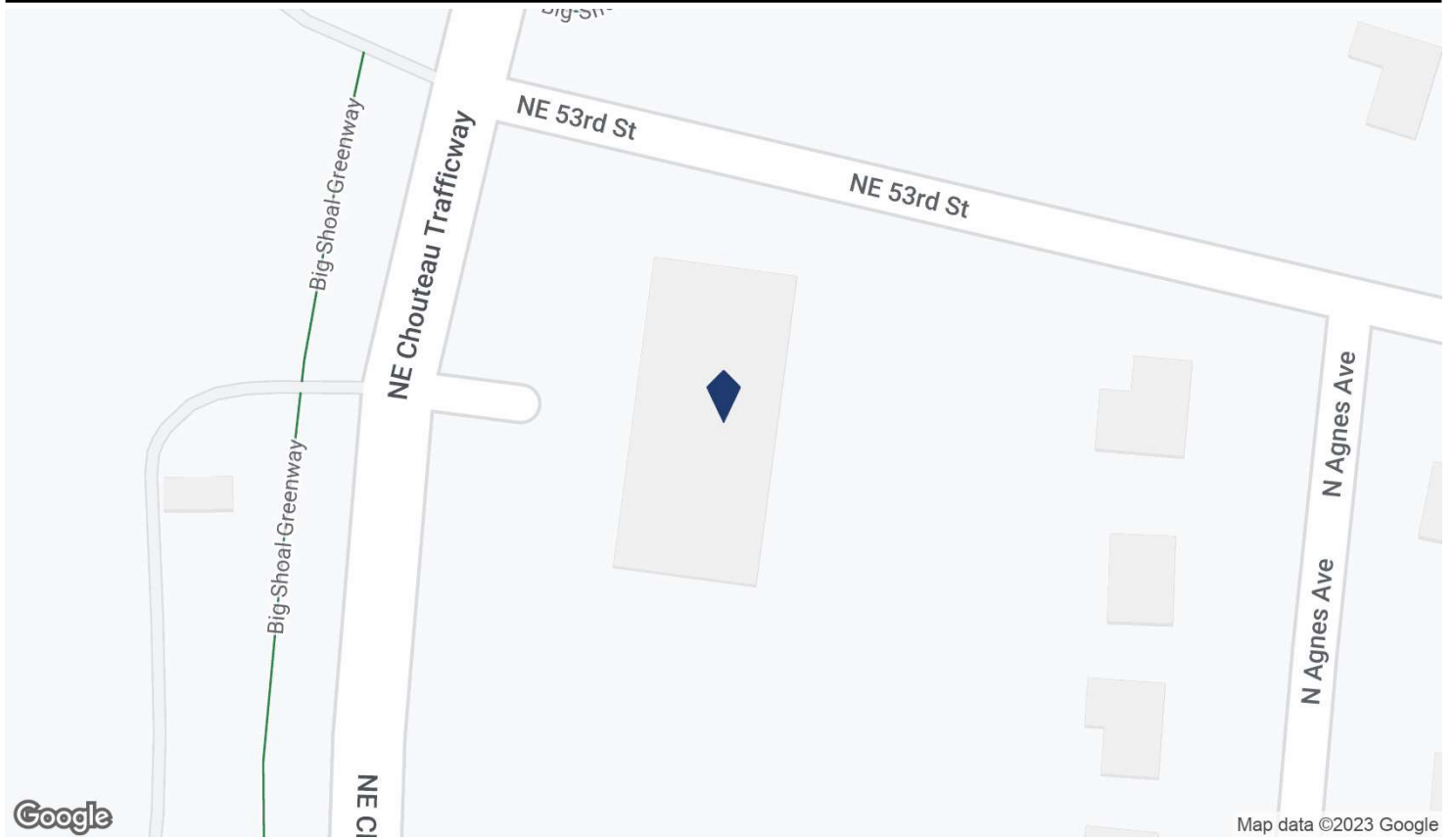
Floor	Suite	Space Type			Square Feet		Rent	On Market	Vacant
		Use	Type	Occupancy	SF Avail	Bldg Contig			
1st	-	Retail	Direct	Sep 2023	8,780	8,780	Withheld	0 mo	-
All Spaces					8,780	8,780	-		



