

2013



St. Louis Market Report



Solon Gershman Inc.
COMMERCIAL REAL ESTATE

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2013 St. Louis Market Report

Established in 1948, Solon Gershman Inc. is the largest locally owned commercial real estate firm in the St. Louis, Missouri metro area. We are committed to providing our clients with unparalleled service and support during all stages of a commercial real estate transaction. Our professional staff provides extensive real estate expertise, in-depth knowledge of the St. Louis market and exceptional personalized service.

Selecting a professional real estate team is one of the most important decisions an investor can make. As a company, we will achieve the optimal economic value for our clients' investments. Whether you are a corporate client, investor or small business owner, Solon Gershman Inc. can assist you to meet and exceed all of your brokerage and management goals.

The company's current management portfolio exceeds 7.5 million square feet of office, retail, industrial and multi-family space located throughout the St. Louis metropolitan market.

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St. Louis Market Report Overview



St. Louis is Home to 8 Fortune 500 Companies

Express Scripts Holding
Emerson Electric
Monsanto Company
Reinsurance Group of America
Peabody Energy
Ameren
Graybar Electric
Centene

St. Louis continued on a sluggish road to economic recovery in 2012, but showed a stronger increase in activity than other parts of the country. The Federal Reserve reports that economic activity continued to expand modestly across most districts in 2012.

The Federal Reserve Bank's Beige Book reported that consumer spending grew at a moderate pace in 2012. While manufacturing has weakened nationally, the St. Louis District remained positive. St. Louis cited stable wages but added that non-labor costs in manufacturing are rising. Automobile sales have increased with a majority of dealerships noting that used car sales have decreased relative to new car purchases. St. Louis has reported a net decline in nonfinancial services but has an increase in categories such as telecommunications, business support, legal, crisis management services and casinos.

St. Louis is the 19th largest metropolitan area with a population of more than 2.8 million people, a workforce of 1.4 million and over 1.1 million households. Recognized for its superior business climate and highly skilled work force, St. Louis serves as national headquarters for 20 Fortune 1000 companies, eight of which are in the Fortune 500.

Although St. Louis's employment growth continues to be unstable, the St. Louis area showed an average increase of .3% per month over the last three months. This gain modestly exceeds the nation's increase of .1% per month. Unemployment rates at the end of December were 6.8% which were below the national rate of 7.8%. On average 2,340 jobs per month were added in the St. Louis MSA in the first 10 months of 2012 compared to the 440 jobs per month which were added in 2011. Wells Fargo added 400 jobs in 2012 to its headquarters downtown bringing the firm's employees in the St. Louis region to 5,500 and GM is expanding its plant in Wentzville which will add 1,260 new jobs to the market.

For startup companies, the resources in St. Louis are terrific. The region has numerous business incubators where new firms can find inexpensive office or lab space, advice and nurturing. Arch Grants is a new program designed as a national competition to bring entrepreneurs to St. Louis by selectively giving them \$50,000 to start a new company in downtown St. Louis. Arch Grants awarded \$750,000 cash in 2012 to 15 startup companies. This puts St. Louis on the map as a startup hub promoting St. Louis on a national scale.

Mississippi River Bridge Project

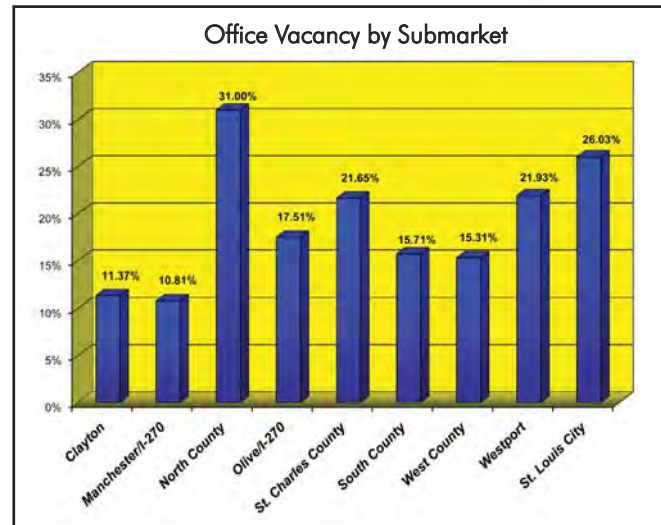
The new Mississippi River Bridge is the first bridge to be built connecting downtown St. Louis and southwestern Illinois in more than 40 years. Currently, the only urban interstate bridge between Illinois and Missouri is the Poplar Street Bridge; one of two bridges in the United States that carry three interstates. Plans to relocate Interstate 70 from the Poplar Street Bridge to the new Mississippi River Bridge should provide drivers less congestion, fewer crashes and will help save on fuel usage. The bridge should be open to traffic in 2014.

Mississippi River Bridge Progress as of December 22, 2012



St. Louis Market Report Overview

With excess office space and cheap debt likely to remain, future office tenants in the St. Louis area will be presented with value added opportunities. Although St. Louis remains under the nation's unemployment rate of 7.8% with an average of 6.8% (December Data), St. Louis will continue to need job growth in order for office vacancy to be absorbed. The region added 15,200 nonfarm jobs from October 2011 to October 2012 for a growth rate of 1.2%. St. Louis was just below the national average of 1.4% over the same period of time.

