

# Colliers

INTERNATIONAL

Lawrence Market Snapshot

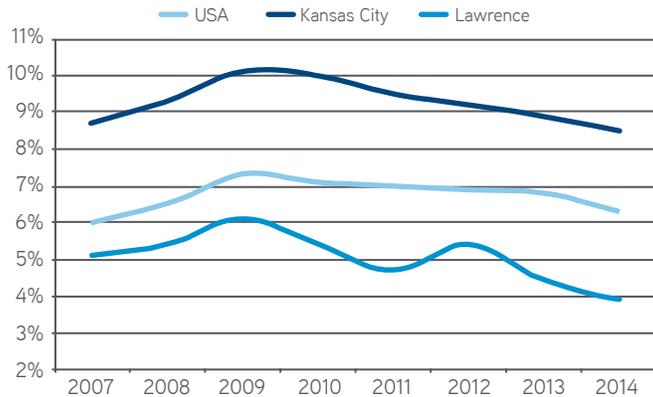


2015

# Lawrence Retail Snapshot

## Retail Vacancy Rates

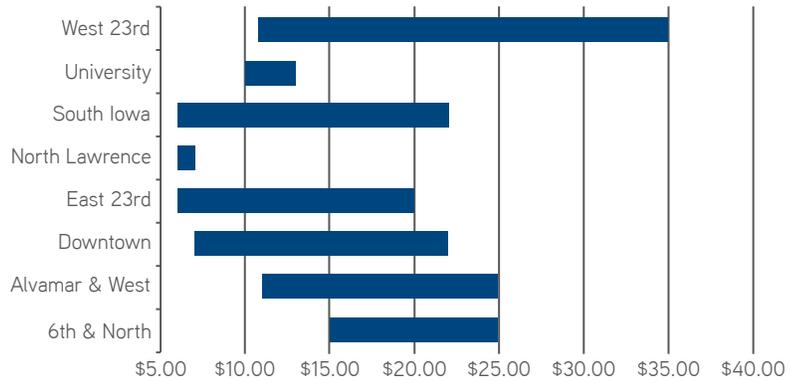
Total Inventory: 6,370,869 SF Total Vacant Inventory: 248,341 SF



Sources: Colliers Research and CoStar

## Quoted Retail Rates

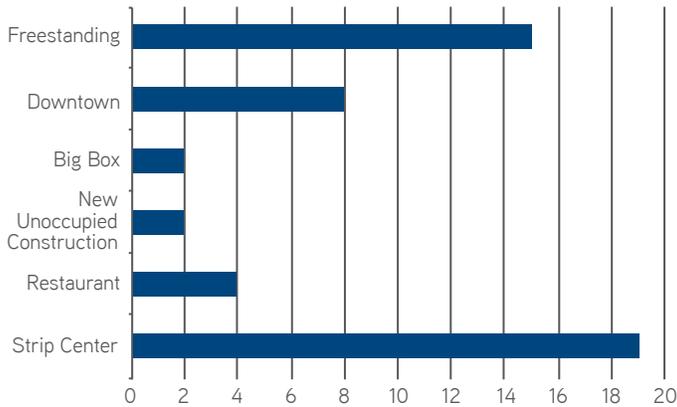
Per Square Foot (NNN Lease Rates)



