



ST LOUIS REGIONAL
FREIGHTWAY

ST. LOUIS REGIONAL INDUSTRIAL REAL ESTATE

MARKET INDICATORS | Q2 2022



ST LOUIS REGIONAL FREIGHTWAY

THE ST. LOUIS REGIONAL FREIGHTWAY

has created this newsletter to educate business leaders about the recent growth in the industrial market and how the region is poised for further expansion.

THEFREIGHTWAY.COM

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THE ST. LOUIS REGION HAS
THE **INDUSTRIAL SPACE**,
THE **AVAILABLE**
WORKFORCE, AND IS
READY TO HELP YOU FIND
THE SPACE YOU NEED.



ST LOUIS REGIONAL FREIGHTWAY

This market report showcases the St. Louis regional industrial landscape and focuses on the freight, logistics, and distribution market.

The St. Louis Regional Freightway wants to put a spotlight on the hotspots within the market & highlight the region's capacity to deliver the spaces and resources needed to flourish.

INTERACTIVE NEWSLETTER OUTLINE

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EXPLORE THIS NEWSLETTER

to find out why the St. Louis region is the confluence of industrial real estate, freight logistics, and transportation resources.



ST LOUIS REGIONAL FREIGHTWAY

ONE LOCATION.
GLOBAL ACCESS.

WHY THE ST. LOUIS REGION FOR SITE SELECTION? AND WHAT MAKES US DIFFERENT FROM OUR SISTER CITIES?

The answer is the St. Louis bi-state region can support the entire supply chain from a company's headquarters, research and development, warehousing and manufacturing to the needed suppliers and the logistics support.

We have the infrastructure, both vertical and horizontal, and the talent. Our workforce has a can-do attitude with a heritage of making things, enabling companies like World Wide Technology, Bunge, General Motors, Boeing and many others to compete in the global market, elevating our ranking as a global logistics hub.

Our supply chain ecosystem is unique and has adapted to and stands ready for COVID-19 shifts in terms of shortened supply chains and a local workforce that supports each system of the supply chain.

THE ST. LOUIS REGION IS HOME TO:



- 3rd largest inland water port
- Most efficient inland port system ([USACE](#))
- 2022 Ag Coast of America



