

# Industrial Investment Market

METROPOLITAN CHICAGO | FIRST QUARTER 2018

COMPARING FIRST QUARTER 2017 TO FIRST QUARTER 2018

FIRST QUARTER 2017 MARKET SNAPSHOT

\$457.5 MILLION

13

\$56.15

8.15 M SF

+47.7%

-23.1%

+37.3%

+7.6%

1Q  
2018

**\$675.9**

MILLION SALES VOLUME

**10**

SALES TRANSACTIONS

**\$77.11**

AVG SALES PRICE PSF

**8.77**

MILLION SF SOLD



**1,092,924**

SF PORTFOLIO SALE

Rock Creek Business Center

SALE PRICE | PRICE PSF  
\$73,000,000 | \$66.79

BUYER  
TA Realty

SELLER  
TH Real Estate



**74,000,000**

SF PORTFOLIO SALE

DCT Industrial Trust

SALE PRICE  
\$8,400,000,000

BUYER  
Prologis

SELLER  
DCT Industrial



**81,000,000**

SF PORTFOLIO SALE

Gramercy Property Trust

SALE PRICE  
\$7,600,000,000

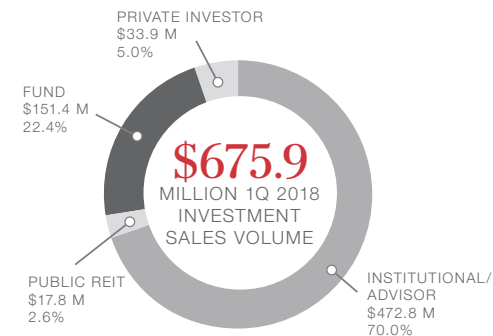
BUYER  
Blackstone Real Estate Partners VIII

SELLER  
Gramercy Property Trust

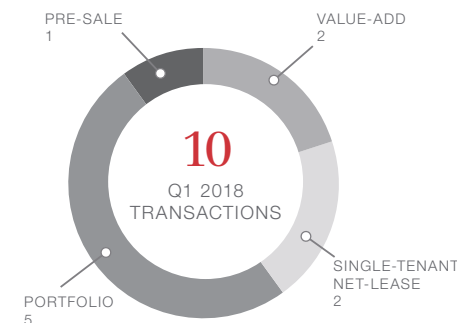
Annual Investment Sales Volume Summary

	2014	2015	2016	2017	Q1 2018
Total IS Sales	\$1,648,564,794	\$3,002,510,857	\$1,969,718,933	\$2,607,618,363	\$675,860,000
Square Feet	33,915,210	45,520,624	31,033,704	42,697,542	8,765,117
Total Deals	52	68	75	73	10
Average Per SF	\$48.61	\$65.96	\$63.47	\$61.07	\$77.11

