



2022

KANSAS CITY RETAIL REPORT

The new single terminal airport is the largest infrastructure project in Kansas City history. Expected to open Spring 2023. Credit: Vantage Airport Group



Progress continues on the single-terminal Kansas City International Airport. Credit: from the ground UP photography

RECENT SUBMARKET ACTIVITY

RELATIVE CHANGE FROM PRIOR YEAR			
↑ OR	↓ OR	↑ LR	↓ LR
OCCUPANCY RATE		LEASE RATE	

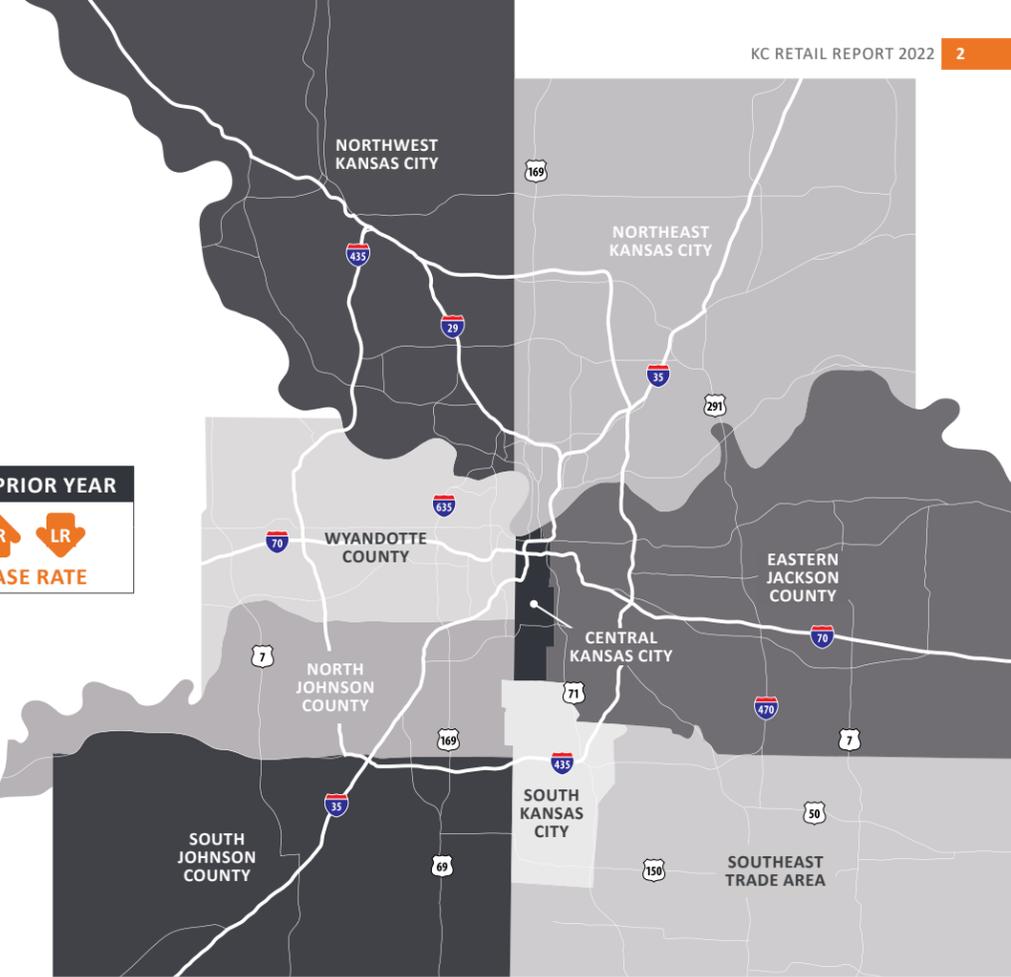
NORTHWEST KANSAS CITY
 ↑ OR 0.5% ↓ LR -2.9%
 The single largest infrastructure project in Kansas City's history, the \$1.5B single-terminal KC International Airport has reached the halfway point in construction and is on track for an anticipated Q1 2023 completion date. The new one million square foot terminal will host a number of local and regional retailers and restaurants including Bo Lings, Charlie Hustle, City Market Coffee Roasters, Made in KC Marketplace, Stock Yards Brewing Company and Urban Café, to name a few.

