

Vacancy Rate Remains Unchanged Despite New Spec Deliveries

THIRD QUARTER OVERVIEW

The net absorption for Chicago's industrial market has remained positive for the 15th consecutive quarter. Totalling 6.5 million square feet during the third quarter of 2019, bringing the year-to-date tally to 15.9 million square feet. Build-to-suit construction projects delivered nearly 2.7 million square-feet during the third quarter, contributing strongly to the quarter's positive net absorption.

The third quarter 2019 Chicago industrial vacancy rate remained unchanged from the second quarter despite a decline in leasing and sale activity. The occupancy of a 1.2 million-square-foot building in the I-80/Joliet Corridor by a major retailer helped to keep overall vacancy rates steady.

Available vacant industrial supply in the Metropolitan Chicago Area totaled 75.7 million square feet, increasing only 1.0 percent from the 75.1 million square feet vacant in the second quarter. The I-80/Joliet Corridor submarket witnessed the largest decrease in available supply, while the I-55 Corridor submarket experienced significant increase.

Construction completions totaled 7.6 million square-feet among 18 projects during the third quarter of 2019, a 23.5 percent increase from the 6.1 million square feet delivered on the previous quarter. Southeastern Wisconsin claimed the most construction deliveries with a total of 1.5 million square feet. This represents 20.3 percent of all third quarter completions.

3Q Highlights

- Overall vacancy rate reported at 5.80%
- Net absorption remains positive at 6.5 million square feet.
- Construction deliveries totaled 7.6 million square feet, bringing the year-to-date total to 17.8 million square feet.
- The I-80 / Joliet Area submarket recorded the greatest net absorption during the third quarter, totaling 3.4 million square feet, followed by Southeastern Wisconsin with 1.5 million square feet.

