



Q1 2017

Retail Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



NEW AROUND TOWN

Bob's Discount Furniture
- Manchester & St. Ann

Crushed Red - Chesterfield

Aldi - Wentzville

Chick-fil-A - Ellisville

Vincent Van Doughnut
- Tower Grove

Fresh Thyme Farmer's Market
- Kirkwood

Yiro/Gyro
- Fenton, Ballwin & Midtown

RECENT CLOSINGS

BCBG - Frontenac,
Chesterfield & Fairview Heights

Kmart - Alton,
Granite City & St. Louis City

Tom & Chee - O'Fallon

SanSai Japanese Grill - Downtown

Diablitos Cantina - Midtown

Tortillaria Mexican Kitchen - CWE

Overall the retail market showed slight improvement in the first quarter 2017. The retail vacancy rate in the St. Louis market slightly decreased at the end of the first quarter 2017 to 5.2%, compared to 5.4% at the end of the fourth quarter 2016. While the market has seen an overall decrease in the vacancy rate over the past four quarters, that trend is expected to reverse based upon the recently announced list of pending retail closures including Macy's, Gordmans, Payless, JCPenney and hhgregg.

The overall retail net absorption slightly decreased from last quarter, although it remained positive. There was positive 328,510 square feet absorbed at the end of the first quarter 2017. Most of the leasing activity occurred within small shop space throughout St. Louis.

Average quoted rental rates in the St. Louis retail market increased at the end of the first quarter 2017 to \$12.11 per square foot per year, compared to \$11.94 per square foot in the fourth quarter 2016.

New construction remained limited during the first quarter 2017, only nine buildings totaling 76,456 square feet were delivered, including a 28,035 square foot building located at 1018 N. Kirkwood Road; 100% occupied by Fresh Thyme. There were still 466,187 square feet of retail under construction at the end of the first quarter 2017, including The Shoppes of Mid Rivers which will deliver 270,000 square feet in the St. Charles submarket at the end of 2017.

TOTAL RETAIL MARKET STATISTICS

Market	Existing Inventory			Vacancy		YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total GLA	Direct SF	Total SF	Vac %				
Calhoun County	5	16,726	0	0	0.0%	0	0	0	\$0.00
Chesterfield Region	181	6,428,115	134,698	134,698	2.1%	(33,113)	0	19,752	\$18.61
Franklin County	477	5,063,469	112,735	112,735	2.2%	35,382	0	8,400	\$9.37
Jefferson County	181	1,931,257	60,038	60,038	3.1%	17,623	0	0	\$9.84
Lincoln County	121	1,242,108	41,818	41,818	3.4%	1,800	0	0	\$12.07
Metro East Illinois	1,219	15,745,124	701,952	708,952	4.5%	5,389	9,570	35,000	\$10.96
Mid County	992	16,567,843	407,082	504,280	3.0%	54,408	28,035	71,800	\$19.27
NE Metro Illinois	918	11,554,595	803,870	827,774	7.2%	(5,004)	0	9,014	\$9.12
North County	478	8,098,480	968,424	974,224	12.0%	45,342	0	0	\$9.44
Northwest County	1,033	14,169,129	1,237,469	1,247,069	8.8%	(2,247)	19,324	24,525	\$10.64
Outer Jefferson Cnty	189	1,967,827	46,350	46,350	2.4%	(8,652)	0	0	\$10.63
Outer Metro Illinois	143	1,121,118	25,363	25,363	2.3%	7,500	0	0	\$12.84
Outer Monroe County	7	43,105	0	0	0.0%	0	0	0	\$0.00
Outer St Charles Cnty	146	2,145,500	26,893	58,063	2.7%	2,450	0	0	\$7.81
Outer St Louis County	86	1,081,063	68,729	71,215	6.6%	(3,120)	0	23,000	\$15.04
SE Metro Illinois	252	2,713,299	208,958	208,958	7.7%	17,236	0	0	\$10.55
South County	597	11,197,505	484,328	484,328	4.3%	6,901	0	0	\$12.69
Southwest County	631	9,716,107	386,764	386,764	4.0%	77,894	0	0	\$12.32
St Charles County	471	7,492,434	379,743	387,160	5.2%	(18,199)	5,000	0	\$14.43
St Charles Region	862	12,346,318	651,739	651,739	5.3%	56,398	9,000	279,000	\$12.76
St Louis City North	631	8,594,356	524,837	524,837	6.1%	41,220	0	0	\$13.33
St Louis City South	1,610	10,744,940	432,377	432,377	4.0%	(134,700)	0	1,500	\$11.65
West County	531	10,745,715	453,431	458,333	4.3%	164,002	5,527	3,196	\$14.54
Totals	11,761	160,726,143	8,220,598	8,347,075	5.2%	328,510	920,396	466,187	\$12.11

