

FIGURES | ST. LOUIS INDUSTRIAL | Q2 2025

Industrial Leasing Activity Improves as Users Await Clearer Economic Signals

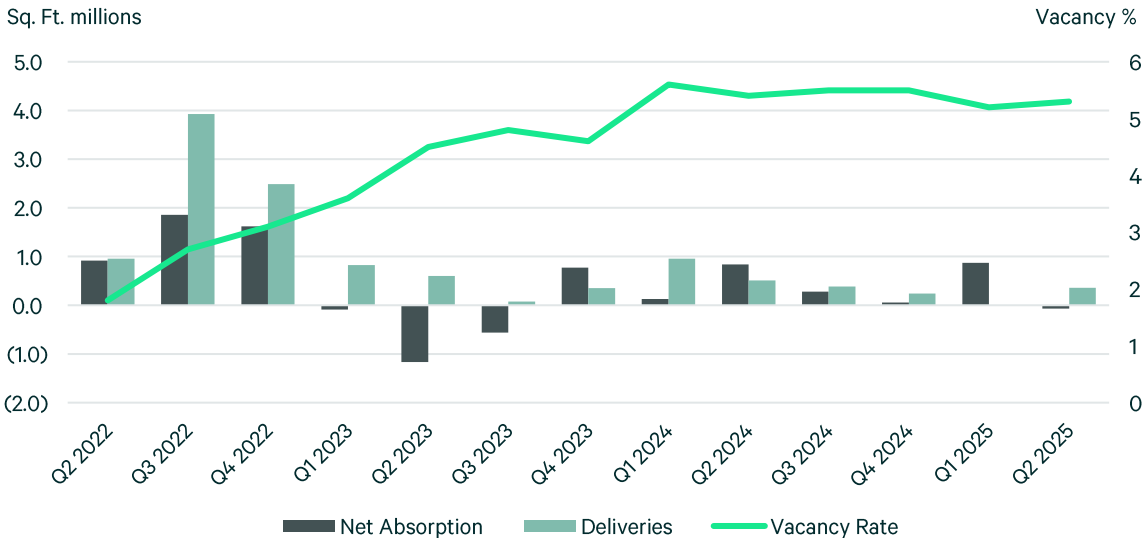


Note: Arrows indicate change from previous quarter.

SUMMARY

- After a strong start to 2025, absorption flatlined this quarter with move-outs slightly outpacing move-ins. Total net absorption for Q2 was -68,499 SF.
- Overall vacancy increased to 5.3% in Q2, bringing it back in line with the over 5% levels we experienced throughout 2024. Vacancy rose in the Metro west to 5.1%, primarily driven by the Maryland Heights and Earth City submarkets. Conversely Metro East vacancy decreased to 6.2%
- Overall availability in the region increased by 120 bps to 8.0% in advance of several large move-outs in the next 12-months.
- The overall average asking rate was \$5.67 NNN at the close of Q2 2025, up 1.1% (\$0.06) quarter-over-quarter, and up 1.8%, (\$0.10) year-over-year.
- St. Louis Industrial Leasing activity in Q2 2025 totaled 1.4 MSF.
- Construction activity continued to skew towards Built-to-Suit projects. Only 25% of the 3.3 MSF under construction in St. Louis is speculative.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2025

