



Q2 2014

Industrial Market Report

MARKET TRENDS

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



2373 Ball Drive, a 34,116 SF industrial building in Maryland Heights, sold for \$3,000,000 (\$87.94 PSF).

NOTEWORTHY SALE



1455 Page Industrial Drive, a 7,800 SF industrial building in Olivette, sold for \$425,000 (\$54.49 PSF).

The industrial vacancy rate in the St. Louis market area decreased to 7.5% at the end of the second quarter 2014. The vacancy rate was 8.1% at the end of the first quarter 2014.

Net absorption for the overall St. Louis industrial market was positive 1,285,103 square feet in the second quarter 2014. This compares to positive 638,741 square feet in the first quarter 2014.

Although no new space was delivered in the St. Louis Market in second quarter 2014, 1,207,135 square feet of industrial space remained under construction including the Gateway Commerce Center 7A Building. 6082 Aviator Drive totaling 227,500 square feet was delivered during the first quarter 2014 in the North County submarket.

The average quoted asking rental rate for available industrial space slightly increased to \$3.99 per square foot per year at the end of the second quarter 2014 in the St. Louis market area. The quoted rental rates were \$3.98 per square foot at the end of the first quarter 2014.

TOTAL INDUSTRIAL MARKET STATISTICS

| Market | Existing Inventory | | | Vacancy | | YTD Net Absorption | YTD Deliveries | Under Const SF | Quoted Rates |
|---------------------|--------------------|--------------------|-------------------|-------------------|-------------|--------------------|----------------|------------------|---------------|
| | # Blds | Total RBA | Direct SF | Total SF | Vac % | | | | |
| Airport | 235 | 17,105,620 | 1,028,571 | 1,054,921 | 6.2% | 279,419 | 227,500 | 0 | \$3.50 |
| Chesterfield/Hwy-40 | 158 | 6,128,359 | 172,001 | 172,001 | 2.8% | 9,043 | 0 | 0 | \$7.76 |
| Earth City | 317 | 23,739,144 | 2,600,205 | 2,625,205 | 11.1% | 55,709 | 0 | 0 | \$4.52 |
| Fenton | 223 | 8,775,753 | 429,994 | 430,194 | 4.9% | 579,810 | 0 | 0 | \$5.26 |
| Hanley | 281 | 6,365,488 | 296,676 | 296,676 | 4.7% | 2,130 | 0 | 0 | \$4.77 |
| Illinois | 680 | 38,580,242 | 2,009,420 | 2,029,420 | 5.3% | 629,735 | 0 | 1,311,535 | \$3.61 |
| Innerbelt E of 170 | 225 | 9,851,151 | 471,110 | 476,100 | 4.8% | 215,634 | 0 | 0 | \$3.96 |
| Innerbelt W of 170 | 374 | 11,269,004 | 696,204 | 747,014 | 6.6% | 273,045 | 0 | 79,000 | \$4.31 |
| North County | 153 | 6,260,244 | 348,697 | 348,697 | 5.6% | (11,154) | 0 | 0 | \$3.90 |
| South County | 277 | 9,106,795 | 554,542 | 554,542 | 6.1% | 26,324 | 0 | 0 | \$5.83 |
| St Charles County | 797 | 27,314,497 | 814,186 | 816,686 | 3.0% | 154,219 | 0 | 500,000 | \$4.72 |
| St Louis City North | 826 | 40,912,108 | 3,999,459 | 4,119,459 | 10.1% | (43,629) | 0 | 0 | \$2.86 |
| St Louis City South | 974 | 36,459,222 | 4,043,286 | 4,076,533 | 11.2% | (95,347) | 0 | 0 | \$3.06 |
| West County | 138 | 4,511,837 | 181,335 | 181,335 | 4.0% | (41,554) | 0 | 0 | \$6.85 |
| Westport | 423 | 15,947,151 | 1,804,533 | 1,833,445 | 11.5% | (109,540) | 0 | 0 | \$5.49 |
| Totals | 6,081 | 262,326,615 | 19,450,219 | 19,762,228 | 7.5% | 1,923,844 | 227,500 | 1,890,535 | \$3.99 |

