RESEARCH 2Q25

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

Retail | The Promenade at Brentwood Portfolio

337,800 SF GLA – Sold for $71,600,000 ($212/SF)

Mid County | One Brentwood Court

Multifamily | The Station at St. Peters Luxury Living

180 Units – Sold for $36,100,000 ($200,556/Unit)

St. Charles County | 2000 Swenson Lane

Office | CIBC Place

170,160 SF GLA – Sold for $34,300,000 ($202/SF)

Clayton | 1401 S Brentwood Boulevard

Retail | Florissant Marketplace

147,350 SF GLA – Sold for $14,000,000 ($95/SF)

North County | 8200-8234 N Lindbergh Boulevard

Hospitality | Comfort Inn & Suites – STL Chesterfield

94 Rooms – Sold for $8,225,000 ($87,500/Room)

West County | 18375 Chesterfield Airport Road

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 $2.1 billion, a decrease of 33.4% 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 69.8% of the Metro's activity.

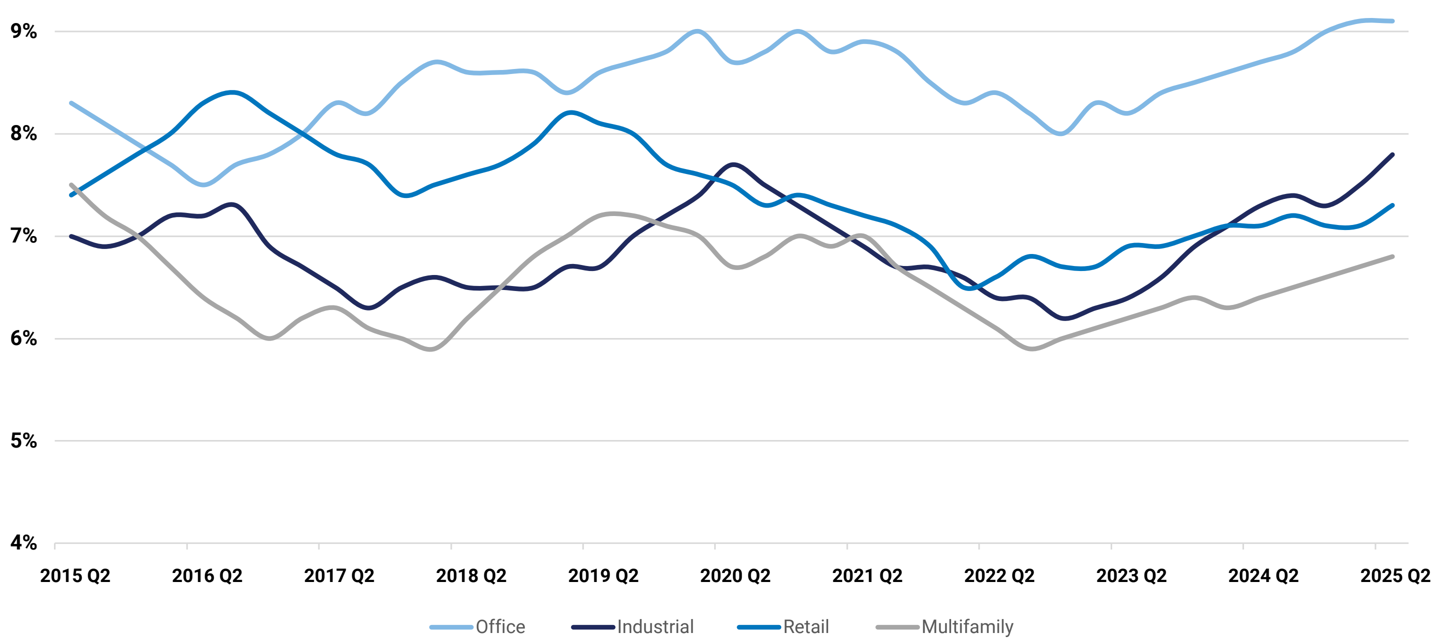
Capitalization rates increased by 34 basis points compared with the past 12 months, registering 7.6% in the second quarter of 2025. Net absorption across the industrial, office, and retail sectors totaled 4.9 million SF over the past four quarters, an increase of 139.5% compared with the preceding year. The multifamily sector realized 1,288 units of net absorption during the past four quarters, a decrease of 50.4% over a similar period a year ago. Vacancy for industrial properties increased 30 bps to 4.5%, as rental rates grew $0.06/SF to $5.93/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 increased for the multifamily sector during 2Q25, registering a new record high of $1,298.00 per unit. Vacancy in the office sector decreased by 10 bps to 13.0%, while the multifamily and retail sectors remained flat at 10.7% and 3.5%, respectively, compared with the prior quarter.

