

Q2
2022

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Industrial Market Report

METROPOLITAN CHICAGO

Industrial Market Report

METROPOLITAN CHICAGO

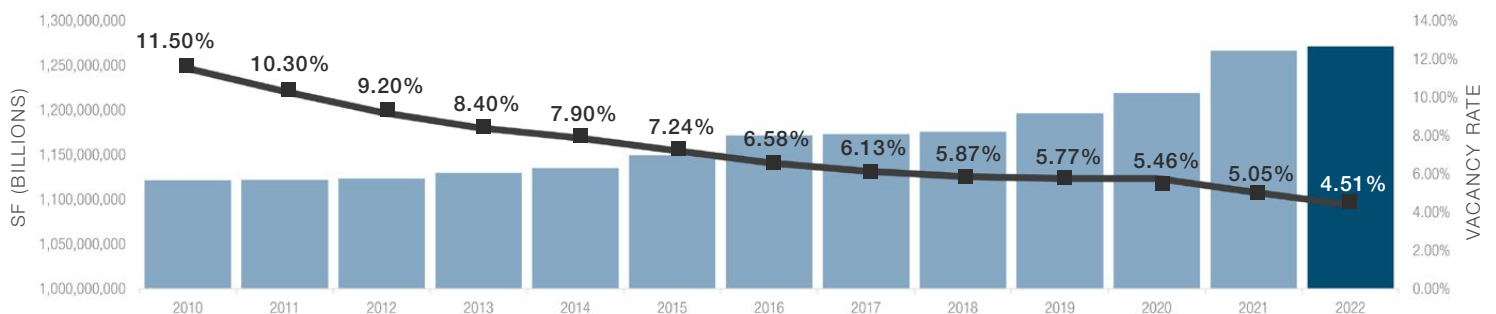
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Q2
2022

Industrial Market Statistics

Submarket	2022 Total RBA (SF)	2022 Total Vacant (SF)	2022 Total Vacancy	2022 Availability Rate	2022 Net Absorption (SF)	2022 New Supply (SF)	Under Construction (SF)	2022 Leasing Activity (SF)
Central DuPage	78,724,957	2,457,504	3.12%	5.21%	1,635,411	187,901	991,808	1,766,255
Chicago North	60,501,115	4,469,631	7.39%	7.02%	263,301	0	141,360	115,087
Chicago South	118,900,377	6,271,675	5.27%	6.76%	-104,191	831,295	371,054	2,219,558
DeKalb County	13,968,763	579,293	4.15%	2.49%	-63,820	0	2,400,000	11,400
Fox Valley	39,819,841	1,165,731	2.93%	5.49%	145,392	0	1,773,343	514,583
I-39 Corridor	40,743,383	3,047,819	7.48%	5.74%	95,618	141,360	90,000	130,898
I-55 Corridor	108,208,482	1,531,410	1.43%	5.74%	3,264,303	1,596,890	3,772,993	657,395
I-57/Will Corridor	23,294,832	1,947,595	8.36%	10.13%	-209,455	0	897,000	10,800
I-80/Joliet Corridor	103,622,534	3,273,964	3.19%	11.79%	-1,215,334	2,925,717	8,306,110	524,979
I-88 Corridor	70,856,438	7,147,724	10.09%	14.54%	-193,803	265,573	1,449,412	869,892
I-90 Northwest	34,999,119	1,518,176	4.35%	3.84%	273,471	61888	1,249,584	568,171
Lake County	78,632,501	4,371,937	5.56%	7.04%	175,023	0	757,670	1,030,530
McHenry County	29,522,888	459,196	1.56%	3.60%	200,381	0	1,170,146	69,317
North Cook	46,848,736	1,746,819	3.73%	3.71%	183,838	0	171,752	473,344
Northwest Cook	25,527,552	2,146,115	8.41%	10.21%	332,353	192,533	859,239	451,674
Northwest Indiana	46,023,532	3,122,066	6.78%	10.10%	57,414	261,638	2,190,960	163,375
O'Hare	105,151,330	2,406,290	2.30%	4.88%	947,551	670,000	1,404,619	1,338,987
South Cook	90,129,842	2,667,675	2.96%	5.53%	1,038,105	0	2,916,717	1,044,813
Southeast Wisconsin	69,695,845	4,444,204	6.38%	11.98%	-1,284,801	570,290	5,794,120	1,526,191
Southwest Cook	36,753,028	669,739	1.82%	2.97%	215,638	0	409,245	431,522
West Cook	61,248,594	2,319,649	3.79%	5.04%	-21,430	421,076	791,568	1,815,053
Total Market	1,283,173,689	57,764,212	4.51%	7.17%	5,734,965	8,126,161	37,908,700	15,733,824

Vacancy Rate and Available Inventory



INDUSTRIAL MARKET SUMMARY

The Chicago industrial market's 4.51 percent vacancy rate in the second quarter continued a positive streak of 39 consecutive quarters as the market absorbed 5.7 million square feet.



Vacancy Rate
4.51%



Net Absorption
5.7M SF



New Leasing
15.7M SF

Industrial Vacancy Continues Journey Below 5.0 Percent

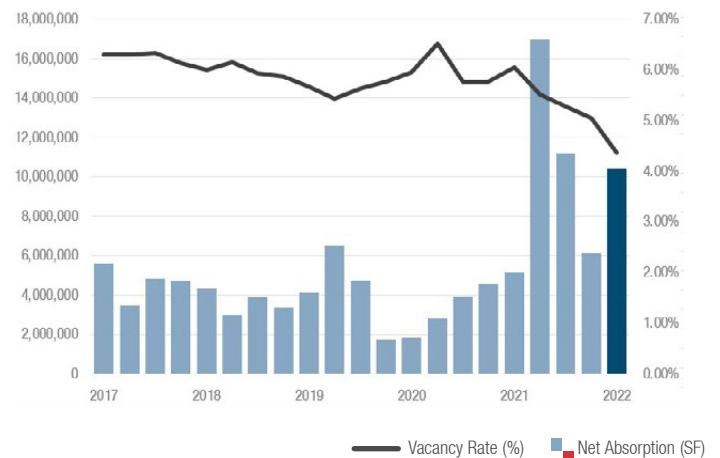
Historically low vacancy and feverish leasing activity have kept the Chicago industrial market red hot midway through 2022. The 4.51 percent total vacancy rate rose only 14 basis points quarter-over-quarter from the 4.37 percent rate tallied in the first quarter of 2022 but still remained below 5.0 percent. The vacancy rate also tightened 100 basis points year-over-year compared to the 5.51 percent vacancy rate from the second quarter of 2021.

Fourteen submarkets had positive net absorption as new leasing activity grew 9.6 percent year-over-year to exceed 15.7 million square feet compared with nearly 14.2 million square feet at midyear 2021. Second quarter deals put net absorption at just over 5.7 million square feet as vacancy continued its historic decline.

Three submarkets edged below 2.0 percent vacancy during the second quarter: I-55 Corridor (1.43 percent), McHenry County (1.56 percent), and Southwest Cook (1.82 percent). Additionally, all but one submarket recorded vacancy under 9.0 percent, and seven tallied more than 1.0 million square feet of new leasing.

The I-55 Corridor also accounted for 56.9 percent of the quarter's net absorption with six transactions of 200,000 square feet or more. Runners-up were Central DuPage (1.6 million square feet) and South Cook (1 million square feet). The leader for new deals was Chicago South netting more than 2.2 million square feet. Uline signed the largest new lease for 757,481 square feet at the Heartland Logistics Center in the Southeast Wisconsin submarket, while Grand Worldwide Logistics signing for 90,240 square feet in the Prologis-owned Bensenville Industrial Park in the O'Hare submarket paced all sublease deals.

Industrial space demand remains a catalyst for development in the Chicago market. Nearly 8.1 million square feet of new space



Market Summary

	Q2 2022	SF
Market Size		1,280,325,934
Total Vacancy	57,764,212	4.51%
Direct Vacancy	55,477,364	4.33%
Sublease Vacancy	2,286,848	0.18%
Available Space	91,850,716	7.17%
QTR Net Absorption	5,734,965	
YTD Net Absorption	16,141,129	
Under Construction	37,908,700	
QTR New Supply	8,126,161	
QTR New Leasing Activity	15,733,824	
YTD New Leasing Activity	35,947,412	

Key Industrial Takeaways



Chicago industrial recorded 5.7 million square feet of net absorption in the second quarter of 2022, bringing the market's year-to-date net absorption total to 16.1 million square feet.



The market currently has 37.9 million square feet under construction. Eleven submarkets have at least 1.0 million square feet under construction, with the I-80/Joliet Corridor pacing its peers at 8.3 million square feet.

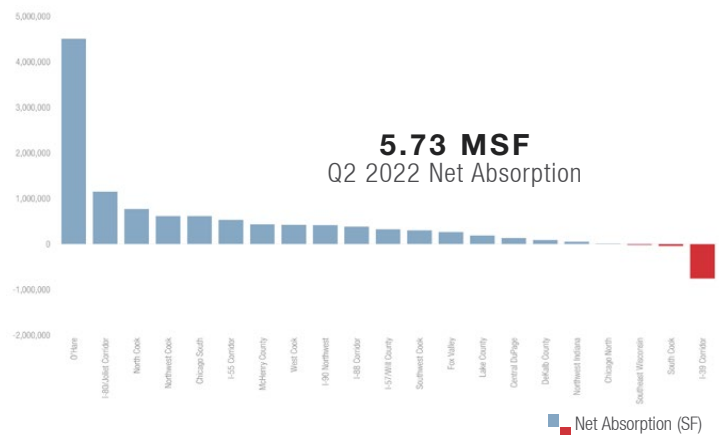


The total vacancy rate during the second quarter of 2022 was 4.51 percent, a 100 basis point decrease year-over-year compared to the 5.41 percent recorded in the second quarter 2021.

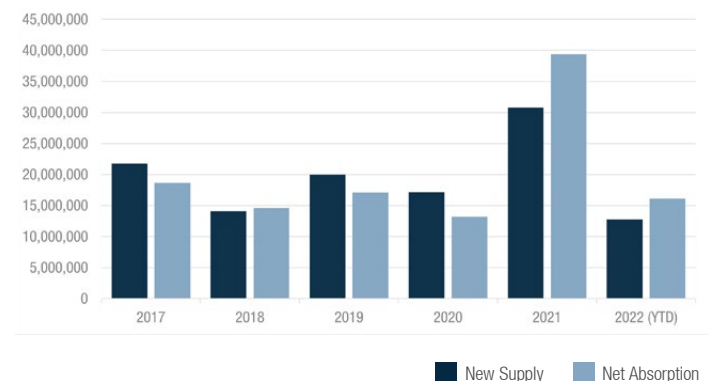
came online in the second quarter, including three I-80/Joliet Corridor submarket developments totalling 2.9 million square feet. The largest delivery was Duke Realty's 1.2 million square foot building at 1040 W Renwick Rd in Romeoville, Illinois.

Build-to-suit developments now makeup 30.3 percent of the record 37.9 million square feet comprising the industrial development pipeline. The I-80/Joliet Corridor makes up 24.4 percent of that total, with nearly 8.3 million square feet spread across ten developments. It's also noteworthy that eleven Chicagoland submarkets have more than 1.0 million square feet of development underway.

Net Absorption by Submarket



New Supply & Net Absorption



Significant Transactions



Renewal

2100 Internationale Pky
Woodridge
I-55 Corridor

Tenant
Bridgestone America



Lease

8311 38th St
Kenosha
Southeast Wisconsin

Tenant
Uline



Lease

2805 Duke Pky
Aurora
I-88 Corridor

Tenant
Baxton



Renewal

11290 80th Ave
Pleasant Prairie
Southeast Wisconsin

Tenant
Uline



Renewal

815 Bluff Rd
Romeoville
I-55 Corridor

Tenant
Central American Group



Renewal

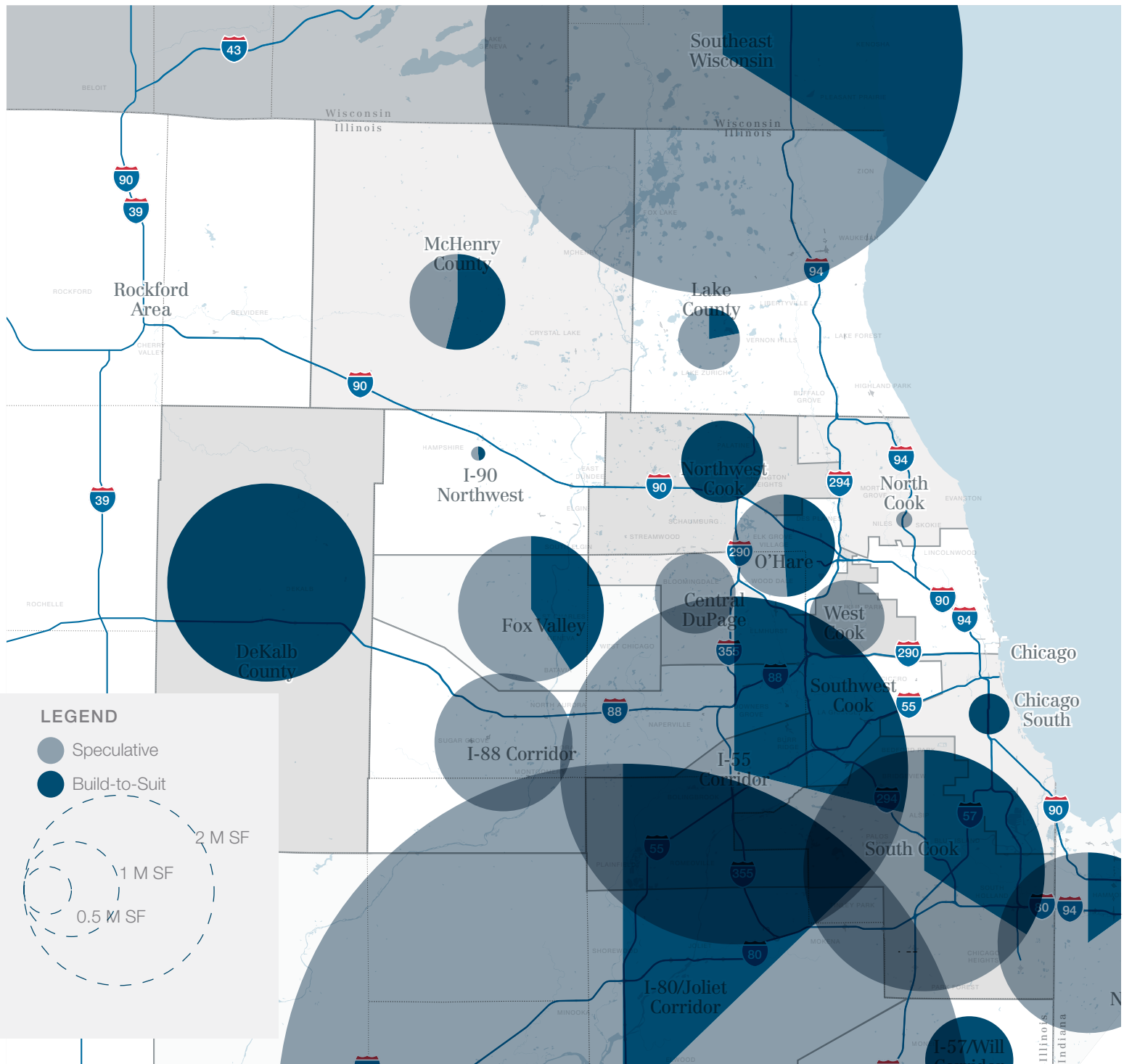
1135 Arbor Dr
Romeoville
I-55 Corridor

Tenant
Ulta, Inc

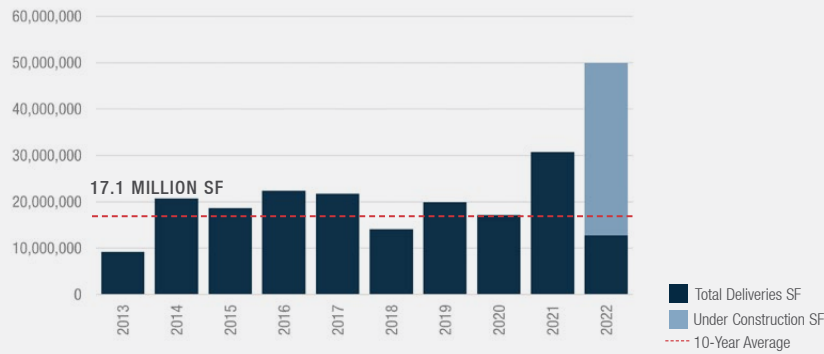
CONSTRUCTION ACTIVITY

Construction Deliveries

There were nearly 8.1 million square feet of deliveries across the Chicago metropolitan area during the second quarter of 2022. Build-to-suit projects comprised 30.3 percent of deliveries on the quarter while the remaining 69.7 percent were speculative developments. The largest delivery on the quarter was a nearly 1.1-million-square-foot speculative facility developed by NorthPoint Development in Bristol, Wisconsin. Groundbreakings continue at a breakneck pace as developers rush to fill the significant demand for high quality space in one of America's busiest Industrial markets.



Construction Deliveries



Construction Type



Notable Speculative Projects Under Construction

Submarket	Building Address	City	Size (SF)	Developer
Northwest Indiana	9820 Mississippi St	Crown Point	1,380,000	Crow Holdings Industrial
I-55 Corridor	555 S Pinnacle Dr	Romeoville	1,267,000	Panattoni
I-80/Joliet Corridor	SWC Millsdale Rd & Route 53 Rd	Elwood	1,218,120	NorthPoint Development
I-80/Joliet Corridor	2250 Berens Ct	New Lenox	1,159,200	Northern Builders, Inc.
I-80/Joliet Corridor	SWC Millsdale Rd & Route 53 Rd	Elwood	1,056,353	NorthPoint Development
I-80/Joliet Corridor	4300 Brandon Rd	Joliet	1,035,034	CenterPoint Properties
South Cook	I-57 & 183rd St	Country Club Hills	1,033,450	CRG
I-80/Joliet Corridor	3301 Brandon Rd	Elwood	1,000,000	CenterPoint Properties
I-80/Joliet Corridor	3351 Brandon Rd	Joliet	991,040	CenterPoint Properties
Southeast Wisconsin	1733 120th Ave	Kenosha	795,471	Becknell Industrial
Southeast Wisconsin	12th St & 120th Ave	Kenosha	734,751	Flint Development
South Cook	16703 S Cicero Ave	Oak Forest	664,467	Logistics Property Company
I-80/Joliet Corridor	275 W Laraway Rd	Joliet	639,600	Pritzker Realty Group
I-80/Joliet Corridor	19601 Harlem Ave	Tinley Park	604,800	Scannell Properties
Southeast Wisconsin	38th St	Kenosha	600,000	Logistics Property Company
I-88 Corridor	310 Overland Dr	North Aurora	543,638	The Opus Group

Notable Build-to-Suit Projects Under Construction

Submarket	Building Address	City	Size (SF)	User	Developer
DeKalb County	Gurler Rd	DeKalb	2,400,000	Facebook	Facebook
I-55 Corridor	1040 W Renwick Rd	Romeoville	1,200,420	Wayfair	Duke Realty Corporation
I-80/Joliet Corridor	Route 47	Morris	1,200,000	Procter & Gamble	Panattoni
Southeast Wisconsin	10421 38th St	Kenosha	1,050,000	Amazon	Venture One Real Estate
I-57/Will Corridor	Central Ave	University Park	897,000	Central Steel & Wire Company	Venture One Real Estate
Fox Valley	Discovery Dr	West Chicago	723,250	Suncast	Pritzker Realty Group
South Cook	6600 W 68th St	Bedford Park	655,200	Home Depot	Duke Realty Corporation
McHenry County	11500 Venture Ct	Huntley	629,186	Amazon	Venture One Real Estate
Southeast Wisconsin	12488 Goldbear Dr	Kenosha	487,400	HARIBO of America	Gilbane
O'Hare	IL Route 83 & Devon Ave	Bensenville	297,600	Apex Logistics	ML Realty Partners LLC

Central DuPage

Submarket Overview

	▼ Vacancy Rate	▲ Total Inventory (SF)	▲ Net Absorption	▲ YTD Net Absorption	▼ Under Construction (SF)	▲ New Supply (SF)	▼ New Leases (SF)
Current Quarter Q222	3.12%	78,724,957	1,635,411	2,787,593	991,808	187,901	1,766,255
Previous Quarter Q122	3.48%	78,482,693	1,152,182	1,152,182	1,179,709	150,010	2,037,746
Previous Year Q221	4.10%	77,036,469	461,040	827,148	1,170,047	0	751,106



Vacancy Rate

3.12%



Net Absorption

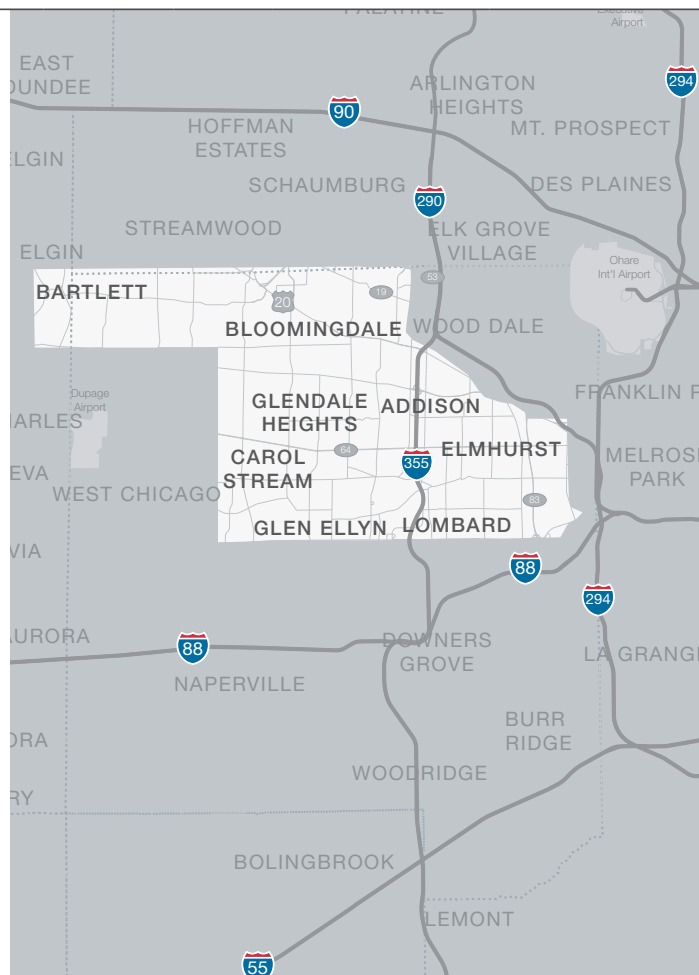
1.6M SF

The Central DuPage vacancy was 3.12 percent in the second quarter of 2022, a decrease of 98 basis points year-over-year from the 4.10 percent vacancy rate recorded in the second quarter of 2021.

