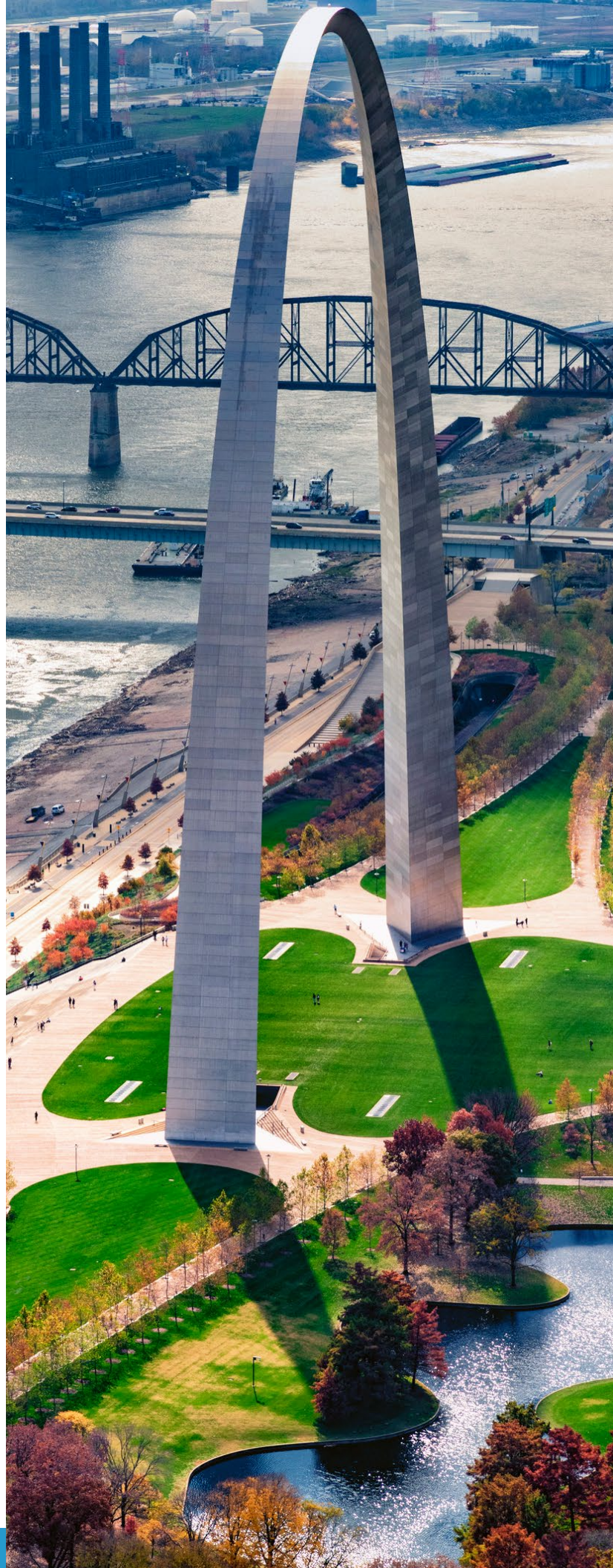

RESEARCH 1Q25

St. Louis Capital Markets



Executive Summary

Newmark Zimmer is continuously monitoring market indicators, tracking and analyzing supply and demand drivers, cyclical patterns and industry trends. The following quarterly research report examines the multifaceted St. Louis investment market.

Newmark Zimmer research and analytics has established a system of data flow unique in our industry. Rather than rely on third-party data sources, our data acquisition efforts involve inputs from advisors in the field, analysts and brokers executing transactions. Newmark Zimmer research converts market data and analysis into knowledge that creates value for our clients.

Our clients include market-leading investors and distinguished institutions in and around the St. Louis area and the Midwest. Our market knowledge continues to expand as the market progresses and evolves.

Select Market Transactions

Multifamily | Morgan Properties Portfolio

503 Units – Sold for \$101,100,000 (\$200,994/Unit)

St. Charles, Mid County | Multiple Addresses (2)

Multifamily | Metro On 5th

572 Units – Sold for \$93,500,000 (\$163,462/Unit)

St. Charles County | 901 Time Centre Drive

Industrial | Gateway TradePort IV

1,010,000 SF GLA – Sold for \$70,100,000 (\$69/SF)

Metro East | 1202 Tradeport Parkway

Retail | Cave Springs Shopping Center Portfolio

176,800 SF GLA – Sold for \$22,100,000 (\$125/SF)

St. Charles County | Multiple Addresses (5)