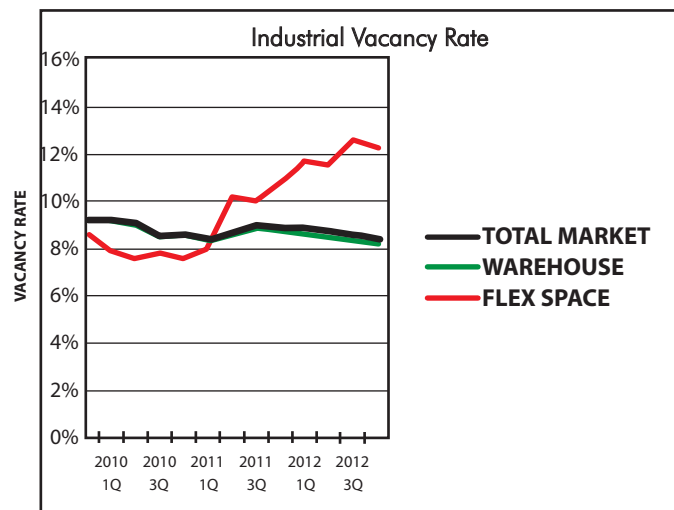


The future of retail in St. Louis is changing with middle market retailers hit hard over the last couple years. First the economy was to blame for closing stores such as Linen's n Things and Circuit City. Internet shopping caused stores such as Borders and Best Buy to reduce their locations. The growing number of deep discounters and resale shops have also lended a hand toward the demise of such retail stores and local mom and pop shops.



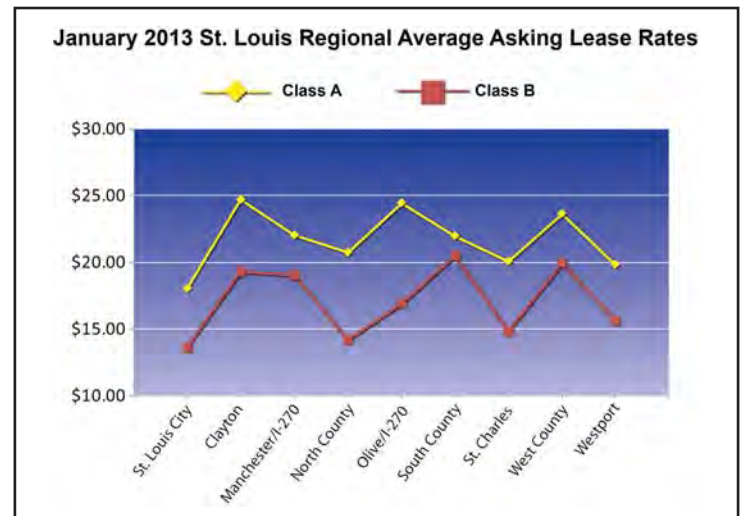
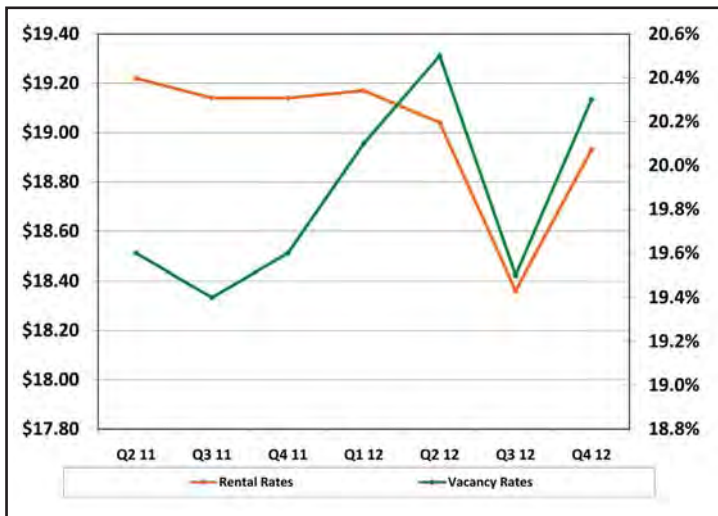
Future growth remains with deep discounters such as Wal-Mart, Family Dollar and Dollar General stores. Second generation users prefer cheaper venues such as Big Lots, Ross Dress for Less and Savers. Grocery stores will remain strong as will restaurants in the St. Louis Market.

Little change has occurred in vacancy rate and rental rates over the past two years in the St. Louis industrial market. The nation's industrial sector continues to strengthen and St. Louis continues to remain under the national vacancy average of 10.59% with 8.4%. This past year, warehouse vacancy rates declined more than flex rates while industrial product capitalization rates continue to approach historical lows.



Office

Solon Gershman Inc. measures 51.46 million square feet of office space in the St. Louis Region. We include multi-tenant Class A, B and C office buildings over 20,000 square feet; excluding medical buildings. The overall market continues to improve at a sluggish speed even with an increase in activity during the fourth quarter of 2012. Rental rates have also increased during the fourth quarter but remain lower than the beginning of the year. Downtown and North County continue to have the highest vacancy rates while Clayton and Manchester / I-270 remain at the low end. Economic uncertainty has lead many employers to run tighter operations with less space and less employees.



