RESEARCH 2Q26

St. Louis Capital Markets

NEWMARK ZIMMER

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 | The Boulders at Katy Trail

314 Units – Sold for $74,100,000 ($235,987/Unit)

St. Charles County | 100 Katy Trail Lane

Office (Medical Condo) | Des Peres Square Surgery Center

55,520 SF GLA – Sold for $23,300,000 ($420/SF)

West County | 1050 Old Des Peres Road

Retail | Fairview Heights Shopping Center Portfolio

85,600 SF GLA – Sold for $19,000,000 ($222/SF)

Metro East | 6601-6621, 6631-6651 N Illinois Street

Industrial (Flex) | Innerbelt Business Center Portfolio

149,050 SF GLA – Sold for $18,000,000 ($121/SF)

Central County | 1900, 1908-2000 Innerbelt Business Center Drive

Hospitality | La Belle Vie

72 Rooms – Sold for $5,100,000 ($70,833/Room)

Jefferson County | 4800 US Highway 67

Capital Markets

ST. LOUIS MARKET OVERVIEW

Investment activity in the St. Louis market accelerated over the past four quarters, with total sales volume reaching $2.3 billion, an increase of 2.4% 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 66.2% of activity.

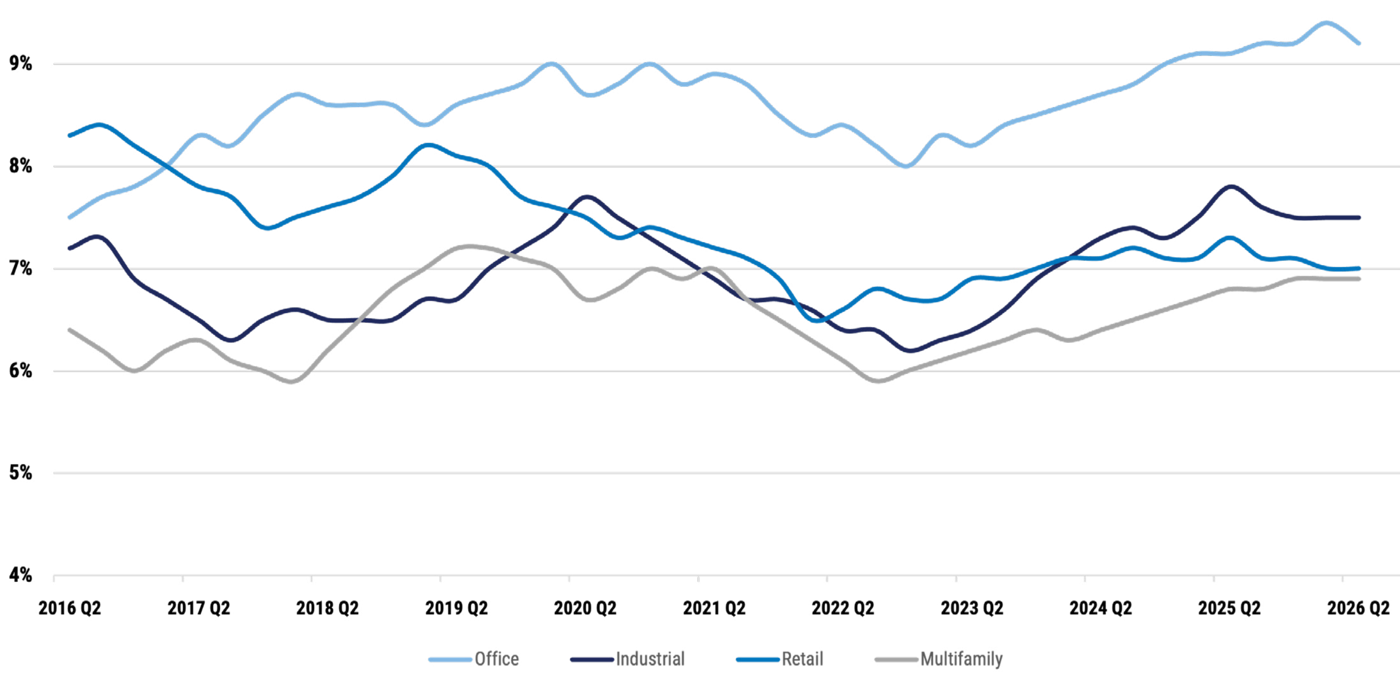
Capitalization rates remained flat year-over-year, remaining at 7.4% in the second quarter of 2026. Net absorption across the industrial, office, and retail sectors totaled negative 4.5 million square feet over the past 12 months, largely attributable to negative 2.5 million square feet of industrial absorption. In the multifamily sector, net absorption totaled 2,528 units, up 44.1% 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 ($1,376 per unit) sector. Vacancy rates declined year-over-year in only one of the four major property types, with multifamily decreasing 80 basis points to 10.2%; retail increased 90 basis points to 4.3%, industrial increased 120 basis points to 6.0% and office experienced the largest surge in vacancy of 140 basis points to 15.2%.

