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Turley / Commercial  
Real Estate Services

# THE STATE OF REAL ESTATE® ST. LOUIS, MISSOURI

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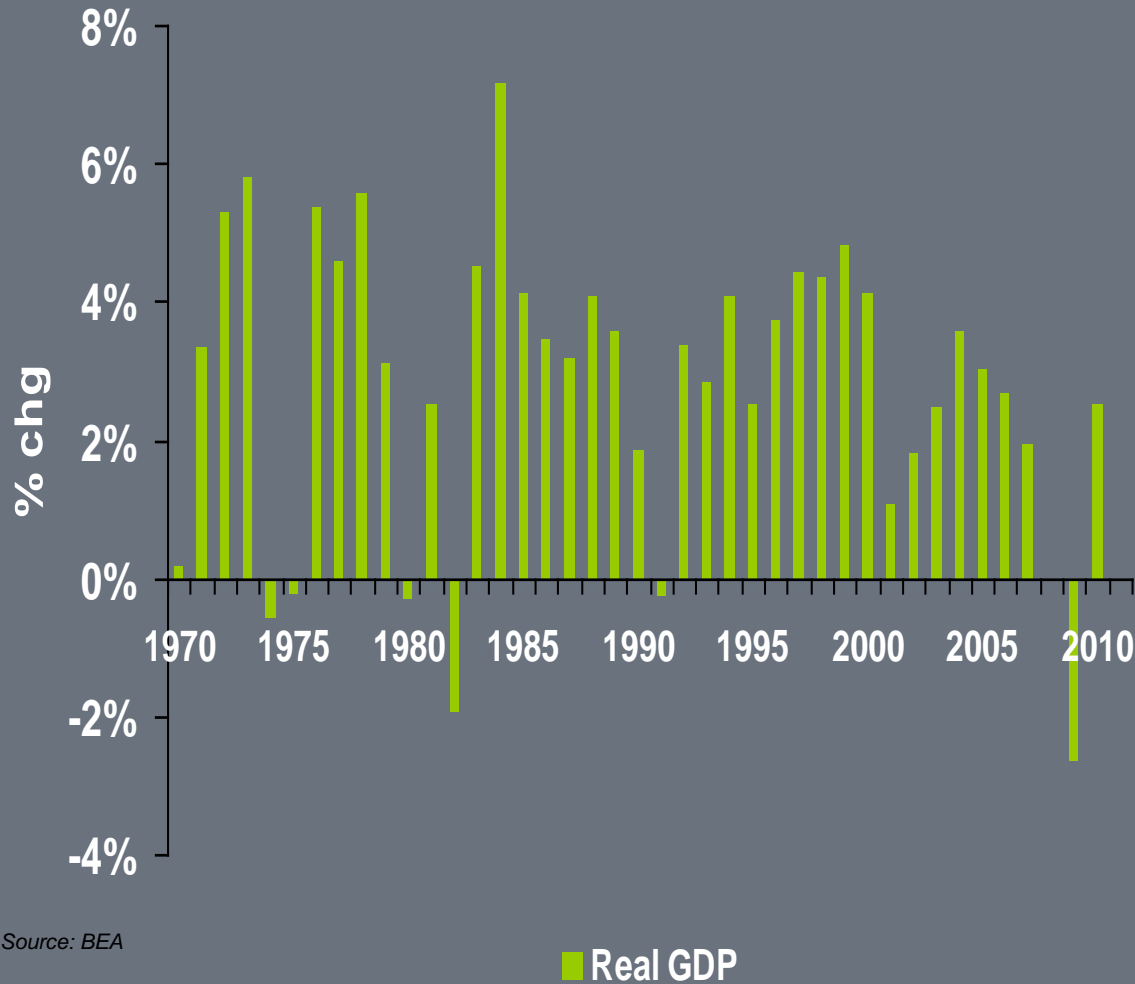
# THE STATE OF REAL ESTATE

