



Q2 2014

Office Market Report

MARKET TRENDS

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



A two property office portfolio sold for \$9,060,000 (\$64.15 PSF).

12125 Woodcrest Executive Drive
51,545 SF sold for \$3,306,647

12101 Woodcrest Executive Drive
89,685 SF sold for \$5,753,353

NOTEWORTHY SALE



The 20,158 square foot office building located at 9355 Olive Blvd. in Olivette sold for \$1,800,000. (\$89.29 PSF)

The overall office vacancy rate in the St. Louis market area decreased slightly to 17.4% at the end of the second quarter 2014. The vacancy rate was 17.8% at the end of the first quarter 2014. While most of the submarkets' vacancy rates decreased, the Westport and North County submarkets both continued to increase over the last two quarters.

Office net absorption increased in St. Louis for the second quarter 2014 with positive 190,319 square feet absorbed. In the first quarter 2014, net absorption was negative 163,681 square feet.

The average quoted asking rental rate in the St. Louis office market increased over the previous quarter. Quoted rents ended the second quarter 2014 at \$19.29 per square foot per year. That compares to \$19.14 per square foot in the first quarter 2014. The Clayton and West County/Chesterfield submarkets continued to have the highest rental rates.

There was no new construction in second quarter 2014.

Submarket	Existing Inventory # Bldgs.	Total GLA	Direct SF	Vacancy Total SF	Vac %	Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Clayton	61	6,834,568	824,202	854,031	12.5%	35,101	0	0	\$23.12
I-270/Manchester	26	1,509,193	222,825	222,825	14.8%	3,575	0	0	\$20.90
I-270/Olive	77	5,091,746	812,088	833,673	16.4%	7,094	0	0	\$20.19
North County	42	3,270,783	887,303	887,303	27.1%	(72,013)	0	0	\$17.45
South County	73	4,511,521	619,611	619,611	13.7%	28,457	0	0	\$20.11
St. Charles	39	1,785,231	298,105	298,105	16.7%	23,891	0	0	\$16.49
St. Louis City	115	15,148,646	3,106,268	3,121,678	20.6%	110,657	0	0	\$16.09
West County/ Chesterfield	72	5,123,129	555,818	611,054	11.9%	80,242	0	0	\$22.12
Westport	38	2,409,613	488,265	489,669	20.3%	(26,685)	0	0	\$17.17
Totals	543	45,684,430	7,814,485	7,937,949	17.4%	190,319	0	0	\$19.29

Source: CoStar Property®

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.

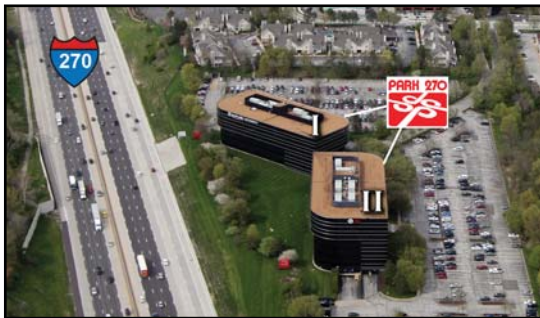


RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Thomson Reuters*	717 Office Parkway	101,227	Olive/I-270
First Allied Advisory Service*	Conway Business Center	17,365	West County/Chesterfield
Risk Consulting Partners	Maryland Place	16,600	Clayton
YOH Services, LLC	12000 Building	16,562	Westport
Metal Exchange*	111 Westport Plaza	14,487	Westport

*Renewal

FEATURED PROPERTY



Park 270 Buildings I & II

St. Louis, MO 63146

- Suites from 759 SF to 25,010 SF Available
- Class A Office Building with Excellent Visibility on I-270
- **Excellent Full Floor of 25,010 RSF - Will Divide (Immediate Occupancy)**
- Prominent Westport Location with many nearby Restaurants, Shops & Hotels
- 4/1,000 SF Parking Ratio
- Covered Outdoor Courtyard
- On-Site Fitness Facility, Cafe & Conference Center
- Lease Rate: \$18.50-\$19.50 PSF, FS

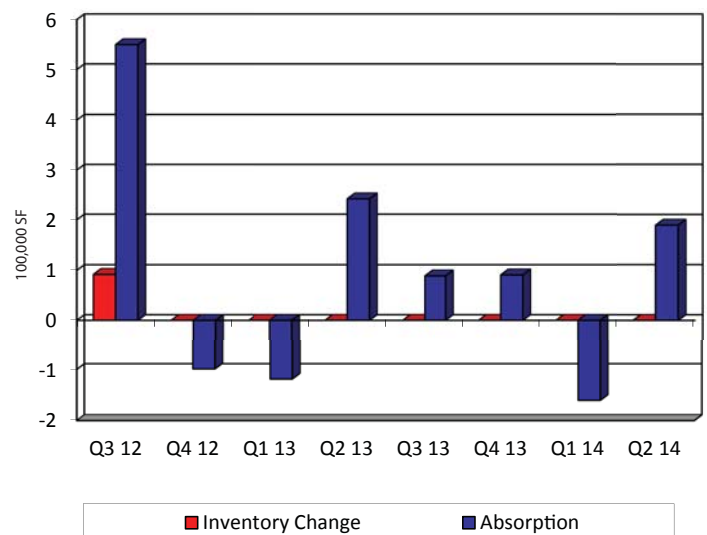
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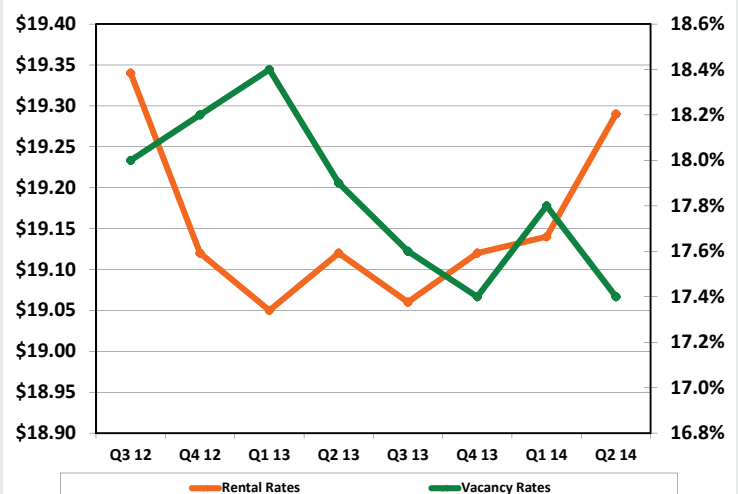
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Overall Office Inventory & Absorption



Overall Office Rental Rates & Vacancy Rates



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