

Q2
2021

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Industrial Market Report

METROPOLITAN CHICAGO

Industrial Market Report

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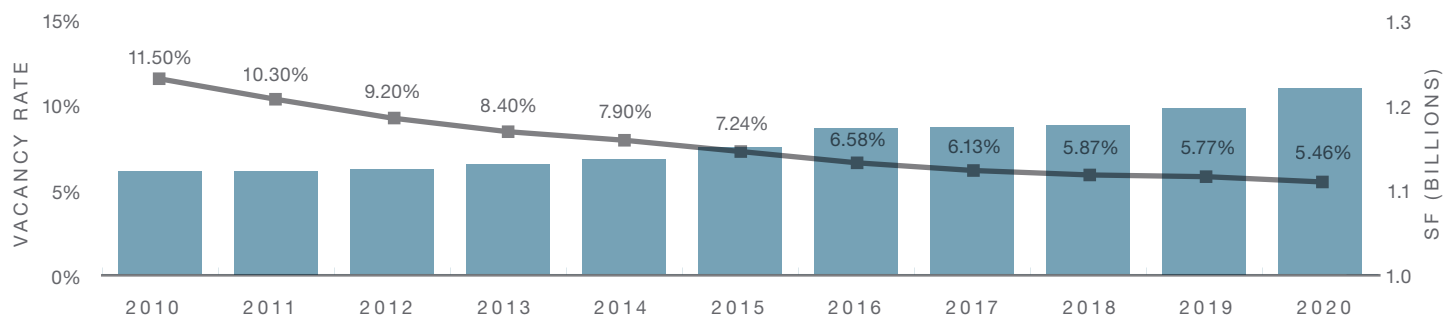
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Q2
2021

Industrial Market Statistics

Submarket	2Q21 Total RBA (SF)	Total Vacant (SF)	2Q21 Total Vacancy	Availability Rate	Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	Leasing Activity (SF)
Southeast Wisconsin	63,514,271	2,495,668	3.93%	6.78%	496,808	0	3,174,778	83,697
Lake County	75,418,385	4,274,836	5.67%	8.56%	(147,766)	0	1,261,739	695,380
McHenry County	28,194,169	2,587,829	9.18%	8.11%	(33,306)	0	0	117,015
I-39 Corridor	38,919,071	3,648,518	9.37%	9.60%	32,749	0	0	129,702
DeKalb County	12,629,543	587,483	4.65%	1.73%	(1,370)	0	2,567,000	0
I-90 Northwest	33,651,156	2,470,281	7.34%	7.35%	483,319	45,000	162,888	947,275
Northwest Cook	24,435,331	1,654,918	6.77%	6.85%	(6,581)	0	1,114,481	206,911
North Cook	45,936,879	1,837,685	4.00%	5.34%	9,082	27,000	0	243,327
Fox Valley	37,587,512	1,687,528	4.49%	4.45%	119,749	0	1,513,267	594,375
Central DuPage	77,036,469	3,159,582	4.10%	6.60%	461,040	0	1,170,047	751,106
O'Hare	103,652,869	5,025,183	4.85%	6.06%	1,599,254	317,513	586,377	2,983,042
West Cook	61,419,527	2,609,213	4.25%	6.70%	(144,203)	0	1,248,377	296,315
Chicago North	55,753,918	3,994,882	7.17%	7.39%	(103,923)	0	0	192,776
Chicago South	122,125,224	6,556,317	5.37%	6.65%	149,901	999,900	1,676,182	285,458
I-88 Corridor	70,827,433	3,295,278	4.65%	13.17%	947,696	0	340,193	835,089
Southwest Cook	37,435,472	1,110,136	2.97%	2.87%	107,296	0	0	111,942
I-55 Corridor	102,970,839	8,309,296	8.07%	12.47%	1,971,347	0	2,484,661	2,382,637
South Cook	83,136,391	3,878,885	4.67%	6.13%	597,287	750,000	4,455,200	664,668
I-80/Joliet Corridor	97,785,669	3,465,043	3.54%	8.31%	3,083,696	3,026,220	5,499,271	2,102,693
Northwest Indiana	42,110,889	1,391,877	3.31%	4.71%	(120,606)	331,900	35,838	320,605
I-57/Will Corridor	18,073,752	1,066,091	5.90%	9.89%	182,728	1,015,000	0	210,928
Total Market	1,232,614,769	65,106,529	5.28%	7.57%	9,684,197	6,512,533	27,290,299	14,154,941

Vacancy Rate and Available Inventory



INDUSTRIAL MARKET SUMMARY

Chicago industrial recorded a 5.28 percent vacancy rate at mid-year, as the market absorbed nearly 9.7 million square feet - the highest figure in nearly five years.

Vacancy Rate
5.28%

Net Absorption
9.7M SF

New Leasing
14.2M SF

Insatiable demand spurs supply to try to keep pace

While the industrial Chicago real estate market had stayed resilient through a full calendar year of pandemic, it truly found another gear in the second quarter of 2021. The total vacancy rate at mid-year was 5.28 percent. This rate decreased 48 basis points quarter-over-quarter from the 5.76 percent recorded in the first quarter of 2021, despite the completion of over 6.5 million square feet of new product. Furthermore, the vacancy rate decreased 87 basis points year-over-year compared to the 6.15 percent rate recorded at mid-year 2020.

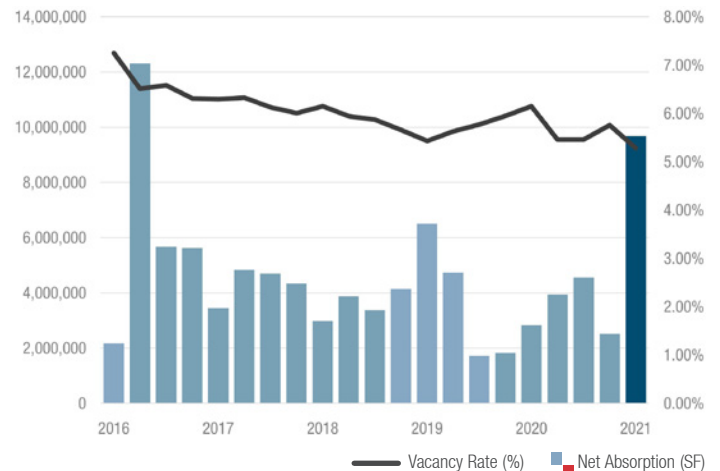
None of the 21 submarkets across the Chicago metro area recorded a double-digit vacancy rate at mid-year. The Southwest Cook submarket was the tightest with respect to vacancy - 2.97 percent. Additionally, 12 of the 21 submarkets recorded sub-5.0 percent vacancy rates on the quarter.

Impressively, the overall vacancy rate decreased despite 11 developments delivering the previously referenced 6.5 million square feet of new product to the market over a 90-day period. Led by CenterPoint Properties' two +1.0 million-square-foot developments, the I-80/Joliet Corridor saw three projects deliver on the quarter totaling over 3.0 million square feet. All three buildings were already leased upon their respective completions, regardless of being a build-to-suit or speculative development.

Leasing activity remained strong in the second quarter, as nearly 14.2 million square feet of deals were recorded. This represented a 13.5 percent increased year-over-year compared to the nearly 12.5 million square feet of new leasing that was recorded in the second quarter of 2020. There were five deals inked between 500,000 square feet and 1.0 million square feet on the quarter, highlighted by Lion Electric signing for over 906,000 square feet at Clarius Park Joliet, which delivers later in the year. Additionally,

Amazon signed leases in both Huntley and Waukegan, adding another 1.1 million square feet to their already booming footprint.

The headline story of the quarter though is the truly eye-popping rate of net absorption. Chicago industrial recorded nearly 9.7 million square feet of move-ins in the second quarter of 2021.



Market Summary

	2Q 2021	SF
Market Size		1,232,614,769
Total Vacancy	65,106,529	5.28%
Direct Vacancy	61,999,436	5.03%
Sublease Vacancy	3,107,093	0.25%
Available Space	93,251,312	7.57%
QTR Net Absorption	9,684,197	
YTD Net Absorption	12,203,901	
Under Construction	27,290,299	
QTR New Supply	6,512,533	
New leasing activity	14,154,941	

Key Industrial Takeaways



Chicago industrial recorded nearly 9.7 million square feet of net absorption in the second quarter of 2021. This was the strongest single-quarter net absorption figure since the third quarter of 2016.



There are currently 68 developments underway throughout the Chicago industrial market, accounting for nearly 27.3 million square feet. There are 11 submarkets that have at least 1.1 million square feet underway, led by the nearly 5.5 million square feet of development in the I-80/Joliet Corridor.

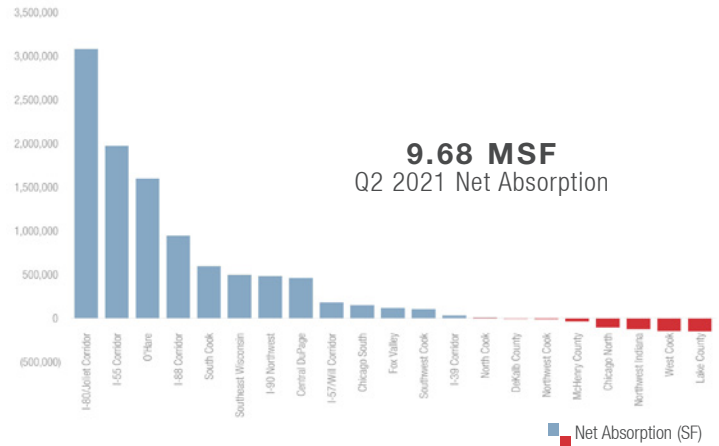


The total vacancy rate at mid-year was 5.28 percent. This rate decreased 87 basis points year-over-year compared to the 6.15 percent recorded at mid-year 2020.

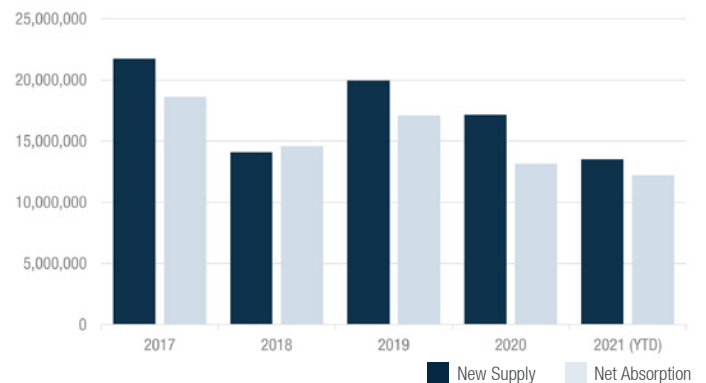
This was the strongest single-quarter net absorption figure since the 12.3 million square feet of move-ins recorded in the third quarter of 2016. The I-80/Joliet Corridor and O'Hare submarkets led the way in the second quarter, as each submarket recorded over 1.5 million square feet of move-ins. The I-88 Corridor submarket also posted a strong net absorption figure, tallying 947,696 square feet of move-ins. Conversely, the submarket laggards on the quarter - Lake County and West Cook - each saw roughly 145,000 square feet return to the market to start the year. Despite these relatively minor declines in net absorption, both submarkets maintained a vacancy rate of less than 5.67 percent, a remarkable demonstration of the asset type's run of success.

The Chicagoland industrial development pipeline is marching lockstep with the rest of the market fundamentals to try to meet the insatiable demand. There are currently 68 developments underway throughout the market, accounting for nearly 27.3 million square feet. There are 11 submarkets that have at least 1.1 million square feet of development underway, led by the nearly 5.5 million square feet of development in the I-80/Joliet Corridor. CenterPoint Properties' two latest speculative facilities under construction at CenterPoint Intermodal Center in Joliet account for over 2.0 million square feet of said space.

Net Absorption by Submarket



New Supply & Net Absorption



Significant Transactions



Lease

3835 Youngs Rd
Joliet

I-80/Joliet Corridor

Tenant

Lion Electric Co.



Lease

501 Internationale Pkwy
Minooka

I-80/Joliet Corridor

Tenant

Kenco Logistic Services, Inc.



Lease

900 Knell Rd
Montgomery

I-88 Corridor

Tenant

DSV Air & Sea, Inc.



Sale

3000 W 51st St
Chicago

Chicago South

Buyer

Amazon



Sale

2200 Channahon Rd
Joliet

I-80 Joliet Corridor

Buyer

Industrial Realty Group, LLC



Sale

400 N Wolf Rd
Northlake

West Cook

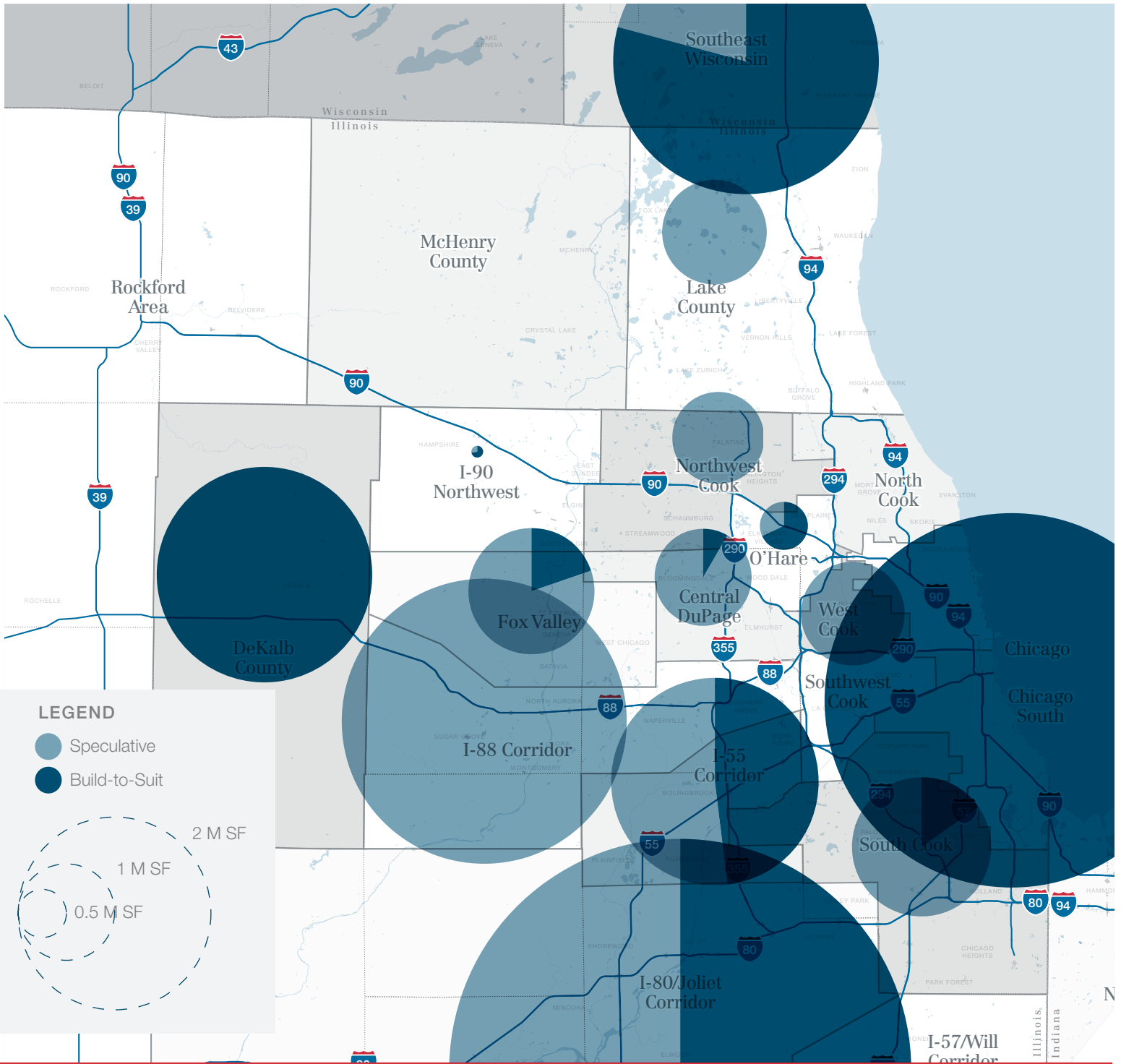
Buyer

Apollo Global Management

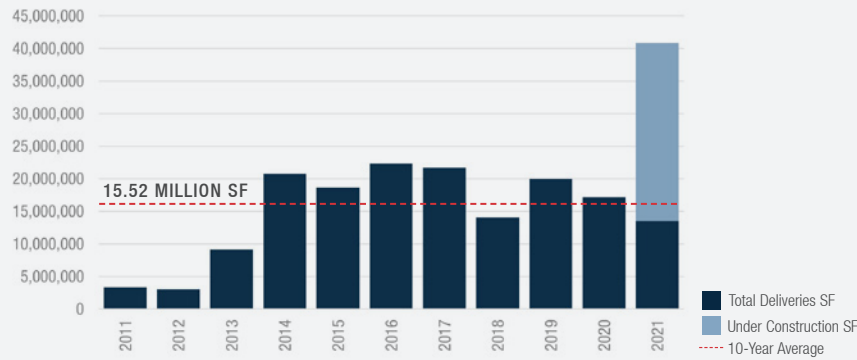
CONSTRUCTION ACTIVITY

Construction Deliveries

There was more than 6.5 million square feet of deliveries across the Chicago metropolitan area during the second quarter of 2021. Build-to-suit projects comprised 62.2 percent of deliveries on the quarter while the remaining 37.8 percent were speculative developments. Build-to-suit deliveries included a 1.6 million-square-foot Harbor Freight facility in Joliet, Illinois and a 1.1 million-square-foot Amazon facility in University Park, Illinois. Additionally, sixteen new projects broke ground during the second quarter adding nearly 5.5 million square feet to the development pipeline.



Construction Deliveries



Construction Type



Notable Speculative Projects Under Construction

Submarket	Building Address	Size (SF)	User	Developer
Central DuPage	845 W Lake St, Hanover Park	216,187		Fund Xii Hanover Park LLC
Central DuPage	Building B, SEC Swift Rd & Lake St, Addison	189,300	Amazon	Logistics Property Company
Chicago South	Building E, 12200 S Avenue O, Chicago	580,587		Northpoint Development
Chicago South	5064 S Merrimac Ave, Chicago	306,538		
Fox Valley	Enterprise Cir, West Chicago	501,048		
Fox Valley	Sec Roosevelt & Technology Blvd, West Chicago	400,088		Midwest Industrial Funds
I-55 Corridor	Carlow XVII, 925 Dalton Ln, Bolingbrook	402,051		Northern Builders, Inc.
I-55 Corridor	Romeoville Gateway, 1301 N Abbot Rd, Romeoville	351,870		IDI Logistics
I-80/Joliet Corridor	Lot 20, 2250 Berens Ct, New Lenox	1,159,200		Northern Builders, Inc.
I-80/Joliet Corridor	4300 Brandon Rd	1,035,034		CenterPoint Properties
I-80/Joliet Corridor	3301 Brandon Rd	1,000,000		CenterPoint Properties
Lake County	South Lake Industrial Center Building D, 700 Darling Dr, Vernon Hills	355,643		Panattoni
Northwest Cook	Bartlett Rd & Spitzer Rd (Site #1), 235-265 Spitzer Rd, Bartlett	436,500		Conor Commercial Real Estate
Southeast Wisconsin	2908 128th Ave, Kenosha	377,378		Zilber Property Group
Southeast Wisconsin	Midwest Transportation Center, 7517 60th St, Kenosha	280,000		Darwin Realty
West Cook	Building 2, 2065 George St, Melrose Park	350,248		LBA Logistics

Notable Build-to-Suit Projects Under Construction

Submarket	Building Address	Size (SF)	User	Developer
DeKalb County	Gurler Rd, DeKalb	1,660,000	Ferrara Candy	Trammell Crow Company
DeKalb County	Facebook DeKalb Data Center, Gurler Rd, DeKalb	907,000	Facebook	
I-55 Corridor	1040 W Renick Rd, Romeoville	1,200,420	Wayfair	
I-80/Joliet Corridor	Building B BTS, 24231 S Exchange Blvd, Channahon	1,360,520	N/A	Venture One Real Estate
O'Hare-80/Joliet Corridor	6 King St, Elk Grove Village	400,000	Microsoft	Brennan Investment Group
South Cook	7001 Vollmer Rd, Matteson	3,800,000	Amazon	Seefried Properties, Inc.
South Cook	6600 W 68th St, Bedford Park	655,200	Wayfair	
Southeast Wisconsin	12354 Uline Way, Kenosha	800,000	Uline	Uline
Southeast Wisconsin	12656 Burlington Rd, Kenosha	800,000		

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 Q221	3.93%	63,514,271	496,808	-318,245	3,174,778	0	83,697
Previous Quarter Q121	5.26%	63,419,641	-815,053	-815,053	1,613,354	2,461,466	876,559
Previous Year Q220	5.37%	60,791,683	1,461,715	1,548,025	3,664,048	388,294	265,951



Vacancy Rate
3.93%



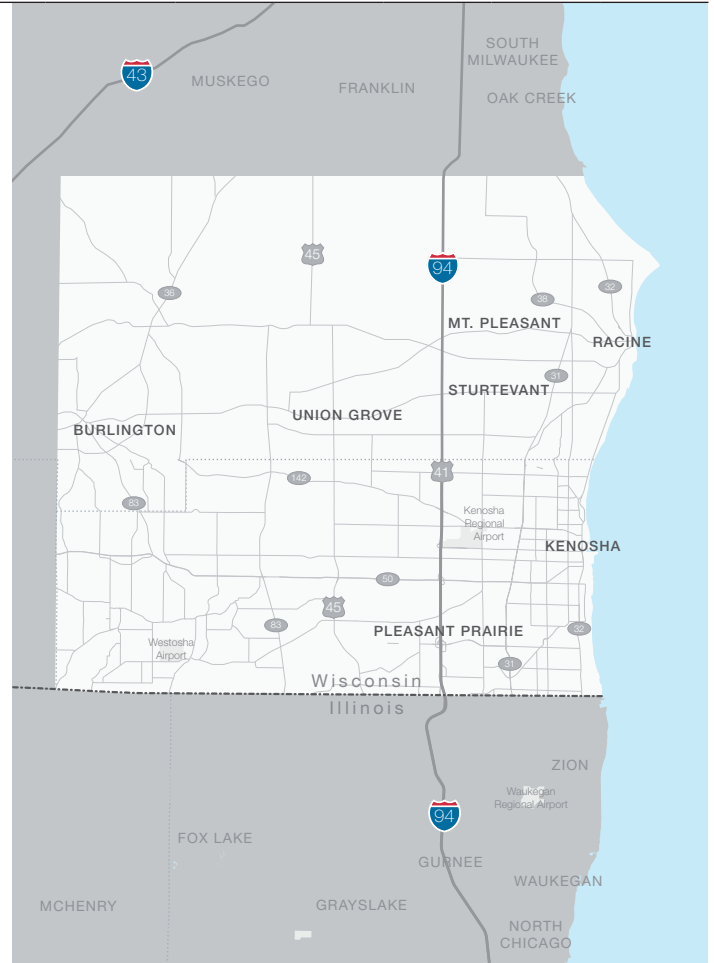
Net Absorption
497K SF

The total vacancy rate in the Southeast Wisconsin submarket dropped 133 basis points at mid-year to measure 3.93 percent, down from the 5.26 percent recorded in the first quarter of 2021. This rate is 144 basis points lower than the 5.37 percent recorded this time last year.

The sublease vacancy rate was 0.23 percent at mid-year, decreasing 10 basis points quarter-over-quarter from the 0.33 percent rate recorded in the first quarter of the year.

The submarket bounced back in the second quarter by recording nearly 500,000 square feet of net absorption, following the -815,245 square feet recorded at the end of the first quarter. The biggest move-in of the quarter was Visual Pak Company occupying over 472,000 square feet in Kenosha. Southeast Wisconsin has tallied -318,245 square feet of cumulative net absorption through mid-year.

