

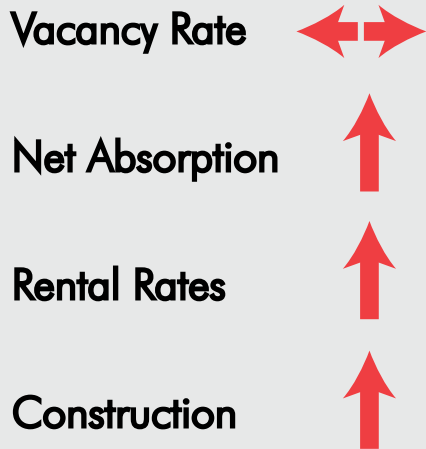


Q2 2016

Industrial Market Report

MARKET TRENDS

Compared to Previous Quarter



The industrial vacancy rate in the St. Louis market area showed little change at mid year's end. The overall industrial vacancy rate showed a slight increase from 6.7% at the end of the first quarter 2016, to 6.9% at the end of the second quarter 2016.

Net absorption for the overall St. Louis industrial market was positive 407,814 square feet absorbed in the second quarter 2016. While Hilex moved out of 98,000 square feet at 1780 Belt Way, several large blocks were occupied in second quarter 2016 including Solar Control Films moving into 148,416 square feet at 1220 N. Price Road and Re-Sort Solutions moving into 61,057 square feet at Corporate 44.

The average quoted asking rental rates for available industrial space increased to \$4.23 per square foot per year at the end of the second quarter 2016 in the St. Louis market area. The quoted rental rates were \$4.17 per square foot at the end of the first quarter 2016.

Second quarter 2016 delivered four buildings totaling 1,094,838 square feet in the St. Louis market, including Gateway East 717 which delivered 717,250 square feet to the Illinois submarket. The Wentzville Logistics Center remained under construction at the end of second quarter 2016, accounting for 1,200,000 square feet of the 4,735,533 square feet still remaining under construction.

NOTEWORTHY SALE



The 21,000 square foot, Class A, industrial showroom located in Maryland Heights at 2121 Hammer Dr. sold for \$1,702,500. (\$81.07 PSF)

NOTEWORTHY SALE



The 142,000 square foot, Class B, industrial manufacturing building located in Chesterfield at 18081 Chesterfield Airport Road sold for \$8,100,000. (\$57.04 PSF)

TOTAL INDUSTRIAL MARKET STATISTICS

Market	# Bids	Existing Inventory Total RBA	Direct SF	Vacancy Total SF	Vac %	YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Airport	241	17,849,251	1,759,135	1,785,485	10.0%	(258,009)	199,288	788,800	\$4.15
Chesterfield/Hwy-40	158	5,914,330	147,589	147,589	2.5%	(13,923)	0	590,000	\$9.31
Earth City	314	23,717,472	2,402,137	2,407,137	10.1%	166,486	0	0	\$4.94
Fenton	224	8,959,117	236,130	256,530	2.9%	33,119	0	0	\$7.11
Hanley	285	6,370,478	140,076	142,476	2.2%	36,832	0	0	\$5.37
Illinois	727	41,288,518	1,723,754	1,933,926	4.7%	147,519	770,550	520,980	\$3.73
Innerbelt E of 170	230	10,017,728	432,995	432,995	4.3%	(54,296)	0	0	\$3.69
Innerbelt W of 170	380	11,298,545	697,116	697,116	6.2%	5,970	0	0	\$4.32
North County	154	6,276,433	405,224	405,224	6.5%	32,339	0	1,452,753	\$4.12
South County	276	9,308,512	624,497	645,627	6.9%	(12,459)	0	0	\$6.25
St Charles County	807	27,854,851	478,808	532,866	1.9%	140,270	0	1,338,000	\$5.37
St Louis City North	811	38,499,458	3,980,058	3,980,058	10.3%	106,229	0	0	\$2.80
St Louis City South	969	36,509,276	3,741,324	3,741,324	10.2%	113,934	125,000	15,000	\$3.21
West County	145	4,714,019	72,849	72,849	1.5%	11,928	0	0	\$6.33
Westport	419	15,675,487	1,073,665	1,073,665	6.8%	118,832	0	30,000	\$5.82
Totals	6,140	264,253,475	17,915,357	18,254,867	6.9%	574,771	1,094,838	4,735,533	\$4.23

