

Procter & Gamble adds Sauget warehouse space

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Procter & Gamble Co. has leased a 502,500-square-foot building in Sauget Ill. The deal is the largest industrial lease to be signed locally this year.

Cincinnati-based Procter & Gamble signed a lease this month for a facility at the Sauget Business Park from its developer and owner, St. Louis-based Balke Brown Associates.

Terms of the lease were not disclosed. The asking rental rate at the 255 Logistics Center at Sauget Business Park is \$3,50 a square foot, making the deal worth an estimated \$1.8 million annually.

Cassidy Turley represented Procter & Gamble in the deal. Balke Brown built the speculative industrial facility in late 2008.

Procter & Gamble is one of the largest industrial tenants in the region with 3 million square feet of space. Nashville, Tenn.-based Ozburn-Hessey Logistics, a third-party logistics provider, occupies the most industrial space locally with 5 million square feet.

Procter & Gamble will be moving distribution of its home care products, including Cascade and Mr. Clean, which is currently housed at Gateway Commerce

Center in Edwardsville. Procter & Gamble leased 1.2 million square feet at Gateway in late 2008, and it remains a major tenant there.

The company is keeping quiet about its plans for the space it is vacating at Gateway. John Long, Procter & Gamble's local external relations manager, declined to comment.

Procter & Gamble manufactures several products locally, including Cascade, Swiffer and Febreze, at 169 E. Grand Ave., located north of downtown St. Louis.

According to CB Richard Ellis' first quarter 2010 market report, a dozen tenants seeking more than 100,000 square feet each are scouting the St. Louis region for industrial space. "While some of these tenants may turn into buyers given the number of properties for sale, the activity should help the market," the report concluded.

The Metro East has 29.9 million square feet of industrial space and an 8.4 percent vacancy rate, far below the region's average vacancy rate of 11.1 percent, according to CB Richard Ellis.

Gateway and Sauget Business Park offer tax abatement, an attractive benefit to tenants. "People are taking advantages of the opportunities out there," said Dan Merlo, an industrial broker with the Sansone Group.