

ST. LOUIS INDUSTRIAL MARKET REPORT

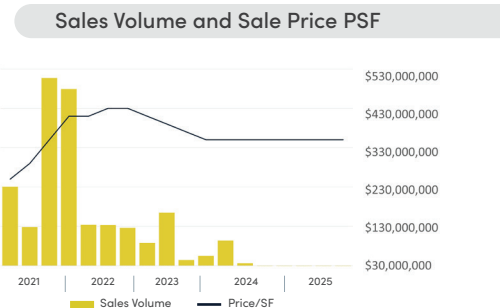
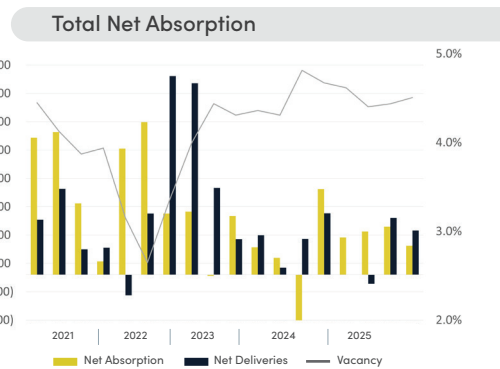
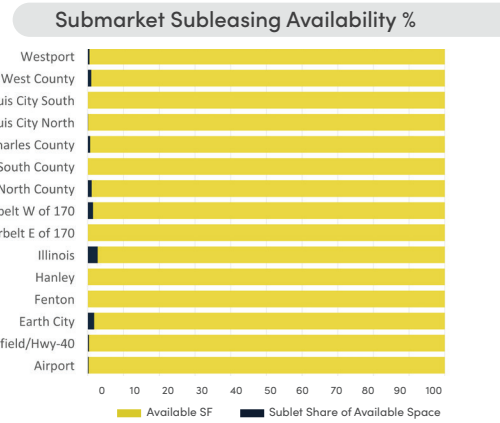
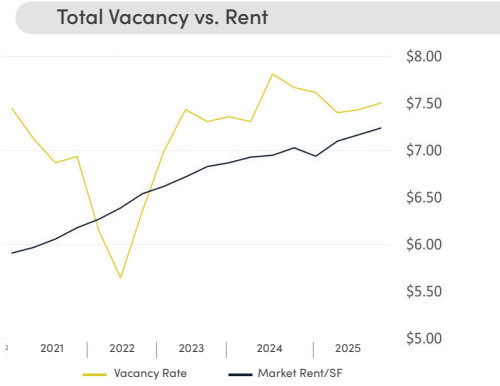
SOURCE: CoStar (St. Louis, MO Market) | Data as of 4/2024

Intelica Insights

Despite the softening of industrial tenant demand in St. Louis, industrial space availability remains limited with a vacancy rate of 4.3% at the beginning of 2024. This rate has stayed flat over the past year, contrary to the national trend of rising vacancies in 2023. In recent quarters, the local tenant base has expanded, but the impact of declining macroeconomic conditions has been evident in leasing and absorption rates this year. Absorption in 2023 decreased to 1.8 million SF from the prior year's 3.2 million SF, with some expansions offset by space givebacks from larger occupiers like Dial, ITF, and Walgreens.

As major tenants reduce their operations, leasing activity has decelerated, marking an 18% decline in 2023 from 2022 levels. This trend may result in a modest uptick in vacancy rates in the first half of 2024 if demand remains at its current level. Developers are scaling back due to higher interest rates and stricter lending requirements, resulting in primarily build-to-suit projects rather than speculative construction. The construction pipeline for the region is limited, measuring only 3.6 million SF at the start of 2024, which is considerably lower than the national average.

Rent growth has also slowed to 4.8% year-over-year, down from a peak of 7.9% in 2022, with projections indicating further slowing due to a cooling economy. However, downside risks for rents in St. Louis are comparatively limited due to constrained supply-side pressures.



