RESEARCH 1Q26

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

Industrial | Aviator 2 & 6 Portfolio

472,980 SF GLA – Sold for $47,501,000 ($100/SF)

North County | 6034, 6063-6091 Aviator Drive

Multifamily | Chelsea Luxury Living

152 Units – Sold for $42,000,000 ($276,316/Unit)

Downtown | 5529 Pershing Avenue

Hospitality | Residence Inn & Courtyard by Marriott Portfolio

211 Units – Sold for $28,250,000 ($133,886/Unit)

West County | 12815 Daylight Drive

Industrial | Aviator 5

130,930 SF GLA – Sold for $16,499,000 ($126/SF)

North County | 6120-6148 Lindbergh Boulevard

Retail | DICK's Sporting Goods

50,000 SF GLA – Sold for $13,300,000 ($266/SF)

Metro East | 2401 Troy Road

Capital Markets

ST. LOUIS MARKET OVERVIEW

Investment activity in the St. Louis market accelerated over the past four quarters, with total sales volume reaching $2.4 billion, an increase of 6.1% year-over-year. As a leading second-tier market, the St. Louis Metropolitan area ranked seventh out of the largest 13 Midwest markets in total transaction volume over the past year, with industrial and multifamily assets accounting for a combined 67.1% of activity.

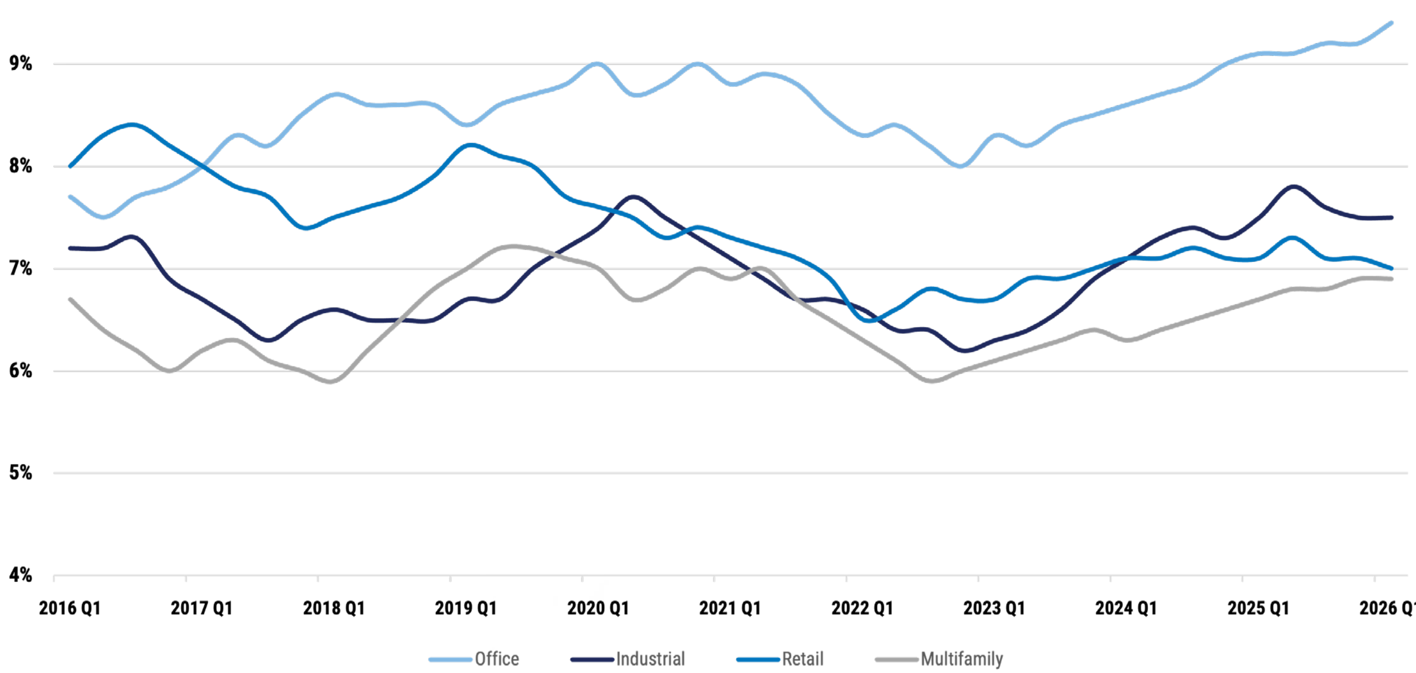
Capitalization rates increased by 39 basis points year-over-year, reaching 7.6% in the first quarter of 2026. Net absorption across the industrial, office, and retail sectors totaled negative 4.7 million square feet over the past 12 months, largely attributable to an outsized negative 3.5 million square feet of industrial absorption. In the multifamily sector, net absorption totaled 2,120 units, up 2.4% year-over-year.