- 3rd highest volume rail hub
- Six Class I railroads



- 3rd highest volume multimodal hub
- 4 interstates with national access



- Two international cargo airports with rail access



ST LOUIS REGIONAL FREIGHTWAY

INDUSTRIAL REAL ESTATE SITES

MAP KEY

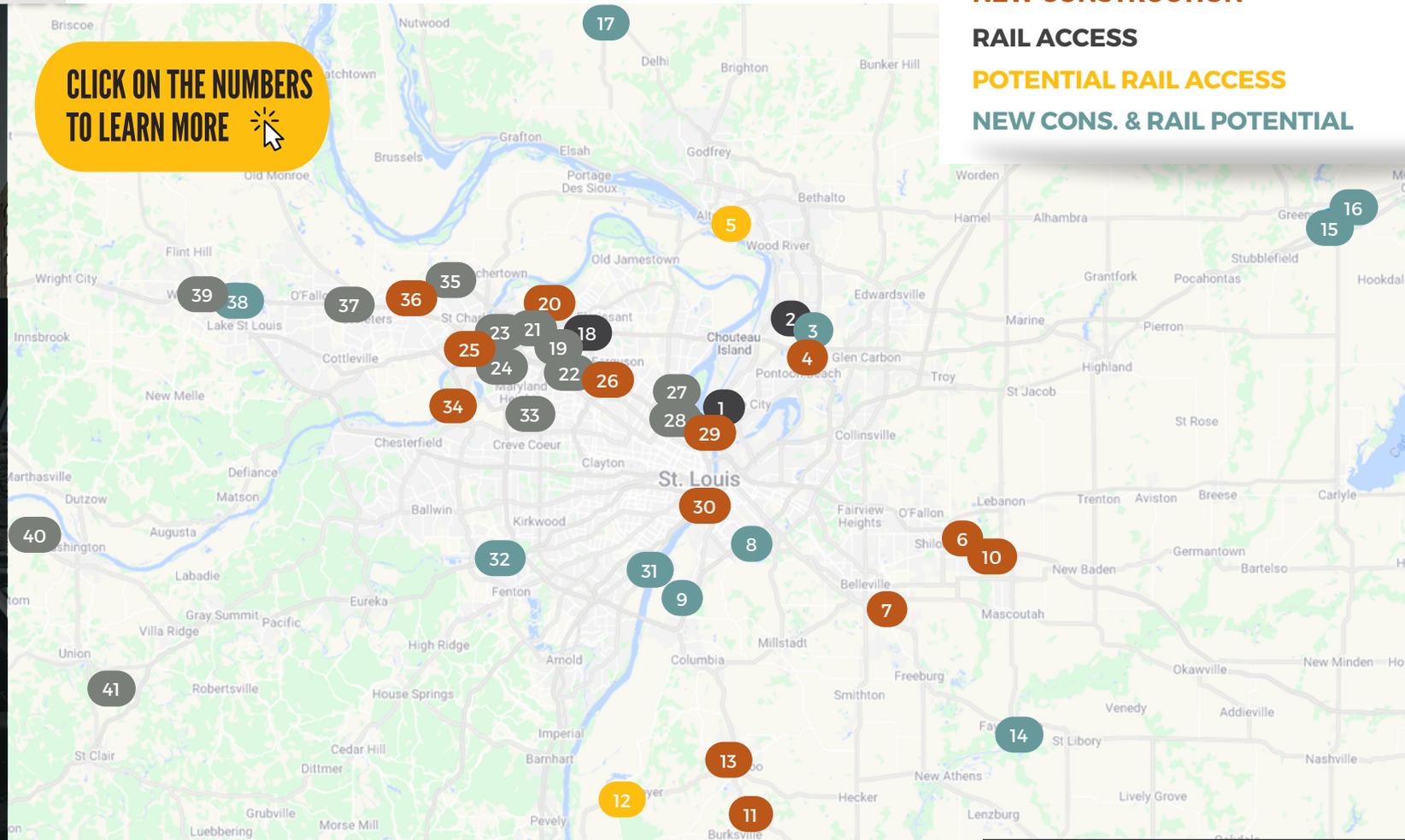
NEW CONSTRUCTION

RAIL ACCESS

POTENTIAL RAIL ACCESS

NEW CONS. & RAIL POTENTIAL

**CLICK ON THE NUMBERS
TO LEARN MORE**



THE ST. LOUIS REGION IS THE THIRD LARGEST RAIL HUB IN THE U.S., linking six Class I, local and short line railroads.

As Modern Bulk construction booms to meet the growing demand for warehouse and distribution space, industrial sites with rail access have also been added to the market.

This map shows the St. Louis region's industrial developer-ready real estate sites with new construction and rail accessibility highlighted.

