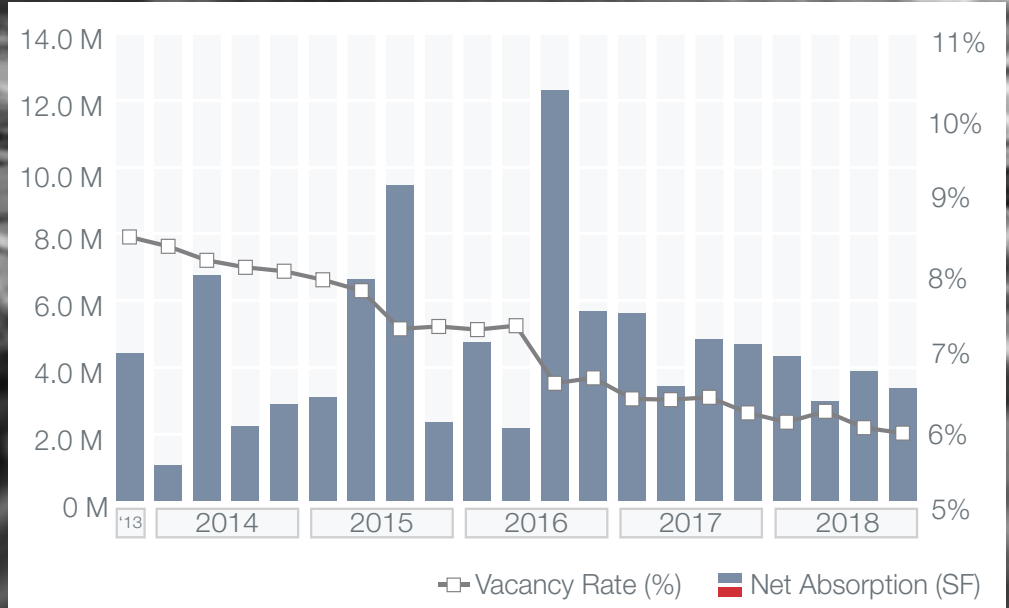


Industrial Market

Industrial occupier demand remained strong fourth quarter with 3.4 million square feet of net absorption recorded, bringing the year-end total to 14.6 million square feet.



Arrows indicate change from previous quarter.