## NATIONAL ECONOMY

Kevin Thorpe  
Chief Economist



# U.S. ECONOMY HAS MOMENTUM IN 2011



$$\text{GDP} = \text{C} + \text{I} + \text{G}(\text{eX} - \text{i})$$

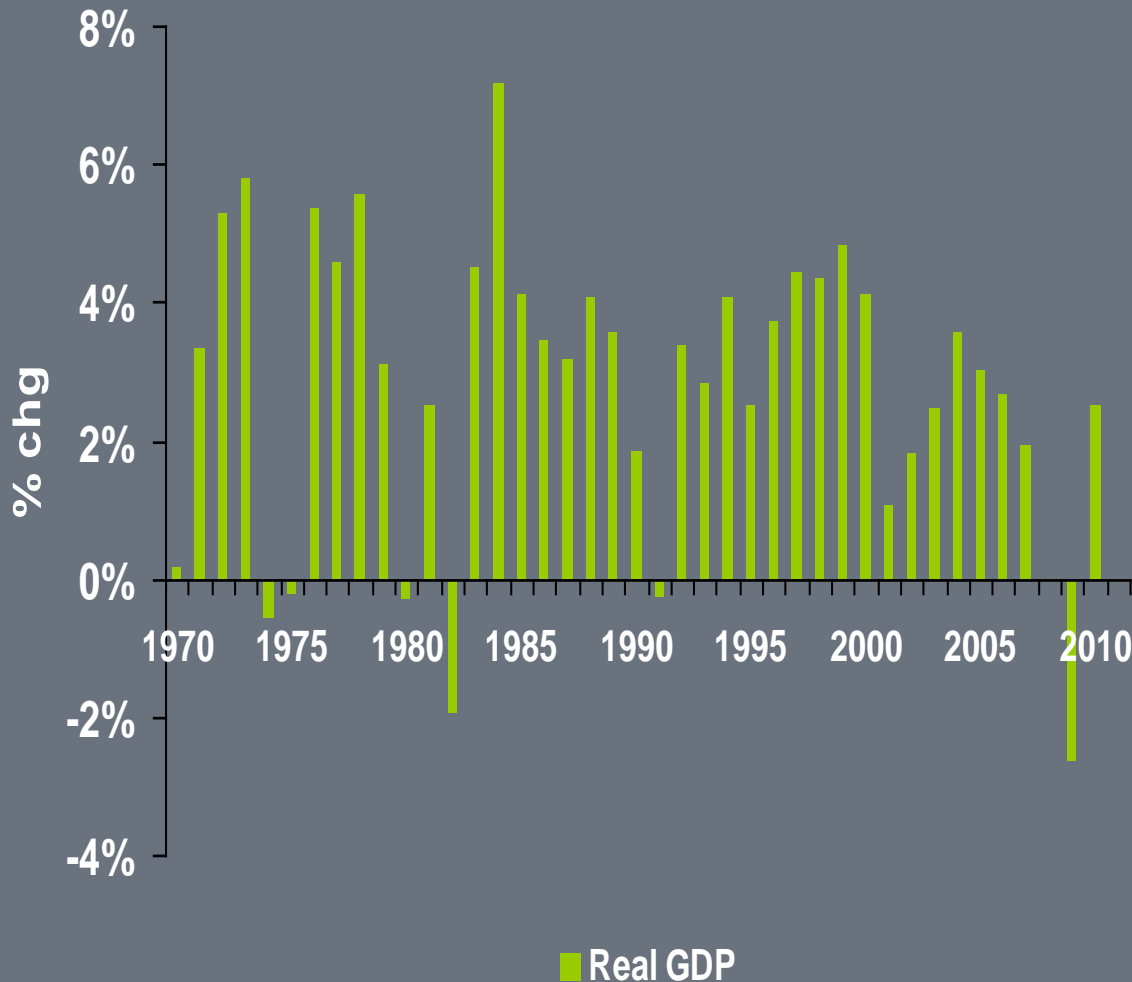
Source: BEA

■ Real GDP

# U.S. ECONOMY HAS MOMENTUM IN 2011



$$\text{GDP} = C + I + G(eX - i)$$



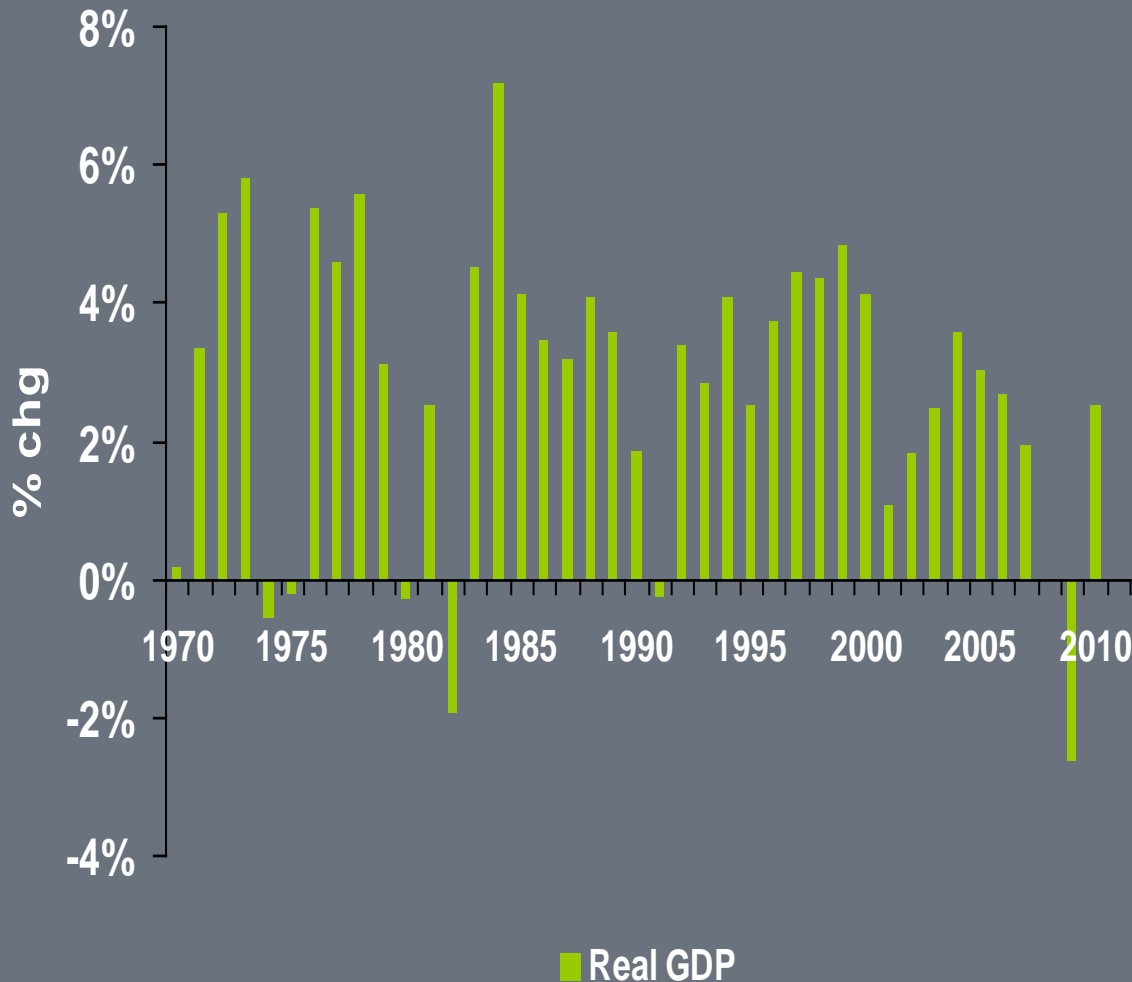
Consumption