2012 showed a slight decrease in office rental rates for the St. Louis market from \$19.17 in January of 2012 to \$18.93 in January of 2013. Although the average showed a decrease, three of the submarkets improved during the year: South County increased \$.40 per square foot, Westport increased \$.27 per square foot and the West County / Chesterfield submarket increased by \$.22 per square foot. North County showed the largest decrease, starting the year \$17.53 per square foot and finishing the year \$16.95 per square foot.

January 2013 Breakdown of Submarkets

Submarket	Total SF	% Vacant	Quoted Rates
Clayton	7,965,970.00	11.4%	\$22.39
Manchester / I-270	1,636,496.00	10.8%	\$20.07
Olive / I-270	5,533,121.00	17.5%	\$19.31
North County	3,909,471.00	31.0%	\$16.95
South County	3,749,335.00	15.7%	\$20.51
St. Charles	1,832,762.00	21.7%	\$15.96
St. Louis City	17,715,279.00	26.0%	\$15.31
West County / Chesterfield	6,124,696.00	15.3%	\$22.21
Westport	2,993,990.00	21.9%	\$17.67
Total	51,461,120.00	20.3%	\$18.93

Office - St. Louis



The St. Louis City submarket is currently made up of 17.7 million rentable square feet. There are two distinct areas in this submarket; the **Central Business District** (CBD) with 14.2 million square feet of office and the **Downtown West** area made up of 3.5 million square feet of office space for lease.

The overall office vacancy in St. Louis City increased 2% from 24% in January 2012 to 26% in January 2013. The average quoted rental rate slightly decreased over the year to \$15.31. Class A office space is \$18.05 per square foot while Class B asking rates are \$13.65 per square foot.

Central Business District

The average quoted rental rate is \$15.72, Class A office space is currently \$18.06 per square foot while Class B asking rates are \$13.86 per square foot.

Downtown West

The average quoted rental rate is at \$13.86, Class A office space is currently \$17.91 per square foot while Class B asking rates are \$13.73 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
Bank of America Tower	Nestle	82,811 SF
Bank of America Plaza	Brown & James	73,815 SF
Bank of America Plaza	Ralcorp Holdings - ConAgra Foods (Expansion)	59,145 SF
One Financial Plaza	Stifel Financial Corp	40,862 SF
Highlands Plaza One	URS Corporation*	35,422 SF
1910 Locust Street	Fusion	27,695 SF
Deloitte Building	Stifel Nicolaus	22,040 SF
1881 Pine Street	St. Louis Language Immersion Schools	21,736 SF
Metropolitan Square	Hepler Broom	19,898 SF
Bank of America Plaza	Da Vinci Machines Exhibition	19,366 SF
500 N Broadway	Hudson Bay - Lord & Taylor	18,920 SF
500 N Broadway	Rynearson, Suess, Schnurbush & Champion	14,027 SF
555 Washington Avenue	Bar Association of Metropolitan St. Louis	8,000 SF

*Renewal

Office - St. Louis



2012 Noteworthy Office Redevelopments

Arcade Building & Chemical Building

Located on opposite corners at 8th Street and Olive Street, national developers are spending \$130 million to redevelop these two buildings. The project will put nearly 667,000 square feet of empty space in the city back into use. The project will connect the \$250 million Mercantile Exchange Project to the north, the social scene on Washington Avenue to the west and the Cupples Warehouse redevelopment district to the south. This redevelopment will nearly complete Old Post Office Square leaving only a small strip of vacant buildings on Locust Street.



2012 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
Union Station (3 Buildings)	1,199,587 SF	\$20,000,000 / \$16.67 PSF
501 N Broadway	434,142 SF	\$21,273,000 / \$49.00 PSF
1704 Washington Avenue	300,000 SF	\$3,000,000 / \$10.00 PSF
The Chemical Building	167,143 SF	\$3,500,000 / \$20.94 PSF
1300 Hampton Avenue	39,316 SF	\$850,000 / \$21.62 PSF
3547 Olive Street	35,193 SF	\$1,500,000 / \$42.62 PSF
1917 Rutger Street	30,400 SF	\$700,000 / \$23.03 PSF
3318 Chouteau Avenue	28,043 SF	\$179,000 / \$6.38 PSF
3207 Washington Avenue	23,565 SF	\$575,000 / \$24.40 PSF

Ballpark Village as of December 30, 2012



With \$17 million in local and state incentives, the Cardinals moved ahead with plans for Ballpark Village's first phase set to open in 2014, so far no construction has begun. Plans include two blocks of restaurants, team hall of fame and a space for events. The remaining 10 acres will be used as parking until future development. Future phases could receive up to \$183.5 million in incentives bringing more office, retail and residential opportunities.

The CORTEX bioscience and technology research hub in midtown St. Louis unveiled it's second phase, \$186 million development plan for 384,000 square feet of office and lab space. This addition to St. Louis will bring around 1,400 jobs to the area.

