

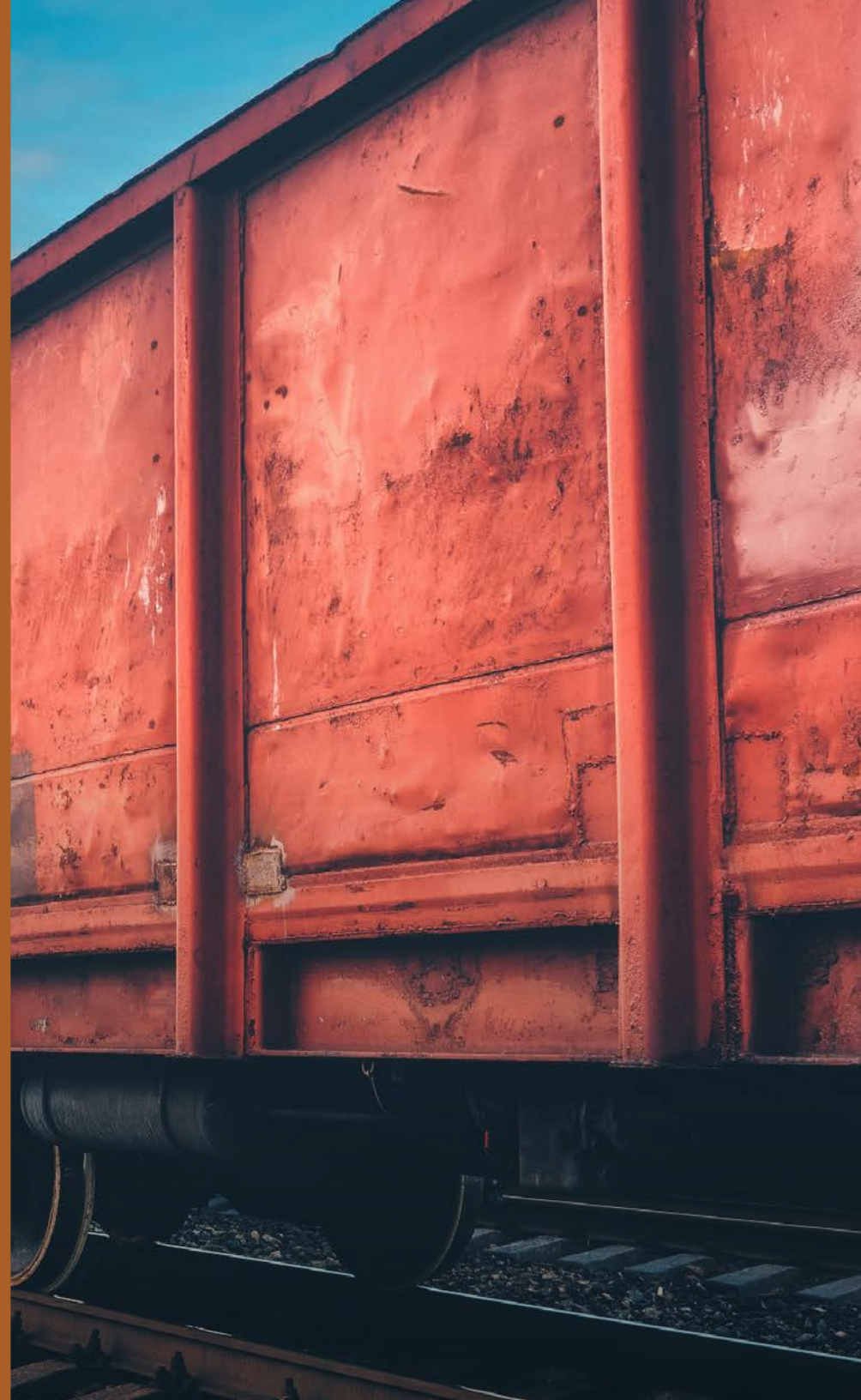


**ST LOUIS REGIONAL
FREIGHTWAY**

ST. LOUIS REGIONAL REAL ESTATE

Market Indicators &
Workforce Statistics

SPRING / SUMMER 2020





ST LOUIS REGIONAL FREIGHTWAY

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.

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Executive Vice President of Multi Modal Enterprises

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THEFREIGHTWAY.COM





ST LOUIS REGIONAL FREIGHTWAY

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!

Interactive Newsletter Outline

- 1 COVID-19 IMPACT
- 2 INDUSTRIAL REAL ESTATE MARKET INDICATORS
- 3 CONSTRUCTION & DEVELOPMENT TRENDS
- 4 HOTSPOT SPOTLIGHT: I-70 CORRIDOR
- 5 HOTSPOT SPOTLIGHT: RAIL DEVELOPMENTS
- 6 INDUSTRIAL JOB-READY WORKFORCE STATISTICS
- 7 ST. LOUIS REGIONAL ADVANTAGES



ST LOUIS REGIONAL FREIGHTWAY

While much of the information in this newsletter reflects the market conditions prior to COVID-19, signs of the pandemic's impact on the movement of goods into, out of and throughout the United States were already being seen as we prepared for publication. Even in the midst of these unprecedented times, the consistent response across the freight network in the bi-state St. Louis region was helping to ensure it delivered.

“When we do a postmortem on this, the St. Louis region will likely have come through fairly unscathed and stands better to be even more of a distribution hub as we think about heading into the Chicago market or Kansas City or even up over toward Ohio for that matter, just because you have the connectivity and can extend your reach. The world still has to eat; the world still has to consume certain things, and that's good for St. Louis and for U.S. farmers.”

KEN ERIKSEN

**SENIOR VICE PRESIDENT
IHS MARKIT**

COVID-19 IMPACT ON FREIGHT DISTRIBUTION & THE GLOBAL SUPPLY CHAIN

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.

