
RESEARCH 2022

St. Louis Retail Report



Executive Summary

Newmark Zimmer is constantly 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 retail 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 landlords 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

Lincoln Place Portfolio (7) | Fairview Heights, IL

272,060 SF GLA – SOLD FOR \$40,750,000 (\$150/SF)

Metro East | 5905-6109 North Illinois Street

Manchester Commons – La-Z-Boy | Ballwin, MO

19,900 SF GLA – SOLD FOR \$6,524,000 (\$328/SF)

West County | 14177 Manchester Road

Kirkwood Commons – Texas Roadhouse | Kirkwood, MO

7,160 SF GLA – SOLD FOR \$4,100,000 (\$573/SF)

Mid County | 1220 South Kirkwood Road

Collinsville Crossing – UMB Bank | Collinsville, IL

5,510 SF GLA – SOLD FOR \$2,248,000 (\$408/SF)

Metro East | 401 North Bluff Road

Sonic | St. Charles, MO

1,450 SF GLA – SOLD FOR \$1,640,000 (\$1,131/SF)

St. Charles County | 3851 Elm Street

Retail

ST. LOUIS MARKET OVERVIEW

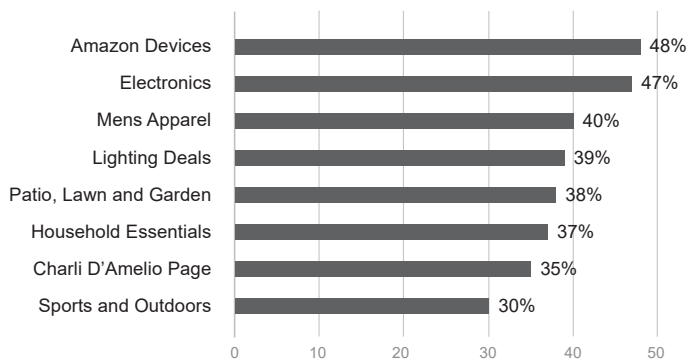
The overall St. Louis retail market slightly tightened year-over-year in the second quarter of 2022, with vacancy decreasing 10 basis points to 5.4%. Net absorption totaled 475,556 square feet for the past four quarters and 624,051 square feet for the past two years. The average quoted rental rate is \$13.90/SF, up \$0.80/SF from one year ago.

In the local retail market:

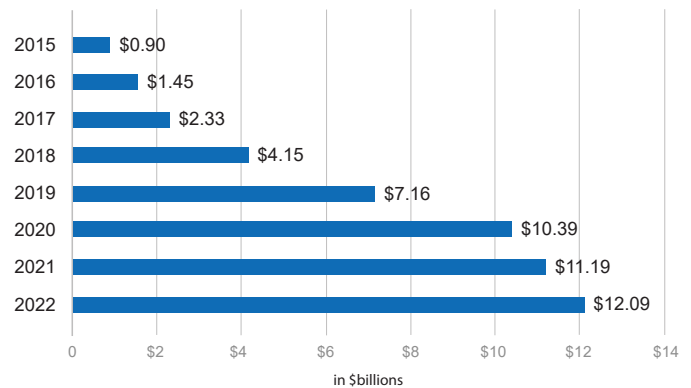
- **JENEL Management Corporation** announced the purchase of the 272,060-square-foot Lincoln Place Shopping Center for \$40.8 million, or \$150/SF. Located in Fairview Heights, Arcadia Realty Trust disposed of the seven-building shopping center, which ranged in size from 2,100 square feet to 145,160 square feet. The center was 95.0% leased at the time of sale.
- **Meijer**, the 21st-largest retailer in the U.S., will open its first location in the Metro, replacing Menards as the anchor for the new \$70.0-million Orchard Town Center in Glen Carbon. Average store sizes for the grocer typically range from 150,000 square feet to 250,000 square feet.
- **Crestwood Crossing**, a 46-acre planned mixed-use redevelopment of the former Crestwood Mall, started construction during the quarter. The \$67.0-million retail portion of the development will feature a 70,000-square-foot Dierbergs Market as its anchor tenant.

Amazon's Prime Day officially ended with more than 300 million items purchased globally, a new record high. Acting as a potential barometer for retail consumption for the upcoming holiday sales season, the mid-year sales event was a surprising success. With inflation at 40-year highs in the U.S. and at record levels for many countries across the globe, consumers locked in nearly \$1.7 billion in savings during the two-day event. Patient shoppers grabbed some highly-desired tech items at never-before-seen discounts, suggesting retailers are still able to persuade consumers to spend money on nonessential items in the face of a potential economic slowdown.