Zona Rosa's Texas-based ownership group completed a \$6.5M renovation project at the northland's premier lifestyle development this year. Improvements include a new outdoor ice rink, green space, façade upgrades and common area enhancements. Dick's Sporting Goods recently remodeled their store, furthering their commitment to the area. Several retailers and restaurants extended their leases in the center including Sephora and 54th Street Grill and Bar, who also doubled in size and added pickleball courts. The upgrades are designed to offer a multi-faceted experience with a renewed sense of place, in addition to the traditional retail and restaurant options available.

NORTHEAST KANSAS CITY
 ↓ OR 0.0% ↓ LR -10.0%
 Though it saw little activity in 2021, Liberty remains one of the strongest trade areas in the metro. Lack of available space and little room for new development have made it incredibly difficult for new tenants to enter. The majority of activity in the submarket was focused at the intersection of Highway 169 and Barry Road.

Twin Creeks Center, at the NWC, continues to attract new retailers and outparcel concepts. Ollie's Bargain Outlet has leased the last 30,000 SF junior box space in the 425,000 SF power center. The company has over 400 stores in 26 states and is scheduled for a late-2022 opening, one of two in the market. A second location is planned for north Johnson County. Firehouse Subs leased the remaining outparcel space next to Starbuck's along Barry Road. The final small shop space is lease-pending, and one of the remaining 1.8-ac pad site is under contract to a destination retailer, bringing the center near maximum occupancy.

Just northwest of the center, Twin Creeks Village is actively pursuing commercial and retail uses. A multifamily project is in the works at the entrance to the development and the \$36M Northland Soccer Complex is well underway, slated for a Summer 2022 opening. The complex will likely spur additional development in the 400-acre multi-phase project. In anticipation of the future growth, MoDOT is in the process of constructing a \$26M diverging diamond interchange at Highway 152 & Platte Purchase Drive,



scheduled for completion in May of 2022. Metro North Crossing, at the NEC, announced several new pad users in 2021 including Whataburger, Hawaiian Bros, and a multi-tenant building along Barry Road, east of Highway 169. The 249-unit Metro North Crossing Apartments is on schedule for completion in mid-2022. Outside of the Highway 169 and Barry Road corridor, HyVee announced their new concept, Wall to Wall Wine and Spirits, will take over their existing grocery space at North Oak and Englewood.

CENTRAL KANSAS CITY
 ↓ OR 0.0% ↑ LR 6.2%
 The urban hub of Kansas City lies primarily within the Central Submarket. Over the last decade this area has seen a massive transformation through a collection of local, regional, and national investment. COVID does not seem to have had a negative impact on retail leasing like it has in the urban cores of other top-tier markets. While the occupancy rates remained strong, lease rates continued to increase at a very fast pace at nearly 27% over the last three years, far more than any other submarket in the KC Metro, and significantly above the average increase for retail space across the country.

At the heart of this submarket is the Country Club Plaza. The much anticipated relocation of Nordstrom to the Plaza has experienced a bit of a hiccup with delay of the construction work. Soon to be located on the west side of the shopping district, it is unknown if the retail anchor will come to fruition in the current market, but the quality of the location is sure to attract additional high-end users. Otherwise, the Country Club Plaza remains bustling and active. In 2021 the property welcomed a handful of small shop retailers including LensCrafters, and several local concepts: Jill Marie Boutique, The Babe Standard, Sugah Rush and Sweet

Kiss Brigadiero. The Nike Factory Outlet shut its doors on their Plaza location in May, after only a few years. Central Kansas City is gearing up for the planned streetcar extension south to the UMKC campus, currently completing the massive amount of infrastructure improvements needed to support the new line. The extension is expected to be a major catalyst for growth, particularly in Midtown which connects the Westport entertainment district and the Crossroads. We expect to see the same trajectory of growth along this portion of Main Street as we have seen along the current streetcar route. The extension is currently expected to open in 2025.

On the east side of this submarket at 63rd and Prospect, early plans have been announced to build a mixed-use project anchored by Research Medical Center that includes retail, multifamily and hotel components.

The talk of a potential downtown baseball stadium is preliminary at this point, but it represents a budding opportunity as the Central Business District continues to thrive on many fronts. Be it a fun rumor to dream about or true possibility, it exemplifies the massive resurgence of a key area that was once tired and inactive.

SOUTH KANSAS CITY
 ↓ OR 2.7% ↓ LR -4.4%
 The long-term prognosis for the South KC area is optimistic as young families are consistently moving into homes vacated by older residents. Opportunities to purchase a new home at slightly below market averages, yet in well-located and charming neighborhoods, has drawn many to consider this submarket as home.