# U.S. ECONOMY HAS MOMENTUM IN 2011



$$\text{GDP} = C + I + G(eX - i)$$



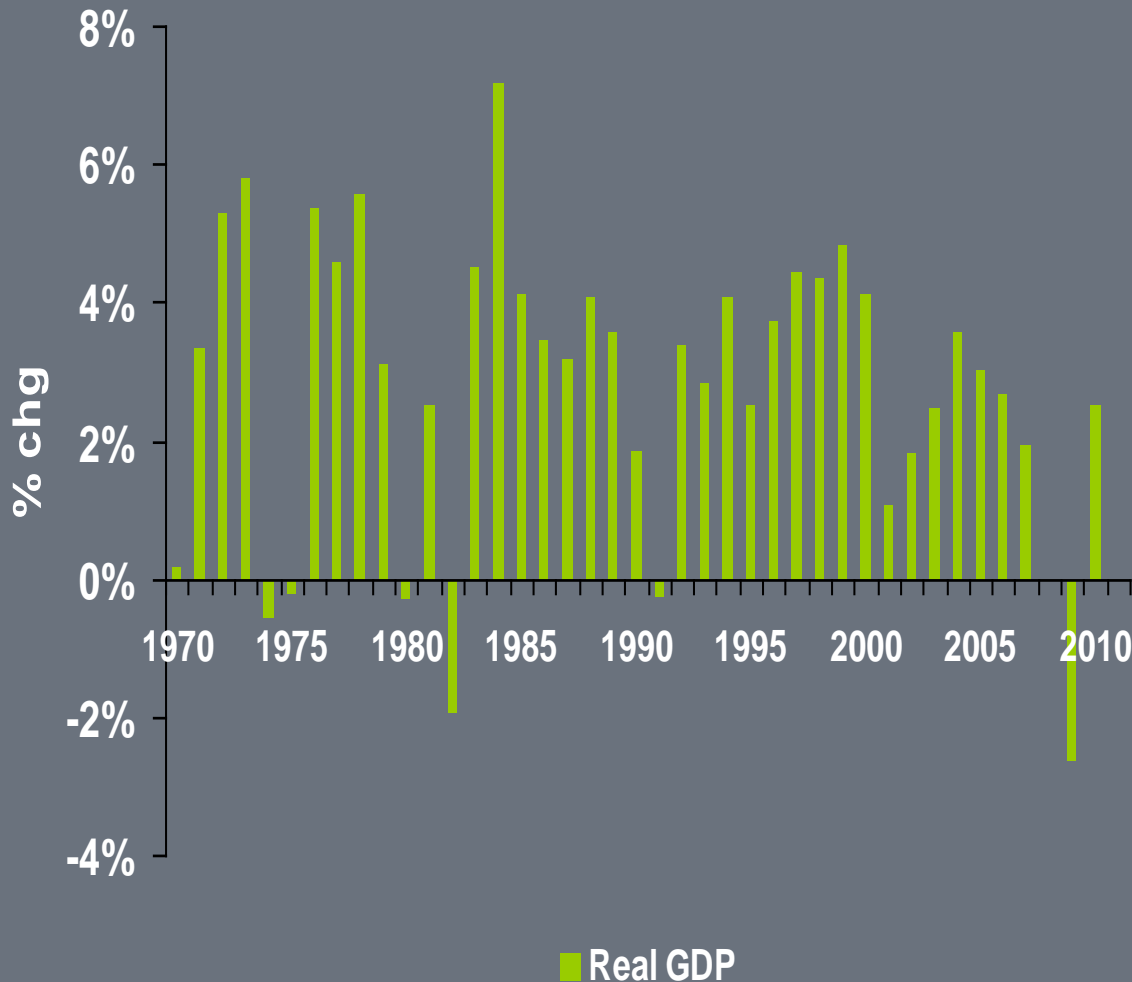
Consumption 

Investment 

# U.S. ECONOMY HAS MOMENTUM IN 2011



$$\text{GDP} = \text{C} + \text{I} + \text{G}(\text{eX} - \text{i})$$



Consumption 

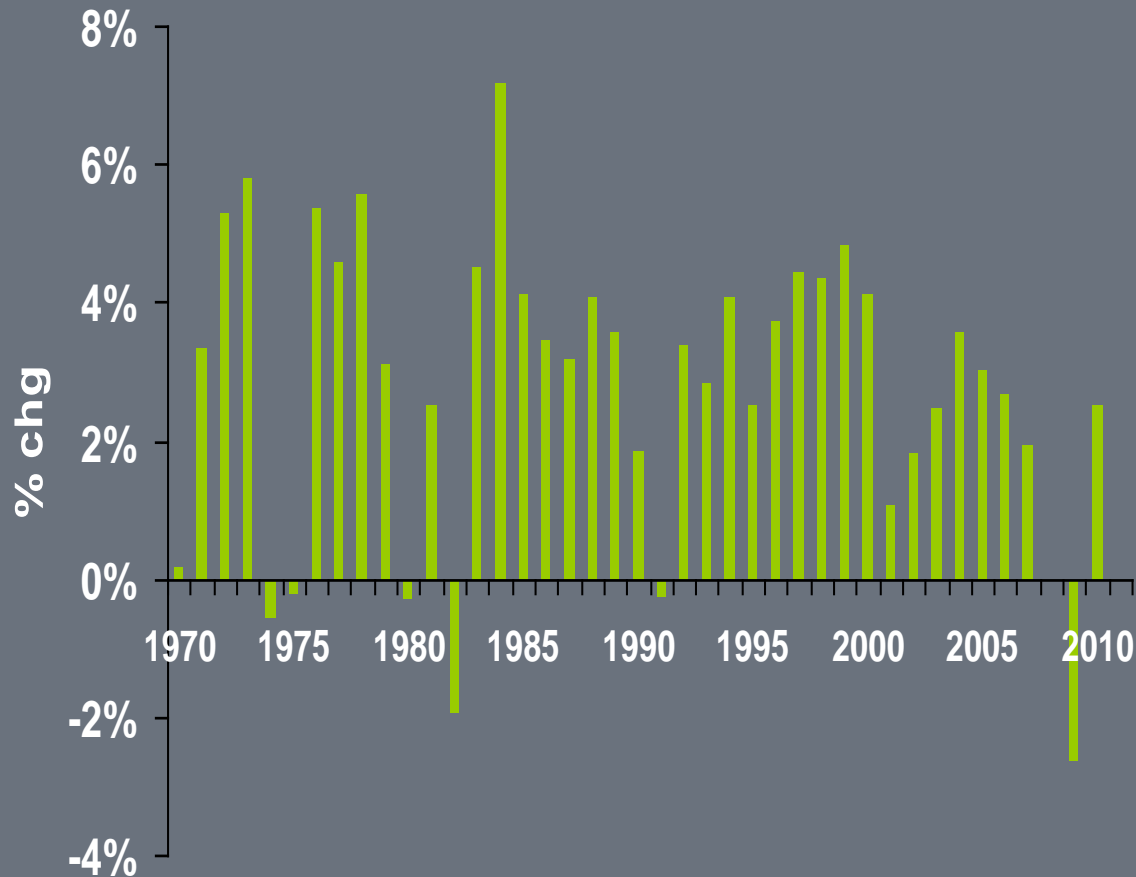
Investment 

Government 

# U.S. ECONOMY HAS MOMENTUM IN 2011



$$\text{GDP} = \text{C} + \text{I} + \text{G}(\text{eX} - \text{i})$$



