






STL OFFICE INSIGHTS

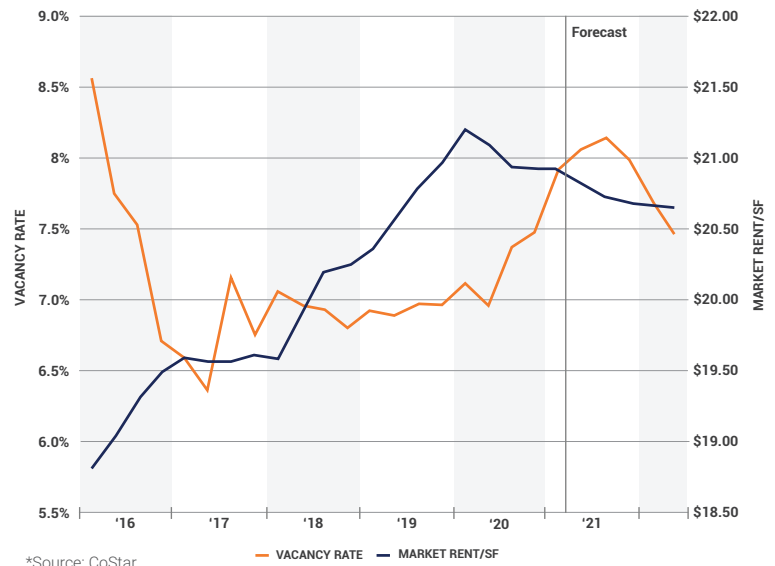
THE ST. LOUIS MSA OFFICE MARKET

-  Vacancy Rate
7.8%
-  12-Mo Net Absorption
-824,302 SF
-  Under Construction
3,736,001 SF
-  Avg. Lease Rate
\$21.07 PSF
-  Unemployment
5%

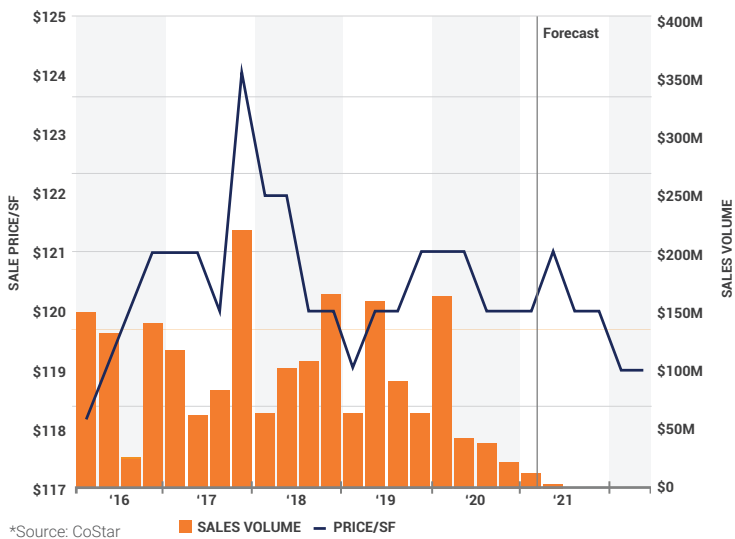
As we navigate through 2021, the St. Louis office market continues to be faced with the impacts of the pandemic. Market rents fell slightly to \$21.07, while the vacancy rate has grown 100 basis points in the first quarter to 7.8%. Vacancy is expected to rise slightly as users are reevaluating their office footprints shifting to work-from-home policies, affecting the short-term demand for space. The amount of sublet space available has climbed to roughly 1.3 million SF.

Net absorption ran deeply negative in 2020 and again in Q1 2021 with a 12-month total of -824,302 SF. Investment volume has slowed, but the average market sale price per square foot remained relatively stable at \$123. Despite the gloom of the past few quarters, many businesses have leased or renewed a significant amount of space in Q1 2021 – most notably McCarthy Holdings (83,000 SF), Accenture (45,000 SF), and Stereotaxis (43,000 SF). The vaccine rollout has given many companies confidence in returning to work, expecting leasing activity to pick up in the following quarters.