Ward Parkway Shopping Center continues to be a dominant retail force since it was converted from an indoor mall in the early 2000s. Target recently completed an exterior remodel to freshen up the façade while the center as a whole continues to thrive as the restaurant

Whataburger entered the KC metro with two locations opening in 2021 and plans for another 10 location in 2022.



A PREVAILING KANSAS CITY MARKET

It's safe to say that 2021 did not go as planned, but the Kansas City retail market held its own. Heading into spring, COVID numbers were trending down and the world seemed to be on its way back to "normal." However, numbers began to soar again in the second half of the year. But in year two of COVID, the economy's reaction was drastically different. As a society, we learned how to weather the storm in some manner and continue to function. While in 2020, we collectively put the brakes on the economy, in 2021, we seemed to say, "We can make this work."

Looking at the raw numbers, the Kansas City Metro's retail market was steady. Average lease rates and occupancy rates across the total metro rose only 1% and 2% respectfully. Categorized by type, community centers and strip centers saw small increases in both metrics, while lifestyle centers, regional centers and power centers all saw a drop in occupancy. Lifestyle centers increased the average lease rate by nearly a dollar, but regional and power centers dropped by as much or more. Every one of the 9 counties included in the Kansas City metro reported taxable sales at least 10% over the first half of 2020.

Data is only one part of the equation. The other is momentum. In contrast to 2020, activity in the

market is palpable. Leasing activity is up, progress is being made on long-standing developments, new restaurants are opening, new concepts are moving in, and deals are getting done.

However, several tenants made bold moves in the KC market this year. With a little help from our friend in red and gold, Whataburger entered the metro, opening two locations in 2021, with plans to open a whopping 10 additional locations in 2022 and two more in 2023. Kansas City-based Hawaiian Bros opened its first location in 2018 and has since boomed to 11 area locations, five of which opened in 2021 and one which will open in 2022. Nationally, the chain has expanded to 29 locations across six states. Other new to KC concepts include Ollie's Bargain Outlet, Wall to Wall Wine and Spirits and The Painted Tree Boutique.

Some of the largest projects in the metro made significant progress in 2021, and other new initiatives were announced. The Kansas City International Airport continues to make progress toward completion in Spring 2023. Lenexa City Center has continued to grow. The owners of Kansas City's National Women's Soccer League team announced the nation's first NWSL-specific stadium will be built at Kansas City's Berkley Riverfront Park.

“ In contrast to 2020, activity in the Kansas City retail market in 2021 was palpable. ”

KC-based Hawaiian Bros opened five locations in Kansas City in 2021 and plans at least one more in 2022.



pavilion has attracted new concepts - most recently Hawaiian Bros that opened in 2021, and Torchy's Tacos which opened in late 2020.

Exterior renovations at the Price Chopper anchored Wornall Village, located at 85th and Wornall, are nearly complete, and the significantly improved façade and expanded parking field should attract new prospects for the vacancies at the center. Similarly, Red Bridge Shopping Center at Red Bridge and Holmes has continued to attract and secure many new tenants since the center was remodeled in 2018. Cookies and Creamery, a local sweet shop, and Tanner's Bar and Grill opened in 2021, and Salon Service Group is set to open in early 2022 bringing the center's total occupancy from less than 60% to 95% in less than 5 years.

Announced at the tail end of 2021, Oracle's acquisition of Kansas City-based Cerner Corp. is likely to have some impact of the South Kansas City area and the metro overall. Though at this time its expected that much of the workforce will remain in Kansas City, it's hard to imagine such a massive transaction won't make waves of some kind. No matter Cerner's evolution, we expect the South Kansas City trade area to remain strong as it benefits from a central location and easy access to many of Kansas City's highways.

SOUTHEAST TRADE AREA

OR **LR** Lee's Summit continues to dominate the activity in the Southeast trade area, with several developments in various stages of completion. **1.0%** **11.1%**

The massive, mixed-use Streets of West Pryor project remains incredibly active as the development progresses. The 70-acre project at I-470 and Pryor Road, is anchored by a McKeever's Market which opened in September 2020. In addition to several commercial pads and retail shop spaces, the project is planned to have over 500 units of multifamily and an approximately 88-room hotel. Firebirds Wood Fire Grill, First Watch, Starbucks and Bibibop Asian Grill have opened on the pad sites and were joined recently by the metro area's third Shake Shack location; Red Door Grill plans to open in 2022. The project's first multifamily component opened in July of 2021: a 237-unit luxury complex called the Summit at West Pryor. A second phase of 184 multifamily units is in the works. The Summit includes retail space on the first floor which is being filled by tenants



Corinth Quarter was delivered in 2021, adding nearly 30,000 SF of class A retail space to the existing Corinth Square Shopping Center. Photo Credit: Mike Sinclair

Nordstrom's relocation to the Country Club Plaza has been delayed, but is anticipated for a 2023 opening.

including PowerLife Yoga, Club Pilates, Stretch Zone, MassageLuXe, Twisted Fresh, Nekter Juice Bar and PetPeople. Just east of this growing project, Macy's at Summit Fair announced they would close in 2022.

