

# CHICAGOLAND INDUSTRIAL MARKET REPORT

2017 YEAR END

## LEE-D STORY

### Leasing Activity Remains Robust

Strong tenant demand caused the Chicago industrial vacancy rate to fall 40 basis points in 2017 from year-end 2016 volume. Net absorption remained positive while construction completions increased by 14.0 percent at the end of 2017.

#### WHAT TO EXPECT IN 2018

- Speculative developments are expected to reduce gradually in 2018.
- We will not see a surge in big box speculative development in the I-55 Corridor as there are a limited number of sites able to accommodate that type of development.
- Tenants will have a greater negotiating power in 2018, especially in spaces between 60,000 – 200,000 square feet.
- Chicago's rise in rental rates is expected to stabilize in 2018 due to the large amount of new vacant supply in the market.
- Wisconsin's and Indiana's attractive incentives and pro-business environment is expected to continue to draw companies across the border from Illinois.

#### 4Q Highlights

- Overall vacancy rate reported at 6.4%
- Tenant demand remains robust with lease transactions totaling 7.1 million square feet
- Tenant demand was most active in spaces between 20,000 square feet and 60,000 square feet

## FEATURED PROPERTY OF THE QUARTER



**7879 Lemont Road, Darien: 114,579 SF Available For Lease (Divisible)**

# CHICAGOLAND INDUSTRIAL MARKET STATISTICS

2017 YEAR END

Page	Submarket	Industrial Base	Available Inventory	Vacancy	YTD New SF Delivered	Under Construction	4q17 Net Absorption	YTD Net Absorption
6	Central DuPage	22,150,519	604,651	2.73%	-	253,000	(139,161)	(112,493)
8	Chicago North	71,478,441	4,843,434	6.78%	40,700	-	362,548	374,018
10	Chicago South	112,181,122	8,686,893	7.74%	556,070	335,637	(70,277)	1,272,616
12	Fox Valley	37,702,634	2,809,768	7.45%	465,246	-	(458,186)	(318,935)
14	I-39 Corridor	30,220,842	1,087,441	3.60%	-	67,251	74,383	84,383
16	I-55 Corridor	97,115,374	11,190,894	11.52%	5,073,096	565,536	898,937	2,947,867
18	I-57 Corridor	32,806,486	2,141,932	6.53%	1,903,665	-	421,488	1,614,963
20	I-88 Corridor	65,120,341	3,428,983	5.27%	1,059,677	229,250	492,016	2,022,336
22	Joliet/I-80 Corridor	84,178,177	5,326,254	6.33%	6,118,155	6,316,168	450,999	4,130,058
24	Lake County	77,055,242	5,290,154	6.87%	582,425	732,079	757,034	1,520,169
26	McHenry County	28,815,034	866,026	3.01%	200,000	-	234,600	1,317,467
28	North Cook	37,274,146	1,693,349	4.54%	135,650	236,912	(201,258)	(136,658)
30	North DuPage	64,026,684	4,024,227	6.29%	1,442,153	437,154	900,199	1,570,080
32	North Kane	36,218,109	2,740,917	7.57%	56,250	125,136	401,221	395,572
34	Northwest Cook	46,697,305	2,650,262	5.68%	277,346	131,255	71,434	746,750
36	Northwest Indiana	46,151,177	1,845,625	4.00%	91,500	-	72,453	165,420
38	O'Hare	99,351,502	4,979,234	5.01%	186,117	371,017	645,711	879,357
40	Rockford Area	56,607,414	2,397,271	4.23%	557,844	-	-	555,605
42	South Cook	85,187,313	3,744,878	4.40%	418,000	-	(1,531)	2,050,872
44	Southeast Wisconsin	58,342,412	3,800,780	6.51%	2,241,553	503,450	69,323	1,360,010
46	Southwest Cook	27,820,644	2,756,251	9.91%	172,000	-	(57,878)	195,117
48	West Cook	68,800,656	5,302,946	7.71%	891,539	1,773,997	627,512	2,605,422
<b>TOTALS</b>		<b>1,285,301,574</b>	<b>82,212,170</b>	<b>6.40%</b>	<b>22,468,986</b>	<b>12,077,842</b>	<b>5,551,567</b>	<b>25,239,996</b>

## STATISTICAL HIGHLIGHTS

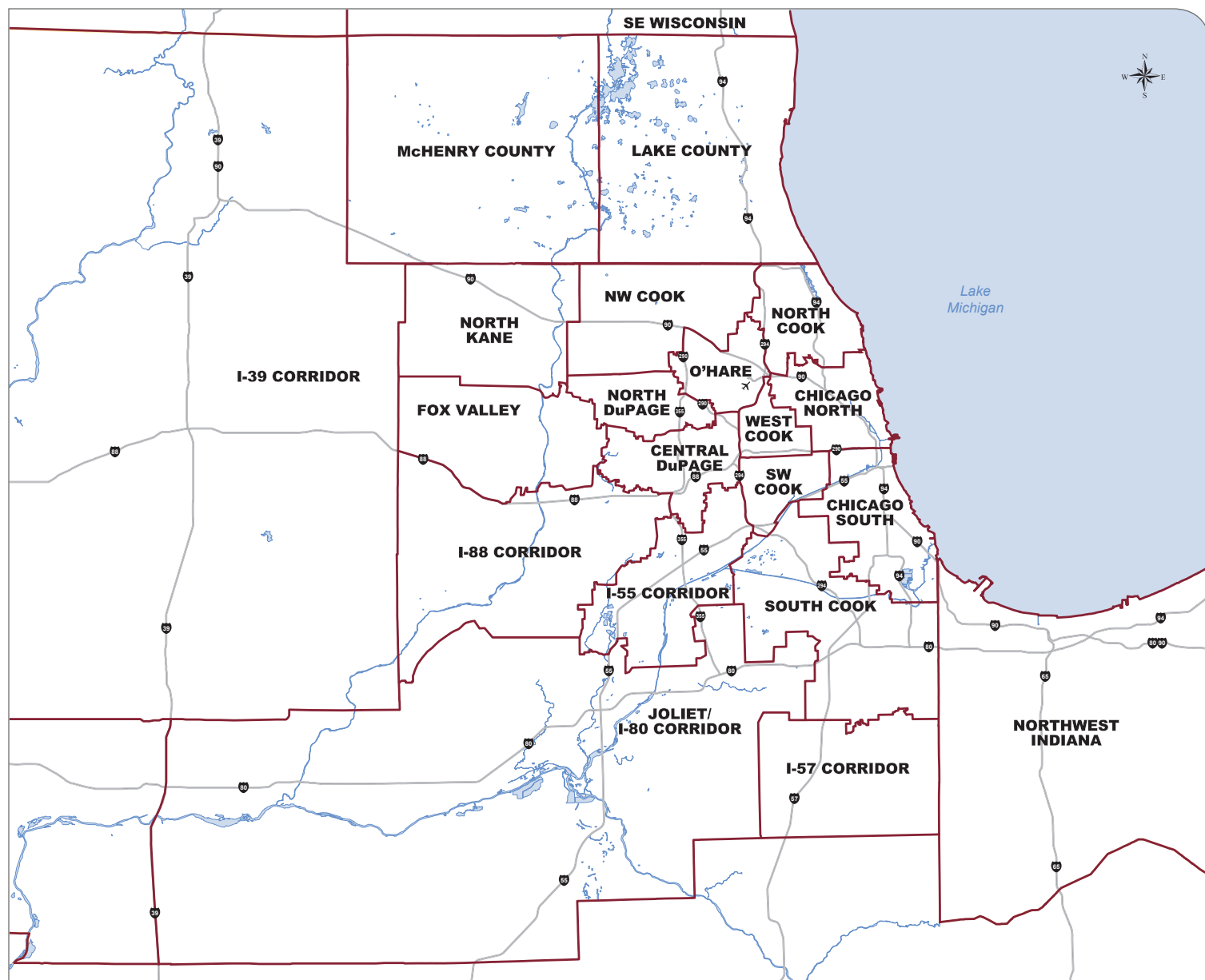
Chicago's fourth quarter vacancy rate measured 6.4 percent – a 16-point basis decrease from the 6.55 percent posted in the third quarter. The decrease was driven largely by strong leasing activity.

Chicago area's available space decreased to 82 million square feet in the fourth quarter, down 2 percent from the third quarter level of 84 million square feet.

The Chicago Market experienced strong leasing volume which resulted in positive 5.5 million square feet net absorption in the fourth quarter.

# CHICAGOLAND INDUSTRIAL SUBMARKET MAP

2017 YEAR END



Seven Chicago-area submarkets experience a fourth quarter increase in vacancy rate from the previous quarter. Fox Valley had the highest increase of 1.5 percent, while I-57 Corridor submarket achieved the highest reduction with 1.3%.





## FOURTH QUARTER OVERVIEW

The Chicago area vacancy rate fell to 6.40 percent at year-end 2017 - a significant decline from the 6.79 percent vacancy rate reported one year ago. This marks the eighth consecutive quarter in which vacancy remained below 7.0 percent.

The West Cook and McHenry County submarkets experienced a vacancy rate improvement of more than 200 basis point from one year ago. Conversely, I-55 Corridor and I-80 Corridor experienced a 200-point vacancy rate rise from year-end 2016. This is primarily the result of the completion of several speculative developments.

Chicago's year-end vacant industrial supply declined 3.7 million square feet from the fourth quarter 2016 mark to 82.2 million square feet at year-end 2017. Industrial vacant space returning to the market in 2017 decreased from the 10.5 million square feet reported one year ago to 8.33 million square feet.

Four 1.0 million-square-foot facilities were delivered to the market in 2017, bringing total construction completions to 22.4 million square feet. This is a 14 percent increase from the 19.6 million square feet registered in 2016.

The I-80 Corridor captured majority of all 2017 deliveries, accounting for 6.1 million square feet of all construction. Only two submarkets witnessed no new construction in 2017 including Central DuPage and the I-39 Corridor.

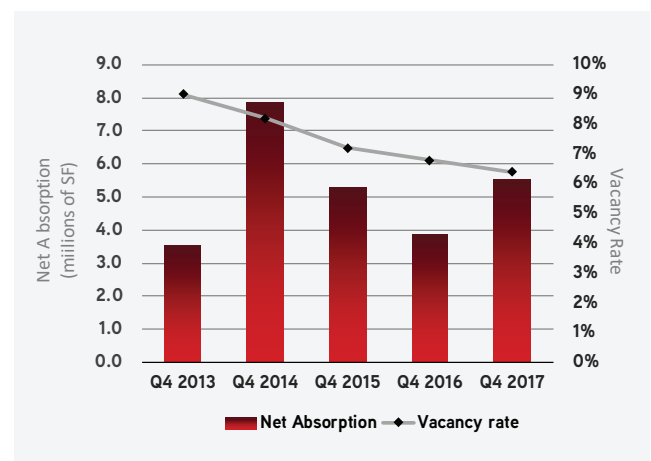
Cumulative net absorption finished 2017 at an impressive 25 million square feet, with 19 out of 22 submarkets experiencing positive results.

West Cook submarket achieved the biggest increase in year-over year net absorption, up 3.1 million square feet from the negative 540,800 square feet posted last year. North DuPage submarket also finished strong, improving 1.4 million square feet from total 2016 absorption. However, absorption in both the I-55 Corridor and I-80 Corridor submarkets declined by more than 1.0 million square feet when compared to the 2016 results.

### Key Stats

Industrial Base	1,285,301,574
Vacancy Rate	6.40%
YTD New SF Delivered	22,468,986
SF Under Construction	12,077,842
Q4 Net Absorption	5,551,567
YTD Net Absorption	25,239,996

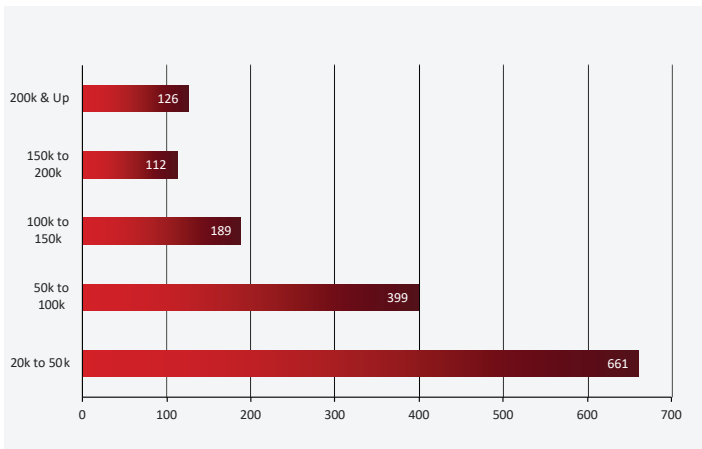
## Vacancy & Absorption



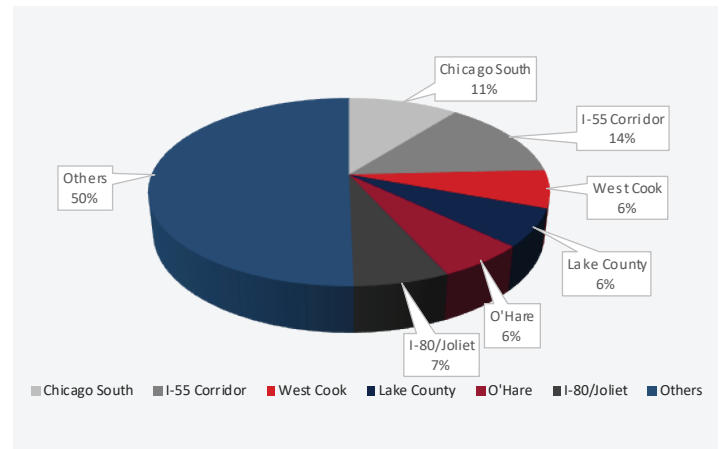


# CHICAGOLAND MARKET

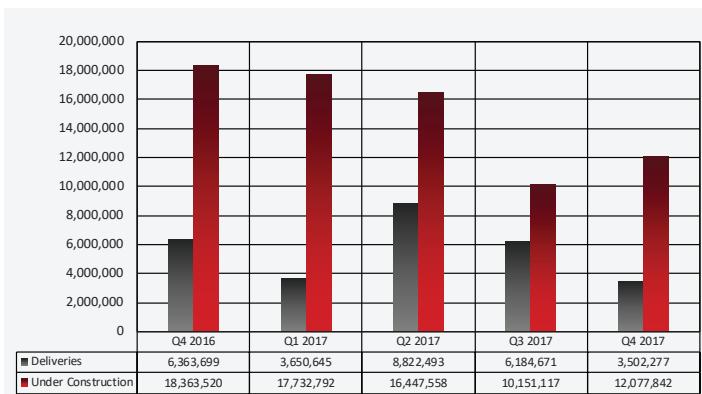
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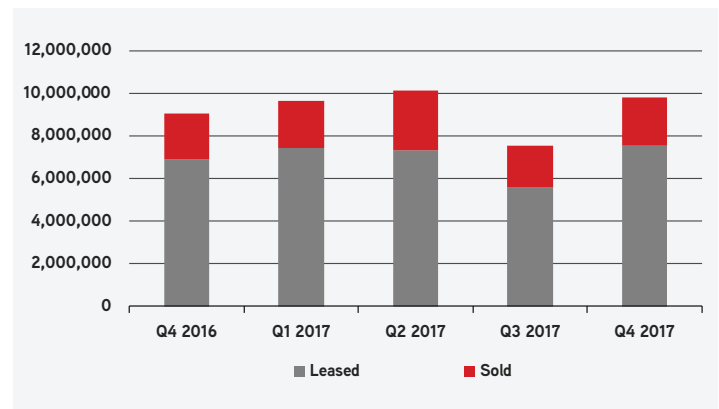
## Available by Submarket



## Construction



## Leased & Sold



## Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
3851 Youngs Rd., Joliet	1,001,184	Expansion	Higgins Development Partners	Whirlpool
Gregory Dr., Antioch	558,550	New	IDI Gazeley	Handi-Foil Corporation
825 Bluff Rd., Romeoville	500,160	New	The Estate of James Campbell	Central American
1100 Remington Blvd., Bolingbrook	443,010	Renewal	Heitman	Greencore
1100 Corporate Dr., McHenry	397,482	Renewal	Brennan Investment Group	Brake Parts Inc.

## Notable Sale Transactions

Address	Size	Type	Seller	Buyer
601-605 Kingsland Dr., Batavia	496,000	Investment	Partylite Worldwide Inc.	WHI Real Estate Partners
800 Mittel Dr., Wood Dale	323,000	User	Freightliner Corporation	Global Capital Resources Corporation
4404 W. Ann Lurie Pl., Chicago	310,875	Investment	Westmount Realty Capital LLC	High Street Equity Advisors
175 Mercedes Dr., Carol Stream	290,095	Investment	Exeter Property Group	175 Mercedes Holding, LLC
3600 Sunset Ave., Waukegan	202,177	User	CenterPoint Properties	Henry Broch and Company

Lee Transactions in RED



**5200 Thatcher Road, Downers Grove**  
70,000 SF (Divisible) For Sale or Lease

## FOURTH QUARTER OVERVIEW

The Central DuPage year-end vacancy rate totaled 2.73 percent, an 18-basis-point increase from the 2016 total of 2.54 percent. The rise in vacancy was due to poor user and tenant demand.

Vacant industrial supply in Central DuPage submarket increased by 6 percent from the fourth quarter 2016 total of 570,000 square feet to 605,000 square feet at the end of 2017. There are no 100,000 square feet and above vacancies available in this submarket.

After seeing only 15,000 square feet of new construction projects in 2016, there was no new development in Central DuPage in 2017.

There is one build-to-suit construction project that has commenced construction in Central DuPage submarket that will eventually add 253,000 square feet to the total inventory base.

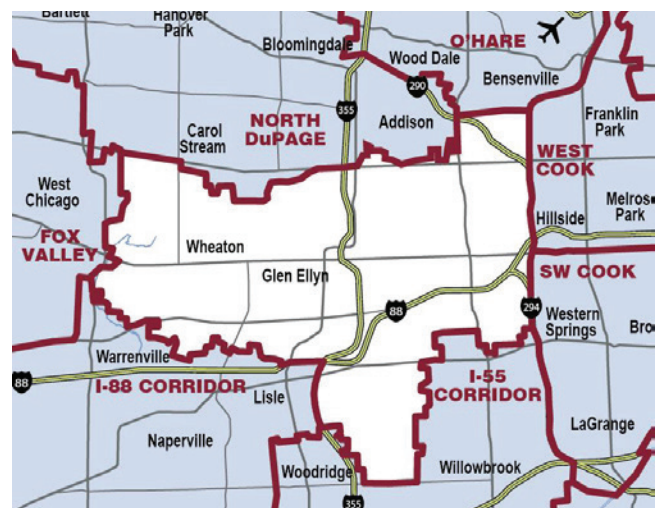
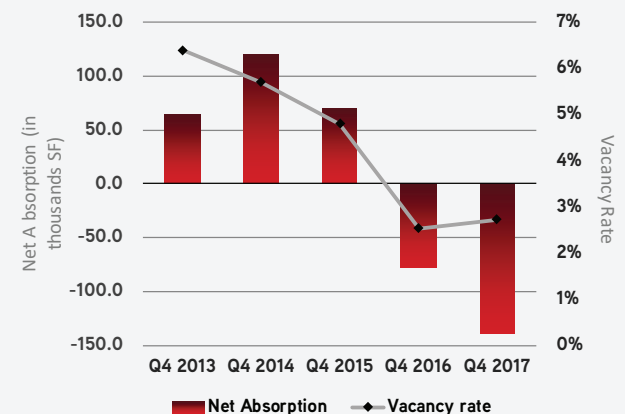
Leasing activity during the 12 months of 2017 in Central DuPage measured 130,500 square feet, down 48.2 percent from the 252,400 square feet leased in 2016.

Sale activity for the year measured 290,600 square feet, a 57.3 percent increase from the year-end 2016 level of 184,700 square feet. User demand in Central DuPage was strongest in the second quarter. Accounting for 140,400 square feet of all 2017 sales.

### Key Stats

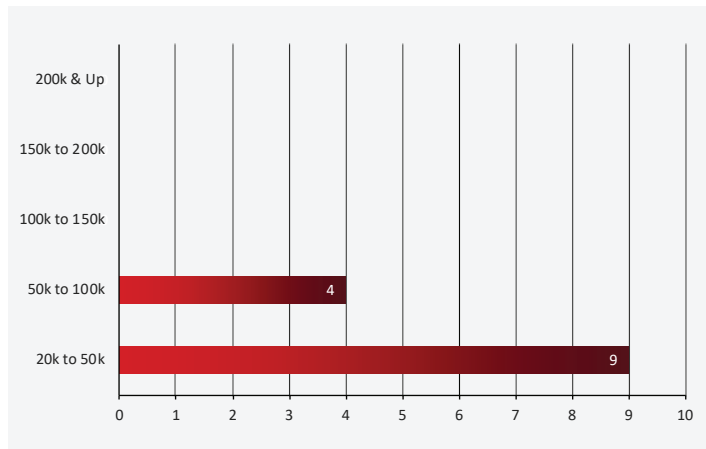
Industrial Base	22,150,519
Vacancy Rate	2.73%
YTD New SF Delivered	0
SF Under Construction	253,000
Q4 Net Absorption	-139,161
YTD Net Absorption	-112,493

### Vacancy & Absorption

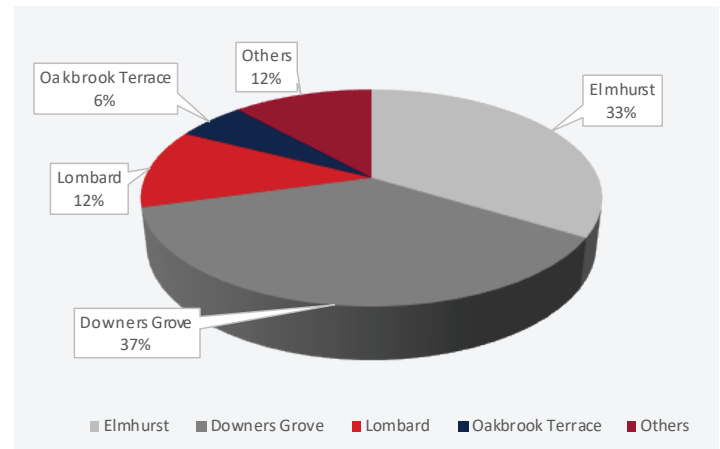


**Central DuPage Submarket**

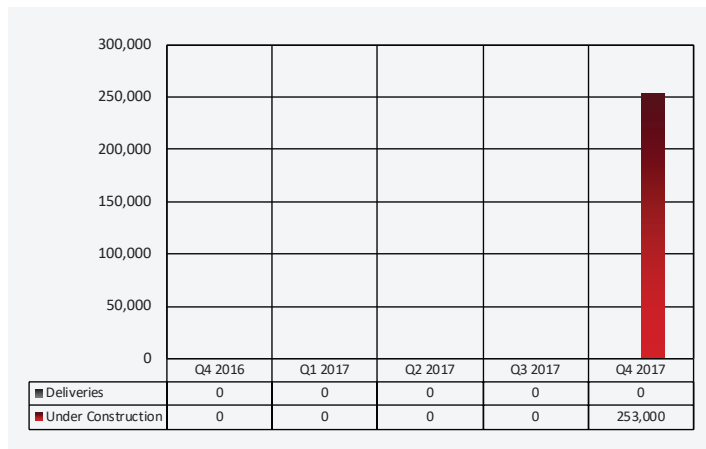
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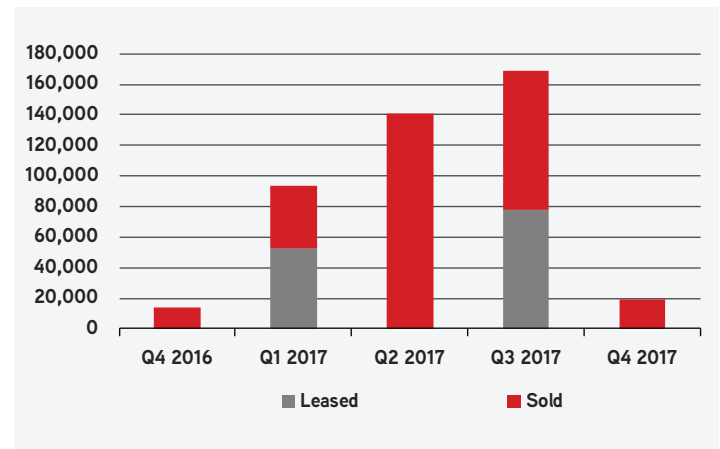
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
None to report				

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
643-645 S. Route 83, Villa Park	18,923	User	Chicago Title Land Trust	Resource Point of Sales LLC





**400 N. Noble Street, Chicago**  
58,614 SF For Sale or Lease

## FOURTH QUARTER OVERVIEW

The vacancy rate in the Chicago North submarket decreased 120 basis points to 6.57 percent in the fourth quarter. This can be attributed to a decrease in vacant industrial product that was returned to the market coupled with steady user sales activity.