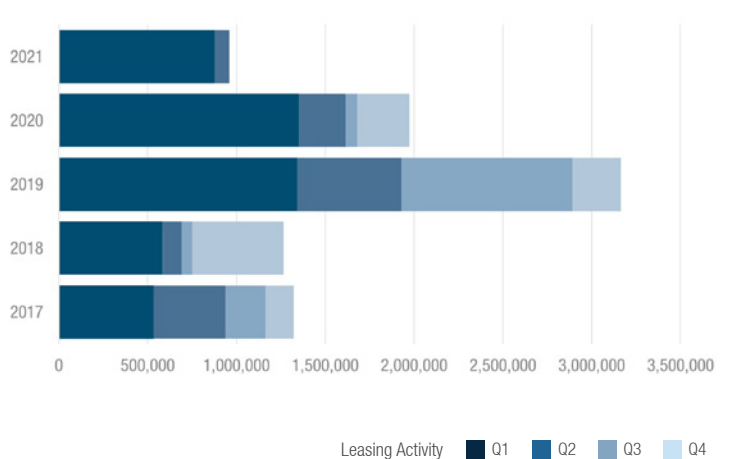
Southeast Wisconsin saw 83,697 square feet of new leasing activity in the second quarter, declining 68.5 percent year-over-year from the 265,951 square feet of new leasing activity recorded in the second quarter of 2020.



Vacancy Rate, Net Absorption



New Lease Transactions





75,233 SF

NEW LEASE

1570 International Drive | Mount Pleasant, WI

Ryder Last Mile leased 75,233 square feet at Building 3 of Park 94 at Mount Pleasant. The Class A distribution center was a speculative development that delivered in the fourth quarter of 2019.

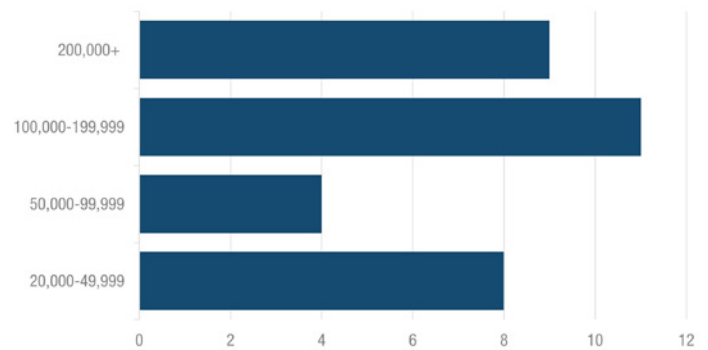
Construction Activity

Darwin Realty broke ground on the Midwest Transportation Center during the second quarter. The speculative facility will be in Kenosha. The building plans to deliver later this year, adding 280,000 square feet to the submarket.

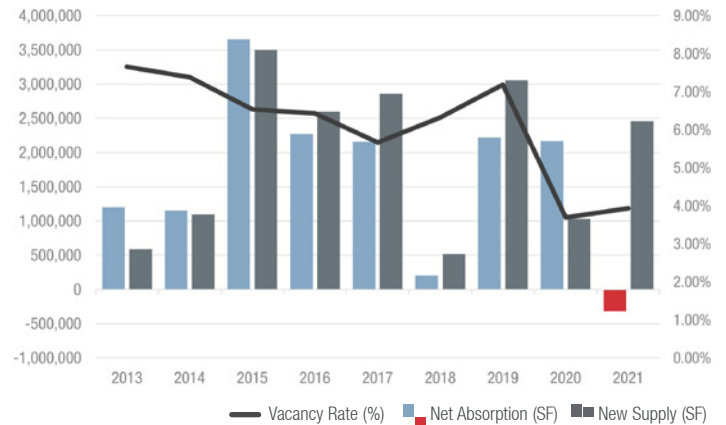
Five build-to-suit facilities remain under construction in the submarket, totaling more than 2.5 million square feet. Uline's 800,000 square-foot facility in Kenosha plans to deliver in September.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

8801 88th Ave
Pleasant Prairie

\$35,000,000

Buyer

Pritzker Realty Group, LLC



Lease

1570 International Dr
Mount Pleasant

75,233 SF

Tenant

Ryder Last Mile 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 Q221	5.67%	75,418,385	-147,766	-9,475	1,261,739	0	695,380
Previous Quarter Q121	6.77%	75,401,550	138,291	138,291	911,296	1,610,447	754,125
Previous Year Q220	4.97%	72,562,048	166,996	229,771	2,596,704	0	555,502

Vacancy Rate
5.67%

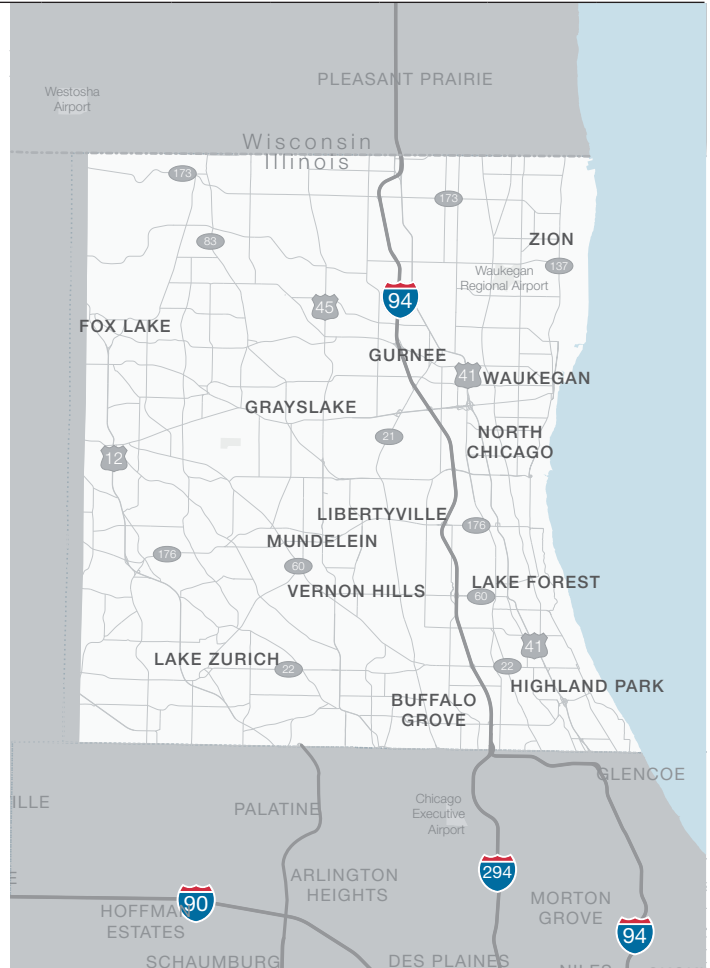
Net Absorption
-148K SF

After seven consecutive quarters of increasing vacancy, the Lake County submarket recorded a 5.67 percent vacancy rate at mid-year, decreasing 110 basis points from the previous quarter.

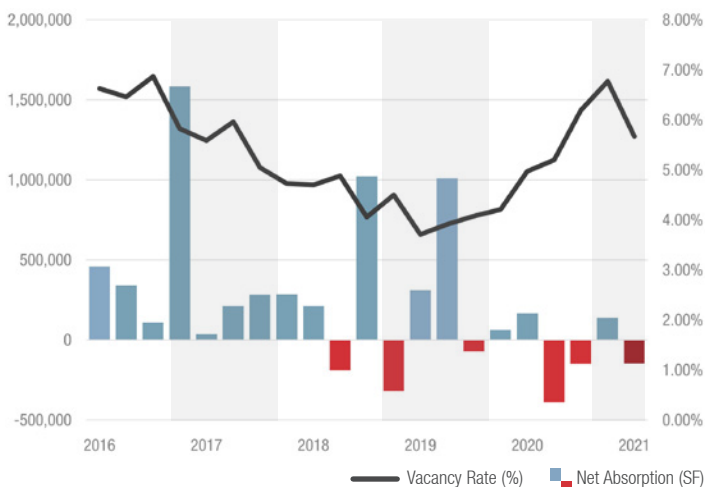
The submarket recorded -147,766 square feet of net absorption on the quarter, bringing year-to-date net absorption to -9,475 square feet.

New leasing activity totaled 695,380 square feet in the second quarter, increasing 25.2 percent year-over-year from 555,502 square feet of deals signed in the second quarter of 2020. Year-to-date new leasing activity in the submarket is more than 1.4 million square feet.

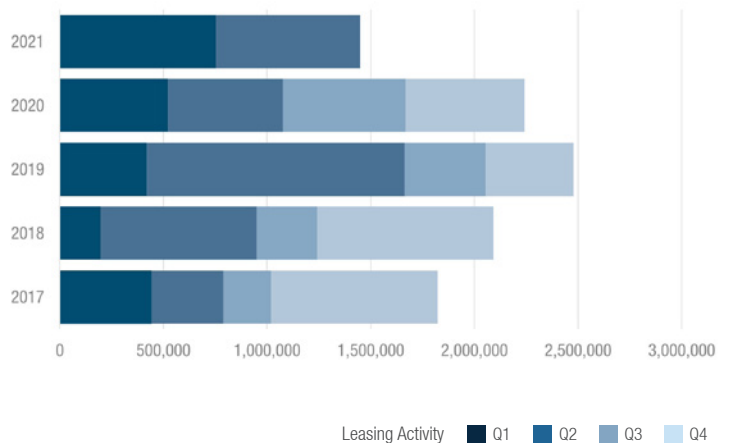
Construction activity in the Lake County submarket jumped to nearly 1.3 million square feet at mid-year, a 38.5 percent increase from the 911,296 square feet recorded in the first quarter. The submarket currently has a more restrained development environment than mid-year 2020, as nearly 2.6 million square feet of development was in the construction pipeline one year ago.



Vacancy Rate, Net Absorption



New Lease Transactions





69,149 SF

NEW LEASE

325 Marriott Drive | Lincolnshire, IL

Benchmark Products leased 69,148 square feet at the manufacturing facility in Lincolnshire. The property, owned by Marriott International, has a 36' clear height, six exterior docks, and one drive in door.

Construction Activity

Three speculative facilities broke ground during the second quarter, totaling more than 350,000 square feet. Two developments in Vernon Hills accounted for 74.3 percent of this new activity.

Panattoni continued work on Building D of the South Lake Industrial Center in Vernon Hills. The 355,643-square-foot distribution center plans to deliver in the second half of 2021.

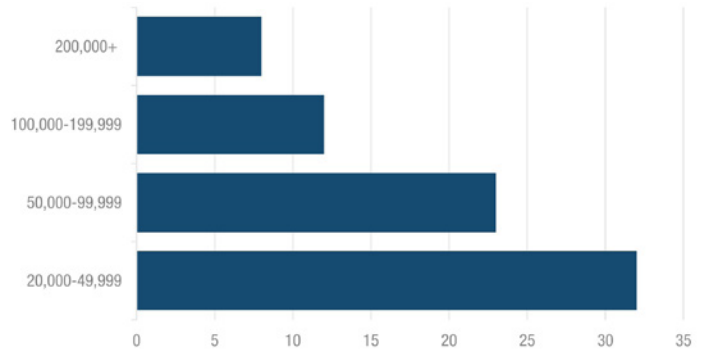
100% Speculative



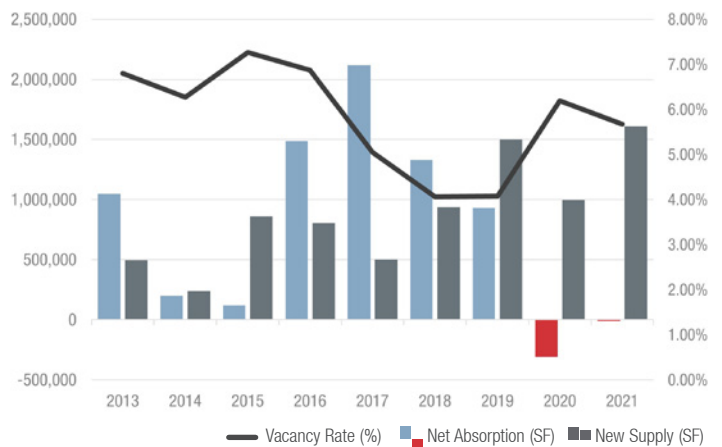
0% Build-to-Suit



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

300 Genesee St
Lake Zurich

\$12,030,000

Buyer

CubeSmart, LP



Lease

325 Marriot Dr
Lincolnshire

69,149 SF

Tenant

Benchmark Products



Sublease

900-950 Busch Pkwy
Buffalo Grove

64,685 SF

Tenant

Malnati Organization



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 Q221	7.34%	33,651,156	483,319	686,345	162,888	45,000	947,275
Previous Quarter Q121	8.34%	33,539,078	203,026	203,026	135,000	230,829	1,085,216
Previous Year Q220	6.24%	31,929,235	-485,085	-253,774	813,283	349,080	266,959



Vacancy Rate
7.34%

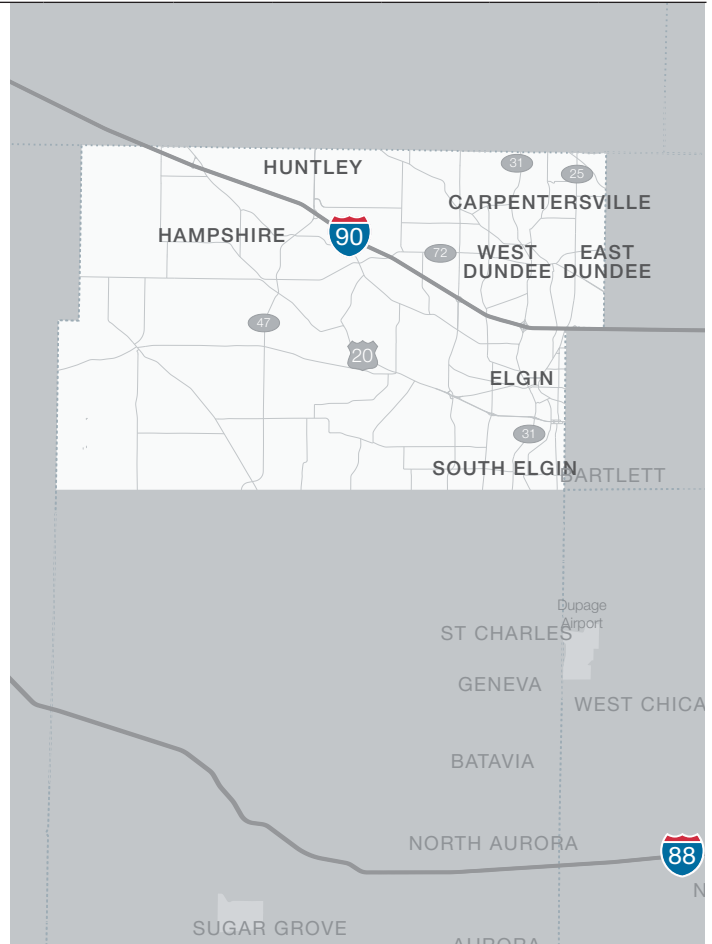


Net Absorption
483K SF

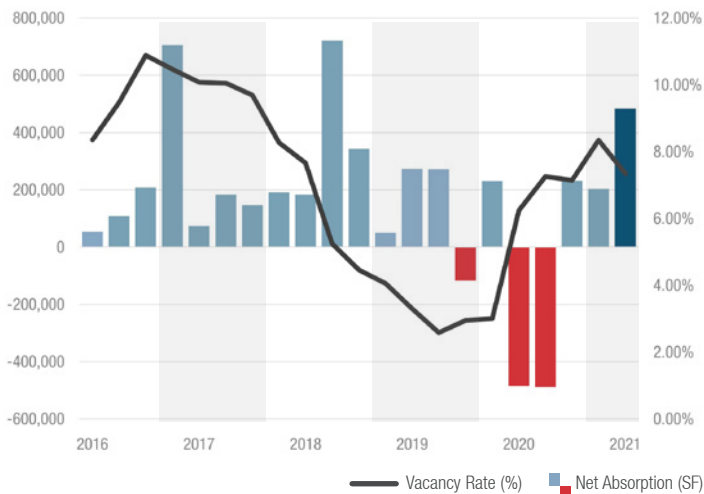
The total vacancy rate in the I-90 Northwest submarket fell 100 basis points in the second quarter of 2021, moving from the 8.34 percent recorded in the first quarter of 2021 to the 7.34 percent rate recorded at mid-year.

There was 483,319 square feet of net absorption during the second quarter in the I-90 Northwest submarket. The submarket has recorded positive net absorption for three consecutive quarters. The biggest move-ins at mid-year include Toynk Toys occupying over 285,000 square feet in Gilberts, and Shaw Industries occupying nearly 165,000 square feet in Elgin.

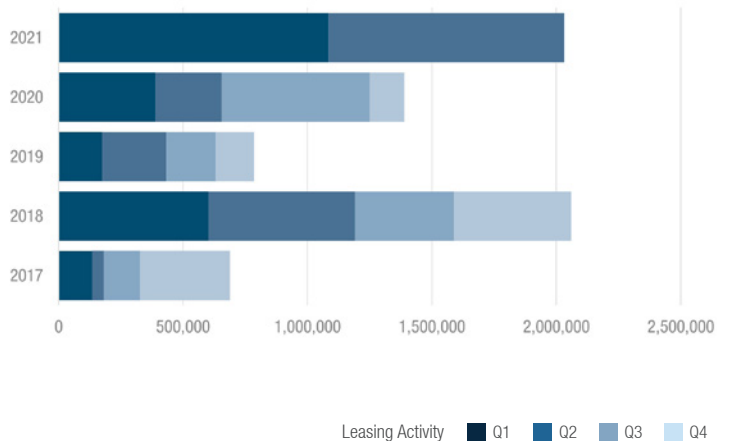
New leasing activity remained strong in the submarket, as 947,275 square feet new deals signed second quarter. Deals in Elgin spurred the quarter's strength in leasing, as SureWerx USA signed for nearly 156,000 square feet at the Fox River Business Center and Encore Repair leased over 105,000 square feet at Northwest Corporate Park.



Vacancy Rate, Net Absorption



New Lease Transactions





326,272 SF

NEW LEASE

3451 Bath Rd | Elgin, IL

Discount Tires leased the single-tenant facility in Elgin during the second quarter. The Class B distribution center delivered in 2020. It has a clear height of 36' with 66 exterior docks.

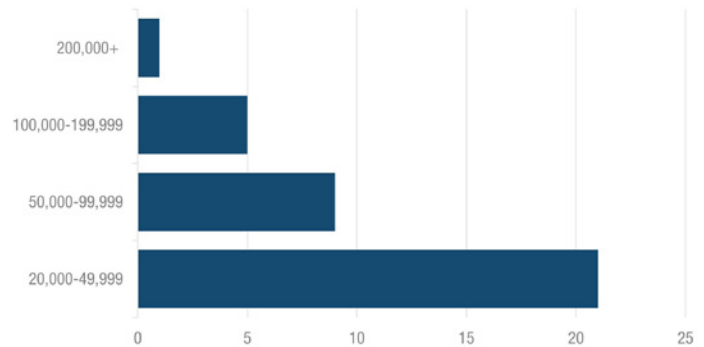
Construction Activity

The Lot 19 build-to-suit facility in the Prairie Lake Business Park delivered during the second quarter. Yulivan Holdings occupied the 45,000 square-foot facility.

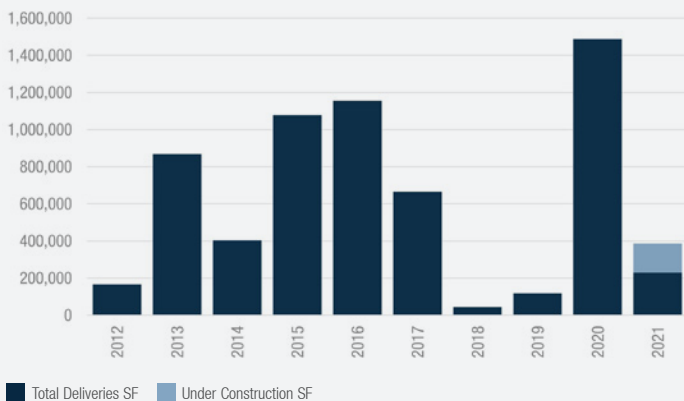
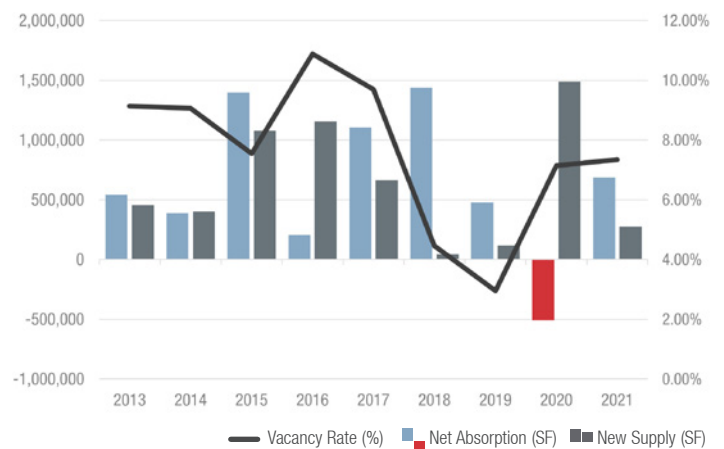
Three build-to-suit facilities are scheduled to deliver in the second half of 2021 in the I-90 Northwest submarket. The trio will add nearly 118,000 square feet to the submarket's inventory.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

2500 Galvin Dr
Elgin

\$47,630,000

Buyer

High Street Logistics
Properties, LLC



Lease

3451 Bath Rd
Elgin

326,272 SF

Tenant

Discount Tire



Lease

305-325 Corporate Dr
Elgin








155,768 SF

Tenant

SureWex Usa, 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 Q221	6.77%	24,435,331	-6,581	-42,827	1,114,481	0	206,911
Previous Quarter Q121	6.59%	24,311,708	-36,246	-36,246	864,931	0	251,651
Previous Year Q220	5.85%	23,911,861	46,034	155,290	188,433	151,000	374,616



Vacancy Rate
6.77%



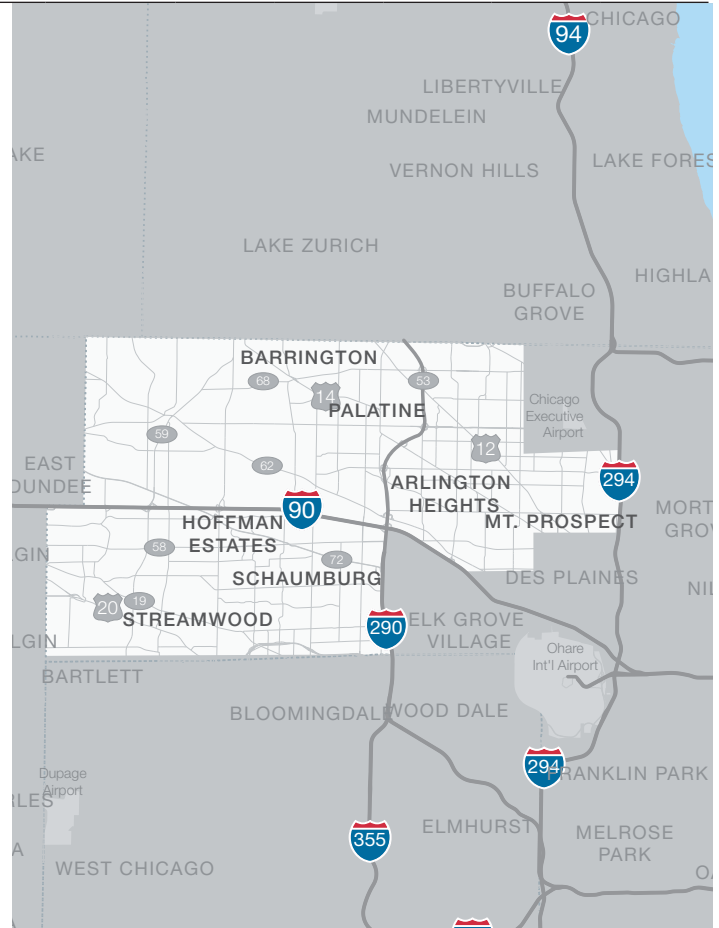
Net Absorption
-6K SF

The total vacancy rate in the Northwest Cook submarket was 6.77 percent at mid-year, increasing for the sixth consecutive quarter. The second quarter rate is 18 basis points higher compared to the 6.59 percent rate recorded in the first quarter.

