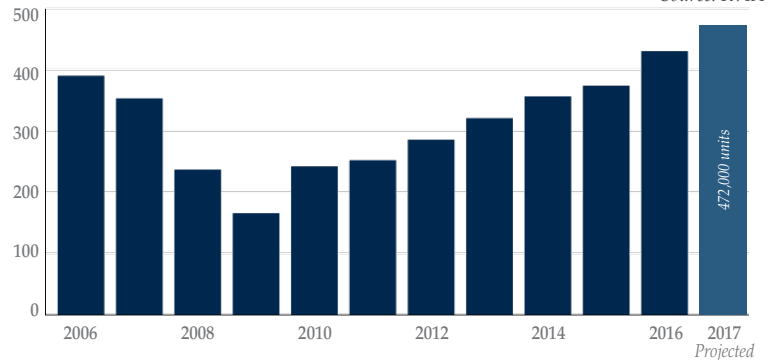


ELKHART - GOSHEN INDUSTRIAL REPORT

THE BIG KEEP GETTING BIGGER

The Annual Midwest RV Super Show was held in August at the RV/MH Hall of Fame in Elkhart, showcasing the new 2018 models to the over 4,500 people expected to have attended the event. With 430,000 units shipped in 2016, the best yearly total of RV shipments in the past 40 years, projections for 2017 are looking to surpass that number with well over 472,000 units being shipped. According to the Recreation Vehicle Industry Association, August 2017 shipments were the best August on comparable record, with over 45,031 units shipped, an increase of 25.3% from August 2016. Thus far, 2017 is amongst the top 10 most active hurricane seasons ever, with thousands of RV units, as well as RV plants in the southern part of the United States either affected or damaged. As insurance companies look to replace thousands of RV's damaged in these storms, we anticipate the production and demand for RV units to skyrocket throughout the rest of the year and years to follow.

RV Shipments



Despite Elkhart County boasting the lowest unemployment rate in the State, labor shortage continues to be a concern as approximately 20,000 positions are left unfilled. This concern has prompted the Economic Development Corporation to announce in Q3 that they will begin a \$95,000 workforce attention plan, detailing efforts to bring people and families to the region.

In other news, Harman International Industries announced in September that due to consolidation efforts, they will lay off 650 workers and close several facilities, including their Crown Audio plant in Elkhart. The closing is expected to affect around 115 employees.

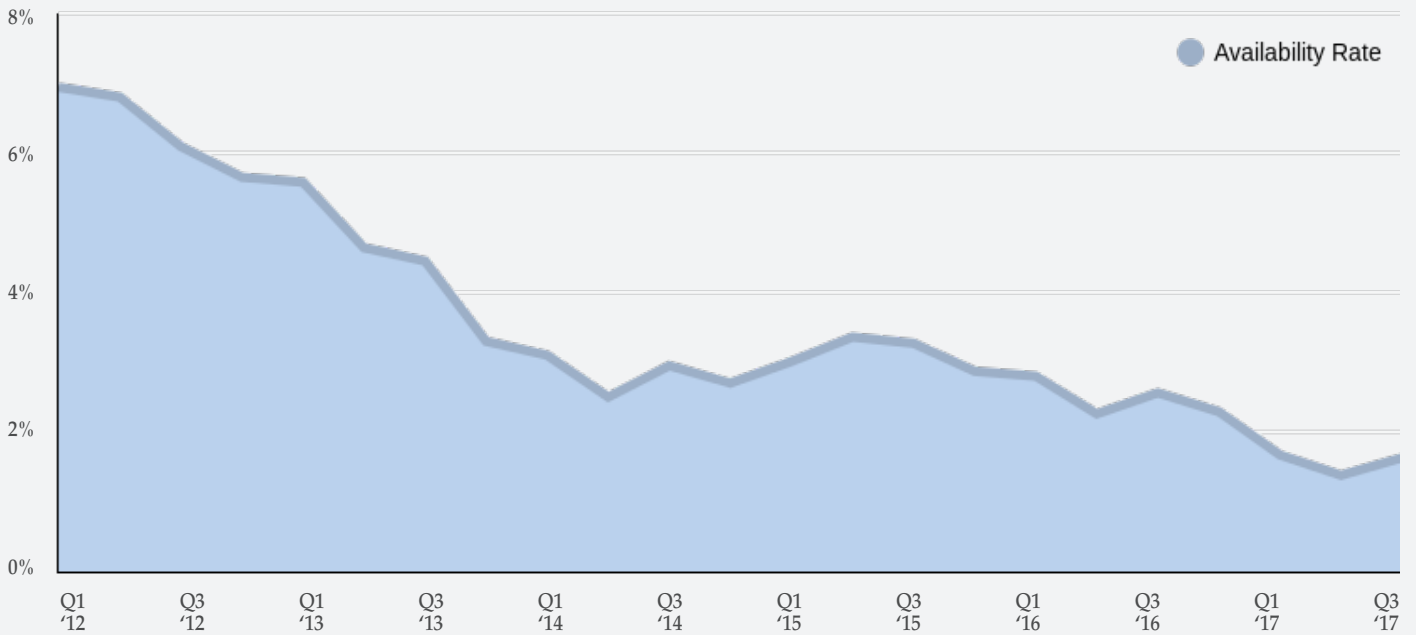
	Q3 '17	Q3 '16	Forecast
Inventory	87.5M	85.7M	+
Availability Rate	1.63%	2.56%	+
Avg. Asking Rate	\$3.10	\$2.86	=



