

FIGURES | ST. LOUIS OFFICE | Q2 2026

Corporate Rightsizing Drives Negative Absorption

▲ 21.5%

Vacancy Rate

▼ (211,671)

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$21.25

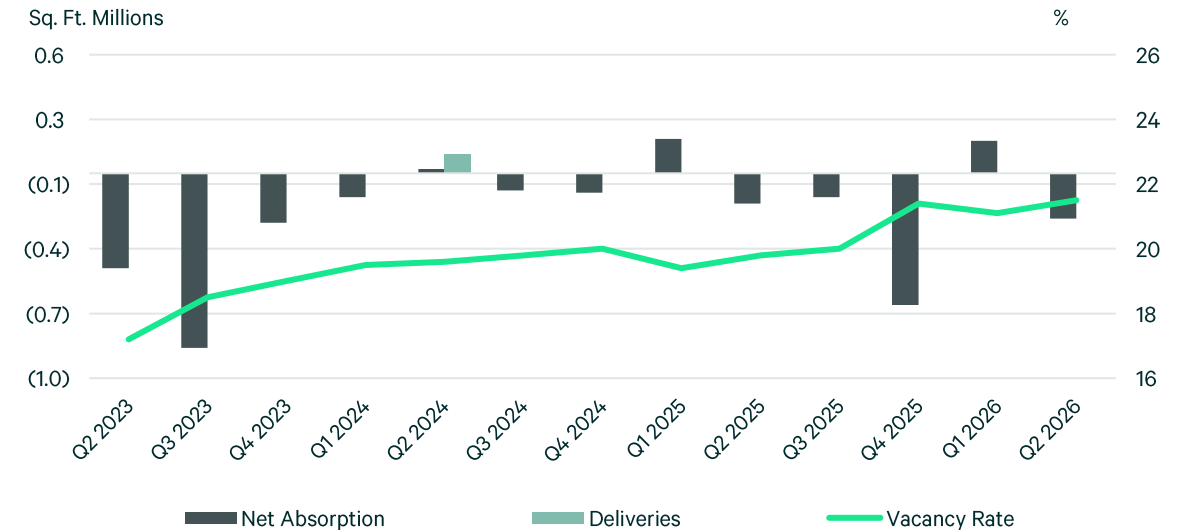
FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

- Absorption turned negative in the second quarter recording -211,671 sq. ft. The most notable move out was MasterCard (72,000 sq. ft.) at 5555 Winghaven Blvd. in the St. Charles County submarket. Conversely, the largest contributors to positive absorption were Penny Mac occupying 2199 Innerbelt (77,000 sq. ft.) in North County and Watch Tower Security occupying 37,000 sq. ft. at 3251 Riverport also in North County. Vacancy increased this quarter by 40 basis points (40 bps) to 21.5%, at the close of Q1 2026.
- Overall average asking rates continued to decline in St. Louis as desirable office product is leased at a higher rate than lower rate commodity quality office. The average asking rate in Q2 2025 was \$21.25 per sq. ft., up 0.5% (\$0.11) quarter-over-quarter.
- The overall office availability rate declined for the second quarter in a row, decreasing by 40 bps to 22.9%.
- There remained no non-owner-user office product under construction in the St. Louis Region as of the second quarter.
- Leasing activity totaled 830,000 sq. ft. in Q2 2026 an increase of 17% (120,000 sq. ft.) quarter-over-quarter.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy
Sq. Ft. Millions



Source: CBRE Research, Q2 2026

Vacancy

In Q2 2026, overall vacancy printed at 24.3%. Class A vacancy increased by 40 basis points (bps) to 24.3%, Class B vacancy increased by 30 bps to 20.7% and Class C vacancy increased by 30 bps to 7.3% to close the quarter.

South County recorded the lowest overall vacancy at 5.6% in Q2 2026, followed by Metro East at 6.7%. Conversely, North County continues to have the highest vacancy rate of 31.0%, largely driven by the Earth City/Riverport District.

Asking Rent

Overall average asking rates continued to decline in St. Louis as desirable office product is leased at a higher rate than lower rate commodity quality office. The average asking rate in Q2 2025 was \$21.25 per sq. ft., up 0.5% (\$0.11) quarter-over-quarter.