The vacant inventory in Chicago North measured 4.7 million square feet in 2017, down from the 2016 level of 5.7 million square feet. There are 20 large blocks of spaces over 100,000 square feet that contain 2.2 million square feet or 42.5 percent of the overall vacant supply in the Chicago North submarket.

No new construction was completed in the Chicago North submarket in the fourth quarter. Chicago North's new construction deliveries in 2017 consisted of one speculative building equaling 40,700 square feet and there are no new developments currently underway.

Three industrial facilities were demolished in the fourth quarter, eliminating 76,800 square feet from the Chicago North inventory base. The sites will be redeveloped for retail and multifamily use.

Chicago North leasing activity was steady in 2017 with transactions totaling 155,000 square feet. However, this is a 250,000-square-foot decline from the 2016 year-end volume of 412,000 square feet. 2016 witnessed twice as many transactions completed.

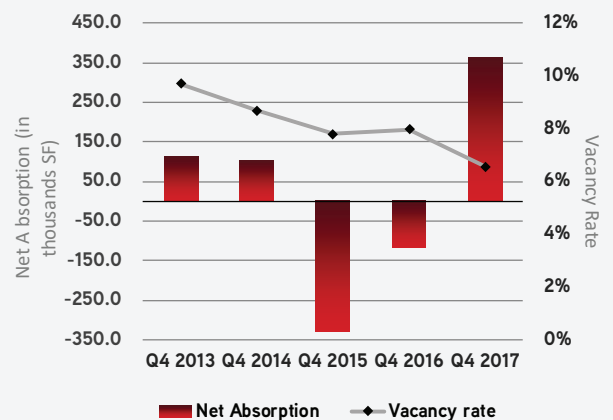
Sale volume was strongest during the first quarter of 2017 when 239,000 square feet of the year's total volume of 325,500 occurred. The 2017 year-end volume was nearly identical to the 323,300 square feet sold in 2016.

Strong first quarter user sale volume contributed significantly to the year-end net absorption of positive 374,000 square feet. This was a 37 percent increase from the 271,500 square feet posted in 2016.

### Key Stats

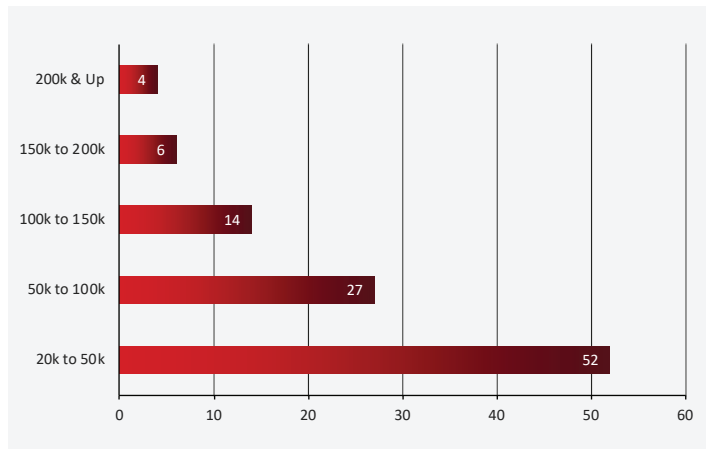
Industrial Base	71,478,441
Vacancy Rate	6.78%
YTD New SF Delivered	40,700
SF Under Construction	0
Q4 Net Absorption	362,548
YTD Net Absorption	374,018

### Vacancy & Absorption

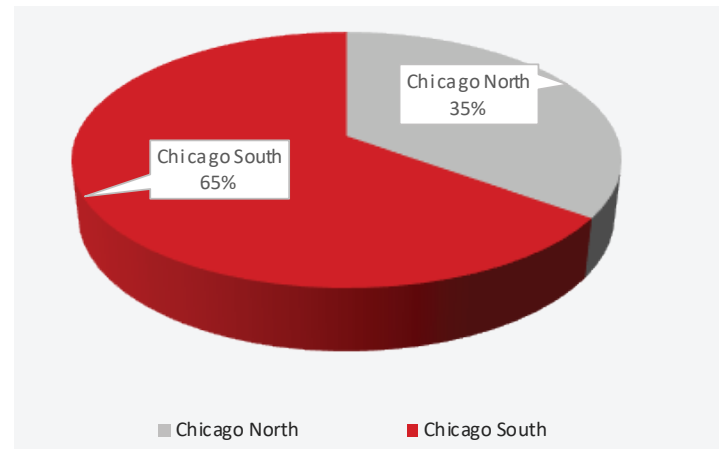


**Chicago North Submarket**

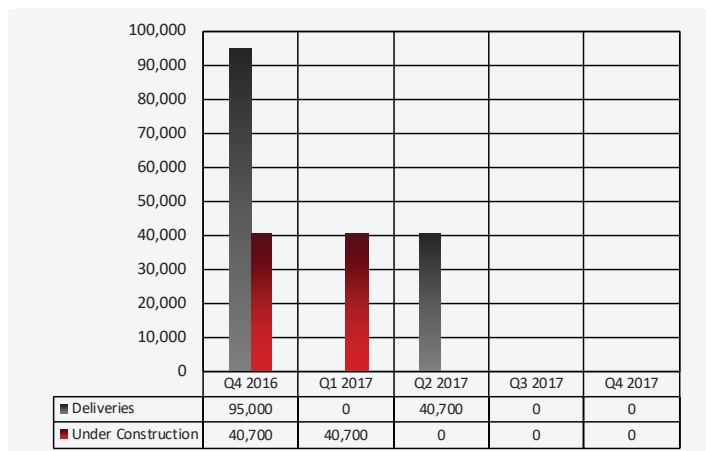
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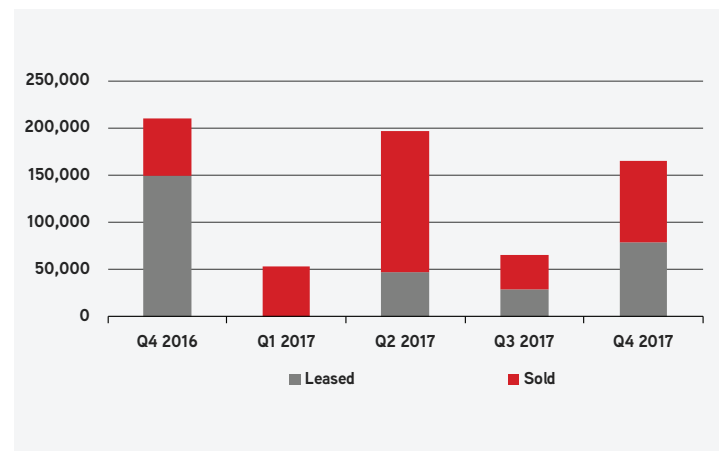
## Available by City



## Construction



## Leased &amp; Sold



## Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
5565 N. Lynch Ave., Chicago	48,000	New	New Era Optical Company	Chicago Tribune
2120-2750 Grand Ave., Chicago	21,000	New	Grand-California LLC	Not Available
4451 W. Kinzie Rd., Chicago	10,000	New	4401 W. Kinzie LLC	Not Available

## Notable Sale Transactions

Address	Size	Type	Seller	Buyer
4000 W. Diversey Ave., Chicago	126,000	User	4K Diversey Partners LLC	Lock Up Logas Square
1826 N. Lorel Ave., Chicago	42,000	User	Synergy Real Estate Holdings	Upton's Naturals
6260 N. Northwest Hwy., Chicago	29,980	User	Private Trust	CSE Development, Inc.

Lee Transactions in RED



**3507 W. 51st Street, Chicago**  
316,550 SF Planned Development For Sale or Lease

## FOURTH QUARTER OVERVIEW

An increase in tenant activity pushed the Chicago South vacancy rate down a remarkable 97 basis points from the year-end 2016 rate of 8.71 percent to the year-end 2017 rate of 7.74 percent

Chicago South's vacant industrial supply fell sharply from the first quarter volume of 10.0 million square feet to the fourth quarter mark of 8.7 million square feet. One year ago, Chicago South's vacant supply totaled 9.8 million square feet.

Three buildings were completed in the Chicago South submarket in 2017, adding 556,070 square feet to the total inventory base. This represents a 299,000-square-foot increase when compared to the 256,800 square feet of new construction projects completed in 2016.

The largest 2017 completion in the Chicago South submarket was a 227,700-square-foot build-to-suit warehouse facility built for Preferred Freezer.

The cumulative 2017 leasing activity in Chicago South measured 1.1 million square feet, up 51.4 percent from the 738,000 square feet leased in 2016.

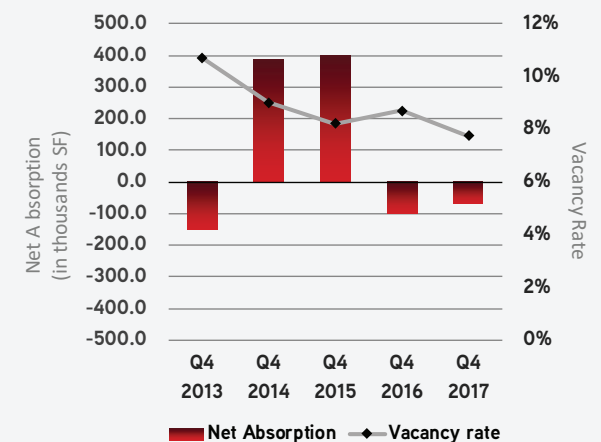
The fourth quarter sale volume reached 10,500 square feet, which was the lowest quarterly volume sustained in the Chicago South submarket in 2017. This brought the 2017 cumulative total to 752,000 square feet, which was an 8.0 percent decline from the 2016 total of 815,000 square feet.

Heightened tenant demand propelled the year-end net absorption figure to positive 1.3 million square feet, a considerable improvement from the positive 476,000 square feet registered in 2016.

### Key Stats

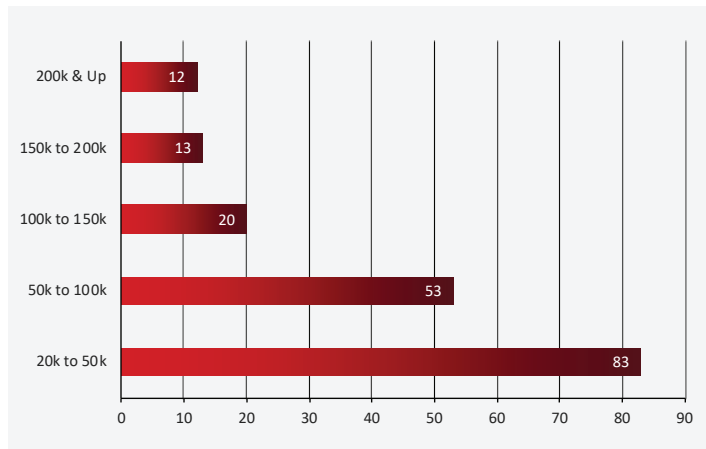
Industrial Base	112,181,122
Vacancy Rate	7.74%
YTD New SF Delivered	556,070
SF Under Construction	335,637
Q4 Net Absorption	-70,277
YTD Net Absorption	1,272,616

### Vacancy & Absorption

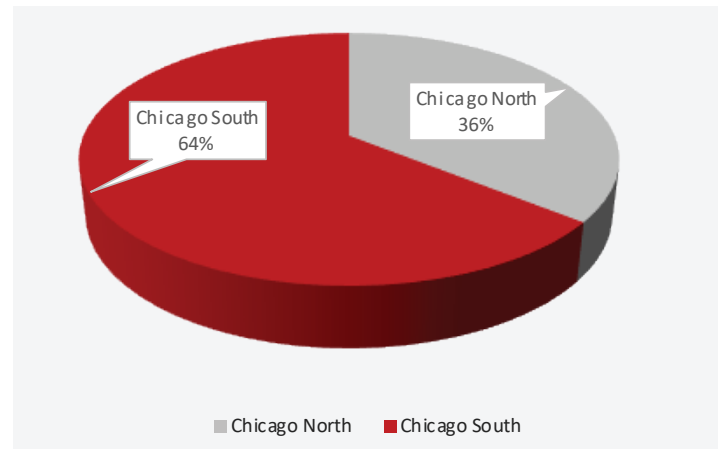




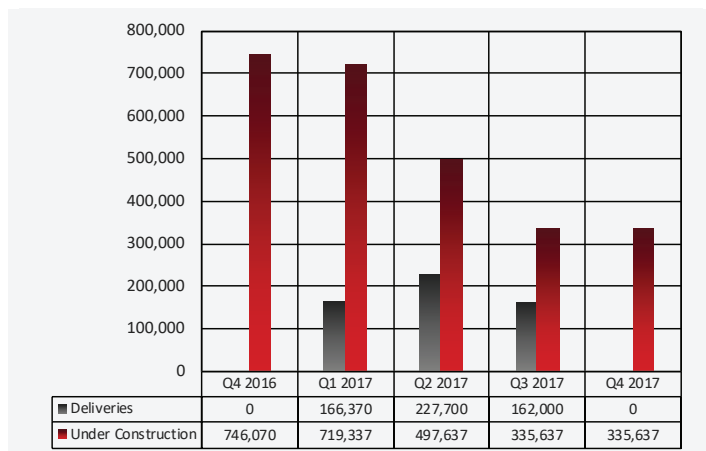
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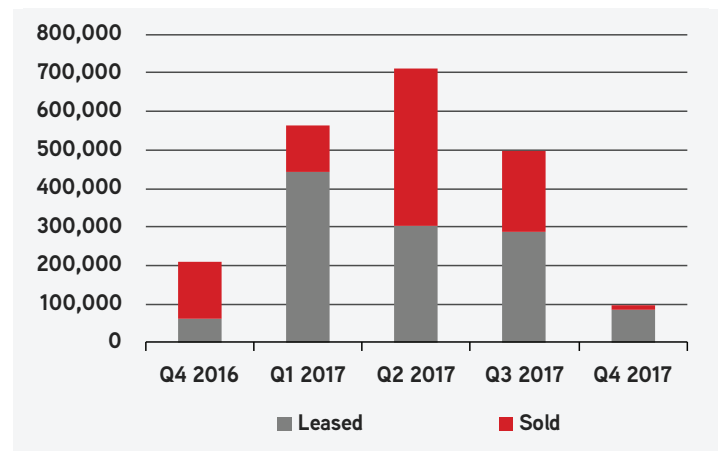
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
2040-2150 W 43rd St., Chicago	86,310	New	Not available	Not Available

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
4404 W. Ann Lurie Pl., Chicago	310,875	Investment	Westmount Realty Capital LLC	High Street Equity Advisors
2420 S. Wood St., Chicago	162,000	Investment	Wanxiang America Corp.	Vega Properties Ltd.
2503-2509 S. Pulaski Ave., Chicago	10,467	User	Merchants Environmental Ind.	Private user



**1200-1250 Douglas Road, Batavia**  
137,573 SF New Construction (Divisible) For Lease

## FOURTH QUARTER OVERVIEW

Fox Valley's vacancy rate started 2017 at 5.41 percent but ended the year at 7.45 percent, largely due to a tremendous amount of vacant space that returned to the market in the fourth quarter.

Fox Valley's vacant industrial supply increased sharply from the first quarter volume of 2.0 million square feet to the fourth quarter mark of 2.8 million square feet. One year ago, Fox Valley's vacant supply totaled 1.9 million square feet.

2017 construction consisted of three buildings (two build-to-suit and one speculative) that added 465,200 square feet to Fox Valley's inventory base. The prior year witnessed three build-to-suit projects totaling 730,200 square feet.

Leasing volume in Fox Valley submarket escalated to 751,000 square feet in 2017. This was an impressive 62.2 percent increase from the 463,000 square feet leased in 2016.

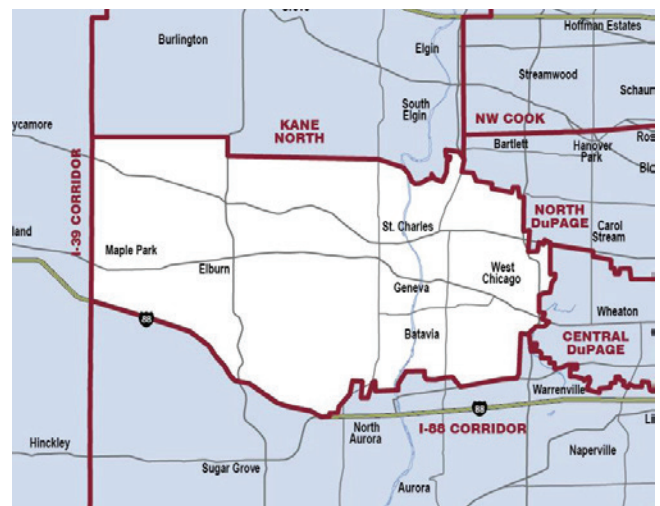
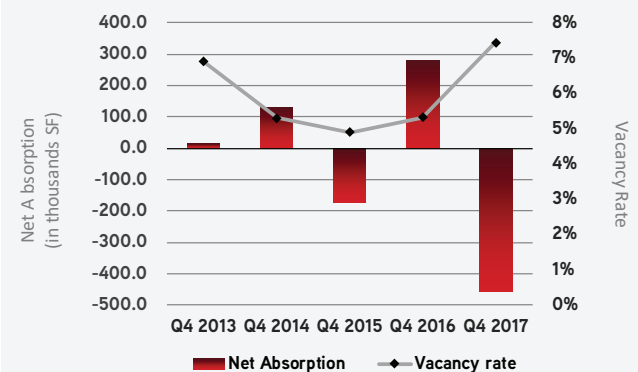
2017 sale volume of 140,000 square feet was 35.1 percent lower than year-end 2016 volume of 216,000 square feet. Most of sale activity in 2017 was captured in facilities between 20,000 to 30,000-square-foot size range while 2016 volume experienced most activity in spaces between 40,000 and 60,000 square feet.

A tremendous amount of vacant spaces flooded the Fox Valley submarket in 2017 resulted in year-end absorption of negative 319,000 square feet, a dramatic decrease from the positive 217,000 square feet reported in 2016.

### Key Stats

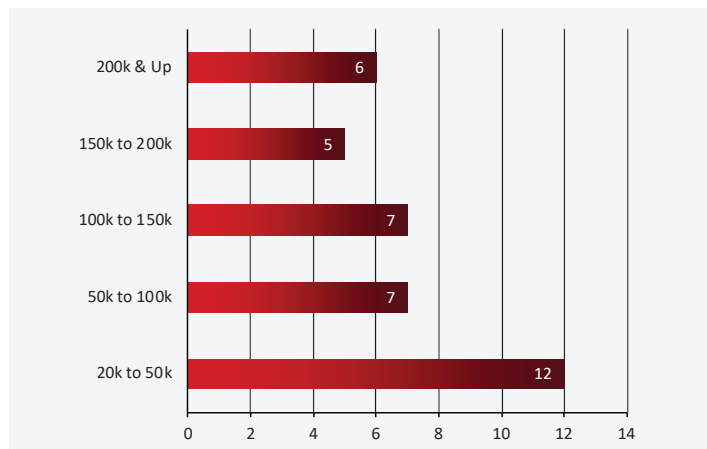
Industrial Base	37,702,634
Vacancy Rate	7.45%
YTD New SF Delivered	465,246
SF Under Construction	0
Q4 Net Absorption	-458,186
YTD Net Absorption	-318,935

### Vacancy & Absorption

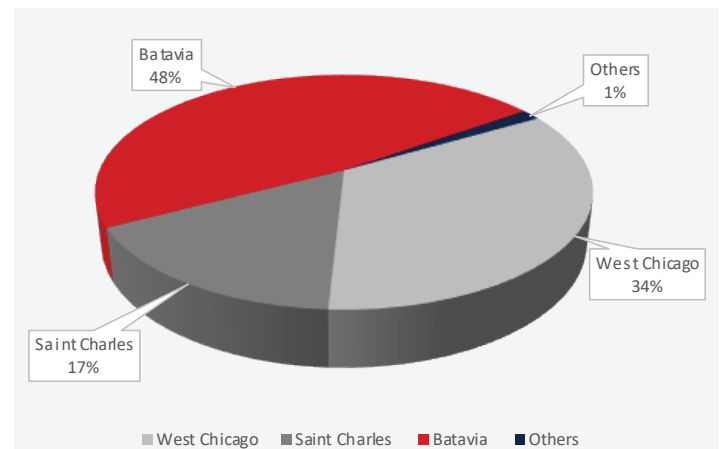


Fox Valley Submarket

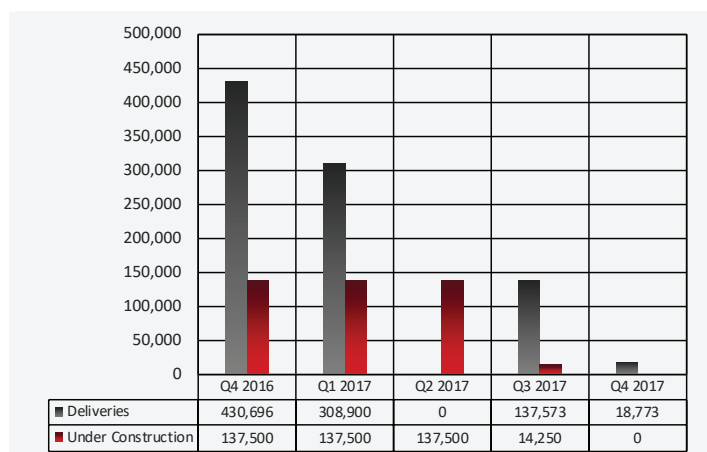
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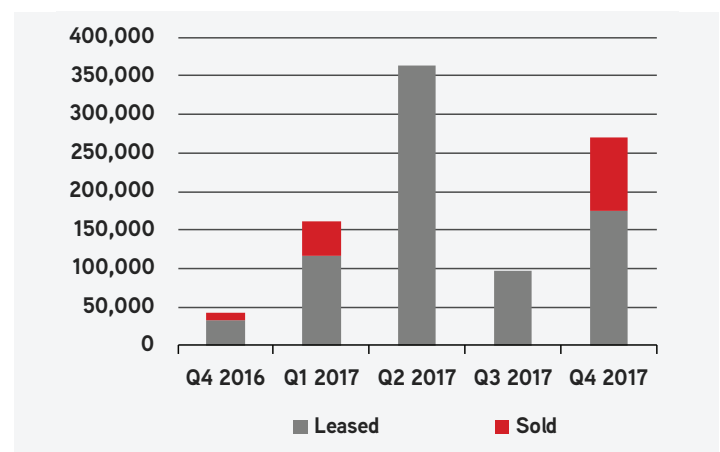
## Available by City



## Construction



## Leased & Sold



## Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
1160 Pierson Dr., Batavia	82,078	New	Exeter Property Group	Blue Wave Products
3605-3625 Swenson Ave., St. Charles	28,800	New	DRA Advisors, LLC	Wicker World Enterprises, Inc.
1400 Kingsland	20,124	New	Colony Light Industrial	AGS

## Notable Sale Transactions

Address	Size	Type	Seller	Buyer
601-605 Kingsland Dr., Batavia	496,000	Investment	Partylite Worldwide Inc.	WHI Real Estate Partners
1725 Western Dr., West Chicago	70,943	User	Ametek, Inc.	Alpha Coating Technologies
3725 Swenson Ave., St. Charles	25,000	User	PMA Outdoor Equipment	Xtreme Sports Nutrition

Lee Transactions in RED





**Prologis Park Rochelle**  
85.9 Acres For Sale – Fully Developed Lots from 7-34.9 Acres

## FOURTH QUARTER OVERVIEW

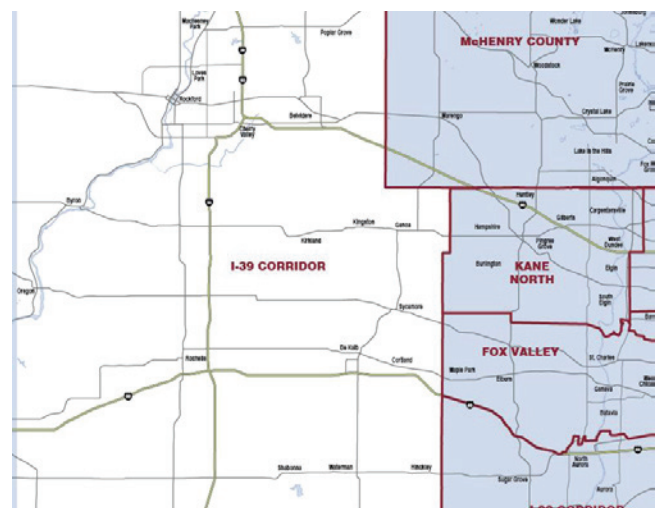
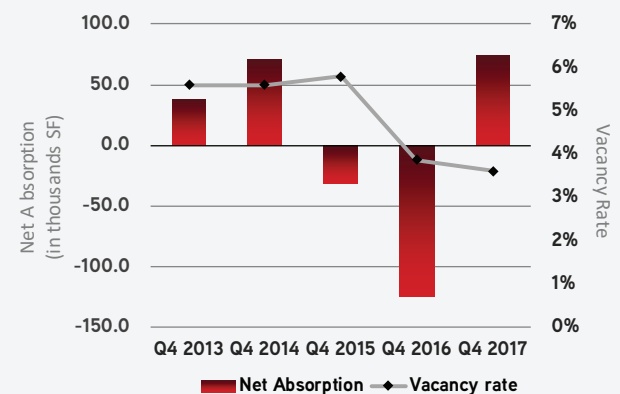
The I-39 Corridor did not see any movement for the third consecutive quarter. Tenant and user demand were absent from this submarket in 2017.