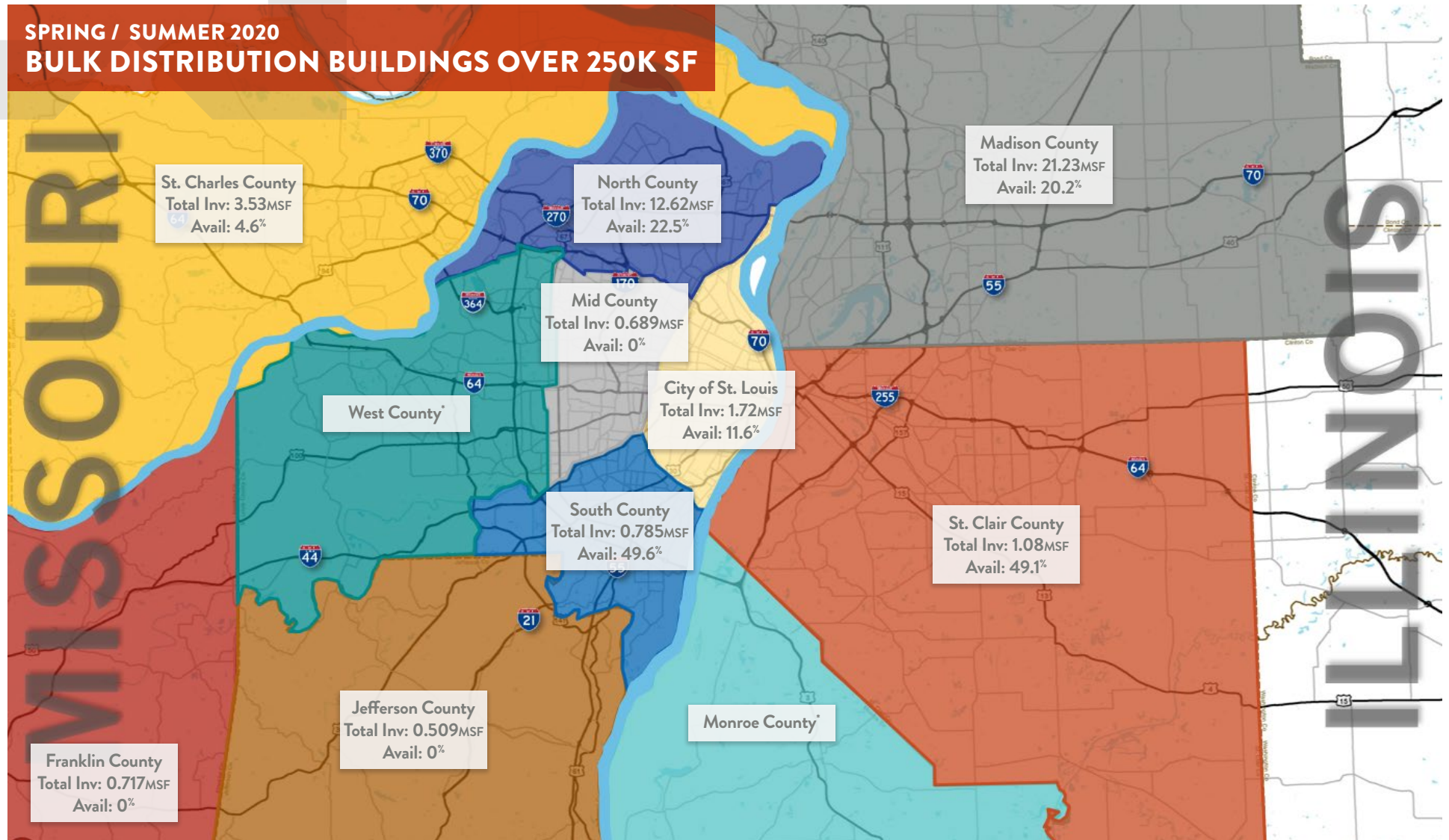
The system's ability to deliver takes on increased significance with deglobalization predictions resulting from COVID-19 indicating that supply chains may be returning to the U.S., as it reinforces this market is well positioned to accommodate the continuing shifts.



ST LOUIS REGIONAL FREIGHTWAY

INDUSTRIAL REAL ESTATE MARKET INDICATORS

SPRING / SUMMER 2020
BULK DISTRIBUTION BUILDINGS OVER 250K SF



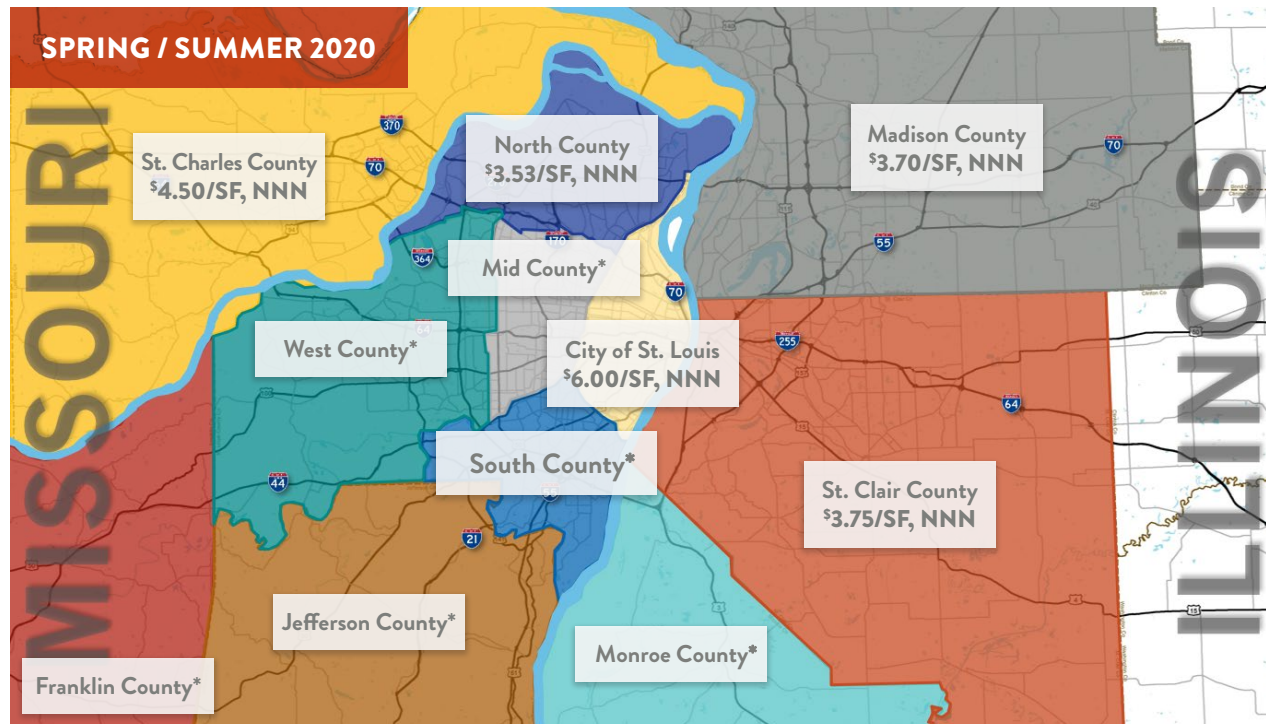
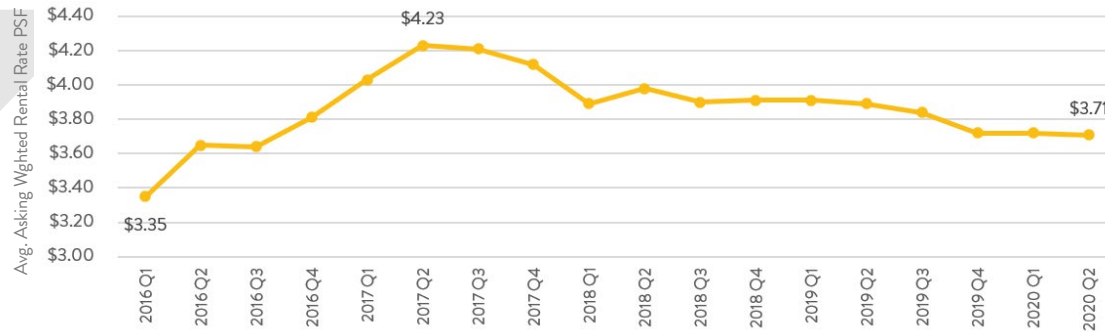
Source: CoStar – St. Louis MSA; Existing industrial buildings over 250,000 SF, over 24' Clear; Single Story
*Monroe Co, IL and West County, MO do not have inventory fitting the parameters on CoStar



