

2014



St. Louis Annual Market Report



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Established in 1948, Gershman Commercial Real Estate (formerly 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, Gershman Commercial 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.

Gershman Commercial Real Estate
7801 Forsyth, 3rd Floor
St. Louis, MO 63105
Phone: (314) 862-9400
Fax: (314) 889-0611
www.GershmanCommercial.com



7801 Forsyth, 3rd Floor • St. Louis, Missouri 63105 • Tel: (314) 862-9400
www.GershmanCommercial.com

State of the Market



The final section of the Stan Musial Veterans Memorial Bridge was added in July of 2013. The bridge will be open to traffic in Spring of 2014.

St. Louis is Home to 9 Fortune 500 Companies

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

St. Louis market conditions continued to improve at a moderate pace in 2013. “More of the same” is expected for 2014 according to the Federal Reserve reports. Even though the economic outlook is positive and commercial conditions have improved, the retail sector had mixed results with a softening of retail sales.

The Federal Reserve Bank’s Beige Book reported that St. Louis had an increase in commercial leasing activity. While commercial real estate loans increased or remained steady in most districts, business and industrial loan demand slightly declined in the St. Louis district even though commercial and industrial market conditions have improved. Healthcare, restaurant, insurance, telecommunications, internet technology and distribution firms expanded in the district.

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 19 Fortune 1000 companies, 9 of which are in the Fortune 500.

While St. Louis continues to have a below average unemployment rate of 6.5% compared to the national average of 6.8%; the area only showed a .5% increase in jobs per month from November 2012 to November 2013.

Several large companies continue to add jobs in the St. Louis market. Schnucks hired over 200 people in May, World Wide Technologies added 100 jobs with it’s new 57,200 SF headquarters, Express Scripts announced it will add 1,500 new employees over the next five years, Monsanto will be adding more than 675 employees, Charter plans on adding 400 employees for its new call center in Bridgeton, Boeing plans on adding more than 600 new positions in St. Louis, the new RGA headquarters in Chesterfield will eventually add more than 300 new jobs to the area, and the Bissinger’s expansion in North St. Louis will add 30 new jobs to the plant and 100 more positions over the next five years. AT&T announced it would vacate its downtown high-rise relocating its 2,000 workers to outlying offices in the city and county in 2015.

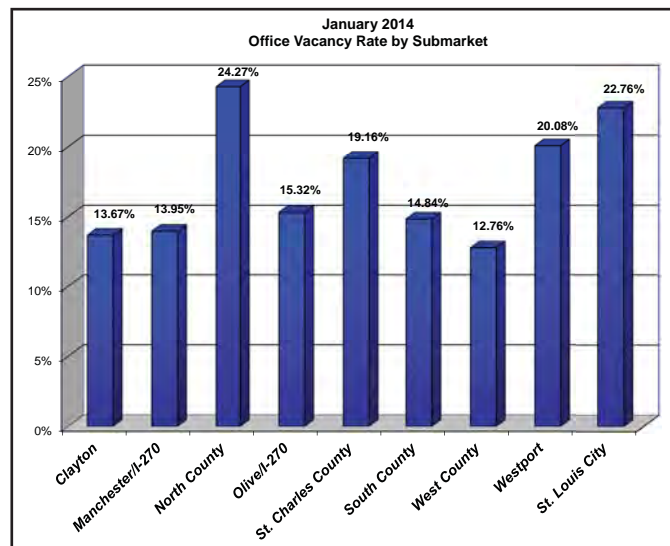
CityArchRiver 2015

The Gateway Arch grounds are getting a makeover which will make visiting the Arch a safer, easier experience by connecting and expanding the park’s grounds and museums. Extending over I-70 between Chestnut & Market Streets will be a new park joining the Arch grounds with the Old Courthouse. Six blocks of northbound Memorial Drive will also be converted into park space. The project will finally connect the Confluence Greenway with the Chouteau and Mississippi River Greenways, providing a critical connection within the River Ring. The \$380 million project is set to be completed in 2015.



State of the Market

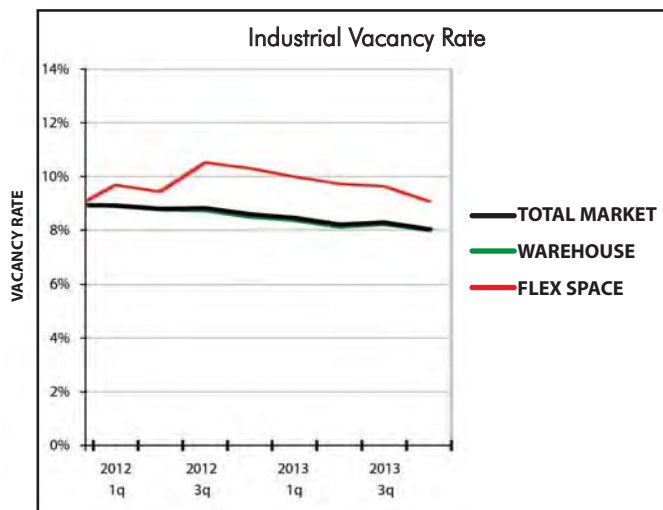
The overall office market showed signs of improvement in 2013 and the Class A, suburban, investment market seems to have returned. Although St. Louis remains under the nation's unemployment average, St. Louis will continue to need job growth in order for office vacancy to be absorbed. The region added 7,000 nonfarm jobs from November 2012 to November 2013 for a growth rate of .5%. St. Louis was below the national average of 1.7% over the same period of time.