The corridor is still a crossroads for several types of industries that depend on rail and truck transportation and are not reliant on immediate access to O'Hare or the urban centers surrounding Chicago. Land is available in this submarket warranting a closer look from developers looking to expand.

### Key Stats

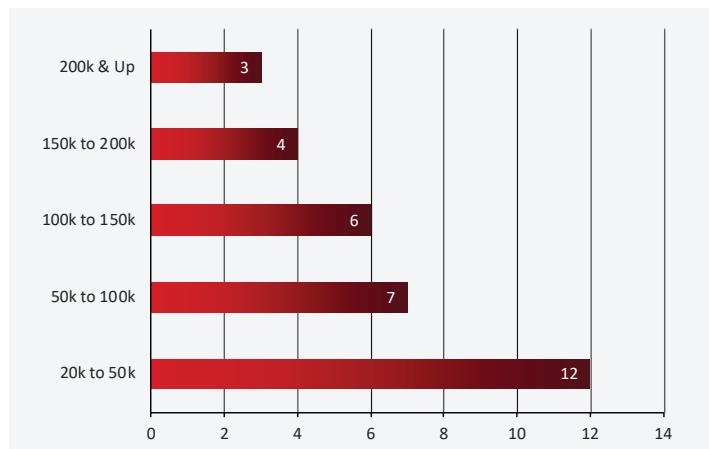
Industrial Base	30,220,842
Vacancy Rate	3.60%
YTD New SF Delivered	0
SF Under Construction	67,251
Q4 Net Absorption	74,383
YTD Net Absorption	84,383

### Vacancy & Absorption

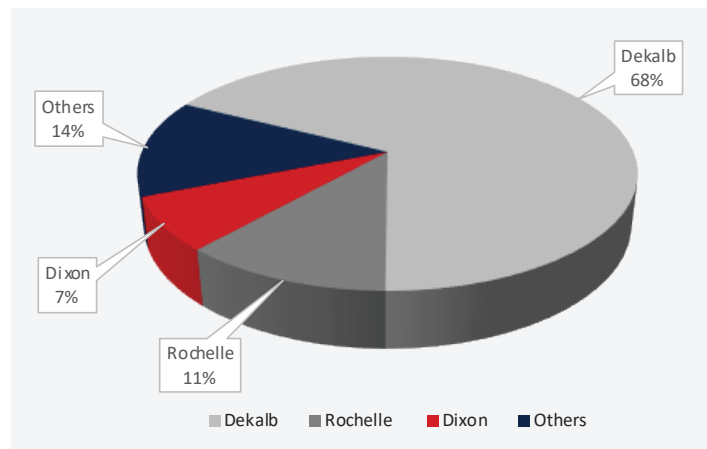


I-39 Corridor Submarket

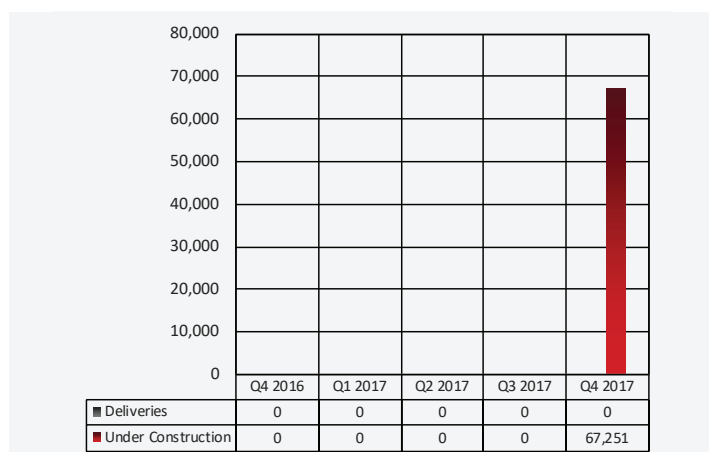
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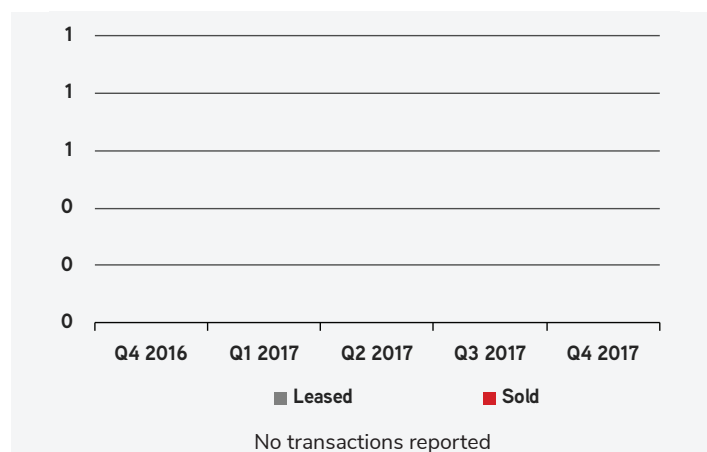
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
None to Report				

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
None to Report				



**505 W. Crossroads Parkway, Bolingbrook**  
87,220 SF For Lease

## FOURTH QUARTER OVERVIEW

The I-55 Corridor vacancy rate increased by 212 basis points during 2017 to 11.52 percent, the highest vacancy rate this market has recorded since first quarter 2016. This increase is due to the completion of speculative construction projects that remain largely vacant.

The total available industrial supply also increased significantly during the year, up 2.5 million square feet to 11.2 million square feet.

Construction completions totaled 19 in the I-55 Corridor during 2017, most of which were built on a speculative basis. The largest building completed was a 615,160 square-foot build-to-suit facility for Best Buy at the Carlow Corporate Center in Bolingbrook. The largest speculative completion was a 676,026-square-foot building at the Airport Distribution Center in Romeoville.

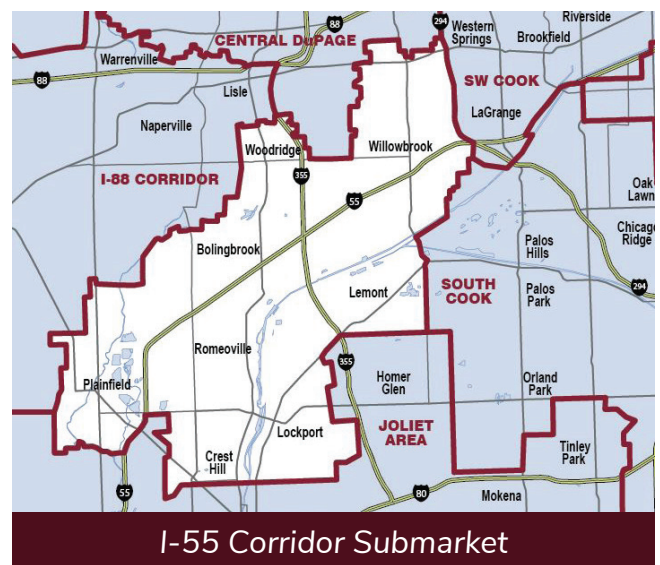
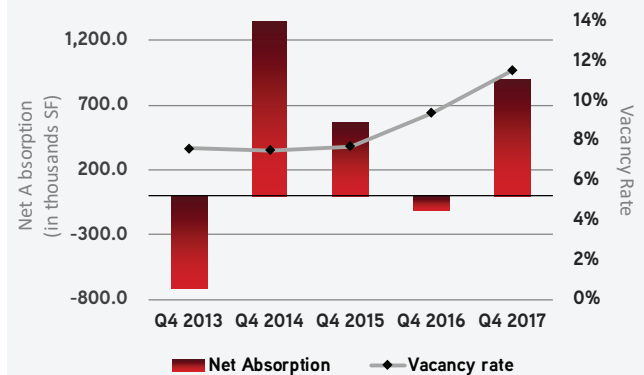
The I-55 Corridor's 2017 leasing volume reached 4.3 million square feet, which was a remarkable 37 percent decline in leasing activity from the 6.8 million square feet leased in 2016. Six leases were signed in spaces over 200,000 square feet, while 11 leases over 200,000 square feet were signed in 2016. The I-55 Corridor user sale volume totaled 188,000 square feet for the year, a 68 percent decrease when compared to 2016's user sales volume of 585,000 square feet.

Despite an increasing vacancy rate, net absorption was positive for 2017 in the I-55 Corridor submarket, totaling 2.9 million square feet for the year. However, this represents a significant decline over the 2016 net absorption total of positive 5.2 million square feet.

### Key Stats

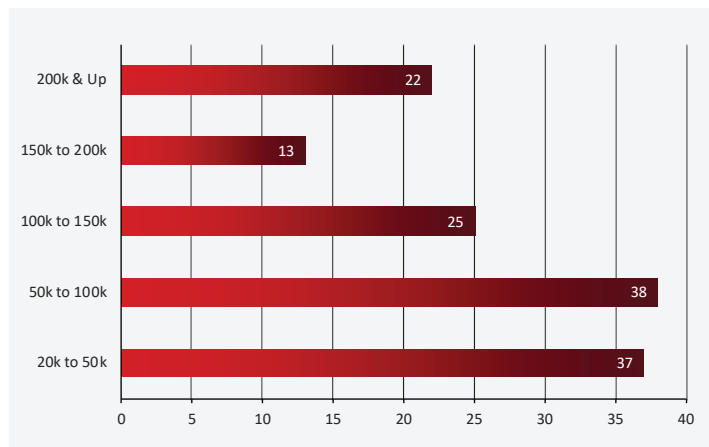
Industrial Base	97,115,374
Vacancy Rate	11.52%
YTD New SF Delivered	5,073,096
SF Under Construction	565,536
Q4 Net Absorption	898,937
YTD Net Absorption	2,947,867

### Vacancy & Absorption

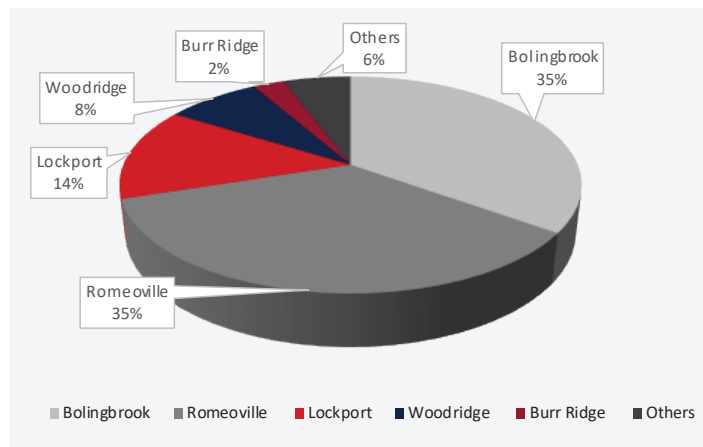




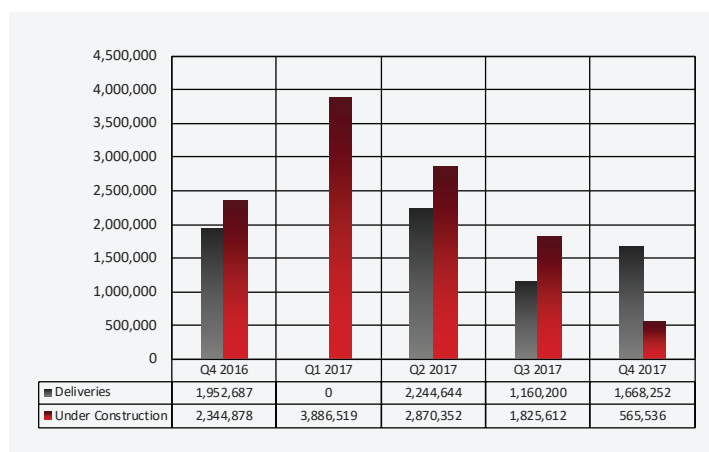
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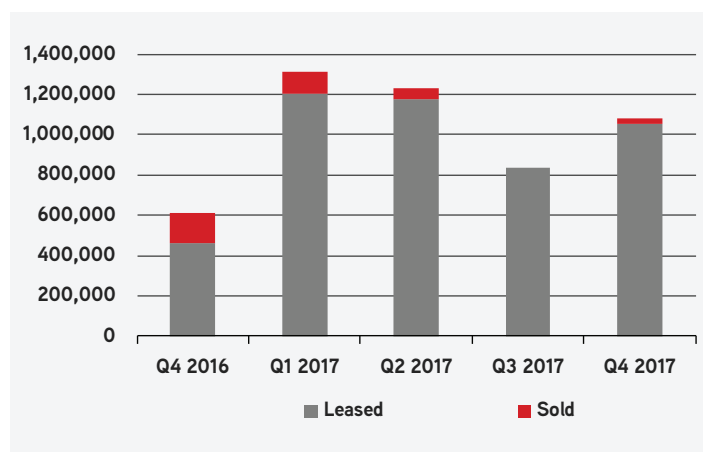
## Available by City



## Construction



## Leased & Sold



## Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
825 Bluff Rd., Romeoville	500,160	New	The Estate of James Campbell	Central American
1100 Remington Blvd., Bolingbrook	443,010	Renewal	Heitman	Greencore
386 Internationale Dr., Bolingbrook	247,500	Renewal	ML Realty Partners	Windy City Wire Cable and Technology Products, LLC
1165 Crossroads Pky., Romeoville	235,750	Renewal	DCT Industrial Trust	Distribution 2000
700 Gateway Dr., Bolingbrook	206,711	Renewal	Prologis	RJW Transport

## Notable Sale Transactions

Address	Size	Type	Seller	Buyer
2 Building Portfolio	80,731	Investment	Prologis	The Blackstone Group
724 Parkwood Ave., Romeoville	23,040	User	FBM Gypsum Supply of Illinois, LLC	Metropolitan Industries

Lee Transactions in RED



**750 Central Avenue, University Park**  
186,560 SF Leased in 2017

## FOURTH QUARTER OVERVIEW

The vacancy rate in the I-57 Corridor submarket increased by 53 basis points during 2017. This increase was due to several new vacancies being introduced to the market during the year. At the end of the year, the vacancy rate in the I-57 Corridor measured 6.53 percent.

Total available supply increased as well, reaching 2.8 million square feet at the end of the year, a 15.5 percent increase over the 1.8 million square feet available at the end of 2016.

The I-57 Corridor experienced three new build-to-suit deliveries in 2017 totaling 1.9 million square feet, while 2016 saw 188,400 square feet of new developments. The I-57 Corridor total inventory will remain at 33 million square feet for quite some time, as no new projects are currently underway.

2017 leasing activity totaled 269,000 square feet in the I-57 Corridor, which was powered by one large transaction. The total volume was considerably less than the 2.7 million square feet leased in 2016.

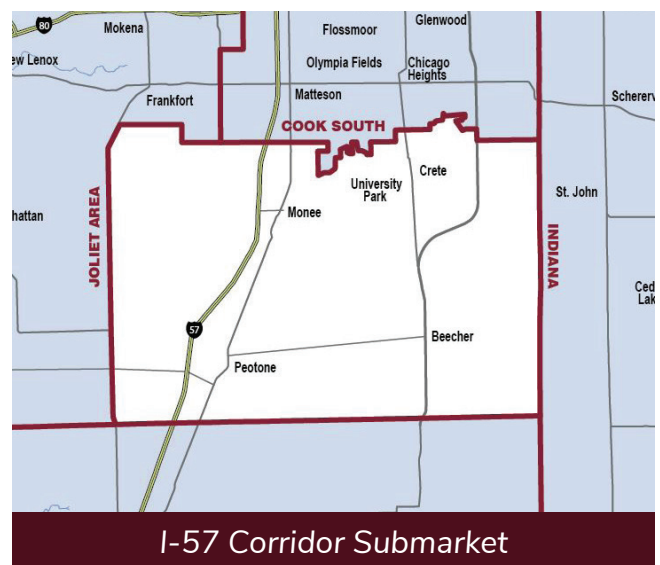
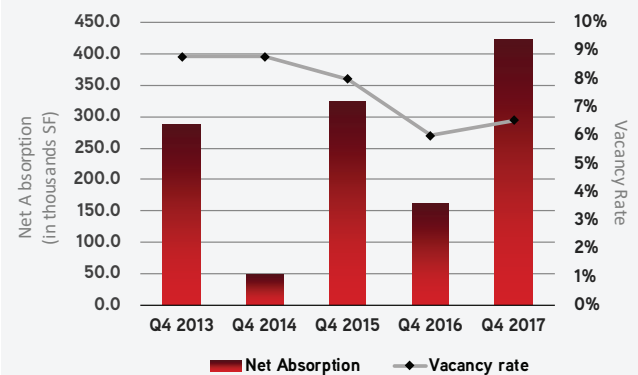
The I-57 Corridor witnessed a marginal reduction in sale activity in 2017 when 208,000 square feet of transactions were completed. Transaction volume in 2016 totaled 247,000 square feet.

Net absorption in the I-57 Corridor more than doubled in 2017, totaling 1.6 million square feet for the year. This significant absorption was due to the completion of several sizable build-to-suit projects.

### Key Stats

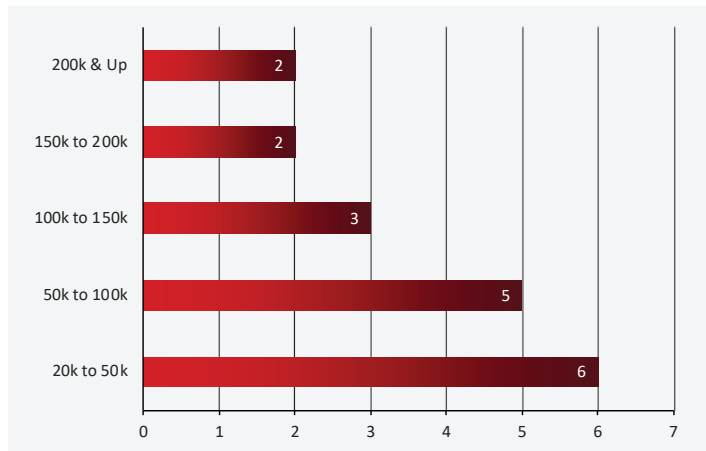
Industrial Base	32,806,486
Vacancy Rate	6.53%
YTD New SF Delivered	1,903,665
SF Under Construction	0
Q4 Net Absorption	421,488
YTD Net Absorption	1,614,963

### Vacancy & Absorption

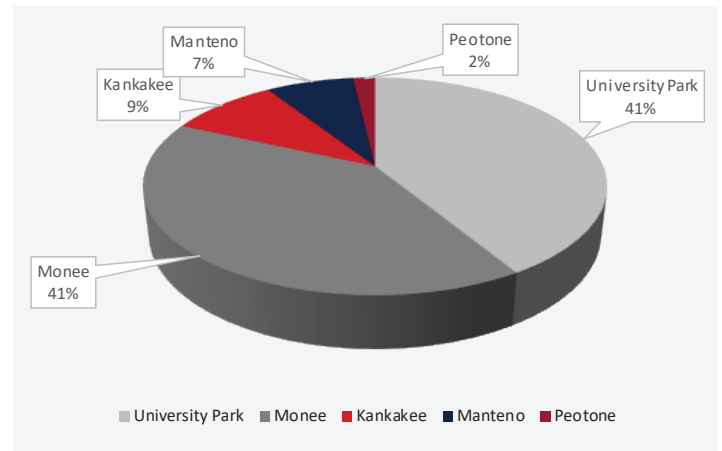


**I-57 Corridor Submarket**

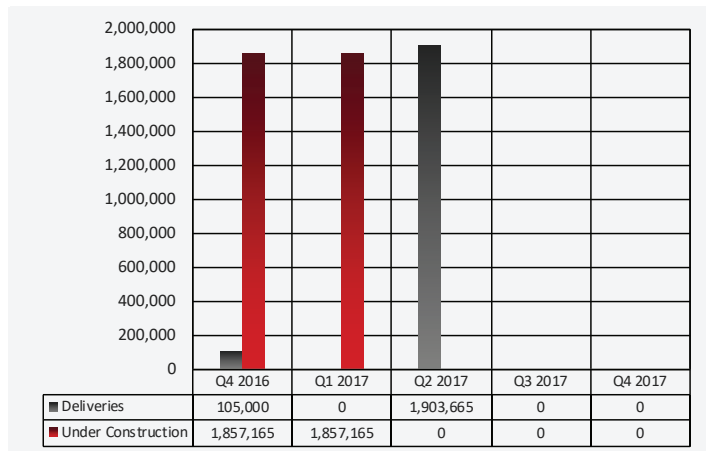
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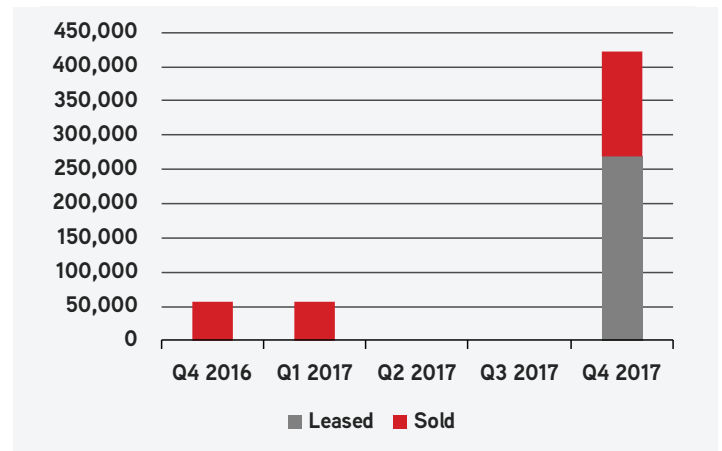
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
1551 E. Willow Rd., Kankakee	269,488	Sublease	Space center Chicago Inc.	American Air Filter Company

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
2600 Bond St., University Park	152,000	User	Not available	Not available



**1551-1561 Aucutt Road, Montgomery**  
13,100 SF (Divisible) For Sale or Lease

## FOURTH QUARTER OVERVIEW

The I-88 Corridor experienced a dramatic decline in vacant supply in 2017 to 3.4 million square feet, down from 4.3 million square feet in 2016. This decline was the result of less space returning to the market.

I-88 Corridor's vacancy rate ended 2017 at 5.27 percent, a sizable 155-basis-point decline from the 6.82 percent reported vacant at year-end 2016.

I-88 Corridor submarket witnessed the completion of two construction projects in 2017 totaling 1.0 million square feet. The largest project completed was a 954,700-square-foot distribution facility for Amazon in Aurora.

Two development projects are currently under construction which will add 229,000 square feet to the I-88 Corridor inventory base.

I-88 Corridor leasing activity dropped off dramatically in 2017, totaling 1.4 million square feet, a 44.0 percent decline from 2016's total leasing volume of 2.6 million square feet.

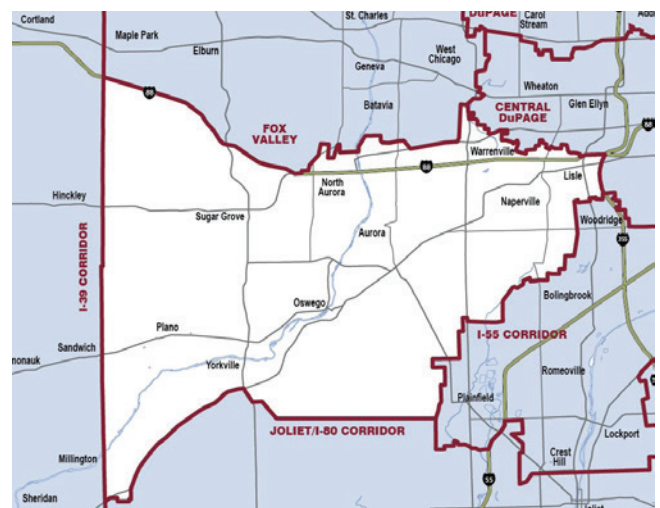
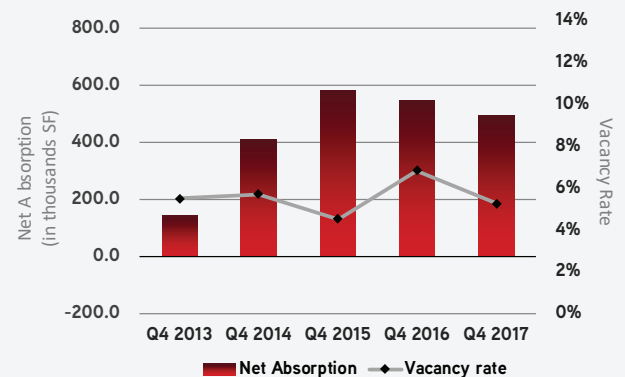
User sales volume also decreased in 2017, totaling 247,000 square feet for the year. This represents a 74.5 percent decline when compared to 2016's 969,600-square-foot volume.