ST LOUIS REGIONAL FREIGHTWAY

INDUSTRIAL REAL ESTATE MARKET INDICATORS

AVERAGE NNN WEIGHTED ASKING RENTAL RATES



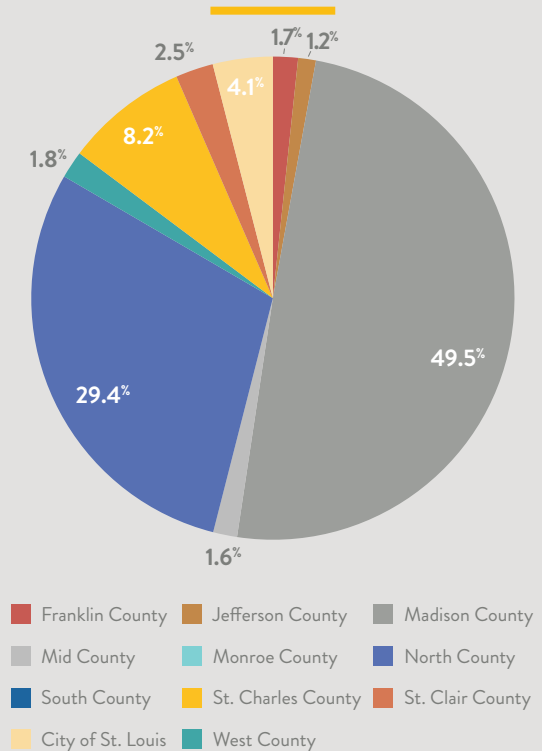
TOTAL INVENTORY SIZE

(BULK DISTRIBUTION OVER 250,000 SF)

±42.9 MSF

INVENTORY BREAKDOWN

(BY BUILDING SF)









Source: CoStar – St. Louis MSA; Existing industrial buildings over 250,000 SF, over 24' Clear; Single Story
 *Only reported NNN asking rents were used



ST LOUIS REGIONAL FREIGHTWAY

ST. LOUIS COMPARISON

	INVENTORY SIZE (SF)	# OF BLDGS	POPULATION
 St. Louis	42.9MSF	83	2.9M
 Kansas City	46.8MSF	85	2.2M
 Indianapolis	90.7MSF	174	2.1M
 Memphis	86.0MSF	155	1.4M
 Louisville	35.7MSF	74	1.3M
 Nashville	51.3MSF	99	2.0M

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

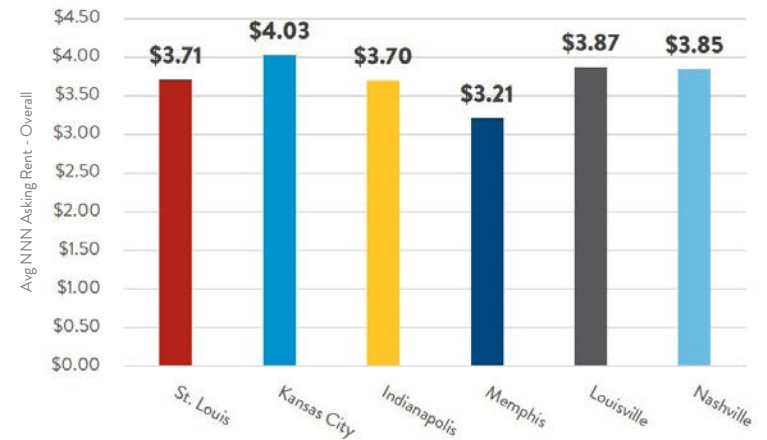
*Only reported NNN asking rents were used