■ Real GDP

Consumption ↑

Investment ↑

Government →

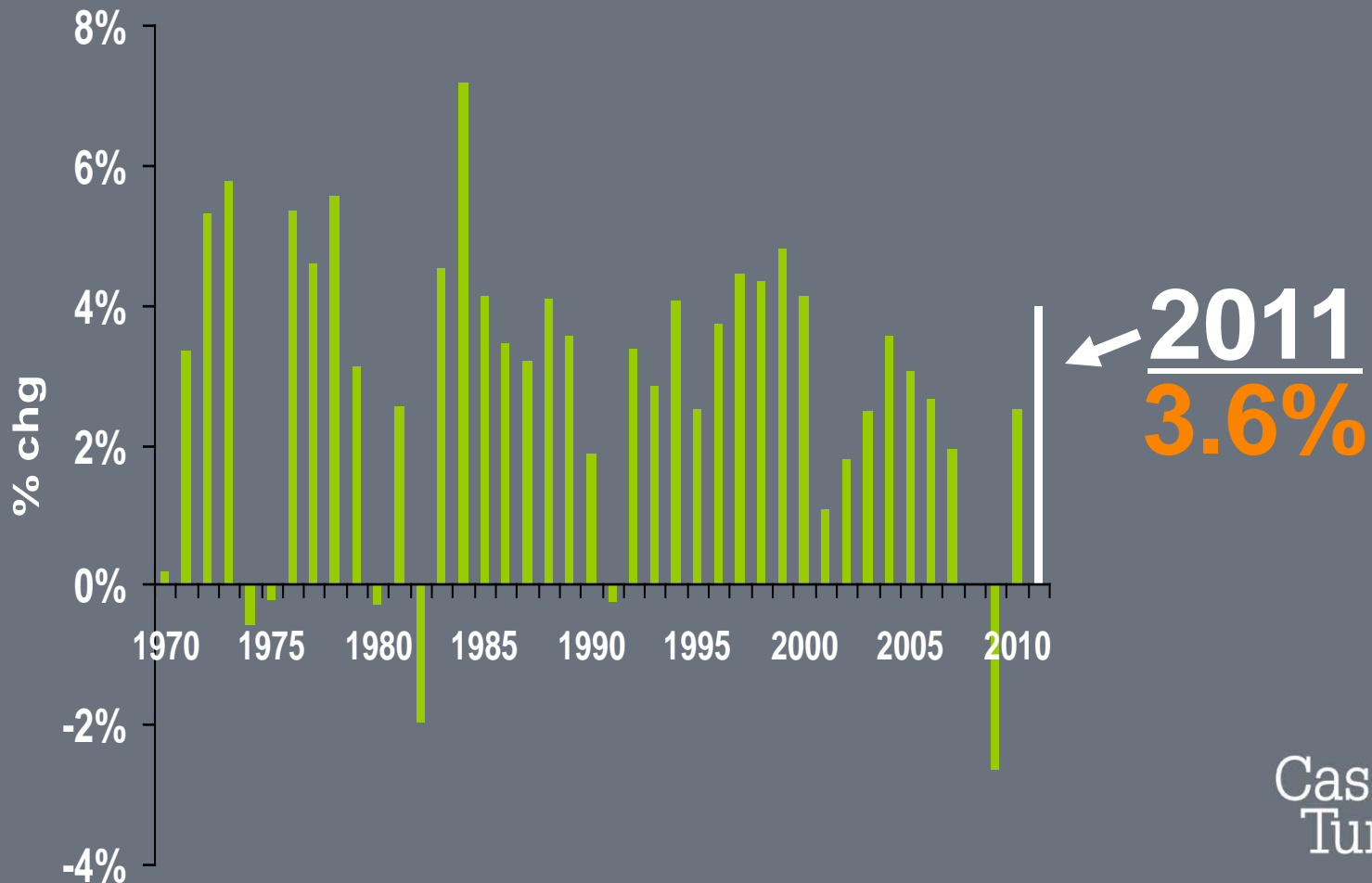
Exports ↑

Imports ↑

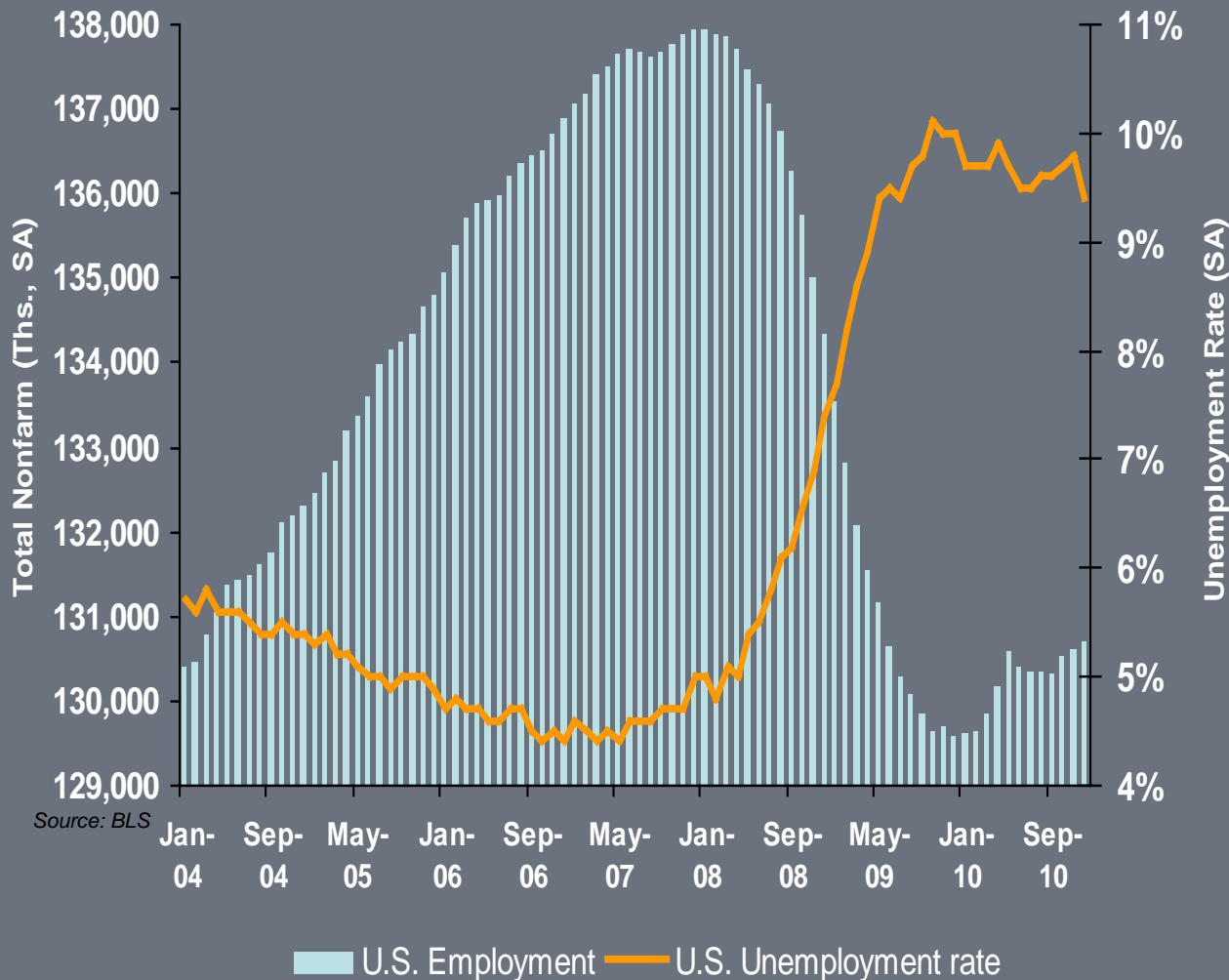
# U.S. ECONOMY HAS MOMENTUM IN 2011



$$\text{GDP} = C + I + G(eX - i)$$



# IT'S ALL ABOUT JOBS



## Encouraging Signs:

Temp Employment



Corporate Profits



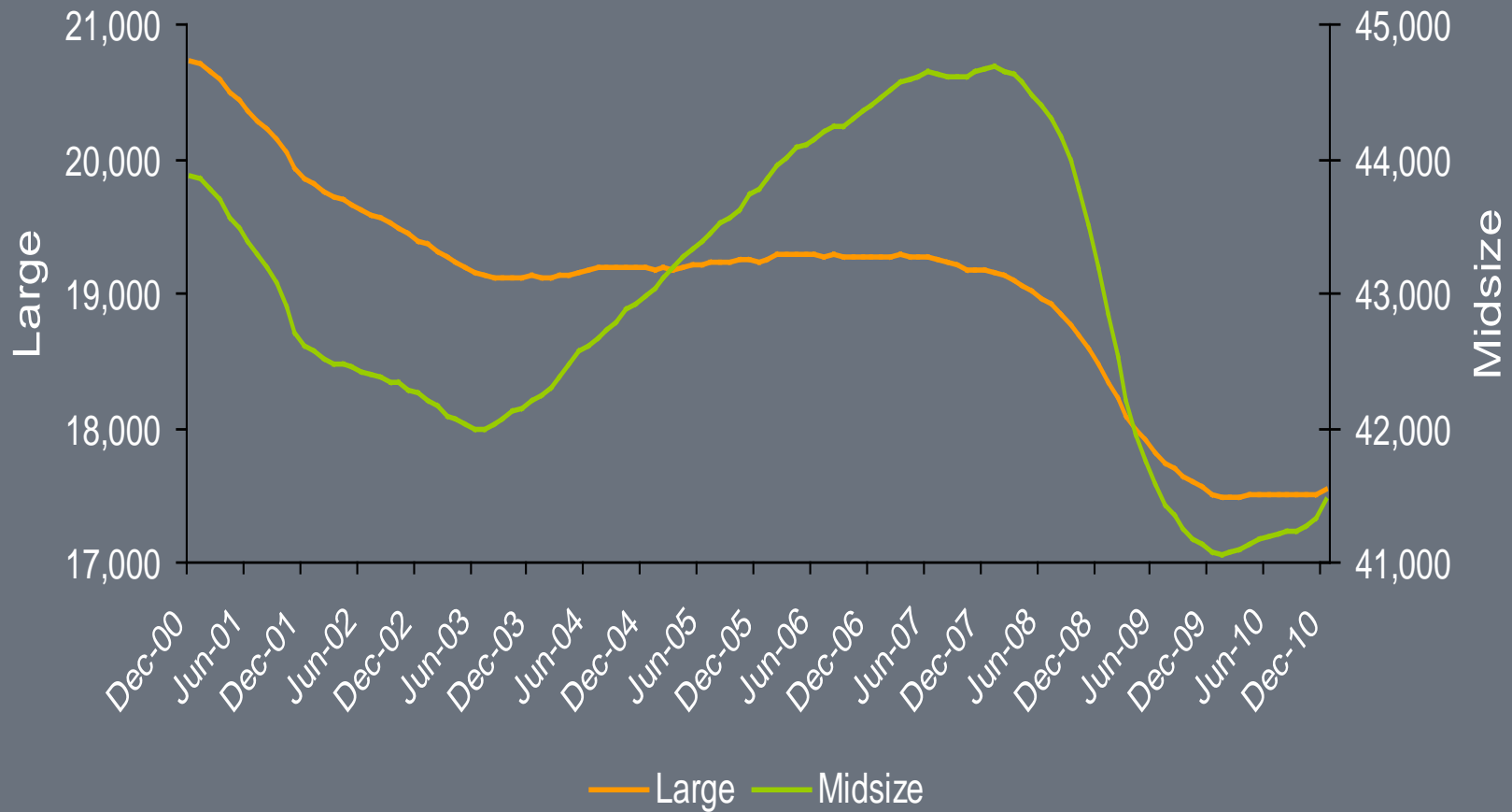