The retail sector improved as vacancy rates continued to decrease and rental rates continued to increase. Grocery stores, restaurants, fitness centers and drug stores continued to remain strong in the St. Louis market. Retail growth is being led by small-format grocers, urgent cares, fast-food/ fast-casual restaurants, discounters, thrift and dollar stores.

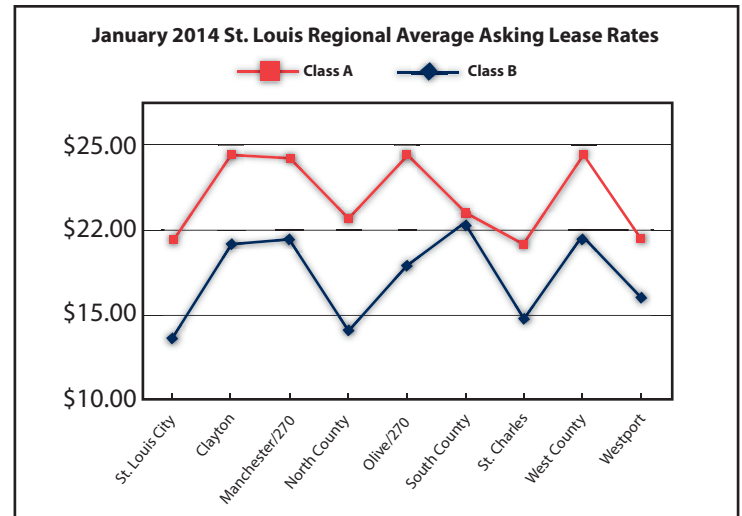
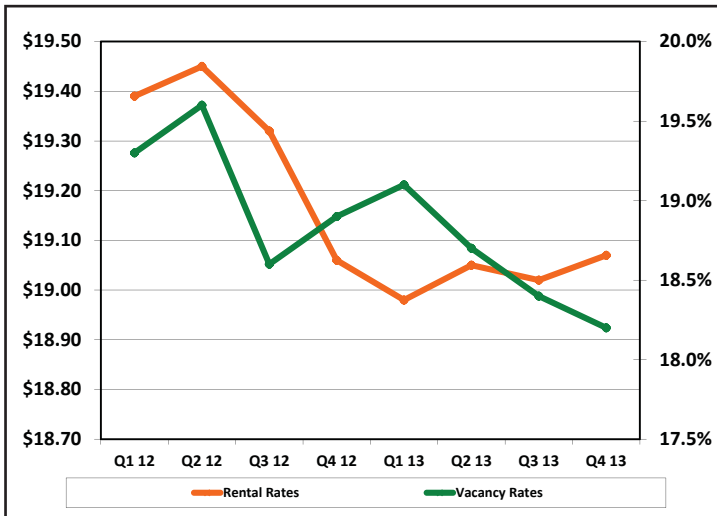
We expect to see more mergers accounting for growth in the retail sector in 2014 such as the Office Depot and Office Max merger in 2013. Acquisition growth is always more cost efficient than new expansion.

Industrial leasing activity improved in the St. Louis market in 2013. Plans for new jobs, expansion and new facilities are being reported from several manufacturing firms in the area, and the nation's industrial sector continues to strengthen. St. Louis had a vacancy average of 8.0%, just like the national average. This past year, flex vacancy rates declined more than warehouse rates and both flex and warehouse rental rates slightly declined.



Office Market Overview

Gershman Commercial measures 47 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 shows signs of improvement with a slight increase in rental rates, and a .6% drop in vacancy rates since the beginning of the year. Downtown and North County continue to have the highest vacancy rates while West County/Chesterfield, Clayton and Manchester/I-270 remain at the low end. Although companies continue to run tighter operations with less space and less employees, several large companies announced plans for new jobs that should positively impact the office market.



The average office rental rate for the St. Louis market was basically flat year over year, and slightly increased from \$19.06 in January of 2013, to \$19.07 in January of 2014. Although the average showed an increase, only three of the submarkets improved overall during the year: West County/Chesterfield increased \$.33 per square foot, St. Louis City increased \$.68 per square foot and Manchester/I-270 had the largest increase of \$1.29 per square foot finishing the year with rates at \$20.34 per square foot. North County showed the largest decrease, starting the year \$17.60 per square foot and finishing the year \$16.54 per square foot.

2013 Office Submarket Statistics

End of 4th Quarter

Submarket	Total SF	% Vacant	Quoted Rates
Clayton	7,398,941	13.7%	\$22.02
Manchester / I-270	1,614,341	14.0%	\$21.63
Olive / I-270	5,216,208	15.3%	\$19.92
North County	3,379,559	24.3%	\$16.54
South County	4,217,584	14.8%	\$20.32
St. Charles	1,709,733	19.2%	\$16.21
St. Louis City	15,633,506	22.8%	\$16.03
West County / Chesterfield	5,469,397	12.8%	\$22.23
Westport	2,424,848	20.1%	\$16.72
Total	47,064,117	18.2%	\$19.07

Office - St. Louis



The St. Louis City submarket is currently made up of 15.6 million rentable square feet. There are two distinct areas in this submarket; the Central Business District (CBD) with 12.1 million square feet of office and the Downtown West area made up of 3.4 million square feet of office space for lease.

The overall office vacancy in St. Louis City decreased 2.3% from 25.1% in January 2013 to 22.8% in January 2014. The average quoted rental rate increased \$.68 over the year to \$16.03. Class A office space is \$19.37 per square foot while Class B asking rates are \$13.58 per square foot. While improving, the city still boasts the largest vacancy rates and the lowest Class A rental rates.

Central Business District

The average quoted rental rate is \$16.40, Class A office space is currently \$19.24 per square foot while Class B asking rates are \$13.75 per square foot.

