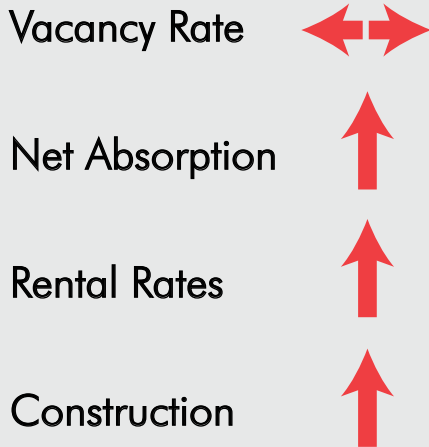




# Q4 2016 Industrial Market Report

## MARKET TRENDS

Compared to Previous Quarter



The overall industrial market remained relatively flat at the end of 2016. The industrial vacancy rate in the St. Louis market ended the fourth quarter 2016 at 6.0%, same as the end of the third quarter 2016.

The overall industrial net absorption decreased, although still positive. There were positive 1,011,295 square feet absorbed at the end of the fourth quarter 2016 including TAGG Logistics which occupied 63,000 square feet at 306 Hazelwood Logistics Center Dr. in Hazelwood. At the end of the third quarter 2016, net absorption was positive 1,321,654 square feet.

The average quoted asking rental rates for available industrial space increased to \$4.34 per square foot per year at the end of the fourth quarter 2016 in the St. Louis market area. The quoted rental rates were \$4.27 per square foot at the end of the third quarter 2016.

Fourth quarter 2016 delivered three buildings totaling 860,800 square feet in the St. Louis market. There were 5,794,863 square feet of industrial space under construction at the end of the fourth quarter 2016. Buildings under construction include the Wentzville Logistics Center, a 1,200,000 square foot industrial building in St. Charles County that is 100% leased and Gateway East 624 in Edwardsville's Gateway Commerce Center, a 624,150 square foot industrial building which is 0% leased.

## NOTEWORTHY SALE



Gateway East 717, a 717,250 square foot, distribution building located in Edwardsville, IL and 100% occupied by Amazon, sold for \$42,300,000. (\$58.98 PSF)

## NOTEWORTHY DEVELOPMENT



Wentzville Logistics Center will be delivering 1,200,000 square feet of industrial space in St. Charles, and is 100% leased to GMC.

## 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	243	18,683,161	1,876,767	1,876,767	10.0%	625,109	1,045,088	1,139,850	\$4.24
Chesterfield/Hwy-40	157	5,900,637	104,248	104,248	1.8%	11,564	0	590,000	\$8.73
Earth City	314	23,730,277	1,975,398	2,104,398	8.9%	452,334	0	0	\$4.88
Fenton	224	8,943,490	416,459	420,680	4.7%	(6,442)	0	0	\$7.01
Hanley	283	6,378,365	99,092	99,092	1.6%	80,916	0	0	\$5.74
Illinois	739	42,203,215	879,319	1,089,491	2.6%	1,749,253	1,540,050	1,192,730	\$3.85
Innerbelt E of 170	230	10,037,088	178,020	276,020	2.8%	(115,183)	0	0	\$4.07
Innerbelt W of 170	378	11,288,716	507,856	507,856	4.5%	193,330	0	0	\$4.50
North County	156	7,233,371	356,345	356,345	4.9%	1,009,218	915,000	537,753	\$4.20
South County	278	9,135,764	403,942	403,942	4.4%	164,766	0	0	\$6.07
St Charles County	811	27,994,177	560,814	630,872	2.3%	160,664	138,000	2,289,530	\$5.31
St Louis City North	815	38,621,760	4,276,006	4,276,006	11.1%	67,136	0	0	\$2.94
St Louis City South	972	36,052,330	2,993,808	2,993,808	8.3%	112,660	140,000	0	\$3.24
West County	145	4,714,019	44,868	44,868	1.0%	12,298	0	15,000	\$7.16
Westport	419	15,686,625	686,398	686,398	4.4%	409,499	0	30,000	\$6.01
<b>Totals</b>	<b>6,164</b>	<b>266,602,995</b>	<b>15,359,340</b>	<b>15,870,791</b>	<b>6.0%</b>	<b>4,927,122</b>	<b>3,778,138</b>	<b>5,794,863</b>	<b>\$4.34</b>

