

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 | Park Pacific

230 Units – Sold for \$56,730,000 (\$246,652/Unit)
Downtown | 1226 Olive Street

Multifamily | Westminster Place

341 Units – Sold for \$38,200,000 (\$112,023/Unit)
St. Louis City | 4005 Westminster Place

Industrial | Premier 370 DC II

366,920 SF GLA – Sold for \$28,500,000 (\$78/SF)
St. Charles County | 7001 Premier Parkway

Office/Retail | Rothschild Portfolio

95,650 SF GLA – Sold for \$26,650,000 (\$279/SF)
St. Louis City | Multiple Addresses (10)

Office | Central Park Square I

96,000 SF GLA – Sold for \$17,300,000 (\$180/SF)
West County | 16150 Main Circle Drive



Capital Markets

ST. LOUIS MARKET OVERVIEW

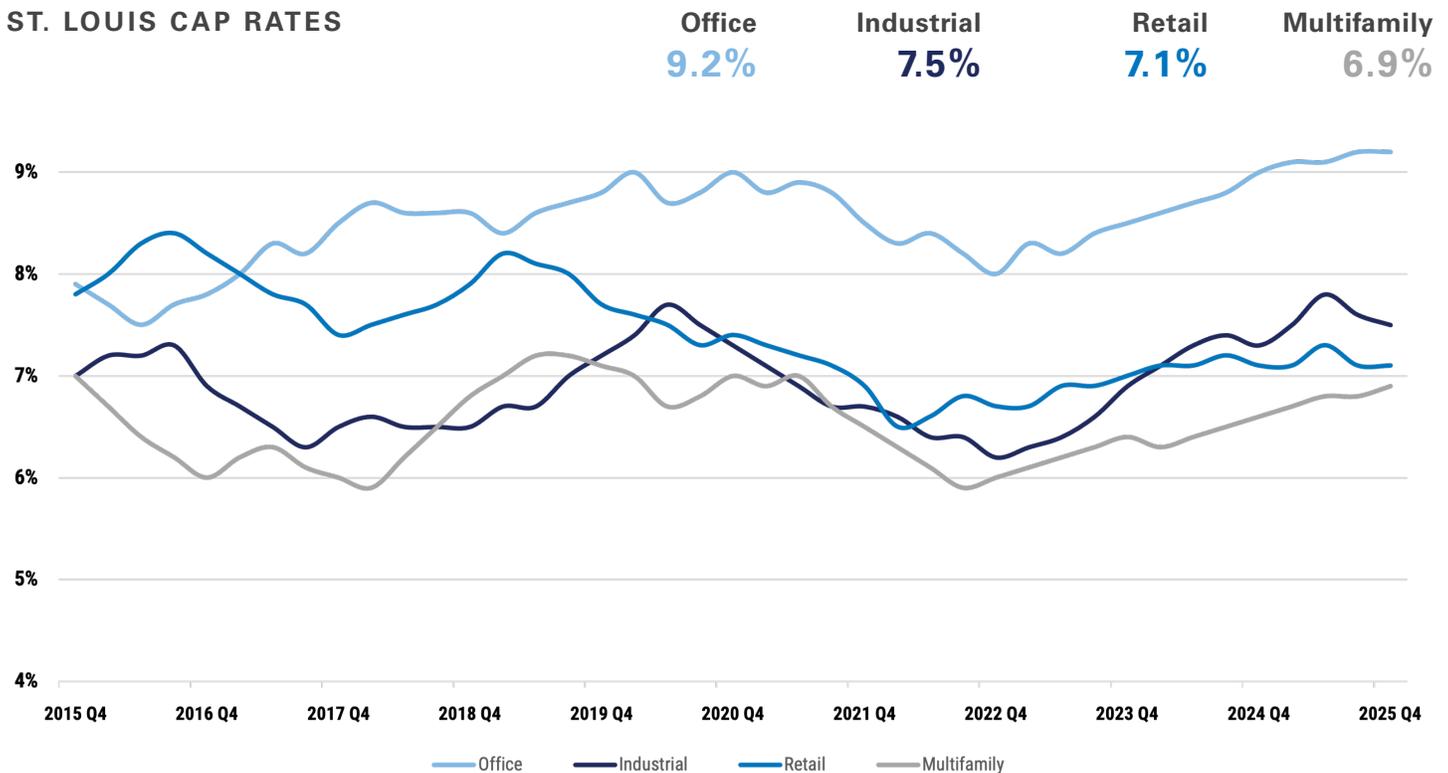
The pace of investment activity in the St. Louis market slowed in 2025, with sales volume totaling \$2.0 billion, a decrease of 36.5% compared with the prior five-year average. As a leading second-tier market, the St. Louis Metropolitan area ranked eighth out of the largest 13 Midwest markets in total sales volume during the past 12 months, with multifamily and industrial assets combining for 63.5% of the Metro's activity.

