

Q1 2026

Industrial Market Report

ST. LOUIS, MO

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St. Louis, MO

Industrial Report

The St. Louis industrial market entered 2026 with continued normalization as vacancy increased to **5.8%** and net absorption totaled **negative 870,762 SF**, driven largely by several large big-box vacancies in the Metro East submarket. Despite softer occupancy conditions, leasing activity remained active at nearly **1.8 million SF**, led by **Earth City, Airport, and St. Charles County**, underscoring continued demand for modern distribution space. Construction activity remained disciplined, with approximately **98% of projects under construction built-to-suit**, limiting speculative supply risk, while asking rents held stable despite moderating market conditions. Investment sales activity also accelerated during the quarter, led by the Plymouth Industrial REIT portfolio transaction.

Key Takeaways & Outlook

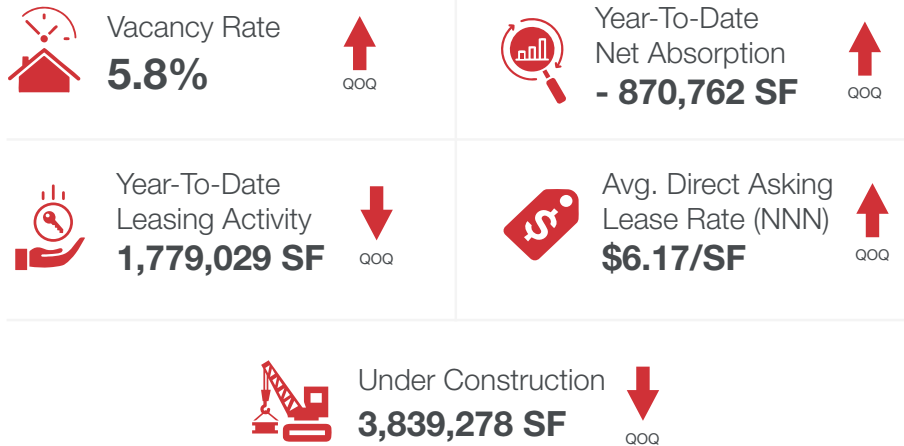
- **Market conditions are beginning to stabilize.** Overall industrial vacancy increased modestly to 5.8%, while limited speculative construction is expected to help balance supply conditions moving forward.
- **Absorption trends are improving.** Net absorption totaled negative 870,762 SF, a notable improvement from the negative 1.44 million SF recorded in Q4 2025, signaling occupancy losses may be moderating entering the second half of 2026.
- **Tenant demand remains healthy.** Leasing activity approached 1.8 million SF, led by Earth City, Airport, and St. Charles County, highlighting continued demand for modern, well-located distribution space.
- **Rental rates continue to demonstrate resilience.** Average NNN asking rents held stable at \$6.17 PSF, reflecting disciplined landlord pricing and sustained confidence in long-term industrial fundamentals.
- **Development activity remains well controlled.** Approximately 98% of projects under construction are build-to-suit, limiting speculative supply risk and positioning the market for improved balance as demand normalizes.

*The information contained herein has been given to us by sources we deem reliable. We have no reason to doubt its accuracy, however, we do not make any guarantees. All information should be verified before relying thereon.