The Newmark Zimmer Midwest Capital Markets team anticipates investment sales volume to continue to increase in the second half of the year as buyers and sellers further adjust to the current market conditions. Allocations for commercial real estate investment continue to remain steady for industrial, neighborhood retail, multifamily, medical office and mixed-use Class A office with strong operating fundamentals. We continue to monitor the impact of lending conditions on leveraged buyers return expectations and valuations with potential interest rate adjustments in the 4Q25.

ST. LOUIS CAP RATES

Office	Industrial	Retail	Multifamily
9.1%	7.8%	7.3%	6.8%



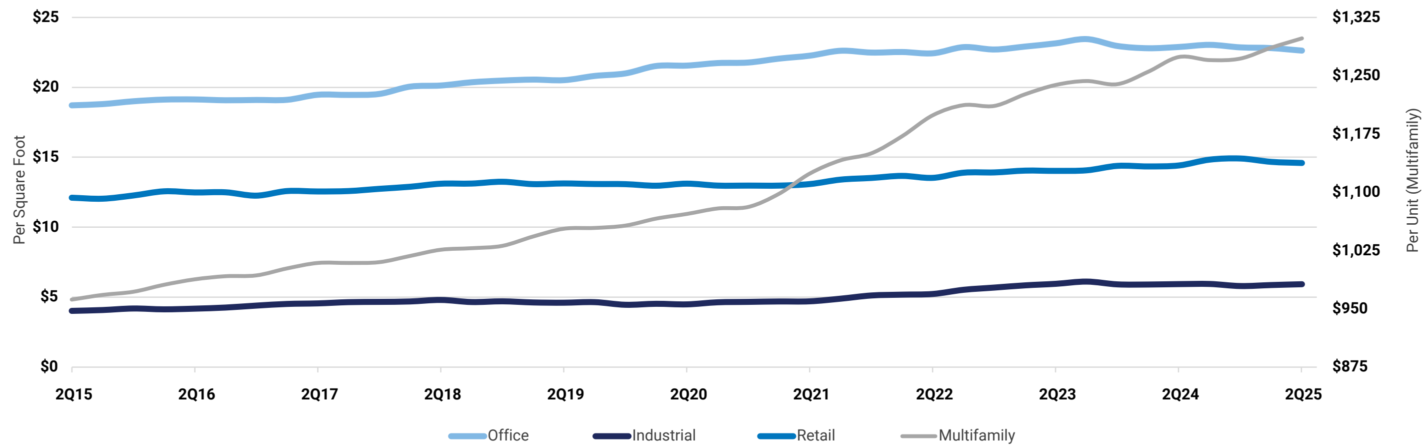
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