Sources: Colliers Research

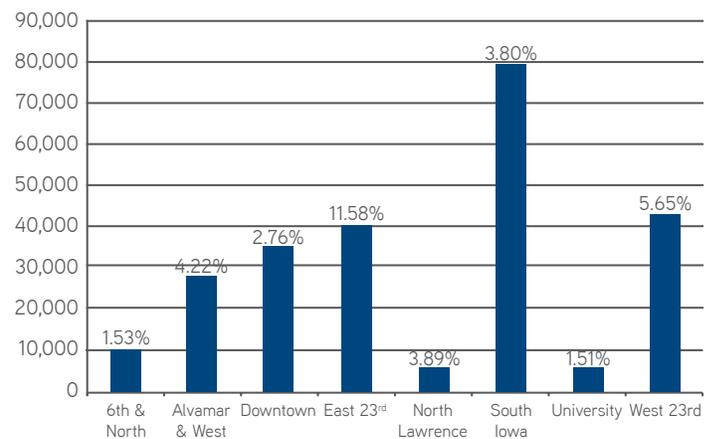
## Retail Spaces Available

By Property Type



## Retail Vacancy

By Submarket (in Square Feet)\*



\*Percentages = Submarket Vacancy Rates

## 2014 Retail Summary

- Retail remained the strongest sector and vacancy continued to decline from 4.42% in 2013 to 3.9% by the end of 2014
- South Iowa has seen a significant decrease in vacancy rates, with the openings of Dick's Sporting Goods and Buffalo Wild Wings
- Downtown vacancy increased slightly due the relocation of Buffalo Wild Wings, M & M Office Supply closing, and the Lawrence Public Library vacating their temporary space at the former Borders location
- The Northwest submarket continued to add new inventory with recent deliveries of Discount Tire and Starbucks. Additional tenants that absorbed previous vacancies include T. Loft, Sports Clips and Batteries Plus, while Famous Dave's closed their doors
- The East 23rd Street submarket saw the greatest increase in vacancy largely as a result of Surepoint Medical vacating their two buildings to relocate to the growing South Iowa submarket

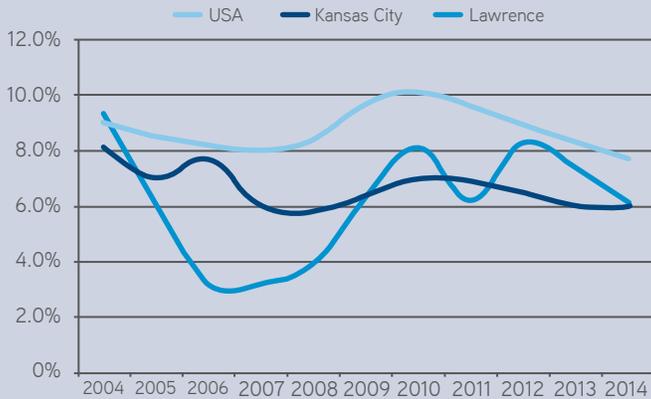
## 2015 Retail Forecast

- Downtown Lawrence will continue to grow in inventory with added projects on New Hampshire and the pending redevelopment of the Allen Press project
- Redevelopment opportunities are being explored along the South Iowa corridor
- Bauer Farms continues to add new inventory with the announcement of Sprouts Farmers Market along with additional future tenants
- Expect continued interest from National retailers, but future opportunity is limited based on lack of quality options within the highly desired locations
- Restaurant activity will remain strong with the evolving demands of consumers
- Menards will add approximately 190,000 SF to the inventory with their new store located near 31st and Iowa
- Retail demand will remain strong throughout the new year, as new inventory is added to the market, expect to see an expansion of new goods within the city

