

FIGURES | ST. LOUIS INDUSTRIAL | Q1 2026

# St. Louis Industrial Faces Headwinds as Momentum Stalls

▲ 6.8%

Vacancy Rate

▼ (592,625)

SF Net Absorption

▲ 137,245

SF Construction Delivered

▼ 3.6M

SF Under Construction

▲ \$5.49

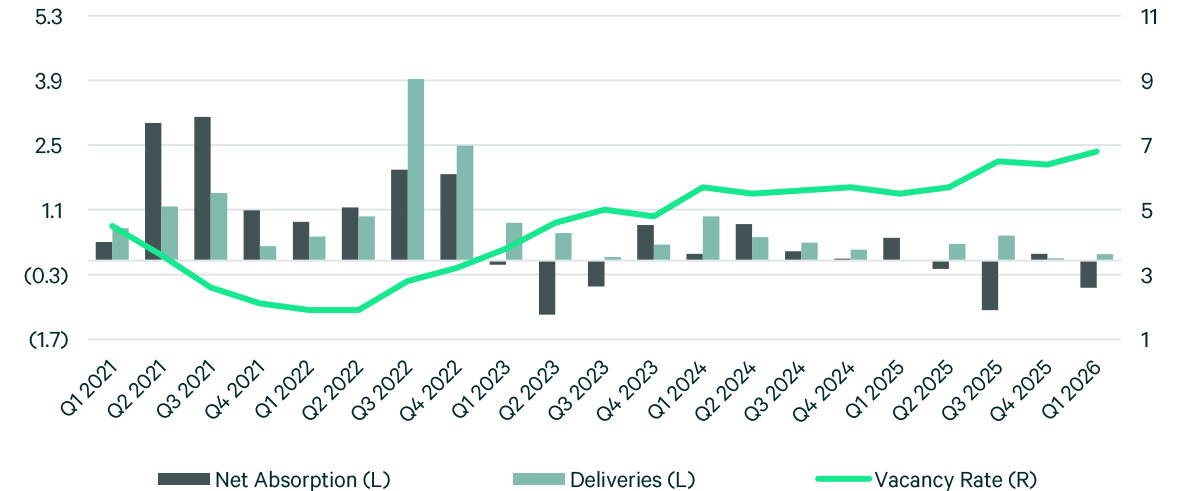
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

## Market Overview

- Absorption was negative this quarter, largely driven by Royal Canin’s move out of 674,000 SF at 5157 Inner Park Dr.
- Total vacancy increased 40 basis points (bps) to 6.8%, the highest rate recorded post-pandemic. This was largely driven by the Metro East submarket vacancy increasing 320 bps to 11.9% and North County vacancy increasing by 120 bps to 8.9%.
- Overall availability in the region increased by 20 bps to 8.4%
- The total average asking rate was \$5.49 NNN an increase of \$0.01 (0.18%).
- St. Louis industrial leasing activity in Q4 2025 totaled 2.37 million sq. ft.
- There is currently only one speculative asset in the development pipeline, Maryland Heights Commerce Center 1, which broke ground in Q4 2025. The remaining 3.24 million sq. ft. is built-to-suit product.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy  
Sq. Ft. (millions) %



Source: CBRE Research, Q1 2026

## Availability Rate

The industrial market availability rate finished Q1 2026 at 8.4%, edging up from 8.2% in Q4 2025. Availability climbed year-over-year, rising from 6.7% in Q1 2025 to 8.4% in Q1 2026. Over the past three years, the rate increased from 5.6% in Q1 2023 to 8.4%.

The South County submarket had the lowest availability rate in the overall metro at 2.0%, followed by Saint Charles County at 2.7%. The Metro East submarket posted the highest availability rate at 13.2%.

