Built-to-Suit Deliveries Drive Industrial Growth in St. Louis

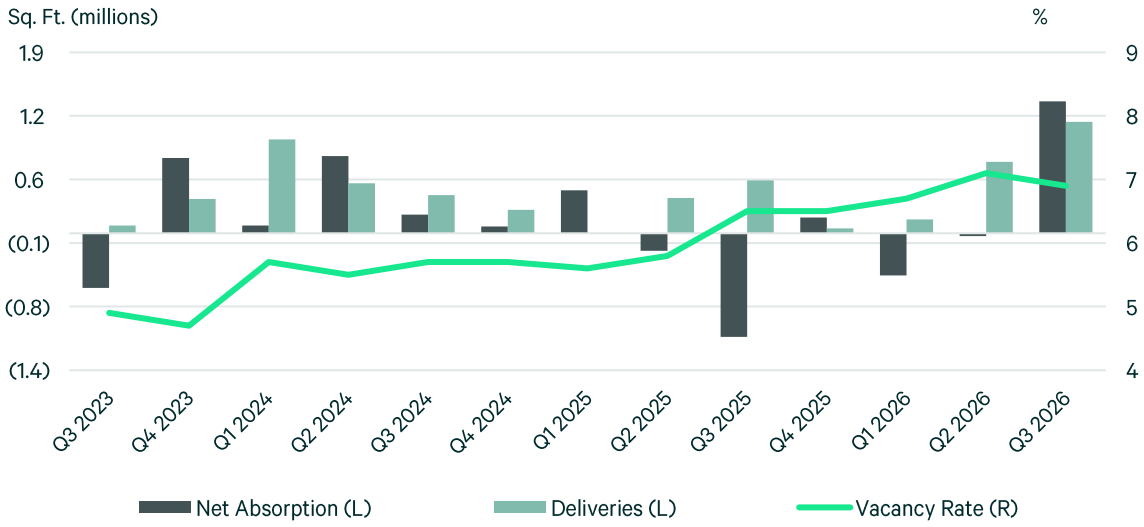
▼7.9%	▼6.9%	▲1,347.2	▲1,136.2	▼2,639.9	▲$5.60
Availability Rate	Vacancy Rate	KSF Net Absorption	KSF Construction Delivered	KSF Under Construction	Avg. Direct Asking Rate (NNN/YR)

Note: Arrows indicate change from previous quarter.

Market Overview

- St. Louis recorded total net absorption of 1.35 million sq. ft., it's strongest quarter of net absorption since Q4 2022. The rolling four-quarter average net absorption turned positive at 261,500 sq. ft., up from negative 340,750 sq. ft. in Q2 2026, indicating that recent gains began to offset earlier periods of weakness.
- In Q3 2026, market vacancy eased slightly quarter-over-quarter decreasing by 20 basis points to 6.9%, On a year-over-year basis, overall vacancy was 40 bps higher than the 6.5% recorded in Q3 2025.
- St. Louis average asking rent reached $5.60 per sq. ft., up 2.6% quarter-over-quarter and 0.4% year-over-year but still below the cyclical high of $5.67 per sq. ft., recorded in Q2 2025.
- Leasing activity in Q3 2026 totaled 3.55 million sq. ft., bringing year-to-date 2026 volume to 7.93 million sq. ft. This was the highest level of leasing activity recorded in St. Louis since Q1 2022.
- In Q3 2026, St. Louis recorded 2.64 million sq. ft. under construction and 1.14 million sq. ft. of construction delivered. Despite a contraction of the construction pipeline to the lowest levels since Q4 2024, many notable speculative and built-to-suit developments are planned to break ground in 2027