Source: NAI DESCO & CoStar Property®



Market Fundamentals



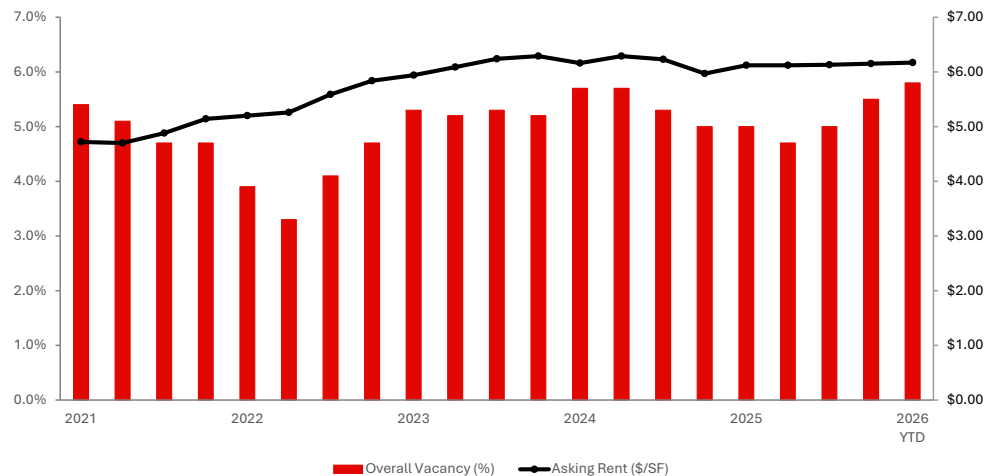
Economic Indicators



Overall Vacancy & Asking Rent

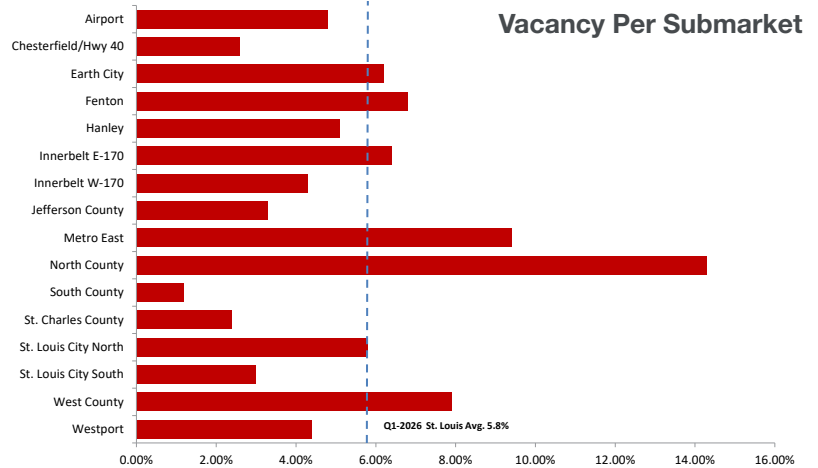
Overall vacancy in the St. Louis industrial market increased to **5.8% in Q1 2026**, a modest increase from **5.4% in Q4 2025**, reflecting continued, though modest, occupancy softening. Despite rising availability, average **NNN direct asking rents remained stable with the overall average NNN direct asking rent at \$6.17/SF**, underscoring continued landlord pricing discipline and limited downward pressure on rates. However, rental rate performance varied by submarket, with approximately half of the market recording quarter-over-quarter declines, led by **West County**, where asking rents fell **18.9%**.

Overall Vacancy & Asking Rent



Vacancy Per Submarket

Vacancy performance remained uneven across the market, with **South County (1.2%)**, **St. Charles County (2.4%)**, and **Chesterfield/Hwy 40 (2.6%)** remaining among the tightest submarkets, supported by continued tenant demand and positive absorption trends. In contrast, **North County (14.3%)**, **Metro East (9.4%)**, and **West County (7.9%)** reported the highest vacancy levels. Metro East vacancy increased from **7.4% in Q4 2025**, driven by several large big-box vacancies, while West County experienced the sharpest quarter-over-quarter increase, rising from **3.6% to 7.9%**. Despite rising vacancy, leasing activity remained concentrated in key distribution corridors, led by **Earth City, Airport**, and **St. Charles County**.