With speculative development remaining limited and landlords offering incentives to secure longer lease terms, rental rates have reached a new record high in the multifamily ($1,363 per unit) sector. Vacancy rates declined year-over-year in only one of the four major property types, with multifamily decreasing 20 basis points to 10.8%; retail edged up 30 basis points to 4.0%, office increased 140 basis points to 15.0% and industrial experienced the largest surge in vacancy of 150 basis points to 6.0%.

The Newmark Zimmer Midwest Capital Markets team anticipates sales volume to remain strong throughout 2026, as buyers and sellers adjust to the current market conditions and the interest rate environment remains stable. 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

Office	Industrial	Retail	Multifamily
9.4%	7.5%	7.0%	6.9%



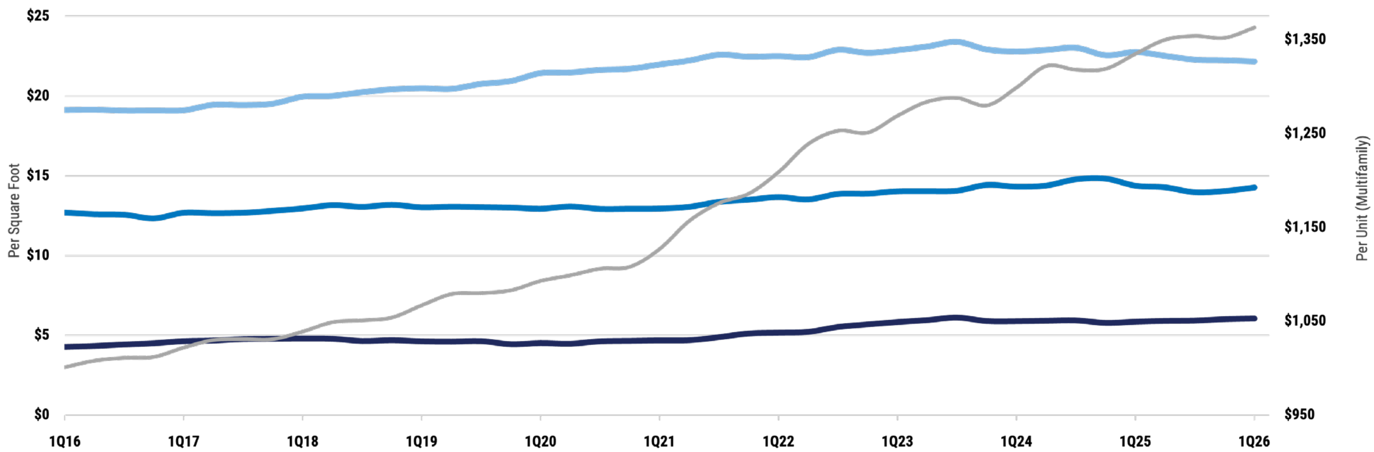
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

