

Fall 2024 Industrial Report

ST. LOUIS INDUSTRIAL | MARKET BUZZ

While industrial tenant demand has slowed in St. Louis over the past year, space availability is just below the long-term average, and the market is not experiencing the same supply-side pressures as many other parts of the country.

The St. Louis industrial market has bucked the national trend of rising vacancy rates over the past 18 months. Fewer properties have been built since the start of 2023, following a record amount of new construction in the previous two years. This helped soften the blow of slowing demand, with annual absorption reaching 770,000 SF at the end of 24Q2, a decline of 80% from the market's 10-year average. Tenant demand among new leases has come from local companies in recent quarters as fewer national tenants are looking in the market. Expansions by companies such as Concrete Strategies and Dr. Brown's have led to leasing activity of over 100,000 SF.

As of the end of 24Q2, St. Louis had a vacancy rate of 4.8%, up 40 basis points from the beginning of 2023. This compares to the national average of 6.5%, up from 4.3% in the same period. This 170-basis point gap is the largest in over a decade.

Developers are also pulling back due to higher interest rates. Over the past year, just one speculative building over 300,000 SF has broken ground. The construction pipeline in the region measures 3.7 million SF, only 1.1% of the total inventory, nearly half of the national average. The limited supply of new buildings expected to become available this year and in 2025 will help reduce the market's downside risk. With build-to-suits driving development, availability among properties under construction is also low. Entering the second half of the year, the availability rate of buildings under construction over 100,000 SF is 19%, with most of the largest projects being driven by tenants, including American Foods, Davidson Logistics, and Boeing.

Following the broader trend across the rest of the county, year-over-year rent growth has slowed to 1.8%, which is down by more than half from a year ago. Rent growth is projected to stay near its current level for the rest of the year.

Downside risks for vacancies in 2024 are more limited in Saint Louis than in other markets. Vacancies are forecast to remain flat through the end of the year as most developments are finishing construction with tenants in hand.

Source: CoStar

The NAI DESCO Industrial Brokerage Group



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Industrial Report

Fall 2024 | Featured Listings

NAIDESCO

Recent Transactions

John Sheahan & Bill Barnes represented Salt Creek Holdings, LLC in the sale of a 38,600 SF industrial building at 45 Progress Parkway in Maryland Heights

Steve Gwinnup & Tim Cribbin represented Nick Bruhy Body and Paint, LLC in the lease of an 8,500 SF industrial space at 205 E. Davis Street in St. Louis City

Michelle Goodwin & Meghan Donovan represented Vetter Construction Properties, LLC in the sale of a 31,352 SF industrial building at 12808-12814 Gravois Road in St. Louis

Dan Hayes represented Spirit Valley Development, LLC in the sale of a 2.898 AC industrial parcel at 604 Spirit Valley East Drive in Chesterfield, MO

Corbin Cox represented INOX LOFT, LLC in the sale of a 9,000 SF industrial building at 4330 Fyler Avenue in St. Louis City

Meghan Donovan & Dan Hayes represented Eagle Creek Property Management, Inc. in the sale of an 8,665 SF industrial building at 4801 Park 370 Blvd in Hazelwood

Tim Cribbin represented 719 Rudder Road, LLC in the lease of a 7,896 SF industrial space at 719 Rudder Road in Fenton

Dan Hayes & Kevin McKeon represented Winter Brothers Material Company, Inc. in the sale of two industrial parcels of 1.078 AC at 18393 Chesterfield Airport Road and 9.435 AC at 18395 Chesterfield Airport Road in Chesterfield



25,000 sf office/warehouse, new construction delivering 2Q25, 24' min. clear height, 2 truck-high docks & 1 ramped dock, HVAC to specifications, 3-Phase power, located in Fenton Ind. District

1587 Larkin Williams Road, Fenton, MO

SUBMARKET	South County
SIZE	25,000 SF
LEASE RATE	\$8.75-\$9.25 PSF, NNN
CONTACT	Bill Barnes 314-994-4401 Dan Hayes 314-994-4068



38,688 sf office/manufacturing/warehouse on 7 acres, six 5-ton cranes; one 10-ton crane, seven 16' drive-in doors, 28' clear ceiling height, 3-Phase 4-wire power, +/- 600 sf office/mezzanine

308 Lake Street, Macon, MO 63552

SUBMARKET	Macon County
SIZE	38,688 SF
SALE PRICE	\$1,975,000
CONTACT	Tim Cribbin 314-994-4448 Peter Sheahan 314-994-4081



12,000 SF office/warehouse, 2,000 SF office, 21' clear ceilings; 26' at peak, 1 drive-in and 1 loading dock, restrooms, 200 amp electrical service, 8 minutes west of Fenton

