

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.7% Vacancy Rate	▼	—
400K YTD Net Absorption, SF	▲	▼
\$13.94 Asking Rent, PSF <small>Source: CoStar</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.4% GDP Growth	▲	▲
2.4% Consumer Spending Growth	▼	▲
2.0% Retail Sales Growth	▼	—

Source: BLS, BOC, Moody's Analytics

ECONOMY

The St. Louis unemployment rate rose slightly through Q2, closing the quarter at 3.9%. This marks a 30-basis point (bps) increase from last quarter, but a marginal 10-bps increase year-over-year (YOY). The national average also recorded a 10-bps increase quarter-over-quarter (QOQ) and a 20-bps increase YOY. Due to uncertainty surrounding the economic impacts of tariffs, the Federal Reserve has held interest rates in a range of 4.2% to 4.5% through the first half of 2025, though it is expected that cuts will come in the second half of the year.

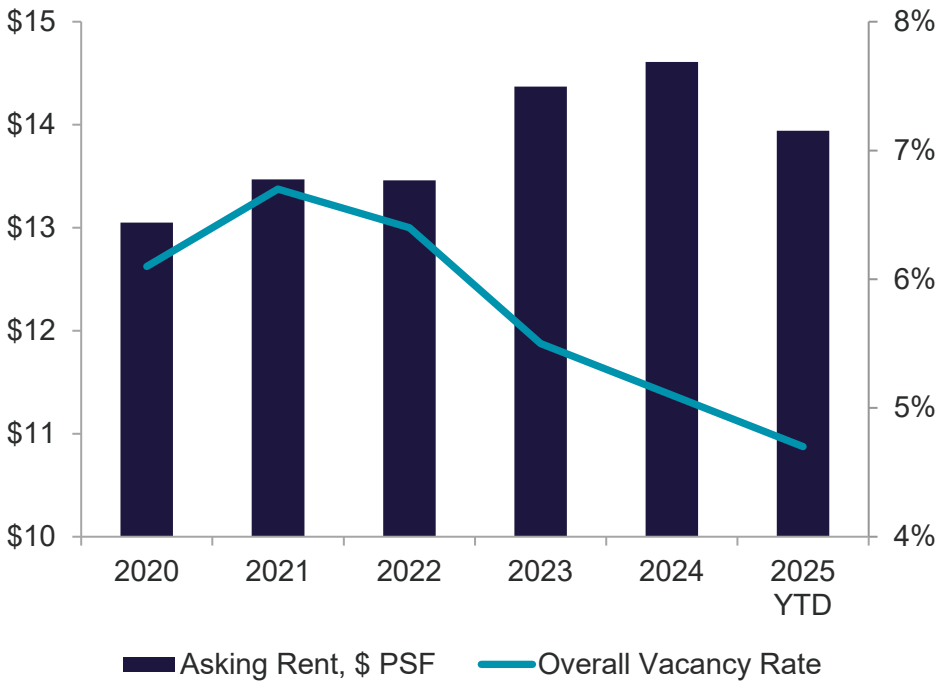
SUPPLY & DEMAND: VACANCY HITS NEW LOW

Overall vacancy in the St. Louis retail sector closed Q2 at 4.7%, a 40-bps decrease QOQ. This marks the first time on record that overall vacancy in the region has fallen below the 5.0% mark. Steady market demand coupled with a lack of new retail development have been key drivers of strong retail market fundamentals. St. Louis has recorded positive annual absorptions totals of over 300,000 square feet (sf) in four of the last five years, last reporting negative annual absorption in 2021. The market has continued this trend of strong demand through the first half of 2025, recording 400,347 sf of net absorption year-to-date (YTD). Given the strong momentum, new development is beginning to see an uptick, with 386,535 sf of new retail product under construction at the close of Q2. This marks the most retail construction activity in the market since Q3 2019; however, supply levels are expected to remain tight with 71.4% of this new inventory pre-leased as of Q2 2025.