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SITE PLAN



TENANTS

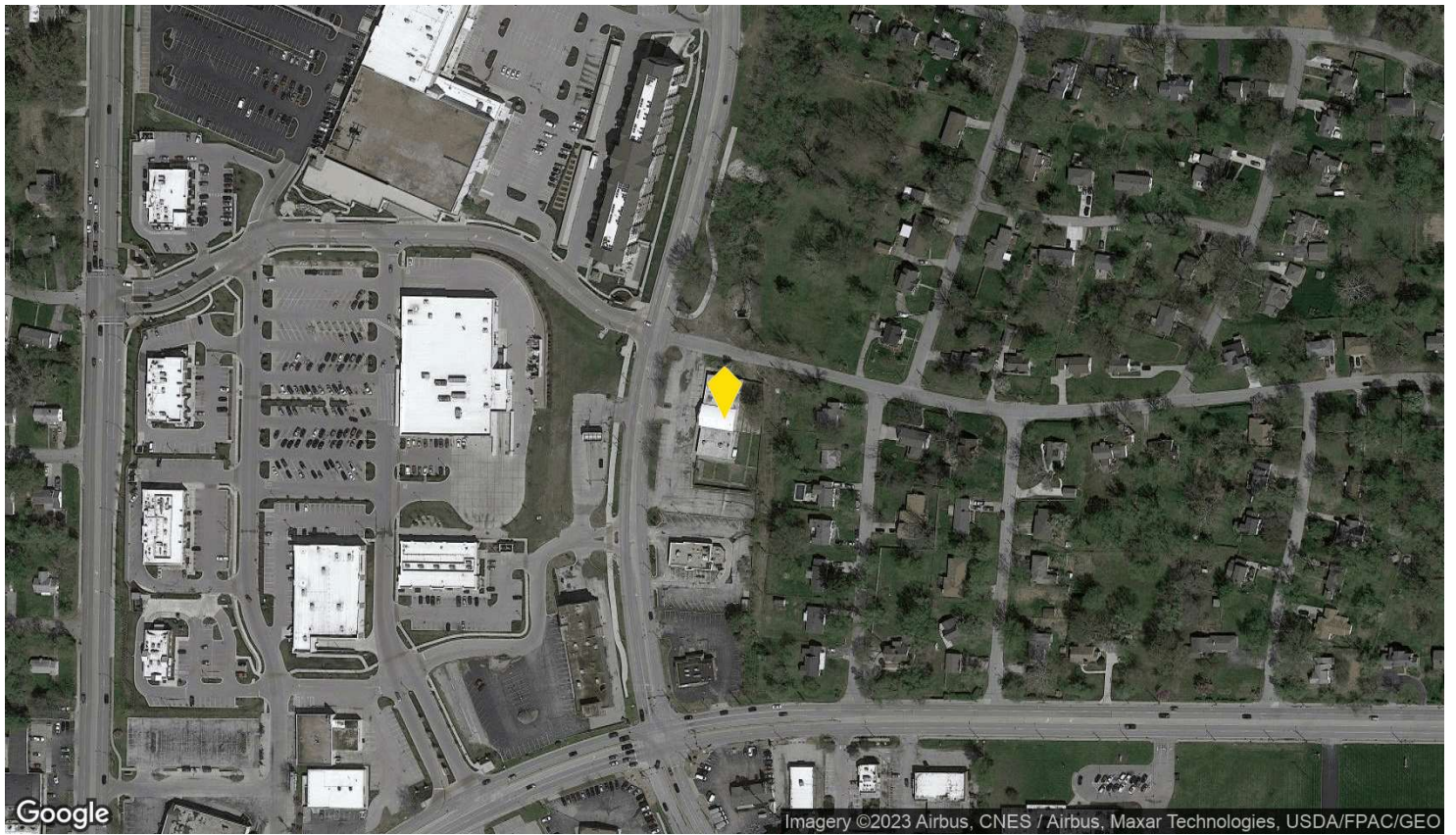
Tenant	Store Type	SF Occupied	Chain	Move Date	Exp Date
Chouteau Pawn & Fine Jewelry	-	8,780	No	Apr 2016	-



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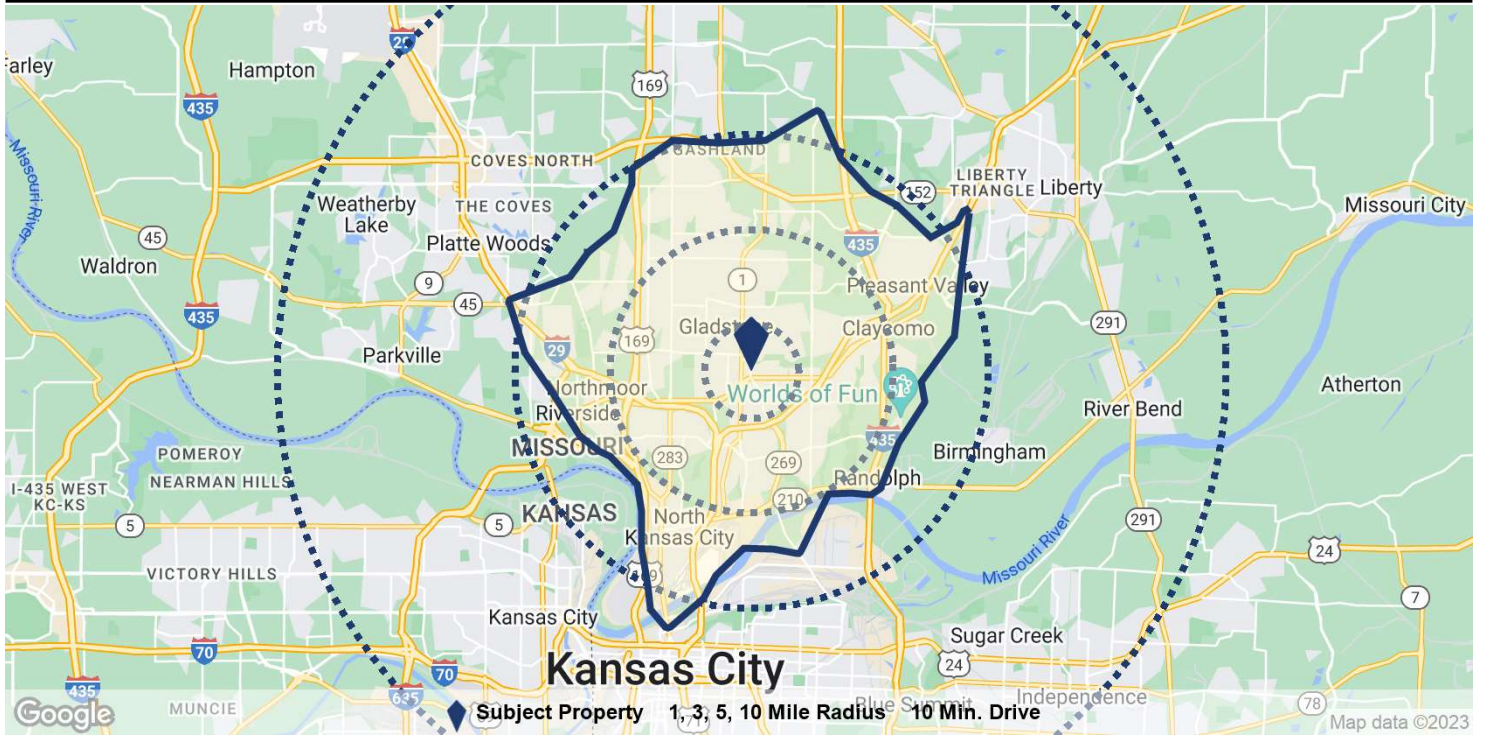
AERIAL VIEW