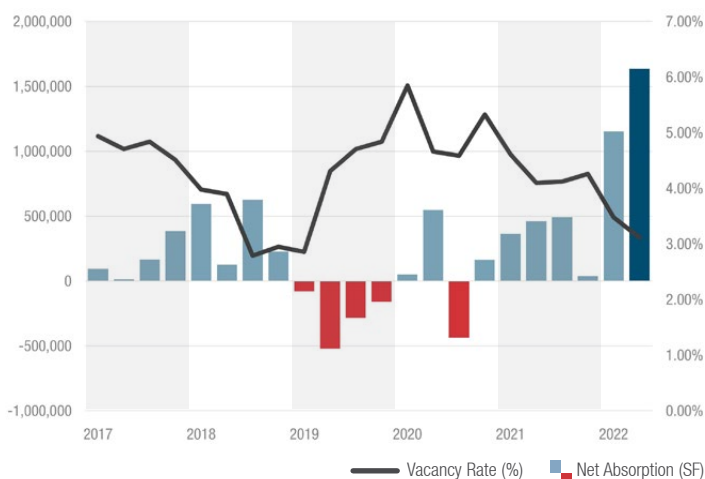
Net absorption was 1,635,411 square feet, the second consecutive quarter with a record high figure dating back to 2016. It also represents a 255 percent improvement from the 461,040 square feet recorded one year ago.

Despite a 13.3 percent dip from the 2,037,746 square feet tallied in the first quarter of 2021, new leasing activity for the quarter was third best among all submarkets at 1,766,255 square feet.

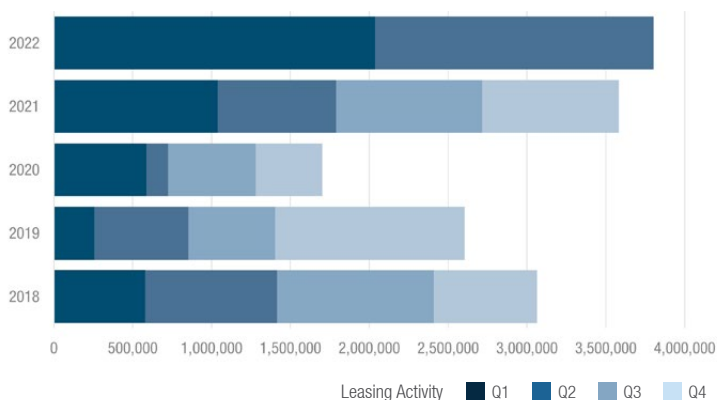
Six speculative developments are currently under construction in the Central DuPage submarket, totaling just shy of 1.0 million square feet.



Vacancy Rate, Net Absorption



New Lease Transactions





315,241 SF

NEW LEASE

Glen Pointe Inventory Facility #4 | Glendale Heights, IL

Premier Packaging, a packaging goods manufacturer, is already based in Glendale Heights and leased the entire building at 50-140 Exchange Boulevard in the Glen Pointe Inventory Facility. IDI Logistics developed the warehouse in 1996. It features 30-foot clear height with 32 external docks.

Construction Activity

Dermody Properties, Inc completed construction on its 187,901-square-foot speculative infill development at 837 Riverside Dr in Elmhurst in April 2022.

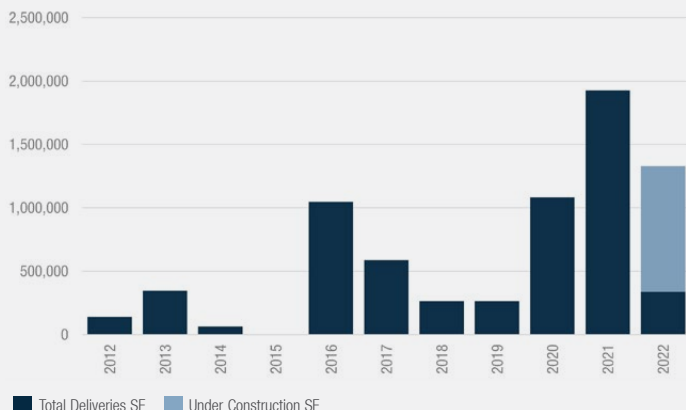
DWS Group's 256,770-square-foot development remains under construction in Elmhurst, with delivery scheduled for summer 2022.

Work continues on Panattoni's new 187,824-square-foot speculative development at 196 N Addison Road in Addison, with delivery expected in the first quarter of 2023.

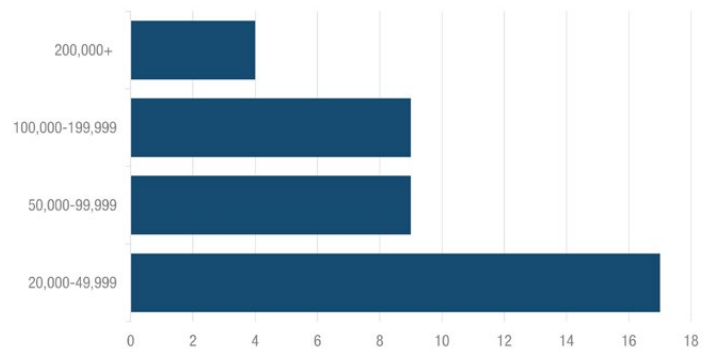
100% Speculative



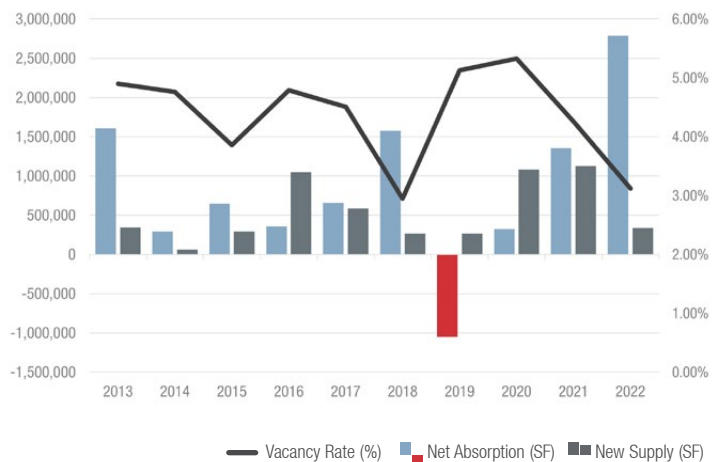
0% Build-to-Suit



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Lease

635 W Lake St
Elmhurst
256,770 SF

Tenant
Target Corporation



Lease

180 N Meadow Rd
Addison
215,400 SF

Tenant
Parts Town LLC










Lease

545 W Lamont Rd
Elmhurst
150,010 SF

Tenant
RTS Packaging LLC

Chicago

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	5.82%	179,401,492	159,110	529,231	512,414	831,295	2,334,645
Previous Quarter Q122	5.67%	177,806,499	370,121	370,121	1,202,655	0	831,738
Previous Year Q221	6.27%	177,879,142	45,978	-753,246	1,676,182	999,900	478,234



Vacancy Rate

5.82%



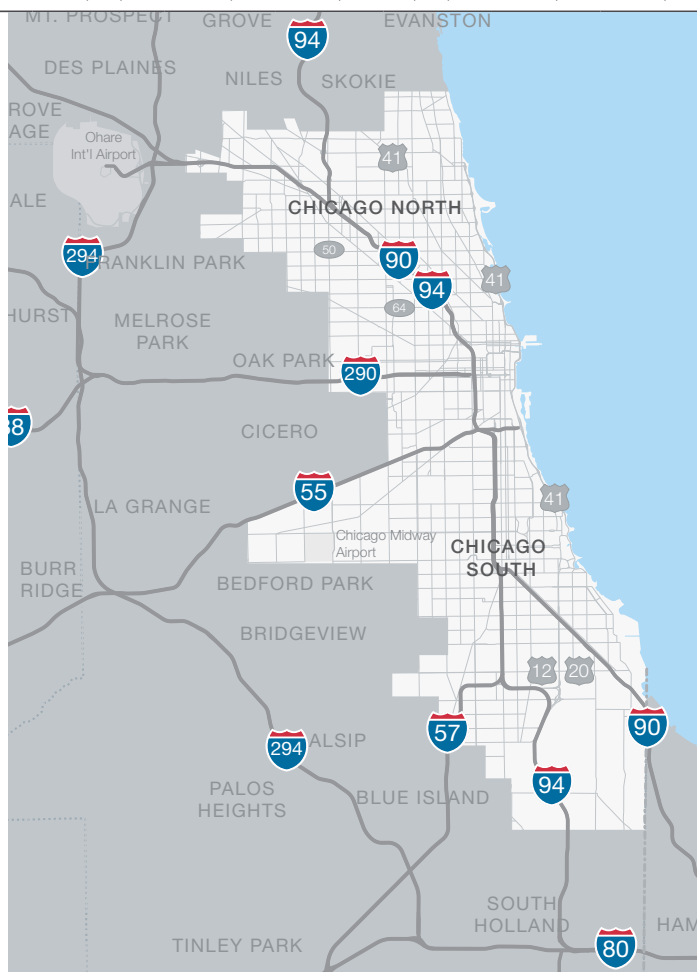
Net Absorption

159K SF

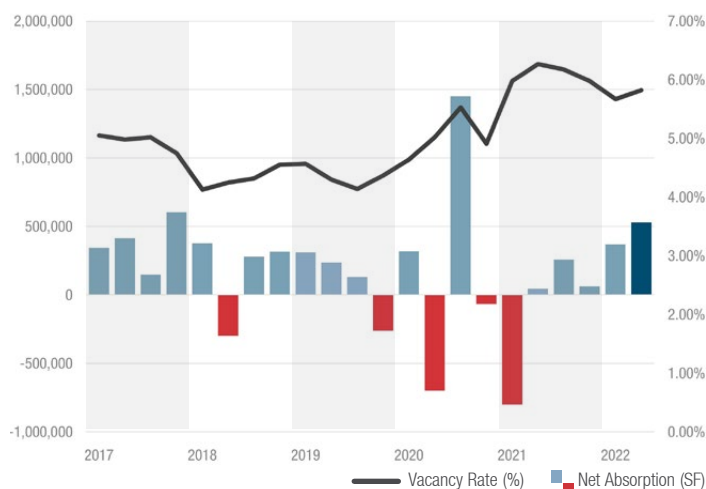
The City of Chicago's total vacancy rate was 5.82 percent in the second quarter. "It was a slight 15 basis point increase from the first quarter but a year-over-year decrease of 45 basis points from the 6.27 percent rate recorded in the first quarter of 2022.

Despite a 57 percent decline from the 370,121 square feet figure tallied in the first quarter of 2022, the City of Chicago achieved a fifth consecutive quarter of positive absorption at 159,110 square feet. Positive activity reversed from last quarter with a shift to Chicago's Northside at 263,301 square feet of net absorption compared to the South Side at -104,191 square feet.

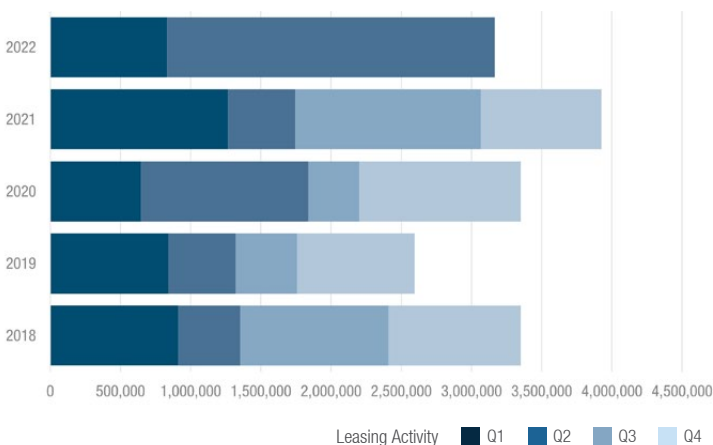
A record-breaking 2,334,645 square feet of new leasing activity took place in the City this quarter, the most since 2016 and an incredible 388.2 percent increase year-over-year compared to the 478,234 square feet tallied just one year ago. Four transactions were more than 100,000 square feet each.



Vacancy Rate, Net Absorption



New Lease Transactions





306,538 SF

NEW LEASE

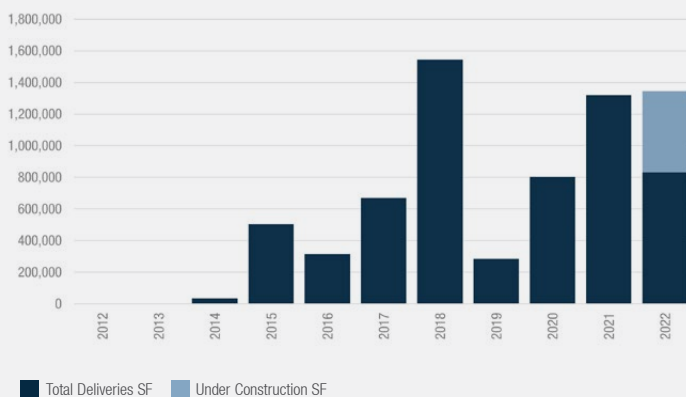
5064 S Merrimac Ave | Chicago, IL

Target became the first tenant at 5064 Merrimac Avenue as they leased the entire building in the second quarter. Constructed in October 2021, it features a 40' clear height and 75 external docks.

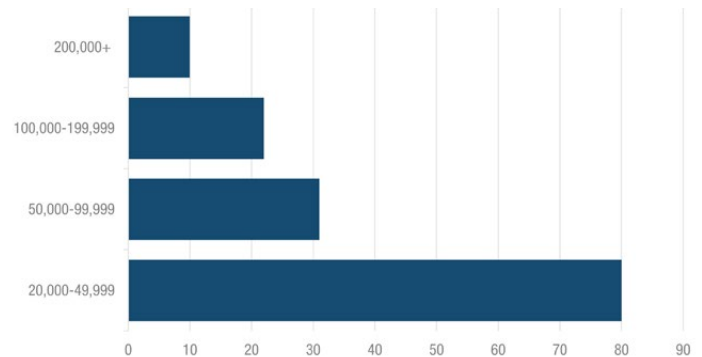
Construction Activity

Four buildings remained under construction during the second quarter, totaling more than 512,000 square feet. All are build-to-suit and scheduled for delivery within the next 12 months.

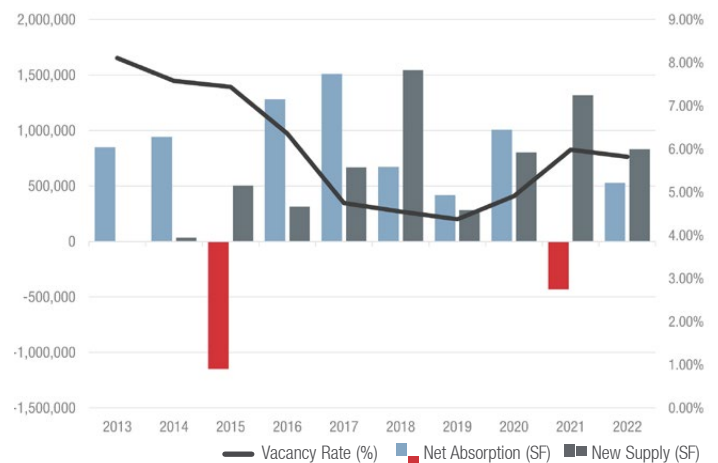
IDI Logistics completed construction on a 178,850-square-foot speculative development for UPS at 3700 Morgan Street. The facility broke ground in the fourth quarter of 2021.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Lease

3700 Morgan St
Chicago

178,850 SF

Tenant
UPS



Lease

4000 S Racine Ave
Chicago

140,792 SF

Tenant
National Safety Apparel



Sale








3350 N Kedzie Ave
Chicago

\$20,500,000

Buyer
Advance Electrical Supply
Company

Fox Valley

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	2.93%	39,819,841	145,392	560,754	1,773,343	0	514,583
Previous Quarter Q122	2.32%	39,554,741	415,362	415,362	1,773,343	0	477,054
Previous Year Q221	4.49%	37,587,512	119,749	638,254	1,513,267	0	594,375



Vacancy Rate

2.93%



Net Absorption

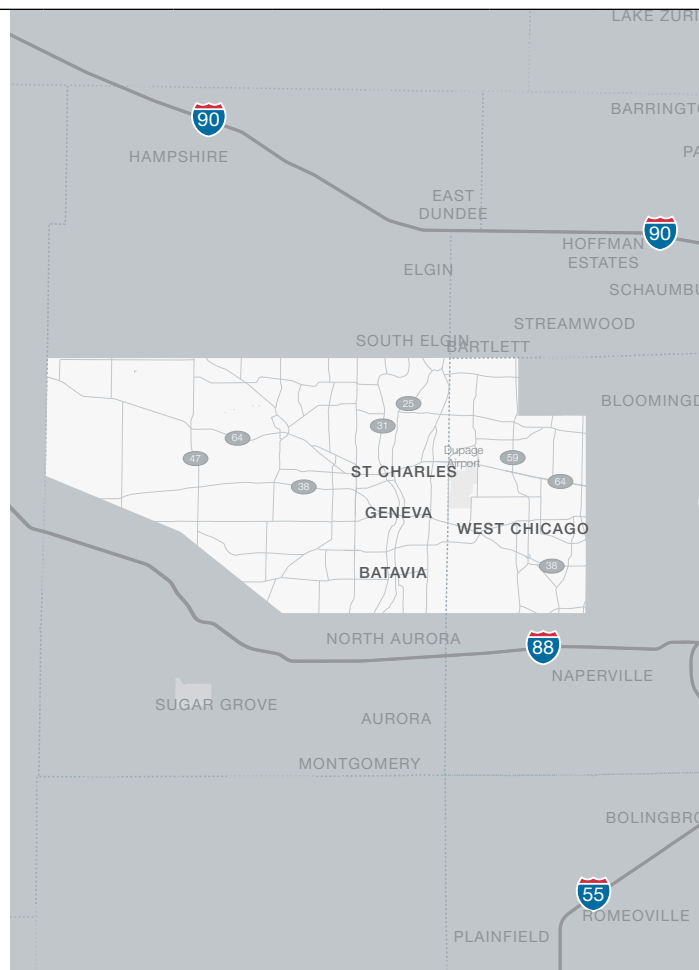
145K SF

The total vacancy rate in the Fox Valley submarket rose slightly to 2.93 percent in the second quarter of 2022, increasing 61 points from the record-breaking 2.32 percent rate recorded last quarter.

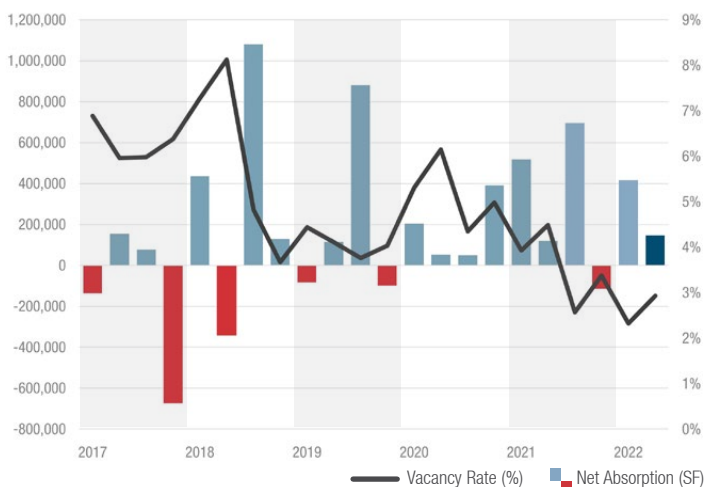
Second quarter net absorption remained strong in Fox Valley with 145,392 square feet, a 21.4 percent improvement year-over-year compared to 119,749 square feet of net absorption at this time last year. Cheese Merchants of America leased 252,000 square feet at 2575 Enterprise Circle in West Chicago with plans to take occupancy of the space early in the third quarter of 2022.

Fox Valley currently has five projects totaling 1,773,343 square feet under construction. The four speculative developments will add nearly 1.1 million square feet upon their respective deliveries.

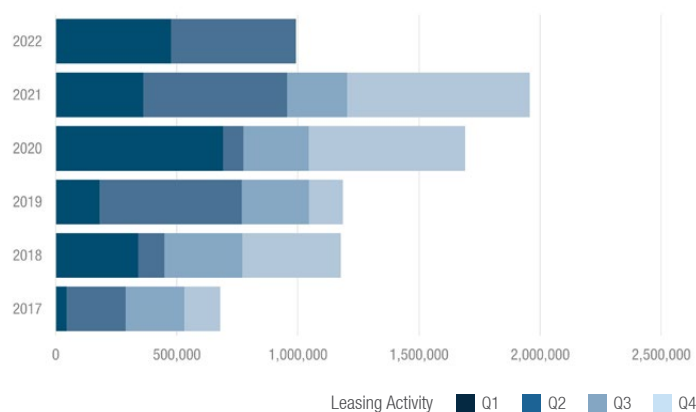
New leasing activity was up 7.9 percent from the first quarter to 514,583 square feet, just under the 594,375 square feet from midyear 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





252,000 SF

NEW LEASE

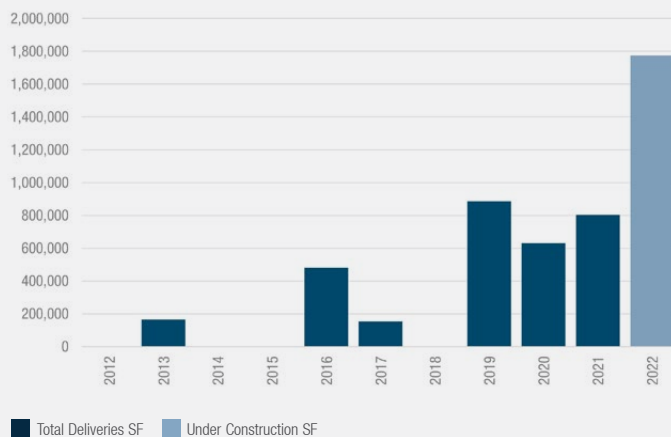
2575 Enterprise Cir | West Chicago, IL

Cheese Merchants of America, a food production company, leased a 252,000-square-foot of warehouse/distribution space in West Chicago with plans to occupy the space in July 2022. It has 90 external docks and a 36' clear height.

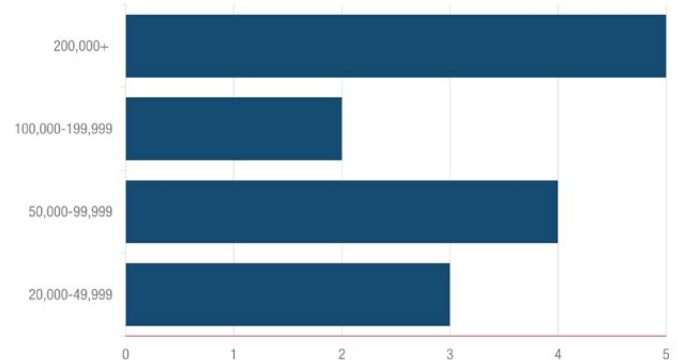
Construction Activity

Pritzker Realty Group's new 723,250-square-foot build-to-suit facility for Suncoast on Discovery Dr in West Chicago remains scheduled for delivery in the latter half of 2022.