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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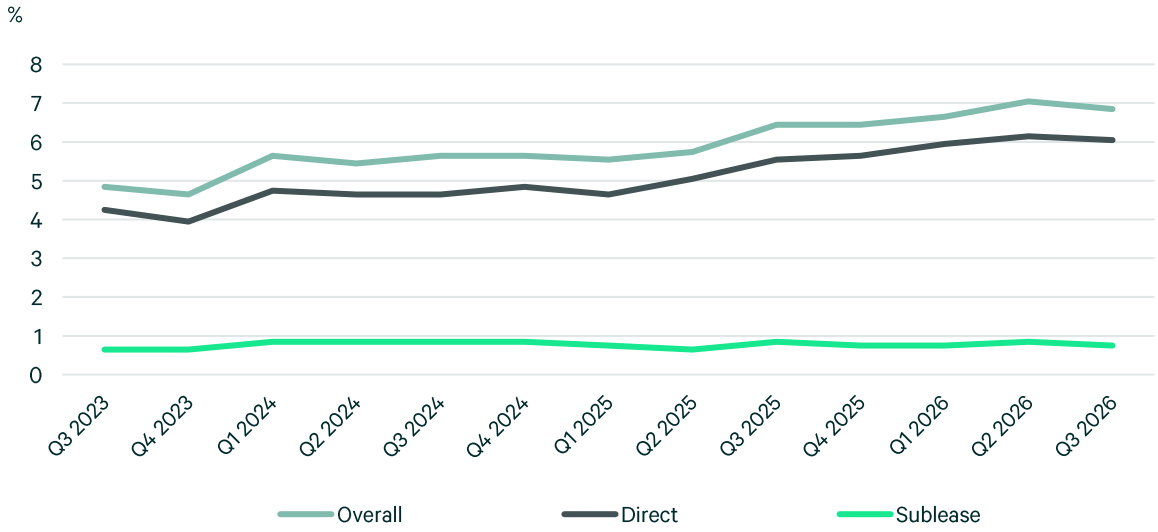
Vacancy Rate

In Q3 2026, market vacancy eased slightly quarter-over-quarter decreasing by 20 basis points to 6.9%, On a year-over-year basis, overall vacancy was 40 bps higher than the 6.5% recorded in Q3 2025.

Vacancy remained highly segmented across submarkets this quarter. South County posted the lowest overall vacancy rate at 1.6%, followed by Saint Charles County at 2.0%. Conversely, the Metro East recorded the highest overall vacancy at 12.1%, reflecting substantially more available space than other submarkets.

Sublease vacancy declined quarter-over-quarter in Q3 2026. The sublease vacancy rate moved from 0.9% in Q2 2026 to 0.8% in 3 2026, a decrease of 10 bps, and sublease space totaled 1.75 million sq. ft. of vacant space.

Figure 2: Vacancy Rate



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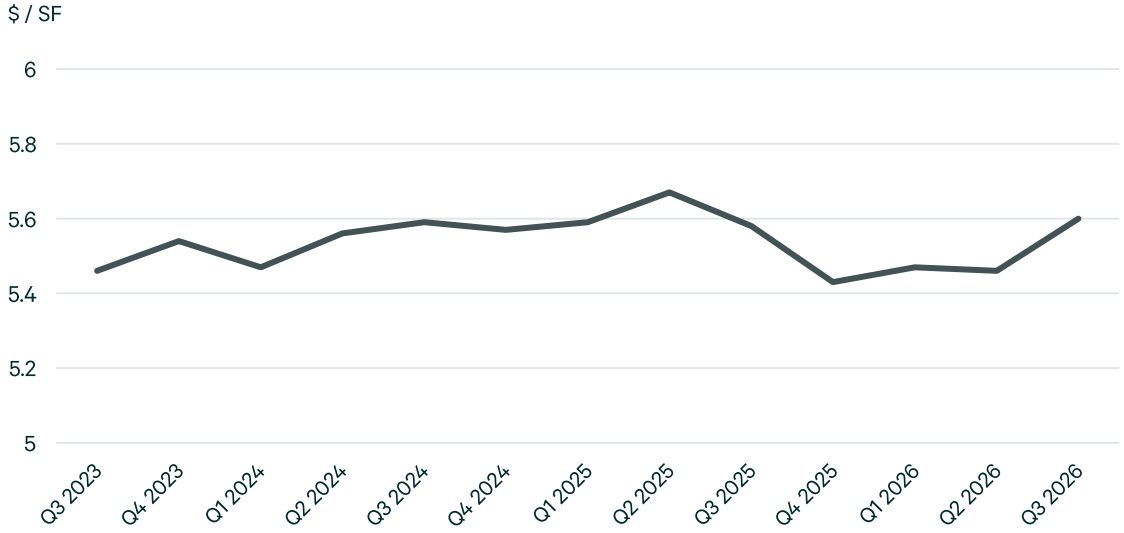
Asking Rent

St. Louis average asking rent reached $5.60 per sq. ft., up 2.6% quarter-over-quarter and 0.4% year-over-year but still below their Q2 2025 peak.