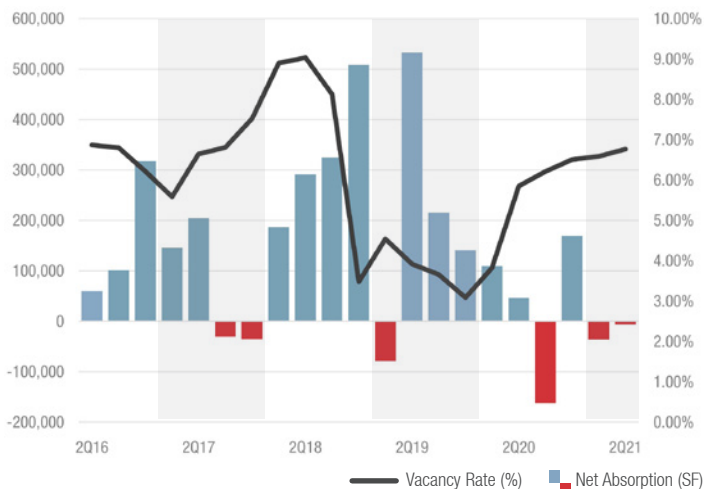
The Northwest Cook submarket recorded negative net absorption for the second consecutive quarter, as -6,581 square feet of space returned to the market in the second quarter. Year-to-date net absorption fell to -42,827 square feet for the submarket.

There was 206,911 square feet of new leasing activity in the submarket in the second quarter. New leasing activity decreased 17.8 percent quarter-over-quarter compared to the 251,651 square feet of new leasing activity recorded in the first quarter.

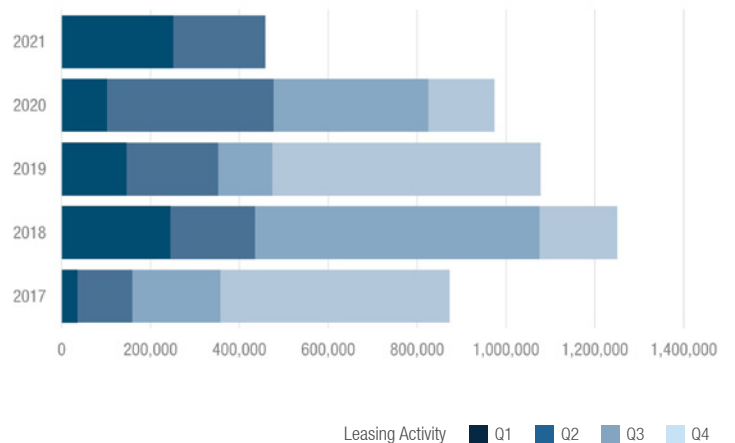
More than 1.1 million square feet remains under construction in the Northwest Cook submarket. All four projects are scheduled to deliver in the second half of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





\$4,350,000

SALE

735 Remington Road | Schaumburg

Yamazen sold their warehouse in Schaumburg to GSG Developers for \$4.35 million, or \$81.63 per square foot. NAI Hiffman represented the seller in the transaction.

Construction Activity

A speculative facility located at 3125 N Barrington Rd in Hoffman Estates began construction in the second quarter. The 249,550 square-foot building plans to deliver at the end of the year.

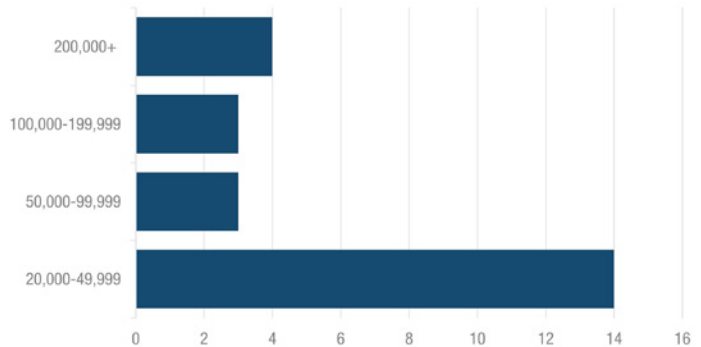
Three additional speculative facilities remain under construction in the Northwest Cook submarket. The trio will add nearly 865,000 square feet to the submarket's inventory by the end of the year.

100% Speculative

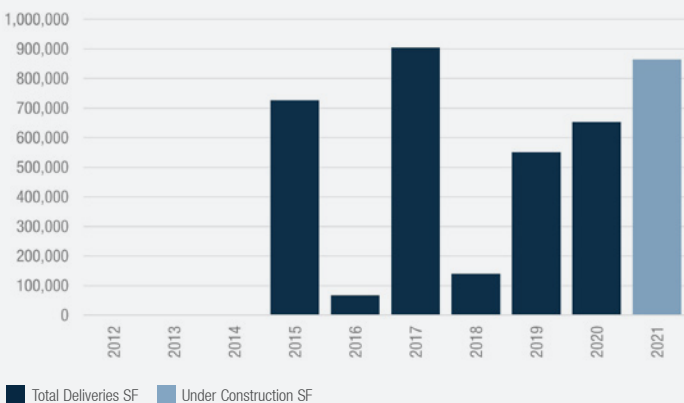
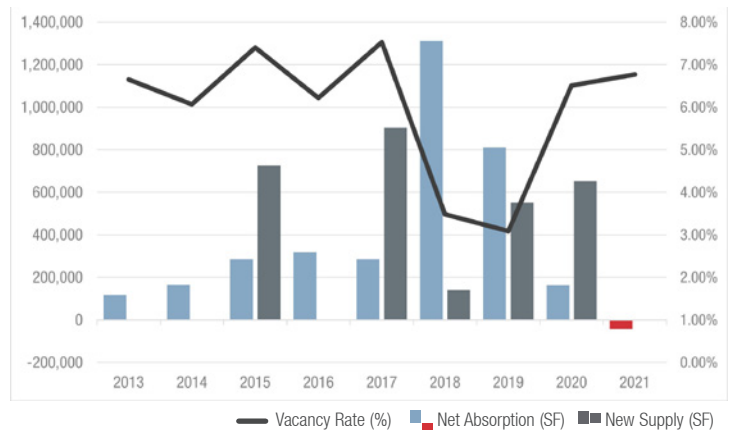


0% Build-to-Suit

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

735 Remington Rd
Schaumburg

\$4,350,000

Buyer

GSG Developers



Renewal

1555-1559 Basswood
Schaumburg

33,229 SF

Tenant

Novaspect



Lease

2401 Hassell Rd
Hoffman Estates

26,006 SF

Tenant

NIDEC Motor Corporation

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 Q221	4.00%	45,936,879	9,082	269,369	0	27,000	243,327
Previous Quarter Q121	4.04%	45,779,607	260,287	260,287	27,000	0	234,493
Previous Year Q220	4.36%	45,518,565	47,308	-69,731	170,000	0	91,156

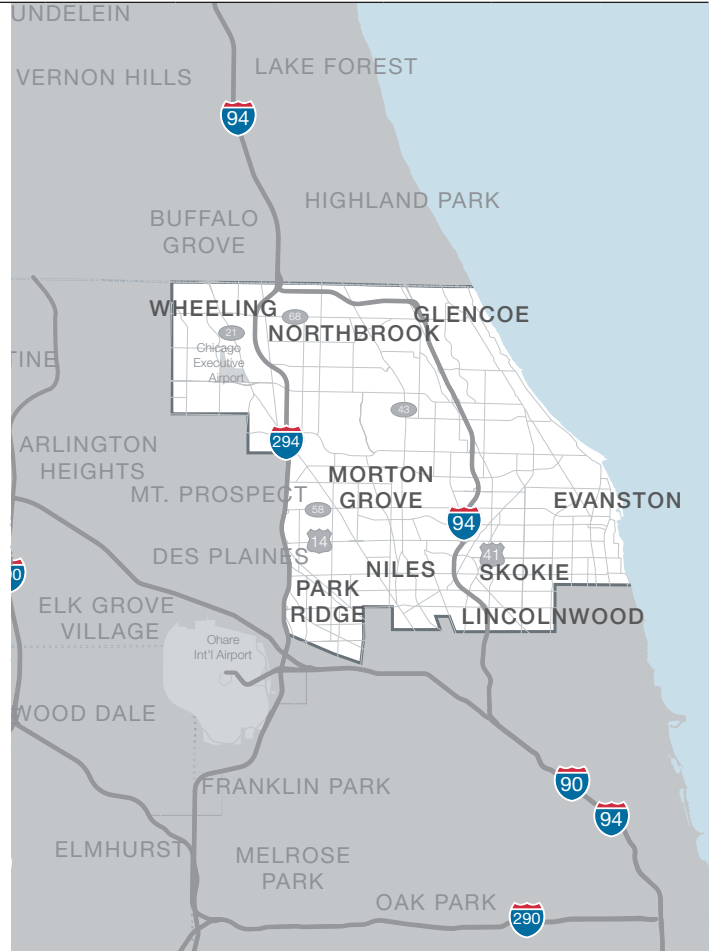
 Vacancy Rate
4.00%

 Net Absorption
9K SF

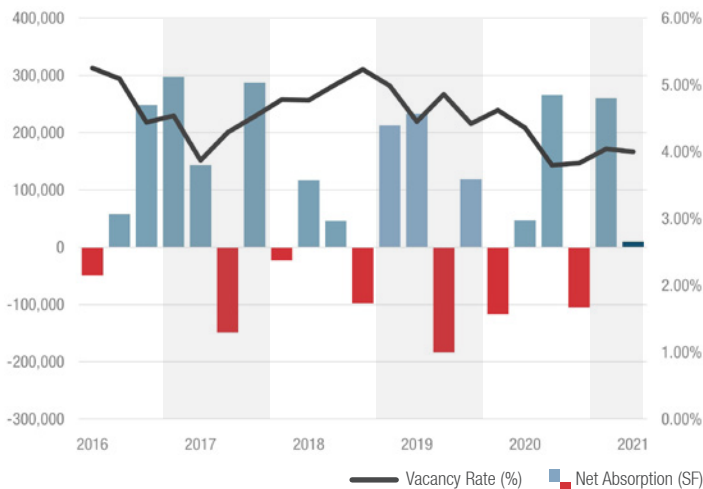
Total vacancy in the North Cook submarket was relatively unchanged in the second quarter, decreasing only four basis points quarter-over-quarter to 4.00 percent, down from the 4.04 percent rate recorded in the first quarter of 2021. The vacancy rate has decreased 36 basis points year-over-year from the 4.36 percent rate recorded at mid-year 2020.

Net absorption in the second quarter totaled 9,082 square feet – the second consecutive quarter of positive net absorption for the submarket. Cumulative net absorption stands at 269,369 square feet through the first six months of 2021. Notable move-ins on the quarter include: SCP Distributors occupying 30,900 square feet in Niles and Beshet occupying 20,060 square feet in Skokie.

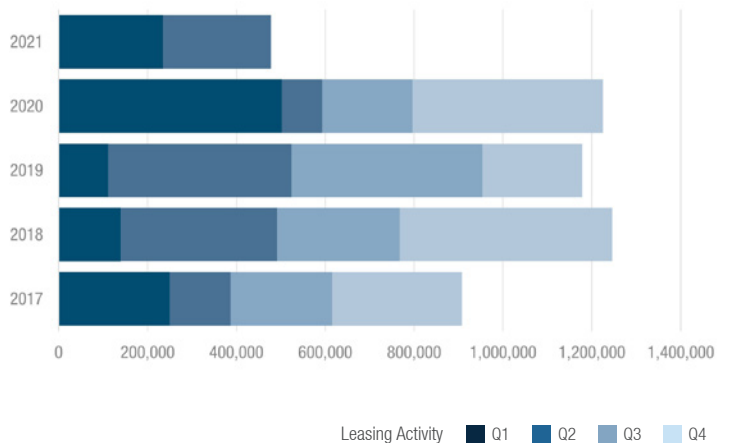
There was 243,327 square feet of new leasing activity in the second quarter in the North Cook submarket. New leasing activity increased 3.8 percent quarter-over-quarter compared to the 234,493 square feet of new leasing activity recorded in the first quarter of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





179,201 SF

SALE

3500 Oakton St | Niles, IL

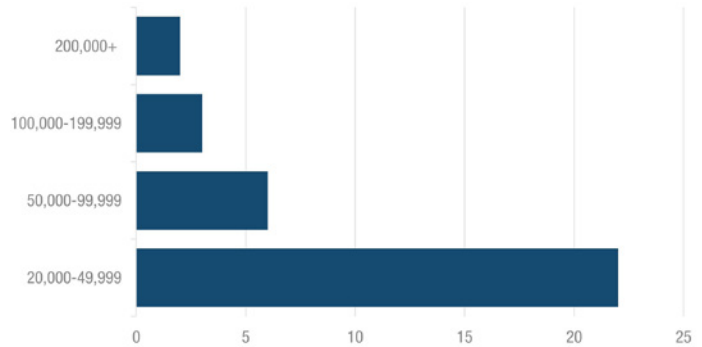
ROC Inc. sold their 179,000 square-foot warehouse in Skokie as part of a six-property portfolio to Heitman and CubeSmart for over \$14.7 million dollars, or \$82.10 per square foot.

Construction Activity

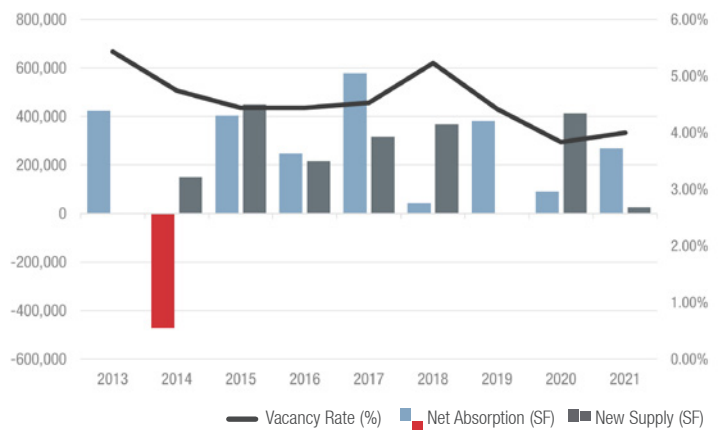
ABT Electronics delivered their 27,000 square-foot build-to-suit recycling center facility in Glenview during the second quarter.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

3500 Oakton St
Niles

\$14,712,259

Buyer

Heitman | CubeSmart, LP



Lease

6440 W Howard St
Niles

148,770 SF

Tenant

GHP Group, Inc



Renewal

7460 N Lehigh Ave
Niles








105,000 SF

Tenant

Johnson & Quin, Inc.

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 Q221	4.49%	37,587,512	119,749	638,254	1,513,267	0	594,375
Previous Quarter Q121	3.93%	37,436,289	518,505	518,505	1,392,614	0	361,507
Previous Year Q220	6.15%	36,486,218	52,993	257,041	750,780	28,500	83,445

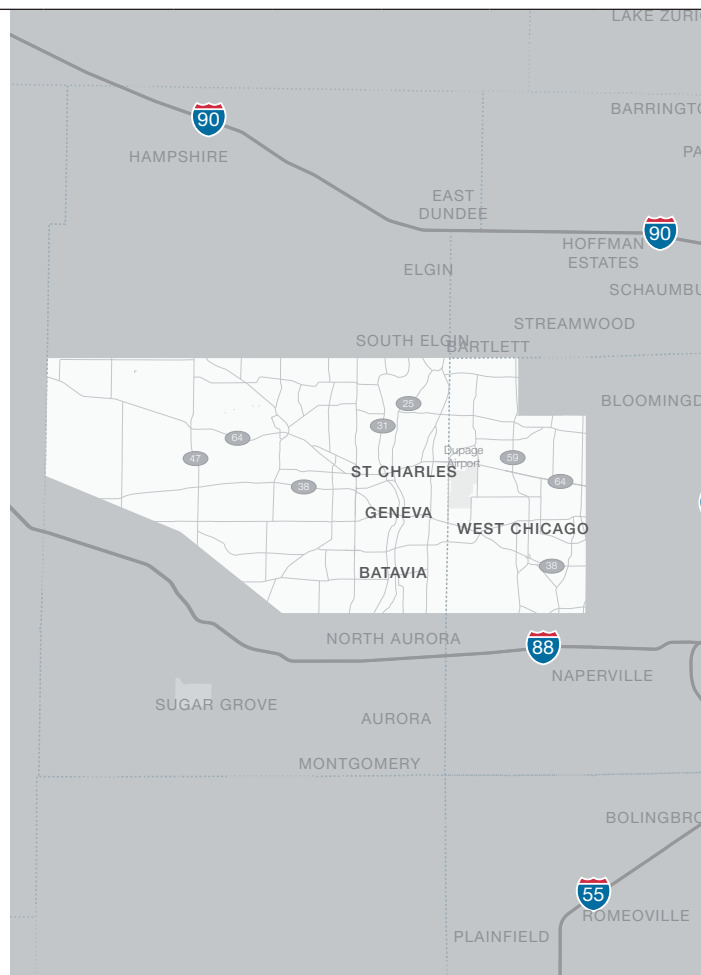
 Vacancy Rate
4.49%

 Net Absorption
120K SF

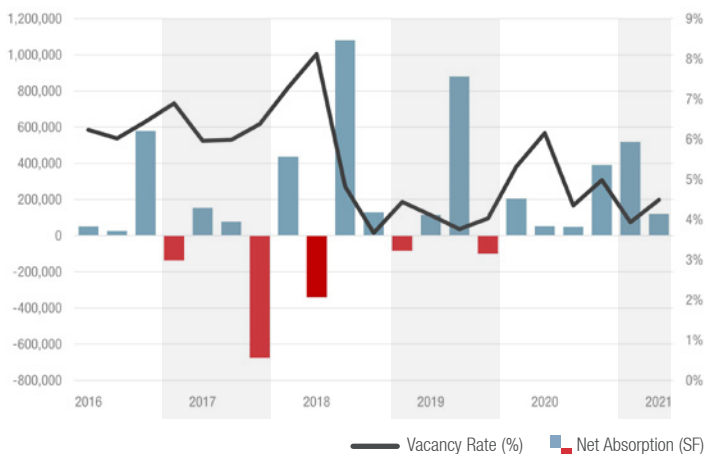
There was 119,749 square feet of net absorption in the Fox Valley in the second quarter, increasing 126.0 percent year-over-year compared to the 52,993 square feet of net absorption recorded in the second quarter of 2020. Fox Valley has had six consecutive quarters of positive net absorption. In addition, cumulative net absorption was 638,254 square feet at mid-year, up from the 257,041 square feet of net absorption the submarket recorded through the first six months of 2020.

The total vacancy rate in the submarket was 4.49 percent in the second quarter, increasing 56 points from the 3.93 percent recorded during the first quarter. Despite this increase, the vacancy rate decreased 166 basis points year-over-year from the 6.15 percent rate recorded at mid-year 2020.

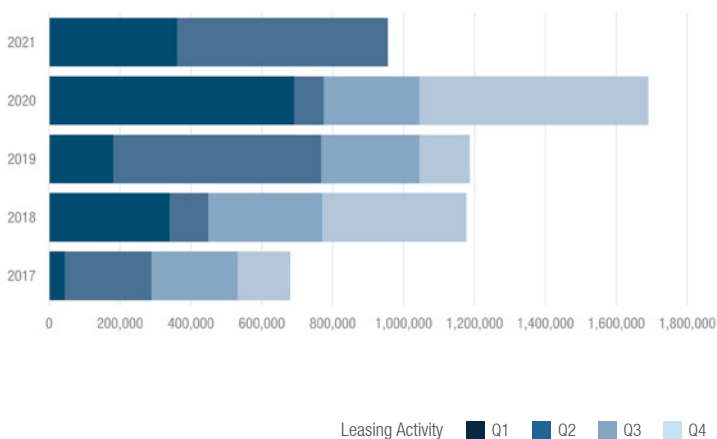
There was 594,375 square feet of new leasing activity signed in the Fox Valley submarket in the second quarter. Cumulative new leasing activity totaled nearly 956,000 square feet through the first six months of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





274,400 SF

RENEWAL

101-121 N. Raddant Road | Batavia, IL

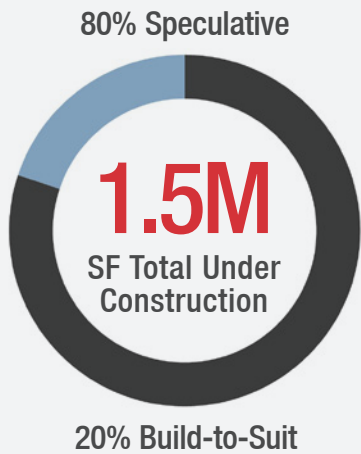
Blue Wave Products fully-leased the Batavia Industrial Center. The pool and home leisure manufacturing and distribution company will occupy the Class B manufacturing facility in the fourth quarter.

Construction Activity

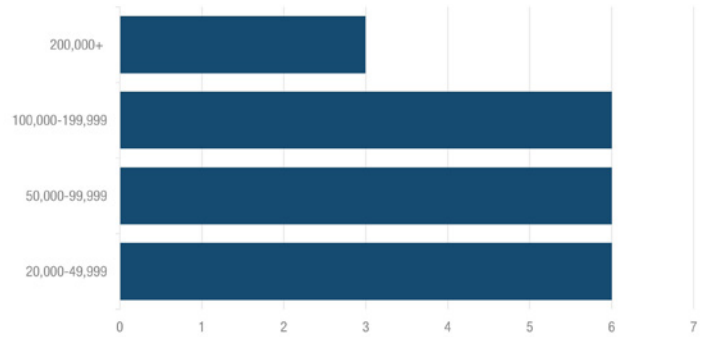
Greco Reggi Real Estate Development continued work on two separate facilities in West Chicago in the second quarter:

A 300,780 square-foot warehouse at 2595 Enterprise Circle is expected to deliver in the third quarter and is pre-leased to Cheese Merchants of America.

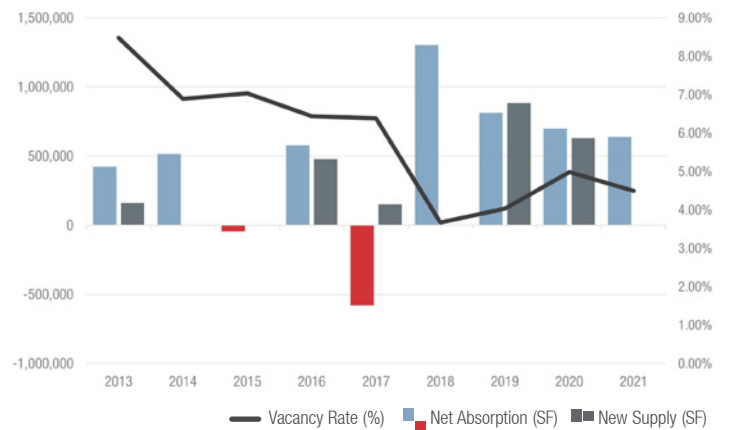
A 501,048-square-foot speculative distribution facility on Enterprise Circle. The building is also slated to deliver in the third quarter.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

1700 Western Dr
West Chicago

\$5,000,000

Buyer

MAPEI Corporation



Renewal

101-121 N Raddant Rd
Batavia

274,400 SF

Tenant

Blue Wave Products, Inc.



Lease

1750 Downs Dr
West Chicago

200,742 SF

Tenant

FXI Holdings, Inc.

