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ST. LOUIS REGION OFFERS A LARGER LOGISTICS WORKFORCE AND MORE DISTRIBUTION SPACE THAN PEER CITIES IN THE MIDWEST

[ST. LOUIS, MO, May 17, 2024] Among comparable markets in the Midwest, the St. Louis region currently has the highest square footage available for distribution space, with nearly 6 million square feet ready to be occupied at one of the lowest average asking rents. The trained workforce needed to support operations for those taking advantage of the available space also is present, with a higher number of production, and transportation and material moving workers in the St. Louis region than in several Midwest peer cities. Skilled workforce availability also is a recurring theme across four target industry sectors identified as key drivers of growth in the bi-state region. The data is among the key information included in the [St. Louis Regional Industrial Real Estate Market Indicators & Workforce Report](#) released on May 17 by the St. Louis Regional Freightway as part of the annual FreightWeekSTL conference.

“The report emphasizes the significance of industrial sites and buildings in the freight and logistics supply chain and highlights the robust market fundamentals in the St. Louis region, along with its workforce strengths,” said Mary Lamie, Executive Vice President of Multimodal Enterprises for Bi-State Development and head of the St. Louis Regional Freightway. “It presents key construction and development trends and delves deeper into vibrant industry sectors thriving in this region supported by a world class freight network that continues to be enhanced.”

Highlights

- The St. Louis region has more than 5.8 million square feet of industrial distribution space available and an average asking rent of \$5.67/sq. ft. for those spaces.
- The St. Louis region has one of the most competitive costs per square foot in the Midwest at \$5.36/sq. ft., lower than all comparable markets in the region except Memphis.
- Nearly 200,000 workers in the greater St. Louis region power Production and Transportation & Material Moving jobs, more than other cities in the Midwest like Kansas City, Louisville, Memphis, and Nashville, which allows the region to compete for the national companies looking for available spaces and workers.
- In the St. Louis metro area, the fastest-growing occupations from 2021 to 2022 were Production Workers and Machinists, which grew by 51.8% and 28.1%, respectively.

The St. Louis Regional Freightway’s 2025 Priority Projects List includes 27 projects totaling \$8 billion, underscoring the commitment to improving freight infrastructure through infrastructure investment, to support continued growth. The report reveals the St. Louis region also ranks highly among comparable communities in terms of the percent of industrial real estate space leased. Although new construction has slowed in recent years due to the nationwide trend of higher building supply costs and more expensive and restrictive capital markets, as of Q1 2024 the bi-state region still had more than 700,000 square feet of industrial space under construction. Large blocks of space are built and available, especially in the Metro East (Southwestern Illinois), which offer immediate opportunities for absorption and growth.

“The St. Louis region, with its availability of recently built spec industrial and select large blocks of space, allows for an ideal market to consolidate locations for occupiers seeking 100,000 sq. ft. or more. During the pandemic, companies added locations to serve demand. As that demand wanes and firms retrench and consolidate to fewer locations, one can find an attractive market in St. Louis vis-à-vis other regions due to several key advantages,” said

Doug Rasmussen, CEO + Managing Principal with Steadfast City Economic & Community Partners, which prepared the report.

Target Industry Sectors Driving Growth

The report further reveals how the St. Louis Regional Freightway is harnessing the bi-state region's unique assets and building on its strengths by focusing on four key target industry sectors that strategically position the regional economy for smart, sustainable growth. These four target industries—Metals, Food & AgTech, Chemicals and Advanced Manufacturing—are legacy industry sectors in the bi-state region poised for continued innovation, job creation, and economic diversification, in part due to the region's logistics and transportation assets. These target industries have a strong existing industry base and established workforce and talent pipelines within the St. Louis region and continue to attract new investment.

Metals - The St. Louis metropolitan area ranks second among all metros in the United States for minerals and ores exports, with more than \$2.9 billion in market exports in 2022, proving the market is well established for metals manufacturing, processing, and shipping. With copper supplier Wieland announcing an investment of \$500 million at its East Alton, Illinois, facility in 2024, that will retain 800 jobs in the region, growth is expected to continue, as Wieland contributes to the nearly 17,000 metals industry workers in the region.

“Wieland is committed to a sustainable future and is taking significant steps to modernize its East Alton facility,” said Greg Keown, President, Wieland Rolled Products North America. “This effort solidifies our ability to supply the advanced energy sectors and underscores our dedication to environmental responsibility and innovation.”