Average Discount – Amazon Prime Day 2022



Amazon Prime Day Sales

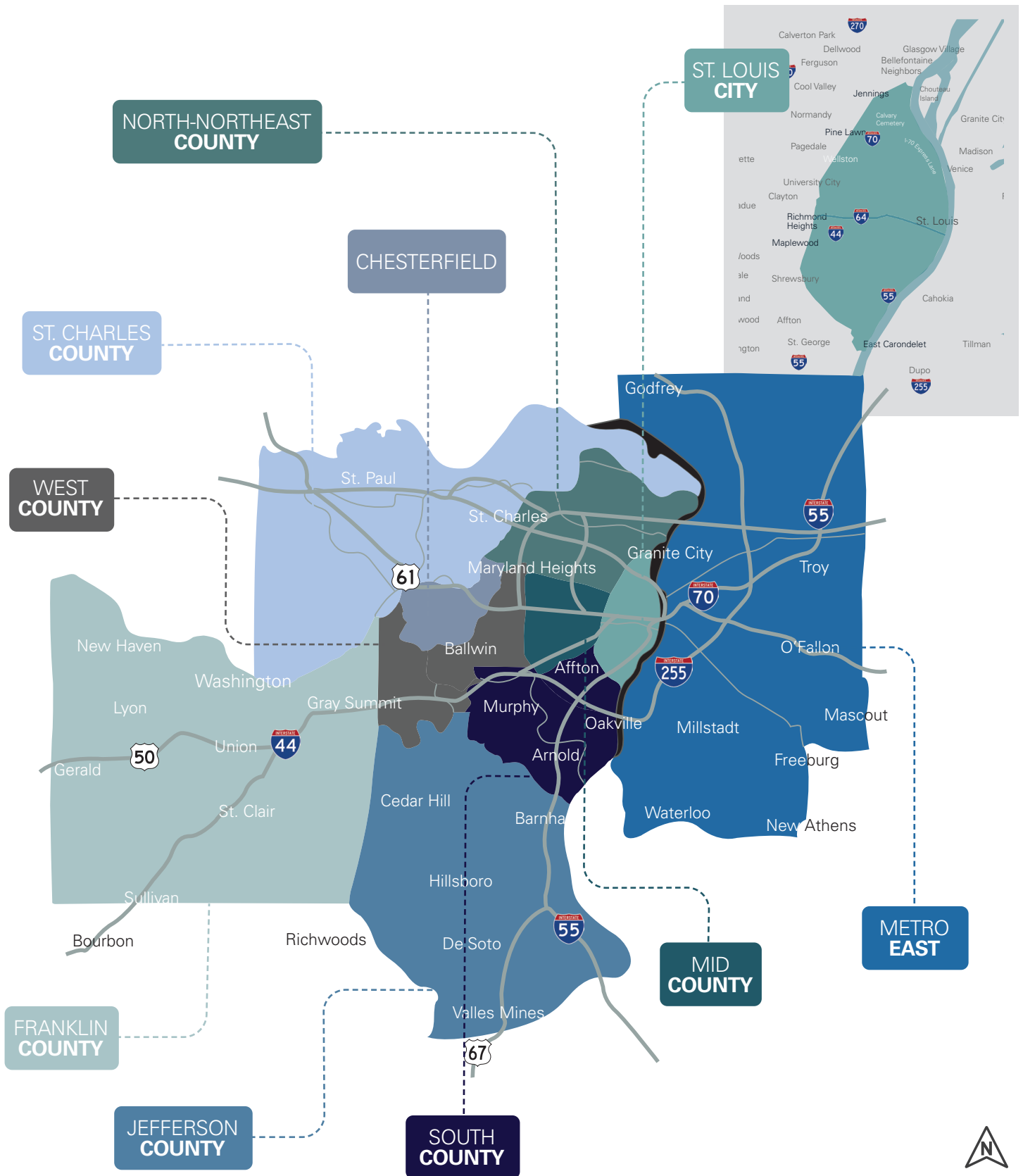


Did Inflation Influence Your Prime Day Purchases?