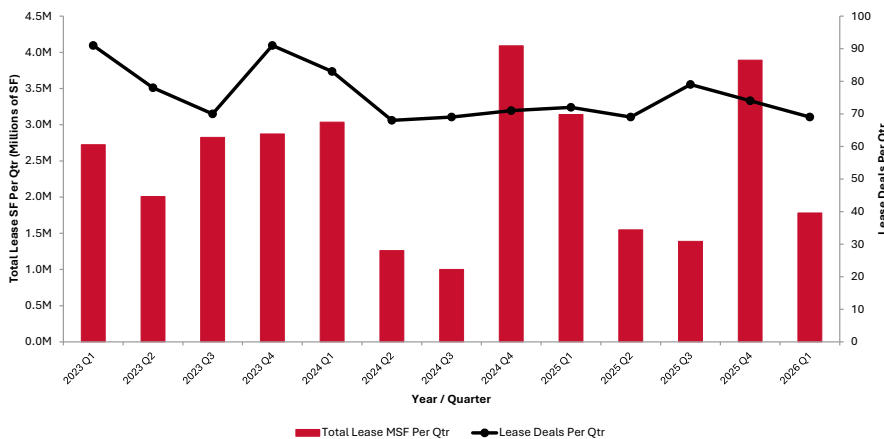
Leasing Activity & Absorption

Leasing activity totaled **1,779,927 SF** in Q1 2026, led by **Earth City (444,620 SF)**, **Airport (353,704 SF)**, and **St. Charles County (317,963 SF)**, reflecting continued tenant demand in key distribution corridors. Despite steady leasing activity, the market recorded **negative net absorption of -870,762 SF**, although this represented an improvement from the **-1.44 million SF** posted in Q4 2025, indicating the pace of occupancy contraction moderated entering 2026. Positive absorption was concentrated in **St. Louis City South (393,047 SF)**, **St. Charles County (360,817 SF)**, **St. Louis City North (225,687 SF)**, and **Earth City (151,017 SF)**. Conversely, **Metro East (negative 1,108,432 SF)** accounted for the majority of the market-wide contraction, reflecting several large big-box vacancies, while **Airport (negative -391,082 SF)**, **North County (negative -225,892 SF)**, and **West County (negative -202,839 SF)** also recorded notable occupancy losses.

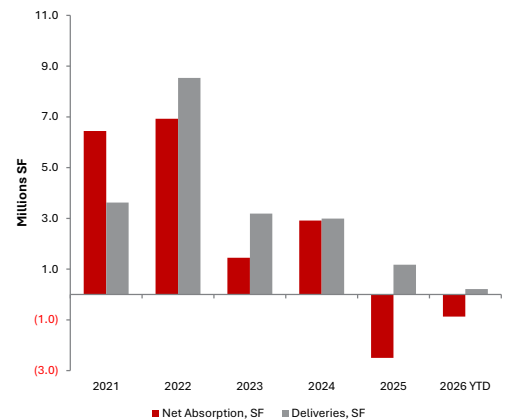
Sublease Space

In Q1 2026, available sublet space declined for a second consecutive quarter, signaling modest improvement in shadow supply conditions. Despite the decline, sublet availability remained elevated at **3,034,405 SF**, representing **12.6% of total available** industrial space in the market.