2Q25 St. Louis

MARKET ANALYSIS

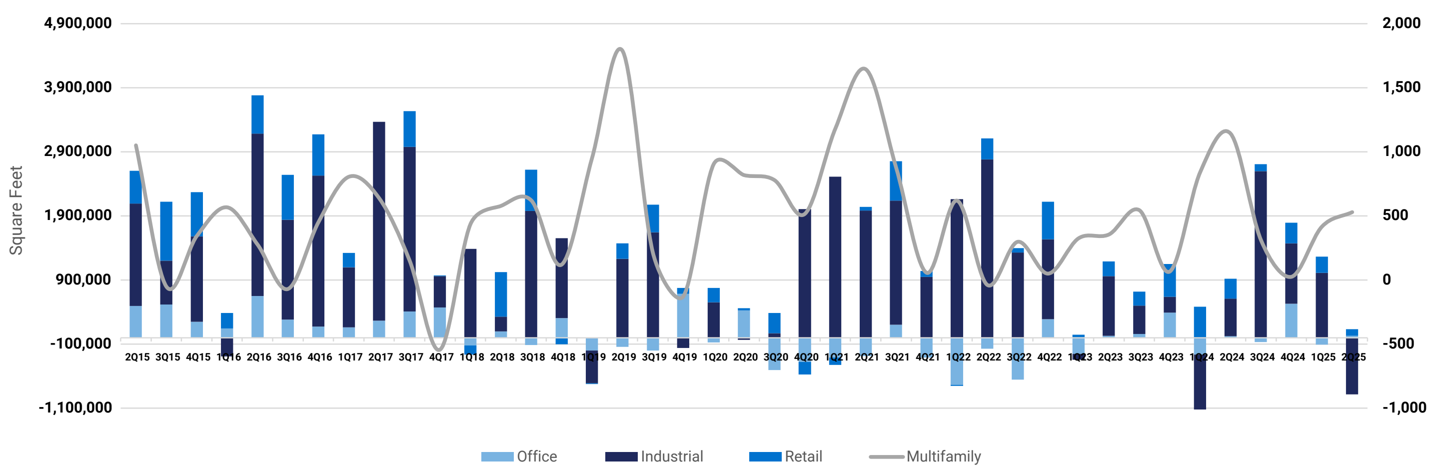
AVERAGE ASKING RENT

Office	Industrial	Retail	Multifamily
$22.62	$5.93	$14.61	$1,298



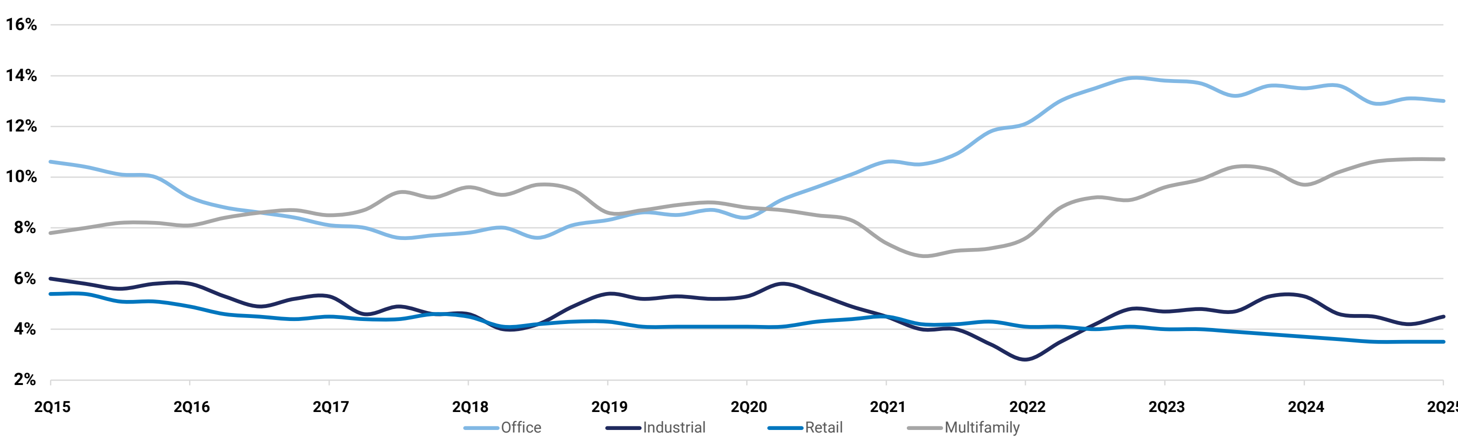
NET ABSORPTION

Office	Industrial	Retail	Multifamily
33,245 SF	-880,985 SF	101,680 SF	531 Units



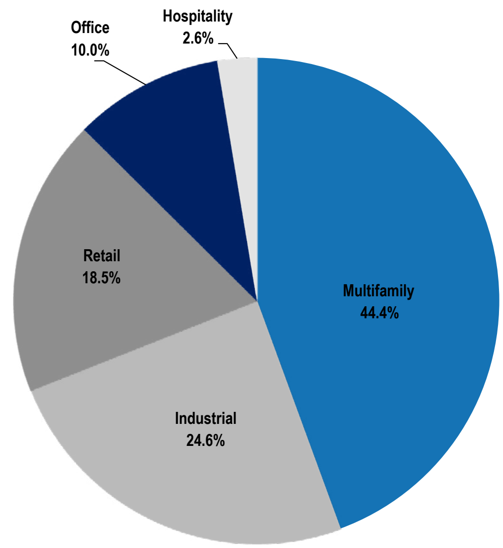
VACANCY RATE

Office	Industrial	Retail	Multifamily
13.0%	4.5%	3.5%	10.7%



SALES VOLUME BY PROPERTY TYPE

ST. LOUIS; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Multifamily	$942.3 M	58
Industrial	$521.9 M	60
Retail	$391.6 M	51
Office	$212.1 M	38
Hospitality	$54.6 M	9
TOTAL	**$2.1 B**	**216**

