

FIGURES | ST. LOUIS INDUSTRIAL | Q2 2026

Migration to Modern Assets Places Upward Pressure on Vacancy

▲ 7.1%

Vacancy Rate

▲ 44,699

SF Net Absorption

▲ 733,640

SF Construction Delivered

▲ 3.8M

SF Under Construction

▼ \$5.46

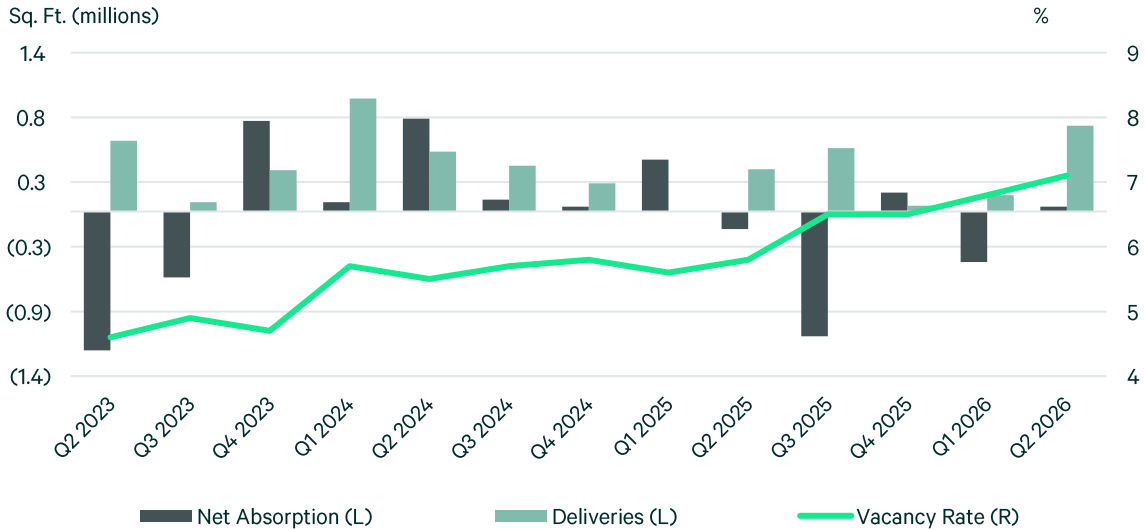
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

- Absorption was marginally positive this quarter at 44,699 sq. ft., largely in balance due to large users migrating from existing second-generation assets to new built-to-suit assets.
- Vacancy in St. Louis increased by 30 bps in Q2 finishing the quarter at 7.1%, a post-pandemic high. The increase in vacancy was largely driven by large users rightsizing and migration from second generation assets to modern bulk facilities.
- The total average asking rate was \$5.46 NNN at the close of Q2 2026, a decrease of \$0.01 (0.18%) from the previous quarter. St. Louis asking rent remains below the cyclical high of \$5.67 per sq. ft., recorded in Q2 2025.
- St. Louis industrial leasing activity in Q2 2026 totaled 1.61 million sq. ft. a decrease of 37.8% quarter-over-quarter.
- The construction pipeline remains healthy in St. Louis with three built-to-suit deliveries totaling 733,000 sq. ft. and two new built-to-suit groundbreakings totaling 845,000 sq. ft. Maryland Heights Commerce Center 2 (369,000 sq. ft.) remains the only speculative asset under construction in the region.

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



Source: CBRE Research, Q2 2026

Vacancy Rate

Vacancy in St. Louis increased by 30 bps in Q2 finishing the quarter at 7.1%.

The South County submarket had the lowest vacancy rate in the overall metro at 1.6%, followed by Central County at 2.6%. The Metro East submarket posted the highest vacancy rate at 12.2%.

