



MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.9% Vacancy Rate	▲	▼
622.0K YTD Net Absorption, SF	▼	▲
\$6.04 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.4M St. Louis Employment	▲	▬
3.7% St. Louis Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY

St. Louis closed Q3 at an unemployment rate of 3.7%, marking a 40-basis-point (bps) decline quarter-over-quarter (QOQ). The market's labor pool remained at approximately 1.4 million individuals and is not expected to fluctuate over the short term. The U.S. unemployment rate also recorded a decline of 10-bps year-over-year (YOY), closing Q3 at 4.2%. For the first time in over three years, the Federal Reserve raised interest rates to a range of 3.75% to 4.0% and will consider further increases to combat the rising costs of many goods and services.

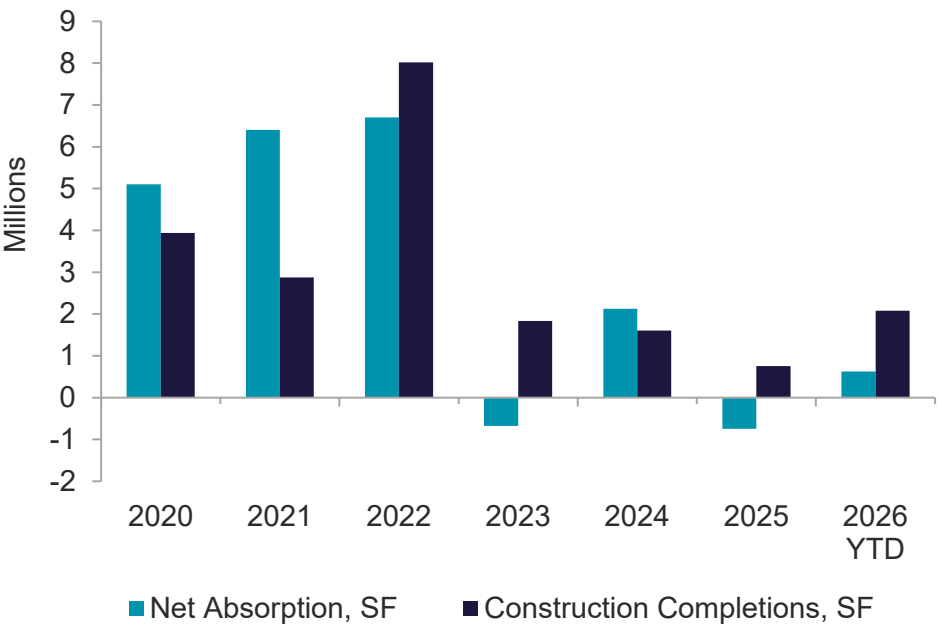
SUPPLY AND DEMAND: VACANCY DECREASES QOQ

Overall vacancy in the St. Louis industrial sector decreased by 10 bps QOQ, closing Q3 2026 at 4.9%. While the market recorded a decline in vacant direct space, vacant sublease supply increased to just over 1.2 million square feet (msf). After recording four straight quarters of negative net absorption, St. Louis reported over 1.4 msf of positive net absorption in Q3 2026, tipping the market's year-to-date (YTD) net absorption total positive to 621,843 square feet (sf). Additionally, quarterly new deal velocity in St. Louis surpassed the 2.0 msf mark in Q3 2026, making this the region's heaviest third quarter of new leasing since Q3 2022. The market has also recorded approximately 6.1 msf of renewals YTD, with 56.0% of these deals signed in Q3 2026 alone. St. Louis has recorded an uptick in new development in 2026, delivering just over 2.0 msf of new product YTD, all of which was build-to-suit (BTS). This is the first year that construction completions have surpassed the 2.0 msf mark since 2022. At the close of Q3 2026, there was an additional 2.2 msf of product under construction in the market.