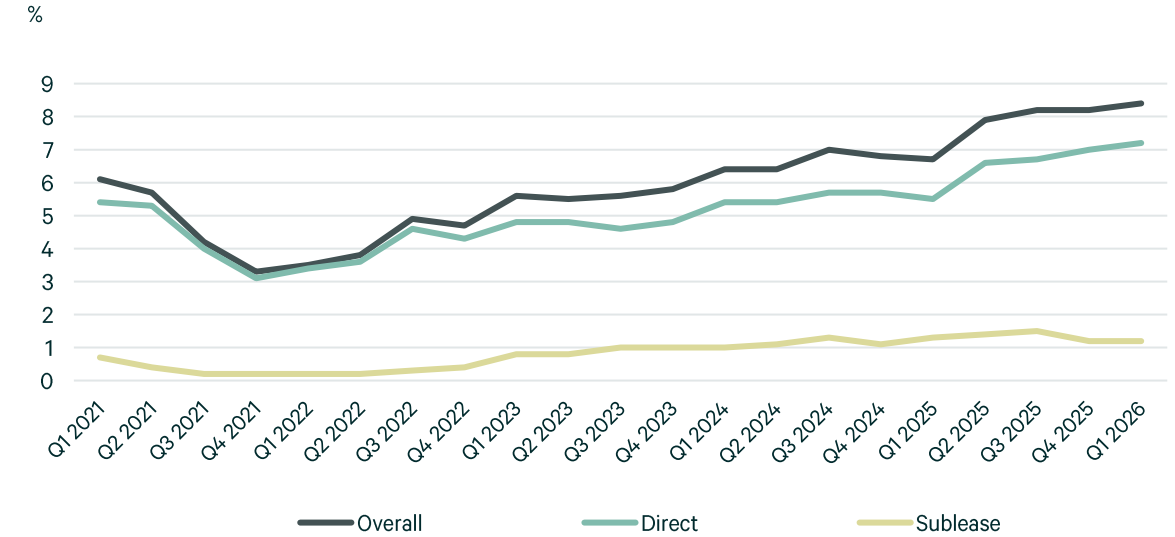
Sublease space remained stable in Q1 2026, with an availability rate of 1.2%, unchanged from Q4 2025. In total, there was 2.6 million sq. ft. of sublease space on the market in Q1 2026.

## Asking Rent

The total average asking rate was \$5.49 NNN at the close of Q1 2026, an increase of \$0.01 (0.18%) from the previous quarter. St. Louis asking rent remains below the cyclical high of \$5.69 per sq. ft., recorded in Q2 2025.

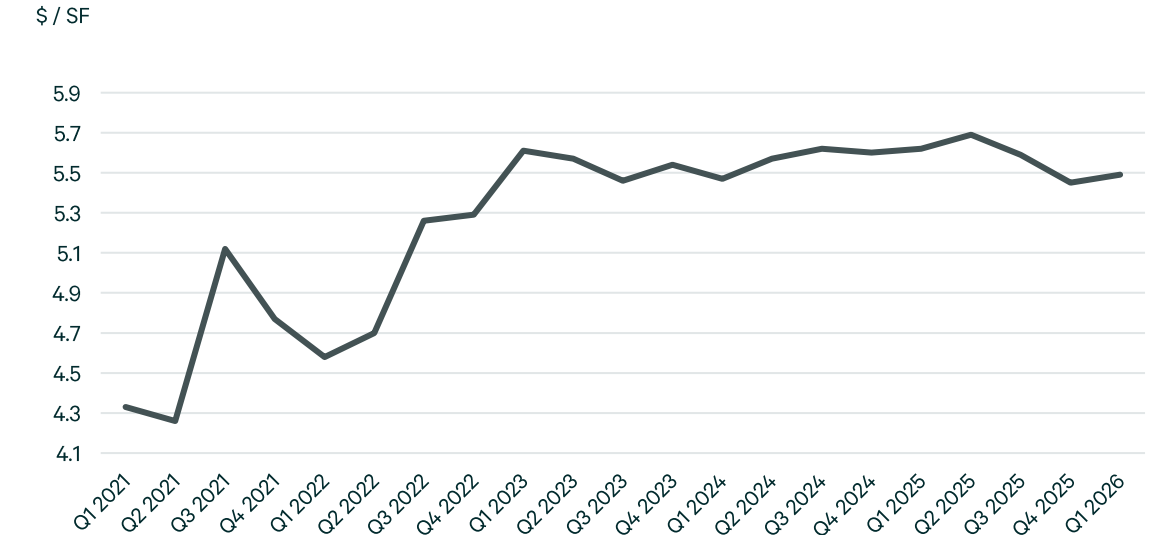
As the share of total available space remains skewed towards older product, asking rents remain subdued due to the lack of new development.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