Downtown West

The average quoted rental rate is \$14.52, Class A office space is currently \$21.84 per square foot while Class B asking rates are \$13.18 per square foot.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
Bank of America Plaza	Anders CPAs	43,000 SF
1 Metropolitan Square	Teachers Insurance and Annuity Association*	28,091 SF
301-335 N Memorial Dr.	ICC/Engineering	19,000 SF
Curlee Building	Phoenix Creative Services, Inc.*	17,261 SF
2315 Pine Street	American Publishing Co. Inc.	7,457 SF

*Renewal

2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
Millennium Center Office	226,218 SF	\$3,900,000 / \$17.24 PSF
Lammert Building	159,500 SF	\$3,800,000 / \$23.82 PSF
Beaumont Building	100,000 SF	\$325,000 / \$3.25 PSF
301 N Memorial	56,952 SF	\$862,400 / \$15.14 PSF

Office - St. Louis



2013 Noteworthy Demolition Cupples 7

1014-1030 Spruce Street was demolished in September by the city of St. Louis despite several last minute attempts to save the building. The seven-story crumbling warehouse was too deteriorated to save. Ballpark Lofts III purchased the building in 2005 to rehab the warehouse into condos, yet the plan never happened after the housing market collapsed. The demolition permit lists Spirtas Wrecking Co. as the contractor at almost \$650,000. The demolition made way for a new route for Cardinals fans in time for playoffs; the entire block at Spruce and 11th Street had been shut down for over a year.

100 N Tucker was donated to Saint Louis University in 2012. The newly renovated building took over 274,000 square feet of nearly vacant office space out of the downtown market. Saint Louis University School of Law officially moved in to the state-of-the-art building at the end of July, 2013 in time for the 2014 school year.



Ballpark Village as of October 22, 2013



2013 finally showed signs that the long awaited Ballpark Village would happen. Construction began on a “scaled-down” version of the original project featuring retail, restaurants and entertainment. Phase I is set to be completed for the start of the 2014 baseball season. The original plan provided \$17 million in local and state incentives, with future phases receiving up to \$183.5 million in incentives bringing additional office, retail and residential opportunities.

The CORTEX bioscience and technology research hub in midtown St. Louis continued on it's second phase; a \$186 million development plan for 384,000 square feet of office and lab space. The Cambridge Innovation Center, a Massachusetts based company offering office space to startups, will be opening an outpost at the @4240 Building (4240 Duncan Ave.) that will be able to house up to 100 companies when fully occupied.

Rendering of CORTEX Commons



Office - Clayton

The Clayton submarket is currently made up of 7.4 million rentable square feet. The overall office vacancy in Clayton increased 2.3% from 11.4% in January 2013 to 13.7% in January 2014. The average quoted rental rate is \$22.02, Class A office space is currently \$24.51 per square foot while Class B asking rates are \$19.15 per square foot. Clayton boasts the highest Class A occupancy and rental rates of all the submarkets.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
101 S Hanley Road	NISA Investment Advisors	57,690 SF
Shaw Park Plaza	Belden Inc.	26,838 SF
7911 Forsyth Building	Xtra Corporation	28,277 SF
Shaw Park Plaza	Spencer Fane Britt & Brown LLP*	26,629 SF
Pierre Laclede Center II	Northwestern Mutual*	17,447 SF
7733 Forsyth Boulevard	Muller Prost PC	15,190 SF
120 S Central Avenue	BSA LifeStructures Inc.	13,853 SF

*Renewal

101 S Meramec Avenue



15 N Meramec Avenue



7530 Maryland Avenue



2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
101 S Meramec Avenue	30,331 SF	\$2,700,000 / \$89.02 PSF
15 N Meramec Avenue	9,715 SF	\$825,000 / \$84.92 PSF
7530 Maryland Avenue	5,200 SF	\$493,000 / \$94.81 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 increased 3.3% from 10.7% in January 2013 to 14.0% in January 2014. The average quoted rental rate is \$21.63, Class A office space is currently \$24.18 per square foot while Class B asking rates are \$19.52 per square foot.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
Des Peres Office Center I	Cornerstone Wealth Advisors	12,636 SF
Corporate Hill III	Standing Partnership	11,404 SF
Corporate Hill II	YP Texas Region	7,544 SF
Barrett Woods Corporate Center	United Food & Commercial Workers Union*	6,484 SF
Barrett Woods Corporate Center	ProRehab, P.C.*	6,211 SF
Barrett Woods Corporate Center	Learning Disabilities Association, Inc.*	5,460 SF
Barrett Woods Corporate Center	EBO Receivables Management, LLC*	3,661 SF
Bel Aire V	Lewis & Clark Advisors, LLC	3,307 SF

13537 Barrett Parkway Drive



Des Peres Office Center I



Office - North County

The North County submarket is made up of 3.4 million rentable square feet. The overall office vacancy in North County remained at 24.3% in January 2014, it was at 24.3% in January 2013. The average quoted rental rate is \$16.54, Class A office space is currently \$20.59 per square foot while Class B asking rates are \$14.00 per square foot. Despite its relatively high vacancy, North County boasted some of the largest office transactions in 2013.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
3470 Rider Trail	Equifax	99,308 SF
13022 Hollenberg Drive	Charter Communications	78,080 SF
13640-13690 Riverport Drive	YP.com	42,956 SF
Riverport Tower	Alta Source	30,691 SF