Rendering of CORTEX Commons



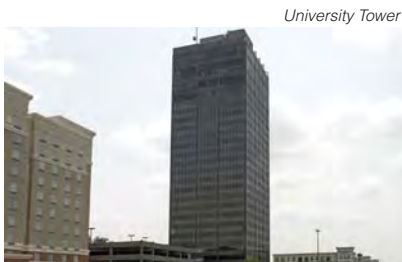
Office - Clayton

The Clayton submarket is currently made up of 7.9 million rentable square feet. The overall office vacancy in Clayton increased .3% from 11.1% in January 2012 to 11.4% in January 2013. The average quoted rental rate is \$22.39, Class A office space is currently \$24.71 per square foot while Class B asking rates are \$19.29 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
7980 Clayton Road	SSM*	62,000 SF
Merrill Lynch Centre	Fifth Third Bancorp	35,616 SF
7911 Forsyth Building	XTRA Lease	28,277 SF
120 S Central Avenue	Chartis*	23,000 SF
Maryland Place	A.G. Edwards*	20,198 SF
8112 Maryland Avenue	Wells Fargo*	20,000 SF
Pierre Laclède Center II	Dowd Bennett	15,094 SF
Maryland Park West	Barry Wehmiller Design Group	14,339 SF
Pierre Laclède Center	Regus	10,190 SF
Pierre Laclède Center II	Green Jacobson P.C.	9,671 SF
Old Town Executive I	NISA	8,175 SF
Century Building	St. Louis County, Missouri*	4,163 SF

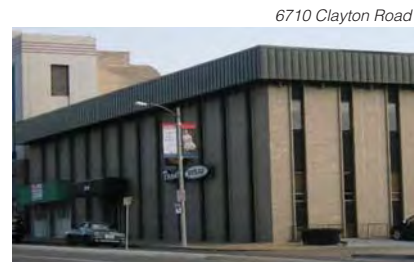
*Renewal



University Tower



130 S Bemiston Avenue



6710 Clayton Road

2012 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
University Tower	262,132 SF	\$11,050,000 / \$42.15 PSF
130 S Bemiston Avenue	74,000 SF	\$6,100,000 / \$82.00 PSF
6710 Clayton Road	57,000 SF	\$1,143,000 / \$20.03 PSF

Office - Manchester / I-270

The Manchester / I-270 submarket is made up of 1.6 million rentable square feet. The overall office vacancy in the Manchester / I-270 submarket decreased 1.1% from 11.9% in January 2012 to 10.8% in January 2013. The average quoted rental rate is \$20.07, Class A office space is currently \$22.04 per square foot while Class B asking rates are \$19.07 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
Manchester/270 Office Center Building I	Gallagher Benefit Services	13,991 SF
Bel Aire Office Park	Vinson Mortgage Group	7,785 SF
Topping Office Center	MTM Technologies	4,252 SF
Topping Office Center	Rolwes Company	2,176 SF

2012 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
1610, 1630 & 1650 Des Peres Road	388,971 SF	\$23,780,000 / \$82.00 PSF
2705 Dougherty Ferry Road	27,000 SF	\$1,649,000 / \$61.07 PSF

1610 Des Peres Road



2705 Dougherty Ferry Road



Office - North County

The North County submarket is made up of 3.9 million rentable square feet. The overall office vacancy in North County increased 3.6% from 27.4% in January 2012 to 31.0% in January 2013. The average quoted rental rate is \$16.95, Class A office space is currently \$20.76 per square foot while Class B asking rates are \$14.21 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
4400 N Hanley Road	Express Scripts	227,467 SF
305-309 James S. McDonnell Blvd.	Mallinckrodt LLC	141,840 SF
Riverport Commons IV	American Family Insurance	70,486 SF

2012 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
4400 N Hanley Road	227,467 SF	\$42,600,000 / \$187.28 PSF
3470 Rider Trail South	99,308 SF	\$3,650,000 / \$36.75 PSF
5757 Phantom Drive	86,449 SF	\$3,055,500 / \$35.34 PSF

3470 Rider Trail South



Purchased by Balke Brown Transwestern in May, 2012 from The Westminster Funds. The office building has been vacant since Sara Lee downsized and moved out in 2011.

Office - Olive / I-270

The Olive / I-270 submarket is currently made up of 5.5 million rentable square feet. The overall office vacancy in the Olive / I-270 submarket increased 3.8% from 13.7% in January 2012 to 17.5% in January 2013. The average quoted rental rate is \$19.31, Class A office space is currently \$24.46 per square foot while Class B asking rates are \$16.95 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
CityPlace Three	Microsoft*	29,000 SF
CityPlace Six	Tricor Braun (Sublease)	22,000 SF
CityPlace Two	AmeriNet, Inc.	16,361 SF
Creve Coeur Center IV	Oakwood Systems Group	13,668 SF
The Pines	All Seasons Contracting	4,000 SF

*Renewal

CityPlace Six



CityPlace Two



CityPlace Three



Office - St. Charles

The St. Charles submarket is currently made up of 1.8 million rentable square feet. The overall office vacancy in the St. Charles submarket increased 5.3% from 16.4% in January 2012 to 21.7% in January 2013. The average quoted rental rate is \$15.96, Class A office space is currently \$20.09 per square foot while Class B asking rates are \$14.85 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
500 Technology Drive	Verizon Communications	39,500 SF
5555 Winghaven Boulevard	MasterCard	25,499 SF
500 Technology Drive	Pfizer	18,166 SF
1001 Boardwalk Springs	Air Evac Lifeteam	12,319 SF

2012 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
2645 West Clay Street	20,400 SF	\$600,000 / \$29.41 PSF



New Delivery

Streets of St. Charles is a mixed-use development on 26 acres. The 3 story building offers 90,000 square feet of Class A office and retail space. Quoted rental rates are \$24.50 per square foot.



