
RESEARCH 3Q25

St. Louis Capital Markets



Executive Summary

Newmark Zimmer is continuously monitoring market indicators, tracking and analyzing supply and demand drivers, cyclical patterns and industry trends. The following quarterly research report examines the multifaceted St. Louis investment market.

Newmark Zimmer research and analytics has established a system of data flow unique in our industry. Rather than rely on third-party data sources, our data acquisition efforts involve inputs from advisors in the field, analysts and brokers executing transactions. Newmark Zimmer research converts market data and analysis into knowledge that creates value for our clients.

Our clients include market-leading investors and distinguished institutions in and around the St. Louis area and the Midwest. Our market knowledge continues to expand as the market progresses and evolves.

Select Market Transactions

Multifamily | Chroma & Hue Apartments Portfolio

346 Units – Sold for \$88,000,000 (\$254,335/Unit)

St. Louis City | 4041 Chouteau Avenue, 900 S Sarah Street

Multifamily | McKenzie Apartments

251 Units – Sold for \$72,000,000 (\$286,853/Unit)

Clayton | 8400 Delmar Boulevard

Industrial | Hy-C Company

121,970 SF GLA – Sold for \$10,900,000 (\$89/SF)

Central County | 10950 Linpage Place

Retail | Maplewood Square

71,590 SF GLA – Sold for \$7,250,000 (\$101/SF)

Mid County | 7325-7355 Manchester Road

Industrial | Breese Journal & Publishing Co.

131,060 SF GLA – Sold for \$7,000,000 (\$53/SF)

Metro East | 8060 Old US Highway 50

Capital Markets

ST. LOUIS MARKET OVERVIEW

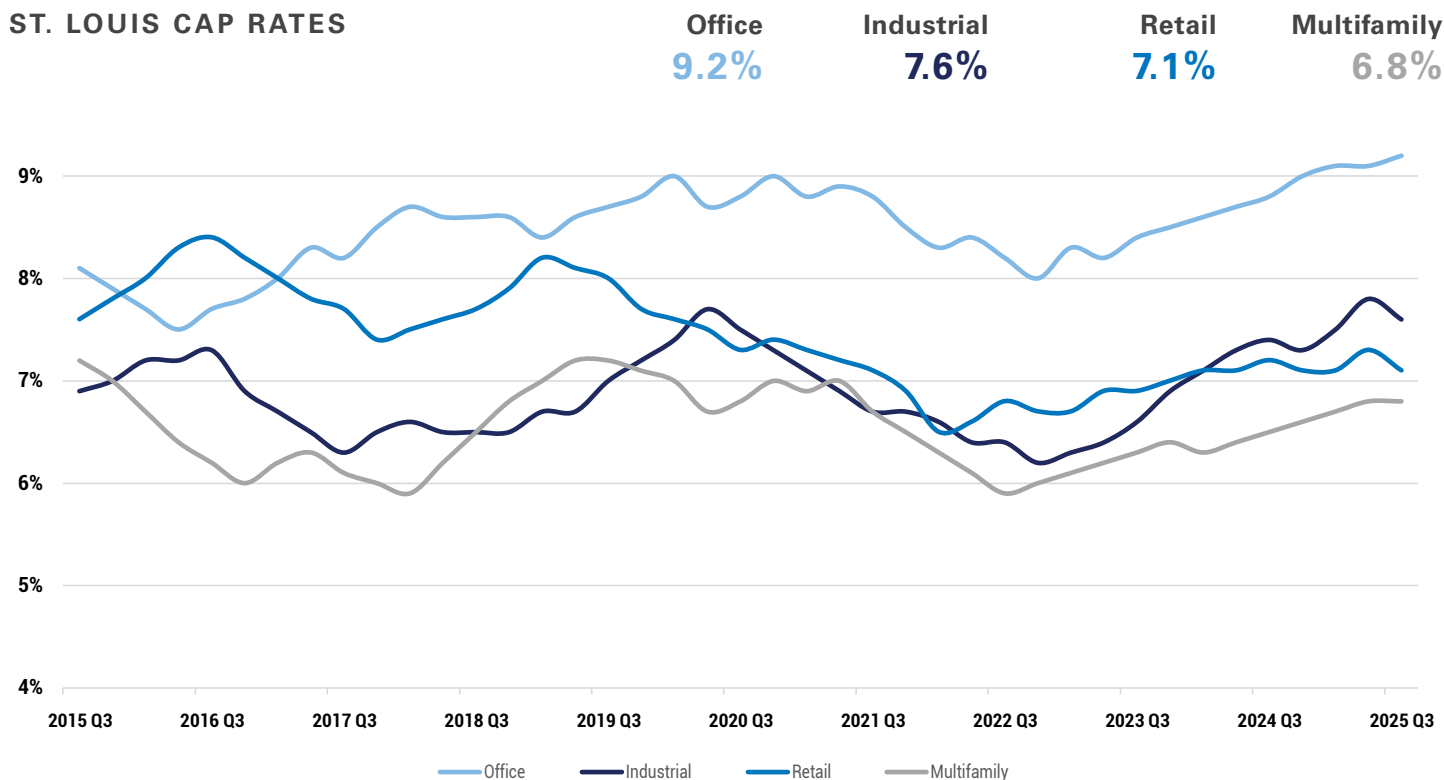
Investment activity in the St. Louis market remained steady during the past four quarters, with sales volume totaling \$1.9 billion. As a leading second-tier market, the St. Louis Metropolitan area ranked seventh out of the largest 13 Midwest markets in total sales volume during the past 12 months, with multifamily and industrial assets combining for 72.3% of the Metro's activity.

