



Q1 2015

Office Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



The 72,000 square foot, Class B office building located at 600 Kellwood Parkway in Chesterfield sold for \$5,184,000. (\$72.00 PSF)

NOTEWORTHY SALE



The 10,600 square foot, Class B office building located at 226 S. Meramec in Clayton sold for \$1,875,000. (\$176.89 PSF)

The overall office vacancy rate in the St. Louis market increased to 16.8% at the end of the first quarter 2015. The overall vacancy rate was 15.8% at the end of the fourth quarter 2014. The West County and St. Charles submarkets caused the slight increase as a result of RGA vacating space to occupy their newly constructed headquarters. Although there was a slight increase this quarter, the vacancy rate is showing a downward trend compared to first quarter 2014.

The overall office net absorption decreased with negative 495,264 square feet absorbed at the end of first quarter 2015. Most of this negative absorption is due to Laclede Gas moving, Bank of America vacating space downtown and RGA moving into a new headquarters, leaving almost 200,000 square feet of vacant space in Timberlake Corporate Center. At the end of fourth quarter 2014, net absorption was positive 615,816 square feet.

The average quoted asking rental rate in the St. Louis office market slightly decreased. The average quoted rates ended the first quarter 2015 at \$18.80 per square foot per year. That compares to \$18.83 per square foot in the fourth quarter 2014. The Clayton and West County submarkets continued to have the highest average rental rates.

There was no new, completed multi-tenant construction in first quarter 2015.

Submarket	Existing Inventory # Bldgs.	Total GLA	Direct SF	Vacancy Total SF	Vac %	Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Central Business District (CBD)	89	13,386,014	2,566,862	2,594,100	19.4%	(218,247)	0	0	\$16.38
St. Louis City (Other than CBD)	30	1,665,481	197,478	209,549	12.6%	(6,052)	0	0	\$17.40
Clayton	74	7,374,396	747,090	768,607	10.4%	(25,150)	0	0	\$23.08
Olive-270/ Westport	114	7,396,059	1,327,029	1,342,975	18.2%	15,688	0	0	\$19.15
West County	111	7,507,947	790,842	798,942	10.6%	(243,594)	0	0	\$22.22
South County	57	2,841,694	292,111	292,111	10.3%	21,536	0	0	\$19.38
North County	68	4,831,608	1,454,527	1,478,996	30.6%	75,529	0	0	\$16.85
St. Charles	40	1,838,949	286,026	367,149	20.0%	(77,301)	0	0	\$17.58
Illinois	63	2,526,104	450,206	450,206	17.8%	(37,673)	0	0	\$17.14
Totals	646	49,368,252	8,112,171	8,302,635	16.8%	(495,264)	0	0	\$18.80

Source: CoStar Property®

Office market data used for this report consists of only multi-tenant office buildings over 20,000 square feet, excluding medical. The above chart is a combination of Class A, Class B and Class C buildings.



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
AT&T*	Corporate Woods III	144,000	North County
Energizer	1350 Timberlake Manor	43,574	West County
Northwestern Mutual	622 Emerson Road	25,432	Olive-270/Westport
Corizon*	12647 Olive Blvd.	22,938	Olive-270/Westport
Alpine	Riverport Lakes East	14,996	North County

*Renewal

FEATURED PROPERTY

**12000 Building**

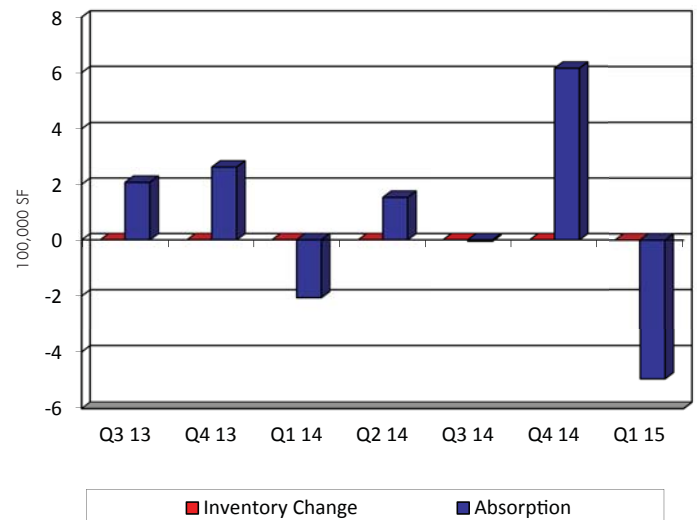
11960 Westline Industrial Drive
St. Louis, MO 63146

- 362 SF - 17,309 SF Available
- Attractive Multi-Tenant Office Building across from Westport Plaza
- Outstanding Accessibility to I-270 & Lambert-St. Louis International Airport
- Large Conference/Training Room with Wi-Fi for Tenant Use
- Visibility from Page Avenue
- 1/4 Mile Walking Path with Fitness Stations
- Building Signage Available
- Lease Rate: \$17.50 PSF, FS

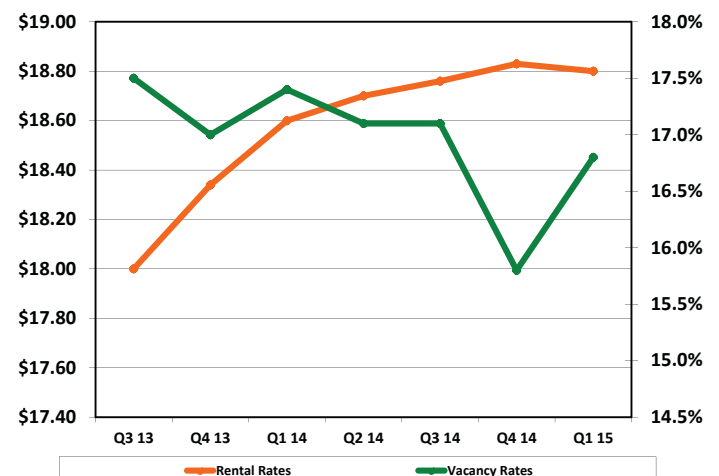
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Overall Office Inventory & Absorption



Overall Office Rental Rates & Vacancy Rates



*Disclaimer: All information is collected from CoStar Group at the end of 1st Quarter. All information is subject to change. Updated numbers for past quarters reflect CoStar's ongoing research for the most accurate market information.