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DEMOGRAPHICS



Population	1 Mile	3 Miles	5 Miles	10 Miles	10 Min. Drive
Population	10,930	80,232	142,938	539,886	148,897
5 Yr Growth	2.0%	2.5%	3.4%	3.2%	5.4%
Median Age	41	39	39	37	39
5 Yr Forecast	43	41	41	39	41
White / Black / Hispanic	84% / 8% / 10%	80% / 11% / 10%	80% / 11% / 10%	72% / 19% / 17%	81% / 11% / 9%
5 Yr Forecast	84% / 8% / 10%	80% / 11% / 10%	80% / 11% / 10%	72% / 19% / 17%	79% / 12% / 10%
Employment	2,579	38,310	94,143	354,342	81,313
Buying Power	\$321.3M	\$1.9B	\$3.7B	\$12.1B	\$4.1B
5 Yr Growth	3.3%	3.7%	4.7%	5.2%	6.7%
College Graduates	25.4%	24.8%	28.0%	27.4%	35.4%
Household					
Households	4,860	34,306	60,371	217,950	62,227
5 Yr Growth	2.0%	2.5%	3.4%	3.3%	5.3%
Median Household Income	\$66,110	\$56,679	\$61,525	\$55,600	\$65,891
5 Yr Forecast	\$67,011	\$57,346	\$62,323	\$56,628	\$66,755
Average Household Income	\$79,848	\$72,621	\$78,626	\$75,401	\$83,008
5 Yr Forecast	\$80,979	\$73,434	\$79,602	\$76,773	\$84,048
% High Income (>\$75K)	42%	35%	40%	37%	43%
Housing					
Median Home Value	\$163,276	\$163,995	\$175,781	\$168,747	\$198,320
Median Year Built	1962	1969	1976	1969	1978
Owner / Renter Occupied	71% / 29%	63% / 37%	62% / 38%	57% / 43%	65% / 35%





Market Summary

5225 NE Chouteau Tfwy

8,780 SF Retail Freestanding

Kansas City, Missouri - I-35 Corridor Submarket

PREPARED BY



Michael Meier
Principal



The Kansas City retail market continues to see tightening fundamentals as consumers remain resilient despite high inflation. As a result, the market's availability rate is 5.4%, near its lowest level on record and approximately 15% below the five-year average of 6.4%.

Store closures from Bed Bath and Beyond and Tuesday Morning increased availability in the first half of 2023 as moveouts increased 51% in the first half of 2023 compared to the same period in 2022. In the last year, annual absorption was 770,000 square feet. This is consistent with the market's 10-year average; however, it is a 42% decrease compared to the same period last year. This decline is due to retail closures which have resulted in a loss of gains. At the same time, these spaces offer users in the market options in various sizes across submarkets such as South Johnson County and East Jackson County, two of the region's largest and most active.

