



FEATURED LISTING:
425 PARK PLACE CT., MISHAWAKA, IN
 • Class A brick building construction
 • Tenant mix includes professional offices and medical practices
 • Professional on-site management
 • **FOR LEASE: \$21.00 PSF MG**
 • Contact: John Jessen | 574.968.9270
 Gage Hudak | 574.855.5706

SOUTH BEND OFFICE REPORT

2017 OFFICE RECAP

Major movements and several new projects materialized in the office market in 2017. In the Edison Lakes submarket, Lippert Components purchased the 120,000-square-foot former Mutual Bank building in Mishawaka, which they are currently renovating for their new corporate office. Additionally, after X months of construction, the 71,000-square-foot St. Joseph County VA Clinic opened in September. Located just south of the Notre Dame campus, the 38,500-square-foot Phase II of Innovation Park was completed in Q4. As for the downtown market, renovation projects helped rejuvenate office activity. TCU leased around 14,987 square feet at Jefferson Centre, Centier Bank opened an office at JMS, and a new five-story Class A office building is proposed for downtown. If the project goes through, it would be the first new office building constructed in downtown in nearly three decades. The limited availability of Class A space in downtown South Bend is creating opportunities for new construction and renovation projects in several buildings. One of the bigger stories in 2017 was Faegre Baker Daniels announcing it would vacate its 40,000-square-foot space at the Key Bank building downtown. Faegre Baker Daniels vacated the space in January 2018, making it one of the most prime office spaces available in the region.

Q1 MARKET UPDATE

Office activity in 2018 started off relatively stagnant, with no new construction projects announced. Much of the activity was focused on retaining tenants, and trying to lease up vacancies. At the Jefferson Centre building in downtown South Bend, the entire 8th and 4th floors became available in Q1. The current renovations underway are raising below market rents, up to market rate, making the spaces competitive for other tenants.

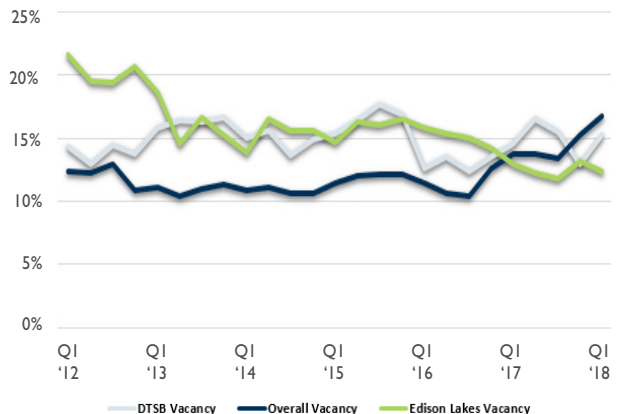
As previously announced projects advance in their plans, expect the office activity for the overall market to pick up in the coming quarters. The new office building proposed for downtown South Bend will help alleviate the tight Class A office market, and the mixed-use development from Notre Dame and Holladay Properties will bring a new element to the area surrounding the northwest side of the University of Notre Dame.

MARKET INDICATORS

	Overall Market		
	Q1 '18	Q1 '17	12 Mo. Forecast
Inventory	6.7 M	6.4M	+
Vacancy	16.8%	13.8%	=

	Q1 2018 Average Asking Rates		
	Market	DTSB	Edison Lakes
Class A (\$/SF Gross)	\$18.82	\$18.63	\$21.50
Class A Medical (\$/SF NNN)	\$19.77	\$20.00	\$20.50

VACANCY RATE



Q1 2018 NOTABLE TRANSACTIONS

LEASE

PROPERTY/ADDRESS	SF	TENANT	TYPE
St. Joseph Medical Center 60101 Bodnar Blvd., Mishawaka	18,967	St. Joseph Regional Medical Center, Inc.	Renewal
Parkview Atrium 300 S. St. Louis Blvd., South Bend	8,000	Family and Children's Center Counseling and Development Services	New
3454 Douglas Rd., South Bend	6,349	BMI Audit Services, LLC	New

PROJECTS UPDATES

PROJECT	OFFICE (SF)	STATUS	COMPLETION
Innovation Park Phase II 1400 Angela Blvd., South Bend	38,500	Complete	Q1 '18
River Park Leasing Corp. SWC Main & Jefferson, South Bend	N/A	Planned	N/A
Notre Dame & Holladay Properties NEC IN-933 & Douglas Rd., South Bend	N/A	Planned	N/A

PROVIDED BY

BROKERAGE



John Jessen
jjessen@bradleyco.com
574.968.9270



Gage Hudak
ghudak@bradleyco.com
574.855.5706

RESEARCH

Steven Heatherly
sheatherly@bradleyco.com | 574.855.5710

Brenden McGann
bmcgann@bradleyco.com | 574.968.9276

DESIGN

Kylie Curtis
kcurtis@bradleyco.com | 574.968.5525

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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.