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
9.2%	7.5%	7.0%	6.9%



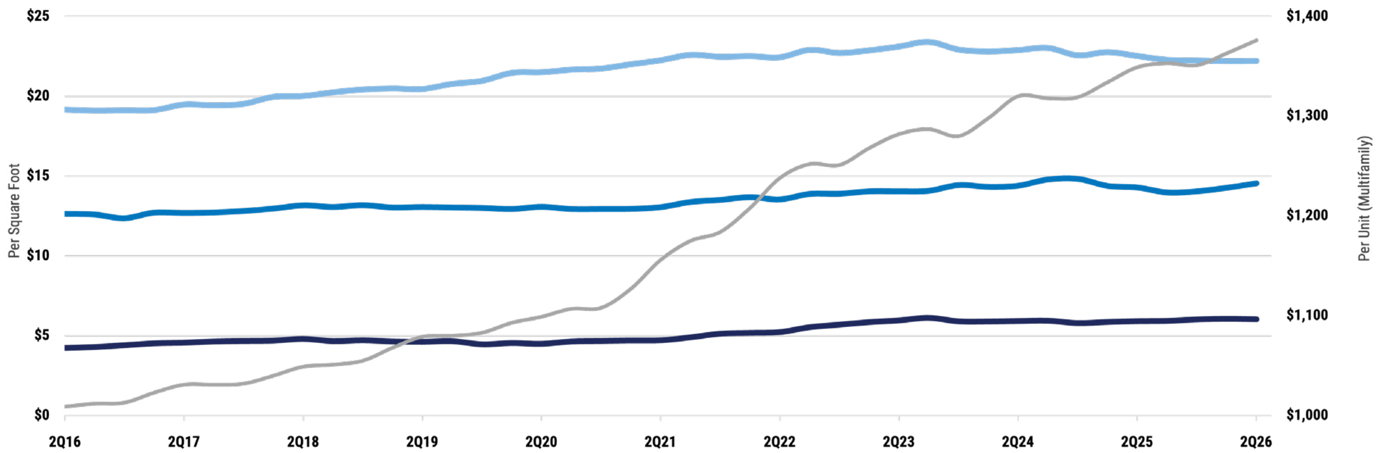
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

