

Spring 2023 Industrial Report

Industrial Report

Spring 2023 | Featured Listings



ST. LOUIS INDUSTRIAL | MARKET BUZZ

Strong demand from manufacturers and the logistics industry has boosted employment in St. Louis. In the past year, industrial employment rose 3.9%, besting the national average of 3.6%. St. Louis has been the beneficiary of a strong run of manufacturing announcements recently. Long-time regional employers Procter and Gamble, General Motors, and Boeing announced new investments in the past year. New companies are also coming into the fold. American Foods, James Hardie, and ICL are in the process of building new facilities across St. Louis.

Vacancy rates have been steadily declining in recent quarters, falling 130 basis points to 4.0% from 20Q3. An influx of new construction in 2022 raised the vacancy rate above 3% after 8.7 million SF delivered. This was the first time supply outpaced demand in two years. A large portion of construction activity went to three submarkets, North County (32.3%), Illinois (25.3%), and St. Charles County (14.5%). These submarkets are also home to some of the region's larger distribution parks, including Hazelwood Tradeport, Gateway Commerce Center, and Premier 370. They all have access to I-70, St. Louis' primary east-west highway.

While sales volume slowed in 2022, the back half of 2021 saw record volume for St. Louis. Both 21Q3 and 21Q4 topped \$500 million in sales volume. Notable sales in that time included World Wide Technology's two-building portfolio in Gateway Commerce Center and several Amazon distribution centers involved in larger portfolio transactions.

CoStar's base case forecast projects the St. Louis industrial market to remain strong, with the vacancy rate moving above 4% for the next two years. The balance of supply and demand will boost market rents, which are projected to reach \$7/SF by 24Q1.

Source: CoStar

The NAI DESCO Industrial Brokerage Group



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Recent Transactions

Corbin Cox represented The Terminix International Co., LP in the lease of a 6,075 SF industrial space at 704 B South Kingshighway in Sikeston

Meghan Donovan represented Trendy Doll Clothing Company in the lease of a 2,310 SF industrial space at 8410 Manchester Road in Brentwood

Kevin McKeon represented Johnson Heater Corporation in the lease of a 114,464 SF industrial space at 2100 Walton Road in Vinita Park

Tim Cribbin represented Lumberyard Supply Co. in the sale of a 48,000 SF industrial building at 5060-5130 Manchester Rd. in St. Louis City

Dan Hayes and Bob Staniforth represented Koch Air, LLC in the lease of a 144,824 SF industrial space at 20 Corporate Woods Drive in Bridgeton

John Sheahan and Bill Barnes represented D&D Distributors, LLLP in the sale of a 135,419 SF industrial building at 2340 Millpark Drive & 2 Millpark Court in Maryland Heights

Michelle Miller and Dan Hayes represented New Age Media Properties, LLC in the sale of a 5,000 SF industrial building at 645 Spirit Valley Central Drive in Chesterfield

John Sheahan and Michelle Miller represented 3636 Tree Court Investment Co., LLC in the sale of a 59,400 SF industrial building at 3636 Tree Court Industrial Blvd in St. Louis



675 Spirit Valley West Dr, Chesterfield, MO

SUBMARKET	West County
SIZE	10,000-40,000 SF
SALE PRICE	\$1,850,000-\$7,000,000
LEASE RATE	Contact Agents
CONTACT	Dan Hayes 314-994-4068 Michelle Miller 314-994-4944

10,000-40,000 sf flex-office/warehouse condos, new construction-tilt up, 24'-27' clear minimum height, ramped drive-in and dock doors, 142' truck court, shell delivery approx. June 2023.



2446 Schuetz Rd, Maryland Heights, MO

SUBMARKET	North
SIZE	23,822 SF
SALE PRICE	\$2,700,000
LEASE RATE	\$8.75 PSF, NNN
CONTACT	Tim Cribbin 314-994-4448 John Sheahan 314-994-4176

23,822 sf office/warehouse, 10,545 sf office, 18' ceiling height, 2 drive-in doors / 3 docks, wet sprinkler system, 3 phase 480 volt 600 amp.



8466 Natural Bridge Rd, Bel Nor, MO

SUBMARKET	North County
SIZE	7,500 SF
SALE PRICE	\$625,000
LEASE RATE	\$5,000/MO, NNN
CONTACT	Bob Staniforth 314-994-2329

7,500 sf office/whse/retail, 3,000 sf showroom, 4,500 sf free span warehouse, 14' whse ceilings, loading dock, completely rehabbed, new roof on 4,000 sf, new HVAC systems.