**MSA Resident Population – U.S. Census Bureau, Annual Estimates of the Resident Population

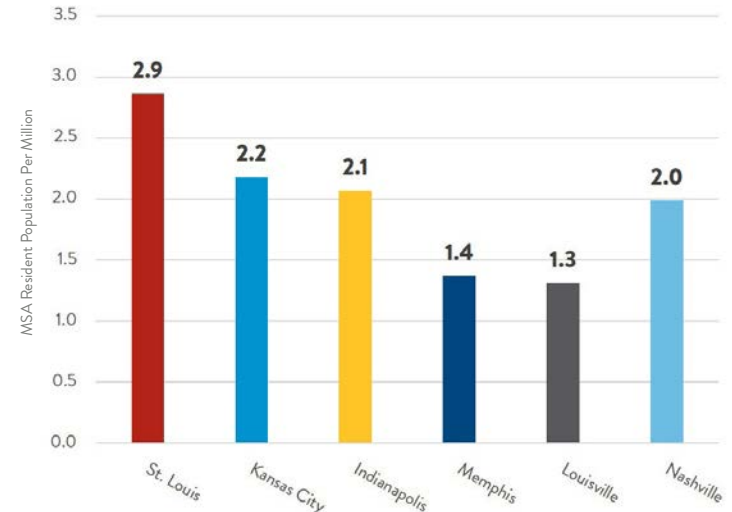
INDUSTRIAL REAL ESTATE MARKET INDICATORS

SPRING / SUMMER 2020

NNN ASKING RATE*



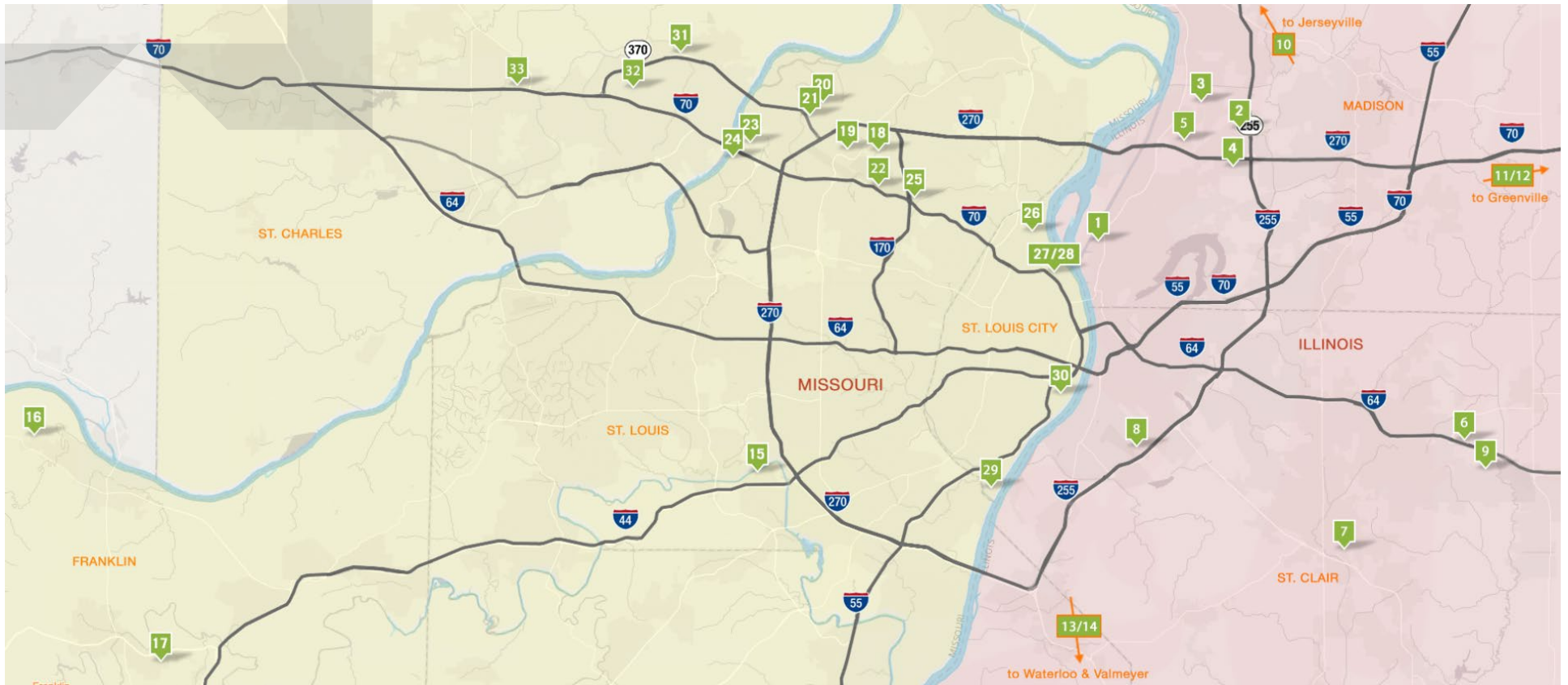
REGIONAL RESIDENT POPULATION**





ST LOUIS REGIONAL FREIGHTWAY

INDUSTRIAL REAL ESTATE MARKET INDICATORS



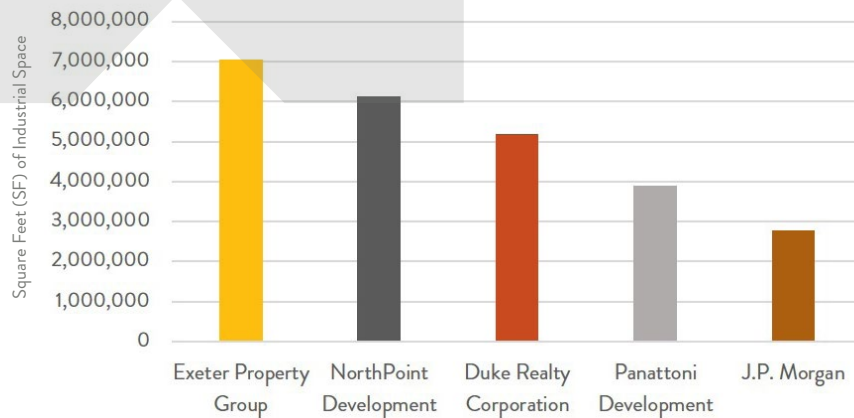
CLICK ON THE MAP OR VISIT THEFREIGHTWAY.COM
TO GET CONNECTED with the St. Louis Regional Freightway.
The site highlights the industrial real estate sites in locations that
are ready for you and your business.

