



# Q4 2017

## Office Market Report

### MARKET TRENDS

*Compared to Previous Quarter*

Vacancy Rate



Net Absorption



Rental Rates



Construction



### NOTEWORTHY SALE



The Plaza in Clayton a 325,172 SF Class A office building located in Clayton, sold for \$85,500,000 (\$262.94 PSF).

### NOTEWORTHY SALE



The Atrium At Chesterfield, a 120,163 SF Class A office building located in Chesterfield, sold for \$12,900,000 (\$107.35 PSF).

The office vacancy rate for the St. Louis market showed a slight decrease of just .6% at the end of the fourth quarter 2017. The overall vacancy rate was 10.7% at the end of the fourth quarter 2017, and 11.3% at the end of the third quarter 2017. The Olive-270/Westport submarket showed the largest change in vacancy dropping 3.2%; which included SSM occupying 30,720 square feet at 10176 Corporate Square Drive. The Clayton submarket continued to have the lowest vacancy rate with 5.6% at the end of the fourth quarter 2017.

Overall office net absorption increased from last quarter. There was positive 350,002 square feet absorbed at the end of the fourth quarter 2017. At the end of the third quarter 2017, net absorption was positive 130,105 square feet.

The average quoted asking rental rate in the St. Louis office market also showed an increase. The overall average quoted rental rate ended the fourth quarter 2017 at \$19.97 per square foot per year. That compares to \$19.77 per square foot at the end of the third quarter 2017. The Clayton and West County submarkets continued to have the highest overall asking rates.

There was one building delivered in the fourth quarter 2017. Delmar Gardens III delivered 125,000 square feet to the West County submarket; Rabo Agrifinance occupies 75,000 square feet and the building is 81.4% leased. There was 900,000 square feet of office remaining under construction including Centene's Phase II which will deliver 600,000 square feet to the Clayton submarket.

Submarket	Existing Inventory # Bldgs.	Total GLA	Direct SF	Vacancy Total SF	Vac %	Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
Central Business District (CBD)	96	14,610,070	2,150,043	2,237,586	15.3%	(54,236)	0	0	\$16.23
St. Louis City (Other than CBD)	40	2,302,961	153,108	153,108	6.6%	(18,541)	0	180,000	\$20.66
Clayton	75	7,475,113	415,687	419,644	5.6%	(52,403)	0	600,000	\$23.32
Olive-270/ Westport	112	7,433,597	637,327	672,097	9.0%	232,425	0	0	\$20.87
West County	110	7,743,344	502,439	559,613	7.2%	75,233	170,324	0	\$23.62
South County	59	2,962,908	256,213	273,322	9.2%	39,937	0	120,000	\$21.58
North County	47	3,683,225	764,130	766,090	20.8%	94,506	0	0	\$17.53
St. Charles	44	2,478,915	182,803	205,580	8.3%	(7,461)	0	0	\$17.99
Illinois	69	2,955,833	245,520	245,520	8.3%	40,542	0	0	\$17.90
Totals	652	51,645,966	5,307,270	5,532,560	10.7%	350,002	170,324	900,000	\$19.97

*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
Daugherty Business Solutions*	CityPlace Three	62,000	Olive-270/Westport
SSM Health	10176 Corporate Square Dr.	30,720	Olive-270/Westport
Charter Communications	Riverport Tower	30,142	North County
Charter Communications	Riverport Tower	29,064	North County
AECOM	100 N. Broadway	17,000	CBD

\*Renewal &amp; Expansion

## FEATURED PROPERTY



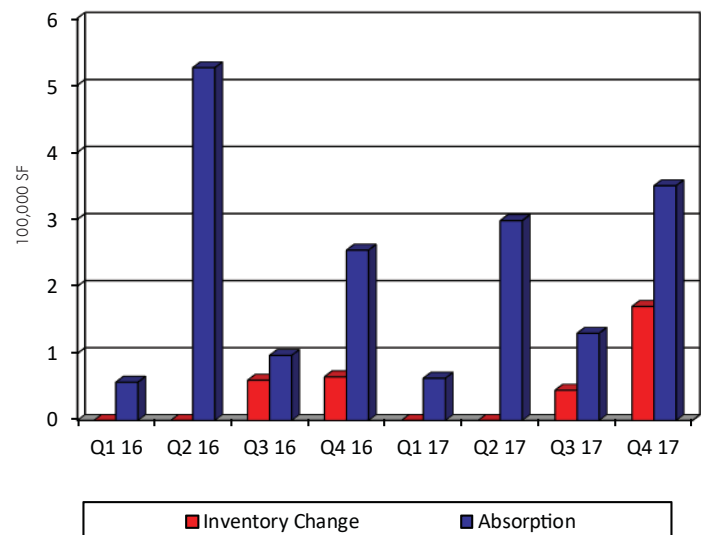
**One Chesterfield Place**  
Chesterfield, MO 63017

- 1,072 SF - 10,663 SF Available
- Remodeled Lobby, On-Site Food Service & Outdoor Seating Area Completed in 2016
- Complimentary Covered & Surface Parking
- Nearby Amenities Include Restaurants, Hotels, Malls & Spirit of St. Louis Airport
- Easy Access to I-64, I-270 & Hwy. 141
- Lease Rate: \$27.00 PSF

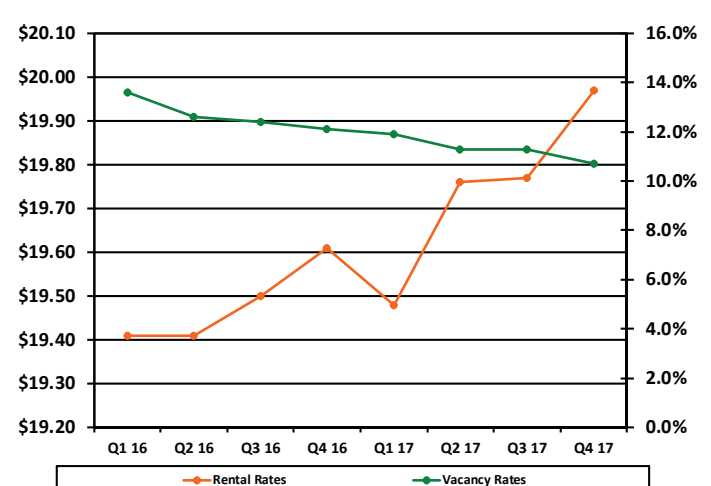
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## Overall Office Inventory &amp; Absorption



## Overall Office 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.