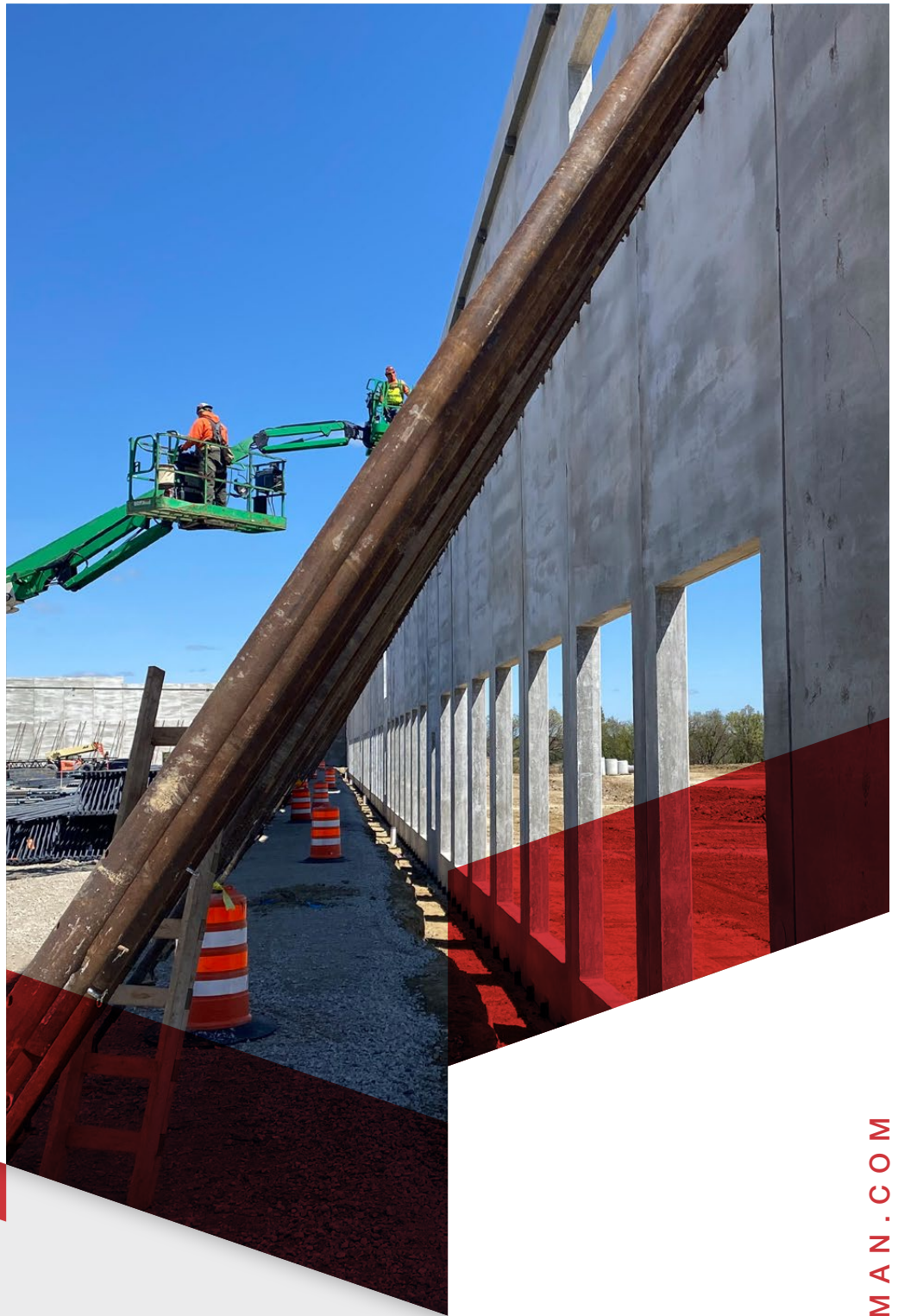


Q2
2024

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Construction Pipeline Report

METROPOLITAN CHICAGO

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Construction Pipeline Report

METROPOLITAN CHICAGO

| | |
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Q2
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Sky-high demand for industrial space in the e-commerce sector drove record-breaking construction deliveries in the years following the Pandemic. However, the Chicagoland market is beginning to experience cooling in the amount of new supply coming to market in response to a new equilibrium between supply and demand. As of the second quarter, Chicagoland has officially transitioned to a market dominated by build-to-suit construction projects. Compared to the second quarter of 2023, when speculative construction accounted for 28.7 million square feet or 79.6% of the total 36.1 million square feet under construction, build-to-suit projects represented 7.4 million square feet or 20.4%. Developers now demonstrate decreased

confidence in fully leasing speculative construction projects and have since showed preference to have a committed tenant before breaking ground. A total of 14.1 million square feet of industrial buildings are under construction, with a total of 8.1 million square feet being build-to-suit facilities and 6.1 million square feet speculative buildings. Respectively, these figures represent 57.2% and 42.8% of all industrial square footage currently under construction. Furthermore, eight more buildings broke ground during the second quarter totaling 2.9 million square feet. Four of these are build-to-suit buildings representing 2.2 million square feet with the other 709,977 square feet being speculative buildings.

Market Statistics | Industrial Construction

| Submarket | Total RBA (SF) | Under Construction (SF) | % of Total Projects | Total Projects | # of Spec Projects | Spec Projects (SF) | # of BTS Projects | BTS Projects (SF) | 2024 YTD Completed Projects | 2024 YTD New Supply (SF) | 2024 YTD Net Absorption (SF) | 2024 Total Vacancy |
|----------------------|----------------------|-------------------------|---------------------|----------------|--------------------|--------------------|-------------------|-------------------|-----------------------------|--------------------------|------------------------------|--------------------|
| Central DuPage | 81,785,215 | 207,187 | 1.5% | 1 | 0 | 0 | 1 | 207,187 | 1 | 150,416 | 485,578 | 2.6% |
| Chicago North | 60,082,115 | 1,184,800 | 8.4% | 1 | 1 | 1,184,800 | 0 | 0 | 0 | 0 | -338,451 | 9.0% |
| Chicago South | 117,124,115 | 442,601 | 3.1% | 5 | 4 | 342,601 | 1 | 100,000 | 0 | 0 | 167,041 | 4.8% |
| DeKalb County | 16,336,632 | 775,000 | 5.5% | 1 | 0 | 0 | 1 | 775,000 | 1 | 907,000 | -47,753 | 3.3% |
| Fox Valley | 44,134,539 | 391,900 | 2.8% | 2 | 1 | 334,800 | 1 | 57,100 | 1 | 543,603 | -81,388 | 4.7% |
| I-39 Corridor | 48,478,086 | 300,000 | 2.1% | 2 | 0 | 0 | 2 | 300,000 | 0 | 0 | -47,199 | 8.3% |
| I-55 Corridor | 112,916,356 | 1,697,575 | 12.0% | 6 | 6 | 1,697,575 | 0 | 0 | 5 | 979,971 | 809,739 | 3.5% |
| I-57/Will Corridor | 26,134,198 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 508,864 | 9.0% |
| I-80/Joliet Corridor | 116,945,568 | 2,051,869 | 14.5% | 4 | 2 | 649,110 | 2 | 1,402,759 | 2 | 1,816,181 | -489,300 | 6.8% |
| I-88 Corridor | 75,295,539 | 810,000 | 5.7% | 2 | 0 | 0 | 2 | 810,000 | 2 | 429,616 | -319,979 | 3.3% |
| I-90 Northwest | 44,942,309 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | 2 | 270,615 | 83,076 | 9.0% |
| Lake County | 78,971,026 | 334,299 | 2.4% | 2 | 2 | 334,299 | 0 | 0 | 1 | 88,000 | 162,269 | 5.8% |
| McHenry County | 25,540,667 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,793,129 | 2.6% |
| North Cook | 47,726,694 | 917,270 | 6.5% | 4 | 4 | 917,270 | 0 | 0 | 1 | 295,278 | -91,757 | 5.1% |
| Northwest Cook | 27,923,415 | 159,684 | 1.1% | 3 | 1 | 83,124 | 2 | 76,560 | 0 | 0 | -156,855 | 10.1% |
| Northwest Indiana | 50,138,983 | 2,321,250 | 16.4% | 4 | 0 | 0 | 4 | 2,321,250 | 2 | 246,000 | 1,227,372 | 7.2% |
| O'Hare | 105,108,644 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | 1 | 27,840 | -118,930 | 4.3% |
| South Cook | 88,551,515 | 373,999 | 2.6% | 3 | 3 | 373,999 | 0 | 0 | 1 | 664,453 | -753,988 | 4.5% |
| Southeast Wisconsin | 81,053,618 | 2,176,125 | 15.4% | 3 | 1 | 142,560 | 2 | 2,033,565 | 2 | 1,151,874 | 888,144 | 10.8% |
| Southwest Cook | 36,271,580 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | 1 | 398,954 | -62,687 | 7.2% |
| West Cook | 61,751,853 | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 | 3 | 1,603,101 | 833,525 | 5.5% |
| Total Market | 1,347,212,667 | 14,143,559 | 100.0% | 43 | 25 | 6,060,138 | 18 | 8,083,421 | 26 | 9,572,902 | 4,450,450 | 5.8% |

Industrial Market

PIPELINE & DELIVERIES

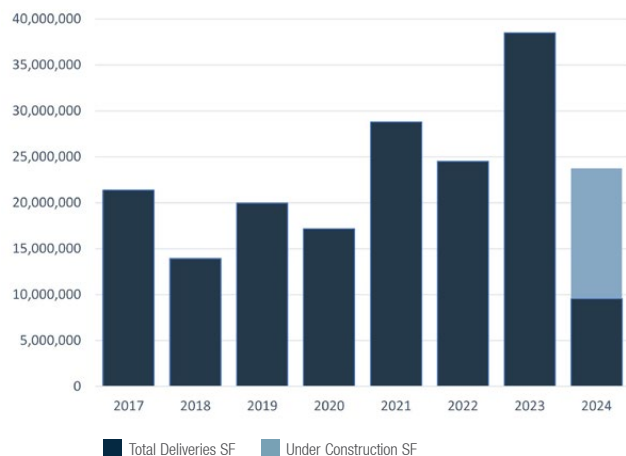
The industrial market of Chicagoland continued to exhibit cooling growth in its industrial construction sector during the second quarter. Developers added 1.3 million square feet of newly constructed industrial buildings in the second quarter of 2024. Since the first quarter of 2017, this is the smallest amount to be brought to market since the second quarter of 2020 when 2.1 million square feet were completed. Furthermore, it is significant to observe that this new record low comes after the record high seen just two quarters ago in the fourth quarter of 2023 when 13.1 million square feet were delivered. However, it should be remembered that on average, a total of 5.8 million square feet have been delivered per quarter since the first quarter of 2017. With a further 6.6 million square feet projected to be completed in the third quarter of 2024 alone, it appears the Chicagoland market is simply on track to returning to pre-pandemic numbers following a market reset.

When it comes to the number of deliveries in the second quarter, speculative buildings outshined build-to-suit buildings as developers wrap up developments they started during 2023. Of the 1.3 million square feet completed in the second quarter, 1.1 million square feet were speculative facilities, with

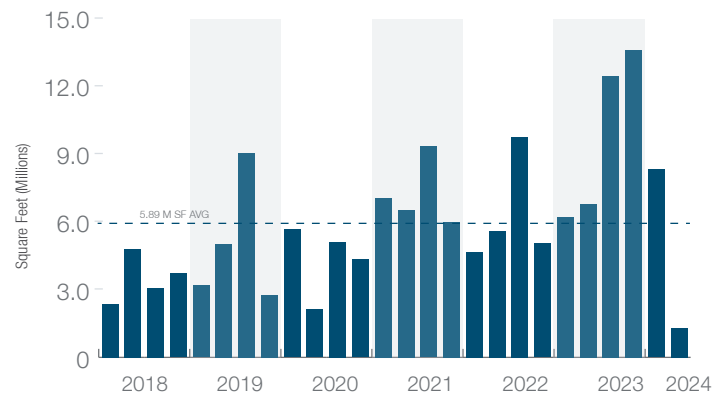
the other 195,000 square feet being one build-to-suit building, which was developed by Park Development Partners at 628 Hoffman Street in Hammond for Meats by Linz. The largest building to be completed during the second quarter of 2024 was Velocis' 543,603 square-foot speculative warehouse located at 1401 N. Kirk Road in Batavia.


Year-to-date, a total of 9.6 million square feet of new industrial product has been delivered in Chicagoland. Of this amount, a total of 7.6 million square feet represents speculative buildings with the remaining 2.0 million square feet being build-to-suit buildings. As of the second half of 2024, the leading submarket for construction deliveries is I-80/Joliet, leading the market with a total of 1.8 million square feet delivered so far. By the end of 2024, an additional 8.2 million square feet of construction is anticipated to be completed. In 2025, nearly 6.0 million square feet is expected to be finished. With more projects set to break ground in the latter half of 2024, this number is projected to increase.

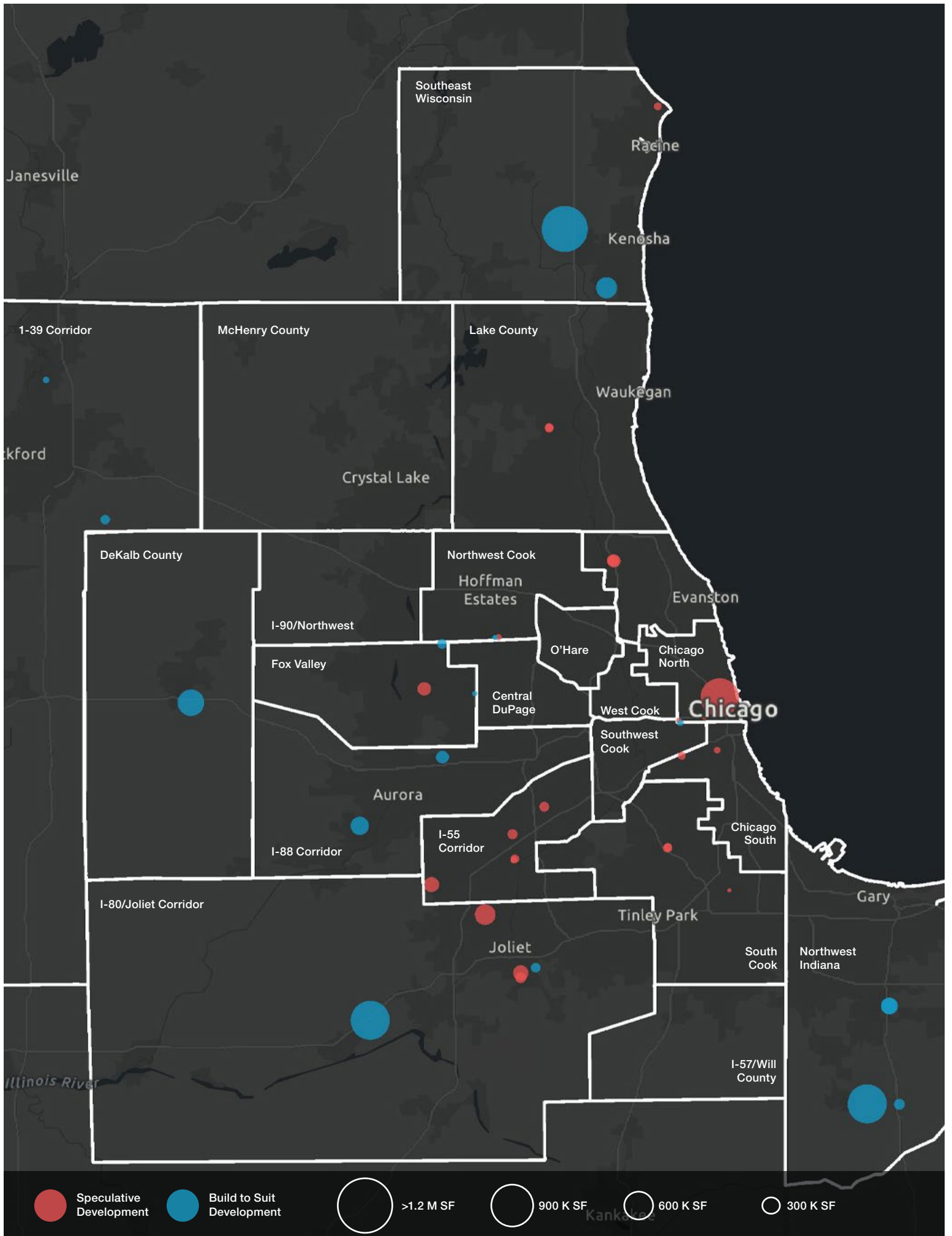
Construction Deliveries by Year



Construction Deliveries by Quarter



MAP 
All current
developments



Under Construction

SPECULATIVE VS BUILD TO SUIT

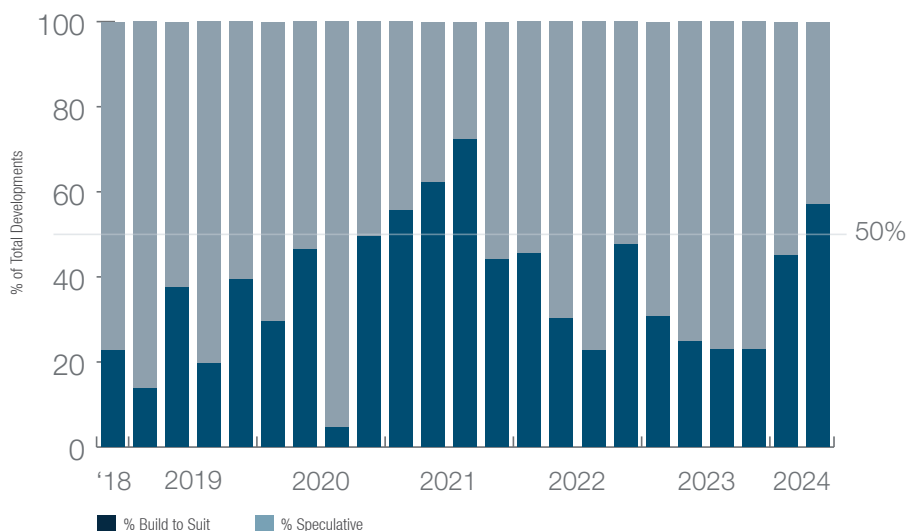
Because of the pandemic-induced shock to the economy in 2020, consumer spending increasingly shifted to online retailers, creating an e-commerce driven craze for new distribution space. Developers' confidence skyrocketed with the drop of interest rates to historically low levels, and the result was a rise in speculative construction projects. However, after the surging demand for new industrial product with limited supply and the outbreak of conflicts like the war in Ukraine led to inflationary pressures on the economy, consumers' stimulus savings began to deplete. The Federal Reserve responded by raising interest rates, leading to a decline in confidence in the industrial real estate sector, particularly in the construction of e-commerce spaces.


The evidence of this is clearly shown in the numbers. Construction starts are down to only eight during the second quarter, with only ten recorded in the first quarter. This result comes after the recent high of 27 construction starts in the fourth quarter of 2022.

Build-to-Suit facilities are taking over the market after a few years of speculative dominance. Out of 2.9 million square feet to break ground during the second quarter, 2.2 million are represented by build-to-suits. Much of this amount is from a new 1.2 million square-foot build-to-suit for John Deere located at SWC I-65 & Route 2 in Lowell. This building is a development by Venture One and is expected to be delivered in the summer of 2025.