2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
Riverport Lakes Pavilion	218,778 SF	\$10,000,000 / \$45.71 PSF
3301 Rider Trail	121,500 SF	\$3,261,919 / \$26.85 PSF
8900-8920 Pershall Road	91,037 SF	\$2,250,000 / \$24.71 PSF
10257 St. Charles Rock Road	20,556 SF	\$720,428 / \$35.05 PSF
8430 Pershall Road	7,017 SF	\$690,000 / \$98.33 PSF

Riverport Lakes Pavilion



3301 Rider Trail



Office - Olive / I-270

The Olive / I-270 submarket is currently made up of 5.2 million rentable square feet. The overall office vacancy in the Olive / I-270 submarket decreased 1.4% from 16.7% in January 2013 to 15.3% in January 2014. The average quoted rental rate is \$19.92, Class A office space is currently \$24.35 per square foot while Class B asking rates are \$17.82 per square foot.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
12443 Olive Boulevard	Rabo Agrifinance Inc*	58,640 SF
12400 Olive Boulevard	Midwest Mortgage	28,277 SF
CityPlace 6	Tricorbraun	24,000 SF
CityPlace 1	Advanced ICU	23,100 SF
CityPlace 2	AmeriNet, Inc.*	21,858 SF
12655 Olive Boulevard	Stifel Bank & Trust	21,095 SF
721 Emerson Road	Cornerstone Insurance	12,708 SF
701-721 Emerson Road	Inteliteach	12,030 SF

*Renewal

Metonic Real Estate, a real estate firm from Nebraska, purchased CityPlace 6 in September. The 223,000 square foot, Class A office building was 91% occupied at the time of sale. The building had been on the market for 140 days.



2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
CityPlace 6	223,000 SF	\$40,200,000 / \$180.27 PSF
1009 Executive Parkway Drive	19,129 SF	\$4,800,000 / \$250.93 PSF
10803 Olive Boulevard	15,996 SF	\$1,045,832 / \$65.38 PSF

Office - St. Charles

The St. Charles submarket is currently made up of 1.7 million rentable square feet. The overall office vacancy in the St. Charles submarket decreased 1.9% from 21.1% in January 2013 to 19.2% in January 2014. The average quoted rental rate is \$16.21, Class A office space is currently \$19.12 per square foot while Class B asking rates are \$14.73 per square foot.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
100 Mall Parkway	Serco, Inc.	89,561 SF
60-64 N Central Drive	Delta Resources	17,061 SF
3000 Little Hills Expressway	National Vehicle Protection Services	10,865 SF
3000 Little Hills Expressway	Connections to Success	10,502 SF
101-107 Stag Industrial Boulevard	MoDot LLC	8,461 SF
2342 Technology Drive	Flatworld Technology	6,458 SF

2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
200 Brevco Plaza	22,007 SF	\$2,600,000 / \$118.14 PSF
844 Waterbury Falls Drive	19,200 SF	\$1,935,000 / \$100.78 PSF
856 Waterbury Falls Drive	26,000 SF	\$1,800,000 / \$69.23 PSF
1500 Wall Street	9,850 SF	\$1,300,000 / \$131.97 PSF
3731 Mueller Road	28,080 SF	\$1,032,220 / \$36.75 PSF
1000 Edgewater Point Drive	19,363 SF	\$850,000 / \$43.89 PSF
2120 Parkway Drive	10,080 SF	\$595,000 / \$59.02 PSF



New Development

New Town Gateway Commercial Development began construction in fourth quarter 2012. The 36-acre commercial development will have 50,000 square feet of office space available in 2014. Quoted rental rates are \$18.50 per square foot.

Office - South County

The South County submarket is currently made up of 4.2 million rentable square feet. The overall office vacancy in the South County submarket increased .6% from 14.2% in January 2013 to 14.8% in January 2014. The average quoted rental rate is \$20.32, Class A office space is currently \$21.07 per square foot while Class B asking rates are \$20.38 per square foot.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
Laumeier II	New Balance Athletic Shoe Inc.	41,876 SF
Laumeier I	Panera*	31,000 SF
Laumeier II	Regus	12,746 SF
10733 Sunset Office Drive	Bituminous Casualty Corporation	12,018 SF
Owen Ridge Campus	Baker 2013 LLC	10,615 SF
10820 Sunset Office Drive	Blade Technologies, Inc.	4,547 SF

*Expansion

2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
3636 S Geyer Road*	113,308 SF	\$16,273,150 / \$143.62 PSF
3630 S Geyer Road*	116,277 SF	\$10,460,400 / \$89.96 PSF
3668 S Geyer Road*	61,340 SF	\$8,809,572 / \$143.62 PSF
10825 Watson Road	42,000 SF	\$3,911,302 / \$93.13 PSF

*Sold in 4 Building Portfolio Including 11432 Lackland in Maryland Heights

3636 S Geyer Road



Tryperion Partners purchased a four-building portfolio including three South County buildings and one in Maryland Heights. The four-building portfolio consists of 384,931 square feet and was purchased for \$44 million. (\$114.00 PSF) Tryperion Partners also purchased two buildings in West County for approximately \$155.00 PSF.