The St. Louis region has people
ready and excited to work with
you to **find the best location!**



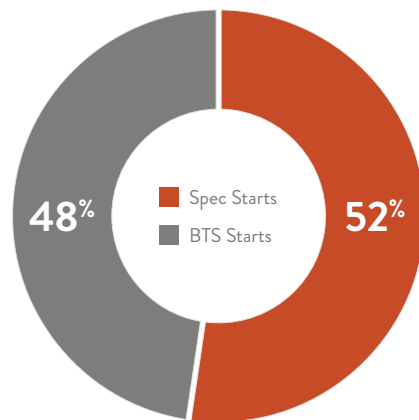
ST LOUIS REGIONAL FREIGHTWAY

TOP INSTITUTIONAL GRADE OWNERS



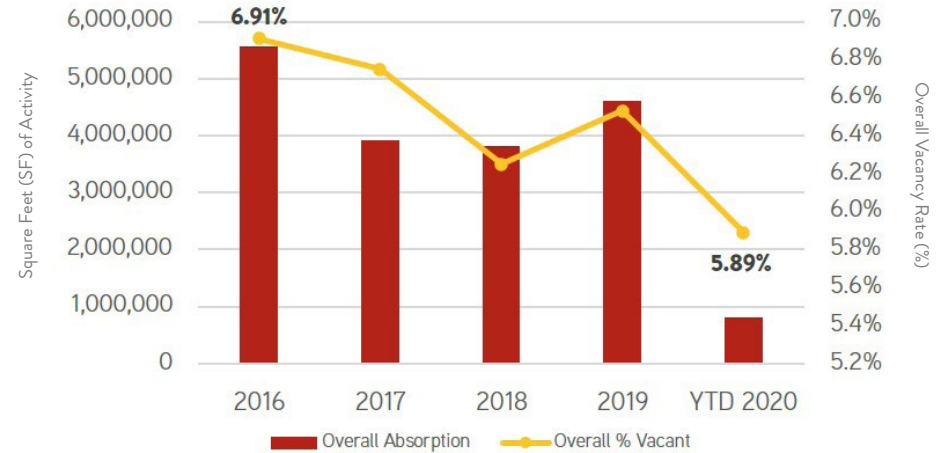
SPECULATIVE DEVELOPMENT

CONSTRUCTION STARTS SINCE 2016 - BUILDINGS OVER 250,000 SF



CONSTRUCTION & DEVELOPMENT TRENDS

MARKET INDICATORS



TOTAL CONSTRUCTION



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.

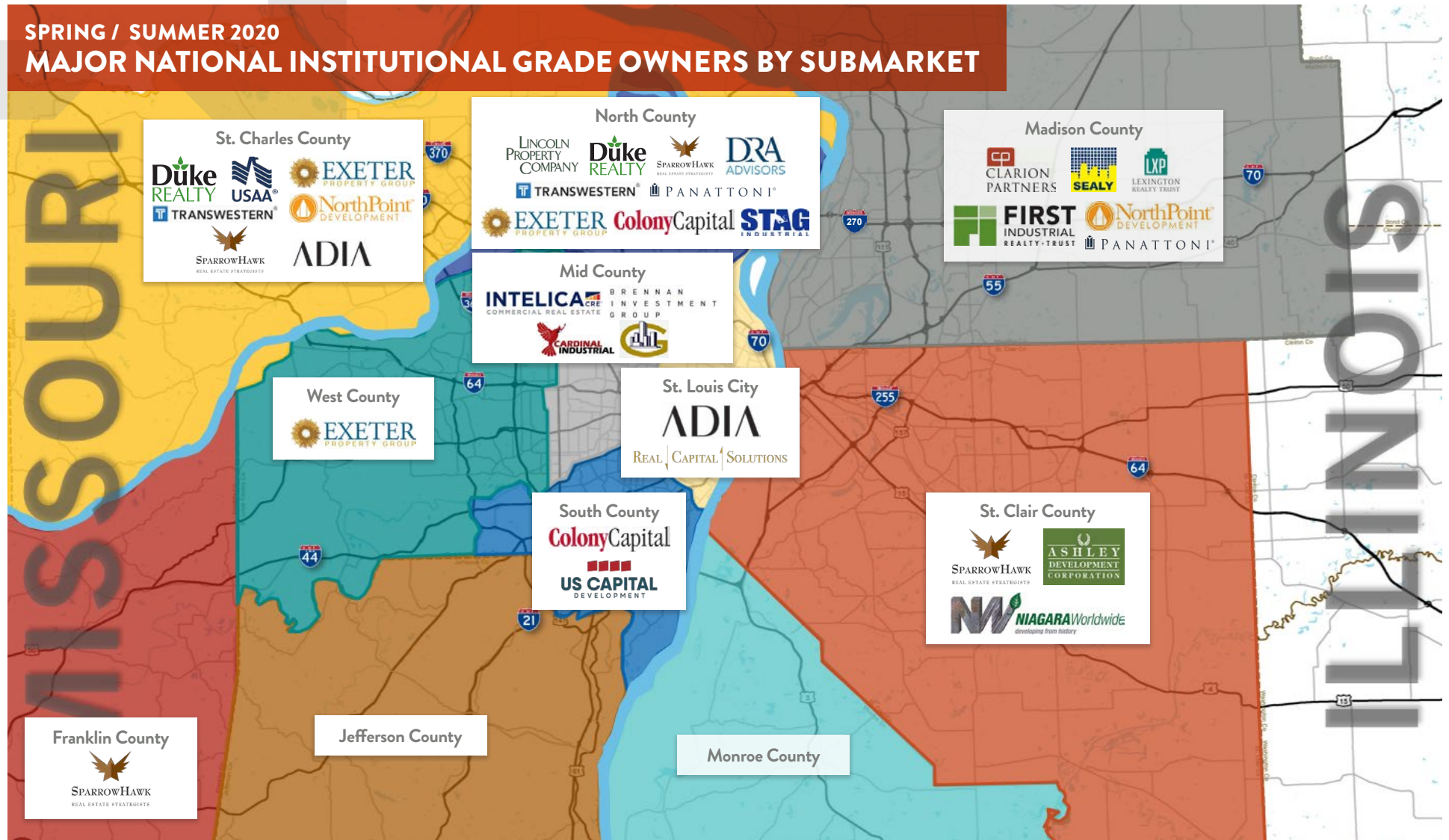
Source: Colliers International; CoStar (Total construction numbers include industrial buildings over 250,000 SF)