Net absorption in the I-88 Corridor measured positive 2.0 million square feet in 2017, a decline from the positive 2.4 million square feet registered one year ago. Less space returning to market greatly contributed to I-88 Corridor's positive 2017 results.

### Key Stats

Industrial Base	65,120,341
Vacancy Rate	5.27%
YTD New SF Delivered	1,059,677
SF Under Construction	229,250
Q4 Net Absorption	492,016
YTD Net Absorption	2,022,336

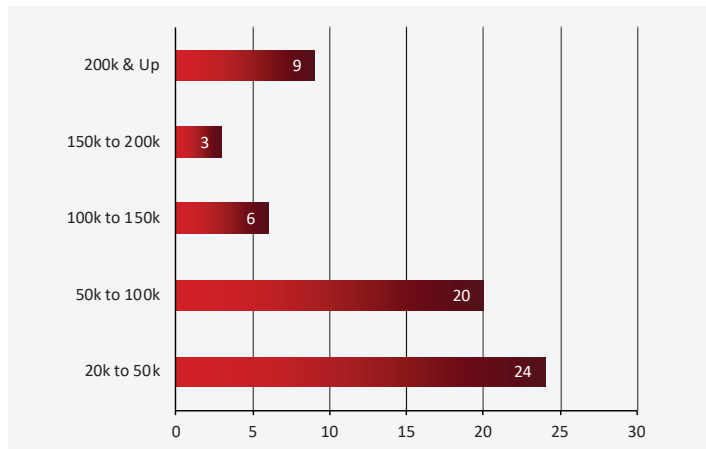
### Vacancy & Absorption



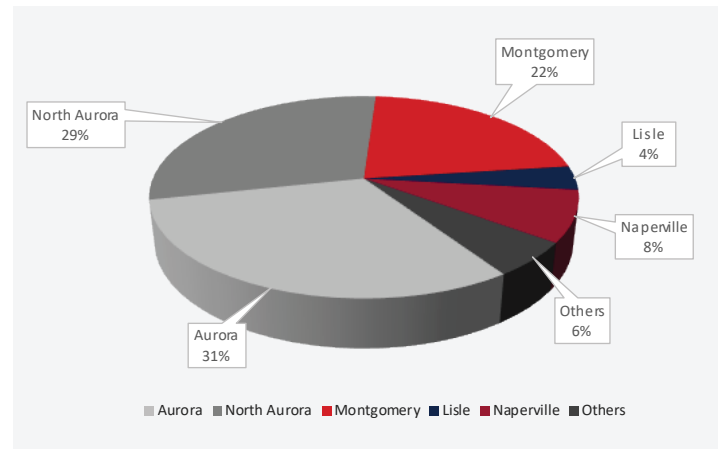
**I-88 Corridor Submarket**



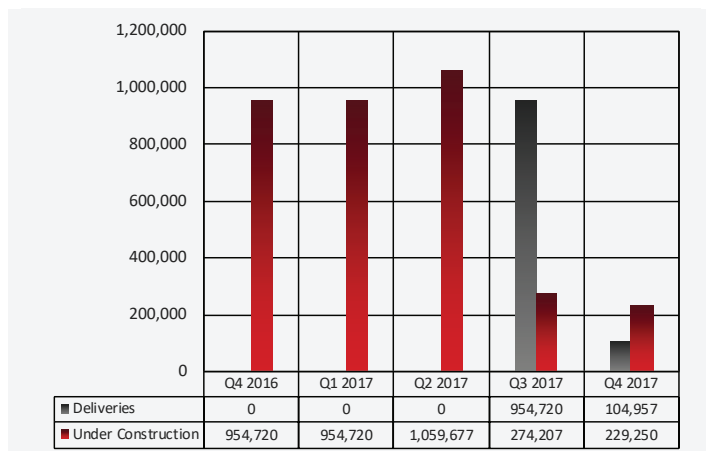
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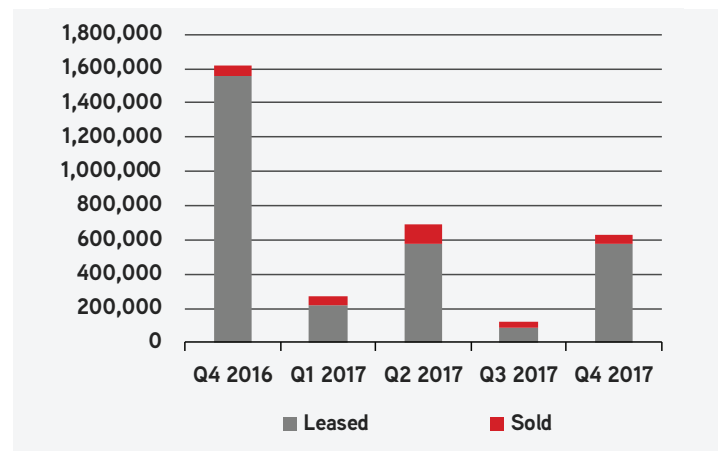
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
2176 Diehl Rd., Aurora	247,360	New	DCT Industrial Trust	XPO Logistics Warehouse
1600 Sequoia Dr., Aurora	213,739	New	Clarion Partners	Magic Woods, Inc.
966 Corporate Blvd., Aurora	83,767	New	Industrial Property Trust	Carlson Group Inc.
1050 S. Lake St., Aurora	82,500	Renewal	Rocket Realty LLC	ANCO Steel Company Inc.

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
30W196 Calumet Ave., Warrenville	30,240	User	DAC Realty	The Gasaway Company
1665 Mallette Rd., Aurora	24,000	User	MJAM Property, LLC	The Yetee, LLC



**1225 Channahon Road, Joliet (Unincorporated Will County)**  
20,600 SF For Sale or Lease

## FOURTH QUARTER OVERVIEW

The I-80/ Joliet submarket vacant supply swelled to a new all-time high of 5.3 million square feet in the fourth quarter. The high total is the direct result of the completion of several sizable speculative projects. I-80/Joliet's available inventory at the end of 2016 totaled 3.2 million square feet.

The vacancy rate fluctuated throughout 2017, ending the year at 6.3 percent, up from the 2016 mark of 4.1 percent. Between 2016 and 2017 the vacancy rate increased by a significant 2.1 percent in this submarket.

The I-80/Joliet submarket witnessed 6.1 million square feet of deliveries in 2017, a significant increase from the 3.4 million square feet of new projects completed in 2016.

Speculative deliveries surpassed build-to-suit completions. Seven speculative facilities totaling 4.0 million square feet were built in 2017 compared to five build-to-suit totaling 2.0 million square feet.

Seven industrial projects are underway in the I-80/Joliet submarket which will add 6.3 million square feet to the I-80/Joliet inventory base. Five of these are speculative projects totaling 3.5 million square feet.

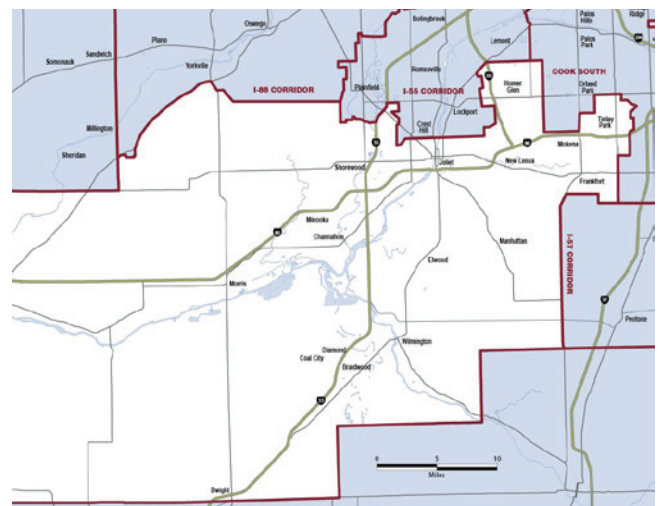
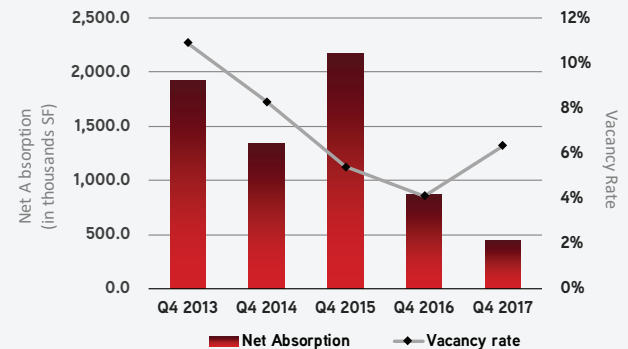
The I-80/Joliet cumulative leasing volume reached a healthy 4.0 million square feet in 2017, nearly identical to the 4.9 million square feet leased for all 2016. Buyer demand waned in 2017 as sale volume totaled just 193,500 square feet. This was less than half of the 719,000 square feet sold in 2016.

I-80/Joliet's year-end net absorption remained positive for the eighth consecutive quarter. The 2017 volume measured 4.1 million square feet, however, this was a 22.7 percent decline from the 5.3 million square feet of absorption in 2016.

## Key Stats

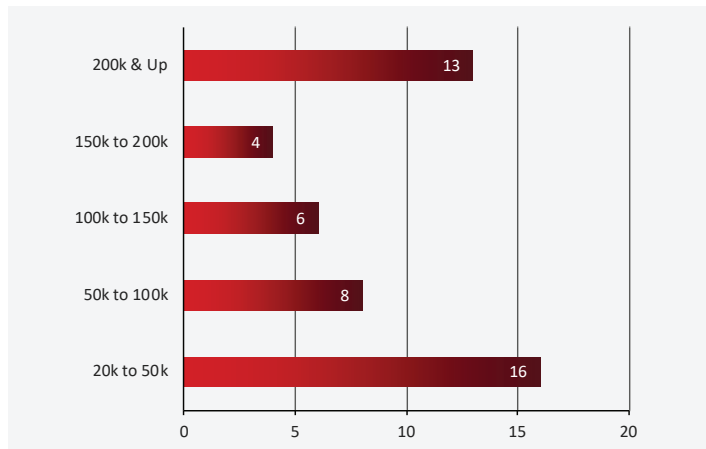
Industrial Base	84,178,177
Vacancy Rate	6.33%
YTD New SF Delivered	6,118,155
SF Under Construction	6,316,168
Q4 Net Absorption	450,999
YTD Net Absorption	4,130,058

## Vacancy & Absorption

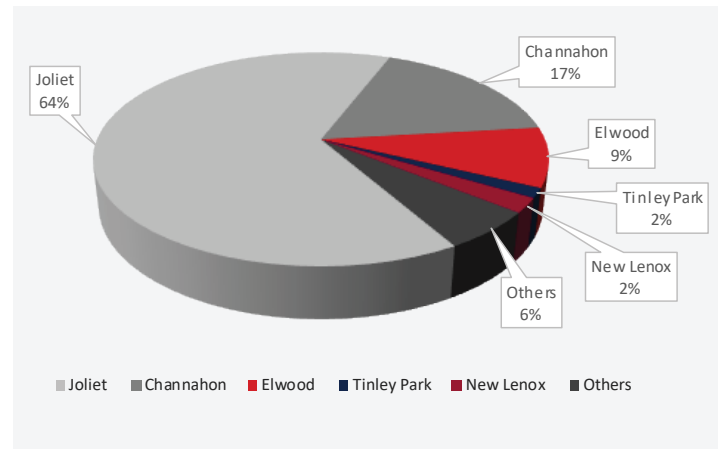


*Joliet / I-80 Corridor Submarket*

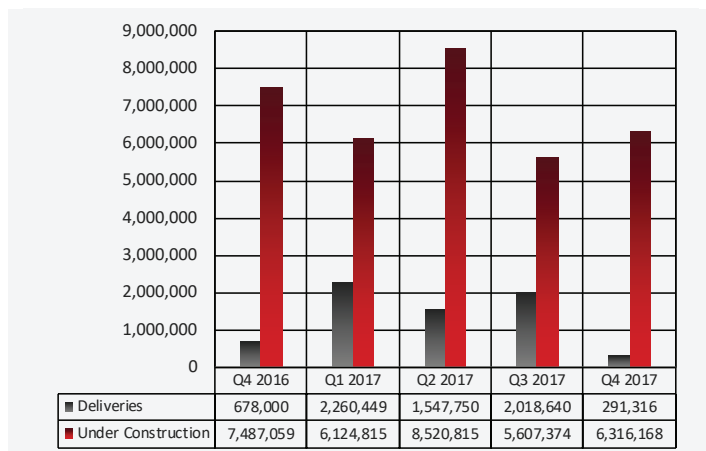
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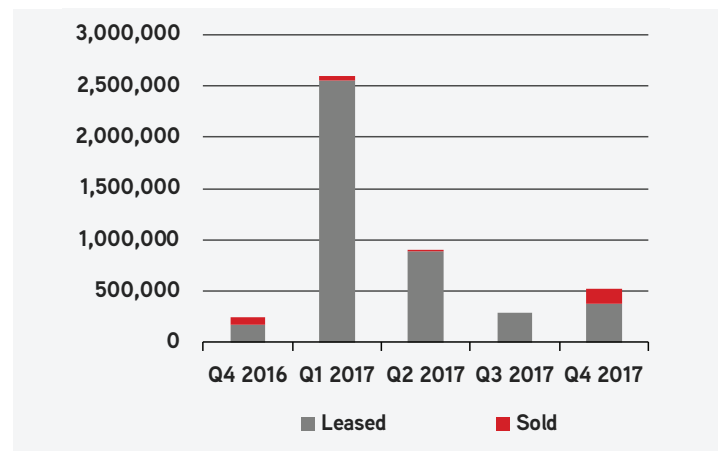
## Available by City



## Construction



## Leased & Sold



## Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
3851 Youngs Rd., Joliet	1,001,184	Expansion	Higgins Development Partners	Whirlpool
4100 Rock Creek Blvd., Joliet	116,301	Sublease	First Industrial Realty Trust	Ecolab
3401 S. Chicago St., Joliet	72,235	Expansion	DCT Industrial Trust	Saddle Creek Corporation

## Notable Sale Transactions

Address	Size	Type	Seller	Buyer
1333 S Schoolhouse Rd., New Lenox	146,160	User	Panduit Corporation	Hot Spot Furniture Corp.
8450-8500 191st St., Mokena	80,000	Investment	Individual	LT Harvey, LLC

Lee Transactions in RED



**525 Enterprise Parkway, Lake Zurich**  
20,138 SF For Lease

## FOURTH QUARTER OVERVIEW

Lake County experienced a dramatic decline in vacant supply in 2017 to 5.3 million square feet, down from 6.2 million square feet in 2016. This decline was the result of less space returning to the market and increased leasing volume through 2017.

Lake County's vacancy rate recovered nicely in 2017, reaching 6.8 percent by the end of the fourth quarter. The vacancy rate in 2016 measured 8.1 percent.

Five new construction projects totaling 582,000 square feet were completed in Lake County during 2017, compared to four projects totaling 844,00 square feet in 2016.

Construction activity will increase in the Lake County submarket. There are currently three build-to-suit projects under construction totaling 732,000 square feet. The largest is a 558,000-square-foot build-to-suit project for Handi-Foil in the Antioch Corporate Center.

Leasing activity measured 2.6 million square feet in 2017, which was slightly ahead of the 2.5 million square feet achieved in 2016. One transaction greatly contributed to the increased 2017 leasing volume. Handi Foil build-to-suit lease of 558,0000 square feet in Antioch, the facility is currently under construction and scheduled to be delivered in the second quarter of 2018.

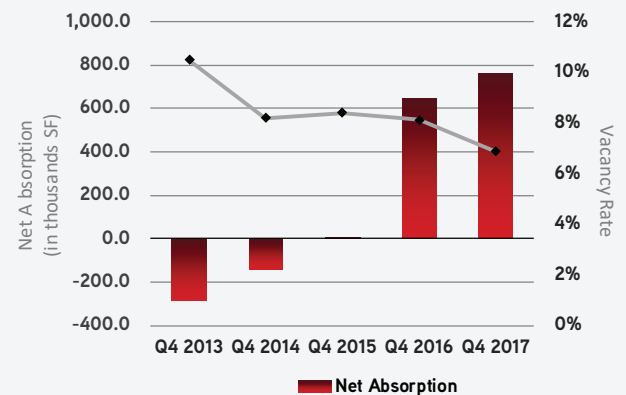
User sale volume totaled 391,000 square feet, a 17.2 percent decline from the 472,000 square feet of user sales recorded in 2016.

Strong fourth quarter leasing volume contributed significantly to the year-end net absorption of positive 1.5 million square feet. This was slightly behind the 1.6 million square feet posted in 2016.

### Key Stats

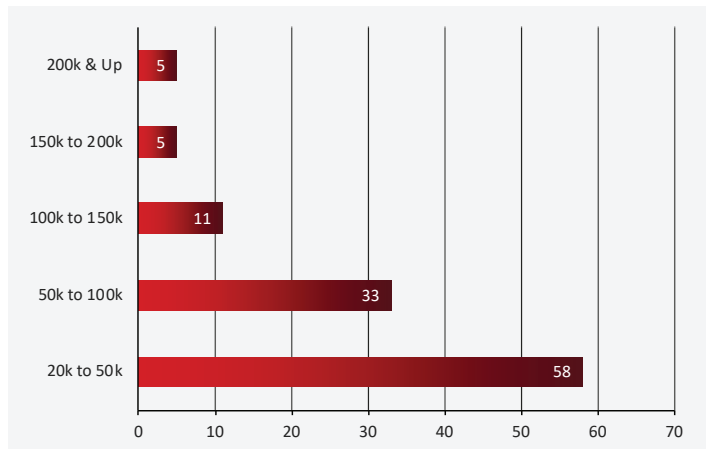
Industrial Base	77,055,242
Vacancy Rate	6.87%
YTD New SF Delivered	582,425
SF Under Construction	732,079
Q4 Net Absorption	757,034
YTD Net Absorption	1,520,169

### Vacancy & Absorption

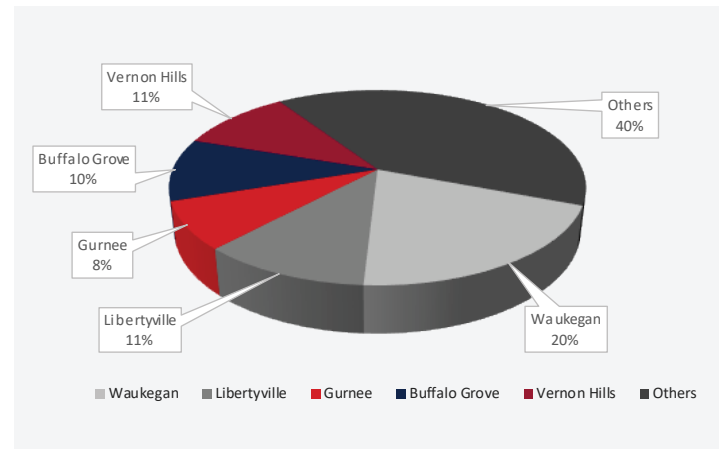




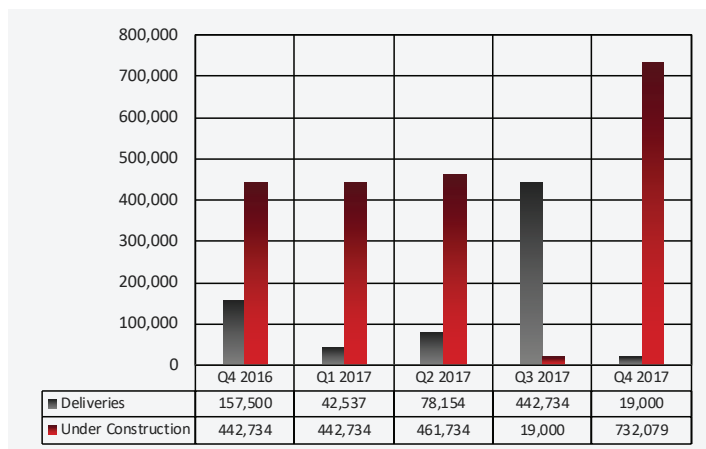
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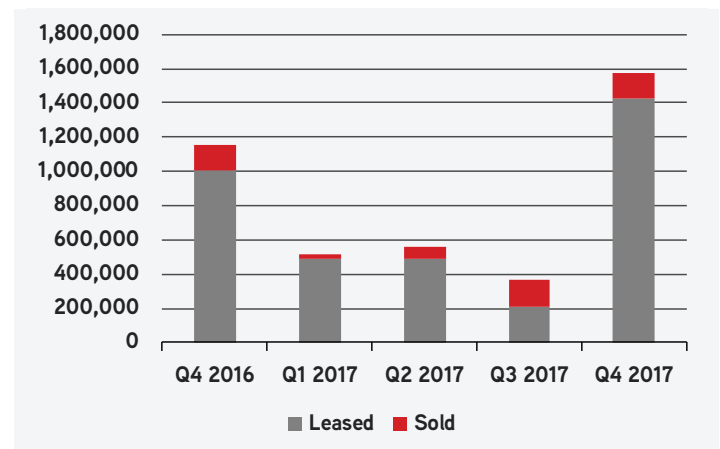
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
Gregory Dr., Antioch	558,550	New	IDI Gazeley	Handi-Foil Corporation
1745-1855 S. Waukegan Rd., Waukegan	172,542	Expansion	The Prudential Insurance Co.	Thermoflex
3900 Burwood Dr., Waukegan	138,334	New	Bridge Development	Medline Industries, Inc.
3731 Sunset Ave., Waukegan	130,156	New	STAG Industrial Inc.	Woodland Foods
705 Tri-State Pky., Gurnee	99,531	Sublease	TEVA Pharma	Weinman

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
3600 Sunset Ave., Waukegan	202,177	User	CenterPoint Properties	Henry Broch and Company
909 E. Orchard St., Mundelein	60,785	User	Yunnan Metallurgical Group	Not available
730 Lakeview Pky., Vernon Hills	51,208	User	Nostalgia Home Fashions, Inc.	Remke Industries Inc.



**2401 Huntington Drive North, Algonquin**  
101,667 SF For Sale

## FOURTH QUARTER OVERVIEW

Among the 22 industrial submarkets tracked, the McHenry County vacancy rate improved the most in 2017, decreasing by an impressive 396 basis points to 3.0 percent by the end of the year. This decline was the result of less vacant space returning to the market and increased leasing and sale volume through 2017.

The vacant industrial supply in the McHenry County submarket measured 866,000 square feet at the end of 2017, which was a 56.5 percent decrease from the 2016 year-end total of 1.9 million square feet. Sale activity in the first half of the year was particularly strong as a vast amount of space was absorbed.

One build-to-suit project totaling 200,000 square feet was delivered to the McHenry County submarket in 2017.

The McHenry County 2017 leasing volume reached 391,000 square feet, which was a remarkable rise in leasing activity from the 51,700 square feet leased in 2016.

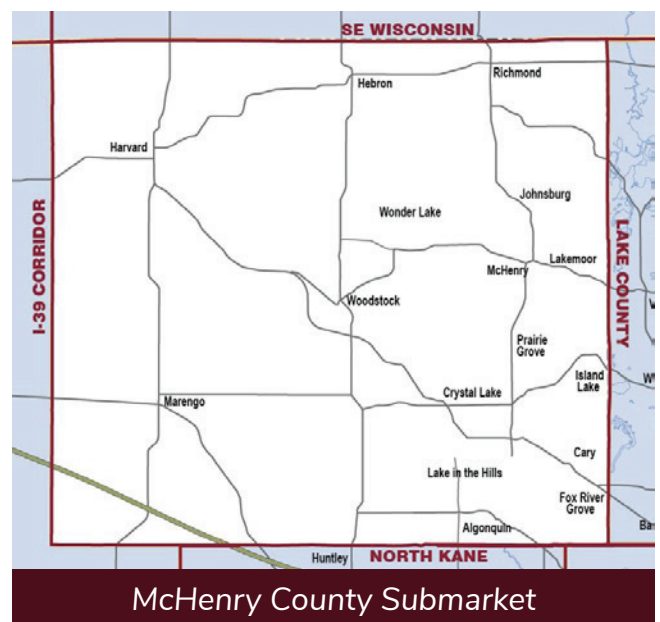
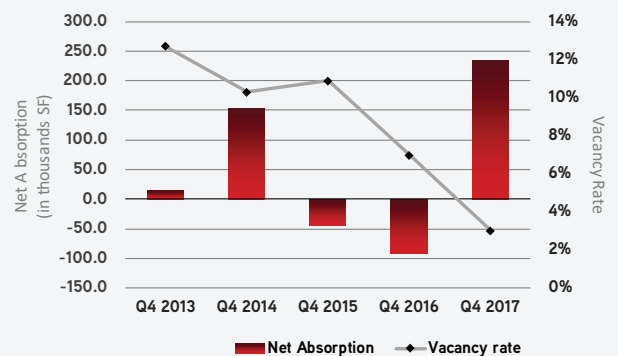
A 540,000-square-foot sale transaction during the first quarter pushed 2017 sale volume to 824,000 square feet, which was more than three times greater the 249,000 square feet sold in 2016.