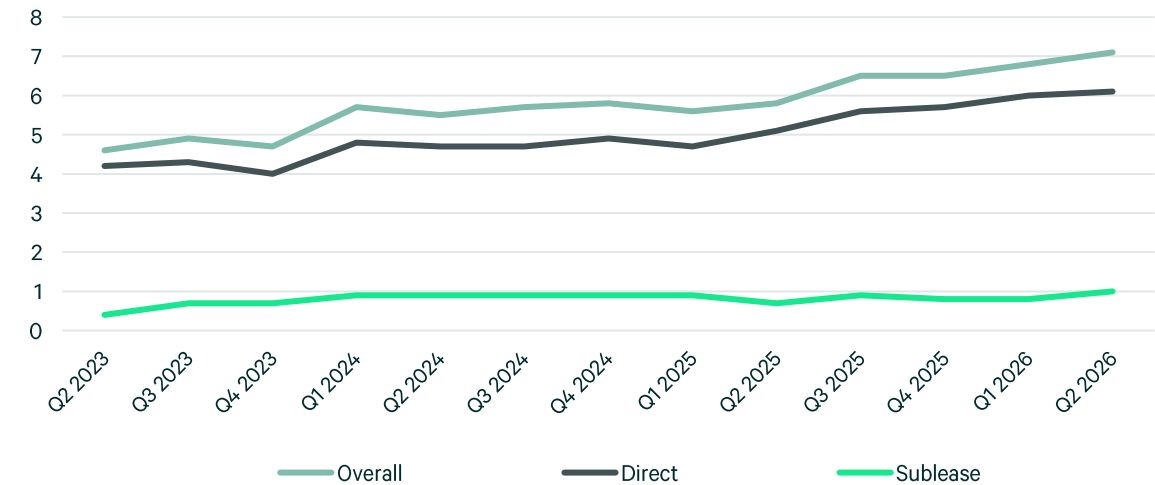
Sublease space increased slightly in Q2 2026, with an availability rate of 1.3%, a 10 bps increase over Q1 2026. In total, there was 2.9 million sq. ft. of sublease space on the market in Q2 2026.

Asking Rent

The total average asking rate was \$5.46 NNN at the close of Q2 2026, a decrease of \$0.01 (0.18%) from the previous quarter. St. Louis asking rent remains below the cyclical high of \$5.67 per sq. ft., recorded in Q2 2025.

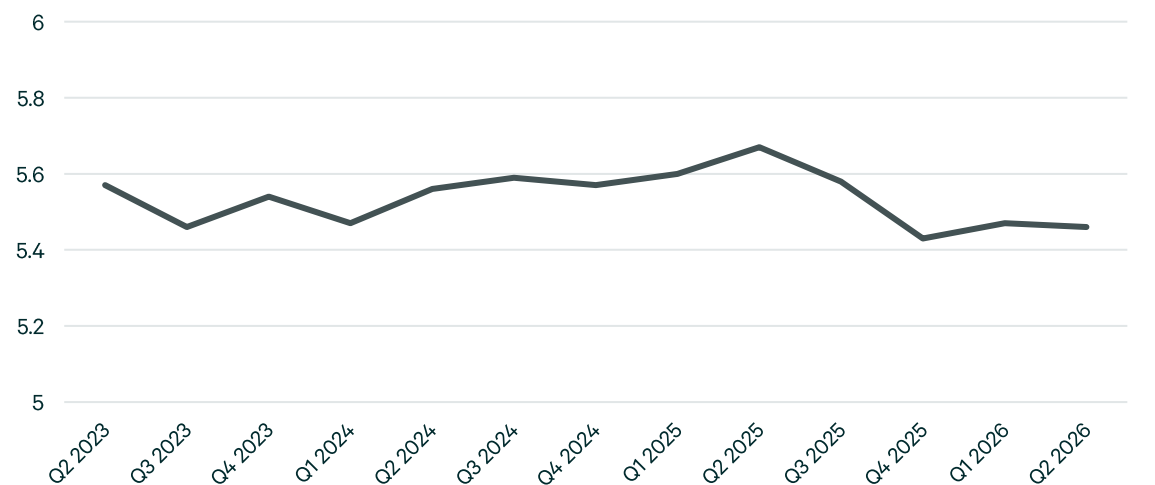
The share of total available space for lease in St. Louis remains skewed towards older second-generation product. As a result, asking rents remain subdued due to the lack of new speculative development.

Figure 2: Vacancy Rate
%



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate
\$/ SF



Source: CBRE Research, Q2 2026

Net Absorption

Absorption was marginally positive this quarter at 44,699 sq. ft., largely in balance due to large users migrating from existing second-generation assets to new built-to-suit assets.

The largest contributors to positive absorption in the second quarter were Whirlpool occupying their new built-to-suit in Maryland Heights (551,000 sq. ft.), Golterman & Sabo occupying 415 Axminster Dr Downtown St. Louis (168,000 sq. ft) and LKQ Corporation occupying their built-to-suit in the Metro East.