ST LOUIS REGIONAL FREIGHTWAY

CONSTRUCTION & DEVELOPMENT TRENDS

SPRING / SUMMER 2020 MAJOR NATIONAL INSTITUTIONAL GRADE OWNERS BY SUBMARKET



Source: CoStar, Colliers International

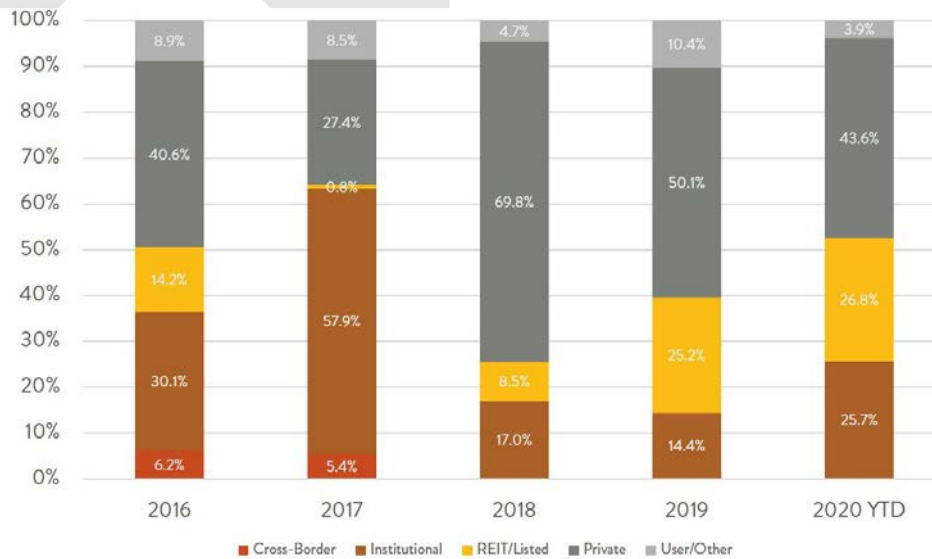


ST LOUIS REGIONAL FREIGHTWAY

CONSTRUCTION & DEVELOPMENT TRENDS

SELLER COMPOSITION*

(PERCENTAGE OF TOTAL MARKET INVESTMENT BY \$)

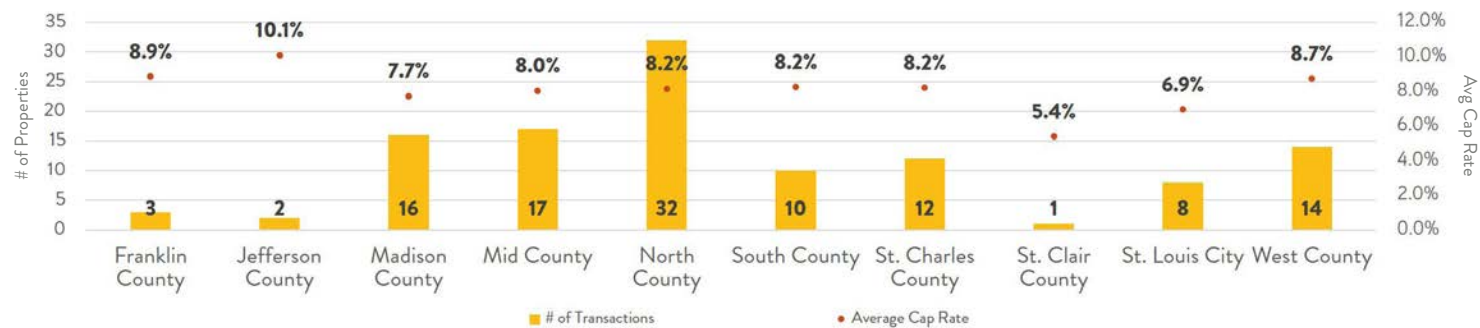


BUYER COMPOSITION*

(PERCENTAGE OF TOTAL MARKET INVESTMENT BY \$)



INVESTMENT ACTIVITY SINCE 2016



Source: Colliers Comps, Real Capital Analytics, CoStar
Only buildings over 250,000 SF



ST LOUIS REGIONAL FREIGHTWAY

94%

**94% OF ALL
CONSTRUCTION
OVER 250K SF**

since 2016 has been
within 10-minutes of
the I-70 Corridor

91%

**91% OF THE
NEW MAJOR
INDUSTRIAL PARKS**

with significant
construction are located
within 10-minutes of the
I-70 Corridor

Source: Colliers International

HOTSPOT SPOTLIGHT: I-70 CORRIDOR

VITAL LINK BETWEEN ILLINOIS & MISSOURI

confirmed with continued construction growth
along 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**