Capitalization rates increased by 25 basis points compared with the past 12 months, registering 7.5% in the third quarter of 2025. Net absorption across the industrial, office, and retail sectors totaled 1.3 million SF over the past four quarters, a decrease of 66.9% compared with the preceding year. The multifamily sector realized 2,613 units of net absorption during the past four quarters, a decrease of 15.1% over a similar period a year ago. Vacancy for industrial properties increased 20 bps to 4.8%, as rental rates grew \$0.02/SF to \$5.94/SF during the quarter.

With development kept in check over the past five years and additional incentives offered to lock tenants in for longer lease terms, rental rates increased for the multifamily sector in 3Q25, registering a new record high of \$1,273.00 per unit. Vacancy in the multifamily sector decreased by 10 bps to 9.8%, while the office and retail sectors increased 50 bps to 13.9% and 20 bps to 3.7%, respectively, compared with the prior quarter.

The Newmark Zimmer Midwest Capital Markets team anticipates investment sales volume to continue to increase in the last quarter of the year as buyers and sellers further adjust to the current market conditions. Allocations for commercial real estate investment continue to remain steady for industrial, neighborhood retail, multifamily, medical office, and mixed-use Class A office with strong operating fundamentals. We continue to monitor the impact of lending conditions on leveraged buyers' return expectations and valuations with potential further interest rate adjustments.