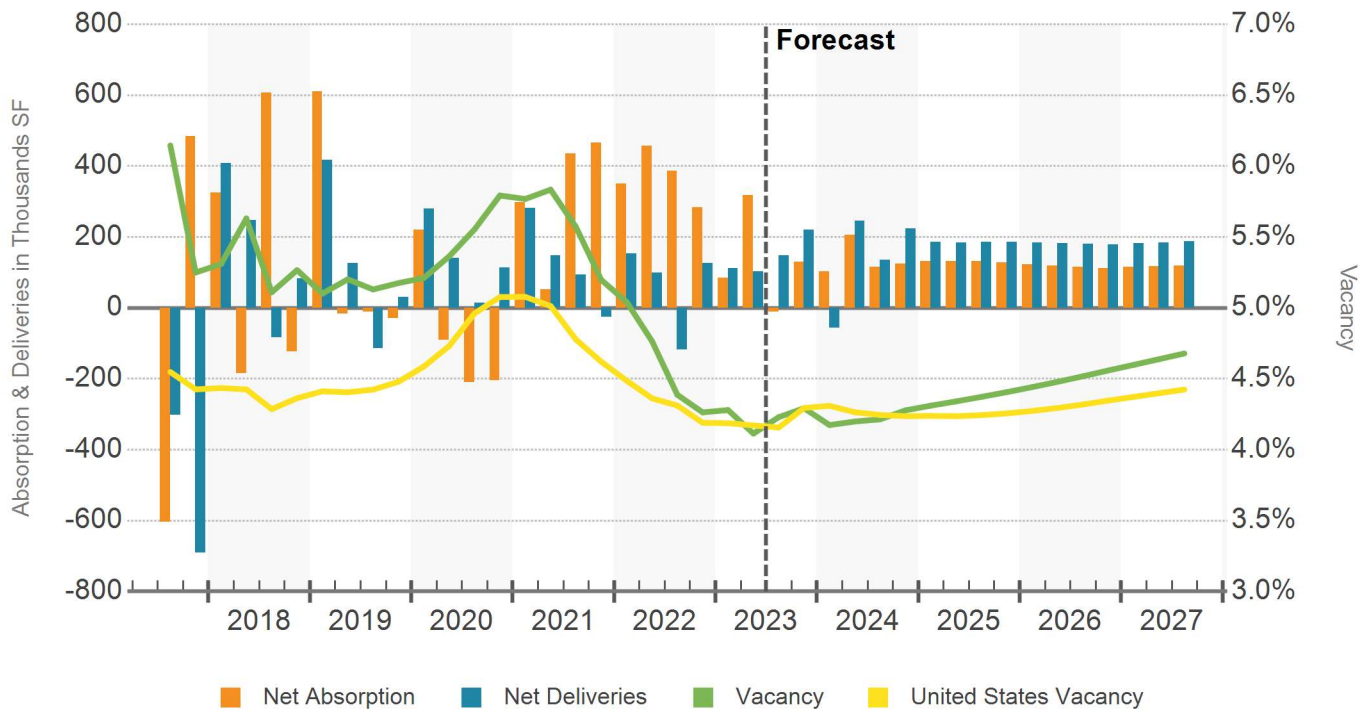
Developments anchored by large occupiers such as Whole Foods and Life Time Fitness are at the top of the pipeline. Quick-service restaurants, banks, and discount retailers have been typical on the smaller end, as the segment's availability remains low for existing sites. As a result of this user-driven activity, properties underway are more than 90% pre-leased. UMB, Chase Bank, and Bank of America all have new locations underway. In addition, many quick-service restaurants are beginning

to change store layouts to reflect new consumer patterns. Kansas City-based Hawaiian Brothers is one such example. The company has decreased the average size of its new locations by 15% in response to fewer diners eating inside the restaurant.

The strengthening of fundamentals has resulted in an increase in triple-net asking rates. Through the first half of the year, rent growth is near its peak recorded in early 2023. Average asking rental rates have risen by 6.0% in the last year, surpassing the national average and matching markets such as Minneapolis and San Diego. As a result, triple net asking rates reached \$17.70/SF, the highest level on record. The areas located to the south and southwest of Downtown, ranging from Country Club Plaza to South Johnson County, are still commanding the highest rental prices. These submarkets boast high median incomes and some of the strongest purchasing power.

As high borrowing costs persist, they are starting to weigh on sales activity. While the second half of 2022 was one of the strongest periods of sales in Kansas City's history, 2023 started off slow. With a continued disconnect between buyers and sellers, sales volume declined to \$132 million year-to-date, 50% below the same period in 2022. One area that continues to attract capital is single-tenant triple net assets.

NET ABSORPTION, NET DELIVERIES & VACANCY



Despite growing economic headwinds, the Kansas City labor market continued expanding in 2023, adding 41,000 jobs in June from the previous year, according to the latest Bureau of Labor Statistics data.

Nonfarm payrolls remain above pre-pandemic highs at 1.1 million workers and job growth has started to accelerate in recent months. In June 2023, nonfarm payrolls increased by 3.7% from the previous year, the highest rate of change since September 2022. As a result, Kansas City's unemployment rate was 2.8% in May 2023, the ninth month in a row below 3%.

Certain sectors continue to show more hiring strength than others. The leisure and hospitality sector has led employment gains, as spending on food and beverage outside the home has reached record highs nationwide, and availability in Kansas City's retail sector is near its all-time low. Employment in the sector increased 8.5% in the past year through June 2023 and has recovered from the job losses incurred during the pandemic.

The region is also seeing expansion in the education and health services sector. The sector's employment growth has accelerated recently, increasing by 4.7% from the previous year. The healthcare industry remains a crucial driver of economic activity, representing three of the four largest private employers in the metro. Employment is led by The University of Kansas Health System, HCA Midwest Health, and Saint Luke's Health System. Together, the three companies employ nearly 40,000 people. The city is also home to the UMKC Health Sciences District, a collaboration of 10 organizations in the city's Hospital Hill neighborhood. The district's most recent development is the \$200 million Children's Mercy Research Institute, which opened in 2021. UMKC plans a

