



# Q3 2018

## Industrial Market Report

### MARKET TRENDS

Compared to Previous Quarter

Vacancy Rate



Net Absorption



Rental Rates



Construction



The overall industrial vacancy rate for the St. Louis market slightly decreased. The industrial vacancy rate ended the third quarter 2018 at 4.2%, compared to 4.8% at the end of the first and second quarter of 2018.

The overall industrial net absorption increased at the end of the third quarter 2018. There were positive 2,043,813 square feet absorbed at the end of the third quarter 2018. At the end of the second quarter 2018, net absorption was positive 840,921 square feet. Davidson Logistics moved into 850,000 square feet at 13930 Missouri Bottom Rd. which delivered in second quarter 2018; Geodis moved into 202,019 square feet at 255 Logistics Center in Sauget, Illinois; and Nike moved into 140,000 square feet at 101 Industrial Drive in Wentzville and will add an additional 107,000 square feet in 2019.

The average quoted asking rental rates for available industrial space remained at \$4.69 per square foot at the end of the third quarter 2018 in the St. Louis market area.

Four new buildings totaling 209,822 square feet were delivered in the St. Louis market in the third quarter of 2018, including 2078 Fenton Logistics Park Blvd. which is 77.3% occupied by tenants Sim Corlink and Beckwood Press. There were still 5,226,249 square feet of industrial space remaining under construction including Amazon's 855,080 square foot distribution center at 4000 Premier Parkway in the St. Charles County submarket.

### NOTEWORTHY SALE



2008 Altom Ct., a 42,415 SF, Class B, industrial warehouse in Maryland Heights sold for \$3,100,000. (\$73.09 PSF)

### NOTEWORTHY SALE



8950 Pershall Rd., a 242,630 SF, Class B, industrial distribution building in Hazelwood sold for \$11,212,000. (\$46.21 PSF)

| Market              | Existing Inventory |                    |                   | Vacancy           |             | YTD Net          |                  | YTD              | Under         | Quoted |
|---------------------|--------------------|--------------------|-------------------|-------------------|-------------|------------------|------------------|------------------|---------------|--------|
|                     | # Bids             | Total RBA          | Direct SF         | Total SF          | Vac %       | Absorption       | Deliveries       | Const SF         | Rates         |        |
| Airport             | 250                | 20,216,465         | 943,333           | 943,333           | 4.7%        | 758,035          | 215,667          | 380,000          | \$4.57        |        |
| Bond County         | 9                  | 135,180            | 0                 | 0                 | 0.0%        | 0                | 0                | 0                | \$2.75        |        |
| Chesterfield/Hwy-40 | 157                | 5,908,855          | 144,585           | 149,181           | 2.5%        | 68,467           | 0                | 905,000          | \$10.24       |        |
| Clinton County      | 26                 | 852,369            | 2,230             | 2,230             | 0.3%        | 35,874           | 0                | 0                | \$2.82        |        |
| Crawford County     | 38                 | 1,365,915          | 8,700             | 8,700             | 0.6%        | 0                | 0                | 0                | \$4.94        |        |
| Earth City          | 316                | 23,386,300         | 1,959,326         | 2,109,326         | 9.0%        | (44,410)         | 0                | 0                | \$4.94        |        |
| Fenton              | 223                | 9,234,539          | 327,697           | 327,697           | 3.5%        | 152,303          | 159,422          | 327,166          | \$6.08        |        |
| Franklin County     | 281                | 10,211,539         | 128,954           | 128,954           | 1.3%        | 523,891          | 315,000          | 0                | \$3.52        |        |
| Hanley              | 284                | 6,369,751          | 170,676           | 170,676           | 2.7%        | 43,992           | 0                | 0                | \$6.02        |        |
| Illinois            | 797                | 45,400,847         | 1,619,751         | 1,619,751         | 3.6%        | (553,415)        | 98,000           | 769,500          | \$3.96        |        |
| Innerbelt E of 170  | 231                | 9,8790,834         | 47,537            | 62,537            | 0.6%        | 77,420           | 0                | 0                | \$5.96        |        |
| Innerbelt W of 170  | 384                | 11,341,255         | 249,517           | 249,517           | 2.2%        | 63,887           | 0                | 0                | \$6.20        |        |
| Jefferson County    | 295                | 5,789,355          | 48,006            | 48,006            | 0.8%        | (1,800)          | 0                | 0                | \$5.23        |        |
| Jersey County       | 10                 | 96,947             | 0                 | 0                 | 0.0%        | 0                | 0                | 0                | \$0.00        |        |
| Lincoln County      | 50                 | 1,455,457          | 42,500            | 42,500            | 2.9%        | (42,500)         | 0                | 0                | \$4.00        |        |
| Macoupin County     | 29                 | 572,811            | 6,200             | 6,200             | 1.1%        | 1,500            | 0                | 0                | \$4.00        |        |
| Monroe County       | 24                 | 1,651,406          | 0                 | 0                 | 0.0%        | 12,100           | 0                | 0                | \$8.63        |        |
| North County        | 159                | 8,649,994          | 1,206,492         | 1,206,492         | 13.9%       | 735,921          | 850,000          | 745,000          | \$4.41        |        |
| South County        | 289                | 9,228,720          | 289,044           | 352,477           | 3.8%        | 79,207           | 0                | 10,000           | \$6.92        |        |
| St Charles County   | 841                | 30,764,871         | 962,290           | 962,290           | 3.1%        | 289,131          | 0                | 1,814,583        | \$5.24        |        |
| St Louis City North | 821                | 39,014,476         | 2,023,902         | 2,024,402         | 5.2%        | 48,479           | 0                | 0                | \$3.31        |        |
| St Louis City South | 989                | 35,979,564         | 1,258,300         | 1,276,300         | 3.5%        | 336,408          | 0                | 275,000          | \$3.85        |        |
| Warren County       | 73                 | 2,189,946          | 11,436            | 11,436            | 0.5%        | (33,428)         | 0                | 0                | \$4.51        |        |
| Washington County   | 9                  | 239,168            | 30,000            | 30,000            | 12.5%       | 922              | 0                | 0                | \$4.50        |        |
| West County         | 148                | 4,771,612          | 11,120            | 11,120            | 0.2%        | (376)            | 0                | 0                | \$5.73        |        |
| Westport            | 425                | 15,520,345         | 897,101           | 1,044,621         | 6.7%        | (15,010)         | 127,000          | 0                | \$5.58        |        |
| <b>Totals</b>       | <b>7,158</b>       | <b>300,238,681</b> | <b>12,316,197</b> | <b>12,715,246</b> | <b>4.2%</b> | <b>3,032,526</b> | <b>1,765,089</b> | <b>5,226,249</b> | <b>\$4.69</b> |        |