Office | Timberlake Corporate Center I

116,880 SF GLA – Sold for \$16,250,000 (\$139/SF)

West County | 1390 Timberlake Manor Parkway



Capital Markets

ST. LOUIS MARKET OVERVIEW

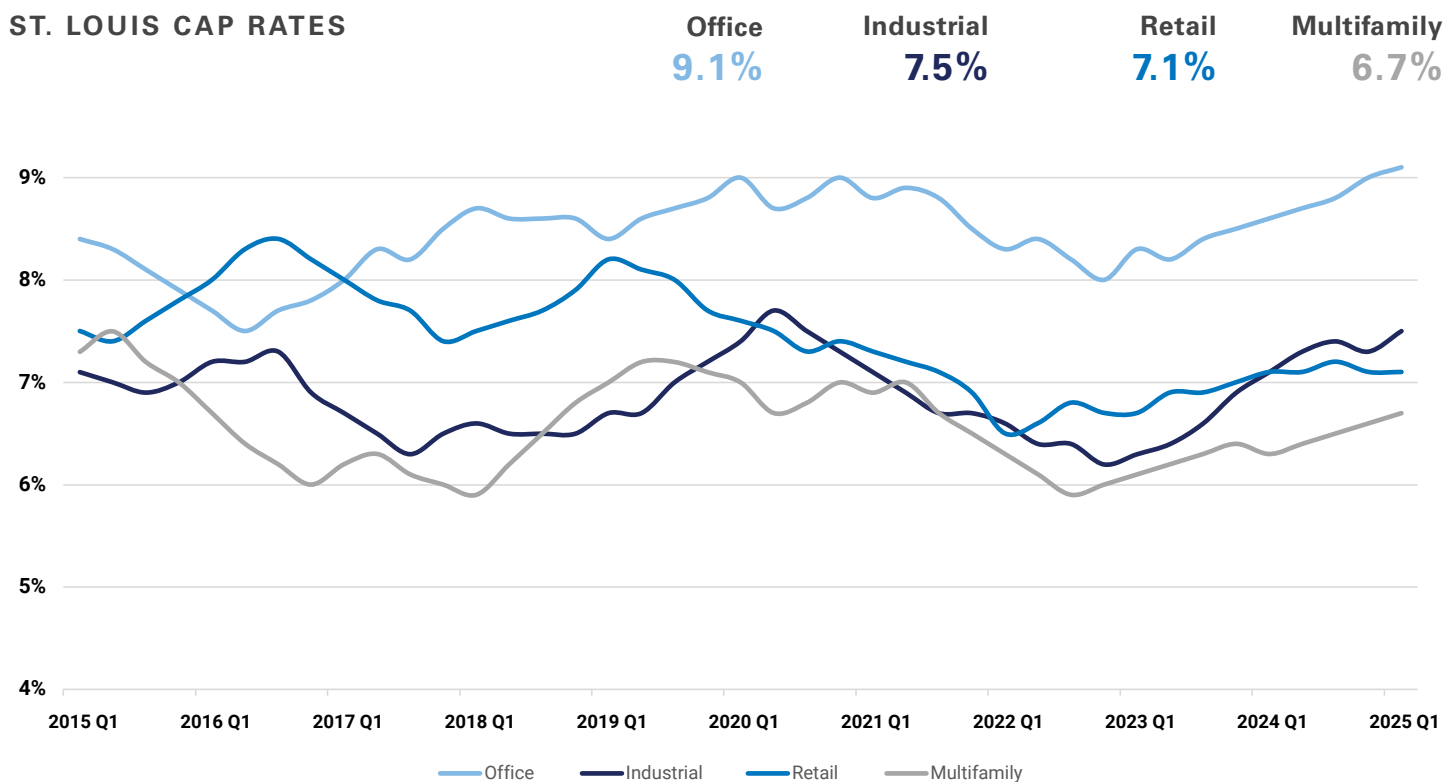
The pace of investment activity in the St. Louis market slowed during the past four quarters, with sales volume totaling \$1.9 billion, a decrease of 38.5% compared with the prior five-year average. As a leading second-tier market, the St. Louis Metropolitan area ranked seventh out of the largest 13 Midwest markets in total sales volume during the past 12 months, with multifamily and industrial assets combining for 68.2% of the Metro's activity.