Equity Markets



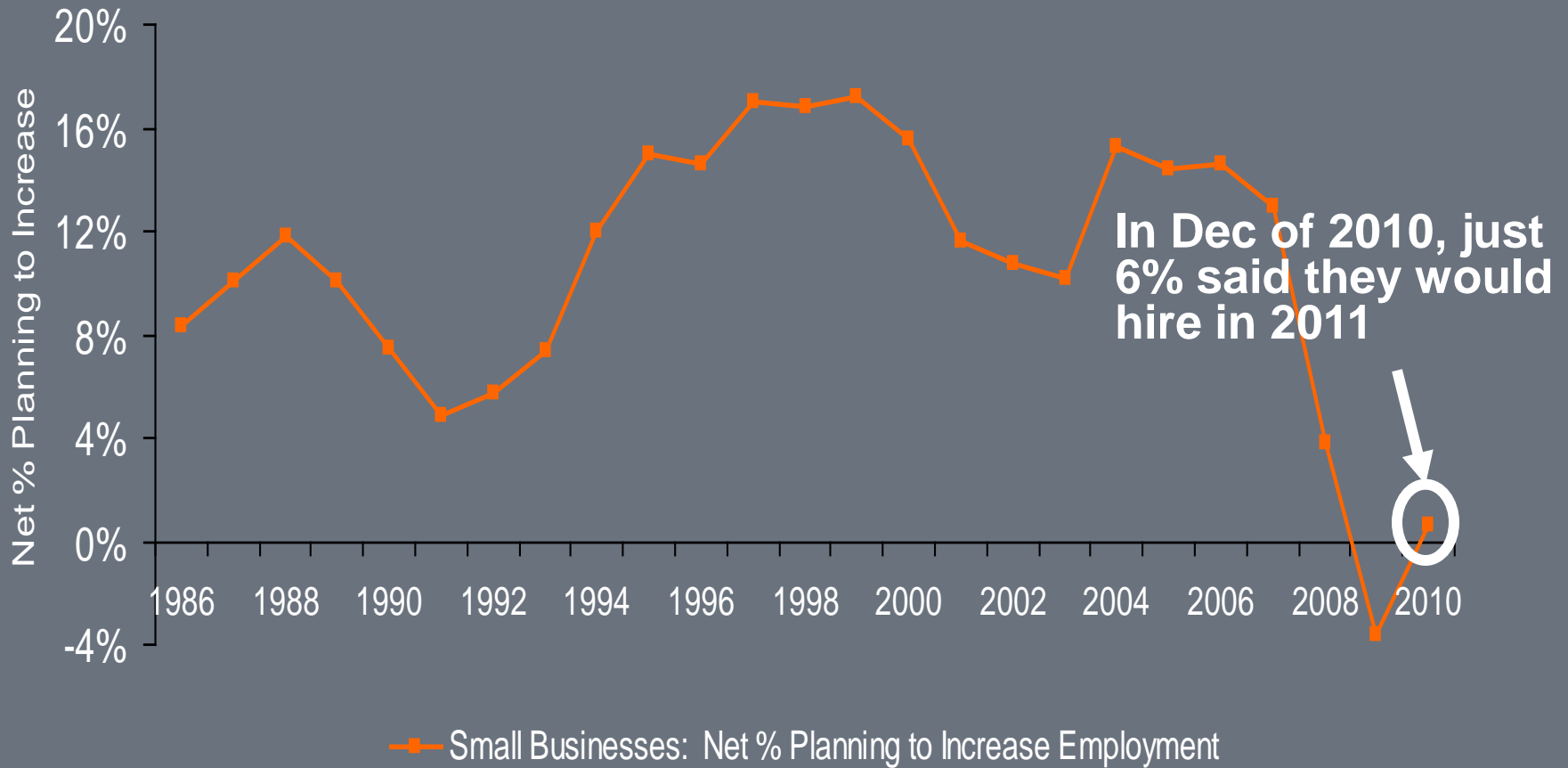
Jobless Claims



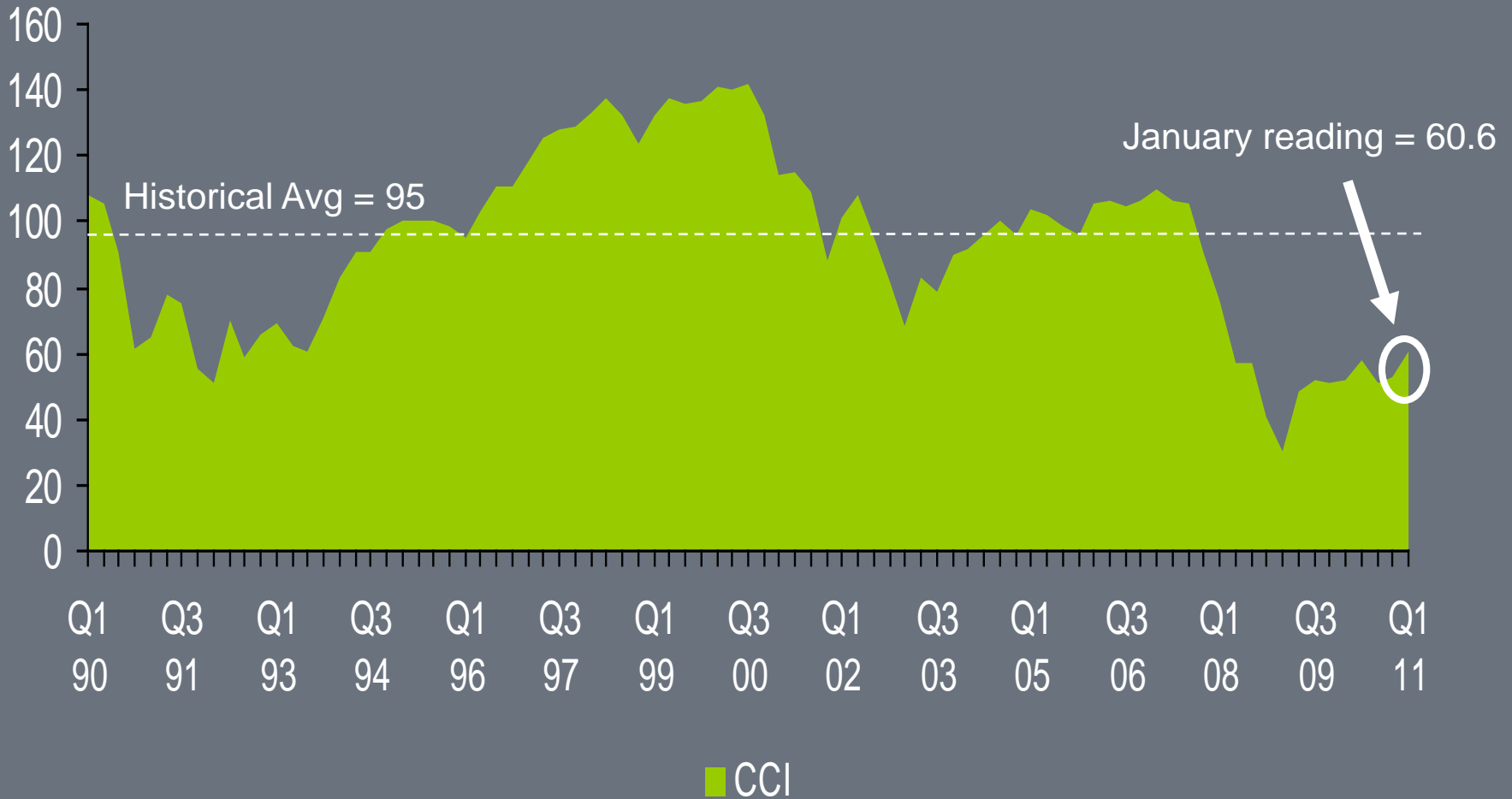
# WHO WILL HIRE AGGRESSIVELY IN 2011



# WHAT ABOUT SMALL BUSINESSES? NOPE...



# CONFIDENCE IS STILL TOO LOW





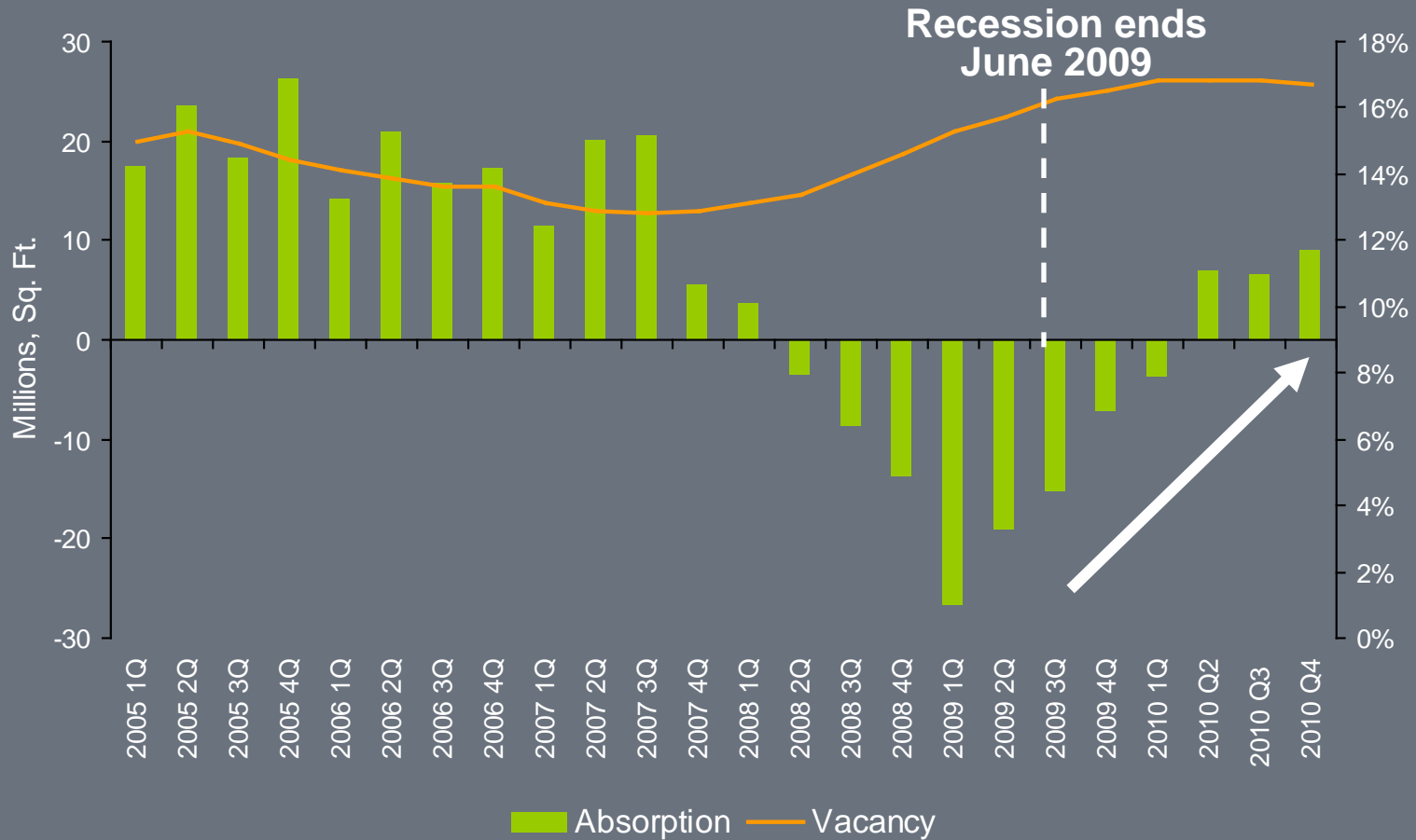
# **Commercial Real Estate Trends**

## **First leg of the recovery has begun**

# DEMAND IS