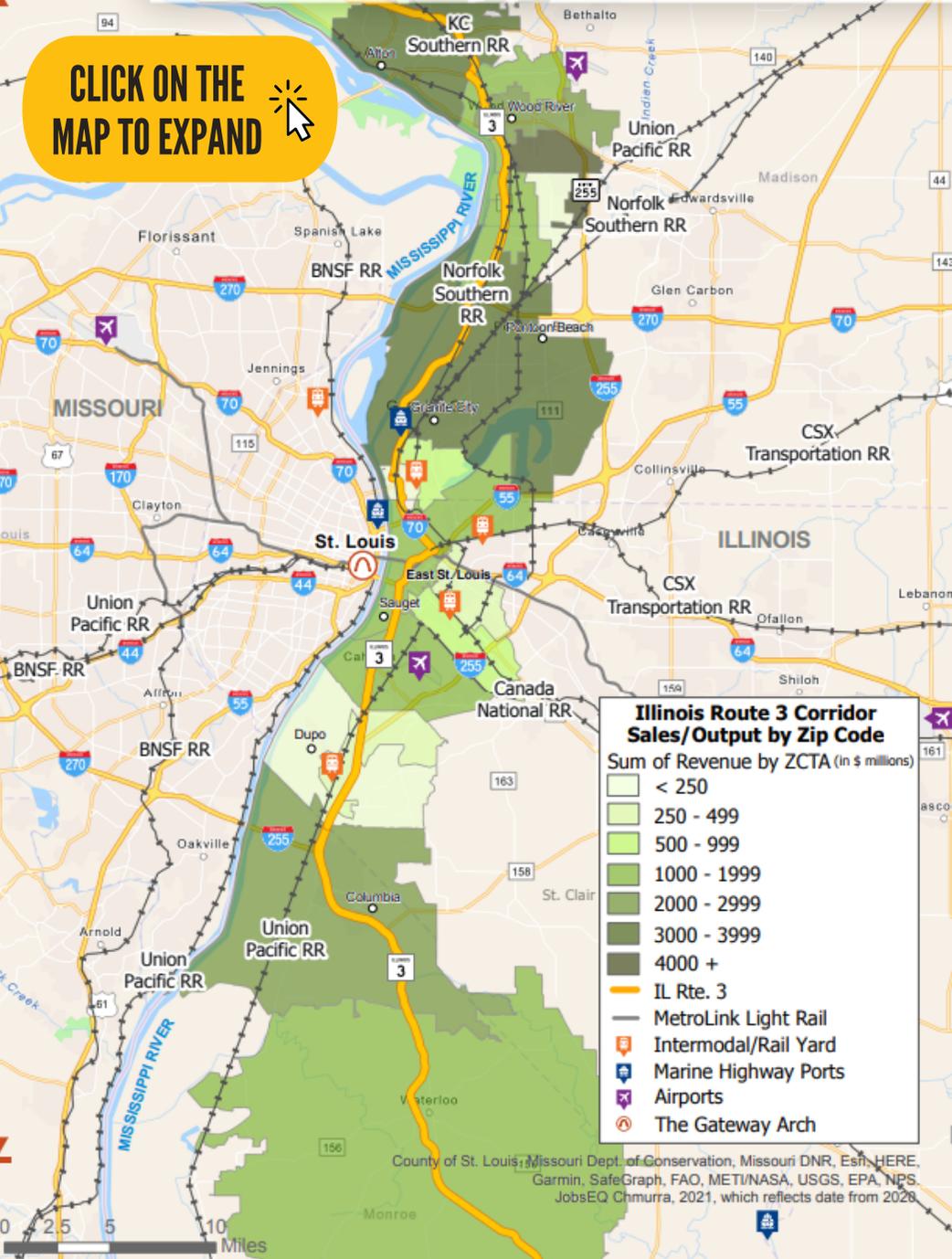
Click on the map or visit:

THEFREIGHTWAY.COM

to explore the St. Louis Regional Freightway!

CLICK ON THE MAP TO EXPAND

60 miles (\$163 million/mile in employee earnings and 1200 total workers/mile)



THREE THINGS ON ILLINOIS ROUTE 3

Running parallel to St. Louis between the Mississippi River and Interstate 255 and from north of Alton to Columbia, Ill, **ILLINOIS ROUTE 3** is a nationally significant heavy industrial corridor that supports the manufacturing and logistics industries in southwestern Illinois.

The corridor has three key attributes that continue to attract national site selectors and serve as differentiators in a highly competitive industrial real estate market.

ECONOMICALLY IMPACTFUL & SUCCESSFUL BUSINESS CLIMATE

OPTIMIZED FOR MANUFACTURING & LOGISTICS

ACCESSIBLE & HIGHLY SKILLED WORKFORCE



ST LOUIS REGIONAL FREIGHTWAY

THREE THINGS ON ROUTE 3

ECONOMICALLY IMPACTFUL & SUCCESSFUL BUSINESS CLIMATE

This corridor spans across **19 zip codes** which are home to **6,170 businesses** and **76,715 employees**, with an unmatched concentration in the manufacturing and distribution industries. On average, each mile within the corridor boasts 100 businesses and 1,269 total workers, including 366 manufacturing/warehouse workers. Those workers account for earnings of \$163 million per mile.

Given this concentration, **the corridor drives 45% of the Gross Domestic Product (GDP) for the 3-county area** (Madison, Monroe and St. Clair), while representing 35% of the population (198,000 residents). **This thriving hub for manufacturing and logistics generates \$16 billion in annual business revenue and supports 221,881 direct and indirect jobs.**

OPTIMIZED FOR MANUFACTURING & LOGISTICS

The corridor is centrally located within the nation and offers **strategic access to national interstates and international passenger and cargo airports**. The area has continued to evolve and grow by developing available land and repurposing vacant industrial sites through infrastructure investment and public private partnerships.