In early 2021, the City of Lee's Summit selected LANE4 Property Group as Master Developer for their Downtown Market Plaza, a mixed-use project anchored by a new farmer's market pavilion and community gathering and event spaces. Private uses surrounding the public elements may include retailers and restaurants, a boutique hotel, luxury apartments, and office space. Various plans and uses are still being explored.

At the intersection of I-470 and View High Drive, sitework is underway for "Paragon Star" a 190-acre mixed-use project centering around a sports complex with ten regulation soccer fields. The development team hopes to complete the Sports Complex in late Summer 2022 with the athletic fields opening up soon afterwards. In addition to the Sports Complex, the project will contain a variety of uses, including retail, restaurants, hospitality, and multifamily. The \$400 million project has been in progress for several years and aims to be a major mixed-use destination for the entire Kansas City Metro area.

EASTERN JACKSON COUNTY

OR **LR** In Independence, Jackson County's only enclosed mall, Independence Center, continues to evolve as property owner IGP Business Group searches for ways

to adapt to shifting consumer preferences. Macy's left the property in Spring 2021, leaving Dillard's and Dick's Sporting Goods as the two remaining anchors. IGP, who bought the property in 2019, continues efforts to breathe new life into the project. IGP does not currently own the former Macy's building, nor the parcel where the former Sears is located, but are in talks to acquire both properties. Although it is unlikely that the spaces will be leased as department stores, IGP plans to bring retail uses back to these properties. In anticipation of acquiring the properties, IGP has been engaged with talks with furniture retailers, automotive/motorcycle dealers, and several others. Despite the challenges facing this property type nationwide, IGP touts 2021 as a strong year for the mall. Occupancy is maintaining at around 85%, and retail sales are up approximately 10% from 2019 pre-pandemic levels.

In Blue Springs, Adam's Dairy Landing changed hands in September of 2021. Texas-based AlbaneseCormier purchased the 280,000 SF power center, which is 96% occupied and is reported to have another well-known tenant open in the coming months to add to their lineup of national brands. The purchase price was undisclosed, but it is estimated to be around \$25M.

NORTH JOHNSON COUNTY

OR **LR** North Johnson County consistently stands out as a strong location for both local and national users and was one of the most active trade

areas in 2021.

The Shops of Prairie Village have long been a favorite neighborhood center in the heart of Prairie Village. The former two-story Macy's building will undergo redevelopment to house a relocation of the center's Hen House grocer, a Genesis Health Club, and second floor office space, totaling 120,000 SF.

Near 83rd and Mission, Corinth Quarter was delivered in 2021, adding just under 30,000 SF of class A retail to the existing Corinth Square Shopping Center. The redevelopment has attracted a number of new tenants to the trade area including Scissor's & Scotch and local eatery concept, Kitch. Meadowbrook Village Center, located just south of the burgeoning Meadowbrook development, is planned to receive major façade renovations and a new, two-story daycare building to replace a portion of the existing center.

The City of Overland Park saw a massive influx of multifamily development over the last 5 years, and substantial additional investment as a side effect. Most recently, the City began the process of redeveloping their downtown farmer's market structure, hopefully spurring even more development in the bustling area.

Traveling down Metcalf Avenue, several projects made headway in 2021. Serv, a pickleball-focused bar and entertainment concept will open at the Promontory at 91st and Metcalf. The plan also includes a container-style retail area to house a coffee shop, small restaurants and retailers. The 95Metcalf South project filled in remaining outparcels with several favorites: Longhorn Steakhouse and Chick-Fil-A opened in mid-2021, and Whataburger will open in Summer 2022.