FEATURED PROPERTY OF THE QUARTER

Northwest Pointe III, Elgin: 186,000 SF Available For Lease



CHICAGOLAND INDUSTRIAL MARKET STATISTICS

THIRD QUARTER 2019

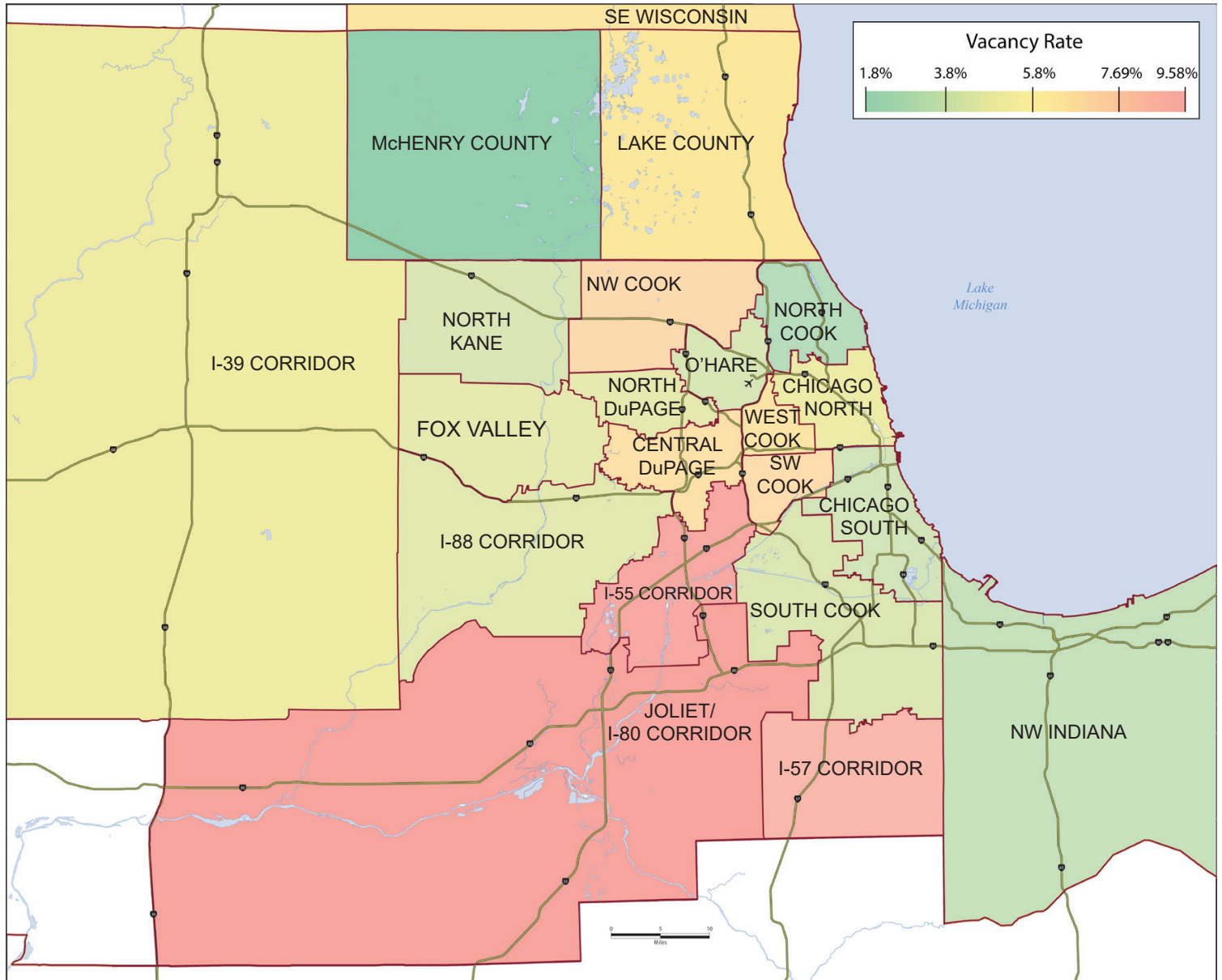
Submarket	Industrial Base	Available Inventory	Vacancy	YTD New SF Delivered	Under Construction	3q19 Net Absorption	YTD Net Absorption
Central DuPage	23,227,498	1,502,935	6.47%	742,436	-	(17,182)	(47,889)
Chicago North	71,309,618	3,753,034	5.26%	-	-	56,773	449,484
Chicago South	112,854,833	4,760,399	4.22%	174,536	1,867,979	(343,348)	1,295,134
Fox Valley	38,862,326	1,933,288	4.97%	1,149,692	956,619	663,830	1,239,757
I-39 Corridor	30,471,093	1,631,939	5.36%	183,000	-	(190,332)	75,968
I-55 Corridor	100,452,504	9,421,704	9.38%	2,352,374	4,213,267	308,680	2,518,345
I-57 Corridor	33,685,526	2,954,017	8.77%	879,040	220,440	(55,634)	(1,536,121)
I-88 Corridor	65,778,136	3,172,614	4.82%	488,545	1,541,255	238,587	533,266
Joliet/I-80 Corridor	94,946,589	9,094,844	9.58%	3,714,064	325,162	3,429,300	5,146,031
Lake County	79,171,264	4,789,971	6.05%	1,373,943	288,196	553,112	1,184,958
McHenry County	28,713,367	517,949	1.80%	-	-	246,835	381,535
North Cook	37,336,651	1,158,193	3.10%	-	140,316	466,082	789,762
North DuPage	64,610,871	3,202,736	4.96%	300,000	735,193	(194,325)	428,903