Exceptional **multimodal infrastructure** supports complex and integrated manufacturing operations (including **transloading between barge, rail, road and air**), supporting speed of delivery that gives users a unique operational agility and competitive advantage that yields cost savings. Existing buildings and sites with **heavy infrastructure already in place** (power, water, rail, roads) reduces capital investment costs and lowers barriers to entry.

ACCESSIBLE & HIGHLY SKILLED WORKFORCE

The jobs in the corridor attract workers from over **1,000 different zip codes** across Illinois, Missouri and Indiana.

More than 22,000 of the workers are employed in the top two sectors within the corridor – manufacturing and transportation/warehousing – which respectively represent 14% and 13.8% of the total workforce. That is **significantly greater** than the St. Louis region and the United States, where manufacturing is just over 8% and transportation/warehousing is 5% of the total workforce.

More than 20 types of manufacturing operations are present in the corridor, delivering a location quotient of 1.26 or more and indicating a noteworthy regional concentration.



ST LOUIS REGIONAL FREIGHTWAY

INTERSTATE 70 IMPROVEMENTS

The St. Louis Regional Freightway's Priority Projects list includes multiple projects on Interstate 70 (I-70) in the St. Louis region, and funding has been secured for several of them. **The Missouri Department of Transportation (MoDOT) announced last year that a \$39 million project to improve I-70 from Wentzville Parkway to Route Z would be moving forward.** This highway segment is ranked the #1 bottleneck location in the St. Louis region by the East-West Gateway Council of Governments (2016). The project rebuilds this segment of I-70, including improvements to the s-curve at the Norfolk Southern Railroad bridge. Construction is expected to begin in fall 2023.

Another \$32M has also been allocated for other Interchange expansion or improvement projects, while \$62 million is being invested in I-70 Outer Roads Improvements, specifically from Fairgrounds Rd. to Cave Springs. A major contributor to the success in securing this funding is recognition of the key economic drivers along I-70 in the St. Louis region. Those include the GM Wentzville Facility, Boeing, St. Louis Lambert International Airport and multiple fast-growing industrial sites.

"Our headquarters sits right off I-70 here in O'Fallon and we often say here that I-70 is the heartbeat of True Manufacturing. With facilities located to the west in Mexico, Missouri, then down south in Pacific and north in Bowling Green, we traverse I-70 with about 88 trucks per day going between the headquarters facility and those facilities. We also have an expansion project south in Poplar Bluff, Missouri, and that means our daily transit around I-70 and I-270 will become somewhere around 98 to 100 or 102 moves a day. So, it's key for us to have ease of access and the ability to move quickly throughout the area."

Chester Jones,

*Manager Supply Chain Operations,
True Manufacturing Company, Inc*

Positioned within Foreign Trade Zone 102, St. Louis Lambert International Airport is an attractive destination for logistics businesses due to its available and accessible land and its multimodal transportation infrastructure, including three interstates, one of which is I-70. A series of proposed projects aim to increase freight-centered development in the more than 1,000 acres of commercial and industrial land adjacent to the airport. Looking forward, the airport expects 21 million passengers in 2040, a significant increase from 2019's 15.9 million passengers. The airport has plans in the works for a new, single concept terminal and related roadway improvements to enhance the connectivity with I-70.

COLLABORATING FOR CAPACITY IMPROVEMENTS

The High-Priority Unfunded Needs Report recently released by MoDOT includes a financial placeholder to reconstruct and add capacity to I-70 between Kansas City and St. Louis. The St. Louis Regional Freightway and Kansas City SmartPort recognize the importance of this stretch of I-70 from a global freight perspective and are teaming up to demonstrate support for the proposed improvements. As part of this collaboration, the St. Louis Regional Freightway and KC SmartPort have signed a Memorandum of Understanding (MOU) that will serve as a marketing tool under which both organizations will undertake activities aimed at elevating awareness of the economic, multimodal and efficiency impact of the I-70 corridor and promoting safety improvements along it. These efforts will help bring public and private sector leaders together to understand how infrastructure and efficiency impacts on-time delivery and cost.



