

ST. LOUIS

Retail Q3 2022

CUSHMAN & WAKEFIELD

YoY Chg 12-Mo. Forecast

\$73,000

Median HH Income



1.4 M

Employment



3.5%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q3 2022

YoY Chg 12-Mo. Forecast

2.6%

GDP Growth



1.4%

Consumer Spending Growth



0.4%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW

The unemployment rate in St. Louis ended Q3 2022 at 2.9%, a 160 basis-point (bps) reduction since Q3 2021. The U.S. unemployment rate ended Q3 2022 at 3.5%, 60-bps above the unemployment rate in St. Louis. Despite the solid labor market, growing recession concerns within the United States persist as the Federal Reserve continues to increase interest rates, attempting to corral inflation back towards a target goal of 2.0%. This contractionary monetary policy is also associated with a negative impact on GDP. Real GDP has already experienced two quarters of negative growth to start the year.

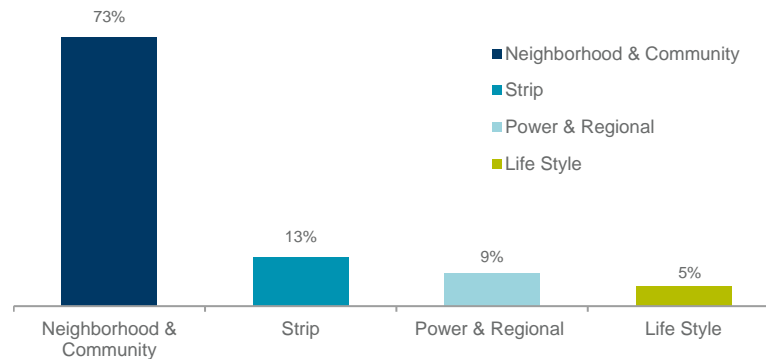
SOUTH COUNTY SUBMARKET: Strong Trend of Positive Absorption Continues

After a strong start to the year, the South County submarket experienced another exceptional quarter. Absorption came in at positive 119,502 square feet (sf) for the quarter, marking the second consecutive quarter with more than 100,000 sf of positive absorption. Overall vacancy fell to 6.9%, a 180-bps reduction year-to-date (YTD). South County is the largest St. Louis submarket in terms of square feet, so the excellent performance of the submarket is a positive sign for the overall health of the St. Louis retail market.

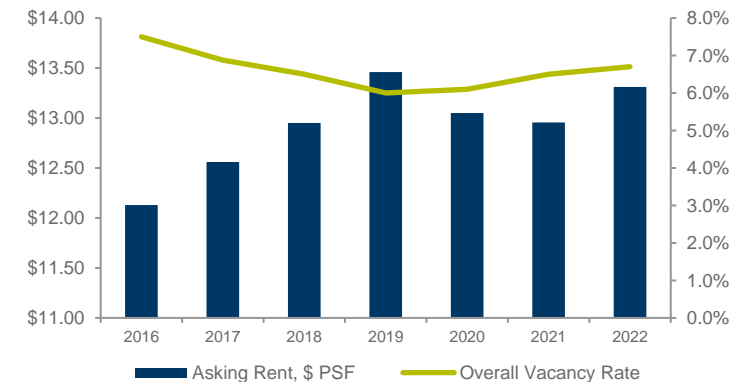
MID-COUNTY SUBMARKET: Development and Low Vacancy

The overall vacancy rate in Mid-County continued to decline in Q3, down 80-bps to 3.1% quarter-over-quarter. Strong market fundamentals combined with favorable demographics in Mid-County also continue to drive development. Seneca & CRG's \$190-million retail development located off of Olive Boulevard, "Market at Olive," is anchored by St. Louis' fourth Costco location and is slated to open in Q4 2022. Upon its completion, the project is expected to bring over 300,000 sf of retail space to the market. Additionally, Midas Capital announced a second phase of "The Boulevard" in Q3 2022. This second phase is expected to be completed in 2024 and will bring 45,000 sf of additional retail space to Richmond Heights, along with a hotel, apartments, and Class A office space.

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	2022 OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
City	2,771,354	0	176,170	6.4%	-37,787	-36,231	0	\$13.61
Illinois	12,482,995	2,750	847,869	6.8%	152,108	41,613	0	\$10.67
Mid-County	6,492,108	0	203,369	3.1%	47,294	38,759	214,356	\$16.15
North County	9,851,023	0	966,236	9.8%	42,819	11,374	0	\$11.00
South County	12,755,755	0	875,207	6.9%	119,502	220,570	0	\$13.92
St. Charles	10,963,856	0	654,369	6.0%	-46,263	-212,696	30,255	\$13.85
West County	10,987,677	14,750	685,899	6.2%	-99,518	-12,917	25,000	\$16.91
ST. LOUIS TOTALS	66,304,768	17,500	4,409,119	6.6%	178,155	50,472	269,611	\$13.32

PRODUCT TYPES	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION	2022 OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Neighborhood & Community Centers	43,390,865	16,096	3,196,550	7.4%	214,377	243,546	52,755	\$13.25
Lifestyle Centers	1,350,105	0	237,116	17.6%	-11,644	-194,959	0	N/A
Power/Regional Center	13,210,018	0	390,492	3.0%	37,044	48,142	191,856	\$11.56
Unanchored Strip Center	8,353,780	1,404	584,961	7.0%	-61,622	-46,257	25,000	\$14.68
ST. LOUIS TOTALS	66,304,768	17,500	4,409,119	6.6%	178,155	50,472	269,611	\$13.32

*Rental rates reflect NNN asking \$psf/year

Source: Costar

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2235-2259 Highway K	St. Charles	Total Win	40,000	New
1519-1811 S Brentwood Blvd	Mid-County	Ferguson Enterprises	18,760	New
1920-1988 Zumbel Rd	St. Charles	Foss Swim School	13,000	Renewal
2202-2218 Michigan Ave	South County	Sugarfire Smokehouse	5,273	New

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
195 Mid Rivers Mall Dr	St. Charles	Cadre Development Walpert Properties	5,628	\$14.5M \$2,576.40
520 Wesley Dr	Illinois	Jadian Capital Realty Income Corporation	17,994	\$7.4M \$412.03

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