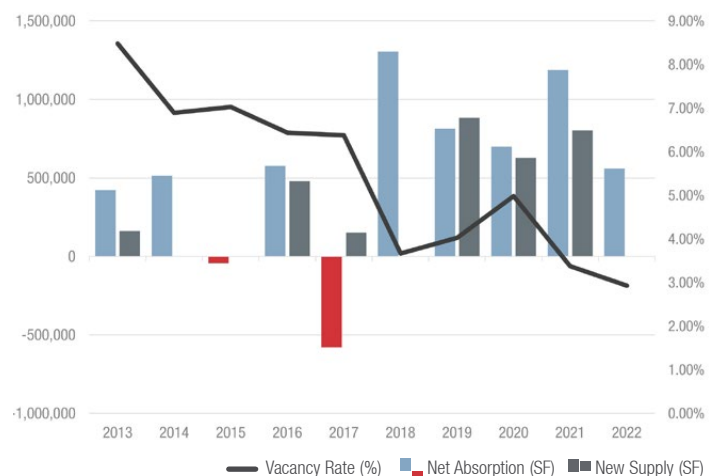
Construction also continues on a 274,800-square-foot speculative development for Duke Realty Corporation on Route 38 in Geneva.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Renewal

1700-1800 W Hawthorne Ln
West Chicago

121,516 SF

Tenant
The American Bottling Company



Renewal

385 Fenton Ln
West Chicago

114,785 SF

Tenant
Uptime Parts



Renewal

3825 Ohio Ave
St. Charles

111,360 SF

Tenant
Honeywell International, Inc.

I-55 Corridor

Submarket Overview

	▼ Vacancy Rate	▼ Total Inventory (SF)	▼ Net Absorption	▲ YTD Net Absorption	▲ Under Construction (SF)	▲ New Supply (SF)	▼ New Leases (SF)
Current Quarter Q222	1.43%	108,208,482	3,264,303	7,770,964	3,772,993	1,596,890	657,395
Previous Quarter Q122	4.11%	106,611,592	4,506,661	4,506,661	3,368,957	351,870	4,653,671
Previous Year Q221	8.07%	99,866,501	1,096,742	967,657	2,751,072	0	423,432



Vacancy Rate
1.43%

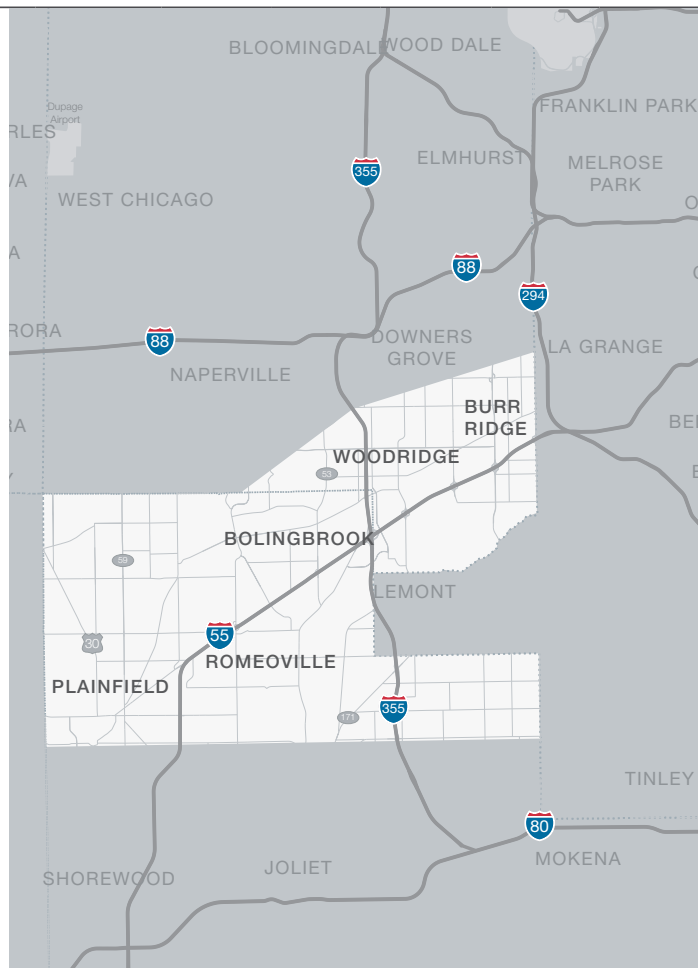


Net Absorption
3.3M SF

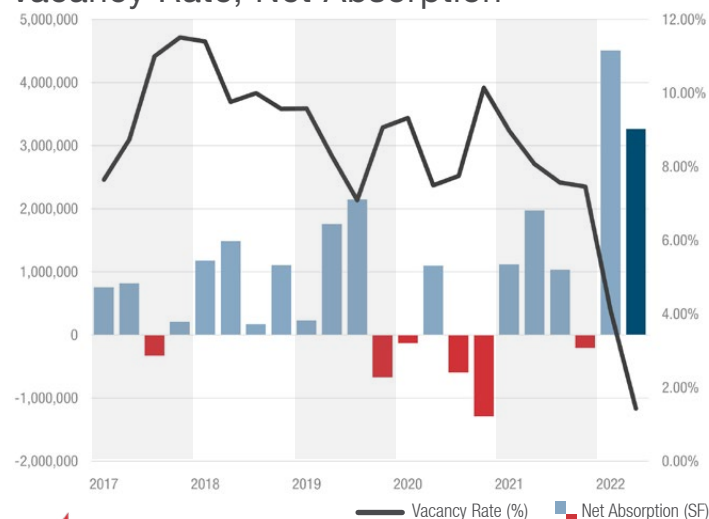
The total vacancy rate in the I-55 Corridor dropped to 1.43 percent in the second quarter. Vacancy decreased another 268 basis points quarter-over-quarter last quarter's 4.11 percent rate and a stunning 664 basis point decrease compared to the 8.07 percent vacancy rate one year ago. The drop in vacancy is largely due to NFI Industries occupying the former Ferrara Candy facility in Bolingbrook, removing almost 1 million square feet of space from the I-55 Corridor.

Net absorption was 3,264,303 square feet, the highest submarket figure recorded since 2010 and outpacing its Chicago industrial peers for the second consecutive quarter. Seven tenants took occupancy on the quarter in spaces greater than 200,000 square feet.

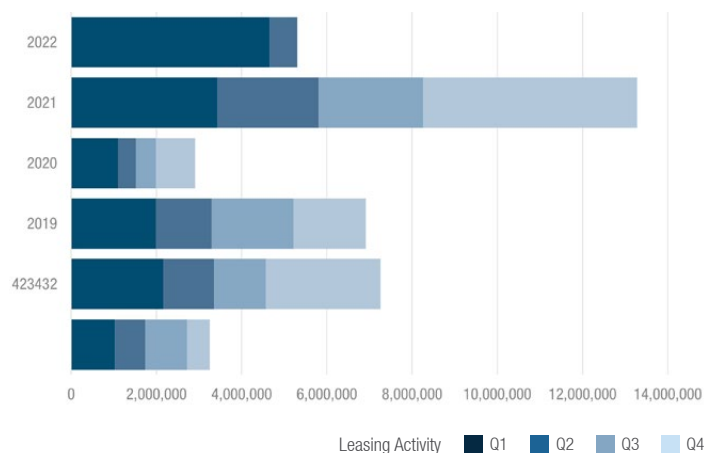
Second quarter demand for available space remains high as the I-55 Corridor recorded 20 new leases totaling 657,395 square feet. Such news bodes well for the nearly 3.8 million square feet currently under construction.



Vacancy Rate, Net Absorption



New Lease Transactions





764,000 SF

RENEWAL

2100 Internationale Pky | Woodridge, IL

Bridgestone America renewed their entire building lease at 2100 Internationale Parkway in Woodridge. NFI Industries currently owns this Class B warehouse facility with 86 external docks with a 28' clear height.

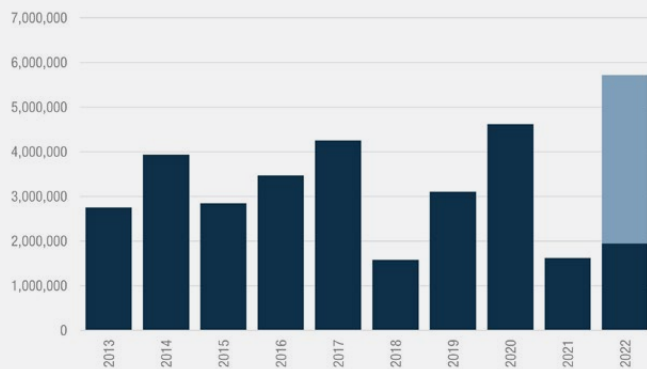
Construction Activity

Construction on Wayfair's 1.2-million-square-foot build-to-suit development by Duke Realty Corporation at 1040 W Renwick Road in Romeoville completed this quarter with Wayfair occupying the entire building.

71% Speculative

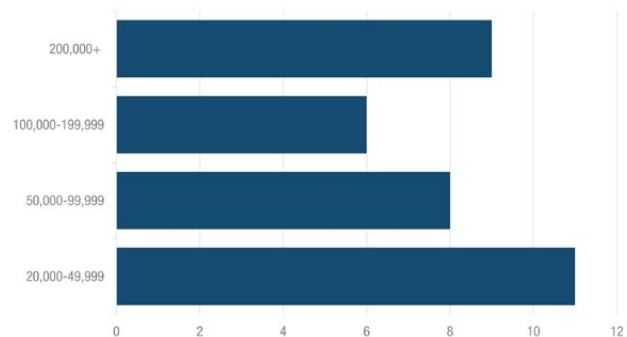


29% Build-to-Suit

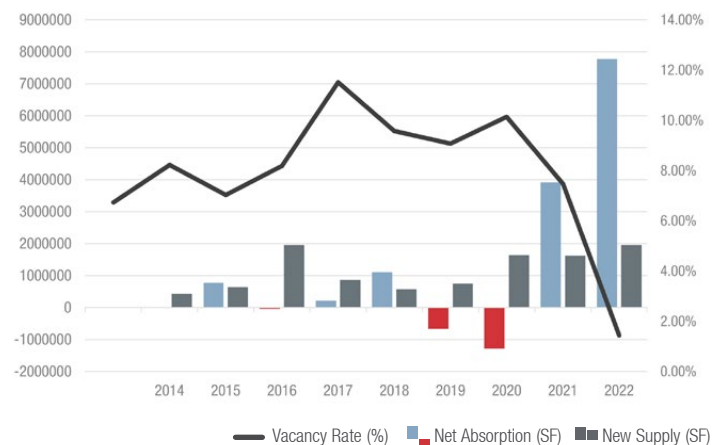


■ Total Deliveries SF ■ Under Construction SF

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Renewal

815 Bluff Rd
Romeoville

490,420 SF

Tenant

Central American Group



Renewal

1135 Arbor Dr
Romeoville

291,335 SF

Tenant

Ulta, Inc



Extension

550 W North Frontage Rd
Bolingbrook








269,591 SF

Tenant

Menasha Packaging

I-57/Will Corridor

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	8.36%	23,294,832	-209,455	-963,900	897,000	0	10,800
Previous Quarter Q122	7.66%	21,598,367	-754,445	-754,445	1,000,221	0	908,112
Previous Year Q221	5.90%	18,073,752	182,728	68,817	0	1,015,000	210,928



Vacancy Rate

8.36%



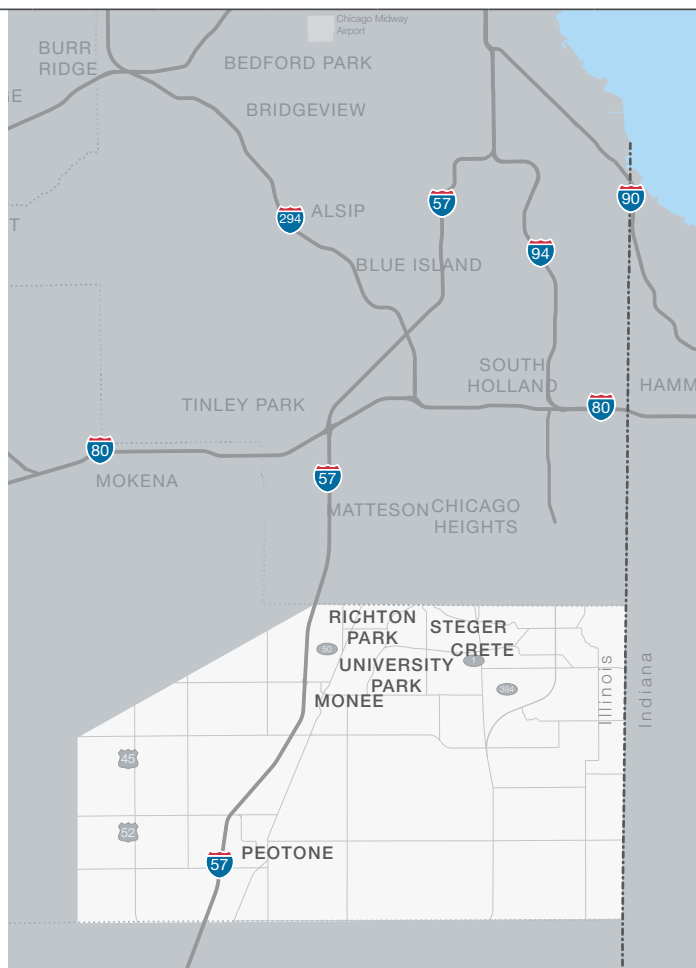
Net Absorption

-209K SF

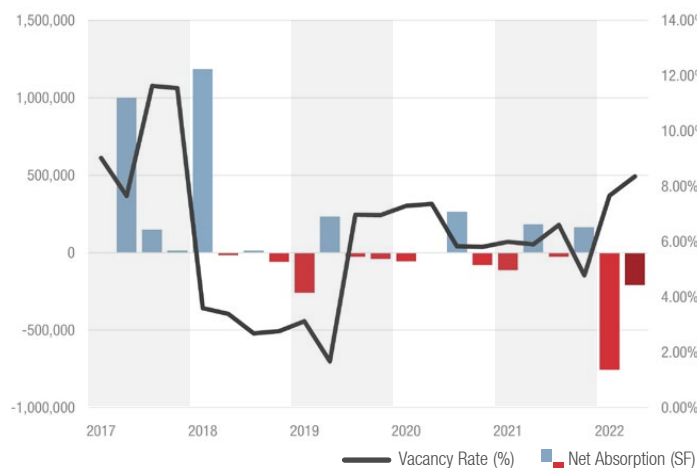
The I-57/Will Corridor submarket vacancy rate was 8.36 percent. It represents an increase of 70 basis points quarter-over-quarter from the 7.66 percent rate noted in the first quarter and 246 basis points year-over-year from the 5.90 percent tallied midway through last year. Vacated space at 801 N Schmidt Rd in Romeoville gave 503,200 square feet back to the submarket.

Net absorption was -209,455 square feet, marking a 72.2 percent improvement over the -754,445 square feet of net absorption last quarter. The submarket is also delivering nearly a million square feet of newly constructed space by the second quarter of 2023.

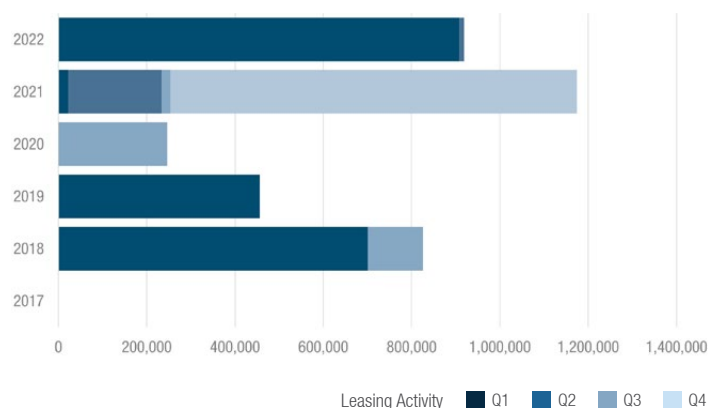
Despite sitting on the perimeter of Chicago's industrial market, new leasing activity in the I-57/Will Corridor extended its trend of six straight positive quarters with 10,800 square feet.

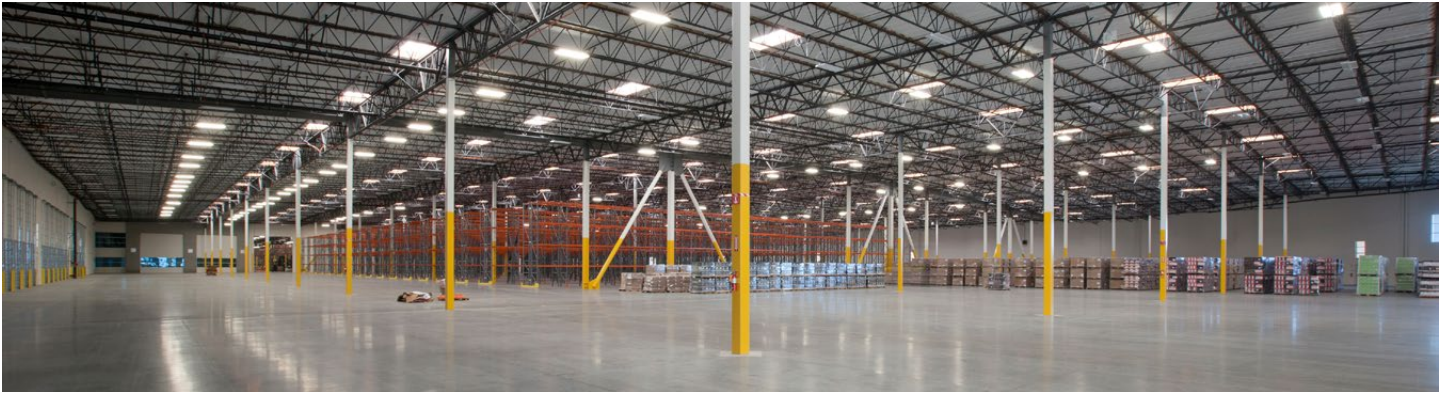


Vacancy Rate, Net Absorption



New Lease Transactions





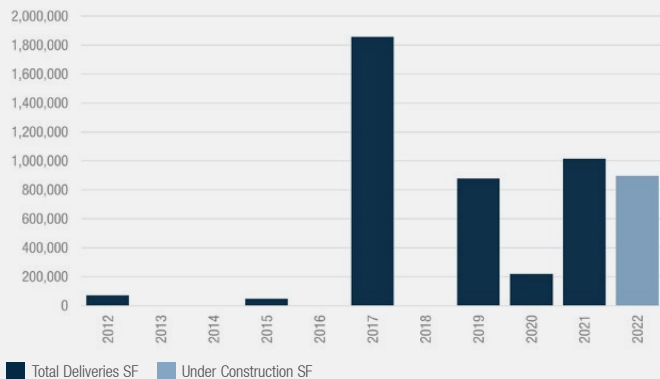
Construction Activity

A build-to-suit for Central Steel & Wire in University Park remains on schedule to deliver 897,000 square feet next year.

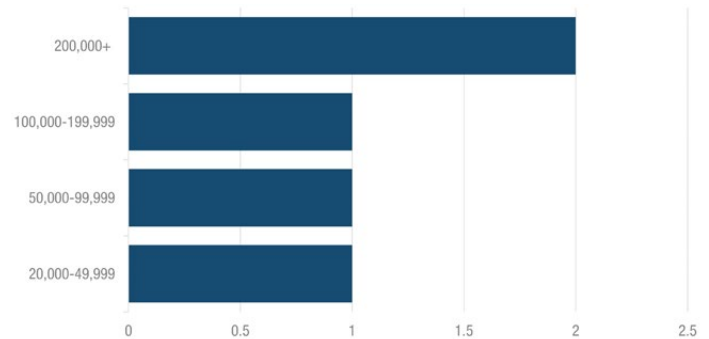
0% Speculative



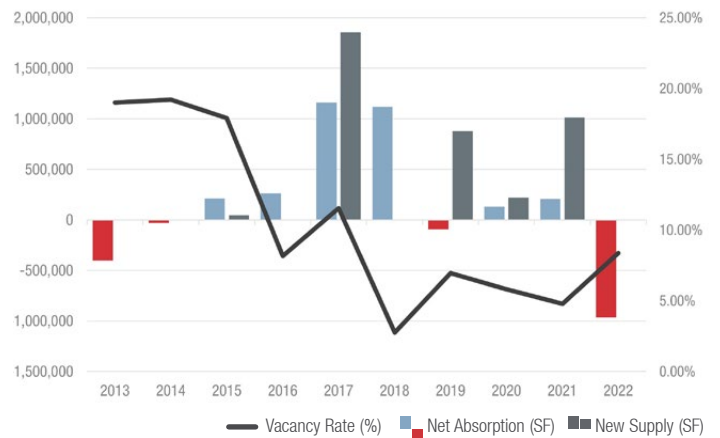
100% Build-to-Suit



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Lease

6370 W Emerald Pkwy
Monee

6,000 SF

Tenant
Indisclosed



Lease

8086 N 2000E Rd
Manteno

4,800 SF

Tenant
Undisclosed

I-80 Joliet Corridor

Submarket Overview

	↑	↑	↓	↓	↑	↑	↓
	Vacancy Rate	Total Inventory (SF)	Net Absorption	YTD Net Absorption	Under Construction (SF)	New Supply (SF)	New Leases (SF)

Current Quarter Q222	3.19%	103,622,534	-1,215,334	-777,424	8,306,110	2,925,717	524,979
Previous Quarter Q122	1.97%	100,696,817	437,910	437,910	7,192,414	500,000	1,681,984
Previous Year Q221	3.54%	97,785,669	3,083,696	3,756,708	5,499,271	3,026,220	2,102,693



Vacancy Rate

3.19%



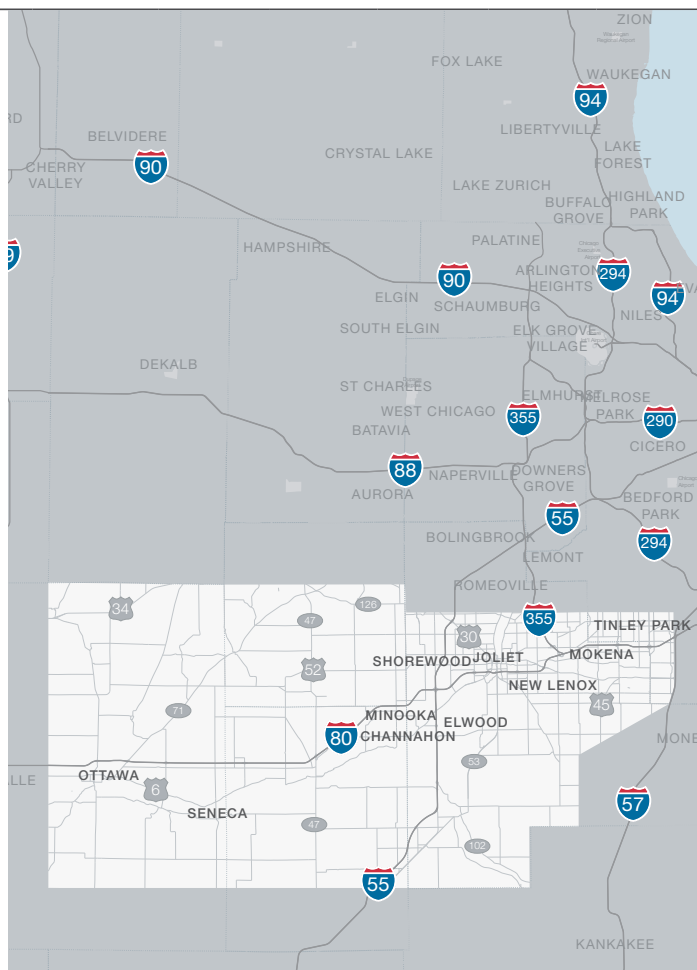
Net Absorption

-1.2M SF

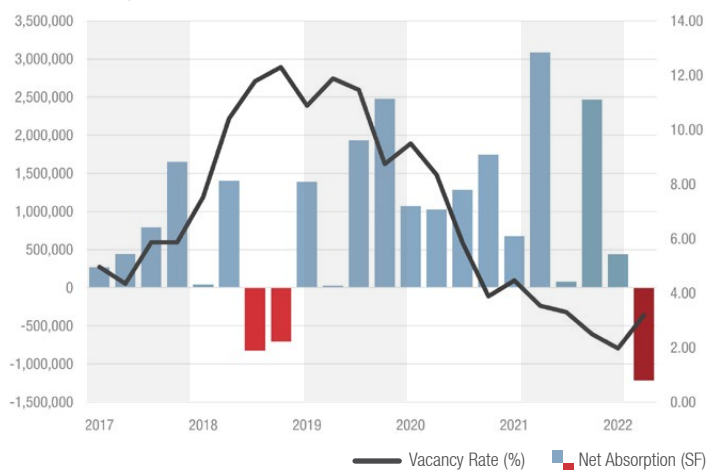
The total vacancy rate in the I-80/Joliet Corridor was 3.19 percent, impacted by new construction of approximately 2 million square feet delivered in the second quarter. It also caused a 122 basis point jump quarter-over-quarter from the 1.970 percent rate recorded earlier this year and a 35 basis point increase year-over-year from the 3.54 percent rate recorded in the second quarter of 2021.