A large portion of the total available space for lease in St. Louis remains skewed towards older second-generation product. As a result, asking rent growth remain subdued due to the lack of new speculative development to drive growth.

Figure 3: Average Direct Asking Rate



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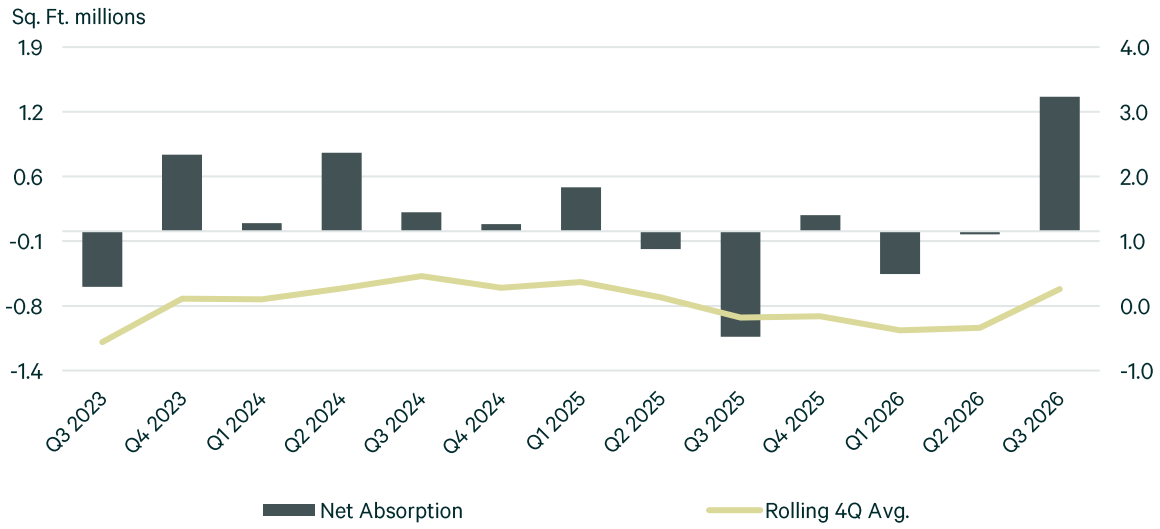
Net Absorption

In Q3 2026, the market recorded total net absorption of 1.35 million sq. ft., it's strongest quarter of net absorption since Q4 2022. The rolling four-quarter average net absorption turned positive at 261,500 sq. ft., up from negative 340,750 sq. ft. in Q2 2026, indicating that recent gains began to offset earlier periods of weakness.

The largest contributors to net absorption in the third quarter were Amazon occupying their 933,000 sq. ft. built-to-suit at Gateway Tradeport in the Metro East and Axium Plastics occupying their 203,000 sq. ft. built-to-suit at 4001 Premier Parkway in St Charles County. These contributors to absorption this quarter highlight the impact that built-to-suit development currently has on industrial growth in St. Louis despite the overall lack of speculative development.

