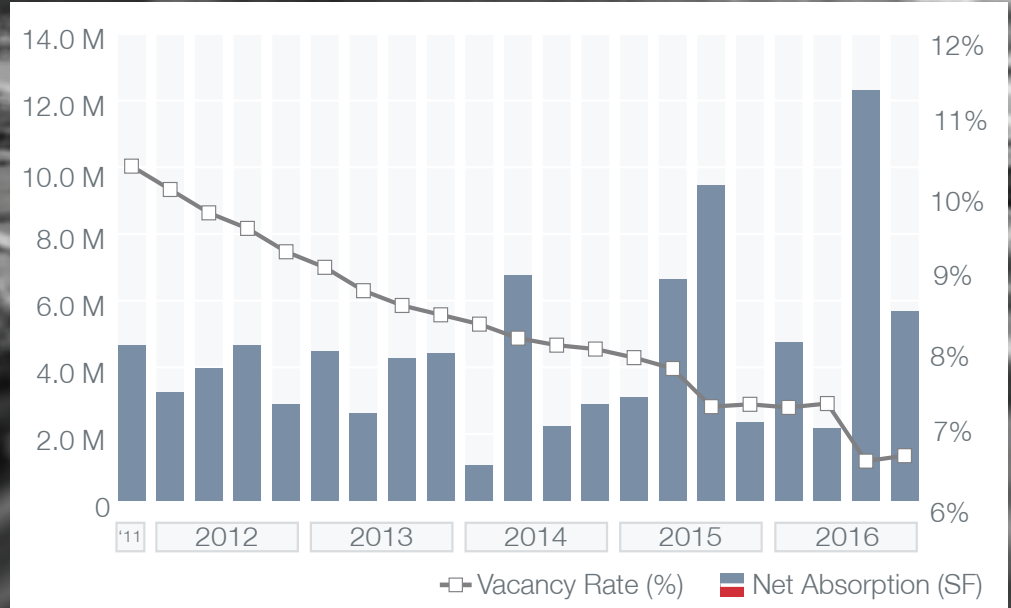


Industrial Market

The Chicago industrial market recorded positive absorption of more than 24.9 million square feet in 2016 with assistance from large tenants including Amazon.com, Post Foods, and Reviva Logistics.



Arrows indicate change from previous year.