DeKalb County



Submarket Overview

	Vacancy Rate	Total Inventory (SF)	Net Absorption	YTD Net Absorption	Under Construction (SF)	New Supply (SF)	New Leases (SF)
Current Quarter Q221	4.65%	12,629,543	-1,370	63,230	2,567,000	0	0
Previous Quarter Q121	4.65%	12,628,173	64,600	64,600	2,567,000	0	0
Previous Year Q220	4.15%	12,860,779	27,120	-15,367	1,600,000	0	54,572



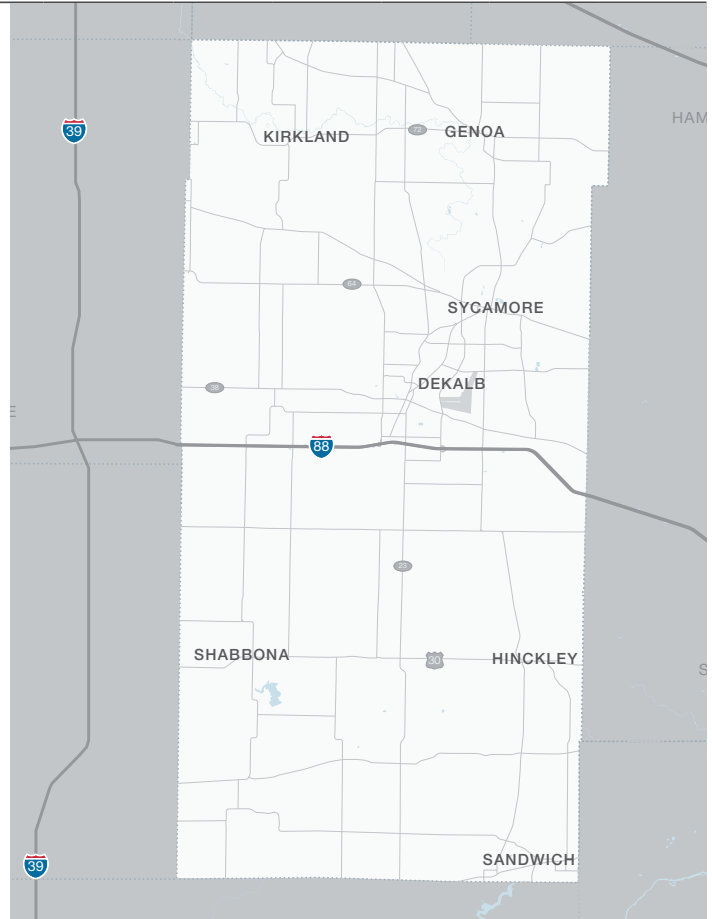
Vacancy Rate
4.65%



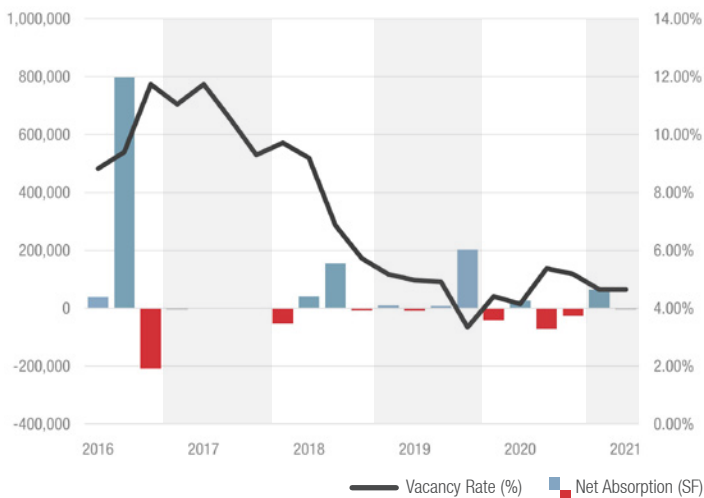
Net Absorption
-1K SF

DeKalb County's total vacancy rate was 4.65 percent at mid-year. The vacancy rate remained unchanged from the 4.65 percent recorded in the first quarter. This rate is 50 basis points higher than the DeKalb County submarket rate recorded during the second quarter of 2020, at 4.15 percent. While vacancy has increased 50 basis points year-over-year from the 4.15 percent rate recorded at mid-year 2020, the submarket's vacancy rate remains tighter in comparison to the overall Chicago industrial vacancy rate of 5.28 percent.

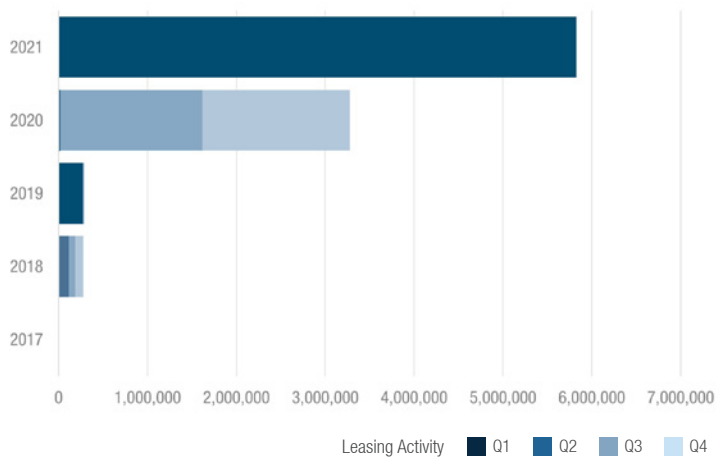
There was -1,370 square feet of net absorption in DeKalb County in the second quarter. Despite this nominal amount of space returning to the submarket, cumulative net absorption was 63,230 square feet in the first half of 2021. While modest, this figure outpaced the -15,367 square feet of net absorption recorded through the first six months of 2020. No new leasing activity of consequence has occurred in the submarket through the first half of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





64,400 SF

AVAILABILITY

1104-1120 E Oak St | DeKalb, IL

MPE Business Forms has up to 64,400 square feet available in their warehouse facility in DeKalb. The Class C building, which was built in 1897, has a 18' clear height with three exterior docks and five drive in doors.

Construction Activity

Facebook's 12th U.S. data center is currently under construction in DeKalb. The 907,000-square-foot build-to-suit will be located at the ChicagoWest Business Center.

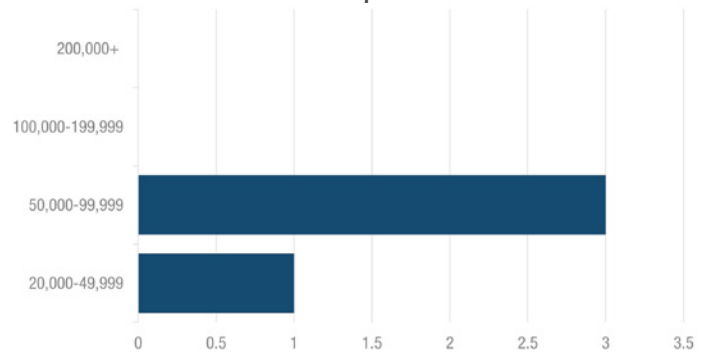
Trammell Crow Company continued construction on the build-to-suit development for Ferrara Candy in DeKalb. The nearly 1.7-million-square-foot distribution facility on Gurler Rd is slated to deliver in the second half of 2021.

0% Speculative

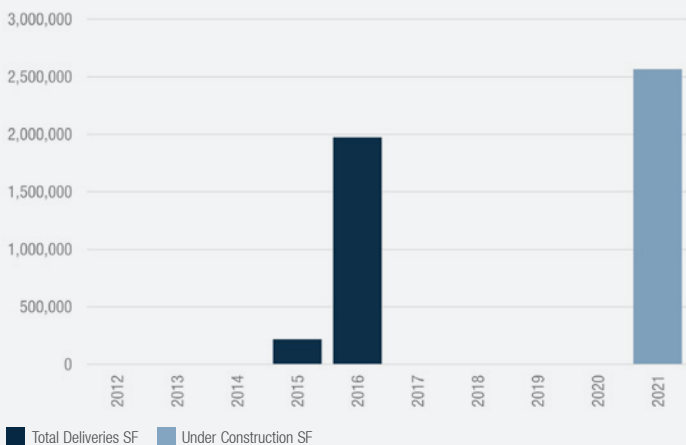
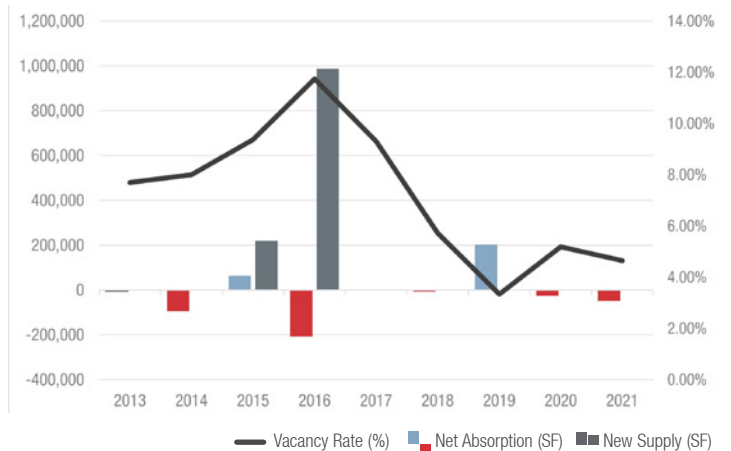


100% Build-to-Suit

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

421-469 N California St
Sycamore

\$3,500,000

Buyer

Innovative Growers
Equipment



Sale

711 Fairview Dr
DeKalb

\$9,850,000

Tenant

Zilber Property Group

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 Q221	4.10%	77,036,469	461,040	827,148	1,170,047	0	751,106
Previous Quarter Q121	4.61%	77,252,150	366,108	336,108	969,487	400,000	1,039,074
Previous Year Q220	4.66%	76,075,000	548,722	599,098	1,760,600	0	138,112



Vacancy Rate
4.10%



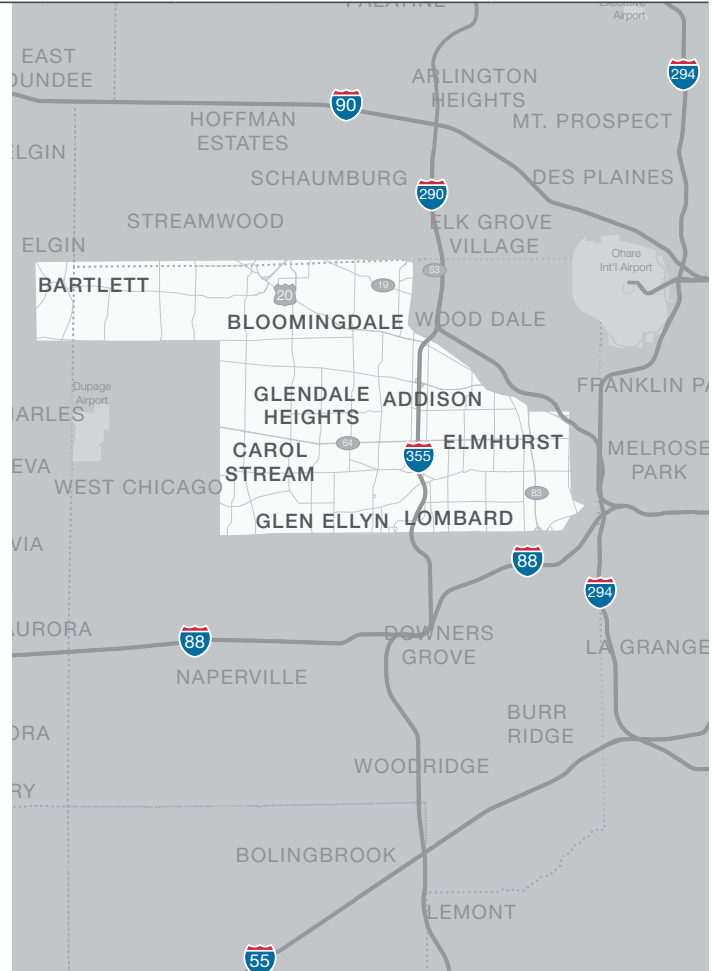
Net Absorption
461K SF

Total vacancy in the Central DuPage submarket was 4.10 percent at mid-year. The vacancy rate decreased 56 basis points year-over-year from the 4.66 percent vacancy rate recorded at mid-year 2020.

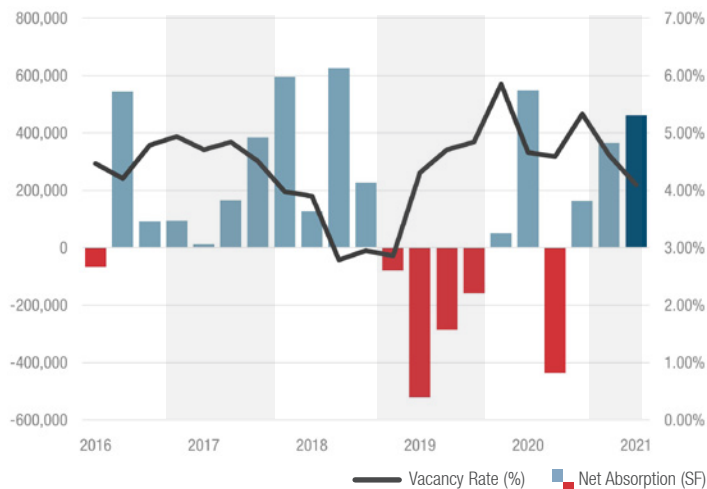
There was 461,040 square feet of net absorption in the submarket in the second quarter. This figure increased 37.2 percent quarter-over-quarter from the 336,108 square feet of net absorption tallied in the first quarter. Cumulative net absorption was 827,148 square feet at mid-year, a 38.1 percent improvement from the 599,098 square feet the submarket recorded in the first half of 2020.

There was 751,106 square feet of new leasing activity in the submarket on the quarter. While this was the sixth-best performing submarket with respect to new leasing activity on the quarter, the submarket saw a 27.7 percent decrease quarter-over-quarter from the 1,039,074 square feet of new leasing activity recorded in the first three months of 2021.

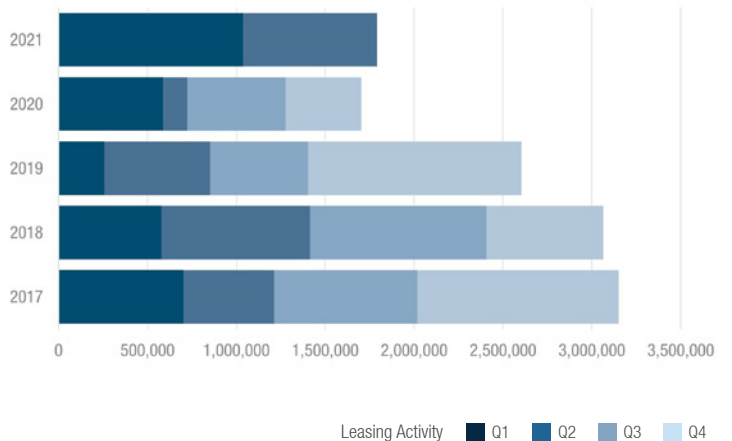
There are currently eight properties under construction in the Central DuPage submarket, totaling more than 1.17 million square feet.



Vacancy Rate, Net Absorption



New Lease Transactions





360,709 SF

LEASE

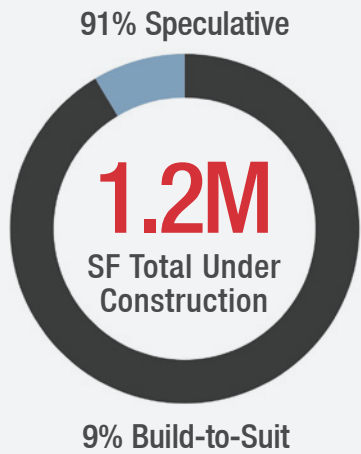
1600 Central Avenue | Roselle, IL

Signode Corporation signed a new lease for 360,709 square feet at 1600 Central Ave in Roselle. The Prologis-owned facility has a 28' clear height with 20 exterior docks and 20 interior docks. Signode is slated to occupy their space in the third quarter.

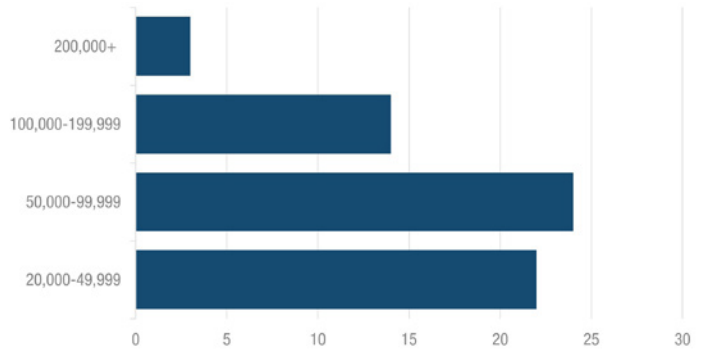
Construction Activity

Specialty Rolled Metals continued construction on their 100,000 square-foot property in Carol Stream. The building is scheduled to deliver in the third quarter.

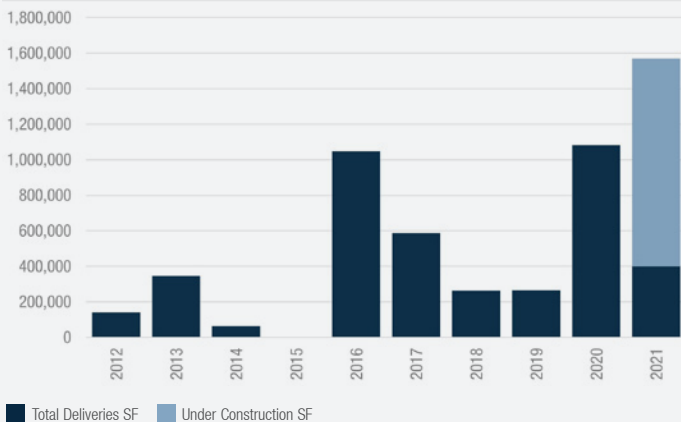
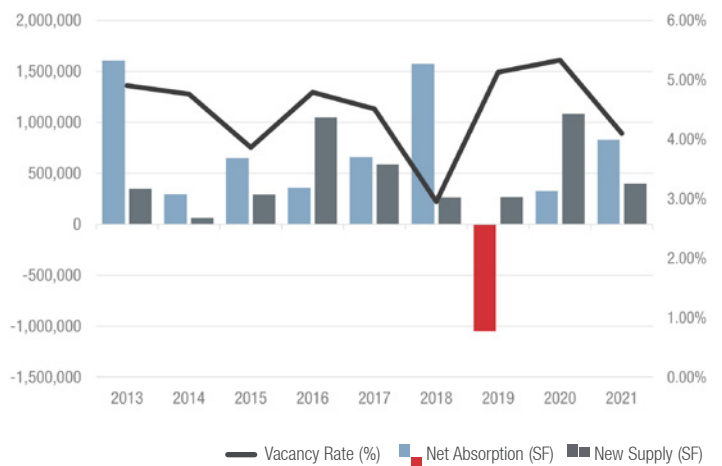
Sterling Bay began construction on its speculative facility at 545 W Lamont Rd in Elmhurst in the second quarter. The 150,010 square-foot infill development plans to deliver in early 2022.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

550 Center Ave
Carol Stream
\$21,365,000

Buyer
TA Realty



Lease

1600 Central Ave
Roselle
360,709 SF

Tenant
Signode Corporation



**Renewal/
Expansion**

1575 Hunter Rd
Hanover Park
288,366 SF

Tenant
Sid Tool Company

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 Q221	4.85%	103,652,869	1,599,254	2,750,015	586,377	317,513	2,983,042
Previous Quarter Q121	6.11%	103,432,741	1,150,761	1,150,761	503,890	538,371	1,647,077
Previous Year Q220	7.61%	101,723,476	-432,943	-741,432	1,160,388	292,058	603,371



Vacancy Rate
4.85%

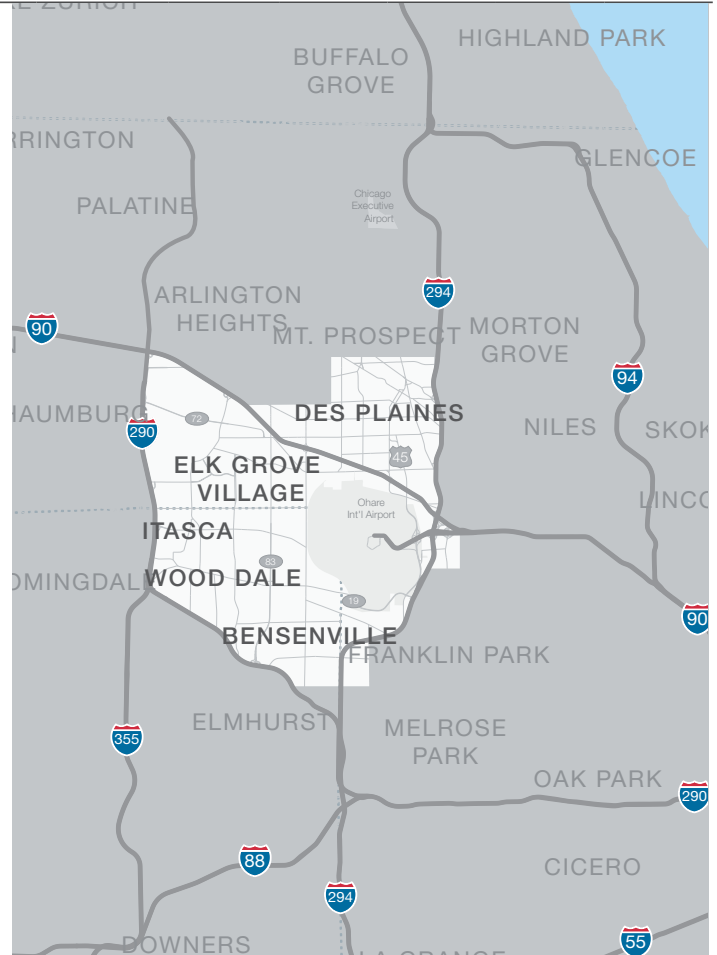


Net Absorption
1.6M SF

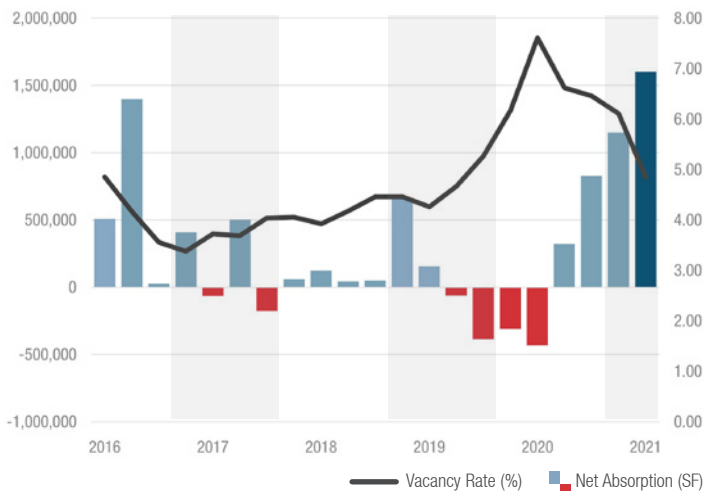
Net absorption in the O'Hare submarket was nearly 1.6 million square feet in the second quarter, increasing 39.0 percent quarter-over-quarter from the nearly 1.2 million square feet recorded in the first quarter. The submarket has seen four consecutive quarters of positive net absorption. O'Hare's cumulative net absorption totaled more than 2.75 million square feet – the third-best performing submarket in Chicago, only trailing the I-55 Corridor and the I-80/Joliet Corridor.

The total vacancy rate in the submarket was 4.85 percent at mid-year, tightening 126 basis points from the 6.11 percent rate recorded in the first quarter. In addition, vacancy in O'Hare dipped below the 5.28 percent vacancy rate recorded in the industrial market overall at mid-year.