Availability Rate

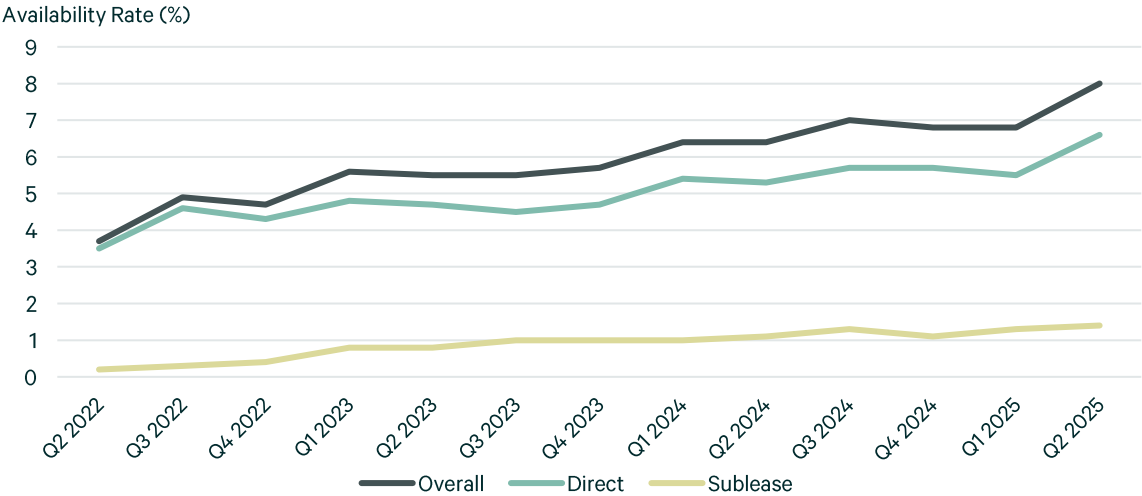
In Q2 2025 the St. Louis Industrial market reported a total availability rate of 8.0%, up 120 bps quarter-over-quarter and up 160 bps year-over-year.

Much of this rise can be attributed to the addition of five specific spaces. The Whirlpool building at 65 Corporate Woods was listed for lease as construction began on their new BTS facility in Maryland Heights, 13213 Corporate Exchange Dr (228,255 SF) and 13892 Corporate Woods Trail (200,000 SF) and both Aviator 7 (335,250 SF) and Aviator 10 (184,561 SF) listed large blocks.

Asking Rent

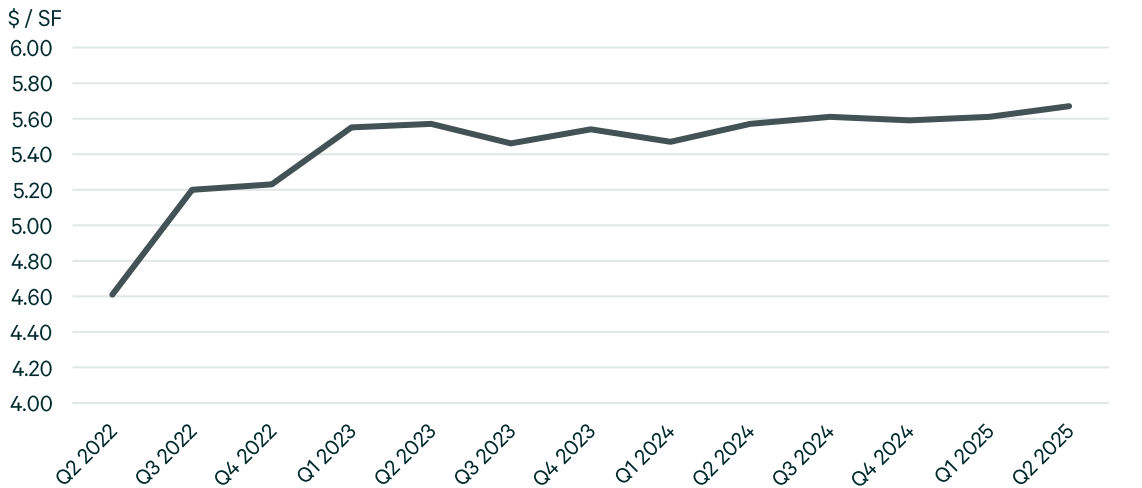
The overall average asking rate in St. Louis was \$5.67 NNN at the close of Q2 2025, up 1.1% (\$0.06) quarter-over-quarter, and up 1.8%, (\$0.10) year-over-year. Over the last 3-years quarterly average asking rent was up 23.0% (\$1.06).

FIGURE 2: Availability Rates



Source: CBRE Research, Q2 2025

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q2 2025

Net Absorption

For the first time since Q1 2023, the St. Louis Metro experienced a quarter of negative absorption. Although negative, absorption was largely flat this quarter with move-outs only slightly outpacing move-ins. Total net absorption for Q2 was -68,499 SF.