2Q26 St. Louis

MARKET ANALYSIS

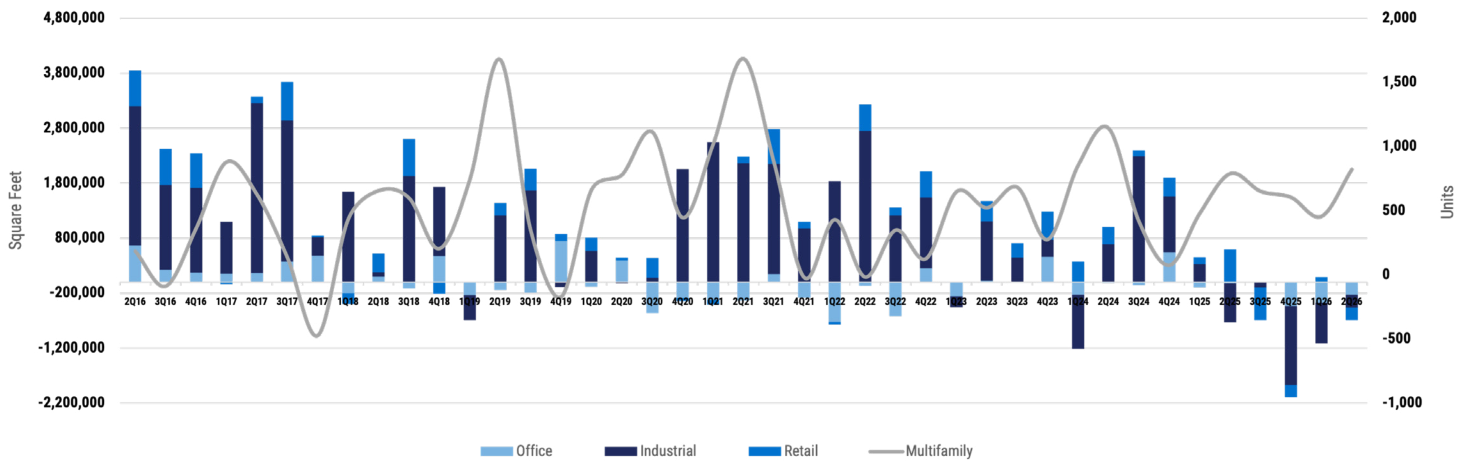
AVERAGE ASKING RENT

Office	Industrial	Retail	Multifamily
$22.21	$6.03	$14.53	$1,376



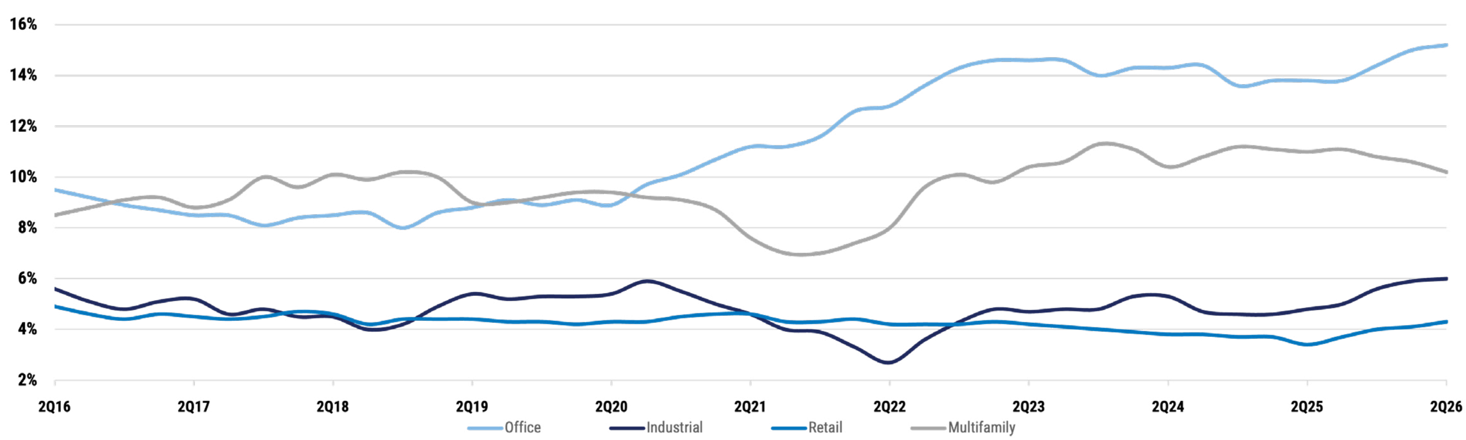
NET ABSORPTION

Office	Industrial	Retail	Multifamily
-229,887 SF	-234,886 SF	-230,605 SF	821 Units