Mid County recorded the highest average asking rate of \$32.40 per sq. ft while North County was the lowest at \$18.05 per sq. ft.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

Absorption turned negative in the second quarter recording -211,671 sq. ft. The largest contributors to positive absorption were Penny Mac occupying 2199 Innerbelt (77,000 sq. ft.) in North County and Watch Tower Security occupying 54,000 sq. ft. at 3251 Riverport also in North County.

The most notable move out was MasterCard (72,000 sq. ft.) at 5555 Winghaven Blvd. in the St. Charles County submarket followed by Penny Mac vacating 4300 Duncan Ave (36,000 sq. ft.).

Submarkets that experienced the greatest positive absorption in the second quarter were North County (120,000 sq. ft.), South County (25,000 sq. ft.). Conversely, West County led the region in negative absorption recording -164,000 sq. ft.

Construction Activity

There remained no non-owner-user office product under construction in the St. Louis Region as of the second quarter. It has been approximately three years since a new office development has broken ground in the St. Louis Metro.

Figure 4: Net Absorption Trend

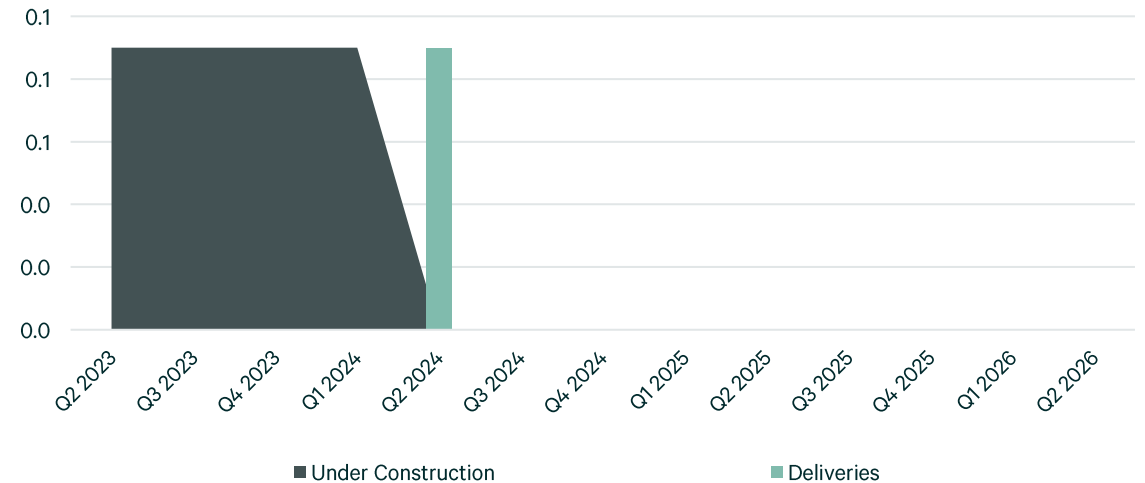
Class A



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity

Sq. Ft. Millions



Source: CBRE Research, Q2 2026

Leasing Activity

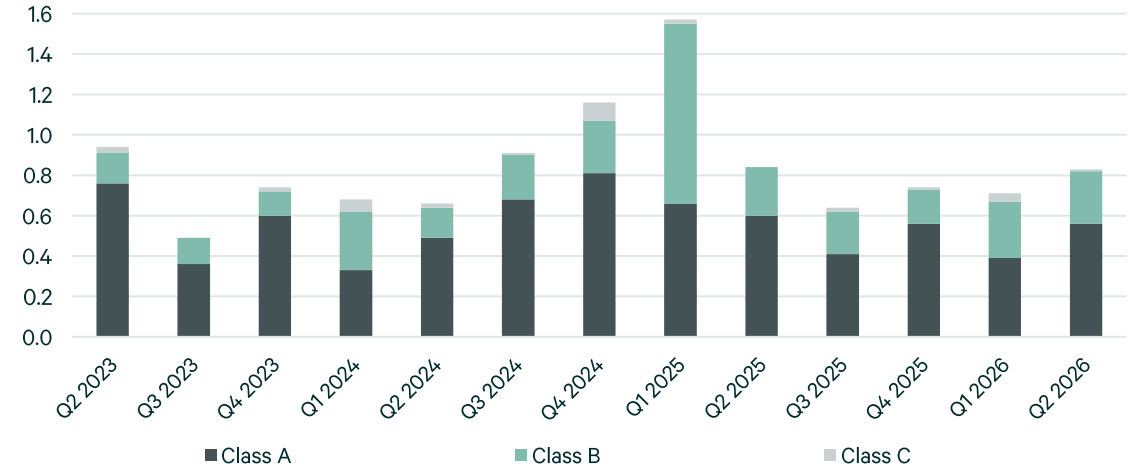
Leasing activity totaled 830,000 sq. ft. in Q2 2026 an increase of 17% (120,000 sq. ft.) quarter-over-quarter.