3630 S Geyer Road



3668 S Geyer Road



Office - West County/Chesterfield

The West County / Chesterfield submarket is currently made up of 5.5 million rentable square feet. The overall office vacancy in the West County / Chesterfield submarket decreased 2.2% from 15.0% in January 2013 to 12.8% in January 2014. The average quoted rental rate is \$22.23, Class A office space is currently \$24.57 per square foot while Class B asking rates are \$19.58 per square foot. West County / Chesterfield boasts the lowest vacancy rate of any submarket; that will change in 2015 when RGA vacates close to 200,000 square feet moving into their new headquarters.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
575 Maryville Centre Drive	Savvis Inc.*	85,998 SF
520 Maryville Centre Drive	Cequel Communications	70,216 SF
16401 Swingley Ridge Rd.	Netelligent Corp	19,832 SF
16052 Swingley Ridge Road	Victor Technologies Group, Inc.	19,503 SF
425 S Woods Mill Road	Burns & McDonnell Engineering Company	18,000 SF

*Expansion

2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
555 Maryville University Drive*	127,082 SF	\$19,738,082 / \$155.32 PSF
533 Maryville University Drive*	125,296 SF	\$19,461,297 / \$155.32 PSF
14528 S Outer Forty	210,409 SF	\$16,250,000 / \$77.23 PSF
16647 Chesterfield Grove Road	38,853 SF	\$4,800,000 / \$123.54 PSF

*Sold in 2 Building Portfolio

555 Maryville University Drive



533 Maryville University Drive



Tryperion Partners purchased a two-building portfolio in West County. The Class A, two-building portfolio consists of 252,378 square feet and was purchased for \$39.2 million. (\$155.00 PSF) Tryperion Partners also purchased three buildings in South County and 1 building in Maryland Heights for approximately \$114.00 PSF.

Office - Westport

The Westport submarket is currently made up of 2.4 million rentable square feet. The overall office vacancy in the Westport submarket increased .7% from 19.4% in January 2013 to 20.1% in January 2014. The average quoted rental rate is \$16.72, Class A office space is currently \$20.19 per square foot while Class B asking rates are \$16.04 per square foot.

2013 Noteworthy Office Leases

Building	Tenant	Square Footage
2392 Grissom Drive	Meridian Electric Company	61,294 SF
Park 270 II	Hub City Terminals, Inc.	55,861 SF
Park 270 II	Doe Run Resources Corporation*	18,265 SF
Park 270 I	Environ International Corporation	7,969 SF
Park 270 II	Crane Merchandising	7,400 SF
Park 270 II	Quad/Graphics Inc.	6,172 SF
The Crossings at Westport	NEIS	5,461 SF

*Renewal

2013 Noteworthy Office Sales

Building	Square Feet	Sale Price / PSF
11432 Lackland Road*	94,006 SF	\$8,456,877 / \$89.96 PSF
2150 Schuetz Road	79,569 SF	\$7,250,000 / \$91.12 PSF
1830 Craig Park Court	60,000 SF	\$1,750,000 / \$29.17 PSF

*Sold in 4 Building Portfolio Including 3 Buildings in Laumeier Office Park in South County

11432 Lackland Road

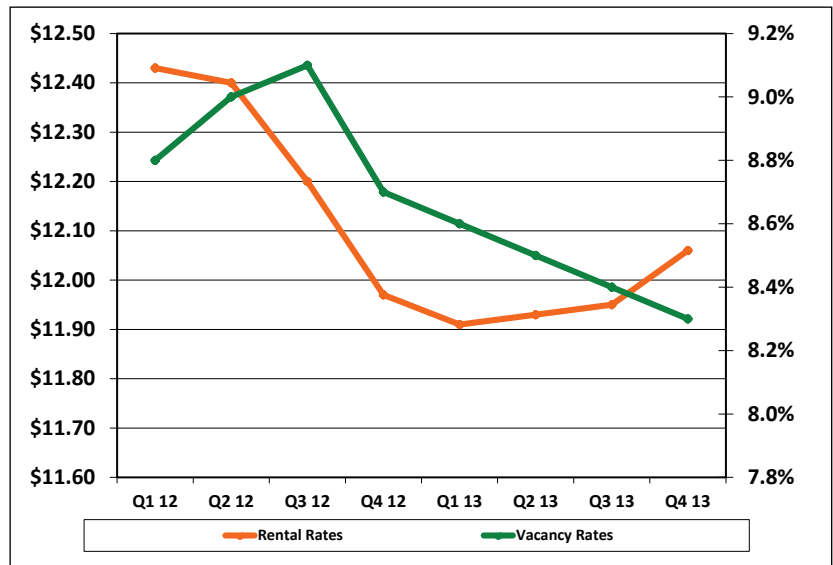


2150 Schuetz Road



Retail Market Overview

Retail continued to show signs of recovery in 2013. Vacancy rates have continued to decrease over the year as rental rates have slightly improved. The overall vacancy in the St. Louis market decreased .4% from 8.7% in January 2013 to 8.3% in January 2014. Rental rates began the year \$11.97 per square foot and ended \$12.06 per square foot. New construction delivered two new outlet malls in the Chesterfield Valley. While discount stores, grocery stores and restaurants remained strong in 2013; middle market retailers continued to diminish.