North Kane	36,788,939	1,638,007	4.45%	439,080	975,458	(46,016)	275,117
Northwest Cook	46,258,609	3,224,640	6.97%	619,950	312,875	(256,346)	(496,031)
Northwest Indiana	46,622,177	1,718,081	3.69%	-	-	(455,264)	68,554
O'Hare	100,060,176	4,392,502	4.39%	745,759	1,672,148	22,245	1,058,594
Rockford Area	48,860,257	2,833,592	5.80%	675,270	-	(208,805)	(6,843)
South Cook	84,809,013	3,823,948	4.51%	-	219,267	442,731	(11,525)
Southeast Wisconsin	61,591,339	3,831,248	6.22%	2,207,139	2,622,201	1,504,641	2,364,294
Southwest Cook	28,572,657	1,941,532	6.80%	575,935	-	(42,716)	(203,672)
West Cook	70,792,594	4,490,311	6.34%	1,256,879	847,135	389,934	461,500
TOTALS	1,305,776,037	75,787,484	5.80%	17,877,642	16,937,511	6,512,782	15,969,121

STATISTICAL HIGHLIGHTS

- » The third quarter vacancy rate of 5.80 percent is virtually unchanged from the 5.78 percent reported in the previous quarter.
- » Nearly 7.8 million square feet of new leasing activity was signed during the third quarter.
- » A total of 20 new projects broke ground during the third quarter totaling 3.8 million square feet.
- » Build-to-suit construction deliveries reached nearly 2.7 million square-feet, increasing by over double from the previous quarter.