Despite preference for build-to-suits, some developers have maintained confidence in leasing new speculative buildings. Of note, Bridge Industrial broke ground on a new speculative project in Romeoville consisting of two buildings called Bridge Point I-55 Commerce Center. Building One will be 120,011 square feet and Building Two will be 172,042 square feet, adding up to a grand total of 292,053 square feet set to be brought to the I-55 Corridor in the summer of 2025.

Speculative vs Build-to-Suit Developments (%)

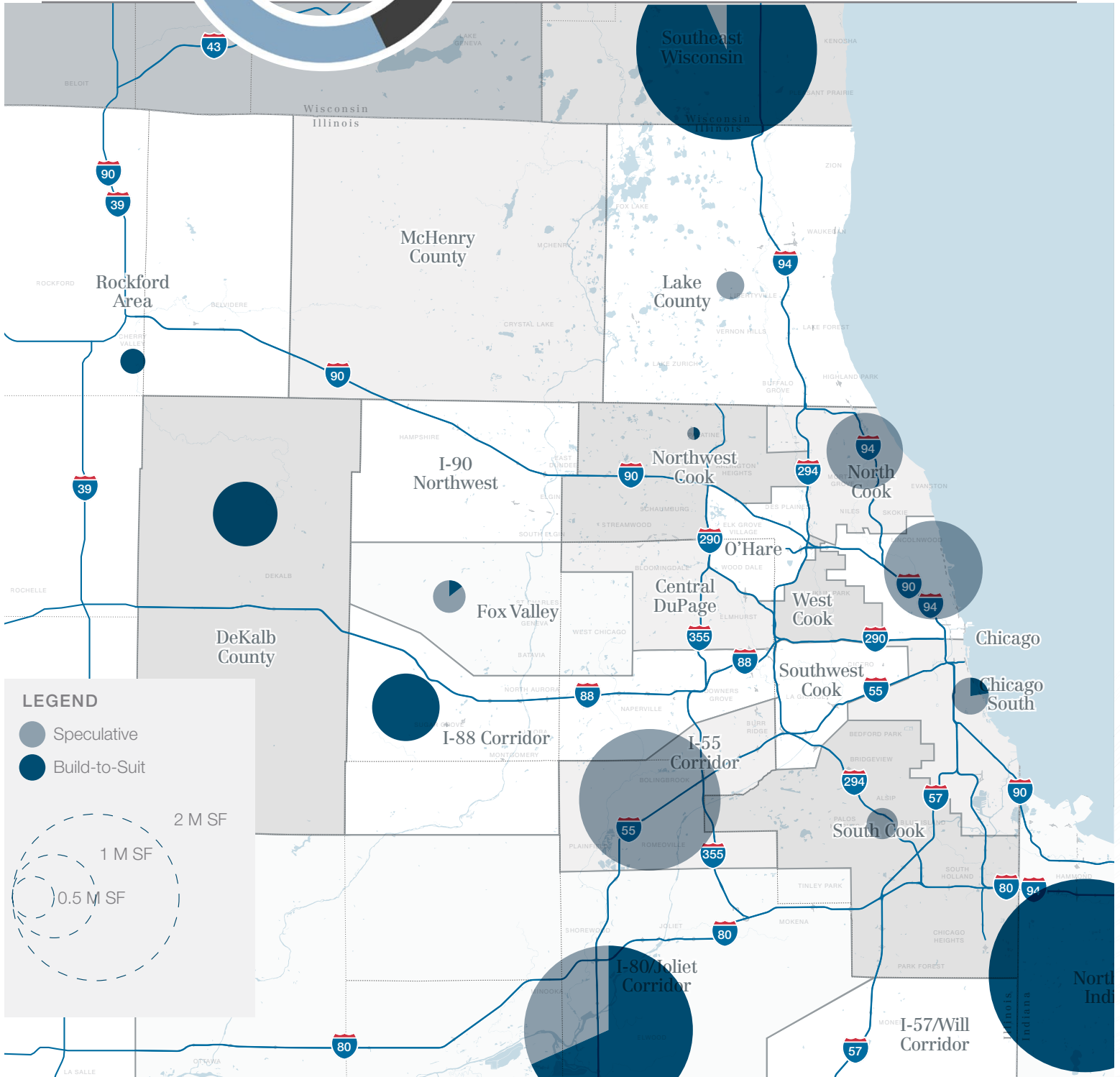


MAP 
Spec vs BTS
by Submarket

42.8%
Speculative



57.2%
Build-to-Suit



The Chicago Market

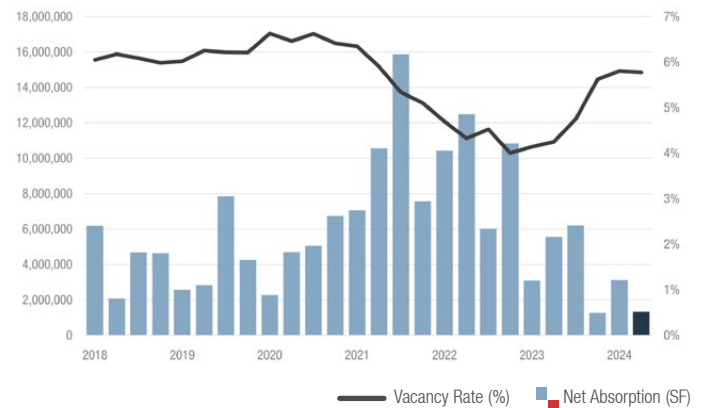
SUPPLY VS DEMAND

Since the first quarter of 2022, a record amount of new, modern, class A industrial space has come to market, totaling 60.1 million square feet. In 2022 alone, 21.4 million square feet of speculative space was delivered, followed by 31.1 million square feet in 2023, and 7.6 million square feet in the first half of 2024. Of that 60.1 million square feet completed by developers, 24.5 million square feet still remain on market with 35.6 million square feet having been leased or sold to users.

Historically, the Chicago Metro market has remained resilient with steady growth in both supply and demand. New leasing volume was above average in the second quarter of 2024, recording 11.5 million square feet of new tenant activity. Since the first quarter of 2017, average new leasing has measured 11.1 million square feet per quarter. Net absorption was down this quarter at 1.3 million square feet from the average net absorption of 4.7 million square feet per quarter. Due to sustained demand and some remaining speculative space on the market, the vacancy rate only experienced an increase of ten basis points in the second quarter to 5.8%.

When it comes to new construction, demand was elevated for first generation space built in 2022, 2023, and 2024 during the second quarter of 2024. Since the first quarter of 2022, the average amount of leasing in first generation buildings has measured at 3.6 million square feet. In the second quarter, a total of 5.0 million square feet of new space has been leased or

Market Summary

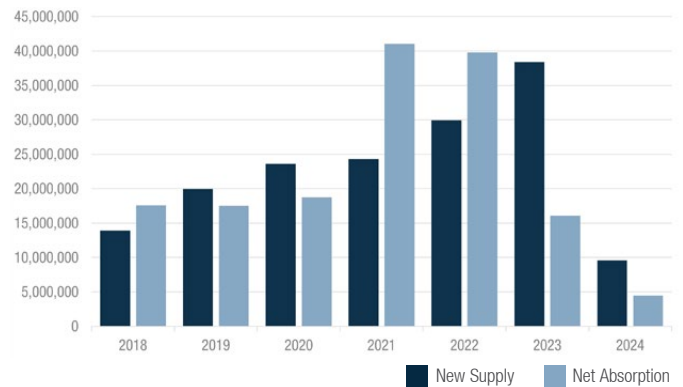


| | Q2 2024 | SF |
|---------------------------------|-------------|---------------|
| Market Size | | 1,347,212,667 |
| Total Vacancy | 77,793,023 | 5.8% |
| Direct Vacancy | 72,121,688 | 5.4% |
| Sublease Vacancy | 5,671,335 | 0.4% |
| Available Space | 111,818,651 | 8.3% |
| QTR Net Absorption | 1,326,671 | |
| YTD Net Absorption | 4,450,450 | |
| Under Construction | 14,143,559 | |
| YTD New Supply | 9,572,902 | |
| QTR New Leasing Activity | 11,496,734 | |
| YTD New Leasing Activity | 18,706,440 | |

pre-leased, bringing the year-to-date total to 9.6 million square feet in 2024. The average deal size in the second quarter registered 385,531 square feet. Since the first quarter of 2022, the average deal size has been 338,224 square feet. Expanding further into the study of demand for newly completed buildings, a total of 2.5 million square feet of tenant move-ins were recorded. On average since the first quarter of 2022, tenants have absorbed 3.9 million square feet of newly constructed space.

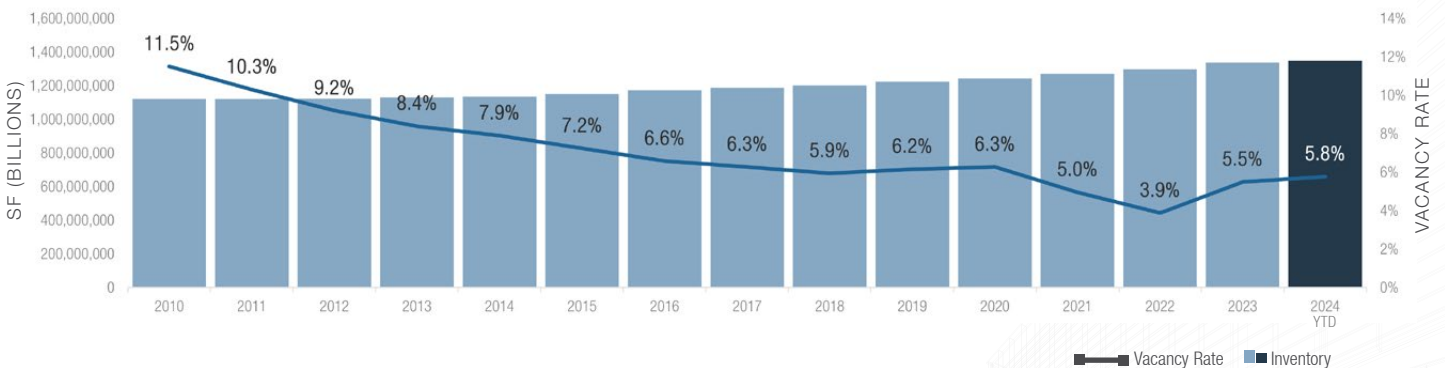
With such strength in the market and demand for newly constructed industrial space, developers would be wise to consider breaking ground on any new projects they might have in mind. As previously stated, 24.5 million square feet of speculative space remain available out of 60.1 million square feet of speculative construction completed. And with 3.6 million square feet being leased per quarter on average, it is a matter of time before new, modern industrial space is needed. Furthermore, with uncertainty in the

New Supply vs Net Absorption



global economy prevailing due to recent volatile geopolitical events, now is likely the time to act especially with so many companies reshoring to the United States. It is hard to predict how much of an impact future events might have on construction costs, which have risen rapidly since 2021.

Vacancy Rate and Available Inventory



The National Market

UNITED STATES INDUSTRIAL MARKET

The Chicagoland market remains a national leader in industrial real estate. The Chicago Metro area holds the top spot for overall industrial inventory, boasting a total of 1.3 billion square feet. Following closely is Dallas-Fort Worth, Texas, with 1.2 billion square feet. In third place is Los Angeles, California, with 962.3 million square feet of industrial inventory.

Phoenix, Arizona, continues to lead in active construction projects with a total of 30.8 million square feet currently under construction. Following Phoenix is Savannah, Georgia, which recorded a total of 26.1 million square feet under construction. Out of the top 10 markets for active construction projects, Chicago is currently found in ninth place with 14.1 million square feet under development.

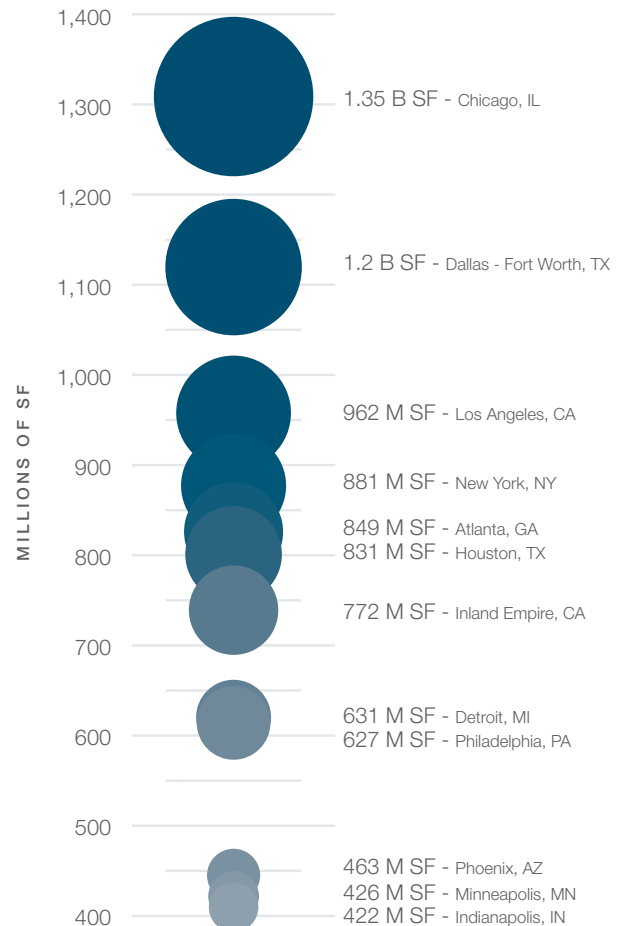
Chicago ranked in third place for amount of square footage completed in the last year with a total of 35.5 million square feet completed since June 2023. Dallas Fort-Worth ranks first and Phoenix in second with 58.8 million square feet and 44.0 million square feet constructed respectively.

With a new presidential election looming amongst the volatile geopolitical environment, the United States' industrial market will likely benefit from the continuation of reshoring and nearshoring trends. The U.S. will continue to improve relations with friendly, western countries, especially after tariffs were hiked on certain Chinese products that included items such as semiconductors, lithium-ion batteries, as well as steel and aluminum products. Trade relations with countries like Mexico and Canada will be of significant advantage to American supply chains as a way to diversify from volatile Chinese products, which will benefit the American industrial real estate market in coming years.

Industrial Deliveries (June '23 - June '24)



Top US Industrial Markets (by SF)



NAI HIFFMAN

COMPLETED AND UNDER CONSTRUCTION LISTINGS



185 Southcreek Parkway, Romeoville
Completed Q4 2023
RBA: 497,717 SF. 497,717 SF available



3350 Channahon Road, Joliet
Completed Q3 2023
RBA: 57,031 SF. 57,031 SF available



2903 Schweitzer Road, Joliet
Completed Q4 2023
RBA: 977,145 SF. 977,145 SF available



320 Overland Drive, North Aurora
Completed Q4 2023
RBA: 408,195 SF. 408,195 SF available



1191 E. Main Street, East Dundee
Completed Q3 2023
RBA: 175,905 SF. 175,905 SF available



1120 Tollgate Road, Elgin
Completed Q4 2023
RBA: 189,530 SF. 189,530 SF available



4101 Canterfield Parkway, West Dundee
Completed Q4 2023
RBA: 255,142 SF. 255,142 SF available



9150 W. 55th Street, McCook
Completed Q3 2023
RBA: 164,243 SF. 64,761 SF available



2110 Wallace Way, Woodridge
Completed Q1 2024
RBA: 132,892 SF. 132,892 SF available



1100 Tollgate Road, Elgin
Completed Q1 2024
RBA: 248,400 SF. 248,400 SF available



410 Smoke Tree Plaza, North Aurora
Completed Q2 2024
RBA: 165,928 SF. 73,979 SF available



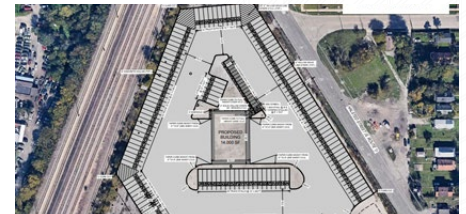
3815 S. Ashland Avenue, Chicago
Projected Completion Q3 2025
RBA: 99,407 SF. 99,407 SF available



Bridge Point I-55 Commerce Center – Building 1, Romeoville
Projected Completion Q3 2025
RBA: 120,011 SF. 120,011 SF available



Bridge Point I-55 Commerce Center – Building 2, Romeoville
Projected Completion Q3 2025
RBA: 172,042 SF. 172,042 SF available

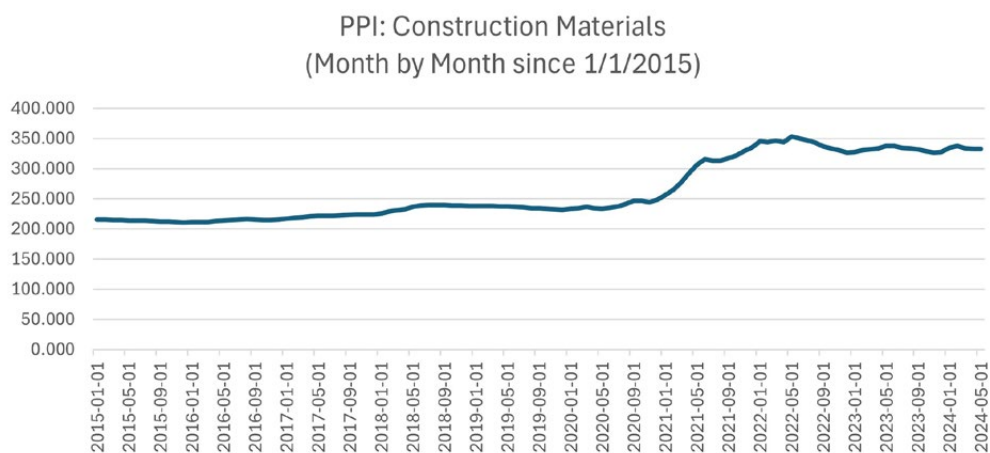


15101 S. Commercial Ave, Harvey
Projected Completion Q3 2024
RBA: 14,000 SF. 14,000 SF available

PPI Analysis

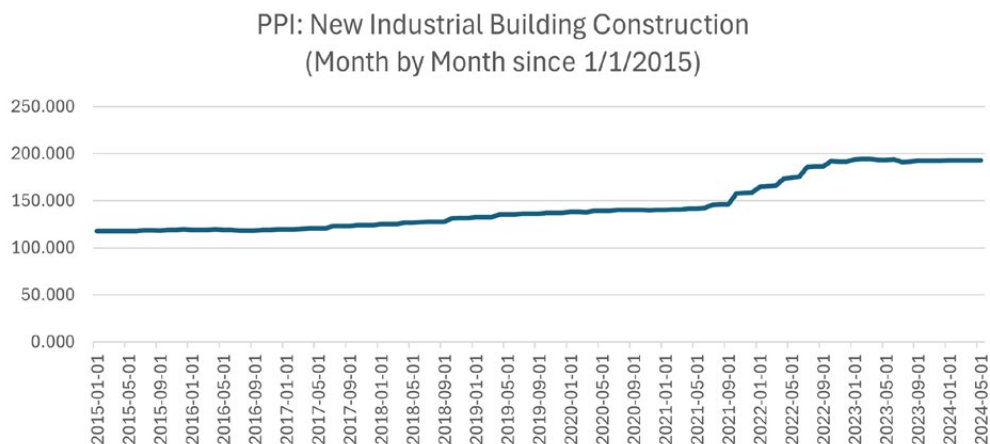
US INDUSTRIAL CONSTRUCTION

The Producer Price Index (PPI) of New Industrial Construction in the United States has steadily increased since 2021. Due to supply chain constraints caused by the Pandemic and the resulting explosion in demand for e-commerce space, the PPI of new industrial construction climbed much more steadily than in previous years according to data from FRED Economic Data:



Source: FRED Economic Data

The PPI of construction materials overall follows a similar trajectory according to FRED Economic Data:



Source: FRED Economic Data

Given the high demand for industrial buildings and the current reshoring trends, it is expected that PPI in relation to construction industry will likely continue to experience increased inflationary pressures, which points to the benefit of beginning construction sooner rather than later.

