



Q2 2015

Office Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



The overall office vacancy rate in the St. Louis market slightly decreased to 16.4% at the end of the second quarter 2015. The overall vacancy rate was 16.8% at the end of the first quarter 2015. While most of the submarkets showed a decrease, the Olive-270/Westport submarket was the only submarket to show a slight increase of .3%, and the Illinois submarket remained at 17.8%. The Clayton and West County submarkets continued to have the lowest vacancy rates.

The overall office net absorption increased with positive 227,273 square feet absorbed at the end of the second quarter 2015. Most of the absorption is from Laclede Gas Company taking occupancy of their new headquarters at 700 Market Street in the Central Business District. At the end of the first quarter 2015, net absorption was negative 495,264 square feet.

The average quoted asking rental rate in the St. Louis office market slightly increased. The average quoted rates ended the second quarter 2015 at \$18.83 per square foot per year. That compares to \$18.80 per square foot in the first quarter 2015. The Clayton and West County submarkets continued to have the highest average rental rates.

There was no new, completed multi-tenant construction in the second quarter 2015.

NOTEWORTHY SALE



The 35,701 square foot, Class B office building located at 2055 Craigshire Road in Maryland Heights sold for \$2,900,000. (\$81.23 PSF)

NOTEWORTHY SALE



The 10,600 square foot, Class B office building located at 3101 South Hanley Road in Maplewood sold for \$835,000. (\$78.77 PSF)

Submarket	Existing Inventory		Direct SF	Vacancy		Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs.	Total GLA		Total SF	Vac %				
Central Business District (CBD)	89	13,386,014	2,443,837	2,471,075	18.5%	123,025	0	0	\$16.23
St. Louis City (Other than CBD)	30	1,665,481	194,413	206,484	12.4%	3,065	0	0	\$16.80
Clayton	74	7,374,396	713,727	723,304	9.8%	45,303	0	0	\$23.37
Olive-270/Westport	114	7,396,059	1,355,690	1,371,636	18.5%	(28,661)	0	0	\$19.17
West County	111	7,507,947	721,545	746,710	9.9%	52,232	0	0	\$22.30
South County	57	2,841,694	291,055	291,055	10.2%	1,056	0	0	\$19.38
North County	68	4,831,608	1,433,237	1,457,706	30.2%	21,290	0	0	\$17.11
St. Charles	40	1,838,949	275,753	356,876	19.4%	10,273	0	0	\$17.97
Illinois	63	2,526,104	450,516	450,516	17.8%	(310)	0	0	\$17.16
Totals	646	49,368,252	7,879,773	8,075,362	16.4%	227,273	0	0	\$18.83

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
Energizer	1350 Timberlake	43,574	West County
Kurowski Shultz LLC	496 Regency Park	24,000	Illinois
eSpecial Needs	1850 Borman Drive	19,994	Olive-270/Westport
McGladrey	8182 Maryland Avenue	19,097	Clayton
Morgan Stanley Smith Barney*	Delmar Gardens II	15,765	West County

*Renewal/Expansion

FEATURED PROPERTY



Old Town

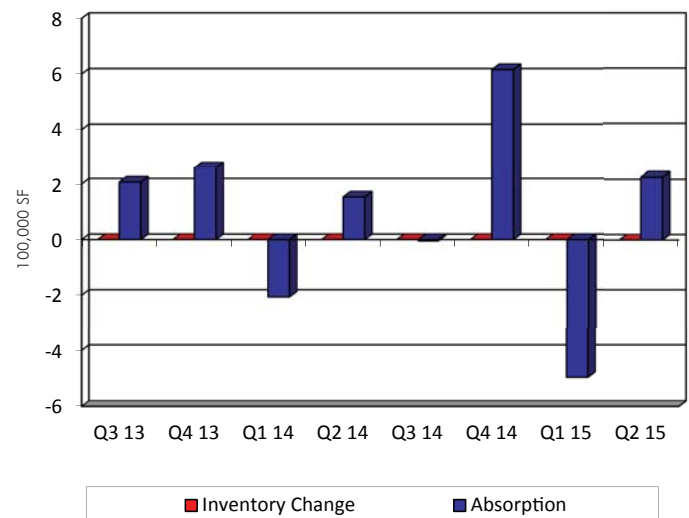
150, 165 & 168 N. Meramec Avenue
Clayton, MO 63105

- Available Suites Range from 1,080 SF to 29,324 SF
- Excellent North Clayton Location with Easy I-170 Access
- One Block North of Maryland Avenue, just Steps Away from Clayton's Prestigious Restaurants
- Prominent Signage Available
- On-Site Property Management & Building Engineer
- Lease Rate: \$24.50 PSF, Full Service

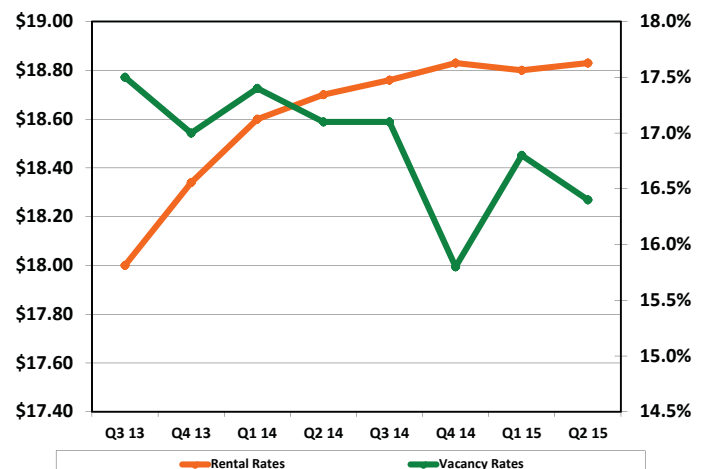
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Overall Office Inventory & Absorption



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.