



St. Louis Region Outpacing Peer Cities For Availability Of Manufacturing Space

by Julie Hauser
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ST. LOUIS - After hitting historic highs for delivery of modern bulk industrial space in 2022, the St. Louis region now also has the largest amount of manufacturing space available on the market compared to other Midwest cities, along with one of the lowest average asking rents. In addition, the region has trained workers ready to support newcomers to the industrial market with 15% of the region's workforce within the

production and transportation/material moving occupations. The data is included in [St. Louis Regional Industrial Real Estate Market Indicators & Workforce Report](#) released on May 26th by the St. Louis Regional Freightway as part of the annual FreightWeekSTL conference and expo. The real estate information underscores that the St. Louis region has the space and workers needed for manufacturing companies looking for existing places to grow and expand their businesses.

The *St. Louis Regional Real Estate Market Indicators & Workforce Report* emphasizes the significance of industrial buildings in the freight and logistics supply chain, showcasing the vibrant activity within this sector. It highlights the robust market fundamentals in the St. Louis region, presents key construction and development trends, and delves deeper into specific areas within the market that are delivering the necessary spaces and resources for continued growth.

Key Takeaways?from the Report?

- Within the entire St. Louis metropolitan region, manufacturing is the 4th largest industry, and manufacturing workers in the St. Louis region are nearly 15% more productive than the national average.
- The St. Louis region has a trained workforce ready to meet the growing demand for industrial spaces in the market with 15% of the region's workforce within the production and transportation/material moving occupations.
- Within those industrial focused occupations, the St. Louis bi-state area has more workers than the metropolitan areas of Kansas City, Louisville, and Memphis, which allows the region to compete for the national companies looking for both available industrial spaces and an available industrial workforce.
- Industrial construction in the St. Louis region hit a historic high in 2022 with over 7 MSF of completions entering the market.
- Speculative construction rates remain high with 65% of construction since 2019 being speculative builds showing developers believe that St. Louis has the industrial activity levels needed to drive construction investments.
- Institutional grade owners continue to enter the St. Louis market as it provides great triple-net (NNN) investment opportunities with significant growth potential and long-term stability.
- The St. Louis Regional Freightway's 2024 Priority Projects List includes more than 25 projects representing a total investment of almost \$3.7 billion, underscoring the ongoing commitment to improving freight infrastructure to support continued growth the manufacturing and distribution sector in the bi-state region.

“The thriving industrial market is a valuable asset to the bi-state St. Louis region, drawing national investors with its robust industrial-occupier activity, providing ample distribution and manufacturing space to attract expanding companies, and boasting a

skilled labor supply to meet the growing demand for modern bulk and manufacturing needs,” said Allison Gray-Gunsten, Vice President, Steadfast City Economic & Community Partners, which prepared the report.

Featured Corridor

The report highlights the 70s Corridor that runs between Foristell, Missouri and Marine, Illinois and includes portions of Interstates 70, 170, 270, and 370 running through several major logistics hubs and distribution centers. Interstate 70 is a key component that serves as a vital link between Illinois and Missouri and to both coasts. The portion of Interstate 70 that runs through the St. Louis region handles more than 36,000 freight trucks daily. The 70s Corridor has seen nearly 90% of all industrial construction in the bi-state market over the last five years, indicating the Corridor’s importance to both regional and national developers. Its importance is further highlighted by the fact that, in 2022, the top six industrial leases signed were all along the 70s Corridor.

The top occupation within the 70-mile corridor is Material Moving Workers -- people hired by organizations like Amazon to stock, handle, and ship goods in warehouses. Manufacturing is the second largest industry along the corridor and accounts for more than 11% of total employment for the 70-mile stretch.

The 70s Corridor is also noteworthy for housing the region’s largest occupiers and employers. More than 70% of industrial users with buildings exceeding 500,000 square feet and approximately 75% of industrial occupiers employing over 1,000 local workers can be found within a 10-minute drive of the 70s Corridor.

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 the presence of six Class I railroads, five airports with capacity, four interstates with national access, and America’s third largest inland port, which is home to the Ag Coast of America.

The Featured Real Estate Sites Map in the report shows the location of dozens of prime industrial sites across the bi-state region, including those that are served by rail. The map can be found on the St. Louis Regional Freightway’s Website at <https://www.thefreightway.com/real-estate/>.

“The St. Louis region continues to serve as a global freight hub, presenting numerous possibilities for continued development that capitalizes on the region’s multi modal capabilities,” said Mary Lamie, Executive Vice President of Multi Modal Enterprises for

Bi-State Development and head of the St. Louis Regional Freightway. “This information highlights sites on both the Illinois and Missouri sides of the metropolitan area – including a newly compiled list of 11 rail-served sites – all of which are ready to welcome investors interested in capitalizing on the region’s robust transportation network providing reliable and cost-effective distribution options.”

The *St. Louis Regional Real Estate Market Indicators & Workforce Report* was released on the final day of FreightWeekSTL 2023, which was held May 22 through May 26. 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 2023, visit www.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.?