RESEARCH 3Q26

St. Louis Capital Markets



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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 & Flex | EQT USA Midwest Central Logistics Portfolio

2,220,400 SF GLA – Sold for $156,723,000 ($71/SF)

North County, St. Charles County & Metro East | 8 Properties

Multifamily | Villages at Lake Silvercote

381 Units – Sold for $70,000,000 ($183,727/Unit)

St. Charles County | 100 Dry Brook Road – Wentzville, MO

Industrial | Cummins Sales & Service

48,210 SF GLA – Sold for $19,700,000 ($409/SF)

Metro East | 1540 E Chain of Rock Road- Granite City, IL

Office | Brinkmann Constructors

81,990 SF GLA – Sold for $13,750,000 ($168/SF)

West County | 633 Spirit Drive – Chesterfield, MO

Retail | The Plaza at DePaul

137,000 SF GLA – Sold for $8,350,000 ($61/SF)

North County | 12400-12490 Saint Charles Rock Rd – Bridgeton, MO

Capital Markets

ST. LOUIS MARKET OVERVIEW

Investment activity in the St. Louis market accelerated over the past four quarters, with total sales volume reaching $2.6 billion, an increase of 22.3% 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 65.1% of activity.

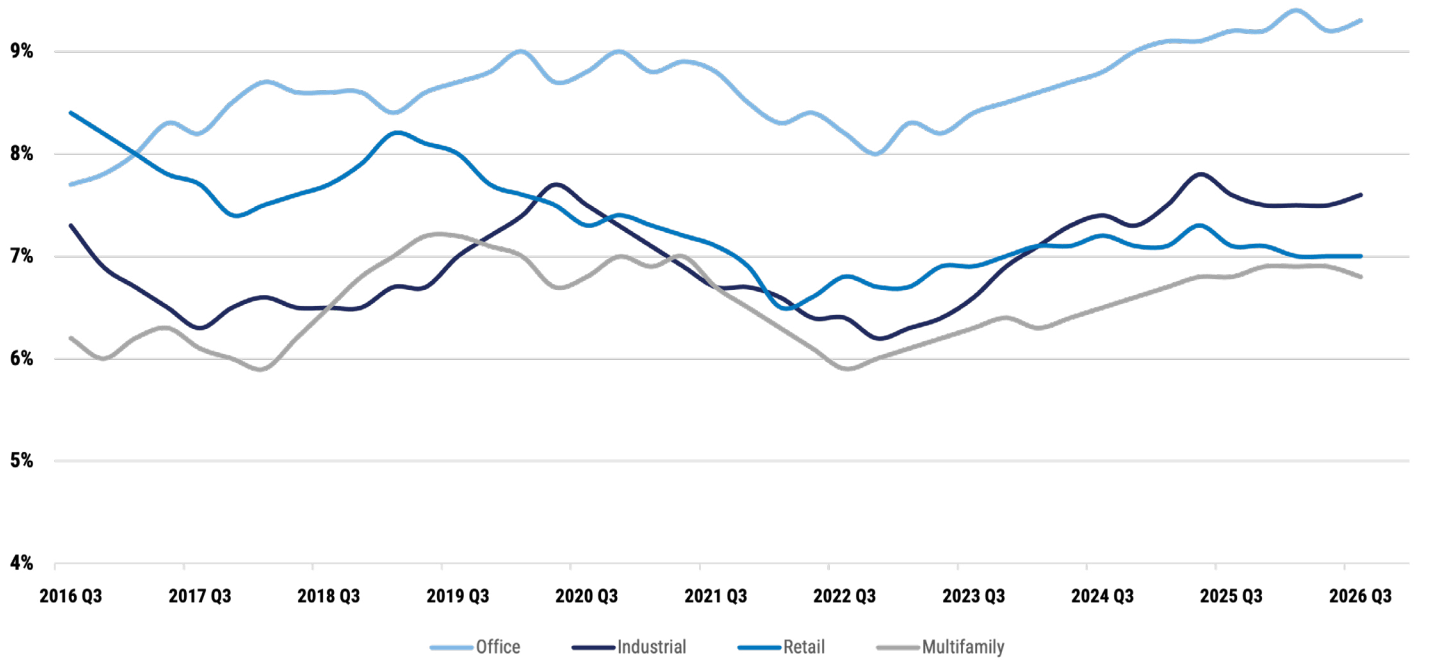
Capitalization rates expanded by four basis points year-over-year, reaching 7.45% in the third quarter of 2026. Net absorption across the industrial, office, and retail sectors totaled negative 2.5 million square feet over the past 12 months, largely attributable to negative 1.6 million square feet of industrial absorption. In the multifamily sector, net absorption totaled 2,920 units, up 31.5% 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 ($1,381 per unit) sector. Vacancy rates declined year-over-year in only one of the four major property types, with multifamily decreasing 110 basis points to 10.1%; retail increased 20 basis points to 3.9%, industrial increased 80 basis points to 5.8% and office experienced the largest surge in vacancy of 180 basis points to 15.7%.