Food and AgTech - With more than 50% of all U.S. crops produced within a 500-mile radius of the St. Louis region, St. Louis remains a hub for food and AgTech research and manufacturing operations. More than 400 biotech research and development companies call the St. Louis region home, and that number is expected to grow with \$87 million in National Institute of Health startup grants and \$142 million of appropriated federal commercialization grants flowing into the economy. Private companies also are investing in the region, with American Foods Group building an \$800 million beef processing facility in Warren County, Missouri, and Tyson Foods a \$180 million expansion in Caseyville, Illinois. With leading research institutions like the Donald Danforth Plant Science Center and the Monsanto/Bayer Innovation Center, collaboration is fostered among scientists, entrepreneurs, and investors to pioneer solutions for global agricultural challenges.

Advanced Manufacturing - The St. Louis region is home to four times the number of aerospace manufacturing employees, compared to similar size markets. Boeing's recent announcement of 650 new jobs coming due to \$2 billion in new investment and Gulfstream Aerospace Corp.'s \$28.5 million expansion at St. Louis Downtown Airport that is creating 200 new jobs will continue to push the region ahead in the aerospace industry. In addition to aerospace, other advanced manufacturing sub sectors are seeing significant investment and growth, with 9.6% net new advanced manufacturing job growth over the past 10 years. General Motors' recent \$1.5 billion expansion supported the retention of 4,100 new jobs and highlights the region's strength in manufacturing across the board. The region is home to the fourth best tax environment for manufacturers in the country, which helps drive continued investment.

Chemicals - The chemical sector in the St. Louis region is diverse in its makeup, which includes chemical manufacturing and transportation, as well as industry-leading bioscience research and development. Regional bioscience and biochemical companies have received \$1.5 billion in venture capital funding since 2015, and the nearly 16,000 chemical industry workers hold a diverse skillset that can serve companies of all types and sizes. The region has over three times more soap and cleaning compound manufacturing jobs than other similar sized markets and has seen 12.3% growth in the industry's jobs over the past five years, supported by major employers in the sector, such as Dial/Henkel and Procter & Gamble. The St. Louis region is ranked among the top 25 metro areas in the U.S. for chemical exports.

One Location. Global Access.

The report also highlights other advantages that reinforce the St. Louis region's unique position as one location with global access, including its central location and the presence of all six Class I railroads, five airports with capacity, four interstates with national access, and America's most efficient inland port, which is home to the Ag Coast of America. Other key advantages highlighted include available low-cost real estate, and a large, available, talented workforce from the shop floor to the C-suite.

It highlights the "70s Corridor" of 70-miles of industrial sites and development that runs between Foristell, Missouri and Marine, Illinois and includes portions of Interstates 70, 170, 270, and 370. Home to dozens of the region's featured real estate sites, the corridor is one of the nation's most advantageous locations for industrial site selection. The sites in this corridor and across the region can all be seen in the Featured Real Estate Sites Map in the report, which includes 19 sites that are served by rail. The map can also be found on the St. Louis Regional Freightway's website at <https://www.thefreightway.com/real-estate/>.

"The entire region benefits tremendously from the crucial 70s transportation thoroughfare, and the level of infrastructure investment occurring along the corridor in the St. Louis area is helping to ensure it remains a strategic location for companies looking to move goods efficiently and cost-effectively," said Rasmussen. Plans for industrial expansion are already being made in anticipation of these improvements, with multiple developers in early planning phases for projects from St. Louis County to Warren County, Missouri. This planning will bear fruit when capital markets improve and infrastructure investments are complete.

The report indicates that other major planned investments will drive additional industrial development and jobs. Those major projects include a new terminal at St. Louis Lambert International Airport, expansion of I-70 in the State of Missouri, light rail expansion to MidAmerica St. Louis Airport in Illinois, and improvements to the MacArthur Bridge over the Mississippi River.

The *St. Louis Regional Real Estate Market Indicators & Workforce Report* was released as part of FreightWeekSTL 2024, which was held May 13 through May 17. The week-long event featured virtual panel sessions with industry experts and leaders in freight, logistics and transportation and was presented by the St. Louis Regional Freightway and Bi-State Development. To learn more or to view past sessions for FreightWeekSTL 2024, visit <https://freightweekstl.com>.

About St. Louis Regional Freightway

A Bi-State Development enterprise, the St. Louis Regional Freightway is a regional freight district and comprehensive authority for freight operations and opportunities within eight counties in southwestern Illinois and eastern Missouri, which comprise the St. Louis metropolitan area. Public sector and private industry businesses are partnering with the St. Louis Regional Freightway to establish the bi-state region as one of the premier multimodal freight hubs and distribution centers in the United States through marketing and advocacy for infrastructure development that supports the movement of freight. To learn more, visit thefreightway.com.