On the far west side of the metro, activity abounds, particularly at the intersection of I-435 and 87th Street. Sonoma Plaza, at the SEC, attracted several impressive tenants to complement their specialty grocery anchor, including Starbucks, Chick-Fil-A, Chipotle, Culver's, Hawaiian Bros, Jersey Mike's, The Big Biscuit, and Red Door Woodfired Grill. The final phase of the project which includes two multifamily buildings and two additional retail buildings is anticipated to be completed in 2023. To the southwest, Lenexa City Center also continues to expand, recently announcing the addition of a new Advent Health medical campus. The campus will consist of 11 new buildings in total, and a first phase would include a five-story, 240,000 SF hospital and medical office building. Another component of the City Center development, The Yard, is on track to open in late 2022 or early 2023 with a 24,000 SF office building and a two-story restaurant building with ground level games, an outdoor entertainment area and a rooftop bar.

SOUTH JOHNSON COUNTY

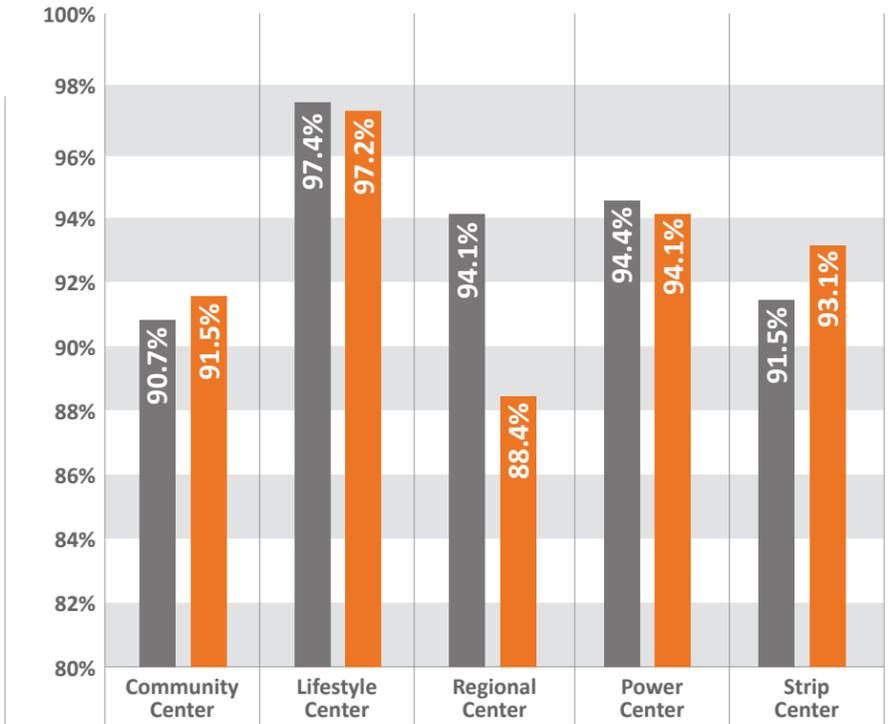
OR **LR** The 119th Street Corridor is arguably one of, if not the most, prominent retail areas in the Kansas City Metro. As the retail options remain steadily occupied and successful, additional investment can be seen in several mixed-use and residential projects currently underway.

Work continues on Galleria115, a luxury mixed-use project at 115th & Nall which includes a total of 668 residential units, a seven-story office building and approximately 130,000 SF

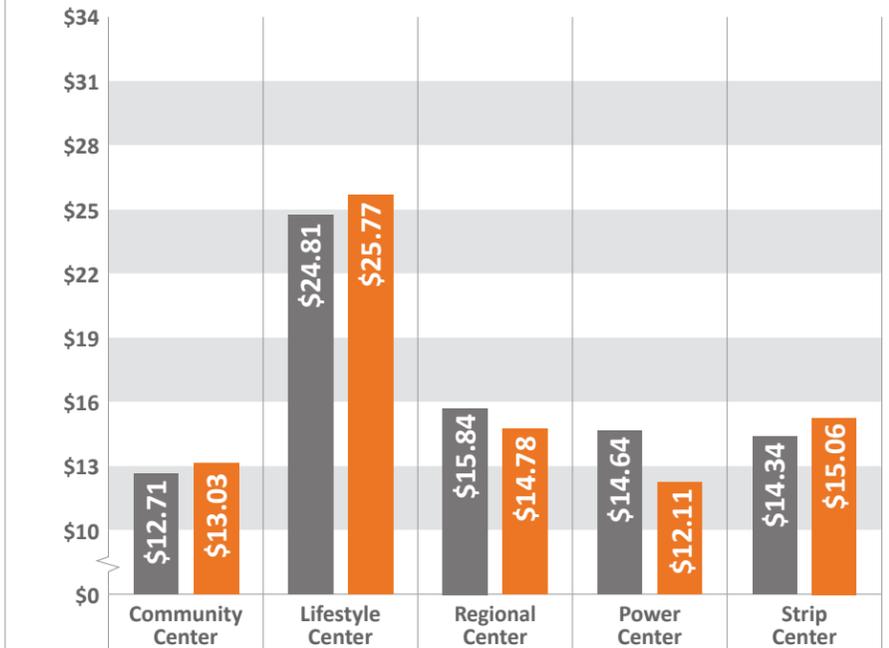
KANSAS CITY METRO SHOPPING CENTER PERFORMANCE