Lease Volume & Deal Count



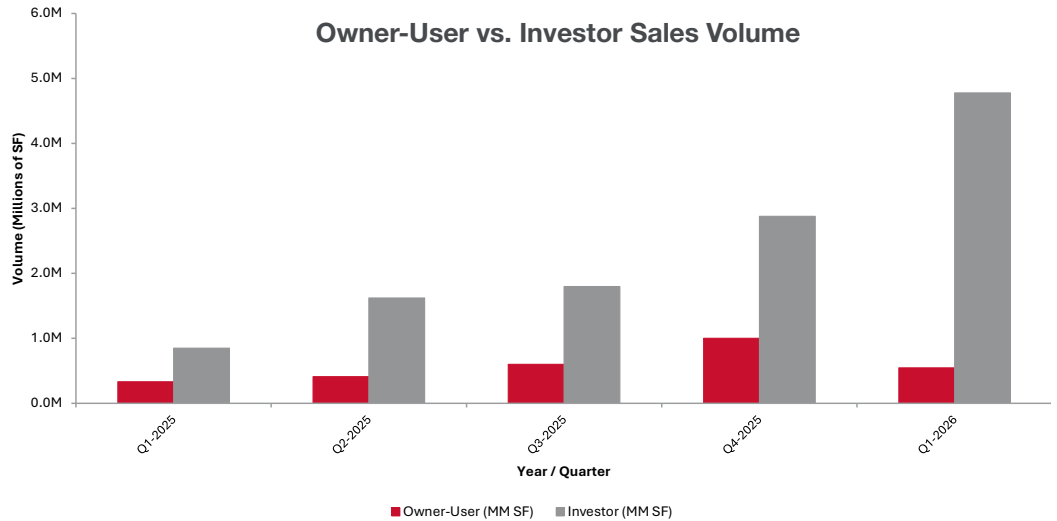
Space Demand vs Delivery



Sales

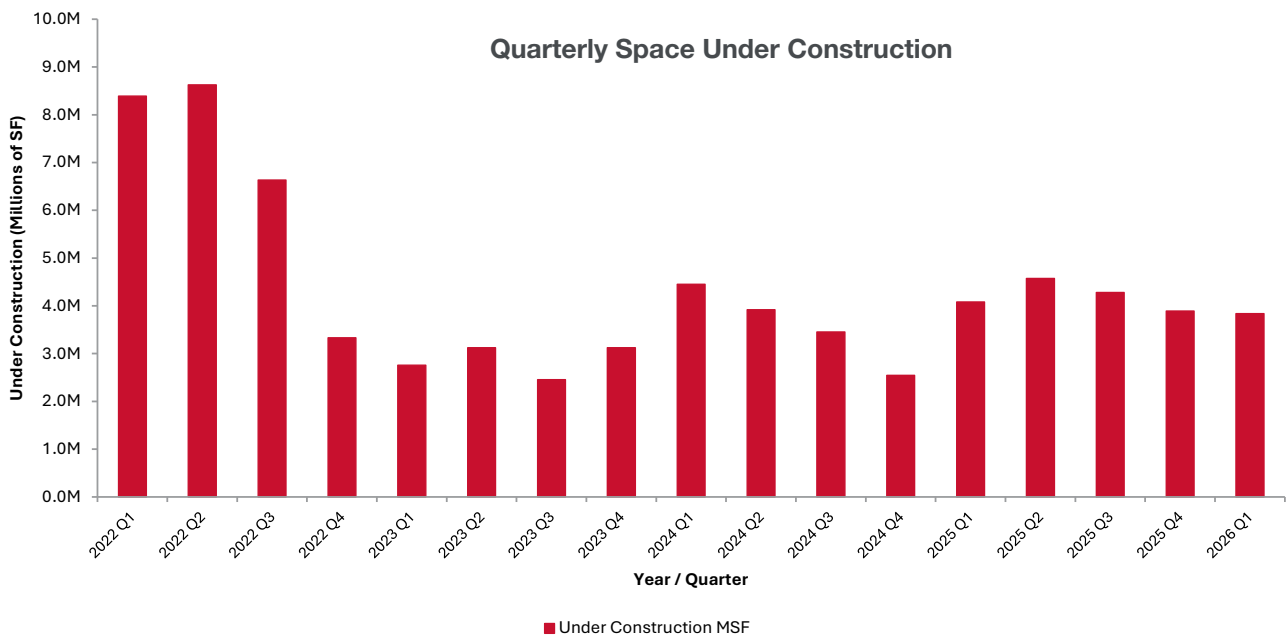
Q1 2026 sales volume totaled **5,184,746 SF**, representing a **33.7% increase** over Q4 2025. Investment transactions accounted for **91% of total volume**, driven primarily by the Plymouth Industrial REIT portfolio sale, which comprised **66% of all investment** activity during the quarter. As a result, investment sales volume increased **64% quarter-over-quarter** (see Notable Sales Transactions – Q1 2026).

Owner-user sale activity totaled **458,122 SF**, declining **54.2% from Q4 2025**, but posting a **37.7% year-over-year increase**, indicating improving underlying demand despite quarterly volatility.



Construction

In Q1 2026, a total of **3,839,278 SF** was under construction, with **215,906 SF delivered** during the quarter. No new major projects broke ground. Approximately **98% of the construction pipeline consists of build-to-suit developments**, limiting speculative supply risk. Notably, approximately **1.79 million SF** of the active pipeline is dedicated to manufacturing-related projects, reflecting continued industrial investment in advanced production and assembly operations. Major build-to-suit projects scheduled for 2026 delivery include **Whirlpool’s 551,200 SF facility in Westport** and **Amazon’s 933,656 SF facility in the Metro East submarket**.