Q1 2024 STATS

↑ 4.8%
Direct Market Vacancy

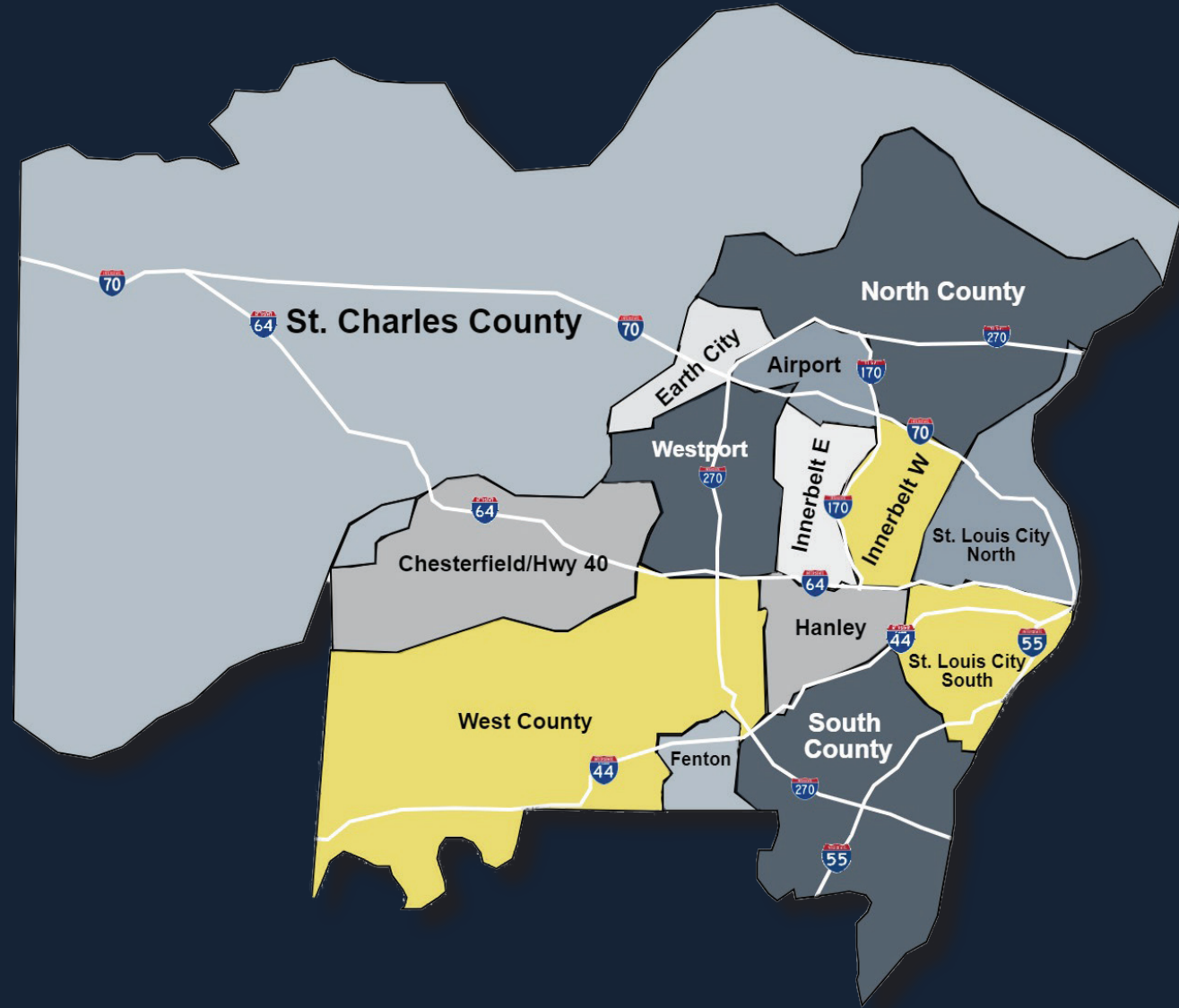
↑ \$7.90
Average Market Rental Rate/SF

↓ 2.3M
Square Feet Under Construction

↓ 395K
Year To Date Net Absorption (SF)