New Development

New Town Gateway Commercial began construction in fourth quarter 2012. The 36-acre commercial development will have 50,000 square feet of office space available in 2013. Quoted rental rates are \$17.50 per square foot.

Office - South County

The South County submarket is currently made up of 3.7 million rentable square feet. The overall office vacancy in the Olive / I-270 submarket slightly decreased from 15.8% in January 2012 to 15.7% in January 2013. The average quoted rental rate is \$20.51, Class A office space is currently \$21.99 per square foot while Class B asking rates are \$20.47 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
10733 Sunset Office Drive	USP Sunset Hills, Inc.*	8,696 SF
Sunnen Building	Apollo Surgical Group, LLC	6,544 SF
9245 Watson Industrial Park	Global Battery Solutions, Inc.	5,200 SF
12545 Old Tesson Road	Tots to Toddlers and Beyond Enrichment	4,528 SF
Laumeier Office Park	Caci Inc.	3,752 SF

*Renewal

2012 Noteworthy Office Sales

Acropolispm purchased nine buildings in South County. The nine-building portfolio consists of 103,000 square feet and was purchased for \$6.3 million. (\$61.17 PSF)

4173-4193 Crescent Drive



6220 S Linbergh Boulevard



11124 S Towne Square



11116 S Towne Square



Office - West County / Chesterfield

The West County / Chesterfield submarket is currently made up of 6.4 million rentable square feet. The overall office vacancy in the West County / Chesterfield submarket increased 2.2% from 13.1% in January 2012 to 15.3% in January 2013. The average quoted rental rate is \$22.21, Class A office space is currently \$23.65 per square foot while Class B asking rates are \$19.93 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
625 Maryville Centre Drive	CBIZ	23,802 SF
555 Maryville University Drive	Savvis, Inc.	22,696 SF
Barrett Woods Corporate Center	Golder Associates, Inc.*	15,241 SF
Timberlake Corporate Center I	McLeod USA Telecommunications	10,167 SF
Atrium at Chesterfield	Berkley Medical	9,550 SF
Timberlake Corporate Center I	JPMorgan Chase Bank, N.A.*	7,153 SF
#1 McBride & Son Center	Pipkins, Inc.	4,742 SF
The Barn at Lucerne	Tim Layton & Associates, LLC	4,158 SF

*Renewal

2012 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
100 Chesterfield Business Parkway	60,000 SF	\$6,200,000 / \$103.33 PSF
The Barn at Lucerne	62,423 SF	\$1,200,000 / \$19.22 PSF

100 Chesterfield Business Parkway



Purchased by Western Oil, Inc. for
\$6.2 Million (\$103.33 PSF)

The Barn at Lucerne



Purchased by World Search, LLC for
\$1.2 Million (\$19.22 PSF)

Office - Westport

The Westport submarket is currently made up of 2.9 million rentable square feet. The overall office vacancy in the Westport submarket increased 5% from 16.9% in January 2012 to 21.9% in January 2013. The average quoted rental rate is \$17.67, Class A office space is currently \$19.84 per square foot while Class B asking rates are \$15.66 per square foot.

2012 Noteworthy Office Leases

Building	Tenant	Square Footage
Park 270 II	Hub City Terminals, Inc.	55,861 SF
940 Westport	Travelers Insurance*	55,000 SF
Park 270 II	Sprint Communications*	12,787 SF
Park 270 I	The Quigg Corporation*	12,317 SF
Westport Business Park	Pharmacy Services, Inc.	11,523 SF
Woodlands Business Park	Rounded Cube Inc	11,363 SF
77 Westport Plaza	ABS Consulting	10,000 SF
2150 Schuetz Road	Mitchell and Hugeback Architects	10,000 SF
2055 Craigshire Road	Odyssey Healthcare of St. Louis, LLC	6,153 SF
The Crossings at Westport	Strategic Sales Systems	3,506 SF

*Renewal

2012 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
Westport Plaza	42-Acre Mixed-Use Plaza	\$33,000,000 / \$47.14 PSF

Lodging Hospitality Management (LHM), owner of the Sheraton Westport Hotel Plaza and the Sheraton Westport Lakeside Chalet, purchased Westport Plaza from Intercontinental Real Estate Corp for \$33 million. The 42-acre mixed-use plaza has 200,000 square feet of retail, entertainment and restaurants, more than 500,000 square feet of office and 18,000 square feet of conference facilities. LHM also purchased Union Station.