RISING FOR OFFICE SPACE



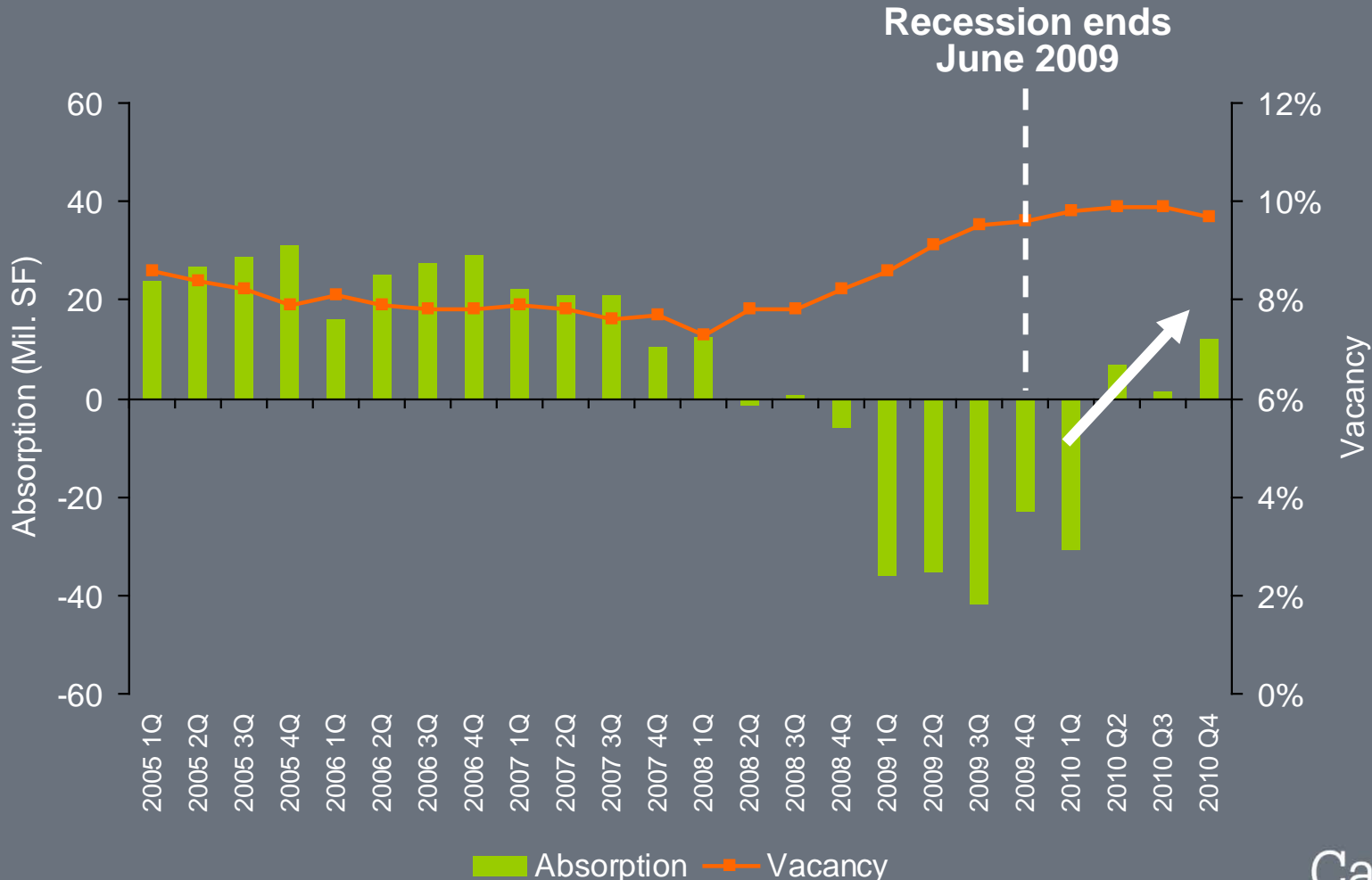
## U.S. Net Absorption & Vacancy



# DEMAND IS RISING FOR INDUSTRIAL SPACE



## U.S. Net Absorption & Vacancy

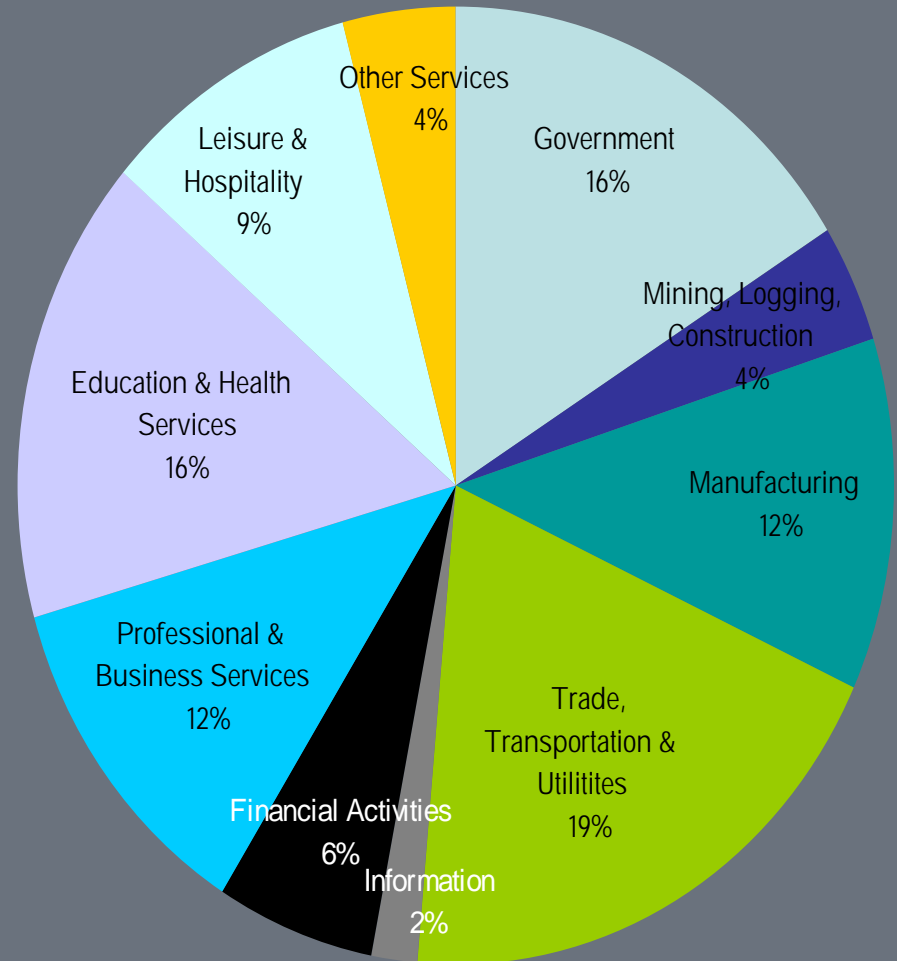


# THE MIDWEST REGION



## Midwest Economy

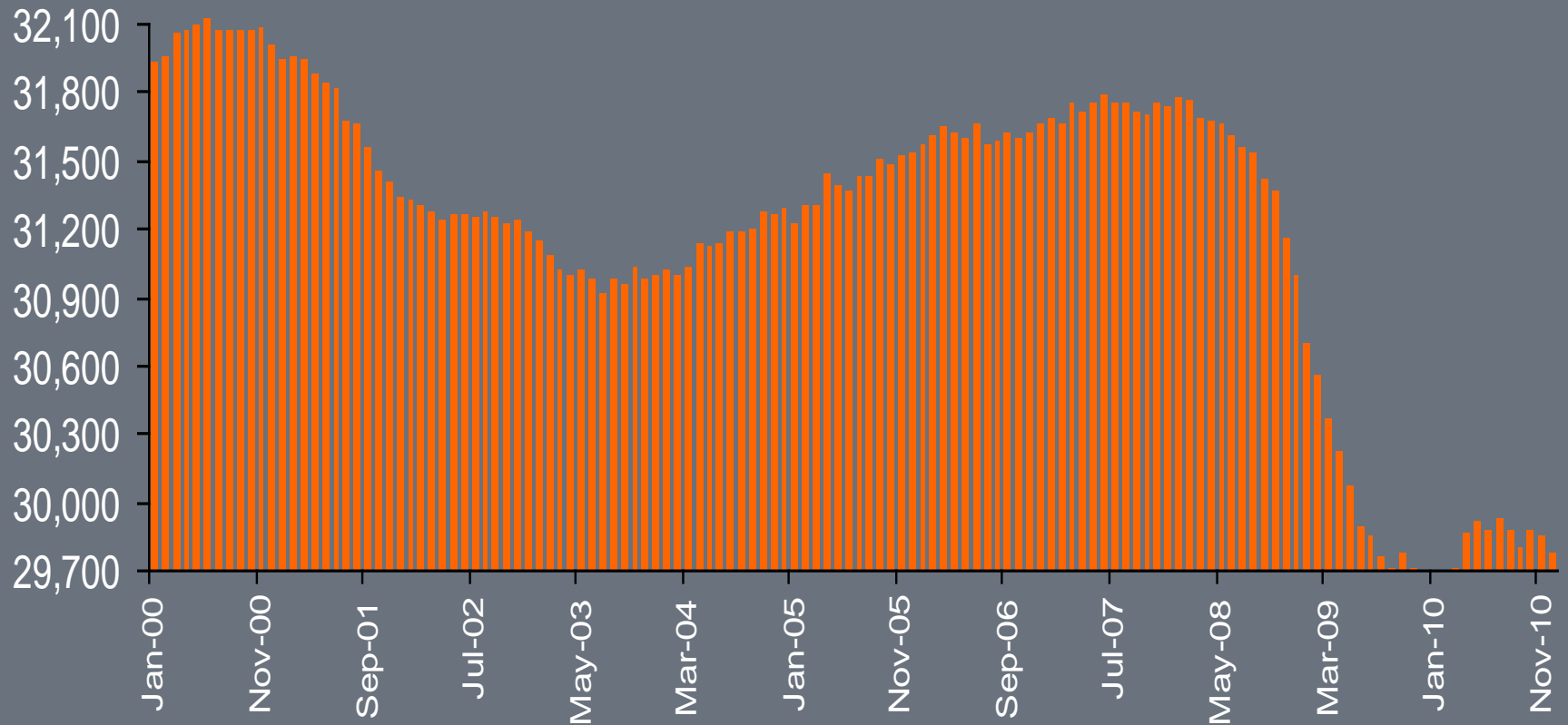
- GDP \$2.4 Trillion
- Total Employment 29,778,000
- Unemployment Rate 8.8%