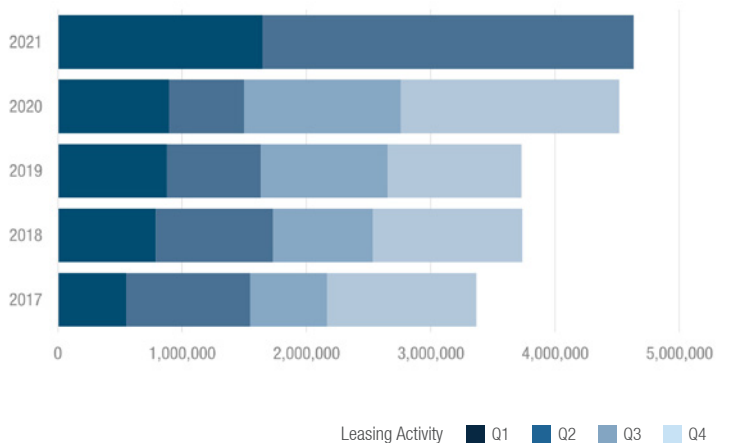
There was over 2.9 million square feet of new leasing activity in O'Hare during the second quarter, the leader across 21 industrial submarkets. Notably, Yahee Technologies leased 306,918 square feet at 1010 Foster Ave in Bensenville, Pregis leased 260,338 square feet at 971-991 Supreme Dr in Bensenville, and Alliance Ground International leased 253,000 square feet at 1717 Busse Rd in Elk Grove Village.



Vacancy Rate, Net Absorption



New Lease Transactions





\$23,500,000

SALE

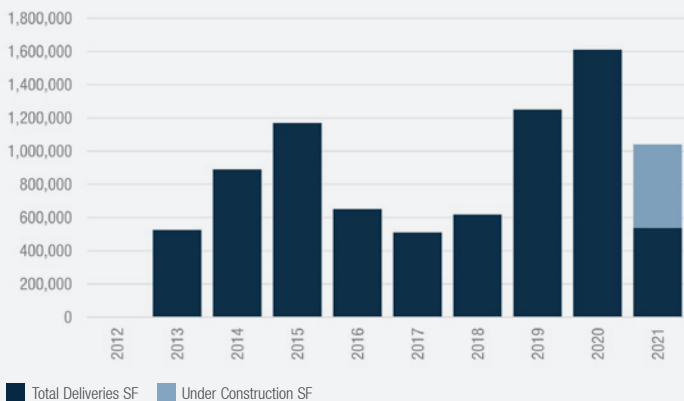
1600 Sherwin Avenue | Des Plaines, IL

Panattoni Development Company sold the warehouse in Des Plaines in May to Black Creek Group for \$23.5 million. The Class A facility delivered in 2020 and was completely vacant at the time of sale.

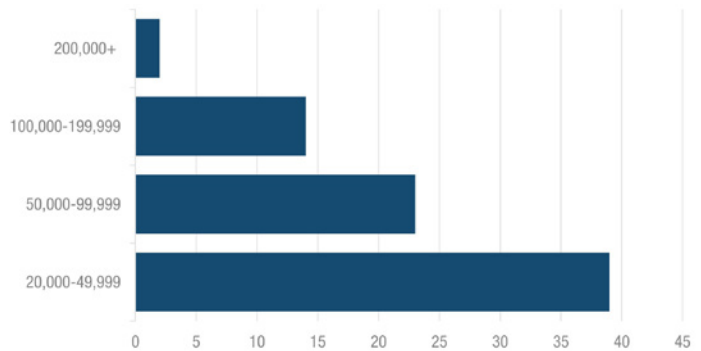
Construction Activity

Alston Construction Company delivered the 317,513 square-foot manufacturing facility in Wood Dale for Nippon Express in the second quarter.

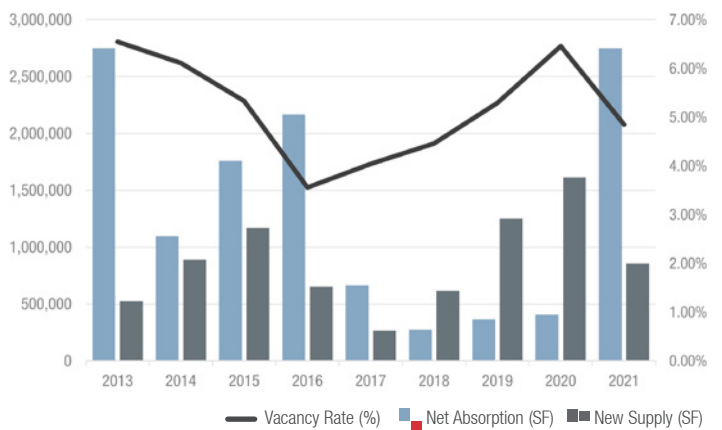
Brennan Investment Group continued construction on the Microsoft Data Center in Elk Grove Village. The 400,000 square foot facility plans to deliver by year-end.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

1600 Sherwin Ave
Des Plaines

\$23,500,000

Buyer

Black Creek Group



Renewal

251 Wille Rd
Des Plaines

333,988 SF

Tenant

Bombardier Transportation Corporation



Lease

1010 Foster Ave
 Bensenville








306,918 SF

Tenant

Yahee Technologies Corp.

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 Q221	4.25%	61,419,527	-144,203	-519,162	1,248,377	0	296,315
Previous Quarter Q121	4.15%	61,410,856	-374,959	-374,959	827,301	0	401,688
Previous Year Q220	6.27%	61,309,587	177,696	1,133,101	0	223,703	187,977

 Vacancy Rate
4.25%

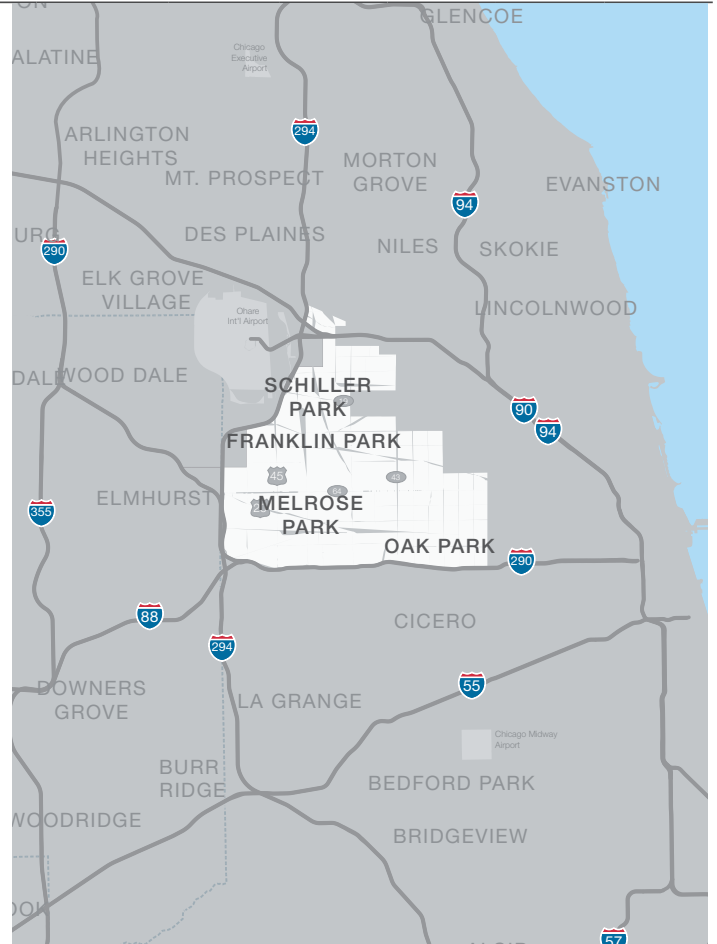
 Net Absorption
-144K SF

The total vacancy rate in the West Cook submarket was 4.25 percent at mid-year. Vacancy has tightened 202 basis points year-over-year from the 6.27 percent rate recorded at mid-year 2020. While the submarket's fortunes have improved over the course of the past year with respect to vacancy, an additional 1.2 million square feet of speculative development in the pipeline could push vacancy higher in the second half of the year if delivered vacant.

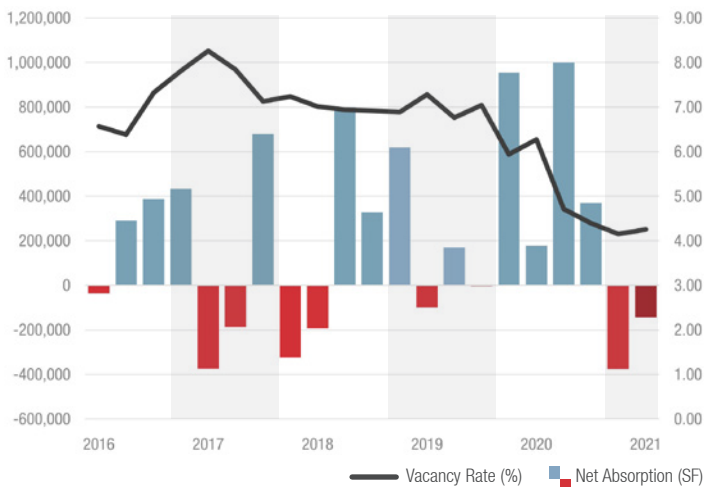
Two speculative developments broke ground in the West Cook submarket in the second quarter, adding another 421,076 square feet to the development pipeline.

There was -144,203 square feet of net absorption in the West Cook submarket in the second quarter, the second consecutive quarter of negative net absorption for the submarket. Cumulative net absorption on the year was -519,162 square feet.

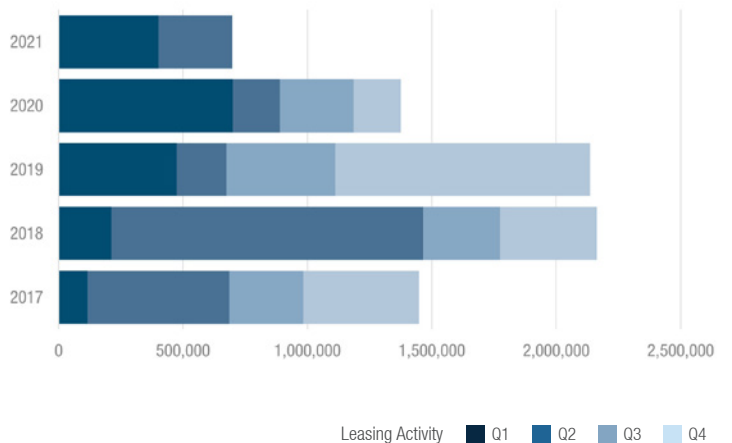
There was 296,315 square feet of new leasing activity in the submarket in the second quarter. This was a 57.6 percent improvement year-over-year from the 187,977 square feet of new leasing activity recorded in the second quarter of 2020.



Vacancy Rate, Net Absorption



New Lease Transactions





\$84,000,000

SALE

400 N. Wolf Road | Northlake, IL

CenterPoint Properties sold the food processing building in Northlake to Apollo Global Management for \$84.0 million in June. The building was 100.0 percent leased at the time of the sale.

Construction Activity

Duke Realty Corporation broke ground on a 299,520 square-foot distribution facility in Bellwood during the second quarter. The speculative development is scheduled to deliver in 2022.

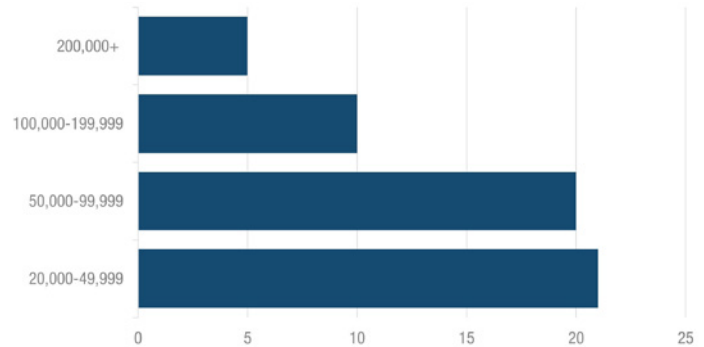
Five other speculative developments remain under construction in the West Cook submarket. These five buildings will add close to 950,000 square feet to the submarket by early 2022.

100% Speculative

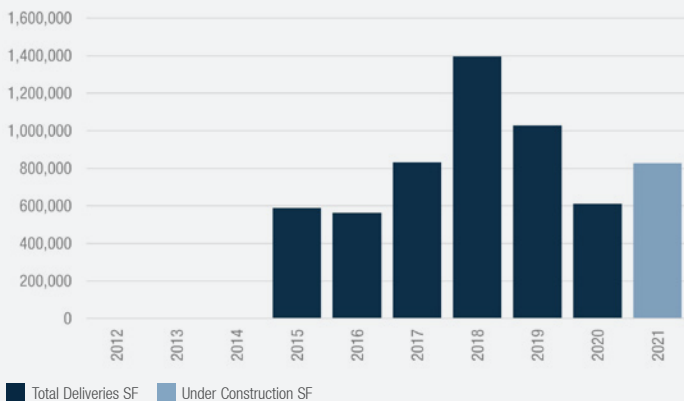
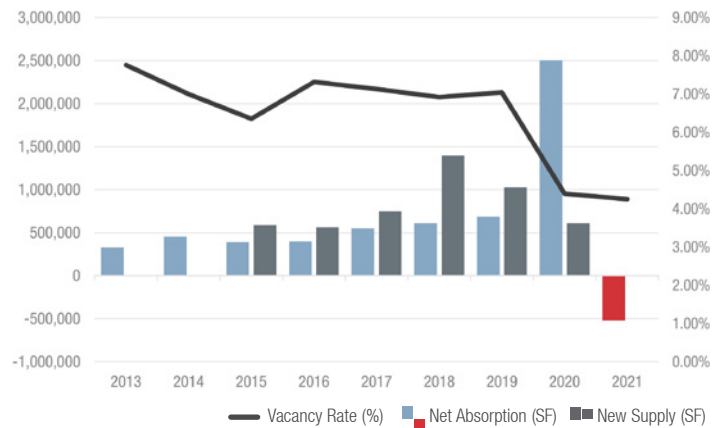


0% Build-to-Suit

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

400 N Wolf Rd
Northlake

\$84,000,000

Buyer

Apollo Global Management



Lease

9300 King St
Franklin Park

99,076 SF

Tenant

A-1 Handling LLC



Lease

2800 W Lake St
Melrose Park

77,116 SF

Tenant

Envoy Logistics, Inc.

Chicago

Submarket Overview

	▼ Vacancy Rate	▲ Total Inventory (SF)	▲ Net Absorption	▼ YTD Net Absorption	▼ Under Construction (SF)	▲ New Supply (SF)	▼ New Leases (SF)
Current Quarter Q221	6.27%	177,879,142	45,978	-753,246	1,676,182	999,900	478,234
Previous Quarter Q121	6.46%	178,494,376	-799,224	-799,224	2,526,082	0	1,265,334
Previous Year Q220	5.02%	175,185,383	-697,301	-379,460	1,236,788	527,879	1,193,735

Vacancy Rate
6.27%

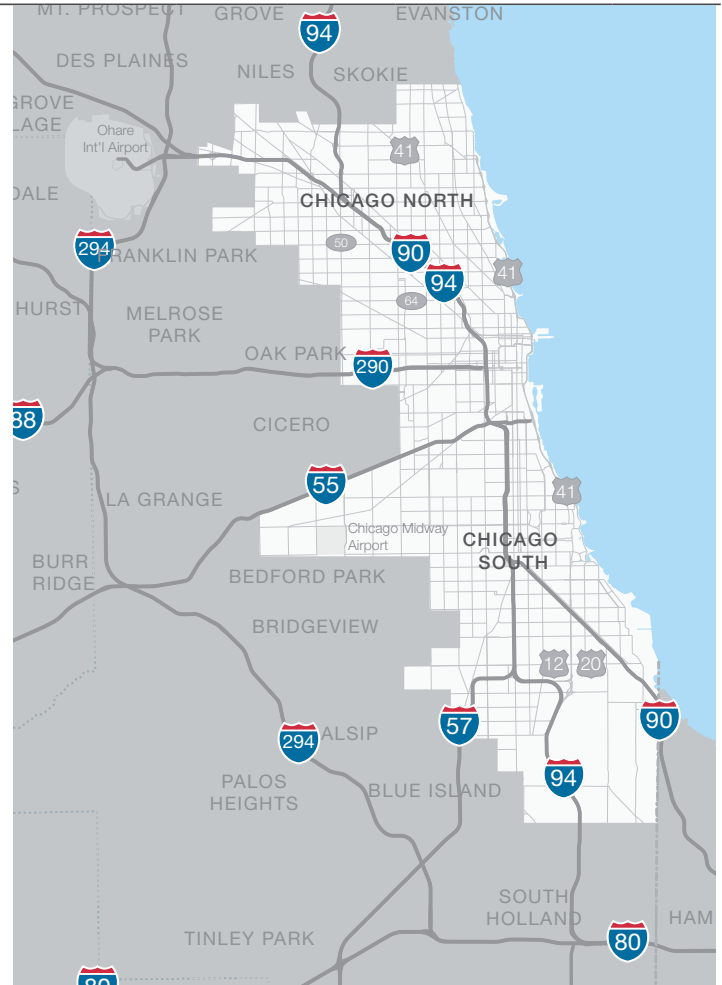
Net Absorption
46K SF

The total vacancy rate in Chicago was 6.27 percent at mid-year. Vacancy decreased 19 basis points quarter-over-quarter from the 6.46 percent rate tallied in the first quarter.

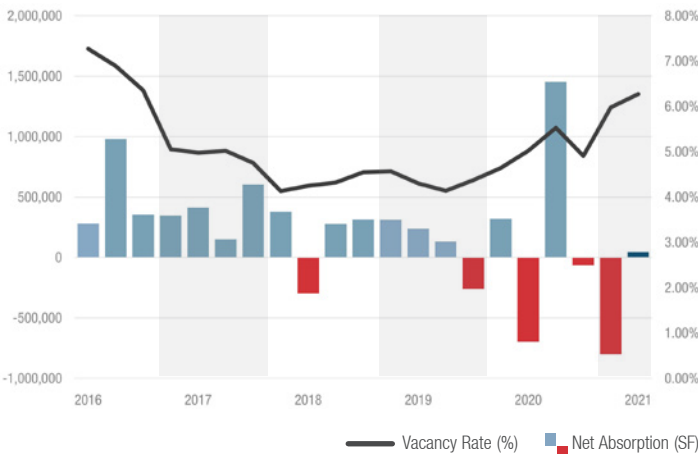
The City of Chicago recorded 45,978 square feet of net absorption in the second quarter. Notable move-ins include Frozen Assets Cold Storage occupying 154,715 square feet at 2635 S Western Ave and Aviation Institute of Maintenance occupying 137,922 square feet at 3711 S Ashland Ave.

The cumulative -753,246 square feet of net absorption in the City of Chicago in the first half of 2021 was nearly double as compared to the -379,460 square feet of space that returned to the market in the first half of 2020.

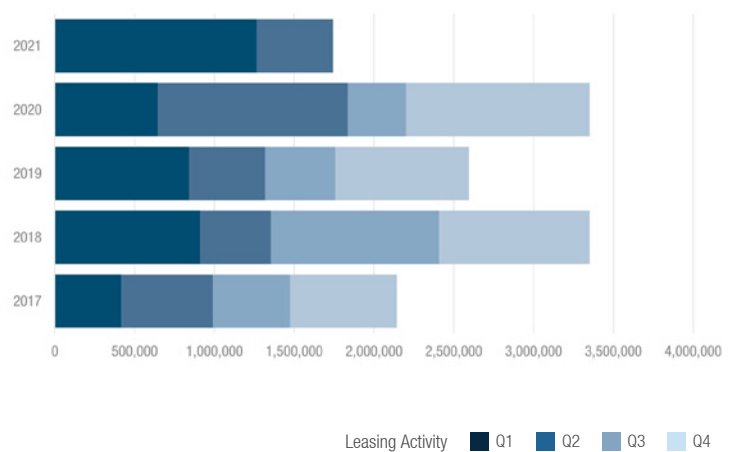
There was 478,234 square feet of new leasing activity in Chicago in the second quarter. This represented a 59.9 percent decrease year-over-year compared to the nearly 1.2 million square feet of new leasing activity tallied in the second quarter of 2020. Despite this decrease in new leasing activity, year-to-date new leasing activity totaled 1.7 million square feet at mid-year.



Vacancy Rate, Net Absorption



New Lease Transactions





\$35,000,000

SALE

3000 W. 51st Street | Chicago, IL

Ryerson sold the Central Steel & Wire Company property to Amazon. The manufacturing facility, built in 1937, sold for \$35.0 million. Central Steel will continue to occupy the property until it is redeveloped. "Construction is anticipated to begin in 2023," according to an Amazon spokesperson.

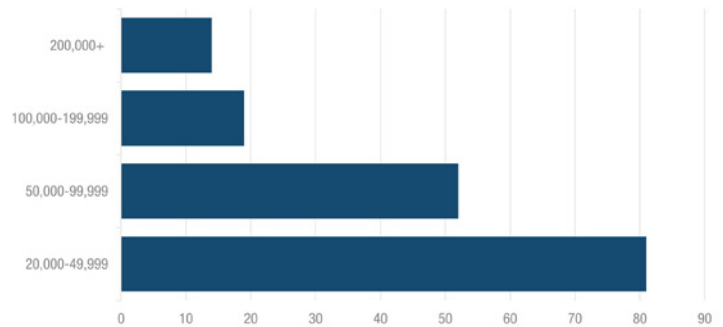
Construction Activity

Hilco Real Estate delivered the 999,900 square-foot Target facility in the second quarter located at 3501 S Pulaski Rd.

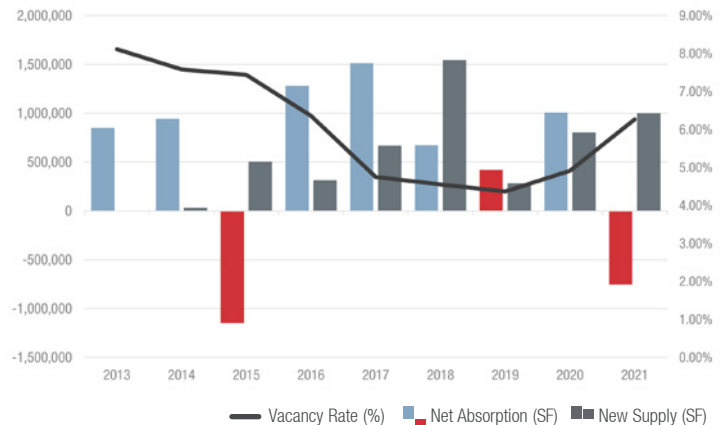
Four speculative buildings remained under construction in Chicago at mid-year, totaling more than 1.4 million square feet. All four facilities are scheduled for delivery before the end of the year.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

3000 W 51st St
Chicago

\$35,000,000

Buyer
Amazon



Lease

4444 S Kildare Ave
Chicago

62,500 SF

Tenant
Kinexx Modular Construction

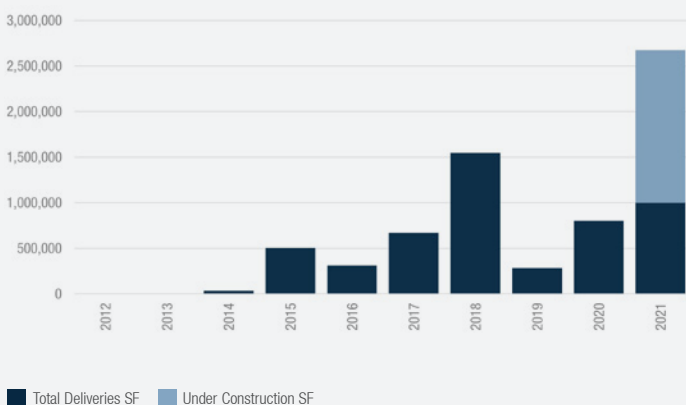


Lease

4249 W Diversey Ave
Chicago








61,000 SF

Tenant
Deal Genius, Inc.




