



Q4 2014 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 decreased to 17.1% at the end of the fourth quarter 2014. The overall vacancy rate was 18.1% at the end of the third quarter 2014. All submarkets showed signs of improvement except for a slight increase in the Manchester/I-270 and St. Charles submarkets.

The vacancy rate in North County is skewed based upon the approximately 600,000 square feet of office space being marketed as available at The Crossings of Northwest, formerly known as Northwest Plaza. The vacancy in this submarket is expected to decrease however, as more tenants occupy space from leases executed in the fourth quarter.

The fourth quarter saw a tremendous amount of lease activity overall. As a result, office net absorption increased with positive 424,513 square feet absorbed. At the end of third quarter 2014, net absorption was negative 194,755 square feet.

The average quoted asking rental rate in the St. Louis office market remained relatively unchanged. The quoted rates ended the fourth quarter 2014 at \$19.36 per square foot per year. That compares to \$19.37 per square foot in the third quarter 2014. The Clayton and West County/Chesterfield submarkets continued to have the highest rental rates and lowest overall vacancy.

There was no new multi-tenant construction in fourth quarter 2014.

NOTEWORTHY SALE



The 346,451 square foot office building located at 101 S. Hanley Rd. in Clayton sold for \$62,250,000. (\$179.68 PSF)

NOTEWORTHY SALE



The Old Town office buildings located on North Meramec Avenue in Clayton are now under new ownership and new management. The 3 buildings total just under 185,000 square feet.

Submarket	Existing Inventory		Direct SF	Vacancy		Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Bldgs.	Total GLA		Total SF	Vac %				
Clayton	56	6,640,270	674,893	701,105	10.6%	108,132	0	0	\$23.10
I-270/Manchester	27	1,604,696	227,162	230,909	14.4%	(7,928)	0	0	\$20.77
I-270/Olive	71	4,832,250	770,246	778,246	16.1%	6,804	0	0	\$20.53
North County	39	3,404,419	1,223,009	1,242,605	36.5%	79,590	0	0	\$16.93
South County	65	4,222,598	613,813	613,813	14.5%	2,240	0	0	\$19.68
St. Charles	38	1,738,745	316,127	316,127	18.2%	(13,174)	0	0	\$17.63
St. Louis City	107	14,395,447	2,697,621	2,713,031	18.8%	170,939	0	0	\$16.13
West County/ Chesterfield	69	4,940,572	448,990	459,225	9.3%	70,213	0	0	\$22.12
Westport	37	2,394,348	510,869	515,742	21.5%	7,697	0	0	\$17.31
Totals	509	44,173,345	7,482,730	7,570,803	17.1%	424,513	0	0	\$19.36

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
Boeing	Riverport Tower	61,172	North County
Aventura	2351 N Market St.	40,000	St. Louis City
ESRI*	370 Corporate Center II	33,750	St. Charles
NW Mutual	Creve Coeur Corporate Center II	25,431	Olive/I-270
The Doe Resources Corp.**	Park 270 Building II	25,159	Westport

*Renewal **Renewal & Expansion

FEATURED PROPERTY



Old Town

150, 165 & 168 N. Meramec Avenue
Clayton, MO 63105

- Available Suites Range from 1,080 SF to 29,324 SF
- Excellent Clayton Location with Easy Highway 170 Access
- Located just north of Maryland Avenue, just Steps away from Clayton's Prestigious Restaurants
- Prominent Signage Available
- On-Site Property Management
- Lease Rate: \$24.50 PSF, FS

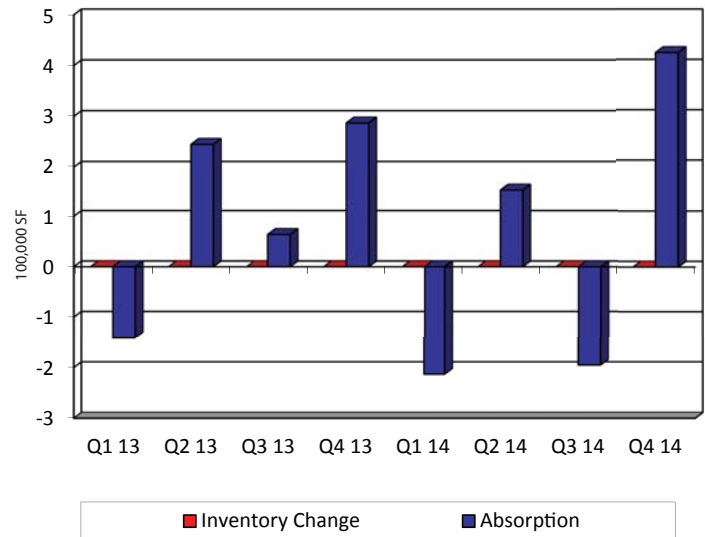
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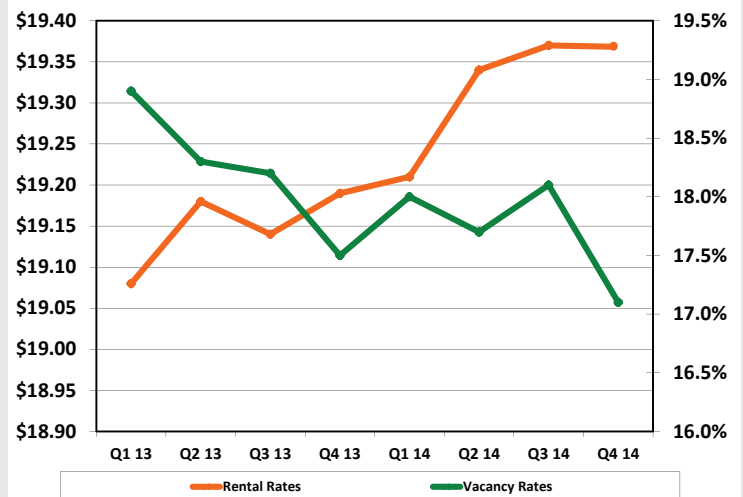
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Overall Office Inventory & Absorption



Overall Office Rental Rates & Vacancy Rates



*Disclaimer: All information is collected from CoStar Group at the end of 4th Quarter. All information is subject to change. Updated numbers for past quarters reflect CoStar's ongoing research for the most accurate market information.