# Lawrence Industrial Snapshot

## Industrial Vacancy Rates

Total Inventory: 9,176,514 SF Total Vacant Inventory: 559,263 SF



Sources: Colliers Research and CoStar

## Quoted Industrial Rates

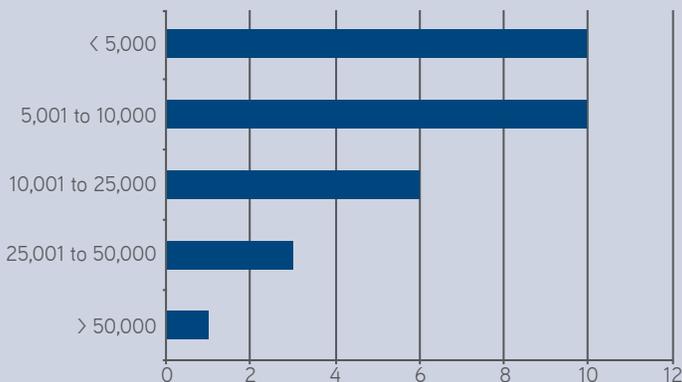
Per Square Foot



Sources: Colliers Research

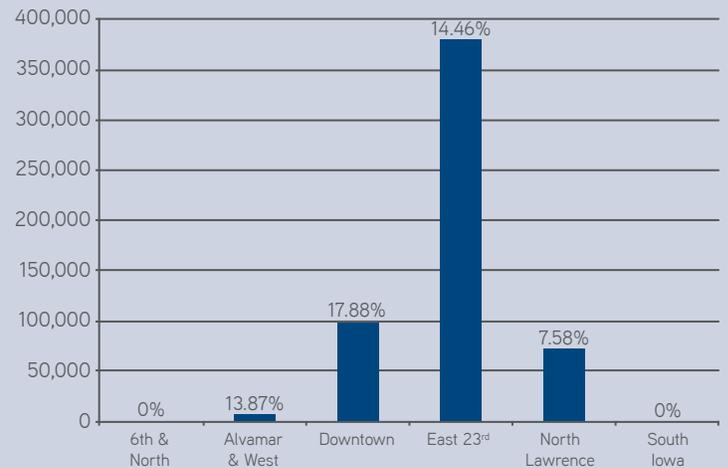
## Industrial Spaces Available

By Property Size (in Square Feet)



## Industrial Vacancy

By Submarket (in Square Feet)\*



\*Percentages = Submarket Vacancy Rates

## 2014 Industrial Summary

- > The industrial vacancy rate declined more than a full percentage point from 7.41% to 6.14% during 2014
- > The majority of positive absorption occurred along the E 23rd Street Corridor dropping the submarket vacancy rate from 17.67% to 14.46%
- > Several long time vacant bank-owned properties along the E 23rd Street Corridor sold in 2014, and are now occupied
- > Most of the increase in occupancy was a result of small locally owned businesses growing
- > Progress on the South Lawrence Trafficway is well underway. The new Haskell K-10 interchange will improve access and increase visibility for the entire area
- > One of the most prominent sites on the Haskell corridor will be the HiPer Tech property which will soon be home to the Peaslee Technical Training Center, as well as the USD #497 College and Career Center, both of which are scheduled to be open in 2015

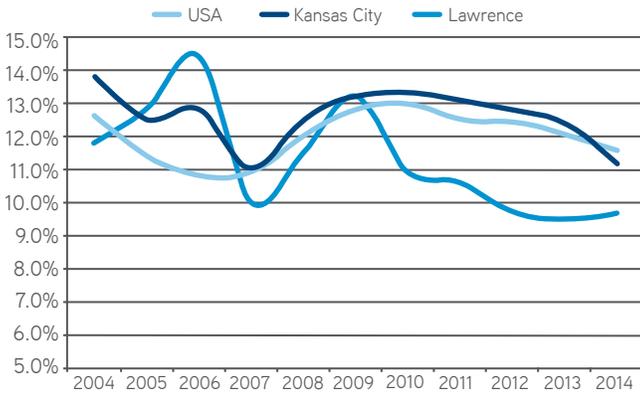
## 2015 Industrial Forecast

- > Biggest game changer for 2015 could be the availability of new inventory of lots at Lawrence Venture Park. The park will have a variety of site sizes. Access from the new traffic signal at O'Connell Road will also connect Venture Park with East Hills via Greenway Circle
- > There has not been any new spec activity or build to suit construction for several years, but 2015 will see demand for new product, as low vacancy and an improving economy leave companies few options heading into the new year
- > Landlord concessions will remain limited based on strong market fundamentals
- > Industrial lease rates remained relatively steady in 2014, but with lower vacancy and limited space options, we could see rates increase throughout the upcoming year

# Lawrence Office Snapshot

## Office Vacancy Rates

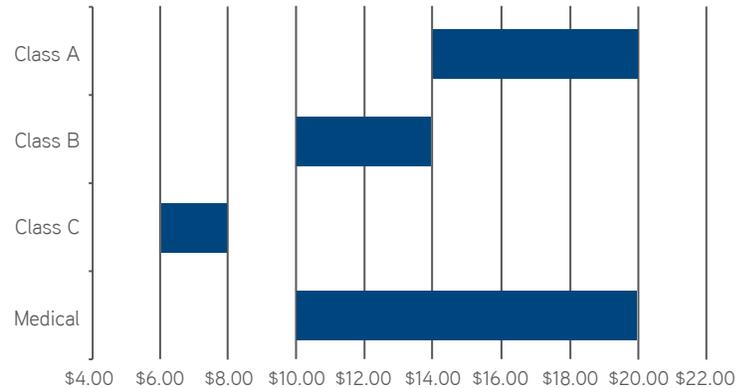
Total Inventory: 3,161,443 SF    Total Vacant Inventory: 305,330 SF