111 Westport Plaza Drive



Retail

Retail is still on its way to a slow recovery in 2013. Rental rates have continued to decrease along with vacancy rates. The overall vacancy in the St. Louis market decreased .5% from 8.2% in January 2012 to 7.7% in January 2013. Rental rates began the year \$12.45 per square foot and ended \$12.02 per square foot. New construction continues to add more outlet malls and discount stores into the market as middle market retailers continue to diminish. Along with the discounters; restaurants and grocery stores remain strong in 2012.



Retail Submarket Statistics

End of 4th Quarter

Market	Total GLA	Direct SF	Vacancy Total SF	Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Calhoun County Ret	3,245	0	0	0.0%	0	0	0	\$0.00
Chesterfield Region Ret	5,511,058	280,898	280,898	5.1%	(29,734)	0	660,000	\$16.42
Franklin County Ret	3,997,901	262,376	262,376	6.6%	(85,865)	0	2,700	\$8.48
Jefferson County Ret	1,339,086	80,725	80,725	6.0%	56,425	21,025	0	\$12.91
Lincoln County Ret	868,824	112,011	112,911	13.0%	(5,287)	0	0	\$11.88
Metro East Illinois Ret	14,851,075	1,163,396	1,214,531	8.2%	15,421	14,600	9,600	\$10.36
Mid County Ret	15,879,165	973,230	980,853	6.2%	269,024	82,574	0	\$15.54
NE Metro Illinois Ret	9,546,223	494,988	494,988	5.2%	26,639	35,199	0	\$9.99
North County Ret	7,948,526	866,088	868,968	10.9%	37,656	32,818	0	\$10.31
Northwest County Ret	15,692,329	1,633,412	1,633,412	10.4%	21,167	135,000	0	\$10.17
Outer Jefferson Cnty Ret	1,554,851	53,468	53,468	3.4%	27,455	0	0	\$15.35
Outer Metro Illinois Ret	795,165	25,419	25,419	3.2%	1,803	0	0	\$12.24
Outer Monroe County Ret	26,105	0	0	0.0%	0	0	0	\$0.00
Outer St Charles Cnty Ret	1,835,196	43,560	43,560	2.4%	33,444	0	0	\$10.96
Outer St Louis County Ret	1,144,521	136,680	136,680	11.9%	(2,647)	0	23,000	\$11.15
SE Metro Illinois Ret	1,919,560	242,335	242,335	12.6%	(32,254)	0	0	\$8.65
South County Ret	11,765,620	906,515	908,515	7.7%	187,114	0	0	\$12.02
Southwest County Ret	9,330,037	850,288	850,288	9.1%	246,090	168,018	25,000	\$11.81
St Charles County Ret	7,566,302	746,571	794,316	10.5%	105,319	17,024	0	\$12.47
St Charles Region Ret	10,596,875	1,002,925	1,039,101	9.8%	90,158	92,174	45,000	\$11.47
St Louis City North Ret	15,648,937	666,538	666,538	4.3%	(54,025)	14,131	9,500	\$15.62
St Louis City South Ret	9,796,149	497,317	497,317	5.1%	67,622	2,525	0	\$10.96
West County Ret	10,903,177	1,041,178	1,052,299	9.7%	(49,245)	17,322	0	\$14.56
Totals	158,519,927	12,079,918	12,239,498	7.7%	926,280	632,410	774,800	\$12.02

Source: CoStar Property®

Retail

New and Improved Malls and Retail Centers in the Area

- **Northwest Plaza** in St. Ann began a \$106 million redevelopment by new owner NWP LLC. The 1.8 million square foot shopping center sits on 122 acres and was nearly vacant at time of purchase.
- **Crestwood Mall** promises a “New Kind of Mall”. This new mall will have 317,000 square feet of entertainment themed tenants including bowling alley, music venues, comedy club, grocery store, movie theatre and outdoor plaza. Macy’s will be the only remaining original building.
- **Jamestown Mall** in North County remains open even after the lender foreclosed on the property in November. The property is currently for sale.
- **Taubman Prestige Outlets** will open August 2, 2013 in Chesterfield on 49 acres across from Chesterfield Commons. The open-air shopping center will have 450,000 square feet of retail space.
- **St. Louis Premium Outlets** will open August 22, 2013. The 137-acre commercial center will have 350,000 square feet of retail, office, hotel, restaurant and entertainment space.
- **Former Value City Building Development** on Highway 67 in North County has some new tenants. Panda Express, Five Below, Chipotle and Ashley Furniture Homestore are open in the new center.
- **Mercantile Exchange** is a collective 4,000 square foot co-op located on Washington Avenue in the plaza with Pi Pizzeria. The retail mini shops contain everything from gifts to furniture and an upscale dine-in movie theatre set to open in the middle of January 2013.
- **Walmart Supercenter** opened at 2700 Ridge Pointe Drive at the intersection of Highway 30 and High Ridge Boulevard.
- **Deer Creek Center** will reopen in Summer of 2013 in Maplewood. Stores will include Ross Dress for Less, JoAnn Fabrics, Marshalls, Buy Buy Baby and Shoe Carnival.
- **Colonial Marketplace** on Ladue Road is being rebuilt. The 68,000 square foot project will include a FedEx Kinko’s, Splash, The Original Pancake House, Dominic Michael Salon, Ivy Hill Boutique and Clarkson Eyecare.
- **Promenade** at Brentwood will be adding 10,000 square feet of retail space at the north end in the former Shane Co. The old building will be demolished and the center will lose some of it’s parking. Shane Co. is moving to 9643 Olive Boulevard.
- **Schnucks** at Kehrs Mill and Clarkson Road opened in November. The 41,000 square foot store includes an expanded wine and liquor department with tasting counter.
- **Dierbergs** in Des Peres opened a 75,000 square foot store on 6.5 acres on the south side of Manchester Road in Des Peres. The store has three levels including a mezzanine dining area and covered parking.