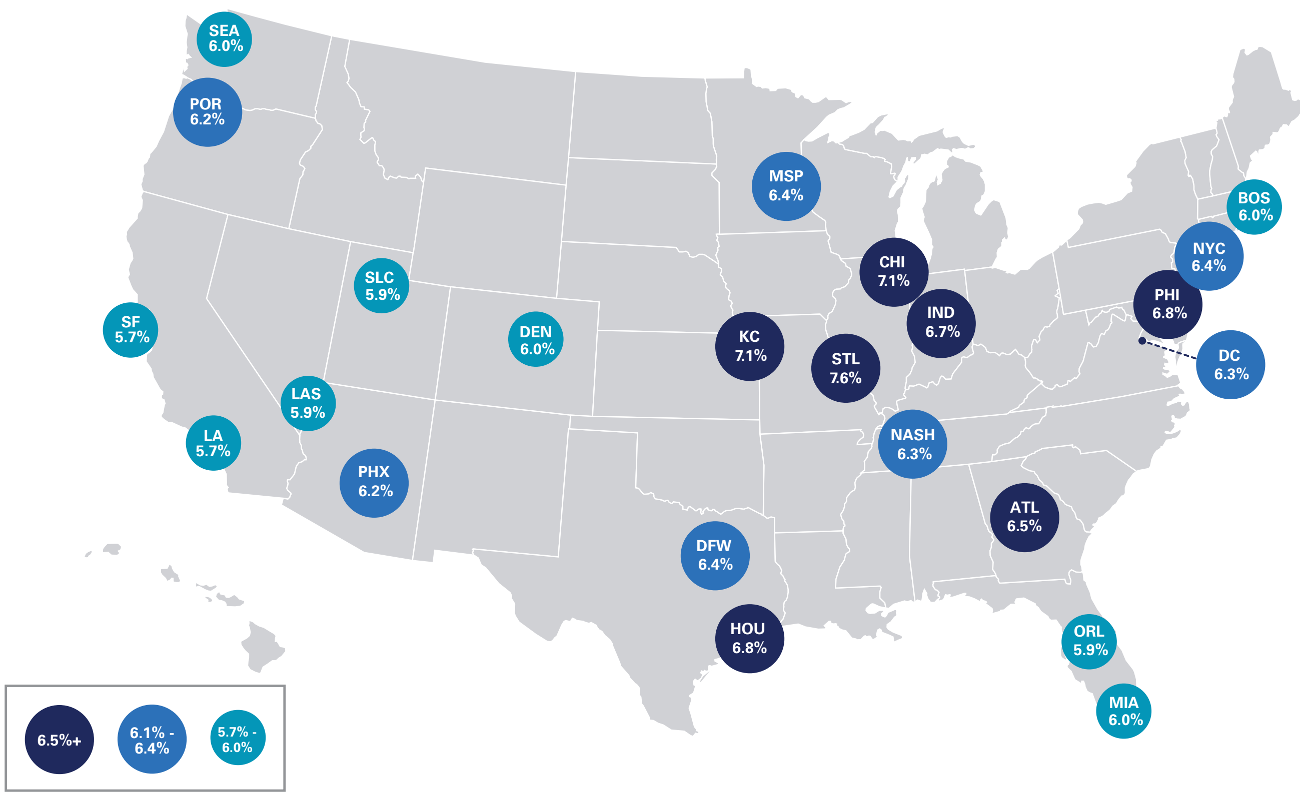
SELECT SALES TRANSACTIONS | SECOND QUARTER OF 2025