## Net Absorption

St. Louis posted negative 593,000 sq. ft. of net absorption in Q1 2026, down from a largely flat quarter of positive 151,000 sq. ft. in Q4 2025.

The largest contributors to positive absorption in the first quarter were AIT Worldwide Logistics occupying 332,000 sq. ft. at 13213 Corporate Exchange Dr, Buske Logistics commencing in 200,000 sq. ft. at River City Business Park 3 and CL Smith commencing in their 194,000 sq. ft. new lease at Westport Commerce Center 2.

Negative absorption was largely driven by Royal Canin vacating 674,000 sq. ft. at Exeter Inner Park A, World Wide Technology vacating their 105,000 sq. ft. sublease at 29 Gateway Commerce Center Dr W and Cenveo Marketing vacating 220,000 sq. ft. at 101 Workman Ct.

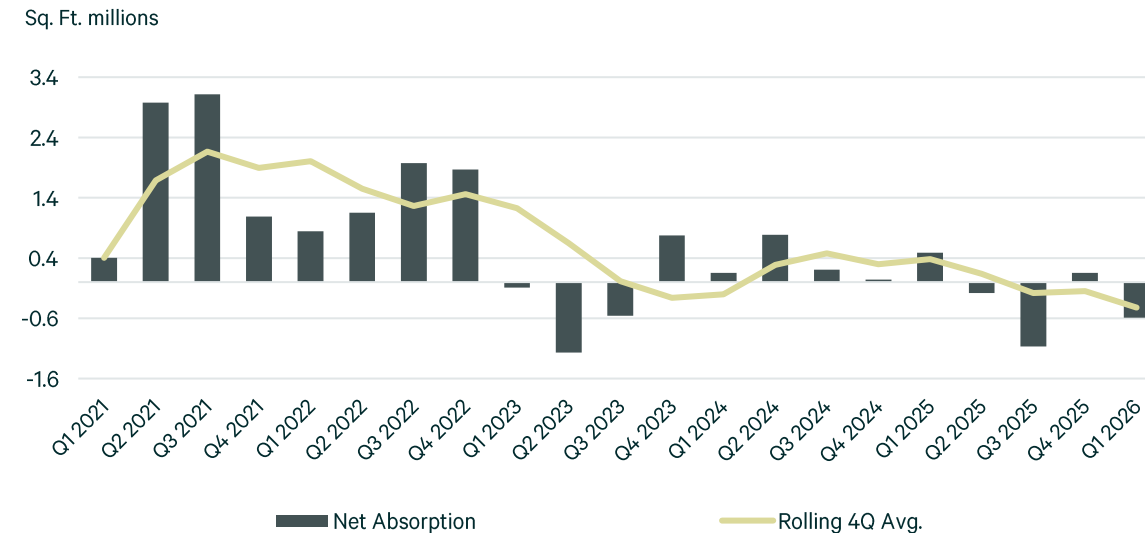
## Construction Activity

The Industrial pipeline remained steady to start off 2026 with 3.6 million sq. ft. of projects actively under construction. No new projects broke ground in Q1 2026, Maryland Heights Commerce Center 1, which broke ground in Q4 2025 is the only speculative asset currently under construction in St. Louis.

Two projects delivered in Q1 including Air Membrane Products new facility in Westport (43,000 sq. ft.) and Dayton Freight delivered a new Truck Terminal (94,000 sq. ft.), the first building in a larger planned facility.