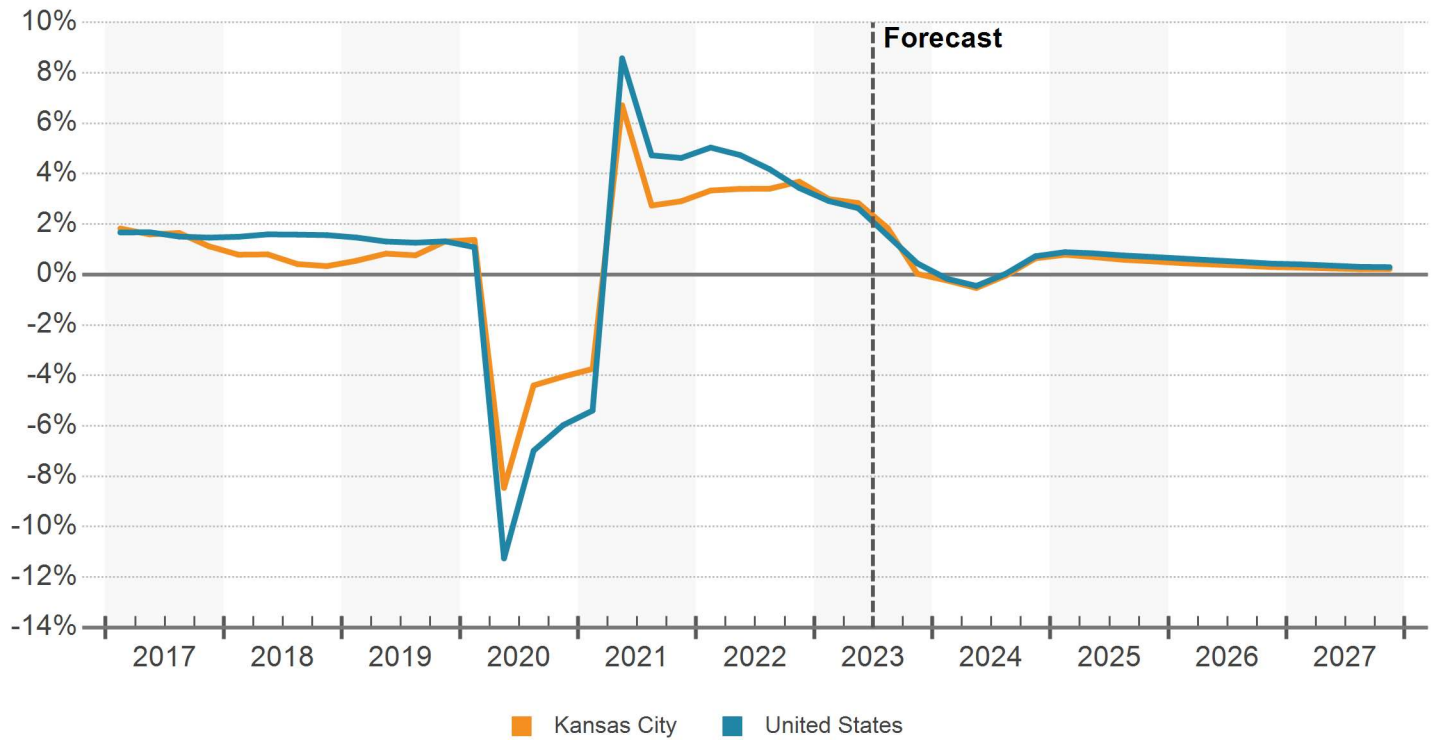
\$100 million building in the district to serve as its Data Science and Analytics Innovation Center and Biomedical Engineering program.

Manufacturing continues to increase, adding 2,600 jobs from the previous year through June. Employment in the sector is at its highest level since 2002, while the vacancy rate for manufacturing buildings has been below 3% since the end of 2021. Kansas City is benefiting from car manufacturers' push toward electric vehicles. Ford recently invested \$100 million at its Claycomo plant, adding 1,100 jobs. The investment is part of Ford's larger plan to increase electric vehicle production. In the summer of 2022, Panasonic announced a \$4 billion battery production plant in DeSoto on a portion of the former Sunflower Army ammunition plant. The plant will serve as a battery provider for Tesla Motors. Panasonic expects to create 4,000 jobs. The project is currently under construction and receiving state and local incentives for the development.

Growth in trade, transportation and utilities, the largest employment sector in the region has moderated this year. In 2023, annual employment growth in the sector averaged 1,400 jobs per month. This compares to 5,400 jobs per month in 2022. The sector was the fastest to regain all jobs lost during the pandemic as consumer spending shifted online.

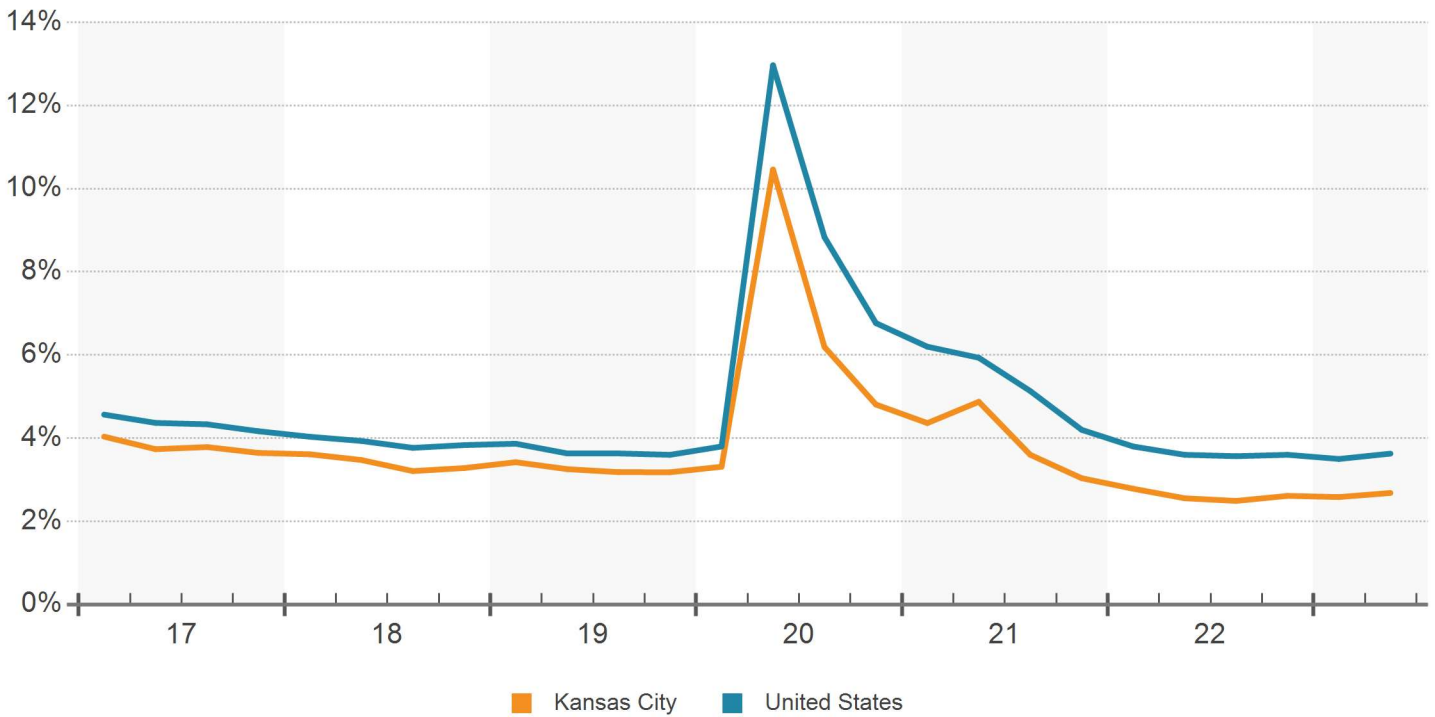
Kansas City's International Airport (KCI) recently opened its \$1.5 billion new terminal and parking structure. The project modernized the airport. KCI moved from its dated circular terminals to one bringing it more in line with modern design and experience. The new terminal has 39 gates with the ability to expand to 50.