New Development

University Commons

Opening Fall 2013 in St. Charles across from Lindenwood University at First Capital Drive / Highway 94 and Fairgrounds Road. The center will be Schnucks anchored with attached mixed-use development.



Retail

New Retail Stores / Locations in the Area



Menards stores are popping up in the St. Louis area. St. Peters will be the first with a 162,000 square foot location at Executive Centre Parkway and Mexico Road opening in 2013. There are also plans for a store in Manchester and Menards was in negotiations with the new owner of Northwest Plaza to purchase 17 acres for a new store.

- **Savers** thriftstore opened in Ellisville in September at Clayton and Clarkson Road.
- **Pole Position Raceway** will occupy the former Value City Department store on Watson Road and is constructing a 56,000 square foot go-kart facility.
- **Dollar Deals World** opened in the Bellerive Shopping Center. There will be 11 other locations opening in Schnucks-anchored shopping centers in the St. Louis area.
- **Appliance Discounters** opened their fourth St. Louis location at 15425 Manchester Road in Ballwin Plaza.
- **Randall's Wine & Spirits** opened their fourth store next to Weekends Only in Manchester at the Highland's Shopping Complex.
- **One Night Stand** is a new store located at 121 Old Meramec Station Road in Manchester that rents new party & cocktail dresses.
- **Red Racks** opened in Ballwin in the former Sears Hardware Store, all proceeds go to Disabled American Veterans.
- **The Mizzou Store** opened in August at 10 THF Boulevard.
- Truman Bank reopened as **Simmons Bank**.
- **The Organic Cave** opened in New Town in December with foods eliminating gluten, grain, soy and dairy.
- **CVS** opened several new locations including one in Maplewood and one in St. Charles.
- **Goodwill Store** will be opening its 41st retail store in the area with a new location in St. Peters.
- **Lego Store** opened a 2,500 square foot store in the West County Center.
- **The Refind Room** opened in the old Brentwood Theater as a high quality furniture store.
- **Ross Dress for Less** opened in Ballwin, Chesterfield and North County. They have plans for 4 more stores in Missouri.
- **Five Below** opened locations in Ballwin, Brentwood, Chesterfield, Fenton and Florissant.
- **H.H.GREGG** announced 240 job openings in the St. Louis area with stores opening in Fenton, St. Peters, Chesterfield and Fairview Heights.



Retail

New Restaurants Around Town



The **Cheshire Inn** spent \$13 million on a renovation to its 108-room hotel this past summer and \$3 million on the new concept restaurants. **The Restaurant at the Cheshire** opened in October, seats up to 168 people and serve items from the old Cheshire's menu. **Basso** is a modern American-Italian restaurant featuring homemade pizzas and pastas. **The Market** serves coffee, pastries, wine and deli items and **The Smoking Room** is a small, intimate, members-only cigar lounge.

- **KimCheese** opened on Olive Boulevard near Woods Mill Road in September. They serve burgers, burritos and tacos with a Korean twist.
- **Mission**, a full-service, all new Mexican concept opened in the heart of the loop with an adjoining bodega and carry out window for late-night snacks.
- **Sugarfire Smokehouse** opened on Olive in the former Dickie's BBQ space.
- **Chick-Fil-A** opened new stores in Des Peres and Wentzville; Sunset Hills store will open in 2013.
- **Fozzie's Sandwich Emporium** opened on Olive in the former Pacific Cafe space.
- **Toasters** opened in the old Quiznos building at Big Bend and Flora Avenue.
- **White Castle** opened in the old Long John Silver's site in Ellisville.
- **The Office** restaurant and lounge opened on Delmar in the former Binions space.
- **Starbucks** took over the saucer Del Taco at Grand and Highway 40 in September. The iconic building was split into a Starbucks and a **Chipotle**.
- **Panda Express** opened more stores this year including one in Wentzville, Sunset Hills and Florissant.
- **Brazikat Brazilian Steakhouse** opened in the former Luciano's Trattoria space in Clayton in December.
- **Potbelly Sandwich Shop** opened in the old Provisions Gourmet Market at CityPlace in Creve Coeur.
- **Pi** opened their 5th location in the St. Louis area in the Mercantile Exchange Building downtown.