The Newmark Zimmer Midwest Capital Markets team anticipates sales volume to be flat through the last quarter of 2026 as buyers and sellers adjust to the current market conditions. We anticipate 2027 allocations for commercial real estate investment to remain steady for industrial, neighborhood retail, multifamily and medical office with strong operating fundamentals. We will continue to monitor the impact of lending conditions on leveraged buyers return expectations and property valuations.

ST. LOUIS CAP RATES

Office	Industrial	Retail	Multifamily
9.3%	7.6%	7.0%	6.8%



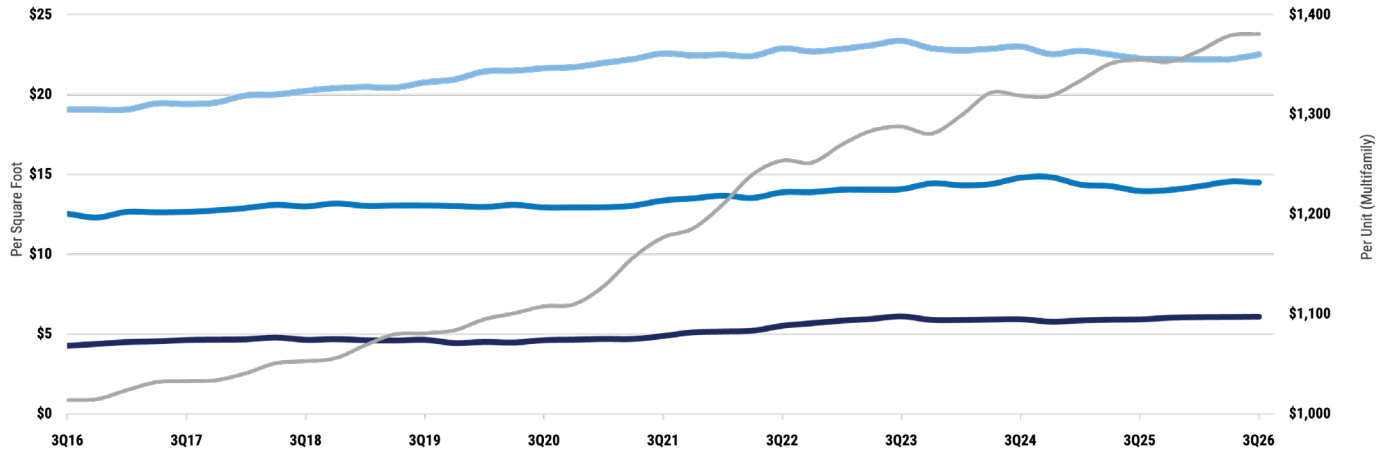
Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