JOB GROWTH (YOY)

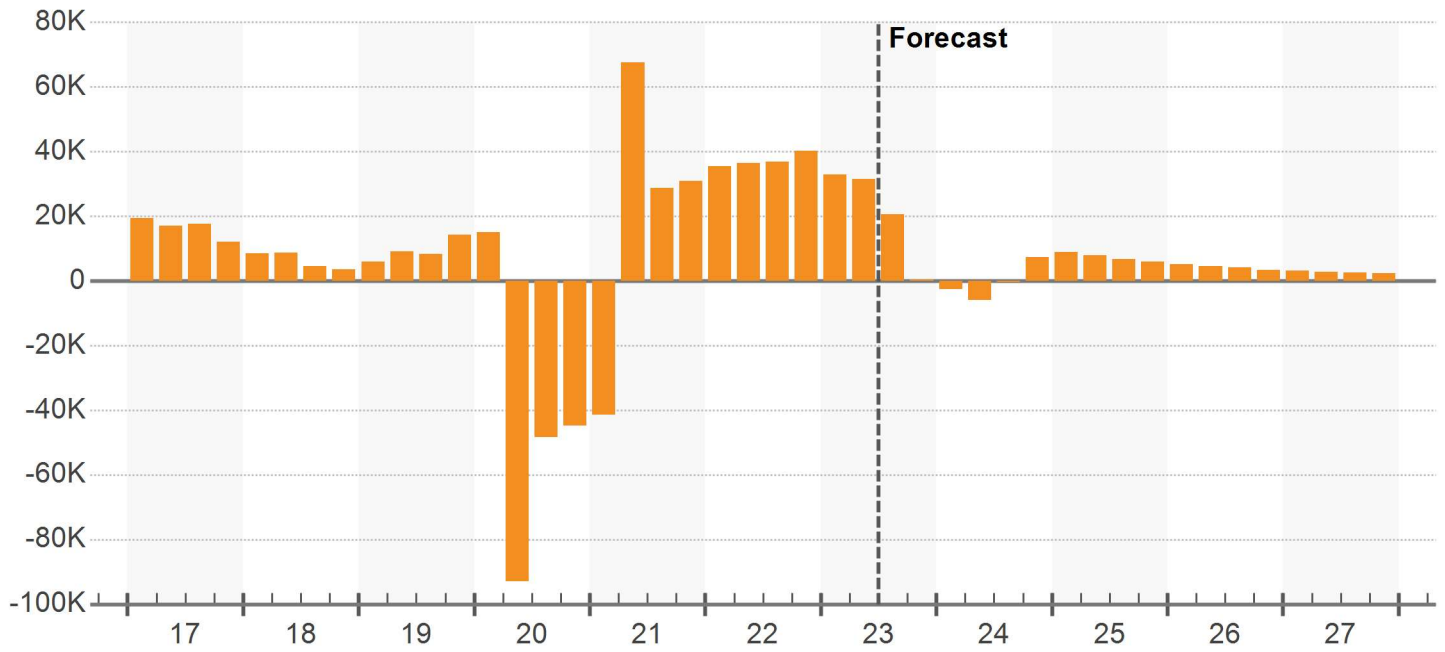


Source: Oxford Economics

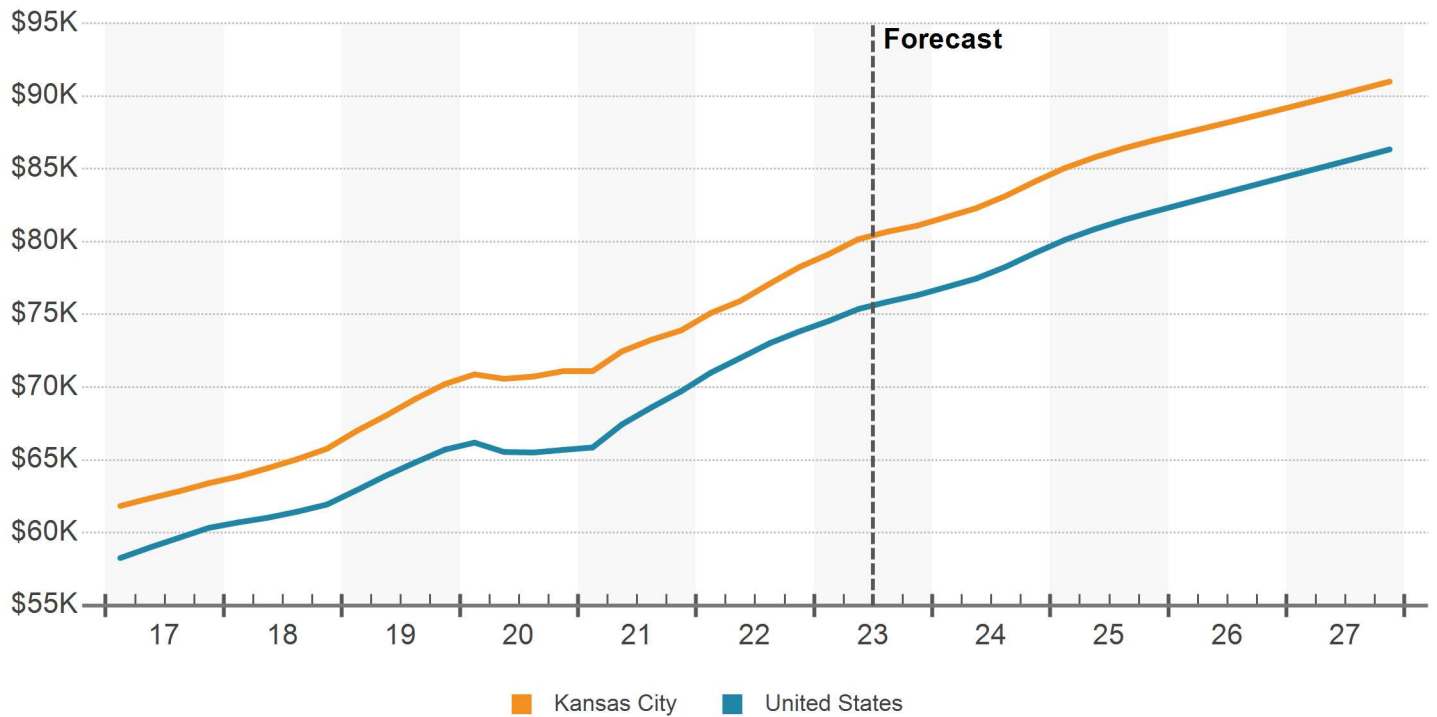