VACANCY RATE

Office	Industrial	Retail	Multifamily
15.2%	6.0%	4.3%	10.2%



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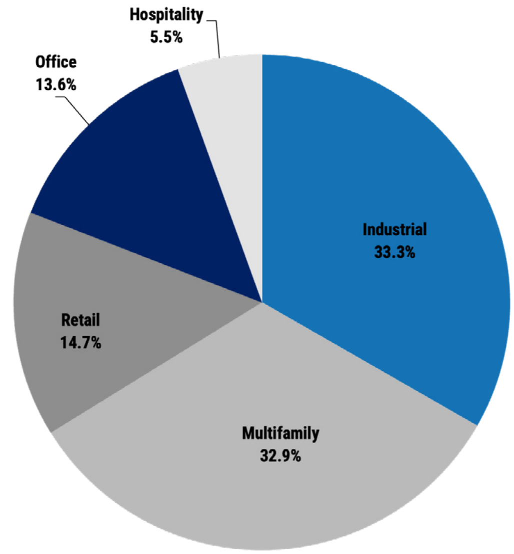
SALES VOLUME BY PROPERTY TYPE

ST. LOUIS; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Industrial	$770.1 M	86
Multifamily	$760.5 M	39
Retail	$340.9 M	51
Office	$314.0 M	47
Hospitality	$127.5 M	14
TOTAL	**$2.31 B**	**237**

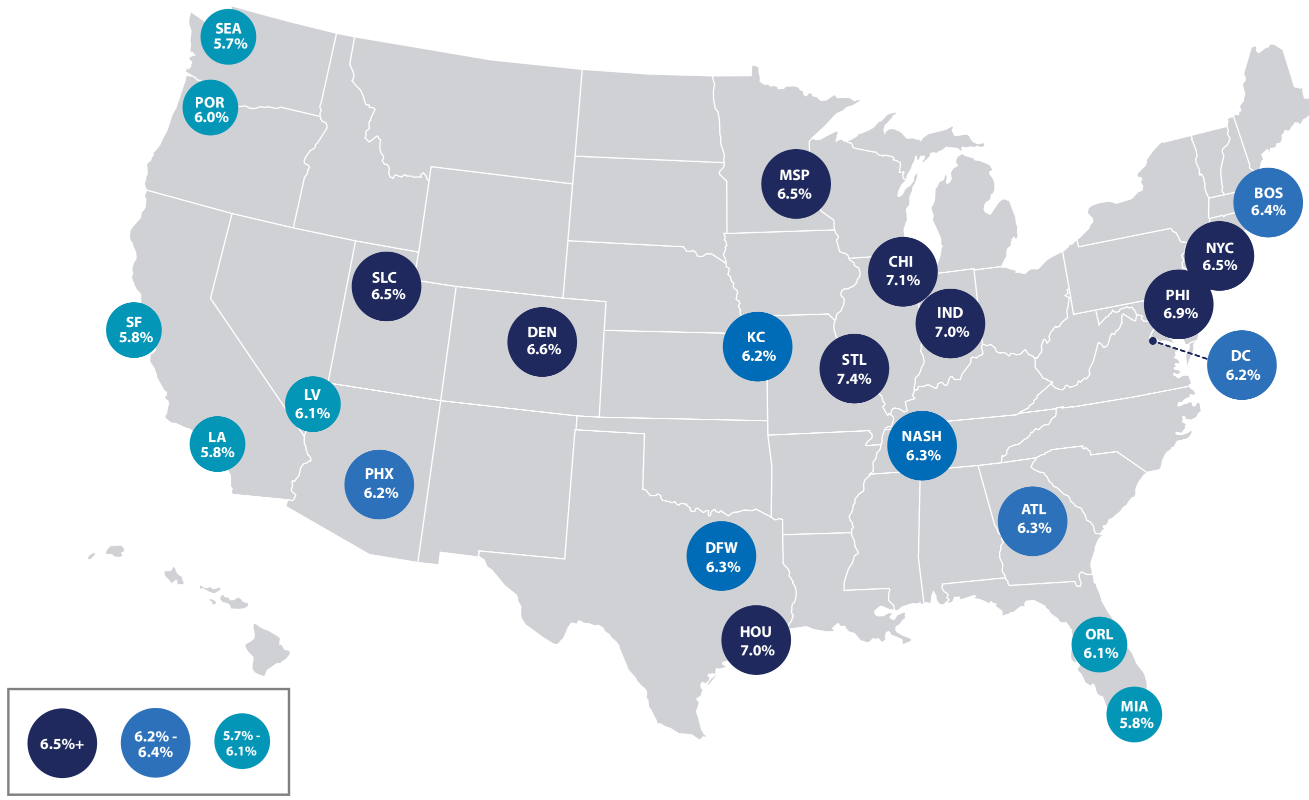
SELECT SALES TRANSACTIONS | SECOND QUARTER OF 2026