The largest move-outs contributing to the negative quarter were IDX vacating 13213 Corporate Exchange Dr (228,255 SF) and Planet Warehouse vacating Park 370 1 (131,066 SF). Conversely, the quarter saw positive absorption in the form of US Lumber occupying Gateway Panattoni Building 1 (187,969 SF), Craftsmen Industries at Fountain Lakes 1 (117,803 SF) and Pivot Bio at Lambert Pointe F (90,655 SF).

Several major built-to-suit projects are scheduled to deliver in the coming months which should help buoy absorption in the latter half of 2025

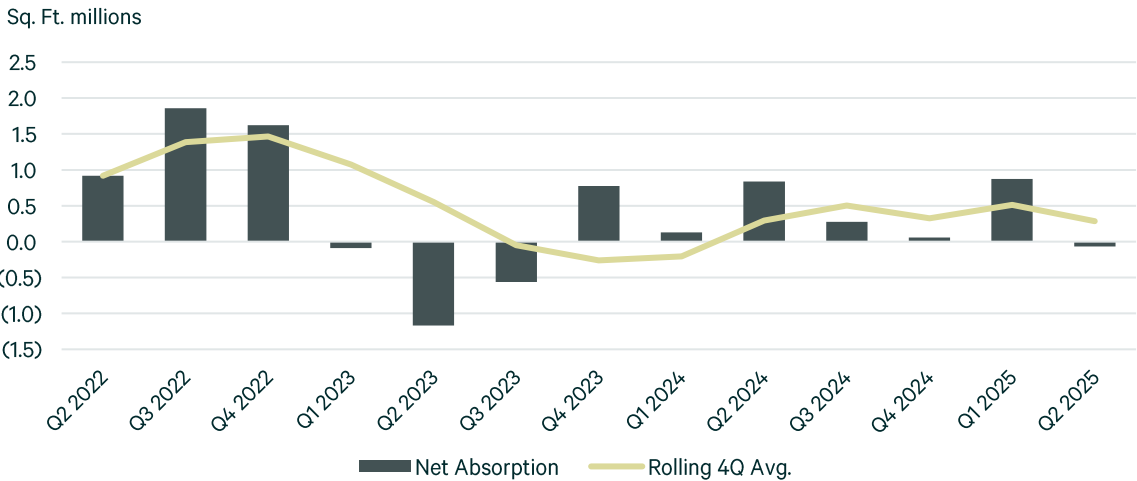
Construction Activity

In Q2 there were 12 projects underway, totaling 3.3 million sq. ft. 75% of which are Built-to-Suit. All three speculative industrial buildings under construction in the St. Louis Metro are under 50,000 SF. Developers have been cautious to break ground on any larger modern bulk facilities as demand in that segment remains muted.

River Valley Logistics Center 2 in the Maryland Heights submarket was the only project to deliver this quarter, the 357,056 SF building delivered vacant with no pre-leasing in place.

Two new industrial buildings broke ground in Q2. The first was Whirlpool’s new Built-to-Suit project in Maryland Heights at the site of the former Arrowhead Airport (544,672 SF). The second was the 50,000 Sf Amini’s Fulfillment Center on Trade Center Dr. in Chesterfield Valley.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q2 2025