Capitalization rates increased by 44 basis points year over year, registering 7.65% in the fourth quarter of 2025. Net absorption across the industrial, office, and retail sectors totaled negative 3.4 million SF in 2025, being primarily influenced by negative 2.2 million SF registered in the industrial sector. The multifamily sector realized 2,422 units of net absorption in 2025, a decrease of 1.5% compared to 2024. Vacancy for industrial properties increased 60 bps to 5.4%, as rental rates grew \$0.08/SF to \$6.03/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 remained elevated for the multifamily sector in 4Q25, registering \$1,344.00 per unit. Vacancy in the multifamily sector decreased by 20 bps to 10.8%, while the office and retail sectors increased 70 bps to 14.2% and 20 bps to 4.0%, respectively, compared with the prior quarter.

The Newmark Zimmer Midwest Capital Markets team anticipates an increase in sales volume in 2026, as buyers and sellers 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



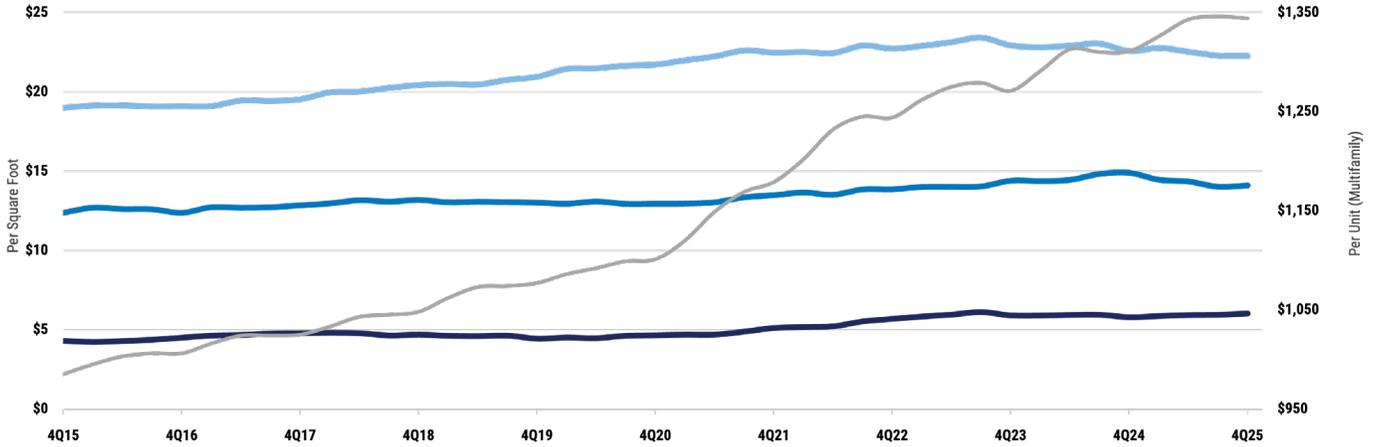
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