Sector	Building	Submarket	Sale Price	Price Per SF/Unit [1]	SF/ Units [2]
Multifamily	Courtyard Gardens Apartments | 9316 Koenig Circle	North County	$15,200,000	$82,609	184
Multifamily	The Bogen Lofts | 1209 Washington Avenue	Downtown	$15,000,000	$130,435	115
Retail	Woods Mill Center | 14302-14450 S Outer 40 Road	West County	$6,910,000	$80	86,080
Hospitality	Hilton Garden Inn | 360 Regency Park	St. Charles County	$6,500,000	$50,781	128
Industrial	Moore Food Distributors | 9910 Page Avenue	Central County	$6,230,000	$105	59,490
Industrial	AT&T | 2340 S 59th Street	St. Louis City	$6,000,000	$91	65,900
Hospitality	Holiday Inn STL Airport W Earth City | 3400 Rider Trail S	North County	$5,700,000	$36,774	155
Office	1122 Town & Country Commons Drive	West County	$5,640,000	$116	48,640
Retail	Dollar General Market | 1324 W Main Street	Metro East	$4,430,000	$420	10,540
Industrial	8229-8279 Brentwood Industrial Drive	Central County	$4,250,000	$71	60,000

[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.

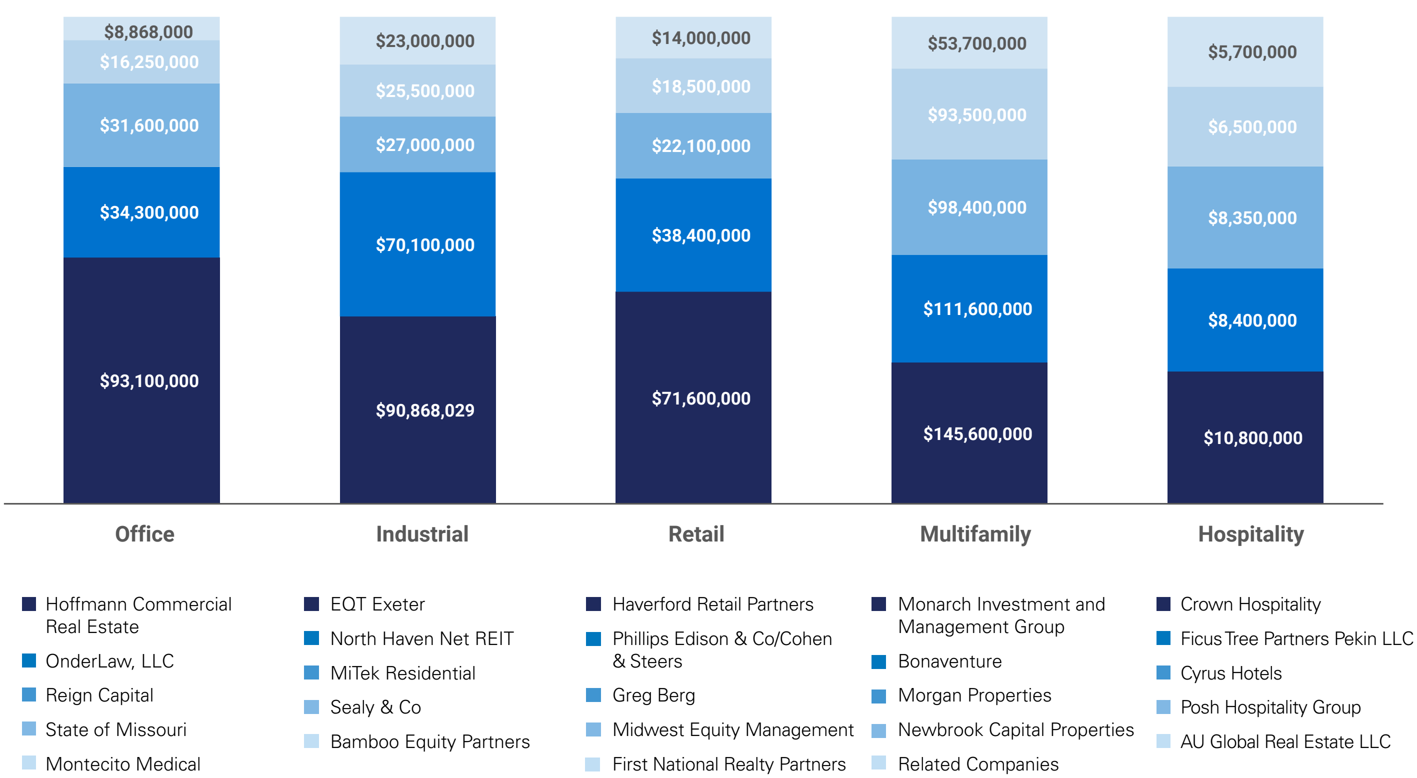
CAP RATES | ALL PROPERTY TYPES

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



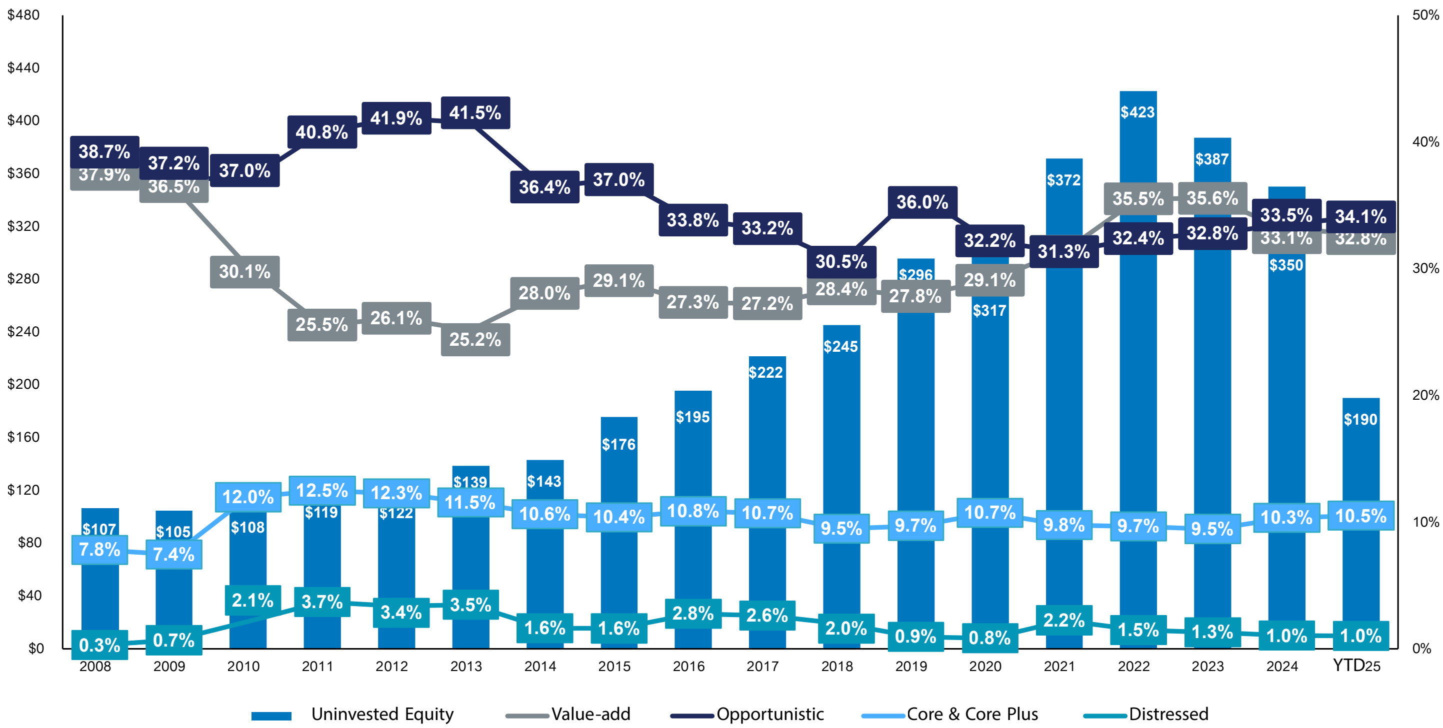
SELECT ACTIVE BUYERS IN THE ST. LOUIS MARKET BY ASSET TYPE

12-MONTH TOTALS



DRY POWDER

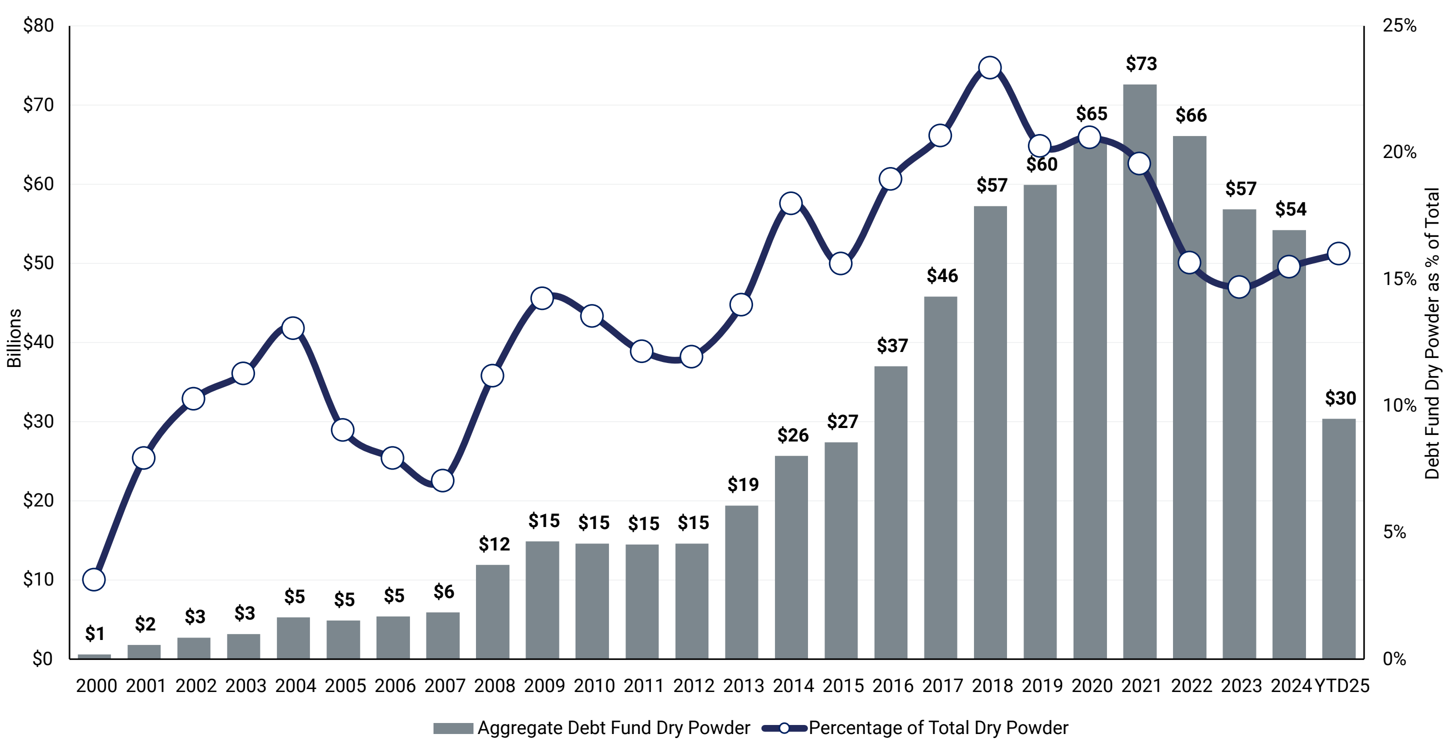
Uninvested equity decreased significantly to 350 billion in 2024. Dry powder allocated to opportunistic deals increased 280 bps from 31.3% in 2021 to 34.1% in YTD 2025. Value-add strategies increased 140 bps from 31.4% in 2021 to 32.8% in YTD 2025.



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

Source: Newmark Research, Preqin

DEBT FUND DRY POWDER



Source: Newmark Research, Preqin

For more information:

Kansas City, MO
1220 Washington Street, Suite 300
Kansas City, MO 64105
816-474-2000

Eastern Jackson County
1485 SW Market Street
Lee's Summit, MO 64081
816-474-2000

nmrkzimmer.com

Michael VanBuskirk, SIOR, CCIM, CRE
Vice Chairman, Principal
mvanbuskirk@nzimmer.com
816-512-1010

Chris Robertson, CCIM
Executive Managing Director, Principal
crobertson@nzimmer.com
816-512-1014

Raegen Kersey, CCIM
Senior Financial Analyst
rkersey@nzimmer.com
816-512-1005

Andrew Garten
Senior Director, Research
agarten@nzimmer.com
816-256-4288

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.

RESEARCH

Newmark Zimmer research reports are also available at **nmrkzimmer.com**

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