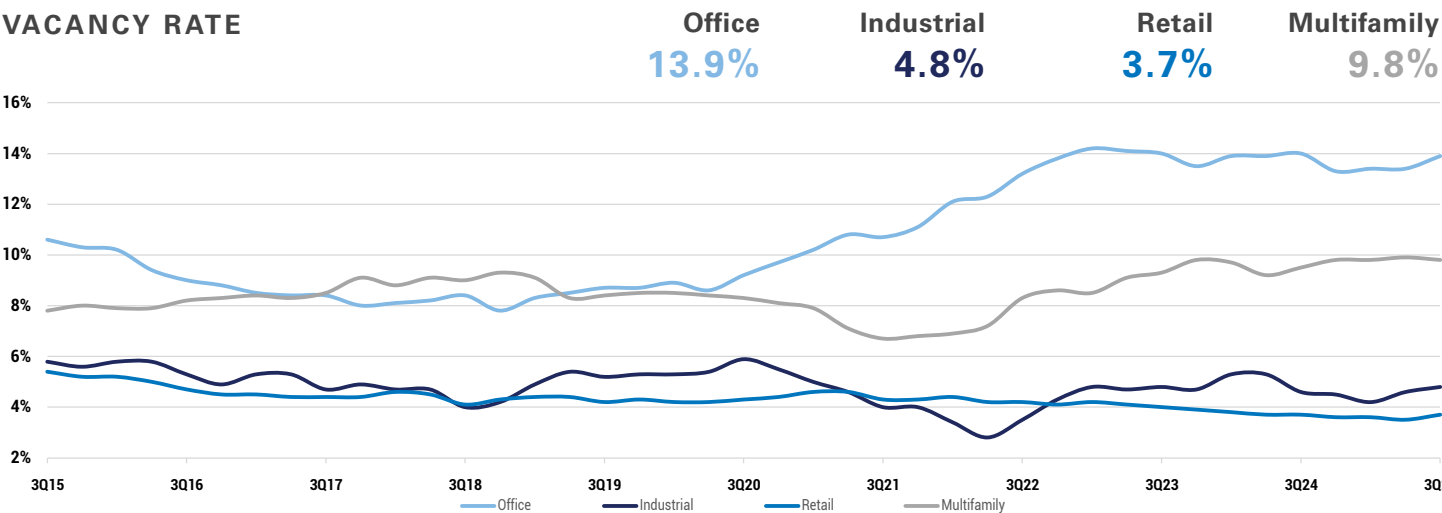
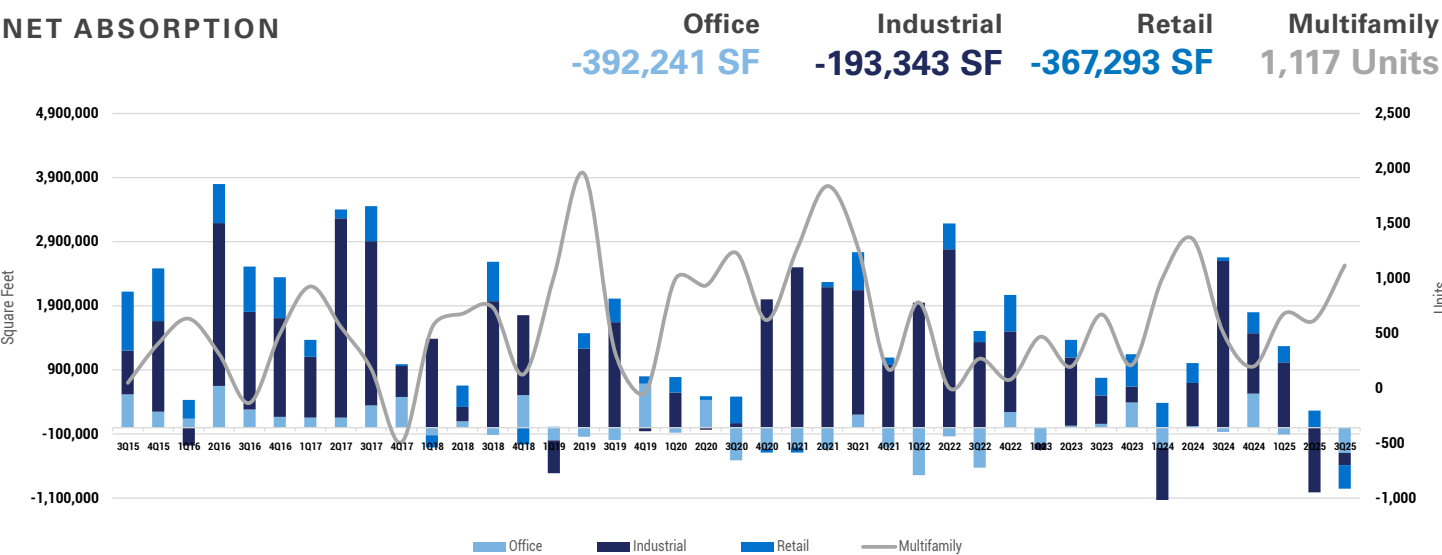
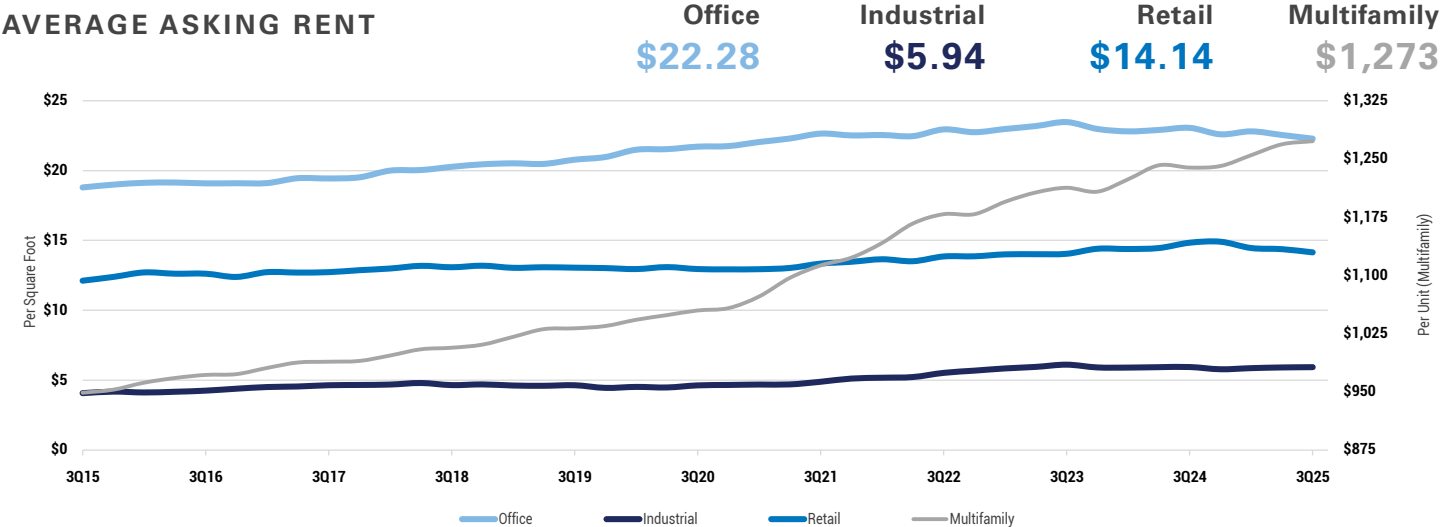
ST. LOUIS CAP RATES