2013 Retail Submarket Statistics

End of 4th Quarter

	Existing Inventory			Vacancy		YTD Net	YTD	Under	Quoted
Market	# Blds	Total GLA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Calhoun County	2	3,245	0	0	0.0%	0	0	0	\$0.00
Chesterfield Region	170	6,249,953	220,372	220,372	3.5%	716,680	660,000	0	\$16.17
Franklin County	374	4,311,491	259,529	259,529	6.0%	11,048	3,000	0	\$8.64
Jefferson County	137	1,448,145	106,570	106,570	7.4%	(24,983)	0	0	\$12.61
Lincoln County	81	948,395	105,745	105,745	11.1%	18,806	0	0	\$12.07
Metro East Illinois	1,019	14,867,210	1,105,283	1,114,783	7.5%	110,478	30,711	0	\$11.21
Mid County	893	15,607,626	870,516	879,232	5.6%	137,939	0	34,880	\$16.22
NE Metro Illinois	756	10,026,384	517,788	517,788	5.2%	39,123	12,000	0	\$10.90
North County	444	7,969,134	854,570	877,850	11.0%	30,808	0	0	\$10.79
Northwest County	942	15,101,528	2,426,641	2,448,238	16.2%	119,350	4,000	0	\$10.29
Outer Jefferson Cnty	130	1,665,344	87,663	87,663	5.3%	(3,180)	0	0	\$7.04
Outer Metro Illinois	101	856,711	27,764	27,764	3.2%	(4,401)	0	0	\$12.68
Outer Monroe County	6	33,303	0	0	0.0%	0	0	0	\$0.00
Outer St Charles Cnty	114	1,889,396	38,685	38,685	2.0%	6,279	0	0	\$10.60
Outer St Louis County	75	1,138,727	162,409	162,409	14.3%	(67,118)	0	23,000	\$10.66
SE Metro Illinois	178	2,082,335	235,715	235,715	11.3%	16,832	0	21,600	\$9.50
South County	545	11,919,613	1,114,275	1,114,275	9.3%	(26,977)	0	4,317	\$11.96
Southwest County	576	9,340,182	887,527	889,317	9.5%	(79,182)	25,000	0	\$11.49
St Charles County	400	7,701,614	703,215	729,160	9.5%	41,018	0	8,731	\$13.33
St Charles Region	747	11,040,348	834,747	834,747	7.6%	154,746	0	0	\$11.26
St Louis City North	553	8,170,233	746,950	746,950	9.1%	(171,117)	0	28,280	\$14.31
St Louis City South	1,489	10,074,420	388,885	388,885	3.9%	57,668	3,517	10,000	\$11.02
West County	499	10,747,793	966,977	978,098	9.1%	67,044	0	0	\$13.63
Totals	10,231	153,193,130	12,661,826	12,763,775	8.3%	1,150,861	738,228	130,808	\$12.06

Source: CoStar Property®

Retail Market Overview

New and Improved Malls and Retail Centers in the Area

- **Colonial Marketplace** on Ladue Road: Woman's Exchange leased 4,000 SF, leaving it's 40 year location on Clayton Rd. Other new tenants to the redeveloped center include The Original Pancake House, Clarkson Eyecare, Dimvaloo, Dominic Michael Salon and Marta's Boutique.
- **Washington University Mixed-Use Project**, an \$80 million development including 3 residential apartment buildings and two mixed-use buildings with 22,000 SF ground-floor retail and upper level apartments. Global Foods Market will occupy 15,000 SF of street-level space in the five-story building on Delmar Boulevard and Eastgate Avenue.
- **NorthSide Regeneration Project**, is a \$1.8 billion, 1,500-acre project for new construction and rehabilitation of existing buildings in North St. Louis. Dollar General may be the first tenant at 1500 N Grand.
- **The Shops at Clay Price Corner** is the first indoor mall in history coming to Ladue. The former Busch's Grove will become a 14,000 square foot retail center occupied by upscale boutiques.
- **Simon's St. Louis Premium Outlets** is a \$100 Million project on the south side of Highway 40 just east of the Daniel Boone Bridge that opened August 22nd. There are currently over 90 tenants including Kate Spade New York, Under Armour, Tommy Hilfiger, Adidas, Saks Fifth Avenue off 5th, Levi's Outlet Store, Adidas, Coach and the Nike Factory Store. The land surrounding the St. Louis Premium outlets has future plans to house 20-30 restaurants, stores and possibly a hotel and movie theater in a new development project called **Blue Valley**.
- **Taubman Prestige Outlets**, a \$150 Million project on North Outer 40 just east of Boone's Crossing opened August 2nd. There are currently 49 tenants including Restoration Hardware, J Crew Factory, Juicy Couture, Brookstone, Ambercrombie & Fitch Outlet and the Banana Republic Factory Store.
- **Brentwood Promenade** planned a \$2.2 million expansion project. Trader Joe's expanded into the former Beauty First space. The former Shane Co. building was demolished for an additional 20,000 SF of retail space. The additional space is occupied by three tenants including Ulta and Lane Bryant.
- The **Schnucks Center** located at the corner of Manchester Road and Brentwood Boulevard received a facelift. Improvements include interior, building facade, landscaping and 14 new light fixtures in addition to a new 2,100 square foot building on the NW corner of the parking lot for new retail and office space.
- **Crestwood Mall** finally closed its doors in July. It's been over a year since the owner, Chicago-based developer Centrum Partners, introduced a \$121.3 million redevelopment plan.

Streets of St. Charles

Total project includes over 250,000 SF office plus 250,000 SF retail and entertainment space. Phase I was completed in 2013 with 80.4% leased. Retail tenants include Five Guys Burgers, Massage Luxe, Tucanos Brazilian Grill and Prasino. Phase II includes residential units and retail. Bar Louie will open at the end of January 2014. AMC Theatres will be occupying a new 40,000 SF, 8-screen theatre which will open in the fall of 2014.



Streets of St. Charles October 21, 2013

Retail Market Overview

New Retail Stores / Locations in the Area

IKEA announced it will be opening in the St. Louis market with a location at Vandeventer Avenue and Forest Park Parkway. The two-story, 380,000 SF store is expected to be completed in 2015.