1Q26 St. Louis

MARKET ANALYSIS

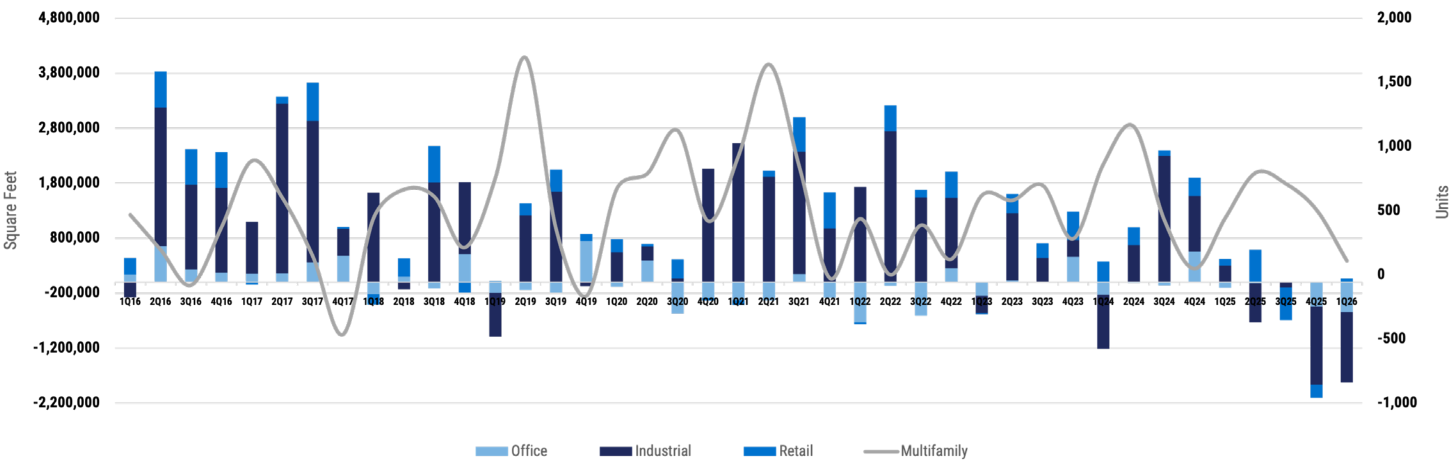
AVERAGE ASKING RENT

Office	Industrial	Retail	Multifamily
$22.17	$6.06	$14.26	$1,363



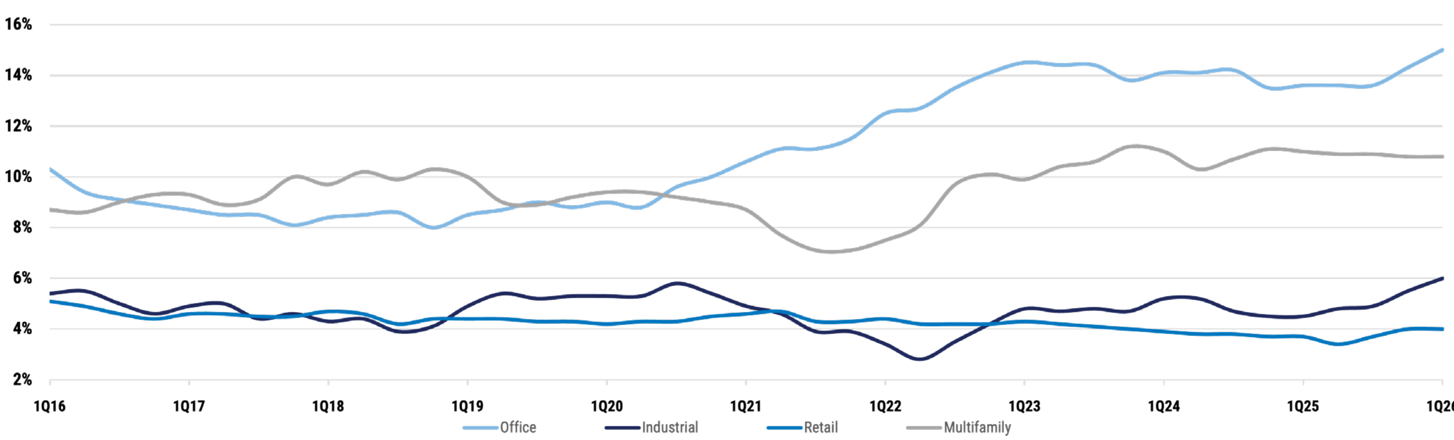
NET ABSORPTION

Office	Industrial	Retail	Multifamily
-545,870 SF	-1,276,910 SF	67,013 SF	109 Units