Sources: Colliers Research and CoStar

## Quoted Office Rates

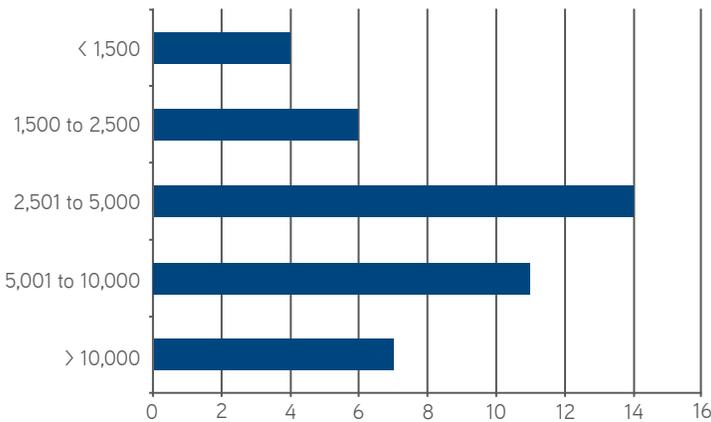
Per Square Foot (NNN Lease Rates)



Sources: Colliers Research

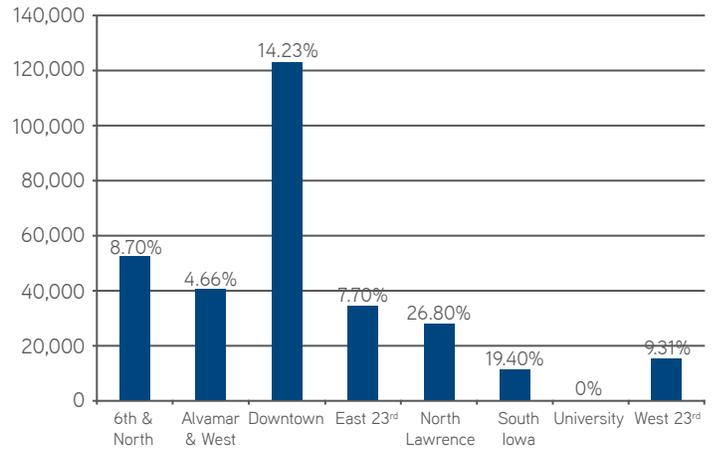
## Office Spaces Available

By Property Size (in Square Feet)



## Office Vacancy

by Submarket (in Square Feet)\*



\*Percentages = Submarket Vacancy Rates

## 2014 Office Summary

- > The office market ended last year with a healthy vacancy rate of 9.66%, but was the flattest commercial sector in Lawrence throughout 2014. The vacancy rate increased slightly compared to 9.48% at year end of 2013
- > Nearly every office submarket remained steady with very little change
- > Despite a slight increase in vacancy rates, rental rates began to firm up in the area, causing Landlord and Tenant negotiations to be more balanced than in previous years
- > The only new office construction added was a 6,712 SF building at 6th and Folks Road with two thirds pre-leased prior to construction

## 2015 Office Forecast

- > The office sector in 2015 is expected to remain healthy, but unchanged throughout the new year
- > The majority of new office construction growth will be a result of medical office users, while additional new office construction will remain stagnant
- > Currently, most office users in Lawrence are seeking space requirements of less than 1,500 SF. The overall inventory of this size requirement will remain tight in the upcoming year
- > Lease rates are expected to experience an upward trajectory, while the market remains tight
- > Increased competition for limited tenants will cause landlords to continue to deliver updated and refurbished office space