5.87%

VACANCY RATE

3.4 MSF

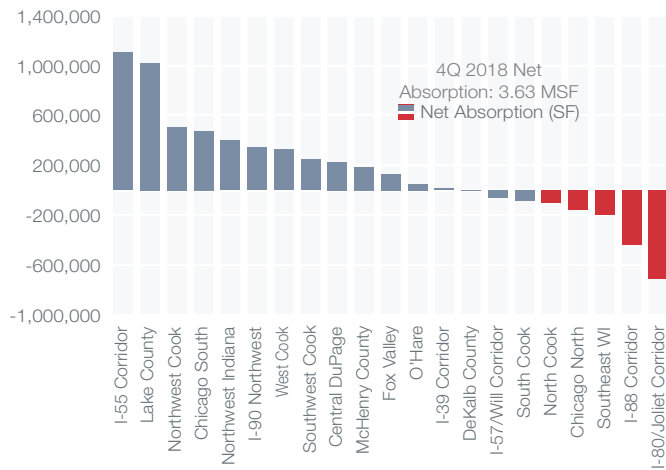
4Q 2018 NET ABSORPTION

\$5.02

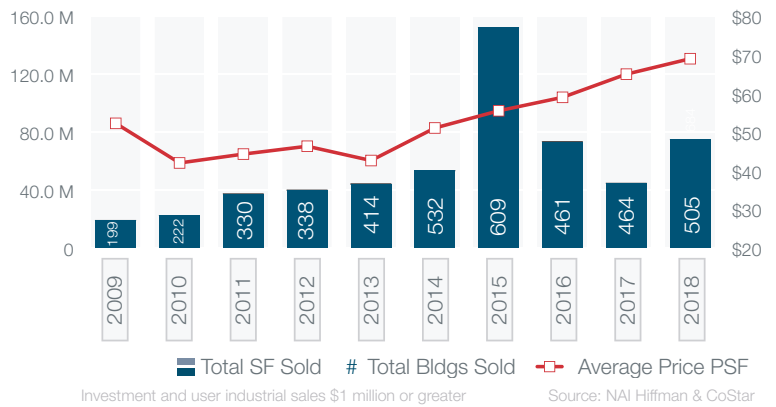
PSF ASKING RENTS

- Following last quarter's record of 32 facilities breaking ground in the Chicago market, 21 buildings broke ground in the fourth quarter totaling nearly 7.0 million square feet. At year-end 2018, a total of 20.3 million square feet remained under construction with 15.8 million square feet to be built on a speculative basis. The overall vacancy rate continued to decline, however, to 5.87 percent, despite delivering 3.0 million square feet of speculative product over the last three months of the year.
- Net absorption totaled nearly 3.4 million square feet fourth quarter, with companies Handi Foil in Antioch (a 559,000-square-foot BTS), Expeditors International in Streamwood (424,000 square feet), Kane is Abel in Lockport (372,000 square feet), and Old World Industries in Bolingbrook (354,000 square feet) all taking occupancy during the quarter. However, year-end absorption totaled 14.6 million square feet, 21.7 percent lower than the 18.6 million square feet reported at the end of 2017. Confidence in the industrial sector remains high, however developers may slow speculative construction starts going into 2019.
- Year-end deliveries totaled 14.1 million square feet, with 3.7 million square feet completed fourth quarter. Despite record-breaking starts during the third quarter, deliveries were 35.6 percent lower than the 21.7 million square feet completed last year at this time. The largest project built fourth quarter was Marina Crossings, a 633,057-square-foot speculative building located on the south side of Chicago. Just three submarkets were home to nearly 60.0 percent of all development completed in 2018. The I-80/Joliet Corridor, I-55 Corridor and Chicago South submarkets each delivered more than 1.5 million square feet to the market in 2018.

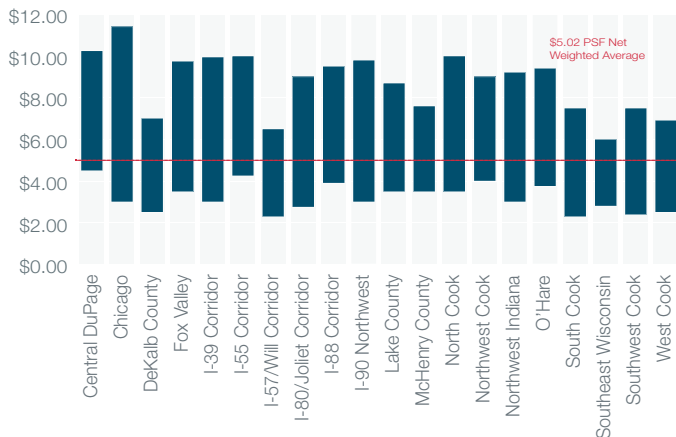
Net Absorption by Submarket



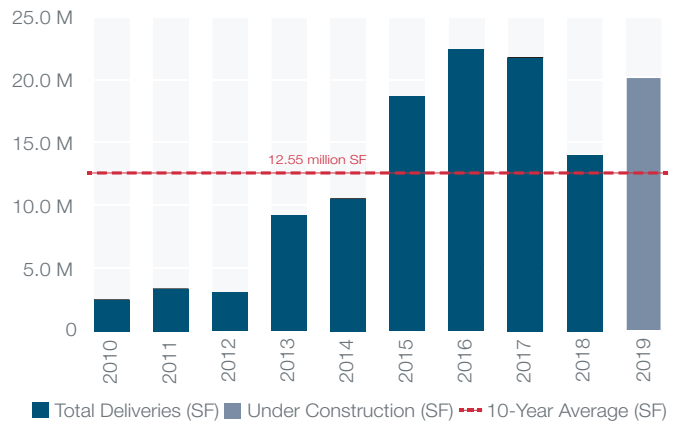
Sale Transactions and Price PSF



Asking Net Rental Rate Range



Construction Deliveries



Significant Sale Transactions

Submarket	Building Address	Sold (SF)	Sale Price PSF	Buyer	Seller
Multiple	40-Property Portfolio, Multiple Cities*	7,848,001	\$769,100,000 \$98	The Blackstone Group	Gramercy Property Trust
Multiple	8-Property Portfolio, Multiple Cities*	3,345,526	Undisclosed	Ivanhoe Cambridge	Brookfield Asset Management
Multiple	15-Property Portfolio, Multiple Cities*	1,784,902	\$113,100,000 \$64	Mapletree Investments	Norges Bank Investment Mgmt.