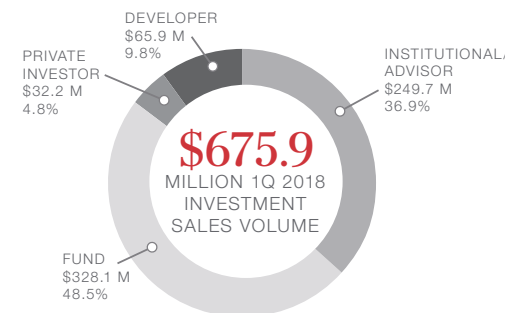
## Buyer Pool Composition



## Transactions by Sale Type



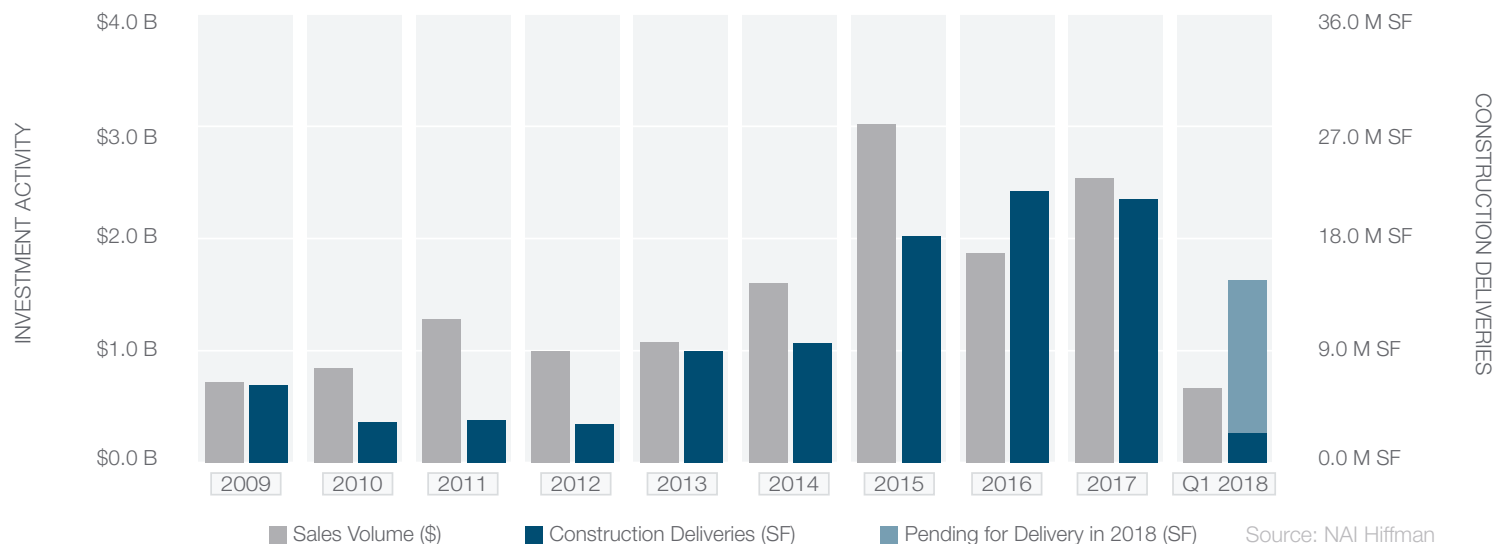
## Seller Pool Composition



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## Investment Activity vs. Construction Deliveries



## Significant Industrial Investment Sales - First Quarter 2018

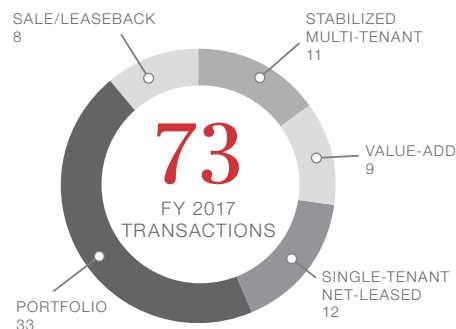
Seller	Buyer	Property Name	SF Closed	# Buildings	Sale Date	Price	Price PSF
Cabot Properties, Inc.	Blackstone REIT	Cabot Canyon Industrial Portfolio, Various Chicago Locations (Chicago Allocation)	4,070,462	25	Mar-18	\$308,600,000	\$75.81
J.P. Morgan Investment Management Inc.	Blackstone REIT	Kraft Chicago Industrial Portfolio, Aurora, IL	1,692,653	3	Jan-18	\$150,600,000	\$88.97
John Hancock Real Estate / Manulife	High Street Realty Company, LLC	Manulife IL Industrial Portfolio, Various Chicago Locations	1,170,264	11	Feb-18	\$86,000,000	\$73.49
Bridge Development Partners / New York Life Investment Management JV	Dermody Properties, Inc.	Green Oaks Business Center, Green Oaks, IL	462,300	3	Jan-18	\$35,300,000	\$76.36
Sitex Group	The Silverman Group	I-355 DuPage Corridor Portfolio, Addison / Glendale Heights / Woodridge, IL	257,115	3	Mar-18	\$19,500,000	\$75.84
InSite Real Estate	Global Net Lease	Global Net Lease Industrial Portfolio 2018, Chicago, IL	217,924	3	Mar-18	\$17,800,000	\$81.68
Hamilton Partners	Cabot Properties, Inc.	720 Northgate Parkway, Wheeling, IL	181,049	1	Jan-18	\$17,035,000	\$94.09
Zilber Property Group	LBA Realty	Cornerstone Business Park, Bensenville, IL	171,247	3	Mar-18	\$14,375,000	\$83.94
Ridge Development	Barings Real Estate Advisers, LLC	Ridge Brewster Creek II, Bartlett, IL	186,000	1	Feb-18	\$13,600,000	\$73.12
DRA Advisors, LLC	JDI Realty	Howard Commons, Niles, IL	356,103	2	Mar-18	\$13,050,000	\$36.65