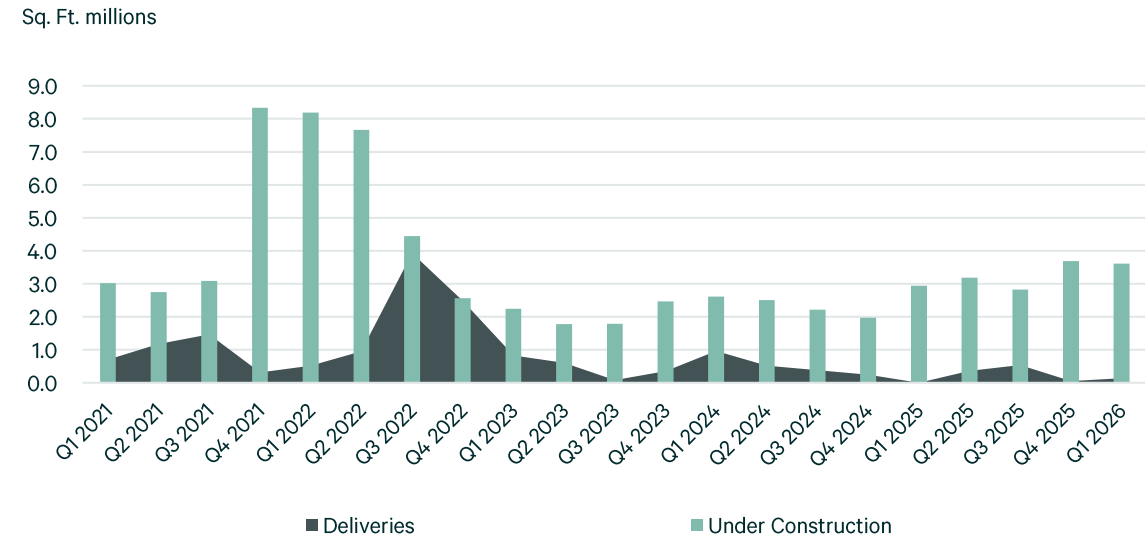
The Metro East and North County continued to have the largest pipelines, completely driven by Amazon at Gateway Tradeport (933,000 sq. ft.) and the Boeing F/A-47 Factory (979,000 sq. ft.) respectively which is expected to complete in late 2026.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



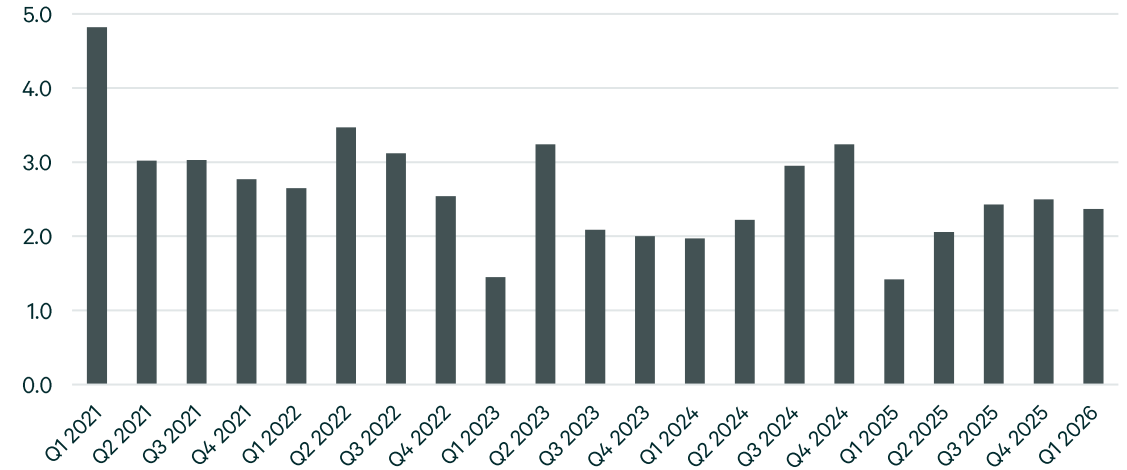
Source: CBRE Research, Q1 2026

## Leasing Activity

At the close of Q1 2026, leasing activity totaled 2.37 million sq. ft. The largest transactions contributing to leasing volume were Geodis renewing at 18 Gateway Commerce Center Dr (398,000 sq. ft.), US Venture’s new lease at 408 Hazelwood Logistics Center Dr (271,000 sq. ft.) and Cardinal Health signing their new lease at 13333 Lakefront Dr (190,000 sq. ft.).