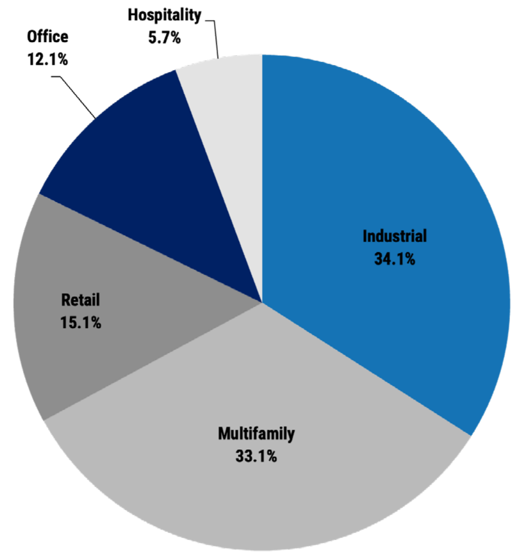
VACANCY RATE

Office	Industrial	Retail	Multifamily
15.0%	6.0%	4.0%	10.8%



SALES VOLUME BY PROPERTY TYPE

ST. LOUIS; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Industrial	$803.8 M	82
Multifamily	$780.6 M	48
Retail	$357.0 M	47
Office	$285.7 M	44
Hospitality	$133.5 M	15
TOTAL	**$2.4 B**	**236**

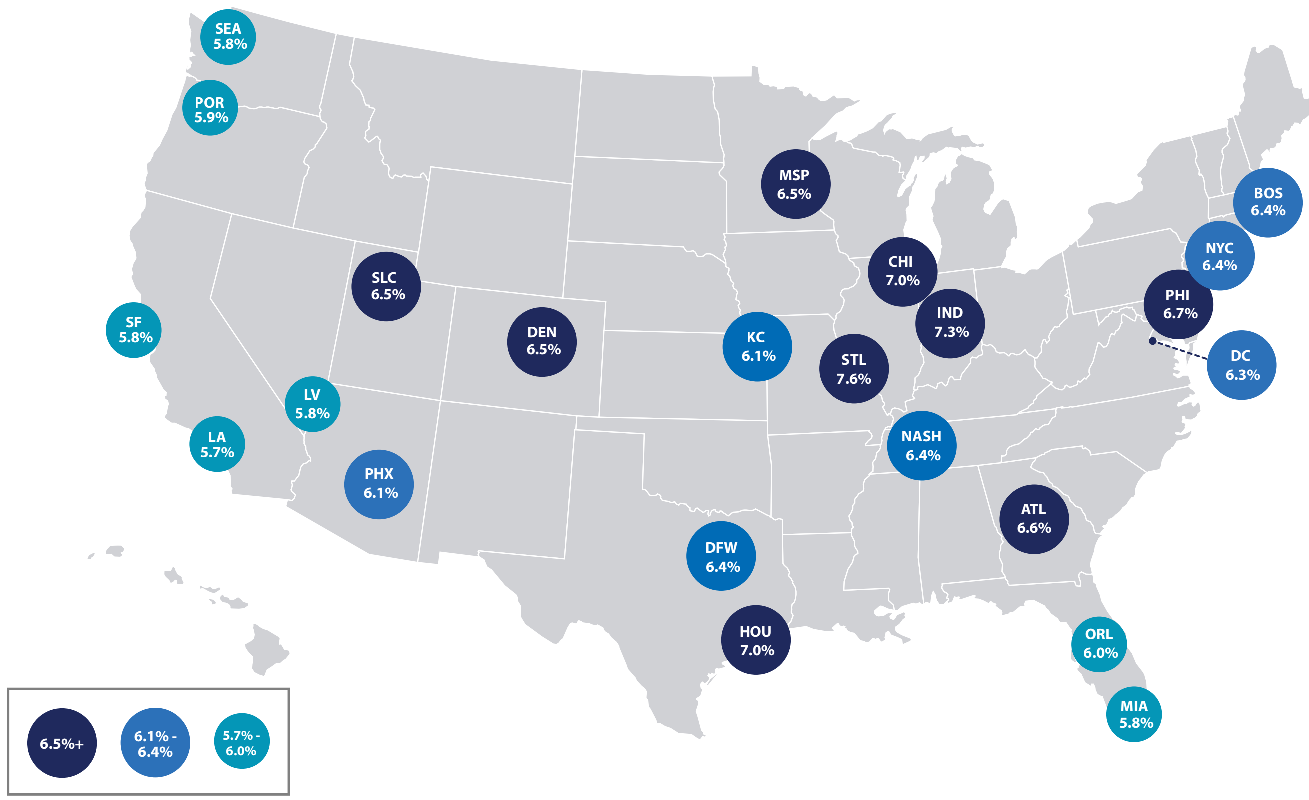
SELECT SALES TRANSACTIONS | FIRST QUARTER OF 2026