# Industrial Investment Market

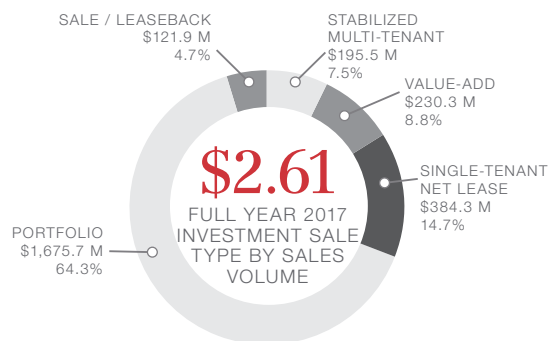
METROPOLITAN CHICAGO | FIRST QUARTER 2018

COMPARING FULL YEAR 2016 TO FULL YEAR 2017				
FULL YEAR 2016				
	\$1.97 B	75	\$63.47	31.0 MILLION SF
	+32.4%	-2.7%	-3.8%	+37.6%
<b>FULL YEAR 2017</b>	<b>\$2.61</b>	<b>73</b>	<b>\$61.07</b>	<b>42.7</b>
	BILLION SALES VOLUME	SALES TRANSACTIONS	AVG SALES PRICE PSF	MILLION SF SOLD

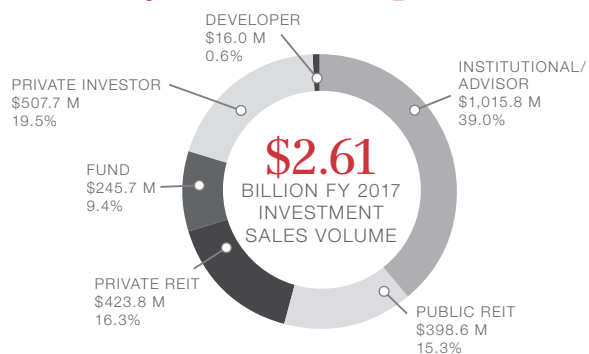
## Transactions by Type



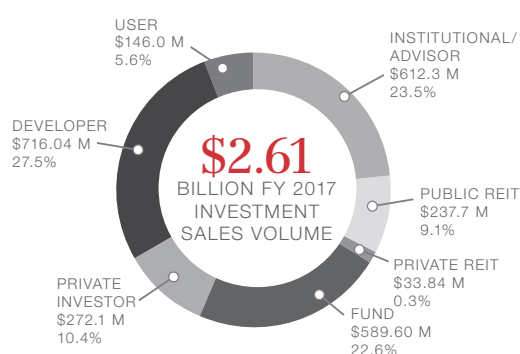
## Transactions by Sales Volume



## Buyer Pool Composition



## Seller Pool Composition



**2,070,579**

SF PORTFOLIO SALE

Calumet Business Center

SALE PRICE | PRICE PSF

\$52,000,000 | \$25.11

BUYER

Glen Una Properties

SELLER

Ashley Capital, LLC

**1,500,000**

SF PORTFOLIO SALE

High Street US Last Mile Industrial Portfolio (Chicago Allocation)

SALE PRICE | PRICE PSF

\$122,823,383 | \$82.89

BUYER

Blackstone Real Estate Income Trust

SELLER

High Street Realty Company, LLC

**1,491,223**

SF PORTFOLIO SALE

TA Realty Portfolio (Chicago Allocation)

SALE PRICE | PRICE PSF

\$112,844,814 | \$75.67

BUYER

Brookfield Properties, Inc.

