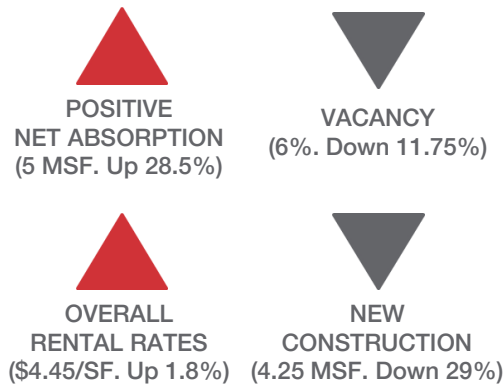


MARKET OVERVIEW

YEAR OVER YEAR STATISTICAL CHANGES 2016 vs. 2017



The St. Louis industrial market ended a strong 2017 with overall vacancy at 6%, down from an 8% historical average. Positive net absorption reached 5,400,000 square feet causing average rental rates to increase to nearly \$4.50 per SF - the highest since 2008. Economic drivers for new construction and increasing rental rates hinged on continued growth in e-commerce and a 17 year high in consumer confidence. New big box distribution buildings are coming out of the ground at a record pace as St. Louis is recognized as a Midwest distribution hub. Testimony to this new trend is the Amazon phenomenon, which has leased nearly 1,500,000 SF in nearby metro Illinois market, over 500,000 SF in the Hazelwood industrial submarket and another 855,000 SF just announced in St. Charles County. Third party logistics companies adding to the e-commerce push include Schenker (520,000 SF) and Geodis (624,000 SF) both in Gateway Commerce Center and Quiet Logistics leasing 270,000 SF in the Hazelwood Logistics Center.

St. Louis based industrial companies are also feeling upward pricing pressure as demand for 20,000 to 70,000 SF industrial buildings now outstrips supply. Alternatives for modern, well-located industrial buildings are scarce, leading to price increases and shortened marketing time – a favorable trend for companies that want to sell their property and a challenge for those looking to buy.

All indicators point to continued ground up construction in the St. Louis industrial market driven by e-commerce and expansion by strong local companies such as Worldwide Technology, Monsanto and GM, and further appreciation in industrial building values for well-located and well-designed industrial buildings.

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Recent Transactions

Peter Sheahan represented NorthPoint in the purchase of a 330 acre ground assemblage on Aubuchon Road in Hazelwood

Noel Fehr represented Wachter Properties in leasing an 11,956 SF industrial building to Mobile Techs of Missouri at 11043 Gravois Industrial Court in Sunset Hills

Andy Murphy and Brian Schnuck represented the seller of an 11,000 SF industrial building at 60 N Central Drive in O'Fallon

Bob Staniforth and Dan Hayes represented CHF Development, LLC in purchasing a 100,311 SF industrial building from First Mid-Illinois Bank & Trust at 3505 Tree Court Industrial Blvd. in St. Louis

John Sheahan and Peter Sheahan represented Wellington Court Trust in the sale of a 56,875 SF industrial building at 7140 Wellington Court in St. Louis

Allen Klippel represented the seller of a 141,215 SF industrial building at 2500 Century Drive in Granite City, IL



6880 Heege Road, St. Louis, MO 63123

SUBMARKET	South
SIZE	87,507 SF on 5.8 acres
SALE PRICE	\$5,300,000
CONTACT	Andy Murphy 314-994-4093

Investment property with long-term stable tenancy. Extensive tenant improvements, including HVAC and humidity controls, in place. Heavy power 3,600 amps of 3-phase.



3615 Tree Court Industrial Blvd, St. Louis, MO 63122

SUBMARKET	South
SIZE	46,250 SF on 1.72 acres
SALE PRICE	\$2,350,000
CONTACT	John Sheahan 314-994-4176 Michelle Miller 314-994-4944

Well maintained and renovated warehouse with 14% office finish, fully wet sprinklered, with 17-19' ceilings, 4 docks, and 1 drive-in door.



633-645 Spirit Valley Central Dr, Chesterfield, MO

SUBMARKET	West
SIZE	5,000 – 10,000 SF
SALE PRICE	\$600,000
CONTACT	Dan Hayes 314-994-4068

Flex condominium/office/warehouse building with screened outside storage capabilities, ESFR sprinkler systems and 20' ceilings.