Figure 4: Net Absorption Trend



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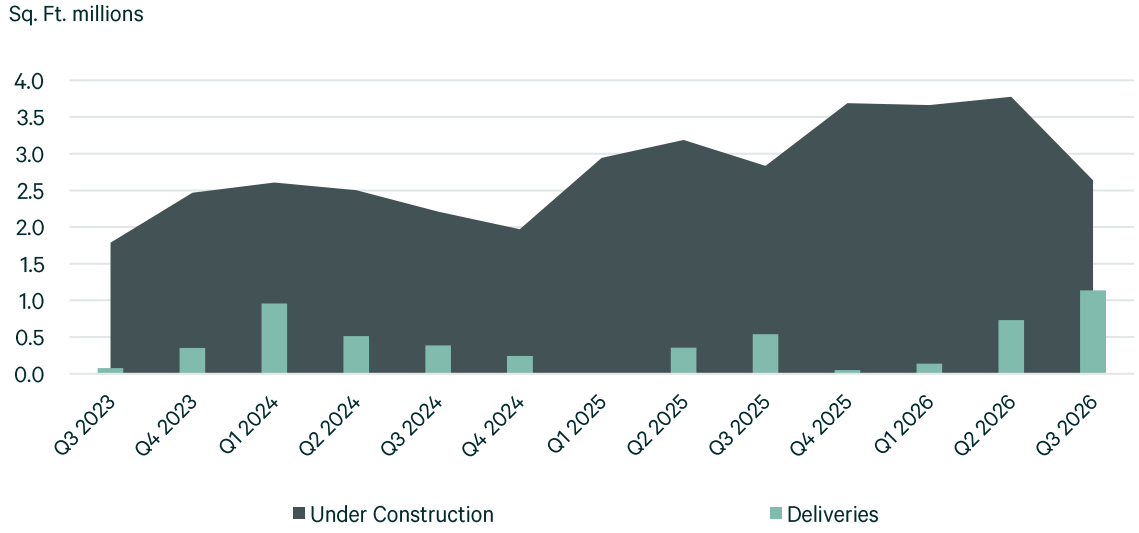
Construction Activity

In Q3 2026, St. Louis recorded 2.64 million sq. ft. under construction and 1.14 million sq. ft. of construction delivered. Product that was delivered in the third quarter included Amazon occupying their 933,000 sq. ft. built-to-suit at Gateway Tradeport in the Metro East and Axium Plastics occupying their 203,000 sq. ft. built-to-suit at 4001 Premier Parkway in St Charles County.

North County and Maryland Heights posted the highest under construction activity, with 1.18 million sq. ft. and 1.02 million sq. ft. underway, respectively, across build-to-suit manufacturing and logistics projects. Metro East was the only remaining submarket with under construction activity, with 335,000 sq. ft. currently underway.

Despite a contraction of the construction pipeline to the lowest levels since Q4 2024, many notable speculative and built-to-suit developments are planned to break ground in 2027 which should bring a rebound in overall product under development.

Figure 5: Construction Activity



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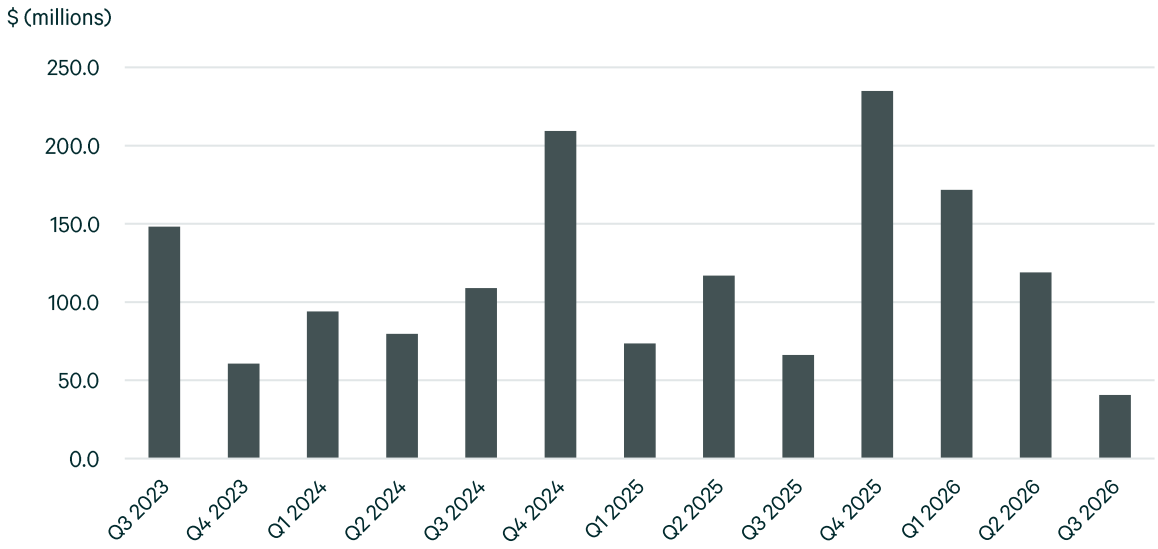
Investment Sale Activity