Despite the significant vacancy increase Metro East led the market with the highest leasing volume at 550,000 sq. ft, largely driven by Geodis Logistics’ renewal. Earth City also saw more robust activity this quarter with 496,000 sq. ft., driven by Cardinal Health signing a new 190,000 sq. ft. deal, AIT Logistics’ New Lease (105,000 sq. ft.) and Acosta’s New Lease (96,000 sq. ft.).

Figure 6: Leasing Activity Trend  
Sq. Ft. millions



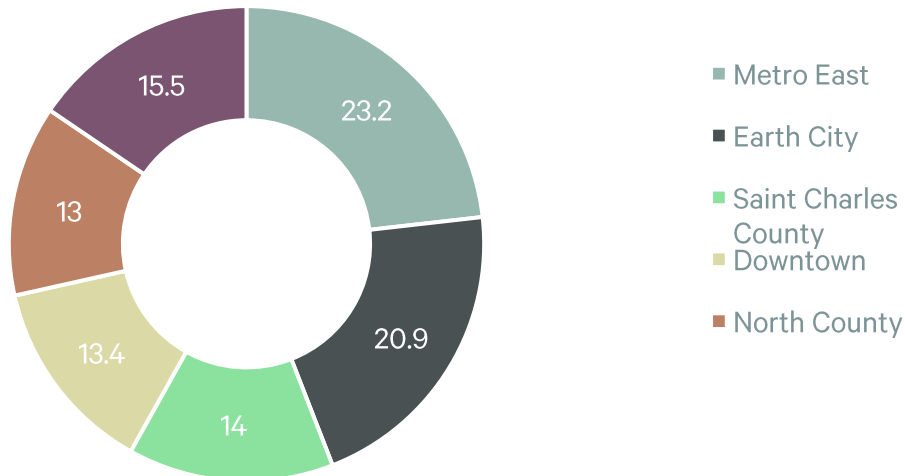
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Geodis Logistics	398,000	Renewal	18 Gateway Commerce Center Dr E	Metro East
U.S. Venture	271,000	New Lease	408 Hazelwood Logistics Center Dr	North County
Cardinal Health	190,000	New Lease	13333 Lakefront Dr	Earth City
Confidential Tenant	177,000	New Lease	1720 Sublette Ave	Downtown
King Technology	164,000	New Lease	16000 Spencer Rd	Saint Charles County
Confidential Tenant	124,000	New Lease	20-36 Commerce Dr	Saint Charles County
AIT Worldwide Logistics	105,000	New Lease	13201-13213 Corporate Exchange Dr	Earth City
Acosta	96,000	New Lease	3100-3144 Corporate Exchange Ct	Earth City

Source: CBRE Research, Q1 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

## Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)	YTD Net Absorption (SF)
Under 100,000 sq. ft.	61.36	2.8	3.9	3.7	0.2	7.84	144,000	137,000	0.11	144,000
100,000-199,999 sq. ft.	42.47	6.5	8.6	6.9	1.6	5.91	(70,000)	-	0.13	(70,000)
200,000-299,999 sq. ft.	24.76	8.8	10.8	10.0	0.8	5.81	151,000	-	0.20	151,000
300,000-499,999 sq. ft.	30.58	10.3	9.6	7.8	1.9	4.72	(144,000)	-	0.70	(144,000)
500,000-749,999 sq. ft.	16.68	8.6	17.0	11.0	6.1	4.77	(673,000)	-	0.54	(673,000)
750,000 sq. ft.	36.06	8.7	9.2	9.2	-	4.43	-	-	1.91	-
<b>Total</b>	<b>211.90</b>	<b>6.8</b>	<b>8.4</b>	<b>7.2</b>	<b>1.2</b>	<b>5.49</b>	<b>(593,000)</b>	<b>137,000</b>	<b>3.61</b>	<b>(593,000)</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Distribution/Logistics	164.60	7.2	9.2	7.6	1.6	5.51	(369,000)	(369,000)	94,000	2.05
Manufacturing - General	36.90	5.4	5.8	5.8	0.0	4.86	(274,000)	(274,000)	43,000	1.52
R&D/Flex	10.29	5.7	6.1	6.1	-	7.49	50,000	50,000	-	-
Other Industrial	0.11	-	-	-	-	-	-	-	-	0.05
<b>Total</b>	<b>211.90</b>	<b>6.8</b>	<b>8.4</b>	<b>7.2</b>	<b>1.2</b>	<b>5.49</b>	<b>(593,000)</b>	<b>(593,000)</b>	<b>137,000</b>	<b>3.61</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Class

