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From the Kansas City Business Journal:

<https://www.bizjournals.com/kansascity/news/2017/08/18/corporate-woods-group-rmc-rents-move-market.html>

Corporate Woods: Buyer will have big sway to boost rents, move the market

➤ **SUBSCRIBER CONTENT:** Aug 18, 2017, 5:00am CDT

Group RMC Corp., the New York- and Montreal-based investment firm that purchased Corporate Woods, has assumed a dominant role in the South Johnson County office submarket.

"There has never been one landlord that has controlled this much space within one Kansas City submarket," said [Tim Schaffer](#), president of AREA Real Estate Advisors.

[Greg Swetnam](#), director of office brokerage for Kessinger/Hunter & Co. LC, agreed.

Swetnam said the South Johnson County office submarket, "which is arguably the best suburban office market in the metro," contains roughly 15 million square feet of Class A, B and C office space, not including owner-occupied space, buildings under 10,000 square feet or space occupied by government or medical users.

After its acquisitions of the 806,000-square-foot Colony Realty Partners portfolio near College Boulevard and Metcalf Avenue last year and 2.2 million-square-foot Corporate Woods on Aug. 9, Group RMC now owns about 3 million square feet of that type of space in South Johnson County, Swetnam said.

Given that 20 percent share of the market, he said, "they clearly will have a huge influence, good and/or bad."

Schaffer said he sees the development as good for other landlords in the South Johnson County office market, who will be able to raise rates, as Group RMC inevitably will.

"If you're a tenant," he said, "it reduces the competition for your business, and therefore rents will rise."

With a submarket share of 20 percent, Schaffer said, Group RMC will see every deal in the submarket, providing a very powerful view of the broader suburban office market.

"They will have the unique ability to drive value through increasing lease rates and reducing operating costs due to the scale of their holdings within a very small geographic area," he said. "They'll have the ability to move the office market like no other landlord in the history of South Johnson County and its College Boulevard corridor."

By promoting rent growth, Schaffer said, Group RMC also will support the feasibility of new office construction in the submarket, now stifled by a wide pricing divide between new construction and existing high-quality office space.



AREA REAL ESTATE ADVISORS

Tim Schaffer, executive vice president of AREA Real Estate Advisors

Schaffer said lease rates in Corporate Woods have crept up during the past two years to \$22.50-\$23.50 a square foot with 50-cent-a-foot annual rate bumps for space in older buildings in the office park. Rates for space in newer buildings, such as Buildings 82 and 84, are in the mid \$20s, still about \$10 a foot lower than the rates required to support new construction.

Rob Roberts

Reporter

Kansas City Business Journal