3Q26 St. Louis

MARKET ANALYSIS

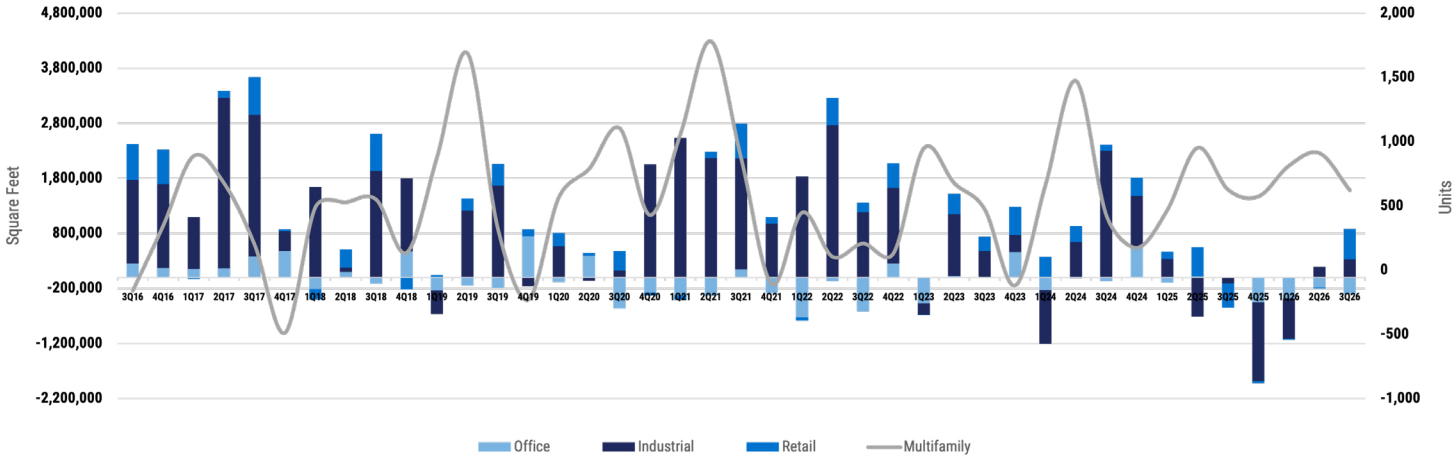
AVERAGE ASKING RENT

Office	Industrial	Retail	Multifamily
$22.52	$6.10	$14.49	$1,381



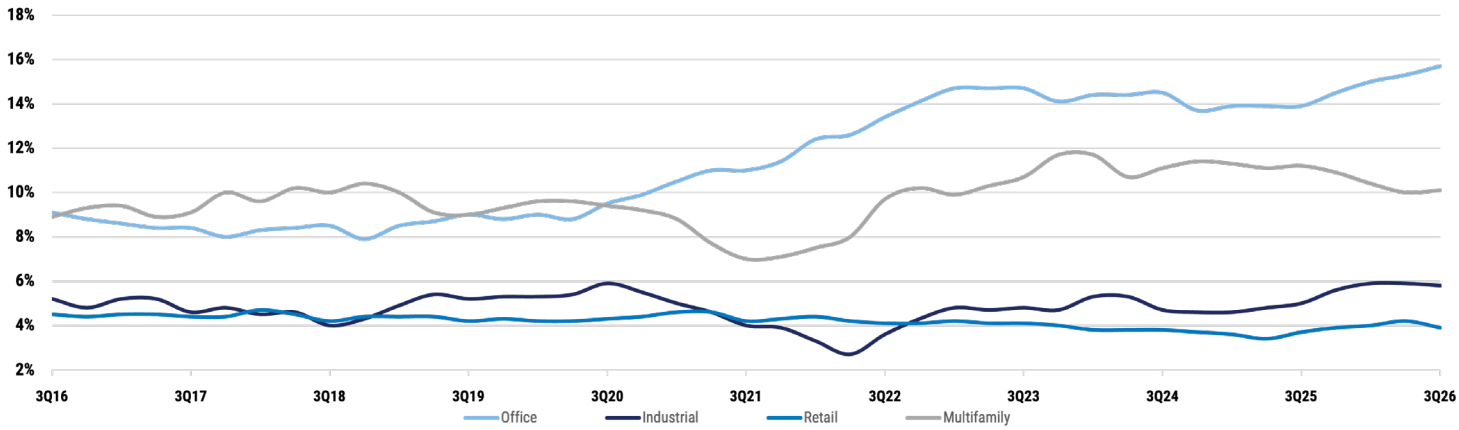
NET ABSORPTION

Office	Industrial	Retail	Multifamily
-307,036 SF	324,662 SF	553,617 SF	622 Units



VACANCY RATE

Office	Industrial	Retail	Multifamily
15.7%	5.8%	3.9%	10.1%

