The St. Louis region has the industrial space, the available workforce, and is ready to help you find the space you need.

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.

MARY C. LAMIE P.E.
Executive Vice President of Multi Modal Enterprises
Bi-State Development
314.982.1562 | mclamie@bistatedev.org
THEFREIGHTWAY.COM
This market report showcases the St. Louis regional industrial landscape & 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 a job-ready workforce.

EXPLORE THIS NEWSLETTER to find out why the St. Louis region is the confluence of industrial real estate, freight logistics and skilled labor!
Ports and rail facilities were swift to implement necessary measures to help protect employees and operators, yet even with all the changes, a tremendous amount of freight continued to move to and through the St. Louis area. While port operators continued to handle tremendous volumes, the rail industry had already seen a noticeable drop in intermodal traffic, presumptively due to falling imports from China and reduced traffic volumes from auto plant closings. But it’s not all bad news. Medical supplies, food, chemicals, cleaning products and other items being used to battle the pandemic continued to move through St. Louis headed to all parts of the United States via the region’s rail network. On the trucking side, which already features significant social distancing, the flexibility of the industry helped to keep many truckers busy, as they shifted their focus to goods that are still moving, such as beer, dog food and ammunition.

The system’s ability to deliver takes on increased significance with deglobalization predictions resulting from COVID-19 indicating that supply chains may be returning to the U.S., as it reinforces this market is well positioned to accommodate the continuing shifts.
INDUSTRIAL REAL ESTATE MARKET INDICATORS

SPRING / SUMMER 2020
BULK DISTRIBUTION BUILDINGS OVER 250K SF

Source: CoStar – St. Louis MSA; Existing industrial buildings over 250,000 SF, over 24’ Clear; Single Story
*Monroe Co, IL and West County, MO do not have inventory fitting the parameters on CoStar
**INDUSTRIAL REAL ESTATE MARKET INDICATORS**

**AVERAGE NNN WEIGHTED ASKING RENTAL RATES**

- **North County**: $3.53/SF, NNN
- **Madison County**: $3.70/SF, NNN
- **St. Clair County**: $3.75/SF, NNN
- **Monroe County**: $4.50/SF, NNN
- **City of St. Louis**: $6.00/SF, NNN

**TOTAL INVENTORY SIZE**

(BULK DISTRIBUTION OVER 250,000 SF)

**±42.9 MSF**

**INVENTORY BREAKDOWN**

(By Building SF)

- North County: 1.2%
- Mid County: 49.5%
- South County: 1.6%
- Madison County: 8.2%
- Monroe County: 4.1%
- West County: 1.8%
- City of St. Louis: 2.5%
- St. Charles County: 17.1%

**Source**: CoStar – St. Louis MSA; Existing industrial buildings over 250,000 SF, over 24' Clear; Single Story

*Only reported NNN asking rents were used

**SPRING / SUMMER 2020**

**Missouri**

- St. Charles County: $4.50/SF, NNN
- North County: $3.53/SF, NNN
- West County
- Mid County
- City of St. Louis: $6.00/SF, NNN
- South County
- St. Clair County: $3.75/SF, NNN
- Monroe County
- Franklin County

**Illinois**

- Franklin County
- Jefferson County
- Madison County
- Mid County
- South County
- St. Charles County
- St. Clair County
- City of St. Louis
- West County

*Only reported NNN asking rents were used
**ST. LOUIS COMPARISON SPRING / SUMMER 2020**

<table>
<thead>
<tr>
<th>City</th>
<th>Inventory Size (SF)</th>
<th># of Bldgs</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Louis</td>
<td>42.9 MSF</td>
<td>83</td>
<td>2.9M</td>
</tr>
<tr>
<td>Kansas City</td>
<td>46.8 MSF</td>
<td>85</td>
<td>2.2M</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>90.7 MSF</td>
<td>174</td>
<td>2.1M</td>
</tr>
<tr>
<td>Memphis</td>
<td>86.0 MSF</td>
<td>155</td>
<td>1.4M</td>
</tr>
<tr>
<td>Louisville</td>
<td>35.7 MSF</td>
<td>74</td>
<td>1.3M</td>
</tr>
<tr>
<td>Nashville</td>
<td>51.3 MSF</td>
<td>99</td>
<td>2.0M</td>
</tr>
</tbody>
</table>