Construction Labor Market

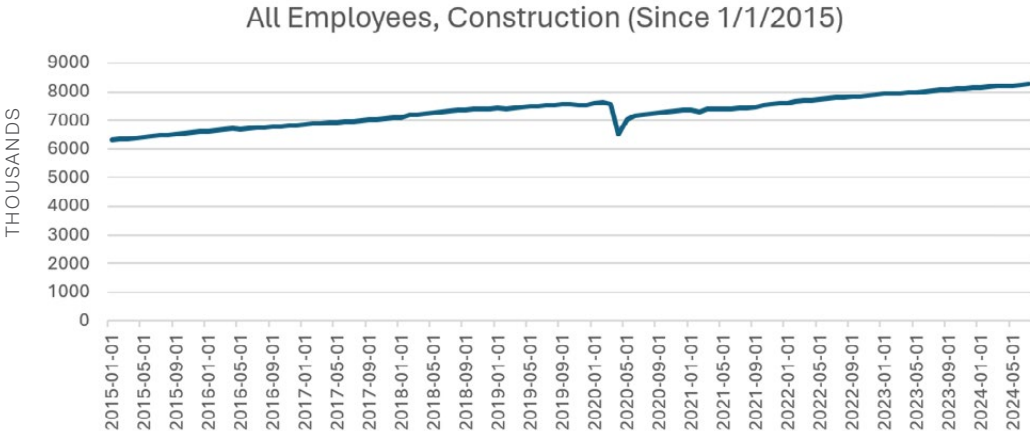
US INDUSTRIAL CONSTRUCTION EMPLOYMENT

One of the highest costs faced by developers alongside materials are labor costs. The hourly cost of employing construction workers has seen steady growth in recent years:



Source: FRED Economic Data

Despite this, it is a good sign that workers are willing to fill construction roles as it becomes more lucrative to them to work in the industry. This is demonstrated in the graph below:



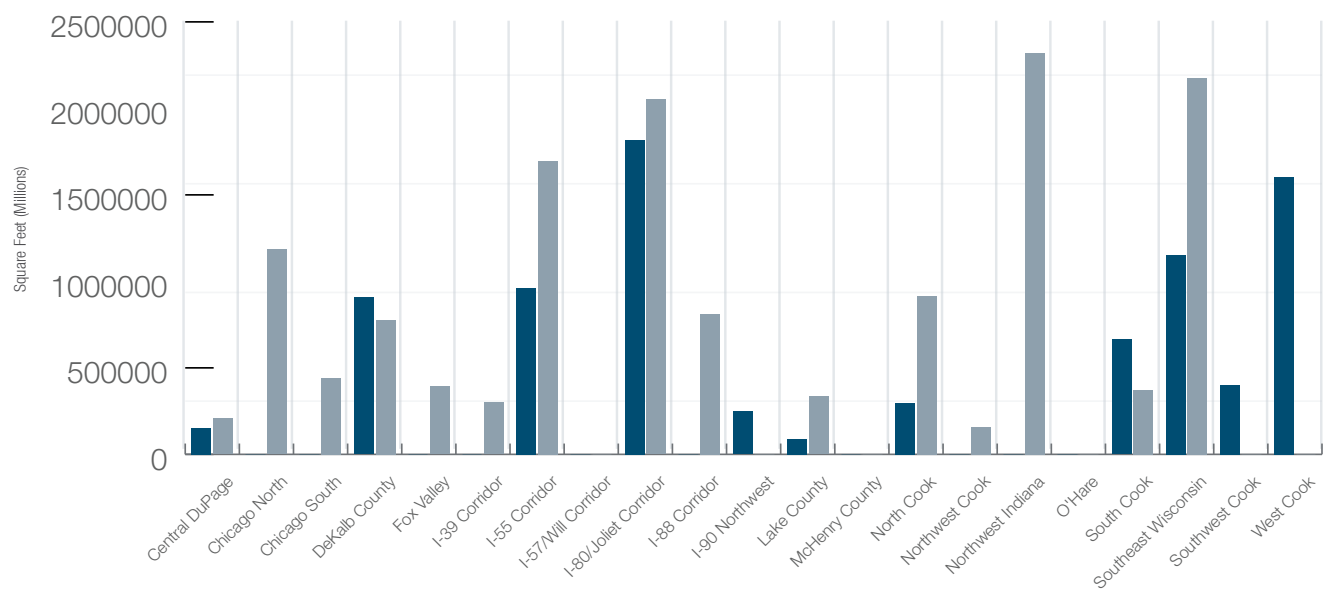
Source: FRED Economic Data

Notable Projects

There were a total of eight buildings that were delivered in Chicagoland during the second quarter of 2024. With 18 buildings completed in the first quarter, this brings the total number of buildings delivered in the first half of 2024 to 26. The most significant building completed in the second quarter was Velocis' 543,603 square-foot speculative building located at 1401 N. Kirk Road in Batavia. TradeLane Properties' two-building 429,616 square-foot speculative construction project located at the Park 88 Logistics Center in North Aurora was also completed. This project is listed by NAI Hiffman, and has 73,979 square feet of space located at 410 Smoke Tree Plaza out of 165,928 square feet. Currently, the largest building under construction is a 1.4 million square-foot build-to-suit for Uline being developed by Logistics Property Company at 136th Avenue & 38th Street in Kenosha. Out of all submarkets in terms of ongoing construction projects, Northwest Indiana leads with 2.3 million square feet under construction. These 2.3 million square feet comprise four buildings in total. As for total completions in the second quarter, I-80/Joliet is in first place with a total of 1.8 million square feet completed, consisting of two large industrial facilities

| Submarket | 2024 New Supply (SF) | Under Construction (SF) |
|----------------------|----------------------|-------------------------|
| Central DuPage | 150,416 | 207,187 |
| Chicago North | 0 | 1,184,800 |
| Chicago South | 0 | 442,601 |
| DeKalb County | 907,000 | 775,000 |
| Fox Valley | 543,603 | 391,900 |
| I-39 Corridor | 0 | 300,000 |
| I-55 Corridor | 979,971 | 1,697,575 |
| I-57/Will Corridor | 0 | 0 |
| I-80/Joliet Corridor | 1,816,181 | 2,051,869 |
| I-88 Corridor | 429,616 | 810,000 |
| I-90 Northwest | 270,615 | 0 |
| Lake County | 88,000 | 334,299 |
| McHenry County | 0 | 0 |
| North Cook | 295,278 | 917,270 |
| Northwest Cook | 0 | 159,684 |
| Northwest Indiana | 246,000 | 2,321,250 |
| O'Hare | 27,840 | 0 |
| South Cook | 664,453 | 373,999 |
| Southeast Wisconsin | 1,151,874 | 2,176,125 |
| Southwest Cook | 398,954 | 0 |
| West Cook | 1,603,101 | 0 |
| Total Market | 9,572,902 | 14,143,559 |

Construction and New Supply (By Submarket)





▲
136th Avenue & 38th St Kenosha, Wisconsin

▲
Brisbin Road Morris, Illinois

Notable Projects Under Construction (Q2 2024)

| Address | Square Feet | Submarket | Type | Occupier | Occupied Space SF | Developer | Completion |
|---|-------------|---------------------|------|-----------------|-------------------|----------------------------|------------|
| 136th Avenue & 38th Street, Kenosha | 1,440,000 | Southeast Wisconsin | BTS | Uline | 1,440,000 | Logistics Property Company | Q3 2024 |
| Brisbin Road, Morris | 1,200,000 | I-80/Joliet | BTS | GE | 1200000 | Crow Holdings | Q1 2025 |
| SWC I-65 & Rt. 2, Lowell | 1,200,000 | Northwest Indiana | BTS | John Deere | 1200000 | Venture One | Q1 2025 |
| 1237 W. Division Street, Chicago | 1,184,800 | Chicago North | SPEC | TBD | 0 | Logistics Property Company | Q3 2024 |
| 1771 E. Gurler Road, DeKalb | 775,000 | DeKalb County | BTS | Kraft-Heinz | 775,000 | Trammel Crow | Q1 2025 |
| LogistiCenter at Pleasant Prairie - Building A (WestRock), Pleasant Prairie | 593,565 | Southeast Wisconsin | BTS | WestRock | 593,565 | Dermody Properties | Q2 2025 |
| 21225 Lidice Parkway, Crest Hill | 577,442 | I-55 Corridor | SPEC | TBD | 0 | Midwest Industrial Funds | Q3 2024 |
| 2200 Galena Road, Montgomery | 500,000 | I-88 Corridor | BTS | Ravago | 500,000 | Karis | Q4 2024 |
| 9880 Mississippi Street, Crown Point | 450,000 | Northwest Indiana | BTS | Core X Partners | 450,000 | Core X Partners | Q1 2025 |
| Silos at Sanders Farm - Project Saturn, Merrillville | 425,520 | Northwest Indiana | BTS | Panduit | 425520 | Crow Holdings | Q4 2024 |

Notable Deliveries (2024)

| Address | Square Feet | Submarket | Type | Occupier | Occupied Space SF | Developer | Completion |
|---|-------------|---------------------|------|---|-------------------|----------------------------|------------|
| 201 W. Compass Boulevard, Joliet | 1,139,153 | I-80/Joliet | SPEC | TBD | 0 | NorthPoint Development | Q1 2024 |
| 11110 Burlington Road, Kenosha | 918,624 | Southeast Wisconsin | SPEC | TBD | 0 | HSA Commercial | Q1 2024 |
| 1550 Metaverse Way - Facebook Data Center, DeKalb | 907,000 | DeKalb County | BTS | Meta | 907,000 | Meta | Q1 2024 |
| 10400 W. North Avenue, - Building 3, Melrose Park | 707,953 | West Cook | SPEC | CEVA Logistics | 707,953 | Bridge Industrial | Q1 2024 |
| 1700 Gateway Boulevard, Joliet | 677,028 | I-80/Joliet | BTS | Ecolab | 677,028 | IDI Logistics | Q1 2024 |
| 10400 W. North Avenue, - Building 2, Melrose Park | 669,914 | West Cook | SPEC | Expeditions International of Washington, Inc. | 669,914 | Bridge Industrial | Q1 2024 |
| 16799 S. Cicero Avenue, Oak Forest | 664,453 | South Cook | SPEC | TBD | 0 | Logistics Property Company | Q1 2024 |
| 1401 N Kirk Rd, Batavia | 543,603 | Fox Valley | SPEC | TBD | 0 | Velocis/KBC Advisors | Q2 2024 |
| 5301 W. Roosevelt Road, Cicero | 398,954 | Southwest Cook | SPEC | TBD | 0 | Prologis | Q1 2024 |
| 565 S. Pinnacle Drive, Romeoville | 334,800 | I-55 Corridor | SPEC | Lasership, Inc. | 334,800 | Panattoni | Q1 2024 |

Central DuPage

Submarket Overview

| | ▼ | ▲ | ▼ | ▲ | ▼ | ▼ | ▼ |
|----------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 2.6% | 81,785,215 | -468,757 | 485,578 | 207,187 | 150,416 | 716,779 |
| Previous Year 2Q23 | 2.8% | 80,892,997 | 104,123 | -198,964 | 603,618 | 187,824 | 1,513,084 |



Vacancy Rate
2.6%

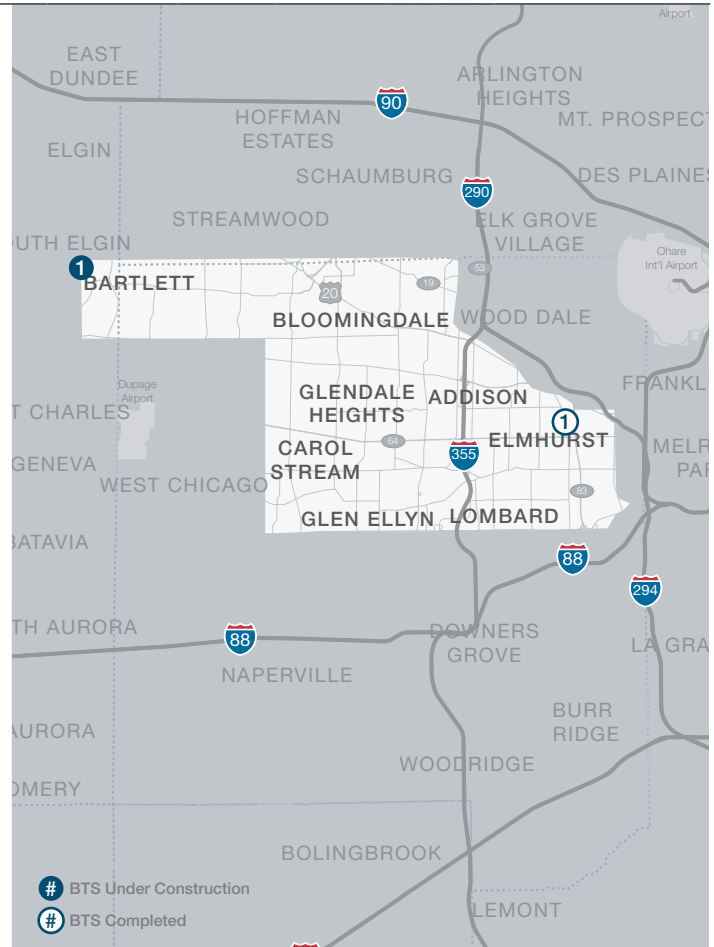


YTD Net Absorption
486K SF

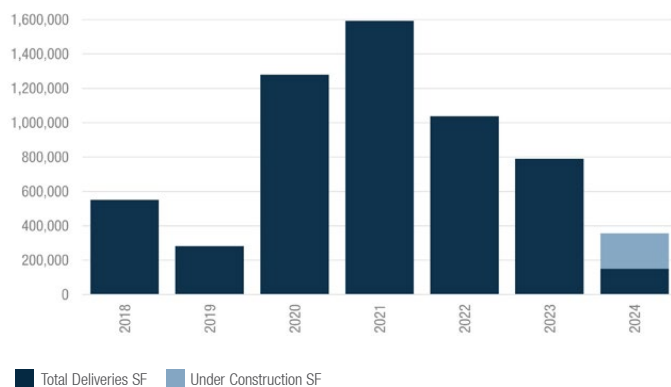
There is currently one ongoing construction project in Central DuPage. Located at 1201 Humbracht Circle in Bartlett, Midwest Industrial Funds broke ground on this 207,187 square-foot build-to-suit building for Axiom Plastics in the second quarter of 2024.

The second quarter of 2024 saw no new completions in Central DuPage. The first quarter of 2024 recorded one completion: Arrow Trans Corporation delivered a build-to-suit warehouse totaling 150,416 square feet at 1033 N. Villa Avenue in Villa Park.

The results above sharply contrast the strong performance observed throughout 2023 in this submarket, where developers completed a total of 791,442 square feet of industrial construction projects, comprising five buildings.



Construction Activity



0% Speculative



100% Build-to-Suit



◀ 207,187 SF
1201 Humbracht Circle
 Bartlett, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|-----------------------|----------|---------|------|--------------------------|------------|
| 1 | 1201 Humbracht Circle | Bartlett | 207,187 | BTS | Midwest Industrial Funds | Q1 2025 |

Completions YTD

| # | Address | City | SF | Type | Developer | Completion |
|---|------------------|------------|---------|------|-------------------|------------|
| 1 | 1033 N Villa Ave | Villa Park | 150,416 | BTS | Arrow Trans Corp. | Q1 2024 |

150,416 SF ▶
1033 N Villa Ave
 Villa Park, Illinois



Chicago North

Submarket Overview

| | ▲ | ▲ | ▼ | ▼ | ▼ | ▼ | ▼ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 9.0% | 60,082,115 | -98,758 | -338,451 | 1,184,800 | 0 | 217,291 |
| Previous Year 2Q23 | 8.3% | 60,013,115 | 35,242 | -330,639 | 1,374,800 | 262,863 | 392,547 |



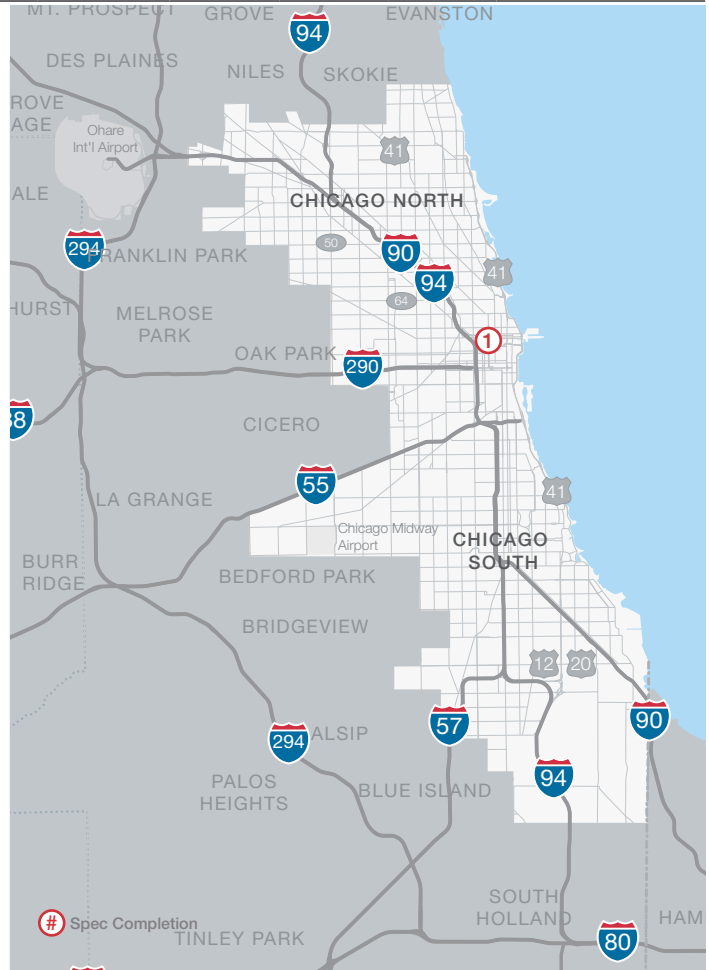
Vacancy Rate
9.0%



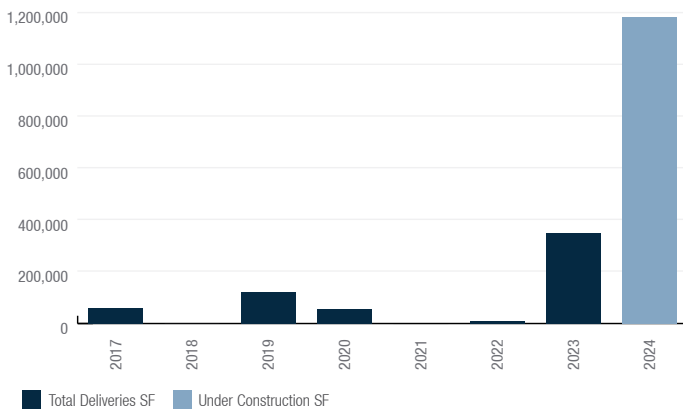
YTD Net Absorption
-338K SF

A 1.2 million-square-foot multistory logistics facility at 1237 W. Division, developed by Logistics Property Company, is currently the only building under construction in Chicago North. This never-before-seen facility is expected to be completed in the third quarter of 2024.