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 Q221	4.65%	70,827,433	947,696	1,544,584	340,193	0	835,089
Previous Quarter Q121	5.67%	70,878,758	596,888	596,888	87,000	0	1,240,556
Previous Year Q220	10.12%	70,655,679	-302,296	-235,045	0	0	928,760

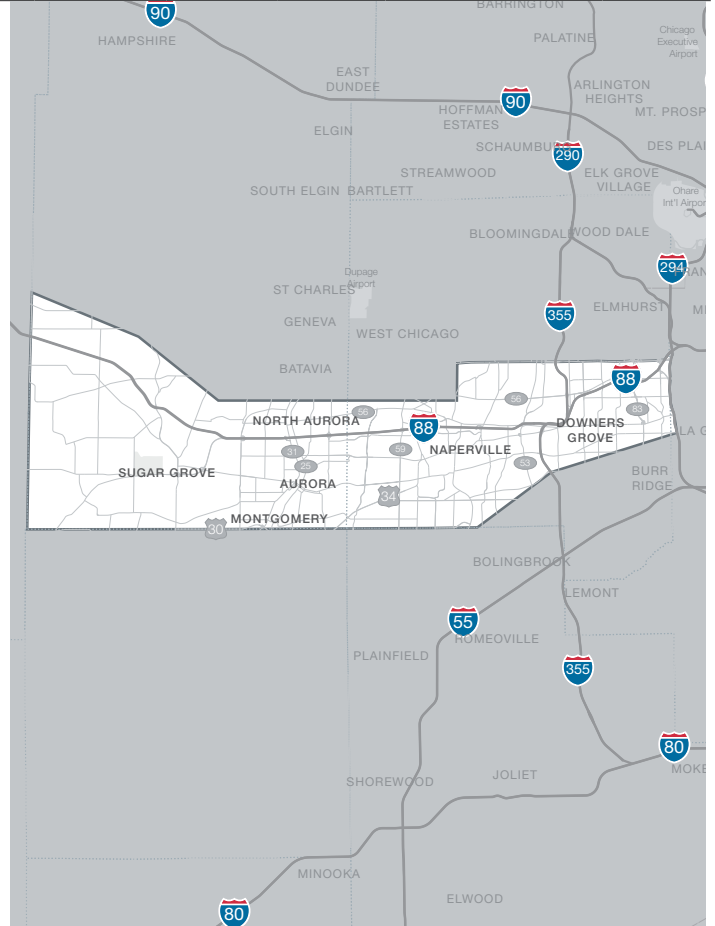
 Vacancy Rate
4.65%

 Net Absorption
948K SF

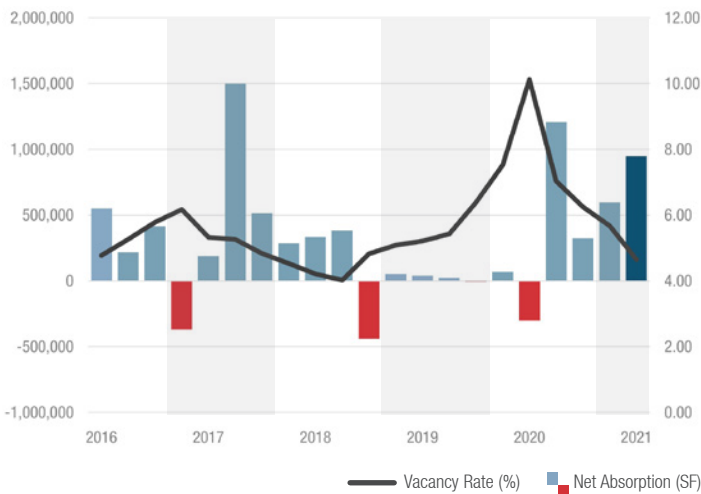
The total vacancy rate in the I-88 Corridor was 4.65 percent at mid-year, tightening 547 points year-over-year from the 10.12 percent rate recorded in the second quarter of 2020. In addition, this rate is 102 basis points tighter from the 5.67 percent rate recorded in the first quarter.

There was 947,696 square feet of net absorption in the I-88 Corridor in the second quarter. Year-to-date, there was 1,544,584 square feet of net absorption, a substantial turnaround from the -235,045 square feet of net absorption recorded in the submarket in the first half of 2020.

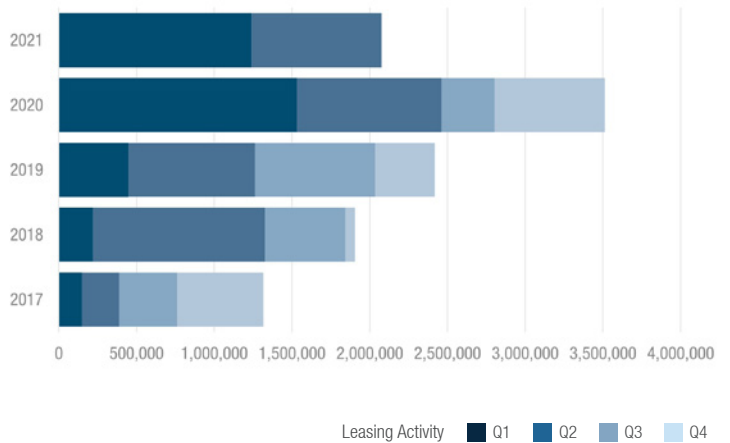
There was 835,089 square feet of new leasing activity in the I-88 Corridor in the second quarter. While this was the fifth-best performing submarket with respect to new leasing activity on the quarter, the submarket recorded a 10.1 percent decrease year-over-year compared to the 928,760 square feet of new leasing activity recorded in the second quarter of 2020.



Vacancy Rate, Net Absorption



New Lease Transactions





695,948 SF

LEASE

900 Knell Road | Montgomery, IL

DSV Air & Sea leased 695,948 square feet at the CenterPoint 88 Industrial Center in Montgomery. The distribution facility has a 28' clear height with 47 exterior docks and 32 interior docks.

Construction Activity

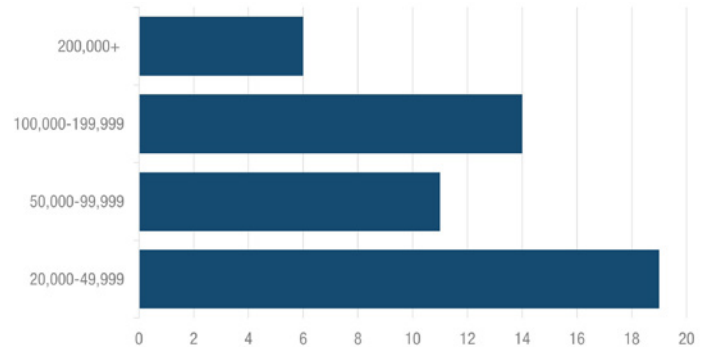
Construction began on three speculative developments in the I-88 Corridor in the second quarter. DRG and Crow Holdings are developing two of the sites on Enterprise Rd in Aurora. The three facilities will add a total of 340,193 square feet to the submarket's inventory when they respectively deliver at year-end 2021.

100% Speculative

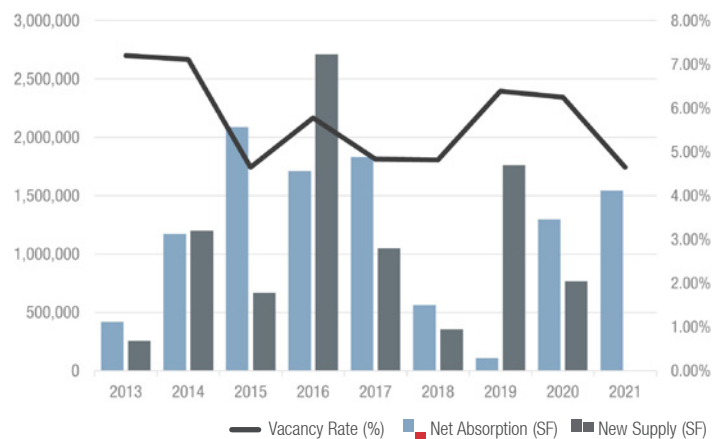


0% Build-to-Suit

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

1103 Butterfield Rd
Aurora

\$12,400,000

Buyer

Dalfen Industrial



Lease

900 Knell Rd
Montgomery

695,948 SF

Tenant

DSV Air & Sea, Inc.



Renewal

800 Bilter Rd
Aurora








592,539SF

Tenant

DSV Air & Sea, Inc.

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 Q221	2.97%	37,435,472	107,296	181,446	0	0	111,942
Previous Quarter Q121	2.70%	37,434,622	74,150	74,150	0	0	626,710
Previous Year Q220	3.40%	37,043,358	548,803	661,549	0	0	422,402



Vacancy Rate
2.97%

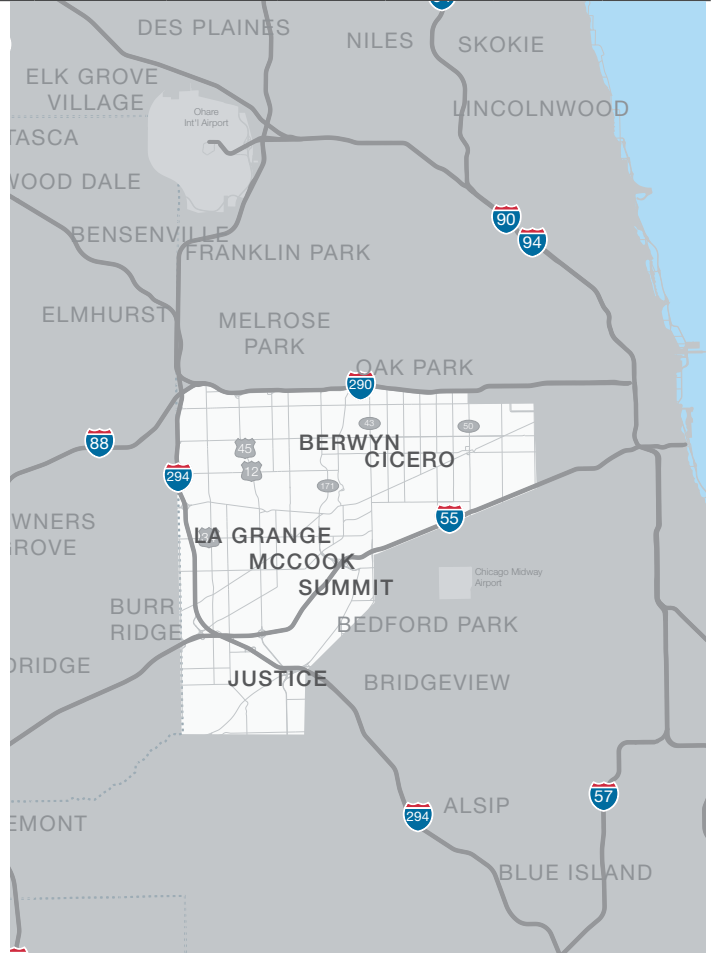


Net Absorption
107K SF

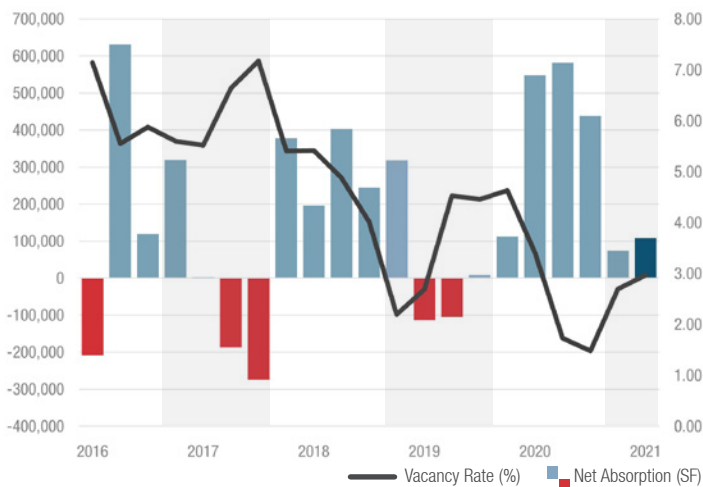
The vacancy rate in the Southwest Cook submarket was 2.97 percent at mid-year. Vacancy increased 27 basis points quarter-over-quarter from the 2.70 percent rate tallied in the first quarter. However, vacancy decreased 43 basis points year-over-year from the 3.40 percent vacancy rate recorded at mid-year 2020. For the third consecutive quarter, the Southwest Cook submarket has led its peer submarkets in maintaining the lowest vacancy rate across Chicagoland.

There was 107,296 square feet of net absorption in the submarket in the second quarter. Net absorption increased 44.7 percent quarter-over-quarter compared to the 74,150 square feet of net absorption recorded in the first three months of 2021. The submarket has recorded positive net absorption for seven consecutive quarters.

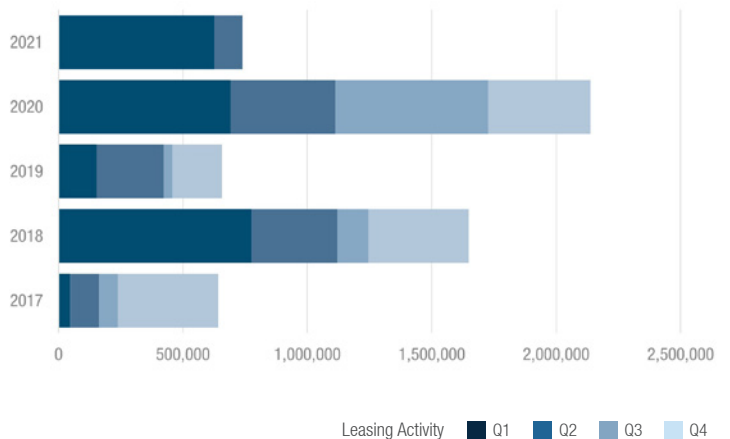
There was 111,942 square feet of new leasing activity in the Southwest Cook submarket in the second quarter. Cumulative new leasing activity eclipsed half a million square feet in the first half of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





138,994 SF

AVAILABILITY

6800 Santa Fe Drive | Hodgkins, IL

The General Warehouse at the IAC Chicago Market Center, located at 6800 Santa Fe Dr, currently has up to 138,994 square feet available. PGIM Real Estate purchased a 40.0 percent stake in this facility in 2020 as part of multi-state, 35-property, 5.35 million-square-foot portfolio for \$16.8 million.

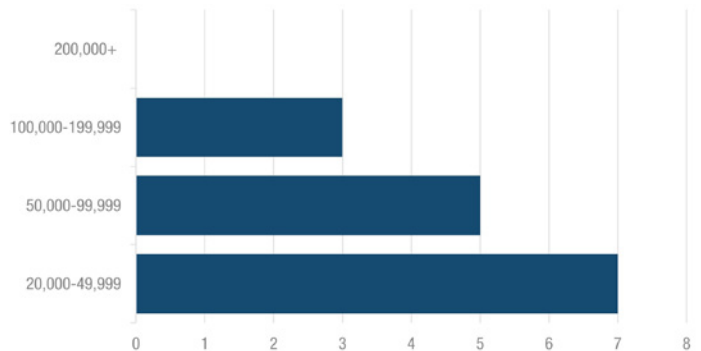
Construction Activity

There were no projects under construction in the Southwest Cook submarket in the second quarter of 2021.

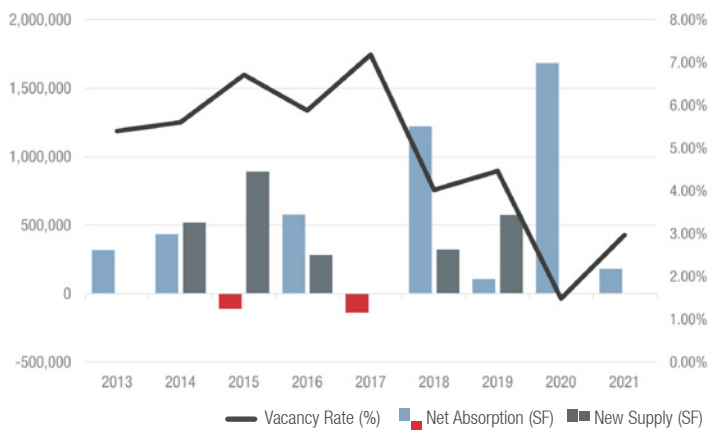
Despite significant absorption over the past two years, no developments have delivered in the Southwest Cook submarket since 2019. This is due to limited suitable sites available in this constrained submarket.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

3401 S Cicero Ave
Cicero

50,000 SF

Buyer

3401 Cicero LLC



Renewal

2600 S 25th Ave
Broadview

21,600 SF

Tenant

Henz Transport Group, 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 Q221	8.07%	102,970,839	1,971,347	3,088,341	2,484,661	0	2,382,637
Previous Quarter Q121	8.97%	103,012,798	1,116,994	1,116,994	1,825,277	646,380	3,428,780
Previous Year Q220	7.49%	99,866,501	1,096,742	967,657	2,751,072	0	423,432

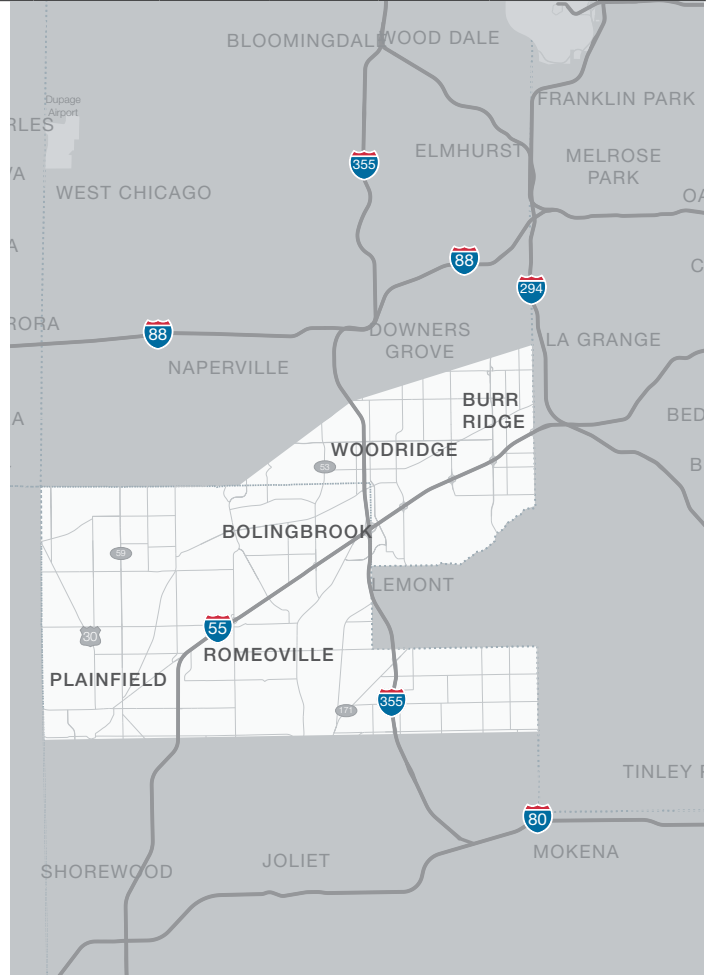
Vacancy Rate
8.07%

Net Absorption
1.97M SF

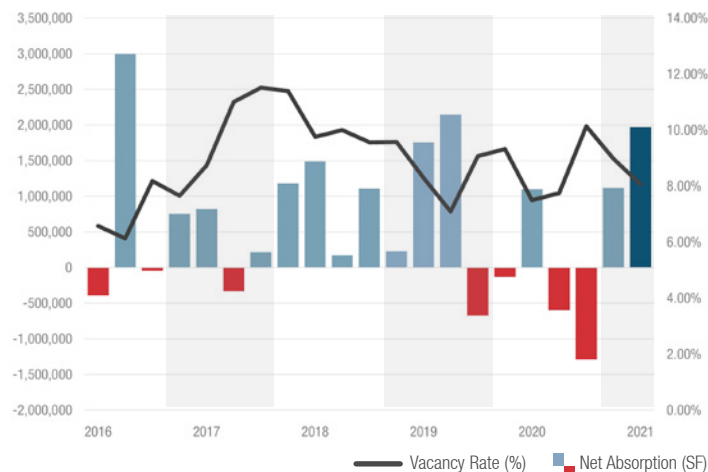
The total vacancy rate in the I-55 Corridor was 8.07 percent at mid-year. Vacancy decreased 90 basis points quarter-over-quarter from the 8.97 percent rate tallied in the first quarter of 2021. Despite this decrease in vacancy from the start of the year, vacancy has softened 58 basis points year-over-year from the 7.49 percent rate recorded at mid-year 2020.

The I-55 Corridor followed up 1,116,994 square feet of move-ins in the first quarter with an additional 1,971,347 square feet of net absorption, bringing the mid-year total to nearly 3.1 million square feet. Notable move-ins in the second quarter include B&G Foods moving in to 407,385 square feet at 500 S Pinnacle Dr in Romeoville and Symbia Logistics occupying 269,590 square feet at Building 2 of the Bolingbrook Corporate Center West.

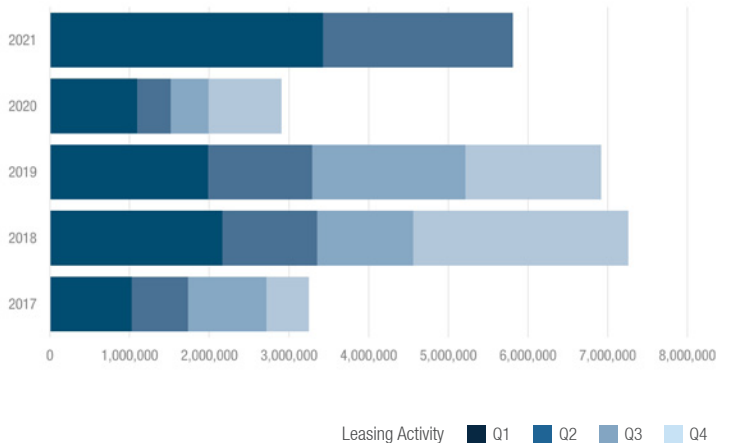
The I-55 Corridor signed nearly 2.4 million square feet of new leasing activity during the second quarter. The submarket was one of three to record more than 2.1 million square feet of deals on the quarter. Year-to-date leasing activity for the submarket stands at 5.8 million square feet.



Vacancy Rate, Net Absorption



New Lease Transactions





\$23,800,000

SALE

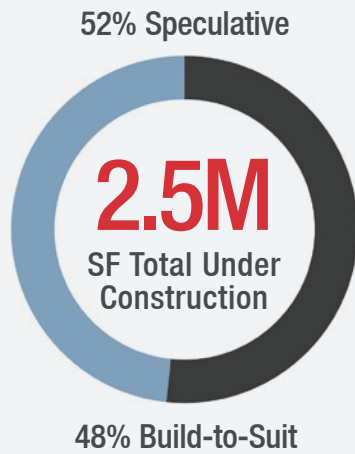
1501 Remington Blvd. | Bolingbrook, IL

The Bolingbrook Distribution Center sold in May to Exeter Property Group for \$23.8 million. The Class A property sits on 23.47 acres and was partially occupied by DHL at the time of sale.

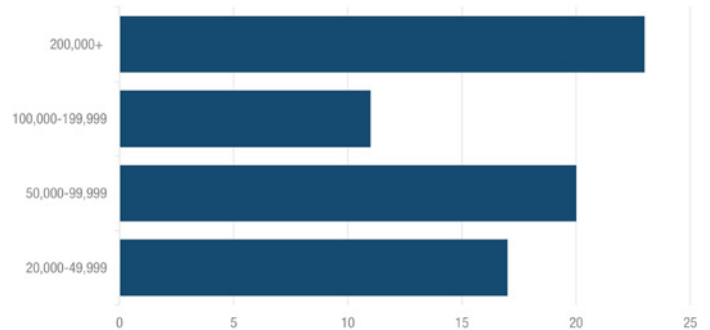
Construction Activity

IDI Logistics broke ground on the 351,870 square-foot Romeoville Gateway at 1301 N Abbott Rd in the second quarter. The speculative development plans to deliver early 2022.

