3rd Quarter 2018

St. Louis Office Trends

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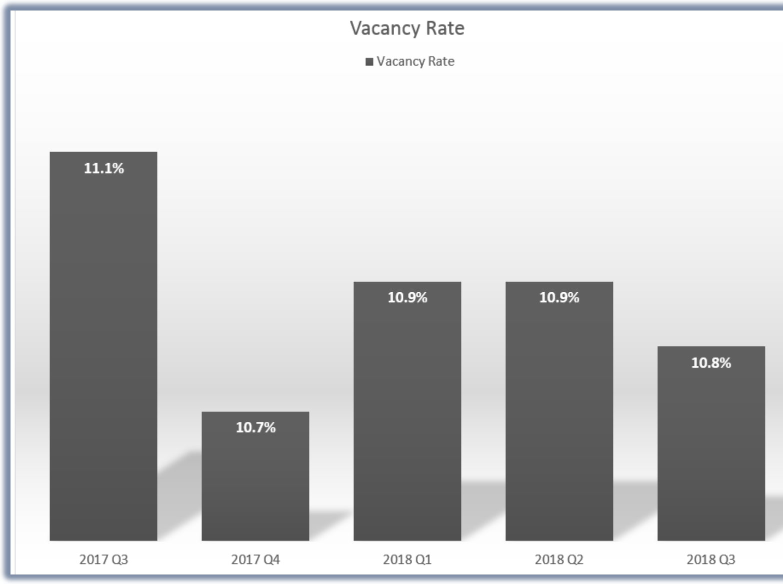
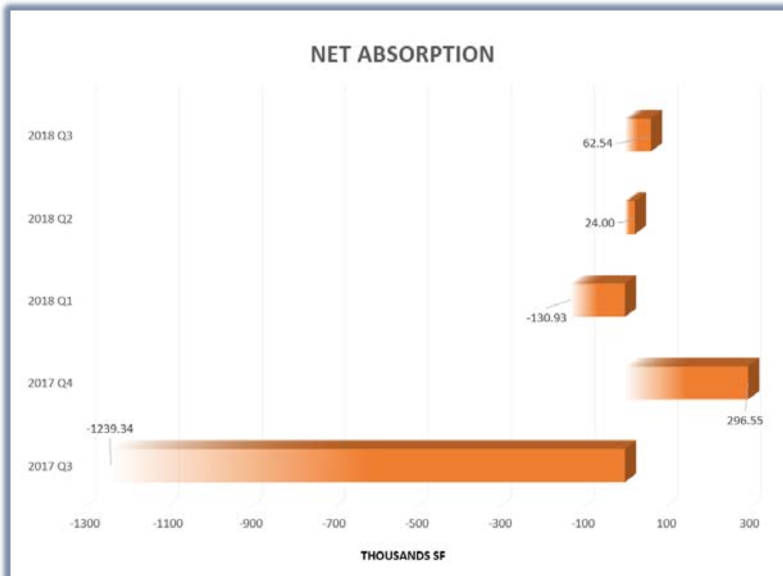
Market Overview

The St. Louis office market recorded 62,540 SF of net absorption during 3Q 2018. Direct net absorption totaled 80,556 SF of absorption with Sublet net absorption totaling a negative 18,016 SF for 3Q 2018. The total vacancy rate decreased from 11.1% in 3Q 2017 to 10.8% at the close of 3Q 2018. Direct vacancy rates decreased from 10.7% in 3Q 2017 to 10.3% at the close of 3Q 2018. Class B experienced an increase in vacancy from 9.6% in 3Q 2017 to 9.9% in 3Q 2018 while Class A experienced a decrease from 12.7% in 3Q 2017 to 11.9% in 3Q 2018. Overall asking rents (Gross) in Class A office buildings increased from $21.39 PSF in 3Q 2017 to $22.10 PSF at the close of 3Q 2018. Class B office buildings increased as well from $17.82 PSF in 3Q 2017 to $18.50 PSF at the close of 3Q 2018.