Figure 11

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)	YTD Net Absorption (SF)
Class A	34.31	8.5	10.6	5.7	5.0	5.80	33,000	-	0.93	33,000
Institutional	31.27	8.7	10.8	5.4	5.4	5.34	23,000	-	-	23,000
Other Class A	3.05	7.1	8.8	8.2	0.5	8.89	10,000	-	0.93	10,000
All Other Industrial	177.59	6.4	8.0	7.5	0.5	5.44	(625,000)	137,000	2.68	(625,000)
<b>Total</b>	<b>211.90</b>	<b>6.8</b>	<b>8.4</b>	<b>7.2</b>	<b>1.2</b>	<b>5.49</b>	<b>(593,000)</b>	<b>137,000</b>	<b>3.61</b>	<b>(593,000)</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)	Current Quarter Net Absorption (MSF)
Central County	15.36	2.2	4.1	2.5	1.7	8.55	0.01	-	-	0.01
Downtown	44.38	5.8	7.0	6.6	0.4	4.87	0.23	-	-	0.23
Earth City	19.34	7.5	11.7	11.6	0.1	5.18	0.68	-	-	0.68
Fenton	8.36	6.8	10.7	8.5	2.2	8.01	0.02	-	-	0.02
Maryland Heights	3.83	5.8	6.7	5.8	0.9	6.01	0.19	-	0.98	0.19
Metro East	37.16	11.9	13.2	10.6	2.6	4.46	(1.10)	94,000	1.45	(1.10)
North County	34.30	8.9	11.3	8.7	2.6	5.68	(0.41)	-	0.98	(0.41)
Saint Charles County	27.28	3.7	2.7	2.7	-	6.20	(0.02)	-	0.20	(0.02)
South County	5.78	1.5	2.0	2.0	0.1	9.56	(0.01)	-	-	(0.01)
West County	5.64	5.1	7.6	7.6	0.1	8.48	(0.21)	-	-	(0.21)
Westport	10.48	3.4	5.6	5.1	0.5	7.16	0.04	43,000	-	0.04
<b>Total</b>	<b>211.90</b>	<b>6.8</b>	<b>8.4</b>	<b>7.2</b>	<b>1.2</b>	<b>5.49</b>	<b>(0.59)</b>	<b>137,000</b>	<b>3.61</b>	<b>(0.59)</b>