Conversely, the largest contributor to negative absorption was also Whirlpool vacating their location at 65 Corporate Woods Dr (556,000 sq. ft.). Additionally, the other contributors to negative absorption were St. Louis Post Dispatch vacating 11700-11770 Dunlap Industrial Dr (204,000 sq. ft.) and Thyssen Krupp vacating 3919 Lakeview Corporate Dr (150,000 sq. ft.).

Construction Activity

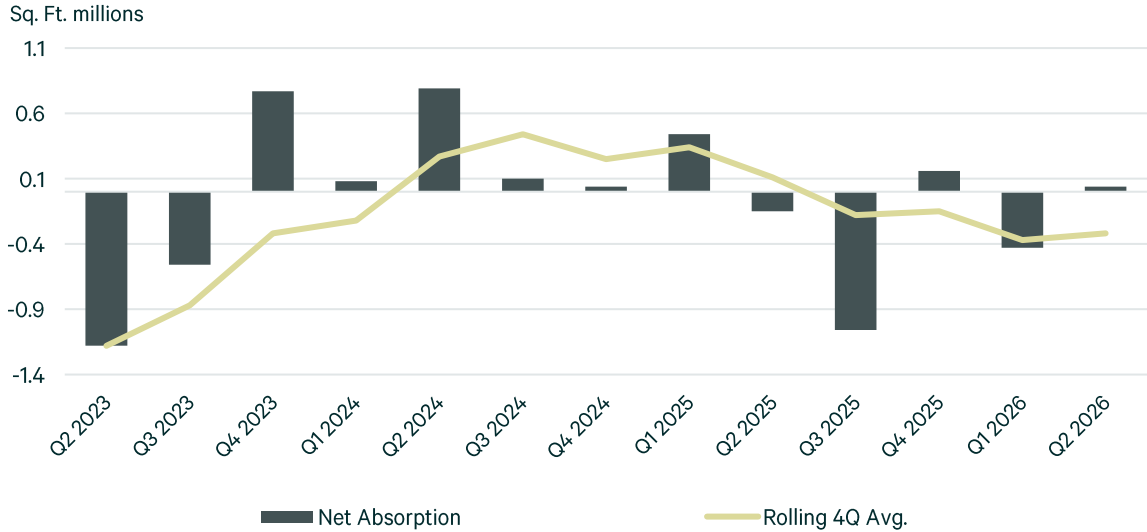
The Industrial pipeline in St. Louis continues to remain healthy with most users favoring Built-To-Suit due to lack of new speculative product in key locations. Presently, in St. Louis 89% (3.3 million sq. ft.) of projects under construction are Built-to-Suit. In contrast, Maryland Heights Commerce Center 1 (363,000 sq. ft.), which broke ground in Q4 2025 is the only speculative asset currently under construction in St. Louis.

Three projects delivered in Q2, all of which were built-to-suit. Whirlpool occupied their new location in Maryland Heights (551,000 sq. ft.), LKQ corporation occupied in the Metro East (134,000 sq. ft.) and Cummins Mid South also occupied in the Metro East (48,000 sq. ft.).

Two new assets broke ground this quarter which helped the pipeline remain stable among notable deliveries in the second quarter. Pepsi broke ground on a built-to-suit in Maryland Heights (645,000 sq. ft.) and Jarrell Contracting broke ground on their new location in North County (200,000 sq. ft.)

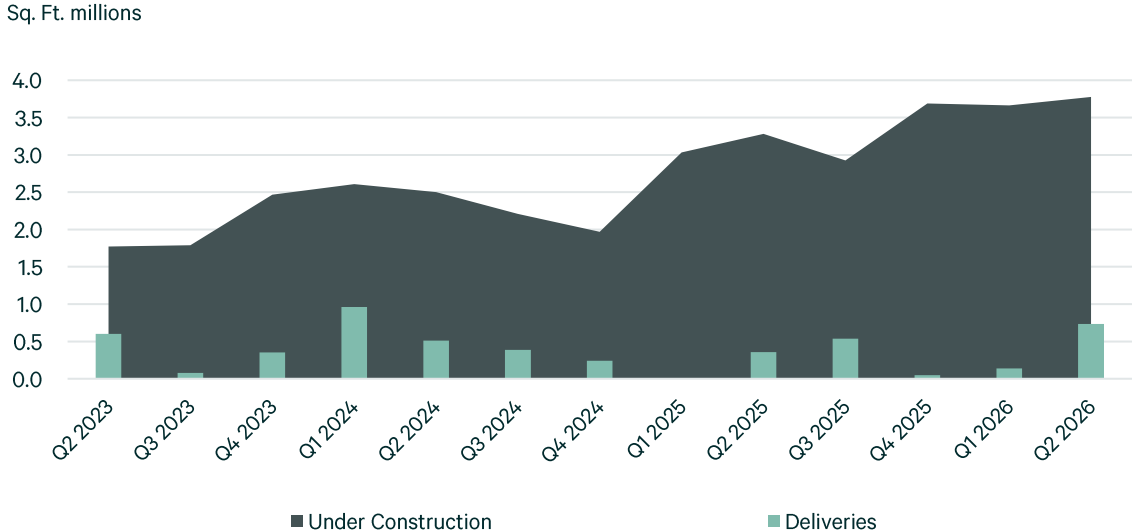
The Metro East and North County continued to have the largest pipelines, completely driven by Amazon at Gateway Tradeport (933,000 sq. ft.) and the Boeing F/A-47 Factory (979,000 sq. ft.) respectively which is expected to complete in late 2026.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

