



FEATURED LISTING:
6561 LONE WOLF DR., SOUTH BEND, IN
 • 66,798 SF building with 34,879 SF of office space on 3 floors and 31,919 SF of manufacturing/warehouse space
 • FOR SALE: \$7,500,000 (Includes 25 acres of land that may also be available separately)
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SOUTH BEND / MISHAWAKA INDUSTRIAL REPORT

\$140 MILLION PURCHASE EXPECTED TO RETAIN OVER 400 JOBS IN MISHAWAKA

AM General's pending sale of their commercial assembly plant off McKinley Highway in Mishawaka to Chinese-owned electric vehicle company SF Global, is expected to have a major impact on the region. With expectations of the sale to close by the end of the year, SF Global will pay \$110 million for the 700,00-square-foot plant and make \$30 million in improvements to the facility. The sale will retain around 430 jobs, of which were expected to be let go in October due to AM General's expiring contract with the Mercedes-Benz R-Class production. With expectations of SF Global to expand operations in the future and create more positions, the region avoided a major hit.

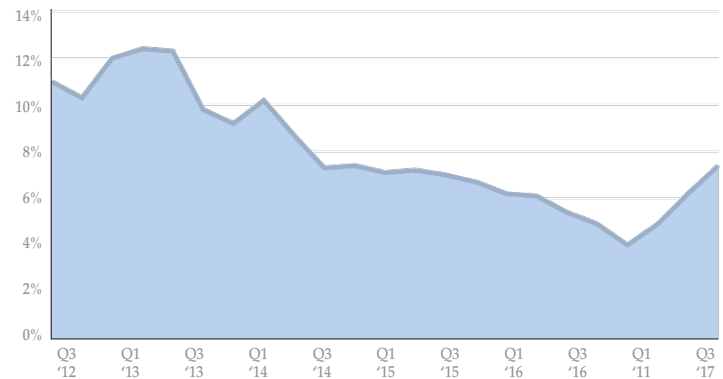
More buzz is being generated around the anticipated New Carlisle Industrial Park where the \$500 million St. Joseph Energy Center is currently going up. The area has been confirmed as a possible location for a \$1.6 billion Toyota-Mazda manufacturing plant that is expected to generate 4,000 new jobs. That site is also attracting additional attention, as it was confirmed that two potential project sites were inquired in the area between 1,000 and 1,500 acres. With infrastructure and land acquirement already well underway for the site, the area has primed itself well for future growth.

AVAILABILITY / ASKING RATES:

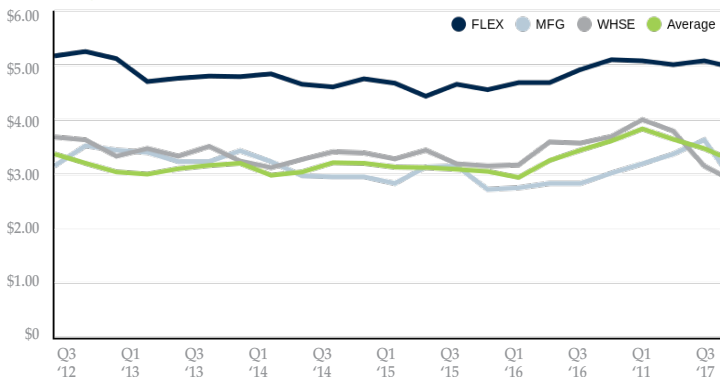
Availability rates continue to increase in the market as companies relocate to newer facilities. The largest movement came at 701 W. Chippewa in South Bend, where over 300,000 square feet came online due to company relocations. Asking rates generally decreased compared to Q2, largely attributed to older space hitting the market. Expect the battle between the need for newer product and what the existing inventory has to offer to continue as companies look for buildings that fit their growing needs.

	Q3 '17	Q3 '16	Forecast
Inventory	37.6M	37.5M	+
Availability Rate	7.4%	4.9%	+
Avg. Asking Rate	\$3.23	\$3.61	=

Availability Rate



Asking Rates



3RD QUARTER NOTABLE TRANSACTIONS

LEASES

Property/Address	SF	Tenant	Type
4300 Quality Dr., South Bend	181,000	IBS	Renewal
3702 W. Sample St., South Bend	17,709	EVS	Renewal

SALES

Property/Address	SF	Buyer	Sale Price
REW/W Partners IN Industrial Portfolio	700,360	Plymouth Industrial REIT	\$26 million
6851 Enterprise Dr., South Bend	81,600	Brennan Investment Group	\$2.9 million

Boston-based Plymouth Industrial REIT purchased 5 industrial properties totaling over 700,000 square feet in July for approximately \$26 million, selling at a 9.2% capitalization rate. The properties mostly consist of single-tenant users with the building size ranging between 51,000 and 221,000 square feet. As some of the existing leases are set to expire within the next few years, expect to see vacancy levels increase if no users are sought to occupy the space.

PROJECTS UPDATE

As of Q3, three projects are under construction, expected to add 429,000 square feet of industrial space once completed. The largest project is CTDI's new 315,000-square-foot facility that is expected to be completed first of the year. Newly marketed is Phase II of AmeriPlex Center, a 54,000-square-foot speculative warehouse facility proposed by Holladay Properties. According to Holladay's listing, the building is expected to become available in April 2018.

	Q3 '17 Completed	Y.T.D. Completed	2016 Completed	Q3 '17 Under Construction
Square Footage	0	393,000	820,000	429,000

Project	Address	Bldg Size	Status	Completion
Communications Test Design	5550 Dylan Dr., South Bend	315,000	Under Construction	Q1 '18
Lippert Components	400 S. Byrkit, Mishawaka	80,000	Under Construction	Q4 '17
AmeriPlex Center 2	6850 Enterprise Dr., South Bend	54,000	Planned	N/A
Pulliam Enterprises	13790 Jefferson Blvd., Mishawaka	34,000	Under Construction	Q4 '17



ABSORPTION



AVAILABILITY



RENTAL RATES



NEW CONSTRUCTION

PROVIDED BY

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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 publicly advertised at the time of data collection.