Despite a net absorption of -1,215,334 square feet that ended the submarket's positive streak at 13 straight quarters, one bright spot was Berkot's Super Foods signing a new lease for 134,260 square feet at 1151 E Laraway Road in Joliet.

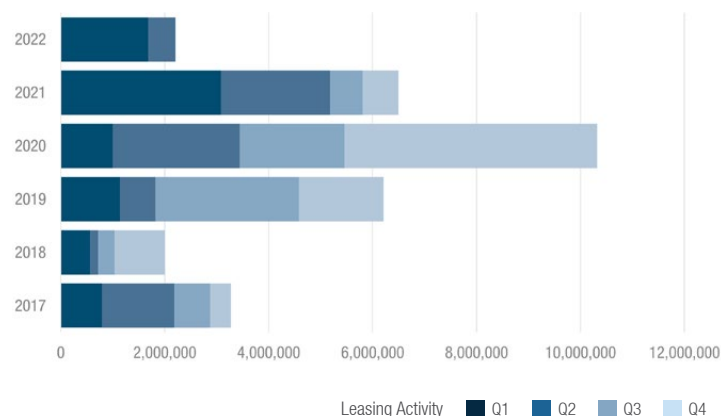
Robust development continues to define the I-80/Joliet Corridor against its peers. Eleven pipeline projects will add 8.32 million square feet upon delivery over the next 18 months.



Vacancy Rate, Net Absorption



New Lease Transactions





442,804 SF

RENEWAL/EXPANSION

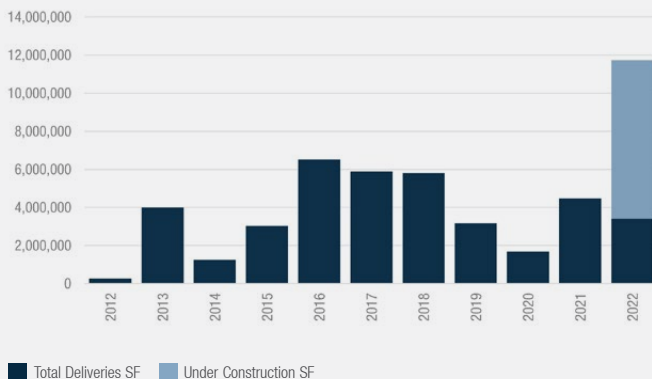
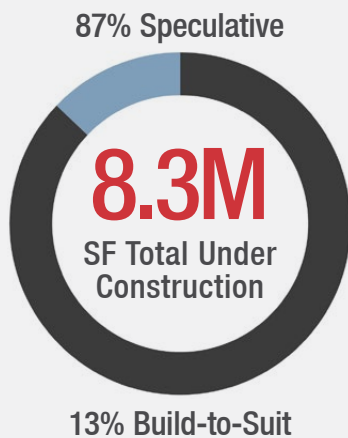
3300-3600 Corporate Dr | Joliet, IL

Johnstone Supply renewed its Class B warehouse lease for 236,273 square feet and expanded by 206,531 square feet at the Southfield Business Park in Joliet. The building from 2004 features a 30' clear height, 66 exterior docks, and 3 drive-in doors.

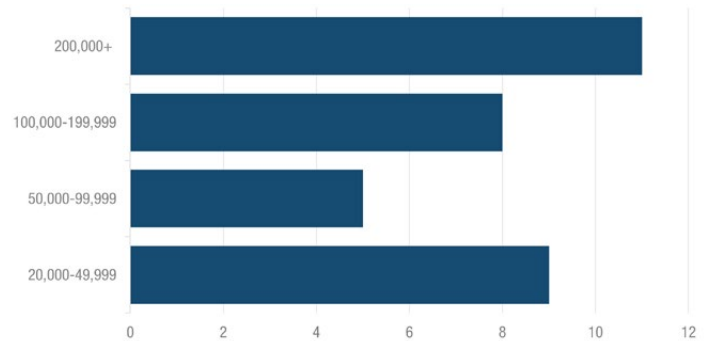
Construction Activity

Elion Partners 1.0 million square feet speculative facility at 30350 S Graaskamp Boulevard in Wilmington is now complete and seeking a tenant.

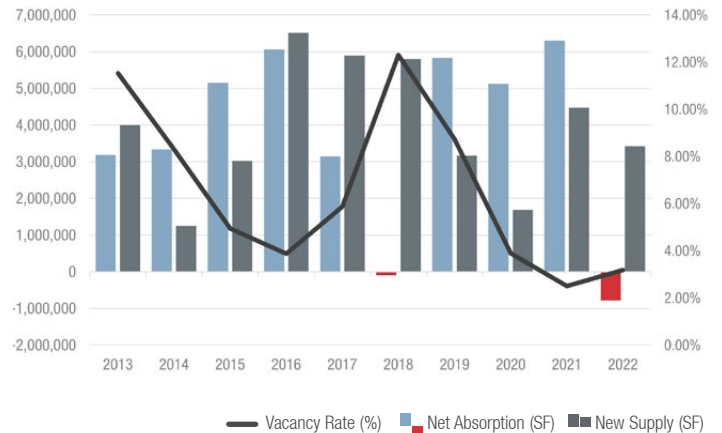
Five developments in the I-80/Joliet Corridor pipeline are 1.0 million square feet or larger.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Lease

1151 E Laraway Rd
Joliet

134,260 SF

Tenant
Berkot's Super Foods



Renewal

8451 W 183rd Pl
Tinley Park

101,085 SF

Tenant
Surface Shields, Inc.



Lease








2750 Ellis Rd
New Lenox

88,454 SF

Tenant
World Wide Golf Shops

I-88 Corridor

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	10.09%	70,856,438	-193,803	130,946	1,449,412	265,573	869,892
Previous Quarter Q122	8.95%	70,725,403	324,749	324,749	948,461	74,620	740,609
Previous Year Q221	4.65%	70,827,433	947,696	1,544,584	340,193	0	835,089



Vacancy Rate
10.09%

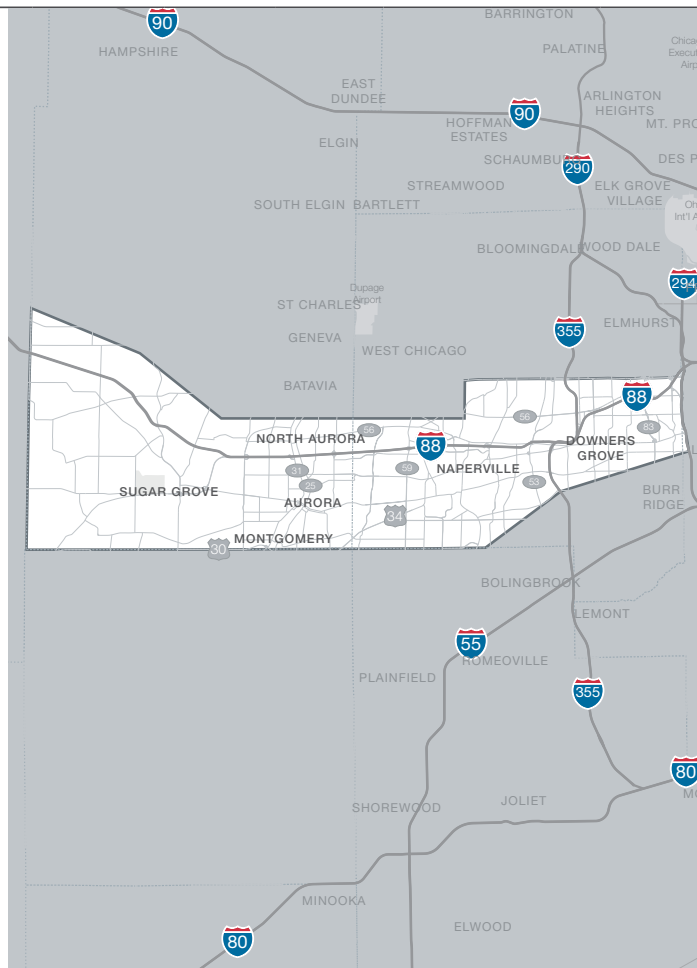


Net Absorption
-194K SF

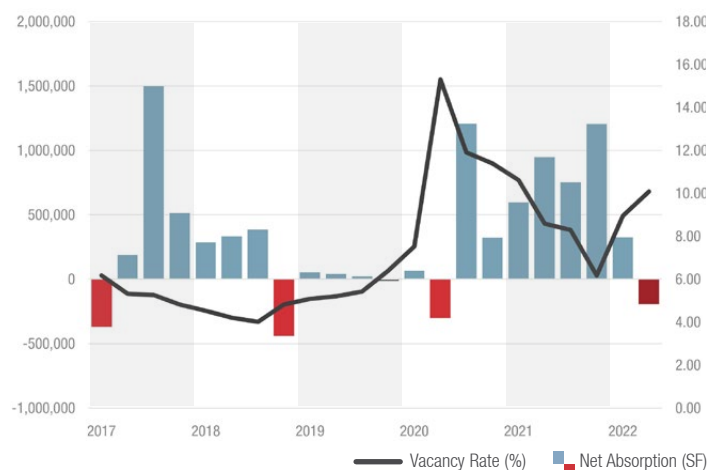
The I-88 Corridor was 10.09 percent vacant, 114 basis points higher than the 8.95 percent rate in the previous quarter and a year-over-year increase of 544 basis points from the 4.65 percent rate in the second quarter of 2021.

Net absorption of -193,803 square feet represents a 159.7 percent decrease from the 324,749 square feet tallied in the first quarter of 2022. Two contributing factors are 265,573 square feet of newly constructed space hitting the market and Baxton Studio Furniture Outlet leasing more than 500,000 square feet of space, but not occupying the facility until December.

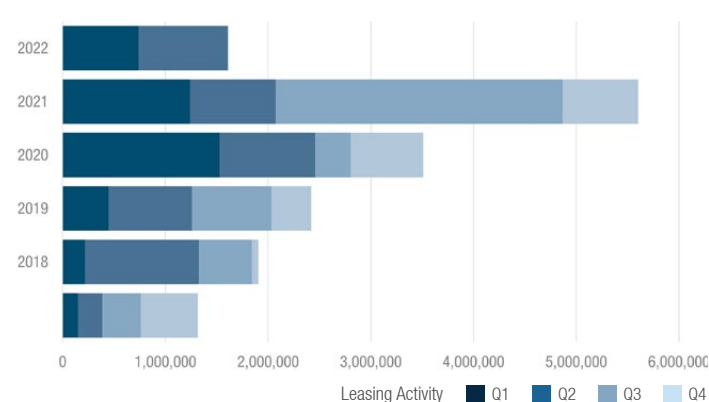
With 869,892 square feet of new leasing activity in the second quarter, volume across the I-88 Corridor increased by 17.3 percent from the 740,609 square feet of new deals signed in the first quarter of 2022.



Vacancy Rate, Net Absorption



New Lease Transactions





551,200 SF

NEW LEASE

2805 Duke Pky | Aurora, IL

Baxton Studio Furniture Outlet signed a 10-year lease for 551,200 square feet at Butterfield Corporate Park in Aurora, with plans to begin occupancy in the fourth quarter of 2022. The Class A building has a 32' clear height and 74 external docks.

Construction Activity

Work continues on a 543,638-square-foot speculative facility for The Opus Group at Tollway Corporate Center in North Aurora. This Class A space is scheduled for delivery later this year.

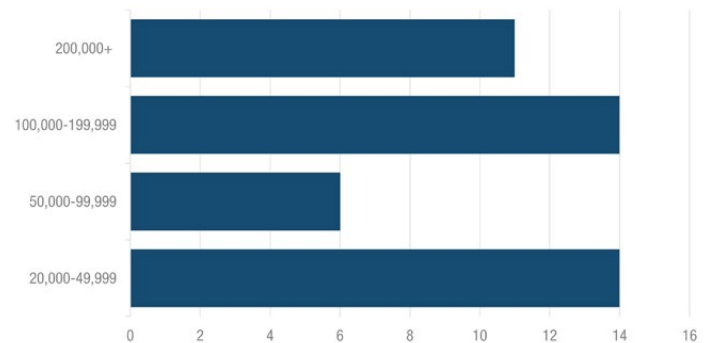
Transwestern Development Company's speculative 173,400-square-foot facility in North Aurora remains under construction.

100% Speculative

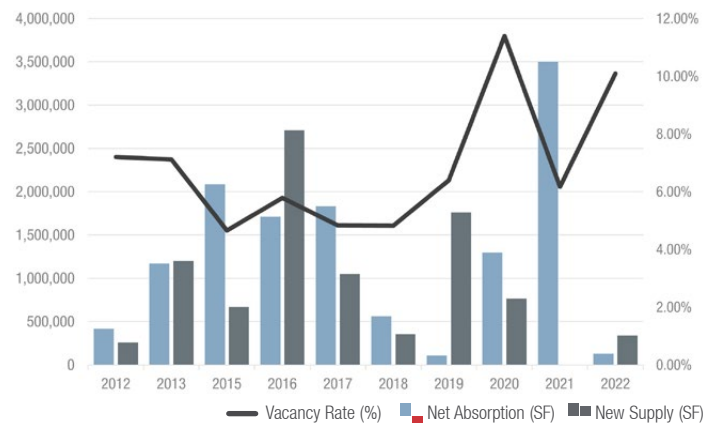


0% Build-to-Suit

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Extension

2176 Diehl Rd
Aurora

247,360 SF

Tenant
GXO Logistics



Renewal

4394 Liberty St
Aurora

200,200 SF

Tenant
Sunland Logistics Solutions, Inc.

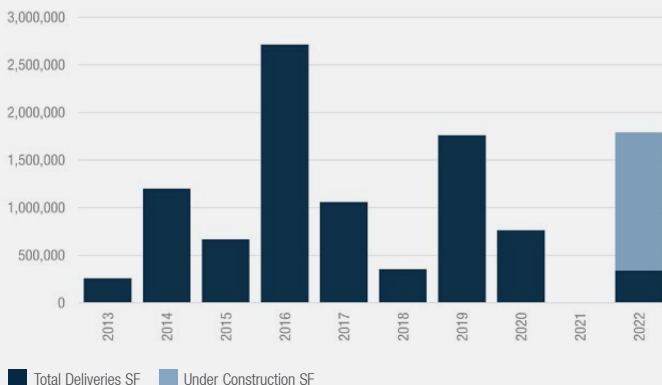


Renewal

966 Corporate Blvd
Aurora

62,662 SF








Tenant
Centor North America, Inc.



■ Total Deliveries SF ■ Under Construction SF

I-90 Northwest

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	4.35%	34,999,119	273,471	575,948	1,249,584	61,888	568,171
Previous Quarter Q122	3.81%	34,886,072	302,477	302,477	154,472	0	502,486
Previous Year Q122	7.34%	33,651,156	483,319	686,345	162,888	45,000	947,275



Vacancy Rate

4.35%



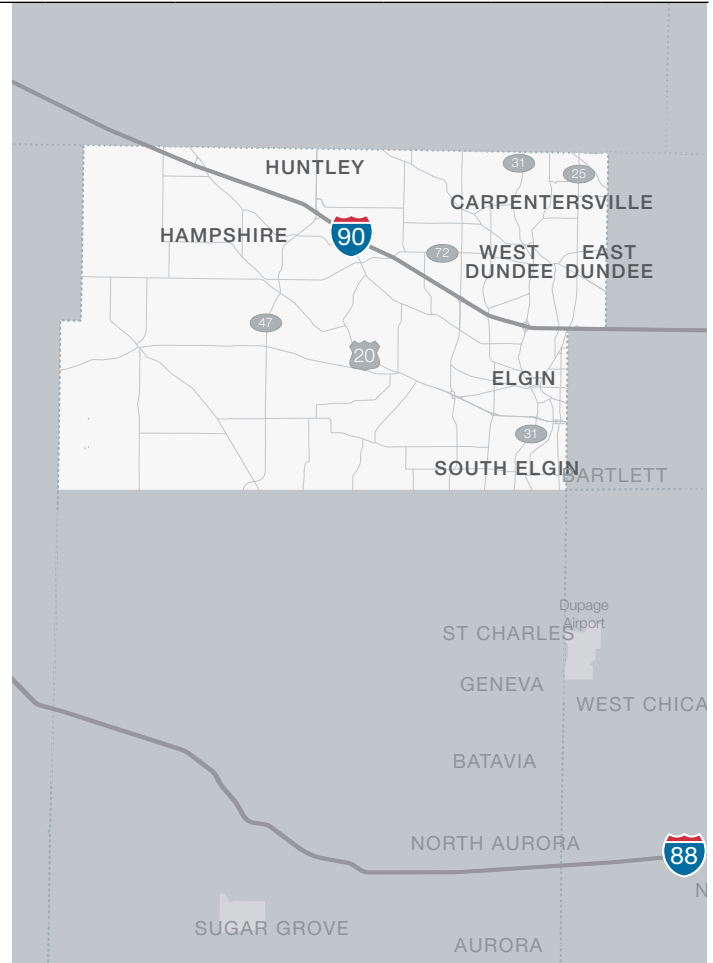
Net Absorption

273K SF

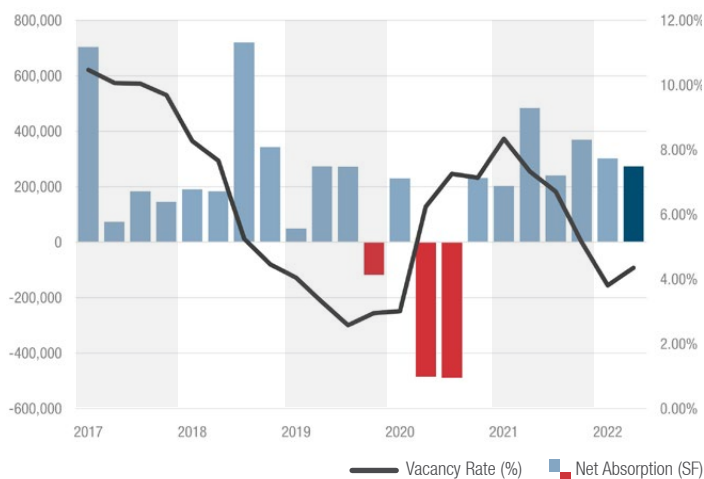
The I-90 Northwest submarket vacancy rate rose for the first time since the first quarter of 2021 to 4.35 percent. Quarter-over-quarter figures increased by 54 basis points from the 3.81 percent rate tallied earlier this year.

Net absorption showed gains for the seventh consecutive quarter, coming in at 273,471 square feet, despite cooling by 43.4 percent year-over-year from the 483,319 square feet of net absorption tallied in the second quarter of 2021.

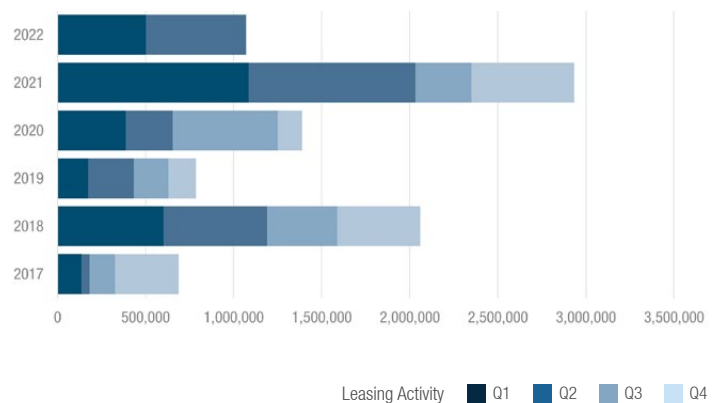
Second quarter new leasing activity was 568,171 square feet, decreasing 13.1 percent quarter-over-quarter from the 502,486 square feet recorded in the first quarter of 2022. The lease of Northwest Point III in Elgin for Argents Express Group brokered by NAI Hiffman made up 17.3 percent of that total.



Vacancy Rate, Net Absorption



New Lease Transactions





98,156 SF

NEW LEASE

2801 Galvin Dr | Elgin, IL

NAI Hiffman brokered a lease for Argents Express Group, a freight forwarding and logistics company, for Class A warehouse/distribution space built in 2020 at 2801 Galvin Drive in the Northwest Point III building park. It has a 32' clear height and 20 dock doors.