CHICAGOLAND INDUSTRIAL SUBMARKET MAP

THIRD QUARTER 2019



Ten Chicago-area submarkets experienced a third quarter decrease in vacancy rate from the previous quarter. I-80 / Joliet Area and North Cook submarkets achieved the highest decrease, while the I-57 Corridor and Southwest Cook submarkets had the highest increase for the quarter.



Nine new big box facilities (300,000 square feet and up) were delivered in the third quarter adding 5.3 million square feet to Chicago's inventory base. The largest completion was an 879,000 square-foot speculative facility at 25101 S. Ridgeland Avenue in Monee.

Sixty-five construction projects totaling 16.9 million square feet are currently under construction. Speculative development accounts for 12.2 million square feet, or 72.0 percent of the ongoing activity.

Third quarter tenant demand of 7.7 million square feet marked a 17.0 percent decline from the second quarter level of 9.3 million square feet.

Third quarter's highest volume of leasing transactions continued to occur in the 100,000-square-foot to 400,000-square-foot range. Eighteen new leases were signed in that size range capturing 3.0 million square feet or 45.8 percent of all third quarter leasing activity. The largest new lease involved Target leasing 1.2 million square feet at 3300 Channahon Road in Joliet.

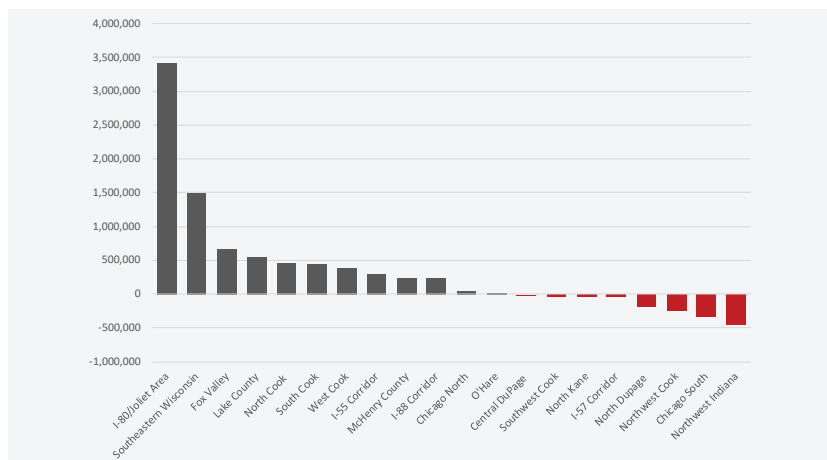
The I-80 / Joliet Area and I-55 Corridor submarkets secured the most leasing volume during the third quarter, posting 1.7 million square feet and 833,000 square feet, respectively. The I-39 Corridor, I-57 Corridor, I-55 Corridor, and Rockford Area submarkets witnessed no new lease transactions.

User sales measured 1.6 million square feet in the third quarter, a 2.1 percent decline from the second quarter volume of 1.7 million square feet. The Lake County submarket possessed the largest user sale volume totaling 295,000 square feet of activity. The largest user sale completed during the third quarter of 2019 involved Harley Davidson acquiring a 187,000-square-foot facility at 1191 Lake Avenue in Woodstock.

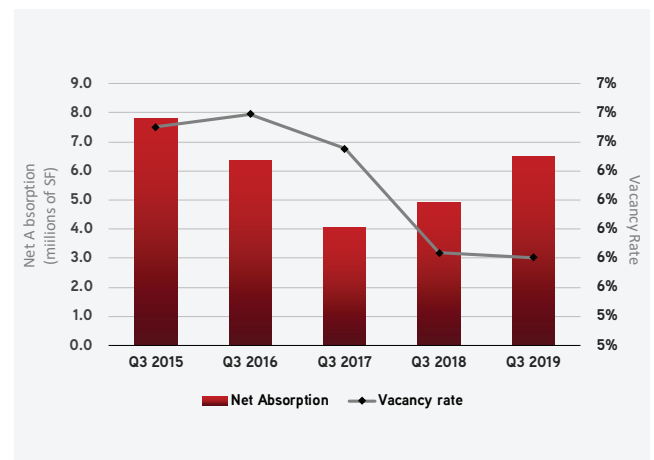
Key Stats

Industrial Base	1,305,776,037
Vacancy Rate	5.80%
YTD New SF Delivered	17,877,642
SF Under Construction	16,937,511
Q3 Net Absorption	6,512,782
YTD Net Absorption	15,969,121