Investment sales volume in Q3 2026 totaled $40.68 million in the St. Louis Industrial market, down from $119.01 million in Q2 2026 and $66.29 million in Q3 2025. This represented a 65.8% decline quarter-over-quarter and a 38.6% decline year-over-year.

Top industrial trades in Q3 2026 included SparrowHawk RE's acquisition of 117-119 Industrial Drive in Metro East for $45.50 million followed by 3850 Millstone Parkway in Saint Charles County, purchased by Bertagni 1882 USA Inc for $16.00 million.

Figure 6: Quarterly Sales Volume



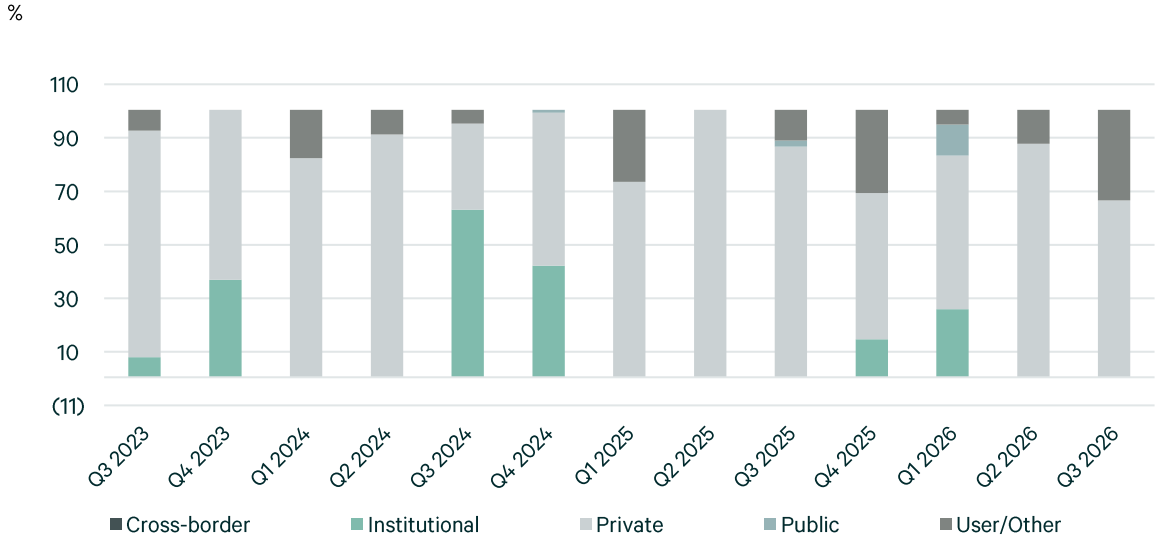
MSCI Real Capital Analytics

Figure 7: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
1215 Dunn Road	North County	Lydia Avenue LLC	$4M	-	-
117-119 Industrial Drive	Metro East	SparrowHawk RE	$45.5M	450,668	$100.93
13825 Parks Steed Drive	Earth City	Christopher C Thompson	$4.1M	40,980	$99.93
2240 Cassens Drive	Fenton	Ashton Nahai	$2.5M	23,400	$107.41
3850 Millstone Parkway	Saint Charles County	Bertagni 1882 USA Inc	$16M	97,993	$163.28
13726 Rider Trail North	Earth City	Diamond Properties	$1.9M	29,989	$64.03

MSCI Real Capital Analytics

Figure 8: Buyer Composition



MSCI Real Capital Analytics

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Leasing Activity

Leasing activity in Q3 2026 totaled 3.55 million sq. ft., bringing year-to-date 2026 volume to 7.93 million sq. ft. This was the highest level of leasing activity recorded in St. Louis since Q1 2022.