Source: Newmark Zimmer Research, CoStar, Real Capital Analytics

3Q25 St. Louis

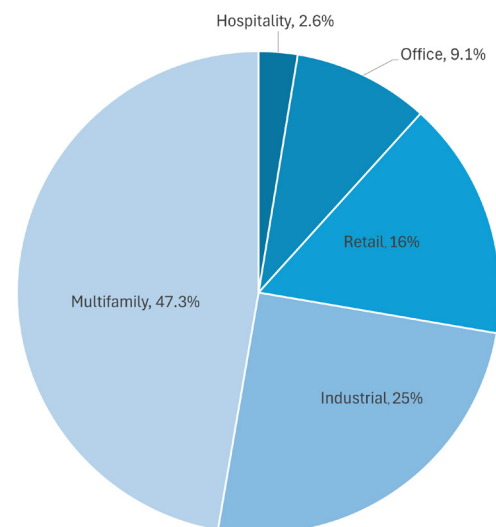
MARKET ANALYSIS





SALES VOLUME BY PROPERTY TYPE

ST. LOUIS; 12-MONTH TOTALS



Property Type	Volume	# of Properties
Multifamily	\$890.3 M	56
Industrial	\$470.0 M	58
Retail	\$300.3 M	44
Office	\$170.8 M	33
Hospitality	\$49.1 M	9
TOTAL	\$1.9 B	200

