

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.2% Vacancy Rate	▼	▬
231K YTD Net Absorption, SF	▲	▲
\$14.58 Asking Rent, PSF	▲	▼

Source: CoStar

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
2.4% GDP Growth	▼	▲
7.0% Consumer Spending Growth	▬	▲
1.7% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

ECONOMY

Though the St. Louis unemployment rate remained below the national average of 4.1%, it rose 30 basis-points (bps) from last quarter to 3.9% in Q3 2024. Despite this, the St. Louis labor market continued to improve overall, with non-farm employment recording a 210-bps increase year-over-year (YOY). The Federal Reserve recently brought down benchmark interest rates to a range of 4.75% to 5.0%, marking the first cut in over four years with more expected over the next two years.

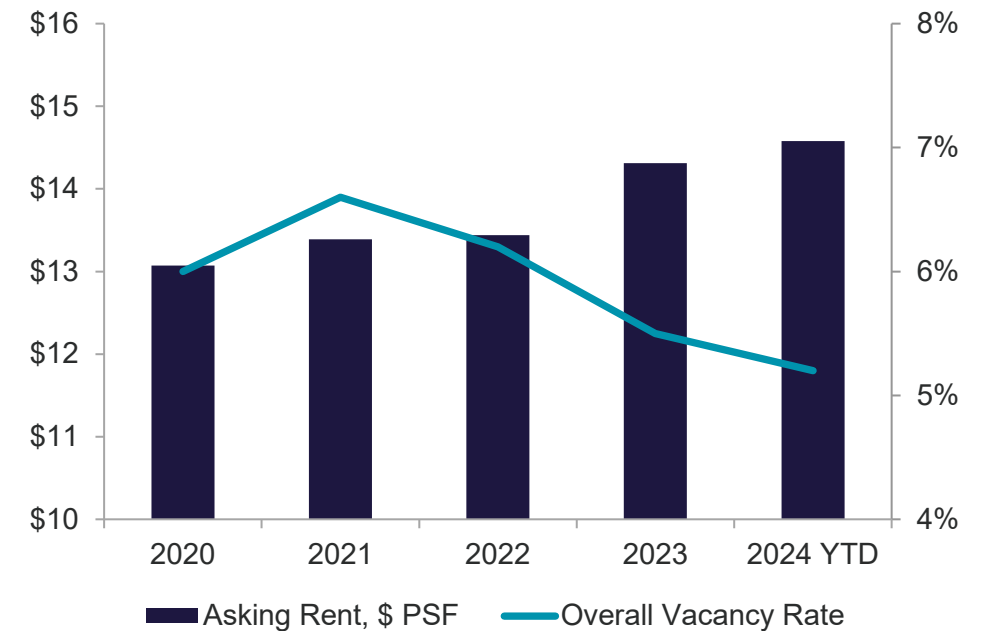
SUPPLY & DEMAND: VACANCY STEADY AT RECORD LOWS

The St. Louis retail market continued to show signs of stability in Q3, closing the quarter with an overall vacancy rate of 5.2%. This marks a record-low in overall vacancy, which St. Louis has maintained in each of the first three quarters in 2024. The market fell below the 6.0% mark in Q4 2023 after recording almost 400,000 square feet (sf) of annual net absorption last year. St. Louis has experienced just over 230,000 sf of year-to-date (YTD) net absorption in 2024, continuing the trend of positive occupancy shifts throughout the region. A slowdown in new retail development has been a key contributor to the market's strong performance. Since Q1 2022, St. Louis has delivered 271,673 sf of new retail product, while experiencing over 912,950 sf of positive net absorption over that timeframe. With only 3,600 sf of retail space under construction at the close of Q3, supply levels are expected to remain tight into 2025.