Overall leasing activity was highest in Metro East and North County, where tenants signed 1.11 million sq. ft. and 1.02 million sq. ft., respectively. The largest transactions this quarter were Proctor and Gamble signing a new 806,000 sq. ft lease at 3 Gateway Commerce Center Dr E in the Metro East and Digital Products International renewing in 257,000 sq. ft. at 1020 N 23rd St. Downtown St. Louis.

Figure 9: Leasing Activity Trend

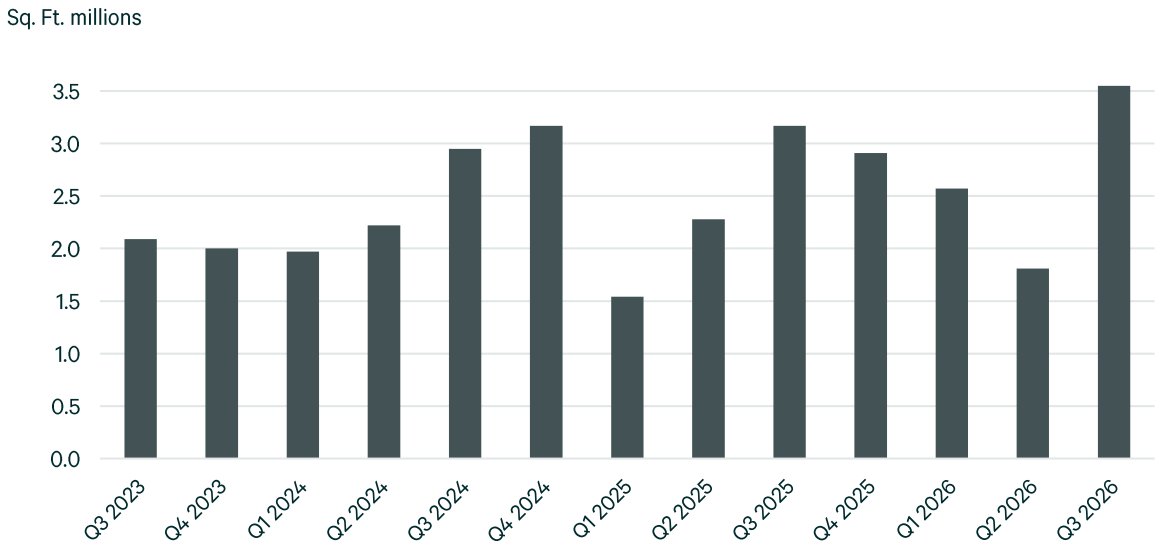

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Figure 10: Leasing Activity by Submarket (% of Total Activity)

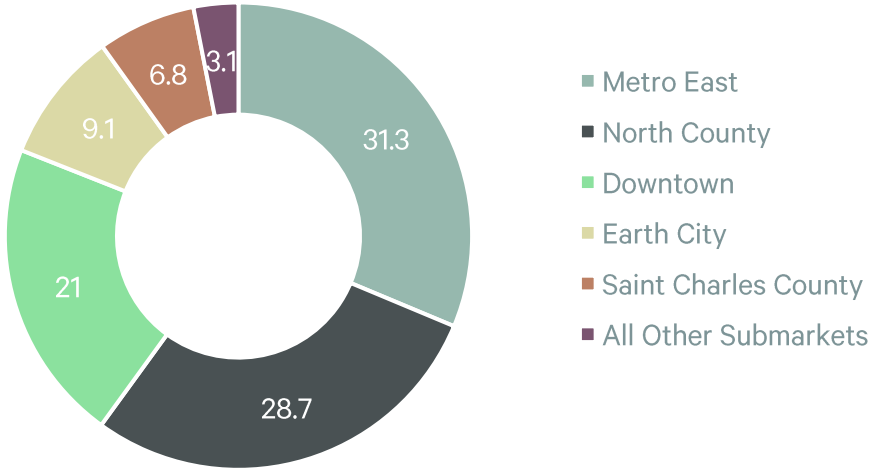

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Figure 11: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Proctor & Gamble	806,000	New Lease	3 Gateway Commerce Center Dr E	Metro East
Digital Products International	257,000	Renewal	1020 N 23rd St	Downtown
TAGG Logistics	253,000	Renewal	372 Hazelwood Logistics Center Dr	North County
Potter Electric Signal Company	234,000	Renewal	1601-1609 Park 370 Pl	North County
World Wide Technology	188,000	New Lease	2601 Westway Dr	Metro East
Heritage Imports	110,000	New Lease	1601 Tradeport Dr	North County
Mac.Bid	104,000	New Lease	16000 Spencer Rd	Saint Charles County