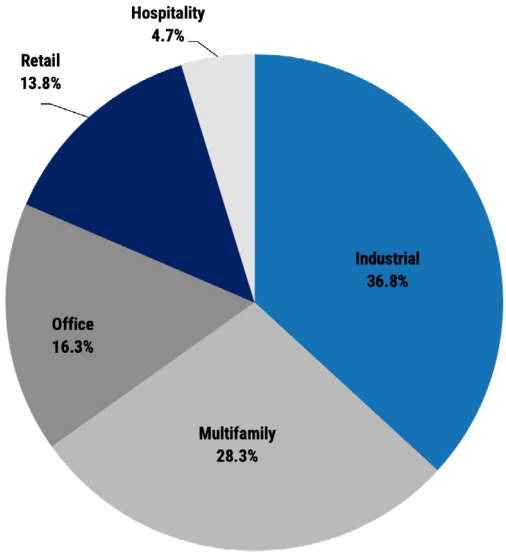


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SALES VOLUME BY PROPERTY TYPE

ST. LOUIS; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Industrial	$957.7 M	96
Multifamily	$736.0 M	48
Office	$424.7 M	53
Retail	$358.3 M	47
Hospitality	$123.3 M	14
TOTAL	**$2.6 B**	**258**

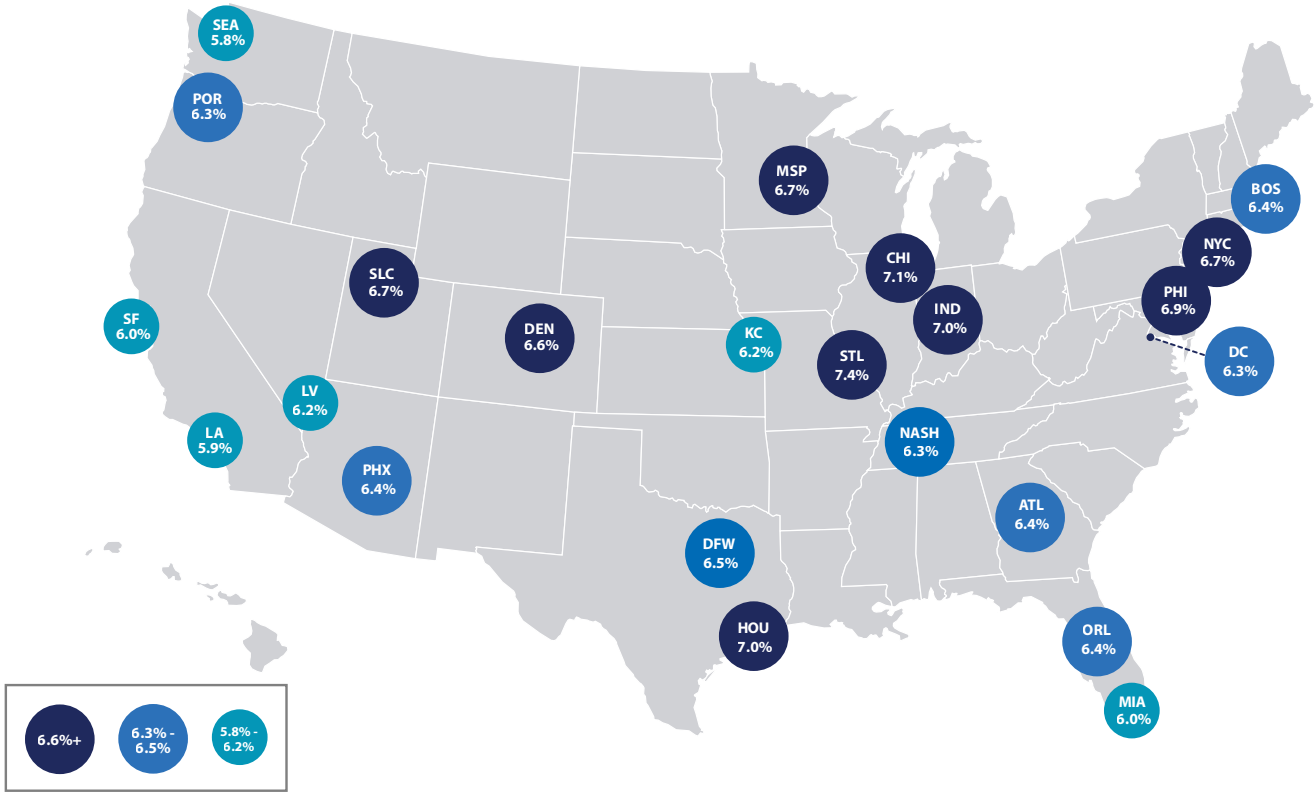
SELECT SALES TRANSACTIONS | THIRD QUARTER OF 2026