SELLER

TA Realty

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Submarket	Total RBA (SF)	Vacancy Rate (%)	Availability Rate (%)	Net Absorption (SF)	YTD 2018 Net Absorption (SF)	New Supply (SF)	Under Construction (SF)	New Leasing Activity (SF)	Weighted Avg. Net Rental Rates (PSF)
1 Southeast Wisconsin	55,830,153	4.96% ▼	8.96% ▼	425,751	425,751	137,000	486,040	584,304	\$4.07
2 Lake County	68,032,421	4.73% ▼	7.71% ▼	285,892	285,892	133,951	648,078	196,389	\$4.92
3 McHenry County	26,125,260	7.70% ▲	10.95% ▲	-226,337	-226,337	0	0	43,916	\$4.22
4 I-39 Corridor	31,389,126	7.82% ▲	9.61% ▲	-525,137	-525,137	0	0	17,207	\$2.94
5 DeKalb County	12,518,935	9.72% ▲	11.00% ▼	-52,880	-52,880	0	67,251	115,900	\$3.18
6 I-90 Northwest	30,386,954	8.27% ▼	8.44% ▼	190,539	190,539	0	0	602,418	\$5.24
7 Northwest Cook	28,075,709	8.90% ▲	15.73% ▼	186,890	186,890	140,891	300,000	245,162	\$4.83
8 North Cook	44,009,738	4.78% ▲	7.04% ▼	-22,582	-22,582	0	368,167	139,643	\$5.66
9 Fox Valley	35,418,560	7.28% ▲	11.18% ▲	436,470	436,470	0	0	340,155	\$3.87
10 Central DuPage	69,255,400	3.98% ▼	6.71% ▼	595,027	595,027	0	0	579,850	\$5.63
11 O'Hare	99,701,606	4.05% ◀▶	6.86% ▼	60,323	60,323	101,506	318,885	788,102	\$3.80
12 West Cook	58,600,817	7.24% ▲	9.71% ▼	-323,714	-323,714	99,076	1,722,816	211,941	\$4.26
13 Chicago North	58,687,326	4.91% ▼	8.36% ▼	195,540	195,540	0	0	211,721	\$5.69
14 Chicago South	136,113,280	3.79% ▼	6.19% ▼	181,509	181,509	140,000	630,364	699,798	\$5.09
15 I-88 Corridor	68,928,862	4.53% ▼	7.10% ▲	285,416	285,416	0	169,250	220,676	\$4.42
16 Southwest Cook	35,437,535	5.41% ▼	7.45% ▼	377,141	377,141	0	323,343	775,975	\$4.43
17 I-55 Corridor	94,834,001	11.40% ▼	12.58% ▼	1,179,811	1,179,811	611,576	1,906,496	2,167,704	\$4.97
18 South Cook	81,942,611	4.44% ▲	7.97% ◀▶	-298,789	-298,789	0	0	152,111	\$3.70
19 I-80/Joliet Corridor	83,261,631	7.52% ▲	9.50% ▲	41,224	41,224	810,000	4,560,701	565,479	\$3.93
20 Northwest Indiana	40,210,148	4.41% ▼	7.35% ▲	221,984	221,984	182,000	240,000	226,540	\$5.28
21 I-57/Will Corridor	15,990,561	3.60% ▼	3.89% ▼	1,185,648	1,185,648	0	0	701,228	\$3.15
Flex Space Summary									
Total Flex Space	70,631,726	8.84% ▲	7.53% ▼	-63,524	-63,524	0	0	364,852	N/A
Total Market									
Totals	1,245,382,360	6.01% ▼	8.42% ▼	4,336,202	4,336,202	2,356,000	11,741,391	9,951,071	\$4.59