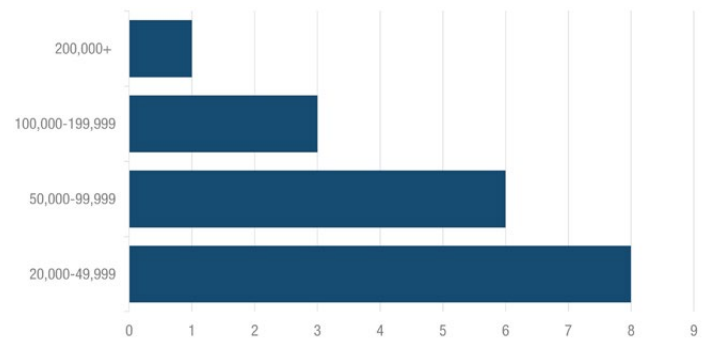
Construction Activity

Three I-90 Northwest build-to-suit facilities, adding over 1 million square feet of inventory, are scheduled for delivery within the next 18 months.

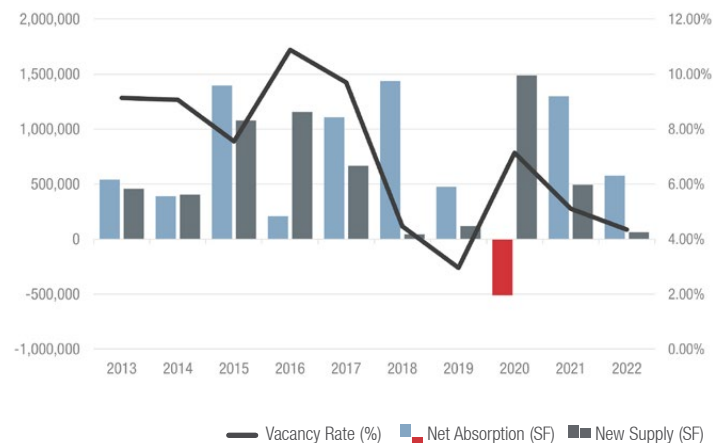
PanCor Construction & Development continued work on a 130,000 square foot speculative facility, expected for delivery in the third quarter of 2023.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

2428-2432 Bath Rd
Elgin

\$7,336,464

Buyer
Martinez Seafood & Produce



Renewal

2760-2770 Spectrum Dr
Elgin

54,994 SF

Tenant
Retail First, Inc.

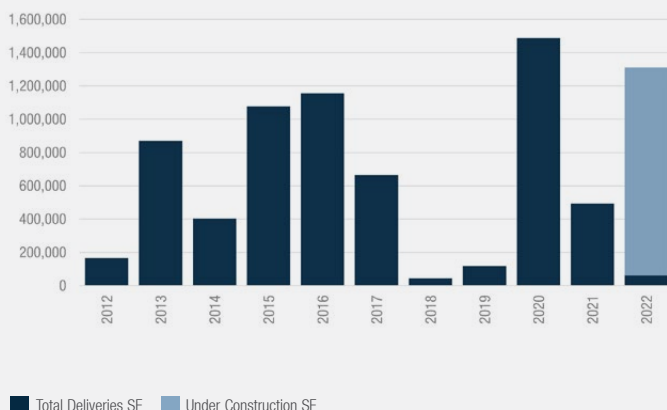


Lease

1385 Madeline Ln
Elgin








47,702 SF

Tenant
EVO Packaging, Inc.



Lake County

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	5.56%	78,632,501	175,023	786,882	757,670	0	1,030,530
Previous Quarter Q122	5.41%	78,532,079	611,859	611,859	626,079	0	838,312
Previous Year Q122	5.67%	75,418,385	-147,766	-9,475	1,261,739	0	695,380



Vacancy Rate
5.56%

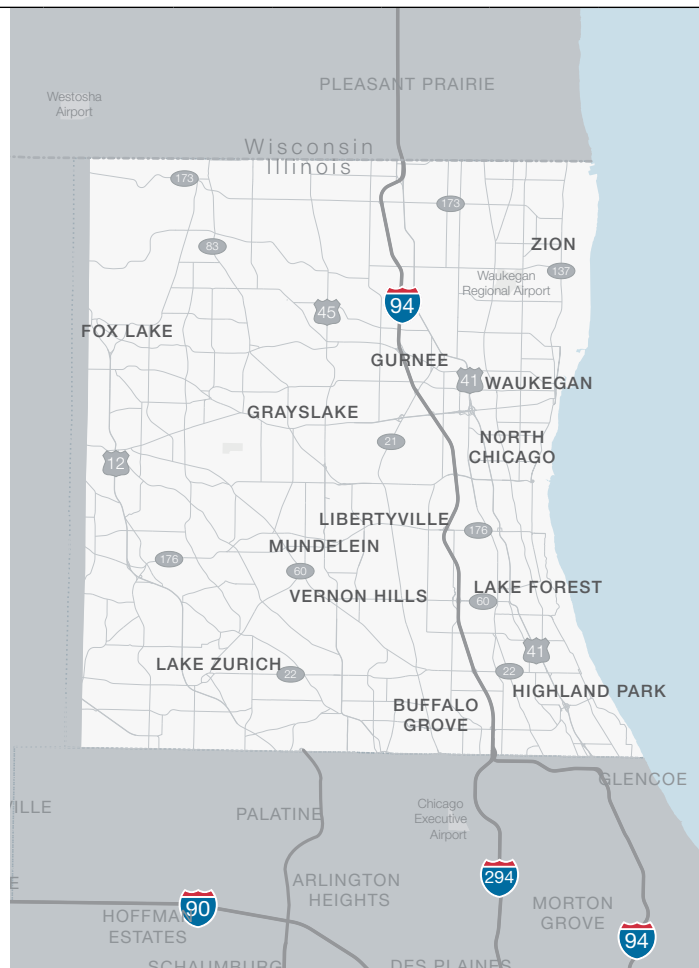


Net Absorption
175K SF

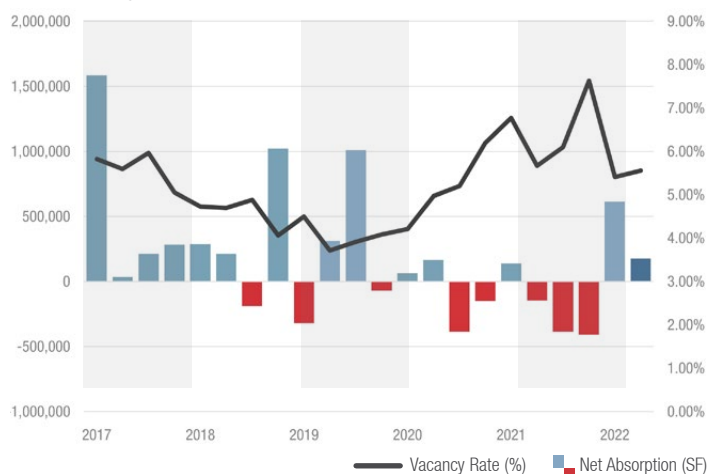
Vacancy in the Lake County submarket saw a slight increase to 5.56 percent in the second quarter of 2022, rising only 15 basis points from the first quarter. The vacancy rate, however, decreased 11 basis points year-over-year from the 5.67 percent rate tallied at this time last year.

Net absorption on the quarter was 175,023 square feet, an astonishing 218.4 percent increase year-over-year from the -147,766 square feet of net absorption tallied in the second quarter of 2021. Expect net absorption on a positive trendline in the third quarter when tenants like Homewerks Worldwide, LLC take occupancy of large spaces leased in the second quarter.

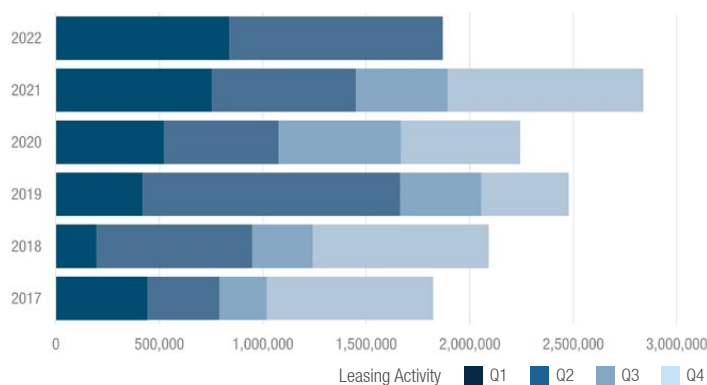
Lake County submarket had 1,030,530 square feet of new leasing activity in the second quarter. Volume increased 22.9 percent from last quarter's already impressive 838,312 square feet and 48.2 percent year-over-year from 695,380 square feet of deals signed in the second quarter of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





261,372 SF

NEW LEASE

1501 Harris Rd | Libertyville, IL

Homeworks Worldwide, LLC, a bathroom and kitchen manufacturer, signed a new lease for a Class A warehouse/distribution facility built in 2007, it features a 37' clear height and 112 exterior docks.

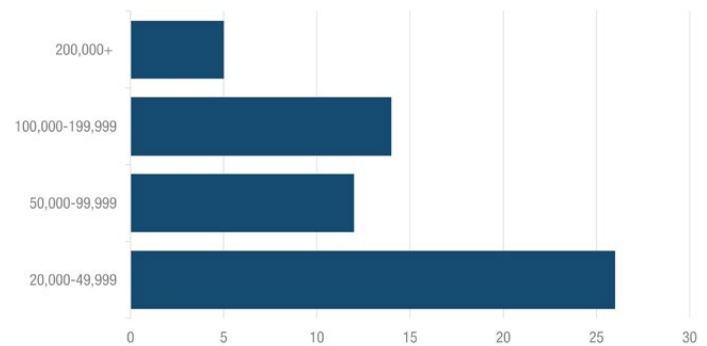
Construction Activity

Bridge Industrial's 320,365 square-foot speculative facility at 290 Townline Rd in Mundelein remains under construction for scheduled completion in early 2023.

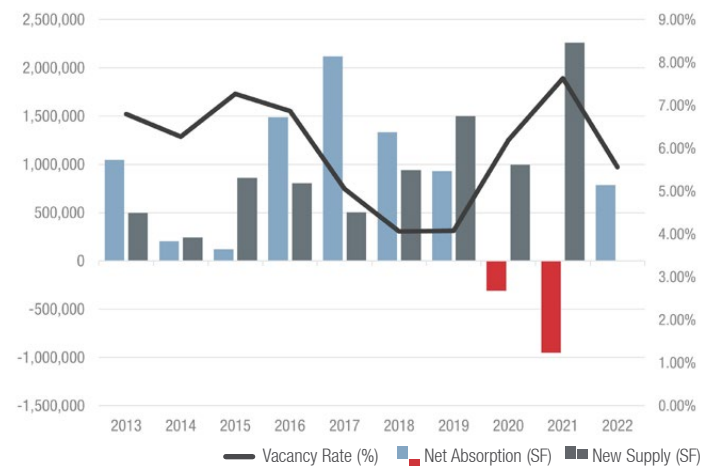
CenterPoint Properties' work continued on the AZ Polymers build-to-suit at 5675 Centerpoint Court in Gurnee for completion at the end of the year.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

5650 Centerpoint Ct
Gurnee

213,141 SF

Buyer

Handi-Foil Corporation



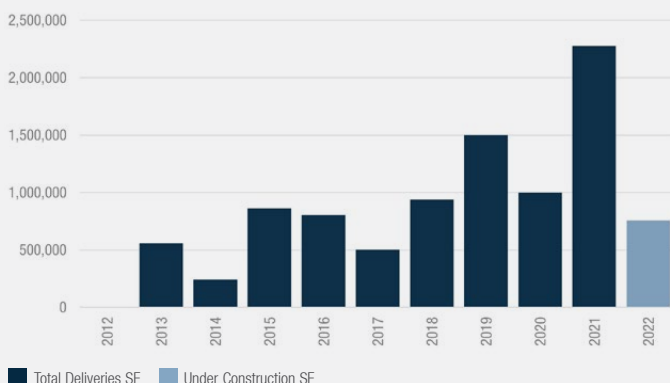
Sale

3905 Rt 173
Zion

\$4,500,000

Buyer

RealWheels Corporation



McHenry County

Submarket Overview

	▼ Vacancy Rate	▲ Total Inventory (SF)	▲ Net Absorption	▲ YTD Net Absorption	▲ Under Construction (SF)	▼ New Supply (SF)	▼ New Leases (SF)
Current Quarter Q222	1.56%	29,522,888	200,381	334,957	1,170,146	0	69,317
Previous Quarter Q122	6.72%	29,496,888	134,576	134,576	629,186	1,160,150	104,126
Previous Year Q221	9.18%	28,194,169	-33,306	-165,046	0	0	117,015



Vacancy Rate

1.56%



Net Absorption

200K SF

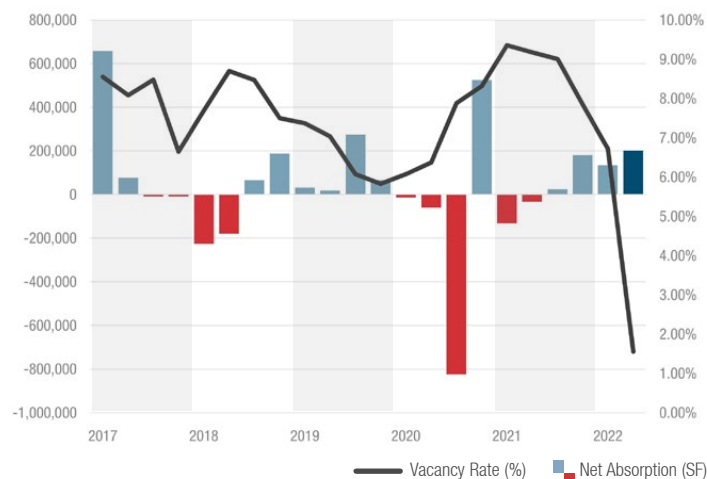
The McHenry County submarket total vacancy rate plunged to 1.56 percent in the second quarter of 2022, decreasing 516 basis points from the 6.72 percent recorded in the first quarter of 2022. Five owner/user sales that removed nearly 200,000 square feet from the market contributed to the steep decline. Additionally, the vacancy rate decreased 629 basis points year-over-year from the 7.85 percent rate tallied in the second quarter of 2021.

Net Absorption was 200,381 square feet, the highest total recorded in six quarters, increasing 48.9 percent quarter-over-quarter from the 134,576 square feet tallied in the first quarter of 2022. The submarket also recorded four consecutive quarters of positive net absorption.

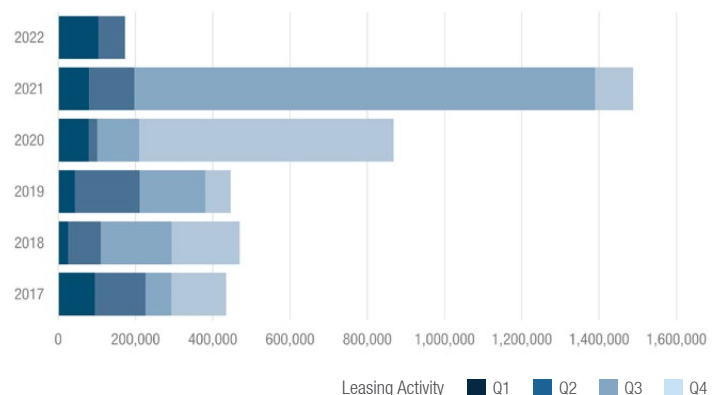
New leasing activity remained steady in the McHenry County submarket, with 69,317 square feet of new deals signed second quarter. It represents a slight decrease of 34,809 square feet from the 104,126 square feet recorded earlier this year and only 47,698 fewer square feet from the 117,015 square feet in second quarter of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





\$2,950,000

SALE

11220 E Main St | Huntley, IL

International Drying Corporation purchased a Class C manufacturing facility for \$2.9 million, or \$43.57 per square foot. The Class C property, with four internal docks, totals 67,700 square feet.

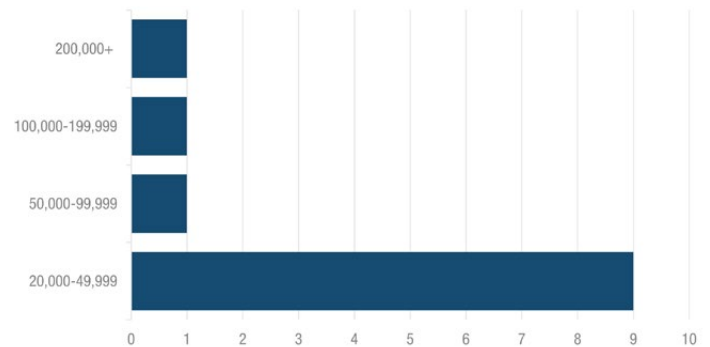
Construction Activity

Venture One Real Estate continued progress on its build-to-suit project for Amazon in McHenry County, a 629,186 square foot facility that is expected for delivery in the second quarter of 2023.

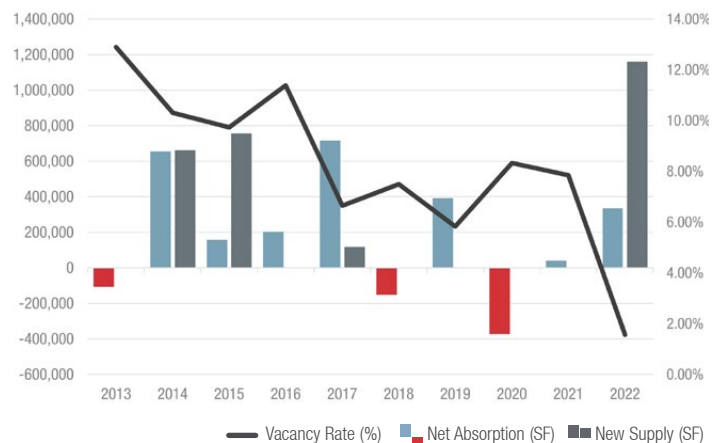
The Prime Group began working on a 540,960 square foot speculative facility in the Huntley Commercial Center with projected completion in the fourth quarter of next year.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



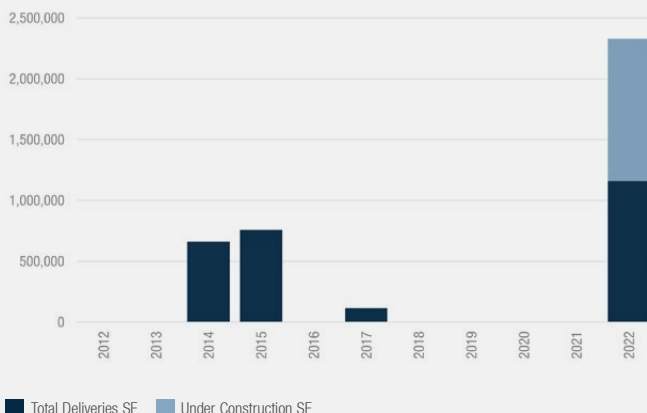
Lease

155 E Chicago St
Cary

12,000 SF








Tenant

Excel Restoration Service



North Cook

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	3.73%	46,848,736	183,838	237,372	171,752	0	473,344
Previous Quarter Q122	3.59%	47,172,793	53,534	53,534	171,752	407,294	250,929
Previous Year Q221	4.00%	45,936,879	47,308	-69,731	170,000	0	91,156



Vacancy Rate

3.73%



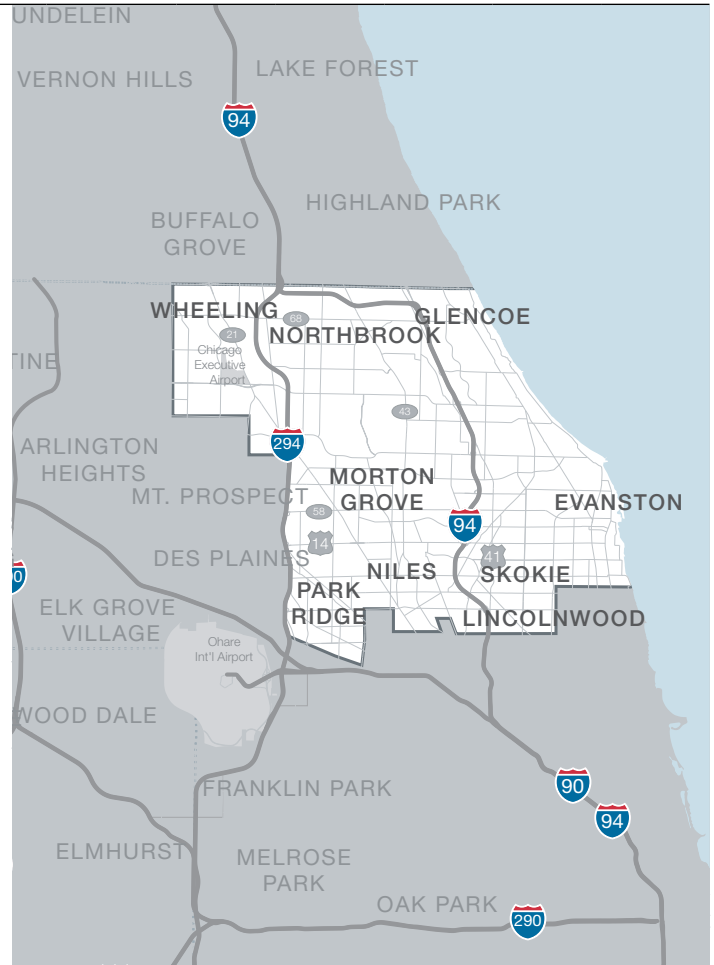
Net Absorption

184K SF

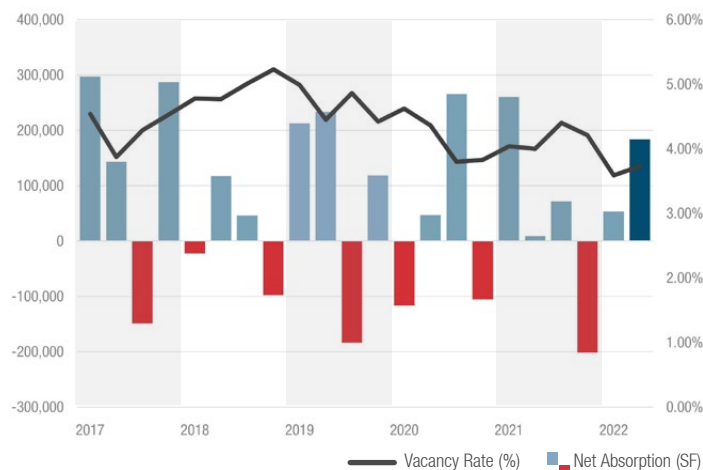
Total vacancy in the North Cook submarket was 3.73 percent in the second quarter of 2022, rising 14 basis points quarter-over-quarter from the 3.59 percent rate tallied in the first quarter of 2022. Further, the vacancy rate decreased 48 basis points year-over-year from the 4.21 percent rate recorded in 2021.