Q1 2024 St. Louis Industrial Market Statistics

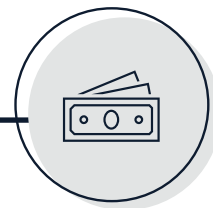
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Market	Inventory SF	Q1 Net Absorption SF	Net Absorption SF 12 Mo	Sublease Availability	Direct Vacancy %	Average Asking Rent/SF	Net Delivered SF	Under Construction SF
Airport	22,156,320	-70,924	215,376	0.2%	3.4%	\$6.94	-	83,277
Chesterfield/Hwy-40	5,854,445	12,875	23,453	0.3%	2.0%	\$12.96	-	-
Earth City	25,131,705	229,295	382,186	1.8%	5.9%	\$7.38	-	120,708
Fenton	10,761,833	-52,568	-50,938	0.0%	4.7%	\$9.34	-	-
Hanley	5,862,765	-10,640	57,353	0.0%	1.4%	\$10.11	-	-
Illinois	56,782,027	-34,404	387,150	2.7%	8.0%	\$5.68	-	375,000
Innerbelt E of 170	10,504,441	-229,176	-129,942	0.0%	5.1%	\$6.39	-	30,000
Innerbelt W of 170	11,589,950	106,974	103,005	1.4%	1.2%	\$8.15	-	-
North County	14,113,616	-463,053	138,301	1.1%	18.2%	\$6.22	-	850,000
South County	9,645,829	-4,361	-225,966	0.0%	2.5%	\$8.13	-	-
St Charles County	37,736,519	-91,581	-144,827	0.6%	3.8%	\$7.90	606,365	54,500
St Louis City North	37,522,213	-299,909	-609,503	0.1%	4.4%	\$5.52	-	-
St Louis City South	35,924,698	-165,968	-4,042	0.0%	3.0%	\$5.86	-	340,000
West County	4,835,215	-47,569	5,716	1.0%	4.0%	\$9.42	-	10,000
Westport	16,296,637	-29,245	248,155	0.4%	3.8%	\$8.48	-	512,048
Market Totals	304,718,213	-1,150,254	395,477	0.6%	4.8%	\$7.90	606,365	2,375,533

Notable Transactions

SOURCE: CoStar (St. Louis, MO Market) | Data as of 4/2024



Sold



258,372 SF

5100 Brown Ave
Submarket | St Louis City North



186,600 SF

8170 Lackland Rd
Submarket | Innerbelt E of 170



78,000 SF

4500 Earth City Expy
Submarket | Earth City



76,871 SF

2525 Adie Rd
Submarket | Westport



32,280 SF

566 Leffingwell Ave
Submarket | Hanley

Leased



455,900 SF

110 Gateway Commerce Center Dr E
Submarket | Illinois
Tenant | World Wide Technology
Type | New



233,100 SF

1590 Tradeport Drive
Submarket | North County
Tenant | Customized Distribution
Services
Type | New



150,000 SF

1590 Tradeport Drive
Submarket | North County
Tenant | Marson Foods
Type | New



110,000 SF

4875 Park 370 Blvd
Submarket | North County
Tenant | Planet Warehouse
Type | New



81,573 SF

415 Axminister Dr
Submarket | Fenton
Tenant | Zelis Healthcare
Type | New



Crane Watch



500,000 SF

Davidson Logistics
Missouri Bottom Rd
Submarket | North County



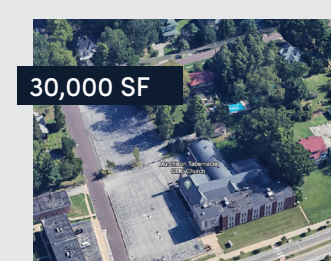
350,000 SF

Performance Food Group
5321 Hern Dr
Submarket | North County



140,000 SF

ICL
8201 Idaho Ave
Submarket | St. Louis City South



30,000 SF

USDA Food Safety Lab
7653 Natural Bridge Rd
Submarket | Innerbelt E of 170

For more market insights and information visit intelicacre.com

About Us:

Founded in 2010, Intelica was born from a desire to offer services catered specifically to the needs of the St. Louis region, rather than the “dot on a map” approach of national brokerages.

Over the course of 14 years, Intelica has grown service lines in private equity, construction management, occupier services, architecture, and marketing.

The founders and team members remain committed to the economic development of the region through strategic partnerships, philanthropy, and thousands of volunteer hours with local nonprofits every year.

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