



Q4 2015 Office Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



NOTEWORTHY SALE



The 197,311 square foot, Class A office building located at 7777 Bonhomme Ave. in Clayton sold for \$10,700,000. (\$54.23 PSF)

NOTEWORTHY SALE



The 33,909 square foot, Class B office building located at 16640 Chesterfield Grove Rd. in Chesterfield sold for \$5,033,690. (\$148.45 PSF)

The overall office vacancy rate in the St. Louis market slightly decreased to 15.5% at the end of the fourth quarter 2015. The overall vacancy rate was 15.9% at the end of the third quarter 2015. Clayton continued to show improvement with Class A office space at a historic low at 7.2%, and one of the lowest overall vacancy rates at 8.5%. As a result of this low vacancy rate, only four contiguous spaces over 20,000 square feet are available in the Clayton submarket at the end of the fourth quarter 2015. The North County submarket showed the largest decrease of 2.5%, which included Charter Communications occupying approximately 135,000 square feet at 700 Northwest Plaza in the fourth quarter.

The overall office net absorption remained positive. There were positive 194,741 square feet absorbed at the end of the fourth quarter 2015. At the end of the third quarter 2015, net absorption was positive 137,894 square feet.

The overall average quoted asking rental rate in the St. Louis office market showed an increase. The average quoted rental rates ended the fourth quarter 2015 at \$19.22 per square foot per year. That compares to \$18.88 per square foot in the third quarter 2015. The Clayton and West County submarkets continued to have the highest rental rates and the lowest vacancy rates. Despite the increased leasing activity and a corresponding drop in vacancy rate for the Central Business District, the rental rate has shown little change over the past two years.

There was no new, completed multi-tenant construction in the fourth quarter 2015.

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)	91	13,385,051	2,351,946	2,612,349	19.5%	40,245	0	0	\$16.35
St. Louis City (Other than CBD)	32	1,708,048	195,473	204,674	12.0%	2,634	0	0	\$16.46
Clayton	74	7,376,939	607,984	628,090	8.5%	34,236	0	0	\$23.27
Olive-270/ Westport	112	7,352,590	1,228,548	1,236,494	16.8%	77,113	0	0	\$19.35
West County	110	7,477,896	589,839	616,784	8.2%	(18,691)	0	0	\$23.35
South County	57	2,842,407	310,860	310,860	10.9%	(40,205)	0	0	\$21.78
North County	67	4,790,287	1,223,238	1,247,707	26.0%	118,489	0	0	\$17.03
St. Charles	40	1,838,949	253,355	334,478	18.2%	7,715	0	0	\$17.98
Illinois	62	2,494,750	461,893	461,893	18.5%	(26,795)	0	0	\$17.42
Totals	645	49,266,917	7,223,136	7,653,329	15.5%	194,741	0	0	\$19.22

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
Rabo AgriFinance	Delmar Gardens III	62,000	West County
Mercer Management*	701 Market St.	58,861	CBD
Missouri American Water*	727 Craig Rd.	37,259	Olive-270/Westport
PCHH	800 Market St.	24,845	CBD
Benjamin F. Edwards & Co.*	1 N. Brentwood Blvd.	22,123	Clayton

*Renewal

FEATURED PROPERTY



The Summit @ Creve Coeur

10330 Old Olive Street Road
Creve Coeur, MO 63141

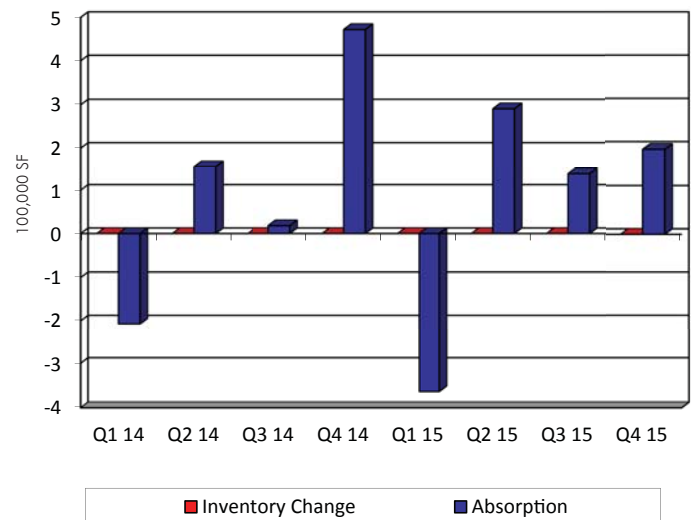
- 4,000 SF - 11,000 SF Available on Second Floor
- Contemporary Design & Interior Finishes
- Newer Construction with State-of-the-Art Energy Management
- Prominent Building Signage
- Great Visibility/Frontage from Olive & Lindbergh Blvds.
- Lease Rate: \$19.75 PSF, Full Service
- Sale Price: \$3,900,000

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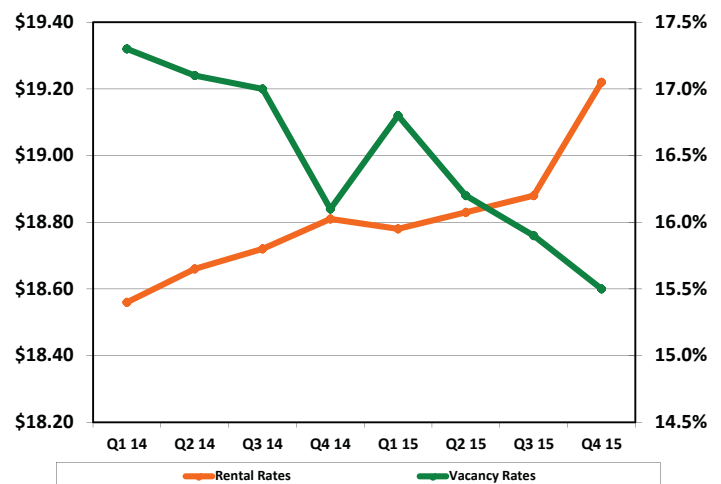
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Overall Office Inventory & Absorption



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.