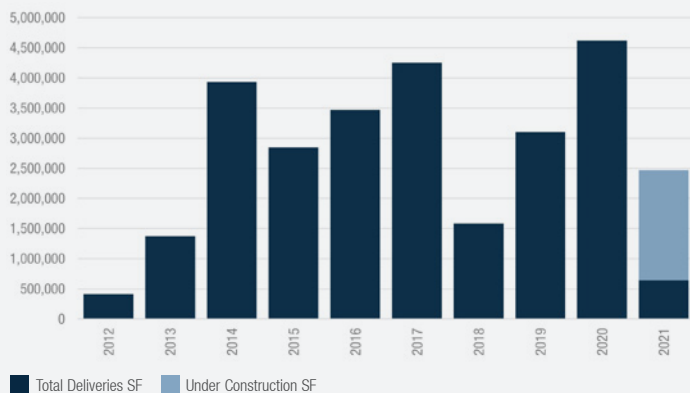
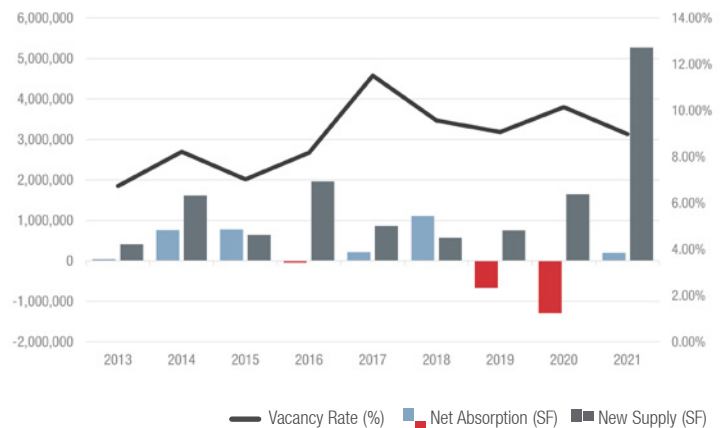
Duke Realty Corporation continued its work in the second quarter on the 1.2 million-square-foot build-to-suit facility for Wayfair in Romeoville. It is scheduled for delivery in the first quarter of 2022.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

1501 Remington Blvd
Bolingbrook

\$23,800,000

Buyer

Exeter Property Group LLC



Lease

16535 W Prologis Pkwy
Lockport

452,129 SF

Tenant

RJW Transportation, Inc.



Lease

1150 W 115th St
Bolingbrook

269,590 SF

Tenant

Symbia Logistics

South Cook

Submarket Overview

	▼ Vacancy Rate	▲ Total Inventory (SF)	▲ Net Absorption	▲ YTD Net Absorption	▲ Under Construction (SF)	▼ New Supply (SF)	▲ New Leases (SF)
Current Quarter Q221	4.67%	83,136,391	597,287	-90,042	4,455,200	750,000	664,668
Previous Quarter Q121	5.16%	82,425,410	-687,329	-687,329	2,228,373	1,115,307	555,387
Previous Year Q220	4.46%	81,555,442	-26,330	-260,612	1,296,429	0	3,948,649

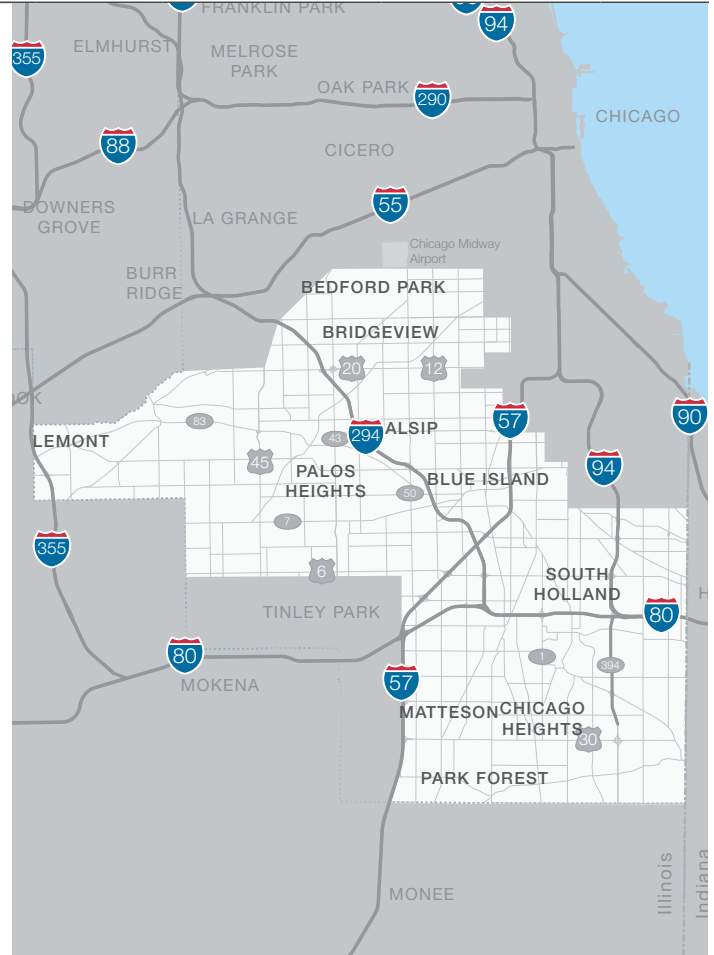
Vacancy Rate
4.67%

Net Absorption
597K SF

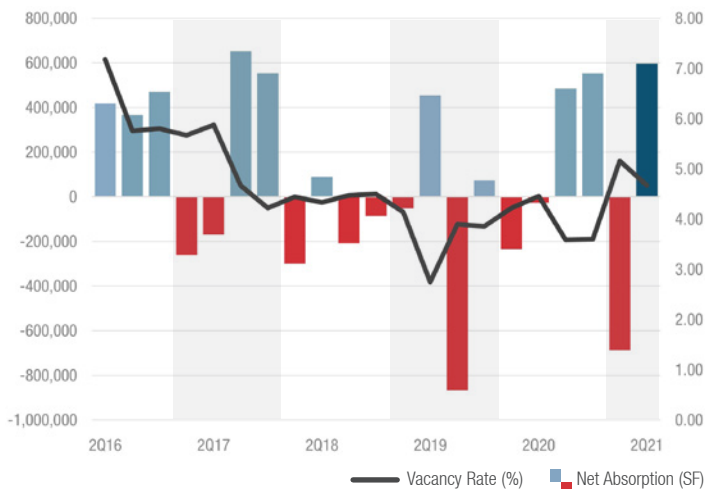
At 4.67 percent, the total vacancy rate in the South Cook submarket at mid-year softened 49 basis points quarter-over-quarter from the 5.16 percent rate tallied in the first quarter. The mid-year rate is 21 basis points higher than the 4.46 percent rate recorded at mid-year 2020.

The submarket bounced back from a quarter of negative absorption, recording 597,287 square feet in the second quarter of 2021. Notably, Amazon occupied 110,000 square feet at Building 3 of LogiPort 57-80 business park in Country Club Hills. There was -90,042 square feet of cumulative net absorption through the first six months of 2021, a 65.4 percent improvement compared to the -260,612 square feet of net absorption recorded in the first half of 2020.

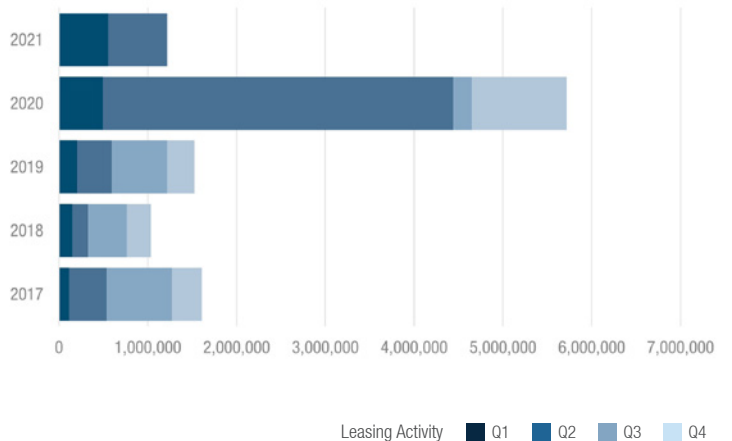
There was 664,668 square feet of new leasing activity in the South Cook submarket in the second quarter. This was a 19.7 percent increase quarter-over-quarter from the 555,387 square feet of new leasing activity signed in the first quarter.



Vacancy Rate, Net Absorption



New Lease Transactions





\$10,800,000

SALE

5020-5025 W. 73rd Street | Bedford Park, IL

In the second quarter, Pritzker Realty Group purchased the manufacturing building in Bedford Park for \$10.8 million, or \$49.67 per square foot. The Class B facility sits on 6.7 acres of land with 10 exterior docks and two drive in doors.

Construction Activity

Scannell Properties delivered a 3.8 million-square-foot facility for Amazon at 15924 Western Ave in Markham in the second quarter.

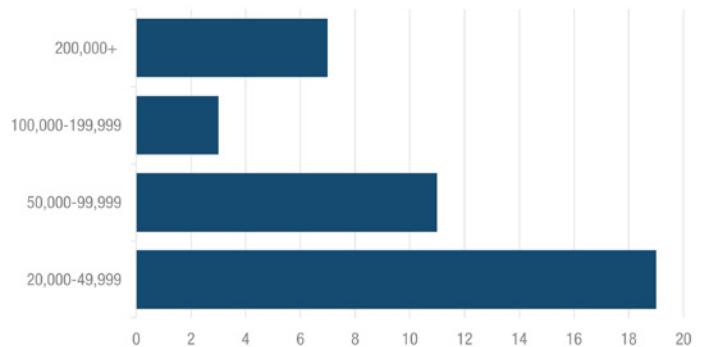
Development continued on build-to-suit facilities for Amazon in Matteson and Wayfair in Bedford Park in the second quarter. In total, the two buildings will add almost 4.5 million square feet to the South Cook submarket inventory upon delivery.

0% Speculative

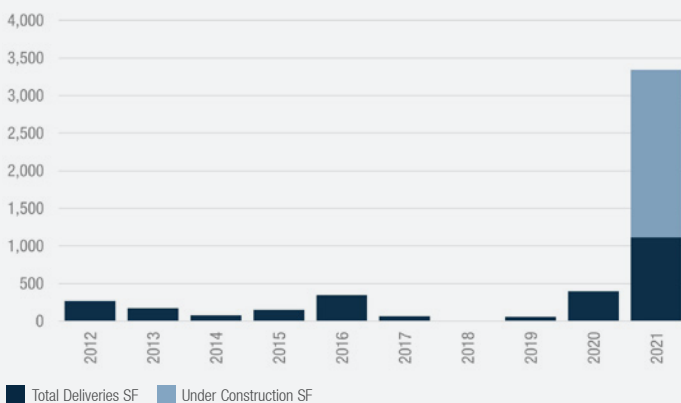
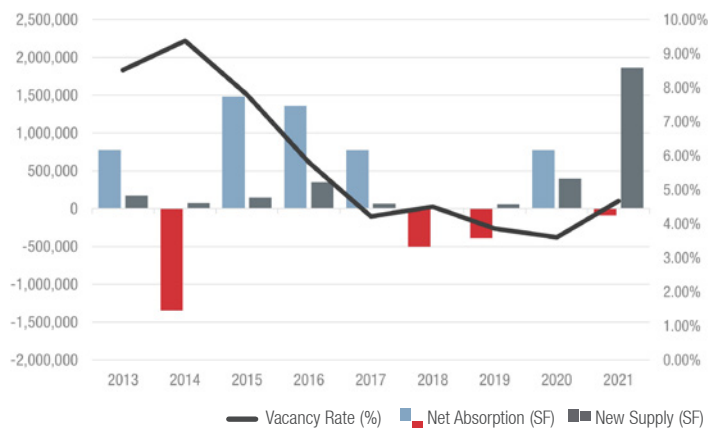


100% Build-to-Suit

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

5020-5025 W 73rd St
Bedford Park

\$10,800,000

Buyer

5020 73rd Street
Investors LLC



Renewal

7770 W 71st St
Bridgeview

166,663 SF

Tenant

Menasha Packing
Company, LLC



Lease

11939 S Central Ave
Alsip

107,790 SF

Tenant

Nufarm Americas, Inc.

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 Q221	3.54%	97,785,669	3,083,696	3,756,708	5,499,271	3,026,220	2,102,693
Previous Quarter Q121	4.46%	94,763,879	673,012	673,012	5,324,795	0	3,082,186
Previous Year Q220	8.35%	94,289,028	1,027,687	2,097,204	3,049,225	0	2,447,517



Vacancy Rate
3.54%

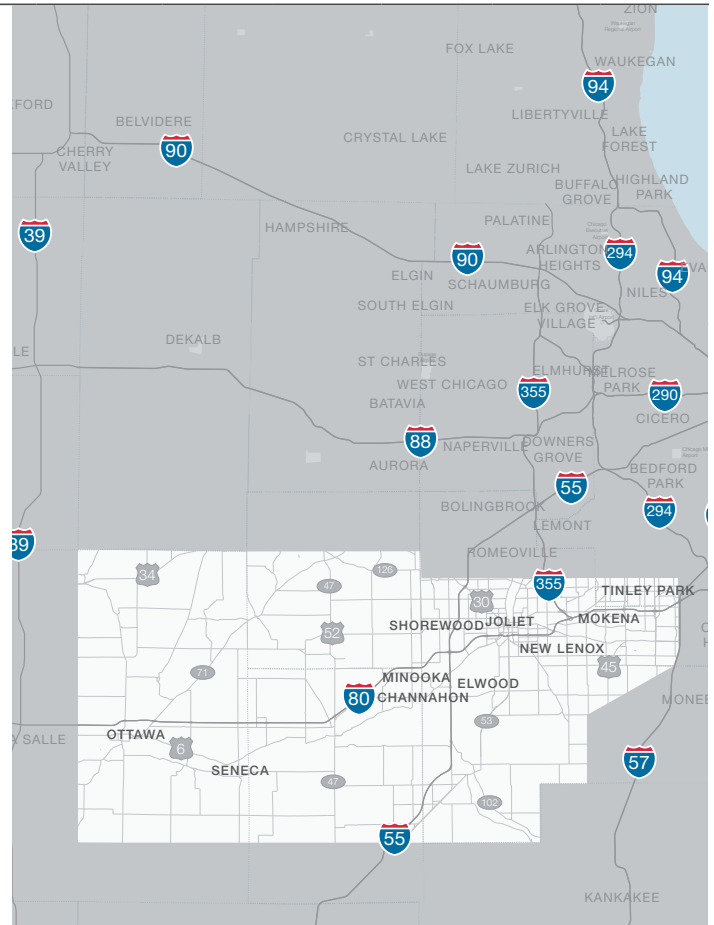


Net Absorption
3.08M SF

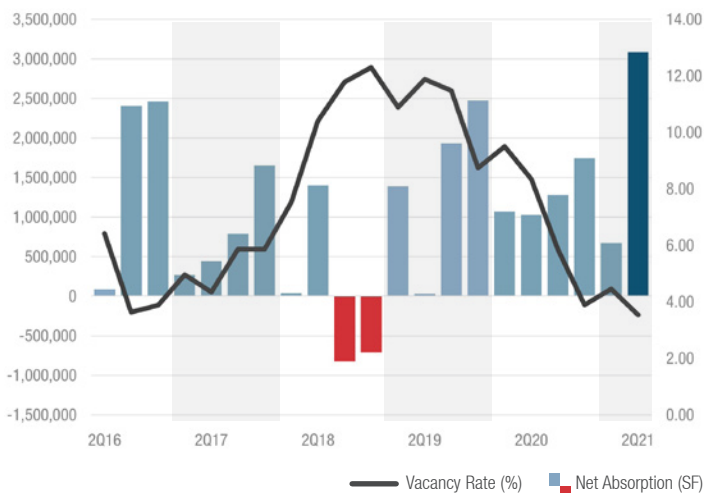
The total vacancy rate in the I-80/Joliet Corridor was 3.54 percent at mid-year. The rate decreased 92 basis points quarter-over-quarter from the 4.46 percent rate tallied in the first quarter. In addition, the vacancy rate decreased 481 basis points year-over-year from the 8.35 percent rate recorded at mid-year 2020. The I-80/Joliet Corridor vacancy rate is currently the third tightest across Chicagoland, trailing only the Southwest Cook and Northwest Indiana submarkets.

The I-80/Joliet Corridor tallied more than 3.08 million square feet in net absorption during the second quarter, leading all submarkets in Chicagoland. The submarket has recorded positive net absorption for 10 consecutive quarters. Notably, Kenco Logistics Services accounted for 27.6 percent of the submarket's net absorption figure on the quarter, occupying 849,691 square feet at 501 Internationale Pky in Minooka.

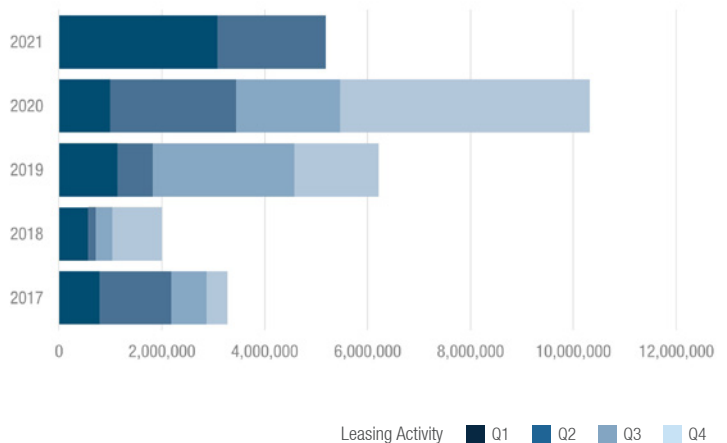
The I-80/Joliet Corridor has the most robust development pipeline across the Chicago metro at mid-year. There are currently six developments underway in the submarket. Another 5.5 million square feet will be added to the I-80/Joliet Corridor upon their respective deliveries over the course of the next 15 months.



Vacancy Rate, Net Absorption



New Lease Transactions





906,517 SF

NEW LEASE

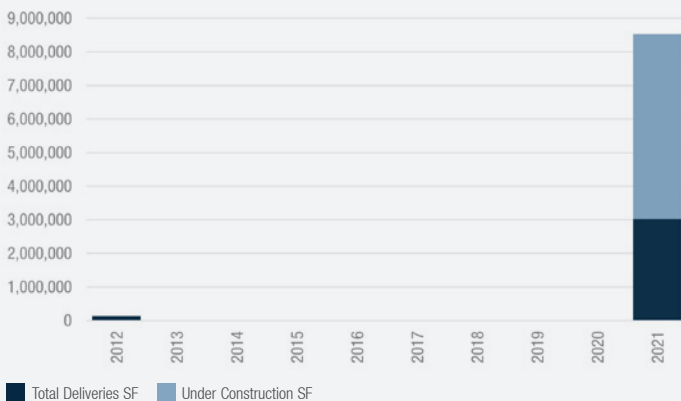
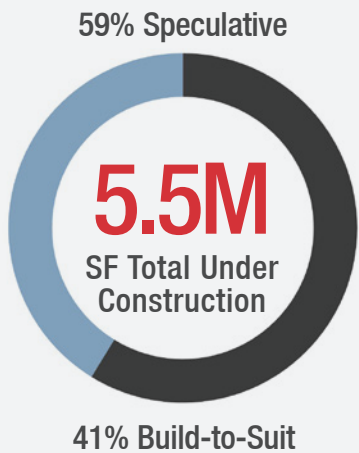
3835 Youngs Road | Joliet, IL

Lion Electric signed the largest deal in the second quarter, fully leasing the distribution center under construction at Clarius Park Joliet. Owner Highway Transport Logistics will deliver the facility in the second half of 2021.

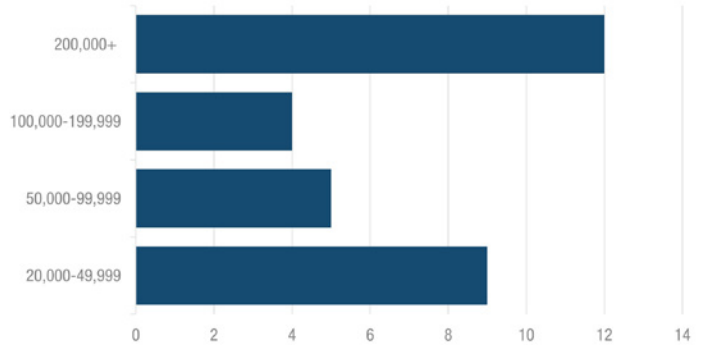
Construction Activity

CenterPoint Properties delivered the 1.6 million-square-foot Harbor Freight build-to-suit facility in Joliet.

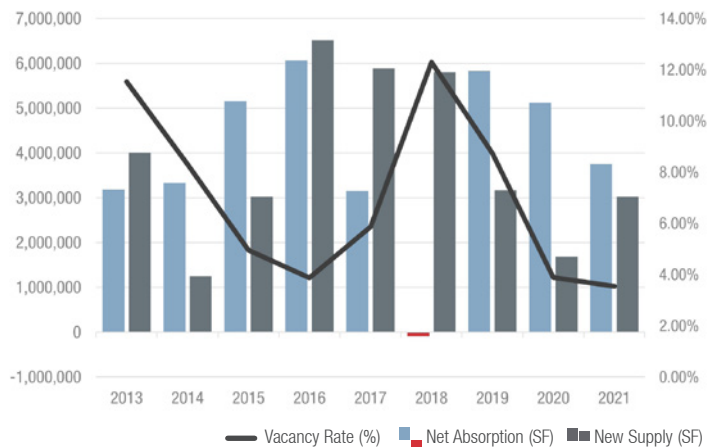
CenterPoint Properties additionally broke ground on two speculative facilities at the CenterPoint Intermodal Center totaling more than 2.0 million square feet. Both facilities are scheduled to deliver in 2022.



Blocks of Available Space



Submarket Snapshot



Significant Transactions

Transaction Type	Address	Value / Size	Buyer / Tenant
Sale	2200 Channahon Rd, Joliet	\$11,500,000	Industrial Realty Group, LLC
Lease	3835 Youngs Rd, Joliet	906,517 SF	Lion Electric Co.
Lease	501 Internationale Pkwy, Minooka	849,691 SF	Kenco Logistic Services, Inc.