In 2023, two new buildings totaling 231,360 square feet were completed in Chicago North. Being an in-fill submarket, new construction projects here are typically more expensive and time-consuming. Whether developers will continue to start new projects in this submarket in the foreseeable future is still unknown.



Construction Activity



100% Speculative



0% Build-to-Suit



◀ 1,184,800 SF
1237 W Division
 Chicago, Illinois

Under Construction








| # | Address | City | SF | Type | Developer | Completion |
|---|-----------------|---------|-----------|------|----------------------------|------------|
| 1 | 1237 W Division | Chicago | 1,184,800 | Spec | Logistics Property Company | Q3 2024 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|--------------------|---------|------|----|------|-----------|------------|
| None to report YTD | | | | | | |

Chicago South

Submarket Overview

| |  Vacancy Rate |  Total Inventory (SF) |  Net Absorption |  YTD Net Absorption |  Under Construction (SF) |  YTD New Supply (SF) |  YTD New Leases (SF) |
|-----------------------------|--|--|--|--|---|---|---|
| Current Quarter 2Q24 | 4.8% | 117,124,115 | 211,459 | 167,041 | 442,601 | 0 | 583,656 |
| Previous Year 2Q23 | 4.5% | 116,932,027 | 479,526 | -215,331 | 1,376,888 | 732,799 | 1,717,420 |



Vacancy Rate
4.8%



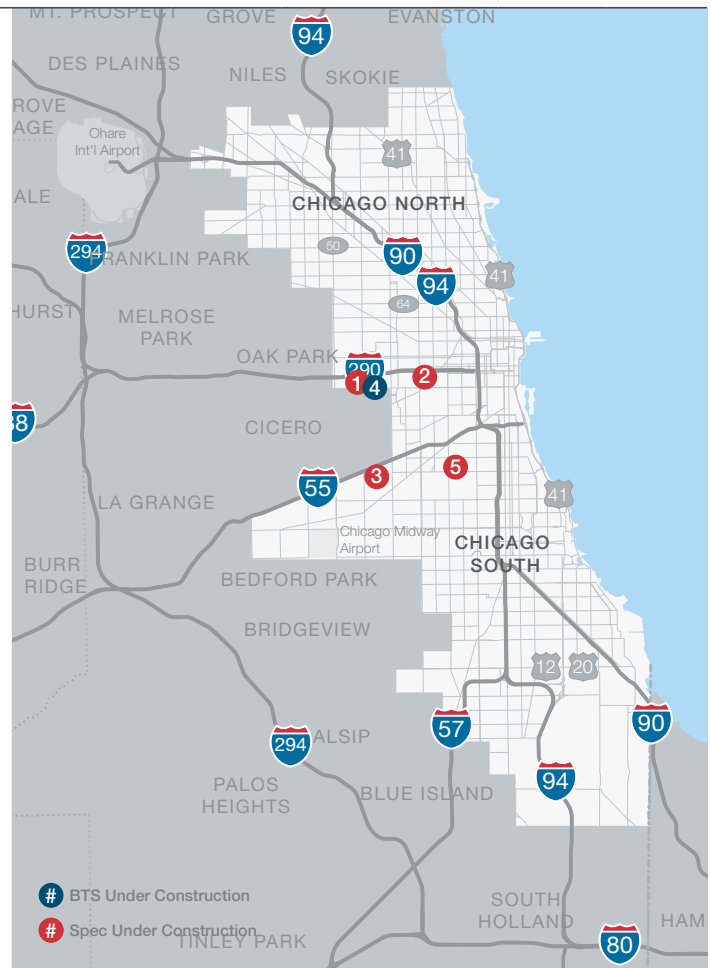
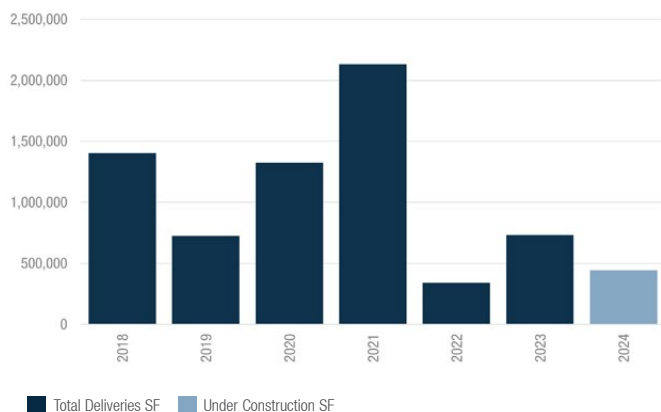
YTD Net Absorption
167K SF

Currently, five buildings are under construction in the Chicago South submarket, totaling 442,601 square feet. The largest is a 147,500-square-foot speculative industrial building at 4510 W. Ann Surie Place in Chicago, which broke ground in the first quarter of 2024 and is expected to be completed in the fourth quarter of 2024.

Of note, there is a speculative cold storage facility under construction at 3815 S. Ashland Avenue, a 99,407-square-foot project developed by Karis Capital Real Estate and marketed by NAI Hiffman. Delivery is expected in the third quarter of 2025.

No new buildings were completed during the second quarter, contrasting with the 300,192 square feet completed in the second half of 2023, which consisted of two new facilities.

Construction Activity



77.4% Speculative



22.6% Build-to-Suit



◀ 147,500 SF
4510 W Ann Lurie Pl
 Chicago, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------------------|---------|---------|------|-----------------------------|------------|
| 1 | 4646 W 5th Ave | Chicago | 73,444 | Spec | K Town Business Ctr 2 | Q3 2024 |
| 2 | 2540 W Flournoy St | Chicago | 22,250 | Spec | 2540 Flournoy LLC | Q3 2024 |
| 3 | 4510 W Ann Lurie Pl | Chicago | 147,500 | Spec | Sterling Bay | Q4 2024 |
| 4 | 4521 W Roosevelt Rd | Chicago | 100,000 | BTS | Peoria Packing Butcher Shop | Q1 2025 |
| 5 | 3815 S Ashland Ave | Chicago | 99,407 | Spec | Karis | Q4 2024 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|--------------------|---------|------|----|------|-----------|------------|
| None to report YTD | | | | | | |

DeKalb



Submarket Overview

| | ▲ | ▲ | ▼ | ▼ | ▼ | ▲ | ▼ |
|----------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 3.4% | 16,336,632 | 0 | -47,753 | 775,000 | 907,000 | 3,200 |
| Previous Year 2Q23 | 3.1% | 14,729,632 | -27,581 | 3,803 | 3,100,000 | 0 | 97,022 |



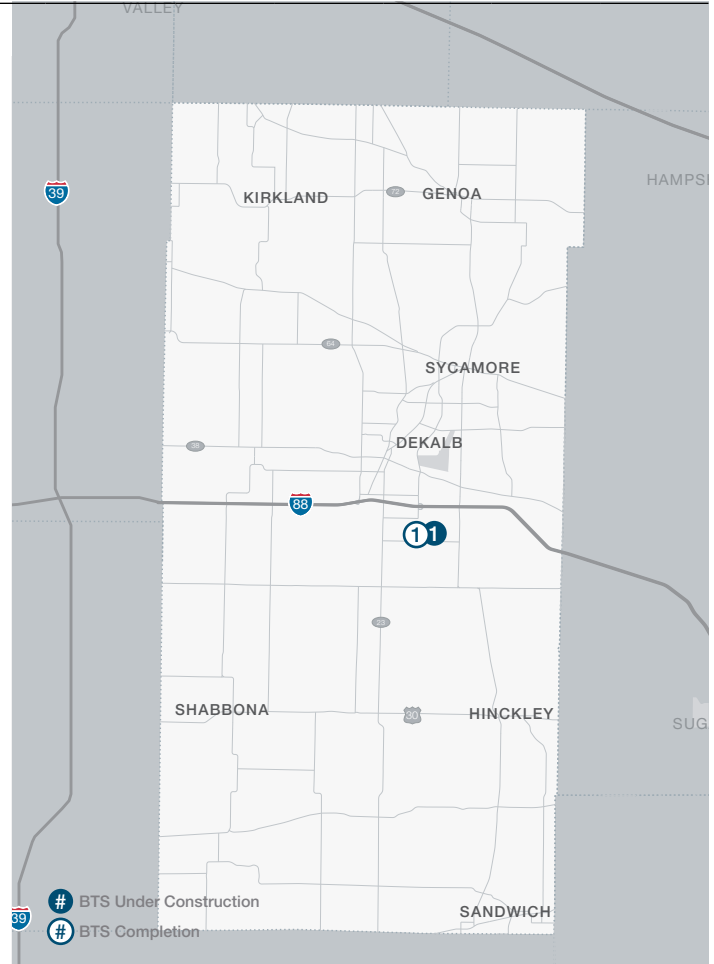
Vacancy Rate
3.3%



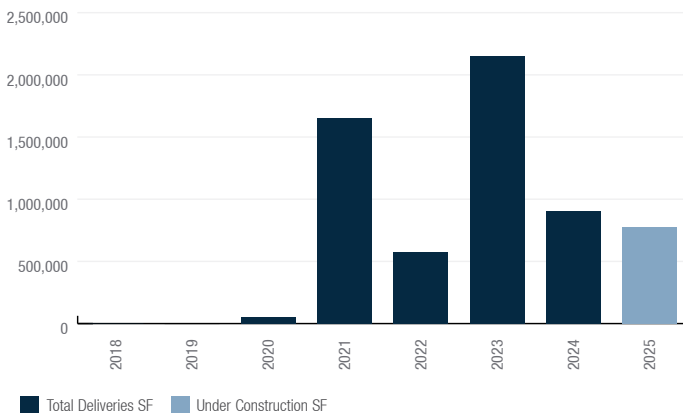
YTD Net Absorption
-48K SF

There is currently a 775,000-square-foot build-to-suit building under construction in DeKalb County, developed by Trammel Crow for Kraft-Heinz at 1771 E. Gurler Road in DeKalb.

No new buildings were completed during the second quarter of 2024. However, Meta completed its data center campus in the first quarter by delivering a 907,000-square-foot facility. DeKalb County is expected to remain an important submarket for developers due to its strategic access to the I-88 Interstate and the availability of land suitable for further construction projects.



Construction Activity



0% Speculative



100% Build-to-Suit



◀ 775,000 SF
1771 E Gurler Road
 DeKalb, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|------------------|--------|---------|------|--------------|------------|
| 1 | 1771 E Gurler Rd | DeKalb | 775,000 | BTS | Trammel Crow | Q1 2025 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------|--------|---------|------|-----------|------------|
| 1 | 1550 Metaverse Way | DeKalb | 907,000 | BTS | Meta | Q1 2024 |

907,000 SF ▶
1550 Metaverse Way - 3
 DeKalb, Illinois



Fox Valley

Submarket Overview

| | ▲ | ▲ | ▼ | ▼ | ▼ | ▼ | ▼ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2024 | 4.7% | 44,134,539 | -89,164 | -81,388 | 391,900 | 543,603 | 767,194 |
| Previous Year 2023 | 3.6% | 42,925,096 | 416,236 | 476,504 | 665,840 | 797,640 | 1,135,851 |



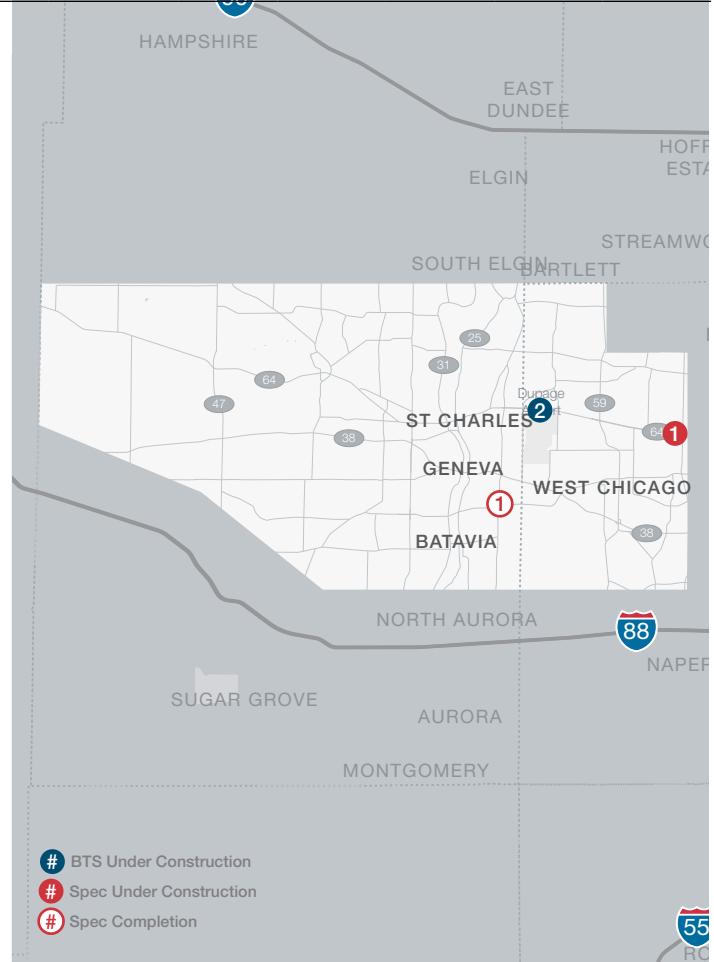
Vacancy Rate
4.7%



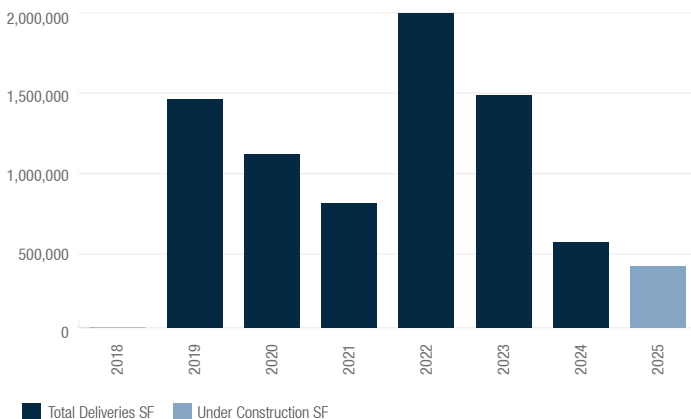
YTD Net Absorption
-81K SF

There are currently two industrial buildings under construction in the Fox Valley submarket. Greco DeRosa broke ground during the second quarter of 2024 on Fox Valley's largest building currently under construction. Located at 265 Pheasant Run Drive in Saint Charles, this 334,800-square-foot building is set for completion in the second quarter of 2025. The second is a 57,100 square-foot build-to-suit truck terminal being developed by Timber Hill for Mainfreight. Timber Hill broke ground on this building during the first quarter of 2024 and delivery is expected in the first quarter of 2025.

One new industrial building was completed during the second quarter at 1401 N. Kirk Road in Batavia. Totalling 543,603 square feet, Velocis' new speculative building is the largest to have been delivered during the second quarter of 2024.



Construction Activity





◀ 334,800 SF
**265 Pheasant Run Dr
 Building B**
 Saint Charles, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|-------------------------|---------------|---------|------|--------------|------------|
| 1 | 27W364 North Ave | West Chicago | 57,100 | BTS | Timber Hill | Q1 2025 |
| 2 | 265 Pheasant Run Bldg B | Saint Charles | 334,800 | Spec | Greco DeRosa | Q2 2025 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|----------------|---------|---------|------|-----------|------------|
| 1 | 1401 N Kirk Rd | Batavia | 543,603 | Spec | Velocis | Q2 2024 |

543,603 SF ▶
1401 N Kirk Rd
 Batavia, Illinois



I-39 Corridor



Submarket Overview

| | ↑ | ↑ | ↓ | ↑ | ↓ | — | ↓ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 8.3% | 48,478,086 | -272,127 | -47,199 | 300,000 | 0 | 203,024 |
| Previous Year 2Q23 | 5.9% | 46,951,033 | -161,763 | -297,593 | 1,557,053 | 0 | 651,844 |



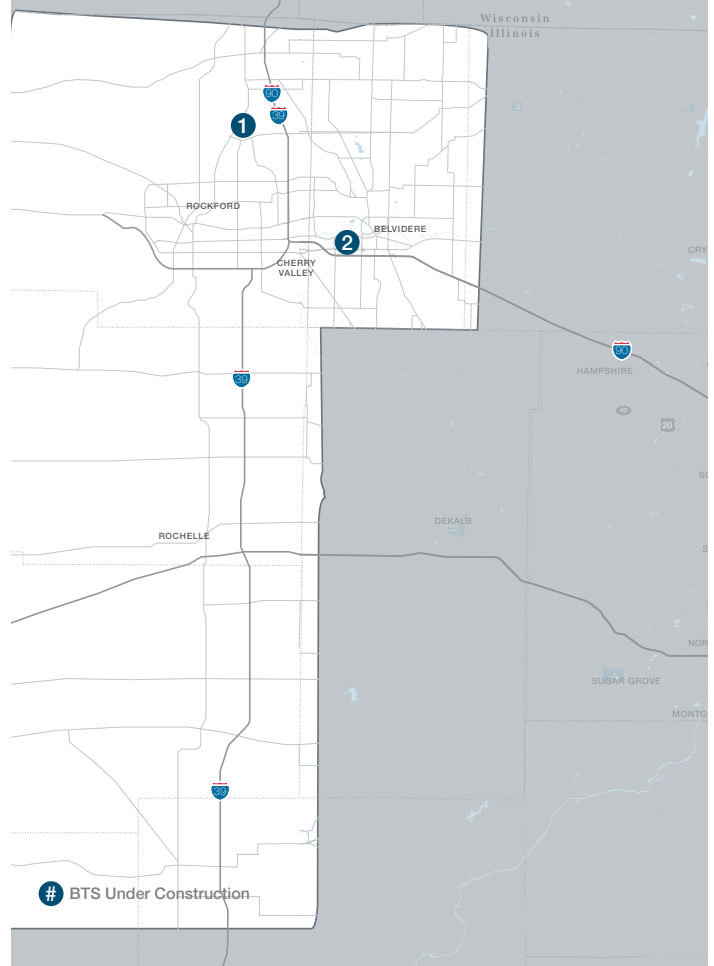
Vacancy Rate
8.3%



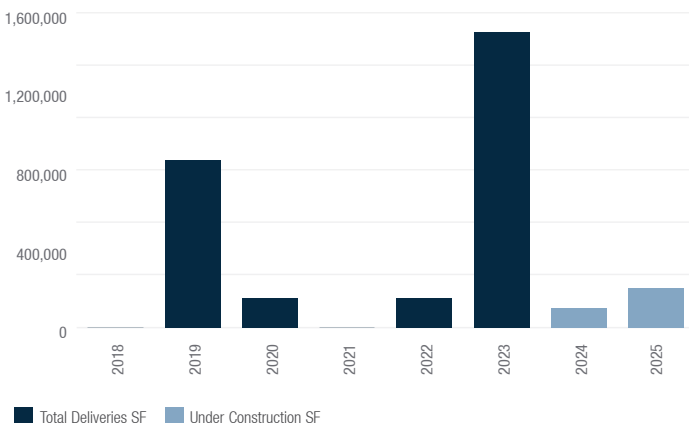
YTD Net Absorption
-49K SF

Two industrial buildings are currently under construction in the I-39 Corridor. The largest is a 200,000-square-foot build-to-suit facility located at 1245 Irene Road in Belvidere, developed by Scannell Properties for Midwest Refrigerated Service. This project is expected to be completed in the first quarter of 2025. The second building is a 100,000-square-foot build-to-suit for Hennig, Inc., with completion anticipated by the end of 2024.