889 Horan Drive, Fenton, MO 63026

SUBMARKET	South
SIZE	29,386 SF on 2.27 acres
SALE PRICE	\$1,995,000
CONTACT	Mike Wolken 314-994-4948 Noel Fehr 314-994-4953

Built in 1983 with 16' clear ceiling height in warehouse. Added crane facility in 2004 with 33' ceiling height. Has 3 dock doors, 2 drive-in doors, make-up air system and is fully sprinklered.



2214-2118 59th Street, St. Louis, MO 63110

SUBMARKET	South St. Louis City
SIZE	25,708 SF
SALE PRICE	\$990,000
CONTACT	Kevin McKeon 314-994-4287

Building 1 - 23,208 SF with updated office, 1 loading dock, 12-15.5" clear ceiling heights, partially climate controlled, single & 3-phase electric. Building 2 - 2,500 SF warehouse with 2 drive-in doors. Property has 45 parking spaces.

Sale Comps

The next two pages provide recent industrial sale comps in the St. Louis metropolitan area. For more information contact any NAI DESCO Industrial Group broker.

ST. CHARLES COUNTY

1 GCL-Poly Energy Holdings Ltd. purchased a 60,000 SF flex building at **4 Research Park Drive** for \$3,900,000 (**\$65.00 psf**)

2 TSP Blackhawk purchased a 249,889 SF industrial building at **1010 Turner Blvd** for \$9,837,623 (**\$39.37 psf**)

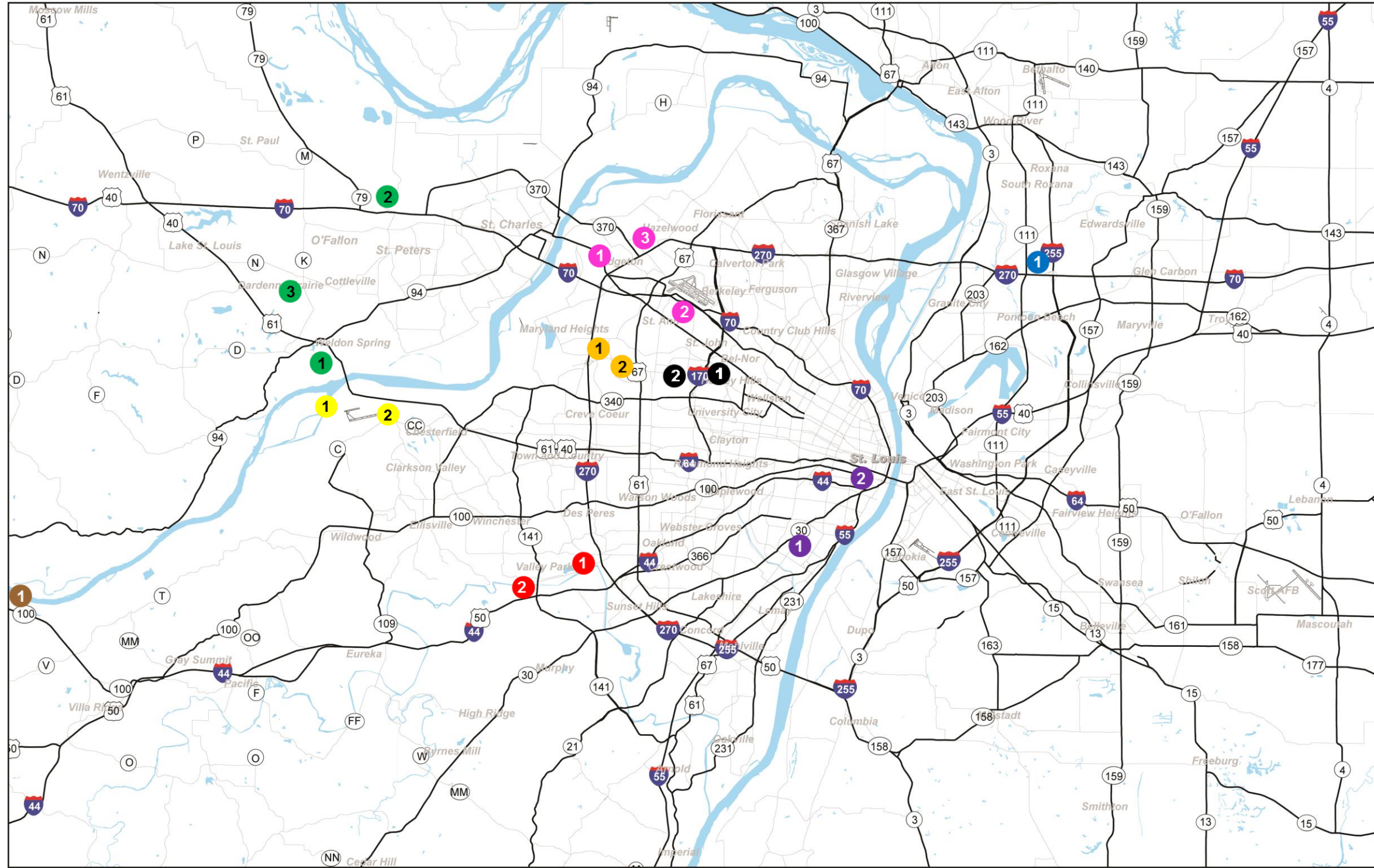
3 Stag Industrial Holdings, LLC purchased a 109,854 SF warehouse at **6705 Keaton Corporate Parkway** for \$5,740,000 (**\$52.25**)