Source: CBRE Research, Q3 2026

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Market Statistics by Product Type

Figure 12

Product Type	Net Rentable Area (SF)	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 (SF)
Distribution/Logistics	166.98M	7.5	8.5	7.0	1.6	5.63	996,000	689,000	933,000	1.28M
Manufacturing - General	37.15M	4.9	5.7	5.6	0.0	4.93	372,000	111,000	203,000	1.31M
R&D/Flex	10.18M	5.9	6.3	6.3	-	7.33	(21,000)	37,000	-	45,000
Other Industrial	979,000	-	-	-	-	-	-	48,000	-	-
Total	**215.29M**	**6.9**	**7.9**	**6.7**	**1.2**	**5.60**	**1.35M**	**884,000**	**1.14M**	**2.64M**

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 13

Size Range	Net Rentable Area (SF)	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 (SF)
Below 50K SF	22.83M	4.1	5.0	5.0	0.0	8.19	(149,000)	(133,000)	-	45,000
50K-99,999 SF	38.48M	2.7	3.1	2.9	0.2	7.01	32,000	144,000	-	66,000
100K-249,999 SF	59.63M	7.5	9.1	7.2	1.9	6.06	124,000	158,000	203,000	200,000
250K-499,999 SF	39.47M	8.1	9.6	8.1	1.5	4.94	249,000	517,000	-	705,000
500K-749,999 SF	17.89M	10.8	15.2	10.9	4.3	4.87	123,000	(620,000)	-	645,000
750,000 SF +	36.99M	9.1	7.3	7.3	-	4.50	968,000	818,000	933,000	979,000
Total	**215.29M**	**6.9**	**7.9**	**6.7**	**1.2**	**5.60**	**1.35M**	**884,000**	**1.14M**	**2.64M**

Source: CBRE Research, Q3 2026

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Market Statistics by Class

Figure 14

Property Class	Net Rentable Area (SF)	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 (SF)
Class A	34.31M	8.2	11.1	6.8	4.3	5.57	320,000	144,000	-	45,000
Institutional	31.27M	8.4	11.5	6.9	4.7	5.24	321,000	113,000	-	-
Other Class A	3.05M	6.5	6.6	6.1	0.5	8.89	(1,000)	31,000	-	45,000
All Other Industrial	180.98M	6.7	7.3	6.7	0.6	5.60	1.03M	740,000	1.14M	2.59M
Total	**215.29M**	**6.9**	**7.9**	**6.7**	**1.2**	**5.60**	**1.35M**	**884,000**	**1.14M**	**2.64M**

Source: CBRE Research, Q3 2026

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Market Statistics by Submarket

Figure 15

Submarket	Net Rentable Area (SF)	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 (SF)
Central County	15.36M	2.6	5.0	3.3	1.7	8.14	(9,000)	(64,000)	-	-
Downtown	44.46M	6.1	7.0	6.6	0.4	4.95	(155,000)	164,000	-	-
Earth City	19.34M	10.5	14.3	13.6	0.7	5.35	96,000	101,000	-	-
Fenton	8.27M	5.3	7.8	5.6	2.2	8.48	(86,000)	116,000	-	-
Maryland Heights	4.38M	5.1	5.9	5.1	0.8	6.01	-	746,000	-	1.08M
Metro East	39.16M	12.1	10.7	8.4	2.4	4.46	842,000	(217,000)	933,000	335,000
North County	34.38M	8.4	11.1	8.6	2.5	5.99	142,000	(233,000)	-	1.18M
Saint Charles County	27.99M	2.0	1.2	1.2	-	6.23	629,000	690,000	203,000	-
South County	5.79M	1.6	2.1	2.0	0.1	11.20	5,000	(21,000)	-	45,000
West County	5.55M	5.0	6.1	6.0	0.1	8.31	(11,000)	(198,000)	-	-
Westport	10.63M	5.6	5.8	5.4	0.3	8.52	(107,000)	(201,000)	-	-
Total	**215.29M**	**6.9**	**7.9**	**6.7**	**1.2**	**5.60**	**1.35M**	**884,000**	**1.14M**	**2.64M**