4Q25 St. Louis

MARKET ANALYSIS

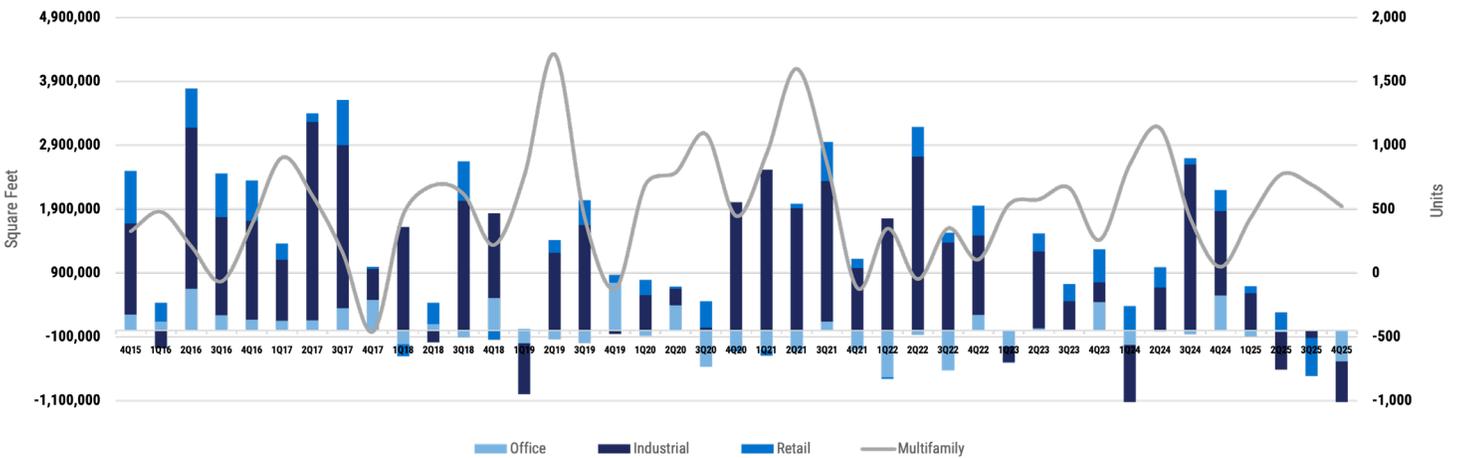
AVERAGE ASKING RENT

Office **\$22.25** Industrial **\$6.03** Retail **\$14.10** Multifamily **\$1,344**



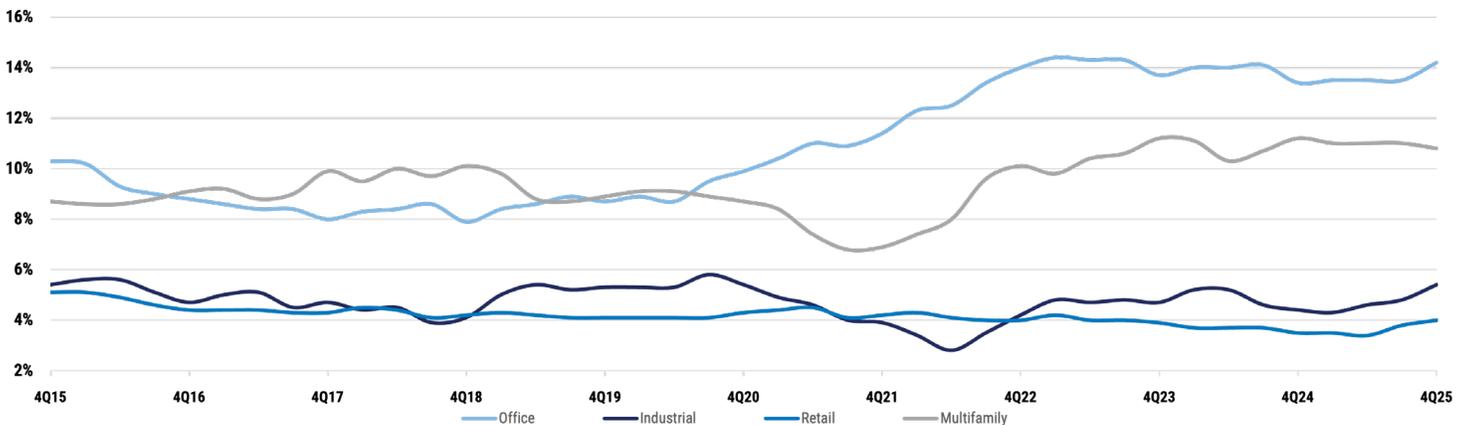
NET ABSORPTION

Office **-486,900 SF** Industrial **-2,115,927 SF** Retail **-357,166 SF** Multifamily **522 Units**