Capitalization rates increased by three basis points compared with the past 12 months, registering 7.1% in the first quarter of 2025. Net absorption across the industrial, office, and retail sectors totaled 6.7 million SF over the past four quarters, an increase of 194.1% compared with the preceding year. The multifamily sector realized 2,701 units of net absorption during the past four quarters, an increase of 46.6% over a similar period a year ago. The industrial sector tightened during the quarter, registering 1.1 million SF of net absorption and continuing five consecutive years of robust demand totaling 22.7 million SF. Vacancy for industrial properties decreased 30 bps to 4.1%, as rental rates grew \$0.11/SF to \$5.91/SF during the quarter.

With development kept in check over the past five years and additional incentives offered to lock tenants in for longer lease terms, rental rates trended upward for both the office and multifamily sectors during 1Q25, with multifamily properties registering a new record high of \$1,281.00 per unit. Vacancy in the office sector decreased by 10 bps to 12.9%, while multifamily vacancy decreased by 10 bps to 10.1% compared with the prior quarter. Vacancy in the retail sector remained flat at 3.5% during the same period.

The Newmark Zimmer Midwest Capital Markets team anticipates investment sales to improve throughout 2025, as buyers and sellers begin to adjust to the current market conditions and the interest rate environment stabilizes. Allocations for commercial real estate investment continue to remain steady for industrial, neighborhood retail, multifamily and medical office with strong operating fundamentals. We continue to monitor the impact of lending conditions on leveraged buyers return expectations and valuations.