FIGURE 5: Construction Activity



Source: CBRE Research, Q2 2025

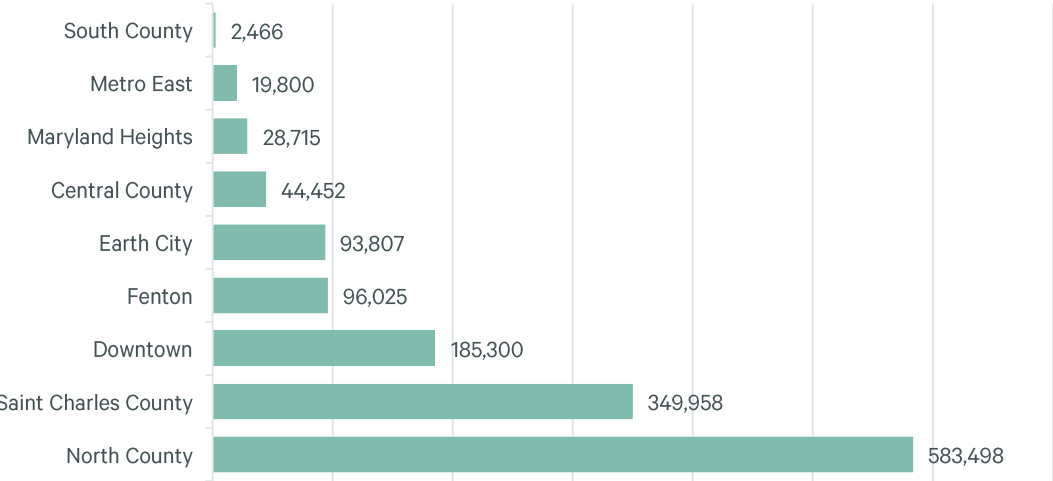
Leasing Activity

St. Louis Industrial Leasing activity in Q2 2025 totaled 1.4 MSF an increase of 27% quarter-over-quarter

The largest new deals that drove leasing activity in the second quarter were the United States Postal Service's new lease at 4702 Park 370 (195,329 SF), Peco Pallet's new lease at 5400 N Hanley (147,931 SF) and Odyssey Logistics' new lease at 36 Commerce Center Dr.

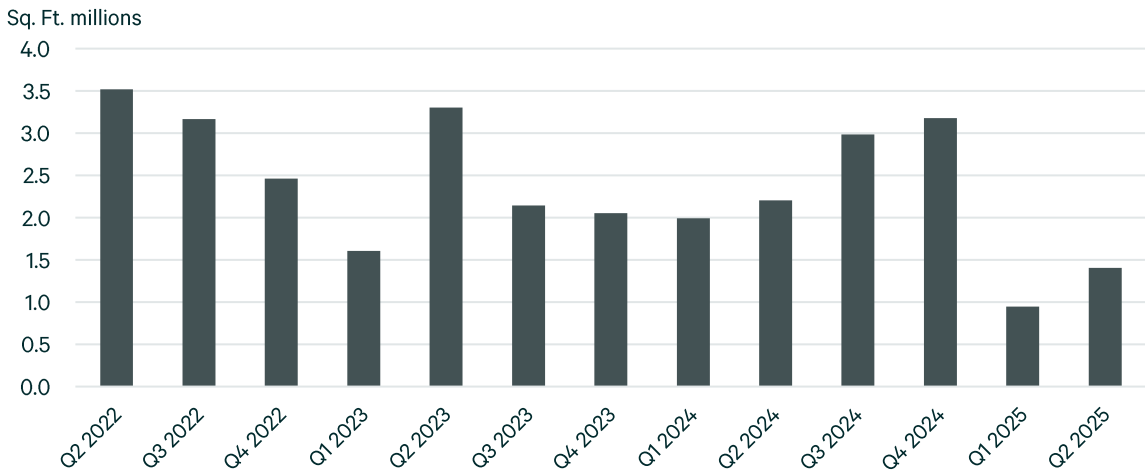
North County led the market in Q2 comprising of 40% of total leasing activity. St. Charles was not far behind making up 24% of activity. These two markets combined represented 64% of leasing activity in St. Louis in Q2.

FIGURE 6: Leasing Activity by Submarket



Source: CBRE Research, Q2 2025

FIGURE 6: Leasing Activity Trend



Source: CBRE Research, Q2 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
United States Postal Service (USPS)	195,329	New Lease	4702 Park 370 Blvd	North County
Peco Pallet	147,931	New Lease	5400 N Hanley Rd	North County
Odyssey Logistics	123,588	New Lease	20-36 Commerce Dr	Saint Charles County
Craftsmen Industries	117,803	New Lease	3601-3651 New Town Blvd	Saint Charles County
Crown Packaging Corp.	101,523	New Lease	7001 Premier Pkwy	Saint Charles County
Flat World Global Solutions	100,000	Renewal	372 Hazelwood Logistics Center Dr	North County
HY-C Company	100,000	New Lease	4500 Goodfellow Blvd	Downtown
PIVOT BIO	90,696	New Lease	641-651 Lambert Pointe Dr	North County

