

O'Hare Submarket



Quick Stats

3.7%

As of August 2019, Chicago metro unemployment stood at 3.7%, down 30 basis points (bps) year-over-year.

Interest Rates

The Federal Reserve has decreased interest rates twice within the third quarter 2019 to a rate of 1.75%-2%.

1,237,239 msf

There is currently 1.2 msf of industrial product under construction

5.8%

O'Hare vacancy dropped 40 bps from the previous quarter to 5.8%

Economic Overview

The Chicago economic landscape continued to improve throughout the third quarter of 2019. As of August, the unemployment rate dropped 30 basis points (bps) year-over-year to 3.7%. Both DuPage and Cook County recorded the lowest unemployment rates in the region, posted at 2.9% and 4.4% respectively. The metropolitan area added more than 48,000 jobs as of August 2019, an increase of 1% year-over-year. Manufacturing and trade jobs saw modest increases year-over-over, up 4,000 and 9,000 jobs, respectively, as of August 2019. Chicago job growth over the past five years has increased 30.5% to a total of 4.8 million jobs as of August 2019.

The Federal Reserve cut interest rates twice within the third quarter of 2019 to a range of 1.75% to 2%, which is a drastic change when compared to 2018 when the Federal Reserve raised interest rates four times within the calendar year. With the decrease in interest rates, an increase in borrowing of funds could be observed in the months to come, impacting investment within the real estate industry.

O'Hare Submarket

The O'Hare submarket, containing over 113 million square feet (msf) of industrial product, has historically one of the most popular suburban submarkets within the Chicago industrial market. Vacancy was recorded at 5.8% during the third quarter of 2019, down 40 bps from the prior quarter. Leasing activity significantly increased in the third quarter, recording 1.3 msf of leasing activity compared to 643,000 sf in the second quarter of 2019. Year-to-date, there has been seven properties delivered to the submarket, totaling 1.2 msf. There are currently eight properties under construction, totaling 1.2 msf of development. The third largest lease in the Chicago market signed during the third quarter was HD Supply's renewal of 231,620 sf at 855 N Wood Dale Rd within the O'Hare submarket.

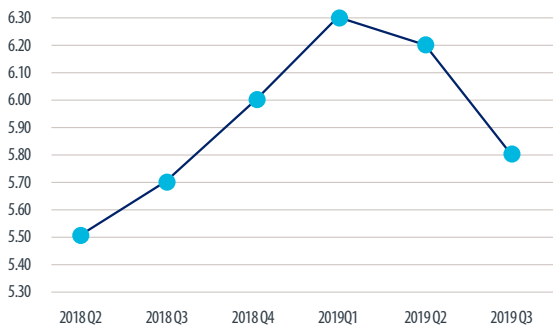
Sales volume increased about 18% when compared to the second quarter of 2019. There were 26 transactions totaling \$65 million. The average deal size was 39,550 and the average sale price per square foot was \$70.25.

Market Fundamentals

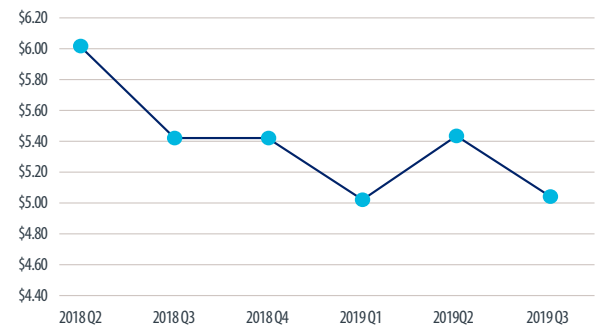
Q3 O'Hare Submarket Notable Leases

Tenant	Address / Name	City	Size (SF)	Type
HD Supply	855 N Wood Dale Rd	Wood Dale	231,629 SF	Renewal
Moss & Moss	10501 Seymour Ave	Franklin Park	183,648 SF	New
IMS Companies	2701 S Busse Rd	Elk Grove Village	107,531 SF	Renwal
Graphic Innovators	2250 Lively Blvd	Elk Grove Village	85,990 SF	New

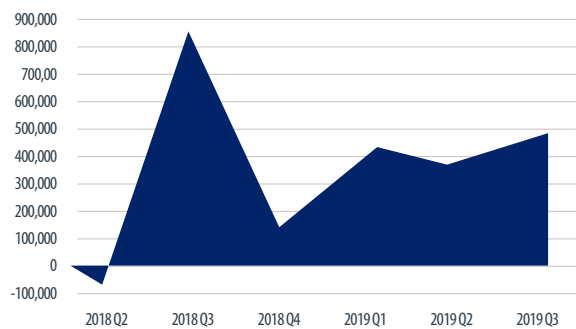
Vacancy Rate (%)



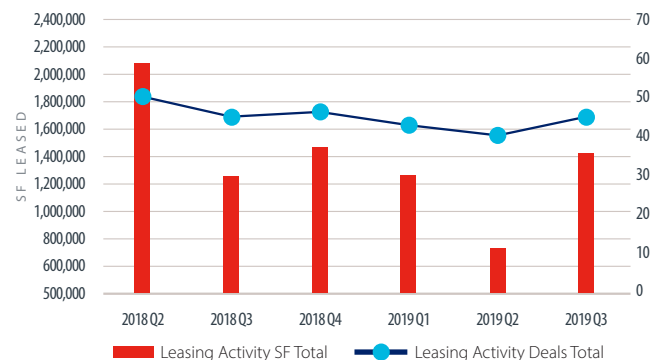
NNN Rent Overall



Net Absorption SF Total



Leasing Activity



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