



FEATURED LISTING:
7918 ZIONSVILLE RD., INDIANAPOLIS, IN

- 2,700 - 25,200 SF available for lease
- Wet Lab/Warehouse and office
- FOR LEASE: \$5.25 PSF MOD GROSS
- Contact: W. Shawn Conway | 317.590.3382
Kelly Martin | 317.588.1641

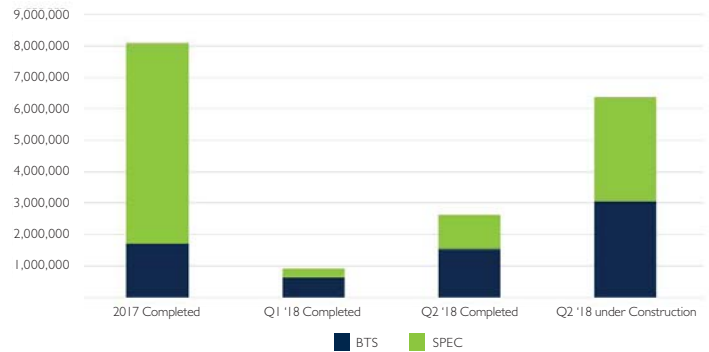
INDIANAPOLIS INDUSTRIAL REPORT

2ND QUARTER MARKET UPDATE

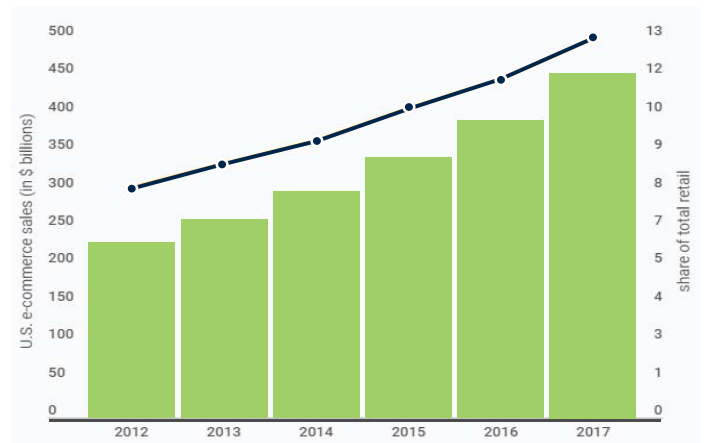
Low interest rates, the revival of the manufacturing industry, and the rise in e-commerce have been key factors driving the growth of the industrial market in the United States. According to the National Association of Manufacturers, manufacturing supports an estimated 17.2 million jobs in the United States, and more than 800,000 new manufacturing employees have been hired over the past three years. This doesn't seem to be slowing down anytime soon as a recent report by Deloitte and the Manufacturing Institute indicates that 3.5 million manufacturing jobs are expected to be created by 2025. As for e-commerce, consumers spent \$453.64 billion on the internet for retail purchases in 2017, a 16% increase from 2016 and the highest growth rate since 2011, according to the U.S. Commerce Department. The rise in e-commerce is generating the demand for more modern bulk warehouses, and with eight different interstate systems intersecting in Indianapolis, the local industrial market is following similar growth trends.

Indianapolis has experienced historical growth in the amount of new industrial buildings being constructed. Year to date, 3.5 million square feet of industrial space has been delivered to the market, with 2.6 million of that delivered in Q2 2018. An additional 6.4 million square feet is under construction, with expectations of 3.8 million to be completed by end of year. In total, 7.4 million square feet is expected to be delivered in 2018, a slight decrease from 2017, where 8 million square feet was constructed. As for the activity of build-to-suit space compared to purely speculative buildings, so far, we've seen a decrease from 2018 compared to 2017.

INDUSTRIAL DELIVERIES



U.S. E-COMMERCE SALES & THE WEB'S SHARE OF TOTAL RETAIL 2012-2017



Source: U.S. Commerce Department / DigitalCommerce360

8604 ALLISONVILLE RD., SUITE 150, INDIANAPOLIS, IN 46250 | 317.352.6650

MARKET UPDATE CONTINUED

Close to 50% of the space being constructed in 2018 is being built on speculative basis. Although less than the 79% of spec space constructed in 2017, we suspect this to be a positive sign for the market. More companies are deciding to construct build-to-suit facilities, limiting the risk on developers finding tenants for their buildings, in addition to showing the demand for companies wanting to locate in the market. The largest industrial project constructed thus far in 2018 was a 708,230-square-foot build-to-suit for HP/Ryder Logistics at Allpoints Midwest in Plainfield. In addition, the market is seeing an increase in new companies opening up operations in the Indianapolis market. Innovative Logistics, Rockwell Automation, and Clorox for example, absorbed more than 1.16 million square feet in Q2 2018.

Look for communities located along interstate highways to continue to prosper with new industrial developments.

One area to watch is the new \$113 million Park 130 industrial park that is underway in Whitestown. Lord Realty has filed plans to construct the first two of eight buildings planned for the park. The two buildings are being constructed on speculative basis and will total 523,800 square feet, costing \$28 million. The entire park is expected to be completed by spring 2027.

Forecast:

- Area's located along interstate highways, such as Whitestown, Plainfield, and Greenwood, will continue to attract new industrial developments for the foreseeable future.
- With several existing large spec buildings having over 400,000 square feet of space available, we expect limited new spec developments over 400,000 square feet to get underway until these spaces become absorbed.

2ND QUARTER NOTABLE LEASE TRANSACTIONS

Property/Address	SF	Tenant	Type
1801 Innovation Blvd., Clayton	545,010	Geodis Logistics	Direct
8677 Logo Athletic Ct., Indianapolis	536,804	Adidas	Renewal
3522 Perry Blvd., Whitestown	440,314	Innovative Logistics	Direct
5352 Performance Way, Whitestown	380,000	LaCrosse Footware Inc.	Renewal

2ND QUARTER NOTABLE CONSTRUCTION PROJECTS

Project / Address	Industrial SF	Status	Expected Completion
Franklin Tech Park / 180 Bartram Pkwy., Franklin	993,825	Under Construction	Q1 2019
UPS / Bradford Rd., Plainfield	893,000	Under Construction	Q2 2019
AllPoints Midwest 8 / 1301 Smith Rd., Avon	708,230	Complete	Q2 2018
GreenParke at Airwest II / 3124 Plainfield Rd., Plainfield	702,000	Under Construction	Q4 2018
Greenpointe Logistics Center / 831 N. Graham Rd., Greenwood	495,977	Under Construction	Q4 2018
Newgistics / 1415 Collins Rd., Greenwood	446,500	Under Construction	Q4 2018
BAUER Hockey / 2856 S. Ronald Reagan Pkwy., Plainfield	430,000	Under Construction	Q3 2018

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250+

EMPLOYEES

40

YEARS IN BUSINESS

\$202M+

VALUE OF BROKERAGE TRANSACTIONS IN 2017

BROKERAGE



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