ST. LOUIS CAP RATES



Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

1Q25 St. Louis

MARKET ANALYSIS

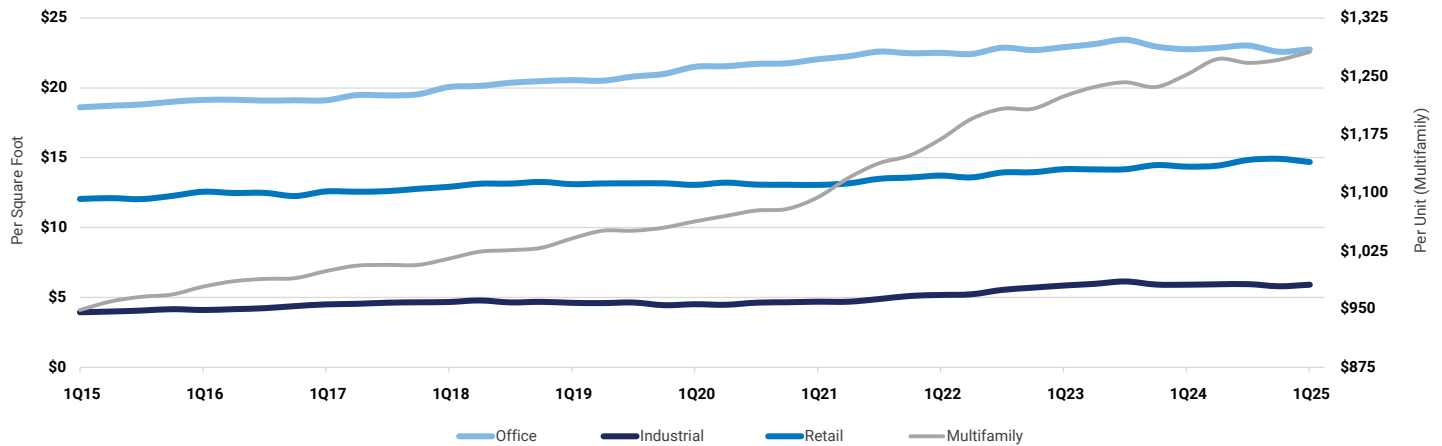
AVERAGE ASKING RENT

Office
\$22.76

Industrial
\$5.91

Retail
\$14.69

Multifamily
\$1,281



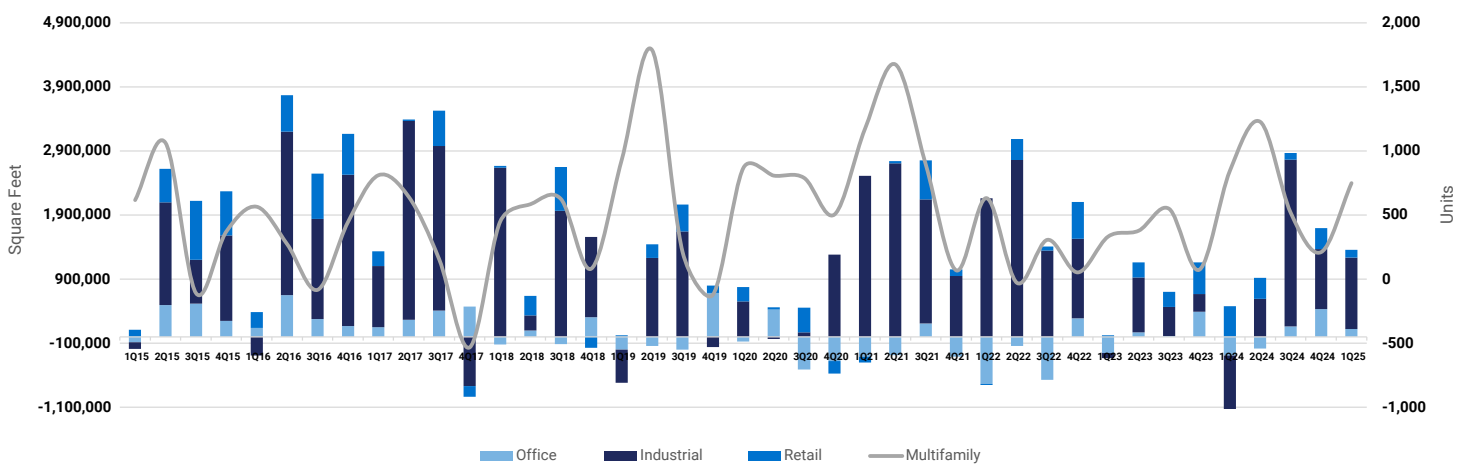
NET ABSORPTION

Office
120,441 SF

Industrial
1,116,312 SF

Retail
123,065 SF

Multifamily
748 Units



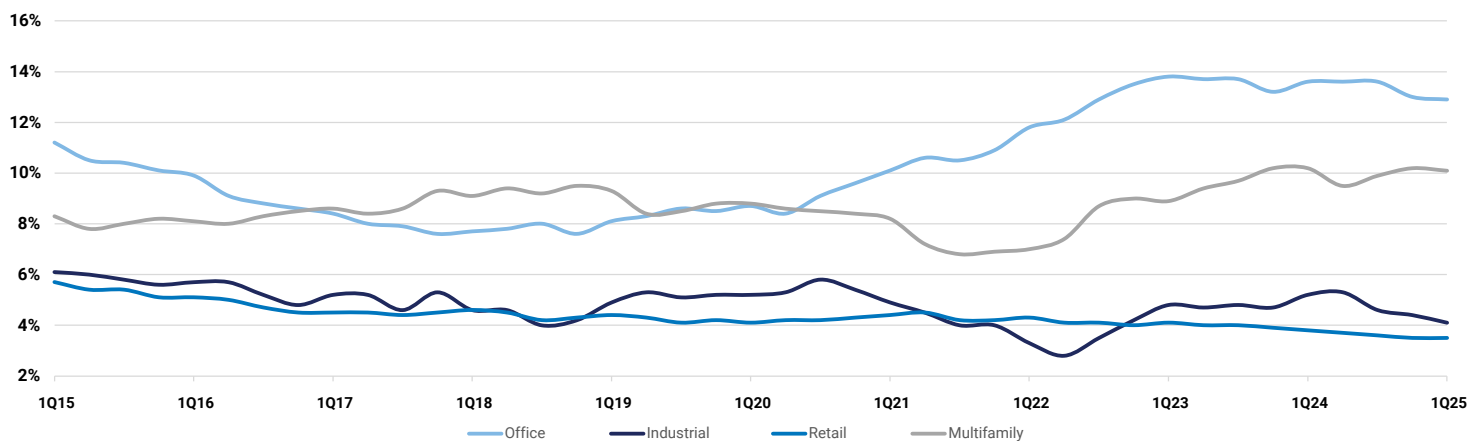
VACANCY RATE

Office
12.9%

Industrial
4.1%

Retail
3.5%

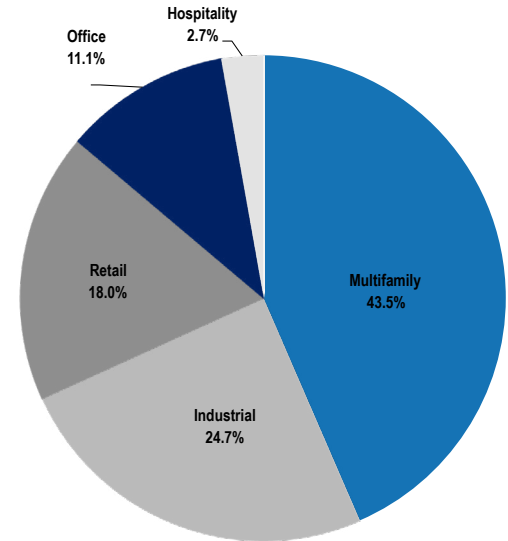
Multifamily
10.1%





SALES VOLUME BY PROPERTY TYPE

ST. LOUIS; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Multifamily	\$837.8 M	50
Industrial	\$476.2 M	51
Retail	\$346.1 M	39
Office	\$214.0 M	39
Hospitality	\$52.6 M	9
TOTAL	\$1.9 B	188

