

Q2

2018

PW Quarterly Market Review

OVERVIEW



The second quarter saw a slight increase in vacancy from 6.3% in Q1, to 6.4% in Q2, indicating that the market continues to move forward at a healthy pace. Availability is slightly higher at 9.3%, indicating demand and overall health in the marketplace. Rent growth continues to be flat, which is not unusual for the midwestern markets and not a specific indicator of overall health or concern.

Net absorption was a healthy 1,870,000 square feet in the second quarter, with multiple submarkets continuing to experience strong absorption. Southwest I-55 leads the way with 2.8 million sf of year to date absorption. Paine Wetzel was proud to be a part of 33% of the non-portfolio industrial sale transactions over 200,000 SF in the second quarter.

Looking forward, the general outlook remains positive for the remainder of 2018 with demand continuing from users, investors and developers. Delivery of new product continues at a healthy pace. With interest rates expected to continue to rise, demand in the short term could increase even more, as buyers take action before significant rate increases.

We look forward to discussing your thoughts and answering any questions you may have.

NOTABLE Q2 SALES TRANSACTIONS



2065 GEORGE ST. MELROSE PARK
 SIZE: 501,305 SF
 BUYER: LBA REALTY
 SELLER: SEARS HOLDING CORP



13535 S. TORRENCE, CHICAGO
 SIZE: 386,675 SF
 BUYER: GREAT LAKES RELOADING
 SELLER: CENTERPOINT PROPERTIES

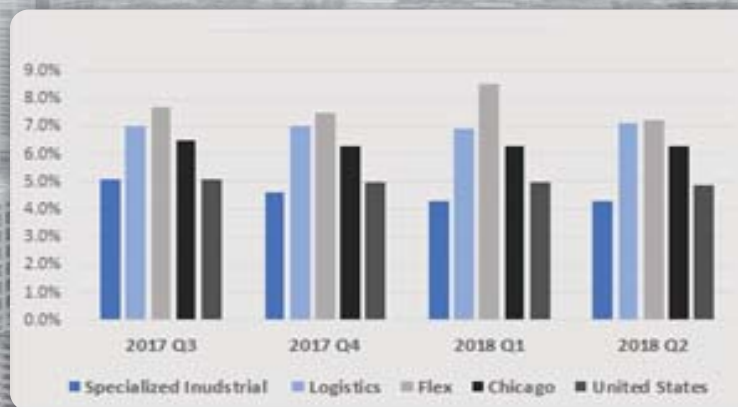


3355 W. 31ST ST, CHICAGO
 SIZE: 221,522 SF
 ON NEARLY 10 ACRES

SPOTLIGHT ON I-55 CORRIDOR AVAILABILITY RATES



SPOTLIGHT ON CHICAGO INDUSTRIAL VACANCY RATES



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