



Q3 2015

Industrial Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



The overall industrial vacancy rate in the St. Louis market area decreased to 6.8% at the end of the third quarter 2015. The vacancy rate was 7.1% at the end of the second quarter 2015.

The overall industrial net absorption decreased, although still positive. There were positive 150,438 square feet absorbed at the end of the third quarter 2015. At the end of the second quarter 2015, net absorption was positive 1,335,035 square feet.

The average quoted asking rental rates for available industrial space increased to \$4.14 per square foot per year at the end of the third quarter 2015 in the St. Louis market area. This showed a 1% increase from the second quarter 2015 when the quoted rental rates were \$4.10 per square foot.

Although down from last quarter, there was one new building totaling 12,802 square feet delivered in the St. Louis market in the third quarter 2015, and 3,736,376 square feet of industrial space remained under construction. Largest projects include the 915,000 square foot Schnucks Distribution which is 100% preleased, and 717,060 square feet at Gateway East which is 0% preleased. That compares to the second quarter 2015 delivering 1,144,680 square feet.

NOTEWORTHY SALE



11918-11920 Westline Industrial Drive, a 24,200 SF industrial warehouse in Maryland Heights sold for \$2,050,000 (\$84.71 PSF).

NOTEWORTHY SALE



Mid County Trade Center I, a 336,785 SF, Class A industrial warehouse in Vinita Park, sold for \$19,100,000 (\$56.71 PSF).

TOTAL INDUSTRIAL MARKET STATISTICS

Market	Existing Inventory			Vacancy		YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bids	Total RBA	Direct SF	Total SF	Vac %				
Airport	237	17,041,471	1,190,130	1,216,480	7.1%	(6,660)	0	974,275	\$3.79
Chesterfield/Hwy-40	157	5,966,314	122,821	122,821	2.1%	66,401	12,802	590,000	\$8.41
Earth City	315	23,749,954	2,187,390	2,192,390	9.2%	(252,872)	0	0	\$4.77
Fenton	224	8,820,303	388,939	412,699	4.7%	(79,639)	0	0	\$6.74
Hanley	286	6,507,545	183,185	192,073	3.0%	(46,143)	0	0	\$5.57
Illinois	712	40,414,427	1,348,212	1,368,212	3.4%	1,178,241	1,083,137	717,060	\$3.59
Innerbelt E of 170	229	9,879,420	429,688	429,688	4.3%	21,785	0	0	\$3.84
Innerbelt W of 170	376	11,217,123	763,683	763,683	6.8%	(57,196)	0	79,000	\$4.27
North County	152	6,416,592	514,486	547,313	8.5%	(233,460)	0	1,376,041	\$3.90
South County	274	9,076,888	501,516	511,846	5.6%	2,738	0	0	\$5.90
St Charles County	806	27,876,417	741,426	743,926	2.7%	(1,890)	0	0	\$5.17
St Louis City North	818	39,224,283	4,099,962	4,219,962	10.8%	168,295	56,000	0	\$2.95
St Louis City South	968	36,567,595	3,750,544	3,750,544	10.3%	102,151	0	0	\$3.03
West County	145	4,715,586	120,790	120,790	2.6%	3,366	5,543	0	\$6.29
Westport	421	15,885,401	1,311,272	1,358,885	8.6%	240,219	0	0	\$5.64
Totals	6,120	263,359,319	17,654,044	17,951,312	6.8%	1,105,336	1,157,482	3,736,376	\$4.14

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Schnucks	Schnucks Distribution	915,000	North County
Delivery Network	6504 Prescott Ave	120,000	St. Louis City North
FedEx Smartposts*	13679 Rider Trail	110,000	Earth City
SMI Inc	13188 Lakefront	40,000	North County
Lansing Building Products*	Earth City Industrial Center 7	30,000	Earth City

*Renewal

FEATURED PROPERTY



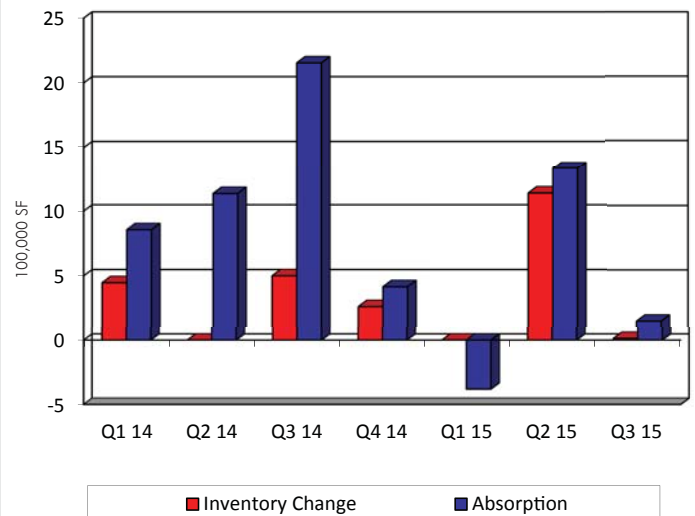
96 Hubble Drive O'Fallon, MO 63368

- 13,409 SF Industrial Building Located on 1.83 Acres with Hwy. 40 Visibility
- Elevator Served Second Level
- 20' Clear Ceilings, 1 Dock & 2 Drive-Ins
- Fenced Storage Area
- 53 Parking Spaces
- Additional 5,000 SF Building Expansion Possible
- Sale Price: \$1,250,000

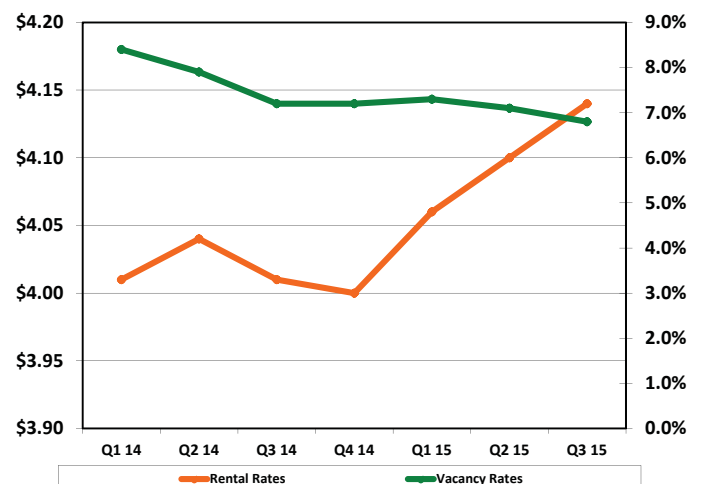
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Overall Industrial Inventory & Absorption



Overall Industrial Rental Rates & Vacancy Rates



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