

ST. LOUIS OFFICE MARKET REPORT

Intelica Insights

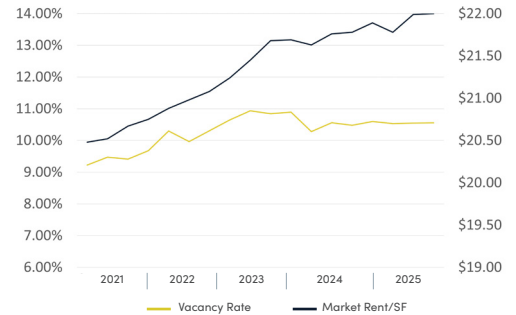
As we move into the latter half of 2024, the office market in St. Louis is showing signs of stabilization. Over the past year, demand for office space has reached 860,000 square feet, marking a significant increase after a prolonged period of occupancy decline. This positive change is primarily due to increased owner occupancy. However, this alone may not be sufficient to counter the overall trend of shifting office usage patterns, as the first two quarters of 2024 have seen negative absorption rates. Consequently, the leasing market's outlook remains uncertain, with job growth in the three main office-occupying sectors continuing to decline through the end of May, according to data from the Bureau of Labor Statistics.

Despite challenges, some positive trends have emerged: Washington University and other companies have increased their space usage. The sublease market has also improved, with sublet space declining from 2.5 million square feet last year to 2.0 million. Around 25% of this sublet space is expected to become direct by 2025, shifting responsibility from tenants to landlords.

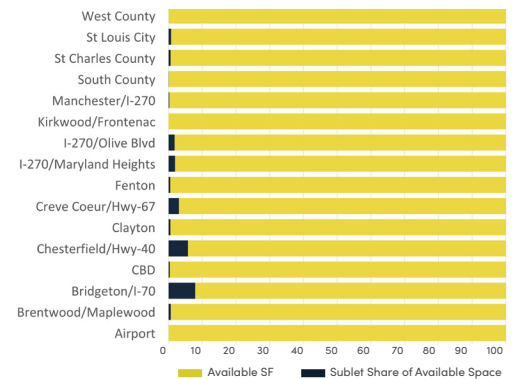
Overall demand is still below pre-2020 levels, and a tough financing environment hampers new office developments. Rental rates in St. Louis remain relatively low, averaging \$24.22 per square foot. While some high-end properties in areas like Clayton have increased asking rates to around \$40 per square foot, rates in the Central Business District (CBD) have decreased due to weak tenant demand, and several large towers have gone into receivership. Investor activity has declined significantly, reaching a decade low in 2023, though user purchases of vacant office buildings for occupancy have increased since mid-2023, with buyers investing in property improvements.

SOURCE: CoStar (St. Louis, MO Market) | Data as of 7/2024

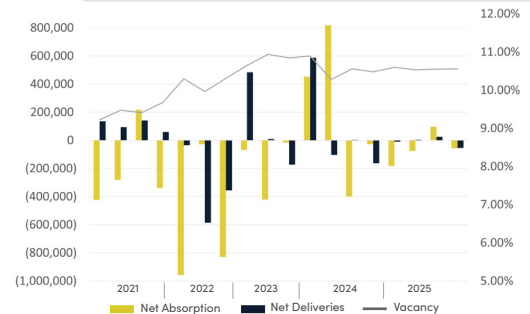
Total Vacancy vs. Rent



Submarket Subleasing Availability %



Total Net Absorption



Sales Volume and Sale Price PSF



Q2 2024 STATS



11.0%
Direct Market
Vacancy



\$24.22
Average Market
Rental Rate/SF



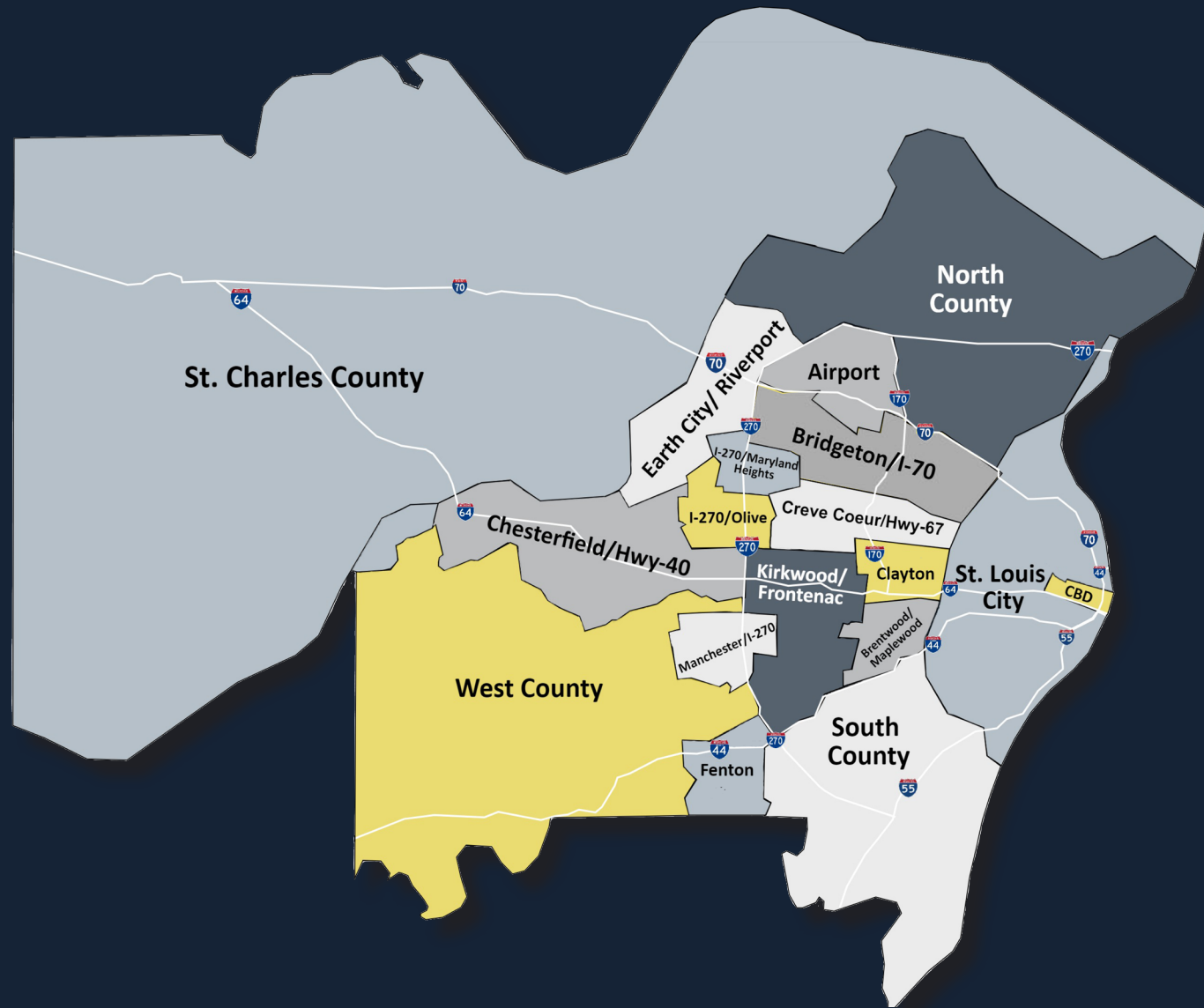
832,500
Square Feet Under
Construction



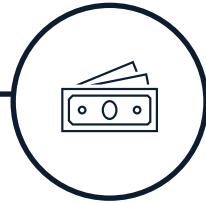
710,906
Year To Date
Net Absorption (SF)

Q2 2024 St. Louis Office Market Statistics

SOURCE: CoStar (St. Louis, MO Market) | Data as of 7/2024



Market	Class	Inventory SF	Q2 Net Absorption SF	Net Absorption SF 12 Mo	Sublease Availability	Direct Vacancy %	Average Asking Rent/SF	Net Delivered SF	Under Construction SF
Airport	Total	3,870,546	-2,670	-47,741	0.0%	1.8%	\$21.91	-	-
Brentwood/Maplewood	Total	1,257,056	15,976	54,510	0.7%	0.9%	\$27.96	-	-
Bridgeton/I-70	Total	1,900,249	1,200	-8,606	7.9%	13.7%	\$21.69	-	-
CBD	Total	23,774,115	-246,689	-526,813	0.4%	21.3%	\$18.97	-	-
Chesterfield/Hwy-40	Total	8,548,077	-19,996	9,079	5.8%	15.2%	\$24.37	-	13,500
Clayton	Total	10,434,360	129,332	285,943	0.6%	13.5%	\$29.00	-	-
Creve Coeur/Hwy-67	Total	3,994,115	-19,517	-129,065	3.1%	9.4%	\$26.03	-	-
Fenton	Total	2,533,188	18,148	120,538	0.5%	12.3%	\$23.43	-	-
I-270/Maryland Heights	Total	5,311,798	87,957	151,090	1.9%	13.5%	\$22.96	-	-
I-270/Olive Blvd	Total	5,665,790	-32,120	143,994	1.8%	18.4%	\$25.26	87,000	-
Kirkwood/Frontenac	Total	1,716,865	-8,418	-9,629	0.0%	16.2%	\$26.18	-	-
Manchester/I-270	Total	2,955,756	-14,235	244,628	0.2%	13.5%	\$24.74	-	-
South County	Total	3,648,446	8,426	32,559	0.1%	10.9%	\$24.39	-	-
St Charles County	Total	8,061,228	-48,548	57,965	0.6%	8.7%	\$23.63	-	66,000
St Louis City	Total	13,272,584	19,331	330,963	0.8%	5.8%	\$23.60	-250,000	753,000
West County	Total	1,030,506	23,800	1,491	0.0%	1.4%	\$23.44	-	-
Market Totals		97,974,679	-88,023	710,906	1.5%	11.0%	\$24.22	-163,000	832,500
Airport	Class A	-	-	-	-	-	-	-	-
Brentwood/Maplewood	Class A	113,577	-	-	0.00%	0.0%	\$34.24	-	-
Bridgeton/I-70	Class A	625,887	1,200	-8,606	0.0%	23.7%	\$22.46	-	-
CBD	Class A	13,497,117	-228,213	-449,456	0.0%	25.4%	\$20.14	-	-
Chesterfield/Hwy-40	Class A	5,502,685	-38,685	-23,711	10.8%	16.5%	\$27.02	-	-
Clayton	Class A	6,773,453	113,201	240,584	0.8%	14.4%	\$34.24	-	-
Creve Coeur/Hwy-67	Class A	429,822	-9,494	-34,678	5.8%	9.1%	\$31.48	-	-
Fenton	Class A	715,661	17,297	-18,184	0.0%	18.8%	\$26.28	-	-
I-270/Maryland Heights	Class A	3,110,473	83,070	137,416	0.7%	10.8%	\$26.54	-	-
I-270/Olive Blvd	Class A	2,636,362	-33,304	140,790	1.3%	24.4%	\$29.19	87,000	-
Kirkwood/Frontenac	Class A	184,052	-	-	0.0%	25.4%	\$28.87	-	-
Manchester/I-270	Class A	1,474,486	-8,116	245,812	0.0%	18.8%	\$26.94	-	-
South County	Class A	577,663	6,257	24,794	0.0%	16.5%	\$26.32	-	-
St Charles County	Class A	3,114,038	-90,722	46,805	1.2%	10.2%	\$24.35	-	-
St Louis City	Class A	3,203,645	-	554,847	1.5%	7.7%	\$27.80	-	753,000
West County	Class A	202,630	-	-	-	0.0%	\$25.98	-	-
Market Totals		42,161,551	-187,509	856,413	1.6%	14.8%	\$27.46	87,000	753,000
Airport	Class B	3,870,546	-2,670	-47,741	0.0%	1.8%	\$21.91	-	-
Brentwood/Maplewood	Class B	1,143,479	15,976	54,510	1.3%	1.7%	\$21.68	-	-
Bridgeton/I-70	Class B	1,274,362	-	-	15.8%	3.6%	\$20.92	-	-
CBD	Class B	10,276,998	-18,476	-77,357	0.7%	17.2%	\$17.79	-	-
Chesterfield/Hwy-40	Class B	3,045,392	18,689	32,790	0.7%	13.9%	\$21.71	-	13,500
Clayton	Class B	3,660,907	16,131	45,359	0.3%	12.5%	\$23.76	-	-
Creve Coeur/Hwy-67	Class B	3,564,293	-10,023	-94,387	0.3%	9.6%	\$20.57	-	-
Fenton	Class B	1,817,527	851	138,722	1.0%	5.8%	\$20.58	-	-
I-270/Maryland Heights	Class B	2,201,325	4,887	13,674	3.1%	16.1%	\$19.38	-	-
I-270/Olive Blvd	Class B	3,029,428	1,184	3,204	2.3%	12.3%	\$21.33	-	-
Kirkwood/Frontenac	Class B	1,532,813	-8,418	-9,629	0.0%	7.0%	\$23.48	-	-
Manchester/I-270	Class B	1,481,270	-6,119	-1,184	0.4%	8.1%	\$22.53	-	-
South County	Class B	3,070,783	2,169	7,765	0.1%	5.2%	\$22.45	-	-
St Charles County	Class B	4,947,190	42,174	11,160	0.0%	7.1%	\$22.90	-	66,000
St Louis City	Class B	10,068,939	19,331	-223,884	0.0%	3.8%	\$19.40	(250,000)	-
West County	Class B	827,876	23,800	1,491	0.0%	2.7%	\$20.90	-	-
Market Totals		55,813,128	99,486	-145,507	1.6%	8.0%	\$21.33	-250,000	79,500



Sold



Leased



1,461,274 SF

909 Chestnut St
Submarket | CBD



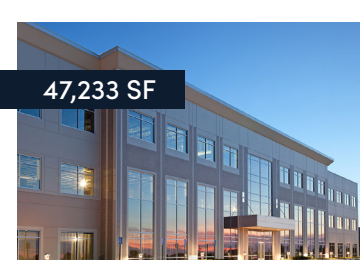
200,782 SF

7777 Bonhomme Ave
Submarket | Clayton



96,197 SF

20 Missouri Research Park Dr
Submarket | St. Charles County



47,233 SF

1 Progress Point Pkwy
Submarket | St. Charles County
Tenant | Chubb Corporation
Type | Renewal



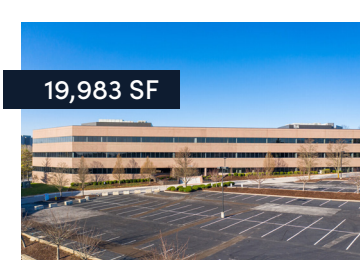
25,930 SF

12443 Olive Blvd
Submarket | I-270/Olive Blvd
Tenant | Intellivo
Type | New Lease



21,290 SF

1227 Washington Ave
Submarket | CBD
Tenant | Scale AI
Type | New Lease



19,983 SF

400 S Woods Mill Rd
Submarket | Chesterfield/Hwy-40
Tenant | Blink Health
Type | New Lease



84,709 SF

2199 Innerbelt Business Center Dr
Submarket | Bridgeton/I-70



40,287 SF

11861-11865 Westline Industrial Dr
Submarket | I-270/Maryland Heights



36,000 SF

100 N Jefferson Ave
Submarket | CBD



18,939 SF

101 S Hanley Rd
Submarket | Clayton
Tenant | Dentons
Type | Sublease



18,895 SF

701 Market St
Submarket | CBD
Tenant | SWNW Law
Type | Renewal



14,640 SF

400 Chesterfield Center
Submarket | Chesterfield/Hwy-40
Tenant | Merrill Lynch
Type | New Lease



13,200 SF

2342 Technology Dr
Submarket | St. Charles County
Tenant | Tech Mahindra
Type | Renewal



Crane Watch



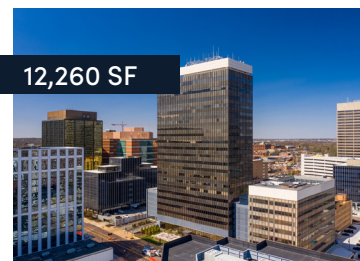
712,000 SF

National Geospatial Intelligence
Agency Headquarters
Cass Ave
Submarket | St. Louis City



66,000 SF

SSM Health Outpatient Center
8850 Highway DD
Submarket | St. Charles County



12,260 SF

7777 Bonhomme Ave
Submarket | Clayton
Tenant | NUSO
Type | New Lease



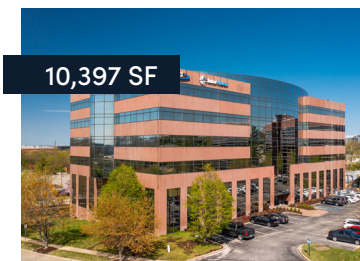
12,260 SF

1400 S Highway Dr
Submarket | Fenton
Tenant | Midas Construction
Type | New Lease



10,546 SF

10805 Sunset Office Dr
Submarket | South County
Tenant | Schmersahl & Treloar
Type | Renewal



10,397 SF

16401 Swingley Ridge Rd
Submarket | Chesterfield/Hwy-40
Tenant | Altor Solutions
Type | New Lease

For more market insights and information visit intelicacre.com

About Us:

Founded in 2010, Intelica was born from a desire to offer services catered specifically to the needs of the St. Louis region, rather than the “dot on a map” approach of national brokerages.

Over the course of 14 years, Intelica has grown service lines in private equity, construction management, occupier services, architecture, and marketing.

The founders and team members remain committed to the economic development of the region through strategic partnerships, philanthropy, and thousands of volunteer hours with local nonprofits every year.

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