Submarket Maps

DOWNTOWN & SUBURBS



This map was produced using reliable private and government sources. This information is provided without representation or warranty.

2Q22 St. Louis

RETAIL MARKET STATISTICS TABLE

	Type	# of Buildings	Total Inventory (SF)	Total Vacancy Rate	Qtr Absorption (SF)	YTD Absorption (SF)	Total Asking Rent (NNN)
CHESTERFIELD	All	193	5,589,761	2.20%	-4,822	25,564	\$19.05
	Small Shop	93	484,735	0.40%	0	77	\$19.00
	Big Box	100	5,105,026	2.40%	-4,822	25,487	\$19.05
FRANKLIN COUNTY	All	563	5,861,690	1.40%	-7,220	-6,408	\$12.52
	Small Shop	407	1,674,748	0.60%	0	-3,000	\$12.89
	Big Box	156	4,186,942	1.70%	-7,220	-3,408	\$12.17
JEFFERSON COUNTY	All	432	4,701,624	3.50%	30,980	22,839	\$12.18
	Small Shop	309	1,215,288	1.50%	-1,740	-8,167	\$15.86
	Big Box	123	3,486,336	4.20%	32,720	31,006	\$11.72
METRO EAST	All	2,667	31,298,999	4.80%	-147,259	-186,105	\$12.20
	Small Shop	1,971	7,443,869	2.30%	-41,688	-34,313	\$15.64
	Big Box	696	23,855,130	5.50%	-105,571	-151,792	\$11.45
MID COUNTY	All	1,090	17,350,544	2.90%	-29,012	-97,618	\$20.71
	Small Shop	728	2,918,668	2.40%	17,171	-2,458	\$22.39
	Big Box	362	14,431,876	3.10%	-46,183	-95,160	\$20.25
NORTH-NORTHEAST COUNTY	All	1,635	22,471,365	11.70%	-99,301	32,969	\$10.66
	Small Shop	1,164	4,285,932	1.70%	35,875	28,824	\$15.24
	Big Box	471	18,185,433	14.10%	-135,176	4,145	\$10.23
ST. CHARLES COUNTY	All	1,610	22,610,923	4.40%	19,902	-89,065	\$13.13
	Small Shop	1,116	4,564,361	2.50%	-8,298	5,123	\$19.04
	Big Box	494	18,046,562	4.90%	28,200	-94,188	\$11.86
ST. LOUIS CITY	All	2,427	21,478,841	4.50%	-173	-42,644	\$15.98
	Small Shop	1,926	7,127,723	2.50%	1,915	-24,465	\$18.45
	Big Box	501	14,351,118	5.60%	-2,088	-18,179	\$15.38
SOUTH COUNTY	All	1,302	20,206,374	5.70%	265,787	270,013	\$13.75
	Small Shop	879	3,484,741	3.10%	-8,121	-12,070	\$19.43
	Big Box	423	16,721,633	6.30%	273,908	282,083	\$13.29
WEST COUNTY	All	640	12,088,552	5.30%	-10,409	56,380	\$15.35
	Small Shop	375	1,606,605	2.80%	-7,602	-9,902	\$19.33
	Big Box	265	10,481,947	5.70%	-2,807	66,282	\$14.94
TOTALS	All	12,559	163,658,673	5.40%	18,473	-14,075	\$13.90
	Small Shop	8,968	34,806,670	2.30%	-12,488	-60,351	\$18.20
	Big Box	3,591	128,852,003	6.20%	30,961	46,276	\$13.22

Small Shop: Retail buildings in which GLA is 9,000 square feet or less.
Big Box: Retail buildings in which GLA is 9,001 square feet or more.

Market Indicators

VACANCY RATE, ASKING RENT & NET ABSORPTION

ST. LOUIS CITY

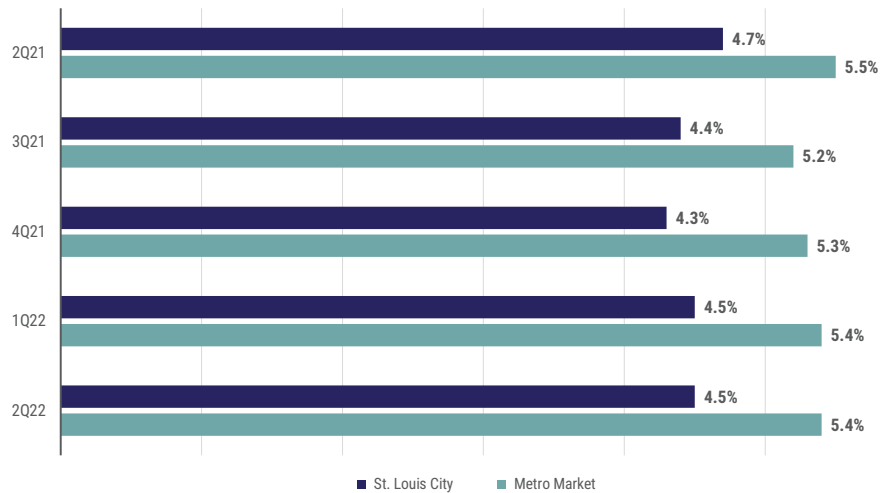
VACANCY RATE

The St. Louis City vacancy rate displayed a downward trend, decreasing 20 basis points over the past year.

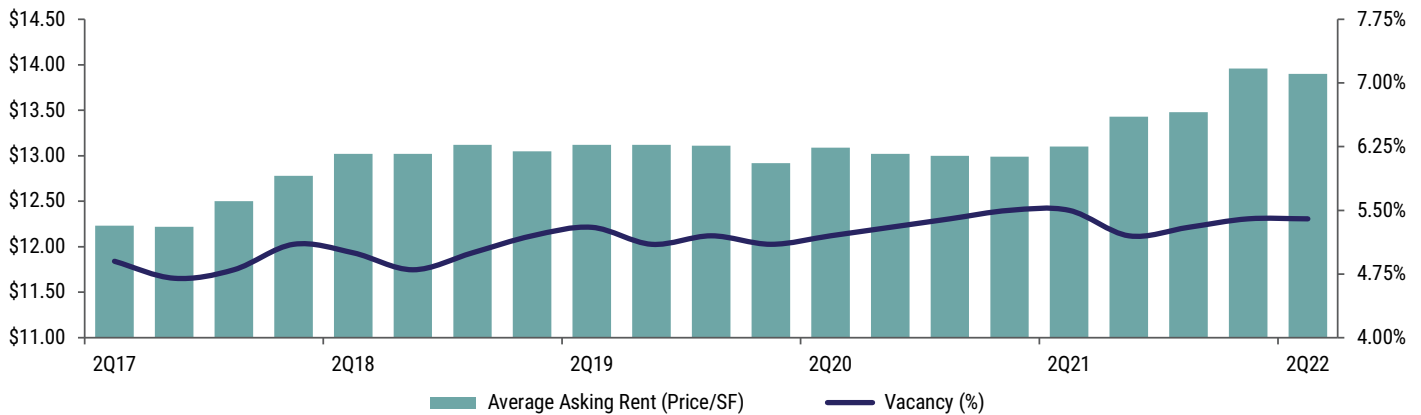
METRO MARKET

VACANCY RATE

The metro market vacancy rate displayed a downward trend, decreasing 10 basis points over the past year.