Net absorption totaled 183,838 square feet, increasing more than 243 percent compared to the first quarter and 288.6 percent year-over-year from the 47,308 square feet recorded in the second quarter of 2021. The sale of 742 Glenn Avenue in Wheeling to Aargus Plastics by NAI Hiffman was a contributing factor.

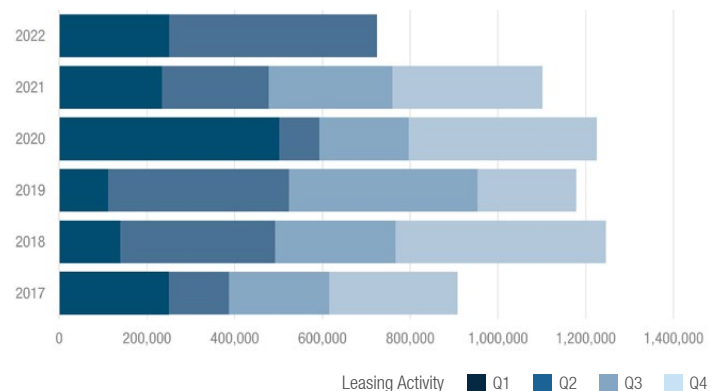
Second quarter new leasing activity was 473,344 square feet in the North Cook submarket, an incredible 88.6 percent year-over-year increase compared with the 250,929 square feet recorded in the first quarter of 2022 and is the highest amount of new activity recorded since the first quarter of 2020.



Vacancy Rate, Net Absorption



New Lease Transactions





218,676 SF

NEW LEASE

1500 S Wolf Rd | Wheeling, IL

Midland Paper, Packaging & Supplies leased the entire former E-Z Por building at 1500 S Wolf Rd in Wheeling for their digital printing and paper distribution business. The building, currently owned by Blackstone Real Estate, has 16 doors and a 25' clear height.

Construction Activity

Bridge Industrial continued work on a speculative 171,752-square-foot facility at 7800 Austin Ave in Skokie. Its been pre-leased by UPS and is scheduled for delivery in the third quarter of 2022.

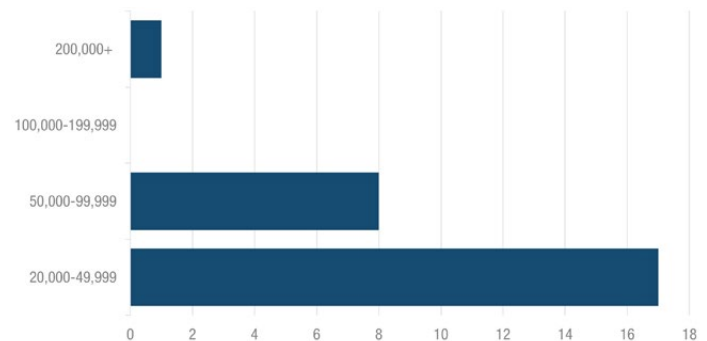
100% Speculative



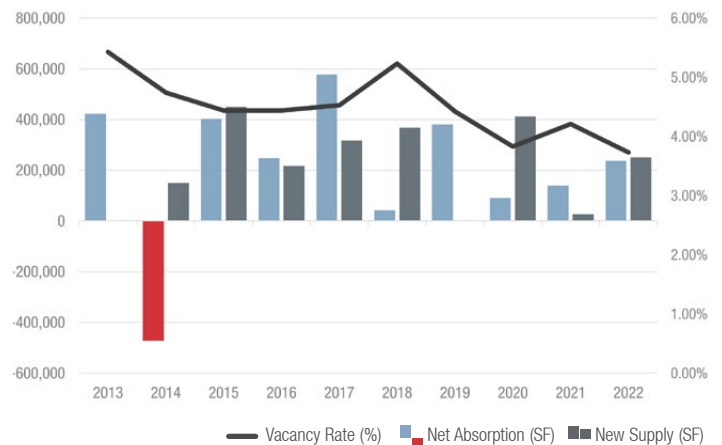
0% Build-to-Suit



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

742 Glenn Ave
Wheeling

\$4,530,000

Buyer

Aargus Plastics, Inc



Lease

650 Anthony Trl
Northbrook








97,841 SF

Tenant

Mango Tile, Inc.

Northwest Cook

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	8.41%	25,527,552	332,353	423,608	859,239	192,533	451,674
Previous Quarter Q122	7.15%	25,443,995	91,255	91,255	192,533	677,981	195,368
Previous Year Q221	6.77%	24,435,331	(6,581)	(42,827)	1,114,481	0	206,911



Vacancy Rate

8.41%



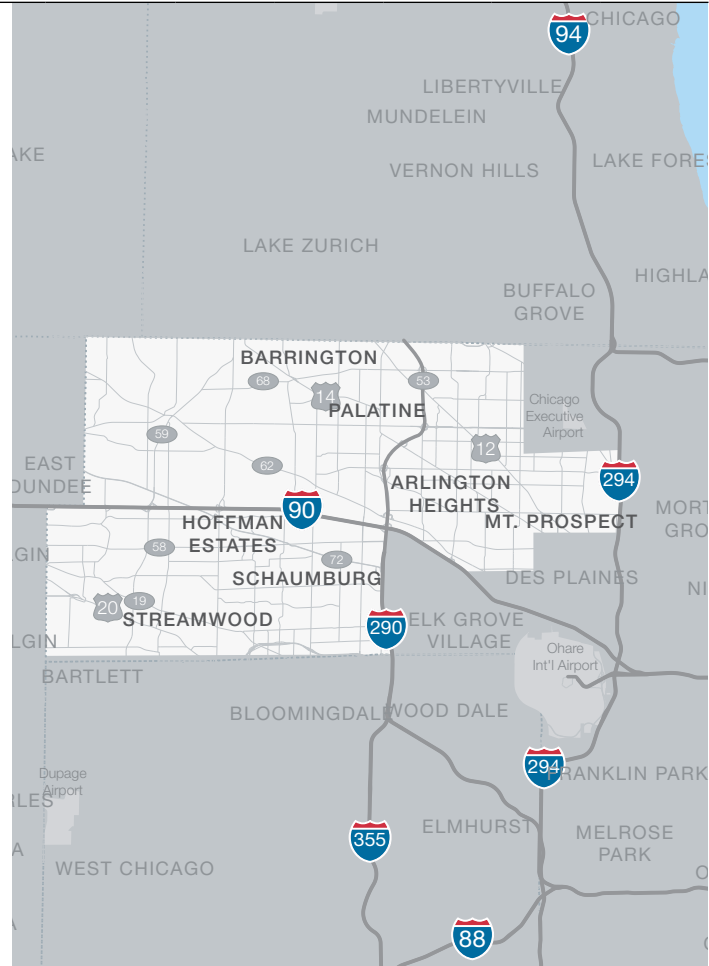
Net Absorption

332K SF

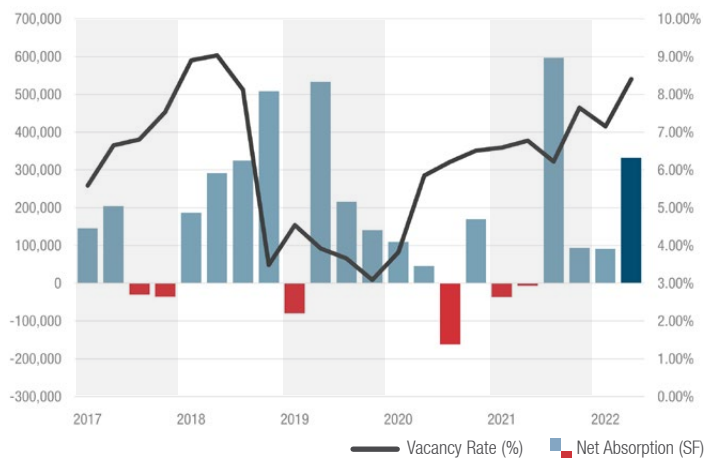
The Northwest Cook submarket vacancy rate was 8.41 percent in the second quarter. The rate increased 126 basis points quarter-over-quarter from the 7.15 percent rate in the first quarter of 2022 as several signed leases include future quarter move-in dates. The year-over-year vacancy rate increased 164 basis points year-over-year from the 6.77 percent rate that was tallied in the second quarter 2021.

Net absorption was 332,353 square feet in the second quarter. There is promising momentum across the submarket, taking into account four consecutive quarters of occupancy gains.

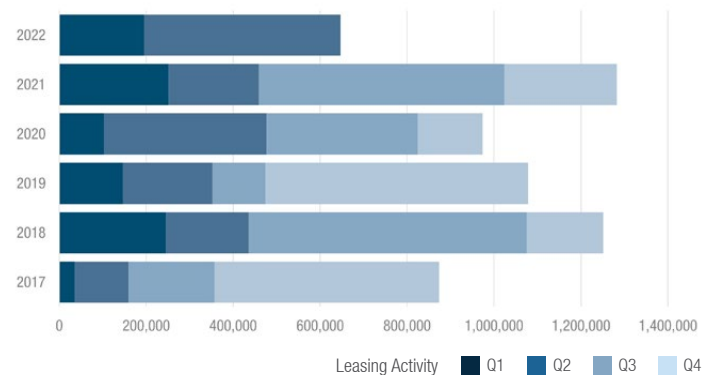
Second quarter new leasing activity was 451,674 square feet, a 131.2 percent increase quarter-over-quarter compared to the 195,368 square feet recorded earlier this year and 118.3 percent year-over-year compared to the 206,911 square feet of new deals signed at this time in 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





104,478 SF

NEW LEASE

425-465 E Algonquin Rd | Arlington Heights, IL

Perimeter International signed a new lease for 104,478 square feet of Class B warehouse/distribution space at 425-465 E Algonquin Road in Arlington Heights. The building, constructed in 1978, has a 22' clear height and 12 internal docks.

Construction Activity

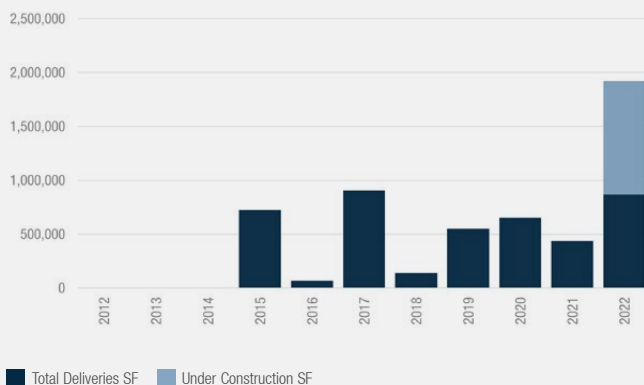
Ridgeline Property Group started construction on two speculative distribution facilities at the Northwest Gateway Center in Arlington Heights.

Hamilton Partners completed construction on PepsiCo's 192,533 square foot build-to-suit facility at the West O'Hare Commerce Center in Arlington Heights.

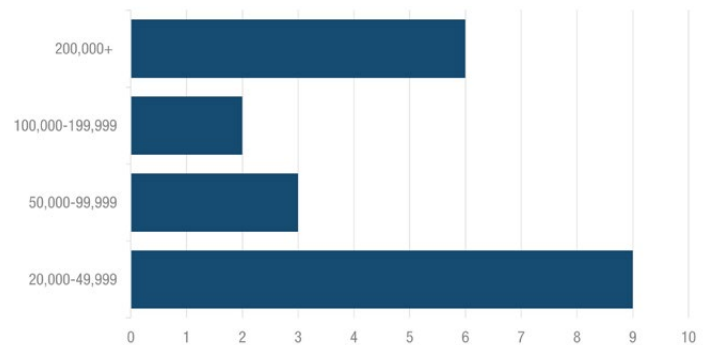
100% Speculative



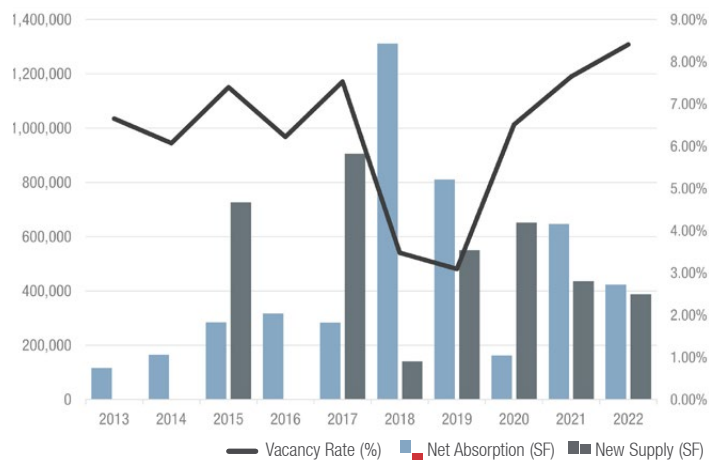
0% Build-to-Suit



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Lease

800 Phoenix Lake Ave
Streamwood

76,152 SF

Tenant
Pelton-Shepherd Industries



Sale

1125 Carnegie St
Rolling Meadows

\$2,950,000

Buyer
11th Level, Inc



Lease








3 W College Dr
Arlington Heights

33,263 SF

Tenant
VisionTek Products

Northwest Indiana

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	6.78%	46,023,532	57,414	319,827	2,190,960	261,638	163,375
Previous Quarter Q122	5.88%	45,180,570	262,413	262,413	877,598	27,000	632,348
Previous Year Q221	3.31%	42,110,889	-120,606	-82,543	35,838	331,900	320,605



Vacancy Rate

6.78%



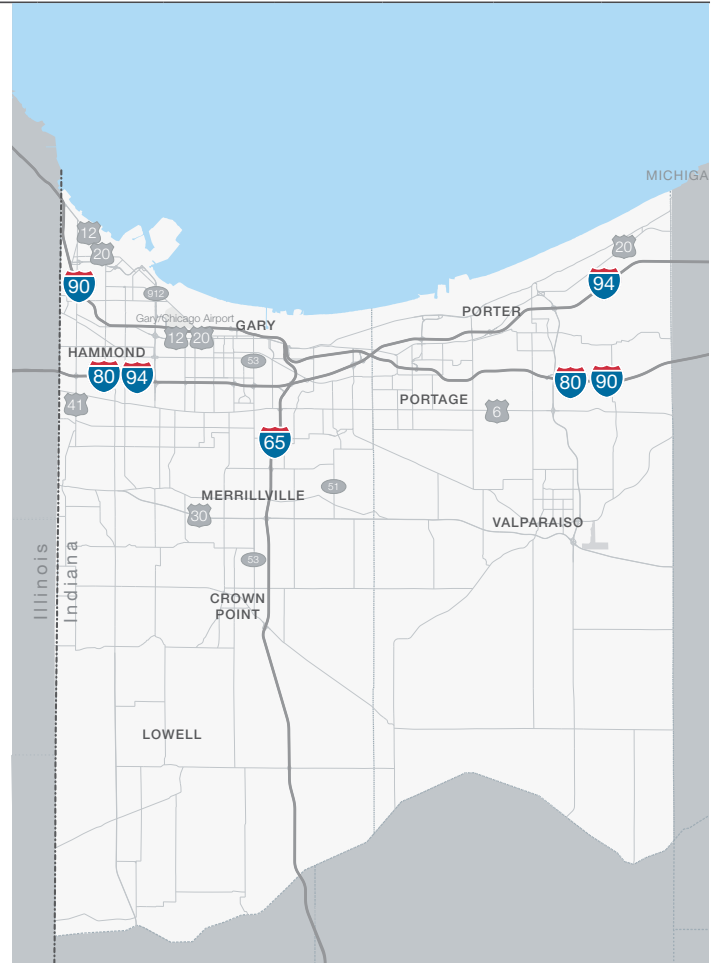
Net Absorption

57K SF

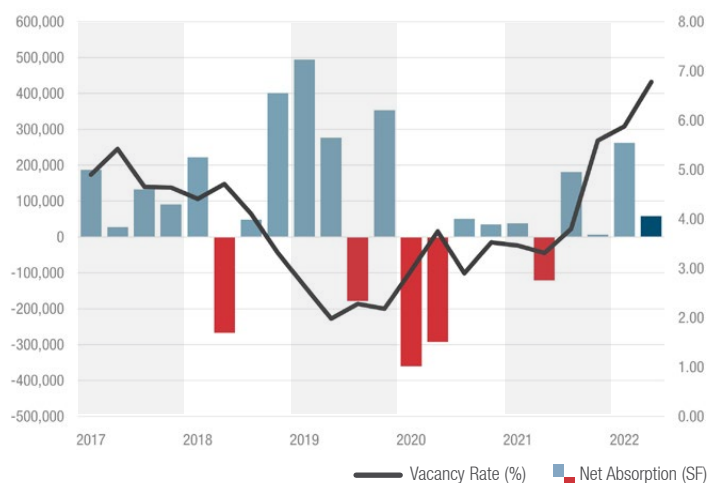
The Northwest Indiana submarket vacancy rate was 6.78 percent in the second quarter of 2022, softening 90 basis points quarter-over-quarter from the 5.88 percent rate tallied in the first quarter. Additionally, the year-over-year vacancy rate increased 347 basis points from 3.31 percent in the second quarter of 2021.

Net absorption was 57,414 square feet, a positive trend that has marked seven of the last eight quarters. It was the fourth consecutive positive quarter for the Northwest Indiana submarket.

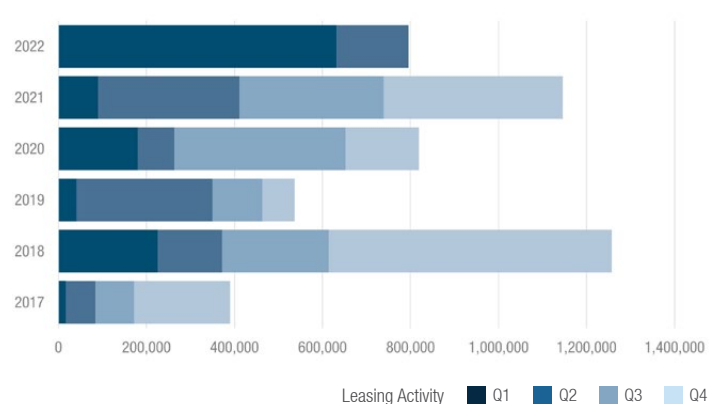
New leasing activity was 163,375 square feet of new leasing activity in the Northwest Indiana submarket in the second quarter. New leasing activity declined, declining 74.2 percent quarter-over-quarter from the 632,348 square feet of new deals tallied earlier this year and 49.0 percent compared with totals from midyear 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





62,800 SF

RENEWAL

1701-1721 Northwind Pky | Hobart, IN

Vision Integrated Graphics Group renewed their 62,800 square feet of Class A warehouse/distribution space in Hobart. The facility, constructed in 2005, features a 24' clear height and 8 external docks.

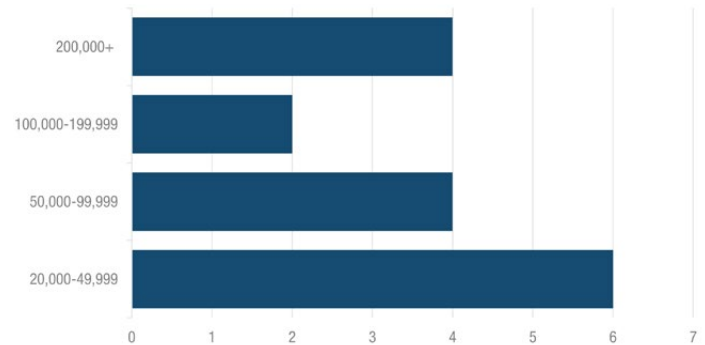
Construction Activity

Crow Holdings Industrial delivered a 261,638 square foot facility for Big Lots in the Northwest Indiana Crossings II business park.