Source: CBRE Research, Q3 2026

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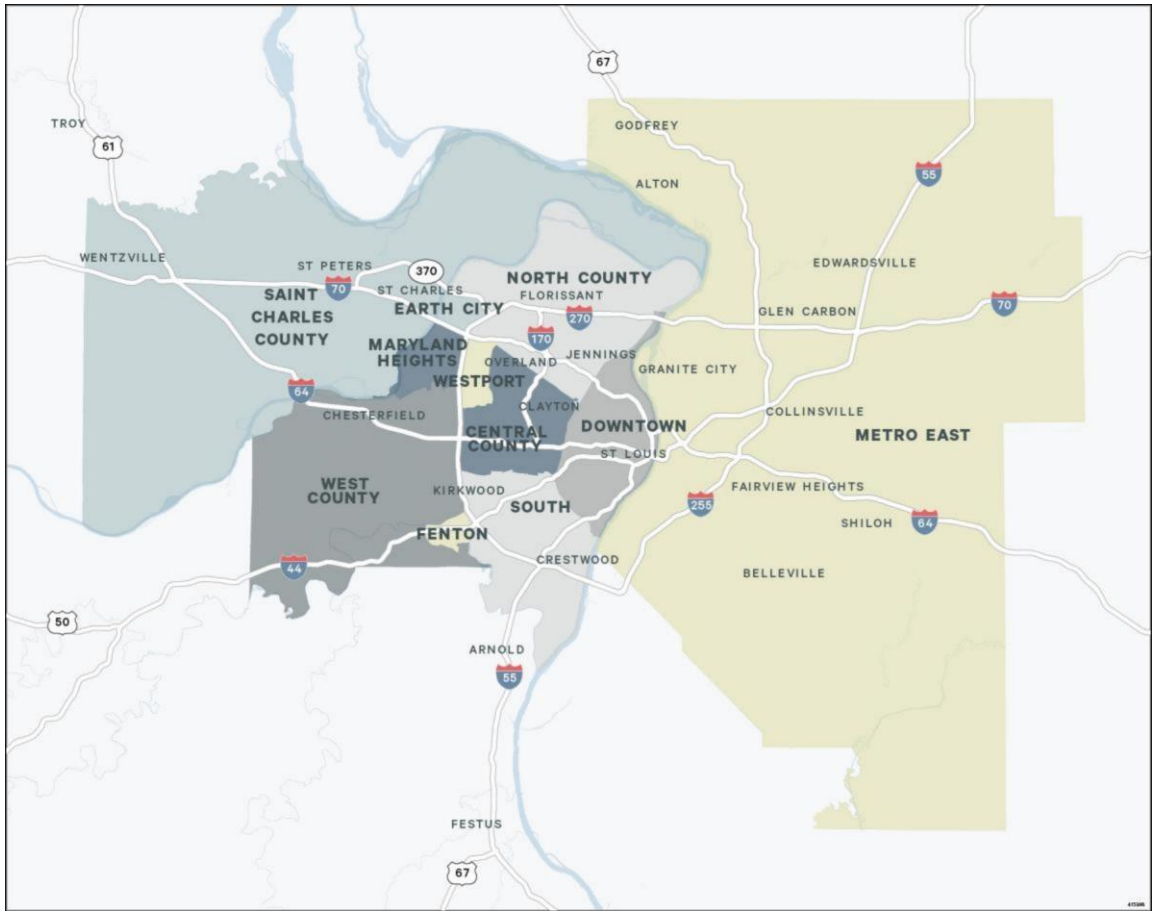
Market Area Overview



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

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.

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