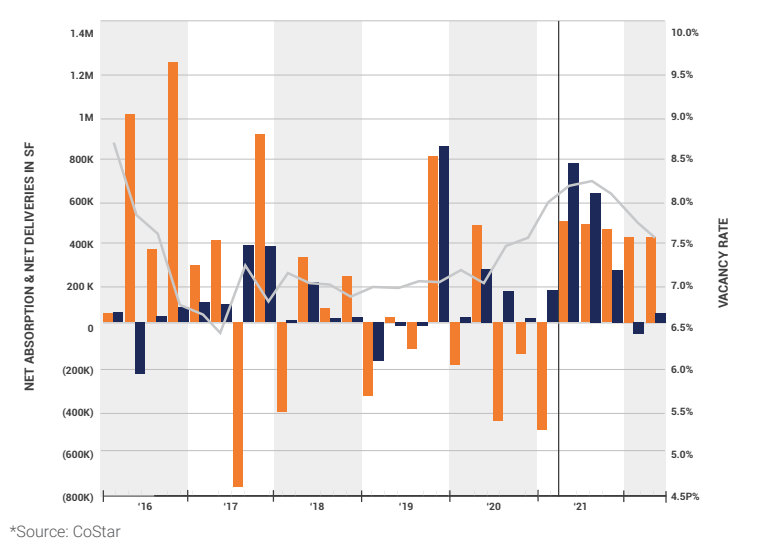
VACANCY AND RENT



SALES VOLUME AND SALE PRICE PSF



NET ABSORPTION, NET DELIVERIES & VACANCY



SUBMARKET STATISTICS

SUBMARKET	TOTAL BUILDINGS	INVENTORY (SF)	UNDER CONSTRUCTION(SF)	SUBLET (SF)	12 MO NET ABSORPTION	VACANCY RATE	ASKING RENT (PSF)
CBD	232	28,146,538	0	312,102	34,943	13.2%	\$18.88
St. Louis City	800	18,549,416	1,852,757	60,341	66,310	3.2%	\$21.37
Clayton	188	11,238,601	506,585	188,518	-333,735	9.0%	\$28.01
Illinois	1,621	12,969,668	54,800	14,089	-26,789	6.3%	\$17.47
Mid-County	610	9,583,801	8,360	25,529	112,347	4.6%	\$20.78
North County	608	21,143,443	144,999	311,142	-308,484	8.3%	\$20.44
South County	419	8,327,441	69,000	20,580	-133,203	8.9%	\$21.60
St. Charles County	901	10,385,156	86,000	32,850	-85,539	7.2%	\$18.41
West County	623	19,984,001	1,013,500	389,887	-150,152	9.1%	\$22.69
St. Louis Market Total	6,002	140,328,065	3,736,001	1,355,038	-824,302	7.8%	\$21.07

*Source: CoStar

Q1 2021 KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	TENANT	TYPE	SQUARE FEET
12755 Olive Boulevard	West County	Power Engineers	Renewal	35,457
12755 Olive Boulevard	West County	American CyberSystems	Renewal	30,409
1623 Chesterfield Parkway	West County	HB Real Estate Advisors	New	7,618

Q1 2021 KEY SALE TRANSACTIONS

PROPERTY	SUBMARKET	SALE PRICE	PRICE/SF	SQUARE FEET
13975 Manchester Road	West County	\$1,645,000	\$69.76	23,580

NOTE FROM PRINCIPAL

While unemployment in the St. Louis region dropped, the effects of COVID-19 are rippling through the St. Louis Metro office market. The biggest effects are seen in the sublease availability, which increased approximately 30% during Q4 of 2020. As with any recession or market contraction, it is normal for companies to try to reduce their space consumption. Historically these trends are reversed by expansion periods. Additionally, COVID has proven that a considerable amount of work can be done while office is closed, it has also shown that the "work from home"

model has its limitations. When a company is trying to attract, retain and nurture top talent, the workplace plays a significant part in how people perceive a business. A glimpse of this strategy can already be seen in transactions that were completed during the last quarter, including M+H Architects' newly completed space. With the vaccine being administered in the first part of 2021, we are seeing more people returning to work in a traditional office environment and creating competitive advantage around their physical space and office culture.



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