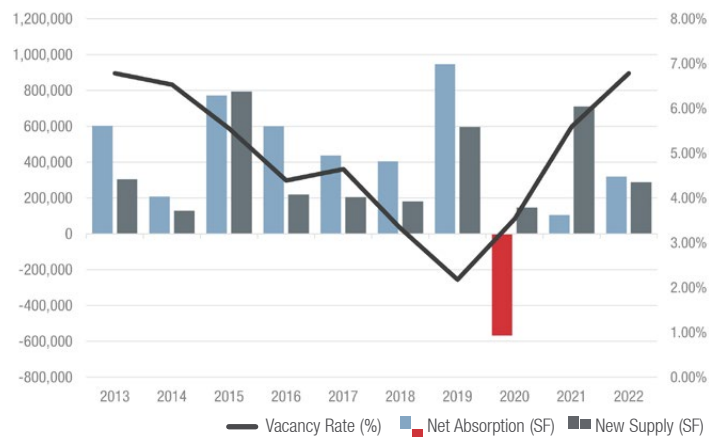
They also broke ground on a new 1,380,000 square foot speculative property in Crown Point.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Renewal

6471 Northwind Pky
Hobart

53,861 SF

Tenant

Albanese Confectionary



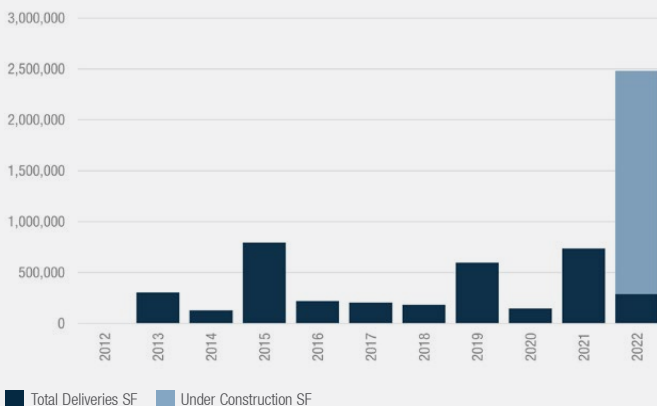
Renewal

1701-1721 Northwind Pky
Hobart

31,986 SF








Tenant

Stevens Engineers and
Constructors



O'Hare

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	2.30%	105,151,330	947,551	1,717,703	1,404,619	670,000	1,338,987
Previous Quarter Q122	2.09%	104,481,330	770,152	770,152	1,342,841	0	1,656,755
Previous Year Q221	4.85%	103,652,869	1,599,254	2,750,015	586,377	317,513	2,983,042



Vacancy Rate

2.30%



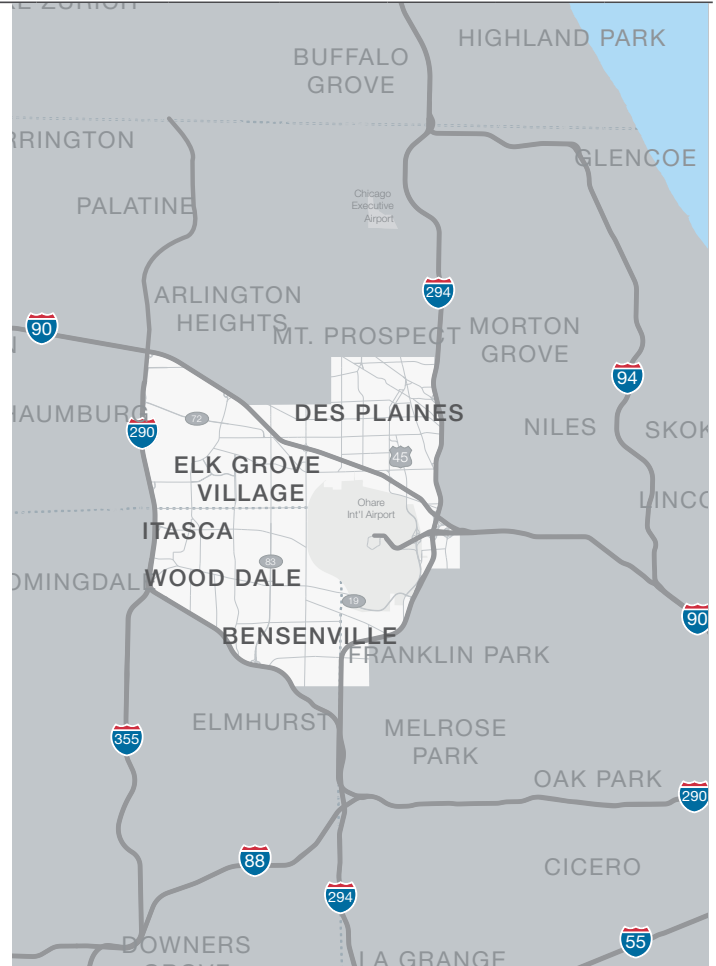
Net Absorption

948K SF

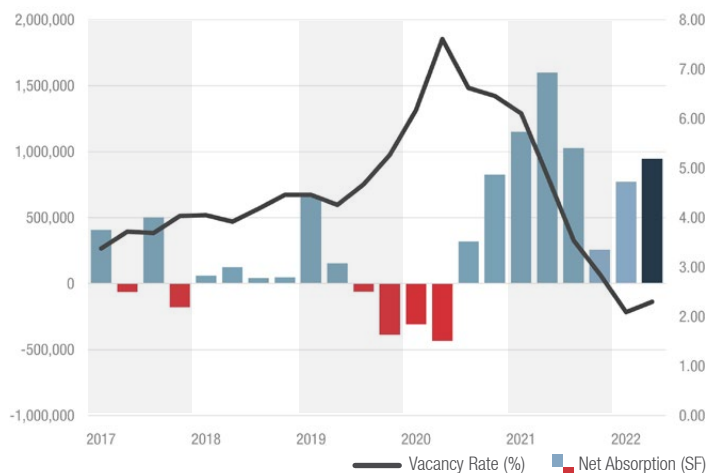
The total vacancy rate in the O'Hare submarket held relatively steady at 2.30 percent in the second quarter, the fourth lowest among its submarket peers. After recording the lowest basis point rate ever at 2.09 percent last quarter, there was a modest 21 basis point uptick.

Net absorption was 947,551 square feet, an increase of 23.0 percent year-over-year from the 770,152 square feet in the first quarter of 2022. It was the eighth straight positive quarter and came in just shy of 7 million square feet over the last two years.

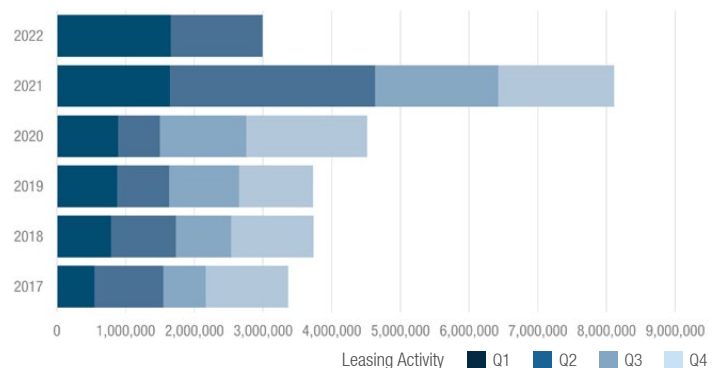
O'Hare had over 1.3 million square feet of new leasing activity, the fifth highest across all 21 industrial submarkets and the eighth consecutive quarter recording more than 1-million-square-foot new leasing activity totals in each quarter.



Vacancy Rate, Net Absorption



New Lease Transactions





166,956

RENEWAL

2001 S Mount Prospect Rd | Des Plaines, IL

NAI Hiffman represented Warehouse Direct, Inc. as they fully leased 2001 S Mount Prospect Road in Des Plaines. The Class C manufacturing center, built in 1971, features a 22' clear height.

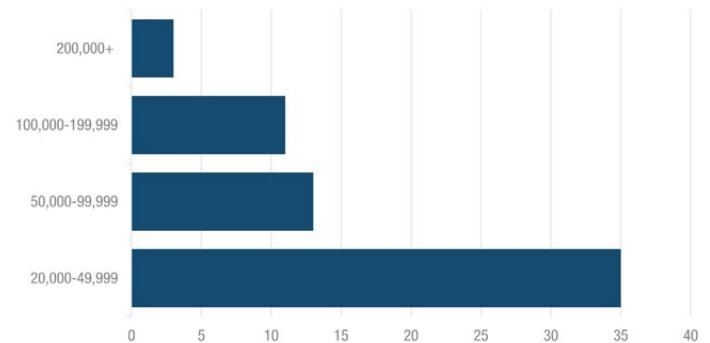
Construction Activity

Brennan Investment Group completed construction on a new 400,000-square-foot data center in Elk Grove Village for Microsoft.

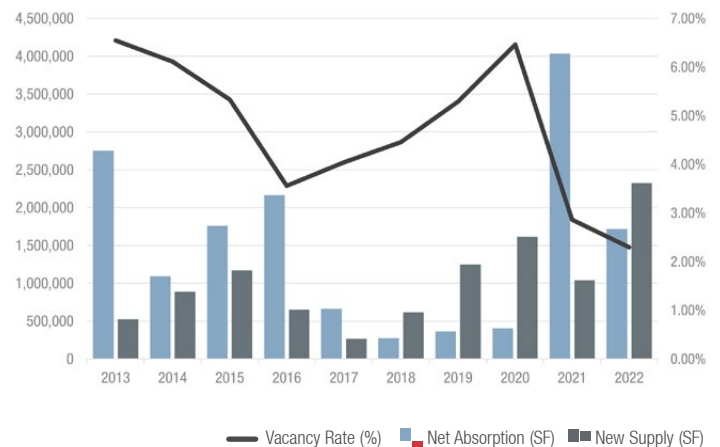
Construction on more than 1.4 million square feet of space continued in O'Hare across six facilities.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Renewal

321 Foster Ave
Wood Dale

137,607 SF

Tenant
Standard Refrigeration
Company



Sublease

561 Supreme Dr
 Bensenville

90,240 SF

Tenant
Grand Worldwide Logistics
Corp.



Lease

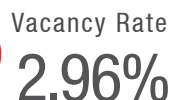
2440 Pratt Blvd
Elk Grove Village

81,967 SF

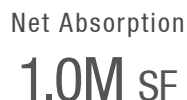
Tenant
Next Level Distribution, LLC

South Cook

Current Quarter Q222	2.96%	90,129,842	1,038,105	1,568,662	2,916,717	0	1,044,813
Previous Quarter Q122	3.27%	90,130,289	530,557	530,557	2,666,717	63,000	1,443,031
Previous Year Q221	4.50%	86,186,391	4,397,287	3,709,958	4,455,200	3,800,000	664,668



Vacancy Rate
2.96%



Net Absorption
1.0M SF

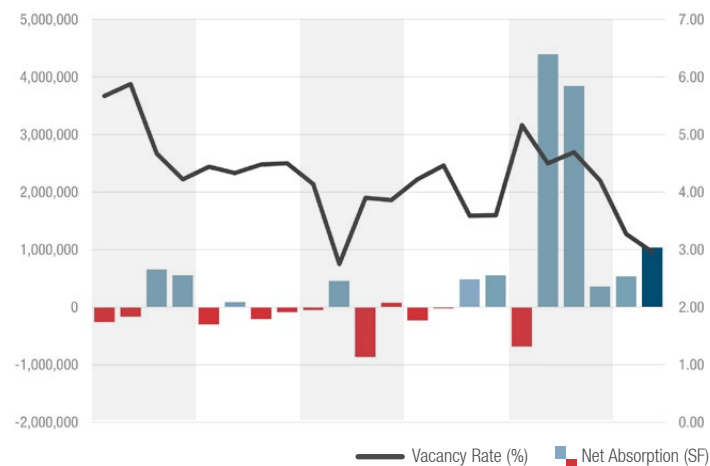
At 2.96 percent, the South Cook submarket vacancy rate dropped 31 basis points midway through 2022 from the 3.27 percent rate in the previous quarter. It marks the fifth consecutive quarter with a rate below 5 percent. The year-over-year figure also declined 154 basis points from 4.50 percent in the second quarter of 2021.

Net absorption was 1,038,105 square feet, the fifth straight positive quarter and a 95.7 percent improvement compared with the 530,557 square feet posted last quarter.

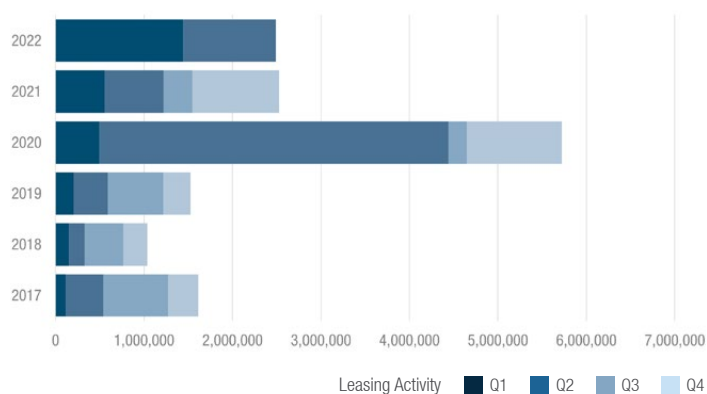
The South Cook submarket saw 1,044,813 square feet of new leasing activity in the second quarter, 29.3 percent resulting from DesignPac's lease in Bedford Park. There was a 27.6 percent decrease quarter-over-quarter from the 1,443,031 square feet recorded in first quarter of 2022, but a 57.2 percent improvement over the 664,668 square feet signed midway through last year.



Vacancy Rate, Net Absorption



New Lease Transactions





306,552

NEW LEASE

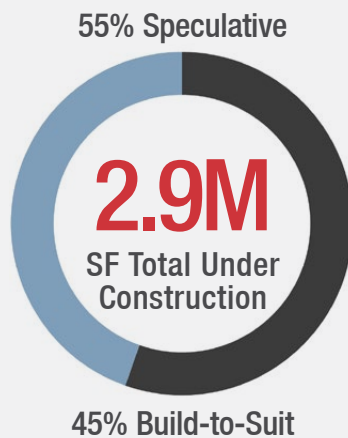
6510 W 73rd St | Bedford Park

DesignPac Co., Inc. leased the entire warehouse/distribution center at 6510 W 73rd Street in Bedford Park. The 306,552-square-foot Class C facility has 20'3" ceilings. Plymouth Industrial REIT, Inc. owns the building constructed in 1987.

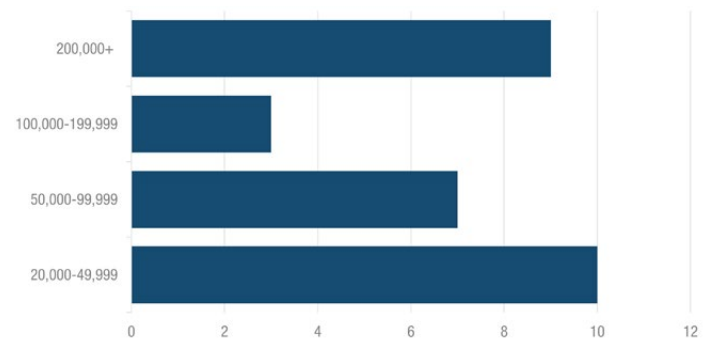
Construction Activity

Cold Summit Development began work on a 213,600 square-foot speculative facility at 7203 S Leamington Ave in Bedford Park, with delivery expected in the third quarter.

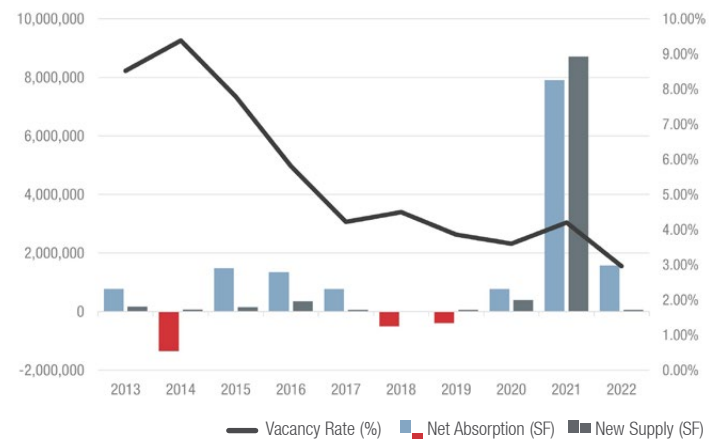
Logistics Property Co began construction on the 664,467-square-foot speculative Oak Forest Logistics Center, scheduled for delivery in the first quarter of 2023.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Lease

5020-5025 W 73rd St
Bedford Park

217,442 SF

Tenant

MJ Holding Company, LLC



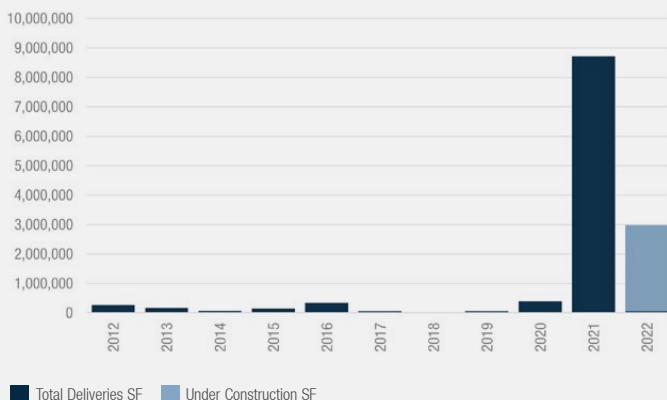
Lease

7001 S Harlem Ave
Bedford Park

181,025 SF








Tenant

Ryder Integrated Logistics



Southeast Wisconsin

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	6.38%	69,695,845	-1,284,801	-861,586	5,794,120	570,290	1,526,191
Previous Quarter Q122	3.66%	68,493,810	423,215	423,215	4,703,426	1,244,034	1,790,927
Previous Year Q221	3.93%	63,514,271	496,808	-318,245	3,174,778	0	83,697



Vacancy Rate

6.38%



Net Absorption

-1.3M SF

The Southeast Wisconsin submarket vacancy rate was 6.38 percent in the second quarter of 2022, rising 272 basis points quarter-over-quarter from the 3.66 percent rate earlier this year and increased 245 basis points year-over-year from the 3.93 percent vacancy rate that was recorded in the second quarter of 2021.

Net absorption was -1,284,801 square feet even as Northpoint Development completed work on its 1,048,961 square foot facility in Bristol, driving absorption down for the quarter.

Uline's lease for 757,418 square feet at the Heartland 94 Logistics Center in Kenosha drove the 1,526,191 square feet of new leasing activity in the second quarter. It marked a third consecutive quarter with over 1 million square feet recorded and ranked fourth among submarket peers.





757,481 SF

NEW LEASE

8311 38th St | Kenosha, WI

Uline leased 757,481 square feet of Class A warehouse/distribution space at Heartland 94 Logistics Center in Kenosha. This new facility was recently completed construction in the first quarter of 2022, featuring 40' ceilings and 76 external docks.

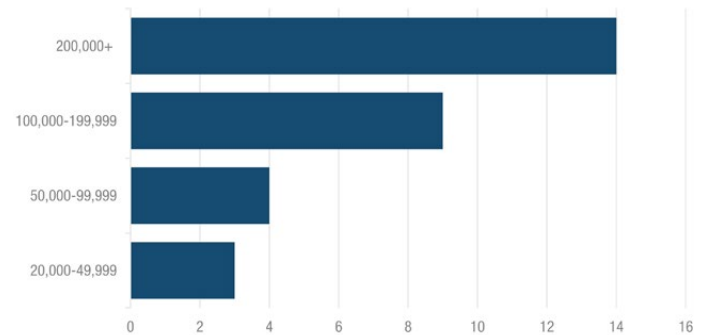
Construction Activity

Northpoint Development delivered a 1,048,961-square foot speculative property at the Bristol Crossing 94 park in Bristol.

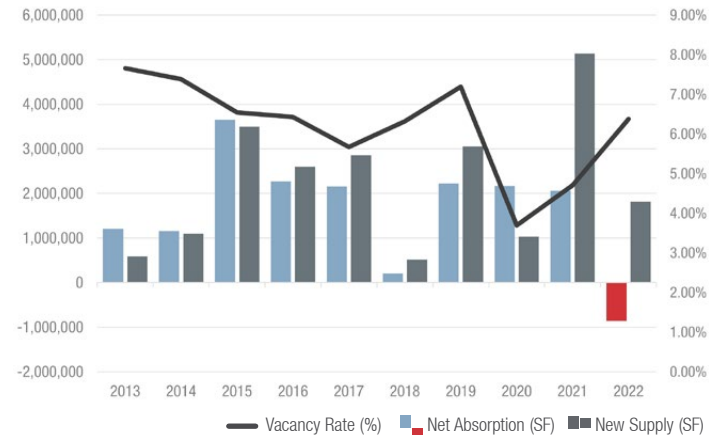
Clear Height Properties completed a 270,290-square-foot speculative facility at 10200 55th Street in Kenosha.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Renewal

11290 80th Ave
Pleasant Prairie

502,033 SF

Tenant
Uline, Inc



Lease

1445 Internationale Dr
Mount Pleasant

115,484 SF

Tenant
BRP

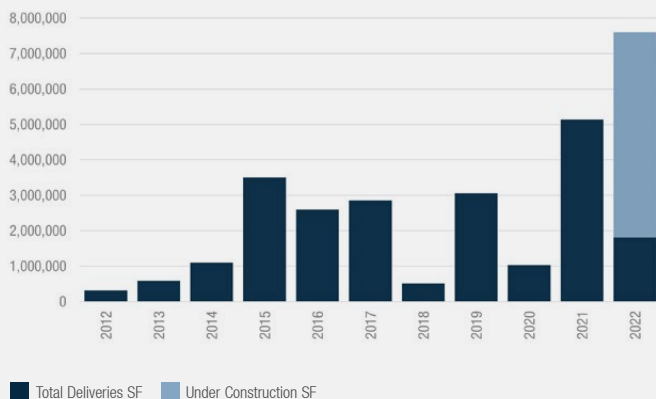


Sale

4915 21st St
Racine








87,580 SF
\$2

Buyer
R&G Rentals



Southwest Cook

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	1.82%	36,753,028	215,638	827,233	409,245	0	431,522
Previous Quarter Q122	1.52%	36,753,441	611,595	611,595	245,002	0	426,853
Previous Year Q221	2.97%	37,435,472	107,296	181,446	0	0	111,942



Vacancy Rate
1.82%

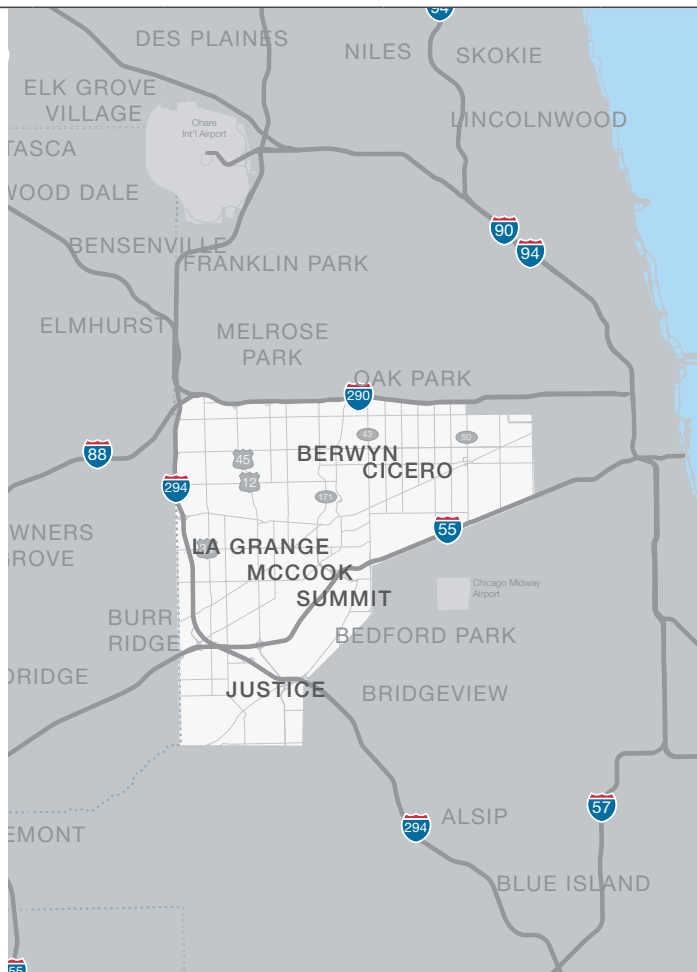


Net Absorption
216K SF

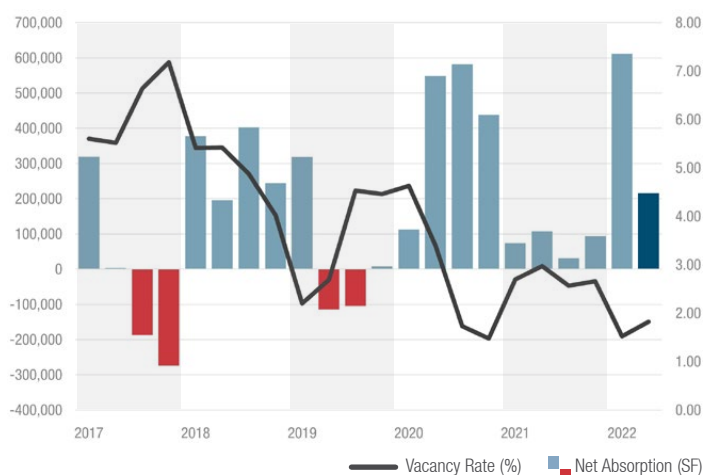
The Southwest Cook submarket vacancy rate ranked third tightest among its peers for the quarter at 1.82 percent, decreasing 30 basis points quarter-over-quarter from the 1.52 percent rate earlier this year and 115 basis points year-over-year from the 2.97 percent noted at midyear in 2021.