Market Statistics Q1 2026

* See submarket map on page 9

Submarket	Inventory		Vacancy		Net Absorption (SF)	YTD Net Absorption (SF)	Leasing Activity (SF)	YTD Leasing Activity (SF)	Under Construction (SF)	YTD Deliveries (SF)	NNN Rent Direct
	SF	Direct (SF)	Total (SF)	Vacant Rate							
Airport	20,948,464	919,936	1,015,616	4.8%	-391,082	-391,082	353,704	353,704	1,600,000	83,277	\$6.32
CH-Hwy40	6,356,362	163,015	163,015	2.6%	-5,673	-5,673	46,495	46,495	12,750	0	\$10.76
Earth City	24,369,171	1,470,557	1,492,409	6.1%	151,017	151,017	444,620	444,620	0	0	\$5.36
Fenton	10,642,484	580,161	723,452	6.8%	-41,116	-41,116	66,852	66,852	0	0	\$8.00
Hanley Ind	5,385,037	259,242	272,363	5.1%	-43,463	-43,463	16,489	16,489	0	0	\$10.46
Metro East	57,107,487	4,877,643	5,366,929	9.4%	-1,108,432	-1,108,432	228,350	228,350	1,110,156	0	\$4.66
E-170	9,866,662	634,627	634,627	6.4%	-23,000	-23,000	0	0	0	0	\$7.65
W-170	12,072,258	515,598	515,598	4.3%	-21,954	-21,954	77,854	77,854	0	0	\$8.44
Jeff Co	6,479,846	214,192	214,192	3.3%	10,629	10,629	0	0	59,600	105,629	\$8.80
North Cnty	14,613,657	1,727,048	2,093,330	14.3%	-225,892	-225,892	0	0	117,000	0	\$5.36
South Cnty	8,982,485	101,688	106,099	1.2%	7,575	7,575	1,075	1,075	45,000	0	\$10.25
St. Charles Cnty	35,924,224	860,192	872,172	2.4%	360,817	360,817	317,963	317,963	172,700	27,000	\$7.37
STL City North	36,439,319	2,114,612	2,114,612	5.8%	225,687	225,687	0	0	0	0	\$4.98
STL City South	32,993,918	1,002,592	1,002,592	3.0%	393,047	393,047	96,050	96,050	0	0	\$5.99
West Cnty	4,720,016	372,096	372,096	7.9%	-202,839	-202,839	5,528	5,528	18,000	0	\$8.56
Westport	16,341,244	623,147	722,950	4.4%	43,917	43,917	124,947	124,947	704,072	0	\$7.68
ST. LOUIS TOTALS	303,242,634	16,436,346	17,682,052	5.8%	-870,762	-870,762	1,779,927	1,779,927	3,839,278	215,906	\$6.17

St. Louis Industrial Market Quarterly Comparison

Qtr	Inventory		Vacancy		Net Absorption (SF)	YTD Net Absorption (SF)	Leasing Activity (SF)	YTD Leasing Activity (SF)	Under Construction (SF)	YTD Deliveries (SF)	NNN Rent Direct
	SF	Direct (SF)	Total (SF)	Overall %							
2026 Q1	303,242,634	16,436,346	17,682,052	5.8%	-870,762	-870,762	1,779,927	1,779,927	3,839,278	215,906	\$6.17
2025 Q4	303,026,728	15,537,037	16,595,384	5.4%	-1,442,105	-2,499,041	3,893,045	9,970,800	3,892,484	1,172,320	\$6.15
2025 Q3	302,946,228	14,008,158	15,072,779	5.0%	-530,183	-1,056,936	1,388,720	6,077,755	4,280,984	738,820	\$6.13
2025 Q2	302,606,692	12,714,370	14,203,060	4.7%	-785,860	-526,753	1,548,042	4,689,035	4,574,240	294,564	\$6.12
2025 Q1	304,488,192	13,887,106	15,298,700	5.0%	259,107	259,107	3,140,993	3,140,993	4,081,040	253,764	\$6.12

St. Louis Industrial Market Product Type

Product Type	Inventory		Vacancy			Net Absorption (SF)	YTD Net Absorption (SF)	Leasing Activity (SF)	YTD Leasing Activity (SF)	Under Construction (SF)	YTD Deliveries (SF)	NNN Rent Direct
	SF	Product Type %	Direct (SF)	Overall (SF)	Overall %							
Manufacturing	66,826,099	22.0%	3,148,759	3,168,749	4.7%	38,332	38,332	81,144	81,144	1,259,400	105,629	\$5.77
Flex	16,904,454	6.0%	880,906	895,208	5.3%	-23,952	-23,952	118,002	118,002	63,000	27,000	\$11.40
Warehouse Distribution	219,512,081	72.0%	12,406,681	13,618,095	6.2%	-885,142	-885,142	1,580,781	1,580,781	2,516,878	83,277	\$5.85
ST. LOUIS TOTALS	303,242,634	100.0%	16,436,346	17,682,052	5.8%	-870,762	-870,762	1,779,927	1,779,927	3,839,278	215,906	\$6.17