Tremendous 2017 sale activity drove McHenry County's net absorption to 1.3 million square feet, an astonishing improvement from the 14,500 square feet reported for all of 2016.

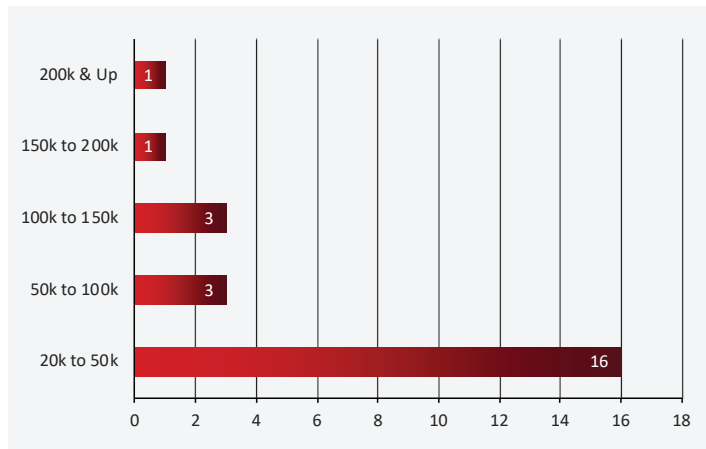
### Key Stats

Industrial Base	28,815,034
Vacancy Rate	3.01%
YTD New SF Delivered	200,000
SF Under Construction	0
Q4 Net Absorption	234,600
YTD Net Absorption	1,317,467

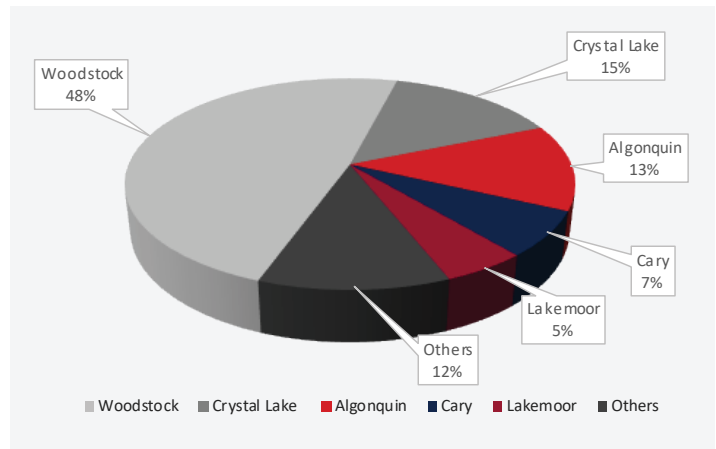
### Vacancy & Absorption



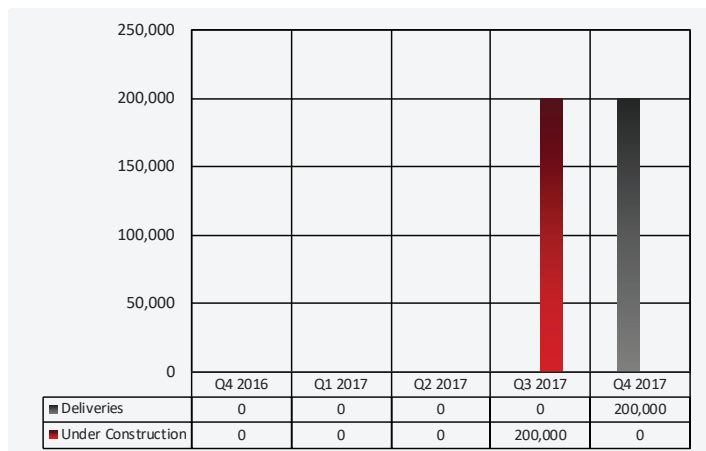
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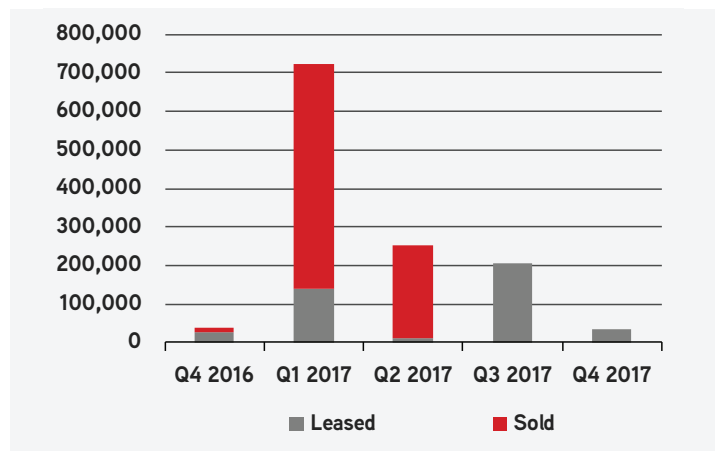
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
1100 Corporate Dr., McHenry	397,482	Extension	Brennan Investment Group	Brake Parts Inc.
1380 Corporate Dr., McHenry	288,000	Extension	Brennan Investment Group	Brake Parts Inc.

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
1380 Corporate Dr, McHenry	288,000	Investment	Legacy Investing, LLC	Brennan Investment Group



**190-B Northfield Road, Northfield**  
9,600 SF For Sale

## FOURTH QUARTER OVERVIEW

Vacancy in the North Cook submarket measured 4.5 percent, 37 basis-points down from the 4.9 percent witnessed one year ago.

The vacant industrial supply in the North Cook submarket measured 1.7 million square feet at the end of 2017, which was an 8.6 percent decrease from the 2016 year-end total of 1.9 million square feet. This is primarily the result of high amount of vacant space returning to the market.

The North Cook submarket witnessed the completion of one speculative project in 2017 totaling 136,000 square feet.

2017 leasing volume totaled 420,000 square feet, 26.0 percent increase from 2016's leasing volume of 333,000 square feet. Tenant demand was driven by small-sized tenants in 2017.

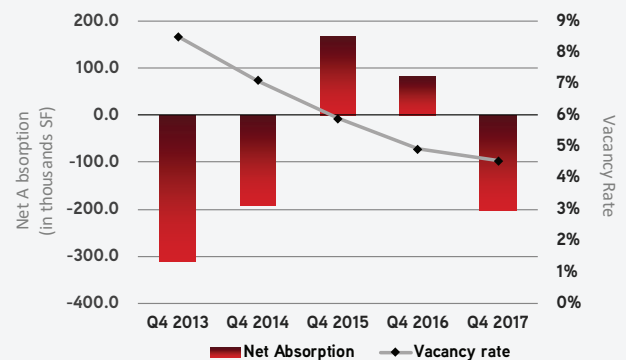
User sales volume picked up in 2017, increasing by 55.0 percent to 493,000 square feet. The largest user sale of the year involved LSL Healthcare, Inc buying the 176,900-square-foot industrial building at 6200 W Howard Street in Niles.

Net absorption fell sharply in the North Cook submarket in 2017 to negative 136,600 square feet for the year. The significant amount of vacant space added to the market resulted in this significant change from the 2016 net absorption total of positive 277,000 square feet.

### Key Stats

Industrial Base	37,274,146
Vacancy Rate	4.54%
YTD New SF Delivered	135,650
SF Under Construction	236,912
Q4 Net Absorption	-201,258
YTD Net Absorption	-136,658

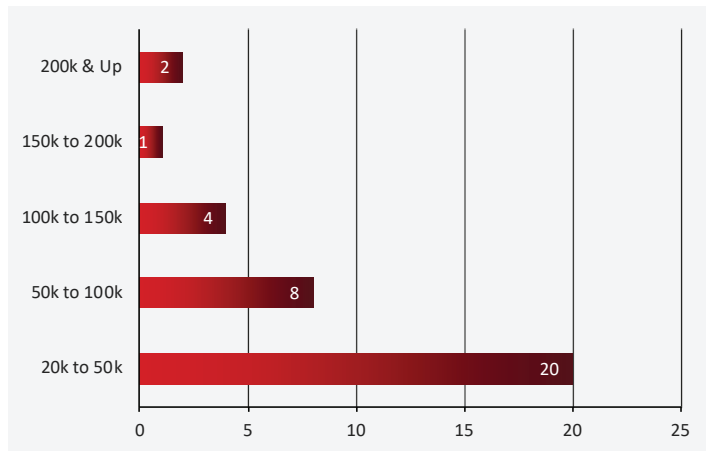
### Vacancy & Absorption



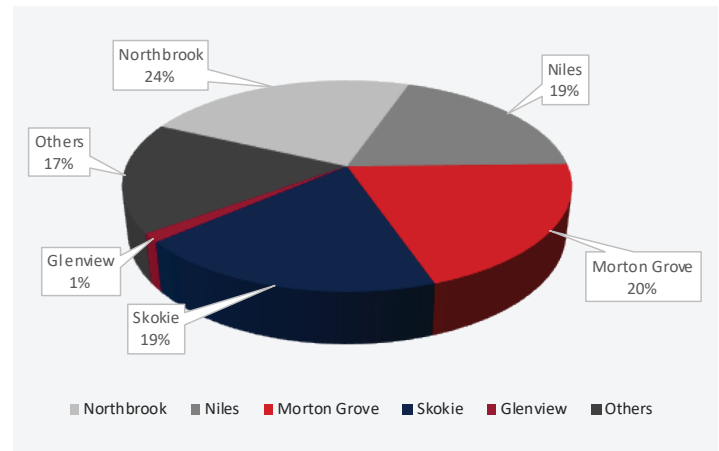
North Cook Submarket



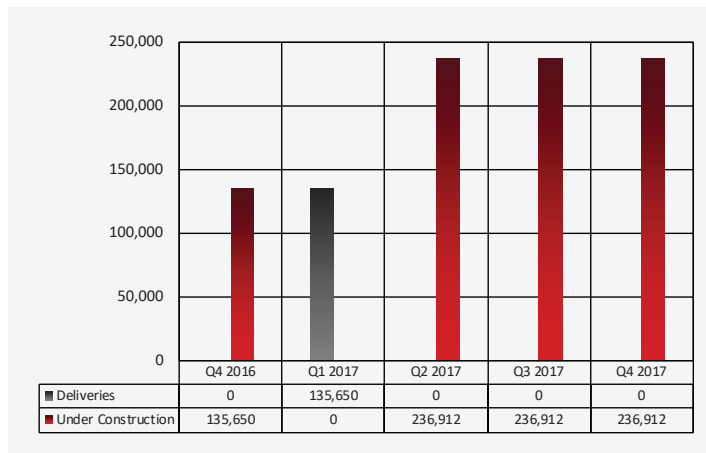
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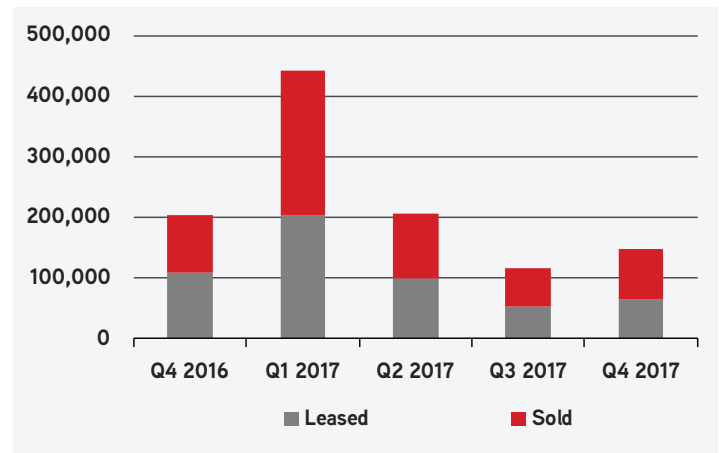
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
6400-6430 Howard St., Niles	54,885	Renewal	Principal Financial Group	Specialty Promotions
8220-8250 N Austin Ave., Morton Grove	23,316	New	American Landmark Properties	Ward Manufacturing
650 Anthony Trl., Morton Grove	20,470	Renewal	Sparrowhawk Real Estate	Amplivox Sound Systems

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
3401-3411 Commercial Dr., Northbrook	48,218	User	Filefax, Inc.	HRE Sky Harbor, LLC



350 S. Church Street, Addison  
87,219 SF For Sale or Lease

## FOURTH QUARTER OVERVIEW

An increase in tenant and user activity pushed the North DuPage vacancy rate down 21-basis-points from the year-end 2016 rate of 6.5 percent to the year-end 2017 rate of 6.3 percent.

Despite the high amount of space reentering the market, the fourth quarter vacant supply of 4.0 million square feet was identical to vacant supply posted at year-end 2016. An incredible amount of tenant demand captured during the year kept market conditions in balance.

North DuPage submarket witnessed 1.4 million square feet of deliveries in 2017, almost identical from the 1.4 million square feet of new projects completed in 2016.

Speculative deliveries surpassed build-to-suit completions in the North DuPage submarket. Six speculative facilities totaling 1.3 million square feet were built in 2017 compared to just one build-to-suit totaling 80,000 square feet.

The North DuPage submarket leasing volume reached a healthy 2.7 million square feet in 2017, nearly identical to the 2.3 million square feet leased for all of 2016. An increase in activity from big box user resulted in seven lease signings in spaces over 100,000 square feet, accounting for 35.5 percent of all 2017 volume. In 2016 five leases were signed in spaces over 100,000 square feet for a total volume of 847,000 square feet.

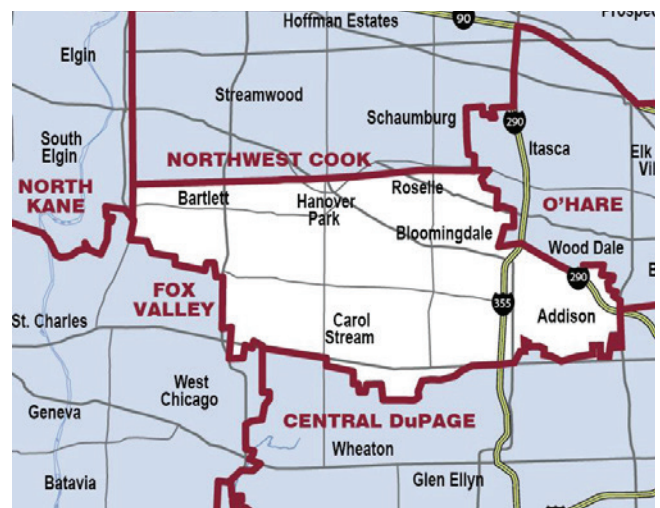
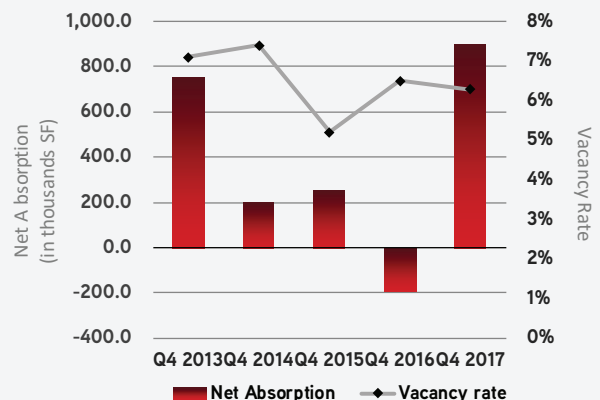
Sale activity measured 611,000 square feet in 2017, a 55.5 percent increase from the 392,000 square feet posted in 2016. Increased activity in 2017 was triggered by a 300,600-square-foot sale to Greco & Sons in Bartlett.

Stronger 2017 user demand resulted in the year-end net absorption of positive 1.5 million square feet, a vast improvement from the positive 77,600 square feet posted in 2016.

## Key Stats

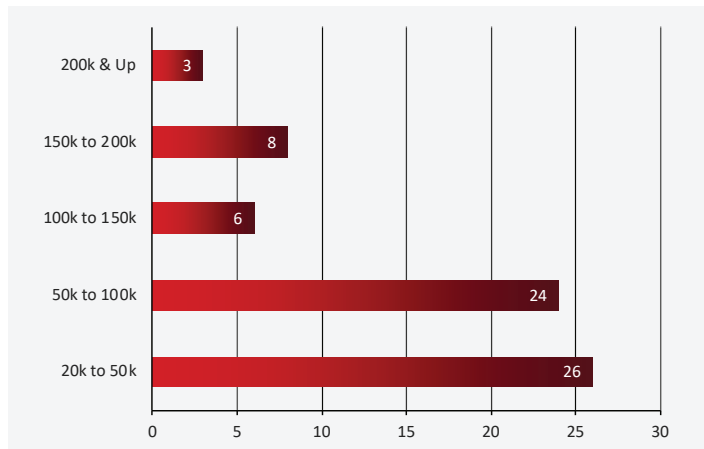
Industrial Base	64,026,684
Vacancy Rate	6.29%
YTD New SF Delivered	1,442,153
SF Under Construction	437,154
Q4 Net Absorption	900,199
YTD Net Absorption	1,570,080

## Vacancy & Absorption

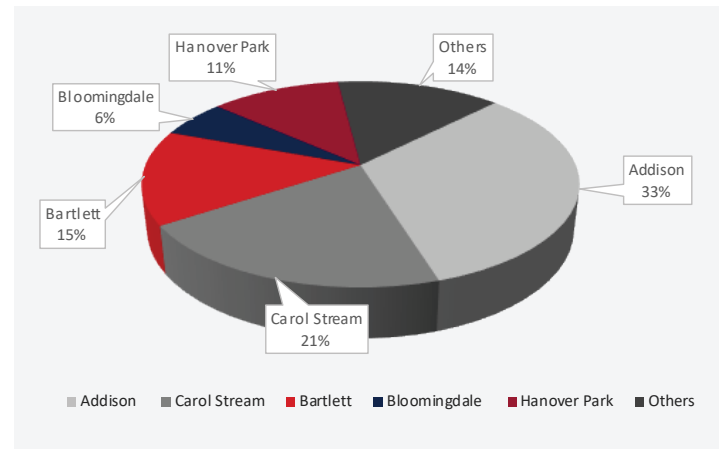


North DuPage Submarket

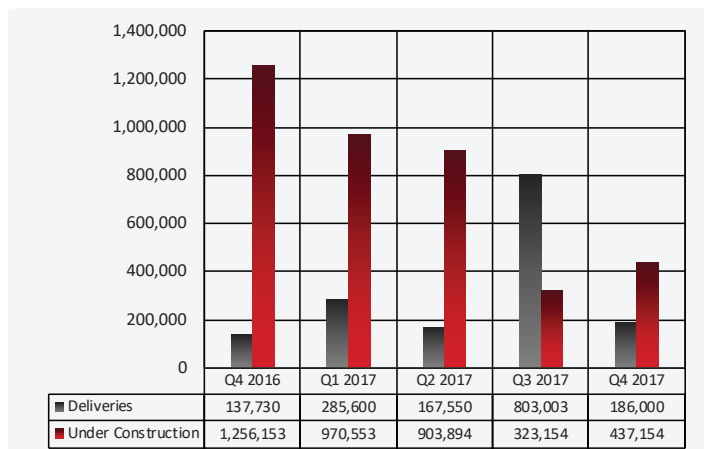
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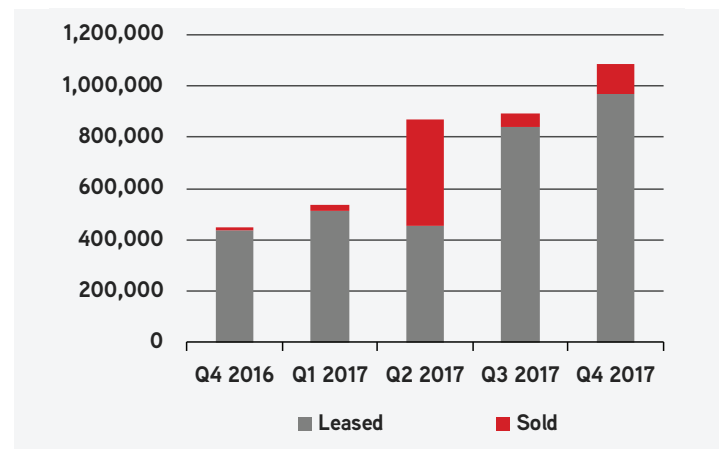
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
1323 Brewster Creek Blvd., Bartlett	221,754	New	Exeter Property Group	Animal Supply Company
815-955 Kimberly Dr., Carol Stream	218,464	Renewal	Duke Realty	Niven Marketing Group
1452-1458 Brewster Creek Blvd., Bartlett	208,150	Renewal	DRA Advisors, LLC	Illinois Tool Works, Inc.
349-359 Longview Dr., Bloomingdale	197,002	New	Stockbridge Capital Group	Really Useful Products LTD
6525 Muirfield Dr., Hanover Park	178,759	New	Prologis	Prinova
6526 Muirfield Dr., Hanover Park	178,296	New	Prologis	RIM Logistics

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
175 Mercedes Dr., Carol Stream	290,095	Investment	Exeter Property Group	175 Mercedes Holding, LLC
865 Muirfield Dr., Hanover Park	46,559	Sale-leaseback	School Health Corporation	High Street Realty Co.
262 Carlton Dr., Carol Stream	31,425	User	Matan Enterprises	Des Plaines Office Equipment

Lee Transactions in RED



**NorthWest Pointe II – 2601 Galvin Drive, Elgin**  
385,372 SF (Divisible) For Sale or Lease

## FOURTH QUARTER OVERVIEW

North Kane's vacancy experienced a remarkable decline, falling 71 basis points from the 2016 year-end figure of 8.3 percent to 7.5 percent in 2017. Strong 2017 user sales contributed to the improved vacancy.

Vacant industrial supply at the end of 2017 measured 2.7 million square feet, an 8.4 percent decrease from the 3.0 million square feet reported vacant in 2016. Steady user demand coupled with nominal vacant space returning to the market contributed to the lower vacant supply.

North Kane new construction deliveries in 2017 consisted of two buildings equaling 56,250 square feet. This was significantly less than the 2016 volume which totaled 1.5 million square feet.

Leasing activity in the North Kane submarket was steady in 2017 with transactions totaling 766,000 square feet. However, this is a 400,000-square-foot decline from the 2016 year-end volume of 1.2 million square feet.

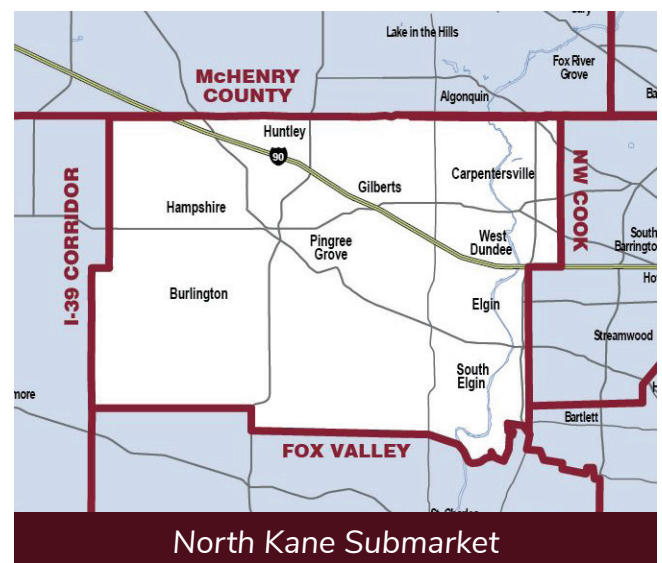
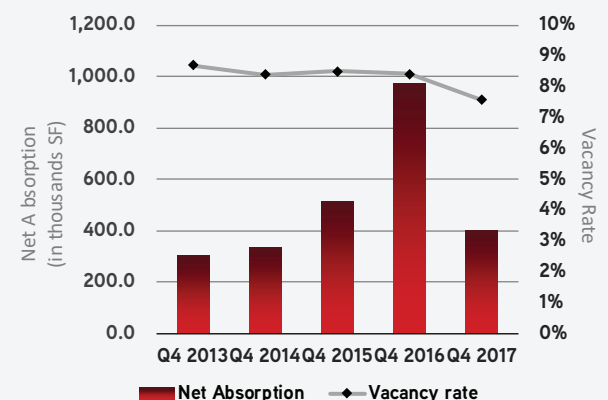
A spike in sales activity in the fourth quarter pushed 2017 year-end sale volume to 302,000 square feet. This was a 7.2 percent increase from the year-end 2016 volume of 281,00 square feet.

Steady tenant demand and strong sale activity in the North Kane submarket in 2017 resulted in year-end net absorption of 395,500 square feet, however, it was not enough to surpass the 1.2 million square feet posted in 2016.