Source: CBRE Research, Q2 2025

Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	61,294,282	2.0	3.6	3.3	0.3	8.20	(202,074)	(190,288)	0	469,347
100,000-199,999 sq. ft.	42,813,910	4.3	6.6	4.6	2.1	6.06	249,952	(144,903)	0	0
200,000-299,999 sq. ft.	24,747,231	8.0	11.8	11.0	0.8	5.79	(132,588)	(410,893)	0	0
300,000-499,999 sq. ft.	29,909,218	8.8	11.3	9.8	1.5	5.52	(69,089)	40,986	357,056	352,279
500,000-749,999 sq. ft.	16,678,631	8.7	13.6	6.6	7.0	4.76	85,300	383,652	0	544,672
750,000 sq. ft.	35,790,942	6.0	9.1	9.0	0.1	4.47	0	1,124,796	0	1,912,000
Total	211,234,214	5.3	8.0	6.6	1.4	5.67	(68,499)	803,350	357,056	3,278,298

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	164,404,850	6.1	9.4	7.6	1.8	5.65	(443)	827,146	357,056	2,070,398
Manufacturing	36,521,890	2.0	2.7	2.7	0.0	4.68	(67,306)	(52,806)	0	1,069,500
R&D / Flex	10,230,974	4.3	4.9	4.4	0.5	8.56	(750)	29,010	0	138,400
Other Industrial	76,500	0.0	0.0	0.0	0.0	0.00	0	0	0	0
Total	211,234,214	5.3	8.0	6.6	1.4	5.67	(68,499)	803,350	357,056	3,278,298

Market Statistics by Class

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Class A	29,030,063	11.5	13.3	8.0	5.3	6.02	72,686	1,527,972	357,056	1,120,745
All Other Buildings	182,204,151	4.4	7.2	6.4	0.8	5.60	(141,185)	(724,622)	0	2,157,553
Total	211,234,214	5.3	8.0	6.6	1.4	5.67	(68,499)	803,350	357,056	3,278,298

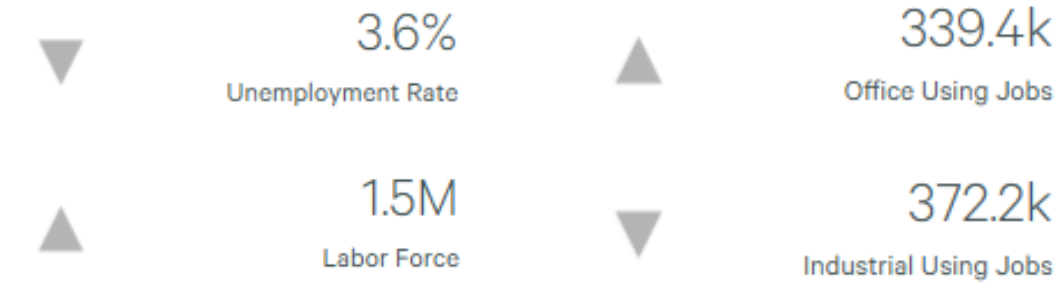
Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Central County	15,558,818	1.1	3.8	2.1	1.7	7.37	(4,643)	29,355	0	0
Downtown	44,960,419	3.9	6.2	5.7	0.5	5.41	22,128	(227,871)	0	0
Earth City	19,020,563	8.8	14.0	12.7	1.3	5.64	(221,625)	(380,641)	0	0
Fenton	8,361,017	2.8	7.7	7.2	0.6	7.49	(1,194)	14,533	0	0
Maryland Heights	3,944,144	26.5	26.6	20.8	5.8	6.48	29,577	44,111	357,056	544,672
Metro East	36,631,768	6.2	9.9	7.6	2.4	4.4	185,695	1,509,076	0	1,123,447
North County	33,671,623	6.5	9.4	6.8	2.6	5.67	(30,105)	134,615	0	1,468,779
Saint Charles County	27,210,863	5.3	5.6	5.0	0.5	5.86	61,525	(117,488)	0	48,400
South County	5,883,770	1.3	1.4	1.3	0.1	7.84	(747)	(747)	0	0
West County	5,557,058	0.9	2.5	2.5	0.0	13.07	4,725	25,065	0	50,000
Westport	10,434,171	3.5	5.8	5.4	0.4	7.55	(113,835)	(226,658)	0	43,000
Total	211,234,214	5.3	8.0	6.6	1.4	5.67	(68,499)	803,350	357,056	3,278,298