Source: CoStar – St. Louis MSA; Existing industrial buildings over 250,000 SF; over 24’ Clear; Single Story
*Only reported NNN asking rents were used
**MSA Resident Population – U.S. Census Bureau, Annual Estimates of the Resident Population
The St. Louis region has people ready and excited to work with you to find the best location!
From 2015 - 2019, deliveries for modern bulk buildings totaled 18 MSF. This is the highest 5-year period in the history of the St. Louis market.

Source: Colliers International; CoStar (Total construction numbers include industrial buildings over 250,000 SF)
ST LOUIS REGIONAL FREIGHTWAY

CONSTRUCTION & DEVELOPMENT TRENDS

SPRING / SUMMER 2020
MAJOR NATIONAL INSTITUTIONAL GRADE OWNERS BY SUBMARKET

Source: CoStar, Colliers International
HOTSPOT SPOTLIGHT: I-70 Corridor

94% of all construction over 250k SF since 2016 has been within 10-minutes of the I-70 Corridor

91% of the new major industrial parks with significant construction are located within 10-minutes of the I-70 Corridor

The St. Louis regional industrial market is amid a historic surge in new construction. Speculative buildings continue to be delivered to the market with large blocks of space available for lease, making it the perfect market for companies to expand production or to enter the St. Louis regional market for the first time. Over 21 million square feet of new industrial space hit the market over the last five years. The epicenter of this construction boom is along the I-70 bi-state Corridor (including I-70, I-170, I-270, and I-370) running from Missouri to Illinois. This is a major logistics corridor with national manufacturers, suppliers and distributors and supported with over $600 million of roadway infrastructure investment.

NEARLY 90% OF ALL INDUSTRIAL CONSTRUCTION (REGARDLESS OF BUILDING SIZE) OVER THE LAST FIVE YEARS HAS BEEN CONCENTRATED ALONG THE I-70 CORRIDOR

VITAL LINK BETWEEN ILLINOIS & MISSOURI confirmed with continued construction growth along the I-70 Corridor
SPRING / SUMMER 2020: NEW CONSTRUCTION IN LAST FIVE-YEARS
I-70 CORRIDOR – MODERN BULK BUILDINGS OVER 250,000 SF

SPRING / SUMMER 2020: NATIONAL DEVELOPERS
I-70 CORRIDOR – MODERN BULK INDUSTRIAL PARKS

Source: Colliers International
10-MINUTE DRIVE TIME

DEMOGRAPHICS

±28,000 BUSINESSES®
±380,000 EMPLOYEES®

Source: Colliers International; CoStar (Tenants over 100,000 SF); Demographics - ESRI
*Data includes all business types.