### Key Stats

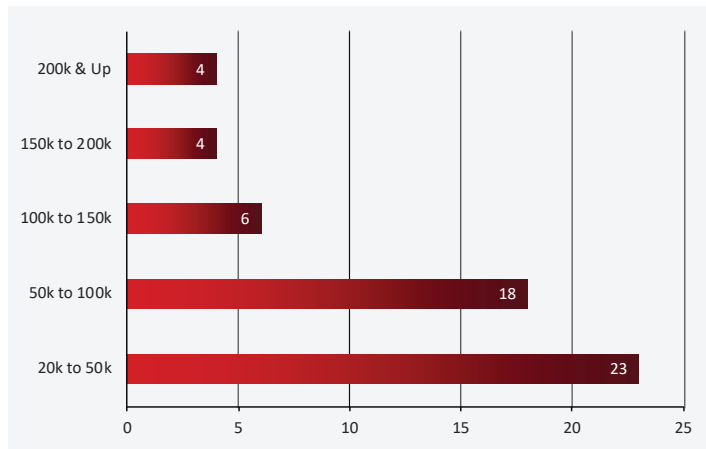
Industrial Base	36,218,109
Vacancy Rate	7.57%
YTD New SF Delivered	56,250
SF Under Construction	125,136
Q4 Net Absorption	401,221
YTD Net Absorption	395,572

### Vacancy & Absorption

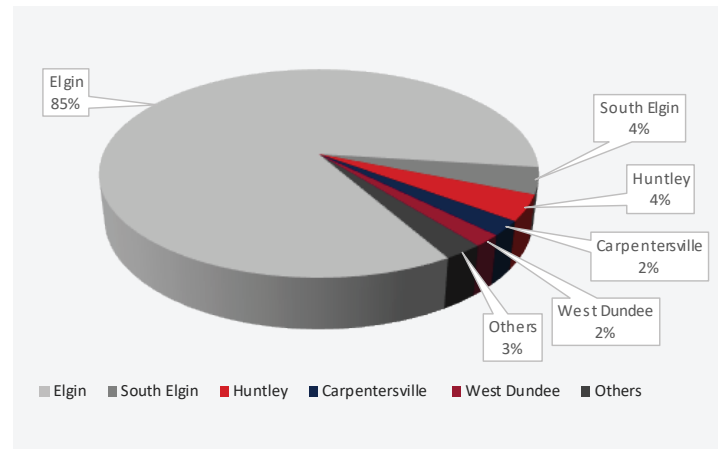




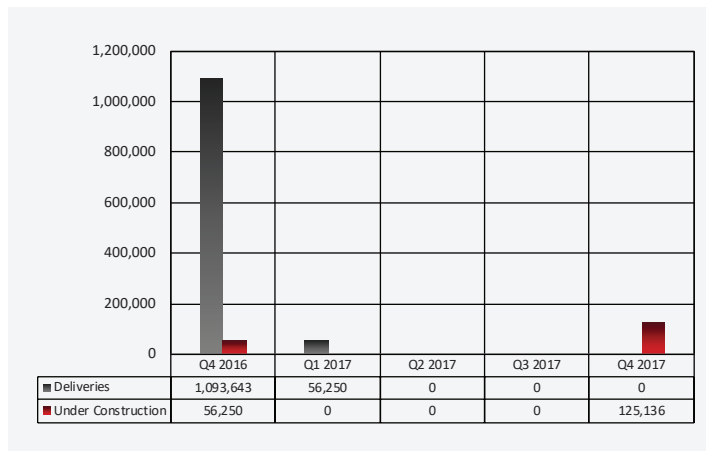
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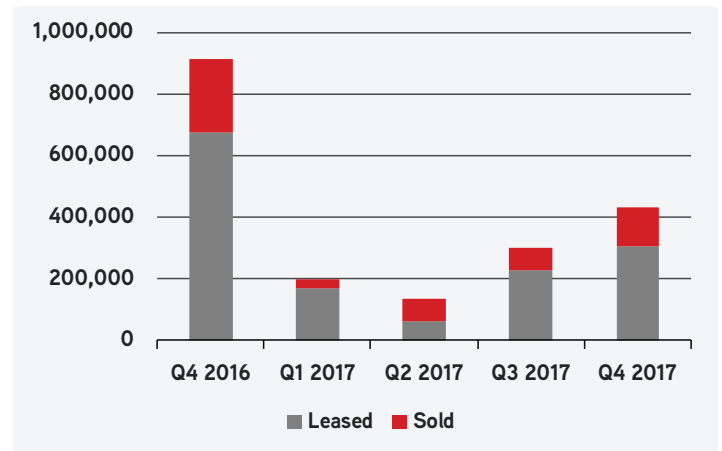
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
1380 Madeline Rd., Elgin	106,636	New	Hillwood Investment Properties	Central Garden & Pet
2755 Alft Ln., Elgin	100,294	Renewal	Global Logistics Properties	Iron Mountain Records Management
2580 Technology Dr., Elgin	89,052	Renewal	Monmouth Real Estate Investment	Ryerson, Inc.
2801 Alft Ln., Elgin	64,884	New	Northern Builders	Direct Warehousing

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
1400 Madeline Ln., Elgin	100,035	User	Pancor Construction & Development	St. Charles Trading, Inc.
1201 Gateway Dr., Elgin	28,500	User	Keno Investments, LLC	Norman Mechanical



**726 Lunt Avenue, Schaumburg**  
**7,026 SF (Divisible) For Sale or Lease**

## FOURTH QUARTER OVERVIEW

Northwest Cook's vacancy rate experienced a remarkable decline, falling 100 basis points from the 2016 year-end figure of 6.70 percent to 5.68 percent in 2017. Strong 2017 user sales contributed to Northwest Cook's improved vacancy rate.

Vacant industrial supply at the end of 2017 measured 2.6 million square feet, a 17.7-percent decrease from the 3.1 million square feet reported vacant in 2016. Steady leasing activity coupled with nominal vacant space returning to the market contributed to the lower vacant supply.

The Northwest Cook submarket incurred three construction deliveries in 2017 totaling 277,000 square feet. There were no completed projects in 2016. There are two construction projects that have commenced construction in Northwest Cook that will eventually add 131,200 square feet to the total inventory base.

Leasing volume fell dramatically to 425,000 square feet, down 53.3 percent from 910,000 square feet posted in 2016.

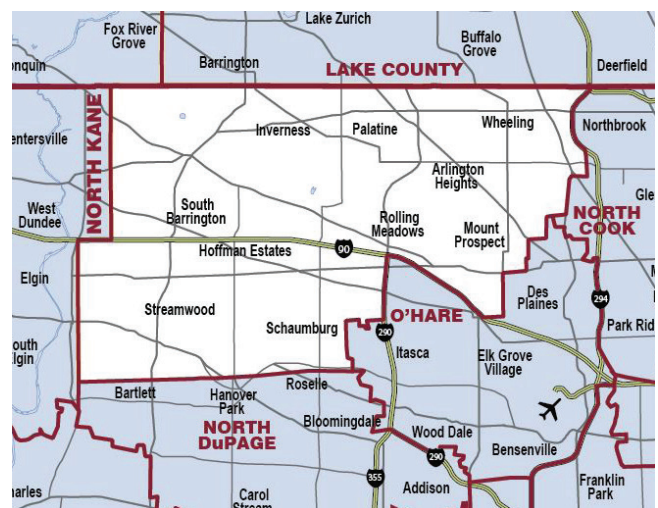
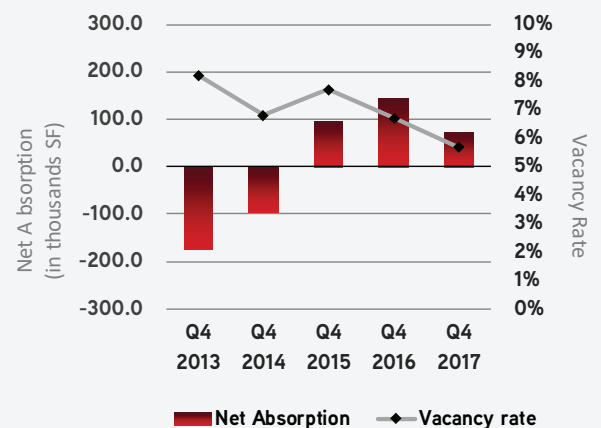
Sale activity measured 624,000 square feet in 2017, eclipsing the 155,000 square feet posted in 2016. The largest sale occurred when Elkay Plastics purchased a 305,000-square-foot warehouse facility at 1365-1375 Mitchell Boulevard in Schaumburg which accounted for 50.0 percent of all 2017 sale volume.

Remarkable sale volume significantly contributed the 2017 net absorption figure of 746,700 square feet. This represents a 73.0 percent increase over the 2016 level of 430,000 square feet.

### Key Stats

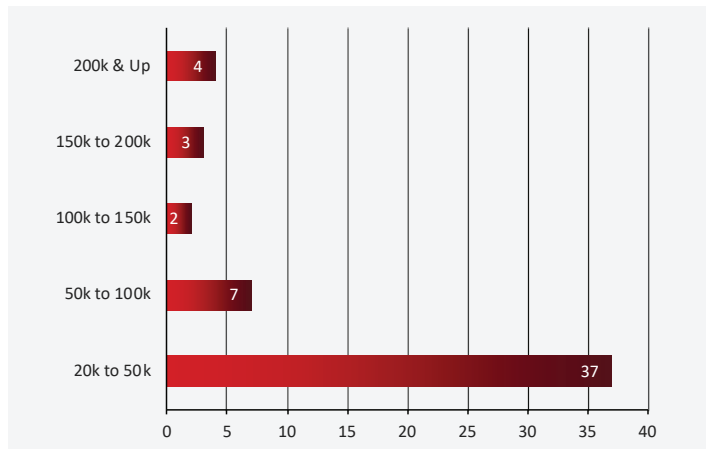
Industrial Base	46,697,305
Vacancy Rate	5.68%
YTD New SF Delivered	277,346
SF Under Construction	131,255
Q4 Net Absorption	71,434
YTD Net Absorption	746,750

### Vacancy & Absorption

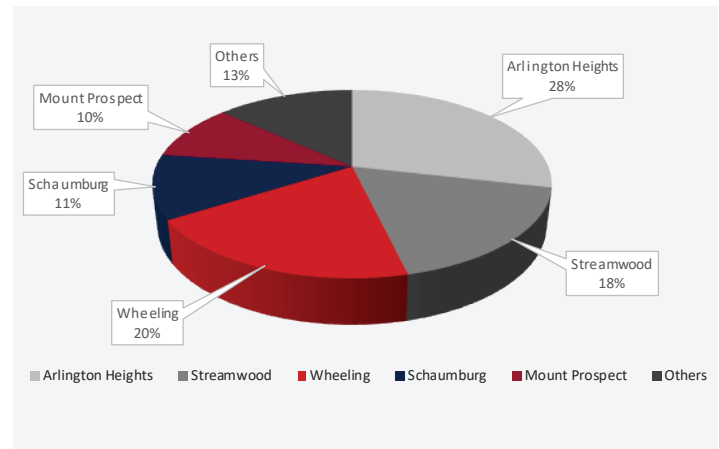


**Northwest Cook Submarket**

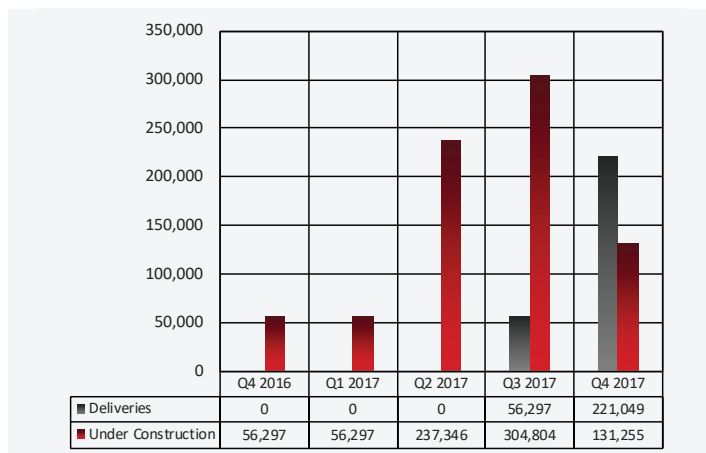
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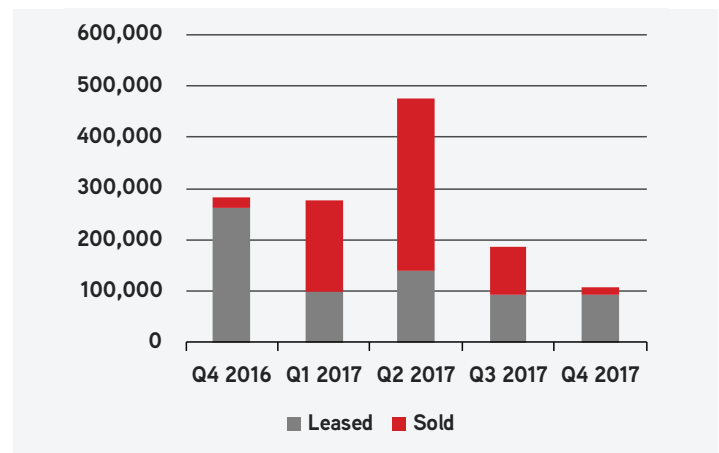
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
81 Remington Rd., Schaumburg	40,906	New	Apria Healthcare	Badminton Club
1128 Tower Rd., Schaumburg	29,328	New	Hunan China Sum Pharmaceutical	Polish Folklore Import Co.
514-540 Hicks Rd., Palatine	23,740	New	Prologis	Energy Light, Inc.

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
623 Cooper St., Schaumburg	15,078	User	Renishaw Inc.	GSG Development of Ohio, LLC



**6515 Ameriplex Drive, Portage, IN**  
341,249 SF (Divisible) For Lease

## FOURTH QUARTER OVERVIEW

Northwest Indiana's vacancy rate fluctuated during 2017, ending the year at 4.0 percent. While this rate is similar to the 4.1 percent rate recorded on year ago, it remains one of the lowest in Chicago's industrial market.

The available industrial supply in the Northwest Indiana submarket decreased throughout 2017. The total reached 1.8 million square feet by the end of the year, slightly below the 1.9 million square feet recorded at the end of 2016.

2017 construction deliveries consisted of two buildings that added 91,500 square feet to Northwest Indiana's inventory base.

With no new construction projects underway, Northwest Indiana's inventory base will stay at 46 million square feet for first quarter 2018.

Leasing volume measured 311,000 square feet in 2017, a 38.3 percent decline from the 2016 total of 504,000 square feet

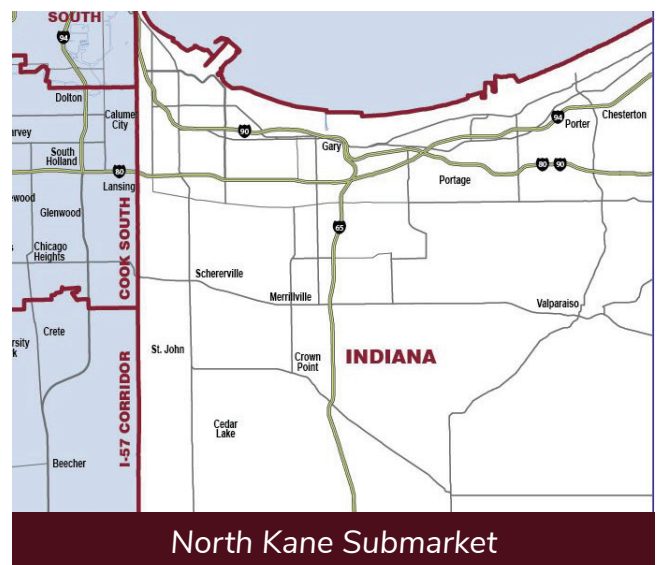
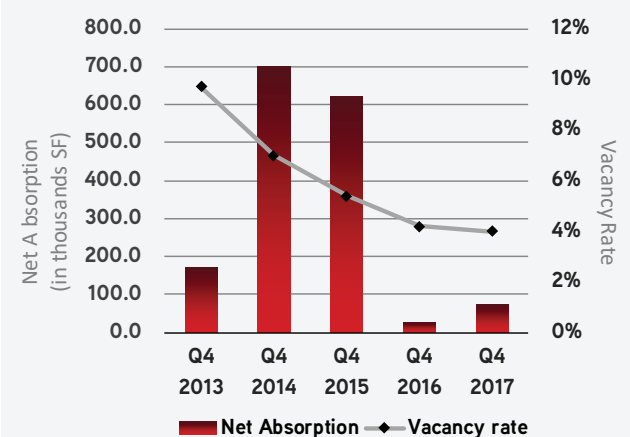
Sale volume measured 152,000 square feet in 2017. The largest sale occurred when ESP Partners, LLC purchased a 102,000-square-foot building at 4450 Euclid Avenue in East Chicago. There were no sale transactions recorded in the Northwest Indiana submarket in 2016.

Northwest Indiana's net absorption measured positive 165,000 square feet at year-end 2017 – a 179,000-square-foot improvement from the negative 13,600 square feet posted at the end of 2016.

### Key Stats

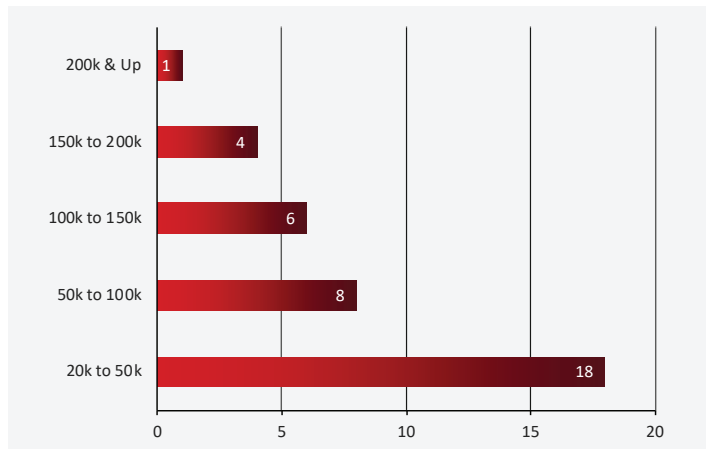
Industrial Base	46,151,177
Vacancy Rate	4.00%
YTD New SF Delivered	91,500
SF Under Construction	0
Q4 Net Absorption	72,453
YTD Net Absorption	165,420

### Vacancy & Absorption

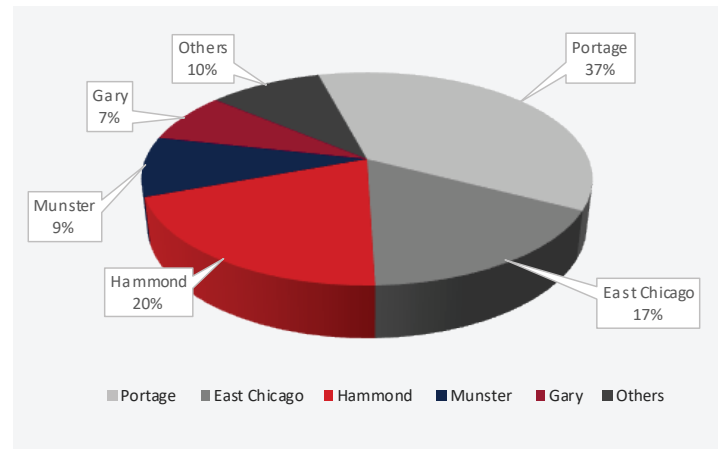




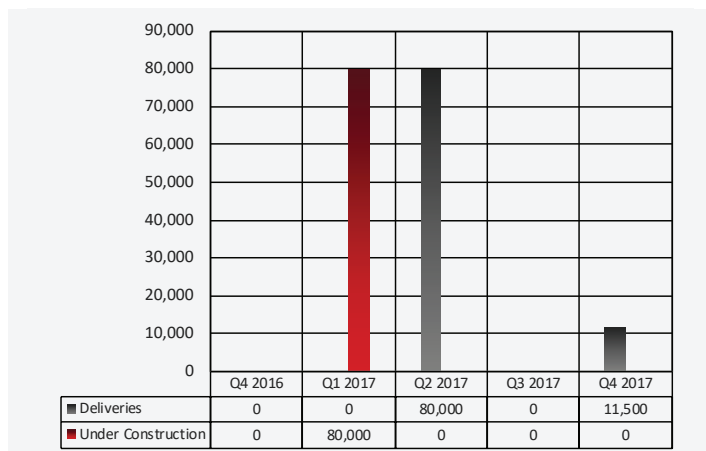
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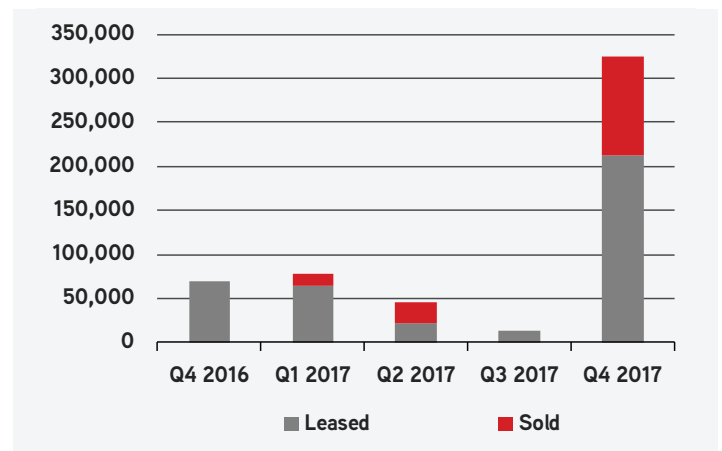
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
6750 Daniel Burnham Dr., Portage	91,000	New	Venture One Real Estate	MCP Performance Plastics
3600 Michigan Ave., East Chicago	40,000	New	Chrome LLC	Tower Automotive
6525 Daniel Burnham Dr., Portage	31,359	New	Venture One Real Estate	Lear Corporation
141 E. 141st St., Hammond	30,000	New	Service Steel, Inc.	Capital Industrial Services

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
4450 Euclid Ave., East Chicago	102,000	User	Mas Real Estate Investment, LLC	Esp Partners, LLC

Lee Transactions in RED



**O'Hare Express Center – 514 Express Center Drive, Chicago**  
215,000 SF (Expandable) For Lease

## FOURTH QUARTER OVERVIEW

The O'Hare vacancy rate fell 69 basis points from the fourth quarter 2016 level of 5.70 percent to 5.0 percent at year-end 2017. This was the result of steady lease activity coupled with heightened sale volume.

Vacant space at end of 2017 totaled 5.0 million square feet, falling roughly 600,000 square feet from the 5.6 million square feet vacant reported at the end of 2016. This was primarily attributed to space being withdrawn from the market.

Two facilities were completed in the O'Hare submarket during 2017, adding 186,000 square feet to the inventory base. The largest a 176,000-square-foot build-to-suit facility for MC Machinery Systems, Inc. in Elk Grove Village.

Five speculative projects are under construction in the O'Hare submarket which will add 371,000 square feet to the inventory base.

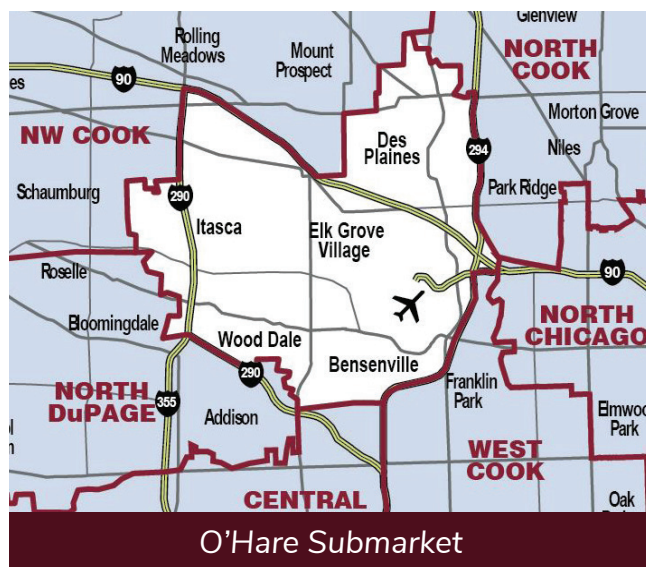
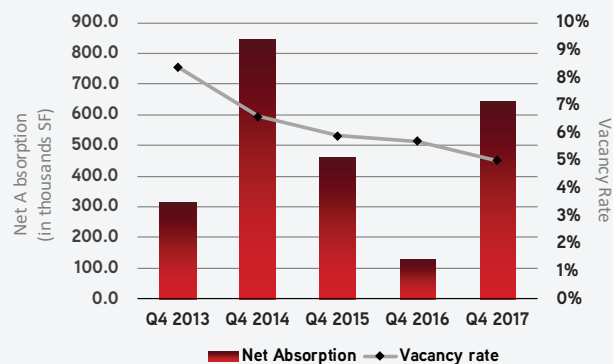
The O'Hare submarket cumulative leasing volume reached a healthy 3.1 million square feet in 2017, nearly identical to the 3.5 million square feet leased for all of 2016. The year's leasing volume was most prevalent in spaces between 30,000 – 60,000 square feet.

O'Hare's year-end net absorption remained positive for the second consecutive year. The 2017 volume measured 879,000 square feet, however, this was a 44.0 percent decline from the 1.6 million square feet of absorption in 2016.

