



FEATURED LISTING:
4630 W. JEFFERSON BLVD., FORT WAYNE, IN
 • 1,512 SF available (Unit 3)
 • Recently remodeled
 • Directly on US 24 with easy access to I-69
 • FOR LEASE: \$11.00 PSF MOD NET
 • FOR SALE: \$130,000
 • Contact: Steve Chen | 260.385.1000

FORT WAYNE OFFICE REPORT

MARKET UPDATE

More available land on which to build, cheaper rents for office occupiers, and more live-work-play synergy for aging millennials looking to start families have contributed to the growth in the suburban office markets in the United States. Of the 49 million square feet of new office product delivered in the U.S. in 2017, nearly 78% of that was in the suburbs. The increase in activity in the suburban office market is also being seen in the local Fort Wayne market.

After acquiring Pro-Claim Plus in October 2017, Physicians Health Plan created a need for more space to accommodate the acquisition. Physicians Health Plan is growing out of its 27,000-square-foot space at 8101 West Jefferson into 45,000 square feet at 1700 Magnavox Way, with expectations to be fully moved in by February 2019. This is a good sign for the southwest submarket, whose availability rate at the end of Q2 2018 sits at 13.6%, the second highest in the Fort Wayne market.

The northeast submarket saw 73,000 square feet of office space removed from the office inventory in Q2 2018. 2827 Rupp Drive is officially undergoing its transformation from an office building into The Community at Triangle Park, a new market-rate apartment complex. This project largely contributed to the availability rate decreasing from 16.0% to 10.9% from Q1 2018 to Q2 2018.

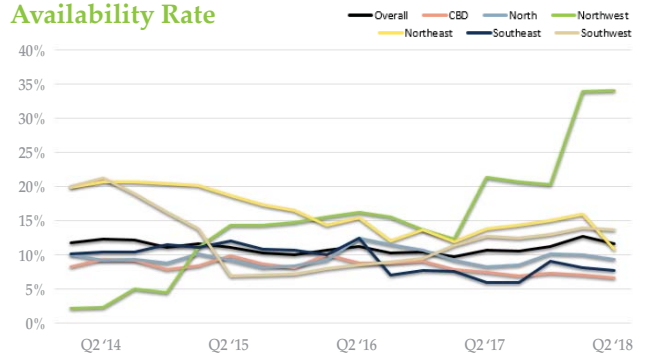
As for the Central Business District, First Merchants Bank officially moved into its new location at the Skyline Tower development during June 2018. The move consolidated around 60 employees into one location, adding to the vibrancy happening downtown. With the top floors of the Skyline Development dedicated to 124 new apartment units, employees will have the opportunity to be involved in the live-work-play environment, which has been a crucial point in the city's effort to transform the downtown area.

Forecast:

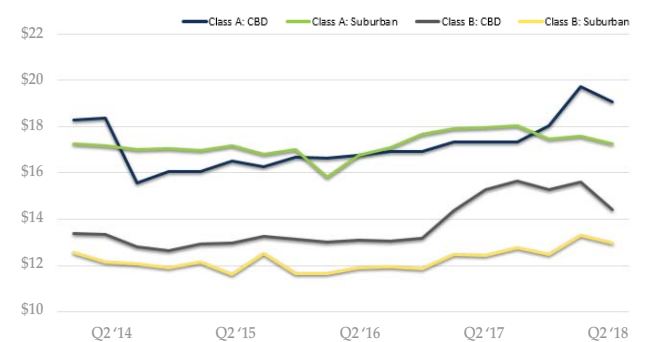
- Large vacancies in the northwest submarket are expected to keep the vacancy level high through the end of 2018.
- Demand for smaller office spaces, especially located within the Central Business District, are expected to raise asking rates in the coming quarters.