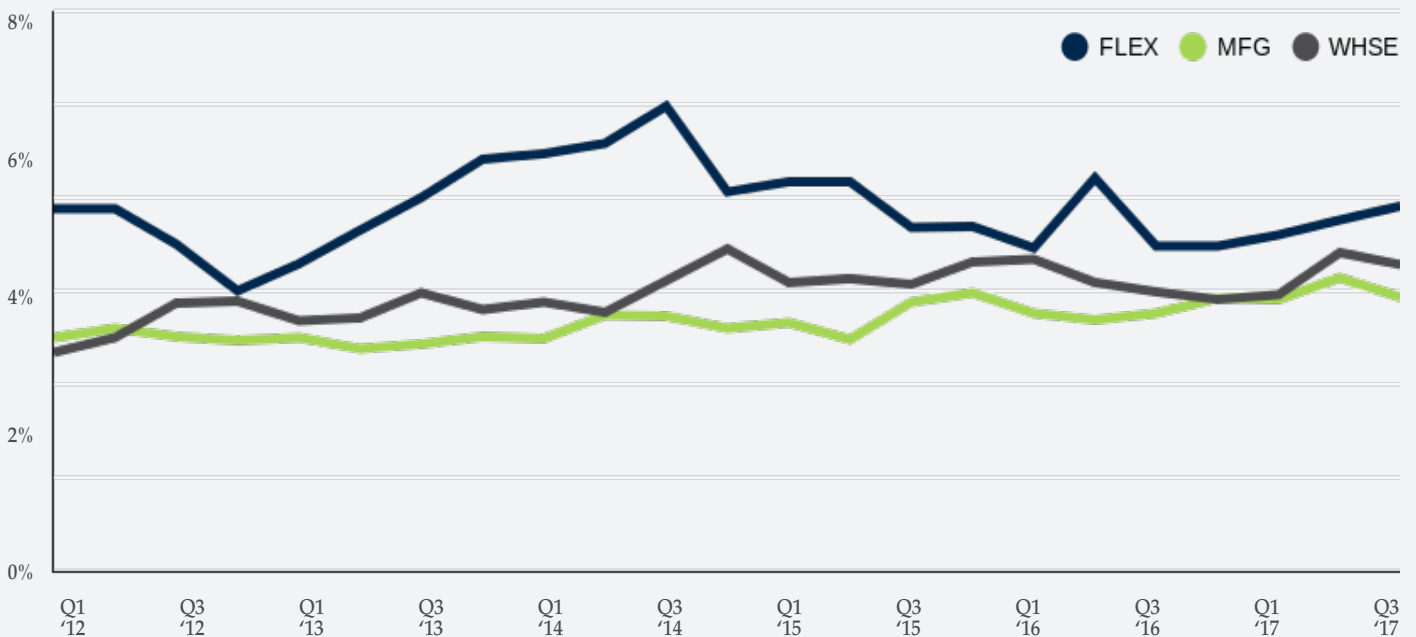
AVAILABILITY & ASKING RATES:

Despite a slight increase in the availability rate for Q3, the Elkhart-Goshen industrial market continues to see low rates and limited inventory. Availability rates ended Q3 at 1.63%, up from 1.38% in Q2. The largest movement came from Universal Cargo's former campus at 1503 McNaughton in Elkhart coming online. The 12 building complex totals 215,000 square feet, and is currently on the market for \$3.25 million. As for asking rates, industrial space is generally around \$3.10/SF, Triple-Net (NNN). Only one new construction project is underway, a 48,000-square-foot facility at 3200 Industrial Parkway in Elkhart, which is asking \$3.95/SF NNN.

Availability Rates



Asking Rates



3RD QUARTER NOTABLE TRANSACTIONS

LEASES

Property/Address	SF	Tenant	Type
2516 Industrial Park Dr., Goshen	7,500	Bontrager RV	Renewal
2516 Industrial Park Dr., Goshen	5,000	Economy Offset Printing	Renewal

SALES

Address	SF	Sale Price	Buyer
56977 Elk Ct., Elkhart	11,856	Undisclosed	Garron Ware Holdings Inc.
2700 W. Wilden Ave., Goshen	5,508	\$270,000	W & F Investments

PROJECTS UPDATE

- 2 projects totaling 235,900 square feet were completed in Q3. Jayco completed a new 128,400 manufacturing complex at their Middlebury campus, while Aluminum Trailer finished construction on their new 107,500-square-foot facility, which started production in July.
- Construction started on a new 48,000-square-foot industrial building at 3200 Industrial Parkway in Elkhart.

	Q3 '17 <i>Completed</i>	Y.T.D. <i>Completed</i>	2016 <i>Completed</i>	Q3'17 <i>Under Construction</i>
Square Footage	235,900	1,499,700	351,000	785,000

Project	Address	Bldg Size	Status	Completion
Thor Motor Coach	Elkhart- Wakarusa-Bristol	300,000	Under Construction	Q1 2018
Jayco	Middlebury Campus	237,000	Under Construction	Q1 2018
Genesis Products	Dierdorff & Eisenhower Dr., Goshen	200,000	Under Construction	Q4 2017
Aluminum Trailer Co.	751 Tomahawk Trl., Nappanee	107,500	Completed	Q3 2017



MARKET INDICATORS



ABSORPTION



AVAILABILITY



RENTAL RATES



NEW
CONSTRUCTION

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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.