No new buildings were completed during the first half of the year. This follows the completion of a 1.3 million-square-foot building in the fourth quarter of 2023. Located at 1210 Irene Road in Belvidere, this build-to-suit project was developed by Scannell Properties for General Mills.



Construction Activity



0% Speculative



100% Build-to-Suit



◀ 200,000 SF
1245 Irene Rd
 Belvidere, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|----------------|--------------|---------|------|---------------------|------------|
| 1 | 8181 Burden Rd | Machesney Pk | 100,000 | BTS | Henning Inc | Q3 2024 |
| 2 | 1245 Irene Rd | Belvidere | 200,000 | BTS | Scannell Properties | Q1 2025 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|--------------------|---------|------|----|------|-----------|------------|
| None to report YTD | | | | | | |

I-55 Corridor

Submarket Overview

| | ↑ | ↑ | ↓ | ↓ | ↓ | ↓ | ↓ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 3.5% | 112,916,356 | 630,836 | 809,739 | 1,697,575 | 979,971 | 3,015,256 |
| Previous Year 2Q23 | 2.8% | 109,644,165 | 1,795,681 | 964,240 | 3,394,344 | 1,884,786 | 4,395,657 |



Vacancy Rate
3.5%

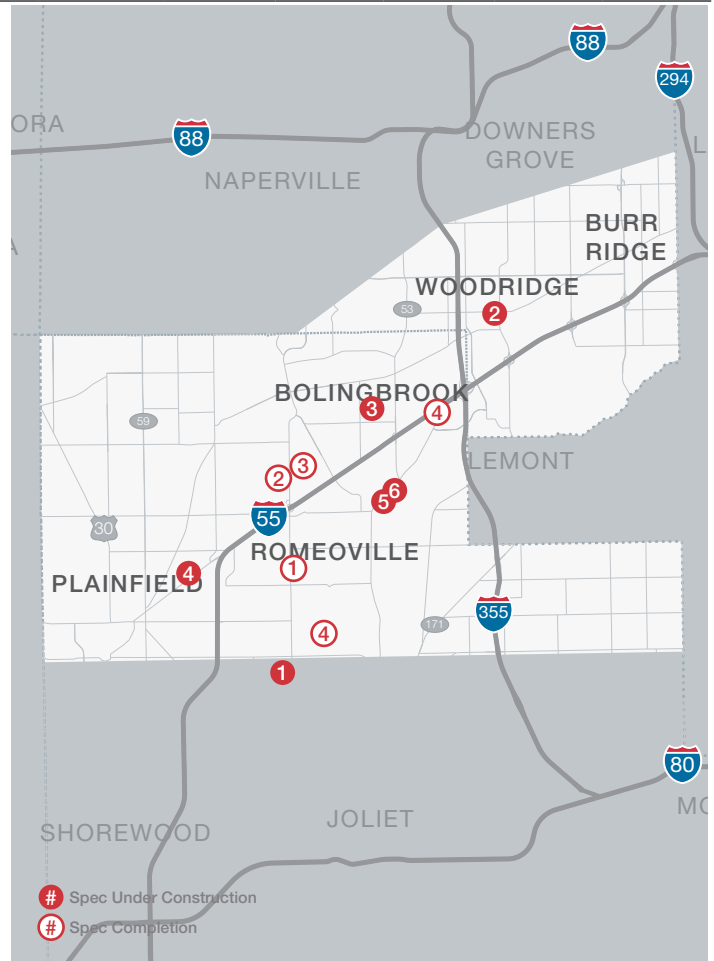


YTD Net Absorption
810K SF

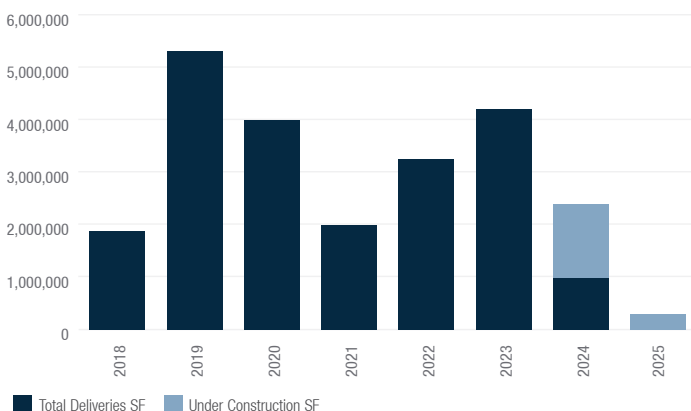
I-55 maintains an active industrial development pipeline, with six projects currently under construction totaling 1.7 million square feet. The largest of these buildings is a speculative facility located at 21225 Lidice Parkway in Crest Hill, a Midwest Industrial Funds development slated for 3Q 2024 delivery.

The second quarter saw ground-breaking of two new speculative warehouses totaling 292,053 square feet in Romeoville's Bridge Point I-55 Commerce Center. Bridge Industrial's new project listed by NAI Hiffman includes the 120,011-square-foot Building 1 and 172,042-square-foot building 2. The project is set to complete in 3Q 2025.

One new facility was completed in the second quarter of 2024. The Koenig Group completed a 17,200 square-foot speculative building at 1269 Caton Farm Road in Crest Hill. The I-55 Corridor has seen a total of 979,971 square feet delivered in the first half of the year across five buildings.



Construction Activity



100% Speculative



0% Build-to-Suit



◀ 577,442 SF
21225 Lidice Pkwy
 Crest Hill, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|-----------------------------|-------------|---------|------|--------------------------|------------|
| 1 | 21225 Lidice Pkwy | Crest Hill | 577,442 | Spec | Midwest Industrial Funds | Q3 2024 |
| 2 | 8110-8118 Lemont Rd | Woodridge | 217,100 | Spec | Trammell Crow Company | Q3 2024 |
| 3 | 975 Belle Ln | Bolingbrook | 221,100 | Spec | Northern Builders/Cabot | Q3 2024 |
| 4 | SWC Steiner Rd & W 143rd St | Plainfield | 389,880 | Spec | Barber Development | Q4 2024 |
| 5 | 757 N Independence | Romeoville | 120,011 | Spec | Bridge Industrial | Q3 2025 |
| 6 | 775 N Independence | Romeoville | 172,042 | Spec | Bridge Industrial | Q3 2025 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------|-------------|---------|------|-------------------------|------------|
| 1 | 565 S Pinnacle Dr | Romeoville | 334,800 | Spec | Panattoni Development | Q1 2024 |
| 2 | 925 Belle Ln | Bolingbrook | 321,132 | Spec | Northern Builders/Cabot | Q1 2024 |
| 3 | 350 Lindsey Ln | Bolingbrook | 173,947 | Spec | Barber Development | Q1 2024 |
| 4 | 2110 Wallace Way | Woodridge | 132,892 | Spec | Northern Builders/Cabot | Q1 2024 |
| 5 | 1269 Caton Farm Rd | Crest Hill | 17,200 | Spec | The Koenig Group | Q2 2024 |

17,200 SF ▶
1269 Caton Farm Rd
 Crest Hill, Illinois



I-57/Will Corridor

Submarket Overview

| | ↑ | ↑ | ↓ | ↓ | ↓ | ↓ | ↑ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 9.0% | 26,134,198 | 14,299 | 508,864 | 0 | 0 | 1,762,733 |
| Previous Year 2Q23 | 0.4% | 25,512,952 | 846,371 | 840,847 | 621,246 | 910,800 | 1,118,952 |



Vacancy Rate

9.0%

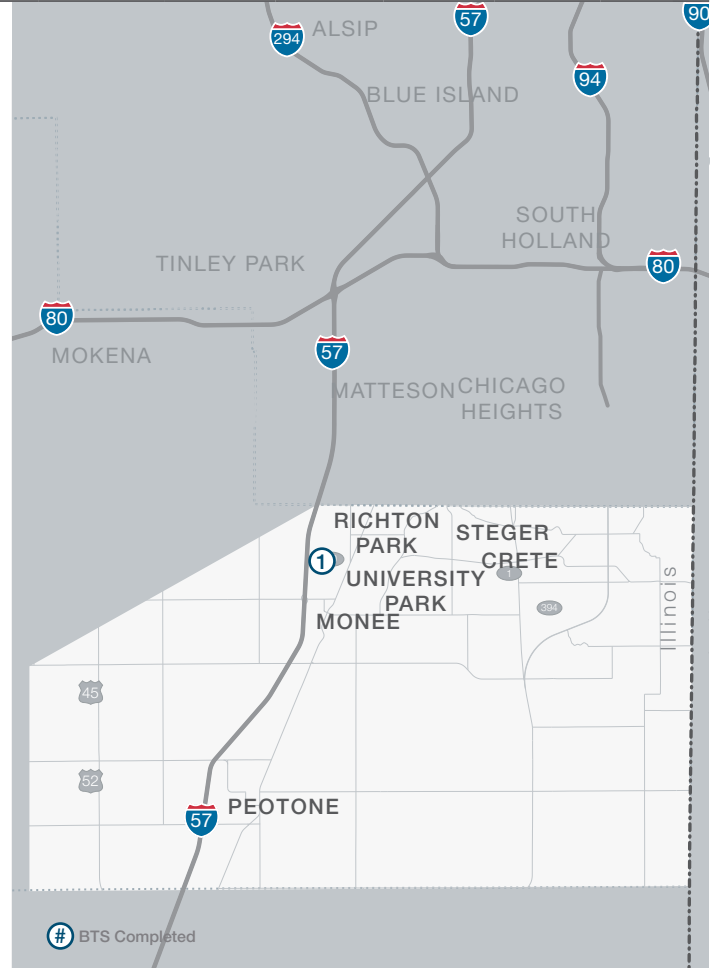


YTD Net Absorption

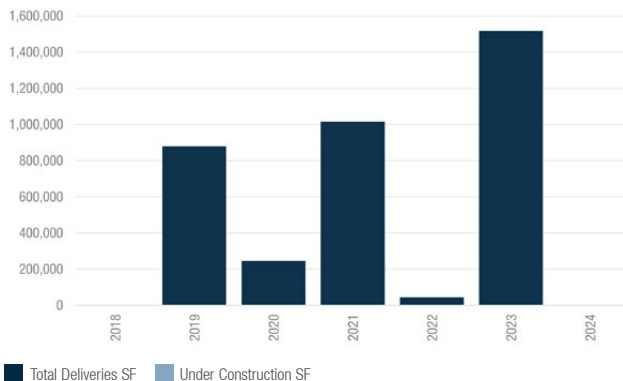
509K SF

There are currently no construction projects underway in the I-57/Will submarket. During the first quarter of 2024, no new industrial buildings were completed. This is a stark contrast to the I-57 Corridor's performance in 2023, when it saw the completion of two industrial facilities totaling 1.5 million square feet.

The most noteworthy project completed in 2023 was a build-to-suit facility developed by Venture One for Central Steel & Wire Company in University Park, adding 897,000 square feet to the I-57 Corridor's industrial inventory. Additionally, Seefried Industrial completed a 621,246-square-foot distribution center in the third quarter of 2023.



Construction Activity



0% Speculative

No Current Construction

0% Build-to-Suit

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------|------|----------------|------|-----------|------------|
| | | | None to report | | | |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|---------|------|--------------------|------|-----------|------------|
| | | | None to report YTD | | | |

897,000 SF ▶

23301 Central Ave
 University Park, Illinois
 Delivered 2023



I-80/Joliet Corridor



Submarket Overview

| | ^ | ^ | ∨ | ∨ | ∨ | ∨ | ∨ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 6.8% | 116,945,568 | -229,078 | -489,300 | 2,051,869 | 1,816,181 | 2,036,081 |
| Previous Year 2Q23 | 3.9% | 111,019,301 | 2,719,257 | 2,667,949 | 7,152,687 | 1,847,920 | 4,414,401 |

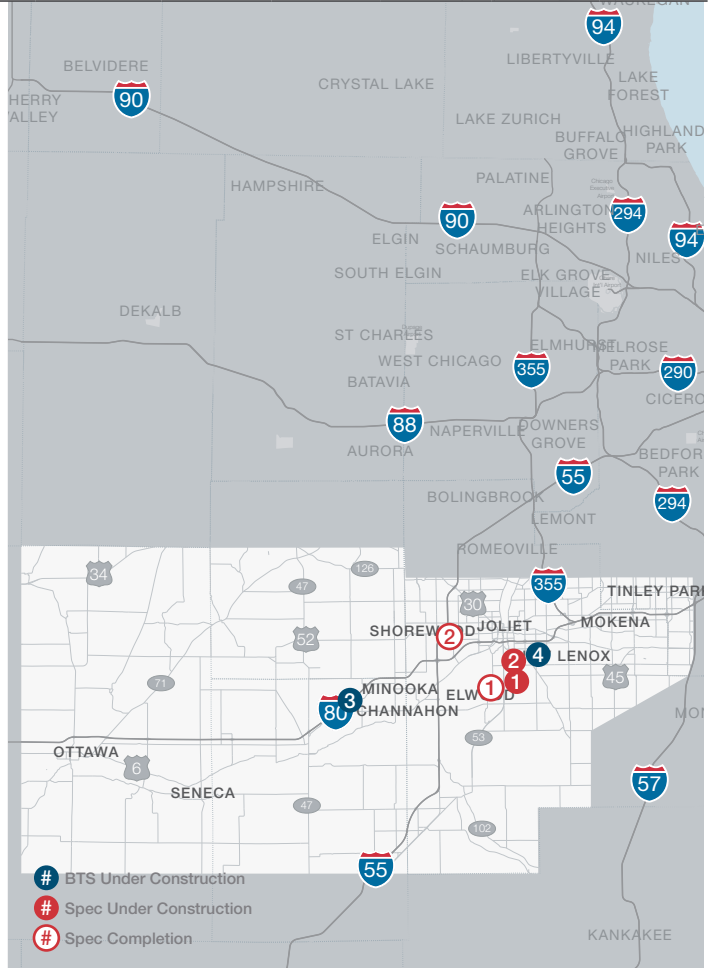
Vacancy Rate
6.8%

YTD Net Absorption
-489K SF

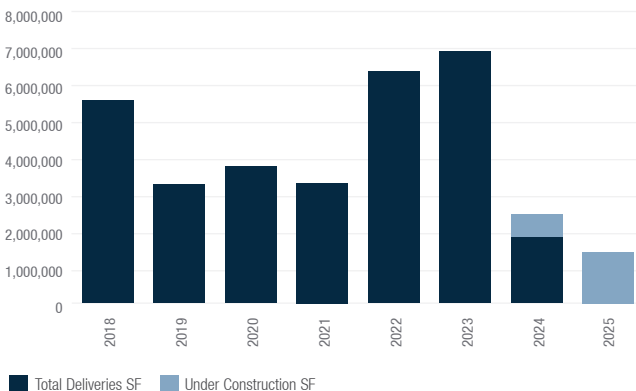
Significant development continues in the I-80/Joliet Corridor, with four projects totaling 2.1 million square feet underway. The largest of these buildings, Crow Holdings' new 1.2 million square-foot build-to-suit building for GE, broke ground during the first quarter of 2024. Located on Brisbin Road in Morris, GE's new facility is set for first quarter 2025 completion.

Affirming developers' confidence in this submarket, two of the three other ongoing construction projects are speculative buildings. The largest is Cabot Properties' 399,630 square-foot distribution center at 2000 S. Rowell Avenue in Joliet. Northern Builders also broke ground on a 202,759 square-foot build-to-suit project for Agile Cold Storage in Joliet's Cherry Hill Business Park.

New supply grew steadily in the I-80/Joliet Corridor during the first half of the year. Two buildings were completed in the first quarter, totaling 1.8 million square feet.



Construction Activity





◀ 1,200,000 SF
Brisbin Rd & US Route 6
 Morris, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|------------------------------|--------|-----------|------|-------------------|------------|
| 1 | 2000 S Rowell Ave | Joliet | 399,630 | Spec | Cabot Properties | Q3 2024 |
| 2 | 901 E Laraway Rd | Joliet | 249,480 | Spec | Cabot Properties | Q3 2024 |
| 3 | Brisbin Rd & US Rt 6 - GE | Morris | 1,200,000 | BTS | Crow Holdings | Q1 2025 |
| 4 | 2791 Spencer - Agile Cold St | Joliet | 202,759 | BTS | Northern Builders | Q2 2025 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|---------------------------|--------|-----------|------|------------------------|------------|
| 1 | 201 W Compass Blvd Bld. 3 | Joliet | 1,138,717 | Spec | NorthPoint Development | Q1 2024 |
| 2 | 1700 Gateway Blvd | Joliet | 677,000 | Spec | IDI Logistics | Q1 2024 |

1,138,717 SF ▶
102 W Compass Blvd
 Joliet, Illinois



I-88 Corridor

Submarket Overview

| | ▼ | ▲ | ▼ | ▼ | ▲ | ▼ | ▼ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 3.3% | 75,295,539 | 77,245 | -319,979 | 810,000 | 429,616 | 563,196 |
| Previous Year 2Q23 | 3.6% | 74,734,055 | 209,279 | 1,248,033 | 661,484 | 1,020,369 | 1,276,188 |



Vacancy Rate
3.3%

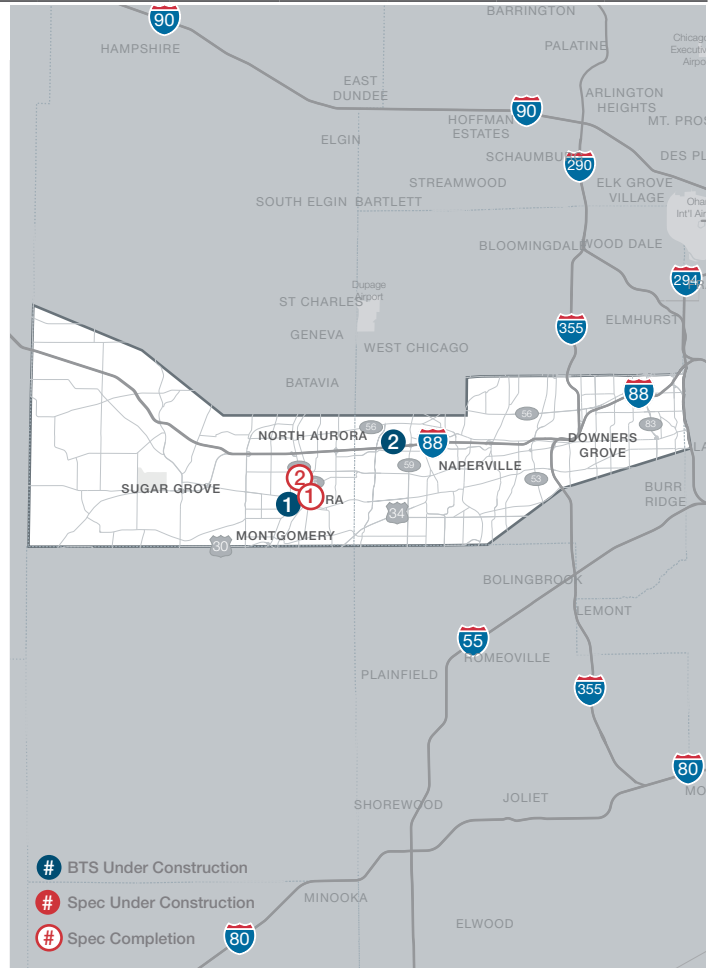


YTD Net Absorption
-319K SF

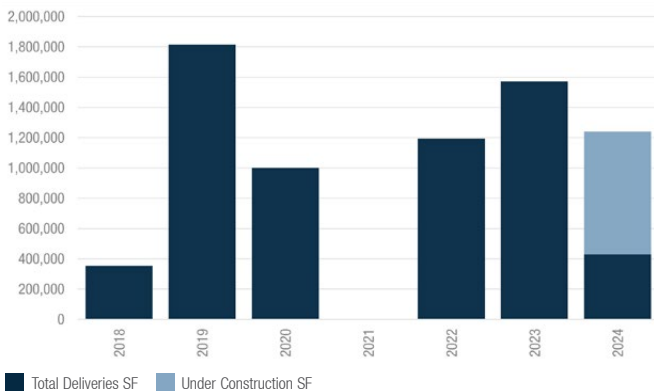
Two buildings combining for 810,000 square feet are currently under construction in the I-88 Corridor.