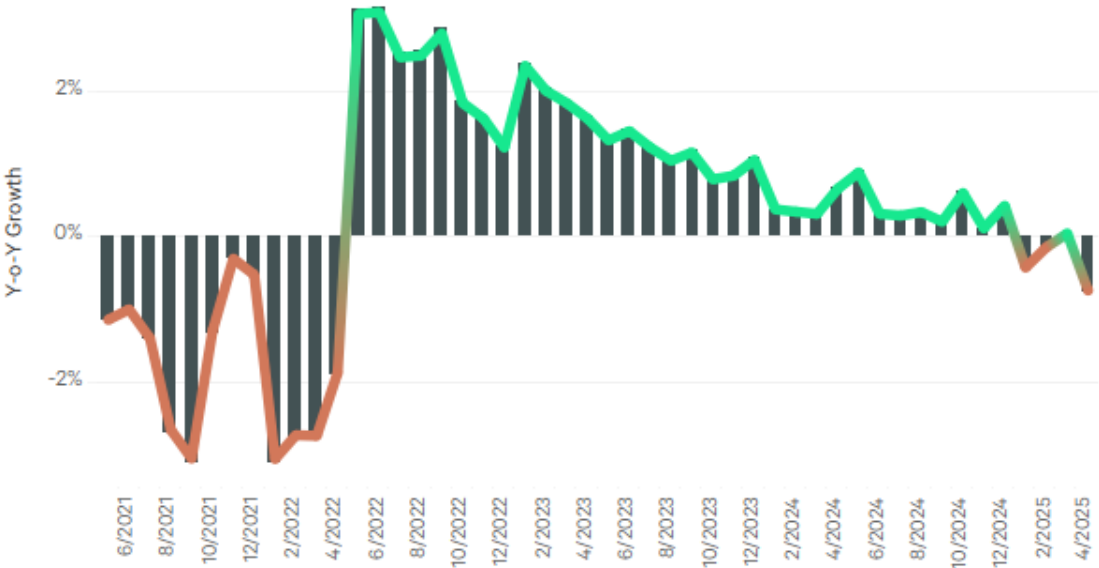
Economic Overview

Policy announcements and the news cycle—not economic fundamentals— are driving sentiment today. Q2 2025 began with the Liberation Day tariffs and subsequent escalation that caused growth expectations to plummet. But by the top of Q3 2025, both the trade war rhetoric and effective tariff rate have softened. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a more-steady economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025. Barring further disruptions this provides upside risk for hiring in coming quarters.

Commercial real estate markets are taking these changes in stride. On the occupier side, continued growth translates into positive absorption for many sectors and markets, including offices. Regarding capital markets, investment volume is on track to exceed 2023 and 2024 levels. This is supported by credit issuance making a turnaround and credit spreads falling back to pre-April 2 levels.

