



Q3 2016

Industrial Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



The 28,046 square foot, Class B, flex building located in Maryland Heights at 2030 Altom Ct. sold for \$1,550,000. (\$55.27 PSF)

NOTEWORTHY SALE



The 33,461 square foot, Class C, flex building located at 220-238 Old Meramec Station Road in Ballwin sold for \$1,725,000. (\$51.55 PSF)

The overall industrial vacancy rate in the St. Louis market area decreased to 6.0% at the end of the third quarter 2016. The vacancy rate was 6.4% at the end of the second quarter 2016.

The overall industrial net absorption decreased, although still positive. There were positive 1,326,718 square feet absorbed at the end of the third quarter 2016. At the end of the second quarter 2016, net absorption was positive 2,423,290 square feet. While Macy's moved out of 621,614 square feet in Earth City, several large blocks were occupied in third quarter 2016 including OHL moving into 140,172 square feet at 117 -119 N. Industrial Drive in Illinois.

The average quoted asking rental rates for available industrial space increased to \$4.27 per square foot per year at the end of the third quarter 2016 in the St. Louis market area. The quoted rental rates were \$4.23 per square foot at the end of the second quarter 2016.

Third quarter 2016 delivered two buildings totaling 168,000 square feet in the St. Louis market. There were 4,339,283 square feet of industrial space under construction at the end of the third quarter 2016, including the Wentzville Logistics Center, a 1,200,000 square foot industrial building in St. Charles County that is 100% leased.

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	17,850,609	1,542,393	1,542,393	8.6%	(14,917)	199,288	788,800	\$4.19
Chesterfield/Hwy-40	157	5,900,511	104,248	104,248	1.8%	11,564	0	590,000	\$8.66
Earth City	314	23,757,936	2,186,885	2,186,885	9.2%	380,112	0	0	\$4.97
Fenton	223	8,940,859	436,443	442,457	4.9%	(14,833)	0	0	\$7.09
Hanley	284	6,373,798	153,418	155,818	2.4%	24,190	0	0	\$5.13
Illinois	733	42,099,565	920,394	1,130,566	2.7%	1,716,151	1,540,050	1,192,730	\$3.75
Innerbelt E of 170	230	10,037,088	208,785	208,785	2.1%	(47,948)	0	0	\$3.99
Innerbelt W of 170	380	11,291,550	509,640	509,640	4.5%	193,946	0	0	\$4.50
North County	155	7,211,882	403,139	403,139	5.6%	949,424	915,000	537,753	\$4.09
South County	278	9,316,220	431,145	441,945	4.7%	137,563	0	0	\$6.00
St Charles County	809	27,996,990	560,317	618,375	2.2%	188,361	138,000	1,200,000	\$5.32
St Louis City North	816	38,665,893	4,383,618	4,383,618	11.3%	26,795	0	0	\$2.87
St Louis City South	968	36,430,898	2,977,902	2,977,902	8.2%	92,408	125,000	15,000	\$3.16
West County	145	4,714,019	69,464	69,464	1.5%	11,702	0	0	\$6.30
Westport	420	15,707,913	802,034	802,034	5.1%	331,863	30,000	0	\$5.96
Totals	6,153	266,295,731	15,689,825	15,977,269	6.0%	3,986,381	2,947,338	4,339,283	\$4.27

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
OHL	117-119 N. Industrial Dr.	140,172	Illinois
Travis Roofing Supply	1625 S. Vandeventer Ave.	68,400	St. Louis City South
Fair-Play Scoreboards	Aviator Business Park Lot 7	66,750	Airport
Tagg Logistics	Hazelwood Logistics Center	63,000	Airport
Motors & Armatures Inc	13400 Lakefront Dr.	51,600	Earth City

FEATURED PROPERTY



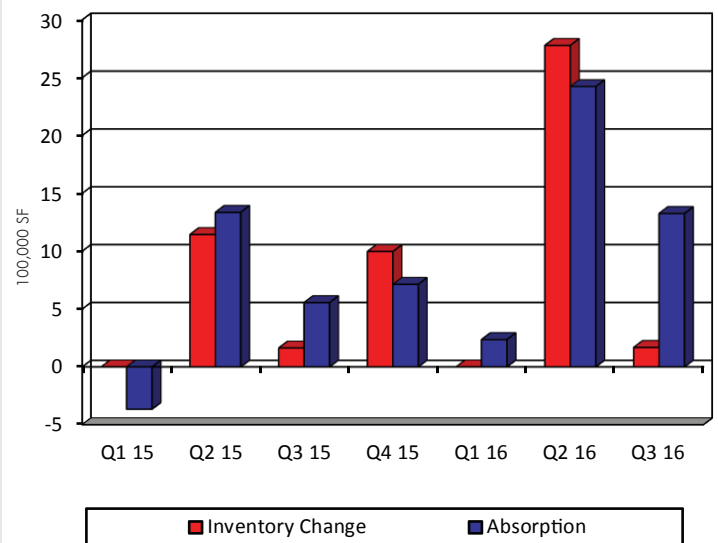
2302-2324 Weldon Parkway
Maryland Heights, MO 63146

- 17,825 SF Office/Warehouse Building
- Great Two-Tenant Building Located in the Heart of Westport
- Easy Access to Page Ave., Hwy. 364 & I-270
- 1 Story Building, Built in 1976
- New in 2012: Roof, Facade, 2 HVAC Units, Gutters & Downspouts
- 1.3 Acres Site
- Ample Parking
- Sale Price: ~~\$1,150,000~~ \$895,000 (\$50.21 PSF)

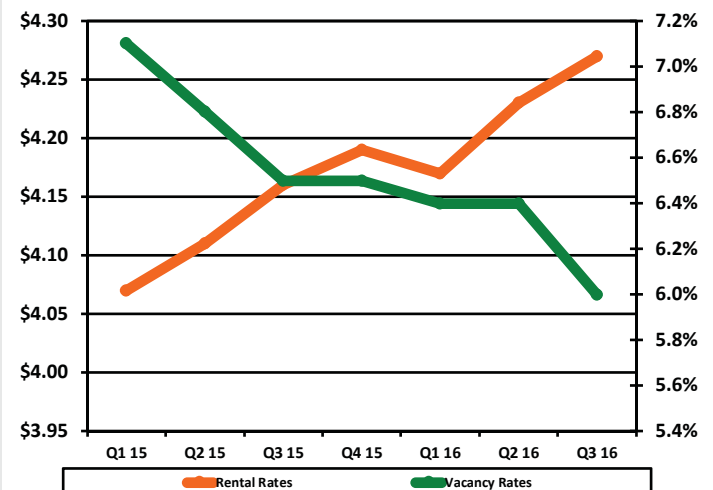
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Overall Industrial Inventory & Absorption



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.