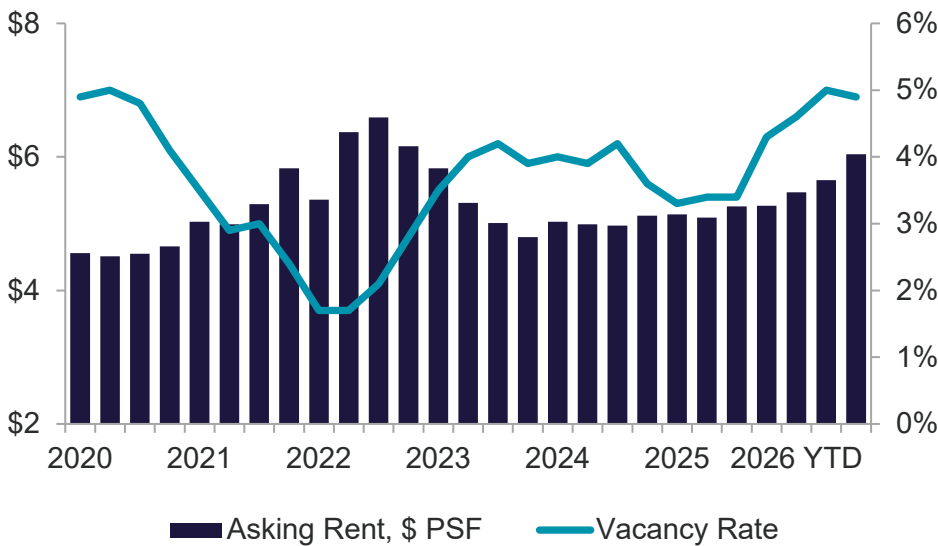
PRICING: ASKING RENTS RISE ABOVE \$6.00 PSF

Overall triple-net (NNN) asking rents in St. Louis closed Q3 2026 at \$6.04 per square foot (psf), up 14.8% YOY. This is the first time since Q4 2022 that industrial asking rents have surpassed the \$6.00 psf mark. The manufacturing product type closed Q3 2026 at \$7.38 psf, a notable YOY increase of 46.0%. The office service and warehouse/distribution product types recorded more moderate YOY increases, closing the quarter at \$9.74 psf and \$5.64 psf, respectively. Three of the seven industrial submarkets in St. Louis recorded QOQ decreases in overall asking rents, with the City recording the largest decrease of 8.3% QOQ.

