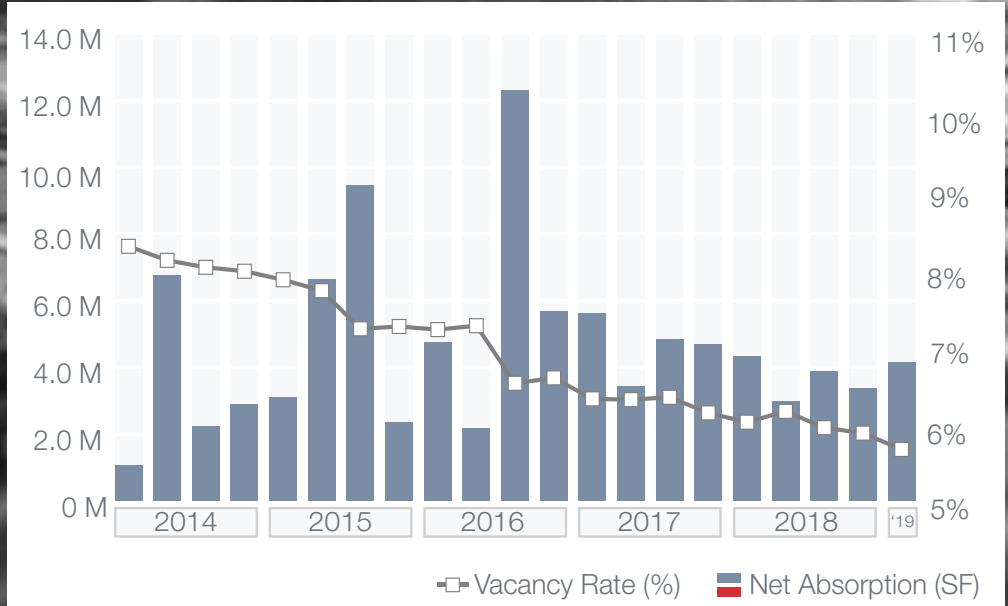


# Industrial Market

Industrial construction projects hit a record high with 21.7 million square feet under construction at the end of the first quarter. A total of 3.2 million square feet were delivered during the quarter.



Arrows indicate change from previous quarter.