Market Snapshot

Inventory (SF)	72,296,081
No. of Buildings	1,105
Quarterly Net Absorption (SF)	62,540
Available Rate	14.9%
Total Vacancy Rate	10.8%
Available SF	10,801,586
Vacant SF	7,800,871
Gross Average Asking Rate	$20.16





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Snapshot by Submarket

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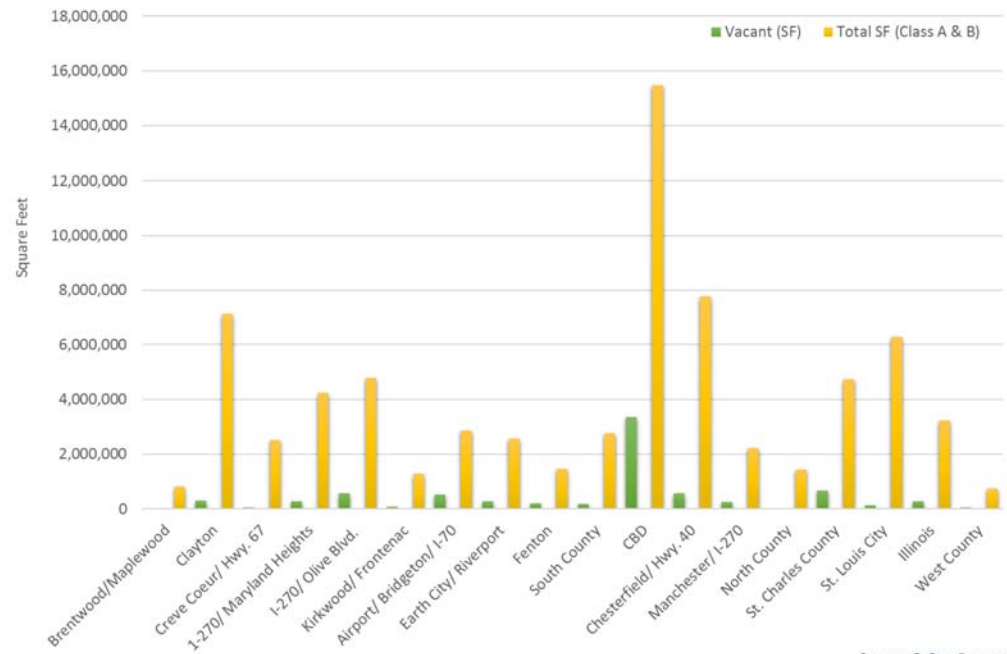
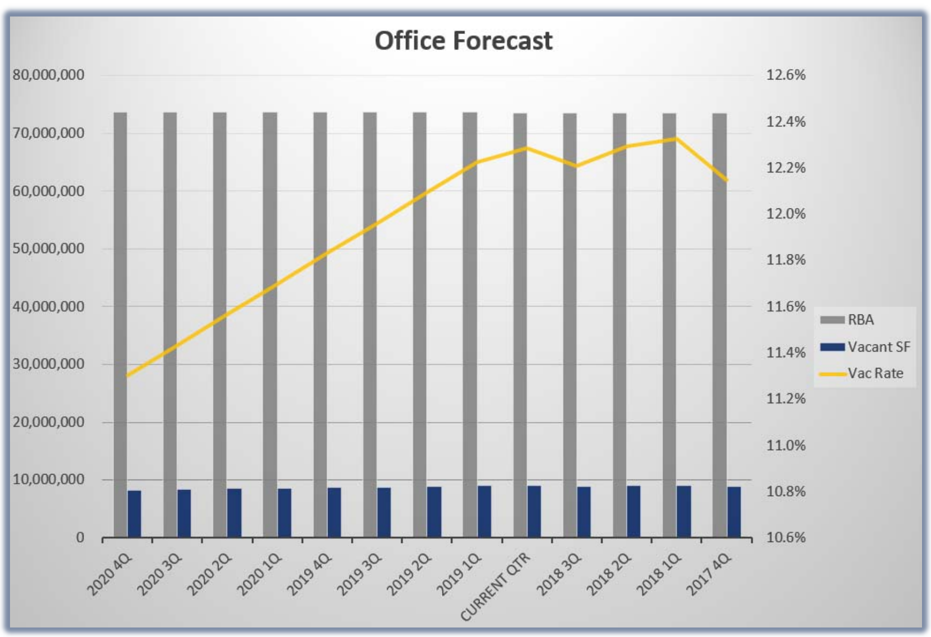