# Lawrence Spotlight Sales



Highway 40 & E 800 Road  
155 acres



29th & Fairlawn, Topeka  
13.68 Acres



1555 Wakarusa Drive  
3,147 SF



2920 Haskell Avenue  
75,000 SF



3901 Peterson Road  
20.67 Acres



4320 W 6th Street  
1.72 Acres



5621 SW 21st, Topeka  
22,300 SF



1710-20 SW Topeka Blvd, Topeka  
13,930 SF



3210 Mesa Way  
4,223 SF

# Lawrence Spotlight Leases



2406 Ponderosa Drive  
3,000 SF



1540 Wakarusa Dr., Suite L  
5,800 SF



730 New Hampshire Unit CU-2S  
2,482 SF



3510 Clinton Pkwy, Suite 110  
4,848 SF



741 Massachusetts  
3,455 SF



1008 Massachusetts  
2,000 SF



520 W 23rd Street, Suite F  
1,460 SF



1811 W 31st Street  
12,000 SF



25501 West Valley Pkwy, Ste 100, Olathe  
2,638 SF



## 2014 SIGNIFICANT LAWRENCE TRANSACTIONS & MAJOR DEVELOPMENTS

### SALES ACTIVITY

MAP KEY	PROPERTY	PROPERTY TYPE	SIZE SF	BUYER	SELLER
1	Hwy 40 & E 800 Rd	Land	155 Acres	Fairway, LC	Carl R. and Catherine C. Williams & Marjorie C. and Roy L. Schenck
2	29th & Fairlawn, Topeka	Land	13.68 Acres	29 Fairlawn LLC	Lindemuth Inc., KDL Inc. & K. Douglas Inc.
3	1555 Wakarusa Dr	Office	3,147 SF	Envista Credit Union	Intrust Bank N.A.
4	2920 Haskell Ave	Industrial	75,000 SF	Lawrence Douglas County Economic Development Council	HiPer Real Estate Holdings, LLC
5	3901 Peterson Rd	Land	20.67 Acres	Marico Holdings, LLC	Jeffrey E. Smith Homes LC
6	4320 W 6th	Land	1.72 Acres	Hawktown Properties, LLC	McGrew Real Estate Office Building, LC
7	5621 SW 21st, Topeka	Retail	22,300 SF	Thomas J. Dobski Trust	Lindemuth Inc.
8	1710-1720 SW Topeka Blvd, Topeka	Office	13,930 SF	Dillon Real Estate Co.	Lindemuth Inc.
9	3210 Mesa Way	Office	4,223 SF	Arlington4313, LLC	3210 Mesa Way LC

### LEASING ACTIVITY

MAP KEY	PROPERTY	PROPERTY TYPE	LEASED SF	SUBMARKET	TENANT	TRANSACTION TYPE
1	2406 Ponderosa Dr	Industrial	3,000 SF	East 23rd	Gavin Electronics LLC	Direct Lease
2	1540 Wakarusa Dr Ste L	Retail	5,800 SF	Alvamar & West	Matt Llewellyn and David Lawrence	Direct Lease
3	730 New Hampshire Unit CU-2S	Office	2,482 SF	Downtown	The Trust Company of Kansas	Direct Lease
4	3510 Clinton Parkway Suite 110	Office	4,848 SF	Alvamar & West	Total Renal Care	Direct Lease
5	741 Massachusetts St	Retail	3,455 SF	Downtown	Baan Thai Restaurant Inc.	Sublease
6	1008 Massachusetts St	Retail	2,000 SF	Downtown	KC Smoke Burgers LLC	Direct Lease
7	520 W 23rd St Suite F	Retail	1,460 SF	West 23rd	Carpe Diem, Inc. dba Great Clips	Direct Lease
8	1811 W 31st St	Industrial	12,000 SF	South Iowa	Team Performance	Direct Lease
9	25501 West Valley Pkwy Suite 100, Olathe	Office	2,638 SF	Outside Lawrence	Blue Ocean Consulting Inc.	Direct Lease



WILLIAMSTOWN



N 1941 Diag Road

MIDLAND



Lawrence Municipal Airport



N 1800 Road



TOPEKA

N 1800 Road

E 1000 Road

Peterson Road



MONTEREY

GATEWAY

W 6th Street



W 6th Street



W 9th Street

SUNSET HILLS

LAWRENCE

BROOK CREEK

Bob Billings Parkway



Kasold Drive

Iowa Street

E 19th Street



Massachusetts Street



PRAIRIE PARK

S Lawrence Trafficway

N 1200 Road

E 1300 Road

Haskell Road

E 1900 Road

OLATHE

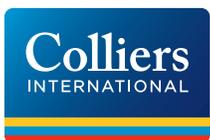
N 1000 Road



N 1000 Road

SIBLEYVILLE

# 2015



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