VACANCY RATE

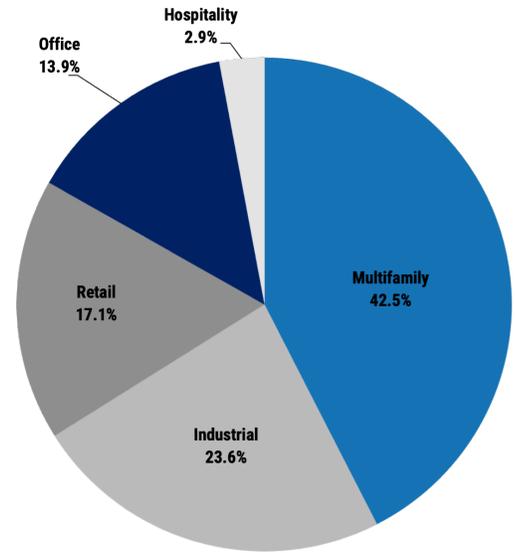
Office **14.2%** Industrial **5.4%** Retail **4.0%** Multifamily **10.8%**





SALES VOLUME BY PROPERTY TYPE

ST. LOUIS; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Multifamily	\$840.4 M	49
Industrial	\$466.4 M	58
Retail	\$339.0 M	52
Office	\$274.2 M	42
Hospitality	\$57.8 M	10
TOTAL	\$2.0 B	211

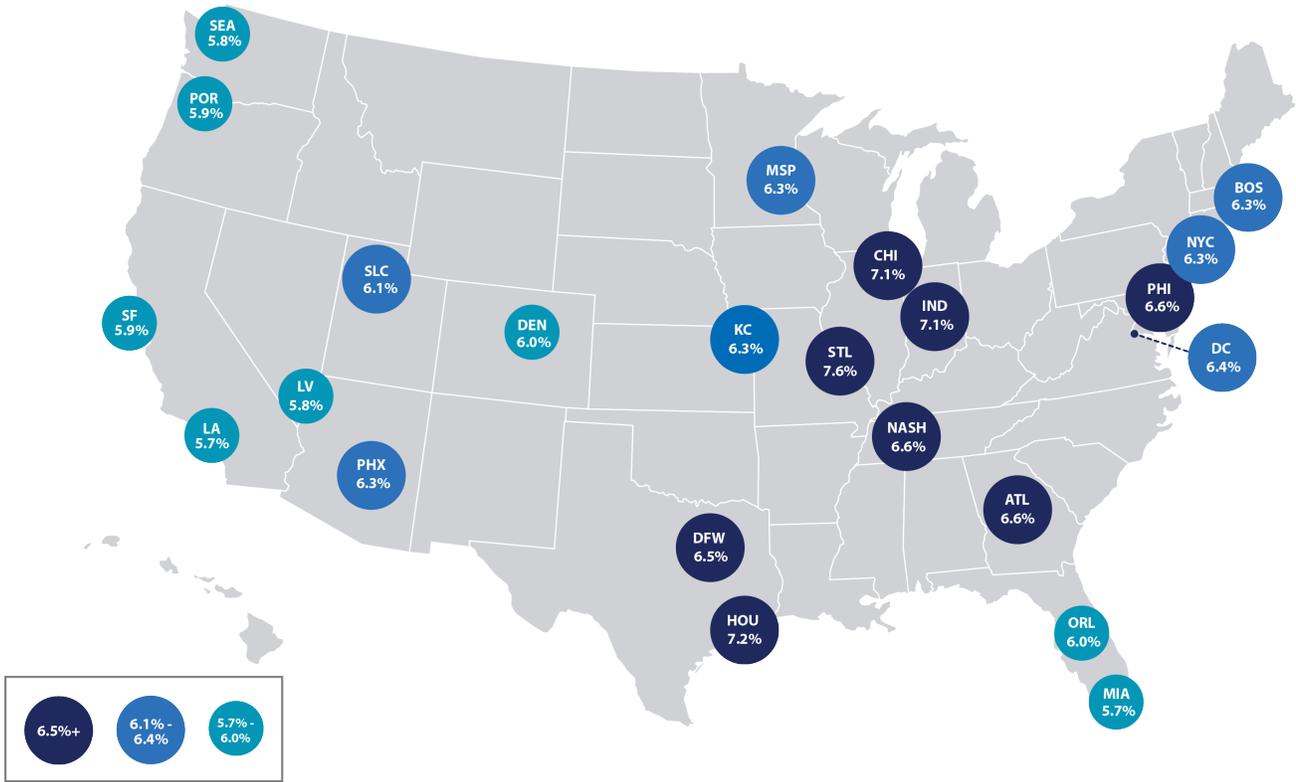
SELECT SALES TRANSACTIONS | FOURTH QUARTER OF 2025