UNEMPLOYMENT RATE (%)



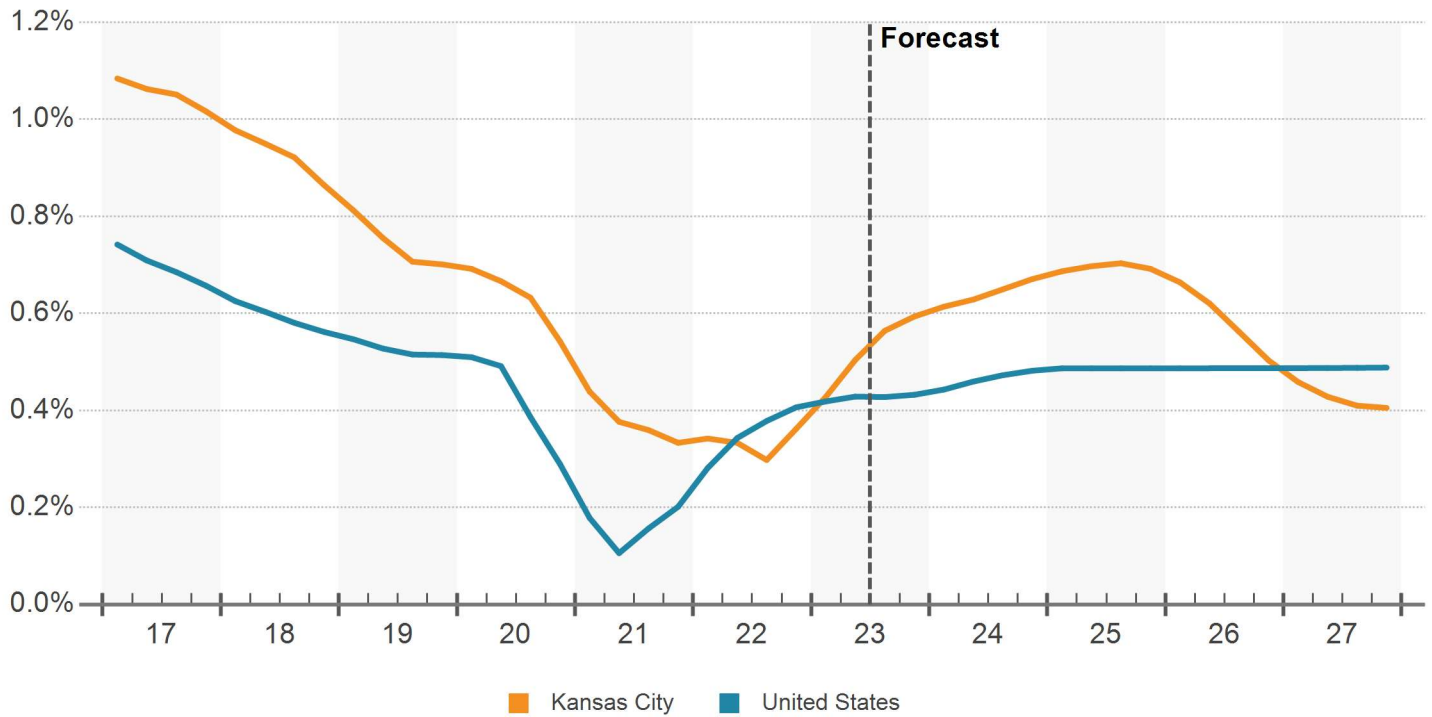
NET EMPLOYMENT CHANGE (YOY)



