



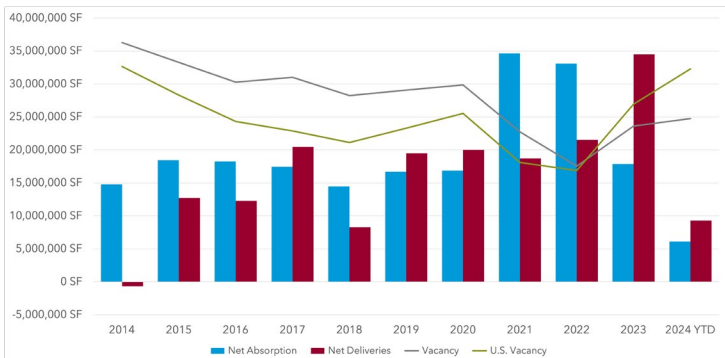
INDUSTRIAL MARKET OVERVIEW

ZACH GELLER, *Market Analytics Director*; BRANDON PAPPAS, *VP Data Analytics and Business Development*

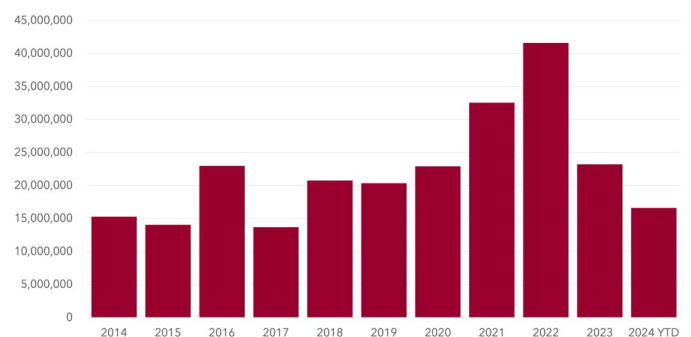
In Q3, the Federal Reserve cut its benchmark interest rate by 0.5%, the first reduction since the pandemic. Optimism grows that this could revive capital markets and spur new industrial developments. In Chicago, however, companies remain hesitant to relocate, partly due to election uncertainty. The industrial market, adjusting after high demand in 2021-2022, saw a slight vacancy rise to 5.4%, with sluggish leasing, especially in logistics. Despite 2.8 million SF of net absorption, nine submarkets reported negative absorption. New construction is limited, with only 12 million SF underway. Southeast Wisconsin is the most active with 3.4 million SF, but broader impacts may take quarters to unfold.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	5,659,148	8,964,808	16,090,320	17,863,391	26,131,385
▼ Vacancy Rate	5.29%	5.34%	5.40%	5.09%	4.38%
▲ Avg NNN Asking Rate PSF	\$9.69	\$9.68	\$9.58	\$9.45	\$9.30
▲ Sale Price PSF	\$92.74	\$91.79	\$90.55	\$90.09	\$89.96
▼ Cap Rate	8.04%	8.05%	8.04%	7.95%	7.81%
▼ Under Construction SF	16,578,933	17,965,153	19,247,368	23,206,513	30,242,023
▲ Inventory SF	1,411,057,169	1,408,869,554	1,407,888,182	1,401,747,558	1,391,790,810

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
25850 S. Ridgeland Avenue Monee, IL	718,709 SF	\$39,600,000 \$55.10 PSF	Venture One Undisclosed	Class A
501 E. 151st Street Phoenix, IL	597,887 SF	\$26,835,000 \$44.88 PSF	TPG Morgan Stanley & Co. LLC	Class C
6750 Daniel Burnham Drive Portage, IN	517,000 SF	\$36,710,283 \$71.01 PSF	Sperry Equities Investcorp International, Inc.	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1000 Windham Parkway Romeoville, IL	659,157 SF	TIAA	LSC Communications US LLC	Manufacturing
275 W. Laraway Road Joliet, IL	639,917 SF	Pritzker Realty Group	RJW Logistics Group	Transportation & Warehousing
1451 Sheldon Drive Elgin, IL	477,115 SF	Manulife Investment Management	Pregis	Manufacturing