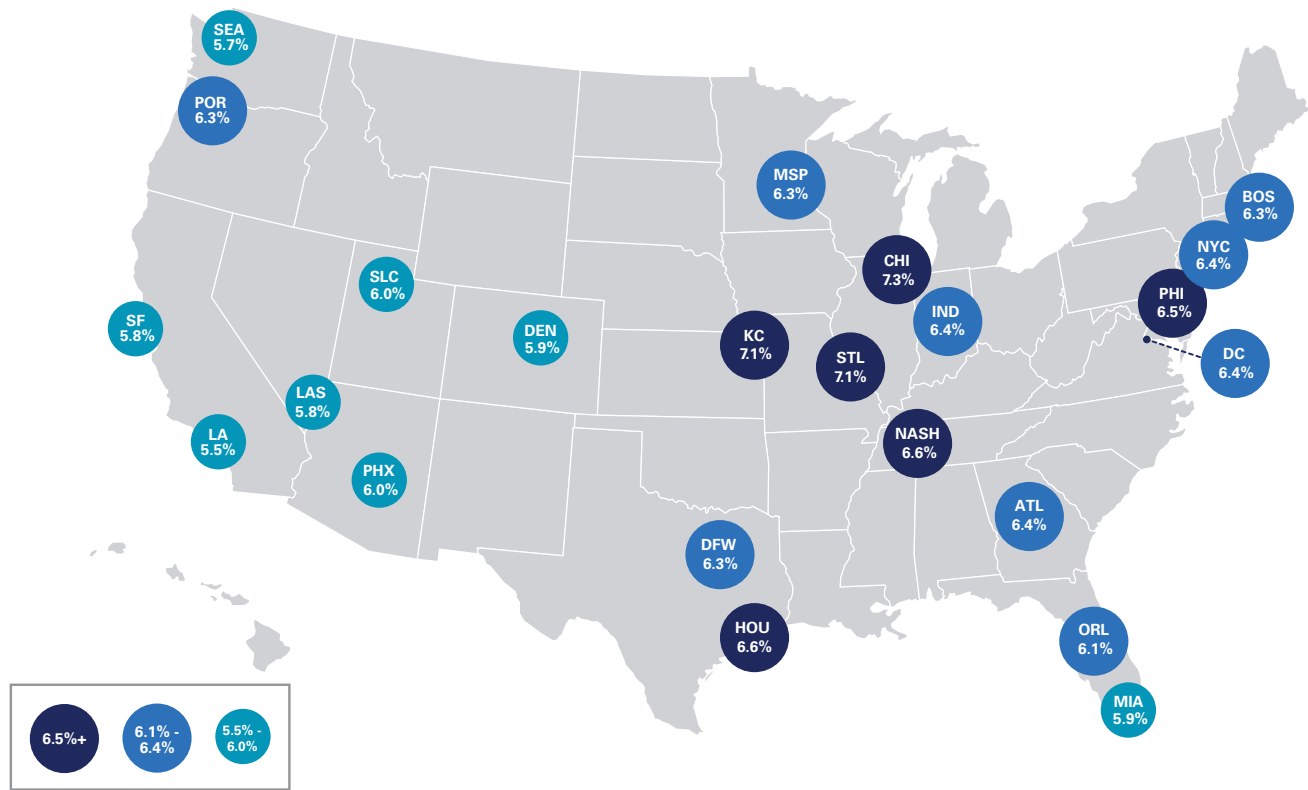
SELECT SALES TRANSACTIONS | FIRST QUARTER OF 2025

