



FEATURED LISTING:
605 LOGAN ST., GOSHEN, IN
 • 9,698 SF industrial building on 1.08 acres
 • (1) exterior dock and (3) grade level OH doors
 • Zoning: Industrial M-1
 • **FOR LEASE: \$3.50 PSF NNN**
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ELKHART INDUSTRIAL REPORT

Q2 MARKET UPDATE

Elkhart has been extremely proactive in attracting new businesses to the market. This is evidenced by the recent job growth in the area that has been supported by new projects coming from the Indiana Economic Development Corporation. Known primarily for driving growth in the industrial and manufacturing sectors, the county is currently working on 12 active attraction projects in both the RV and non-RV industries. The county is also working with a foreign direct consultant to try and appeal to companies outside of the U.S. to relocate to the region.

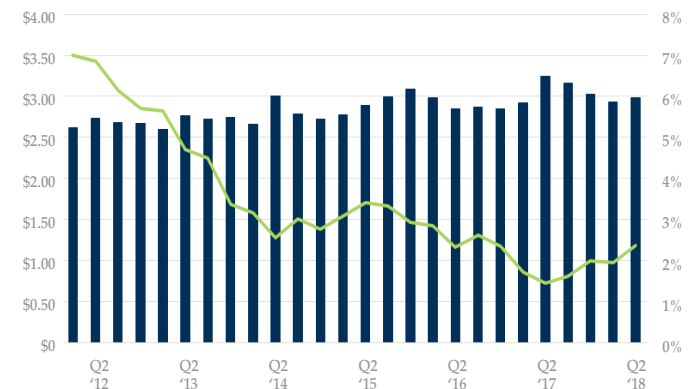
As it relates to current manufacturers, they continue to grow in the Elkhart area, constructing new buildings and expanding their campuses to help meet demand. Lippert Components recently broke ground on a new 107,000-square-foot manufacturing plant inside its Goshen complex, Winnebago Industries is undergoing several projects at its Middlebury campus that will add more than 400,000 square feet of space, NIBCO completed its 45,000-square-foot addition to its Goshen campus (its eighth addition to the Goshen plant), and Forest River has two 100,000-square-foot buildings under construction in Elkhart. The growth is closely tied to the resurgence of the manufacturing industry, which has added 11,826 jobs in Elkhart County since 2012, according to the Indiana Department of Workforce Development.

Nonetheless, this rapid growth doesn't come without some growing pains. The projects mentioned above are expected to create more than 450 new jobs in the Elkhart area. This will add to the 9,500 jobs that are currently open in the area (2,000 of which are related to the manufacturing industry). Although the area boasts an unemployment rate of 2.2%, compared to 3.2% for the state, it is creating difficulties for growing manufacturers to find the skilled workforce to help meet demand. The recent closings of Diversified Machine in Bristol, and New Flyer in Elkhart, will put around 173 local workers out of work. This quickly creates a skilled labor pool that could be available to fill some of these open positions.

MARKET INDICATORS

	Q2 '18	Q2 '17	12 Month Forecast
Inventory	88.7 million	87.2 million	+
Availability Rate	2.36%	1.44%	+
Avg. Asking Rate (>5,000 SF)	\$2.98	\$3.25	=

AVAILABILITY & RENTAL RATES



300 NIBCO PKWY. ELKHART, IN 46515 | 574.522.7100

MARKET UPDATE CONTINUED

In addition, the two closings will bring close to 360,000 square feet of industrial space to the market. With the availability rate hovering around 2% over the past couple of years, and industrial space being in such high demand, we expect this space to be absorbed fairly quickly in the market.

Two areas in the market that are expected to see continued growth in the coming years is the County Road 17 corridor in Elkhart and 153 acres of land along County Road 36 that is expected to be annexed into the city of Goshen. Elkhart recently announced plans to widen County Road 17 to four lanes, making the corridor more accessible for trucks bringing supplies in and out of the area. Just off County Road 17, a new 227,000-square-foot spec building is nearing completion and is already fully leased. As for the land being annexed in Goshen, Lippert Component's is already planning to construct a new \$20 million facility at this location.

Forecast:

- Although new space is expected to come online from recent closings, we expect the availability rate to remain relatively flat through the end of 2018 as this space is expected to be absorbed fairly quickly due to the high demand of industrial space in the market.
- The ability to attract a tenant before the completion of the 227,000-square-foot speculative building at 5400 Beck Drive could positively influence additional spec development in the next 12 to 18 months.

2ND QUARTER NOTABLE TRANSACTIONS

LEASES

Property/Address	SF	Type	Tenant
2910 Industrial Pkwy., Elkhart	48,000	New	Undisclosed
1700 Lusher Ave., Elkhart	40,045	New	Undisclosed

SALE

Property/Address	SF	Sale Price	Buyer
19224 County Road 8, Bristol	94,000	\$100,000	N/A

CONSTRUCTION PROJECTS

Project	Industrial (SF)	Status	Completion
Elkhart County SPEC; 5400 Beck Dr., Elkhart	227,000	Under Construction	Q3 '18
Grand Design RV; 11333 County Road 2, Middlebury	220,000	Completed	Q2 '18
Lippert Manufacturing Plant ; 3152 Skyview Rd., Goshen	107,000	Under Construction	2019
FM Construction; 2910 Industrial Pkwy., Elkhart	48,000	Completed & Leased	Q2 '18
NIBCO, Inc.; 1516 Middlebury St., Elkhart	45,000	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.