Sector	Building	Submarket	Sale Price	Price Per SF/Unit [1]	SF/ Units [2]
Multifamily	Springwell Village | 238 W Wellspring Way	St. Charles County	$15,000,000	$263,158	57
Office	Corporate Hill Office Campus Portfolio	West County	$14,050,000	$49	289,380
Hospitality	The Last Hotel St. Louis | 1501 Washington Avenue	Downtown	$13,200,000	$92,958	142
Retail	Maple Tree Shopping Center Portfolio	West County	$10,700,000	$136	78,450
Retail	Oakwood Plaza | 1837 Homer M Adams Parkway	Metro East	$9,300,000	$205	45,400
Office	City of Columbia, IL | 11800 Old Bluff Road	Metro East	$6,900,000	$196	35,120
Flex	4800 Baumgartner Road	South County	$5,000,000	$127	39,380
Industrial	821 Westwood Industrial Park Drive	St. Charles County	$4,950,000	$98	50,620
Hospitality	HomeTowne Studios by Red Roof | 6065 N Lindbergh Boulevard	North County	$4,535,000	$37,172	122
Office/Retail	3201-3229 S Brentwood Boulevard	Mid County	$4,050,000	$195	20,770

[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.

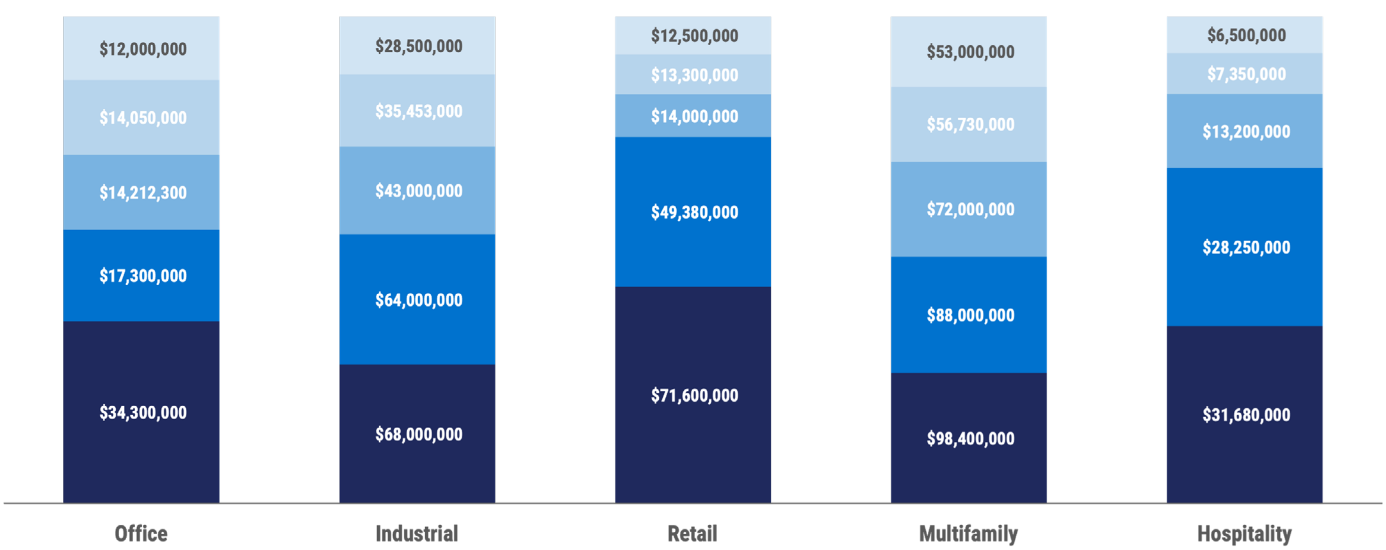
CAP RATES | ALL PROPERTY TYPES

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



Office
- OnderLaw, LLC
- City of Chesterfield, MO
- Remedy Medical Props / Kayne Anderson RE
- Corporate Hill Office Suites LLC
- Novus Companies

Industrial
- Artemis RE Partners
- Washington Capital Management
- Southern Tire Mart
- Tenet Equity Partners
- SparrowHawk LLC / Almanac Realty Investors LLC

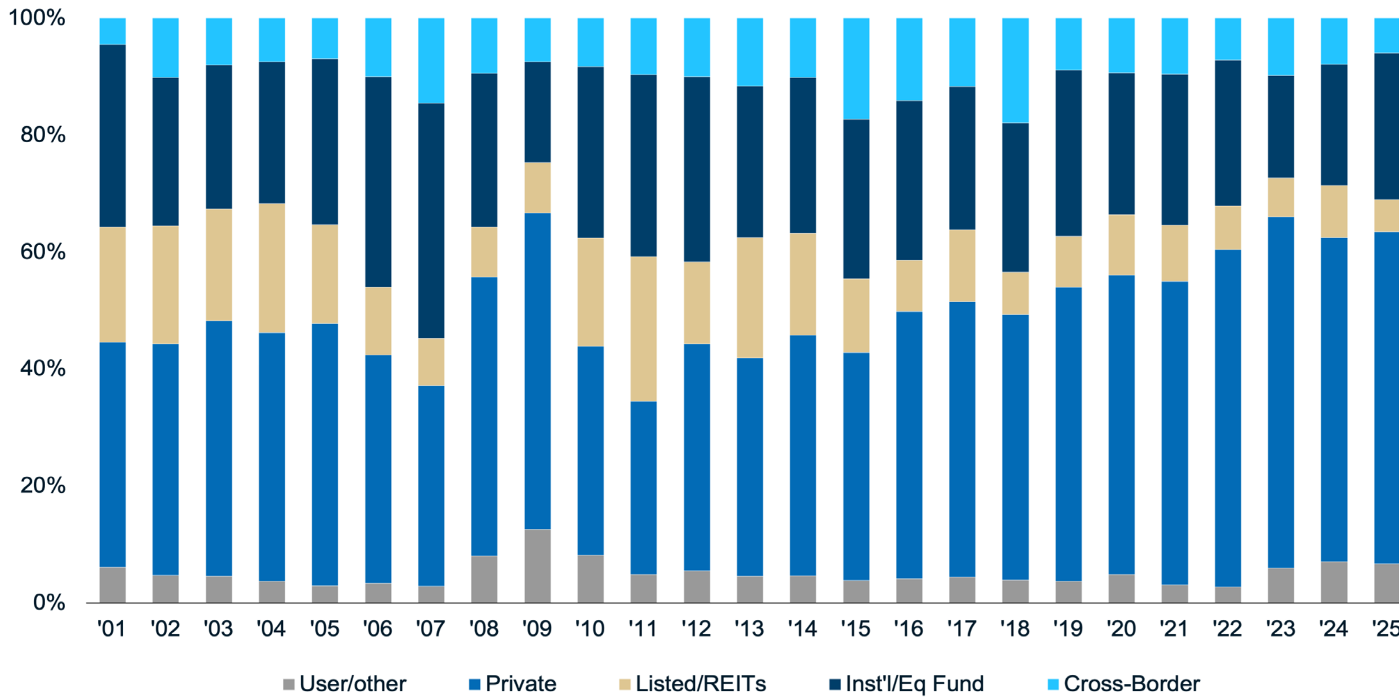
Retail
- Haverford Retail Partners
- WP Carey REIT
- First National Realty Partners
- Agree Realty Corporation
- CCA Acquisition