ST LOUIS REGIONAL FREIGHTWAY

HOTSPOT SPOTLIGHT: 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



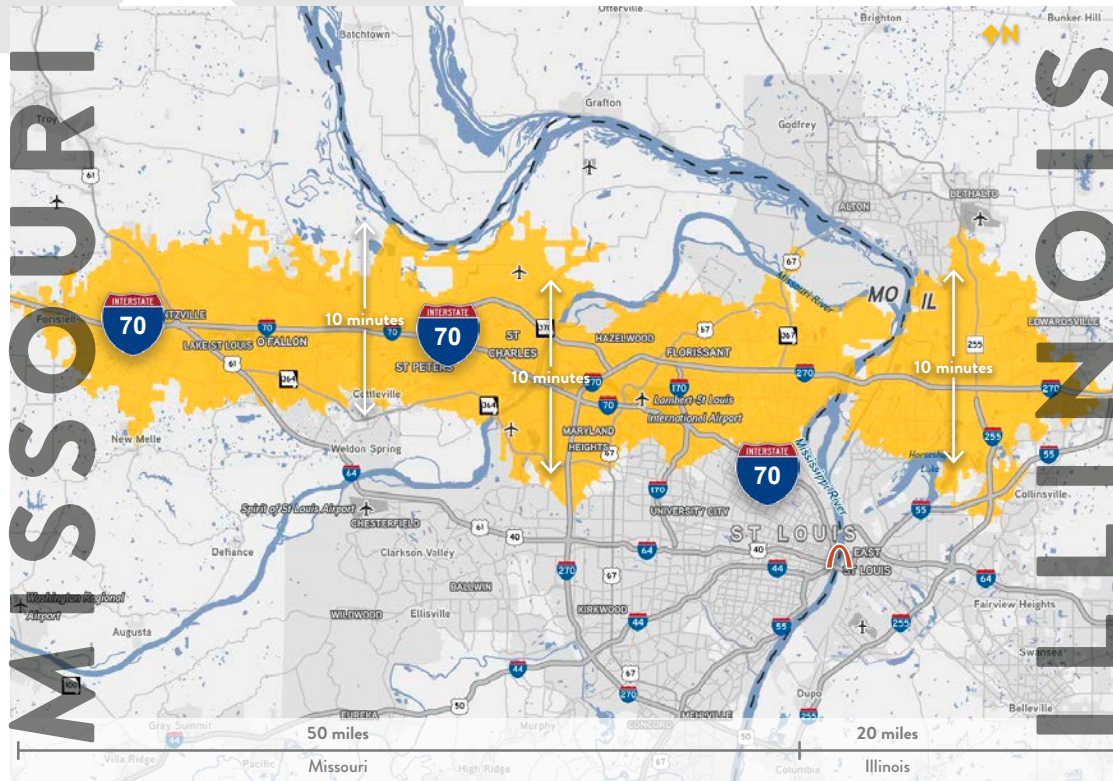
Source: Colliers International



ST LOUIS REGIONAL FREIGHTWAY

HOTSPOT SPOTLIGHT: I-70 CORRIDOR

10-MINUTE DRIVE TIME



NATIONAL TENANTS

WITHIN 10-MINUTE DRIVE TIME

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

10-MINUTE DRIVE TIME DEMOGRAPHICS



±28,000
BUSINESSES*



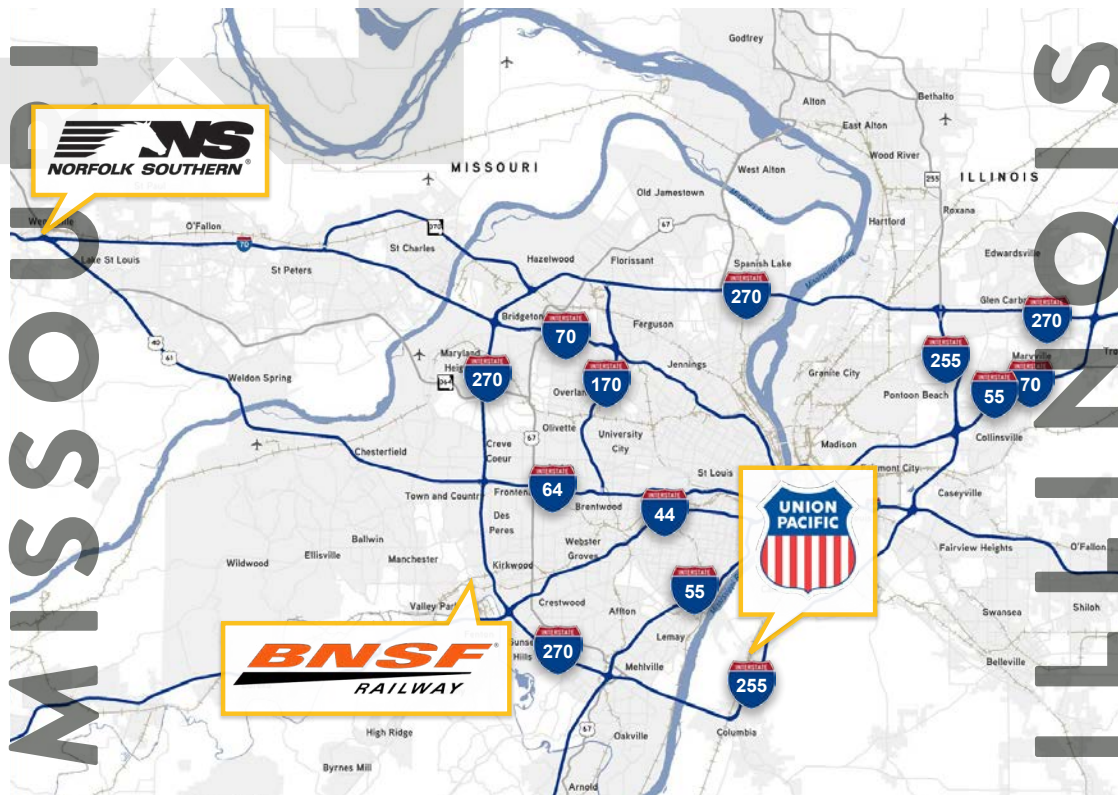
±380,000
EMPLOYEES*

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



ST LOUIS REGIONAL FREIGHTWAY

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.