Notable Construction Projects Q1 2026

Building Name Address	Submarket	Type-Major Tenants	Owner	Const. Status	SF
Boeing Expansion - Airport Road, Berkley	Airport	Build-to-Suite	Boeing	Under Const. - 26Q3	1,100,000
5250 Banshee Rd	Airport	Build-to-Suite	Boeing	Under Const. - 26Q3	500,000
Gateway Tradeport 6 1601 Tradeport Pkwy	Metro East	Build-to-Suite - Amazon	Amazon	Under Const. - 26Q3	933,656
305 Lewis & Clark Blvd, East Alton	Metro East	BTS / Wieland Expansion	Wieland	Under Const - 26Q2	100,000
141 Logistics Center - Building A	Westport	Build-to-Suite	Whirlpool	Under Const. - 26Q4	544,672
11436 Lackland Rd	Westport	Build-to-Suite	Air Products	Under Const. - 26Q3	93,000
141 Logistics Center - McCarthy Equipment Operations Hub	Westport	Build-to-Suite / McCarthy	Block Real Estate Services LLC	Under Const. - 26Q3	66,400

Notable Lease Transactions Q1 2026

Tenant	Property	Submarket	SF	Type
Geodis Logistics	18 W. Gateway Commerce Center Dr.	Metro East	397,775	Renewal*
U.S. Auto Force	Hazelwood Logistics Center 2 422 Hazelwood Logistics Center Dr.	Metro East/Edwardsville	270,980	New Lease
King Filtration Technologies	Lakeside Logistics Center Bldg 5 16000 Specer Rd.	St Charles County	163,000	New Lease
Odyssey Specialized Logistics	West 70 Commerce Center III 20-36 Commerce Center Dr	St Charles County	123,588	New Lease
Acosta	3100-3144 Corporate Exchange Dr	Earth City	96,480	New Lease
Handicare	Metro Court II 10876-10888 Metro Ct	Westport	80,945	Renewal*
Buske	8600 Reilly Ave	St. Louis South City	200,000	New

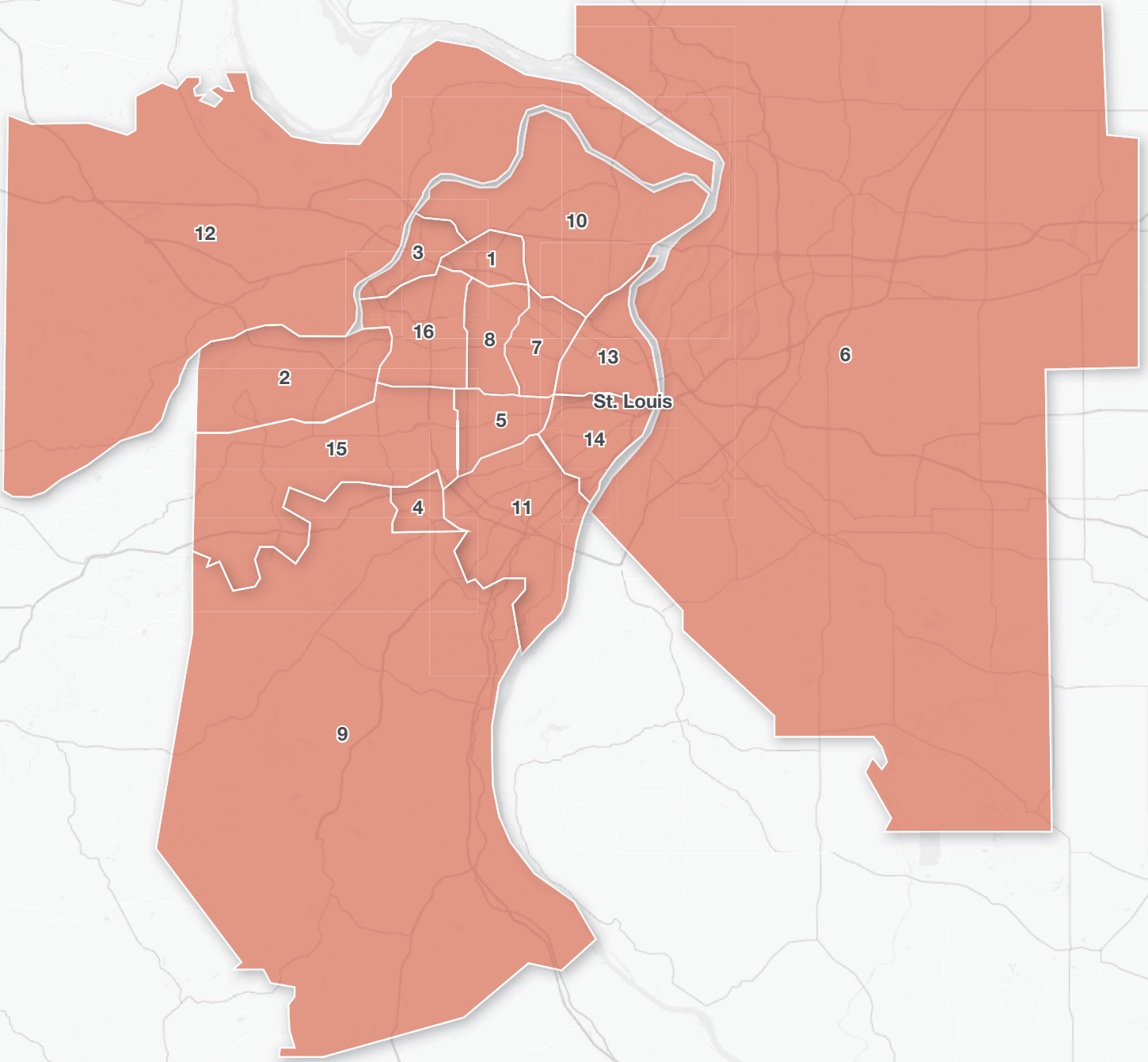
*Renewals not included in leasing statistics

