MARKETBEAT
ST. LOUIS
RETAIL H1 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.1% Vacancy Rate	▲	▼
-161K YTD Net Absorption, SF	▼	▲
$13.39 Asking Rent, PSF	▼	—

Source: CoStar, Data as of Q2 2026

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.2% GDP Growth	▲	▲
2.1% Consumer Spending Growth	▼	▲
1.5% Retail Sales Growth	▼	▲

Source: BLS, BOC, Moody's Analytics

ECONOMY

The St. Louis unemployment rate closed Q2 2026 at 4.1%, a 20-basis-point (bps) increase year-over-year (YOY). The U.S. unemployment rate ended the quarter at 4.2%, 10-bps below forecasts. The St. Louis market's labor pool recorded little change YOY, with nonfarm employment remaining at approximately 1.4 million individuals. The Federal Reserve has continued to hold interest rates at a range of 3.5% to 3.75% and will likely not make cuts throughout the second half of 2026.

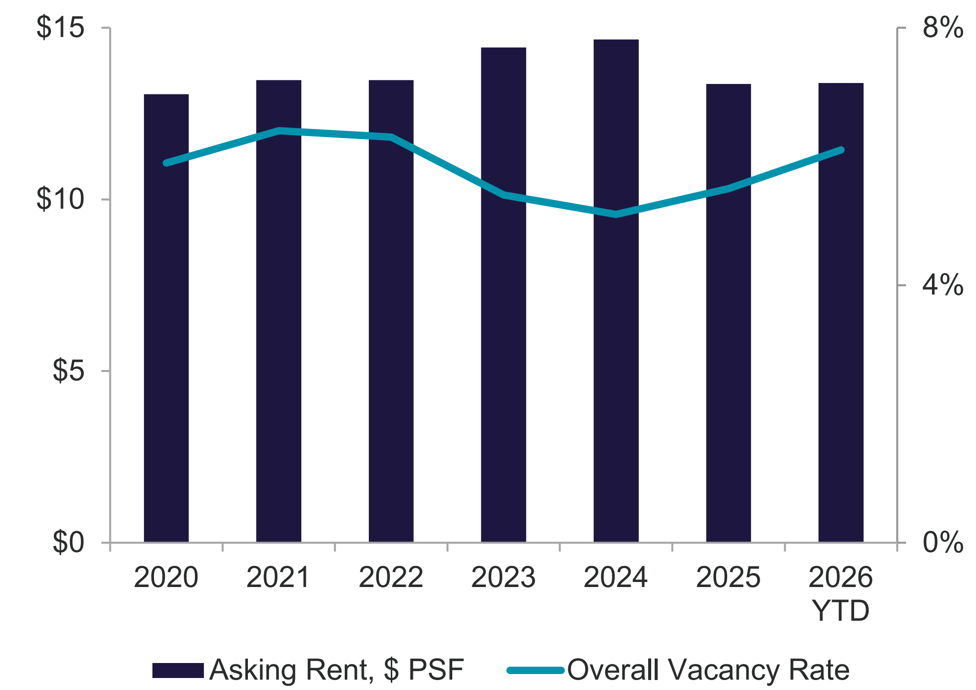
SUPPLY & DEMAND: OVERALL VACANCY INCREASES

The St. Louis retail sector closed Q2 2026 with an overall vacancy rate of 6.1%, marking a 140-bps increase YOY. This is the first time since Q3 2023 that vacancy has been at or over 6.0%. Though vacancy across the market has now increased for four consecutive quarters, it still sits 140-bps below the market's historical average of 7.5%. This steady rise in vacancy throughout 2026 was fueled by four straight quarters of negative absorption, with the market recording approximately 684,000 square feet (sf) of negative occupancy movement since Q3 2025. Despite this, new deal velocity has remained stable with the market recording 719,699 sf of new leasing activity year-to-date (YTD). The market has delivered 224,000 sf of new retail product within the first half of the year, all of which was within the Mid County submarket. At the close of Q2 2026, there was an additional 333,135 sf of retail product under construction, concentrated in the Illinois and Mid County submarkets. This new development is reported to be fully pre-leased as of Q2 2026, and what's under construction in Mid County is expected to deliver in the second half of 2026.