Sector	Building	Submarket	Sale Price	Price Per SF/Unit ¹	SF/Units ²
Industrial	686 Spirit Valley West Drive	West County	\$16,471,000	\$124	133,000
Industrial	BlueLinx 13860 Corporate Woods Trail	North County	\$14,373,000	\$60	241,050
Office/Medical	Atrium Medical 555 N New Ballas Road	Mid County	\$14,212,000	\$148	96,340
Retail	Grasso Plaza 27 Grasso Plaza	South County	\$12,500,000	\$134	93,300
Industrial/Showroom	The Interior Design Center of STL 11610-11660 Page Service Drive	West County	\$9,660,000	\$105	92,100
Hospitality	Holiday Inn Express 3396 Green Mount Crossing Drive	Metro East	\$7,350,000	\$91,875	80
Industrial	157-165 Compass Point Drive	St. Charles County	\$5,950,000	\$102	58,140
Flex	Craig Park Tech Center 1842-1856 Craig Park Court	West County	\$5,600,000	\$140	39,920
Retail	505-557 Salt Lick Road	St. Charles County	\$5,300,000	\$155	34,150
Office	Sunset Place 3870 S Lindbergh Boulevard	South County	\$4,600,000	\$119	38,590

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.

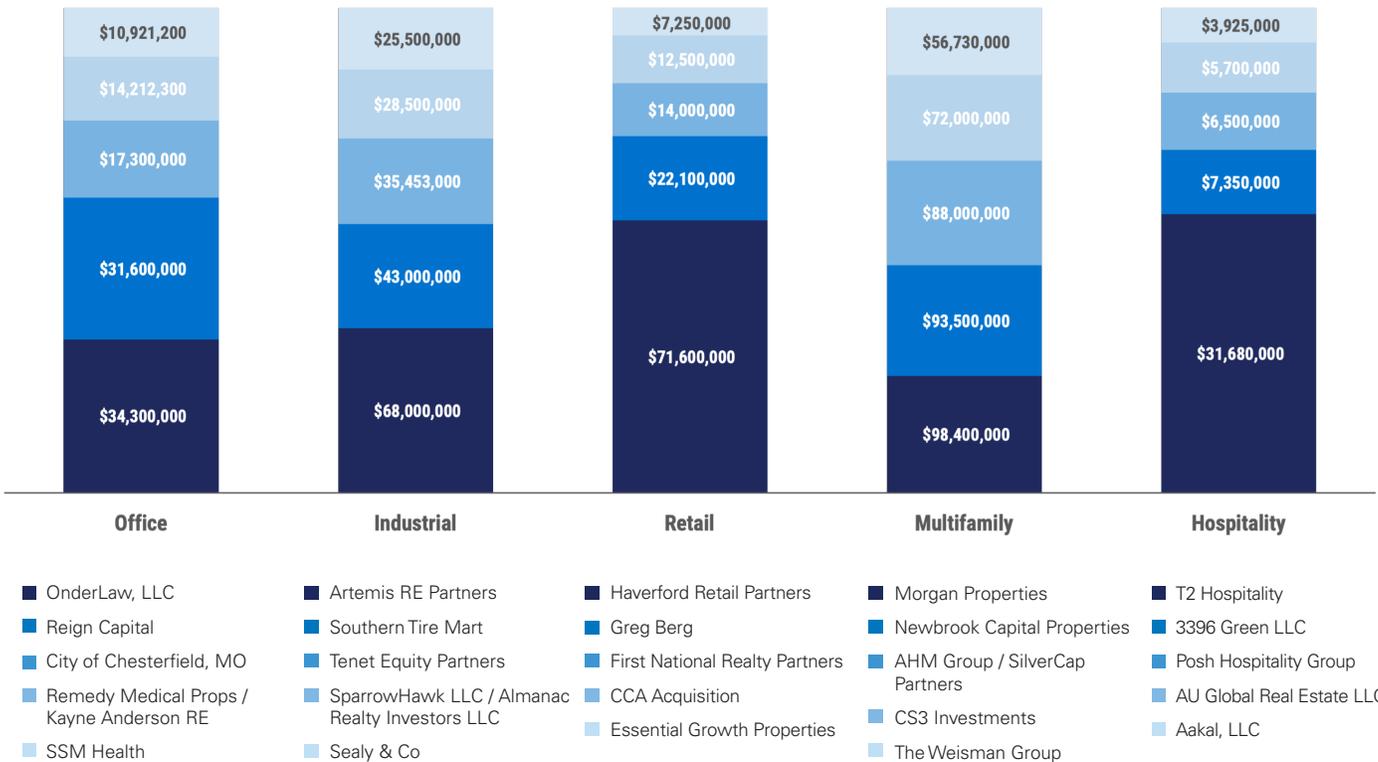
CAP RATES | ALL PROPERTY TYPES

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



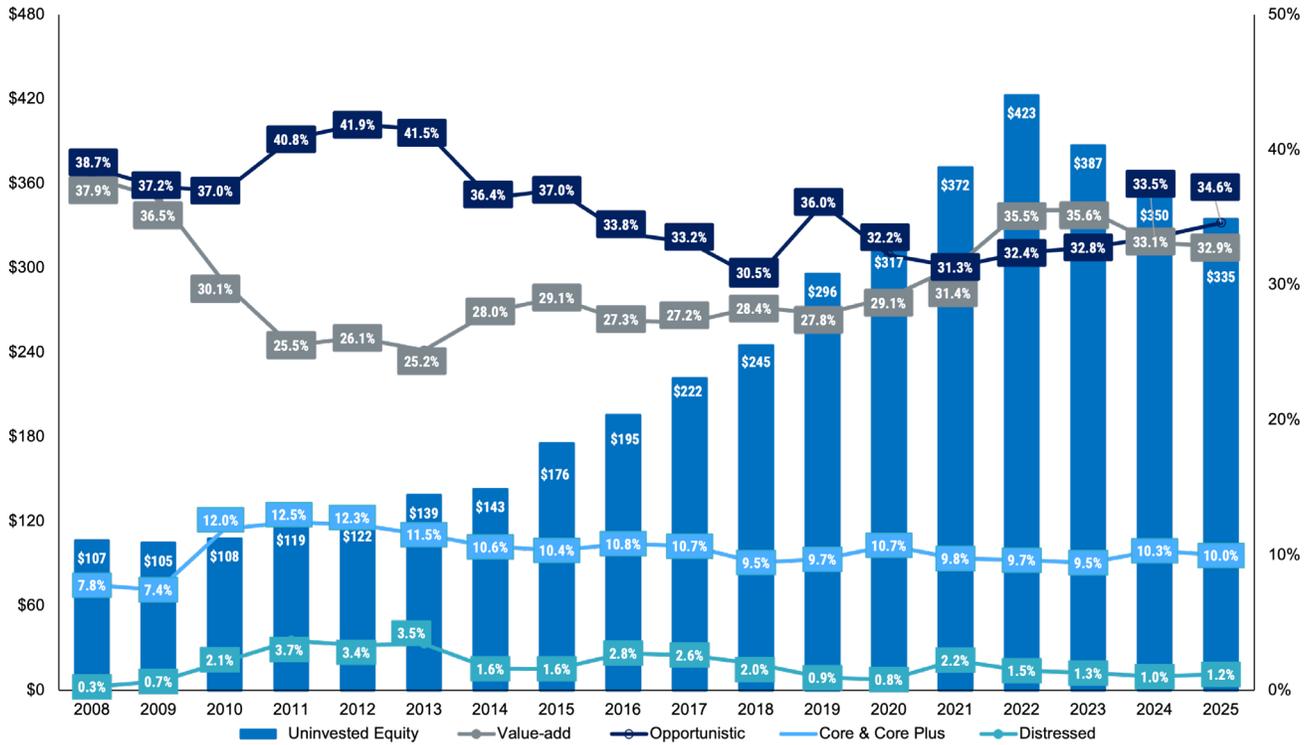
SELECT ACTIVE BUYERS IN THE ST. LOUIS MARKET BY ASSET TYPE