Multifamily
- Morgan Properties
- AHM Group / SilverCap Partners
- CS3 Investments
- The Weisman Group
- Land & Apartments LLC

Hospitality
- T2 Hospitality
- Midas Hospitality
- Singh Investment Group
- Global Core Group
- Posh Hospitality Group

DISTRIBUTION OF BUYERS

Private Equity continues to dominate transaction volume, with Institutional Equity Funds re-emerging as a strong second amid a 2025 rebound. Capital concentration is increasing among top buyer groups,

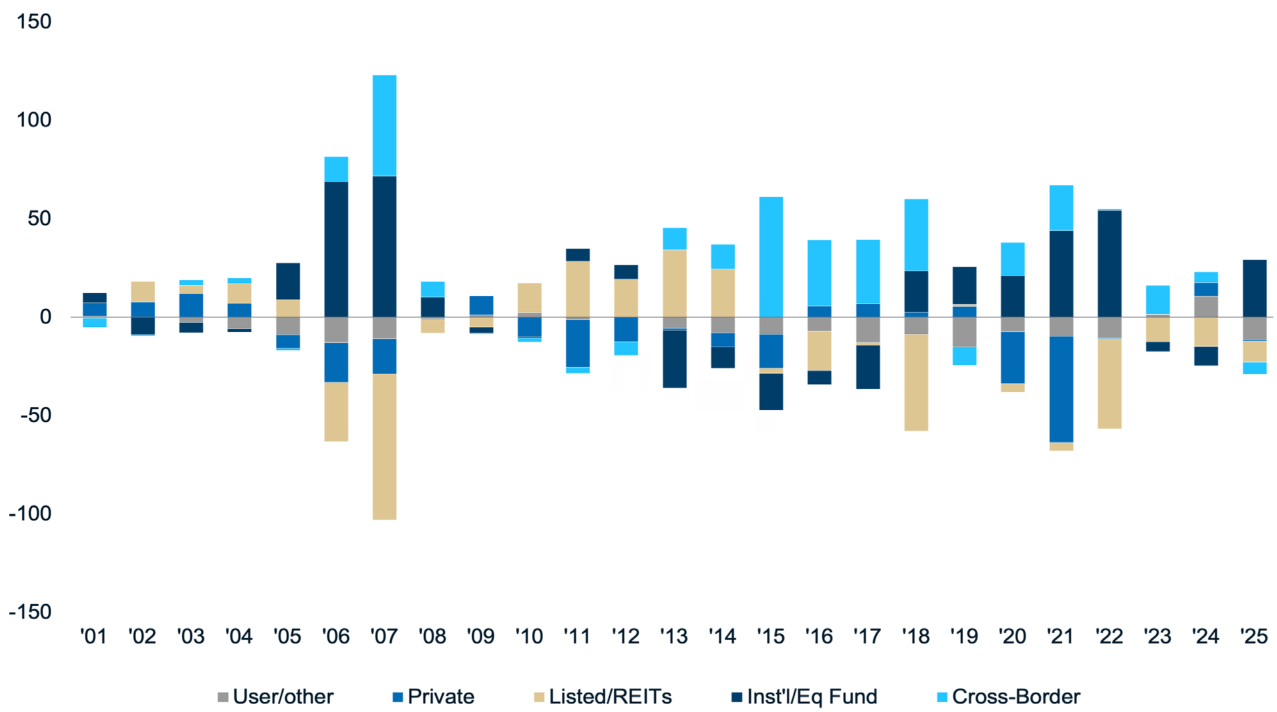


Note: Includes properties and portfolios sold for at least $2.5 million within the United States for all property types

Source: Newmark Research, MSCI

NET ANNUAL ACQUISITIONS

Institutional Equity Funds led net acquisitions in 2025, signaling renewed deployment after two years of suppressed activity. REITs remain consistent net sellers, extending a decade-long disposition trend and reshaping ownership dynamics.



Source: Newmark Research, MSCI

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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.

DISCLAIMER

RESEARCH

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