HOTSPOT SPOTLIGHT:
I-70 CORRIDOR

MISSOURI

Illinois

50 miles
20 miles
10 minutes
70
10 minutes
70
10 minutes

NATIONAL TENANTS
WITHIN 10-MINUTE DRIVE TIME

ABB
ABInBev
ADM
Aldi
ALMO
ALPLA
Amazon
Amcor Plastics
Applied Food Biotechnology
Best Buy
Blue Line
Boeing
Boxes, Inc.
Bunzl Distribution
CABKA
Cardinal Health
CDS Custom Distrib. Services
Chrysler
Citigroup
Coca-Cola Bottling
Cosmos Corp
Cott Packaging
Davidson Logistics
Davidson Surface Air
DB Schenker
DHL
DMI (Distrib.Management Inc)
Dr Pepper Snapple Group
Eastern Metal Supply
Fairfield
Faurecia
FedEx
Fry-Wagner
GEODIS
General Motors
Glenco
Graybar
Grove Collaborative
Henkel
Hussmann Corporation
Iron Mountain
Jon-Don
Jost Chemical Co
Keefe Group
Knappheide
Laird
Lear Seating
Legacy Pharmaceutical
Leggett & Platt
LKO
LMI Aerospace
Materialologic
McKesson
Medline Industries
MEMC Electronic Materials
Midland Paper
MiTek
Modineer
National Tire Warehouse
Nature's Bakery
New Balance
Nike
Nu-Calgon
ODW Logistics
Procter & Gamble
Pepsico
Quiet Logistics
RB Manufacturing
Reckitt Benckiser
Saddle Creek
Save a Lot
Silgan Plastics
SKF
Southern Glazer's Distributors
Spectrum Brands
Suez Water
Sysco Corporation
TAGG Logistics
The Delivery Network
Trane
True Manufacturing
TVS Logistics
U.S. Steel
U.S. Venture
Unilever
UPS
Verifly
Vi-Jon
Vitra Automotive Glass
Walgreens
Weekends Only
Whirlpool
Woodbridge Foam
World Wide Technology
XPO Logistics
Zoltek
THE HOTSPOT SPOTLIGHT: RAIL DEVELOPMENTS

THE ST. LOUIS METRO REGION IS THE THIRD LARGEST RAIL HUB IN THE U.S., linking six Class I, local and short line railroads. The region serves all corners of the U.S. without the need for railroad interchange. Rail freight shipments within the St. Louis region can be placed directly on the BNSF and Union Pacific (UP) railroads for westbound transport, or on the Norfolk Southern (NS) and CSX for shipments destined east of the Mississippi River. The largest freight rail companies in the world recognize the importance of the St. Louis market and are investing in its growth potential. Both BNSF and Union Pacific are working on plans to improve and increase their freight capacity on both sides of the Mississippi River. Norfolk Southern (NS) services the General Motors (GM) facility located along the I-70 corridor in Wentzville which recently announced a large investment in the plant.

BNSF RAILWAY purchased approximately 105 acres at the Fenton Logistics Industrial Park for anticipated additional railroad services.

UNION PACIFIC plans to invest $2M into their intermodal freight yard at the Union Pacific Dupo Intermodal Yard. This improvement is also supported by the $42M I-255 Davis Street Ferry Road interchange reconstruction.

GM announced it will be investing a total of $1.5 billion in its Wentzville plant at I-70 with NS rail service which will retain approximately 4,000 jobs in the region.
### Industrial Job-Ready Workforce Statistics

**OCCUPATIONAL EMPLOYMENT & WAGE ESTIMATES**

<table>
<thead>
<tr>
<th>ST. LOUIS MSA</th>
<th>Annual Mean Wage</th>
<th># Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Occupations</td>
<td>$51,750</td>
<td>1,370,390</td>
</tr>
<tr>
<td>All Transportation &amp; Material Moving Occupations</td>
<td>$38,100</td>
<td>107,640</td>
</tr>
<tr>
<td>Transportation, Storage, &amp; Distribution Managers</td>
<td>$101,310</td>
<td>1,230</td>
</tr>
<tr>
<td>Logisticians</td>
<td>$78,550</td>
<td>2,170</td>
</tr>
<tr>
<td>First Line Supervisors of Helpers, Laborers, &amp; Material Movers</td>
<td>$60,760</td>
<td>3,650</td>
</tr>
<tr>
<td>Laborers, Freight Stock &amp; Material Movers</td>
<td>$34,770</td>
<td>25,470</td>
</tr>
<tr>
<td>All Production Occupations</td>
<td>$42,290</td>
<td>84,560</td>
</tr>
<tr>
<td>First Line Supervisor, Production &amp; Operating Worker</td>
<td>$66,460</td>
<td>5,710</td>
</tr>
<tr>
<td>Assemblers and Fabricators, All Other, Including Team Assemblers</td>
<td>$40,390</td>
<td>8,830</td>
</tr>
<tr>
<td>CNC Machine Tool Programmers (Metal &amp; Plastic)</td>
<td>$65,850</td>
<td>360</td>
</tr>
<tr>
<td>CC Machine Tool Operators (Metal &amp; Plastic)</td>
<td>$42,440</td>
<td>2,230</td>
</tr>
<tr>
<td>Machinists</td>
<td>$50,470</td>
<td>3,560</td>
</tr>
<tr>
<td>Welders, Cutters, Solderers &amp; Brazers</td>
<td>$43,270</td>
<td>3,080</td>
</tr>
<tr>
<td>Helpers/Production Workers</td>
<td>$33,140</td>
<td>1,740</td>
</tr>
</tbody>
</table>