West County experienced the highest leasing activity at 347,000 sq. ft. The second most active submarket was Mid County with 170,000 sq. ft. of activity.

The most notable deals this quarter included APC Postal Logistics new lease at 800 Northwest Plaza (81,000 sq. ft.), Maune Raichle Hartley French & Mudd’s renewal at 200 N Broadway (58,000 sq. ft.) and Unigroup finalized their new lease at 1245 Jj Kelley Memorial Dr (55,000 sq. ft.)

Figure 6: Leasing Activity Trend

Class A



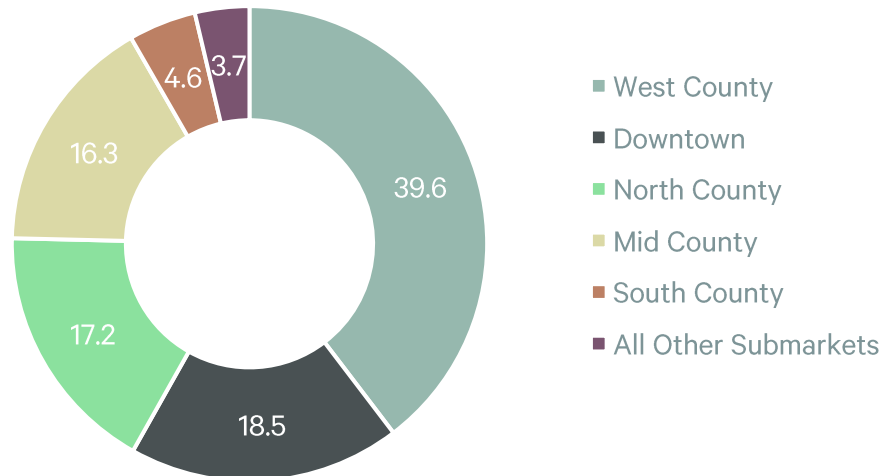
Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
APC Postal Logistics	81,000	New Lease	800 Northwest Plz	North County
Maune Raichle Hartley French & Mudd	58,000	New Lease	200-220 N Broadway	Downtown
Unigroup	55,000	New Lease	1245 Jj Kelley Memorial Dr	West County
Marsh & McLennan Agency	43,000	Renewal	825 Maryville Centre Dr	West County
Moneta Group	39,000	New Lease	7711 Carondelet Ave	Mid County
Watchtower Security	37,000	New Lease	3251 Riverport Ln	North County
ARCO National Construction	35,000	New Lease	7930 Clayton Rd	Mid County
Blink Health Pharmacy	35,000	New Lease	400 S Woods Mill Rd	West County

Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	28.20M	24.3	25.0	23.9	1.1	22.89	(67,000)	109,000	-	-
Class B	18.70M	20.7	23.0	21.2	1.8	18.74	(132,000)	(157,000)	-	-
Class C	4.42M	7.3	8.9	8.7	0.2	18.14	(13,000)	(15,000)	-	-
Total	51.31M	21.5	22.9	21.6	1.3	21.25	(212,000)	(64,000)	-	-

Source: CBRE Research, Q2 2026

Market Statistics

Figure 10: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	19.67M	21.5	21.9	20.6	1.4	24.89	28,000	223,000	-	-
Class B	14.72M	17.9	20.3	18.4	1.8	19.95	(124,000)	(116,000)	-	-
Class C	3.82M	6.7	7.8	7.5	0.3	19.53	(17,000)	(29,000)	-	-
Total	38.21M	18.6	19.9	18.4	1.4	22.78	(113,000)	78,000	-	-

Source: CBRE Research, Q2 2026

Figure 11: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	8.52M	30.6	32.2	31.6	0.6	19.96	(95,000)	(114,000)	-	-
Class B	3.99M	31.2	32.9	31.4	1.5	16.19	(8,000)	(41,000)	-	-
Class C	595,000	11.3	15.8	15.8	-	14.20	5,000	14,000	-	-
Total	13.10M	29.9	31.7	30.8	0.8	18.65	(98,000)	(141,000)	-	-

