



# Q3 2017

## Industrial Market Report

### MARKET TRENDS

*Compared to Previous Quarter*

Vacancy Rate



Net Absorption



Rental Rates



Construction



### NOTEWORTHY SALE



6705 Keaton Corporate Parkway, a 109,854 SF, Class B, warehouse located in O'Fallon, MO, sold for \$5,740,000. (\$52.25 PSF)

### NOTEWORTHY SALE



149 Weldon Parkway, a 58,654 SF, Class C, industrial warehouse located in Maryland Heights, sold for \$5,100,000. (\$86.95 PSF)

The overall industrial vacancy slightly decreased at the end of the third quarter 2017. The industrial vacancy rate in the St. Louis market ended the third quarter 2017 at 5.2%, compared to 5.9% at the end of the second quarter 2017.

Net absorption for the overall St. Louis industrial market was positive 2,010,616 square feet absorbed in the third quarter 2017, which includes Amazon moving into 348,480 square feet at Hazelwood Logistics Center 3 and Best Buy moving into 252,000 square feet at 2000 Premier Pkwy. in St. Charles. At the end of the second quarter 2017, net absorption was positive 1,450,982 square feet.

The average quoted asking rental rates for available industrial space slightly increased to \$4.48 per square foot per year at the end of the third quarter 2017 in the St. Louis market area. The quoted rental rates were \$4.41 per square foot at the end of the second quarter 2017.

Although there were no new buildings delivered, 3,738,968 square feet of industrial space remained under construction at the end of the third quarter 2017. Buildings remaining under construction included 593,940 square feet at Gateway Commerce Center E that is 0% preleased, and 900,000 square feet for Davidson Surface/Air's new \$30 million dollar headquarters on Missouri Bottom Road in Bridgeton.

### 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	245	19,231,395	637,801	637,801	3.3%	1,684,991	591,721	967,278	\$4.29
Chesterfield/Hwy-40	158	5,945,527	204,386	207,986	3.5%	(76,081)	35,000	885,000	\$8.87
Earth City	315	23,207,298	2,235,970	2,235,970	9.6%	142,840	0	130,000	\$5.03
Fenton	223	8,960,660	309,873	309,873	3.5%	78,524	0	158,400	\$5.98
Hanley	285	6,374,602	252,074	252,074	4.0%	(152,382)	0	0	\$6.84
Illinois	765	43,975,875	1,133,921	1,183,921	2.7%	842,423	645,400	641,540	\$4.06
Innerbelt E of 170	230	9,931,067	246,839	246,839	2.5%	(7,836)	0	0	\$6.18
Innerbelt W of 170	379	11,299,327	557,332	557,332	4.9%	(56,969)	0	0	\$5.10
North County	158	7,787,321	1,014,058	1,014,058	13.0%	(118,560)	537,753	0	\$4.25
South County	282	9,139,953	304,964	354,964	3.9%	21,438	0	0	\$6.35
St Charles County	819	29,430,044	679,160	737,208	2.5%	1,120,567	1,343,780	926,750	\$5.21
St Louis City North	820	39,407,985	3,372,291	3,372,291	8.6%	731,370	0	0	\$2.86
St Louis City South	983	35,787,780	2,144,859	2,144,859	6.0%	29,003	0	0	\$3.33
West County	147	4,742,619	11,844	11,844	.2%	27,462	15,000	0	\$7.00
Westport	423	15,815,603	754,450	757,536	4.8%	(40,434)	0	30,000	\$6.28
Totals	6,232	271,037,056	13,859,822	14,024,556	5.2%	4,226,356	3,168,654	3,738,968	\$4.48

Source: CoStar Property®



## RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
American Red Cross	Hazelwood Logistics Center 6	93,182	Airport
UPS	4240 Rider Trail N	90,045	Earth City
ADS Logistics Co, LLC*	13875 Corporate Woods Trail	67,848	Earth City
Buske Lines*	7 Gateway Commerce Center Dr.	60,000	Illinois
Buckeye International Inc.*	519-543 James S McDonnell Blvd.	57,820	Airport

\*Renewal

## FEATURED PROPERTY



**9401-9423 Koenig Circle**  
Berkeley, MO 63134

- 3,456 - 16,450 SF Available
- Easy Access to Natural Bridge Rd., I-170 & I-70
- Ideal for Airport Related Businesses
- 18' Clear Ceiling Heights
- 5 Docks, 1 Drive-In Door
- 3 Bays Currently Demised, are Contiguous:  
6,703 SF with 70% Office: \$7.00 PSF, NNN  
6,291 SF with 20% Office: \$5.00 PSF, NNN  
3,456 SF with 30% Office: \$5.00 PSF, NNN

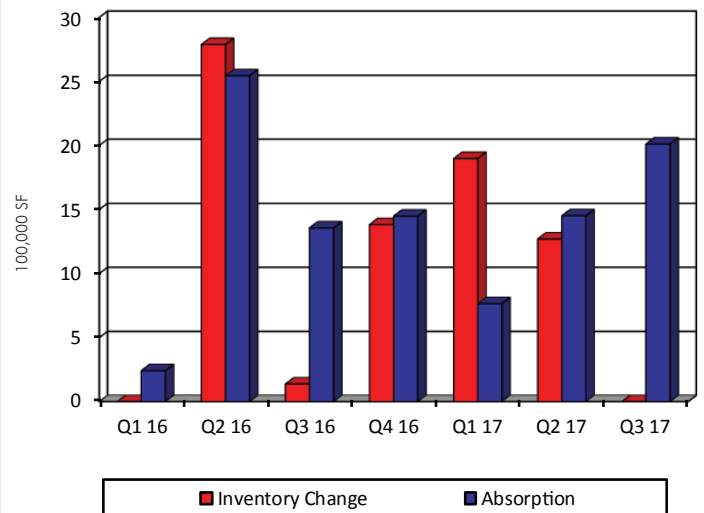
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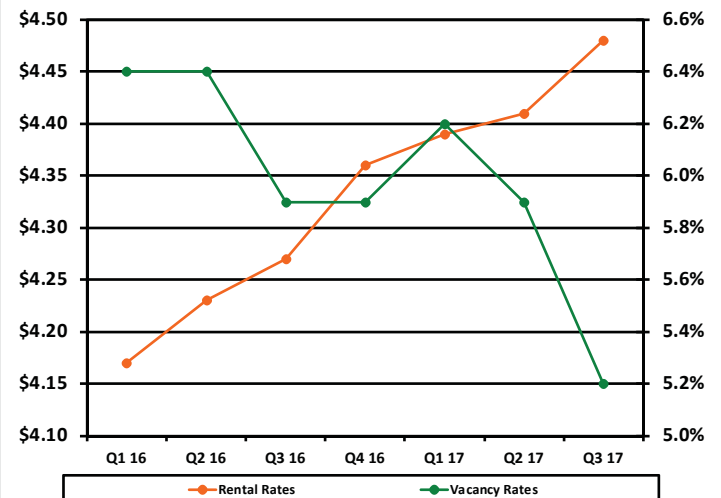
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## Overall Industrial Inventory & Absorption



## Overall Industrial Rental Rates & Vacancy Rates



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