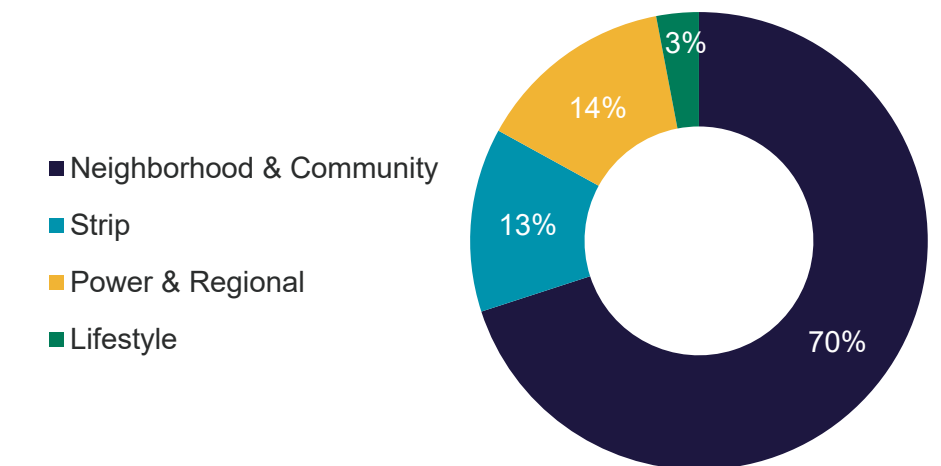
PRICING: NNN ASKING RENTS CLIMB ABOVE \$14.00 PSF

Overall NNN asking rents closed Q3 at \$14.58 per square foot (psf), a 5.9% increase YOY. This marks the third time in history that asking rents have eclipsed the \$14.00 psf mark in St. Louis, and the highest rate on record. The market has experienced annual rent growth in each of the last six quarters, peaking to 6.5% in Q4 2023. Asking rents are expected to remain elevated over the near term with available vacant space at record lows.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



Source: CoStar

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (NNN)*
City	3,157,716	0	263,949	8.4%	(1,235)	(109,962)	0	\$9.87
Illinois	12,817,450	0	787,501	6.1%	21,690	105,390	0	\$12.73
Mid County	6,714,262	0	86,166	1.3%	2,590	5,299	3,600	\$30.00
North County	9,858,117	0	718,768	7.3%	(70,605)	(15,955)	0	\$13.48
South County	12,936,911	5,108	538,133	4.2%	(6,384)	125,469	0	\$13.98
St. Charles	11,154,202	0	453,482	4.1%	9,416	8,643	0	\$15.16
West County	10,819,944	6,553	666,465	6.2%	8,915	112,477	0	\$17.64
ST. LOUIS TOTALS	67,458,602	11,661	3,514,464	5.2%	(35,613)	231,361	3,600	\$14.58

PRODUCT TYPE	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (NNN)*
Lifestyle Centers	1,522,582	0	93,363	6.1%	2,844	33,636	0	N/A
Neighborhood & Community	43,500,386	6,308	2,466,816	5.7%	(64,207)	262,369	3,600	\$14.41
Power & Regional	13,391,479	0	490,486	3.7%	(7,060)	(22,821)	0	\$14.43
Strip	9,044,155	5,353	463,799	5.2%	32,810	(41,823)	0	\$15.15
ST. LOUIS TOTALS	67,458,602	11,661	3,514,464	5.2%	(35,613)	231,361	3,600	\$14.58

*Rental rates reflect Triple Net asking \$PSF/Year

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
151 Highlands Boulevard	West County	Crunch Fitness	44,852	New Lease
8182-8234 N Lindbergh	North County	Crunch Fitness	40,154	New Lease
1155 Saint Louis Galleria	Mid County	Barnes & Noble	26,000	New Lease
6601-6621 N Illinois St.	Illinois	Burlington Stores Inc.	24,502	New Lease

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
11333 Blake Dr.	North County	Weekends Only Arch Badminton & Pickleball	110,840	\$4.9 M \$44
15808-15881 Fountain Plaza Dr.	West County	DESCO Group Midwest Equity Management	104,520	\$18.5 M \$177
754 Gravois Bluffs Blvd	South County	Service Properties Trust JZ Real Estate	42,512	\$1.9 M \$43
15238 Manchester Rd	West County	Stern Brothers Partnership Tamir LLC	16,533	\$1.6 M \$98

Source: (CoStar, Real Capital Analytics)

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