I am pleased to welcome you to the Summer 2018 AIREPORT. It’s been a busy summer for AIRE, and as always, we’re excited to give you this in-depth look into the past, present, and future of the association. We hope this newsletter will provide you with insights into the many initiatives we are currently developing as well as offer an opportunity to solicit your feedback, comments and participation in these efforts.

I would also like to thank our 2018 Program, Event and Emerging Leaders Sponsors for their ongoing commitment to our organization.

Sincerely,

Brendan Green
Colliers International
2018 AIRE President

You can either scroll through the entire report, or click below to jump to a section:

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This May, the AIRE Emerging Leaders met for a charity event at the Greater Chicago Food Depository. 23 volunteers comprised of AIRE members, emerging leaders, and ARCO/Murray reps were on hand to sort fruits and vegetables. Following the event, everyone went down to Lagunita's Brewing Company for networking and drinks.

If you're interested in becoming an Emerging Leader, and have 5 years or less experience as a broker, contact Cal Payne for more info.
This June, AIRE Cares lent a helping hand at the Chicago Help Initiative Annual Bike Fair. Along with volunteers from Working Bikes, AIRE members helped refurbish and distribute bicycles to the community. AIRE was also able to donate bike helmets, pads, and locks.

Check out some pictures of the event below, and click here for more information on Working Bikes, and here for more information on The Chicago Help Initiative.

If you're interested in learning more about future AIRE Cares events, please
The new AIRE website remains on track for launch later this year, and things are looking better than ever. Here is a quick update:

- Our design team is currently building the back-end of the site and testing functionality.
- We have tasked the team to improve the usefulness of the site and to make it much easier to use.
- Initial testing shows that all relevant data from the current site will transition nicely to the new improved website experience.
Chicago's industrial market recorded 8.6 million square feet of new leasing activity (new leases and lease expansions) during the second quarter of 2018, the greatest quarterly total since 2015. Following a period of weaker leasing activity and few big-box leases over 300,000 square feet in 2017, activity has ramped up again. Six leases greater than 300,000 square feet were signed during the second quarter of 2018 alone.

As a result, the industrial vacancy rate decreased by an impressive 23 basis points between April and June to 6.44 percent, the lowest rate recorded since 2001.

Net absorption during the second quarter of 2018 totaled 6.1 million square feet, bringing the tally for the first half of the year to 10.6 million square feet. While this is above the 9.9 million square feet of net absorption recorded during the first half of 2017, it remains below the 14.3 million square feet measured during the first half of 2016.

**Vacancy & Absorption**

- The vacancy rate decreased by 36 basis points over the past two quarters to 6.44 percent.
- The current rate represents the lowest recorded since 2001 and is below the 6.59 percent recent low from early 2017.
- Infill submarkets continue to lead the way, with the O'Hare submarket vacancy rate setting a new record at 3.03 percent.
- Net absorption totaled 6.1 million square feet during the second quarter of 2018, the strongest quarterly tally since the second quarter of 2017.

**New Construction**

- A new development surge is now underway, following 5.9 million square feet of construction starts during the second quarter of 2018.
• 35 buildings totaling 9.2 million square feet are under construction, a 27.4 percent increase over last quarter.
• Infill development, or the re-development of already largely-developed sites, accounts for 20 of the 35 projects under construction.
• 15 projects totaling 3.9 million square feet were delivered during the second quarter, 72 percent of which was developed on a speculative basis.

Transaction Activity

• New leasing activity, which includes new leases and lease expansions, totaled 8.6 million square feet among 128 leases between April and June, the greatest quarterly new leasing volume since 2015.
• The largest new lease of the quarter involved The Home Depot leasing a 588,233-square-foot building that was developed in 2016 on the old Dominick's distribution center site in Northlake.
• The largest user sale of the second quarter of 2018 involved Frain Industries purchasing a two-building campus in West Chicago totaling 865,000 square feet from General Mills.

Click Here for the full report, including statistics and graphs.

UPCOMING EVENTS
Emerging Leaders Rooftop Event at Joy District
August 9th

Join us at Joy District for an evening of great food, drinks and networking. Brought to you by Arco Murray, this rooftop event is the perfect way to spend a summer evening with your fellow Emerging Leaders.

Click Here to register now. (please note this event is for emerging leaders only)

AIRE 2018 Golf Outing
August 20th

WIN ONE OF TWO FORD-F150 XLTs
Join us Monday August 20th for the 2018 AIRE Golf Outing at the private Arthur Hills designed 27-hole Ivanhoe Club in Mundelein, IL. Consistently rated one of the top 25 Championship Courses in Illinois, this year's golf outing will be a truly unique experience featuring:

- Award Winning Golf
- Lunch & Dinner
- Open Bar
- Contests and Prizes (Including the chance to win a new Ford Truck)

[Click Here](#) for all our Golf and Sponsor Packages.

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**Lunch Learn & Lead with Jeff Benedict**  
**September 11th**

Jeff Benedict is a New York Times bestselling author of 14 books, a special features writer for Sports Illustrated, and a television and film producer. His latest book - QB: My Life Behind the Spiral (written with Hall of Fame quarterback Steve Young) was a New York Times bestseller. He is currently writing the biography of Tiger Woods. He is a producer on the forthcoming motion picture "Little Pink House," starring Oscar-nominated Catherine Keener with music by David Crosby.

Don't miss this opportunity to learn life lessons and hear breathtaking stories about the lives of Tiger Woods, Steve Young and others!
Developer & Technology Showcase
October 9th

The annual AIRE Developer & Technology Showcase is back, and better than ever. This year, we're once again inviting technology companies that support industrial brokers and owners to showcase their products and services alongside our revered client/developer partners. Don't miss this opportunity to see the latest and greatest from the developers and technology that drive innovation in our industry.