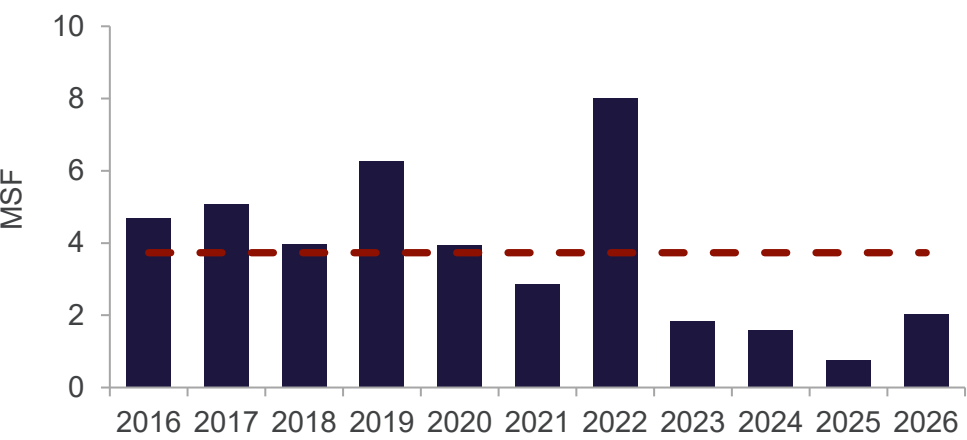
SPACE DEMAND / DELIVERIES



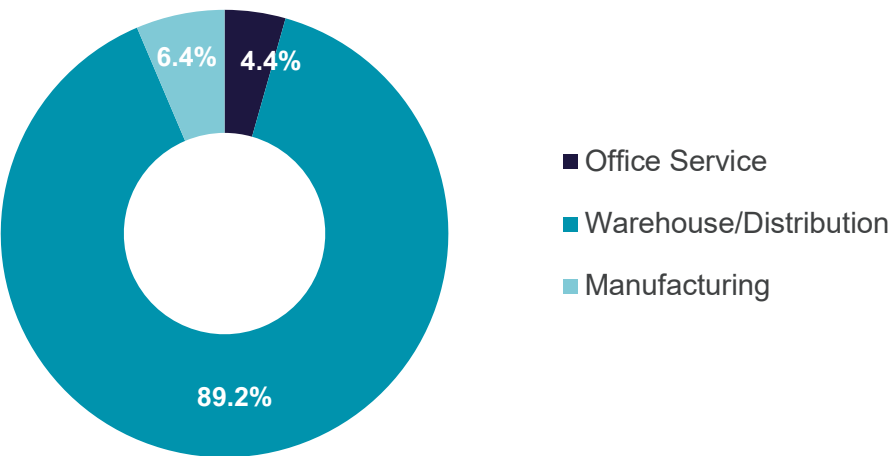
OVERALL VACANCY & ASKING RENT



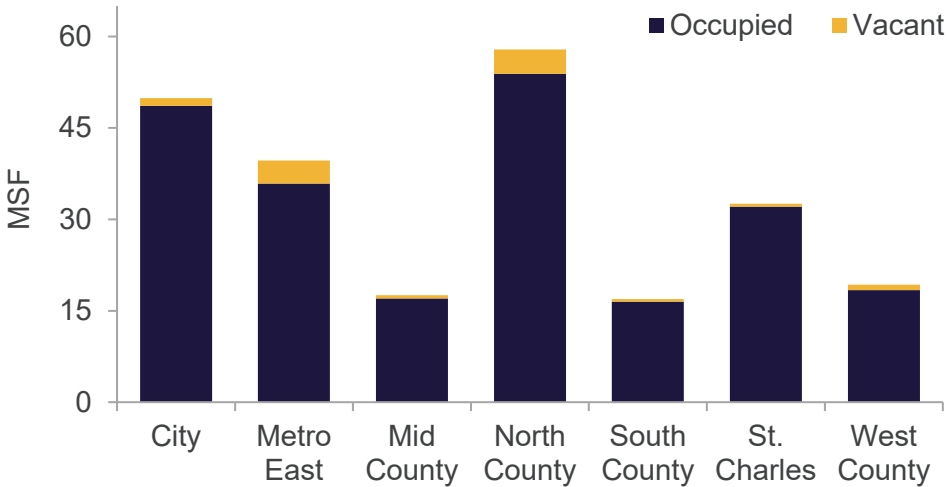
NEW SUPPLY



VACANT SPACE BY PRODUCT TYPE



SUBMARKET COMPARISON



NORTH COUNTY

The North County submarket closed Q3 2026 with an overall vacancy rate of 6.8%, which marks a 30-bps decline QOQ. The submarket recorded positive occupancy movement in Q3 2026 for the first time this year, closing Q3 2026 with 124,967 sf in positive occupancy gains. However, annual net absorption in North County remained negative due to several large-scale moveouts in Q2 2026, most notably Whirlpool's vacancy of its former 556,287-sf warehouse facility in Earth City. As of Q3 2026, the submarket held the largest amount of both vacant direct and vacant sublease inventory at 3.4 msf and 504,276 sf, respectively. Despite this, tenant demand in North County remains strong at just over 1.5 msf newly-leased YTD, which accounts for 31.6% of the market's overall activity. The submarket has also recorded over 1.2 msf of renewals YTD. Overall asking rents in North County closed Q3 2026 at \$5.40 psf, marking a QOQ increase of \$0.45 psf.

METRO EAST

Overall vacancy in the Metro East has slowly decreased throughout 2026, closing Q3 2026 at 9.6%. The submarket recorded 890,456 sf of net absorption for the quarter, accounting for approximately 55.0% of the market's positive occupancy movement in Q3 2026. This brings the YTD absorption total in the Metro East to net positive 401,738 sf. Tenant demand in the market continues to favor the Metro East, with the submarket recording 1.2 msf of new leasing in Q3 2026, roughly 60.0% of the market's total activity for the quarter. This is the heaviest amount of quarterly new leasing recorded in the Metro East since Q4 2024. The submarket has also reported nearly 4.0 msf in renewals YTD, accounting for 65.4% of all renewal activity in the market. Overall asking rents in the Metro East have increased for four straight quarters, closing Q3 2026 at \$4.49 psf, a QOQ increase of \$0.12 psf.