Both facilities under construction in the I-88 Corridor are build-to-suits. The largest is Karis' 500,000 square-foot building being built for Ravago at 2200 Galena Road in Montgomery. This structure is slated to be delivered in the fourth quarter of 2024. The second is US Foods' 310,000 square-foot food processing facility at 2810 Duke Parkway in Aurora. This building is set to complete during the third quarter of 2024.

TradeLane Properties delivered their 429,616 square-foot speculative construction project located at the Park 88 Logistics Center in North Aurora. Marketed by NAI Hiffman, only 73,979 square feet of available space remain here located at 410 Smoke Tree Plaza.



Construction Activity



0.0% Speculative



100.0% Build-to-Suit



◀ 500,000 SF
2200 Galena Rd
 Montgomery, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|----------------|------------|---------|------|-----------|------------|
| 1 | 2200 Galena Rd | Montgomery | 500,000 | BTS | Karis | Q4 2024 |
| 2 | 2810 Duke Pkwy | Aurora | 310,000 | BTS | US Foods | Q3 2024 |

Completions

| # | Address | City | Sf | Type | Developer | Completion |
|---|----------------------|--------------|---------|------|----------------------|------------|
| 1 | 400 Smoke Tree Plaza | North Aurora | 263,682 | Spec | TradeLane Properties | Q1 2024 |
| 2 | 410 Smoke Tree Plaza | North Aurora | 165,928 | Spec | TradeLane Properties | Q1 2024 |

263,682 SF ▶
400 Smoke Tree Plaza
 North Aurora, Illinois

165,928 SF
410 Smoke Tree Plaza
 North Aurora, Illinois



I-90 Northwest

Submarket Overview

| | ^ | ^ | ^ | ∨ | ∨ | ∨ | ^ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2024 | 9.0% | 44,942,309 | -210,071 | 83,076 | 0 | 270,615 | 933,564 |
| Previous Year 2023 | 4.0% | 41,869,172 | -360,952 | 838,412 | 3,028,638 | 978,456 | 719,278 |



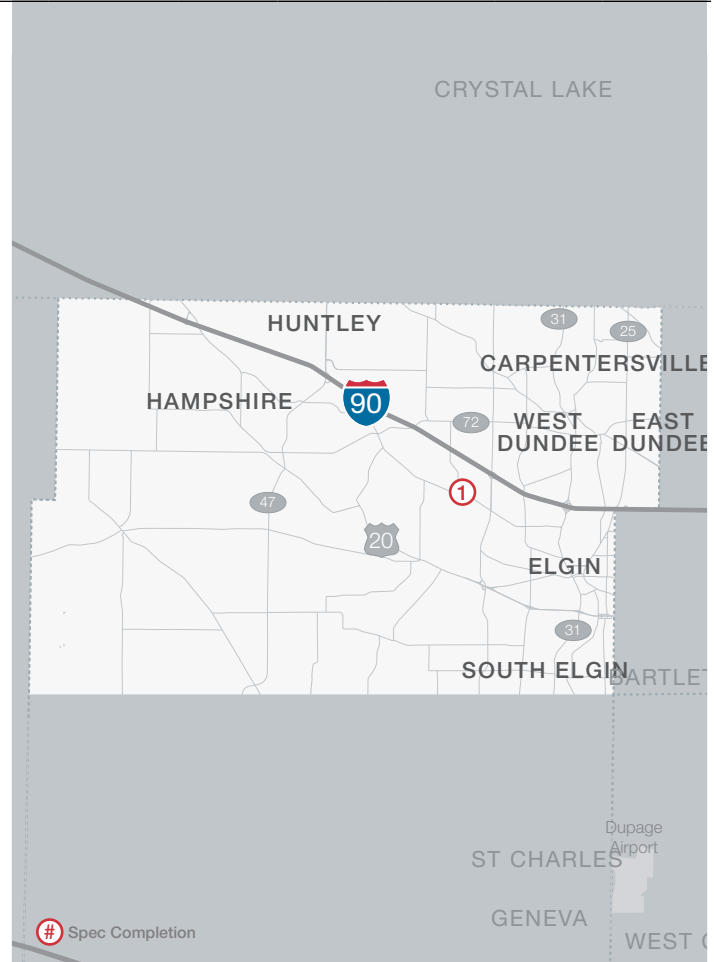
Vacancy Rate
9.0%



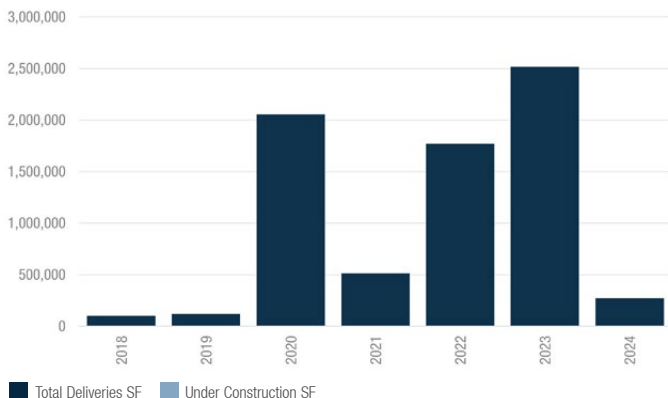
YTD Net Absorption
83K SF

There are no buildings under construction in I-90 Northwest. A notable departure from the nearly 3 million square feet that were under construction here one year ago.

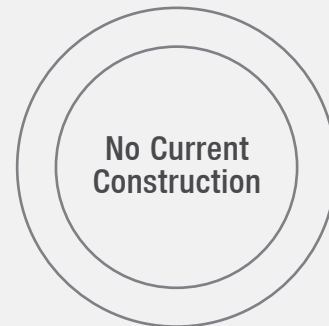
One new speculative building was completed during the second quarter of 2024. Located at 2450 Millennium Drive in Elgin, Alvil Trucking brought a total of 22,215 square feet of speculative space to this submarket's inventory.



Construction Activity



0% Speculative



0% Build-to-Suit

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------|------|----------------|------|-----------|------------|
| | | | None to report | | | |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------|-------|--------|------|----------------|------------|
| 1 | 2450 Millennium Dr | Elgin | 22,215 | Spec | Alvil Trucking | Q2 2024 |

22,215 SF ▶
2450 Millennium Dr
Elgin, Illinois



Lake County

Submarket Overview

| | ▲ | ▲ | ▲ | ▼ | ▲ | ▼ | ▼ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2024 | 9.0% | 44,942,309 | -210,071 | 83,076 | 334,299 | 88,000 | 745,430 |
| Previous Year 2023 | 4.0% | 41,869,172 | -360,952 | 838,412 | 255,234 | 803,817 | 1,372,127 |



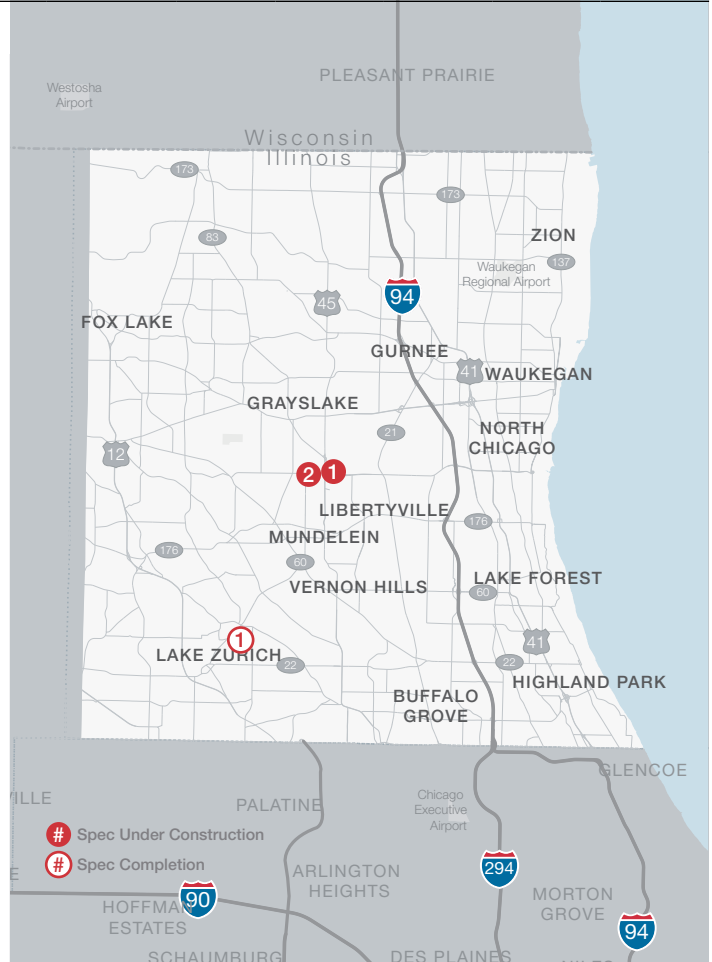
Vacancy Rate
9.0%



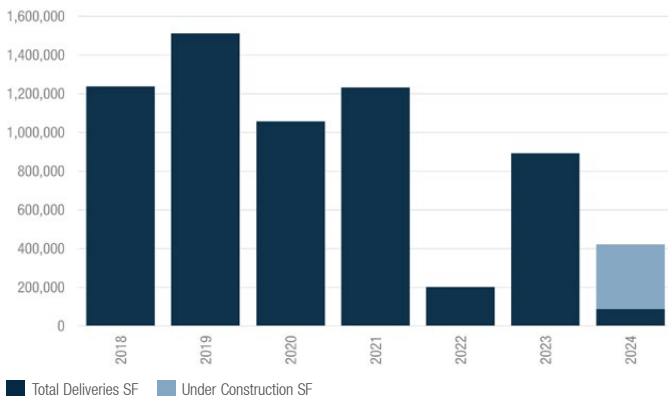
YTD Net Absorption
83K SF

In the fourth quarter of 2023, Midwest Industrial Funds began construction on two speculative buildings in the Libertyville 45 Corporate Center in Lake County. These buildings, measuring 169,065 and 165,234 square feet, are expected to be completed in the third quarter of 2024.

In addition to this, in the first quarter of 2024, a new 88,000-square-foot build-to-suit facility was completed at 1400 Rose Road in Lake Zurich for Alpha Teknico, a medical mattress manufacturer.



Construction Activity



100% Speculative



0% Build-to-Suit



◀ 169,065 SF
1850 N US 45 Bld. B
 Libertyville, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------------------|--------------|---------|------|--------------------------|------------|
| 1 | 1850 N US 45 Bld. B | Libertyville | 169,065 | Spec | Midwest Industrial Funds | Q3 2024 |
| 2 | 1900 N US 45 Bld. A | Libertyville | 165,234 | Spec | Midwest Industrial Funds | Q3 2024 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------|-------------|--------|------|---------------|------------|
| 1 | 1400 Rose Rd | Lake Zurich | 88,000 | BTS | Alpha Tekniko | Q1 2024 |

320,365 SF ▶
290 Townline Rd
 Mundelein, Illinois





McHenry County

Submarket Overview

| | ▼ | ▲ | ▼ | ▲ | ▼ | — | ▼ |
|----------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 2.6% | 25,540,667 | 167,769 | 1,793,129 | 0 | 0 | 630,630 |
| Previous Year 2Q23 | 7.1% | 24,802,214 | 256,283 | 138,545 | 738,453 | 0 | 1,751,992 |

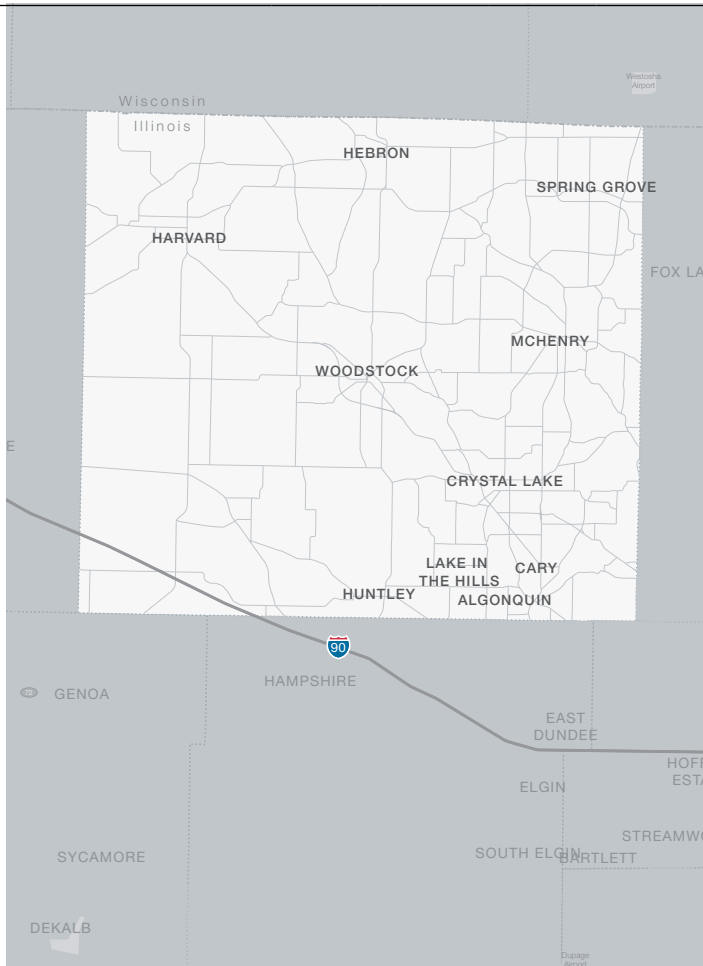
Vacancy Rate **2.6%**

YTD Net Absorption **1.7M SF**

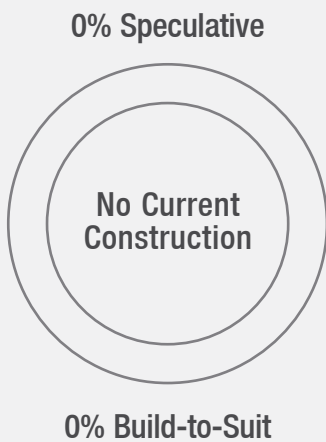
Currently, there are no ongoing construction projects in the McHenry County submarket. NorthPoint Development has been the sole developer to add new industrial supply to McHenry County in recent time. In the first half of 2023, two construction projects were completed in the Algonquin Corporate Center:

Building one, a 249,671-square-foot warehouse, was delivered in the first quarter of 2023.

Building two, a 488,759-square-foot warehouse, reached completion in the second quarter of 2023.



Construction Activity





◀ 488,759 SF
3010 Longmeadow Parkway
 Algonquin, Illinois
 Delivered 2023

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------|------|----------------|------|-----------|------------|
| | | | None to report | | | |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|---------|------|--------------------|------|-----------|------------|
| | | | None to report YTD | | | |

North Cook



Submarket Overview

| | ^ | ^ | ^ | ∨ | ∨ | ^ | ∨ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2024 | 5.1% | 47,726,694 | -3,219 | -91,757 | 917,270 | 295,278 | 293,707 |
| Previous Year 2023 | 3.3% | 46,983,096 | -135,508 | 30,858 | 1,660,868 | 0 | 504,756 |



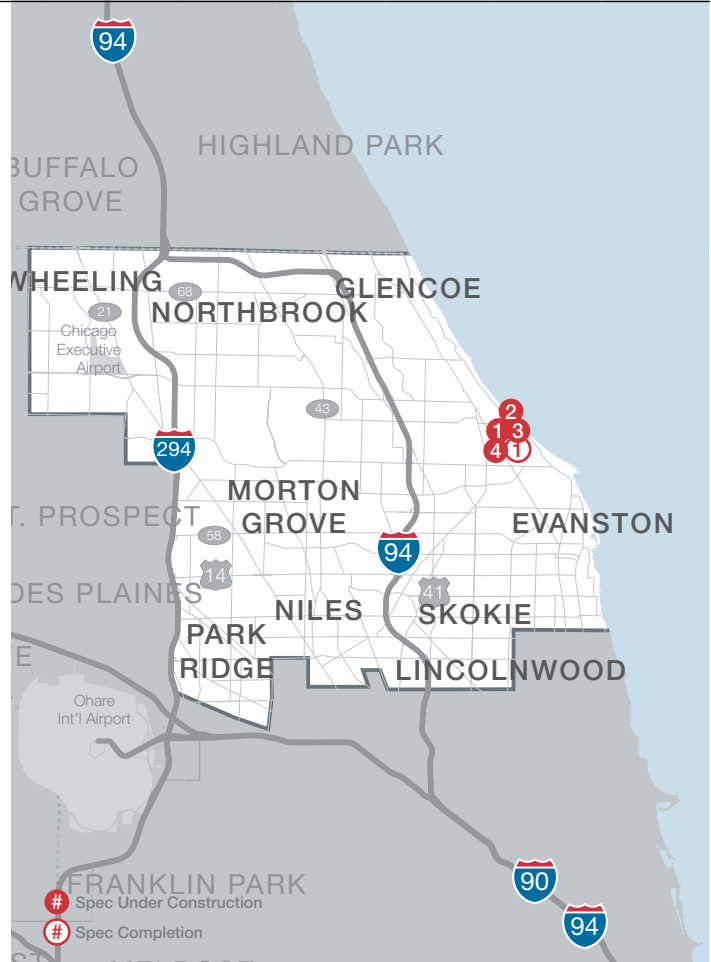
Vacancy Rate
5.1%



YTD Net Absorption
-92K SF

Being an infill submarket, any fresh construction in North Cook carries weight. Although no new projects initiated during the second quarter of 2024, the significance of 2023 is notable. Five speculative buildings commenced construction subsequent to the demolition of the former Allstate Office Campus, which has been rebranded as The Logistics Campus. Dermody Properties notably set a trend in 2023 by inspiring developers to explore vacant office properties for their forthcoming industrial endeavors.