**Source:** May 2019 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates [https://www.bls.gov/oes/current/oessrcma.htm](https://www.bls.gov/oes/current/oessrcma.htm)
Mean Average Wage Comparison

St. Louis, MO-IL vs National

ST. LOUIS REGIONAL ADVANTAGES

MODES OF TRANSPORTATION

AMERICA’S SECOND LARGEST INLAND PORT

Northernmost lock-free/ice-free access on the Mississippi River to and from the Gulf of Mexico, making the region the 2nd largest port for domestic tonnage, among all inland ports in the U.S.

FOUR INTERSTATES WITH NATIONAL ACCESS

The St. Louis region’s system of interstates (I-70, I-44, I-55, and I-64) allow for one-day drive or less to major cities such as Chicago, Memphis, Nashville, Kansas City and Columbus.

FIVE AIRPORTS WITH CAPACITY

The region includes two international cargo airports (St. Louis Lambert International Airport and MidAmerica St. Louis Airport) with rail access, foreign trade zones and developable land.

SIX CLASS I RAILROADS

National railroads providing connection to regional and global markets, including BNSF, CN, KCS, NS, CSX and UP, utilizing a single switching carrier through the Terminal Railroad Association of St. Louis.

EXAMPLES OF RECENTLY FUNDED PROJECTS:

- $42 MIL I-255 / Davis Street Ferry Road Interchange (IL)
- $4 MIL Earth City Access (MO)
- $600 MIL I-270 from I-70 (MO) to Route 3 (IL)
- $115 MIL Route 3 Access in St. Clair County (IL)
- $80 MIL Route 3 connector in St. Clair County
- $35 MIL I-70 Outer Road in St. Charles County – Partially funded (MO)
- $222 MIL TRRA Merchants Rail Bridge over the Mississippi River (MO/IL)
- $9 MIL Union Pacific Railroad Lenox Tower Replacement and Truck Realignment (IL)
**ST. LOUIS REGIONAL ADVANTAGES**

**LEVERAGE**

**JOB-READY WORKFORCE**
The St. Louis region has the largest number of workers employed in manufacturing among comparatively sized Midwestern cities.

**SPECIALIZED INDUSTRY**
The bi-state area is home to international companies, leaders in aerospace, agriculture, metal manufacturing and recycling, logistics, chemical manufacturing and the automotive industry.

**LOGISTICS, 3PLs & MANUFACTURING**
The region features a diverse range of companies such as Amazon, Boeing, AB InBev, Hershey’s, Walgreens, Bayer, ADM, Procter & Gamble, Unilever, World Wide Technology, Bunge, Dial Corporation and General Motors.

**AMPLE UTILITY CAPACITY**
Both Missouri and Illinois enjoy competitive supply and access to electricity, water and gas, as well as regulated utility rates often below the national average.

Source: Federal Reserve Bank of St. Louis
In the midst of the COVID-19 outbreak, information and data is emerging at a quick and uneven rate. The information contained herein has been obtained from sources deemed reliable at the time the report was written. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.