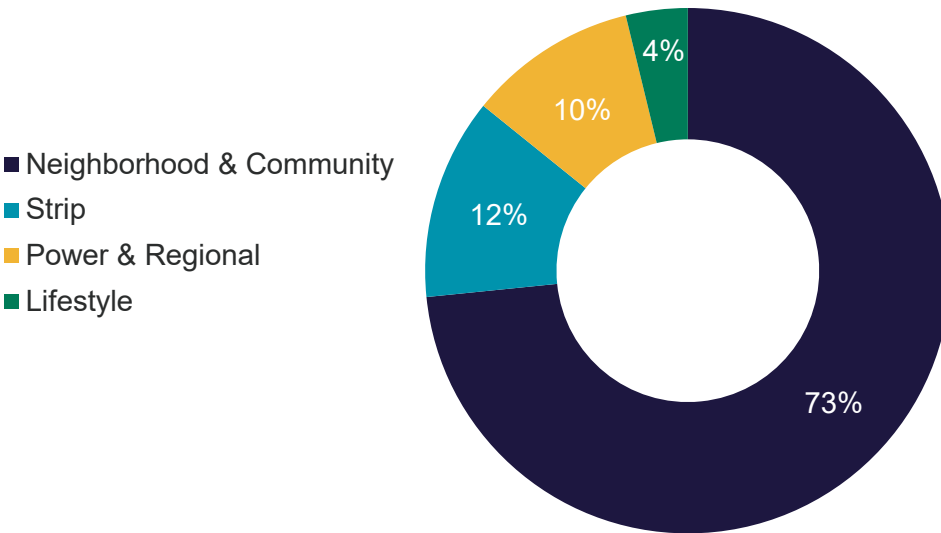
PRICING: NNN ASKING RENTS STEADY

Overall triple net (NNN) asking rents in the St. Louis market closed Q2 at \$13.94 per square foot (psf), a \$0.07 increase QOQ. Asking rents in the retail sector have historically remained below \$14.00 psf aside from five instances, three of which fell in 2024 when asking rents hit a peak of \$14.62 psf in Q3 2024. The Mid County submarket is the only submarket in the region to demand overall asking rents above \$20.00 psf, closing Q2 at \$24.35 psf. Despite ongoing economic uncertainties, tightened vacant supply levels are expected to keep asking rents steady over the short term.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



Source: CoStar

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (NNN)*
City	3,309,449	0	311,399	9.4%	54,021	-65,317	0	\$6.22
Illinois	12,789,582	0	743,485	5.8%	42,171	211,354	159,935	\$13.12
Mid County	6,536,555	0	59,916	0.9%	39,198	38,925	226,600	\$24.35
North County	9,662,729	0	446,884	4.6%	137,197	164,641	0	\$12.85
South County	12,697,622	0	480,574	3.8%	-226	37,577	0	\$12.72
St. Charles	11,046,048	15,000	462,705	4.3%	-10,782	-36,579	0	\$16.69
West County	10,627,139	6,553	633,975	6.0%	-25,669	49,746	0	\$17.81
ST. LOUIS TOTALS	66,669,124	21,553	3,138,938	4.7%	235,910	400,347	386,535	\$13.94

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Lifestyle Centers	1,667,161	0	119,695	7.2%	3,175	-26,332	0	\$18.00
Neighborhood & Community	42,735,064	16,200	2,302,897	5.4%	127,533	236,269	238,535	\$13.20
Power & Regional	13,331,741	0	329,902	2.5%	120,552	172,887	148,000	\$19.07
Strip	8,935,158	5,353	386,444	4.4%	-15,350	17,523	0	\$15.18
ST. LOUIS TOTALS	66,669,124	21,553	3,138,938	4.7%	235,910	400,347	386,535	\$13.94

*Rental rates reflect Triple Net asking \$PSF/Year

*Renewals not included in leasing statistics

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
8770 Olive Blvd.	Mid County	Dierbergs	75,000	New Lease
I-70 & Olive Blvd.	Mid County	Target	41,200	New Lease
1552-1652 Country Club Plaza Dr.	St. Charles	Savers	18,895	New Lease
8701 Dunn Rd.	North County	St. Louis Hinder Club	16,690	New Lease

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
25 Brentwood Promenade Ct.	Mid County	SITE Centers Corp Haverford Retail Partners	337,800	\$71.6 M \$212
8182-8234 N Lindbergh Blvd.	North County	Polimeni International First National Realty Partners	146,260	\$14.2 M \$97
14302 South Outer 40 Rd.	West County	Gershman Commercial Real Estate Jeffrey M Todt	86,075	\$6.9 M \$80
11700 Olive Blvd.	Mid County	Bamboo Equity Partners Simmons Bank	32,000	\$3.2 M \$100

Source: CoStar, Real Capital Analytics

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