In the first quarter of 2024, Building Five was finalized in The Logistics Campus, contributing an additional 295,278 square feet to North Cook's industrial inventory. The remaining four buildings are scheduled to be completed during the third quarter of 2024. No further buildings were completed during the second quarter.



Construction Activity



100% Speculative



0% Build-to-Suit



◀ 326,278 SF
I-294 & Willow Rd Bld. 3
 Glenview, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------------|----------|---------|------|--------------------|------------|
| 1 | I-294 & Willow Rd Bld. 3 | Glenview | 326,278 | Spec | Dermody Properties | Q2 2024 |
| 2 | I-294 & Willow Rd Bld. 1 | Glenview | 254,788 | Spec | Dermody Properties | Q1 2024 |
| 3 | I-294 & Willow Rd Bld. 4 | Glenview | 243,778 | Spec | Dermody Properties | Q2 2024 |
| 4 | I-294 & Willow Rd Bld. 2 | Glenview | 92,426 | Spec | Dermody Properties | Q2 2024 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------------|----------|---------|------|--------------------|------------|
| 1 | I-294 & Willow Rd Bld. 5 | Glenview | 295,278 | Spec | Dermody Properties | Q1 2024 |

326,278 SF ▶
I-294 & Willow Rd Bld. 5
 Glenview, Illinois



Northwest Cook

Submarket Overview

| | ↑ | ↑ | ↓ | ↓ | ↓ | ↓ | ↓ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2024 | 10.1% | 27,923,415 | 11,916 | -156,855 | 159,684 | 0 | 252,094 |
| Previous Year 2023 | 6.1% | 26,834,967 | 338,398 | 485,902 | 720,447 | 201,600 | 630,588 |



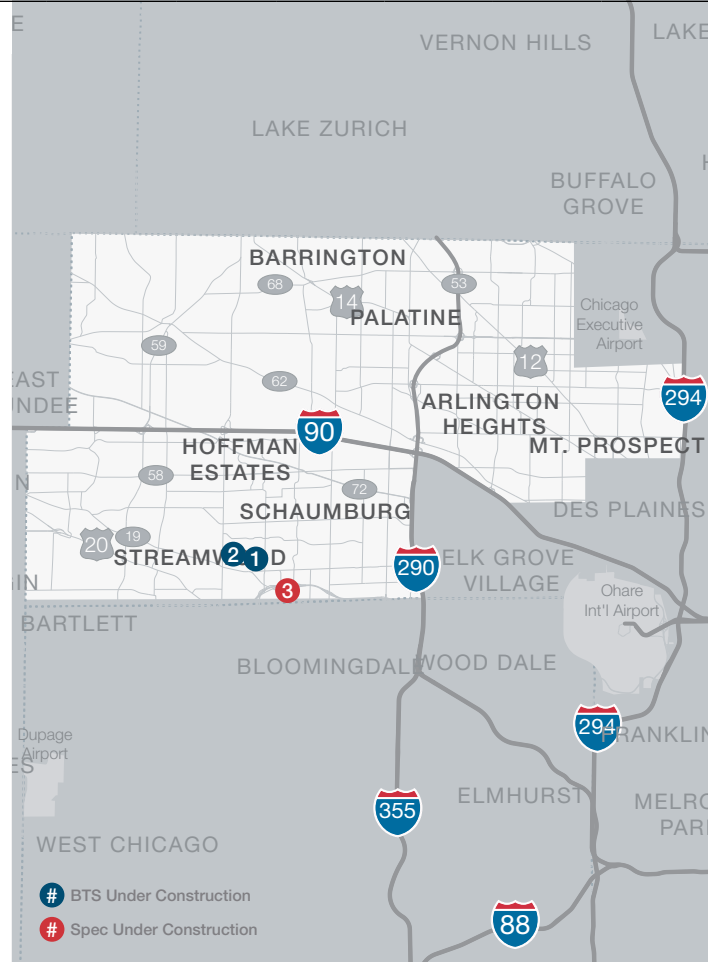
Vacancy Rate
10.1%



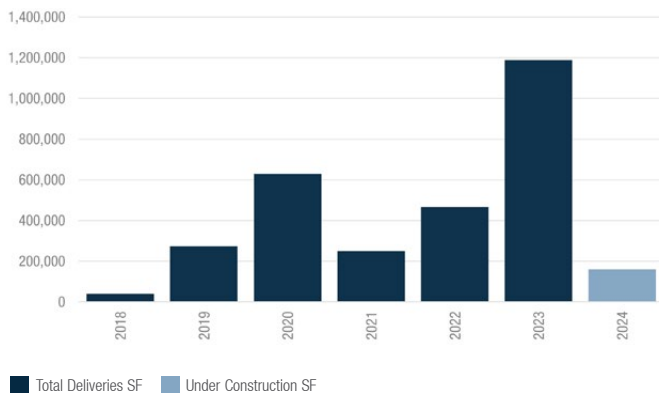
YTD Net Absorption
-156K SF

Northwest Cook has three projects totaling 159,684 square feet under construction in the second quarter of 2024. Two construction projects are build-to-suit facilities being developed by Expor Logistics with projected completion in the fourth quarter of 2024. A new speculative building broke ground in the second quarter located at 1050 Albion Avenue in Schaumburg. This new 83,124 square-foot building being developed by 20 Lakes is set to complete in the fourth quarter of 2024.

There were no newly completed buildings during the second quarter of 2024 in Northwest Cook. However, Northwest Cook exhibited robust growth in the expansion of its industrial inventory throughout 2023. Five new buildings were completed, bringing 1.2 million square feet to this submarket's industrial inventory. The most significant completion for Northwest Cook in 2023, was a 367,000-square-foot speculative distribution center located at 975 W. Algonquin Road in Palatine. This facility was developed by Logistics Property Company in the second quarter and is now fully leased to AIT Worldwide Logistics.



Construction Activity



52.1% Speculative



47.9% Build-to-Suit



◀ 48,000 SF
1001 Irving Park Bld. 2
 Schaumburg, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|----------------------------|------------|--------|------|-----------|------------|
| 1 | 1001 Irving Park Rd Bld. 2 | Schaumburg | 48,000 | BTS | Experior | Q4 2024 |
| 2 | 1001 Irving Park Rd Bld. 1 | Schaumburg | 28,560 | BTS | Experior | Q4 2024 |
| 3 | 1050 Albion Ave | Schaumburg | 83,124 | Spec | 20 Lakes | Q4 2024 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|--------------------|---------|------|----|------|-----------|------------|
| None to report YTD | | | | | | |

306,292 SF ▶
3600 N Kennicott Ave
 Arlington Heights, Illinois



Northwest Indiana

Submarket Overview

| | ^ | ^ | ^ | ^ | ^ | ^ | ^ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 7.2% | 50,138,983 | 1,045,055 | 1,227,372 | 2,321,250 | 246,000 | 1,176,926 |
| Previous Year 2Q23 | 6.7% | 48,097,526 | -475,499 | -175,256 | 1,860,008 | 0 | 608,419 |



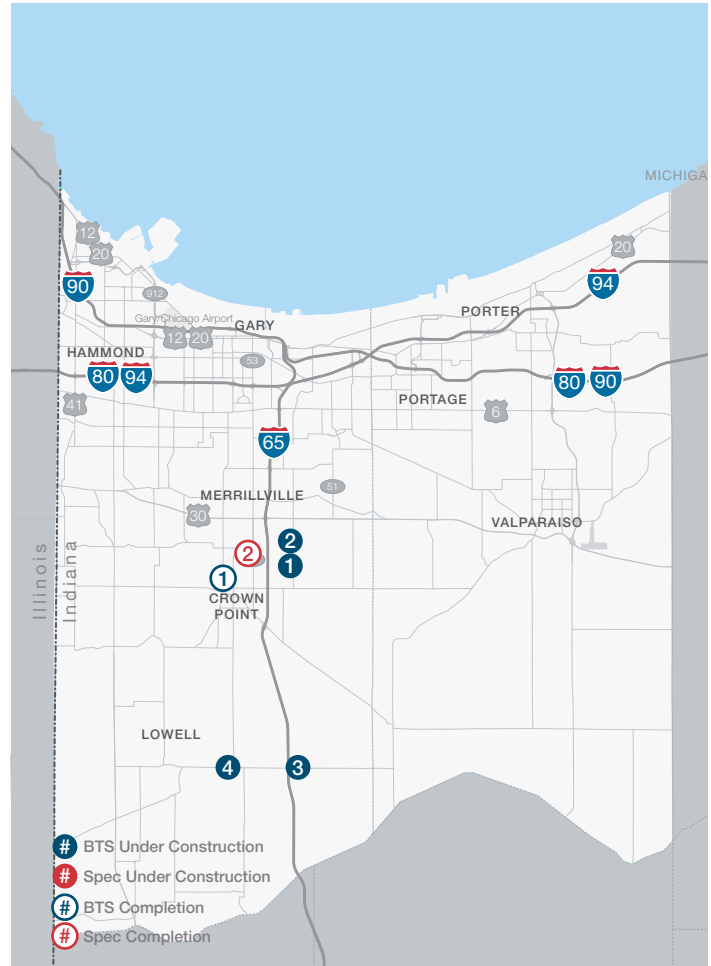
Vacancy Rate
7.2%



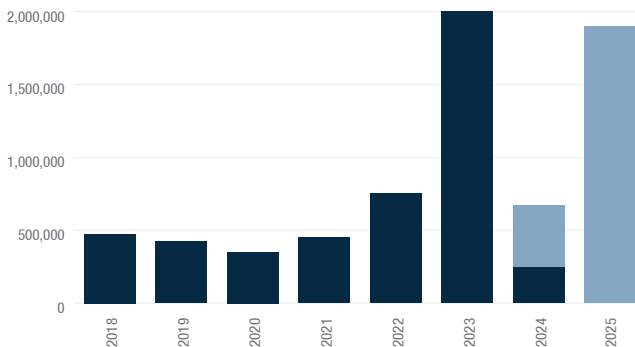
YTD Net Absorption
1.2M SF

Northwest Indiana stands out 2.3 million square feet under construction. Notably, Venture One broke ground on a 1.2 million square-foot build-to-suit building for John Deere during the second quarter of 2024. Located at SWC I-65 & Route 2, this facility is the largest development in this submarket and is slotted for completion around mid-2025. Northwest Indiana is now the leading submarket in terms of square feet under construction. 2.3 million square feet are being developed here across four different buildings.

Two new buildings were delivered during the second quarter. The largest was Park Development Partners' 195,000 square-foot build-to-suit food processing facility for Meats by Linz, which is located at 628 Hoffman Street in Hammond.



Construction Activity



■ Total Deliveries SF ■ Under Construction SF

0% Speculative



100% Build-to-Suit



◀ 450,000 SF
9880 Mississippi St
 Crown Point, Indiana

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|-----------------------|--------------|-----------|------|-------------------|------------|
| 1 | Silos at Sanders Farm | Merrillville | 425,520 | BTS | Crow Holdings | Q4 2024 |
| 2 | 9880 Mississippi | Crown Point | 450,000 | BTS | Core X Partners | Q1 2025 |
| 3 | NEC I-65 & Route 2 | Lowell | 245,730 | BTS | U.S. Cold Storage | Q1 2025 |
| 4 | SWC I-65 & Route 3 | Lowell | 1,200,000 | BTS | Venture One | Q2 2025 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|----------------|--------------|---------|------|---------------------|------------|
| 1 | 628 Hoffman St | Hammond | 195,000 | BTS | Meatz by Linz | Q2 2024 |
| 2 | 503 E 98th Ave | Merrillville | 51,000 | Spec | Holladay Properties | Q2 2024 |

195,000 SF ▶
628 Hoffman Street
 Hammond, Indiana



O'Hare

Submarket Overview

| | ▲ | ▲ | ▼ | ▼ | ▼ | ▼ | ▼ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 4.3% | 105,108,644 | 194,279 | -118,930 | 0 | 27,840 | 2,110,177 |
| Previous Year 2Q23 | 3.0% | 104,847,856 | 330,068 | 1,077,643 | 338,398 | 1,098,109 | 2,606,314 |



Vacancy Rate
4.3%



YTD Net Absorption
-119K SF

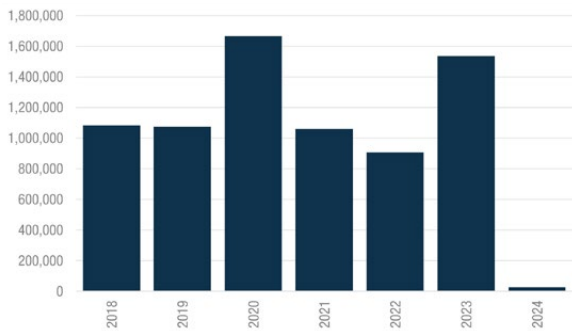
There are currently no construction projects underway in O'Hare.

There was one building completed during the second quarter of 2024. Located at 856 County Line Road in Bensenville, a 27,840 square-foot speculative building was completed by 856 County Line, LLC. This is the only building to be completed during the first half of the year. Compared with the first half of 2023, these numbers are a far cry from the 1.1 million square feet brought to O'Hare's inventory by developers.

Due to its proximity to O'Hare International Airport and the strong demand for industrial properties in the area, developers are expected to continue prioritizing this submarket in the coming years.

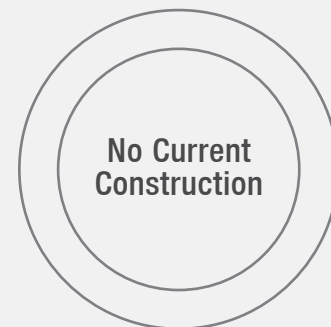


Construction Activity



■ Total Deliveries SF ■ Under Construction SF

0% Speculative



0% Build-to-Suit

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------|------|----------------|------|-----------|------------|
| | | | None to report | | | |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------|-------------|--------|------|---------------------|------------|
| 1 | 856 County Line Rd | Bensenville | 27,840 | Spec | 856 County Line LLC | Q2 2024 |

27,840 SF ▶
856 County Line Rd
 Bensenville, Illinois



South Cook

Submarket Overview

| | ↑ | ↑ | ↓ | ↓ | ↓ | ↑ | ↓ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 4.5% | 88,551,515 | -467,676 | -753,988 | 373,999 | 664,453 | 324,732 |
| Previous Year 2Q23 | 3.6% | 87,105,152 | -68,318 | 152,516 | 1,671,957 | 37,000 | 2,092,789 |



Vacancy Rate
4.5%

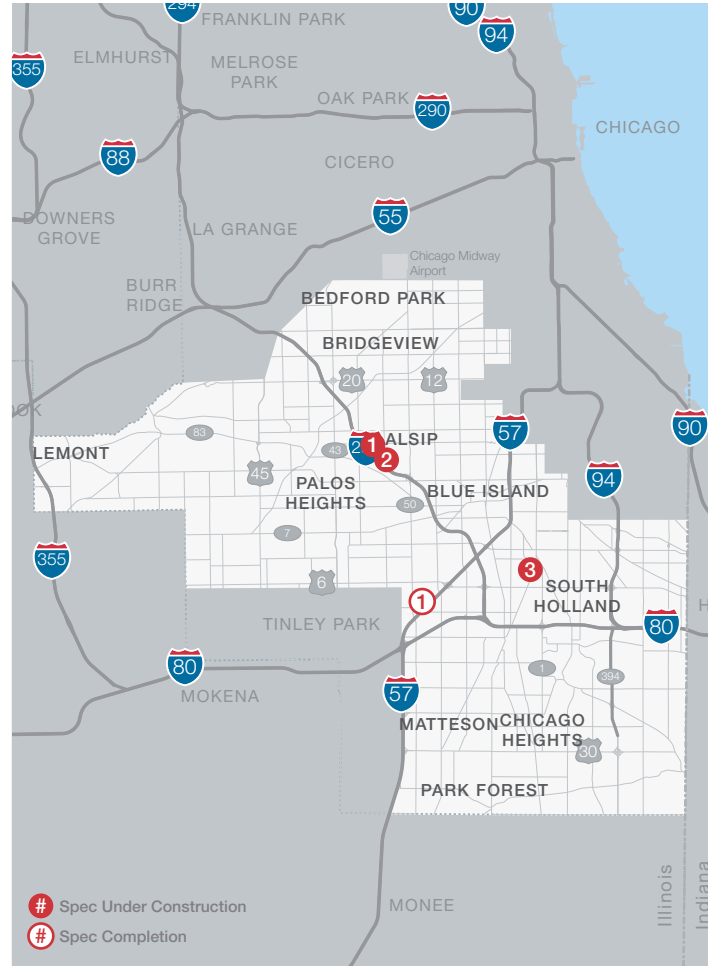


YTD Net Absorption
-754K SF

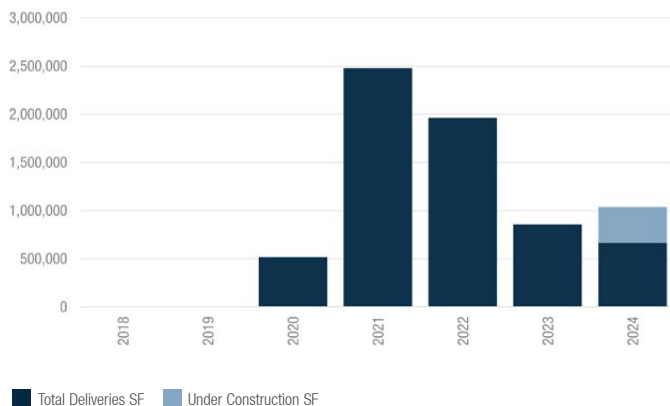
Three projects totaling 373,999 square feet are currently under construction in the South Cook submarket.

The largest of these projects is Alsip Park 294, a two-building, speculative development by The Opus Group. Totalling 359,999 square feet, this project is currently scheduled to be delivered during the third quarter of 2024.

There were no new construction completions during the second quarter. However, one new building was completed during the first quarter of 2024. Located at 16799 S. Cicero Avenue in Oak Forest, this 664,453-square-foot speculative warehouse was completed by Logistics Property Company.



