



**FEATURED LISTING:**

- 1712 MAGNAVOX WAY, FORT WAYNE, IN
- 5,000-11,903 SF available
- On-site property management
- Easy access to I-69
- FOR LEASE: \$16.50 PSF FULL SERVICE
- Contact: Stanley Phillips | 260.423.4311  
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# FORT WAYNE OFFICE REPORT

## MARKET UPDATE

To better compete for top millennial talent, more and more companies are relocating downtown, where millennials prefer to reside and work. In the past few years, more than five companies have moved either its corporate office or at least significant operations to downtown Fort Wayne. Most recently, Shingidz, a national online party supplies retailer, purchased the former Harrison Place building, with plans of moving 40 to 50 of its employees from its South Whitley location, to occupy the entire fourth floor of its new downtown Fort Wayne corporate office.

In the past few years, the city of Fort Wayne and other entities have pushed tremendously for downtown investments, which is resulting in a renewed growth in the downtown market. Shindigz new corporate office will add to the hundreds of employees that have already relocated to the downtown market. This is reflective of the availability rate for the Central Business District, which was 8.2% at the beginning of 2016, and as of Q3 2018, is 6.4%. With more companies expecting to enter the downtown market, we expect the availability rate to continue to decline.

The push for companies to locate in the downtown market has created large vacancies in the suburban market. As of Q3 2018, there were 26 different office spaces greater than 10,000 square feet that were vacant. In comparison, only 19 such spaces were vacant two years ago. Due to parking availability and accessibility to other areas, we expect companies to still be attracted to the suburban office market. However, a number of these larger vacant spaces will require significant updates to compete against the growing downtown market.

A positive side to some of these larger vacant office spaces is that they are getting absorbed through expansions and new companies entering the market. Intelnet Global Services is expanding its call center at 5001 U.S. Highway 30, spending \$4 million to remodel and expand into an additional 38,000 square feet. Additionally, Physicians Health Plan of Northern Indiana is moving its headquarters into 45,000 square feet at 1700 Magnavox Way, and IU Health opened its first local primary care office in Fort Wayne in July 2018, occupying more than 10,000 square feet. These are encouraging indicators in the markets ability to backfill larger vacant spaces.

### Forecast:

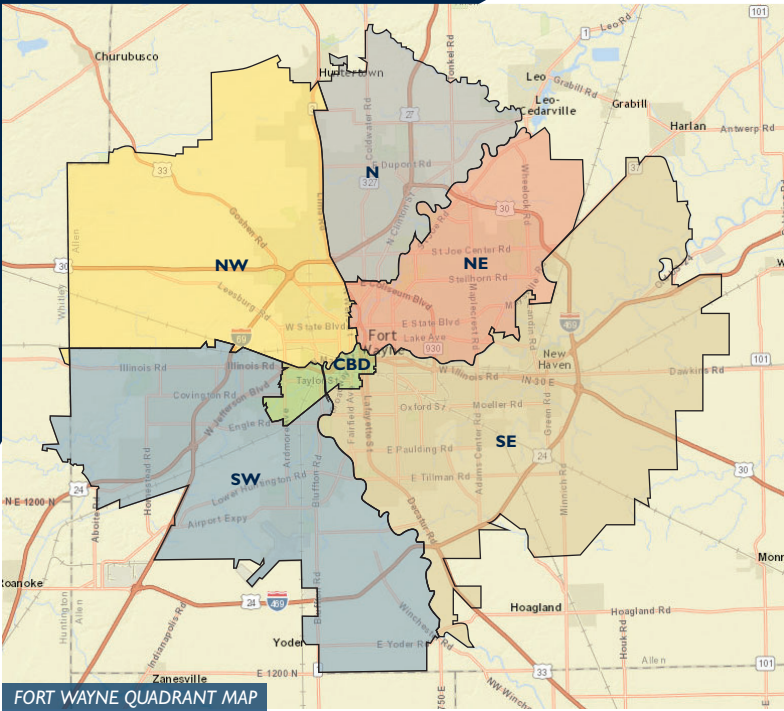
- Expect continued activity and interest in the downtown office market, leading to decreasing vacancy.
- The success of recent redevelopment and new development mixed-use projects could lead to additional investments in the downtown core.
- Declining vacancy in the Northwest Quadrant is a positive sign for the suburban market. This could eventually lead to more activity near the Parkview campus and even further west, where land values are more favorably priced compared to the rest of the market.

### Suburban Office Vacancies – Spaces Greater Than 10,000 SF

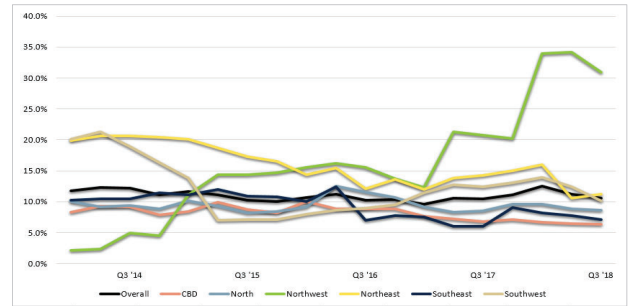


### Market Indicators

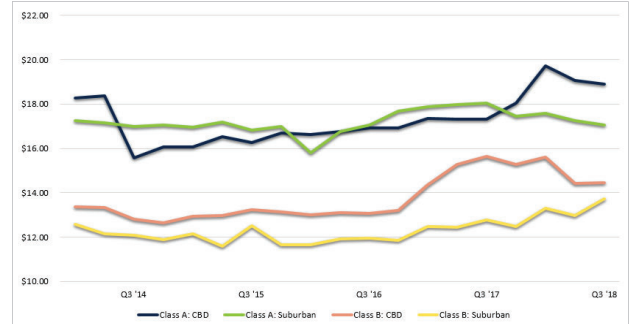
	Q3 '17	Q3 '18	12-Mo. Forecast
Inventory	15.0 M	15.0 M	=
Availability Rate	10.4%	10.5%	=
Class A: CBD Asking Rate (\$/SF Full Service)	\$17.32	\$18.89	=



Availability Rate: By Quadrant



Asking Rates: \$/SF Full Service Gross



NOTABLE TRANSACTIONS

SALE

Property / Address	Quadrant	SF	Buyer	Sale Price
919 S. Harrison Street	CBD	33,000	Shindigz	N/A

LEASE

Property / Address	Quadrant	SF	Tenant	Type
9910 Dupont Circle Drive	North	17,509		
7230 Engle Road	Southwest	10,000	IU Health	New

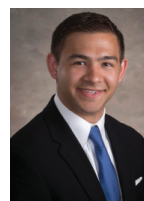
PROJECTS UPDATE

Project/Address	Quadrant	Office SF	Status	Completion
Ruoff Home Mortgage SWC Jefferson Blvd & Ewing St.	CBD	97,000	Planned	N/A

BROKERAGE



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Methodology

In addition to primary research efforts, Bradley Company also utilizes third party reports in assembling the data included herein. Total marketplace square footage is estimated from a compilation of available sources and updated on a recurring basis. Availability rates are calculated based on properties which are publically advertised at the time of data collection.