



# Q4 2015

## Industrial Market Report

### MARKET TRENDS

*Compared to Previous Quarter*

**Vacancy Rate**



**Net Absorption**



**Rental Rates**



**Construction**



The overall industrial market remained relatively flat in 2015. The industrial vacancy rate in the St. Louis market ended the fourth quarter 2015 at 6.8%, same as the end of the third quarter 2015.

Net absorption for the overall St. Louis industrial market was positive 885,373 square feet absorbed in the fourth quarter 2015. That compares to positive 171,927 square feet absorbed in the third quarter 2015.

The average quoted asking rental rates for available industrial space slightly increased to \$4.18 per square foot per year at the end of the fourth quarter 2015 in the St. Louis market area. This showed a .7% increase from the third quarter 2015 when the quoted rental rates were \$4.15 per square foot.

There were four new buildings totaling 997,275 square feet delivered in the St. Louis Market in the fourth quarter 2015 and 3,704,865 square feet of industrial space remained under construction. Aviator Business Park Lot 7 delivered 535,500 square feet and is 88% occupied. Still under construction is 769,500 square feet at Lakeview Commerce Center IV, which is 0% pre-leased.

### NOTEWORTHY DELIVERY



6110 Aviator Dr., an industrial warehouse, delivered 535,500 SF in Hazelwood, the building is 88% leased.

### NOTEWORTHY DEVELOPMENT



Lakeview Commerce Center IV, a 769,500 SF, Class A industrial distribution center in Granite City is set to deliver in May of 2016.

### 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	239	17,648,746	1,316,465	1,342,815	7.6%	468,164	607,275	367,000	\$3.74
Chesterfield/Hwy-40	158	5,914,308	133,666	133,666	2.3%	40,863	12,802	590,000	\$9.05
Earth City	315	23,749,954	2,108,061	2,113,061	8.9%	(173,543)	0	0	\$4.87
Fenton	223	8,796,632	310,849	332,049	3.8%	1,011	0	0	\$7.53
Hanley	285	6,428,316	171,545	180,433	2.8%	(38,503)	0	0	\$5.79
Illinois	716	40,417,193	1,032,323	1,242,495	3.1%	1,047,646	1,083,137	1,539,860	\$3.77
Innerbelt E of 170	229	9,985,108	425,138	425,138	4.3%	27,335	0	0	\$3.79
Innerbelt W of 170	377	11,282,604	710,889	710,889	6.3%	75,098	79,000	0	\$4.19
North County	154	6,281,458	513,736	546,563	8.7%	228,331	461,041	915,000	\$3.90
South County	273	9,061,415	607,238	628,368	6.9%	(102,984)	0	0	\$6.07
St Charles County	805	27,831,256	696,282	752,840	2.7%	24,196	0	138,000	\$5.14
St Louis City North	816	38,596,568	4,145,632	4,145,632	10.7%	146,625	56,000	0	\$2.86
St Louis City South	969	36,595,509	3,774,799	3,774,799	10.3%	76,334	0	125,005	\$3.18
West County	145	4,711,426	115,557	115,557	2.5%	8,599	5,543	0	\$6.27
Westport	420	15,877,870	1,337,900	1,385,513	8.7%	164,714	0	30,000	\$5.63
<b>Totals</b>	<b>6,124</b>	<b>263,178,363</b>	<b>17,400,080</b>	<b>17,829,818</b>	<b>6.8%</b>	<b>1,993,886</b>	<b>2,304,798</b>	<b>3,704,865</b>	<b>\$4.18</b>

Source: CoStar Property®



## RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Monsanto	Monsanto Expansion Phase 1	590,000	Chesterfield/Hwy. 40
Clark Logistics Services*	3901 Union Blvd.	138,342	St. Louis City North
New Balance	13600-80 Shoreline Dr.	124,703	Earth City
Silver Arch Brooks LLC*	2337 Centerline Industrial Dr.	75,600	Westport
Karidis Group International	100-110 W. Clark St.	58,498	St. Charles County

\*Renewal

## FEATURED PROPERTY

**1601 Sublette Ave.**

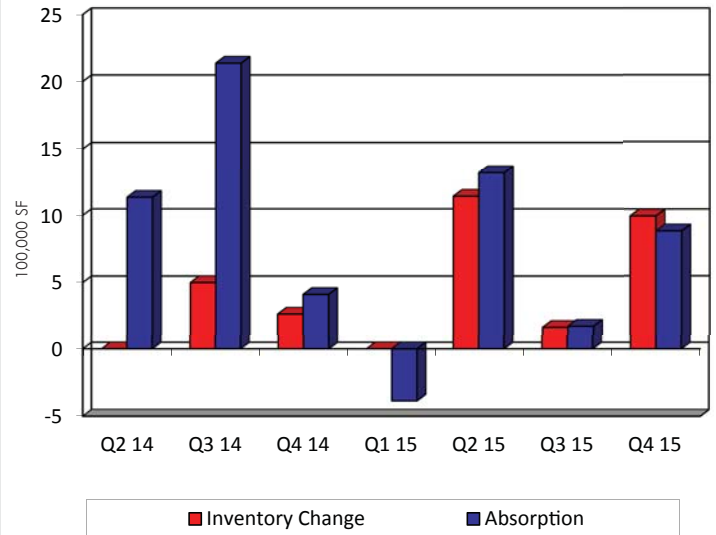
St. Louis, MO 63110

- 18,500 SF, Three-Building Industrial Complex on .71 Acres
- Building One: 12,500 SF Warehouse
- Building Two: 3,000 SF Office
- Building Three: 3,000 SF Warehouse Storage
- Great Location near Manchester Rd. with Easy Access to Highway 44
- Lease Rate: \$5.00 PSF, NNN
- Sale Price: \$715,000 (\$38.65 PSF)

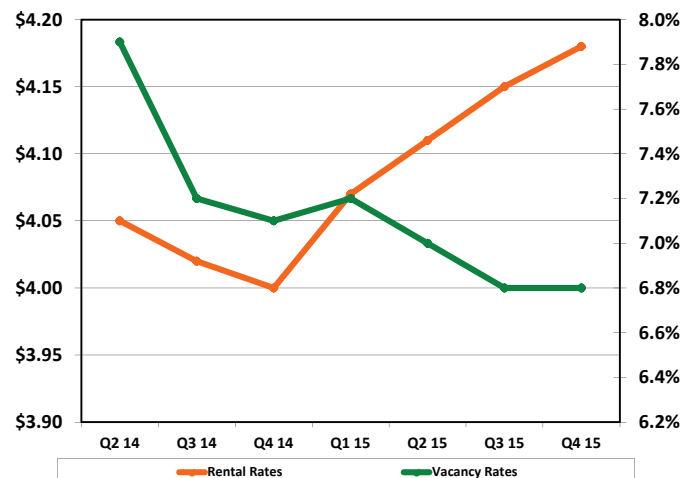
CONTACT: Tom Erman, SIOR: 314-746-1444  
 terman@gershman.com



## Overall Industrial Inventory &amp; Absorption



## Overall Industrial Rental Rates &amp; 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.