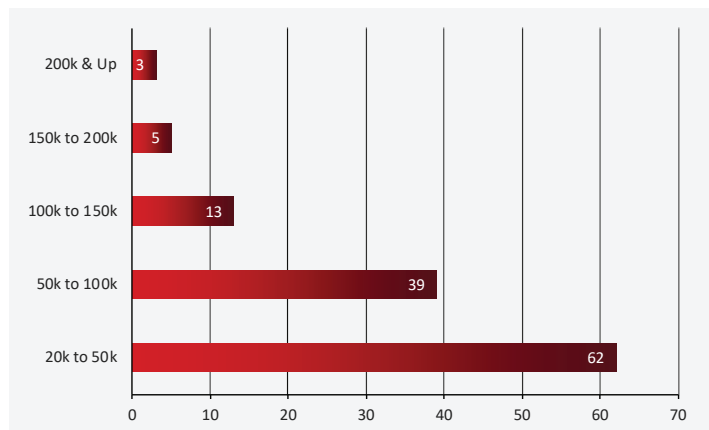
### Key Stats

Industrial Base	99,351,502
Vacancy Rate	5.01%
YTD New SF Delivered	186,117
SF Under Construction	371,017
Q3 Net Absorption	645,711
YTD Net Absorption	879,357

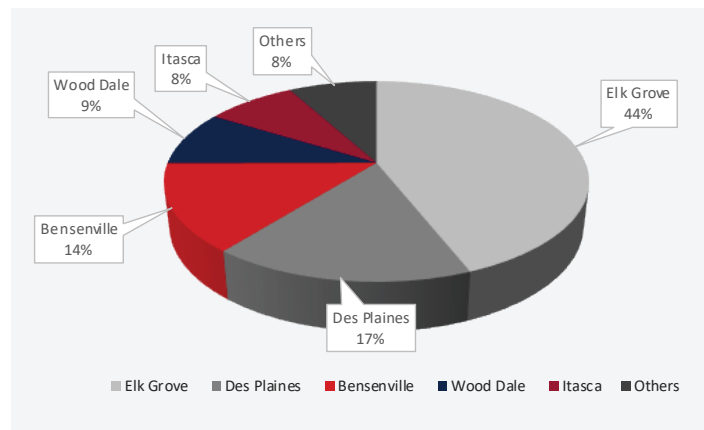
### Vacancy & Absorption



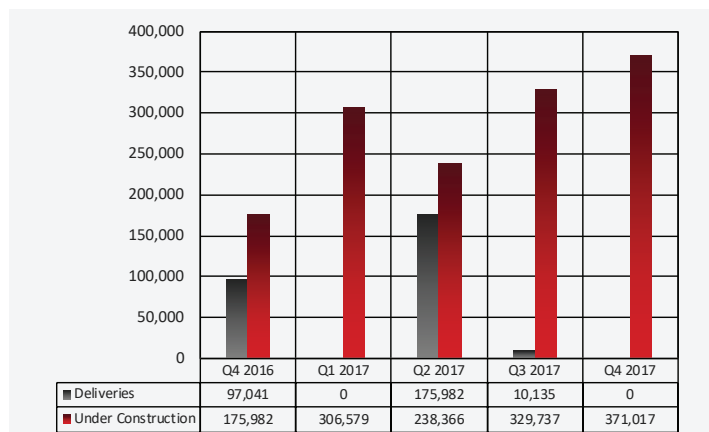
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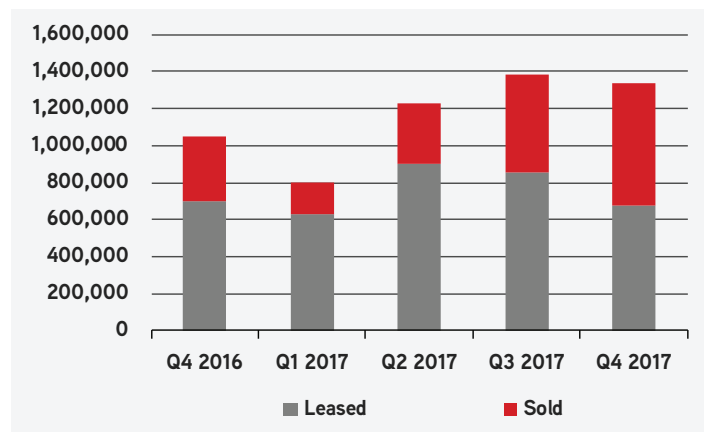
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
1325 Pratt Blvd., Elk Grove	150,700	Renewal	Global Logistics Properties	Acme Industries, Inc.
513 Express Center Dr., Chicago	138,000	New	Prologis	US Postal Service
100 E. Howard Ave., Des Plaines	127,800	New	ML Realty Partners	Plasticade
2201 Arthur Ave., Elk Grove	101,265	New	DCT Industrial	Not available
1151-1159 Bryn Mawr Ave., Itasca	93,640	Renewal / Expansion	Prologis	Stonepeak Ceramics, Inc.

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
3 building portfolio	538,236	Investment	Mirvac Group	LBA Realty
800 Mittel Dr., Wood Dale	323,000	User	Freightliner Corporation	Global Capital Resources Corp.
960-1100 Maplewood Dr., Itasca	124,471	User	Washington Properties	Glass Solutions
2080-2140 Lunt Ave., Elk Grove	107,769	User	Seefried Industrial Properties	Stream USA Data Centers LLC
2500-2540 W. Devon Ave., Elk Grove	68,721	User	G&I IX Devon LLC	Atlas SN, Inc.

Lee Transactions in RED



**675 Corporate Parkway, Belvidere**  
221,844 SF (Expandable) New Construction Leased in 2017

## FOURTH QUARTER OVERVIEW

The vacancy rate in Rockford edged up slightly in 2017 from one year ago. The vacancy rate went from 4.3 percent to 4.2 percent.

The available industrial supply in Rockford decreased throughout 2017. The total reached 2.3 million square feet by the end of the year, slightly below the 2.4 million square feet recorded at the end of 2016.

Construction activity consisted of two build-to-suit projects in Belvidere totaling 557,800 square feet. There were no new construction deliveries reported in 2016.

With no new construction projects underway, Rockford's inventory base will stay at 56 million square feet for the first quarter in 2018.

Rockford leasing activity totaled 326,000 square feet in 2017 which was 13.3 percent lower than the 377,000 square feet recorded during 2016.

2017 sale volume measured 38,600 square feet in 2017, above the 16,800 square feet sold in the prior year.

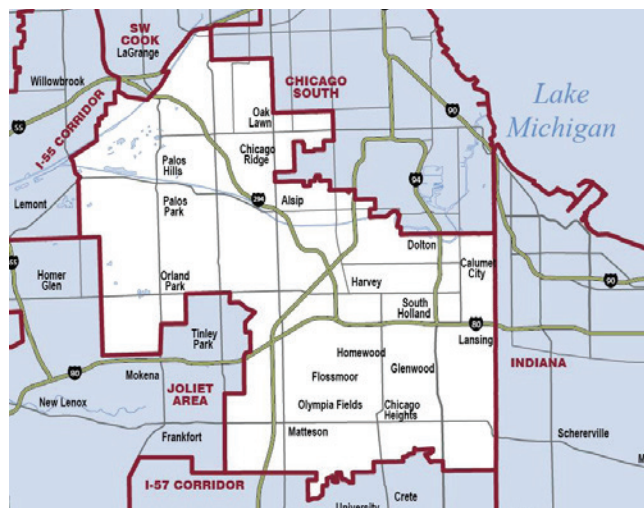
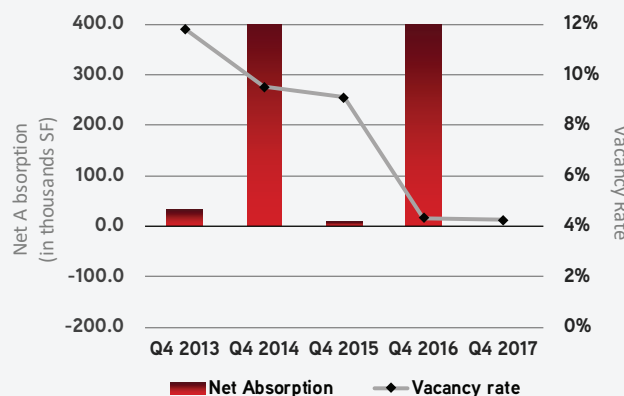
The Rockford Area is still at crossroads for several types of industries that depend on rail and truck transportation and are not reliant on immediate access to O'Hare or the urban centers surrounding Chicago.

Steady tenant demand resulted Rockford's year-end net absorption of positive 555,000 square feet, only slightly behind 2016's result.

### Key Stats

Industrial Base	56,607,414
Vacancy Rate	4.23%
YTD New SF Delivered	557,844
SF Under Construction	0
Q4 Net Absorption	0
YTD Net Absorption	555,605

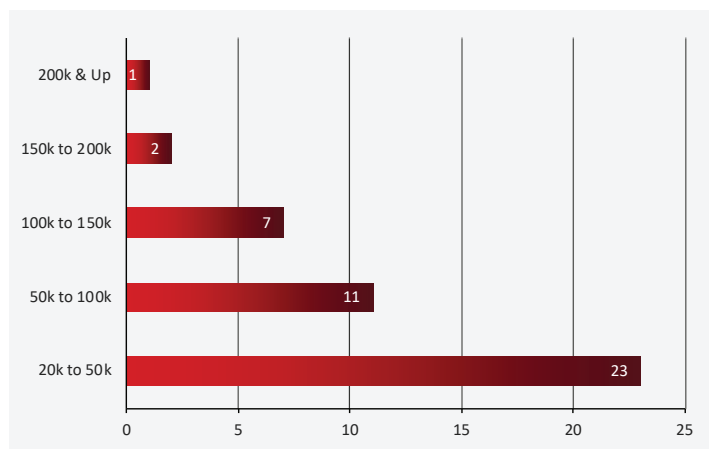
### Vacancy & Absorption



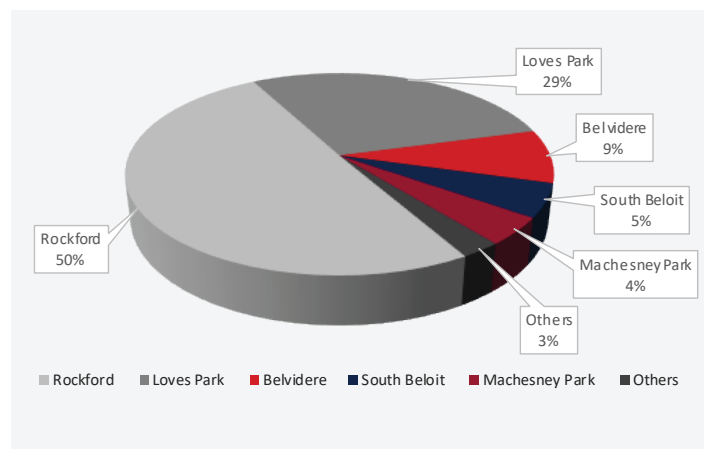
**South Cook Submarket**



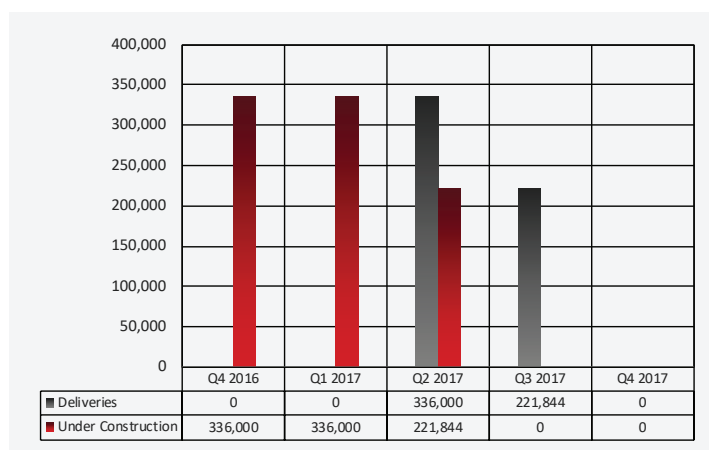
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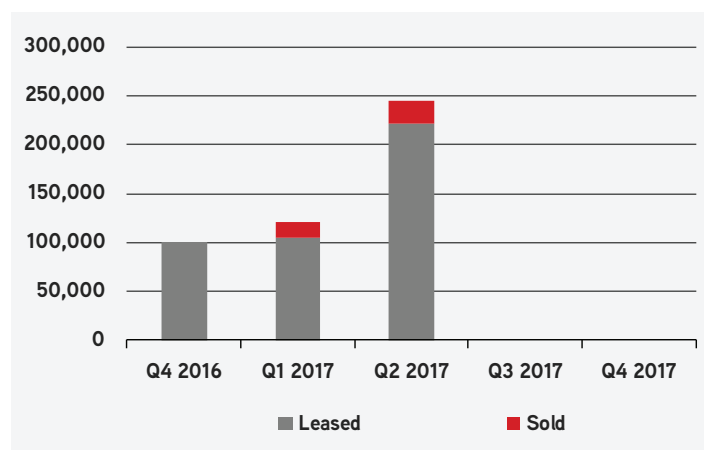
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
None to Report				

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
None to Report				



**5100 W. 70th Place, Bedford Park**  
266,074 SF (Divisible) For Lease

## FOURTH QUARTER OVERVIEW

South Cook's vacancy rate fell almost 2.0 percentage points from the fourth quarter 2016 level of 6.3 percent to 4.4 percent at the end of 2017. Three major leases totaling 867,000 square feet contributed greatly to the improvement in South Cook's vacancy rate.

South Cook's vacant industrial supply measured 3.7 million square feet, dropping by 1.6 million square feet from the 2016 total of 5.3 million square feet. The reduced supply was due to the heightened leasing activity captured during the third and fourth quarter of 2017.

2017 construction deliveries consisted of two buildings (one build-to-suit and one building expansion) that added 418,000 square feet to South Cook's inventory base. There were no new construction deliveries reported in 2016.

Two buildings in South Cook were demolished in 2017, eliminating 483,500 square feet from South Cook's inventory.

Leasing volume measured 1.9 million square feet in 2017, a 19.8 percent decline from the 2016 total of 2.3 million square feet. Leasing activity was most prevalent in spaces from 20,000 square feet to 60,000 square feet.

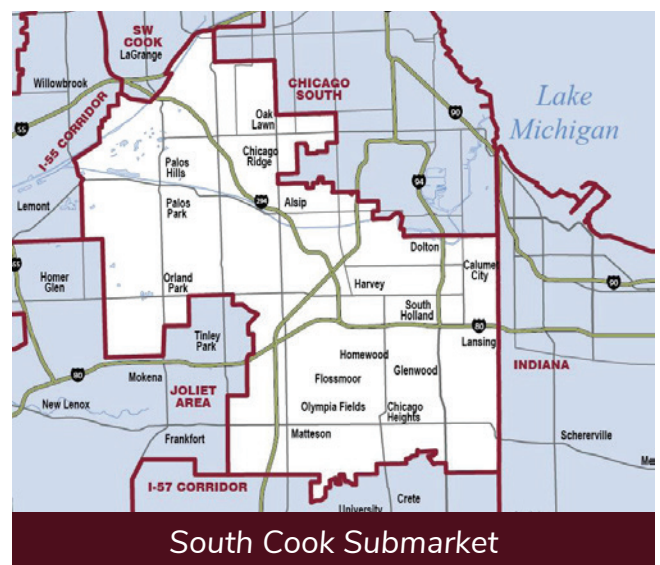
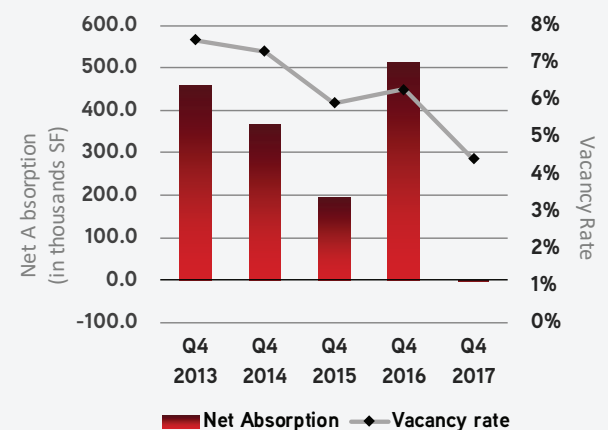
The South Cook submarket reported 15 sales in 2017, equal to the 2016 total. However, 2017 sale volume measured 660,000 square feet, a 29.0 decrease when compared to the 935,000 square feet sold in 2016.

Steady tenant demand resulted South Cook's year-end net absorption of positive 2.1 million square feet, only slightly behind 2016's result.

### Key Stats

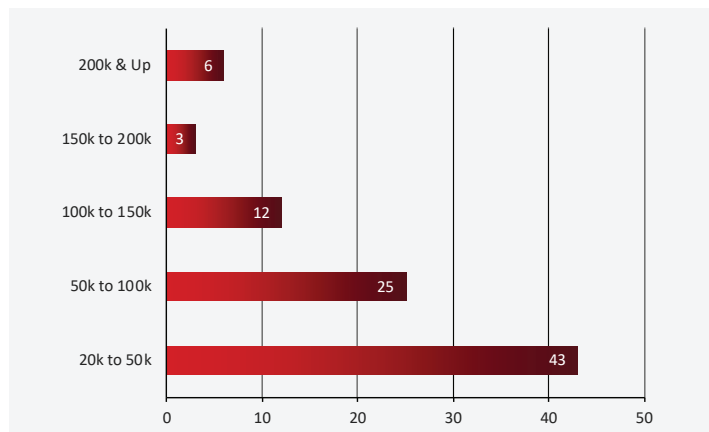
Industrial Base	85,187,313
Vacancy Rate	4.40%
YTD New SF Delivered	418,000
SF Under Construction	0
Q4 Net Absorption	-1,531
YTD Net Absorption	2,050,872

### Vacancy & Absorption

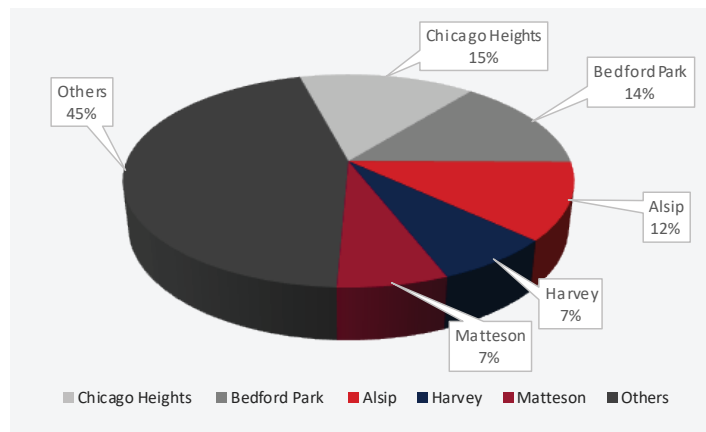


South Cook Submarket

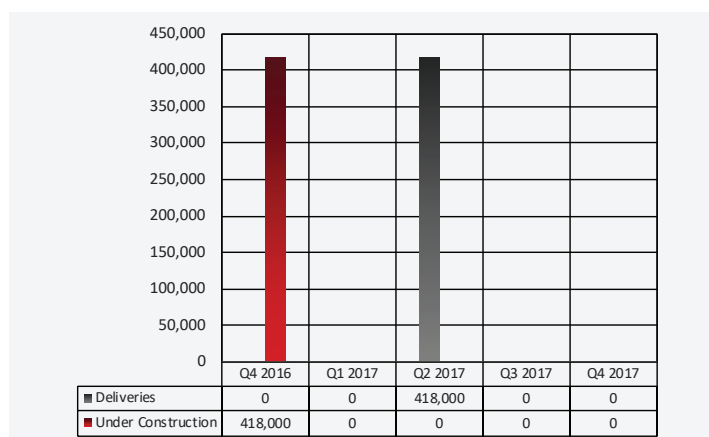
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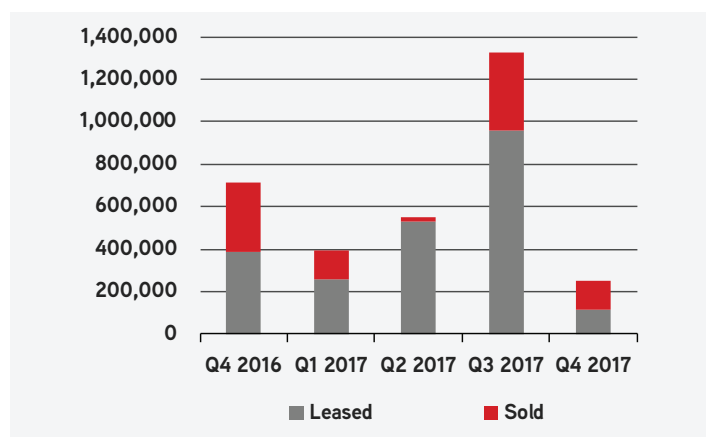
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
6558 W 73rd Sr., Bedford Park	225,061	Renewal	Brennan Investment Group	Sappi Paper
5025 W 73rd St., Bedford Park	72,956	Renewal	Global Logistics Properties	Snyders
201-217 E., 171st St., Harvey	35,478	New	Colony Light Industrial	Diversified Recycling

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
80-90 North St., Park Forest	123,000	Investment	Not available	ForeBio Property LLC
5151 S. Lawndale Ave., Summit	85,585	User	Finch & Barry Properties, Ltd.	MGR Transportation, Inc.



**Enterprise Business Park – 10601 Enterprise Way, Sturtevant, WI**  
166,879 SF (Divisible) New Construction For Lease

## FOURTH QUARTER OVERVIEW

Vacancy in Southeast Wisconsin submarket measured 6.5 percent at the end of 2017, a 131-basis-point increase from the 5.2 percent rate recorded one year ago.

The new space introduced to the market through speculative construction completion resulted in an increase in the available industrial supply as well. Total available space increased by 30.2 percent to 3.8 million square feet.

The Southeast Wisconsin submarket witnessed the completion of six construction projects in 2017 totaling more than 2.0 million square feet. The largest project completed was a 1.0-million-square-foot facility for Uline in Kenosha.

Three construction projects are under construction in the Southeast Wisconsin submarket which will add 503,000 square feet to the inventory base.

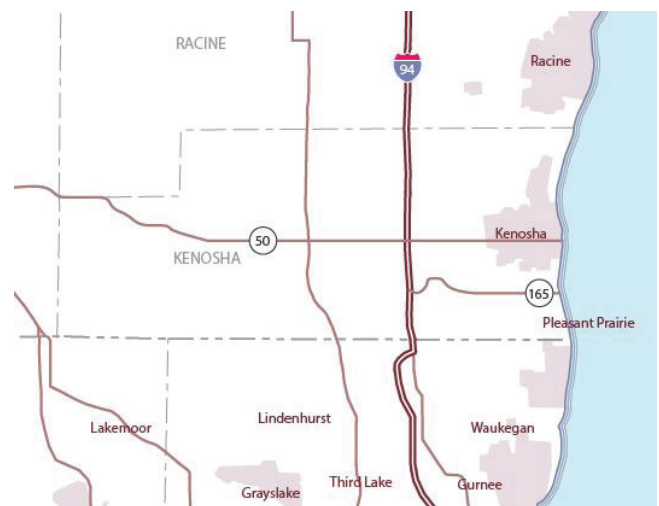
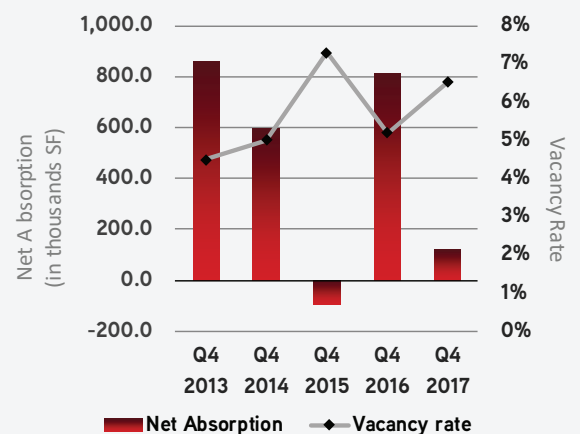
Leasing volume in the Southeast Wisconsin submarket totaled 1.0 million square feet in 2017, a total only slightly below 2016's volume of 1.1 million square feet. There were no sale transactions recorded in the Southeast Wisconsin submarket in 2017.

Despite an increasing vacancy rate due to the completion of speculative projects, net absorption was positive during 2017 in Southeast Wisconsin, totaling 1.3 million square feet.