Source: CoStar Property®



## RECENT MARKET TRANSACTIONS

Tenant Name	Building	SF	Submarket
Best Buy	Premier 370	252,000	St. Charles County
Fiserv*	Lindbergh Distribution Center	182,358	Airport
Motors & Armatures	643-653 Lambert Pointe Dr. Bldg F	90,696	Airport
Custom Assembly	9215 Riverview Dr.	84,418	St. Louis City North
Hiab	2391 Cassens Dr.	52,870	Fenton

\*Renewal

## FEATURED PROPERTY



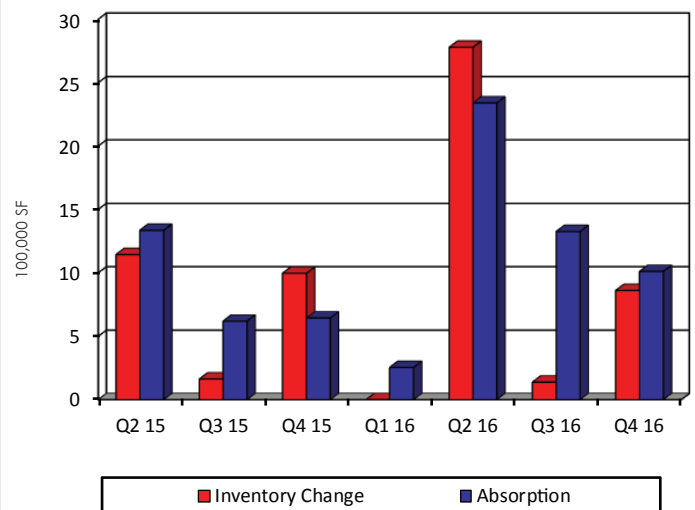
**1780 Belt Way Drive**  
St. Louis, MO 63114

- 98,000 +/- SF Available for Sublease
- Office/Warehouse - Manufacturing
- 20'-22' Clear Ceiling Height
- 7 Docks & 1 Drive-In
- Fully Air-Conditioned
- Rail Spur
- Silo Storage Tanks
- Sublease Rate: \$3.50 PSF, NNN

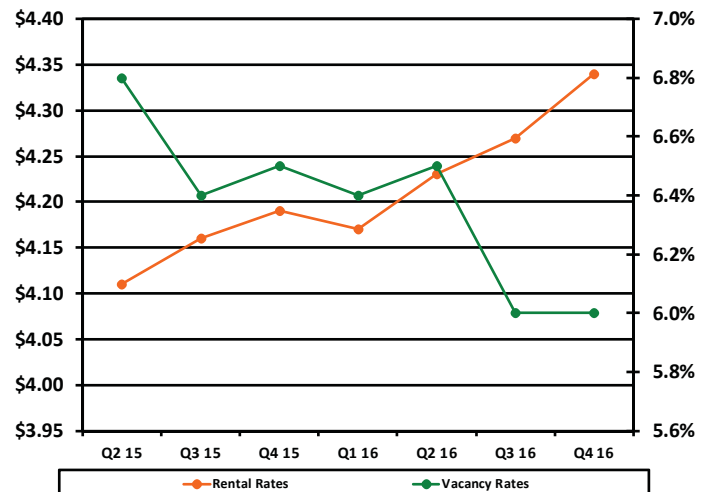
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## Overall Industrial Inventory & Absorption



## Overall Industrial Rental Rates & Vacancy Rates



\*Disclaimer: All information is collected from CoStar Group at the end of 4th Quarter. All information is subject to change. Updated numbers for past quarters reflect CoStar's ongoing research for the most accurate market information.