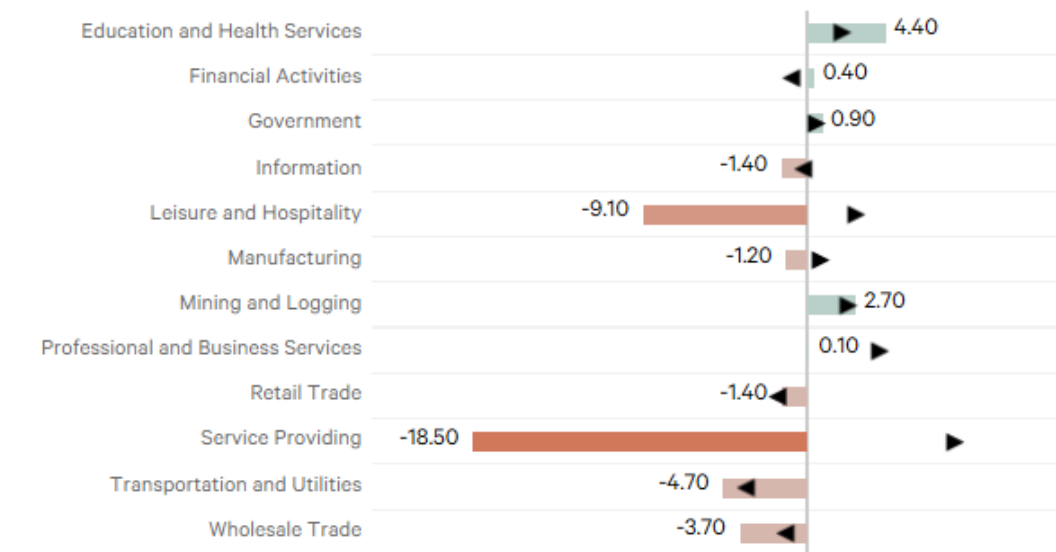


Job Growth - Year over Year Trend

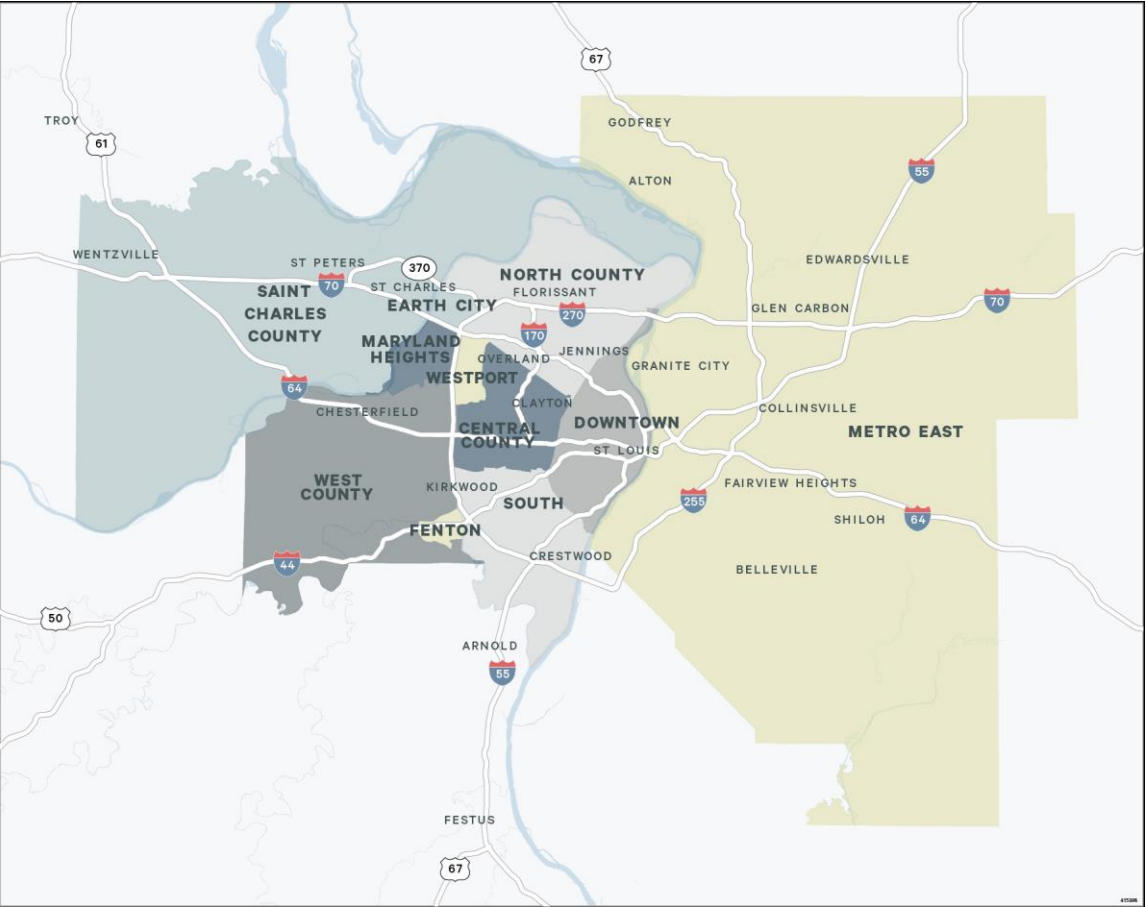


Employment Change by Sector - Yearly & Monthly

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.

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