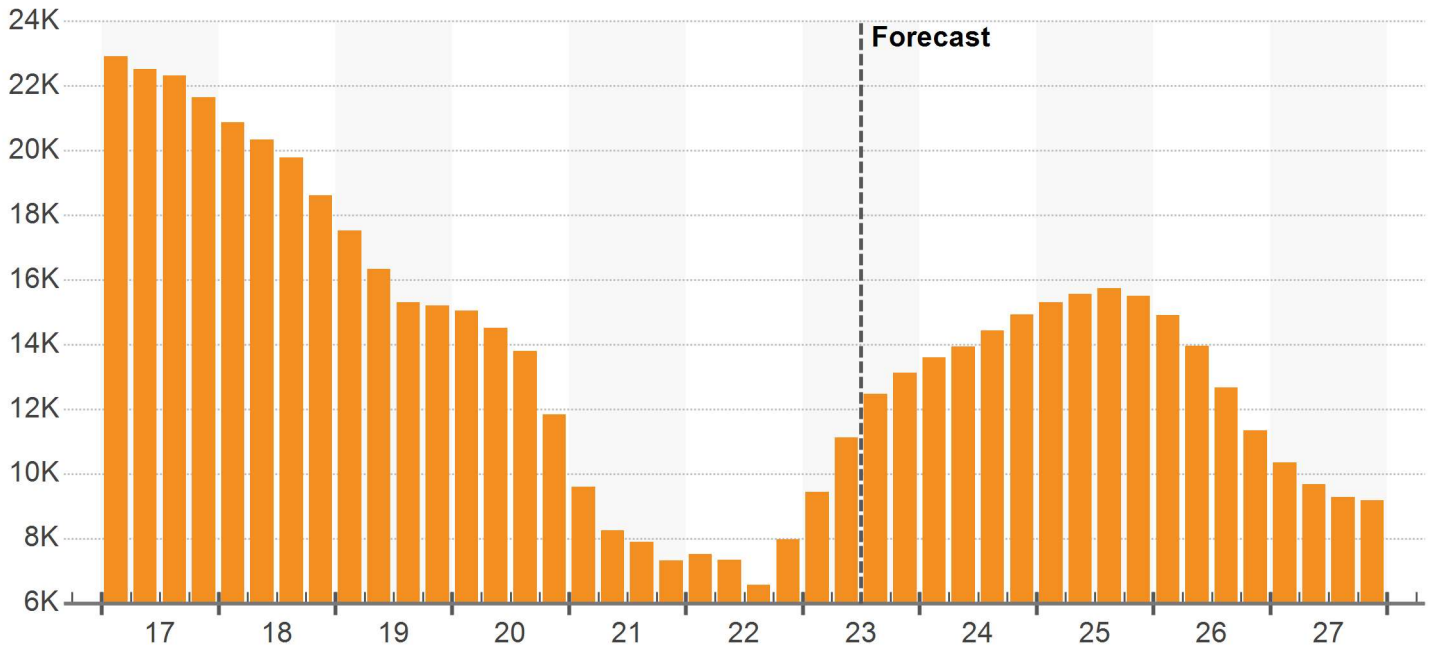
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

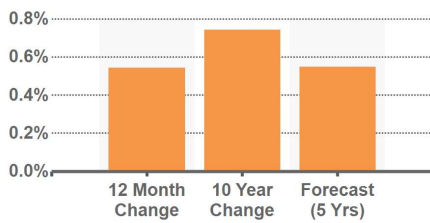


DEMOGRAPHIC TRENDS

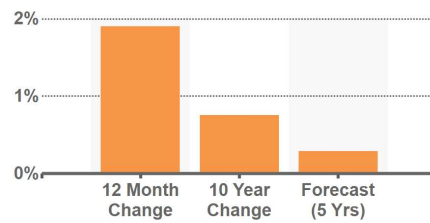
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	2,220,921	334,603,125	0.5%	0.4%	0.7%	0.6%	0.5%	0.5%
Households	901,671	129,926,688	0.8%	0.7%	1.1%	0.9%	0.7%	0.6%
Median Household Income	\$80,505	\$75,695	5.0%	4.2%	3.7%	3.8%	2.8%	3.0%
Labor Force	1,168,728	165,925,859	1.9%	1.0%	0.8%	0.6%	0.3%	0.4%
Unemployment	2.7%	3.6%	0.2%	0%	-0.3%	-0.4%	-	-

Source: Oxford Economics

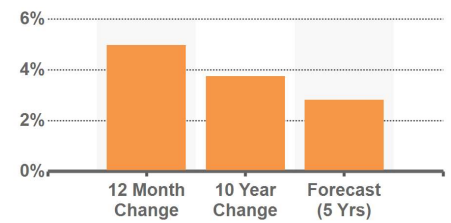
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics