



OFFICE MARKET OVERVIEW

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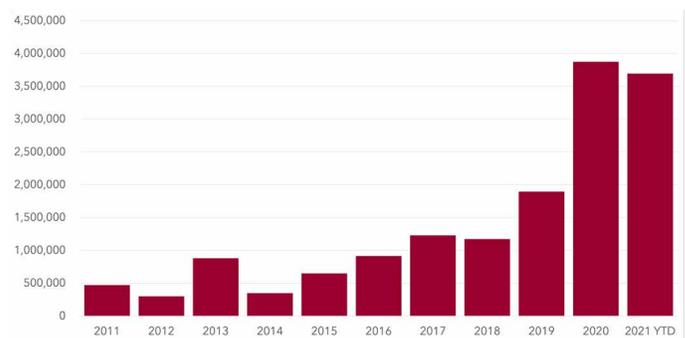
Negative absorption in each of the last four quarters and an 8.5% increase in sublease space have been forcing landlords to make more concessions. Leasing activity should increase in the second half as vaccination rates rise and more companies resume office operations. More than 3.7 million SF are under construction. The largest project underway is the 224,585-SF Forsyth Pointe in the Clayton submarket. Also in Clayton, shoe merchant Caleres Inc. is selling its 9-acre headquarters since the 1950s, creating an opportunity for substantial redevelopment.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▼ 12 Mo. Net Absorption SF	(1,461,058)	(811,260)	(517,821)	567,746	895,563
▲ Vacancy Rate	8.2%	8.0%	7.6%	7.4%	7.0%
▲ Avg NNN Asking Rate PSF	\$21.00	\$20.98	\$20.97	\$21.02	\$21.21
▼ SF Under Construction	3,692,262	3,722,501	3,873,685	2,835,285	2,364,251
▲ Inventory SF	145,259,755	145,168,496	145,020,802	145,005,165	144,862,865

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
801 Corporate Center Drive O'Fallon, MO	100,000 SF	\$6,300,000 \$63.00 PSF	Francis Howell School Dist. Schneider Electric	Class A
11701 Borman Drive St. Louis, MO	81,617 SF	\$4,250,000 \$52.07 PSF	Bamboo Properties Douglas Draper	Class B
1128 Washington Avenue St. Louis, MO	41,840 SF	\$800,000 \$19.12 PSF	Sara Winbush Bank of Washington	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
12645 Olive Blvd Creve Coeur, MO	35,461 SF	York TIC, LLC	Undisclosed	Undisclosed
111 Corporate Office Drive Earth City, MO	35,119 SF	Sublease-Medicredit Inc.	Veterans United	Mortgage Services
8001 Forsyth Blvd Clayton, MO	26,000 SF	Commerce Bank	Husch Blackwell, LLP	Attorney

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