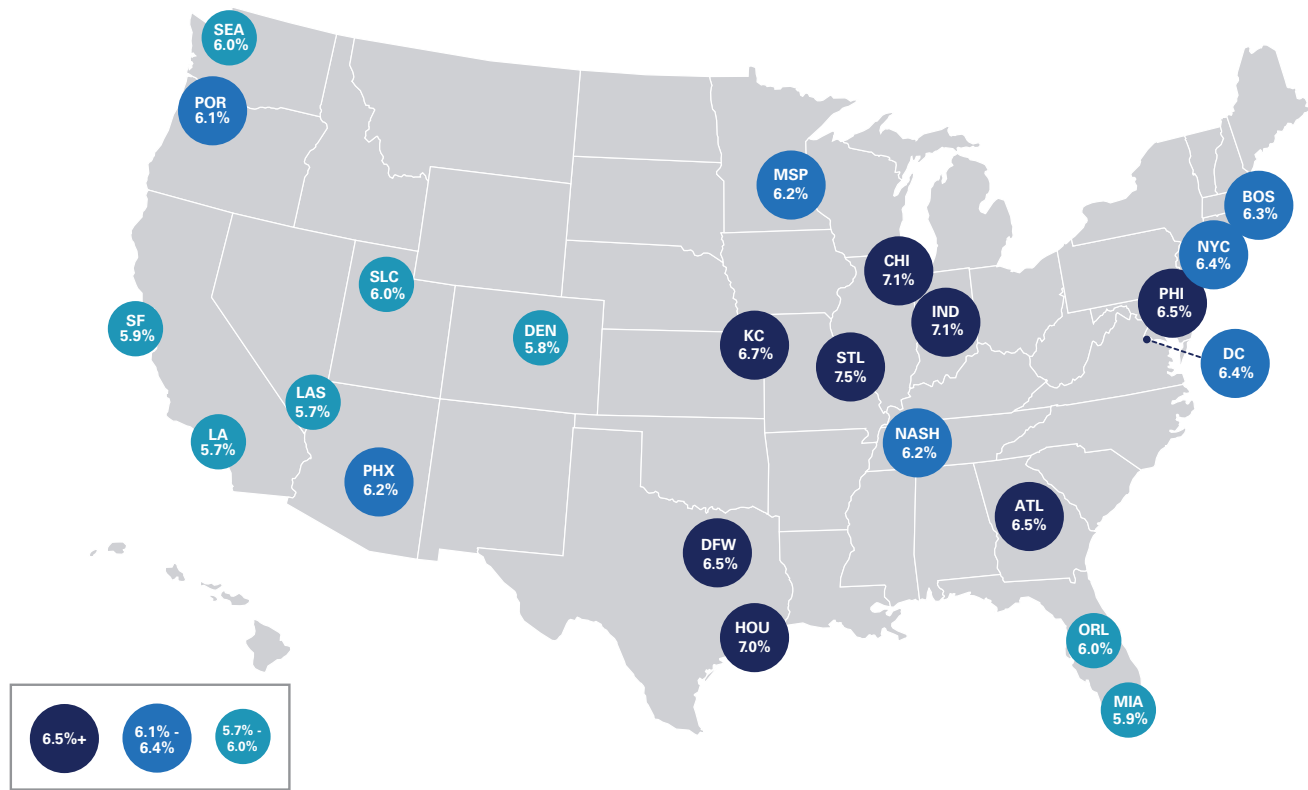
SELECT SALES TRANSACTIONS | THIRD QUARTER OF 2025

Sector	Building	Submarket	Sale Price	Price Per SF/Unit ¹	SF/Units ²
Multifamily	Storyboard on Stoney Pines 1735 Old State Road M	Jefferson County	\$20,000,000	\$156,250	128
Multifamily	Fordyce Manor Apartments 1416 South Drive	St. Charles County	\$6,250,000	\$132,979	47
Multifamily	Rudman on the Park 1228 Washington Avenue	Downtown	\$4,800,000	\$100,000	48
Retail	CVS 303 S State Street	Metro East	\$4,200,000	\$345	12,010
Industrial	Shaw Industries 126 Enterprise Drive	St. Charles County	\$3,925,000	\$104	37,920
Hospitality	La Quinta Inns & Suites 14 Regency Parkway	Metro East	\$3,925,000	\$60,385	65
Retail	11000 Old Halls Ferry Road	North County	\$3,476,000	\$115	30,350
Office/Medical	Sunset Hills Family Dental 87 Magnolia Drive	Metro East	\$3,364,000	\$801	4,200
Industrial/Flex	95-101 Arco Drive	St. Charles County	\$3,175,000	\$105	30,370
Retail	Starbucks 105 E Highway 50	Metro East	\$2,560,000	\$1,118	2,290

¹ The price per unit/room is displayed for the Multifamily and Hospitality sectors. ² The number of total units/rooms is displayed for the Multifamily and Hospitality sectors.

