



Q1 2018

Industrial Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



1602-1620 Park 370 Court, a 215,935 SF, Class A, distribution building located in Hazelwood, sold for \$10,800,000. (\$50.01 PSF)

NOTEWORTHY SALE



4315 Green Ash Dr., a 41,130 SF, Class B, warehouse building located in Earth City, sold for \$2,100,000. (\$51.06 PSF)

The overall industrial vacancy rate slightly decreased at the end of the first quarter 2018. The industrial vacancy rate in the St. Louis market ended the first quarter 2018 at 4.7%, compared to 4.9% at the end of the fourth quarter 2017. The North County submarket continued to have the highest vacancy rate at 13.9%, which includes the 537,753 square feet of available space at 5400 N. Hanley Rd. which delivered at the end of 2017.

The overall industrial net absorption decreased, although still remained positive. There were positive 474,602 square feet absorbed at the end of the first quarter 2018, including Reaction Auto Parts which occupied 168,000 square feet at 3740-80 Rider Trail S. in Earth City. At the end of the fourth quarter 2017, net absorption was positive 495,556 square feet.

The average quoted asking rental rates for available industrial space increased to \$4.68 per square foot per year at the end of the first quarter 2018 in the St. Louis market area. The quoted rental rates were \$4.55 per square foot at the end of the fourth quarter 2017.

No new buildings were delivered in the St. Louis market in the first quarter of 2018, and 5,537,081 square feet of industrial space remained under construction, which is an historical high for the region. Amazon announced their new distribution center at 4000 Premier Parkway in St. Charles, accounting for 855,080 square feet of industrial space still under construction.

Market	Existing Inventory			Vacancy		YTD Net		YTD		Under Const SF	Quoted Rates
	# Bldgs	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries				
Airport	247	19,964,198	1,085,294	1,085,294	5.4%	374,623	0			595,667	\$4.57
Bond County	9	135,180	0	0	0.0%	0	0			0	\$0.00
Chesterfield/Hwy-40	157	5,926,095	154,349	154,349	2.7%	59,699	0			885,000	\$9.63
Clinton County	25	848,099	35,634	35,634	4.2%	2,470	0			0	\$2.82
Crawford County	37	1,342,645	45,773	45,773	3.4%	(37,073)	0			0	\$2.04
Earth City	317	23,301,003	1,954,407	1,961,871	8.4%	662,779	0			0	\$5.02
Fenton	223	9,135,117	297,401	297,401	3.3%	72,130	0			488,434	\$6.03
Franklin County	276	9,367,204	261,845	261,845	2.8%	3,400	0			0	\$3.75
Hanley	285	6,374,781	202,542	202,542	3.2%	2,126	0			0	\$6.23
Illinois	778	45,085,369	1,448,697	1,448,697	3.2%	(560,191)	0			1,064,400	\$3.94
Innerbelt E of I70	229	9,872,664	134,001	134,001	1.4%	63,704	0			0	\$7.00
Innerbelt W of I70	382	11,337,896	283,721	283,721	2.5%	5,033	0			0	\$8.02
Jefferson County	292	5,771,668	69,956	69,956	1.2%	(23,750)	0			0	\$5.42
Jersey County	10	96,947	0	0	0.0%	0	0			0	\$0.00
Lincoln County	49	1,443,477	42,500	42,500	2.9%	(42,500)	0			0	\$4.00
Macoupin County	28	570,651	6,000	6,000	1.1%	1,700	0			0	\$4.00
Monroe County	24	1,651,406	1,800	1,800	0.1%	10,300	0			0	\$8.27
North County	158	7,806,165	1,083,702	1,083,702	13.9%	10,700	0			1,350,000	\$4.49
South County	287	9,196,513	311,049	424,482	4.6%	6,102	0			10,000	\$6.04
St Charles County	830	30,669,575	1,305,269	1,368,317	4.5%	(41,096)	0			867,080	\$5.23
St Louis City North	819	38,956,695	2,581,629	2,582,129	6.6%	(98,434)	0			0	\$3.04
St Louis City South	986	35,743,742	1,671,198	1,689,198	4.7%	(78,990)	0			238,500	\$3.65
Warren County	70	2,178,625	12,358	12,358	0.6%	0	0			0	\$4.13
Washington County	9	239,168	30,000	30,000	12.5%	0	0			0	\$0.00
West County	148	4,776,512	6,980	6,980	0.1%	3,764	0			38,000	\$7.95
Westport	426	15,405,844	790,153	790,153	5.1%	78,106	0			0	\$5.90
Totals	7,101	297,197,239	13,816,258	14,022,303	4.7%	474,602	0			5,537,081	\$4.68

