

YoY Chg 12-Mo. Forecast

\$68,964
Median HH Income*



1.4 M
Employment



3.9%
Unemployment Rate



Source: FRED, BLS (economic indicators are representative of specific county or MSA.)

* Most recent estimate 2020

U.S. ECONOMIC INDICATORS Q4 2021

YoY Chg 12-Mo. Forecast

6.9%
GDP Growth



1.4%
Consumer Spending Growth



2.1%
Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW

Despite ongoing concerns over the virus and new variants, St. Louis's unemployment rate ended the fourth quarter of 2021 at 3.9%, a 130 basis-point (bps) reduction since December 2020, and 30 bps below national unemployment. However, the St. Louis labor force is still 2.8% below its January 2020 levels but continues to trend towards full recovery, which in turn will continue to support demand fundamentals.

POWER CENTERS: Strong Leasing Trend Persists

While battling virus concerns and the presence of eCommerce, power centers produced another reliable quarter. For power centers, the vacancy rate fell to 3.0%, a 20-bps reduction for year-end 2021 and the lowest rate since the pandemic began. Net absorption was positive 33,490 square feet (sf) in 2021, including two consecutive positive quarters to end the year. There remains active development in power centers, with 59,100 sf under construction as of Q4 2021, which is the highest since 2016. As these statistics suggest, power centers continue to present many business opportunities. The "shopping mall experience" continues to stabilize in the retail sector, which should continue as the economy moves toward full recovery.

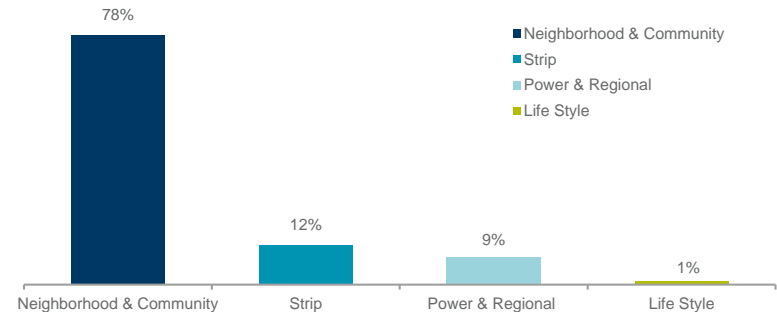
RETAIL SPACE VERSATILITY PAYS DIVIDENDS

More so than most product types within commercial real estate, retail buildings offer flexibility in their use. Not all retail buildings leased or sold in the St. Louis market are used for retail. In Q4 2021, 16,000 sf of retail space leased for uses beyond retail, in line with previous quarters. In total, 6.0 million square feet (msf) of retail space in the St. Louis market hosts these non-traditional users. This versatility provides a measure of stability to retail markets hit hard by the pandemic, since the demand for retail space does not entirely come from retailers alone. This is a major reason to view the long-term outlook of the retail market favorably.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	Q4 OVERALL NET ABSORPTION	2021 OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
City	2,760,642	0	139,939	5.1%	4,611	15,161	0	\$14.14
Illinois	12,821,250	2,750	889,482	7.0%	-148,086	-198,125	0	\$12.25
Mid-County	6,457,736	0	242,128	3.7%	2,345	-56,856	59,100	\$17.38
North County	9,666,464	50,583	984,166	10.2%	-15,387	6,567	0	\$9.59
South County	12,741,395	0	1,125,309	8.8%	89,709	-160,992	0	\$13.36
St. Charles	10,948,959	16,791	425,837	4.0%	-21,050	50,422	30,255	\$13.73
West County	10,941,380	5,977	695,541	6.4%	-90,206	6,457	0	\$15.37
ST. LOUIS TOTALS	66,337,826	76,101	4,445,842	6.8%	-178,064	-336,910	89,355	\$13.12

PRODUCT TYPES	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	Q4 OVERALL NET ABSORPTION	2021 OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Neighborhood & Community Centers	43,383,217	66,305	3,467,201	8.1%	-59,378	-322,623	30,255	\$13.14
Lifestyle Centers	1,336,122	0	42,157	3.2%	-3,357	-10,028	0	-
Power/Regional Center	13,193,099	0	392,283	3.0%	2,720	33,490	59,100	\$10.41
Unanchored Strip Center	8,425,388	9,796	553,997	6.6%	-118,049	-37,749	0	\$14.25
ST. LOUIS TOTALS	66,337,826	76,101	4,445,842	6.8%	-178,064	-336,910	89,355	\$13.12

*Rental rates reflect NNN asking \$psf/year

Source: Costar

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1-75 Village Square Shopping Center	North County	Washington University	22,576	New
1-15 Paddock Hills Plaza Shopping Center	North County	DoorDash	10,504	New
4015-4059 Veterans Memorial Parkway	St. Charles	Cycle Gear	15,232	New
1920-1988 Zumbel Road	St. Charles	Pet Supplies Plus	10,726	New

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
3432-3468 Harry S Truman Boulevard	St. Charles	CKE Properties Rithi Inc	24,000	2.67M \$111.25
7571-7597 S Lindbergh Boulevard	South County	Bestar LLC Savoy Properties	26,045	4.1M \$157.42

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