3585 Tree Court Industrial Blvd, St. Louis, MO

SUBMARKET	West County
SIZE	23,500 SF
SALE PRICE	\$1,950,000
CONTACT	Michelle Miller 314-994-4944 John Sheahan 314-994-4176

23,500 sf office/warehouse, approx. 11% office finish, 16'-17' clear ceiling, 5 docks-1 drive in, fully climate controlled and fully sprinklered, leased to BASF Corporation.



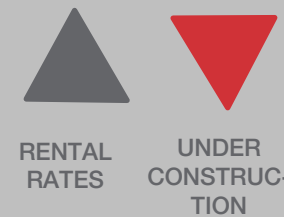
2324 Weldon Parkway, Maryland Heights, MO

SUBMARKET	West County
SIZE	9,000 SF
LEASE RATE	\$7.95 PSF, NNN
CONTACT	Dan Hayes 314-994-4068

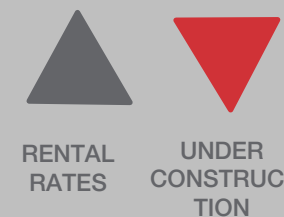
9,000 sf office/whse/light manufacturing, completely remodeled with 100% HVAC and energy efficient insulation throughout space, 20% finished office, 10'x10' city height dock door, 12' ceiling.

Quarterly Statistics

1Q23 vs. 1Q22



1Q23 vs. 4Q22



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 Industrial Logistics Properties Trust purchased a 102,135 SF warehouse at **831 Lone Star Dr** for \$12,459,068 (**\$121.98 psf**)

2 Samuel, Son & Co. purchased an 81,956 SF warehouse at **555 Edinger Rd** for \$7,250,000 (**\$88.46 psf**)

WEST COUNTY

1 Craig Guempel Holdings, LLC purchased a 59,400 SF warehouse at **3636 Tree Court Industrial Blvd** for \$2,600,000 (**\$43.77 psf**)

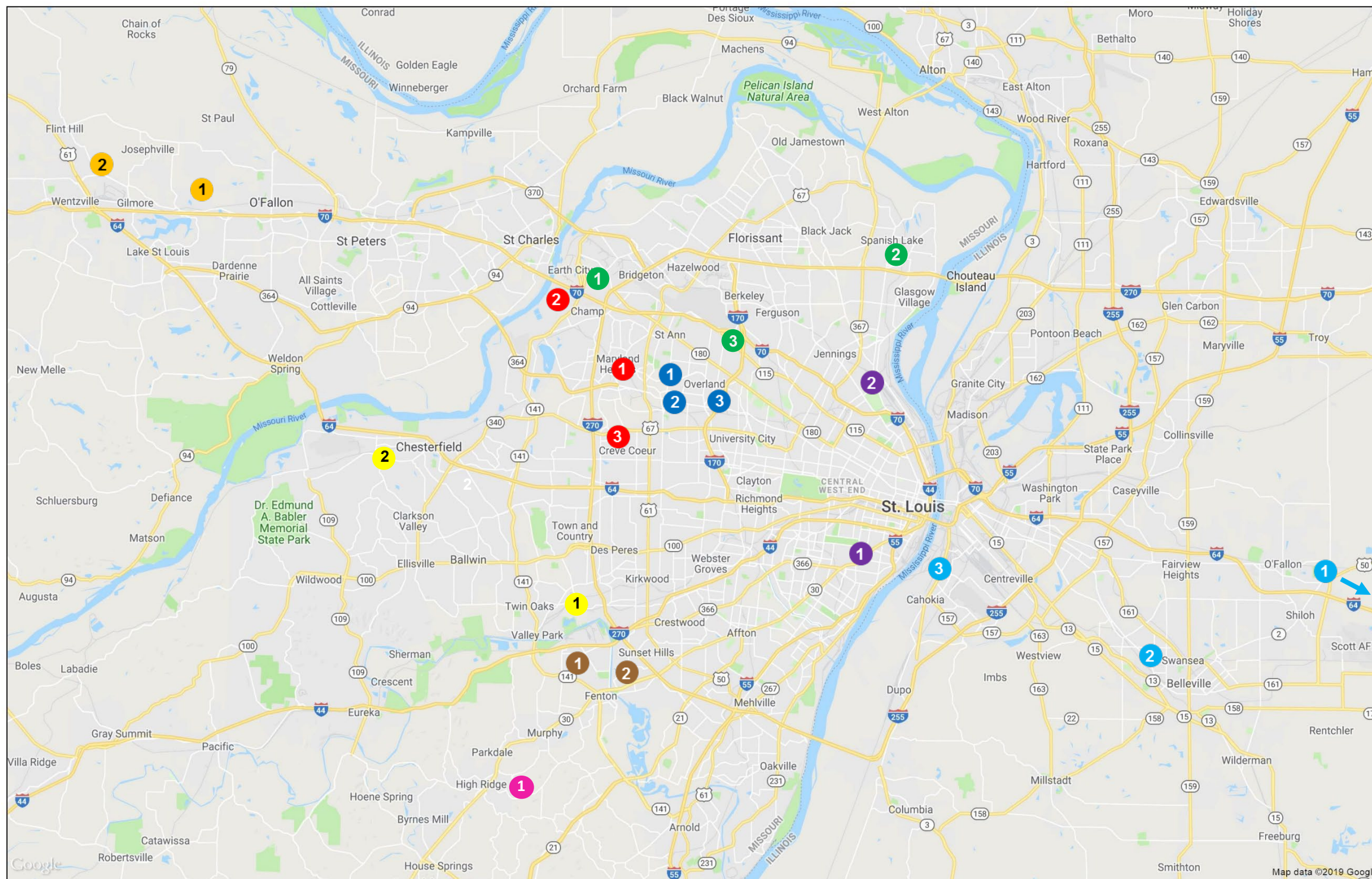
2 Icon Aviation Solutions, LLC purchased a 40,300 SF warehouse at **527 Trade Center Blvd** for \$6,000,000 (**\$148.88 psf**)