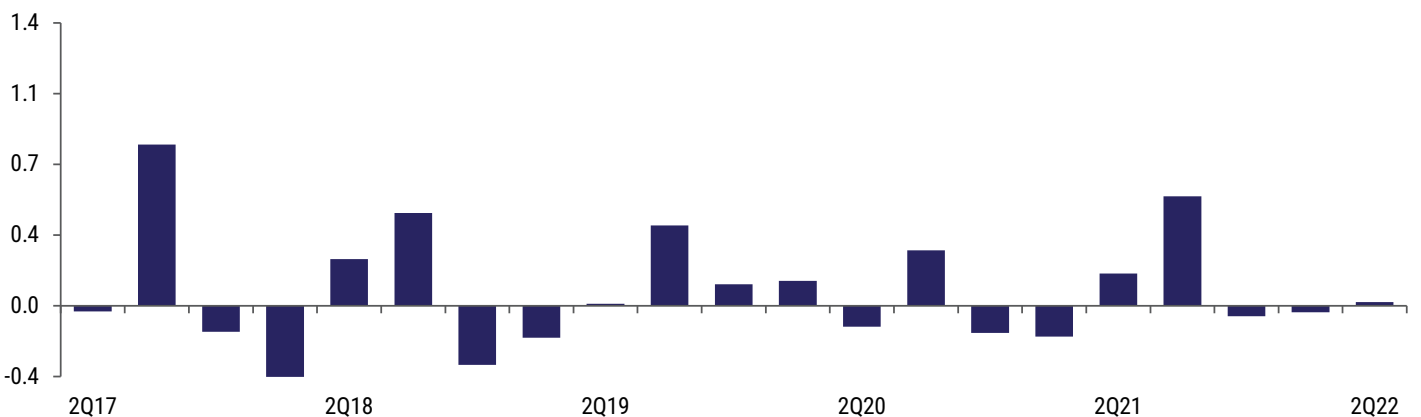


ASKING RENT AND VACANCY



NET ABSORPTION

SQUARE FEET, MILLIONS



Small Shop: Retail buildings in which GLA is 9,000 square feet or less. **Big Box:** Retail buildings in which GLA is 9,001 square feet or more.

Examination and calculation of supply and demand determinants by building size uncovered statistically significant inflection points consistently at the 9,000-square-foot building size. For this reason, the division between small-shop and big-box occurs at 9,000 square feet.



2Q22 St. Louis

SUBMARKET VACANCY RATE

CHESTERFIELD VACANCY RATE

Improved by **130 basis points** over the past year.

2.2%

2022

3.5%

2021

Small shop space is hard to find in Chesterfield as vacancy in this niche is nominal at 0.4%. Big box space is also scarce posting a 2.4% vacancy rate.

METRO EAST VACANCY RATE

Worsened by **40 basis points** over the past year.

4.8%

2022

4.4%

2021

Metro East displayed the lowest total net absorption year-to-date in 2022.

MID COUNTY VACANCY RATE

Worsened by **30 basis points** over the past year.

2.9%

2022

2.6%

2021

Mid County displayed the highest average asking rental rates for both small shop (\$22.39/SF) and big box (\$20.25/SF) spaces.

WEST COUNTY VACANCY RATE

Improved by **60 basis points** over the past year.

5.3%

2022

5.9%

2021

West County displayed the second highest total net absorption year-to-date in 2022.

For more information:

St. Louis, MO

8235 Forsyth Boulevard, Suite 200
Clayton, MO 63105
314-254-4600

Kansas City, MO

1220 Washington Street, Suite 300
Kansas City, MO 64105
816-474-2000

Eastern Jackson County

1485 SW Market Street
Lee's Summit, MO 64081
816-474-2000

nmrkzimmer.com



Mike Carlson, SIOR, CCIM

Executive Managing Director, Principal

t 314-628-0438
mcarlson@nmrkzimmer.com

Andrew Garten

Director, Research

t 816-256-4288
agarten@nmrkzimmer.com

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.

Retail 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.

Reproduction in whole or part is permitted only with the written consent of Newmark Zimmer. Some of the data in this report has been gathered from third-party sources and has not been independently verified by Newmark Zimmer. Newmark Zimmer makes no warranties or representations as to the completeness or accuracy thereof.

Newmark Zimmer research reports are also available at **nmrkzimmer.com**

By using any report or information provided by Newmark Zimmer ("Newmark"), the recipient hereby acknowledges and agrees that: (a) Newmark makes no express or implied representations or warranties with respect to the information and guarantees no particular outcome or result; (b) Newmark does not provide legal advice and does not represent or guarantee that any particular course of conduct, strategy, or action suggested by it conforms to any applicable law or regulation; (c) While Newmark has used its commercially diligent efforts to verify any underlying assumptions used in the report, some assumptions may not transpire and unforeseen events and circumstances may arise which may affect any such projections; (d) Although all information furnished in the report are from sources Newmark deems as reliable, such information has not been verified and no express representation is made nor is any to be implied as to the accuracy thereof and it is submitted subject to errors, omissions, change of price, rental or other conditions; (e) All proprietary information, which may include ideas, concepts, frameworks, know-how, methodologies, analytical approaches, databases, business insights, products, software, and descriptions thereof developed by Newmark shall be the property of Newmark; the ownership of the report does not include any rights of electronic data processing files, programs or models completed for research, unless specifically agreed to in writing by Newmark; (f) Such report shall be used for the sole purpose for which it is prepared and no other parties shall be deemed third party beneficiaries of such report; and (g) Any report may not be published, resold, distributed or communicated to the public without the prior written consent of Newmark Zimmer.

™ Newmark Zimmer is a trademark of their respective owners