Net Absorption by Submarket

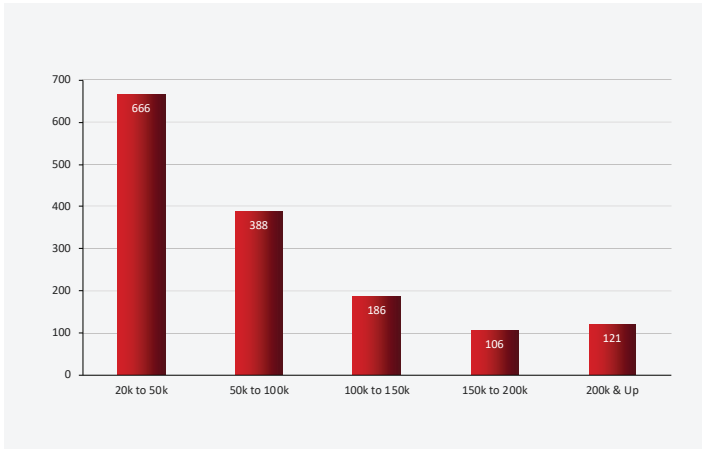


Vacancy & Absorption

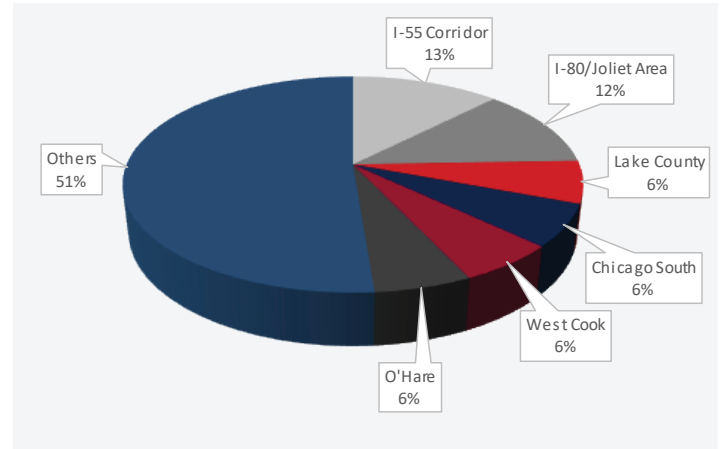


CHICAGOLAND MARKET

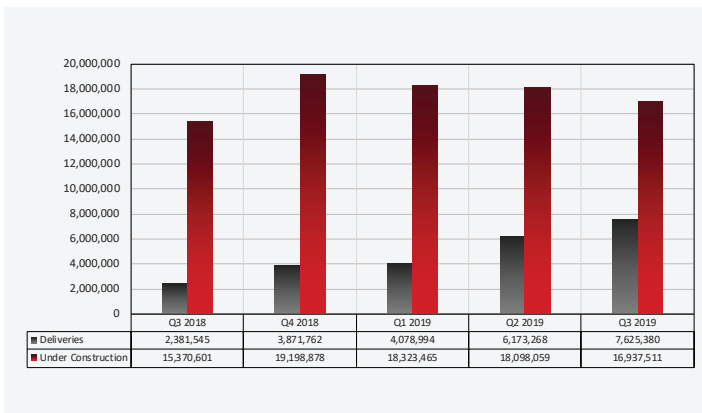
Available by Size



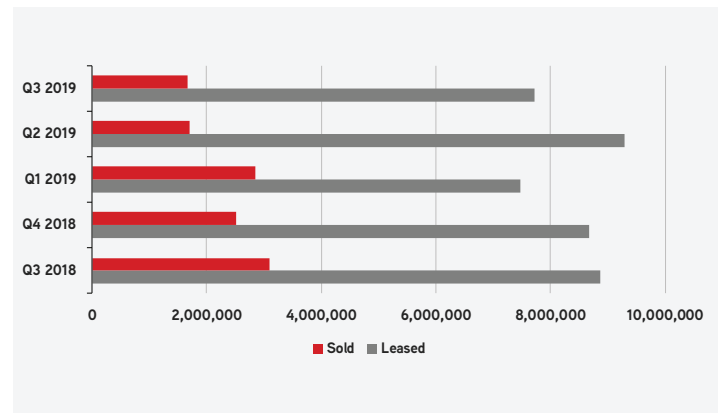
Available by Submarket



Construction



Leased & Sold



Notable Lease Transactions

Address	Size	Type	Landlord	Tenant
3300 Channahon Rd., Joliet	1,220,140	New	The Opus Group	Target Corporation
3901 Brandon Rd., Elwood	826,755	New	CenterPoint Properties	UNIS
1000 Bilter Rd., Aurora	694,367	Renewal	Liberty Property Trust	LTD Commodities
1101 W. Taylor Rd., Romeoville	541,123	Renewal	Black Creek Group	Geodis
251 Laraway Rd., Joliet	374,460	New	Global Logistics Properties Ltd.	NFI Industries, Inc
10200 55th St., Kenosha	354,000	New	Clear Height Properties	Kenall Manufacturing

Notable Sale Transactions

Address	Size	Type	Seller	Buyer
16801 S. Exchange Ave., Lansing	455,858	Investment	Torchlight Investors	Plymouth Industrial REIT
10200 55th St., Kenosha	354,000	Investment	Kenall Manufacturing	Clear Height Properties
7701-7711 95th St., Pleasant Prairie	252,825	Investment	Zilber Property Group	High Street Realty Co.
1360 N. Old Rand Rd., Wauconda	200,000	Investment	Alpha Guardian	Cantarero Pallet
1191 Lake Ave., Woodstock	187,850	User	Starwood Property Trust	Harley Davidson
11746-11756 S. Austin Ave., Alsip	162,714	Investment	Torchlight Investors	Plymouth Industrial REIT

Lee Transactions in RED

LEE & ASSOCIATES WHO WE ARE...