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Rockin' Jump	The Center at Kenrick Plaza	25,082	South County
Home Goods	8404 Eager Rd.	17,803	Mid County
TruFusion	7447 Forsyth Blvd.	17,015	Mid County
Duluth Trading	1431 Bass Pro Dr.	12,960	St. Charles
Sound Health Services	1052-1090 Old Des Peres Rd.	7,471	West County

FEATURED PROPERTY



Flower Valley Shopping Center

11-175 Flower Valley Shopping Center
Florissant, MO 63033

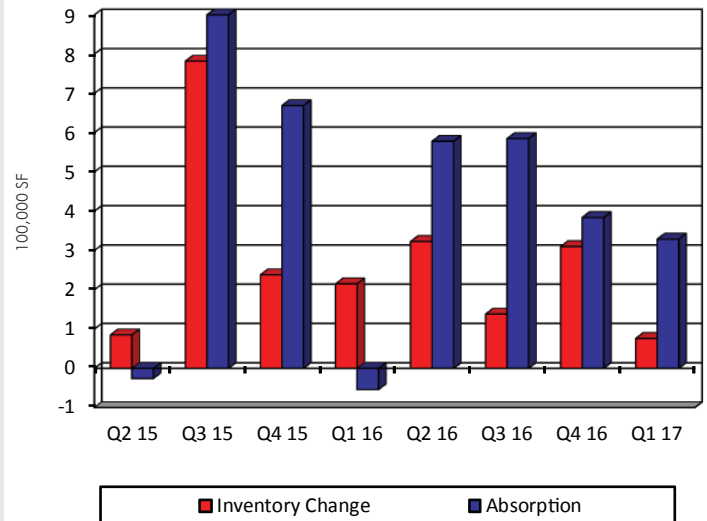
- 960 SF - 5,220 SF Available
- Prime Location at the Intersection of Lindbergh Blvd. & New Halls Ferry Rd.
- Signalized Entrance
- Abundant Parking 5/1,000 SF
- Lease Rate: \$14.00 PSF, NNN
- Contact Broker for Sale Price

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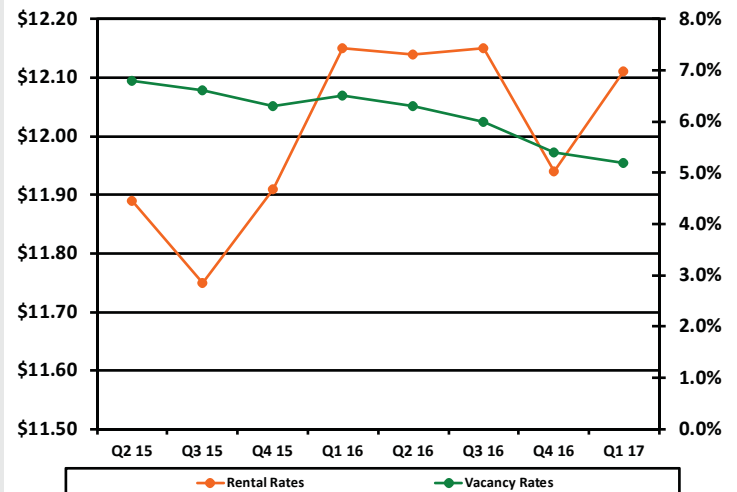
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Overall Retail Inventory & Absorption



Overall Retail 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.