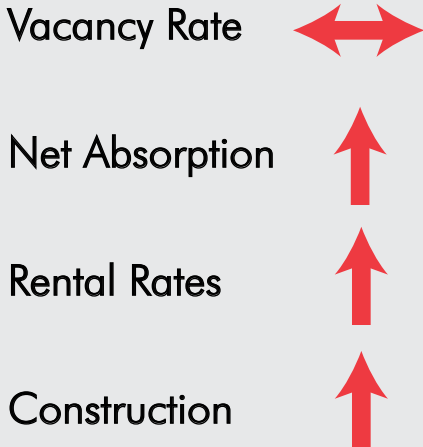




# Q3 2018 Office Market Report

## MARKET TRENDS

Compared to Previous Quarter



The overall office vacancy rate for the St. Louis market has shown little change so far in 2018. The overall vacancy rate was 11.0% at the end of the third quarter 2018, 11.2% at the end of the second quarter 2018 and 11.1% at the end of the first quarter 2018. The Clayton submarket continued to have the lowest vacancy rate at 4.3% for overall office vacancy and 2.1% vacancy for Class A.

There was positive 93,724 square feet absorbed at the end of the third quarter 2018. At the end of the second quarter 2018, net absorption was positive 100,677 square feet. Tenants moving into big blocks of space include Club Ready occupying 15,859 square feet at 14515 N. Outer Forty Rd. in Chesterfield and Reel Impact occupying 14,042 square feet at 1335 Straussner Dr. in Brentwood.

The average quoted asking rental rate in the St. Louis office market showed an increase, ending the third quarter 2018 at \$20.96 per square foot per year. That compares to \$20.85 per square foot at the end of the second quarter 2018. The Clayton, St. Louis City and West County submarkets continued to have the highest asking rental rates.

There were no new buildings delivered in the third quarter 2018 and over a million square feet remained under construction. Construction continued on Centene's 600,000-square-foot expansion in Clayton and Ballpark Village's 200,000-square-foot office building downtown.

## NOTEWORTHY SALE



1015 Corporate Square Dr., a 67,771-SF Class B office building located in Creve Coeur, sold for \$8,125,000 (\$119.89 PSF).

## NOTEWORTHY SALE



425 N New Ballas Rd., a 78-252- SF Class B office building located in Creve Coeur, sold for \$5,500,000 (\$70.29 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)	96	14,187,887	2,091,623	2,177,433	15.3%	19,503	0	200,000	\$17.13
St. Louis City* (Other than CBD)	42	2,522,506	160,766	160,766	6.4%	(3,726)	182,000	120,000	\$24.90
Clayton	76	7,481,448	315,382	320,600	4.3%	60,586	0	600,000	\$24.70
Olive-270/ Westport	113	7,452,230	728,621	769,083	10.3%	37,996	0	0	\$20.10
West County	112	7,842,186	644,327	679,037	8.7%	(62,662)	0	36,000	\$24.61
South County	59	2,906,129	281,713	298,822	10.3%	21,662	0	0	\$21.57
North County	47	3,621,271	610,325	612,285	16.9%	27,774	0	0	\$17.76
St. Charles	45	3,058,589	490,948	513,725	16.8%	(4,174)	0	60,000	\$19.06
Illinois	73	3,276,548	235,695	242,330	7.4%	(3,761)	0	0	\$18.78
<b>Totals</b>	<b>663</b>	<b>52,351,794</b>	<b>5,559,400</b>	<b>5,774,081</b>	<b>11.0%</b>	<b>93,724</b>	<b>182,000</b>	<b>1,016,000</b>	<b>\$20.96</b>

Source: CoStar Property®

\* The St. Louis City submarket analytics are primarily a reflection of the Cortex District and the "Midtown" St. Louis area.

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
Essence Health**	13900 Riverport	100,000	North County
Lockton Companies*	CityPlace Three	45,000	Olive-270/Westport
TIAA-CREF Investment Mgmt. LLC*	One Metropolitan Square	30,000	CBD
CBIC Bank USA**	Magna Place	30,000	Clayton
KnowledgeLake*	CityPlace Six	20,000	Olive-270/Westport

\*Renewal \*\*Expansion

## FEATURED PROPERTY



**660 Mason Ridge Center Dr.**  
Town and County, MO 63141

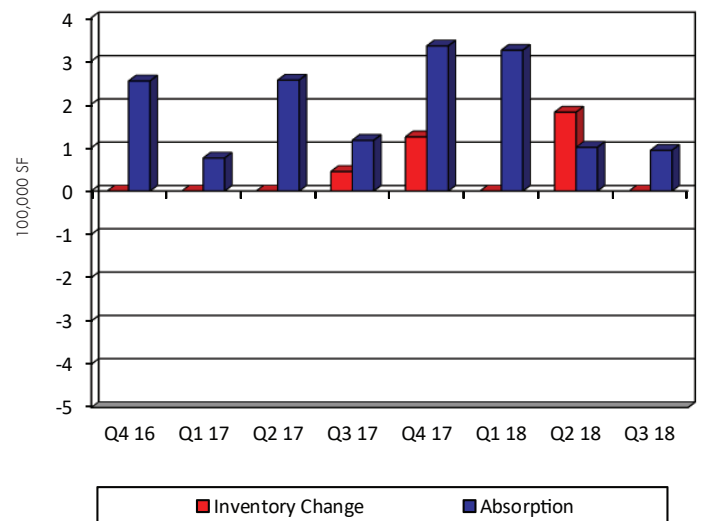
- Suites Available: 3,129 SF & 6,461 SF
- Highly Visible Multi-Tenant Office Building
- First Floor Executive Suite (6,461 SF) with Lobby Exposure & Numerous Offices on the Glassline
- Building Amenities Include: Micro Mart with Lunchroom, Large Meeting/Training Room, On-Site Ownership & Maintenance
- Excellent Visibility & Access to I-64/40
- Lease Rate: \$21.50 PSF, Full Service

CONTACT: Tim Balk: 314-746-1433  
tbalk@gershmancommercial.com

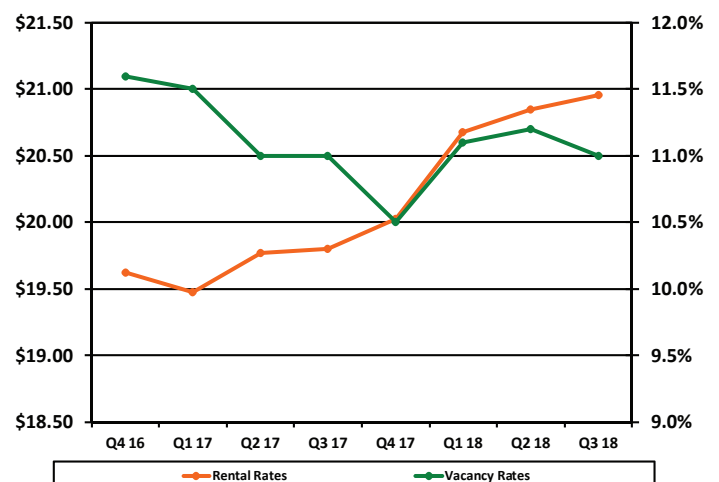
Dan Freeland: 314-889-0605  
dfreeland@gershmancommercial.com



## 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.