

ELKHART MARKET

1ST QUARTER 2019

MARKET OVERVIEW

Elkhart is located 20 miles east of South Bend, 110 miles east of Chicago, and 150 miles north of Indianapolis. Elkhart's access to major interstates, highways and rails lines make it easy to move goods and products to large metropolitan markets.

The Elkhart County economy is driven by the manufacturing of recreational vehicles, often referred to as the "RV Capital of the World". Elkhart's RV industry began in 1936 and today the area is filled with RV manufacturers, dealers, service centers, and sellers of RV-related products. Elkhart County produces over 80% of all RVs built in the U.S. RV manufacturers, suppliers and vendors create a \$9.5 billion impact on Indiana's economy.

Tourism also has a huge impact on Elkhart with 22.5 million in visitor spending in 2018, according to the Elkhart County Convention and Visitors Bureau. Tourism is fueled by the RV industry and the Amish and Mennonite communities. Indiana has the third largest population of Amish in the United States with Elkhart and neighboring LaGrange County home to the largest community in Indiana. There are many Amish attractions across Elkhart County including markets, The Heritage Trail, and other small communities that welcome tourists.

QUARTERLY HIGHLIGHTS

DOWNTOWN AND THE RIVERFRONT SPUR DEVELOPMENTS

Devastated by the recession in 2008, job growth and economic prosperity for Elkhart and the RV industry rebounded to record setting levels. Often looked at as a key indicator for the national economy, many wonder if the decline in RV shipments that began 12-months ago is signaling a possible downturn. The RV Industry Association however is more optimistic and still expects 2019 to be the third-highest year on record, even as sales slowdown.

Elkhart's Downtown Main Street has made major improvements in recent years, including sustaining more active restaurants, retail, art galleries, and market rate housing above downtown merchants. Two anchor projects have begun in this area and have been the catalyst for imagining a future of growth for Elkhart. These projects include the Elkhart Health Fitness Aquatics and Community Center and the Stonewater at the Riverwalk residential development by Flaherty and Collins. ⁽¹⁾

The Elkhart City Council has approved an economic development loan to support a \$34 million mixed-use neighborhood center, which involves renovation of the existing Easy Shopping Center South. Developer Great Lakes Capital has proposed to build a new Martin's Supermarket and 154 residential units that will connect Jackson Boulevard to the Elkhart River. Construction is expected to run in two to three phases and take about 18 months to complete. ⁽²⁾

As a result of the River District project moving forward, several other projects are planned or proposed downtown.

The Elkhart Rowing Club is proposing a three story, six-million-dollar rowing club facility for Elkhart City schools and a park along 900 East Jackson Boulevard and the St Joseph river using private funds. Portage Development Group has also proposed building 20 condos at the site. The Elkhart Development Commission is currently reviewing both plans. ⁽³⁾

A \$15 million renovation of the former Hotel Elkhart is underway. Originally built in 1923, the hotel was converted to apartments in the 1970s. Upon completion in the Spring of 2020, the Hotel Elkhart will offer 93 full-service boutique guest rooms, a regionally branded café, a taproom/bar, breakout meeting space and a ballroom offering views from a rooftop deck. ⁽⁴⁾

ELKHART COUNTY

2018 Total Population	207,332
2023 Total Population	213,177
2018-2023 Pop Growth	0.56%
Median Age	34.9
2018 Households	73,521
2023 Households	75,526
2018 Median HH Income	\$51,603
2018 Average HH Income	\$67,373

Source: Esri

UNEMPLOYMENT RATE MARCH '19

Elkhart County	3.2%
Indiana	3.9%
United States	3.9%

Source: Hoosiers by the Numbers

HOUSING MARKET FEBRUARY '19 ELKHART COUNTY

Median Home Value	\$146,000
Avg. # of Days on Market	43

Source: Elkhart County Board of Realtors

ELKHART MARKET

IST QUARTER 2019

INDUSTRIAL OVERVIEW

LOW VACANCY AND HIGH DEMAND CONTINUE IN ELKHART

The vacancy rate increased to 2.0% from 1.9% in the previous quarter and market rents remain steady at \$3.35 per square foot. The sale price increased to \$28/SF from \$26/SF in the prior quarter.*

Manufacturing remains in high demand in Elkhart and with new facilities planned, the demand for workers has created a competitive field between companies who are offering incentives and sign-on bonuses to attract employees to fill the demand.

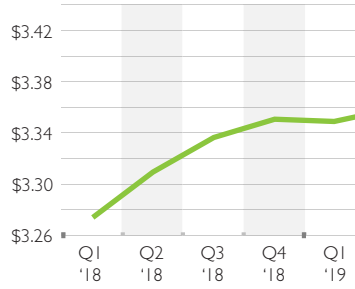
The owners of Great Lakes Forest Products, an Elkhart, IN-based lumber manufacturing business, will establish a new sister company to produce laminated wood panels. The new company, Great Lakes Lamination, will create up to 100 new jobs in Bristol, IN by 2022 to support its growing business. Great Lakes Lamination will invest \$7 million to establish operations in Bristol, purchasing and equipping a 115,000-square-foot facility at 1103 S. Maple Street. The company, which plans to start new production this summer, will largely serve the RV industry. The Indiana Economic Development Corporation (IEDC) offered Great Lakes Lamination up to \$500,000 in conditional tax credits based on the company's plans to create up to 100 new jobs by the end of 2022. The town of Bristol approved additional incentives based on the company's plans to create up to 53 new jobs by 2021. ⁽⁵⁾