Retail Closings in 2012

- **Big Lots** in Chesterfield Valley Closed its 23,000 SF location after opening in 2011.
- **Cokesbury** closed its Manchester Road location after 20 years in business.
- **Bakers Shoes** closed 150 of its 213 stores including the one in Chesterfield Mall.
- **Ginghams** in Ellisville closed in October.
- **Chevy's** closed two restaurant locations - St. Charles and Ellisville.
- **Ace Hardware** in St. Charles closed in September.
- **Ben Franklin** closed in Webster Groves.
- **Old Webster Jewelers** on Lockwood Avenue closed.
- **Reuther Automotive** in Creve Coeur closed making way for Plaza Motor Jaguar/Land Rover.
- **Paper Warehouse** closed its Kirkwood store after 32 years.
- **Johnny's Market** on Gravois closed in October.
- **Spanky's Frozen Custard** in South County closed in December.

**BIG
LOTS!**

BAKERS

Chevys
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Industrial

The St. Louis industrial market remained steady through 2012. Rental rates slightly increased as vacancy rates started to decrease. The overall vacancy in the St. Louis market decreased .9% from 9.3% in January 2012 to 8.4% in January 2013. Rental rates began the year \$3.98 per square foot and ended \$4.00 per square foot. Two new buildings were built in 2012 totaling 235,023 square feet; a 139,000 square foot facility at 440 Bussen Underground Road and Sheet Metal Workers Local 36 delivered a 96,023 square foot facility.



Industrial Submarket Statistics

Market	Total RBA	Direct SF	Vacancy Total SF	Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Airport Ind	17,072,236	1,740,004	1,766,354	10.3%	123,443	0	0	\$3.62
Chesterfield/Hwy-40 Ind	6,058,627	176,419	185,719	3.1%	34,065	0	0	\$8.04
Earth City Ind	23,175,892	3,272,507	3,326,840	14.4%	(27,250)	0	0	\$4.01
Fenton Ind	9,390,053	1,402,889	1,407,151	15.0%	168,592	0	0	\$5.05
Hanley Ind	6,407,086	345,267	375,281	5.9%	(54,763)	0	0	\$4.91
Illinois Ind	36,092,149	1,926,854	1,926,854	5.3%	17,064	0	0	\$3.53
Innerbelt E of 170 Ind	9,717,945	690,905	692,561	7.1%	170,328	0	0	\$3.16
Innerbelt W of 170 Ind	11,422,301	859,388	902,695	7.9%	205,685	0	0	\$4.48
North County Ind	6,183,881	401,617	401,617	6.5%	391,000	0	0	\$4.16
South County Ind	9,143,420	468,124	586,024	6.4%	68,466	139,000	0	\$5.50
St Charles County Ind	26,646,507	1,383,701	1,403,701	5.3%	(149,733)	0	209,050	\$4.35
St Louis City North Ind	43,305,009	3,373,078	3,373,078	7.8%	598,862	0	0	\$3.11
St Louis City South Ind	36,498,773	3,728,229	3,761,476	10.3%	(181,310)	96,023	0	\$3.14
West County Ind	4,481,728	193,623	193,623	4.3%	196,968	0	0	\$5.63
Westport Ind	15,398,274	1,636,833	1,671,007	10.9%	(202,183)	0	0	\$5.26
Totals	260,993,881	21,599,438	21,973,981	8.4%	1,359,234	235,023	209,050	\$4.00

Source: CoStar Property®



Hostess Brands shut down its production facilities after filing bankruptcy in November. Flowers Foods announced in January they will be buying a number of brands including Home Pride, Butternut, Nature's Pride and Merita plus 20 bakeries and 38 depots for \$290 million. Still no deals have been made for the snack cake lines including Twinkies and Ding Dongs. 365 employees in St. Louis lost their jobs when the plant closed in November.

Industrial

2012 Noteworthy Industrial Leases

Building	Tenant	Square Footage
4701 Park 370 Drive	Jacobson Warehouse	402,313 SF
1010 Turner Boulevard	True Manufacturing*	248,635 SF
5801 N Lindbergh Boulevard	Sonoco Plastics*	222,438 SF
8474 Delport Drive	FedEx	167,342 SF
13209 Corporate Exchange Drive	EMDEON	116,164 SF
401-25 Fountain Lakes Boulevard	LMI Aerospace, Inc.	114,183 SF
415 Axminster Drive	AMS Investment Group	81,573 SF
3750 Rider Trail	HP Products	60,800 SF
2501 Cassens Drive	Sinclair & Rush	59,972 SF
3901 Elm Street	AMI Metals	57,406 SF

*Renewal

2012 Noteworthy Industrial Sales

Building	Submarket	Square Footage	Sale Price
800 Howerton Lane	West County	251,000 SF	\$12,300,000
645 S. Newstead Avenue	North County	118,000 SF	\$3,750,000
101 Ferry Street	North County	110,000 SF	\$880,000
1 Gerber Industrial Drive	St. Charles County	78,300 SF	\$3,200,000
835 Texas Court	St. Charles County	58,823 SF	\$1,000,000
1192 & 1194 Pershall Road	North County	56,958 SF	\$710,000
888 Bolger Center	Fenton	43,225 SF	\$2,300,000

1 Gerber Industrial Drive

New Development



General Motors began construction on a 500,000 square foot expansion at its production plant in Wentzville. The \$300 million expansion will be producing the Chevy Colorado.