EARTH CITY / NORTH COUNTY

1 PCH Consulting, LLC purchased a 21,950 SF office/warehouse at **140 Boulder Industrial Drive** for \$750,000 (**\$34.17 psf**)

2 Brown Real Estate, LLC purchased a 33,915 SF industrial building at **9460-9480 Aero Space Drive** for \$2,250,000 (**\$66.34 psf**)

3 TSP Blackhawk, LLC purchased a 215,935 SF warehouse at **1602-1620 Park 370 Court** for \$10,800,000 (**\$50.01 psf**)



WESTPORT/ MARYLAND HEIGHTS

1 Green Park Care, Inc. purchased a 58,654 SF multi-tenant warehouse building at **149 Weldon Parkway** for \$5,100,000 (**\$86.95 psf**)

2 BBK of Westport Industrial, LLC purchased a 247,303 SF distribution center at **11418-46 Moog Drive** as part of a 5-building portfolio for \$8,822,408 (allocated) (**\$35.67 psf**)

CENTRAL

1 Westwood Progress, LLC purchased a 98,000 SF warehouse building at **1780 Belt Way Drive** for \$3,025,000 (**\$30.87 psf**)

2 K. Callahan Development purchased a 7,840 SF warehouse building at **10218 Bach Blvd.** for \$292,000 (**\$37.24 psf**)

WEST COUNTY / CHESTERFIELD

1 Caruso Motorsports, LLC purchased a 12,800 SF warehouse building on 6.4 acres at **18325 Wings Corporate Drive** for \$1,595,000 (**\$124.60 psf**)

2 668 Goddard, LLC purchased a 10,500 SF light mfg/office/ warehouse building on 0.97 acres at **668 Goddard Ave** for \$665,000 (**\$63.33 psf**)

FENTON / SOUTH COUNTY

1 CHF Development, LLC purchased a 100,311 SF office/warehouse building at **3505 Tree Court Industrial Blvd** for \$5,250,000 (**\$52.31 psf**)

2 2701 Barrett, LLC purchased a 21,000 SF office/warehouse building on a 5 acre parcel and fenced site at **106 S. Elam Ave** for \$1,750,000 (**\$83.33 psf**)

ST. LOUIS CITY

1 Lora Property Investments, LLC purchased a 105,000 SF industrial building at **4501 Gustine Ave** for \$1,150,000 (**\$10.95 psf**)

2 J & R Chanal, LLC purchased a 9,700 SF office/warehouse at **2629 Choteau Ave** for \$2,245,000 (**\$231.44 psf**)

JEFFERSON / FRANKLIN COUNTIES

1 Franklin County Recycling purchased a 97,484 SF industrial building on a 17 acre parcel at **1699 W Main Street** in Washington for \$92,0250 (**\$9.44 psf**)

ILLINOIS

1 L&B Realty Advisors, LLP purchased a total of 1,145,300 SF at **349 Commerce Center Dr E & 3051 Gateway Commerce Center East**, as part of a portfolio for (**\$55.88 psf**)