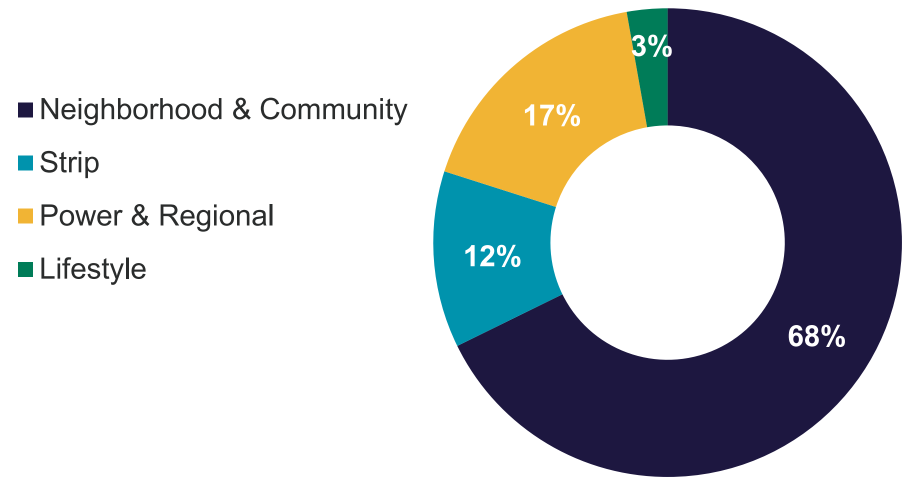
PRICING: RENTS STABLE DESPITE ELEVATED SUPPLY

Overall triple net (NNN) asking rents in the St. Louis retail market closed Q2 2026 at $13.39 per-square-foot (psf). This marks a YOY decrease of 5.0%, and the first time that the market has recorded three straight quarters of average asking rents below $13.50 psf since 2021. Fueled by new development, the Mid County submarket recorded a substantial 35.1% YOY increase in asking rents, closing Q2 2026 with an overall asking rent of $32.90 psf. The Illinois and St. Charles submarkets recorded the largest drop in asking rents, with both reporting YOY asking rent decreases over 10.0%

OVERALL VACANCY & ASKING RENT



VACANCY BY PRODUCT TYPE



Source: CoStar

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (NNN)*
City	3,318,252	385,323	0	11.6%	-18,606	-36,566	0	$6.86
Illinois	12,760,816	1,020,512	0	8.0%	5,834	60,466	159,935	$11.52
Mid County	6,904,035	164,317	2,751	2.4%	226,056	148,269	173,200	$32.90
North County	9,500,169	602,976	0	6.3%	-33,112	-29,253	0	$12.88
South County	12,580,701	598,460	7,247	4.8%	-30,082	-126,427	0	$13.47
St. Charles	11,021,511	405,846	4,160	3.7%	64,971	17,883	0	$14.87
West County	10,621,665	867,751	9,117	8.3%	-254,614	-195,715	0	$18.02
ST. LOUIS TOTALS	**66,707,149**	**4,045,185**	**23,275**	**6.1%**	**-39,553**	**-161,343**	**333,135**	**$13.39**

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

KEY LEASE TRANSACTIONS H1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
116 Arco Dr.	St. Charles	Clement Auto Group	63,360	New Lease
221-237 Arnold Crossroads Ctr.	South County	Planet Overstock	53,513	New Lease
4701 Delor St.	City	Burlington	35,040	New Lease
5701-5875 Belleville Crossing St.	Illinois	Ross Dress for Less	18,052	New Lease
6500-6700 Manchester Ave.	City	DoorDash Essentials, Inc.	16,239	New Lease
2401-2484 W Clay St.	St. Charles	ArchWell Health	14,658	New Lease
6927 S Lindbergh Blvd.	South County	Skechers	10,000	New Lease
17057 N Outer 40 Rd.	West County	Five Iron Golf	8,742	New Lease

KEY SALES TRANSACTIONS H1 2026

PROPERTY	SUBMARKET	SELLER | BUYER	SF	PRICE | $ PSF
7437 Watson Rd.	South County	Kenrick Developers LLC | Agree Realty Corp.	133,832	$10.5M | $78
3847-3865 Gravois Ave.	City	Select Strategies Realty | Elite Capital Advisors	125,839	$8.7M | $69
339-349 Clarkson Rd.	West County	Thirdsigma Corp. | LS Capital	93,296	$12.5M | $134
6601-6621 & 6631-6651 N Illinois St.	Illinois	Pace Properties Inc. | The Boji Group	85,603	$19M | $222
2401 Troy Rd.	Illinois	The Staenberg Group | Agree Realty Corp.	50,000	$13.3M | $266

KEY CONSTRUCTION COMPLETIONS H1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER | DEVELOPER
8645 Olive Blvd.	Mid County	Target	149,000	Hutkin Development Company
8770 Olive Blvd.	Mid County	Dierbergs	75,000	Middle Fork Creek Capital LLC

Source: CoStar

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