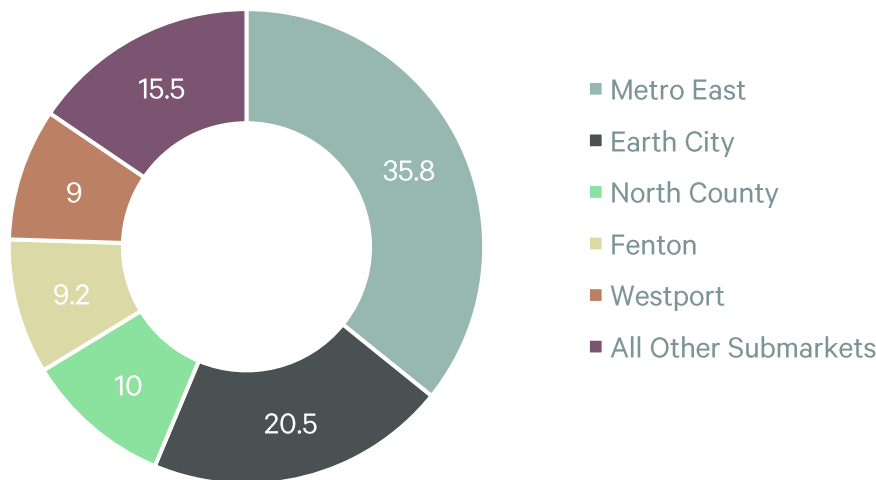
Leasing Activity

St. Louis industrial leasing activity in Q2 2026 totaled 1.61 million sq. ft. a decrease of 37.8% quarter-over-quarter.

The largest transactions contributing to leasing volume were a confidential tenant signing a new lease at 1 Gateway Commerce Center Dr W (392,000 sq. ft.), Geodis Logistics renewal at 117-119 Northgate Industrial Dr. (140,000 sq. ft.) and TTI Logistics signing their new lease at 13330 Lakefront Dr (123,000 sq. ft.).

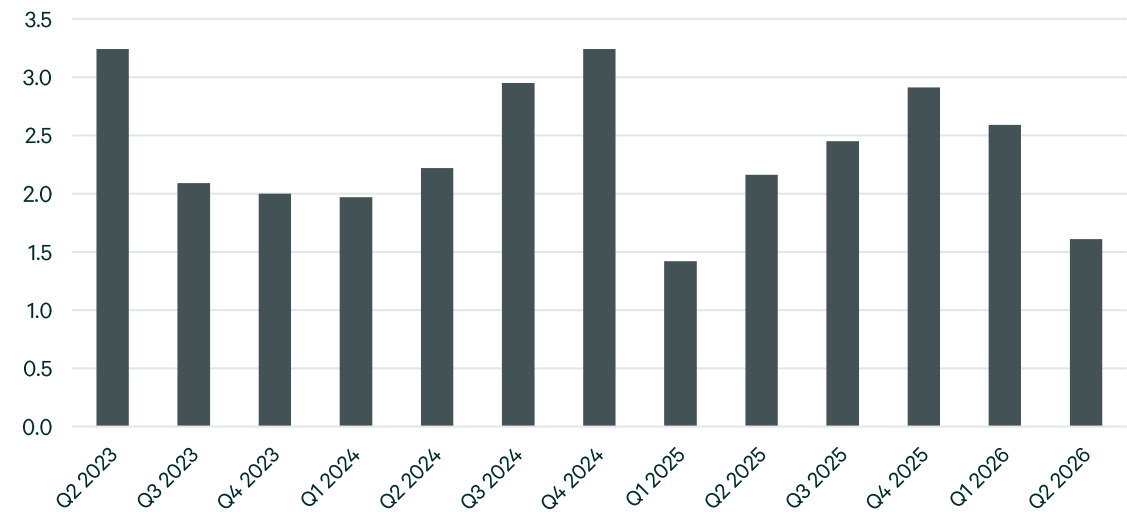
The Metro East continued to lead the market with the highest leasing volume at 768,000 sq. ft., largely driven by a confidential tenant signing a new lease (392,000 sq. ft.) at 1 Gateway Commerce Center Dr. and Geodis Logistics’ renewal (140,000 sq. ft.) at 117-119 Northgate Industrial Dr. Earth City also saw more robust activity this quarter with 349,000 sq. ft., driven by TTI Logistics signing a new 123,000 sq. ft. deal and Propak Logistics’ New Lease (89,000 sq. ft.).

