



Q1 2019

Office Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



1 Progres Point, a 358,063-SF Class A office building located in O'Fallon, MO, sold for \$16,000,000 (\$130.32 PSF).

NOTEWORTHY SALE



Westline Corporate Center, a three-building, 121,423-SF office portfolio located in Maryland Heights, sold for \$12,975,000 (\$107.86 PSF).

The overall office vacancy rate for the St. Louis market showed little change thus far in 2019. The overall vacancy rate slightly increased to 10.8% at the end of the first quarter 2019, compared to 10.4% at the end of the fourth quarter 2018. The Clayton submarket continued to have the lowest vacancy rate at 5.7% even though it showed a slight increase this quarter due to tenants moving out of space at the PNC Center and University Tower. The North County submarket showed the largest increase of 4.4% to 20.9% due primarily to American Family Insurance moving out of 13500 Riverport Drive.

There was negative 211,905 square feet absorbed at the end of the first quarter 2019, including the negative 158,795 square feet absorbed in the North County submarket.

The average quoted asking rental rate in the St. Louis office market showed a slight decrease, ending the first quarter 2019 at \$20.35 per square foot per year. That compares to \$20.70 per square foot at the end of the fourth quarter 2018. The Clayton and West County submarkets continued to have the highest asking rental rates.

There were no new buildings delivered in the first quarter 2019 and over a million square feet remained under construction, led by Centene's campus expansion in Clayton. The 200,000-square-foot Foundry Building and the 184,500-square-foot Armory Building also remained under construction in the St. Louis City submarket.

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)	95	14,705,880	1,705,880	1,890,362	13.3%	98,009	0	200,000	\$17.40
St. Louis City* (Other than CBD)	44	2,687,796	169,313	169,313	6.3%	(12,779)	0	459,500	\$17.73
Clayton	73	7,270,778	405,373	414,881	5.7%	(81,847)	0	662,500	\$25.07
Olive-270/ Westport	113	7,427,890	707,584	742,591	10.0%	1,463	0	0	\$20.55
West County	112	8,004,548	719,536	803,631	10.0%	(3,877)	0	36,000	\$24.83
South County	61	2,957,129	287,007	309,417	10.5%	(35,501)	0	0	\$21.74
North County	49	3,674,804	766,646	766,646	20.9%	(158,795)	0	0	\$17.75
St. Charles	45	3,058,747	285,246	308,023	10.1%	3,258	0	60,000	\$19.15
Illinois	73	3,275,172	256,087	266,191	8.1%	(21,836)	0	0	\$18.94
Totals	665	52,538,182	5,302,672	5,671,055	10.8%	(211,905)	0	1,418,000	\$20.35

Source: CoStar Property®

* The St. Louis City submarket analytics are primarily a reflection of the Cortex District and the "Midtown" St. Louis area.

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
Lumeris	3251 Riverport Dr.	98,000	North County
Drury Development	13075 Manchester Rd.	69,183	West County
Elekta	1450 Beale St.	40,000	St. Charles
Anchor Packaging*	13515 Barrett Pkwy.	13,884	South County
Transaction Data Systems	13600 Shoreline Dr.	13,094	North County

*Renewal

FEATURED PROPERTY



One Chesterfield Place

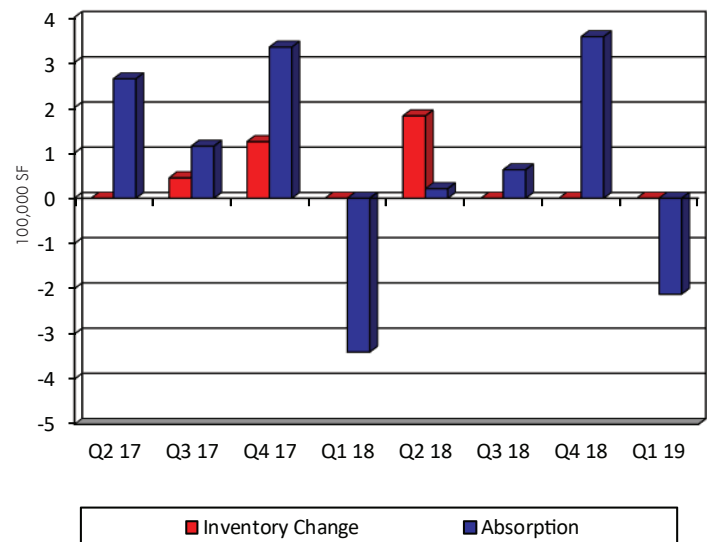
14755 N. Outer Forty Road, Chesterfield, MO

- 2,234 SF - 15,667 SF Available
- Prominent 1st Floor Lobby Suites Available
- Remodeled Lobby, On-Site Food Service & Outdoor Seating
- Complimentary Covered & Surface Parking Available
- Building Signage Opportunity for Large Tenant
- Easy Access to I-64, I-270 & Hwy. 141
- 3 Suites Available:
 - Suite 210: 2,234 SF (Available 6/1/19) \$27.00 PSF, FS
 - Suite 100: 5,679 SF (Available 6/1/19) \$28.00 PSF, FS
 - Suite 110: 15,667 SF (Available 10/1/19) \$28.00 PSF, FS

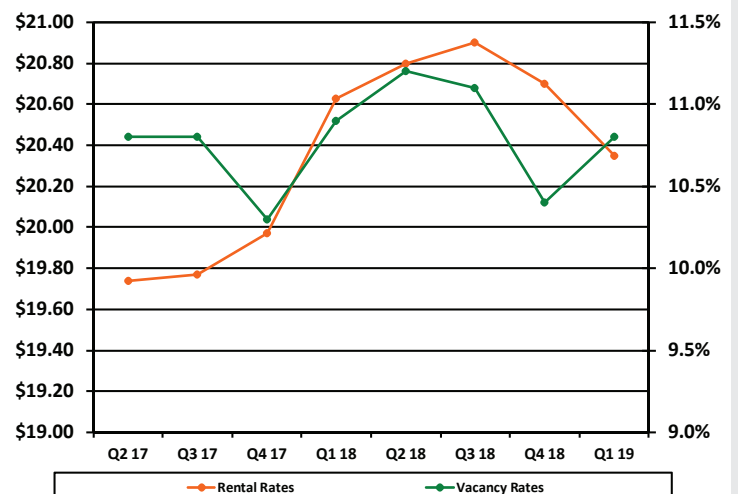
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Overall Office Inventory & Absorption



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.