**5.66%**

VACANCY RATE

**4.1 MSF**

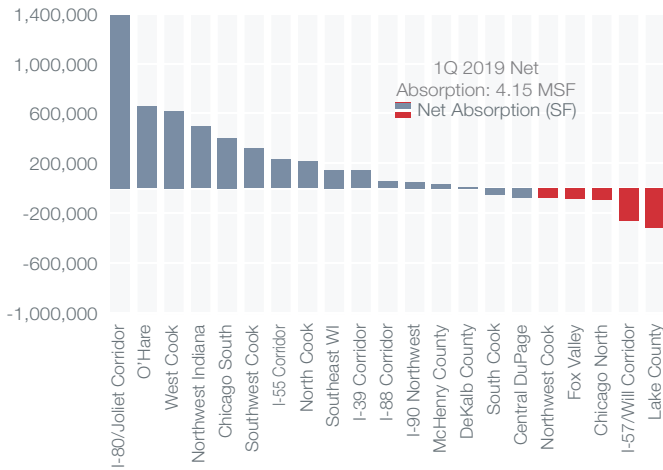
1Q 2019 NET ABSORPTION

**\$5.00**

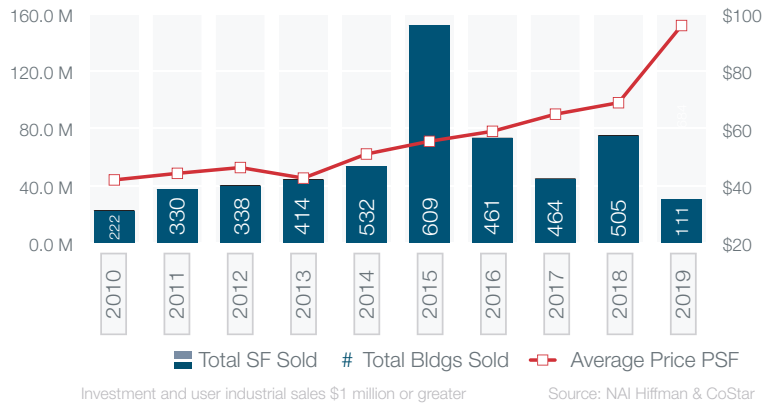
PSF ASKING RENTS

- At the end of the first quarter, 61 buildings totaling 21.7 million square feet were under construction in the Chicago market, with 15.9 million square feet (73.3 percent) to be built on a speculative basis. Thirteen projects totaling 4.6 million square feet broke ground during the quarter; 3.6 million square feet on a speculative basis, and 1.0 million square feet of build-to-suit projects. Despite 2.7 million square feet of new speculative product completed during the first quarter, the overall vacancy rate continued to decline to measure 5.66 percent first quarter.
- Net absorption totaled more than 4.1 million square feet first quarter with nearly 30 companies taking occupancy of more than 100,000 square feet during the quarter. Companies contributing to the positive absorption trend included NFI Industries in Joliet (993,000 square feet), First Logistics in Chicago (331,000 square feet), Crown Brands in Somers, WI (301,000 square feet), and FXE Warehouse in Bolingbrook (300,000 square feet) all taking occupancy during the quarter. Nearly 9.8 million square feet of new leasing activity occurred during the first quarter, suggesting that net absorption will remain healthy in the quarters to come.
- Deliveries totaled 3.2 million square feet first quarter, compared to the 2.4 million square feet completed last year at this time. The largest project built first quarter was a 400,000-square-foot speculative warehouse/distribution facility located in Franklin Park in the West Cook submarket. In fact, the three largest buildings completed first quarter were all speculative facilities located in the West Cook and I-88 Corridor submarkets.

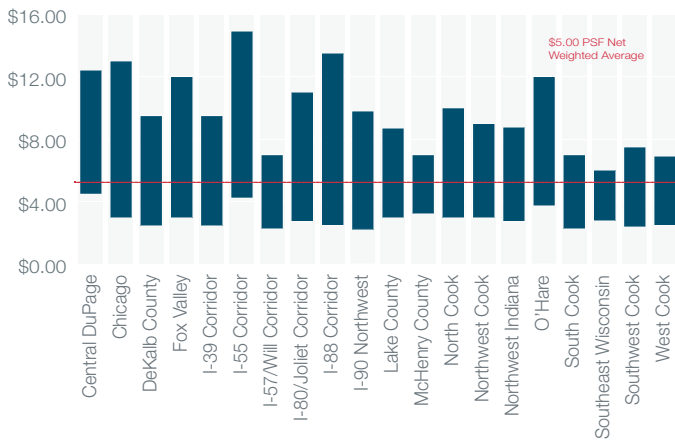
## Net Absorption by Submarket



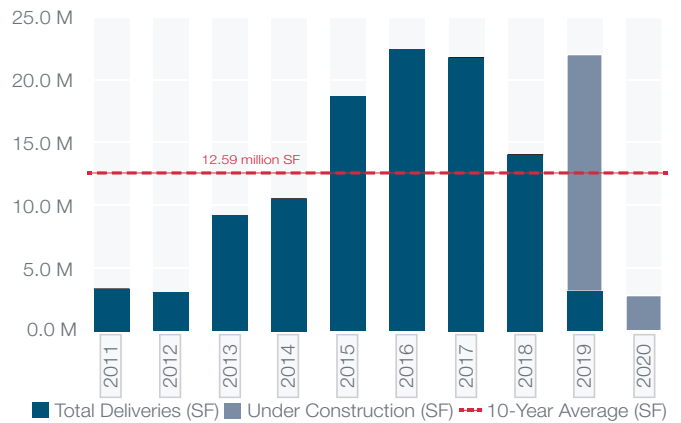
## Sale Transactions and Price PSF



## Asking Net Rental Rate Range



## Construction Deliveries



## Significant Sale Transactions

Submarket	Building Address	Sold (SF)	Sale Price   PSF	Buyer	Seller
Multiple	13-Property Portfolio, Multiple Cities*	2,669,184	\$229,400,000   \$86	Colony Capital, Inc.	Dermody Properties, Inc.
Multiple	4-Property Portfolio, Multiple Cities*	1,266,953	\$64,100,000   \$51	Dream Industrial REIT	Transwestern Investment Group
West Cook	3-Property Portfolio, Multiple Cities*	1,684,970	\$130,200,000   \$77	U.S. Realty Investors, LLC	Albertsons, Inc.