6.58%

VACANCY RATE

5.7 MSF

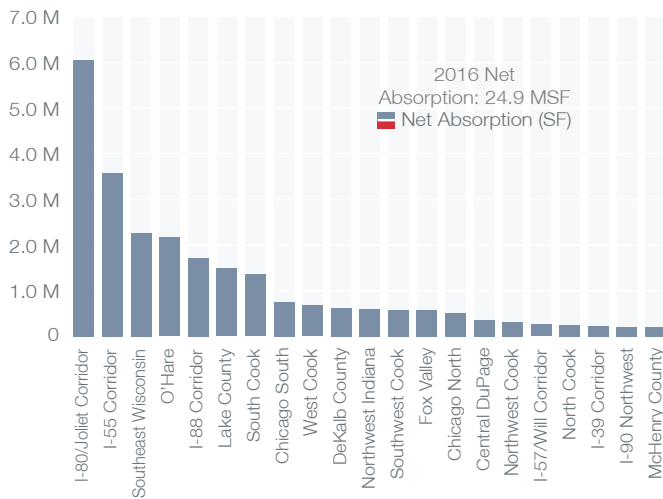
4Q 2016 NET ABSORPTION

24.9 MSF

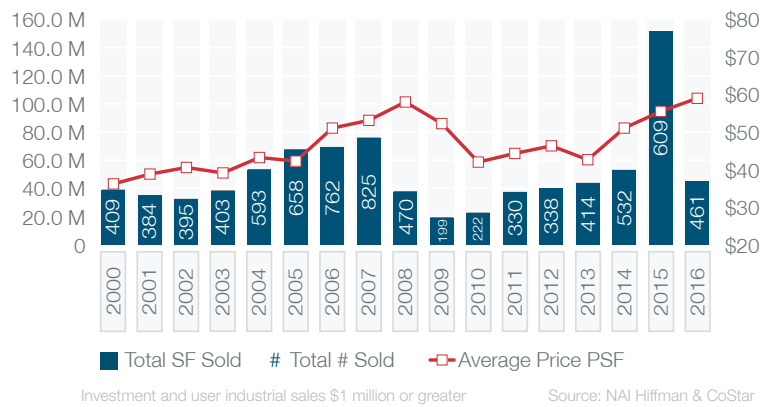
2016 NET ABSORPTION

- Absorption of 5.7 million square feet fourth quarter contributed to the 24.9 million square feet of positive absorption recorded in 2016, eclipsing the 22.6 million square feet recorded last year at this time. Leases signed, but not yet occupied, by companies including Amazon.com and Georgia-Pacific will contribute to absorption in the coming quarters.
- The I-80/Joliet Corridor absorbed nearly 6.1 million square feet in 2016, followed by the I-55 Corridor and Southeast Wisconsin, where absorption totaled 3.6 million square feet and 2.3 million square feet, respectively.
- The vacancy rate continued to trend downward and measured 6.58 percent at the end of 2016, a 65 basis point drop from the 7.24 percent recorded in 2015. Vacant construction deliveries caused vacancy to increase slightly from the previous quarter, however, up eight basis points from the 6.51 percent recorded third quarter 2016.
- Exeter Property Group completed the largest single-building investment transaction in 2016, acquiring a 891,567-square-foot facility from CenterPoint Properties, located at 9800 72nd Ave in Pleasant Prairie, Wisconsin. Strong investment activity is expected in 2017, despite the projected rise in long-term interest rates.

Net Absorption by Submarket

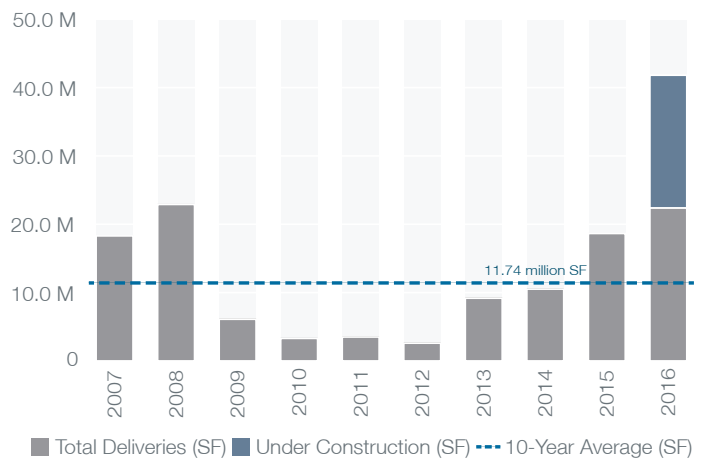


Total Sale Transactions and Price PSF



- Construction deliveries totaled just under 22.4 million square feet in 2016, with more than 19.5 million square feet in the construction pipeline. 5.9 million square feet of new supply is scheduled for completion during the first quarter of 2017, of which 3.1 million square feet is set to deliver on a speculative basis and vacant. This could contribute to negative absorption if not pre-leased prior to delivery.
- CenterPoint Properties' broke ground on a nearly 1.4-million-square-foot build-to-suit facility for an undisclosed food user, followed by Saddle Creek's nearly 1.2-million-square-foot build-to-suit, also in the CenterPoint Intermodal Center in Joliet during 2016.

