



Q3 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 16.0% at the end of the third quarter 2015. The overall vacancy rate was 16.3% at the end of the second quarter 2015. While most of the submarkets showed a decrease, the Central Business District submarket was the only submarket to show a slight increase of .3%, and the St. Louis City submarket remained at 11.9%. The North County submarket showed the largest decrease of 1.1% due to Boeing leasing approximately 85,000 square feet in third quarter.

The overall office net absorption decreased slightly, although still positive. There were positive 115,948 square feet absorbed at the end of the third quarter 2015. At the end of the second quarter 2015, net absorption was positive 230,911 square feet.

The average quoted asking rental rate in the St. Louis office market slightly increased. The average quoted rates ended the third quarter 2015 at \$18.88 per square foot per year. That compares to \$18.84 per square foot in the second 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 210,409 square foot, Class A office building located at 14528 S. Outer 40 Rd. in Chesterfield sold for \$36,000,000. (\$141.10 PSF)

NOTEWORTHY SALE



The 50,364 square foot, Class B office building located at 15455 Conway Rd. in Chesterfield sold for \$4,200,000. (\$83.39 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)	91	13,385,051	2,545,200	2,637,490	19.7%	(44,578)	0	0	\$16.29
St. Louis City (Other than CBD)	30	1,665,481	188,307	197,508	11.9%	1,404	0	0	\$16.61
Clayton	74	7,376,939	669,889	711,845	9.6%	23,399	0	0	\$23.44
Olive-270/ Westport	112	7,381,767	1,305,661	1,313,607	17.8%	44,974	0	0	\$19.33
West County	111	7,503,121	565,844	598,093	8.0%	8,606	0	0	\$22.96
South County	57	2,842,407	270,655	270,655	9.5%	14,314	0	0	\$18.89
North County	67	4,828,653	1,366,133	1,397,212	28.9%	53,168	0	0	\$17.20
St. Charles	40	1,838,949	261,070	342,193	18.6%	7,733	0	0	\$17.97
Illinois	63	2,553,874	444,700	444,700	17.4%	6,928	0	0	\$17.23
Totals	646	49,376,242	7,617,459	7,913,303	16.0%	115,948	0	0	\$18.88

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
Mercy Health*	Corporate Plaza	186,000	West County
Centene	1370 Timberlake Manor	116,361	West County
Boeing	3221 McKelvey Rd.	47,947	North County
Boeing	13900 Riverport	37,034	North County
Towers Watson & Co.*	101 S. Hanley Rd.	18,939	Clayton

*Renewal

FEATURED PROPERTY



8151 Clayton Road
St. Louis, MO 63117

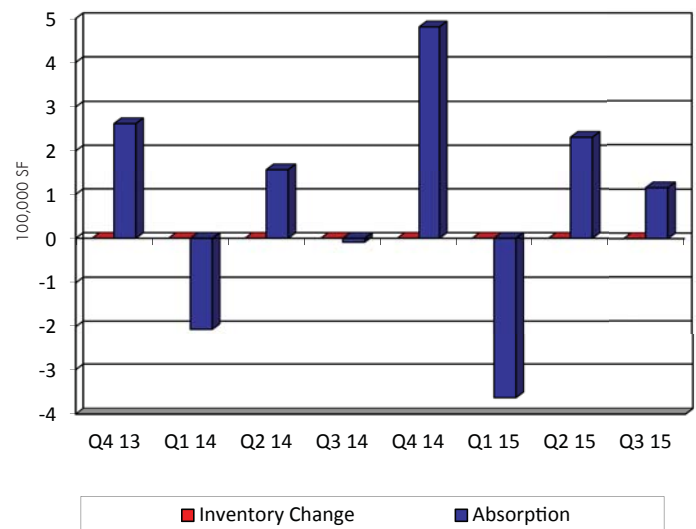
- Two Suites Available: 949 SF & 3,916 SF
- Close Proximity to Clayton, I-40, I-70 & MetroLink
- 4/1,000 SF Free Surface Parking with Additional Covered Parking
- Across from St. Louis Galleria
- Anchored by Simmons First National Bank
- Recently Renovated Common Areas
- Lease Rate: \$23.00 PSF, Full Service

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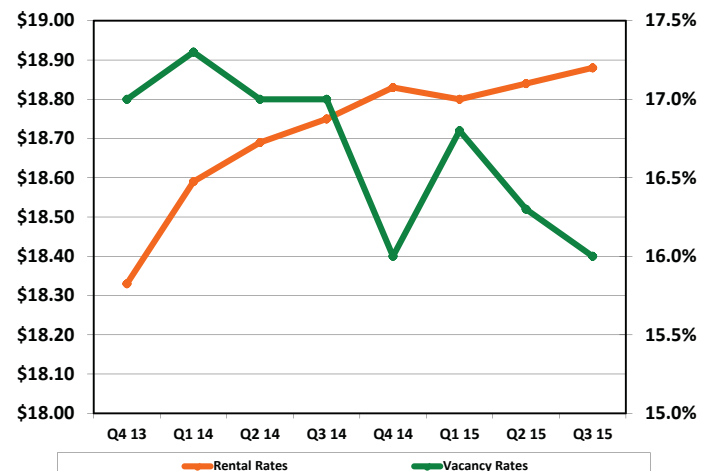
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Overall Office Inventory & Absorption



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.