WEST COUNTY

West County reported its first quarter of negative occupancy movement for the year in Q3 2026, closing the quarter with negative 36,137 sf of net absorption. This led to a slight uptick in vacancy for the submarket, up 20-bps QOQ to 4.6%. However, West County still leads the region in annual net absorption with 590,498 sf of positive net absorption recorded YTD. The submarket reported a slight decrease in demand in Q3 2026, with 26,407 sf in new leasing, this marked the lightest quarter of new deal activity since Q1 2025. In 2026, West County has recorded 325,560 sf of new leasing YTD, and 212,144 sf of renewals. There was just over 1.0 msf of new development underway in West County at the close of Q3 2026, 66.0% of which is BTS construction. Average asking rents in the submarket closed Q3 2026 at \$8.02 psf, marking little change QOQ but an increase of \$0.40 YOY.

OUTLOOK

- A slowdown in development activity and steady leasing fundamentals will keep the market's vacancy healthy over the short term.
- A reduced speculative construction pipeline may lead to reduced available Class A options for occupiers looking to upgrade space.
- Tenant right-sizing is expected to continue as occupiers reevaluate needed space. A rise in vacant sublet supply is expected.
- Second-generation space is expected to become more readily available as occupiers in this product evaluate space needs and requirements.
- The total share of build-to-suit construction will increase as economic headwinds impact speculative development.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT*
City	49,889,854	1,270,956	2.6%	-140,454	83,463	249,836	0	0	\$6.55
Metro East	39,666,353	3,808,292	9.6%	890,456	401,738	1,659,178	0	1,162,890	\$4.49
Mid County	17,532,247	510,582	2.9%	22,167	-41,102	166,744	0	0	\$8.43
North County	57,866,254	3,961,647	6.9%	124,967	-955,744	1,535,162	1,100,000	0	\$5.40
South County	16,936,637	431,811	2.6%	19,119	97,944	296,590	45,000	0	\$8.82
St. Charles	32,591,511	496,622	1.5%	562,546	445,046	620,497	0	266,676	\$8.79
West County	19,267,945	883,745	4.6%	-36,137	590,498	325,560	1,080,934	601,200	\$8.02
ST. LOUIS TOTALS	233,750,801	11,363,655	4.9%	1,442,664	621,843	4,853,567	2,225,934	2,030,766	\$6.04

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Manufacturing	51,398,703	724,571	1.4%	-38,793	-79,148	66,945	1,100,000	0	\$7.38
Office Service	10,285,339	500,887	4.9%	-6,029	22,822	103,227	0	0	\$9.74
Warehouse/Distribution	172,066,759	10,138,197	5.9%	1,487,486	678,169	4,683,395	1,125,934	2,030,766	\$5.64
ST. LOUIS TOTALS	233,750,801	11,363,655	4.9%	1,442,664	621,843	4,853,567	2,225,934	2,030,766	\$6.04

*Rental rates reflect weighted net asking \$psf/year
***St. Louis inventory adjusted in Q2 2026 to include only buildings greater than 30,000 sf

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3101 Westway Dr.	Edwardsville	Procter & Gamble	1,157,934	Renewal**
3049 Westway Dr.	Edwardsville	Procter & Gamble	961,518	Renewal**
3 E. Gateway Commerce Center Dr.	Edwardsville	Procter & Gamble	806,400	Renewal**
1601-1609 Park 370 Pl.	Hazelwood	Potter Electric Signal	234,692	Renewal/Expansion**
1601 Tradeport Drive	Hazelwood	Heritage Imports, LLC	109,964	New

