

**\$72,300**

Median HH Income

YoY  
Chg12-Mo.  
Forecast**1.4 M**

Employment

**3.4%**

Unemployment Rate



Source: Moody's Analytics, BOC, BLS  
(economic indicators are representative of  
specific county or MSA.)

#### U.S. ECONOMIC INDICATORS Q2 2022

**-0.9%**

GDP Growth

YoY  
Chg12-Mo.  
Forecast**1.1%**Consumer Spending  
Growth**1.0%**

Retail Sales Growth



Source: BEA, Census Bureau

#### ECONOMIC OVERVIEW

The unemployment rate in St. Louis ended Q2 2022 at 3.4%, a 100 basis-point (bps) reduction since Q1 2021. The U.S. unemployment rate ended Q2 2022 at 3.6%, 20 bps above the unemployment rate in St. Louis. Despite the solid unemployment statistics, there remains some economic concerns within the United States as inflation has reached over 8.0%. The Federal Reserve is poised to fight inflation by raising interest rates and did so by three-quarters of a percentage point in June after two smaller hikes earlier in the year. Recession fears have begun to mount as the Federal Reserve prepares for another interest rate increase at the July meeting.

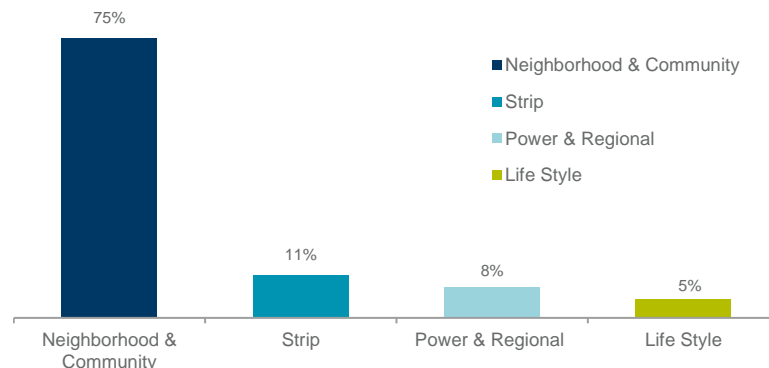
#### SOUTH COUNTY SUBMARKET: Strong Positive Absorption along with Rent Growth

The South County submarket experienced an exceptional second quarter of 2022. Net absorption was positive 117,558 square-feet (sf), which caused the vacancy rate to fall from 8.9% in Q1 2022 to 8.0% in Q2 2022. Additionally, the South County submarket saw triple-net (NNN) rent increase from \$13.51 per square foot (psf) to \$14.23 psf, or 5.3% quarter-over-quarter (QOQ). The high positive absorption coupled with the tremendous rent growth reinforces the strength of the South County retail market.

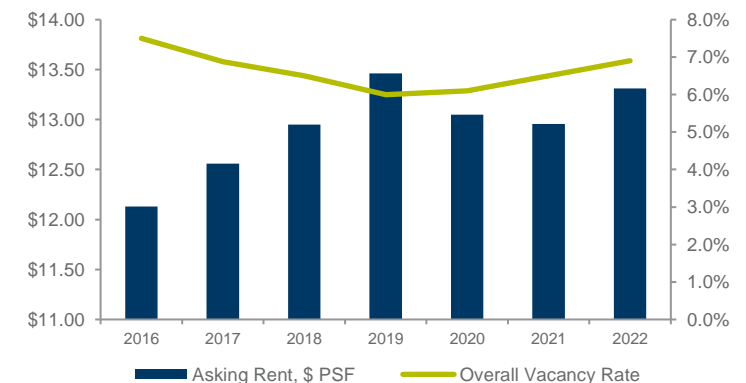
#### DEVELOPMENT: Costco-Anchored Power Center Under Construction in Mid-County

Set to deliver in the back half of 2022, a 150,000+ sf power center is under construction at I-70 & Olive Blvd in Mid-County. The retail property will be anchored by Costco, which will be the fourth Costco in the St. Louis region. The power center is part of a 190-million-dollar mixed-use development in University City. The recent performance of power centers makes the product type a favored target for continued development. In Q2 2022, power centers reported a vacancy rate of 2.9% and year-to-date absorption of positive 11,098 sf.

#### AVAILABILITY BY PRODUCT TYPE



#### RENT / VACANCY RATE



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
City	2,771,354	0	138,383	5.0%	-1,790	1,556	0	\$13.32
Illinois	12,599,698	2,750	999,977	7.9%	-86,981	-110,495	0	\$10.81
Mid-County	6,481,372	0	250,663	3.9%	-14,471	5,936	156,856	\$17.00
North County	9,602,087	0	954,895	9.9%	-70,380	-31,445	0	\$10.52
South County	12,685,399	0	1,008,907	8.0%	117,558	116,402	0	\$14.23
St. Charles	10,912,244	0	608,106	5.6%	33,245	-166,433	30,255	\$13.69
West County	10,928,662	14,750	601,131	5.1%	-8,618	86,601	25,000	\$16.77
<b>ST. LOUIS TOTALS</b>	<b>65,980,816</b>	<b>17,500</b>	<b>4,564,812</b>	<b>6.9%</b>	<b>-11,130</b>	<b>-112,449</b>	<b>212,111</b>	<b>\$13.31</b>

PRODUCT TYPES	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	Q2 OVERALL NET ABSORPTION	2022 OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Neighborhood & Community Centers	43,295,639	16,096	3,441,221	7.9%	22,767	31,569	30,255	\$13.28
Lifestyle Centers	1,350,105	0	225,472	16.7%	8,658	-183,315	0	-
Power/Regional Center	12,947,131	0	373,376	2.9%	-37,184	11,098	156,856	\$11.58
Unanchored Strip Center	8,387,941	1,404	524,743	6.2%	-5,271	28,299	25,000	\$14.44
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\*Rental rates reflect NNN asking \$psf/year

Source: Costar

## KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
7221-7345 Watson Rd	South County	Golden Oak Pancake House	9,600	New
10275-10287 Clayton Rd	West County	The Lifestyle Center	4,440	New
7811-7817 Clayton Rd	Clayton	Exquisite Threading	3,800	Renewal
11919-11977 Manchester	West County	Orangetheory Fitness	3,750	New

## KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER   BUYER	SF	PRICE   \$ PSF
14177 Manchester Rd	West County	La-Z-Boy   North American Development Group	19,898	\$6.5M   \$327.87
1220 S Kirkwood Rd	South County	Centerco Properties   Cheng, Heng	7,162	\$4.1M   \$572.47

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