



Q1 2017 Industrial Market Report

MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



The overall industrial vacancy rate slightly increased at the end of the first quarter 2017. The industrial vacancy rate in the St. Louis market ended the first quarter 2017 at 6.1%, compared to 5.8% at the end of the fourth quarter 2016.

The overall industrial net absorption decreased, although still remained positive. There were positive 592,516 square feet absorbed at the end of the first quarter 2017 including ODW which occupied 150,820 square feet at 408 Hazelwood Logistics Center Dr. in Hazelwood. At the end of the fourth quarter 2016, net absorption was positive 1,410,774 square feet.

The average quoted asking rental rates for available industrial space increased to \$4.38 per square foot per year at the end of the first quarter 2017 in the St. Louis market area. The quoted rental rates were \$4.35 per square foot at the end of the fourth quarter 2016.

First quarter 2017 delivered two buildings totaling 1,252,533 square feet in the St. Louis market, and 4,901,299 square feet of industrial space remained under construction. Buildings remaining under construction include 624,150 square feet at 624 Gateway East in Illinois, and over one million square feet at Hazelwood Logistics Center, which recently announced future tenants Quiet Logistics and Bunzl Distribution Midcentral Inc.

NOTEWORTHY SALE



12969 Manchester Rd., a 49,183 SF, light manufacturing building located in Des Peres sold for \$6,780,000. (\$137.85 PSF)

NOTEWORTHY SALE



601-611 Trade Center Blvd., a 29,297 SF, industrial warehouse located in Chesterfield sold for \$2,800,000. (\$95.57 PSF)

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	242	18,633,353	1,242,499	1,242,499	6.7%	543,572	0	1,558,999	\$4.38
Chesterfield/Hwy-40	155	5887,597	140,342	140,342	2.4%	(45,152)	0	590,000	\$8.95
Earth City	314	23,731,421	1,840,186	1,850,186	7.8%	254,212	0	0	\$4.96
Fenton	224	8,939,998	352,961	357,182	4.0%	53,715	0	158,400	\$6.61
Hanley	283	6,378,315	174,890	174,890	2.7%	(75,798)	0	0	\$5.88
Illinois	746	42,813,426	1,148,798	1,198,798	2.8%	181,598	0	722,150	\$4.06
Innerbelt E of 170	229	10,037,519	174,548	272,548	2.7%	16,760	0	0	\$4.14
Innerbelt W of 170	378	11,286,794	506,416	506,416	4.5%	(6,053)	0	0	\$4.81
North County	157	7,766,825	977,064	977,064	12.6%	(82,966)	537,753	0	\$4.16
South County	278	9,118,890	395,285	395,285	4.3%	(20,483)	0	0	\$5.77
St Charles County	812	28,656,592	1,129,420	1,191,308	4.2%	19,983	714,780	626,750	\$5.48
St Louis City North	816	38,682,168	4,355,126	4,355,126	11.3%	(209,788)	0	0	\$2.89
St Louis City South	974	36,082,732	2,953,565	2,953,565	8.2%	(113,034)	0	0	\$3.20
West County	145	4,716,519	10,106	10,106	.02%	13,700	0	15,000	\$7.16
Westport	422	15,787,243	651,752	651,752	4.1%	62,250	0	30,000	\$5.79
Totals	6,175	268,519,392	16,052,958	16,277,067	6.1%	592,516	1,252,533	3,701,299	\$4.38

Source: CoStar Property®



RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Fairfield Manufacturing	6504 Prescott Ave.	300,000	St. Louis City North
XPO Logistics	1619 Park 370 Blvd.	213,558	North County
Merric Inc.*	4730-50 Earth City Expressway	52,000	Earth City
Ruger Precision Metals, LLC*	13734-13748 Shoreline Ct.	34,080	Earth City
My Way Mobile Storage*	Dukeport VII	17,640	Earth City

*Renewal

FEATURED PROPERTY



11773-11797 Lackland Rd.
2145-2155 Welsch Industrial Ct.
St. Louis, MO 63146

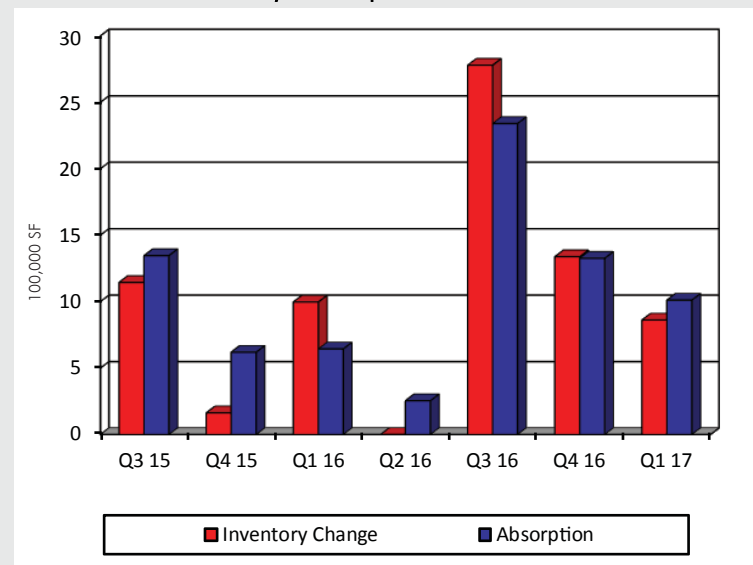
- 1,772 SF - 10,693 SF Available
- Various Sized Office/Warehouse Suites Available with Varying Levels of Office Finish
- 12'-14' Clear Ceiling Height
- Excellent Location in Westport Submarket
- Easy Access to Page Ave. & I-270
- Lease Rate: \$7.50 - \$9.75 PSF, MG

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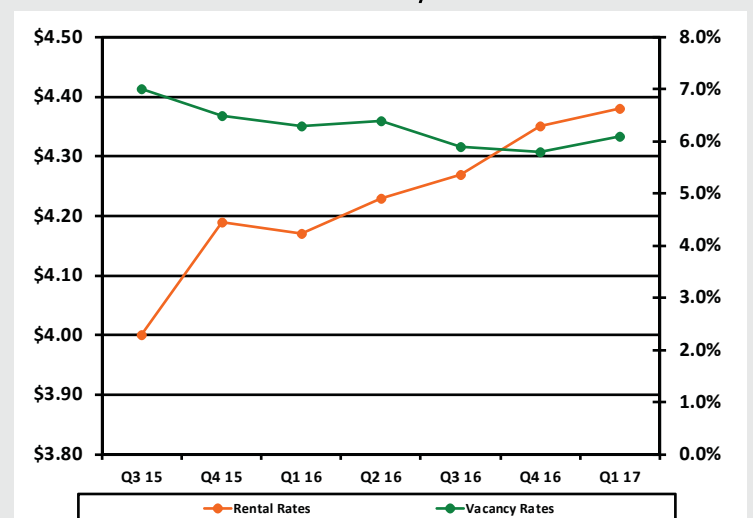
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Overall Industrial Inventory & Absorption



Overall Industrial Rental Rates & Vacancy Rates



*Disclaimer: All information is collected from CoStar Group at the end of 1st Quarter. All information is subject to change. Updated numbers for past quarters reflect CoStar's ongoing research for the most accurate market information.