Construction Deliveries



Significant Sale Transactions

Quarter	Submarket	Building Address	Sold (SF)	Sale Price PSF	Buyer	Seller
3Q 2016	Northwest Cook	1303 E Algonquin Rd, Schaumburg*	1,076,000	Undisclosed	Trilogy Investments	Motorola Solutions
1Q 2016	Chicago South	5370-5585 S Archer Ave, Chicago*	941,782	\$25,230,475 \$26	Parking Company of America	Flying Food Group
2Q 2016	South Cook	18801 Oak Park Ave, Tinley Park*	915,643	\$44,750,000 \$49	Hillwood Development Company	CBRE Global Investors

*Part of portfolio sale

Significant Lease Transactions

Quarter	Submarket	Building Address	Leased (SF)	Tenant	Lease Type
4Q 2016	I-80/Joliet Corridor	RidgePort Logistics Center, Wilmington	1,500,000	General Mills	BTS lease
3Q 2016	I-57/Will Corridor	23534 S Central Ave, University Park	1,000,560	Georgia-Pacific	BTS lease
4Q 2016	I-88 Corridor	1 Duke Pky, Aurora	954,720	Amazon.com	BTS lease

Industrial Market Statistics

Fourth Quarter 2016



Submarket	Total RBA (SF)	Vacancy Rate (%)	Availability Rate (%)	4Q 2016 NET Absorption (SF)	YTD 2016 Net Absorption(SF)	4Q 2016 New Supply (SF)	4Q 2016 Under Constr. (SF)
1 Southeast Wisconsin	52,019,012	6.43% ▼	9.48% ▲	324,654	2,270,590	81,900	2,227,208
2 Lake County	68,646,202	6.87% ▲	10.55% ▼	109,809	1,488,415	0	485,295
3 McHenry County	25,506,618	11.39% ▼	14.61% ▲	105,596	202,921	0	0
4 I-39 Corridor	25,074,588	6.58% ▼	9.09% ▼	223,955	234,526	0	359,589
5 DeKalb County	10,069,536	11.74% ▲	12.77% ◀▶	-208,160	627,900	987,000	0
6 I-90 Northwest	29,379,052	10.88% ▲	12.80% ▲	87,011	208,021	159,000	615,249
7 Northwest Cook	29,138,544	6.22% ▼	13.55% ▲	62,132	317,114	0	50,000
8 North Cook	46,411,459	4.44% ▼	7.00% ▼	360,758	248,110	0	135,650
9 Fox Valley	32,779,156	6.44% ▲	8.51% ▲	11,148	577,619	0	137,573
10 Central DuPage	68,721,759	4.79% ▲	8.47% ▲	91,817	357,855	551,752	1,256,153
11 O'Hare	102,209,420	3.56% ▼	7.45% ▼	25,970	2,167,303	539,000	175,982
12 West Cook	60,204,019	7.32% ▲	13.28% ▲	387,724	678,916	0	674,012
13 Chicago North	60,743,373	6.29% ▼	10.60% ▲	54,088	523,034	0	40,700
14 Chicago South	148,448,734	6.40% ▼	9.14% ▼	298,904	757,202	0	846,819
15 I-88 Corridor	66,620,086	5.78% ▲	9.52% ▲	415,500	1,711,875	855,013	954,720
16 Southwest Cook	40,886,222	5.88% ▲	9.42% ▲	119,194	578,545	0	0
17 I-55 Corridor	91,453,534	8.18% ▲	10.81% ▲	-45,059	3,573,664	1,178,331	2,344,964
18 South Cook	84,995,641	5.80% ▲	10.00% ▼	469,251	1,356,964	0	0
19 I-80/Joliet Corridor	77,507,603	3.88% ▲	6.21% ▼	2,461,002	6,065,799	2,600,005	7,029,839
20 Northwest Indiana	36,738,015	4.39% ▼	6.70% ▼	74,309	599,432	60,000	204,800
21 I-57/Will Corridor	14,046,660	8.17% ▼	14.35% ▼	54,924	261,312	0	1,857,165
Flex Space Summary							
Total Flex Space	72,602,961	13.56% ▼	16.04% ▼	184,765	395,149	0	143,635
Total Market							
Totals	1,244,202,194	6.58% ▲	9.97% ▲	5,689,292	24,921,682	7,883,298	19,539,353

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