



Q3 2014

Office Market Report

MARKET TRENDS

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



The 78,000 square foot office building located at 825 Maryville Centre Dr. in Chesterfield sold for \$14,200,000. (\$182.05 PSF)

NOTEWORTHY SALE



The balance of the CityPlace Campus in Creve Coeur was sold in August. The portfolio consisted of 884,308 SF including five office buildings, as well as The Shops at CityPlace.

The overall office vacancy rate in the St. Louis market increased slightly to 17.2% at the end of the third quarter 2014. The vacancy rate was 17.1% at the end of the second quarter 2014. While most of the submarkets had little or not change, North County and Westport continued to have the highest increase, and the highest overall vacancy. North County's vacancy is expected to decrease in Q4, as new tenants such as Charter, Boeing and Sun Edison all executed leases this quarter in Riverport Tower.

Office net absorption decreased in St. Louis for the third quarter 2014 with negative 77,811 square feet absorbed. In the second quarter 2014, net absorption was positive 176,497 square feet.

The average quoted asking rental rate in the St. Louis office market showed a slight increase over the previous quarter. The quoted rates ended the third quarter 2014 at \$19.36 per square foot per year. That compares to \$19.32 per square foot in the second quarter 2014. The Clayton and West County / Chesterfield submarkets continued to have the highest rental rates and lowest overall vacancy.

There was no new multi-tenant construction in third quarter 2014.

Submarket	Existing Inventory # Bldgs.	Total GLA	Direct SF	Vacancy Total SF	Vac %	Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Clayton	62	6,853,437	827,806	855,259	12.5%	2,306	0	0	\$22.71
I-270/Manchester	26	1,509,193	222,981	222,981	14.8%	(156)	0	0	\$20.54
I-270/Olive	73	4,809,389	763,465	785,050	16.3%	20,079	0	0	\$20.30
North County	42	3,270,783	947,703	961,349	29.4%	(74,969)	0	0	\$17.53
South County	72	4,445,973	622,448	622,448	14.0%	4,357	0	0	\$19.70
St. Charles	38	1,710,475	302,953	302,953	17.7%	2,232	0	0	\$17.64
St. Louis City	113	14,999,077	2,926,159	2,941,569	19.6%	18,724	0	0	\$16.17
West County/ Chesterfield	69	4,973,160	487,276	534,385	10.7%	(7,503)	0	0	\$22.28
Westport	38	2,409,613	524,273	530,550	22.0%	(40,881)	0	0	\$17.34
Totals	533	44,981,100	7,625,064	7,756,544	17.2%	(75,811)	0	0	\$19.36

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
Charter Communications	Riverport Tower	60,272	North County
Sun Edison	Riverport Tower	56,842	North County
HOK	10 S. Broadway	39,278	St. Louis City
Laclede Gas	Bank of America Tower	36,928	St. Louis City
Boeing	Riverport Tower	27,723	North County

FEATURED PROPERTY

**Barrett Office**

13610 Barrett Office Drive
Ballwin, MO 63021

- 22,597 RSF Office Building
- Convenient Manchester/I-270 Location at Barrett Station Road
- Ideal Owner / User Opportunity with 3,572 SF Available
- Building Signage Available
- Includes Additional Parking Lot across from the Building and Adjacent 1.43 Acre Lot
- Lease Rate: \$18.50-\$19.50 PSF, FS
- Building & Parking Lot Sale Price: \$2,000,000
- Adjacent Land Sale Price: \$495,000

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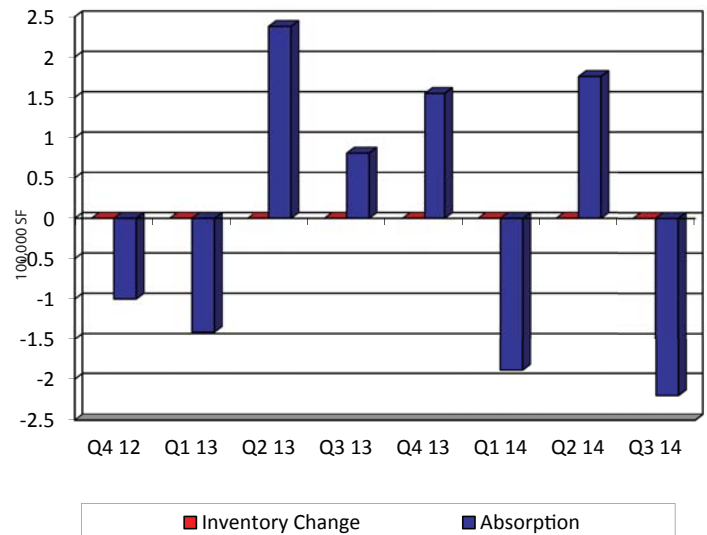
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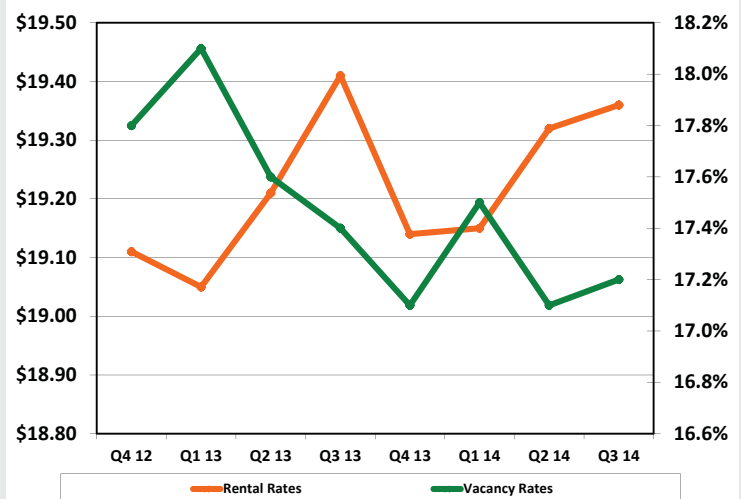
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Overall Office Inventory & Absorption



Overall Office Rental Rates & Vacancy Rates



*Disclaimer: All information is collected from CoStar Group at the end of 3rd Quarter. All information is subject to change. Updated numbers for past quarters reflect CoStar's ongoing research for the most accurate market information.