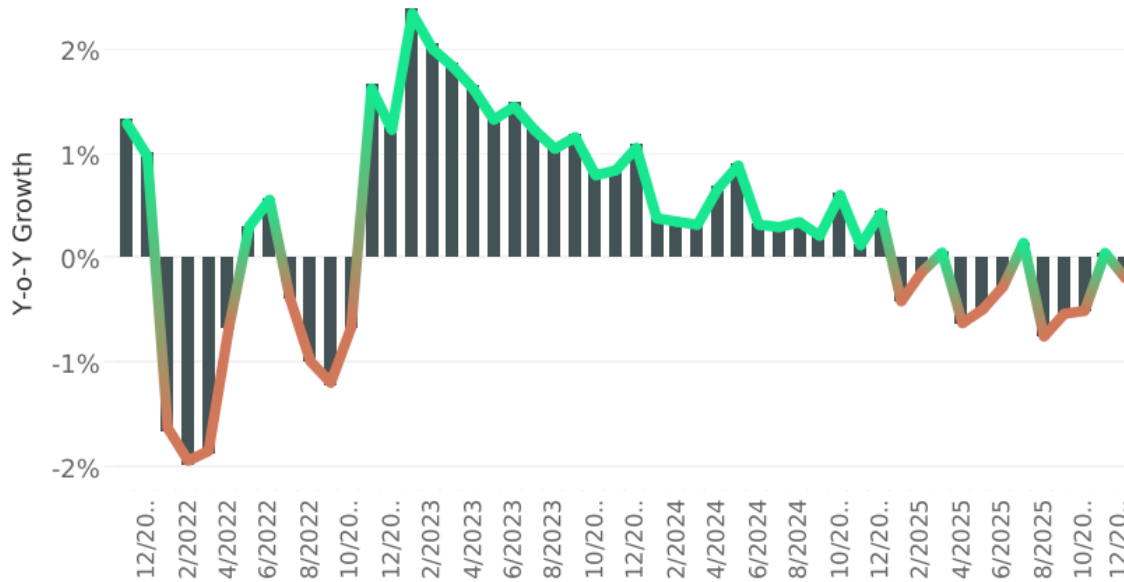
Source: CBRE Research, Q1 2026

## Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America’s aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

▶	<b>3.5%</b> Unemployment Rate	▲	<b>339.5k</b> Office Using Jobs
▼	<b>1.5M</b> Labor Force	▲	<b>383.3k</b> Industrial Using Jobs