ST LOUIS REGIONAL FREIGHTWAY

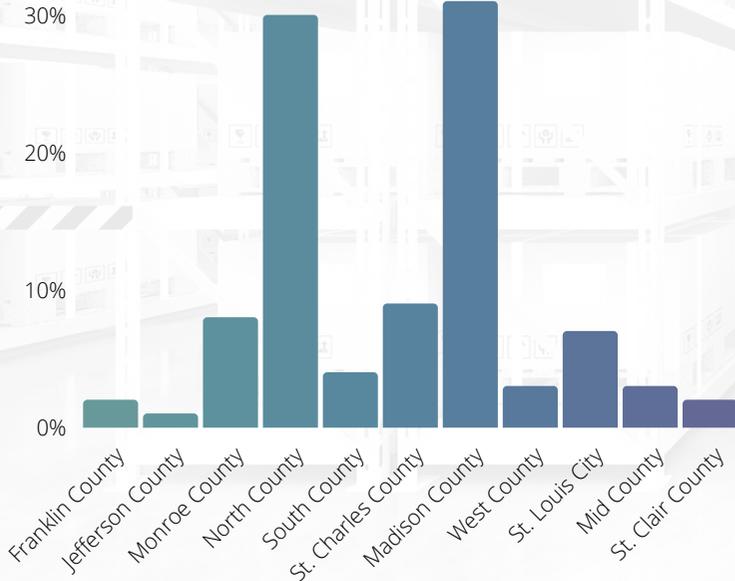
ST. LOUIS REGIONAL INDUSTRIAL MARKET REAL ESTATE INDICATORS

BULK DISTRIBUTION BUILDINGS OVER 100,000 SF | Q2 2022

**ST. LOUIS REGIONAL INDUSTRIAL MARKET
TOTAL INVENTORY SIZE
(BULK DISTRIBUTION OVER 100,000 SF)**

±77.5 MSF

INVENTORY SUBMARKET BREAKDOWN
BULK BUILDINGS OVER 100,000 SF



**BUILDINGS UNDER CONSTRUCTION
HIT HISTORIC HIGHS**

7,810,002 SF

**This level of Modern Bulk construction is
54% higher than the 5-Year rolling
average and 90% higher than 2021**

SOURCE: COSTAR - ST. LOUIS MSA; EXISTING INDUSTRIAL BUILDING OVER 100,000 SF, OVER 24' CLEAR; SINGLE STORY *ONLY REPORTED NNN ASKING RENTS WERE USED