Sector	Building	Submarket	Sale Price	Price Per SF/Unit [1]	SF/ Units [2]
Multifamily	Storyboard Living Portfolio	Metro East	$22,100,000	$81,550	271
Industrial	Alton Center Business Park | 1400-1480 Discovery Parkway	Metro East	$15,000,000	$33	450,400
Industrial	200 Academic Way	Lincoln County	$14,600,000	$25	574,500
Retail	Market at Olive Portfolio	Mid County	$13,350,000	$699	19,110
Retail	Kenrick Plaza | 7437 Watson Road	South County	$10,499,400	$78	133,830
Retail	Gravois Plaza | 3847-3865 Gravois Avenue	St. Louis City	$8,660,000	$69	125,840
Retail	Edwardsville Ironworks | 2323-2329 Plum Street	Metro East	$7,500,000	$346	21,700
Industrial	2000 Wolf Industrial Park	Bond County	$7,500,000	$33	230,270
Industrial (Flex)	2001-2085 Walton Road	Central County	$6,500,000	$48	135,070
Office	200 S Hanley Road	Clayton	$5,800,000	$53	110,360

[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.

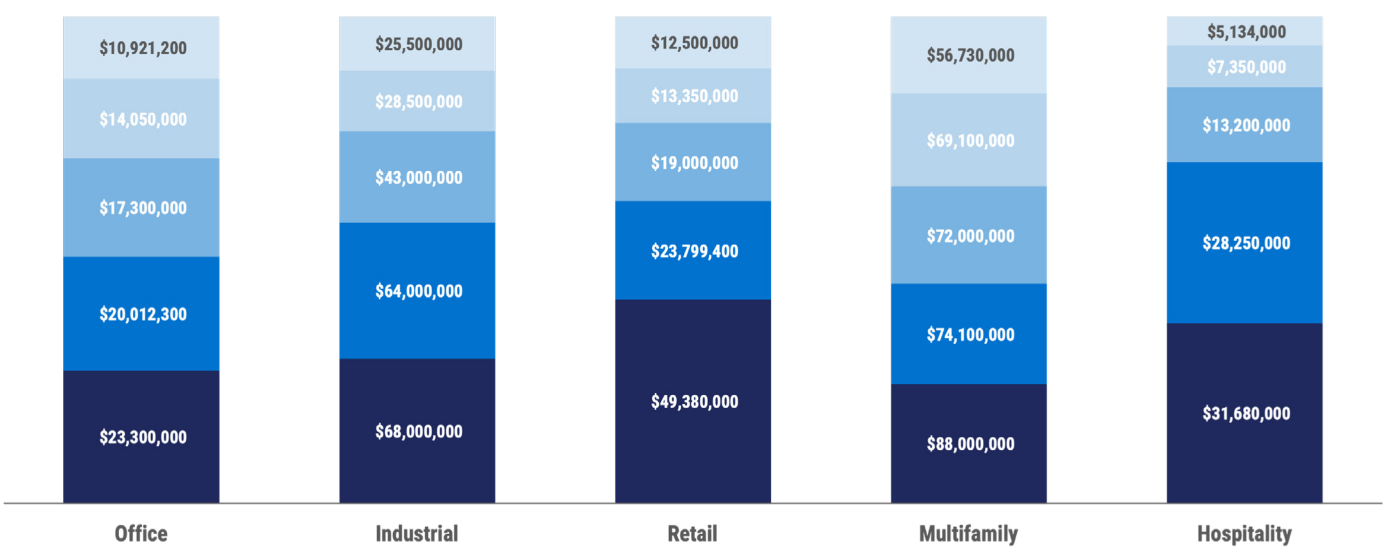
CAP RATES | ALL PROPERTY TYPES

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
- Montecito Medical
- Remedy Medical Props
- City of Chesterfield, MO
- Corporate Hill Office Suites LLC
- SSM Health

Industrial
- Artemis RE Partners
- Washington Capital Management
- Southern Tire Mart
- SparrowHawk LLC / Almanac Realty Investors LLC
- Sealy & Co

Retail
- WP Carey REIT
- Agree Realty Corporation
- The Boji Group / Peaceable Street Capital
- Curbline Properties Corporation
- CCA Acquisition

Multifamily
- AHM Group / SilverCap Partners
- Aligned Equity Group
- CS3 Investments
- Land & Apartments LLC
- The Weisman Group

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

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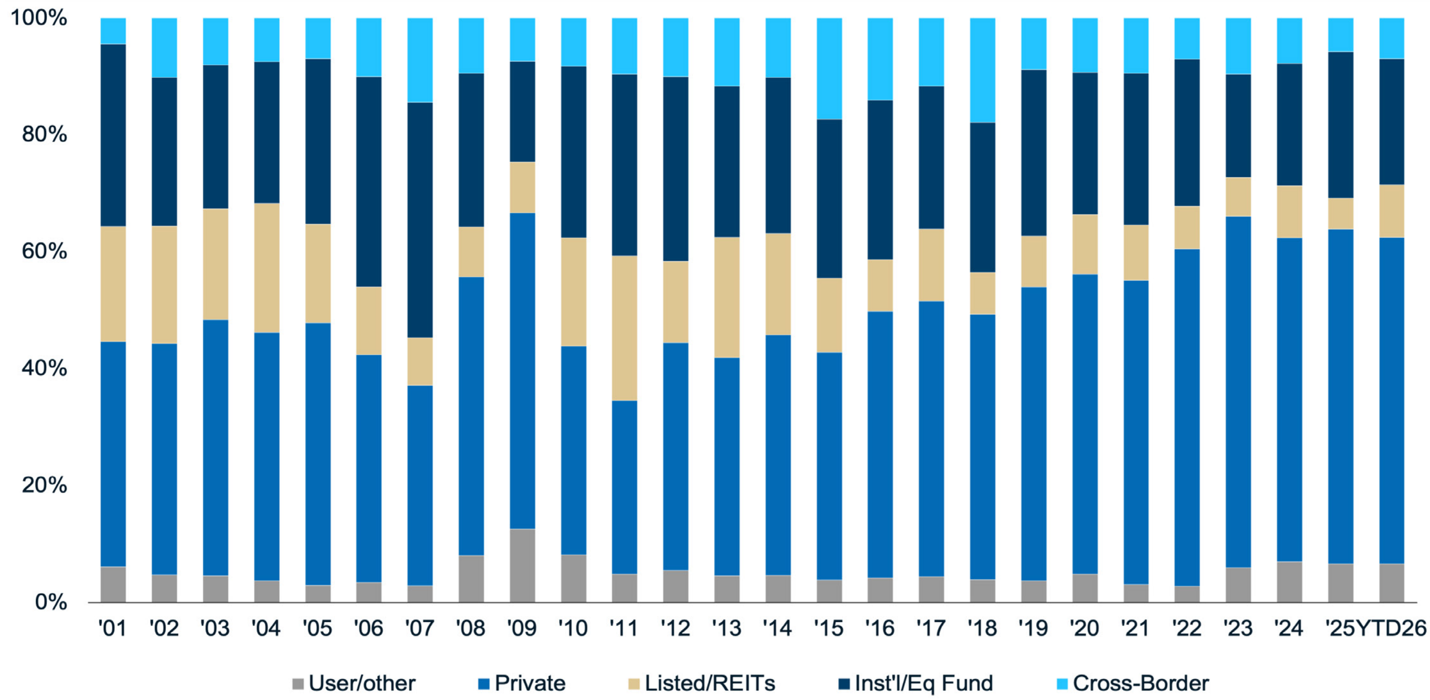
DISTRIBUTION OF BUYERS