- **Sub Zero Cryotherapy**, opened its first St. Louis location at 17722 Chesterfield Airport Road in Chesterfield.
- **Menards** opened its first two stores; one in St. Peters and one in O'Fallon, Illinois. Construction began on the location in the former Northwest Plaza and a new location on Manchester Road just east of Highway 141.
- **The Joint** opened its fifth location in St. Louis at 11475 Olive Blvd. in the West Oak Square Shopping Center.
- **Now and Again** high-end consignment store opened in the old Suburban Leisure Center on Olive Boulevard.
- **Dots Fashion Store** opened its 8th St. Louis area location at 12551 Olive Boulevard in Creve Coeur.
- **Savers** opened its 4th store in Missouri in February at 9618 Watson Rd. in Crestwood.
- **Instant Imprints** opened its 4th St. Louis location in St. Charles at 3734 Elm Street.
- **Tide Dry Cleaners** opened its first location in Ballwin with plans for 7 more in the St. Louis area.
- **Car Credit City** opened in Wentzville, this is the 6th location in the St. Louis area.
- **The Collective**, which rents space to various vendors, will be opening a second store at the Taubman Prestige Outlets in Chesterfield. They currently have a store downtown St. Louis in the newly renovated Merchantile Exchange.
- **Ross Dress for Less** opened in Maplewood, Hazelwood and Sunset Hills.
- **Go Ape Creve Coeur** opened in July at Creve Coeur Park, offering ziplining and a tree top obstacle course.
- **Family Dollar** opened in the Olivette Plaza.
- **CarMax** opened 2 St. Louis stores, one at 6201 S. Lindbergh Blvd. & one at 4990 N Service Rd. in St. Peters.
- **GFS Marketplace**, a food-service grocery store opened in St. Peters and Maplewood.
- **Aldi's** opened in the old Border's Bookstore on Olive Blvd. May 2nd, and a location at the corner of Kinshighway and Delmar Boulevard.
- **Hidden Gems**, a new resale shop at 9051 Watson Road will be operated by the Lutheran Senior Services.
- **Red Racks** thrift store opened in the former Walgreens on Olive Boulevard and at 15425 Manchester in Ballwin.
- **Top Tier Outdoors** offering up-scale hunting goods opened in the former Gingham's in Ellisville.
- **Microsoft** opened their first permanent store at the St. Louis Galleria.
- **Northern Tool**, a Minnesota based company opened two locations; one in St. Charles & one in Arnold.



Retail Market Overview

New Restaurants Around Town



The smoothie war has begun. Two national juice bars have made their presence known in St. Louis during 2013. Smoothie King currently has 7 locations open with plans to add 25 locations over the next 5 years. A former Anheuser-Busch president signed on to open 15 Jamba Juices in Missouri & Kansas over the next 9 years. The first location just opened in the West County Center.

- **Mission Taco** opened on Delmar in February, their second location will be opening early summer of 2014 on Lafayette Ave.
- **Jet's Pizza** opened in Webster Groves, Ballwin and Creve Coeur. They plan on adding 8-10 more locations in the St. Louis area in 2014.
- **The Libertine** opened at 7927 Forsyth in Clayton in the former Chez Leon space.
- **The Wheelhouse**, an upscale sports bar, opened in May at 15 N Central Avenue.
- **Subliminal Subs** opened in Westport Plaza and the Central West End.
- **Firehouse Subs** opened in Ballwin at 14948 Manchester Road in April.
- **The Original Pancake House** opened at the Colonial Marketplace.
- **Prasino St. Charles**, **Tucanos Brazilian Grill**, and **Five Guys Burgers** opened in the Streets of St. Charles.
- **J Greene's Pub** opened in April in the former Big Bear Grill located at 10017 Manchester Road in Warson Woods.
- **Pure Bliss: Piccione Pastry** opened at the corner of Delmar Boulevard & Skinker Avenue.
- **Cooper's Hawk Winery** opened in Town and Country at 1146 Town and Country Crossing Drive.
- **Five Star Burgers** opened a second location at 312 S Kirkwood in the former Culpeppers.
- **Pita Pit** is opening their second location at 6120 Delmar Blvd. They plan on opening 20 stores in the St. Louis area in the next 5 years.
- **Strange Donuts** opened in downtown Maplewood serving traditional and imaginative creations in the former Pixies on Sutton Boulevard. **Pixies Hair Design** is now in their newly renovated 2512 Sutton Blvd. location.