Construction Activity



100% Speculative



0% Build-to-Suit



◀ 190,935 SF
5825 W 118th St
 Alsip, Illinois

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|----------------------------|--------|---------|------|--------------------|------------|
| 1 | 5825 W 118th St | Alsip | 190,935 | Spec | The OPUS Group | Q3 2024 |
| 2 | 12201 S Griffith Center Rd | Alsip | 169,064 | Spec | The OPUS Group | Q3 2024 |
| 3 | 15101 S Commercial Ave | Harvey | 14,000 | Spec | Arka Express, Inc. | Q3 2024 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------|------------|---------|------|---------------------------------|------------|
| 1 | 16799 S Cicero Ave | Oak Forest | 664,453 | Spec | Logistics Property Company, LLC | Q1 2024 |

664,453 SF ▶
16799 S Cicero Ave
 Oak Forest, Illinois



Southeast Wisconsin



Submarket Overview

| | ↑ Vacancy Rate | ↑ Total Inventory (SF) | ↓ Net Absorption | ↓ YTD Net Absorption | ↓ Under Construction (SF) | ↓ YTD New Supply (SF) | ↑ YTD New Leases (SF) |
|-----------------------------|-------------------|---------------------------|---------------------|-------------------------|------------------------------|--------------------------|--------------------------|
| Current Quarter 2024 | 10.8% | 80,236,598 | 710,428 | 888,144 | 2,176,125 | 1,151,874 | 1,283,903 |
| Previous Year 2023 | 6.0% | 77,108,766 | 1,190,615 | 2,515,103 | 4,634,960 | 1,746,493 | 693,529 |



Vacancy Rate
10.8%

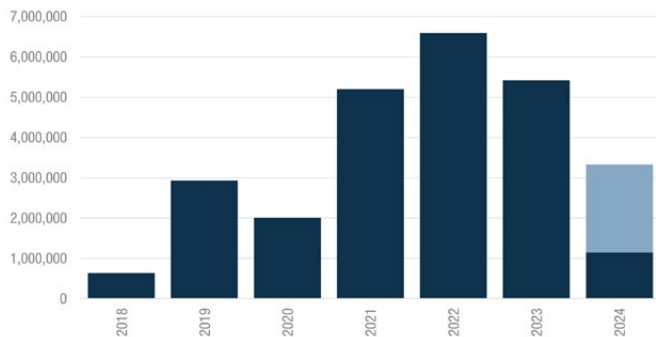


YTD Net Absorption
888K SF

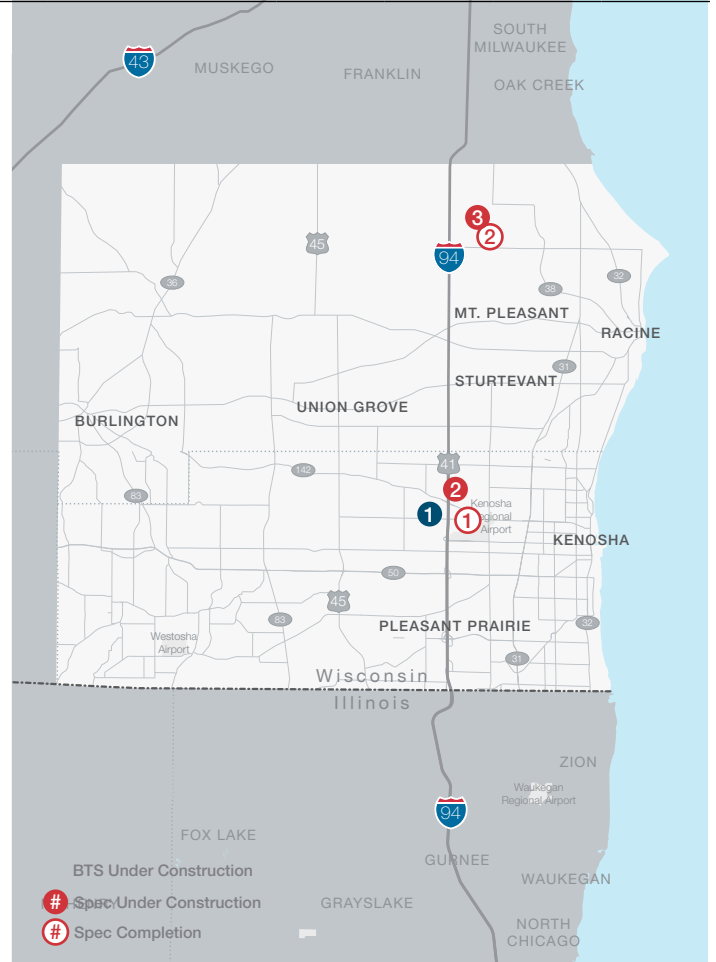
There are three construction projects under development in the Southeast Wisconsin submarket, totaling 2.2 million square feet. The largest development under construction is Logistics Property Company's 1.4 million square-foot build-to-suit distribution center for Uline. Located at 136th Avenue & 38th Street in Kenosha, the building is scheduled to be delivered in the third quarter of 2024. Dermody Properties also broke ground on a new 593,565 square-foot build-to-suit corrugated box plant for WestRock during the second quarter. Completion of this facility is expected in mid-2025.

Two new buildings were completed in Southeast Wisconsin in the first quarter. The largest of these, a speculative development by HSA Commercial, totals 918,624 square feet. The new facility can be found at 11110 Burlington Road in Kenosha. The second building is Zilber Property Group's 234,360-square-foot speculative distribution center located at 4321 Carol Road in Caledonia.

Construction Activity



■ Total Deliveries SF ■ Under Construction SF



6.6% Speculative



93.4% Build-to-Suit



◀ 1,440,000 SF
136th Ave & 38th St
 Kenosa, Wisconsin

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------------------|-----------|-----------|------|----------------------------|------------|
| 1 | 136th Ave & 38th St | Kenosha | 1,440,000 | BTS | Logistics Property Company | Q3 2024 |
| 2 | 1735 120th Ave | Kenosha | 1,010,880 | Spec | Becknell Industrial | Q4 2024 |
| 3 | 4300 Carly Ave | Caledonia | 142560 | Spec | Zilber Property Group | Q3 2024 |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|---------------------|-----------|---------|------|-----------------------|------------|
| 1 | 11110 Burlington Rd | Kenosha | 918,624 | Spec | HSA Commercial | Q1 2024 |
| 2 | 4321 Carol Rd | Caledonia | 234,360 | Spec | Zilber Property Group | Q1 2024 |

918,624 SF ▶
11110 Burlington Rd
 Kenosha, Wisconsin



Southwest Cook

Submarket Overview

| | ↑ | ↑ | ↓ | ↓ | ↓ | ↑ | ↓ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 7.2% | 36,271,580 | -103,573 | -62,687 | 0 | 398,954 | 371,290 |
| Previous Year 2Q23 | 1.8% | 34,526,271 | 141,099 | -50,991 | 1,346,322 | 245,002 | 941,731 |



Vacancy Rate
7.2%

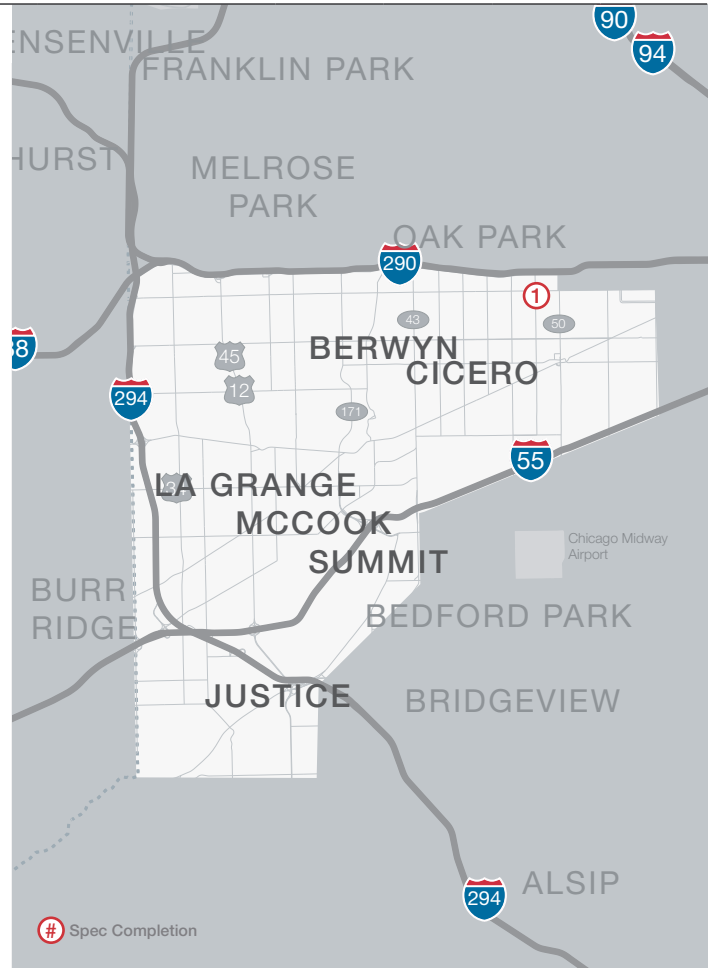


YTD Net Absorption
-63K SF

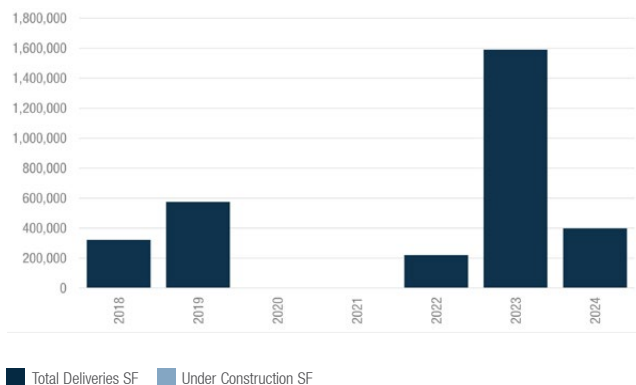
There are currently no ongoing construction projects in Southwest Cook.

No construction developments were completed in the second quarter of 2024. However, Prologis delivered one building during the first quarter in Southwest Cook. Located at 5301 W. Roosevelt Road in Cicero, the new speculative facility brought an additional 398,954 square feet to the industrial inventory of Southwest Cook.

Previously in the fourth quarter of 2023, two speculative buildings totaling 1.2 million square feet were completed by Bridge Industrial in their business park named Bridge Point McCook. Due to Southwest Cook's strategic location near the City of Chicago and Interstate 55, expect developers to continue to consider this submarket for further developments.



Construction Activity



0% Speculative

No Current Construction

0% Build-to-Suit

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|---|---------|------|----------------|------|-----------|------------|
| | | | None to report | | | |

Completions

| # | Address | City | SF | Type | Developer | Completion |
|---|---------------------|--------|---------|------|-----------|------------|
| 1 | 5301 W Roosevelt Rd | Cicero | 398,954 | Spec | Prologis | Q1 2024 |

398,954 SF ▶
5301 W Roosevelt Rd
 Cicero, Illinois



West Cook

Submarket Overview

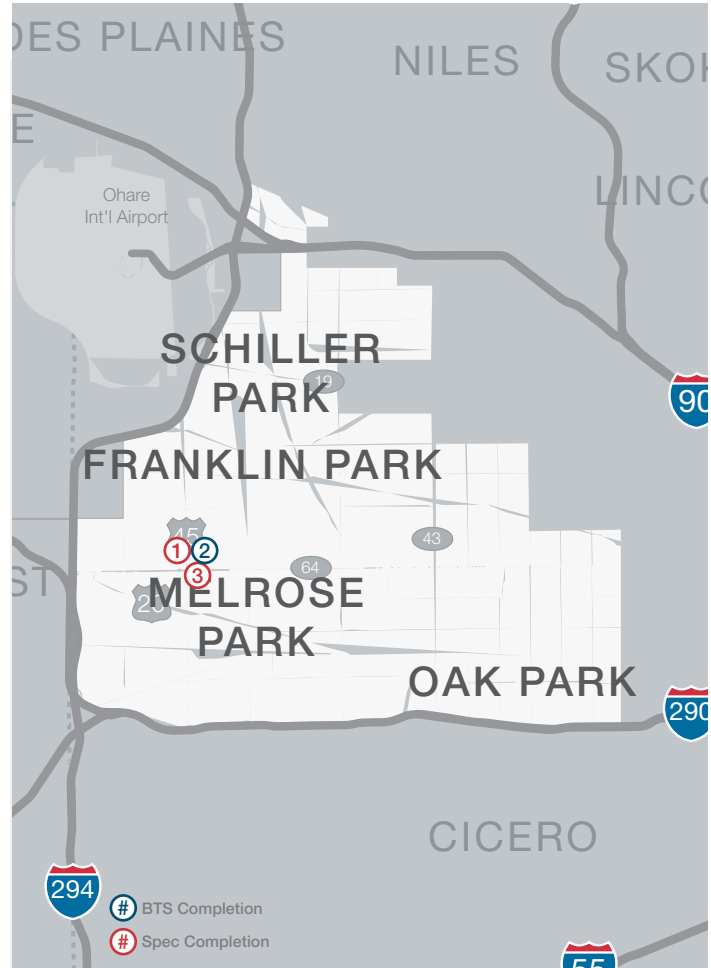
| | ▼ | — | ▼ | ▼ | — | — | ▲ |
|-----------------------------|--------------|----------------------|----------------|--------------------|-------------------------|---------------------|---------------------|
| | Vacancy Rate | Total Inventory (SF) | Net Absorption | YTD Net Absorption | Under Construction (SF) | YTD New Supply (SF) | YTD New Leases (SF) |
| Current Quarter 2Q24 | 5.5% | 61,751,853 | -4,320 | 833,525 | 0 | 1,603,101 | 715,577 |
| Previous Year 2Q23 | 4.0% | 60,403,904 | -272,581 | -148,466 | 1,887,506 | 210,062 | 931,932 |

Vacancy Rate
5.5%

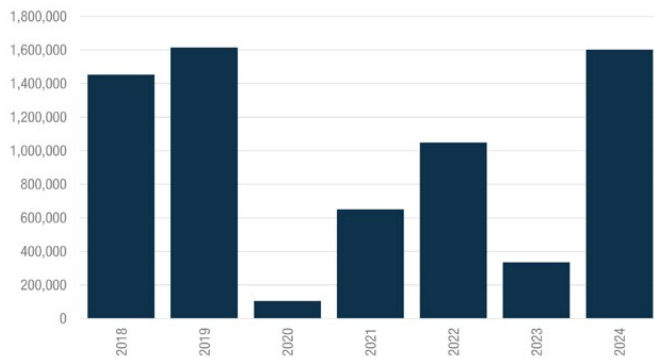
YTD Net Absorption
833K SF

There are currently no construction projects ongoing in West Cook.

The second quarter of 2024 saw no newly completed construction developments. Three buildings were completed during the first quarter of 2024. Totaling 1.6 million square feet, all three buildings are located within Bridge Industrial's Bridge Point Melrose Park business center. The largest building to be delivered here was 10400 W. North Avenue – Building 3 accounting for a total of 707,953 square feet. CEVA Logistics had preleased the full building but is currently marketing 352,069 square feet for sublease.



Construction Activity



■ Total Deliveries SF ■ Under Construction SF

0% Speculative

No Current Construction

0% Build-to-Suit

Under Construction

| # | Address | City | SF | Type | Developer | Completion |
|----------------------|---------|------|----|------|-----------|------------|
| None to report in Q4 | | | | | | |

Completions

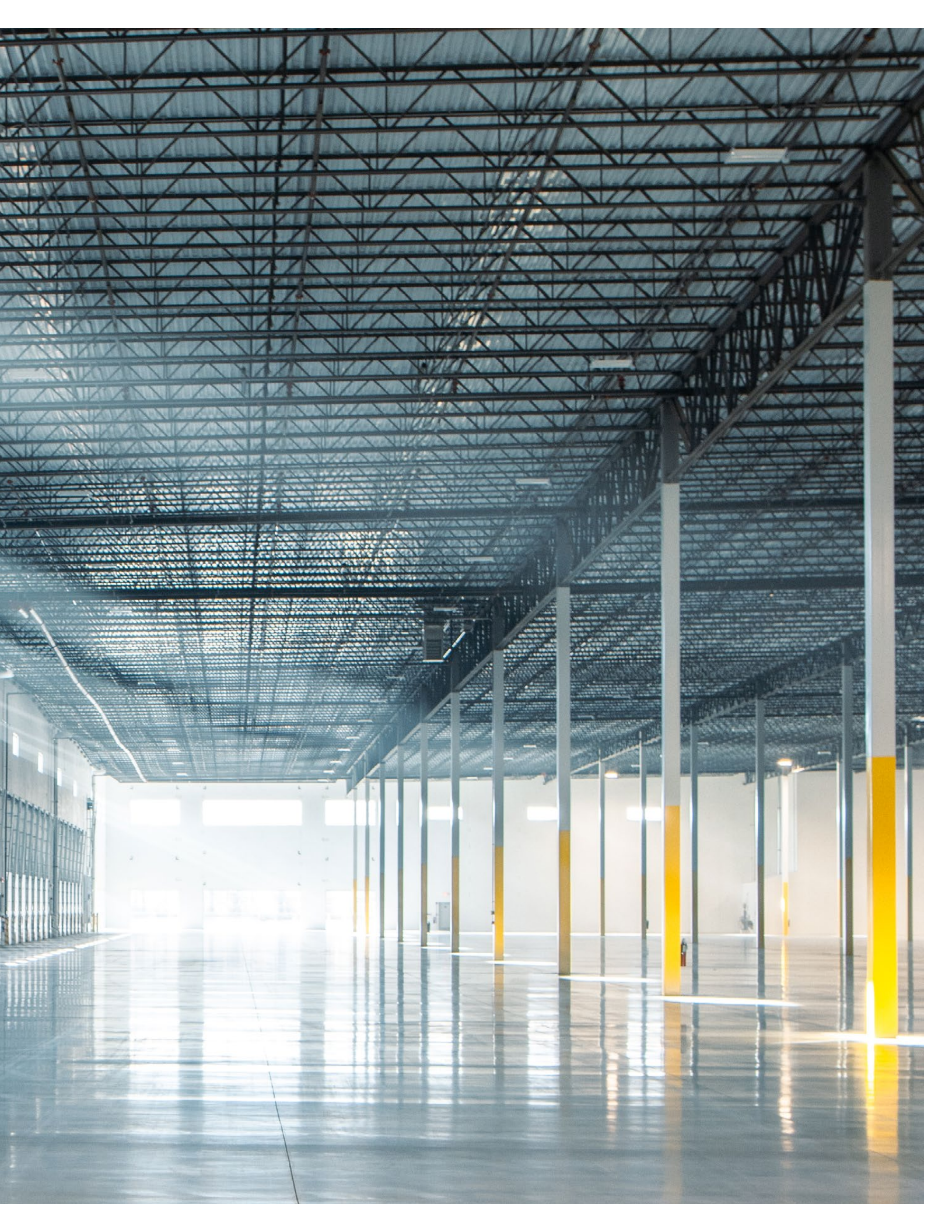
| # | Address | City | SF | Type | Developer | Completion |
|---|--------------------------|--------------|---------|------|-------------------|------------|
| 1 | 10400 W North Ave Bld. 3 | Melrose Park | 707,953 | Spec | Bridge Industrial | Q1 2024 |
| 2 | 10400 W North Ave Bld 3 | Melrose Park | 669,914 | BTS | Bridge Industrial | Q1 2024 |
| 3 | 10400 W North Ave Bld. 1 | Melrose Park | 225,234 | Spec | Bridge Industrial | Q1 2024 |

707,953 SF ▶

10400 W North Ave Bld 3
Melrose Park, Illinois







TRUSTED.



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