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,

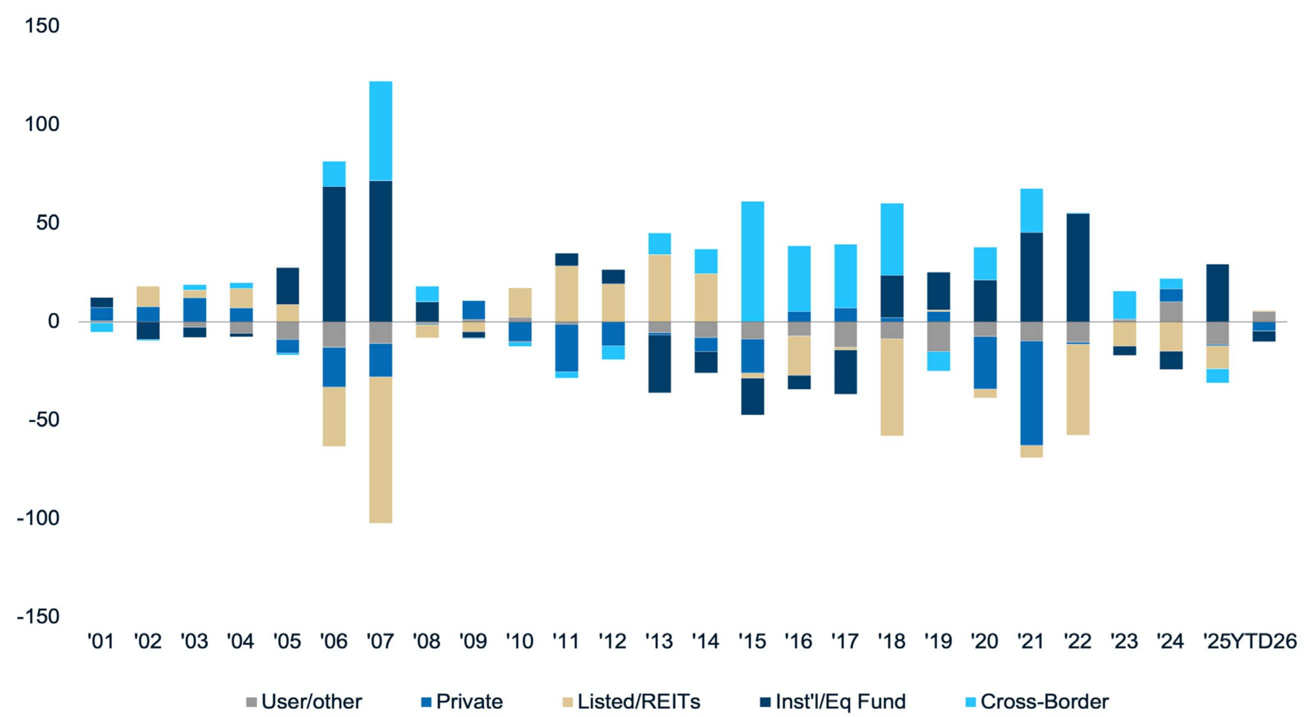


Note: Includes properties and portfolios sold for at least $2.5 million within the United States for all property types

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.



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

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.

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