132 Workman Court, Eureka, MO 63025

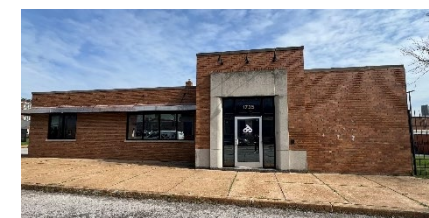
SUBMARKET	West County
SIZE	12,000 SF
LEASE RATE	\$8.00 PSF, MG
CONTACT	Bob Staniforth 314-994-2329



76,150 sf Industrial, 2 outdoor storage lots, 4-1600 amp systems, 3-Phase power, buss bars in place, fully conditioned, 4 loading docks, 2 drive-in doors (14' x 16')

1100 Stafford Street, Washington, MO 63090

SUBMARKET	Franklin County
SIZE	76,150 SF / 9.37 AC
LEASE RATE	Contact Broker for Pricing
CONTACT	Brian Schnuck 314-994-2321



4,800 sf service bldg., +/- 40% office/production space; +/- 60% warehouse, one 12' drive-in door, 12'-13' clear height in warehouse, 200-amp electrical service, gated parking (10 spaces)

1735 Delmar Blvd., St. Louis, MO 63103

SUBMARKET	St. Louis City
SIZE	4,800 SF
LEASE RATE	\$6.50 PSF, NNN
CONTACT	Michelle Goodwin 314-994-4944 Corbin Cox 314-994-2326

Quarterly Statistics

2Q24 vs. 2Q23



NET ABSORPTION



VACANCY



RENTAL RATES



UNDER CONSTRUCTION

2Q24 vs. 1Q24



NET ABSORPTION



VACANCY



RENTAL RATES



UNDER CONSTRUCTION

Sale Comps

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

ST. CHARLES COUNTY

1 CVD Property Group, LLC purchased a 30,000 SF warehouse at **109 W. Koenig Dr** for \$1,480,000 (**\$49.33 psf**)

2 Baker RE Holdings purchased a 14,300 SF warehouse at **125 N. Service Rd** for \$1,445,000 (**\$101.05 psf**)

WEST COUNTY

1 Grande Commercial Partners purchased a 36,000 SF warehouse at **675 Spirit Valley Central Dr** for \$5,500,000 (**\$152.78 psf**)

2 Carlee, LLC purchased a 32,280 SF warehouse at **566 Leffingwell Ave** for \$2,955,500 (**\$91.56 psf**)

EARTH CITY / NORTH CO

1 Eagle Creek Property Management, Inc. purchased an 8,665 SF warehouse at **4801 Park 370 Blvd** for \$1,005,000 (**\$115.98 psf**)

2 SNP Rider Trail Industrial, LLC purchased a 200,000 SF warehouse at **4301 Rider Trail N** for \$23,500,000 (**\$117.50 psf**)