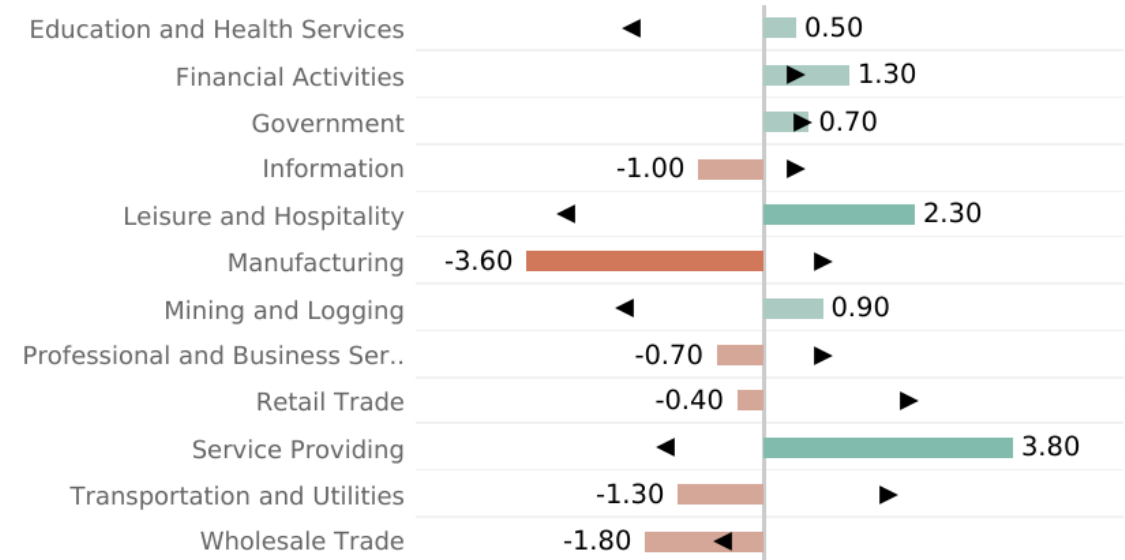
## Job Growth - Year over Year Trend



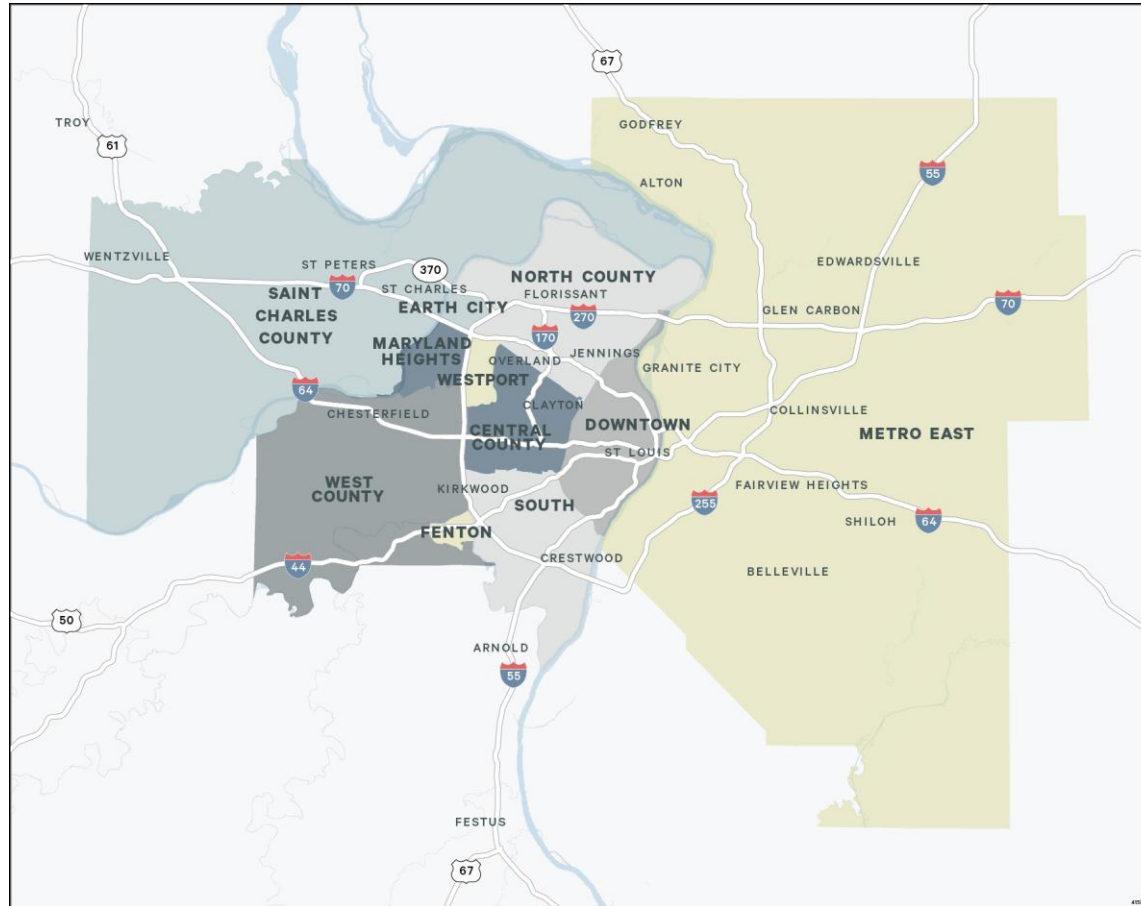
Source: Bureau of Labor Statistics, December 2025

## Employment Change by Sector - Yearly & Monthly

Bars indicate yearly trend, arrows indicate monthly trend



## Market Area Overview



### Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32' or greater clear height and ESFR sprinklers.

### Survey Criteria

Includes all industrial buildings 30,000 sq. ft. and greater. Buildings which have begun construction as evidenced by site excavation or foundation work.

### Updated Tracked Criteria

CBRE has updated the criteria for industrial tracked building sets to reflect buildings with a Net Rentable Area (NRA) of 30,000 square feet or higher. In addition to creating regional consistency, this change will enhance the reporting and depth of data on each market's most competitive buildings. Historical stats have been revised to reflect current industrial thresholds. Building inventories will be evaluated quarterly to ensure they remain the most comprehensive and accurate representation of each market.

### Contacts

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