# IT HAS NOT BEEN PRETTY...BUT



## Midwest Total Nonfarm Employment

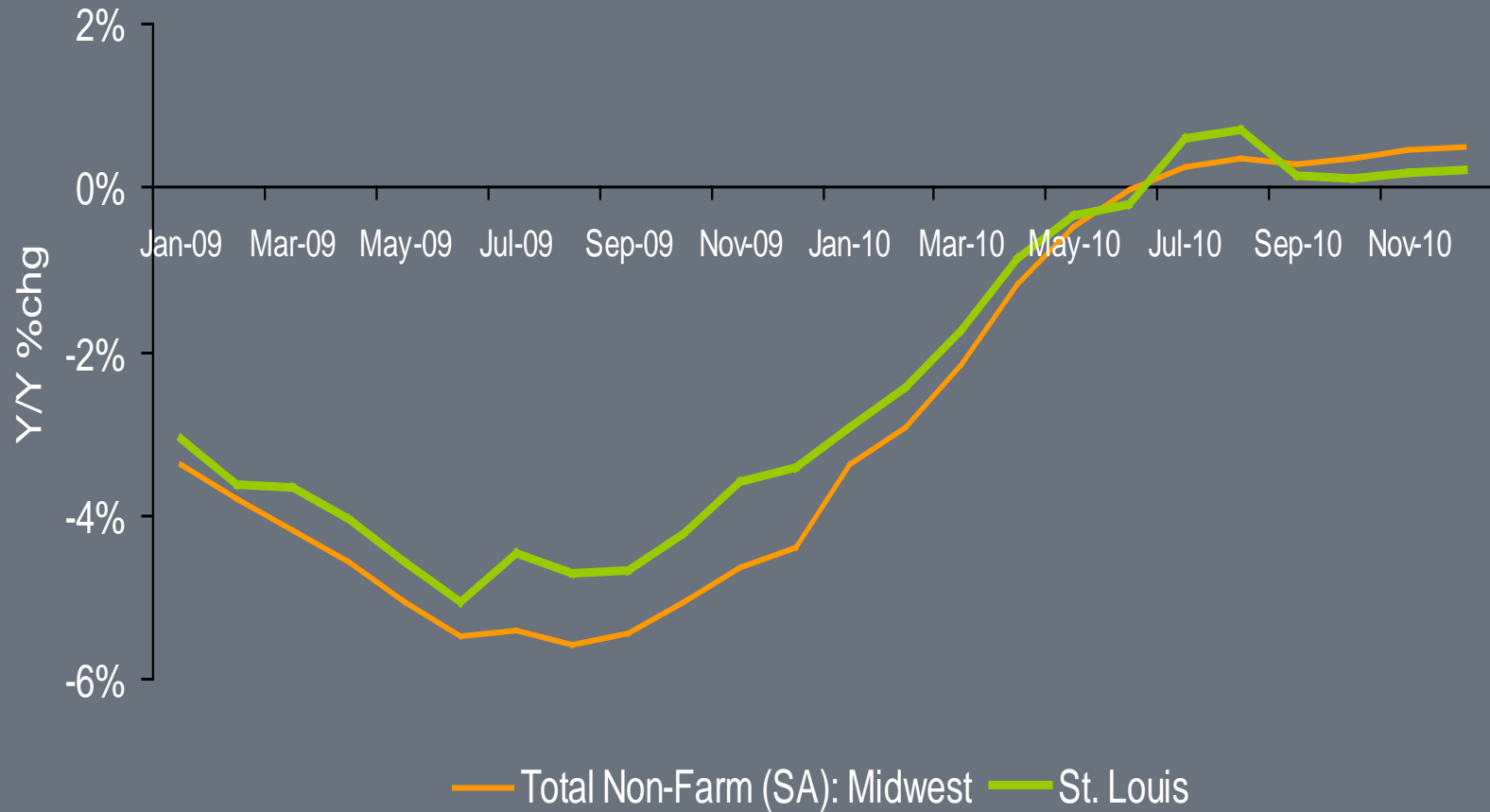


■ Total Non-Farm (Ths., SA): Midwest

# ...THE WORST IS OVER



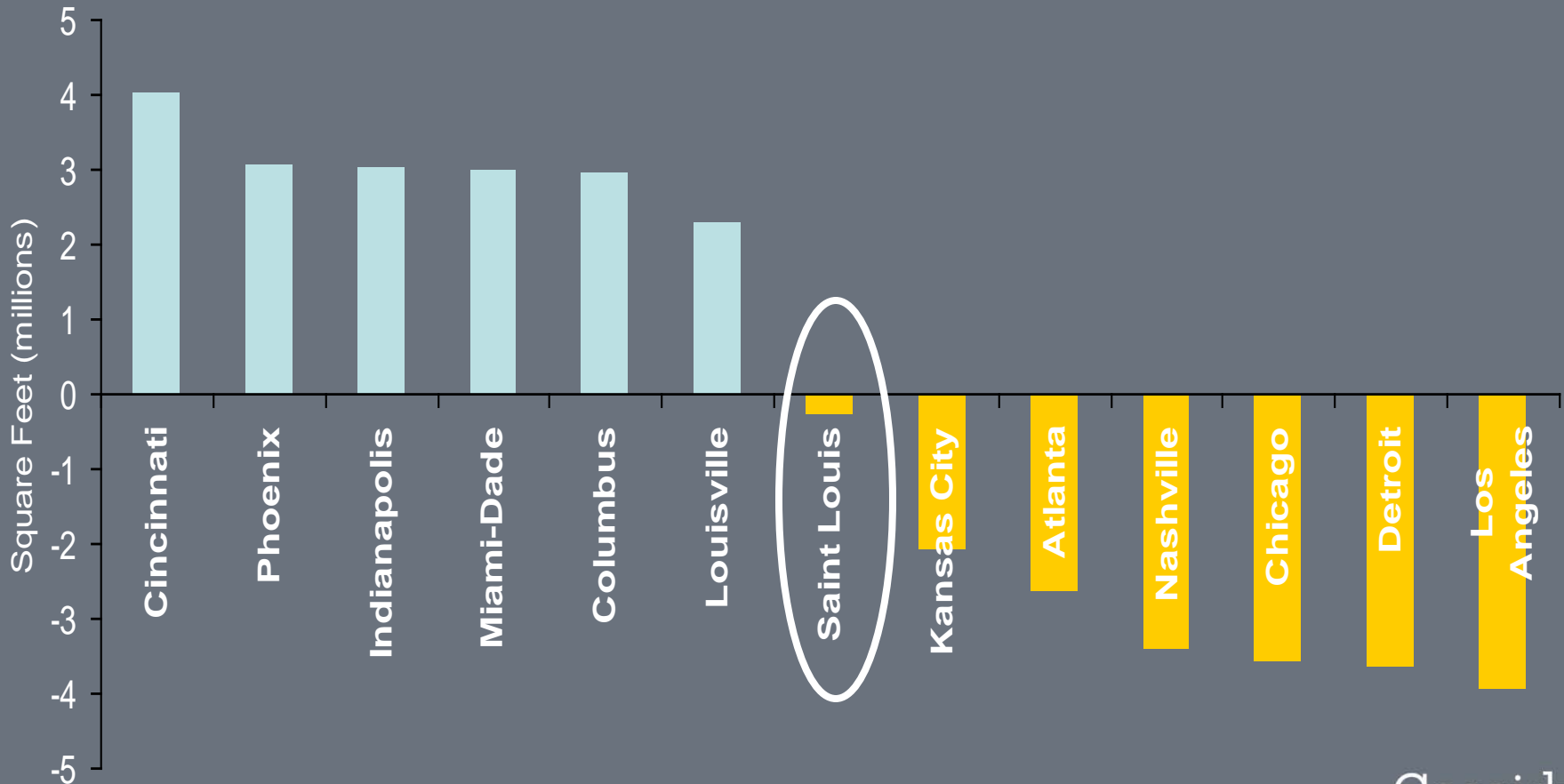
## Total Nonfarm Employment



# NET DEMAND – INDUSTRIAL SECTOR



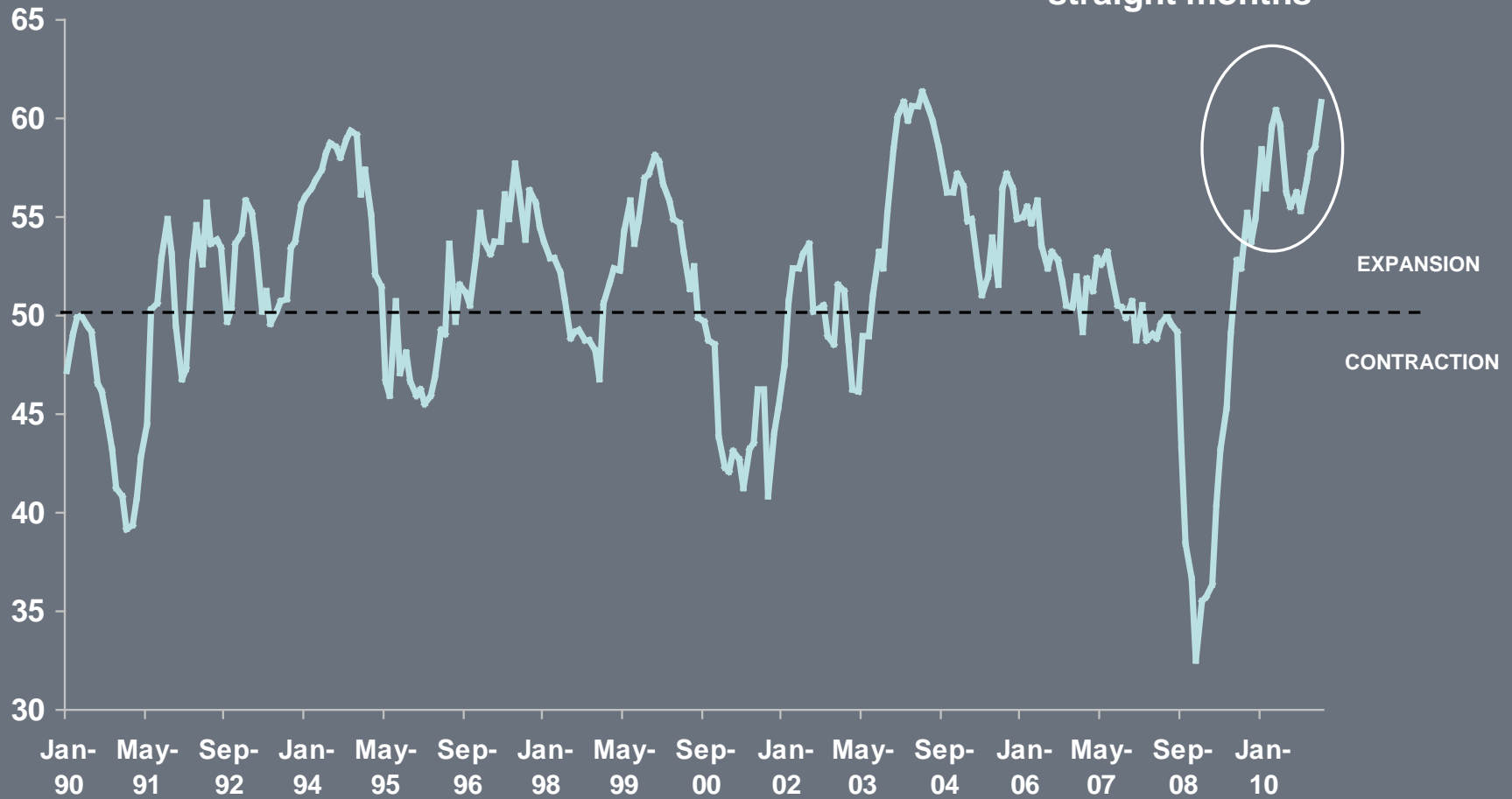
## Industrial Net Absorption, 2010



# ISM Manufacturing Index



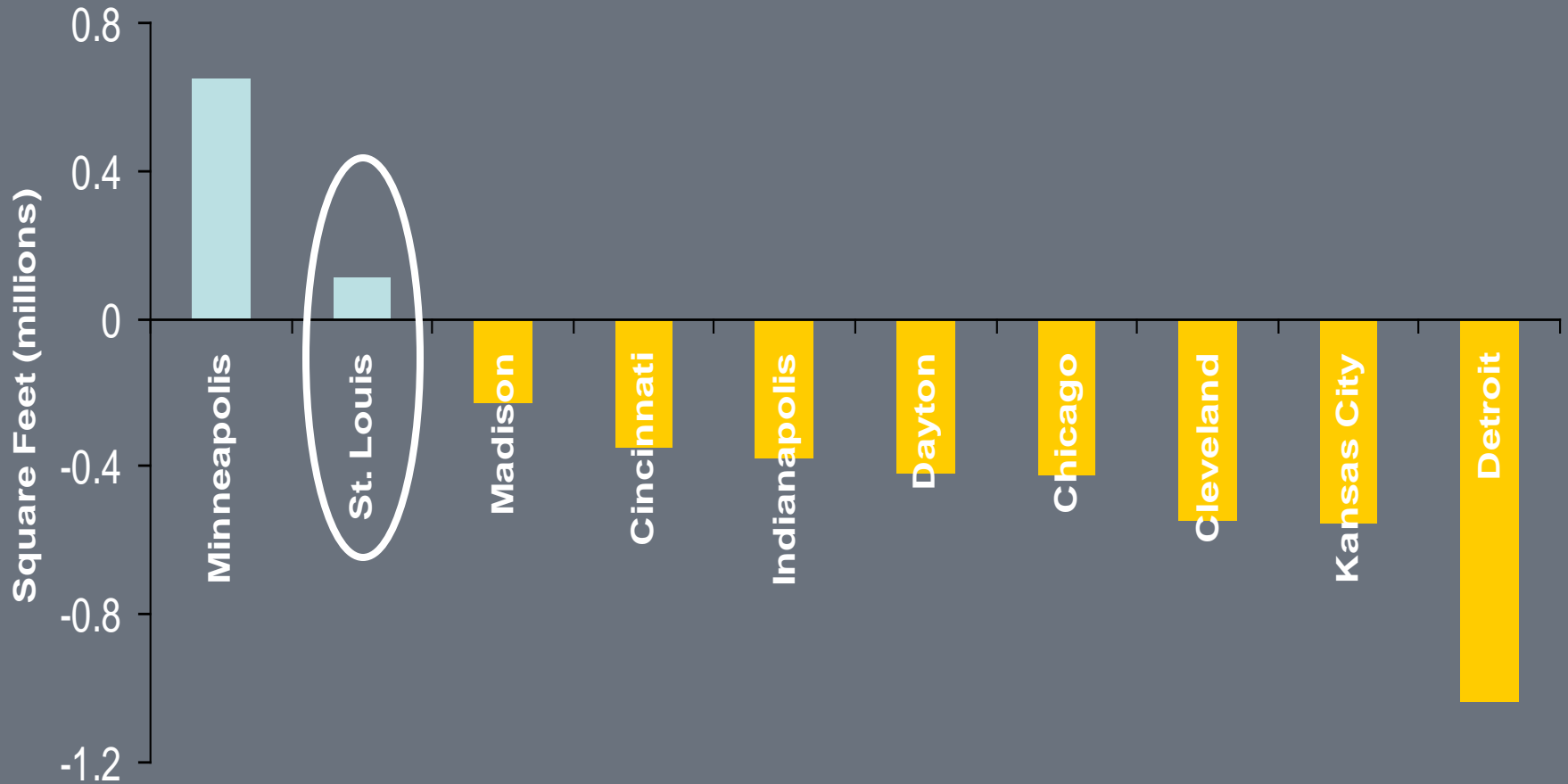
ISM > 50 for 18 straight months



# NET DEMAND – OFFICE SECTOR



Midwest Markets: Net Absorption, 2010



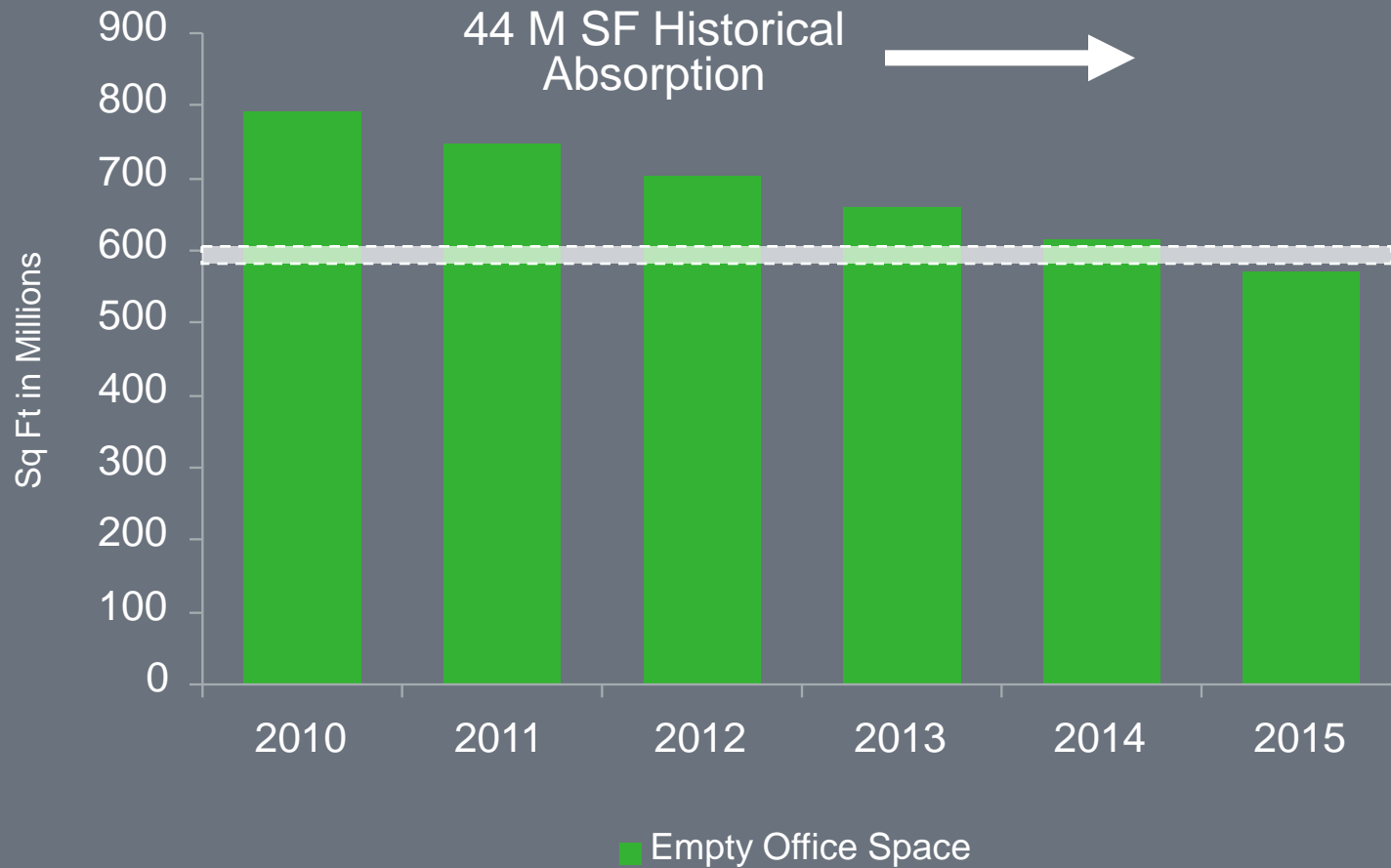
# FORECAST



# WHEN WILL WE REACH NORMALCY?



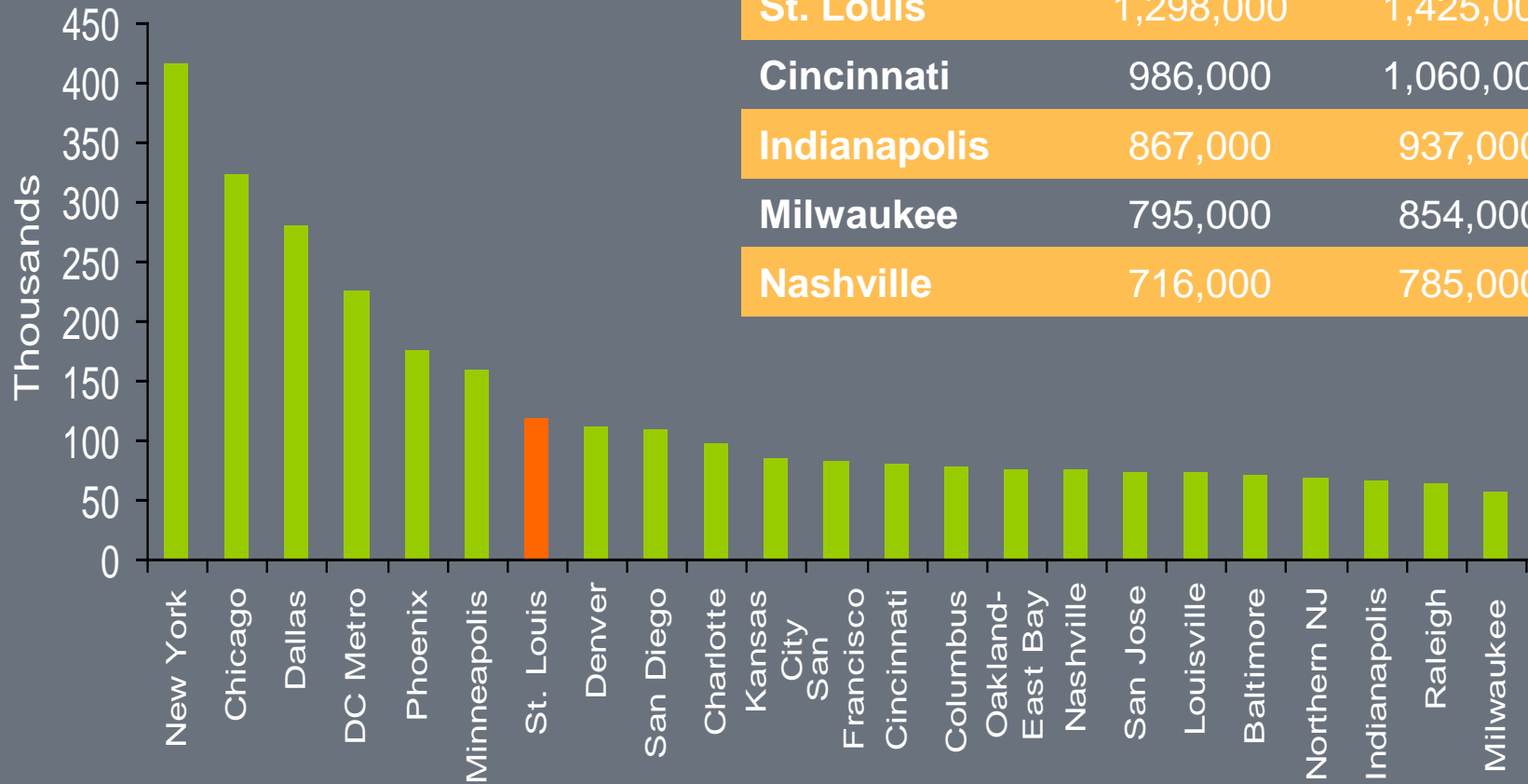