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Amazon	Lakeview Commerce Center IV	769,500	Illinois
Amazon	Gateway East 717	717,060	Illinois
Owens & Minor Dist. Inc.*	Buske I	105,000	Illinois
Perfection Hy-Test	Hazelwood Logistics Center 1	65,757	Airport
Sundisc Abrasives USA	Westport Distribution Center A	63,345	Westport

*Renewal

FEATURED PROPERTY



1780 Belt Way Dr.
St. Louis, MO 63114

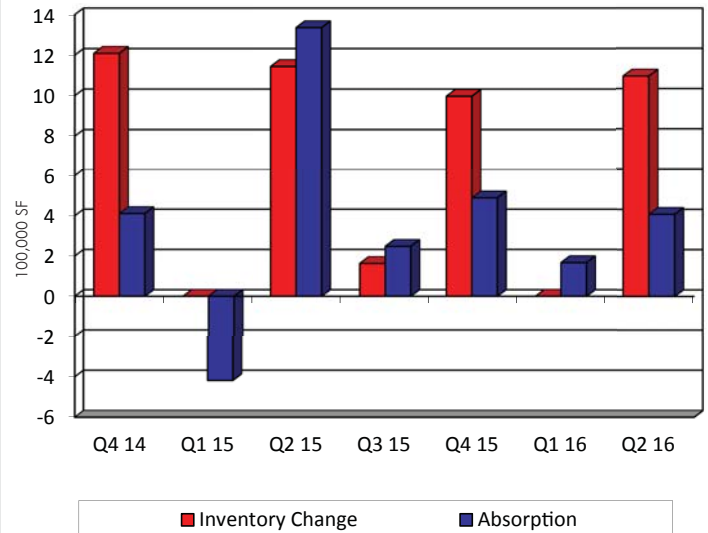
- 98,000 SF +/- Office/Warehouse
- 11,000 SF Office Space
- 20'-22' Clear Ceiling Height
- 7 Docks & 1 Drive-In
- Fully Air-Conditioned
- Rail Spur
- Silo Storage Tanks
- Sublease Rate: \$3.50 PSF, NNN

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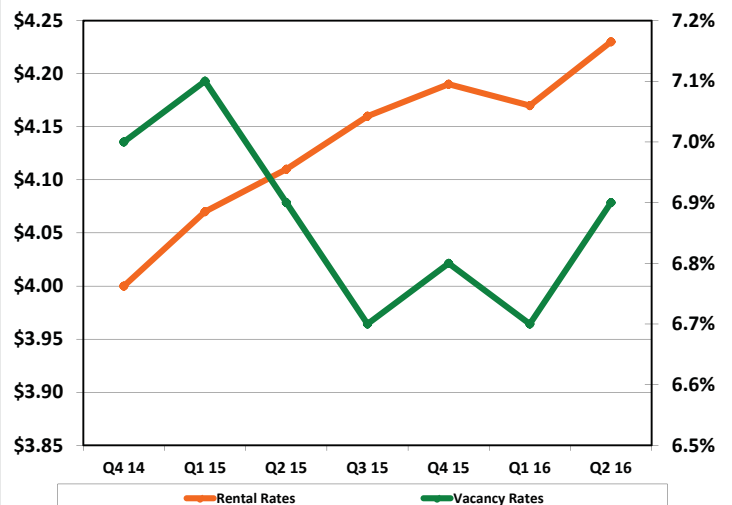
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Overall Industrial Inventory & Absorption



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.