



Q1 2016

Industrial Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate ↔

Net Absorption ↑

Rental Rates ↔

Construction ↑

NOTEWORTHY SALE



The 117,200 square foot, Class B, industrial warehouse located in West County at 17877-17899 Chesterfield Airport Road sold for \$14,400,000. (\$122.87 PSF)

NOTEWORTHY SALE



The 42,200 square foot, Class B, industrial showroom located at 3160 Rider Trail S. in Earth City sold for \$2,125,000. (\$50.36 PSF)

The overall industrial market remained relatively flat thus far in 2016. The industrial vacancy rate in the St. Louis market ended the first quarter 2016 at 6.8%, same as the end of the fourth quarter 2015.

Net absorption for the overall St. Louis industrial market was positive 106,891 square feet absorbed in the first quarter 2016. While Hy-C Company moved out of 31,935 square feet at 1644 Lotsie Blvd., several large blocks were occupied in first quarter 2016 including New Balance Athletic Shoe Inc. moving into 124,703 square feet at 13600 Shoreline Drive and American Builders & Constructors Supply Co., Inc. moving into 115,200 square feet at 601 Cannon Ball Lane.

The average quoted asking rental rates for available industrial space showed little change at \$4.18 per square foot per year at the end of the first quarter 2016 in the St. Louis market area. The quoted rental rates were \$4.17 per square foot at the end of the fourth quarter 2015.

There was no new industrial space delivered in the St. Louis Market in the first quarter 2016, and 3,904,153 square feet of industrial space remained under construction. The largest project under construction is the Schnuck's Distribution Center, a 915,000 square foot building in North County, that is 100% leased.

TOTAL INDUSTRIAL MARKET STATISTICS

Market	# Bids	Existing Inventory Total RBA	Direct SF	Vacancy Total SF	Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Airport	239	17,6481,821	1,469,260	1,495,610	8.5%	(150,895)	0	566,288	\$3.80
Chesterfield/Hwy-40	158	5,914,308	138,350	138,350	2.3%	(4,684)	0	590,000	\$8.97
Earth City	314	23,749,284	2,314,108	2,319,108	9.8%	237,635	0	0	\$4.84
Fenton	223	8,865,031	304,098	324,498	3.7%	(32,749)	0	0	\$7.52
Hanley	284	6,365,774	135,373	144,261	2.3%	35,047	0	0	\$5.36
Illinois	718	40,508,226	1,018,837	1,229,009	3.0%	14,886	0	1,539,860	\$3.78
Innerbelt E of 170	230	10,011,908	432,984	432,984	4.3%	(54,285)	0	0	\$3.68
Innerbelt W of 170	378	11,281,258	664,713	664,713	5.9%	38,373	0	0	\$4.20
North County	154	6,277,452	474,724	474,724	7.6%	30,839	0	915,000	\$3.94
South County	274	9,177,840	694,898	716,028	7.8%	(87,660)	0	0	\$6.08
St Charles County	807	27,855,501	537,627	594,185	2.1%	101,955	0	138,000	\$5.19
St Louis City North	810	38,398,396	4,110,773	4,110,773	10.7%	(24,486)	0	0	\$2.86
St Louis City South	968	36,559,331	3,779,224	3,779,224	10.3%	1,175	0	125,005	\$3.19
West County	145	4,714,809	78,849	78,849	1.7%	5,928	0	0	\$6.39
Westport	420	15,879,037	1,389,685	1,389,685	8.8%	(4,188)	0	30,000	\$5.83
Totals	6,122	263,196,976	17,543,503	17,892,001	6.8%	106,891	0	3,904,153	\$4.17

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Whirlpool Corporation*	65 Corporate Woods Dr.	556,287	Earth City
Tagg Logistics**	372 Hazelwood Logistics Center Dr.	198,858	Airport
S.P. Richards Company*	3655-73 Corporate Trail Dr.	124,042	Earth City
Elite Printing & Packaging	100 Mall Parkway	62,100	St. Charles
Southern Graphics	2130-2132 Kratky Rd.	36,730	Bridgeton/I-70

*Renewal **Renewal & Expansion

FEATURED PROPERTY



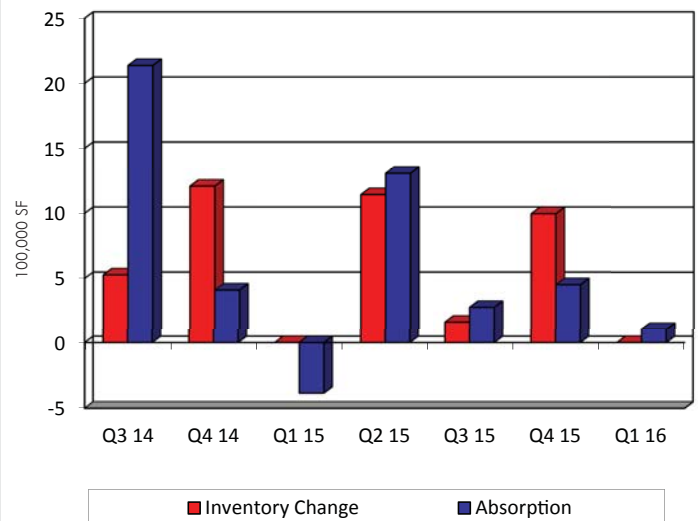
2302-2324 Weldon Parkway
Maryland Heights, MO 63146

- 17,825 SF Office/Warehouse Building
- Great Two-Tenant Building Located in the Heart of Westport
- Easy Access to Page Ave., Hwy. 364 & I-270
- 1 Story Building, Built in 1976
- New in 2012: Roof, Facade, 2 HVAC Units, Gutters & Downspouts
- 1.3 Acres Site
- Ample Parking
- Sale Price: \$995,000 (\$38.65 PSF)

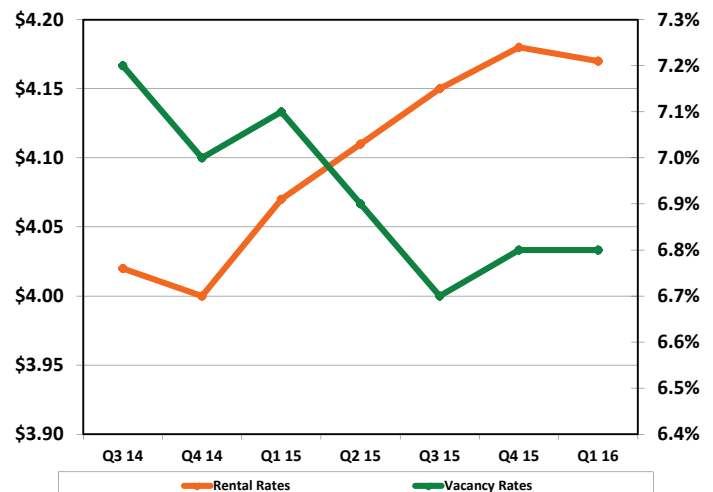
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Overall Industrial Inventory & Absorption



Overall Industrial 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.