Goshen-based Viewrail has announced plans to expand in the Elkhart County city and add up to 200 jobs by 2023. The floating stairs and railing systems manufacturer says it will invest more than \$12 million to double its Indiana footprint. The company has reported 60 percent revenue growth for six straight years and expects to hit \$100 million in sales by 2021 with the increased production. Viewrail currently employs 135 associates in Goshen. The jobs are expected to pay salaries above the county and state average. The expansion will add 40,000 square feet to Viewrail's existing production facility in Goshen. The Indiana Economic Development Corp. offered Viewrail up to \$2.6 million in conditional tax credits based on the job creation plans. The city of Goshen is also supporting the project. ⁽⁶⁾

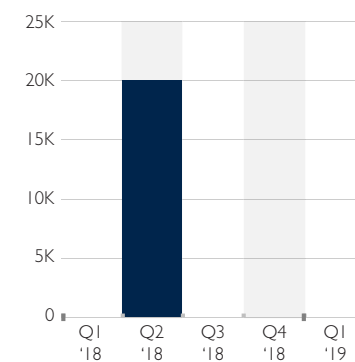
*CoStar

- (1) <https://abc57.com/news/rv-industry-vital-to-elkhart-countys-economic-resurgence>
- (2) <http://www.insideindianabusiness.com/story/40022295/elkharts-river-district-revitalization-moves-forward>
- (3) <https://www.abc57.com/news/two-proposals-one-property>
- (4) <https://www.roia.org/news-insights/rv-shipments-march-2019>
- (5) <https://businessfacilities.com/2019/03/great-lakes-forest-products-creating-sister-company-bristol-indiana/>
- (6) <http://www.insideindianabusiness.com/story/40229120/goshen-manufacturer-adding-hundreds-of-jobs>

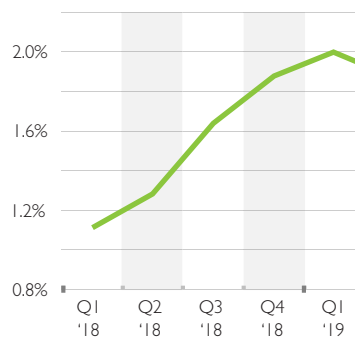
MARKET RENT PER SF*



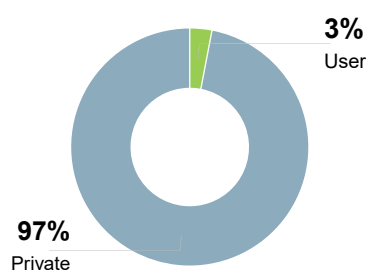
CONSTRUCTION STARTS IN SF*



VACANCY RATE*



SALES BY BUYER TYPE*



*Source: CoStar

FORECAST

- A solid economy and a positive outlook for the RV industry, despite slower growth this year, will continue to drive vacancy rates down.
- Market rents will stay steady with slight increases expected.

MAJOR EMPLOYERS	
Thor Industries, Inc.	13,622
Forest River, Inc.	10,000
Lippert Components, Inc.	5,500
Beacon Health System	2,600
Patrick Industries	2,900
Elkhart Comm. Schools	1,800
IU Health Goshen	1,517
Goshen Comm. Schools	1,442
Supreme Industries	1,200

ELKHART MARKET

IST QUARTER 2019



318 S. ELKHART, AVE., ELKHART, IN

- Now under construction - 195 unit luxury mixed-use development located in Downtown Elkhart
- Approximately 7,000 SF of retail space available with suites ranging from 1,200-7,000 SF



2200 BYPASS RD., ELKHART, IN

- Rare opportunity to purchase or lease a former new/used car dealership, including service and body shop facilities (Gurley Leep Honda)
- ±36,029 SF total building area (3 buildings)



2100 INDUSTRIAL PKWY., ELKHART, IN

- 122,472 SF building situated on 7.48 acres
- 5,200 SF of recently renovated office/showroom space
- 5 miles to I-80/90 Toll Road



72104 COUNTY ROAD 23, NEW PARIS, IN

- The property is in an excellent location right off of US 6 and State Rd 15 in New Paris, Indiana, and has frontage on US 6 and County Road 23
- 6 Docks and 2 O/H Doors in space



421 S. SECOND ST., ELKHART, IN

- Historic Elkhart Truth Building in Downtown Elkhart
- Mixed Use office/retail/warehouse building located on 2nd Street
- Suites ranging from 3,000 to 30,000 square feet



300 NIBCO PKWY., ELKHART, IN

- Access NIBCO Parkway from Elkhart Avenue and Jackson Blvd.
- Flexible floor plan includes open cubicle area, private conference room, kitchenette area



655 COUNTY ROAD 17, ELKHART, IN

- Access from CR 17 and also CR 14 (Middlebury Street)
- Flexible floor plan includes open retail area, private dressing rooms, breakroom area
- Retailer/Medical/Urgent Care



WINDSOR CT., ELKHART, IN

- 900-2,500 SF available
- Accessibility and visibility via SR 19 N., I-80/90 Toll Rd.
- Heavily landscaped setting with front door parking

BROKERAGE



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