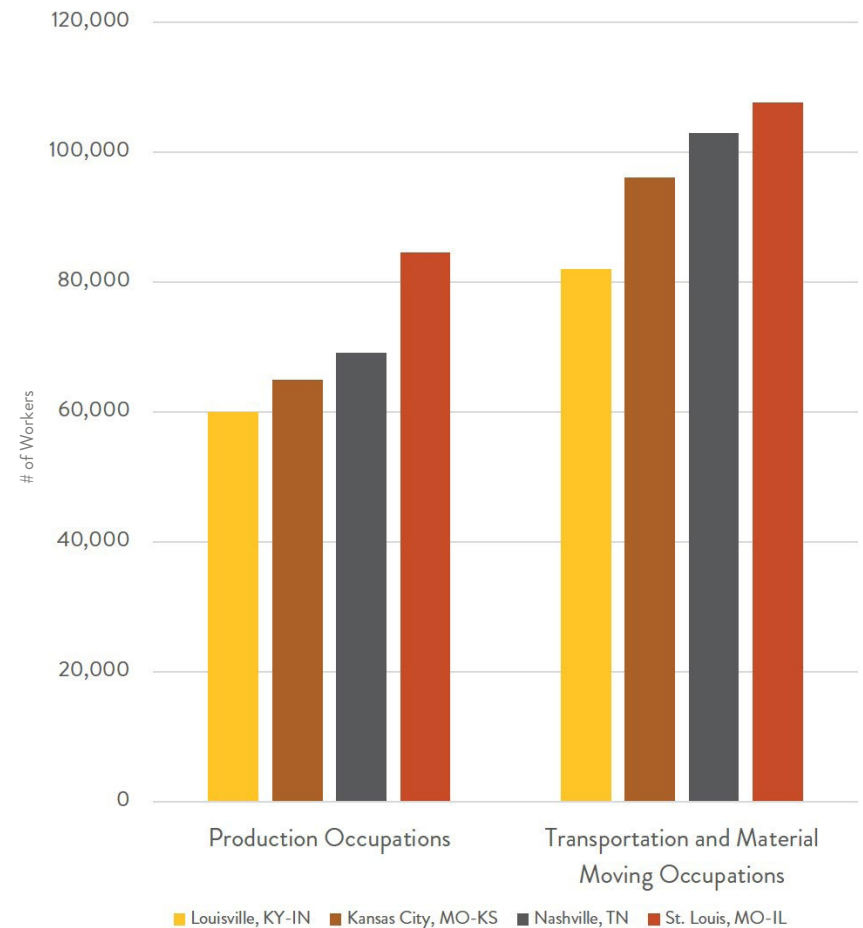


ST LOUIS REGIONAL FREIGHTWAY

INDUSTRIAL JOB-READY WORKFORCE STATISTICS

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

MSA COMPARISON TOTAL NUMBER OF WORKERS



Source: May 2019 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates <https://www.bls.gov/oes/current/oesrcma.htm>

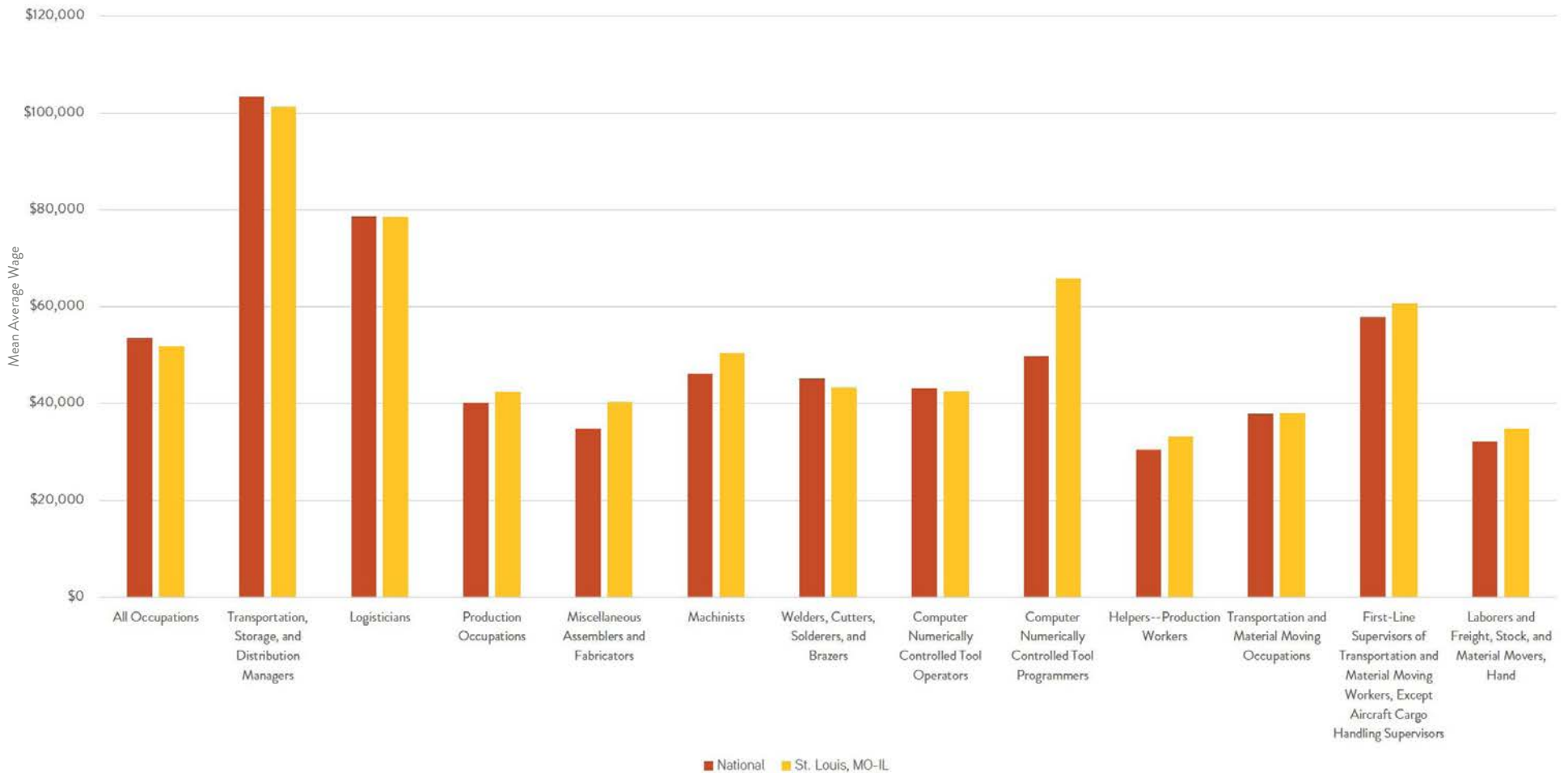


ST LOUIS REGIONAL FREIGHTWAY

INDUSTRIAL JOB-READY WORKFORCE STATISTICS

MEAN AVERAGE WAGE COMPARISON

ST. LOUIS, MO-IL VS NATIONAL



Source: May 2019 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates <https://www.bls.gov/oes/current/oesrcma.htm>



ST LOUIS REGIONAL FREIGHTWAY

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 FREIGHTWAY

ST. LOUIS REGIONAL ADVANTAGES

LEVERAGE



JOB-READY WORKFORCE

The St. Louis region has the largest number of workers employed in manufacturing among comparably 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.



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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.