EARTH CITY / NORTH CO

1 GIC Real Estate purchased a 99,308 SF warehouse at **3470 Rider Trail South** for \$11,128,547 (**\$112.06 psf**)

2 Braxton Perry & Bryce Perry purchased a 7,100 SF warehouse at **11360 Larimore Rd** for \$237,500 (**\$33.45 psf**)

3 Golden Funds I, LLC purchased a 17,280 SF warehouse at 4605 World Parkway Circle for \$1,027,237 (**\$59.44 psf**)



WESTPORT / MARYLAND HEIGHTS

1 Brands RE MO, LLC purchased a 135,419 SF warehouse at **2340 Millpark Dr & 2 Millpark Ct** for \$8,500,000 (**\$62.76 psf**)

2 GIC Real Estate purchased a 191,415 SF warehouse at **13655 Riverport Dr** for \$18,310,296 (**\$95.65 psf**)

3 GIC Real Estate purchased a 94,006 SF warehouse at **11432 Lackland Rd** for \$10,557,723 (**\$112.30 psf**)

ILLINOIS

1 RCT Properties, LLC purchased a 40,800 SF warehouse at **2325 Benton Rd** for \$1,075,000 (**\$26.34psf**)

2 Stevs Collision Properties, LLC purchased a 15,840 SF warehouse at **207 S. 20th St** for \$675,000 (**\$42.61 psf**)

3 John Boehme purchased a 11,856 SF warehouse at **3401-3407 Mississippi Ave** for \$260,000 (**\$21.92 psf**)

ST. LOUIS CITY

1 Dominik Anic & Paul Pekic purchased a 9,500 SF warehouse at **4050R Bingham Ave** for \$500,000 (**\$52.63 psf**)

2 Agree Development, LLC purchased a 5,275 SF warehouse at **1 Luther Ave** for \$890,000 (**\$168.72 psf**)

CENTRAL COUNTY

1 AV Developments, LLC purchased a 9,836 SF warehouse at **10407 Trenton Ave** for \$615,000 (**\$62.52 psf**)

2 Dielman Investment, LLC purchased a 52,000 SF warehouse at **9601-9733 Dielman Rock Island Dr** for \$4,700,018 (**\$90.38 psf**)

3 Plymouth Industrial REIT, Inc. purchased a 76,485 SF warehouse at **1901-1939 Belt Way Dr** for \$8,450,000 (**\$110.47 psf**)

FENTON / SOUTH COUNTY

1 Southwest 2017, LLC purchased a 60,746 SF warehouse at **1711 Chase Dr** for \$3,399,000 (**\$55.95 psf**)

2 H&H Greece, LLC purchased a 41,000 SF warehouse at **12949 Maurer Industrial Dr** for \$2,437,500 (**\$59.45 psf**)

JEFFERSON / FRANKLIN COUNTIES

1 Pace-Hunning Road Associates, LLC purchased a 4,784 SF warehouse at **5359 Hunning Rd** for \$295,000 (**\$61.66 psf**)