I-57 Corridor

Submarket Overview

	▼ Vacancy Rate	▲ Total Inventory (SF)	▲ Net Absorption	▲ YTD Net Absorption	▼ Under Construction (SF)	▲ New Supply (SF)	▲ New Leases (SF)
Current Quarter Q221	5.90%	18,073,752	182,728	68,817	0	1,015,000	210,928
Previous Quarter Q121	5.99%	17,058,252	-113,911	-113,911	1,015,000	0	22,740
Previous Year Q220	7.36%	17,063,439	2,000	-53,952	0	0	0



Vacancy Rate
5.90%

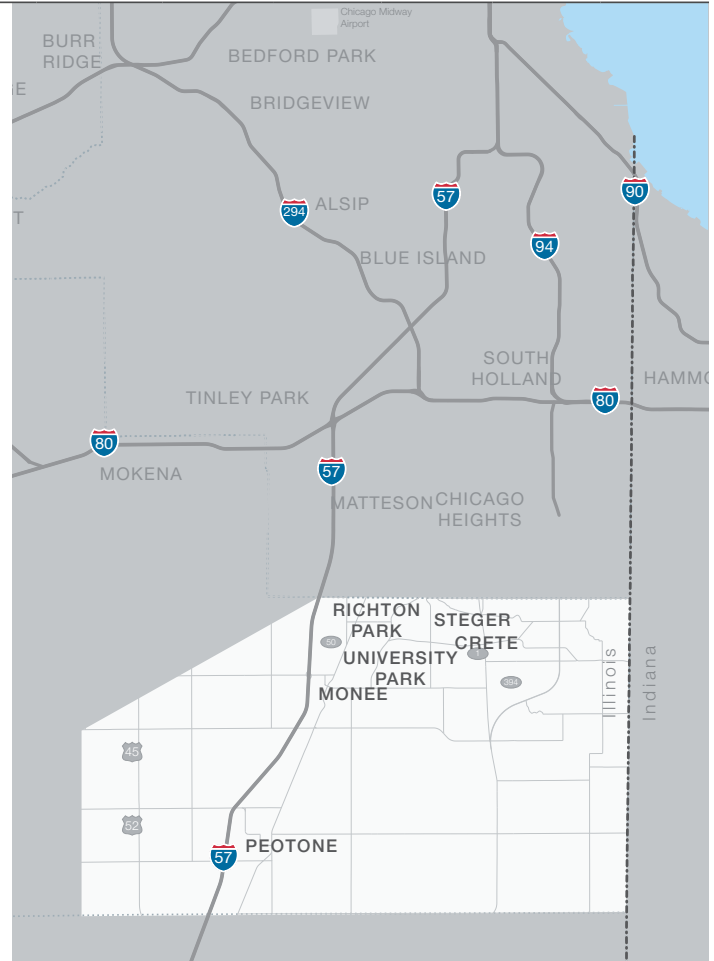


Net Absorption
183K SF

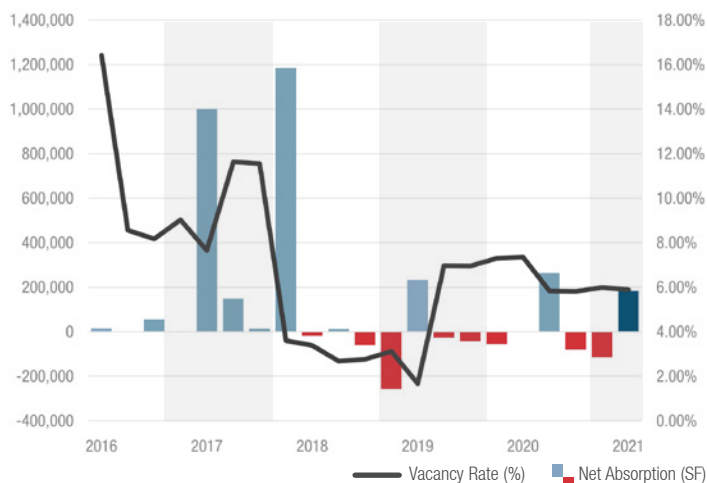
The total vacancy rate in the I-57 Corridor submarket was 5.9 percent at mid-year, tightening nine basis points quarter-over-quarter from the 5.99 percent rate recorded in the first quarter. In addition, the rate has decreased 246 basis points year-over-year from the 7.36 percent vacancy rate tallied at mid-year 2020.

After two consecutive quarters of negative net absorption, the I-57 Corridor recorded 182,728 square feet of move-ins in the second quarter. Cumulative net absorption in the submarket at mid-year was 68,817 square feet, a marked improvement compared to the -53,952 square feet of net absorption recorded through the first six months of 2020.

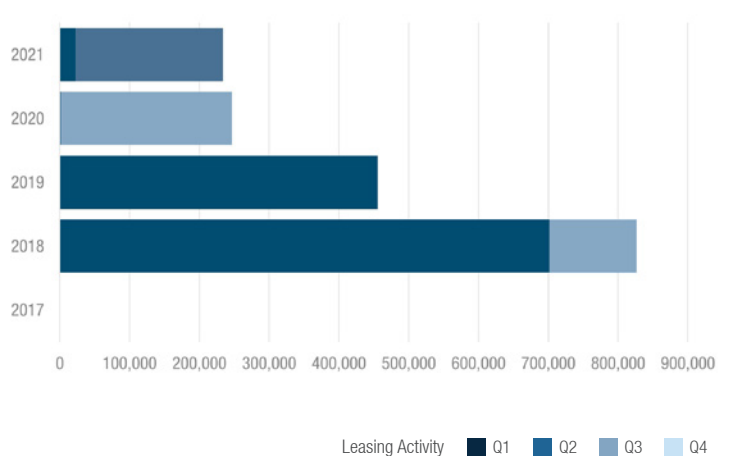
There was 210,928 square feet of new leasing activity in the I-57/Will Corridor in the second quarter. Mac Wholesale's lease at 425 Crossings Dr in University Park accounted for 81.5 percent of the submarket's new deals. In addition, there was 233,668 square feet of cumulative new leasing activity in the submarket in the first half of 2021.



Vacancy Rate, Net Absorption



New Lease Transactions





171,928 SF

LEASE

425 Crossings Drive | University Park, IL

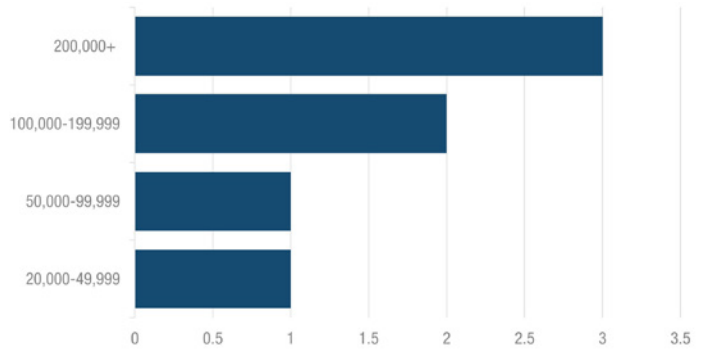
Mac Wholesale signed a new lease during the second quarter at 425 Crossings in University Park. The Class A warehouse, owned by The Blackstone Group, has 80 exterior docks and sits on 23.32 acres.

Construction Activity

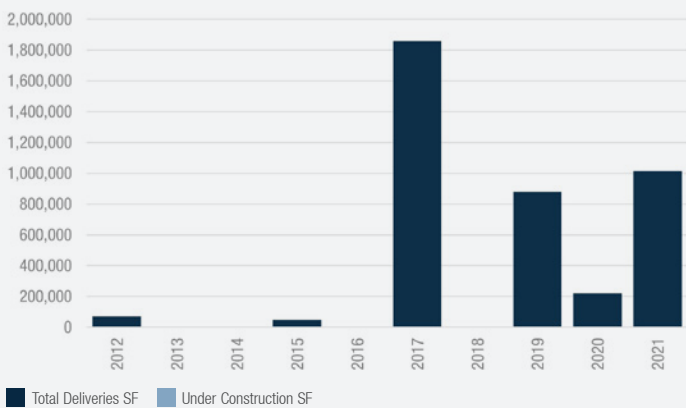
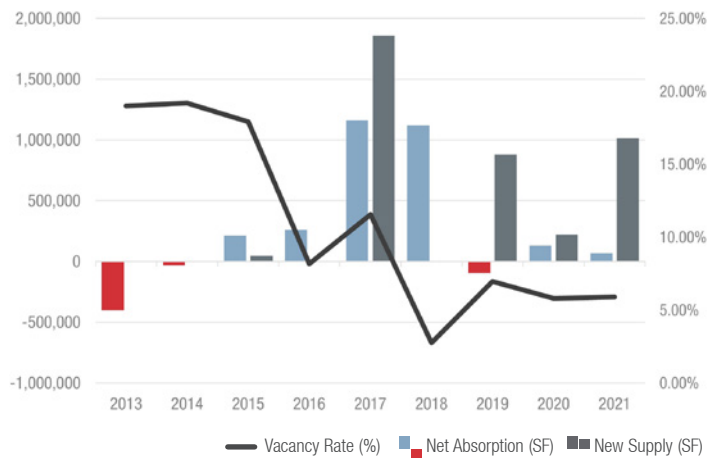
Venture One Real Estate delivered the 1.0 million-square-foot-Amazon facility located in University Park during the second quarter.



Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

2400 Palmer Ave
University Park

\$2,156,015

Buyer

Portokali Investments, LLC



Lease

425 Crossings Dr
University Park

171,928 SF

Tenant

Mac Wholesale

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 Q221	3.31%	42,110,889	-120,606	-82,543	35,838	331,900	320,605
Previous Quarter Q121	3.46%	41,780,989	38,063	38,063	367,738	0	90,207
Previous Year Q220	3.75%	42,084,087	-291,993	-652,770	0	147,592	82,970



Vacancy Rate
3.31%



Net Absorption
-121K SF

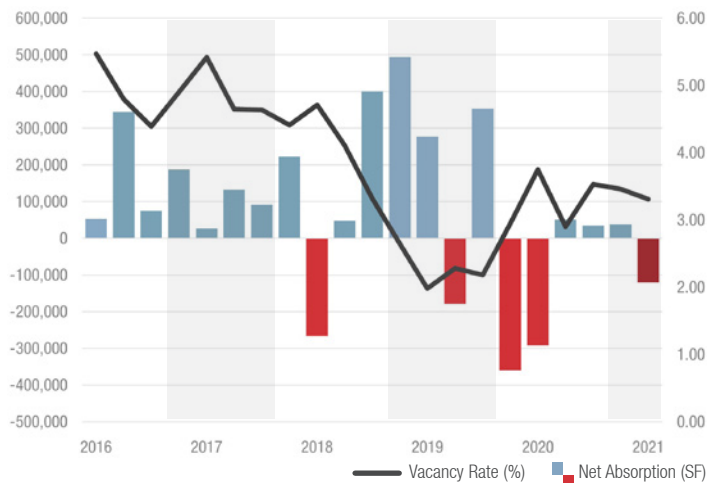
The total vacancy rate in the Northwest Indiana submarket tightened 15 basis points from the 3.46 percent rate recorded in the first quarter to the 3.31 percent rate tallied at mid-year. This is the second-tightest submarket with respect to vacancy across the Chicago metro. Year-over-year, the vacancy rate has decreased 44 basis points from the 3.75 percent recorded in 2020.

There was -120,606 square feet of net absorption in the submarket during the second quarter. This represented a 58.7 percent improvement year-over-year from the -291,993 square feet of net absorption recorded in the second quarter of 2020. There has been -82,543 square feet of cumulative net absorption in Northwest Indiana in the first half of 2021, markedly positive as compared to the -652,770 square feet of space that returned to the market in the first six months of 2020.

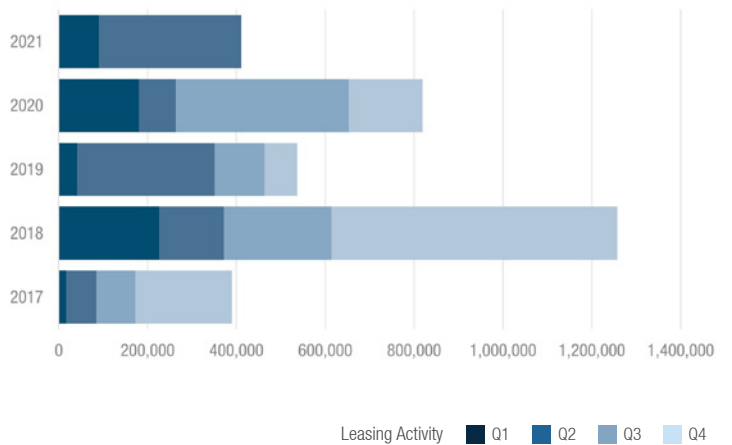
There was 320,605 square feet of new leasing activity in Northwest Indiana in the second quarter. This was a drastic 255.4 percent improvement quarter-over-quarter compared to the 90,207 square feet of new leasing activity recorded in the first quarter.



Vacancy Rate, Net Absorption



New Lease Transactions





89,540 SF

LEASE

9401 Georgia Street | Merrillville, IN

Quality Pasta Company leased 89,540 square feet at the recently delivered distribution center in Merrillville. Other tenants that have signed leases at the facility are Wabtec Corporation and Midwest Trucks & Auto Parts.

Construction Activity

Two Holladay Properties-owned properties delivered in the second quarter. The speculative developments in Merrillville and Portage add nearly 332,000 square feet to submarket inventory.

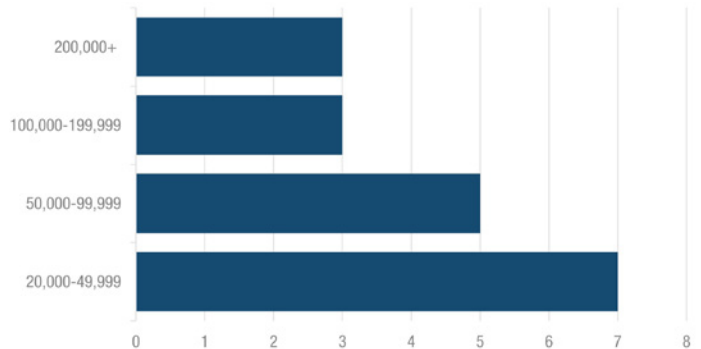
A 35,838 square-foot speculative facility in Griffith remains under construction. It is scheduled for delivery in the second half of 2021.

100% Speculative

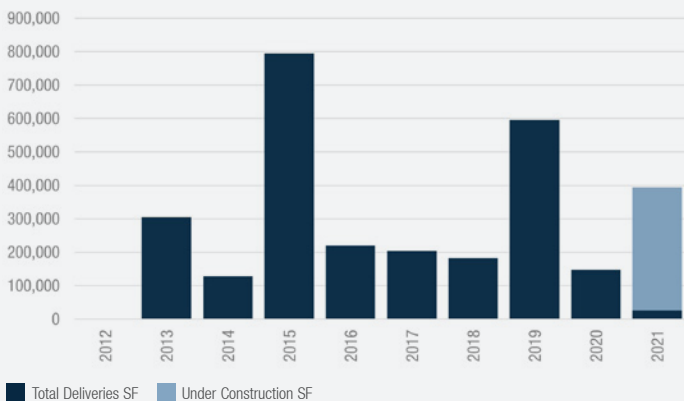
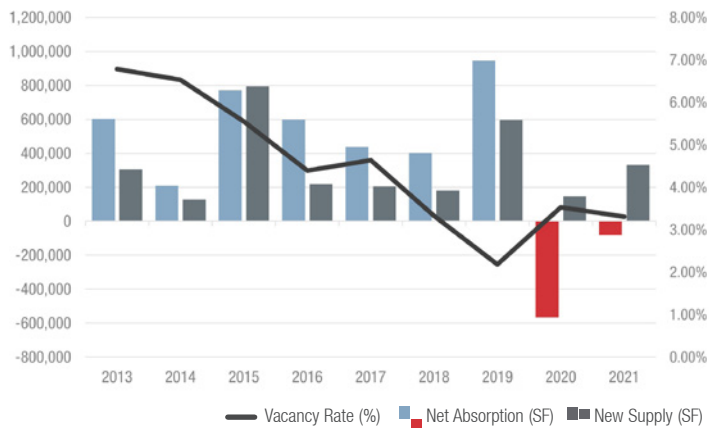


0% Build-to-Suit

Blocks of Available Space



Submarket Snapshot



Significant Transactions



Sale

8201 Grand Blvd
Hobart

\$775,000

Buyer
Stefano Tunesi



Lease

9401 Georgia St
Merrillville

89,540 SF

Tenant
Quality Pasta Company LLC



Lease

9401 Georgia St
Merrillville

64,470 SF

Tenant
Wabtec Corporation

Capital Markets Overview

COMPARING FIRST HALF 2020 TO FIRST HALF 2021

FIRST HALF 2020 MARKET SNAPSHOT

\$3.08 B 44 \$73.93 41.7 MSF

FIRST HALF 2021

\$1.75 B
Sales Volume

43
Sales Transactions

\$82.24
Avg Sales Price PSF

21.3M
SF Sold

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
TOTAL SALES VOLUME	\$512.8 M	\$644.5 M	\$962.2 M	\$862.3 M	\$889.2 M
TOTAL SF SOLD	4.9 M	8.6 M	11.5 M	10.2 M	11.1 M
# BUILDINGS SOLD	21	62	83	33	40
# OF TRANSACTIONS	14	13	24	20	23
SALE/LEASEBACK TRANSACTIONS	3	3	6	2	2
PORTFOLIO TRANSACTIONS	3	2	9	5	2

Total second-quarter 2021 industrial investment sales volume in the Chicago MSA is estimated at \$889.2 million, a 73 percent increase from the quarterly sales volume record reported in the second quarter of 2020. The surge in second-quarter sales volume from 2020 to 2021 is mainly due to a rebound from the initial uncertainty from the pandemic and the continued growth and appetite for industrial real estate stemming from the pandemic. Twenty-three (23) transactions occurred during the second quarter totaling over 11.1 million square feet across 40 buildings.

Total first-half 2021 industrial investment sales volume is estimated at approximately \$1.8 billion, with 43 transactions totaling 21.3 million square feet across 73 buildings. Total industrial investment sales volume decreased by 43 percent compared to the same first-half period in 2020 due to a record-setting first quarter in 2020, which benefitted from multiple entity-level transactions.

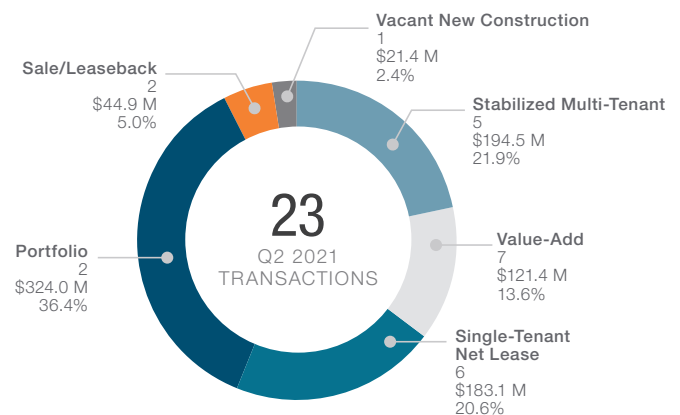
Funds represented the most active buyers in the second quarter of 2021. They purchased over 3.9 million square feet of industrial product and accounted for nearly \$325.2 million in transaction volume or 37 percent of overall volume. Conversely, the most active sellers, Institutions and Advisors, were responsible for selling 5.8 million square feet of industrial sales, accounting for \$515.9 million in transaction volume, or 58 percent of overall volume.

Portfolios accounted for \$324.0 million or 36 percent of the second quarter of 2021 sales volume in the Chicago market.

The most notable portfolio sale in the second quarter was High Street Logistics Properties acquisition of the Northwest Business Park in Elgin, IL, an eleven-building, 2.7 million square foot portfolio for \$230.0 million from Stockbridge Capital Group.

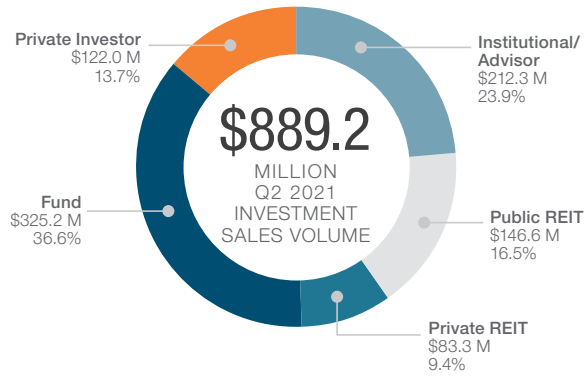
The largest single-tenant transaction of the second quarter was Apollo Global Management's \$84.0 million acquisition of the 914,949 square foot Dr. Pepper Snapple Group manufacturing facility in Northlake, IL, from CenterPoint Properties. Redeveloped in 2017, the mission-critical facility represents Dr. Pepper Snapple Group's most comprehensive manufacturing facility in the Midwest, producing a plethora of the company's primary offerings.

Transactions by Sale Type

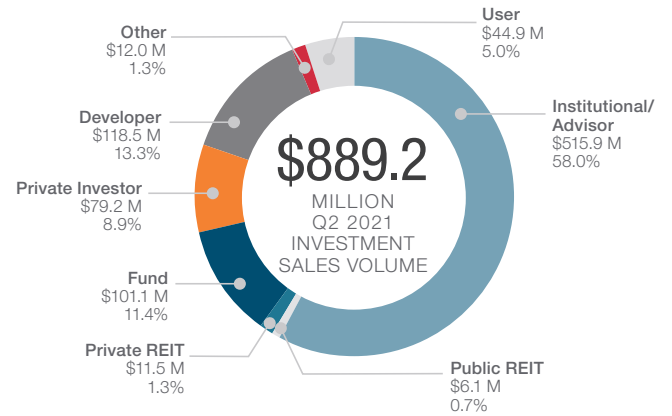


Number of Deals / Volume / % of Total

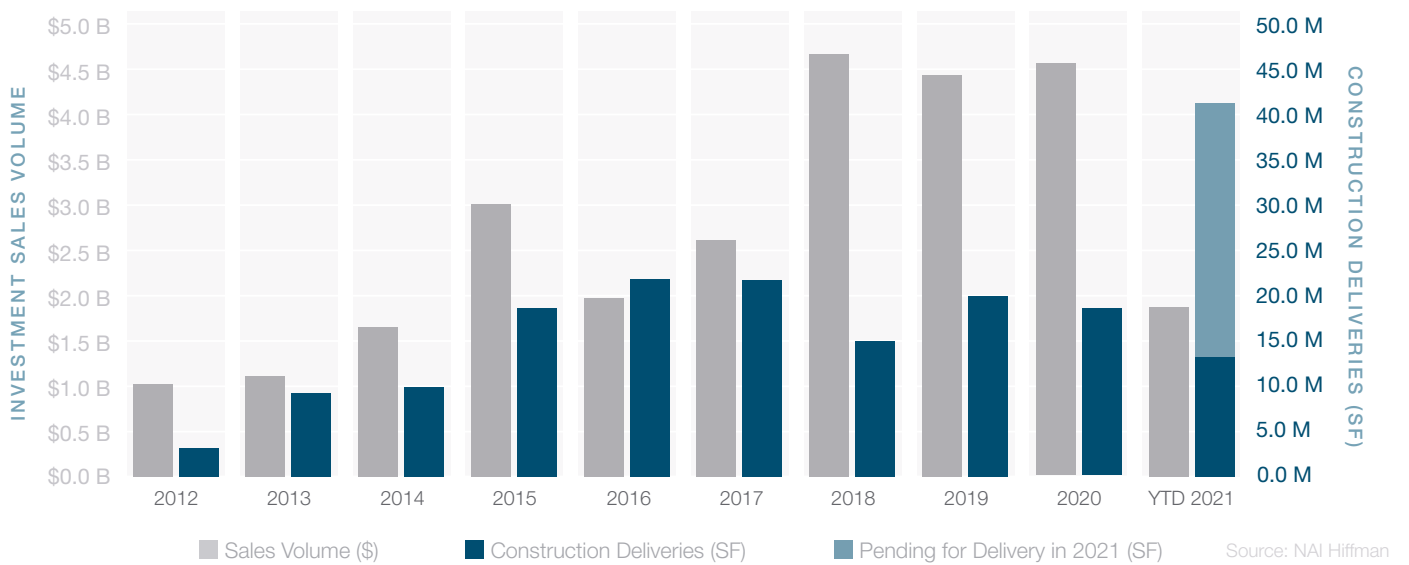
Buyer Pool Composition



Seller Pool Composition



Investment Sales Volume vs. Construction Deliveries



2,653,863 SF
PORTFOLIO SALE

NORTHWEST BUSINESS PARK
ELGIN, ILLINOIS

SALE PRICE | PRICE PSF
\$230,000,000 | \$86.67

BUYER
High Street Logistics Properties, LLC

SELLER
Stockbridge Capital Group



1,091,784 SF
PORTFOLIO SALE

ROCK CREEK LOGISTICS CENTER
JOLIET, ILLINOIS

SALE PRICE | PRICE PSF
\$94,000,000 | \$86.10

BUYER
Granite REIT

SELLER
TA Realty



914,949 SF
SINGLE-ASSET SALE

400 NORTH WOLF ROAD
NORTHLAKE, ILLINOIS

SALE PRICE | PRICE PSF
\$84,000,000 | \$91.81

BUYER
Apollo Global Management, LLC

SELLER
CenterPoint 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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