Sector	Building	Submarket	Sale Price	Price Per SF/Unit ¹	SF/Units ²
Multifamily	The Piazza on West Pine 3940 W Pine Boulevard	St. Louis City	\$36,400,000	\$211,628	172
Office	AT&T Sale/Leaseback Portfolio- (4) Metro Locations	Multiple Submarkets	\$31,600,000	\$38	831,170
Multifamily	Storyboard on Rockwood 2213 Rockwood Drive	Metro East	\$14,145,000	\$87,315	162
Industrial	6821 Hazelwood Avenue	North County	\$10,750,000	\$55	196,820
Multifamily	Timber Ridge 101 Timber Ridge Drive	Jefferson County	\$10,100,000	\$97,115	104
Industrial	1 Research Park Drive	St. Charles County	\$7,725,000	\$81	95,110
Retail	Portfolio (2) 618-636; 650-676 Wesley Drive	Metro East	\$7,240,000	\$50	145,940
Retail	Kloss Furniture 6132 Shoger Drive	Metro East	\$6,300,000	\$157	40,210
Retail	Weekends Only 411 Mid Rivers Mall Drive	St. Charles County	\$5,000,000	\$115	43,570
Retail	Twin Oaks Shopping Center 1144 Meramec Station Road	West County	\$4,667,000	\$91	51,450

¹ The price per unit/room is displayed for the Multifamily and Hospitality sectors. ² The number of total units/rooms is displayed for the Multifamily and Hospitality sectors.