3 Messerstrom, Inc. purchased a 12,648 SF warehouse at **4120 Rider Trail N** for \$1,425,000 (**\$112.67 psf**)

WESTPORT / MARYLAND HEIGHTS

1 SRH, LLC purchased a 38,600 SF warehouse at **45 Progress Parkway** for \$3,500,000 (**\$90.67 psf**)

2 DCL Properties, LLC purchased a 55,510 SF warehouse at **2200 Forte Ct** for \$4,365,925 (**\$78.65 psf**)

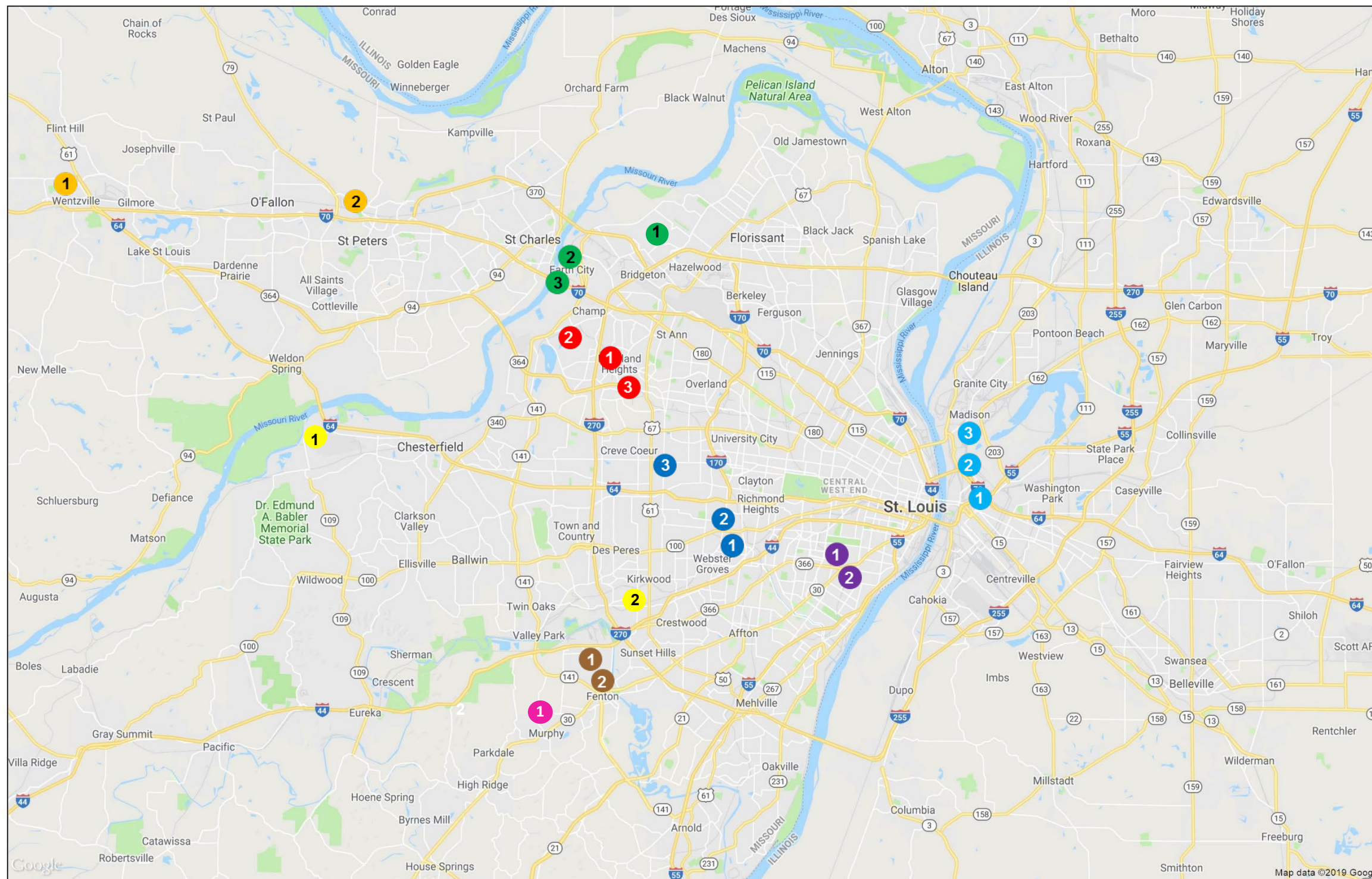
3 2418 Northline Ind. Dr. Investments, LLC purchased a 9,000 SF warehouse at **2418 Northline Ind. Blvd** for \$940,000 (**\$104.44 psf**)

ILLINOIS

1 Ederer Investment Company purchased a 16,867 SF warehouse at **1087 Route 3** for \$4,713,500 (**\$279.45 psf**)

2 Fundamental Income purchased a 102,147 SF warehouse at **1122 Saint Clair Ave** for \$12,970,000 (**\$126.97 psf**)

3 O'Brien Steel Services purchased a 141,395 SF warehouse at **10 Washington Ave** for \$2,515,000 (**\$17.79 psf**)



ST. LOUIS CITY

1 Chris Barnett purchased a 9,000 SF warehouse at **4330 Fyler Ave** for \$557,000 (**\$61.89 psf**)

2 Wombat Acquisitions, LLC purchased a 107,525 SF warehouse at **4501 Gustine Ave** for \$3,255,000 (**\$30.27 psf**)

CENTRAL COUNTY

1 Timberline Landscapes purchased a 12,000 SF warehouse at **2819 Breckenridge Ind. Ct** for \$1,260,000 (**\$105.00 psf**)

2 The City of Brentwood purchased a 38,700 SF warehouse at **288 Hanley Industrial Ct** for \$2,709,795 (**\$70.02 psf**)

3 Apsara Properties, LLC purchased an 11,212 SF warehouse at **10746 Trenton Ave** for \$980,000 (**\$87.40 psf**)

FENTON / SOUTH COUNTY

1 Hampton-Merlin, LLC purchased a 39,845 SF warehouse at **570-578 Rudder Rd** for \$4,183,725 (**\$105.00 psf**)

2 Matrix Group V, LLC purchased a 62,824 SF warehouse at **1587 Larkin Williams Rd** for \$4,900,000 (**\$77.99 psf**)

JEFFERSON / FRANKLIN COUNTIES

1 R&K Holding Company, LLC purchased a 23,484 SF warehouse at **2100 N. Lark Drive** for \$1,550,000 (**\$66.00 psf**)