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Amazon	4000 Premier Parkway	855,080	St. Charles
Geodis	255 Logistics Center	202,019	Illinois
Reaction Auto Parts	3740-3780 Rider Trail S.	168,000	Earth City
Esselte Corp*	100 St. Clair Industrial Park	163,191	Franklin County
Grove Collaborative	1000 Premier Parkway	138,600	St. Charles

* Renewal

FEATURED PROPERTY



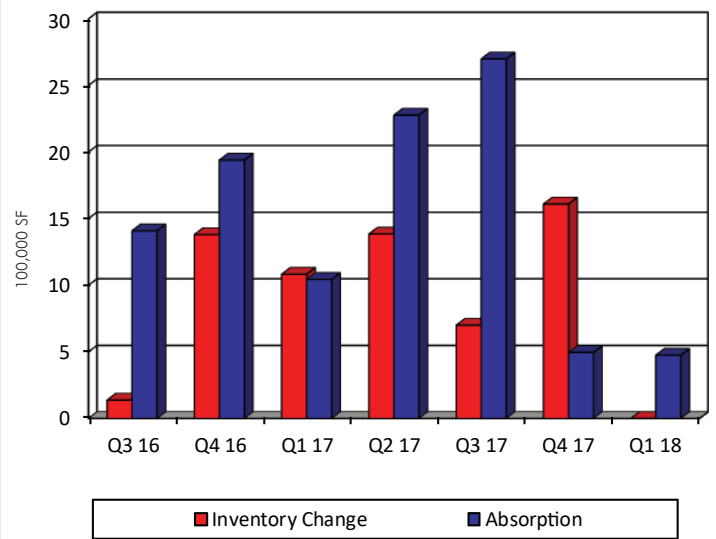
4163-4181 Shoreline Dr.
Earth City, MO 63045

- 30,906 SF Available
- Multi-Tenant Office/Warehouse
- Up to 25,755 SF Available for Owner/User
- 9 Docks, 2 Ramped Drive-Ins & 2 Side Docks
- Easy Access to I-70 & I-270 in NW St. Louis County
- Sale Price: \$1,875,000

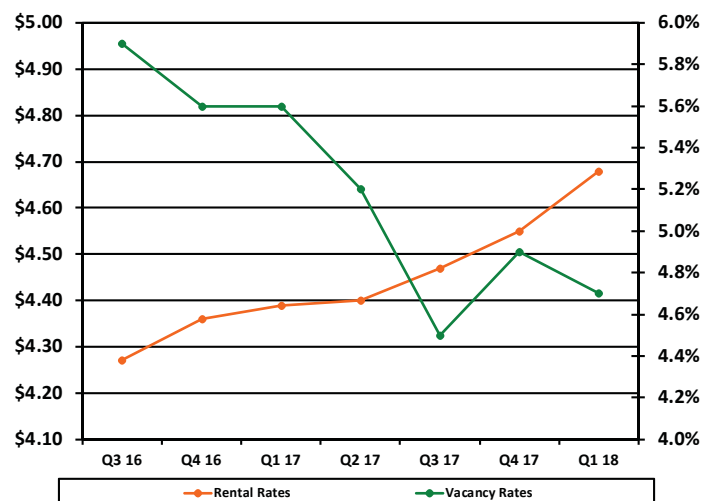
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Overall Industrial Inventory & Absorption



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.