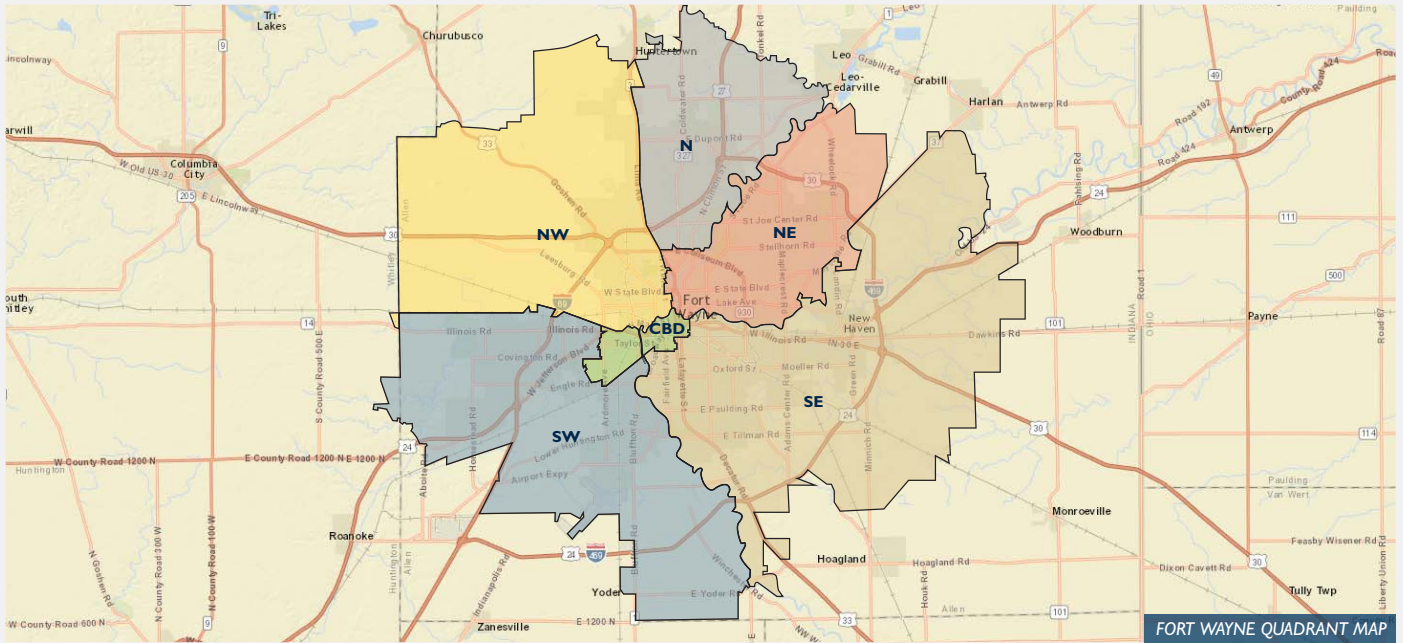
	Q2 '18	Q2 '17	12-Month Forecast
Inventory	15,032,737	14,985,294	+
Availability Rate	11.7%	10.7%	=
Class A: CBD Asking Rate (\$/SF Full Service)	\$19.08	\$17.32	

Availability Rate



Asking Rates: \$/SF Full Service Gross





NOTABLE TRANSACTIONS

SALE

Property/Address	SF	Buyer	Sale Price
Lutheran Hospital Cancer Center* 7910 W. Jefferson Blvd., Fort Wayne	47,000	The Sanders Trust	\$15 million

*Investment Sale

LEASE

Property / Address	SF	Tenant	Type
Magnavox Way Corporate Center 1700 Magnavox Way, Fort Wayne	45,000	Physicians Health Plan of Northern IN	New
5001 US Hwy 30, Fort Wayne	19,000	Intelenet Global Services	Expansion

PROJECTS UPDATE

Project/Address	Submarket	Office SF	Status	Completion
Skyline Tower 855 Webster Street	CBD	18,000	Complete	Q2 '18

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 publicly advertised at the time of data collection.