



INDUSTRIAL MARKET WATCH

Chicago industrial recorded a 4.37 percent vacancy rate in the first quarter, as the market absorbed 10.4 million square feet - the largest amount ever recorded in a first quarter.



4.37%
Vacancy Rate



10.4M SF
Net Absorption



20.2M SF
New Leasing

Industrial Vacancy Drops Below 5.0 Percent

Chicago's industrial market stormed into 2022 setting more records. The total vacancy rate was 4.37 percent, edging below 5.0 percent for the first time. The rate decreased 68 basis points quarter-over-quarter from the 5.05 percent rate tallied at year-end 2021. In addition, the vacancy rate tightened 139 basis points year-over-year compared to the 5.76 percent vacancy rate from the first quarter of 2021. Every submarket recorded a sub-9.0 percent vacancy in the first quarter, while vacancy in two submarkets edged below 2.0 percent - Southwest Cook (1.52 percent) and I-80/Joliet Corridor (1.97 percent).

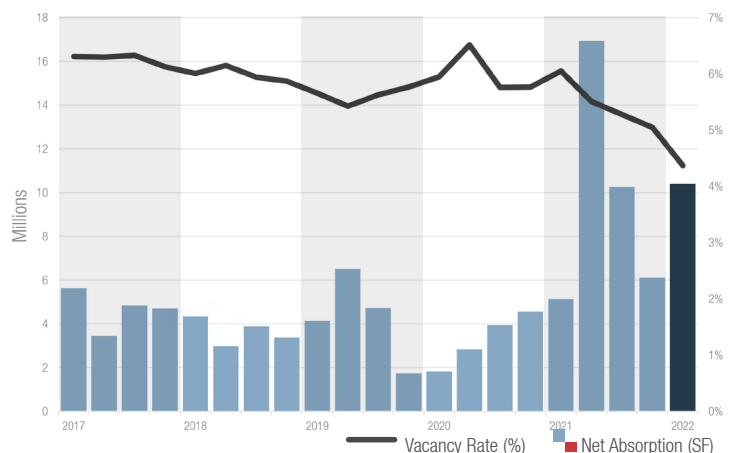
Vacancy continued its fall as a result of the more than 10.4 million square feet of net absorption recorded in the first three months of 2022. The I-55 Corridor accounted for 43.3 percent of the quarter's net absorption figure, as eight transactions of 200,000 square feet or larger took occupancy. Central DuPage placed a strong second amongst its submarket peers, tallying nearly 1.2 million square feet of move-ins in the first quarter. Eighteen submarkets had positive net absorption on the quarter.

Leasing activity remained robust through the first three months of 2022 as over 20.2 million square feet of deals were recorded. New leasing activity increased 18.5 percent year-over-year from the nearly 17.1 million square feet of deals signed in the first quarter of 2021. Six submarkets tallied more than 1.0 million square feet of new leasing, led by the nearly 4.7 million square feet of new deals signed in the I-55 Corridor.

There were six deals signed in the first quarter for more than 500,000 square feet. Of the six, a leading national E-commerce user signed for two respective 1.0-million-square-foot pre-leases: at the CenterPoint Intermodal Center in Joliet in the I-80/Joliet Corridor and Commerce 94 in Kenosha in Southeast Wisconsin. NFI Industries signed the largest sublease on the quarter, taking the 997,802-square-foot former in Bolingbrook in the former

Ferrara Candy facility in the I-55 Corridor. The largest direct lease on existing space signed was the 809,496-square-foot full-building lease signed by SC Johnson at LogiPark 57-80 on S Cicero Ave in Country Club Hills in the South Cook submarket.

The seemingly insatiable demand for industrial space remains a catalyst for development. There were 14 deliveries in the construction pipeline in the first quarter, encompassing nearly 4.7



million square feet of new space. Southeast Wisconsin saw two developments deliver for over 1.2 million square feet. The largest delivery on the quarter was Venture One Real Estate's nearly 1.2-million-square-foot build-to-suit for Amazon at 11400 Venture Ct in Huntley.

There is a record 30.5 million square feet of industrial development currently in the pipeline. Build-to-suit developments account for 40.6 percent of the total figure. Ten of the 21 submarkets in Chicagoland have more than 1.0 million square feet of development underway. The I-80/Joliet Corridor comprises 23.6 percent of the industrial pipeline with nearly 7.2 million square feet spread across nine developments.

Industrial Market Statistics

Submarket	1Q22 Total RBA (SF)	1Q22 Total Vacant (SF)	1Q22 Total Vacancy	1Q22 Availability Rate	1Q22 Net Absorption (SF)	1Q22 New Supply (SF)	Under Construction (SF)	1Q22 Leasing Activity (SF)
Central DuPage	78,482,693	2,733,242	3.48%	6.28%	1,152,182	150,010	1,179,709	2,037,746
Chicago North	60,480,615	4,327,889	7.16%	6.47%	(15,342)	0	141,360	146,094
Chicago South	117,325,884	5,749,181	4.90%	6.97%	385,463	0	1,061,295	685,644
DeKalb County	13,969,543	511,473	3.66%	0.58%	12,420	0	907,000	28,320
Fox Valley	39,554,741	917,469	2.32%	5.13%	415,362	0	1,773,343	477,054
I-39 Corridor	40,602,023	3,265,637	8.04%	7.54%	(37,854)	0	141,360	107,170
I-55 Corridor	106,611,592	4,380,284	4.11%	5.18%	4,506,661	351,870	3,368,957	4,653,671
I-57/Will Corridor	21,598,367	1,655,006	7.66%	10.86%	(754,445)	0	1,000,221	908,112
I-80/Joliet Corridor	100,696,817	1,980,473	1.97%	9.17%	437,910	500,000	7,192,414	1,681,984
I-88 Corridor	70,725,403	6,329,038	8.95%	14.17%	324,749	74,620	948,461	740,609
I-90 Northwest	34,886,072	1,330,027	3.81%	5.32%	302,477	0	154,472	502,486
Lake County	78,532,079	4,247,089	5.41%	8.04%	611,859	0	626,079	838,312
McHenry County	29,496,888	1,982,432	6.72%	7.38%	134,576	1,160,150	629,186	104,126
North Cook	47,172,793	1,695,110	3.59%	4.22%	53,534	407,294	171,752	250,929
Northwest Cook	25,443,995	1,819,684	7.15%	9.77%	91,255	677,981	192,533	195,368
Northwest Indiana	45,180,570	2,658,120	5.88%	7.50%	262,413	27,000	877,598	632,348
O'Hare	104,481,330	2,179,934	2.09%	4.91%	770,152	0	1,342,841	1,656,755
South Cook	90,130,289	2,943,062	3.27%	6.74%	530,557	63,000	2,666,717	1,443,031
Southeast Wisconsin	68,493,810	2,503,573	3.66%	10.11%	423,215	1,244,034	4,703,426	1,790,927
Southwest Cook	36,753,441	557,535	1.52%	2.29%	611,595	0	245,002	426,853
West Cook	60,523,282	1,739,941	2.87%	4.74%	187,425	0	1,145,236	906,049
Total Market	1,271,142,227	55,506,199	4.37%	7.03%	10,406,164	4,655,959	30,468,962	20,213,588

Vacancy Rate and Available Inventory

