



St. Louis, MO

Industrial

21Q1

Key Takeaways

- Another strong quarter for the industrial market
- Vacancy continues to fall as asking rents rise
- St. Louis continues to be a seller's market



Construction Activity Remains High

The St. Louis industrial market posted another strong quarter in Q2 and is showing few signs of slowing down. Vacancy dropped by over two percentage points from the previous year from 6.10% to 4.07% and rental rates are steadily increasing. Overall net absorption increased over 500,000 square feet (SF) compared to Q2 2020 and absorption is likely to increase as the year progresses. St. Louis is still a seller's market in Q2 2021. Year-to-date sales activity numbers are strong compared to previous years and currently exceed 5 million square feet (MSF). Construction activity remains high to meet the continued demand for more inventory. The industrial market added close to 1 MSF in Q2, 200,000 SF more than construction completions one year ago. The largest addition this quarter was in St. Charles County with Medline's new 811,300-SF warehouse distribution facility in Premier 370 Business Park (5000 Premier Parkway). There is still a high demand for industrial space throughout the St. Louis market and with over 2 MSF still under construction, St. Louis should be able to meet that demand. Amazon continues to dominate the industrial scene and currently has two new locations under construction in the North County and St. Charles submarkets totaling 405,000 SF. 2021 has been a strong year thus far and is expected to continue in a positive direction.

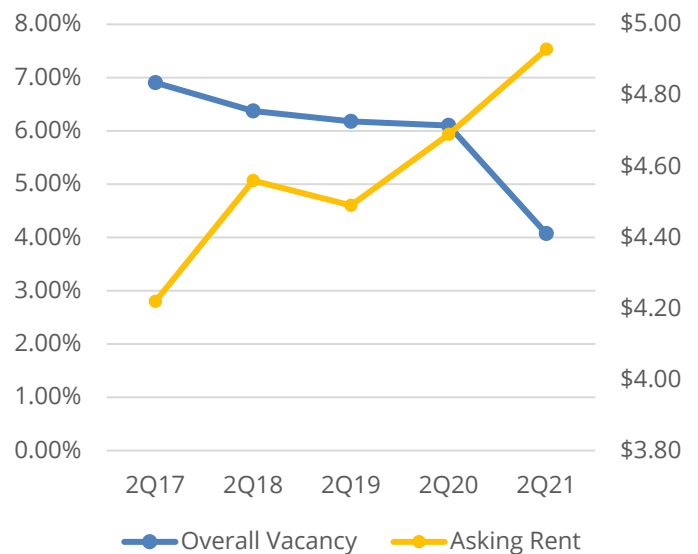
Market Indicators



Historic Comparison

	20Q2	21Q1	21Q2
Total Inventory (in Millions of SF)	246.8	249.4	250.3
New Supply (in Millions of SF)	.858	.725	1.669
Net Absorption (in Millions of SF)	1.071	1.748	.788
Overall Vacancy	5.64%	4.3%	4.07%
Under Construction (in Millions of SF)	2.156	2.983	2.375
Overall Asking Lease Rates (NNN)	4.69	4.97	4.93

Historic Vacancy & Rental Rates



Vacancy rates continue to drop while asking rents rise. This trend is expected to continue as the year progresses.

Submarket	Number of Buildings	Total Inventory	Overall Vacant Space (SF)	Vacancy Rate	Net Absorption YTD (SF)	Under Construction	Deliveries YTD	Avg Direct Asking Rate
Airport	216	21,547,499	848,119	3.94%	(43,640)	0		\$5.40
Earth City	286	24,407,885	1,539,513	6.31%	178,860	111,876	0	\$4.44
Westport	419	16,859,614	662,202	3.93%	26,209	0		\$6.51
St. Louis City	857	62,416,164	2,387,845	3.83%	(206,511)	0		\$5.82
Metro East	260	37,351,589	2,207,279	5.91%	(28,415)	645,846	660,827	\$4.08
Mid-County	461	19,650,931	594,793	3.03%	(21,814)	0		\$5.42
Chesterfield	129	4,572,323	370,300	8.10%	(80,817)	0		\$8.51
Hanley/Brentwood	188	5,458,269	83,867	1.54%	(5,766)	0		\$6.86
Fenton	315	13,292,109	605,309	4.55%	68,946	0	30,000	\$5.74
South County	195	8,180,583	140,588	1.72%	11,384	0		\$6.35
North County	69	6,753,520	358,379	5.31%	6,800	1,482,572	0	\$4.73
West County	37	2,036,946	22,528	1.11%	0	0		\$5.41
Jefferson County	70	2,541,667	0	0.00%	0	0	25,000	\$3.52
St. Charles County	443	25,277,342	366,460	1.45%	883,083	135,000	953,300	\$4.78
Total	3,945	250,346,441	10,187,182	4.07%	788,319	2,375,294	1,669,127	\$4.93



Premier 370 Business Park

Construction has completed on Medline's 811,300-SF build-to-suit warehouse distribution facility, the latest addition to the Premier 370 Business Park in St. Charles County. From its introduction, Premier 370 has grown to be a premier class industrial park. With easy access from multiple interstates, the park has proved to be an ideal location for industrial users. To date, there is a total of 3.4 MSF constructed including tenants such as Reckitt Benckiser, Best Buy, Grove Collaborative, and Amazon. In 2Q, Panattoni Development purchased the last two lots available and is going to develop two building (423,000 SF and 366,600 SF) with construction starting immediately.

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\$3.3B

in revenue



2B

square feet under management



18,000 +

professionals and staff

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