Net absorption was 215,638 square feet, restoring a little normalcy after the record-setting 611,595 square feet from last quarter.

Strong demand put new leasing activity in Southwest Cook at 431,522 square feet in the second quarter of 2022. That number is consistent with last quarter while improving by an impressive 285.5 percent over the 111,942 square feet from the second quarter of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





\$3,610,000

SALE

4620 W 19th St | Cicero, IL

Accurate Perforating Company, Inc purchased 4620 W 19th St in Cicero, through an Owner/User sale. The 130,000-square-foot Class B warehouse, built in 1990, was once owned by AMD Industries, Inc.

Construction Activity

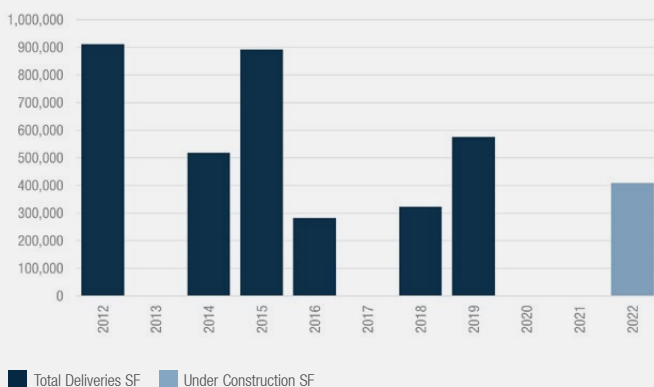
Midwest Industrial Funds' new 245,002 square foot speculative facility in McCook remains on track for an early 2023 completion, the first project to deliver in Southwest Cook since 2019.

UBS broke ground on a new 164,243 square foot building this quarter. NAI Hiffman represents the speculative property, expected for deliver early next year.

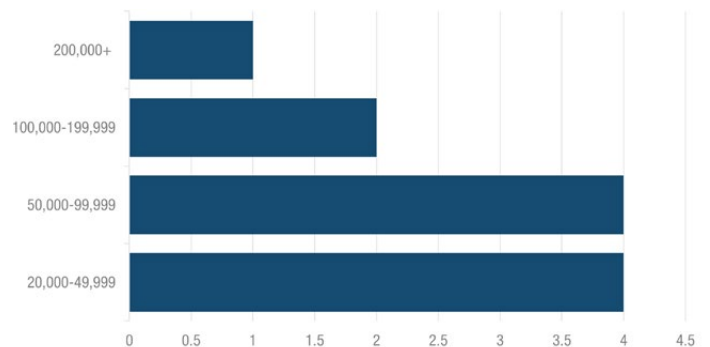
100% Speculative



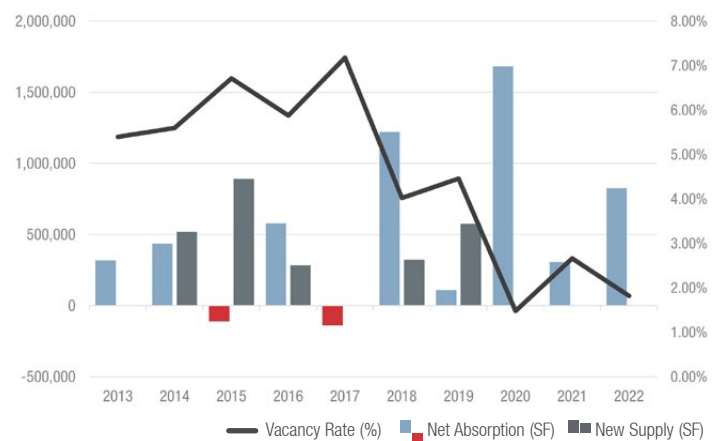
0% Build-to-Suit



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Renewal/ Expansion

8701 W 47h St
McCook

105,264 SF

Tenant
Darwill, Inc.



Lease








7550 Industrial Dr
Forest Park

49,889 SF

Tenant
Mint LLC

West Cook

Submarket Overview

	 Vacancy Rate	 Total Inventory (SF)	 Net Absorption	 YTD Net Absorption	 Under Construction (SF)	 New Supply (SF)	 New Leases (SF)
Current Quarter Q222	3.79%	61,248,594	-21,430	165,995	791,568	421,076	1,815,053
Previous Quarter Q122	2.87%	60,523,282	187,425	187,425	1,145,236	0	906,049
Previous Year Q221	4.25%	61,419,527	-144,203	-519,162	1,248,377	0	296,315



Vacancy Rate

3.79%



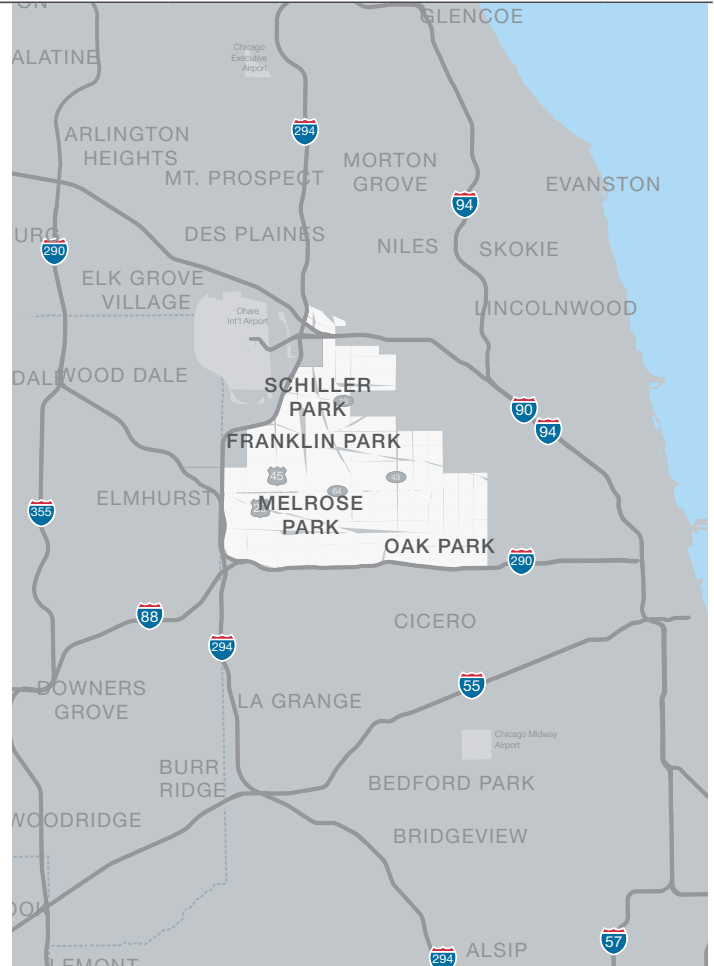
Net Absorption

-21KSF

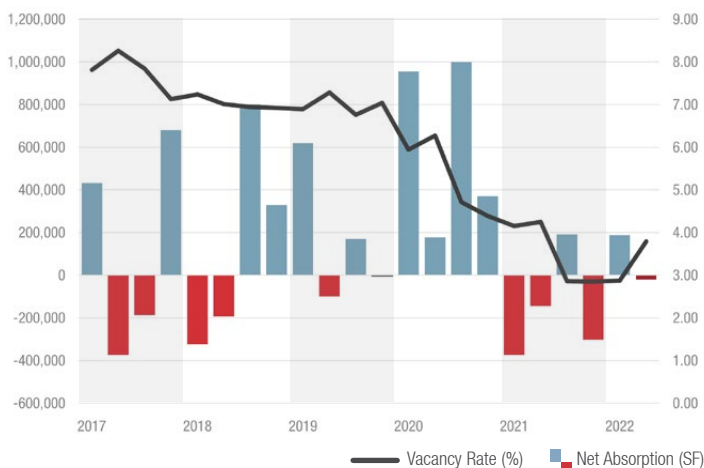
The West Cook submarket vacancy rate was 3.79 percent in the second quarter, increasing 92 basis points from the 2.87 percent in the first quarter of 2022 and decreasing year-over-year from 4.25 percent in the second quarter of 2021.

Vacancy rose from the delivery of three speculative construction projects, adding more than 400,000 square feet to the submarket and driving net absorption to -21,430 square feet. That number could go up as another five pipeline developments reach completion without a pre-lease.

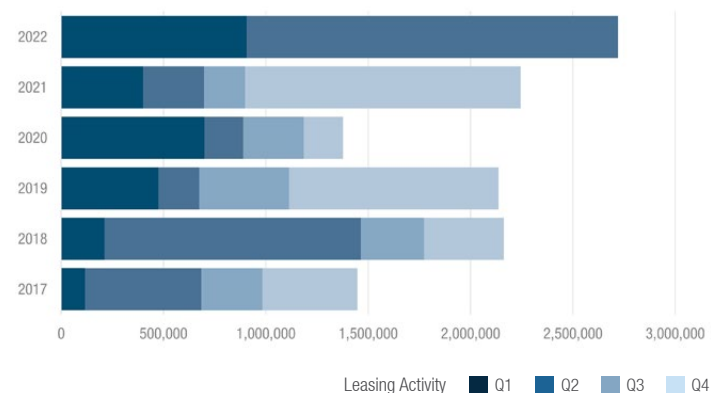
New leasing activity was 1,815,053 square feet, the highest total in the West Cook submarket going back to 2016. It's an astonishing year-over-year improvement of 512.5 percent from the 296,315 square feet recorded in 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





707,953 SF

NEW LEASE

10400 W North Ave | Melrose Park, IL

CEVA Logistics pre-leased 10400 W North Ave in Melrose Park. Bridge Industrial Developments is constructing the 707,953-square-foot facility.

Construction Activity

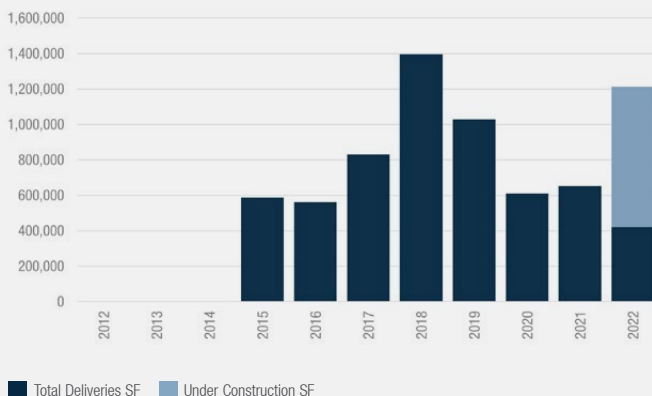
Pritzker Realty Group completed a build-to-suit data center for Aligned Data Centers in Northlake, totaling 220,000 square feet.

Six speculative developments remain under construction, adding over 791,000 square feet of new inventory to the West Cook submarket in the next twelve months.

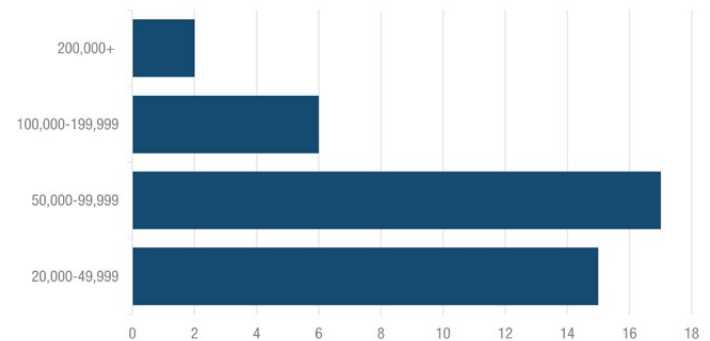
100% Speculative



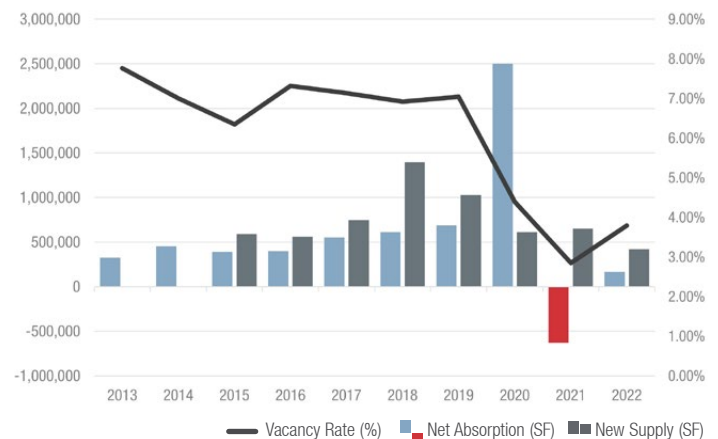
0% Build-to-Suit



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Expansion

13 Lake St
Northlake

121,556 SF

Tenant

Pure's Food Specialties



Lease

1900 Maywood Dr
Maywood

79,869 SF

Tenant

Kroger Fulfillment Network



Renewal

11222 Melrose Ave
Franklin Park

46,727 SF

Tenant

Aramco Bridgewater

Capital Markets Overview

COMPARING FIRST HALF 2021 TO FIRST HALF 2022

FIRST HALF 2021 MARKET SNAPSHOT

\$1.78 B	44	\$82.69	21.5 M
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FIRST
HALF
2022

\$2.03B
Sales Volume

60
Sales Transactions

\$97.46
Avg Sales Price PSF

20.8M
SF Sold

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
TOTAL SALES VOLUME	\$918.0 M	\$1.75 B	\$3.01 B	\$932.3 M	\$1.101 B
TOTAL SF SOLD	11.4 M	15.4 M	29.6 M	9.3 M	11.5 M
# BUILDINGS SOLD	45	103	181	63	83
# OF TRANSACTIONS	24	29	44	23	37
SALE/LEASEBACK TRANSACTIONS	2	4	7	6	6
PORTFOLIO TRANSACTIONS	3	6	12	7	10

Total second-quarter 2022 industrial investment sales volume in the Chicago MSA is estimated at \$1.1 billion, a 19.9 percent increase from the second quarter of 2021. Investment momentum within the industrial asset class still remains strong. Coming off the record \$6.5 billion in industrial transaction volume reported in 2021, there was a 14.2 percent increase from the first two quarters of 2021. Thirty-seven (37) transactions occurred during the second quarter totaling over 11.5 million square feet across 83 buildings.

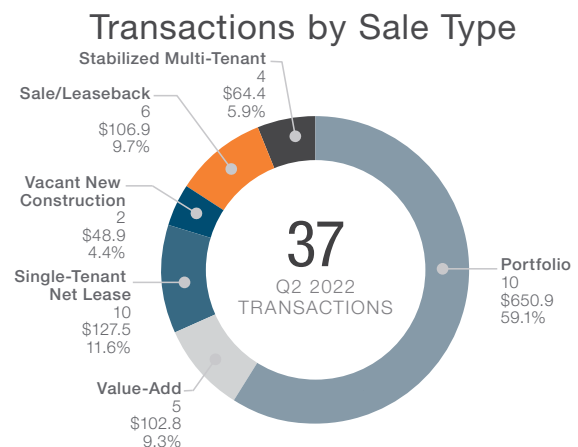
Average price per square foot decreased slightly, 4.4 percent, from the \$99.90 per square foot average reported in Q1 2022 to the \$95.48 per square foot average in Q2 2022. Consistently strong tenant demand, low vacancy, increasing market rents and equity allocations toward industrial real estate, and favorable debt options have contributed to the continued investor demand. Since mid-2021, industrial investment transactions have averaged over \$100.00 per square foot in the Chicago MSA. Despite rising interest rates, investors and lenders are expected to continue to target industrial investment opportunities aggressively throughout 2022, though the third and fourth quarters are expected to be a period of pricing discovery based on the cost of debt and strength of tenant demand.

Institutional / Advisors were the most active buyers and Institutional / Advisors, Private REITs and Private Investors were almost identical in their percentages of product sold during the second quarter of 2022. Institutional / Advisors acquired approximately 3.3 million square feet of industrial

product, accounting for \$351 million in transactions, or 31.9 percent of overall volume. Institutional / Advisors, Private REITs, and Private investors each accounted for approximately 22 percent of the sales value, totaling 8.08 million square feet of industrial product, a total of \$739 million in transaction volume, or 67 percent of overall volume.

Portfolios accounted for \$650.9 million or 59.1 percent of the second-quarter sales volume in the Chicago MSA. In the second quarter, the largest portfolio transaction was Ares Industrial REIT's acquisition of a 15 building, 1.8 million square foot portfolio from KKR Real Estate, for \$182 million.

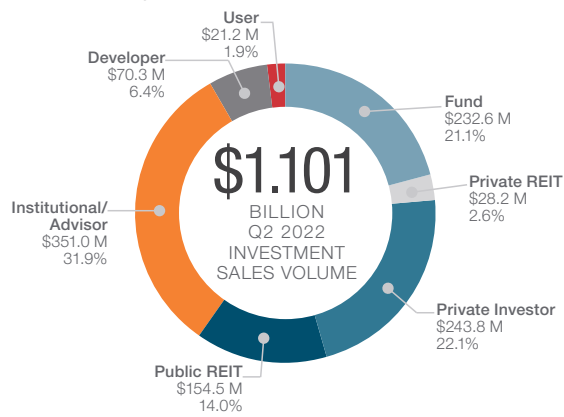
The largest single-tenant transaction of the second quarter was The Lightstone Group's \$35 million acquisition of the 354,429 square foot facilities in Buffalo Grove, IL, leased to Siemens AG from Covington 1000 DP LLC.



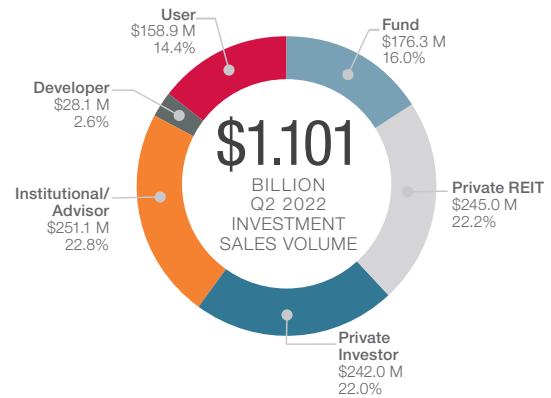
Number of Deals / Volume / % of Total

Q2 2022 INDUSTRIAL MARKET REPORT

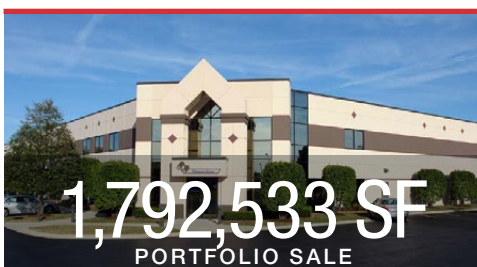
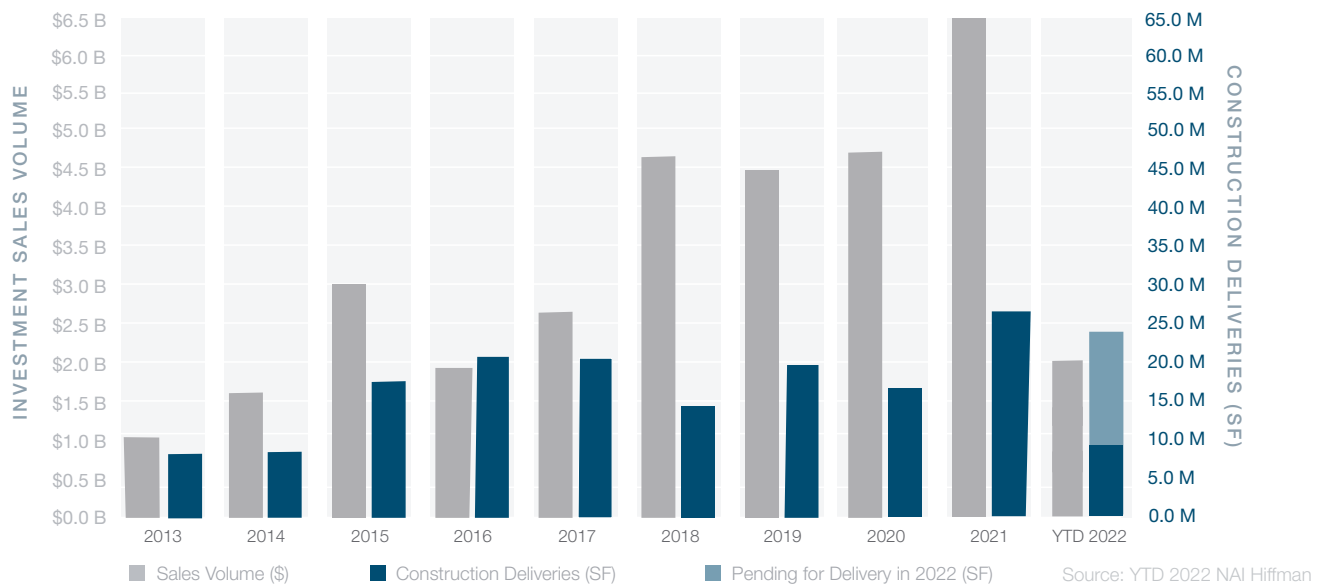
Buyer Pool Composition



Seller Pool Composition



Investment Sales Volume vs. Construction Deliveries



AIREIT CHICAGO GROWTH PORTFOLIO
VARIOUS CHICAGO LOCATIONS

SALE PRICE | **PRICE PSF**
\$182,000,000 | \$101.53

BUYER
Ares Industrial Real Estate Income Trust

SELLER
KKR Real Estate



CHICAGO HEADQUARTERS PORTFOLIO
VARIOUS CHICAGO LOCATIONS

SALE PRICE | **PRICE PSF**
\$146,000,000 | \$149.97

BUYER
High Street Logistics Properties

SELLER
Link Logistics (BREIT)



HILLWOOD PROJECT BARN 6
MONEE, ILLINOIS

SALE PRICE | **PRICE PSF**
\$106,750,442 | \$121.44

BUYER
CBRE Global Investors

SELLER
Hillwood Investment Properties

We are strategic & innovative

Our Service Lines

Corporate Services

Acquisition/Disposition
Leasing Agency/Landlord Representation
Tenant Representation
Appraisal & Valuation

Investment Services

Portfolio Review
Market Analysis

Advisory &

Consulting Services

Property Management
Acquisition/Disposition
Capital Markets
Build-to-Suit
Project Management
Feasibility Analysis
Lease Administration
Lease Audit
Tax Appeal
Title/Escrow/Survey
Global Supply Chain & Logistics

Asset Services

Asset Management
Corporate Facilities Management
Property Management
Build-to-Suit/Construction Management
Green/LEED™ Consultation

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Our experts are strategic and innovative, working collaboratively to realize maximum potential and generate creative solutions for our clients worldwide.

Our collaborative services platform provides an expansive, yet nimble and responsive structure enabling us to efficiently deliver superior results.

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