\*Sold SF and sale price of all Illinois buildings in portfolio sale

## Significant Lease Transactions

Submarket	Building Address	Leased (SF)	Tenant	Lease Type
Southeast Wisconsin	Stateline 94 Corporate Park, Pleasant Prairie	590,525	Fresenius Kabi	New lease
I-55 Corridor	175 Southcreek Pky, Romeoville	384,768	Lennox Industries, Inc.	New lease
I-55 Corridor	850 Veterans Pky, Bolingbrook	361,176	PersonalizationMall.com, Inc.	New lease

# Industrial Market Statistics

## First Quarter 2019

Submarket	Total RBA (SF)	Vacancy Rate (%)	Availability Rate (%)	Net Absorption (SF)	YTD 2019 Net Absorption(SF)	New Supply (SF)	Under Construction (SF)	New Leasing Activity (SF)	Weighted Avg. Net Rental Rates (PSF)
1 Southeast Wisconsin	56,747,438	7.34% ▲	9.79% ▼	146,654	146,654	446,348	4,433,449	1,343,781	\$4.44
2 Lake County	69,977,214	4.50% ▲	7.94% ▼	-319,056	-319,056	0	1,373,943	419,728	\$5.27
3 McHenry County	27,518,350	7.37% ▼	8.38% ▼	32,192	32,192	0	0	28,168	\$5.55
4 I-39 Corridor	38,290,122	6.88% ▼	8.37% ▼	140,440	140,440	183,000	675,270	204,000	\$3.20
5 DeKalb County	12,855,779	5.17% ▼	7.18% ▼	10,555	10,555	0	0	0	\$3.35
6 I-90 Northwest	30,324,237	4.05% ▼	5.49% ▼	49,158	49,158	0	118,457	174,064	\$7.13
7 Northwest Cook	27,112,657	4.54% ▲	7.22% ▲	-79,096	-79,096	112,505	944,050	146,181	\$5.91
8 North Cook	44,890,438	4.99% ▼	7.14% ▼	212,418	212,418	0	0	112,184	\$6.07
9 Fox Valley	35,258,094	4.44% ▲	8.68% ◀▶	-84,232	-84,232	102,142	1,693,810	180,931	\$4.54
10 Central DuPage	70,309,029	2.86% ▼	5.74% ◀▶	-78,831	-78,831	0	265,550	257,661	\$6.40
11 O'Hare	99,928,288	4.46% ◀▶	7.62% ▼	658,028	658,028	531,547	609,585	876,743	\$5.53
12 West Cook	60,418,748	6.89% ◀▶	9.14% ▲	618,912	618,912	678,132	113,747	476,100	\$4.02
13 Chicago North	54,808,306	5.79% ▲	8.95% ▲	-90,730	-90,730	0	0	263,191	\$6.67
14 Chicago South	118,626,227	4.00% ▼	6.22% ◀▶	402,441	402,441	0	1,284,436	577,872	\$5.72
15 I-88 Corridor	68,851,068	5.09% ▲	14.40% ▲	52,841	52,841	638,575	847,221	449,065	\$4.65
16 Southwest Cook	36,345,246	2.20% ▼	7.93% ▲	317,871	317,871	0	575,935	153,376	\$4.54
17 I-55 Corridor	94,425,873	9.58% ◀▶	14.12% ▲	230,698	230,698	0	3,618,299	1,987,028	\$5.00
18 South Cook	80,623,104	4.14% ▼	6.49% ▼	-51,760	-51,760	0	279,267	203,784	\$3.77
19 I-80/Joliet Corridor	89,947,921	10.89% ▼	11.55% ▼	1,390,399	1,390,399	202,582	3,416,746	1,138,204	\$4.78
20 Northwest Indiana	41,490,982	2.64% ▼	4.92% ▼	494,204	494,204	275,736	320,400	41,250	\$4.19
21 I-57/Will Corridor	15,985,511	3.12% ▲	10.75% ▲	-258,497	-258,497	0	1,099,480	455,798	\$2.80
<b>Flex Space Summary</b>									
Total Flex Space	67,414,111	7.10% ▼	10.96% ▲	351,497	351,497	0	0	309,857	N/A
<b>Total Market</b>									
Totals	1,242,148,743	5.66% ▼	8.84% ▼	4,146,106	4,146,106	3,170,567	21,669,645	9,798,966	\$5.00

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