Source: CoStar Property

Submarket Name	Vacant (SF)	Vacant Rate	Total SF (Class A & B)	Class A (Average Rent PSF)	Class B (Average Rent PSF)	Building Count
Brentwood/Maplewood	7,956	1%	816,185	$17.84	$17.84	25
Clayton	289,444	4.1%	7,138,329	$29.16	$21.32	74
Creve Coeur/ Hwy. 67	57,360	2.3%	2,523,407	$23.15	$18.36	47
1-270/ Maryland Heights	273,585	6.5%	4,229,295	$22.23	$18.45	51
I-270/ Olive Blvd.	577,984	12.1%	4,787,798	$24.22	$19.84	70
Kirkwood/ Frontenac	67,823	5.3%	1,286,716	$27.33	$23.45	28
Airport/ Bridgeton/ I-70	532,088	18.6%	2,862,825	$18.23	$16.94	39
Earth City/ Riverport	277,654	10.9%	2,557,043	$20.73	$16.71	23
Fenton	197,848	13.5%	1,460,245	$21.47	$22.37	20
South County	183,996	6.7%	2,763,538	$23.58	$19.28	78
CBD	3,360,770	21.7%	15,478,536	$18.86	$14.97	87
Chesterfield/ Hwy. 40	574,384	7.4%	7,771,613	$27.36	$21.55	112
Manchester/ I-270	242,449	10.9%	2,215,864	$23.83	$23.15	36
North County	6,581	0.5%	1,425,028	$23.84	$17.84	15
St. Charles County	681,148	14.4%	4,725,118	$21.53	$17.04	137
St. Louis City	135,084	2.1%	6,286,210	$23.91	$16.64	109
Illinois	278,101	8.6%	3,220,825	$22.66	$17.70	125
West County	56,616	7.6%	747,506	$20.00	$16.43	29
Total/ Averages	**7,800,871**	**10.8%**	**72,296,081**	**$22.77**	**$18.88**	**1105**

