

ST. LOUIS

Retail Q1 2023

YoY Chg 12-Mo. Forecast

\$70,189

Median HH Income



1.4 M

Employment



2.9%

Unemployment Rate



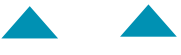
Source: Census Bureau, BOC, BLS (economic indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q1 2023

YoY Chg 12-Mo. Forecast

1.1%

GDP Growth



3.7%

Consumer Spending Growth



5.4%

Retail Sales Growth*



Source: BEA, Census Bureau * February 2023

ECONOMIC OVERVIEW

The first quarter of 2023 brought new concerns to the forefront of the national economic landscape with multiple bank failures and layoff announcements among some of the nation's largest tech conglomerates. Despite these scares, the labor market continued to boast strong employment numbers as the U.S. unemployment rate closed Q1 2023 at 3.5%, while the St. Louis unemployment rate remained below its pre-pandemic low at 2.9%. The Federal Reserve continued its push to raise interest rates by announcing an additional 25-basis point (bps) increase in its March 2023 meeting, resulting in a year-over-year (YOY) increase of 450 bps.

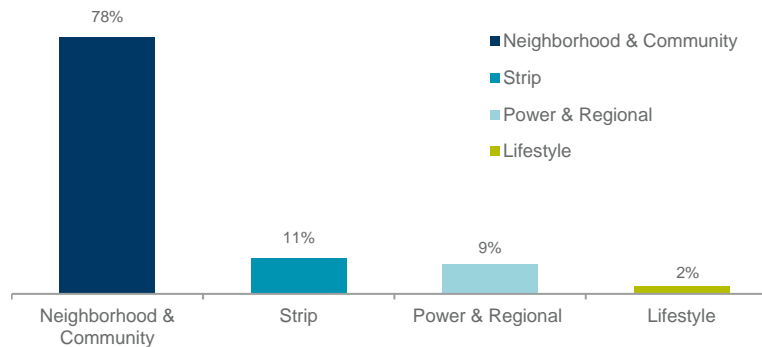
POWER/REGIONAL CENTER PRODUCT TYPE: Vacancy Begins to Rise

The power/regional center product type recorded a vacancy rate of 3.7% at the close of Q1 2023, a 110-bps increase quarter-over-quarter (QOQ). This elevation in vacancy resulted in 150,000 square feet (sf) of negative absorption for the quarter. Power/Regional Centers account for roughly 20.0% of the market's inventory yet drove more than 70.0% of the market's quarterly absorption.

ILLINOIS SUBMARKET: Strong Demand Leads to Reduced Vacancy and New Development

The Illinois submarket continued to show strong leasing fundamentals throughout Q1 2023, ending the quarter with 83,666-sf of positive net absorption. Vacancy in the Illinois submarket fell to 7.0%, a 70-bps decline QOQ. A new development is underway at the Orchard Town Center in Glen Carbon, a 160,000-sf community center. Anchored by Meijer, the Michigan-based supercenter, Orchard Town Center is expected to complete by the end of 2023.

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 CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (NNN)*
City	2,752,953	0	195,574	7.1%	-31,769	-31,769	0	\$9.96
Illinois	12,682,851	2,750	890,624	7.0%	83,666	83,666	160,000	\$11.40
Mid-County	6,667,125	0	161,097	2.4%	42,720	42,720	0	\$19.45
North County	9,770,101	4,997	964,897	9.9%	-149,253	-149,253	0	\$10.71
South County	12,981,568	5,108	986,885	7.6%	-78,862	-78,862	58,400	\$13.85
St. Charles	11,137,500	0	478,197	4.3%	6,480	6,480	0	\$14.02
West County	10,746,427	17,203	778,450	7.4%	-20,422	-20,422	25,000	\$17.25
ST. LOUIS TOTALS	66,738,255	30,058	4,455,724	6.7%	-147,440	-147,440	243,400	\$13.36

PRODUCT TYPES	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (NNN)*
Neighborhood & Community Centers	43,602,466	28,654	3,334,782	7.7%	-29,271	-29,271	218,400	\$13.32
Lifestyle Centers	1,350,105	0	140,548	10.4%	0	0	0	N/A
Power/Regional Center	13,432,102	0	493,445	3.7%	-150,440	-150,440	0	\$10.92
Unanchored Strip Center	8,353,582	1,404	486,949	5.8%	32,271	32,271	25,000	\$14.75
ST. LOUIS TOTALS	66,738,255	30,058	4,455,724	6.7%	-147,440	-147,440	243,400	\$13.36

*Rental rates reflect NNN asking \$psf/year

Source: Costar

KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9555 Watson Rd	South County	Dierbergs	72,000	New
15434-15448 Manchester Rd	West County	Ollie's Bargain Outlet	30,000	New
2927 S Kingshighway Blvd	City	SSM – Cardinal Glennon	15,372	New
2 S 20 th St	City	The Pitch Athletic Club	9,000	New

KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
1000-1120 Wolfrum Rd	St. Charles County	JSR 94 LLC Scrubbles Beach Blvd Express Wash	54,470	\$3.2 M \$59

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