



FEATURED LISTING:
1125 S. WALNUT, SOUTH BEND, IN
 • 40,676 SF adaptive building featuring high-bay manufacturing, warehouse and office space
 • FOR SALE: \$795,000
 • FOR LEASE: \$2.95 PSF NNN
 • Contact: Greg Pink | 574.237.6004



SOUTH BEND INDUSTRIAL REPORT

2017 RECAP:

Seven projects added 580,420 square feet of industrial space to the market in 2017. One of the most notable projects was AM General moving its SPLO Logistics division from Mishawaka to the South Bend Distribution Center I (SBDC I) in the beginning of 2017. SBDC I was the first 100 percent speculative industrial building built in St. Joseph County in nearly a decade. Lippert Components purchased AM General’s former SPLO Logistics facility in 2017, investing \$9 million into the facility, as well as constructing an 80,000-square-foot addition. Lippert’s investment could add 200 jobs over the next two years.

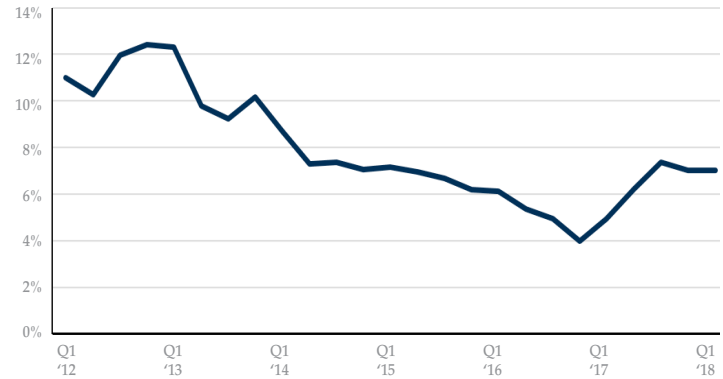
The market saw multiple companies relocate to newer facilities in 2017, which mainly caused the availability rate to increase from five percent to seven percent throughout 2017. Ascension Diabetes Care closed its Mishawaka facility, affecting around 113 employees, and Toyota-Mazda chose Alabama instead of a New Carlisle site for its new \$1.6 billion joint-venture auto plant. SF Motors preserved around 430 jobs in Mishawaka, acquiring AM General’s commercial assembly plant, with expectations of investing \$30 million into the building. The lack of quality/efficient buildings throughout the market have led to multiple new construction projects in the past several years, creating opportunities for new developments and new sites to be constructed for future investments in the community.

Q1 MARKET UPDATE

CTDI took possession of its new 315,000-square-foot facility in South Bend, and just across the street, ground was broken for South Bend Distribution Center II, the area’s second 100 percent spec facility in three years. The 210,420-square-foot building is being constructed by Great Lakes Capital, and is expected to be completed by the fall of 2018. Other announcements included three new buildings totaling 60,000 square feet at Ignition Park, and Smith Ready Mix planning a new \$2 million concrete batch plant in New Carlisle.

| | Q1 '18 | Q1 '17 | Forecast |
|------------------------------|--------|--------|----------|
| Inventory | 38.0 M | 37.5M | + |
| Availability Rate | 7.0% | 4.9% | = |
| Avg. Asking Rate (>5,000 SF) | \$3.48 | \$3.89 | = |

Availability Rate



SOUTH BEND DISTRIBUTION CENTER II RENDERING

112 W. JEFFERSON BLVD., SOUTH BEND, IN 46601 | 574.237.6000



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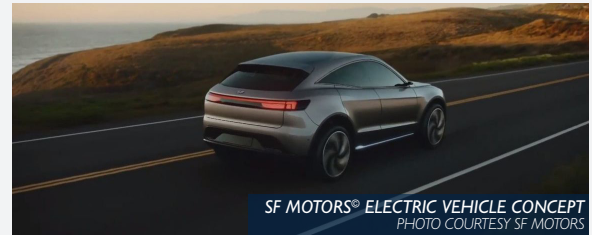
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Q1 MARKET UPDATE, CONT.

In March, SF Motors announced it will begin production on two new electric car concepts at its Mishawaka plant in 2018. The facility has a capacity to produce 50,000 cars annually. An additional development that could impact the industrial market in 2018 is the current study underway for the relocation of the South Shore station. The potential relocation could be a game changer for the market, as it could open up the availability of rail-served industrial sites, a highly sought-after commodity for the industrial market in the region.



1ST QUARTER NOTABLE TRANSACTIONS

LEASES

| Property/Address | SF | Tenant | Type |
|---|---------|-------------------------------|---------|
| 3310 William Richardson Dr., South Bend | 100,000 | Cequent Consumer Distribution | Renewal |
| 4810 Ameritech Dr., South Bend | 38,495 | Ceva Freight | New |

SALES

| Property/Address | SF | Buyer | Sale Price |
|--------------------------------|--------|--------------------|---------------|
| 228 E. Bronson St., South Bend | 63,000 | JPTC Real Estate | \$460,000 |
| 2740 Viridian Dr., South Bend | 60,740 | 2740 Viridian, LLC | \$2.2 million |

PROJECTS UPDATE

| Project/Address | Size (SF) | Status | Completion |
|---|-------------------------|--------------------|------------|
| Communications Test Design 5550 Dylan Dr., South Bend | 315,000 | Completed | Q1 '18 |
| South Bend Distribution Center II 5545 Chet Waggoner Dr., South Bend | 210,420 | Under Construction | Q3 '18 |
| 900 Franklin St., South Bend | 60,000 (3 buildings) | Planned | N/A |
| Abtrex Industries 59640 Market St., South Bend | 9,000 | Planned | Q4 '18 |

PROVIDED BY

BROKERAGE

Greg Pink
gpink@bradleyco.com | 574.237.6004

Jeremy McClements
jmcclements@bradleyco.com | 574.970.9004

Matt Wetzel
mwetzel@bradleyco.com | 574.261.2284

Bailey Sexton
sexton@bradleyco.com | 574.213.5569

RESEARCH

Steven Heatherly
sheatherly@bradleyco.com
574.855.5710

Brenden McGann
bmcgann@bradleyco.com
574-968-9276

DESIGN

Michelle Morey
574.968.9268 | mmorey@bradleyco.com

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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.