Notable Transactions in 3Q 2018

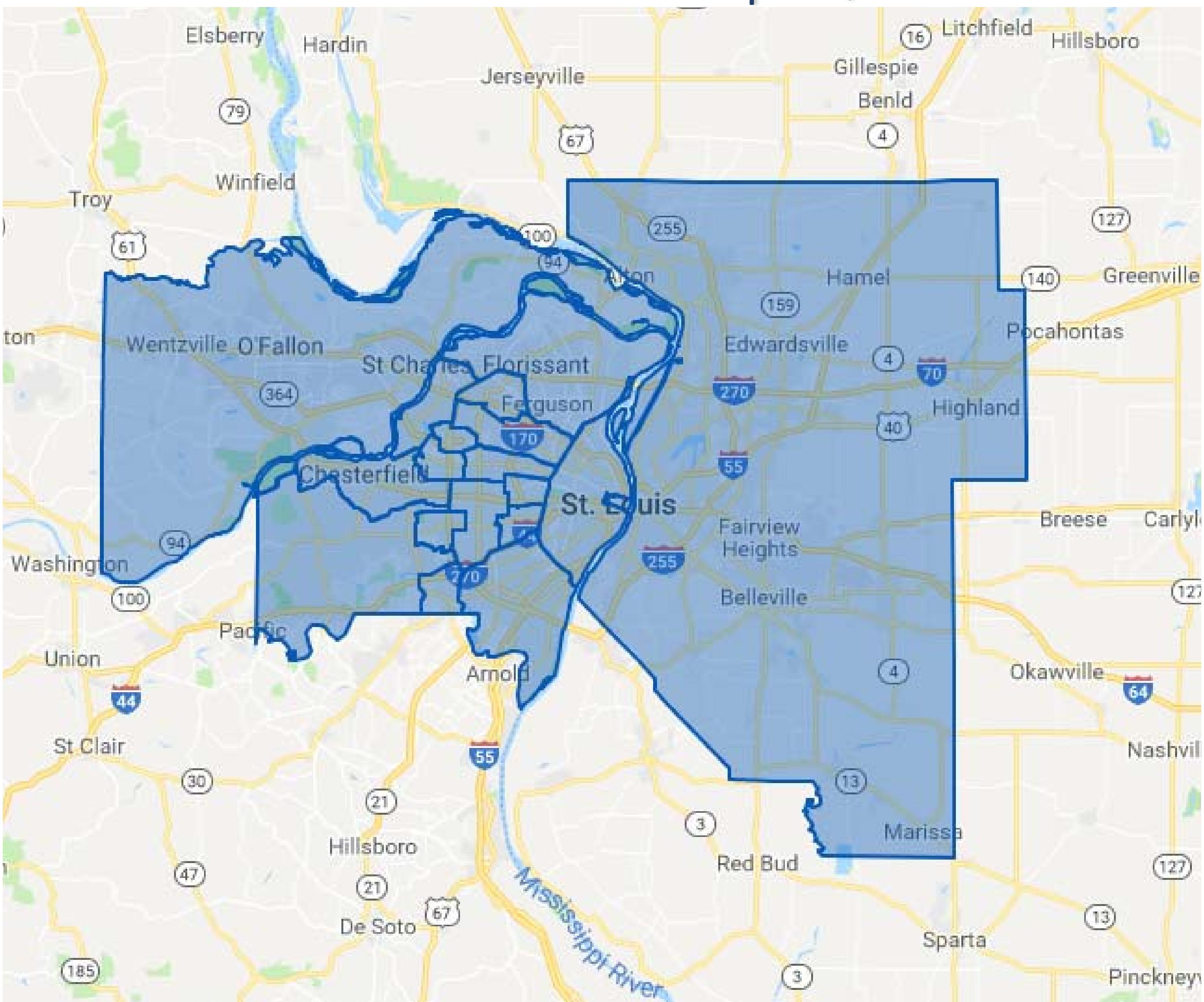
Address	Date	Leased/Sold	Type
707 N 2nd St	9/24/2018	11,551 SF	Move In
1 Progress Point Pkwy	9/17/2018	12,848 SF	Move In
425 N New Ballas Rd	9/17/2018	78,252 SF	Sale
275 N Lindbergh Blvd	8/28/2018	26,000 SF	Sale
555 Washington Ave	8/22/2018	10,000 SF	Move In
3 CityPlace Dr	8/15/2018	12,000 SF	Move In
555 Washington Ave	8/2/2018	10,000 SF	Move In
410 Sovereign Ct	7/27/2018	34,000 SF	Sale
1015 Corporate Square Dr	7/27/2018	67,771 SF	Sale
1001 Washington Ave	7/20/2018	69,218 SF	Sale
500 Fountain Lakes Blvd	7/19/2018	53,932 SF	Sale



Summary Statistics

Availability	Survey	5-Year Avg
Gross Rent Per SF	$20.16	$19.28
Vacancy Rate	10.8%	11.2%
Vacant SF	7,800,871	8,067,148
Availability Rate	14.9%	15.2%
Total Available SF	10,801,596	10,913,945
Months on Market	19.2	28.0

St. Louis Submarket Map 3Q 2018



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