Notable Sale Transactions Q1 2026

Property	Submarket	Seller	Buyer	SF	Price	\$/SF	Type
821 Westwood Industrial Park Dr	St. Charles	Horizon Investing LLC/Tubular USA	Kaufman Properties LLC	50,621	\$4,950,000	\$97.79	Owner User
601 Cannonball Ln	St. Charles	601 Cannonball Lane LLC	American Builders & Contractors Supply Co	43,408	\$6,900,000	\$158.96	Owner User
4800 Baumgartner Rd	South STL County	T & M Enterprise LLC	TI-2 Property Holdings LLC	39,380	\$5,000,000	\$126.97	Investment
1581-1599 Fenpark Dr	Fenton	Artful Visions LLC	Finish Systems LLC	36,000	3,895,000	\$108.19	Investment
5300 Bircher Blvd	St. Louis City North	IP Commercial Properties	FW Logistics	260,000	\$5,885,000	\$22.63	Owner User

Submarket Map

1 - Airport	5 - Hanley	9 - Jefferson County	13 - St. Louis City North
2 - Chesterfield/Hwy-40	6 - Metro East	10 - North County	14 - St. Louis City South
3 - Earth City	7 - Innerbelt E-170	11 - South County	15 - West County
4 - Fenton	8 - Innerbelt W-170	12 - St. Charles County	16 - Westport



Important to Know

Market Terminologies

- **Total Inventory:** The total amount of industrial space, within buildings above a predetermined size threshold, that is available for lease to third-party users.
- **Vacant Direct:** Unoccupied space offered for lease directly by the owner or landlord; excludes sublease space.
- **Total Available:** All space actively marketed for lease, including both vacant direct space and sublease space.
- **Vacant Percent (Total):** The percentage of total inventory that is vacant, calculated by dividing total vacant space by total inventory.
- **Net Absorption:** The net change in occupied space during a given period, reflecting the balance of tenant move-ins and move-outs; can be positive or negative.
- **Gross Absorption:** The total amount of space newly occupied during a given period, capturing all tenant move-ins regardless of space vacated elsewhere.
- **Leasing Activity:** The total amount of space leased during a given period, including new leases, expansions, renewals, and relocations; does not account for space vacated.



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Backed by a team of seasoned brokers with decades of experience, we provide unmatched market insight, strategic guidance, and a client-first approach that delivers results. Rooted in integrity, collaboration, and results-driven service, we are committed to delivering strategic solutions that fuel growth and strengthen communities.

With access to NAI Global's network—325+ offices across 65 countries, 5,800 professionals, and over 1.1 billion square feet managed—we bring a world of opportunity to our clients while staying deeply invested in the markets we serve.

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