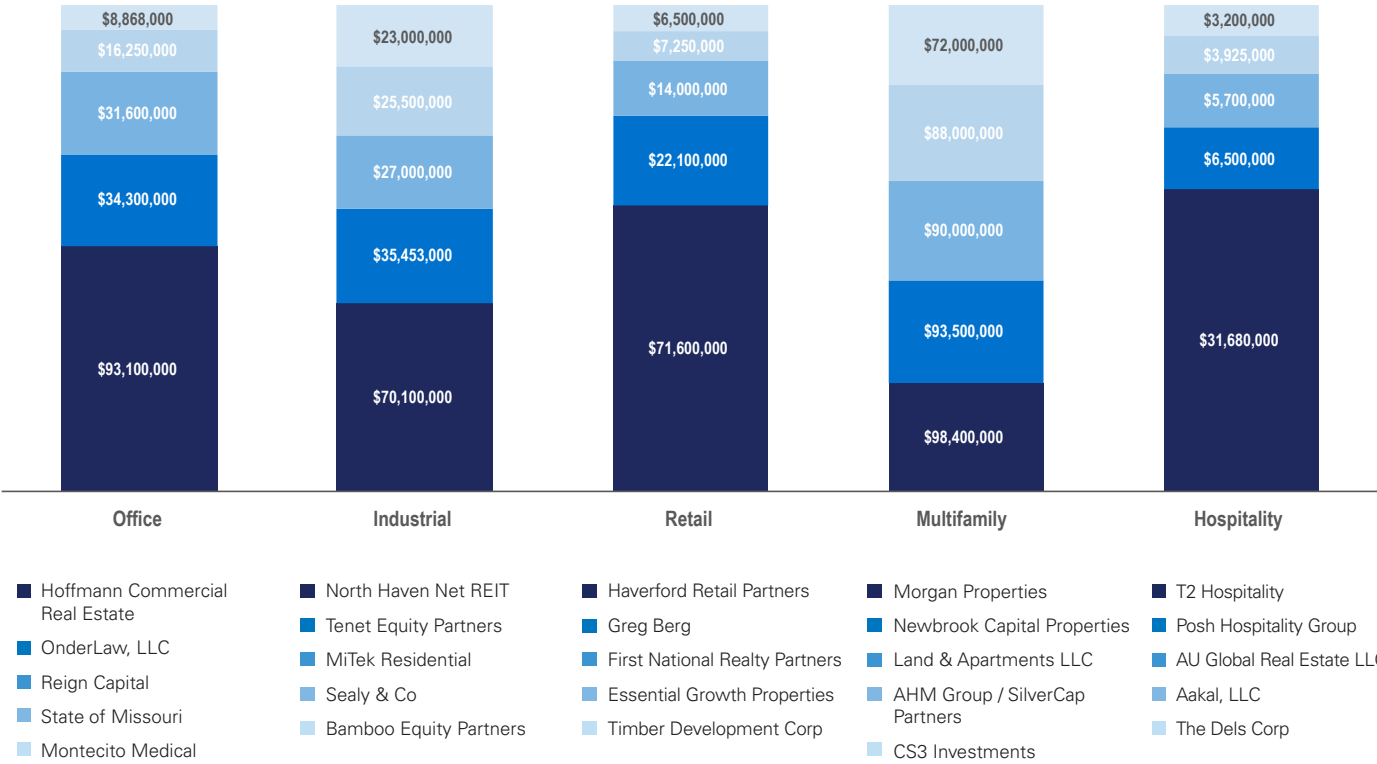
CAP RATES | ALL PROPERTY TYPES

12-MONTH AVERAGE, INCLUDES PROPERTY OR PORTFOLIO SALES \$2.5 MILLION OR GREATER



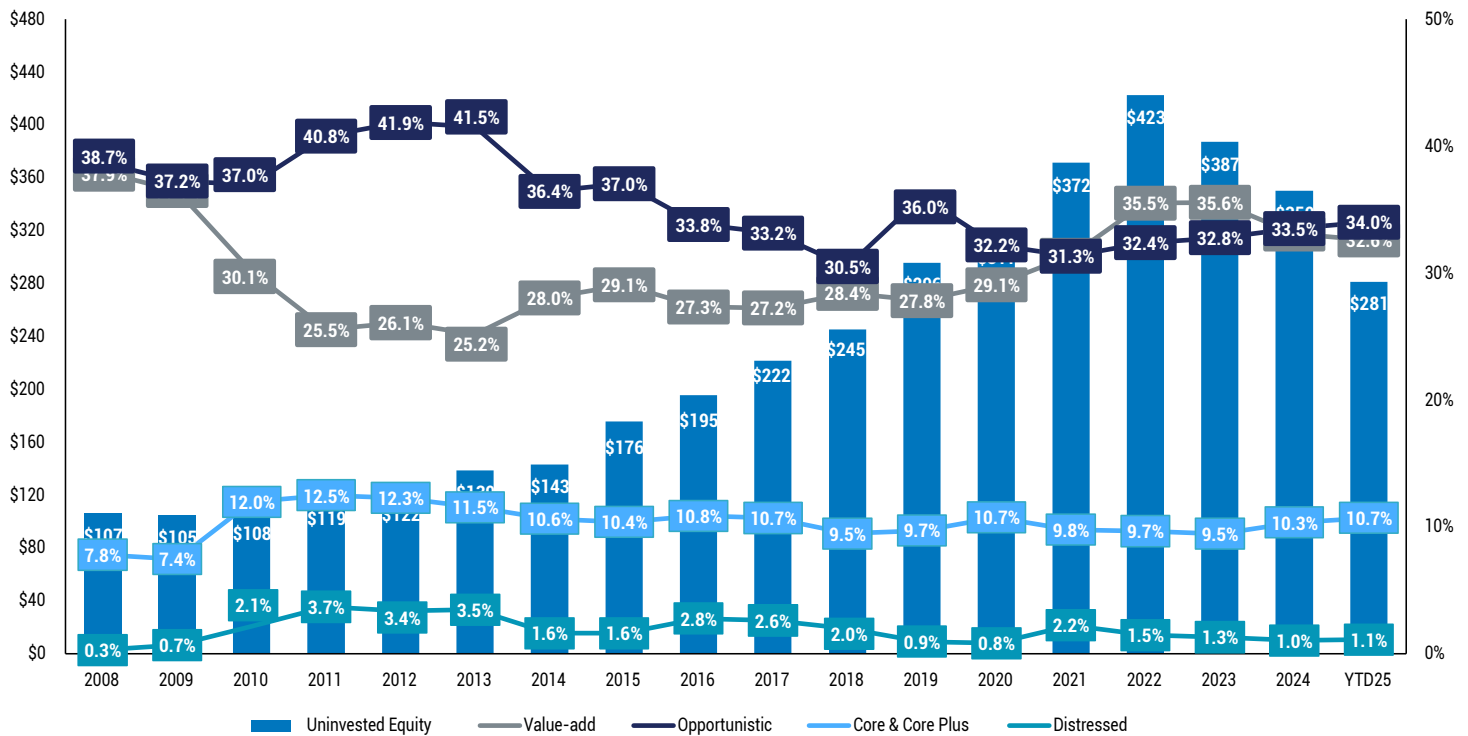
SELECT ACTIVE BUYERS IN THE ST. LOUIS MARKET BY ASSET TYPE

12-MONTH TOTALS



DRY POWDER

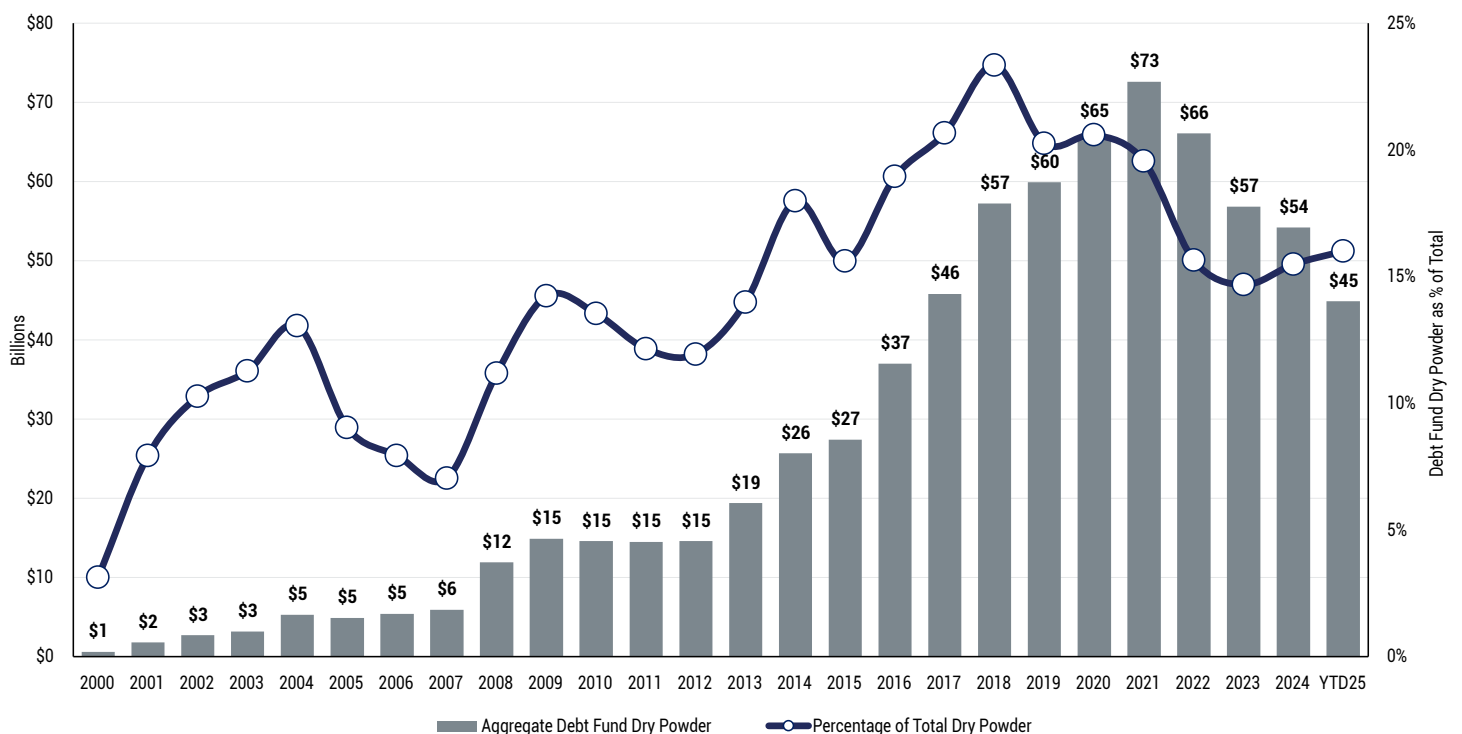
► Uninvested equity decreased significantly to 350 billion in 2024. Dry powder allocated to opportunistic deals increased 270 bps from 31.3% in 2021 to 34.0% in YTD 2025. Value-add strategies increased 120 bps from 31.4% in 2021 to 32.6% in YTD 2025.



Note: Excludes Debt Funds, Secondaries, Fund of Funds, Co-Investment

Source: Newmark Research, Preqin

DEBT FUND DRY POWDER



Source: Newmark Research, Preqin

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We transform untapped potential into limitless opportunity.

We don't just adapt to what our partners need—we adapt to what the future demands.

Since our start, we've faced forward, predicting change and pioneering ideas. Almost a century later, the same strategic sense and audacious thinking still guide our approach. Today our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies.

Tapping into smart tech and smarter people, we bring ingenuity to every exchange and transparency to every relationship.

We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

TERMS AND DEFINITIONS

Gross Leasable Area (GLA) – Expressed in square feet. It is the total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines. It is the standard measure for determining the size of retail spaces, specifically shopping centers, where rent is calculated based on GLA occupied. There is no real difference between RBA (Rentable Building Area) and GLA except that GLA is used when referring to retail properties while RBA is used for other commercial properties.

Vacancy Rate – The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant.

Net Absorption – The net change in physically occupied space over a period of time.

Average Asking Rent – The dollar amount asked by landlords for available space expressed in dollars per square foot per year. Retail rents are expressed as triple net where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a prorata basis. The asking rent for each building in the market is weighed by the amount of available space in the building.

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RESEARCH

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