12-MONTH TOTALS



DRY POWDER

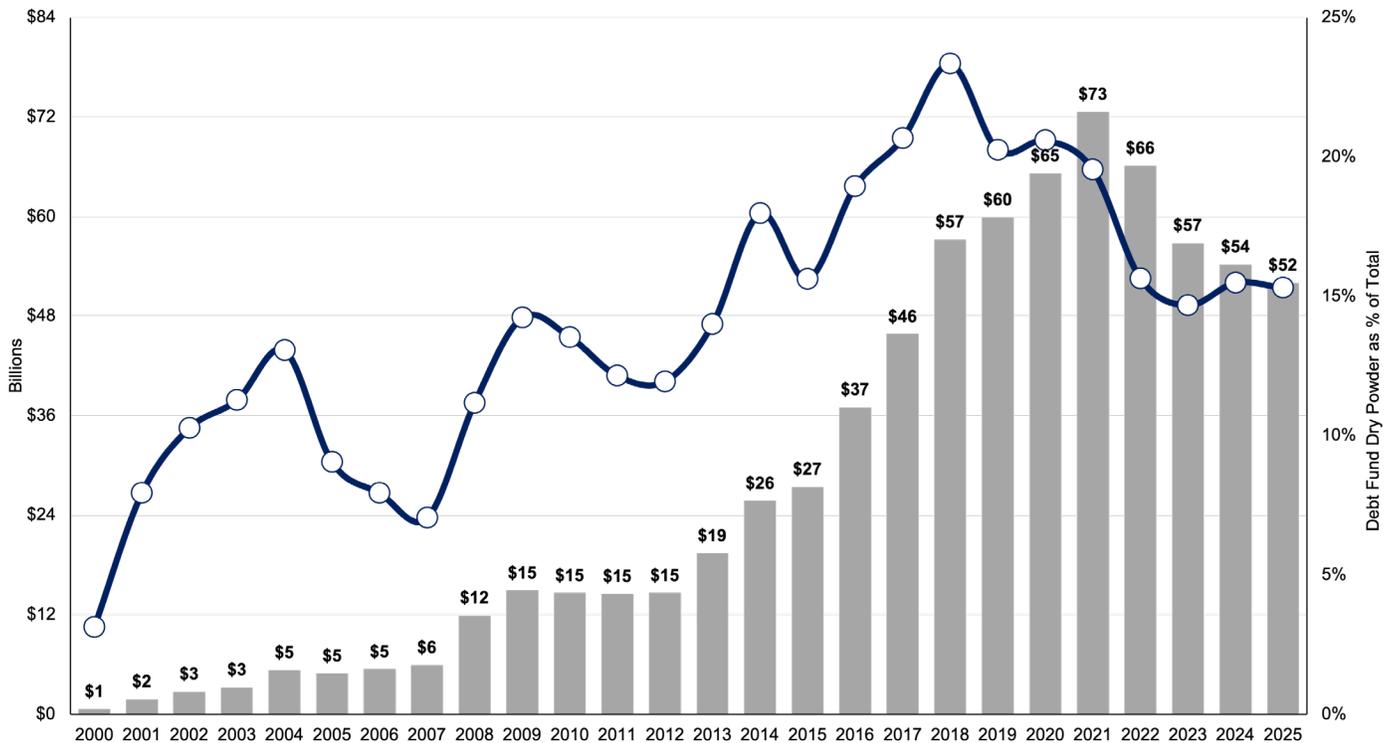
Uninvested equity decreased significantly to 350 billion in 2024. Dry powder allocated to opportunistic deals increased 270 bps from 31.3% in 2021 to 34.0% in YTD 2025. Value-add strategies increased 120 bps from 31.4% in 2021 to 32.6% in YTD 2025.



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

Source: Newmark Research, Prequin

DEBT FUND DRY POWDER



Source: Newmark Research, Prequin

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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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