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Downtown	13.10M	29.9	31.7	30.8	0.8	18.65	19.96	(98,000)	(141,000)	-	-
Metro East	3.69M	6.7	8.2	7.7	0.5	17.02	23.38	(24,000)	(50,000)	-	-
Mid County	9.08M	13.7	14.5	13.4	1.2	28.79	32.40	(12,000)	(28,000)	-	-
North County	5.15M	31.0	30.1	25.6	4.6	17.42	18.05	120,000	141,000	-	-
South County	2.42M	5.6	6.8	6.8	-	23.11	25.57	25,000	105,000	-	-
St. Charles County	2.33M	13.6	13.7	12.9	0.9	22.84	24.78	(58,000)	27,000	-	-
West County	15.55M	23.1	25.3	24.2	1.1	23.10	24.77	(164,000)	(118,000)	-	-
Total	51.31M	21.5	22.9	21.6	1.3	21.25	22.89	(212,000)	(64,000)	-	-

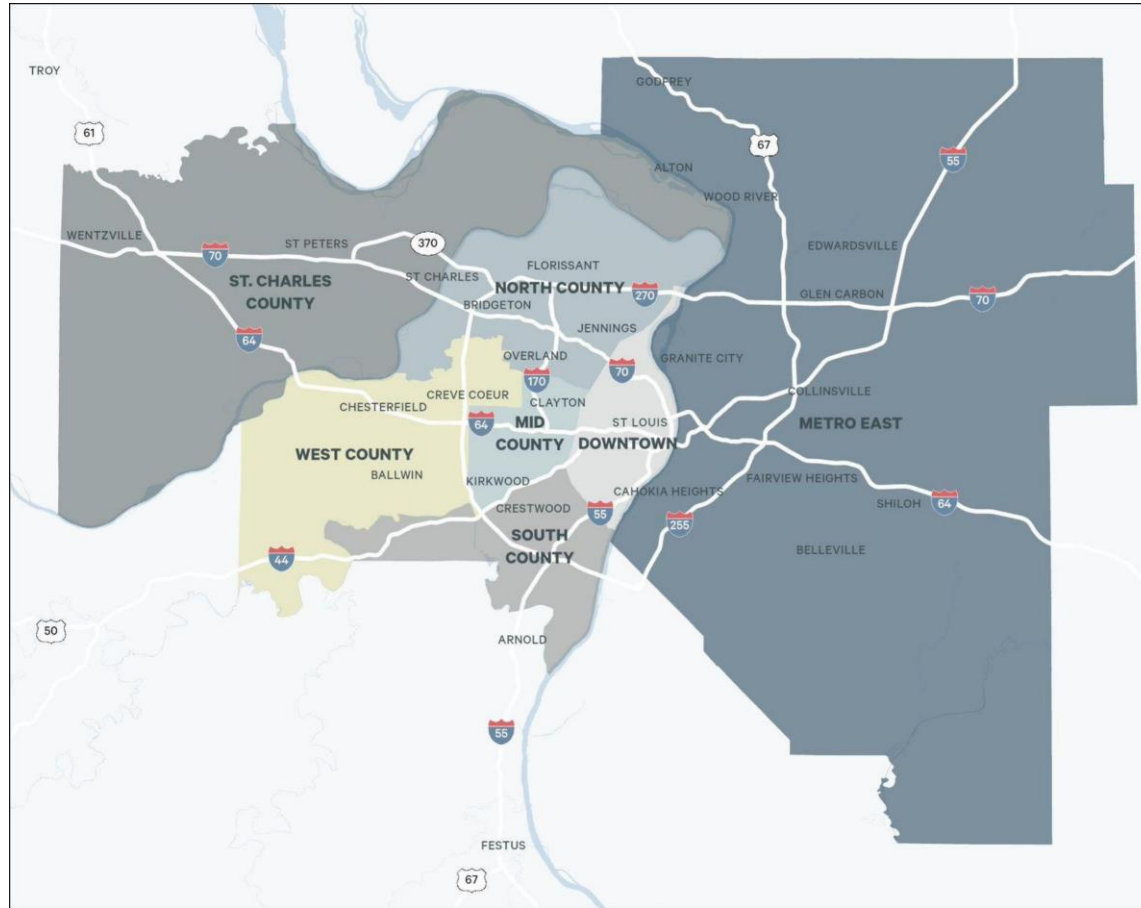
Source: CBRE Research, Q2 2026

Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

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

[Insert survey Criteria here. Contact your manager for specific criteria]

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