ST LOUIS REGIONAL FREIGHTWAY

CONSTRUCTION & DEVELOPMENT TRENDS

BULK DISTRIBUTION BUILDINGS OVER 100,000 SF | Q2 2022

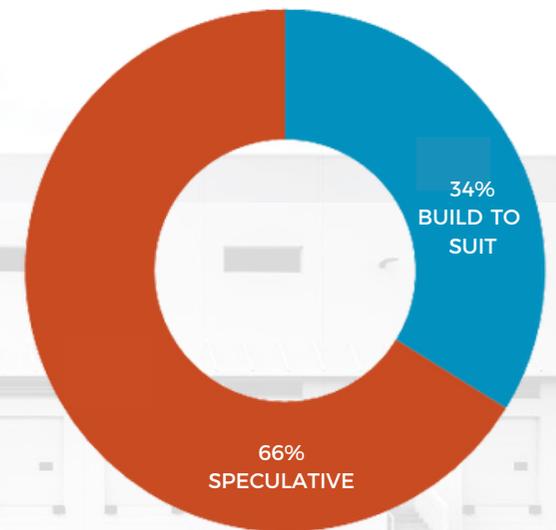
TOTAL CONSTRUCTION OVER 100K SF

ST. LOUIS REGIONAL INDUSTRIAL MARKET - HISTORIC ACTIVITY



SPECULATIVE DEVELOPMENT

CONSTRUCTION STARTS SINCE 2018
BUILDINGS OVER 100K SF



**MODERN BULK CONSTRUCTION STARTS IN 2022
HAVE BEEN 100% SPECULATIVE BUILDINGS**



ST LOUIS REGIONAL FREIGHTWAY

CONSTRUCTION & DEVELOPMENT TRENDS

MAJOR NATIONAL INSTITUTIONAL GRADE OWNERS BY SUBMARKET

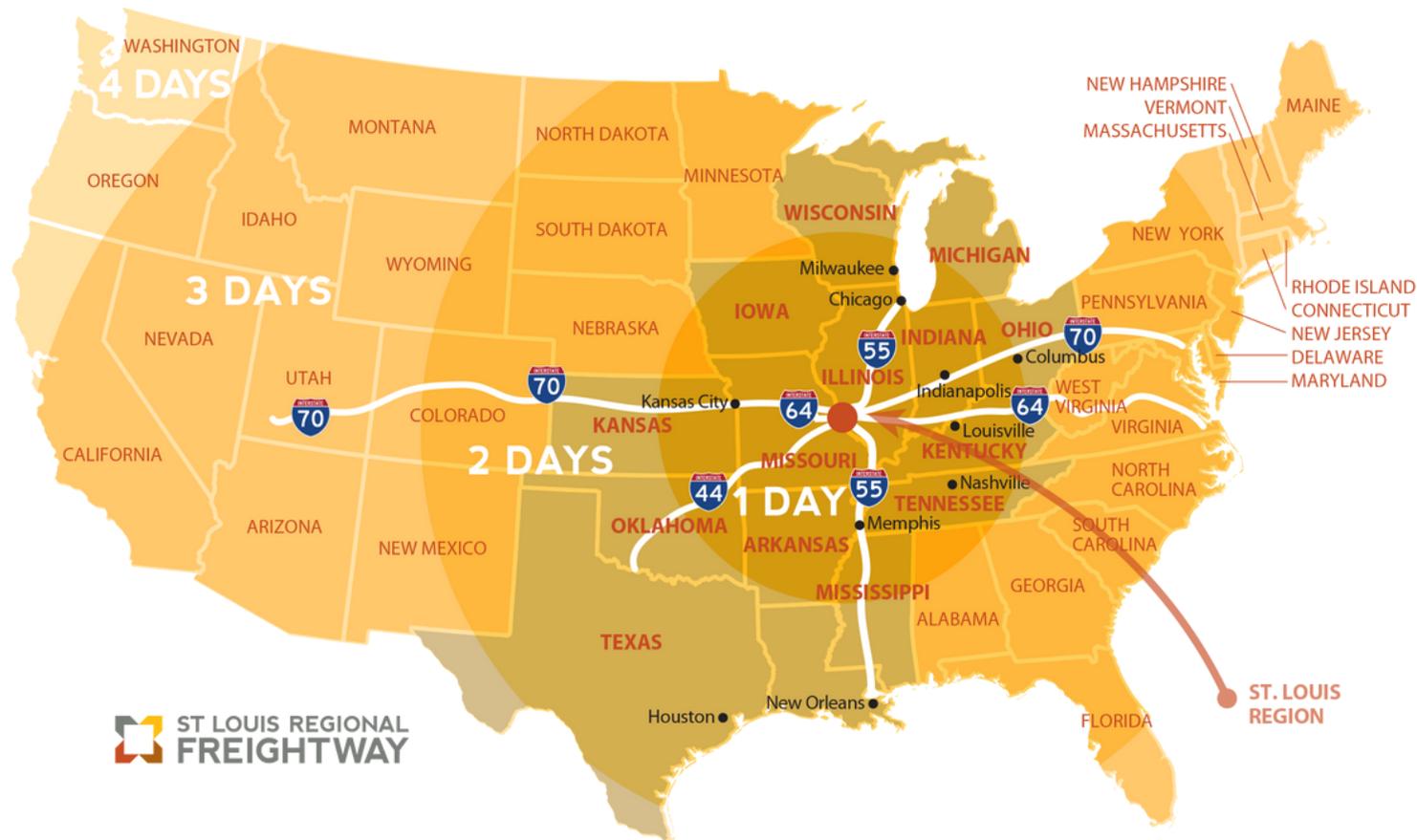




ST LOUIS REGIONAL FREIGHTWAY

ST. LOUIS REGIONAL ADVANTAGES

ST. LOUIS REGIONAL DRIVE TIME MAP



Interstates and roadways with low rates of congestion

One-day drive or less to major midwestern and southern cities

Three of the area's four interstates reach U.S. coastlines