Source: CoStar Property®



## RECENT MARKET TRANSACTIONS

| Tenant Name             | Building                        | SF      | Submarket    |
|-------------------------|---------------------------------|---------|--------------|
| Geodis, Inc.            | 21-27 Gateway Commerce Ctr. Dr. | 763,471 | Illinois     |
| RK Home Enterprises     | 3740-3780 Rider Trail S.        | 51,000  | Earth City   |
| Mygrant Glass           | 4806 Trade Access Blvd.         | 43,000  | North County |
| Major Custom Assemblies | 4806 Trade Access Blvd.         | 40,000  | North County |
| International Foods     | 6066 Aviator Dr.                | 28,862  | Airport      |

## FEATURED PROPERTY



### Park 370 Industrial Land Opportunities Hazelwood, MO 63042

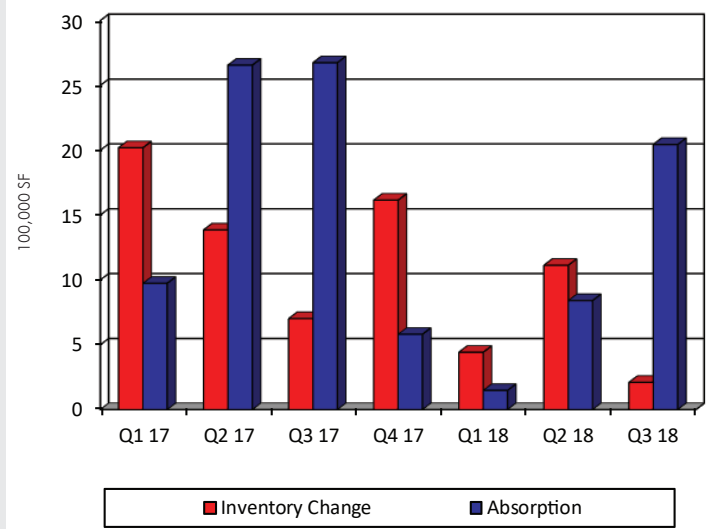
- 1.22 Acres - 6.34 Acres Available
- Level Sites
- Across from Proposed POWERPLEX Sports Complex
- Near Future Site of Hazelwood Trade Port
- Zoned I-1 Light Industrial (City of Hazelwood)
- Excellent Interstate Access
- Utilities at or Near Sites
- Sale Price: \$3.50 PSF - \$4.00 PSF

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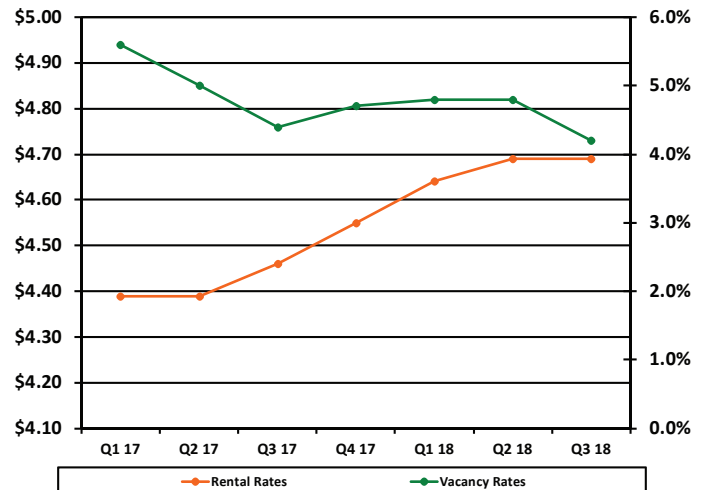
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## Overall Industrial Inventory & Absorption



## Overall Industrial Rental Rates & Vacancy Rates



\*Disclaimer: All information is collected from CoStar Group at the end of 3rd Quarter. All information is subject to change. Updated numbers for past quarters reflect CoStar's ongoing research for the most accurate market information.