### Key Stats

Industrial Base	58,342,412
Vacancy Rate	6.51%
YTD New SF Delivered	2,241,553
SF Under Construction	503,450
Q4 Net Absorption	69,323
YTD Net Absorption	1,360,010

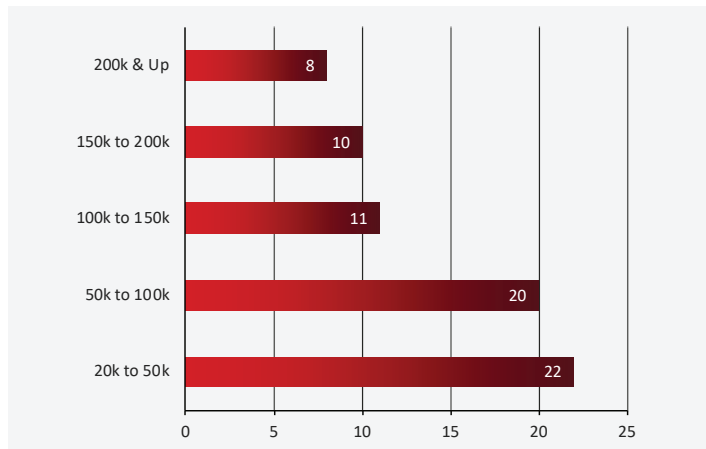
### Vacancy & Absorption



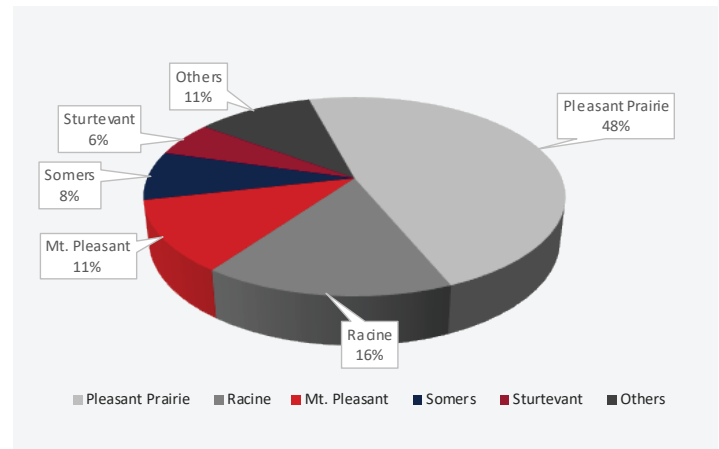
**Southeast Wisconsin Submarket**



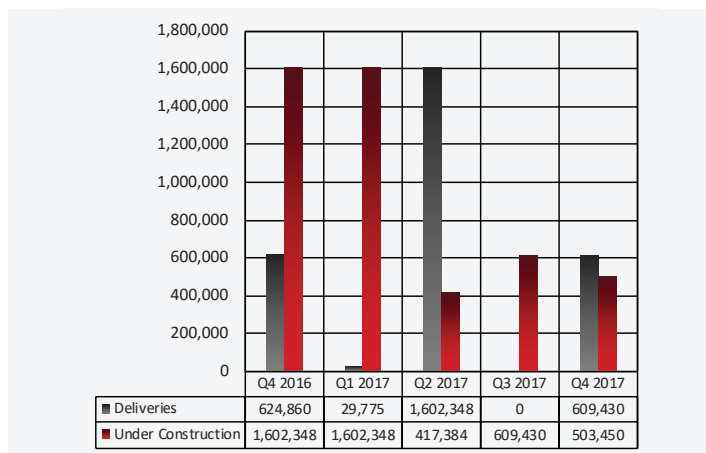
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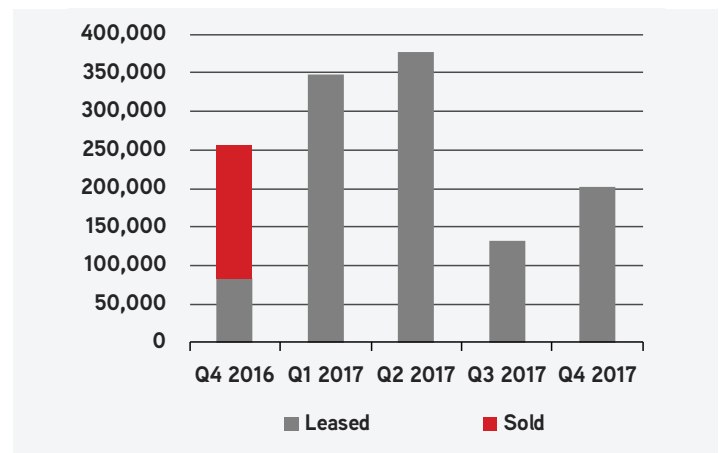
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
13315 Globe Dr., Mount Pleasant	155,844	New	The Opus Group	Foxconn
9505 72nd Ave., Pleasant Prairie	45,479	Sublease	Zilber Property Group	Not available

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
None to report				



**825 W. 26th Street, LaGrange Park**  
65,580 SF For Lease

## FOURTH QUARTER OVERVIEW

Southwest Cook's vacancy rate started 2017 at 9.8 percent but ended the year at 9.9 percent, largely due the amount of vacant space that returned to the market in the fourth quarter. Despite the increase in the fourth quarter the year-end was 16 basis points lower than the 2016 vacancy rate of 10.1 percent.

The vacant supply in Southwest Cook at the end of 2017 equaled 2.7 million square feet. This was identical to 2016's reported volume.

2017 construction deliveries consisted of one building that added 172,000 square feet to Southwest Cook's inventory base.

Southwest Cook leasing volume fell dramatically to 739,000 square feet, down 44.0 percent from 1.3 million square feet posted in 2016. The large tenant was not prominent as in last year, as just one tenant secured a lease in spaces over 100,000 square feet compared to three in 2016.

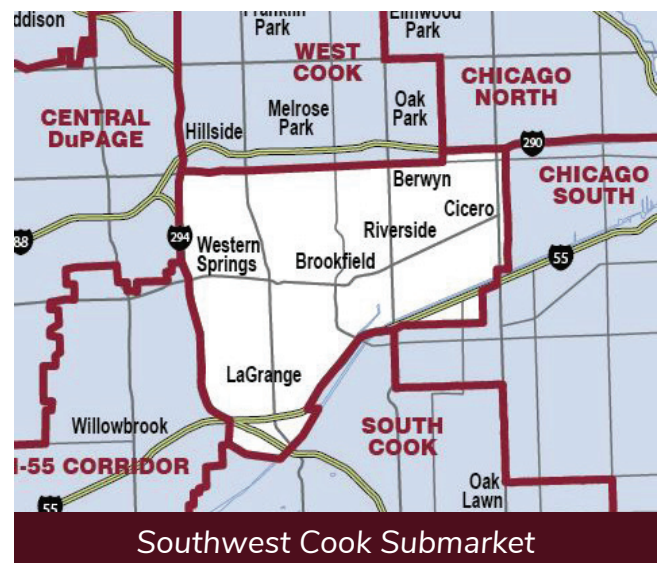
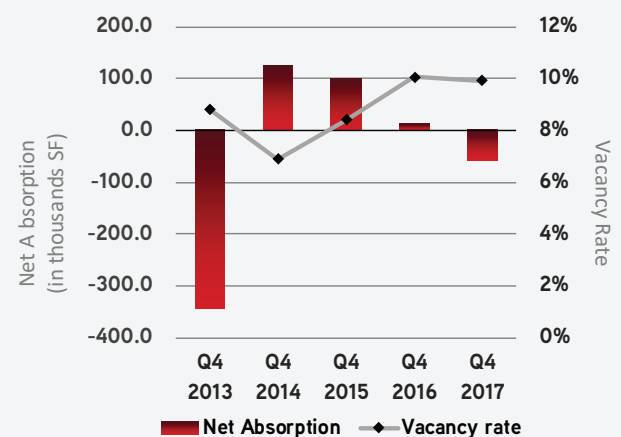
Sale activity declined significantly in 2017 with only 60,000 square feet of transactions, down from 513,000 square feet in 2016.

Weaker user demand resulted in year-end net absorption in Southwest Cook of just 195,000 square feet, a dramatic decline from the 1.1 million square feet of net absorption registered in 2011.

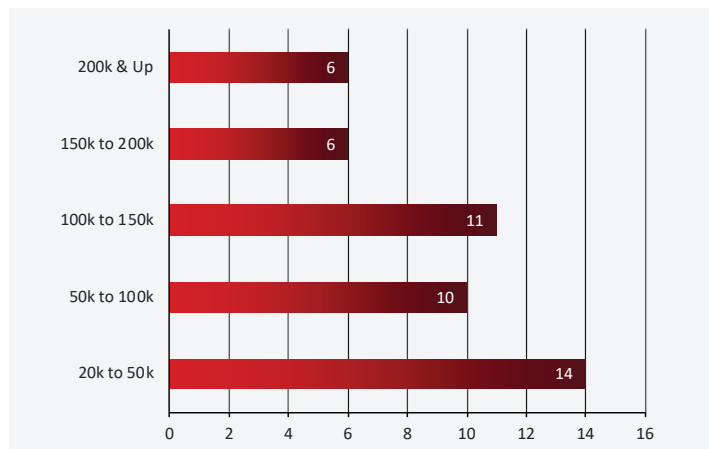
### Key Stats

Industrial Base	27,820,644
Vacancy Rate	9.91%
YTD New SF Delivered	172,000
SF Under Construction	0
Q4 Net Absorption	57,878
YTD Net Absorption	195,117

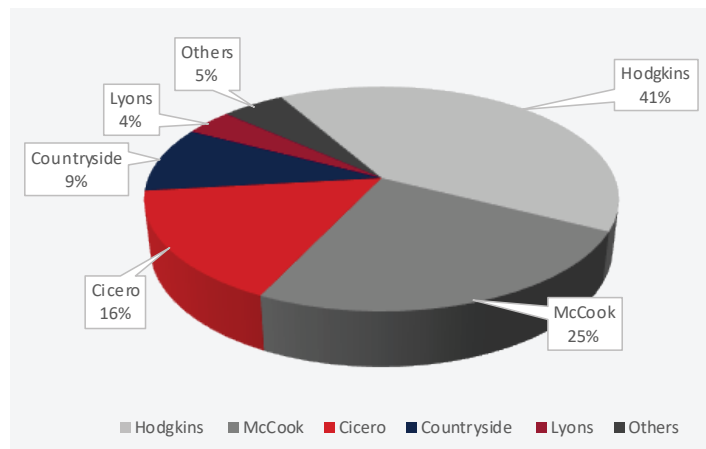
### Vacancy & Absorption



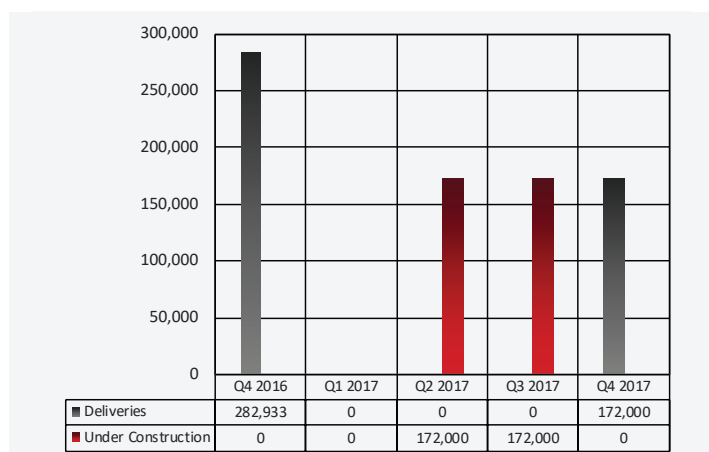
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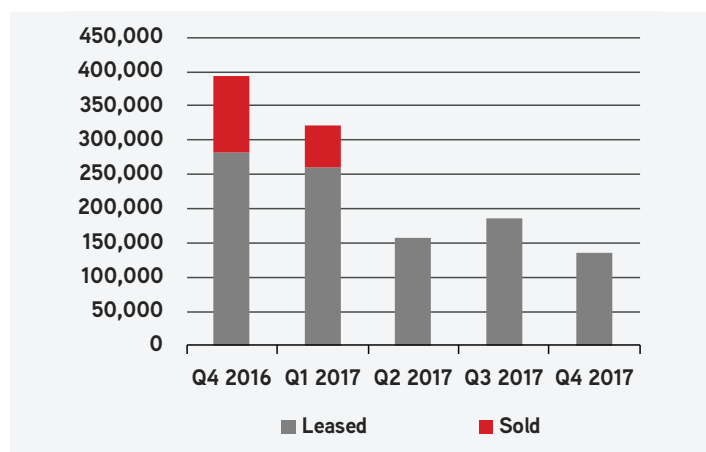
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
5000 W 39th St., Stickney	38,500	New	Sitex Group	Delta Logistics, Inc.
8424 W. 47th St., Lyons	33,532	New	Bridge Development	McCook Cold Storage
6800 Santa Fe Dr., Hodgkins	23,103	New	International Airport Centers	Ethos Seafood

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
None to Report				

Lee Transactions in RED



**165 W. Lake Street, Northlake**  
126,153 SF For Lease

## FOURTH QUARTER OVERVIEW

The vacancy rate in the West Cook submarket experienced a significant adjustment during 2017, improving by 294 basis points to 7.7 percent by the end of the year. This was one of the largest decreases witnessed in 2017 among the 22 industrial submarkets tracked.

West Cook's vacant industrial supply measured 5.3 million square feet, a drop of more than 2.0 million square feet from the 2016 total of 7.4 million square feet. Steady leasing and sale activity throughout the year played a key role in the vacancy rate improvement.

2017 construction deliveries consisted of five buildings (four speculative and one building expansion) that added 891,000 square feet to West Cook's inventory base.

A 522,000-square-foot facility was demolished in the fourth quarter at 11601 Copenhagen Court in Franklin Park. Owner Panattoni started construction on a 400,192-square-foot speculative facility.

West Cook leasing activity totaled 1.4 million square feet in 2017 which was 8.0 percent higher than 1.2 million square feet recorded during 2016. Tenant demand was driven by larger user as 813,000 square feet of the 1.4 million square feet absorbed in 2017 occurred in spaces 100,000 square feet and larger.

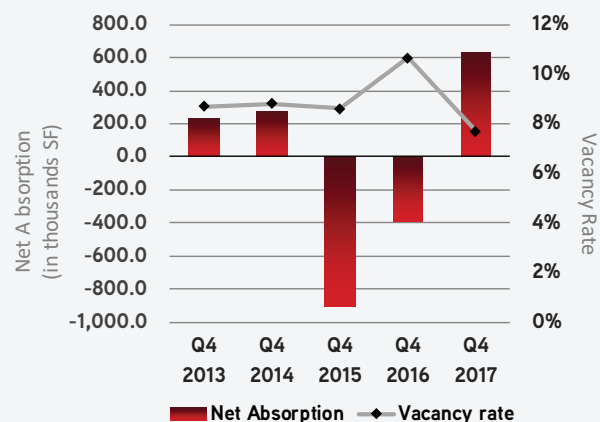
User demand increased marginally in the West Cook submarket during 2017 as sale volume totaled 1.0 million square feet, up from 945,000 square feet sold in 2016. Sale activity was balanced in each quarter which contributed to the improved results.

West Cook's net absorption jumped from negative 581,000 square feet posted in 2016 to the cumulative 2017 total of 2.6 million square feet. Steady user demand coupled with nominal vacant space reentering the market resulted in West Cook's improved outcome.

## Key Stats

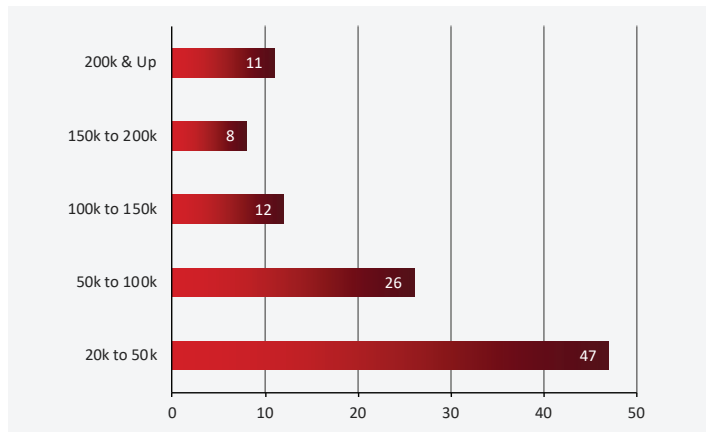
Industrial Base	68,800,656
Vacancy Rate	7.71%
YTD New SF Delivered	891,539
SF Under Construction	1,773,997
Q4 Net Absorption	627,512
YTD Net Absorption	2,605,422

## Vacancy & Absorption

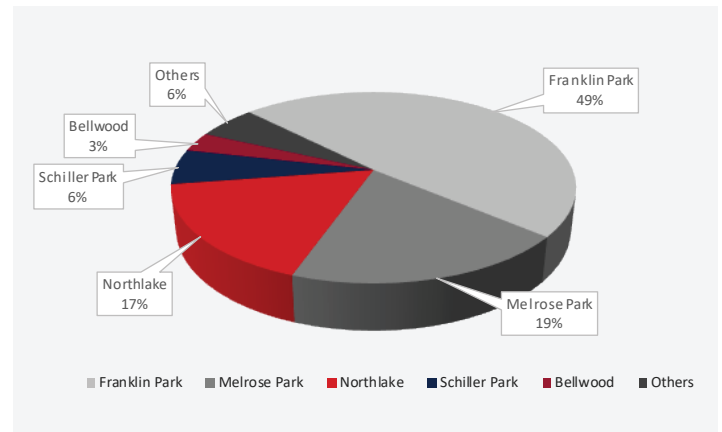




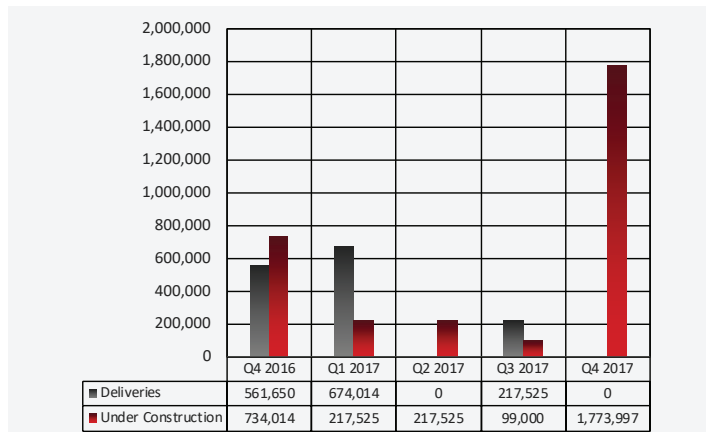
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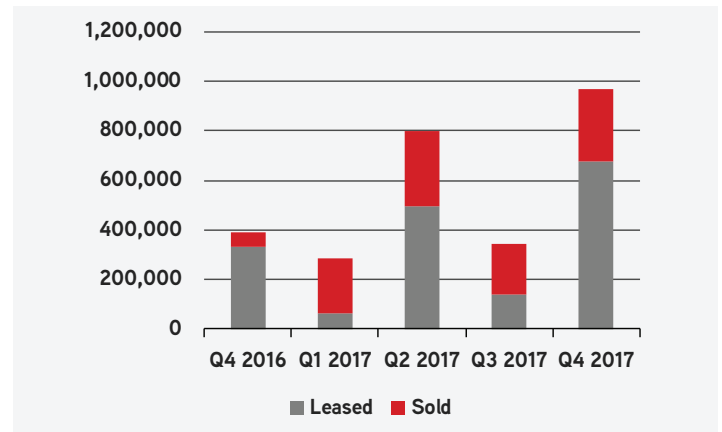
## Available by City



## Construction



## Leased & Sold



### Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
4700-4950 W. Proviso, Melrose Park	149,039	Sublease	TVI, Inc.	Worldwide Logistics Corporation
3400 Wolf Rd., Franklin Park	119,854	New	Panattoni Development	Vital Proteins
4136 United Pkwy., Schiller Park	101,707	New	Prologis	Not available

### Notable Sale Transactions

Address	Size	Type	Seller	Buyer
3705 - 3737 Acorn Ave., Franklin Park	103,775	User	Acorn Holdings	B&M Plastics
5109 W. Lake St., Melrose Park	84,735	User	SJS Realty and Development	Dalfen America Corp.
2020 Indian Boundary Dr., Melrose Park	77,260	User	Reich Brothers	Strikeforce Bowling

# LEE & ASSOCIATES WHO WE ARE...



2017 YEAR END

## About Us

With over 50 offices across the US and Canada, the Lee & Associates group of independently owned and operated companies is the largest regional commercial real estate services provider in the United States.

Each Lee & Associates group office represents a broad array of regional, national and international clients, from individual investors and small businesses, to large corporations and institutions.

Lee & Associates clients enjoy a comprehensive range of specialized commercial real estate services including industrial, office and retail property sales and leasing, real estate investment consulting, real estate financing, property acquisition and disposition, tenant representation and relocation, property and portfolio evaluation and market research.

## Origin & Philosophy

In 1979, founder Bill Lee established the first Lee & Associates office, driven by the unique idea to turn real estate brokers into company owners or “shareholders”. Bill Lee’s guiding philosophy was the clients’ interests would be best served by a collective team effort from experienced sales agents who had an ownership stake in the privately-held organization, earned through exceptional performance and ethical practice.

Not merely employees, profit-sharing Lee owner/agents would strive to create a sense of shared responsibility and cooperation throughout the organization, and would encourage an orientation toward long-term client relationships and business solutions.

Since then, Bill Lee’s profit sharing concept has proven enormously successful, and has fueled an explosive growth to include dozens of additional offices throughout the nation.

## The Lee Advantage

**Fast Client Results.** As company owners, Lee principals have a vested interest in the swift, successful completion of client assignments and transactions. Our associate brokers continually strive to earn ownership standing, encouraging a coordinated team effort and fast effective results for clients.

**Streamlined Personal Service.** Each Lee group office is owned and operated by the brokers in that office. Clients deal directly with decision makers, not with an unwieldy corporate bureaucracy like with many of our competitors.

**Experience Counts.** The average experience of Lee’s principal commercial brokers is 15-20 years. Our unique profit-sharing structure attracts the best people as owner brokers, only those with exceptional skills, confidence and ethical practice.

**Long-Term Relationship.** Lee & Associates boasts the lowest turnover rate in the industry. Our ownership structure encourages longevity, allowing for long term relationships with clients.

**In-Depth Market Knowledge.** Each Lee group office is committed to providing the best data and analysis for the market it serves. No other commercial real estate company has made specialized market knowledge and research as central to its business practice.

**Business Stability.** Since inception, each Lee & Associates group office has been profitable, privately-held and managed by its individual shareholders. Newly formed offices are stable, debt-free operations, with all startup capital funded by shareholders of all offices through Lee’s venture capital group.

**Strong National Affiliations.** Lee & Associates maintains affiliations with recognized brokers in all major US real estate markets. Lee’s national organization affiliations include: SIOR, NACOR, IFMA, CRE, ICSC, IDRC and CCIM.

# CHICAGOLAND MARKET BROKERAGE SERVICES

2017 YEAR END



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<b>Diana Perez</b> Director of Research 773.355.3032 dperez@lee-associates.com
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# CHICAGOLAND INDUSTRIAL MARKET REPORT

2017 YEAR END

## LOCAL EXPERTISE. INTERNATIONAL REACH. WORLD CLASS.

### INTERNATIONAL ORGANIZATION, LOCAL OWNERSHIP

Established in 1979, Lee & Associates has expanded across the nation and North America with offices that are individually owned by the shareholders of that office, thus encouraging an entrepreneurial spirit and allowing more freedom and creativity to make real estate transactions work.

### EXPLOSIVE GROWTH

Since its inception there has been an explosive growth of Lee & Associates offices throughout the country **and now in Vancouver, British Columbia**, making it one of the largest and fastest growing commercial real estate organizations in North America.

2016 - Seattle, WA	2011 - Fort Myers, FL	2006 - Madison, WI	1994 - West LA, CA
2016 - Walnut Creek	2011 - Manhattan, NY	2006 - Oakland, CA	1993 - Pleasanton, CA
2016 - Vancouver, BC Canada	2011 - Greenville, SC	2006 - Reno, NV	1993 - Stockton, CA
2016 - Twin Cities, MN	2010 - Atlanta, GA	2006 - San Diego - UTC, CA	1991 - Phoenix, AZ
2016 - Pasadena, CA	2010 - Greenwood, IN	2006 - Ventura, CA	1990 - Carlsbad, CA
2015 - Eastern Pennsylvania	2010 - Indianapolis, IN	2006 - San Luis Obispo, CA	1990 - Industry, CA
2015 - Columbus, OH	2010 - Indianapolis, IN	2005 - Southfield, MI	1989 - LA - Long Beach, CA
2015 - Houston, TX	2009 - Long Beach, CA	2005 - Los Olivos, CA	1989 - Riverside, CA
2014 - Denver, CO	2009 - Elmwood Park, NJ	2004 - Calabasas, CA	1987 - Ontario, CA
2014 - Cleveland, OH	2008 - Boise, ID	2004 - St. Louis, MO	1984 - Newport Beach, CA
2013 - Long Island-Queens, NY	2008 - ISG, LA, CA	<b>2002 - Chicago, IL</b>	1983 - Orange, CA
2013 - Chesapeake Region , MD	2008 - Palm Desert, CA	2001 - Victorville, CA	1979 - Irvine, CA
2012 - Edison, NJ	2008 - Santa Barbara, CA	1999 - Temecula Valley, CA	
2012 - Orlando, FL	2006 - Antelope Valley, CA	1996 - Central LA, CA	
2012 - Charleston, SC	2006 - Dallas, TX	1994 - Sherman Oaks, CA	