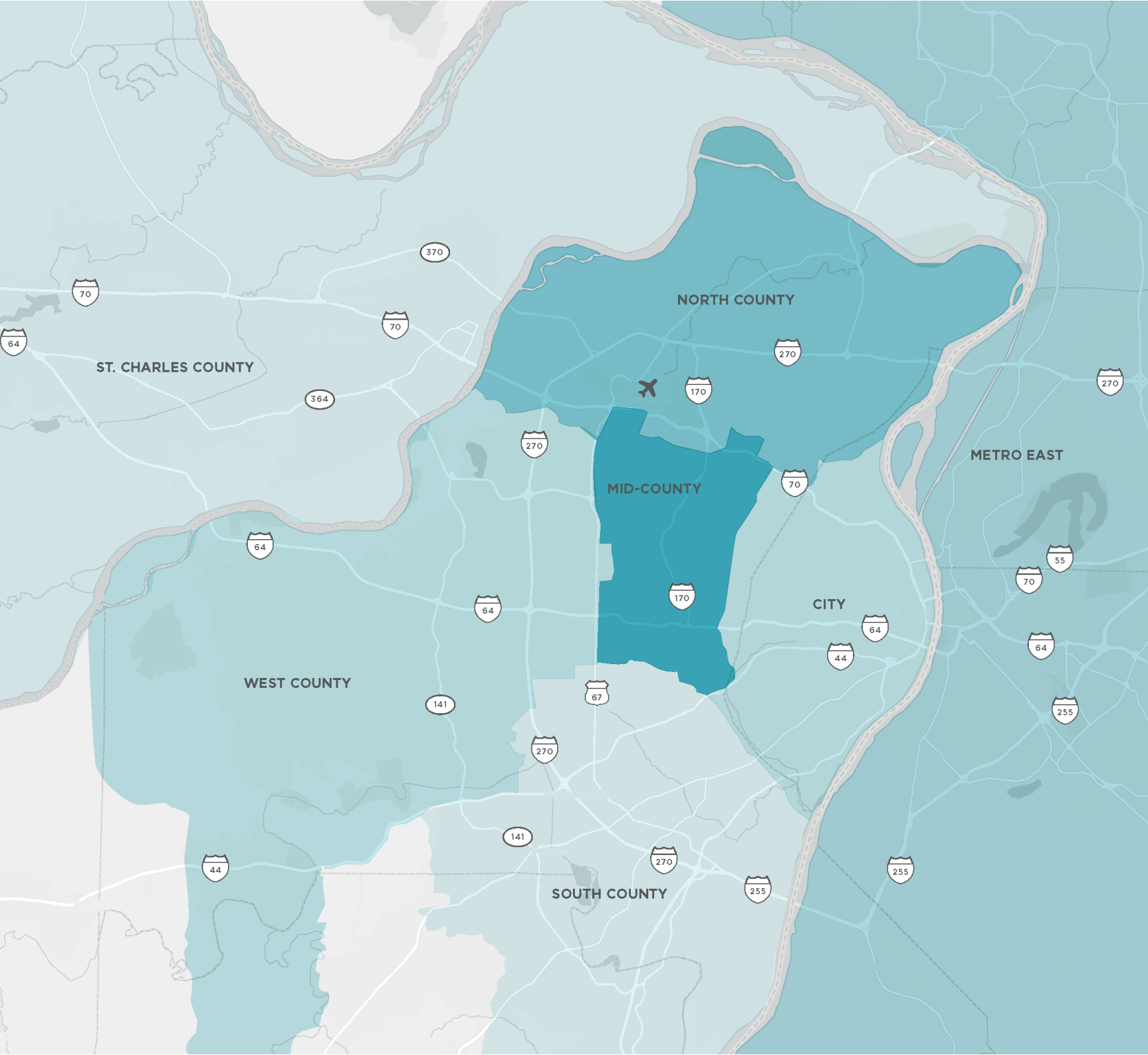
**Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
EQT Real Estate (Portfolio)	Multiple	EQT Real Estate SparrowHawk	2,229,765	\$165.4M \$74
13679 N. Rider Trail	Earth City	Basilisk Acquisitions LLC & Gyges Properties LLC Rider Trail Partners LLC	109,744	\$7.65M \$76
3850 Millstone Parkway	St. Charles	General Mills Bertagni 1882 USA Inc.	101,801	\$16.0M \$157
11640 Adie Rd.	West Port	Hydromat, Inc. Stream Tech Engineering	35,300	\$3.9M \$111

Source: C&W Research, CoStar, RCA

INDUSTRIAL SUBMARKETS



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