THIRD QUARTER 2019

About Us

With over 60 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

THIRD QUARTER 2019



INDUSTRIAL SPECIALISTS

Michael Androwich, Jr.
Principal
773.355.3047
mjandrowich@lee-associates.com

Rick Anesi
Vice President
773.355.3043
ranesi@lee-associates.com

Sean Austin
Vice President
773.355.3083
saustin@lee-associates.com

Andrew Block
Senior Associate
773.355.3047
ablock@lee-associates.com

Tom Boyle
Senior Vice President
847-814-4496
tomboyle@lee-associates.com

John Cassidy, SIOR
Principal
773.355.3006
jcassidy@lee-associates.com

Benjamin Cohen
Associate
773.355.3038
bcohen@lee-associates.com

Thomas Condon, SIOR
Principal
773.355.3049
tcondon@lee-associates.com

Brent De Noble
Senior Vice President
773.355.3018
bdenoble@lee-associates.com

Caroline Dell
Marketing / Associate
773.355.3035
cdell@lee-associates.com

Ryan Earley
Vice President
773.355.3020
rearley@lee-associates.com

Nick Eboli
Executive Vice President
773.355.3026
neboli@lee-associates.com

Jay Farnam
Executive Vice President
773.355.3029
jfarnam@lee-associates.com

Joseph Feeney
Senior Associate
773.355.3039
jfeeney@lee-associates.com

Kenneth Franzese
Principal
773.355.3005
kfranzese@lee-associates.com

Jeffrey Galante
Principal
773.355.3007
jgalante@lee-associates.com

Jeff Girling
Senior Vice President
773.355.5803
jgirling@lee-associates.com

Terry Grapenthin
Principal
773.355.3042
tgrape@lee-associates.com

Jeffrey Janda, SIOR
Principal
773.355.3015
jjanda@lee-associates.com

Ryan Kehoe
Vice President
773.355.3034
rkehoe@lee-associates.com

Tim McCahill
Principal
773.355.3044
tmccahill@lee-associates.com

Walter Murphy
Principal
773.355.3017
wmurphy@lee-associates.com

Christopher Nelson
Principal
773.355.3011
cnelson@lee-associates.com

Michael O'Leary
Senior Associate
773.355.3024
moleary@lee-associates.com

David Pals
Principal
773.355.3009
dpals@lee-associates.com

James Planey, SIOR
Principal
773.355.3014
jplaney@lee-associates.com

Michael Plumb
Principal
773.355.3019
mplumb@lee-associates.com

John Sharpe, SIOR
Principal
773.355.3030
jsharp@lee-associates.com

Brad Simousek
Associate
773.355.3016
bsimousek@lee-associates.com

Brian Vanosky
Principal
773.355.3023
bvanosky@lee-associates.com

RETAIL SPECIALIST

A. Rick Scardino
Principal
773.355.3040
rscardino@lee-associates.com

MULTI-FAMILY SPECIALIST

Brian Pohl
Principal
773.355.5081
bpohl@lee-associates.com

RESEARCH SPECIALISTS

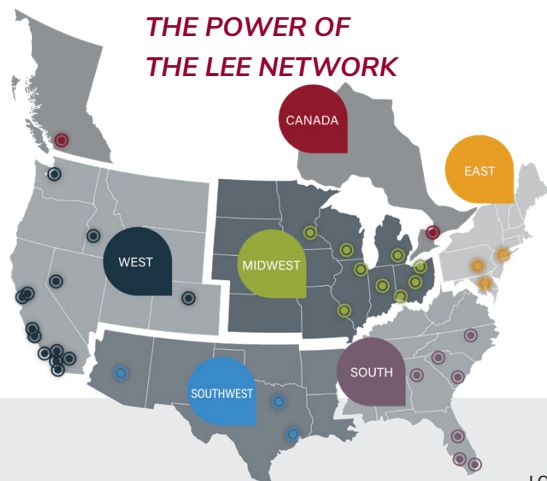
Diana Perez
Director of Research
773.355.3032
dperez@lee-associates.com

Ryan Rebot
Research Analyst
773.355.3025
rrebot@lee-associates.com

CHICAGOLAND INDUSTRIAL MARKET SNAPSHOT

THIRD QUARTER 2019

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES



THE LEE ADVANTAGE

LEE & ASSOCIATES IS THE LARGEST BROKER-OWNED COMMERCIAL REAL ESTATE FIRM IN NORTH AMERICA, AND ONE OF THE FASTEST GROWING!

Every Lee & Associates office delivers world class service to an array of regional, national and international clients - from small businesses and local investors to major corporate users and institutional investors. Our professionals combine the latest technology, resources and market intelligence with their experience, expertise and commitment to superior service to optimize your results.

EXPLOSIVE GROWTH

LOCAL EXPERTISE. INTERNATIONAL REACH. WORLD CLASS.

2019 - Toronto, ON
2018 - Cincinnati, OH
2018 - Raleigh, NC
2018 - Miami, FL
2016 - Seattle, WA
2016 - Walnut Creek
2016 - Vancouver, BC Canada
2016 - Twin Cities, MN
2016 - Pasadena, CA
2015 - Eastern Pennsylvania
2015 - Columbus, OH
2015 - Houston, TX
2014 - Denver, CO

2014 - Cleveland, OH
2013 - Long Island-Queens, NY
2013 - Chesapeake Region, MD
2012 - Edison, NJ
2012 - Orlando, FL
2012 - Charleston, SC
2011 - Fort Myers, FL
2011 - Manhattan, NY
2011 - Greenville, SC
2010 - Atlanta, GA
2010 - Greenwood, IN
2010 - Indianapolis, IN
2009 - Long Beach, CA

2008 - Boise, ID
2008 - ISG, LA, CA
2008 - Palm Desert, CA
2008 - Santa Barbara, CA
2006 - Antelope Valley, CA
2006 - Dallas, TX
2006 - Madison, WI
2006 - Oakland, CA
2006 - Reno, NV
2006 - San Diego - UTC, CA
2006 - Ventura, CA
2006 - San Luis Obispo, CA
2005 - Southfield, MI

2005 - Los Olivos, CA
2004 - Calabasas, CA
2004 - St. Louis, MO
2002 - Chicago, IL
2001 - Victorville, CA
1999 - Temecula Valley, CA
1996 - Central LA, CA
1994 - Sherman Oaks, CA
1994 - West LA, CA
1993 - Pleasanton, CA
1993 - Stockton, CA
1991 - Phoenix, AZ
1990 - Carlsbad, CA

1990 - Industry, CA
1989 - LA - Long Beach, CA
1989 - Riverside, CA
1987 - Ontario, CA
1984 - Newport Beach, CA
1983 - Orange, CA
1979 - Irvine, CA

AFFILIATE
INTERNATIONAL
RELATIONSHIP

GERALDEVE