■ Q4-2020 ■ Q4-2021

OCCUPANCY RATE BY SHOPPING CENTER TYPE



AVG. LEASE RATE BY SHOPPING CENTER TYPE



Data provided by LANE4 Research and third-party sources, current as of December 2021. Survey includes retail space located in specified shopping center type.

KANSAS CITY METRO SHOPPING CENTER SURVEY

SUBMARKET	% OF TOTAL SURVEYED	TOTAL SQUARE FEET*		OCCUPANCY RATE		AVG LEASE RATE	
		2020	2021	2020	2021	2020	2021
Northwest Kansas City	5.0%	6,189,068	6,228,468	93.8%	94.3% ↑	\$13.77	\$13.37 ↓
Northeast Kansas City	10.8%	13,323,787	13,404,972	96.5%	96.5% ●	\$15.73	\$14.16 ↓
Central Kansas City	7.5%	9,357,013	9,270,268	96.4%	96.4% ●	\$18.10	\$19.23 ↑
South Kansas City	7.2%	8,805,023	8,837,352	91.7%	94.4% ↑	\$13.55	\$12.95 ↓
Southeast Trade Area	10.0%	12,333,649	12,384,239	95.9%	96.9% ↑	\$13.89	\$15.43 ↑
Eastern Jackson County	18.9%	23,360,908	23,411,022	94.3%	92.8% ↓	\$10.55	\$10.72 ↑
North Johnson County	15.4%	18,956,890	19,018,992	91.3%	92.5% ↑	\$14.53	\$15.11 ↑
South Johnson County	17.2%	21,242,289	21,255,982	93.3%	93.6% ↑	\$15.62	\$15.62 ●
Wyandotte County	7.9%	9,756,345	9,776,345	95.5%	97.1% ↑	\$9.82	\$10.94 ↑
TOTAL SURVEY AREA	100%	123,324,972	123,587,640	94.1%	94.5% ↑	\$13.95	\$14.17 ↑

*Trade area definitions may have changed from previous year. Source: Data provided by LANE4 Research and third-party sources, current as of December 2021. Survey includes all retail space located within a submarket and covers all shopping center types. Lease rates represent average quoted pricing per designated trade area in the Kansas City Metropolitan Market.



The Homefield redevelopment in Kansas City, Kansas will boast a \$700M, 400-acre outdoor/indoor sports complex and mixed-use development including multifamily, retail and hospitality. Construction is currently underway for several components. Photo Credit: Price Brothers

of commercial space. The first phase of apartments, The Residences at Galleria, are slated for Spring 2022 opening. Adjacent to the south, Occidental Management has begun the process of transforming the former Sprint campus to Aspira, their vision for a 5M+/- SF live, work, play environment. Developers submitted their first plan for a new building at the project, a proposed 253,000 SF mixed-use building at the SWC of 117th and Nall, with two floors of retail and commercial space, topped by five floors of class A office.

At 119th and Metcalf, Overland Crossing will undergo renovations to the entire center to accommodate new tenant, Whole Foods. Whole Foods is relocating to the center from just a few blocks down 119th, replacing two current restaurants in a new 44,851 SF building.

Chicken N' Pickle opened their second location in the Kansas City metro in Prairiefire at 135th and Metcalf, accompanied by Andy's Frozen Custard and Oakstar Bank, this completes Prairiefire's final phase. To the west on 135th, Corbin Park has also filled in a few remaining spaces. Petco will join Luxuria Exquisite Home Furnishings and Décor, which opened in early 2021.

The City of Olathe is continuing its commitment to enliven its downtown by breaking ground on a new public library and office building. In total, the project will be comprised of a 47,000 SF state-of-the-art library with

new office space for the Olathe Chamber of Commerce, a small café, flexible theatre and event space and outdoor public amenities. Construction is expected to be complete in Spring 2023.