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



Source: CBRE Research, Q2 2026

Figure 6: Leasing Activity Trend
Sq. Ft. millions



Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	392,000	New Lease	1 Gateway Commerce Center Dr W	Metro East
Geodis Logistics	140,000	Renewal	117-119 Northgate Industrial Dr	Metro East
TTI Logistics	123,000	New Lease	13330 Lakefront Dr	Earth City
Confidential Tenant	113,000	New Lease	1301-1315 N Highway Dr	Fenton
US Chemwest	99,000	New Lease	9043-9083 Frost Ave	North County
Propak Logistics	89,000	New Lease	12949 Enterprise Way	Earth City
Guarantee Electrical Contracting	87,000	New Lease	3817-3845 Millstone Pkwy	Saint Charles County
Confidential Tenant	65,000	New Lease	11425-11445 Moog Dr	Westport

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 (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central County	15.36M	2.6	4.8	3.1	1.7	8.53	(48,000)	(58,000)	-	-
Downtown	44.46M	5.6	6.8	6.5	0.3	4.77	77,000	385,000	-	-
Earth City	19.34M	11.0	13.5	12.8	0.7	4.97	(671,000)	5,000	-	-
Fenton	8.27M	4.3	7.1	4.9	2.2	8.46	184,000	202,000	-	-
Maryland Heights	4.38M	5.1	5.9	5.1	0.8	6.01	551,000	746,000	551,000	1.08M
Metro East	38.23M	12.2	11.9	9.4	2.4	4.54	40,000	(1.06M)	182,000	1.27M
North County	34.30M	8.8	10.7	7.9	2.8	5.82	15,000	(376,000)	-	1.18M
Saint Charles County	27.71M	3.6	2.2	1.6	0.7	6.93	-	61,000	-	203,000
South County	5.79M	1.6	2.3	2.3	0.1	10.20	(11,000)	(26,000)	-	45,000
West County	5.55M	4.8	6.2	6.2	-	8.59	23,000	(187,000)	-	-
Westport	10.63M	4.4	6.6	6.4	0.2	7.11	(114,000)	(78,000)	-	-
Total	214.00M	7.1	8.1	6.7	1.3	5.46	45,000	(383,000)	734,000	3.78M

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 9

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	165.99M	7.6	8.8	7.0	1.7	5.50	(24,000)	(228,000)	685,000	2.21M
Manufacturing - General	36.95M	5.3	5.7	5.7	0.0	4.80	15,000	(259,000)	-	1.52M
R&D/Flex	10.18M	5.7	5.7	5.7	-	7.29	5,000	55,000	-	45,000
Other Industrial	877,000	-	-	-	-	-	48,000	48,000	48,000	-
Total	214.00M	7.1	8.1	6.7	1.3	5.46	45,000	(383,000)	734,000	3.78M

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 10

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	22.86M	3.5	4.9	4.9	-	7.97	(96,000)	16,000	48,000	45,000
50K-99,999 SF	38.39M	2.7	3.6	3.4	0.2	7.17	93,000	144,000	-	66,000
100K-249,999 SF	59.32M	7.4	9.3	7.5	1.8	5.89	69,000	81,000	134,000	403,000
250K-499,999 SF	39.47M	8.7	8.3	6.9	1.4	4.77	198,000	268,000	-	705,000
500K-749,999 SF	17.89M	11.5	15.2	9.5	5.7	4.87	(69,000)	(742,000)	551,000	645,000
750,000 SF +	36.06M	9.4	9.0	8.5	0.5	4.39	(150,000)	(150,000)	-	1.91M
Total	214.00M	7.1	8.1	6.7	1.3	5.46	45,000	(383,000)	734,000	3.78M

Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 11

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	9.1	10.3	5.0	5.3	5.86	(237,000)	(160,000)	-	978,000
Institutional	31.27M	9.4	10.5	4.7	5.8	5.37	(276,000)	(208,000)	-	-
Other Class A	3.05M	5.9	8.0	8.0	-	8.83	39,000	49,000	-	978,000
All Other Industrial	179.68M	6.7	7.6	7.0	0.6	5.40	282,000	(223,000)	734,000	2.80M
Total	214.00M	7.1	8.1	6.7	1.3	5.46	45,000	(383,000)	734,000	3.78M

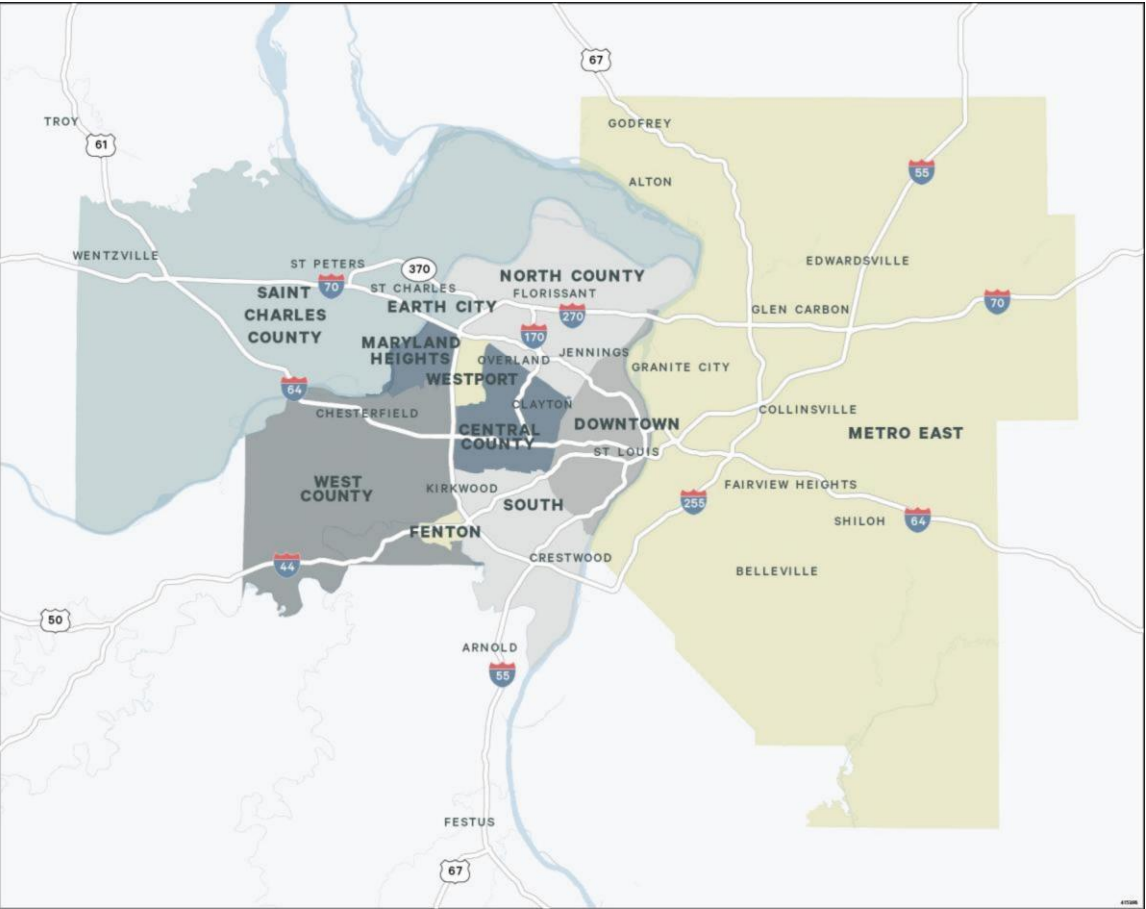
Source: CBRE Research, Q2 2026

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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