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

| Tenant Name | Building | SF | Submarket |
|-------------------------------|-----------------------------------|---------|--------------------|
| Truesdale Packaging* | 1010 Turner Boulevard | 248,635 | St. Charles |
| Unilever** | Gateway Distribution Center | 216,379 | Illinois |
| World Wide Technology | 117-119 N. Industrial Drive | 140,000 | Illinois |
| Universal Storage* | 1500-1528 S. 3rd Street | 78,606 | St. Louis City |
| United Industries Corporation | 8404-76 Mid County Industrial Dr. | 37,866 | Innerbelt E of 170 |

*Renewal ** Expansion

FEATURED PROPERTY



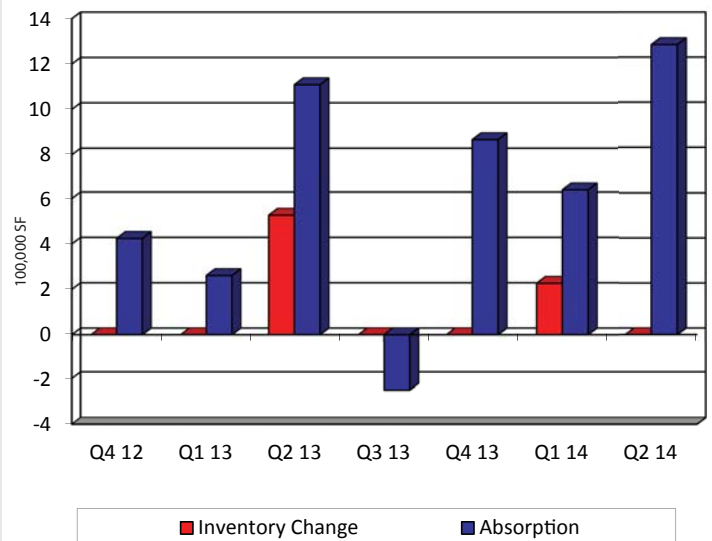
4301 Earth City Expressway
St. Louis, MO 63045

- 110,960 SF Investment Property For Sale
- 7.84 Acres
- Class A Office/Warehouse/Service Center
- 100% Occupied by 2 Tenants
- Built in 1994
- Located in Earth City Business Park
- Contact Broker for Offering Memorandum

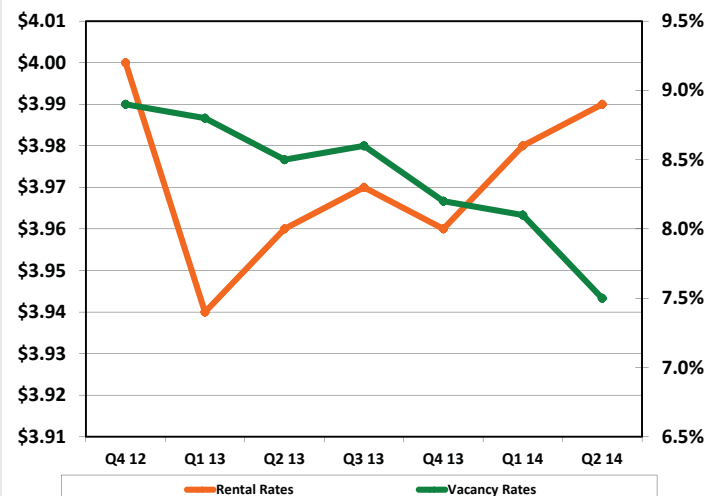
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Overall Industrial Inventory & Absorption



Overall Industrial Rental Rates & Vacancy Rates



*Disclaimer: All information is collected from CoStar Group at the end of 2nd Quarter. All information is subject to change. Updated numbers for past quarters reflect CoStar's ongoing research for the most accurate market information.