Momentum remains strong at Bluhawk, the recreation, health and wellness-focused mixed-use project located near 159th and Antioch. The massive, Bluhawk Sports Park broke ground in Q2 2021, and is anticipated to draw 3.8M visitors annually. Retail leasing remains strong at the center, T.J. Maxx opened in 2021 and the existing retail space is 100% occupied. Within the development, Advent Health is nearing completion of their expansion from an urgent care clinic to full inpatient hospital.

Vacant since 2015, the site of the former Great Mall of the Great Plains finally has new life on the horizon. Olathe-based Garmin purchased the 193-acre site in late 2021. Though no formal plans have been disclosed, it can be assumed that the land will be used to tack onto their recently expanded headquarters campus, located just to the east of the Great Mall site.

WYANDOTTE COUNTY

OR **LR** The Village West and Village East areas in Kansas City, Kansas continue **1.6%** **11.4%** to support the majority of new development and activity in Wyandotte County. The Legends Outlets gained new tenants including Rally

House, Aldi, Sephora, Tory Burch, Very Bradley, PUMA (in late 2020) and several local restaurants.

At Village East, plans progressed for Homefield, the overarching master plan for redeveloping the former Schlitterbahn Water Park, which includes sports and entertainment complexes combined with multifamily, retail and hotel users. Plans for the enormous project have gone through several revisions and approvals through the Unified Government, and in total could account for nearly \$700M in investment in the area. Construction is currently underway for two components, a 280-unit multifamily project and a 12-acre Camping World retail location.

LOOKING FORWARD TO 2022

Looking ahead, we anticipate continued growth. The degree of that growth may be shaped by the trajectory of the pandemic, but the Kansas City market has proven to be resilient during challenging times and poised for growth during economic expansions. The pre-pandemic trends will continue as certain property types adhere to changing consumer preferences better than others, and retailers and concepts that can balance economic forces with consumer satisfaction will continue to flourish.

TAXABLE SALES BY COUNTY (\$M) (Ranked by 1st Half 2021)

COUNTY	2019		2020		% CHANGE TOTAL YEAR '19 - '20	2021	
	1ST HALF	2ND HALF	1ST HALF	2ND HALF		1ST HALF	% CHANGE 1ST HALF '20 - '21
1. Johnson, KS	\$5,442	\$5,964	\$5,136	\$5,927	↓ -3.0%	\$5,989	↑ 16.6%
2. Jackson, MO	\$4,918	\$5,212	\$4,525	\$4,933	↓ -6.6%	\$5,077	↑ 12.2%
3. Clay, MO	\$1,656	\$1,811	\$1,626	\$1,849	↑ 0.2%	\$1,882	↑ 15.8%
4. Wyandotte, KS	\$1,141	\$1,277	\$1,092	\$1,273	↓ -2.3%	\$1,299	↑ 19.0%
6. Platte, MO	\$799	\$908	\$763	\$862	↓ -3.4%	\$883	↑ 15.7%
5. Douglas, KS	\$851	\$884	\$718	\$798	↑ 16.7%	\$847	↑ 18.1%
7. Cass, MO	\$570	\$620	\$604	\$669	↑ 6.9%	\$672	↑ 11.3%
8. Leavenworth, KS	\$332	\$356	\$348	\$377	↑ 5.3%	\$381	↑ 9.5%
9. Miami, KS	\$158	\$173	\$169	\$190	↑ 8.0%	\$192	↑ 13.2%
TOTAL	\$15,868	\$17,208	\$14,979	\$16,877	↓ -2.3%	\$17,222	↑ 15.0%

Source: Kansas Department of Revenue and Missouri Department of Revenue.

RESIDENTIAL REAL ESTATE PERFORMANCE

Number of NEW Privately-Owned, Housing Units (Ranked by % Change from 2020-2021)

MAJOR CITIES	2017	2018	2019	2020	2021*	% CHANGE 2020-2021	5-YEAR ANNUAL AVERAGE
Shawnee, KS	215	215	307	254	863	240%	371
Kansas City, MO	2,366	2,154	1,498	1,424	2,464	73%	1,981
Overland Park, KS	827	2,111	1,189	472	653	38%	1,050
Olathe, KS	954	643	631	1,011	875	-13%	823
Lee's Summit, MO	775	548	1,095	987	744	-25%	830
Kansas City, KS	297	178	183	201	134	-33%	199
Blue Springs, MO	228	399	417	546	290	-47%	376
Lenexa, KS	836	360	328	602	248	-59%	475
Independence, MO	255	151	384	326	94	-71%	242
Raymore, MO	281	198	139	555	154	-72%	265
KANSAS CITY METRO	10,027	9,740	9,301	10,738	11,090	3%	10,179

*2021 based on annualized rate through October, data is not seasonally adjusted. Source: US Census Bureau. Kansas City Metro: New Privately Owned Housing Units Authorized, Unadjusted Units by Metropolitan Area. City & County: Annual New Privately-Owned Residential Building Permits, Unit estimates with imputation.

