



# Q4 2017

## Industrial Market Report

### MARKET TRENDS

*Compared to Previous Quarter*

Vacancy Rate



Net Absorption



Rental Rates



Construction



### NOTEWORTHY SALE



3051 Gateway Commerce Center Dr.



349 Gateway Commerce Center Dr.

3051 & 349 Gateway Commerce Center Dr., located in Edwardsville, IL, sold in a two building portfolio for \$64,000,000. (\$55.88 PSF) The buildings were both fully leased and occupy a combined 1.14 million SF and 99 acres of land.

The overall industrial vacancy rate slightly increased at the end of the fourth quarter 2017. The industrial vacancy rate in the St. Louis market ended the fourth quarter 2017 at 5.3%, compared to 4.9% at the end of the third quarter 2017. The uptick in the overall vacancy rate is directly attributed to the increase in speculative construction.

The overall industrial net absorption decreased, although still remained positive. There were positive 85,393 square feet absorbed at the end of the fourth quarter 2017, including Fresh Warehouse which occupied 245,000 square feet at 305-333 Rock Industrial Park Dr. in Bridgeton. At the end of the third quarter 2017, net absorption was positive 2,509,716 square feet.

The average quoted asking rental rates for available industrial space slightly increased to \$4.57 per square foot per year at the end of the fourth quarter 2017 in the St. Louis market area. The quoted rental rates were \$4.51 per square foot at the end of the third quarter 2017.

Fourth quarter 2017 delivered six buildings totaling 1,380,883 square feet in the St. Louis market, and 1,673,340 square feet of industrial space remained under construction. The North County submarket delivered 548,850 square feet in Aviator Business Park at 6050 N. Lindbergh Boulevard. The building is 39.4% occupied.

### 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	248	20,198,673	1,608,724	1,608,724	8.0%	1,681,346	1,558,999	0	\$4.37
Chesterfield/Hwy-40	158	5,945,527	233,664	237,264	4.0%	(105,359)	35,000	885,000	\$9.09
Earth City	315	23,125,697	2,494,050	2,494,050	10.8%	(115,240)	0	130,000	\$4.83
Fenton	224	9,119,175	479,851	479,851	5.3%	66,946	158,400	0	\$5.82
Hanley	285	6,374,781	192,870	192,870	3.0%	(93,178)	0	0	\$6.60
Illinois	770	43,899,172	898,606	948,606	2.2%	1,013,801	645,379	658,340	\$4.15
Innerbelt E of 170	230	9,931,067	193,517	208,517	2.1%	30,486	0	0	\$5.81
Innerbelt W of 170	381	11,316,868	365,944	365,944	3.2%	136,019	0	0	\$5.27
North County	157	7,788,065	1,091,702	1,091,702	14.0%	(97,804)	537,753	0	\$4.28
South County	283	9,147,153	325,790	439,223	4.8%	(62,221)	0	0	\$5.83
St Charles County	825	30,437,897	1,250,931	1,313,979	4.3%	1,476,046	2,270,530	0	\$5.61
St Louis City North	819	39,157,896	2,579,696	2,579,696	6.6%	989,765	0	0	\$2.98
St Louis City South	982	35,661,395	1,633,808	1,633,808	4.6%	301,892	0	0	\$3.68
West County	147	4,742,564	10,744	10,744	0.2%	28,562	15,000	0	\$6.36
Westport	424	15,373,962	864,054	864,054	5.6%	(73,405)	30,000	0	\$6.21
<b>Totals</b>	<b>6,248</b>	<b>272,219,892</b>	<b>14,224,865</b>	<b>14,473,032</b>	<b>5.3%</b>	<b>5,177,656</b>	<b>5,251,061</b>	<b>1,673,340</b>	<b>\$4.57</b>

Source: CoStar Property®



## RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
24 Seven Mo, Inc.*	13600 Shoreline Dr.	140,897	Riverport
Apollo Express, Inc.*	160-275 Corporate Woods Ct.	43,434	North County
Davidson Surface/Air	6951 N. Hanley Rd.	41,000	North County
Hub, Inc.	1695-1697 Fenpark Dr.	19,800	Fenton
Rexel	2466-2488 Old Dorsett Rd.	11,340	Westport

\* Renewal & Expansion

## FEATURED PROPERTY



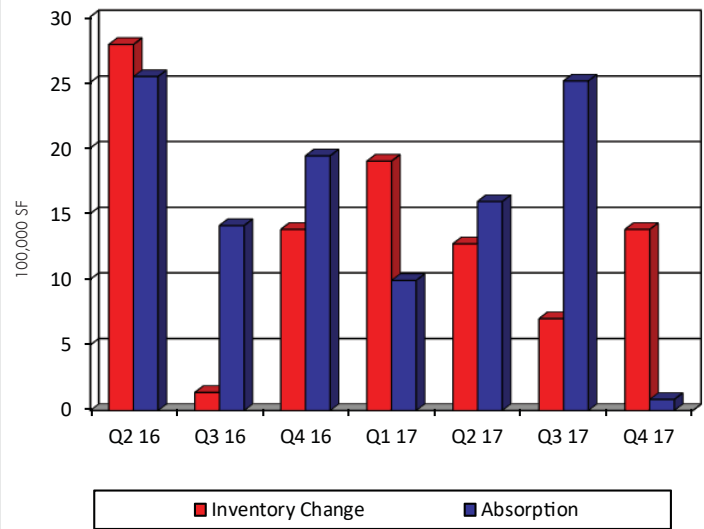
**132 Workman Ct.**  
Eureka, MO 63025

- 11,100 SF Available
- Office/Warehouse
- 1,000 SF Office Space
- 20' - 24' Clear Ceiling Heights
- 1 Docks, 1 Drive-In Door (14')
- Easy Access to I-44
- Lease Rate: \$6.25 PSF, MG

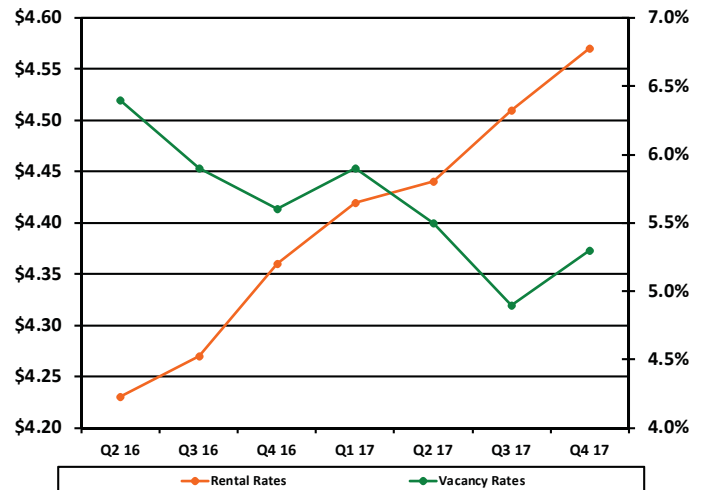
CONTACT: Louis Ojile 314-889-0623  
lojile@gershmancommercial.com



## Overall Industrial Inventory & Absorption



## Overall Industrial 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.