## Absorption vs. Available Office Space



# JOB GROWTH 2010-2014



## Selected Metros

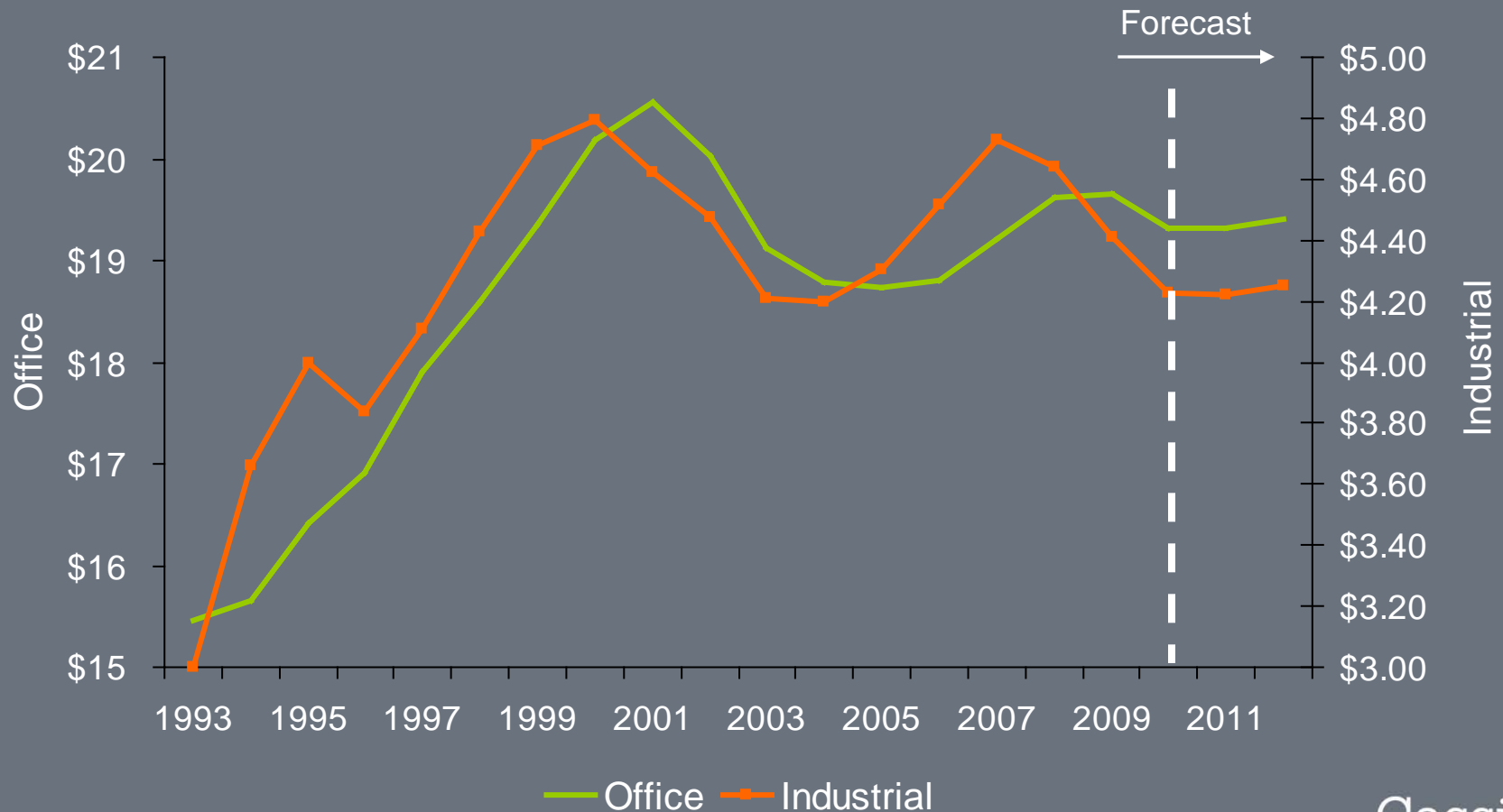


(Millions)	2010	2014
St. Louis	1,298,000	1,425,000
Cincinnati	986,000	1,060,000
Indianapolis	867,000	937,000
Milwaukee	795,000	854,000
Nashville	716,000	785,000

# ST. LOUIS RENT GROWTH PROJECTIONS



## Asking Rents



The background of the slide is a night-time photograph of the St. Louis skyline. The Gateway Arch is the central focus, illuminated and silhouetted against the dark sky. The city lights are visible, including the Missouri State Capitol building. The text is overlaid on this image.

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