Sector	Building	Submarket	Sale Price	Price Per SF/Unit [1]	SF/ Units [2]
Multifamily	The Enclave | 1058 Enclave Boulevard	Metro East	$18,500,000	$154,167	120
Industrial	Fountain Lakes Commerce Center | 3850 Millstone Parkway	St. Charles County	$16,000,000	$157	101,800
Multifamily	The Haven at Craigshire | 1855 Craigshire Road	Mid County	$14,900,000	$140,566	106
Office	800 Market Street	St. Louis City	$9,550,000	$13	759,610
Office	5555 Winghaven Boulevard	St. Charles County	$7,684,000	$104	73,840
Retail	Schnucks Shopping Center | 7450 Hampton Avenue	St. Louis City	$4,730,800	$92	51,490
Retail	Ellisville Shopping Center | 15434-15444 Manchester Road	West County	$4,425,000	$116	38,080
Industrial	13825 Parks Steed Drive	North County	$3,570,000	$90	39,850
Retail	Freddy's Frozen Custard & Steakburgers Portfolio	Metro East	$3,308,000	$394	8,400
Retail	Ridgecrest Crossing Shops | 1280-1296 Jeffco Blvd	South County	$3,012,000	$239	12,600

[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.

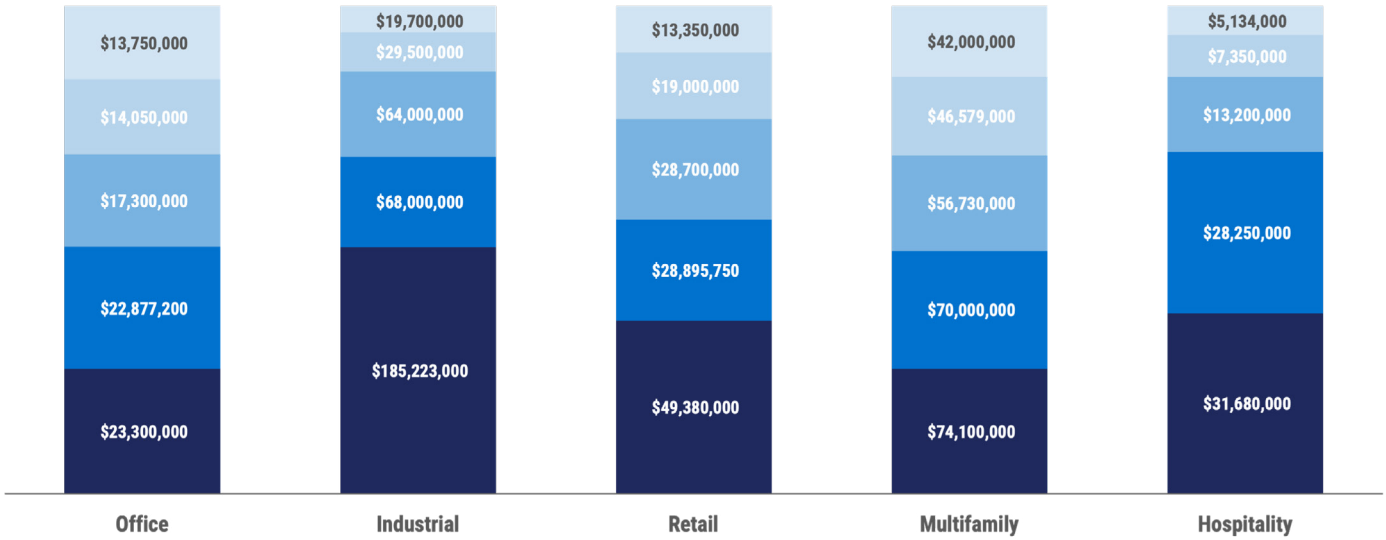
CAP RATES | ALL PROPERTY TYPES

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

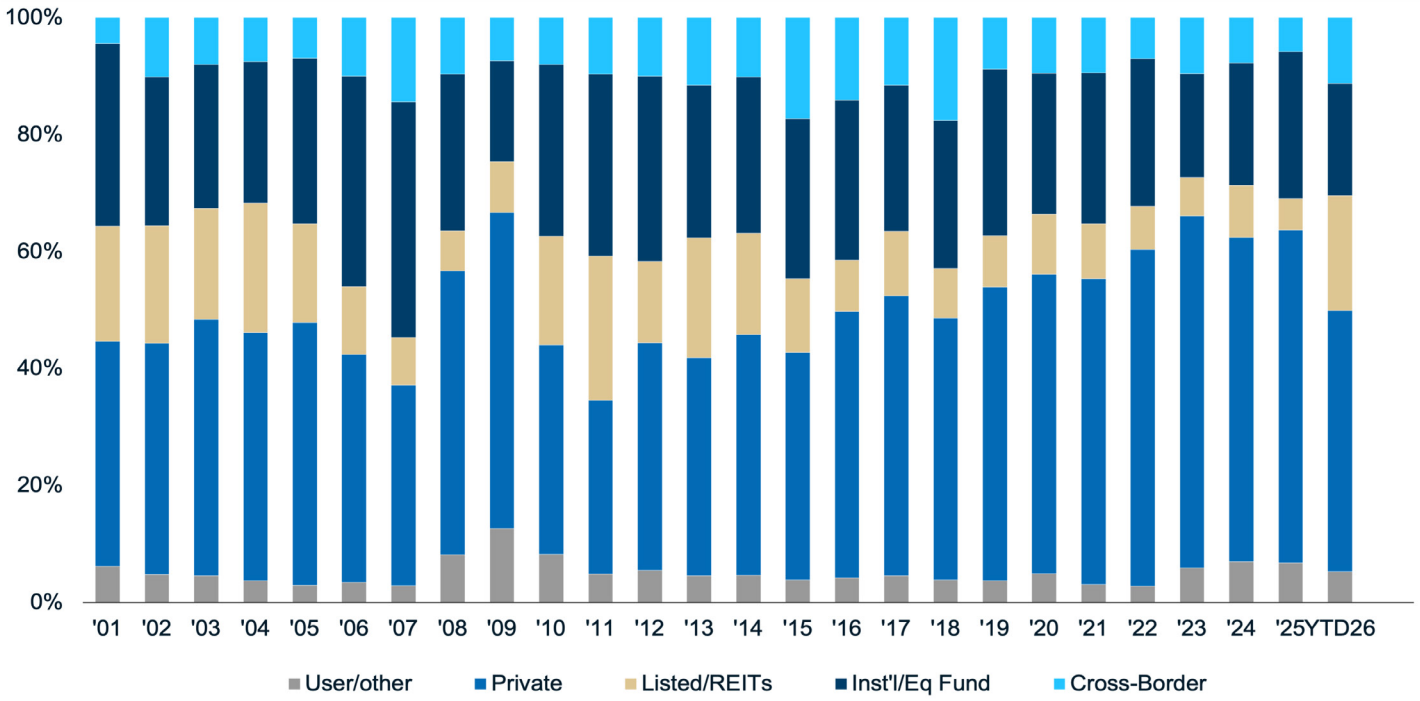


- Montecito Medical
- Remedy Medical Props
- City of Chesterfield, MO
- Corporate Hill Office Suites LLC
- Brinkmann Constructors
- SparrowHawk LLC / Almanac Realty Investors LLC
- Artemis RE Partners
- Washington Capital Management
- Southern Tire Mart
- Peachtree Group
- WP Carey REIT