ST LOUIS REGIONAL FREIGHTWAY

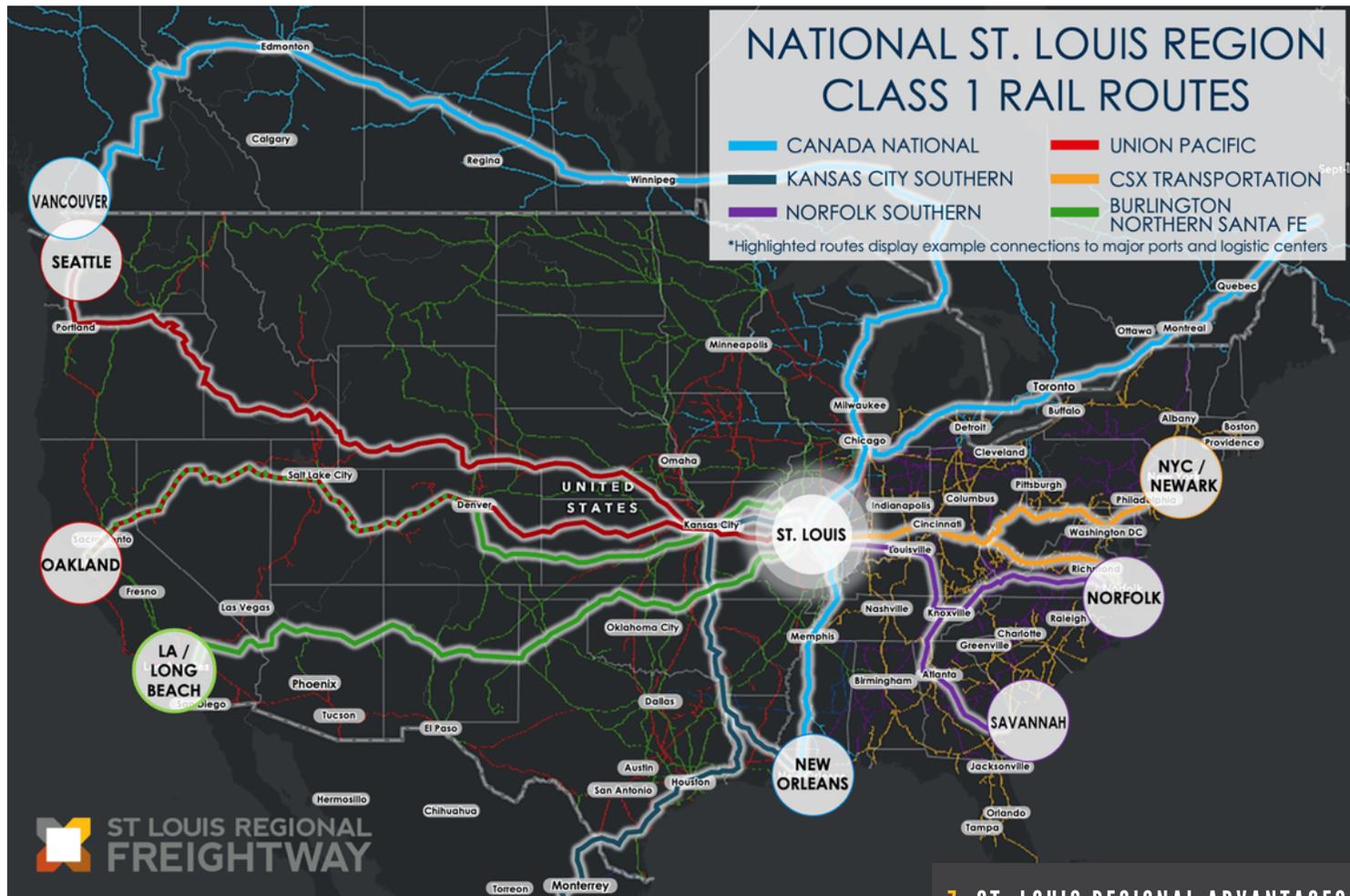
ST. LOUIS REGIONAL ADVANTAGES

ST. LOUIS REGIONAL CLASS I RAIL ROADS

Service to all corners of the country without interchange

Home to six fully-functioning rail terminals

Local carrier Terminal Railroad Association of St. Louis (TRRA) owns several key regional rail routes





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ST. LOUIS REGIONAL ADVANTAGES

ST. LOUIS REGIONAL PORT FACILITIES

ST. LOUIS REGION MARINE HIGHWAY WITH GLOBAL CONNECTIVITY



Four ports with available industrial real estate

Northernmost lock-free and ice-free port on the Mississippi River

Three ports with container on barge capabilities



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FREIGHTWAY

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