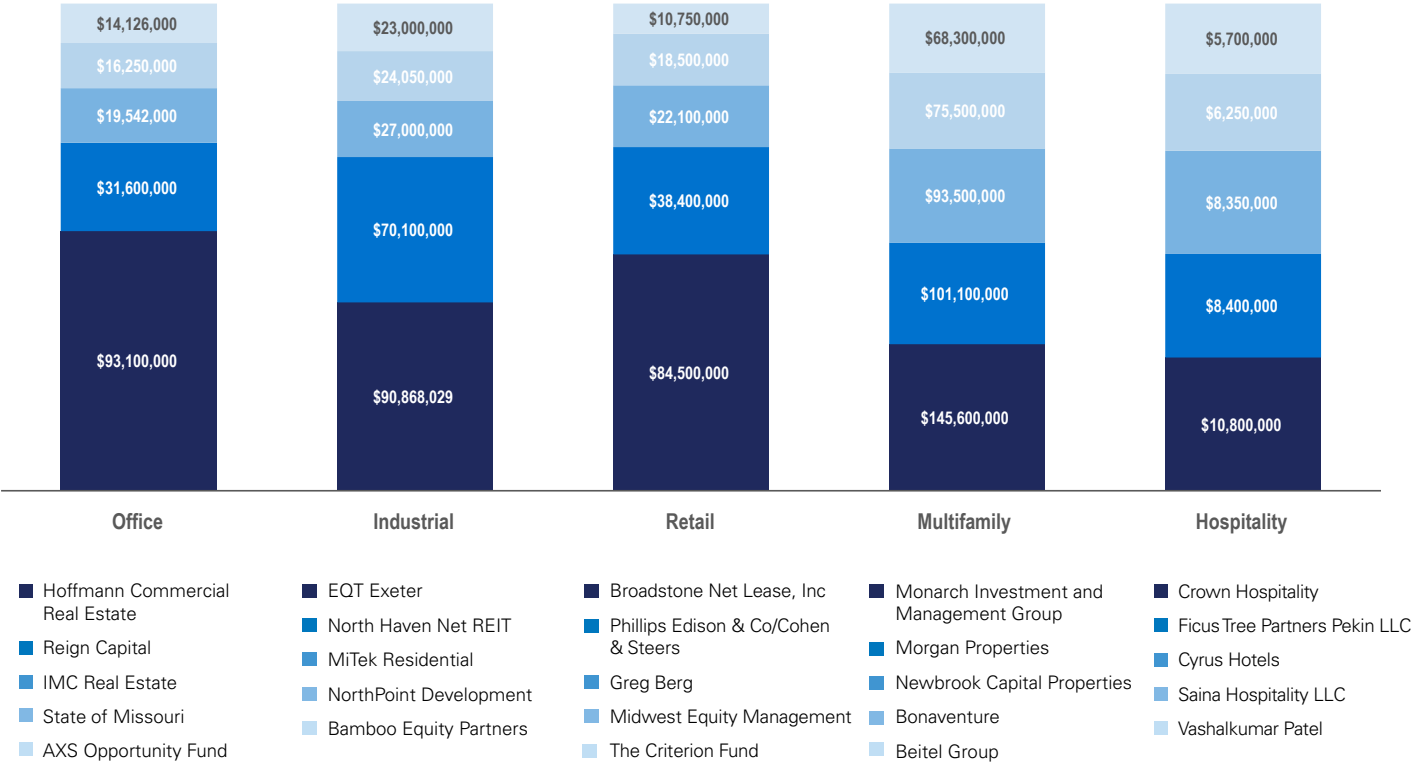
CAP RATES | ALL PROPERTY TYPES

12-MONTH AVERAGE, INCLUDES PROPERTY OR PORTFOLIO SALES \$2.5 MILLION OR GREATER



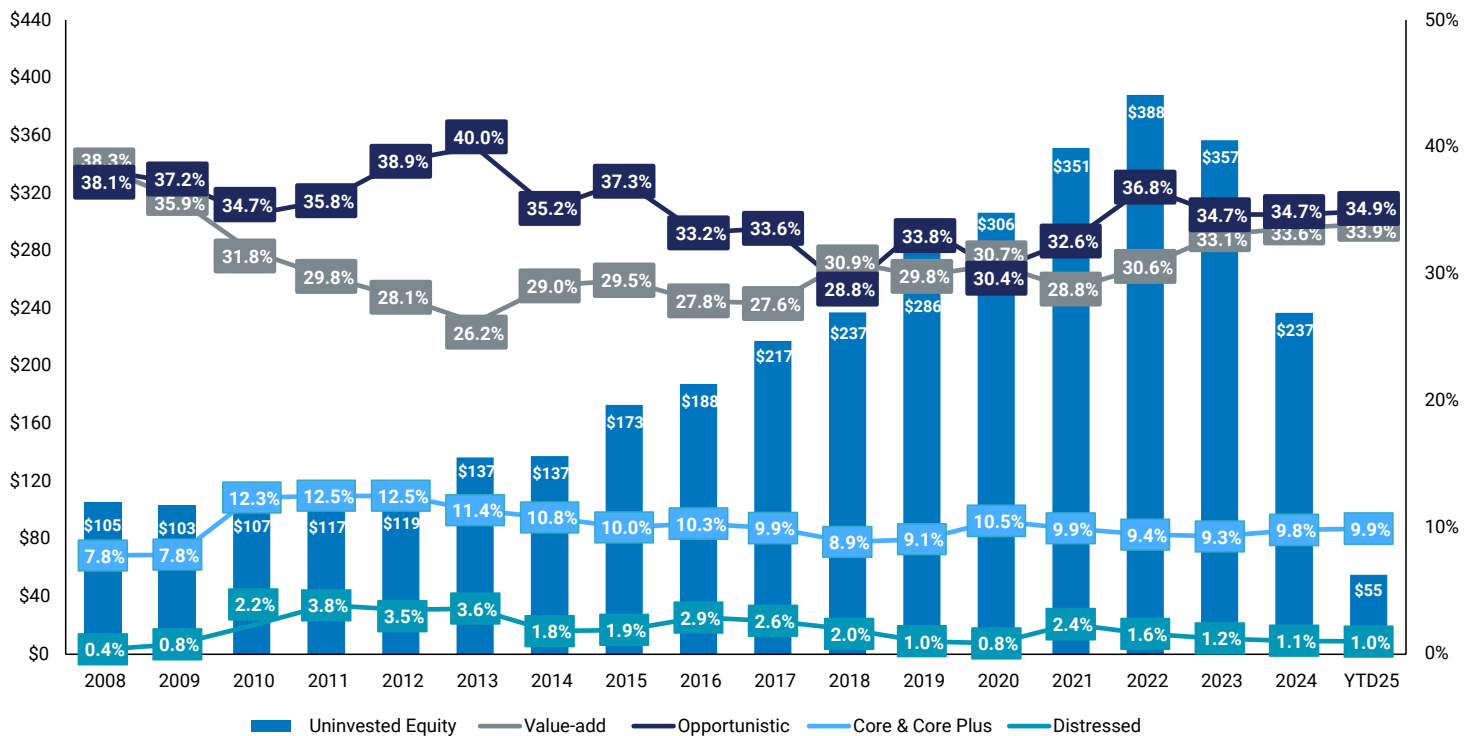
SELECT ACTIVE BUYERS IN THE ST. LOUIS MARKET BY ASSET TYPE

12-MONTH TOTALS



DRY POWDER

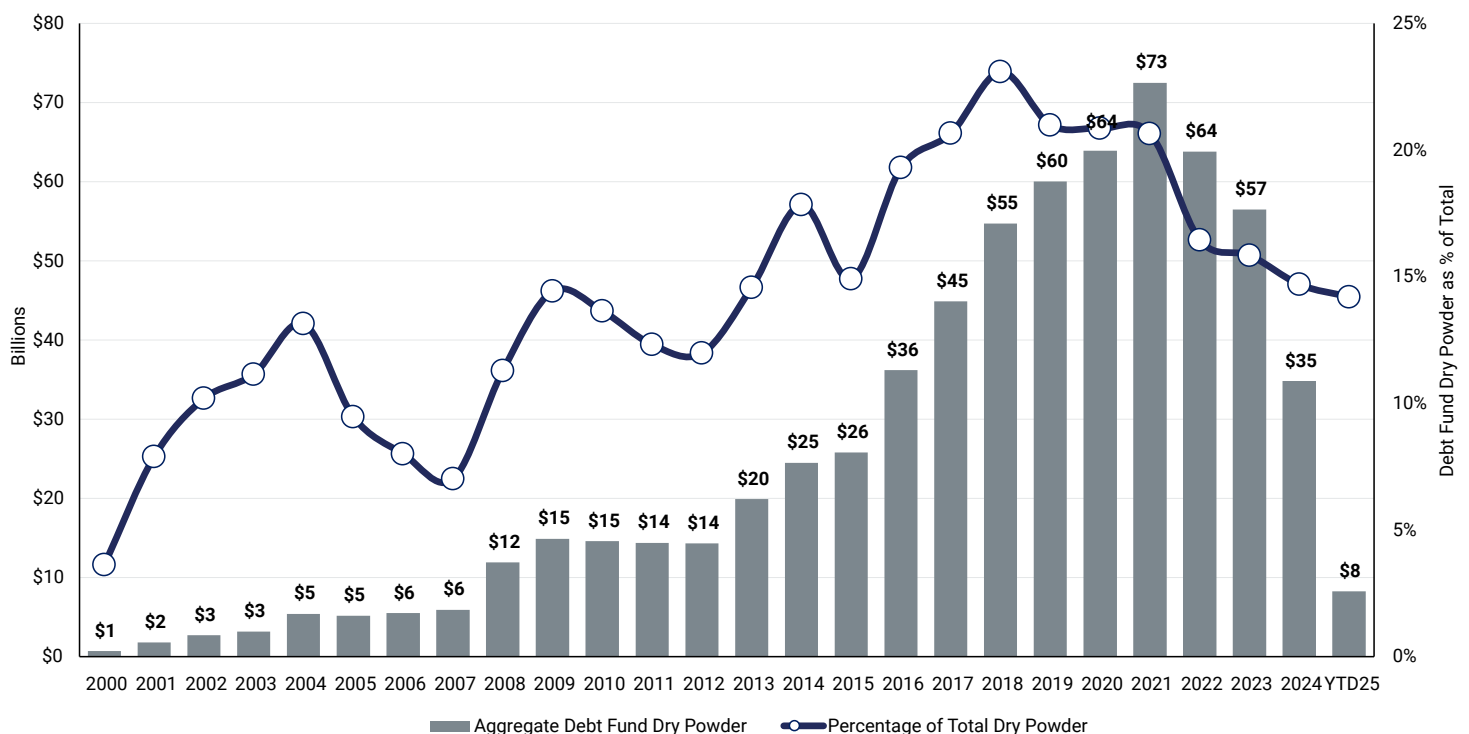
Uninvested equity decreased significantly to 237 billion in 2024. Dry powder allocated to value-add deals increased significantly 510 bps from 28.8% in 2021 to 33.9% in YTD 2025. Opportunistic strategies increased 450 bps from 30.4% in 2020 to 34.9% in YTD 2025.



Note: Excludes Debt Funds, Secondaries, Fund of Funds, Co-Investment

Source: Newmark Research, Preqin

DEBT FUND DRY POWDER



Source: Newmark Research, Preqin

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We transform untapped potential into limitless opportunity.

We don't just adapt to what our partners need—we adapt to what the future demands.

Since our start, we've faced forward, predicting change and pioneering ideas. Almost a century later, the same strategic sense and audacious thinking still guide our approach. Today our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies.

Tapping into smart tech and smarter people, we bring ingenuity to every exchange and transparency to every relationship.

We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

TERMS AND DEFINITIONS

Gross Leasable Area (GLA) – Expressed in square feet. It is the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines. It is the standard measure for determining the size of retail spaces, specifically shopping centers, where rent is calculated based on GLA occupied. There is no real difference between RBA (Rentable Building Area) and GLA except that GLA is used when referring to retail properties while RBA is used for other commercial properties.

Vacancy Rate – The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant.

Net Absorption – The net change in physically occupied space over a period of time.

Average Asking Rent – The dollar amount asked by landlords for available space expressed in dollars per square foot per year. Retail rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a prorata basis. The asking rent for each building in the market is weighed by the amount of available space in the building.

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