- Agree Realty Corporation
- Moinian Group
- The Boji Group / Peaceable Street Cap
- Curbline Properties Corporation
- Aligned Equity Group
- Land & Apartments LLC
- The Weisman Group
- Timberland Partners
- Raia Capital Management
- 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,

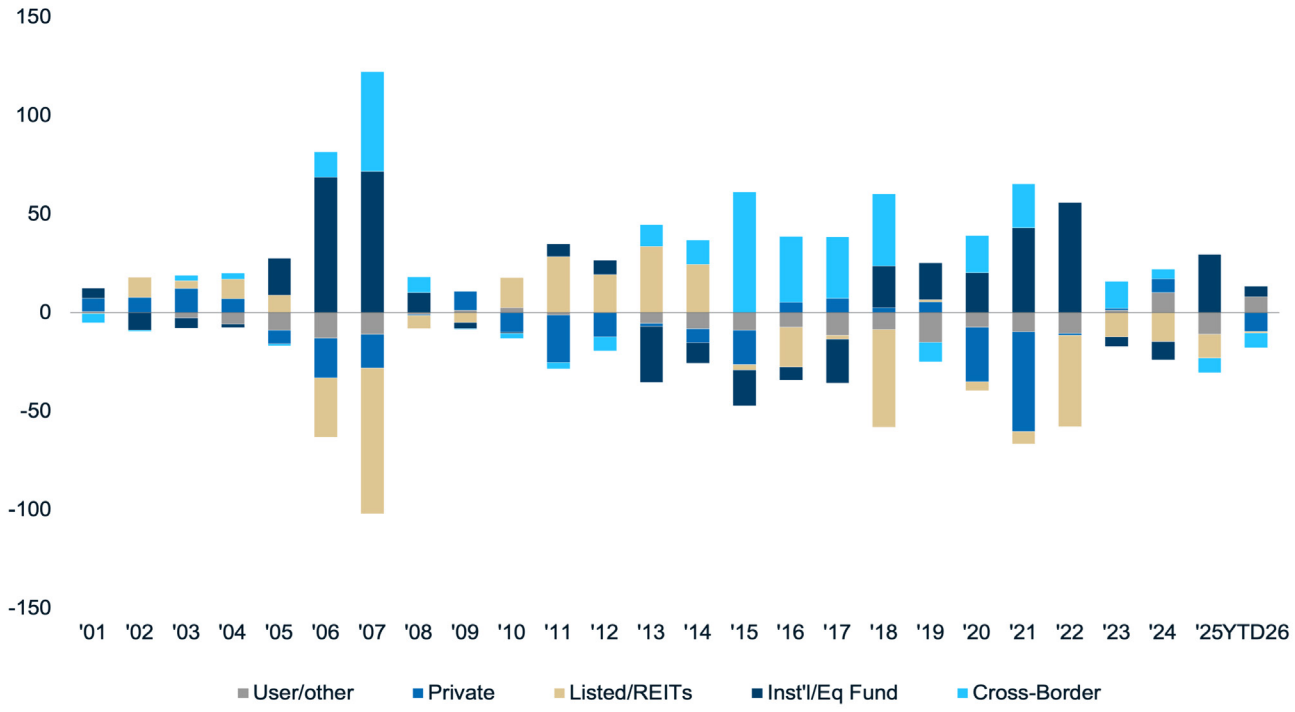


Note: Includes properties and portfolios sold for at least $2.5 million within the United States for all property types

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 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.

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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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