THE RESILIENCE -- AND RESURGENCE -- OF RETAIL

MICHAEL BERENBOM, MANAGING PARTNER

Since March 2020, we've pivoted, adapted, re-calibrated and said, "new normal" so much that it has become the "new normal." Through shutdowns and re-openings, layoffs and staff shortages, online groceries and supply chain disruptions, we've all had to find a deep well of resilience to persevere through challenging times.

While we often persevere over our shortcomings and missteps since the world turned upside down, we owe ourselves a pat on the back for areas where we have managed to excel in the face of adversity. Certainly, the first tracks on our "COVID Greatest Hits" album are dedicated to the medical professionals, teachers, and other essential workers that have answered the calls over and over and continue to do so.

After thanking our heroes, we should also give a tip of the cap to our economy. It would not have surprised any of us if the 2020 recession had been deeper and longer. In fact, most of us anticipated that it would be, and in other parts of the world, it has and continues to be. While inflation and other headwinds remain, we enter 2022 on an economic trajectory that we all would have gladly signed up for 18 months ago.

Maybe we are biased, but the retail sector is the perfect microcosm of the resilience of the American economy. We have long been an economy driven by consumer spending, and while COVID accelerated the trend towards spending online, our shopping centers weathered the brunt of this crisis and have emerged stronger and in better shape than at any point since before the Great Recession. 2020 served as the catalyst the industry needed to "clear the waters" of several brands that were already sinking. 2021, then, allowed the brands and businesses that had the fundamental strength to push through this latest "retail apocalypse" an opportunity to adapt, analyze and eventually double down on what they've learned about how to keep their business thriving.

"The strategy we adopted in the height of the pandemic is playing out better than we could have expected," Simon Property Group Chairman & CEO David Simon told investors on the company's earnings call. "We made the right move. We got the renewals done. We accommodated the vast majority of retailers, assuming they were reasonable in their approach.



We got the job done. We kept our properties functioning. We bet on the rebound. And we're seeing the benefits of that."

Some of the more resilient brands benefitted from their inherent product and service lines. Grocery, pharmacies, fast casual and drive-thru restaurants and smaller format convenience stores flourished. But more traditional retailers have gotten back on track as well and even surpassed pre-pandemic performance indicators. The most basic and competitive retail sector, clothing and accessories, has shown increased monthly sales over 2019 numbers consistently since March 2021 (statista.com). Meaning, not only did retailers make up for the dramatic losses in 2020, they have outperformed 2019 on a consistent basis, even through the ongoing pandemic.

Restaurants have perhaps been hit harder than any other industry in the pandemic. While they face their own uphill post-pandemic battle, their current woes are more related to employee shortages and a disastrous supply-chain than a lack of consumers and demand. A record number of restaurants closed in 2020, but second-generation restaurant space is being absorbed at record pace (rejournal.com).

2020, 2021 and now 2022 have been viewed through catastrophic, apocalyptic, pandemic-smothered lenses. However, if you peel those lenses off, you will see the same themes that have driven our economy for years. The businesses, retailers, and concepts that understand their customers, changing behaviors and preferences, and can adapt successfully to meet them, will survive and grow. You just need to visit your local shopping center to see this dynamic in action.



2022

KANSAS CITY RETAIL REPORT

LANE4 Property Group specializes in project leasing, development, investment sales, property management, and tenant representation. Our success is based on an unwavering commitment to streamlining processes and optimizing our clients' objectives by providing in-depth knowledge and experience, attention to detail, creativity, and passion in every project we tackle. Today, we have a multitude of mixed-use, retail, office, industrial, multifamily and hospitality projects and continue to rapidly expand throughout the Midwest.

LANE4 Property Group
4705 Central Street
Kansas City, MO 64112
P: 816.960.1444
www.lane4group.com

All information furnished is from sources deemed to be reliable but no warranty or representation is made as to the accuracy thereof and the same is subject to errors, omissions, changes, or other conditions. This report should not be used as the sole factor in making real estate decisions.

Cover Photo: Adam Cairns, Columbus Dispatch

For an electronic version of this report, visit the Publications link on our website:

www.lane4group.com

