



INDUSTRIAL MARKET WATCH

Chicago's industrial market recorded a 4.51 percent vacancy rate in the second quarter, as the market absorbed 5.7 million square feet - continuing the positive streak for 39 consecutive quarters.



4.51%
Vacancy Rate



5.7M SF
Net Absorption



15.7M SF
New Leasing

Industrial Vacancy Continues Journey Below 5.0 Percent

The Chicago industrial market remains red hot mid-way through 2022 featuring historically low vacancy and a continuation of fervent leasing activity. The total vacancy rate was 4.51 percent, staying below 5.0 percent for the second quarter. The rate rose a mere 14 basis points quarter-over-quarter from the 4.37 percent rate tallied in the first quarter 2022. In addition, the vacancy rate tightened a full 100 basis points year-over-year compared to the 5.51 percent vacancy rate from the second quarter of 2021. All but one submarket recorded a sub 9.0 percent vacancy in the second quarter, while vacancy in an astonishing three submarkets edged below 2.0 percent – I-55 Corridor (1.43 percent), McHenry County (1.56 percent) and Southwest Cook (1.82 percent).

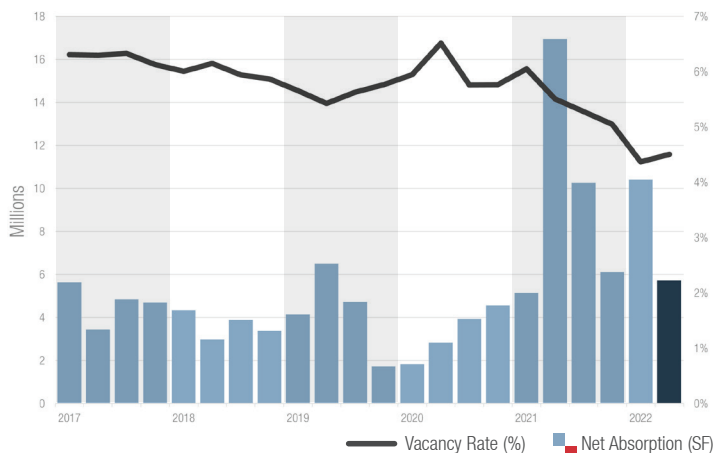
Vacancy continued its historic decline due to more than 5.7 million square feet of net absorption recorded in mid-year 2022. The I-55 Corridor accounted for an unprecedented 56.9 percent of the quarter's net absorption figure, as six transactions of 200,000 square feet or larger took occupancy. Central DuPage placed a strong second amongst its peers, tallying over 1.6 million square feet of move-ins, while South Cook also posted over 1 million square feet of positive absorption in the quarter. Fourteen submarkets had positive net absorption on the quarter.

Leasing activity continued to be vibrant through the second quarter of 2022 as over 15.7 million square feet of deals were recorded. New leasing activity grew by another 9.6 percent year-over-year from the nearly 14.2 million square feet of deals signed at this time in 2021. Seven submarkets tallied more than 1.0 million square feet of new leasing, led by the more than 2.2 million square feet of new deals signed in Chicago South.

There were five deals signed in the second quarter for more than 500,000 square feet. The largest direct lease on existing space signed was the 757,418 square foot full-building lease signed by ULINE at 8311 38th St in Kenosha in the Southeast Wisconsin

submarket. The largest sublease of the quarter was signed by a tenant taking the 90,240 square feet in the Prologis-owned Bensenville Industrial Park in the O'Hare submarket.

Demand for industrial space remains a catalyst for development in the Chicago market. There were 12 deliveries in the construction pipeline in the second quarter, accounting for nearly 2.0 million square feet of new space. West Cook saw four



developments deliver for nearly 700,000 square feet. The largest delivery on the quarter was Elion Partner's nearly 1.1 million square foot speculative construction at 30350 S Graaskamp Blvd in Wilmington. There is a record 37.1 million square feet of industrial development currently in the pipeline. Build-to-suit developments account for 32.2 percent of the total figure. Nine of the 21 submarkets in Chicagoland have more than 1.0 million square feet of development underway. The I-80/Joliet Corridor comprises 24.4 percent of the industrial pipeline with nearly 9.3 million square feet spread across eleven developments.

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	2,250,534	3.12%	5.21%	1,635,411	187,901	991,808	1,766,255
Chicago North	60,501,115	4,203,573	7.39%	7.02%	263,301	0	141,360	115,087
Chicago South	118,900,377	6,232,375	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	106,986,248	1,068,823	1.43%	5.74%	3,264,303	371,636	4,199,628	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	102,700,934	3,072,207	3.19%	11.79%	-1,215,334	1,925,717	8,315,970	524,979
I-88 Corridor	70,856,438	6,795,886	10.09%	14.54%	-193,803	265,573	1,449,412	869,892
I-90 Northwest	34,937,231	1,516,676	4.35%	3.84%	273,471	0	192,584	568,171
Lake County	78,632,501	3,944,265	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	1,745,544	3.73%	3.71%	183,838	0	171,752	473,344
Northwest Cook	25,527,552	2,140,415	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	104,509,297	2,404,892	2.30%	4.88%	947,551	400,000	1,250,541	1,338,987
South Cook	90,129,842	2,591,000	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	526,653	1.82%	2.97%	215,638	0	409,245	431,522
West Cook	61,248,594	2,218,617	3.79%	5.04%	-21,430	421,076	791,568	1,815,053
Total Market	1,280,325,934	55,477,364	4.51%	7.17%	5,734,965	5,569,019	37,134,117	15,733,824

Vacancy Rate and Available Inventory