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

Significant Lease Transactions

Submarket	Building Address	Leased (SF)	Tenant	Lease Type
I-80/Joliet Corridor	Cargo Ct, Minooka	705,661	The Kellogg Company	New lease
I-55 Corridor	50 Southcreek Pky, Romeoville	416,504	RJW Transport, Inc.	New lease
I-55 Corridor	605 W Crossroads Pky, Bolingbrook	354,400	Old World Industries, LLC	New lease

Industrial Market Statistics

Fourth Quarter 2018

Submarket	Total RBA (SF)	Vacancy Rate (%)	Availability Rate (%)	Net Absorption (SF)	YTD 2018 Net Absorption(SF)	New Supply (SF)	Under Construction (SF)	New Leasing Activity (SF)	Weighted Avg. Net Rental Rates (PSF)
1 Southeast Wisconsin	56,303,811	6.32% ▲	10.43% ▼	-196,341	202,588	72,590	3,773,189	515,007	\$4.36
2 Lake County	69,673,553	4.06% ▼	8.10% ▼	1,022,305	1,331,975	568,500	1,373,943	850,856	\$5.30
3 McHenry County	27,478,390	7.50% ▼	9.18% ▼	187,694	-152,768	0	0	154,620	\$4.75
4 I-39 Corridor	36,014,936	7.03% ▼	9.61% ▲	15,068	-1,188,271	0	858,270	17,537	\$3.09
5 DeKalb County	12,855,779	5.72% ▼	7.73% ▼	-7,511	147,614	0	0	0	\$3.34
6 I-90 Northwest	30,250,277	4.46% ▼	5.77% ▼	343,530	1,437,534	45,000	0	471,063	\$5.71
7 Northwest Cook	26,859,221	3.48% ▼	7.03% ▼	508,572	1,311,944	0	906,100	175,267	\$5.78
8 North Cook	44,855,289	5.23% ▲	7.49% ▲	-98,106	42,796	0	0	477,942	\$6.01
9 Fox Valley	35,155,952	3.67% ▼	8.67% ▲	129,087	1,304,038	0	1,396,592	406,585	\$4.52
10 Central DuPage	69,454,614	2.95% ▲	5.74% ▲	226,812	1,574,802	264,508	265,550	654,238	\$6.29
11 O'Hare	99,395,936	4.46% ▲	7.70% ▲	49,364	275,915	420,400	1,141,132	1,199,493	\$5.50
12 West Cook	59,767,486	6.92% ◀▶	8.81% ▼	328,951	611,887	178,516	678,175	388,598	\$3.96
13 Chicago North	54,613,631	5.50% ▲	8.52% ▲	-159,350	-351,903	0	0	159,661	\$7.23
14 Chicago South	126,170,877	4.14% ▲	6.20% ▲	474,522	1,023,818	949,607	480,173	784,197	\$5.17
15 I-88 Corridor	68,071,873	4.82% ▲	14.22% ▲	-440,689	562,005	184,851	982,552	60,609	\$4.68
16 Southwest Cook	34,612,863	4.02% ▼	6.64% ▼	244,816	1,220,574	0	575,935	402,789	\$4.53
17 I-55 Corridor	96,761,316	9.57% ▼	12.69% ▲	1,105,511	3,945,156	572,960	2,951,601	2,700,833	\$4.80
18 South Cook	80,990,262	4.50% ◀▶	7.56% ▲	-85,343	-501,743	0	60,000	266,656	\$3.94
19 I-80/Joliet Corridor	89,622,528	12.30% ▲	13.40% ▲	-709,614	-93,537	442,000	3,356,815	966,029	\$4.99
20 Northwest Indiana	40,786,684	3.32% ▼	5.52% ▼	400,895	403,382	0	615,136	642,866	\$4.24
21 I-57/Will Corridor	15,977,311	2.76% ▲	7.59% ▲	-60,000	1,120,248	0	879,040	0	\$2.66
Flex Space Summary									
Total Flex Space	68,018,642	9.07% ▲	10.67% ▲	102,841	366,290	0	0	212,010	N/A
Total Market									
Totals	1,243,691,531	5.87% ▼	8.93% ▲	3,383,014	14,594,344	3,698,932	20,294,203	11,506,856	\$5.02

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