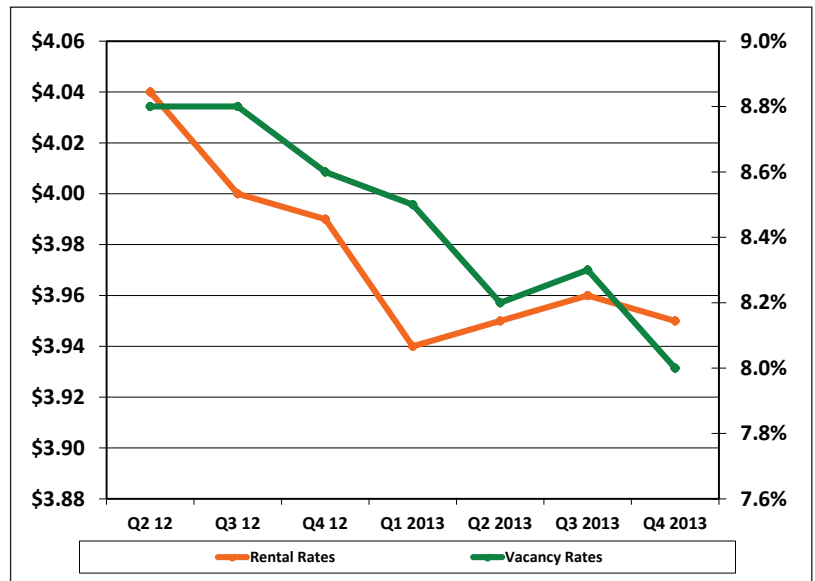
Retail Closings in 2013

- **Fatted Calf** in Clayton closed in March, they had been in business since 1966.
- **Dierdorf & Hart's Steakhouse** in Westport closed after 30 years on May 19th.
- **Grappa Grill** in St. Charles closed after 17 years in business.
- **Frontenac Grill** in Frontenac closed its doors.
- **Macy's** closed its downtown location in the Railway Exchange Building.
- **Growlers Pub** at 3811 S Lindbergh in Sunset Hills closed in July after 18 years in business.
- **Culpeppers** closed in Kirkwood and Creve Coeur.
- **Qdoba Mexican Grill** closed its Mid River's Mall, Wentzville Parkway and 12710 Olive Blvd. locations.
- **JC's Penny's Outlet** is closing all 15 stores nationwide including its 5 Star Outlet at Jamestown Mall.
- **Kmart** in High Ridge at 4560 Gravois Village Center shut its doors in mid June. It had been open for 30 years.
- **Blockbuster** closed its 16 locations in the St. Louis area.



Industrial Market Overview

The St. Louis industrial market slightly improved in 2013. Rental rates slightly decreased as vacancy rates continued to decrease. The overall vacancy in the St. Louis market decreased .6% from 8.6% in January 2013 to 8.0% in January 2014. Rental rates began the year \$3.99 per square foot and ended \$3.95 per square foot. Two new buildings were built in 2013 totaling 521,718 square feet; a 482,298 square foot facility in Westway, Illinois and a 39,420 square foot facility at 5227 Northrup Avenue; both are 100% leased.



2013 Industrial Submarket Statistics

End of 4th Quarter

Market	Total RBA	Direct SF	Vacancy Total SF	Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Airport Ind.	16,911,447	1,080,490	1,106,490	6.5%	662,473	0	227,500	\$3.66
Chesterfield/Hwy-40 Ind.	6,188,432	181,044	181,044	2.9%	16,367	0	0	\$8.14
Earth City Ind.	23,846,656	2,689,427	2,720,352	11.4%	664,908	0	0	\$3.98
Fenton Ind.	8,775,842	1,027,314	1,027,314	11.7%	307,972	0	0	\$5.40
Hanley Ind.	6,394,353	289,823	289,823	4.5%	114,238	0	0	\$4.30
Illinois Ind.	37,961,885	2,622,420	2,622,420	6.9%	68,114	482,298	0	\$3.66
Innerbelt E of 170 Ind.	9,510,896	726,403	731,393	7.7%	(46,232)	0	0	\$3.59
Innerbelt W of 170 Ind.	11,482,082	986,749	1,038,149	9.0%	(115,629)	0	0	\$4.83
North County Ind.	6,262,146	339,543	339,543	5.4%	90,872	0	0	\$4.13
South County Ind.	9,125,640	445,466	445,466	4.9%	157,304	0	0	\$5.20
St Charles County Ind.	28,070,987	915,871	920,371	3.3%	477,588	0	500,000	\$4.41
St Louis City North Ind.	41,182,602	3,863,212	3,863,212	9.4%	(478,517)	0	0	\$2.82
St Louis City South Ind.	36,654,916	3,980,434	4,013,681	10.9%	(185,443)	39,420	0	\$3.01
West County Ind.	4,508,087	115,781	115,781	2.6%	86,142	0	0	\$6.32
Westport Ind.	15,583,983	1,671,001	1,691,001	10.9%	(12,626)	0	0	\$5.47
Totals	262,463,954	20,934,978	21,106,390	8.0%	1,807,531	521,718	727,500	\$3.95

Source: CoStar Property®

New Development

International Food Products is building a \$20 Million, 227,500 square foot facility in Aviator Business Park. The distribution and manufacturing center will have 32' clear height ceilings. Norfolk Southern will provide rail service to the cross-docked facility. International Foods will be consolidating two existing locations.

International Food Products Future Hazelwood Development



Industrial Market Overview

2013 Noteworthy Industrial Leases

Building	Tenant	Square Footage
Aviator Business Park Lot 4	International Food Products	227,500 SF
372 Hazelwood Logistics Center Dr.	Tagg Logistics	198,858 SF
1212 Central Industrial Dr.	Kemlab Inc.	156,091 SF
831 Lone Star Dr.	Pittsburgh Glass Works, LLC*	102,135 SF
Trade Center III	BCI Packaging	81,194 SF
601 Gravois Bluffs Blvd.	Magnet Works, Ltd.	75,000 SF
12949 Enterprise Way	Store Supply Warehouse	70,000 SF
Union Seventy Business Park	Bakers	51,000 SF
305-333 Rock Industrial Dr.	Ozburn-Hessey Logistics Inc.	50,000 SF
Crossroads Industrial Center	Tubular USA, Inc.	45,844 SF

*Renewal

2013 Noteworthy Industrial Sales

Building	Market	Square Footage	Sale Price
6504 Prescott Avenue	St. Louis City North	420,000 SF	\$12,250,000
1849-1875 Craig Road	Westport Ind.	109,053 SF	\$2,934,000
13-15 Arrowhead Industrial	St. Charles County	104,471 SF	\$4,074,369
4451-4465 Manchester Avenue	St. Louis City South	75,000 SF	\$1,850,000
33 Worthington Access Dr.	Westport Ind.	50,000 SF	\$1,200,000
2651 Locust Street	St. Louis City North	41,325 SF	\$505,000

33 Worthington Access Drive



1849-1875 Craig Road





7801 Forsyth, 3rd Floor • St. Louis, Missouri 63105 • Tel: (314) 862-9400
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